

# LeadingAsia

ANNUAL REPORT 2012



## 16%

**Return on Equity**  
Ahead of Target

**Rising Regional  
Contribution**

30% International Profit Contribution

**On Track with  
Maybank's 2015  
Strategic Objectives**

## Building Strength

## Across

## Southeast Asia

Presence in 10 Southeast Asian countries



# Leading

**WE'RE LEADING ASIA** in more ways than one. With a presence in 10 Southeast Asian countries and expansion of our business footprint across the region, we have accelerated our momentum across Asia and we're confident of our role in contributing to Asia's prosperity and sustainability. We offer consistent service with seamless banking and a wider spectrum of value-added services. We provide our customers with easy access to financial services, fair terms and pricing and advise them on their financial needs. At the same time, we remain committed to being at the heart of the communities we serve.

**AS ASIA CONTINUES** to grow in spite of a challenging world economy, we remain committed to its people and its diverse communities. In the spirit of Maybank, we continue to humanise financial services and provide enhanced value in the diversity of our products and services.

**OVER 2,200  
OFFICES**

**20  
COUNTRIES**

**47,000  
MAYBANKERS**

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# ASIA

TOTAL ASSETS

**RM495  
BILLION**

NET PROFIT

**RM5.74  
BILLION**

**22**

**MILLION CUSTOMERS**

MARKET  
CAPITALISATION

**RM77  
BILLION**



# CONTENTS

## AT A GLANCE

- 4 Highlights of 2012
- 6 Our Home Markets

## OUR PERSPECTIVE

- 8 Chairman's Statement
- 9 President & CEO's Statement

## WHO WE ARE

- 18 Vision, Mission and Core Values
- 19 Code of Ethics and Conduct
- 20 Corporate Profile & Global Network
- 22 Key Business Entities
- 24 History, Innovation & Leadership
- 28 Group Corporate Structure
- 29 Group Organisation Structure

## OUR STRATEGY & ACHIEVEMENTS

- 32 Our Strategy
- 40 Key Performance Indicators
- 42 Maybank Share
- 48 Maybank in the News
- 50 Event Highlights
- 66 Awards & Recognition

## OUR PERFORMANCE

- 68 Five-Year Group Financial Summary
- 70 Simplified Group Statements of Financial Position
- 71 Group Quarterly Financial Performance
- 72 Key Interest Bearing Assets and Liabilities
- 73 Statement of Value Added
- 74 Segmental Information

## BUSINESS REVIEW

- 78 Group Financial Review
- 88 Economic & Banking Industry Review
- 91 Business Review: Overview
- 92 Community Financial Services
- 100 Global Banking
- 104 Investment Banking
- 118 International Operations
- 122 Singapore
- 124 Indonesia
- 126 Philippines
- 127 Greater China
- 128 Indochina
- 129 Other Overseas Units
- 130 Insurance & Takaful
- 138 Islamic Banking
- 141 Shariah Committee
- 142 Group Human Capital
- 150 Enterprise Transformation Services

## OUR LEADERSHIP

- 172 Board of Directors
- 174 Board of Directors Profile
- 182 Group Executive Committee



**Our  
Perspective**  
**8**



**Our  
Strategy**  
**32**

# 53<sup>rd</sup>

## ANNUAL GENERAL MEETING OF MALAYAN BANKING BERHAD

SIME DARBY CONVENTION CENTRE • GRAND BALLROOM, LEVEL 1  
1A Jalan Bukit Kiara 1 • 60000 Kuala Lumpur, Malaysia

Thursday : 28 March 2012 at 10.00am

*Refer to pages 242 to 246 for Annual General Meeting Information and Financial Calendar.*

### OUR RESPONSIBILITY

- 158 Corporate Responsibility
- 167 Investor Relations

### CORPORATE GOVERNANCE

- 192 Statement on Corporate Governance
- 213 Statement on Internal Control
- 216 Audit Committee Report
- 221 Risk Management
- 229 Anti-Money Laundering/Counter Financing of Terrorism Policy

### OTHER INFORMATION

- 230 Analysis of Shareholdings

- 232 Classification of Shareholders
- 233 Change in Share Capital
- 236 Properties Owned by Maybank Group
- 237 List of Top 10 Properties Owned by Maybank Group
- 238 Corporate Information
- 239 Group Directory

### AGM INFORMATION

- 242 Notice of the 53rd Annual General Meeting
- 245 Statement Accompanying Notice of the 53rd Annual General Meeting
- 246 Financial Calendar
  - Form of Proxy



This annual report is available on the web at [www.maybank.com](http://www.maybank.com)



To contact us, please refer to page 238 for Corporate Information and page 239 for Group Directory



The financial statements are available in the Financial Statements book of the Annual Report 2012



## Our Leadership 172



## Business Review 78



## Our Responsibility 158



# HIGHLIGHTS OF 2012

## NET PROFIT

**RM5.74 billion**  
**+17.6%**

Record earnings with profit after tax and minority interest (PATAMI), growing 17.6% to RM5.74 billion on the back of sustained growth in net fund based income and fee based income, supported by improved cost efficiency.

*Refer to page 78 for Group Financial Review*

## INTERNATIONAL PBT CONTRIBUTION

**30%**  
CY2011: 23.8%

PBT from international operations surged to 30.2% from 23.8% a year earlier as international revenue grew 15.5% on the back of a 12.9% growth in Gross international loans.

*Refer to page 82 in Group Financial Review*



Maybank Kim Eng integration on track, and creating value for the Global Wholesale Banking sector (now known as Global Banking). Notable deals in 2012 included IPOs, M&As, private placements and project financing in Malaysia, Singapore, Hong Kong & Philippines.

*Refer to page 104 for Investment Banking*



We strengthened our regional presence, and are now in 10 Southeast Asian countries with the opening of offices in Myanmar and Laos in 2012 and enhanced focus in Greater China after opening our new Beijing branch.

*Refer to page 118 for International Operations*

**STRENGTHENED  
CAPITAL POSITION  
AHEAD OF  
BASEL III**

Completed a landmark equity placement of RM3.66 billion, the largest in Malaysian corporate history, to strengthen our capital position ahead of Basel III, and support the Group's operations.

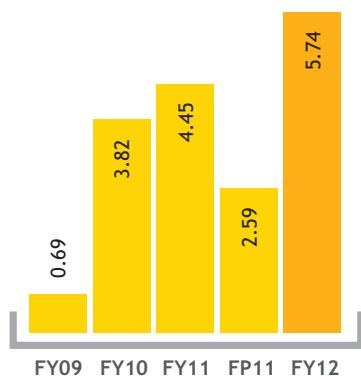
*Refer to page 85 in Group Financial Review*

### Note:

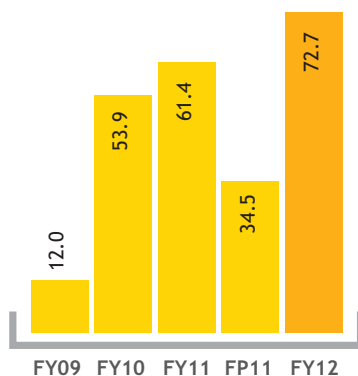
The Group has changed its financial year-end from 30 June to 31 December. Comparatives are for 12 months results beginning 1 January 2011 to 31 December 2011. The figures are unaudited, and are referred to as CY2011 in this Annual Report. Figures for FP2011 are audited results for the six-months financial period ended 31 Dec 2011 as part of the Group's transition to a December financial year end. Figures for FY2009-FY2011 are twelve-months audited figures for the financial year ended 30 June.

## FINANCIAL HIGHLIGHTS

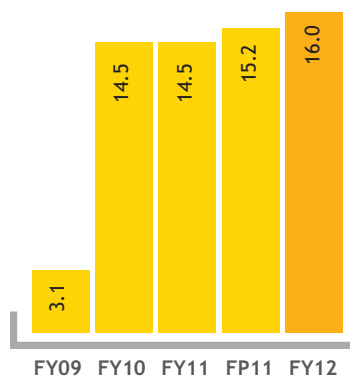
Profit Attributable to  
Equity Holders of the Bank  
**RM5.74 billion**



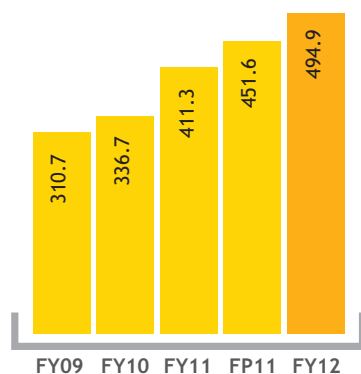
Earnings Per Share  
**72.7 sen**



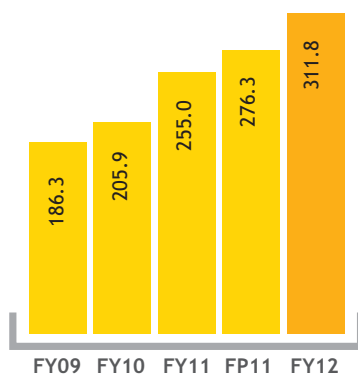
Return on Equity  
**16.0 %**



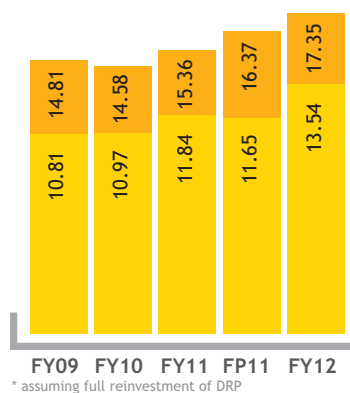
Total Assets  
**RM494.9 billion**



Loans, Advances and Financing  
**RM311.8 billion**



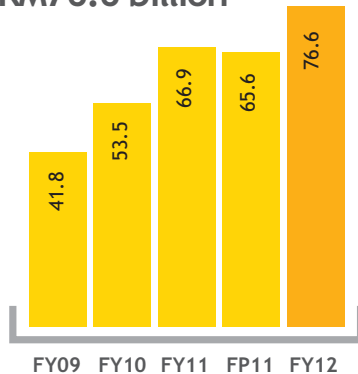
Capital Adequacy Ratio  
**RWCR: 17.35%**



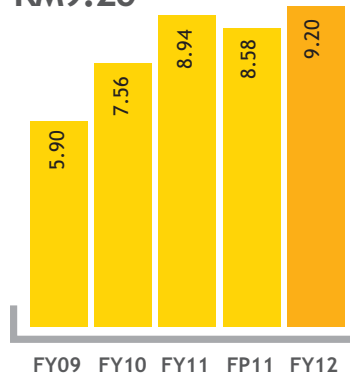
Dividend Per Share  
**65 sen**



Market Capitalisation  
**RM76.6 billion**



Share Price  
**RM9.20**



## NON-FINANCIAL HIGHLIGHTS

**Human Capital**  
**47,000** Maybankers worldwide

**Global Network**  
**2,200** offices **20** countries

**Customers**  
**22 million** worldwide

# our HOME markets



In 2012, our three home markets in Malaysia, Singapore and Indonesia contributed 91.2% of total Group PBT on the back of strong economic fundamentals and domestic growth drivers including consumer spending and infrastructure investments. In Malaysia, where we have the largest distribution network, our strategy is to lead industry growth and ensure balanced growth across all key sectors. In Singapore, our long standing presence has enabled us to form strong relationships with our clients, and our service levels are consistently recognised by the industry. In Indonesia, we are encouraged by the traction that we see arising from the ongoing transformation programme, and as we expand our distribution network, we seek to grow in line with the industry. Our growth, however, will continue to be predicated on being able to grow profitably and responsibly, and to be able to conduct our activities in line with our mission of humanising financial services.

## MALAYSIA

Malaysia remains the core domestic market for the Maybank Group, with 63.3% of Group gross loans originating from this market and contributing 69.8% of Group PBT. The domestic loan portfolio is well balanced between consumer and non-consumer segments. As at end 2012, 54% of the domestic portfolio comprised consumer loans, while corporate loans made up 32% and the remaining 14% were SME and Business Banking loans.

Our leading position in the overall loans and deposits markets is supported by a sizeable domestic franchise made up of 26,473 employees, 401 branches and over 4,700 self service terminals and mobile banking services.

In 2012, we achieved many milestones. We ranked first on the domestic league tables for M&As and ranked second for domestic bonds. We also retained our lead in the Islamic banking market, with Islamic loans contribution to total domestic loans up from 26.1% in 2010 to 30.6% in 2012. For 2013, we expect GDP to remain strong at above 5.0% on the back of sustained demand and strong investment. Given this stable economic growth, we expect industry loans to grow 10%-11% in 2013.

Maybank loans growth target for Malaysia: **12%**

Financial	
Total Assets	RM355.3 billion
Total Loans	RM199.8 billion
Total Deposits	RM227.3 billion
Contribution to Group PBT	69.8%
Ratios	
Consumer/Business loans ratio	54:46
Operations	
Branches	401
Staff strength	26,473





## SINGAPORE

Maybank operates one of Singapore's largest foreign banking networks, with 22 full service branches and five offsite ATMs.

Despite more challenging market conditions in 2012, our operations in Singapore continued to deliver profitable growth on the back of a 10.5% growth in loans. The loan portfolio was made up of 35% consumer loans and 65% commercial loans.

With the presence of Maybank Kim Eng, we are optimistic about the future growth potential. We are also keen to further expand Islamic financing in Singapore and will introduce Shariah-compliant retail financing and treasury solutions.

For 2013 we expect GDP to strengthen to an estimated 3.0% as external demand improves. Interest rates are expected to remain low, and inflation to ease. On the back of this outlook, the industry loan growth forecast is 9%-11%.

## INDONESIA

Since the acquisition of Bank Internasional Indonesia (BII) in 2008, our operations in Indonesia have progressed on the back of various transformation initiatives. In 2012, Indonesia's PBT increased to Rp1.68 trillion. Indonesia's contribution now makes up 7.0% of total Group PBT and asset quality continues to improve. Despite intense market competition, loans in Indonesia grew 21% from the previous year, while deposits grew 22%. Loans and deposits growth was supported by an improving franchise which includes 415 branches and 1,317 ATMs and CDMs.

Going forward, the Group remains focused on developing its business capabilities in Indonesia, including consumer and wholesale banking financial services. Islamic financing will also be a focus area. For 2013, Indonesia's GDP growth is expected to be above 6.0% supported by improving macroeconomics, social developments and infrastructure investments. System loans growth is expected to come in at 18%-20%.

Maybank loans growth target for Singapore: **11%** Maybank loans growth target for Indonesia: **22%**

SGD430.0 billion  
SGD27.2 billion  
SGD29.9 billion  
14.4%

35:65

22  
1,492

Rp115.9 trillion  
Rp81.1 trillion  
Rp86.1 trillion  
7.0%

37:64

415  
12,351



“ IN 2012, PATAMI GREW TO RM5.74 BILLION, AND RETURN ON EQUITY ONCE AGAIN EXCEEDED OUR HEADLINE TARGET OF 15.6%, COMING IN AT 16.0%.

”

Tan Sri Dato' Megat Zaharuddin  
Megat Mohd Nor

# CHAIRMAN'S

statement

DEAR SHAREHOLDERS,

When we read about the pursuit of leadership and excellence, for example in sports, a word we often come across is 'focus'. While the dark clouds of economic dejection loom over Europe and the US, Maybank's focus is on its chosen region - Southeast Asia - where it offers an exceptionally diversified portfolio covering all aspects of financial services. And it is this diversity that has led to strong, double-digit growth in Profit After Tax and Minority Interest (PATAMI) for the third year running.

In 2012 - Maybank's first complete year since we changed our financial year end from 30 June to 31 December - PATAMI grew to RM5.74 billion, and Return On Equity (ROE) once again exceeded our headline target of 15.6%, coming in at 16.0%.

“

**OUR MISSION TO HUMANISE FINANCIAL SERVICES ACROSS ASIA IS NOW ACTING AS A UNIFYING FORCE ACROSS THE GROUP, UNLOCKING THE PASSION AND COMMITMENT OF MAYBANKERS TO GO ABOVE AND BEYOND THE EXPECTATIONS OF CUSTOMERS AND STAKEHOLDERS.”**

With the entire Group staff highly energised, Maybank's transformation journey continued with further improvements in capability building and operational efficiency. The regionwide investments we are making in IT Transformation Programme are modernising and rationalising our infrastructure everywhere we operate. Coupled with this, the Group's efforts to consolidate our corporate culture are enabling an ever greater leveraging of synergies, for example between Islamic Banking, commercial and investment banking and bancassurance.

Our mission to humanise financial services across Asia is now acting as a unifying force across the Group, unlocking the passion and commitment of Maybankers to go above and beyond the expectations of customers and stakeholders. Meanwhile, increased cross-national assignments of staff have led to a more demonstrable agility in grasping opportunities. This is vitally important as the business community in our economically fast growing region is also practising greater intra-regional collaboration.

In our corporate responsibility activities, too, our approach is now increasingly regional. Throughout Southeast Asia, we are championing sustainable business practices, especially in the areas of close community engagement, environmental conservation and good marketplace ethics. Through a meaningful range of corporate responsibility programmes, our aim is to grow in tandem with our communities everywhere we operate, and to earn a reputation for being the “Bank with a Heart”.

In 2012 the Maybank Foundation reaffirmed its commitment to wellness by making liver function its primary regional health cause. The Foundation will continue supporting initiatives that work towards making affordable, high quality special healthcare a feasible aspiration for communities, while education, sports and arts will also remain key priorities.

To Maybank's stewards - both management and staff - winning recognition is always a mark of progress. In 2012, reaching the top spot as Malaysia's Most Valuable Brand and being acknowledged as the most Preferred Employer in the Finance & Banking Category for the second year running were sure signs that we are moving in the right direction.

We are proposing a final net dividend of 28.5 sen per share, amounting to RM2.4 billion, bringing the total payout in 2012 to RM4.29 billion, or 74.7% net dividend payout ratio.

On behalf of the Board, I would like to thank our various stakeholders for the support you gave during the year. We are also especially grateful to our shareholders who continued to participate in our dividend reinvestment plans, and thereby demonstrated their faith in the Group's determination to build its capital base not just to comply with Basel III regulations but to strengthen the foundations for future growth.



**TAN SRI DATO' MEGAT ZAHARUDDIN MEGAT MOHD NOR**  
Chairman

## DEAR SHAREHOLDERS,

2012 was a great year for Maybank. We raised the bar Groupwide, posting a record net profit, expanding our regional reach, strengthening our fundamentals, and further embedding a service ethos driven by our core values.

Maybank is now the most valuable company listed on Bursa Malaysia with a market capitalisation of RM77 billion (or USD25 billion); and one of the top banking groups in Southeast Asia with total assets of RM495 billion (more than USD150 billion).

### DELIVERING RESULTS

In turbulent global economic conditions, we delivered healthy growth. PATAMI rose 17.6% year-on-year to a new high of RM5.74 billion and nearly all our business sectors both at home and abroad reported higher revenue growth than in 2011.

Overseas profit before tax (PBT) generated 30% of the Group total, demonstrating the success of our international expansion. Maybank Singapore's PBT crossed the RM1.0 billion mark, and Indonesia's BII's PBT hit RM526 million.

Meanwhile, Maybank Islamic kept its lead in the Malaysian market, with PBT surging 24.9% to RM1.19 billion, and financing advancing 18.3% to RM62.0 billion.

Dato' Sri Abdul Wahid Omar

# PRESIDENT

## & CEO's statement



Group loans grew 12.2%, with domestic loans also climbing 11.8% - above the industry. There was good news about asset quality too. Our Net Impaired Loans ratio dropped to 1.09% from 1.86% in 2011, and Loan Loss Coverage improved to 105.6%.

To minimise compression in Net Interest Margin (NIM) we chose a more conservative growth plan. The strategy paid off. Although our 12.9% total financial assets growth was slightly below the target of 15.2%, our NIM stabilised at 2.41%.

In 2012, we achieved a 16.0% ROE, surpassing our target of 15.6% and providing excellent shareholder value creation. Our shareholders' funds of RM42.2 billion and capital adequacy ratio of 17.2% (assuming 85% reinvestment rate) are among the highest in Malaysia and, all in all, the Group's fundamentals are thoroughly robust.

**“GROUP LOANS GREW 12.2%, WITH DOMESTIC LOANS ALSO CLIMBING 11.8% - ABOVE THE INDUSTRY. THERE WAS GOOD NEWS ABOUT ASSET QUALITY TOO. OUR NET IMPAIRED LOANS RATIO DROPPED TO 1.09% FROM 1.86% IN 2011, AND LOAN LOSS COVERAGE IMPROVED TO 105.6%.”**

## TRANSFORMING THE BUSINESS

The past years' record-breaking results underline the success of our transformation journey. In 2010 we restructured the Group into three pillars to form the new “House of Maybank”: Community Financial Services (CFS), Global Wholesale Banking (now known as Global Banking - GB) and Insurance and Takaful. Our transformation initiatives have empowered collaboration both between sectors and across the region, and we are now maximising resources to deliver exceptional customer value. What is more, as synergies develop across the Group, I see the impetus of our transformation intensifying.

In 2012 we scaled up our efforts to humanise financial services across Asia and to differentiate ourselves from our competitors. We focused especially on three areas:

### Providing People with Access to Financing

Everywhere we operate we are strengthening our distribution capabilities, especially enhancing the branch experience for customers. In 2012, I am delighted to report that this earned us recognition as Malaysia's Most Valuable Brand by the Association of Accredited Advertising Agents of Malaysia. Meanwhile, we developed our presence across Southeast Asia with local incorporation in Cambodia and new offices in Myanmar and Laos. We also established a second branch in China.

### Fair Terms and Pricing, and Advising Customers Based on their Needs

We invested in infrastructure and skill-sets that enable us to serve our clients more effectively. We are rapidly evolving to cater to the needs of our regional clients, and our branches are becoming more efficient as we improve front-end capabilities and enhance staff knowledge - especially in core operational and product areas.



# PRESIDENT & CEO'S STATEMENT

## Being at the Heart of the Community

In 2012, we issued a global-wide challenge to our employees to come up with an original and creative initiative that would make a positive difference in the lives of their chosen community. Thousands of Maybankers exemplified our corporate responsibility values by leading a host of community and environmental programmes. I am proud to say that our Maybankers went above and beyond what was expected of them.

## ACHIEVING OBJECTIVES

In line with our vision of being the regional financial services leader by 2015, we made huge strides towards all of our five strategic goals during the past year.

### Strategic Objective 1

#### The Undisputed No.1 Retail Financial Services Provider in Malaysia

Community Financial Services flourished despite tough market conditions. Our market share in the consumer and household segments rose to 17.0%. Our share of total retail deposits is now 18.3%, and we lead the pack in retail Current Accounts & Savings Accounts and the Fixed Deposits segment - a testament to the strength of our network. I am very optimistic that our transformation initiatives will put us further ahead by 2015.

### Strategic Objective 2

#### The Leading ASEAN Wholesale Bank

Working across ASEAN to fulfil complex client needs, GB did a string of impressive domestic and regional deals. These included IPOs, mergers & acquisitions, private placements and project financing. These successes are a clear reflection of GB's highly effective collaboration with colleagues in Client Coverage and Maybank Kim Eng.

## Maybank's Position in Malaysian League Tables

	2012				2011		Movement of Ranking
	Industry Rank by Value	Market Share	Total Value (RM bil)	Deals/ Issues	Industry Rank by Value	Market Share	
M&A <sup>1</sup>	1	36.5%	46.6	30	2	34.6%	+11
Equity & Rights Offerings <sup>1</sup>	2	19.7%	6.2	11	2	15.9%	0
Debt Markets - Malaysia Domestic Bonds <sup>1</sup>	2	25.6%	30.2	170	2	27.1%	0
Debt Markets - Malaysia Ringgit Islamic Bonds <sup>1</sup>	2	27.7%	26.5	159	2	22.2%	0
Equity Brokerage <sup>2</sup>	2	7.1%	57.6	—	5	6.5%	+3

Source: <sup>1</sup> Bloomberg <sup>2</sup> Bursa Malaysia

### Strategic Objective 3

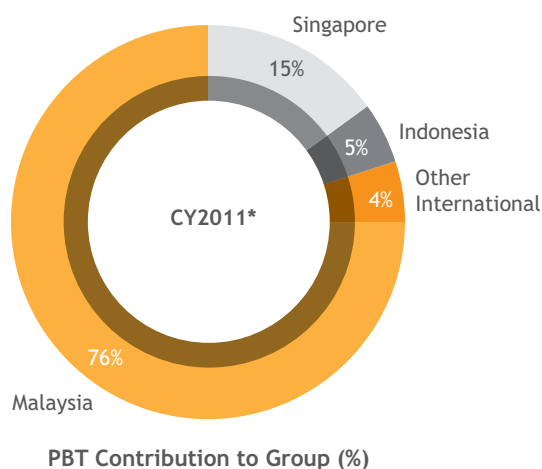
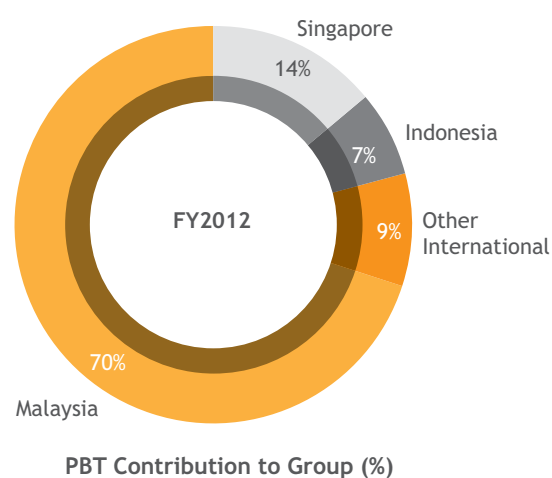
#### A Sustainable Champion for Insurance and Takaful

In line with its Vision to be the undisputed leader in Malaysia, the combined Etiqa Insurance and Etiqa Takaful entities are already leading in terms of market share for the life insurance & family takaful and general insurance & general takaful segments - a position they have maintained since 2008. In 2012, Etiqa Insurance and Etiqa Takaful exceeded the RM5.0 billion gross written premium mark for the first time.

### Strategic Objective 4

#### A Truly Regional Organisation

With a presence in all ASEAN countries, and an enhanced focus on Greater China after opening our new Beijing branch, our franchise across the region is building new momentum towards our aspirations to derive 40.0% of Group PBT from international operations by 2015. More trans-national employee assignments will drive the realisation of the synergies we know we can achieve from being more regional.



\* Unaudited

### Strategic Objective 5

#### A Global Leader in Islamic Finance

In 2012 Maybank Islamic's PBT topped RM1.0 billion for the first time. Pursuing our Islamic First strategy across our retail and corporate banking franchise has propelled Maybank Islamic to pole position in the Malaysian market. The strategy is reinforced not just by close collaboration with CFS and GB but by our Islamic Finance Centre of Excellence, which provides visionary ideas and astute advice on innovative Shariah structures.

Prospects for Islamic banking are excellent as just over 40% of ASEAN's 560 million population is Muslim and penetration is still low. In Indonesia, we are fast expanding our Islamic universal banking products and services, and in Singapore we are implementing a range of Shariah compliant retail and treasury solutions.

**OUR FRANCHISE ACROSS THE REGION IS BUILDING NEW MOMENTUM TOWARDS OUR ASPIRATIONS TO DERIVE 40.0% OF GROUP PBT FROM INTERNATIONAL OPERATIONS BY 2015**

### BOOSTING CAPITAL ADEQUACY

During the year we strengthened our capital base by raising RM3.66 billion in equity. The proactive private placement of 412 million shares (4.9%) at RM8.88 per share in September 2012 - the largest in Malaysia's corporate history - was quickly taken up by both local and foreign institutional investors, reflecting solid investor confidence in Maybank. We will use the funds to bolster our growth, especially in Indonesia, the Philippines and other regional markets.

### LOOKING AHEAD

With solid momentum generated in 2012 and positive macro economic conditions across our home markets, I am confident of another strong financial performance in 2013. But we remain prudent, too, and - given the higher capital requirements of Basel III - the Board has set a headline KPI of 15.0% ROE on the enlarged capital base.

In 2013, we will accelerate our transformation and sharpen our focus on our five strategic goals. We will strengthen our performance, manage expenses prudently, and grow profitably and responsibly. We will raise the tempo of our regional expansion and build our resources regionwide. And we will continue to leverage on our operations regionally, ensuring we remain agile in grasping opportunities.

These objectives are encapsulated in our three key strategic priorities for 2013:

#### Raising the Tempo for Regionalisation

We will harvest value from our regional initiatives. We will speed up the transformation programme in Indonesia, develop a new growth strategy in Singapore, grow our Philippines operations, and explore the feasibility of local incorporation in China. At the same time, we will increase our network and human capital in growth markets.

### Accelerating the Move to a High Performance Culture

We will step up our emphasis on training, job rotation and international assignments. We will further strengthen performance management and rigorously implement and track productivity metrics throughout the Group. We will uplift professional standards Groupwide to escalate a sense of urgency and accountability and to underscore proactive issue resolution. And we will expand risk-based pricing across key products and segments.

### Enhancing the Cost Structure


We will extend cost optimisation efforts and kick-start cost restructuring initiatives across the Group. We will forge ahead with communications and cultural change to embed a cost-conscious culture. We will enable cost savings by more frequent and automated measurements. And we will drive continuous improvements in efficiency and effectiveness through business process improvements.

## APPRECIATION

In 2012, I have seen Maybankers from across the region initiating and leading change, with teams taking responsibility for delivering results. I offer all Maybankers my thanks for the part they are playing in the transformation of the Group.

I am also profoundly grateful for the steadfast support provided during the year by members of the Board of Maybank and other entities within the Group, as well as our partners, customers and shareholders. And I deeply appreciate the guidance we received from Bank Negara Malaysia, Securities Commission Malaysia, the Monetary Authority of Singapore, Otoritas Jasa Keuangan, Bank Indonesia, Bangko Sentral ng Pilipinas and the other regulatory authorities in countries where we operate.

Thank you!



DATO' SRI ABDUL WAHID OMAR  
President & CEO



# Accelerating our momentum across Asia

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In 2012, we expanded our presence in 10 Southeast Asian countries, providing our customers greater access to reach new markets. We are continuing the expansion of our business footprint across the region to create a Pan-Asian network. We aspire to be a regional financial services leader and play a major role in Southeast Asian economies.









**VISION**  
**TO BE A REGIONAL FINANCIAL SERVICES LEADER**

**MISSION**  
**HUMANISING FINANCIAL SERVICES ACROSS ASIA**

## CORE VALUES

### Maybank Group Core Values



**Teamwork**



**Integrity**



**Growth**



**Excellence & Efficiency**



**Relationship Building**

### TEAMWORK

We work together as a team based on mutual respect and dignity

### INTEGRITY

We are honest, professional and ethical in all our dealings

### GROWTH

We are passionate about constant improvement and innovation

### EXCELLENCE & EFFICIENCY

We are committed to delivering outstanding performance and superior service

### RELATIONSHIP BUILDING

We continuously build long-term and mutually beneficial partnerships





# CODE OF ETHICS & CONDUCT

**MAYBANK, AS A CUSTODIAN OF PUBLIC FUNDS, HAS A RESPONSIBILITY TO SAFEGUARD ITS INTEGRITY AND CREDIBILITY. IT IS ON THIS UNDERSTANDING THAT THE ORGANISATION SETS OUT CLEARLY THE CODE OF ETHICS AND CONDUCT FOR ITS STAFF. THE CODE STIPULATES THE SOUND PRINCIPLES THAT WILL GUIDE ALL MAYBANK STAFF IN DISCHARGING THEIR DUTIES. IT SETS OUT THE STANDARDS OF GOOD BANKING PRACTICE.**

## **THE PURPOSE OF THE CODE IS TO:**

1. Uphold the good name of the Maybank Group and to maintain public confidence in the Maybank Group.
2. Maintain public confidence in the security and integrity of the banking system.
3. Maintain an impartial and unbiased relationship between the Maybank Group and its customers.
4. Uphold the high standards of personal integrity and professionalism of Maybank Group staff.

## **THE CODE STIPULATES THAT STAFF SHOULD NOT:**

1. Engage directly or indirectly in any business activity that competes or is in conflict with the Bank's interest.
2. Misuse or abuse their positions in the Bank for their personal benefit or for the benefit of other persons.
3. Misuse information. Staff should not copy, remove or make use of any information obtained in the course of business for the direct or indirect benefit of themselves or of any other persons.

## **IN ADDITION TO THESE, STAFF SHOULD:**

1. Ensure the integrity and accuracy of records and/or transactions.
2. Ensure fair and equitable treatment in all business dealings on behalf of the Bank.
3. Maintain the highest standard of service in their relationship with customers.
4. Maintain confidentiality of all relations and dealings between the Bank and its customers. However, confidential information concerning a customer may be given or made available to third parties only with the prior written consent of the customer or when disclosure is authorised under the Banking and Financial Institutions Act, 1989.
5. Manage their financial matters well and not subject themselves to pecuniary embarrassment.
6. Observe and comply with laws and regulations relating to the operations of the Bank.

# CORPORATE PROFILE & GLOBAL NETWORK



2,200

## OFFICES

Over 2,200 offices in 20 countries

Maybank is Southeast Asia's fourth largest bank by assets. It is listed and headquartered in Kuala Lumpur and is Malaysia's largest company by market capitalisation.

22 mil

## CUSTOMERS

47,000 employees serving over 22 million customers

The Maybank Group has a global network of over 2,200 offices in 20 countries including in all 10 ASEAN countries. The Group commenced commercial banking operations in Malaysia in 1960 and today operates from its key home markets of Malaysia, Singapore and Indonesia as well as across the Asia-Pacific region and major international financial centres. These include the Philippines, Brunei Darussalam, Cambodia, Vietnam, Laos, Thailand, Myanmar, China, Hong Kong, Papua New Guinea, Pakistan, India, Uzbekistan, Saudi Arabia, Bahrain, United Kingdom and United States of America.

77 bil

## MARKET CAPITALISATION

Market Capitalisation of RM77 billion

Having over 50 years of experience and an early presence in global banking markets, the Maybank Group offers businesses and investors the ability to tap into its resources and network to meet their financial needs. Its range of services includes corporate and consumer banking, investment banking, insurance & takaful, asset management, Islamic banking, offshore banking, stock broking, venture capital financing and much more.

495 bil

## TOTAL ASSETS

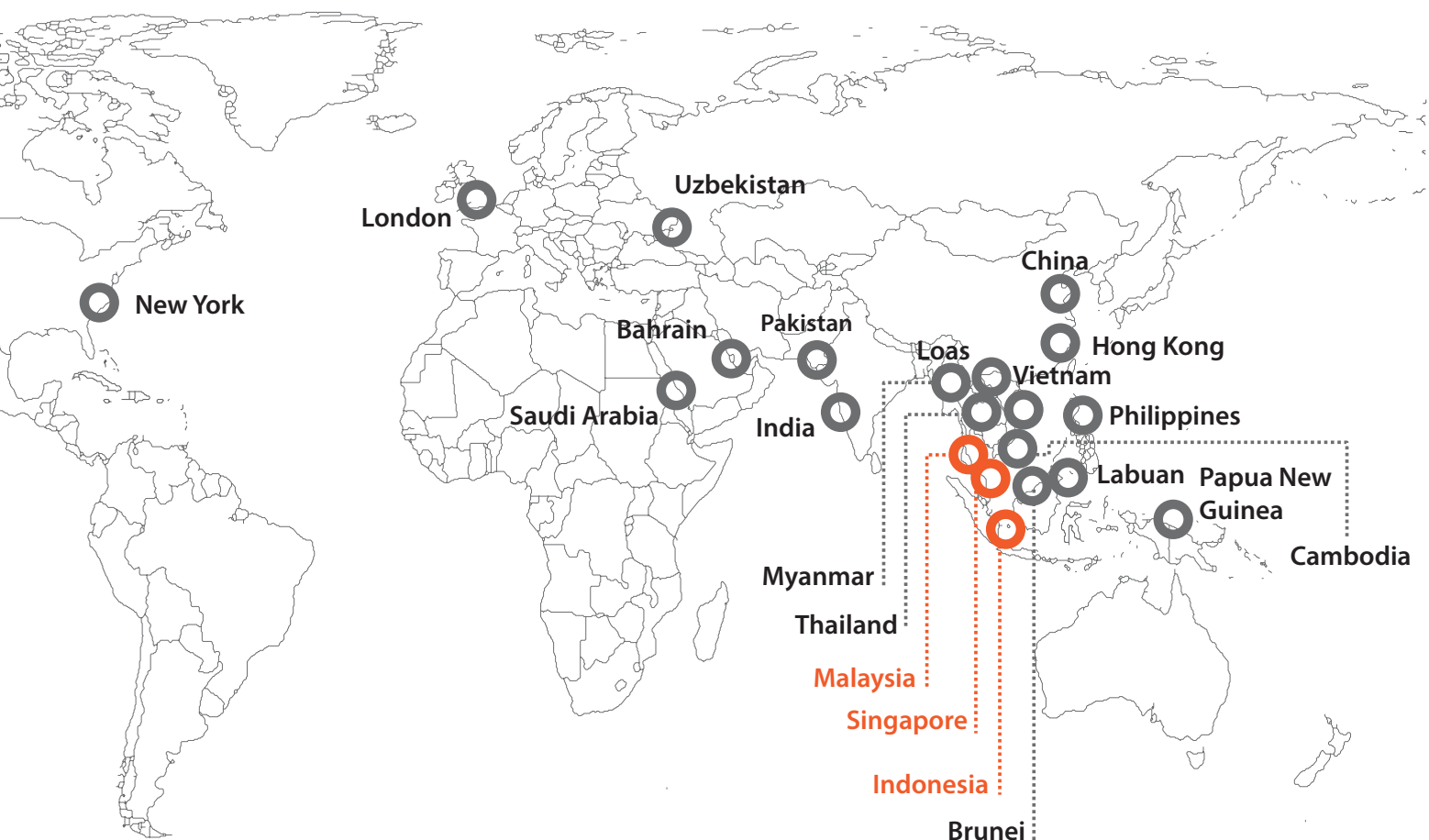
Total Assets of RM495 billion

Over the years, Maybank has consistently leveraged on technology for innovation in products and services, as well as to enhance efficiency and build a competitive edge in the region. A host of awards from various regional

5.74 bil

## NET PROFIT

Net profit for FY2012 of RM5.74 billion



- Bahrain 1 branch • Brunei 3 branches • Cambodia 12 branches • China 2 branches • Hong Kong 1 branch, 1 branch via Kim Eng • Indonesia 1 branch via Maybank Syariah Indonesia, 415 branches via 97.5% owned BII, 6 branches via Kim Eng • India 1 branch via Kim Eng • Labuan 1 branch • London 1 branch, 1 branch via Kim Eng • New York 1 branch, 1 branch via Kim Eng • Malaysia 401 branches, 4 branches via Maybank IB • Papua New Guinea 2 branches • Pakistan 1,193 branches via 20% owned MCB Bank, 4 branches via 25% owned Pak-Kuwait Takaful Company • Philippines 55 branches, 3 branches via Kim Eng • Singapore 22 branches, 4 branches via Kim Eng • Thailand 47 branches via Kim Eng • Uzbekistan 1 office via 35% owned Uzbek Leasing International • Vietnam 2 branches, 140 branches via 20% owned An Binh Bank, 7 branches via Kim Eng • Saudi Arabia 1 office via Anfaal Capital • Myanmar 1 representative office



and international organisations bear testimony to the Group's commitment to excellence. Today, Maybank is not only Malaysia's Most Valuable Brand but is also ranked first among Malaysian banks and among the top 200 global banks by The Banker magazine of UK, and is also the leading Malaysian company in the FORBES Global 2000 List.

Maybank's founding fathers envisioned that the Bank would be a prime catalyst for economic and social development wherever it served. That basic philosophy has never changed and lives on today in its mission to humanise financial services across Asia. This is demonstrated through the Group's

commitment to providing the people with access to financial services at fair terms and pricing, advising them based on their needs and always being at the heart of the community.

Through the Maybank Foundation - its vehicle for regional corporate responsibility initiatives - Maybank is today also playing an active role in shaping the future for many of Asia's needy communities. With support from its 47,000 employees who contribute through an active volunteerism programme, the impact is helping society's efforts to create a sustainable and better tomorrow for all.



# KEY BUSINESS ENTITIES



**MALAYAN BANKING BERHAD** IS THE HOLDING COMPANY AND LISTED ENTITY FOR THE MAYBANK GROUP WITH BRANCHES IN MALAYSIA, SINGAPORE AND OTHER INTERNATIONAL FINANCIAL CENTRES SUCH AS LONDON, NEW YORK, HONG KONG AND BAHRAIN.

Maybank's key overseas subsidiaries are PT Bank Internasional Indonesia Tbk (BII), Maybank Philippines Incorporated, Maybank (PNG) Ltd in Papua New Guinea and Maybank International (L) Ltd in the offshore centre of Labuan.

The major operating subsidiaries are Maybank Islamic Berhad, Maybank Investment Bank Berhad, Maybank Kim Eng Holdings Ltd and Etiqa Insurance Berhad. Maybank has associate companies in Pakistan (through 20%-owned MCB Bank) and in Vietnam (through 20%-owned An Binh Bank).

The Maybank Group Corporate Structure is on page 28.



## **MAYBANK ISLAMIC BERHAD**

Maybank Group's wholly-owned, full-fledged licensed Islamic bank. Maybank Islamic is the leading provider of Islamic financial products and services in ASEAN. Maybank Islamic leverages on the Group's infrastructure and network to offer end to end Shariah compliant financial solutions. It remains as the leader for overall market share in financing and deposits for 2012.

## **INVESTMENT BANKING**

The investment banking division of Maybank Group comprises Maybank Investment Bank Berhad and the Maybank Kim Eng Holdings Limited group of companies.



## **MAYBANK INVESTMENT BANK BERHAD**

A wholly-owned subsidiary of Maybank. Maybank IB is the Malaysian investment banking operation of Maybank Kim Eng. It offers a complete range of investment banking products and solutions including corporate finance and advisory, strategic advisory, equity markets, stock broking, debt markets, derivatives and research.



## **MAYBANK KIM ENG HOLDINGS LTD**

A wholly-owned subsidiary of Maybank. Maybank Kim Eng comprises businesses around the globe with offices in Singapore, Hong Kong, Thailand, Indonesia, the Philippines, India, Vietnam, Great Britain and the United States of America. It provides services in corporate finance, debt markets, equity capital markets, derivatives, retail and institutional securities broking and research.



#### ETIQA

Etiqua is the brand for the Maybank Group's insurance business which offers all types and classes of Life and General conventional insurance as well as Family and General Takaful plans via a robust agency force of over 22,000 agents complemented by a wide bancassurance and bancatakaful network.



#### PT BANK INTERNASIONAL INDONESIA TBK

Bank Internasional Indonesia (BII) is a 97%-owned subsidiary of Maybank. It is the ninth largest commercial bank by assets and is listed on the Indonesia Stock Exchange (Ticker: BNII). The Bank provides a full range of financial services for SME, commercial, consumer and corporate banking customers.

BII has a network that comprises 415 branches, including Syariah branches, 3 overseas branches and 1,317 ATMs including CDMs (Cash Deposit Machines). BII has total customer deposits of Rp86 trillion and Rp116 trillion in assets.

### KEY ASSOCIATES



#### MCB BANK LTD

MCB is a 20% owned associate company of Maybank. As one of the leading banks in Pakistan with more than 60 years of experience, MCB has played pivotal role in representing the country on global platforms with presence in Dubai (UAE), Bahrain, Azerbaijan, Hong Kong, Sri Lanka and serving through a domestic network of over 1,193 branches and 688 ATMs across Pakistan with a customer base of 4.7 million. MCB has a large deposit base of Rs.545 billion and total assets of Rs.770 billion.



#### AN BINH BANK

An Binh Bank is a 20% owned associate company of Maybank, which is fast becoming a leading commercial bank in Vietnam, operating under the model of universal bank with focus on retail banking. An Binh Bank has achieved outstanding growth over the last 5 years, maturing from a rural bank to an urban bank. It has an extensive network of 140 transaction offices located in 29 provinces nationwide.

# HISTORY, INNOVATION & LEADERSHIP

Maybank has recorded numerous milestones since commencing operations in 1960. These bear testimony to our unwavering commitment to innovation and excellence, helping us grow into one of Southeast Asia's leading banking groups today.

## 1960

- > Maybank is incorporated on May 31 and begins operations in Kuala Lumpur on September 12.
- > Malayan Finance Corporation (later Mayban Finance) is established, the first wholly bank-owned finance company.
- > Maybank's first overseas branch opens in Brunei Darussalam.
- > Branches are opened in Singapore.

## 1962

- > The Hong Kong branch opens on February 12, followed by a branch in London on September 12.
- > On February 17, Maybank lists on the Kuala Lumpur Stock Exchange.

## 1973

- > In September, Maybank sets up its investment banking arm — Asian and Euro-American Merchant Bankers Bhd (Aseambankers). The bank is renamed Maybank Investment Bank in 2009.

## 1974

- > First to introduce a rural credit scheme in 1974.

## 1976

- > First to introduce mobile bus banking services in 1976.

## 1977

- > In June, Mayban-Phoenix Assurance Bhd - with the Bank holding 70% equity - is incorporated offering underwriting general insurance risks. The remaining 30% is held by British Phoenix Assurance. On October 10, 1986, Mayban-Phoenix Assurance is renamed Mayban Assurance.

## 1978

- > Pioneer in computerisation of banking operations in Malaysia in 1978.

## 1980

- > Maybank launches its first credit card — the Maybank Visa Classic card.

## 1981

- > First Malaysian bank to set up ATMs in Malaysia.

## 1983

- > Prime Minister Dato Seri Dr Mahathir Mohamad lays the foundation stone of Menara Maybank - Maybank's headquarters - in September.

## 1984

- > Maybank's New York branch opens in September.

## 1986

- > Maybank introduces the nation's first integrated and largest ATM network — Automated Banking Consortium or ABC linking Kwong Yik Bank, Mayban Finance and Maybank in Malaysia and Singapore, a total of 296 ATMs.

## 1988

- > Balai Seni Maybank and the Maybank Numismatic Museum are officially opened by Tan Sri Dato' Jaffar Hussein, Governor of Bank Negara Malaysia. Official opening of Menara Maybank in June 1988 by the Prime Minister.
- > First financial institution to introduce payment for new IPOs through ATMs.

## 1990

- > Maybank sets up an offshore bank in Labuan International Offshore Financial Centre.

## 1992

- > In January, Mayban Securities is formed.
- > Maybank Autophone is launched, making it the first local bank to offer a computerised telephone service.

## 1993

- > Mayban Ventures begins operations.
- > Aseam Leasing and Credit Bhd is incorporated, offering leasing and hire purchase activities.

## 1994

- > Maybank (PNG) Ltd opens for business in Port Moresby in October, with a second branch opened in Lae in 1997.
- > Prime Minister Dato Seri Dr Mahathir Mohamad officially launches joint venture with PT Bank Nusa Internasional of Indonesia.

## 1996

- > In March, the Hanoi branch and a representative office in Ho Chi Minh City are officially opened. In October 2005 Ho Chi Minh City becomes an official branch making it the second branch in Vietnam.
- > Pioneer in bancassurance in South East Asia.
- > Maybank sells Kwong Yik Bank to Rashid Hussain Berhad in December.

## 1997

- > First to offer the convenience of ticket-less travel for domestic flights on MAS through MAS Electronic Ticketing (MASET) in 1997.
- > Maybank acquires a 60% stake in PNB-Republic Bank of the Philippines, and renames it Maybank Philippines Inc.

## 2000

- > First to introduce View & Pay service in Malaysia using credit card and direct debit via Internet with Mesiniaga Bhd.
- > First in Malaysia and South East Asia to offer common ATM and over-the-counter services in Malaysia, Singapore, Brunei and the Philippines.
- > First Malaysian bank to open a branch in Shanghai, People's Republic of China.

- > Maybank launches Maybank2u.com in June, making it the first bank in Malaysia to introduce Internet banking services.
- > Maybank acquires Pacific Bank Bhd and Phileo Allied Bank Bhd. In 2001, they were merged into Maybank's operations.

## 2001

- > Maybank and Fortis International NV, one of the largest providers of integrated financial services in Europe, collaborate to set up Mayban Fortis Holdings Bhd in a 70:30 partnership.
- > Maybank Tower, the new headquarters of Maybank Singapore, is officially opened.
- > Deputy Prime Minister Dato' Seri Abdullah Ahmad Badawi launches Dataran Maybank in Kuala Lumpur.

## 2002

- > Mayban Takaful commences operations, making it the first Takaful company owned by a conventional bank in Malaysia.

### 2003

- > First to launch an Internet banking kiosk, in Malaysia, called Maybank2u.com Internet Kiosk.
- > Maybank officially launches its Bahrain branch, the first Malaysian bank to operate there.

### 2004

- > First local bank to introduce e-Dividend via Maybank2e, a comprehensive dividend payment system through the Bank's enterprise cash management system, Maybank2e.net.
- > The entire operations and business of Mayban Finance Bhd is vested into Maybank.

### 2005

- > Acquisition of Malaysia National Insurance Bhd, Malaysia's largest national insurer and its subsidiary, Takaful Nasional Sdn Bhd, Malaysia's premier Takaful provider.

### 2006

- > First to offer online mobile banking via SMS followed by M2U Mobile Services using GPRS/3G phones in 2006.
- > Maybank becomes the sole issuer and manager of the American Express charge card and merchant acquiring businesses in Malaysia.
- > First Malaysian bank to provide over-the-counter cash withdrawal services in its offices in Malaysia, Singapore, Brunei Darussalam and the Philippines, called Region Link.

- > Maybank began title sponsorship of the Maybank Malaysian Golf Open for a five year period. This sponsorship was later renewed for another five years beginning 2011.

### 2007

- > First to introduce the structured commodity financing solution for business customers.
- > First to launch complete mobile money service in Malaysia with Maxis.
- > Maybank Group launches Etiqa, the new brand name for its conventional and takaful businesses under Mayban Fortis Holdings.

### 2008

- > First to launch Malaysia's dual purpose Bankcard in partnership with Visa International in 2008.
- > Malaysia's Most Valuable Brand in 2008 & 2007.
- > Maybank establishes its Islamic banking subsidiary, Maybank Islamic Berhad.
- > Maybank acquires stakes in PT Bank Internasional Indonesia, An Binh Bank of Vietnam and MCB Bank Ltd of Pakistan.

### 2009

- > First to launch online facility for making additional investments in ASB units with PNB.
- > Maybank launches the country's first wireless (mobile) payment terminal facility to accept credit or debit payment at the point of delivery with Pizza Hut.

- > Partnered with Maxis, Nokia, Touch n Go and Visa, to launch the world's first, contactless mobile payments using near field communications (NFC) via Nokia phones.
- > Maybank and Permodalan Nasional Berhad jointly launch Malaysia's first-ever service for making additional investments in ASB units via Internet banking.
- > Maybank successfully completes a RM6 billion rights issue - the largest in Malaysian corporate history.

### 2010

- > First public listed company on Bursa Malaysia to announce a dividend reinvestment plan.
- > First Malaysian bank to achieve more than USD100 billion in total asset size and USD1 billion in profit after tax.
- > First to launch disabled friendly banking branches for wheelchair bound users nationwide.
- > Maybank celebrates its 50th anniversary.
- > Launches TradeConnex, first local bank in Malaysia to offer a comprehensive suite of conventional trade finance products online.
- > Maybank Islamic launches Waqf, first structured community giving programme for customers by a financial institution in Malaysia.
- > Maybank Singapore launches the first Islamic financing package for SMEs in Singapore.
- > Launches Pantai American Express Credit Card, Malaysia and Asia's first co-brand credit card with a healthcare service provider.



- > PT Bank Maybank Indocorp, is converted to a full-fledged Islamic bank and renamed Maybank Syariah Indonesia.
- > Maybank Foundation is established with an initial RM50 million allocation, to spearhead the Group's Corporate Responsibility initiatives in the region.

## 2011

- > First Malaysian bank to launch an "Overseas Mortgage Loan Scheme", offering Malaysians a Ringgit mortgage loan facility for property in London.
- > Acquisition of Kim Eng Holdings Ltd, a Singapore-listed investment banking group with a strong regional platform.
- > Launches a strategic partnership via Shared Banking Services with Pos Malaysia Berhad, providing selected Maybank services at more than 400 Pos Malaysia outlets nationwide.
- > First in Malaysia to launch "Maybank 2 Cards" which provides two credit cards together to a card member with only one sign-up.
- > The first Qualifying Full Bank in Singapore to launch a Platinum Debit Card with the NETS FlashPay feature.
- > First Malaysian bank to launch eCustody, an electronic, front-end, internet-based platform offering institutional clients the flexibility of online management of their custody accounts with the Group.
- > Unveils a refreshed corporate identity which is driven by its mission to "Humanise Financial Services Across Asia."

## 2012

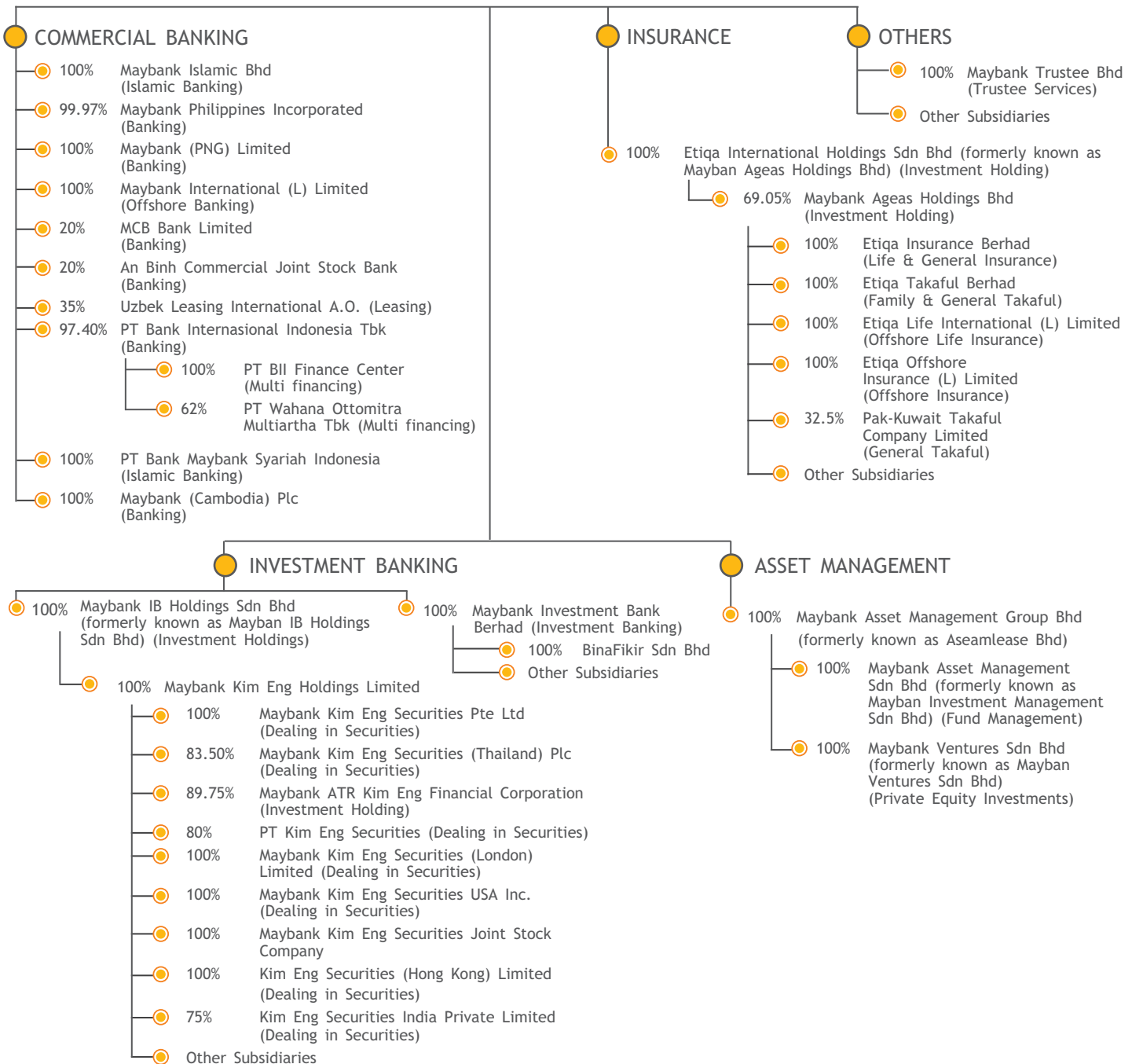
- > Maybank becomes the first local bank to simultaneously sign agreements with four banks from Myanmar to introduce Maybank Money Express (MME) remittance service to the country
- > Maybank reaffirms its long term commitment to Cambodia with the local incorporation of its operations there.
- > Maybank Foundation expands its local scholarship programme to include, for the first time, scholarships from pre-university level. The Foundation awarded full scholarships to 19 deserving students at top public and private local universities.
- > Maybank expands its network in China with a new branch in Beijing to boost its Greater China operations.
- > The Prime Minister of Malaysia officially opens Maybank's first branch in Laos, which completes the Group's footprint in all 10 ASEAN nations.
- > Maybank Singapore executes the first Islamic Profit Rate Swap on the back of a syndicated Islamic loan, establishing its capability in Islamic hedging solutions.
- > Malaysia's Most Valuable Brand.
- > Maybank announces the successful completion of a bookbuilding exercise in relation to its private placement, raising approximately RM3.66 billion (US\$1.2 billion) at a narrow discount to the market price. The private placement, ranks as the largest in Malaysia's corporate history, is well received by both domestic and foreign institutional investors.
- > Maybank Philippines Inc. launches the Maybank Credit Card in the Philippines
- > Maybank Philippines Inc. announces the move of its offices to the new Maybank Corporate Centre in Bonifacio Global City in Taguig.
- > The first bank in Singapore to introduce the Maybank Smart TV App, leveraging on the full capabilities of the Samsung Smart TV to create a truly innovative online service and engagement channel for customers and non-customers.
- > Maybank launches its enhanced Regional Cash Management platform, delivered through its state-of-the-art web-based Maybank2E platform in Singapore to tap into Asia's fast growing cash management market.
- > Maybank launches its internet banking service, Maybank2u, in Cambodia, making this award-winning service available to customers in the country.
- > Maybank expands its network in Cambodia with the opening of its 12th branch in the country, located at the Phnom Penh Special Economic Zone.

# GROUP CORPORATE STRUCTURE

as at 31 January 2013



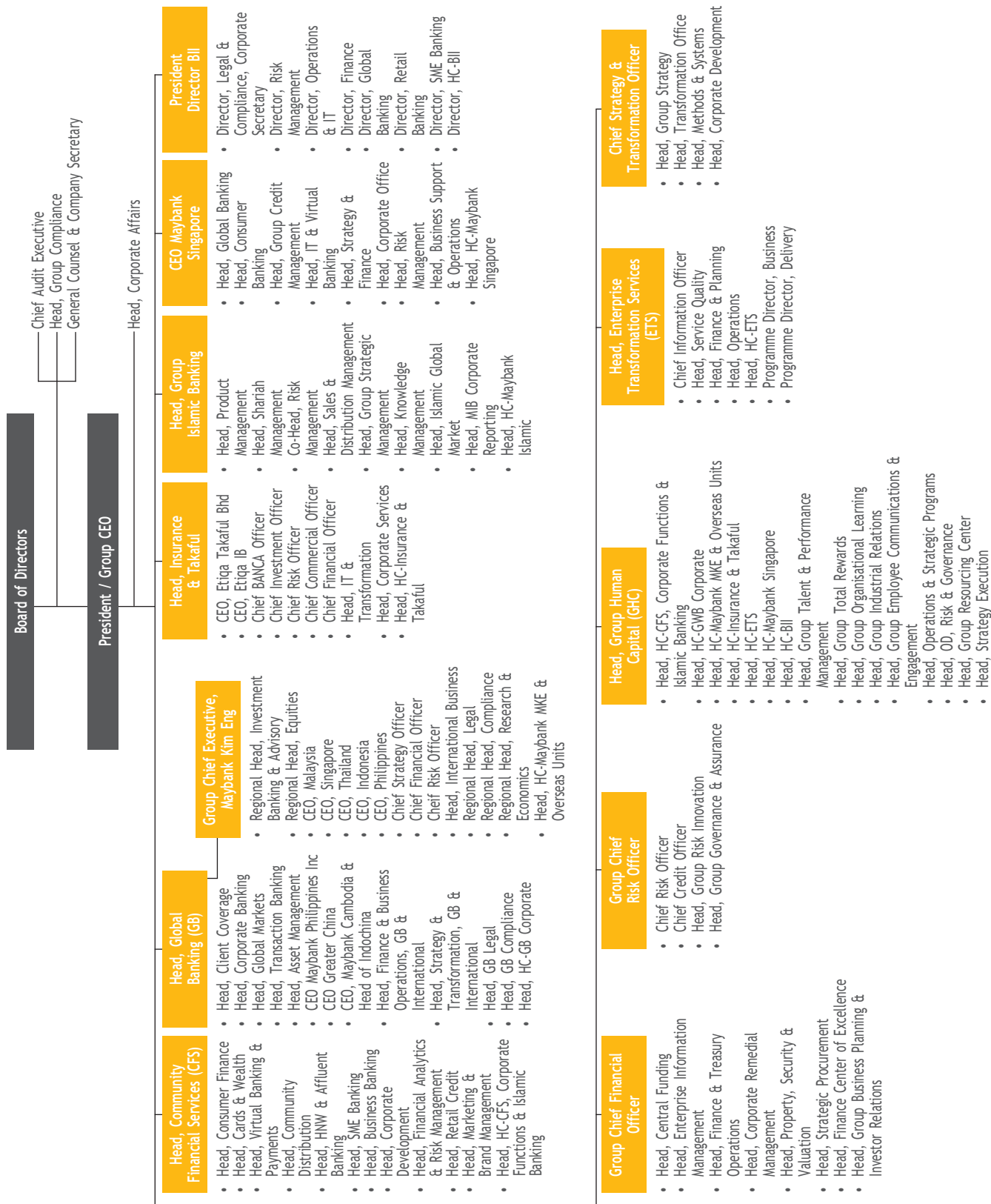
**Maybank**

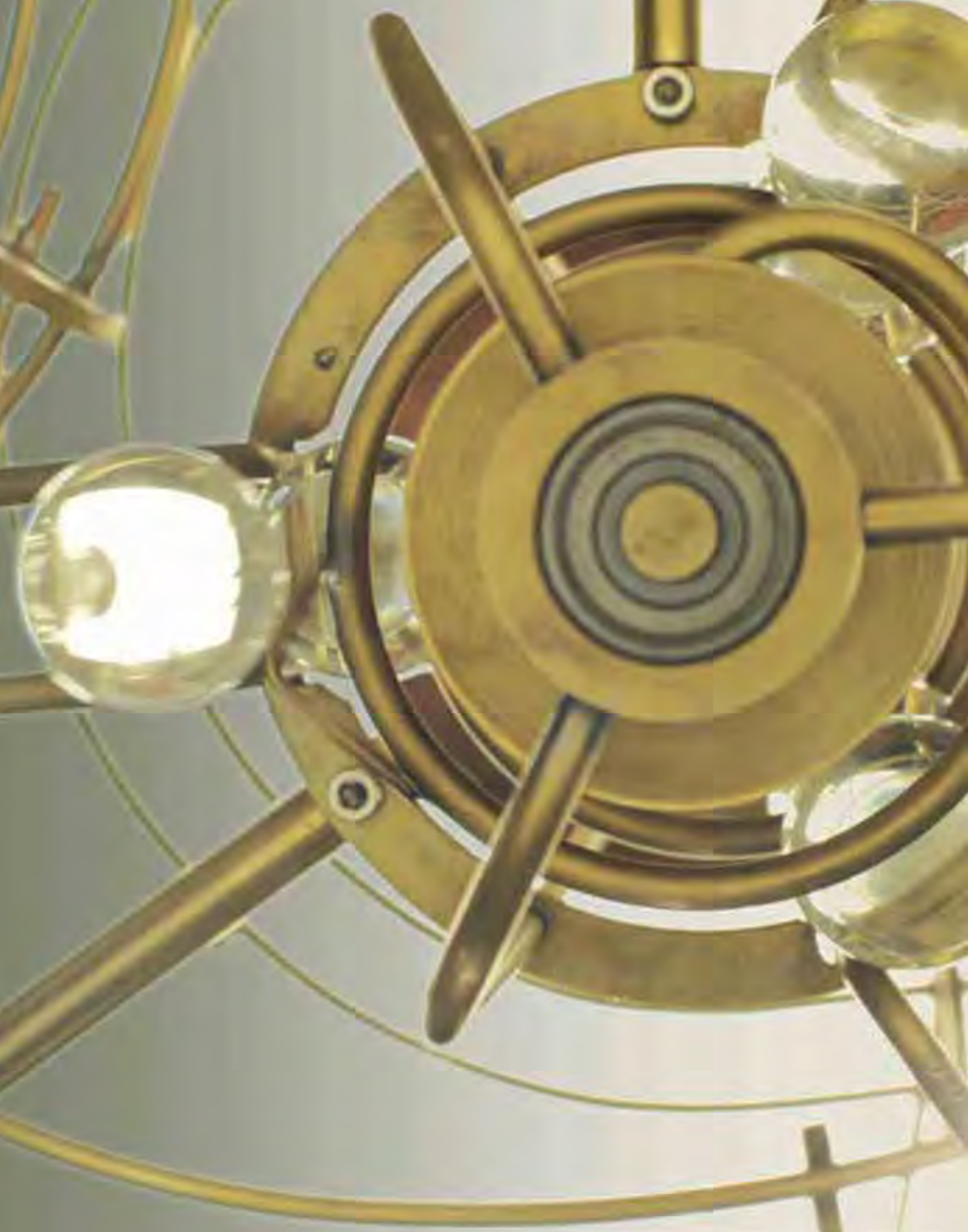


**Note:**

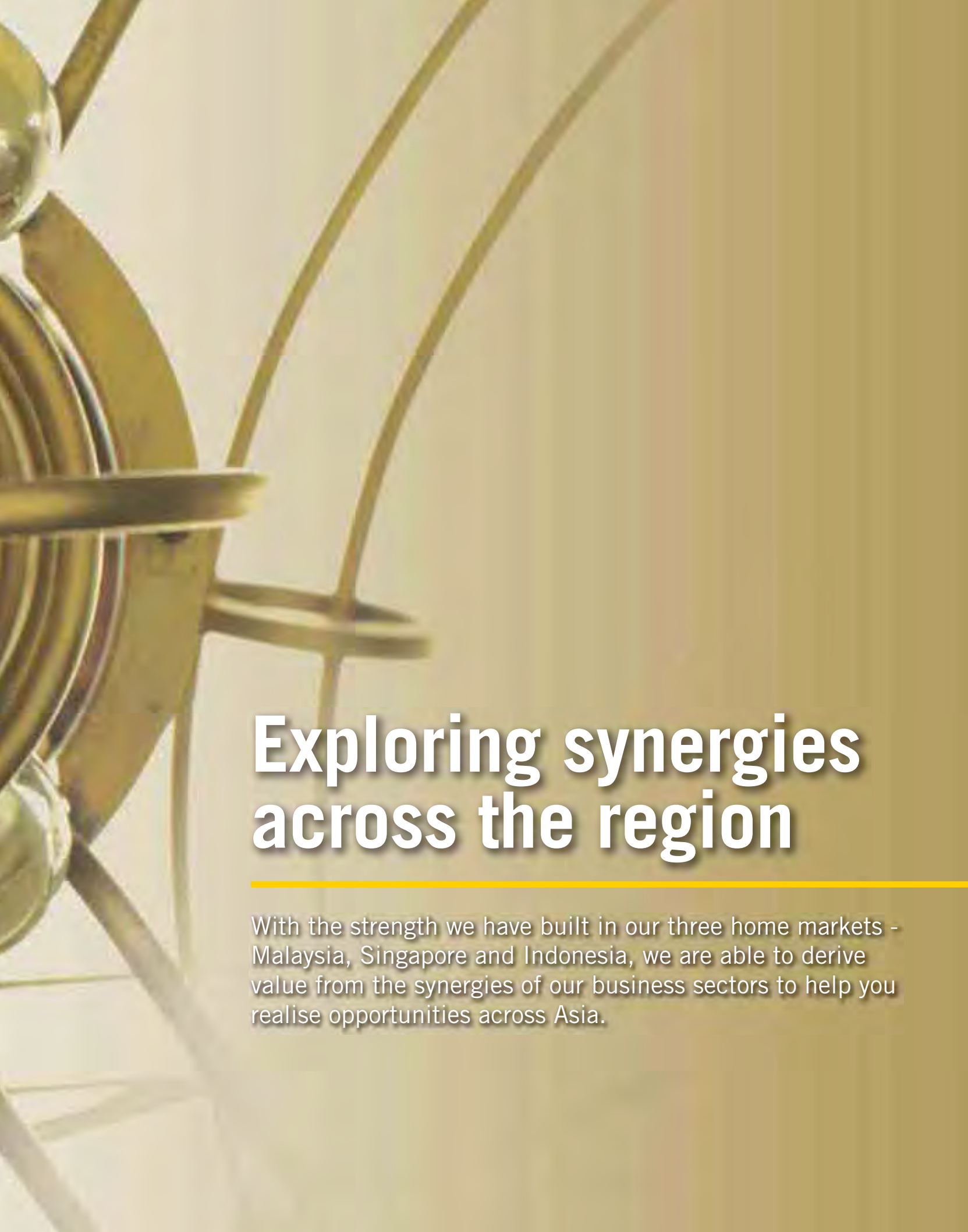
1. Where investment holding companies are omitted, shareholdings are shown as effective interest.
2. Companies that are not shown include those dormant, under member's voluntary liquidation, have ceased operations or provide nominee services.
3. Refer to note 58: Details of Subsidiaries and Associates in the Financial Statements book of the Annual Report 2012 for the complete list of Maybank subsidiaries and associate companies.

# GROUP ORGANISATION STRUCTURE









# Exploring synergies across the region

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With the strength we have built in our three home markets - Malaysia, Singapore and Indonesia, we are able to derive value from the synergies of our business sectors to help you realise opportunities across Asia.



# OUR STRATEGY

## 2015 STRATEGIC OBJECTIVES

### VISION

To Be A Regional Financial Services Leader

### MISSION

Humanising Financial Services Across Asia

1st	Undisputed No. 1 Retail Financial Services provider in Malaysia by 2015
2nd	Leading ASEAN wholesale bank, eventually expanding further into the Middle East, China and India
3rd	Undisputed Insurance & Takaful leader in Malaysia & emerging regional player
4th	Truly regional organisation, with ~40% of pre-tax profit derived from international operations by 2015
5th	Global leader in Islamic Finance



**“WE HAVE THE BENEFIT OF A CLEAR STRATEGY FOR TRANSFORMATION AND GROWTH TO SUPPORT OUR VISION OF BECOMING A LEADING REGIONAL FINANCIAL SERVICES GROUP BY 2015. AS WE CONTINUE TO DRIVE GROWTH, CREATE NEW CAPABILITIES AND BUILD NEW FRANCHISES, OUR MOTTO OF ENABLING AND ENCOURAGING A PEOPLE-OWNED TRANSFORMATION WILL HELP ENSURE SUSTAINABILITY.”**

**MICHAEL FOONG**  
Chief Strategy and Transformation Officer

- PROVIDING THE PEOPLE WITH CONVENIENT ACCESS TO FINANCING
- HAVING FAIR TERMS AND PRICING
- ADVISING CUSTOMERS BASED ON THEIR NEEDS
- BEING AT THE HEART OF THE COMMUNITY

### GROUP STRATEGY

Our Group Strategy remains focused on building Maybank as a leading regional financial services group and on delivering our promise of humanising financial services across Asia. Our unique strategy differentiates Maybank Group from its competitors by:

- Strengthening our regional brand as a Leading Asian Financial Services Group, with a complete regional Global Banking proposition
- Driving towards global leadership in Islamic Banking
- Being the “Bank with a Heart” by igniting the passion and commitment of all Maybankers to go above and beyond for our customers, and building a strong reputation for corporate social responsibility, thereby generating goodwill and trust amongst our external stakeholders
- Achieving a Top-of-Mind position in Malaysia for superior customer service quality, propagated across the Group
- Building an unparalleled yet cost-optimal network coverage, and being at the heart of each community we serve

## STRATEGIC OBJECTIVES

## CURRENT STATUS

Undisputed No.1 Retail Financial Services provider in Malaysia by 2015



- Total Consumer/Household loans market share at 17.0% (No.2)
- Largest network with 3208 touch points
- 'Best Retail Bank in Malaysia' by Asian Banker

Leading ASEAN wholesale bank eventually expanding to Middle East, China & India



- No.1 and No.2 in M&A and Domestic Bonds respectively in the Malaysian League Table
- GWB presence in 15 countries

Undisputed Insurance & Takaful leader in Malaysia & emerging regional player



- Total assets at RM27.5 billion
- 'The Most Outstanding Takaful Company' by KLIFF

Truly regional organisation with ~40% of pre-tax profit derived from international operations by 2015



- International PBT contribution at 30%
- Footprint in all 10 ASEAN countries

Global leader in Islamic Finance



- Group Islamic PBT at RM1.32 billion in 2012
- No.3 on the Global Islamic Bond Market League Table

*Performance against our 2015 Strategic Objectives*

## MAYBANK'S TRANSFORMATION PROGRAMME

In FY2009, the Group embarked on a transformation programme named LEAP 30 (Lead, Execute, Achieve, Progress) involving 30 initiatives designed to secure our leading position in the Malaysian financial services industry and to expand our regional presence by 2015. To transform the Group, we introduced strategic initiatives to stimulate sales, strengthen client relationship management, improve our processes and internal systems, enhance our talent pool, and raise customer service standards.

In FY2010, with the re-alignment of the organisation into three business pillars, the 30 initiatives launched under LEAP 30 were embedded into the relevant pillars and continued to drive these initiatives. The LEAP30 Office was renamed Transformation Office and is now part of Group Strategy and Transformation.

## CREATING TRULY COMPETITIVE DIFFERENTIATORS FROM OUR PEER GROUP: HUMANISING FINANCIAL SERVICES ACROSS ASIA

Following the delivery of record-breaking results in 2011, the Group's transformation programme capitalised on the strong momentum it had gained and delivered its promise to go further, bringing transformational change to the next level. The year 2012 saw all sectors executing high impact initiatives with a direct link to the bank's profits, propelling us even closer to our strategic goals. Several sectors exceeded stretched targets and reached milestones with very evident results.

The year saw Global Banking, Information Technology and Group Human Capital making huge strides in Southeast Asia and creating new milestones in delivering innovation and creativity to customers. Group Credit Risk Management, Islamic Banking, Cost Management and PT Bank Internasional Indonesia (BII) were added to the programme and made significant progress in their first year, further embedding transformation across the region.

Maintaining constant communications and developing project management and team leadership skills within the sectors facilitated the successful outcomes of the transformation programme.

### COMMUNITY FINANCIAL SERVICES

Stepping-up transformational initiatives to boost long-term sustainability

- *First wave of transformation initiatives and quick wins implemented*
- *Transformation initiatives exceeded target by 28%*

Major transformational initiatives implemented by CFS during the year include:

- Reengineering and centralising the retail credit functions through the Centralised Processing Centre - Originator Processor (CPC-OP) to improve efficiency and turnaround time
- Rolling out a new concept of branchless banking - the MaybankOne kiosks
- Implementing a new Retail SME business model, a transformational change that allows CFS to accelerate growth and better serve SME customers in a more cost effective way

CFS also embarked on various service transformation initiatives to further enhance service standards at the branches and continued to focus on a customer centric model.

#### ACHIEVEMENTS

Centralisation of the retail credit functions has resulted in faster mortgage loan approval Turnaround Time (TAT) with the majority of loans approved within three days. The Maybank One and Retail SME initiatives have enabled Maybank to serve the mass market customer segment as well as our SME customers more cost effectively. As a result of the service transformation initiatives, service standards at the branches have improved and Average Waiting Time (AWT) has been reduced.

The customer centric model boosted the HNW and Affluent segment TFA growth by 19%. By providing differentiated products and consistently high customer service quality, the HNW and Affluent business achieved healthy revenue growth and boosted profit per customer.

### GLOBAL BANKING

Expanding and integrating our business capabilities to build leadership presence across ASEAN

- *Deployed the Global Treasury Risk Management System to major countries and key Treasury Centres*
- *Rolled-out the Regional Trade Finance Platform front-end (TradeConnex) to 10 countries in Asia*
- *Operationalised the Regional Cash Management Platform in 2 countries in ASEAN*

Having implemented various transformation initiatives in key areas to support regional growth, Global Banking (GB) delivered exceptional results in 2012. With regional growth a key priority, business platforms were put in place, providing seamless facilities for cash management and trade finance for our corporate clients.

#### ACHIEVEMENTS

Global Markets rolled out our Global Treasury Risk Management System to 9 countries - comprising major cities and Treasury Centres (Malaysia, Singapore, Indonesia, Philippines, Hong Kong, Shanghai, Labuan, London and New York) to manage Group risk across all subsidiaries and overseas units. The system enables better global risk management and greater cross-border synergy.

The Regional Trade Finance Platform (RTFP) was put in place by Transaction Banking to facilitate more efficient trade processing across the region. The platform which offers real-time trade processing, enables clients to make electronic submissions and enquiries. The platform is supported by a centralised trade operations centre, allowing our overseas units to focus on growing the business. The RTFP front-end (Tradeconnex) to date has been rolled out to 10 countries in Asia: Vietnam, Brunei, Philippines, Cambodia, Singapore, Indonesia, Hong Kong, Shanghai, Singapore and Malaysia (including Labuan).

Transaction Banking also deployed its Regional Cash Management Platform (RCMS) to Singapore and Malaysia as well as standardised its regional operating model to enable consistent service offerings to tap into Asia's fast-growing cash management market. Clients will benefit in having a cost-effective and efficient cash management system as well as real-time view of their liquidity positions in multiple languages and multiple currencies. The RCMS comes with security features that meet the most stringent requirements of central banks in the region, including a two-factor authentication for login and transaction authorisation. Data transmission across the internet is fully encrypted. RCMS will continue to be extended to other countries in the region in 2013.

## MAYBANK KIM ENG

Becoming a regional financial powerhouse

- *Ranked Top 5 in Stockbroking Market Share 2012 - Thailand, Malaysia, Philippines, Vietnam and Singapore*

With the goal of becoming a regional financial powerhouse by 2015, a post-merger integration programme was launched to streamline business and operations as well as to bridge cultural differences. The programme successfully implemented 30 quick-win initiatives across the region with tangible results. 2012 also saw the launch of new Maybank Kim Eng products for debt offerings, futures broking and regional online trading.

### ACHIEVEMENTS

Maybank Kim Eng has been recognised as a major player in the equities business, earning the rank of top 5 in terms of market share in Thailand, Malaysia, Philippines, Vietnam and Singapore. We were also able to play key roles in two of the top five largest IPOs across the globe in 2012 - Felda Global Ventures Holdings (USD3.1 billion) and IHH Healthcare (RM6.3 billion). In M&A, we topped Bloomberg's M&A League Table in 2012 for Malaysia, while ranking third, fourth and ninth respectively for Thailand, Philippines and Singapore. All these are clear indicators that we are well on our way to building a successful investment banking business in the region.

## INSURANCE & TAKAFUL

Strengthening leadership in fire, bancassurance and agency business

- *Bancassurance: 30% financial uplift from 2011*

To strengthen its No. 1 market position in Malaysia, Etiqa continued to build its multi-channel distribution network, with a special focus on growing its fire and bancassurance business and enhancing agency distribution. It also launched several new products for specific target markets.

### ACHIEVEMENTS

Leveraging on Maybank's wide distribution network and strong customer portfolio, bancassurance achieved marked progress. The channel's 30% financial uplift was derived mainly from a host of new single premium investment products, especially Dragon 9, Golden Retirement and AUSpicious 10. Regular premium insurance bought through this channel added some 10% to its growth.

To strengthen the agency channel, plans have been drawn up to revamp the structure of the agency operating model and lay the necessary foundations to increase productivity and up-skill agents to tackle the increasingly competitive market.

## ISLAMIC BANKING

Driving our Islamic First strategy and building the Islamic brand

- *Profit before tax surpassed RM1.0 billion*

Maybank Islamic remains the leading Islamic bank in ASEAN, and in 2012 surpassed its PBT of RM1.0 billion. In line with the strategy that began in 2010, the sector maintained domestic leadership in financing and deposits, and boosted its brand by leveraging on the highly successful brand refresh exercise undertaken by the Group in 2011.

## OUR STRATEGY

### ACHIEVEMENTS

Our banking approach, which incorporates both Islamic and conventional products, is helping expand our Islamic footprint across Malaysia. To accelerate the sale of Islamic products, we have developed a comprehensive engagement strategy that comprises a dedicated helpdesk as well as training and performance tracking. In 2012, revenues derived from sales campaigns improved by 8%, retaining our share of the market. Meanwhile, to increase visibility and brand presence, Maybank Islamic signages have been installed on the fronts of Maybank branches in key locations.

The sector has also begun to make inroads into key regional markets.

### SERVICE QUALITY

Improving internal and external customer service

- *98% improvement in the way we resolve customer complaints*

The transformation of Service Quality has resulted in measurable enhancements in various areas, as reflected in the Internal and External Customer Engagement Surveys. Our top priority is to continue improving services across our branch network. Initiatives have been rolled out to cut average waiting times and upgrade our frontliners' product knowledge and complaint management capabilities.

### ACHIEVEMENTS

To enhance the customers' overall experience at the branch, greeters have been placed to help walk-in customers select the right forms and join the right queues. Front desk officers work in teams to ensure maximum availability during peak hours. In addition, all front liners have increased their product knowledge so as to boost efficiency in serving customers. As a result, waiting times at all branches have improved so that 86% of customers now wait no more than two minutes for a single transaction, and 56% wait no more than five minutes for multiple transactions.

Another notable improvement in our service quality is in the area of complaint management. By better managing complaints from end-to-end, and by constantly keeping customers updated, we have improved our complaint resolution score tremendously, to 98%.

### IT TRANSFORMATION PROGRAMME

Enriching the customer experience

- *2,672 new accounts were opened using Regional Branch Solution System*
- *Regional Cash Management System went live in Singapore and Malaysia and is available on mobile devices, ahead of other competitors*

The IT Transformation team collaborates with all areas of the business to enable multi-channel sales and services, integrated customer analysis and agile product manufacturing. The year saw a host of initiatives to support the Group's domestic and regional operations.

### ACHIEVEMENTS

In 2012, a Regional Branch Solution (RBS) was rolled out to pilot branches, designed to benefit customers with a seamless banking experience without home branch restrictions. RBS's technology advancement benefited customers through service consistency, increased processing efficiency, ease of mobility and standardisation of teller platforms throughout the region.

The team also rolled out a Regional Cash Management System (RCMS) in Singapore and Malaysia. The system, which is on par with the best global systems, offers corporate clients real-time views and better control of their liquidity as well as a complete spectrum of trade finance capabilities to better manage their businesses.





## GROUP CREDIT RISK MANAGEMENT

Enhancing risk management and optimising risk-return capabilities

- *Optimising our Risk Weighted Assets by RM9.1 billion*

The transformation of Risk Management is aimed at enhancing our overall risk management process, increasing our ability to manage risks wherever we operate, improving our business responsiveness, and optimising our risk-return capabilities.

### ACHIEVEMENTS

To further boost governance globally, the Group continued to enhance the effectiveness of its Embedded Risk Units (ERUs) across business sectors, overseas units and subsidiaries. Dedicated resources now facilitate the Group's risk management functions and support its regional growth.

The year also saw us implementing a number of initiatives for our Risk Weighted Assets to enhance our capital management and utilisation. Efforts have been made to review and develop new models, manage stale ratings, ensure appropriate classification of assets and enhance collateral management information for the home, growth, and opportunistic markets.



## OUR STRATEGY

### OPERATIONS

#### Economies of scale through consolidation and centralisation

---

- *RM2.3 million in total savings through consolidation of functions*

Working with business units, Operations looked at consolidating functions, improving processes and optimising our costs. Various areas have been identified for excellence, using alternative and proven processes to accelerate long-term benefits to customers. 2012 focused on payments and credit administration to improve overall efficiency.

### ACHIEVEMENTS

Having re-engineered our current processes and incorporated elements of risk, compliance and customer service, payment turnaround time for Islamic transactions has reduced by 80%. Other areas have shown equally remarkable results, improving efficiency by at least 40%. With these capabilities, the unit has begun to explore the idea of setting up a regional payments centre.

To tap economies of scale, the unit has also begun to centralise credit administration. By simplifying processes and eliminating redundancies, the unit will reduce error rates and increase straight-through processing capabilities. Security documents will be centralised in Klang Valley to improve efficiency.

### STRATEGIC COST MANAGEMENT PROGRAMME

#### Managing costs and building a cost-conscious culture

---

- *Cultivating financial discipline across the Group*

2012 saw a fundamental change in the way Maybank manages its costs. A rigorous cost management programme was implemented across all sectors to prevent wasteful expenditure and overspending and to nurture a cost-conscious culture.

### ACHIEVEMENTS

The programme looked into key areas of the business to drive substantial and immediate savings. With support from all sectors, it quickly gained momentum. Continuous Groupwide communications have instilled a return-on-investment mindset that recognises the need both to eliminate unnecessary spending and to invest in areas that have business potential. The programme has successfully reduced the bank's cost-to-income ratio to below 49%.

### GROUP HUMAN CAPITAL

#### Developing our people for a high performance culture

---

- *Driving a high performance culture through the right climate, enablers and levers*

As we nurture a high performance culture, we are pleased to watch our efforts coming to fruition. It is our people who are responsible for the success of the Bank's transformation, and over the past year both staff and stakeholders have been delighted by the changes.

### ACHIEVEMENTS

Our success hinges on our robust and structured talent management system, holistic reward and recognition strategy, disciplined performance management system, strong learning and development interventions, focused leadership development programmes and impactful engagement with our staff.

Internally, we operate a comprehensive set of People Dashboard performance indicators and we are also audited by independent external bodies. These, plus the recognition we have won from external parties, validate our achievements and motivate our people to do even better.

In pursuing regionalisation we focus on supporting business needs and developing talent. Talent reviews, international open days, and internal advertising of vacancies all help us to build our database of internal talents, enhance the supply of skilled people resources, and identify cross-border opportunities.

Year-on-year, employee engagement remains high. In 2012, our 85% employee engagement level was on par with Towers Watson Global High Performance Companies Norm.

The dynamic and challenging work environment that our transformation has created reflects our “GO Ahead” Employer Value Proposition, enabling us to “GO Ahead Create, GO Ahead Grow, GO Ahead Lead and GO Ahead Fly.”

## BANK INTERNASIONAL INDONESIA (BII)

Becoming the leading relationship bank in Indonesia

- *Over 100% increase in sales performance at pilot branches*

BII began its transformation programme “IMPACT” in July 2012, establishing 28 initiatives across business and support units. It aims to spur BII to become the leading relationship bank in Indonesia by truly being in the community, providing customised products and solutions, and delivering high quality service.

The programme has three strategic aims:

- To continue growing profitably
- To build capabilities and address fundamentals
- To develop talents

### ACHIEVEMENTS

BII executed high impact initiatives resulting in quick wins and 21 initiatives were launched in FY2012.

Sales performance increased by over 100% at pilot branches undergoing the sales stimulation programme. A re-launch of Shariah products saw a 40% increase in Shariah sales at conventional branches, while vigorous account planning increased product penetration for corporate clients. BII also registered an increase of 7% in employee engagement throughout the Bank.

# KEY PERFORMANCE INDICATORS

To assess the Group's performance and ensure that it meets its strategic objectives, the Group measures its progress against several key performance indicators (KPIs), as set out below:

HEADLINE KPIs	ACHIEVEMENT	PEER AVERAGE**
<b>RETURN ON EQUITY (ROE)</b> <b>15.6%</b> ROE is defined as profit attributable to shareholders divided by the average shareholders' equity for the financial year. Shareholders' equity is made up of share capital, retained earnings and other reserves.	<b>16.0%</b> Exceeded target on the back of higher net income, slower cost growth and improving asset quality.	<b>15.7%</b>
<b>LOANS AND DEBT SECURITIES GROWTH</b> <b>15.2%</b> Loans and debt securities (financial assets) growth measures the total increase in gross loans and other debt or security issuances.	<b>12.9%</b> Loans growth trended in line with industry, while debt securities growth was managed in tandem with market conditions.	<b>5.4%</b>
<b>OTHER KPIs</b>	<b>ACHIEVEMENT</b>	<b>PEER AVERAGE**</b>
<b>GROUP LOANS GROWTH</b> <b>16.2%</b> Group loans growth is defined as gross loans growth for Maybank Group.	<b>12.2%</b> Due to slower industry loans growth in Malaysia and Singapore, the focus was to grow profitably in selected segments and manage asset quality.	<b>5.9%</b>
<b>LOANS GROWTH MALAYSIA</b> <b>13.6%</b> Loans growth for Malaysia is defined as domestic gross loans growth i.e. in Malaysia only.	<b>11.8%</b> Loans growth though behind target, was ahead of the industry's 10.4% growth.	<b>9.0%</b>
<b>LOANS GROWTH SINGAPORE</b> <b>20.9%</b> Loans growth for Singapore defined as gross loans growth reported by Maybank Singapore in Singapore Dollars.	<b>10.5%</b> Loans growth though behind target of 10.5% was slightly ahead of the industry's 10.4% growth.	<b>11.8%</b>

\* Unaudited

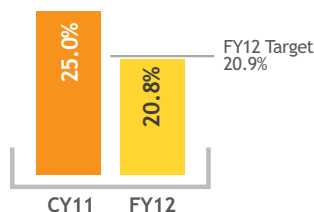
\*\* Peer average is based on YTD Q3 FY2012 results (annualised) of selected banks. Headline KPIs, group loans growth and group deposits growth are based on the average for selected Singaporean and Malaysian banks with regional operations. Loans growth is based on the average annualised loans growth rate for loans disbursed in the respective market by selected banks.

OTHER KPIs	ACHIEVEMENT	PEER AVERAGE**
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### LOANS GROWTH INDONESIA

**20.9%**

Defined as gross loans growth captured by BII, including its subsidiary WOM Finance, in Indonesian Rupiah.



**20.8%**

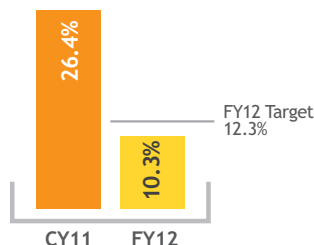
Loans growth was in line with target, with consumer growing 40.4% and non-consumer growing 12.1%.

**20.4%**

### GROUP DEPOSITS GROWTH

**12.3%**

Group deposit growth is defined as gross deposits growth for Maybank Group.



**10.3%**

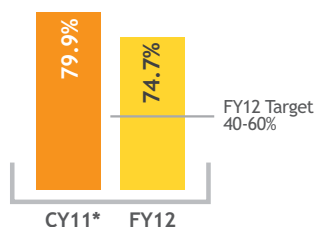
Behind target due to stiffer competition. However, as the Group focused on improving deposit mix, CASA ratio improved to 35.1% (Dec 11: 33.6%).

**6.1%**

### DIVIDEND PAYOUT RATIO

**40-60%**

Maybank has a policy of paying dividends equivalent to between 40-60% of annual profit attributable to shareholders.



**74.7%**

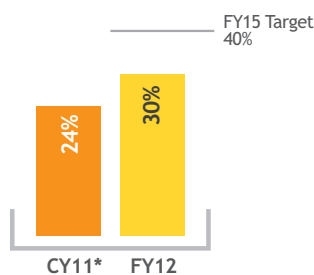
Dividend payout ratio for 2012 of 74.7% surpassed the 40-60% policy rate. Dividend Reinvestment Plan (DRP) continues to strengthen the Group's capital base and achieves more than 80% acceptance rate (based on last 5 plans).

**6.1%**

### LONG TERM TARGETS BY 2015

#### INTERNATIONAL CONTRIBUTION TO GROUP PROFIT BEFORE TAX

**40%**



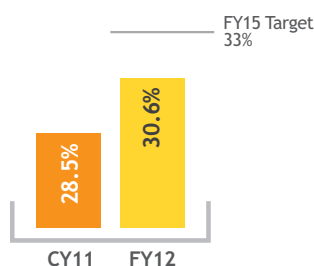
**30%**

PBT contribution from international operations increased with Singapore and Indonesia being the major contributors at 14.0% and 7.0% respectively.



#### ISLAMIC FINANCING TO MAYBANK DOMESTIC LOANS

**33%**



**30.6%**

Islamic finance formed 30.6% of Maybank's domestic group loans and advances, on track with our target of 33%.



\* Unaudited

\*\* Peer average is based on YTD Q3 FY2012 results (annualised) of selected banks. Headline KPIs, group loans growth and group deposits growth are based on the average for selected Singaporean and Malaysian banks with regional operations. Loans growth is based on the average annualised loans growth rate for loans disbursed in the respective market by selected banks.

# MAYBANK SHARE

- In 2012, Maybank's share price movement mirrored the FBM KLCI Index, reaching a high of RM9.28 (17 October 2012) compared to the broader Index's all-time high of 1,688.95 points on 31 December 2012.
- Maybank's share price increased 19.0% from RM7.73 on 2 January 2012 to RM9.20 on 31 December 2012. Its performance outperformed that of the FBM KLCI Index which increased by 11.6% and the KL Finance Index which increased by 14.1%.
- At the start of the year the global recovery was threatened by intensifying strains in the Eurozone and fragilities elsewhere due to the rise in sovereign yields, the effects of bank deleveraging on the real economy, and the impact of additional fiscal consolidation.
- Hence, financial conditions deteriorated, growth prospects dimmed and downside risks escalated. This amplified investors' fears over the uncertainty of global markets, pushing the FBM KLCI Index and Maybank share price to lows of 1,504.22 points (4 January 2012) and RM7.59 on 27 January 2012.
- This was followed by a rebound on the back of improved activity in the United States and better policies in the Eurozone. The rebound momentum was also sustained due to the improved supply chains in Thailand (after floods) leading to stronger industrial production and trade in various Asian economies. In addition, reconstruction continued to boost output in Japan.

## Dividend Per Share

FY2012	65 sen
CY2011	68 sen
YoY	-4.6%

## Share Price

31 Dec 12	RM9.20
31 Dec 11	RM7.95
YoY	+15.7%

## Market Capitalisation

31 Dec 12	RM76.6 bil
31 Dec 11	RM65.5 bil
YoY	+16.9%

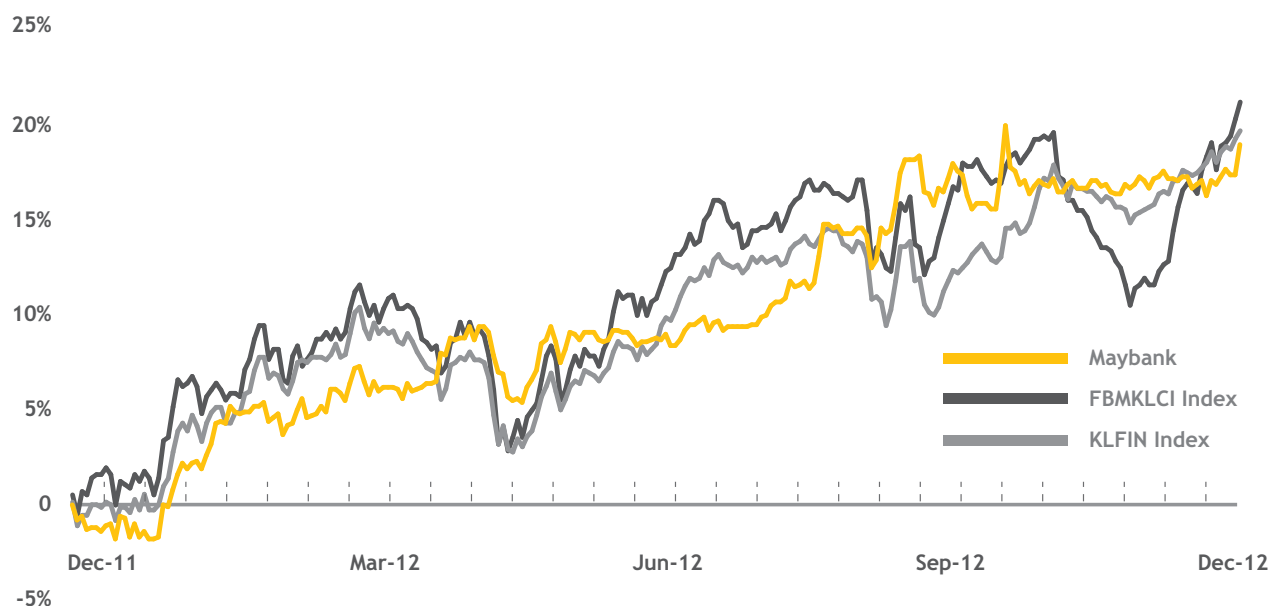
## Earnings Per Share

FY 2012	72.7 sen
CY 2011	65.1 sen
YoY	+11.7%

## Total Shareholder Return

FY 2012	13.3%
CY 2011	8.4%
YoY	+56.0%

## MAYBANK SHARE PRICE VS BENCHMARK

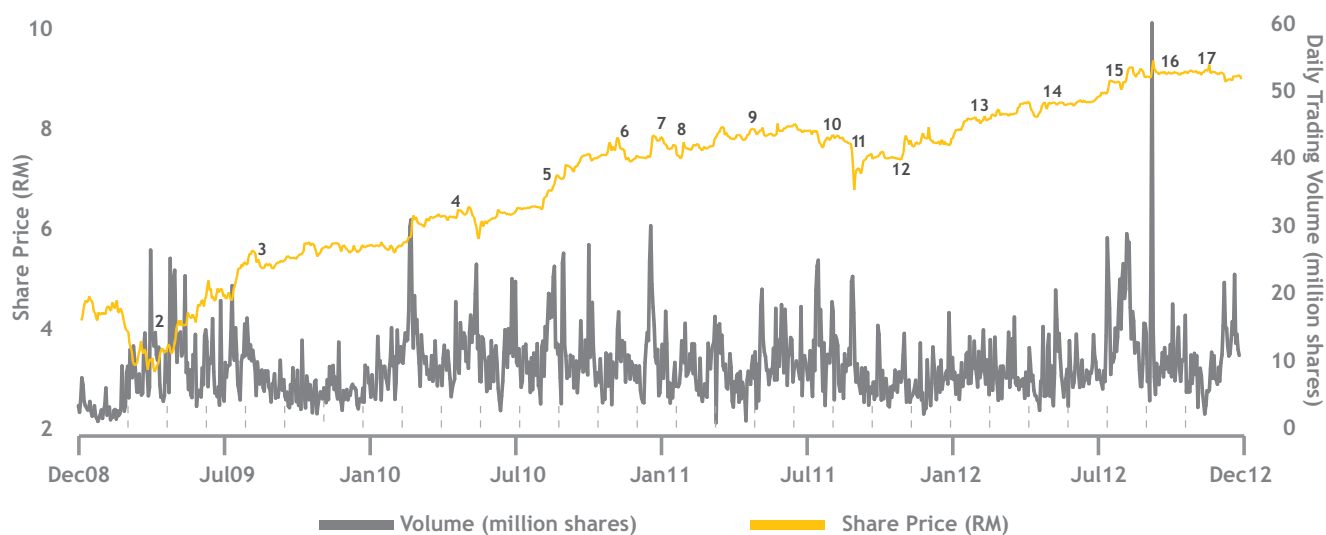


## TOTAL SHAREHOLDER RETURN (TSR)

TSR is the measure of our enhancement of shareholder value that measures total return arising from capital gains (share price increase) and dividends.

	FY07	FY08	FY09	FY10	FY11	CY11	FY12
Maybank	19.30%	-21.43%	-3.88%	31.69%	28.13%	8.37%	13.30%
FBM KLCI Index	54.30%	-8.20%	-5.26%	26.09%	24.83%	4.45%	8.70%
Bursa Malaysia Finance Index	53.23%	-19.79%	1.70%	43.81%	32.86%	4.58%	13.90%

## MAYBANK SHARE PRICE AND VOLUME PERFORMANCE



1	30 Sep 08	Completes acquisition of BII	10	4 Aug 11	Completes acquisition of Kim Eng
2	29 Apr 09	Maybank completes rights issue of RM6 billion	11	22 Aug 11	Announces FY11 results
3	25 Aug 09	Announces FY09 results	12	14 Nov 11	Announces 1QFP11 results
4	21 Apr 10	BII completes rights issue of Rp1.4 trillion	13	23 Feb 12	Announces FP11 results
5	20 Aug 10	Announces FY10 results	14	24 May 12	Announces 1QFY12 results
6	12 Nov 10	Announces 1QFY11 results	15	16 Aug 12	Announces 2QFY12 results
7	6 Jan 11	Kim Eng acquisition announced	16	8 Oct 12	RM3.66 billion equity private placement
8	21 Feb 11	Announces 2QFY11 results	17	9 Nov 12	Announces 3QFY12 results
9	12 May 11	Announces 3QFY11 results	18	21 Feb 13	Announces 4QFY12 results



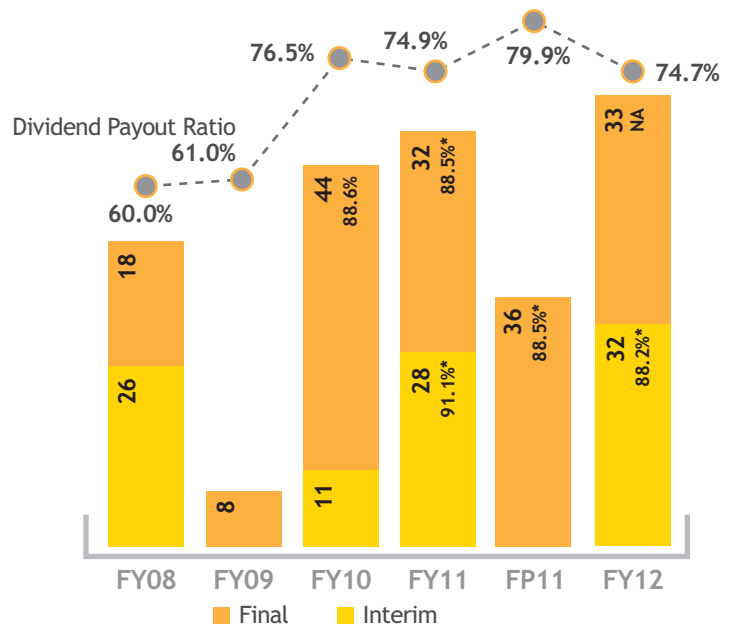
## DIVIDEND AND DIVIDEND REINVESTMENT PLAN

For 2012, the Board of Directors proposes a gross dividend of 33 sen which translates to a dividend payout ratio of 74.7%.

The Group will continue to reward shareholders via a high dividend payout ratio while being prudent in preserving capital through the introduction of the Dividend Reinvestment Plan (DRP). The DRP exercises have achieved high reinvestment rates of 88.6%, 91.1%, 86.1%, 88.5% and 88.2% in the five DRPs so far, reflecting shareholders' confidence in Maybank.

The DRP will continue to be an integral part of Maybank's strategy to preserve equity capital whilst providing healthy dividend income to shareholders.

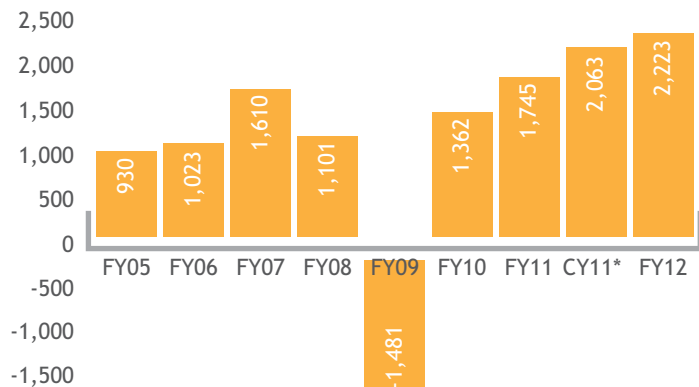
Gross Dividend (sen) and Payout Ratio (%)



## ECONOMIC PROFIT

- The Putrajaya Committee on GLC High Performance (PCG) spearheads the GLC Transformation Programme to develop high-performing entities for the future prosperity of the country.
- Economic Profit is a key measurement of shareholder value creation, proposed by the PCG Secretariat to show a company's return over and above its cost of capital. Maybank has tracked the performance of its Economic Profit since 2005.
- For 2012, Maybank's Economic Profit increased 7.8% to RM2.22 billion from RM2.06 billion in the previous calendar year. The increase was attributable to higher profit for the year despite the expanded equity base.

Economic profit (RM million)

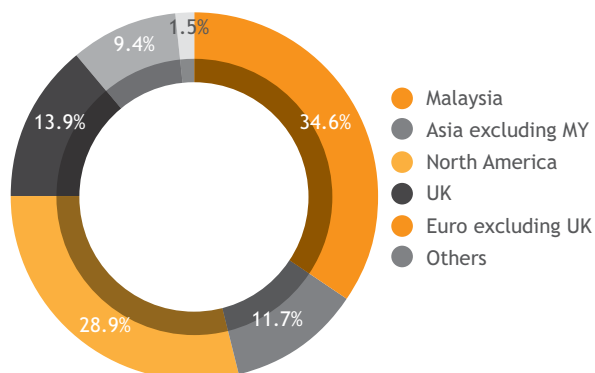


## SHAREHOLDER ANALYSIS

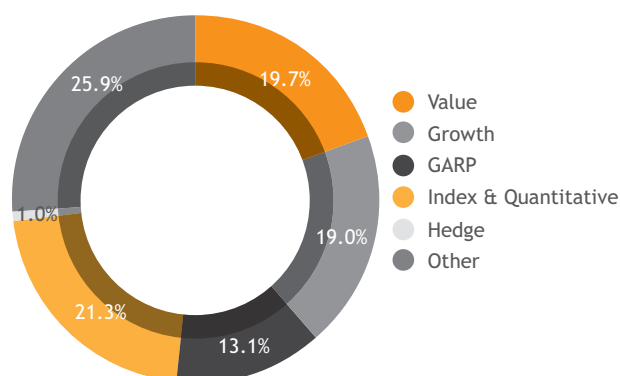
- With over 58,000 shareholders around the globe, Maybank has a diversified shareholder base.
- Analysis of the institutional shareholder structure (excluding Substantial Shareholders) shows that 34.6% of the shareholding comes from Asia, followed by 28.9% from North America, 13.9% from the UK, 9.4% from Europe (excluding the UK), and 1.5% from other geographical locations.
- Maybank shares are mostly held by institutional investors, (91.1%), while private investors hold the balance (8.9%).
- Analysis of shareholders by style shows that 19.7% are value-oriented funds, 19.0% are growth oriented, 13.1% are GARP funds, 21.3% are Index & Quantitative funds, 1.0% are Hedge funds and 25.9% are made up of other investment styles.
- Foreign shareholding increased to 19.5% in December 2012 from 13.3% a year before.

\* Unaudited

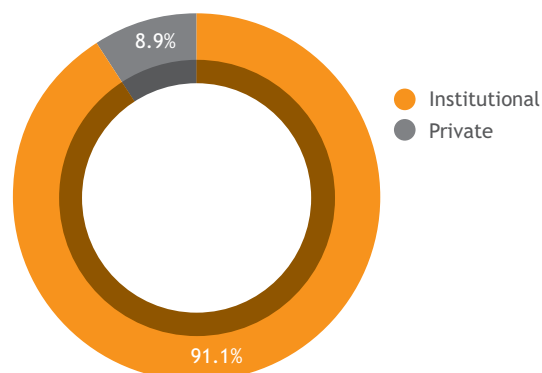
### Shareholding by region



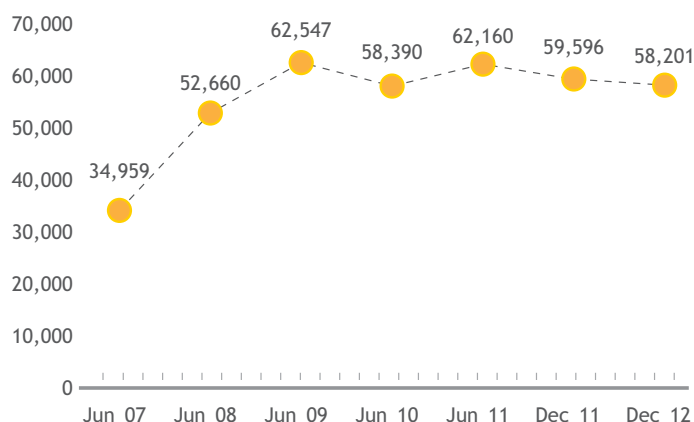
### Shareholding by style



### Shareholding by type



### Total Shareholders



### AMERICAN DEPOSITORY RECEIPTS (ADRs)

To diversify and increase US ownership and improve Maybank's profile in the US market, since 2005 Maybank has also been traded in the US through a NYSE-listed sponsored ADR facility with The Bank of New York Mellon as the depository. The ADRs are traded on the New York Stock Exchange under the ticker MLYBY US on Bloomberg and MLYBY.PK on Reuters.

### CREDIT RATING

- Maybank continued to retain its credit ratings on par with Malaysia's sovereign rating during the financial period with strong fundamentals.
- The outlook for the long-term credit ratings for Maybank was maintained as Stable throughout the financial period by all five rating agencies.
- Maybank is regularly in contact with its credit rating agencies as well as regulators to ensure continued adoption of prudent capital management practices, and remains committed to maintaining its investment grade credit ratings.

Rating Agency	Rating Classification	Ratings Received
Moody's Investors Service	Long-term Foreign Currency Bank Deposit/Outlook	A3/Stable
	Short-term Foreign Currency Bank Deposit	P-2/Stable
	Long-term Local Currency Bank Deposit/Outlook	A1/Stable
	Short-term Local Currency Bank Deposit	P-1/Stable
	Bank Financial Strength Rating/Outlook	C/Stable
	Baseline Credit Assessment	(a3)/Stable
	Adjusted Baseline Credit Assessment	(a3)/Stable
	Jr Subordinate	Baa2/Stable
Standard & Poor's	Long-term counterparty	A-
	Short-term counterparty	A-2
	Certificate of Deposit	A-
	Preferred Stock (1 Issue)	BBB-
	Subordinated (2 Issues)	BBB+
	Outlook	Stable
	Senior Unsecured (1 Issue)	A-
Fitch Ratings	Foreign Long-term Issuer Default Rating	A-/Stable
	Local Long-term Issuer Default Rating	A-/Stable
	Viability Rating	a-
	Support Rating	2
	Support Rating Floor	BBB
	USD and SGD Sub Debt	BBB+
	SGD Tier 1 Capital Securities	BB+
RAM Ratings	Long-term Financial Institution Ratings	AAA
	Short-term Financial Institution Ratings	P1
	Subordinated Bonds	AA1
	Innovative Tier-1 Capital Securities	AA2
	Non-Innovative Tier-1 Capital Securities	AA2
	Tier-2 Capital Subordinated Note Programme	AA1
	Subordinated Note Programme	AA1
	Outlook (Long Term)	Stable
MARC	Long-term Financial Institution Ratings	AAA
	Short-term Financial Institution Ratings	MARC-1
	Outlook	Stable

## SHARE RELATED KEY FIGURES

	FY2007	FY2008	FY2009	FY2010	FY2011	FP2011	FY2012
Market Capitalisation (RM billion)	46.7	34.4	41.8	53.5	66.9	65.5	76.6
Total Shareholder Return, TSR (%)	19.3	-21.4	-3.9	31.7	28.1	-0.16	13.3
Dividend per share (sen)	57.5	44.0	8.0	55.0	60.0	36.0	65.0
Dividend yield (%)	6.7	7.4	1.4	7.3	6.7	4.3	6.2
Closing Price, 31 Dec (RM)	8.62	6.33	5.9	7.56	8.94	8.58	9.20
Average share price (RM)	8.46	8.00	5.25	6.94	8.60	8.45	8.50
Highest closing share price (RM)	9.84	9.20	7.14	7.72	9.29	8.99	9.20
Lowest closing share price (RM)	7.47	6.33	3.57	5.60	7.53	7.51	7.59
Basic EPS (sen)	58.5	53.3	12.0	53.9	61.4	32.4	72.7

Note: Adjusted for 1:4 Bonus Issue in February 2008 and 9:20 Rights Issue at RM2.74 in March 2009

## DIVIDEND HISTORY

		Dividend per share (sen)		Declaration	Ex-Date	Record	Payment Date
		Actual	Adjusted for capital changes				
FY2007	Interim	40.0	28.7	21 Feb 2007	10 Apr 2007	12 Apr 2007	26 Apr 2007
	Final	40.0	28.7	29 Aug 2007	30 Oct 2007	1 Nov 2007	15 Nov 2007
	Total	80.0	57.5				
FY2008	1st Interim	17.5	12.6	15 Nov 2008	31 Dec 2007	3 Jan 2008	16 Jan 2008
	1:4 Bonus			24 Jan 2008	18 Feb 2008	20 Feb 2008	20 Feb 2008
	2nd Interim	15.0	13.5	20 Feb 2008	24 Mar 2008	26 Mar 2008	7 Apr 2008
	Final	20.0	18.0	27 Aug 2008	7 Oct 2008	9 Oct 2008	21 Oct 2008
	Total	52.5	44.0				
FY2009	9:20 Rights			1 Mar 2009	31 Mar 2009	2 Apr 2009	-
	Final	8.0	8.0	25 Aug 2009	13 Oct 2009	15 Oct 2009	27 Oct 2009
	Total	8.0	8.0				
FY2010	Interim	11.0	11.0	9 Feb 2010	2 Mar 2010	4 Mar 2010	16 Mar 2010
	Final	44.0	44.0	11 Oct 2010	18 Nov 2010	22 Nov 2010	20 Dec 2010
	Total	55.0	55.0				
FY2011	Interim	28.0	28.0	31 Mar 2011	12 Apr 2011	14 Apr 2011	12 May 2011
	Final	32.0	32.0	22 Aug 2011	25 Nov 2011	30 Nov 2011	28 Dec 2011
	Total	60.0	60.0				
FP2011	Final	36.0	36.0	23 Feb 2012	27 Apr 2012	2 May 2012	4 Jun 2012
	Total	36.0	36.0				
FY2012	Interim	32.0	32.0	7 Sep 2012	20 Sep 2012	24 Sep 2012	25 Oct 2012
	Final	33.0	33.0	21 Feb 2012	-	-	-
	Total	65.0	65.0				

Note: Adjusted for 1:4 Bonus Issue in February 2008 and 9:20 Rights Issue at RM2.74 in March 2009

## OTHER INFORMATION

### Financial Year End

31 December

### Foreign Shareholding

31 December 2012	19.54%
31 December 2011	13.28%

### Ticker Code

Bursa Malaysia	MYX:1155
Bloomberg	MAY MK EQUITY
Reuters	MBBM.KL

### American Depositary Receipts (ADR)

Bloomberg: MLYBY US  
Reuters: MLYBY.PK

### Share Registrar

Tricor Investor Services Sdn Bhd  
(formerly known as Tenaga Koperat Sdn Bhd)  
Level 17, The Gardens North Tower  
Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur  
Malaysia



## Maybank tampil sebagai penaja utama BAM

JIKA sebelum ini, Proton adalah sponsor dengan HAM sebagai penaja utama, kini kini tidak lagi.

Begitulah sambutan sambutan baharu. HAM memertika sebagai penaja dari pada Proton. Maybank, sebagai penaja utama (sponsored) dalam acara ini, memartika persembahan (MRT) dalam ia.



# Top five Cambodia target

Maybank aims higher after getting local incorporation licence



## Maybank Kim Eng eyes top spot in Asean

## Maybank's Career Day attracts 5,000 talents

馬銀行私人銀行服務  
明年設5中心8候客室



## Maybank IB sets sights on big IPOs

IN THE PIVOTAL Point of funding, the high-value IPO public offerings

MAYBANK International Bank (IB) is looking for big IPOs to fund its growth. The bank is looking for big IPOs to fund its growth. The bank is looking for big IPOs to fund its growth.



## Rafique Merican is Maybank's new group CFO

KUALA LUMPUR: Mohamed Rafique Merican Mohd Wahiduddin has been appointed group chief financial officer (CFO) of Ma-



## Just the ton

For Lady Oon, winning the US\$2.5m Maybank Malaysian Open was a great achievement after his disappointment at the US Masters - and sets him up for the season's other majors. The 29-year-old former British Open champion, who won a second Major when he lost a playoff previous Sunday, declared: "This is just what I need."

## The perfect cure for heartbreak

Maybank aims for RM32m investment on

## 22 students go Maybank aid to study abroad

LIFELONG LEARNING: Top achievers get chance to Ivy League university

MAYBANK is extending its support to the education of top achievers by awarding 22 students with scholarships worth RM10,000 each. The scholarships from the bank are given to the top achievers in the country to study abroad. The bank is looking for big IPOs to fund its growth.



## Maybank gives back

CSR INITIATIVE: Group takes staff to play basketball in community project

MAYBANK is looking for big IPOs to fund its growth. The bank is looking for big IPOs to fund its growth. The bank is looking for big IPOs to fund its growth.



## A new Maybank

Maybank is looking for big IPOs to fund its growth. The bank is looking for big IPOs to fund its growth. The bank is looking for big IPOs to fund its growth.

## 30 rasai kehebatan perlumbaan F1

KUALA LUMPUR: Seramai 30 orang rasai kehebatan perlumbaan Formula Satu (F1) di Litar Antarabangsa Sepang (SIP) selepas menyaksikan perlumbaan F1 yang berlangsung pada Sabtu. Maybank adalah penaja utama acara ini.

## Maybank sees 20% growth in fund transfer

By EBY SARI  
eoby@star.com.my

KUALA LUMPUR: Maybank Bhd (Maybank) is aiming for a 20% growth in the value of foreign work-

The new target to Maybank will help fund the 20% growth that we are targeting



# Boost for high achievers

Bank employees' children praised for good work

Maybank ready to incorporate in S'pore

RE ANN PEE

Maybank is looking for big IPOs to fund its growth. The bank is looking for big IPOs to fund its growth. The bank is looking for big IPOs to fund its growth.

## Maybank lauded country's valuable







**Maybank Malaysian Open**  
KLGCC, March 21-24, 2011

It's an RM8.57m whopper at the Maybank Malaysian Open



**TIGER-POWERED RACQUET**



**Maybank Islamic embarks on regional push**



**Maybank lancar dana pendidikan RM125 juta**



**Bank gives more funds for tiger outreach**



**Maybank tawar moratorium kepada mangsa banjir**



Various news snippets including mentions of 'get', 'bad', 'e to go', and 'bank'.



செலாபாங் மருத்துவமனையின் கல்வீரல் மாற்று அலுவலக சிசிச்சை எமயத்திற்கு மே போங்க அறவாரியம் வெ.162,000 வழங்கியது



**Maybank H1 earnings surge to record high**



**Maybank to lead in Asean**

**Analysis Reports**

**MALAYAN BANKING BID**  
By Kenanga Research  
Outperform (maintain)  
Target price: RM10.40

WONG WEI-SHEN  
PETAJUNG JAYA: Analysts believe that Malayan Banking Ltd's (Maybank) efforts to increase its presence overseas is a good move that will make it a stronger regional player.

As recently reported, Maybank could potentially buy into Philippines' only licensed commercial bank, Abn-Amara Islamic Bank.

Qinshu said: "Barring potential country risks, we also believe Saudi Arabia could be a lucrative market for domestic banks to venture to."

Nonetheless, we believe that Maybank's venture to the Middle East region is more on establishing a foundation to nurture its mid to long term earnings prospects.

# MAYBANK IN THE NEWS

- At A Glance
- Our Perspective
- Who We Are
- Our Strategy
- Our Performance
- Business Review
- Our Responsibility
- Our Leadership
- Corporate Governance
- Other Information
- AGM Information



# EVENT HIGHLIGHTS



## 5 JANUARY 2012

A learning visit to Maybank@Tampines was held for students from Tampines Secondary School in Singapore. The purpose of the visit was to share with students the use of technology in banking and its benefits, and for them to gain practical experience in banking.

## 10 JANUARY 2012

Maybank presented winners of its “Debit & Drive Home a Volkswagen (VW) Polo” campaign with the keys to their cars at a prize presentation ceremony in Kuala Lumpur. The campaign ran from May-September 2011.

## 11 JANUARY 2012

The world’s best badminton players gathered in Kuala Lumpur for the inaugural Maybank Malaysian Badminton Open. Maybank also transformed the Stadium into a badminton “village” for the week, with a digital interactive “Powersmash” game, combining augmented reality and a mobile application.

## 12 JANUARY 2012

Maybank Singapore launched the Maybank Visa Infinite, a premium credit card targeted at the affluent segment.

## 12 JANUARY 2012

Maybank announced a disaster relief assistance programme offering a six-month moratorium on monthly installment payments and waiver of certain charges on a case-to-case basis. These were extended to business banking, SME banking and consumer banking customers affected by the recent floods in Johor, Kelantan, Terengganu, Pahang, Sabah and Sarawak.

## 16 JANUARY 2012

Bank Internasional Indonesia (BII) held an Extraordinary General Meeting of Shareholders which approved the appointment of Maybank Group Chief Financial Officer Dato’ Khairussaleh Ramli as the new President Director/CEO of the Bank as well as Ani Pangestu as the Human Capital Director of the Bank. The EGMS also approved the change of the Bank’s name to PT Bank Maybank Indonesia Tbk.

## 17 JANUARY 2012

Maybank Philippines Inc. (MPI) signed a deal with E-MoneyPlus Inc. (EMPI), the remittance arm of ABS-CBN Global, the largest multi-media network in the Philippines, for the facilitation of remittances into the country. MPI will provide the gateway of online interbank fund transfers for beneficiaries who maintain accounts with BancNet member banks.







### 30 JANUARY 2012

Maybank Group concluded the syndication of a USD330.6 million Syndicated Term Facility for PT Bairadaya Sentranusa (BDSN). Maybank Group entities namely PT Bank Internasional Indonesia Tbk (BII), Maybank Investment Bank Berhad and PT Bank Maybank Syariah Indonesia (MSI) were the joint mandated lead arrangers and bookrunners while BII, Maybank Islamic Berhad and MSI were the joint underwriters for this transaction. PT Bank Bukopin Tbk and Lembaga Pembiayaan Ekspor Indonesia (Indonesia Eximbank) were also participant lenders in the transaction. Proceeds will be used to take over the entire existing project loans for the construction of the 2x90 MW Asahan 1 Hydroelectric Power Plant (Asahan 1 Hydroplant) located in North Sumatra, Indonesia.

### 2 FEBRUARY 2012

Maybank joined in the Chinese New Year festivities with a performance by a group of hearing impaired adults from the Jing Ying Wushu Dragon and Lion Dance Association Kuala Lumpur, who mesmerised the crowds at Menara Maybank with their slick moves, delighting customers who came to do their banking at the KL Main branch.

### 4 FEBRUARY 2012

BII signed an MoU with the Ministry of Manpower and Transmigration to provide banking services for Indonesian workers abroad. Under this agreement.

### 22 FEBRUARY 2012

BII announced a consolidated net profit of Rp669 billion for the full year ended 31 December 2011, a 45% increase from the Rp461 billion in the previous corresponding period ended 31 December 2010. The Bank's profit before tax reached Rp985 billion, 25% up compared to the previous corresponding period.



### 23 FEBRUARY 2012

Maybank announced that profit after tax and minority interest (PATAMI) for the six months ended 31 December 2011 surged 20% to a new record of RM2.58 billion. Group profit before tax also rose 20.1% to RM3.56 billion, to close the six months financial period following a change in the Group's financial year end from 30 June to 31 December.

### 28 FEBRUARY 2012

Maybank opened a new branch in Ranau which was also its 19th branch in Sabah to allow for greater banking accessibility to the community in the area.

### 29 FEBRUARY 2012

Maybank reaffirmed its commitment to the community by setting aside over RM1 million for its "Cahaya Kasih" employee volunteerism programme this year through the Maybank Foundation. The allocation was for Maybank offices globally to undertake sustainable initiatives for the benefit of the community and will also incorporate a "Maybank Cahaya Kasih Challenge".



## EVENT HIGHLIGHTS

### 1 MARCH 2012

Maybank announced the appointment of Mr. Herminio M. Famatigan, Jr. as the President and CEO of MPI. He succeeded Mr. Amos Ong who took on a new assignment to head Regional Client Coverage of Global Wholesale Banking, Maybank Singapore.

### 1 MARCH 2012

MPI in cooperation with Maybank ATR Kim Eng, conducted the first Maybank Economic Briefing for the Group's top clients in the Philippines. Entitled "Return of the Dragon: Reinvesting in Asia," the forum provided insights on investing in the region and the Philippines.

### 1 MARCH 2012

Maybank Cambodia launched its Maybank Premier Current Account, a multi-tiered interest bearing current account that offers the convenience of both a checking facility for business as well as the accessibility of free ATM facility for personal undertakings.



### 3 MARCH 2012

Maybank Cambodia expanded its market for children's savings with the launch of its Yippie Children Savings Account.



### 3 MARCH 2012

The Maybank "Get-To-School" transport grant, a three-year collaboration between Maybank Singapore and Central Singapore CDC, was launched by Minister of State for Transport and Finance, Mrs Josephine Teo. The SGD100,800 grant benefitted some 280 needy students from five secondary schools in the Central Singapore District who each received SGD360 in transport subsidies.

### 6 MARCH 2012

Maybank launched its first regional Maybank Diamanté Private Client programme, which aims to provide high net-worth (HNW) individuals with a seamless banking experience and a suite of personalised services across ASEAN. Strictly by invitation only, this programme has been designed to accord recognition to an exclusive league of clients who travel frequently around the region, and to provide personalised services wherever they are.



### 7 MARCH 2012

BII launched The MC2 credit card with a new "Angry Birds" design. This credit card, targeted at the young, offers special benefits at selected merchants.





### 14 MARCH 2012

Maybank Philippines entered into a partnership with AsianLife & General Assurance Corp. (AsianLife), a top provider of group medical and life insurance benefits, to provide insurance coverage to the employees, borrowers and depositors of the bank. AsianLife is part of the Maybank ATR Kim Eng Group, the leading conglomerate of diversified non-bank financial services in the Philippines.



### 20 MARCH 2012

Maybank created another milestone when it became the first local bank to sign-up with four Myanmar banks, Asia Green Development Bank (AGD Bank), Co-operative Bank Limited (CB Bank), Ayeryarwady Bank Limited and Kanbawza Bank Limited simultaneously to introduce the Maybank Money Express (MME) service to the country. The service opened a new channel for Myanmar workers in Malaysia to remit funds back home.

### 14 MARCH 2012

Maybank Singapore was a mandated lead arranger for a SGD5 billion 5.5-year syndicated facility extended to MS Commercial Pte Ltd/Ophir-Rochor Commercial Pte Ltd, both ultimately owned by Khazanah Nasional Bhd (60%) and Temasek Holdings Pte Ltd (40%). MS Commercial will handle the integrated property development of four Singapore land parcels in Marina South while OR Commercial will develop two land parcels in Ophir Rochor, with total project value of about SGD11 billion.



### 15 MARCH 2012

As part of the follow-up to the launch of the Diamanté programme, BII launched its BII Diamanté Visa Infinite in Jakarta. The card is designed for customers who travel abroad frequently, mostly to Singapore and Malaysia.

### 5 APRIL 2012

Maybank reaffirmed its long term commitment to Cambodia with the local incorporation of its operations under Maybank (Cambodia) Plc. The launch was officiated by the Governor of the National Bank of Cambodia, H.E. Dr. Chea Chanto, and was witnessed by the Prime Minister of Cambodia, H.E. Samdech Hun Sen and Prime Minister of Malaysia, Dato' Sri Mohd Najib Tun Razak, at an event in conjunction with the 9th ASEAN Leadership Forum held in Phnom Penh, Cambodia.

## EVENT HIGHLIGHTS

### 6 APRIL 2012

Maybank announced the appointment of Mohamed Rafique Merican bin Mohd Wahiduddin Merican as its Group Chief Financial Officer effective 1 June 2012.

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### 8 APRIL 2012

BII held its Annual General Meeting of Shareholders and Extraordinary Meeting of Shareholders to approve the change of the Company's Articles of Association and also its performance for the year ended 31 December 2011.



### 12-15 APRIL 2012

Maybank was once again the title sponsor of the Maybank Malaysian Open, held at the Kuala Lumpur Golf and Country Club. The four-day event saw Louis Oosthuizen being ultimately crowned champion. Spectators at the event also had a chance to help the less fortunate through two charity activities, namely the Sky Rider and the Maybank Charity Putt Challenge. Proceeds from the activities were channeled to the Maybank Liver Transplant Centre at Hospital Selayang. Maybank Foundation pitched in to top up the collection with an additional RM50,000.

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### 17 APRIL 2012

Maybank Singapore and Central Singapore CDC launched the Maybank Breadwinner Protection Programme for 180 residents in the Central Singapore District. Under this programme, needy residents who are working are given free personal accident insurance for five years, providing a safety net for their families in case the breadwinner is incapacitated. Maybank Singapore committed SGD150,000 to pay for the premiums.

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### 18 APRIL 2012

Maybank Singapore re-launched the Maybank Business Platinum MasterCard, becoming the first bank to include an option for companies to feature their company logo and name on a business credit card. This exclusive feature is a complimentary service for businesses to showcase their brand to partners and associates.

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### 19 APRIL 2012

Maybank Foundation expanded its local scholarship programme to include, for the first time, scholarships for pre-university levels. The Foundation awarded full scholarships to 19 deserving students to pursue their dreams at top public and private local universities. These young achievers were shortlisted from over 1,000 applications.





## 20 APRIL 2012

Maybank expanded its Manchester United partnership with the launch of the Manchester United Debit Card, targeting 50,000 cardholders in the first year. The card was unveiled by the Prime Minister, Dato' Sri Mohd Najib bin Tun Abdul Razak, in conjunction with Permodalan Nasional Berhad's investment week, Minggu Saham Amanah Malaysia 2012 held in Sabah.

## 22 APRIL 2012

BII held its inaugural "BII Maybank Bali Marathon" - an international marathon event which saw over 2,000 participants from around the world.

## 23 APRIL 2012

Maybank Kim Eng officially launched its new brand in Thailand, setting a target to remain as top broker in the country.



## 26 APRIL 2012

Maybank Singapore CEO, Pollie Sim, received the 2012 Pacific Rim Bankers Program (PRBP) Distinguished Leadership Award at the PRBP's 35th Anniversary Banquet in Hong Kong. The Award was a global recognition of her relentless pursuit of leadership and organisational excellence through continuous learning, competency development and building a strong pipeline of talent for future growth.

## 29 APRIL 2012

Maybank rewarded its Maybankard Manchester United card members with an exclusive opportunity to meet Manchester United football legends, Denis Irwin and Paul Parker as well as view the Premier League Trophy at the official launch of the Maybank Manchester United Platinum Visa Card.





## EVENT HIGHLIGHTS

### 2 MAY 2012

The Service and Innovation Excellence Centre - i.InSPIRE (i. Innovate & Serve with Passion, Integrity, Responsibility & empathy) was launched in Maybank Singapore. The umbrella centre will elevate service and innovation excellence in the Bank to a new level.

### 11 MAY 2012

Maybank Singapore was conferred a Special Commendation for Service Excellence in Customer Experience at the Banking & Payments Asia (BPA) Trailblazer Awards.



### 12 MAY 2012

Maybank Singapore was conferred the Excellence Award - People's Association Community Spirit Awards 2012 for the second time. Maybank was the only bank out of the nine recipients.

### 12 MAY 2012

BII launched the "BII KPR Bebas Bunga" (mortgage without interest rate) - a new home loan product that enables customers to enjoy interest as low as 0% by linking their mortgages with their own savings account or that of their relatives.

### 13 MAY 2012

BII celebrated its 53rd anniversary.

### 14 MAY 2012

BII collaborated with Yayasan Mitra Dhuafa to provide micro financing facilities for approximately 1,250 women who are members of Koperasi Mitra Dhuafa in West Java, Central Java and Yogyakarta.

### 21 MAY 2012

MPI inaugurated its Lipa Branch in Batangas City to reach out to more customers in an area known for its growing agriculture, commerce and consumer markets.

### 22 MAY 2012

Maybank Singapore CEO, Pollie Sim was conferred the DFICP Title - Distinguished Financial Industry Certified Professional - by The Institute of Banking & Finance (IBF). The title was the highest certification mark for a financial practitioner in Singapore under the FICS framework, which is the national accreditation and certification framework for the financial industry.

### 23 MAY 2012

MPI launched its iDrive for an iGadget promo for Auto Loans to target the young, tech saavy market.

### 24 MAY 2012

Maybank reported a profit after tax and minority interest (PATAMI) of RM1.35 billion for the three months ended 31 March 2012, up 17.9% from RM1.14 billion in March 2011. Group profit before tax for the period was up 20.2% to RM1.89 billion.

### 8 JUNE 2012

Maybank Singapore was one of the main sponsors of the Economic Society of Singapore annual dinner. The event, graced by Singapore Prime Minister Lee Hsien Loong, was attended by over 650 guests including key policy makers, businessmen and professionals.





### 11 JUNE 2012

Maybank@Clementi, located in CityVibe, opened its doors to the public. Located strategically near the Clementi MRT station and the future Clementi Central Hub, the branch is ideal for the delivery of tailored small business, corporate and retail consumer banking services to entrepreneurs, middle working class, students, families and HDB heartlanders.

### 15 JUNE 2012

BII teamed up with The Royal Bank of Scotland (RBS) to optimise transaction banking services such as cash management, payments, collections and transfers. Under this arrangement, BII will be able to leverage on RBS' transaction services such as Domestic and International Payments, liquidity management service, trade finance and supply chain financing. BII will also have the opportunity to cross-sell its services in corporate and retail banking while RBS will benefit from BII's wide network.

### 16 JUNE 2012

BII entered into a strategic partnership with I-Remit Inc. for the introduction of its remittance services via BII branches.

### 17 JUNE 2012

BII introduced the BII-JCB Platinum Card, the first JCB Platinum Credit Card in Indonesia.

### 20 JUNE 2012

Maybank Foundation and Perdana Leadership Foundation jointly organised an essay competition entitled "Shaping the Nation: Our Rights and Responsibilities as Malaysian Citizens". The competition was launched by the fourth Prime Minister of Malaysia and the Honorary President of Perdana Leadership Foundation, Tun Dr. Mahathir Mohamad.



### 21 JUNE 2012

A total of 514 children of Maybank employees were awarded the Maybank Group Staff's Children Academic Excellence Awards, totaling over RM250,000. The cash awards of between RM300 and RM2,000 each, were given to students who excelled in the 2011 PMR, SPM and STPM examinations.



### 25 JUNE 2012

Maybank Singapore was global coordinator for a SGD5.1billion syndicated facility for integrated resort operator, Marina Bay Sands Pte Ltd (MBS), which is one of only two integrated resorts in Singapore. The purpose of the facility was to refinance the development loan for the integrated resort and to finance general corporate funding requirements of MBS.



## EVENT HIGHLIGHTS

### 26 JUNE 2012

Maybank reaffirmed its support for Hospital Selayang's Liver Transplant Centre with a cash contribution of RM162,000 from the Maybank Foundation. The contribution comprised RM150,000 pledged by the Foundation, while the remaining RM12,000 was collected from fundraising events initiated by the Group at the Maybank Malaysia Badminton and Golf Open tournaments in January and April 2012 respectively.



### 29 JUNE 2012

Twenty-two students received the first-of-its-kind Maybank Foundation Scholarship Awards, in which they were given the opportunity to pursue their education at any of 36 selected top foreign universities from pre-university level. The total value of the scholarships was RM13.2 million.

### 30 JUNE 2012

As part of its ongoing corporate responsibility initiatives, Maybank Cambodia, in collaboration with the Ladies Association of the Embassy of Malaysia in Cambodia contributed water pumps to the Kampong Samrong, community in Taken Province.



### 2 JULY 2012

BII entered into a partnership with Shinkin Central Bank (SCB) of Japan to offer a series of banking products and services to SCB customers and partners in Indonesia. Under this agreement, SCB customers are able to use the transaction banking services of BII's network in Indonesia.

### 4 JULY 2012

Maybank Singapore won "Your Choice @ Focus, Singapore PMEB's Most Favorite Brand of Credit Card issued by a Foreign Bank" with the Maybank Platinum Visa Card for the second consecutive year. This award offered white collar workers the opportunity to vote for their favourite brands and to publicly recognise and honour those brands that strive to provide them quality products and services. Maybank Singapore won the same award in 2011.



### 10 JULY 2012

Etika Takaful Berhad took home three awards at the 6th International Takaful Summit held in London. Etika Takaful received the 'Best Bancatakaful' award, 'Best Marketing' award and the flagship trophy - the 'Best Takaful Company' award. This is the third year Etika Takaful won the 'Best Bancatakaful' award and the second year in which it was recognised as 'Best Takaful Company' and having the 'Best Marketing'.

## 10 JULY 2012

BII entered into a partnership with Seto Shinkin Bank (SSB) of Japan to serve SSB customers in Indonesia. These include account services, local currency lending, remittance, trade finance, foreign exchange and treasury products, amongst others.

## 11-14 JULY 2012

The BII Maybank Asian Development Tour (ADT) Golf Challenge, offering prize money totaling USD50,000, was held in Jakarta as part of Maybank Group's efforts to support the development of golf in the region.

## 17 JULY 2012

Etiqa Takaful added another feather to its cap when it grabbed the Best Takaful Institution award at the Asset Triple A Islamic Finance Awards in Kuala Lumpur.



## 18 JULY 2012

Maybank Philippines Inc. (MPI) signed a contract with Phoenix Petroleum to provide financing for its expansion programme. Phoenix is the No.1 independent oil player in the Philippines and one of the most aggressive in terms of retail expansion.



## 30 JULY 2012

BII reported a profit after tax and minority interest of Rp592 billion for the six months ended 30 June 2012, up 61% from Rp367 billion as at 30 June 2011. This was the highest ever PATAMI recorded by BII since 1997. The Bank's profit before tax reached Rp824 billion, up 59% compared to the previous corresponding period.



## 30 JULY 2012

Maybank signed a five-year partnership to be the official retail bank for the interactive theme park, LEGOLAND® Malaysia. The partnership enabled Maybank to tap into the country's growing tourism market as well as to build its brand presence to an international audience.

## 1 AUGUST 2012

MPI participated in Vistaland's PHP4.8 billion fixed rate corporate notes issuance. Vistaland is one of the top real estate developers in the Philippines with a presence in urban areas all over the country.



## 2 AUGUST 2012

BII entered into a partnership with PT Bank Nusantara Parahyangan, Tbk (BNP) for the introduction of Western Union services. BNP will be BII's sub-agent for Western Union transactions at its 60 branches, including money transfers by overseas workers. BII is now in partnership with 140 sub-agents, providing a total of 680 outlets in Indonesia.



## 6 AUGUST 2012

MPI inaugurated its 53rd branch in Tarlac, a city in Central Luzon and north of Metro Manila.

## EVENT HIGHLIGHTS



### 8 AUGUST 2012

Maybank joined forces with Limkokwing University of Creative Technology (LUCT) and MasterCard Worldwide to introduce Southeast Asia's first ever MasterCard Prepaid University Smart Card for LUCT employees and students.

### 10 AUGUST 2012

BII donated a Laser Indirect Ophthalmoscope (LIO) for retinoblastoma to Yayasan Rumah Anyo. This device will help in the early detection of eye cancer.

### 16 AUGUST 2012

Maybank announced that profit after tax and minority interest for the half-year ended 30 June 2012 surged 21.2% to a new record of RM2.78 billion, on the back of an 18% growth in revenue. Group profit before tax was up 18.7% to RM3.92 billion.

### 22 AUGUST 2012

Maybank Singapore launched its mobile banking app for both the iPhone and iPad. This enables users to conduct regular internet banking transactions such as balance enquiries, funds transfers and bill payments.

### 23 AUGUST 2012

Maybankers from Maybank (Cambodia) Plc. organised a voluntary staff fund-raising to support the Kantha Bopha Hospitals which provide free healthcare to 85% of Cambodia's children.

### 23 AUGUST 2012

Maybank Singapore was conferred the Website of the Year - Singapore award in the Asian Banking & Finance Retail Banking Awards 2012. The award recognised the website's ease of navigation, minimum loading time and up-to-date information.



### 24 AUGUST 2012

Maybank Singapore was named Employer Award of the Year (GOLD) by Asian Banking & Finance Magazine (ABF). This award category was newly introduced this year and Maybank Singapore was the only Gold Winner.

### 24 AUGUST 2012

Maybank Singapore executed the first Islamic Profit Rate Swap on the back of a syndicated Islamic loan, establishing its capability in Islamic hedging solutions.

### 1 SEPTEMBER 2012

MPI signed a Memorandum of Agreement with the Philippine Veterans Affairs Office (PVAO) to support its Direct Remittance Pension Servicing System (DRPSS). The DRPSS aims to improve the pension benefits delivery for Filipino Veterans and was a highlight of the PVAO's 40th founding anniversary.





### 3 SEPTEMBER 2012

Maybank@Clementi was officially launched by Maybank Group Chief Financial Officer Mohamed Rafique Merican. The Branch is strategically near the Clementi MRT station and the future Clementi Central Hub.

### 3 SEPTEMBER 2012

Maybank held its first Investor Day in Singapore on for analysts and fund managers from Singapore and Malaysia.

### 6 SEPTEMBER 2012

Maybank launched two new retirement plans, tapping into a growing market segment and aiming for some RM250 million in premiums in the first year. The Smart Retirement plan is a regular premium endowment with guaranteed yearly cash payout. The Golden Retirement plan is a single premium investment-linked plan that guarantees minimum 110% of original investment as well as life insurance coverage.

### 6 SEPTEMBER 2012

BII launched its Paperless Account Opening System to reduce service time, making it the first Indonesian bank to offer such a facility.

### 7 SEPTEMBER 2012

BII introduced the BII KPR Floating Rate, a mortgage product that offers customers the lowest floating rate of BI Rate + 3.5%.

### 14 SEPTEMBER 2012

Maybank successfully priced its USD800 million Regulation S Tier 2 Capital Subordinated Notes under its USD5.0 billion Multicurrency Medium Term Note Programme. This was the largest Regulation S US Dollar Lower Tier 2 capital issuance by an Asian bank outside Japan and also marked the largest ever US Dollar bond issuance by a Malaysian financial institution.

### 19 SEPTEMBER 2012

BII entered into a partnership with Ogaki Kyoritsu Bank (OKB) of Japan to become the transaction bank for OKB customers in Indonesia. Under this partnership, BII provides market information, banking services, trade finance, foreign exchange and other treasury products to the customers.



### 22 SEPTEMBER 2012

Believed to be the biggest one-day corporate responsibility (CR) initiative ever by a Malaysian company and the Maybank Global CR Day was back for its third consecutive year. The event saw over 21,000 Maybank employees - from Malaysia as well as its global offices - coming together to reaffirm their commitment to social and community development. Employees participated in various initiatives in the areas of environmental conservation, educational and community development, and health and welfare.

### 22 SEPTEMBER 2012

In Indonesia, BII handed over newly built clean water infrastructure for seven villages, providing access to clean water for more than 1,300 Merapi residents in Magelang, Central Java.

## EVENT HIGHLIGHTS



### 22 SEPTEMBER 2012

Maybank Islamic entered into a partnership with the Pediatric Centre of the National Heart Institute (IJN) in Kuala Lumpur, pledging RM1.5 million to the centre. IJN will work with Maybank Islamic over the next five years to promote health.



### 22 SEPTEMBER 2012

Over 1500 Maybank staff raised about SGD150,000 for the Special Olympics Singapore, which empowers persons with intellectual disabilities to become physically fit and productive through competition. The Singapore Sports Council matched dollar-for-dollar the amount raised.



### 29 SEPTEMBER 2012

In recognition of Maybank Singapore's outstanding support and contribution towards helping needy families in the Central Singapore District, the Bank was conferred the Excellence Award in the Central Singapore Corporate Appreciation Award 2012 for the second consecutive year.

### 2 OCTOBER 2012

Maybank Singapore introduced the Maybank World MasterCard to capture a greater share of consumers in the affluent segment.

### 8 OCTOBER 2012

Maybank announced the successful completion of a bookbuilding exercise in relation to its private placement, raising approximately RM3.66 billion (USD1.2 billion) at a narrow discount to the market price. The private placement ranked as the largest in Malaysia's corporate history and was well received by both domestic and foreign institutional investors.

### 11 OCTOBER 2012

Maybank announced its continued collaboration with the Malaysian Conservation Alliance for Tigers (MYCAT) to further raise public awareness and support for tiger conservation efforts.



### 11 OCTOBER 2012

After having launched its merchant acquiring business in the Philippines, Maybank Philippines introduced the Maybank Credit Card in the country with partners Visa and Mastercard.



## 12 OCTOBER 2012

Maybank Singapore was awarded the Work-Life Excellence Award 2012, the fourth time it won this biennial award. The award recognises employers who have shown commitment in responding to their employees' work-life needs and implemented successful work-life strategies.



## 13 OCTOBER 2012

Etiqa Insurance & Takaful received five awards at the 13th Customer Relationship Management & Contact Centre (CCAM) Industry Awards Ceremony held in Kuala Lumpur. The awards won were Silver for Best In-House Inbound Contact Centre and Best Video for Contact Centre; and Bronze for Best Process Excellence Contact Centre, Best Technology Innovation Contact Center and Best Contact Center Manager.

## 15 OCTOBER 2012

Maybank officially opened the Beijing Branch, its third branch in the Greater China region, after Hong Kong and Shanghai.



## 15 OCTOBER 2012

MPI hosted a briefing on investing in Labuan for top clients of the Bank. The briefing was conducted by a delegation from Maybank International Labuan Ltd. and officials from the trade offices and government of Labuan.



## 16 OCTOBER 2012

Etiqa Takaful Berhad was once again awarded The Most Outstanding Takaful Company in the KLIFF Islamic Finance Awards Ceremony 2012 in Kuala Lumpur. This marked the fifth year in a row in which Etiqa Takaful received this award which honours the significant effort and contributions of individuals and institutions in developing the Islamic finance industry.



## 24 OCTOBER 2012

Maybank hosted a three-day art exhibition entitled "Nurkılan Jiwaku" at Menara Maybank. The result of a unique collaboration between Maybank Foundation, Universiti Kebangsaan Malaysia (UKM) and the Malaysian Council of Rehabilitation, the exhibition saw a group of People with Disabilities (PWD) displaying their artistic works. A total of 19 paintings were sold, raising some RM20,000 for the PWD.

## 29 OCTOBER 2012

BII reported a record profit after tax and minority interest (PATAMI) of Rp922 billion for the nine months ended 30 September 2012, up 66%. The Bank's profit before tax also increased significantly by 62%, reaching a milestone Rp1.3 trillion compared to Rp790 billion in the previous corresponding period.

## EVENT HIGHLIGHTS

### 29 OCTOBER 2012

Maybank launched its single premium, capital guaranteed investment-linked insurance plan, AUSpicious10, aiming to raise RM300 million by end December 2012. AUSpicious10 offered customers the opportunity and flexibility to invest in a selection of investment funds focused on Australia, all within one single plan.

### 2 NOVEMBER 2012

BII settled its bonds issuance of Rp3 trillion as stage 2 of the Public Offering. The first stage was held in December 2011. The bonds were issued in two series, Seri A for a term of three years and Seri B for a term of five years. The bond issuances aim to strengthen BII's capital structure and both have been listed in Bursa Efek Indonesia as at 1 November 2012.



### 5 NOVEMBER 2012

The Prime Minister of Malaysia, Dato' Sri Mohd Najib Tun Abdul Razak officially opened the Maybank Lao Branch in Vientiane. The opening of the Lao branch marked the completion of the Group's footprint in all ten ASEAN nations.

### 5 NOVEMBER 2012

MPI opened its 54th branch, the Main Office Branch at the new Maybank Corporate Centre in Taguig. The branch features advanced technologies like internet kiosks and iPads for the use of customers, a play area for children, and a coffee and tea station.



### 7 NOVEMBER 2012

BII launched its BII-Maybank Scholarships, awarding full scholarships worth Rp10 billion to top students from underprivileged families in 33 Indonesian provinces.

### 9 NOVEMBER 2012

Maybank announced profit after tax and minority interest (PATAMI) of RM4.29 billion for the nine months ended 30 September 2012, up 18.2% from the RM3.63 billion recorded in the nine months to September 2011. Group profit before tax was up 15.6% to RM5.95 billion.

### 14 NOVEMBER 2012

Thirty Maybank security personnel received their certificates as Auxiliary Police Officers after successfully completing a rigorous nine-week training session at the Police Training Academy in Kuala Lumpur. The 30 made up the first batch of trainees of the Group's in-house security force and consisted of six Security Supervisors and 24 Security Guards.



### 19 NOVEMBER 2012

Maybank was the first bank in Singapore to introduce the Maybank Smart TV App, leveraging on the full capabilities of the Samsung Smart TV to create a truly innovative online service and engagement channel for customers and non-customers alike. This was aimed at raising the Bank's service levels and increasing its acquisition and cross-selling potential.

## 21 NOVEMBER 2012

Maybank launched its enhanced Regional Cash Management platform, delivered through its state-of-the-art web-based Maybank2E platform in Singapore to tap into Asia's fast growing cash management market. The platform will enable the Bank to meet the increasingly regional transactional needs of global banking clients in all ten ASEAN countries as well as in China and Hong Kong.



## 23 NOVEMBER 2012

Maybank Group successfully closed two regional syndication and one bilateral loan facilities totaling USD\$1.15 billion in Manila for Genting Hong Kong Limited and its affiliate, Travellers International Hotel Group Inc., developers of the Resorts World project in Manila. This was the one of largest financings arranged by the Maybank Group in the Philippines.



## 24 NOVEMBER 2012

Maybank hosted the Maybank Photography Awards which successfully attracted more than 19,000 submissions nationwide. We were the first Malaysian bank to organise a photography competition of this magnitude. The works of the selected finalists were showcased at the Maybank Photography Awards Grand Finale held in 1 Utama Shopping Centre, Petaling Jaya.



## 26-30 NOVEMBER 2012

The third edition of The Etiqa ASEAN Cup was staged at the Royal Selangor Golf Club (RSGC). Conducted by the Malaysian Golf Association and sponsored by Etiqa, the initiative aimed to develop the talents of young golfers.

## 28 NOVEMBER 2012

Maybank launched Maybank One Solution, a new bundled offering via kiosks.



## 12 DECEMBER 2012

BII signed an agreement with Sintesa Group to provide a USD100 million financing facility.

## 18 DECEMBER 2012

BII supported the launching of "BII Sukma Inspirasi", an e-magazine targeted at women entrepreneurs.

## 18 DECEMBER 2012

Maybank Philippines Inc. (MPI) donated PHP500,000 to ABS-CBN Sagip Kapamilya in aid of victims of Typhoon Bopha, the strongest tropical cyclone to hit Mindanao, an island in southern Philippines.

## 28 DECEMBER 2012

Maybank announced a six-month moratorium on monthly loan installments as well as waiver of certain charges on a case-to-case basis for business banking, SME banking and consumer banking customers in Terengganu, Kelantan, Pahang and other areas which were affected by floods, effective 1 January 2013.

## 28 DECEMBER 2012

Maybank expanded its network in Cambodia with the opening of its 12th branch, located at the Phnom Penh Special Economic Zone (PPSEZ).



# AWARDS & recognition



## EXCELLENCE IN RETAIL FINANCIAL SERVICES AWARDS 2013

- Best Consumer Risk Management Initiative

## ALPHA SOUTH EAST ASIA ANNUAL DEAL AND SOLUTION AWARDS 2012

- Best Mid Cap Deal Of The Year In Southeast Asia (US\$241.5 million Gas Malaysia public offering)
- Best REIT Deal Of The Year In Southeast Asia; Most Innovative Deal Of The Year In Southeast Asia (US\$275.3 million (RM837.5m) IGB REIT)
- Best Project Financing Deal Of The Year In Southeast Asia (US\$780 million (RM2.4b) Danalnfra Nasional's Islamic Commercial Papers & IMTN)
- Best Islamic Finance Deal Of The Year In Southeast Asia (US\$11.1 billion (RM23.35b IMTN Programme + RM11b PLUS Guaranteed Sukuk)

## ALPHA SOUTH EAST ASIA ANNUAL DEAL AND SOLUTION AWARDS 2012 (KIM ENG AND MAYBANK INVESTMENT)

- Best Dual-Listed IPO Of the Year in Southeast Asia;
- Best Equity Deal Of The Year In Southeast Asia (RM6.7 billion (S\$2.7b) IHH Equity offering)

## IFR ASIA AWARDS 2012

- Malaysia Capital Markets Deal of the Year (IHH Healthcare's M\$6.3bn Malaysia and Singapore IPO)

## GRADUAN BRAND AWARDS 2012

- Preferred Employer in Malaysia

## PREFERRED EMPLOYER AWARDS

- Banking & Financial Services Category

## RADAR GLOBAL AWARDS 2012

- Gold Medal For Overall Reputation

## ALPHA SOUTHEAST ASIA AWARDS

- Best SME Bank

## THE MARKETING EVENTS AWARDS

- GOLD Award for Best Sponsorship Activation for Manchester United, Live at Old Trafford
- Bronze Award for Best Use of Retail Marketing for Mobile Mortgage Activation

**ANNUAL ICT LEADERSHIP AWARD 2012 (PIKOM)**

- Malaysia's ICT Organisation of the Year Award
- CIO of the Year 2012 Award

**SGAM ICT ACHIEVEMENT OF THE YEAR 2012 AWARD (PIKOM)**

- Achievement in Project Clarity : Aligning Strategy and Unifying Project Information

**NACRA 2012 AWARDS**

- Platinum Award for the Overall Excellence Award
- Industry Excellence Award for Finance
- Platinum for Best Designed Annual Report Award
- Gold Award for Best Corporate Social Responsibility
- Silver Award for Best Annual Report in Bahasa Malaysia

**MALAYSIA'S MOST VALUABLE BRAND AWARD 2012**

- Malaysia's Most Valuable Brand

**THE ASSET TRIPLE A ASIAN AWARDS 2012**

- Best Islamic Trade Finance Bank Malaysia
- Best Islamic Retail Bank Malaysia

**EMPLOYER AWARD OF THE YEAR - GOLD 2012 (SINGAPORE)**

- Employer Award of the Year

**WORK-LIFE EXCELLENCE AWARD 2012 (SINGAPORE)**

- Work Life Excellence

**CENTRAL SINGAPORE CORPORATE APPRECIATION AWARD 2012**

- Excellence Award

**THE ASSET TRIPLE A - ISLAMIC FINANCE AWARDS 2012**

- Best Islamic Equity - Bumi Armada IPO
- Best Corporate Sukuk - Projek Lebuhraya Usahasama Sukuk
- Best Islamic Restructuring Deal - Pengurusan Aset Air Berhad

**ASIAMONEY BEST BANK AWARDS 2012**

- Best Domestic Debt House Malaysia

**THE ASSET TRIPLE A - ISLAMIC FINANCE AWARDS 2012**

- Best Islamic Trade Finance Bank, Malaysia
- Best Islamic Retail Bank, Malaysia
- Islamic Deal of the Year / Best Sovereign Sukuk - Wakala Global Sukuk
- Best Islamic Deal, Malaysia - Wakala Global Sukuk

**FINANCIAL TIMES - THE BANKER, DEAL OF THE YEAR AWARDS 2012**

- Equities / IPO / Equity Linked
- Trade Finance

**WORLD'S BEST ISLAMIC FINANCIAL INSTITUTIONS AWARDS 2012**

- Best Sukuk Bank
- Best Islamic Finance Deal of The Year

**BEST DEBT HOUSE AWARDS 2012**

- Best Debt House

**FINANCIAL INSIGHTS INNOVATION AWARDS (FIIA) UNDER THE SOCIAL MARKETING CATEGORY.**

- Innovation in Social Marketing

**NEF-AWANI ICT AWARDS 2011**

- Favourite Online Banking under People's Choice Awards

**PUTRA BRAND AWARDS 2012**

- Malaysia's Top brand in the Finance Category (Gold) Innovation Malaysia Awards 2012.
- M2U Mobile Payment App

**PEOPLE'S ASSOCIATION COMMUNITY SPIRIT AWARDS 2012**

- Excellence Award (Maybank Singapore)

**2012 PACIFIC RIM BANKERS PROGRAM (PRBP) DISTINGUISHED LEADERSHIP AWARD WON BY MAYBANK SINGAPORE****FINANCIAL INSIGHTS INNOVATION AWARDS**

- Winner of the Loan Origination category
- MSWG Malaysian Corporate Governance Index Distinction Award

**EUROMONEY PRIVATE BANKING AWARDS**

- Best Private Banking Services Overall
- No.1 in Relationship Management
- No.1 in Privacy and Security
- No.1 in Range of Investment Products.
- No.1 for Super Affluent Category (managed assets of between US\$500,000 - US\$1 million)
- No.1 for High Net Worth I Category (US\$1 million - US\$10 million),
- No.1 for High Net Worth II Category (US\$10 million - US\$30 million),
- No.1 for Ultra High Net Worth Category (Greater than US\$30 million).

**PRIME MINISTER'S CSR AWARD 2012**

- Culture & Heritage Category

**ASIAMONEY AWARD 2012**

- Best Managed Company In Malaysia - Large Cap



# FIVE-YEAR GROUP FINANCIAL SUMMARY

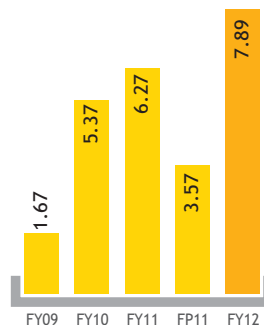
	Group				
	FY 30 June			FP 31 Dec	FY 31 Dec
	2009	2010	2011	2011 <sup>1</sup>	2012
<b>OPERATING RESULT (RM' million)<sup>2</sup></b>					
Operating revenue	17,586	18,560	21,040	12,892	27,532
Operating profit	3,064	5,249	6,135	3,497	7,742
Profit before taxation	1,674	5,370	6,270	3,571	7,895
Profit attributable to equity holders of the Bank	692	3,818	4,450	2,587	5,745
<b>KEY STATEMENTS OF FINANCIAL POSITION DATA (RM' million)<sup>2</sup></b>					
Total assets	310,739	336,700	411,254	451,595	494,866
Financial investments portfolio <sup>3</sup>	70,132	68,885	76,871	84,669	92,820
Loans, advances and financing	186,252	205,894	255,018	276,253	311,825
Total liabilities	284,971	308,035	377,522	415,584	450,912
Deposits from customers	212,599	236,910	282,797	314,692	347,156
Commitments and contingencies	221,587	232,273	292,109	369,792	379,695
Paid-up capital	7,078	7,078	7,478	7,639	8,440
Shareholders' equity	24,899	27,877	32,395	34,456	42,229
<b>SHARE INFORMATION<sup>2</sup></b>					
Per share (sen)					
Basic earnings <sup>4</sup>	12.0	53.9	61.4	34.5	72.7
Diluted earnings <sup>4</sup>	12.0	53.9	61.4	34.5	72.7
Gross dividend	8.0	55.0	60.0	36.0	65.0
Net assets (sen)	351.8	393.9	433.2	451.1	500.3
Share price as at 31 Dec/30 June (RM)	5.90	7.56	8.94	8.58	9.20
Market capitalisation (RM'million)	41,758	53,510	66,855	65,546	76,551
<b>FINANCIAL RATIOS (%)<sup>2</sup></b>					
Profitability Ratios/Market Share					
Net interest margin on average interest-earning assets	2.8	2.9	2.6	2.5 <sup>8</sup>	2.4
Net interest on average risk-weighted assets	3.4	3.5	3.6	4.0 <sup>8</sup>	3.9
Net return on average shareholders' funds	3.1	14.5	14.5	15.2 <sup>8</sup>	16.0
Net return on average assets	0.2	1.2	1.2	1.2 <sup>8</sup>	1.2
Net return on average risk-weighted assets	0.3	1.6	1.8	2.0 <sup>8</sup>	2.1
Cost to income ratio <sup>5</sup>	52.2	46.5	49.2	49.7	48.6
Domestic market share in:					
Loans, advances and financing	17.8	17.6	18.1	17.9	18.2
Deposits from customers - Savings Account	26.6	27.7	27.9	27.6	27.7
Deposits from customers - Current Account	21.3	20.5	20.7	19.5	20.2
<b>CAPITAL ADEQUACY RATIOS (%)<sup>2</sup></b>					
(after deducting proposed final dividend)					
Core capital ratio <sup>6</sup>	10.8	10.1-11.0	11.2-11.8	11.0-11.7	12.8-13.5
Risk-weighted capital ratio <sup>6</sup>	14.8	13.7-14.6	14.7-15.4	15.7-16.4	16.6-17.4
<b>ASSET QUALITY RATIOS<sup>2</sup></b>					
Net impaired loans/non-performing loans ratio (%)	1.6	1.2	2.3	1.9	1.1
Loan loss coverage (%)	112.9	124.5	82.3	86.9	105.6
Net loans to deposit ratio (%)	87.4	86.8	90.2	87.8	89.8
Deposits to shareholders' fund (times)	8.5	8.5	8.7	9.1	8.2
<b>VALUATIONS ON SHARE<sup>2</sup></b>					
Gross dividend yield (%)	1.4	7.3	6.7	4.2	7.1
Dividend payout ratio (%)	61.4	76.5	74.9	79.9	74.7
Price to earnings multiple (times) <sup>7</sup>	49.1	14.0	14.6	24.9	12.7
Price to book multiple (times)	1.7	1.9	2.1	1.9	1.8

- The results consist of six-months financial period ended 31 December 2011 due to the change of financial year end from 30 June to 31 December.
- Comparative figures were restated due to first-time adoption of Malaysian Financial Reporting Standards ("MFRS") Framework and changes in accounting policies.
- Financial investments portfolio consists of financial assets at fair value through profit or loss, financial investments available-for-sale and financial investments held-to-maturity.
- Adjusted for rights issue completed on 30 April 2009 and bonus issue of 1:4 completed on 20 February 2008 and Maybank Group Employees' Share Scheme relating to the Restricted Share Unit as at 31 December 2011.

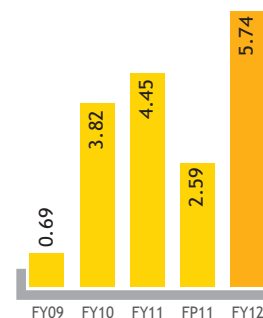
- Cost to income ratio is computed using total cost over the net income. The total cost of the Group is the total overhead expenses, excluding amortisation of intangible assets for PT Bank International Indonesia Tbk and Maybank Kim Eng Holdings Limited.
- The capital adequacy ratios for Dec 2012, Dec 2011, June 2011 and June 2010 present the two range of extreme possibilities, i.e. (i) where the full electable portion is not reinvested; and (ii) where the full electable portion is reinvested in new ordinary shares in accordance with the Dividend Reinvestment Plan.
- Price to earnings multiple (times); (2009) 12.8 times (before impairment of goodwill/associate).
- Annualised.

Bank	
FP 31 Dec 2011 <sup>1</sup>	FY 31 Dec 2012
8,175	17,346
2,670	5,498
2,670	5,498
2,065	4,306
324,000	342,557
55,956	60,643
194,174	214,852
294,365	305,661
222,895	237,402
336,480	338,799
7,639	8,440
29,634	36,895
27.5	54.5
27.5	54.5
36.0	65.0
387.9	437.1
—	—
—	—
2.2 <sup>8</sup>	2.1
3.3 <sup>8</sup>	3.1
14.3 <sup>8</sup>	13.8
1.3 <sup>8</sup>	1.3
2.2 <sup>8</sup>	2.2
41.7	43.3
17.9	18.2
27.6	27.7
19.5	20.2
14.7-15.7	16.3-17.3
14.7-15.7	16.3-17.3
2.1	1.1
83.3	106.8
87.1	90.5
7.5	6.4
—	—
—	—
—	—
—	—

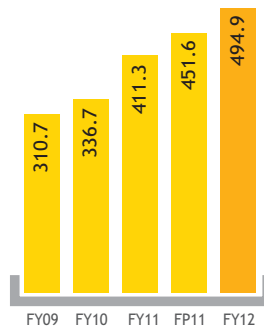
### Profit Before Taxation RM7.89 billion



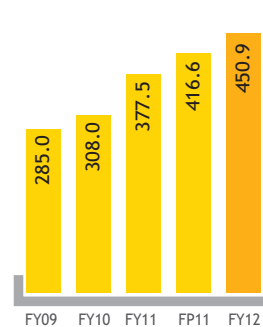
### Profit Attributable to Equity Holders of the Bank RM5.74 billion



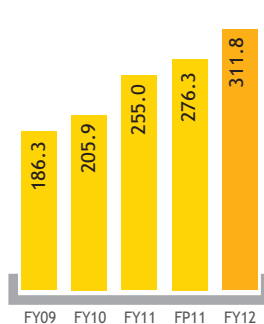
### Total Assets RM494.9 billion



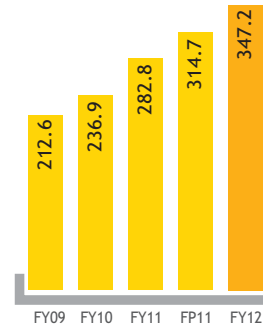
### Total Liabilities RM450.9 billion



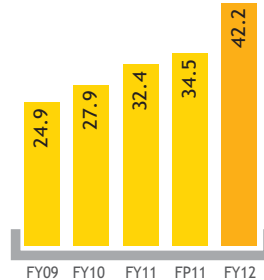
### Loans, advances and financing RM311.8 billion



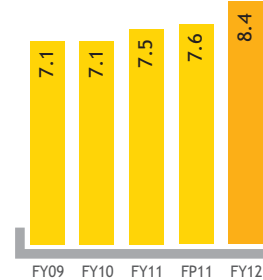
### Deposits from Customers RM347.2 billion



### Shareholders' Equity RM42.2 billion

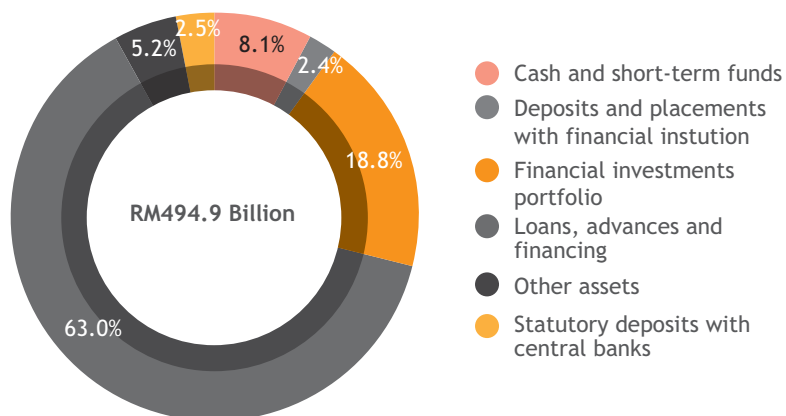


### Paid-up Capital RM8.4 billion



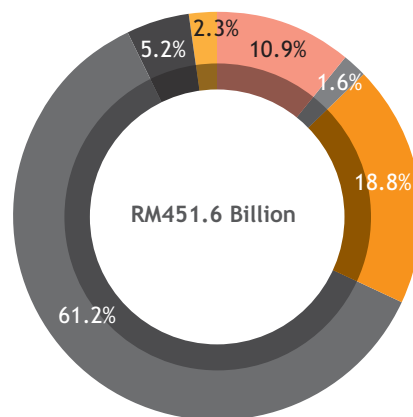
# SIMPLIFIED GROUP STATEMENTS OF FINANCIAL POSITION

## Assets



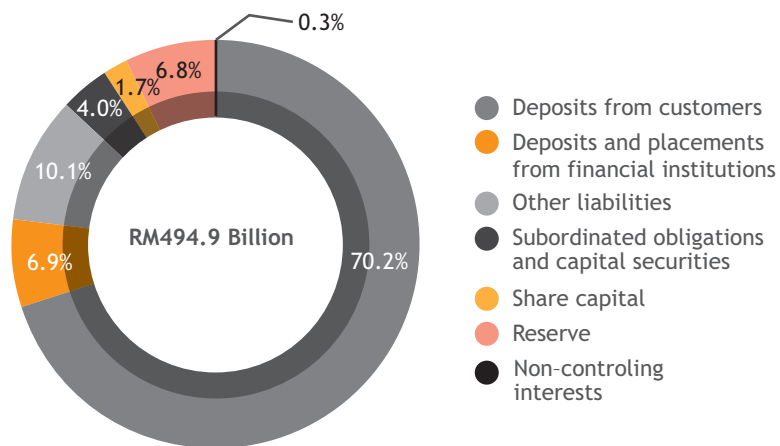
As at 31 December 2012

## Assets



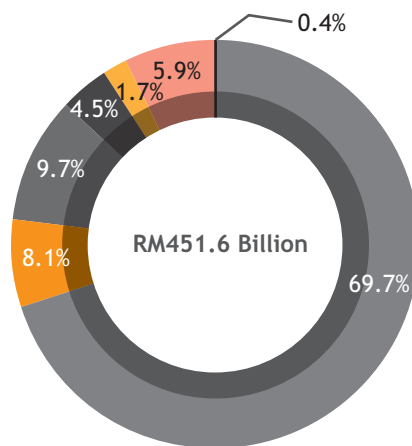
As at 31 December 2011

## Liabilities & Shareholders' Equity



As at 31 December 2012

## Liabilities & Shareholders' Equity



As at 31 December 2011

# GROUP QUARTERLY FINANCIAL PERFORMANCE

	FYE 31 December 2012				
RM' million	Q1	Q2	Q3	Q4	YEAR
Operating revenue	6,658	6,876	6,971	7,027	27,532
Net interest income (including income from Islamic banking business)	2,556	2,673	2,727	2,721	10,677
Net income from insurance/takaful business	87	170	91	304	652
Operating profit	1,860	1,978	1,989	1,915	7,742
Profit before taxation and zakat	1,895	2,026	2,025	1,949	7,895
Net profit attributable to equity holders of the Bank	1,347	1,437	1,501	1,460	5,745
Earnings per share (sen)	17.63	18.64	19.11	17.29	72.67
Dividend per share (sen)	—	32.00	—	33.00	65.00

	FPE 31 December 2011 <sup>1</sup>		
RM' million	Q1	Q2	6M
Operating revenue	6,155	6,737	12,892
Net interest income (including income from Islamic banking business)	2,390	2,644	5,034
Net income from insurance/takaful business	177	250	427
Operating profit	1,804	1,693	3,497
Profit before taxation and zakat	1,840	1,731	3,571
Net profit attributable to equity holders of the Bank	1,328	1,259	2,587
Earnings per share (sen)	17.76	16.72	34.48
Dividend per share (sen)	—	36.00	36.00

1 The results consist of six-months financial period ended 31 December 2011 due to the change of financial year end from 30 June to 31 December. The results were restated due to first-time adoption of Malaysian Financial Reporting Standards ("MFRS") Framework and changes in accounting policies.



# KEY INTEREST BEARING ASSETS AND LIABILITIES

FYE 31 Dec 2012			
	As at 31 December RM' million	Effective Interest Rate %	Interest Income/ Expense RM' million
<u>Interest earning assets</u>			
Loans, advances and financing	311,825	6.38	15,131
Cash and short-term fund & deposits and placements with financial institutions	51,968	1.79	792
Financial assets at fair value through profit or loss	29,157	3.89	103
Financial investments available-for-sale	60,792	3.38	1,695
Financial investments held-to-maturity	2,871	3.56	327
<u>Interest bearing liabilities</u>			
Deposits from customers	347,156	1.78	5,957
Deposits and placements from financial institutions	33,887	2.03	861
Borrowings	10,714	3.29	389
Subordinated obligations	13,510	4.46	562
Capital securities	6,150	6.54	401
FPE 31 Dec 2011 <sup>1</sup>			
	As at 31 December RM' million	Effective Interest Rate %	Interest Income/ Expense RM' million
<u>Interest earning assets</u>			
Loans, advances and financing	276,253	6.46	7,017
Cash and short-term fund & deposits and placements with financial institutions	56,550	2.19	385
Financial assets at fair value through profit or loss	18,394	3.21	67
Financial investments available-for-sale	63,585	3.66	851
Financial investments held-to-maturity	2,690	3.67	232
<u>Interest bearing liabilities</u>			
Deposits from customers	314,692	1.92	2,725
Deposits and placements from financial institutions	36,761	1.90	393
Borrowings	7,185	4.00	153
Subordinated obligations	14,161	4.27	236
Capital securities	6,114	6.54	201

1 The results consist of six-months financial period ended 31 December 2011 due to the change of financial year end from 30 June to 31 December. The results were restated due to first-time adoption of Malaysian Financial Reporting Standards ("MFRS") Framework and changes in accounting policies.

# STATEMENT OF VALUE ADDED

VALUE ADDED	FPE 31 Dec 2011 <sup>1</sup> RM'000	FYE 31 Dec 2012 RM'000
Net interest income	4,026,278	8,480,717
Income from Islamic Banking Scheme operations	1,008,037	2,196,259
Net income from insurance/takaful business	426,519	652,445
Other operating income	2,374,180	5,273,749
Overhead expenses excluding personnel expenses, depreciation and amortisation	(1,662,651)	(3,198,880)
Allowances for impairment losses on loans, advances and financing, net	(329,080)	(642,711)
Allowances for impairment losses on financial investments, net	(67,237)	(60,216)
Share of profits of associates	74,234	152,476
<b>Value added available for distribution</b>	<b>5,850,280</b>	<b>12,853,839</b>

DISTRIBUTION OF VALUE ADDED	FPE 31 Dec 2011 <sup>1</sup> RM'000	FYE 31 Dec 2012 RM'000
To employees:		
Personnel expenses	2,096,715	4,589,373
To the Government:		
Taxation	888,993	1,977,306
To providers of capital:		
Dividends paid to shareholders	1,794,772	3,944,958
Non-controlling interests	95,047	172,597
To reinvest to the Group:		
Depreciation and amortisation	182,473	369,867
Retained profits	792,280	1,799,738
<b>Value added available for distribution</b>	<b>5,850,280</b>	<b>12,853,839</b>

- 1 The results consist of six-months financial period ended 31 December 2011 due to the change of financial year end from 30 June to 31 December. The results were restated due to first-time adoption of Malaysian Financial Reporting Standards ("MFRS") Framework and changes in accounting policies.

# SEGMENTAL INFORMATION

## ANALYSIS BY GEOGRAPHICAL LOCATION

	FPE 31 Dec 2011 <sup>1</sup>		FYE 31 Dec 2012	
NET INCOME	RM'000	Composition	RM'000	Composition
1 Malaysia	5,048,289	64%	10,663,215	64%
2 Singapore	1,254,328	16%	2,463,826	15%
3 Indonesia	1,161,984	15%	2,562,083	15%
4 Other Locations	370,413	5%	914,046	6%
	7,835,014	100%	16,603,170	100%

	FPE 31 Dec 2011 <sup>1</sup>		FYE 31 Dec 2012	
PROFIT BEFORE TAXATION	RM'000	Composition	RM'000	Composition
1 Malaysia	2,632,796	74%	5,510,254	70%
2 Singapore	569,336	16%	1,138,759	14%
3 Indonesia	166,318	5%	553,985	7%
4 Other Locations	202,642	5%	691,601	9%
	3,571,092	100%	7,894,599	100%

- 1 The results consist of six-months financial period ended 31 December 2011 due to the change of financial year end from 30 June to 31 December. The results were restated due to first-time adoption of Malaysian Financial Reporting Standards ("MFRS") Framework and changes in accounting policies.

## ANALYSIS BY ACTIVITY

	FPE 31 Dec 2011 <sup>1</sup>	FYE 31 Dec 2012
NET INCOME	RM'000	RM'000
1 Community Financial Services	3,386,321	6,870,524
2 Global Banking	2,146,607	5,291,516
3 International Banking	2,438,392	5,172,399
4 Insurance, Takaful and Asset Management	602,358	1,197,020
5 Head Office and Others	(738,664)	(1,928,289)
	7,835,014	16,603,170

	FPE 31 Dec 2011 <sup>1</sup>	FYE 31 Dec 2012
PROFIT BEFORE TAXATION	RM'000	RM'000
1 Community Financial Services	1,688,834	3,024,238
2 Global Banking	1,250,300	3,808,135
3 International Banking	977,262	2,292,913
4 Insurance, Takaful and Asset Management	393,360	697,602
5 Head Office and Others	(738,664)	(1,928,289)
	3,571,092	7,894,599

- 1 The results consist of six-months financial period ended 31 December 2011 due to the change of financial year end from 30 June to 31 December. The results were restated due to first-time adoption of Malaysian Financial Reporting Standards ("MFRS") Framework and changes in accounting policies.







# Providing industry expertise to power your business

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As one of Southeast Asia's largest banks, with a long history in business and corporate banking, we have the foundation and industry experience to cater to our customers' complex needs.

# GROUP FINANCIAL REVIEW



“Our financial performance in 2012 reflects our commitment to create shareholder value. We achieved record PATAMI as a result of robust loan growth in the region, effective cost management whilst continuing to improve asset quality. As a result, we were able to deliver a 16.0% Return on Shareholders’ Equity. During the financial year, the Bank also raised RM3.66 billion to strengthen its capital base and is now positioned for further growth. This landmark equity placement was the largest such transaction in corporate Malaysia.”

## MOHAMED RAFIQUE MERICAN

Group Chief Financial Officer

## FY2012 HIGHLIGHTS

- Maybank Group delivered a record PATAMI of RM5.74 billion as well as superior shareholder value creation, with a ROE of 16.0% exceeding our headline KPI of 15.6%.
- This was the third year of double-digit earnings growth, which was driven by higher revenue growth, operating efficiency and improvements in asset quality.
- The rise in Group PBT and PATAMI was led by an overall 12.0% increase in revenue, from the year earlier, with domestic operations growing 10.5% and international growing 15.5%.
- International operations now contribute 30.2% of Group PBT, up from 23.8% in calendar year 2011, with Singapore’s PBT now crossing the RM1.0 billion mark, and Indonesia’s PBT rising 60% year-on-year to reach RM554 million.
- Maybank Islamic maintained its leadership position with a PBT of RM1.19 billion, up 24.9%; and total gross financing grew 18.3% to RM62 billion, representing 30.6% of Maybank’s total domestic financing.
- The Group’s balance sheet continued to strengthen with total assets of RM495 billion, and RWCR of 17.2% (assuming 85% reinvestment rate).
- Asset quality continued to improve with a Net Impaired Loans ratio of 1.09% and loan loss coverage of 105.6%.
- We are proposing a final net dividend of 28.5 sen per share, amounting to RM2.4 billion. This brings total FY2012 net dividend to RM4.29 billion representing a net dividend payout ratio of 74.7%.

## Profit After Tax &amp; Minority Interest

**RM5.74 billion**

CY2011: RM4.88 billion

## Cost to Income Ratio

**48.6%**

CY2011: 49.9%

## Risk Weighted Capital Ratio

**17.24%**

(assuming 85% reinvestment rate)

CY2011: 16.29%

## International PBT contribution

**30.2%**

CY2011: 23.8%

## Return on Equity

**16.0%**

CY2011: 15.7%

## Gross Loans Growth

**12.2%**

CY2011: 23.7%

## RESULT SUMMARY FOR FY2012

PATAMI (RM billion) &amp; EPS (sen)



(RM'mil)	FY2012	CY2011	YoY
Net interest income	8,480.7	7,624.4	11.2%
Net fund based income (Islamic Banking)	1,699.4	1,560.9	8.9%
<b>Net fund based income</b>	<b>10,180.1</b>	<b>9,185.3</b>	<b>10.8%</b>
Non-interest income	5,273.7	4,499.7	17.2%
Fee based income (Islamic Banking)	496.9	278.0	78.8%
Net income from insurance business	652.4	856.0	-23.8%
<b>Net fee based income</b>	<b>6,423.0</b>	<b>5,633.7</b>	<b>14.0%</b>
<b>Net income</b>	<b>16,603.1</b>	<b>14,819.0</b>	<b>12.0%</b>
Overhead expenses	(8,158.1)	(7,457.9)	9.4%
Provisions	(702.9)	(626.0)	12.3%
<b>Operating profit</b>	<b>7,742.1</b>	<b>6,735.1</b>	<b>15.0%</b>
Profit before taxation and zakat	7,894.6	6,875.2	14.8%
<b>Profit after Tax and Minority Interest (PATAMI)</b>	<b>5,744.7</b>	<b>4,884.0</b>	<b>17.6%</b>
EPS - Basic (sen)	72.7	65.1	11.7%

- The Group continued to deliver strong financial performance in FY2012, with PBT and PATAMI increasing by 14.8% and 17.6% respectively while earnings per share was up by 11.7%. Growth in profit was contributed by higher net income which grew by 12.0%, while growth in overhead expenses was contained at 9.4%, reflective of improved operating efficiencies across the Group.
- Net income growth was supported by a 10.8% growth in net fund-based income (comprising net interest income and net fund-based income from Islamic banking) as a result of strong loans and deposits growth in our three home markets, in particular Indonesia, where loans growth came in at 20.8%. Net fee-based income grew higher at 14.0% arising from higher service charges and fees, brokerage fees, commission income, gains from investments and higher fee income from Islamic banking operations.
- Overhead expenses grew 9.4% in tandem with business expansion. The increase was mainly attributable to personnel costs which were higher by 14.9% and marketing expenses which were up 13.3% due to stronger business growth. As expenses grew at a slower rate than income growth, the Group was able to improve the cost to income ratio from 49.9% in the previous year to 48.6%.

\* CY2011 based on unaudited figures



## GROUP FINANCIAL REVIEW

- Total provisions increased by 12.3% mainly due to higher loan loss provisions for several newly impaired loans but were mitigated by write backs on impairment allowances in the corporate segment. The Group's loan loss coverage also strengthened significantly to 105.6% from 86.9% in CY2011.
- Asset quality continued to improve with net impaired loans ratio of 1.09% from 1.86% a year earlier.
- Earnings per share rose 11.7% to 72.7 sen compared to 65.1 sen in CY2011.
- The Board of Directors has proposed a final dividend of 18 sen per share less 25% taxation and a 15 sen single-tier dividend comprising a cash portion of 4 sen single-tier dividend and an electable portion of 29 sen (24.5 sen net per share), where the electable portion comprised 11 sen single-tier dividend and 18 sen franked dividend (net 13.5 sen).
- The total gross dividend for the year was 65 sen per share. Please refer to the Maybank Share in this annual report for more information on the dividend.

## BUSINESS REVIEW

### Revenue by business segment

RM million	FY2012	CY2011	YoY Change
Community Financial Services	6,871	6,626	3.7%
Corporate Banking	2,301	1,492	54.3%
Global Markets	1,711	1,546	10.7%
Investment Banking	1,279	888	44.0%
International Banking	5,172	4,477	15.5%
Insurance & Takaful	1,197	1,232	-2.9%

### PBT by business segment

RM million	FY2012	CY2011	YoY Change
Community Financial Services	3,024	3,247	-6.9%
Corporate Banking	1,989	1,241	60.3%
Global Markets	1,474	1,264	16.6%
Investment Banking	345	126	173.8%
International Banking	2,293	1,649	39.3%
Insurance & Takaful	698	790	-11.6%

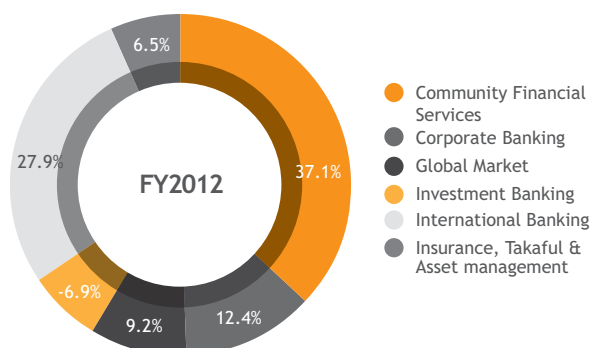
- In FY2012, most of the Group's business segments recorded positive growth in revenue and PBT. The highest growth came from the Global Banking (GB) segment, which recorded a 35% increase in revenue and 45% increase in PBT. These were contributed by the growth in the following units:
  - Investment Banking, which is now a leading regional investment bank following the merger with Kim Eng Holdings, reported an increase of 173.1% in PBT. This was supported by a 44% increase in revenue following participation in major IPOs, and debt and equity capital market deals.
  - Corporate Banking PBT rose sharply by 60.3% to RM1.99 billion as a result of strong growth in Term Loans (+25.4%) while the division maintained a healthy position in the trade finance market.
  - Global Market recorded a growth of 16.5% in PBT on the back of a 10.7% increase in revenue compared to the previous year. This was supported by the expanded global market capabilities across the region.
- PBT for international operations saw a robust growth of 39.1% on higher revenue as a result of our business expansion in South East Asia. Maybank Singapore's PBT crossed the RM1 billion mark whilst Maybank BII made a significant contribution to PBT of RM526 million.
- The Group's CFS sector recorded lower PBT from the earlier year, that was impacted by the reclassification of SME and business banking accounts to GB in 2011. Without the transfer of these accounts to GB, CFS would have recorded higher revenue in 2012.

\* CY2011 based on unaudited figures

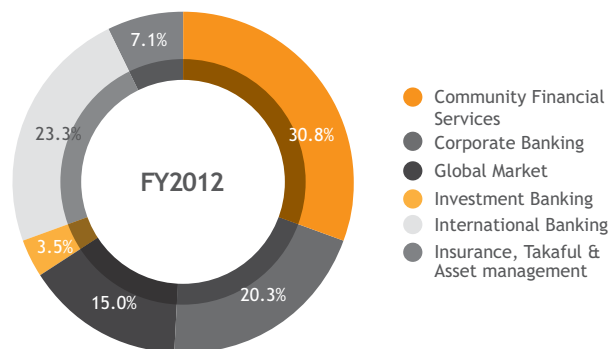
- Insurance, Takaful & Asset Management registered a normalised growth in revenue and PBT of 13.6% and 14.2% respectively in FY2012. Net insurance and takaful income in 2011 included 18 months of actuarial surplus transfer as there were two financial year end periods in line with the Group's transition from a June financial year end to a December financial year end. There was also a one-off adjustment in December 2011 due to a change in the actuarial liability valuation basis.

## Composition of Group revenue and PBT by business segment

Revenue by business segment

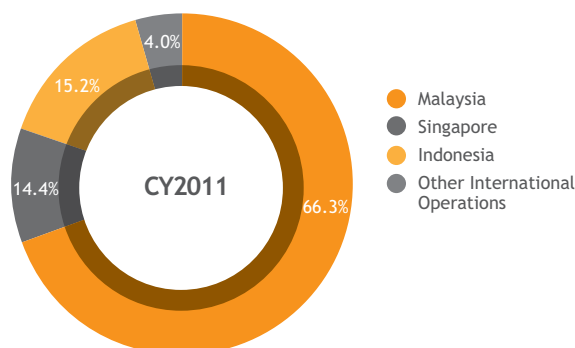
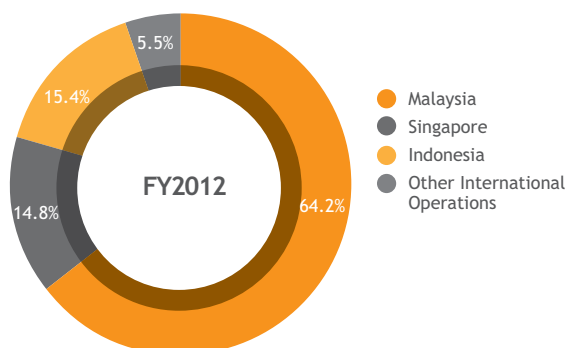


PBT by business segment



- Group revenue consisted of 37.1% from Community Financial Services, 28.6% from Global Banking (comprising Corporate Banking, Global Market and Investment Banking), 27.9% from International operations and 6.5% from Insurance, Takaful & Asset Management.
- The Group's PBT consisted of 30.8% of Community Financial Services, 38.8% of Global Banking (comprising Corporate Banking, Global Market and Investment Banking), and 7.1% of Insurance, Takaful & Asset Management.

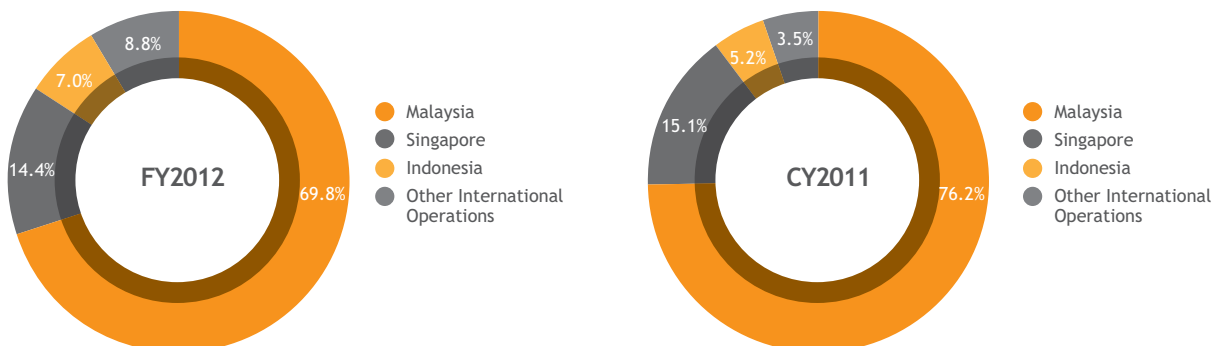
## Group revenue and PBT by Geography



\* CY2011 based on unaudited figures

## GROUP FINANCIAL REVIEW

### Profit Before Tax



- Domestic operations accounted for 64% of the Group's revenue and 70% of its PBT in FY2012. Overseas operations, which made up the remaining portion, increased its contribution to 36% and 30% of revenue and PBT from 30% and 24% respectively.

### BALANCE SHEET CONTINUED TO STRENGTHEN

- The Group's total assets expanded by RM43.3 billion or 9.6% to RM494.9 billion from RM451.6 billion as at 31 December 2011. The strong growth in total assets was attributed to higher growth in loans, advances and financing, bank's securities and deposit placements with financial institutions.
- Total net loans grew RM35.6 billion or 12.9% year-on-year to RM311.8 billion from RM276.2 billion on the back of strong growth in Indonesia, Singapore and other international markets, as well as Islamic and conventional financing in Malaysia which was above industry growth rates.
- Deposits from customers grew by RM32.5 billion or 10.3% to RM347.2 billion from RM314.7 billion in the corresponding year mainly attributable to 14.0% growth in international markets, outpacing that in Malaysia which came in at 8.5%.
- As a result of higher loans growth relative to customer deposits growth, the Group's loan-to-deposit ratio rose from 87.8% as at December 2011 to 89.8%.
- Shareholders' funds before non-controlling interest posted a growth of RM7.8 billion or 22.7% year-on-year to RM42.2 billion from RM34.4 billion. The increase in shareholders' funds was attributable to the Bank's issuance of new ordinary shares during FY2012 pursuant to the following:
  - Issuance of ordinary shares pursuant to Maybank's ESS
  - Issuance of ordinary shares pursuant to Maybank's Dividend Reinvestment Plan (DRP)
  - Issuance of ordinary shares pursuant to ESOS Transfer Fund
  - Issuance of ordinary shares pursuant to Private Placement

\* CY2011 based on unaudited figures

## Stronger loans growth in most business segments and key home markets

	FY2012	CY2011	YoY
<b>Malaysia^ (RM billion)</b>	<b>199.8</b>	<b>178.6</b>	<b>11.8%</b>
Community Financial Services	135.4	120.7	12.2%
Global Banking	64.4	57.8	11.5%
<b>Singapore (SGD billion)</b>	<b>27.3</b>	<b>24.7</b>	<b>10.5%</b>
Consumer	9.6	9.9	-2.6%
Commercial	17.7	14.8	19.2%
<b>Indonesia (Rp trillion)</b>	<b>81.1</b>	<b>67.2</b>	<b>20.8%</b>
Consumer	28.9	20.6	40.4%
Non-consumer	52.2	46.6	12.1%
<b>Other markets</b>	<b>20.6</b>	<b>18.4</b>	<b>12.2%</b>
<b>Group Gross Loans^ (RM billion)</b>	<b>317.3</b>	<b>282.8</b>	<b>12.2%</b>

^ Including Islamic loans sold to Cagamas and excluding unwinding of interest

- The Group's gross loans increased by RM34.5 billion or 12.2% to RM317.3 billion as at December 2012 as compared to the preceding year of RM282.8 billion as at December 2011. Loans from international operations grew at a faster rate of 12.9%, versus domestic loans at 11.8%, reflecting the growth prospects in the region. Within the international segment, Indonesia recorded a growth of 20.8% in loans, while the Group's operations in Singapore boosted loans by 10.5%. International loans made up 37% of the Group's total gross loans at the end of 2012.

## Domestic loans

Loans growth in RM billion	FY2012	CY2011	YoY
<b>Community Financial Services</b>	<b>135.4</b>	<b>120.7</b>	<b>12.2%</b>
Consumer	108.3	94.9	14.1%
Total Mortgage	48.5	42.1	15.2%
Auto Finance	31.2	27.7	12.9%
Credit Cards	5.4	5.3	1.0%
Unit Trust	21.9	18.5	18.1%
Other Retail Loans	1.3	1.3	3.9%
<b>Business Banking + SME</b>	<b>27.1</b>	<b>25.8</b>	<b>5.0%</b>
SME	4.9	4.4	10.3%
Business Banking	22.2	21.4	3.9%
<b>Global Banking (Corporate)</b>	<b>64.5</b>	<b>57.8</b>	<b>11.5%</b>
<b>Total Domestic</b>	<b>199.8</b>	<b>178.6</b>	<b>11.8%</b>

- In Malaysia, loans grew at 11.8%, ahead of the industry's 10.4% in FY2012 on the back of strong loans contributions by both CFS and GB.
- Mortgage loans, which formed 44.8% of domestic consumer loans, expanded 15.2% in FY2012 despite the tighter financing guidelines introduced in 2012. Our mortgage loans market share continued to increase to 13.4% in December 2012 from 13.2% a year earlier.
- Automobile financing grew steadily at 12.9% and continued to lead the market with a 20.2% market share as compared to 19.2% in the preceding year.
- Business banking and SME segment loans grew 5.0%, and are expected to benefit further from the operational improvements made at branches to serve this segment more effectively going forward.

\* CY2011 based on unaudited figures



## GROUP FINANCIAL REVIEW

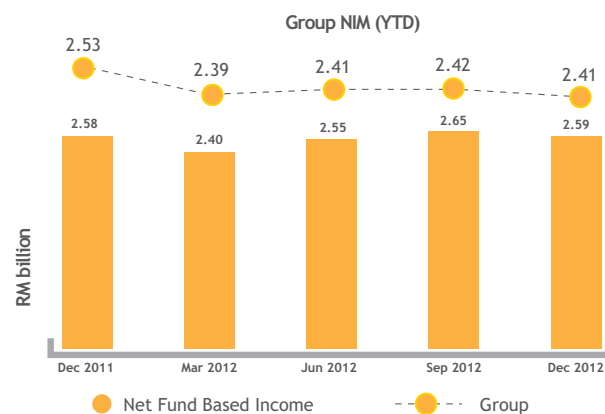
### Deposits Growth

	FY2012	CY2011	YoY
<b>Malaysia (RM billion)</b>	<b>227.3</b>	<b>209.5</b>	<b>8.5%</b>
Savings Deposits	35.5	32.9	8.0%
Current Accounts	56.9	47.5	19.6%
Fixed Deposits	114.6	103.2	11.1%
Others	20.3	25.9	-27.5%
<b>Singapore (SGD billion)</b>	<b>29.9</b>	<b>26.5</b>	<b>12.7%</b>
Savings Deposits	3.3	2.9	11.4%
Current Accounts	2.9	2.8	3.8%
Fixed Deposits	23.1	20.2	14.3%
Others	0.6	0.6	5.6%
<b>Indonesia (Rp trillion)</b>	<b>86.1</b>	<b>70.4</b>	<b>22.3%</b>
Savings Deposits	18.8	17.6	6.7%
Current Accounts	14.7	12.4	18.6%
Fixed Deposits	52.6	40.4	30.2%
<b>Group Gross Deposits (RM billion)</b>	<b>347.2</b>	<b>314.7</b>	<b>10.3%</b>

- The Group's customer deposits grew by 10.3% to RM347.2 billion as at the end of 2012. Domestic operations deposits registered a healthy growth of 8.5% while Singapore and Indonesian operations registered a much higher growth of 12.7% and 22.3% respectively.
- In Malaysia, the strongest growth came from current accounts which expanded 19.6% during the year, while in Singapore stronger growth came from savings deposits and fixed deposits. In Indonesia, where the Group continues to strengthen its network, deposit origination improved on the back of current accounts and fixed deposits, which expanded 18.6% and 30.2% respectively.
- The loans-to-deposits ratio for the Group rose to 89.8% as at December 2012 from 87.8% a year before, but still remains within the Group threshold of 90%.
- The Group continued to prioritise growing its low cost of funds through various strategies which resulted in our Current Account Savings Account (CASA) ratio strengthening to 35.1% in December 2012 as compared to 33.6% in December 2011.

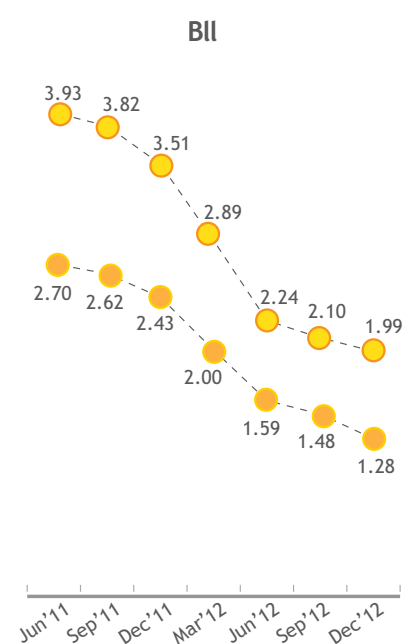
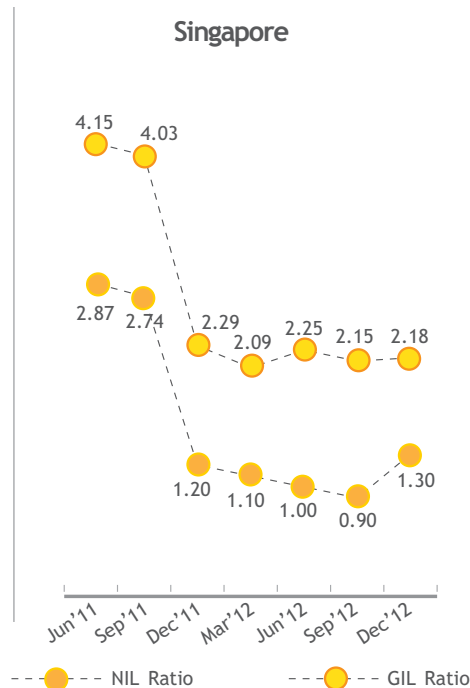
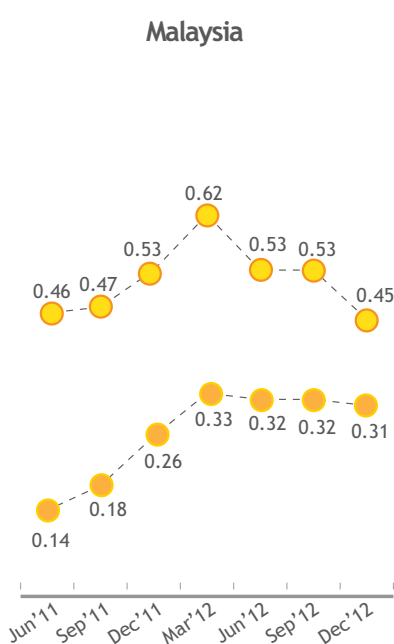
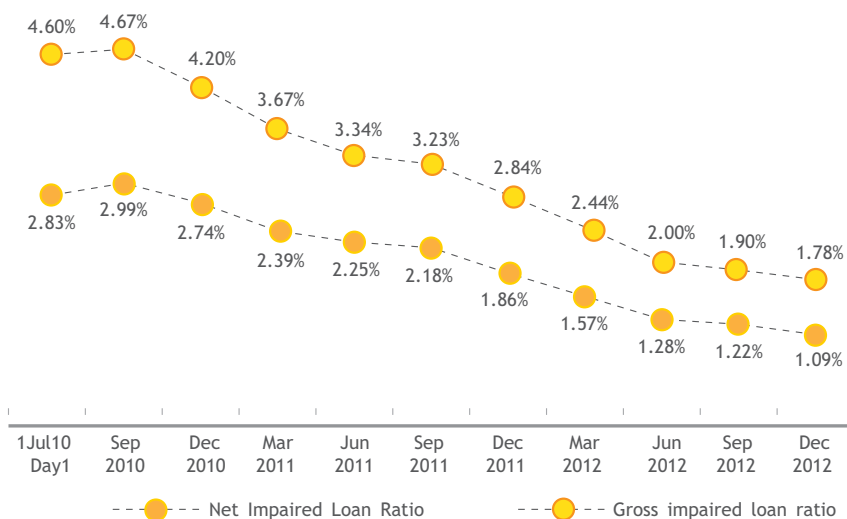
### Pursuing profitable and responsible growth

- Net interest margin (NIM) for the Group dropped to 2.41% from 2.53% in 2011. However NIM stabilised in the 3rd and 4th quarter of 2012. Factors contributing to NIM compression were reversal of unwinding interest, changes on the amortisation of selected fees and margin compression due to competition from lower loan pricing and higher deposit costs.
- Since September 2010, asset quality has continued to improve despite the more stringent criteria adopted for impaired loans with the implementation of FRS 139.
- Net impaired loans declined further to 1.09% as at December 2012 compared to 1.86% in December 2011. The Group's net credit charge-off rate was 23 bps for the full year.
- Loans loss coverage improved to 105.6% from 86.9% a year ago.



\* CY2011 based on unaudited figures

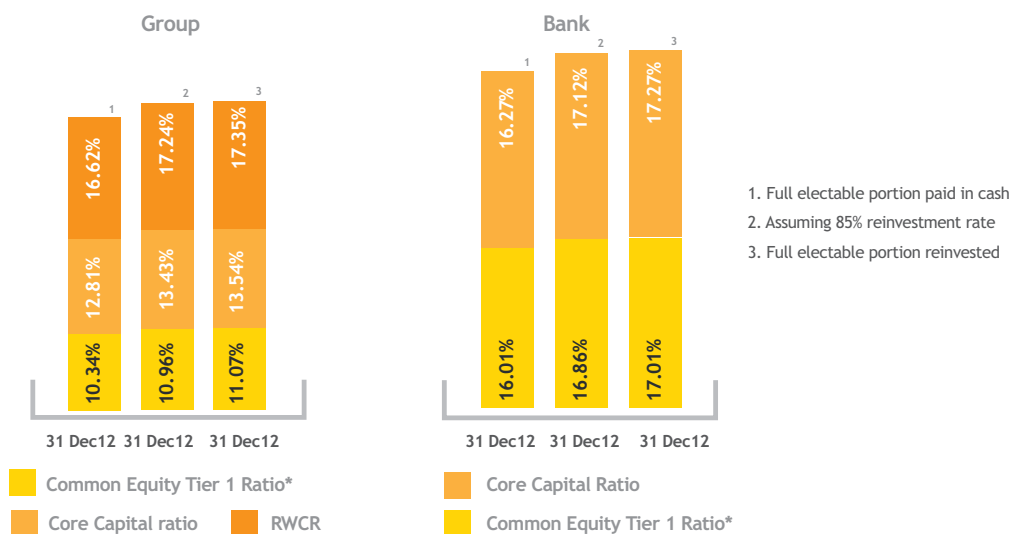
## Asset quality continued to improve as the Gross Impaired Loan ratio dropped below 2.0%



## Capital adequacy remained strong

- The Group's capital ratios, comprising core capital ratio (CCR) and risk-weighted capital ratio (RWCR) remained strong at 13.43% and 17.24% respectively (based on 85% reinvestment rate).
- The Group seeks to maintain adequate levels of capital and an optimum mix of the different components of capital in order to support the underlying risks of the Group's business, to optimise growth and to withstand capital demands under market shocks and stress conditions.

## GROUP FINANCIAL REVIEW



### Note:

<sup>^</sup> Core Capital Ratio and Risk Weighted Capital Ratio are computed based on Basel II requirements under BNM.

<sup>\*</sup> Common Equity Tier 1 ("CET1") Ratio computation is based on transitional arrangements according to BNM's guideline issued on 28 November 2012.

### Capital-raising exercise

The Group undertook the following capital-raising exercises during FY2012:

- Capital redemption : RM1.5 billion 10NC5 sub debt  
: RM0.9 billion (USD300 million) 10NC5 sukuk
- Capital prepaid : RM3.1 billion sub term loan
- Capital raising (equity) : RM3.66 billion (via private placement)
- Capital raising (sub debt) : RM4.8 billion (include RM2.1 billion 12NC7, USD800 million 10NC5 and IDR1 trillion due in 2019 raised by BII)

### Key Ratios

	FY2012	CY2011
Net Interest Margin (bps)	2.41	2.53
Return on Equity (%)	16.0	15.7
Fee to Income Ratio (%)	38.7	38.0
Cost to Income <sup>#</sup> (%)	48.6	49.9
Loan-to-Deposit Ratio (%)	89.8	87.8
<b>Asset Quality</b>		
Gross NPL or Impaired Loan Ratio (%)	1.78	2.84
Net NPL or Impaired Loan Ratio (%)	1.09	1.86
Loan Loss Coverage (%)	105.6	86.9
Charge off rate (bps)	23	20
<b>Capital Adequacy (Group)<sup>^</sup></b>		
Core Capital Ratio (%)	13.43	11.57
Risk Weighted Capital Ratio (%)	17.24	16.29

### Note:

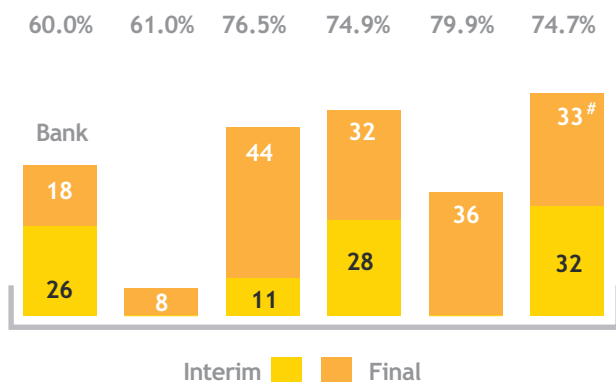
<sup>#</sup> Total cost excludes amortisation of intangibles for BII and Kim Eng

<sup>^</sup> Adjusted for dividend payment and reinvestment made under the Dividend Reinvestment Plan (DRP)

<sup>\*</sup> CY2011 based on unaudited figures

## Consistently rewarding shareholders with high dividend payout ratio

- A final dividend of 18 sen per share less 25% taxation and 15 sen single-tier dividend have been proposed by the Board of Directors to be distributed to eligible shareholders. The proposed gross dividend comprising of cash portion of 4 sen single-tier dividend per ordinary share to be paid in cash and an electable portion of 29 sen (24.5 sen net per share) per ordinary share, where the electable portion comprises of 11 sen single-tier dividend and 18 sen franked dividend (net 13.5 sen).
- If approved, the total gross dividend for FY2012 of 65 sen per share is equivalent to a payout ratio of 74.7% which remains well above the 40-60% payout policy.



Note:

\* Reinvestment rate for the Dividend Reinvestment Plan.

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

# The Net Dividend is 28.5 sen of which 15 sen is single-tier dividend.

## Conclusion

- The Group posted a robust financial performance in 2012 on the back of our regional strategy and continued strength in the Malaysian market, both in household and non-household financing.
- The acquisition of Kim Eng has elevated our GB offering, and this was a key source of fee-based income for the Group in 2012. As we progress into 2013, we see this strengthening further as we continue to regionalise our GB business segment.
- A strong balance sheet, coupled with sound risk management practices has ensured that our asset quality and other operating fundamentals continue to remain resilient. And on the strength of a proactive capital management strategy, we are in a position to comply with the Basel III capital adequacy requirements in 2013.
- Maybank will remain focused on growing profitably and responsibly in Malaysia and internationally and will continue to adopt a disciplined approach cost management to ensure better efficiencies Groupwide.



# ECONOMY & BANKING INDUSTRY REVIEW

IN 2012, WORLD REAL GDP GROWTH DECELERATED FOR THE SECOND CONSECUTIVE YEAR TO 3.3% FROM 3.9% IN 2011, WEIGHED DOWN MAINLY BY THE EUROZONE RECESSION AND THE SLOWDOWN IN CHINA. DESPITE THIS SENARIO, THE GROUP'S HOME MARKETS OF MALAYSIA, SINGAPORE AND INDONESIA RECORDED COMMENDABLE PERFORMANCE.

Malaysia's economic growth momentum was sustained (2012: 5.6%; 2011: 5.1%) as resilient domestic demand offset weak external demand. Government, business and consumer spending were all underpinned by an accommodative monetary policy, targeted fiscal stimulus, and the rollout of infrastructure and investment projects under the Regional Development Corridors (e.g. Iskandar Malaysia) and the Economic Transformation Programme (e.g. the Mass Rapid Transit and oil and gas projects).

## Malaysia: GDP by Demand & Sectors

	Growth (% change)	
	2011	2012
Real GDP	5.1	5.6
<b>By Demand</b>		
Private Consumption Expenditure	7.1	7.7
Government Consumption Expenditure	16.1	5.0
Gross Fixed Capital Formation	6.5	19.9
Exports of Goods & Services	4.2	0.1
Imports of Goods & Services	6.2	4.5
<b>By Sectors</b>		
Agriculture, Forestry & Fishing	5.9	0.8
Mining & Quarrying	(5.7)	1.4
Manufacturing	4.7	4.8
Construction	4.6	18.5
Services	7.0	6.4

Source: Department of Statistics

In contrast, Singapore's economic growth slumped (2012: 1.3%; 2011: 5.2%) as the global economic slowdown took its toll on an economy that is nearly one-third driven by net external demand, and in turn had a knock-on effect on key economic sectors like manufacturing and services as well as consumer spending.

## Singapore: GDP by Demand & Sectors

	Growth (% change)	
	2011	2012
Real GDP	5.2	1.3
<b>By Demand</b>		
Private Consumption Expenditure	4.6	2.2
Government Consumption Expenditure	0.5	(3.6)
Gross Fixed Capital Formation	6.3	6.6
Export of Goods and Services	3.5	0.3
Import of Goods and Services	3.6	3.2
<b>By Sectors</b>		
Manufacturing	7.8	0.1
Construction	6.3	8.2
Services	4.6	1.2

Source: Department of Statistics

Meanwhile, Indonesia's robust growth continued as the economy clocked its third successive year of above-6% expansion in real GDP (2012: 6.2%; 2011: 6.5%) on stronger domestic demand - especially consumer spending and investment - which offset a sharp slowdown in export growth.

## Indonesia: GDP by Demand & Sectors

	Growth (% change)	
	2011	2012
Real GDP	6.5	6.2
<b>By Demand</b>		
Private Consumption Expenditure	4.7	5.3
Government Consumption Expenditure	3.2	1.2
Gross Fixed Capital Formation	8.8	9.8
Export of Goods and Services	13.6	2.0
Import of Goods and Services	13.3	6.6
<b>By Sectors</b>		
Agriculture, Livestock, Forestry and Fisheries	3.4	4.0
Mining and Quarrying	1.4	1.5
Manufacturing	6.1	5.7
Electricity, Gas and Water Supply	4.8	6.4
Construction	6.6	7.5
Services	8.5	7.7

Source: CEIC

## OUTLOOK FOR 2013

In 2013, global economic growth is expected to stabilise at 3.4% on the back of sustained recovery in the US, the gradual alleviation of the Eurozone crisis - which should lift the economy - and a pick-up in world trade volume. All this is positive for the Asian economies. China is expected to achieve a more sustainable expansion as the new leadership focuses on economic reforms and on moving away from investment and credit-driven growth to consumption and income-driven growth.

### Global Real GDP

% change	2010 Actual	2011 Actual	2012E	2013E
			Consensus/Maybank	
<b>World</b>	<b>5.1</b>	<b>3.9</b>	<b>3.3</b>	<b>3.4</b>
<b>Advanced Economies</b>	<b>3.0</b>	<b>1.6</b>	<b>1.3</b>	<b>1.4</b>
US	2.4	1.8	2.2	2.5
Eurozone	2.0	1.4	(0.5)	0.0
Japan	4.5	(0.6)	2.0	1.0
UK	1.8	0.9	0.0	0.9
<b>BRIC</b>	<b>8.1</b>	<b>6.1</b>	<b>4.5</b>	<b>5.1</b>
Brazil	7.5	2.7	1.4	3.7
Russia	4.3	4.3	3.5	3.5
India	10.1	7.9	5.5	6.3
China	10.4	9.3	7.8	7.0
<b>Asian NIEs</b>	<b>8.5</b>	<b>4.0</b>	<b>1.5</b>	<b>3.2</b>
South Korea	6.3	3.6	2.0	3.1
Taiwan	10.7	4.0	1.2	3.3
Hong Kong	7.1	5.0	1.5	3.4
Singapore	14.8	5.2	1.3	3.0
<b>ASEAN-5</b>	<b>7.0</b>	<b>4.5</b>	<b>6.0</b>	<b>5.6</b>
Indonesia	6.2	6.5	6.2	6.7
Thailand	7.8	0.1	6.4	4.3
Malaysia	7.2	5.1	5.6	5.3
Vietnam	6.8	5.9	5.0	5.5
Philippines	7.6	3.9	6.6	6.4
<b>Asia ex-Japan</b>	<b>9.5</b>	<b>8.0</b>	<b>6.2</b>	<b>6.7</b>
<b>World Trade Volume</b>	<b>12.6</b>	<b>5.9</b>	<b>3.8</b>	<b>5.5</b>

Sources: IMF, Consensus, Maybank (forecasts for US, Eurozone, China, India, Singapore, ASEAN-5)

### Malaysia

The Malaysian economy is projected to expand by 5.3% in 2013 (2012: 5.6%) as domestic demand continues to support growth momentum, with another year of targeted fiscal stimulus combined with progress in the implementation of key infrastructure and investment projects. Net external demand, however, will remain a drag - though less severe than in 2012 - as import growth again outpaces export growth.

### Singapore

Singapore's real GDP growth is expected to rise to 3% in 2013 (2012: 1.3%) as improvements in the external environment benefit the trade-related sectors of the economy. In addition, the tight labour market conditions and stricter rules on foreign workers, coupled with the probable continuation of the gradual Singapore Dollar appreciation policy, are likely to spur business investment, and to enhance productivity and efficiency. The 2013 budget is predicted to include measures to boost domestic demand and facilitate economic restructuring. These should counter the soft property/real estate sector.

### Indonesia

Indonesia's growth momentum is expected to continue, with the economy expanding by 6.7% (2012: 6.2%). Domestic demand will remain the key driver, underpinned by consumer spending boosted by the minimum wage increase. In addition, investment growth should be sustainable on the back of a rise in foreign direct investment, tapping into Indonesia's potential as the next major emerging economy, as well as the need to expand capacity to address the infrastructure bottlenecks and to improve and modernise existing capacity.

## BANKING SECTOR REVIEW 2012

In 2012, banking system loans expanded at a rate of 10.4% year-on-year, down from 13.6% year-on-year in 2011. Household lending increased by 11.4% year-on-year while non-household loan growth, which had gathered pace in the first half of 2012 and accelerated to a peak of 14.4% year-on-year in July 2012, slid to just 9.2% year-on-year in December 2012. Household loans accounted for 55.6% of total industry loans as at the end of 2012.

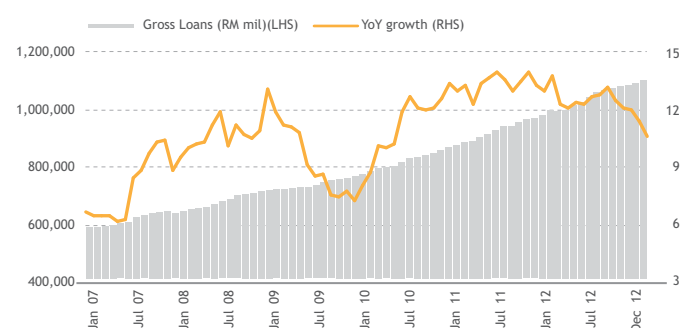
Business loan growth slowed in the second half of 2012 due mainly to external headwinds which contributed to slower GDP growth throughout the region. Nevertheless, with projects under the Economic Transformation Programme (ETP) taking off, much of the funding requirement for larger infrastructure projects flowed through the debt capital market, with private debt securities (PDS) issuances rising a whopping 74% year-on-year to a record RM121 billion in 2012.

Household loans growth in 2012 was led by non-residential property loan demand, which expanded at a robust pace of 19.5% year-on-year, and residential property lending, which was steady at 12.9% year-on-year. Vehicle financing growth was a stable 7.6%, but there was a more pronounced slowdown in credit card and personal financing, in response to Bank Negara's responsible lending guidelines.

Total deposits grew at a slower pace of 8.4% year-on-year as at end-2012 but there was sufficient liquidity, with an industry loan-to-deposit ratio of 82.1%. Current Account and Savings Account (CASA) deposits rose at a faster pace of 10.3% year-on-year and accounted for 25.8% of total deposits as at end-2012, versus 25.3% as at end-2011. Deposit composition improved with core retail deposits rising further to account for a higher 36.2% of total deposits versus 35.3% as at end-2011.

The fundamentals of the banking system strengthened as the industry's gross non-performing loan ratio hit an all-time low of 2.0% while loan loss coverage was a comfortable 100.9%. Levels of capitalisation were healthy with core capital and risk-weighted capital ratios of 13.4% and 15.2% respectively as at end-2012.

### Malaysia: Industry Gross Loan Growth



## BANKING SECTOR OUTLOOK – MALAYSIA 2013

Against the backdrop of stable economic growth this year, we project loan growth to hold up at 10-11% with resilient though more moderate household loan demand. Business loan demand, meanwhile, should gather momentum as the global economy expands at a faster pace. As at the end of September 2012, only RM21 billion out of RM212 billion worth of committed ETP projects had been actualised and we expect a flow-through of such activity into 2013 to sustain loan growth momentum as well as demand for PDS.

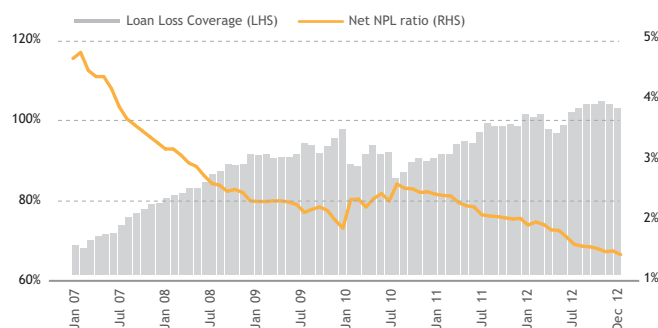
Preserving margins remains a challenge in 2013, as the ongoing substitution of the mortgage book with newer, lower-yielding loans, is shaving yields, while the competition for funds remains stiff. Overall, however, we expect less margin compression in 2013 than in the previous year, given that lending rates would appear to have stabilised. Interest margins could potentially be supported as well by a possible hike in policy rates towards year end, if inflationary pressure persists.

Credit costs were exceptionally low in 2012 on the back of strong recovery efforts and improvements in asset quality. We see such costs trending upwards in 2013 but rates should still be fairly benign in an environment of stable asset quality.

With Basel III capital requirements to comply with, capital preservation has become a buzzword, and more banks have turned to dividend reinvestment plans or reduced their dividend payout policy as a means of bolstering capital ratios. Future capital-raising exercises in the industry cannot be ruled out as banks look to further expand their capital base.

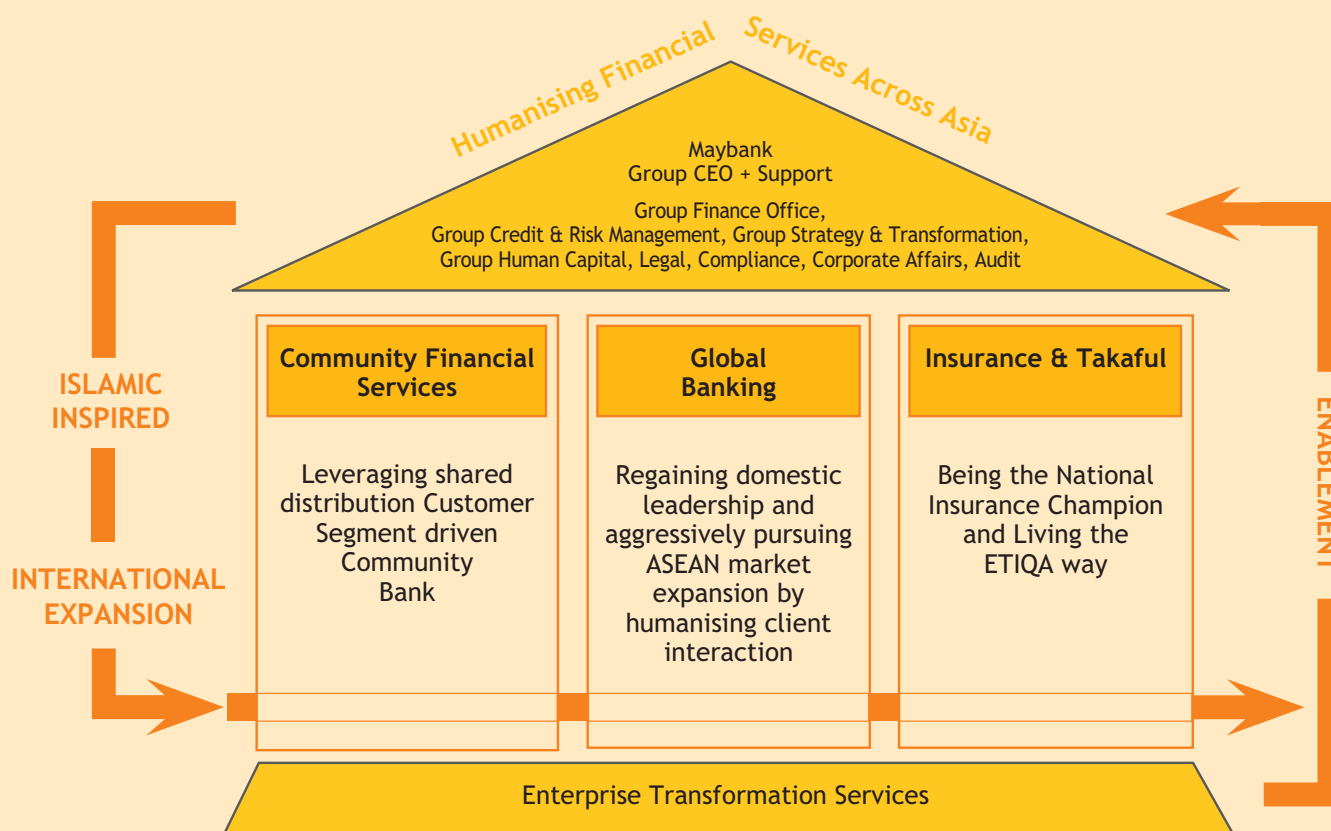
M&A activity is likely to be an ongoing theme in 2013 since some of the deals that were announced in 2012 are still pending resolution. Regional expansion remains a key aspiration but this will have to be balanced against the capital requirements of Basel III.

### Malaysia: Industry Asset Quality



# BUSINESS REVIEW: OVERVIEW

## THE HOUSE OF MAYBANK



The Group's business operations are organised into three business pillars with Islamic Banking and International operating across the pillars. These are supported by Enterprise Transformation Services, Group Finance Office, Group Credit & Risk Management, Group Strategy & Transformation, Group Human Capital and other support functions.

# COMMUNITY FINANCIAL SERVICES

Community Financial Services (CFS) - the retail banking arm of the Bank - serves individual, Retail SME (RSME) and Business Banking (BB) customers. Our vision is to become Malaysia's Undisputed No. 1 Retail Financial Services Provider by 2015.

Customers are served holistically under a One-Stop Shop concept that leverages on a shared distribution model. This enables us to serve the needs of the community via more than 400 branches and 4,700 Self Service Terminals (SSTs) across Malaysia.



**"In FY2012, CFS once again made good progress in our core mission of serving the community. By understanding their needs and supporting all sectors, we are able to make a real contribution to community development. This, coupled with our commitment to growing responsibly, has seen us sustain our growth momentum over the years"**

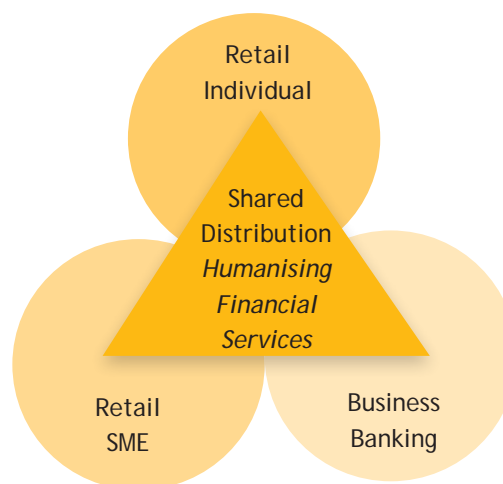
## DATUK LIM HONG TAT

Deputy President and  
Head, Community Financial Services

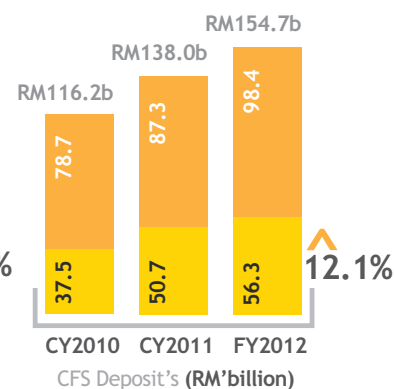
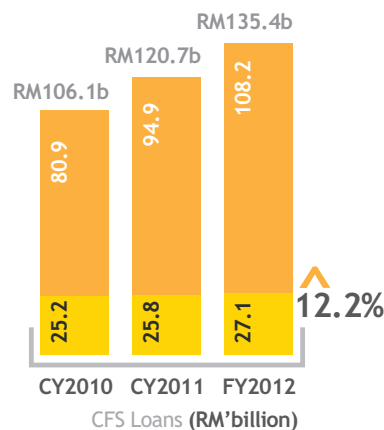
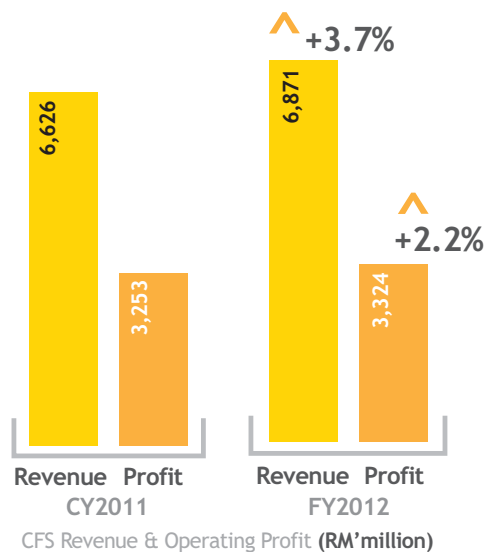
## HIGHLIGHTS

- In FY2012, profit before tax hit RM3,024 million on the back of RM6,871 million revenue.
- Growth in CFS loans and deposits stood at 12.2% and 12.1% respectively, with both outpacing industry growth.
- Consumer/household loans market share further improved to 17.0% from 16.4% while consumer deposits edged to 18.3%.
- Credit asset quality continued to improve as the Gross Impaired Loan (GIL) ratio was brought down to 2.4% with the consumer segment reducing from 1.2% to 0.7%.

## OVERVIEW

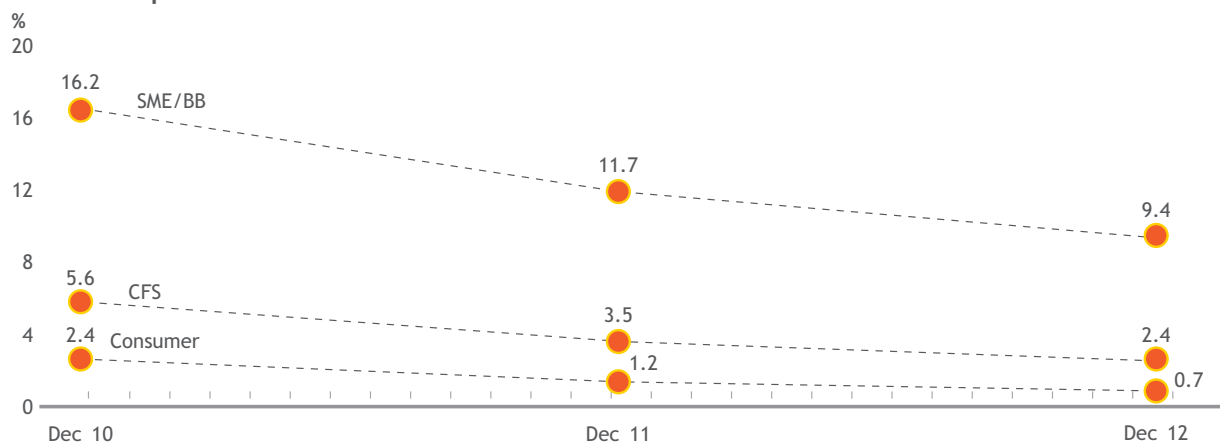






RM billion	CY2011	FY2012	Growth
<b>CFS Gross Loans</b>	<b>120.7</b>	<b>135.4</b>	<b>12.2%</b>
- Mortgage	42.1	48.5	15.2%
- Auto	27.7	31.2	12.9%
- Retail Lending	19.8	23.2	17.2%
- Cards & Unsecured Lending	5.3	5.4	1.0%
- SME & Business Banking	25.8	27.1	5.0%
of which:			
SME	4.5	4.9	10.3%
BB	21.4	22.2	3.9%
<b>CFS Deposits</b>	<b>138.0</b>	<b>154.7</b>	<b>12.1%</b>
- Consumer	87.3	98.4	12.7%
- SME & Business Banking	50.7	56.3	11.1%
<b>CFS Gross Impaired Loans Ratio</b>	<b>3.5%</b>	<b>2.4%</b>	<b>-1.1%</b>
- Consumer	1.2%	0.7%	-0.5%
- SME & Business Banking	11.7%	9.4%	-2.3%
of which:			
SME	10.6%	5.7%	-4.9%
BB	11.9%	10.2%	-1.7%

### CFS Gross Impaired Loan Ratio



# Dec'10 figures refers to NPL Ratio

### KEY MILESTONES IN FY2012

- We operationalised our customer-centric and segment-led focus strategy that resulted in High NetWorth (HNW) and Affluent Banking segments achieving customer and total financial asset (TFA) growth of 11.9% and 19.2% respectively.
- We implemented a new RSME business model, a transformational change that allows us to accelerate growth and better serve our SME customers in a more cost effective way.
- We rolled out 29 MaybankOne kiosks - a new concept of branchless banking.
- We reengineered and centralised our retail credit functions through the Centralised Processing Centre - Originator Processor (CPC-OP) to improve efficiency and turnaround time.
- We embarked on various service transformation initiatives to further enhance our service standards. Our customer engagement survey scores and Average Waiting Time (AWT) at the branches have improved.
- Regionally, our cards, payments and wealth management businesses continued to make good progress towards a more integrated business model.

### OVERALL PERFORMANCE

2012 was a challenging year for CFS. To address the household debt level, Bank Negara Malaysia (BNM) implemented responsible lending guidelines on top of its 70% loan-to-value (LTV) ratio on third property purchases and more stringent guidelines on credit cards. These measures contributed to the further softening of loans growth for the industry as a whole, and especially in the consumer segment. In the face of these challenges, CFS remained resilient, reporting a profit before tax of RM3.0 billion on a revenue of RM6.9 billion, and continued to be the largest contributor to the Group's revenue.

Against this challenging background, that also saw fiercely competitive pricing, CFS still managed to achieve a creditable 12% increase in both loans and deposits, a rise in market share across various products, and an improvement in asset quality. Retail business growth was mainly driven by mortgages (+15.2%), automobile loans (+12.9%) and retail finance (+17.2%) while consumer deposits were up by 12.7%.

Meanwhile, our GIL ratio improved, reducing to 2.4% in December 2012. The consumer segment, in particular, has trended down from a high NPL ratio of 6.6% in 2007 to just 0.7% in 2012 in terms of GIL ratio. This is mainly due to

efforts in reinforcing our credit asset quality framework as well as pursuing proactive prevention and recovery activities, ensuring quality loan origination, incorporating a risk-based approach by leveraging on risk tools, and strengthening the capabilities of our risk management oversight function.

### MORTGAGE FINANCING

- Mortgage financing grew 15.2% to RM48.5 billion and climbed to a No. 2 market position.
- Market share advanced to 13.4% from 13.2% last year.
- Shop house loans rose 31.6% to a balance outstanding of RM7.5 billion.
- GIL Ratio declined further to 1.1%.

Mortgage financing registered strong double-digit growth for the third year running. This reflected our continued focus on rebalancing our portfolio to accelerate loans growth. We have adopted a marketing strategy that is based on customer segmentation. In order to increase our margins, we have increased product cross-selling, adopted risk-based pricing as well as rebalanced our portfolio by targeting the right properties and segments to finance. We also continued to pursue proactive retention programmes to reduce attrition and drive refinancing.

During the year, we extended our overseas mortgage financing to Melbourne and Singapore to meet the needs of our HNW and Private Banking customers. Our new emphasis on secondary loan acquisitions has further enhanced our asset quality.

During the year, we successfully reengineered our mortgage approval process by launching the CPC-OP project, a centralised hub that improves retail credit efficiency and TAT by streamlining the processing and underwriting of mortgages. As a result, it now takes less than three days to get a standard loan approved.

### AUTOMOBILE FINANCING

- Loans climbed 12.9% to RM31.2 billion.
- Hire Purchase market share rose from 19.4% to 20.5%.
- GIL ratio fell to 0.4%, the lowest in the industry.
- We remained the No. 1 Islamic Auto Financier, and the sole provider of Islamic floor stocking and block discounting.



+12.9%

AUTOMOBILE FINANCING  
LOANS CLIMBED TO RM31.2 BILLION.

We remained the No. 1 Islamic Auto  
Financier, and the sole provider of  
Islamic floor stocking and block  
discounting.

Our HP business has now outpaced industry growth for five consecutive years, which has resulted in a corresponding growth in our market share. To achieve this, we have been highly selective in our financing. We have rebalanced our HP portfolio, and now offer integrated product bundling for end-customers based on broad customer segments and lifestyles to improve overall portfolio margins.

Our ability to outgrow the competition has also been spurred by attractive marketing and promotional campaigns as well as a comprehensive dealer management programme that has strengthened our relationship with top dealers.

During the year, we introduced new products, My First Car Loan for the younger generation - students, graduates and young professionals, and Car4Cash refinancing plans as well as auto collaboration with our SME and business banking customers.

#### CARDS BUSINESS

- We were No. 1 in customer cards, with 1.5 million cardholders and a 18.4% market share.
- We were No. 1 in billings, growing 15.5% year-on-year to RM27.3 billion, with a 26.1% market share.
- We were No. 1 in merchant sales, growing 16.0% year-on-year to RM32.4 billion, with a 32.8% market share.
- Our GIL ratio reduced to 1.1%.

Despite subdued growth in credit cards due to stricter lending guidelines by BNM, Maybank continued to outpace industry growth in cardholder numbers, billings and merchant sales.

During the year, we launched a range of innovative products such as the Maybankard Manchester United Visa Debit Card, the Maybank Debit Prepaid Card, the Maybank Mastercard Prepaid University Smart Card, and the Visa Infinite Ikhwan Card. We also enhanced the value proposition of our Petronas Card.

At the same time, we continued to drive spending via numerous marketing campaigns as well as by focusing on new customers to generate additional billings and receivables.

Regionally, we have established the Centre of Excellence team to foster collaboration and leverage best-in-class business and technology practices. The Centre of Excellence drives cross-border initiatives and facilitates the roll out of regional marketing programmes that involve cross-border privileges, especially in the leisure and travel segment. In addition, the team also looks into process and policy enhancements to realise cost savings regionally.



**1.5million** CARDHOLDERS

We were No. 1 in customer cards, with 1.5 million cardholders and an 18.4% market share.

## RETAIL FINANCING

- Our retail financing portfolio went up by 17.2% to RM23.2 billion.
- Unit trust loan financing jumped 18.1%, growing to a balance outstanding of RM21.9 billion, contributing 99% of total retail financing growth.
- In 2012, we were the No. 1 Unit Trust Financier in Malaysia with a 60.2% market share.

Various campaigns were held during the year to promote our unit trust loan financing as well as leveraging on our MaybankOne Kiosks by promoting our ASB Flexi product.

We successfully launched Skim Amanah Rakyat 1Malaysia (SARA1M) in line with the government's aspiration to elevate household investment. We also launched a special loan package to partly finance students' education fees/expenses with selected universities, as part of the Bank's commitment to humanise financial services.

## COMMUNITY FINANCIAL SERVICES

### FUNDING AND DEPOSITS

- We achieved double digit deposit growth, spearheaded by consumer growth at 12.7% and RSME and BB growth at 11.1%.
- Consumer deposits CASA market share stood at 23.6% with growth of 13.1% during the year.
- We outpaced industry growth in all key consumer deposit portfolios.

CFS deposits registered strong double digit growth, with low-cost CASA deposits increasing market share during the year. We were selective in growing high-cost deposits by being more disciplined in applying customer based pricing.

Deposits growth was driven by our continued process reengineering efforts and strategies to reach our Mass and HNW customer segments. During the year, we launched two new deposit accounts; Personal Saver and Private Banking Account and a series of thematic and tactical campaigns which saw strong take up by all three segments i.e. Consumer, SME and BB. We also stepped up our Payroll acquisition initiatives, focusing on the SME and BB segments.

### HIGH NETWORTH AND AFFLUENT BANKING SEGMENT (HAB)

- We achieved customer growth of 17.7% for HNW and 10.8% for the Affluent Banking segments.
- Total Financial Assets (TFA) increased 22.7% and 15.6% for the HNW and Affluent Banking segments respectively.
- Total Assets under Management (AUM) achieved year-on-year growth of 50.1% to RM8.0 billion.
- Our cross-selling ratio continued to rise even with an increasing customer base.

In line with our customer-centric and segment focused model, we rolled out numerous transformation initiatives to acquire and migrate customers to higher segments. Our segment-based approach allows us to better understand the needs of the different segments, enabling us to better serve our customers.

This year, we expanded the number of Private Banking Centres & Lounges from 44 to 56 to cater to the rapidly growing number of clients. We will continue to invest in building capabilities as part of our ongoing efforts to enhance the depth and breadth of our products and services and to develop relationship bankers as trusted advisors to clients.



The year saw our investment business introducing 13 new funds. We also launched campaigns to drive investment volume, such as Amanah Hartanah Bumiputera which is exclusive to Maybank.

## INTERNET AND MOBILE BANKING

- In 2012, we remained the leading internet banking provider with a 48% market share and over 2.15 million active users, despite intense competition from existing and new internet banking players.
- We were the first bank to introduce comprehensive mobile banking services, gaining an 80% market share.
- Average monthly transactions hit eight million with a value in excess of RM6.6 billion.

We continued to maintain leadership in the virtual banking space, having half of the nation's online banking market. In 2012, M2U active users grew by a significant 17.0% to 2.15 million active users. Meanwhile, M2U business customers grew by 33.7% with the roll-out of services to support BB and SME customers.

The year also saw the number of mobile banking users shooting up considerably by 135.2% with the introduction of Maybank2u apps for iPad, iPhone, Android and Windows Phones.

We launched a variety of innovative products. Our latest M2U product is a personal financial management tool enabling customers to monitor their total spending and manage their savings and investments via a one-stop portal.

## PAYMENTS

- We recorded a fee-based income of RM342.6 million.
- Maybank Money Express (MME) was extended to 13 countries, with 8,243 touch points.

In 2012, we continued to dominate the payments business in Malaysia while also driving expansion regionally in the areas of payment services, remittances and foreign currency notes. We expanded MME to four more countries - Oman, Bangladesh, Papua New Guinea and Myanmar.

Numerous initiatives and marketing campaigns were undertaken focusing on product innovation and tactical promotions to generate new revenue drivers. In collaboration with Digi, we launched DigiSend Money, an over-the-counter service for Malaysians and foreigners to remit cash overseas.

We also became the first bank in Malaysia to offer a Silver Investment Account which was well received by our customers as it gave them an additional avenue to diversify their portfolio. Meanwhile, our Gold Investment Account can now be transacted via M2U, making it easier for customers to invest in gold.

## BANCASSURANCE

- We strengthened our No. 1 position in Banca Life, with a 28.4% market share.
- New premiums (AFYP) grew by 29.0% to more than RM1 billion.

In partnership with Etiqa, we launched a Transformation Programme in 2012 to bolster our market leadership in Bancassurance. In order to cater to the needs of the Affluent and HNW segments, we successfully launched two new Retirement products, Smart and Golden Retirement, as well as two innovative Single Premium Investment-linked plans - Dragon9 and AUSpicious10. These products met the needs of our customers and registered high take-up rates.

## BUSINESS BANKING

- BB loans outstanding stood at RM22.2 billion.
- We continued to lead the market in business enterprise loans with a market share of 19.0%.
- The GIL ratio further reduced to 10.2%.
- We successfully implemented our Go-To-Market strategy, focusing on high growth and high potential sectors.

During the year, we rolled out Distributor and Supplier Financing to drive business growth, and continued to collaborate with other business units within the bank to cross-sell products in the BB segment. We also extended our "Hunter-Farmer" model nationwide. This aims to provide excellent customer service through an efficient delivery system so as to support our asset acquisition momentum.

Meanwhile, we targeted the right market segments and sharpened our industry focus, at the same time avoiding high risk areas, and enhanced our fraud detection capabilities. This led to better quality loans booked and as a result, we expect GIL ratio to further reduce moving forward.

## RETAIL SME

- RSME transformation initiatives were fully implemented nationwide.
- Loans outstanding grew by 10.3%, rising to RM4.9 billion.
- The GIL ratio reduced to 5.7%.



## COMMUNITY FINANCIAL SERVICES

In order to drive RSME business and develop a more customer-friendly and cost-effective business model, we rolled out our RSME Target Operating Model (TOM) to all eight regions in 2012.

The TOM includes changes to the business model for RSME which strengthened the sales team and embedded it into key branches to leverage on our wide distribution network and accelerate growth. It also centralised support functions, boosted straight-through processing and simplified the product structure. We also introduced a new RSME Scorecard and related risk-assessment tools to strengthen credit evaluation.

Looking ahead, we will continue to focus on asset acquisition, balancing both secured and unsecured portfolios to increase margins.

### CHANNEL MANAGEMENT

- We have an unmatched distribution footprint of more than 400 branches and 4,700 SSTs with a market share of 19% and 24% respectively.
- We enhanced customer experience and satisfaction by refreshing more than 100 branches and opened eight new branches during the year.
- We extended our reach to mass customers via 29 MaybankOne kiosks nationwide.
- We formed strategic partnerships with POS Malaysia involving 350 post offices nationwide.

In 2012, we continued with our branch transformation programme with the refurbishment of our branches with the new “Hip and Cool” branch design. Coupled with improved customer service, the physical transformation has increased customer traffic and broadened our appeal to our customers. Meanwhile, our strategic partnership with POS Malaysia has enabled us to reach out to a larger base of rural communities without the cost of setting up new offices.

During the year, we launched a new way of serving mass market segment customers via a branchless banking initiative called MaybankOne. MaybankOne kiosks are located close to the community and provide the convenience of extended banking hours seven days a week. They also offer PersonalSaver, a mass-market 7-in-1 product bundle that targets both urban and rural customers.



Under the Service Transformation Programme, we continued to roll out initiatives to improve customer service at all touch points. We launched initiatives to reduce the average waiting time (AWT) at our branches by managing customer queues at peak and non-peak hours, to equip branch frontliners with the desired product knowledge required to serve our customers better as well as to improve first contact resolution (FCR). More than 90% of our branches now exceed the required standards when servicing customers.

## AWARDS

### 2013

- Visa Malaysia Bank Awards - Maybank emerged winner in seven categories:
  - Bank of the Year Award
  - Largest Visa Card Issuer (Issuing category)
  - Largest Payment Volume or Billings (Issuing category)
  - Largest Payment Volume - Maybank Petronas (Visa Credit co-Brand)
  - Highest Payment Volume or Billings - Maybank Manchester United (Visa Debit co-Brand)
  - Largest Payment Volume (Islamic credit card)
  - Largest Acquirer (Acquiring category)
- Euromoney Private Banking and Wealth Management Survey 2013 - Maybank emerged winner in eight categories:
  - Best Private Banking Services Overall
  - Relationship Management
  - Privacy and Security
  - Range of Investment Products
  - Net-worth Specific Services - Super Affluent (US\$500,000 - US\$1 million)
  - Net-worth Specific Services - High Net Worth I (US\$1 million - US\$10 million)
  - Net-worth Specific Services - High Net Worth II (US\$10 million - US\$30 million)
  - Net-worth Specific Services - Ultra High Net Worth (Greater than US\$30 million)

### 2012

- Reader's Digest Year 2012
  - Gold Award for Card Issuer
  - Gold Award for Bank
- Visa Card Awards 2012 - Maybankard Manchester United
  - Gold - Promotion Marketing Awards Malaysia 2012 (Best Product Launch)
  - Gold - Promotion Marketing Awards Malaysia 2012 (Best Sponsorship Marketing Tie-In)
  - Silver - Promotion Marketing Awards ASIA 2012 (Best Sponsorship Marketing Tie-In)
  - Gold - Marketing Events Awards ASIA 2012 (Best Sponsorship Activation)

- Winner of GNS Partner Awards
  - Outstanding Acquisition Programme (M2C)
  - Outstanding Digital Marketing Campaign (M2C Launch)
- Mastercard Hall of Fame Events
  - Winner for Best Acquisition Campaign (Maybank Malaysia)
  - Finalist for Best Activation Campaign (Maybank Malaysia)
- inOvation Malaysia Awards 2012: M2U mobile Payment app
- Maybank2u.com: Financial Insights Innovation Awards (FIIA) "Innovation in Social Marketing"
- NEF Awani ICT Awards 2011: Maybank2u.com Favourite Online Banking under the "People's Choice"
- Banking & Payments Asia (BPA) Trailblazer Awards 2012: Process Excellence in Customer Centricity
- Banking & Payments Asia (BPA) Trailblazer Awards 2012: Product Excellence in Payment Innovation
- SMI Association of Malaysia: Sahabat Negara SME
- Radar Global SME Bank Reputation Awards 2012: Gold Medal Award

## OUTLOOK

In 2012, CFS proved resilient in a challenging market, with the growth of most of our retail loan portfolios outpacing the industry average, underpinned by prudent and vigilant financing practices.

In 2013, we will maintain an aggressive but controlled approach to achieving our growth targets. Amid increasing competition, margins continue to come under pressure. To improve margins, we will therefore focus on a portfolio rebalancing strategy, apply Risk Based Pricing and increase cross-selling and share of wallet. With our strong sales engine and continued focus on productivity improvements from our sales staff, frontline service staff and back office support personnel, we are optimistic in our outlook for 2013.

Other key priorities this year will include cost management, customer service enhancements and stepping-up our strategic transformation initiatives aimed at boosting long-term sustainability. At the same time, we will be expanding our cross border regional initiatives to realise greater synergies as a regional bank.

# GLOBAL BANKING

(formerly known as Global Wholesale Banking)

In 2012, we have gained visibility regionally reflected by the increasing domestic and regional awards recognising our business capabilities. Client Coverage continues to provide a single point of contact that allows consistent relationship experience for our clients throughout the region. With the opening of our Laos branch in November 2012, we are now the first regional bank to have physical presence in all ten ASEAN member nations. We believe our strong presence will enable us to support our regional clients as they expand their business operations across Southeast Asia.

In 2012, we also welcomed a new addition to the Global Banking (GB) family, Maybank Asset Management Group, which focuses on growing our asset and fund management business across the region. GB now has complete suite of product capabilities that will give us the flexibility to provide holistic solutions to our corporate clients regionally.



“Within a short span of 2.5 years our global banking business has delivered major milestones, both locally and regionally. Positive client feedback on how we have supported them is a testament to our effective regional coverage model with local expertise, complemented by sector and industry experience, offering global solutions to raise our clients to greater heights. This is Maybank Global Banking.”

## DATUK ABDUL FARID ALIAS

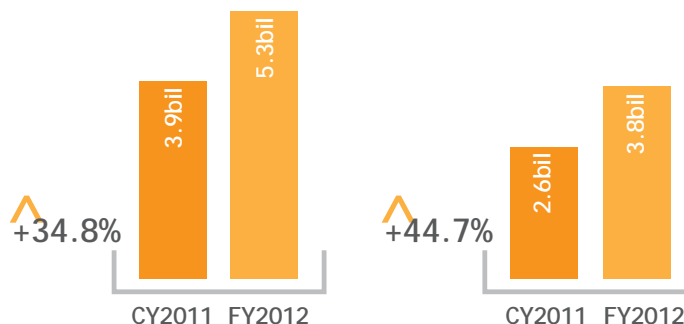
Deputy President and  
Head, Global Banking

## HIGHLIGHTS

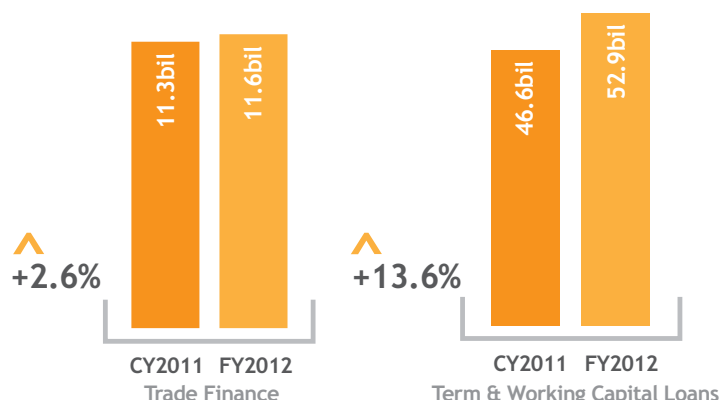
- In 2012, GB recorded revenue of RM5.3 billion.
- PBT increased by 44.7% year-on-year to RM3.8 billion.
- Loans grew by 11.5% year-on-year.
- Asset quality improved significantly with net impaired loans registered at 0.52% from 2.00% in the previous year.

Revenue  
RM5.3 billion

Profit Before Tax  
RM3.8 billion



Total GB Loans  
RM64.5 billion



## OVERVIEW

- In 2012, we activated our Client Coverage teams for the region, leveraging on local expertise coupled with regional reach and complemented by sector/industry experience to customise solutions for our regional clients.
- Investment Banking's successful integration with Kim Eng has positioned the new brand entity, Maybank Kim Eng, to tap the increasing opportunities in the region, whilst strengthening its visibility as a leading regional investment bank and broking house.
- To better manage the Bank's global risk and support its cross border portfolio growth, Global Markets deployed the Global Treasury Risk Management System (GTRMS) in major countries and all Treasury Centres, such as Singapore, the Philippines, Hong Kong, London and New York.
- Corporate Banking enhanced its end-to-end credit lending origination processes and accelerated its speed-to-market to provide better turnaround time and hence improve service levels.
- Transaction Banking has introduced its web-based regional cash management platform that is also integrated to a web-based regional Trade Finance and Securities Services platform to better support our clients' business expansion across the region.

- Asset Management is fast becoming a regional one-stop centre, with presence in Malaysia, Singapore and Thailand, serving both conventional and Islamic funds as well as private equity investors.

## FINANCIAL PERFORMANCE

- GB reported a 34.8% growth in revenue to RM5.3 billion in 2012 compared to RM3.9 billion in 2011. This was mainly due to higher net interest income ("NII") of RM2.6 billion compared to RM2.1 billion in the previous year. We continued to register strong loan growth notwithstanding the continued pressure in margins.
- GB's PBT grew to an impressive RM3.8 billion for 2012, 44.7% higher than the previous year (2011: RM2.6 billion)
- Total GB Loans stood at RM64.5 billion as at 31 December 2012, 11.5% higher than 2011. This is largely driven by higher term loans outstanding of RM34.8 billion compared to the previous year of RM27.6 billion.

**WE ARE WELL ON TRACK IN OUR TRANSFORMATION JOURNEY TO BE THE LEADING WHOLESALE BANK IN ASEAN. IT STARTED WITH THE SUCCESSFUL IMPLEMENTATION OF OUR GLOBAL BANKING OPERATING MODEL WITH CLIENT COVERAGE AT THE HEART OF OUR CLIENT RELATIONSHIP.**



- We registered loans growth of 11.5% year-on-year and trade finance registered a notable market share of 25.3% as at November 2012.
- Our current accounts and fixed deposits grew by 29.4% and 10.5% respectively.
- Asset quality improved year-on-year, reflecting our sound risk practices and much improved debt recovery.

### NON-FINANCIAL PERFORMANCE

- GB has won 53 key awards in 2012 from renowned publications, amongst them EuroMoney, AsiaMoney, FinanceAsia, Alpha SEA Awards and the Asset Triple A Awards.
- Out of these awards, 15 of them are regional awards including Alpha SEA's Best Retail Broker in the Philippines, Thailand and Vietnam, Best Deal of the Year in SEA, Best Islamic Trade Finance Solution of the Year in SEA, Best REIT Deal of the Year in SEA, Best Project Financing Deal of the Year in SEA and Best Custody Solution of the Year in SEA.





# +34.8%

REPORTED A GROWTH IN REVENUE TO RM5.3 BILLION IN 2012 COMPARED TO RM3.9 BILLION IN 2011.

## STRATEGIC THRUST & INITIATIVES

Our transformation journey to be the leading wholesale bank in Southeast Asia started with the successful implementation of our GB operating model in Head Office with Client Coverage at the heart of our client relationship.

The foundation was laid when we launched Maybank Kim Eng and rolled out the GB regional front office governance structure across all countries with regional specialists supporting the local business heads to strengthen our regional offerings.

In 2012, the key focus was on strengthening our regional capabilities through further streamlining of our business lines and rolling out regional business platform and operating models.

Some of the key achievements and milestones:

- Maybank Asset Management Group was established to focus on regional asset management business.
- Consolidated several business lines within Transaction Banking to form Trade & Supply Chain Financing as well as Securities Services offering both Custody & Trustee services under one brand.

- Deployed the Global Treasury Risk Management System across nine countries to better manage our trading risk globally.
- Launched web-based Regional Trade Finance front-end platform in all countries.
- Launched web-based Regional Cash Management Services in Singapore and Malaysia.

## CLIENT COVERAGE

Collaborating with both GB product partners and different business sectors across the Maybank Group, Client Coverage offers clients a full suite of tailored products and solutions.

With their diverse investment banking, corporate banking and capital market background, the Client Coverage team builds long-term relationships based on constant engagement with our clients and a holistic understanding of their needs. Personalised management is also reinforced by a single, product-neutral point of contact that enables us to provide consistency of service region wide.

This has resulted in a tremendous growth in cross-border deals in 2012 and a further expansion of our client base.

## INVESTMENT BANKING (MAYBANK KIM ENG)

*The investment banking business of Maybank Group, known as Maybank Kim Eng, comprises Maybank Investment Bank Berhad in Malaysia and Maybank Kim Eng Holdings Ltd in the region.*



**“Although we are still in the final phases of our post-merger integration programme, which is slated to conclude in mid 2013, we have already achieved a tremendous number of successes as a unified organisation. Having a key role in two of the top five IPOs globally is just one of the many examples of what we have achieved.”**

**TENGGU DATO' ZAFRUL**

Group Chief Executive  
Maybank Kim Eng

We provide a wide range of services to a large and diverse client base that includes corporations, financial institutions, governments, as well as institutional and retail investors. Our key business units are:

- Investment Banking and Advisory, which facilitates the seamless execution of transactions, and provides advice on mergers, acquisitions, restructurings, reorganisations, equity, equity-linked fund-raising and issuances and structured solutions. It also provides financial advice and policy and strategy advice, with a focus on the energy, infrastructure and utilities sectors
- Debt Markets, which advises on, arranges and distributes debt market instruments
- Equity Capital Markets, which provides services such as sales and distribution of equity, equity-linked and equity-derivative products, and underwriting of Initial Public Offerings (IPOs)
- Equities/Brokerage, supported by Research, which facilitates trading of local and foreign securities via its network of dealers and remisiers, as well as via our sophisticated online trading platforms

- Equity and Commodity Solutions, which creates and offers investment products on exchanges and over-the-counter
- Futures Broking, which offers sales, execution and clearing services

Following the acquisition of Kim Eng in July 2011, Maybank Kim Eng set a common goal across all its business lines to be a Regional Financial Powerhouse by 2015. To achieve this vision and to realise the full potential of the merger, a Post-Merger Integration (PMI) programme stretching over two years was launched. As we complete our first calendar year as the combined entity of Maybank Kim Eng, we already have a number of successes to report.

In 2012, Maybank Kim Eng recorded a 44% year-on-year growth in revenue, from RM888 million in 2011 to RM1,279 million. Profit before tax for 2012 was RM345 million, a 173% increase over the preceding year. The main contributor to the increase was Investment Banking and Advisory with its strong deal flows. Our performance against industry competitors has been outstanding, being first and second on the Malaysia Bloomberg Mergers & Acquisitions (M&A) and Equity & Rights Offerings league tables respectively. In terms of our M&A business in the region, we ranked third, fourth and ninth respectively for Thailand, the Philippines and Singapore, a significant improvement from previous years.

Across the region, we have been recognised as a major player in the equities business, ranking in the top six in terms of market share in Malaysia, Singapore, Indonesia, the Philippines and Vietnam. In Thailand, we have been ranked first for the past eleven years. By tapping into the regional resources and distribution channels acquired via the acquisition of Kim Eng, we were also able to play key roles in two of the five largest IPOs across the globe in 2012, namely Felda Global Ventures Holdings' RM10.4 billion IPO and IHH Healthcare's RM6.3 billion dual-listed IPO.

All these are clear indicators that we are well on our way to building a successful investment banking and equities business in the region.

Some of the year's key deals, locally as well as globally, were:

- Felda Global Ventures Holdings IPO which raised approximately RM10.4 billion, for which we were Joint Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter
- IHH Healthcare IPO which raised RM6.3 billion, for which we were Joint Bookrunner for the MITI Tranche, Joint Underwriter for the Malaysia Public Offering and Singapore Underwriter for the Singapore Offering
- Maybank Placement, the largest primary placement in Malaysian corporate history with the tightest discount to close for a placement above RM3 billion
- National Bank of Abu Dhabi's Issuance of RM500.0 million Subordinated Sukuk under a RM3.0 billion Conventional and Islamic MTN Programme, for which we were Joint Lead Arranger and Joint Lead Manager (for this transaction, we were the first foreign issuer to issue Subordinated Sukuk in RM and the first bullet tier 2 structure denominated in RM)
- PLUS's Issuance of RM30.6 billion Sukuk under a combined Sukuk Programme and Government-Guaranteed Sukuk Programme with a combined limit of RM34.35 billion in nominal value (this transaction was the world's largest ever sukuk issuance)

- Tanjung Bin Energy Issuer Berhad's RM6.5 billion multi-currency, multi-product and multi-ranking holistic financing (this transaction was the first participation by international lenders for power financing in Malaysia)

### Investment Banking and Advisory (IB&A)

The IB&A division facilitates the seamless origination and execution of capital market transactions, including the procurement of all necessary regulatory approvals. Based on an in-depth understanding of both client requirements and corporate milieu, we deliver holistic and innovative solutions.

2012 was a bumper year for M&A and major IPOs in Malaysia. We acted as advisors in two of the largest IPOs in the region namely, Felda Global Ventures Holdings Berhad and Astro Malaysia Holdings Berhad, which contributed to the growth trajectory in our 2012 revenue. As illustrated below, we have improved our league table position to become the No.1 M&A house in Malaysia in 2012 and won many prestigious awards, including The Asset Triple A's Best M&A House in Malaysia 2012.

### M&A Malaysia League Table (1 Jan 2012 -31 Dec 2012)

Rank	Adviser	Market Share (%)	Amount (RM mil)
1	Maybank IB	36.5	46,628.9
2	CIMB Investment	30.7	39,231.5
3	Goldman Sachs & Co	26.9	34,470.2
4	Morgan Stanley	20.2	25,856.8
5	Bank of America Merrill Lynch	13.9	17,819.7

Source: Bloomberg as at 31 December 2012

In 2012, we also expanded our horizons to become a regional player in M&A and fund raising activities. Notable regional cross-border deals included the acquisition of a 65% equity interest in Esso Malaysia Berhad by Petron Oil & Gas International and the setting up of a Business Trust for Berjaya Sports Toto in Singapore. Although Malaysian deals accounted for the bulk of our revenue in 2012, we expect our new regional platform to generate an increasing number of deals going forward.

BinaFikir Sdn Bhd, the Strategic Advisory unit of Maybank Kim Eng, provides financial advisory services as well as advice on policy and strategy matters, focusing on the Energy, Infrastructure and Utility (EIU) sectors. For example, BinaFikir provides project finance advisory for the development and financing of Independent Power Producers (IPPs).

2012 was a good year for BinaFikir as the unit began to carve out a niche as a preferred adviser in the sectors which it operates. BinaFikir anticipates a further increase in private sector-led projects, Public Private Partnership (PPP) and other PPP of privatisation-linked advisory work in 2013, continuing the trend observed in 2012.

Of the transactions closed or worked on during the year, highlights included:

- Financial advisory to the winning bidder for the acquisition, financing and recommissioning of a 225MW gas-fired independent power utility located in Kulim, Kedah, which had been under receivership since 2004, culminating in the arrangement and issuance of RM650 million nominal value sukuk under a Guaranteed Sukuk Mudharabah Facility (deal was awarded in the Restructuring Deal of the Year under the Islamic Finance News Awards 2012)
- Ongoing project finance advisory to the sponsors for the development and financing of the Pagoh Education Hub PPP (being campus facilities for Pagoh Polytechnic, Universiti Tun Hussein Onn Malaysia, International Islamic University Malaysia and Universiti Teknologi Malaysia) governed by multiple concession agreements which were successfully executed in November 2012
- Financial advisory and valuation services for the proposed acquisition of an independent power producer in Malaysia
- Ongoing project finance advisory to the sponsors for the development and financing of a healthcare PPP for the Government-owned clinics throughout Malaysia

Looking ahead, we expect to maintain the momentum in 2013 although many analysts are predicting a slowdown in Malaysian deals post general election. It will be a challenging year given that the debt crisis is still hanging over Europe and U.S. Nevertheless, we shall be leveraging our domestic and regional strengths to counter any eventual slowdown in Malaysia.

### Debt Markets

Debt Markets consist of Debt Capital Markets (DCM), Syndicate Fixed Income (SFI), Corporate Credit & Agency (CCA) and Loans & PDS Administration (LPAD). Together, these product units work seamlessly as a value chain to deliver complete debt financing solutions for our clientele, from advisory and origination, to structuring and execution, to sales and distribution and to agency and after-market support.

We provide the full spectrum of debt products including bonds, sukuk, syndicated loans and hybrid solutions, in Ringgit and a host of foreign currencies. Our industry expertise is reflected in the variety of our transactions, where we fund all major industry segments including infrastructure, utilities, financial services and other sectors which are vital contributors to national economies.

Being client-centric, we are driven to produce customised solutions to meet our clients' unique funding requirements. This has allowed us to deliver innovative solutions and push boundaries in shaping the landscape of the Malaysian debt market. This was evident in 2012, as we continued our tradition and legacy of producing landmark bond and sukuk transactions for clients such as National Bank of Abu Dhabi, Kuala Lumpur Kepong Berhad, Johor Corporation, DanaInfra Nasional Berhad and Projek Lebuhraya Usahasama Berhad. We also developed hybrid sukuk solutions for Malaysian Airline System Berhad, a holistic multi-currency, multi-product and multi-ranking debt suite for Tanjung Bin Energy Issuer Berhad and syndicated loan transactions for 1MDB Energy Sdn Bhd, SapuraKencana Petroleum Berhad, and Petron Oil & Gas International Sdn Bhd, to name a few.

In the USD space, we successfully issued bonds for Export Import Bank of Malaysia Berhad and Malayan Banking Berhad, while in the IDR space, we completed bond issuances for PT Bank Internasional Indonesia, PT Astra Sedaya Finance, PT Indofood Sukses Makmur and PT BFI Finance Indonesia.

By embracing Maybank's "Islamic First" strategy, we continue to maintain our status as a premier sukuk house to support Malaysia as the Islamic hub of the world. We are able to harness the Maybank Islamic Banking Group's Shariah expertise, Research & Development (R&D) and network, which are integral to the success of launching Sukuk solutions.

According to the RAM Lead Managers' League Table (Conventional & Islamic), we emerged first by issuance value for 2012, an improvement from the previous year where we ranked second.

In 2012, we garnered an array of awards including:

- Malaysia Bond House of the Year, Asiamoney
- Best Bond House of the Year, Alpha Southeast Asia
- Best Sukuk Bank and Best Project Financial Advisor for Asia, Global Finance World's Best Islamic Awards
- Best Islamic Deal of the Year/Best Sovereign Sukuk, The Asset Triple A Awards for Wakala Global Sukuk Berhad's Global Sukuk Certificates
- Islamic Finance Deal of the Year, Global Finance Best Islamic Financial Institutions Awards for Wakala Global Sukuk Berhad's Global Sukuk Certificates
- Best Corporate Sukuk, The Asset Triple A Awards for Projek Lebuhraya Usahasama's Sukuk

## Equity Capital Markets

The Equity Capital Markets (ECM) team provides solutions and executes equity and equity-linked transactions such as IPOs, Rights Offerings, Placements and Offerings of Convertible Securities. With a strong regional and international distribution platform, we are able to harness demand from institutional investors across the globe and successfully bring to market landmark transactions. The regional ECM team originates, participates, manages and coordinates ECM deals across the region, working hand-in-hand with the respective in-country deal teams.

We believe in fostering close advisory relationships with fund managers, governments, corporations and private companies, particularly in a dynamic and ever-changing market environment. This gives us valuable market insights on, inter alia, a wide range of financing strategies, investor behaviour, and performance of key market participants, which in turn help to ensure that our ECM deals are syndicated, marketed and distributed to the widest network of investors to enable optimal pricing of transactions.

Over the course of the year, the ECM team successfully completed a number of landmark transactions in Malaysia. The various awards won are a testament to our performance, track record and expertise in bringing companies of various sizes to market with great success for our clients. Some of the landmark transactions completed during the year include:

- Felda Global Ventures IPO, the second largest IPO globally as at pricing date, in June 2012
- IHH Healthcare IPO, the third largest IPO globally as at pricing date and the first dual listing on Bursa Malaysia and SGX, in July 2012
- IGB REIT, the largest Malaysian retail REIT by market capitalisation, in September 2012
- Astro Malaysia IPO, the third largest IPO in Southeast Asia region in 2012 as at pricing date, in October 2012
- Maybank Placement, the largest primary placement in Malaysian corporate history with the tightest discount to close for a placement above RM3 billion



The value of deals done in Malaysia has tripled over the past year, increasing from RM1.975 billion in 2011 to RM6.177 billion in 2012, which represents a market share of 19.7%. For 2012, we ranked second in the Bloomberg Underwriter Rankings Market for Malaysia Equity & Rights Offerings.

On the regional front, we completed two landmark Philippine deals in 2012:

- San Miguel Pure Foods Placement, one of the larger Philippine placements
- D&L Industries Inc IPO, the second largest Philippine IPO

Despite continued uncertainty and anticipated volatility in the global markets, Southeast Asian equity capital markets are expected to remain strong in 2013, boosted by continuing regional economic growth. We will leverage the award-winning Maybank Kim Eng regional franchise to entrench ourselves in the various domestic equity markets within the region with a view to building long-term relationships to achieve the vision of becoming a Regional Financial Powerhouse by 2015.

### Retail Dealing

We are a full-fledged brokerage house providing trading, financing and research to retail investors through our wide distribution network across Asia. With the acquisition of Kim Eng, we now have expanded our presence in the region with operations in Malaysia, Singapore, Thailand, Indonesia, Philippines, Vietnam and Hong Kong. For each of these countries, we have assigned project teams that focus on strategic initiatives of expanding and leveraging regional capabilities, from products and services to branding and marketing.

We provide a comprehensive range of product offerings including dealer-assisted trading, online trading and mobile trading for both local and international exchanges. We support our valued clients with our share margin financing facilities and further enhance the trading experience with research reports encompassing wide industry and sector coverage, both locally and internationally. Some of these industries include construction, oil and gas, plantation, telecommunications, technology, media and utilities.

2012 was a successful year, with the achievement of many milestones. Some of these initiatives include successfully white labeling the Kim Eng regional online platform not only in Malaysia but also Thailand and Hong Kong. In Vietnam, a new mobile trading application was launched.

With Singapore as our business hub, we are now able to offer our regional customers, an expanded product catalogue that include Contracts for Difference (CFDs), Leveraged FX (LFX) and Fixed Income (FI). More products remain in the pipeline as we aim to bring diverse investment tools to suit the needs of various client segments.

To complement the integration of platforms, we have worked towards establishing a regional sales team to provide our clients with a high level of personalised service across markets and products, and to deliver superior customer service against the backdrop of a highly competitive landscape.

In line with Maybank Group's mission of "Humanising Financial Services", we focus on providing clients with constant interaction and trading ideas in order to build long-term relationships. We invest in our clients by providing interactive workshops to equip them with the fundamentals of trading. We held the Invest ASEAN conference in Malaysia to further educate clients on regional markets.

We have also leveraged our Kim Eng Education team in providing workshops and educational seminars for clients across the region. Likewise, our sales force is constantly provided with up-to-date training workshops to continuously improve their investing knowledge and to keep abreast with regional markets to better serve our clients. This initiative also plays an integral role in supporting regional growth as we strive to empower our clients with investing knowledge that will enable them to better manage diversified portfolios across markets and products.

We are proud of the success of these various initiatives, and are excited for several others in the pipeline. We ended the year strong with an improved market share and ranking. We are determined to imprint our brand presence across the region. Our recent awards serve as a testament of our efforts and commitment to our valued clientele:

- Best Retail Broker, Malaysia - Alpha Southeast Asia 2012
- Best Retail Broker, Thailand - Finance Asia 2012
- Best Retail Broker, Thailand - Alpha Southeast Asia 2012
- Best Retail Broker, Vietnam - Alpha Southeast Asia 2012
- Best Retail Broker, Philippines - Alpha Southeast Asia 2012
- Best Mobile Application, Singapore - Investment Trends Survey 2012
- Best Brokerage House, Malaysia - The Asset Triple A Country Awards 2012
- Best Brokerage House, Thailand - The Asset Triple A Country Awards 2012

In 2013, our aim is to further expand our business in the region to achieve our aspiration of being ASEAN's No. 1 broker.

### **Institutional Dealing**

The institutional equities team provides equities broking and execution services to institutional clients such as pension funds, life insurance funds and mutual funds.

We engage in IPO placements, private placements and off-market block trades, and provide corporate access to clients through conferences, corporate days and non-deal roadshows.

We achieved several milestones in 2012. The high quality list of sales and marketing initiatives include seminars, corporate days, company visits, site tours and lunch presentations. In Malaysia, for the third year running, we played a critical role in organising a highly successful event, Invest Malaysia, with Bursa Malaysia to promote Malaysia's capital market. We have been involved in a number of integration initiatives such as team building and a roll-out of team and regionally-based incentive schemes. The focus was on fostering team communication and on cultivating both regional and global institutional clients.

In Malaysia, our official rankings improved further, underlined by awards from Alpha SEA and The Asset Triple A as the Best Equity House and Best Brokerage House respectively and Best Sales Person by Asiamoney among others. Our domestic institutional market share rose by 19%, helping to raise overall domestic equity market share to 7.06%, making us the No. 3 broker. This is an improvement from our ranking of No. 5 in 2011.

Regionally, we are seen as the momentum house. Our efforts to build a strong institutional sales and dealing team, together with the improvements seen in our research product have begun to bear fruit, and our clients acknowledge these. There have also been numerous new institutional accounts opened globally, credited to the cooperation between our Singapore, US, UK and Hong Kong offices. Another improvement is our broker tiering amongst clients.

The institutional equities team will continue to strive to establish its foothold in the regional market space, working towards the vision of being a Regional Financial Powerhouse by 2015.

### Equity and Commodity Solutions

We serve as a catalyst for product innovation and a platform for Maybank to customise products and solutions for our retail, corporate and institutional clients. Our Equity and Commodity Solutions Division's (ECSD) business can be divided into two major markets: exchange traded products and over-the-counter markets where financial engineering techniques are used to manufacture investment instruments.

ECSD is also responsible for generating unique risk mitigation techniques to manage our clients' exposure to both commodities and equity price risk, enabling our clients to manage their capital and operations in an efficient manner.

We are one of the leading call warrant issuers in the market. In 2012, we issued a total of 83 call warrants. Some of the top call warrants last year included ASTRO-CB, FGV-CC and IHH-CM. The team has also initiated the warrants website, [www.maybankwarrants.com](http://www.maybankwarrants.com), for the convenience of investors.

We have also launched the Equity-Linked Investment Note (ELIN) for high net worth clients. The ELIN programme has provided customers with another avenue to allocate their money into the equity asset class, in addition to the traditional cash equity market.

For commodities, we are able to provide commodity hedging on various underlying assets including crude palm oil, brent crude oil, WTI crude oil and gold.

On the regional front, ECSD Thailand too issues call warrants. In a country with 12 call warrant issuers, they are ranked in the Top 4. In 2012, they had issued 73 call warrants and put warrants. The top 3 warrants in terms of volume traded were IVL42CD (Indorama Ventures PCL), STA42PA (Sri Trang Agro-Industry PCL) and BANP42CD (Banpu PCL).

### Research

Maybank Kim Eng Research is a leading independent investment research house, focused on presenting timely research materials that is ahead of the curve, ranging from macro-economic insights to an in-depth analysis of each investment opportunity, and unique ideas to institutional and retail clients. Apart from the undertaking of sectorial and companies research, our research team organises thematic conferences and workshops, and working visits to enable investors to gain a thorough understanding of the business profiles of public listed companies.

The research is organised in four broad categories: equities, fixed income, economics and politics.

### Futures Broking

We launched our Futures product in end 2012, which offers Crude Palm Oil Futures, KLCI Futures and all contracts listed on Bursa Malaysia Derivatives Berhad. With presence in Malaysia, Singapore and Hong Kong, we offer sales, execution and clearing services to institutional, corporate and retail clients. Our trading portal named Futures2u, offers convenient online trading that enables our clients to access markets from virtually anywhere. In 2013, we plan to roll out foreign futures products to provide access to major exchanges worldwide.

# 54.3%

IN 2012, CORPORATE BANKING REVENUE LEAPT 54.3% TO A RECORD FIGURE OF RM2.3 BILLION. PERFORMANCE WAS BOOSTED BY STRONG GROWTH IN TERM LOANS (+25.4%).

## CORPORATE BANKING (CB)

The Corporate Banking division assesses and underwrites credit proposals to support clients' business requirements. We structure high quality loans by bundling relevant products from other product partners, including Transaction Banking, Global Markets, Investment Banking and Maybank Islamic Berhad.

We also handle specialised lending such as cross-border project financing, syndications and bridging loans.

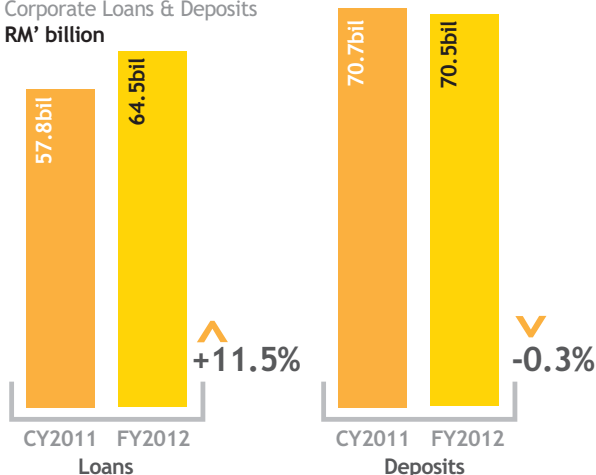
Our clientele comprises of government (including government-linked companies), Malaysian corporates and multi-national companies.

In 2012, Corporate Banking revenue leapt 54.3% to a record figure of RM2.3 billion. The performance was boosted by strong growth in Term Loans (+25.4%).

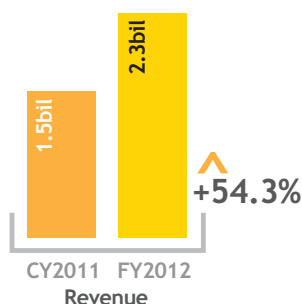
Asset quality and productivity both improved during the year, and we also embarked on credit process enhancements which have significantly expedited our response to clients' needs - thereby boosting loans growth with higher acceptance of our proposed products and solutions.

With our improved asset quality, we managed to grow loans by 11.5%. We also maintained deposit level with Current Accounts and Fixed Deposits growing at 29.4% and 10.5% respectively.

Corporate Loans & Deposits  
RM' billion



Corporate Banking Revenue  
RM' billion



## TRANSACTION BANKING (TB)

Transaction Banking is built on four lines of business: Cash Management, Trade & Supply Chain Financing, Financial Institutions and Securities Services. Securities Services was formed in November 2012 by merging Maybank Custody Services and Maybank Trustees Berhad - a move that enhances our capabilities in our key regional markets.

In 2012, we saw a marked improvement in our Cash Management market share in both transaction volume and transaction value which increased from 42.9% and 33.6% in 2011 to 48.5% and 39.4% in 2012 respectively. Trade Finance also maintained its healthy position with a market share of 26.5% in December 2012.

Meanwhile, we expanded our Transaction Banking business regionally into Singapore, Indonesia, the Philippines and Greater China. We also improved our Trade & Supply Chain Financing and Securities Services business models, aligning us with our regional peers.

On the technology front, to enhance our clients' liquidity management and transaction execution, we rolled out three regional electronic channels: Regional Cash Management - Maybank2E, Trade & Supply Chain Financing - TradeConnex, and Securities Services - eCustody.



Launch of Regional Cash Management Services in Singapore (Nov 2012)



## GLOBAL MARKETS (GM)

Global Markets caters to the treasury needs of our clients. Our products and services include Foreign Exchange, Money Market, Fixed Income Markets, Derivatives and structured products. We play a key role to advance Maybank's regional presence whilst ensuring a holistic and integrated trading strategy across the Group's treasury centres world-wide.

The Malaysian operations of Global Markets saw an improvement in revenue and PBT by 10.7% and 16.5% to RM1.7 billion and RM1.5 billion respectively on the back of a softer economic environment.

Regionally, Global Markets contributed a total revenue and Profit before Tax of RM2.5 billion and RM2.1 billion respectively. Securities portfolio gained 9.63% to RM92.8 billion with 31.3% coming from foreign securities as at December 2012.

During the year, we put in place a seamless Global Treasury Risk Management System encompassing front and middle office in Singapore, Jakarta, Labuan, Manila, Hong Kong, Shanghai, London and New York. We now have clearly defined regional operating models and a platform that allows us to monitor the risks that we are taking at all times, consistent with the risk appetite statement that we have set out for ourselves.



## MAYBANK ASSET MANAGEMENT (MAYBANK AM)

Maybank AM is the Maybank Group's fund management arm, and is fast becoming an integrated regional asset manager offering investors access to multi-investment solutions and regional investment capabilities.

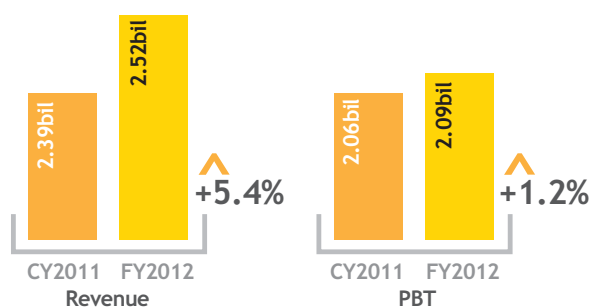
Consolidating the Group's asset management businesses has resulted in a strong presence in the key Southeast Asian markets of Malaysia, Singapore, Thailand and the Philippines. Moving forward, Maybank AM has the potential to make significant acquisitions in the ASEAN region.

Maybank AM aims to offer a unique proposition which lies in the expertise of our on-the-ground teams. A common regional platform integrates the teams who operate from their respective countries to research and deepen market capabilities.

During the year, Maybank AM Malaysia's Assets Under Management (AUM) charted a remarkable 74.5% growth from RM4.7 billion at the beginning of the year to RM8.3 billion as at 31 December 2012. This high double digit growth was the result of continuous marketing efforts and improved regional investment capabilities through the exchange of investment know-how across the Maybank AM group of companies.

Global Markets Revenue  
RM'billions

Global Markets PBT  
RM'billions





## 2012 DOMESTIC AND REGIONAL AWARDS

### ALPHA SOUTHEAST ASIA AWARDS

- Best Custody Solution of the Year
- Best IPO Deal Of The Year In Southeast Asia & Best Deal Of The Year In Southeast Asia for Minority Shareholders (Felda Global Ventures Holdings IPO)
- Best Dual-Listed IPO Of the Year in Southeast Asia (IHH Healthcare Bhd IPO)
- Best Equity Deal Of The Year In Southeast Asia (IHH Healthcare Bhd IPO)
- Best Mid Cap Deal Of The Year In Southeast Asia (Gas Malaysia Bhd IPO)
- Best REIT Deal Of The Year In Southeast Asia (IGB REIT)
- Most Innovative Deal Of The Year In Southeast Asia (IGB REIT)
- Best Project Financing Deal Of The Year In Southeast Asia (Danalnfra Nasional's Islamic Commercial Papers & IMTN)
- Best Islamic Finance Deal Of The Year In Southeast Asia (IMTN Programme +PLUS Guaranteed Sukuk)
- Best Bond House, Malaysia
- Best Equity House, Malaysia
- Best Retail Broker, Malaysia
- Best Institutional Broker, Singapore
- Best Retail Broker, Philippines
- Best Retail Broker, Thailand
- Best Retail Broker, Vietnam

### THE ASSET TRIPLE A AWARD

- Best Deal (Joint bookrunner for the MITI tranche on IHH Healthcare IPO)
- Islamic Deal of the Year/ Best Sovereign Sukuk (Wakala Global Sukuk Bhd)

- Best Islamic Deal, Malaysia (Wakala Global Sukuk Bhd)
- Best Islamic Equity (Bumi Armada IPO)
- Best Corporate Sukuk (Projek Lebuhraya Usahasama Sukuk)
- Best Islamic Restructuring Deal (Pengurusan Aset Air Bhd)
- Best M&A House, Malaysia
- Best Brokerage House, Malaysia
- Best Brokerage House, Thailand

### GLOBAL FINANCE MAGAZINE

- Islamic Finance Deal of the Year (Wakala Global Sukuk Bhd)

### IFR ASIA AWARDS

- Malaysia Capital Markets Deal of the Year (IHH Healthcare Bhd Malaysia and Singapore IPO)

### ASIAMONEY AWARDS

- Most Improved Brokerage Over the Last 12 months, Malaysia
- Best Salesperson in Malaysia

### ISLAMIC FINANCE NEWS AWARDS

- Malaysia Deal of the Year (PLUS IMTN Programme and Guaranteed Sukuk Programme)
- Most Innovative Deal of the Year (Malaysian Airline System Bhd Perpetual Junior Sukuk)
- Project Finance Deal of the Year (Boustead Naval Shipyard Syndicated Trade Facilities )
- IPO Deal of the Year (Felda Global Ventures )
- IPO Restructuring Deal of the Year (N.U.R Power Sukuk)

### KLIFF ISLAMIC FINANCE AWARDS 2012

- Most Outstanding Islamic Investment Bank

### FINANCEASIA AWARDS

- Best Broker, Philippines

## OUTLOOK







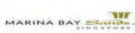





Our unique proposition is to capitalise on our full presence in ASEAN countries to exert our leadership position in this region and capture cross border ASEAN business whilst providing coverage to ASEAN corporates with regional aspiration. With our regional client coverage team fully intertwined and collaborating with our regional product specialists, we are fully committed to support our regional clients' cross border business.

Besides that our key focus for 2013 is on regional growth and strengthening our regional position with our target to derive at least 50% of GB revenue from outside of Malaysia. To achieve this, we will continue to invest in our people and technology to create a regional operating model and platform that best serves the needs of our clients.













Over the next 12 months, we will strengthen our capabilities in pursuit of our 2015 aspiration. We will complete our integration with Kim Eng and complete implementation of regional organisation for Maybank Kim Eng businesses.

Trade Finance, Cash Management and Custody Services' regional electronic platforms will be launched in the remaining key home markets as well as in Greater China. Other priorities include a strategic expansion into growth markets, with focus on increasing our market share of corporate loans and deposits regionally.








## KEY REGIONAL DEALS FOR FINANCIAL YEAR 2012

<p>Indonesia</p>  <p>PT Astra Sedaya Finance</p> <p><b>IDR 5 trillion</b></p> <p>Bond Programme Joint Bookrunner &amp; Joint Mandated Lead Arranger</p> <p>February 2012</p>	<p>Indonesia</p>  <p>PT Indofood Sukses Makmur Tbk</p> <p><b>IDR 2 trillion</b></p> <p>Bond Programme Joint Lead Underwriter</p> <p>May 2012</p>	<p>Indonesia</p>  <p>PT BFI Finance Indonesia Tbk</p> <p><b>IDR 575 billion</b></p> <p>Bond Programme Joint Lead Underwriter</p> <p>June 2012</p>	<p>Indonesia</p>  <p>PT Rukun Raharja Tbk</p> <p><b>IDR 230 billion</b></p> <p>Rights Issue II Financial Advisor</p> <p>June 2012</p>	<p>Singapore</p>  <p>Pre1 Investment Pte Ltd</p> <p><b>SGD 246 million</b></p> <p>Term Loan Mandated Lead Arranger</p> <p>April 2012</p>	<p>Singapore</p>  <p>MS Commercial Pte Ltd/ Ophir - Rochor</p> <p><b>SGD 5 billion</b></p> <p>Syndicated Term Loan Mandated Lead Arranger</p> <p>April 2012</p>
<p>Singapore</p>  <p>Marina Bay Sands Pte Ltd</p> <p><b>SGD 5.1 billion</b></p> <p>Syndicated Term Loan / Revolving Credit Facilities Global Coordinator &amp; Mandated Lead Arranger</p> <p>June 2012</p>	<p>Singapore</p>  <p>Hao Yuan Investment Pte Ltd</p> <p><b>SGD 261.34 million</b></p> <p>Club Term Loan Mandated Lead Arranger</p> <p>August 2012</p>	<p>Singapore</p>  <p>EL Development (Sengkang) Pte Ltd</p> <p><b>SGD 348.2 million</b></p> <p>Club Term Loan Mandated Lead Arranger</p> <p>September 2012</p>	<p>Singapore</p>  <p>YTL PowerSeraya</p> <p><b>SGD 535 million</b></p> <p>Club Term Loan / Revolving Credit Facilities Bookrunner &amp; Arranger</p> <p>September 2012</p>	<p>Singapore</p>  <p>OUB Centre Ltd</p> <p><b>SGD 165 million</b></p> <p>Syndicated Term Loan / Revolving Credit Facilities Mandated Lead Arranger &amp; Bookrunner</p> <p>October 2012</p>	<p>Singapore</p>  <p>Thai Beverage PLC</p> <p><b>SGD 500 million</b></p> <p>Syndicated Term Loan Coordinating Bank, Mandated Lead Arranger &amp; Bookrunner</p> <p>December 2012</p>













## KEY REGIONAL DEALS FOR FINANCIAL YEAR 2012

<p>Philippines</p>  <p>South Luzon Tollway Corporation</p> <p><b>PHP 22.5 billion</b></p> <p><b>10-Year Syndicated Term Loan</b></p> <p>Mandated Lead Arranger</p> <p>March &amp; April 2012</p>	<p>Philippines</p>  <p>Petrone Oil &amp; Gas International Sdn Bhd (part of San Miguel Group)</p> <p><b>RM 1.77 billion</b></p> <p>Acquisition of 65% equity interest in Esso Malaysia Berhad and 100% equity interest in Exxonmobil Borneo Sdn Bhd and Exxonmobil Malaysia Sdn Bhd from Exxonmobil International Holdings Inc</p> <p>Adviser</p> <p>March 2012</p>	<p>Philippines</p>  <p>Petrone Oil &amp; Gas International Sdn Bhd (part of San Miguel Group)</p> <p><b>RM 339.26 million</b></p> <p>Unconditional mandatory take-over offer by Maybank IB, on behalf of POGI, to acquire all the remaining ordinary shares of RM0.50 each in EMB not already owned by POGI for cash offer price of RM3.59 for each Offer Share</p> <p>Adviser</p> <p>March 2012</p>	<p>Philippines</p>  <p>Petrone Oil &amp; Gas International Sdn Bhd (part of San Miguel Group)</p> <p><b>RM 720 million</b></p> <p><b>Bridging Loan</b></p> <p>Joint Mandated Lead Arranger &amp; Bookrunner</p> <p>April 2012</p>	<p>Philippines</p>  <p>Exxon Mobile Borneo (part of San Miguel Group)</p> <p><b>RM 1.8 billion</b></p> <p><b>Working Capital</b></p> <p>Joint Mandated Lead Arranger &amp; Bookrunner</p> <p>May 2012</p>	<p>Philippines</p>  <p>Petrone Corporation (part of San Miguel Group)</p> <p><b>USD 480 million</b></p> <p><b>5-year Syndicated Term Loan</b></p> <p>Mandated Lead Arranger</p> <p>November 2012</p>
<p>Philippines</p>  <p>Travellers International (Resorts World Manila)</p> <p><b>USD 250 million</b></p> <p><b>7-year Bilateral Term Loan</b></p> <p>Lender</p> <p>November 2012</p>	<p>Hong Kong</p>  <p>Genting Hong Kong Limited</p> <p><b>USD 600 million</b></p> <p><b>Term Loan and Revolving Credit Facility</b></p> <p>Joint Coordinator, Joint Mandated Lead, Arranger &amp; Joint Underwriter</p> <p>September 2012</p>	<p>Hong Kong</p>  <p>Genting Hong Kong Limited</p> <p><b>USD 300 million</b></p> <p><b>Term Loan and Revolving Credit Facility</b></p> <p>Joint Mandated Lead Arranger</p> <p>October 2012</p>	<p>Malaysia</p>  <p>Maxis Berhad</p> <p><b>RM 2.45 billion</b></p> <p><b>Unrated Islamic Medium Term Notes Programme</b></p> <p>Joint Lead Manager</p> <p>February 2012</p>	<p>Malaysia</p>  <p>Tanjung Bin Energy</p> <p><b>RM 6.6 billion</b></p> <p><b>Project Financing</b></p> <p>Joint Principal Adviser, Joint Lead Arranger, Joint Lead Manager, Mandated Lead Arranger &amp; Financier</p> <p>March 2012</p>	<p>Malaysia</p>  <p>Malaysia Airports Holdings Bhd</p> <p><b>RM 616 million</b></p> <p><b>Private Placement</b></p> <p>Principal Adviser &amp; Joint Placement Agent</p> <p>March 2012</p>

## KEY REGIONAL DEALS FOR FINANCIAL YEAR 2012

<p>Malaysia</p>  <p>Sapura Kencana</p> <p><b>RM 2.05 billion</b></p> <p><b>Syndicated Term Loan</b></p> <p>Joint Mandated Lead Arranger</p> <p>May 2012</p>	<p>Malaysia</p>  <p>Sapura Kencana</p> <p><b>RM 11.2 billion</b></p> <p><b>Merger &amp; Listing</b></p> <p>Joint Principal Adviser</p> <p>May 2012</p>	<p>Malaysia</p>  <p>Johor Corporation</p> <p><b>RM 3 billion</b></p> <p><b>Islamic Medium Term Notes Programme</b></p> <p>Joint Lead Arranger, Joint Bookrunner, Joint Lead Manager &amp; Syariah Adviser</p> <p>June 2012</p>	<p>Malaysia</p>  <p>Felda Global Ventures Holding Bhd</p> <p><b>RM 10.4 billion</b></p> <p><b>IPO</b></p> <p>Joint Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter &amp; Joint Underwriter</p> <p>June 2012</p>	<p>Malaysia</p>  <p>Malaysian Airlines System Bhd</p> <p><b>RM 2.5 billion</b></p> <p><b>Perpetual Junior Sukuk Programme</b></p> <p>Sole Principal Adviser, Sole Lead Arranger &amp; Sole Lead Manager</p> <p>June 2012</p>	<p>Malaysia</p>  <p>Export Import Bank of Malaysia Berhad</p> <p><b>USD 1.5 billion</b></p> <p><b>Multi Currency Medium Term Notes Programme</b></p> <p>Joint Principal Adviser, Joint Lead Arranger, Joint Lead Manager, Joint Bookrunner &amp; Listing Agent</p> <p>June 2012</p>
<p>Malaysia</p>  <p>DRB-Hicom</p> <p><b>RM 3.02 billion</b></p> <p><b>Merger &amp; Acquisition</b></p> <p>Joint Principal Adviser &amp; Lead Arranger</p> <p>June 2012</p>	<p>Malaysia</p>  <p>Genting Capital Berhad</p> <p><b>RM 2 billion</b></p> <p><b>Medium Term Notes Programme</b></p> <p>Joint Principal Adviser, Joint Lead Arranger, Joint Bookrunner &amp; Joint Lead Manager</p> <p>June 2012</p>	<p>Malaysia</p>  <p>Gas Malaysia Berhad</p> <p><b>RM 734.5 million</b></p> <p><b>IPO</b></p> <p>Principal Adviser, Sole Bookrunner &amp; Joint Managing Underwriter</p> <p>June 2012</p>	<p>Malaysia</p>  <p>DanaInfra Nasional Berhad</p> <p><b>RM 8 billion</b></p> <p><b>Sukuk</b></p> <p>Joint Lead Arranger &amp; Joint Lead Manager</p> <p>July 2012</p>	<p>Malaysia</p>  <p>Hong Leong Bank Berhad</p> <p><b>RM 1.05 billion</b></p> <p><b>Subordinated Notes</b></p> <p>Joint Principal Adviser, Joint Lead Arranger &amp; Joint Lead Manager</p> <p>July 2012</p>	<p>Malaysia</p>  <p>SME Bank</p> <p><b>RM 3 billion</b></p> <p><b>Sukuk</b></p> <p>Joint Principal Adviser, Joint Lead Arranger, Joint Lead Manager &amp; Joint Bookrunner</p> <p>July 2012</p>

## KEY REGIONAL DEALS FOR FINANCIAL YEAR 2012

<p>Malaysia</p>  <p>Government of Malaysia</p> <p>RM 2.6 billion</p> <p>Sukuk</p> <p>Joint Bookrunner &amp; Joint Lead Manager</p> <p>July 2012</p>	<p>Malaysia</p>  <p>IHH Healthcare Berhad</p> <p>RM 6.3 billion</p> <p>IPO</p> <p>Joint Bookrunner for MITI Tranche, Joint Underwriter for the Malaysia Public Offering &amp; Singapore Underwriter for Singapore Offering</p> <p>July 2012</p>	<p>Malaysia</p>  <p>Celcom Transmission (M) Sdn Bhd</p> <p>RM 5 billion</p> <p>Sukuk</p> <p>Joint Lead Manager</p> <p>August 2012</p>	<p>Malaysia</p>  <p>Tanjung Bin Power Sdn Bhd</p> <p>RM 4.5 billion</p> <p>Islamic Medium Term Notes Programme</p> <p>Sole Principal Adviser, Lead Arranger &amp; Joint Lead Manager</p> <p>August 2012</p>	<p>Malaysia</p>  <p>Malakoff Corporation Bhd</p> <p>RM 1.8 billion</p> <p>Sukuk Refinancing</p> <p>Sole Principal Adviser, Lead Arranger, Lead Manager &amp; Joint Buyback Agent</p> <p>September 2012</p>	<p>Malaysia</p>  <p>PTPTN</p> <p>RM 3.5 billion</p> <p>Sukuk</p> <p>Joint Lead Arranger, Joint Lead Manager &amp; Joint Syariah Adviser</p> <p>September 2012</p>
<p>Malaysia</p>  <p>IGB REIT</p> <p>RM 4.25 billion</p> <p>IPO of REIT</p> <p>Joint Bookrunner &amp; Joint Underwriter</p> <p>September 2012</p>	<p>Malaysia</p>  <p>Kuala Lumpur Kepong Berhad</p> <p>RM 1 billion</p> <p>Multi Currency Islamic Medium Term Notes Programme</p> <p>Joint Principal Adviser, Joint Lead Arranger, Joint Lead Manager &amp; Joint Bookrunner</p> <p>September 2012</p>	<p>Malaysia</p>  <p>Astro Malaysia Holdings Berhad</p> <p>RM 15.6 billion</p> <p>IPO</p> <p>Joint Principal Adviser, Joint Global Coordinator, Joint Bookrunner &amp; Joint Managing Underwriter</p> <p>October 2012</p>	<p>Malaysia</p>  <p>Putrajaya Holdings Sdn Bhd</p> <p>RM 3 billion</p> <p>Sukuk</p> <p>Joint Principal Adviser, Joint Lead Arranger, Joint Lead Manager</p> <p>October 2012</p>	<p>Malaysia</p>  <p>Malayan Banking Berhad</p> <p>RM 3.7 billion</p> <p>Private Placement</p> <p>Principal Adviser &amp; Joint Placement Agent</p> <p>October 2012</p>	<p>Malaysia</p>  <p>Imtiaz Sukuk Berhad</p> <p>RM 1 billion</p> <p>Islamic Medium Term Notes Programme</p> <p>Joint Principal Adviser, Joint Lead Arranger, Joint Lead Manager, Joint Bookrunner &amp; Joint Syariah Adviser</p> <p>November 2012</p>



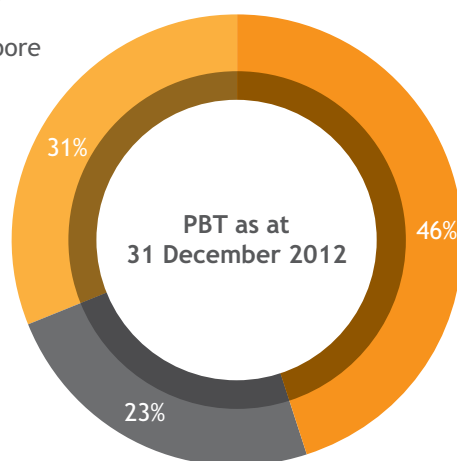
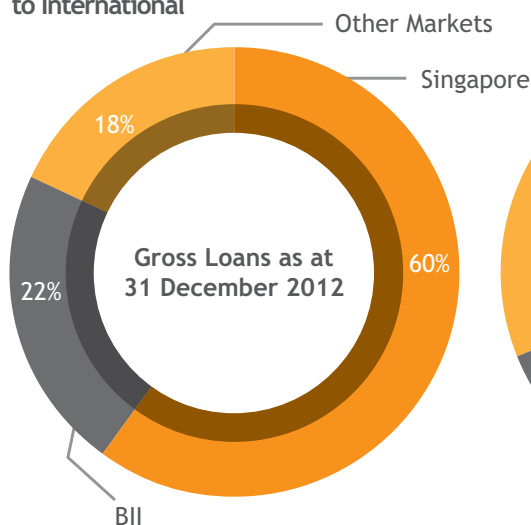
# INTERNATIONAL OPERATIONS

Beyond Malaysia, our commercial banking business operates in 16 countries, 10 in ASEAN and the rest in strategic markets including Greater China, the Middle East, the United Kingdom and the United States. Although our international business started off with wholesale banking, we now have a thriving retail banking presence in our home markets of Singapore and Indonesia, as well as in the growth markets of the Philippines and Cambodia.

## HIGHLIGHTS

- PBT grew by an impressive 39.1% for the financial year ended 31 December 2012 year-on-year.
- Our continued international expansion resulted in overseas profit contribution growing to 30.2% (up 45.4% year-on-year) of Group profit.
- Loans and deposits grew 12.1% and 13.6% respectively from December 2011.
- Our Beijing and Laos branches commenced business operations.
- Our Cambodia Operations were locally incorporated (now known as Maybank Cambodia Plc.) and our Myanmar Representative Office was reactivated.
- We added two new branches each in the Philippines and Cambodia and also 53 branches in Indonesia.

Contribution by Markets  
to International



## OVERVIEW

### Financial Performance

Revenue from the Group's international banking operations grew 15.5% to RM5.2 billion. This was underpinned by a 16.5% rise in its net fund-based income as well as a 13.7% rise in fee-based income. Gross loans for the Group's international operations collectively grew 12.1% since Dec 2011, and now make up 36.1% of total Group gross loans. Revenue from this sector makes up 31.2% of total Group revenue whilst PBT makes up 29.0%.

## ACHIEVEMENTS

We achieved a significant milestone in our expansion this year as we completed our footprint in all ten ASEAN countries. Our subsidiary PT Bank Internasional Indonesia Tbk (BII) now has 404 branches to serve Indonesian customers, and we also have 54 branches in the Philippines. Our twelfth branch opened in Cambodia in 2012, as well as our first in Laos. We launched our Beijing branch and reactivated our representative office in Myanmar last year, and internet banking services in Cambodia and Papua New Guinea are boosting brand awareness and improving visibility amongst clients there.

In 2012, we deployed various technological platforms across our international operations. A regional Cash Management System in Singapore standardises our cash management capabilities across our Overseas Units. We launched a web-based Trade Finance platform in Singapore, Indonesia, Hong Kong and Shanghai, and we plan to extend it to the Philippines and Brunei next year. Meanwhile, our new Global Treasury Risk Management System in New York, London, Shanghai, the Philippines, Hong Kong and Labuan enhances our risk governance.

## OUTLOOK

We expect the global economy to expand by 3.4% in 2013, although the growth will likely be as uneven as it was last year. China's economy should enter a new phase of moderate growth as domestic economic rebalancing and reforms take place. ASEAN economies are expected to climb by 5.5% on average, benefitting from the stabilisation of global markets, a pick-up in world trade, available macroeconomic policy space for monetary accommodation, and fiscal stimulus to support domestic demand. The predominant influences on the 2013 outlook will be policy and political developments in the major economies, namely American fiscal policy, Eurozone crisis management, and Chinese policies on economic transition after the leadership change.

With our presence in all ASEAN countries established this year, we will now focus on expanding our ASEAN footprint and brand visibility. We will also extend our reach into Greater China and South Asia, offering both retail and wholesale banking whilst leveraging on the strong Maybank brand.

OUR INTERNATIONAL PRESENCE

IN ADDITION TO OUR BRANCHES AND SUBSIDIARIES, WE HAVE A 20% EQUITY INTEREST IN MCB BANK LTD. (MCB) IN PAKISTAN, AND 20% EQUITY INTEREST IN AN BINH JOINT STOCK COMMERCIAL BANK (ABB) IN VIETNAM.



WHERE WE STARTED

1960 : SINGAPORE

1960 : BRUNEI

1962 : UNITED KINGDOM

1962 : HONG KONG

1984 : USA

1993 : CHINA

1993 : CAMBODIA

1993 : UZBEKISTAN

1994 : PAPUA NEW GUINEA

WHERE WE ARE NOW

Qualifying Full Bank with full commercial banking setup of 22 branches

Branches in Bandar Seri Begawan, Seria & Gadong

Branch in London

Branch in Hong Kong

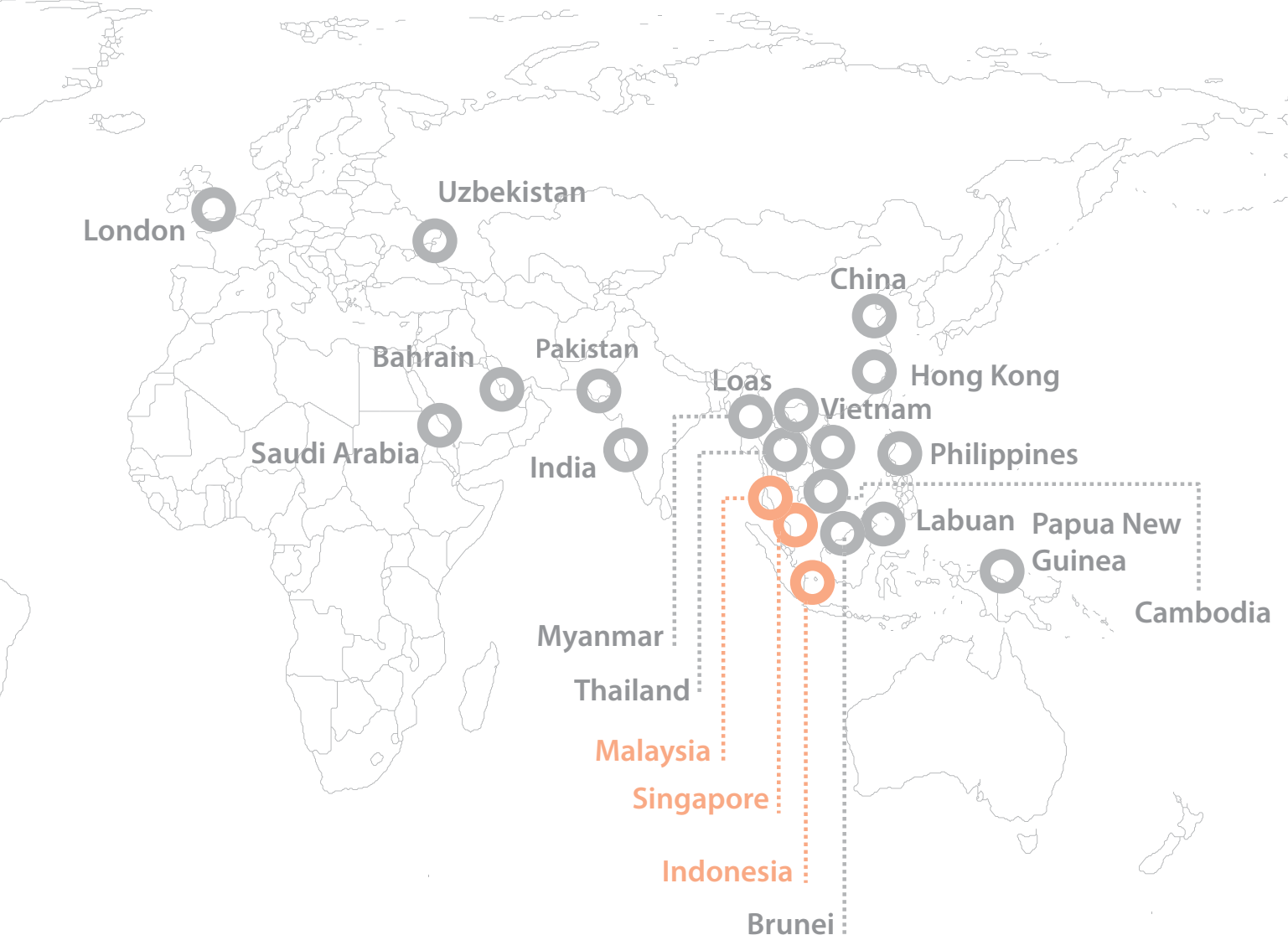
Branch in New York

Branches in Shanghai and Beijing

12 branches in Phnom Penh, Siem Reap Sihanoukville Battambang & Kg Cham

Uzbek Leasing International (35% stake)

Branches in Port Moresby and Lae



### 1995 : INDONESIA

2 subsidiaries

- 415 branches in PT Bank International Indonesia Tbk
- A branch in PT Bank Maybank Syariah Indonesia

### 1996 : VIETNAM

- Branches in Hanoi & Ho Chi Minh
- An Binh Bank (20% stake acquired in 2008)

### 1997 : PHILIPPINES

Locally incorporated as Maybank Philippines Inc. with 55 branches

### 2003 : BAHRAIN

Branch in Manama

### 2008 : PAKISTAN

MCB Bank Ltd (20% stake)

### 2012 : MYANMAR

Representative office in Yangon (re-activated)

### 2012 : LAOS

Branch in Vientiane

### MAYBANK SINGAPORE

*As a Qualifying Full Bank (QFB) with net assets of about SGD36.6 billion and over 1,400 staff, Maybank Singapore has established a significant presence in the retail and wholesale banking markets.*

*Our network includes 27 service locations in Singapore, and we are also part of atm5 - Singapore's only shared ATM network among the six participating QFBs, with a combined reach of more than 130 touch points and 170 ATMs.*



**"2012 was a challenging year and Singapore's operations were impacted by slower economic growth in the Republic. Overall, through cost discipline and continuous innovation to improve processes and step up efficiency, we managed to achieve a milestone of RM1 billion net profit."**

**MS POLLIE SIM**  
CEO, Maybank Singapore

#### FINANCIAL PERFORMANCE

Maybank Singapore contributed close to 46% of Maybank's international pre-tax profit.

PBT for the financial year ending 31 December 2012 increased 8.8% year-on-year to reach SGD430.5 million. The growth was largely due to increases in fee income from core areas such as wealth management, credit cards and other credit-related activities. Loans expanded by 10.6% to SGD27.2 billion, from the loan base at end of December 2011. Asset quality was under control, achieving a net impaired loans ratio of 0.31% as at 31 December 2012.

#### ACHIEVEMENTS

In 2012, to raise overall efficiency and effectiveness, we invested in key infrastructure and strategic capabilities for our Wealth Management, Cash Management, Treasury and Trade Finance businesses.

We also employed various acquisition tools to build a stronger customer base. Improving eChannel functionalities enabled us to win more internet-savvy customers. We simultaneously capitalised on our cross-border network and resources to manage, monitor and better serve customers with international portfolios.

On a broader geographical perspective, we launched The Regional Cash Management System first in Singapore, which will be rolled out progressively to other regional markets, thus enabling the Bank to meet the growing transactional needs of regional banking clients.



Customer service excellence and corporate responsibility initiatives continued to be part of our ongoing efforts to humanise our service delivery. Our community efforts were recognised and we were accorded two awards for corporate responsibility. Enhancements to our website to improve user experience landed us the Website of the Year award. The Bank was also recognised, for the fourth consecutive time, in the area of work-life balance when we were conferred the Work-Life Excellence award.

## OUTLOOK, CHALLENGES AND STRATEGY

Singapore's economy is forecast to expand by 1-3% in 2013, which is below its long-term potential growth rate of 3-5%. A deepening recession in the Eurozone is expected to weigh on export-reliant industries such as electronics, manufacturing and transport & storage. On a positive note, continued growth in domestic-oriented sectors such as construction and healthcare should provide some support for the Singapore economy.

With the slowdown in economic growth, total bank lending is also likely to moderate. Demand for housing loans is anticipated to ease as the Government has introduced additional measures to curb investment purchases. Growth in trade-related loans is also expected to remain weak due to the uncertain external economic climate.

Meanwhile, the three-month Singapore interbank rate is expected to remain relatively depressed. Competition in Singapore's banking industry will continue to intensify in 2013, especially with the recent addition of two new QFBs, Bank of China and Industrial Commercial Bank of China.

A tight labour market presents staffing challenges. Singapore employers are finding it increasingly difficult to attract talent as the immigration policies are tightened to ease the country's social infrastructure. Employers need to establish a framework for deploying employees across different functional sectors, as well as realign compensation structures to adapt to the new environment.

Notwithstanding the challenging business landscape, we will strive to grow our business portfolio in the coming financial year by building new regional capabilities, enhancing staff productivity and enlarging our share in the SME and Credit Card segments.

In addition, we will continue to invest in new technologies such as mobile banking and contactless payments, as well as leveraging on social media and other e-channels to enhance our suite of product and service offerings to a widening customer base.

We are also building up an integrated banking framework (client coverage) that leverages on the Group's wide range of specialised capabilities, including FX, Islamic Banking, and Corporate Finance, to help our business clients realise their growth ambitions in the region.

### INDONESIA

*Bank Internasional Indonesia (BII) operates in 30 of Indonesia's 34 provinces, supported by 415 branches including 6 Syariah branches and 2 overseas branches; 12 of the new domestic branches are awaiting approval from Bank Indonesia (BI). Our overseas branches are in Mauritius and in Mumbai India in which in the midst of re-activating process. Our subsidiaries, PT Wahana Ottomitra Multiartha Tbk (WOM) and PT BII Finance (BII Finance) have 255 branches combined.*

*Operating 1,252 ATMs and 65 Cash Deposit Machines (CDMs) nationwide, we are one of few banks that connect to all Indonesian banking networks, namely ATM PRIMA, ATM BERSAMA, ALTO and CIRRUS as well as Malaysia's MEPS network and Maybank's ATMs in Malaysia and Singapore.*

*We offer a full range of financial services for both individual and non-individual clients through retail, SME, and wholesale banking, while our subsidiaries WOM and BII Finance provide motorcycle and car financing respectively.*



**"In FY2012, we achieved key milestones where total assets exceeded Rp100 trillion and our PATAMI exceeded Rp1 trillion. These outstanding results reflected the continuous improvement of the Bank's overall performance throughout the year. Our goal is to grow our market share and enhance our position as a key player in the market, in line with our vision to become Indonesia's leading relationship bank."**

**DATO KHAIRUSSALEH RAMLI**  
President Director, BII

### PT BANK INTERNASIONAL INDONESIA TBK

#### Financial Performance

BII's net PATAMI for 2012 surged 81% to a new record of Rp1.2 trillion on the back of solid growth across the Bank's core businesses, a big rise in deposits, improved asset quality, and continuing operational enhancements.

The Bank also recorded strong loans growth of 20%, with total loans increasing from Rp67.2 trillion to Rp80.9 trillion year-on-year. Total customer deposits climbed 22% to Rp85.9 trillion, against Rp70.3 trillion the year before.

The consolidated loan-to-deposit ratio (LDR) improved from 95.1% in December 2011 to 93% in December 2012. Net interest income jumped 33% from Rp4.0 trillion in FY2011 to Rp5.3 trillion in FY2012. Despite strong competition across the banking industry, BII's Net Interest Margin (NIM) advanced to 5.73% from 5.22% the previous year, primarily from our greater discipline for funding cost.

## Strategy and Objectives

BII's strategic statement is "to be the leading relationship bank in Indonesia by truly being in the community, serving through customised products and solutions, and delivering high quality of service". To this end, we have embarked on a transformation program which we call IMPACT under which we have formulated 28 strategic initiatives that extend to all business and supporting units to be implemented in the next three years. These initiatives are encapsulated under three pillars, namely: Continue to grow profitably, build capability and address fundamentals, and develop talents. We are committed to better recognising the value of our communities and to enhancing our role in supporting community aspirations. Our goal is to ensure that our communities have access to financial services that deliver real and lasting benefits.

During the year, we launched a series of promising regional initiatives with Maybank, and Global Wholesale Banking (GWB) now offers account planning for Indonesian corporate clients. We also implemented Maybank's best practice risk management, adopted its treasury system, and initiated cross-border assignment of employees.

## Achievements

In 2012, we invested heavily in expanding our delivery networks to bring us closer to our communities and improve customer service. We added two regional offices in Puri Kencana, Jakarta and Palembang, Sumatera, opened 64 new branches of which 12 of the new domestic offices are still awaiting BI's approval, and we added 165 ATMs throughout Indonesia. We also launched the country's first paperless account-opening system, and - in partnership with Maybank - introduced new supply chain business and wealth management products. Our supply chain model has been recognised as the model to be adopted across the Group.

In October 2012, we successfully executed a bonds issue consisting of Rp2 trillion in bonds and Rp1 trillion in sub debt, to provide long-term funding, strengthen our capital base and support our future business growth.

BII won an impressive array of awards during the year:

- The Best Bank in Service Quality 2011 from The Institute of Service Management Studies (ISMS)
- Best Corporate Governance Financial Sector 2012 at the fourth Indonesian Institute for Corporate Directorship (IICD) Conference and Award

- The Best Bank in Handling ATM Claims from ATM PRIMA Network
- Indonesia Banking Loyalty Product (IBLA) for credit card product from MarkPlus Insight and Infobank
- The Best in Class Straight-Thru Processing (STP) Rates from Bank of New York, Mellon, JP Morgan and Citibank
- The Call Centre Service Excellence Award 2012 from Care Centre for Customer Satisfaction and Loyalty (CCSL)
- The Third Best in Bank Service Excellence Award 2012 from Marketing Research Indonesia and Infobank
- 'Apresiasi Simbol Kebangkitan Bangsa' for Women One savings product from Seputar Indonesia daily news
- 2nd Best in Human Capital, Compliance, Corporate Social Responsibility and Marketing for Bank with assets category Rp25-Rp100 trillion at Anugerah Perbankan Indonesia 2012 by Perbanas Institute and Business Review

## Outlook

BII operates in ASEAN's largest market economy with an annual GDP growth of over 6% and a GDP value of more than USD1 trillion. The market is driven primarily by foreign and domestic investment, and consumption, and with rising affluence, 50 million people are expected to form the new middle class population. The loan to GDP penetration is at about 30%, signalling a huge potential for the banking industry. By 2030, Indonesia is projected to become the seventh largest economy in the world.

Despite the Eurozone debt crisis and the economic slowdown in the US, China, India and other emerging markets, Indonesia's economy is still slated for strong growth. Inflation stayed at a manageable 4.30% in 2012, only slightly higher than 2011's 3.56%. In response to the weak global economy and to support domestic growth, the central bank cut its benchmark interest rate by 25bps from 6.00% in 2011 to 5.75% in 2012. The higher trade deficit and the current account deficit has had an impact on the Rupiah, though strong foreign investment has mitigated this.

All in all, with the domestic economic outlook remaining positive at the stage of development of the financial services industry, BII is poised for further growth. Hand-in-hand with Maybank, in 2013 we will work hard to realise the Group's regional aspirations.

# MAYBANK PHILIPPINES

### Overview

Maybank Philippines Inc (MPI) is a full service commercial bank offering a wide array of retail and institutional products and services. It has 55 branches nationwide, with 28 in Metro Manila and 27 more in the key cities of Luzon, Visayas and Mindanao. We recently moved our Head Office to the Bonifacio Global City (BGC) in Taguig in a bid to strengthen our corporate brand and enhance our value. BGC is the Philippines' newest premier business and residential district.

### Financial Performance

- PBT rose to PHP831.4 million from PHP331.1 million, a stunning increase of 151.1%. Non-interest income swelled by 59.4% and net interest income by 16.4%, driven mostly by robust activity in trade finance, mortgages, and credit cards.
- Our growth in trade finance business benefitted from the launch of new products, rollout of a regional trade finance platform (TradeConnex), and intensified sales and marketing campaigns. For FY2012, our transaction banking business volume shot up by 89.0%.
- We achieved a significant hike in our loans portfolio too, which shot up 33.2% to PHP31.6 billion from last year's PHP23.7 billion, including both consumer and business loans. Customer deposits climbed to PHP33.7 billion, achieving growth of 35.6% from last year's position.

### Achievements

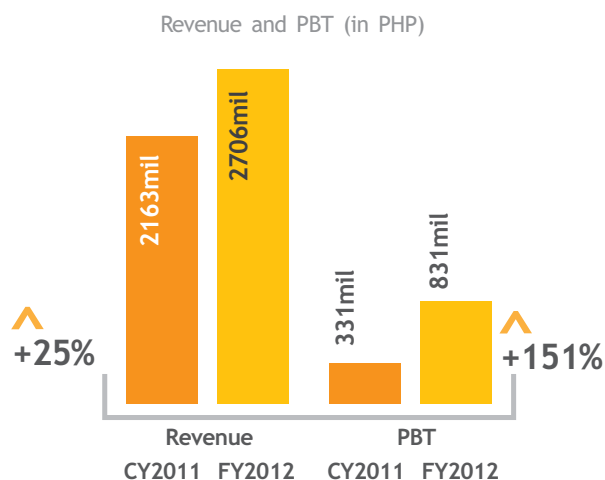
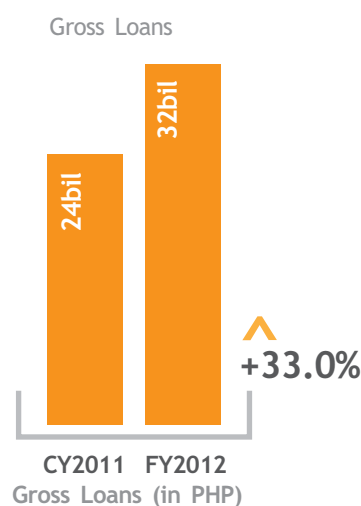
We opened two new branches in 2012, one in Tarlac and the other in BGC, which now serves as our Main Office Branch.

We introduced Maybank Visa and Master Card credit cards in the Philippines in October, and we cooperated with Maybank ATR Kim Eng to tap into opportunities in the areas of deposits, cash management services (CMS), loans, investment banking and asset management.

Our Fixed Income capabilities won recognition in 2012. Asiamoney ranked us as No. 2 in Overall Best Interest Rates. In sub-categories, we were No. 1 in Best Interest Rates, Products and Sales, and No. 3 in Best Interest Rates Research.

### Outlook

The Philippines GDP growth forecast is 5.5% in 2013, slightly lower than the 6.3% achieved in 2012. Credit growth is likely to reach 11% to 13%, moderating slightly from the robust 14% figure recorded the year before. This is the result of the banks' efforts to prepare for higher capital requirements and to manage exposure to the real estate sector in response to revised regulations.



# MAYBANK GREATER CHINA

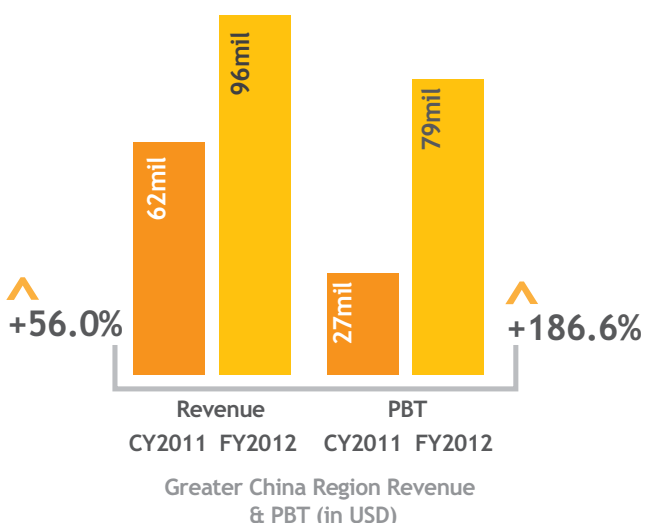
## Overview

Maybank Greater China was established in October 2010. The Hong Kong and Shanghai branches and the Beijing representative office worked on an integrated basis with a high level of cross-border cooperation.

2012 saw the expansion of services in the Chinese capital with the launch of a new Beijing branch, which complements the two existing branches in providing wholesale banking solutions to commercial and corporate customers with a business presence in China. We relocated our Hong Kong branch to Citic Tower in December 2012.

## Financial Performance

- Maybank Greater China's PBT increased more than 186.6% to USD78.6 million in FY2012. Hong Kong and Shanghai contributed 80.3% and 19.7% respectively.
- Net interest income also rose by 33.3% to USD55.3 million, attributed mostly to interest on corporate term loans.
- With the participation of the Beijing branch, the Greater China team has strengthened its loans book to USD2.8 billion, an increase of 15.8% from the previous year.



## Contribution to Greater China



## Achievements

Our focus last year on building infrastructure, capabilities and client base in Greater China proved fruitful. In addition to providing cross-border Renminbi trade settlement in Shanghai, as of June 2012 we became the first Ringgit Malaysia (RM) account provider for corporate clients outside of Malaysia. We deployed TradeConnex, a web-based regional trade finance platform and channel with straight-through processing capabilities, and as a result, our trade finance revenue shot up by 59% in 2012.

We also launched the China National Advanced Payment System (CNAPS), a Renminbi payment system used throughout China. This enables the Shanghai branch to accept Renminbi deposits.

## Outlook

Predicted GDP growth of 7% to 8% in 2013 suggests that the operating environment for Chinese banks will remain stable. Overall credit growth is expected to be around 15% in 2013. The government's stimulus projects and a shift from investment-driven to consumption-led growth will influence the economic performance.

We will continue to focus on growing our client base by tapping our core clients across the ASEAN-China region and strengthening our cross-border product services. We also intend to expand in Greater China to fulfil our mission to become a leading offshore universal wholesale bank with a strong China capability.



### MAYBANK INDOCHINA

#### Overview

Maybank Indochina consists of operations in Vietnam and Cambodia and, as of 2012, a first branch in Laos. We opened our first branch in Cambodia in 1993 to serve Malaysian and Singaporean companies. We have since expanded to meet the needs of local Cambodian businesses. Maybank Vietnam kicked off in 1995 with a branch in Hanoi followed by a representative office in Ho Chi Minh City, the latter having since become a full-fledged branch.

#### Financial Performance

- Maybank Cambodia achieved a massive revenue growth of 41.4% to achieve USD17.8 million. This was primarily driven by higher net interest income, up by 45.6% to USD15.3 million, and by growth in non-fund based income, which rose 21.2% to USD2.6 million, mostly in remittance business.
- Maybank Vietnam recorded a remarkable surge in PBT which hit USD9.2 million, nearly five times higher than last year's results. Net interest income rose 34.2% to USD6.4 million despite the continued cap on annual loans growth implemented by The State Bank of Vietnam.

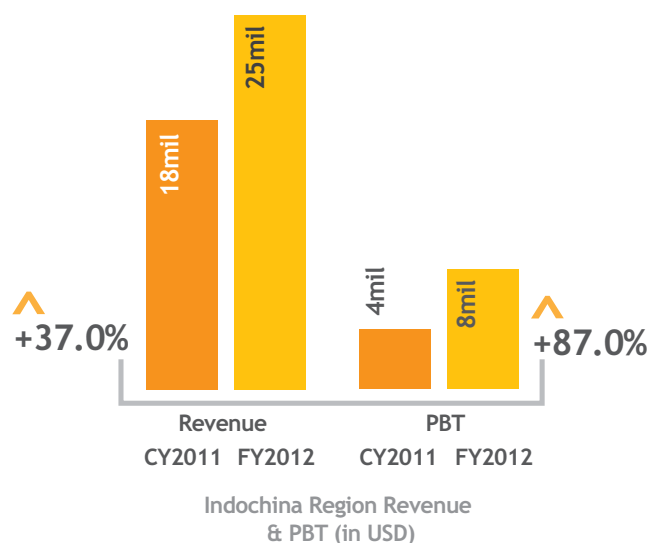
#### Achievements

2012 marked a significant milestone in Maybank's expansion in the Indochina region. We opened our first branch in Vientiane, the capital of Laos, thus completing the Maybank Group's footprint in all ten ASEAN nations. In April, we saw the local incorporation of Maybank operations in Cambodia, which allows greater opportunity for expansion into the market there.

We opened our twelfth branch in the Phnom Penh Special Economic Zone (PPSEZ) in December. We have succeeded in doubling our Cambodian branch network over the last four years, and today we are ranked seventh by asset size. We also introduced internet banking to our Cambodian operations, enhancing our customer reach and brand awareness and streamlining our trade finance processing.

#### Outlook

Cambodia's real GDP growth is expected to be 7.0% in 2013. Trade should revive in response to an improving economic environment and the government's economic diversification efforts. Vietnam, however, will likely face challenges in external markets and domestic credit. The Indochina region provides tremendous opportunities for us to capitalise on our strength as a regional bank to facilitate trade and investment flows. We will continue to focus on expansion, enhancing our product and service capabilities whilst exploring synergies with Vietnam's An Binh Bank and Maybank Kim Eng.



## OTHER OVERSEAS UNITS

### Overview

Maybank has established itself in other regions that we have identified as Opportunistic Markets. These operations include two branches in Papua New Guinea (PNG), three branches in Brunei, treasury centres in London and New York, a reactivated representative office in Myanmar, a branch in Bahrain, and an Islamic banking arm in Jakarta and a subsidiary in Labuan.

### Financial Performance

- For the year under review, Opportunistic Markets have contributed PBT of RM229.1 million, growing more than 121.1% from the previous year.
- Net interest income and non-fund based income, meanwhile, grew by 29.0% and 20.0% to RM281.7 million and RM108.5 million respectively, boosted mainly by treasury and corporate lending from these overseas units.
- Consistent with the improved profitability, the Opportunistic Markets loans position rose to RM8.7 billion, 9.1% up on the previous financial year.

### Achievements

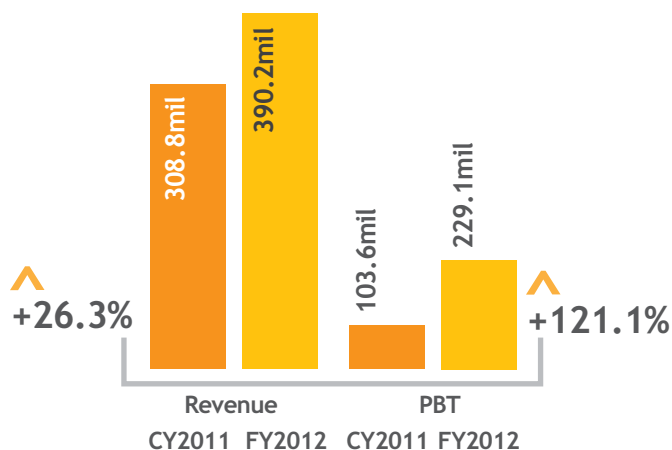
We continued to streamline systems and processes in line with Head Office initiatives resulting in both increased revenue and reduced funding costs. In 2012, internet banking was rolled out in PNG and the Global Treasury Risk Management System was rolled out in London and New York.

In collaboration with private banks in Myanmar, we introduced Maybank Money Express services and established correspondent banking relationships, thus marking our early steps in the country's banking sector. We also sponsored a range of seminars and forums in Myanmar.

### Outlook

Looking ahead, the medium to long-term economic outlook for the Opportunistic Markets is encouraging. In 2013, we aim to boost brand awareness and enhance our services through such initiatives as rolling out an ATM network in PNG and setting up an offshore branch in Labuan. The latter will put us in a better position to capitalise on the growth of Labuan as a leading regional offshore financial centre.

Revenue and PBT (in RM)



## ASSOCIATES

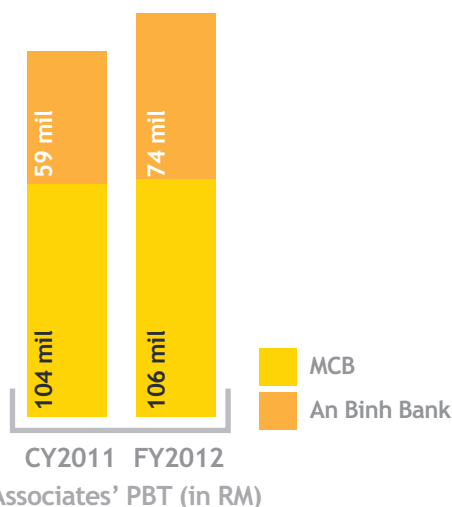
### MCB Bank

MCB Bank is Pakistan's largest bank in terms of market capitalisation, and last year its PBT edged up 3.7% to PKR 32.5 billion. Despite the country's challenging economic situation and a dip in net interest margin, our associate achieved a growth of 5.4% in net loans, while customer deposits advanced 11.0% to PKR536.2 billion.

### An Binh Bank (ABB)

For FY2012, our Vietnamese associate ABB recorded a significant rise in PBT of 24.1% to VND497.1 billion, despite the challenging local economic conditions. Growth in non-interest income and lower loan loss provisioning were the leading contributors to the year's success.

Lower lending rates stimulated gross loans, which were up by 15.6% from the last financial year. Customer deposits rose by 31.2%, largely driven by monies received from the retail sector. Maybank's continued cooperation with ABB enhanced the services and products offered by both banks, which support each other as regional players in the industry.



# INSURANCE & TAKAFUL

*Etiqa Insurance and Takaful being one of the pillars of The House of Maybank aspires to be the undisputed leader in Malaysia and an emerging regional player in the insurance and takaful sector. Etiqa is determined to grow and become a solid pillar for the Maybank Group by contributing sizable revenue and higher profits.*



**“Etiqa is about people. Caring about people is vital for our business sustainability. We break down boundaries and we aim to change the face of the industry, to make life easier yet tangibly richer for everyone. We deliver best quality services and go the extra mile for our customers by doing it the Etiqa Way”.**

**HANS DE CUYPER**

Head, Insurance & Takaful  
Chief Executive Officer of Maybank Ageas Holdings Berhad

## HIGHLIGHTS

- For the financial year ended 31 December 2012, Etiqa’s Gross Written Premium (GWP) exceeded RM5 billion
- Etiqa registered 11% growth in profit before tax, which soared to RM660.5 million
- Total assets grew 9.4% to RM27.5 billion from RM25.1 billion as at 31 December 2011
- Combined gross premium and contribution recorded 15% growth year-on-year
- Etiqa is currently No. 1 in combined New Business Life Insurance/Family Takaful and also in General Insurance/General Takaful
- Etiqa has the largest agency force with more than 22,000 agents (both Life/Family and General)
- Our Bancassurance business is currently No. 1 with a 32.6% market share for conventional New Business (LIAM Statistics 12 months ended 30 September 2012).

## OVERVIEW

Etiqa offers a unique and personalised brand of services across all types and classes of life and general insurance, as well as family and general takaful plans through a multi-channel distribution network. Its wide range of life and family products include endowment, term, personal accident, education, investment-linked and medical insurance while the general conventional insurance and takaful range includes fire, motor, aviation, marine and engineering policies.

With customers' accessibility in mind, Etiqa features a strong agency force comprising over 22,000 agents and 33 branches throughout Malaysia, plus a wide Bancassurance and Bancatakaful distribution network with 401 Maybank branches and other third party banks. To cater for netizens, MotorTakaful and Maybank2U offer direct sales through the internet. Moreover, Etiqa's availability through cooperatives, brokers and institutions brings it closer to its customers and increases its reach in the Malaysian market.

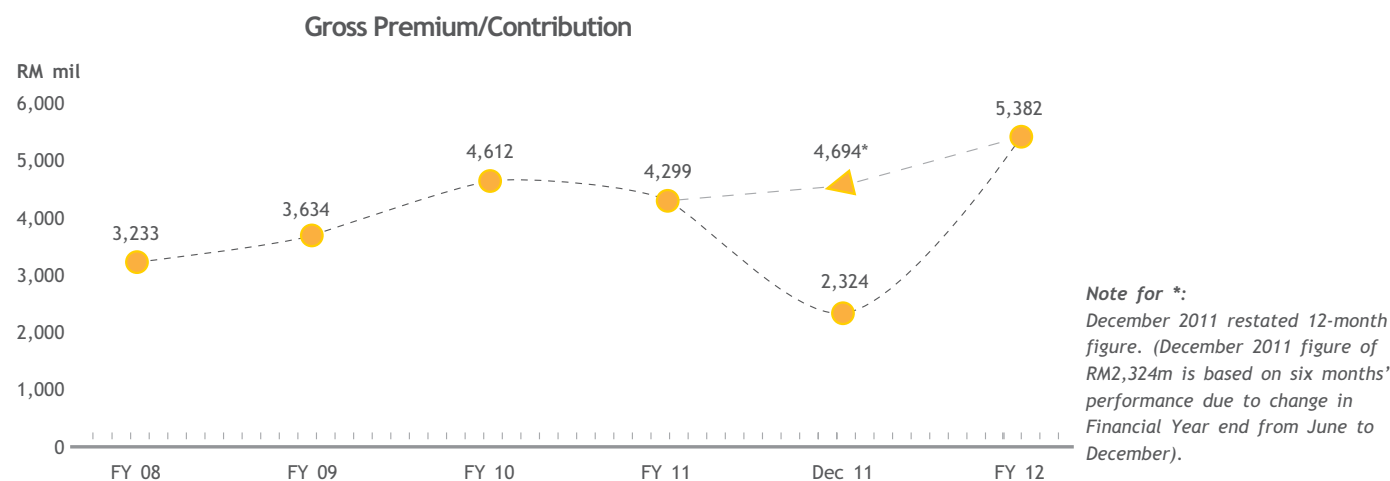
Etiqa works hand-in-hand with its partners and customers to humanise insurance and takaful in line with Maybank's aspiration of humanising financial services across Asia. Etiqa's passion is backed by the strength, expertise and rock solid foundation of the nation's top financial institution and driven by the professionalism, empathy, courage and integrity of its employees.

Etiqa Insurance Berhad (EIB), the conventional insurance arm of Etiqa, is the only insurance company in Malaysia to achieve an 'A' Insurer Financial Strength (IFS) rating by Fitch Ratings. This rating reflects EIB's strong business profile in the domestic life and general insurance market, its extensive distribution capacity, consistent operating performance, sound quality and prudent investment approach. The rating also acknowledges EIB's solid capital position on a risk-adjusted basis and sound reserving practices.

Etiqa has embarked on a three-year plan beginning 2012, to be the Undisputed Leader in Malaysia and emerging regional player in the insurance and takaful sector. With the completion of year one, the milestones achieved reflected a strong start for Etiqa's journey towards its aspirations.

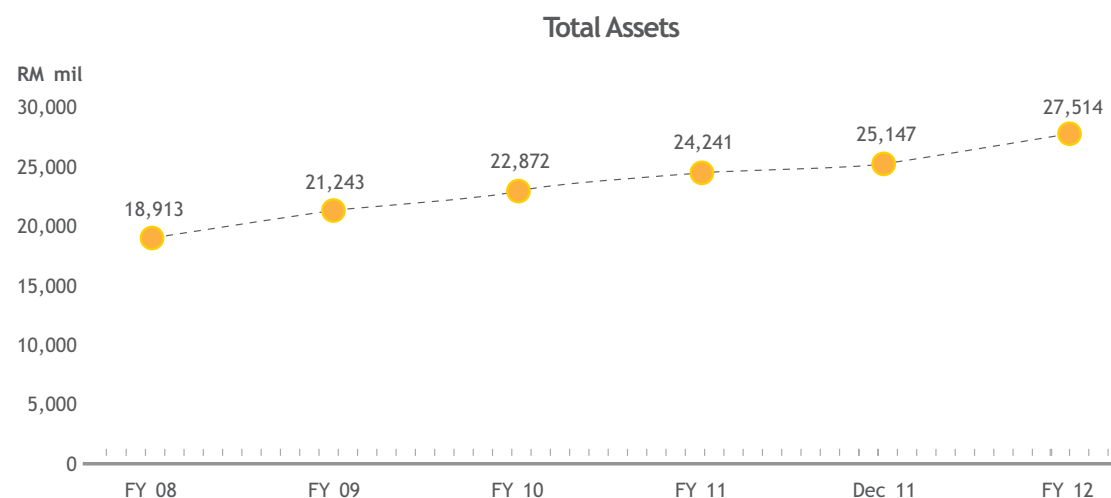
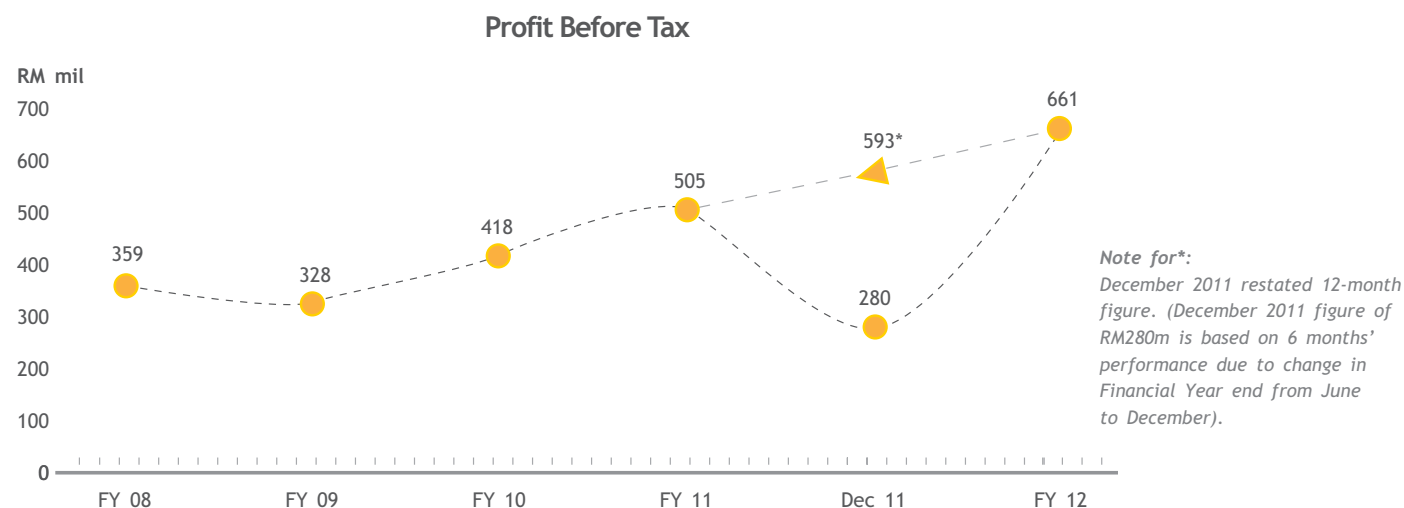
## FINANCIAL PERFORMANCE

Combined gross premium and contribution surged 15% year-on-year (against the restated 12-month figure), attributed to solid growth of both Life Insurance/Family Takaful and General Insurance/Takaful businesses.



## INSURANCE & TAKAFUL

For the financial year ended 31 December 2012, Etiqa registered 11% growth in profit before tax (PBT) year-on-year, which soared to RM660.5 million as a result of improved surplus transfer from the Life Insurance/Family Takaful Fund, favourable investment performance of all funds and higher wakalah fee income. Total assets rose 9.4% to RM27.5 billion from RM25.1 billion in the previous year.

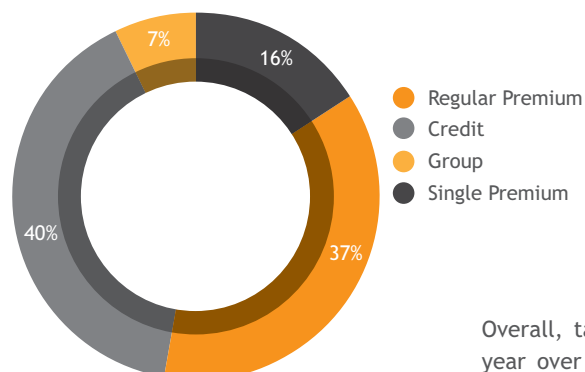


During the same period, Life/Family business grew 18% year-on-year, driven mainly by Single Premium investment-linked from Maybank Bancassurance channel and Credit business from Third Party Bancassurance channel. For General Insurance/Takaful, the growth in all classes of business, especially Motor, resulted in General business rising 10% from the previous year.

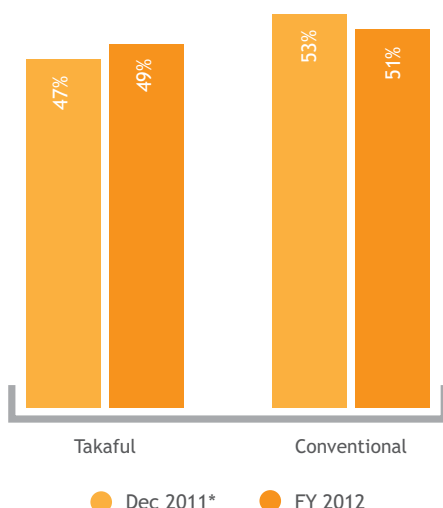


The contribution of business from the various segments is depicted below:

### Life/Family Business

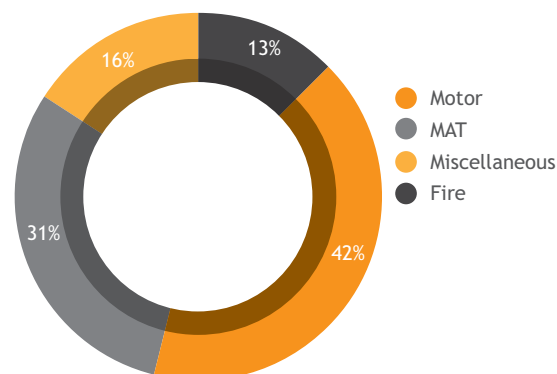


### Conventional/Takaful Business



Note for \*:  
Dec 2011 was based on restated 12-month figures.

### General Business



Overall, takaful continued its positive momentum, increasing 19% year-on-year over the previous year. The gross contribution surpassed RM2.6 billion, contributing 49% of Etiqa's total gross premium/contribution.

Our General Takaful business continued to outperform market growth, commanding a 49.4% market share, whilst the Family Takaful new business market share came down slightly to 35.6% (Insurance Services Malaysia Berhad statistics 12 months ended 30 September 2012).

## PRODUCT INNOVATION

Etiqa delivered its promise to be the product supplier of choice for its distribution partners in areas like retirement savings, education planning and wealth protection.

2012 also saw Etiqa launching a myriad of products including:

- **Golden Retirement** is a close-ended, single premium investment-linked plan that offers ten years of guaranteed minimum cash payments of 11% p.a. of the single premium. The cash payments are payable from the end of sixth to fifteenth policy year. This product also provides a potential lock-in amount based on the Active Index Portfolio. The additional payments, if any, will be paid out together with the yearly cash payments and at maturity of the policy.
- **Dragon9** is a three-year nine-month single premium, closed-ended, investment-linked plan with capital guaranteed payable at maturity of the policy. It offers a guaranteed cash payout of 5.75% of the single premium at the end of the eighteenth policy month.
- **Ultra Medic Rider** is a yearly renewable hospital and surgical medical plan that provides comprehensive medical coverage of up to RM1,500,000 with a choice of five different plans. Some unique features of the plan are Medical Second Opinion, Alternative Medicine Treatment, No Claim Bonus and No Co-Takaful/Co-insurance. The riders are available for both life and family takaful plans.
- **Aspire** is a participating endowment plan that matures at age 21. It is a child's education plan that provides guaranteed cash payouts of 30%, 30% and 40% of the Sum Insured payable at the end of the last three policy years prior to maturity. It also provides a guaranteed maturity benefit of 50% of basic Sum Insured. The plan offers an Academic Excellence Award as an incentive to reward academic achievement for major examinations in Malaysia.



### AGENCY TRANSFORMATION

The Agency Transformation Plan, also in its first year of inception, saw the laying of the right foundation to build a strong culture for sustainable business growth. The Life and Family Agency force has been instilled with a greater performance culture with the right tools to increase persistency and collection efficiency. This is further solidified with the new agency compensation plan which will be implemented in 2013 which aims to reward high achievers

### PEOPLE

Every great organisation recognises its people and their talents. Etiqa encourages an innovative culture by introducing several platforms to inculcate innovation, for example the Young Executive Townhall and Staff Time Out Sessions. These platforms, hosted by the Etiqa Senior Management Committee, bring down the barriers between different levels of staff and foster better relations among Etiqans.

### LIVING UP TO OUR PROMISES

In a highly regulated industry, Etiqa strives to simplify processes for the convenience of its customers. The following are some key proof points which Etiqa introduced during the year:

- 1) A hassle-free process for claims below RM2,000 for Home Protection and Personal Accident plans
- 2) The convenience of a medical check-up anywhere for Life or Family plans
- 3) The ability to check claims online anytime for Motor and Retail Fire plans
- 4) Updates through short messaging service (SMS) on the status of claims

### INTERNATIONAL PRESENCE

Etiqa has established operations in Singapore, Brunei and Pakistan. In addition to supporting Maybank's aspiration to be the top regional player, international expansion will provide Etiqa with an attractive opportunity to acquire a significant presence in high growth markets, through Maybank's overseas operations and Etiqa's expertise in takaful and bancassurance.

### Etiqua Insurance Berhad (EIB) Singapore

Etiqua's Singapore branch turned around in FY2012 with a PBT of SGD6 million, compared to a Loss Before Tax of SGD9 million in the same period last year. This was attributed to improved revenue surplus and investment income. It also recorded a slight increase in revenue of SGD38 million. Through rigid and disciplined underwriting, the motor premium contribution was reduced from 33% to 30% of GWP. There was also increased business in the Miscellaneous segment (from 44% to 45%) and Fire segment (from 19% to 21%) whilst Marine, Aviation and Transit segment remained at 4%. The overall distribution channel mix improved with Bancassurance as the main contributor with 26% of sales. Looking ahead, the branch is aiming to capture new market segments by enhancing the product offering to broaden its market base while retaining its profitability.

### Etiqua Insurance Berhad (EIB) Brunei

Etiqua's Brunei branch posted a healthy 12% growth in GWP from last year. Etiqua Brunei general insurance business is dominated by the Agency channel as the main revenue contributor (92%), with a concentration mostly on corporate and project risk. The branch aspires to strengthen its portfolio and carve niches in non-motor business besides riding on upside potential of the country.

### Pak-Kuwait Takaful Company Limited (PKTCL) Pakistan

Through a 32.5% shareholding in PKTCL, Etiqua Overseas Investment Private Limited (EOIPL) is the single largest investor in Pakistan's first takaful company. Despite the many challenges faced in 2012, the company grew 21% in gross written premium compared to last year.

## OPERATIONAL EXCELLENCE

In line with the aspiration to create a mobile workforce, Etiqua introduced Straight-Through-Processing (STP) using an Enterprise Portal Solution (EPS) platform for Agents of Life/Family business.

This multi-phase project reengineered the current Agents' submission process into online submission with full capitalisation of technology enablement. It also integrated tools such as laptop and biometric devices to compliment the process.

## ENHANCING CUSTOMER EXPERIENCE

As part of Etiqua's brand promise, we have adopted a strategy to humanise all customer interactions. Acknowledging that the first encounter with our customers must give that impression, we took a bold step to abolish the automated voice response. Our customers were pleasantly surprised by the personal touch and convenience.

During the year, Etiqua Online handled more than one million servicing calls from Etiqua's policyholders and business partners. We registered a high contact resolution rate of 95.5%, resulting from an improved level of team competencies in terms of technical and behavioural skills.

We received due recognition from the industry in the form of awards from the Customer Relationship Management & Contact Center Association of Malaysia.

## HIGHLIGHTS:

- *2nd place in the Contact Centre Association Award for the Best in-house call centre under 100 seats in 2012.*
- *2nd place in the Contact Centre Association Award for the Best Corporate Video*
- *3rd place in the Contact Centre Association Award for the Best Technology Innovation*
- *3rd place in the Contact Centre Association Award for the Best Process Excellence*

### AWARDS

During the year Etiqa garnered the following awards:

1. Most Outstanding Takaful Company, Kuala Lumpur Islamic Finance Forum (KLIFF), 2012
2. Best in the Family Takaful (Group Business Operator), Malaysian Takaful Association, 2012
3. Best Takaful Company (Asia), International Takaful Summit, London, 2012
4. Best Bancatakaful (Asia), International Takaful Summit, London, 2012
5. Best Marketing (Asia), International Takaful Summit, London, 2012
6. Best Takaful Institution, The Asset Triple-A Islamic Finance Awards 2012
7. Best Takaful Company, Global Islamic Finance Awards 2012
8. Best Malaysia Service to Care in Insurance, Malaysia Service to Care Awards, 2012
9. Best In-house In-bound Contact Center (under 100 seats) - Silver, Customer Relationship Management & Contact Centre (CCAM) Industry Awards 2012
10. Best Process Excellence Contact Center (open) - Bronze, Customer Relationship Management & Contact Centre (CCAM) Industry Awards 2012
11. Best Technology Innovation Contact Center (open) - Bronze, Customer Relationship Management & Contact Centre (CCAM) Industry Awards 2012
12. Best Video for Contact Center (open) - Silver, Customer Relationship Management & Contact Centre (CCAM) Industry Awards 2012
13. Best Contact Center Manager (under 100 seats) - Bronze won by Noordalina Daut, Customer Relationship Management & Contact Centre (CCAM) Industry Awards 2012



Hans De Cuyper, CEO of Maybank Ageas Holdings Berhad receiving the “Best Takaful Company” award from Lord Mohamed Sheikh, Chairman of Macmillan Sheikh during the International Takaful Summit 2012 in London.



Hans De Cuyper, CEO of Maybank Ageas Holdings Berhad receiving the “Most Outstanding Takaful Company” award at the Kuala Lumpur Islamic Finance Forum (KLIFF) 2012.



## CORPORATE ZAKAT/SOCIAL RESPONSIBILITY

### Corporate Zakat Responsibility

The Corporate Zakat Responsibility Programme or CZR Programme by Etiqa is run as part of its commitment to provide zakat contribution to religious institutions as well as underprivileged groups around Malaysia. During the year, amongst Etiqa's contribution included:

- i) RM280,000 to build a shop house and office for Pondok Darussalam, Kuala Ibai, Terengganu.
- ii) RM340,000 to build a new classroom building for Madrasah Al-Aminiah, Permatang Nibong, Pulau Pinang.
- iii) Persatuan Kebajikan Islam Peribadi Mulia which received a new van worth RM150,000 from Etiqa Takaful.

### Corporate Social Responsibility

- i) **Rumah Orang Asli**  
In December 2012, more than 50 members of Etiqa's Senior Leadership Team supported an Orang Asli village to help make their living experience better. This programme was to enhance the humanising experience that Etiqa has been living up to.
- ii) **Etiqa Nurtures: Adventure in Art and Creativity**  
More than 30 children aged 9-12 took part in this programme to visit the newly re-opened and refurbished Textile Museum in Kuala Lumpur.

## MARKET OUTLOOK

Malaysia's insurance and takaful sector may see its earnings stability challenged by regulatory initiatives and ongoing capital market volatility. The sector will however continue to be underpinned by steady market growth and sound capital management. The regulator's intention to eliminate both the life insurers' cap on acquisition costs and the fire tariff pricing structure could undermine the stability of insurers' operating margin. The impending implementation of the Personal Data Protection Act could also modify insurers' business practices, potentially leading to higher compliance costs.

The takaful segment is expected to continue registering high double-digit growth of around 20% through 2014. Insurers have increasingly identified takaful as a high-growth, profitable segment.

The penetration rate of around 13% for family takaful (measured by number of life policies over population) is an indication of the latent potential for takaful versus conventional life insurance's 55%.

That said, the takaful industry is still at an early stage of development with growth expected to outpace the growth of conventional insurance, supported by the following:

- i) increased awareness, with the potential to diversify takaful from being a niche segment catering to Muslim communities
- ii) enhanced regulatory reforms to support takaful infrastructure
- iii) common ground and workable solutions for issues faced by Shariah committees and industry leaders
- iv) stronger participation and liquidity in sukuks and Shariah-compliant instruments to support investment income
- v) strengthened takaful and re-takaful capacity

The announcement by Bank Negara Malaysia that it will introduce a risk-based capital framework for the takaful sector in 2014 will align the capital requirement of takaful operators with that of conventional insurers. This also means capitalisation will more accurately reflect takaful operators' risk exposure.

Capitalisation of conventional insurers will remain healthy as the industry-wide consolidated capital ratio in 2012 was still well above the 130% regulatory minimum. Negative rating triggers for the life and non-life insurance sectors include extreme equity market volatility and interest rate movements. The widening of deficits from motor insurance third-party bodily injury and death could also affect the outlook on the non-life sector. Nonetheless it could be revised to positive if insurers are able to consistently improve their overall underwriting margin after the liberalisation of compulsory motor pricing.



# ISLAMIC BANKING

*The strength of collaboration across the new House of Maybank has enabled Maybank Islamic Berhad ("Maybank Islamic") to sustain its leadership position in ASEAN via comprehensive and differentiated products and services to our customers.*



**"We established clear performance tracking systems and strengthened collaboration between Maybank Islamic and the Group to ensure staff - in particular frontliners - are better equipped with knowledge on Islamic banking-related matters to serve our customers better."**

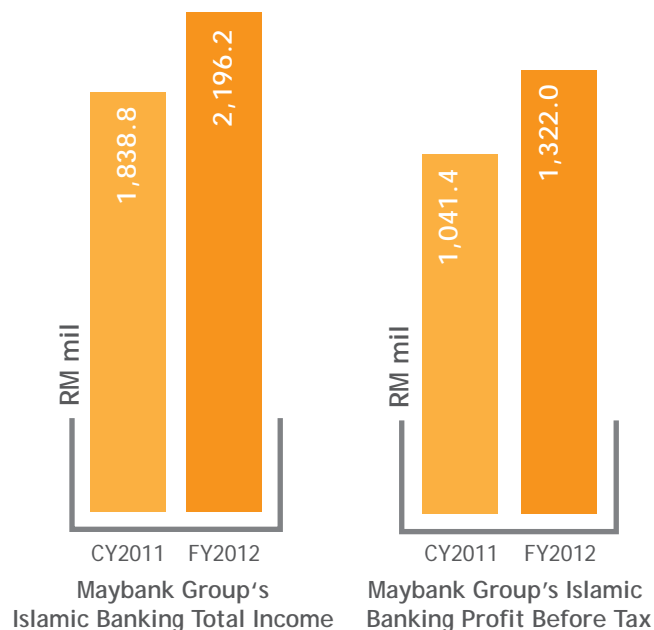
## **MUZAFFAR HISHAM**

Chief Executive Officer, Maybank Islamic Berhad  
Head, Group Islamic Banking

## HIGHLIGHTS

- Maybank Islamic maintained its leadership with PBT of RM1.19 billion (up by 25%), and total gross financing grew by 18.3% to RM62.0 billion (representing 30.6% of Maybank Group's domestic financing).
- Maybank Group's Islamic banking business continued to contribute positively to the Group, recording a 19.4% increase in total income of RM2.20 billion for the period, compared with RM1.84 billion in December 2011.
- Maybank Islamic maintained the largest market share in Malaysia's Islamic banking industry for both financing and deposits.

## PERFORMANCE



In Malaysia, Maybank Islamic saw sustainable financing growth of 18.3% during the period under review with total financing at RM62.0 billion. CFS financing portfolio rose by 20% while GWB financing grew by 14% year-on-year. Deposits from customers grew to RM71.0 billion whilst CFS and GWB portfolios increased by 34% and 11% respectively.

Asset quality at Maybank Islamic remains strong with net impaired financing of 0.70% improving further from 1.03% in December 2011, while the adjusted financing to deposit ratio also improved to 82.0% from 83.7% in last the financial year.

Together with CFS and GWB, we have successfully maintained our overall market share leadership in assets, financing and deposits supported by effective engagement strategies with our sales force and execution of the Islamic First Strategy.

We continue to strive to provide innovative Shariah-compliant solutions for the benefit of our customers. This year, we extended coverage of our unique Premier Mudharabah Account-i to the SME, Business Banking and Corporate segments. We launched the new variable rate mortgage financing under the concept of Commodity Murabahah.

We enhanced our Ikhwan credit card offering via the Ikhwan Visa Infinite launch and we introduced the M2U Savers-i, an online savings account for customers' convenience in opening, accessing and closing accounts from anywhere around the world.

In 2012 and through collaboration with CFS, various initiatives were organised to bring us closer to our customers, including nationwide events with the community at regions and branches. With clear performance tracking systems and collaboration between Maybank Islamic and the Group, staff - particularly frontliners - are better equipped with knowledge and accountability on Islamic banking-related matters to serve our customers better and contribute to the growth of Islamic banking products and services.

On the regional front, our key focus markets for 2012 have been Indonesia and Singapore. In Indonesia, we are expanding our Islamic universal banking products and solutions through Bank Internasional Indonesia's Unit Usaha Syariah and Maybank Syariah Indonesia. To achieve growth in Indonesia, we have also geared up our engagement across all lines of business and branches to draw commitment and focus to the rapid expansion targeted for the year ahead.

In Singapore, the Maybank Singapore Islamic window continues to be the leading provider for Islamic retail banking services and additionally this year, we have widened our treasury solutions and secured the first Islamic Profit Rate Swap deal with a leading Singapore-based conglomerate.

This is in line with our objective of providing a complete suite of financial services to the Singapore market.

## AWARDS 2012

(i) **Global Finance Magazine Awards 2012**

- World's Best Islamic Financial Institutions (Asia)
- World's Best Islamic Financial Institutions (Malaysia)

(ii) **KLIFF Islamic Finance Awards 2012**

- Most Outstanding Islamic Investment Bank

(iii) **Global Finance World's Best Islamic Financial Institution Awards 2012**

- Best Sukuk Bank
- Best Project Finance Financial Adviser (Asia) 2012

(iv) **Global Finance Best Islamic Financial Institutions Awards 2012**

- Islamic Finance Deal of The Year - Wakala Global Sukuk Berhad USD2.0 Billion Global Sukuk Certificates

(v) **The Asset Triple A Asian Awards 2012**

- Best Islamic Trade Finance Bank Malaysia
- Best Islamic Retail Bank Malaysia

(vi) **The Asset Triple A Awards 2012 - Islamic Finance**

- Best Islamic Deal of the Year / Best Sovereign Sukuk 2012 - Wakala Global Sukuk Berhad USD2.0 Billion Global Sukuk Certificates
- Best Islamic Deal, Malaysia 2012 - Wakala Global Sukuk Berhad USD2.0 Billion Global Sukuk Certificates
- Best Corporate Sukuk 2012 - Projek Lebuhraya Usahasama RM30.6 Billion Sukuk
- Best Islamic Restructuring Deal - Pengurusan Aset Air Berhad RM5.8 Billion

(vii) **The Asset Triple A Country Award 2012**

- Best Islamic Equity - Bumi Armada RM2.66 Billion

## OUTLOOK

Our focus for the next financial year is to accelerate growth through truly competitive differentiators. We foresee Maybank Group's Islamic banking business growth to be driven by domestic business as well as our key regional markets, namely Indonesia and Singapore. In line with Bank Negara Malaysia's aspirations outlined in the Financial Sector Blueprint 2011-2020 on the "Internationalisation of Islamic Finance", we are intensifying our efforts to strengthen our presence globally to establish Islamic Finance linkages across countries in ASEAN and to provide value propositions in our endeavours. In doing so, we will continue to engage and work closely with the relevant regulators and industry players across the region. Shariah compliance and excellence as well as implementation of best risk management practices as guided by the Group will continue to be our priority whilst we continue our journey to be the Global Islamic Finance Leader by 2015.

# SHARIAH COMMITTEE

## Tan Sri Dato' Seri (Dr.) Hj. Harussani Hj Zakaria

(Chairman)

Mufti of Perak State Government

Tan Sri Dato' Seri (Dr.) Hj. Harussani was conferred a PhD in 2001 from University of Malaya. He is a member of the Meeting Council, Islamic Council and Malay Customs for the Government of Perak and the Chairman of the State Shariah Committee. He also sits on the Board of Directors of the State Islamic Economic Development Corporation. He has served Takaful Nasional Berhad since 1993 as one of its Shariah Advisory Council members. Concurrently, he is also a Shariah Committee member of Bank Pembangunan & Infrastruktur Malaysia Berhad and Amanah Raya Berhad.

## Dr. Ahcene Lahsasna

(Member)

Associate Professor, Shariah and Legal Studies Department, International Centre for Education in Islamic Finance (INCEIF)

Dr. Ahcene Lahsasna is an Associate Professor in the Shariah and Legal Studies Department, INCEIF and was appointed as the Graduate Students Advisor on 1 October 2008. He was appointed a member of the Shariah Committee of Maybank Islamic/Maybank Group in June 2009. Dr. Ahcene Lahsasna holds Masters and PhD degrees in Islamic Law & Islamic Jurisprudence (Fiqh and Usul Fiqh) from the International Islamic University Malaysia. Prior to joining INCEIF, he was with the Islamic Science University of Malaysia, lecturing in Shariah and law.

## Dr. Mohammad Deen Mohd Napiah

(Member)

Assistant Professor, Ahmad Ibrahim Kuliyyah of Laws at the International Islamic University of Malaysia (IIUM)

Dr. Mohammad Deen Mohd Napiah is currently an Assistant Professor at Ahmad Ibrahim Kuliyyah of Laws at IIUM. He holds a PhD from Glasgow Caledonian University, Scotland. Prior to his appointment as a member of the Shariah Committee of Maybank in 2007, he was the Shariah Advisor for EON Bank Berhad from 1997 - 2003. He is also currently an Academic Assessor for the National Accreditation Council since 2001.

## Dr. Ismail bin Mohd @ Abu Hassan

(Member)

Assistant Professor, Ahmad Ibrahim Kuliyyah of Laws at the International Islamic University of Malaysia (IIUM)

Dr. Ismail bin Mohd @ Abu Hassan is an Assistant Professor at the Department of Islamic Law of IIUM. He holds a 1st class Honours first degree in Shariah from University Malaya in 1989 and obtained a law degree from School of Oriental and African Studies (SOAS), University of London in 1992. He pursued his PhD at Manchester University, England and obtained his doctorate in 1997. He has been lecturing at the Department of Islamic Law for more than ten years since 1989. Prior to his appointment as a Shariah Committee member of Maybank in 2007, he was in the Shariah Committees of Takaful Nasional Berhad and CIMB Group.

## Encik Sarip Adul

(Member)

Lecturer, Centre for the Promotion of Knowledge and Language Learning, University Malaysia Sabah

Encik Sarip is a lecturer at University Malaysia Sabah with expertise in Shariah and specialising in Muamalat Islam and Islamic Finance. Prior to that, he was a lecturer at International Islamic University Malaysia (IIUM) for seven years. He was appointed a Shariah Committee member of Maybank Islamic/Maybank Group effective May 2011. He obtained his first degree in Shariah from the University of Al-Azhar, Egypt and Masters in Fiqh and Usul Al-Fiqh from University of Jordan, Amman, Jordan. He is pursuing his PhD in Shariah at University Kebangsaan Malaysia (UKM) and is also an advisor for the graduate student programme. He is currently a member of Majlis Fatwa Negeri Sabah.

# GROUP HUMAN CAPITAL

*Maybank's Group Human Capital (GHC) methodologies and practices are in line with the world's best. They are designed to meet the people needs of our business, achieve our vision and exceed our corporate objectives.*



“The initiatives we have implemented in our transformation programmes including our people policies thus far have gained traction and acknowledgement- evident by another year of financial growth performance- increased productivity, greater employee engagement and recognition as the No 1 preferred Employer of the Year for the second consecutive year as well as being externally evaluated as having four out of six aspects of a Leadership Development Audit as Best Practice and the remaining two as Good Practice. Our staff productivity performance ratio is moving in the desired direction as we

optimise our workforce by increasing the value of jobs and effectively equipping our staff with the right capabilities and competencies. The implementation of the online integrated Talent Management (TM) suite accelerated our regionalisation initiative to align our human capital management and development across the Maybank Group to achieve our vision.”

## **NORA ABD MANAF**

Head, Group Human Capital

## **HIGHLIGHTS**

- Net income per employee rose to RM351,512 in 2012 from RM325,111 the year before, while Profit Before Tax (PBT) per employee jumped from RM150,511 to RM167,142 last year.
- We achieved better visibility of our internal talents to meet business and expansion needs. Our successor pool comprises 68% high potentials and a succession realisation rate of 40%. Our successor pool continues to grow and 70% of vacancies were successfully filled from internal.



- *In building regional capabilities, we deployed 54 talents, 20 of whom high potentials, on short and long term international assignments. We also successfully launched and attracted over 1,000 top University talents from 6 Asian countries who competed in our inaugural International Business Case Competition. The top 30 finalists selected from country-level rounds participated in the Finals here in Kuala Lumpur, and were selected into our Maybank Global Apprentice Programme.*
- *Total Rewards Policy strengthened by the formalisation and execution of the GO Ahead Employee Value Proposition reinforces Maybank as a great workplace and a Bank for talents. In 2011, Maybankers rated a 100% improvement from 20% in 2008 to 40% (excluding BII) on the Bank's pay-for-performance practice which is 5% ahead of the Towers Watson Global Financial Services Companies Norm. Further in 2012, Maybankers rated an improvement of 5% compared to the 2011 Annual Employee Engagement Survey in the area of recognition by supervisor for a job well done and the score is at par with the Towers Watson Global Financial Services Companies Norm.*

## OVERVIEW

Maybank's Group Human Capital (GHC) methodologies and practices are in line with the world's best. They are designed to meet the people needs of our business, achieve our vision and exceed our corporate objectives.

Our infrastructure is built on a strong and integrated foundation comprising the right principles, people policies and products that drive the right behaviours to create a high performance culture based on our corporate values. Respect and dignity were the underlying principles upon which the foundation was strengthened in 2009, and these principles remain within our mission of humanising today.

We embrace diversity and encourage inclusiveness, creating a workplace that offers more than just a career. We nurture our people to fulfil their potential and achieve both personal and corporate goals.

Our HR programmes strengthen our workplace climate and enable us to attract and retain talents.

## IMPROVING PRODUCTIVITY AND ENGAGEMENT

We continue to chalk up improvements in our productivity as we increase the output from the higher value jobs created, utilise our resources effectively, create differentiated service and product offerings, provide better work tools, and embed a cost saving mindset. Our disciplined approach to raising staff productivity has paid off. Net income per employee rose to RM351,512 in 2012 from RM325,111 the year before, while PBT per employee jumped from RM150,511 to RM167,142 last year.

Year-on-year, employee engagement remains high. Our 2012 Employee Engagement Survey recorded an employee engagement level of 85%, up from 83% (with BII included) in 2011 and at par with the Towers Watson Global High Performance Companies Norm. It recorded high employee participation with 82% of the 29,234 Maybank Group staff surveyed including staff of Maybank Kim Eng, BII, BII Finance & WOM Finance.

Our key retention rate has also improved - from 52% in 2010, to 80% in 2011, to 82% in 2012. The employment offer acceptance rate stands at above 92%. These improving scores are testimony that our staff support the people transformation process and demonstrate the effectiveness of our focused employee development strategies.

## BUILDING A COMMON CULTURE

Our mission to humanise financial services across Asia drives the way we deliver our services, creates an environment where staff can excel, and reinforces our TIGER values: Teamwork, Integrity, Growth, Excellence & Efficiency, and Relationship-building. These values synchronise our operations, service levels, and leadership and are internalised across the Group as part of the Business As Usual initiative.

Our Core Values Index increased from 75% in 2011 to 79% in 2012 (The Towers Watson Global Financial Services Norm is 72%). This demonstrates the degree to which staff embrace our core values.

Sustained campaigns to drive the internalisation of the core values continued with BII aggressively implementing its cultural transformation in line with its IMPACT (Implementation through Acceleration and Teamwork) programme launched in July as well as the integration programme in Maybank Kim Eng.

A Brand Advocacy Initiative was rolled out providing clarity of the Maybank brand beyond visual identity while guiding staff on how to further translate our humanising mission as a driver and filter in everything we do. The Service Quality's e-555 programme was kicked off last year as a vehicle for Maybankers to recognise each others' deeds and contributions. With more than 6,000 participating, the programme incorporates the values of recognition and nurtures the culture of excellence.



Employer of choice.

## ENHANCING OUR EMPLOYER VALUE PROPOSITION

To complement the launch of our refreshed corporate brand in 2010, Maybank created an Employer Value Proposition (EVP) in 2012 that supports our humanising mission and creates a differentiated employer brand to attract and retain talent. Our GO Ahead EVP is both a mantra and statement of intent: Maybank goes beyond keeping promises to exceed expectations. Its four dynamic propositions, GO Ahead Create, GO Ahead Grow, GO Ahead Lead and GO Ahead Fly, inspire staff to seize opportunities.

Our efforts to build a work environment where our people can thrive and find meaning have been widely recognised. We retained our leadership position as the nation's No.1 preferred employer in Graduan Aspire - as voted by students and graduates - for two years straight. Similarly, we were recognised as the winner in the Banking and Financial Services category in Malaysia's 100 Leading Graduate Employers consecutively in 2011 and 2012. Our overall ranking across all categories has improved, moving to third in 2012 from fifth in 2011 and 17th in 2010. Our regional offices are also showcasing Maybank as the employer of choice. Maybank Singapore received the Employer Award of the Year - Gold Award and the Excellence Award in the Work-life Excellence Awards.

MALAYSIA'S 100 LEADING GRADUATE EMPLOYERS OVERALL RANK: 2010-2012

Rank 2010	Rank 2011	Rank 2012
1 Ernst & Young	1 PWC	1 PWC
2 PWC	2 Ernst & Young	2 Ernst & Young
3 KPMG	3 KPMG	3 Maybank
4 Deloitte	4 Deloitte	4 KPMG
5 IBM Malaysia	5 Maybank	5 Air Asia
6 Shell Malaysia	6 CIMB Group	5 Apple
7 Sime Darby	7 Bank Negara Malaysia	7 CIMB Group
8 CIMB Group	8 ASTRO	8 PETRONAS
		9 Deloitte
9 Bank Negara Malaysia	9 Air Asia*	10 Public Bank
10 Air Asia	9 Genting Malaysia*	11 Malaysia Airlines
11 ASTRO	9 Public Bank*	12 Bank Negara Malaysia*
12 Berjaya Corporation*	12 Shell Malaysia	12 Genting Malaysia*
13 Exxon Mobil*	13 Berjaya Corporation	14 Shell Malaysia
14 Sony (M) Sdn Bhd	14 Citibank	15 IOI Group
15 BDO	15 Exxon Mobil	16 Sunway Group
16 MAS*	16 HSBC Bank Malaysia*	17 HSBC Bank Malaysia
17 Maybank	16 IGB Corporation*	18 Accenture*
18 Public Bank Berhad	16 Malaysia Airlines*	18 Citibank*
19 Maxis*	19 Intel Malaysia*	20 Samsung Malaysia*
19 Media Prima Bhd*	19 Star Publications*	20 Sime Darby*

\* Tied position

Source: Malaysia's 100 Leading Graduate Employers.

[www.malaysias100.com](http://www.malaysias100.com)

## IMPROVING EFFICIENCY, FUNCTIONS AND TOOLS

We continue to expand our HR functions regionally, enhancing our reporting, policy-making, processes and systems. We aligned HR functions in all our principal overseas markets, thus standardising best practices across the Group.

During the year, GHC reviewed structures, jobs and processes to support business strategies and expansion plans. The sectors involved were Global Banking, International Operations, the new Asset Management Group and a new subsidiary, Maybank Shared Services. The reorganisation will create better focus, accountability and efficiency in pursuing the Group's vision.

We continued to leverage on IT solutions work tools to standardise human capital management and development practices. We implemented our integrated TM suite, rolling out online Performance Management and TM modules for Malaysia and Singapore. This system provides a single source for real-time staff information and offers a broad range of functional and decision-making capabilities, freeing staff to focus on quality of planning rather than administrative process. The IT module also increases visibility and transparency, allowing staff to better align their own goals with those of their supervisor, team, and Maybank as a whole. For other overseas units online implementation will be launched in 2013.

## BOOSTING PERFORMANCE MANAGEMENT

In 2012, we endeavoured to further strengthen our Performance Management System based on staff feedback. We enhanced our Performance Management System and Balanced Scorecard (BSC) empowering our staff to take more ownership of their deliverables and greater line of sight of their contributions to the Group while maintaining alignment with the Group's Key Performance Indicators (KPIs).

## REWARDING ACHIEVEMENT

Our compensation structure gives us a competitive edge in the market. It incorporates both fixed and variable elements, as well as short and long term components namely basic salary, benefits, short-term variable bonuses/incentives and a long-term Employee Share Scheme. The package also includes non-financial elements such as development opportunities. To inculcate a pay-for-performance culture, high performance is duly rewarded.

Each year, we confer awards on our high achievers, best managers, executives, non-executives, core values champions, top corporate and social responsibility volunteers, and others. We celebrate such achievements at the Sectors' engagement dinners, programme events, and annual sports carnivals, all leading up to the annual Maybank Group Awards Night.

In 2012, we made a second Employee Share Scheme offer based on individual performance, and disbursed special ex-gratia payments of RM1,000 to eligible Maybankers in Malaysia in addition to their contractual bonus. We also recognised 2,029 staff members in the 10, 20, 30 and 40 Years Long Service Awards categories.

We aligned the various country-specific Maybank Kim Eng incentive plans into a regional plan. This will ensure competitiveness among Maybank Kim Eng peers and put us on par with global investment banking standards.

We continued to provide financial assistance to eligible staff with children attending school or college. Under our Back to School programmes, over RM470,000 was disbursed to over 1,100 eligible Maybankers with school-going children including those entering boarding school and institutions of higher education. Under the Maybank Group Staff's Children Academic Excellence Award, we presented RM257,900 to 518 staff children who achieved academic excellence in public examinations.

When engaging in collective bargaining, the Bank and the Union reach a mutually beneficial middle ground. In 2012, three collective agreements were concluded with three unions: the Association of Maybank Class One Officers, the Association of Maybank Executives in Malaysia, and the Maybank Philippines Inc. Employees Union.

### ACCELERATING DEVELOPMENT

Our development programmes equip staff with the knowledge, confidence, and skills to excel. We strongly encourage staff to learn new skills for both professional and personal growth. Maybank invests considerable resources in strengthening staff competencies in areas that support the Group's development plans.

In 2012, the Group invested RM100.0 million in learning and development programmes, well above the statutory requirements. In Malaysia, 82.4% of the workforce participated in face-to-face learning, and 92.4% took online courses. Staff training expenditure for the Bank against total gross salary for 2012 was 3.17%. This exceeds Bank Negara Malaysia's minimum standard of 2.5% and is also above the American Society of Training and Development global benchmark of 2.65%. In 2012, 280 e-learning courses with 15 new syllabuses were offered with 108,558 enrollments.

Group Organisational Learning (GOL) follows the 70:20:10 philosophy (70% experiential, 20% relationship-based, and 10% formal learning). Experiential learning involves projects, assignments, and international exposure. Relationship-based tools include mentoring, buddy programmes, brown bags, town halls and conversations with leaders. For formal learning, our platforms include e-learning via MyCampus (our online learning portal), the newly renovated Maybank Academy, and external programmes. More and more staff enjoy e-learning as it allows them to follow courses at their own pace.

GOL collaborates with sectors to facilitate accelerated learning and develop specific competencies. To build capacity in the sales and credit forces, in 2012, 5,584 employees attended customised training programmes. GOL and Group Credit & Risk Management joined forces to launch two Groupwide e-learning programmes as part of the ongoing effort to institutionalise Operational Risk Management (ORM). Over 25,000 staff completed the first level ORM e-learning modules. The more advanced ORM module was developed specifically for operational risk personnel, and about 1,000 completed this module.

GOL continues to have close collaboration with sectors to enhance service excellence and promote innovation amongst staff. In 2012, GOL partnered with Service Quality to implement Project ST\*R, a service competency based learning intervention that standardises the Bank's service training programmes. GOL's collaboration with Group Strategy and Transformation brought staff from Malaysia, Singapore, Indonesia and the Philippines together under Project Trailblazer, a programme to promote innovation that generated game changing ideas for implementation.

Under our Staff Education Assistance Scheme which covers staff from the clerical category upwards, a total of RM479,187 was granted in 2012 to staff who are working towards Bachelor or Master degrees, ACCA, CIMA or other professional certifications on a part-time basis.



*Conversation breakfast session with the Chairman.*



*Conversation breakfast session with the PCEO.*

## DEVELOPING LEADERSHIP

Our leaders continue to play a key role in driving transformation. In both formal and informal sessions, they communicate the Group's direction and set the right organisational climate and culture. Our Chairman and EXCO lead conversation series sessions, town hall engagements, and an Adopt-a-Region Programme. They also conduct the 'Leaders Teaching Leaders' programme, in which each EXCO member shares his/her leadership insights, twice each a month, at our Maybank Great Leaders (MGL), High Impact Leadership (HIL) and Performance-Driven Leadership (PDL) programmes. During the year, our Chairman and EXCO engaged over 600 people in the conversation series sessions alone.

Our flagship leadership programmes are as follows:

<b>Transitioning Leaders to CEOs</b>	This three-year programme creates a pool of talents who can assume CEO/CEO-like positions. It includes best-in-class learning modules, top team engagement, experiential development and opportunities to network with business leaders in development programmes overseas. Currently we have 73 staff enrolled in the programme. 71% have been redeployed to larger roles or moved cross-functionally within the past year.
<b>Guru Series</b>	In this half-day session for senior managers, distinguished international management gurus and thought leaders share their insights on topics affecting the financial services industry. 2,499 Maybank staff attended at least one of the 11 sessions held in 2012. Last year's prominent speakers included Tan Sri Rafidah Aziz, the McKinsey Risk Management Team, and renowned mental literacy expert, Tony Buzan.
<b>Top Team Effectiveness Programme</b>	This 24-month programme to strengthen personal and team effectiveness is offered in Malaysia, Indonesia, Singapore and the Philippines and in 2012 involved over 230 leaders comprising EXCO members and their leadership teams.
<b>Maybank Great Managers and Maybank Great Leaders Programme</b>	These comprehensive managerial and leadership curricula involve internally developed and externally sourced programmes delivered by Learning Partners, namely the International Centre For Leadership in Finance. 2,741 managers benefited from the programmes last year.
<b>Mentoring and Coaching</b>	Dedicated, certified, in-house coaches support the Group's culture change programme. In 2012, four full-time Executive Leadership Coaches conducted more than 750 coaching sessions for 150 Maybank managers. They also conducted 30 Team Engagements and Leadership Programmes for more than 100 leaders. Our mentoring programme involves over 450 staff either a mentor or a mentored employee. 85% of the participants have either maintained or improved their performance levels.



### NURTURING TALENT

Our new integrated Talent Management (TM) framework launched in 2009 has become a discipline and is delivering results. It provides a consolidated view of staff skills, achievements and career aspirations, enabling more meaningful performance and career reviews. This helps us to quickly identify the best qualified individuals for the required position.

The TM module which was rolled out regionally in 2011 reviews talents based not only on their assessments but also on their readiness for growth. We create different forums to review our talents via the multi-level talent review platforms, namely the Sector Talent Review, Country Talent Review and Group Talent Review as well as to discover talents across the Group and to ensure that we are better in identifying the right staff for the right roles or job fit. In 2012, inter-sectoral transfers increased from 9% to 16%. We encourage staff to be geographically mobile, and we saw 54 international assignees moving from their home bases, with another 16 in the pipeline for cross-border assignments.

Our philosophy of growing internal talent means that we aim to fill most vacancies with existing staff. All vacancies are first announced internally. In 2012, 70% of senior management and 71% of executive openings were filled by internal applicants.

We cherish our position as the employer of choice for young job-seekers. To attract Generation Y, we stress our commitment to develop young talents, to give them control of their careers, and to provide competitive rewards. We recruit close to 3,000 graduates yearly.

We meet young talents face-to-face at international and domestic career fairs and road shows, enabling us to recruit the brightest minds in the region. In 2012, our recruitment efforts spanned Malaysia, Singapore, Indonesia, the Philippines, Cambodia and Hong Kong via the Maybank GO Ahead Challenge. The challenge attracted over 1,000 applicants, and 30 finalists competed for prizes totalling USD45,000. This unique challenge was developed in-house by existing Global Maybank Apprentices for future GMAPs (Global Maybank Apprentice Programme).

We have also enhanced our scholarship programme to provide full sponsorship of relevant foundation studies at top local and overseas universities. Currently, we have 30 scholars studying at local institutions and 42 at overseas universities.

### ENCOURAGING EMPLOYEE VOLUNTEERISM

Maybankers continue to demonstrate a sense of pride and reinforce our humanising mission in communities we serve by implementing sustainable Corporate Responsibility (CR) initiatives.

Maybankers have stated that they value being part of an organisation that emphasises CR. They enthusiastically engage in volunteerism under the Cahaya Kasih (CK) banner. This global initiative fosters long-term projects via the CK Challenge, sponsored by the Maybank Foundation. Employees submitted proposals for tangible and sustainable initiatives to help children, the elderly, the disabled and the environment.

Maybank's third annual Global CR Day on 22 September 2012, saw over 21,000 Maybankers coming together worldwide to undertake over 100 public service projects in 15 countries.

Scores of Maybankers also volunteer their time as our brand ambassadors at special events like Malaysia's Merdeka (Independence) celebrations, Labour Day, Maulidur Rasul, Maal Hijrah and others.

### FOSTERING WELL-BEING

Our Occupational Safety and Health teams conduct periodic audits, ensuring that health and safety measures are in place to safeguard our staff's health and well-being.

We organise activities that promote physical and emotional well-being and healthy lifestyles. In 2012, employees attended Safe Riding and Defensive Driving Programmes, Disaster Simulation Exercises, Blood Donation Drives, First Aid Training, Ergonomics Assessments, Positive Parenting Workshops, Fitness and Weight Loss Programmes, Healthy Lifestyle Carnivals, and regular monthly health talks.

Maybank also encourages employees to participate in sports such as the Inter-Bank competitions - outdoor and indoor games, KL Soccer League and the Malaysian Hockey League. Over 300 runners represented Maybank Group at the 2012 BII-Maybank marathon and at the KL Rat Race.

Our own annual sports activities, namely the Maybank Sports Carnival and Indoor Games, foster unity across the Group. The Maybank Sports Carnival involves over 2,000 Maybankers and 18 teams from Malaysia, Singapore, Thailand, Indonesia and the Philippines, all competing in 14 outdoor games.

## PROMOTING EQUAL OPPORTUNITIES

Maybank provides equal employment opportunities, whether for recruitment, promotion, transfer or development, with merit and fairness as the underlying principles. Maybank's workforce (excluding Maybank Kim Eng and BII Finance) spans the ages of 18-62. The average age group is 30-35. Our male to female ratio is nearly equal, with women accounting for 54% of the total as at December 2012.



Maybank Sports Carnival.



Over 21,000 Maybankers participated in the Global CR day.

Total Staff: 47,233

Senior Management	2%
Middle Management	12%
Executive	48%
Non-Executive	38%
Average age of workforce	34.55 years old
Average tenure	8 years

As at December 2012, male to female ratios in senior and middle management were as follows:

Job Level	Gender Representation: % Female (excluding Maybank Kim Eng and BII Finance)	Gender Representation: % Female (excluding Maybank Kim Eng and BII Finance)
	Dec 2011	Dec 2012
Senior Management	29%	31%
Middle Management	42%	43%



Being at the heart of the community.

# ENTERPRISE TRANSFORMATION SERVICES

*Enterprise Transformation Services (ETS) is the foundational layer in the Group, providing best in-class services to our internal customers and providing differentiated platforms for external customers. Our aspiration is to consistently provide upward momentum as the Group's enabler to achieve a sustainable competitive advantage via Technology, Operations and Service Excellence.*



**“Our main focus is to support our businesses in achieving their regional growth aspirations with fast advancement of technology, improved turnaround time of operations and service excellence in a cost efficient manner.”**

## **GEOFF STECYK**

Head of Enterprise Transformation Services

## **INFORMATION TECHNOLOGY (IT)**

Information Technology continues to focus on building regional capabilities that assist the Maybank Group to achieve its regional aspirations. Maybank's IT Transformation Programme (ITTP) continues to gain momentum as we proceed to the third year of our five-year plan to achieve a flexible, integrated, competitive advantage via information technology to enable businesses to achieve their aspirations. The new platform involves system, process and control changes that will unify business units across sectors and throughout the countries in which Maybank operates.

In FY2012, IT continued its focus on technology that supports regionalisation. We launched internet banking (M2U) in Cambodia, Vietnam and Papua New Guinea. Our new Regional Treasury System is a robust, flexible and intuitive system built on a platform of virtualised servers and consolidated databases. We introduced a mobile trading system comprised of Amanah Saham Bumiputera and iCustody, replacing an older custodian back-end system.

TradeConnex is Maybank's new regional trade finance platform which provides fast and sophisticated service delivery. It is web-enabled to ensure accessibility, mobility and convenience for clients and it puts market updates, e-applications, and

correspondence with the Bank's team of trade finance specialists at clients' fingertips. In FY2012, TradeConnex was implemented in phases in Cambodia, Hong Kong, Shanghai, the Philippines, Singapore and Indonesia.

We are also part of the Maybank One Solution, designed to develop more convenient banking tools and methods. We have devised an integrated 7-in-1 financial product bundled with fast approval and activation in ten minutes. A 3-in-1 smart terminal incorporates an e-signature pad, PIN pad and MyKad reader which scans the customer's identification details directly into the system.

## **IT Transformation Programme (ITTP)**

ITTP is a Group transformation initiative kicked off in July 2010 which provides technology advancements to support regionalisation of the businesses.

Business and IT are collaborating to develop our Essential Advantage: Three core capabilities giving Maybank the ability to surpass its competitors and provide superior customer experience:

1. Multi-channel Sales and Service - Consistency of products and services across all our channels
2. Integrated Customer Analytics - Convenience of powerful real-time analysis of what our customers want

### 3. Agile Product Manufacturing - Customisation of product development and delivery

In FY2012, ITTP focused on implementing two strategic initiatives i.e. the Regional Branch Solutions (RBS), previously known as Branch Front End and the Regional Cash Management System (RCMS).

RBS offers customers service consistency, increased processing efficiency, mobility, and standardised teller platforms throughout the region. Customers will experience paperless transactions, effective customer identification, and no home branch restrictions - in short, reduced waiting and counter processing times. RBS successfully went live in selected pilot branches in FY2012; nationwide deployment is slated for Q2 2013.

RCMS offers corporate clients a tool for liquidity control, with Maybank2E as the gateway to the single-transaction banking platform across ASEAN and Greater China. This platform combines ease of use with comprehensive real-time data. It is a cross-border system with secured access to liquidity positions, management of payments and receivables, and a choice of six languages. Its mobile banking facility offers convenient access to account information and authorisation of payment instructions through mobile devices. The application is available for Apple and Android devices as well as mobile browsers. RCMS was successfully rolled out in Singapore and Malaysia, and the Phase 3 roll out to the Philippines, Indonesia and Greater China is in progress.

The Regional Enterprise Data Warehouse (REDW) project kicked off in November 2012. This system offers a single source for the Bank's data, improving reporting speed and accuracy.

Two foundational pieces were rolled out in 2012, namely Infrastructure Server Virtualisation and the Electronic Document Management System (EDMS). Server virtualisation and consolidation as well as network upgrades were completed to ensure reliability and hardware optimisation.

The EDMS Common Platform manages the Bank's critical documents effectively. EDMS forms the foundation for a paperless organisation. It standardises the content management system across Maybank's regional and functional units, which will facilitate straight-through processing and enforce consistent business rules and process improvements. EDMS roll-out started in July 2012.

### Recognition

Our IT initiatives did not go unnoticed. Maybank received two awards at the Annual ICT Leadership Awards 2012, hosted by the National ICT Leadership Association of Malaysia (PIKOM). Mr. Tan Kok Meng won the 2012 CIO of the Year Award, and our integrated financial analytics 'Clarity, Aligning Strategy and Unifying Project Information' earned the ICT Organisation of the Year Award.



OPERATIONS

Operations is the Back Office processing unit for backroom branch operations, self service terminals operations support, the collateral management system, credit administration, inward and outward funds transfers, and the trade processing centre.

The Bank continues to surpass industry benchmarks in ATM and CDM operations. Once again, the Bank achieved 98.74% ATM uptime in 2012, an improvement from 98.6% in 2011, whilst our CDMs enjoyed 96.25% uptime compared to 95.46% the prior year. Our ATM team rolled out the Dynamic Currency Converter for MasterCards, enabling customers to view transactions in their home currencies when using our ATMs.

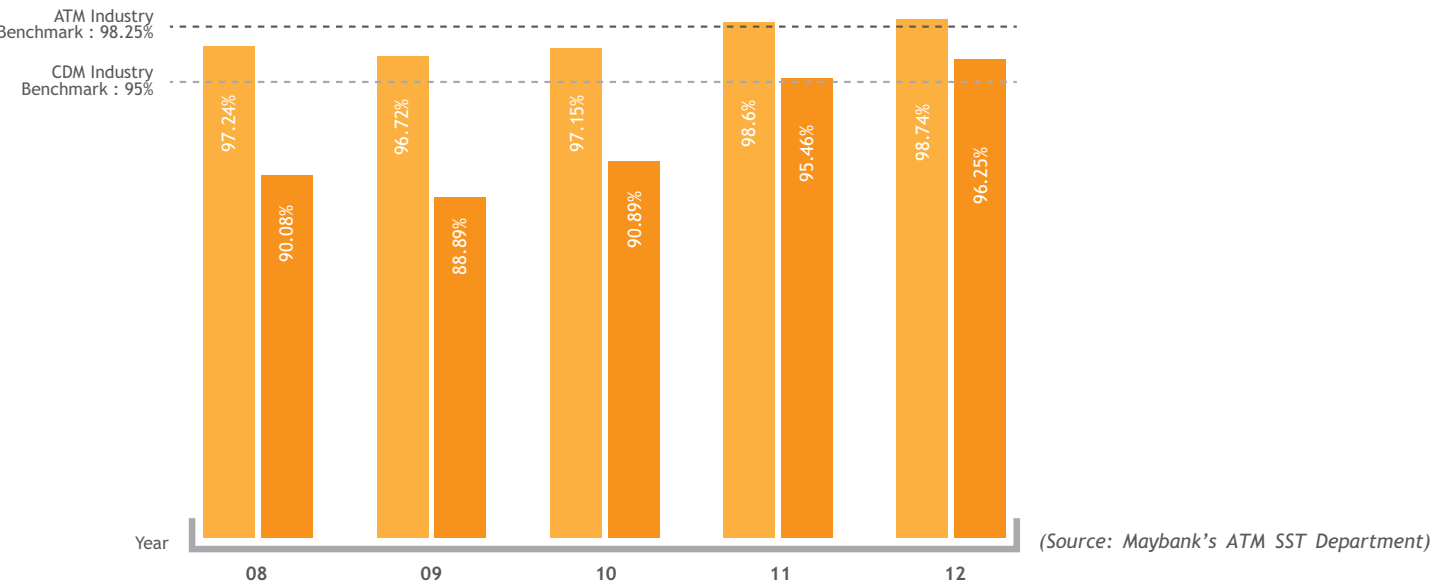
In 2012, Operations Transformation focused on two areas: Credit Administration and the Trade Operations Centre (TOC). The Credit Administration transformation goal was increased efficiency: process simplification, reduced duplication, better turnaround time, straight-through processing rate at all points, and lower error rates for the sales team and solicitors.

TOC has been growing regionally since 2011, becoming the processing centre for trading applications for our overseas units in the Philippines, Brunei, Vietnam, Shanghai, and Cambodia. By centralising the administrative function at TOC, where certified personnel handle the document-checking, our Trade Finance Centres can focus on driving sales and revenue for the Bank.

Group Collateral Management System (GCMS) is a centralised application which provides the framework for meeting Basel II Risk Compliance guidelines - specific operational and monitoring requirements for credit risk mitigation techniques. GCMS is an automatic system for the revaluation of specific eligible collaterals, and it houses the single source of collateral data for regulatory reporting.

In 2012, we rolled out the Inward Clearing Processing System, which replaced the existing Online Capturing System (OLCS) and Image Positive Pay System (IPPS) with a single web-based application. This new tool enables branch staff to complete the verification process on the spot, reducing customers' waiting time.

ATM & CDM UPTIME PERFORMANCE





## Recognition

Operations achieved the following awards and commendations in 2012:

- Asian Banking & Finance: Malaysia Domestic Technology & Operations Bank of the Year
- Bank Negara Malaysia (BNM): First bank in Malaysia to spearhead BNM's new recycling framework
- J.P Morgan: Quality Recognition Award for Operational Excellence
- BNY Mellon: Operation in U.S Dollar STP Excellence Award
- Financial Mediation Bureau: Commendation on the 100% Resolution of Outstanding Customer Cases

## SERVICE QUALITY

Service Quality (SQ) aims to steer the bank towards providing top-of-its-class customer experience. In 2012, SQ, with its recently established Service Quality Committee, spearheaded a range of transformation initiatives, projects and campaigns to drive consistency and deliver on the brand promise we make to our customers. This meant nurturing hearts, minds and behaviours.

## IMPROVING COMPLAINT MANAGEMENT

Previous surveys conducted have indicated that customers were not happy with our problem resolution. To improve end-to-end problem resolution, in July 2012 we launched Project GIFT "Get Involved and Follow Through". All complaints are now centrally managed at Customer Feedback & Resolution Management (CFRM) to ensure prompt and customer-centric resolution. With the implementation of Project GIFT, complaints received via various touch points are logged into a centralised system. This allows CFRM to focus relentlessly on complaint resolution, ensuring meanwhile that customers are kept updated from start to finish.



From August to December 2012, CFRM improved its Service Level Agreement (SLA) performance by almost 10% despite a 7% increase in the average volume of complaints.

An internal Customer Satisfaction Phone Survey to gauge the average satisfaction level in our complaints handling showed a positive trend for the last quarter of 2012 with a consistent 5.33% increase in satisfaction. This proved to us that we are on the right track, but also indicated that there is plenty more we can do to further enhance customer service.



*"Live" gameshow of the Final Harry Potter Challenge FY2012*

### IMPROVING FRONTLINE STAFF PRODUCT KNOWLEDGE

SQ, in collaboration with Group Organisational Learning, Branch Management, Community Distribution and 11 Core Product owners, embarked on an initiative to improve frontline staff product knowledge. Known as "Project Harry Potter" (PHP), this aims to deepen operational and core product knowledge amongst frontliners to better equip them to answer enquiries and resolve complaints especially in areas which have a big impact on our customers' overall satisfaction level.

To improve learning and gauge effectiveness, we organised quarterly operational and product assessments - including a series of mini competitions - involving 13,797 frontliners nationwide. Besides promoting a knowledge-based culture, the competitions helped make learning more fun.

### IMPROVING EXTERNAL CUSTOMER ENGAGEMENT

In July 2012, SQ collaborated with Sectors and Departments at Menara Maybank and Dataran Maybank to launch "Campaign 555" (C555) - an initiative to improve our external customer engagement. The number 555 was derived from our vision to be ranked as one of Malaysia's top five local banks as well as the bank's aspiration to achieve a 55% score in our External Customer Engagement Survey (ECES).

The campaign encourages team spirit, trust and cooperation in serving internal and external customers better and with H.E.A.R.T. (Humility, Efficiency, Appreciation, Respect and Trust).

Meanwhile, as part of the Bank's Service Excellence Recognition Programme, we introduced e-555 as an online platform to recognise our fellow Maybankers who demonstrated our core values through teamwork and relationship-building with colleagues. To date, we have received over 5,900 messages of appreciation.

Maybankers who were recognised as role models via the C555 campaign have also won their rightful place in the Wall of Fame. Their warm and winning smiles will inspire their colleagues to emulate their excellence and efficiency.

#### External Customer Engagement Survey (ECES) Index - General Banking (GB) 2008 - 2012

Based on the 2012 ECES, customers are increasingly satisfied with Maybank and are willing to continue using us and recommending us. This was reflected by a 2% increase in the ECES index to 48.3%. It also shows that, although we are moving in the right direction, we still need to strive harder to meet our target customer satisfaction score of 55%.

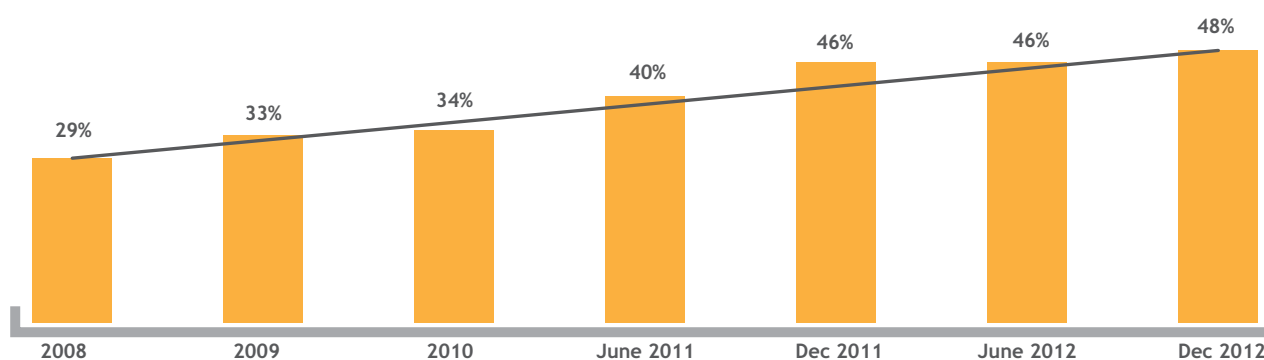
In comparison to our competitors' ranking, our ECES ranking has improved tremendously. We have reduced the gap from 20% in June 2011 to 4.86% in 2012, indicating that we are closer to achieving our goal.

The Bankwide ECES is a crucial indicator of the level of customer satisfaction with our main delivery channels and indicates that customers are generally satisfied with our main delivery channels such as Self-Service Terminals, Branches, Online Banking (M2U website) and Business Banking.

## IMPROVING BRANCH AVERAGE WAITING TIME

In line with our customer-centric approach, in 2011 we rolled out an initiative called "Project Narnia" to improve our branches' Average Waiting Time (AWT). The aim was to consistently ensure that customers have to wait no more than two minutes for a single transaction or five minutes for multiple transactions. A year or so into the project, the initiative has already achieved a 30% improvement in AWT.

### MAYBANK GROUP OVERALL ECES INDEX



# Creating a difference in the communities we serve

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In our mission to humanise financial services, Maybankers are actively helping to shape a brighter future for many of Asia's communities. Through various social initiatives and an active employee volunteerism programme, we believe we can create a sustainable and better tomorrow for all.







# CORPORATE

## responsibility



Underlying our commitment to corporate responsibility is our pledge to uphold the highest standard of ethics and citizenship. Our core values are embedded throughout the organisation and this is reflected in our policies and processes on corporate responsibility.

Our sustainability strategy and approach is reliant on constantly engaging our stakeholders which in turn drives new benchmarks of excellence. Over the years, our sustainability commitment has enabled us to deliver superior shareholder returns, build a diverse workforce, excel in customer service and contribute to the community.

A key element in our sustainability strategy was the establishment of the Maybank Foundation in 2010. The Maybank Foundation's philosophy is to engage with communities and assist them in developing sustainable solutions to issues they are facing. Our commitment to serve our communities is demonstrated by our wide range of corporate responsibility initiatives and volunteerism efforts, both large and small, all across the region. This philosophy is not new. It is steeped in our history, and it is the way we have always done business.

*Students from Sekolah Dasar Negeri Duri Pulo 1-7, Roxy Jakarta listening aptly to a story being told by a BII employee while Dato' Khairussaleh Ramli looks on*

### CORPORATE RESPONSIBILITY REPORTING

THIS IS THE THIRD YEAR THAT WE ARE PUBLISHING A STANDALONE SUSTAINABILITY REPORT. REPORTING ENABLES US TO SHARE INFORMATION ABOUT OUR SUSTAINABILITY COMMITMENTS AND OUR PROGRESS TOWARDS MEETING THOSE COMMITMENTS. IT ALSO HELPS US UNDERSTAND OUR SOCIAL, ENVIRONMENTAL AND COMMUNITY FOOTPRINT. WE ARE THEN ABLE TO EXAMINE OUR IMPACTS AND TAKE MEASURES TO ADDRESS THEM AS WELL AS TO DRIVE INNOVATION.

## RM22.7 million

APPROVED THROUGH MAYBANK FOUNDATION FOR CR PROGRAMMES

MORE THAN **178,000** TOTAL VOLUNTEER HOURS

MORE THAN **21,000** VOLUNTEERS



## COMMUNITY

### Education

A major focus of our community initiatives is in education. While elevating the standard of education in rural schools, we provide scholarships to deserving Malaysians and offer them jobs within the Group upon graduation. In addition, Maybank provides financial aid to numerous homes and organisations for the underprivileged.

#### Maybank Foundation Scholarship Programme

We believe that no child should be deprived of a quality education simply because of financial limitations. Every individual should be given the chance to realise his/her full potential. Maybank has been awarding scholarships to deserving students since 1972. Our scholars are given the opportunity to further their studies in local universities as well as in selected overseas institutes.

During the year, the Maybank Foundation expanded its local and overseas scholarship programme to include sponsorship at pre-university levels. Forty one students benefited in 2012.

Not only do we provide full scholarships, we also provide more learning and development programmes via internships within Maybank and a Mentorship Programme to nurture talents' professional and personal development. This creates a holistic approach to ensuring that intelligent individuals are able to fulfil their potential.

#### Promote Educational Excellence in Rural Schools (PEERS)

Maybank Foundation has been supporting the PINTAR Foundation through the adoption of Sekolah Menengah Kebangsaan (SMK) Sungai Ara and Sekolah Kebangsaan (SK) Sungai Duri in 2007. Both schools are located in Pulau Pinang. Since then, our adoption programme has expanded, and currently Maybank Foundation has 14 schools under its official school adoption programme, PEERS.



## CORPORATE RESPONSIBILITY

*Newly minted Maybank scholars sharing a moment with Dato' Sri Abdul Wahid Omar*

As part of our educational initiatives, the PEERS programme focuses on helping improve students' academic performance, increasing parental involvement, and enhancing the surrounding learning environment in rural and underserved schools.

We realise that a nurturing environment is important not only for intellectual development but for self-development as well. Our aim is to improve student welfare and motivate students to see education and extra-curricular activities as ways of improving their circumstances.

Our involvement is not limited to providing financial aid. We aim to provide these students with the best possible foundation for their future. Our three main objectives are to provide teachers and students with Information, Communications and Technology (ICT) skills, to significantly improve English proficiency levels amongst rural students and to create an enabling yet competitive environment that celebrates academic achievement by providing a rewards system for academic excellence.

In three years time, we expect that our adopted schools will experience an improvement in overall UPSR passing rate, in the schools' teaching methodology of English and also in students' attendance rate. Our main objective is to encourage sustainability through local capacity building in teacher training and sustaining professional development by empowering programme participants with the resources and opportunities for continuous improvement in their areas of expertise.



*Students and teachers from schools around Johor at the newly opened Legoland*



### Maybank Foundation Financial Literacy Programme

We continue to advocate financial literacy programmes that help prepare young Malaysians for the financial challenges that await them.

In order to propel Malaysia's economic development, we need first to equip our youth with responsible personal financial habits. With the help of our project partner Money Tree (M) Sdn Bhd, our adopted schools have been exposed to a number of financial education workshops which have been endorsed by the Malaysian Ministry of Education.

For 2013, Maybank Foundation aims to push learning boundaries further by introducing an educational television animated series called CashVille Kidz. The show will teach young schoolchildren good spending habits and financial management skills.

### BII-Maybank Scholarship Programme

Launched in November 2012, the BII-Maybank Scholarship Programme aims to provide higher education opportunities to deserving students from underprivileged families in 33 Indonesian provinces. Selected students are given the chance to study in selected top universities in Indonesia, Malaysia and Singapore which includes Universitas Indonesia, Universitas Gadjah Mada, Universiti Malaya, Universiti Kebangsaan Malaysia, National University of Singapore and Nanyang Technological University.

The total fund for this scholarship is approximately Rp10 billion which covers students' tuition fees, living costs (accommodation and transportation), laptop, books, internet and health insurance. BII has been granting scholarships to deserving young individuals since 2008, through which more than 170 students have benefited. BII's commitment to supporting the educational development of Indonesia's young generation is due to the shared belief that higher education is key to self-development and community empowerment.

### Community Empowerment

#### Community Leadership Programme in Singapore

Under the collaborative effort of Maybank Singapore, the Heartware Network and the Ministry of Education of Singapore, this programme reached out to secondary students who are academically-challenged in neighbourhood schools.



Dato' Sri Abdul Wahid Omar, Tun Dr. Mahathir Mohamad and Tan Sri Nik Mohamed Yaacob at the launch of the National Essay Competition themed *Shaping the Nation*

The objective of the initiative was to help students who were less academically-inclined perform better in their studies. What made it different from other educational programmes was that the project organisers managed to get youth volunteers who showed much determination and commitment to helping the programme's young participants.

Volunteers spent approximately two hours a week organising free tuition classes for students, helping them with their studies, increasing their self-confidence and motivation levels. Not only did they provide students with academic assistance, they were also inadvertently given the role of mentors to these children by providing much needed moral support and encouragement.

The initiative has benefited around 100 underprivileged students in 2012. For 2013, students have already started enrolling themselves in the tuition programme.

### Maybank Family Fund

Under this umbrella, Maybank Singapore has initiated four programmes to benefit the Singapore community.

The Maybank Get-to-School Transport Grant is aimed at alleviating the financial burden of low-income families. Schools have reported a number of students skipping schools as a result of their families not being able to cope with transportation costs. Sixty five students were awarded this grant in 2012, allowing them to attend school without the worry of straining their families' financials.



Women's Empowerment and Child Protection Minister, Linda Amalia Sari at the launch of the BII Berbagi programme

Maybank Singapore recognises that low-income families tend to have very little savings due to their limited income and lack of financial management. Through the C.A.S.H. Up Programme, the savings of selected families will be matched to help accelerate their financial reserves and encourage them to develop their savings habit. Participants are also required to attend a nine-month money management course to help increase their financial literacy.

The Breadwinners Protection Scheme targets the issue of many breadwinners of underprivileged families lacking adequate insurance coverage but who are more than likely to be engaged in manual or high-risk occupations. The initiative provides free personal accident insurance for up to five years for underprivileged working residents.

The Let's SWITCH! with Maybank project is another one of Maybank Singapore's CR initiatives that focuses on the issue of environment conservation. The programme provides free energy efficient light bulbs to low-income households which will enable them to reduce their energy consumption and help lower their utility bills. Within nine months, the programme reached out to 2,505 households. The target set is 4,000 households by the end of 2014.

### BII Berbagi: Women Empowerment through Microfinancing

In conjunction with its 53rd anniversary, PT Bank Internasional Indonesia TBK (BII) initiated the BII Berbagi programme which aims to empower underprivileged women by providing microfinancing services.

## CORPORATE RESPONSIBILITY

With the support of Maybank Foundation, BII offered revolving funds of Rp1 billion to Yayasan Mitra Dhuafa (Yamida) whereby Yamida, through Koperasi Mitra Dhuafa (Komida) will extend financial assistance to 1,250 women in three targeted areas: Jonggol (West Java), Sragen (Central Java) and Kulon Progo (Yogyakarta). These women are encouraged to develop micro-businesses such as handicraft production, agriculture and traditional medicines. KOMIDA also provides weekly lessons on financial monitoring, savings and loan management to beneficiaries. The programme is structured in such a way that each beneficiary is required to attend five days of training before being eligible to receive the funds.

As of December 2012, BII through KOMIDA had disbursed funds to 742 women. In three years time, the number of programme beneficiaries is expected to reach 2,000 women.

### Arts and Culture

#### Children's Music Theatre "Bites of Delights"

Held from 15-23 November 2012 at the Temple of Fine Arts, Brickfields, Kuala Lumpur, the performance was supported by UNICEF to mark Universal Children's Day. Combining storytelling, dancing, acting and live gamelan music played by the children themselves, the musical theatre gave urban kids a chance to immerse themselves in an art form that is part of Malaysia's heritage on top of enhancing their confidence and performance skills.

Maybank Foundation supported the programme because of its extensive reach. Besides nurturing the acting and musical talents of young individuals, the initiative aimed to re-popularise the Malaysian gamelan by introducing its contemporary genre whilst also encouraging national unity through mutual appreciation of the country's diverse cultures.



The young cast performing Bopoluchi, the first of Bites of Delights' five acts

### Employee Volunteerism

#### Cahaya Kasih Challenge

For the past few years, Cahaya Kasih has been the Maybank Group's banner for employee volunteerism. It is a channel that allows employees to engage directly with the community through regional offices, sectors and overseas operations where the Group has a presence. In 2012, we decided to take employee volunteerism to a different level by challenging Maybankers to come up with an original and creative initiative that would make a positive difference in the lives of their chosen community.

Over 200 project proposals were received. Each proposal was then given an initial grant to kick-start their project. The Top 20 Projects were granted an additional allocation of RM20,000.

At the end of the challenge, each project was judged on its output and impact. The initiatives had to demonstrate results, sustainability and impact as a long-term project, lasting throughout the year as our emphasis is on sustainable initiatives. The best implemented programmes in each category were then given monetary awards to enable further project development.

The winner for the Best Overall CR Programme for the Cahaya Kasih Challenge 2012 was the Maybank Child Sponsorship: A Way Out of the Dump! By Maybank (Cambodia) Plc. As a response to the issue of poverty that affects approximately 30% of Cambodia's population, the initiative rescued 20 children from dumpsites around Phnom Penh who had to rummage through mountains of trash to help their families make ends meet. These children were ensured proper education as well as access to nutrition and basic healthcare, with the main objective being to end the vicious cycle of poverty that traps so many in the same situation.



Maybankers from Maybank Kim Eng Securities (Thailand) Plc. providing computers for rural schools





*Datuk Lee Chong Wei at the Maybank Malaysia Open Badminton 2012*

## **Sports**

Sports programmes have a unique ability to develop talent and boost competitiveness. Besides promoting a healthy and positive lifestyle, sports can also promote and strengthen national unity.

### **Maybank Malaysia Open Badminton**

In Maybank, we organise training clinics and tournaments for the development of young badminton players in collaboration with the Badminton Association of Malaysia (BAM). These events allow national players the chance to share their expertise and inspire the younger generation, ultimately elevating our country's status in the sporting arena.

In an effort to marry our sports and healthcare causes, in 2012 the Maybank Foundation held a fundraising event during the Maybank Malaysia Open (MMO) Badminton Championship. The aim was to raise funds for Selayang Hospital's Liver Transplant Centre, the only centre in Malaysia that provides subsidised medical cost for transplant patients. Maybank has been supporting the Centre since its inception in 2002.

The Foundation organised a 'Fastest Smash' game which challenged participants to test their badminton smashing skills to win attractive prizes. All they needed to play was a minimum participation fee. Through this simple yet creative initiative, we managed to raise a modest amount for the Liver Transplant Centre, to be used for the purchase of reliable and safe transportation for organ procurement.

### **Maybank Malaysian Open Golf**

During the Maybank Malaysian Open (MMO) Golf tournament 2012, Maybank Foundation organised various fundraising activities. We are committed to helping nurture and empower emerging golf talents. Malaysian golfers such as Danny Chia and Mohd Shaaban Hussin were sponsored as Maybank golf ambassadors.

Maybank boosted its involvement in junior golf development in 2012 with the launch of the Maybank Junior Golf - Champions Academy (6-12 years). Under this initiative, Maybank will bring golf to schools and provide opportunities for students to be tested and trained, utilising a detailed training methodology incorporating fundamental golf skills training and physical development through golf oriented exercises.

Maybank is committed to helping develop world-class golfing talents for Malaysia with its participation through other golf programs such as the Maybank Junior Golf - National Camp (12-16 years). Maybank's involvement with the Maybank Junior Golf - National Camp started in November 2006 and its success over the years has allowed the programme to run annually ever since.

### **BII Bali Marathon**

The BII Maybank Bali Marathon was the first international standard marathon to be organised in Indonesia in more than two decades. Organised by PT Bank Internasional Indonesia Tbk (BII), the full marathon race drew over 2,000 participants, including 186 Malaysians.

Set in Bali, the marathon saw runners from 42 countries join the race. Amateurs and elite runners were treated to beautiful scenery and a rich cultural experience as they ran past crowds who performed Balinese dances and played traditional music.

At certain checkpoints, participants were also given the opportunity to make monetary contributions to support another BII CSR initiative, the Yayasan Bumi Sehat (YBS) in Gianyar-Bali. Founded by Robin Lim, this foundation focuses on providing medical services to local communities, especially

## CORPORATE RESPONSIBILITY

expecting mothers and infants. Total donations collected from the marathon amounted to Rp 200 million which were then presented to YBS for the construction of a new clinic.

Besides its healthcare services, YBS also runs its own organic garden, recycling activities and youth centre which offers free English and computer courses for underprivileged children.

### Health

#### Liver Transplant Centre, Selayang Hospital

Established in 2002, the Liver Transplant Centre in Selayang Hospital provides affordable liver transplants, thus allowing better healthcare access to those unable to afford the fees charged by the private hospitals in Malaysia and abroad. In 2002, we entered into a unique partnership with the Hospital to support the establishment and running of its liver transplant centre via a contribution of RM5 million. Since then, subsequent contributions have been made. In 2010, Maybank donated RM50,000 to the Centre under the (then) Tabung Kebajikan Kumpulan Maybank (TKKM) for the purchase of medical equipment.

As a show of continuing support, in 2012 the Maybank Foundation pledged RM150,000 to the Centre during the MMO Badminton and Golf, with a further RM12,000 being raised by the public. This fund will be used for the purchase and maintenance of a vehicle for organ procurement within Malaysia.



*Tan Sri Dato' Megat Zaharuddin visiting a patient at Hospital Selayang's Liver Transplant Center*

To date, the Centre has carried out 53 transplants. It is estimated that about six to ten patients undergo liver transplants at the Centre annually. With the support of Maybank Foundation, the number is expected to increase to 15 patients a year.

Over the years, Maybank has been actively involved in supporting public healthcare development, echoing our commitment to humanising financial services. Our aim is to help communities gain access to medical services and increase their overall quality of lifestyle.



*Maybankers from Group Human Capital teaching students from Harvest Centre how to garden*

### ENVIRONMENT

It is becoming increasingly urgent for the financial services industry to play a role in addressing the looming climate and resources crunch and the transition to a low carbon economy. We have studied our carbon impact closely and have committed to abiding by the Green Building Index (GBI) standards and guidelines at Menara Maybank.

Our carbon commitments are reflected in our participation in the Carbon Disclosure Project (CDP). CDP is the Global Standard for measurement and reporting of climate change information. CDP scorings indicate the level of a company's climate change mitigation efforts and provide investors with an analysis of an organisation's carbon management, risks, opportunities and emissions. In 2012, Maybank received a total score of 58, an improvement on the previous score of 37 in 2011.



Children from Hilla Community Centre showing off the solar cookers they made

## Maybank Kuala Lumpur Eco Film Festival

The Kuala Lumpur Eco Film Festival is the only green film festival in Malaysia. 2012 was the first year Maybank supported the initiative, which was held at the Experimental Theatre, Universiti Malaya on 12-14 October.

Centering on the promotion of sustainable living, festival activities included a showcase of local and international award-winning eco films, exhibitions, adults' and children's workshops and a number of exciting forums.

The year saw the addition of a musical element to the festival: the Green Vibes Stage which featured special performances by talented local Malaysian artists. The festival is an annual event that is perfect for the whole family.

Children from our Cahaya Kasih Challenge beneficiaries were invited to attend and participate in the workshops, and our own Maybank employees volunteered to help man the Maybank booth and organise the children's visits. Maybankers were encouraged to bring along their children to the festival to instil in them an awareness of the importance of preserving our environment.

Given the festival's potential to reach wider audiences, we hope to continue supporting this unique programme.

## Tiger Conservation in Malaysia

Since 2010, Maybank has been collaborating with the Malaysian Conservation Alliance for Tigers (MyCAT) to raise public awareness and support for tiger conservation efforts via a RM1.0 million grant. The objective of this initial funding was to support MyCAT's efforts to help maintain and enhance the wildlife corridor for tigers and other animals. In October 2012, the Maybank Foundation provided MyCAT with an additional grant of RM200,000 to continue its social outreach and awareness programmes for another year. The outreach programmes are mainly held for communities living nearby the three priority tiger conservation areas: the Belum-Temengor Complex, Taman Negara and the Endau-Rompin Complex.

Maybank employees have also joined MyCAT volunteers in helping to create awareness among schoolchildren and the public, in particular at SK Gua Musang and at the Gua Musang night market. In addition, community outreach programmes have been held at night markets in Pengkalan Hulu and Gerik, organised by TRAFFIC Southeast Asia. Through discussions, photos and poster exhibitions, many members of the public have been enlightened about the dangers of poaching which is one of the main reasons for the rapid decrease in the tiger population.

## WORKPLACE

Sustainability is very much about people. This is why we have aligned our Human Capital functions closely with our corporate responsibility goals, and nurture an inclusive workplace at all levels. If our employees are enthusiastic and connected at the workplace, it translates into a positive work environment.

### Employee Engagement

Employees thrive in an ethical, diverse and healthy environment. We have multi level engagement platforms to cater to our diverse employees. Communication and outreach channels foster an inclusive workplace, providing avenues for feedback and supporting employees. Through initiatives like the President's Innovative Awards, Trailblazer programme, and dialogues with leadership, we have encouraged bottom-up innovation and ideas, particularly for service-related changes.

### Leadership and Talent

We take the role of developing the skills and talent of employees seriously. Skilled employees become a talent pool that serve the organisation and also contribute to the economy of all the countries where we operate. Our multi level talent review platform has accelerated talent development and allowed for cross border movement among employees. We also work to ensure successful leadership transitions to develop the next generation of leaders.



## CORPORATE RESPONSIBILITY

### *Learning and Development*

Please see Group Human Capital, page 142, for details.

### *Safety, Health and Wellbeing*

We have a well developed framework for health, safety and wellbeing. The majority of Maybankers work in low risk environments and are not exposed to significant occupational health and safety hazards. Helping our staff understand and embark on a healthier lifestyle is one of our key priorities for employee wellness. We also encourage a work-life balance. While we do not have a written policy on flexible hours, it is allowed on a case by case basis.

## MARKETPLACE

Improving access to banking and encouraging financial inclusion are key elements of stewardship in the marketplace. Our aim is to provide fair, safe and affordable products and services. It is important that we are seen as accountable, transparent and a positive force in the economic growth of the countries in which we operate.

We continue to drive financial inclusion and work with governments to enhance access to basic banking services and affordable credit. We have the most extensive financial services network in Malaysia, with 401 branches and mobile banking services in remote areas. In 18 rural areas, we are the only bank. There are 16 disabled-friendly branches in Malaysia, and all 55 Maybank Philippines branches are wheelchair-accessible.

Apart from this, we have various housing loan schemes for low and middle-income earners, including a sustainable assistance programme for those living below the poverty line and those who are deemed to have a higher need for financial assistance. Maybank's "My First Home Scheme", backed by Cagamas, caters specifically to first-time home owners.

### *Responsible Lending*

Banking is an industry with relatively light direct impacts, but we can be exposed to significant impacts through the companies we finance. We recognise that our actions and those of our clients present a number of Environmental, Social and Governance (ESG) risks. Given these potential risks, we continually assess our lending in relation to sensitive sectors, and apply the appropriate lending appetite and review processes.

### *Supporting the Green Economy*

We participated in the Dow Jones Sustainability Index (DJSI) in 2012. DJSI is the first and one of the most widely used global indexes tracking the financial performance of leading sustainability-driven companies. The assessment is based on three main components: Economic, Environmental and Social. In 2012, the 40 largest companies by market value listed on Bursa Malaysia were invited to participate. It was the first time Maybank did so. Maybank received a total score of 60 out of 100 and was the only participating bank in Malaysia. In line with the Government's Green Technology Financing Scheme, we also promote green technology investments for business operations and processes.

### *Sustainable Sourcing*

In 2012, we established a strategic sourcing process to promote better access to high quality products and services, allowing for more sustainable procurement practices. Moving forward, we aim to carry out vendor performance assessments on our key vendors for sustainability assessments and feedback.

For more information, please refer to our **Sustainability Report 2012** or visit [www.maybankfoundation.com](http://www.maybankfoundation.com)



*Customers at a Maybank branch*

# INVESTOR RELATIONS

## THE GROUP'S INVESTOR RELATIONS ACTIVITIES CONTINUED TO FOCUS ON EFFECTIVE ENGAGEMENT WITH THE INVESTMENT COMMUNITY THROUGH VARIOUS COMMUNICATION CHANNELS.

In 2012, the Group's Investor Relations Programme enhanced its mandate by strengthening communication with the investment community and financial markets. Specifically, the objective of our investor communications was to provide greater visibility on our domestic and regional business capabilities, and market outlook. One initiative arising from this was the introduction of the Maybank Investor Days which provided opportunities for investors to obtain more information on business sectors and engage with key leaders from respective sectors. In 2012, the Group conducted three investor days covering: Community Financial Services, Global Banking and Maybank Singapore.

### HIGHLIGHTS

- Participated in roadshows and conferences and conducted Investor Days to enhance engagement with investors
- Updated the Group Investor Relations Policy for roll-out in 2013
- Maintained share register analysis to better understand our shareholders
- Attracted greater analyst coverage with higher proportion of positive recommendations and higher average target price
- Enhanced the investor relations section of the Group's new corporate website

### ANALYST BRIEFINGS

As in previous years, the Group's half year and full year results was presented by Senior Management at media and analyst briefings, with conference call facilities for overseas participants. First and third quarters results are usually conducted via conference calls with investors. The results announcements, presentations and other relevant documents were made available on the corporate website.

In addition to the results announcements, management conducted a conference call briefing with investors following the Group's private placement exercise in October 2012. The focus of the call was to highlight the Group's objective for the exercise and expected benefits from the capital raising.

Key events	Date
<b>Results Announcement</b>	
Second Quarter FP2011	23 February 12
First Quarter FY2012	25 May 12
Second Quarter FY2012	16 August 12
Third Quarter FY2012	9 November 12
<b>Other Events</b>	
Annual General Meeting for FP2011	29 March 12
Maybank Briefing on Private Placement Exercise	9 October 12



	2012	2011	2010
Results Announcement: Analyst briefings	2	2	2
Results Announcement: Teleconferences	4	2	2
Number of companies met (in-house meetings and roadshows)	251	238	233
Number of analysts/fund managers met (in-house meetings and roadshows)	332	325	281
Investor Day <sup>1</sup>	3	—	—
Investor conferences & Non-deal roadshows	5	6	5

<sup>1</sup> New initiative for 2012

## IN-HOUSE MEETINGS

Growing interest from the investment community has led to more requests for meetings with Senior Management. The Group met 332 analysts and fund managers from 251 companies, up 2.2% and 5.5% respectively from the year before.

## ROADSHOWS, CONFERENCES AND INVESTOR DAYS

To provide a better understanding of the Group's performance, development and future direction, we took part in local and international conferences and roadshows, including high profile events such as:

- UBS Malaysia Corporate Day in Hong Kong
- Invest Malaysia Kuala Lumpur 2012
- UBS Asean Investors' Conference in Singapore
- CLSA Investors' Forum 2012 in Hong Kong

At these events, Senior Management updated participants on the Group's performance, strategy and guidance for 2012. Maybank also conducted a non-deal roadshow in London and Edinburgh in November 2012, meeting with 27 fund management companies.

Venue	Event	Date	Organiser
Kuala Lumpur	Investor Day: Community Financial Services	8 March 2012	Maybank IR
Hong Kong	Malaysia Corporate Day	14-15 March 2012	UBS
Kuala Lumpur	Invest Malaysia Kuala Lumpur 2012	29-30 May 2012	Maybank Kim Eng
Kuala Lumpur	Investor Day: Global Wholesale Banking	14 June 2012	Maybank IR
Singapore	Investor Day: Singapore	3 September 2012	Maybank IR
Singapore	UBS Asean Conference	3-4 September 2012	UBS
Hong Kong	CLSA Investor's Forum 2012	10-12 September 2012	CLSA
London/Edinburgh	Maybank Group Non-Deal Roadshow	12-17 November 2012	Maybank Kim Eng

## AGM/EGM

Our 52nd Annual General Meeting was held on 29 March 2012.

## WEBSITE

The Maybank corporate website at [www.maybank.com](http://www.maybank.com) recorded increased hits and queries from both local and foreign visitors. One important initiative was the development of the new corporate website, which was launched in early 2013.

## SHARE REGISTER ANALYSIS

We conducted four Share Register analysis in 2012, where we obtained breakdowns of shareholders by profile, amount of shareholding, investment style and geographical location. This enabled better understanding of the Group's shareholders and facilitated the planning of investor programmes.

## CREDIT RATING

As part of our policy of providing both stakeholders and the public with an independent view of the Group, we continued to maintain credit ratings with five rating agencies: RAM Ratings, Malaysian Rating Corporation (MARC), Standard and Poor's (S&P), Fitch Ratings and Moody's Investors Services.

## ANALYST COVERAGE

As at December 2012, Maybank was covered by 30 research houses, with additional coverage by Daiwa Capital Markets, Morgan Stanley and Standard Chartered Bank. During the year, broader coverage by local and foreign sell-side equity research houses reflected greater interest in the Group.

No.	Research House	No.	Research House
1	Affin Securities	16	HwangDBS Vickers
2	Alliance Research	17	JP Morgan
3	AmResearch Sdn Bhd	18	KAF Seagroatt & Campbell
4	BNP Paribas	19	Kenanga Investment Bank
5	BOA Merrill Lynch	20	Macquarie
6	CIMB	21	MIDF Research
7	Citigroup	22	Morgan Stanley
8	CLSA Asia Pacific	23	Nomura Securities
9	Credit Suisse	24	OSK Research
10	Daiwa Capital Markets	25	RHB Research Institute
11	Deutsche Bank	26	Standard and Poor's
12	ECM Libra Avenue	27	Standard Chartered
13	Goldman Sachs	28	TA Securities
14	Hong Leong Investment Bank	29	UBS Securities
15	HSBC	30	UOB Kay Hian

### Analyst Recommendations

We received 15 Buy calls compared to 14 last year and Maybank's average target price was raised from RM8.96 to RM9.62, an increase of 7.4%.



# Serving up tailor made solutions for your every need

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We empower our customers with innovative financial solutions tailored to their specific needs because we believe no two clients are exactly alike. Our people collaborate with product specialists across the Maybank Group to offer clients a full suite of services.







# BOARD OF DIRECTORS

*from left to right:*

*Alistair Maitland, Dato' Seri Ismail Shahudin, Zainal Abidin Jamal, Dato' Johan Ariffin,  
Dato' Mohd Salleh Haji Harun, Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor*





*from left to right:*

*Dato' Sri Abdul Wahid Omar, Tan Sri Datuk Dr. Hadenan A. Jalil, Dato' Dr. Tan Tat Wai, Cheah Teik Seng, Erry Riyana Hardjapamekas, Mohd Nazlan Mohd Ghazali (General Counsel & Company Secretary), Datuk Mohaiyani Shamsudin*

# BOARD OF DIRECTORS PROFILE



from left to right:

- Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor
- Dato' Sri Abdul Wahid Omar
- Dato' Mohd Salleh Hj Harun

## *Non-Independent Non-Executive Director (Chairman)*

- (64 years of age - Malaysian)
- B.Sc (Hons) in Mining Engineering, Imperial College of Science & Technology, University of London; Associate of the Royal School of Mines, UK

## **TAN SRI DATO' MEGAT ZAHARUDDIN MEGAT MOHD NOR**

Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor was appointed as a Director and Chairman of Maybank on 1 October 2009. He was an Independent Non-Executive Director of Maybank from July 2004 to February 2009.

He built an outstanding career in the oil and gas industry for 31 years with the Royal Dutch Shell Group of Companies and was a Regional Business Chief Executive Officer and Managing Director, Shell Exploration and Production B.V. prior to his retirement in early 2004. He was also the Chairman of Maxis Communications Berhad from January 2004 to November 2007, Etiqa Insurance & Takaful from January 2006 until February 2009, Malaysian Rubber Board from February 2009 to May 2010, Director of Capital Market Development Fund from January 2004 to January 2010 and Director of Woodside Petroleum Ltd, a company listed on the Australian Securities Exchange, from December 2007 to April 2011.

His current directorships in companies within the Maybank Group include being Chairman of Maybank Investment Bank Berhad and President Commissioner of PT Bank Internasional Indonesia Tbk. He is also a Director of the ICLIF Leadership and Governance Centre, Malaysia.

He attended all 18 Board meetings held in the financial year ended 31 December 2012.

Tan Sri Dato' Megat Zaharuddin has no family relationship with any director and is a nominee of Permodalan Nasional Berhad, a major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.

### Independent Non-Executive Director (Vice Chairman)

- (68 years of age - Malaysian)
- Member of the Malaysian Institute of Certified Public Accountants; Fellow of the Institute of Bankers Malaysia

## DATO' MOHD SALLEH HJ HARUN

Dato' Salleh was appointed as a Director and Vice Chairman of Maybank on 18 November 2009. He serves as Chairman of the Nomination and Remuneration and Employee Share Scheme Committees of the Board.

He started his career as a Senior Accountant with the Treasury between 1971 and 1974 prior to joining the Maybank Group in 1974 as Investment Manager in Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad), before moving to Bank Rakyat for a short stint in 1978. Thereafter, Dato' Salleh returned to the Maybank Group where he served in various senior capacities culminating as Executive Director of Maybank from 1994 to 2000. He was then appointed as a Deputy Governor of Bank Negara Malaysia, a post he held up to 2004. Since then, he had held directorships in the RHB Group including as Chairman of RHB Insurance Berhad until November 2009.

His current directorships in companies within the Maybank Group include being Chairman of Maybank Ageas Holdings Berhad, Etiqa Insurance Berhad, Etiqa Takaful Berhad and Maybank Philippines Inc. He is also a Director of Scicom (MSC) Berhad, Asia Capital Reinsurance Malaysia Sdn Bhd and FIDE Forum.

He attended 15 out of the 18 Board meetings held in the financial year ended 31 December 2011.

Dato' Salleh has no family relationship with any director and/or major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.

### Non-Independent Executive Director (President & Chief Executive Officer)

- (49 years of age - Malaysian)
- Fellow of the Association of Chartered Certified Accountants (UK); Member of the Malaysian Institute of Accountants

## DATO' SRI ABDUL WAHID OMAR

Dato' Sri Abdul Wahid Omar was appointed as the President & CEO and Executive Director of Maybank on 1 May 2008. He serves as Chairman of the Group Executive Committee and as a member of the Credit Review Committee of the Board.

Prior to joining Maybank, he was the Group CEO of Telekom Malaysia Berhad (prior to its demerger with Axiata Group Berhad) from July 2004 to April 2008. He was also formerly the Managing Director/Chief Executive Officer of the UEM Group Berhad and UEM World Berhad as well as the Executive Vice Chairman of PLUS Expressways Berhad. This was preceded by serving at Telekom Malaysia Berhad as the Chief Financial Officer in 2001. He was previously a Director of Group Corporate Services cum Divisional Director, Capital Market & Securities of Amanah Capital Partners Berhad, Chairman of Amanah Short Deposits Berhad as well as a Director of Amanah Merchant Bank Berhad and several other financial services companies.

His current directorships in companies within the Maybank Group include as Director of Maybank Ageas Holdings Berhad, Maybank Investment Bank Berhad and PT Bank Internasional Indonesia Tbk. His directorships in other companies include as Chairman of Malaysia Electronic Payment System Sdn Bhd and as Director of Cagamas Holdings Berhad.

Dato' Sri Abdul Wahid Omar is also currently the Chairman of the Association of Banks in Malaysia, Vice Chairman of the Institute of Banks Malaysia, and a member of Investment Panel of Lembaga Tabung Haji and Kumpulan Wang Persaraan (KWAP).

He attended all 18 Board meetings held in the financial year ended 31 December 2012.

Dato' Sri Abdul Wahid Omar has no family relationship with any director and/or major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.

## BOARD OF DIRECTORS PROFILE

### Independent Non-Executive Director

- (67 years of age - Malaysian)
- PhD, Henley Management College, UK;  
Master of Business Management, Asian Institute of Management, Philippines; Bachelor of Economics, University of Malaya

### TAN SRI DATUK DR HADENAN A. JALIL

Tan Sri Datuk Dr Hadenan A. Jalil was appointed as a Director of Maybank on 15 July 2009. He serves as Chairman of the Audit Committee and as a member of the Nomination and Remuneration, and Employee Share Scheme Committees of the Board.

Tan Sri Datuk Dr Hadenan A. Jalil was the Auditor General from 2000 to 2006. He served the Government for 36 years in various capacities in the Treasury, the Ministry of International Trade and Industry and the Ministry of Works prior to his appointment as Auditor General.

His current directorship in companies within the Maybank Group includes as Director of Maybank Islamic Berhad. He is also Chairman of ICB Islamic Bank Ltd (Bangladesh), Protasco Berhad and its subsidiary, PNB Commercial Sdn Bhd and its subsidiaries and THP Sinar Sdn Bhd. In addition, he sits on the boards of Unilever (Malaysia) Holdings Sdn Bhd and University Tun Abdul Razak Sdn Bhd as well as being a member of the Audit Committee, Johor Corporation.

He attended 15 out of the 18 Board meetings held in the financial year ended 31 December 2012.

Tan Sri Datuk Dr Hadenan has no family relationship with any director and/or major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.

### Independent Non-Executive Director

- (62 years of age - Malaysian)
- Bachelor of Economics, University of Malaya

### DATO' SERI ISMAIL SHAHUDIN

Dato' Seri Ismail Shahudin was appointed as a Director of Maybank on 15 July 2009. He serves as Chairman of the Credit Review Committee of the Board.

He was Chairman of Bank Muamalat Malaysia Berhad from 2004 until his retirement in July 2008. He has held senior positions in Citibank, serving both in Malaysia and New York, United Asian Bank and Maybank where he was appointed Executive Director in 1997. He left Maybank in 2002 to assume the position of Group Chief Executive Officer of MMC Corporation Berhad.

His current directorships in companies within the Maybank Group include as Chairman of Maybank Islamic Berhad and as Director of MCB Bank Limited, Pakistan. He is also a director of several public listed companies which include Nadayu Properties Berhad (formerly known as Mutiara Goodyear Development Berhad), SMPC Corporation Berhad, EP Manufacturing Berhad, Opus International Consultants Ltd and Aseana Properties Limited, a company listed on the London Stock Exchange.

He attended 16 out of the 18 Board meetings held in the financial year ended 31 December 2012.

Dato' Seri Ismail Shahudin has no family relationship with any director and/or major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.



### Independent Non-Executive Director

- (66 years of age – Malaysian)
- PhD in Economics, Harvard University, USA;  
Master of Economics, University of Wisconsin  
(Madison), USA; Bachelor of Science in Electrical  
Engineering & Economics, Massachusetts Institute of  
Technology, USA

## DATO' DR TAN TAT WAI

Dato' Dr Tan Tat Wai was appointed as a Director of Maybank on 15 July 2009. He serves as Chairman of the Risk Management Committee and as a member of the Nomination and Remuneration, and Employee Share Scheme Committees of the Board.

He started his career with Bank Negara Malaysia in 1978, undertaking research in economic policies. Subsequently, he assumed the role of a consultant to Bank Negara Malaysia, World Bank and the United Nations University for several years. He served as the Secretary and a member on the Council of Malaysian Invisible Trade, set up to formulate policies to reduce Malaysia's deficit in service trade. He was a member of the Government appointed Malaysian Business Council, the Corporate Malaysia Roundtable, the Penang Industrial Council, the Industrial Co-ordination Council (ICC) and the National Committee on Business Competitiveness (NCBC) set up by the Ministry of International Trade and Industry. He represented Malaysia as a member of the APEC Business Advisory Council (ABAC) and sat on the Council of Wawasan Open University.

Within the Maybank Group, he is a Director of Maybank Trustees Berhad. He is the Group Managing Director of Southern Steel Berhad, a post he has held since December 1993. He also sits on the Boards of Shangri-La Hotels (M) Bhd, Titan Chemicals Corp Sdn Bhd, NSL Ltd, a plc in Singapore and Starglow Investments Ltd, and among several other private limited companies. He is also the President of the not-for-profit Lam Wah Ee Hospital.

He attended all 18 Board meetings held in the financial year ended 31 December 2012.

Dato' Dr Tan has no family relationship with any director and/or major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.



from left to right:

- Tan Sri Datuk Dr Hadenan A. Jalil
- Dato' Dr Tan Tat Wai
- Dato' Seri Ismail Shahudin



## BOARD OF DIRECTORS PROFILE

### *Non-Independent Non-Executive Director*

- (59 years of age - Malaysian)
- LL.B (Honours), University of Singapore

### **ZAINAL ABIDIN JAMAL**

Zainal Abidin Jamal was appointed as a Director of Maybank on 22 July 2009. He serves as a member of the Credit Review, Nomination and Remuneration, and Employee Share Scheme Committees of the Board.

He is a practising corporate and commercial lawyer and established his firm, Zainal Abidin & Co in 1987, where he is the Founder and Senior Partner. He was enrolled as an Advocate & Solicitor of the High Court of Malaya in 1986. Between 1983 and 1986, he served as the Company Secretary of Harrisons Malaysian Plantations Berhad. Prior to that, he had practised in Singapore where he was enrolled in 1980 as an Advocate and Solicitor of the Supreme Court of Singapore and had also served as a First Class Magistrate in Brunei Darussalam.

His current directorships in companies within the Maybank Group include as Chairman of Maybank Trustees Berhad and Director of Etiqa Insurance Berhad, Etiqa Takaful Berhad, and Maybank Islamic Berhad. He also serves on the Boards of Lam Soon (M) Berhad, Kesas Holdings Berhad, PNB Asset Management (Japan) Co Ltd, PNB International Limited and PNB-SBI ASEAN Gateway Investment Management Limited.

He attended all 18 Board meetings held in the financial year ended 31 December 2012.

Zainal Abidin Jamal has no family relationship with any director and is a nominee of Permodalan Nasional Berhad, a major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.



*from left to right*  
• Zainal Abidin Jamal  
• Alistair Maitland  
• Cheah Teik Seng

### Independent Non-Executive Director

- (71 years of age - Australian)
- Degree in Commerce from Victoria University, NZ; AMP Graduate, Harvard Business School, USA

## ALISTER MAITLAND

Alister Maitland was appointed as a Director of Maybank on 26 August 2009. He serves as a member of the Nomination and Remuneration, Risk Management and Employee Share Scheme Committees of the Board.

In his career spanning 35 years in Australia, New Zealand and the UK, he has held many key roles within the ANZ Banking Group Ltd including that of Chief Economist and Managing Director of ANZ New Zealand. In his last six years with the ANZ Group, he served on the main board of ANZ Bank as Executive Director International, directly responsible for ANZ Group's operations in 42 countries. His current directorship within the Maybank Group includes as Chairman of Maybank (PNG) Ltd. He is also a director of Rex Minerals Ltd, a company listed on the Australian Stock Exchange.

He attended 17 out of the 18 Board meetings held in the financial year ended 31 December 2012.

Alister Maitland has no family relationship with any director and/or major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.

### Independent Non-Executive Director

- (59 years of age - Malaysian)
- Bachelor of Science, University of Manchester, UK;
- Fellow of the Institute of Chartered Accountants in England and Wales

## CHEAH TEIK SENG

Cheah Teik Seng was appointed as a Director of Maybank on 26 August 2009. He serves as a member of the Audit and Risk Management Committees of the Board.

As a federal government Public Services Department scholarship holder, he served in the civil service in the early '80s. After leaving government service, he took on various roles in the banking and financial services industry both locally as well as in London, Hong Kong and Singapore. He held positions in Public Bank, Chase Manhattan Bank, Merrill Lynch, Goldman Sachs, UBS, and in BNP Paribas holding the position of Managing Director for a tenure of nine years. He was appointed as CEO-designate of ECM Libra Avenue Group in 2006. He is currently a Director and partner of Aktis Capital Singapore Pte Ltd.

His current directorships in companies within the Maybank Group include as Chairman of Maybank Cambodia Ltd, Maybank Kim Eng Holdings Ltd, Maybank Ventures Sdn Bhd, Maybank Venture Capital Company Sdn Bhd, Maybank Agro Fund Sdn Bhd, as well as Director of Maybank Investment Bank Berhad.

Cheah Teik Seng sits on the boards of Kumpulan Wang Persaraan (KWP) and of various private equity companies in Hong Kong, China and Malaysia. He is also an Independent Non-Executive Director of two hedge funds.

He attended all 18 Board meetings held in the financial year ended 31 December 2012.

Cheah Teik Seng has no family relationship with any director and/or major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.

## BOARD OF DIRECTORS PROFILE

### Independent Non-Executive Director

- (53 years of age - Malaysian)
- B.A. Economics, Indiana University, USA; MBA, University of Miami, USA

### DATO' JOHAN ARIFFIN

Dato' Johan Ariffin was appointed as Director of Maybank on 26 August 2009. He serves as a member of the Audit and Credit Review Committees of the Board.

He started his career in the real estate division of Citibank. Thereafter, he held various senior positions in several subsidiaries of public listed companies while venturing into his own successful marketing and advertising consultancy and property development business. He then headed Danaharta's Property Division as Senior General Manager before moving on to head TTDI Development Sdn Bhd up to January 2009.

His current directorships in companies within the Maybank Group include as Chairman of Maybank International (L) Limited and Maybank International Trust (L) Ltd as well as Director of Maybank Ageas Holdings Berhad, Etiqa Insurance Berhad and Etiqa Takaful Berhad. He is currently also Chairman of Mitraland Properties Sdn Bhd and Director of Sime Darby Property Berhad, and a National Council member of the Real Estate Housing Developers' Association Malaysia (REHDA).

He attended 17 out of the 18 Board meetings held in the financial year ended 31 December 2012.

Dato' Johan Ariffin has no family relationship with any director and/or major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.

### Independent Non-Executive Director

- (64 years of age - Malaysian)
- MBA (Finance) Cornell University, Ithaca, New York, USA; BA (Economics) Knox College, Galesburg, Illinois, USA

### DATUK MOHAIYANI SHAMSUDIN

Datuk Mohaiyani was appointed as Director of Maybank on 22 August 2011. She serves as a member of the Credit Review Committee of the Board.

She was with Amanah Chase Merchant Bank Berhad and Seagrott & Campbell Sdn Bhd before starting her own stockbroking company Mohaiyani Securities Sdn Bhd in 1985 and assumed the role of Managing Director. During her active involvement in the stockbroking industry, she was appointed as Deputy Chairman of Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Bhd) and Chairman of Association of Stockbroking Companies Malaysia. She had also been appointed as a member of several high level national working groups such as National Economic Action Council (NEAC), National Economic Consultative Council II (MAPENII), National Information Technology Council (NITC), Ministry of Finance High Level Finance Committee for Corporate Governance and National Advisory Council for Women, Ministry of Women, Family and Community Development.

Her current directorship in companies within the Maybank Group includes as Chairman of Maybank Asset Management Group Berhad (formerly known as Aseamlease Berhad) and Maybank Asset Management Sdn Bhd (formerly known as Mayban Investment Management Sdn Bhd) as well as Director of Maybank Investment Bank Berhad and Maybank Ventures Sdn Bhd. At present, she serves as a director of Capital Market Development Fund as well being a member and trustee of National Heart Institute Foundation, NUR Foundation and Perdana Leadership Foundation.

She attended 17 out of the 18 Board meetings held in the financial year ended 31 December 2012.

Datuk Mohaiyani Shamsudin has no family relationship with any director and/or major shareholder of Maybank. She has no conflict of interest with Maybank and has never been charged for any offence.



from left to right  
• Dato' Johan Ariffin  
• Datuk Mohaiyani Shamsudin

### Independent Non-Executive Director

- (63 years of age - Indonesian)
- Bachelor's Degree in Economics/Accounting, Padjadjaran University, Bandung, Indonesia; Financial Management Course, Harvard Business School, USA

### ERRY RIYANA HARDJAPAMEKAS

Erry Riyana Hardjapamekas was appointed as a Director of Maybank on 25 June 2012. He also serves as a member of the Audit Committee of the Board.

He has altogether more than 30 years of working experience. His main expertise is in the field of general and financial management where he had spent a total of 12 years, including 4 years as the Finance Director of PT Timah before his appointment as the President Director of PT Timah Tbk in March 1994, a position he held for 8 years. In the banking industry, he was the President Commissioner of PT Bank BNI Tbk from February 2008 to May 2009, and prior to that, his contribution to Indonesia's capital markets had led to his election as a member of the Board of Commissioners of the Jakarta Stock Exchange in 1996 and as President Commissioner from March 1998 to April 2001. Mr. Erry had also been selected as a Commissioner and Vice Chairman of Corruption Eradication Commission of the Republic of Indonesia in 2003, a position he held until 2007. He was subsequently the Chairman of the National Team of Military Business Transfer from 2008 to 2009, followed by his appointment as a member of Selection Committee of Commissioners of Corruption Eradication Commission in 2010 and 2011. Additionally, since 2011, he has been the Chairman of Independent Team of National Bureaucracy Reform.

Erry Riyana is currently an Independent Commissioner of PT ABM Investama Tbk, PT Hero Supermarket Tbk, PT Tirta Investama/Danone Aqua as well as PT Weda Bay Nickel.

He attended all 10 Board meetings in the financial year ended 31 December 2012 since his appointment on 25 June 2012.

Erry Riyana has no family relationship with any director and/or major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.

### General Counsel & Company Secretary

### MOHD NAZLAN MOHD GHAZALI

Mohd Nazlan is the General Counsel & Company Secretary of Maybank, and is also its Head of Corporate & Legal Services. He graduated with a Bachelor of Arts in Jurisprudence as well as Master of Arts, both from the University of Oxford. He is also a Barrister at Law (Lincoln's Inn) and an Advocate & Solicitor of the High Court of Malaya.

He was a Partner and Head of Equity Capital Markets at Zaid Ibrahim & Co, specialising mainly on corporate, financial services and securities law matters, particularly in respect of corporate transactions such as capital raisings and M&As before joining Maybank in 2005. Prior to that, he was with the Securities Commission of Malaysia (SC) for about 7 years until 2000 and his last position was the General Manager of the Enforcement Division, with overall responsibility over the investigation, prosecution and complaints departments. He had also earlier served the Executive Chairman's Office and the Issues & Investment Division whilst at the SC. Mohd Nazlan started his working career in 1991 at Messrs Shook Lin & Bok, handling corporate, conveyancing and banking law matters.



• Mohd Nazlan Mohd Ghazali  
• Erry Riyana Hardjapamekas



# GROUP EXECUTIVE COMMITTEE



from left to right

• Dato' Sri Abdul Wahid Omar

• Mohamed Rafique Merican bin Mohd Wahiduddin Merican

## DATO' SRI ABDUL WAHID OMAR

- Age 49

*President & CEO*

Dato' Sri Abdul Wahid Omar has helmed Maybank Group as its President & CEO since May 2008.

### EXPERIENCE

Dato' Sri Abdul Wahid has extensive track record in corporate and financial management beginning with Bumiputra Merchant Bankers Berhad from January 1988 to April 1991, Kumpulan FIMA Berhad from April 1991 to August 1994 and Amanah Capital Group from August 1994 to February 2001. He also served as Chief Financial Officer of Telekom Malaysia Berhad from March to September 2001 before his appointment as Managing Director/CEO of UEM Group (and subsequently as Executive Vice Chairman of PLUS Expressways Berhad) from October 2001 to June 2004. Dato' Sri Wahid returned to Telekom Malaysia as its Group CEO in July 2004 and helmed the Group until its demerger exercise with TM International Berhad (now known as Axiata Group Berhad) in April 2008.

### RESPONSIBILITY

Dato' Sri Abdul Wahid is responsible for driving the overall management and growth of the Group.

### QUALIFICATION

Fellow of the Association of Chartered Certified Accountants, United Kingdom. Chartered Member of the Malaysian Institute of Accountants.

### COMMITTEE MEMBERSHIP/APPOINTMENTS

Dato' Sri Abdul Wahid is a Board member of Maybank Ageas Holdings Berhad, Maybank Investment Bank Berhad and PT Bank Internasional Indonesia Tbk. He is also the Chairman of The Association of Banks in Malaysia and Malaysian Electronic Payment System Sdn Bhd (MEPS), as well as a Director of Cagamas Holdings Berhad. In addition to that, he is the Vice Chairman of Institute of Bankers Malaysia and member of the Investment Panels of Kumpulan Wang Persaraan (KWAP) and Lembaga Tabung Haji.



## MOHAMED RAFIQUE MERICAN BIN MOHD WAHIDUDDIN MERICAN

- Age 47

*Group Chief Financial Officer*

Mohamed Rafique Merican has been the Group Chief Financial Officer since 1 June 2012.

### EXPERIENCE

He has more than 20 years of experience in the corporate sector, including five years as Chief Financial Officer of Tenaga Nasional Berhad (TNB) and Malakoff Berhad. Prior to joining TNB in 2009, he served at Radicare (M) Sdn Bhd, the facilities management concessionaire for hospitals in Klang Valley, Selangor, Kelantan, Terengganu and Pahang as its Chief Operating Officer initially and subsequently as its Chief Executive Officer. He also held corporate finance and advisory roles with Amanah Capital Group and Bumiputra Merchant Bankers Berhad in the early part of his career.

### RESPONSIBILITY

Rafique is responsible for the Group's financial, capital and funding management. He oversees Finance & Treasury Operations, Management Reporting & Business Planning, Group Strategy Management, Corporate Finance & Capital Management, Central Funding, Enterprise Information Management, Corporate Remedial Management, Strategic Procurement, Finance Centre of Excellence and Property, Security & Valuation.

### QUALIFICATION

Fellow Member of the Association of Chartered Certified Accountants (ACCA), United Kingdom. Chartered Accountant of the Malaysian Institute of Accountants.

### COMMITTEE MEMBERSHIP/APPOINTMENTS

Member of Malaysia Advisory Committee of Chartered Certified Accountants (ACCA) Malaysia.

## GROUP EXECUTIVE COMMITTEE



from left to right

- Datuk Lim Hong Tat
- Datuk Abdul Farid Alias
- Dr. John Lee Hin Hock

### DATUK LIM HONG TAT

- Age 54

**Deputy President**

**Head, Community Financial Services**

Datuk Lim Hong Tat is the Deputy President and Head of Community Financial Services.

#### EXPERIENCE

Being a Maybank scholar, he joined the bank upon graduation in 1981. He has 30 years of experience covering all aspects of banking, having managed branches, regional banking, credit cards and international banking operations including holding senior management positions as Director/President and CEO of Maybank Philippines Inc, Head of International Banking and Head of Consumer Banking in Maybank Group.

#### RESPONSIBILITY

As Head of Community Financial Services, he is responsible for the overall management and performance of the Bank's SME, Business Banking and Consumer segments as well as sales and distribution. This covers community banking, product innovation and industrialisation, customer segmentation, virtual banking, wealth management and payment services, sales and distribution and business strategy, as well as planning and development.

#### QUALIFICATION

Bachelor of Economics (Business Administration) (Hons), University of Malaya. Diploma in Marketing & Selling Bank Services, International Management Centre.

#### COMMITTEE MEMBERSHIP/APPOINTMENTS

He is a Director of Credit Bureau Malaysia Sdn Bhd.

## DATUK ABDUL FARID ALIAS

- Age 45

**Deputy President**

**Head, Global Banking**

Datuk Abdul Farid Alias was appointed as Deputy President & Head, Global Banking (formerly Global Wholesale Banking) of Maybank Group on 1 July 2010.

### EXPERIENCE

Datuk Farid has over 20 years of experience in investment banking and capital markets, having served with various merchant and investment banks such as Aseambankers Malaysia Berhad from 1992 to 1994, Schroders from 1994 to 1995, Malaysia International Merchant Bankers Berhad from 1996 to 1997, and JPMorgan from 1997 to 2005. He was attached to Khazanah Nasional Berhad from 2005 to 2008 as Director of Investments. In Khazanah, he sat on the Board of Commissioners/Directors of several publicly listed companies.

### RESPONSIBILITY

His areas of responsibility comprise corporate banking, investment banking, transaction banking, client coverage, asset management and global markets, which form the businesses under Global Banking. In addition, he is also responsible for international business.

### QUALIFICATION

Bachelor of Science in Accounting, Pennsylvania State University, University Park, USA and Masters in Business Administration, Finance, Denver University, USA.

### COMMITTEE MEMBERSHIP/APPOINTMENTS

He is currently a member of the Boards of Directors of Maybank Investment Bank Berhad, Maybank Philippines Incorporated, Maybank International Labuan Limited, Kim Eng Holdings Ltd., MCB Bank Ltd Pakistan and Maybank Asset Management Sdn Bhd.

## DR. JOHN LEE HIN HOCK

- Age 47

**Group Chief Risk Officer**

Dr. Lee was appointed Group Chief Risk Officer in January 2011.

### EXPERIENCE

Dr. Lee was previously with Amanah Merchant Bank and the Kuala Lumpur Options and Financial Futures Exchange (KLOFFE). Prior to his appointment in Maybank, he served in financial services consulting and advisory, where he was a partner with KPMG Business Advisory for the past 13 years, assisting numerous financial institutions across the Asia Pacific markets. He has in-depth financial industry and risk management expertise with a specialisation in Islamic finance, business strategy, risk management and performance management, which are an asset to the Maybank Group, in particular embedding international standard risk practices across the Maybank Group.

### RESPONSIBILITY

Dr. Lee is responsible for credit and risk management across the Group.

### QUALIFICATION

Bachelor of Economics, Monash University, Australia. Doctorate of Philosophy in Economics, Monash University, Australia. Fellow Certified Practising Accountant of the Australian Society of CPAs. Member of the American Finance Association, Econometrics Society and Society of Financial Studies.

### COMMITTEE MEMBERSHIP/APPOINTMENTS

Dr. Lee was a member of the Liquidity Risk Management Working Group and the Risk Management Working Group of the Islamic Financial Services Board ("IFSB"), an international standard setting body of central banks and monetary agencies set up to ensure the stability of the Islamic financial services industry. He was appointed to the Monash University (Malaysian Branch) School of Business Advisory Board on 23 November 2011.

## GROUP EXECUTIVE COMMITTEE



from left to right

• Geoff Stecyk

• Nora Abd Manaf

• Tengku Dato' Zafrul Tengku Abd Aziz

### NORA ABD MANAF

- Age 49

*Senior Executive Vice President  
Head, Group Human Capital*

Nora Abd Manaf is Senior Executive Vice President and Head of Group Human Capital.

#### EXPERIENCE

Prior to joining Maybank, she was with Standard Chartered Group for over 9 years, where her last held position was the Head of Human Resources, Scope International (a wholly owned subsidiary of Standard Chartered UK Plc). Prior to that, she was part of a 7-member merger and alignment team seconded by StanChart to PermataBank Indonesia, to prepare the organisation for the full divestment of remaining shares held by the government of Indonesia and achievement of the Business Strategy for the bank within the StanChart Group. Her position there was Executive Vice President, Strategic Initiatives. She has experience in getting a government-cultured organisation of over 15,000 employees to be ready to be fully performance-based system and meeting Standard Chartered Bank's performance and work culture requirements, all within a comparatively tough environment characterised by the complexities of high Union participation and a highly participative and demonstrative culture. Other roles in Standard Chartered Group included a leadership development role in London as well as in Hong Kong on integration work post SCB acquisition of Chase Retail bank then.

Prior to Standard Chartered, she was with several multinationals and large local organisations across several sectors including telecommunications in Maxis and semiconductor in Intel.

#### RESPONSIBILITY

Nora leads the People aspects of the ambitious transformation of the Maybank Group over the last 4 years.

#### QUALIFICATION

Nora is a qualified Chartered Accountant, and is registered with the Malaysian Institute of Accountants (MIA). Nora also holds a post-grad certification in Human Resource Development from Cornell University, and is a Gallup Strengths Level II Coach.

#### COMMITTEE MEMBERSHIP/APPOINTMENTS

Nora is also actively engaged in the country's financial and business employers' circles in her roles which include Chairman of the MCBA (Malayan Commercial Banks' Association), Chairman of the Human Resource Management and Development Group (HRMDG) under the sponsorship of Institut Bank-Bank Malaysia (IBBM) and Bank Negara Malaysia (BNM), Council Member of the Malaysian Employers Federation (MEF), as well as a Member of the country's National Labour Advisory Council (NLAC).

Nora was also this year elected into the HR 50 World Top 50 Human Resource Professionals. Nora accepts a few speaking invitations annually, and has presented in forums in Malaysia, UK, Japan, India, Singapore, Indonesia, China and Hong Kong.

Last year, Nora was invited to be one of the Faculty speakers at the 28th Top Management Forum on Corporate Strategies for Driving Sustainability in the Asia-Pacific, organised by the Asian Productivity Organisation (APO) in collaboration with the Ministry of Economy, Trade and Industry of Japan and the Japan Productivity Center. This was held at the Kyoto International Conference Center in Kyoto.

## GEOFF STECYK

- Age 43

*Head, Enterprise Transformation Services*

Geoff Stecyk has been the Head of Enterprise Transformation Services since 1 July 2010.

### EXPERIENCE

He joined Maybank in November 2008 as Chief Transformation Officer leading the LEAP30 Performance Improvement Programme. Prior to joining Maybank, he was National Head of Bancassurance with American International Assurance (AIA) China from 2006 to 2008. Prior to that, he was Executive Vice President, Business Integration with Southern Bank Berhad from 2001 to 2004. He was involved in the transformation of the bank which covered all major areas of retail and SME banking with an emphasis on driving immediate earnings growth to fund the structural transformation over the medium term.

### RESPONSIBILITY

He strategises, directs and drives the enterprise operations of the House of Maybank having created a platform comprising Information Technology, Operations and Service Quality that supports the Group's long-term strategic objectives. He is also responsible for the Regional IT Transformation Programme and Operations Transformation to create the regional IT and operations platform for the Group.

### QUALIFICATION

Bachelor of Commerce (Marketing/Finance), University of Alberta, Canada.

### COMMITTEE MEMBERSHIP/APPOINTMENTS

Geoff is currently a member of the Financial Institution Steering Committee, Bank Negara Malaysia.

## TENGKU DATO' ZAFRUL TENGKU ABD AZIZ

- Age 39

*Group Chief Executive of Maybank Kim Eng and Director of Maybank Kim Eng Holdings Limited Chief Executive Officer, Maybank Investment Bank Bhd*

Tengku Dato' Zafrul Tengku Abdul Aziz was appointed Chief Executive Officer of Maybank Investment Bank in June 2010, and appointed Group Chief Executive of Maybank Kim Eng in 2011.

### EXPERIENCE

Tengku Dato' Zafrul has wide investment banking and corporate experience, having served in leadership positions in key institutions over the last 14 years. As CEO of Maybank Investment Bank, he is responsible for leading Maybank's regional investment banking business to new heights, following the merger with Kim Eng Holdings Limited.

He was the Group Director of K & N Kenanga Holdings Berhad, a board member of Kenanga Investment Bank Berhad, Kenanga Capital Sdn Bhd and Capital Investment Bank (Labuan) Limited. He also previously served as CEO of Tune Money Sdn Bhd, Head of Investment Banking in Citigroup Malaysia, Group Managing Director of ECM Avenue Berhad and CEO of Avenue Securities.

### RESPONSIBILITY

Tengku Dato' Zafrul is responsible for the growth and profitability of Maybank Investment Bank and also Maybank Kim Eng regionally.

### QUALIFICATION

BSc (Hons) in Economics and Accounting, Bristol University, United Kingdom. Master of Finance & Economics, Exeter University, United Kingdom.

### COMMITTEE MEMBERSHIP/APPOINTMENTS

Tengku Dato' Zafrul is President of the Kuala Lumpur Business Club and a council member of the Advisory Board to the Faculty of Business & Accounting, Malaysia. Recently, he was appointed as Chairman of SIFE Malaysia, a non-profit organisation aimed at grooming university students into future leaders, and also a Board member of the Malaysian Investment Development Authority (MIDA).



## GROUP EXECUTIVE COMMITTEE



from left to right  
• Muzaffar Hisham  
• Hans De Cuyper  
• Dato' Khairussaleh Ramli

### MUZAFFAR HISHAM

- Age 40

**Head Islamic Banking**

**Chief Executive Officer, Maybank Islamic Berhad**

Muzaffar Hisham is currently the Chief Executive Officer of Maybank Islamic Berhad effective 30 March 2011 and Head of the Group Islamic Banking Division.

#### EXPERIENCE

Muzaffar has collectively 18 years of experience in the banking and financial services. He started his career in Asian International Merchant Bankers Berhad in the Corporate Banking Division. He later joined Amanah Merchant Bank Berhad and Amanah Short Deposits Berhad where he was involved extensively in Corporate Debt and Financing businesses from debt syndication to advising on private debt securities. He was also involved in various debt and corporate restructuring exercises during the 1997 / 1998 financial crisis.

During his tenure in CIMB Investment Bank and HSBC Amanah, he was involved in the investment banking business.

Prior to joining Maybank, he was the Deputy Chief Executive Officer of CIMB Islamic Bank Berhad. He was previously a member of the Board of Directors of CIMB Insurance Brokers Sdn Bhd.

#### RESPONSIBILITY

He is responsible in managing and setting the various key strategies for the overall Group Islamic Banking business.

#### QUALIFICATION

Bachelor of Science (Hons) in Economics and Accounting, University of Bristol, United Kingdom.

#### COMMITTEE MEMBERSHIP/APPOINTMENTS

Muzaffar is the Chairman, Standards Committee, Association of Islamic Banking Institutions Malaysia (AIBIM).

## HANS DE CUYPER

- Age 44

*Head, Insurance & Takaful*

*Chief Executive Officer of Maybank Ageas Holdings Berhad*

Hans De Cuyper was appointed as the Head, Insurance & Takaful and Chief Executive Officer of Maybank Ageas Holdings Berhad (MAHB) on 7 April 2011.

### EXPERIENCE

Hans was previously the Chief Financial Officer of MAHB. With an experience spanning across 20 years in the insurance industry with 8 years in Asia, he has in-depth industry expertise and regional knowledge. Prior to assuming the position at Maybank Ageas Holdings Berhad, he was attached with Fortis Insurance International in Hong Kong as the Managing Director of Risk & Finance for Asia. He was also with ING Group for more than a decade holding various positions.

### RESPONSIBILITY

He is responsible for the growth of Insurance & Takaful in the House of Maybank.

### QUALIFICATION

Masters in Mathematics, Catholic University Louvain, Belgium. Masters in Actuarial Science, Catholic University Louvain, Belgium. Executive MBA in Financial Services Industry, Vlerick Management School.

### COMMITTEE MEMBERSHIP/APPOINTMENTS

He is a member of the Board of Directors of Maybank Ageas Holdings Bhd. and its subsidiaries which include Etiqa Insurance Berhad, Etiqa Overseas Investment Pte Ltd, Etiqa Life International (L) Ltd, Sri MLAB Berhad, Peram Ranum Berhad and Etiqa Takaful Berhad.

## DATO' KHAIRUSSALEH RAMLI

- Age 45

*President Director*

*Bank Internasional Indonesia (BII)*

Dato' Khairussaleh Ramli was appointed President Director, BII on 16 January 2012 by the shareholders and he received Bank Indonesia's approval on 11 April 2012.

### EXPERIENCE

Dato' Khairussaleh was the Group Chief Financial Officer, Maybank Group from November 2008 to April 2012. Prior to joining Maybank, Dato' Khairussaleh served Telekom Malaysia Berhad (TM) for two years. His last position there was Group Chief Strategy Officer where he was responsible for the overall group strategy, business development and corporate finance, and the strategic management of a portfolio of subsidiaries. He sat on the Boards of VADS Berhad and Measat Global Berhad. He was also the Project Director for the demerger exercise of the TM Group.

Dato' Khairussaleh spent eight years with Bursa Malaysia Berhad from 1998 to 2006, holding various positions before rising to the position of Chief Financial Officer in 2004. He was a key team member in the consolidation of exchanges and clearing houses, the Joint Project Director for the exchange demutualisation exercise and led the IPO and listing of Bursa Malaysia on the exchange. Dato' Khairussaleh served the Public Bank Group for seven years from 1990 to 1997, gaining experience in corporate banking, stock broking and research and futures broking. His last position in the group was Executive Director of PB Futures Sdn Bhd.

Dato' Khairussaleh was voted Malaysia's CFO of the Year for three consecutive years, in 2010 and 2011 in a poll conducted by Finance Asia and in 2012 in a poll conducted by Alpha Southeast Asia.

### RESPONSIBILITY

Dato' Khairussaleh is responsible for the overall business performance and growth of BII.

### QUALIFICATION

Bachelor of Science in Business Administration, Washington University, USA. Advanced Management Program, Harvard Business School, USA.

### COMMITTEE MEMBERSHIP/APPOINTMENTS

Nil.

## GROUP EXECUTIVE COMMITTEE



from left to right

• Pollie Sim

• Michael Foong Seong Yew

### POLLIE SIM

- Age 51

**Chief Executive Officer, Maybank Singapore**

Pollie Sim was appointed as Chief Executive Officer of Maybank Singapore in July 2006.

### EXPERIENCE

Pollie has more than 30 years of experience in the banking and financial industry and has held many senior positions within the Maybank Group. She has been instrumental in leading and developing Maybank's retail banking business in Singapore. Prior to Maybank Singapore, Pollie was Chief Executive Officer of Mayban Finance (S) Ltd.

### RESPONSIBILITY

Pollie is responsible for driving the overall profitability and growth of Maybank Singapore.

### QUALIFICATION

Master of Business Administration, Brunel University of West London, United Kingdom. Diploma in Management Studies, Singapore Institute of Management. In 2012, Pollie was accorded the Distinguished FICP (Financial Industry Certified Professional) by IBF (The Institute of Banking & Finance, Singapore) and also received the Pacific Rim Bankers Program Distinguished Leadership Award.

### COMMITTEE MEMBERSHIP/APPOINTMENTS

Pollie serves as a non-executive Director for several companies. Her current appointments include that of Mayban Nominees (S) Pte Ltd, a subsidiary of Maybank, Singapore Unit Trusts Ltd, Bosbury Pte Ltd, Sorak Financial Holdings Pte Ltd, Heartware Network, Maybank Kim Eng Holdings Ltd and Maybank Kim Eng Securities Pte Ltd. She is also a Council Member of The Association of Banks in Singapore and Chairman of the Singapore Unit Trust Investment Committee. Pollie also sits on the Executive Council of Employer Alliance (EA), a network of corporations committed to create an enabling work environment to enhance work life integration and best practices as a business strategy to manage talent and boost productivity.

## MICHAEL FOONG SEONG YEW

- Age 44

*Chief Strategy and Transformation Officer*

Michael Foong was appointed as Chief Strategy and Transformation Officer on 3 October 2011.

### EXPERIENCE

Prior to joining Maybank Group, Michael was Managing Director of Accenture's management consulting practice in Malaysia. He spent 17 years serving financial services clients throughout Asia, primarily banks but also including insurance companies and stock exchanges. His track record has included group-wide corporate planning, devising group and business sector strategies, operating models, business process reengineering, performance management frameworks, and ICT strategies. Between 2004 and 2011, he focused on architecting and implementing large-scale multi-year transformation programmes for banks in Malaysia and Singapore.

Michael has held various other management positions in Accenture. He co-managed Accenture's Asia-Pacific Technology Ventures unit from 2000 to 2002, and after that Accenture's Asia-Pacific Corporate Development office. Michael has worked throughout Asia Pacific and spent seven years seconded as a leader into Accenture's offices in Beijing, Shanghai, Hong Kong, Sydney, Singapore, Tokyo and Jakarta.

### RESPONSIBILITY

He is responsible for managing the Group's transformation programme across the region, and developing the Group's long-term strategic objectives. He also oversees the Corporate Development office covering the Group's innovation agenda and special projects, and the Methods and Systems unit which covers business process improvement projects.

### QUALIFICATION

Master of Arts in Economics and Management Studies from Cambridge University (1991). Advanced Business Management Program from the Kellogg Graduate School of Management at Northwestern University, Chicago (1998).

### COMMITTEE MEMBERSHIP/APPOINTMENTS

Nil.

# STATEMENT ON CORPORATE GOVERNANCE

## INTRODUCTION

In line with the Group's regional aspirations, the Board has continued to ensure that the highest standards in corporate governance are upheld, with a view to continuously enhancing stakeholder value, increasing investor confidence, establishing customer trust and building a competitive organisation, whilst at the same time not losing sight of its international stakeholders by establishing and overseeing requisite cross-border governance policies and processes.

The Maybank Group's corporate governance model adopts the following requirements and guidelines:

- (i) Malaysian Code on Corporate Governance 2012 (referred to herein as "the Code" or MCCG 2012);
- (ii) Bank Negara Malaysia (BNM)'s Revised Guidelines on Corporate Governance for Licensed Institutions (BNM/GP1);
- (iii) Bursa Malaysia Securities Berhad (Bursa Malaysia)'s Main Market Listing Requirements (Listing Requirements);
- (iv) Green Book on Enhancing Board Effectiveness (Green Book) by the Putrajaya Committee on Government Linked Companies (GLCs) High Performance;
- (v) Corporate Governance Guide (CG Guide) by Bursa Malaysia; and
- (vi) Minority Shareholders Watchdog Group (MSWG)'s Corporate Governance Guidelines.

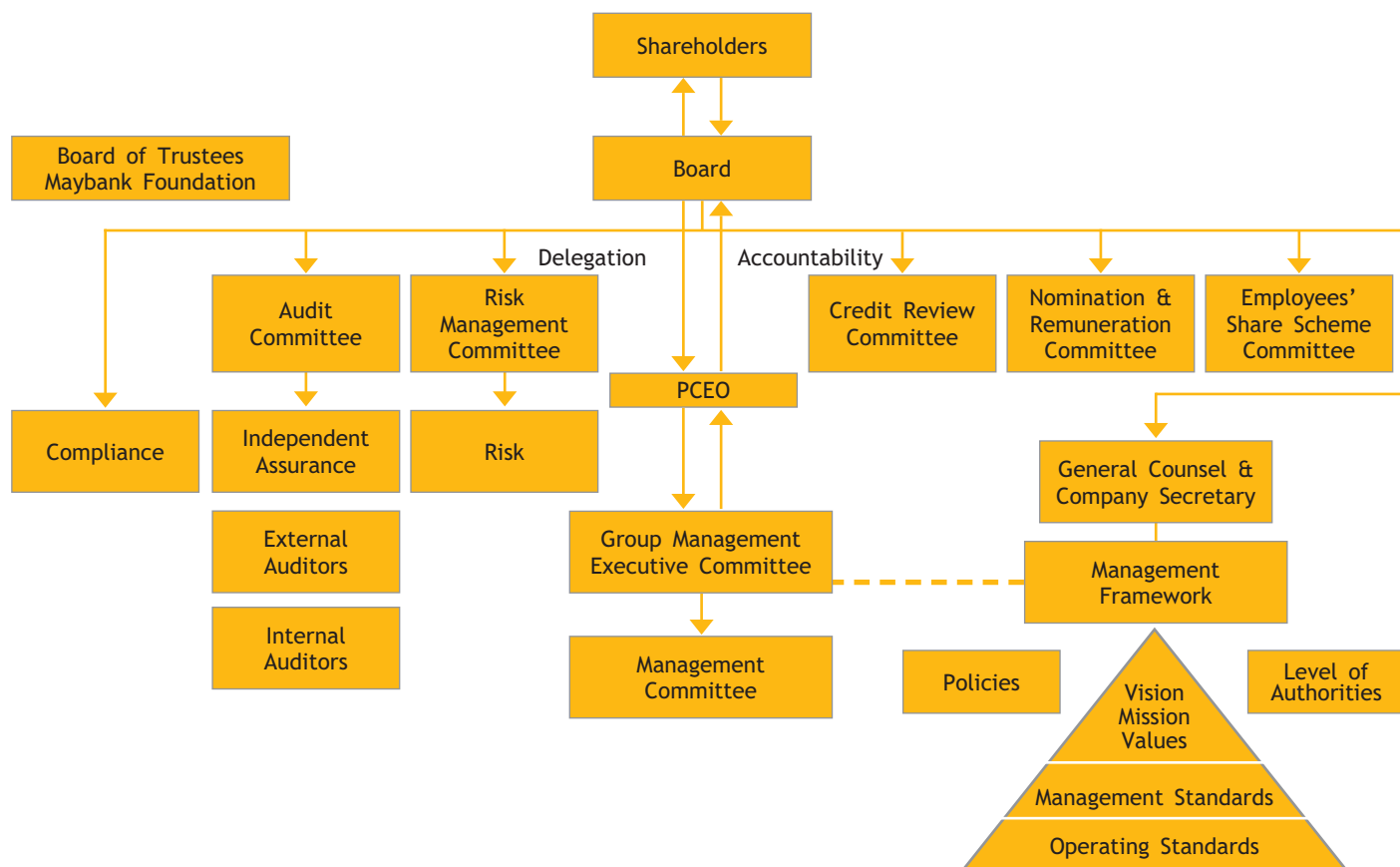
Maybank also monitors developments in corporate governance

standards of leading and reputable organisations and institutions in the region and around the world to ensure its approach in Malaysia and in countries in which the Group has a presence is in line with the latest international best practices.

This Corporate Governance Statement aims to provide vital insight to the investors into the corporate governance practices of the Group.

The Board is committed to achieving the highest standards of business integrity, ethics and professionalism across all of the Group's activities. The fundamental approach adopted is to ensure that the right executive leadership, strategy and internal controls for risk management are well in place. Nonetheless, the Board also continuously reviews its governance model to ensure that its relevance, effectiveness and ability to meet the challenges of the future remain sustainable.





The Board informs the shareholders on the application of its corporate governance model and the Code for the financial year ended 31 December 2012, as set out hereunder.

In general, Maybank is in compliance with the Principles set out in MCCG 2012 and such application of the respective principles will be highlighted in various sections in this Corporate Governance Statement as well as this Annual Report.

## THE BOARD OF DIRECTORS

### Board Charter

The Board Manual (Manual) is the key point of reference for directors in relation to the Board's role, powers, duties and functions. The Maybank Board is constantly mindful of the need to safeguard the interests of the Group's shareholders, customers and all other stakeholders, at home, and abroad. Apart from reflecting the current best practices and the applicable rules and regulations, the Manual outlines processes and procedures to ensure the Group's boards and their committees' effectiveness and efficiency. It is a dynamic document to be updated from time to time to reflect changes to the Bank's policies, procedures and processes as well as amended relevant rules and regulations, or to be reviewed at least once in two years, whichever is earlier.

The Group's subsidiaries and associates' boards, both locally and overseas, are encouraged to adopt similar manuals for their respective corporate entities.

The Manual comprises, amongst others, well defined terms of reference as well as authority limits for the Board and its committees, and the various relevant internal policies.

The chapters covered under the Manual are as follows:

- (i) Group's standard of business conduct;
- (ii) Directors' duties and obligations;
- (iii) Appointment and resignation of Directors;
- (iv) Governance structure;
- (v) Board and board committee proceedings;
- (vi) Remuneration and benefits for Directors;
- (vii) Supply of information to the Board;
- (viii) Training and induction programmes;
- (ix) Annual Board assessment;
- (x) Conflict of interest and related party transactions; and
- (xi) Other key policies of the Bank and the Group.

# STATEMENT ON CORPORATE GOVERNANCE

## Roles and Responsibilities of the Board

The Maybank Board is responsible for the periodic review and approval of the overall strategies, business, organisation and significant policies of the Bank and the Group. The Board also sets the Group's core values, adopts proper standards to ensure that the Bank operates with integrity, and complies with the relevant rules and regulations.

The Board has a formal schedule of matters reserved for its decision which include, amongst others, the following:

- Reviewing and approving the strategies and business plans for the Bank and Group;
- Identifying and managing principal risks affecting the Group including establishing and approving the relevant policies for the prevention of money laundering, and anti-competitive practices;
- Reviewing the adequacy and integrity of the Group's internal control systems;
- Overseeing the conduct and the performance of the Group's businesses;
- Reviewing succession planning and talent management plans for the Group, and approving the appointment and compensation of senior management staff;
- Approving new policies pertaining to boardroom diversity, staff salary and benefits;
- Approving changes to the corporate organisation structure;
- Approving the appointment of Directors and Directors' emoluments and benefits in accordance with relevant statutes;
- Approving policies relating to corporate branding, public relations, investor relations and shareholder communication programmes; and
- Reviewing the Group's strategies on promotion of sustainability focusing on environmental social and governance (ESG) aspects.

Other than as specifically reserved to the Board in the Board's Terms of Reference, the responsibility for managing Maybank's business activities is delegated to the President & Chief Executive Officer (PCEO) of the Bank, who is accountable to the Board.

## Board Composition and Balance

There are currently 12 Directors on the Maybank Board. Nine are Independent Non-Executive Directors, two are Non-Independent Non-Executive Directors (nominees of Permodalan Nasional Berhad ("PNB")) and one is a Non-Independent Executive Director (the PCEO).

The present composition of the Board is in compliance with Chapter 15.02 of the Listing Requirements as more than half of its members are Independent Directors.

The Board is committed to ensuring diversity and inclusiveness in its composition and deliberations. The Board has taken note of Recommendation 2.2 of the MCCG 2012 pertaining to the establishment of policy formalising its approach to boardroom diversity and steps are now being taken to review the Manual taking into consideration the recent announcement by the Government on gender diversity and the number of women directors that should be appointed by 2016, and has initiated deliberation to review the internal policy to enable the target to be achieved. Mindful that the Group's operations are getting bigger outside Malaysia, the Board, however, has also ensured diversity through representation of non-Malaysians, and always focuses on selecting the right candidates who can bring value and expertise to the Board.

The Directors provide a wealth of knowledge, experience and skills in the key areas of accountancy, law, securities, international business operations and development, finance and risk management, amongst others. A brief profile of each member of the Board is presented on pages 174 to 181 of this Annual Report.

As affirmed by the Board, the selection of Directors is based on merit, and guided by the criteria outlined in the Group's Policy on Fit and Proper Criteria for Appointment/ Reappointment of Key Responsible Persons of Licensed Institutions in Maybank Group (Fit and Proper Policy) as duly assessed by the Nomination and Remuneration Committee (NRC).

## Director independence and Independent Non-Executive Directors

The current Board composition, which comprises a high proportion of Independent Non-Executive Directors, helps the Board to ensure and provide strong and effective oversight over management. The composition also reflects the interest of the Bank's majority shareholder which is adequately represented by the appointment of its nominee directors, balancing the interest of the minority shareholders. The Non-Executive Directors do not participate in the day-to-day management of the Bank and do not engage in any business dealing or other relationships with the Bank (other than in situations permitted by the applicable regulations) in order to ensure that they remain truly capable of exercising independent judgement and act in the best interests of the Group and its shareholders. Further, the Board is satisfied and assured that no individual or group of Directors has unfettered powers of decision that could create a potential conflict of interest.

The Non-Executive Directors of Maybank continue to proactively engage with senior management and other relevant parties such as the external/internal auditors as well as the Bank's Compliance and Risk units, to ensure that the various concerns and issues relevant to the management and oversight of the business and operations of the Bank and the Group are properly addressed. The Board's commitment to ensure good governance in its deliberation on key issues is evident with the scheduling of "Board Time Without Management" as a permanent item in the monthly Board meeting agenda (at the end of each meeting).

In line with the requirements of BNM/GP1, none of the Bank's Independent Non-Executive Directors has more than a 5% equity interest in the licensed institution or in its related companies, and none of them is connected to a substantial shareholder of the licensed institution.

Additionally, the Board ensures that all Independent Non-Executive Directors possess the following qualities:

- Ability to challenge the assumptions, beliefs or viewpoints of others with intelligent questioning, constructive and rigorous debating, and dispassionate decision making in the interest of the Bank;

- Willingness to stand up and defend their own views, beliefs and opinions for the ultimate good of the Bank; and
- A good understanding of the Bank's business activities in order to appropriately provide responses to the various strategic and technical issues confronted by the Board.

The Board considers that the nine Independent Non-Executive Directors (NEDs), namely Dato' Mohd Salleh Hj Harun, Tan Sri Datuk Dr Hadenan A. Jalil, Dato' Seri Ismail Shahudin, Dato' Dr Tan Tat Wai, Dato' Johan Ariffin, Mr. Cheah Teik Seng, Mr. Alister Maitland, Datuk Mohaiyani Shamsudin, and Mr. Erry Riyana Hardjapamekas meet the said requirements.

### Senior Independent Non-Executive Director

In accordance with the best practices in corporate governance, Tan Sri Datuk Dr Hadenan A. Jalil continues to play his role as the Senior Independent Director (SID) of the Board to whom concerns of shareholders and stakeholders may be conveyed. He is responsible for addressing concerns that may be raised by the shareholders. Tan Sri Datuk Dr Hadenan A. Jalil is also the Chairman of the Audit Committee of the Board and a member of the Nomination and Remuneration Committee.

He can be contacted at his email address: [adenan.aj@maybank.com.my](mailto:adenan.aj@maybank.com.my).

### Board Appointment Process

A formal and transparent procedure exists vis-à-vis the appointment of new Directors to the Board, the primary responsibility of which has been delegated to the Nomination and Remuneration Committee (NRC). This procedure is in line with the Group's Fit and Proper Policy (which has been in force since August 2006) and BNM/GP1. Under this procedure, the NRC recommends to the Board suitable candidates for directorships and the appointment of key senior management of the Bank and relevant subsidiaries. The NRC also ensures candidates possess the requisite skills and core competencies to be deemed fit and proper, and to be appointed as Director in accordance with the Fit and Proper Policy, the Listing Requirements and the MCCG 2012 issued by the Securities Commission.

# STATEMENT ON CORPORATE GOVERNANCE

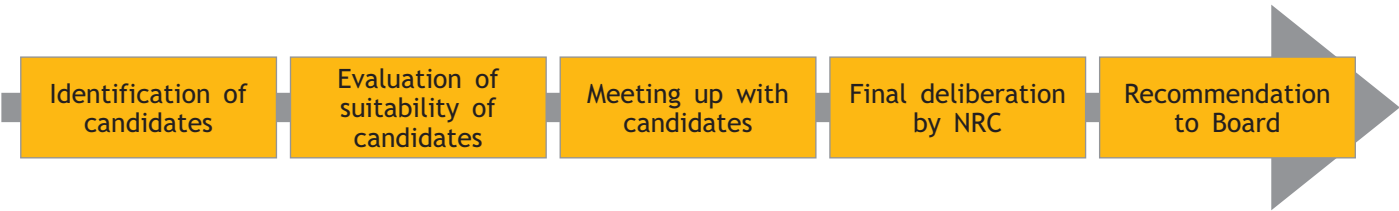
Maybank’s Fit and Proper Policy, which sets out the attributes and qualifications required of a candidate to determine his/her suitability, include amongst others, requirements in respect of his/her management and leadership experience, which has to be at the most senior level in a reputable local or international financial services group, public corporation or professional firm/body. In relation to the candidate’s skills, expertise and background, the candidate should ideally and to the extent available, possess a diverse range of skills, including in particular, business, legal and financial expertise, professional knowledge and financial industry experience, as well as experience in regional and international markets.

In making the selection, with the assistance of the NRC, the Board considers the following aspects:

- (i) Probity, personal integrity and reputation - the person must have key qualities such as honesty, integrity, diligence, independence of mind and fairness.
- (ii) Competence and capability - the person must have the necessary skills, ability and commitment to carry out the role.
- (iii) Financial integrity - the person must manage his debts or financial affairs prudently.

The Fit and Proper Policy assists in identifying the gaps in skills in the composition of the Board. In place since 2007, the Policy outlines the requirement for Non-Executive Directors of Maybank who have reached the age of 70 and above, and those who have served the Board for 12 years or more to submit their resignation letters annually to the NRC six months before the Annual General Meeting (AGM), for appropriate recommendations to be made to the Board. The Board acknowledges the view of the Minority Shareholders Watchdog Group that has now been incorporated in MCGG 2012, that an appropriate term for Independent Non-Executive Directors should not be more than nine years. The Board is likely to deliberate on a possible change of its policy in this regard in due course.

The nomination process is clearly and transparently set out as per the policy on the Nomination Process for the Appointment of Chairman, Director and CEO of Licensed Institutions in the Group (Policy on Nomination Process). The nomination process involves the following five stages:-



Subject to the approval of the relevant boards in the Maybank Group the application for the appointment of such candidates is thereafter submitted to BNM for the requisite approval under the Banking and Financial Institutions Act, 1989 (“BAFIA”), Insurance Act 1996 and Takaful Act 1984, as the case may be.

For Executive Directors, the appointment process includes the identification of potential candidates by a special committee of the Board, governed by the expectation of the roles and capabilities described and required by the Board. This is subsequently followed by a submission to the NRC for deliberation to be followed by the final recommendation to the Board for endorsement, and ultimately submission to BNM for approval.

In accordance with the Group’s Fit and Proper Policy for Key Responsible Persons (KRPs) and in line with BNM/GP1, the Bank also conducts periodic assessments on the suitability of the Directors to continuously occupy their strategic leadership position, subsequent to the appointment process. The fit and proper assessment for KRPs involves independent checks on the self-declarations made by the Directors as well as any of their business interests connected to the Bank in compliance with section 64 of BAFIA and BNM/GP1 for the purpose of ensuring the Directors are suitable to continue to serve as directors of the Bank.

## Directors' Retirement and Re-election

At the first opportunity, post-appointment, all directors of the Bank, including the PCEO, are subject to re-election by the shareholders and are subject to re-election at least once every three years in accordance with the Bank's Articles of Association. The Board's support for a Director's re-election is not automatic and is subject to satisfactory assessment of performance.

The Directors who are due for re-election at the AGM will first be assessed by the NRC, which will then submit its recommendation to the Board for deliberation and approval. Upon obtaining the Board's endorsement, the relevant submission including the justifications for such re-appointment is thereafter made to BNM for approval if the relevant Director's BNM's term of appointment is expiring.

The four Directors who are due for re-election at the forthcoming AGM, as evaluated by the NRC and approved by the Board, have met the Board's expectations and continued to perform in an exemplary manner as demonstrated by inter alia their contribution to the Board's deliberations.

## Board and Individual Director's Effectiveness

The NRC undertakes a formal and transparent process, upon the completion of every financial year, to assess the effectiveness of individual Directors, the Board as a whole and its committees, as well as the performance of the PCEO in respect of their respective skills and experience, pursuant to the Board and Peer Annual Assessment exercise.

The Board and Peer Annual Assessment exercise is primarily based on answers to a detailed questionnaire prepared internally by Corporate & Legal Services of Maybank. The assessment questionnaire is distributed to all the respective Board members and covers topics which include, amongst others, the responsibilities of the Board in relation to strategic planning, risk management, performance management, financial reporting, audit and internal process, human capital management, corporate social responsibility, communication, corporate governance, and shareholders' interest and value. Other areas being assessed include Board composition and size, the contribution of each and every member of the Board at meetings, the Board's decision-making and output, information and support rendered to the Board as well as meeting arrangements.

Actionable improvement programmes will be identified, upon review of the results of the Board and committee assessment by the NRC and the Board. Such programmes may include training needs of individual Directors, to be reviewed quarterly thereafter. The Chairman discusses the peer assessment results with individual members whilst the Chairman of the NRC discusses the latter's assessment results with the Chairman of the Board.

Having considered its composition, calibre and diversity, the Board must be satisfied that it will continue to ensure an efficient and effective conduct of deliberations pursuant to BNM/GP1. The current Board size enables the Board to discharge its function in a professional manner in consideration of the size, breadth and complexity of the Group's business activities, domestically and internationally. Future changes to the Board may be made to enhance complementarity of skills and at the same time enable proper succession planning.

As ever, the Chairman tries to ensure that the Board's decisions are reached by consensus (and failing this, reflect the will of the majority), and any concern or dissenting view expressed by any Director on any matter deliberated at meetings of the Board, or any of its Committees, as well as the meetings' decisions, will accordingly be addressed and duly recorded in the relevant minutes of the meeting.

## Role and Responsibilities of the Chairman and the President & Chief Executive Officer

The roles and responsibilities of the Chairman and the PCEO are separated with a clear division of responsibilities, defined, documented and approved by the Board, in line with best practices so as to ensure appropriate supervision of the Management. This distinction allows for a better understanding and distribution of jurisdictional responsibilities and accountabilities. The clear hierarchical structure with its focused approach and attendant authority limits also facilitates efficiency and expedites informed decision-making.

### Chairman

Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor is the Chairman of Maybank. Prior to his appointment as the Chairman of Maybank on 1 October 2009, he was an Independent Non-Executive Director of Maybank from July 2004 until February 2009. He has never assumed an executive position in Maybank.



## STATEMENT ON CORPORATE GOVERNANCE

Previously, he has also chaired two other public listed companies, namely Shell Refining Company Berhad and Maxis Communications Berhad.

The Chairman leads the Board and is also responsible for the effective performance of the Board. He continuously works together with the rest of the Board in setting the policy framework and strategies to align the business activities driven by the senior management with the Group's objectives and aspirations, and monitors its implementation, and also ensures orderly conduct and proceedings of the Board, where healthy debate on issues being deliberated is encouraged to reflect an appropriate level of scepticism and independence.

He takes the lead to ensure the appropriateness and effectiveness of the succession planning programme for the Board and senior management levels. He also promotes a healthy working relationship with the PCEO and provides the necessary support and advice as appropriate. He continues to demonstrate the highest standards of corporate governance practices and ensures that these practices are regularly communicated to the stakeholders.

### *The President & CEO*

Dato' Sri Abdul Wahid Omar has been the PCEO and Executive Director of Maybank since May 2008.

In his capacity as PCEO, Dato' Sri has been delegated certain responsibilities by the Board and is primarily accountable for overseeing the day-to-day operations to ensure the smooth and effective running of the Group. Furthermore, he is responsible for mapping the medium to longer term plans for Board approval, and is accountable for implementing the policies and decisions of the Board, as well as coordinating the development and implementation of business and corporate strategies, specifically by making sure that they are carried through to their desired outcomes, especially in the institution of remedial measures to address identified shortcomings. He is also responsible for developing and translating the strategies into a set of manageable goals and priorities, and setting the overall strategic policy and direction of the business operations, investment and other activities based on effective risk management controls.

The PCEO ensures that the financial management practice is performed at the highest level of integrity and transparency for the benefit of the shareholders and that the business and affairs of the Bank are carried out in an ethical manner and in full compliance with the relevant laws and regulations.

The PCEO is also tasked with ensuring that whilst the ultimate objective is maximising total shareholder return, social and environmental factors are not neglected, and also developing and maintaining strong communication programmes and dialogues with the shareholders, investors, analysts as well as employees, and providing effective leadership to the Group organisation. He is also responsible for ensuring high management competency as well as the emplacement of an effective management succession plan to sustain continuity of operations. The PCEO, by virtue of his position as a Board member, also functions as the intermediary between the Board and senior management.

### Board Meetings

The Board meets every month with additional meetings convened as and when urgent issues and/or important decisions are required to be addressed between the scheduled meetings. During the financial year ended 31 December 2012, the Board met 18 times to deliberate and consider a variety of significant matters that required its guidance and approval.

All Directors have complied with the requirement that Directors must attend at least 75% of Board meetings held in the financial year in accordance with BNM/GP1, and attended at least 50% of Board meetings held in the financial year ended 31 December 2012 pursuant to the Listing Requirements.

The current practice is to appoint Board members to sit on subsidiary boards, in particular those of the key overseas subsidiaries, to maintain oversight and ensure the operations of the respective subsidiaries are aligned with the Group's strategies and objectives. Moving forward, in order to further ensure that the Group's governance remains linked with strategic and operational focus in line with Maybank's corporate aspirations and expanding regional footprint, more of the key members of the Group Executive Committee shall also have requisite membership on subsidiary level boards.

Details of attendance of each Director on the Board and respective Board Committees of the Bank during the financial year ended 31 December 2012 are as follows:-

Name of Directors	Board Number of Meetings			CRC Number of Meetings			ACB Number of Meetings		
	Held	Attended	%	Held	Attended	%	Held	Attended	%
Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor	18	18	100	-	-	-	-	-	-
Dato' Mohd Salleh Hj Harun	18	15	83	-	-	-	-	-	-
Dato' Sri Abdul Wahid Omar	18	18	100	50	39	78	-	-	-
Tan Sri Datuk Dr Hadenan A. Jalil	18	15	83	-	-	-	14	14	100
Dato' Seri Ismail Shahudin	18	16	89	50	33	66	-	-	-
Dato' Dr Tan Tat Wai	18	18	100	-	-	-	-	-	-
Encik Zainal Abidin Jamal	18	18	100	50	38	76	-	-	-
Mr. Alister Maitland	18	17	94	-	-	-	-	-	-
Mr. Cheah Teik Seng	18	18	100	-	-	-	14	14	100
Dato' Johan Ariffin	18	17	94	50	36	72	14	14	100
Dato' Sreesanthan Eliathamby <sup>1</sup>	5	4	80	-	-	-	3	3	100
Datuk Mohaiyani Shamsudin <sup>2</sup>	18	17	94	46	37	80	-	-	-
Mr. Erry Riyana Hardjapamekas <sup>3</sup>	10	10	100	-	-	-	7	7	100

Name of Directors	RMC Number of Meetings			NRC Number of Meetings			ESS Number of Meetings		
	Held	Attended	%	Held	Attended	%	Held	Attended	%
Dato' Mohd Salleh Hj Harun	-	-	-	11	11	100	6	6	100
Tan Sri Datuk Dr Hadenan A. Jalil	-	-	-	11	9	82	6	5	83
Dato' Dr Tan Tat Wai	9	9	100	11	11	100	6	6	100
Encik Zainal Abidin Jamal	-	-	-	11	10	91	6	5	83
Mr. Alister Maitland	9	8	89	11	10	91	6	5	83
Mr. Cheah Teik Seng	9	9	100	-	-	-	-	-	-
Dato' Sreesanthan Eliathamby	2	2	100	-	-	-	-	-	-

**Notes:-**

- \* All Board and Board Committee members met the minimum percentage required for meeting attendance. For the CRC, the requirement is a minimum of 60% attendance during any financial year.
- 1 Retired from the Board of Directors (as well as the RMC and the ACB) with effect from 29 March 2012.
- 2 Appointed as a member of the CRC with effect from 19 January 2012.
- 3 Appointed as a member of the Board of Directors and the ACB with effect from 25 June 2012.

# STATEMENT ON CORPORATE GOVERNANCE

## Directors' Remuneration

The level of directors' remuneration is generally set to be competitive to attract and retain Directors of such calibre to provide the necessary skills and experience as required and commensurate with the responsibilities for the effective management and operations of the Group. In 2010, the Board appointed Messrs. PricewaterhouseCoopers (PwC), to undertake an independent and holistic review of the Bank's remuneration framework. PwC coincidentally was also commissioned by Bank Negara Malaysia - Financial Institutions Directors' Education (BNM-FIDE) to assess the framework for remunerating NED given the aftermath of the global financial crisis. Post-review, the existing remuneration framework was approved by the Board on 30 July 2010 and shareholders in the 50th AGM of Maybank held in 29 September 2010.

Internal initiatives, driven by Group Corporate and Legal Services are also undertaken to continuously validate the existing remuneration framework.

The component parts of the remuneration of the Executive Director are structured so as to link short and long-term rewards to corporate and individual performance. A significant portion of the Executive Director's compensation package has been made variable in nature depending on the Group's performance during the year, which is determined based on the individual Key Performance Indicators and a scorecard aligned with the corporate objectives, and approved by the Board.

The level of responsibilities undertaken by the respective Non-Executive Directors (NEDs) such as on membership of Committees generally determines the level of remuneration to be received. The determination of remuneration packages for NEDs including the non-executive Chairman is a matter for the Board as a whole following the relevant recommendation made by the NRC after independent benchmarking with relevant external peers.

The current remuneration policy of the Directors comprises the following:

- (a) Basic salary  
Basic salary of the Executive Director is based on the recommendation of the NRC, after independent benchmarking with relevant external peers.
- (b) Director's fees and meeting allowances (effective 1 July 2010)

For the Board of Directors, fees are RM300,000 per annum for the Chairman, RM285,000 per annum for the Vice Chairman and RM190,000 per annum for each NED. The meeting allowance for the Board is RM1,500 per meeting.

For the Board Committees, RM45,000 per annum for the Board Committee Chairman and RM30,000 per annum for each Committee member. The meeting allowance for Board Committees is RM1,000 per meeting.

- (c) Benefits-in-kind and emoluments  
Benefits for NEDs include medical coverage, insurance coverage (Group Personal Accident, Group Term Life and Directors & Officers' Liability), travel benefits, mobile electronic devices and use of Maybank holiday apartments/bungalows.

The Chairman is also paid monthly other emoluments which commensurate with responsibilities befitting his position, for example in representing the Group and facilitating organisation capability building.

At the Extraordinary General Meeting of Maybank held on 13 June 2011, its shareholders had approved the Employees' Share Scheme (ESS) which provides for the offer and grant of options to eligible employees. The EGM also approved the allocation of options and/or grant of shares to the PCEO, to subscribe up to a maximum of 5,000,000 Maybank Shares. The number of shares to be offered to the PCEO, being an eligible employee, under the ESS will be based on both the Bank's and his own performance achievement at the end of the financial year, as specified in the Group/PCEO Balanced Score Card.

The NEDs are not eligible to participate in the current ESS.

A summary of the total remuneration of the Directors, distinguishing between Executive and Non-Executive Directors, in aggregate with categorisation into appropriate components for the financial year ended 31 December 2012 is as follows:-

	Salary (RM)	Bonus (RM)	Directors' Fees (RM)	Other Emoluments (RM)	Benefits in kind (RM)	ESS (RM)	Total (RM)
<b>Executive Director</b>							
Dato' Sri Abdul Wahid Omar	1,632,000	2,380,000		854,800	42,136	1,353,749	6,262,685
<b>TOTAL</b>	<b>1,632,000</b>	<b>2,380,000</b>		<b>854,800</b>	<b>42,136</b>	<b>1,353,749</b>	<b>6,262,685</b>
<b>Non-Executive Directors</b>							
Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor			300,000	577,000	39,640		916,640
Dato' Mohd Salleh Hj Harun			375,000	41,000	33,946		449,946
Tan Sri Dr Hadenan A. Jalil			295,000	52,000	2,671		349,671
Dato' Seri Ismail Shahudin			235,000	57,000	375		292,375
Dato' Dr Tan Tat Wai			295,000	53,000	200		348,200
Encik Zainal Abidin Jamal			280,000	80,000	2,283		362,283
Mr. Alister Maitland			280,000	48,500			328,500
Mr. Cheah Teik Seng			250,000	50,000	2,871		302,871
Dato' Johan Ariffin			250,000	75,500	2,769		328,269
Dato' Sreesanthan Eliathamby			62,500	11,000			73,500
Datuk Mohaiyani Shamsudin			220,000	62,500	200		282,700
Mr. Erry Riyana Hardjapamekas			113,667	22,000	50		135,717
<b>TOTAL</b>			<b>2,956,167</b>	<b>1,129,500</b>	<b>85,005</b>		<b>4,170,672</b>
<b>GRAND TOTAL</b>	<b>1,632,000</b>	<b>2,380,000</b>	<b>2,956,167</b>	<b>1,984,300</b>	<b>127,142</b>	<b>1,353,749</b>	<b>10,433,357</b>

**Note:**

Executive Director's Other Emoluments include allowance and reimbursements.

### Quality and Supply of information to the Board

In order to effectively discharge its duties, the Board has full and unrestricted access to all information pertaining to the Bank's businesses and affairs as well as to the advice and services of the senior management of the Group. In addition to formal Board meetings, the Chairman maintains regular contact with the PCEO to discuss specific matters, and the latter assisted by the Company Secretary ensures that frequent and timely communication between the senior management and the Board is maintained at all times as appropriate.

The Board is regularly kept up to date on and apprised of any regulations and guidelines, as well as any amendments thereto issued by Bank Negara Malaysia, Bursa Malaysia, Securities Commission, the Companies Commission of Malaysia and other relevant regulatory authorities including recommendations on corporate law reform in respect of Malaysian as well as relevant

foreign jurisdictions, particularly the effects of such new or amended regulations and guidelines on directors specifically, and the Bank and the Group generally.

A key recent update is in respect of changes expected to take place, affecting financial institutions following the passing by Parliament of the new Financial Services Bill 2012.

The mechanism of the Annual Board Outline Agenda aims to highlight to the Board and relevant Board Committees as well as the senior management subject matters other than 'routine' for the period to facilitate better planning and for greater time effectiveness for various parties. It also gives a greater sense of discipline on the part of senior management to commit to the said outline. At the same time, such focus allows the Board to deliberate on and contribute towards achieving a higher level of value-added discussions on such identified issues and other relevant matters.

# STATEMENT ON CORPORATE GOVERNANCE

Ahead of each Board meeting, an agenda together with appropriate papers for each agenda item to be discussed is forwarded to each Director at least five clear days before the scheduled meeting to enable the Directors to review the papers in preparation for the meeting, and to obtain further clarification or explanation, where necessary, in order to be adequately apprised before the meeting.

In addition to this, and in line with the provisions of the Code, the Bank's minutes of meetings of the Board and various Board Committees incorporate the discussions of the members at the meetings in arriving at decisions and are concise and accurate. The draft minutes of the meeting are circulated within one week of the meetings to the Board for early feedback and suggestions prior to tabling at the subsequent meetings for formal confirmation.

Senior management members are invited to attend Board meetings to report on matters relating to their areas of responsibility, and also to brief and present details to the Directors on recommendations submitted for the Board's consideration. Additional information or clarification may be required to be furnished, particularly in respect of complex and technical issues tabled to the Board.

## Company Secretary

The General Counsel and Company Secretary, in his function as the Company Secretary, is responsible for advising the Board on issues relating to corporate compliance with the relevant laws, rules, procedures and regulations affecting the Board and the Group, as well as best practices of governance. He is also responsible for advising the Directors of their obligations and duties to disclose their interest in securities, disclosure of any conflict of interest in a transaction involving the Bank, prohibition on dealing in securities and restrictions on disclosure of price-sensitive information.

All Directors have access to the advice and services of the Company Secretary and the Board Satisfaction Index acts as an evaluation mechanism on the support and services provided by the Company Secretary to the Board during the financial year.

## Board Satisfaction Index (BSI)

The BSI demonstrates an important initiative to ensure continuing adequate support is provided by the Company Secretary to the Board, to assist Directors in discharging their duties effectively. The BSI exercise was conducted in December 2012 for the financial year ended 31 December 2012.

The areas of assessment cover transactional and operational efficiency, which includes the quality of the minutes of the Board and Board Committees, of papers and meeting arrangements, and of training and knowledge management, as well as advisory services on matters concerning Directors' duties, such as disclosure of interests and prohibition against trading. Based on feedback received from Board members, the Board was generally satisfied with the support provided for the year under review and several areas were identified for further improvement.

## Independent Professional Advice

Individual Directors may obtain independent professional advice at the Bank's expense where necessary, in the furtherance of their duties in accordance with the Bank's Policy and Procedure on Access to Independent Professional Advice, Senior Management and Company Secretary by Directors of Maybank Group. Copies of any reports, advice and recommendations provided by the independent professional adviser to the relevant Director would be forwarded by the said Director to the Company Secretary, who will, where appropriate, circulate them to other Directors to ensure that they are kept informed of pertinent issues, which may have an impact on the Group's interest, growth and performance.

During the financial year ended 31 December 2012, none of the Directors invoked this process for independent professional advice.

## Structured Training Programme for Directors

Through a Structured Training Programme for Directors (STPD), each Director shall attend at least one training programme, which is to be specifically developed by the organisation for its Directors during the financial year.

For the year under review, all the Board members complied with the aforesaid internal policy by attending various training programmes and workshops on issues relevant to the Group, which were organised internally, as well as in collaboration with external training providers. As commenced in 2010, Board members have attended a key training programme for Directors of financial institutions, namely the Financial Institutions Directors' Education (FIDE). Effective June 2012 the Maybank Group also became a registered corporate member of the FIDE Forum, which was established with the aim of allowing FIDE alumni members to become leading influencers of governance practices and thought leaders within financial institutions, and to benefit from, amongst others, the



roundtree discussions, and industry update sessions and materials provided by subject matter specialists. For further details on the FIDE Forum, please refer to [www.fide.org.my](http://www.fide.org.my).

Corporate & Legal Services coordinates a comprehensive induction programme for new Directors in order to provide new Directors with the necessary information and overview to assist them in understanding the Group's operations and appreciating the challenges and issues the Group faces in achieving its objectives. The programme covers subject matters, amongst others, concerning the Group's business and strategy, work processes and Board Committees, and the duties and responsibilities of Directors of licensed institutions.

The Board has undertaken an assessment of the training needs of its Directors vide the Board Assessment and the key areas of focus for training programmes attended by the Directors for the financial year ended 31 December 2012 were as follows:

#### Board Effectiveness:

- FIDE Elective Programme on Nomination and Remuneration Committee.
- FIDE Core Programme Module A - The objective is to emphasise and reinforce a clear understanding of the role of the Board and fiduciary responsibilities of individual directors to all stakeholders by deepening the Board's understanding of principles of sound governance. This includes studying the lessons from within best-in-class organisations and understanding how they inculcate values throughout the organisations and promote organisational values and effectiveness. The Board is also equipped with tools and strategies that can be applied to build a dynamic and sustainable management team.
- FIDE Core Programme Module B - The objective is to encourage the adoption of more structured and robust processes for the selection of board members and on-going assessment of board effectiveness to achieve an optimal board mix and heighten awareness of the impact of internal conflicts and effects of dominant influences associated with controlled companies. It also provides an understanding of the key issues in financial reporting and helps directors to discharge their responsibilities effectively for ensuring the integrity of financial reports. The Board is equipped with the know-how to set or review strategies that create value for the organisation, and to be able to identify when strategies need to be adapted in response to changing business and market conditions as well as to identify and avoid common pitfalls in strategy execution.

#### Corporate Governance:

- The 4th Annual Corporate Governance Summit KL 2012 - Bringing Asia onto the Board
- The Islamic Finance News Forum
- The World Islamic Economic Forum

#### Risk Management:

- FIDE Elective Programme - Risk Management Committee in Banks
- The Maybank Annual Risk Workshop (organised internally by Group Credit and Risk Management)

As at the end of the financial year ended 31 December 2012, all Directors are in adherence to the Mandatory Accreditation Programme in compliance with the Listing Requirements.

### BOARD PROFESSIONALISM

#### Directorships in Other Companies

The Maybank Board is already in compliance with the Listing Requirements, which stipulate that each member of the Board hold not more than five directorships in public listed companies. This is also consistent with the best practices recommendation of the Green Book which states that directors should not sit on the boards of more than five listed companies to ensure that their commitment, resources and time are more focused to enable them to discharge their duties effectively.

Related to the issue of external commitments of the members of the Board, whilst the Board values the experience and perspective gained by the Non-Executive Directors from their services on the boards of other companies, organisations, and associations, the Board Manual, since 2010, provides that the Non-Executive Directors must first consult the Chairman to ensure that their acceptance of such other appointments, such as directorships of other listed companies, would not unduly affect their time commitments and responsibilities to the Maybank Board and Group. The Board notes that this requirement is now also stipulated in MCCG 2012.

Further, although the Independent Non-Executive Directors hold directorships in several companies in the Maybank Group, the NRC assesses the independence of the said Directors pursuant to a declaration made that they are not taking instructions from any person including Maybank. In this respect, all the Independent Non-Executive Directors of Maybank complied with the relevant requirements of BNM/GP1. In addition, the

# STATEMENT ON CORPORATE GOVERNANCE

respective key subsidiaries within the Group also appoint other Independent Non-Executive Directors who are not members of the Maybank Board to ensure an optimal balance between board members in terms of independent internal and external directors.

## Conflict of Interest

It has been the practice of Maybank to require that members of the Board make a declaration to that effect at the Board meeting in the event that they have interests in proposals being considered by the Board, including where such interest arises through close family members, in line with various statutory requirements on the disclosure of Director's interest. Any interested Directors would then abstain from deliberations and decisions of the Board on the subject proposal and, where appropriate, excuse themselves from being present in the deliberations.

## Insider Trading

In line with the Listing Requirements and the relevant provisions of the Capital Markets & Services Act 2007, Directors, key management personnel and principal officers of the Maybank Group are prohibited from trading in securities or any kind of property based on price sensitive information and knowledge, which have not been publicly announced. Notices on the closed period for trading in Maybank's securities are circulated to Directors, key management personnel and principal officers who are deemed to be privy to any price sensitive information and knowledge, in advance of whenever the closed period is applicable.

## BOARD COMMITTEES

The Board delegates certain of its governance responsibilities to the following Board Committees, which operate within clearly defined terms of references, primarily to assist the Board in the execution of its duties and responsibilities. Although the Board has granted such discretionary authority to these Board Committees to deliberate and decide on certain key and operational matters, the ultimate responsibility for final decision on all matters lies with the entire Board.

### Audit Committee

The Audit Committee is authorised by the Board to investigate any activities within its Terms of Reference and has unrestricted access to both the internal and external auditors and members of the senior management of the Group. The

activities carried out by the Audit Committee, which met 14 times during the year under review, are summarised in the Audit Committee Report and its Terms of Reference as stated on page 216 of this Annual Report. Members of the Audit Committee are as indicated on page 216 of this Annual Report.

### Credit Review Committee

The responsibilities of the Credit Review Committee include, amongst others, the following:

- (i) To review/veto loans exceeding the Group Management Credit Committee's (GMCC) discretionary power;
- (ii) To review/veto, with power to object or support, all proposals recommended by the GMCC to the Board for approval/affirmation, including but not limited to statute and policy loans;
- (iii) To affirm new and existing Group exposure; and
- (iv) To carry out such other responsibilities as may be delegated to it by the Board from time to time.

The Committee meets weekly and during the financial year ended 31 December 2012, the Committee met 50 times. Members of the Credit Review Committee and details of meeting attendance by members are stated on page 199 of this Annual Report.

### Nomination and Remuneration Committee (NRC)

The NRC comprises exclusively Non-Executive Directors, the majority of whom are independent and presently chaired by the Independent Vice Chairman of Maybank.

The responsibilities of the NRC include, amongst others, the following:

- (i) To recommend to the Maybank Board, the appointment, promotion and remuneration as well as compensation policies for executives in key management positions;
- (ii) To recommend to the Maybank Board, a Leadership Development framework for the Group;
- (iii) To oversee the selection of Directors and general composition of the Maybank Board (size, skill and balance between Executive Directors and Non-Executive Directors);
- (iv) To recommend to the Maybank Board, a policy and framework for remuneration of Directors, covering fees, allowances and benefits-in-kind in respect of their work as Directors of all boards and committees and for the PCEO and key senior management officers;

- (v) To recommend to the Maybank Board a policy regarding the period of service for the Executive and Non-Executive Directors;
  - (vi) To assess the performance and effectiveness of individuals and collective members of the Boards and Board Committees of the Group and its subsidiaries, as well as the procedure for the assessment;
  - (vii) To recommend measures to upgrade the effectiveness of the Boards and Board Committees;
  - (viii) To recommend to the Maybank Board a performance management framework/model, including the setting of the appropriate performance target parameters and benchmark for the PCEO's Group Balanced Scorecard at the start of each financial year;
  - (ix) To oversee the succession planning, talent management and performance evaluation of executives in key management positions;
  - (x) To consider and recommend solutions to issues of conflict of interest affecting Directors;
  - (xi) To assess annually that Directors and key senior management executives are not disqualified under section 56 of the BAFIA; and
  - (xii) To review the training requirements and programmes for the Directors.
- (vii) Implementation of the Maybank Group Variable Bonus Scheme for the Maybank Group;
  - (viii) Annual Performance and Compensation Review for senior executives;
  - (ix) Total Compensation Review Implementation for the six-month period ended 31 December 2011 - post mortem;
  - (x) Bank Negara Malaysia Concept Paper on Risk Governance dated 23 February 2012 - Highlights on Risk Based Remuneration;
  - (xi) Proposed appointments of the Group's executives to key management positions within the Group, and the determination of the compensation packages pertaining thereto;
  - (xii) Summary of policy and process in respect of the appointment of Maybank Group executives as Directors/ Chief Executive Officer;
  - (xiii) Talent management update; and
  - (xiv) Mandatory Certification Updates and Plan for 2013 in relation to the Certified Credit Professional certification for local operations and Credit Skills Accreditation for Overseas Units.
- Members of NRC and details of meeting attendance by members are stated on page 199 of this Annual Report.

The NRC held eleven meetings during the financial year ended 31 December 2012. The deliberations encompassed the following key considerations and subject matter, amongst others:

- (i) Review of the composition of Board Committees and subsidiaries' boards;
  - (ii) Re-election and retirement by rotation of Directors at the Annual General Meetings of the Maybank Group;
  - (iii) Annual Board Assessment for the Maybank Board, and the boards of the Group's subsidiaries;
  - (iv) Fit and Proper Assessment of Directors and senior executives;
  - (v) Establishment of Board Committees at the Group's locally incorporated subsidiaries;
  - (vi) Review and comparative analysis of the remuneration of Non-Executive Directors of subsidiaries of the Maybank Group;
- (i) To develop and foster a risk aware culture within the Bank;
  - (ii) To review and approve risk management strategies, risk frameworks, policies, risk tolerance and risk appetite limits, adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risks and the extent to which they operate effectively;
  - (iii) To ensure infrastructure, resources and systems are in place for risk management, i.e. that the staff responsible for implementing risk management systems perform those duties independently of the financial institution's risk - taking activities;
  - (iv) To review and assess the appropriate levels of capital for the Bank, vis-à-vis its risk profile;

### Risk Management Committee (RMC)

The responsibilities of the Risk Management Committee for risk oversight include, amongst others, the following:

# STATEMENT ON CORPORATE GOVERNANCE

- (v) To review and recommend strategic actions to be taken by the Bank for the Board's approval;
- (vi) To review and approve new products and ensure compliance with the prevailing guidelines issued by BNM or any other relevant regulatory body;
- (vii) To oversee the resolution of BNM Composite Risk Rating findings for the Maybank Group;
- (viii) To oversee the specific risk management concerns in the business units that leverage on the Embedded Risk Units in the business units; and
- (ix) To review and approve the model risk management and validation framework.

The RMC usually meets nine times in every financial year with additional meetings convened to attend to urgent matters that require its deliberation. During the financial year ended 31 December 2012, nine meetings were held. The Chairman and a majority of the Committee's members are Independent Non-Executive Directors. Members of the RMC and details of attendance by members are stated on pages 199 of this Annual Report.

## Employees' Share Scheme Committee (ESS Committee)

The Employees' Share Scheme (ESS) was established to serve as a long-term incentive plan as well as to align the interests of employees with the objectives of the Maybank Group to create sustainable value enhancement for the organisation and the shareholders. The first offer under the ESS was made on 23 June 2011 to all eligible employees.

The Board has delegated to the ESS Committee the responsibility for determining all questions of policy and expediency arising from the administration of the ESS and to generally undertake the necessary actions to promote the Bank's best interest.

The broad responsibilities of the ESS Committee as outlined in its Terms of Reference include to administer the ESS and to recommend the financial and performance targets/criteria to the Board for approval prior to implementation and such other conditions as it may deem fit.

All members of the ESS Committee are Non-Executive Directors. Meetings are held as and when the ESS Committee is required to deliberate on urgent matters.

Six meetings of the ESS Committee were held during the financial year under review.

Members of the ESS Committee and details of meeting attendance by members are stated on page 199 of this Annual Report.

## EXECUTIVE LEVEL MANAGEMENT COMMITTEES (ELC)

The PCEO, with the support of the Maybank Board, has established various ELCs and delegated some of his authority to assist and support the relevant Board Committees in the operations of the Bank. The key ELCs, which are mostly chaired by the PCEO or the Group Chief Financial Officer, are as follows:-

- Group Executive Committee
- Group Management Credit Committee
- Internal Audit Committee
- Executive Risk Committee
- Asset and Liability Management Committee
- Group Staff Committee
- Group Procurement Committee
- Group IT Steering Committee

## INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

Investor Relations (IR) plays an important role as part of Maybank's corporate governance framework to ensure that shareholders, stakeholders, investors and the investment community, both domestic and international, are provided with relevant, timely and comprehensive information about the Group. Maybank's dedicated IR unit is committed to providing effective and open two-way communication in order to improve disclosure and transparency.

The Maybank Investor Relations Policy provides the framework of policies, procedures and processes upon which Maybank can successfully implement its Investor Relations programme while providing guidance for communication through its designated spokespersons. The Investor Relations programme is carried out during the year to ensure a planned sequence of activities is conducted throughout the year to communicate its strategy, operational performance, financial results and other material developments to the exchange (Bursa Malaysia), analysts, investors, shareholders and other stakeholders in a timely, open and comprehensive manner.

### Quarterly Results

Maybank's quarterly financial results are released during the midday trading break followed immediately by media and analyst briefings and/or conference calls. Media and analyst briefings are conducted with simultaneous conference calls during the half-year and full year financial results while conference calls are conducted for the first and third quarter. Financial statements, presentation slides and press releases are emailed and are also publicly available on the corporate website to provide stakeholders with a better understanding of Maybank's performance. A quiet period of two weeks preceding the results announcement date is adopted to prevent inadvertent disclosure of the latest financial performance.

### Conferences and Roadshows

Stakeholder engagements are also conducted through conferences and roadshows organised locally or overseas whereby senior management will communicate the Group's strategy, and the progress of various initiatives and updates to enable stakeholders to understand Maybank's operations better.

### Investor Meetings

The IR unit has frequent one-on-one and group meetings with analysts, investors and potential investors throughout the year to provide constant communications with the investment community. Reasonable access to senior management is also provided to ensure analysts and important investors are able to meet with key executives within the Group. The IR unit also engages with its counterpart in Indonesia, to coordinate IR activities for analysts and investors seeking meetings with the management of Maybank's subsidiary, Bank Internasional Indonesia.

### Investor Days

Investor days are organised several times a year to provide a platform for selected business units, headed by their respective Executive Committee members, to engage with analysts and investors in order to explain their business strategy, operations and financial performance so as to provide greater transparency and detailed understanding of key business functions within the Maybank Group.

### Group Corporate Website

Maybank's corporate website at [www.maybank.com](http://www.maybank.com) provides quick access to information about the Group. The information on the website includes corporate profile, senior management profiles, share and dividend information including the Dividend Reinvestment Plan, investor presentations, financial results, annual reports, corporate news and Maybank's worldwide operations and subsidiaries.

Visitors can also receive the latest updates on Maybank by e-mail and RSS by subscription on the website. In addition, Bursa Link is another channel for stakeholders to obtain Maybank's announcements to the exchange and is available on the Bursa Malaysia website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

### Annual Report

Maybank's annual report provides a comprehensive report on the Group's operations and financial performance. The annual report provides full disclosure and is in compliance with the relevant regulations to ensure greater transparency. The annual reports are also printed in summary form together with a digital version of the annual report in CD-ROM format. An online version of the Annual Report is also available on Maybank's corporate website.

### Media coverage

Media coverage on the Group and senior management, either through print media or television coverage, is also initiated proactively at regular intervals to provide wider publicity and improve the general understanding of the Group's business among investors and the public.

### Credit Rating

Maybank's credit ratings are provided by five rating agencies, namely Standard and Poor's, Fitch Ratings and Moody's Investors Services, RAM Rating Services Berhad (RAM Ratings) and Malaysian Rating Corporation Berhad (MARC), as part of providing an independent flow of information to stakeholders as well as to the general public.

For more information on the investor relations activities conducted during the year, please refer to the Investor Relations section on page 167.



# STATEMENT ON CORPORATE GOVERNANCE

## Contact Details of IR Spokespersons:

Mohamed Rafique Merican  
Group Chief Financial Officer  
Contact: (6)03 2074 7878  
Email: rafique@maybank.com.my

Narita Naziree  
Head, Group Business Planning & Investor Relations  
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Email: naritanaziree.a@maybank.com.my

Raja Indra Putra Raja Ismail  
Head, Investor Relations  
Contact: (6)03 2074 8582  
Email: rajaindra@maybank.com.my

## GENERAL MEETINGS

The Group's EGMs and AGMs represent the primary platforms for direct two-way interaction between the shareholders, Board and management of the Group. In deference to shareholder democracy and the transparency policy adopted by the Group, shareholder approval is required on all material issues including, but not limited to, the election and appointment of Directors, major mergers, acquisitions and divestments exercises, as well as the appointment of auditors and final dividend payments.

During the last AGM held on 29 March 2012, the attendance of the shareholders was very encouraging as evidenced by the presence of 2,441 shareholders, an improvement over the 1,842 shareholders who attended the 2011 AGM.

In addition to the AGMs and EGMs, shareholders and market observers are also welcome to raise queries at any time through the Corporate Affairs and Group Strategy Management Divisions.

Maybank aspires to take active steps to encourage shareholder participation at the AGMs by serving notices of meeting earlier than the minimum notice period of 21 days, in line with Principle 8 of MCGG 2012 and more importantly Maybank has consistently ensured that its AGM is convened within three months from the end of the financial year.

In line with Recommendation 8.2 of MCGG 2012 on poll voting, Maybank has always made the necessary preparation for poll voting for all resolutions at its AGM. Maybank also takes note of Recommendation 8.2 of MCGG 2012 on e-voting and will explore the suitability and feasibility of employing electronic means for poll voting in view of its large shareholder base and related logistical complexity.

## OWNERSHIP STRUCTURE

The shares of Maybank are widely held with institutional shareholders dominating the ownership structure of Maybank. As at 31 December 2012, the top three shareholders were Skim Amanah Saham Bumiputra (ASB) with 40.58%, Employees Provident Fund Board with 14.09% and Permodalan Nasional Berhad (PNB) with 5.08%, accounting in aggregate for a combined 59.75%.

Although the three top shareholders of Maybank accounted for more than half of the total paid up share capital of Maybank, Maybank is not subject to any biased influence from these shareholders and they do not hold management positions within the organisation. This arrangement ensures a high level of corporate governance and permits the Group to focus on continuously building value for all its shareholders.

Maybank's shareholding structure is transparent and is disclosed on page 230 of this Annual Report. Any updates on the shareholding structure can be obtained on request from the designated management personnel on Investors Relations matters. The existing share structure consists entirely of Ordinary Shares and there are no different classes of Ordinary Shares. There is no foreign shareholding limit and the Bank's Memorandum and Articles of Association does not have any explicit provision(s) that may discourage any acquisition. However, the Bank is subject to BAFIA, which contains certain restrictions on share ownership.

As part of Maybank's effort to expand its liquidity and shareholder base, it has established a Sponsored Level 1 American Depositary Receipt Programme (ADR) which has been traded over-the-counter in the United States of America since May 2005 on the basis of one ADR equivalent to two Maybank shares. Maybank Custody Services holds the securities for Maybank and the total number of ADRs outstanding is 7,378,591 as at 31 December 2012. The percentage of the securities for which the ADRs are issued against Maybank's issued and paid-up share capital is 0.09%.

## ACCOUNTABILITY AND AUDIT

### Financial Reporting and Disclosure

The Board has a fiduciary responsibility and takes it upon itself to present to the shareholders and the public at large, a clear, balanced and meaningful evaluation of the Group's financial position, performance and prospects. In order to meet the fiduciary responsibility expected of the Board, the Board with the assistance of the Audit Committee oversees the financial reporting process and the quality of the Group's financial statements to ensure that the reports present a true and fair view of the financial position of the Group and of the Bank as at 31 December 2012 and of the results and cash flows of the Group and of the Bank for the year then ended.

The Board also ensures that the financial treatment of the consolidated accounts under the Group is based on the more stringent requirements and that the financial statements of Maybank are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The scope of the disclosure includes a review of the main sources of revenue by business activity and geography, past year performance analysis and financial adequacy, together with detailed explanation of the changes in the Statement of Financial Position and Income Statements, to facilitate better understanding of the Group's operations. In addition to the Audited Report, the Group also releases its unaudited quarterly financial results on a timely basis. These are accessible on Maybank and Bursa Malaysia's websites.

### Internal Controls

The Board has overall responsibility for maintaining sound internal control systems that cover financial controls, operational and compliance controls, governance and risk management to ensure that shareholders' investments, customers' interests and the Group's assets are safeguarded.

The effectiveness of risk management and internal controls is continuously reviewed to ensure that they are working. The Audit Committee (AC) regularly evaluates the effectiveness and adequacy of the Group's internal control systems by reviewing the actions taken on internal control issues identified in reports prepared by Group Internal Audit during its scheduled meetings. The AC also reviews audit recommendations and management responses to these recommendations.

The Statement on Internal Control is furnished on page 213 of this Annual Report and this provides an overview of the state of internal controls within the Group.

### Whistleblowing Policy

The Board is satisfied that an adequate framework on whistleblowing, known as the Integrity Hotline (formerly Fraud Reporting Hotline) is in place, having been implemented in 2004. All employees can raise their concerns regarding any misconduct or wrongdoing including but not limited to unethical incidences such as criminal activities or contravention of laws/regulations committed by another employee or any person who has dealings with the Group via the following channels without any fear of retribution:

- Toll-Free Message Recording Line at 1-800-38-8833 or for Overseas at 603-20268112
- Protected Email Address at [integrity@maybank.com.my](mailto:integrity@maybank.com.my)
- Secured P.O. Box Mail Address at P.O. Box 11635, 50752 Kuala Lumpur, Malaysia

These channels protect employees who contemplate "blowing the whistle" against any negative repercussions arising from genuine reporting, and provide an assurance of confidentiality to them. Confidentiality of all matters raised and the identity of the whistleblower are protected under the Policy. Concerns raised anonymously will also be considered provided they are clear and specific. Further details of the Policy are set out on page 214 of this Annual Report.

### Relationship with the Auditors

#### Internal Auditors

The Group Internal Audit reports functionally to the Audit Committee (AC) of the Bank and has unrestricted access to the AC. Its function is independent of the activities or operations of other operating units. The Group Internal Audit regularly evaluates the effectiveness of the risk management process, review the operating effectiveness of the internal controls system and compliance control across the Bank and the Group. The Chief Audit Executive is invited to attend the AC meetings to facilitate the deliberation of audit reports. The minutes of the AC meetings are subsequently tabled to the Board for information and serve as useful references especially if there are pertinent issues that the AC members wish to highlight to the full Board.

# STATEMENT ON CORPORATE GOVERNANCE

## External Auditors

The AC and the Board place great emphasis on the objectivity and independence of the Bank's Auditors, namely Messrs. Ernst & Young, in providing relevant and transparent reports to the shareholders. To ensure full disclosure of matters, the Bank's Auditors are regularly invited to attend the AC meetings (as well as the Annual General Meetings), apart from the twice yearly discussions with the AC without the presence of the senior management.

A full report of the AC outlining its role in relation to the internal and external auditors is set out on pages 216 to 220 of this Annual Report.

## Maybank Group's Code of Ethics and Conduct

In addition to the Directors' Code of Ethics as set out in the BNM/GP7-Part 1 Code of Ethics: Guidelines on the Code of Conduct for Directors, Officers and Employees in the Banking Industry, and the Company Directors' Code of Ethics established by the Companies Commission of Malaysia, the Group also has a Code of Ethics and Conduct that sets out sound principles and standards of good practice in the financial services industry, which are observed by the Directors and the employees. Both Directors and employees are required to uphold the highest integrity in discharging their duties and in dealings with stakeholders, customers, fellow employees and regulators. This is in line with the Group's Core Values which emphasise behavioural ethics when dealing with third parties and fellow employees.

## Corporate Integrity Pledge

The Maybank Group reinforces its commitment to a high level of accountability and transparency by being the first financial institution in Malaysia to sign to the Malaysian Corporate Integrity Pledge in August 2011.

The Pledge is as a result of collaboration among:

- Bursa Malaysia Berhad;
- Companies Commission of Malaysia;
- Malaysian Institute of Integrity;
- Malaysian Anti-Corruption Commission & NKRA Corruption Monitoring & Coordination Division;
- Securities Commission Malaysia; and
- Transparency International Malaysia and the Performance Management and Delivery Unit (PEMANDU), Prime Minister's Office.

This declaration signifies to the public that the Group supports and upholds Anti-Corruption Principles for Corporations in Malaysia as well as working towards creating a business environment that is free from corruption in the conduct of its business and in its interactions with its business partners and the Government.

By signing the Integrity Pledge, Maybank is now listed in the register of signatories that is carried on the website of the Malaysian Integrity Institute, and can be accessed through the website of Bursa Malaysia Berhad.

## Corporate Responsibility

The Board is satisfied that a good balance has been achieved between value creation and corporate responsibility. Details of the Group's corporate responsibility initiatives are set out on pages 158 to 166 of this Annual Report.

## Competition Act 2010

The Act came into force on 1 January 2012, and to facilitate Groupwide adherence, the Joint Secretariat to the Maybank Group Antitrust Steering Committee (Joint Secretariat) consisting of key representatives from Group Corporate and Legal Services, as well as Group Compliance, developed a Guide to Competition Act 2010 (Guide) which has been shared with the Group EXCO, the Board of Maybank as well as being disseminated to Maybankers at large via the Group's e-portal.

This Guide is intended to assist all Maybankers in understanding the basic elements of the Act and competition law issues generally and to ensure that our business operations and conduct that are not anti-competitive continue as usual. It highlights two key prohibitions under the Act, namely anti-competitive agreements (horizontal and vertical) and abuse of dominant position.

Maybankers have been informed that any further queries, pertaining to this legislation can be directed either by e-mail to the Joint Secretariat or to [antitrust@maybank.com.my](mailto:antitrust@maybank.com.my).

## ADDITIONAL COMPLIANCE INFORMATION AS AT 31 DECEMBER 2012

### 1. Utilisation of Proceeds

- (a) RM3.66 billion private placement of 412,000,000 new ordinary shares of RM1.00 each in Maybank at an issue price of RM8.88
  - Issued on 11 October 2012. The proceeds raised from the private placement are for the purpose of funding Maybank's working capital and general banking purposes.
- (b) USD800 million Tier 2 Capital Subordinated Notes
  - Issued on 20 September 2012. The proceeds raised from the USD Subordinated Notes are for the purpose of funding Maybank's working capital, general banking and other corporate purposes.
- (c) HKD600 million Senior Notes under USD5.0 billion Multicurrency Medium Term Note Programme
  - Issued on 20 July 2012. The proceeds raised from the HKD Senior Notes are for the purpose of funding Maybank's working capital, general banking and other corporate purposes.
- (d) JPY5 billion Senior Notes under USD5.0 billion Multicurrency Medium Term Note Programme
  - Issued on 30 May 2012. The proceeds raised from the JPY Senior Notes are for the purpose of funding Maybank's working capital, general banking and other corporate purposes.
- (e) RM2.1 billion Tier 2 Capital Subordinated Notes
  - Issued on 10 May 2012. The proceeds raised from the RM Subordinated Notes are for the purpose of funding Maybank's working capital, general banking and other corporate purposes.
- (f) USD500 million Senior Notes under USD2.0 billion Multicurrency Medium Term Note Programme
  - Issued on 8 May 2012. The proceeds raised from the USD Senior Notes are for the purpose of funding Maybank's working capital, general banking and other corporate purposes.
- (g) HKD700 Senior Notes under USD2.0 billion Multicurrency Medium Term Note Programme
  - Issued on 1 March 2012. The proceeds raised from the HKD Senior Notes are for the purpose of funding Maybank's working capital, general banking and other corporate purposes.
- (h) USD400 million Senior Notes under USD2.0 billion Multicurrency Medium Term Note Programme
  - Issued on 10 February 2012. The proceeds raised from the USD Senior Notes are for the purpose of funding Maybank's working capital, general banking and other corporate purposes.
- (i) Dividend Reinvestment Plan (DRP) - Ongoing
  - The net proceeds from the DRP (after deducting estimated expenses of the DRP) are for the purpose of funding the continuing growth and expansion of the Maybank Group.

### 2. Share Buy-back

Maybank did not make any proposal for share buy-back during the financial year ended 31 December 2012.

### 3. Options, Warrants or Convertible Securities

Maybank did not issue any options, warrants or convertible securities during the financial year ended 31 December 2012, save and except for the options issued pursuant to the Employees' Share Scheme.

### 4. Imposition of Sanctions and/or Penalties

There were no material sanctions and/or penalties imposed on Maybank and its subsidiaries, directors or management by the relevant regulatory bodies, which were made public during the financial year ended 31 December 2012.

### 5. Non-audit fees

Non-audit fees payable to the external auditors, Ernst & Young, for the year amounted to RM6,094,000 for the Group and RM3,885,000 for the Bank.

## STATEMENT ON CORPORATE GOVERNANCE

### 6. Variation in Results

There was no profit forecast issued by Maybank and its subsidiary companies during the financial year ended 31 December 2012.

### 7. Profit Guarantee

There was no profit guarantee issued by Maybank and its subsidiary companies during the financial year ended 31 December 2012.

### 8. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors and substantial shareholders, either still subsisting at the end of the financial year ended 31 December 2012 or entered into since the end of the previous financial year.

### 9. Valuation Policy

The Company does not re-value its landed properties classified as Property and Equipment. The revaluation policy on landed properties classified as Investment Properties is disclosed in Note 2.3(xi) of the Financial Statements book of the Annual Report 2012.

### 10. Recurrent Related Party Transactions of a Revenue or Trading Nature (RRPT)

The Company did not seek any mandate from its shareholders nor enter into RRPT, which are necessary for its day-to-day operation on terms not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders for the financial year ended 31 December 2012.

This statement is made in accordance with a resolution of the Board dated 25 January 2013.



TAN SRI DATO' MEGAT ZAHARUDDIN MEGAT MOHD NOR  
Chairman of the Board



# STATEMENT ON INTERNAL CONTROL

Financial year ended 31 December 2012

## INTRODUCTION

This Statement on Internal Control is made pursuant to Bursa Malaysia Securities Berhad Listing Requirements which requires the Board of Directors (“Board”) to include in its Company Annual Report a statement about the state of its internal control. The revised Malaysian Code on Corporate Governance (2012) requires all listed companies to establish and maintain a sound risk management framework and internal control system to safeguard shareholders’ investment and the company’s assets.

Accordingly, the Board is pleased to provide the Statement on Internal Control (“Statement”) that was prepared in accordance with the “Statement on Risk Management & Internal Control - Guidelines for Directors of Public Listed Issuers” issued by Bursa Malaysia Securities Berhad which outlines the processes to be adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system of the Group.

### Responsibility

The Board acknowledges its overall responsibility in establishing a sound risk management framework and internal control system. The Board is of the view that the risk management framework and internal control system are designed to manage the Group’s risks within an acceptable risk appetite, rather than eliminate the risk of failure to achieve the policies, goals and objectives of the Group. It can therefore only provide reasonable, rather than absolute assurance of effectiveness against material misstatement of management and financial information or against financial losses and fraud.

The Board has established appropriate control structure and process for identifying, evaluating, monitoring, and managing significant risks that may affect the achievement of business objectives. The control structure and process which have been instituted throughout the Group are updated and reviewed from time to time to suit the changes in the business environment, and this on-going process has been in place for the whole financial year under review and up to the date of approval of this statement for inclusion in the annual report.

The role of Management includes:

- Identifying and evaluating the risks faced, and the achievement of business objectives and strategies
- Formulating relevant policies and procedures to manage these risks

- Designing, implementing, and monitoring a sound system of internal control
- Implementing the policies approved by the Board
- Reporting in a timely fashion to the Board any changes to the risks and corrective actions taken.

### Internal Control Structure

The key processes that the Board has established in reviewing the adequacy and effectiveness of the risk management and internal control system include the following:

#### Risk Management Framework

- The Board has established an organisation structure with clearly defined lines of responsibility, authority limits, and accountability aligned to business and operations requirements which supports the maintenance of a strong control environment. It has extended the responsibilities of the Audit Committee of the Board (“ACB”) to include the assessment of internal controls through the Internal Audit function.
- The Board has also delegated the responsibility of reviewing the effectiveness of risk management to the Risk Management Committee (“RMC”). The effectiveness of the risk management system is monitored and evaluated by the Group Risk Management function, on an ongoing basis. The RMC assists the Board to review and oversee the effectiveness of the risk management of the Bank, wherein the Group Risk Management function would facilitate the continuous monitoring and evaluating of the Group’s risk management system. Any approved policy and framework formulated to identify, measure and monitor various risk components would be reviewed and recommended by the RMC to the Board. Additionally, the RMC reviews and assesses the adequacy of these risk management policies and ensures infrastructure, resources and systems are emplaced for risk management.

## STATEMENT ON INTERNAL CONTROL

- The risk management function is strengthened with the Group Chief Risk Officer (“GCRO”), having oversight over the risk governance across the Group. The risk governance structure is aligned across the business units, overseas units, and subsidiaries of the Group through the streamlining of the risk frameworks, policies and organisational structures in order to embed and enhance our risk management and risk culture based on the Group’s regional growth and expansion plans.
- Risk management principles, policies, procedures and practices are updated regularly to ensure relevance and compliance with current/applicable laws and regulations, and are made available to all employees. The Group also adopted a whistle blowing policy, providing an avenue for employees to report actual or suspected malpractice, misconduct or violations of the Group’s policies and regulations in a safe and confidential manner.
- A written Management Control Policy (MCP) and Internal Control Policy (ICP) from Management are in place. The MCP outlines the specific responsibilities of the various parties i.e. the Management, the Internal Audit Committee (“IAC”) and the ACB pertaining to internal control for Maybank Group. The ICP is to create awareness among all the employees with regards to the internal control components and the basic control policy of Maybank Group.
- There is an Anti-Fraud Framework implemented which provides broad principles, strategy and policy for the Group to adopt in relation to fraud in order to promote high standards of integrity. The Framework establishes robust and comprehensive programmes and controls for the Group as well as highlights the roles and responsibilities at every level for preventing and responding to fraud.
- The Group established the three lines of Defence concept: risk taking units, risk control units, and internal audit. The risk taking units manage the day-to-day management of risks inherent in their business activities, while the risk control units are responsible for setting the risk management framework and developing tools and methodologies. Complementing this is internal audit, which provides independent assurance of the effectiveness of the risk management approach.

### Internal Audit Function

- The Internal Audit function includes undertaking regular reviews of the Group’s operations and the systems of internal control by performing regular reviews of the business processes to examine and evaluate the adequacy and efficiency of financial and operating controls, and highlights significant risks and non-compliance impacting the Group. Where applicable, they provide recommendations to improve on the effectiveness of risk management, control and governance processes. Management will follow through and review the status of actions on recommendations made by the internal and external auditors. Audit reviews are carried out on units that are identified premised on a risk-based approach, in line with the Group’s objectives and policies in the context of its evolving business and regulatory environment, taking into consideration input of the senior management and the Board.
- The IAC is a management committee chaired by the GCFO, comprising senior level representatives from a broad range of business and support units of the Bank. The IAC meets regularly to deliberate on the findings of all signed audit and investigation reports and decide on the appropriate action required to resolve audit issues covering all aspects of the Bank’s business and operations. Where required, representatives from the parties being audited are requested to attend the IAC meeting to enable more detailed deliberation and speedy resolution of the matter at hand. Minutes of the IAC meeting are then tabled to the ACB together with the audit reports. The IAC also follows through on the actions required by the ACB.
- The ACB meets on a scheduled basis to review the internal control issues identified in reports prepared by Internal Audit, the External Auditors, Regulatory Authorities and further evaluates the effectiveness and adequacy of the Group’s internal control system. The ACB has active oversight on Internal Audit’s independence, scope of work and resources. It also reviews the Internal Audit function and the scope of the annual audit plan and frequency of the internal audit activities. Minutes of the ACB meeting are then tabled to the Board. The details of the activities undertaken by the ACB are highlighted in the Audit Committee Report.

### Other Key Elements of Internal control

The other key elements of the procedures established by the Board that provides effective internal control include:

- An annual business plan and budget are submitted to the Board for approval. Actual performances are reviewed against the targetted results on a monthly basis allowing timely responses and corrective actions to be taken to mitigate risks. The Board reviews regular reports from the management on the key operating statistics, as well as legal and regulatory matters. The Board also approves any changes or amendments to the Group's policies.
- Other Board Committees are also established to assist the Board in performing its oversight function namely Credit Review Committee, Nomination and Remuneration Committee and Employee Share Scheme Committee. Specific responsibilities have been delegated to these Board Committees, all of which have formalised terms of reference. These Committees have the authority to examine all matters within their scope and report to the Board with their recommendations. For more details on the various Board Committees, please refer to Pages 204 to 206.
- Various Executive Level Management Committees (ELCs) are also established by Management to assist and support the various Board Committees to oversee the core areas of business operations. These ELCs include the Group Executive Committee, Group Management Credit Committee, Executive Risk Committee, Asset & Liability Management Committee, Group Procurement Committee, Group IT Steering Committee, Group Staff Committee, and Human Resource Disciplinary Committee.
- Recruitment and promotion policies/guidelines within the Group are established to ensure that appropriate persons of calibre are selected to fill available positions. Formal training programmes either face-to-face or through e-learning, semi- and annual performance appraisals, and other relevant procedures are in place to ensure that staff are adequately trained and competent to enable them to discharge their duties and responsibilities effectively. Proper guidelines are also drawn up for termination of staff.
- A clearly defined framework with appropriate empowerment and authority limits has been approved by the Board for acquisitions and disposals of assets, awarding tenders, writing off operational and credit items, donations, as well as approving general and operational expenses.

- There are policies and procedures in place to ensure compliance with internal control and the prescribed laws and regulations. These policies and procedures are set out in the Group's Standard Practice Instruction and are updated from time to time in tandem with changes to the business environment or regulatory guidelines.

### Assurance from Management

The Board has also received reasonable assurance from the President & Chief Executive Officer ("PCEO") and the Group Chief Financial Officer ("GCFO") that the Group's risk management and internal control system are operating adequately and effectively, in all material respects, based on the risk management model adopted by the Group.

### Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Internal Control for inclusion in the annual report for the financial year ended 31 December 2012.

The external auditors conducted the review in accordance with the "Recommended Practice Guide 5: Guidance for Auditors on the Review of Directors' Statement on Internal Control" ("RPG 5") issued by the Malaysian Institute of Accountants. The review has been conducted to assess whether the Statement on Internal Control is both supported by the documentation prepared by or for the Board and appropriately reflects the processes the Directors had adopted in reviewing the adequacy and integrity of the system of internal controls of the Group.

RPG 5 does not require the external auditors to consider whether the Directors' Statement on Internal Control covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures. RPG 5 also does not require the external auditors to consider whether the processes described to deal with material internal control aspects of any significant matters disclosed in the annual report will, in fact, mitigate the risks identified or remedy the potential problems.

Based on their review, the external auditors have reported to the Board that nothing had come to their attention that causes them to believe that the Statement on Internal Control is inconsistent with their understanding of the processes the Board has adopted in the review of the adequacy and effectiveness of the risk management and internal control of the Group.

# AUDIT COMMITTEE REPORT

## A. COMPOSITION AND TERMS OF REFERENCE

### Composition

1. The Committee shall be appointed by the Board of Directors from amongst its non-executive directors and shall consist of at least (3) three members. The Chairman and the majority of the Audit Committee members must be independent directors and at least one (1) member of the committee must be:
  - a member of the Malaysian Institute of Accountants (MIA); or
  - if he is not a member of the MIA, he must have at least three (3) years working experience; and
    - i. he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
    - ii. he must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967.

2. Where the Chairman is unable to attend the meeting, the members shall elect a person among themselves as Chairman.
3. Review of membership is undertaken once every three (3) years. This review pertains to the terms of office and performance of the members.

### Meetings

1. Meetings shall be held at least once a month or at a frequency to be decided by the Committee and the Committee may invite any person to be in attendance to assist in its deliberations. At least once a year, the Committee shall meet with the external auditor without the presence of Management.
2. The Committee will regulate its own procedure particularly with regard to the calling of meetings, the notice to be given of such meetings, the voting and proceedings of such meetings, the keeping of minutes, the custody, production and inspection of such minutes.



*The Audit Committee  
Members of Maybank from  
left to right:*

- *Tan Sri Datuk Dr. Hadenan  
A. Jalil (Chairman)*
- *Dato' Johan Ariffin (Member)*
- *Mr. Cheah Teik Seng (Member)*
- *Mr. Erry Riyana Hardjapamekas  
(Member)*

3. Upon the request of the external auditor, a meeting is to be convened to consider any matter that the auditor believes should be brought to the attention of the directors and shareholders.

### Quorum

The quorum shall be two (2), *both* of whom are to be independent directors.

### Secretary

The General Counsel & Company Secretary, En. Mohd Nazlan bin Mohd Ghazali is the Secretary to the ACB.

### Authority

The Committee is authorised by the Board to:

1. Investigate any activity or matter within its terms of reference.
2. Promptly report to Bursa Malaysia Securities Berhad (“Bursa Securities”) matters which have not been resolved satisfactorily, thus, resulting in a breach of the Bursa Securities Listing Requirements.
3. Obtain external independent professional advice, legal or otherwise deemed necessary.
4. Maintain direct communication channels with external auditors, person(s) carrying out the internal audit function or activity, and with senior management of the Bank and its subsidiaries.
5. Convene meetings with internal and external auditors, without the attendance of the management, whenever deemed necessary.

In discharging the above functions, the ACB has also been empowered by the Board to have:

- Necessary resources which are required to perform its duties.
- Full and unrestricted access to any information and documents relevant to its activities.

## B. DUTIES & RESPONSIBILITIES

The primary duties and responsibilities of the ACB with regards to the Maybank Group’s Internal Audit function, external auditors, financial reporting, related party transactions, annual reporting and investigation are as follows:

### 1. Internal Audit

- Review the adequacy of the internal audit scope and plan, functions and resources of the internal audit function, Internal Audit Charter and that it has the necessary authority to carry out its work.
- Review the internal audit reports and to ensure that appropriate and prompt remedial action is taken by Management on lapses in controls or procedures that are identified by internal audit.
- Approve the appointment or termination of the Chief Audit Executive and Heads of Department of Internal Audit.
- Assess the performance of the internal audit staff; determine/approve the remuneration and annual increment of the internal audit staff.
- Take cognisance of resignation of internal audit staff and the reason for resigning.

### 2. External Audit

- Review the appointment and performance of external auditors, the audit fee and any question of resignation or dismissal and to make recommendations to the Board.
- Assess the qualification, expertise, resources and effectiveness of the external auditors.
- Monitor the effectiveness of the external auditors’ performance and their independence and objectivity.
- Review the external auditors’ audit scope and plan, including any changes to the planned scope of the audit plan.
- Review major audit findings raised by the external auditors and Management’s responses, including the status of previous audit recommendations.



## AUDIT COMMITTEE REPORT

- Review the assistance given by the Group's officers to the external auditors and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information.
- Approve non audit services provided by the external auditors.

### 3. Financial Reporting

Review the quarterly and year-end financial statements focusing on:-

- Any changes in accounting policy and practices.
- Significant and unusual events
- Compliance with applicable Financial Reporting Standards and other legal and regulatory requirements.

### 4. Related Party Transactions

Review any related party transactions and conflict of interest situations that may arise within the Bank or Maybank Group including transactions, procedures or courses of conducts that may raise questions of Management's integrity.

### 5. Annual Report

Report the Audit Committee's activities for the financial year.

### 6. Investigation

Instruct the conduct of investigation into any activity or matter within its terms of reference.

### 7. Other Matters

Act on other matters as the Committee considers appropriate or as authorised by the Board of Directors.

## C. ACTIVITIES OF THE AUDIT COMMITTEE DURING THE YEAR

During the year under review, the Audit Committee in the discharge of its duties and functions carried out the following activities:

### Attendance of meetings

A total of fourteen (14) meetings were held during the year ended 31 December 2012. The details of attendance of each of the member at the Committee meetings held during the year are as follows:

Composition and name of committee member	No. of meetings attended during the period under review
1 Tan Sri Datuk Dr Hadenan A. Jalil (Chairman) - Appointed on 15/7/2009 - Independent Non-Executive Director	14/14
2 En Cheah Teik Seng (member) - Appointed on 26/8/2009 - Independent Non-Executive Director	14/14
3 Dato' Johan Ariffin (member) - Appointed on 26/8/2009 - Independent Non-Executive Director	14/14
4 Mr. Erry Riyana Hardjapamekas (member) - Appointed on 25/6/2012 - Independent Non-Executive Director	7/7
5 Dato' Sreesanthan Eliathamby (member) - Appointed on 27/10/2010 - Non-Independent Non-Executive Director (retired w.e.f 29/3/12)	3/3

The Audit Committee consists of four (4) Independent Non-Executive Directors. One of the members (En Cheah Teik Seng) is a Fellow of the Institute of Chartered Accountants in England and Wales. This meets the requirement of the Bursa Securities Listing Requirements which requires at least one qualified accountant as a member of the Audit Committee.

The Audit Committee meets on a scheduled basis. The Group Chief Financial Officer (GCFO) and the Chief Audit Executive (CAE) are invited to attend the meetings. The External Auditors are also invited to discuss their management letters, Audit Planning Memorandum and other matters deemed relevant.

In addition to the scheduled meetings, the members of the Audit Committee also had two (2) sessions with the External Auditors without the presence of the Management as required.

The Audit Committee also meets to discuss and review the quarterly unaudited financial results and the annual audited financial statements of the Bank and the Maybank Group. The President & Chief Executive Officer (PCEO) and the Group Chief Financial Officer (GCFO) are invited to attend these meetings, together with the External Auditors.

### Internal Audit (IA)

1. Reviewed the annual internal audit plan for the financial year 2012 to ensure adequate scope, coverage of the activities of the Bank and the Group and the resource requirements of internal audit to carry out its functions.
2. Reviewed the internal audit reports, audit recommendations and Management's responses to these recommendations.
3. Reviewed the status report on Management's efforts to rectify the outstanding audit issues to ensure control lapses are addressed.
4. Reviewed the monthly audit performance reports to ensure the adequacy, performance, progress, achievement, coverage of the internal audit functions and noted the reasons for the resignation of audit staff.
5. Reviewed the audit reports issued by regulatory authorities, Management's responses to the Regulators' recommendations and the remedial actions taken to rectify the weaknesses detected.
6. Reviewed the minutes of meetings of the subsidiary companies' ACB for an overview of the risk management and internal control systems of those subsidiary companies.
7. Provided independent evaluation on the performance and remuneration package of audit staff in accordance with the regulatory requirements.
8. Approved the appointment of audit staff in key positions.
9. Instructed the conduct of investigation into any activity or matter within its terms of reference.

10. Reviewed the Audit Committee Report and Statement on Internal Control.
11. Reviewed the minutes of meetings of the Internal Audit Committee for an overview of the deliberation and remedial actions taken by Management on the control lapses raised by internal auditors.

### Financial Reporting

12. Reviewed the quarterly unaudited financial results and the annual audited financial statements of the Bank and the Maybank Group to ensure that the financial reporting and disclosure requirements are in compliance with accounting standards, with special focus placed on changes in accounting policy, as well as significant and unusual events/transactions.

### External Audit

13. Reviewed with the external auditors:-
  - The Audit Planning Memorandum and scope of work for the year.
  - The results of the audit, the relevant audit reports and Management Letters together with Management's responses/comments to the findings.
14. Approved the appointment of external statutory auditors for the provision of non-audit services. When considering the approvals for these services, the ACB took into consideration the process and requirements (including fees threshold) established under the policy for such appointments.
15. Evaluated the performance of the external auditors and made recommendations to the Board on their re-appointment.

### Employee Share Scheme (ESS)

16. Reviewed the allocation to ensure that it is consistent with the approved matrix.

### Directors' Training

17. The training attended by the Committees is reported under the Statement on Corporate Governance in pages 202 to 203.

## E. INTERNAL AUDIT FUNCTION

The Group has a well established in-house Internal Audit (IA) to assist the Board of Directors to oversee that Management has in place a sound risk management, internal control and governance system. The total costs incurred for maintaining the IA function for 2012 was approximately RM42.0 million, comprising mainly salaries, travelling and accommodation expenses and subsistence allowances for audit assignments.

The internal audit function is guided by its Audit Charter and reports functionally to the ACB of the Bank and administratively to the President & Chief Executive Officer, and is independent of the activities or operations of other operating units. The principal responsibility of IA is to undertake regular and systematic reviews to evaluate the effectiveness of risk management frameworks and the internal control systems to provide reasonable assurance that such frameworks and systems continue to operate efficiently and effectively. In order for IA to perform its functions effectively, the auditors are continuously sent for training to equip themselves with requisite product knowledge and skills especially in the areas of Shariah, Treasury, Investment Banking, and Insurance & Takaful. The scope of coverage of IA encompasses all units and operations of the Bank, including the subsidiaries. The selection of the units to be audited from the audit universe leading to the formulation of the audit plan is premised on a risk-based approach, and it is the responsibility of the IA to provide the ACB with an independent and objective report on the state of affairs of the risk management, internal control and governance processes.

The internal audit function for Maybank operations and its subsidiary companies in Malaysia and Papua New Guinea is organised on a Group basis within Maybank. Technical support in the areas of credit risk, treasury and market risk, information technology systems, asset management and developmental initiatives are provided, where required to ensure consistency of standards and applications. When approving the Annual Audit Plan, the ACB reviews Maybank IA's human resource requirements to ensure that the function is adequately and appropriately resourced. The internal audit functions for the respective subsidiary companies in the Philippines, Indonesia, Singapore, Thailand and Cambodia are organised and supported by the respective resident internal audit teams with direct accountability to the respective Board Audit Committees of these subsidiary companies.

The audit reports which provide the results of the audit conducted in terms of the risk management of the unit, operating effectiveness of internal controls, compliance with internal and regulatory requirements and overall management of the unit are submitted to the respective ACB for their

review. Key control issues, significant risks and recommendations are highlighted, along with Management's responses and action plans for improvement and/or rectification, where applicable. This enables the ACB to execute its oversight function by forming an opinion on the adequacy of measures undertaken by Management.

The International Professional Practices Framework (IPPF) issued by The Institute of Internal Auditors (IIA), the Practice Advisories issued by the IIA, the Guidelines on Internal Audit Functions, Bank Negara Malaysia's Guidelines on Internal Audit Function of Licensed Institutions and Guidelines on Management of IT Environment are used where relevant as authoritative guides for internal auditing procedures.

During the period under review, the following activities were carried out by IA:

1. Developed an annual audit plan premised on a risk-based approach and in line with the Group's business expansion plan, taking into consideration input from Senior Management and the ACB.
2. Executed independent assurance role through programmed reviews of units and operations identified in the annual audit plan, to evaluate and improve the effectiveness of risk management, internal control and governance processes. These include the review of the operations and service levels offered by Service Providers.
3. Reviewed the adequacy and appropriateness of the internal controls and risk exposures in the new products/financing packages.
4. Ascertained the extent of compliance with established policies and procedures and statutory requirements.
5. Besides the risk assurance activities, IA also conducts audits on computer hardware, operating and application systems as well as the information communication technology (ICT) network of Maybank Group.
6. Carried out ad hoc assignments and special reviews as instructed by the ACB.
7. Recommended improvements and enhancements to the existing system of internal control and work procedures/processes.
8. Carried out investigation into activities or matters as instructed by the ACB and Senior Management.
9. Witnessed the tender opening process for procurement of services.
10. Preparation of Audit Committee Report and Statement on Internal Control for the Company's Annual Report for Financial Year ended 31 December 2012.

# RISK MANAGEMENT

“We continue to strengthen our risk management across the Group by embedding a stronger risk culture amongst our people, articulating clearer and more specifically our risk appetite, and institutionalising our risk management knowledge and awareness.”

**Dr John Lee Hin Hock**  
Group Chief Risk Officer

## KEY HIGHLIGHTS

1. Continued to strengthen our risk strategy and governance to embed and enhance our risk culture and management across the Group in support of our regional growth plans.
2. Established a Risk Talent Management blueprint to up-skill resources and set the platform to bridge competency gaps.
3. Improved our risk management processes by optimising capital and resources, improving turnaround time for credit decisions, enhancing enterprise-wide risk reporting for more effective risk oversight, and streamlining risk practices for more effectiveness and consistency across the Group.
4. Implemented and initiated various risk systems enhancements such as the Risk IT Architecture roadmap, the Treasury Risk Management System and the Operational Risk Management system to ensure robust risk capabilities through technology.

## OVERVIEW

During FY2012, Maybank Group made significant strides in managing its risk in a more robust and holistic manner across the Group. Amidst the challenging business landscape and tighter regulatory regime, Risk Management has managed to enhance and embed risk management into the business to drive value creation for the Group.

The risk factors faced by the Group can be categorised as follows:

**Economic** — Covers a range of macroeconomic risk concerns including economic environment, financial systems, infrastructure, volatility and regulation.

- The current local and global economic and market conditions will have an impact on our results.
- The Group may have direct and indirect exposures to countries with ongoing economic crises.
- We are subject to economic risks in the countries where we operate.

**Geopolitical** — Covers risks in areas of politics, diplomacy, conflict, crime and governance.

- Changes in the geopolitical status of the countries in which we operate and have exposures in will adversely affect us.
- We are subject to political risks and changes in diplomatic rules and governance.

**Macro-prudential, Regulatory and Legal** - Covers risks pertaining to changes in legislations and the regulatory landscape.

- The Group’s business is subject to a wide range of legislations and regulations, as well as to regulatory and government oversight.
- Legislative or regulatory developments, or changes in the policies of regulators or governments, could have an unfavourable effect on the Group’s operations, financial condition and prospects.

**Environmental** — Covers a range of environmental risk events such as natural disasters, irremediable pollution, and species over-exploitation.

- Exposures to companies that contribute adversely to the environment may put the Group’s reputation at risk.
- There is the risk of natural disasters affecting countries in which the Group operates.

**Risk in Business Operations, Governance and Internal Control Systems** - Covers risks arising in the course of day-to-day business operations including breakdowns of governance and internal controls in our business processes.

- Risks concerning borrowers’ credit quality are inherent in the Group’s businesses.
- Operational risks are inherent in our business processes.
- Market fluctuations may reduce the value or income generation of our portfolios.
- Liquidity, or ready access to funds, is essential to the Group’s activities.

## RISK MANAGEMENT

- Reduction in the Group's credit rating, any subsidiaries or any of our debt securities could increase the cost or availability of funding and adversely affect our liquidity position and interest margins.

**Technological** – Covers risks in the area of current and emerging technologies as well as external technologically-related threats such as cyber attacks, data theft, fraud, etc.

- Our operations are highly dependent on the continued employment of information technology systems.
- Any breakdown or system failure could have a major impact on the Group's businesses.

Taking cognizance of these risks, the Group continues to plan, monitor and respond to these internal and external risk factors in an anticipative manner. This is further accomplished through the continuing implementation of the Risk Transformation Programme (RTP).

The key objective of the RTP is to redesign the current state of risk architecture, aligning the capabilities of the Group's risk function with its strategic aspirations. The RTP is aimed at enhancing our global risk management processes, increasing our ability to manage risks in all markets in which we operate, improving business responsiveness, optimising our risk-return capabilities, and acting as a market and thought leader in risk management region-wide.

Highlights of key risk achievements and measures undertaken by the Group for the financial year include the following:

## STRATEGY AND GOVERNANCE

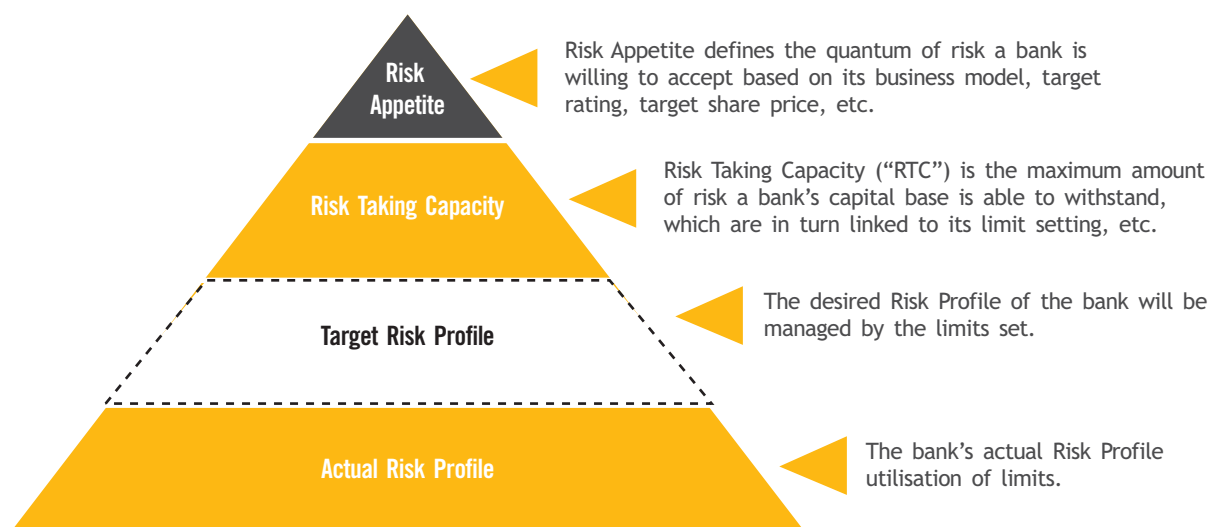
### Risk Appetite Statement

The Group's risk appetite statements have been reviewed and approved by the Board to better link our business strategies with our risk-taking capacities and to optimise our risk-return trade-offs. From Maybank's perspective, risk appetite links the risk strategy of the Group to the business strategy through desired target ratings (solvency), earnings volatility and risk limits, among others.

We have successfully implemented the Group Risk Appetite Framework across the Bank and our major overseas subsidiaries and key branches. We continue to align and embed risk appetite into our key risk management and business planning processes to ensure that our risk, return and capital are managed on an integrated basis.

For this purpose we have established a team, focused on managing the risk appetite process, to act as an interface between the Board, senior management and all the business stakeholders in the Group. We view the Risk Appetite Framework as an effective communication tool, which fosters risk-return trade-off discussions between the Board, business and risk management.

The Risk Appetite Framework communicates clearly and effectively the boundaries of risk as defined by the Board and senior management to our various businesses across the Group, and it ensures that all the Group's principal risks are considered in the business, risk management and capital planning processes.





## Risk Culture

Risk Culture is defined by the Institute of International Finance (IIF) as “the norms and traditions of behaviour of individuals and of groups within an organisation which determine the way in which they identify, understand, discuss and act on the risks the organisation confronts and assumes.” In line with our Board's desire to “create and embed the right risk culture”, we have designed a Risk Culture Index aimed at measuring the current state of our Risk Culture across the Group.

We view Risk Culture as the foundation upon which a strong, enterprise-wide risk management framework is built. Creating and embedding a strong Risk Culture is the cornerstone of effective risk management for the Group and our clients. Therefore, through the Index, we aim to measure and target specific areas where we can focus our risk management capability-building, thus ensuring that our risk culture is institutionalised.

The Index was successfully launched in 2012, and the results will be incorporated into the performance management process across the Group. Specific action plans will also be developed to ensure that we are able to sustain our growth in a responsible and risk-aware manner.

## Embedded Risk Units (ERU) Governance

During the year, the Group continued to enhance the effectiveness of the Embedded Risk Units within business sectors, overseas units and Group subsidiaries to meet the following objectives:

- To align the Group's risk management practices with leading risk management practices.
- To align the implementation of the Group's risk frameworks and policies.
- To enhance risk oversight.
- To provide clarity in the roles and responsibilities of risk management functions within business sectors, subsidiaries, overseas branches and units.
- To allocate more dedicated resources to support risk management activities.
- To improve scalability and repeatability of risk management functions in supporting the Group's regional growth.

## Effective Capital Management Strategies

The Group's approach to capital management is driven by its strategic objectives and takes into account all the relevant regulatory, economic and commercial environments in which the Group operates. The Group regards having a strong capital position as essential to its business strategy and competitive position. As such, implications of the Group's capital position are taken into account by the Board and senior management before implementing major business decisions in order to preserve the Group's overall capital strength.

The Group's capital management policies are to diversify its sources of capital; to allocate and deploy capital efficiently, guided by the need to maintain a prudent relationship between available capital and the risks of its underlying businesses; and to meet the expectations of key stakeholders, including investors, regulators and rating agencies.

A set of strong governance and process guidelines is embedded in the Group Capital Management Framework. Appropriate policies are in place governing the transfer of capital within the Group. The purpose is to ensure that capital is remitted as appropriate, that it complies with local regulatory requirements, and that overall capital resources are optimised at Group and entity levels. Ultimate responsibility for the effective management of capital rests with the Board, whilst the Group EXCO is responsible for ensuring the effectiveness of the capital management policies on an ongoing basis and for updating the Group Capital Management Framework to reflect revisions and new developments.

## Basel III Implementation

The implementation of Basel III in Malaysia commenced with effect from 1 January 2013 under the new Basel III rules released on 28 November 2012 by Bank Negara Malaysia. Bank Negara Malaysia's Basel III rules are broadly in line with the proposals promulgated by the Basel Committee of Banking Supervision (BCBS) in December 2010 (updated June 2011), with the exception of a few major areas, which are more stringent than those of BCBS. Despite the more stringent Basel III requirements under the local regime, the Group expects its capital position to continue to remain healthy at levels above the minimum regulatory requirements, even without the transitional arrangements.

*Please refer to pages 465 to 471 in the Financial Statements book of the Annual Report 2012 for a more detailed write-up on Capital Management and the ICAAP process.*

# RISK MANAGEMENT

## PEOPLE

### Risk Talent Management Blueprint

The Group developed and implemented a comprehensive risk talent management blueprint to clearly articulate core risk competencies required by Maybank's risk professionals. In addition, we defined the training curriculum to build the required risk capabilities as well as support the management of career progression pathways and succession planning.

### Risk Masterclass

In our continued effort to up-skill risk management resources, our subsidiary Bank Internasional Indonesia (BII) hosted the annual Risk Masterclass, where risk subject matter experts from across the Group were engaged to share their knowledge of various risk management topics and current risk trends.

### Quality of Credit Underwriting

The Group has endorsed an Internal Assessment of Core Credit Personnel (IACCP) programme. This is an on-the-job assessment process to evaluate the competency of core credit personnel, as well as the quality of the credit proposals they produce. The IACCP will help to identify individuals' areas of weakness with the aim of recommending specific credit training programmes to develop their skills and continuously improve the quality of credit underwriting.

## PROCESSES

### Risk Weighted Assets (RWAs) Optimisation

The RWAs Optimisation Programme was designed as a collaborative effort between Risk Management and business as part of our continuous capital management process. To this end, we implemented a range of initiatives, such as developing new rating models, reviewing existing models, managing stale ratings, ensuring appropriate classification of assets and enhancing collateral management information.

### Credit Decision Enhancement

Credit processes were re-engineered end-to-end for different business segments, from initial marketing to loan disbursement, with an emphasis on making our credit decisions faster without increasing our risks. We deployed a Business Process Management (BPM) tool to enhance our Loan Origination System (LOS), streamlining the credit processes for better turnaround time at every touch-point.

### Market Risk Management

We achieved risk diversification effect in global Value-at-Risk (VaR) computation via the upgraded Kondor Global Risk engine at all Global Market Centres.

### Operational Risk Management (ORM)

In support of the Group's intention to obtain The Standardised Approach (TSA) certification for ORM, we launched various initiatives to ensure that ORM was institutionalised Group-wide. These efforts included enhancing our ORM training effectiveness, engaging and sharing knowledge with our branch network, and attesting our personnel.

### Compliance Culture

Various initiatives and programmes ranging from e-Learning Solutions, Integrity Week and Group Compliance Up-skilling Programmes were put in place to institutionalise compliance culture within the Group.

### Group Risk Reporting

Recognising the importance of timely and aggregated risk information, we enhanced our risk reporting processes across the Group by means of:

- Group-wide risk report standardisation and rationalisation.
- Enhancement of Enterprise Risk Dashboard (ERD) indicators and threshold settings for more meaningful analysis and incisive decision-making.
- Risk report automation to ensure quicker turnaround time in reporting.
- Early Warning System (EWS) comprising forward-looking reviews of leading key risk indicators and scenario analysis.

## SYSTEMS

### Risk IT Architecture (RITA)

As part of the Risk Transformation Programme, we have developed Risk IT Enterprise Architecture which defines the target state applications, data and technology infrastructure necessary to support our risk management.

RITA was initiated to enhance the risk infrastructure to (i) promote business process efficiency, (ii) align with enterprise-wide infrastructure architecture, and (iii) achieve a single source of risk information, thus optimising IT infrastructure cost.

The Group has invested extensively in a range of specific technologies to further enhance its risk management capabilities. These systems include the following:

- Treasury Risk Management System (TRMS) to ensure more robust market risk oversight capabilities over our market risk.
- Risk Data Management Solution (RDMS) which is a Basel II-compliant risk weighted assets (RWA) calculation tool which measures RWAs on an aggregated basis of the various asset classes in the Group.
- Group Exposure Management System to manage the exposure limits at Group level and provide a platform to manage concentration of exposure to single borrowers.
- Maybank Operational Risk Management (ORM) system which manages the operational risks of the Group.
- Group Collateral Management System is a centralised collateral management system, which provides the solution for more efficient management of collateral information and meets specific operational and monitoring requirements under Basel II for the use of credit risk mitigation techniques, single source of collateral data for regulatory reporting and compliance, and automatic system revaluation of specific eligible collaterals.
- Credit Risk Rating Systems allow the Group to assess and measure borrowers' credit risk based on internal rating models.
- Credit Risk Data-mart (CRDM) which is a repository of credit risk data to facilitate credit risk analytics, trending, modelling, reporting, validation and stress testing requirements in an efficient and timely manner.

## RISK MANAGEMENT APPROACH

In accordance to the Group's structure and regional aspirations, the Group continuously enhances its integrated risk management approach towards the effective management of enterprise-wide risks. The Group views the overall risk management process with a structured and disciplined approach to align strategies, policies, processes, people and technology with the specific purpose of evaluating all risk types in line with enhancing shareholder value.

## Risk Governance Structures

### Board of Directors

The Board of Directors is the Group's ultimate governing body, which has overall risk oversight responsibility. It approves the risk management framework, risk appetite, plans and performance targets for the Group and its principal operating subsidiaries, the appointment of senior officers, the delegation of authorities for credit and other risks, and the establishment of effective control procedures.

## Board Level Committees

### Risk Management Committee (RMC)

The RMC is a dedicated Board Committee responsible for the risk oversight function within the Group. It is principally responsible to review and approve key risk frameworks and policies for the various risks.

### Credit Review Committee (CRC)

The CRC is tasked by the Board to review fresh or additional loan applications subject to pre-determined authority limits and credit risk ratings as may be recommended by the Group Management Credit Committee.

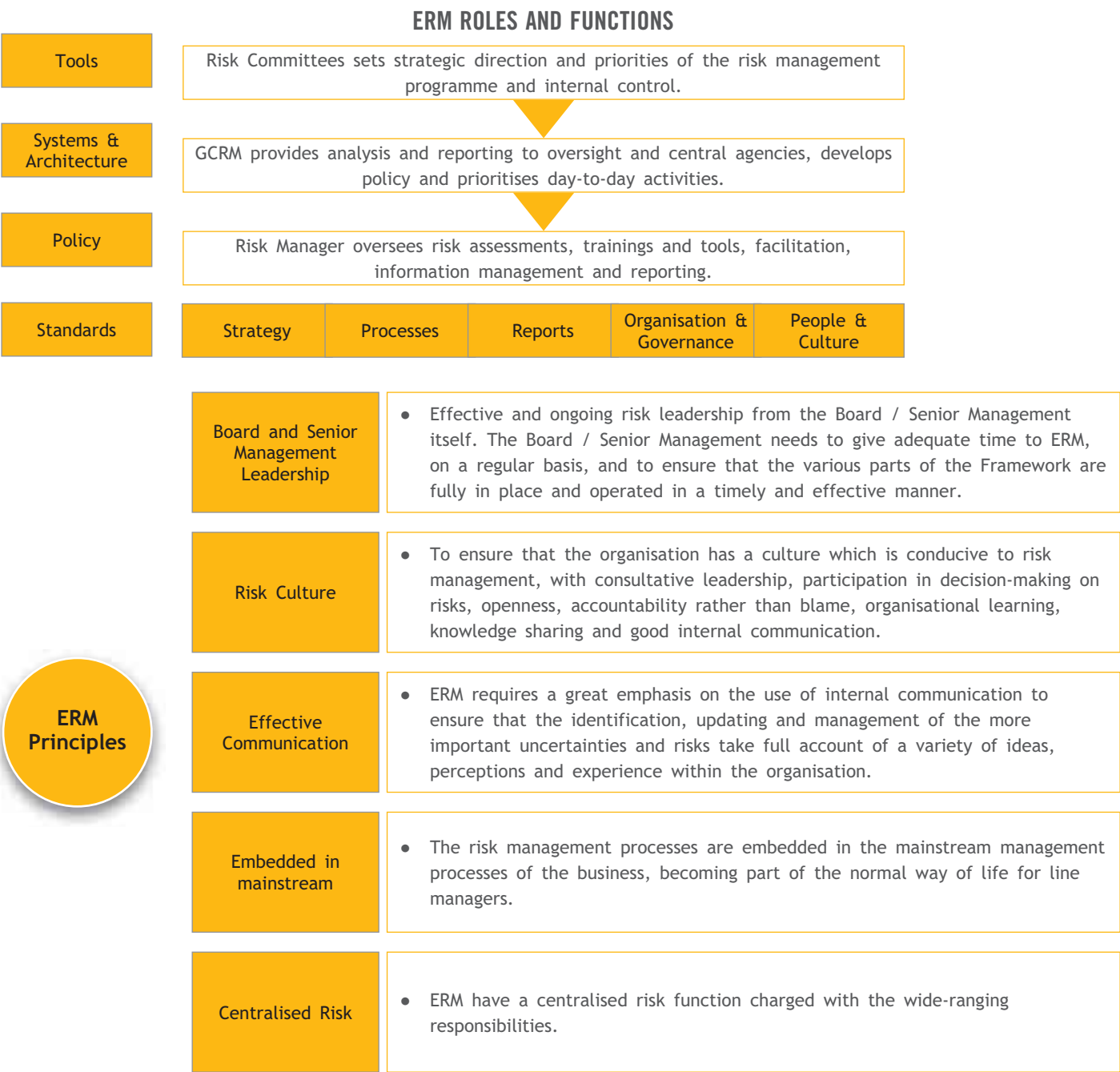
## Executive Level Committees

Executive Risk Committee (ERC)	Group Operational Risk Mgt. Committee (GORMC)	Asset & Liability Mgt. Committee (ALCO)	Group Management Credit Committee (GMCC)
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The ERC, GORMC, ALCO and GMCC are Executive Level Committees responsible for the management of all material risks within the Bank. The scope of ERC encompasses all risk types, whilst the GORMC caters specifically to operational risk matters. The ALCO is primarily responsible for the development and implementation of broad strategies and policies for managing the consolidated balance sheet and associated risks. The GMCC is empowered as the centralised loan approval committee for the Group.

# RISK MANAGEMENT

Key components of the Enterprise Risk Management framework include:



In line with its enterprise risk management approach, the Group has adopted and consistently practises Seven Broad Principles of Risk Management to ensure the integration of purpose, policy, methodology and systems across its regional footprint.

## Maybank Group's Seven Broad Principles of Risk Management

The Seven Broad Principles define the key principles on accountability, independence, structure and scope.

### Principles

1. The risk management approach is based on three lines of defence - risk taking units, risk control units and internal audit.
2. The risk taking units are responsible for the day-to-day management of risks inherent in their business activities, while the risk control units are responsible for setting up risk management frameworks and developing tools and methodologies for the identification, measurement, monitoring, control and pricing of risk. Complementing these is internal audit, which provides independent assurance of the effectiveness of the risk management approach.
3. Risk management provides risk oversight for the major risk categories including credit risk, market risk, liquidity risk, operational risk and other industry-specific risks.
4. Risk management ensures that the core risk policies of the Group are consistent, sets the risk tolerance levels and facilitates the implementation of an integrated risk-adjusted measurement framework.
5. Risk management is functionally and organisationally independent of the business sectors and other risk taking units within the Group.
6. The Board, through the Board Risk Management Committee, maintains overall responsibility for risk oversight within the Group.
7. Risk Management is responsible for the execution of various risk policies and related business decisions empowered by the Board.



## RISK MANAGEMENT

Moving forward, the Group will embark on the next stage of the Risk Transformation Programme, which is to focus on enhancing and integrating risk management into the business to drive value creation for the Group as follows:

<b>Institutionalise our Talent Management Blueprint</b>	<b>A</b> <ul style="list-style-type: none"> <li>To implement the Talent Management Blueprint across the Group and its entities.</li> <li>To uplift the skills and competencies of the risk professionals to improve risk decisions and improve “time-to-yes”.</li> </ul>
<b>Establish Centers of Excellence</b>	<b>B</b> <ul style="list-style-type: none"> <li>To implement Centers of Technical Excellence to build deep specialisation of risk professionals, which provide value added risk insights to support business decision making.</li> <li>To implement Centers of Operational Excellence to increase economies of scale to drive down the cost of delivery.</li> </ul>
<b>Enhance Capital &amp; Liquidity Techniques</b>	<b>C</b> <ul style="list-style-type: none"> <li>To continue to optimise our RWA through refining our capital management and balance sheet management techniques.</li> <li>To continue to enhance our liquidity management techniques and meet regulatory requirements.</li> </ul>
<b>Enhance Risk Culture</b>	<b>D</b> <ul style="list-style-type: none"> <li>To ensure that the ‘Right Risk Culture’ is embedded across the Group and that action plans are executed according to plan.</li> </ul>
<b>Align our Risk Appetite</b>	<b>E</b> <ul style="list-style-type: none"> <li>To further align our risk appetite and embed the risk appetite into our risk management processes and techniques across the Group.</li> </ul>
<b>Enhance Key Risks Early Warning Systems</b>	<b>F</b> <ul style="list-style-type: none"> <li>To enhance our key risks early warning systems and integrate forward looking risk indicators into risk management reports.</li> </ul>
<b>Enhance Risk Adjusted Performance Measurements</b>	<b>G</b> <ul style="list-style-type: none"> <li>To enhance our RAPM methodology and further embed RAPM measurement into management/ customer process enhancement.</li> <li>To continue to embed and enhance the risk based pricing across the Group to improve our performance.</li> </ul>
<b>Institutionalise Shariah Compliance</b>	<b>H</b> <ul style="list-style-type: none"> <li>To institutionalise Shariah compliance across the Group through embedding the Shariah governance framework.</li> </ul>
<b>Enhance BNM Relationship</b>	<b>I</b> <ul style="list-style-type: none"> <li>To implement strategies to improve the BNM Composite Risk Rating for the bank.</li> <li>To achieve BNM certification for TSA readiness.</li> <li>To drive compliance to BNM requirements for Basel III.</li> </ul>

Please refer to “Basel II Pillar 3 Disclosures” for detailed disclosures and write-ups on Risk Management.

# ANTI-MONEY LAUNDERING/ COUNTER FINANCING OF TERRORISM

Maybank Group continues to adhere to the requirements of the Anti-Money Laundering and Anti-Terrorism Act 2001 (AMLATFA 2001), regulatory guidelines, its processes and procedures as well as international standards and best practices on a continuous basis. Increased sophistication and broader reach and networks in money laundering and terrorism financing (ML/TF) globally have elevated the ML/TF threat to the next level. In the fight against money laundering and terrorist financing, Maybank Group is committed to have strong AML/CFT practices which are necessary in ensuring the Group's AML/CFT risks are carefully managed. These will help lower the cost of doing business arising from AML/CFT investigations and cases as well as protect the integrity and reputation of the Group.

The Group continues to strengthen its enterprise-wide AML/CFT programme by adopting a risk-based approach to ensure that key measures are emplaced to prevent and mitigate money laundering and terrorist financing commensurate with the compliance risks that have been identified and assessed.

As part of its surveillance mechanism to combat money laundering and financing of terrorism, Group Compliance (GC) regularly communicates to business sectors the list of persons/entities suspected of terrorism as issued by United Nations Security Council (UNSC), as to ensure that proper screening is carried out.

It has become evident that relevant AML/CFT training needs to be enhanced and customised accordingly. GC will continue to reinforce its involvement in specific training and certification programmes to remain robust. Every effort is also being made to ensure that AML/CFT training materials fit in with the changing risk and regulatory landscape.

GC has published on the Group's corporate website the AML/CDD Questionnaires and Global USA Patriot Act Certification which provide an overview of the Group's practices, compliance to relevant laws and BNM guidelines, as well as its due diligence requirements for establishment of correspondent banking services. Our AML/CFT Policy Statement also provides a brief description of the general principles and key measures to which the Group adheres.

The Group will remain vigilant over the level of compliance at the business sectors with regards to AML/CFT rules and measures. Thematic examinations will continue to be carried out on branches and subsidiaries for AML/CFT compliance, when the need arises. Assessing the effectiveness of the AML/CFT controls that have been established and maintained by entities within the Group forms a vital component of the Group's ongoing risk assessment towards meeting the revised Financial Action Task Force (FATF) Recommendations.

The new FATF Recommendations are an essential component in ensuring the Group's accountability and transparency and adherence to regulatory requirements.

As strengthening the Group-wide AML/CFT programme is a shared responsibility, the business sectors will be managed with an appropriate balance between risk taking activities and business prudence.

In such a case, the year 2012 has reflected the Group's strength and unique advantages in meeting this regulatory requirement.

# ANALYSIS OF SHAREHOLDINGS & CLASSIFICATION OF SHAREHOLDERS

as at 6 February 2013

Authorised Share Capital : 10,000,000,000  
 Paid-Up Share Capital : 8,440,128,635  
 Class of Shares : Ordinary Share of RM1 each  
 Voting Right : 1 vote per Ordinary Share

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100	3,263	5.59	109,202	0.00
100 to 1,000 shares	11,197	19.17	7,254,540	0.09
1,001 to 10,000 shares	32,773	56.12	113,610,386	1.35
10,001 to 100,000 shares	9,544	16.34	252,669,930	2.99
100,001 to less than 5% of issued shares	1,616	2.77	3,052,179,242	36.16
5% and above of issued shares	3	0.01	5,014,305,335	59.41
<b>TOTAL</b>	<b>58,396</b>	<b>100.00</b>	<b>8,440,128,635</b>	<b>100.00</b>

## Substantial Shareholders as per the Register of Substantial Shareholders

No. Name of Shareholders	No. of Shares Held	% of Shares
1. AmanahRaya Trustees Berhad (B/O: Skim Amanah Saham Bumiputera)	3,408,017,893	40.38
2. Citigroup Nominees (Tempatan) Sdn Bhd (B/O: Employees Provident Fund Board)	1,179,158,824	13.97
3. Permodalan Nasional Berhad	427,128,618	5.06

## Top Thirty Shareholders as per the Record of Depositors

No.	Name of Shareholders	No. of Shares Held	% of Shares
1.	AmanahRaya Trustees Berhad (B/O: Skim Amanah Saham Bumiputera)	3,408,017,893	40.38
2.	Citigroup Nominees (Tempatan) Sdn Bhd (B/O: Employees Provident Fund Board)	1,179,158,824	13.97
3.	Permodalan Nasional Berhad	427,128,618	5.06
4.	Lembaga Kemajuan Tanah Persekutuan (FELDA)	178,039,898	2.11
5.	Kumpulan Wang Persaraan (Diperbadankan)	149,059,476	1.77
6.	Cartaban Nominees (Asing) Sdn Bhd (B/O: Exempt AN for State Street Bank & Trust Company (West Clt OD67))	135,164,293	1.60
7.	AmanahRaya Trustees Berhad (B/O: Amanah Saham Wawasan 2020)	130,741,235	1.55

### Top Thirty Shareholders as per the Record of Depositors (cont'd.)

No.	Name of Shareholders	No. of Shares Held	% of Shares
8.	AmanahRaya Trustees Berhad (B/O: Amanah Saham Malaysia)	96,000,000	1.14
9.	HSBC Nominees (Asing) Sdn Bhd (B/O: BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund)	82,466,888	0.98
10.	Valuecap Sdn Bhd	69,630,700	0.82
11.	Cartaban Nominees (Tempatan) Sdn Bhd (B/O: Exempt AN For Eastpring Investments Berhad)	65,018,619	0.77
12.	Malaysia Nominees (Tempatan) Sendirian Berhad (B/O: Great Eastern Life Assurance (Malaysia) Berhad (Par 1))	61,039,156	0.72
13.	AmanahRaya Trustees Berhad (B/O: AS 1Malaysia)	59,445,200	0.70
14.	HSBC Nominees (Asing) Sdn Bhd (B/O: Exempt AN for JPMorgan Chase Bank, National Association (Norges BK Lend))	58,702,105	0.70
15.	HSBC Nominees (Asing) Sdn Bhd (B/O: Exempt AN for JPMorgan Chase Bank, National Association (U.A.E))	49,922,636	0.59
16.	HSBC Nominees (Asing) Sdn Bhd (B/O: Exempt AN for JPMorgan Chase Bank, National Association (Saudi Arabia))	47,560,442	0.56
17.	Cartaban Nominees (Asing) Sdn Bhd (B/O: Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C))	47,239,427	0.56
18.	Citigroup Nominees (Tempatan) Sdn Bhd (B/O: Employees Provident Fund Board (NOMURA))	38,623,877	0.46
19.	HSBC Nominees (Asing) Sdn Bhd (B/O: BNY SA/NV for Virtus Emerging Markets Opportunities Fund))	36,848,745	0.44
20.	Citigroup Nominees (Tempatan) Sdn Bhd (B/O: Exempt AN for American International Assurance Berhad)	36,106,145	0.43
21.	HSBC Nominees (Asing) Sdn Bhd (B/O: Exempt AN for The Bank Of New York Mellon (Mellon Acct))	29,581,645	0.35
22.	HSBC Nominees (Asing) Sdn Bhd (B/O: Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.))	29,550,768	0.35
23.	Lembaga Tabung Angkatan Tentera	28,608,250	0.34
24.	HSBC Nominees (Asing) Sdn Bhd (B/O: Pictet and Cie for Pictet Global Selection Fund - Global High Yield Emerging Equities Fund)	28,224,700	0.33
25.	Citigroup Nominees (Asing) Sdn Bhd (B/O: Legal & General Assurance (Pensions Management) Limited (A/C 1125250001))	27,252,648	0.32
26.	Pertubuhan Keselamatan Sosial	24,892,989	0.29

## ANALYSIS OF SHAREHOLDINGS & CLASSIFICATION OF SHAREHOLDERS

### Top Thirty Shareholders as per the Record of Depositors (cont'd.)

No.	Name of Shareholders	No. of Shares Held	% of Shares
27.	HSBC Nominees (Asing) Sdn Bhd (B/O: BNY Brussels for Wisdomtree Emerging Markets Equity Income Fund)	24,277,200	0.29
28.	Cartaban Nominees (Asing) Sdn Bhd (B/O: RBC Investor Services Bank for Vontobel Fund - Emerging Markets Equity)	23,661,640	0.28
29.	HSBC Nominees (Asing) Sdn Bhd (B/O: Exempt AN for JPMorgan Chase Bank, National Association (U.K.))	22,421,937	0.27
30.	Cartaban Nominees (Asing) Sdn Bhd (B/O: Exempt AN for RBC Investor Services Trust (Client Account))	19,085,820	0.23
<b>TOTAL</b>		<b>6,613,471,774</b>	<b>78.36</b>

## CLASSIFICATION OF SHAREHOLDERS

as at 6 February 2013

Category	No. of Shareholders		No. of Shareholdings		% of Total Shareholdings	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
<b>INDIVIDUAL</b>						
a. Bumiputera	3,137		23,510,556		0.28	
b. Chinese	39,314		288,760,844		3.42	
c. Indian	1,568		9,804,144		0.12	
d. Others	240	2,062	1,613,861	45,461,094	0.02	0.54
<b>BODY CORPORATE</b>						
a. Banks/Finance	71		4,435,358,789		52.55	
b. Investment/Trust	12		12,873,253		0.15	
c. Societies	13		373,154		0.00	
d. Industrial	682	52	88,061,908	19,250,576	1.04	0.23
<b>GOVERNMENT AGENCIES/INSTITUTION</b>						
NOMINEES	14		212,511,479		2.52	
	7,844	3,387	1,677,252,743	1,625,296,234	19.87	19.26
<b>TOTAL</b>	<b>52,895</b>	<b>5,501</b>	<b>6,750,120,731</b>	<b>1,690,007,904</b>	<b>79.97</b>	<b>20.03</b>



# CHANGES IN SHARE CAPITAL

## Authorised Share Capital

The present authorised share capital of the Bank is RM10,000,000,000 divided into 10,000,000,000 ordinary shares of RM1.00 each. Details of changes in its authorised share capital since its incorporation are as follows:-

Date	Increase in Authorised Share Capital	Total Authorised Share Capital
31-05-1960	20,000,000	20,000,000
06-09-1962	30,000,000	50,000,000
09-04-1977	150,000,000	200,000,000
17-01-1981	300,000,000	500,000,000
06-10-1990	500,000,000	1,000,000,000
09-10-1993	1,000,000,000	2,000,000,000
19-06-1998	2,000,000,000	4,000,000,000
11-08-2004	6,000,000,000	10,000,000,000

## Issued and Paid-Up Share Capital

Details of changes in the Bank's issued and paid-up share capital since its incorporation are as follows:-

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration	Resultant Total Issued and Paid-Up Capital RM'000
31-05-1960	1,500,000	5.00	Cash	7,500,000
18-05-1961	500,000	5.00	Cash	10,000,000
31-05-1962	1,000,000	5.00	Rights Issue (1:2) at RM7.00 per share	15,000,000
21-08-1968	1,500,000	5.00	Rights Issue (1:2) at RM7.00 per share	22,500,000
04-01-1971	22,500,000	1.00*	Rights Issue (1:1) at RM1.50 per share	45,000,000
06-05-1977	15,000,000	1.00	Capitalisation of Share Premium Account (Bonus Issue 1:3)	60,000,000
23-06-1977	30,000,000	1.00	Rights Issue (1:2) at RM3.00 per share	90,000,000
21-02-1981	30,000,000	1.00	Capitalisation of Share Premium Account (Bonus Issue 1:3)	120,000,000
10-04-1981	60,000,000	1.00	Rights Issue (1:2) at RM4.00 per share	180,000,000
14-11-1984	45,000,000	1.00	Capitalisation of Share Premium Account (Bonus Issue 1:4)	225,000,000
28-12-1984	45,000,000	1.00	Rights Issue (1:4) at RM6.00 per share	270,000,000
31-11-1985	68,249	1.00	Conversion of Unsecured Notes	270,068,249
15-11-1986	9,199,999	1.00	Issued in exchange for purchase of Kota Discount Berhad (Now known as Mayban Discount Berhad)	279,268,248
01-12-1986	10,550	1.00	Conversion of Unsecured Notes	279,278,798
29-07-1987 to 20-10-1987	90,000	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	279,368,798

## CHANGES IN SHARE CAPITAL

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration	Resultant Total Issued and Paid-Up Capital RM'000
30-11-1987	11,916	1.00	Conversion of Unsecured Notes	279,380,714
08-06-1988	27,938,071	1.00	Capitalisation of Share Premium Account (Bonus Issue 1:10)	307,318,785
30-11-1988	10,725	1.00	Conversion of Unsecured Notes	307,329,510
16-03-1989 to 21-06-1989	9,198,206	1.00	Exchange for Kwong Yik Bank Berhad ("KYBB") shares	316,527,716
11-07-1989 to 23-11-1989	7,555,900	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	324,083,616
30-11-1989	46,174,316	1.00	Conversion of Unsecured Notes	370,257,932
01-12-1989 to 24-10-1990	4,508,900	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	374,766,832
16-11-1990	187,383,416	1.00	Capitalisation of Share Premium Account (Bonus Issue 1:2)	562,150,248
27-11-1990	11,550	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	562,161,798
30-11-1990	280,497	1.00	Conversion of Unsecured Notes	562,442,295
03-01-1991	3,300	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	562,445,595
03-01-1991	188,991,002	1.00	Rights Issue (1:2) at RM5.00 per share	751,436,597
04-01-1991	4,950	1.00	Rights Issue (1:2) upon ESOS at RM5.00 per share	751,441,547
25-01-1991 to 28-11-1991	726,000	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	752,167,547
30-11-1991	35,197	1.00	Conversion of Unsecured Notes	752,202,744
11-12-1991 to 20-05-1992	5,566,000	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	757,768,744
30-11-1992 to 30-11-1993	3,153,442	1.00	Conversion of Unsecured Notes	760,922,186
18-01-1994	380,461,093	1.00	Capitalisation of Share Premium Account (Bonus Issue 1:2)	1,141,383,279
29-12-1994	2,030,428	1.00	Conversion of Unsecured Notes	1,143,413,707
19-06-1998	1,143,413,707	1.00	Capitalisation of Share Premium and Retained Profit Account (Bonus Issue 1:1)	2,286,827,414
21-09-1998 to 09-10-2001	72,909,000	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	2,359,736,414
23-10-2001	1,179,868,307	1.00	Capitalisation of Retained Profit Account (Bonus Issue 1:2)	3,539,604,721
25-10-2001 to 05-08-2003	60,567,200	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	3,600,171,921

Date of Allotment	No. of Ordinary Shares Allotted	Par Value RM	Consideration	Resultant Total Issued and Paid-Up Capital RM'000
29-09-2004 to 14-02-2008	304,058,100	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	3,904,230,021
20-02-2008	976,057,505	1.00	Capitalisation of Share Premium Account (Bonus Issue 1:4)	4,880,287,526
27-02-2008 to 30-10-2008	859,625	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	4,881,147,151
27-04-2009	2,196,516,217	1.00	Rights Issue (9:20) at RM2.74 per share	7,077,663,368
29-07-2009 to 26-08-2009	319,400	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	7,077,982,768
20-12-2010	244,257,623	1.00	Dividend Reinvestment Plan ("DRP") at RM7.70 per share	7,322,240,391
12-05-2011	155,965,676	1.00	Dividend Reinvestment Plan ("DRP") at RM7.70 per share	7,478,206,067
05-07-2011 to 09-12-2011	10,000	1.00	Exercise of Employees' Share Scheme ("ESS")	7,478,216,067
28-12-2011	161,221,416	1.00	Dividend Reinvestment Plan ("DRP") at RM7.30 per share	7,639,437,483
10-01-2012 to 26-01-2012	3,600	1.00	Exercise of Employees' Share Scheme ("ESS")	7,639,441,083
26-03-2012 to 09-05-2012	8,100	1.00	Exercise of Employees' Share Scheme ("ESS")	7,639,449,183
04-06-2012	202,854,119	1.00	Dividend Reinvestment Plan ("DRP") at RM8.00 per share	7,842,303,302
28-06-2012 to 08-10-2012	12,233,400	1.00	Exercise of Employees' Share Scheme ("ESS")	7,854,536,702
11-10-2012	412,000,000	1.00	Private Placement	8,266,536,702
16-10-2012 to 22-10-2012	52,400	1.00	Exercise of Employees' Share Scheme ("ESS")	8,266,589,102
25-10-2012	173,144,233	1.00	Dividend Reinvestment Plan ("DRP") at RM8.40 per share	8,439,733,335
31-10-2012 to 04-02-2013	395,300	1.00	Exercise of Employees' Share Scheme ("ESS")	8,440,128,635

\* The par value of the Bank's shares was changed from RM5.00 to RM1.00 on 25 November 1968.

# PROPERTIES OWNED BY MAYBANK GROUP

Area	No of Properties		Land Area (sq.m.)	Book Value as at 31.1.2013 (RM)
	Freehold	Leasehold		
Maybank				
Kuala Lumpur	11	13	48,546.58	198,261,381.30
Johor Darul Takzim	29	9	18,399.86	54,389,335.09
Kedah Darul Aman	11	5	6,111.83	9,419,328.26
Kelantan Darul Naim	1	4	1,691.00	2,618,314.98
Melaka	1	4	3,253.00	4,974,711.28
Negeri Sembilan Darul Khusus	12	5	23,655.20	7,953,846.87
Pahang Darul Makmur	9	14	16,053.74	11,852,990.81
Perak Darul Ridzuan	13	8	9,828.85	12,826,984.58
Perlis Indera Kayangan	1	3	1,475.00	1,574,336.80
Pulau Pinang	22	3	13,421.52	23,701,545.58
Sabah	-	17	14,276.92	24,574,768.40
Sarawak	9	13	6,625.57	19,233,717.06
Selangor Darul Ehsan	25	18	104,422.17	124,431,385.90
Terengganu Darul Iman	6	2	4,329.00	4,330,553.45
Hong Kong	-	2	193.00	HKD1,117,793.57
London	1	5	1,215.00	GBP4,235,983.41
Singapore	11	12	20,858.00	SGD101,548,848.15
Aurea Lakra Holdings Sdn Bhd (Formerly known as Mayban P.B. Holdings Sdn Bhd)				
Kuala Lumpur	-	1	294.00	769,424.78
Johor Darul Takzim	2	1	1,330.00	2,259,204.99
Pahang Darul Makmur	1	2	595.42	969,969.16
Perak Darul Ridzuan	1	1	857.74	2,445,900.43
Pulau Pinang	1	-	445.93	753,935.39
Sabah	-	1	257.62	1,074,721.12
Sarawak	-	1	314.00	894,656.30
Selangor Darul Ehsan	2	1	1,269.13	3,080,264.17
Maybank International (L) Ltd				
W.P. Labuan	-	3	1,089.81	USD185,789.93
Maybank Investment Bank Berhad				
Negeri Sembilan Darul Khusus	1	2	549.25	416,152.43
Pahang Darul Makmur	1	1	229.11	298,862.03
Pulau Pinang	1	-	84.04	141,050.00
Perak Darul Ridzuan	-	1	260.00	222,763.76
ETIQA				
Kuala Lumpur	2	4	24,258.47	619,720,813.63
Johor Darul Takzim	1	-	286.00	740,000.00
Kedah Darul Aman	2	1	1,127.97	1,249,223.47
Melaka	-	1	452.00	1,160,416.46
Negeri Sembilan Darul Khusus	3	1	1,659.64	2,683,508.82
Pahang Darul Makmur	1	2	18,334.57	3,048,833.69
Pulau Pinang	1	1	624.00	3,400,000.00
Sabah	1	1	222.22	2,068,945.22
Selangor Darul Ehsan	1	1	38,927.49	42,844,327.33

# LIST OF TOP 10 PROPERTIES OWNED BY MAYBANK GROUP

as at 31 January 2013

Location	Description	Current Use	Tenure	Remaining Lease Period (Expiry Date)	Age of Building	Land Area (sq.m.)	Year of Acquisition	Net Book Value (RM)
Etika Twins No.11 Jalan Pinang Kuala Lumpur	27-storey Twin Office Buildings	Office & Rented out	Freehold	—	17 years	6,612.00	1994	330,000,000.00
Maybank Tower 2 Battery Road Singapore	32-storey Office Building	Office	Leasehold 999 years	815 years (expiring 2825)	10 years	1,135.70	1962	SGD67,269,035.04
Dataran Maybank No.1 Jalan Maarof Bangsar	2 Blocks of 20 storey and a block 22 storey Office Buildings	Office & Rented out	Leasehold 99 years	74 years (expiring 3.12.2085)	11 years	9,918.00	2000	131,293,320.19
Menara Maybank 100 Jalan Tun Perak Kuala Lumpur	58-storey Office Building	Head office & Rented out	Freehold	—	24 years	35,494.00	1978	121,874,529.30
Lot 153 Section 44 Jalan Ampang Kuala Lumpur	Commercial Land	Vacant	Freehold	—	—	3,829.00	2008	86,500,000.00
Akademi Etika 23, Jalan Melaka Kuala Lumpur	25-storey Office Building	Office & Rented out	Leasehold 99 years	55 years (expiring 2065)	16 years	1,960.47	1994	68,000,000.00
1079, Section 13 Shah Alam	Commercial Land	Vacant	Leasehold 99 years	92 years (expiring 11.3.2102)	—	38,417.00	1994	41,400,000.00
Lot 379 Section 96 Bangsar Kuala Lumpur	Vacant Land	Rented out	Leasehold 99 years	55 years (expiring 25.7.2065)	—	4,645.00	1975	38,500,000.00
Johor Bahru City Square Level 1 (M1-22), 2(M2-15) 3(M3-25) and Level 8 City Square Johor Bahru	Retail Units Level 1 (podium) Level 2 (podium) Level 3 (podium) Level 8 (office tower)	Office	Leasehold 99 years	81 years (expiring 14.6.2091)	11 years	3,972.00	2000	26,930,539.82
Jalan Air Itam Bangi, Kajang Selangor	5-storey Building	Maybank Academy	Leasehold 99 years	76 years (expiring 18.12.2086)	24 years	80,692.00	1987	21,993,754.36



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Tan Sri Dato' Megat Zaharuddin**  
Megat Mohd Nor  
DPCM, PJN, PSM  
*Non-Independent Non-Executive  
Chairman*

**Dato' Mohd Salleh Hj Harun**  
DSDK  
*Independent Non-Executive Vice  
Chairman*

**Dato' Sri Abdul Wahid Omar**  
SSAP, DSAP  
*Non-Independent Executive Director  
(President & Chief Executive Officer)*

**Tan Sri Datuk Dr Hadenan A. Jalil**  
PSM, PNBS, SIMP, DMSM, JMN, KMN, AMN  
*Independent Non-Executive Director*

**Dato' Seri Ismail Shahudin**  
SPMP  
*Independent Non-Executive Director*

**Dato' Dr Tan Tat Wai**  
PhD DMPN  
*Independent Non-Executive Director*

**Zainal Abidin Jamal**  
*Non-Independent Non-Executive Director*

**Alister Maitland**  
*Independent Non-Executive Director*

**Cheah Teik Seng**  
*Independent Non-Executive Director*

**Dato' Johan Ariffin**  
DPTJ  
*Independent Non-Executive Director*

**Dato' Sreesanthan Eliathamby**  
DPNS  
*Non-Independent Non-Executive Director  
(Retired with effect from 29 March  
2012)*

**Datuk Mohaiyani Shamsudin**  
PJN  
*Independent Non-Executive Director*

**Erry Riyana Hardjapamekas**  
*Independent Non-Executive Director  
(Appointed with effect from 25 June  
2012)*

**Mohd Nazlan Mohd Ghazali**  
(LS0008977)  
*General Counsel & Company Secretary*

## REGISTERED OFFICE

14th Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur, Malaysia  
Tel : (6)03-2070 8833  
Fax : (6)03-2032 4775  
(Group Business Planning &  
Investor Relations)  
: (6)03-2711 3421  
(Customer Feedback &  
Resolution Management)  
: 1300-88-8899  
(Maybank Group Customer  
Care)  
: (6)03-2031 0071  
(Group Corporate Secretarial)  
SWIFT : MBBEMYKL  
Website : <http://www.maybank.com>  
E-Mail : [publicaffairs@maybank.com.my](mailto:publicaffairs@maybank.com.my)

## SHARE REGISTRAR

**Malayan Banking Berhad**  
14th Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur, Malaysia  
Tel : (6)03-2074 7822  
Fax : (6)03-2072 0079

## STOCK EXCHANGE LISTING

**Main Market of**  
**Bursa Malaysia Securities Berhad**  
(Listed since 17 February 1962)

## EXTERNAL AUDITORS

**Messrs. Ernst & Young**  
(AF: 0039)  
*Chartered Accountants*  
Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur, Malaysia  
Tel : (6)03-7495 8000  
Fax : (6)03-2095 9076/78

**AGM Helpdesk**  
Tel : (6)03-2264 3883  
(Tricor Investor Services Sdn Bhd)  
: (6)03-2074 8051 or  
(6)03-2070 8833 Ext 8058  
(Group Corporate Secretarial,  
Maybank)

## COMMERCIAL BANKING

### Malayan Banking Berhad

14th Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur  
Tel: (6)03- 2070 8833  
Fax: (6)03-2031 0071  
Corporate website: [www.maybank.com](http://www.maybank.com)  
Email: [publicaffairs@maybank.com.my](mailto:publicaffairs@maybank.com.my)

### Maybank Islamic Berhad

Level 10, Tower A  
Dataran Maybank  
No. 1, Jalan Maarof  
59000 Kuala Lumpur  
Tel: (6)03-2297 2001  
Fax: (6)03-2297 2002  
Website: [www.maybankislamic.com.my](http://www.maybankislamic.com.my)  
Email: [MLB\\_stratcomms@maybank.com.my](mailto:MLB_stratcomms@maybank.com.my)

### P.T. Bank Maybank Syariah Indonesia

3rd Floor, Sona Topas Tower  
Jl. Jend. Sudirman Kav. 26  
Jakarta 12920  
Indonesia  
Tel: (62)-21-250 6446  
Fax: (62)-21-250 6757  
Corporate website:  
[www.maybanksyariah.co.id](http://www.maybanksyariah.co.id)

### Maybank Philippines Incorporated

Maybank Corporate Center  
7th Avenue Corner 28th Street  
Bonifacio High Street Central  
Bonifacio Global City 1634  
Taguig City, Metro Manila  
Philippines  
Tel: (632)-588 7777  
Fax: (632)-720 9581  
Website: [www.maybank2u.com.ph](http://www.maybank2u.com.ph)

### Maybank (PNG) Ltd

Port Moresby Branch  
Corner Waigani Road/Islander Drive  
P.O. Box 882 Waigani, National Capital  
District  
Port Moresby  
Papua New Guinea  
Tel: (675)-325 0101  
Fax: (675)-325 6128  
Corporate website: [www.maybank.com](http://www.maybank.com)  
Email: [maybankpom@datec.net.pg](mailto:maybankpom@datec.net.pg)

### Maybank International (L) Ltd

Level 16 (B), Main Office Tower  
Financial Park Complex  
Jalan Merdeka  
87000 Wilayah Persekutuan Labuan  
Tel: (6)087-414 406  
Fax: (6)087-414 806  
Corporate website: [www.maybank.com](http://www.maybank.com)  
Email: [millmit@streamyx.com](mailto:millmit@streamyx.com)

### P.T. Bank Internasional Indonesia Tbk

Gedung Sentral Senayan 3, 26th Floor  
Jl. Asia Afrika No. 8  
Senayan Gelora Bung Karno  
Jakarta 10270  
Indonesia  
Tel: (62)-21-2922 8888  
Fax: (62)-21-2922 8799  
Website: [www.bii.co.id](http://www.bii.co.id)  
Email: [cs@bii.co.id](mailto:cs@bii.co.id)

### Maybank (Cambodia) Plc.

No. 4B Street 114 (Kramoun Sar)  
Sangkat Phsar Thmey 1  
Khan Daun Penh, Phnom Penh  
Kingdom of Cambodia  
Tel: (855)-23-210 123  
Fax: (855)-23-210 099  
Website: [www.maybank2u.com.kh](http://www.maybank2u.com.kh)  
Email: [mbb@maybank.com.kh](mailto:mbb@maybank.com.kh)

## INVESTMENT BANKING

### Maybank Investment Bank Berhad

32nd Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur  
Tel: (6)03-2059 1888  
Fax: (6)03-2078 4194  
Website: [www.maybank-ib.com/](http://www.maybank-ib.com/)  
[www.maybank-ke.com](http://www.maybank-ke.com)  
Email: [helpdesk@maybank-ib.com](mailto:helpdesk@maybank-ib.com)

### Maybank IB Holdings Sdn Bhd

32nd Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur  
Tel: (6)03-2059 1888  
Fax: (6)03-2031 5633

### Maybank Kim Eng Holdings Limited Maybank Kim Eng Securities Pte. Ltd.

50, North Canal Road  
#03-01, Singapore 059304  
Tel: (65)-6231 5000  
Fax: (65)-6339 6003  
Website: [www.maybank-ke.com.sg](http://www.maybank-ke.com.sg)

### Maybank Kim Eng Securities (Thailand) Public Company Limited

999/9 The Offices at Central World  
20th-21st, 24th Floor Rama 1 Road  
Pathumwan  
Bangkok, 10330 Thailand  
Tel: (+66)-2 658 6300  
Fax: (+66)-2 658 6301  
Website: [www.maybank-ke.co.th](http://www.maybank-ke.co.th)  
Email: [IB@maybank-ke.co.th](mailto:IB@maybank-ke.co.th)

### **Maybank ATR Kim Eng Financial Corporation**

8th & 17th Floor, Tower One & Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City, Philippines  
Tel: (632)-893 1150, 810 0106  
Fax: (632)-893 1145  
Website: [www.maybank-atrke.com](http://www.maybank-atrke.com)  
Email: [atrke\\_financial@atr.com.ph](mailto:atrke_financial@atr.com.ph)

### **Maybank ATR Kim Eng Capital Partners, Inc**

17th Floor  
Tower One & Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City, Philippines  
Tel (632) 849 8988/849 8888  
Websites: [www.maybank-atrke.com](http://www.maybank-atrke.com)

### **Maybank ATR Kim Eng Securities, Inc**

17th Floor, Tower One & Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City, Philippines  
Tel (632) 849 8988/849 8888  
Websites: [www.atrkimengsecurities.com](http://www.atrkimengsecurities.com)

### **PT. Kim Eng Securities**

Plaza Bapindo-Citibank Tower 17th Floor  
Jl. Jenderal Sudirman Kav 54-55  
Jakarta 12190 Indonesia  
Tel: (62)-21-2557-1188  
Fax: (62)-21-2557-1189  
Website: [www.kimeng.co.id](http://www.kimeng.co.id)  
Email: [cosec@maybank-ke.co.id](mailto:cosec@maybank-ke.co.id)

### **Kim Eng Securities (Hong Kong) Limited**

Level 30, Three Pacific Place  
1 Queen's Road East  
Hong Kong  
Tel: 852 - 2268 0800  
Fax: 852 - 2845 3772  
Website: [www.kimeng.com.hk](http://www.kimeng.com.hk)  
Email: [cs@kimeng.com.hk](mailto:cs@kimeng.com.hk)

### **Kim Eng Securities India Private Limited**

2nd Floor, The International  
16, Maharishi Karve Marg  
Churchgate, Mumbai 400 020  
India  
Tel: 91-22 6623 2600  
Fax: 91-22 6623 2604  
Email: [ajain@maybank-ke.co.in](mailto:ajain@maybank-ke.co.in)

### **Maybank Kim Eng Securities (London) Limited**

6th Floor, 20 St. Dunstan's Hill  
London EC3R 8HY  
United Kingdom  
Tel: 44-20 7626 2828  
Fax: 44-20 7283 6674  
Email: [sales@maybank-ke.co.uk](mailto:sales@maybank-ke.co.uk)

### **Maybank Kim Eng Securities USA, Inc**

777 Third Avenue 21st Floor  
New York NY 10017  
USA  
Tel: 212-688 8886  
Fax: 212-688 3500  
Email: [sales@maybank-keusa.com](mailto:sales@maybank-keusa.com)

## INSURANCE

### **Maybank Ageas Holdings Berhad**

Level 19, Tower C  
Dataran Maybank  
No. 1, Jalan Maarof  
59000 Kuala Lumpur  
Tel: (6)03-2297 3888  
Fax: (6)03-2297 3800  
Website: [www.etiqa.com.my](http://www.etiqa.com.my)  
Email: [info@etiqa.com.my](mailto:info@etiqa.com.my)

### **Etiqua Life International (L) Ltd Etiqua Offshore Insurance (L) Ltd**

Level 11B, Block 4 Office Tower  
Financial Park Labuan Complex  
Jalan Merdeka  
87000 Wilayah Persekutuan Labuan  
Tel: (6)087-582 588  
Fax: (6)087-583 588  
Website: [www.etiqa.com.my](http://www.etiqa.com.my)  
Email: [info@etiqa.com.my](mailto:info@etiqa.com.my)

### **Etiqua Insurance Berhad Etiqua Takaful Berhad**

Level 19, Tower C  
Dataran Maybank  
No. 1, Jalan Maarof  
59000 Kuala Lumpur  
Tel: (6)03-2297 3888  
Fax: (6)03-2297 3800  
Website: [www.etiqa.com.my](http://www.etiqa.com.my)  
Email: [info@etiqa.com.my](mailto:info@etiqa.com.my)

## ASSET MANAGEMENT

**Maybank Asset Management Group Berhad**  
(formerly known as Aseamlease Berhad)  
14th Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur  
Tel: (6)03-2070 8833  
Fax: (6)03-2031 0071  
Corporate website: [www.maybank-am.com](http://www.maybank-am.com)

**Maybank Asset Management Sdn Bhd**  
(formerly known as Mayban Investment Management Sdn Bhd)  
Level 12, Tower C  
Dataran Maybank  
No. 1, Jalan Maarof  
59000 Kuala Lumpur  
Tel: (6)03-2297 7888  
Fax: (6)03-2297 7880  
Corporate website: [www.maybank-am.com](http://www.maybank-am.com)

**Maybank Ventures Sdn Bhd**  
41st Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur  
Tel: (6)03-2032 2188  
Fax: (6)03-2031 2188  
Website: [www.mayban-ventures.com.my](http://www.mayban-ventures.com.my)

## OTHERS

**Maybank Trustees Berhad**  
34th Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur  
Tel: (6)03-2078 8363  
Fax: (6)03-2070 9387  
Corporate website: [www.maybank.com](http://www.maybank.com)  
Email: [mtb@maybank.com.my](mailto:mtb@maybank.com.my)

**Mayban-JAIC Capital Management Sdn Bhd**  
41st Floor, Menara Maybank  
100 Jalan Tun Perak  
50050 Kuala Lumpur  
Tel: (6)03-2032 2188  
Fax: (6)03-2031 2188

**Maybank (Nominees) Sendirian Berhad**  
**Maybank Nominees (Tempatan) Sdn Bhd**  
**Maybank Nominees (Asing) Sdn Bhd**  
14th Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur  
Tel: (6)03-2070 8833  
Fax: (6)03-2031 0071  
Website: [www.mayban.com](http://www.mayban.com)

**Maybank Securities Nominees (Tempatan) Sdn. Bhd.**  
**Maybank Securities Nominees (Asing) Sdn. Bhd.**  
Level 8, Tower C  
Dataran Maybank  
No.1, Jalan Maarof  
59000 Kuala Lumpur  
Tel: (6)03-2297 8888  
Fax: (6)03-2282 5136

# NOTICE OF THE 53RD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 53rd Annual General Meeting of Malayan Banking Berhad (Maybank/the Company) will be held at the Grand Ballroom, Level 1, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 28 March 2013 at 10.00 a.m. for the following businesses:-

## AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2012 together with the Reports of the Directors and Auditors thereon.  
(Ordinary Resolution 1)
2. To approve the payment of a Final Dividend in respect of the financial year ended 31 December 2012 of franked dividend of 18 sen less 25% taxation per ordinary share (net 13.5 sen) and single-tier dividend of 15 sen per ordinary share, amounting to net dividend of 28.5 sen per ordinary share as recommended by the Board.  
(Ordinary Resolution 2)
3. To re-elect the following Directors, each of whom retires by rotation in accordance with Articles 96 and 97 of the Company's Articles of Association:-
  - i) Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor  
(Ordinary Resolution 3)
  - ii) Dato' Mohd Salleh Harun  
(Ordinary Resolution 4)
  - iii) Dato' Seri Ismail Shahudin  
(Ordinary Resolution 5)
4. To re-elect Mr Erry Riyana Hardjapamekas who retires in accordance with Article 100 of the Company's Articles of Association.  
(Ordinary Resolution 6)
5. To re-appoint Messrs Ernst & Young as Auditors of the Company for the financial year ending 31 December 2013 and to authorise the Directors to fix their remuneration.  
(Ordinary Resolution 7)

## AS SPECIAL BUSINESSES:

To consider, and if thought fit, to pass the following Ordinary resolution:-

6. **AUTHORITY TO DIRECTORS TO ISSUE SHARES**  
"THAT subject always to the Companies Act, 1965, the Company's Articles of Association and approval of the relevant government/regulatory authorities, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being."  
(Ordinary Resolution 8)
7. **ALLOTMENT AND ISSUANCE OF NEW ORDINARY SHARES OF RM1.00 EACH IN MAYBANK ("MAYBANK SHARES") IN RELATION TO THE RECURRENT AND OPTIONAL DIVIDEND REINVESTMENT PLAN THAT ALLOWS SHAREHOLDERS OF MAYBANK ("SHAREHOLDERS") TO REINVEST THEIR DIVIDEND TO WHICH THE DIVIDEND REINVESTMENT PLAN APPLIES, IN NEW ORDINARY SHARES OF RM1.00 EACH IN MAYBANK ("DIVIDEND REINVESTMENT PLAN")**  
"THAT pursuant to the Dividend Reinvestment Plan as approved by the Shareholders at the Extraordinary General Meeting held on 14 May 2010, approval be and is hereby given to the Company to allot and issue such number of new Maybank Shares for the Dividend Reinvestment Plan until the conclusion of the next AGM upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new Maybank Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price ("VWAMP") of Maybank Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price;



AND THAT the Directors and the Secretary of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Plan with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments or at the discretion of the Directors in the best interest of the Company.”

(Ordinary Resolution 9)

8. To transact any other business of the Company for which due notice shall have been received in accordance with the Companies Act, 1965.

#### BY ORDER OF THE BOARD

**MOHD NAZLAN MOHD GHAZALI**  
LS0008977  
*Company Secretary*

Kuala Lumpur  
6 March 2013

#### NOTES:

1. A member entitled to attend, speak and vote at the AGM is entitled to appoint a proxy to attend, speak and on a show of hands or on a poll, to vote in his stead. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, under its common seal or in some other manner approved by its directors.
2. (i) A member shall not be entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting.  
(ii) Notwithstanding the above, an exempt authorised nominee may appoint multiple proxies in respect of each Omnibus Account held.  
(iii) A member who is an authorised nominee as defined under the Securities Industry (Central Depository) Act 1991, may appoint at least one proxy but not more than two proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.  
(iv) Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his holding to be represented by each proxy.
3. Duly completed Form of Proxy must be deposited at the office of the appointed share registrar for this AGM, Tricor Investor Services Sdn Bhd at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur no later than 26 March 2013 at 10.00 a.m.
4. For a Form of Proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.
5. Only members registered in the Record of Depositors as at 22 March 2013 shall be eligible to attend the AGM or appoint proxy to attend and vote on his/her behalf.
6. **Explanatory notes on Ordinary Businesses:-**
  - (i) **Ordinary Resolution 2 - Payment of Final Dividend**  
The proposed Final Dividend as per Resolution 2 consists of cash portion of 4 sen single-tier dividend per ordinary share and an electable portion of 29 sen (net 24.5 sen) per ordinary share, where the electable portion comprises of 11 sen single-tier dividend and 18 sen franked dividend (net 13.5 sen) per ordinary share. The electable portion can be elected to be reinvested in new ordinary shares in accordance with the Dividend Reinvestment Plan as disclosed in Note 46 of the Financial Statements.  
  
Pursuant to Section 8.26 of the Main Market Listing Requirements, the Final Dividend, if approved, will be paid not later than three (3) months from the shareholders' approval. The Book Closure Date will be announced by the Company after the AGM.

# NOTICE OF THE 53RD ANNUAL GENERAL MEETING

## (ii) Ordinary Resolutions 4, 5 and 6 - Assessment of Independence of Independent Directors

The independence of Dato' Mohd Salleh Harun, Dato' Seri Ismail Shahudin and Mr. Erry Riyana Hardjapamekas who have served as Independent Non-Executive Directors of the Company has been assessed by the Nomination & Remuneration Committee and affirmed by the Board.

## 7. Explanatory notes on Special Businesses:-

### (i) Ordinary Resolution 8 - Authority to Directors to Issue Shares

The Proposed Ordinary Resolution 8 is a renewal of the general mandate pursuant to Section 132D of the Companies Act, 1965 obtained from the shareholders of the Company at the previous Annual General Meeting and, if passed will give powers to the Directors to issue ordinary shares in the capital of the Company up to an aggregate amount not exceeding 10% of the issued and paid-up share capital of the Company for the time being without having to convene a general meeting. This general mandate, unless revoked or varied at a general meeting, will expire at the next AGM.

The general mandate from shareholders is to provide the Bank flexibility to undertake any share issuance during the financial year without having to convene a general meeting. The rationale for this proposed mandate is to allow for possible share issue and/or fund raising exercises including placement of shares for the purpose of funding current and/or future investment project, working capital and/or acquisitions as well as in the event of any strategic opportunities involving equity deals which may require the Bank to allot and issue new shares on urgent basis and thereby reducing administrative time and costs associated with the convening of additional shareholders meeting(s). In any event, the exercise of the mandate is only to be undertaken if the Board considers it to be in the best interest of the Company.

Pursuant to the last mandate granted to the Directors at the 52nd AGM which will lapse at the conclusion of the 53rd AGM to be held on Thursday, 28 March 2013, Maybank had placed out 412,000,000 new ordinary shares representing 4.98% of the enlarged issued and paid up share capital of Maybank as at 12 October 2012, at an issue price of RM8.88 each, which raised a total proceeds of RM3,658,560,000 which shares were all listed on the Main Market of Bursa Malaysia Securities Berhad on 12 October 2012 ("Private Placement").

The purpose of the Private Placement, as previously announced, was to strengthen the Company's capital base and support its growth objectives as well as to facilitate the meeting of the more stringent capital requirements under the Basel III framework. The proceeds was utilised for working capital and general banking purposes.

Additional details and status of the utilisation of proceeds from the Private Placement are set out in the "Additional Compliance Information" on page 211 of this Annual Report.

### (ii) Ordinary Resolution 9 - Dividend Reinvestment Plan

This proposed Ordinary Resolution 9 will give authority to the Directors to allot and issue shares for the Dividend Reinvestment Plan in respect of dividends declared in this AGM and subsequently until the next AGM. A renewal of this authority will be sought at the next AGM.

## 8. Statement Accompanying the Notice of Annual General Meeting

Additional information pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is set out in Annexure A to Maybank's Annual Report 2012.

# ANNEXURE A STATEMENT ACCOMPANYING NOTICE OF 53RD ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

The profile of the Directors who are standing for re-election (as per Ordinary Resolutions 3 to 6 as stated above) at the 53rd Annual General Meeting of Malayan Banking Berhad which will be held at Grand Ballroom, Level 1, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 28 March 2013 at 10.00 a.m. are stated on pages 174 to 181 of the Annual Report 2012.

The details of any interest in the securities of Maybank and its subsidiaries (if any) held by the said Directors are stated on page 23 of the Financial Statements book of the Annual Report 2012.

# FINANCIAL CALENDAR

## 23 FEBRUARY 2012

Announcement of the audited results of Maybank and of the Group and announcement of the final dividend for the six-month period ended 31 December 2011

## 7 MARCH 2012

Notice of the 52nd Annual General Meeting and issuance of annual report for the six-month period ended 31 December 2011

## 29 MARCH 2012

52nd Annual General Meeting

## 3 MAY 2012

Book closure for determining the entitlement of the dividends

## 24 MAY 2012

Announcement of the unaudited results of Maybank and the Group for the first quarter of the financial year ended 31 December 2012

## 4 JUNE 2012

Date of payment of the final cash dividend 36 sen per share (less 25% Malaysian Income Tax) of which the Dividend Reinvestment Plan was applied to the dividend payment, and the gross electable portion is 32 sen per Maybank Share held in respect of the six-month financial period ended 31 December 2011

## 16 AUGUST 2012

Announcement of the unaudited results of Maybank and the Group for the second quarter of the financial year ended 31 December 2012

## 25 SEPTEMBER 2012

Book closure for determining the entitlement of the dividends

## 25 OCTOBER 2012

Date of payment of interim cash dividend of 32 sen per share (less 25% Malaysian Income Tax) of which the Dividend Reinvestment plan was applied to the dividend payment, and the gross electable portion is 28 sen per Maybank Share held in respect of the financial year ended 31 December 2012

## 9 NOVEMBER 2012

Announcement of the unaudited results of Maybank and the Group for the third quarter of the financial year ended 31 December 2012

## 21 FEBRUARY 2013

Announcement of the audited results of Maybank and of the Group and announcement of the final dividend for financial year ended 31 December 2012

## 6 MARCH 2013

Notice of the 53rd Annual General Meeting and issuance of annual report for the financial year ended 31 December 2012

## 28 MARCH 2013

53rd Annual General Meeting

# FORM OF PROXY

For the 53rd Annual General Meeting

MALAYAN BANKING BERHAD

(Company No. 3813-K)

(Incorporated in Malaysia)

Number of shares held	CDS Account No. of Authorised Nominee*												
				-				-					

Please refer to the notes below before completing this Form of Proxy.

I/We \_\_\_\_\_ NRIC/Passport/Co. No. \_\_\_\_\_  
(full name in block letters)

of \_\_\_\_\_ Telephone No. \_\_\_\_\_  
(full address)

a shareholder/shareholders of MALAYAN BANKING BERHAD, hereby appoint \_\_\_\_\_  
(full name in block letters) NRIC/Passport/Co. No. \_\_\_\_\_

of \_\_\_\_\_  
(full address)

or failing him/her \_\_\_\_\_ NRIC/Passport/Co. No. \_\_\_\_\_  
(full name in block letters)

of \_\_\_\_\_  
(full address)

or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the 53rd Annual General Meeting of Malayan Banking Berhad to be held at Grand Ballroom, Level 1, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 28 March 2013 at 10.00 am and any adjournment thereof for the following resolutions as set out in the Notice of Annual General Meeting:-

No.	Resolution	For	Against
	<b>Ordinary Resolutions:</b>		
1	Receipt of Audited Financial Statements and Reports.		
2	Declaration of Final Dividend.		
	Re-election of the following Directors in accordance with Articles 96 and 97:-		
3	i. Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor		
4	ii. Dato' Mohd Salleh Harun		
5	iii. Dato' Seri Ismail Shahudin		
	Re-election of the following Director in accordance with Article 100 of the Company's Articles of Association:-		
6	i. Mr. Erry Riyana Hardjapamekas		
7	Re-appointment of Messrs Ernst & Young as Auditors.		
8	Authorisation for Directors to issue shares pursuant to Section 132D of Companies Act, 1965.		
9	Allotment and issuance of new ordinary shares of RM1.00 each in Maybank in relation to the recurrent and optional dividend reinvestment plan (Dividend Reinvestment Plan).		

My/Our proxy is to vote on the resolutions as indicated by an "X" in the appropriate space above. If no indication is given, my/our proxy shall vote or abstain as he/she thinks fit.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2013 \_\_\_\_\_

Signature(s) of shareholder(s)



**Notes:**

1. A member entitled to attend, speak and vote at the AGM is entitled to appoint a proxy to attend, speak and on a show of hands or on a poll, to vote in his stead. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, under its common seal or in some other manner approved by its directors.
2. (i) A member shall not be entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting.  
(ii) Notwithstanding the above, an exempt authorised nominee may appoint multiple proxies in respect of each Omnibus Account held.  
(iii) A member who is an authorised nominee as defined under the Securities Industry (Central Depository) Act 1991, may appoint at least one proxy but not more than two proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- (iv) Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his holding to be represented by each proxy.
3. Duly completed Form of Proxy must be deposited at the office of the appointed share registrar for this AGM, Tricor Investor Services Sdn Bhd at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur no later than 26 March 2013 at 10.00 a.m.
4. For a Form of Proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.
5. Only members registered in the Record of Depositors as at 22 March 2013 shall be eligible to attend the AGM or appoint proxy to attend and vote on his/her behalf.
- \* Applicable to shares held through a nominee account

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AFFIX STAMP

Share Registrar for Maybank's 53rd AGM  
Tricor Investor Services Sdn Bhd  
Level 17, The Gardens  
North Tower, Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Malaysia

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A high-angle, slightly blurred photograph of a modern office building's interior. In the center, two men in dark business suits are standing on a grey carpeted escalator, facing each other and smiling. The man on the left is looking down at something in his hands, while the man on the right is looking up at him. Other people in business attire are visible on adjacent escalators, moving in different directions, creating a sense of a busy, professional environment. The lighting is bright and even.

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