

MALAYAN BANKING BERHAD (3813-K)
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50050 Kuala Lumpur, Malaysia

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Website: www.maybank.com
E-mail: publicaffairs@maybank.com.my

Total Assets
USD142 billion

Net Profit
USD813 million
(6-month period)

Market Capitalisation
USD21 billion



SERVICES

Our Mission – Humanising Financial Services Across Asia – guides every decision we take as our business continues to grow rapidly across the region. Our fundamentally held belief in the importance of always doing the right thing underpins our dedication to building sustainable, long term relationships founded on mutual respect. We are committed to working at the very heart of our communities, understanding that no one single decision applies to every situation, empowering our staff to operate flexibly within an agreed framework. Delivery, not just promise, is everything and our focus on objective and honest advice, and the continuing launch of innovative products and services clearly and thoroughly explained, ensures we meet the developing financial needs of all our customers from across the full range of our business.

Our team of Maybankers are enthusiastic, confident and passionate, dedicated to delivering the essential humanising ingredient that defines the very spirit of Maybank.

2,200 Offices

17 Countries



ACROSS



Our vision

To be a Regional
Financial Services
Leader

Our mission

Humanising
Financial Services
Across Asia

Our 2015 strategic objectives

1. Undisputed No.1 Retail Financial Services provider in Malaysia
2. Leading ASEAN wholesale bank eventually expanding further into Middle East, China & India
3. Undisputed Insurance and Takaful Leader in Malaysia and Emerging Regional Player
4. Truly regional organisation, with ~40% of pre-tax profit derived from international operations
5. Global leader in Islamic Finance

45,000
Maybankers

22 million
Customers

Everyday in Asia

Maybank plays a part in millions of lives. Helping people buy new homes, expand their businesses, get better education, save, invest and make plans for the future. By being at heart of the communities we serve, by innovating better products, and by putting our customers first, each and every day, 45,000 Maybankers around the world are Humanising Financial Services Across Asia.



22 million customers

Everyday, 22 million customers come to Maybank for their banking needs, from simple transactions to multi-million dollar deals.



Global network of 2,200 offices

Everyday, our customers gain access to new markets and opportunities in 17 countries around the world, including 8 ASEAN countries and 5 major financial capitals such as London, New York and Hong Kong.



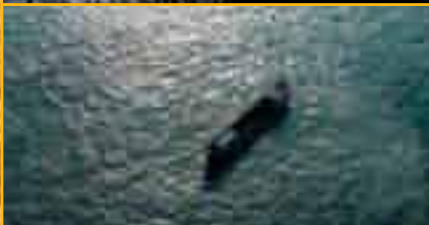
Assets of over USD 142 billion

Everyday, Maybank puts our financial strength and stability to work across the region, supporting initiatives and ideas that are shaping the future of Asia.



Over 50 years Experience

Everyday, we provide our customers with a wealth of international and local insight to help them pursue their ambitions across the region.



52nd

ANNUAL GENERAL MEETING OF MALAYAN BANKING BERHAD

Crowne Plaza
Mutiara Kuala Lumpur
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia

Thursday, 29 March 2012
at 10.00am

Refer to pages 528 to 538 for Annual General Meeting Information and Financial Calendar.



This six-month report is available on the web at
www.maybank.com



To contact us, please refer to page 525 for Corporate Information and page 526 for Group Directory

CONTENTS

AT A GLANCE

- 6 Highlights of 6-Month Financial Period (FP11)

OUR PERSPECTIVE

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

WHO WE ARE



- 14 Vision, Mission and Core Values
- 15 Code of Ethics and Conduct
- 16 Corporate Profile & Global Network
- 18 Key Business Entities
- 20 History, Innovation & Leadership
- 22 Group Corporate Structure
- 23 Group Organisation Structure

OUR STRATEGY & ACHIEVEMENTS



- 26 Our Strategy
- 29 Key Performance Indicators
- 31 Maybank Share
- 35 Events Highlights
- 43 Awards & Recognition

OUR PERFORMANCE

- 44 Five-Year Group Financial Summary
- 45 Financial Highlights
- 46 Simplified Group Statements of Financial Position
- 47 Group Quarterly Financial Performance
- 47 Key Interest Bearing Assets and Liabilities
- 48 Statement of Value Added
- 49 Segment Information

BUSINESS REVIEW



- 52 Business Review: Overview
- 53 Group Financial Review
- 59 Economic & Banking Industry Review
- 62 Community Financial Services
- 66 Global Wholesale Banking
 - 67 Global Markets
 - 68 Investment Banking
- 73 Insurance & Takaful
- 76 Islamic Banking
 - 78 Shariah Committee
- 79 International Banking
 - 81 Singapore
 - 81 Indonesia
 - 82 Other Markets
- 84 Group Human Capital
- 87 Enterprise Transformation Services

OUR RESPONSIBILITY



- 92 Corporate Responsibility
- 96 Investor Relations

OUR LEADERSHIP



- 100 Board of Directors
- 102 Board of Directors Profile
- 109 Group Executive Committee

CORPORATE GOVERNANCE

- 116 Statement on Corporate Governance
- 131 Statement on Internal Control
- 134 Audit Committee Report
- 139 Risk Management
- 143 Anti-Money Laundering/Counter Financing of Terrorism Policy

THE FINANCIALS

- 146 Statement of Directors' Responsibility
- 147 Analysis of Financial Statements
- 159 Financial Statements
- 169 Notes to the Financial Statements
- 396 Details of Subsidiaries and Associates
- 409 Basel II Pillar 3 Disclosure

OTHER INFORMATION

- 516 Awards & Recognition: 2010
- 517 Analysis of Shareholdings & Classification of Shareholders
- 520 Changes in Share Capital
- 523 Properties Owned by Maybank Group
- 524 List of Top 10 Properties Owned by Maybank Group
- 525 Corporate Information
- 526 Group Directory

AGM INFORMATION

- 528 Notice of the 52nd Annual General Meeting
- 537 Statement Accompanying Notice of the 52nd Annual General Meeting
- 538 Financial Calendar
 - Form of Proxy

Chairman's Statement



President & CEO's Statement



Corporate Profile & Global Network



Our Strategy



Our Performance



Business Review



Corporate Responsibility



Financial Statements



highlights of 6-month financial period (FP11)

Revenue

RM7.83 billion

Revenue grew by 21.6% year-on-year during the financial period on the back of strong net fund based and fee based income growth.

Profit Attributable to Equity Holders

RM2.58 billion

6-Month FP2011 profit attributable to equity holders of the Bank reached RM2.58 billion on the back of top line growth across all business sectors and increased profit contribution from Community Financial Services (CFS), Global Wholesale Banking (GWB), Insurance & Takaful and International.

Return on Equity

16.2%*

Achieved our target ROE of 16% during the period under review, and other key headline KPIs.

Dividend per share

36_{sen}
 (final dividend for FP11)

The Group continued to consistently reward shareholders with a high dividend payout ratio of 79.9% for the final dividend of FP2011, exceeding the payout policy of 40% – 60%.

Branding

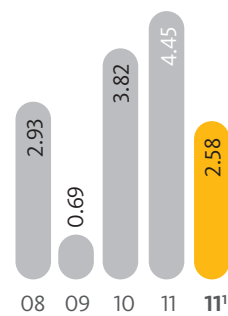


Launched refreshed Maybank Group corporate identity and roll-out of Maybank Kim Eng across markets following the rebranding exercise.



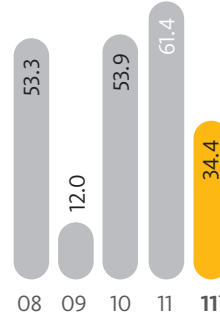
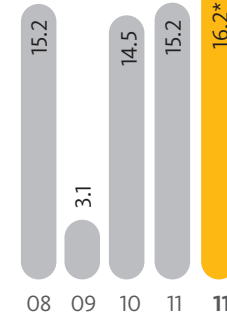
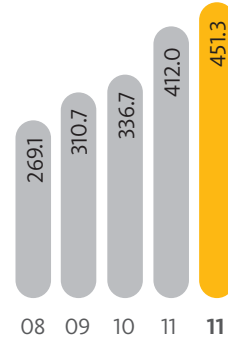
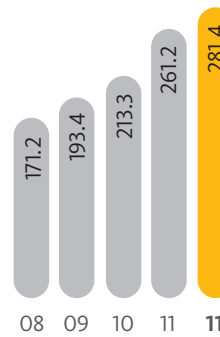
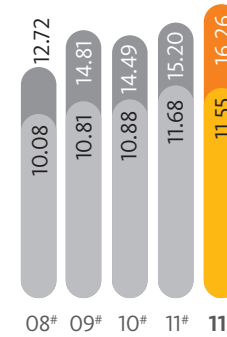
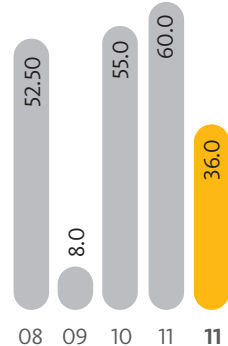
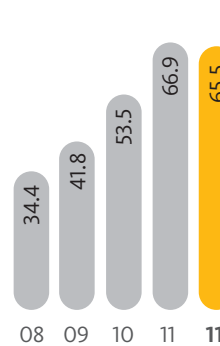
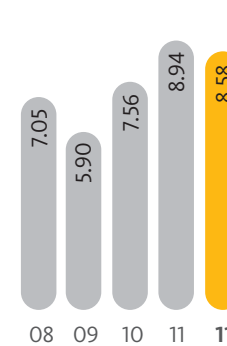
Moving forward, Maybank Kim Eng will continue to expand the Group's Investment Banking business regionally and contribute significantly to the Group's financial performance.

FINANCIAL HIGHLIGHTS

Profit Attributable to
Equity Holders of
the Bank
RM2.58 billion

● FY 30 June

● FP 31 December (6-month period)

Earnings Per Share
34.4 senReturn on Equity
16.2%*Total Assets
RM451.3 billionTotal Gross Loans
RM281.4 billionCapital Adequacy Ratio
RWCR: 16.26%Dividend Per Share
36.0 senMarket Capitalisation
RM65.5 billionShare Price
RM8.58NON-FINANCIAL
HIGHLIGHTS

Human Capital

45,000

Maybankers
worldwide

Global Network

2,200

branches

17 countries

Customers

22 million

worldwide

¹ The result consist of six-month financial period (FP) ended 31 December 2011 due to the change of financial year (FY) end from 30 June to 31 December.

* Adjusted for dividend payment and reinvestment made under the Dividend Reinvestment Plan (DRP)

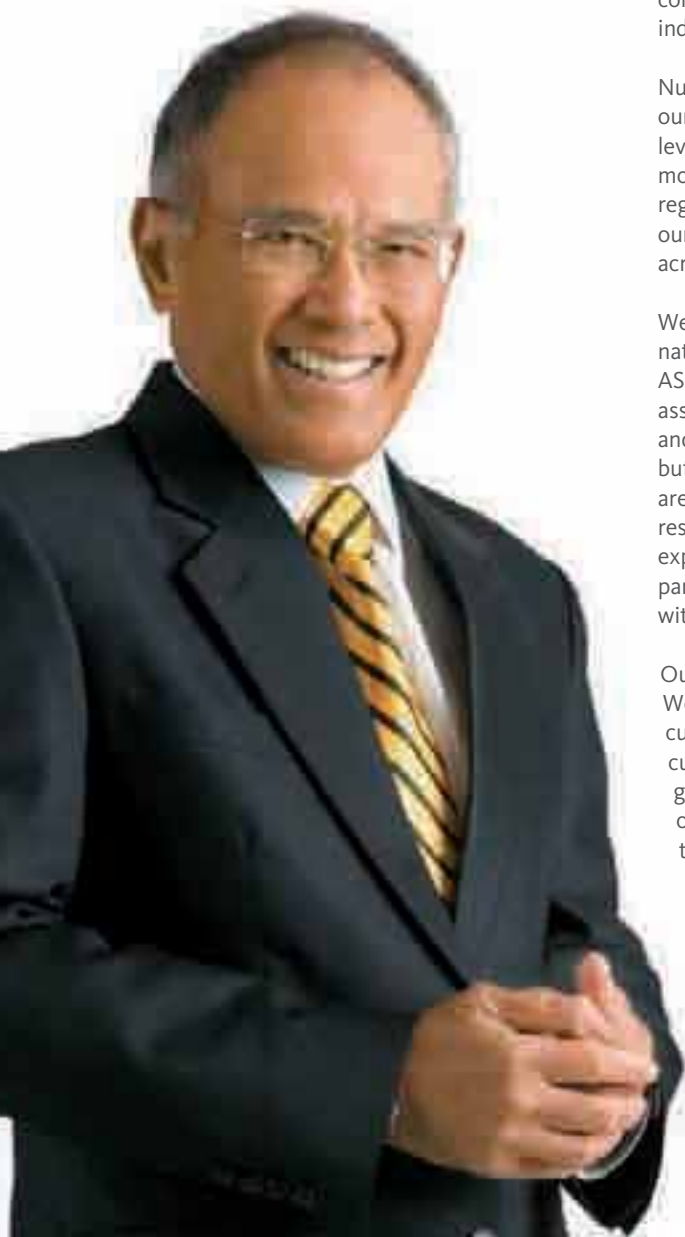
^ Assuming 85% Reinvestment rate

* Annualised

chairman's statement

Dear shareholders,

I am pleased to share with you our performance for the financial period from July to December 2011. This follows our decision to change our financial year end from 30 June to 31 December.



During those six months, your Company performed admirably, delivering a profit attributable to shareholders of RM2.58 billion. Our annualised ROE hit 16.2%, and assets grew to RM451.3 billion. All this was achieved against a backdrop of moderate GDP growth of 4.5%-6.5% in our key markets, with the troubled Western economies (USA and Europe) continuing to hamper the outlook for our industry.

Numbers aside, in the reporting period, our chief focus was on managing risks, leveraging on strengths, and showing more differentiation in becoming a regional financial services leader by living our mission to humanise financial services across Asia.

We are already present in eight ASEAN nations, and we are amongst the top ASEAN-based banks in terms of total assets, total loans and deposits, PATAMI and market capitalisation. To further buttress our position, regional initiatives are now creating consistent and more responsive segment-oriented customer experiences, improving efficiencies and, in particular, enhancing our relationships with corporate clients.

Our capability-building efforts continue. We are building a high performance staff culture that generates exceptional customer service. At the same time, greater employee mobility is spreading our core values region-wide, enhancing the sense of unity.

We have now completed the planning phase of our regionwide IT Transformation Programme and have started implementation. This five-to-seven year effort will ensure that we better integrate efficiencies and effectiveness across all our operations, with a special emphasis

on improving customer relationship management, restructuring costs and uplifting revenue.

Meanwhile, we have further strengthened our capital base via our dividend reinvestment plan (DRP), where the take up rate has ranged from 86.1% to 91.1%. For the financial period under review, we are proposing a final gross dividend of 36 sen per share, translating to a payout ratio of 79.9%.

Everywhere we operate, we are committed to achieving a balance between economic growth and caring for our communities and environment. Through the Maybank Foundation, we have now formulated an exciting CR programme to be launched regionwide this year, which will help local communities – especially those in the developing countries – to thrive more sustainably.

Starting this new FY2012, while continuing to monitor developments in the Euro zone economies, we will implement strategies to win in our key thrusts towards reinforcing our leadership in community financial services, wholesale and investment banking and Islamic finance, boosting the contribution from our overseas growth markets, and making us Malaysia's leading insurer.

I would like to thank all our stakeholders for your continuous support in our shared journey forward. In 2012 and beyond we will again dedicate our best efforts to creating stakeholder value.

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

president & ceo's statement

Dear shareholders,

In the six months ended 31 December 2011 (FP11), despite challenging global economic conditions, we outperformed both of our headline KPIs and posted another big increase in profit.

I am pleased that we have maintained our pole position in Malaysia and consolidated our position as one of the top ASEAN banks. In recent months, in our quest to create value, we have also been achieving improvements regionwide across all our business segments.

DELIVERING RESULTS

In FP11, profit attributable to shareholders advanced 20.0% year-on-year to RM2.58 billion. Revenue grew 21.6% year-on-year, with fund-based income up 16.2% and fee income climbing 32.0%. Most business segments recorded a double digit revenue increase, and we saw continued expansion in both consumer and corporate business.

PBT jumped RM597 million, gaining 20.1% year-on-year. Community Financial Services rose 18.0% to RM1.69 billion, Global Wholesale Banking by 7.8% to RM1.25 billion, International Banking by 19.4% to RM977 million and Insurance & Takaful by 323.1% to RM386 million (mainly due to an actuarial valuation surplus).

Overseas loans grew 14.3% during six months period combined with domestic loans growth of 5% delivered an increase in Group loans of 8.1% during the six months period, and 23.7% year-on-year. Meanwhile, allowances for losses on loans dropped 13.9% year-on-year, and the Net Impaired Loan ratio improved to 1.86% in December from 2.18% in September 2011.

Our financial position remains strong, with Group shareholders' funds of RM33.4 billion, total assets of RM451.3 billion and a capital adequacy ratio of 16.3%*. We also exceeded our headline KPI targets once again, recording an annualised return on equity of 16.2% against a target of 16.0%, and an annualised 16.3% growth in loans and debt securities – ahead of our 12% target.

TRANSFORMING THE BUSINESS

In FP11, the restructuring of our operations into the three pillars of House of Maybank started to make a game-changing difference to the customer experience.

Under Community Financial Services (CFS) our branches were given a fresh new look, and we launched our latest flagship branch with a hip and cool one-stop-shop concept. We continued to improve service quality, average waiting time and turnaround time. We embedded Retail SME services across our branch network, and a tactical plan is now in place to further develop SME business. Efforts to drive greater migration and cross-sell of high net worth individuals and affluent customers also met with success. And overseas, we launched Maybank2u in the Philippines and ATMs in Cambodia.



* Assuming 85% DRP reinvestment rate.

president & ceo's statement

Global Wholesale Banking (GWB) retained its leadership of Malaysia's corporate banking sector, while enhanced cash management capabilities enabled GWB to capture additional wholesale deposits in line with its mandate to become a regional wholesale banking powerhouse by 2015. The integration of Maybank Kim Eng progressed on track, and by leveraging on its regional distribution, the firm further boosted its brokerage business.

As well as launching a raft of new products, our insurance and takaful arm Etiqa reinforced its capital strength and the new IT infrastructure went live.

EXPANDING ISLAMIC BANKING

Our strategy is to be ASEAN's leading Islamic bank by 2015 and ultimately to become the global leader in Islamic finance not just in terms of banking but also in the takaful and Islamic capital markets. To this end we are leveraging on our leadership position in the local market and our growing regional strength. With our sights on global leadership, we are not just implementing roadmaps for expansion in Singapore, Indonesia and for International Currency Business Unit, we are also exploring markets as far afield as Hong Kong, the Middle East and London.

HUMANISING FINANCIAL SERVICES

At Maybank, our people are energised with humanising financial services. What this means in practice is empowering our customers by providing them with convenient access to funding, offering fair terms and pricing, advising them based on their needs, and being at the heart of the community.

Across all our business units nationwide, we are now humanising client interactions by providing consistent, integrated and holistic financial services. New locations, new products, and new initiatives are all

adding to our customer appeal, and in FP11 regional client coverage teams were set up to enhance the effectiveness of our client relationships and boost product market share.

At the same time, through our MaybankOne strategy, we are deploying a multi-channel business model based on a branchless concept that further strengthens consumer accessibility to financial services.

But while systems are important, in the end it is our people who drive our mission to humanise financial services. Hence our continued emphasis on embedding our core values of Teamwork, Integrity, Growth, Excellence & Efficiency, and Relationship Building; aptly coined as TIGER if you like.

To achieve this, we continued to prioritise strategies to intensify employee engagement. Looking back over the last few months, I am pleased to report that our corporate culture – designed to challenge, motivate and reward staff – has led to a measurable improvement in service quality as well as faster turnaround times and increased ATM and CDM uptime.

SUPPORTING THE TRANSFORMATION

The major investment we are currently making in our IT Transformation Programme (ITTP) involves substantial cost but will pay off in higher future revenue and profit. The planning phase is complete and roll-out is now under way, beginning with three new key front-end systems: GWB Customer Relationship Management, Islamic Foreign Currency Loans and Master Foreign Currency Accounts.

The benefits of these and the other system, process and control enhancements we are making will soon be felt by our customers and will give us a material edge over our competitors.

STRENGTHENING MANAGEMENT

To strengthen our leadership, we have made several management changes. In September 2011, Michael Foong joined as Chief Strategy and Transformation Officer; and Dato' Khairussaleh was named CEO designate of our Indonesian subsidiary, Bank Internasional Indonesia in January 2012.

BOOSTING CAPITAL ADEQUACY

In line with the capital requirements of Basel III, our capital adequacy remains a high priority. As at 31 December 2011, our core equity ratio stood at a healthy 9.13%*, comfortably ahead of the 7% required by Bank Negara by 2019. To further boost capital adequacy, we will be continuing with our Dividend Reinvestment Plan (DRP) which has been effective in meeting the needs of our shareholders.

BUILDING THE BRAND

In FP11, we pushed ahead with our brand-building exercise. This is not only refreshing the brand and aligning our brand strategy with our business vision, it is also creating regionwide consistency. One major initiative involved name and logo changes for our subsidiary Kim Eng Holdings to Maybank Kim Eng and rebranding of Bank Internasional Indonesia is also in progress.

LOOKING AHEAD

Inevitably, in 2012, uncertain prospects for the global economy and turmoil in the Euro zone will have an impact on the local and regional economies. But although this will dampen consumer sentiment, we still expect to see encouraging growth in the markets where we operate.

* Assuming 85% DRP reinvestment rate.

Key Performance Indicators for 12-month period ending 31 December 2012

Headline KPIs	
Return on Equity	15.6%
Loans and Debt Securities Growth	15.2%
Other KPIs	
Group Loans Growth	16%
Malaysia	14%
Singapore	11%
Bil	21%
Group Deposits Growth	12%

At home, the interest rate environment is expected to remain stable. The current Bank Negara Overnight Policy Rate of 3% looks set to continue but with a downside risk of a cut if there is a worse-than-expected economic slowdown.

More positively, we expect to benefit from Bank Negara's Financial Sector Blueprint 2011-2020. Themed 'Strengthening Our Future - Strong, Stable, Sustainable,' the blueprint charts the country's economic development and entrenches the financial sector as a key catalyst and driver of economic growth. The blueprint complements the Government's Economic Transformation Programme (ETP), whose aims include liberalising the financial sector in order to enhance its strength, diversity and competitiveness. This, in turn, will effectively facilitate spur the development of the financial services industry.

In the year ahead, we will focus on putting in place regional support infrastructure, realising synergies from regional distribution

networks, and achieving regionwide consistency in our systems and applications. We will also be optimising costs and resources across the Group.

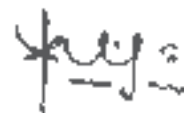
Meanwhile, we will step up our domestic funding capabilities in our overseas markets and subject to regulatory approval, simultaneously expand our regional footprint by opening branches in Beijing, Laos and Myanmar.

In FY 2012, we will continue to grow cautiously and responsibly. This time next year, I expect to be reporting a further improvement in our bottom line. Barring unforeseen circumstances, I am also hopeful that we will achieve our headline KPIs for 2012 of a 15.6% return on equity and a 15.2% growth in loans and debt securities growth. Our other KPIs are listed in the table above.

APPRECIATION

What we achieved in FP11 we owe to the determination of our people at every level to drive the business forward and I offer you all my heartfelt thanks. We owe a debt of gratitude as well to our customers, investors, partners and associates who have again stood by us with exemplary loyalty. We also deeply appreciate the support and guidance we consistently received from Bank Negara Malaysia, the Securities Commission, Monetary Authority of Singapore, Bank Indonesia, Lembaga Keuangan-BAPEPAM, Bangko Sentral ng Pilipinas and the other regulatory authorities including those in ASEAN and other countries we operate.

Thank you!



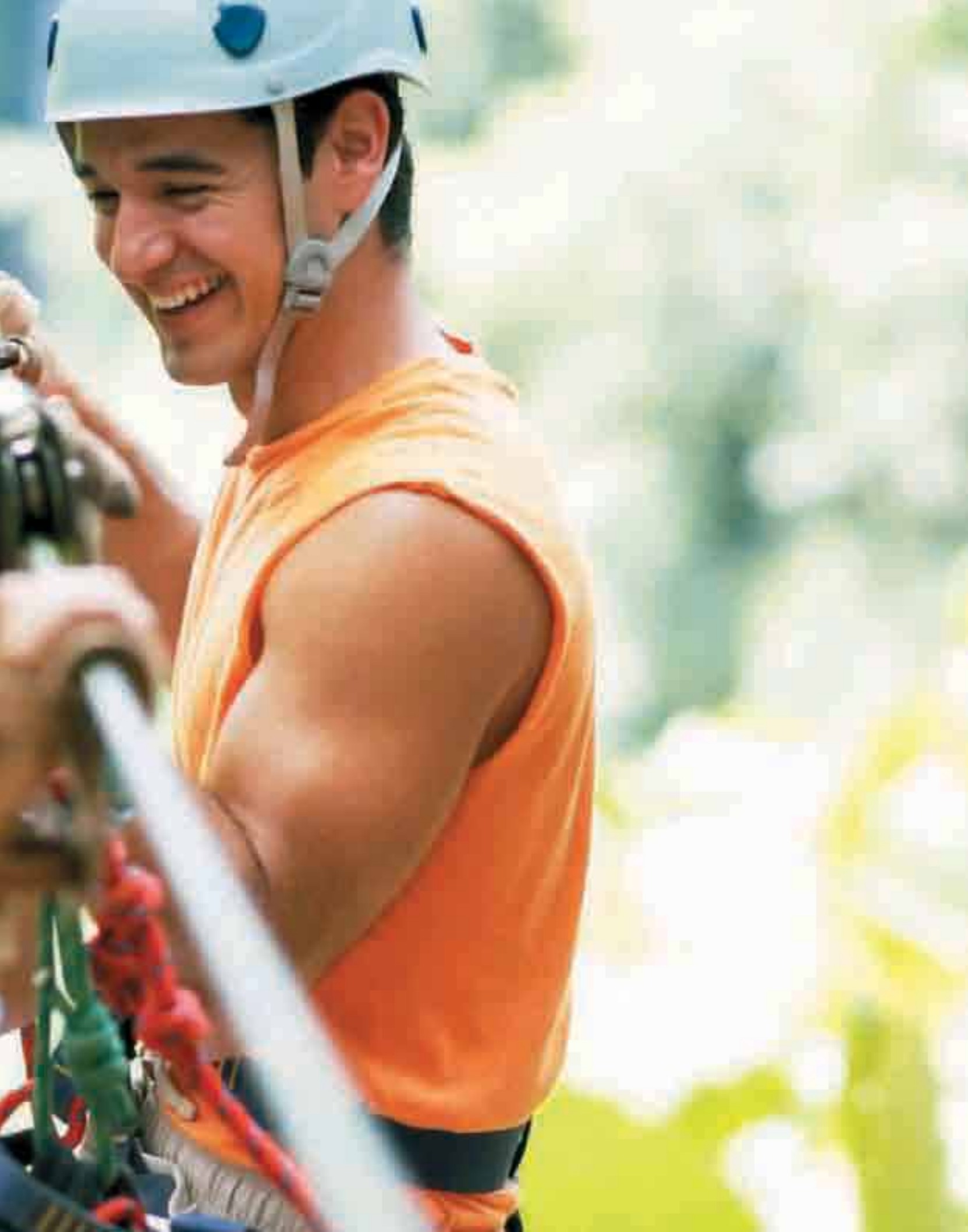
DATO' SRI ABDUL WAHID OMAR

President @ CEO

A woman is ziplining through a lush green forest. She is wearing a white helmet with black ventilation holes and a black harness. Her arms are extended forward, holding onto the zipline handle. The background is a soft-focus view of trees and foliage. The overall mood is adventurous and active.

Courageous

Maybank stands for confidence and conviction, conveying strength, determination and leadership.



VISION

To Be A Regional Financial Services Leader

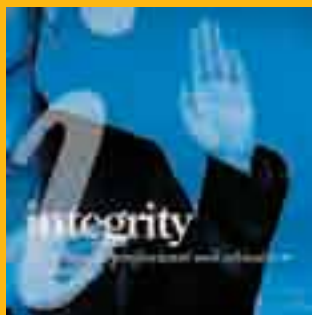
MISSION

Humanising Financial Services Across Asia



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 AND 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



- Over 2,200 offices
- 17 countries
- 45,000 employees
- Serving 22 million customers
- Market Capitalisation of USD21 billion
- Total Assets of USD142 billion
- Profit attributable to shareholders USD813 million (6-month period)

Maybank had its early beginnings when it was incorporated in Malaysia on 31 May 1960. It commenced operations soon after on 12 September 1960, embarking on a rapid expansion programme, opening branches throughout the country and in key locations abroad including Singapore, Brunei and Hong Kong.

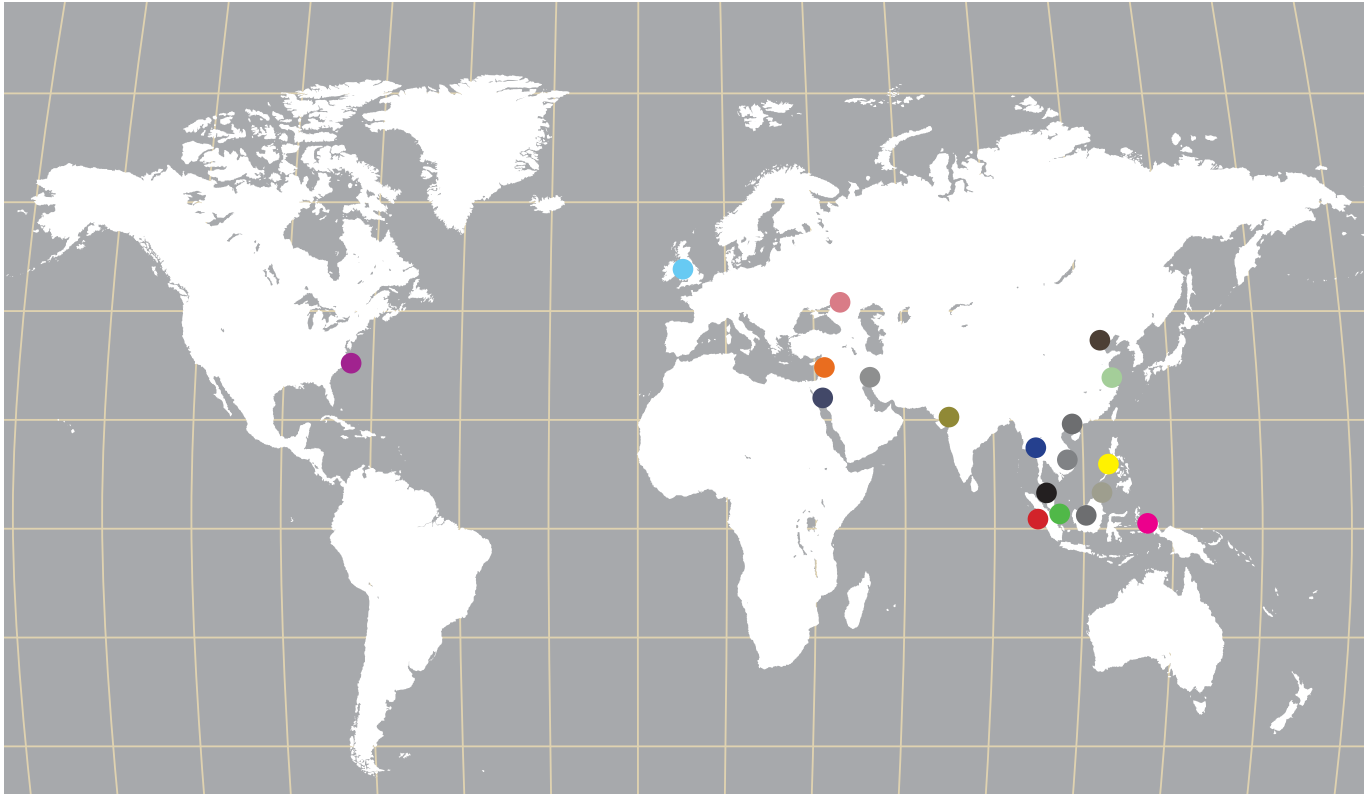
By 17 February 1962, the Bank marked another major milestone when it was listed on the Kuala Lumpur Stock Exchange (now Bursa Malaysia). Its pace of expansion accelerated to ensure that its founding objectives continued to be met. These were to support the development of the country and to provide modern banking services to its people. As it grew, the Bank played a key role in supporting the economic progress of Malaysia even in remote areas, and helped facilitate trade with the outside world.

Over the years, Maybank kept up its expansion and introduced a host of innovative financial services to lead the Malaysian banking industry as the country entered into a time of even

greater rapid development. By then, it had evolved into a financial services group offering a host of services ranging from commercial banking, investment banking, insurance, stockbroking, off shore banking, Islamic banking and asset management.

With its undisputed domestic leadership, Maybank went into an aggressive international expansion programme over the last two decades. Its network was enlarged to include new locations such as Cambodia, Vietnam, Uzbekistan, Indonesia, Bahrain, China, Papua New Guinea, Philippines and Pakistan. Its range of services also grew with the introduction of internet banking and also a full-fledged Islamic banking subsidiary, amongst others.

Today, Maybank is the largest company by market capitalisation on Bursa Malaysia and among the top banks in ASEAN. It is also ranked among the top 200 global banks by the Banker magazine of UK and is the leading Malaysian company in the FORBES Global 200 List. Maybank subsidiaries are also among the leaders in their respective areas of operations and are committed to providing customers with the benefit of over 50 years of experience.



The Maybank brand, with its easily recognised tiger logo, underwent a corporate identity refresh in 2011. The refreshed identity symbolises the Bank’s aggressiveness, dynamism and more contemporary outlook to correspond with current times and in line with its vision to be a regional financial services leader.

Maybank’s mission is now to humanise financial services across Asia, and fundamental to this is its commitment to provide access to financial services to the people at fair terms and pricing, and to be always at the heart of the community. This is also being reinforced through the Maybank Foundation which has become the vehicle for all its national and regional corporate responsibility initiatives.

As its moves confidently into the future, Maybank carries the aspirations and hopes of its employees, customers and other stakeholders, across 17 countries globally, who will continue to be the bedrock of its success.



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

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



Maybank Investment Bank Berhad

A wholly-owned subsidiary and the investment banking division of Maybank. It offers a complete range of investment solutions from corporate finance to debt capital markets, equity markets to research and strategic advisory.



Maybank Islamic Berhad

Maybank Group's wholly-owned, full-fledged licensed Islamic bank. Maybank Islamic is the largest provider of Islamic financial services in the Asia Pacific region and ranked 17th among the world's Islamic financial institutions in terms of Shariah-compliant assets.



Kim Eng Holdings Ltd

A wholly-owned subsidiary of Maybank. Kim Eng is a regional securities powerhouse with successful franchises across Asian financial markets. It is the leading securities firm in Thailand and in the Philippines.



Bank Internasional Indonesia Tbk

A 97%-owned subsidiary of Maybank. It is 9th largest commercial bank by assets and is listed on the Jakarta Stock Exchange (Ticker: BII). The bank provides a full range of financial services for SME/Commercial, Consumer and Corporate Banking customers.

eTiQa

Insurance & Takaful

Etiqua

Etiqua is the brand for 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 21,900 agents complemented by a wide bancassurance and bancatakaful network.

Key Associate Companies



MCB Bank Ltd

A 20% owned associate company of Maybank. It is one of the leading banks in Pakistan with total assets of over Rs.500 billion, a customer base of over 4 million and a nationwide network of over 1,000 branches and over 450 ATMs.

An Binh Bank

A 20% owned associate company of Maybank. It offers a full range of commercial banking products and services and is strong in the small and medium enterprises (SME) sector. Its consumer banking market share is also growing with the introduction of innovative mortgage, automobile financing and personal loan products and services.

ASBANK

history, innovation & leadership



Maybank's journey over the years has been marked by one milestone after another. From its incorporation in 1960, the Group has demonstrated its commitment to excellence and innovation as it charted its course to becoming Malaysia's regional financial services leader. As it continues in its sixth decade, the Group is committed to blazing new heights and ensuring a better future for all.

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 Datuk 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 Datuk 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 Datuk 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 bank at a petrol station.
- 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 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.

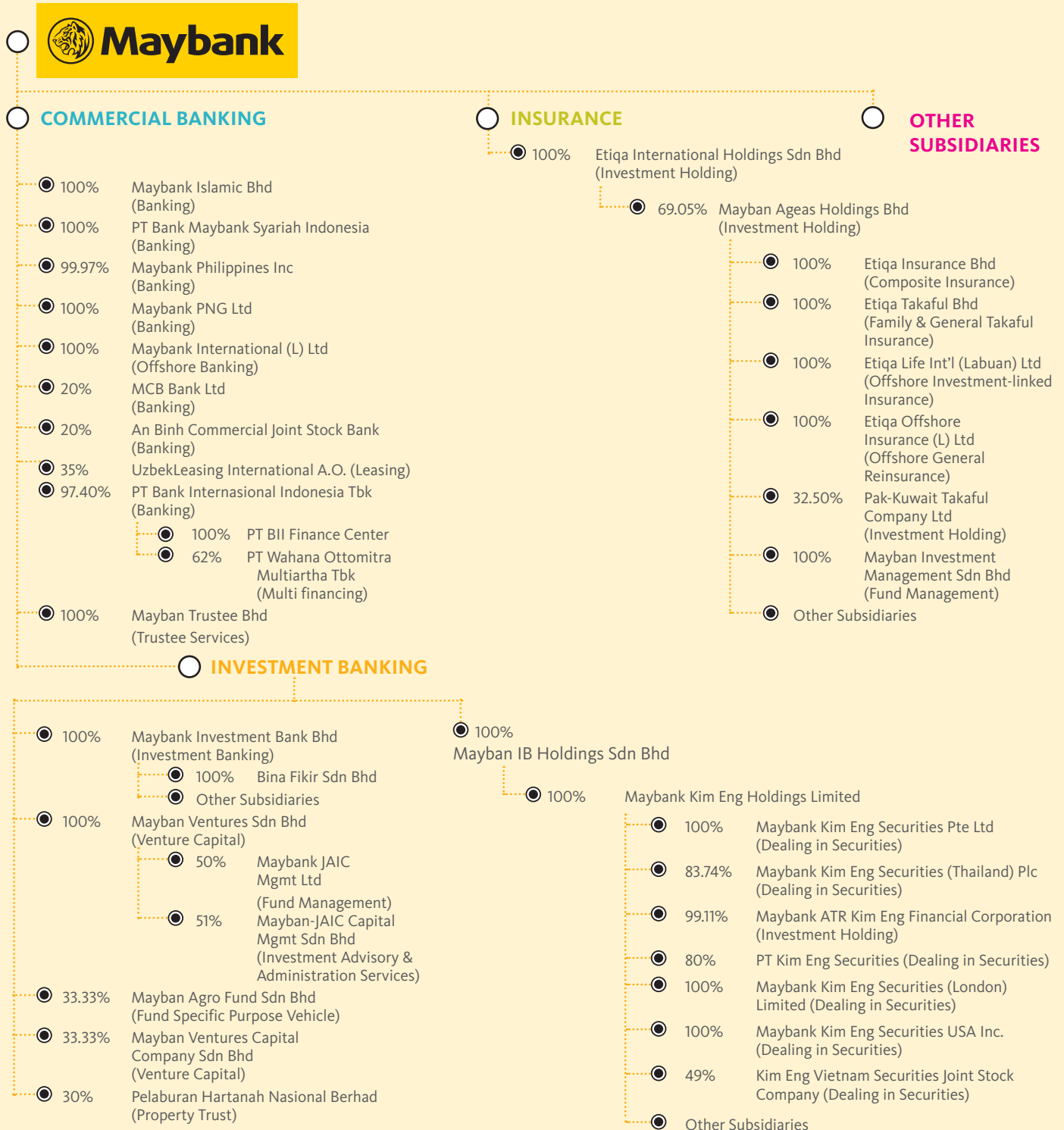
2010

- 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."

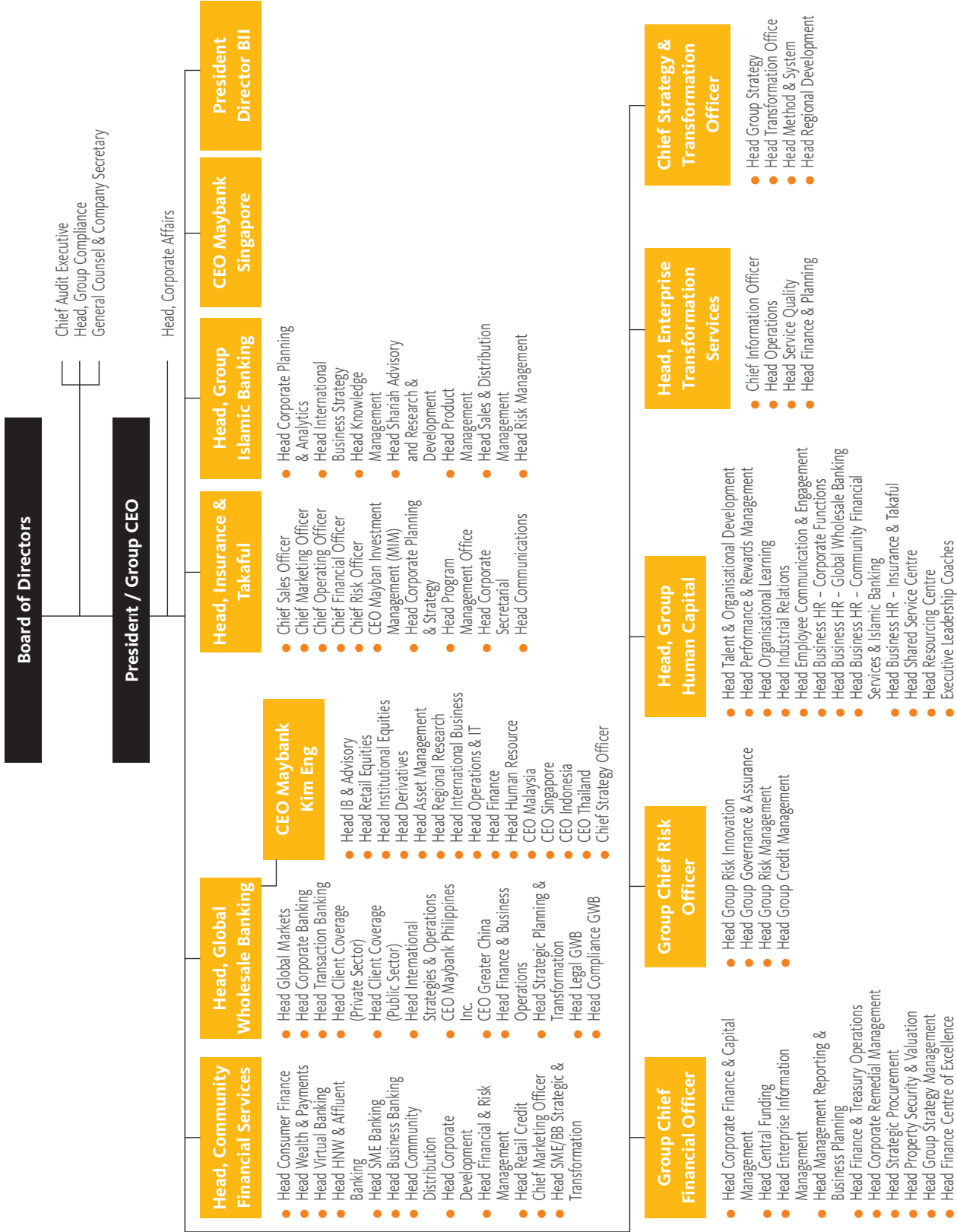
group corporate structure as at 31 December 2011



Note:

- Where investment holding companies are omitted, shareholdings are shown as effective interest.
- Companies that are not shown include those dormant, under member's voluntary liquidation, have ceased operations or provide nominee services.
- Refer to pages 396 to 407 for the complete list of Maybank subsidiaries and associate companies.

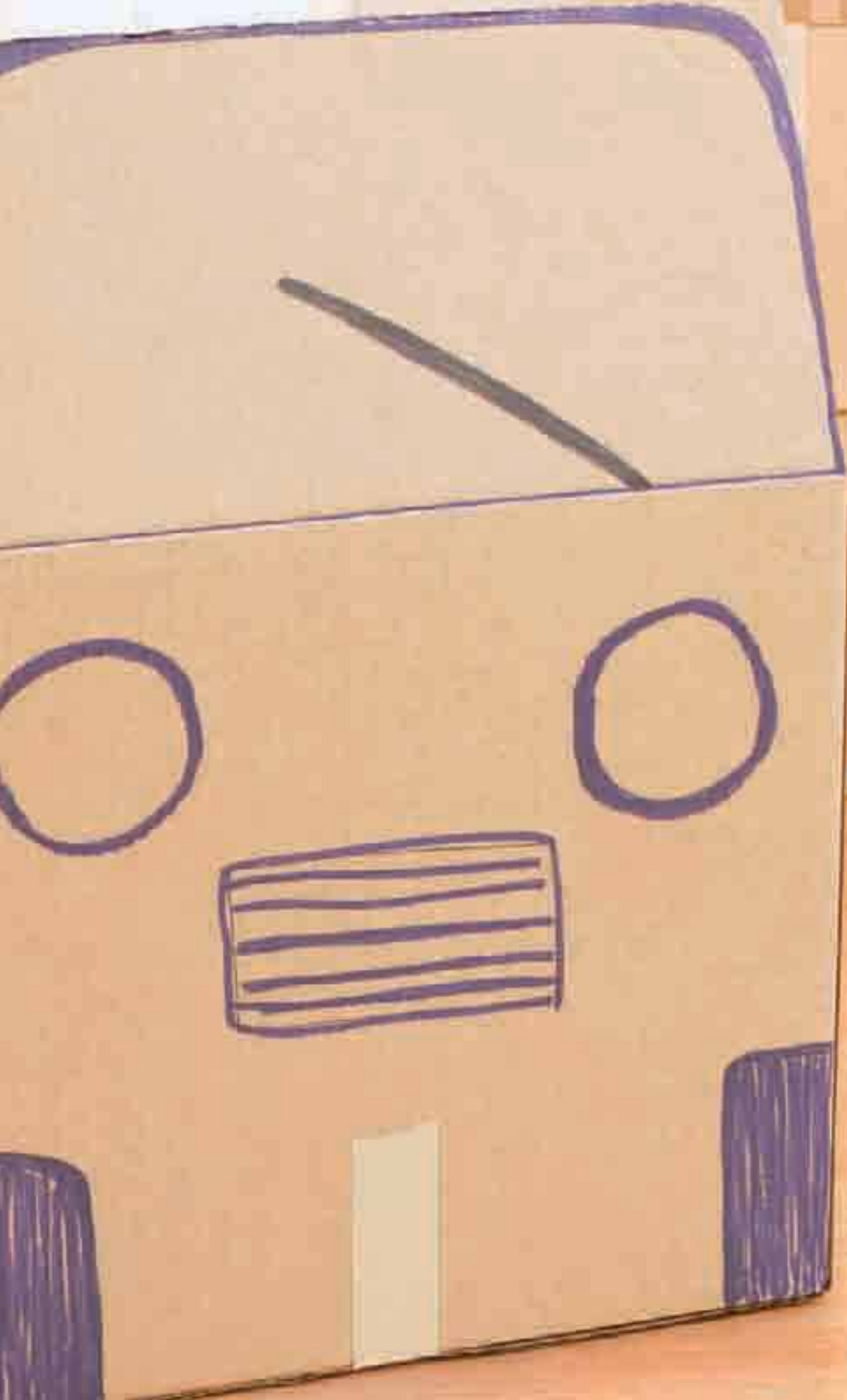
group organisation structure





Creative

We question the given. We go beyond the obvious to develop new and innovative ideas. We delight in delivering valuable solutions.



our strategy

VISION

To Be A Regional Financial Services Leader

MISSION

Humanising Financial Services Across Asia

- *Providing the people with convenient access to financing*
- *Having fair terms and pricing*
- *Advising customers based on their needs*
- *Being at the heart of community*



2015 STRATEGIC OBJECTIVES

- first** Undisputed No. 1 Retail Financial Services provider in Malaysia by 2015
- second** Leading ASEAN wholesale bank eventually expanding further into the Middle East, China and India
- third** Undisputed Insurance & Takaful Leader in Malaysia & Emerging Regional Player
- fourth** Truly regional organisation, with ~40% of pre-tax profit derived from international operations by 2015
- fifth** Global leader in Islamic Finance

GROUP STRATEGY & TRANSFORMATION

In 2008, Maybank embarked on a strategic transformation journey to become a leading financial services provider in ASEAN by 2015.

Over the past 3 years, the Maybank transformation programme has achieved significant results – starting with the building of programme governance and project execution capabilities and a centralised Transformation Office. With the creation of the House of Maybank in 2010, a host of transformation initiatives were embedded into the relevant pillars and sectors, each with clear individual accountability.

Maybank has implemented capabilities such as the effective management and tracking of key milestones, a Project Quality Assurance framework, and centralised reporting of progress to the Transformation Steering Committee. This resulted in the institutionalisation of a robust project management discipline across the Group. Critical path analysis and inter-dependency management has increased the visibility of key issues, thereby enhancing the effectiveness of the Bank's transformation initiatives.

The partnership between the Transformation Office and the business pillars has become more effective through interlocks, collaboration and clear alignment of goals. This has allowed the Bank to converge on its shared aspirations, thereby accelerating the Group's move to a high-performance culture.

These efforts have laid a strong foundation for the next phase of Maybank's transformation that will be focused on regional business expansion, the development of an innovative high-performance culture, and the building of a sustainable IT platform and processes.

COMMUNITY FINANCIAL SERVICES (CFS)

In tandem with the strategic thrust of CFS to move to a customer segment-driven model, the Business Banking and Small-Medium Enterprise (SME) segments underwent significant changes in FY2011. The customer models in both segments were refined to enhance the quality and relevance of its products and service delivery to customers. As a result, Maybank's customer relationships were strengthened, sales improved, and risk management capabilities enhanced.

On the consumer banking front, Maybank continued the roll-out of the Hip and Cool concept to branches in urban areas. Hip and Cool concept branches can now be found in Klang Valley, Ipoh, Melaka, Johor, Kuantan and Kuching.

With the aspirations for Community Financial Services in mind, Maybank will continue to serve all customer segments by offering products and services that are fairly priced and relevant both segment-wise and geographically, delivered through multiple distribution channels of unmatched convenience and accessibility.

GLOBAL WHOLESALE BANKING (GWB)

To optimise Maybank's platform for regional business expansion, the GWB sector established its regional governance structure in July 2011, emplacing key wholesale banking heads and personnel in all countries where Maybank has presence including Malaysia, Singapore, Indonesia, Greater China and the Philippines.

In addition, the Global Markets division successfully rolled out its regional Treasury Risk Management System in Shanghai enabling Maybank to expand its market capabilities across the region with improved efficiency and better risk management.

On the Transaction Banking front, Maybank's overseas clients are provided access to Trade Connex, the Bank's electronic trade finance platform. We also launched eCustody, an Internet-based service that enables Maybank's corporate clients around the world to manage their custody accounts online.

These initiatives enable us to operate better regionally, supporting our clients' cross border growth.

our strategy

INSURANCE & TAKAFUL

FY2011 saw the rollout of Etiqa's roadmap for achieving the status as Malaysia's national champion in insurance, takaful and asset management by 2015. The roadmap defines 4 areas of focus, namely strengthening Etiqa's leadership position, regional expansion of Etiqa's footprint, humanising customer experience, and achieving RM 1 billion profit before tax by 2015.

During the year, Etiqa continued to strengthen both its life and general core systems to enable seamless information retrieval, automated processes, improved productivity and improved turnaround time, ultimately resulting in improved service delivery to its customers and business partners.

With the rollout of its roadmap and ongoing strategic initiatives, Etiqa is well poised for further expansion of its presence regionally.

IT TRANSFORMATION PROGRAMME

The IT Transformation Programme's objective is to provide key differentiation from Maybank's competitors through the improvement of service channels, product design capabilities and business support.

FY2011 saw the implementation of 3 major systems. Firstly, the Islamic Foreign Currency Loan system was implemented to enable the expansion of Maybank's Islamic Banking business regionally. In addition, a new Customer Relationship Management system was also launched for the GWB in Malaysia, enabling improved end-to-end customer management by Maybank's relationship managers. Finally, the Master Foreign Currency Account system was implemented to reduce fund transfer costs and currency conversion losses.

The Programme also started the Branch Front End and Cash Management Systems, which will improve customer experience. Both the systems will be implemented in Malaysia and Singapore in 2012.

The IT Transformation Programme will further boost collaboration, data sharing and knowledge management between countries, forming a strong backbone for Maybank's regional expansion plans and supporting the next phase of transformation.



SERVICE QUALITY

Maybank's service quality transformation framework is supported by 4 key pillars, namely People, Process, Product and Metrics.

Service transformation efforts for FY2011 concentrated on customer service workshops for business pillars and support units, the enhancement of branch personnel's product knowledge, and the improving customer waiting times in branches. All service transformation efforts are led by Maybank's Senior Management team through a mentorship programme at the region.

Through Maybank's continuous service transformation efforts, the Bank is confident that an effective, efficient, consistent, warm and humanised experience will become the standard for Maybank regionally as we embark on the next phase of our transformation journey.

key performance indicators

To assess the Group's performance and ensure that it meets its strategic objectives, the Group has identified several key performance indicators (KPIs). These measures are set out below.

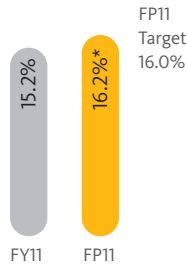
Headline KPIs

Return on Equity (ROE)

16%

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.

We have a long term target of 18% to be achieved by 2015.



Achievement

16.2%*

Our achievement of annualised 16.2% growth was on the back of a robust growth in net income, lower allowance for losses on loans and efficient utilisation of capital.

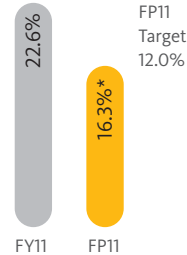


Target Met

Loans and Debt Securities Growth

12%

Loans and debt securities (financial assets) growth measures the total increase in gross loans and other debt or security issuances.



16.3%*

During the period under review, the Group saw robust growth with strong contribution from international loan growth.



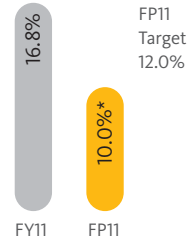
Other KPIs

Loans Growth

Malaysia

12%

Loans growth for Malaysia is defined as domestic gross loans growth i.e. in Malaysia only.



10.0%*

Domestic loans grew slightly below target, though consumer loans and corporate loans still performed positively.

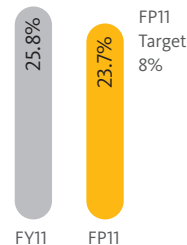


Loans Growth

Singapore

8%

Loans growth for Singapore defined as gross loans growth reported by Maybank Singapore in Singapore Dollar (SGD).



23.7%*

Loans growth exceeded target & outpaced industry loan growth on the back of increased consumer and corporate loan growth.



* Annualised figure

key performance indicators

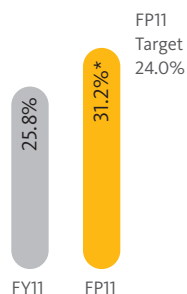
Other KPIs (continued)

Loans Growth

Bank Internasional Indonesia (BII).

24%

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



Achievement

31.2%*

Loan growth surpassed the target set with positive contribution from consumer and business loans, supported by a resilient domestic economy.

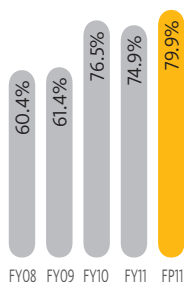
Target Met



Dividend Payout Ratio

40-60%

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



79.9%

Dividend payout ratio for FP2011 of 79.9% again surpassed the 40-60%. Dividend Reinvestment Plan (DRP) will continue to strengthen the Group's Capital base.



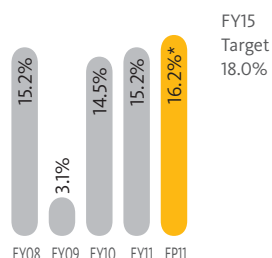
Refer to page 31 for Maybank Share

Long Term Targets by 2015

On Track

Return on Equity (ROE)

18%



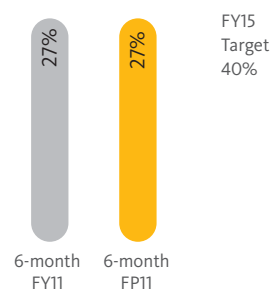
16.2%*

Annualised ROE of 16.2% for FP11 is demonstrative that we are on track to achieve our long term target of 18%.



International contribution to Group profit before tax

40%



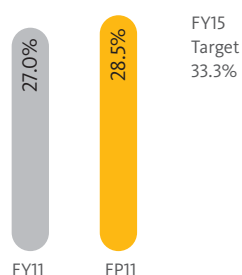
27%

PBT contribution from international operations remained unchanged at 27% with Singapore and Indonesia being the major contributor at 16% and 5% respectively.



Islamic Financing to Maybank domestic loans

33%



28.5%

Maybank's Islamic First aspiration is set to focus on Islamic product offerings to customers as the first option. Islamic financing formed 28.5% of Maybank's domestic group loans and advances. With our aspiration to become a global leader in Islamic finance, we will continue to pursue robust growth and stay on-course with our target.



* Annualised figure

Maybank share

At A Glance

Our Perspective

Who We Are

Strategy

Performance

Business Review

Responsibility

Leadership

Governance

Financial & Others

AGM Information

HIGHLIGHTS

Dividend Per Share

FP2011	
Final dividend	36 sen
FY2011	
Final dividend	32 sen
Interim dividend	28 sen

Share Price

FP2011	RM8.58
FY2011	RM8.94

Total Shareholder Return

FP2011	-0.2%
FY2011	28.1%

Earnings Per Share

FP2011	34.4 sen
FY2011	61.4 sen

Market Capitalisation

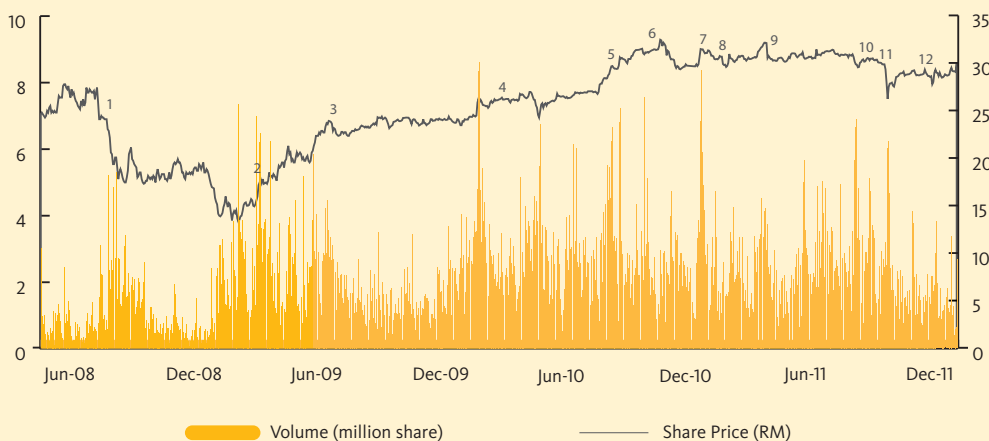
30 Dec 11	RM65.5 billion
30 Jun 11	RM66.9 billion

TOTAL SHAREHOLDER RETURN (TSR)

TSR is the measure of our enhancement of value to our shareholders. It consists of capital gains (share price increase) and dividends.

	FY07	FY08	FY09	FY10	FY11	FP11
Maybank	19.3%	-21.4%	-3.9%	31.7%	28.1%	-0.2%
FBMKLCI Index	54.3%	-8.2%	-5.4%	26.1%	24.8%	-1.1%
KLFIN Index	53.2%	-19.8%	1.7%	43.8%	32.9%	-5.7%

MAYBANK SHARE PRICE AND VOLUME

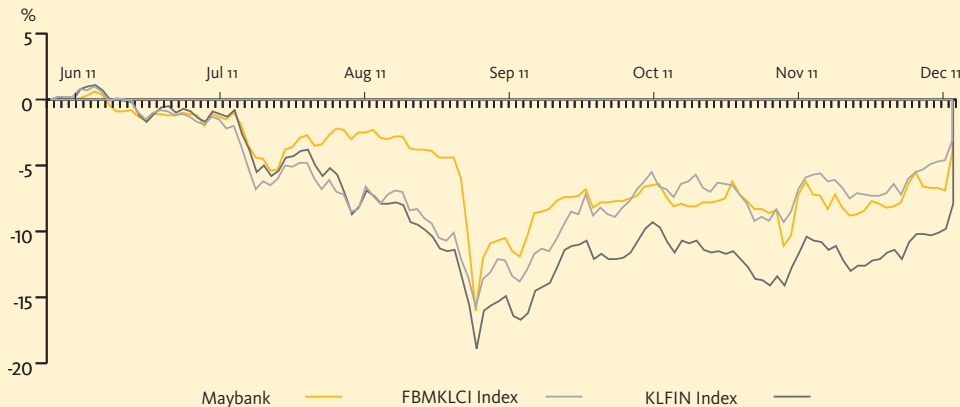


1	30-Sep-08	Completes acquisition of BII	7	06-Jan-11	Kim Eng acquisition announced
2	29-Apr-09	Maybank completes rights issue of RM6 billion	8	21-Feb-11	Announces 2QFY11 results
3	25-Aug-09	Announces FY09 results	9	12-May-11	Announces 3QFY11 results
4	21-Apr-10	BII completes rights issue of Rp1.4 trillion	10	04-Aug-11	Completes acquisition of Kim Eng
5	20-Aug-10	Announces FY10 results	11	22-Aug-11	Announces FY11 results
6	12-Nov-10	Announces 1QFY11 results	12	14-Nov-11	Announces 1QFP11 results



Maybank share

MAYBANK SHARE PRICE VS BENCHMARK



Maybank share price vs FBM KLCI Index and KL Financial Index (1 July 2011 – 31 December 2011)

- Maybank's share price movement mirrored the FBMKLCI Index, reaching a high of RM8.99 compared to the broader Index's all-time high of 1,594.74 points on 8 July 2011, riding on a positive momentum felt across the regional indexes.
- However, a string of downside developments soon emerged starting with the downgrade of Greece sovereign credit rating, a near default by the US over its deadlock on debt ceiling resulting in the US losing its triple-A rating by S&P and signs of a slowdown in the Chinese economy. This heightened investors' concerns over the uncertainty of global markets. Funds pulled out from the emerging markets, pushing the FBMKLCI Index and Maybank share price to a low of 1,331.8 points and RM7.51 on 26 September 2011.
- This was followed by a rebound on the back of bargain hunting. The rebound momentum was sustained as improving economic data from the US and joint coordination by central banks to provide cheaper dollar funding to prevent a global credit crunch allayed investors' fears.
- For FP2011, Maybank's share price declined 4.0% from RM8.94 on 30 June 2011 to RM8.58 on 30 December 2011. Its performance was in line with the FBMKLCI Index's decline of 3.1% but outperformed the KL Finance Index which fell by 7.9%.

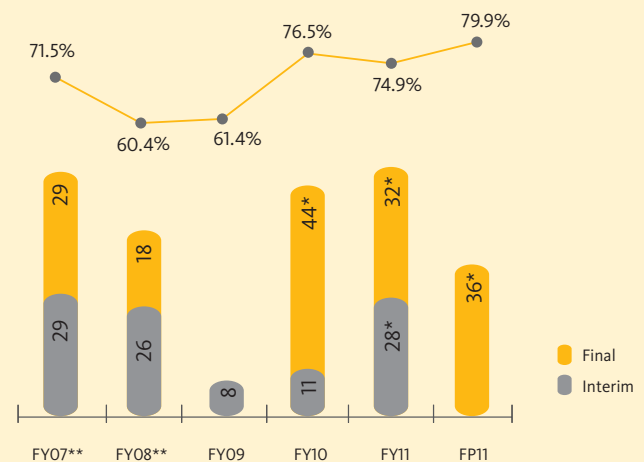
DIVIDEND AND DIVIDEND REINVESTMENT PLAN

For the FP2011, the Board of Directors proposed a gross dividend of 36 sen which translates to a dividend payout ratio of 79.9%, exceeding our payout ratio policy.

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% and 86.1% in the first, second and third DRPs respectively, 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 (%)



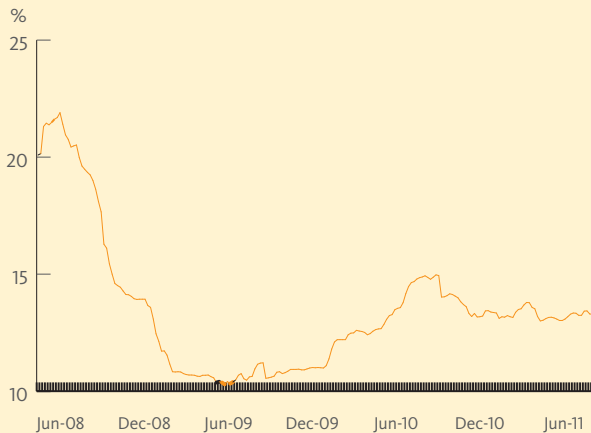
* subject to Dividend Reinvestment Plan

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

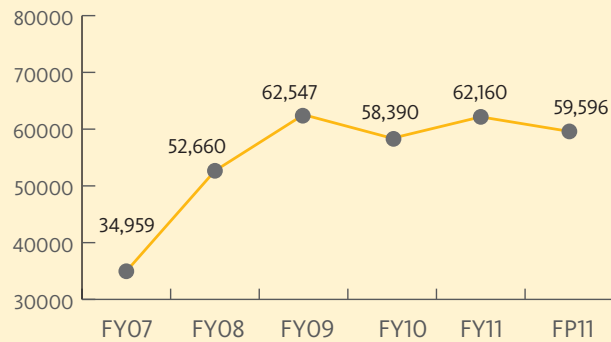
SHAREHOLDER ANALYSIS

- With almost 60,000 shareholders around the globe, Maybank has a diversified shareholder base.
- Foreign shareholding declined marginally to 13.28% in December 2011 from 13.49% in June 2011.

Foreign Shareholding

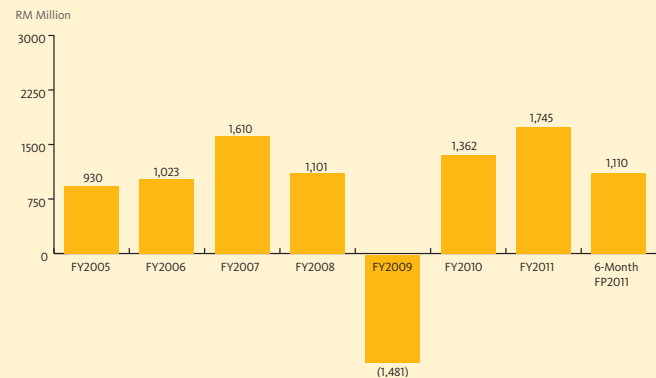


Number of Shareholders



ECONOMIC PROFIT

- Khazanah's Transformation Programme for Government-linked Companies (GLCs) is an initiative to develop high-performing entities for the future prosperity of the country.
- Economic Profit is a key measurement of shareholder value creation, showing a company's return over and above its cost of capital.
- Being part of the transformation programme, Maybank has tracked the performance of its Economic Profit since 2005.
- For the 6-month financial period 2011, Maybank's Economic Profit stood at RM1.11 billion.



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
Standard & Poor's	Long Term Counterparty Credit Rating Short Term Counterparty Credit Rating Outlook Certificate of Deposit Preferred Stock (1 issue) Senior Unsecured (1 issue) Subordinated (2 issues)	A- A-2 Stable A-/A-2 BBB- cnAA BBB+

Maybank share

Rating Agency	Rating Classification	Ratings Received
Moody's Investors Service	LT Foreign Currency Bank Deposit/Outlook ST Foreign Currency Bank Deposit LT Local Currency Bank Deposit/Outlook ST Local Currency Bank Deposit/Outlook Bank Financial Strength Rating/Outlook Jr Subordinate	A3/Stable P-1/Stable A1/Stable P-1/Stable C/Stable Baa2/Stable
Fitch Ratings	Foreign Currency Long Term Issuer Default Rating Local Currency Long Term Issuer Default Rating Individual Rating Support Rating Support Rating Floor USD Sub Debt SGD Tier 1 Capital Securities	A-/Stable A-/Stable B/C 2 BBB BBB+ BBB
RAM Ratings	Long Term Financial Institution Ratings Short Term Financial Institution Ratings Tier-1 Capital Securities Subordinated Bonds Outlook (Long Term)	AAA P1 AA2 AA1 Stable
MARC	Long Term Financial Institution Ratings Short Term Financial Institution Ratings Outlook	AAA MARC-1 Stable

AMERICAN DEPOSITARY 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.

SHARE RELATED KEY FIGURES

	FY2007	FY2008	FY2009	FY2010	FY2011	FP2011*
Market Capitalisation (RM billion)	46.7	34.4	41.8	53.5	66.9	65.5
Total Shareholder Return, TSR (%)	19.3	(21.4)	(3.9)	31.7	28.1	(0.16)
Dividend per share (sen)	57.5	44.0	8.0	55.0	60.0	36.0
Dividend yield (%)	6.7	7.4	1.4	7.3	6.7	4.2
Closing Price, 30 June (RM)	8.62	6.33	5.90	7.56	8.94	8.58**
Average share price (RM)	8.46	8.00	5.25	6.94	8.60	8.45
Highest closing share price (RM)	9.84	9.20	7.14	7.72	9.29	8.99
Lowest closing share price (RM)	7.47	6.33	3.57	5.60	7.53	7.51
Basic EPS (sen)	58.5	53.3	12.0	53.9	61.4	34.4

* from 30 June 2011 to 31 December 2011

** closing price as at 30 December 2011

OTHER INFORMATION

Financial Year End

31 December

Ticker Code

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

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

Foreign Shareholding

30 December 2011 13.28%
 30 June 2011 13.49%

American Depository Receipts (ADR)
 Bloomberg: **MLYBY US**
 Reuters: **MLYBY.PK**

events highlights

July 2011

05 July 2011

Maybank embarked on a six-year collaboration to be main sponsor of the Badminton Association of Malaysia (BAM), which will see programmes designed to nurture a new generation of badminton players as well as advance Malaysia's supremacy in badminton.

Datin Sri Rosmah Mansor, wife of the Prime Minister and patron of BAM, witnessed the signing of the agreement in a ceremony at Menara Maybank. ¹



07 July 2011

Maybank, Malaysia Airlines and American Express launched the country's first airline co-brand business card – the MAS American Express® Business Card – which targets business travelers from more than 540,000 micro, small and mid-sized enterprises (SME).

14 July 2011

Bank Internasional Indonesia (BII) launched BII Friends on www.biifriends.com and Twitter, to provide the public with more information on its products and services.

14 July 2011

Maybank Singapore was the only Bank out of 23 companies to be conferred the Recognition Award to Model Companies on Re-employment Efforts and Practices by National Trades Union Congress (NTUC). This award is in recognition of our commitment to support the re-employment of older workers and efforts in providing training and upgrading opportunities for them.

05 July 2011

Maybank brought joy to 20,000 children from schools in the Klang Valley and Selangor by giving them a lifetime experience of watching one of the top English football clubs, Chelsea Football Club play against the Malaysian Harimau Muda football team. ²



15 July 2011

m2u, Maybank Group's proprietary internet banking service, was launched in the Philippines. The launch was marked by a special screening of the final installment of the much-awaited and successful movie franchise Harry Potter at the Newport Cinemas at Resorts World Manila.

18 July 2011

Maybank Islamic exchanged a Memorandum of Understanding (MOU) with Bank Syariah Mandiri to establish cross border collaboration between Malaysia and Indonesia in all Islamic treasury and trade finance matters. This will help enhance cross-border liquidity flows as well as increase and diversify the application of Islamic financial solutions. ³



At A
Glance

Our
Perspective

Who
We Are

Strategy

Performance

Business
Review

Responsibility

Leadership

Governance

Financial &
Others

AGM
Information

events highlights

20 July 2011

The success of the Maybank Family Fund, launched in July 2010, was formally acknowledged when Maybank Singapore picked up a Silver award for Best Corporate Social Responsibility Program. This award recognises the efforts of Maybank Singapore in reaching out to the less privileged in the local community through the Maybank Family Fund.

21 July 2011

Maybank Investment Bank was the Joint Principal Adviser, Joint Global Coordinator, Joint Bookrunner and Joint Managing Underwriter for the multi-award winning Bumi Armada Berhad IPO. Kim Eng, on the other hand, managed the settlement for the foreign tranches and also provided global distribution. The IPO was oversubscribed by 9.5 times with a subscription value of RM2.0 billion and was the largest IPO in Malaysia for 2011.

25 July 2011

Bank Internasional Indonesia (BII) launched “BII CoOLBanking”, its corporate online banking service.

29 July 2011

Maybank IB successfully lead arranged and closed a RM400.0 million Syndicated Term Loan facility for Press Metal Bintulu Sdn Bhd. ⁴



4

30 July 2011

Bank Internasional Indonesia (BII) entered into an agreement with the TransNusa Air Services to provide its cash management solution “BII CoOLPay”.

August 2011

05 August 2011

Maybank Philippines was the only foreign bank to join 11 other banks in the “Banking on Your Future” Kiddie Account Program spearheaded by the central bank, Bangko Sentral ng Pilipinas (BSP), in partnership with the Bank Marketing Association of the Philippines. Under this programme, the opening of savings accounts was made affordable and convenient for school children, with just a Php100 initial deposit. The campaign was also in tandem with BSP’s joint program with the Department of Education which incorporated lessons on money management in public elementary schools.

08 August 2011

Bank Internasional Indonesia entered into an agreement with Sriwijaya Air to provide credit facilities for its “Pilot School”.

18 August 2011

Bank Internasional Indonesia (BII) launched “BII SPEKTRA” a credit facility for traders in Tanah Abang.

19 August 2011

Bank Internasional Indonesia reported that net profit increased 13% to Rp367 billion in the first six months of 2011 compared to Rp326 billion in the previous year on the back of the business growth across the business segments and the Bank’s overall operational improvements.

22 August 2011

Maybank announced another year of record performance with Group profit after tax and minority interest of RM4.45 billion for the year ended 30 June 2011, up 16.6% from the RM3.82 billion recorded in the previous year. Group profit before tax for the year rose 16.8% to RM6.27 billion from RM5.37 billion previously.

25 August 2011

In conjunction with Ramadhan, Maybank Islamic hosted underprivileged children from Rumah Amal Ummul Qura and Rumah Kebajikan Baitul Hidayah to a breaking of fast meal. The children also received school supplies, festive goodies and “Duit Raya” while the Homes were presented with book vouchers.

September 2011

05 September 2011

Maybank Singapore received the Best Workplace Award for human resource policies and programmes that strive to promote work-life balance, and high employee engagement with low turnover. This award recognises companies for their responsible business practices in people management. 5


5

09 September 2011

Maybank unveiled a refreshed corporate identity which was driven by its mission to “Humanise Financial Services Across Asia”. The refreshed corporate identity symbolised the bank’s aggressiveness, dynamism, more contemporary outlook corresponding with current times and in line with its vision to be a regional financial services leader.

The refreshed corporate identity was launched by the Prime Minister of Malaysia Dato’ Sri Mohd Najib bin Tun Haji Abdul Razak at Menara Maybank. 6


6

12 September 2011

Maybank Philippines’ Parañaque Branch was relocated from the La Huerta district to Sucat Road covering the stretch of Dr. A. Santos Avenue which is known for its logistics, hardware, realty and SME businesses. 7


7

10 September 2011

In conjunction with the Hari Raya Aidilfitri celebrations, Maybank Group held its Hari Raya Open House at Menara Maybank, which saw over 3,000 guests attending.

15 September 2011

Maybank Islamic opened its 16th full fledged branch in Melaka which was officiated by the Chief Minister of Melaka.

15 September 2011

Bank Internasional Indonesia entered into a strategic partnership with PT XL Axiata Tbk (XL) to provide an “e-money” service.

events highlights



8

15 September 2011

Maybank reinforced its continued 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. By signing the pledge, the Bank indicated that it supports and upholds the Anti-Corruption Principles for Corporations in Malaysia and is against any corrupt acts. ⁸

24 September 2011

About 1,000 of Etiqa's top agents from around the country attended the company's annual agency dinner and awards presentation 2011. More than 190 Etiqa top agents were rewarded with an overseas study trip to Italy.

27 September 2011

Maybank officially launched its first branch with the new look and feel of the refreshed corporate identity. The branch design blends in with the trendy and upscale Sunway Giza area in Kota Damansara. Featuring state-of-the-art facilities, the new branch also offers a unique level of service and experience to meet the discerning needs of both retail and commercial business customers. ⁹



9

October 2011

01 October 2011

Over 15,000 Maybankers from the Group's offices in Malaysia and abroad including in Indonesia, Singapore, Philippines, Thailand, Vietnam, Cambodia, Brunei, Hong Kong, China, Bahrain, New York and London, participated in the Maybank Global CR Day. This simultaneous event was part of the Group's effort to reinforce its commitment to corporate responsibility in line with its mission to humanise financial services. ¹⁰



10

13-16 October 2011

Maybank, the Official Bank for Ladies Professional Golf Association (LPGA) helped raise funds for cancer research through a 'Maybank Charity Putting Challenge' held during the LPGA tournament in Kuala Lumpur.

19 October 2011

Maybank Singapore reached another milestone in its business excellence journey by becoming the first and only Bank to receive the People Excellence Award at the enterprise level. Awarded by the Singapore Quality Award Governing Council, this award is a strong testament to the Bank's people-first culture. ¹¹



11

19 October 2011

Maybank organised a “Kolam Design” contest to celebrate the cultural diversity of its employees in conjunction with the Deepavali celebrations. Twenty groups participated in Menara Maybank while other regions also held their own contests respectively.

22 October 2011

Maybank Cambodia participated in a donation programme with the National Bank of Cambodia, assisting about 1,000 families in Kampong Thom province. ¹²



12

23 October 2011

Maybankers in Philippines reached out to victims in the flood-stricken Calumpit, Bulacan area, which was heavily hit by super typhoons Pedring and Quiel. A 14-strong volunteer team distributed vitamins and medicine, canned goods, biscuits, rice, noodles, coffee and bottled water to 85 affected families in the area.

28 October 2011

Maybank inaugurated its 51st branch in the Philippines at the McKinley Hill Cyberpark in Fort Bonifacio, Taguig.

28 October 2011

Maybank Philippines officially launched its Passion Club, an employee organisation which aims to fully develop and unleash the potential of Maybankers by promoting work-life balance through co-curricular activities focused on sports, arts and crafts, and community service.

28 October 2011

Bank Internasional Indonesia (BII) partnered with The Indonesia Tennis Association to organise the BII Indonesia Open 2011 Wheelchair Tennis Tournament.

31 October 2011

Bank Internasional Indonesia announced a consolidated net profit of Rp555 billion for the first nine months ended 30 September 2011, a 34% increase from the Rp415 billion in the previous corresponding period ended 30 September 2010.

November 2011

02 November 2011

Bank Internasional Indonesia partnered with PT Artajasa Pembayaran Elektronik (Artajasa) and PT Indomarco Prismatama (Indomaret) to provide an Electricity Prepaid payment online system through its payment points.

03 November 2011

Maybank announced that President & CEO Dato' Sri Abdul Wahid Omar had been appointed as Co-Chairman of the Institute of International Finance's Emerging Markets Advisory Council.

07 November 2011

Maybank Islamic Berhad celebrated Hari Raya Aidiladha 2011 by launching “Qurban Perdana Maybank 2011/1432H”. It took place simultaneously in the 14 states of Malaysia, as well as in Singapore, Indonesia, Brunei and Cambodia. A total of 41 heads of cattle were donated to the needy in the various locations.

08 November 2011

Bank Internasional Indonesia (BII) announced its intention to issue a senior debt programme and subordinated debt programme in tranches within two years.



events highlights

11 November 2011

Maybank Philippines formally opened its one-stop financial services hub in the heart of Ayala Center Cebu. Maybank Cebu Business Center incorporates a full service branch, with Auto Lending Center, Personal Loans and Maxi Home Loan Desk, and Commercial Banking Office. The Branch was officially opened by Dato' Salleh Harun, Chairman of Maybank Philippines. ¹³



11 November 2011

Maybank launched the Maybankard Manchester United (MU) – a credit card designed exclusively for ardent fans of the football club. The stunningly designed credit card carries the photo of three renowned MU players and aims to entrench Maybank's position further in the credit card segment.

12 November 2011

For the third consecutive year, Maybank Philippines was a partner for the "Race For Life" annual fund-raising fun-run campaign benefit scholars of Real Life Foundation. About 4,000 runners participated in the event, including a contingent from Maybank Philippines. Maybank presented Yippee Savings accounts and other prizes to winners of the Amazing Race Parent-Child category. ¹⁴



14 November 2011

Maybank announced that Group profit after tax and minority interest for the first quarter ended September 2011 in the financial period ending December 2011, rose 25.1% to RM1.29 billion from RM1.03 billion in the previous corresponding period. Group profit before tax rose 25.3% to RM1.76 billion from RM1.40 billion previously.

15 November 2011

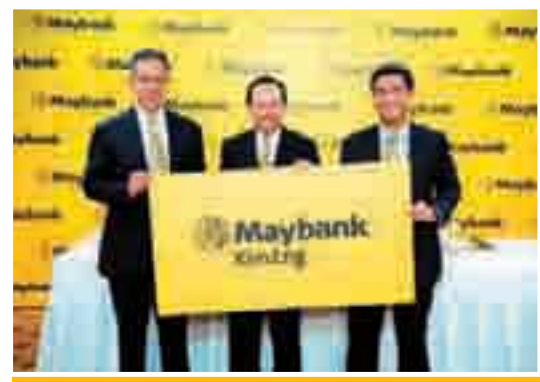
Maybank signed an agreement with Maybank MEACP Pte Ltd of Singapore to launch its US\$500 million (RM1.568 billion) private equity fund, the first private equity fund backed by a South East Asian bank dedicated to clean and renewable energy in Asia. The fund will prioritise power generation infrastructure projects using renewable sources and will have a first close of US\$87.5 million, of which Maybank contributed US\$50 million.

23 November 2011

Maybank Islamic distributed RM9.02 million as zakat payment. Of this amount, RM7.89 million was distributed to state zakat collection centres, while the balance was distributed to orphanages, institutions of higher learning, religious schools and non-governmental organisations. The guest of honor at the event was Dato' Seri Jamil Khir, Minister in the Prime Minister's Department.

24 November 2011

Maybank Group unveiled a new corporate identity for Kim Eng Holdings, simultaneously announcing a new management line-up. This follows the completion of the S\$1.79 billion acquisition of the securities and investment broking group earlier in the year, a deal which was awarded the Best Deal in Singapore in The Asset "Triple A" Country Awards 2011. ¹⁵



29 November 2011

The largest gathering of junior golfers from all over of Malaysia successfully completed their intensive training stint at the Maybank Junior Golf- National Camp 2011. The three-day intensive training camp saw a hundred of the nation's best young golf talents congregate at Saujana Golf & Country Club to improve their skills. ¹⁶



30 November 2011

Maybank announced its title sponsorship of the prestigious Malaysia Open, part of the OSIM BWF World Superseries Badminton event. The event, which offers a total prize money of US\$400,000 was part of a six year partnership with the Badminton Association of Malaysia (BAM). ¹⁷



December 2011

07 December 2011

Maybank IB was the Joint Principal Adviser, Joint Global Coordinator, Joint Bookrunner and Joint Underwriter for the Pavilion REIT initial public offering. This was the fourth largest Malaysian IPO of the year and the only REIT to list in 2011.

08 December 2011

Maybank Islamic and Tabung Haji introduced a new service that enables Maybank account holders to perform fund transfers, deposits and withdrawals from their Tabung Haji accounts via Maybank ATMs and Cash Deposit Machines as well as over-the-counter. Maybank Islamic is the first Bank to enable "Hajj" registration over the ATM.

09 December 2011

BII announced its inaugural "BII Maybank Bali Marathon" to be held in Bali on 22 April 2012.

12 December 2011

BII re-launched its internet banking service.

12 December 2011

Maybank launched a single premium, capital guaranteed investment-linked insurance plan, Fortune8. Fortune8 is a closed-end three-year, six-month investment-linked plan that provides a guaranteed investment return and capital protection on the investment with additional potential upside return from the performance of commodity prices.

events highlights

14 December 2011

It was a magical and meaningful moment for the children of the Pusat Penjagaan Kanak-Kanak Cacat Taman Megah as they gathered with more than 1,000 Etiqa staff to join in its staff year-end party. 18



18

15 December 2011

The foyer of Menara Maybank was filled with the sound of Christmas carols when Maybank hosted a Christmas celebration for nine underprivileged homes. Maybank employees had prior to this joined hands to gather basic essentials worth about RM25,000 that were in the wish list of the homes.

15 December 2011

BII and Lion Air signed an agreement to implement a Cargo B2B online payment via “BII CooLPay”.

17 December 2011

Etiqa contributed RM330,000 to build hostels and improve the classrooms for students of Akademi Al-Quran Wal Hadith, Kota Belud, Sabah.

19 December 2011

Maybank Cambodia launched Trade Pack, a trade finance package that fulfills the needs of businessmen seeking flexible financing for their business expansion or working capital requirement. This smart solution is a first of its kind in Cambodia.

27 December 2011

Maybank opened a new branch at Stung Meanchey, Phnom Penh, further enlarging its network in Cambodia to 11 branches. 20



20

awards & recognition

2011

- THE ASSET TRIPLE A AWARDS (Maybank Islamic Berhad)**
 - Best Malaysian Islamic Retail Bank
 - Best Islamic Trade Finance Bank in Malaysia
- CENTRAL SINGAPORE CORPORATE APPRECIATION AWARD**
 - Excellence Award
- THE SINGAPORE COMPACT CSR AWARDS**
 - Best Workplace Award
- NATIONAL ANNUAL CORPORATE REPORT AWARDS 2011**
 - Best Corporate Social Responsibility Awards (GOLD)
 - Overall Excellence Awards (SILVER)
- IFR ASIA AWARDS**
 - Malaysia Bond House – Maybank Investment Bank
 - Malaysia Equity House – Maybank Investment Bank
 - Asia Islamic Deals – Wakala Sukuk Berhad/Government of Malaysia USD2 billion Sukuk
- FINANCEASIA COUNTRY AWARDS**
 - Best Trade Finance Bank
- RAM RATINGS AWARD (MAYBANK INVESTMENT BANK)**
 - RAM Lead Manager Award 2010 – Number of Issues – 2nd Place
 - RAM Lead Manager Award 2010 (Islamic) – Joint 1st Place
 - RAM Blueprint Award 2010 – New Structured – Finance Benchmark Deal
 - RAM Special Merit Awards 2010 – Malaysia Top Lead Manager 2010 (Corporate Sukuk Market)
- READER'S DIGEST TRUSTED BRANDS AWARD**
 - Credit Card Issuing Bank – Gold Award
 - Islamic Financial Services – Gold Award
- MALAYSIAN INSTITUTE OF DIRECTORS**
 - Innovative Leadership in Globalisation' Award – Banking & Finance – Maybank
- MALAYSIAN TAKAFUL ASSOCIATION (ETIQA TAKAFUL BERHAD)**
 - Best Group Business Operator
- THE ASIAN BANKER. INTERNATIONAL EXCELLENCE IN RETAIL FINANCIAL SERVICES AWARDS**
 - Best Retail Bank in Malaysia
 - Best Deposit and Liability Business
- THE ASIAN BANKER ACHIEVEMENT AWARDS – TECHNOLOGY IMPLEMENTATIONS AWARDS**
 - Best Retail Payments Implementation
- EUROMONEY AWARDS**
 - Best Private Banking Services Overall in Malaysia
- ASSOCIATION OF ACCREDITED ADVERTISING AGENTS MALAYSIA/ MALAYSIA'S MOST VALUABLE BRANDS – PUTRA BRAND AWARDS 2011 – THE PEOPLE'S CHOICE**
 - Finance Gold Award: Maybank
- THE ASSET TRIPLE A AWARD**
 - Best Domestic Trade Transaction Banking
 - Best E-commerce Bank
 - Best Domestic Cash Management Bank
 - Best SME Bank
 - Best Domestic Trade Finance Bank
- NEF-AWANI ICT AWARDS**
 - Favourite Online Banking Service Provider
- BANKING & PAYMENTS ASIA TRAILBLAZER AWARDS**
 - Product Excellence Award – Best in Category
- ASIA PACIFIC BRANDS FOUNDATION**
 - Societe Awards Best Brands – Corporate Responsibility
- THE BRAND LAUREATE MASTERS AWARDS**
 - Best Brands in Banking
- KLIFF ISLAMIC FINANCE AWARDS**
 - Most Outstanding Retail Islamic Bank Award (Maybank Islamic Berhad)
 - Most Outstanding Takaful Company
- MPC PRODUCTIVITY AWARD**
 - Services Category 2
- PHILIP KOTLER CENTER – MALAYSIA SERVICE TO CARE CHAMPION**
 - Credit Card
 - Conventional Banking (Asset > USD20 Billion)
- CCAM EXCELLENCE AWARD**
 - Best Contact Centre Manager – Silver Award
 - Best InHouse Contact Centre – Bronze Award
- VISA MALAYSIA BANK AWARD**
 - Largest Consumer Credit Card Issuer
- LARGEST CONSUMER PRODUCT PURCHASE VOLUME – VISA CREDIT & VISA DEBIT**
 - Most Innovative Use of Visa Asset
 - Largest Debit Card Issuer
 - Largest Debit Card Purchase Volume
- GLOBAL NETWORK SERVICES MARKETING AWARD**
 - Outstanding Merchant Marketing Campaign (Amex)
- KLIFF ISLAMIC FINANCE AWARDS**
 - Most Outstanding Takaful Company (Etiqa Takaful Berhad)
- ASIAN BANKING & FINANCE AWARDS**
 - Best Corporate Social Responsibility Program – Silver (Maybank Singapore)
- RECOGNITION AS MODEL COMPANY ON RE-EMPLOYMENT EFFORTS AND PRACTICES (NTUC) (MAYBANK SINGAPORE)**
- ASIAN BANKING & FINANCE AWARDS**
 - Best Corporate Social Responsibility Program – Silver (Maybank Singapore)
- PEOPLE'S ASSOCIATION COMMUNITY AWARDS**
 - Excellence Award (Corporate Partner) (Maybank Singapore)

Refers to page 516 for Award @ Recognition for 2010.

At A Glance

Our Perspective

Who We Are

Strategy

Performance

Business Review

Responsibility

Leadership

Governance

Financial & Others

AGM Information

five-year group financial summary

	Group				FP 31 Dec 2011 ¹
	2008	2009	2010	2011	
OPERATING RESULT (RM' million)					
Operating revenue	16,154	17,586	18,560	21,040	12,885
Operating profit	4,571	3,064	5,249	6,135	3,489
Profit before taxation	4,086	1,674	5,370	6,270	3,563
Profit attributable to equity holders of the Bank	2,928	692	3,818	4,450	2,583
KEY STATEMENTS OF FINANCIAL POSITION DATA (RM' million)²					
Total assets	269,101	310,739	336,700	411,959	451,289
Securities portfolio	36,551	57,727	54,170	61,039	68,051
Loans, advances and financing	164,614	185,783	205,555	253,976	274,431
Total liabilities	249,009	284,971	308,035	379,488	416,613
Deposits from customers	187,112	212,599	236,910	281,976	313,710
Commitments and contingencies	204,217	221,587	232,273	292,202	370,710
Paid-up capital	4,881	7,078	7,078	7,478	7,639
Shareholders' equity	19,302	24,899	27,877	31,461	33,445
SHARE INFORMATION ²					
Per share (sen)					
Basic earnings ³	53.3	12.0	53.9	61.4	34.4
Diluted earnings ³	53.3	12.0	53.9	61.4	34.4
Gross dividend	52.5	8.0	55.0	60.0	36.0
Net assets (sen)	395.5	351.8	393.9	420.7	437.8
Share price as at 31 Dec/30 June (RM)	7.05	5.90	7.56	8.94	8.58
Market capitalisation (RM' million)	34,411	41,760	53,510	66,853	65,543
FINANCIAL RATIOS (%) ²					
Profitability Ratios/Market Share					
Net interest margin on average interest-earning assets	2.7	2.8	2.9	2.6	2.6 ⁶
Net interest on average risk-weighted assets	3.5	3.4	3.5	3.6	4.0 ⁶
Net return on average shareholders' funds	15.2	3.1	14.5	15.2	16.2 ⁶
Net return on average assets	1.1	0.2	1.2	1.2	1.2 ⁶
Net return on average risk-weighted assets	1.6	0.3	1.6	1.8	2.0 ⁶
Cost to income ratio	44.4	52.8	47.3	49.6	50.4
Domestic market share in:					
Loans, advances and financing	18.1	17.8	17.6	18.1	17.9
Deposits from customers – Savings Account	28.0	26.6	27.7	27.9	27.6
Deposits from customers – Current Account	21.5	21.3	20.5	20.7	19.5
CAPITAL ADEQUACY RATIOS (%) ² (after deducting proposed final dividend)					
Core capital ratio ⁵	10.1	10.8	10.1 – 11.0	11.2 – 11.8	11.0 – 11.7
Risk-weighted capital ratio ⁵	12.7	14.8	13.7 – 14.6	14.7 – 15.4	15.7 – 16.4
ASSET QUALITY RATIOS ²					
Net impaired loans/non-performing loans ratio (%)	1.9	1.6	1.2	2.3	1.9
Loan loss coverage (%)	101.1	112.9	124.5	82.3	86.9
Net loan to deposit ratio (%)	88.0	87.4	86.8	90.1	87.5
Deposits to shareholders' fund (times)	9.7	8.5	8.5	9.0	9.4
VALUATIONS ON SHARE ²					
Gross dividend yield (%)	7.4	1.4	7.3	6.7	4.2
Dividend payout ratio (%)	60.4	61.4	76.5	74.9	79.9
Price to earnings multiple (times) ⁴	13.2	49.2	14.0	14.6	24.9
Price to book multiple (times)	1.8	1.7	1.9	2.1	2.0

¹ The results consist of 6-month financial period (FP) ended 31 December 2011 due to the change of financial year (FY) end from 30 June to 31 December.

² Comparative figures were reclassified to conform with current year presentation.

³ 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.

⁴ Price to earnings multiple (times); (2009) 12.8 times (before impairment of goodwill/associate).

⁵ The capital adequacy ratios for December 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.

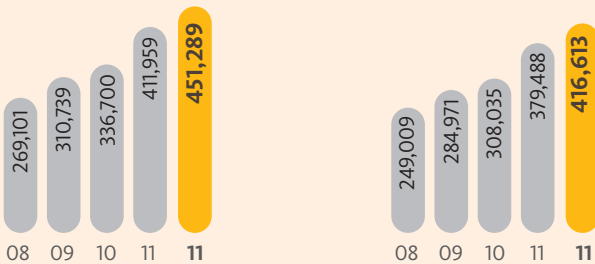
⁶ Annualised

financial highlights

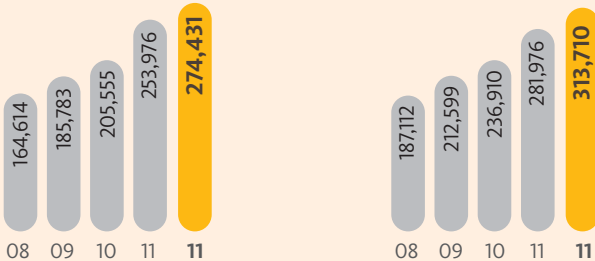
● FY 30 June ● FP 31 December (6-month period)



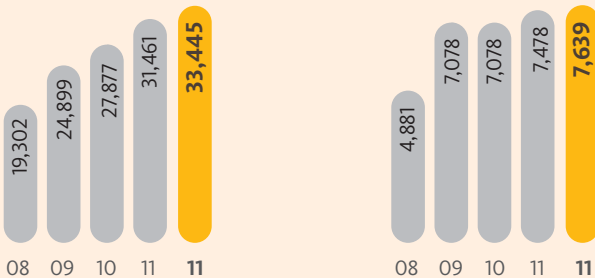
Profit Before Taxation
RM' million



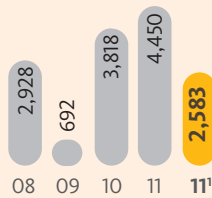
Total Assets
RM' million



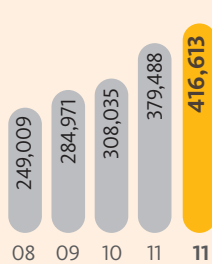
Loans, Advances and Financing
RM' million



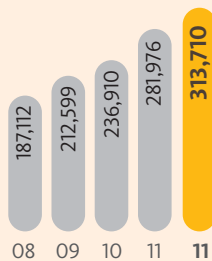
Shareholders' Equity
RM' million



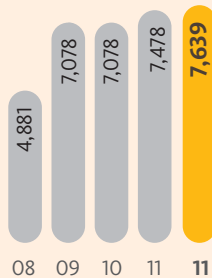
Profit Attributable to Equity Holders of the Bank
RM' million



Total Liabilities
RM' million



Deposits from Customers
RM' million



Paid-up Capital
RM' million

¹ The result consist of 6-month financial period (FP) ended 31 December 2011 due to the change of financial year (FY) end from 30 June to 31 December.

	Group		Bank	
	FP 31 Dec 2011 ¹	FY 30 June 2011 ¹	FP 31 Dec 2011 ¹	FY 30 June 2011 ¹
PROFITABILITY (RM' million)				
Operating revenue	12,885	21,040	8,175	13,588
Operating profit	3,489	6,135	2,670	4,561
Profit before taxation	3,563	6,270	2,670	4,561
Profit attributable to equity holders of the Bank	2,583	4,450	2,065	3,359
KEY STATEMENTS OF FINANCIAL POSITION DATA (RM' million)				
Total assets	451,289	411,959	323,845	293,661
Securities Portfolio	68,051	61,039	55,476	51,486
Loans, advances and financing	274,431	253,976	194,174	181,573
Total liabilities	416,613	379,488	294,365	265,662
Deposits from customers	313,710	281,976	222,895	201,465
Commitments and contingencies	370,710	292,202	336,480	265,846
Paid-up capital	7,639	7,478	7,639	7,478
Shareholders' equity	33,445	31,461	29,480	27,998
SHARE INFORMATION				
Per share (sen)				
Basic earnings ²	34.4	61.4	27.5	46.3
Diluted earnings ²	34.4	61.4	27.5	46.3
Gross dividend	36.0	60.0	36.0	60.0
Net assets (sen)	437.8	420.7	385.9	374.4
Share price as at 31 Dec/30 June (RM)	8.58	8.94	-	-
Market capitalisation (RM' million)	65,543	66,853	-	-
FINANCIAL RATIOS (%)				
Profitability Ratios/Market Share				
Net interest margin on average interest-earning assets	2.6 ⁴	2.6	2.2 ⁴	2.2
Net interest on average risk-weighted assets	4.0 ⁴	3.6	3.3 ⁴	2.9
Net return on average shareholders' funds	16.2 ⁴	15.2	14.4 ⁴	12.6
Net return on average assets	1.2 ⁴	1.2	1.3 ⁴	1.2
Net return on average risk-weighted assets	2.0 ⁴	1.8	2.2 ⁴	1.8
Cost to income ratio	50.4	49.6	41.7	45.7
Domestic market share in:				
Loans, advances and financing	17.9	18.1	17.9	18.1
Deposits from customers - Savings Account	27.6	27.9	27.6	27.9
Deposits from customers - Current Account	19.5	20.7	19.5	20.7
CAPITAL ADEQUACY RATIOS (%) (after deducting proposed final dividend)				
Core capital ratio ³	11.0 - 11.7	11.2 - 11.8	14.7 - 15.7	12.5 - 13.3
Risk-weighted capital ratio ³	15.7 - 16.4	14.7 - 15.4	14.7 - 15.7	12.5 - 13.3
ASSET QUALITY RATIOS				
Net impaired loans/non-performing loans ratio (%)	1.9	2.3	2.1	2.3
Loan loss coverage (%)	86.9	82.3	83.3	83.0
Net loan to deposit ratio (%)	87.5	90.1	87.1	90.1
Deposits to shareholders' fund (times)	9.4	9.0	7.6	7.2
VALUATIONS ON SHARE				
Gross dividend yield (%)	4.2	6.7	-	-
Dividend payout ratio (%)	79.9	74.9	-	-
Price to earnings multiple (times)	24.9	14.6	-	-
Price to book multiple (times)	2.0	2.1	-	-

¹ The results consist of 6-month financial period ended 31 December 2011 due to the change of financial year end from 30 June to 31 December.

² 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.

³ The capital adequacy ratios for December and June 2011 present the two range of extreme possibilities, i.e.

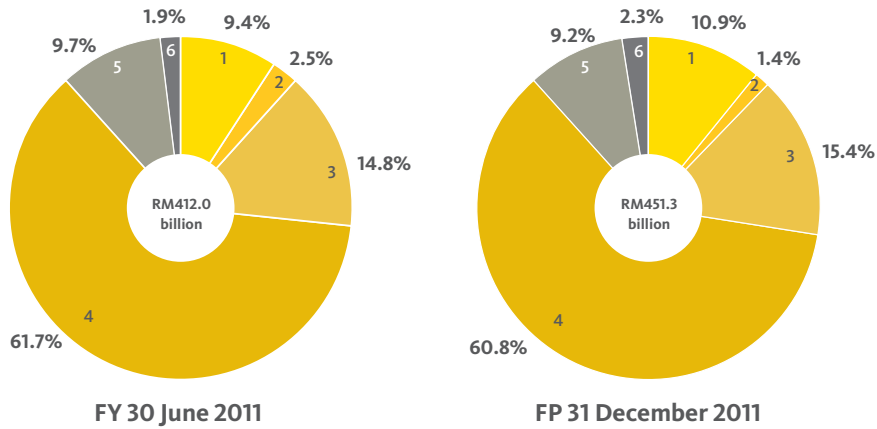
(i) where the full electable portion is not reinvested; and

(ii) where the full electable portion is reinvested in new ordinary shares in accordance with the Dividend Reinvestment Plan.

⁴ Annualised

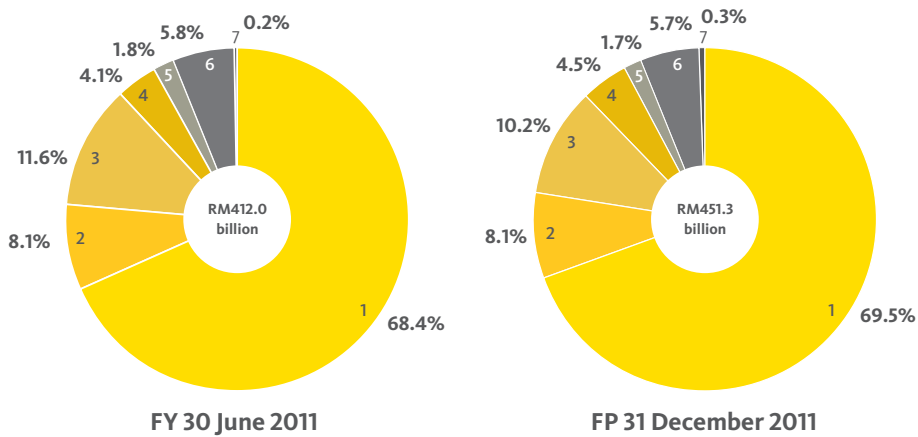
simplified group statements of financial position

Asset



- 1 Cash and short-term funds
- 3 Securities portfolio
- 5 Others assets
- 2 Deposits and placements with financial institutions
- 4 Loans, advances and financing
- 6 Statutory deposits with Central Banks

Liabilities & Shareholders' Equity



- 1 Deposits from customers
- 3 Obligations on securities sold under repurchase agreements, bills and acceptances payable and other liabilities
- 5 Share capital
- 2 Deposits and placements of banks and other financial institutions
- 4 Subordinated obligations and Capital securities
- 6 Reserves
- 7 Non-controlling interests

group quarterly financial performance

FP 31 December 2011¹

RM' million	Q1	Q2	6M
Operating revenue	6,075	6,810	12,885
Net interest income (including income from Islamic banking business)	2,390	2,644	5,034
Net income from insurance business	97	322	419
Operating profit	1,723	1,766	3,489
Profit before taxation and zakat	1,760	1,803	3,563
Net profit attributable to equity holders of the Bank	1,286	1,297	2,583
Earnings per share (sen)	17.20	17.22	34.42
Dividend per share (sen)	–	36.00	36.00

FY 30 June 2011

RM' million	Q1	Q2	Q3	Q4	YEAR
Operating revenue	5,002	5,189	5,128	5,721	21,040
Net interest income (including income from Islamic banking business)	2,113	2,206	2,159	2,270	8,748
Net income from insurance business	87	41	84	345	557
Operating profit	1,373	1,524	1,550	1,688	6,135
Profit before taxation and zakat	1,404	1,562	1,576	1,728	6,270
Net profit attributable to equity holders of the Bank	1,028	1,125	1,143	1,154	4,450
Earnings per share (sen)	14.54	15.72	15.61	15.54	61.41
Dividend per share (sen)	–	28.00	–	32.00	60.00

key interest bearing assets and liabilities

FY 30 June 2011

FP 31 Dec 2011¹

	As at 30 June RM' million	Effective Interest Rate %	Interest Income/ Expense RM' million	As at 31 December RM' million	Effective Interest Rate %	Interest Income/ Expense RM' million
<u>Interest earning assets</u>						
Loans, advances and financing	253,976	6.52	11,632	274,431	6.46	7,017
Cash and short-term fund & deposits and placements with financial institutions	49,095	1.82	572	55,542	2.19	426
Securities held-for-trading	4,142	3.39	91	9,666	3.21	67
Securities available-for-sale	47,259	4.07	1,736	48,504	3.66	851
Securities held-to-maturity	9,639	3.98	439	9,881	3.67	232
<u>Interest bearing liabilities</u>						
Deposits from customers	281,976	1.94	4,368	313,710	1.92	2,725
Deposits and placements of banks and other financial institutions	33,304	1.83	626	36,761	1.90	393
Borrowings	5,447	3.67	213	7,185	4.00	153
Subordinated obligations	10,801	3.83	300	14,161	4.27	215
Capital securities	6,121	6.54	397	6,114	6.54	201

¹ The results consist of 6-month financial period ended 31 December 2011 due to the change of financial year end from 30 June to 31 December.

At A
Glance

Our
Perspective

Who
We Are

Strategy

Performance

Business
Review

Responsibility

Leadership

Governance

Financial &
Others

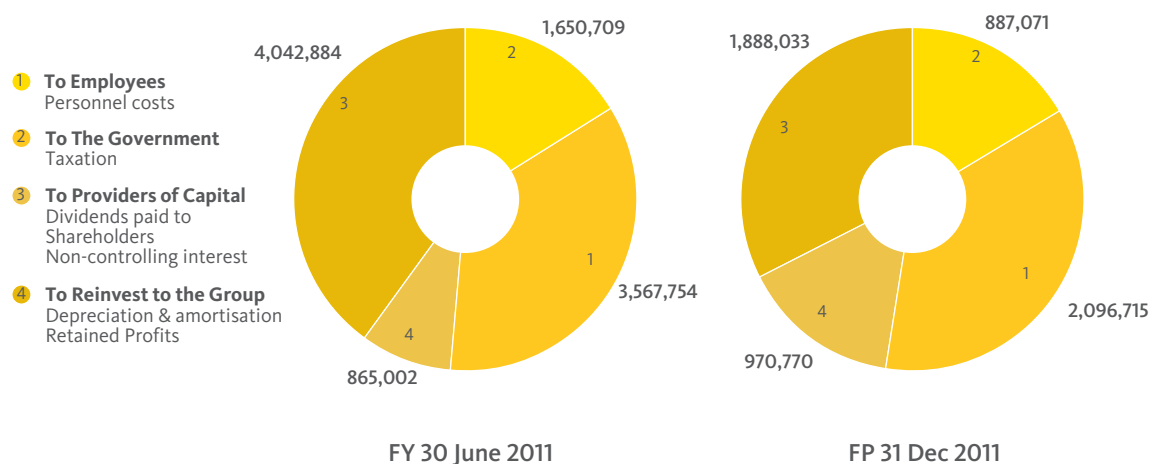
AGM
Information

statement of value added

	FY 30 June 2011 RM'000	FP 31 Dec 2011 ¹ RM'000
VALUE ADDED		
Net interest income	7,185,930	4,026,278
Net income from Islamic Banking business	1,561,873	1,008,037
Net income from insurance business	557,306	418,828
Other operating income	4,114,655	2,374,180
Operating expenses excluding staff costs, depreciation and amortisation	(2,796,302)	(1,662,651)
Allowance for losses on loans, advances and financing	(502,166)	(329,080)
Impairment loss	(129,955)	(67,237)
Share of results of associated companies	135,008	74,234
Value added available for distribution	10,126,349	5,842,589

	FY 30 June 2011 RM'000	FP 31 Dec 2011 ¹ RM'000
DISTRIBUTION OF VALUE ADDED		
To employees:		
Personnel costs	3,567,754	2,096,715
To the Government:		
Taxation	1,650,709	887,071
To providers of capital:		
Dividends paid to shareholders	3,873,404	1,794,772
Non-controlling interest	169,480	93,261
To reinvest to the Group:		
Depreciation and amortisation	288,128	182,473
Retained profits	576,874	788,297
Value added available for distribution	10,126,349	5,842,589

¹ The results consist of 6-month financial period ended 31 December 2011 due to the change of financial year end from 30 June to 31 December.



segment information

ANALYSIS BY GEOGRAPHICAL LOCATION

NET INCOME	FY 30 June 2011		FP 31 Dec 2011 ¹	
	RM'000	Composition	RM'000	Composition
1 Malaysia	9,075,257	68%	5,040,598	64%
2 Singapore	1,618,698	12%	1,254,328	16%
3 Indonesia	2,133,125	16%	1,161,984	15%
4 Other Locations	592,684	4%	370,413	5%
	13,419,764	100%	7,827,323	100%

PROFIT BEFORE TAXATION	FY 30 June 2011		FP 31 Dec 2011 ¹	
	RM'000	Composition	RM'000	Composition
1 Malaysia	4,751,383	76%	2,625,105	74%
2 Singapore	888,242	14%	569,336	16%
3 Indonesia	289,711	5%	166,318	5%
4 Other Locations	341,131	5%	202,642	5%
	6,270,467	100%	3,563,401	100%

¹ The results consist of 6-month financial period ended 31 December 2011 due to the change of financial year end from 30 June to 31 December.

ANALYSIS BY ACTIVITY

NET INCOME	FY 30 June 2011	FP 31 Dec 2011 ¹
	RM'000	RM'000
1 Community Financial Services	6,224,830	3,386,321
2 Global Wholesale Banking	3,329,864	2,146,607
3 International Banking	4,177,800	2,438,392
4 Insurance, Takaful and Asset Management	924,788	594,667
5 Head Office and Others	(1,237,518)	(738,664)
	13,419,764	7,827,323

PROFIT BEFORE TAXATION	FY 30 June 2011	FP 31 Dec 2011 ¹
	RM'000	RM'000
1 Community Financial Services	2,990,044	1,688,834
2 Global Wholesale Banking	2,540,851	1,250,300
3 International Banking	1,489,469	977,262
4 Insurance, Takaful and Asset Management	487,621	385,669
5 Head Office and Others	(1,237,518)	(738,664)
	6,270,467	3,563,401

¹ The results consist of 6-month financial period ended 31 December 2011 due to the change of financial year end from 30 June to 31 December.

At A
GlanceOur
PerspectiveWho
We Are

Strategy

Performance

Business
Review

Responsibility

Leadership

Governance

Financial &
OthersAGM
Information





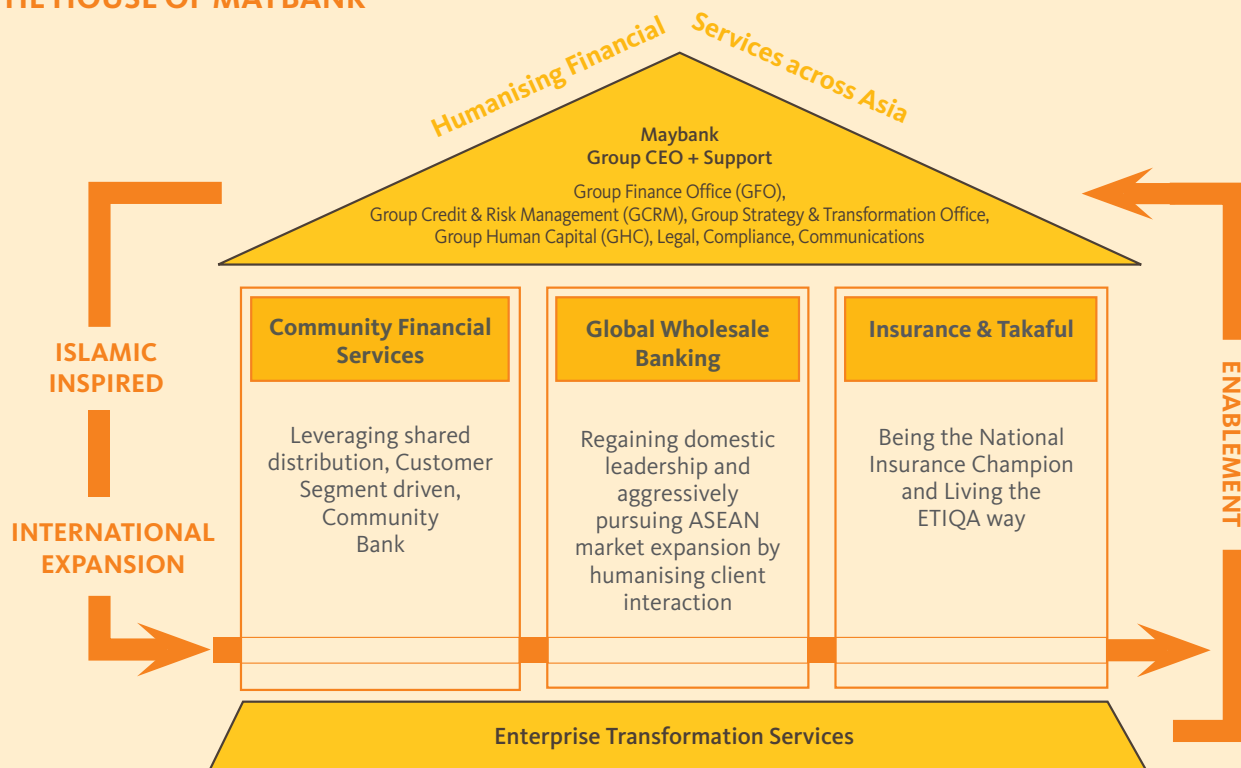
Collaborative

We take pride in working together, both internally and externally, to deliver the best possible solutions, support and advice.



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 Office, Group Human Capital and other support functions.

group financial review

FP11 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS ROSE 20.0% YOY TO RM2.58 BILLION

The Group delivered another strong financial performance for the six-month financial period ended 31 December 2011 (FP11) compared to the previous corresponding period, with profit before tax (PBT) and profit attributable to equity holders of the Bank rising by 20.1% and 20.0% respectively, while earnings per share (EPS) was up by 13.8% to 34.4 sen. Growth in profit was spurred by higher net income which climbed 21.6% and a decline of 13.9% in allowance for losses on loans despite an increase of 25.7% in overhead expenses.

Net income advanced 21.6% on the back of a 16.2% rise in total net fund based income as a result of stronger loan growth. Insurance income from a Group level increased by 227.8% boosted by Life/Family Fund Surplus Transfer from Revenue Account of RM178.3 million for the 6-month financial period 2011 (Note: nil in the previous corresponding period) and a one-off RM98.3 million net surplus adjustment arising from the adoption of new Valuation Guidelines issued by Bank Negara Malaysia with effect from 1 July 2011.

Non-interest income and fee income from Islamic operation increased by 19.4% and 32.9% respectively underpinned by rising fee income and the contribution by Maybank Kim Eng Holdings Ltd ("Kim Eng Group") where in the previous corresponding period, Kim Eng Group's financial results were not consolidated as the Kim Eng Group acquisition was only completed in May 2011.

Overhead expenses were up 25.7%, with the inclusion of overhead expenses of Kim Eng Group (Note: nil in the previous corresponding period). Overhead expenses excluding Kim Eng Group would amount to a 13.8% increase. The Group's cost to income ratio for the financial period was 49.8% (excluding amortisation of intangibles for BII and Kim Eng).

Allowance for losses on loans declined 13.9%, attributable to higher recoveries and lower individual allowances but was mitigated by the increase in collective allowances.

Asset quality continued to improve with the net impaired loan ratio dropping to 1.86% in December 2011 compared to 2.25% in June 2011.

Earnings per share for the six-month financial period 2011 rose 13.8% to 34.4 sen from 30.3 sen a year before. Return on Equity (ROE) increased to 16.2% (annualised) from 15.2% in the previous financial year, exceeding the targeted ROE of 16%.

INCOME STATEMENT

RM million	6 Months		
	6-Month FP11 31 Dec 11	6-Month FY11 31 Dec 10**	YoY Change
Net interest income	4,026.3	3,587.8	12.2%
Net Fund based income (Islamic Banking)	865.5	623.8	38.7%
Total net fund based income	4,891.8	4,211.6	16.2%
Net income from insurance business*	418.8	127.8	227.8%
Non-interest income	2,374.2	1,989.2	19.4%
Fee based income (Islamic Banking)	142.5	107.2	32.9%
Total fee-based income	2,935.5	2,224.2	32.0%
Net income	7,827.3	6,435.8	21.6%
Overhead expenses	(3,941.8)	(3,136.1)	25.7%
Operating Profit before allowances for losses on loans	3,885.5	3,299.7	17.8%
Allowance for losses on loans	(329.1)	(382.2)	-13.9%
Impairment losses on securities, net	(67.2)	(20.2)	232.5%
Operating Profit	3,489.2	2,897.2	20.4%
Share of profits in associates	74.2	69.2	7.3%
Profit before taxation and zakat	3,563.4	2,966.4	20.1%
Taxation & Zakat	(887.1)	(786.1)	12.8%
Non-controlling interest	(93.3)	(26.9)	246.5%
Profit attributable to equity holders of the Bank	2,583.1	2,153.4	20.0%
EPS (sen)	34.42	30.25	13.8%

* net of insurance claims

** unaudited

ALL BUSINESS PILLARS CONTINUED TO GROW

In FP2011, all business pillars reported topline revenue and PBT growth.

Community Financial Services (CFS) PBT rose 18.0% year-on-year to RM1.69 billion mainly due to higher net interest income arising from strong loan growth in retail mortgages and auto financing.

Global Wholesale Banking (GWB) PBT advanced 7.8%, contributed by a 35.7% growth in Corporate Banking PBT, which rose to RM595.7 million. Meanwhile Global Markets fell 8.6% due to lower net interest income. Investment Banking PBT decreased 14.8% mainly attributable to the lossess in Kim Eng due to unfavourable market conditions.

At A
Glance

Our
Perspective

Who
We Are

Strategy

Performance

Business
Review

Responsibility

Leadership

Governance

Financial &
Others

AGM
Information

group financial review

PBT for International Banking was up 19.4% to RM977.2 million, driven by a double digit growth in overseas loans of 14.4%. Major contributors to overseas loans growth included Singapore and Indonesia, with loans growth of 11.9% and 15.6% respectively.

Insurance, Takaful & Asset Management saw a 323.1% gain in PBT attributed mainly to insurance surplus transfer and new takaful framework implementation highlighted earlier.

RM million			
Revenue by Business Segment	31 Dec 2011 6 Months FP11	31 Dec 2010* 6 Months FY11	YoY Change
Community Financial Services	3,386	2,985	13.4%
Global Wholesale Banking	2,147	1,551	38.4%
International Banking	2,438	2,139	14.0%
Insurance, Takaful & Asset Management	595	295	101.6%
Head Office and Others	(739)	(534)	38.2%
Total	7,827	6,436	21.6%

RM million			
PBT by Business Segment	31 Dec 2011 6 Months FP11	31 Dec 2010* 6 Months FY11	YoY Change
Community Financial Services	1,689	1,432	18.0%
Global Wholesale Banking	1,250	1,160	7.8%
International Banking	977	818	19.4%
Insurance, Takaful & Asset Management	386	91	323.1%
Head Office and Others	(739)	(534)	38.2%
Total	3,563	2,966	20.1%

* unaudited

GROWING CONTRIBUTION FROM OVERSEAS REVENUE

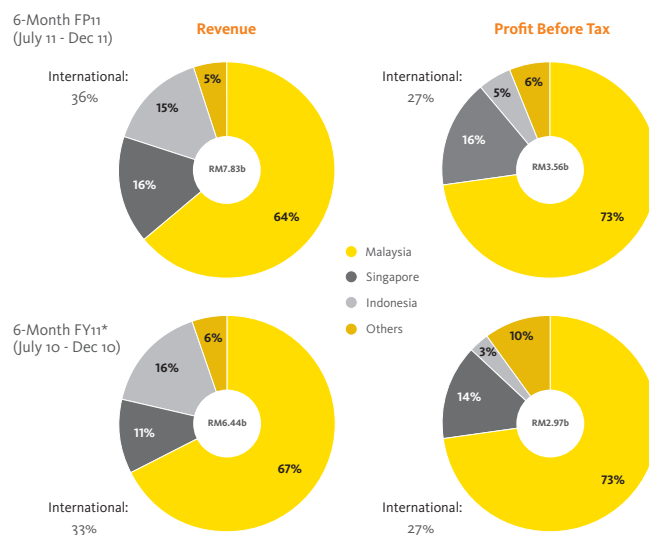
The overseas operations revenue contribution increased to 36% during the six-month period ended 31 December 2011 compared to 33% in the corresponding period, while PBT contribution remained unchanged at 27%.

Singapore's operations saw contribution in revenue and PBT increase from 11% to 16% and from 14% to 16% respectively.

Indonesia's operations contributed 15% of the Group revenue compared to 16% in the previous corresponding period. However, PBT contribution rose from 3% to 5%.

Other markets contributed revenue and PBT of 5% and 6% respectively, compared to 6% and 10% respectively previously.

Revenue and PBT by key markets



* unaudited

BALANCE SHEET CONTINUED TO STRENGTHEN

The Group's total asset as at 31 December 2011 expanded by RM39.3 billion or 9.5% to RM451.3 billion from RM412.0 billion as at 30 June 2011. The growth in total assets was attributed to higher growth in net loans, advances and financing, securities portfolio and cash and short term funds of 8.1%, 11.5% and 26.5% respectively.

Total gross loans climbed by 8.1% to RM282.8 billion from RM261.5 billion, spurred by higher overseas loans growth of 14.3%.

Deposits from customers were up by 11.3% to RM313.7 billion from RM282.0 billion on 30 June 2011 driven mainly by encouraging growth in 3 home markets of Malaysia, Singapore and Indonesia.

As a result of higher customer deposits growth relative to loans growth, the Group's loan-to-deposit ratio improved to 87.5% from 90.1% as at 30 June 2011.

Shareholders' funds posted an increase of 6.3% to RM33.4 billion from RM31.5 billion. The expansion was due to the contribution of net profit for the financial period combined with the enlarged share capital base, which rose from RM7.48 billion to RM7.64 billion as a result of the Dividend Reinvestment Plan.

RM billion	Dec 11	Jun 11	Growth	Dec 10	YoY Growth
Cash and short-term funds	49.1	38.8	26.5%	24.6	99.5%
Deposits with financial institutions	6.5	10.3	-37.3%	12.4	-47.8%
Securities purchased under resale agreements	1.4	-	-	-	-
Securities portfolio	68.1	61.0	11.5%	61.9	10.0%
Loans, advances and financing	274.4	254.0	8.1%	219.4	25.1%
Life, general takaful and family takaful fund assets	19.9	19.2	3.7%	18.6	6.7%
Other assets	32.0	28.7	11.6%	20.7	54.4%
Total Assets	451.3	412.0	9.5%	357.6	26.2%
Deposits from customers	313.7	282.0	11.3%	248.1	26.4%
Deposits and placements of banks and Financial Institutions	36.8	33.3	10.4%	28.8	27.4%
Borrowings	7.2	5.4	31.9%	3.2	127.7%
Subordinated debts	14.2	10.8	31.1%	7.0	101.6%
Capital Securities	6.1	6.1	-0.1%	6.0	1.5%
Insurance & Takaful liabilities & policyholders' funds	19.9	19.2	3.7%	18.6	6.7%
Other liabilities	18.8	22.6	-17.1%	16.1	16.6%
Total Liabilities	416.6	379.5	9.8%	327.9	27.0%
Shareholders Funds	33.4	31.5	6.3%	28.9	15.6%
Non-controlling interest	1.2	1.0	22.0%	0.8	61.1%
Total Liabilities & Equity	451.3	412.0	9.5%	357.6	26.2%
Loan-to-deposit Ratio	87.5%	90.1%		88.4%	

GROSS LOANS

Stronger loans growth in most business segments and key home markets

The Group's gross loans achieved a higher growth of 8.1% to RM282.8 billion from RM261.5 billion on 30 June 2011. This was driven by strong overseas loans growth of 14.3%.

Maybank Singapore saw a healthy loans growth of 11.9% to SGD24.7 billion which was attributed to business loans growth of 16.8%. Corporate loans made up of 60% of the total loans while Consumer loans formed the remaining 40%.

In Indonesia, Bank Internasional Indonesia's loans growth rose 15.6% to IDR67.2 trillion, driven by strong growth across all business segments.

On the domestic front, gross loans grew 5.0% attributable mainly to the significant growth in loans in CFS.

Of the domestic Consumer loans segment, which rose 8.0%, mortgage loans formed the largest chunk of 44.3%. Mortgage loans advanced by 9.1%, reflecting a strong demand for property loans.

Automobile financing gained 6.4% compared to a year earlier, leading to an increase in market share for automobile financing to 19.4% from 18.8% on 30 June 2011.

Credit cards also posted strong growth of 8.8% despite new regulations introduced by Bank Negara Malaysia. Market share for credit card receivables rose to 15.3% in December 2011 from 14.0% a year earlier.

Meanwhile, Business Banking and SME segment loans continued to expand, albeit at a slower pace of 4.5%.

RM billion	Dec 11	Jun 11	Growth	Dec 10	YoY Growth
Community Financial Services	120.7	112.5	7.2%	106.1	13.7%
Consumer	94.9	87.9	8.0%	81.2	16.8%
Total Mortgage	42.1	38.6	9.1%	36.2	16.3%
Auto Finance	27.7	26.0	6.4%	24.3	13.9%
Credit Cards	5.3	4.9	8.8%	4.4	21.7%
Unit Trust	18.5	17.1	8.2%	14.7	25.6%
Other Retail Loans	1.3	1.3	1.4%	1.6	-21.7%
Business Banking + SME	25.8	24.7	4.5%	24.9	3.5%
GWB (Corporate) (Malaysia)	57.7	57.4	0.6%	45.9	25.9%
Total Domestic	178.6	170.1	5.0%	152.2	17.4%
International	102.2	89.4	14.3%	76.3	34.0%
Singapore (SGD'bn)	24.7	22.1	11.9%	19.1	29.3%
BII (Rupiah'tril)	67.2	58.1	15.6%	53.7	25.0%
Others	18.4	14.7	24.9%	12.4	48.6%
Investment Banking	1.9	2.0	-3.8%	0.2	1138.7%
Gross Loans*	282.8	261.5	8.1%	228.7	23.7%

* Including Islamic loans sold to Cagamas and excludes unwinding of interest

group financial review

DEPOSITS GREW FASTER THAN LOANS IN FP11

The Group's customer deposits rose faster than loans at 11.3% to RM313.7 billion with healthy deposits growth across all markets. Deposits in Malaysia increased by 11.2%, while Singapore and Indonesia's deposits in their respective currency terms recorded rises of 16.7% and 7.0% respectively.

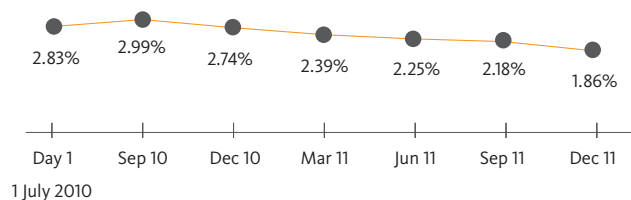
The Group continued to prioritise growing its low cost funds, current accounts and savings accounts through various strategies to optimise utilisation of low cost funds.

The Group's loan-to-deposit ratio declined to 87.5% in December 2011 from 90.1% in June 2011. The Group seeks to maintain its loan-to-deposit ratio at about 90% at the Group level and for each of its three home markets.

As at December 2011	Malaysia		Singapore		BII		Group	
	RM bil	Growth	SGD bil	Growth	Rupiah tril	Growth	RM bil	Growth
Savings Deposits	32.9	4.9%	2.9	6.1%	17.6	20.5%	47.0	6.7%
Current Accounts	47.5	1.7%	2.8	12.6%	12.4	2.6%	58.4	0.8%
Fixed Deposits	103.2	24.0%	20.2	18.4%	40.4	3.3%	181.3	18.9%
Others	25.2	-5.2%	0.5	41.8%	-	-	26.5	-3.9%
Total Deposits	208.8	11.2%	26.5	16.7%	70.4	7.0%	313.7	11.3%
Low cost funds (CASA)		38.4%		21.8%		42.6%		33.6%
LD Ratio		82.6%		92.5%		93.9%		87.5%

ASSET QUALITY CONTINUED TO IMPROVE

Since 1 July 2010, the Group has adopted the more stringent criteria for impaired loans classifications with the implementation of FRS 139. Asset quality continued to improve with net impaired loan ratio declining further to 1.86% as at 31 December 2011 compared to 2.25% in June 2011. This reflected the Group's practice of prudent credit lending and active management of asset quality.



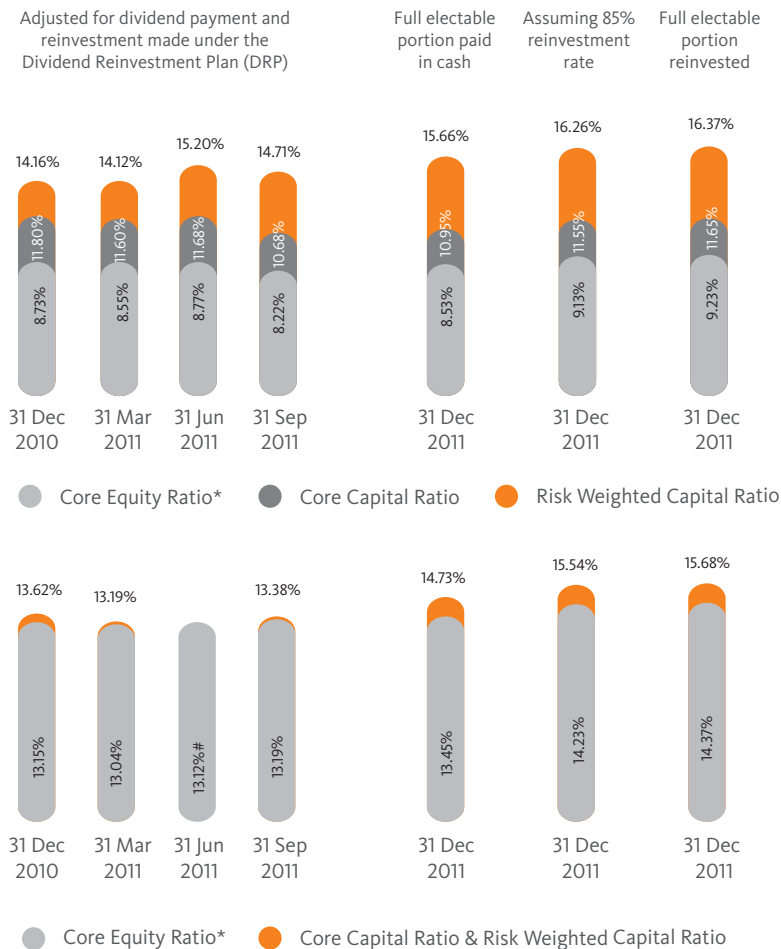
CAPITAL ADEQUACY REMAINS STRONG

The Group's capital adequacy ratios, core capital ratio (CCR) and risk-weighted capital ratio (RWCR) remained strong at 11.55% and 16.26% respectively as at 31 December 2011, assuming 85% DRP reinvestment rate.

The Group is proactive in ensuring that its capital position will remain strong. We aim to maintain our core capital ratio above 10% and risk weighted capital ratio of above 12%. With a core equity ratio of 9.13% as at December 2011 (assuming a 85% DRP reinvestment rate), the Group is well positioned to meet the capital requirements under Basel III.

The use of Dividend Reinvestment Plan (DRP) since 2010 is one of the Group's long-term strategies to strengthen its capital position. Under the DRP, dividends from distributable net profits are reinvested into new Maybank shares at a discounted price, thereby enlarging its share capital base. Initiatives undertaken to optimise Risk Weighted Assets have also contributed to the improvement in capital ratios.

Capital Adequacy remained strong with DRP and RWA optimisation



Note:

* Core Equity Ratio computation is based on phase-in / transitional arrangements announced by BNM and BCBS

Core Equity Ratio is capped at Core Capital Ratio and Risk Weighted Capital Ratio

group financial review

KEY RATIOS

	FP11	FY11
Net Interest Margin	2.53%	2.56%
Return on Equity	16.2% [@]	15.2%
Fee to Income Ratio	37.6%	36.6%
Cost to Income [#]	49.8%	49.6%
Loan-to-Deposit Ratio	87.5%	90.1%
Asset Quality		
Gross NPL or Impaired Loan Ratio	2.85%	3.20%
Net NPL or Impaired Loan Ratio	1.86%	2.25%
Loan Loss Coverage	86.9%	82.3%
Charge off rate (bps)	25	23
Capital Adequacy (Group)		
Core Capital Ratio	11.55% [^]	11.68% [*]
Risk Weighted Capital Ratio	16.26% [^]	15.20% [*]

[@] Annualised

[#] Total cost excludes amortisation of intangibles for BII and Kim Eng

[^] Assuming 85% DRP reinvestment rate

^{*} Adjusted for dividend payment and reinvestment made under the Dividend Reinvestment Plan (DRP)

CONCLUSION

The Group's operating fundamentals and financial position remain strong with a robust capital management policy in place. The Group will continue to focus on a strategy of responsible growth, with equal focus on managing asset quality and liquidity through sound risk management practices.

Whilst interest margin will continue to be under pressure, the Group targets to continue to grow its fund-based income on the back of loans and deposits growth, especially in the three home markets.

The Group is also targeting to enhance its fee-based income, particularly from the regional investment banking platform of Maybank Kim Eng.

Cost management will remain a major focus but will not be at the expense of future growth. The Group will also continue to invest in upgrading IT infrastructure and boosting human capital capabilities.

The Group will be able to comply with the requirements of Basel III, and has within its means the Dividend Reinvestment Plan and other means to strengthen its capital base

economy & banking industry review

ECONOMIC FORECAST

Despite volatile financial markets and global economic uncertainties due to the Eurozone sovereign debt crisis, there was sustained growth in Maybank Group's home markets of Malaysia, Singapore and Indonesia.

The International Monetary Fund (IMF) estimated that global real GDP growth decelerated to 3.2% in July-December 2011 from 4.2% in July-December 2010 as the prolonged and worsening Eurozone sovereign debt crisis took its toll on the world economy.

The Malaysian economy grew by 5.5% during this period (July-Dec 2010: 5.1%), driven by firmer domestic demand on the back of faster growth in consumer spending, rebound in government spending and further increase in gross fixed capital formation amid subdued external trade growth.

Malaysia: GDP by Demand and Sectors

	Growth (% chg)			
	2010	2011	July-Dec 2010	July-Dec 2011
Real GDP	7.2	5.1	5.1	5.5
By Demand				
Private Consumption Expenditure	6.5	6.9	6.5	7.2
Government Consumption Expenditure	0.5	16.8	(4.2)	22.8
Gross Fixed Capital Formation	9.8	6.0	10.1	7.2
Exports of Goods & Services	9.9	3.7	4.2	4.5
Imports of Goods & Services	15.1	5.4	7.2	5.1
By Sector				
Agriculture, Forestry & Fishing	2.1	5.6	(0.4)	7.6
Mining & Quarrying	0.2	(5.7)	(0.9)	(4.7)
Manufacturing	11.4	4.5	6.9	5.2
Construction	5.1	3.5	4.2	4.7
Services	6.8	6.8	5.7	6.7

Sources: CEIC, BNM

Singapore's real GDP growth moderated to 4.8% during the period under review compared with 11.6% in the corresponding period in 2010, reflecting the downturn in external demand. Growth was supported by the continued expansion in domestic demand, especially private consumption and gross fixed capital formation.

Singapore: GDP by Demand and Sectors

	Growth (% chg)			
	2010	2011	July-Dec 2010	July-Dec 2011
Real GDP	14.8	4.9	11.6	4.8
By Demand				
Private Consumption Expenditure	6.5	4.1	5.1	3.8
Government Consumption Expenditure	11.0	0.9	12.8	(2.4)
Gross Fixed Capital Formation	7.0	3.3	7.9	3.9
Exports of Goods & Services	19.1	2.6	15.7	0.9
Imports of Goods & Services	16.2	2.4	13.1	0.8
By Sector				
Manufacturing	29.7	7.6	19.4	11.4
Construction	3.9	2.6	0.2	2.7
Utilities	6.7	2.1	4.3	1.3
Services	11.1	4.4	10.2	2.9

Sources: CEIC, MITI

Indonesia registered 6.5% economic expansion in Jul-Dec 2011 compared with 6.3% increase in the second half of 2010 amid sustained growth in domestic private sector consumption and investment as well as continued double-digit external trade growth.

Indonesia: GDP by Demand and Sectors

	Growth (% chg)			
	2010	2011	July-Dec 2010	July-Dec 2011
Real GDP	6.2	6.5	6.3	6.5
By Demand				
Private Consumption Expenditure	4.7	4.7	5.0	4.9
Government Consumption Expenditure	0.3	3.2	6.3	2.8
Gross Fixed Capital Formation	8.5	8.8	8.9	9.3
Exports of Goods & Services	15.3	13.6	13.3	12.6
Imports of Goods & Services	17.3	13.3	14.7	11.9
By Sector				
Agriculture, Forestry & Fisheries	3.0	3.0	2.7	2.3
Mining & Quarrying	3.6	1.4	3.6	0.1
Manufacturing Industries	4.7	6.2	4.7	6.8
Construction	7.0	6.7	6.7	7.0
Services	8.4	8.4	8.6	8.5

Sources: CEIC

At A Glance

Our Perspective

Who We Are

Strategy

Performance

Business Review

Responsibility

Leadership

Governance

Financial & Others

AGM Information

economy & banking industry review

Domestic demand and supportive macroeconomic policies will support growth in a challenging 2012.

Global real GDP growth is expected to grow by 3% in 2012, slowing from the estimated growth of 3.8% in 2011. The Eurozone is the major drag on the world economy, which is expected to slip into recession as the sovereign debt crisis has forced governments to undertake fiscal consolidation and austerity measures. There are no indications of double-dip recession in the US, but sub-par growth is expected amid gradual decline in unemployment rate. Meanwhile, China will see slower economic growth in 2012 as softer global economy curbs exports and FDI, compounded by the impact of previously tightened monetary policy and property measures.

The Malaysian economy is forecast to grow between 3.5% and 4% in 2012 (2011: 5.1%). Domestic demand will sustain growth momentum, underpinned by major infrastructure construction and investments under the Economic Transformation Programme (ETP), namely the Mass Rapid Transit (MRT), a slew of oil, gas & energy projects, and the developments of Government lands. Monetary policy is expected to remain accommodative to support business and consumer spending amid fiscal consolidation. Consequently, the Overnight Policy Rate (OPR) is expected to stay at 3% in 2012.

Singapore's real GDP is projected to slow to 3% in 2012 from 4.9% in 2011, reflecting the impact of slower global economic growth and further measures to curb property prices. To support growth and keep inflation in check, the Monetary Authority of Singapore has adopted a policy of gradual Singapore Dollar appreciation. The country will utilise its strong fiscal position to support domestic demand and address the issue of high living costs.

Indonesia's economic expansion is expected to remain above 6% (2012: 6.3%; 2011: 6.5%) as the country benefits from more capital flows following its return to investment-grade sovereign ratings and continued momentum in economic reforms. Monetary policy easing between Oct 2011 and Feb 2012 i.e. the 100bps reduction in Bank Indonesia's reference rate, provides further support to domestic demand.

Global Economy: Real GDP

% chg	2010	2011*	2012E
World	5.2	3.8	3.0
Advanced Econs	3.2	1.6	1.4
US	3.0	1.7	2.1
Eurozone	1.9	1.6	(0.1)
Japan	4.4	(0.5)	1.9
UK	2.1	0.9	0.6
BRIC	7.9	5.9	5.7
Brazil	7.5	2.9	3.3
Russia	4.0	4.2	3.8
India	9.9	7.4	7.4
China	10.4	9.2	8.4
Asian NIEs	8.4	4.2	3.3
South Korea	6.2	3.6	3.5
Taiwan	10.9	4.1	3.4
Hong Kong	7.0	5.1	3.2
Singapore	14.8	4.9	3.0
ASEAN-5	6.9	4.8	4.9
Indonesia	6.2	6.5	6.3
Thailand	7.8	0.1	4.8
Malaysia	7.2	5.1	3.5-4.0
Vietnam	6.8	5.9	6.0
Philippines	7.6	3.8	3.5
Asia ex-Japan	9.5	7.4	7.0
World Trade Volume	12.7	6.9	3.8

Sources: IMF, Consensus, Maybank Group

* Estimates for Brazil, Russia and India

BANKING SECTOR REVIEW

During FP11, banking system loans expanded at an annualised pace of 11.8%, just nudging above the RM1 trillion mark by end-December 2011. Household loans expanded at an annualised pace of 13.0% to RM553.2 billion and accounted for 55% of total industry loans while non-household loans expanded 10.4% to RM450.3 billion.

Asset quality continued to improve with declines in both absolute and percentage impaired loans to 1.83% at end-December 2011 from 2.01% at end-June 2011. Loan loss coverage meanwhile rose to 99.6% from 94.8% during FP11.

Capitalisation levels remained healthy with core capital and risk-weighted capital ratios of 12.9% and 14.9% respectively as at year end.

Malaysia's Banking Sector Outlook for FY2012

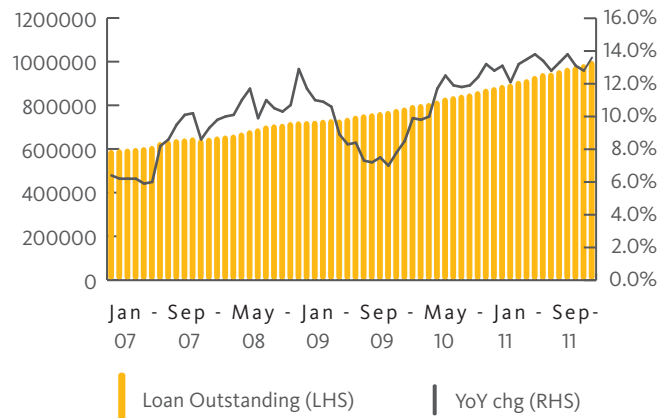
While external uncertainties prevail, Malaysian banks are much more prepared today than ever before to face the challenges ahead. Compared to the pre-global financial crisis period, both capitalisation figures and asset quality are higher, while loan loss coverage is at more comfortable levels. As for issues of funding and liquidity, individuals and government bodies account for more than 40% of total banking system deposits, resulting in a stable funding base, while foreign currency deposits make up just 5% of total deposits, reducing concerns of a liquidity crunch.

Amid expectations of slower economic growth this year, we expect system loans growth to taper off to 9-10% in FY2012. On an optimistic note, projects under the Economic Transformation Programme (ETP) have begun to take off and lend support to overall momentum, with spillover benefits to the debt and equity capital markets as well. We do, nevertheless, expect household loan growth to moderate as the economy cools.

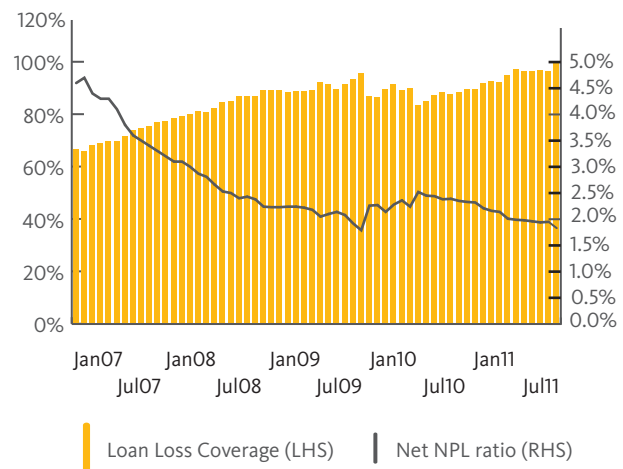
One of the primary challenges for banks in 2011 was the preservation of margins amid stiff competition. Competition for both loans and deposits is unlikely to ease anytime soon in our view, and we expect net interest margins to remain under pressure in 2012.

Amid the turbulence, however, is the positive news that the majority of Malaysian banks and their investments are domestically based, which provides some buffer against volatility in both the external environment and the capital markets. Hence, we expect stability ahead for the domestic banking sector.

Gross Loans growth



Asset quality



community financial services

Community Financial Services (CFS) now spans the Consumer, Small-to-Medium Enterprise (SME) and Business Banking (BB) markets. We aim to occupy the top position in Retail Financial Services by 2015, and this period's achievements gave us a significant boost towards that goal.

Highlights

- Profit before tax of RM1.69 billion and revenue of RM3.39 billion for FP11.
- Loans and deposits growth of 7.2% and 10.6% respectively
- Improved credit asset quality with gross impaired loan ratio declining from 5.6% to 3.5%, of which consumer dipped from 2.4% to 1.2% YoY
- Redesign of 8 branches under a Branch Transformation program with a hip and cool image and differentiated customer experience
- Improvement in customer service with ECES score edging to 46.2% from 40.4% in June '11

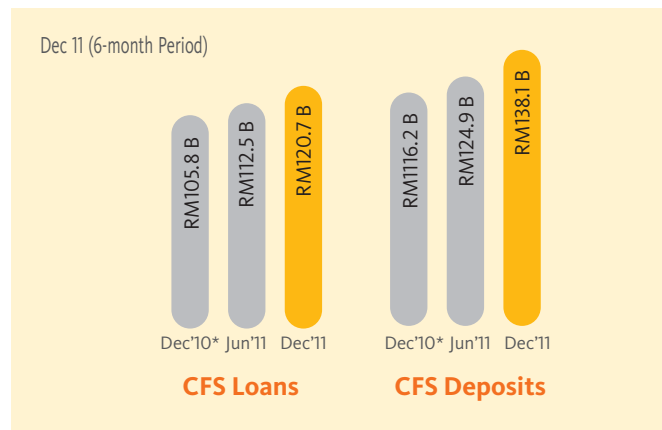
OVERALL PERFORMANCE

In the period under review, we successfully rolled-out key strategic initiatives that contributed to the continued improvement in our financial performance and enhancement of customer experience and satisfaction.

CFS reported Profit before tax of RM1.69 billion with revenue of RM3.39 billion for the financial period. Driven by key strategic initiatives, loans growth increased 7.2% to RM120.7 billion, of which consumer banking was up 7.9% to RM94.9 billion, despite the more cautious business environment.

All consumer loan portfolios registered strong growth on the back of high performance in mortgage (+9.0%), auto finance (+6.4%), unit trust (+8.1%) and credit cards (+8.8%). Mortgage, automobile, unit trust and card financing remained the key contributors to the consumer loan segment, making up 98% of the total consumer portfolio. Mortgage financing alone accounted for 44% of our total consumer financing portfolio.

In terms of deposits, CFS registered growth in deposits of 10.6% to RM138.1 billion. Meanwhile, retail deposits registered growth of 4.3% to RM87.3 billion in December 2011. Retail deposits made up 63% of CFS deposits, of which 48% of retail deposits comprised of low cost CASA deposits.



* unaudited results

Overall, CFS recorded a gross impairment ratio of 3.5%. The Consumer segment, in particular, achieved a steady improvement from a high of 6.6% in 2007 to just 1.2%. This was mainly due to proactive loan management, aggressive rescheduling and restructuring, and the acquisition of improved quality loans at source.

Mortgage Financing

- Housing loans grew 8.3% to balance outstanding of RM36.4 billion
- Shophouse loans grew 14.0% to balance outstanding of RM5.7 billion
- Gross impaired loan ratio down to 2.2%

FP11 saw a significant growth in Mortgage over the previous year. Despite intense competition, further industry liberalisation and softer market sentiment, our market share rose to 13.2% in December '11 from 12.9% a year ago. Our loan stock grew by 9.2%, boosted by improved processes, lower turnaround time, and more innovative products.

Our gross impaired loan ratio's improvement derived from better underwriting standards, aggressive collection strategies via our Early Care Centre (ECC), and a rebalancing of our portfolio from primary to secondary and owner-occupied properties.

Our new products, enhancements and campaigns included the country's first overseas mortgage loan package, a marketing campaign targeting high net worth customers, and launches of the Skim Rumah Pertamaku (SRP) housing loan guarantee and Perumahan Rakyat 1Malaysia (PR1MA) scheme, targeting lower- to middle-income groups. We also initiated Customer Retention Programmes at the Regional level. We streamlined our sales process and expanded our market reach by developing strategic alliances with mortgage direct sales teams, mortgage brokers and real estate agents.

In the year ahead, in line with a more cautious market outlook, we will focus on a more targeted strategy in order to drive growth.

Automobile Financing

- Loans growth up 6.4% to RM27.7 billion
- No. 1 Islamic Auto Financier, sole provider of Islamic floor stocking and block discounting
- Gross impaired loan ratio down to 0.56%

Our auto finance business continued to record strong double digit growth, despite the impact of the earthquake and tsunami in Japan and floods in Thailand. For the past five years, we have been the fastest growing automobile financier in Malaysia. During FP11, automobile financing continued to consolidate, and we maintained our market leadership positions in the core auto financing products, where our auto finance market share jumped from 18.4% to 19.4% YoY. Further, we hold 80.9% of the block discounting and 73.4% of floor stocking markets.

We are now focusing aggressively on the younger generation, which comprises about 40% of the population and provides a strong momentum for growth in the automotive industry.

Credit Card

- No. 1 in customer cardbase (1.49 million cardholders with 17.9% market share)
- No. 1 in billings (up 21.5% YoY to RM23.6 billion with 24.3% market share)
- No. 1 in merchant sales (up 16.5% YoY to RM27.9 billion with 30.4% market share)
- Gross impaired loan ratio 1.31%
- Receivables up 21.7% YoY to RM5.3 billion

Our growth continued to outperform market averages in every area. Despite the fierce competition, Maybankard continues to lead the industry. We launched three new products in FP11 – the Maybankard Visa Infinite Card, the MAS American Express Card and the Maybankard Manchester United Visa Card, each targeting different segments. In this period, we won 7 Visa awards, including the Visa Bank of the Year Award.

Our responsible lending strategy for approving new cards is backed by sophisticated decision engines, and our systematic collection approach has resulted in an impaired loan rate of 1.3%, well below the industry average of 1.8%.

Retail Financing

- No. 1 Unit Trust Financier in Malaysia with a 63.9% market share
- 8.1% growth in Unit Trust Loan financing with total outstanding balance of RM18.5 billion
- ASB Loan Online Application launched via M2U
- ASB Redraw product launched.

We promoted Unit Trust Loans with internal sales incentive campaigns and participation in major events such as the Perbadanan Nasional Berhad Minggu Amanah Saham Malaysia (PNB MSAM) and Media Prima's Jom Heboh.

Even with the new regulatory/guidelines that could possibly slow down the loan growth, we still managed to book RM28.6 million loans for GLC and Government employees.

Funding & Deposits

- No. 1 in retail Current Account and Savings Account (CASA) with a 23.3% market share. Deposits growth up 10.6% to RM138.1 billion
- No. 1 in total CASA with a 22.1% market share

Our key focus was growing our low-cost CASA, SME and Business Banking (BB) segments. We have appointed Deposit Champions at all branches and Regions. They will oversee the implementation of our deposit strategies.

We held two Deposit Activity Strategies Exercises (DASEs) on Payroll Acquisition & Activation for SME and BB. These exercises targeted furniture, tourism, textile, medical, and food & beverages businesses. We also conducted the Tactical Acquisition Payroll System Phase 2 (TAPS 2) to increase our payroll customer base.

Our Deposit Campaign for the consumer segment generated RM8.3 billion in added deposits.





community financial services



Investment

- Total Assets Under Management (AUM) YoY growth of 54% to RM5.35 billion

In FP11, we focused on expanding the product suite. We aim to offer a wider range of wealth management products and services while staying on top of global economic uncertainties. We introduced equity-linked investments, retail bonds, and foreign denominated financial instruments, as well as nine new unit trust funds and two dual-currency investments. New online investment capabilities and real-time digital transactions facilitating dual-currency and alternative investments have been rolled-out.

Bancassurance

- New business premiums of RM514.6 million
- Regular Ordinary Life sales of RM55.1 million

We concentrated on our Bancassurance Transformation Strategy. Our goals are to balance our single and regular premiums, improve persistency rates, build an effective sales force, enhance sales support and processes, and build our SME and High Net Worth (HNW) offerings.

In November 2011, we launched a single premium product, Fortune 8, which registered strong results.

Payment Systems

- Fee-based income of RM227 million
- Strong growth in Payment Services, Foreign Currency Notes Trading and Gold Investment Account
- Maybank Money Express (MME) is now extended to ten countries.

We continued to gain market share and drive regional initiatives in FP11, especially in the areas of Payment Services, Remittances, Gold Investment Account and ATM Services.

In Payment Services, we rebranded and repositioned the Gold Business and saw an increase of 318.9% growth in revenue. As a collection agent for Skim Simpanan Pendidikan Nasional (SSPN), we developed a system for online e-SSPN payments directly to Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN), thus increasing the transaction count and enhanced customer experience.

We continue to experience growth in Maybank Money Express (MME), our web-based remittance service, to the new corridors and will be adding another 4 countries for 2012.

We continue to strengthen our Self Service Terminal (SST) service offerings by allowing Tabung Haji account holders to perform cash deposit and withdrawals, fund transfers and Hajj registration via our ATM and CDMs.

We are aligning our Foreign Currency Notes Trading business to enhance our competitive advantage via favourable pricing models.

SME

- Loans outstanding of RM5.0 billion
- SME Transformation Programme in progress
- Credit Guarantee Corporation (CGC) Top SMI Supporter – Commercial Bank Category

In FP11, we continued to focus on asset acquisition as well as on the Retail SME Business Model which is to be rolled-out in 2012.

We introduced online service options through Maybank2u and Maybank2e.net, and our new social website, SME Forum, provides convenience to our customers.

Business Banking

- Loans outstanding of RM20.8 billion (around 20% market share – one of the largest in the market)
- Emplaced experienced and dedicated relationship managers to act as trusted advisors

In FP11, we grew loans moderately in Business Banking (as well as SME), a deliberate move as we reviewed our strategies and focused on building up capabilities, to ensure sustainable business growth and good asset quality.

Emphasis is placed on building up a team of skilled personnel, dedicated infrastructure and introducing innovative products and services to serve as a 'one-stop' financial solution provider. Experienced relationship managers at our business centres, supported by various product specialists, act as trusted advisors and strategic business partners to our customers.

Business Banking's transformation initiatives include improving efficiency, productivity and turnaround time in order to enhance customer-centricity and improve overall customer experience.

Internet Banking and Mobile Banking

- Leader of Internet Banking with over 50% market share
- Over 1.8 million Maybank2u active users

In order to maintain our leadership in online banking, we continue to roll-out new functionalities in delivering more relevant content and features and increasing intuitiveness of our m2u website. m2u is now available 24 hours a day.

For our business users, m2u Biz has been enhanced with increase in funds transfer limit, expansion of account maintenance menu and on-line viewing of Foreign Currency Accounts.

m2u Mobile Banking base grew 270% in number of users in this FP. Our customers eagerly embraced our web based platform on mobile devices.

Maybank Group Customer Care (MGCC)

With a new standard for quality call performance monitoring introduced in September 2011, we continue to meet the international standards. The contact centre, which handles more than 400,000 calls per month, achieved a service level rate of 80% of calls answered within 30 seconds and an abandoned call rate below 5%.

High Net Worth & Affluent Banking Segment (HAB)

- Customer numbers YoY growth of 15.9% for HNW and 9.0% for affluent
- Total financial assets (TFA) registered YoY growth of 18.0% for HNW and 15% for affluent

We expanded into three previously underserved geographical areas, opening new Private Banking Centres (PBCs) in Sunway Giza, Cheras Selatan, and Melaka. We also launched more Private Banking Lounges (PBLs).

Channel Management

- 392 branches with a 19% market share
- 4,675 ATM and Self-Service terminals (SSTs) with a 24% market share for ATM

We expanded our network of touch points and SSTs during this period. We further extended service to customers with limited access to the branches by establishing banking facilities in 350 POS Malaysia outlets.

Our One Stop Shop concept ensures that our SME and Business Banking customers will find the same range of services available to them at each and every Maybank branch.

We also redesigned eight branches to give them a fresh, contemporary look and feel, conveying the energy of Maybank's new products and services.

OUTLOOK

We expect 2012 to be a more challenging year from a macroeconomic perspective, with a softer demand for credit, stiffer competition for deposits and potentially higher risk of default among certain segments of borrowers. Rising household debt remains a concern in the retail sector, which saw a string of measures being introduced by Bank Negara Malaysia to promote prudent, responsible and transparent financing practices.

We are nevertheless optimistic that we will continue to outgrow the industry in the coming year. We are committed to vigilant and prudent financing practices in our business conduct, whilst still providing consistently high levels of service to our customers. In 2012, we will focus on cost management, adopting end-to-end risk management practices and taking measures to increase productivity.

global wholesale banking

Global Wholesale Banking (GWB) is a group of business units within Maybank Group that services institutional, government and corporate clients. GWB, comprises of corporate banking, investment banking, global markets and transaction banking that utilises a unified client coverage team. This holistic approach offers convenient access and provides end-to-end solutions which are tailored to suit our clients' financial needs.

Highlights

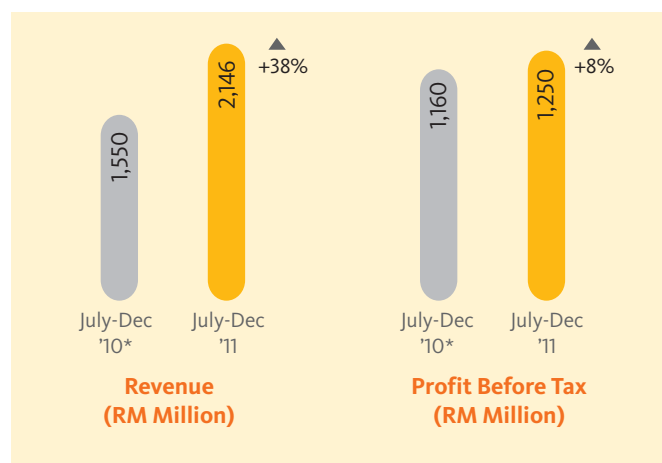
- GWB posted revenue of RM2.15bn for FP11
- Profit before Tax increased by 7.8% to RM1.25bn
- GWB recorded a growth of 0.6% in loans and 13.9% in deposits

OVERVIEW

In the period under review, we have continued with the implementation of various initiatives with the objective of expanding our regional coverage as well as regional product capabilities. These initiatives include the following:

- The Client Coverage division established a regional coverage team that focuses on customising our solutions and leveraging our local insight to meet the needs of our regional clients.
- Global Markets continued to strengthen its regional capabilities by launching their Treasury Risk Management System in Shanghai.
- Investment Banking (now known as Maybank Kim Eng) has now expanded to 9 countries including Singapore, Indonesia, Thailand and Philippines via Kim Eng's extensive regional network.
- Corporate Banking is in the process of improving its end-to-end credit lending origination process to accelerate speed-to-market when serving local and regional clients.
- Transaction Banking carried on with its plan to expand Trade Finance and Supply Chain, Cash Management and Securities Services businesses outside of Malaysia with strong focus to build a web-based regional platform.

The ultimate objective of GWB is for Maybank to be able to respond faster and serve better our institutional, government and corporate clients domestically and regionally. In our effort to humanise financial services across Asia, we strive to provide better access to our services in a manner that emphasises on mutually beneficial long term relationship based on principles of fairness, honesty and integrity.



* unaudited results

FINANCIAL PERFORMANCE

GWB registered double digit growth in revenue to RM2.15 billion supported by a 43% rise in non-interest income and 33.6% rise in net financing income. Profit before Tax increased 7.8% to RM1.25 billion.

Maybank Kim Eng registered total income of RM510 million with Malaysia contributing 41% followed by Thailand (28.4%) and Singapore (12.5%). For Malaysia, total income increased 35% in the 6 months mainly on account of strong deal flows which saw the Bank's participation in a number of major deals including several placement exercises.

The Malaysian operations of Global Markets recorded a revenue and Profit before Tax of RM789.8 million and RM602.1 million respectively. Regionally, Global Markets contributed to the Group a total revenue and Profit before Tax of RM1.3 billion and RM1.1 billion respectively. The Group securities portfolio however grew 23% to reach RM68.1 billion supported by increase in government securities and PDS/Corporate Bonds.

Corporate Banking results was boosted by a 39.3% rise in net financing income to reach RM575 million whilst registering stable asset quality with a 3.7% net impaired loans ratio.

Loans grew 0.6% to RM57.7 billion driven by Term Loans and working capital loans, which has also assisted towards maintaining strong position in terms of Trade Finance market share.

ACHIEVEMENTS

We have successfully rolled out GWB in Malaysia during the financial year ended 30 June 2011. During FP11, we expanded regionally to better serve our regional clients. With the regional structure in place, GWB has a solid platform from which our business lines can coordinate and streamline products, infrastructure and coverage across borders.

At Maybank Kim Eng, we have completed Phases 1 and 2 of the integration, including some quick wins and are gearing up for implementation in 2012, with a strong focus on our employees, customers and regional growth.

With a strong foundation to build upon, GWB is set to pursue its ambition of becoming a leading regional wholesale banking institution.

CLIENT COVERAGE

The Client Coverage team is an integral part of GWB as this division consists of dedicated professionals with diverse banking and capital markets experience, responsible for crafting tailored solutions that suit our clients' needs. We have successfully rolled out the domestic Client Coverage team and also setup the regional Client Coverage team.

We have since expanded our focus on regional clients leveraging on our local insight to customise our solutions across the region. We will continue to enhance the quality of our regional collaboration with our product partners to better serve our clients throughout the region.

CORPORATE BANKING

For the period under review, we focused on increasing productivity, as well as preserving asset quality to ensure a well spread risk rating distribution that carries lower risk.

As we move into the new financial year, whilst managing risk due to weakening economic outlook, primary focus remains on growing business profitably and responsibly, leveraging on the roll out of various projects under the Government's Economic Transformation Programme.

In support of group-wide initiatives to enhance our customer service level, Corporate Banking has embarked on credit process improvement to accelerate response time in meeting clients' needs, which will result in acceptance of the products and solutions we offer, without sacrificing credit quality.

GLOBAL MARKETS

Global Markets provides treasury products and services including trading of fixed income securities, money market instruments and foreign exchange as well as structuring interest rates, currency derivatives and other structured products for our clients.

Our Global Markets division is on track with the implementation of an integrated and straight through processing (STP) treasury platform across all Treasury Centres including Malaysia, Singapore, Indonesia, Hong Kong, Philippines, London, New York and Labuan.

TRANSACTION BANKING

Our Transaction Banking businesses has had remarkable achievement in amalgamating and extracting business synergies from our various operations to better serve our clients. In line with the overall regionalisation agenda, we kicked-off the rollout of regional electronic platforms for our businesses:

- Cash Management – M2E
- Trade and Supply Chain – Trade Connex
- Securities Services – eCustody

On top of realigning these businesses in countries where Maybank has presence including Singapore, Indonesia, Philippines, Greater China (Hong Kong and China), Cambodia, Vietnam and Brunei, we are also introducing new business models that will enhance our presence in the transaction services front, notably Supply Chain Financing and Securities Services.

global wholesale banking

INVESTMENT BANKING (MAYBANK KIM ENG)

At Maybank Kim Eng, we strive to provide clients with an in-depth range of products and services, delivered on a platform of excellence and professionalism. Apart from GWB clients, Maybank Kim Eng also serves high-net worth individuals and the mass affluent segment. Our key units are:

- Corporate Finance and Investment Banking: Provides advice on mergers, acquisitions, restructurings, reorganisations, equity, equity-linked fund-raising and issuances and structured solutions.
- Debt Markets: Provides origination, structuring and execution of Islamic and conventional capital market issues.
- Equity Capital Markets: Provides solutions and executes equity and equity-linked transactions such as IPOs, rights offerings, placements and offerings of convertible securities.
- Equities Broking: Provides multi-market, multi-channel equities trading to all retail and institutional client segments.
- Derivatives: Serves as a catalyst for product innovation and a platform for Maybank to customise products and solutions for our retail, corporate and institutional clients.
- Asset Management: Offers strategic seed capital and business support to start-up hedge fund managers and also focuses its investments on Asian equities and Asian fixed income.

Maybank IB, the Malaysian operations of Maybank Kim Eng, recorded a Profit before Tax increase of 31% to RM107 million and revenue increase of 36% to RM209 million, in FP11 compared to the six months ending 31 December 2010. The key contributor to growth was Debt Markets, with a Profit before Tax increase of 160.6% YoY.

The acquisition of Kim Eng Holdings has allowed Maybank to expand its investment banking footprint across the region. The combined entity now has a presence in 11 countries including Singapore, Thailand, Philippines, Indonesia, Vietnam and Hong Kong. Phase 2 of the Post-Merger Integration exercise, focusing on conducting business integration planning, was successfully completed in December 2011.

Phase 3 of the exercise will be kicked-off in January 2012, with a focus on executing business integration plans. Rebranded as 'Maybank Kim Eng' in the region, the organisation has already been recognised in the industry, with awards received from numerous prestigious organisations.

Malaysia

- Best Malaysia Bond House – IFR Asia | 2011
- Best Malaysia Equity House – IFR Asia | 2011
- Most Improved Brokerage Over the Last 12 Months – Rank 1st – AsiaMoney | 2011
- Best Retail Broker – Alpha Southeast Asia | 2011
- Best Deal/Most Innovative Deal of the Year in South East Asia – SapuraCrest Petroleum-Kencana Petroleum's MYR11.85 billion M&A – Alpha Southeast Asia | 2011
- Best Equity/IPO Deal of the Year in South East Asia – Bumi Armada's USD888 million IPO – Alpha Southeast Asia | 2011
- Rising Star Domestic Investment Bank – Triple A Awards, The Asset Magazine | 2011
- Best Corporate Finance Deal of the Year – Malayan Banking Berhad's Dividend Reinvestment Plan (DRP) – The Edge Malaysia | 2011

Singapore

- Best Mobile Phone Platform – Investment Trends, Singapore Broking Report | 2011
- Best Mid-Cap Equity Deal of the Year in Southeast Asia – Salim Ivomas Pratama's USD387 million IPO – Alpha Southeast Asia | 2011
- Best Cross Border Merger & Acquisition Deal – Maybank's US\$1.5 billion acquisition of Kim Eng Holdings – Triple A Awards, The Asset Magazine | 2011
- Best Retail Broker Award (Merit Award) – SIAS Investors' Choice Awards | 2011

Philippines

- Best Equity House – Triple A Awards, The Asset Magazine | 2011
- Best Retail Broker – Alpha Southeast Asia | 2011
- Best Equity House – Alpha Southeast Asia | 2011
- Top 2 Best Local Brokerage – Asiamoney | 2011

Thailand

- Best Retail Broker – Alpha Southeast Asia | 2011
- The Agent of 2011 for the broker with the most client transactions – TFEX | 2011
- Outstanding Securities Company Awards Retail Investors – TFEX | 2011
- Outstanding Securities Company Awards Derivatives House Awards – TFEX | 2011

Vietnam

- Top 4 Best Overall Country Research – Asiamoney | 2011

Please refer to www.maybank-ke.com for a full list of awards.

Corporate Finance and Investment Banking

Maybank IB achieved 2nd place in the Bloomberg Malaysia Merger & Acquisition league table in 2011. Key deals for the year include Maybank's acquisition of Kim Eng Holdings Ltd, a deal which won multiple awards, including the Best Merger & Acquisition Deal by The Edge's Deal of the Year 2011. The deal was notable as it was not only carried out efficiently, but instantly propelled Maybank to the forefront of the region's investment banking and broking industry.

Another key deal was the award-winning Maybank Dividend Reinvestment Plan (DRP) where Maybank Investment Bank was the Principal Adviser. The deal was notable, as it was the first DRP in Malaysia and was very well-received by shareholders. The acceptance rate for the first DRP was 88.59% and second was 91.13%.

Debt Markets

While Maybank IB ranked 2nd by value in the Bloomberg Malaysian Debt Markets and Malaysian Ringgit Islamic Bonds league tables for 2011, we were ranked 1st by number of issues.

Key deals conducted by the Debt Markets team include award-winning deals such as the National Bank of Abu Dhabi's RM500 million Sukuk Programme and Cagamas Berhad's RM230 million Ringgit Variable Rate Sukuk Commodity Murabahah, which were awarded the Best Islamic Deal 2011 and Best Islamic Commodity-Linked Murabahah Deal 2011, respectively, by The Asset Triple A Awards.

Equity Capital Markets

We ranked second in the Bloomberg ECM League Table 2011 with a market share of 18.8% and also second for IPOs with a market share of 19.2%. Notable equity transactions include the multi-award winning Bumi Armada Berhad IPO, where Maybank IB was the Joint Principal Adviser, Joint Global Coordinator, Joint Bookrunner and Joint Managing Underwriter. Maybank Kim Eng managed the settlement for foreign tranches and also provided global distribution. The IPO was oversubscribed by 9.5 times, with a subscription value of RM2.0 billion, and was also the largest Malaysia IPO of 2011.

Maybank IB and Maybank Kim Eng also worked together on the listing of Eversendai Corporation Berhad, where Maybank IB was the Sole Adviser/Underwriter and Bookrunner for the RM392.3 million deal. Maybank Kim Eng, on the other hand, leveraged on their wide presence and geographical network to distribute the IPO globally.

The Pavilion REIT IPO was a landmark transaction for the Malaysian equity markets in 2011, being the fourth-largest Malaysian IPO of the year and the only REIT to list in 2011. The deal size was RM710.3 million and Maybank IB was the Joint Principal Adviser, Joint Global Coordinator, Joint Bookrunner and Joint Underwriter.

Equities Broking

Equities Broking has expanded its branch network in Malaysia from 43 Equity Investment Centres (EIC) and kiosks, to a total of 62 EICs and kiosks, including a signature hub in Damansara Utama. With offices across 7 ASEAN countries, the sales force has the extensive expertise and experience needed to offer a multitude of investment opportunities to clients. This was demonstrated when we were awarded the Best Retail Broker in Malaysia and Best Equity House in Philippines for 2011 by Alpha Southeast Asia.

Between August and November 2011, two batches of Malaysian trainees were sent to Maybank Kim Eng Securities' House Team in Singapore to undergo a month-long sales training programme. The Maybank Kim Eng Securities' House Team was chosen, as they have a proven track record in driving regional sales and have demonstrated that they have the best practices as sales leaders. Remisiers have also been exposed to the regional market and investment opportunities in Thailand during the remisiers' retreat in September 2011. The retreat was hosted by the Stock Exchange of Thailand and Maybank Kim Eng Securities Thailand.

In the Asiamoney Polls 2011, Maybank IB was recognised as The Most Improved Brokerage in Malaysia. Maybank also claimed second place in the Best Local Brokerage, Overall Sales Services, Execution, Sales Trading, Events and/or Conferences, and Roadshows and Company Visits categories.

Equity Brokerage League Table by Country

Philippines	1	9.32%
Thailand	1	11.86%
Indonesia	5	4.69%
Malaysia	5	6.02%
Singapore	5	7.40%
Vietnam	6	3.60%
Hong Kong	Tier 2	0.23%

Source: Various Stock Exchanges, January to December 2011

Derivatives

Our derivatives team has successfully launched the listing of their structured products. Up to December 2011, the team has issued a total of 24 call warrants.

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.

The team has also started up the warrants website, www.maybankwarrants.com, for the convenience of investors.



global wholesale banking



Humanising financial services across Asia



Alpha Southeast Asia Awards

- Best Retail Broker
- Best Trade Finance Bank
- Thailand's Best Retail Broker
- Philippines' Best Equity House
- Philippines' Best Retail Broker
- Most Innovative Deal/Best Deal of the Year
- Most Innovative Islamic Finance Deal/Best Islamic Finance Deal
- Best Equity/Equity-Linked/IPO Deal
- Best Mid-Cap Equity Deal of the Year
- Best Small-Cap Equity Deal of the Year in Southeast Asia
- Best Custody Solution



The Asset Triple A Award

- Rising Star Domestic Investment Bank (Malaysia)
- Best Deal (Singapore)
- Best Equity House (Philippines)



Global Finance Magazine

- Best Trade Finance Provider (Malaysia)



IFR Asia Awards

- Best Malaysia Bond House
- Best Malaysia Equity House
- Best Islamic Deal



Asiamoney Awards

- Best Country Deal of the Year (Malaysia)



Islamic Finance News Awards






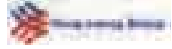






- Country Deal of the Year
- Sovereign Deal of the Year
- Musharakah Deal of the Year
- Equity/IPO Deal of the Year
- Tawarruq Deal of the Year

* Awards won July to December 2011 (non-exhaustive)

OUTLOOK

We have achieved notable feats over the last six months ended 31 December 2011. In addition to improving our financial performance, we have also strengthened our coverage and product capabilities across the region. We will continue to place emphasis on the ASEAN and Greater China region tapping on the increasing business volume between the two regions. Our aim is to support Malaysian clients venturing into overseas markets and at the same time expand our local client base in each of our overseas branches and subsidiaries. The regional governance structure and coverage model aims to drive more cross-border deals and regional business growth. We will intensify our efforts in strengthening the regional platform to better serve our clients across Asia.

KEY REGIONAL DEALS FROM JULY TO DECEMBER 2011 (NON-EXHAUSTIVE)

<p>Malaysia</p>  <p>Bumi Armada Berhad</p> <p>RM700,000,000</p> <p>IPO</p> <p>Joint Principal Adviser, Joint Global Co-ordinator, Joint Bookrunner & Joint Managing Underwriter</p> <p>July 2011</p>	<p>Malaysia</p>  <p>Eversendai Corporation Berhad</p> <p>RM392,300,000</p> <p>IPO</p> <p>Sole Adviser, Underwriter & Bookrunner</p> <p>July 2011</p>	<p>Malaysia</p>  <p>YTL Power International Berhad</p> <p>Up to RM5,000,000,000</p> <p>Medium Term Notes Programme</p> <p>Joint Principal Adviser, Joint Lead Arranger & Joint Lead Manager</p> <p>August 2011</p>	<p>Malaysia</p>  <p>Jana Pendidikan Malaysia Sdn Bhd</p> <p>RM1,540,000,000</p> <p>Acquisition Financing for Pan Malaysian Pools Sdn Bhd</p> <p>Mandated Joint Lead Arranger & Mandated Joint Bookrunner</p> <p>August 2011</p>	<p>Malaysia</p>  <p>Midciti Resources Sdn Bhd</p> <p>RM880,000,000</p> <p>Islamic Medium Term Notes Program</p> <p>Joint Principal Adviser, Joint Lead Arranger & Joint Lead Manager</p> <p>October 2011</p>	<p>Malaysia</p>  <p>Hong Leong Financial Group</p> <p>RM1,800,000,000</p> <p>Commercial Papers / Medium Term Notes Programme</p> <p>Joint Lead Manager</p> <p>December 2011</p>
<p>Malaysia</p>  <p>Manipal Education Malaysia Sdn Bhd</p> <p>RM290,000,000</p> <p>Term Loan / Short Term Revolving Credit</p> <p>Lender</p> <p>December 2011</p>	<p>Malaysia</p>  <p>Titan Chemicals Corporation Berhad</p> <p>RM4,060,000,000</p> <p>Privatisation exercise of Titan Chemical Corporation Berhad via a Mandatory General Offer made by Honam Petrochemical Corporation</p> <p>Adviser</p> <p>October 2011</p>	<p>Malaysia</p>  <p>ANIH Berhad</p> <p>RM3,120,000,000</p> <p>Sukuk Musharakah Program & Junior Bonds</p> <p>Joint Principal Adviser, Joint Lead Arranger & Joint Lead Manager</p> <p>November 2011</p>	<p>Malaysia</p>  <p>Kulim Malaysia Berhad</p> <p>Up to RM50,000,000</p> <p>Take-over offer to acquire all the remaining ordinary shares of RM1.00 each in Sindora Berhad</p> <p>Joint Principal Adviser</p> <p>November 2011</p>	<p>Malaysia</p>  <p>Ireka-Silver Sparrow Sdn Bhd</p> <p>RM515,000,000</p> <p>Guaranteed Medium Term Notes Programme</p> <p>Principal Adviser, Lead Arranger & Lead Manager</p> <p>December 2011</p>	<p>Malaysia</p>  <p>DRB-HICOM Berhad</p> <p>Up to RM1,800,000,000</p> <p>Islamic Medium Term Notes Programme</p> <p>Principal Adviser, Lead Arranger & Lead Manager</p> <p>November 2011</p>






continued on the next page



global wholesale banking

KEY REGIONAL DEALS FROM JULY TO DECEMBER 2011 (NON-EXHAUSTIVE)

Malaysia	Malaysia	Malaysia	Malaysia	Malaysia	Malaysia
					
Ranhill Berhad	Pavilion Real Estate Investment Trust (REIT)	Bumi Armada Berhad	Tropicana Danga Bay	Deftech	Southern Steel Berhad
RM175,000,000	RM710,300,000	USD319,110,000	RM275,000,000	RM3,870,000,000	RM500,000,000
Privatisation of Ranhill Berhad via Conditional Take-over Offer Made by Cheval Infrastructure Fund LP, Tan Sri Hamdan Mohamad and his related companies Adviser	IPO Joint Principal Adviser, Joint Global Co-ordinator, Joint Bookrunner & Underwriter	Syndicated Term Loan Joint Mandated Lead Arranger	Syndicated Credit Facility Joint Mandated Lead Arranger	Club Deal Banking Facilities Joint Mandated Lead Arranger	Term Loan / Trade Line Facilities Lead Arranger & Lender
November 2011	December 2011	December 2011	September 2011	October 2011	October 2011

Malaysia	Hong Kong/China	Indonesia	Singapore	Singapore
				
Pavilion Real Estate Investment Trust (REIT)	Parkson Retail Group Limited	PT Bajradaya Sentranusa	Weiye Holdings Limited	MGPA
RM1,010,000,000	USD150,000,000	USD287,500,000 IDR400,000,000,000	SGD600,000,000	SGD350,000,000
Revolving Term Loan and Bank Guarantee Facilities Joint Mandated Lead Arranger, Structuring Adviser & Lender	Syndicated Term Loan Joint Mandated Lead Arranger & Joint Bookrunner	Syndicated Term Loan Facility Joint Mandated Lead Arranger & Bookrunner	Reverse Takeover (RTO) Financial Adviser	Syndicated Term Loan / Revolving Credit Facilities Joint Mandated Lead Arranger & Lender
November 2011	December 2011	December 2011	August 2011	October 2011

insurance & takaful

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

As a true multi-channel distributor, Etiqa features a strong agency force comprising over 21,000 agents, 33 branches located throughout Malaysia, plus a wide Bancassurance and Bancatakaful distribution network, with more than 392 Maybank branches and agreements with third-party banks. Etiqa is also one of the pioneers for direct sales through the internet with online Motor Takaful/Maybank2U. Cooperatives, brokers, institutions and online banking services provide added accessibility and convenience to customers.

Via its brand promise of humanising insurance and takaful, Etiqa goes back to basics and strives to make the business process simpler and easier for our customers.

Looking ahead, Etiqa aspires to be the undisputed leader in Malaysia and an emerging player in the regional insurance/ takaful industry. Our goals include:

- Humanising towards a true customer experience. This is in line with Maybank's aspiration in Humanising Financial Services Across Asia
- Achieving the widest distribution footprint
- Becoming the champion in revenues
- Recording rock solid profits before tax

We achieved another milestone in our journey towards implementing the IT blueprint by the full rollout of Core Life Solutions (CLS). The CLS – Individual Life application was launched for agents, third party Bancassurance and Maybank Bancassurance. With the renewed IT infrastructure, Etiqa is ready to market products more quickly to meet the needs of our customers.

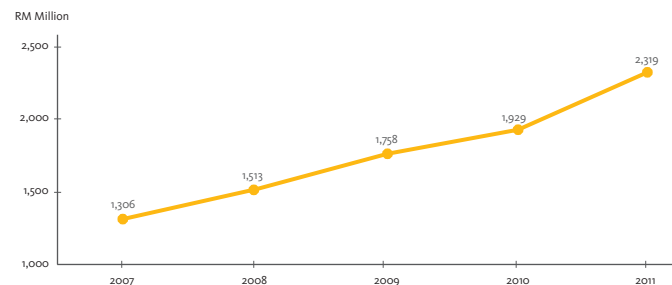
Highlights

- For FP11, Etiqa registered 16% growth in profit before tax, soaring to RM272 million (excluding a one-off net surplus adjustment arising from the adoption of new Valuation Guidelines issued by Bank Negara)
- Total assets grew 4% to RM25.7 billion from RM24.8 billion during the period under review
- Combined gross premium and contribution recorded 20.2% growth YoY
- Etiqa is currently No. 1 in combined New Business Life Insurance/Family Takaful and also in General Insurance/General Takaful
- The largest agency force with more than 21,000 agents (both Life/family and General)
- Fitch Ratings has assigned Etiqa Insurance Berhad an 'A' Insurer Financial Strength (IFS) rating

FINANCIAL PERFORMANCE

Combined gross premium and contribution posted 20.2% growth YoY attributed to steady increase in both Life Insurance/Family Takaful and General Insurance/Takaful businesses.

Gross Premium/Contribution



*Comparison of 6-month period July to December

For FP11, Etiqa registered 16% growth in profit before tax (PBT), soaring to RM272 million as a result of improved performance from the Life Insurance/Family Takaful Fund. Total assets grew 4% to RM25.7 billion from RM24.8 billion as at 30 June 2011.

At A
Glance

Our
Perspective

Who
We Are

Strategy

Performance

Business
Review

Responsibility

Leadership

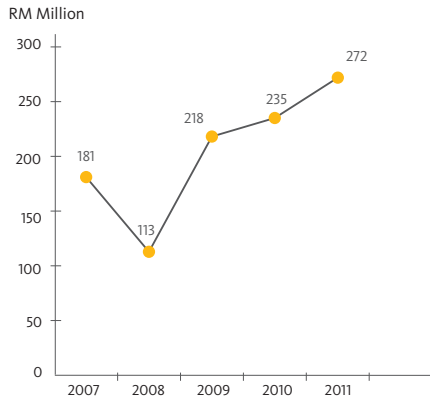
Governance

Financial &
Others

AGM
Information

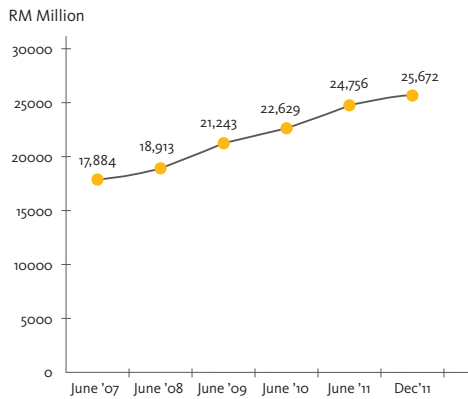
insurance & takaful

Profit Before Taxation



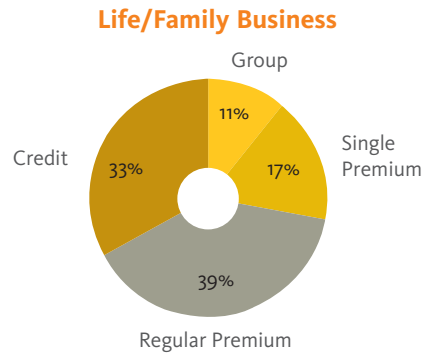
* Comparison of 6-month period July to December

Total Assets

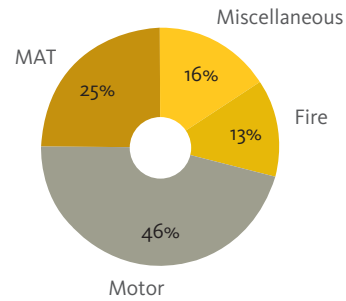


Life/Family business grew 21%, thanks mainly to Single Premium Investment from the Bancassurance channel and Group Term Life from the Enterprise/Corporate channel. For General Insurance/Takaful, the surge in Motor business from all channels and MAT (Marine Aviation Transit) from Enterprise/Corporate resulted in the General business growth of 20% from the previous year.

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



General Business



Overall, takaful business continued its positive momentum, increasing 12% from the previous year. The gross contribution for this FP surpassed the RM1 billion mark, grossing 47% of Etiqa's total gross premium/contribution, slightly lower than the December 2010 ratio.

Our General Takaful business has continued to outperform the market growth, commanding 43.7% market share, whilst the Family Takaful new business' market share shrank slightly to 39.9% (Source: ISM Statistics as of 30 September 2011).

Fitch Ratings has assigned Etiqa Insurance Berhad (EIB) an 'A' Insurer Financial Strength (IFS) rating. The rating reflects EIB's strong business profile in the domestic life and general insurance market, its extensive distribution capability, consistent operating performance, sound liquidity and prudent investment approach. The rating also acknowledges EIB's solid capital position on a risk-adjusted basis and sound reserving practices.

PRODUCT INNOVATION

We launched a range of new products during this FP.

- **Harmoni** is a whole life takaful plan.
- **Intelek** helps to fund children's educational needs.
- **Prisma and Prisma+** offer basic protection at a very affordable contribution.
- **1Malaysia Micro Protection Plan (1MMPP)** is an industry product designed for the benefit of lower-income groups, providing affordable insurance policies to small business owners and their families.
- **Fortune8** is a 3½-year single premium, closed-end, investment-linked plan offering a combination of insurance and investment.

INTERNATIONAL PRESENCE

Aligned with Maybank's aspiration to be the top regional player, we are focusing our international growth efforts in the countries where Maybank is present. We currently operate in Singapore, Brunei and Pakistan.

OUTLOOK

Under the 10-year (2011-2020) Financial Sector Blueprint unveiled by Bank Negara Malaysia, insurance products that will play significant roles are private pension products, higher value-added medical and health insurance, micro insurance and micro takaful products. The outlook for the Malaysian insurance market is stable. Forecasts suggest that the industry's premium income will remain steady, and the local insurance industry will remain well-capitalised. The capital adequacy ratio has been well above the minimum requirement of the Risk Based Capital framework.

MAYBAN INVESTMENT MANAGEMENT (MIM)

MIM is the fund management arm of the Maybank Group. It manages investments in equities, fixed income and money markets for a wide range of customers.

During the period under review, MIM operating revenue grew 33%, from RM18.8 million to RM25.0 million, whilst profit before tax grew 1% to RM9.4 million.

Net injection of fund for the period amounted to RM879 million, compared to RM701 million in the corresponding period of the previous financial year.

Our aggressive marketing campaigns and improved fund performance boosted assets under management (AUM) 13% to RM25.1 billion since December 2010, with strong growth coming from both institutional and retail clients.

The increase in AUM resulted largely from investment in Wholesale Funds which recorded a stunning growth of 193% to RM2,502.7 million at the end of 2011.

Strategic Thrusts

We implemented a number of broad-based enhancement initiatives. We realigned our organisation structure and business processes, enhanced our systems, and built up our human capital.

OUTLOOK

By leveraging on the strengths of Maybank, we aspire to be a leading asset management company by the year 2015. Our goals for the next two to three years are first, to earn recognition as a domestic leader; second, to fully tap the opportunities in the Islamic Asset Management segment; and third, to extend our corporate presence further into the ASEAN region.

islamic banking

Maybank Islamic Banking Group (MIBG), as the Islamic banking arm of the Maybank Group focuses on managing and setting strategies for the Group's Islamic banking business. As ASEAN's leading financial services institution, our global presence and diverse area of expertise allow us to provide our clients with Shariah compliant financial solutions and services.

With the strong support and collaboration within the House of Maybank and Maybank's regional entities, MIBG continues to build business sustainability through cross selling of innovative products & services resulting in greater market penetration domestically and overseas. Our intention is to further expand our Islamic banking footprint in both the ASEAN region and globally, with a vision to be the Leading Global Islamic Bank by 2015.

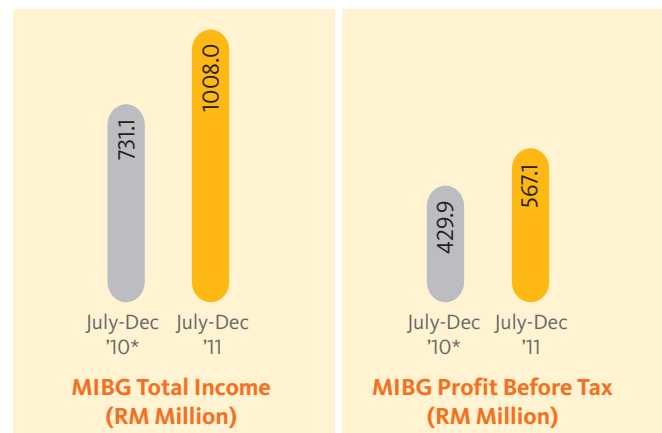
Highlights

- MIBG which is a leader in the Islamic banking business, recorded a 37.9% increase in total income of RM1.01 billion for the period, compared with RM731.1 million in December 2010.
- Fund based income surged 38.7% to RM865.5 million while fee based income rose 32.9% to RM142.5 million.
- Profit before tax and zakat for the Islamic Banking Group meanwhile rose 31.9% to RM567.1 million.
- MIB Islamic financing to Group's total domestic loans has grown to 28.5% from 26.1% a year earlier.

PERFORMANCE

In Malaysia, Maybank Islamic Berhad (MIB) saw sustained financing growth of 10% during the period under review with total financing at RM52.4 billion. Deposits grew to RM58.7 billion during the period under review while business financing rose 31%

6-month Period



* unaudited figures

and consumer financing 17% YoY. Asset quality at MIB remains strong with net impaired financing of 1.03% improving further from 1.90% in December 2010, while the financing to deposit ratio also improved to 83.7% from 97.9% a year earlier.

We have always strived to sustain our overall market share leadership for our financing and deposit products. In addition, together with CFS, MIB entered into a strategic partnership with Lembaga Tabung Haji through the launch of Tabung Haji Payment Solutions (THPS). THPS is the first to offer Maybank account holders access to perform Hajj registration via Self Service Terminals (SST) at all Maybank & MIB branches and network. This is in line with the Group's aspiration of humanising financial services.

In collaboration with GWB, Maybank has been ranked amongst the leading global Sukuk Advisors and this is a testimony to our Islamic wholesale banking strength. Our Global Markets also offer comprehensive and innovative treasury solutions.

MIBG has started to gain momentum in international and cross border financial solutions steered by successful transactions in various currencies. We are seeing tremendous traction especially in our key markets, Singapore and Indonesia. In Singapore, the Islamic banking business is a leading provider for Islamic retail banking services, while in Indonesia, we are expanding our Islamic universal banking products and solutions through our subsidiaries Bank Internasional Indonesia (BII) and Maybank Syariah Indonesia (MSI). Aside from this, in July 2011, MIB successfully signed a Memorandum of Understanding with Bank Syariah Mandiri Indonesia that paves the way for enhanced cross-border liquidity flows, capital market deals, and Sukuk issuances.



AWARDS 2011

(i) Finance Asia Achievement Award

- Best Islamic Financing – Global Wakala US\$2 billion Sukuk
- Best Malaysia Deal – Bumi Armada \$888 million IPO

(ii) IFR Asia Awards

- Islamic Deal of the Year – Global Wakala US\$2 billion Sukuk

(iii) Islamic Finance News – Deals of The Year Award

- Sovereign Deal of The Year – Global Wakala US\$2 billion Sukuk
- Malaysia Deal of the Year – Global Wakala US\$2 billion Sukuk
- IPO/Equity Deal of The Year – Bumi Armada
- Musharaka Deal of The Year – Ranhill Power
- Tawaruq Deal of The Year – PT TH Indo Plantation US\$183 Million Commodity Murabahah

(iv) Islamic Business & Finance Awards

- Best Retail Bank (Asia)

(v) KLIFF Islamic Finance Awards

- Most Outstanding Islamic Bank

(vi) Asset Triple A Islamic Finance Awards

- Best Islamic Retail Bank
- Best Trade Finance Bank

OUTLOOK

We foresee that our growth will continue to be driven by our domestic business and will further entrench our leadership position in the market. We remain excited on the prospects of further opportunities for Islamic cross border transactions as we leverage on our regional network and capitalise on Bank Negara Malaysia's (BNM's) strong emphasis for internalisation of Islamic Finance as outlined in BNM's recent Financial Sector Blueprint 2011-2020. As part of our efforts to promote Islamic cross border transactions, we hope to engage and work closely with other regulators and industry players across the region. MIBG is targeting further growth in our business in Indonesia and Singapore as well as other markets in ASEAN and globally, specifically the Middle East and Hong Kong/China.

shariah committee



**TAN SRI DATO' SERI
(DR) HJ. HARUSSANI
HJ ZAKARIA**

(Chairman)
 Mufti of Perak State
 Government

Tan Sri Dato' Seri Dr Hj. Harussani obtained 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 for 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 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 the IIUM. He holds a Doctorate of Philosophy 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**

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 honors first degree in Shariah from University Malaya in 1989 and obtained a Law Degree from 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 10 years since 1989. Prior to his appointment as Shariah Committee member of Maybank in 2007, he was in the Shariah Committees of Takaful Nasional Berhad and CIMB Group.



**DR. AHCENE
LAHSASNA**

Graduate Studies Advisor,
 Shariah and Legal Studies
 Department, INCEIF

Dr. AHCENE LAHSASNA is a lecturer in the Shariah and Legal Studies Department, INCEIF and has been appointed as the new Graduate Students Advisor, effective 1 October 2008. He was appointed a member of the Shariah Committee of Maybank Islamic/Maybank Group in June 2009. Dr. AHCENE LAHSASNA holds a Masters and PhD 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 Shariah and law.

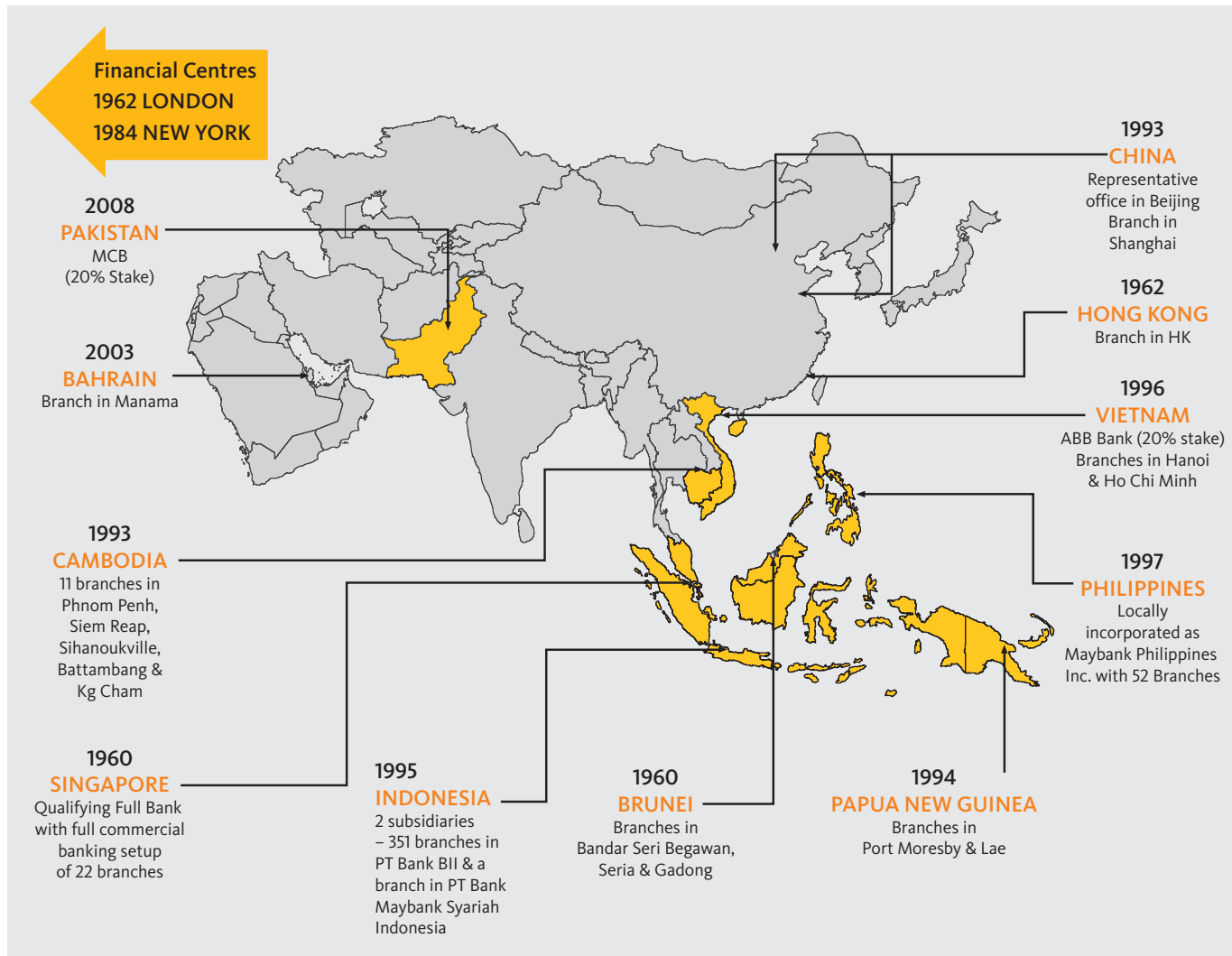


**ENCIK SARIP
BIN ADUL**

Lecturer at 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 7 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 Master 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.

international banking



Our commercial banking presence outside of Malaysia spans across 13 countries, with primary focus in ASEAN specifically in Singapore, Indonesia, the Philippines, Cambodia, Vietnam, Brunei and Myanmar. Outside of South East Asia, we have branches in strategic markets such as China and in the Middle East as well as in the financial centres of London, New York and Hong Kong. In addition to that, our global network is also complemented by our ownership of 20% equity interests each in our associate companies, MCB Bank Ltd. in Pakistan and An Binh Joint Stock Commercial Bank in Vietnam.

Highlights

- PBT grew by 19% for the six-months period ended 31 December 2011 YoY.
- Loans and deposits grew 14% and 13% respectively from June 2011.
- New branches added in Indonesia, Cambodia and the Philippines.

At A Glance

Our Perspective

Who We Are

Strategy

Performance

Business Review

Responsibility

Leadership

Governance

Financial & Others

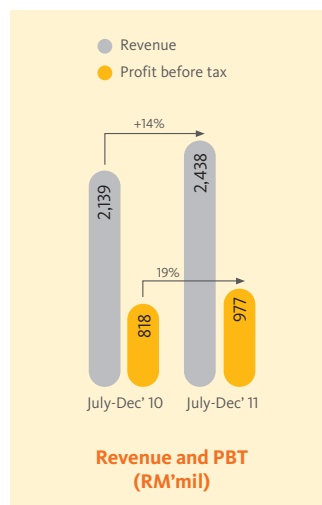
AGM Information

international banking

STRATEGIC OBJECTIVES

We aspire to emerge as a truly regional financial institution with 40% of our profits to be derived from our operations outside of Malaysia by the year 2015, while providing consistent customer experience and product delivery across all markets.

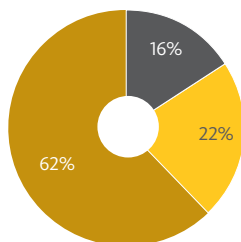
Financial Performance



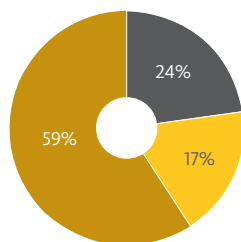
For the period under review, our PBT grew by 19% YoY, driven mainly by the increase in net interest income and non-interest income. Gross loans increased by 14% from 30 June 2011 to reach RM102.2 billion as at 31 December 2011 with strong growth registered by Maybank Singapore and Bank Internasional Indonesia (BII). Customer deposits grew by 13% from June 2011 to reach RM106.6 billion as at December 2011.




For the six months period ended 31 December 2011, our International business contributed 27% to the Group's profit before tax, and 36% to the Group's total gross loans.

Contribution by Markets to International Profit before tax July-Dec'11



Contribution by Markets to International Loans As at 31 December 2011



 Maybank Singapore
 BII
 Others

Achievements

Our international expansion continued throughout the six months period ended 31 December 2011. BII now has 351 branches, while in Cambodia, we opened our 11th branch in Stung Meanchey in December 2011. In the Philippines, two new branches were added in Bonifacio Global City and Fort Bonifacio, bringing total branch network in the country to 52.

During the period, we continued our pursuit to build the necessary platform that can meet the requirements of Maybank across all countries subject to what is allowed under the local regulatory requirements. These include internet banking under the M2U brand, the set-up of Global ATMs, and the implementation of regional transactional banking capabilities covering cash management and trade finance, among others. Our internet banking platform, M2U was successfully rolled out in Maybank Philippines during the second half of 2011. We will continue to implement this in other countries as well. In the year 2011, we implemented our Global ATM system in Cambodia and Brunei. Our Global ATM links Maybank ATMs across countries and to a centralised operation in Malaysia, which allows us to provide a more consistent service across all countries more efficiently. We plan to further extend this to Papua New Guinea, Philippines and Vietnam in 2012.

Outlook

In 2012, the global economy is forecast to register a modest GDP growth of 3.0%. Consistent with that, we expect the pace of economic activities will taper down this year. Adding that with the additional capital and liquidity that banking regulators around the world require for banking institutions, we anticipate a more moderate growth in banking activities. Asia ex-Japan, which is expected to experience a lesser impact from the on-going crisis in the western world, is expected to grow by 7.1%, while the ASEAN-5 comprising Malaysia, Indonesia, Thailand, the Philippines and Vietnam is expected to grow by 4.7%. This compels us to focus primarily on our key markets within Asia in which we are currently present.

In this challenging market situation, we will continue with our efforts to enhance our capabilities across peoples, systems, processes and products throughout the entire Maybank Group while further improving our competencies in the areas of risk management and operational efficiencies, as we continue with our regionalisation agenda. We will continue to look for opportunities to expand in the region, to take advantage from the implementation of ASEAN Economic Community 2015.

MAYBANK SINGAPORE

We have been operating in Singapore since 1960 and are one of the eight foreign banks there that have been awarded Qualifying Full Bank privileges. Throughout our history in the country, we have and continue to strive to establish a positive presence, both in the retail and wholesale banking markets. As at 31 December 2011, our total asset size was S\$34.1 billion and we have a staff strength of over 1,400 people.

Our network in Singapore is represented by 22 branches and 35 ATMs all strategically located. In addition to that, we are also part of atm5 - Singapore's only shared ATM network among the six QFBs, with a combined reach of more than 130 touch points and 170 ATMs within Singapore.

Financial Performance

Maybank Singapore contributed 62% to our international business' profit before tax for the six months period ended 31 December 2011. PBT increased 10.4% YoY to reach S\$218 million. The growth was largely due to the increase in fee based income from core areas such as wealth management, cards, treasury and other credit related activities. Our total loans expanded by 11.7% from 30 June 2011 to S\$24.7 billion, with business loans driving the growth. We have worked hard to further improve our asset quality which was under control, resulting in a gross impaired loans ratio of 0.53% as at 31 December 2011.

Strategic Objectives

We will continue with our effort to enhance our portfolio profitability by opening new frontiers through an array of new products and services, and by entering into strategic alliances to generate fresh revenue streams. Meanwhile, we will also harness our core strengths in niche market segments and invest in our human capital to sustain growth.

Achievements

Maybank Singapore's efforts on various fronts have garnered awards in the areas of service excellence, human resource and people excellence, as well as corporate social responsibility, most notably:-

- People Excellence Award 2011 (Oct 2011)
- Best Workplace Award at the Singapore Compact CSR Awards 2011 (Sept 2011)
- Best Corporate Social Responsibility Program (Silver) at the Asian Banking & Finance Awards 2011 (July 2011)
- Recognition as Model Company on Re-employment Efforts and Practices (NTUC) (July 2011)

EXSA 2011 (Excellent Service Award) – 1 in 4 of our staff garnered the EXSA, the highest within the banking and finance sector in Singapore.



Outlook

Singapore's economy is forecast to expand at a slower pace of 1-3% in 2012. With the slowdown in economic growth, we expect total bank lending to grow at a slower pace of 8-9%. Demand for housing loans is anticipated to ease, given the weaker market sentiments and more cooling measures, such as additional stamp duties for property transactions.

Notwithstanding the challenging business landscape, we strive to grow our business portfolio by building new regional capabilities, enhancing staff productivity, enlarging our share in the SME and credit card segments, as well as maintaining strong asset quality.

BANK INTERNASIONAL INDONESIA (BII)

BII is the ninth largest bank in Indonesia in terms of total assets. We have branch presence in 30 out of Indonesia's 33 provinces, with a network consisting of 351 branches including five Syariah branches and three overseas branches in Mauritius, Mumbai and Cayman Islands. We have an ATM network of 1,087 ATMs, including 65 CDMs (Cash Deposit Machines) throughout the country. We are also connected to all the ATM networks in Indonesia namely ATM PRIMA, ATM BERSAMA, ALTO, CIRBUS. Through Maybank Group's network, we provide access to more than 3,500 Maybank ATMs in Indonesia, Malaysia, Singapore, Brunei, the Philippines and Cambodia. In addition, we also provide internet banking and mobile banking services.

We serve a full range of financial services to individual and corporate through SME, Corporate and Consumer business as well as automotive financing through our subsidiaries, WOM Finance for motorcycle and BII Finance for car financing.

international banking



Financial Performance

BII reported a profit before tax of Rp451 billion for the 6 months ended 31 December 2011, up 108.8% YoY mainly driven by solid growth across the Bank's core businesses, improvement of asset quality, as well as overall operational improvements (Note: Based on the numbers consolidated at Maybank Group). Net interest income improved by 18.1% while non-interest income grew by 5.5% mainly generated by increase in fees from corporate deals, treasury transactions, credit card usage, trade finance, remittances, and other services.

As of 31 December 2011, the Bank's total loan portfolio increased 13% to Rp67.2 trillion from 30 June 2011, driving total assets up 13% to reach Rp95.6 trillion. Total deposits from customers increased 7% to Rp70.3 trillion, on the back of improvement of current account and savings account (CASA) ratio to 43% from 41%.

Strategic objectives

In Indonesia, we aspire to be the best financial provider in the sectors we serve. To achieve this, we strive to be effective in our market positioning. We continue to expand our Consumer Banking and strengthen our position as one of the most connected banks in the country. In SME & Commercial segment, we focus primarily in providing an integrated Supply Chain Financing. In addition to that, our mission to provide the highest quality of services and products, while keeping true to our mission of humanising financial services. In essence we aim to ensure that all customers can have access to the financial services they need in a manner that provides customers real value.

In WOM, we continued to improve our asset quality by implementing a better risk management process, strengthening core management and improving our credit underwriting standard. A new direction in Sharia Banking is expected to increase both market presence and assets under management by leveraging on the strength of the Group.

Achievements

In May 2011, we issued a Rp1.5 trillion subordinated debt and this has been factored into the calculation of our Tier 2 capital. In December 2011, we also completed another Rp500 billion subordinated debt and issued Rp2 trillion senior debt.

To improve service delivery and give convenient access to customers, we launched our new services in internet and mobile banking. These are all to support our vision as "The most connected transaction Bank" and we are ready to regain this market leadership position.

We have been recognised for our service quality and received the following awards:

- Institute of Service Management Studies (ISMS), as The Best Bank in Service Quality for 2 consecutive years.
- Bank Service Excellence Monitoring (BSEM) – MRI 2010/2011 TOP 2 for Conventional for 3 consecutive years (2008/2009 – 2010/2011) and Syariah Banking Top 1 for 2 consecutive years in 2008/2009 – 2009/2010; and Top 2 in 2010/2011."
- SQ Golden Award 2011, CARRE Service Quality Satisfaction For Regular Banking
- Maybank Indonesia Syariah Received "The Best Service Quality" award from Karim Business Consulting in Islamic Finance Award & Cup 2011 (IFAC 2011)
- BII received the "Indonesia Service to Care Award 2011" based on survey by Marketeers
- BII achieved Rank 3 in the CARRE Call Center Credit Card Service Excellence Index 2011
- BII achieved Rank 4 in the CARRE Call Center Banking Service Excellence Index 2011
- BII achieved Rank 4 in the CARRE Indonesian Service Satisfaction Index 2011
- Karim Business Award: The Best Service Quality for Syariah 2011

Outlook

Indonesia is one of the few countries that have been able to withstand the negative impact of the sovereign and banking crisis in the Western world. We expect the country's GDP will grow by 6.3% in 2012, on the back of strong domestic consumption and government spending.

OTHER MARKETS

Through **Maybank Philippines**, we have one of the most extensive branch network among foreign banks in the country. With the opening of 2 more branches in 2011, we now operate a network of 52 branches nationwide, with 27 branches in Metro Manila and 25 branches in key cities in Luzon, Visayas and



Mindanao. We are strengthening our presence in selected markets such as the mid to upscale consumer market for deposits, retail financing and wealth management products. This includes cross-selling of various products and services while expanding both traditional and non-traditional delivery channels.

On December 26th, we expanded the branch network of **Maybank Cambodia** by opening our 11th branch in Stung Meanchey, located along the south western boundary of downtown Phnom Penh City. The expansion is expected to meet the growing demand for financial products and services in the area. We are currently in the process to locally incorporate our business in Cambodia, reflecting our long-term commitment to the country and our standing as a regional bank.

Our presence in Greater China, via branches in Hong Kong and Shanghai, is growing steadily. In addition to that, we expect our branch in Beijing will commence operation in 2012.

Although **Maybank Vietnam** is currently experiencing challenging conditions with regards to its domestic economy, we remain positive of the medium to long-term prospects of the country. As the government continues to proactively implement various measures to stabilise the economy, we believe that the situation will improve and the Bank is ready to seize the huge opportunities supporting the strong long-term growth of the country.

Maybank's presence in other markets include our treasury centres in New York and London, commercial banking operations in Papua New Guinea, Bahrain and Brunei and Maybank Syariah

Indonesia, our Islamic banking outfit based in Jakarta. In addition, we are also present in Labuan via our subsidiary, Maybank International Labuan Limited. Our vast network continues to be one of our key differentiators among peers, supporting our customers from the different parts of the globe.

ASSOCIATES

MCB Bank recorded a strong performance in 2011, registering a profit before tax of PKR 31.3 billion for the financial year ended 31 December 2011, an increase of 18% YoY. This was driven by strong growth in net interest income and non-interest income, coupled with lower loan loss provisioning.

Despite a marked increase of 29% in operating profit driven by strong revenue growth, An Binh Bank recorded a PBT of VND \$401 billion*, lower when compared against the previous financial year, particularly due to the higher loan loss provisioning recorded during the financial year.

Initiatives to create further synergy are continuously being pursued and implemented. This includes cross-selling of products and business referrals, sharing of best practices and aligning governance and risk management frameworks, among others. Despite the medium-term outlook of the economy, the Bank's associates play a major part in building our regional franchise in the long-run.

* Unaudited, pending finalisation of audited numbers.

group human capital

The strategic transformation plans implemented since late 2008 have been instrumental in strengthening our workplace climate and culture to be one that is values-based, performance and customer-oriented and innovative. The initiatives put in place to strengthen the alignment of our leadership and workplace climate with our Vision, Mission and Strategy are now progressively driven via “BAU” – Business as Usual infrastructure.

Highlights

- The focus in 2011, Year 3 of the People Transformation Programme, was on strengthening employee capability, core functional skills, ensuring that our talent management platform serves as the pulse of our organisation and reaches its intended objectives. Increasing visibility and identification of talents, recognition, the right rewards, accelerated development and progression was high on our priority list. Humanising management and development of our employees underpin our efforts to ensure that the transformation in the Group is sustainable and fosters a values-based high performance culture.
- Leadership development interventions have shown results. Currently, incumbents in 67% of leadership positions in the Group are proudly homegrown. The required development plans have been rolled out and we see an increase in the agility of our talents to operate across different sectors and borders.
- We have seen significant improvements in the public’s perception of our employer brand. We were recently acknowledged as the No. 1 preferred employer in the country through a survey administered by Graduan Aspire Career Fair and announced as the winner in the Banking and Financial Services category for Malaysia’s 100 Leading Graduate Employer Awards for 2011 by GTI Media Asia.

ENHANCING LEADERSHIP

Our approach to leadership development operates at various levels within the company. The strategy goes beyond formal learning and is reflected in our 70:20:10 Philosophy – 70% experiential development, 20% relationship and network guidance, and 10% formal learning. At the Group level, we work to identify and develop tomorrow’s leaders, driven by these flagship programmes:



Programme	Description
Maybank Great Leader (MGL) and Maybank Great Manager (MGM) Programmes	These programmes are designed to hone managerial and leadership skills. All identified managers and leaders completed the MGM and MGL programmes against S.E.A.R.C.H. (Strategic Visioning, Engaging & Developing Leaders, Spirit of Achievement, Cultivating Relationship, Customer Centricity and Innovation & cHange) competencies.
	The Guru Series combines our leadership development with motivation and inspiration, exposing our leaders to world class best practices and leading thoughts via shared experience by top leaders in various industries.
“Emerging Leaders” Programme. Also known as “Transitioning Leaders to CEO” Programme (TLC)	Designed to identify, develop and groom young, high-potential talent for a variety of CEO-like positions within the Group. The structured programme includes best-in-class learning modules, top team engagement, international exposure, stretch projects and executive coaching. 58 talents have completed year one of the three-year programme, and the results have been encouraging. Participants achieved an overall 60% improvement in their team engagement levels, and 49% of these talents were promoted within the past year.

Programme	Description
Top Team Effectiveness Programme	A 24-month programme to strengthen Business and Functions' Top Team. This programme focusses on personal and team effectiveness.
Mentoring and Coaching	Internal mentors and full-time professionally certified in-house coaches are among the core drivers of our culture change programme. Our in-house dedicated Executive Leadership Coaches (ELC) conducted more than 580 coaching sessions for 210 managers and leaders, as well as two Leadership pilot programmes for 54 leaders. They have also led over 15 team motivation and engagement sessions from July to December 2011. The ELC and Leadership Programmes will be extended to Maybank Singapore and BII-Maybank Indonesia in 2012.

span of 2 months and we are proud to report that the energy and excitement amongst our employees were evident through their HOT (honest, open and trusting) dialogues with the EXCO. We have continued with the different leadership engagement channels that, apart from the roadshow, also include regular structured dialogue opportunities between the Chairman, PCEO and select employees. Another example of the diversity of channels that we have emplaced for EXCO to interact with employees include the Ask Senior Management microsite in our employee portal – a sign of employees confidence and engagement is the fact that just via this site we recorded a jump from 50 postings in 2010 to 323 postings in 2011.

Our fun and exciting bright ideas programme continues to create waves in the organisation and now includes our Singapore operations competing at the game show in Malaysia. The number of ideas generated through this avenue continues to increase - 350 in 2010 to 1,340 between July to December 2011.

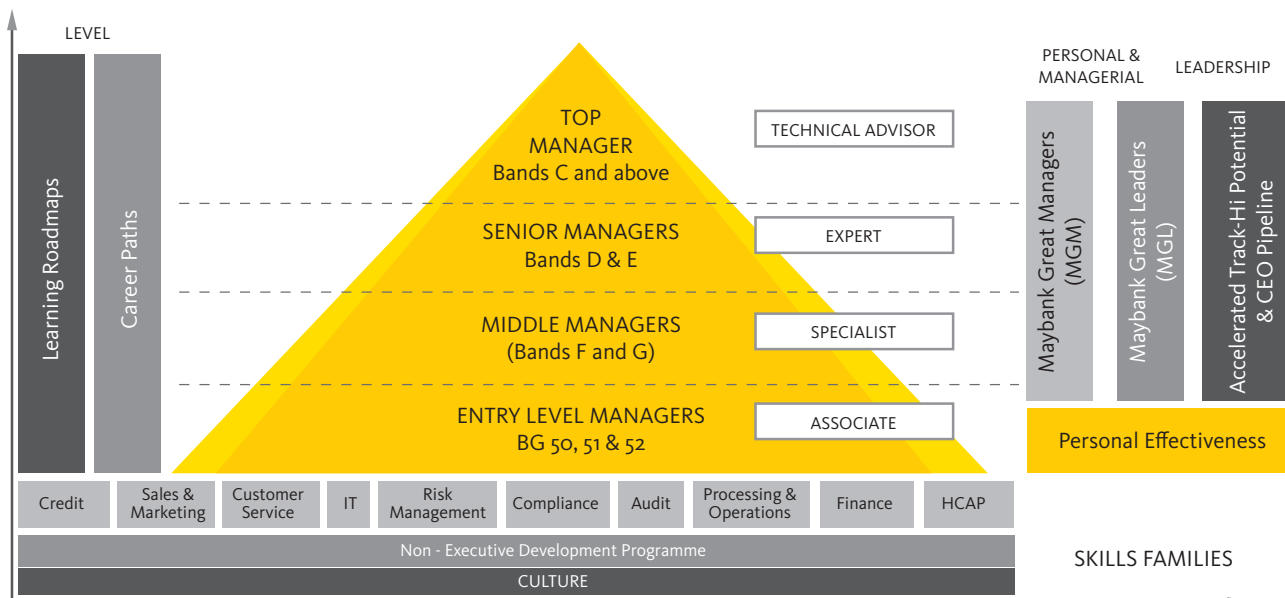
For this FP, Maybank has invested RM38.9 million in learning and development. 69.6% of the Group's workforce has participated. More than 10,000 employees have attended 857 sessions internally from July to December, with an average of 32 sessions per week.

ENGAGING, MANAGING AND DEVELOPING OUR TALENTS

Employee engagement continues to be a priority. For the period under review, one of the key leadership engagement initiatives included the third annual EXCO roadshow series which was this time themed "Powering the T.I.G.E.R." with the intent of sustaining motivation levels amongst employees and encouraging excellence. Thirty four sessions were conducted within a short

We have tailored our annual review platform to identify employees who are candidates for accelerated development. As our talent pool builds more transferable skills, inter-sectoral employee transfers increased from 4.6% to 7.4% in the past year. Cross-border moves have also increased by 24%. With aggressive regionalisation plans in place, we expect more international assignments in the coming year.

Maybank Group Learning Development Framework





group human capital

RECOGNISING AND REWARDING PERFORMANCE

Maybank's "Pay for Performance" policy is a holistic view of employee compensation that takes into account base salary, benefits, training opportunities, as well as business unit and Group performance. We further reward exemplary performance with social networking engagement sessions and various types of awards. Our compensation policy is aligned to the health of the business and the external marketplace, allowing us to attract and retain talented employees.

HEALTHY EMPLOYEES AND SAFE ENVIRONMENT

High productivity requires a safe and healthy workplace. We conducted a contractor safety programme, NIOSH-Maybank Safety Passport (NMSP) and were the first bank to implement this initiative in the financial sector. Other OSH initiatives included 14 sessions of a defensive riding programme, regular OSH awareness programmes, safety audits, and gap analysis on chemical compliance (USECHH Regulation 2000) with the National Institute of Occupational Safety and Health (NIOSH). We trained staff in first aid in Selangor and Negeri Sembilan, offered Parenting@Work workshops and organised the twice yearly OSH Regional Secretaries' meeting.

The Bank also embarked on several wellness activities such as the healthy lifestyle carnival, the monthly noon health talks, the Trim & Fit programme, and the Total Wellness and Health Promotion (TWHP).

EMPLOYEE VOLUNTEERISM & CORPORATE RESPONSIBILITY

Under the banner of Cahaya Kasih, our employee volunteerism programme, Maybankers volunteer their time and share their knowledge with less fortunate community groups.

As part of our Global Corporate Responsibility (CR) campaign, over 15,000 Maybank employees in 17 countries held a simultaneous one-day activity to showcase their best practices. This initiative is believed to be the biggest CR event by a Malaysian company for the second consecutive year.

Staff also volunteered their time during the major festive seasons by donating items, spending time at various homes, and participating in activities.



INVESTING IN THE FUTURE GENERATION

The Maybank Scholarship Award sponsors not only students studying in local universities but also top universities globally such as London School of Economics, University of Melbourne, University of Chicago and others. The award covers all tuition fees, plus living allowances with development programmes to give scholars the competitive edge before they embark on their Maybank careers. In the past year, we granted 20 scholarships with total disbursements of RM1.7 million.

The Bank also supports the educational endeavours of employees' children. For employees who earn below RM3,000 per month, we gave RM1,500 to each child embarking on a Diploma or Degree course. In 2011, this amounted to grants of RM49,500 to 33 students at higher education institutions. We also assisted those who earn below RM2,500 per month and who have children in Standard 1 to Form 5. 1,693 of these children benefited, and the total amount disbursed was RM338,600 in 2011.

OUR PRIORITIES FOR 2012

We set for ourselves an even higher level of productivity which we can only achieve when we deploy our resources intelligently. We facilitate success by placing the right person into each role, providing the right tools, designing efficient systems and processes, and maintaining a healthy, nurturing organisational climate.

The culture building programmes and initiatives to strengthen and sustain engagement with and amongst fellow Maybankers will always be a priority. We work hard, but there will also be plenty of opportunities for staff to be involved in activities beyond work, activities for which they have a passion and which showcase their talents. These shared pleasures strengthen not only the bonds between employees but also the connection between Maybank and the communities in which it does business.

enterprise transformation services



At A
Glance

Our
Perspective

Who
We Are

Strategy

Performance

Business
Review

Responsibility

Leadership

Governance

Financial &
Others

AGM
Information

Highlights

- As of December 2011, ATM uptime achievement has surpassed industry benchmark of 98.25%;
- As of December 2011, CDM uptime achievement has surpassed industry benchmark of 95.00%;
- Together with Global Wholesale Banking, successfully implemented Global ATM which links ATMs overseas to a centralised operation in Malaysia;
- Improvement in External Customer Engagement Survey by 6.2% for December 2011, indicating our customers are seeing positive changes in the Bank;
- Reduction in complaints received by Maybank Group Contact Centre by 57% due to the Bank recognising pain points of customers and resolving it before it became a complaint.

OVERVIEW

Enterprise Transformation Services (ETS) is the strong foundation for Maybank Group that delivers first rate services to our clients within and outside of the Group to jointly achieve the aspiration of humanising financial services from the heart of ASEAN. ETS provides innovative solutions, excellent standards and quality delivery in 3 main areas; reducing per unit costs for the Group, increasing productivity for the Group and drive increased customer engagement. We support the Group through our respective departments consisting of Information Technology, Operations & Service Quality.

INFORMATION TECHNOLOGY

IT is undergoing a transformation programme, which is the technology enabler for Maybank to achieve its strategic aspirations by providing an IT platform for the Group to achieve sustainable leading capability. The programme will provide technology advancements to support regionalisation of the businesses and will serve as a catalyst of change for the Group, delivering these intended results:-

- Create a consistent customer banking experience, as multi-channel sales and services move towards a customer segment driven model with centralised business data;

enterprise transformation services

- Provide flexible and agile product and service offerings through competitive pricing, personalised product bundling, and localised decision making;
- Enhance collaboration, data sharing and knowledge management between regions as Maybank pursues expansion across ASEAN; and
- Industrialise Maybank's Operating Model to optimise productivity and costs

In 2011, IT Transformation Programme (ITTP) successfully implemented several tactical projects such as Islamic Foreign Currency Loan, Global Wholesale Banking Customer Relationship Management and Master Foreign Currency Account. Islamic Foreign Currency Loan was implemented on 26 September 2011 and equipped Maybank Islamic to play a major role in supporting the Group's business expansion to various markets in the region. Global Wholesale Banking Customer Relationship Management was launched on 27 June 2011 and provided consistent management of customer data through a customer relationship management information tool. Master Foreign Currency Account created a system that offers customers the convenience of a Master Foreign Currency Account which handles almost 11 major currencies with reduced costs on fund transfers and losses during currency conversion.

In 2012, ITTP will focus on implementing two strategic initiatives i.e. Branch Front End (BFE) Replacement and Regional Cash Management System (RCMS). BFE's technology advancement will benefit customers through service consistency, increase processing efficiency, provide ease of mobility for customers and standardise teller platforms throughout the region. The first rollout date will be in the second half of 2012, followed by phase by phase rollout at all branches nationwide. RCMS provides one platform to offer corporate clients a regional solution and liquidity control of their assets. The RCMS includes a cross border system with secured access to liquidity positions and

Branch Front End Replacement Taking CUSTOMER Experience to the NEXT LEVEL

- 1 No More Forms**
Customer need not fill form again to initiate transactions
- 2 Once & Done**
Customer only need to provide information once
- 3 Instant Remittance**
Faster and more efficient transactions
- 4 No More Home Branch Restrictions**
Seamless banking anywhere nationwide

management of payments as well as receivables; and a multilingual system with state-of-the-art technology that can be integrated on multiple-end platforms. The first implementation will be in end July 2012, starting with Singapore and then expanding to Malaysia, Indonesia, Philippines and Greater China.

To support regional development, we have established a Regional CIO Council. The Regional CIO Council comprises of IT members from Malaysia, Singapore, Indonesia, Philippines, Etiqa and Investment Banking. The Council will review regional IT demand, escalate and resolve all issues related to IT to ensure holistic decision-making process is achieved.

OPERATIONS

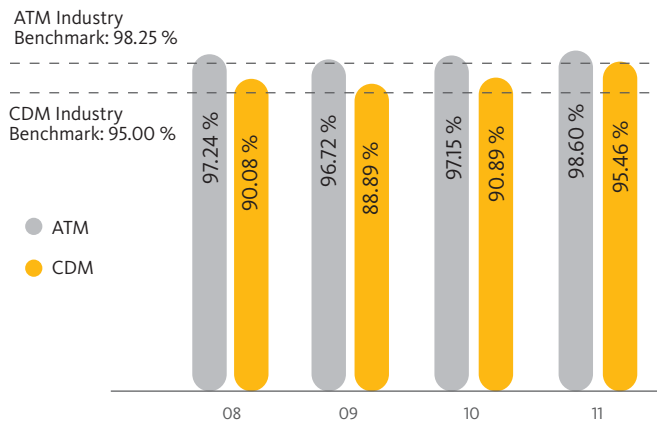
At Operations, we support the following Group back-end functions explicitly backroom branch operations, self-service terminals operations support, collateral management system, inward and outward funds transfers and trade processing. We assist and render our services to the businesses to ensure seamless process and fast turnaround time.

In 2011, our achievement for ATM uptime surpassed industry benchmark of 98.25% and CDM uptime surpassed industry benchmark of 95.00% respectively. Re-engineering our Credit Administration Centre process flow, our customer disputes claims which normally takes 4 days are now 80% closed within 1 working day. We have also centralised our Trade Operations Centre to be based at one venue to support our businesses at real time at a cost effective manner.

Regional Cash Management Platform 1 REGION; 1 ELECTRONIC CHANNEL

- 1 One Platform**
Consistent and robust electronic channel across ASEAN and Greater China
- 2 Seamless**
Easy to use and comprehensive real-time platform offering corporate clients better control of liquidity
- 3 Regional Visibility & Control**
A cross border system with secured access to liquidity positions and management of payments and receivables
- 4 Versatile**
A Multilingual system with state-of-the-art technology that can be integrated on multiple back-end platforms

ATM & CDM UPTIME PERFORMANCE



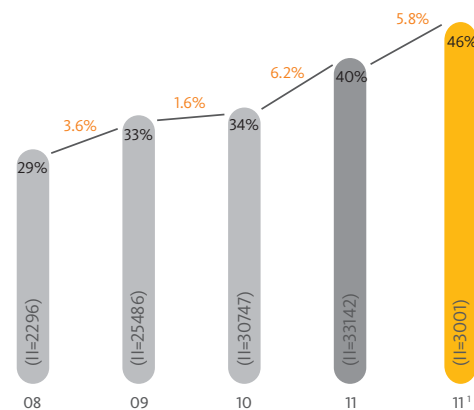
SERVICE QUALITY

Service Quality (SQ) department supports the customer service transformation initiatives of the Group. We are committed to understanding our customers' needs, delivering best in-class service experience and ensuring consistent customer service is rendered by the Group. To continuously drive productivity and enhanced service measurement that contribute to overall Group service performance, we have engaged with businesses and initiated the following:

- Improve Problem Resolution initiative**
 To improve the end-to-end problem resolution as a source of differentiation, make customer excellence the norm and ensure "Zero tolerance" for bad customer service. This is a joint effort between SQ and business units namely branch services, cards, ATM/CDM and virtual banking. The key measurement to ensure consistent delivery is the 'Quality and assurance of resolution' and SLA performance bank-wide complaint.
- Improve Branches Average Waiting Time initiative**
 To delight our customers with the shortest possible waiting time of not more than 2 minutes for single transactions and not more than 5 minutes for multiple transactions. The initiative was rolled out in May 2011 at Klang Valley branches. Our single and multiple transactions' customers waiting time had improved by 51.23% after the rollout of the initiative.
- Improve Frontliners Product Knowledge initiative**
 To improve product knowledge to all frontliners for operational and core products. We conducted refresher courses and product knowledge competitions i.e. product knowledge quarterly tests, quarterly product knowledge competition by zones and regions. Nationwide branches have taken part in this initiative and the mystery shopping (product knowledge component) actual results of 94% have surpassed baseline of 83%.

We conduct an annual External Customer Engagement Survey (ECES) that measures our external customers' satisfaction level and an Internal Customer Engagement Survey (KES) that measures our internal customers' satisfaction level. Both surveys give us the insight into our current progress to be able to continue making the right improvements.

ECES Index – General Banking (GB) Historical Comparison of ECES Index 2008-2011¹



Based on the External Customer Engagement index in 2011, customers are increasingly satisfied with Maybank and were willing to continue transacting and recommend Maybank to others. This positive trend is indicated in an increase of 6.2% in the ECES Index of 40% over 2011.

In conjunction of our change of financial year to calendar year, we conducted an interim ECES survey for the period of July – December 2011. This interim ECES is to gather valuable customer feedbacks and input on our general banking services. Our interim ECES rating increased from 40.4% to 46.2%, showing another 5.8% improvement in a span of 6 months. Customers are generally satisfied with our main delivery channels i.e. ATM Services, Online Banking (M2U website), Maybank Group Customer Care (MGCC), Branch Services and Global Wholesale Banking. Based on the positive results, Maybank is now ranked 8th out of 14th banks in the market.

CONCLUSION

In 2012, ETS will continue its momentum to provide "in-service" model to support the House of Maybank by targeting to be the strong foundation for the Group that delivers first rate services to our customers within and outside the Group to jointly achieve the Group's aspirations by reducing per processing unit costs, increasing productivity and drive increased customer engagement for the Group.

¹ July to December 2011





Empathetic

We always listen to what is being said and what is being implied. We understand our customers by putting ourselves in their shoes.

corporate responsibility



COMMUNITY

Fundamental to our mission to humanise financial services is the Maybank Foundation, the vehicle for all our national and regional Corporate Responsibility (CR) initiatives. To make most effective use of the RM50 million pledged to the Foundation over the next three years, we have carefully selected projects which will not only make a real impact but which will be sustainable long-term. In line with our CR philosophy, the chief focus of these projects is community development and environmental conservation.