

Vision

To be a leading regional financial services group by 2015

Mission

To achieve our vision, we will strive to attain the following:

- 🏆 Top five financial services group in South/South East Asia, by size and performance
- 🏆 Undisputed leadership in Malaysia, across all high margin/profitable products/segments
- 🏆 Truly regional organisation, with 40% of gross loans derived from international operations
- 🏆 Recognition for delivering innovative and superior value proposition to customers
- 🏆 Top quartile employer of talent in each of our markets

Core Values



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

Making Waves Locally, Globally.

- 🏆 Malaysia's Most Valuable Brand
- 🏆 Malaysia's Top Corporation - Forbes Global 2000
- 🏆 Malaysia's Leading Bank Brand - BrandFinance Global 500
- 🏆 Leader in Islamic Banking in Asia Pacific & Among the World's Top 10
- 🏆 Malaysia's Financial Services Leader in the Region
- 🏆 Leader in Internet Banking & Electronic Services



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Notice of 49th Annual General Meeting

Wednesday, 30 September 2009 at 10.00 a.m. at the Grand Ballroom, Level 1,
Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur.

LEAP30

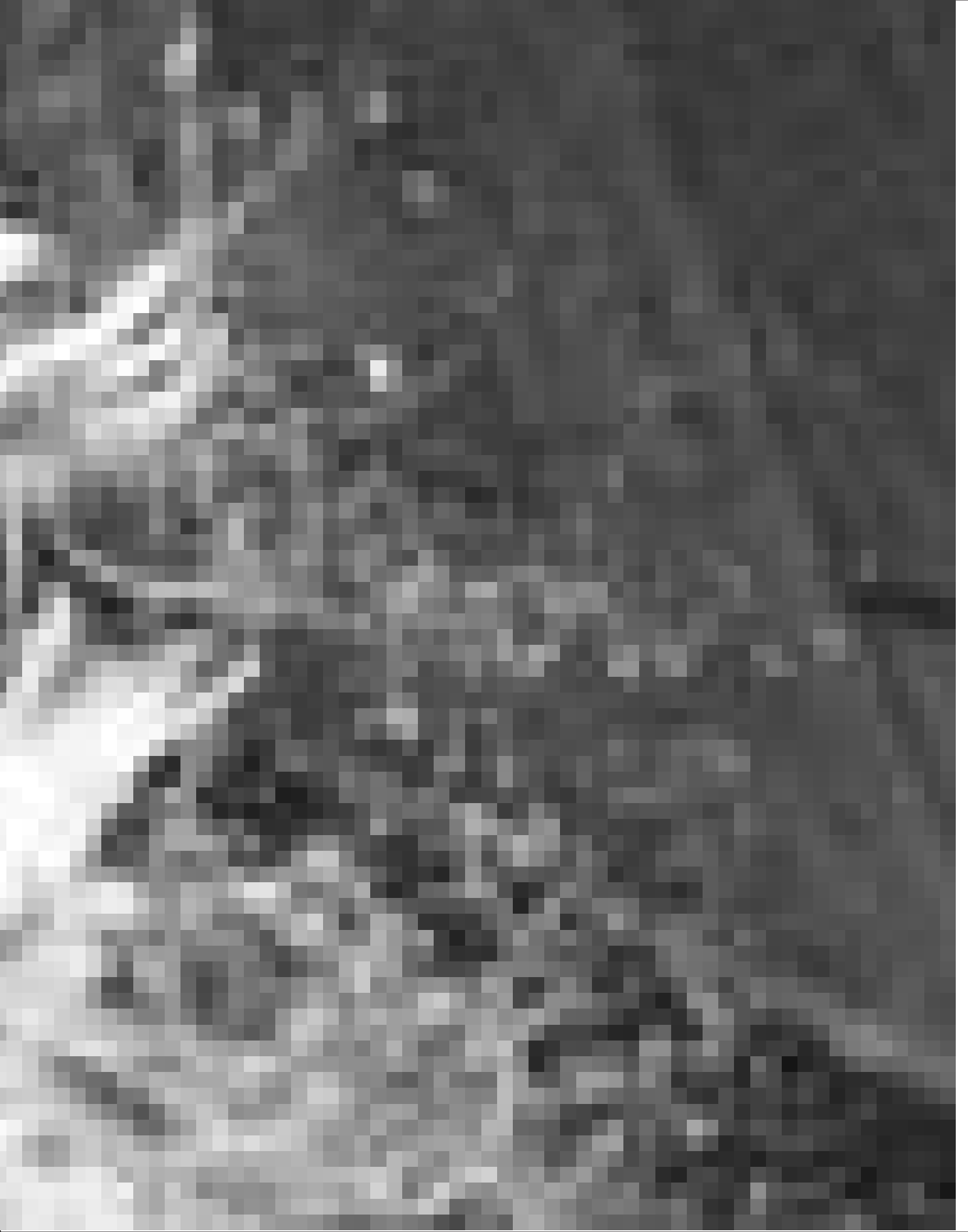
Performance Improvement Programme

Our Transformation Journey

Market Leadership in Malaysia &
the Region

A Talent & Execution-focused
Company








Wave 2

- Upgrade Private Banking Model
- Establish Dedicated Mass Affluent Model
- Bring Mass Customers Back to Profitability
- Upgrade Enterprise Product and Service Offering
- Build a Leading Asset Management Franchise
- Consolidate Islamic Retail Leadership Position
- Build Portable Islamic Retail and Enterprise Banking Model
- Capture Value from Pakistan
- Revisit and Implement New IT Infrastructure
- Realign Workforce with Strategic Needs

July 2011

Time

• **PROGRESS**

LEAP30 - Maybank's performance improvement programme.

Creating positive change necessary for Maybank to:

- Secure undisputed leadership and competitiveness in the Malaysian market.
- Strengthen presence in regional and international markets.
- Become a talent and execution-based company.

Thirty initiatives were identified as critical to improving performance. The initiatives cover nine main areas:

- Human Capital
- Consumer Banking
- Corporate Banking
- Investment Banking
- Business Banking
- Insurance
- International
- Finance
- Operations

LEAP30 stands for:

Lead
Execute
Achieve
Progress

Notice of 49th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 49th Annual General Meeting of Malayan Banking Berhad (Maybank/the Company) will be held at the Grand Ballroom, Level 1, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 30 September 2009 at 10.00 a.m. for the following businesses:-

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2009 together with the Reports of the Directors and Auditors thereon. **(Ordinary Resolution 1)**

2. To approve the payment of a Final Dividend of 8 sen per share less 25% income tax, for the financial year ended 30 June 2009 as recommended by the Board. **(Ordinary Resolution 2)**

3. To re-elect the following Directors, each of whom retires in accordance with Article 100 of the Company's Articles of Association:-
 - i) Spencer Lee Tien Chye **(Ordinary Resolution 3)**
 - ii) Tan Sri Datuk Dr Hadenan A. Jalil **(Ordinary Resolution 4)**
 - iii) Dato' Seri Ismail Shahudin **(Ordinary Resolution 5)**
 - iv) Dato' Dr Tan Tat Wai **(Ordinary Resolution 6)**
 - v) Zainal Abidin Jamal **(Ordinary Resolution 7)**
 - vi) Alister Maitland **(Ordinary Resolution 8)**
 - vii) Cheah Teik Seng **(Ordinary Resolution 9)**
 - viii) Dato' Johan Ariffin **(Ordinary Resolution 10)**
 - ix) Sreesanthan Eliathamby **(Ordinary Resolution 11)**

4. To approve the payment of Directors' fees of RM993,958.87 for the financial year ended 30 June 2009 (FY2007/2008 : RM1,117,889.32). **(Ordinary Resolution 12)**

5. To re-appoint Messrs Ernst & Young as Auditors of the Company for the financial year ending 30 June 2010 and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 13)**

AS SPECIAL BUSINESS:

To consider, and if thought fit, to pass the following Ordinary resolution:-

6. AUTHORITY TO DIRECTORS TO ISSUE SHARES

"THAT subject always to the Companies Act, 1965, the Company's Articles of Association and approval of the relevant government/regulatory authorities, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being."

7. To transact any other business of the Company for which due notice shall have been received in accordance with the Companies Act, 1965.

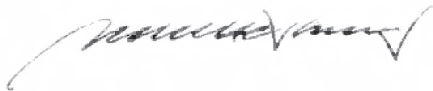
NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT the Final Dividend of 8 sen per share less 25% income tax, for the financial year ended 30 June 2009, if approved by the shareholders, at the 49th Annual General Meeting, will be paid on 27 October 2009 to Depositors whose names appear in the Record of Depositors on 15 October 2009.

A depositor shall qualify for entitlement to the dividends only in respect of:-

- A) Shares deposited into the Depositors' Securities Accounts before 12.30 p.m. on 13 October 2009 (in respect of shares exempted from mandatory deposit);
- B) Shares transferred to the Depositors' Securities Accounts in respect of ordinary transfers before 4.00 p.m. on 15 October 2009; and
- C) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD



MOHD NAZLAN MOHD GHAZALI

LS0008977

Company Secretary

Kuala Lumpur

8 September 2009

NOTES:

1. A member entitled to attend and vote at the 49th Annual General Meeting ("AGM") is entitled to appoint a proxy to attend and on a show of hands or on a poll, to vote in his stead. A proxy shall be a member of the Company, an Advocate, an approved Company Auditor or a person approved by the Companies Commission of Malaysia. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, under its common seal or in some other manner approved by its directors.

2. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the meeting provided that where a member is an authorised nominee as defined under the Securities Industry (Central Depository) Act 1991, it may appoint at least one proxy but not more than two (2) proxies each in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
3. Duly completed Form of Proxy must be deposited at the Company's registered office at 14th Floor, Menara Maybank, 100, Jalan Tun Perak, by 28 September 2009 at 10.00 a.m.
4. For a Form of Proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.
5. Only members registered in the Record of Depositors on or before 12.30 p.m., on 25 September 2009 shall be eligible to attend the AGM.

6. **Explanatory notes:-**

(a) Ordinary Resolution 14 - Authority to Directors to Issue Shares

The proposed Ordinary Resolution 14, if passed, will give powers to the Directors to issue ordinary shares in the capital of the Company up to an aggregate amount not exceeding 10% of the issued and paid-up share capital of the Company for the time being without having to convene a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the next AGM.

(b) Retirement of Directors at the conclusion of the forthcoming AGM

- i. Datuk Syed Tamim Ansari Syed Mohamed who retires by rotation in accordance with Articles 96 and 97 of the Company's Articles of Association will not seek re-election at the forthcoming AGM. He will therefore retire upon the conclusion of said AGM.
- ii. Tan Sri Mohamed Basir Ahmad who retires pursuant to Section 129 of the Companies Act, 1965, will not seek re-appointment at the forthcoming AGM. He will therefore retire upon the conclusion of said AGM.

7. **Statement Accompanying the Notice of Annual General Meeting**

Additional information pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is set out in Annexure A in Maybank's 2009 Annual Report.

Statement Accompanying Notice of 49th Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

Annexure A

The Profile of Directors who are standing for re-election (as per Ordinary Resolutions 3 to 11 as stated above) at the 49th Annual General Meeting of Malayan Banking Berhad (Maybank/the Company) which will be held at the Grand Ballroom, Level 1, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 30 September 2009 at 10.00 a.m. are stated on pages 70 to 81 of the Annual Report 2009.

The details of any interest in the securities of Maybank and its subsidiaries (if any) held by the said Directors are stated on page 254 of the Annual Report 2009.



Financial Calendar

27 August 2008

Announcement of the audited results of Maybank and of the Group and announcement of the final dividend for the financial year ended 30 June 2008

3 September 2008

Notice of the 48th Annual General Meeting, Notice of Dividend Payment and Book Closure and issuance of annual report for the financial year ended 30 June 2008

25 September 2008

48th Annual General Meeting

9 October 2008

Book closure for determining the entitlement of the dividends

21 October 2008

Date of payment of the final dividend of 20 sen per share (less 26% Malaysian Income Tax) in respect of the financial year ended 30 June 2008

11 November 2008

Announcement of the unaudited results of Maybank and the Group for the first quarter of the financial year ended 30 June 2009

27 February 2009

Announcement of the unaudited results of Maybank and the Group for the second quarter of the financial year ended 30 June 2009

6 March 2009

Notice of Extraordinary General Meeting in relation to the proposed renounceable rights issue on the basis of nine (9) ordinary shares of RM1.00 each in Malayan Banking Berhad ("Maybank") for every twenty (20) existing ordinary shares of RM1.00 each held in Maybank

23 March 2009

Extraordinary General Meeting in relation to the proposed renounceable rights issue on the basis of nine (9) ordinary shares of RM1.00 each in Malayan Banking Berhad ("Maybank") for every twenty (20) existing ordinary shares of RM1.00 each held in Maybank

2 April 2009

Book closure for determining the entitlement of the rights issue 9:20

21 May 2009

Announcement of the unaudited results of Maybank and the Group for the third quarter of the financial year ended 30 June 2009

25 August 2009

Announcement of the audited results of Maybank and of the Group for the financial year ended 30 June 2009

8 September 2009

Notice of the 49th Annual General Meeting, Notice of Dividend Payment and Book Closure and issuance of annual report for the financial year ended 30 June 2009

30 September 2009

49th Annual General Meeting

15 October 2009

Book closure for determining the entitlement of the dividends

27 October 2009

Date of payment of the final dividend of 8 sen per share (less 25% Malaysian Income Tax) in respect of the financial year ended 30 June 2009

**49th Annual
General
Meeting**

30 September 2009

Financial Highlights

	Group		Bank	
	2008	2009	2008	2009
PROFITABILITY (RM Million) *				
Operating revenue	16,154	17,586	13,093	13,065
Operating profit	4,571	3,064	3,631	2,687
Profit before taxation	4,086	1,674	3,119	383
Profit/(loss) after taxation and minority interest	2,928	692	2,373	(331)
Profit after taxation and minority interest before impairment of goodwill/subsidiaries/associate	2,928	2,665	2,373	2,457
KEY BALANCE SHEET DATA (RM Million)*				
Total assets	269,101	310,739	219,172	238,277
Securities portfolio	36,551	57,727	29,712	47,020
Loans, advances and financing	164,614	185,783	138,855	144,432
Total liabilities	249,009	284,971	201,972	215,767
Deposit from customers	187,112	212,599	156,323	163,453
Commitments and contingencies	204,217	221,587	192,079	201,854
Paid-up capital	4,881	7,078	4,881	7,078
Shareholders' equity	19,302	24,899	17,200	22,510
SHARE INFORMATION *				
Per share (sen)				
Basic earnings (sen) ***	53.3	12.0	43.2	(5.7)
Diluted earnings (sen) ***	53.3	12.0	43.2	(5.7)
Gross dividend (sen)	52.5	8	52.5	8.0
Net tangible assets (sen)	395.5	351.8	352.4	318.0
FINANCIAL RATIOS (%) *				
Profitability Ratios				
Net interest margin on average interest-earning assets	2.7	2.8	2.6	2.4
Net interest on average risk-weighted assets	3.5	3.4	3.0	2.7
Net return on average shareholders' funds	15.2	3.1	13.7	(1.7)
Net return on average assets	1.1	0.2	1.1	(0.1)
Net return on average risk-weighted assets	1.6	0.3	1.4	(0.2)
Cost to income ratio	44.4	52.8	43.4	48.5
CAPITAL ADEQUACY RATIOS (%) (after deducting proposed final dividend) **				
<u>Based on credit risk :</u>				
Core capital ratio	11.4	12.6	12.5	16.5
Risk-weighted capital ratio	14.4	17.3	13.9	16.5
<u>Based on credit and market risk:</u>				
Core capital ratio	10.1	10.8	11.1	14.1
Risk-weighted capital ratio	12.7	14.8	12.3	14.1
ASSET QUALITY RATIOS *				
Net non-performing loans ratio (3 month classification) (%)	1.9	1.6	1.9	1.7
Loan loss coverage (%)	101.1	112.9	104.1	114.9
Gross loan to deposit ratio (%)	88.0	87.4	88.8	88.4
Deposits to shareholders' fund (times)	9.7	8.5	9.1	7.3
VALUATIONS ON SHARE *				
Gross dividend yield (%)	7.4	1.4	-	-
Dividend payout ratio (%)	60.4	61.4	-	-
Price to earnings multiple (times)****	13.2	49.2	-	-
Price to book multiple (times)	1.8	1.7	-	-

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

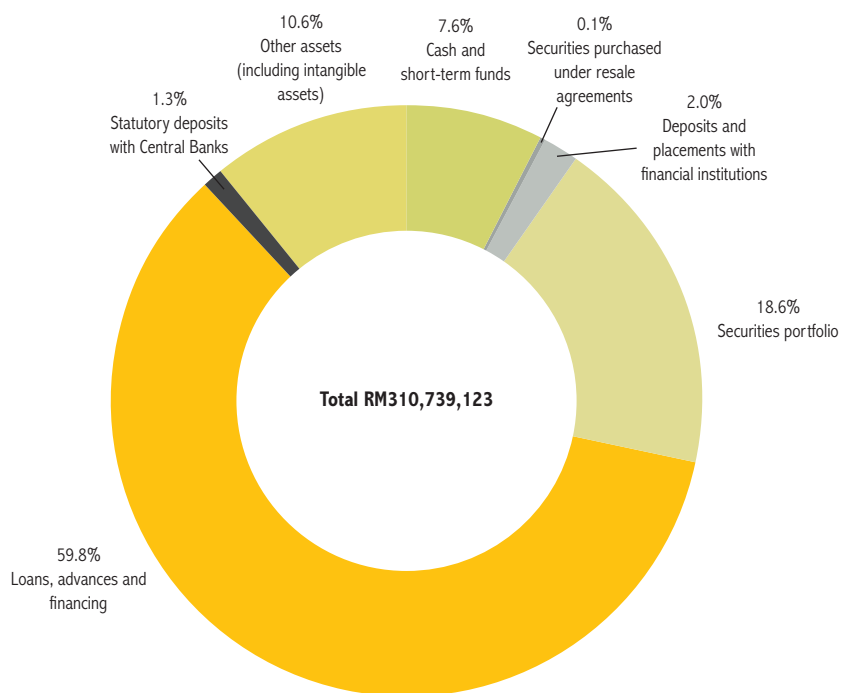
** The Bank Negara Malaysia Guidelines on Market Risk Capital Adequacy Framework are effective from 1 April 2005.

*** Adjusted for rights issue completed on 30 April 2009 and bonus issue of 1:4 completed on 20 February 2008.

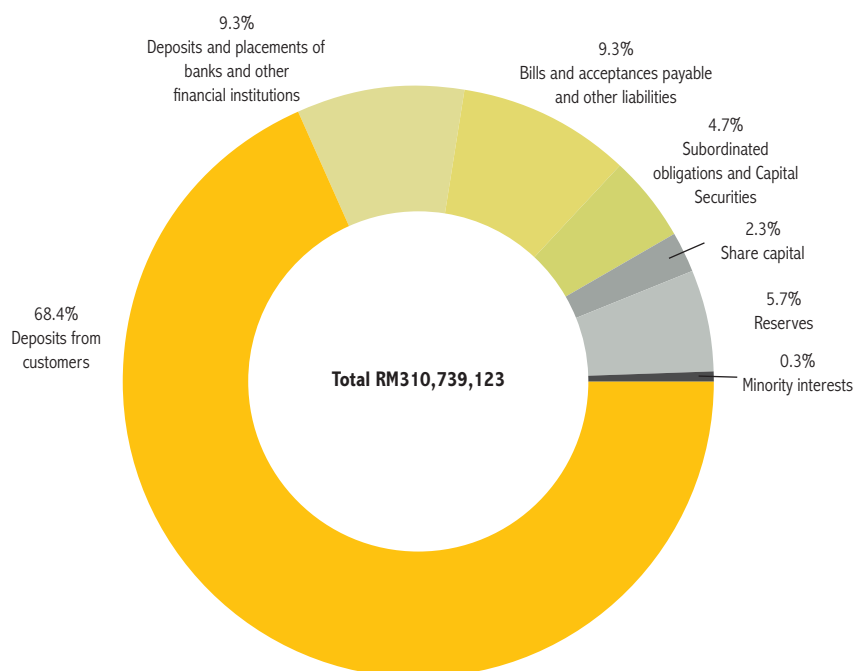
**** Price to earnings multiple (times); (2009) 12.8 times (before impairment of goodwill/subsidiaries/associate).

Simplified Group Balance Sheet

Assets 2009



Liabilities & Equity 2009



Enhancing Value to Shareholders

Over the years, Maybank has been delivering on its commitment towards enhancing shareholder value. Despite a challenging year in which Maybank announced lower dividends, we are still steadfast in our dedication to provide superior long-term return to our providers of capital.

As Malaysia's financial services sector becomes more developed and liberalised, the rates of return have generally begun to moderate compared to the past decades of high growth. In addition, Maybank's dominant size in the Malaysian banking industry presents a challenge in sustaining its previous growth rate in the domestic market.

It is with the view of sustaining a high growth rate into the future that Maybank embarked on its mission to seek out higher growth opportunities beyond its home base. The vision of becoming a regional financial services group by 2015 will in essence enable us to enhance and diversify Maybank Group's sources of income stream and thus provide a better return on investment to our shareholders.

Such a transformation is not without its challenges. In financial year (FY)2009, the Group completed the acquisitions of Bank Internasional Indonesia (BII), MCB Bank Limited (MCB Bank) of Pakistan and An Binh Commercial Joint Stock Bank (ABBank), Pakistan and Vietnam respectively. However, in a series of unprecedented events that led to the global financial crisis and a worldwide recession, the worst in more than seven decades, we had to take impairment charges on our investments in Indonesia and Pakistan, leading to a significantly lower profit for the year of RM691.2 million which limited our ability to pay dividends comparable to previous years.

We have been prudent in making the writedowns in order to fairly reflect the value of our overseas investments. We consider the acquisition of BII in Indonesia and MCB Bank in Pakistan to be viable long-term investments that would contribute significantly towards enhancing value to shareholders in the future.

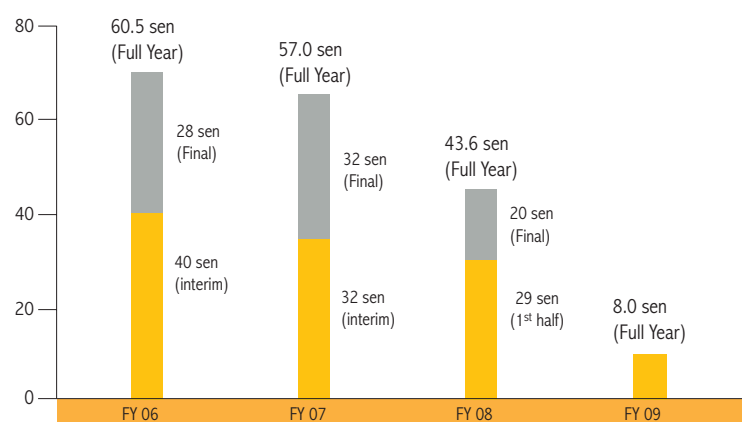
Dividends

Maybank has a long-term dividend policy of between a 40% and 60% dividend payout ratio based on the reported net profit attributable to shareholders.

The Board of Directors has proposed that Maybank pay a final gross dividend of 8 sen (6 sen net) per share. The full year gross dividend of 8 sen translates to a payout ratio of 61%, which is slightly better than the dividend policy's stated target of between a 40% and 60% dividend payout ratio, and is in line with the previous year's dividend payout ratio of 60.4%.

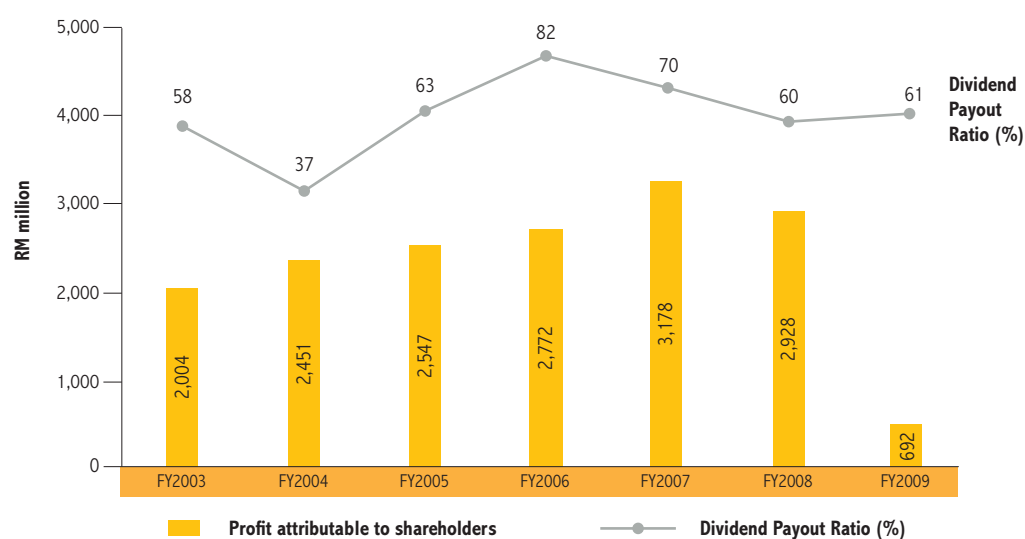
The gross dividend of 8 sen is notably lower than the 43.6 sen per share (adjusted for the rights issue; actual: 49 sen) in the previous year. This is a prudent step towards preserving the capital in the current challenging period. However, with prospect of better financial performance moving forward, higher gross dividends can be expected.

Gross Dividend



Note: Prior full year dividends adjusted for the 9 for 20 rights issue

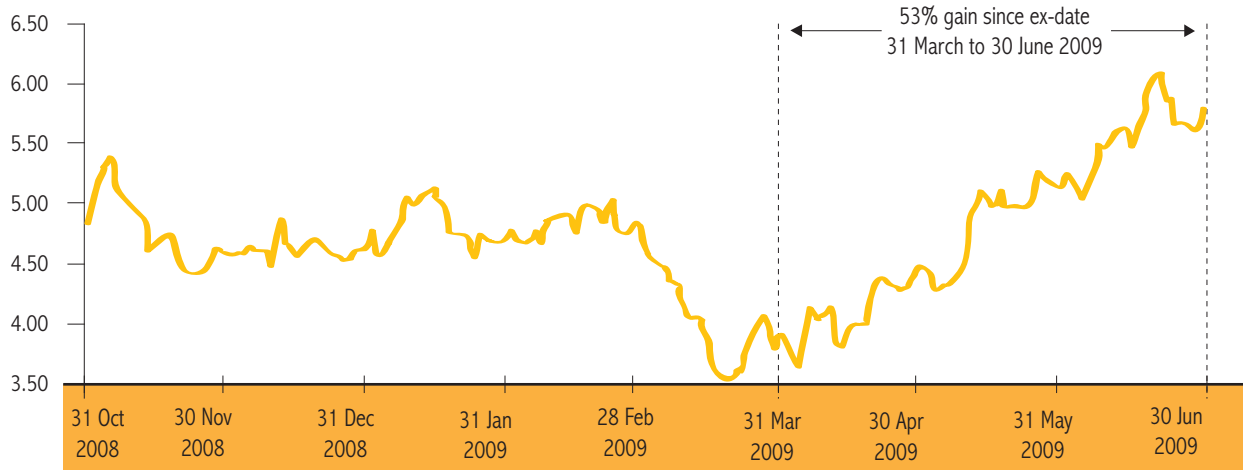
Profit Attributable to Shareholders and Dividend Payout Ratio



Share Price Performance

Share price performance represents a part of return to shareholders. Although Maybank's share price for the year declined by 6.8%, it outperformed the FBM KLCI Index which recorded a loss of 9.4%. The rights issue, which was announced on 27 February 2009, was offered at RM2.74, a discount of 37.2% to the closing price of RM4.36 on 20 March 2009. The deep discount was aimed at enhancing shareholder affordability to participate in the rights issue. Since ex-date to the end of the financial year, shareholders would have seen the value in their shareholdings rise by 53%.

Maybank Share Price (RM)



Economic Profit

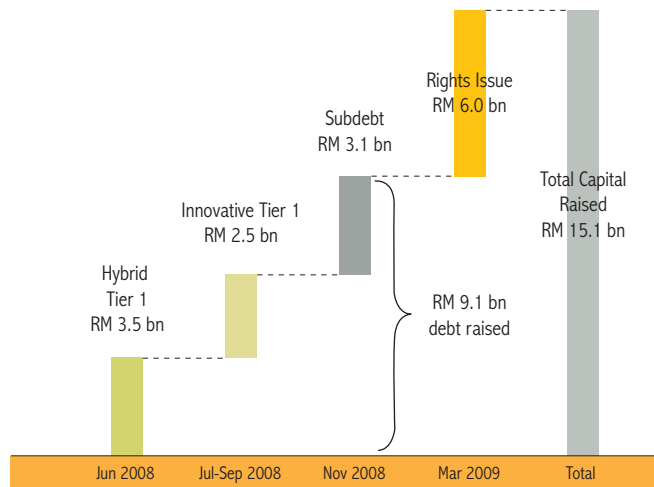
Khazanah Nasional's Transformation Programme for Government-linked Companies (GLCs) is an initiative to develop high-performing entities for the future prosperity of the country. As part of its performance tracking, Maybank has been monitoring the performance of its Economic Profit since 2005. Economic Profit is an important measure of value creation to shareholders by showing a company's return over and above its cost of capital.

Maybank's Economic Profit declined from RM1.096 billion in FY2008 to negative RM1.481 billion in FY2009. This was attributable to significantly lower net profit and higher cost of equity due to the RM6 billion rights issue.

Capital Raising Exercise

Maybank embarked on a capital raising exercise consisting of hybrid securities, subordinated debt and equity since June 2008. The target capital ratios upon completion of the entire capital raising plan was to maintain a Core Capital Ratio at 7%-8% and a Risk Weighted Capital ratio at 11%-12%.

Capital Raising Exercise



By the end of June 2008, Maybank had already issued RM3.5 billion in Hybrid Tier 1 Capital Securities. In FY2009, the Group undertook a series of capital raising exercises commencing with the issuance of SGD600 million in Innovative Tier 1 Capital Securities in July 2008 and subsequently on 25 September 2008, Maybank concluded a domestic issue of RM1.1 billion of Innovative Tier 1 Capital Securities. On 28 November 2008, Maybank had issued a RM3.1 billion Tier 2 Capital Subordinated Term Loan facility.

Up to November 2008, Maybank had issued a total equivalent to RM9.1 billion in hybrid securities and subordinated debt. In order to further enhance its core equity capital ratios, Maybank sought to boost its equity through a RM6 billion 9 for 20 rights issue at RM2.74 per rights share which was announced on 27 February 2009.

The rights issue, which formed part of Maybank's Strategic Transformation Plan, will strengthen the Maybank Group's core business and franchise, further enhance its capital base and put in place an organisational and corporate structure that provides greater strategic, financial and operational flexibility across the Maybank Group.

The RM6 billion rights issue was the largest in Malaysian corporate history and was completed efficiently within nine weeks and was oversubscribed by 128%. The rights issue allowed Maybank to maintain its strong credit rating, weather the economic downturn, provide funding for growth opportunities and lower its cost of capital. Maybank's share price rose 53% from the ex-date up to 30 June 2009, reflecting strong investor confidence.

Credit Rating

FY2009 was a tumultuous year in the international financial scene. The sub-prime crisis in the prior year worsened into a global financial crisis with internationally renowned banking groups such as Lehman Brothers declaring bankruptcy in September 2008. Subsequently a few other large banking institutions around the globe became vulnerable and had to be saved through government intervention and support.

Under the prudent supervision of Bank Negara Malaysia, the domestic banking industry has been spared the brunt of the financial crisis. During the year, Maybank and other Malaysian banks had therefore not been impacted by the threat of rating downgrades which were prevalent elsewhere. Nevertheless, Maybank's capital raising exercise during the financial year was implemented cognisant of the need to exercise greater prudence to ensure a more robust capital structure than would normally be required. This gave confidence for rating agencies to retain Maybank's credit rating from the previous year as the capital adequacy ratio of 14.8% demonstrates that Maybank's balance sheet remains robust despite the large acquisitions and challenging operational environment.

Maybank's credit ratings were maintained throughout the financial year as follows:

Standard and Poor's	A-
Ratings	A-
Moody's Investors Services	A3
RAM Ratings	AAA

The outlook for the long-term credit ratings for Maybank was maintained as Stable throughout the financial year by all four rating agencies. Maybank will continue to adopt prudent capital management practices and remains committed towards maintaining its investment grade credit ratings.

Corporate Information

Board of Directors

Tan Sri Mohamed Basir Ahmad

PSM, JSM, DPCM

Non-Independent Non-Executive Director
(Chairman)

Dato' Sri Abdul Wahid Omar

SSAP, DSAP

Non-Independent Executive Director
(President & CEO)

Datuk Syed Tamim Ansari

Syed Mohamed

PJN

Independent Non-Executive Director

Mr Spencer Lee Tien Chye

(Appointed with effect from 1 December 2008)

Non-Independent Non-Executive Director

Tan Sri Datuk Dr Hadenan A. Jalil

(Appointed with effect from 15 July 2009)

PNBS, PSM, SIMP, JMN, DMSM, KMN, AMN

Independent Non-Executive Director

Dato' Seri Ismail Shahudin

(Appointed with effect from 15 July 2009)

SPMP

Independent Non-Executive Director

Dato' Dr Tan Tat Wai

(Appointed with effect from 15 July 2009)

PhD DMPN

Independent Non-Executive Director

Encik Zainal Abidin Jamal

(Appointed with effect from 22 July 2009)

Non-Independent Non-Executive Director

Mr Alister Maitland

(Appointed with effect from 26 August 2009)

Independent Non-Executive Director

Mr Cheah Teik Seng

(Appointed with effect from 26 August 2009)

Independent Non-Executive Director

Dato' Johan Ariffin

(Appointed with effect from 26 August 2009)

DPTJ

Independent Non-Executive Director

Mr Sreesanthan Eliathamby

(Appointed with effect from 26 August 2009)

Non-Independent Non-Executive Director

Company Secretary

Mohd Nazlan Mohd Ghazali

(LS0008977)

General Counsel & Company Secretary

Registered Office

14th Floor, Menara Maybank

100, Jalan Tun Perak

50050 Kuala Lumpur, Malaysia

Tel : (6)03 2070 8833

Fax : (6)03 2070 8305

(Investor Relations)

: (6)03 2711 3421

(Customer Feedback

Management)

: (6)03 2715 0871

(Maybank Group Customer Care)

: (6)03 2031 0071

(Secretarial Services)

SWIFT : MBBEMYKL

Website : <http://www.maybank2u.com>

E-Mail : publicaffairs@maybank.com.my

Registrar

Malayan Banking Berhad

14th Floor, Menara Maybank

100, Jalan Tun Perak

50050 Kuala Lumpur, Malaysia

Tel : (6)03 2074 7405

Fax : (6)03 2072 0079

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad

(Listed since 17 February 1962)

External Auditors

Messrs. Ernst & Young (AF : 0039)

Chartered Accountants

Level 23A, Menara Milenium

Jalan Damanlela

Pusat Bandar Damansara

50490 Kuala Lumpur

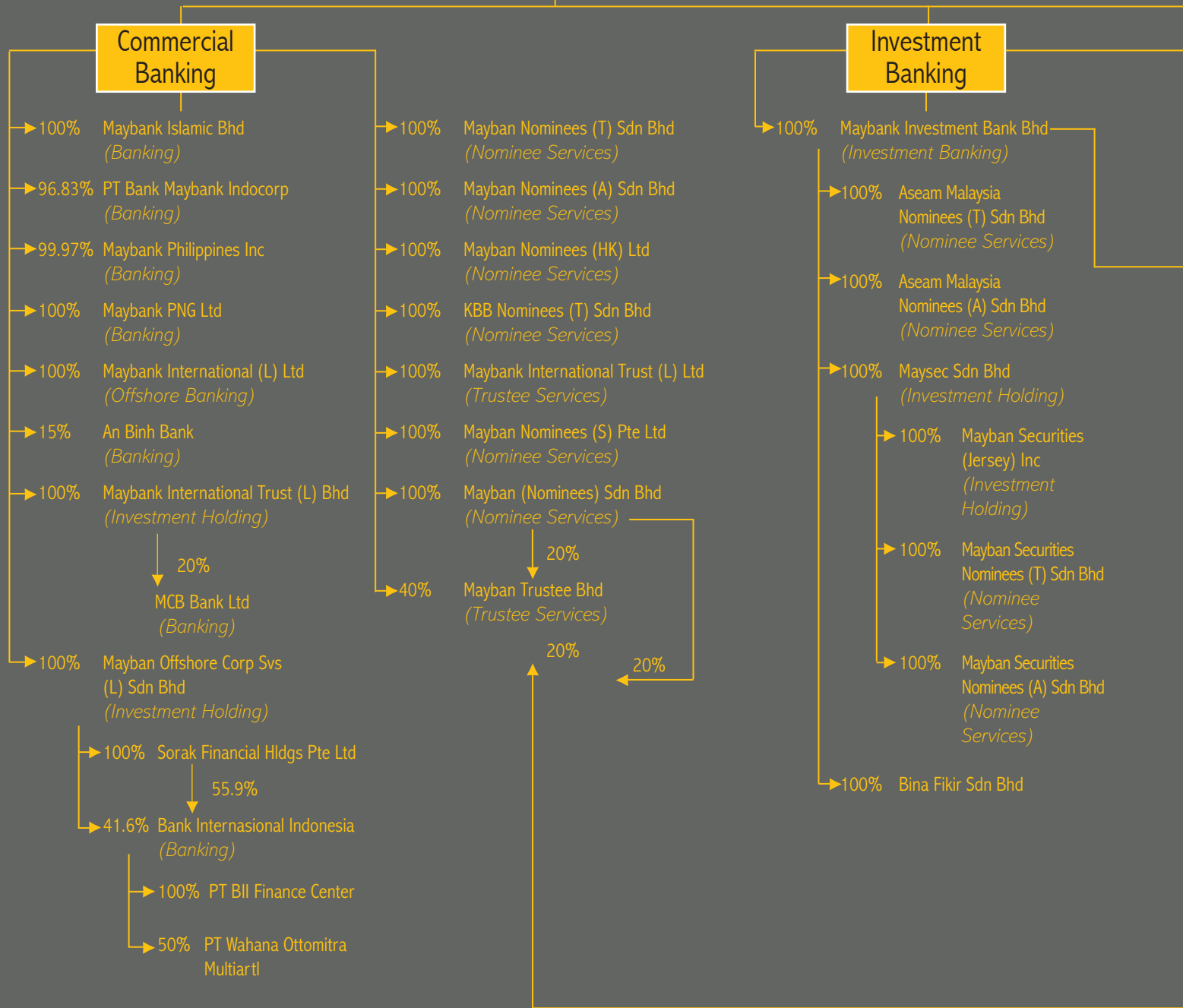
Tel : (6)03 7495 8000

Fax : (6)03 2095 9076/78

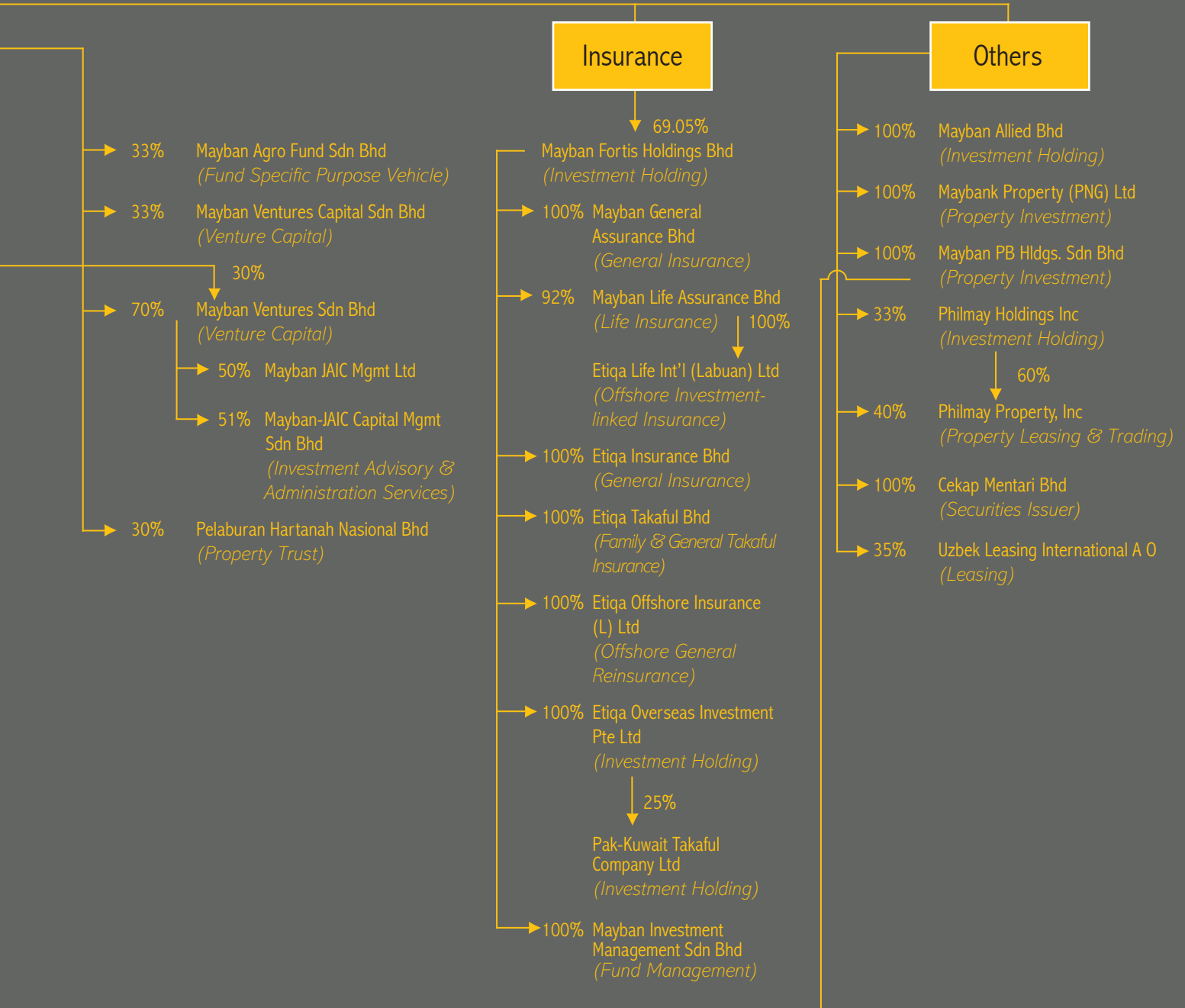
Group Organisation Structure



Group Corporate Structure



Note: • Companies that are dormant, under member's voluntary liquidation, or have ceased operations are not listed in the Group Corporate Structure.
 • The complete list of Maybank subsidiaries is on pages 435 to 441 of this Annual Report.



Corporate Profile



- **Total assets of RM310.7 billion**
- **Total shareholders' funds of RM24.9 billion**
- **More than 39,000 Maybankers serving over eight million customers**

Malaysia's Regional Financial Services Leader

Maybank began operations on 12 September 1960 rising from the spirit of Independence to pave the way for a dynamic change in the country's banking and financial services landscape.

Our founders were visionary in ensuring that Maybank would grow to become a Malaysian icon which would not only excel in the domestic market but also create an impact in the region and beyond.

Towards this end, Maybank has led an aggressive drive to expand its network in order to maximise its reach. At the same time, the Bank has consistently set new benchmarks in our product and service delivery by achieving many firsts in the industry which include the first to introduce a rural credit scheme, mobile banking services, Internet banking and receivable financing on a non-recourse basis.

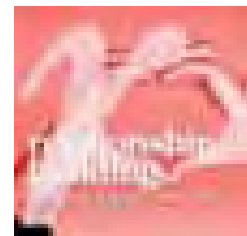
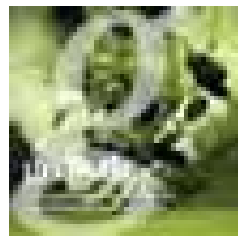
Today, Maybank proudly stands above its peers as Malaysia's flagship financial services group in a vibrant, strong and highly competitive banking and financial services landscape. Total assets of the Group stand at RM310.7 billion and through an extensive network of well-over 1,700 branches and offices in 14 countries throughout the world. We are represented in the major financial centres of London, New York, Hong Kong and Singapore and have correspondent banking relationships with more than 700 foreign banks throughout the world. Maybank through its subsidiary Maybank Islamic is the leading Islamic bank in the Asia Pacific region and among the world's top 10 Islamic financial institutions. The Group employs over 39,000 Maybankers to serve over eight million customers.

The Group's foundation of strength, consistent record of profitability and strong balance sheet is testament to the bank's resilience in all economic cycles through the years.

A Legacy of Growth and Leadership

With close to five decades of growth, Maybank today has clear market leadership and is among the top three in almost all business sectors. Our extensive product and service range includes commercial banking, investment banking, Islamic banking, offshore banking, insurance and takaful, factoring, trustee services, asset management, stock broking, nominee services, venture capital and Internet banking.

Consumer Banking remains one of the Group's primary contributors with a variety of services and products including mortgage and automobile financing, credit and debit cards, bancassurance, wealth management as well as retail and Internet banking.



Corporate and Business Banking, which comprise corporate and commercial segments, caters to public listed companies, multinationals and institutional clients as well as SMEs via a variety of services that include cash management and trade financing.

Maybank Islamic commenced operations in January 2008, taking full advantage of the Group's pioneer status in introducing Islamic Banking services and has today assets of about RM34.7 billion.

The Investment Banking Group spearheaded by Maybank Investment Bank offers a complete range of investment solutions from corporate finance to debt capital markets, equity markets to research and strategic advisory.

The Group's Insurance business under the Etiqa brand 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.

Maybank's foray into the global arena, which started as early as the 1960s, has gained momentum over the years with clear presence in high-growth markets and leadership in the fast-growing Islamic Banking sector.

Maybank has expanded its footprint in Indonesia, Pakistan and Vietnam to complement its presence in Singapore, the Philippines, Brunei Darussalam, Cambodia, Papua New Guinea, Hong Kong SAR, People's Republic of China, Bahrain, Uzbekistan, the United Kingdom and the United States.

The Group has grown in leaps and bounds with strategic acquisitions, smart partnerships, sound management and responsible corporate governance and is now focused on its transformation initiatives to achieve its vision. The Group has set its sights on building further its presence in the global arena to further expand its market share and to achieve its vision of becoming a leading regional financial services group by 2015.

Corporate Responsibility

The Group has over the years placed a priority on being a responsible corporate citizen through various activities, initiatives and programmes, with the primary objective of making a difference in community, environment and human capital.

We have also spared no effort in ensuring that we embrace industry best practices in corporate governance by promoting a culture of excellence, transparency, integrity and accountability in our day to day operations.

Commitment to Success

Being a proud Malaysian flag bearer and an icon in the industry, Maybank is firmly committed to scaling new heights through the process of transformation, in order to deliver greater value to all our stakeholders.

This commitment will continue to be reflected in the way we operate our business, the way we deliver our products and services, and the way in which we engage and interact with Maybankers, partners, associates and other stakeholders.



Corporate Milestones (1960-2009)

1960s	1970s	1980s	1990s	2000-2004
<ul style="list-style-type: none"> Malayan Banking Berhad opened its doors for business in downtown Kuala Lumpur on 12 September 1960. on the then Kuala Lumpur Stock Exchange on 17 February 1962. Within a year, the Bank introduced 30 branches in suburban and rural areas to become the largest locally incorporated bank, within its first six years. Launch of Brunei Darussalam operations in November 1960, the Bank's first overseas unit. Launched operations in Hong Kong and London in 1962. 	<ul style="list-style-type: none"> Introduced the country's first rural credit scheme in 1974. Pioneered mobile bus banking services in Johor in 1976. First Malaysian bank to embark on the computerisation of its banking operations. Contributed to the restoration of the Tugu Negara and the National Library Building Fund. 	<ul style="list-style-type: none"> First Malaysian bank to set up ATM services. Set up New York operations in 1984 Established Balai Seni Maybank, the first art gallery by a financial institution in an effort to support local art talent. Obtained licence from Monetary Authority of Singapore in 1982 to operate Asian dollar market through branches in Singapore. Appointed by the Malaysian Government to lead and manage RM1 billion loan for development expenditure. 	<ul style="list-style-type: none"> Start of Maybank Islamic banking services in 1993. Opened first branch in Cambodia in 1993. Recorded profit of over RM1 billion in 1993. First foray into Papua New Guinea in 1994 with the opening of Maybank PNG. Began operations in Hanoi, Vietnam in 1995. Opening of PT Bank Maybank Indocorp in Indonesia in 1995. Pioneered bancassurance in Malaysia. The largest bancassurer provider in South East Asia. First local bank to introduce telephone banking service with Kawanku Phone Banking. In 1997, profit surged past the RM2 billion mark. 	<ul style="list-style-type: none"> Maybank acquired a stake in Philippines National Bank (PNB)-Republic Bank which was renamed Maybank Philippines Inc. Maybank introduced the first cross-banking transactions to enable Maybank and Mayban Finance customers carry out certain banking transactions at both branches. First desktop banking for corporations in Malaysia and first ticket-less travel convenience for domestic flights on Malaysia Airlines via Maybank's MAS Electronic Ticketing. First bank in Malaysia and South East Asia to offer common ATM and over-the-counter services known as RegionLink service in four Asean countries, namely Malaysia, Singapore, Brunei and the Philippines. First bank in Malaysia to introduce Internet banking services via Maybank2u.com. First Malaysian bank to open a branch in Shanghai, the People's Republic of China. Acquired Pacific Bank and PhileoAllied Bank. Introduced online mobile banking via SMS, and later with M2U Mobile Services using GPRS/3G phones. Maybank was the only Asian bank amongst six foreign banks to be awarded

SEPT 12, 1960



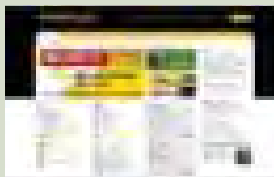
92, High Street, Kuala Lumpur



WISA

2005

- Qualifying Full Bank status by the Monetary Authority of Singapore.
- Maybank launched Mayban Takaful Berhad, the first takaful company owned by a conventional bank in Malaysia.
- Maybank and Mizuho Corporate Bank Ltd, Japan set up a Japan Desk at Maybank.
- First Malaysian bank to open a branch in the Middle East in Bahrain and the only South East Asian bank operating an Offshore Banking Unit in the region.
- Launched Maybank2e.net, its online enterprise portal for businesses.
- The entire operations and business of Mayban Finance were vested into Maybank.



- Mayban Fortis Holdings acquired Malaysia National Insurance (MNI) and Takaful Nasional following the completion of the purchase of MNI Holdings Berhad.
- Established the Sponsored Level-1 American Depository Receipt (ADR) Programme to facilitate the purchase of Maybank shares by investors in the United States.

2006

- Maybank and American Express concluded a Business Transfer Agreement relating to the transfer of American Express' card business in Malaysia to Maybank. The Bank became the sole issuer and manager of the American Express charge card and merchant acquiring businesses in Malaysia.
- Launch of the Maybank Customer Care Centre, the largest call centre set up by a financial institution in Malaysia.
- First financial institution in Malaysia to introduce a one call number 1-300-88-6688.
- Pioneered online electronic share application service for IPOs on Bursa Malaysia via Maybank2u.com.
- Set a new benchmark in the Malaysian financial markets with the 5-year USD350 million term loan facility with 11 global banks.

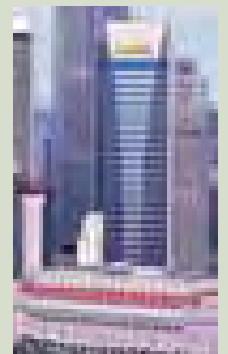
2007

- First Malaysian bank to introduce Floor Plan Facility for automotive distributors in Malaysia.
- Launched Take Cash, the country's first cash withdrawal facility for the chip-based bankcard at retail outlets.
- Introduced the country's first e-commerce portal Maybank2u.com Cyber Mall hosted by a financial institution at Maybank2u.com.
- Partners with Celcom to introduce the M2U Mobile Services, the first ever comprehensive mobile banking service in the country.
- Maybank became Title Sponsor of the Maybank Malaysian Golf Open.
- Maybank's profit surpasses the USD1 billion mark, the first financial institution to set this record.



- Rebranding of the Group's insurance and takaful arm with Etiqa as the brand name for the insurance business of Maybank.
- Maybank and Maxis launched the first complete mobile money service in Malaysia.
- Successful pricing of the world's first Islamic USD300 million Subordinated Bank Capital Sukuk, jointly lead managed by Aseambankers and four other global financial institutions.

- Completed a landmark sale of two tranches of long outstanding corporate non-performing loans (NPLs), the first ever in Malaysia by competitive open auction.
- Voted Malaysia's Most Valuable Brand by 4As (the Association of Accredited Advertising Agents Malaysia) and Interbrands
- Maybank launched the first structured commodity financing solution for business customers.
- MyZone via Maybank2u.com becomes Malaysia's first Internet banking service for the youth customer segment.





2008

- Maybank voted for the second consecutive year as Malaysia's Most Valuable Brand by 4As and Interbrands.
- Maybank Islamic commenced operations as a subsidiary and is the largest Islamic financial services provider in Asia Pacific.
- Launched the country's first Islamic On-shore Foreign Currency Financing (OFCF-i).
- Maybank, in partnership with Visa International launched Malaysia's first dual purpose Bankcard, Maybankard Visa Debit offering domestic and international access to a cardholder's bank account.
- Introduced American Express 'Centurion' line of credit cards in

Malaysia with launch of the American Express Platinum credit card.

- Maybank with Pizza Hut, launched Malaysia's first online order and payment facility using debit or credit cards for pizza delivery via Maybank2u.com.
- Signed agreement to acquire strategic stake in BII, MCB Bank and ABBank, Vietnam.
- Implemented Group-wide performance improvement programme with the introduction of LEAP30.
- New Group vision and operations to strengthen market leadership in Malaysia and the region.

2009

- Maybank partners with Maxis, Nokia and Visa to launch the world's first global commercial service adopting multi-payment Near Field Communication (NFC) services on mobile phones.
- Jointly launched with Permodalan Nasional Berhad the country's first online facility allowing Amanah Saham Bumiputra (ASB) investors the convenience of making additional investments on their ASB account via Maybank2u.com.
- Aseambankers Malaysia Berhad rebranding to Maybank Investment Bank (Maybank IB).

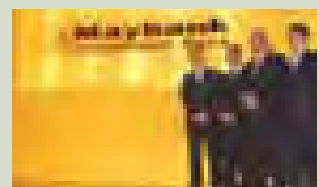
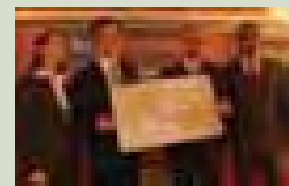
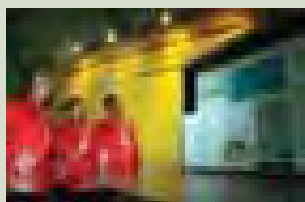
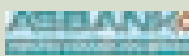
- Maybank IB was the International Co-Manager for the first sovereign issue of global Sukuk for the Government of Indonesia totalling USD650 million issued via Perusahaan Penerbit SBSN Indonesia.
- Successfully completed RM6 billion rights issue, the largest in Malaysian corporate history with the listing of the rights shares on Bursa Malaysia Securities Berhad. Post the rights issue, Maybank is now among the best capitalised banks in Asia.

- Maybank pioneered third party electronic bill presentation in a financial institution website with TNB.
- Offers online top-up service for additional ASB unit trusts via Maybank2u.com.
- Achieved several firsts in product innovation; the Maybank 21st Century Structured Deposit, the first structured capital guarantee deposit in Malaysia to invest in asset classes with a focus on the sustainable sectors; Global Bond Life Plan with cash payouts for the initial 5 years.

- Launch of the American Express Gold credit card offering the lowest revolving interest rate in Malaysia.
- Maybank Islamic launches Foreign Currency Mudharabah-I (FCM-i), the country's first short-term Islamic foreign currency term deposit account based on the principle of Mudharabah.



LEAP30



Media Milestones

Maybank Islamic's Al-Sayf capital protected

Malaysian Reserve, 7 Nov 2008

Maybank wins Islamic banking award

The Star, 21 Nov 2008



Launch of 'all-new, all-you maybank2u.com'

Maybank boost for scholars



New Straits Times, 2 Dec 2008

Maybank to sustain growth of consumer banking

The Star, 16 Oct 2008

Maybank Islamic targets higher share of deposits

New Straits Times, 26 Aug 2009



Maybank-TNB new online bill service

Now you don't pay your electricity bills via Maybank2u.com without having physical possession of the bills. With this service, the actual electricity bill of a customer is made available at Maybank2u.com, and the customer can download and view it before making the payment online. In a statement, Maybank president and chief executive officer, Datuk Seri Abdul Wahid Omar said Maybank2u has a 55 per cent market share of the total internet banking transactions value in the country. Transactions via Maybank2u to TNB amount are about RM25 million a month or about RM250 million a year. With this online bill

New Straits Times, 30 Jan 2009

Taking the Tiger further

Malaysia's most valuable deposit for the second time around has gone through a watershed year as it seeks to become a leading regional player by 2015.



The Edge, 1 Dec 2008

Maybank chief prefers to focus on fundamentals

We're actually entering this recession, or recession, with a strong balance sheet and strong asset quality. Even if our non-performing loans were to deteriorate further, we think we should still be profitable.

New Straits Times, 23 Mar 2009

Maybank hits 1m Visa debit card mark

The Sun, 21 Jan 2009

New bank president

The Star, 21 Mar 2009

Maybank, PNB launch online facility for ASB investments

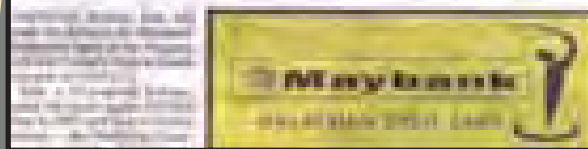


The Edge Financial Daily, 21 Apr 2009

Maybank to help raise safety levels among SMEs

New Straits Times, 14 Apr 2009

Kim headlines Malaysian Open



The Edge, 6 Oct 2008

Aseambankers is now Maybank Investment Bank Bhd

Malaysian Reserve, 16 Jan 2009

Maybank: RM20m to open more branches

New Straits Times, 19 Mar 2009

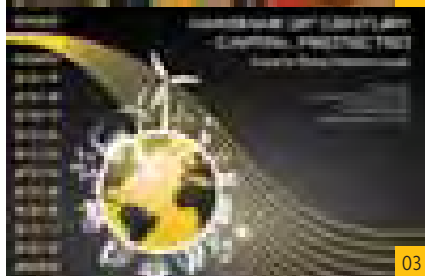
Corporate Calendar



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July 2008

01 Jul 11 Maybank Singapore was one of the three Gold sponsors for the Economic Society of Singapore's Annual Dinner which featured a dialogue session with Minister Mentor Lee Kuan Yew on how Singapore navigated the economic challenges and the importance of a global perspective for future planning.

Jul 20 Maybank Singapore continued its commitment to the financial education of the Malay community through sponsorship of the annual Berita Harian Financial Planning Conference for the seventh year running.

Jul 24 Maybank launched Takaful Al-Waqi, a RM200 million Short Term Single Premium Islamic Investment-linked Plan. The Plan's two year tenure was the shortest term single premium investment-linked Islamic commodities fund in the market.

02 Jul 31 Maybank organised its Annual Treats Fair, the country's largest one-stop redemption fair by a financial institution. The three-day fair at Mid Valley Exhibition Centre Kuala Lumpur was held in conjunction with the Malaysia Mega Sale Carnival. It attracted more than 250 merchants and garnered more than 150,000 visitors, an increase of over 30% in number of visitors compared to 2007.

August 2008

Aug 1 Maybank launched two business financing facilities, namely the SME Assistance Facility and SME Modernisation Facility to assist viable SMEs facing financing difficulties. The RM1.2 billion fund was utilised by February 2009.

Aug 8 Maybank completed its acquisition of a 20% equity interest in MCB Bank Limited of Pakistan for a cash consideration of approximately RM2.24 billion.

03 Aug 13 The Maybank 21st Century Structured Deposit (M21C) was launched. This was the first structured capital guarantee deposit in Malaysia to invest in three asset classes, namely money market, equities and commodities with a focus on sustainable sectors.

04 Aug 15 Maybank Singapore received for the second time, accolades for its series of pro-family and work-life initiatives in the workplace by clinching the Work-Life Excellence Award 2008.

05 Aug 17 Maybank and Utusan Malaysia presented 10 ambulances and a water tank to hospitals in Bengkulu, Sumatra. The contribution was made from the more than RM1 million raised jointly by Maybank and Utusan Malaysia through Maybank channels such as Maybank2u.com and branches to assist earthquake victims in Sumatra.

Aug 19 Aseambankers Malaysia Berhad was lead arranger of a RM300 million Syndicated Term Loan for Ann Joo Integrated Steel Sdn Bhd.

Aug 21 Maybank launched PesonaLady and Takaful PesonaLady, two comprehensive personal accident plans offering wider protection to women in the event of accident or women-related illnesses. The plans were also the first-of-its-kind to provide women coverage for losses from crime-related activities such as kidnapping and abduction, forced ATM withdrawal due to extortion and domestic violence.

06 Aug 25 Maybank Islamic Berhad introduced its Islamic credit card, the Ikhwan Card. The Ikhwan Card is offered in Platinum or Gold and carries either the international cards franchise of VISA International or American Express. With this launch, Maybank Islamic Berhad also became the first bank in the world to issue an Islamic credit card bearing the American Express logo on the American Express network worldwide.

Aug 27 Aseambankers Malaysia Berhad entered into a share sale agreement to purchase BinaFikir Sdn Bhd.

Aug 27 Maybank announced a pre-tax profit of RM4.09 billion and net profit of RM2.93 billion for the financial year ended 30 June 2008. It also announced a final dividend of 20 sen per share less 26% income tax bringing the dividend payout ratio for the year to 60.4% of Group net profit.

Aug 31 Aseambankers Malaysia Berhad was the Principal Adviser/Lead Arranger for the issuance of Maybank's SGD600 million Innovative Tier 1 Capital Securities (SGD IT1CS) under the Innovative Tier 1 Capital Securities Programme of up to RM4 billion and/or its foreign currency equivalent in nominal value (IT1CS Programme).

September 2008

Sept 25 Maybank held its 48th Annual General Meeting at the Grand Ballroom, Shangri-la Hotel, Kuala Lumpur.

Sept 25 Aseambankers Malaysia Berhad was the Principal Adviser/Lead Arranger for the issuance of Maybank's RM1.1 billion Innovative Tier 1 Capital Securities (RM IT1CS) under the Innovative Tier 1 Capital Securities Programme

of up to RM4 billion and/or its Foreign Currency Equivalent in Nominal Value (IT1CS Programme).

Sep 28 Maybank completed its acquisition of a 15% equity stake in An Binh Commercial Joint Stock Bank, Vietnam for a cash consideration of approximately RM327 million.

Sept 30 Maybank completed the acquisition of Sorak Financial Holdings with the conclusion of a supplemental agreement with Fullerton Financial Holdings and Kookmin Bank. Maybank successfully obtained a rebate of RM758.9 million on the total purchase consideration of Bank Internasional Indonesia (BII) which translated into a 15% lower price to the earlier agreed price of Rp510 per BII share. With the acquisition, Maybank held a 55.6% equity interest in BII held by Sorak.

October 2008

07 Oct 15 Maybank introduced a revamped all-new, all-you Maybank2u.com with a host of more personalised and comprehensive account and transaction information. Maybank2u.com is Malaysia's leading Internet banking portal with the largest number of registered users, transaction volume and bill payment facilities.

Oct 23 Maybank sponsored the Business Council for Sustainable Development Malaysia seminar entitled Creating Business Sustainability Through Global Standards - The Survival of SMEs in the Global Supply Chain to promote business sustainability among SMEs.

08 Oct 31 Maybank announced new and redesignated senior management appointments to reinforce the Group's strengths and support the LEAP30 performance improvement programme.



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Oct 31 Maybank Singapore clinched the highest number of Gold and Star Awards at the annual SPRING Singapore's Excellence Service Awards beating nine other participating financial institutions. The Bank won 182 Silver, 91 Gold and 53 Star awards. Candy Lim, Service Manager, Maybank@Ang Mo Kio emerged one of the three Superstar finalists in the Banking and Financial Services sector.

November 2008

Nov 6 Maybank Islamic Berhad launched the Maybank Al-Sayf Structured Islamic Deposit (MAS-i), a three and a half year tenure product providing 100% capital protection on principal investment at maturity, a guaranteed payout at the end of each year plus a potential bonus payout of 3% each year.

01 Nov 10 Maybank launched e-Payment Saman Trafik (e-Payment Traffic Summons) with Polis DiRaja Malaysia, enabling the public to pay their traffic summons with credit or debit cards at police traffic offices nationwide.

Nov 11 Maybank announced a pre-tax profit of RM881.8 million and net profit of RM572.2 million for the three months ended 30 September 2008.

Nov 11 Maybank Singapore was appointed Mandated Lead Arranger and Bookrunner for First Gas Power Corporation's Brownfield Project Financing. Maybank Philippines Inc acted as the Co-Security Trustee in the facility.

Nov 18 Aseambankers Malaysia Berhad jointly lead arranged Chemical Company of Malaysia Berhad's RM500 million Musyarakah Islamic Commercial Papers/Islamic Medium Term Notes Programme.

Nov 19 Maybank together with the Association of Banks in Malaysia organised a roadshow aimed at assisting SMEs during the economic downturn. The first of the series of roadshows entitled Facilitating SMEs Through Challenging Times was held in Penang.

02 Nov 25 Maybank and the National Higher Education Fund Corporation (PTPTN) signed a partnership agreement for the Bank to be PTPTN's agent for the National Education Savings Scheme (SSPN). Prior to this, SSPN accounts could only be opened at PTPTN Counters.

Nov 25 Maybank revised its base lending rate from 6.75% to 6.5% effective 1 December 2008. The base financing rate of Maybank Islamic Berhad was also revised from 6.75% to 6.5%.

December 2008

03 Dec 1 Maybank disbursed more than RM1.8 million scholarship awards to 205 students pursuing undergraduate studies at local universities this year. Of this number, 54 were new recipients. Six Maybank scholars who graduated with First Class honours also received special awards. Maybank also extended its scholarship awards for the first time to students from private universities.

04 Dec 1 Maybankard launched a three-month petrol rebate Cash Back campaign with Caltex.

Dec 2 Maybank completed its acquisition of 97.5% of BII.

Dec 8 Maybank was the first financial institution to announce a special financial relief scheme for customers and employees affected by the Bukit Antarabangsa landslide tragedy in Ulu Klang, Ampang. Customers with consumer, automobile financing, credit cards and business loans were given a deferment of monthly installment payment for up to six months, on a case to case basis as well as assistance for insurance claims.

Dec 16 Maybank Islamic launched its Musharakah Mutanaqisah Term Financing-i (MMTF-i) for corporate and business customers. MMTF-i is a Shariah-compliant financing facility for asset acquisitions as well as for refinancing of landed properties, plant and machinery, vessels and commercial vehicles based on the Islamic principle of Musharakah Mutanaqisah, or diminishing partnership concept.

Dec 23 Maybank Singapore donated SGD20,000 worth of vouchers to help kick-start the new school year for needy children under the care of Lakeside Family Centre. It also organised a party for over 200 children and their families at the centre.

January 2009

Jan 7 Maybank joined the NSTP Group in the NSTP Fund for Gaza fund-raising campaign offering its entire delivery channels of branches,

electronic delivery network, namely, Maybank2u.com, Kawanku phone banking, ATMs as well as cash and deposit machines to enable the public to donate to the Fund. The Bank also initiated a fund-raising campaign among employees which saw over RM122,000 collected for the Maybank Staff Fund for Gaza.

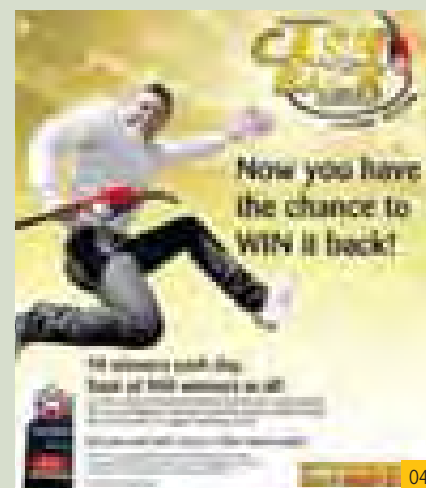
05 Jan 15 Rebranding of Aseambankers Malaysia Berhad to Maybank Investment Bank Berhad. The then Minister of Finance II, Tan Sri Nor Mohamed Yakcop officially unveiled the new corporate name and identity in Kuala Lumpur.

06 Jan 20 Maybank received a certificate of recognition from Visa International for its achievement in issuing 1 million Maybankard Visa Debit cards well ahead of the Bank's projected timeframe to achieve this target a year after launch in March 2008.

Jan 23 Maybank announced a reduction of its base lending rate from 6.5% to 5.95% and the base financing rate of Maybank Islamic Berhad from 6.5% to 5.95% effective 3 February 2009.

Jan 23 Maybank opened its third branch in Cambodia, at Mao Tse Toung Boulevard, Phnom Penh's busiest commercial street.

07 Jan 29 Maybank and Tenaga Nasional Berhad introduced Malaysia's first online bill presentation service available on an Internet banking portal, via Maybank2u.com. With this service, Maybank2u.com customers can view their electricity bills online and make immediate payments via Maybank2u.com without the need for the physical electricity bill.



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February 2009

Feb 3 Maybank launched a RM2 billion SME Assistance Guarantee Scheme (SAGS) to provide financing to viable SMEs adversely impacted by the current economic slowdown. SAGS is one of the Group's programmes to ensure business sustainability and growth for the SME sector.

01 Feb 12 Maybank was the Title Sponsor for the fourth consecutive year of the Maybank Malaysian Open 2009 which was held from 12 to 15 February 2009 at the Saujana Golf & Country Club, Shah Alam. Over 200 players, including some of the world's best golfers from the European and Asian Tours competed in one of the most prestigious golf tournaments in the region.

Feb 13 Maybank@Jurong Point Branch's official opening marked the start of the bank's localised Corporate Social Responsibility programme which aims to make a difference in the community where its branches are located. To kick-start the programme, Maybank Singapore staff hand-made 5,000 roses from recycled paper and raised SGD5,000 for needy students of Hua Yi Secondary School.

02 Feb 20 Etiqa Takaful Berhad and Angkatan Koperasi Kebangsaan Malaysia officially launched the Skim Tabarru Koperasi, a new group takaful protection scheme that caters specifically for all cooperative members, with low yearly premium to help all levels of cooperative members in the country to get takaful protection.

Feb 23 Maybank launched the Save Big & Win Big deposit campaign to encourage savings as well as reward customers for their loyalty. The campaign which ran for six months offered total prize money worth RM180,000 including a trip around the world for two as the Grand Prize.

Feb 26 Maybank announced a reduction of its base lending rate from 5.95% to 5.55% effective 2 March 2009. The base financing rate of Maybank Islamic Berhad was similarly revised downwards from 5.95% to 5.55% effective the same date.

03 Feb 26 Maybank, Singapore Airlines and American Express launched the Singapore Airlines KrisFlyer American Express® Gold Credit Card, the first co-brand card between a card issuer and the airline in Malaysia. The new card offers Malaysia's best frequent flyer miles programme to date, the best earn rate for airline miles in Malaysia as well as the most attractive savings for redeeming these miles for flights.

Feb 27 Maybank Group posted a profit before tax of RM1.84 billion and a net profit of RM1.31 billion for the half year ended 31 December 2009. The Group also announced a proposed rights issue of up to RM6 billion as a key component of its strategic transformation plan to strengthen capital and strongly position the Group for future growth and greater market leadership.

March 2009

Mar 3 Maybank held an Extraordinary General Meeting in relation to its proposed rights issue.

Mar 3 Maybank Singapore was appointed as Mandated Lead Arranger and Bookrunner for Fraser & Neave Treasury Pte Ltd's Syndicated Term Loan Facility.

04 Mar 19 Maybank officially opened a new branch and private banking centre in Puchong. The event was jointly officiated by Lim Hong Tat, Head of Consumer Banking, Maybank and Tan Sri Dato' Lee Shin Cheng, Executive Chairman, IOI Group. This is the fourth branch in Puchong to serve the growing community in Bandar Puteri Puchong.

05 Mar 20 BII unveiled its new corporate identity to reflect the integration of Maybank and BII. The new logo reflects the synergy, combined expertise and the complementary strengths of BII and Maybank.

Mar 25 Maybank became the first financial institution in Singapore to achieve triple certification for Business Excellence. The Bank was accorded certification for the Singapore Quality Class, Service Class and People Developer.

Mar 28 In support of Earth Hour, Maybank turned off the facade lights of Menara Maybank, Dataran Maybank and Maybank Tower in Singapore to assist in promoting public awareness on the impact of global warming.

April 2009

Apr 3 The Maybank Autocall Structured Deposit was launched offering a dynamic investment opportunity to investors in Malaysia to benefit from China's economic recovery. This seven-year tenure product with a possibility of autocall (early termination) from the second year onwards offers a 5% p.a. guaranteed coupon payout at the end of the first year, with potential coupon payout increases of 6% p.a. from the second year onwards. It provides 100% capital protection when held until maturity or autocall date.

06 Apr 7 The Bank launched its GUEST & Telephone Etiquette campaign to promote service excellence at all customer touch points as well as to enhance process improvement and strengthen our service culture.

Apr 9 Maybank was one of the partners with Maxis, Nokia and Visa to launch a Contactless Mobile Payment Service, Maxis FastTap in Malaysia. Malaysia was the first in the world to enjoy multi-payment Near Field Communication (NFC) services on mobile phones. Maxis FastTap was the first global commercial service to intergrate multiple NFC applications for contactless credit card payment (in collaboration with Maybank and Visa) and Touch 'n Go electronic payment for transit, toll and parking payment on the same device.



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Corporate Calendar



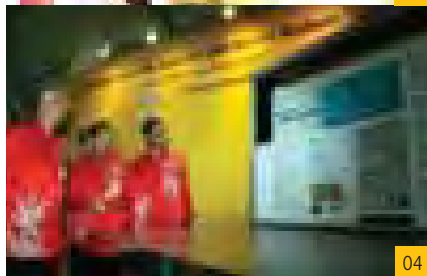
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01 Apr 13 Maybank became the first financial institution in Malaysia to embark on an Occupational Safety & Health Mentorship programme with an SME, namely Usaha Sama Security Sdn Bhd. The year-long mentorship programme is part of the Federal Territory Department of Occupational Safety & Health Mentor-Mentee and Good Neighbourhood programme with SMEs aimed at increasing the level of occupational safety and health for the SME sector with the support of key corporations.

02 Apr 18 Maybank Group was the Premium Sponsor of Permodalan Nasional Berhad's Minggu Saham Amanah Malaysia (MSAM), the nation's premier unit trust investment fair in Johor Bahru. Maybank has been a partner of MSAM for 10 years. The Bank's participation is part of its corporate social responsibility programme to help educate consumers on savings and investing for the future.

03 Apr 19 In conjunction with Earth month, 80 staff from Maybank Singapore turned energy auditors and dispensed energy-saving tips to over 1000 households in the vicinity of Maybank@Yishun. This was part of Maybank Singapore's localised corporate social responsibility commitment.

04 Apr 20 Maybank and Permodalan Nasional Berhad (PNB) jointly launched Malaysia's first online facility allowing Amanah Saham Bumiputra (ASB) investors the convenience of making additional investments on their ASB account via Maybank2u.com.

Apr 23 Maybank IB was appointed as the International Co-Manager for the first sovereign issue of global Sukuk for the Government of Indonesia. The maiden Sukuk transaction

amounting to USD650 million was issued via Perusahaan Penerbit SBSN Indonesia I.

Apr 27 Maybank, American Express and AirAsia announced the acceptance of American Express Cards for AirAsia bookings via the airline's website, Call Centres and sales counters. American Express Cardmembers worldwide may purchase tickets from any origin to any destination using AirAsia Malaysia, Singapore and Thailand websites. Acceptance of American Express cards at Market websites for Australia, India, Bangladesh, Cambodia, Laos, Myanmar and Vietnam will be enabled through stages.

Apr 30 Maybank successfully completed its RM6 billion rights issue with the listing of the rights shares on Bursa Malaysia Securities Berhad. The rights issue, which raised approximately RM6.018 billion, was the largest in Malaysian corporate history and was over-subscribed with a subscription rate of 128%. It resulted in Maybank being among the best capitalised banks in Asia.

May 2009

05 May 1 Maybank received the Ministry of Human Resources, Malaysia Caring Employer Award' from the Prime Minister YAB Dato Seri Najib Tun Razak during the National Workers' Day Celebration in recognition of the Bank creating an ideal work place as well as caring for the welfare of employees.

May 5 The Bank's Enterprise Trade Finance System was implemented to enable customers to submit their trade finance application to submit their trade finance application transactions to the Bank and communicate with the Bank on the transactions online via Maybank2e.net.

06 May 18 Maybank Islamic launched Foreign Currency Mudharabah-i (FCM-i), the first short-term Islamic foreign currency term deposit account based on the principle of Mudharabah. It also concurrently introduced Profit Now Account-i (PNA-i), a Shariah-compliant term deposit account which has a fixed return feature and pays upfront dividend upon placement of investment.

May 20 Two new accounts for senior citizens were launched - Golden Savers Account and Golden Savers Account-i, designed to meet the financial needs of people aged 50 and above as well as, retirees or those who are planning for early retirement.

May 21 Maybank recorded a pre-tax profit of RM2.50 billion of RM1.81 billion net profit for the nine months ended 31 March 2009.

07 May 30 Maybank Wealth Management hosted an Investment Forum with the theme "Beyond the Global Crisis" in Kuala Lumpur. The Forum focused on latest developments of the global financial crisis and offered expert views on investment opportunities in challenging times. More than 500 high net worth clients attended the Forum.

June 2009

June 3 Maybank Singapore launched a new credit card rewards programme for all its credit cardmembers. Maybank also became the first bank in Singapore to give cardmembers the flexibility of earning cash rebates or more loyalty points.

June 8 Etiqa and Standard Chartered launched Global Bond Life Plan, the first-of-its-kind in the market, providing cash payouts for the initial five years, and a regular income stream for investors in the short term.

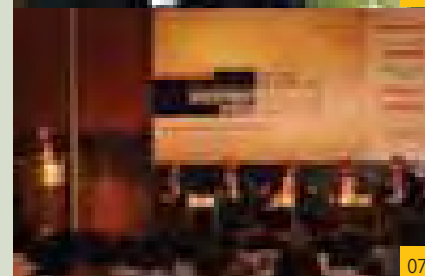
08 June 15 Maybank opened its fourth branch in Cambodia located in Siem Reap, home of the world renowned Angkor UNESCO World Heritage Site. H.E. Sok Leakhena, Deputy Governor of Siem Reap Province officiated at the launch.

09 June 18 Maybank and American Express launched the American Express® Gold Credit Card, the first credit card in Malaysia to offer the lowest revolving interest rate among all cards in Malaysia at 9% per annum, with a special introductory offer of zero percent finance charge until end December 2009. It comes with a lifetime annual fee waiver and offers up to five times membership rewards points for every Ringgit spent.

June 19 Maybank Wealth Management hosted an Investment Forum themed Beyond the Global Crisis in Kota Kinabalu. More than 500 high net worth clients attended the Forum.



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Customer Experience

Maybank has adopted best practices that will propel us to set the benchmark for customer care.



Maybank's commitment to product and service excellence is complemented in equal measure by the Group's quest to deliver unsurpassed customer experience.

With this in mind, Maybank has adopted best practices that will set the benchmark for customer care. The foundation of this model is premised on Maybank Group's three Ps of People, Products and Processes, which must be well aligned for the Group to achieve excellence in customer experience.

The LEAP30 Transformation initiatives continue to reinforce a strong service-oriented culture in the Group based on embracing the Group Core Values to improve customer retention and increase customer acquisition.

Structuring Customer Experience

Maybank has put in place a formal structure solely responsible for the continued improvement in customer service standards. For the consumer business sector, we have established three cluster teams tasked to review and analyse customer service gaps and recommend solutions.

The People Cluster Team focuses on hiring and training front-liners while initiating customer service programmes. The team also oversees complaint resolution and customer recovery.

The Products Cluster Team reviews Maybank's product range to determine how well each product is received by customers. Through strategic focus group sessions, we can better understand and tailor our products to effectively and efficiently meet customer needs.

The Processes Cluster Team is responsible for streamlining processes to shorten lead time in developing, approving and launching new products. The team also identifies key areas where customers are not being efficiently served and recommends the necessary improvements.

The Group has set up Customer Feedback Management units in its various business entities for complaints resolution and to improve process and operational efficiency as well as customer relationship management (CRM).

For corporate customers, the new Corporate Banking sector remained focused on being the one-stop financial services provider adopting a holistic client coverage model for effective cross-selling of Group product offerings. Three business groups have been created with an experienced pool of portfolio managers to handle Government-linked companies, public-listed Malaysian corporates and multinational corporations.

Etiqa has implemented its Business & Marketing Strategy Plan supported by its CRM strategy that covers strategic areas, namely customer focus, customer segmentation model, IT enhancements and the CRM and Database Management team. The CRM Unit will become the Customer Knowledge Centre to support marketing and sales sectors. Its CRM plan adopts a customer-centric focus where its programmes are aligned with the Etiqa brand of humanising insurance and putting people above policies.

In Singapore, the Management put in place a business excellence framework worthy of certification at a national level. Maybank Singapore has achieved triple certification in Singapore Quality Class, Service Class and People Developer in April 2009, earning it the first in the banking industry in Singapore to achieve triple certification for business excellence.

BII manages and monitors service excellence by adopting a Branch Monitoring scorecard, implementing SLAs for service turnaround time, customer waiting time and processes which have impact to customers. As a result of these service initiatives, BII was awarded with several top honours in banking services and customer satisfaction.

In the Philippines, Service Quality teams monitor customer service and have introduced enhanced programmes and initiatives aligned to the Group's core values. Maybank Philippines is the first bank in the Philippines to be awarded the ISO9001:2000 Certification for its Customer Complaint Management and Customer Recovery System.

The Group's call centres in Malaysia, Singapore, Indonesia and the Philippines are important contact

points to service its more than eight million customers. These centres serve as important first point contacts for different customer segments from retail to cards, insurance to investments as well as corporate and business clients.

The call centres are also changing their role from inbound centres to providing outbound telemarketing activities. Maybank has revamped its Interactive Voice Recognition (IVR) system at its call centre to provide quicker self-guided access, while Etiqa, in keeping with its brand promise of humanising insurance, has replaced its IVR with a human interface.

Service Quality Initiatives

In an effort to reinforce our service quality standards and continuously promote service excellence, the Maybank Group implements various programmes such as customer sales and service training programmes, service standards monitoring, and customer surveys. Some of these initiatives have earned the Group recognition and awards for customer service.

The Bank has on-going programmes to ensure its customer relationship personnel receive the right skills and training, acquire professional certifications and qualifications as well as adhere to risk management policies to match the right kind of service and financial solutions to their needs.

During the year, the Bank continued to reinforce its GUEST (Greet, Understand, Eye Contact, Smile, Thank) & Telephone Etiquette programme. The programme, introduced in 2008, was inspired by the Malaysian sense of hospitality. The Group believes that Maybank customers must be treated the same way as guests in our homes. Since its introduction, this service culture is being expanded across all sectors, among employees and customer touchpoints. The programmes have contributed to raising service quality standards, contributing to better process improvement and service quality to customers. These two programmes have been implemented in Maybank Philippines since 2004.

In Malaysia, we have developed lending templates to cater to the SME segment to reduce turnaround time in loan processing. Loan processing is now automated at business centres. Additionally, we have increased customer touchpoints via Maybank2e.net's InfoBasic and InfoActiv information management modules dedicated to SMEs.

Paying Attention to Our Customers

In Maybank, we believe in listening to our customers. This ensures that we can fully understand their needs and tailor the right financial solution for our customers.

Based on this principle, Maybank has adopted the Voice of the Customer (VOC) as part of our Customer Experience model. Structured VOC includes market research initiatives such as focus groups, interviews and mystery shopping activities as well as customer surveys. Non-structured VOC includes unplanned customer feedback including phone calls, emails and feedback from employees based on their interaction with customers.

This model is also adopted across the Group. For instance, BII's Service Excellence programme measures branches through a branch monitoring score card in addition to monitoring Service Level Agreements for service time and project improvement. It has made considerable improvements on complaint handling processes and was ranked Top 2 in the Banking Service Excellence Monitor Award by MRI and Info bank, Top 3 for Customer Satisfaction Index by ISMS and Info Bank, and Top 3 for Call Centre Service Excellence Index Award for Credit Card customer by Carre-CCSL. In Maybank Philippines, an annual comprehensive quantitative survey is undertaken for customers to rate the overall perception of branches and their service delivery. The findings serve as the baseline for the branch performance indicator.

In reinforcing the Bank's commitment to convenience and seamless experience, the Bank's rewards campaigns are made simple to participate. Customers are automatically eligible for rewards when undertaking ordinary banking

or lifestyle activities such as using the Bank's cards or online banking channel for payments or opening a bank account.

The Bank continued to form smart partnerships with business associates such as property developers and third party fund managers to offer specialised products for different customer segments. Such partnerships enabled us to build invaluable links and promote a win-win relationship with them.

During the year, Maybank was the first financial institution to announce a package to assist customers affected by floods, victims of the Bukit Antarabangsa landslide tragedy as well as those affected by the economic downturn arising from the world financial crisis including small and medium enterprises and corporates. While the Bank's assistance reflects its strong corporate responsibility in providing relief such as deferment of payments and restructuring of repayments, it also demonstrates the Bank's commitment to be a caring partner.

Customer Experience & Technology

The Group places high priority to ensure that the right technology is used to enhance customer experience. We believe that technology offers unparalleled access, speed and convenience, not to mention greater security. Nevertheless, we are mindful not to lose the element of a personal touch in our pursuit of online banking excellence.

Currently, Maybank is the established market leader in online banking in Malaysia, with the largest user base of 3.8 million customers and the highest number of web-based product offerings online. Our leadership role in this category was further solidified when Maybank2u.com was voted as the Best Brand for Banking Online and was awarded the Brand Laureate Award by the Asia Pacific Brands Foundation.

The Group intends to leverage on its strengths in virtual banking to create a comprehensive range of end-to-end

financial solutions. In the near future, the entire spectrum of Maybank customers can have the option to conduct their banking either via Maybank2u.com or through our Call Centre.

The Bank leverages on its leadership in electronic channels to deliver a range of services via the largest electronic network of more than 4,568 self-service terminals. During the year, 13 new branches were opened, each with a dedicated e-KawanKu Service Zone offering an array of electronic self-service terminals including ATMs as well as cash and cheque deposit machines. In addition, 91 off-bank ATMs were also installed at locations such as petrol outlets and shopping malls to serve the community.

In its overseas offices, new branches were opened in Cambodia and Vietnam providing ATM facilities to enable the Group enlarge its regional link. In line with the Bank's regional strategy, the plan to link our ATM network and over-the-counter transactions across the region

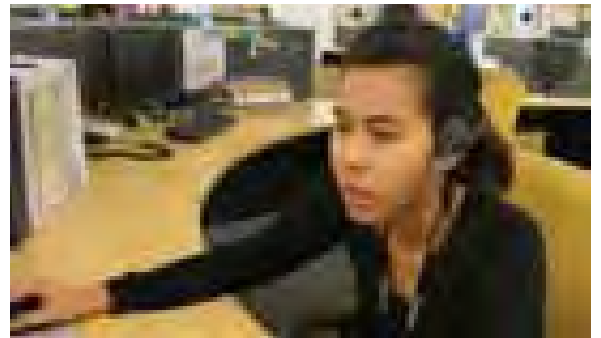
for seamless connectivity and access are underway particularly in Indonesia, Singapore and Malaysia.

Enhancing Relationships

Building long-term and meaningful relationships with our customers is key to our success. To achieve this, we have implemented a Customer Segmentation model which allows a one-to-one marketing approach based on customer needs.

The CRM strategies have also enabled Maybank to deliver targeted marketing messages to selected consumer segments in our database. This provides for a more direct and efficient marketing strategy.

With our transformation journey well underway, the Group's CRM approach will be focused on acquiring new customers while retaining and expanding our business with existing customers. Our ultimate aim is to ensure that our customers will experience a consistent banking experience across all channels as well as in regions where we operate.



Regional Leadership

Among Top 5 Banks in
South East Asia by Asset Size

Growing Presence in Key
Emerging Economies

Strengthening Capabilities to
Capitalise on Growth Opportunities



Innovation & Leadership

Malaysia's banking icon has been making waves since its inception in 1960. Over the years, Maybank has achieved many milestone moments, all of which support our vision of becoming a leading regional financial services group by 2015.



Malaysia's Most Valuable Brands '08

- 🏆 Largest financial services provider in Malaysia
- 🏆 No.1 bank in Malaysia by assets and reach
- 🏆 Largest banking network in Malaysia with 386 branches, 17 trade finance centres, 39 business centres, 37 share investment centres and 22 private banking centres
- 🏆 No.1 Islamic bank in Malaysia by assets
- 🏆 No.1 Islamic financial services provider in Asia Pacific
- 🏆 Largest rights issue of RM6 billion in Malaysia
- 🏆 First in Malaysia to embark on an Occupational Safety & Health Mentorship programme with SMEs in 2009
- 🏆 First to launch online facility for making additional investments in ASB units with PNB
- 🏆 Malaysia's Most Valuable Brand in 2008 & 2007
- 🏆 First to launch Malaysia's dual purpose Bankcard in partnership with Visa International in 2008
- 🏆 First to launch complete mobile money service in Malaysia with Maxis in 2007
- 🏆 First to introduce the structured commodity financing solution for business customers in 2007

- 🕒 First to offer online mobile banking via SMS followed by M2U Mobile Services using GPRS/3G phones in 2006
- 🕒 First bank at a petrol station in 2004
- 🕒 First to launch Malaysia's Internet banking kiosk, Maybank2u.com Internet Kiosk in 2003
- 🕒 First Malaysian bank to open a branch in Shanghai, People's Republic of China in 2000
- 🕒 First in Malaysia and South East Asia to offer common ATM and over-the-counter services in Malaysia, Singapore, Brunei and the Philippines in 2000
- 🕒 Pioneer in Internet banking services in Malaysia in 2000
- 🕒 First to introduce View & Pay service in Malaysia using credit card and direct debit via Internet with Mesiniaga Bhd in 2000
- 🕒 First to offer the convenience of ticket-less travel for domestic flights on MAS through MAS Electronic Ticketing (MASET) in 1997
- 🕒 Pioneer in bancassurance and first to introduce the class of products in March 1996
- 🕒 First to set up ATMs in Malaysia in 1981
- 🕒 Pioneer in computerisation of banking operations in Malaysia in 1979
- 🕒 First to launch tele-banking service in 1979
- 🕒 First to introduce mobile banking services in 1976
- 🕒 First to introduce the rural credit scheme in 1974



Awards & Recognition

Maybank is recognised for making waves in the banking and financial services industry locally and internationally.

2009

FinanceAsia.com

- Finance Asia Country Awards
 - o Best Cash Management Bank
 - o Best Trade Finance Bank

Euromoney

- Euromoney Awards
 - o Best Local Bank - Malaysia
 - o Best Private Banking Services Overall – Malaysia

ASSET TRIPLE A AWARDS 2009

- The Asset Triple A Award
 - o Best Cash Management Bank in Malaysia
- The Asset Triple A Award. Islamic Finance Award (Maybank Investment Bank)
 - o Most Innovative Islamic Finance Deals
 - WCT Engineering Berhad RM300 million Sukuk Musyarakah with warrants
 - o Best Innovative Islamic finance deals
 - Cagamas RM2 billion Sukuk Commodity Murabahah

Global Finance

- Global Finance
 - o Best Foreign Exchange Bank in Malaysia
 - o Best Trade Finance Provider in Malaysia
 - o Best Sub-Custodian Bank in Malaysia

International Takaful Award

- International Takaful Award 2009 (Etiqa Takaful Berhad)
 - o Best Banca Takaful Award





- Investor Magazine (Maybank Indocorp)
 - o Best Bank for asset size Rp1 trillion - Rp10 trillion category



- Ministry of Human Resources, Malaysia
 - o Caring Employer Award - Winner



- Asiamoney Private Banking Poll
 - o Overall Best Domestic Private Bank in Malaysia (Asset under management of USD1 million and above)



- Trade Finance Magazine Awards for Excellence
 - o Best Local Trade Bank in Malaysia
 - o Best Islamic Trade Bank in Asia (Maybank Islamic Berhad)



- Reader's Digest Trusted Brand Award
 - o Bank - Gold Award
 - o Credit Card Issuing Bank - Gold Award
 - o Islamic Financial services - Gold Award (Maybank Islamic Berhad)



- RAM Lead Managers Award (Maybank Investment Bank)
 - o Issue Value (2008) - 1st position
 - o Number of Deals (2008) - 3rd position
- RAM Lead Managers Islamic Award (Maybank Investment Bank)
 - o Number of Deals (2008) - 3rd position
 - o Issue Value (2008) - 2nd position



- Carre (Center for Customer Satisfaction & Loyalty) Call Center Award
 - o Service Excellence for Credit Card Customers (BII)
- Marketing Magazine and Carre - Center for Customer Satisfaction and Loyalty Service Quality Award
 - o Gold Award (BII)



- Indonesian Institute for Corporate Directorship, Centre for International Private Enterprise Washington, DC and Business Review Magazine. Good Corporate Governance Award (BII)
 - o The Best Individual Indicators Responsibility of the Board

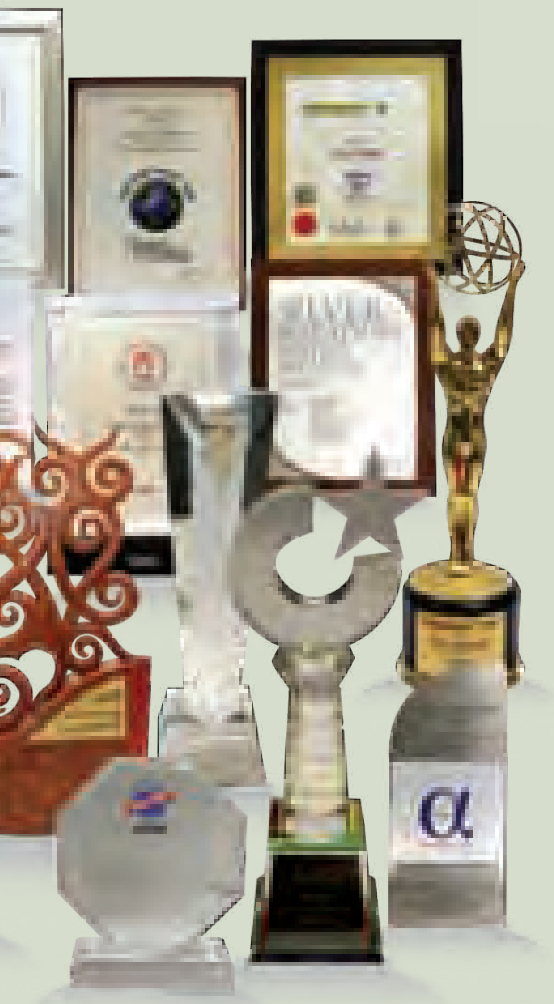


- SWA Magazine and Stern Stewart & Co. (100 Public Companies Rank in the SWA 100 2009). Indonesia Best Wealth Creators Award (BII)
 - o One of the Best Public Companies Based On WAI™ (Wealth Added Index) Method



- Infobank and MRI Awards (BII)
 - o Best Banking Service Excellence Monitor Award – 2nd Placing
 - o Best ATM – 3rd Placing
 - o Best Phone Handling, Phone Banking Machine - 2nd Placing
 - o The Best Phone Banking Officer

- Infobank Magazine Golden Trophy 2009 (BII)
 - o “Very Good” Financial Performance 2004-2008



2008

- Alpha Southeast Asia
 - o Best Merger & Acquisition (M&A) Deal in South-East Asia
 - o Best Trade Finance in Malaysia
 - o Best Cash Management in Malaysia
 - o Best Financial Supply Chain Bank in Malaysia
- Global Finance
 - o Best Bank in Malaysia
 - o Best Trade Finance Bank in Malaysia
 - o Best Foreign Exchange Bank in Malaysia
 - o Best Sub-Custodian Bank in Malaysia
- 2008 Asiamoney Polls
 - o Best Local Currency Cash Management Services
- Finance Asia Country Awards for Achievement
 - o Best Cash Management Bank
 - o Best Trade Finance Bank
 - o Best Foreign Exchange Bank
- Trade Finance Magazine
 - o Best Local Trade Bank in Malaysia
- The Asset Triple A Transactional Banking Awards
 - o Best Cash Management Bank for Malaysia
 - o Best Trade Finance Bank for Malaysia
- Asian Banker Excellence in Retail Financial Services Award
 - o Excellence in Automobile Lending in the Asia Pacific, Gulf Region and Central Asia Asiamoney
- Asiamoney
 - o Best Domestic Provider for Structured Currency Products, Malaysia
 - o Best Local Currency Cash Management Services, Malaysian Ringgit
 - o Best Local Cash Management Bank, Malaysia as voted by small and medium corporates
- Reader's Digest Trusted Brands
 - o Bank - Gold Award
 - o Credit Card Issuing Bank - Gold Award
- CGC Top SMI Supporter Award
- Asia Pacific Brands Foundation The BrandLaureate Awards
 - o Best Brands in Premium Payment Cards (American Express)
 - o Best Brands in Services. Insurance and Takaful (Etiqa)
- Lafferty Asia Bank Corporate Reporting Awards
 - o Best Annual Report - Malaysia
- Association of Accredited Advertising Agents Malaysia / Interbrand
 - o Malaysia's Most Valuable Brands 2008 (Top placing)
- Asia Pacific Brands Foundation The BrandLaureate Awards (Maybank2u.com)
 - o Best Brands - Banking Online
- Contact Centre Association Malaysia. National Gold Award (Maybank2u.com)
 - o Best In-House Contact Centre (Over 50 seats)
 - o Best Mystery Call Shopper Excellence Award
- Euromoney Islamic Bank Award (Maybank Investment Bank)
 - o Best Sukuk Deal
- KLIFF Islamic Finance Awards
 - o Most Outstanding Islamic Retail Banking (Maybank Islamic Berhad)
 - o Most Outstanding Takaful Company (Etiqa Takaful)
- International Takaful Award 2008 (Etiqa Takaful)
 - o Best Takaful Marketing
- Islamic Finance News Awards 2008
 - o Most Innovative Deal of the Year – WCT Berhad RM300.0 million Islamic Serial Redeemable Sukuk with Detachable Warrants
- Association of Accredited Advertising Agents Malaysia / Interbrand
 - o Malaysia's Most Valuable Brands 2007 (Top placing)
- Prime Minister's CSR Awards 2007
 - o Outstanding Work in Best Workplace Practices (Honourable Mention)
- Asiamoney Cash Management Poll 2007
 - o Best Local Currency Cash Management Services (By Currency) – Malaysia: MYR
 - o Best Local Cash Management Bank in Malaysia as voted by Small-Sized and Medium-Sized Corporates
- Malaysian Business
 - o Corporate Governance Award 2006 – CSR Award Winner
 - o Corporate Governance Award - Merit Award
- The Asset Triple A Award
 - o Best Cash Management Bank in Malaysia
- Global Finance
 - o Best Trade Finance in Malaysia
- Global Custodian Magazine
 - o "Top Rated" Cross Border and "Commended" Domestic under the Emerging Markets Agent Bank Review
- CGC Top SMI Supporter Award
- National Council for Occupational Safety and Health Award
 - o Finance, Real Estate & Insurance Sector Award
 - o OSH Excellence Award
- Reader's Digest Trusted Brand Gold Award
- Best @ Show Awards – Malaysian e-Banking Awards '07 (Maybank2u.com)
 - o Best e-Banking Leader & Best e-Payment Channel
- Malaysian Rating Corporation Berhad
 - o Islamic Bonds Issue Count – 1st Place
 - o Islamic Bonds Issue Value – 3rd Place
- RAM Lead Manager Awards – Islamic (Maybank Investment Bank)
 - o Number of Deals – 2nd Place
 - o Issue Value – 3rd Place

2007

- Alpha Southeast Asia
 - o Best Trade Finance Bank in Malaysia
- Asia Pacific Brands Foundation
 - o Brand Laureate SMEs Best Supporters Award 2007

- RAM Lead Manager Awards – Lead Manager (Aseambankers Malaysia Berhad)
 - Number of Deals – 2nd Place
 - Issue Value – 3rd Place
- RAM Awards of Distinction (Aseambankers Malaysia Berhad)
 - Industry Recognition Award
 - Blue Print Awards. New Structured Finance Benchmark Deal
- RAM Lead Manager Awards – Islamic (Aseambankers Malaysia Berhad)
 - Number of Deals – 2nd Place
 - Issue Value – 3rd Place
- Islamic Finance News Awards: Deals of the Year (Aseambankers Malaysia Berhad)
 - Best Country Deals Malaysia
- IDR Awards (Aseambankers Malaysia Berhad)
 - Asian Deal of the Year Award
- IFR Asia Awards (Aseambankers Malaysia Berhad)
 - Malaysia Capital Markets Deal of the Year Award
- The Asset Triple A (Aseambankers Malaysia Berhad)
 - Best Domestic Securitisation Deal of the Year Award

2006

- Dewan Bahasa dan Pustaka's Anugerah Citra Laporan Tahunan 2006
- Corporate Governance Asia Annual Recognition Award 2006
- Global Finance Award
 - Best Foreign Exchange Bank in Malaysia
- The Asset Asian Award
 - Best Cash Management Bank
- Malaysian Institute of Human Resource Management & Kelly Services Malaysia
 - Outstanding HR Achievement Award

- Sheikh Mohammed bin Rashid Al Maktoum Islamic Finance Award
 - Global Continuing Contribution to Islamic Retail Development
- Reader's Digest Trusted Brand Gold Award
- Malaysian Business Awards
 - Best Corporate Social Responsibility Award
 - Best Corporate Governance Award (Second placing)
- CGC Top SMI Supporter Award
- Euromoney Award for Excellence (Aseambankers Malaysia Berhad)
 - Best M&A House in Malaysia
- Islamic Finance News Award. Deal of the Year (Aseambankers Malaysia Berhad)
 - Mudharabah Deal of the Year
- Sheikh Mohammed bin Rashid Al Maktoum Islamic Finance Award (Aseambankers Malaysia Berhad)
 - Regional Continuing Contribution to Islamic Finance R&D (Asia)
- RAM League Award (Aseambankers Malaysia Berhad)
 - Islamic – 1st Place (Issue Value) – 3rd (Number of Deals)
 - 3rd Place (Number of Deals)
 - 3rd Place (Issue Value)
- IR Magazine (Maybank Singapore)
 - Best IR in Singapore market by a Malaysian company

2005

- Asiamoney Award
 - Best Cash Management – Local
 - Best Local Foreign Exchange Provider
 - Trade Finance for Best Overall Domestic Services
 - 15th Anniversary Poll of Polls (past 15 years):
 - Best Local Cash Management
 - Best Local Forex
 - Best Trade Finance (Overall)

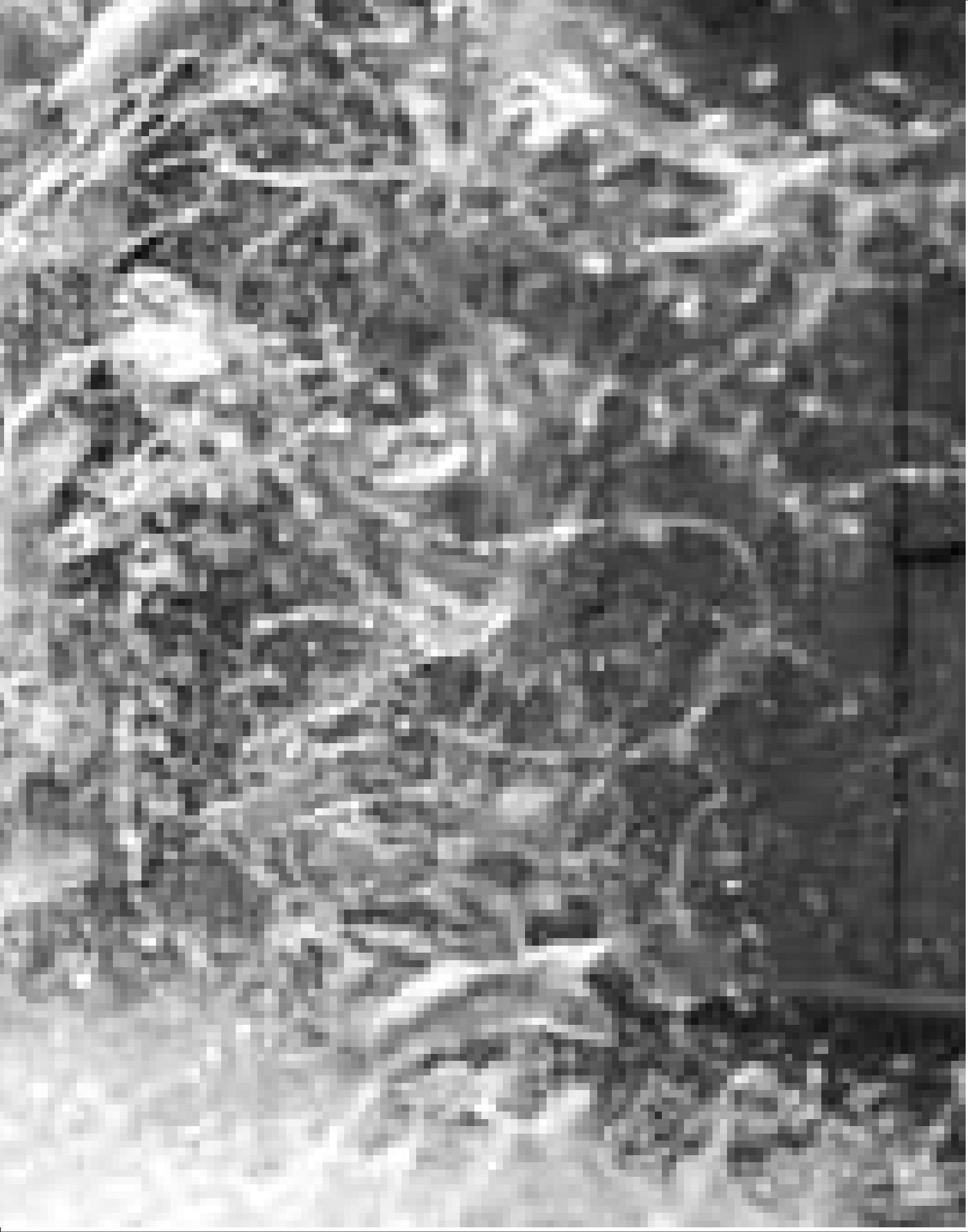
- Quality Management Excellence Award from the Ministry of International Trade and Industry National Award for Management Accounting (NAfMA)
 - Best Practice Excellence Award
- IBM's "Innovation That Matters" Award to Financial Services Group
- Malaysian Media Awards 2005
 - Gold Award for Maybankard Travel Treats Campaign in the category "Best Use of Newspaper"
- Mastercard Asia Pacific Marketing Leadership Awards 2005
 - Best Overall Marketing Program
- Anugerah Citra Wangsa by Dewan Bahasa dan Pustaka (DBP)
 - Best use of Bahasa Malaysia in a TV commercial
- Pusat Zakat Selangor (Maybank2u.com)
 - Best Collection Agent Bank (highest percentage of zakat collection via Internet banking)
- Asean Communications Expo & Forum (ACM) 2005 (Maybank2u.com)
 - Best E-Banking Service
- CGC Top SMI Supporter Award
- Asiamoney Award (Aseambankers Malaysia Berhad)
 - Regional Deals of the Year Local Currency
- MasterCard's Asia Pacific Market Leadership Awards (Maybank Singapore)
 - Silver Award - 'Best Youth' Initiative for Xbox® Live Modus MasterCard

Strong Financial Foundation

Malaysia's Most Valuable Brand

One of Asia's Best Capitalised
Banks

Consistent Record of Profitability
for Almost 5 Decades



Five-Year Group Financial Summary

Year ended 30 June	2005	2006	2007	2008	2009
OPERATING RESULT (RM Million) *					
Operating profit	3,495	3,997	4,370	4,571	3,064
Profit before taxation	3,494	3,988	4,364	4,086	1,674
Profit/(loss) after taxation and minority interest	2,503	2,772	3,178	2,928	692
Profit after taxation and minority interest before impairment of goodwill/associate	2,503	2,772	3,178	2,928	2,665
KEY BALANCE SHEET DATA (RM Million)*					
Total assets	191,895	224,284	256,667	269,101	310,739
Loans, advances and financing	119,594	131,454	140,865	164,614	185,783
Total liabilities	175,042	206,807	236,799	249,009	284,971
Deposit from customers	131,068	136,278	163,677	187,112	212,599
Commitments and contingencies	109,452	130,383	175,392	204,217	221,587
Paid-up capital	3,721	3,797	3,889	4,881	7,078
Shareholders' equity	16,401	16,869	19,198	19,302	24,899
SHARE INFORMATION *					
Per share (sen)					
Basic earnings ***	60.5	52.1	58.5	53.3	12.0
Diluted earnings ***	60.1	51.9	58.3	53.3	12.0
Gross dividend	102.5	85.0	80.0	52.5	8.0
Net tangible assets (sen)	440.8	444.3	493.6	395.5	351.8
Share price as at 30 June (RM)	10.9	10.7	12.0	7.1	5.9
Market capitalisation (RM Million)	40,559	40,628	46,668	34,411	41,760
FINANCIAL RATIOS (%) *					
Profitability Ratios/Market Share					
Net interest margin on average interest-earning assets	2.9	2.8	2.8	2.7	2.8
Net interest on average risk-weighted assets	3.9	3.8	3.7	3.5	3.4
Net return on average shareholders' funds	16.1	16.7	17.6	15.2	3.1
Net return on average assets	1.3	1.3	1.3	1.1	0.2
Net return on average risk-weighted assets	2.0	2.0	2.0	1.6	0.3

Year ended 30 June	2005	2006	2007	2008	2009
FINANCIAL RATIOS (%) * (CONT'D.)					
Cost income ratio	39.4	39.7	42.8	44.4	52.8
Gross loan to deposit ratio	91.2	96.5	86.1	88.0	87.4
Net non-performing loans ratio (3-month classification)	4.9	3.8	3.0	1.9	1.6
Domestic market share in :					
Loans, advances and financing	20.4	20.3	19.6	18.1	17.8
Deposits from customers - Savings Account	29.1	28.9	30.6	28.0	26.6
Deposits from customers - Current Account	22.4	21.1	21.4	21.5	21.3
CAPITAL ADEQUACY RATIOS (%)					
(after deducting proposed final dividend) **					
<u>Based on credit risk :</u>					
Core capital ratio	10.7	9.8	9.8	11.4	12.6
Risk-weighted capital ratio	14.5	13.6	15.0	14.4	17.3
<u>Based on credit and market risk:</u>					
Core capital ratio	10.7	9.7	9.0	10.1	10.8
Risk-weighted capital ratio	14.5	13.3	13.7	12.7	14.8
VALUATIONS ON SHARE *					
Gross dividend yield (%)	9.4	7.9	6.7	7.4	1.4
Dividend payout ratio (%)	113.3	83.9	71.5	60.4	61.4
Price to earnings multiple (times)****	18.0	20.5	20.5	13.2	49.2

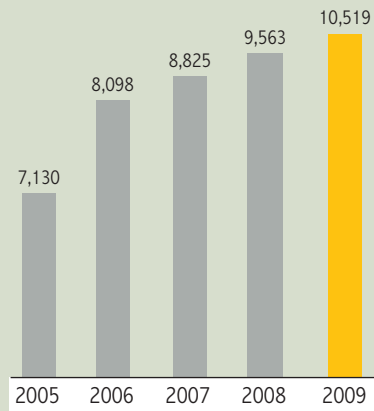
* Comparative figures were reclassified to conform with current year presentation.

** The Bank Negara Malaysia Guidelines on Market Risk Capital Adequacy Framework are effective from 1 April 2005.

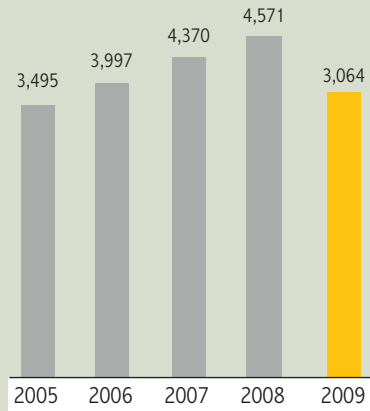
*** Adjusted for rights issue completed on 30 April 2009 and bonus issue of 1:4 completed on 20 February 2008.

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

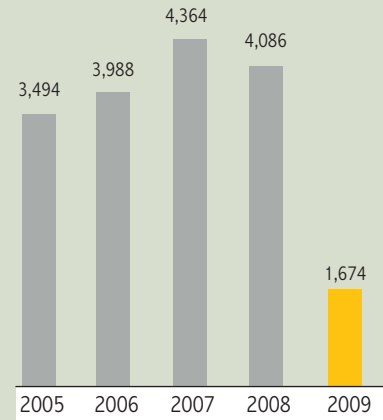
Five-Year Group Growth Summary



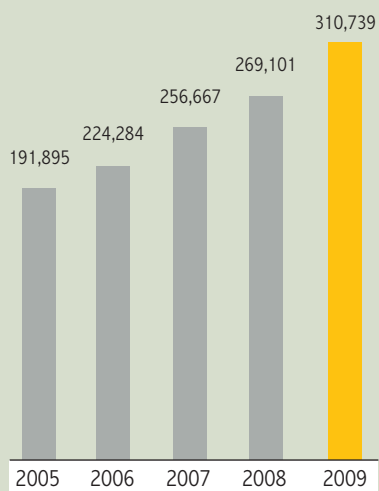
Net Income
RM Million



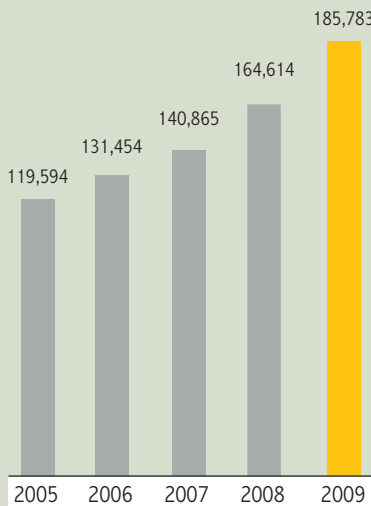
Operating Profit
RM Million



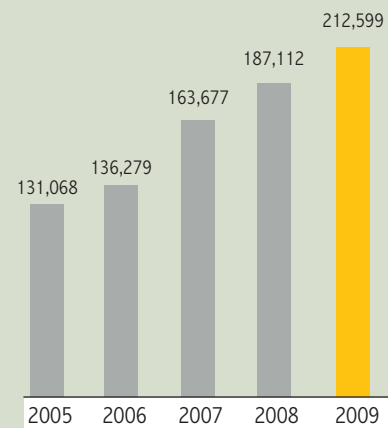
Profit Before Taxation
RM Million



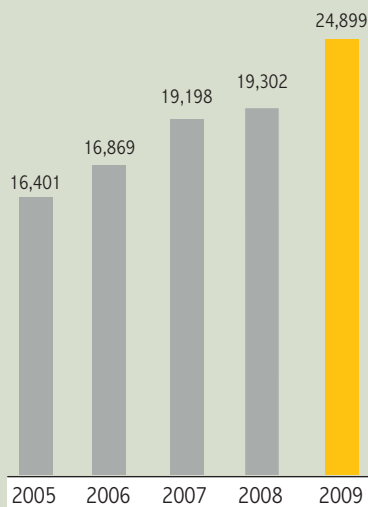
Total Assets
RM Million



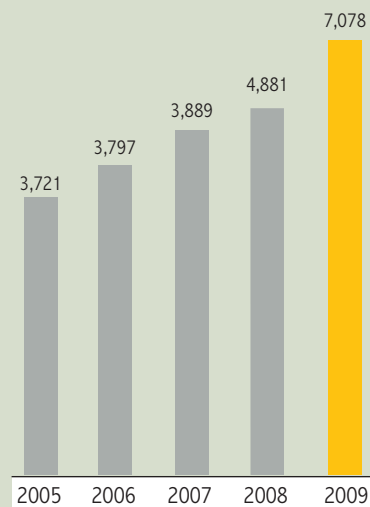
Loans, Advances and Financing
RM Million



Total Deposits
RM Million



Shareholders' Equity
RM Million



Paid-up Capital
RM Million

Group Quarterly Performance

	Q1	Q2	2008 Q3	Q4	YEAR
	RM'million	RM'million	RM'million	RM'million	RM'million
FINANCIAL PERFORMANCE					
Operating revenue	3,922.1	4,001.8	3,737.5	4,492.5	16,153.9
Net interest income (including income from Islamic banking business)	1,311.6	1,414.7	1,349.5	1,351.0	5,426.8
Operating profit	1,014.2	1,033.6	1,020.1	1,019.0	4,570.7
Profit before taxation and zakat	1,014.1	1,033.2	1,020.0	1,018.7	4,086.1
Net profit attributable to equity holders of the Bank	735.4	731.0	758.6	703.2	2,928.2
Earnings per share (sen) *	13.4	26.7	40.4	14.4	53.3
Dividend per share (sen)	17.5	15.0	-	20.0	52.5

	Q1	Q2	2009 Q3	Q4	YEAR
	RM'million	RM'million	RM'million	RM'million	RM'million
FINANCIAL PERFORMANCE					
Operating revenue	3,752.8	4,709.5	4,265.1	4,858.9	17,586.3
Net interest income (including income from Islamic banking business)	1,265.0	1,547.4	1,543.5	1,563.6	5,919.5
Operating profit	1,100.9	938.0	625.4	(847.6)	3,063.5
Profit before taxation and zakat	881.8	960.3	653.9	(821.7)	1,674.3
Net profit attributable to equity holders of the Bank	572.2	734.6	503.3	(1,118.1)	691.9
Earnings per share (sen) *	10.4	24.0	34.6	(17.6)	12.0
Dividend per share (sen)	-	-	-	8.0	8.0

* Adjusted for rights issue completed on 30 April 2009 and bonus issue of 1:4 completed on 20 February 2008.

Segment Information

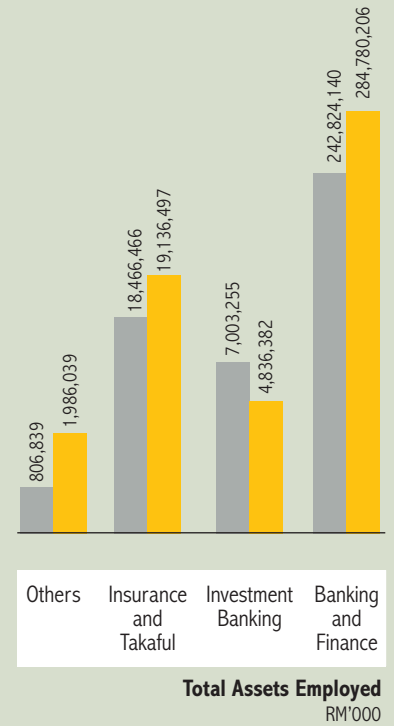
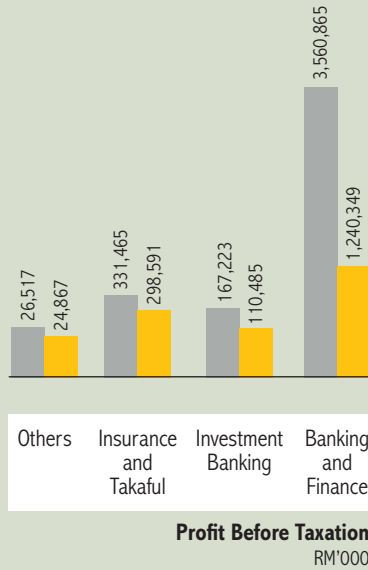
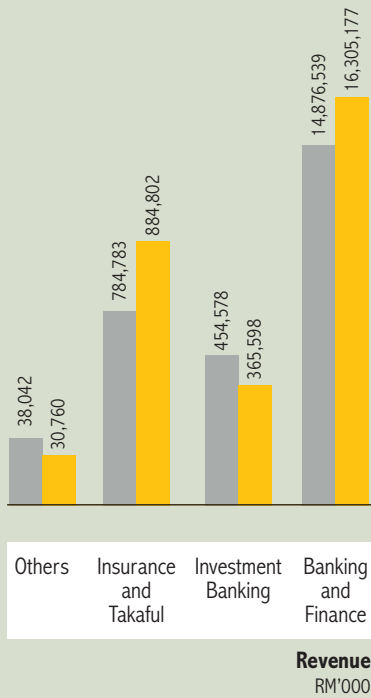
Analysis by Geographical Location

	2008	2009
REVENUE (RM'000)		
Malaysia	12,770,603	12,410,513
Singapore	2,200,485	2,040,245
Indonesia	-	2,150,062
Other Locations	1,182,854	985,517
	16,153,942	17,586,337
PROFIT BEFORE TAXATION (RM'000)		
Malaysia	3,395,162	334,924
Singapore	530,485	591,688
Indonesia	-	(1,508,056)
Other Locations	160,423	2,255,736
	4,086,070	1,674,292
TOTAL ASSETS EMPLOYED (RM'000)		
Malaysia	203,833,176	204,628,221
Singapore	47,059,441	52,127,850
Indonesia	-	24,509,065
Other Locations	18,208,083	29,473,987
	269,100,700	310,739,123

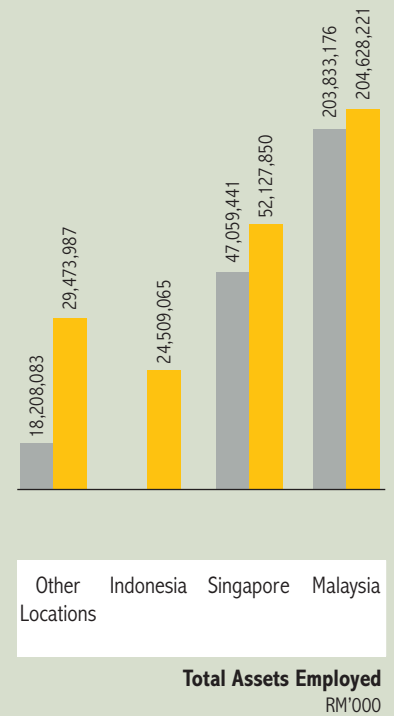
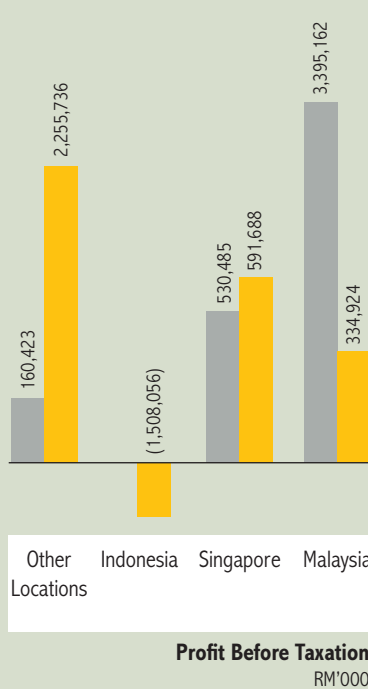
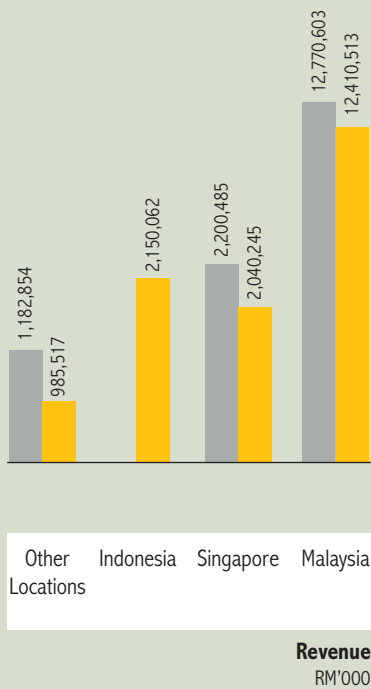
Analysis by Activity

	2008	2009
REVENUE (RM'000)		
Banking and Finance	14,876,539	16,305,177
Investment Banking	454,578	365,598
Insurance and Takaful	784,783	884,802
Others	38,042	30,760
	16,153,942	17,586,337
PROFIT BEFORE TAXATION (RM'000)		
Banking and Finance	3,560,865	1,240,349
Investment Banking	167,223	110,485
Insurance and Takaful	331,465	298,591
Others	26,517	24,867
	4,086,070	1,674,292
TOTAL ASSETS EMPLOYED (RM'000)		
Banking and Finance	242,824,140	284,780,206
Investment Banking	7,003,255	4,836,382
Insurance and Takaful	18,466,466	19,136,497
Others	806,839	1,986,039
	269,100,700	310,739,124

Analysis by Activity



Analysis by Geographical Location



2008 2009

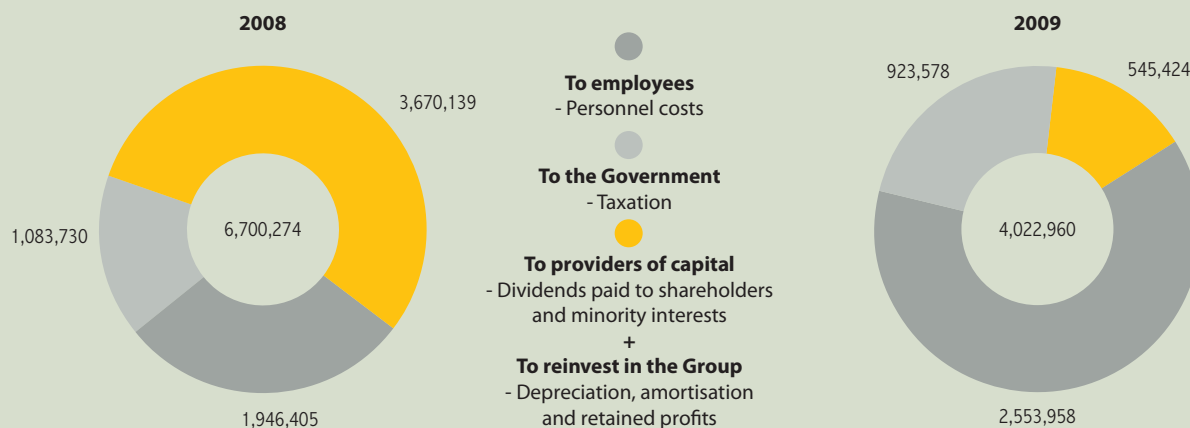
Statement of Value Added

Value Added

	2008 RM'000	2009 RM'000
Net interest income	5,426,789	5,919,506
Net income from Islamic Banking business	964,606	1,224,321
Other operating income	3,171,776	3,375,190
Operating expenses excluding staff costs, depreciation and amortisation	(2,118,229)	(2,726,673)
Allowance for losses on loans, advances and financing	(810,061)	(1,698,814)
Impairment written back/(loss)	66,235	(2,170,074)
Share of results of associated companies	(842)	99,504
Value added available for distribution	6,700,274	4,022,960

Distribution of Value Added

	2008 RM'000	2009 RM'000
To employees:		
Personnel costs	1,946,405	2,553,958
To the Government:		
Taxation	1,083,730	923,578
To providers of capital:		
Dividends paid to shareholders	2,183,908	722,410
Minority interests	74,138	58,839
To reinvest in the Group:		
Depreciation and amortisation	183,975	278,534
Retained profits	1,228,118	(514,359)
Value added available for distribution	6,700,274	4,022,960



Management's Discussion & Analysis of Financial Performance

Analysis of Significant Balance Sheet Movements

Total Assets

For the financial year ended 30 June 2009, outstanding assets of the Group expanded by 15.5% or RM41.6 billion while at Bank level, it increased 8.7% or RM19.1 billion. For the previous year, the corresponding growth rates were 4.8% at Group level but a contraction of 3.6% at Bank level. Excluding assets of Bank Internasional Indonesia (BII), the Group's Organic Operations recorded an increase of 9.9% or RM26.6 billion. The bulk of the Group's growth in assets was derived from the expansion of net loans and advances which grew by RM21.2 billion or 12.9% (of which the net loans for BII was RM11.75 billion equivalent) and RM5.6 billion or 4.0% for the Group and the Bank respectively.

As at end June 2009, net loans and advances represented 59.8% of total Group assets, lower than the 61.2% as at end June 2008. The proportion of interest-bearing assets to total assets was still maintained at around 88% for the Group.

Securities Purchased under Resale Agreements

As at end June 2009, the Group held RM346.5 million of securities purchased under resale agreements.

Deposits & Placements with Financial Institutions

The Group's deposits and placements with financial institutions fell by RM2.66 billion to RM6.30 billion or 29.7% due to asset reallocation into better yielding securities portfolio. The Bank remained a net lender in the inter-bank market.

Securities

The investment securities portfolio of the Group increased by RM21.2 billion or 57.9%, mainly contributed by higher holdings of Malaysian Government Securities and Government Investment Issues by RM13.9 billion as well as the consolidation of BII's portfolio totaling RM3.5 billion equivalent. Around 83% of the securities portfolio comprised securities available-for-sale and a further 14.5% as securities held-to-maturity.

Life, General Takaful & Family Takaful Fund Assets

After a growth of RM652.1 million or 4.3% in the previous year, this balance sheet item grew by a further 7% to RM16.8 billion backed by 13% growth in combined gross premium/contribution.

Loans, Advances & Financing

During the first half of the financial year, the Group's net loans and financing rose by 10.8% due to consolidation of BII. With growth of 1.8% in the second half, the Group's net loans and financing for FY2009 expanded by 12.9% or RM21.2 billion compared with 17% or RM23.9 billion in the previous financial year. The Group's gross loans growth rose 13.0% compared with 16.1% previously. The Group's overall domestic loans market share stood at 17.8%.

The domestic operations recorded an increase of 6.5% from 12.1% in the previous year as business loans grew at a slower 5.0% pace compared to 15.3% the previous year. Lending to the domestic SME sector decreased 27.0% to RM20.7 billion from 28.4% growth previously as exports suffered a downturn in the face of a global recession. However, corporate loans grew 30.5% compared to 11.2% the previous year due to large companies and institutions seeking loans as borrowing from the debt capital market became prohibitive amid the global financial turmoil.

Despite slower economic growth and poorer consumer sentiment, the consumer portfolio remained stable with an 8.3% growth compared to 8.8% the previous year due to continued good domestic demand for auto financing and credit cards. Financing for the purchase of securities also rose to RM11.4 billion or a growth of 10.6% compared to 10.7% the previous year, with the bulk of the increase related to the purchase of relatively low risk Amanah Saham Bumiputera units.

The mortgage loan portfolio stood at RM31.1 billion and remains the core retail lending business activity, accounting for 49.6% of retail loans outstanding and having a market share of 13.9%. Overall mortgage loans for the domestic operations registered a slightly higher growth of around 3% as compared to 2% in the previous year. Maybank continues to focus on growing its mortgage loan portfolio with new customer acquisition strategies, financing of higher end property through new high-end project developments

and introducing mobile consultants as a new channel to acquire new customers as well as proactively retaining existing customers.

Single minded focus on product innovation, loyalty programmes and strategic sales and marketing initiatives have resulted in a 12.3% growth in card receivables for the financial year, outperforming the industry's growth of 7.5%. Acquisition of major accounts opened up greater potential for growth in business-to-business expense management. Corporate card customer base has a market share of 14.6%.

Automobile financing for domestic operations recorded a significant growth of 11% compared to 10.7% in the previous financial year, outperforming the industry's growth of 4.6%. Maybank continues to be recognised as the fastest growing brand in the automobile financing sector and currently gaining ground from its No. 3 position. With growth rate significantly exceeding the industry, the market share for financing of motor vehicles rose to 16.5% from 15.7% in June 2008.

As at June 2009, the overseas operations loan book accounted for 32.8% of the Group's loan base from 28.7% in the previous year. The gross loans book for Singapore recorded a growth of 6.2% or RM2.3 billion after registering an exceptional growth of 31.9% in 2008. The other overseas locations in total grew 99.4% due to the consolidation of BII which added RM12.2 billion to the loans book.

The Group's Islamic gross financing grew by 20.6% or RM4.5 billion during the year. Islamic banking constitutes a growing portion of the Group's banking business, accounting for 13.7% of gross loans and financing.

Sustained efforts implemented to continuously improve asset quality have borne results. The Group's gross NPL default rate declined to 3.5% from 3.7% the previous year. The Group's net NPLs declined by RM0.3 billion to RM2.9 billion as at June 2009. Accordingly, the net NPL ratio went down further to 1.64% from 1.92% in June 2008. The Group's NPL reserve cover (net of IIS) rose to a healthy 112.9% compared to 99.2% the previous year.

Total Liabilities

Outstanding liabilities of the Group grew by 14.4% or RM36.0 billion with RM17.1 billion contributed by the consolidation of BII while outstanding liabilities for the Bank grew by RM13.8 billion or 6.8%. For the Group, the bulk of overall increase was attributed to deposits from customers as well as subordinated obligations and capital securities.

Deposits from Customers

The Group's customer deposits expanded by 13.6% or RM25.5 billion while at the Bank level it grew by RM7.1 billion or 4.6%. This coupled with the added convenience of the largest branch and self-service terminal network with 24/7 access to Internet banking, helped to sustain Maybank's strength in the deposit market. The Group's strong franchise contributed to the high growth of 15.8% for demand deposits and 19.9% for savings deposits. The Bank's pricing capacity was enhanced by its strong market share in both demand and savings deposits which stood at 20.4% and 26.6% respectively. Fixed deposit, grew by 12.3% as compared to 1.2% in the previous year.

The Group's overall deposit funding mix improved slightly as the Group's 'higher cost' fixed deposits and Negotiable Instruments of Deposits (NID) declined to 55.8% of total deposits from 56.5% in June 2008.

Deposits & Placements of Financial Institutions

This item rose by RM5.6 billion or 24.4% due to the increase in interbank funding activities.

Obligations on Securities Sold under Repurchase Agreements (Repos)

The Group no longer holds any obligations on securities sold under repurchase agreements (Repos).

Recourse Obligations on Loans Sold to Cagamas

For the Group, this item saw a further decline of RM0.8 billion or 59.5% and was part of the Group's routine funding strategy.

Shareholders' Equity

The Group's shareholders' equity rose by RM5.6 billion or 29% to RM24.9 billion. The increase was mainly due to proceeds from the rights issue concluded in April 2009.

Analysis of Income Statement

Net Interest Income

Net interest income of the Group (before fund based income earned from Islamic banking) increased by RM492.7 million or 9.1%, reflecting the 15.1% rise in the average volume of interest-earning assets. However, the average net interest margin was relatively stable 2.72% despite the reduction of three Overnight Policy Rate which resulted in lending rates declining a bit more than that for customer deposits and the highly competitive pricing in the consumer lending market.

Islamic Banking

Net income from the Group's Islamic Banking operations increased by RM259.7 million or 26.9% to RM1.2 billion. The increase was mainly due to the higher net income from investment of Islamic Banking funds.

Non-Interest Income

The Group's focus on fee income as a strategy to drive revenue growth continues to bear results. Overall non-interest income for the Group (including marked to market gain/loss on derivatives and securities held for trading) grew by RM203.4 million or 6.4% compared to that of the previous corresponding financial year. In the year under review the higher non-interest income was contributed by higher fee income and net premium written. However this was offset by a lower foreign exchange profit of RM437.1 million compared to a profit of RM623.2 million in the corresponding financial year (which included a non-recurring gain of RM193.4 million related to the Group's long-term funding activities).

Overhead Expenses

The Group's overhead expenses increased by RM1.3 billion or 30.8% over that of the corresponding year as a result of consolidation of BII's overhead cost. The Group's cost to income ratio stood at 52.8% from 44.4% previously. Personal costs increased by RM607.6 million or 31.2% partly due to incorporation of BII's personnel costs and finalisation of salary revisions, including adjustments for previous quarters, for officers and clericals under the respective collective agreements concluded during the period. Establishment costs increased by RM292 million

as a result of higher information technology expenses and rental premises. On a comparable basis, the Group's adjusted cost to income ratio (without insurance claims and unrealised loss) would be 49.1% against 40.7% for the previous financial year.

Loan & Financing Loss and Provisions

Loan loss and provisions of the Group amounted to RM1,699 million which is RM888.8 million or 109.7% higher than that of the previous year. This increase resulted primarily from the consolidation of BII, increase in specific provisions, and lower recoveries.

Impairment loss

The Group has completed the Purchase Price Allocation in accordance with FRS3-Business Combination and FRS138-Intangible Assets and an assesment of impairment was conducted in accordance with FRS136-Impairment of Assets for all its recent acquisitions, namely BII, MCB Bank and ABBank. The recoverable amount of each of these acquisitions is computed based on the Value-in-Use method, which applies a discounted cash flow model using Free Cash Flow to Equity (FCFE) projections prepared and approved by Management, covering a 10-year period with certain compounded annual growth rates derived from historical data and the economic outlook of the country which the subsidiaries or associates operate in.

The discount rates used were 16.5%, 21.5% and 17.0% respectively for BII, MCB Bank and ABBank. The Group used terminal growth rate and period of FCFE of 6% and 10 years respectively. The FCFE cumulative annual growth rate assumed were 21%, 18% and 22% respectively for BII, MCB Bank and ABBank.

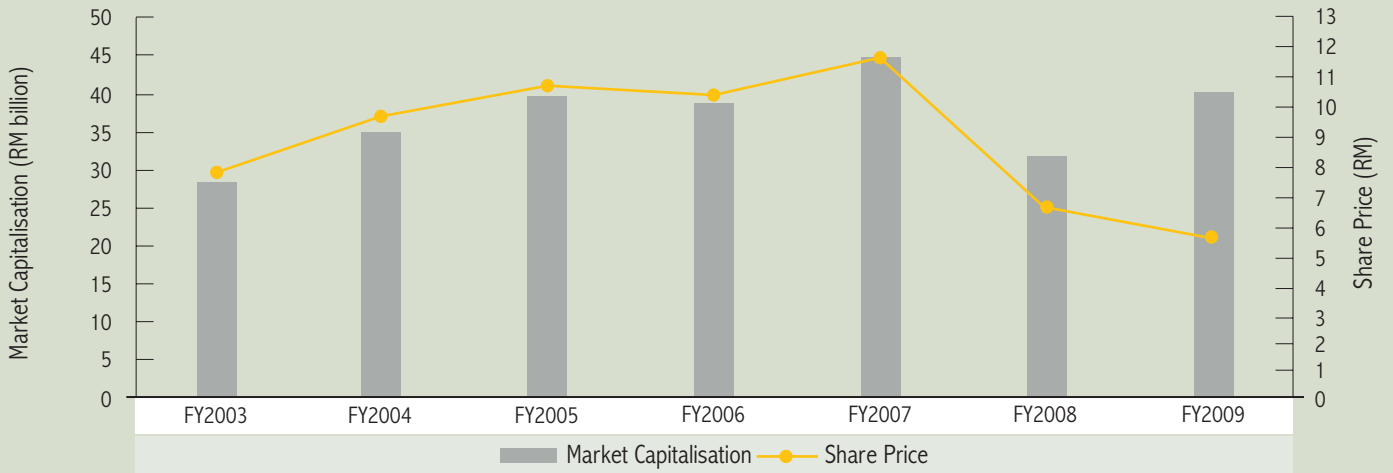
The Group had made an impairment charge of RM1,619.5 million on goodwill arising from BII's banking business operations and impairment loss of RM353.1 million for the investment in MCB Bank. There was no evidence of impairment on the investment in ABBank for the financial year ended 30 June 2009.

Taxation

The effective tax rate of the Group is at 55.1% due to the non-deductibility of impairment charges amounting to RM1.97 billion and is higher than the statutory rate of 25%.

Share Price Movement

Historical Share Price & Market Capitalisation



Share Price vs FBM KLCI





Share Price Performance

Maybank Share Price Performance in FY2009

In FY2009, Maybank's share price experienced high volatility in tandem with the market which gyrated amidst the tumultuous events of a global financial crisis and a worldwide recession of unprecedented proportions.

Nevertheless, Maybank outperformed the FBM KLCI Index for the financial year, declining 6.8% against a loss of 9.4% on the benchmark index, and a 26.6% decrease in the previous financial year. In comparison, the KL Finance Index declined 2.2% as banks demonstrated better-than-expected resilience in the face of an economic slowdown, with margins and asset quality not significantly impacted.

From RM6.33 (price adjusted for the 9 for 20 rights issue) at the end of June 2008, Maybank's share price tracked the general market trend but the uncertainties over the completion of the acquisition of BII added to the share price volatility. Maybank traded between a high of RM7.14 at the end of July 2008 upon the revocation of the approval by Bank Negara for the acquisition of BII, to a low of RM3.57 on 16 March 2009 subsequent to the announcement of the rights issue. Though Maybank's share price had fallen 44% by then compared to the FBM KLCI's 29% decline, the ensuing good response to the rights issue, evident by the 128% oversubscription rate, rewarded investors who persevered with a 53% gain as Maybank closed at RM5.90 on 30 June 2009 compared to the FBM KLCI's 28% increase.

Stock Market Performance in FY2009

The equity market decline that began in January 2008 continued through mid-2008 and bottomed in October 2008, in line with regional and global markets. In the beginning of FY2009, July 2008 to September 2008, saw some of the most perilous moments of financial history – the rescue of AIG by the US government and collapse of Lehman brothers. In the following period of uncertainty and pessimism, the KLCI traded in a 100-point range between 829 and 927 between October 2008 and March 2009.

Accommodative fiscal and monetary policy measures undertaken by the governments around the world in reaction to these events, and its effects has in part resulted in a recovery in equity markets, including the domestic market. Bursa's initial optimism over the leadership change to Prime Minister YAB Dato' Sri Mohd Najib Tun Haji Abdul Razak in early April 2009 also proved prescient. Within a month, YAB Dato' Seri Mohd Najib introduced new ownership rule changes to 27 sub-sectors of the services industry. Financial sector liberalisation followed in the form of seven new licenses for international banks, Islamic banks and takaful insurance.

Investor risk appetite rose from March 2009, benefiting equities, and lifting the domestic and global markets. Emerging markets, especially the larger BRIC (Brazil, Russia, India and China) markets, benefited disproportionately relative to developed markets, with the view forming that the economies of Asian emerging markets were much less affected by the global financial crisis, and was responding more readily to the prescription of aggressive fiscal and loose monetary policies. The KLCI ended FY2009 at 1075, up 28.3% from its March 2009 low, but 8.5% lower than its starting point at the beginning of FY2009.

Outlook

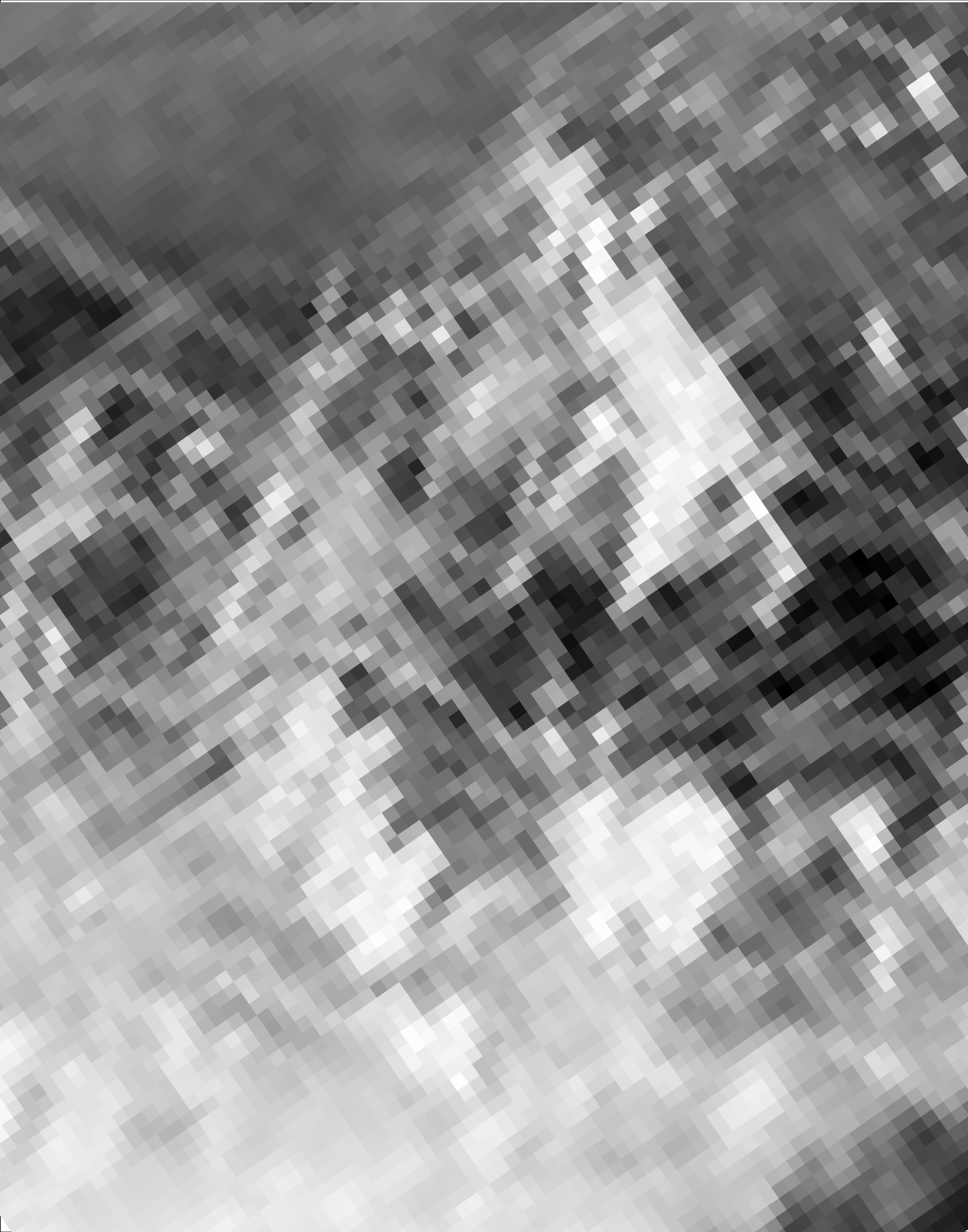
The loose monetary policies are expected to continue for over a year, aiding economic recovery and boosting asset values. The fiscal stimulus packages announced by the Malaysian Government in late 2008 and in 2009 will also reinforce economic recovery activities. Domestic factors, such as a capital markets friendly leadership and ample financial resources in the hands of unit trust companies should keep the domestic equity market active.

Defining Leadership

Guided by Integrity

Strategic in Thinking &
Performance-Driven

Governed by Strong Commitment
to All Stakeholders



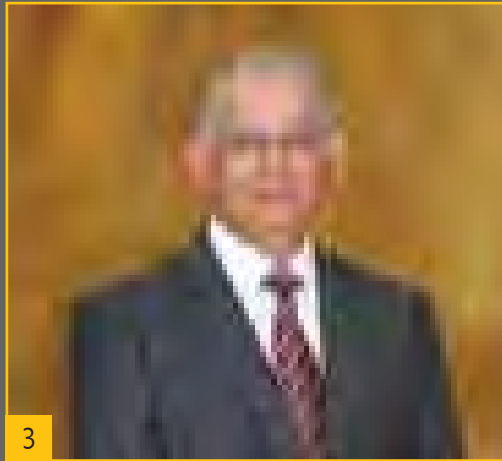
Board of Directors



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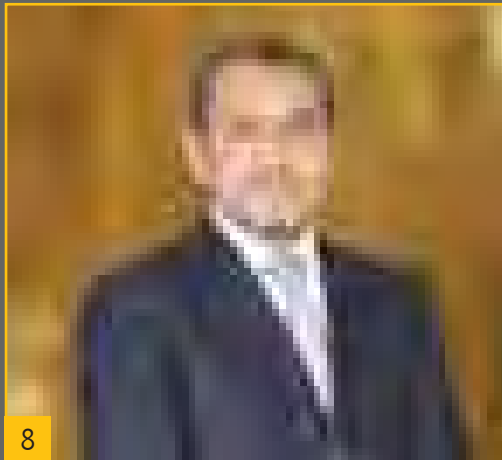
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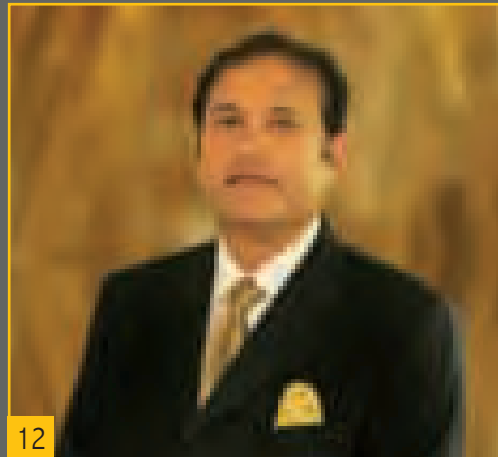
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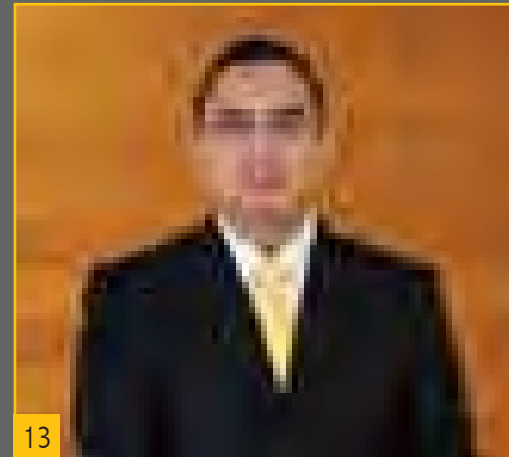
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12



13

1. Tan Sri Mohamed Basir Ahmad
2. Dato' Sri Abdul Wahid Omar
3. Datuk Syed Tamim Ansari Syed Mohamed
4. Spencer Lee Tien Chye
5. Tan Sri Datuk Dr Hadenan A. Jalil
6. Dato' Seri Ismail Shahudin
7. Dato' Dr Tan Tat Wai
8. Zainal Abidin Jamal
9. Alister Maitland
10. Cheah Teik Seng
11. Dato' Johan Ariffin
12. Sreesanthan Eliathamby
13. Mohd Nazlan Mohd Ghazali (*General Counsel & Company Secretary*)

Profile of Directors

Tan Sri Mohamed Basir Ahmad



71 years of age – Malaysian
BA, AMP (Harvard), D Com Sc
Non-Independent Non-Executive Director (Chairman)

Tan Sri Mohamed Basir Ahmad was appointed as a Director of Maybank on 5 August 1993 and later became Chairman of Maybank on 9 October 1993. He also serves as Chairman of the Credit Review Committee of the Board.

He joined Bank Negara Malaysia in 1965 and had served the Central Bank in various capacities before retiring in 1993 as Advisor. He has been a Fellow member of the Malaysian Institute of Bankers since 1980.

He is also the Chairman of several companies in the Maybank Group including Mayban Fortis Holdings Berhad, Maybank Investment Bank Berhad (formerly known as Aseambankers Malaysia Berhad), MNI Holdings Berhad, Maybank Philippines Incorporated, PhileoAllied Securities (Philippines) Incorporated and PT Bank Internasional Indonesia Tbk.

He attended 23 of the 24 Board Meetings which were held in the financial year ended 30 June 2009.

Tan Sri Mohamed Basir has no family relationship with any director and is a nominee of Permodalan Nasional Berhad, a major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.

Dato' Sri Abdul Wahid Omar



45 years of age – Malaysian
 Fellow of the Association of Chartered Certified Accountants (UK);
 Member of the Malaysian Institute of Accountants
 Non-Independent Executive Director

Dato' Sri Abdul Wahid Omar was appointed as the President & CEO and Executive Director of Maybank on 1 May 2008. He serves as Chairman of the Group Management and Group Management Credit Committees, and as a member of the Credit Review Committee of the Board.

Prior to joining the Maybank Group, he was the Group CEO of Telekom Malaysia Berhad since 1 July 2004. He was formerly the Managing Director/Chief Executive Officer of the then UEM Group Berhad and UEM World Berhad as well as the Executive Vice Chairman of PLUS Expressways Berhad. Prior to his stint at UEM Group, Dato' Sri Abdul Wahid served Telekom Malaysia Berhad as the Chief Financial Officer in 2001. He previously served as a Director of Group Corporate Services cum Divisional Director, Capital Market & Securities of Amanah Capital Partners Berhad, Chairman of Amanah Short Deposits Berhad as well as a Director of Amanah Merchant Bank Berhad and several other companies in the financial services sector.

He is also a Director of a number of Maybank Group companies including Mayban Fortis Holdings Berhad, Maybank Investment Bank Berhad (formerly known as Aseambankers Malaysia Berhad) and PT Bank Internasional Indonesia Tbk. His directorships in other companies include as Chairman of Malaysia Electronic Payment System (1997) Sdn Bhd and as Director of Bursa Malaysia Berhad, Perbadanan Usahawan Nasional Berhad and Cagamas Holdings Berhad.

He is also the Chairman of the Association of Banks in Malaysia, Council Member of the Institute of Bankers Malaysia as well as a Director of the Asian Pacific Bankers Club. In addition, he is also a member of the Financial Reporting Foundation of Malaysia, Mastercard Asia/Pacific Regional Advisory Board as well as the Investment Panels of Lembaga Tabung Haji and Kumpulan Wang Persaraan (KWAP).

He attended all of the 24 Board Meetings which were held during the financial year ended 30 June 2009.

Dato' Sri Abdul Wahid Omar has no family relationship with any director and/or major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.

Profile of Directors

Datuk Syed Tamim Ansari Syed Mohamed



61 years of age – Malaysian
Bachelor of Economics (Hons), Master of Business Administration,
AMP (Harvard)
Independent Non-Executive Director

Datuk Syed Tamim Ansari Syed Mohamed was appointed as a Director of Maybank on 11 October 2007. He serves as Chairman of the Risk Management Committee and as a member of the Audit, Nomination and Employee Share Option Scheme Committees of the Board.

He was the Divisional Director of Sime Darby Berhad's Plantations Division as well as the Managing Director of Consolidated Plantations Berhad from 1999 to 2006. He was subsequently appointed as Divisional Director, Special Projects (Northern Corridor Economic Region) before retiring in July 2007.

His current directorships in companies in the Maybank Group include Mayban Fortis Holdings Berhad, MNI Holdings Berhad as well as Chairman of Etiqa Life International (L) Ltd, Etiqa Offshore Insurance (L) Ltd, Etiqa Insurance Berhad, Etiqa Takaful Berhad, Mayban Life Assurance Berhad and Sri MGAB Berhad (formerly known as Mayban General Assurance Berhad).

He attended all of the 24 Board Meetings which were held during the financial year ended 30 June 2009.

Datuk Syed Tamim Ansari Syed Mohamed has no family relationship with any director and/or major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.

Spencer Lee Tien Chye



58 years of age – Malaysian
 Fellow of the Association of Chartered Certified Accountants (UK);
 Member of the Malaysian Institute of Accountants and Malaysian Association
 of Certified Public Accountants
 Non-Independent Non-Executive Director

Spencer Lee Tien Chye was appointed as a Director of Maybank on 1 December 2008. He serves as a member of the Audit, Credit Review and Risk Management Committees of the Board.

He joined the Maybank Group in 1975 and served the Group in various capacities and positions including Senior Executive Vice President and Head of International Business and Senior Executive Vice President and Head of Consumer Banking and Country Head for Maybank Singapore before retiring as Advisor, Maybank in November 2008.

His current directorships in companies in the Maybank Group include Mayban International (L) Ltd, Mayban International Trust (L) Ltd, Maybank (PNG) Limited, Maybank Philippines Incorporated and PT Bank Internasional Indonesia Tbk. He is also a member of the Supervisory Committee of An Binh Bank (Vietnam).

He attended all of the 11 Board Meetings which were held during the financial year ended 30 June 2009 since his appointment.

Spencer Lee Tien Chye has no family relationship with any director and/or major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.

Profile of Directors

Tan Sri Datuk Dr Hadenan A. Jalil



63 years of age – Malaysian

PhD, Henley Management College, UK; Master of Business Management, Asian Institute of Management, Philippines; Bachelor of Economics, University of Malaya

Independent Non-Executive Director

Tan Sri Datuk Dr Hadenan A. Jalil was appointed as a Director of Maybank on 15 July 2009. He serves as Chairman of the Audit Committee and as a member of the Credit Review, Nomination, Remuneration and Establishment, and Employee Share Option Scheme Committees of the Board.

Tan Sri Datuk Dr Hadenan A. Jalil was Auditor General from 2000 to 2006. He served with the Government for 36 years in various capacities in the Treasury, the Ministry of International Trade and Industry, and Ministry of Works, prior to his appointment as Auditor General. He is currently Chairman of ICB Islamic Bank Ltd (Bangladesh) and PNB Commercial Sdn Bhd. He is also Chairman of the Operations Review Panel of the Malaysian Anti-Corruption Commission. He is also Director of Unilever (Malaysia) Holdings Sdn Bhd and member of Audit Committee, Johor Corporation.

He has not attended any Board Meetings which were held in the financial year ended 30 June 2009 since his appointment date was after the financial year under review.

Tan Sri Datuk Dr Hadenan has no family relationship with any director and/or major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.

Dato' Seri Ismail Shahudin



58 years of age – Malaysian

SPMP

Bachelor of Economics, University of Malaya

Independent Non-Executive Director

Dato' Seri Ismail Shahudin was appointed as a Director of Maybank on 15 July 2009. He serves as a member of the Audit, Credit Review, Nomination, Remuneration and Establishment and Employee Share Option Scheme Committees of the Board.

He was Chairman of Bank Muamalat Malaysia Berhad from 2004 until his retirement in July 2008. He has held senior positions in Citibank, serving both in Malaysia and New York, United Asian Bank and Maybank where he was appointed Executive Director in 1997. He left Maybank in 2002 to assume the position of Group Chief Executive Officer of MMC Corporation Berhad prior to his appointment to the Board of Bank Muamalat Malaysia Berhad. He currently sits on the boards of UEM Group Berhad, PLUS Expressways Berhad, Mutiara Goodyear Development Berhad, SMPC Corporation Berhad, EP Manufacturing Berhad, Aseana Properties Limited, a company listed on the London Stock Exchange and several other private limited companies.

He has not attended any Board Meetings which were held in the financial year ended 30 June 2009 since his appointment date was after the financial year under review.

Dato' Seri Ismail Shahudin has no family relationship with any director and/or major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.

Dato' Dr Tan Tat Wai



62 years of age – Malaysian

PhD DMPN

PhD in Economics, Harvard University, USA; Master of Economics, University of Wisconsin (Madison), USA; Bachelor of Science in Electrical Engineering & Economics, Massachusetts Institute of Technology, USA

Independent Non-Executive Director

Dato' Dr Tan Tat Wai was appointed as a Director of Maybank on 15 July 2009. He serves as a member of the Risk Management Committee of the Board.

He started his career with Bank Negara Malaysia in 1978, undertaking research in economic policies and subsequently as consultant to Bank Negara Malaysia, World Bank and United Nations University for several years. He served as the Secretary and a member on the Council of Malaysian Invisible Trade, set up to formulate policies to reduce Malaysia's deficit in service trade. He was a member of the Government-appointed Malaysian Business Council and a member of the Corporate Malaysia Roundtable. He was a member of the Penang Industrial Council, Industrial Co-ordination Council (ICC) and the National Committee on Business Competitiveness (NCBC) set up by the Ministry of International Trade and Industry.

He is currently the Group Managing Director of Southern Steel Berhad, a post he has held since December 1993. He also sits on the boards of Shangri-La Hotels (M) Bhd, Titan Chemicals Corp Bhd and Natsteel Ltd, a plc in Singapore. He represents Malaysia as a member of the APEC Business Advisory Council (ABAC) and sits on the Council of Wawasan Open University.

He has not attended any Board Meetings which were held in the financial year ended 30 June 2009 since his appointment date was after the financial year under review.

Dato' Dr Tan has no family relationship with any director and/or major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.

Zainal Abidin Jamal



55 years of age – Malaysian
LLB (Honours), University of Singapore
Non-Independent Non-Executive Director

Zainal Abidin Jamal was appointed as a Director of Maybank on 22 July 2009. He serves as a member of the Audit, Credit Review, Nomination, Remuneration and Establishment and Employee Share Option Scheme Committees of the Board.

He is a practising corporate and commercial lawyer and established his firm Zainal Abidin & Co in 1987, where he is the Founder and Senior Partner. He was enrolled as an Advocate & Solicitor of the High Court of Malaya in 1986. Between 1983 and 1986, he served as the Company Secretary of Harrisons Malaysian Plantations Berhad. Previously, he had also practised in Singapore and served as a First Class Magistrate in Brunei Darussalam.

He is currently a Director of Konsortium Transnasional Berhad, Park May Berhad, Lam Soon (M) Berhad and Kesas Holdings Berhad.

He has not attended any Board Meetings which were held in the financial year ended 30 June 2009 since his appointment date was after the financial year under review.

Zainal Abidin has no family relationship with any director and is a nominee of Permodalan Nasional Berhad, a major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.

Profile of Directors

Alister Maitland



68 years of age – Australian
Degree in Commerce, Victoria University, NZ;
AMP Graduate, Harvard Business School, USA
Independent Non-Executive Director

Alister Maitland was appointed as a Director of Maybank on 26 August 2009.

In his career spanning 35 years in Australia, New Zealand and the UK, Alister Maitland held many key roles within the ANZ Banking Group Ltd including that of Chief Economist and Managing Director of ANZ New Zealand. In his last six years with the ANZ Group, he served on the main board of ANZ Bank as Executive Director International, directly responsible for ANZ Group's operations in 42 countries. He is currently Chairman of Folkestone Ltd. Alister Maitland also sits on the board of directors of Lihir Gold Ltd and was previously Chairman of Eastern Health, a Victorian government organisation.

He has not attended any Board Meetings which were held in the financial year ended 30 June 2009 since his appointment was after the financial year under review.

Alister Maitland has no family relationship with any director and/or major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.

Cheah Teik Seng



55 years of age – Malaysian
Bachelor of Science, University of Manchester, UK
Fellow of the Institute of Chartered Accountants in England and Wales
Independent Non-Executive Director

Cheah Teik Seng was appointed as a Director of Maybank on 26 August 2009.

As a federal government Public Services Department scholarship holder, he served in the civil service in the early '80s. Since leaving government service, he served in various capacities in the banking and financial services industry both locally in Malaysia as well as in London, Hong Kong and Singapore. He held positions in Public Bank, Chase Manhattan Bank, Merrill Lynch, Goldman Sachs, UBS and in BNP Paribas holding the position of Managing Director for a tenure of 9 years.

He was appointed as CEO-designate of ECM Libra Avenue Group in 2006. He is currently a Director and Partner of Aktis Capital Singapore Pte Ltd. Cheah sits on the boards of various private equity companies in Hong Kong, China and Malaysia. He is also an Independent Non-Executive Director of two hedge funds.

He has not attended any Board Meetings which were held in the financial year ended 30 June 2009 since his appointment was after the financial year under review.

Cheah Teik Seng has no family relationship with any director and/or major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.

Profile of Directors

Dato' Johan Ariffin



50 years of age – Malaysian
 DPTJ
 B.A. Economics, Indiana University, USA;
 MBA, University of Miami, USA
 Independent Non-Executive Director

Dato' Johan Ariffin was appointed a Director of Maybank on 26 August 2009. He serves as a member of the Credit Review and Risk Management Committees of the Board.

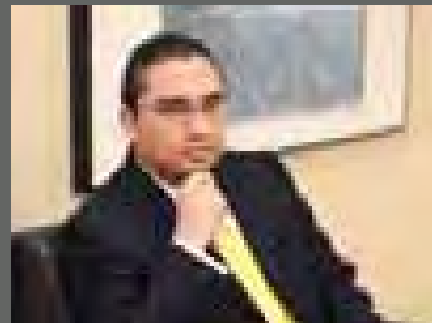
He started his career in the real estate division of Citibank. Thereafter, he held various senior positions in several public listed companies as well as venturing into his own successful marketing and advertising consultancy and property development business. He then headed Danaharta's Property Division as Senior General Manager before moving on to head TTDI Development Sdn Bhd up to January 2009.

He is currently the Chairman of Mitraland Properties Sdn Bhd and a National Council Member of the Real Estate Housing Developers' Association Malaysia (REHDA), besides serving on the boards of several other companies.

He has not attended any Board Meetings which were held in the financial year ended 30 June 2009 since his appointment was after the financial year under review.

Dato' Johan Ariffin has no family relationship with any director and/or major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.

Mohd Nazlan Mohd Ghazali



General Counsel & Company Secretary
 Head of Corporate & Legal Services, Maybank

Sreesanathan Eliathamby



48 years of age – Malaysian
 LLB (Hons) University of Malaya;
 BCL (Postgraduate degree in Law), University of Oxford, UK
 Non-Independent Non-Executive Director

Sreesanathan Eliathamby was appointed a Director of Maybank on 26 August 2009. He serves as a member of the Risk Management Committee of the Board.

He is an Advocate & Solicitor and a Partner with the legal firm of Messrs Kadir, Andri & Partners. He was formerly a Legal Assistant and later a Partner with the legal firm of Messrs Zain & Co.

Sreesanathan Eliathamby is a member of the Investment Committee of Amanah Saham Wawasan 2020 Fund, Bursa Malaysia Listing Committee and the Investigating Tribunal Panel of the Advocates and Solicitors' Disciplinary Board. He currently sits on the Boards of Chemical Company of Malaysia Berhad, Scomi Group Berhad and Guinness Anchor Berhad.

He has not attended any Board Meetings which were held in the financial year ended 30 June 2009 since his appointment was after the financial year under review.

Sreesanathan Eliathamby has no family relationship with any director and is a nominee of Permodalan Nasional Berhad, a major shareholder of Maybank. He has no conflict of interest with Maybank and has never been charged for any offence.

Mohd Nazlan is the General Counsel & Company Secretary of Maybank, and is also its Head of Corporate & Legal Services. He graduated with a Bachelor of Arts in Jurisprudence as well as Master of Arts, both from the University of Oxford. He is also a Barrister at Law (Lincoln's Inn) and an Advocate & Solicitor of the High Court of Malaya.

He was a Partner and Head of Equity Capital Markets at Zaid Ibrahim & Co, specialising mainly on corporate, financial services and securities law matters, particularly in respect of corporate transactions such as capital raisings and M&As before joining Maybank in 2005. Prior to that, he was with the Securities

Commission of Malaysia (SC) for about 7 years until 2000 and his last position was the General Manager of the Enforcement Division, with overall responsibility over the investigation, prosecution and complaints departments. He had also earlier served the Executive Chairman's Office and the Issues & Investment Division whilst at the SC. Mohd Nazlan started his working career in 1991 at Messrs Shook Lin & Bok, handling corporate, conveyancing and banking law matters.

Mohd Nazlan is also a Board member of Mayban Trustees Berhad.

Group Management Committee



1. Dato' Sri Abdul Wahid Omar
2. Khairussaleh Ramli
3. Datuk Johar Che Mat
4. Lim Hong Tat
5. Rozidin Masari
6. Tracy Ong
7. Mohammed Rashdan Mohd Yusof
8. Dato' Aminuddin Md Desa



9



12



10



Ridha Wirakusumah
President Director
PT Bank Internasional Indonesia Tbk



11



Pollie Sim Sio Hoong
Country Head, Maybank Singapore

- 9. Jamaludin Nasir
- 10. Geoffrey Stecyk
- 11. Nora Abd Manaf
- 12. Abdul Farid Alias

Management Profile

Dato' Sri Abdul Wahid Omar

President & CEO

Dato' Sri Abdul Wahid Omar, aged 45, has been President and CEO of the Maybank Group since May 2008. He is a Fellow of the Association of Chartered Certified Accountants (UK) and a Member of the Malaysian Institute of Accountants.

Maybank is the third largest organisation that he has led as CEO. Prior to joining Maybank, he was the Group Chief Executive Officer of Telekom Malaysia Berhad from July 2004. He was formerly Managing Director/Chief Executive Officer of UEM Group Berhad as well as Executive Vice Chairman of PLUS Expressways Berhad. He also served at Telekom Malaysia Berhad as Chief Financial Officer in 2001.

His track record in corporate and financial management began with the banking sector in 1988 when he joined the Corporate Banking Department of Bumiputra Merchant Bankers Berhad. He later served as Director of Group Corporate Services and Divisional Director, Capital Market & Securities, in Amanah Capital Partners.

He is currently the Chairman of the Association of Banks in Malaysia and Malaysian Electronic Payment System (1997) Sdn Bhd (MEPS), as well as Director of Bursa Malaysia Berhad, Cagamas Holdings Berhad, and Perbadanan Usahawan Nasional Berhad.

At Maybank, Dato' Sri Abdul Wahid sits on the Board of several Maybank Group companies including Mayban Fortis Holdings Berhad, Maybank Investment Bank Berhad and Bank Internasional Indonesia.

Khairussaleh Ramli

Chief Financial Officer

Khairussaleh Ramli, aged 41, became Chief Financial Officer of the Maybank Group in November 2008 and oversees the bank's Finance & Treasury Operations, Management Reporting & Business Planning, Strategy & Corporate Finance, Central Funding Unit, Business Analysis & Information Management, Risk Management, Basel II Project, Corporate Remedial Management and Strategic Procurement. He graduated from Washington University, USA, with a Bachelor of Science in Business Administration.

Prior to joining Maybank, Khairussaleh was the Group Chief Strategy Officer of Telekom Malaysia Berhad (TM) where he was responsible for the overall group strategy, business development and corporate finance, and the strategic management of a portfolio of subsidiaries. He was also a member of the Board of VADS Berhad, a public-listed company and subsidiary of TM and Measat Global Berhad. He also served as Chief Executive Officer of TM Ventures, overseeing the strategic and business management of a portfolio of subsidiaries. He was also the Project Director for the demerger exercise of the TM Group.

Khairussaleh spent eight years with Bursa Malaysia Berhad from 1998 to 2006, holding various positions before rising to the position of Chief Financial Officer in 2004. He was a key team member in the consolidation of exchanges and clearing houses, the Joint Project Director for the exchange demutualisation exercise and led the IPO and listing of Bursa Malaysia on the exchange.

Khairussaleh served the Public Bank Group for seven years from 1990 to 1997, gaining experience in corporate banking, stock broking and research and futures broking. His last position in the group was as Executive Director of PB Futures Sdn Bhd.

Datuk Johar Che Mat

Chief Operating Officer

Datuk Johar, aged 56, has been the Chief Operating Officer of the Maybank Group since July 2006. He is responsible for strategic and operational activities in the areas of Banking Operations, Information Technology, Business Process Improvement, Service Level Management, Property & Security, Custody Services and Mayban Trustees Berhad.

He joined Maybank after graduating from University of Malaya in 1975 with a Bachelor of Economics and has served in various capacities pertaining to banking operations and strategic innovation.

Prior to his current position, he was Head of Retail Financial Services, handling the Retail Banking portfolio which includes front-end activities at branches. The portfolio incorporated Transactional Banking (operations), Retail Finance, Retail Marketing, Sales Management Private Banking, Retail Programme Management,

Share Trading, e-Channels, Maybank Group Call Centre and Maybank Unit Trust Berhad.

Prior to that, he was Head of Enterprise Banking (Corporate/Commercial) where he was in charge of Corporate, Commercial and Bumiputra loans.

At Maybank, Datuk Johar is a Board member of several Maybank Group of companies including Maybank Trustees Berhad, Maybank Islamic Berhad, Maybank Life Assurance Berhad, Maybank Takaful Berhad, Myfin Berhad (Maybank Finance Berhad), Aseamlease Berhad, Aseam Credit Sdn Bhd and Maybank Allied Credit & Leasing Berhad.

Lim Hong Tat

Head, Consumer Banking

Lim Hong Tat, aged 50, became Head of Consumer Banking of the Maybank Group, in October 2008.

He has been with Maybank since graduating with a Bachelor of Economics (Business Administration) (Honours) degree from University of Malaya in 1981 and has experience in all aspects of banking, having managed branches, regional, credit card and overseas business portfolios.

Prior to 2008, he was Head of International of Maybank Group and Country Head for Maybank Philippines Inc, as well as former Chief Manager of Credit Card Centre and Regional Manager of Johor/Melaka.

Rozidin Masari

Head, Business Banking

Rozidin Masari, aged 49, has been Head of Business Banking of the Maybank Group since July 2006. He holds a Masters in Business Administration degree from the University of New Haven, Connecticut, USA.

He began his career in the Corporate Banking Department of Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Bhd), the merchant banking arm of the Maybank Group. During his 18 years in Aseambankers, he was involved in Treasury, Capital Markets, Loan Administration, Information Technology and Operations. He assumed the position of General Manager, Capital Markets & Structured Finance prior to his move to Maybank in 2002 as Head Corporate Remedial Management.

At Maybank, Rozidin is a Director of Maybank Ventures Berhad.

Tracy Ong Guat Kee

Head, Corporate Banking

Tracy Ong, aged 48, became Head of Corporate Banking of the Maybank Group in October 2008. She holds a Masters of Business Administration from University of Strathclyde, UK and a Bachelor of Economics (Hons) from University of Malaya.

She began her career in Maybank in 1985 when she joined the Corporate Banking division of Aseambankers Malaysia Berhad (now known as Maybank Investment Bank), the merchant banking arm of Maybank. She subsequently moved to Maybank as Assistant General Manager and became Head of Business Group in Corporate Banking in 1999. In 2004, she was appointed as Head of Debt Markets and then as the Chief Commercial Officer of Investment Banking in 2006.

At Maybank, Tracy is a Board member of Maybank Investment Management Sdn Bhd.

Mohammed Rashdan Mohd Yusof

Chief Executive Officer, Maybank Investment Bank Head, Investment Banking

Mohammed Rashdan Mohd Yusof, aged 39, has been Chief Executive Officer of Maybank Investment Bank and Head of Investment Banking of the Maybank Group since September 2008. He is an Associate of the Institute of Chartered Accountants in England & Wales (ICAEW). He received a Masters of Arts (Economics) Double First Class Honours from University of Cambridge, UK in 2002. He is also an Associate Member of the Association of Corporate Treasurers (ACT) of the United Kingdom.

Prior to joining Maybank, he co-founded and was the Managing Director of BinaFikir, a boutique financial advisory firm, since 2004. Prior to BinaFikir, he was with PricewaterhouseCoopers (PwC) in London and Kuala Lumpur, where he was an Executive Director in the Assurance & Business Advisory Services division and Leader of the Financial Risk Management group in 2001.

With over 16 years of experience, Rashdan is a specialist in financial services, derivatives and structured finance which he acquired as both an auditor and consultant in PwC.

Management Profile

Dato' Aminuddin Md Desa

Chief Executive Officer, Mayban Fortis Holdings Bhd
Head, Insurance and Takaful, Maybank Group

Dato' Aminuddin, aged 47, is the Chief Executive Officer of Mayban Fortis Holdings Bhd and Head of Insurance and Takaful of Maybank Group, since October 2008. He is an Associate of the Chartered Institute of Insurance, (UK) as well as an Associate of the Malaysian Insurance Institute. He graduated with an Advanced Diploma in Business Studies in 1985.

He joined Maybank Group in 2005 upon the acquisition of Malaysia National Insurance Berhad by Mayban Fortis Holdings Berhad.

Prior to joining the Maybank, he was CEO of the then Takaful Nasional Sdn Berhad (now known as Etiqa Takaful Berhad) since December 2001.

At Maybank, Dato' Aminuddin is a Board member of Mayban Fortis Holdings Berhad and Maybank Investment Bank Berhad.

Jamaludin Nasir

Chief Credit Officer

Jamaludin, aged 48, became Chief Credit Officer of the Maybank Group in June 2005. He is responsible for the Group's credit management functions which include independent Credit Assessment, approvals, managing and surveillance of the Group's asset quality. He is also responsible for approval of pseudo credit and investment papers for the Treasury division and the Group's Interbank limit. He holds a Masters Degree in Business Administration from Texas A&M International University, USA and a Bachelor's Degree in Economics and Bachelor of Science in Finance and Business Economics from Southern Illinois University, USA.

Prior to joining Maybank, he served in senior management positions in the Dresdner Bank group where he assumed overall responsibility for the Dresdner Bank and Dresdner Kleinwort Wasserstein group operations in Malaysia.

Geoffrey Stecyk

Chief Transformation Officer

Geoff, a Canadian, aged 39, has been Chief Transformation Officer of the Maybank Group since November 2008. He graduated from University of Alberta, Canada in 1992 with a Bachelor of Commerce in Marketing/Finance.

Prior to joining Maybank, he was the National Head of Bancassurance with American International Assurance (AIA) China from 2006 to 2008.

Prior to that, he was the Executive Vice President, Business Integration with Southern Bank Berhad, Malaysia from 2001 to 2004. He was involved in the transformation of the bank which covered all major areas of the retail and SME banking with an emphasis on driving immediate earnings growth to fund the structural transformation over the medium term.

Nora Abd Manaf

Head, Group Human Capital

Nora Abd Manaf, aged 45, is the Head of Group Human Capital of Maybank Group since October 2008. She is a Chartered Accountant, registered with the Malaysian Institute of Accountants (MIA). She holds a post graduate degree in Human Resource Development from Cornell University, USA, and a Master in International Finance (UK) and a Bachelor of Arts in Accounting from University Teknologi MARA (UiTM).

Prior to joining Maybank, she was with Standard Chartered Group for over nine years, where her last held position was the Head of Human Resources, Scope International (a wholly owned subsidiary of Standard Chartered UK Plc). Prior to that, she was seconded to Permata Bank as Executive Vice President, Strategic Initiatives. Other roles in Standard Chartered Group included a leadership development head role in London as well as in Hong Kong on integration work post Standard Chartered Bank's acquisition of Chase Retail bank then.

Prior to Standard Chartered, she was Head of Human Resource of Maxis Communications.

Abdul Farid Alias

Head, International

Abdul Farid Alias, aged 41, has been Head of International for the Maybank Group since joining Maybank in January 2009. He holds a Masters in Business Administration in Finance from the University of Denver, USA and a Bachelor of Science Degree in Accounting from Pennsylvania State University.

Prior to joining Maybank, he was Director of Investments of Khazanah Nasional Berhad and responsible for monitoring the company's investments in Indonesia comprising PT Bank Lippo Tbk, one of Indonesia's top 10 banks, and PT Excelcomindo Pratama Tbk, one of the top three cellular operators in the country. He was a member of the Board of Commissioners of Bank Lippo and Excelcomindo, both of which are listed on the Indonesian Stock Exchange. He was also a member of the Boards of UEM World Berhad, PLUS Expressways Berhad and UEM Builders Berhad, as a nominee from Khazanah. Abdul Farid resigned from Khazanah, and from all companies he was a Board member of, as a representative from Khazanah, in December 2008.

Prior to joining Khazanah in 2005, he was Vice President of Investment Banking at JPMorgan. Before that he was also attached to other investment banking firms such as Aseambankers Malaysia Berhad, Schrodgers and Malaysia International Merchant Bankers Berhad.

He is a member of the Board of Directors of Maybank (PNG) Limited, a subsidiary of Maybank; and sits on the Boards of MCB Bank Limited and An Binh Bank, associate companies of Maybank in Pakistan and Vietnam respectively.

Ridha Wirakusumah

President Director, PT Bank Internasional Indonesia Tbk

Ridha Wirakusumah, aged 46, was appointed as President Director of PT Bank Internasional Indonesia Tbk. (BII) on 20 March 2009. Before joining BII, Ridha was President and CEO of Regional Business Head Asia Pacific AIG Consumer Finance, Hong Kong. He also served as Chairman of Board of Commissioners of AIG Retail Bank, Hong Kong, AIG Philam Savings Bank, the Philippines, GE Money Retail Bank, Thailand and Keppel Bank/GE Money Bank, Philippines. Prior to that, he was President & CEO GE Consumer Finance Asia, Bangkok. His early career was with Bankers Trust and Citibank in the treasury and corporate banking

functions. He finished his MBA degree at Ohio University, United States of America and is a candidate for PhD in Business Administrations at City University of Hong Kong-University of California, Berkeley/Haas School of Business.

He has spent most of his career overseas in countries such as USA, Hong Kong, Thailand and the Philippines.

Pollie Sim Sio Hoong

Country Head, Maybank Singapore

Pollie Sim, aged 48, has been Country Head, Maybank Singapore, since July 2006. She holds a Masters of Business Administration from Brunel University. She began her career in Maybank Singapore as Head Commercial Banking in 1999 and subsequently moved on to be appointed as Head, Enterprise Banking Division. She later became Head, Retail Financial Services before assuming her current role as Country Head of Maybank Singapore.

Prior to Maybank Singapore, Sim was with Mayban Finance. During her tenure there, she assumed several key appointments in credit, loans and securities, business development, corporate planning, corporate services, IT, finance and systems and productivity. She was Chief Executive Officer in Mayban Finance before the merger of Mayban Finance and Maybank in 1999.

She is a Director of Mayban Nominees (S) Pte Ltd, a subsidiary of Maybank. She is also a Director of Singapore Unit Trusts Ltd, Bosbury Pte Ltd, Heartware Network and Sorak Financial Holdings Pte Ltd.

She is also Council Member of the Association of Banks in Singapore and a member of the Singapore Unit Trust Investment Committee.

People, Our Future

Building a High Performance Culture

Robust Leadership Model

Caring for our Community &
Environment





Chairman's Statement

To say the year was tough would be an understatement given the upheaval created worldwide as a result of the global financial crisis that saw financial giants fail or requiring Government support. Unlike the 1997 Asian financial crisis, this crisis left hardly any country unscathed.

In these difficult times, Maybank and much of the domestic banking sector in Malaysia remained prepared and strong. Maybank was able to withstand the challenges of a highly stressed and competitive operating landscape given its strong capital and liquidity position, and continued to play a significant role in ensuring that credit remains available to help the Malaysian economy and to support Malaysian business and consumer economic activities.

The Group remained focused on its aspiration to be a leading regional financial services group by 2015. This was well in line with our steadfastness to ensure that we deliver sustained long-term value to our shareholders.

Dear Shareholders,

Making Waves Locally and Globally

Maybank Group's resilience has been built on a foundation of prudence and foresight. And with close to five decades to our name, I am pleased to announce that in the year under review, we have continued our track record of profitability.

Maybank has grown from strength to strength both domestically and regionally as a result of our commitment to building a strong balance sheet, robust risk management, enhanced corporate governance and solid asset quality. At the same time, we have not hesitated in undertaking strategic corporate initiatives to propel us closer to realising our vision of becoming a leading regional financial services group.

It is on this very premise that the Group successfully completed its acquisition of Bank Internasional Indonesia (BII) at the end of September 2008. The acquisition is viewed as significant and strategic to the Group's expansion beyond Malaysian shores and given the huge potential for growth of banking and financial services in Indonesia.

Tan Sri Mohamed Basir Ahmad



The acquisition has certainly attracted a lot of attention from all stakeholders. Maybank has decided to take an impairment charge in the financial year under review to best reflect the carrying value of its investment in BII. With that behind us, we are committed to seeing a much improved performance of BII and we are excited at the prospect, supported by a strong management team that we have installed.

During the year under review, the Group also completed the acquisition of an additional 5% equity stake in MCB Bank Limited (MCB Bank) of Pakistan, bringing our total stake in the Bank to 20%. We also successfully completed the acquisition of a 15% stake in An Binh Commercial Joint Stock Bank (ABBank) in Vietnam in September 2008. Cumulatively, these acquisitions provide the Group with a tangible foothold in high-growth high-margin emerging markets.

On the domestic front, Maybank completed its acquisition of BinaFikir Sdn Bhd (BinaFikir), a well-established boutique investment advisory firm. This was a critical move to strengthen the capabilities of our investment banking arm and be among the leaders in the capital markets arena. On this score, I am happy to note that Aseambankers has been rebranded Maybank Investment Bank Berhad from 12 January 2009 onwards. This was to leverage on the strong brand value of the Maybank Group and clearly position the business unit as an integral value chain of the Group.

“ Whilst the economic slowdown has had some impact on the local banking sector, we at Maybank are prepared to meet the challenges, though it does appear that the worst may be over. ”

Operating Landscape

On the economic front, Malaysia began to experience the brunt of the global economic downturn towards the end of 2008. The country's GDP growth flirted close to negative territory in the fourth quarter of 2008 by registering only a 0.1% growth. The economy eventually tumbled over the precipice in the first quarter of 2009 with a significant contraction of 6.2%. This was due largely to a considerable drop in external demand and exports as advanced countries grappled with a deepening recession. Nevertheless, the country's economy contracted at a slower pace of 3.9% in the second quarter of 2009 underpinned by strengthening domestic demand.

Domestic demand contracted 2.8% and 2.9% in the fourth quarter of 2008 and the first quarter of 2009 respectively. However, the pace of contraction slowed to 2.3% in the second quarter of 2009. This was a result of higher spending and improved consumption as well as the positive impact of the Government's RM67 billion stimulus packages.

The slowdown in the country's economy was not unexpected. The Malaysian Government has been prepared for this eventuality with the allocation of RM206 billion in its 2009 Budget, which was followed by the First Stimulus Package of RM7 billion in November 2008. A Second Stimulus Package valued at RM60 billion was further announced in March 2009. This decisive response in spurring public sector spending was augmented by Bank Negara Malaysia's (BNM) pre-emptive measure to reduce the Overnight Policy Rate by as much as 1.50 percentage points from 3.50 percentage points since November 2008 to 2.00 percentage points. Comprehensively, these measures did much to mitigate the adverse impact of external pressures in the domestic economy and help stimulate economic and business activity.

Whilst the economic slowdown has had some impact on the local banking sector, we at Maybank are prepared to meet the challenges, though it does appear that the worst may be over.

Financial & Operating Performance

For the year ended 30 June 2009, the Group recorded higher revenue of RM10.5 billion compared to RM9.6 billion last year. However, net profit was lower at RM691.9 million compared to RM2.9 billion recorded in the previous year.

The lower profit was largely due to higher loan loss provisions, interest on the additional RM9.1 billion securities and subordinated debts issued in 2008 as well as the impairment charges in relation to its investment in BII and MCB Bank of RM1.62 billion and RM353 million respectively.

Excluding the impairment charges and the reversal of the allowances for the non-refundable deposit for the BII acquisition, Maybank Group's core profit after tax stood at RM2.18 billion.

Nevertheless, the growth in revenue was achieved on the back of positive growth in loans from our Consumer and Corporate Banking sectors as well as the strong performance of our Singapore operations.

Additionally, we have registered significant growth in our Islamic banking subsidiary, Maybank Islamic Berhad which registered an 81.6% surge in net profit to RM361.1 million. From being the first to introduce Islamic banking services in the 1990s, Maybank is today the largest Islamic commercial banking provider in the Asia Pacific region with assets of RM34.7 billion. We are confident that the conditions are currently ideal for the rapid growth of the Islamic banking sector globally and this can only bode well for the Group in the long run.

LEAP30

Maybank will hit its half century mark in the financial year 2009/2010. Over the years, the Group has marked one significant milestone after another, thereby achieving a series of firsts in the industry. The coming year will undoubtedly be another significant milestone that is a testament to Maybank being a strong, steadfast entity that is not only a domestic leader but an emerging regional champion.

We have already made tangible progress in our Group-wide performance improvement programme, LEAP30, which was initiated in the second half of 2008. We are confident that with the traction gained so far, and the continued commitment and strong support of Maybankers, LEAP30 will thrust all sectors within Maybank towards achieving the Group's vision to become one of the top five banks in South and South East Asia by 2015.

The Group has also taken proactive steps to strengthen its capital base by undertaking a RM6 billion rights issue which was completed on 30 April 2009. With the rights issue, our shareholders' funds now stand at RM24.9 billion, and capital adequacy ratio at 14.8%, retaining our credit ratings. Hence, Maybank is currently one of the best capitalised banks in Asia. Ultimately, this will enable the Group to enhance its competitive positioning by strengthening our domestic and regional presence aimed at accelerating growth in the foreseeable future.

“ Maybank’s pole position in the domestic banking sector has been premised on a steadfast commitment to being innovative in our products and services, while being mindful in how we cater to customer expectations. ”

I am pleased to note that the rights issue exercise was transacted successfully; for one, we took only nine weeks to complete the transaction from announcement date. In addition, the rights issue was oversubscribed with a subscription rate of 128%, reflecting the confidence of our shareholders. The 9 for 20 rights issue undertaken by the Group was the largest rights issue in the history of Malaysia’s capital markets.

We would like to thank our major shareholders, in particular Permodalan Nasional Berhad (PNB), Amanah Saham Bumiputra/Amanah Saham Nasional and Employees’ Provident Fund (EPF) who have been instrumental in making the rights issue a success. We believe the trust placed in us has been rewarded with our share price having appreciated by 52.8% and 68.7% as at 30 June 2009 and 28 August 2009 respectively since the shares went ex-rights, on 31 March 2009.

Achievements

Maybank’s pole position in the domestic banking sector has been premised on a steadfast commitment to being innovative in our products and services, while being mindful in how we cater to customer expectations.

This commitment has been recognised by the industry and our peers during the year. In its 2008 survey, Euromoney recognised Maybank as the Best Local Bank with the Best Private Banking Services. Additionally, the Group bagged the Most Outstanding Islamic Retail Banking Award during the KLIFF Islamic Finance Awards, which was organised to acknowledge the significant efforts and contributions by individuals and institutions in developing the Islamic finance industry.

In terms of innovation, Maybank was the first to collaborate with Tenaga Nasional Berhad to introduce an online bill service via Maybank2u.com. We were also the first to launch an online facility for Amanah Saham Bumiputra investments as a result of our partnership with PNB. By consistently enhancing our range of online banking services, we are effectively setting ourselves apart from our competitors in terms of greater access and convenience.

Dividend

The Board of Directors has proposed a final dividend of 8 sen per share less 25% income tax for the year ended 30 June 2009 amounting to RM425 million. This translates into a dividend payout ratio of 61% of the total Group net profit for the year. Clearly, this is a reflection of our commitment to improve shareholder value amidst the challenging operating environment.

Acknowledgements

Maybank is on the verge of the next wave forward in its evolution. Achieving this is no easy task, neither is it impossible as long as Maybankers and our stakeholders are united in achieving this vision.

On this note and on behalf of the Board of Directors, I would like to congratulate Dato' Sri Abdul Wahid Omar on his first full year of helming the operations of the Group as President & CEO. We are indeed confident that his leadership will inspire the Group to greater waves of success.

We also wish to convey our appreciation to all our Maybankers. Your perseverance, dedication and loyalty will be the very fuel to power our Bank forward as we strive to achieve our aspirations.

On the same score, we also thank our financiers, business partners, consultants and relevant authorities who have supported the Group over the year.

The Board of Directors of Maybank would like to record our appreciation to Mr Teh Soon Poh, Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor, Datuk Abdul Rahman Mohd Ramli, Tuan Haji Mohd Hashir Haji Abdullah, Tan Sri Dato' Sri Chua Hock Chin and Datuk Zainun Aishah Ahmad who have stepped down as directors of the Board during the course of the year. Our thanks and appreciation also to Datuk Syed Tamim Ansari Syed Mohamed, who will not be seeking re-election at the forthcoming AGM. Their service, experience and expertise were indeed highly valued by the Board.

We are also pleased to welcome our new directors to the Board of Maybank, namely Tan Sri Datuk Dr Hadenan A. Jalil, Dato' Seri Ismail Shahudin, Dato' Dr Tan Tat Wai, Encik Zainal Abidin Jamal, Mr Alister Maitland, Mr Cheah Teik Seng, Dato' Johan Ariffin and Mr Sreesanthan Eliathamby.

To all our customers, we express our deepest appreciation to you for having supported the Maybank brand and entrusted us with your confidence. We will remain determined to bring you greater innovation, value, convenience and service quality to meet your banking needs.

And finally, it has been close to 16 years since I was appointed as Chairman of Maybank on 9 October 1993. During this period, I have seen Maybank grow from an asset size of about RM56 billion to RM311 billion as at 30 June 2009 and remaining as the No.1 bank in Malaysia. It has been a very exciting and professionally fulfilling 16 years for me. Having chaired Maybank for such period, I guess it is timely that I pass the baton over to someone new to helm the Maybank Board. I will therefore not be seeking re-appointment at the forthcoming AGM. Discussions are currently on-going on the selection of the new Chairman and an announcement is expected to be made upon approval from BNM. I have been a Maybanker since 1993 and I pledge to continue to support Maybank notwithstanding my retirement. I wish the new Chairman, my fellow Board members and the Management team well in their efforts to transform Maybank into a leading financial services group.



Tan Sri Mohamed Basir Ahmad
Chairman

■ President & CEO's Statement



Dato' Sri Abdul Wahid Omar
President & CEO

Dear Shareholders,

The year 2008 and our financial year just ended will best be remembered as a year that created more waves than one as global economies and corporations grappled with the multitude of challenges which swept across the globe in the wake of a world economic crisis described as truly tumultuous and unprecedented.

The significant strides that we were able to make despite the volatility of markets and global uncertainty are a strong reflection of the resilience of Maybank as a Group to rise above the worst of economic cycles and business downturns and continue with our track record of performance, strength and profitability through the years.

For us at Maybank, the year has been a defining one, during which we set a new vision and aspirations for the Group with a clear expression of our commitment to secure our position in Malaysia as undisputed leader and to take Maybank beyond Malaysia as the country's regional financial services leader by 2015.

We have embarked on a journey of Transformation to bring change to the way we do business and we have to date, successfully brought to completion our regional acquisitions in Indonesia, Vietnam and Pakistan which we initiated in the early part of 2008. Our progress thus far in this commitment to change and grow has been more than encouraging.

Introduction

It has been 16 months since I took over the reins of Maybank and what an event-filled period it has been. Broadly, there was the challenge for us as a Group to steadfastly pursue our business growth plans amid an environment impacted by a slowing economy, the intensified competition in our core business segments and the determination to ensure that we were able to complete our regional expansion plans whilst safeguarding the interest of all our stakeholders.

Before I go further, it would be remiss of me not to thank our stakeholders for the support extended to me in my first year. With almost five decades to its credit, Maybank is what it is today because of the collective hard work and resolve of people past and present who have contributed towards building this Group into a force to be reckoned with. I take pride in joining the ranks of those who have come before me.

The year witnessed the Group being fully cognisant of the fact that in order to extract greater yield, new chapters of growth had to be opened by seizing opportunities which lay before us. This was an absolute necessity given the unpredictable trail of challenges that we had to overcome.

Needless to say, our efforts over the last financial year were firmly encapsulated in the need to see a transformed Maybank as undisputed leader at home and in the region. Our journey has just begun.

“ Despite the crisis environment and the challenges described, the Maybank Group continued with its record of profitability and registered pre-tax profit of RM1.67 billion for the financial year ended 30 June 2009. ”

Business Environment

As I pen these thoughts, global economic recovery is anticipated to pick up towards the end of 2009 and record positive growth in 2010, given that the United States and other developed economies have begun showing signs of stabilising following contraction in real GDP in the first quarter of 2009. In Malaysia, our economy is expected to experience a similar recovery pattern having recorded 4.8% quarter-on-quarter GDP growth in the second quarter of 2009. Together with the upturn in the external sector, the recovery in domestic consumer demand and positive impact of the Government's stimulus packages bode well in lifting the economy back into positive territory in 2010.

The financial services industry in Malaysia is expected to remain resilient despite slower economic growth given the strong capitalisation of financial players, excess liquidity and healthy asset quality. Loans growth is expected to remain positive with improving domestic demand and higher government spending. The industry will remain competitive especially with the gradual introduction of liberalisation measures. Risk of margin compression and asset quality deterioration is expected to be well contained.

To emphasise this fact, the Malaysian banking industry registered total loans growth of 8.3% year-on-year in June 2009. In the same period, household loans growth was recorded at 8.6% while business loans growth was registered at 3.7% year-on-year. These indicators were achieved despite shaken investor sentiments that drove down the capital market in our country and the prospect of the global economic storm engulfing us.

Additionally, asset quality in the banking sector also improved with net non performing loans (NPL) ratio holding at a low level of 2.2% in June 2009. Likewise the finance system was sound with the industry's core capital and risk weighted capital ratios being at a healthy 12.1% and 14.0% respectively as at June 2009.

In short, at the halfway mark of 2009, the financial sector remains solid and continues to be a steadfast contributor and catalyst to the country's economy.

Group Performance

Despite the crisis environment and the challenges described, the Maybank Group continued with its record of profitability and registered pre-tax profit of RM1.67 billion for the financial year ended 30 June 2009, although this was lower than the pre-tax profit of RM4.09 billion recorded in the previous year. Profit after tax and minority interest totalled RM691.9 million compared to RM2.93 billion previously. We also saw operating profit decline to RM3.06 billion for the year compared to RM4.57 billion previously. The lower profits were largely due to higher loan loss provisions, higher interest costs on the additional RM9.1 billion capital securities and subordinated debts issued in 2008 and the

impairment charges of RM1.97 billion in relation to our investment in BII and MCB Bank which we made in compliance with FRS136.

If we were to exclude the impairment charges and the reversal of the allowance for the non-refundable deposit for the BII acquisition, our core profit after tax would have been RM2.18 billion.

As a Group, we also recorded a 9% increase in net interest income which totalled RM5.92 billion compared to RM5.43 billion previously. The higher net interest income was also achieved despite the reduction in the Overnight Policy Rate which saw the Base Lending Rates revised from 6.75% to 5.5% currently as well as additional interest expense of RM445.3 million due to the issuance of capital securities and subordinated debts during the financial year. The net interest margin of the Group remained relatively stable at 2.72%.

Non interest income for the year was at RM3.38 billion compared to RM3.17 billion in the previous year. We continue to benefit as a Group from our strong customer franchise with transactional fee income growing 4.2% to RM3 billion.

The Group's Islamic banking arm, Maybank Islamic remains the No. 1 Islamic bank in Malaysia recording an 81.6% surge in net profit which grew to RM361.1 million, from RM198.8 million the previous year. The sterling performance was driven by a higher financing portfolio and customer deposits as well as improved returns on earning assets.

Gross loans for the Group including BII grew 13% during the year. Loans at the Malaysian operations grew 6.4% while overseas loans including BII grew 29.2%. BII recorded a loans growth of 1.4% while the Singapore operations saw loans grow by 5%.

Consumer loans rose 8.3% during the year led by increase in securities financing which grew 10.6%, credit card receivables by 11.3%, automobile financing by 11.5% and mortgages by 1.6%. Business loans grew by 4.8% driven by strong corporate loans growth of 30.0% which offset a 27% contraction in SME loans.

Loans Growth

RM billion	Jun 09	Jun 08	YoY Growth
Domestic	129.9	122.1	6.4%
Consumer	62.8	58.0	8.3%
• Securities	11.4	10.3	10.6%
• Vehicles	19.8	17.8	11.5%
• Residential	24.6	24.3	1.6%
• Credit Card	3.6	3.2	11.3%
• Others	3.3	2.4	36.9%
Business	67.1	64.0	4.8%
• Corporate	46.4	35.7	30.0%
• SME	20.7	28.4	-27.0%
Overseas	63.4	49.1	29.2%
• S'pore (SGD b)	16.2	15.4	5.0%
• BII (Rp trillion)	35.5	35.0	1.4%
• Others	11.9	12.2	-2.5%
Gross Loans	193.4	171.2	13.0%

Deposit growth was strong, increasing by 13.6% to RM212.6 billion this financial year. Savings deposits grew 11.7% in the year while current account deposits rose 5.2% and fixed deposits by 7.1%.

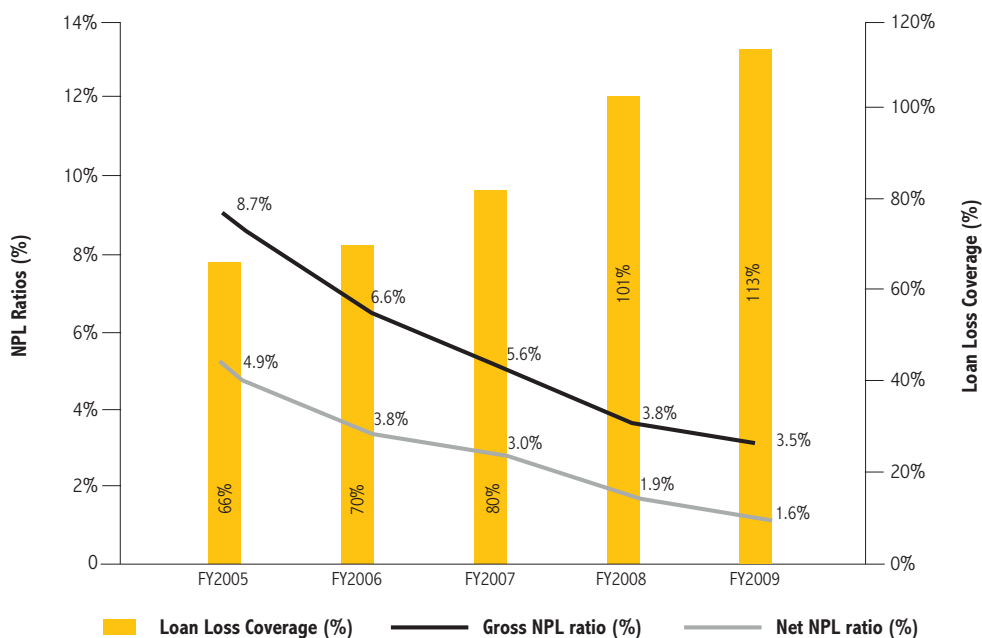
Loan loss provisions for the year were RM1.7 billion, 109.7% higher than the last financial year mainly due to higher loan loss provision of RM401.4 million at Maybank as well as RM121.2 million at subsidiary level and the consolidation of BII loan loss provisions for the first time in the financial year which totalled RM366.2 million. With the increase in loan loss provisions, the Group showed greater prudence in its loan loss coverage which stood at 112.9% as at June 2009 compared with 101.1% in June 2008.

I am pleased to report that we achieved a corporate milestone when we successfully raised a record RM6 billion via a rights issue that we undertook during the financial year to reinforce our capital strengths post our regional acquisitions. Maybank is today among the best capitalised banks in the region with our Group capital adequacy ratio stronger at 14.8%.

On sectoral growth of our core business segments, I will further elaborate on this in the operations review report on page 106 which will detail for you the performance of our commercial banking franchise, Islamic banking, investment banking and insurance groups. In general, while we continued to register healthy growth across most of our core segments, we did see some decline in business particularly in our investment banking and insurance groups. Our international operations was also affected by the global financial downturn.

Nevertheless, our Group asset quality showed continued improvement with the net NPL ratio declining to 1.64% as at 30 June 2009, from 1.92% last year.

Gross & Net NPL Ratio, Loan Loss Coverage



Growing from Malaysia & into the Region

There is vast inherent potential in the emerging economies of the South and South East Asia region, which we have earmarked as the area of future growth outside of Malaysia for us, in line with our Group aspiration to be Malaysia's flagship financial services leader in the region.

In early 2008, the Group made bold moves to expand its international roadmap, beginning with the acquisition of a 15% stake in ABBank to springboard and grow our consumer franchise in Vietnam. This was followed by the acquisition of Sorak Financial Holdings, which paved the way for Maybank to be the controlling shareholder of BII, a strategic move for us to accelerate our efforts to penetrate the fast growing consumer market in Indonesia more aggressively.

Indonesia is expected to be the third fastest growing economy in Asia in 2009 and has experienced per capita income growth of 9.3% in the last five years. This rapid economic growth has fuelled a high loans growth for the same period and is the most profitable banking market in Asia with an average return on assets of 2.3% in 2008. Loans to GDP ratio lags all its Asian peers and there is still tremendous room for growth in the Indonesian banking sector. Indonesia is the world's fourth most populous country after China, India and the United States. It is still widely perceived as having an 'under-banked' population. Let alone the opportunities in consumer business, Maybank's firm footing in Islamic banking will most certainly profit from our 'transformational acquisition' here, given that Indonesia has the largest Muslim population in the world.

The world's economic focus as a result of the crisis is also shifting to the East, with ASEAN emerging as one of the most important trading blocs today. The region is home to more than half a billion people who have an insatiable desire to improve their livelihood and standard of living. Taking a cue from this, the Group has acquired a 15% stake in ABBank in Vietnam.

ABBank is among the fastest expanding joint stock commercial banks in Vietnam by assets and currently has a network strength of 79 branches and transaction offices which span across 21 provinces and cities in the country. Plans are underway to aggressively expand its network to 150 branches by 2010. Vietnam has experienced an average GDP growth of 7% a year over the past decade.

Looking beyond ASEAN, we expect the Indian sub-continent to also undergo sustained growth on a longer-term horizon. In early May 2008, Maybank marked its entry into the South Asian market with the acquisition of a 15% stake in MCB Bank, Pakistan's most profitable commercial bank. An additional 5% equity stake was acquired subsequently in August 2008 in accordance with the terms and conditions of the sale and purchase agreement which was signed earlier. MCB Bank contributed a pre-tax profit of RM92.4 million to Maybank Group's profits for this financial year. MCB Bank is a highly attractive franchise in a high-growth and under-penetrated banking market with a large population. The Bank has a proven record of performance through high return on equity and strong net interest margins supported by a low cost funding base. This clearly demonstrates our confidence in the attractive South Asia market. Adding to this equation is the fact that Pakistan is the sixth most populous country in the world and has the second largest Muslim population globally after Indonesia.

These strategic investments mark the beginning of a new era as the Group ventures into the shores of nations that hold indescribable opportunities for growth. In addition, we will continue to grow our market presence organically in our key international markets in particular Singapore, Cambodia, Vietnam, China and the Philippines. Collectively, with the recent acquisitions and on-going business plans to strengthen our footprint, we look to the future with confidence and are set on achieving our goal to become one of the top five banks in South and South East Asia.

Following the completion of the acquisitions, the Group undertook a robust review of the operations of the acquired banks. In line with this review, the Group conducted a Purchase Price Allocation (PPA) exercise in accordance with the FRS3-Business Combination and FRS138-Intangible Assets Guidelines in relation to the BII and MCB Bank acquisitions. The robust PPA and impairment exercise resulted in the Group having to make an impairment charge of RM1.62 billion for BII and RM353 million for MCB Bank. As a result, the carrying amount of BII and MCB Bank as at June 2009 in the books of Maybank Group stands at RM5.77 billion and RM2.23 billion respectively.

The recoverable/carrying amount is computed based on the Value-in-Use method which applies the discounted cash flow model using Free Cash Flow to Equity projections prepared by management, covering a 10-year period with a certain compounded annual growth rate derived from historical data and the economic outlook of the country in which the subsidiaries or associates operate. The impairment charges are the difference between the recoverable/carrying amount and the cost after taking into consideration foreign exchange fluctuation loss and movement in net assets and amortisation of intangible assets from the acquisition date to 30 June 2009.

The impairment charge is a non-cash charge and does not affect the capital position of Maybank because of the manner in which the risk weighted ratio is calculated which has already negated any effect of impairment.

Group Transformation

Our drive for higher performance through Group-wide transformation of people, processes and systems is taking shape and progressing well. Through LEAP30, Maybank's performance improvement programme launched in the year under review, we have begun to realign our operations, re-engineer organisational processes as well as build a high performance talent pool that will serve as the foundation for sustainable growth in the future.

Much progress has been made since the launch of LEAP30 which has as its focus, three strategic thrusts to:

- Secure Maybank's position as the undisputed leader in financial services in Malaysia;
- Strengthen our regional presence by enhancing the quality of our operations in seven out of 10 ASEAN countries in which we are already operating, whilst continuing to look for opportunities in other lucrative growth markets in the region; and
- Become a talent and execution-focused company.

I am pleased to report that LEAP30 has already made a positive impact on the Group. To date, we have implemented a total of 16 of the targeted 30 initiatives and have achieved total financial benefits amounting to RM40 million in pre-tax profit contribution plus an additional RM143 million in cost savings for the Group.

The Group is also fully aware that it is equally important to attract and retain the right talent in line with our human capital development strategy and philosophy that people are our greatest asset and our future. Capitalising on the global downtrend, Maybank optimised on opportunities to hire the best Malaysian talent with global experience, resulting in a number of top hires particularly at our Investment Banking arm to strengthen our corporate finance and Islamic capital market teams.

Collectively, these measures will strengthen our existing human resource model to ensure our ability to grow, retain and reward performers within the Group. This year's annual report contains a dedicated section on page 164 entitled LEAP30 which highlights the achievements to date and plans ahead.

“ Our drive for higher performance through Group-wide transformation of people, processes and systems is taking shape and progressing well. ”

Basel II

The Basel I framework, implemented in Malaysia since 1988 is a one-size-fits-all capital framework. It was designed to calculate regulatory capital for credit risk and market risk only, using one basic methodology.

Under Basel II, the framework has been enhanced with the following key features:

- Pillar 1: minimum regulatory capital for credit risk, market risk and operational risk (which is new), with a menu of options from basic to advanced approaches.
- Pillar 2: supervisory review process (including ICAAP for banks).
- Pillar 3: enhanced disclosure requirements.

There are three approaches for the assessment of minimum capital for credit risk under Basel II.

One is the Standardised approach, which is an enhancement of Basel I. The calculation of regulatory capital charge for credit risk is largely driven by the use of recognised external ratings.

The other approach available is the Foundation Internal-Ratings Based (FIRB) approach, where banks are allowed to have their own internal ratings for the calculation of Probability of Default (PD).

The third approach is the Advanced IRB approach where banks are allowed to have their own internal ratings for the calculation of PD, Exposure at Default (EAD) as well as Loss Given Default (LGD).

Banks are required to demonstrate their ability to meet a set of minimum qualifying criteria before they can become IRB-certified banks.

At present, we have as a Group implemented the Standardised approach for market risk since 2005. For credit risk and operational risk under Basel II, the Group plans to migrate to the IRB approach for credit risk and the Standardised approach for operational risk during 2010.

Under the Basel II implementation schedule announced by BNM, banks that wish to migrate directly to the IRB approach for credit risk need to apply for prior BNM approval and implement by 2010.

The Maybank Group has obtained approval in-principle from BNM to adopt the IRB approach in 2010. In preparation for this migration to Basel II, we have emplaced appropriate IRB-compliant risk models, enhanced our risk systems and databases and conducted comprehensive training on Basel II for our staff to facilitate a smooth transition from Basel I to Basel II during early 2010.

On the regulatory capital requirement for operational risk, the Group has submitted an application to adopt the Standardised Approach for Operational Risk, which we target to implement by 2010. We have also made preparations for Pillar 2 and Pillar 3, in line with regulatory requirements. We submitted a high-level Internal Capital Adequacy Assessment Process (ICAAP) framework to BNM during 2008 to highlight our preparations for Pillar 2 compliance.

At Maybank, we have developed risk models to ensure that at least 75% of our credit portfolio would be IRB-compliant come 2010. This percentage will need to increase to 85% by end 2012. We have set up a dedicated and independent team to validate the models on an on-going basis as the robustness and accuracy of risk models are key requirements set out in the BNM guidelines on IRB approach.

We do not foresee any delay in the implementation of Basel II. We started our preparations quite early, having started the use of corporate rating models since 2001. Today, we are in the midst of fine-tuning our Basel II calculations and testing our reporting modules. We are confident that we would be able to meet the BNM timelines for implementation.

Accolades

The Group continued to be recognised for two consecutive years as Malaysia's Most Valuable Brand with brand value of RM9.3 billion. At business sector level, our brand has been widely recognised as award winning in cash management, private banking, trade finance, credit cards, Islamic banking, takaful and investment banking. These awards are as much a celebration of the achievements of our employees as that of customer and industry recognition of our business and service leadership. A list of all our awards can be found on page 48.

Prospects & Outlook

The new financial year will prove to be yet another challenging one as the world's leading economies, particularly the United States, continue experiencing recessionary effects that will flow into many Asian economies. In Malaysia, higher public spending and positive growth in private consumption resulted in a slower rate of contraction of the economy by 3.9% in the second quarter of the calendar year 2009, compared to a contraction of 6.2% in the first quarter. We are beginning to see signs of an economic recovery and are optimistic of a continuing upward trend albeit gradually in the coming year.

“ The Group continued to be recognised for two consecutive years as Malaysia's Most Valuable Brand with brand value of RM9.3 billion. At business sector level, our brand has been widely recognised as award winning in cash management, private banking, trade finance, credit cards, Islamic banking, takaful and investment banking. ”

“With the accommodative interest rate policy adopted by BNM and the impact of the Government’s stimulus packages, the economic and business environment moving forward will bring with it more opportunities for growth and recovery.”

With the accommodative interest rate policy adopted by BNM and the impact of the Government’s stimulus packages, the economic and business environment moving forward will bring with it more opportunities for growth and recovery. In these difficult times, the nation’s financial sector has been given a boost as it undergoes positive changes with the announcement of the liberalisation plan by our Prime Minister Dato’ Sri Mohd Najib Tun Abdul Razak. The plan is set to enhance Malaysia’s viability in the global economic landscape. The magnitude of the liberalisation plan will most certainly be felt in years to come as consumers are now provided with a wider range of world-class financial products and services. The initiative will also strengthen the country’s drive to become an international Islamic financial hub. This bodes well for the Group as it will further solidify our dominant position as Asia Pacific’s largest Islamic banking player.

On this score, the Group is prepared and ready to operate within a more liberalised environment which is aimed at enhancing Malaysia’s linkages with international economies to promote greater regional economic integration.

As we look to the year ahead of us, we are mindful of the trust that has been placed in us by our stakeholders. This is the impetus that inspires us to perform and succeed in our efforts to build a transformed Maybank, a financial services leader that we can all be proud of in Malaysia and the region.

Acknowledgement

Undoubtedly, my first year in Maybank would not have been possible without the assistance I have warmly received from all Maybankers. To begin, I would like to express my gratitude to our Chairman, Tan Sri Mohamed Basir Ahmad for his guidance and counsel during the year. I have enjoyed tremendously working with him and have benefited significantly from his experience and wisdom. On behalf of all Maybankers, we say a big ‘Thank You’ YBhg Tan Sri. There is no doubt that we will miss his presence and we wish him all the best. My appreciation also to the Maybank Board of Directors for their confidence and support extended to the Management team and myself.

I would also like to record my appreciation to the relevant regulatory authorities especially BNM and the Securities Commission and our valued stakeholders - our shareholders, customers, and our business partners. To our shareholders especially PNB and the EPF, thank you for your unwavering support in our successful rights issue. Finally, this journey could not have been undertaken if not for the invaluable energy and dedication of more than 39,000 Maybankers in Malaysia and the region. Thank you for your perseverance and dedication as we work together, sharing a common vision and our core values which we embed in the acronym TIGER to steer us forward in our journey of change and greater leadership for Maybank.



Dato’ Sri Abdul Wahid Omar
President & CEO

■ Consumer Banking

The sector continued to remain resilient despite the weakening business environment, heightened competition and increased operational cost.



Maybank's Consumer Banking sector caters to a broad array of consumer segments throughout Malaysia. Its range of products and services include mortgage loans, automobile loans, credit cards, bancassurance, wealth management as well as deposits.

Performance Review

During the year under review, Consumer Banking recorded a profit before tax of RM1.61 billion compared with RM1.68 billion a year ago. Our percentage of decline was, however, lower than what was reported by other players in this sector. Consumer Banking's profit before tax accounts for a contribution of 51% to the overall Group profit before tax and impairments. The sector continued to remain resilient despite weakening business environment, heightened competition and increased operational cost. This achievement was largely attributed to the positive growth recorded in the Bank's consumer loan segment, retail deposit business as well as fee-based income stream from cards and payment services during the year.

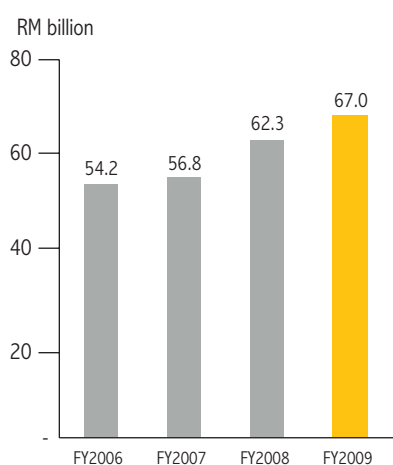
To demonstrate our commitment to providing credit facilities to Malaysians who qualify, Maybank continued to aggressively pursue its growth strategy for the consumer loan segment. As a result, the segment, which accounts for 35% of the Group's total loans outstanding balance, recorded a 7.7% increase in overall consumer loans to RM67 billion.

Mortgage, automobile, unit trust and cards financing remained the key contributors to our consumer loan segment, making up 98% of the total portfolio. However, growth during the year was mainly driven by the expansion of our hire purchase and unit trust financing portfolios, which grew by 11% and 16% respectively.

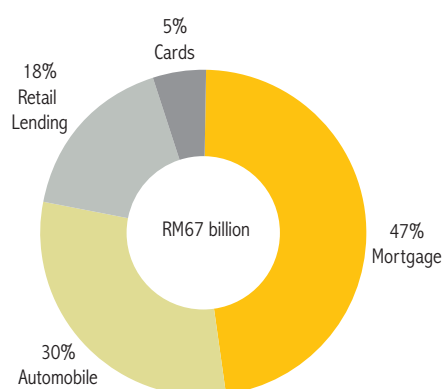
Our retail deposits also rose by 4%. This was due to the positive growth recorded in CASA (current account savings account) deposits and fixed deposits of 6% and 2% respectively. Retail deposits accounts for 33% of the Group's total deposits.

Taking into account the challenging operating environment during the year, Consumer Banking has been prudent in ensuring that loan assets remained healthy and viable with constant risk assessment and monitoring. This was evidenced by its gross NPL ratio which declined to 4.2% from 4.9% in the previous financial year.

Consumer Banking Loans Trend

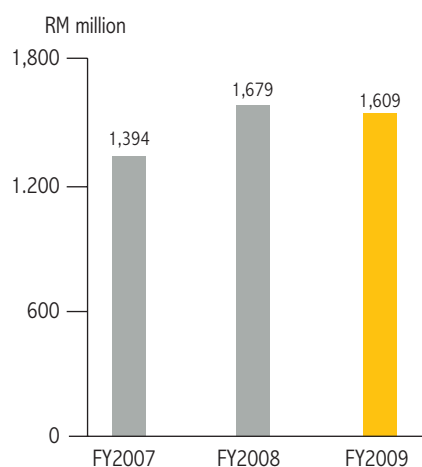


Consumer Banking Loan Composition as at FY2009

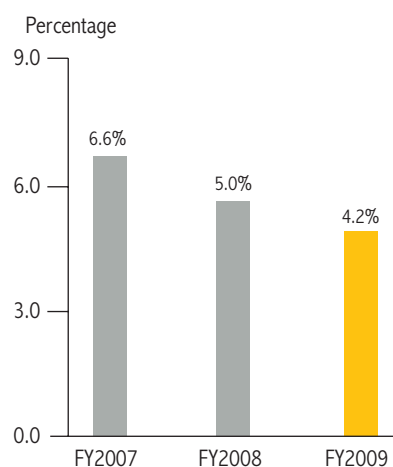


Consumer Banking – Malaysian Operations Only	FY2009	FY2008	Growth Inc/Dec
Pre-Tax Profit (RM'mil)	1,609	1,679	-4.2%
Gross Loans, Advances & Financing (RM'bil)	67.0	62.2	7.7%
Core Product			
• Mortgage	31.5	30.5	3.3%
• Auto Loans	20.3	18.3	10.8%
• Retail Lending	11.7	10.3	14.0%
• Cards	3.6	3.2	12.3%
Retail Deposits	71.1	68.5	3.9%
Core Product			
• CASA	33.3	31.4	5.9%
• Fixed Deposits	37.9	37.1	2.1%
Gross NPL Ratio (%)	4.2%	4.9%	-0.7%
Core Product			
• Mortgage	7.6%	8.5%	-0.9%
• Auto Loans	1.1%	1.4%	-0.3%
• Retail Lending	0.9%	1.7%	-0.8%
• Cards	1.8%	1.7%	+0.1%

**Consumer Banking Profit
Before Tax Trend**



Consumer Banking NPL Trend



Mortgage Financing

Mortgage financing remained the core business for Maybank's Consumer Banking sector. At the end of the 2009 financial year, loans outstanding in our mortgage portfolio amounted to RM31.5 billion, representing an increase of 3.3% from the previous year's RM30.5 billion. This accounts for almost 47% of the Bank's total consumer loan portfolio.

As a result of our strategy to re-balance our mortgage portfolio and improve our asset quality, the NPL ratio for mortgage loans improved from 8.5% to 7.6%, while the NPL for loans disbursed since July 2006 was at a low 1.2%. The adoption of a new customer acquisition strategy in the previous financial year has provided us with the foundation to be more aggressive in our pursuit of greater market share. Compared with the first half of the financial year, we saw much more improvement in the second half in terms of approval, acceptance and balance outstanding. By focusing on financing properties in prime areas, Maybank was able to leverage on the strength of its Mortgage MaxiHome brand and the reach of its wide network to tap the market base of high net worth individuals while ensuring asset quality and profitability.

In tandem with this approach, Maybank also formed strategic collaborations with reputable and established developers. These included leading top-tier developers such as Sime Darby Property Berhad, Island & Peninsular Group, Sunrise Bhd, the Sunway Group, IJM Land Berhad, SP Setia Berhad and the Mah Sing Group, which are brands that have consistently delivered quality homes.

These strategic alliances further position Maybank's Mortgage MaxiHome brand as the preferred financial solutions provider for individuals looking to acquire quality properties. Through this partnership, the MaxiHome brand has successfully penetrated the preferred segment of the market, supported by attractive financing packages with innovative and flexible features.

As part of the efforts to market Maybank products to affluent home-buyers, we actively participated in the property industry's prestigious events, namely as the main sponsor for the FIABCI Malaysia Property Award and The Edge Malaysia Top Property Developers Awards. In addition to enhancing our visibility, this initiative provided us with the opportunity to network and build invaluable links to drive this consumer segment forward.

The year also saw the Group developing several key products such as the new Maybank MaxiHome FlexiPrime which offers competitive interest rates, high margin of financing and flexibility for customers to self-manage their loans and cash flow. This loan product combines savings and current accounts as well as the home loan into one account with checking facilities. Customers can make extra payments at anytime with no limit or penalty while interest can be earned for credit balance. The product also comes with free Personal Accident insurance coverage and free medical expenses coverage.

Maybank continued to emphasise customer retention given the highly competitive landscape due to the low interest rate regime. As such, we strived to enhance our product offering and improve customer service standards. One of the notable initiatives implemented was providing customers with the convenience to redraw on extra payments at any time through various platforms, be it over the counter, online, with cheques, via ATM, auto-credit or phone banking.

As part of our long-term commitment to support BNM's priority sector housing loan programme, Maybank financed a total of 5,438 units or 201% above the minimum 2,700 required units during the financial year. In addition, Maybank was one of the participating banks for the Government's Syarikat Jaminan Kredit Perumahan (SIKP) guaranteed housing loan scheme for eligible customers without a fixed income.

Automobile Financing

During the year in review, aggressive marketing campaigns with dealers and distributors, strategic focus on our core customer segments and the introduction of highly competitive products were the hallmark of Maybank's continued success in the automobile financing business.

This segment, which contributed 30% of Consumer Bankings gross loans, registered a gross balance outstanding of RM20.3 billion. This was a notable double digit 11% increase compared with RM18.3 billion a year ago and clearly surpassed the industry's average loan growth of 5%. Maybank is today recognised as the fastest growing brand in the automobile financing sector despite being No.3 in the market, with market share for purchase of transport vehicles improving from 16% to 17% as well as dominant market share for floor stocking at 84% and block discounting at 80%.

Retail hire purchase remained the primary contributor by accounting for 98% of the segment's total revenue. Other core businesses in the segment included commercial hire purchase, corporate auto scheme, floor stocking and block discounting. The positive performance can be attributed to the introduction of new products such as the Graduate Ezy HP Automobile Financing Package. It offers a step-up repayment structure that appeals to graduates, young professionals and individuals with high income growth potential.

In addition, the segment also upgraded its business processes by making it easier for our managers to undertake approval anywhere and anytime via the Internet. This greatly enhances speed and efficiency, allowing our brand to be competitive in terms of fast approval of credit applications.

To further penetrate the market, we also expanded our network with the successful opening of 29 new hire purchase windows during the year. This brings our total footprints for automobile financing to 95 throughout our branches.

To manage our loan portfolio, we also re-launched our re-schedulement package during the year to help existing customers ease their monthly commitment in the present economic conditions. Complemented by pro-active prevention and recovery activities, our gross NPL ratio for purchase of transport vehicles improved to 0.7% compared with 1.3% a year ago.

Cards Business

The credit and debit card business remains a high-growth segment in Malaysia due to the unparalleled convenience and security these cards offer. Nevertheless, the operating landscape is highly competitive as financial institutions jostle for share of wallet.

Maybank continued to be at the top of the class by outperforming the industry in terms of growth to further solidify its No.1 position in market share. This was mainly driven by a 29% growth in billings compared with the last financial year. The increase in billings was derived from a 16% growth from the credit card portfolio, 60% growth from the American Express portfolio and a highly significant 100% growth in debit portfolio. Clearly, the benefits of debit cards have struck a positive chord among Malaysian consumers and we were able to further leverage on our position as the largest issuer of debit cards with a market share of more than 85%.

Maybank is the No.1 issuer of credit cards, debit cards and charge cards in Malaysia. We also have the highest ranking in total card spend with a market share of over 20%.

Positive gains were also recorded from our commercial payment sub-segment. Our Merchant Acquiring Business registered an overall 30% growth, stemming from a 25% growth in the credit card portfolio, 50% growth in the American Express portfolio and 60% growth in the debit card portfolio compared with the last financial year.

With a single-minded focus on product innovation, loyalty programmes and strategic sales and marketing initiatives, the Group was able to sustain the positive performance of our card business throughout the year under review.



In tandem with the introduction of various firsts in market products catering to niche segments, we were mindful of retaining our customers' loyalty and support by ensuring that the Maybankard is top of the mind when it comes to making payments. Towards this end, we remained committed to our highly popular Maybankard Treats and American Express Membership Rewards programmes. Maybank Treats Fair won the Gold Dragon Award in Best Effective Long Term Marketing Campaign category in the 2009 Promotion Marketing Awards of Asia (PMAA Awards) – Asia's World Class Promotion Marketing Award Program.

Maybank also enhanced its contactless technology with the implementation of Maybankard Visa PayWave Mobile with Maxis FastTap. A collaborative initiative with Maxis, VISA, Touch N' Go and Nokia, this service allows cardmembers the convenience to make purchases just by placing their mobile phones on the reader.

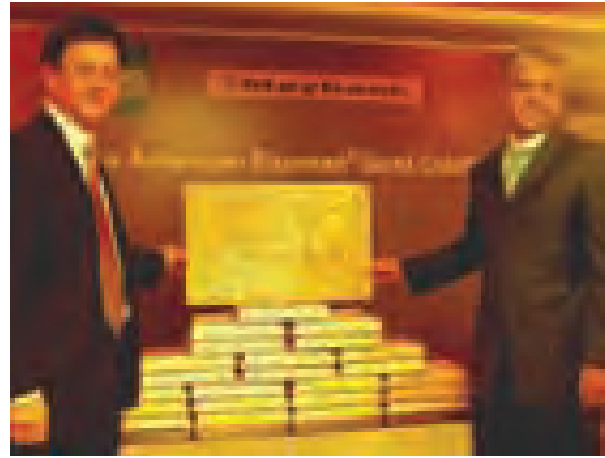
In response to the growing popularity of Islamic financial products, we also introduced the Maybank Islamic Ikhwan Card. This distinctive product is based on the Shariah principal of Bai Al' Inah, which incorporates the five elements of Sadaqah, Ziarah, Takaful, Al-Tawfir and Musharakah. Along with worldwide acceptance, this new card has received overwhelming response from our customers with more than 60,000 cards issued by the end of the 2009 financial year.

The introduction of new products was supported by cohesive sales and marketing campaigns. There were also joint promotional activities with valued merchants and business partners such as Jusco (AEON CO (M) Bhd), Petronas, Mydin Hypermarket, Carrefour Hypermarket and Metrojaya Departmental Store.

Additionally, we registered a 35% growth in our 3D SSL e-Commerce business, which is the new security requirement for online purchases based on new technology implemented by Visa and MasterCard. This technology ensures that

only the cardholder can make online purchases via the Internet with his or her credit card. The growth of this business was mainly derived from our airlines segment.

Maybank was also the first to introduce the Singapore Airlines KrisFlyer American Express Gold Credit Card. The card currently offers an unparalleled frequent flyer miles programme while providing highly attractive savings to cardmembers who redeem these miles for travel.



Bancassurance

Maybank Bancassurance is one of the fastest growing financial solution providers in Malaysia and currently ranked No.1 in total bancassurance new business with a 25% market share. *(Source: Life Insurance Association of Malaysia (LIAM) Report for December 2008.)*

Through the close relationship we have formed with retail customers, our insurance subsidiary, Etiqa, was able to develop a comprehensive product portfolio to meet individual customer needs. At the end of our 2009 financial year, there were a total of 36 off-the-shelf insurance products offered through our financial executives, Maybank2u.com, Call Centres and other customer touch points. This provided us with an effective penetration rate of about 23% for bancassurance products from the Bank's eligible customer base.

Strategic sales and marketing campaigns also contributed to the segment's performance. One of the more notable campaigns was NIAM Bijak Malaysia, which was launched in collaboration with the National Insurance Association of Malaysia (NIAM). At the end of the campaign period Maybank dominated the market with sales of over RM14 million in premiums.

In terms of products, during the year the banca segment introduced PesonaLady, a niche product designed specifically for contemporary Malaysian women. The plan provides coverage for personal accident, female-related illnesses as well as crime protection. Additionally, PesonaLady rewards mothers with a Family Prosperity Bonus for the delivery of twins or more.

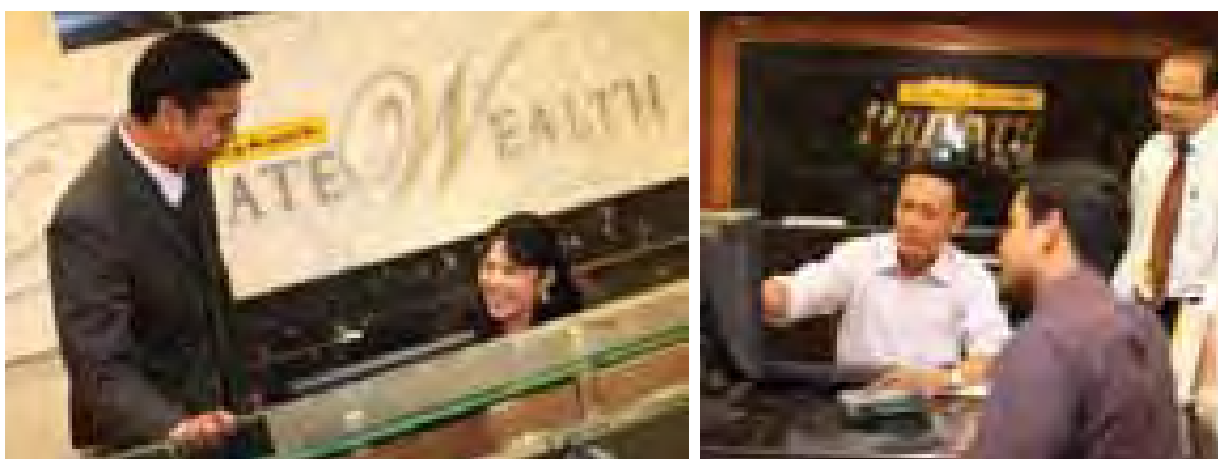
Under Bancatakaful, we successfully launched the Takaful Capital Protection Product, Al-Waqi, with sales exceeding RM100 million.

The banca business strategy is to optimise business opportunities by synergising the Group's business with the insurance platform provided by Etiqa. It strengthens the Group's effort to create greater value from the large customer base with protection, investment, asset management and lifestyle solutions. Our expected growth in new insurance business for the next 12 months will be about 14% compared to the industry average of 9%. Maybank will continue to promote insurance products to existing customers and the wider population by utilising multiple distribution channels and providing the right financial planning advice in the most effective and efficient way.

Wealth Management

Considerable wealth destruction worldwide as a result of the unprecedented global recession marked the year under review. In spite of these overwhelming circumstances, Maybank managed to grow the customer base for its wealth management segment by 5% while increasing the volume of financial assets under management by 7%.

This achievement can be attributed to the strength of Maybank's financial foundation, skills-set of our wealth management team as well as our capability to introduce products and services that appeal to the discerning high to ultra-high net worth individuals.



During the year, we successfully introduced several unit trust funds designed to meet the risk appetite of our clientele in view of global economic conditions. These products recorded a total of over RM200 million in sales. In addition, we launched several structured deposit products namely the Maybank 21st Century Structured Deposit Series I and II, Maybank Al-Sayf Structured Deposit and Maybank Autocall Structured Deposit. These structured deposits recorded sales of over RM300 million.

In recognition of Maybank's continuous drive to be the preferred wealth management partner, we were awarded the prestigious Best Private Banking Services Overall in Malaysia and Best Local Bank providing private banking services in the recent Euromoney Private Banking & Wealth Management Poll 2009. We were also voted by high net worth individuals with assets under management between USD1 million - USD5 million, as the Overall Best Domestic Private Bank in Malaysia in the Asiamoney magazine. The innovation of Maybank's wealth management products also resulted

in the accreditation of our Shariah-compliant investment offering Maybank Al-Sayf Structured Deposit as the Best Islamic Product for 2008 by FinanceAsia.

In order to serve our clientele better, the Group also opened new Private Banking Centres and Private Banking Lounges in strategic locations across the nation. At the end of the financial year, we had a total of 22 Private Banking Centres and four Private Banking lounges.

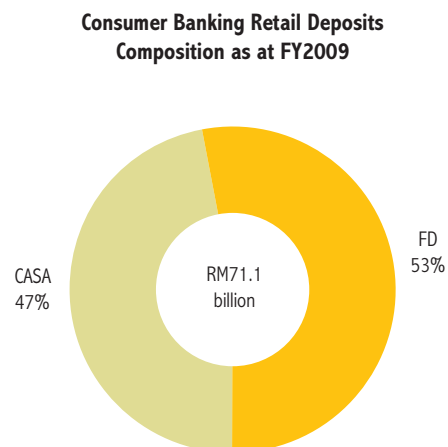
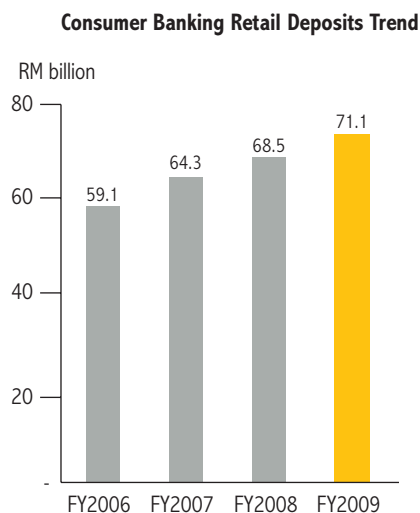
Given our growing customer base, Maybank organised four Investment Fairs in Miri, Kuala Terengganu, Kuala Lumpur and Kota Kinabalu during the year. These fairs provided the target market segments with an opportunity to listen to the views and experiences of a panel of distinguished industry professionals in order to better navigate their investments through the current challenging environment.

Funding & Deposits

During the year, the bank continued to dominate the low cost deposit segment with a market share of 24% and this helped us maintain our pole position in total retail deposits. This achievement was obtained despite the challenges posed by the introduction of several higher yielding investment products introduced by PNB and BNM.

Maybank managed to attract new CASA totaling over 850,000 accounts valued at over RM1.8 billion worth of new deposits. Our CASA deposits marked a positive growth of about 6% compared with the previous year.

The year also saw us introducing the Golden Savers Savings Account which is specially tailored for senior citizens, and FD Loyalty Bonus to reward our loyal depositors with higher FD rates on renewal. Additionally, we introduced the Profit Now! Account-i which is an Islamic term deposit that provides immediate profit upon placement.





In terms of greater convenience, we introduced the Foreign Currency Account & Gold Savings Passbook Account via Maybank2u.com. Customers can submit online applications for account opening anytime, anywhere. The branch account opening process has also been simplified resulting in reduced average waiting time from 30 minutes to 10 minutes. These improvements aim to provide a better customer experience while enabling the Bank to operate more efficiently.

From February to June 2009, we carried out a deposit campaign, Save Big & Win Big with the objective of sourcing new CASA deposits. For this campaign, we achieved a growth in CASA deposits of RM1.45 billion as at end June 2009.

We also stepped up the recruitment of companies for Maybank's salary payment facility to increase our account base. To date we have acquired over 1.3 million new accounts from this facility alone.

Retail Lending

The Bank's retail lending segment comprises four sub-segments: unit trust, personal financing, retail business and share financing. The bulk of the contribution to the portfolio was from our unit trust business covering 87% of total retail lending loans.

During the year, our unit trust loan portfolio grew by 16%. The promotional campaigns and better co-ordination between branches, regions and Head Office staff contributed to this achievement.

The personal financing loan portfolio registered an outstanding balance of RM95 million. This growth was mainly from the introduction of new salary loans to Government employees in the third quarter of the financial year.

Despite the lower demand for financing by small businesses arising from contracting demand for goods and services due to depressed economies worldwide, our retail business loan financing to SMEs still managed to register a strong growth of 19%.

Meanwhile, our share financing loan contracted by 13%. This was expected considering the significant meltdown of stock brokerages worldwide and the accompanying decline in share prices.

Payment Systems

Maybank's Payment Systems continued to register a commendable performance with fee income revenue of RM416 million during the financial year notwithstanding the current economic uncertainties. The fee income revenue is derived mainly from four business domains comprising payment services, remittances, money exchange booths and ATM-related services.

In meeting Maybank customer needs for more convenience and accessibility, numerous initiatives were undertaken focusing on product development and process efficiency to enhance delivery of products and services. Various strategic marketing campaigns were also implemented to promote new and existing products and services.

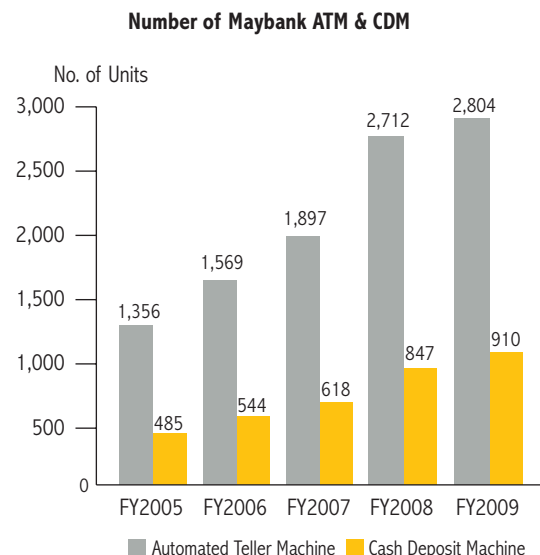
Maybank continues to strengthen its position as the premier bank in the remittance business through collaboration with numerous partners from MCB Bank, BII, Prithivi Express Nepal and Bank of China. Enhancements were also made to our regional linkage among four overseas subsidiaries, namely Singapore, Indonesia, Philippines and Brunei, to strengthen regional delivery. To further provide greater reach and convenience, Maybank opened four new Money Exchange booths and 155 self service terminals, bringing the total to 66 and 3,714 outlets respectively during the financial year.

Channel Management

Maybank's Consumer Banking is anchored by its strong franchise, which encompasses the most extensive branch and ATM network coverage in Malaysia. As at the end of the 2009 financial year, our Consumer Banking reach comprised 442 touch points and 4,568 self service terminals nationwide. Maybank maintains the lead in having the most number of branches and largest ATM network in the country with market share of 19% and 32% respectively.

During the year, we opened a total of 13 new branches and four Forex Booths, and installed 91 Off-Bank ATMs throughout Malaysia.

In continuing our efforts to bring banking to the customers' doorsteps, Maybank introduced the Marc Residence Private Banking Centre. This is the Group's first outlet within a serviced condominium complex.



E Channels

Maybank2u.com is the No.1 Internet banking website in Malaysia with 3.8 million registered users and a market share of over 54%.

During the year, we introduced the All-new, All-you Maybank2u.com by revamping our existing website with new features in compliance with web 2.0 technology. We also kicked off Malaysia's first online bills summary by a bank, My Bills. Initially launched with Tenaga Nasional Berhad, users can now also view, pay and save DiGi and TM bills via this facility.

Additionally, our online portal enables users to make additional ASB investments online, the first and only facility in Malaysia. Launched by the Prime Minister on 21 April 2009, the facility also allows third party investment in ASB.

Currently, our online portal has the largest number of payee corporations. Close to 700 types of bills can be paid via Maybank2u.com. This will be further bolstered with additional Government-partnered initiatives such as online payments for Agensi Kaunseling dan Pengurusan Kredit, Skim Simpanan Pendidikan Nasional and the Ministry of Finance Housing Loan Scheme.



Prospects

In the current financial year, Maybank's Consumer Banking sector will continue its focus on becoming a customer-centric organisation that meets and exceeds customer expectations. This will be achieved by relentlessly implementing market-driven strategies in our overall operations while continuously enhancing customer service quality.

We intend to focus on strengthening our consumer loan business, namely in the mortgage, unit trust, automobile financing and cards categories. Our growth objectives in the business area will be pushed through to maintain and strengthen our leadership position in all the said categories, and by intensifying cross-selling efforts within the various core businesses of the Maybank Group. The aim is to build organic growth by tapping into our eight million-strong customer base and by specifically targeting high value assets and selected customer segments.

With good risk management practices, we will be able to secure better quality assets. At the same time, we are also mindful that some of our existing good and loyal customers may be facing financial difficulties during this challenging period. We will continue to assist this segment via various supportive remedial and proactive rehabilitation programmes.

The overall residential property market continues to be resilient with some signs of recovery being observed amid the backdrop of economic challenges. Developers are having more launches, albeit smaller ones, and focusing on the higher income customer segment. The sector continues to expect landed and freehold properties at prime locations to receive good response from the first-time home owners, up-graders and investors. The mortgage financing industry meanwhile continues to grow in view of the current low interest rate regime whereby affordable and innovative financing are easily available, and developers are offering various incentives to boost sales. In addition, there are opportunities in the secondary market with up-graders moving into bigger homes and house-owners seeking interest savings through refinancing.

According to the Malaysia Automobile Association (MAA), despite the reduction in new car sales in the first half of 2009, car sales are expected to improve in the second quarter and possibly beyond, as the economy recovers further. However, we expect the recovery rate to be at a slower pace, with some consumers being cautious and likely deferring potential purchases to later.

The price of used cars is expected to stabilise following the short supply of these cars in the market. Our competitors are already starting to improvise their financing terms for used cars in order to be more competitive in the market. Maybank plans to continue developing smart solutions that will appeal to the market seeking automobile financing.

Current economic conditions and the H1N1 pandemic have slowed down cardmembers' spending on travel, accommodation and entertainment during the second half of our financial year. We had seen single digit growth in total cards in circulation over the past two years, as customers have now become more conscious about the number of credit cards in their wallet and more prudent with their card usage. Nevertheless, we expect to continue registering double digit growth next year in terms of billings given the competitive value propositions of our debit, credit and charge card products which suit the ever-changing needs and expectations of different segments of customers.

In terms of our bancassurance business, the outlook remains positive and resilient, given the insurance business volume recorded in 2008 despite the challenging financial environment. Based on BNM's report, total gross direct premium for general insurance increased 3% from RM10.2 billion in 2007 to RM10.5 billion in 2008. This was due to the strong performance of the non-motor sectors. However, the life insurance sector recorded a slight decrease with a total of RM7.2 billion in new business annual premium equivalent, compared to RM7.6 billion in 2007, as a result of lower sales in investment-linked products.

With the current insurance penetration rate of 42%, the potential in the untapped market remains large. The promising growth areas for bancassurance are medical insurance and retirement plans in view of the growing aging population. At present, only 15% of Malaysians have some form of medical insurance. It has been growing by at least 15% per annum over the last few years, with expectations of strong growth to continue. We are also bullish on the Takaful insurance sector as the penetration rate for this sector is expected to grow to 12% by 2012 from about 7% currently.

The Group expects to see keener competition from our banking peers in the bancassurance business, given the likelihood that the financial services industry will diversify revenue streams into bancassurance to beef up their earnings in light of the present operating conditions.

In the area of wealth management, there remains ample opportunity for further growth. The high net worth market segment in Malaysia has emerged comparatively unscathed from the recent global economic turmoil. We are intensifying our efforts to further tap this target segment in the wealth creation, mortgage and funding domains. We will also continue to increase the capacity of our relationship bankers both in terms of quantity and quality, and extend our reach to provide our customers the unique value propositions available only at Maybank.

With the anticipated recovery in the country's economy, other retail loans, such as unit trust and salary loans among others, are expected to grow commendably as we continue to introduce new products to cater to the needs of the various and diverse consumers in Malaysia.



Business Banking

Maybank's strength in Business Banking is owed to our extensive reach, excellent customer service as well as competitiveness of our products.



Maybank's Business Banking sector facilitates Malaysian businesses in becoming domestic and regional champions. Following a restructuring exercise during the year, the sector currently comprises two distinct segments, namely Small & Medium Enterprises (SME) representing 21.1% and Commercial representing 8.2% of the Bank's total loan portfolio.

Our SME segment caters to business enterprises with turnover of less than RM25 million (with the exception of certain industries). On the other hand, the Commercial segment caters to business enterprises not listed on Bursa Malaysia and are not SMEs by definition.

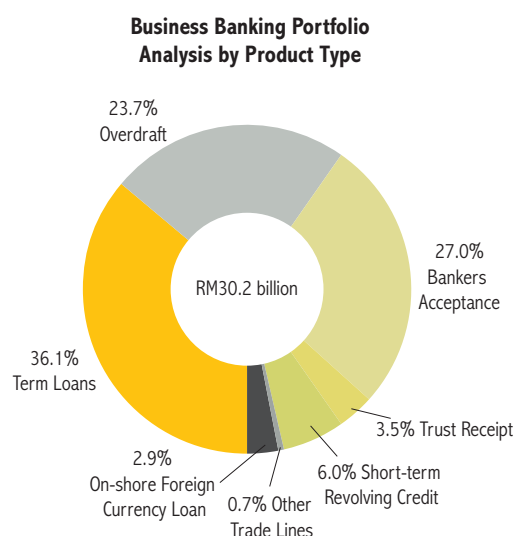
Our SME portfolio consists of approximately 34,000 borrowers contributing towards 72% of the Business Banking loan portfolio.

Performance Review

In the 2009 financial year, SME and Commercial loans and advances contracted by 8.9% compared to the previous financial year due to a reduction in manufacturing and trade activities as a result of the global economic downturn.

During the year under review, Business Banking recorded a profit before tax of RM0.88 billion. This accounts for a contribution of 20.4% to the overall Group profit before tax. The drop in profit before tax compared with the previous financial year was largely due to lower loan assets and reduction in revenue from deposit interest arising from downward revisions in the Overnight Policy Rate (OPR).

The loan type product mix for Business Banking is balanced with 36% in loans, 29.7% in overdraft and short-term credit and 31.2% in trade financing lines.



In line with the Government's on-going effort to promote SME development and enhance access to financing for SMEs, Business Banking has continued to provide financing to SMEs for working capital, capital expenditure and business expansion needs. The key sectors of manufacturing, wholesale and retail trade, restaurants and hotels with sizeable SME participation accounted for more than 50% of Business Banking's total portfolio.

Operations Development

Business Banking carried out an organisational restructuring during the year which resulted in the separation of SME and Commercial segments from the Corporate segment. This restructuring involved the realignment of our organisational structure for better customer focus and effectiveness.

Our loan origination process was re-engineered to enhance efficiency and further facilitate growth of our loan base. We are also in the process of integrating our existing electronic cash management service to include trade finance by end 2009 and treasury services at a later date. This will offer greater ease and convenience to our customers. Clearly, this shift in approach underscores the potential the SME and Commercial markets hold for the Group.

The year also saw the creation of a dedicated Entrepreneurial Development Department which reflects the Group's commitment to support the Bumiputera and other small business segments in the face of economic challenges locally and globally. Being ever-mindful of the need to manage risk in all aspects of the Group's business streams, a dedicated Risk Management Department was set up to review and manage the business and operational risks of the sector.

SME Management in Times of Crisis

The SME segment was among the worst hit by the global economic downturn. Hence, it was crucial that Maybank takes a proactive approach in managing and assisting our SME clientele closely to ensure that they are able to weather the economic storm. In turn, this would also help us better manage our overall risk. Towards this end, our Business Banking sector had initiated the following portfolio management strategies during the year:

- Deepen our relationship with existing customers who have proven to be committed and prudent in running their businesses.
- Focus our efforts on proactive loan restructuring and rescheduling for customers impacted by the economic downturn.
- Promote BNM's stimulus loan packages.
- Focus on developing specific financing solutions for SMEs during these challenging times.
- Continually enhance our operational and credit risk management activities.

Entrepreneurial & Bumiputera Development

The Entrepreneurial Development Department in the past year organised numerous financial conferences, loan clinics and courses for Bumiputera and other entrepreneurs nationwide. These events were designed to help give them a better insight into the current economic situation, as well as provide advice on cash flow management and methods to mitigate interest rate and foreign currency risks. The bank also shared the financing options available in the form of soft loans, grants and guaranteed financing schemes.

The department intensified the Group's collaboration with Government ministries, agencies and Government-Linked Companies (GLCs) to help develop capable Malaysian entrepreneurs. It also continued to serve as a Panel Trainer for the Franchise Training Programme. The bank evaluates viable franchise businesses, procedures and criteria for financing under the franchise business schemes.

Maybank also collaborated with the Business Council for Sustainable Development in Malaysia (BCSDM) to educate SMEs on the need to adopt corporate social responsibility (CSR) practices in their daily business operations as a prerequisite for participation in the global supply chain.

Loan Products

Maybank's strength in Business Banking is owed to our extensive reach, excellent customer service as well as competitiveness of our products.

Our industrial and commercial lending product, the Indus³Comm, is an asset acquisition financing package with an option to incorporate trade lines. Indus³Comm comes with competitive rates for selected prime locations. The package offers high margin of advance of up to 200% for trade finance facilities, and a wide range of financing combinations to suit the borrower's needs. As a result, the total number of loans for this product package increased by 50% over the previous financial year.

Contract Financing is a product tailored for supply and construction contracts. It requires only a minimal upfront financial commitment from the SME. We provide a total financial solutions package to these contractors, from preliminary works to the completion of the project, with structured repayment procedures that greatly lessen the financial burden of these contractors. Performance of the contract financing package is expected to improve as the Government continues to roll out its RM80 billion infrastructure projects under the economic stimulus packages.

Collateral Management Arrangement is the first structured commodity-based loan by a local bank. It is a solution tailored to meet the needs of commodity producers, manufacturers and trading companies. It allows borrowers to pledge their hard or soft commodity as collateral with Maybank and in return, obtain financing for working capital.

Maybank also offers Factoring, an alternative financing option for SMEs which is a non-collateralised facility that provides advances on sales invoices for companies.

Government Aided Loans & CGC Guarantee Schemes

Maybank has always supported every Government initiated scheme. In March 2009, the Working Capital Guarantee Scheme and Industry Restructuring Financing Scheme were introduced by the Government to assist Malaysian SMEs. Maybank was the first to launch a nationwide advertising and direct marketing campaign to publicise the availability of these schemes. As a result, Maybank outdid its competition to achieve pole position with over RM1 billion in loan commitments approved.

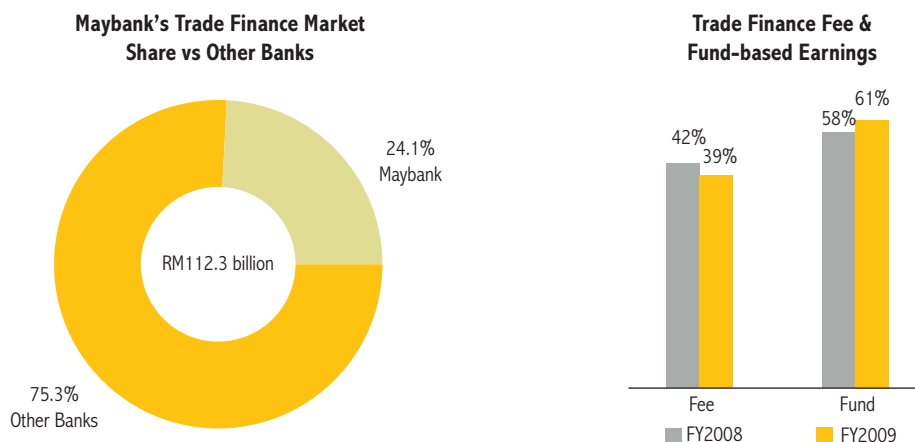
We also have strong collaboration with EXIM Bank of Malaysia to provide end-to-end financing, from tender to the completion of projects, for contractors who are awarded projects overseas under the EXIM Overseas Guarantee Facility (EOGF) scheme.

Under the Multi Currency Trade Finance (MCTF) scheme, Maybank provides pre and post-shipment financing for trade transactions. This is in collaboration with EXIM Bank, which guarantees between 75% and 100% of any losses incurred from the insolvency of the direct exporter.

Maybank Group was also involved in processing and approving 18.5 % of the loans underwritten by the Credit Guarantee Corporation Malaysia Berhad (CGC) in 2008. As a result of our unwavering support and commitment, CGC awarded Maybank with two accolades – Top SMI Supporter Award 2008, for the 14th year running and Best Financial Partner Award 2008.

Trade Finance Business

Maybank's extensive network has enabled the Group to be active in the global trade financing scene. At the end of our financial year, Maybank's total trade finance portfolio stood at RM27 billion. Overall, our trade finance segment leads the industry with a 24.1% market share. This is the result of our ability to tailor solutions according to the specific requirements of our customers.



Innovative and strategic decisions are made based on our established in-house databank that provides business intelligence and allows us to identify customer preferences and competitive sales information to optimise service delivery, pricing and product placement. It makes customer-specific trade solutions possible apart from the usual products and services.

Our superior Trade Finance services continue to receive awards and international recognition during the year, namely Best Trade Finance Bank by FinanceAsia, Best Local Trade Bank in Malaysia by Trade Finance Magazine and Alpha SEA Best Trade Finance Bank Award.

Electronic Banking Solutions

The flagship B2B cash management system from Maybank, Maybank2e.net, remains a sought-after solution as it maintains its cutting-edge lead in managing complex financial supply chain and working capital activities under a well-integrated platform. The system has expanded its capabilities and currently contains six different modules: Information Management, Payables Management, Receivables Management, Liquidity Management, Financial Supply Chain and Corporate Services.

With the completion of the latest module in March, the cash management system is now ready to expand its customer base of over 12,000.

Maybank2e.net will soon enable trade transactions online. The Enterprise Trade Finance project was initiated to enable integration of cash and trade on Maybank2e.net. The best of its class trade finance solution, once completed, is expected to offer 29 products in both conventional and Islamic options.

The cash management front is becoming increasingly demanding where companies have to efficiently manage liquidity across their businesses. A strong testimony to our commitment is the number of awards accorded by international organisations to Maybank2e.net including FinanceAsia Best Cash Management Bank Country Award 2009, Best Cash Management Bank for Malaysia Asset Triple A Transactional Banking Awards, Best Local Currency Cash Management Services 2008 Award by AsiaMoney Polls and Alpha SEA Best Cash Management Bank Award.



Prospects

Business Banking will continue with on-going efforts to improve customer relationship management efforts and delivery efficiency to meet the specific requirements of our diversified customer base.

The sector expects to further grow our SME segment via innovative total solution packages that provide flexibility and peace of mind to our customers. We will also be embarking on LEAP30 initiatives to upgrade our business model to further improve efficiency.

It is essential for the Group to continue keeping a firm eye on asset quality and manage risk prudently. With the expected economic turnaround, we are confident that our Business Banking sector will continue to pick up momentum.

■ Corporate Banking

Corporate Banking has embraced a holistic client coverage model to deliver a comprehensive financial solutions package to our valued customers.



Maybank's Corporate Banking was established as a separate sector on 15 October 2008 as the result of the merger between our Investment Bank's Corporate Investment Banking segment and Business Banking's Corporate Business segment.

The new Corporate Banking's main focus as a one-stop financial solutions provider, is to further enhance our product offering to cater to both the local and regional needs of customers. In our effort to tailor specific solutions to meet the needs of the diversified market, Corporate Banking is divided into three business groups consisting of GLCs, public-listed Malaysian companies and multinational corporations.

In each of these business groups, we have a team of dedicated and skilled officers with vast experience in loan origination, trade finance, project finance and capital market instruments to advise and deliver innovative financial solutions to meet our customers' needs.

Financial Performance

Corporate Banking recorded a robust 18.3% loan growth on a year-on-year basis, mainly attributed to the strong demand from large corporations and institutions that capitalised on the bank market for fund-raising due to the weaker capital market sentiment during the year.

The combination of experienced corporate bankers and strong credit team was the winning formula for our efficient and prompt delivery of several acquisition-linked transactions in the financial year. This has in turn, boosted our fee-based income which recorded a significant growth to 34% of our total income compared to 30% previously, generated from the traditional low-yielding products.

Corporate Banking's asset quality remained strong with a mere 1.9% ratio in NPLs at the end of the financial year.

Strategy & Initiatives

In line with Maybank Group's objective to deepen our share of the corporate customers' wallet, Corporate Banking has embraced a holistic client coverage model to deliver a comprehensive financial solutions package to valued customers.

This approach is aimed at enhancing our financial performance by stepping up the pace of cross sector co-ordination and collaboration to capitalise on our internal network and delivery channels. Effective cross-selling and superior product offering will lead to further value creation for both our customers and shareholders.

Prospects

Corporate Banking is focused on developing long-term relationships with our customers by gaining a thorough understanding of their businesses and the competitive environment in which they operate. We will continue to review and embark on innovative and effective business strategies to meet the ever-evolving needs of our corporate customers.

Our customers are growing beyond traditional borders and are now operating in complex international environments. As the industry landscape changes, Corporate Banking will continue to engage and grow with our customer base as they venture abroad. We are no longer content with being a lender of choice, instead we are committed to being business enablers and partners to our corporate customers.

Moving forward, Corporate Banking will continue to champion Maybank's aspirations to be a top tier regional bank with undisputed leadership in Malaysia whilst being recognised for delivering innovative and superior value proposition to our customers.

Global Markets

With Global Markets, the Group can simultaneously implement capital market strategies to garner greater market share and create the foundation to achieve regional excellence.



In line with the Group's aspiration to become a leading regional financial services provider, the Group has revamped its Treasury sector structure and renamed it Global Markets in May 2009. Based on this new business model, Global Markets falls under the Maybank Investment Banking umbrella and provides the cohesion required for regional expansion of Maybank's Investment Banking sector.

Financial Performance

For the year ended 30 June 2009, Global Markets achieved a profit before tax of RM1.05 billion in comparison with RM620.3 million achieved in the previous year. The sector's overall contribution to the Group's profit before tax and impairment grew significantly to reach a new threshold of 33%.

This sterling performance was due to a multitude of factors including falling interest rates, good asset quality and the ability to analyse capital markets efficiently to capture any volatility.

Global Markets also continued to play a pivotal role in supporting both Consumer and Business Banking strategies from an asset and liability perspective. Capital protected structured investment products were on the rise and increased volatility in foreign exchange and interest rate movements had resulted in a corresponding growth in corporate hedging activities.

Effects of the subprime crisis in Europe and the United States were also experienced in Asia with rating agencies downgrading countries and banks in this region. Fortunately, Asian banks were able to avoid the toxic fallout with minimal exposure in subprime assets.

Liquidity remains abundant and no major re-capitalisation issues have yet to surface. Additionally, the completion of Maybank's rights issue puts the bank in very good stead for future expansion without entering the current volatile credit market.

The completion of the acquisition of BII at the end of 2008 also solidified Maybank's presence in the Asian region. With sizeable balance sheets in Singapore, Jakarta, Manila and Hong Kong, the Group was able to offer corporate solutions that were specifically tailored to meet individual clients' needs.

Simultaneously, the on-going implementation of a seamless Straight Through Processing (STP) Treasury Risk Management System across the trading centres of Global Markets will reduce operational costs while enabling global management of risk and credit exposures.

Prospects

With Global Markets, the Group can simultaneously implement capital market strategies to garner greater market share and create the foundation to achieve regional excellence. Global Markets will operationalise in phases and eventually span the globe from major financial centres such as New York, London, Singapore, Malaysia, Hong Kong and the Philippines.

Islamic Banking

Maybank Islamic is currently the largest provider of Islamic financial services in the Asia Pacific region and ranked 10th among the world's Islamic financial institutions in terms of Shariah-compliant assets.



Financial year 2009 marked the second year that Maybank Islamic Berhad (Maybank Islamic) operated as a wholly-owned, full-fledged licensed Islamic bank of the Maybank Group. With Maybank Islamic, the Group is not only strengthening its brand and position as the leading Islamic financial services provider in the region but also moving closer to achieving its long-term vision of being a world leader in Islamic banking.

Since its establishment, Maybank Islamic has demonstrated significant business growth which clearly reflects the Maybank Group's 16 years of in-depth expertise in Islamic financial products and services. Maybank Islamic is currently the largest provider of Islamic financial services in the Asia Pacific region and ranked 10th among the world's Islamic financial institutions in terms of Shariah-compliant assets.

Maybank Islamic dominates the domestic Islamic banking industry, with a market share in Shariah-compliant assets, financing and customer deposits of 16%, 23% and 19% respectively as at June 2009.

Financial Performance

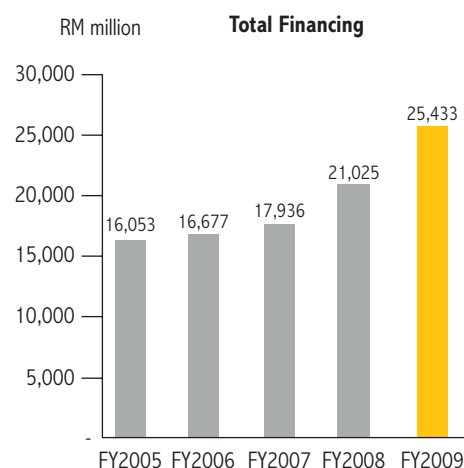
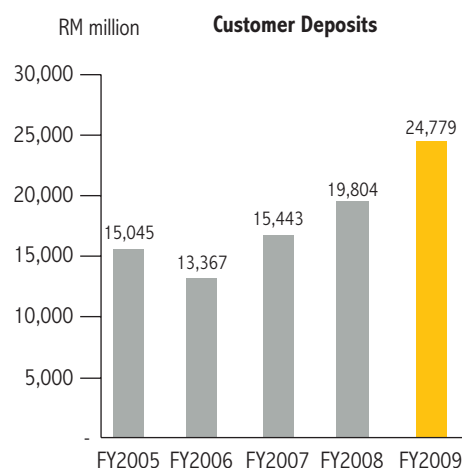
The Group's Islamic banking operations registered a revenue of RM1.34 billion in comparison with RM1.06 billion in the previous corresponding year and achieved a commendable profit before tax and zakat (PBTZ) of RM482.1 million for the year under review. The PBTZ was a significant increase from RM273.2 million registered in the previous year and accounted for 29% of the Group's profit before tax for the financial year.

In addition, the Group's Shariah-compliant assets increased by RM6.5 billion from RM28.2 billion at end of the 2008 financial year, to reach RM34.7 billion for the year in review.

The Islamic financing portfolio during the year expanded by RM4.4 billion, reflecting an increase of 21% on a year-on-year basis, to reach RM25.4 billion. Islamic financing constitutes 14% of the Group's total loans, advances and financing.

The expansion of the Group's Islamic financing assets was driven by Maybank Islamic, which registered a strong growth in Islamic automobile and unit trust financing. Maybank Islamic's financing portfolio comprised 70% consumer and 30% business financing at the end of June 2009. Islamic customer deposits also grew by RM5.6 billion, representing an increase of 30% from RM18.7 billion recorded in 2008 to RM24.3 billion in 2009. Islamic customer deposits represent 12% of the Group's total customer deposits.

Low cost demand deposits and savings accounted for approximately 45% of total Islamic customer deposits. Maybank Islamic's customer deposits consisted of 44% and 56% funds mobilised from consumer and business segments respectively as at end June 2009.





The quality of Islamic financing assets remained strong and improved with a net non-performing financing ratio of 1.88% as at end June 2009 against 2.62% in the previous corresponding period.

As a separate entity, Maybank Islamic is adequately capitalised with a core capital ratio of 9.84% and a risk-weighted capital ratio of 11.55% as at end of 2009.

New Products & Services

The Group made substantial progress in product development and innovation in line with its leadership position in the industry, to better meet the requirements of clients in various segments of the community. Strong emphasis continued to be placed on developing innovative products based on Shariah contracts which have been well-received by the international community.

In Consumer Banking, the Ikhwan Islamic credit card was introduced to offer greater flexibility to retail and individual consumers in managing their cashless purchases and payments. A new deposit product catering to senior citizens, called Golden Savers-i, was also launched to provide retirees and pensioners a higher return on investment.

Another deposit product based on the Murabahah principle, called Profit Now! Account-i, was introduced with fixed investment return and upfront dividend payment features to provide both individual and business depositors with greater peace of mind.

To complement the range of products for the SME, business and corporate segments, Maybank Islamic during the year introduced new products that offer the business community wider access to financing and flexible payment options for any business life-cycle. These include the new Term Financing-i, based on the concept of Murabahah and Musyarakah Mutanaqisah, and Commercial Industrial Hire Purchase-i, based on the concept of Ijarah Thumma al-Bai, for acquisition or financing of commercial machinery, equipment and vehicles.

Maybank Islamic also launched a micro-credit channeling financing scheme in collaboration with Koperasi Wawasan Malaysia Berhad (KOWAMAS) to provide the cooperative members, who are mainly civil servants, with access to personal financing with fixed payment features.

On the wealth management front, the Group distributed several close and open-ended structured Islamic deposits during the year including Murabahah Gems Structured Deposit, Hong Leong Shariah Inflation Select Funds and Maybank As-Sayf which received the Best Islamic Structured Product in Asia Award by FinanceAsia.

The Maybank Group continued to receive local and international accolades during the year for its Islamic banking and financial services. The Group's Islamic banking business was named the Best Islamic Trade Bank in Asia by Euromoney and received the Gold Award for Islamic Financial Services by Reader's Digest. Also, Maybank Islamic received the Most Outstanding Islamic Retail Banking Award at the 2008 Kuala Lumpur International Islamic Finance Forum (KLIFF).

Marketing & Promotions

With a reach that expands significantly each year, the Group through Maybank Islamic continued to play a pivotal role in supporting BNM's drive to position Malaysia as a leading international Islamic financial centre, by participating in numerous domestic and overseas roadshows, conferences and expositions during the year.

For the sixth consecutive year in May 2009, we participated in the Malaysia International Halal Showcase (MIHAS) held at MATRADE. Maybank Islamic, under the Maybank Group umbrella, also was the Premium Sponsor of Minggu Saham Amanah Malaysia (MSAM), a yearly event organised by Permodalan Nasional Berhad (PNB).

During the year, the Group launched a deposit campaign Save Big & Win Big, based on Islamic and conventional banking, which was aimed at increasing deposit contributions from retail and individual customers. Additionally, Maybank Islamic also introduced a unit trust campaign – ASB Labur & Menang, to provide the Bumiputera community with an opportunity to accumulate long-term wealth through a unique financing arrangement.

Branch & Delivery Channels

Presently, Islamic products and services are primarily distributed through 12 Maybank Islamic branches as well as over 400 Maybank branches, private banking centres, automobile financing centres, business centres and trade finance centres nationwide. Maybank Islamic will continue its efforts to entrench its brand presence within the domestic community by opening more branches nationwide with the aim of having at least one branch in each state.

Prospects

The Group intends to strengthen its brand and position in the Islamic financial services industry by consolidating all its Islamic banking and finance business under Maybank Islamic, which is viewed as a catalyst to achieve its long-term vision of being the world's leading integrated Islamic financial solutions provider.

Despite the challenges expected in the year ahead, Maybank Islamic is optimistic that the on-going global financial crisis will not dampen the growth of the domestic Islamic banking industry, with signs already indicating that the global economy may be recovering.

The domestic Islamic banking industry is set to achieve its target of 20% contribution to the overall banking sector's assets by 2010, from its current 18%, in view of the strong demand for Islamic banking and financial services.

For its new financial year, Maybank Islamic expects to maintain its return on average equity above the level registered in 2009 and to continue achieving a double-digit growth in assets and customer deposits.

Investment Banking

Maybank IB has recently restructured itself into a 'pure-play' investment banking entity focusing on delivering optimal solutions for its esteemed clients. Optimality of solutions is defined as holistic, bespoke and more often than not, new and innovative solutions for clients.



Maybank Investment Bank (Maybank IB) demonstrated resilience in the face of the worst global financial crisis in over seven decades, and continues to grow even stronger. In the financial year ended 30 June 2009, Maybank IB posted commendable financial performance whilst undertaking a major transformational journey to achieve our vision of becoming the leading investment bank in Malaysia and the region.

New Focus for the Future

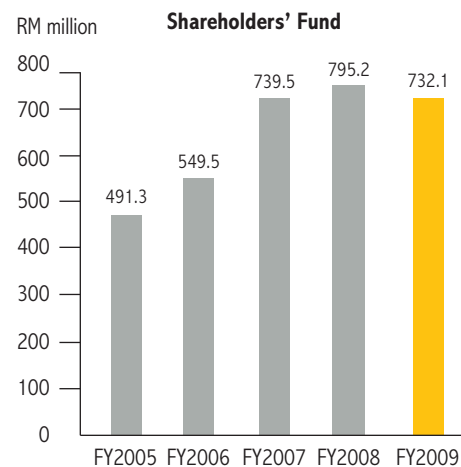
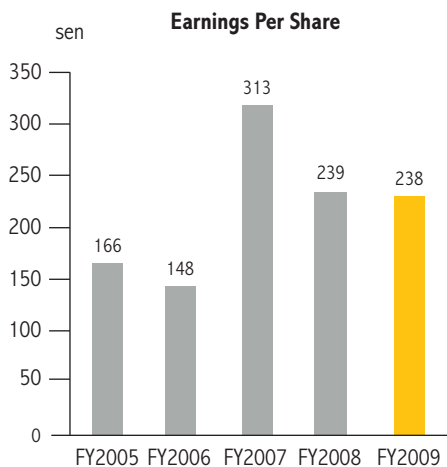
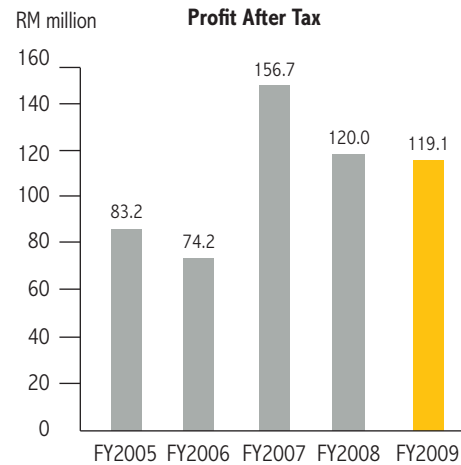
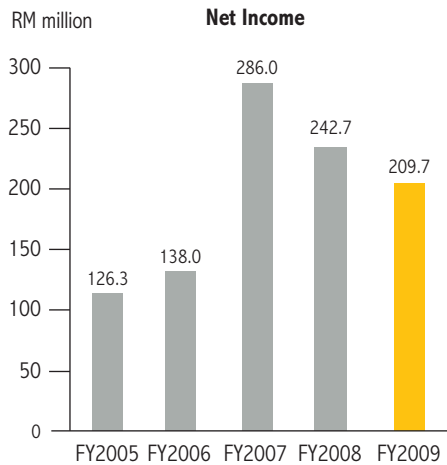
During the financial year under review, Maybank IB introduced its new senior management team in November 2008, with a new Chief Executive Officer and Head of Investment Banking Division, together with a team of about a dozen professionals via the acquisition of BinaFikir, a boutique advisory house. Today, Maybank IB has enhanced its senior management teams in Islamic Markets, Corporate Finance, Equities (Brokerage), Research, Equity Capital Markets, Strategic Advisory, Private Equity and Venture Capital and has appointed a Chief Financial Officer and Chief Learning Officer. In the area of human capital, Maybank IB has indeed been a major beneficiary of the recent global financial crisis as it was able to recruit several top talents from foreign, global investment banks. This new senior management team, when combined with the vast experience and skill of the existing management team covering Debt and Debt Capital Markets, form a formidable senior management line-up to lead us to an exciting future of unbounded growth and unparalleled local and regional success.

As such, we now have a new identity, and on 12 January 2009 we changed our name from Aseambankers Malaysia Berhad to Maybank Investment Bank Berhad, or Maybank IB. This name change signifies the optimism of a new beginning for Maybank's investment banking business, fortified, charged and led by the best combination of local and global talent, and backed by the nation's largest balance sheet that is Maybank. As a natural consequence, we have embraced a new motto, "Realise Opportunities", where the intended *double entendre* (double meaning) exemplifies our innate ability to not only find hidden and subtle opportunities but ultimately to convert them into reality and profitability for our valued clients.

Financial Performance

Maybank IB's resilience can be seen from its net earnings position of RM119.1 million for the financial year ended 30 June 2009 which is only marginally lower than the corresponding figure of RM120.0 million from the previous financial year. This is despite a decrease in total net income for the financial year under review to RM209.7 million from RM242.7 million (a decrease of 13.6%). This resilience is the result of the hard work and effort to shore up our financial performance throughout the year which has yielded results especially in the last quarter of the year, and is further contributed by improved cost management and enhanced tax planning initiatives.

Maybank Investment Bank 5 Year Growth



Equities & Research

The year 2008 and the first quarter of 2009 was a harrowing time for the global capital markets. The rout did not spare our local markets and our stock markets tumbled; from its peak of 1,516 on 11 January 2008, the benchmark index, FTSE Bursa Malaysia KLCI (FBM KLCI), formerly Kuala Lumpur Composite Index, plunged to a four-year intra-day low of 801.27 in late October 2008. Thereafter, the index remained range-bound with low trading volumes, between 850 and 910 until early April 2009. The FBM KLCI, however, staged a strong recovery and breached the 1,000 mark the following month. It closed at 1,075.2 at the end of the financial year under review. Hence, for much of the financial year under review, Maybank IB's equities division was affected by low and declining trading volumes. At our mid-year point of December 2008, the dire market conditions then led to Maybank IB equities division posting a cumulative loss but with the efforts and unwavering attitude of perseverance of the team, Maybank IB equities division was able to post a commendable full year pre-tax profit of RM16.4 million for the year ended 30 June 2009.

Our Equities franchise was significantly enhanced during the financial year under review by the recognition of excellence of our Research team as they bagged key accolades from The Edge – Lipper Polls Awards being; Best Equity Research House, Best Strategist and Best Economist. Key analysts from our Research team also won several top three positions in several industry categories such as Consumer, Oil & Gas, Plantations, among others for the calendar year 2008.

Corporate Finance & Investment Banking Advisory

Maybank IB concluded several notable deals totaling RM24.4 billion during the period under review. Of these, merger and acquisition transactions were valued at RM16.1 billion.

We are proud to highlight the successful execution and implementation of the largest rights offering of RM6 billion in Malaysia for Maybank. Apart from this landmark exercise, a number of other substantial transactions and advisory services with a transaction value of approximately RM19.4 billion were concluded during the year.

The prominent transactions include advisory services to Maybank on RM10.7 billion worth of fund-raising and securities issuances, to shore up its capital base.

Debt & Islamic Markets

Maybank IB continues to maintain its position as the leading debt house, having successfully arranged a total of nine domestic transactions during the year under review with nominal values of RM6.9 billion and an offshore transaction with a nominal value of about RM1.4 billion. Our dominance was exemplified when RAM Rating Services Bhd ranked Maybank IB as the No. 1, leading investment bank for conventional and Islamic bond issuance by issue value, as at 31 December 2008 while Malaysian Rating Corporation Bhd (MARC) named Maybank IB as the top two Lead Managers in Islamic Sukuk by issue count and issue value categories in 2008.

Maybank IB also won the Most Innovative Islamic Finance Deals award by The Asset in the Inaugural Islamic Finance Awards for the Cagamas RM2 billion Sukuk Commodity Murabahah, which was part of the RM60 billion Islamic and Conventional Commercial Papers and Medium Term Notes Programme.

In the fledgling but exciting area of regional Sukuk issuance, we are proud to be appointed as the International Co-Manager for the maiden sovereign issue of global Sukuk for the Government of Indonesia. The Sukuk transaction amounting to USD650 million (about RM2.27 billion) was issued via Perusahaan Penerbit SBSN Indonesia in April 2009.

For Maybank, we are proud to highlight our efforts in arranging the RM4 billion (or its equivalent in other currencies) Innovative Tier 1 Capital Securities (IT1CS) Programme for Maybank in August 2008. The IT1CS Programme is the first Innovative Tier 1 issuance in Malaysia that was structured in the form of a multi-currency programme.

From this multi-currency IT1CS Programme, Maybank IB distributed SGD600 million IT1CS in Singapore's capital market and issued another RM1.1 billion IT1CS in Malaysia. Both issuances received overwhelming demand and were oversubscribed by investors.

Strategic Direction & Prospects

Maybank IB has recently restructured itself into a 'pure-play' investment banking entity focusing on delivering optimal solutions for its esteemed clients. Optimality of solutions is defined as holistic, bespoke and more often than not, new and innovative solutions for clients. Such a solution methodology is borne from an exhaustive research-based study of the clients' needs and environment, whilst applying the very best of structuring and product knowledge with financial modeling expertise, to ensure that the solution is indeed optimal for the client, and can be demonstrated as such. As at mid-October 2008, the investment banking division in Maybank IB is wholly focused on delivering value-add advisory and structuring services, in product areas such as Restructuring and Re-organisations, Mergers and Acquisitions (M&A), Equity and equity-linked fund-raising and issuances, and structured solutions in Debt and Islamic loan and capital markets. Traditional product divisions such as Debt Markets and Islamic Markets, have been enhanced further by the infusion of top talent and specialists to provide innovative structures and solutions for clients.

Maybank IB also has a new division called Strategic Advisory, arising from its recent purchase of BinaFikir. Strategic Advisory greatly enhances the advisory capability of Maybank IB into new, hitherto uncharted territories such as Private-Public Partnership Advisory, and Corporate Strategy definition and development. These advisory products form an 'upstreaming' strategy for Maybank IB where we would be closely involved in new business horizons for our clients, and help them shape their respective strategic, funding and even transaction execution plans from the ground up. Due to our involvement from Day 1 in such strategies, Maybank IB would then be in a position of advantage for the eventual fund-raising arrangement and funding of such plans as well as for M&A or Corporate Finance advisory for such planned transactions to be executed. The funneling of these upstream mandates into the more traditional IB mandates has already yielded some revenue pick-up for us during the final quarter of the current financial year, and we look forward to more robust deals in our pipeline.

In the area of equities, Maybank IB intends to extend its reach and presence through deeper penetration of market share in both the wholesale and retail markets. A simple formula of best talent acquisition, together with a holistic customer acquisition strategy leveraging on Maybank's key strength of delivery channel reach in terms of branch presence, and its ubiquitous and ever-popular Maybank2u.com Internet platform, would see Maybank IB achieve its intended medium-term target to be one of the leading securities house in the country.

Regionalisation is a key strategic thrust for Maybank IB, and we intend to fully leverage on Maybank's presence in key growth markets such as Indonesia, Pakistan, Singapore, Vietnam and the Philippines. Cross-border deals are now part of the hunt for Maybank IB as we ready our teams of suitcase bankers to pursue major transactions in the region. Similarly, Maybank IB fully intends to obtain securities licences in key geographic markets to enable us to fully participate in primary origination and distribution of capital market issuances, as well as to conduct brokerage in secondary trading of securities. Maybank IB also intends to fully tap into the growing megatrend of international brokerage from local investors, keen to participate in the attractive returns of foreign markets, with their vast array of products and ample liquidity.

Proprietary Investments is also heralding a return as a key strategic initiative for Maybank IB. In this regard, it intends to fully transform its associate Maybank Ventures into a full-fledged Private Equity (PE) and Venture Capital entity, under the management supervision of Maybank IB. The global crisis presents many opportunities in proprietary

investments, especially given the current relative entry valuations, for those who are discerning and fleet-footed. Maybank IB intends to fully capitalise on such opportunities and has begun to build a new platform of PE through a combined strategy of hiring key talent and establishing partnerships with global PE organisations.

Last but not least, Maybank IB realises that its most important element of capital lies in its human and intellectual capital. The ability of Maybank IB to attract and retain local, regional and global top talent would be the critical success factor to ensure the achievement of our vision to be one of the region's best. Maybank IB has commenced a holistic talent management and performance rewards programme to ensure that only the culture of meritocracy prevails. Maybank IB has also embarked on a comprehensive framework of human capital development, centred around knowledge management, training and skills development of every individual in our organisation. Maybank IB has recently been recognised as one of the Approved Training Employers by the Institute of Chartered Accountants of England and Wales to train aspiring young apprentices to become English Chartered Accountants. Maybank IB also has similar sponsorship programmes for other accounting qualifications such as ACCA and CIMA, as well as the Chartered Financial Analyst programme or CFA. Maybank IB has also recently institutionalised the entire learning process throughout our organisation and has appointed a Chief Learning Officer with the mandate to ensure that Maybank IB provides the best place to learn, develop and grow new and best talent in the industry, our contribution to development of resources, skills and expertise for the market.



Insurance & Takaful

To further accelerate the growth and realisation of our aspirations to become the National Insurance Champion, Etiqa has embarked on a new programme called Etiqa Strategy Plan (ESP).



Etiqa continued to stay true to its brand idea of Humanising Insurance and Takaful by going back to the basics, through clarity, simplifying of processes, good conscience, and ultimately, by placing people over policies.

A diverse range of Life and General insurance as well as Family and General Takaful plans are available through Etiqa's multitude of distribution channels. Etiqa boasts a solid agency workforce comprising 21,916 agents located throughout the country, supported by a total of 36 branches to serve customers nationwide. Etiqa also features a wide bancassurance and bancatakaful distribution network via more than 450 Maybank branches as well as a host of other third-party banks. Additionally, Etiqa maintains a strong extended network with co-operatives, brokers and institutions which translates into Etiqa being the largest homegrown insurer and takaful provider in the country.

In addition to Maybank's wide reach and its own customer hotline, Etiqa Online, the Group's insurer ensures that we reach all segments of the market and offer various payment modes tailored to meet individual customer preference, be it over the counter, online or via salary deduction through Biro Angkasa.

Financial Performance

Financial Highlights

During the year under review, the Insurance and Takaful segments registered a combined gross premium/contribution of RM3.6 billion, a 13% increase compared with the previous year.

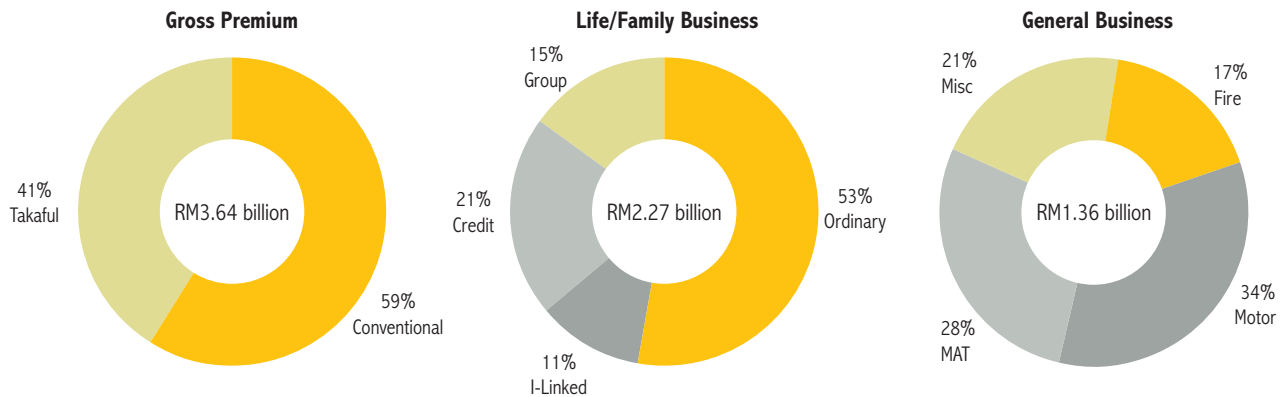
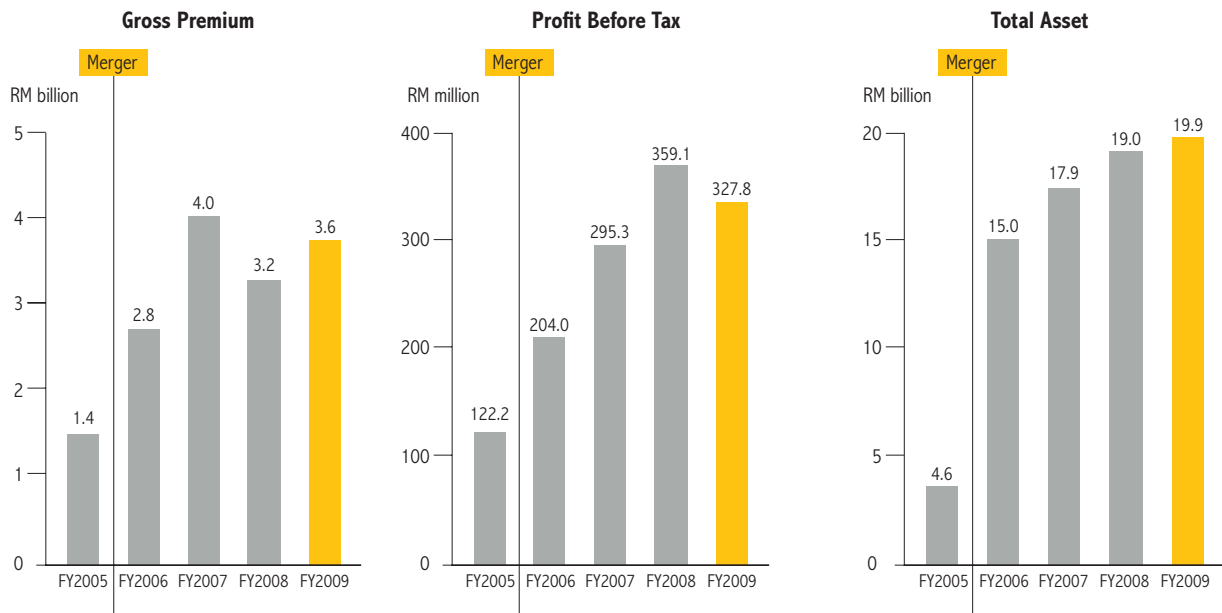
This was mainly due to the improved performance of three product classes, namely Regular Premium, Group Life and Motor. As a result, Etiqa managed to secure pole position in the market in both Life/Family New Business Premium and General Insurance/Takaful Gross Premium as of March 2009.

The Life/Family business grew by 14%, registering a growth in all product classes, with the exception of Single Premium Investment Linked, which was shelved due to the economic downturn and resulting unfavourable stock market performance.

General business rose by 10%, primarily given the 25% increase in Motor class. The remaining classes also registered growths in the gross premium/contribution except the Marine, Aviation & Transit (MAT) class which was impacted by the tough economic climate. The General business portfolio continued its market leadership in claims, with the claim ratio still below the industry average of 65.6% but having deteriorated to 59.6% from 50.4% last year.

The Takaful business continued its positive momentum, increasing 41% over last year, with a gross contribution of more than RM1 billion. This represented a significant contribution of 41% to the top line. Together, the Insurance and Takaful segments registered a profit before tax of RM328 million, with the Takaful segment contributing 28% to the Group's profit and growing by 9% despite the challenging economic environment.

Expenses increased by 6% but it was below the top-line double-digit growth. Moving forward, more focus will be given to balancing the top-line growth and expense base.



Merger Update

The three-year merger programme between Mayban Fortis Holdings Berhad, Malaysia National Insurance Berhad (MNI) and Takaful Nasional Sdn Bhd (TN) ended on 30 June 2009. The remaining 12 outstanding initiatives, which are related to the new Core Life and Core General Systems, are targeted to be launched in the current financial year.

Overall, the merger aspirations have been met. The companies have been re-branded under Etiqa, with all operations and staff integrated.

The legal merger of the insurance entities have been completed, except for Mayban Life Assurance Bhd which we are expecting to complete by June 2010.

Value Creation from Merger

The value creation achieved RM137 million against the projected RM174 million. The shortfall was attributed mainly to the lower contribution from sale of Single Premium Investment Link from the Sales and Marketing sector.

Product Achievements

To live up to its promise of excellence and variety, Etiqa offers a wide range of flexible solutions and financial planning for discerning customers. During the year under review, Etiqa successfully launched its new products which received overwhelming response. These products include MAS Travel, PersonaLady, Takaful PersonalLady, Premier Capital Income, PCI Option D (PCI True Saver) and Premier Capital Plus.

IT System

In view of the expanded scopes and complexities arising from the merger which is in its final phase, it is vital for Etiqa to further enhance its IT infrastructure in order to face future demands in its business operations. A strong IT system will also provide Etiqa with the flexibility to develop products faster. In view of global growth and expansion, criteria such as multi-currency services, multi-lingual capability, web-based access and a scalable IT solution are pivotal.

During the year various IT initiatives were identified and implemented within the framework of technology and business architecture to support the requirements for business operations locally and internationally.

Completed initiatives include the corporate website under the new Etiqa brand, implementation of the enterprise imaging and workflow solution as well as the enterprise business intelligence solution.

Initiatives that are currently in progress and targeted for completion by the next financial year include core life solution, core general solution, enterprise portal solution, contact centre solution and enterprise application integration.

Achievements & Awards

The year saw Etiqa's Takaful sector being acknowledged for its innovative and people-centric marketing approach. It was awarded the prestigious Best Takaful Marketing award at the International Takaful Awards held in conjunction with the International Takaful Summit 2008 in London and the Most Outstanding Takaful Company award at the Kuala Lumpur Islamic Finance Forum.

Additionally, Etiqa was named Best Brand in Services in Insurance and Takaful at the BrandLaureate Awards held in April 2009.

International Presence

Our international business expansion will be based on two strategies, namely strengthening current insurance and takaful business operations as well as leveraging on strategic partnership and alliances.

Etiqa Insurance and Takaful currently has presence in three countries: Singapore, Brunei and Pakistan. The Singapore operations currently offer General Insurance business and closed the year with a gross premium of RM134 million, a 14% rise albeit the slow growth in the General Insurance sector. The main distribution channel is the tied agents who

contributed 70% of the overall business. In terms of the business mix, the portfolio is well represented with Motor contributing 30%, Miscellaneous Accident contributing 48%, Fire 10%, Marine Cargo 6% and Engineering 6%.

The Singapore operations is currently serving both the personal and corporate segments of the General Insurance market. Beginning July 2009, all Mayban General Assurance Berhad's and the General Insurance business both in Malaysia and Singapore will be transacted under Etiqa Insurance Berhad. In view of this, there is a bright future for the Singapore operations to leverage on the new branding to reflect the Etiqa Way.

The Brunei operations was successfully rebranded to Etiqa Insurance Berhad upon approval from regulatory authorities. The financial year under review saw the Brunei operations achieving an excellent growth rate of 35%, with a gross premium of RM7.7 million. The Brunei operations is currently in the process of being relocated to new premises to provide better accessibility for clients.

Etiqa Takaful's presence in Pakistan via its 25% stake in Pak Kuwait Takaful Company Limited has been operating as the first takaful company in Pakistan since 2005. The joint venture company offers a wide range of businesses for corporate and retail sectors, especially in the portfolios of motor, property and marine.

The year under review was a positive one for the Pakistan operation, with gross contribution growing by 24%, net contribution revenue growing 30% and profit before tax improving by 155%. The motor business continued to be a major growth driver, contributing 74% of the business revenue.

Strategic Initiatives

Etiqa Strategy Plan

To further accelerate the growth and realisation of our aspirations to become the National Insurance Champion, Etiqa has embarked on a new programme called Etiqa Strategy Plan (ESP). The three-year programme which started in November 2008 adopts a holistic approach to position the company with a strong presence in the industry with sound infrastructure and processes to enhance top line results as well as improve operations and services to intermediaries and customers.

The ESP consists of 11 workstreams, of which three directly support the Maybank LEAP30 transformation journey.

Business HR

Although Etiqa comprises several entities, it has been operating as a single functional structure consisting of different business functions under the Head of Insurance and Takaful. This structure was formalised in September 2008 and has proven to be a robust working platform in allowing the business to operate smoothly.

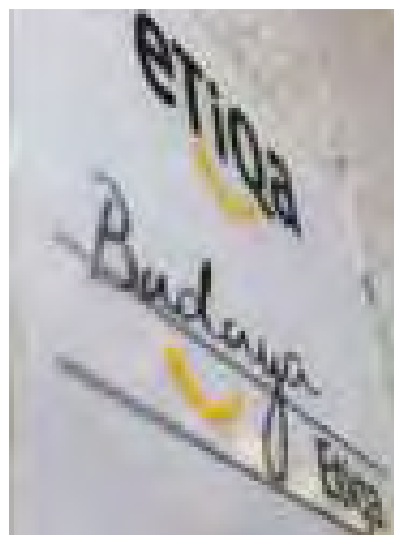
The new structure also witnessed the formation of the Etiqa Academy. The Academy's vision is to be the centre of excellence by providing effective sales, management, leadership and personal development programmes that deliver cutting-edge performance in the insurance and takaful industry.

Etiqa is also very involved in Maybank's LEAP30 initiatives for human capital development. The emphasis on talent management, performance management and leadership development will ensure a strong pipeline of high-performing talents, befitting both Maybank's and Etiqa's aspiration to be the local and regional champion in our market segments.

Prospects

The year ahead will be a challenging one for the insurance and takaful industry due to the continuing uncertainty of the global economic landscape. For Etiqa, efforts will be taken to evaluate various acquisition opportunities to accelerate local and international business expansion to further boost its presence locally, regionally as well as internationally.

With prudent and vigilant management as well as strong commitment from staff, the Group believes these challenges can be overcome and enhanced profits delivered by this sector.



International

Our medium-term goal is to fortify our franchise and become a leading financial services group. With this in mind, we will continue to tap viable growth and expansion opportunities in Indonesia, Singapore, Cambodia, Vietnam, China and the Philippines.



Maybank remained focused on its goal to become a leading regional financial services group by 2015 and further expanded its presence in 13 overseas markets.

The year saw the Group making major inroads into the Indonesian and Vietnamese banking industry by completing the acquisition of a 97.5% stake in BII and a 15% stake in ABBank. These acquisitions complemented our growing international reach which includes a 20% stake in MCB Bank of Pakistan, and our operations in Singapore, Philippines, Cambodia, China, Brunei as well as the Middle East which we have grown organically over the years.

In Cambodia, we opened two additional branches in Phnom Penh and Siem Reap respectively; as a result, our network of branches here now stands at four. We will continue to pursue organic expansion plans in this country by opening more branches in the year ahead, while we explore the possibility of new branches in Vietnam, China, the Philippines and India.

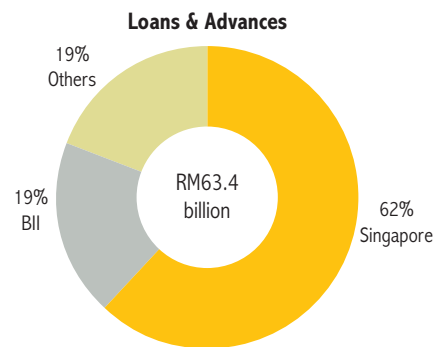
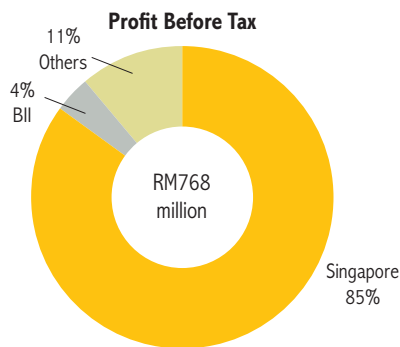
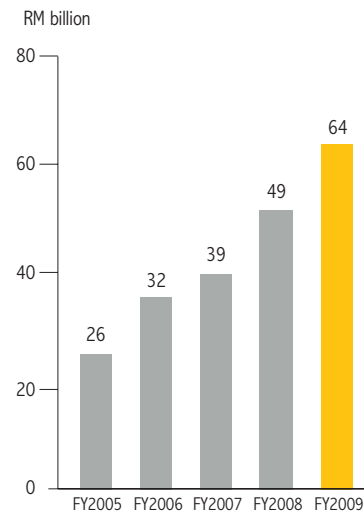
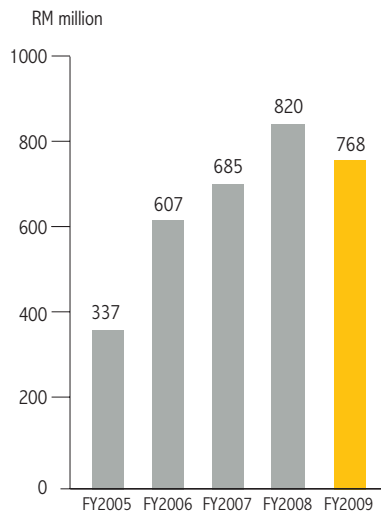
Financial Performance

The global financial crisis and tough operating environment also had an impact on our international operations during the year. Profit before tax was RM384 million for 2009 which was lower compared with RM716 million registered in the previous year. The lower profit was the result of higher loan loss provisioning requirements in several of our overseas units. Despite this, the International sector managed to contribute 9.6% to the Group's profit before tax.

The Group also witnessed some deterioration in asset quality during the year but this was kept to a manageable level by employing focused strategies and risk mitigation measures. Our Singapore operations was able to maintain a low NPL ratio of 1.0% as at end June 2009.

As with most financial hubs, Singapore witnessed a significant slowdown in its economy in 2008, which had a knock-on effect particularly on the financial services sector. The Group's Singapore operations, however, maintained its growth momentum by recording an increase of 12% in profit before tax and contributed approximately 88% of profit before tax to the International sector (excluding the contribution from BII).

BII in Indonesia had to operate against a backdrop of intense competition, high inflationary pressures, interest rate hikes as well as key changes in the management of the bank. Nevertheless, BII managed to ride out the storm and registered growth in several business sectors by embarking on promotional initiatives and key cost-cutting measures. With the emergence of Maybank Group as a majority shareholder, BII is well-positioned to enhance its future earnings and growth.



Our operations in other emerging countries, namely Cambodia, Vietnam and the Philippines remained resilient in the face of dampened economic activity, which had impacted the manufacturing industry, and achieved commendable growth in the year.

The Cambodian operations posted a growth in loans of more than 50% in the year, while the Vietnamese operations witnessed a 20% increase in loans booked and Maybank Philippines Inc. posted a 10% increase. These achievements translated into an improved bottom-line but at a slower rate due to the liquidity crisis and higher borrowing costs.

Operations

In view of the challenging operating environment, the International sector approached markets selectively and undertook proactive measures to re-price assets and re-balance portfolios.

The Group placed much emphasis on account management activities to preserve asset quality and redeployed resources to more pressing areas which in turn enabled us to enhance monitoring and collection efforts. All business units also initiated waste-cutting measures such as reprioritisation of non-critical expenditure.

Additionally, the year saw us diversifying our range of product and service offerings in the overseas markets.

Among the highlights was the debut of the maiden structured trade finance business transaction at our Hong Kong branch. In Brunei, we successfully launched a new financial product, Indus³Comm, to provide options to customers in need of financing for commercial property. The first-of-its-kind in this market, the product offers unique financing solutions with a variety of facilities to suit the diverse requirements of enterprise and business customers as well as individuals.

Plans are also underway to support our operations in the Philippines, Vietnam and China for expansion. Through our investment banking arm, the Group is in the process of developing our Islamic capital market capabilities from our Bahrain branch.

One of the sector's main priorities in the year ahead will be to improve the performances of our branches in the financial hubs of London, New York and Hong Kong amid what is still a volatile market. The challenge will be in anticipating and seeking out new opportunities in spite of the difficult environment.

Maybank Singapore

Maybank Singapore was among the six foreign banks to have been granted the Qualifying Full Bank (QFB) status by the Monetary Authority of Singapore which allows us to fortify our position further. We have built a strong presence here with an established franchise in the consumer, business, Islamic and online banking arena. Maybank Singapore is also the Group's largest overseas unit in terms of assets.

Maybank Singapore contributes approximately 60% to the Group's total international loan portfolio. As a trail blazer in organisational excellence, we are the first in Singapore's banking industry to have achieved triple certification for business excellence: Singapore Quality Class (SQC), Service Class (SC) and People Developer (PD). While SQC recognises commendable business performance in various segments including planning, processes and results, SC and PD are awarded respectively for excelling in customer service capabilities, and managing as well as developing people. We also won the Work-Life Excellence Award in 2008.

The Group is equally focused on making a positive difference among the local community as a conscientious corporate citizen. During the year, the official opening of two new branches – Jurong Point and Yishun, enabled Maybank Singapore to commence our corporate social responsibility programme. Maybank Singapore staff hand-made 5,000 roses from recycled paper and raised SGD5,000 for needy students and in conjunction with Earth Month, 80 staff adopted the role of energy auditors and dispensed energy-saving tips to over 1,000 households.



Singapore Operations
Headquarters



Bank Internasional Indonesia

BII has emerged as our next key international business unit after Singapore and currently accounts for approximately 20% of the Group's total international loan portfolio. Since implementing key changes in the year, namely the appointment of new members to the Board of Commissioners and a new Board of Directors, the Group has continued to support the management team in executing their turnaround plans in order to achieve the desired results.

In order to accelerate the pace of this turnaround plan, various integration teams are already up and running in both Malaysia and Indonesia; this is pivotal to ensure maximum synergy. Immediate results were seen in the areas of trade finance, remittances and corporate investment banking.



BII Batam,
Indonesia

We also unveiled BII's new corporate identity to reflect the integration of BII into the Maybank Group. The new corporate identity, which signifies the complementary strengths and combined banking expertise of both financial institutions, was unveiled in March 2009 and rolled out to all branches.

The year also saw BII celebrating its 50th Anniversary. To commemorate this special occasion, the bank organised a series of events dedicated to its shareholders, the community, customers, employees and media.

Events included a concert for staff and special guests in Jakarta that was attended by 4,000 employees from Jakarta and the surrounding areas. During the event, BII employees had an opportunity to become acquainted with members of the Boards of Commissioners and Directors which was a first for most employees. Apart from celebrating the occasion, it was also a chance to build esprit de corps among the employees as well as introduce Maybank as the new business partner.

MCB Bank and ABBank

The 2009 financial year marked the first year anniversary of the Group's strategic partnership with MCB Bank, which managed to maintain its performance in spite of the volatility of the country's macro environment. We also placed greater emphasis on business synergies in the areas of trade finance and remittances as well as knowledge and expertise sharing in Islamic banking, information technology capability, customer relationship management and Call Centre operations. The synergy of this partnership is clearly demonstrated by the fact that MCB Bank held its Board of Directors meeting at Menara Maybank, Kuala Lumpur in February 2009.

Following the acquisition exercise of ABBank, we have been assisting the bank in strengthening its operations, risk management framework and business portfolios. To further facilitate this process, we have seconded a Chief Risk