GROUP FINANCIAL REVIEW

"Our double-digit growth in PATAMI to reach RM6.55 billion is reflective of the Group's concerted focus on increasing top-line, managing efficiency, and improving asset quality. It is through these levers that we have delivered above target ROE at 15.1% on an enlarged capital base and continue to be one of the leading banks in terms of dividend yield."

MOHAMED RAFIQUE MERICAN
Group Chief Financial Officer

FY2013 PERFORMANCE HIGHLIGHTS

- It was another record year for Maybank Group as we delivered a PATAMI of RM6.55 billion and continued to create shareholder value with our ROE of 15.1% exceeding the headline KPI of 15.0%.
- Our fourth year of double-digit earnings growth was attributed to robust revenue growth, operating efficiencies and improvement in asset quality.
- Gains seen in Group PATAMI and profit before taxation and zakat (PBT) were mainly due to revenue rising 10.5% y-o-y led by domestic operations growth of 12.1% and international growth of 12.7%.
- Overseas markets accounted for 30.3% of Group PBT, up from 30.2% a year earlier, with Singapore's PBT charting y-o-y growth of 9.8% to RM1.25 billion and Indonesia's PBT increasing 18.8% y-o-y to RM660 million.
- All lines of businesses saw revenue growth, with Community Financial Services (CFS) up 6.5%, Global Banking higher by 4.0%, Insurance & Takaful increased 10.6% and International Banking rose 3.8%.
- Maybank Islamic continued to lead the Islamic banking market, with its PBT growing 17.1% y-o-y to RM1.39 billion. Its total gross financing increased 40% to RM86.9 billion, accounting for 38.9% of Maybank's total domestic financing.
- Net interest margin (NIM) for the Group contracted 5bps to 2.43% in FY2013 against 2.48% in FY2012, and well within the guidance of 10bps contraction.
- The Group's statement of financial position strengthened with total assets of RM560.4 billion and total capital ratio of 15.66% [Based on Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk Weighted Assets issued by BNM)].
- Asset quality continued to improve with net impaired loans ratio of 0.95% and loan loss coverage of 107.5%.
- We have proposed a final single-tier dividend of 31 sen per share, amounting to RM2.75 billion. This brings total FY2013 net dividend to RM4.71 billion, representing a net dividend payout ratio of 71.9%.

Key Ratios (%)	FY2013	FY2012 (Restated)
Return on Equity	15.1	16.0
Net Interest Margin	2.43	2.48
Fee to Income Ratio	35.7	34.4
Cost to Income#	47.8	48.6
Loan-to-deposit Ratio	89.9	89.8
Asset Quality		
Gross Impaired Loan Ratio	1.48	1.78
Net Impaired Loan Ratio	0.95	1.09
Loan Loss Coverage	107.5	105.6
Charge off rate (bps)	23	23
Capital Adequacy (Group)		
Common Equity Tier 1 Capital Ratio	11.25	10.97
Total Capital Ratio	15.66	16.60

Note:
 # Total cost excludes amortisation of intangibles assets for BII and Maybank Kim Eng

Profit After Tax & Minority Interest
RM6.55 billion
FY2012: RM5.75 billion

Cost to Income Ratio
47.8%
FY2012: 48.6%
(post-MFRS 10)

Total Capital Ratio
15.66%
FY2012: 16.60%

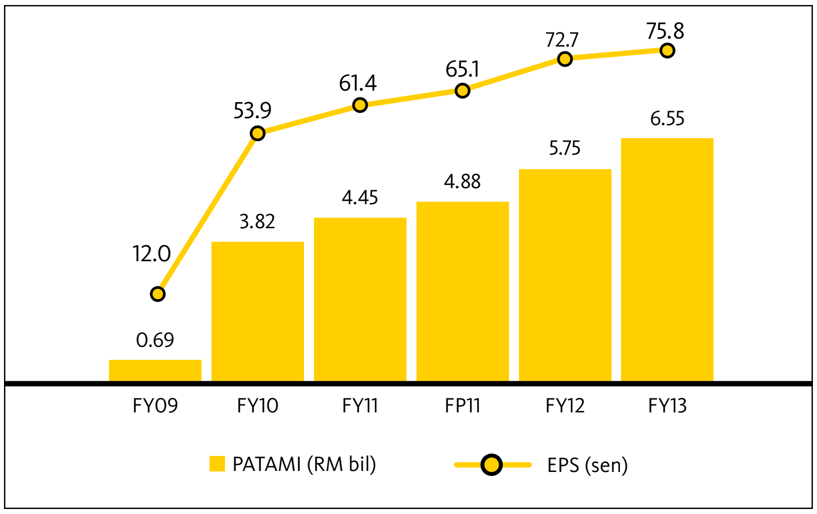
International PBT contribution
30.3%
FY2012: 30.2%

Return on Equity
15.1%
FY2012: 16.0%

Gross Loans Growth
14.0%
FY2012: 12.2%

RESULTS SUMMARY FOR FY2013

PATAMI (RM' billion) & EPS (sen)



(RM' million)	FY2013	FY2012 (Restated)	Y-o-Y
Net interest income	**9,585.3**	9,296.7	3.1%
Net fund based income (Islamic Banking)	**2,331.5**	1,699.4	37.2%
Net fund based income	**11,916.8**	**10,996.1**	**8.4%**
Non-interest income	**5,882.1**	5,328.7	10.4%
Fee based income (Islamic Banking)	**478.6**	496.9	(3.7)%
Net income (loss) from insurance/ takaful business*	**260.8**	(48.3)	640.0%
Net fee based income	**6,621.5**	**5,777.3**	**14.6%**
Net income	**18,538.3**	**16,773.4**	**10.5%**
Overhead expenses	**(8,927.9)**	(8,232.4)	8.4%
Impairment losses	**(880.1)**	(797.0)	10.4%
Operating profit	**8,730.3**	**7,744.0**	**12.7%**
Profit before taxation and zakat	**8,869.6**	7,896.3	12.3%
Profit After Tax and Minority Interest (PATAMI)	**6,552.4**	**5,745.9**	**14.0%**
EPS – Basic (sen)	**75.79**	72.69	4.3%

* *Net of insurance and takaful claims*

- The Group continued to deliver strong financial performance in FY2013, with PBT and PATAMI increasing by 12.3% and 14.0% respectively while earnings per share was up by 4.3%. Growth in profit was contributed by higher net income which grew by 10.5% while growth in overhead expenses was contained at 8.4%, reflective of improved operating efficiencies across the Group.

- Net income growth was supported by a 14.6% growth in net fee-based income, of which non-interest income grew 10.4%, or RM553.4 million, owing to higher net foreign exchange gains, higher fee income and gains on disposal of financial investments. Meanwhile, net income from insurance and takaful business saw a stellar rise due to lower net benefits and claims, lower net fee and commission expenses and reduced expense liability incurred.

- Our net fund based income growth of 8.4% also contributed to the Group's net income growth, mainly attributable by strong growth from Islamic Banking's net fund based income growth of 37.2%. This is in tanden with the 14.0% y-o-y growth in Group gross loans (including Islamic finance).

- Overheads expenses grew 8.4% in tandem with the Group's business growth and its expansion plans. The increase was mainly attributed to increased establishment costs of 18%, higher marketing expenses of 13% and higher personnel cost of 5% or RM235 million. As expenses grew at a slower rate than income growth, the Group was able to improve the cost to income ratio from 48.6% in FY2012 to 47.8% in FY2013.

- Given our higher loan growth, impairment expenses rose 10.4% mainly due to higher collective allowances on a larger loan base, but this was mitigated by write backs on impairment allowances in the corporate segment. The Group's loan loss coverage also strengthened to 107.5% from 105.6% in FY2012.

- Asset quality continued to improve with net impaired loans ratio of 0.95% from 1.09% a year earlier.

- Earnings per share rose 4.3% to 75.8 sen compared to 72.7 sen in FY2012.

- The Board of Directors has proposed a final dividend of 31 sen single-tier dividend comprising a cash portion of 4 sen single-tier dividend and an electable portion of 27 sen.

- The total single-tier dividend for the year was 53.5 sen per share. Please refer to the Maybank Share pages in this annual report for more information on the dividend.

BUSINESS REVIEW

Revenue by business segment

(RM' million)	FY2013	FY2012 (Restated)	Y-o-Y
Community Financial Services	**7,318**	6,871	6.5%
Corporate Banking	**2,270**	2,301	-1.3%
Global Markets	**1,696**	1,711	-0.9%
Investment Banking	**1,536**	1,279	20.1%
International Banking	**5,330**	5,137	3.8%
Insurance, Takaful & Asset Management	**1,552**	1,403	10.6%

PBT by business segment

(RM' million)	FY2013	FY2012 (Restated)	Y-o-Y
Community Financial Services	**3,224**	3,024	6.6%
Corporate Banking	**1,614**	1,989	-18.9%
Global Markets	**1,397**	1,474	-5.2%
Investment Banking	**462**	346	33.4%
International Banking	**2,537**	2,294	10.6%
Insurance, Takaful & Asset Management	**800**	698	14.6%

GROUP FINANCIAL REVIEW

- In FY2013, all of the Group's business segments recorded positive growth in revenue while most business segments posted higher PBT.

- The Group's CFS sector saw its revenue and PBT grow at 6.5% and 6.6% respectively. The PBT increase was driven by higher net interest income and Islamic Banking income arising from strong loan growth in SME, unit trust and auto financing as well as higher non-interest income.

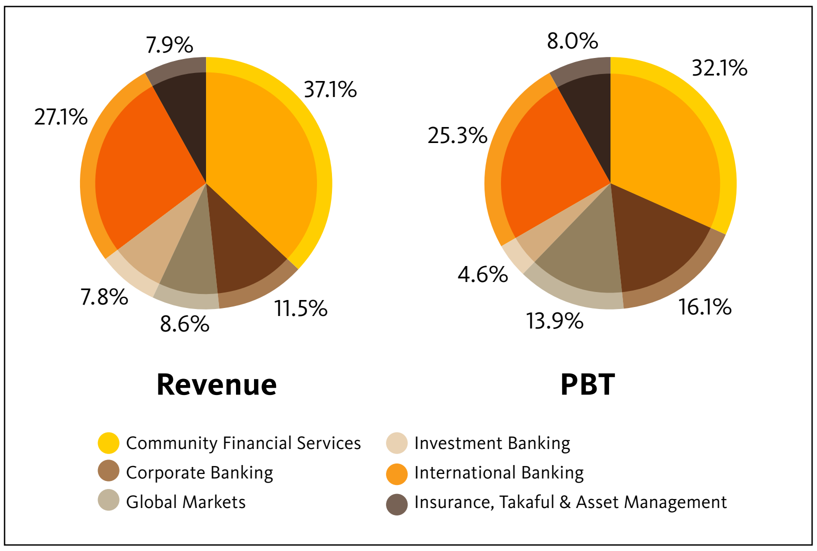
- Global Banking, which comprises three units - Corporate Banking, Global Markets and Investment Banking, saw a decline in its PBT mainly due to Corporate Banking, which recorded an increase in allowances for impairment on loans, advances and financing and lower non-interest income. Global Markets also saw a decline in PBT owing to lower non-interest income arising from gains on trading activities, higher impairment losses on financial investments and higher overhead expenses. However, the lower contributions from Corporate Banking and Global Markets were mitigated by the 33.5% gain in PBT by Investment Banking owing to higher brokerage and underwriting income.

- Meanwhile, our overseas' banking operations recorded an increase in revenue and PBT of 3.8% and 10.6% respectively. The increase in PBT was due to higher contributions from BII and higher net interest income from loan growth of 17.6% from Greater China (40.5%), Maybank International Labuan Limited (31.8%), Singapore (13.6%) and BII (27.9%).

- Insurance, Takaful & Asset Management registered growth of 10.6% and 14.6% in revenue and PBT mainly due to higher net income from the insurance business, which saw improved general business underwriting performance and favourable returns from equity investments.

Composition of Group revenue and PBT by business segment

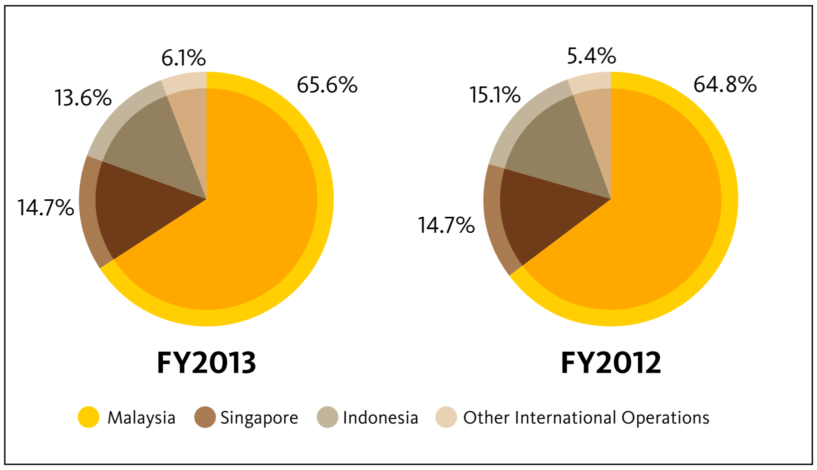
FY2013



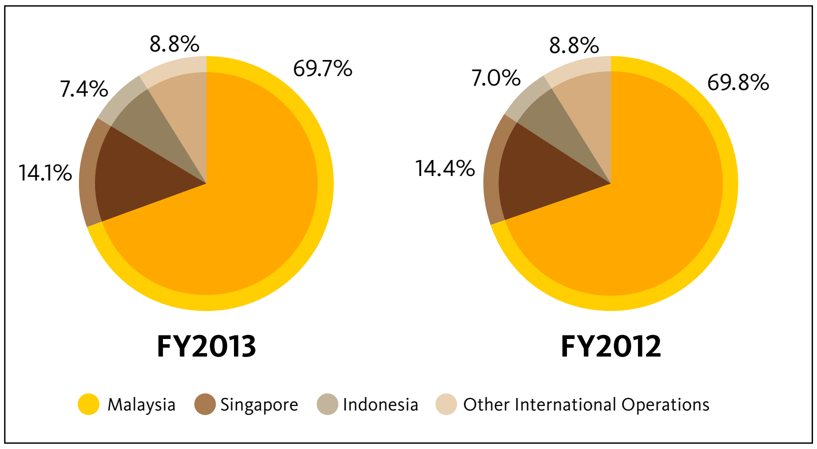
- The Group's revenue comprised 37.1% from Community Financial Services, 27.9% from Global Banking (made up of Corporate Banking, Global Markets and Investment Banking), 27.1% from International Banking and 7.9% from Insurance, Takaful and Asset Management.

- The Group's PBT comprised 32.1% from Community Financial Services, 34.6% from Global Banking (made up of Corporate Banking, Global Markets and Investment Banking), 25.3% from International Banking and 8.0% from Insurance, Takaful and Asset Management.

Group Revenue by Geography



Group PBT by Geography



- Domestic operations accounted for 65.6% of the Group's revenue and 69.7% of its PBT in FY2013. Overseas operations made up the rest of the Group's revenue and PBT at 34.4% and 30.3% respectively.

STATEMENT OF FINANCIAL POSITION

- The Group's total assets rose by RM65.5 billion or 13.2% to RM560.4 billion as at 31 December 2013 from RM494.9 billion as at 31 December 2012. The strong growth in assets was attributed to higher growth in loans, advances and financing, bank's securities and cash and short-term funds.

- Total Group gross loans grew RM44.5 billion or 14.0% y-o-y to RM361.8 billion from RM317.3 billion on the back of stronger loans growth in Malaysia, Indonesia, Singapore, Greater China, and Labuan Offshore among other international markets.

- Deposits from customers grew by RM48.4 billion or 14.0% to RM395.6 billion from RM347.2 billion in the corresponding year owing to strong growth from all three home markets.

- Given the similar growth experienced in loans and deposits respectively, the Group's loan-to-deposit ratio was only marginally up to 89.9% as at December 2013 from 89.8% the preceding year.

- Shareholders' funds before non-controlling interest posted a growth of RM 3.9 billion or 9.3% y-o-y to RM46.0 billion from RM42.1 billion. A contributor to the increase in shareholders' fund was attributable to the Bank's issuance of new ordinary shares during FY2013 through the issuance of ordinary shares pursuant to Maybank's Dividend Reinvestment Plan (DRP).

Robust loans growth across all business segments and key home markets

Group Gross Loans in RM' billion	FY2013	FY2012 (Restated)	Y-o-Y
Malaysia^ (RM' billion)	223.6	199.8	**11.9%**
Community Financial Services	151.9	135.4	**12.2%**
Global Banking	71.7	64.5	**11.2%**
Singapore (SGD' billion)	31.0	27.3	**13.6%**
Consumer	10.6	9.6	**10.0%**
Commercial	20.4	17.6	**15.6%**
Indonesia (Rp' trillion)	103.7	81.1	**27.9%**
Consumer	36.6	27.9	**31.5%**
Non-consumer	67.1	53.3	**25.9%**
Other markets	26.3	20.6	**27.7%**
Group Gross Loans^ (RM' billion)	361.8	317.3	**14.0%**

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

- The Group's gross loans increase by RM44.5 billion or 14.0% to RM361.8 billion as at 31 December 2013, compared with RM317.3 billion posted in the preceding year. Loans from international operations grew at 17.6%, ahead of domestic loans growth of 11.9%. From the international portfolio, Indonesia recorded a 27.9% growth in loans while Maybank Singapore saw its loans grow 13.6%. International loans accounted for 37.9% of the Group's total gross loans as at the end of FY2013.

Domestic Loans in RM' billion	FY2013	FY2012 (Restated)	Y-o-Y
Community Financial Services	151.9	135.4	**12.2%**
Consumer	121.9	108.3	**12.7%**
Total Mortgage	53.8	48.5	**11.0%**
Auto Finance	35.0	31.2	**12.0%**
Credit Cards	5.6	5.4	**3.6%**
Unit Trust	26.3	21.9	**20.5%**
Other Retail Loans	1.3	1.3	**-1.6%**
Business Banking & SME	29.9	27.1	**10.4%**
SME	6.0	4.9	**23.1%**
Business Banking	23.9	22.2	**7.6%**
Global Banking (Corporate)	71.7	64.5	**11.2%**
Total Domestic	223.6	199.8	**11.9%**

- In Malaysia, our loans expanded at 11.9% driven by strong loans growth in our consumer, SME and business banking and global banking segments. Our domestic loans growth exceeded the industry growth of 10.6% for the full year of 2013.

- Mortgage loans, which made up 44.1% of our domestic consumer loans, increased 11.0% due to several initiatives implement by CFS, including intensifying promotion of trade up and renovation loans and campaigns targeted at the secondary market to accelerate loans growth.

- Although CFS was selective in its hire purchase growth, auto financing grew 12.0%, outpacing industry growth of 7.1%, as Maybank customers were offered integrated hire purchase product-bundling services. Our auto financing market share continued to strengthen to 21.5% as at December 2013 compared with 20.5% in December 2012.

- Business banking and SME segment loans grew 10.4%, owing to operational improvements and revitalisation of growth strategies. For instance, emphasis for the Business Banking segment in 2013 was on targeting the right market segments and sharpening industry focus. Also, CFS avoided high risk areas and enhanced its credit discipline with 93% of loans secured from very low to moderate risk categories. CFS led the business enterprise loan market with a 17.8% market share.

Group Gross Deposits in RM' billion	FY2013	FY2012 (Restated)	Y-o-Y
Malaysia (RM' billion)	259.1	227.3	**14.0%**
Savings Deposits	37.6	35.5	**5.7%**
Current Accounts	65.8	56.9	**15.8%**
Fixed Deposits	138.3	114.6	**20.7%**
Others	15.9	18.2	**(12.7%)**
Singapore (SGD' billion)	34.0	29.9	**13.7%**
Savings Deposits	4.1	3.3	**26.1%**
Current Accounts	4.7	2.9	**58.4%**
Fixed Deposits	24.7	23.1	**7.1%**
Others	0.5	0.6	**(18.5%)**
Indonesia (Rp' trillion)	107.5	86.1	**24.8%**
Savings Deposits	24.7	18.8	**31.3%**
Current Accounts	17.7	14.7	**20.5%**
Fixed Deposits	65.1	52.6	**23.7%**
Group Gross Deposits (RM' billion)	395.6	347.2	**14.0%**

- The Group's customer deposits rose 14.0% to RM395.6 billion as at the end of FY2013. Deposit growth for domestic operations increased 14.0% while Singapore and Indonesia operations registered a growth of 13.7% and 24.8% respectively.

- In Malaysia, domestic deposits growth was led by fixed deposits growth of 20.7%, as CFS introduced several fixed deposit tactical and CASA Thematic Campaigns based on segment needs. Another initiative that helped boost our domestic deposits base was the introduction of the Premier 1 Account under Maybank ASPIRE to target the Affluent segment.

- In Singapore, stronger growth came from CASA (Current Account Savings Account) while all deposit accounts in our Indonesian operations saw strong double digit growth with savings deposits, current accounts and fixed deposits rising 31.3%, 20.5% and 23.7% respectively.

- The loan-to-deposit ratio for the Group increased marginally by 10bps to 89.9% as at December 2013 from 89.8% the preceding year, but still well within the Group's threshold of 90%.

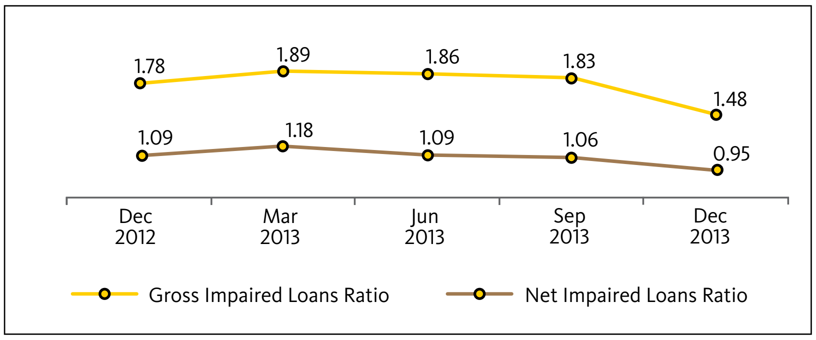
- The Group continued to prioritise its low cost funds through various strategies, which resulted in our CASA ratio improving 36.1% in December 2013 as compared to 35.1% in December 2012.

AT A GLANCE
MESSAGE TO SHAREHOLDERS
ABOUT US
GROUP STRATEGY & ACHIEVEMENTS
BUSINESS REVIEW
OUR RESPONSIBILITY
OUR LEADERSHIP
CORPORATE GOVERNANCE
OTHER INFORMATION
AGM INFORMATION

GROUP FINANCIAL REVIEW

Asset quality improves

Gross Impaired Loans & Net Impaired Loans Ratio

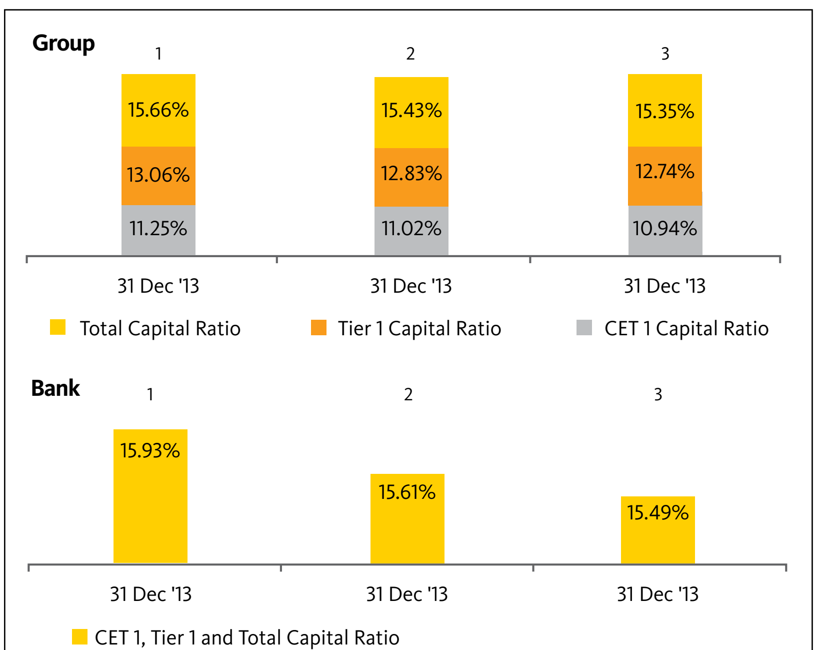


- Asset quality continued to improve with the Group's net impaired loans ratio declining further to 0.95% in December 2013 from 1.09% in December 2012, reflecting the Group's practice of prudent credit lending and active management of asset quality. The Group's net credit charge-off rate was 23bps for the full year.
- Loan loss coverage improved to 107.5% from 105.6% a year ago.

Capital adequacy remained strong

- The Group's capital adequacy ratios, comprising CET 1 Capital Ratio, Tier 1 Capital Ratio and Total Capital Ratio remained strong at 11.25%, 13.06% and 15.66% respectively. The capital adequacy ratios are computed in accordance with BNM's updated guidelines for Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk Weighted Assets) issued on 28 November 2012.
- We continuously endeavour to maintain adequate levels of capital and an optimum mix of different capital components to ensure sufficient support for the underlying risks of the Group's business, to optimise growth and to withstand capital demands under various market conditions.

Capital Ratios

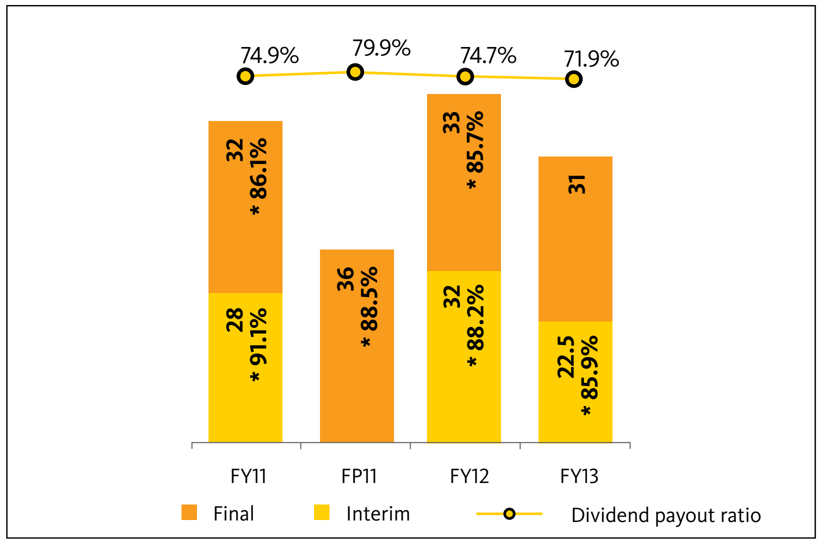


1. Before proposed dividend
2. After proposed dividend, assuming 85% reinvestment rate
3. After proposed dividend, where there is no irrevocable written undertaking, the deduction of proposed dividend is based on the average of the preceding 3-year reinvestment rates subject to the amount being not more that 50% of the total electable portion of the dividend in accordance with BNM's implementation Guidance on Capital Adequacy Framework (Capital Components) issued on 8 May 2013

COMMITTED TO REWARDING SHAREHOLDERS

- A final single-tier dividend of 31 sen on 8,862,079,081 ordinary shares of RM1.00 each, amounting to a net dividend payable of RM2.75 billion has been proposed by the Board of Directors to be distributed to eligible shareholders. The proposed single-tier dividend consists of cash portion of 4 sen per ordinary share to be paid in cash amounting to RM354.48 million and an electable portion of 27 sen per ordinary share amounting to RM2.39 billion.
- If approved, the total net dividend for FY2013 of 53.5 sen per share is equivalent to a payout ratio of 71.9%, which remains well above the Group's dividend payout policy of 40-60%.

DIVIDEND PAYOUT RATIO & GROSS DIVIDENDS



** Reinvestment rate for the Dividend Reinvestment Plan*

CONCLUSION

- The Group's regional growth strategy has allowed us to deliver another record profit-making year in FY2013 while ensuring that the Malaysian operations saw sustained growth.
- Maybank will continue to adopt a disciplined approach in its cost management practices and focus on improving efficiencies Group-wide, especially with the rollout of the regional-centric organisation structure effective FY2014.
- For FY2014, we will look to fortify our dominance in profitable segments domestically, generate better returns from our international operations. Our targets for FY2014 are:
  - Return on Equity 15%
  - Group Loans Growth 13%
    - Malaysia Loans Growth 12%
    - Singapore Loans Growth 13%
    - Indonesia Loans Growth 17% - 20%
  - Group Deposits Growth 13%
- We will also optimise capital in all sectors, focus on higher quality assets, and enforce risk-based pricing across key products and segments.