

MALAYAN BANKING BERHAD (3813-K)
54th Annual General Meeting dated 7 April 2014

SUMMARY OF MINUTES

54th Annual General Meeting (“AGM”) of **MALAYAN BANKING BERHAD (3813-K)** held at Grand Ballroom, Level 1, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 7 April 2014, at 10.00 a.m.

PRESENT

DIRECTORS

1. Tan Sri Dato’ Megat Zaharuddin bin Megat Mohd Nor (*Chairman*)
2. Dato’ Mohd Salleh bin Hj Harun (*Vice-Chairman*)
3. Datuk Abdul Farid bin Alias (*Group President & CEO*) (*the “President”*)
4. Tan Sri Dr Hadenan bin A. Jalil
5. Dato’ Seri Ismail bin Shahudin
6. Dato’ Dr Tan Tat Wai
7. Encik Zainal Abidin bin Jamal
8. Mr Cheah Teik Seng
9. Dato’ Johan bin Ariffin
10. Datuk Mohaiyani binti Shamsudin
11. Bpk Erry Riyana Hardjapamekas

IN ATTENDANCE

1. Encik Mohd Nazlan bin Mohd Ghazali (*Group General Counsel & Company Secretary*)

SHAREHOLDERS AND PROXIES

A total of 3,132 members registered for Malayan Banking Berhad’s 54th AGM as per the Attendance Record.

BY INVITATION

A total of 42 invitees were invited for Malayan Banking Berhad’s 54th AGM as per the Attendance Record.

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PRELIMINARY

The Chairman welcomed the shareholders and thanked them for their attendance and continuous support. The Chairman also introduced to the shareholders the ten other Board Members and the Group General Counsel & Company Secretary present at the meeting. The Group General Counsel & Company Secretary then confirmed the requisite quorum pursuant to Article 58 of the Company's Articles of Association; and further informed that the total number of proxies and corporate representatives received within the stipulated time was 1,679 representing a total of 6,806,045,922 shares out of which 595 holders of 1,201,806,916 shares had appointed the Chairman of the Meeting to be their proxy. The Notice of the meeting dated 14 March 2014 was then taken as read as proposed by the Chairman and duly seconded by a shareholder.

1.0 AUDITED FINANCIAL STATEMENTS (ORDINARY RESOLUTION 1)

The Chairman provided a brief overview of the performance of Maybank Group ("Group") for the financial year ended 31 December 2013 (with PATAMI reaching RM6.55 billion for the financial year, 14% higher than the previous year) and proceeded to highlight the achievements and activities of Malayan Banking Berhad ("Bank") in 2013, encompassing aspects such as Core Values, talent agenda and Corporate Responsibility, and thanked the various stakeholders of the Group for the support.

The Chairman thereafter invited the Group President & Chief Executive Officer ("the President") to update the shareholders in greater detail on the Group's performance for the financial year ended 31 December 2013. The update by the President had included, amongst others, the following:-

- a) The financial performance for FY 2013, focusing on profitability and growth in loans and deposits;
- b) The Group's priorities for the near term i.e. "Transformation to the next level: Regionalisation" (2013-2017); and
- c) The key targets for 2014 for the three 'home markets' of Malaysia, Singapore and Indonesia; and
- d) The commitment of the Group to its stakeholders as follows:-
 - To humanise financial services across Asia would be the Group's driving force;
 - To have the right service solutions;
 - To provide convenience to customers through technology;
 - To show progress through execution of the strategic objectives;
 - To deliver long-term growth and sustainable value; and
 - To make a positive impact to our society.

The Chairman then opened the meeting for question from members. The questions including those that the Group had received from the Minority Shareholders Watchdog Group ("MSWG") vide its letter dated 4 April 2014 were answered by the Chairman and the President.

In summary, the questions posed by the shareholders and proxies were in relation to amongst others the Group and Bank's performance for 2013 focusing on certain business segments; Basel III compliance and the impact of the same; dividend pay-out policy and Dividend Reinvestment Plan ("DRP") take up rate; the performance of the Bank's overseas operations especially concerning PT Bank Internasional Indonesia Tbk ("BII") and MCB Pakistan; the security aspects vis-à-vis the Bank's internet and mobile banking facilities; performance benchmarking with local and regional peers; the level of foreign shareholdings; Environmental, Social and Governance ("ESG") elements; and the recent disposal of 18% of the Bank's shares in BII.

Following the question and answer session, as proposed by Mr Soo Thien Ming, a shareholder and seconded by En Wan Rasdi Wan Ahmad Shukri, also a shareholder, the following Ordinary Resolution was carried:-

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RESOLVED:

THAT the Audited Financial Statements for the financial year ended 31 December 2013 together with the Reports of the Directors and Auditors thereon, be received.

2.0 FINAL DIVIDEND (ORDINARY RESOLUTION 2)

The Chairman informed the meeting that the next business was to obtain the shareholders' approval on the proposed payment of a final single-tier dividend of 31 sen per ordinary share in respect of the financial year ended 31 December 2013 as recommended by the Board.

The DRP served to conserve the capital for the Bank by allowing shareholders to reinvest their dividends into new Maybank shares which would help to further strengthen and build the Bank's equity capital progressively. This was in line with Basel III which required banks to have higher amount and quality of capital in the form of common equity with effect from 1 January 2014. The final Bank Negara Malaysia (BNM) guidelines had increased the minimum common equity requirement to 3.5% by 1 January 2014 and 4.5% by 1 January 2015. In addition, banks would also be required to hold a capital conservation buffer of 2.5% to withstand future periods of stress bringing the total common equity requirements to 7% by 1 January 2019.

Pursuant to Section 8.26 of the Main Market Listing Requirements of Bursa Securities Malaysia Berhad, the final dividend, if approved, would be paid no later than 3 months from the date of the shareholders' approval. The book closure date would be announced by the Company after the AGM.

As proposed by Mr Chong Chin Hok, a shareholder and seconded by Mr Mootha Kumaran A/L Bass, also a shareholder, the following Ordinary Resolution was then carried:-

RESOLVED:

THAT the proposed payment of a final single-tier dividend in respect of the financial year ended 31 December 2013 of single-tier dividend of 31 sen per ordinary share as recommended by the Board, be approved.

3.0 RE-ELECTION OF DATO' DR TAN TAT WAI (ORDINARY RESOLUTION 3)

The Chairman informed the meeting that Dato' Dr Tan Tat Wai, an Independent Non-Executive Director would be retiring in accordance with Articles 96 and 97 of the Company's Articles of Association and being eligible, had offered himself for re-election.

The Chairman introduced Dato' Dr Tan Tat Wai and informed the meeting that a brief profile of Dato' Dr Tan Tat Wai was provided on page 136 of the Annual Report.

As proposed by Mr Mootha Kumaran A/L Bass, a shareholder and seconded by Mr Rajalingam A/L Rajasundram, also a shareholder, the following Ordinary Resolution was then carried:-

RESOLVED:

THAT Dato' Dr Tan Tat Wai who retired in accordance with Articles 96 and 97 of the Articles of Association be re-elected as director.

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4.0 RE-ELECTION OF MR CHEAH TEIK SENG (ORDINARY RESOLUTION 4)

The Chairman informed the meeting that Mr Cheah Teik Seng, an Independent Non-Executive Director would be retiring in accordance with Articles 96 and 97 of the Company's Articles of Association and being eligible, had offered himself for re-election.

The Chairman introduced Mr Cheah Teik Seng and informed the meeting that a brief profile of Mr Cheah Teik Seng was provided on page 137 of the Annual Report.

As proposed by Mr Mootha Kumaran A/L Bass, a shareholder and seconded by Mr Rajalingam A/L Rajasundram, also a shareholder, the following Ordinary Resolution was then carried:-

RESOLVED:

THAT Mr Cheah Teik Seng who retired in accordance with Articles 96 and 97 of the Articles of Association be re-elected as director.

5.0 RE-ELECTION OF DATUK ABDUL FARID ALIAS (ORDINARY RESOLUTION 5)

The Chairman informed the meeting that Datuk Abdul Farid Alias, a Non-Independent Executive Director, would be retiring in accordance with Article 100 of the Articles of Association and being eligible, had offered himself for re-appointment.

The Chairman introduced Datuk Abdul Farid Alias and informed the meeting that a brief profile of Datuk Abdul Farid was provided on page 135 of the Annual Report.

RESOLVED:

THAT Datuk Abdul Farid Alias who retired in accordance with Article 100 of the Articles of Association be re-elected as director.

6.0 RE-APPOINTMENT OF MESSRS ERNST & YOUNG AS AUDITORS (ORDINARY RESOLUTION 6)

The Chairman informed the shareholders that Messrs Ernst & Young ("EY"), had expressed their willingness to continue to act as the external auditors for Maybank. The Chairman further informed the meeting that the representatives from EY were also present at this meeting.

As proposed by Mr Woon Peng Wah, a shareholder and seconded by Mr Mootha Kumaran Bass, also a shareholder, the following Ordinary Resolution was then carried:-

RESOLVED:

THAT Messrs Ernst & Young be re-appointed as Auditors of the Company for the financial year ending 31 December 2014 and to authorise the Directors to fix their remuneration.

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7.0 AUTHORITY UNDER SECTION 132D OF THE COMPANIES ACT, 1965 FOR THE DIRECTORS TO ISSUE SHARES (ORDINARY RESOLUTION 7)

The Chairman informed the shareholders that this Special Business was for the purpose of obtaining the shareholders' approval for the general mandate pursuant to Section 132D of the Companies Act 1965 obtained at the previous AGM, for the directors to be authorised to issue ordinary shares up to an aggregate amount not exceeding 10% of the issued and paid-up share capital of Maybank for the time being without having to convene a general meeting. This general mandate, unless revoked or varied at a general meeting, would expire at the next AGM.

The general mandate from shareholders was to provide the company flexibility to undertake any share issuance during the relevant period without having to convene a general meeting. Thus the rationale for this proposed mandate was to allow for possible share issue and/or fund raising exercises including placement of shares for the purpose of funding current and/or future investment project, working capital and/or acquisitions as well as in the event of any strategic opportunities involving equity deals which may require the company to allot and issue new shares on urgent basis and thereby reducing administrative time and costs associated with the convening of additional shareholders meeting(s). In any event, the exercise of the mandate would only be undertaken if the Board considered it to be in the best interest of the company.

As proposed by Mr Mootha Kumaran A/L Bass, a shareholder and seconded by Mr Soo Thien See @ Soo Thien Ming, also a shareholder, the following Ordinary Resolution was then carried:-

RESOLVED:

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.

8.0 RECURRENT AND OPTIONAL DIVIDEND REINVESTMENT PLAN (ORDINARY RESOLUTION 8)

The Chairman informed the shareholders that this Special Business was to obtain the shareholders' approval for the directors to allot and issue shares for the DRP in respect of dividends declared in this AGM and subsequently until the next AGM. A renewal of this authority would be sought at the next AGM.

As proposed by Mr Mootha Kumaran A/L Bass, a shareholder and seconded by Mr Rajalingam A/L Rajasundram, also a shareholder, the following Ordinary Resolution was carried:-

RESOLVED:

THAT pursuant to the Dividend Reinvestment Plan as approved by the shareholders at the Extraordinary General Meeting held on 14 May 2010, approval be and is hereby given to the Company to allot and issue such number of new Maybank shares for the Dividend Reinvestment Plan until the conclusion of the next AGM upon such terms and conditions and to such persons as the directors may, in their absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new Maybank shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price ("VWAMP") of Maybank Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price;

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AND THAT the Directors and the Secretary of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Plan with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments or at the discretion of the Directors in the best interest of the Company.

9.0 PROPOSED ALLOCATION OF OPTIONS AND/OR GRANT OF MAYBANK SHARES TO DATUK ABDUL FARID ALIAS (ORDINARY RESOLUTION 9)

The Chairman informed the shareholders that this Special Business was for the purpose of obtaining the shareholders' approval for the proposed allocation of the above options and/or grant of Maybank Shares to Datuk Abdul Farid Alias pursuant to his entitlement to participate in the Employees Shares Scheme ("ESS") by virtue of his position as the Group President & Chief Executive Officer and Executive Director of Maybank.

The Chairman further explained that the ESS had been approved by the shareholders at the Extraordinary General Meeting held on 13 June 2011 ("EGM"). The ESS was implemented on 23 June 2011 and would be in force for a maximum period of seven (7) years from the effective date. The shareholders at the EGM had also approved the allocation of options and/or grant of Maybank Shares to the former President & Chief Executive Officer and Executive Director of Maybank to subscribe up to a maximum of 5,000,000 Maybank Shares.

As proposed by Mr Mootha Kumaran A/L Bass, a shareholder and seconded by Mr Rajalingam A/L Rajasundram, also a shareholder, the following Ordinary Resolution was carried:-

RESOLVED:

THAT the directors be and are hereby authorised at any time, and from time to time, to offer and/or grant options to subscribe for new ordinary shares in Maybank ("Maybank Shares"), and grant Maybank Shares of up to a maximum of 3,342,000 Maybank Shares to Datuk Abdul Farid Alias, the Group President & Chief Executive Officer and Executive Director of Maybank under the Maybank Group Employees' Share Scheme as approved by the shareholders at the Extraordinary General Meeting of Maybank held on 13 June 2011 ("ESS") as they shall deem fit, subject always to such terms and conditions of the By-Laws of the Maybank Group Employees' Share Scheme ("the By-Laws") provided that:-

- i) not more than 50% of the Maybank Shares to be issued under the ESS are to be allocated in aggregate to Executive Directors and senior management of the participating Maybank Group (as defined in the By-Laws); and
- ii) not more than 10% of the Maybank Shares to be issued under the ESS are to be allocated to any individual eligible employee (as defined in the By-Laws) who, either singly or collectively through persons connected with that eligible employee (as defined in the By-Laws), holds 20% or more in the issued and paid-up capital of the company and the term "person connected with" shall have the same meaning as that assigned under paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

AND THAT the directors be and are hereby authorised to issue and allot new Maybank Shares pursuant to the ESS to Datuk Abdul Farid Alias from time to time pursuant to the exercise of such options.

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10.0 CLOSURE OF MEETING

There being no other business, the meeting proceedings ended at 12.55 p.m. with a vote of thanks to the Chairman.

Note: The full Minutes of the 54th Annual General Meeting of Malayan Banking Berhad is available for Members' inspection without charge at the Company's registered office pursuant to Section 157(1) of the Companies Act, 1965.