

MALAYAN BANKING BERHAD (“MAYBANK” OR “COMPANY”)

PROPOSED PRIVATE PLACEMENT OF NEW ORDINARY SHARES OF RM1.00 EACH IN MAYBANK (“MAYBANK SHARES”) (“PLACEMENT SHARES”) AT AN ISSUE PRICE TO BE DETERMINED LATER (“PROPOSED PRIVATE PLACEMENT”)

1. INTRODUCTION

On behalf of the Board of Directors of Maybank (“**Board**”), Maybank Investment Bank Berhad (“**Maybank IB**”) is pleased to announce that the Company is proposing to undertake the Proposed Private Placement pursuant to the shareholders’ mandate obtained under Section 132D of the Companies Act, 1965 (“**Act**”) at the Company’s Annual General Meeting (“**AGM**”) held on 29 March 2012.

2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

2.1 Size of the Proposed Private Placement and pricing for the Placement Shares

Maybank intends to place out 300,000,000 new Maybank Shares, representing 3.68% of the enlarged issued and paid-up share capital of Maybank as at 30 September 2012, with a possible upside depending on investors’ demand, under the Proposed Private Placement.

The final number of new Maybank Shares to be issued pursuant to the Proposed Private Placement and the issue price of the Placement Shares will only be determined and announced after the completion of the book-building process, which will commence today.

2.2 Ranking of the Placement Shares

The Placement Shares shall, upon allotment and issue, rank *pari passu* in all respects with the existing Maybank Shares except that the Placement Shares will not be entitled to any dividends, rights, allotments and/or any other distributions, the entitlement date of which is prior to the date of allotment of the Placement Shares.

2.3 Placement arrangement

Maybank had obtained a waiver from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) from having to comply with the Paragraph 6.04(c) of the Main Market Listing Requirements of Bursa Securities so as to allow major shareholders of the Company who fulfill the following criteria to participate in the Proposed Private Placement:

- (a) either a statutory institution which manages public funds and/or collective investment scheme;
- (b) deemed part of the public spread of the Company at the time of launch of the Proposed Private Placement; and
- (c) has no representation on the Board.

The Placement Shares will be placed out to investors to be identified. The identity of the placees, number of Placement Shares allocated and the issue price for the Placement Shares can only be determined upon completion of the book-building process.

The Proposed Private Placement will not be implemented in tranches.

2.4 Listing of and quotation for the Placement Shares

The Company has obtained the approval of Bursa Securities for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities.

3. UTILISATION OF PROCEEDS

For illustration purposes only, assuming that the issue price of the Placement Shares is based on a 3% discount to the weighted average market price of Maybank Shares for the 5 market days up to 4 October 2012 of RM9.0757, the issue price for the Placement Shares would be RM8.80. Accordingly, the Company is expected to raise gross proceeds of approximately RM2.64 billion.

The proceeds to be raised from the Proposed Private Placement (net of expenses relating to the Proposed Private Placement) will be utilised for working capital and general banking purposes.

4. RATIONALE FOR THE PROPOSED PRIVATE PLACEMENT

The Proposed Private Placement will further strengthen the Company's capital base and support its growth objectives. Apart from continued strength in the Malaysian domestic economy, the Company is also experiencing healthy growth from its various regional subsidiaries. In addition, the Proposed Private Placement facilitates the meeting of the more stringent capitals requirement under the Basel III framework. The Board is of the view that the Proposed Private Placement is the most expeditious means of strengthening the Company's capital base.

5. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

The effects of the Proposed Private Placement on Maybank's issued and paid-up share capital, consolidated net assets per Maybank Share, earnings per Maybank Share, gearing and substantial shareholders' shareholdings can only be determined upon finalisation of the total number and issue price of the Placement Shares, after the completion of the book-building process.

An announcement on the final number and issue price of the Placement Shares, together with the effects of the Proposed Private Placement, will be made after the completion of the book-building process.

6. APPROVALS REQUIRED

The Proposed Private Placement is subject to the following:-

- (i) approval of Bank Negara Malaysia for the increase in the issued and paid-up share capital of Maybank of up to 412 million new Maybank Shares pursuant to the Proposed Private Placement which was obtained on 17 August 2012;
- (ii) approval of Bursa Securities for the listing of and quotation for up to 412 million Placement Shares which was obtained on 29 August 2012; and
- (iii) any other relevant authorities, if required.

The Proposed Private Placement is not conditional upon any other corporate exercise/scheme of the Company.

At the Company's last AGM held on 29 March 2012, the shareholders of the Company had passed a resolution which had empowered the Board to issue and allot new Maybank Shares under Section 132D of the Act at any time until the conclusion of the next AGM 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 Maybank. Such authority shall continue to be in force until the conclusion of the next AGM of the Company, prior to which the Proposed Private Placement is expected to be completed. In view of this, the Proposed Private Placement does not require the further approval of the shareholders of the Company.

7. INTERESTS OF THE DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save for the major shareholders who may choose to participate in the Proposed Private Placement, none of the Directors, major shareholders and/or persons connected with them has any interest, direct or indirect, in the Proposed Private Placement.

8. ADVISER AND PLACEMENT AGENT

Maybank IB has been appointed as the Principal Adviser for the Proposed Private Placement.

Maybank IB and UBS AG, Singapore Branch have been appointed as Joint Placement Agent for the Proposed Private Placement.

9. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Board expects the Proposed Private Placement to be completed by end of October 2012.

This announcement is dated 5 October 2012.

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