

Sustainability Report 2010

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Table of Contents

ABOUT THE REPORT	2-3
MESSAGE FROM THE PRESIDENT & CEO	4-7
CORPORATE PROFILE	8
GROUP ORGANISATION STRUCTURE	9
GROUP CORPORATE STRUCTURE	10-11
GLOBAL NETWORK	12
FINANCIAL HIGHLIGHTS	13
AWARDS & RECOGNITION	14-15
MAYBANK'S STRATEGIC FOCUS	16-18
MAYBANK GROUP SUSTAINABLE	19
CORPORATE RESPONSIBILITY	
POLICY STATEMENT	
MATERIALITY ANALYSIS	20-21
STAKEHOLDER ENGAGEMENT	22-23
CORPORATE GOVERNANCE	24-29
EMPOWER COMMUNITIES	30-47
CONCERN FOR THE ENVIRONMENT	48-59
GREAT WORKPLACE	60-79
RESPONSIBLE MARKETPLACE	80-92
PERFORMANCE DATA	93-95
GRI CONTENT INDEX	96-107
ASSURANCE STATEMENT	108-109

About the Report

This is our first Sustainability Report which covers our responsibilities to our stakeholders and our ongoing commitment to transparency and accountability. This Report discloses our performance on economic, social and environmental issues which are most material to our business and stakeholders.

We have included commitments in every area of this Report which enables us to track our performance and coordinate our efforts across our operations in the region more effectively. We have consolidated data from Malayan Banking Berhad (Maybank)'s head office, domestic branches, overseas branches and group companies so that our Sustainability Report is aligned with our Annual Report 2010 and our corporate website.

We have engaged an independent consultant, OWW Consulting Sdn Bhd, to provide an external assurance of this Report.

Reporting Scope: This Report covers all significant environmental, economic and social impacts resulting from Maybank's activities in the Financial Year (FY) 2009/2010. Indicators and initiatives which are partial and relate to certain branches are labelled accordingly.

Reporting Period: This Report describes activities and achievements in FY2009/2010 (July 2009 to June 2010). In some cases, the Report covers activities outside this period.

Reporting Cycle: Once a year

Reporting Framework:

We aim to align our approach to sustainability management and reporting with the following principal framework:

Global Reporting Initiative (GRI) G3 Guidelines

We are pleased to announce our achievement of an A+ GRI grade in our first Sustainability Report 2010. This grade is an indication of our comprehensive and transparent reporting approach following GRI indicators.

Additional Frameworks:

- Bursa Malaysia's CSR Framework
- "Silver Book" by the Putrajaya Committee on GLC Transformation
- ACCA Malaysia Sustainability Reporting Guidelines for Malaysian Companies 2005





Distribution and Feedback of the Report

Feedback on our reporting is welcome. For further information and comments, please contact:

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Message from the President & CEO

Dato' Sri Abdul Wahid Omar



“ After a challenging FY2009, I am pleased to report that Maybank is not only back on its feet but has made a great leap forward during the year under review. As we celebrate our 50th anniversary in 2010, we are, to borrow from the symbol associated with such anniversaries, as good as gold! ”

I am pleased to report that Maybank turns 50 this year and appropriately we mark our Golden Anniversary in the Year of the Tiger.

Over this time we have become a leading financial services group in South East Asia and have been successful in implementing our customer-focused strategy. As part of our responsibility to serve more than 18 million customers across Malaysia and other overseas operations, Maybank has been contributing to social and economic development for the long-term. That is why this year, we are proud to publish Maybank's track record on Sustainability which has helped to underpin our continued success through all economic cycles and times of financial crises.

At Maybank, Sustainability is embedded in our corporate culture and we have a long history of supporting communities and the environment. Since our incorporation in 1960, Maybank has played a strong role in contributing to the economic development of Malaysia and we have grown to become Malaysia's leading financial services group and one of the leaders in the region. We have implemented several Group-wide initiatives and are committed to providing world-class financial services which are transparent and secure. We also acknowledge the social, economic and environmental challenges that our customers and communities face and our understanding of these issues is important in our continuous efforts towards delivering excellence.

Sustainability issues are a key stimulus to our commitment to responsible business practices. We recognise that our industry can be exposed to external shocks which are beyond our control and we focus on the challenges of preventing and responding to these situations effectively. While financial risk management is of primary importance, we have also recently established our Corporate Responsibility (CR) framework covering four pillars of non-financial risk - community, environment, workplace and marketplace. This framework structures our commitment to conduct our business in a sustainable manner. The Board fully supports our new CR agenda, demonstrating our commitment to sustainable leadership in the areas we operate.

Delivering on Our Commitments

Maybank's organisational values are **T**eamwork, **I**ntegrity, **G**rowth, **E**xcellence & **E**fficiency and **R**elationship Building ("TIGER"). Our shared vision extends to all of our stakeholders including customers, suppliers, employees, environment and community. Inculcating CR into our business strategy in four pillars will enable us to address our opportunities and challenges more effectively. Our CR framework is also designed to help ensure that our interactions with stakeholders are responsible and ethical in all of the regions in which we operate.



Message from the President & CEO (cont'd.)



Maybank's strong Corporate Governance framework ensures a balanced decision-making process by the Board and Board committees. Maybank's enhanced Code of Ethics and Conduct helps the Board and all employees respond more effectively to manage our reputational and operational risks. Together we can continue to building a stable ethical corporate culture.

We believe that a low carbon economy creates opportunities for Maybank to provide financial products and services including a Clean Energy Fund and supporting the Government's Green Technology Financing Scheme (GTFS). These allow our customers to consider environmental concerns when making financial choices. Maybank's climate change commitment also focuses on improving our energy efficiency and developing a track record for our greenhouse gas (GHG) emissions in the medium-term. We are also developing a range of solutions and methods to track our waste consumption, especially paper and IT products. Maybank is also leading the Malayan Tiger conservation efforts to protect our biodiversity system and national heritage.

During this year, our employees responded to natural disasters and emergency relief with great compassion. We showed our support through donations and skills-based volunteering for local communities and people in need. Maybank is proud that its Maybank Apprentice (MA) Coaching

programme, PINTAR programme and various initiatives have helped to assist students and the public to improve their financial skills and knowledge. We have adopted two schools in Penang into the PINTAR programme through the GLC Transformation Programme which provides educational support and skills building. Maybank also presented computers to each of the two schools to supplement existing IT infrastructure and support computer literacy among students. During FY2010/2011, we will continue to invest in supporting community projects and our thriving effective employee volunteerism.

Each of our employees is an important asset and contributor to our long-term sustainable future. Maybank is improving employee engagement continuously with structured performance evaluation and career development. We reward and incentivise our employees to create a motivated working environment. Our efforts in developing a better workplace are well recognised and Maybank was awarded the Gold Award at the HR Excellence Category and Silver Award in the HR Innovation Category at the Malaysia HR Awards 2010.

Our core function is to help our customers achieve their financial goals. We consider the fairness of our products and services to be important and a priority for us. Maybank has shown tremendous support for the Government's GTFS through various



roadshows and education programmes. We also achieved a better customer satisfaction survey score compared to last year which covers more categories and customers. This is in line with our commitment to taking a responsible approach towards our customer offerings. To meet our customer needs and high satisfaction rate achievements, our Community Financial Services, Global Wholesale Banking and Insurance & Takaful focus on developing fair products for our various groups of customers.

Humanising Financial Services

We will continue to keep our stakeholders informed of our progress through our annual CR reporting and corporate website. Our intention is to be wholistic across the Group in our CR activities keeping to the principles of "Humanising Financial Services in the Communities of ASEAN". This report is structured according to the Global Reporting Initiative G3 (GRI-G3) framework to provide accurate and reliable information to our stakeholders. We will continue to focus on the areas most relevant to our business and employees and use our expertise to respond to issues facing our communities and the environment.

I would like to acknowledge and thank all Maybankers and our stakeholders for their strong support through the years. We also look forward to the period ahead and the continued delivery of responsible business and enhanced value creation. I hope you find our first Sustainability Report informative and useful.

Dato' Sri Abdul Wahid Omar
President & CEO

Corporate Profile

Maybank Group is the leading financial services provider in Malaysia catering to the needs of consumers, investors, entrepreneurs, non-profit organisations and corporations. The Group, which has expanded internationally, has the largest network among Malaysian banks of over 1,750 branches and offices in 14 countries, employing 40,000 Maybankers and serving over 18 million customers. It also has the distinction of holding the largest asset base – of more than USD100 billion; and market capitalisation – of USD18.6 billion; with total equity and total net profit of USD9.1 billion and USD1.2 billion respectively.

In 2008, the Bank established an Islamic banking subsidiary, Maybank Islamic, which today is the leading Islamic financial services provider in Malaysia with 17% of Islamic financing market share and is set to become a key player internationally.

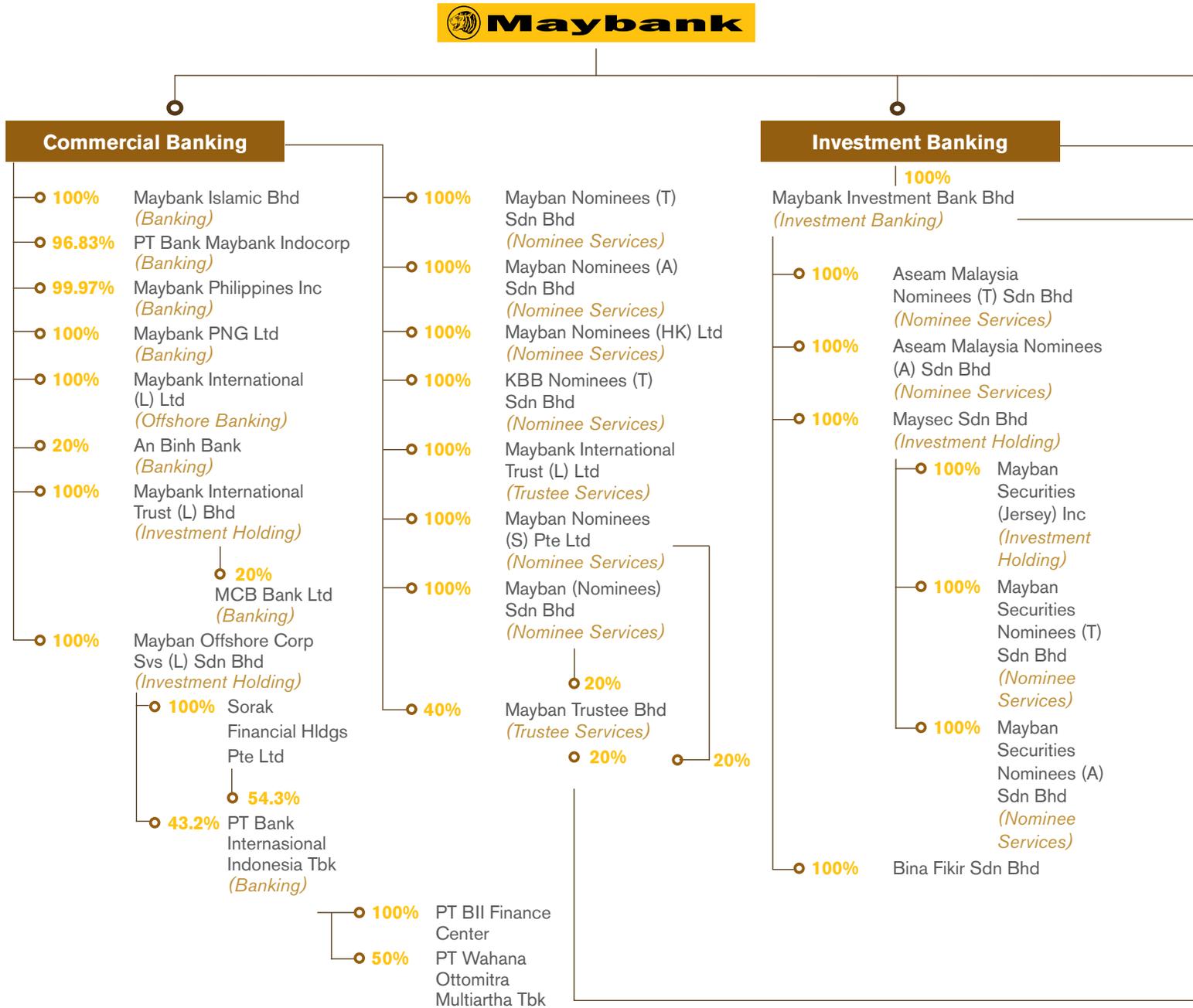
Having occupied a stable and leading space in the Malaysian financial landscape for 50 years, the Group is currently on the second wave of a transformation journey to further strengthen its processes, systems and human resource capabilities. The objective is to offer unparalleled products and services targeted at customer needs so as to secure greater leadership in Malaysia and the region.



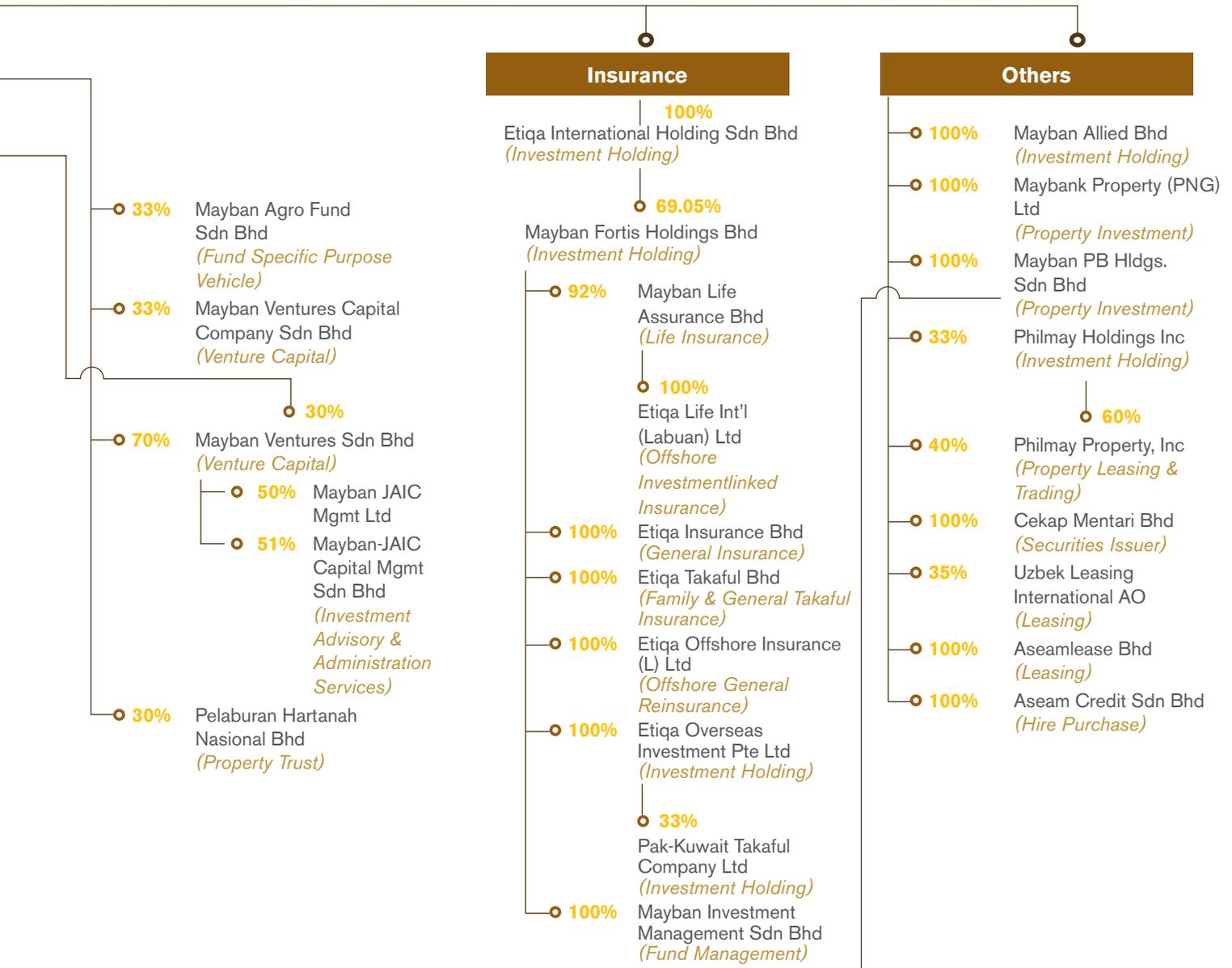
Group Organisation Structure



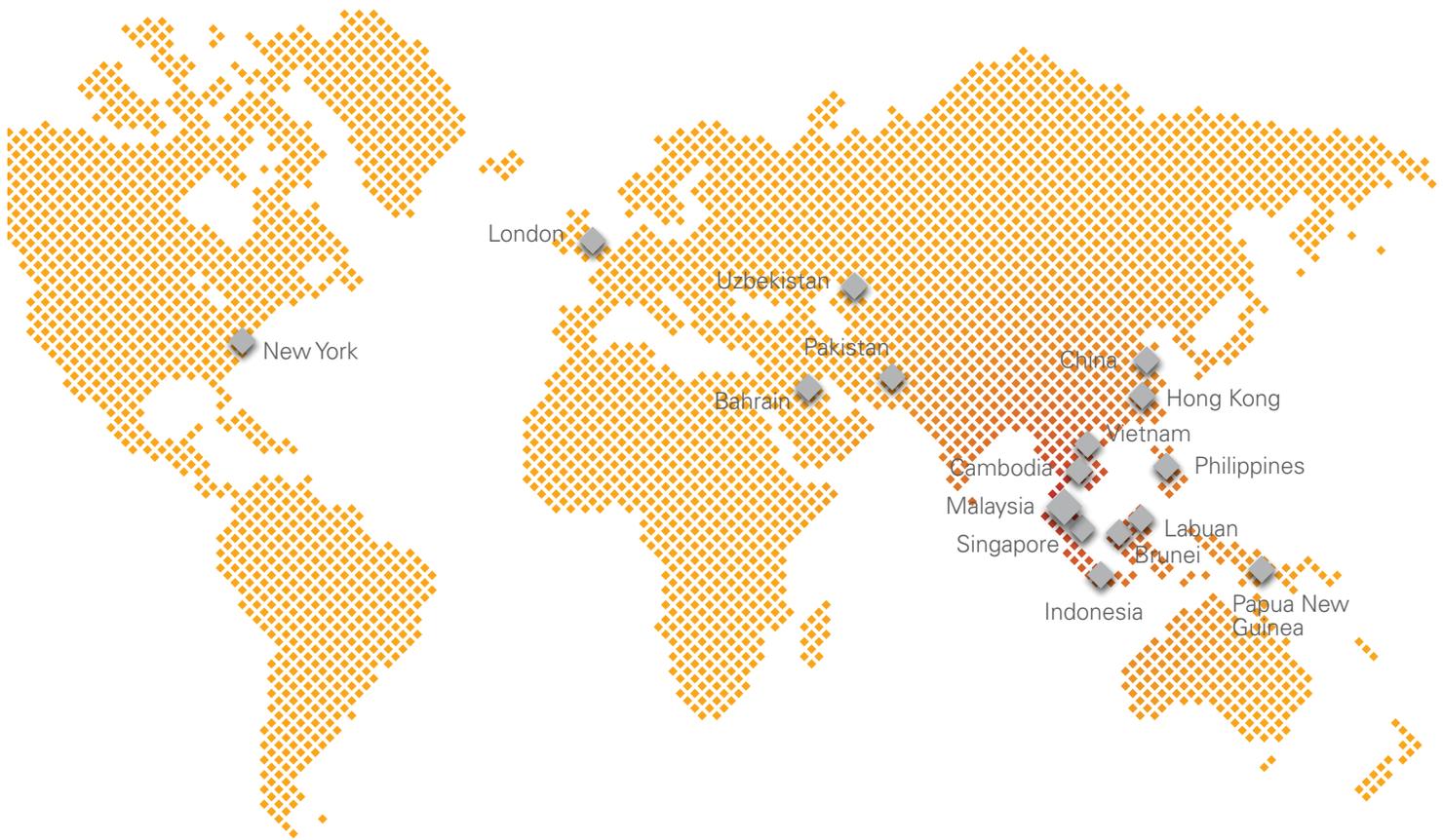
Group Corporate Structure



Note: • Companies that are dormant, under member's voluntary liquidation, or have ceased operations are not listed in the Group Corporate Structure.



Global Network



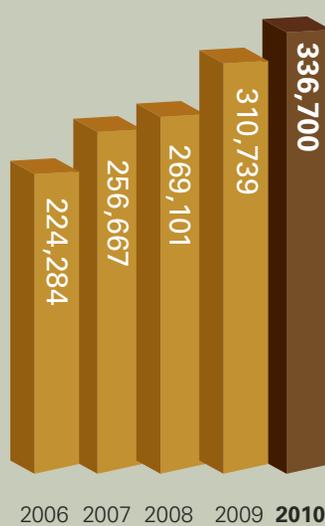
- **Bahrain** 1 branch • **Brunei Darussalam** 3 branches • **Cambodia** 8 branches • **China** 1 branch • 1 representative office • **Hong Kong** 1 branch • **Indonesia** 1 branch via PT Bank Maybank Indocorp • 274 branches via 97.5% owned BII • **Labuan** 1 branch • **London** 1 branch • **New York** 1 branch • **Malaysia** 386 branches • **Papua New Guinea** 2 branches • **Pakistan** 1,101 branches via 20% owned MCB Bank • 4 branches via 25% owned Pak-Kuwait Takaful Company • **Philippines** 50 branches • **Singapore** 22 branches • **Uzbekistan** 1 office via 35% owned Uzbek Leasing International • **Vietnam** 2 branches • 95 branches via 20% owned ABBank

Financial Highlights

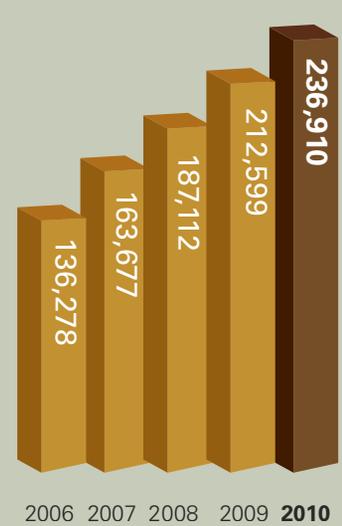
RM'Million	2010	2009	2008
Net Income	12,872	10,519	9,563
Operating Profit	5,249	3,064	4,571
Profit Before Taxation	5,370	1,674	4,086
Total Assets	336,700	310,739	269,101
Loans, Advances and Financing	205,555	185,783	164,614
Deposits from Customers	236,910	212,599	187,112
Shareholders' Equity	27,877	24,899	19,302
Paid-up Capital	7,078	7,078	4,881
Employee Compensation & Benefits	2,918	2,554	1,946



Profit Before Taxation
RM'Million



Total Assets
RM'Million



Deposits from Customers
RM'Million

Awards & Recognition



2010

- **Malaysian Institute of Human Resource Management**
 - HR Excellence Category (Gold Award)
 - HR Innovation Category (Silver Award)
- **Malaysian Rating Corporation Berhad**
 - Top Lead Managers Award (Jan-Jun 2010)
 - No. 1 by Issue Count
 - No. 1 by Issue Value
- **Asiamoney Private Banking Poll**
 - Best Domestic Private Banking in Malaysia
 - Overall Best Domestic Private Bank in Malaysia (Asset under management of US\$1 million – US\$5 million)
 - Overall Best Private Bank in Malaysia (Asset under management of US\$5.01 million – US\$25 million)
- **Credit Guarantee Corporation Malaysia**
 - Top SMI Supporter Award
 - Best Financial Partner Award
- **Reader's Digest Trusted Brands Awards**
 - Bank Category – Gold Award
 - Credit Card Issuing Bank – Gold Award



- **Association of Accredited Advertising Agents Malaysia / Malaysia's Most Valuable Brands – Putra Brand Awards 2010**
 - Finance Gold Award: Maybank
- **The Asset Triple A Award**
 - Best SME Bank in Malaysia
 - Best e-Commerce Bank in Malaysia
- **Asian Banker Excellence in Retail Financial Services Awards**
 - Best Improved Retail Bank in Asia for 2009
 - Excellence in Employee Engagement for Asia Pacific, Central Asia and Gulf Regions (Maybank Singapore)
- **Asiamoney**
 - Best FX Bank in Indonesia
- **Euromoney Awards**
 - Best Private Banking Services Overall – Malaysia
- **KLIFF Islamic Finance Awards**
 - Most Outstanding Retail Islamic Bank Award (Maybank Islamic Berhad)

Maybank's Strategic Focus

Our Vision

TO BE A REGIONAL FINANCIAL SERVICES LEADER

Our Mission

HUMANISING FINANCIAL SERVICES FROM THE HEART OF ASEAN

Our 5 year Aspirations

1. UNDISPUTED NO. 1 RETAIL FINANCIAL SERVICES PROVIDER IN MALAYSIA BY 2015
2. LEADING ASEAN WHOLESALE BANK EVENTUALLY EXPANDING FURTHER INTO MIDDLE EAST, CHINA & INDIA
3. DOMESTIC INSURANCE CHAMPION AND EMERGING REGIONAL PLAYER
4. TRULY REGIONAL ORGANISATION, WITH ~40% OF PRE-TAX PROFIT DERIVED FROM INTERNATIONAL OPERATIONS BY 2015
5. LARGEST ISLAMIC BANK IN ASEAN

Maybank's 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

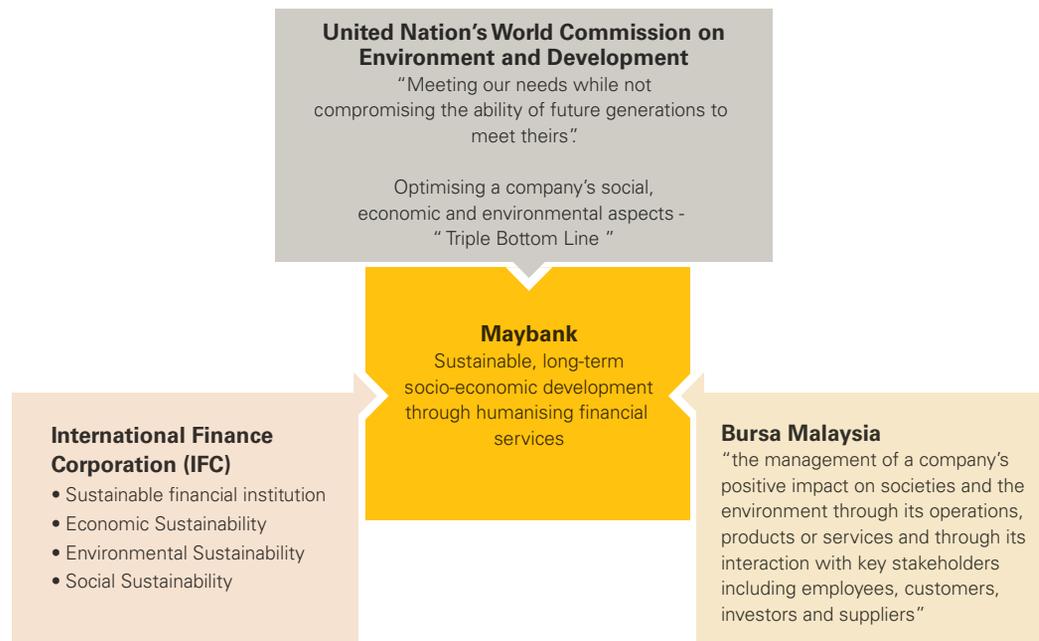
We continuously build long-term and mutually beneficial partnerships



CR as Part of Our Business



Maybank has become an institution where sustainable development is seen as an advantage and an opportunity for growth. Maybank's definition of Sustainability adopts the principles from the world's leading sustainable institutions.

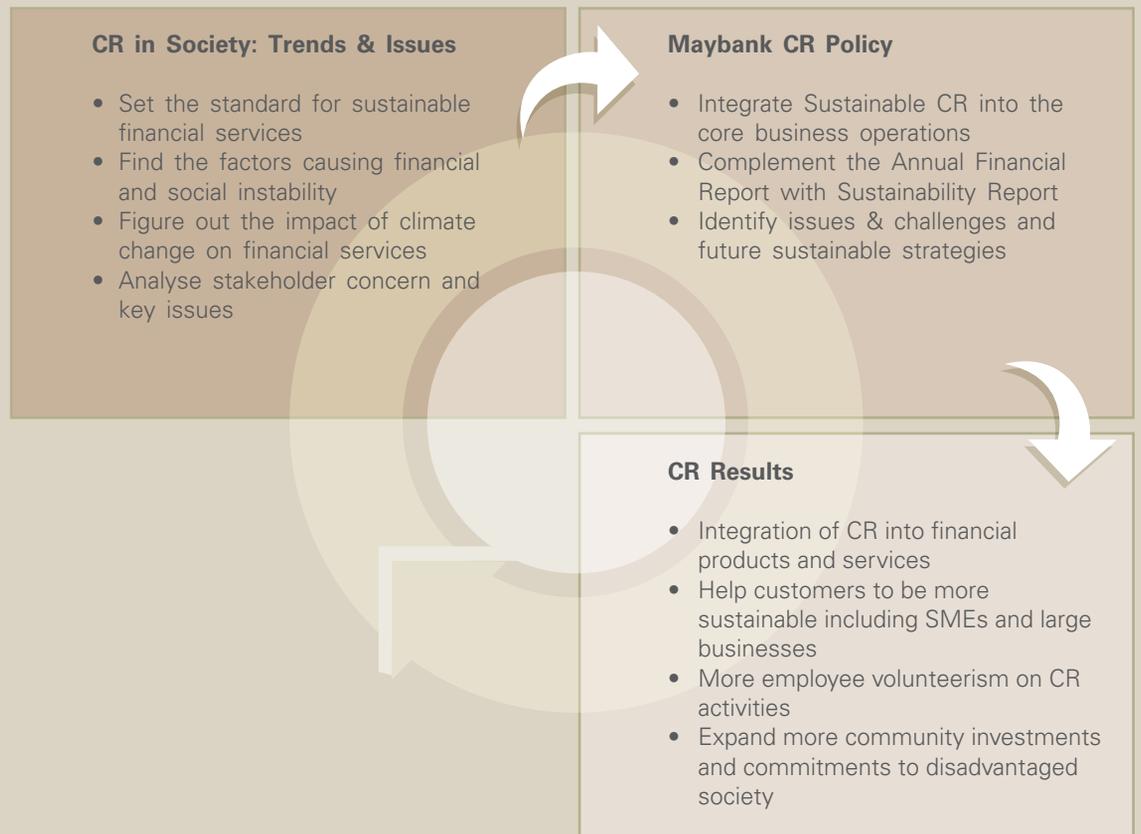


Maybank's Strategic Focus (cont'd.)

Maybank's Journey in Achieving Sustainability



Maybank's Sustainability framework helps to improve financial and non-financial performance in meeting business goals. Through our engagement with stakeholders, we strengthen our involvement in environmental and social Sustainability internally and externally. The success of this framework is reflected in our strong brand value, customer base, market share and sustainable relationships with our stakeholders.



Maybank Group Sustainable Corporate Responsibility Policy Statement

Maybank’s Corporate Responsibility (CR) initiatives are integrated into the Group’s business model. Maybank is committed to being a responsible corporate citizen, delivering a sustainable future for the ASEAN region. This is consistent with our vision to become a leading regional company and our mission of humanising financial services from the heart of ASEAN.

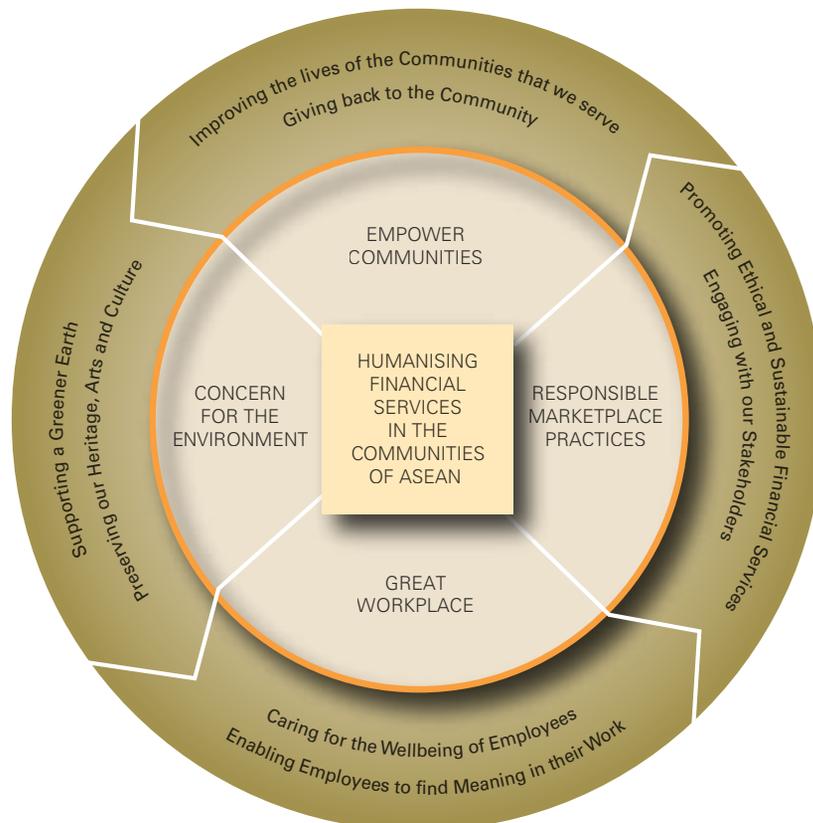
In achieving this goal, we anchor our CR activities in four key pillars of Community, Environment, Workplace and Marketplace.

Maybank lives and breathes its Core Values of Teamwork, Integrity, Growth, Excellence & Efficiency and Relationship building. This is better known as ‘TIGER’.

For Maybank, Sustainability means conducting our business in a way that enhances our performance both today and over the long-term, contributing to the socio-economic development of the countries in which we operate. We continue to conserve the environment, enrich the livelihood of the community, care for the development and wellbeing of our employees and contribute to good governance.

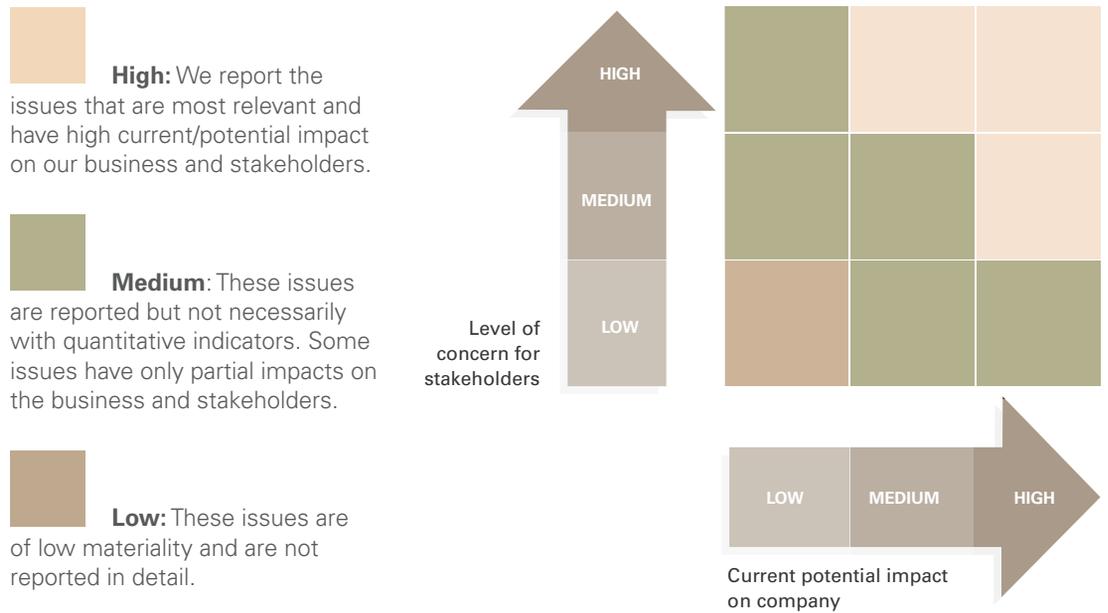
Eventually, we believe that building a Sustainable CR framework that fully integrates with our business model will drive shareholder value and brand affinity.

Maybank Group Sustainable CR Framework



Materiality Analysis

For our first CR reporting in FY2009/2010, we will focus on the issues that are most material to our business and our stakeholders. We identified the relevant areas and have used a materiality matrix to map these issues and focus on each area according to the following criteria:



Identifying Key Issues

Having identified the areas of significant impact to our operations and of most concern to our stakeholders, we have formulated our Maybank Sustainability framework and reporting approach. In this report, we emphasise our priority areas, highlighting our commitment to and performance in each issue. These issues have been reviewed and approved by our senior management as part of our CR framework. We have attempted to identify key issues according to the three categories specified by GRI-G3 which are Economic, Social and Environment. We aim to integrate our materiality matrix into future stakeholder engagement processes to align our business and stakeholder concerns more effectively.

SECTION	IMPORTANCE OF MATERIALITY	ISSUES	IMPACT ON MAYBANK AND OUR APPROACH
Community		Youth and Education	Maybank supports financial and general education for the youth in the countries in which it operates. This has a great impact on community wellbeing, social inclusion and business productivity.
Workplace		Career Management and Employability	Maybank's training for employees is in line with the Malaysian Government's Human Resources development plan. We have established various training courses, benefits plans and employee engagement initiatives.
Marketplace		Sustainable Finance	Our business units within Maybank are active in developing environmental products and services. We provide financing solutions for SMEs and other groups of customers through education and assistance programmes.
Corporate Governance		Risk Management	Maybank's risk management covers most significant risk exposures and our responsibilities for its prevention and control.
Environment		Biodiversity and Climate Change	Maybank has a significant opportunity to mitigate the impact of climate change by energy efficient initiatives and future Green Building. We also focus on supporting tiger conservation in Malaysia.
Marketplace		Supply Management	Maybank has an ethical supply management system and structured procurement policy.
Workplace		Human Rights and Non-discrimination	Maybank's human rights and non-discrimination policies and practices are generally covered in our daily workplace.
Workplace		Occupational Health and Safety	Maybank conducts health and safety training and the topic is also covered under collective agreements.
Community		Supporting Heritage, Arts and Culture	Maybank promotes the historical heritage of the country by supporting exhibitions in its Gallery and through its Numismatic museum.

Stakeholder Engagement

We conducted detailed research and engagement to understand the priorities and expectations of stakeholders across South East Asia. This helps us recognise and respond to emerging risks and opportunities and the expectations of those who shape our operating environment. Continuous engagement with stakeholders is integral to the success of our business.



MAIN STAKEHOLDERS	METHOD OF ENGAGEMENT	MAYBANK'S STANCE WITH RESPECT TO STAKEHOLDER
Customers (Consumers/Businesses)	Customer satisfaction survey, customer feedback management, ongoing marketing and research	Maybank monitors the affordability and accessibility of its products and services. It protects its customers' privacy and security of their personal information.
Local Communities	Community engagement through donations, education and collaboration with non-governmental organisations	Maybank is an integral member of the local community in which it operates. It cares about the impact of its business on local communities.
Shareholders/Investors	Annual General Meeting (AGM), Extraordinary General Meeting (EGM), Annual Report, shareholder updates and quarterly financial announcements	Maybank is constantly developing products and services that address individuals' and institutional investors' expectations. Maybank keeps its shareholders informed through various resources and dialogues.
Employees (Current employees, employees' families)	Consultative groups and focus group meetings, training and awareness raising initiatives and an employee engagement survey	Maybank provides employees with a rewarding work environment. We are responsible for providing healthy working conditions and employability.
Government Authorities and Regulators	Compliance with relevant Government legislative frameworks and report on our performance status	Maybank communicates with Government authorities and regulators regarding commercial, policy, regulatory and other relevant matters.
Industry Peers	Conferences, meetings, industry workshops and networking events	Maybank is a member of financial industry specific associations. Issues impacting the financial industry including regulation, market trends and service developments.
Suppliers	Procurement management, training and communication	Maybank regularly engages with suppliers during and after the contract. We include an ethical supplier management relationship in our policy guidelines.

Corporate Governance



Maybank Group is committed to creating a highly transparent and objective corporate governance system which is consistent with international standards and enhances management transparency. We expect our employees, suppliers and directors to act with integrity and honesty. Our management policy ensures the Group's performance and compliance against these principles.

Board of Directors Mechanism and Board Independence

Maybank places emphasis on the composition and balance of the Board to ensure it consists of a diverse pool of skills and backgrounds. Board members have relevant industry experience and a strong knowledge of business, financial and management risks. The relevant industry background of our directors enables them to perform their fiduciary duties and responsibilities properly within an increasingly competitive environment.

The Board initiated a transition and succession planning exercise in 2007. This important initiative is in-line with international best practices on Board Governance and effectiveness. It was established to ensure that the Board Members acquire the skills and competencies to continue positioning Maybank as a leader in Malaysia and internationally.

The Board complies with Paragraph 15.02 of the Listing Requirements since more than half of its members are independent. The composition of the Board reflects a balanced representation of shareholders and independent members. The voice of the nominees for the major shareholders of Maybank is complemented by independent directors whose collective views carry significant weight in the Board's deliberations and decision-making processes. This is also reflected by the balanced appointment of directors which includes minority shareholder representation. The independent directors represent the interest of the minority shareholders by virtue of their roles and responsibilities.

The independent directors do not participate in the day-to-day management of the Group or engage in any business dealings or other relationships with the Group. This is to ensure that they continue to act in the best interests of the Group and its shareholders. No individual or group of directors has the authority to make decision that could potentially create a conflict of interest.

In compliance with the Guidelines on Corporate Governance for Licensed Islamic Banks (BNM/GP1), Maybank's Board is between 10 and 12 members. This enables the Board to perform effectively in a professional manner, considering the complexity of the Group's business activities.

The current 11 member Board consists of seven independent non-executive directors, three non-independent non-executive directors (nominees of Permodalan Nasional Berhad – "PNB") and one non-independent executive director (The President and CEO – "PCEO").

The roles and responsibilities of the Chairman and PCEO are clearly separated, defined and documented for approval by the Board. The Chairman monitors the Board's functioning. Issues of Corporate Governance are regularly discussed. The PCEO ensures that financial management is performed with the highest level of integrity and transparency for the benefit of all shareholders. This includes conducting all engagements in an ethical manner according to relevant laws and regulations.

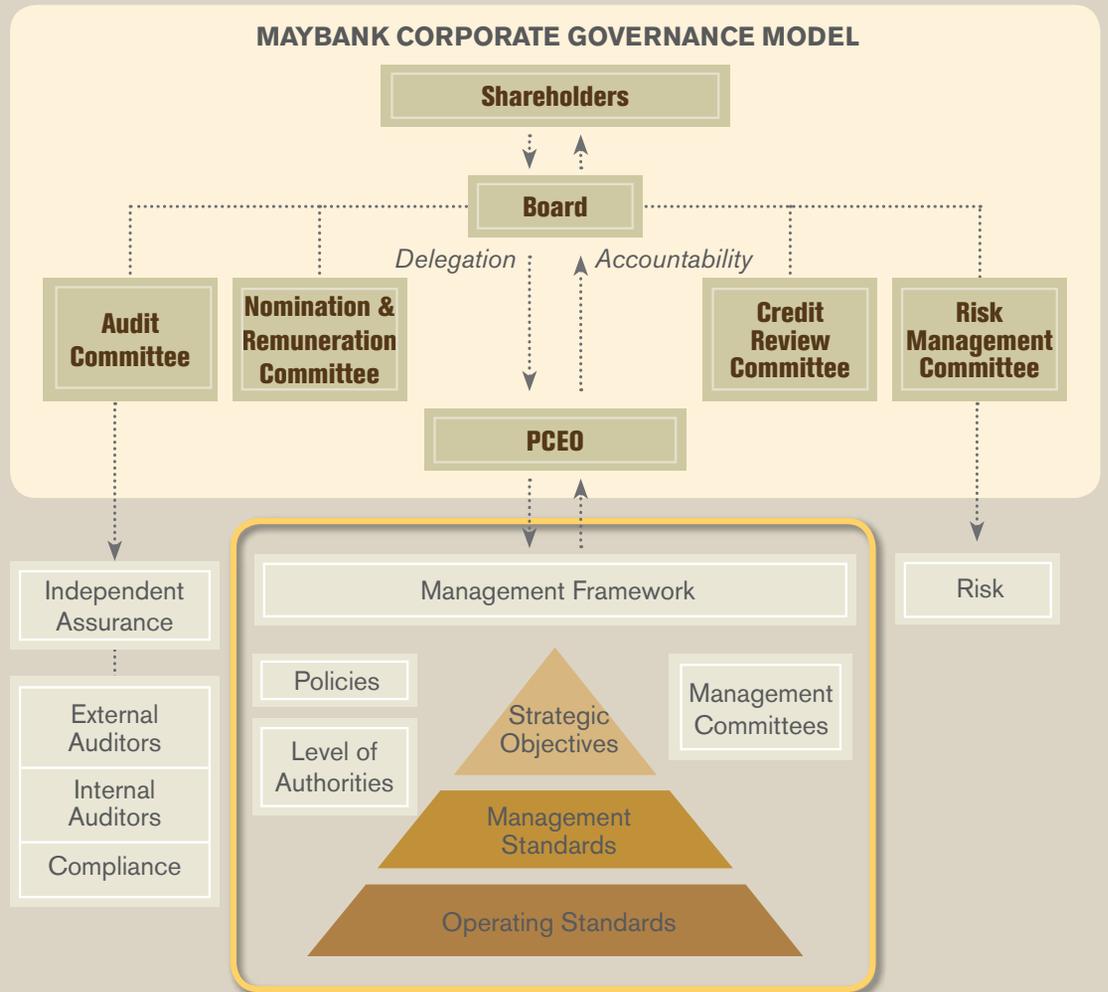
The nomination of directors, Chairman and PCEO are based on the Group's 'Fit and Proper Criteria for Appointment' policy which is monitored by the Nomination and Remuneration Committee (NRC). The Board continues its search for suitably qualified female directors in order to have a more balanced Board composition.

The Board believes that the mixed pool of skills, knowledge and experience drives the Group's vision and strategy. This ensures a continuous improvement of Maybank's governance standards. The details of Board members' skills and experiences are available on pages 74-91 of the Annual Report 2010. The Chairman asserts fair decision making based on majority and consensus. Any concerns raised at Board meetings are noted in the minutes of meetings and are addressed accordingly.

Corporate Governance (cont'd.)

Board Management and Board Committees

The Board delegates certain aspects of its governance responsibilities to the following Board Committees that operate within clearly defined terms of references primarily to assist the Board in the execution of its duties and responsibilities. Although the Board has granted such discretionary authority to these Board Committees, the ultimate responsibility for final decisions on all matters lies with the entire Board.



The Board has also established various Executive Level Management Committees (ELCs) to assist the relevant Board Committees in managing the Bank's operations. The key ELCs are mainly chaired by the PCEO of the Bank. These include:

- Executive Committee
- Group Management Credit Committee
- Internal Audit Committee
- Executive Risk Committee
- Asset and Liability Management Committee
- Group Staff Committee
- Group Procurement Committee
- Group IT Steering Committee

Board Remuneration and Performance Evaluation

Directors' remuneration is set at an optimum level which attracts and retains high calibre directors to continue delivering effective management and operations to the Group. Executive directors' remunerations are linked to corporate and individual performance. Key Performance Indicators (KPIs) are set in accordance with the corporate objectives and scorecard. Compensation packages are offered to directors who surpass their KPIs in any particular year. Remunerations for non-executive directors are based on their roles and responsibilities. This is determined by the Board with recommendations from the Nomination & Remuneration Committee. The Bank's Employee Share Options Scheme (ESOS) is allocated to directors based on their length of service to the Board.

Board Satisfaction Index (BSI)

Following the introduction of the BSI in 2008, an effort to ensure continuing adequate support is provided to the Board to assist directors in discharging their duties effectively. The BSI exercise was conducted in July 2010 for the financial year ended 30 June 2010. The areas of assessment cover transactional and operational efficiency which includes Board and Board Committees minutes, papers and meeting arrangements, training and knowledge management. It also includes advisory services on matters concerning directors' duties on disclosure of interests and prohibition against trading.

The result of the BSI in 2010 shows that the Board is satisfied with the support provided for the period under review and several areas had been identified for further improvement.

Code of Ethics and Principles

Maybank Group's Code of Ethics and Conduct outlines the sound principles and standards of good practices in the financial services industry. Directors and employees are required to uphold the highest integrity in performing their duties especially in dealing with stakeholders such as customers, fellow employees and regulators. The Code is in-line with the Group's core values. It outlines the standards of good banking practice with an emphasis on behavioural ethics. The Group communicates the Code to directors and employees upon commencement of their employment. It is also considered as part of the Terms and Conditions of service.

Maybank has a responsibility to safeguard its integrity and credibility as a custodian of public funds. The details of Code of Ethics are available on page 219 of the Annual Report 2010.

Internal Control

The Board has an overall responsibility for maintaining sound internal control systems that cover financial controls, operational and compliance controls and risk management. This ensures shareholders' investments, customers' interests and the Group's assets are protected.

The Audit Committee of the Board (ACB) regularly reviews the actions taken on internal control issues identified in reports prepared by the Internal Audit department, external auditors and regulatory authorities. This process evaluates the effectiveness and adequacy of the Group's internal control system. The ACB has an active oversight on the internal audit's independence, scope of work and resources. It also reviews the Internal Audit function, particularly the annual audit plan scope and frequency of the internal audit activities.

Corporate Governance (cont'd.)

RISK MANAGEMENT

Risk management and ensuring stable core business is an important responsibility for a financial institution. The Group adopts an integrated approach to the effective management of enterprise-wide risk in the Group. We classify business risk by evaluating the cause of losses. These risks are managed according to their respective characteristics including credit, market, liquidity, reputational, business/strategic and operational risks. These are comprehensively and systemically managed within established limits and controls.

RISK GOVERNANCE STRUCTURE

The Board of Directors is Maybank Group's "ultimate governing body" who has the overall risk oversight responsibility. It approves the Group's risk management framework, risk appetite, plans and performance targets for the Group and its principal operating subsidiaries. It also authorises the appointment of senior officers, the delegation of authorities for credit and other risks and the establishment of effective control procedures. The Board of Directors is assisted by the following Board and Management Level Risk Committees:

Board	Management
Risk Management Committee (RMC)	Executive Risk Committee (ERC) Asset & Liability Management Committee (ALCO)
The RMC is a dedicated Board Committee responsible for the risk oversight function within the Bank. It is principally responsible for reviewing and approving key risk frameworks and policies for the various categories of risk.	The ERC and ALCO are management-level committees responsible for the management of all material risks within the Bank. The scope of the ERC encompasses all risk types except market and liquidity risks, which are within the purview of the ALCO.

Types of Risk and Management

1) Credit Risk Management

Credit risk arises as a result of customers' or counter-parties' failure or unwillingness to fulfil their financial and contractual obligations. Corporate and institutional credit risks are assessed by business units and approved by an independent party (Group Credit Management). Each customer is assigned a credit rating based on the assessment of relevant factors including customer's financial position, types of facilities and securities offered. Reviews are conducted at least once a year on a customer's financial position, market position, industry and economic condition and account conduct.

On 14 May 2007, Maybank formally submitted an application to migrate directly to the Internal Ratings-Based (IRB) approach for Credit Risk to Bank Negara Malaysia (BNM). On 3 September 2007, BNM provided its in-principle approval for Maybank to proceed with preparations for IRB qualification. On 24 December 2009, following an on-site supervisory review of the Group's IRB preparations, BNM issued a letter requiring Maybank to commence parallel reporting under IRB rules for a period of six months commencing January 2010.

2) Basel II Approach

Initiatives under the Basel II programme have been a major catalyst for the enhancement of risk management practices within the Group. This process has further embedded the risk culture and best practice methodologies into Group operations. The Group has established a dedicated team to strictly manage its requirements relating to Basel II.

Pillar 2 of the Basel II Capital Adequacy Framework requires banks to undertake a comprehensive assessment of their risks and to determine the appropriate amounts of capital to be held against these risks. This risk and capital assessment process is commonly known as the Internal Capital Adequacy Assessment Process (ICAAP). The range of risks required to be covered by the ICAAP is much broader than Pillar 1, which only covers credit, market and operational risk.

Maybank Group has developed an ICAAP framework that closely integrates the risk and capital assessment processes. The ICAAP framework is designed to ensure that adequate levels, including capital buffers, are held to support the Group's current and projected demand for capital under existing and stressed conditions. Regular ICAAP reports are submitted to the Executive Risk Committee and the Board Risk Management Committee. These reports cover a comprehensive review of all material risks faced by the Group and an assessment of the adequacy of capital to support them.

3) Market Risk

Market risk is defined as the risk of potential losses in earnings arising from movement in market prices and their respective correlations and volatilities. The major market risk classes are price risk and liquidity risk. The Group's Market Risk Management (MRM) is the independent risk control unit responsible for ensuring efficient implementation of market risk management frameworks. It requires that adequate risk controls are established to support business growth. The Bank measures its risk using Value-at-Risk (VAR) models. It currently adopts the Standardised Approach (SA) and is fully committed to adopting a more advanced approach such as the implementation of the Internal Models Approach (IMA) which is currently in project phase.

4) Operational Risk

Maybank Group's Operational Risk Management Framework focuses on five causal factors of operational risk. The framework covers internal processes, people, systems, external events and legal. It ensures that the Maybank Group entities, Board of Directors, business line management, employees and contractors can discharge their operational risk management responsibilities within a transparent and formalised framework which is aligned to business objectives.

Whistle-Blower Policy

An employee and the Maybank Group are protected against any recourse following the report of any suspicious behaviour. Section 5 of the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 (AMLATFA 2001) protects the Company and its employees against any claim for damages for loss arising from disclosure or breach of any restriction in respect of disclosure of information imposed by law.

Empower Communities





We contribute our skills and resources to improving the lives of the communities that we serve during good times and we are at the forefront during adversity. We give back to the community by supporting programmes aimed at developing and advancing youth, education and sports.

INITIATIVES	
SUSTAINABLE LIVELIHOOD	Support the underprivileged by giving aid to multiple organisations in Malaysia Bank Internasional Indonesia (BII) Berbagi programme BII's School Feeding Programme in conjunction with UN-World Food Programme Launch of 'Tabung Maybank Sejahtera' Cahaya Kasih programme
YOUTH & EDUCATION	Maybank Scholarship Awards Scheme Academic Excellence Awards for accountholders and children of employees Agreement with the National Higher Education Fund Corporation (PTPTN) Maybank Apprentice (MA) Coaching Programme at Rumah Kanak-Kanak Tengku Budriah (RKKTB) External Internship Programmes Financial Education PINTAR programme
SPORTS	Nurture sports talent and building future sports champions in golf, badminton and football

Empower Communities (cont'd.)



PROMOTING EMPLOYEE VOLUNTEERISM



• MAYBANK MALAYSIA

The 'Cahaya Kasih' programme is a five-year employee volunteerism project in partnership with the Ministry of Women, Family & Community Development. It was initiated in 2006 and the project will be ongoing until 2011. It involves more than 5,000 employees nationwide who volunteer their time and skills once a month with residents of seven homes under the Ministry through various activities. Maybank is the first financial institution in Malaysia to partner with the Ministry by setting a new standard in CR activities which goes beyond pure philanthropy. We help our employees to make long-term personal commitment based on volunteerism. A special President's Award is awarded annually to the best volunteer team and the team with the most creative CR initiative for the year. All initiatives are broadcasted in the Group's internal e-portal to encourage greater employee participation. Employees regularly engage with the seven homes through activities in social care, education, skills building and generally improving the quality of life of the residents of the homes.

The seven homes are:

- Rumah Kanak-Kanak Tengku Ampuan Fatimah (Kuantan)
- Rumah Kanak-Kanak Kota Kinabalu, (Kota Kinabalu)
- Rumah Kanak-Kanak Tengku Budriah, (Kuala Lumpur)
- Taman Sinar Harapan (Kuala Kubu Bharu, Selangor)
- Taman Sinar Harapan Jubli (Johor)
- Sekolah Tunas Bakti Kuching (Kuching)
- Sekolah Tunas Bakti (Penang)

These homes accommodate orphans, juvenile delinquents, the physically or mentally challenged and the disabled. The residents of these homes average between 100 to over 200 residents. More than 5,000 employees nationwide have participated in various initiatives with the homes.

The initiatives range from hosting monthly birthday parties, festive treats, academic recognition awards, coaching and learning programmes, total well-being sessions for the residents of the homes. There were occasions where funds were raised through employees' efforts to purchase equipment to raise the standard of care for the physically or mentally challenged and disabled residents.

Through interaction with these residents, employees will realise that there are segments of the society who are less fortunate. They have a role to play in creating a positive impact on the residents of the homes.

Under the umbrella of Cahaya Kasih, employees have also assisted the underprivileged in other independently funded welfare homes with similar initiatives.

Empower Communities (cont'd.)



- **MAYBANK SINGAPORE**

In August 2009, in a bid to create public awareness of Corporate Social Responsibility (CSR) values and promote corporate volunteerism, Maybank was one of the main sponsors of *CityCare's CSR Movement 09 Project Series*. A total of 150 Maybank staff participated in the weekend events, which supported 90 elderly beneficiaries from various homes. This reinforced Maybank's community emphasis on "Family", which extended the idea of family beyond kinship ties, through caring for the less fortunate who may no longer have their families around them.

In "*Waltz for All*", a total of 42 Maybank staff partnered with 35 needy elderly beneficiaries for an evening of waltz lessons at a dance studio. In "*Shopping Spree - Grocery Shopping with the Elderly*", a total of 108 Maybank staff took 60 elderly beneficiaries shopping at a supermarket, given with S\$50 of shopping money for each person.



• **BANK INTERNASIONAL INDONESIA**

In conjunction with the School Feeding Program, BII employees have conducted a school visit programme to share knowledge on nutrition, basic banking, computers and English with the beneficiaries of the School Feeding Programme. This is also in-line with "Ayo Ke Bank" (Let's Go to the Bank) programme, a community education programme on banking, introduced by Bank Indonesia.



Empower Communities (cont'd.)

CARING FOR DISADVANTAGED GROUPS

- **MAYBANK MALAYSIA**

In June 2000, Maybank was the first bank in Malaysia to offer electronic banking to retail customers with its portal Maybank2u.com. This website has been continuously developed to offer a variety of consumer and business services. This website can be used to open accounts, pay bills to more than 100 companies, buy and sell shares, renew insurance policies and conduct many other financial-services transactions. Electronic banking allows us to deliver enhanced services to our customers at a lower cost. We continue to improve access for disadvantaged people. For the first time, Maybank has opened five disabled-friendly branches this year which offer special ATMs, cash deposit machines, service counters and entry ramps for wheelchair bound customers. We have also improved access for customers living in low-populated areas by expanding Maybank2u.com Internet Kiosks, Self-service Terminals and Share Investment Centres in the states of Sabah, Perlis and Kelantan.

Etiqa contributed four houses costing a total of RM240,000 to Rumah Pendidikan At-Tohiriah in Port Dickson, Negeri Sembilan, for more than 60 orphans and needy children with their caretakers and educators. It also built hostels and upgraded a multipurpose hall and classes for students of Madrasah An-Nuriah, Paya Rumpit, Melaka, as well as provided school equipment and financial assistance to 183 poor students around Baling. In addition, it built and equipped a canteen at Madrasah Ar-Rahmaniah in Kelantan.

Maybank collaborated with leading Chinese newspaper Sin Chew Daily, for a year-long consumer community programme titled "My Heart, My Land". The programme reinforced Maybank's positioning as a community financial services leader in urban and non-urban areas, demonstrating the engagement through the years with customers to bring greater development and economic prosperity for all communities served.

Maybank Apprentice Coaching Programme at Rumah Kanak-Kanak Tengku Budriah (RKKTB)

This Maybank CSR initiative was introduced under the Maybank Apprentice (MA) Programme in collaboration with RKKTB. This programme began in May 2010 with 10 MAs. The team volunteered to provide educational guidance to the children at RKKTB on a weekly basis.

The objectives of the programme are:

- To evaluate the progress of the children, understand their study needs and respond to their needs in an effective manner
- To inculcate good study habits with effective study tips and methods
- To help the children achieve good results in their examinations

The Coaching Programme has since attracted more volunteers from Maybank. Since the inception of the programme, the children have shown significant progress in their studies and an increased interest in learning.

TOUCHING HEARTS MOMENTS:**Rumah Kanak-Kanak Tengku Budriah**

A group of 40 volunteers from five Trade Finance Centres (TFCs) in Region Federal Territory (FT), namely Kuala Lumpur (KL), Pudu, Bunus, Sentul and Bangsar together with the First Aid Standby Team (F.A.S.T.) and volunteers headed to the Rumah Kanak-Kanak Tengku Budriah, Cheras, KL, a community programme under Cahaya Kasih.

After a short briefing session, we went to our task of caring for the toddlers. The children were simply adorable and well mannered and address the adults as "Ayah" and "Ibu". The moment you set eyes on the children, you will be moved to tears.

"We were happy to bring joy and hope to them. Some of us took time to interact and spend quality time with the children. The children certainly taught us a valuable lesson during our visit which is to appreciate life."

Hasnita, Pudu TFC Head

"We encourage all Maybankers to lend a helping hand and make a difference. We appreciate all those who have supported us with their kind contributions."

Mary Chang, Executive, KL FT







CELEBRATIONS FOR CHILDREN

In February 2010, the International Banking staff with the Cahaya Kasih volunteers and a First Aid Standby Team (F.A.S.T.) member paid a visit to Petrosains, KLCC to celebrate the birthday of eight children from RKKTB. This excursion enhanced their knowledge and stimulated their interest in the world of science.

- **MAYBANK SINGAPORE**

In December 2009, Maybank organised a Christmas party for 100 disadvantaged children from various Family Service Centres. In addition to having a memorable festive morning, all the children took home food packs and a stationery gift set sponsored by Maybank employees.

In October 2009, Maybank launched a Children's Colouring and Drawing Contest. The contest rewarded children for their creativity and allowed them to help a less fortunate child with their contest entry. Maybank and Prudential Assurance Company Singapore (Pte) Ltd sponsored

the event by donating attractive cash prizes. Each child's creative contribution ensured that a food pack was given to a less fortunate child. In total, nine Family Service Centres in Singapore received the food packs. A total of 1,100 disadvantaged children benefited from this contest.

An organisation, Youngstarz, was inspired by the success of Children's Colouring and Drawing Contest. It launched a similar contest to benefit 500 disadvantaged elderly people with food packs and red packets in March 2010. These two events, which were sponsored by Maybank, helped the children understand the importance of assisting others at an early age and remember those who are less fortunate.

- **MAYBANK VIETNAM**

In February 2010, the Hanoi branch team visited Ba Vi Handicapped Children and Old People Centre in Thuy An, Ba Vi, Hanoi. The visit was held prior to the TET (Vietnamese New Year) festival. The team donated hampers and stationery worth VND10 million.

Empower Communities (cont'd.)



PINTAR BERSAMA MAYBANK : REWARDING EXCELLENCE AND TOUCHING COMMUNITIES WE SERVE

Maybank held a special presentation ceremony at two adopted schools under the PINTAR programme in August 2010. The two schools are Sekolah Kebangsaan Sungai Duri in Sungai Jawi, Seberang Perai Selatan and Sekolah Menengah Kebangsaan Sungai Ara, Bayan Lepas.

Maybank presented cash incentive awards ranging from RM200 to RM300 to 15 recipients for academic achievements in the UPSR, PMR, SPM and STPM examinations and extracurricular activities. Excellence in sports (representing state), public speaking and story telling activities were also recognised as part of the effort to nurture students' talents under the PINTAR programme. Maybank also presented computers with internet access to each of the schools to improve existing computer facilities and support computer literacy among students. During the event, Maybank also arranged two introductory classes on financial planning for 20 primary and secondary children which covered the management of finances and investment making decisions.

Other projects implemented in the two schools under the PINTAR programme included sponsoring breakfasts for poor students, educational materials, tuition classes and spectacles for needy students. Co-curricular activities such as seminars, motivation forums, leadership courses and study tours were also provided. English courses for teachers were conducted to enhance their teaching capabilities.

PINTAR: Promoting Intelligence, Nurturing Talent and Advocating Responsibility



SUPPORTING EDUCATION

• MAYBANK MALAYSIA

The Maybank Scholarship Awards Scheme attracts interest from students in local institutions of higher learning to be Maybank scholars and join the Group upon graduation. A total of 107 scholars are currently being supported. The annual Maybank Group Academic Achievement Awards for children of Maybank employees to promote academic excellence also disbursed cash awards to 419 students who achieved excellent results in their public examinations during this year. More than RM1.1 million was spent on these two Awards.

Maybank was honoured with the title of “Child Friendly Commercial Bank” in March 2010. Our Business Banking provides financial solutions to SME businesses involved in kindergarten and private education for Malaysian youth at the primary, secondary and tertiary levels.

In 2009, Etiqa Insurance and Takaful contributed RM200,000 to build hostels and renovate the multi-purpose hall and classrooms for the students of a Madrasah in Malacca. In January 2010, Etiqa Insurance and Takaful established a partnership with Universiti Utara Malaysia (UUM) to offer the first Bachelor’s degree programme specifically for Etiqa Insurance and Takaful agents in Malaysia. Etiqa Insurance and Takaful also organised an academic and life skill programme for 38 children of its employees.

• MAYBANK SINGAPORE

In January 2010, Maybank’s D-Pay service on AXS stations (payment kiosks) was launched. Maybank pledged to donate 50 cents for every transaction made through the service during the promotional period. This exercise resulted in S\$10,000 being donated to the Youth Bank by Maybank, in support of a weekly tuition programme for disadvantaged children.

In September 2009, Maybank was the proud sponsor of a new print-and-online series called Cyber Sleuths. This was part of Maybank’s ongoing efforts to educate families and youths about internet safety. This five-part series appears in the monthly children’s newspaper, “What’s Up.” This independent newspaper was launched and managed by two professional educators, Dr. Mary Cherian and Dr. Cherian George. The objective is to promote the safe, smart and legal use of the internet by children and teenagers. Around 25,000 copies were distributed in 50 primary and secondary schools.

• BANK INTERNASIONAL INDONESIA (BII)

As part of the implementation of CR in support of education, BII recently launched the “BII Apprentice Program,” a collective apprenticeship programme for university students. This pilot project provided a six-month apprenticeship at the Bank for 10 students in November 2009. BII collaborated with ABFI Institute Perbanas, an educational institution in finance, banking and informatics under Perbanas Educational Foundation.

BII continues to provide scholarships for college students in 2010. BII partnered with Karya Salemba Empat, a non-profit community organisation engaged in education and providing scholarships for the improvement of Indonesia’s quality of human resources. BII is committed to providing scholarships to 100 students at Gadjah Mada University, Yogyakarta. This year is the third year which BII provided scholarships to students at Gadjah Mada University.

An internship programme was initiated in 2009 and continues into 2010. This programme organises job training or apprenticeships for students from ABFI Institute Perbanas, University of Michigan, Pelita Harapan University and Sekolah Tinggi Ilmu Telekomunikasi. A total of 11 people participated in the 2009 internship programme.

Empower Communities (cont'd.)

FINANCIAL EDUCATION

- **MAYBANK MALAYSIA**

Maybank provides a three-week programme as an opportunity to graduates and women to venture into franchise business. Maybank is one of the panel trainers in this programme and delivers lectures on financial management and banking facilities for franchise businesses.

These training programmes help generate public awareness of the basic aspects of the franchise business system. The initiative provided an evaluation method of viability and prepared the participants for entry into the industry.

Maybank has been a pioneer partner of Minggu Saham Amanah Malaysia (MSAM) since 2000. This has been PNB's annual flagship unit trust investor roadshow. It aims to create greater awareness among all Malaysians about the investment opportunities available through various savings and investment products. Since 2006, we have spent over RM1 million annually for this sponsorship.

In 2009, Maybank sponsored two major financial educational programme series with TV3. RM2 million was allocated in support of ongoing efforts to educate the public on financial planning and smart investing. 'The Stock Watch' programme was a live weekly series show in English aimed at creating a 'savvier' investing public. The programme featured weekly updates on financial news, trends and earnings. It also made financial projections and advice for the week ahead and provided market commentaries and business updates from local, regional and international perspectives. A second programme was a Malay language programme that advised viewers on managing their finances wisely and planning for the future. 'Bijak Wang' included live talk segments featuring real-life case studies and viewer call-in. Maybank also contributed to two programmes by sharing its expertise on financial products and services.

Maybank sponsored a year-long education programme at a cost of RM310,000 with MoneyTree (M) Sdn Bhd for a financial literacy programme to reach out to school children and organise the "Maybank-Money Tree Young Entrepreneur Startup (Y.E.S.) Challenge." Y.E.S. is aimed at youth and college students to instill the spirit of entrepreneurship among tertiary students where the best entrepreneurial idea will be converted into business opportunities. The programme will also be extended to the PINTAR schools. Public and private college students will benefit from the Y.E.S. Challenge as it will help to create a culture of innovation to achieve the aims of the government's transformation programme.

In March 2010, The Y.E.S.2 BreakThrough! Session was held at the Cybertorium, Menara Star. Thirty-one youth teams competed to promote their business ideas to a panel of judges consisting of industry experts. The purpose of Y.E.S.2 is to encourage the youth to pursue entrepreneurship as a career path. Participants were from Uniten, University Teknologi Mara, Monash University, Sunway University College, Taylor's University College, Nottingham University, University Malaya, Universiti Tunku Abdul Rahman, Kolej Bandar Utama and Multimedia University.

Maybank was the principal sponsor for the "Live & Inspire Series" programme undertaken by an enterprising young social network group to promote leadership and innovation among young entrepreneurs. The programme invites corporate leaders to share their experiences and inspire the creation of groups of visionary leaders who can contribute to the growth of the nation. Each session is also podcast in the "Live & Inspire" website.



- **MAYBANK SINGAPORE**

We continued our sponsorship of the Berita Harian Financial Planning Conference for the seventh year. This initiative promotes financial education among the Malay community in Singapore.

- **BANK INTERNASIONAL INDONESIA**

BII organised a successful Journalist Writing and Photo Contest in 2008 and 2009. This event was held for the third year in June 2010. We have officially announced the terms and conditions of the contest and the journalists were required to submit their articles and photographs by November 2010 to compete.

Journalists entering the writing contest are required to submit articles on the following topics:

- Telectronic banking as a medium to secure banking competition in the future
- Competition to attract premium customers through priority services
- The role of banking in structured trade and commodity financing
- The syndicated loan facility as a solution and breakthrough to support corporate expansion
- Service quality improvement as a competitive advantage in the banking industry
- The development of SME/Commercial business

Journalists entering the photo contest are required to submit photos referring to the following topics:

- BII's banking services and activities
- BII's branch network/electronic network expansion
- Cooperation between BII and business partners
- BII's support through CR "BII Berbagi" SME business activities
- Activities of real sector (Sea, Land and Air Transportation, Telecommunications, Trading, Property, Infrastructure)

Empower Communities (cont'd.)

RESPONDING TO HEALTH CARE NEEDS

- **MAYBANK MALAYSIA**

In 1999, Maybank contributed RM200,000 which helped finance Muhammad Afiq Iqmal Muhammad Zaini with a liver transplant. This initiative helped Maybank understand the critical need for a public liver transplant centre. In 2002, we contributed RM5 million to the Health Ministry to establish a Liver Transplant Centre in Hospital Selayang. This was the first National Liver Transplant Centre to open in 2003 as a public hospital in Malaysia. The centre provides affordable liver transplants as an alternative to the more expensive private hospitals.

Through the Maybank Group Welfare Fund, Maybank has also contributed medical equipment to various government hospitals as well as an ambulance and other equipment to deserving welfare organisation to reach the needy and less fortunate.

Through Maybank2u.com, Maybank assisted two charities, Yayasan Al Jenderami, a Muslim NGO and Yayasan Al Ijabah caring for HIV patients in their online charity drive. This was in-line with the Malaysian National Cancer Council (MAKNA) in promoting an online donation campaign.

- **BANK INTERNASIONAL INDONESIA (BII)**

BII maintains a school feeding programme aimed at addressing the problem of child nutrition. BII Berbagi provides fortified biscuits for more than 5,000 elementary school children in 20 cities in Indonesia. This initiative is conducted in conjunction with the United Nations–World Food Programme (UN-WFP). BII has allocated USD100,000 each year to support the school feeding programme for the last four years. In June 2010, BII supported “Walk the World”, a programme held by the UN-WFP to end hunger in more than 80 countries, including Indonesia.

BII has been supporting Yayasan Jantung Anak Indonesia for a number of years. This foundation specialises in performing heart surgery on children with heart disease. In May 2010, BII supported the Daarul Rizky Clinic to perform cleft lip operations for six underprivileged children and hernia operations for two children. In 2009, BII also provided funds for treatment of children with leukaemia.





SUPPORT FOR SPORTS

• MAYBANK MALAYSIA

Maybank Customer Relationship Management (CRM) collaborated with Star Online TV by participating in a football clinic under the Maybank Graduate Banking package. This interactive one-day clinic was held at Maybank Academy Bangi by Shebby Singh for 100 Maybank account holders on a first-come first-served basis. It was aimed at the 18 to 30 age group and focused on developing skills and learning different tactical formations from an experienced coach. This was conducted as an extension of the Football Everyday Webcast. CRM extended this opportunity to 10 children of Rumah Kanak-Kanak Tengku Budriah, Cheras aged between 10-12 years old. This is part of Maybank's CR programme and helped associate the brand with the younger groups of our potential customers. Maybank also continued to support Maybankers who are state and national players in the various sports competitions including hockey and football.

Maybank was title sponsor for the Maybank Malaysian Golf Open for the fifth year in 2010. The tournament is one of the most prestigious international golf events in Asia which carries world-ranking points and global viewership. This significant event with a USD2 million prize money drew a global audience of nearly 400 million, promoting Malaysia as an international golf destination and providing immense exposure to the Maybank brand. A junior golf training camp was held in partnership with the Malaysian Golf Association as part of our efforts to groom potential champions and encourage aspiring young Malaysian golfers to excel.

Empower Communities (cont'd.)

IMPACT OF OPERATIONS ON COMMUNITIES

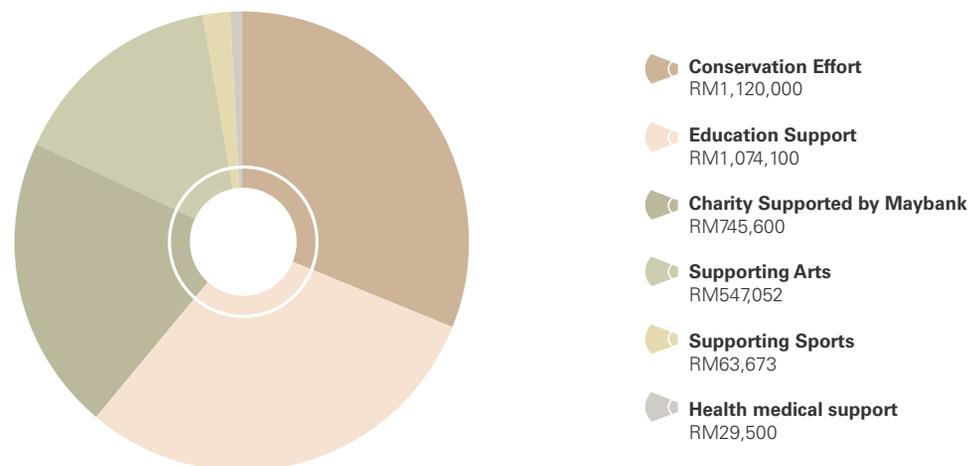
Maybank and Yayasan Sejahtera have collaborated with the New Straits Times Press to launch “*Tabung Maybank Sejahtera*.” This is a special fund established in support of the Sejahtera programme initiated by the Putrajaya Committee on Government-Linked Companies (GLCs) High Performance in August 2009. This was created to champion a sustainable approach to alleviate hardcore poverty in Malaysia. It also aims to assist in the creation of sustainable living environments for vulnerable communities in Malaysia regardless of race, religion or creed. Maybank made an initial contribution of RM50,000 to this fund, which has collected more than RM290,000 up to September 2010. Maybank also enables members of the public to contribute to this fund, which will be channelled to Yayasan Sejahtera. The funds will help vulnerable communities nationwide, the disabled, single parents, the aged and orphans.

The Sejahtera programme is scheduled to be expanded to Besut, Terengganu and subsequently nationwide. To date, approximately RM3 million has been collected from the participating Government-Linked Investment Companies (GLICs) and GLCs for the programme. The Sejahtera programme aims to raise over RM40 million nationwide which will benefit more than 1,000 households.

COMMUNITY INVESTMENT

Community investment in Maybank focuses on areas related to the impact of our business on society. We assist individuals who would otherwise be excluded from society with the benefits of our education, health and medical support. We also support charities, conservation, arts and sports. We have applied our skills and resources in all initiatives with employees involved in volunteering. A total of RM3,695,597 was invested in our initiatives during the FY2009/2010. We provide an overview of our community investment during the FY2009/2010 below.

**Total Community Investment in Ringgit
(FY2009-2010)**



In September 2009, Etiqa Takaful Berhad contributed RM102,478.69 to the Selangor Zakat Fund which is operated by the Selangor Islamic Council (Majlis Agama Islam Selangor). It also provided RM358,072.59 in zakat payment to the Islamic community of Majlis Ugama Islam Sabah (MUIS).

INDIRECT ECONOMIC IMPACTS

As one of the leading financial services provider in Malaysia, Maybank has an extensive role in the economy and society. Maybank makes a positive difference to society and local, regional and national economies where we operate through our community initiatives and investments. We help foster local economic development and stimulate growth and innovation through loans, credit and other financing to organisations of all sizes. In particular, Maybank is a major supporter of SMEs across Malaysia and invests in community programmes, which enable youth and those less fortunate, to create brighter economic futures for themselves.

During FY2009/2010, Maybank has not faced any penalties for non-compliance with applicable laws and regulations concerning the impacts of its operations on communities.

SUPPORTING PUBLIC POLICY DEVELOPMENTS

Maybank complies fully with the "Silver Book - Achieving Value through Social Responsibility," which has been adopted since 2007. This outlines guidelines and principles for GLCs to contribute to society and manage their social obligations. As a GLC, our community initiatives are in-line with the Government's efforts on the social and economic development plan.

During the FY2009/2010, we received no significant contributions or financial assistance from the Government. We also have made no significant contributions or maintained any links to political organisations.



Concern for the Environment



Maybank has practised the concept of “Greening the City” at Menara Maybank with a lush garden of unique plant species and trees to enhance the ecological surroundings of the city. Among the rare species is the *Couroupita Guianensis* or Canon Ball Tree originally from Guyana, which is possibly the only such species in Malaysia today.

TABUNG BENCANA

NSTP media prima

Sumbangan boleh dihantar ke
Bahagian Kewangan NSTP, 31 Jalan Riong,
59100, Kuala Lumpur dan pejabat
cawangan atau cek atas nama
Tabung Bencana NSTP-Media Prima
Akaun Maybank : **514105-320757**
(Sila tulis nama penuh dan alamat di belakang cek)

Maybank

celcom axiata



We support a greener Earth through our collaboration with nature and wildlife conservation organisations. We also promote good environmental practices in our operational activities. Maybank proactively provides aid during natural disaster recovery and is passionate in promoting the heritage, arts and culture in the countries in which we operate.

INITIATIVES	
DISASTER RELIEF	Disaster relief and assistance to victims of earthquake and typhoon floods through various funds set up in collaboration with the media Joined "NSTP Fund for Gaza" Campaign
CONSERVATION OF NATURE AND WILDLIFE	Environment protection and conservation, "Love The Earth" campaign Offer paperless transactions Tiger Conservation Green Day at the University of Indonesia, Depok Participated in Earth Hour campaign Participated in the Carbon Disclosure Project (CDP) questionnaire
HERITAGE, ARTS AND CULTURE	Art Gallery and Numismatic Museum Sponsorship of publications Maybank Singapore sponsored the Singapore 1960 Exhibition and customer appreciation event

Concern for the Environment (cont'd.)

Climate Change

Climate Change presents potential risks and opportunities to our business in the medium and long-term. As the primary area of our operation is in central Kuala Lumpur, we are more exposed to CO and CO₂ emissions risk. The mean temperature in the city centre is 34°C. At current consumption and emission levels, the Institution of Engineers Malaysia estimates that this mean temperature may increase to 37°C in the near future. Maybank conducts regular assessments of energy use within its network to monitor the climate impact and identify opportunities to reduce its impact.

In April 2010, Maybank sponsored a forum on "Climate Change and The Impact to Health". This session was organised by the Business Council for Sustainable Development Malaysia (BCSDM) and was held at the Securities Commission, Bukit Kiara. It featured speakers from national and international health institutions as well as several multinationals. The current and potential impact of environmental changes on the well-being of the population at large was discussed. The Forum also shared measures taken by the Malaysian Government and industries to address climate change in Malaysia.

We are currently executing the Green Building Index (GBI) implementation for Menara Maybank over the upcoming years. GBI is Malaysia's industry recognised green rating tool for buildings to promote sustainability in the built environment. The GBI rating tool provides an opportunity for developers and building owners to design and construct green, sustainable buildings. These can provide energy and water savings, a healthier indoor environment, better connectivity to public transport and can promote recycling and greenery.

Carbon Disclosure Project (CDP)

Maybank was the only financial institution in Malaysia to participate in the Carbon Disclosure Project (CDP) 2009 questionnaire. The CDP is a UK-based organisation that works with corporations and shareholders to disclose greenhouse gas (GHG) emissions. It encourages businesses to formulate and implement effective carbon emission reduction strategies as an integral part of their organisation. Maybank has been participating in CDP for the past three years to contribute to a greater global effort by corporations to reduce GHG emissions.

The CDP 2009 Global 500 Report states that the financial sector remains vulnerable to emerging regulatory and physical risks. It is also exposed to other risks including reputational damage as a result of the exposure of its portfolio companies. This necessitates more transparent carbon management programmes and the exposure of investment and lending portfolios. We aim to measure emissions intensity in the next reporting period and disclose the risks and opportunities presented to Maybank by climate change to the public.



EARTH HOUR

MAYBANK MALAYSIA AND SINGAPORE

Menara Maybank, Dataran Maybank and Maybank Tower Singapore supported Earth Hour in March 2010 for the second consecutive year. The Maybank Tower Singapore synchronised countdown on its LED-lit façade was broadcast on YouTube via the Internet. Maybank helped to create awareness amongst employees and customers to turn off non-essential lights and other electrical appliances for one hour. The official Earth Hour video this year included footage of Maybank Tower Singapore's lights-out last year alongside world monuments - the Eiffel Tower, Empire State Building and the Roman Colosseum. It was also screened at several Maybank branches in Malaysia and Singapore.

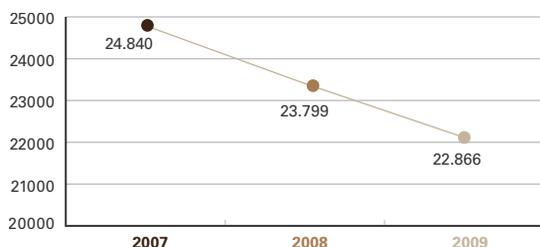


Concern for the Environment (cont'd.)



Energy Efficiency and Conservation

Electricity Consumption (GWh) - Menara Maybank



Maybank has implemented a variety of measures to conserve energy. Initiatives include air conditioning control and retrofit, lighting efficiency and energy management systems. We have conducted extensive research on the feasibility of investing directly in alternative energy. This research resulted in the need for new ventilation systems to be re-engineered, specifically in the surroundings of Menara Maybank and car parking areas.

Our energy conservation programmes include:

- Modernisation of building lift systems that conserve energy through its latest controller technology.
- New high-efficient chlorine free chiller systems which have zero impact on the Ozone Depletion Potential (ODP). We are expecting to save RM781,706 annually from this high efficient chiller.
- A 24-hour Building Automation System (BAS) that includes Schneider Electric formally known as Tour Andover Control (TAC) software for newly installed chillers system control and METASYS software for the Mechanical and Electrical daily operational control. This system is monitored through the fire control room and the maintenance office.

The structuring of our environmental responsibility has posed new challenges to our Environmental Management System (EMS). We have set future targets in achieving better environmental performance. These include:

- Achieving greater energy savings by changing all T8 light bulbs in Menara Maybank to T5 light bulbs including photo-voltaic installation.
- Providing recycle dustbins at strategic areas or floors.
- Converting the conventional car park ventilation duct system to a jet fan technology for better air ventilation system.
- Installing a thermal energy storage cooling system for phase3 building (the building floors from level 36 to 44) towards future energy saving.
- Implementing Variable Refrigerant Volume (VRV) air-cooled split air-conditioners for all full running IT equipment and business units.
- Training employees as qualified Electrical Energy Managers and Indoor Air Quality (IAQ) assessor recognised by Suruhanjaya Tenaga and National Institute of Occupational, Safety and Health.
- Supporting the use of public transportation including LRT and bus for employees' commuting.

Menara Maybank, Kuala Lumpur : Energy and Greenhouse Gas (GHG) Emissions Reduction

	TOTAL ELECTRICITY CONSUMPTION (GWh)	CO ₂ METRIC TONNES**	SAVING(%)*
2007	24,840	13,836	-
2008	23,799	13,256	4.2
2009	22,866	12,736	3.9

* Saving compared to previous year

** Estimates are based on the indirect GHG emissions protocol of the World Business Council for Sustainable Development and the World Resources Institute, <http://www.ghgprotocol.org>.

CO₂ savings for Menara Maybank between 2008 and 2009 was 3.9%. We have been achieving the energy-related GHG emissions reduction every year.

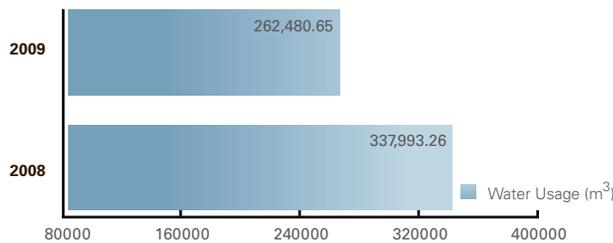
Concern for the Environment (cont'd.)

Reducing Water Usage

Our water supply management is initiated by Syarikat Bekalan Air Selangor (SYABAS) with our internal committee supervising the water management system. Maybank consults with Jabatan Bekalan Air (JBA) on its effort to conserve water resources and manage its impact. We align our effort with the Malaysian Government's Ninth Malaysia Plan in building a better infrastructure for more efficient water usage.

The majority of Menara Maybank's sewerage water is channelled to a centralised sewerage networking system and is disposed of by Indah Water Konsortium (IWK). With these limited water resources, Maybank has started to take steps to conserve water by educating our employees on effective water usage.

Water Usage (m³) - Menara Maybank



Reducing Paper Consumption and Waste

Maybank is offering more paperless transactions in its new products. It is also implementing an electronic payment system and online statements. The new American Express Gold Credit card provides online statements and Malaysia's first Online Bill Presentation service with Tenaga Nasional Berhad introduced electricity bill statements and online payment via Maybank2u.com.

Waste generated at Menara Maybank is collected on site. Our contractors, ABM Serumpun Sdn Bhd and Alam Flora Sdn Bhd, collect and transport the waste daily to local council landfill areas. Landfilling is the only authorised method for domestic and non-scheduled solid waste disposal in Malaysia. We are planning to provide more detailed waste management data in future reports which will include paper consumption and recycling rates.

Maybank2u's 'Love the Earth' Campaign

Customers are being encouraged to switch to online statements instead of receiving printed copies. Maybank2u.com recently launched a green initiative by encouraging its customers to opt for online statements. Maybank donates RM1 to a green cause for those who have registered to receive electronic statements. Currently, over RM180,000 has been raised and Maybank will donate RM1 to the following three NGOs to manage their environmental conservation projects. They are TrEES (Treat Every Environment Special Sdn Bhd), Global Environment Centre and REACH (Regional Environmental Awareness Cameron Highland).

BIODIVERSITY

The continuous decline in wild tiger populations worldwide has an adverse impact on the biodiversity system and national heritage. This has led corporations, NGOs and governments to take action on tiger conservation globally. We have entered into a two-year partnership with the Malaysian Conservation Alliance for Tigers (MYCAT) in an effort to bring the plight of the Malaysian tiger to the forefront.



Tiger Conservation

Maybank continued its animal conservation efforts through the sponsorship of tigers at Zoo Negara and Zoo Melaka. We provide annual sponsorship of over RM60,000 as part of our efforts in educating the public on wildlife and the need for conservation.

Malaysia is one of 13 countries that have joined forces to double the number of wild tigers by 2020 via an approach that values sustainable progress. Maybank features the face of a tiger on its iconic emblem. We collaborate with the Malaysian Conservation Alliance for Tigers (MYCAT) to raise public awareness on the need to save the Malayan Tiger. The partnership was officiated in February 2010 and Maybank contributed a total of RM1 million to a dedicated outreach and research programme.

Through our sponsorship, MYCAT will conduct research to determine the response of wildlife to the past development and current land use patterns. It will also benchmark data for future management. The tiger density in western Taman Negara will be estimated and compared to ten years ago. Maybank's support will allow the public and policy makers to be informed of practical solutions based on careful research.

The outreach programmes will cover selected urban areas as well as be extended to other rural areas around the "tiger corridor". These awareness sessions will highlight the need for conservation which is considered crucial in the fight to save the Malayan Tiger. The project is funded by Maybank and includes the Sungai Yu Tiger Corridor, the last forest linkage between the Main Range and Taman Negara in Pahang along the Gua Musang-Kuala Lipis trunk road. Agricultural expansion along this road has created a forest bottleneck and there is approximately a 10km stretch of forest left connecting these environmentally sensitive areas.

We realise the need to educate our children on the importance of tiger conservation. Maybank held nine awareness programmes in schools and training centres. Maybank is utilising the media as a source of effective communication with the public. Maybank published five media releases between December 2009 and January 2010.

Maybank employees were encouraged to participate in MYCAT roadshows which were conducted at various occasions in different locations, including:

- Night markets: Merhamah, Gua Musang, Puchong Batu 14, Taman Perindustrian Kinrara
- Zoo Negara
- Dong Zen Temple
- Scouts' launch event, Maybank Malaysian Open event, Malaysian Nature Society (MNS) open day.

Maybank has selected several Kuala Lumpur rail transit trains with the dual purpose of promoting the tiger conservation campaign and celebrating the Bank's 50th anniversary. We added a unique visual feature to the iconic city rail system. Selected trains adorned with the Malayan Tiger will be advertised on panels inside the trains which features information on tiger conservation.

• MAYBANK MALAYSIA

Maybank organised *A Green Day* in conjunction with World Environmental Day at Menara Maybank. Support for a greener environment was extended into Maybank's Cahaya Kasih programme with the planting of trees at our adopted homes in Penang. In addition, Etiqa volunteers held a beach cleaning programme at Teluk Cempedak Kuantan, Pahang.



• MAYBANK PHILIPPINES

In September 2009, Maybank Philippines adhered to its commitment to leave a legacy of clean air and water to the Filipino children by adopting and planting 100 trees in support of the *Save the La Mesa Watershed Project* of ABS-CBN Foundation, Bantay Kalikasan. Bantay Kalikasan (Nature Watch) is one of the ABS-CBN Foundation's environmental flagship programmes. This advocacy is among the major thrusts of MaybankKalinga, a CR programme started in 2005 by Maybank Philippines.

The La Mesa Watershed is the last remaining rainforest in Metro Manila. It is the site of the reservoir that supplies water to millions of people in the metropolis and nearby provinces. The project focuses on the rehabilitation and protection of the La Mesa through reforestation in particular. Of the 1,500 hectares, 1,471 hectares have already been planted and reforested. A total of 80 Maybank volunteers joined the half-day activity organised by Corporate Affairs and '7S Shared Values' team in September 2009.

A presentation of the Tree Adoption Certificate to Maybank Philippines was held at the watershed grounds where the volunteers planted the seedlings themselves.

• BANK INTERNASIONAL INDONESIA (BII)

BII initiated a tree-planting programme in 2009. BII held a *BII Green Day* at the University of Indonesia, Depok, by planting 490 species of trees including Rukam, Teak, *Metrosideros Petiolata*, *Cananga Odorata*, *Trengguli* and *Lagerstroemia Speciosa*. In addition, students from the Universitas Padjadjaran (UNPAD) in Bandung organised green activities and planted over 5,000 trees in the campus area with BII's support. This year, BII supported the *Green Festival* organised by Komunitas Hijau Pondok Indah in Jakarta. It also conducted green programmes with an environmental NGO, Wahana Lingkungan Hidup Indonesia (WALHI) to educate the community on the importance of maintaining the cleanliness of beaches.



DISASTER RELIEF

- MAYBANK MALAYSIA
- MAYBANK SINGAPORE
- BANK INTERNASIONAL INDONESIA (BII)

We offer disaster relief assistance in the form of the Group's direct donation or in partnership with the media and humanitarian organisations to raise funds via donations from the public. Maybank has the largest network in Malaysia for donations via its branch network nationwide, as well as electronic channels such as ATMs, phone banking and self-service terminals. The highly successful online donation channel via its internet banking portal *Maybank2u.com* was also used. Maybank usually waives all processing fees for donations from the public and provides convenience for the public to contribute and participate in humanitarian causes.

In January 2009, Maybank joined the *NSTP Fund for Gaza* Campaign to provide financial aid to war victims in the Gaza Strip. The Group's network and delivery channels helped the public to donate to this cause. More than RM8 million was raised for the Fund within two months. Maybank also held an internal donation drive which collected over RM122,000 for the in-house Maybank Staff Fund for Gaza which was subsequently handed over to the Ministry of Foreign Affairs.

A series of natural disasters were experienced in Asia Pacific in the second half of 2009 including earthquakes in Padang and typhoon floods in the Philippines, Vietnam and Cambodia.

In October 2009, in response to the Padang earthquake in Indonesia, Typhoon Ketsana in Vietnam and the Philippines and the tsunami in Samoa, Maybank facilitated donations to the Red Cross Society in Singapore through Maybank Cards. To incentivise Card members to donate, the Bank rewarded them with five points for every dollar pledged. This effort raised over S\$35,000 in two weeks with a total of 175,000 loyalty points awarded to Card members at the end of the donation drive.

Maybank partnered with Utusan Malaysia by initiating the *Tabung Gempa Nusantara Utusan-Maybank* and collected more than RM1 million in 2008 within a period of one month. This reflects the unique strengths and capabilities of its electronic channels to generate fundraising in the community. Maybank and Utusan donated 11 ambulances and a water tank truck for hospitals and the local authority in Bengkulu, Sumatera as part of disaster relief and assistance to victims of the earthquake there. This Fund was also activated following the recent earthquake in Padang, Sumatera in 2009 and over RM300,000 has been collected.

Maybank assisted the NSTP-Media Prima Group in fund raising for its *Tabung Bencana NSTP-Media Prima* which was established in October 2009. The public was offered a range of electronic channels allowing them donate to the Fund. Maybank also helped create awareness amongst its customers for the Fund which has resulted in over RM1 million being collected so far. Maybank Malaysia donated RM500,000 with Maybankers at BII assisting on the ground to those affected in Indonesia.

BII implemented an active disaster relief programme which raised over Rp4 billion during its fund-raising campaign for the tsunami relief work in Aceh and Nias, Indonesia.

For earthquake survivors in Padang, BII opened a fund raising account called "*Pundi Emas BII Berbagi*" to assist in the affected area's recovery programme. This fund financed the reconstruction of social facilities including schools and other public institutions. In addition to cash donations, BII worked with Mercy Corps Malaysia to provide medical assistance to the survivors. BII also helped by providing transportation and logistics for doctors, medical personnel and equipment.

In June 2010, BII and Hati Nurani Foundation developed a project to build clapboard houses in Padang Pariaman, West Sumatra. The target is to build 50 clapboard houses for the victims of last year's earthquake in Padang.

BII continued its strong programme in educational initiatives contributing Rp1.19 billion for the reconstruction of classrooms in primary schools in Yogyakarta destroyed by the recent earthquake. It constructed fully furnished BII classrooms for a special school for underprivileged families in the Lengkong Wetan area in Tangerang in collaboration with Bina Anak Indonesia and rebuilt a library in Tasikmalaya for SMP N1 Cigalontong.



Concern for the Environment (cont'd.)



HERITAGE, ARTS AND CULTURE

- MAYBANK MALAYSIA
- MAYBANK SINGAPORE
- BANK INTERNASIONAL INDONESIA (BII)

In-line with Maybank's 50th Anniversary celebrations, 50 Masterpieces by accomplished artists in Maybank's art collection have been compiled and are now being displayed at the Balai Seni Maybank. The gallery was established in January 1988 as part of Maybank's commitment to promote the appreciation and understanding of art in Malaysia. To commemorate the Bank's 50 year journey, this is the first time that the gallery is sharing an exhibition of its art collection with the public on a big scale.

Over the years, Maybank has accumulated a valuable art collection in our support of the work of first generation artists such as Latiff Mohidin, Ibrahim Hussein, Khalil Ibrahim, Syed Ahmad Jamal and Chang Fee Ming. Next came the second generation of the Abstract Expressionists artist in Malaysia with names such as Sharifah Fatimah Zubir, Tajudin Ismail and Awang Damit. We will continue to support and promote aspiring new artists by providing them the opportunity to display their art works at our gallery.

The 1Malaysia sculpture at Menara Maybank by Yusof Ghani is Maybank's artistic contribution to society as part of its 50th Anniversary celebrations. The lines in this sculpture symbolise the people of the nation. The various lines derived from the calligraphic characters of the Chinese, Indian, Malay Jawi script and the Bumi motive symbolise the diversity of Malaysian culture and history. The intention of the artwork is to create the vision for the country to propel Malaysia as one, towards progress and development to greater heights.

Maybank provided sponsorship support for a book on 'Half a Century of Malaysia-Indonesia Relations' to help enhance the cordial ties between the two countries.

BII also held an event for young people through its Youth Jazz Band Competition while Maybank Singapore organised a children's art competition to encourage its appreciation among the young people.



SUPPORTING GREENTECHNOLOGY FINANCING

We support the Malaysian Government's Green Technology Financing Scheme (GTFS) campaign to create awareness of green technology for companies.

Maybank held several GTFS roadshows in collaboration with the Ministry of Energy, Green Technology and Water and the Business Council for Sustainable Development Malaysia (BCSDM) from May to June 2010. These seminars are part of Maybank's promotional drive to foster the adoption of green technology amongst Malaysian companies. We have commenced a series of media advertisements in the major local newspapers. There was an overwhelming response with more than 150 Small Medium Enterprise (SME) customers attending the respective roadshows. SME customers have become more aware of the need to fulfil their responsibility towards a greener environment and applying green technology in their day-to-day business operations.



STATEMENT OF COMPLIANCE

We monitor our corporate risk on non-compliance of statutory and regulatory requirements related to the environment, including:

- Environmental Quality Act 1974 on pollution prevention and control
- Occupational Safety and Health Act 1994
- Road and Transport Act 1987 on noise and black smoke emission
- Local Government Act 1976 on waste dumping policy
- Street, Drainage and Building Act 1974 on spillage management

During FY2009/2010, Maybank did not face any penalties for violations of environment-related laws and regulations. Maybank complies with all significant environmental requirements under the Department of Environment's legal regulations. There were no significant fines or penalties incurred for environmental non-compliance during the course of operations.



Great Workplace





We provide a work environment that harnesses employee talents and enables employees to find meaning in their work. We empower our staff to play a role in tackling the challenges faced by their local markets through employee volunteerism and social participation in the local communities.

INITIATIVES	
CULTURE AND WORK ENVIRONMENT	<ul style="list-style-type: none"> Energetic and enthusiastic Maybankers who passionately live the corporate values Honest, open and trusting conversations and communication Empowered, innovative Maybankers whose creative ideas are welcomed Calculated risk is encouraged and a learning environment nurtured Maybankers who serve with a heart and close to you
EMPLOYEE VOLUNTEERISM	<ul style="list-style-type: none"> Cahaya Kasih and employee volunteerism projects Employee contribution to the Tabung Kebajikan Kakitangan Kumpulan Maybank (TKKKM) Participation in external sports tournaments in support of the development of sports in the country and national celebrations
EMPLOYEE WELLNESS AND RECOGNITION	<ul style="list-style-type: none"> Extensive learning and development programmes Maybank Group Staff's Children Excellence Award Maybank Awards Night and Long Service Awards Fun at Work activities – Engagement events, Earth day and Women's day celebrations Parenting at Work programme Mentor-Mentee Programme Gym and recreation facilities at our main buildings Sporting opportunities and activities driven through the sports club
OCCUPATIONAL HEALTH AND SAFETY	<ul style="list-style-type: none"> Regular health talks Health and Wellness Week Health and Wellness bulletins and communication Blood donation drives Defensive riding for motorcyclists Safe driving campaigns before festive holidays

Great Workplace (cont'd.)



Maybank's Human Resources (HR) philosophy and practices are in line with world best practices and support Malaysia's HR development framework. The Minister of Human Resources, Y.B. Datuk Dr. Subramaniam, states that HR best practices enhances the image of Malaysia in the eyes of the HR global community and contributes to more Foreign Direct Investment (FDI) coming into Malaysia. We have established various initiatives to raise the overall competency of human resources in the business community accordingly. We are proud to announce that Maybank was awarded the Silver Award in the HR Innovation Category and was one of the four Gold Award winners in the HR Excellence Category at the Malaysia HR Awards 2010. Maybank was also the proud recipient of the Ministry of Human Resource – Caring Employer Award 2009.

FAIR PAY POLICY

At Maybank, there are no disparities in pay between men and women. We lead the way in ensuring that we pay for the value of the job to ensure that Maybankers are remunerated equitably across all levels in the organisation. Compensation is one of the key components under our Total Rewards package. There is no minimum wage law in Malaysia. Our base salary is competitive and includes performance-based incentives and rewards.

• **Maybank Group Total Rewards Philosophy**

Our rewards and recognition schemes play a key role in shaping our high performing culture. Maybank has embraced the Total Rewards Philosophy which incorporates a holistic view of our employees’ remuneration package. It is an integrated rewards strategy which encompasses fixed and variable cash compensation plans, work-life balance, performance and recognition, development and career opportunities. Maybank advocates and practices ‘Pay for Performance’. High performance bonuses payouts are given to our high performers who produce excellent results. As a result, Maybankers continuously target high performance goals and exceed their expectations.

DEVELOPMENT & CAREER OPPORTUNITIES	<ul style="list-style-type: none"> • Training and Development Programmes - Technical and Self-Development • Career Progression 	TOTAL REWARDS	
BENEFITS	<ul style="list-style-type: none"> • Medical Benefits • EPF 16% • Annual Leave • Insurance Coverage - GTL and GPA • Staff Loans - Housing, Car and Computer Loans • Car Allowance • Recognition Awards (President’s Merit Award, Spot Award, Branch Performance Award, Innovative Idea Award) • Work-Life Balance 	Total Compensation & Benefits	
VARIABLE CASH	<ul style="list-style-type: none"> • Variable Bonus • Sales Incentive 	Total Cash	
OTHER FIXED CASH	<ul style="list-style-type: none"> • Fixed Allowances (such as Transport Allowance) • Contractual Bonus 	Guaranteed Cash	
BASE PAY	Basic Salary		

Great Workplace (cont'd.)

KEY BENEFITS FOR FULL-TIME EMPLOYEES

- Medical Benefits – Maybank bears medical costs for employees of all grades and their immediate family members. Employees enjoy a wider choice of hospitals including specialist centres for treatment on a 24-hour basis. All employees are also provided executive medical examinations.
- Employee Loans – housing, car, computer, educational, club membership, renovation and sundry loans.
- Higher company contribution to Employees Provident Fund (EPF), up to 16%.
- Annual, marriage, compassionate (including paternity), sports and medical leave including prolonged illness leave to all employees.
- Insurance Benefits – Group Term Life and Group Personal Accident Insurance coverage for permanent employees.
- Maternity Leave – 90 consecutive days for female employees.
- Maybank Group Staff Welfare Fund – provides alternative financial assistance where the current benefits do not cover such as appeals for financial assistance for employees, spouses, their children and parents in the event of accident, illness, death or loss of properties due to natural disasters. The Fund is managed by a committee which consists of Management and union representatives.
- Retirement Benefits – monetary token with option to purchase insurance (Group Hospital and Surgical Insurance & Group Term Life Assurance & Group Personal Accident Insurance), special rates for banking facilities and use of Bank's Recreational Centre facilities, usage of holiday bungalows and invitation to Maybank's major events.

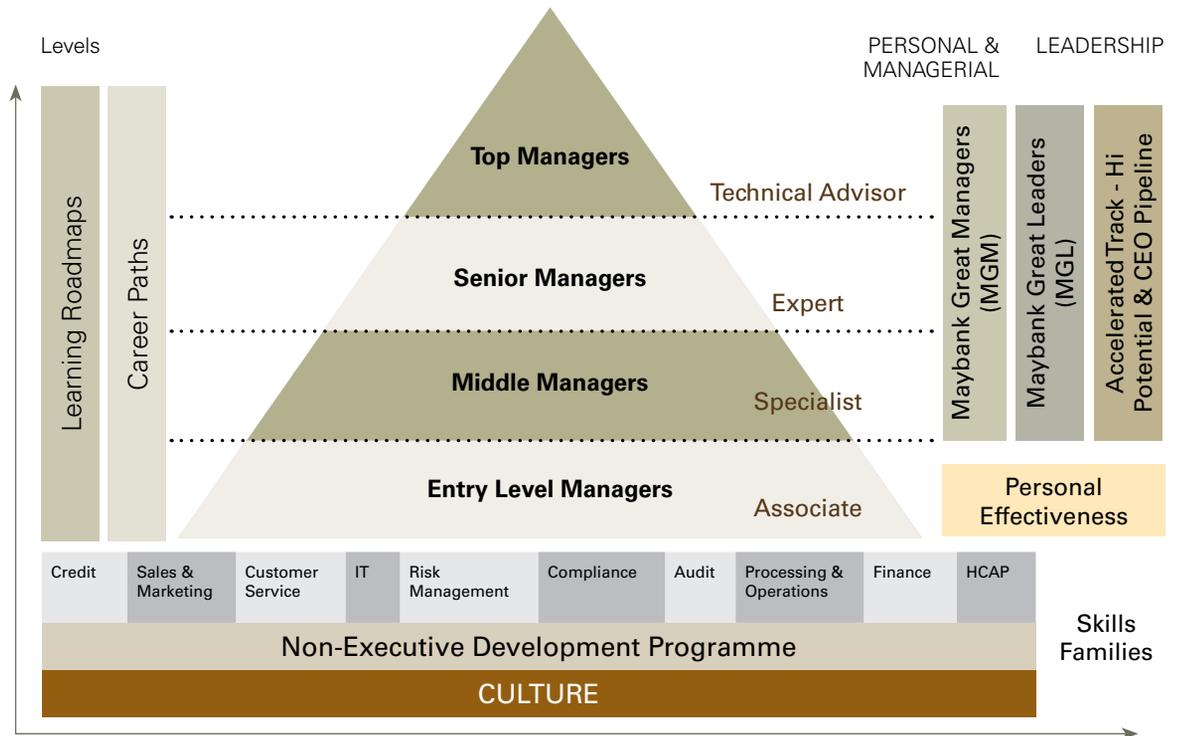
Flexible Benefits Scheme

It is an innovative benefit system that empowers and gives our employees the choice and flexibility to customise the benefits package according to needs, lifestyle or family commitments. It is applicable to eligible employees in all Information System grades and for Band G and above in Maybank Group in Malaysia. The Flexi-Benefits plan has the following components - Core Benefits, Flexi-Points, Optional Benefits and the Flexible Spending Account. The employee may use Flexi-Points to enhance the core benefits and to seek reimbursement at their discretion.

Opportunities for Continuing Service Upon Reaching Retirement Age

Our retirees are an important pool for skilled resources to meet our current and future business plan needs. Retiring employees may submit an application to continue employment up to the age of 57, subject to approval and terms from the Management.

LEARNING, DEVELOPMENT AND CAREER PROGRESSION



* The framework covers all employees of Maybank (including subsidiaries and overseas units)

Maybank has an extensive curricular system which provides fresh graduates with the necessary learning and development opportunities. This prepares them roles in middle management or specialised fields. Graduates are expected to apply their learning of the curricular and practice the core values.

MAYBANK ACADEMY AND MYCAMPUS

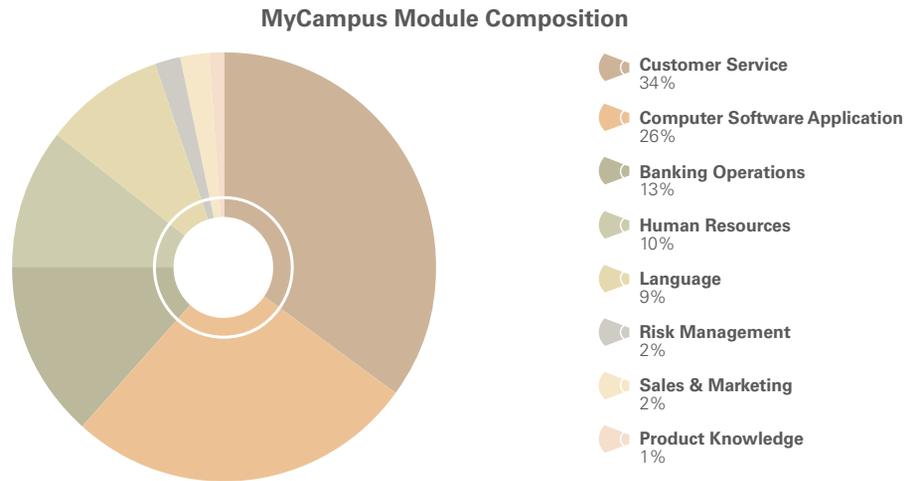
Maybank offers varied and comprehensive development opportunities from training to development interventions including job rotations, secondments, mentoring and coaching. Our training and development programmes help our employees to perform at their optimum levels and work synergistically as one effective team. Our facilities include our flagship learning centre, the Maybank Academy and our online e-learning tool (MyCampus) that provide employees 24-7 access. Maybank's continued commitment to up-skilling

our workforce through learning is supported by the FY2010/2011 budget allocation of RM112.52 million for Group learning and staff development.

With Sales and Credit being a major business focus, a total of 11,253 and 2,625 employees have attended the sales and credit programmes respectively conducted by Maybank Academy in FY2009/2010. Soft skills programmes such as English Language improvement programmes have also been introduced to enhance the level of spoken and written English at all levels within the Group.

As of June 2010, there were 299 active e-learning modules accessible on the MyCampus website. A total of 98.7% of employees have accessed MyCampus and 10.62% of them are regular users.

Great Workplace (cont'd.)



MAYBANK GREAT MANAGER PROGRAMME (MGM)
MAYBANK GREAT LEADER PROGRAMME FOR MIDDLE MANAGEMENT (MGL)
TRANSITIONING LEADERS TO CEO PROGRAMME (TLC)

Maybank is passionate about developing all managers to improve leadership skills and mobility. Our signature Managerial and Leadership Development Programmes (MGM and MGL) inculcate managerial and leadership talents and develop capable people leaders who humanise banking and lead Maybank to achieve its aspirations by 2015.

MGM is a series of highly practical modular workshops which are specially designed for Maybank managers to raise the bar of performance through excellent people management skills and capabilities. As of June 2010, a total of 1,891 managers had undergone the MGM.

MGL is an internal leadership development programme which aims at developing a cadre of leaders who are capable of leading the group to a higher level of performance. It is complemented by other external leadership interventions to ensure a holistic development of our leaders. As of June 2010, a total of 847 leaders had attended a minimum of one leadership intervention, which includes face-to-face classroom, seminars and fireside chats.

TLC is Maybank's internally developed programme which aims to create a pool of internal talents who can assume CEO/CEO-like positions within the next three years. This programme is a blend of best practice learning and development which will prepare 60 young CEO pipeline candidates. Key features of the programme include best-in-class learning modules, top team engagement, international exposure, stretched projects and opportunities to network with business leaders in premium development programmes overseas.

STAFF EDUCATION ASSISTANCE SCHEME

An improved Staff Education Assistance Scheme was re-launched from November 2008 to help create a pool of high-calibre middle and senior management staff to drive and lead Maybank in meeting future challenges of the industry. With the establishment of more universities, opportunities for employees to pursue higher education will benefit the organisation's capability. This sponsorship scheme covers a first degree to Master's degrees, ACCA, CIMA and other professional qualifications that are banking or job-related. In addition to meeting the staff's development aspirations, the scheme is in line with Maybank's philosophy of being a learning and knowledge organisation.

The scheme covers studies at any of the universities and colleges recognised by the Malaysian Qualification Agency. A total of RM0.98 million has been allocated for this scheme and currently a total of 38 employees are under sponsorship for their studies at universities or colleges of their choice.

MAYBANK GROUP INDUCTION PROGRAMME (MGIP)

MGIP is a programme designed to help new Maybankers assimilate and familiarise themselves with Maybank's culture, aspirations, business objectives, structure and functions. New Maybankers are given a one day orientation course and an induction day with the PCEO and Executive Committee within the first two months. They are also provided with customised sectorial learning maps.

ENTRY LEVEL PIPELINE FOR NEW RECRUITS

The Entry Level Pipeline comprises of fresh graduates entering Maybank through specific programmes and vacancies. These programmes are:

- Maybank Apprentice (MA) Programme for Investment, Credit and Branch Managers. Graduates for the MA Programme who are recruited based on stringent conditions of academic and extra-curricular excellence. These programmes are actively sourced at selected institutions and career fairs both locally and abroad.
- External Internship Programmes are government sponsored CR programmes that we support which aim to increase the employability of graduates in Malaysia. This enriches them with the necessary skills to commence employment. The internship programmes that we support include:
 - Graduate Employability Management Scheme (GEMS) by Khazanah Nasional Berhad
 - Financial Sector Talent Enhancement Programme (FSTEP) by Bank Negara Malaysia
 - Group Executive Trainee (GET) by Permodalan Nasional Berhad (PNB)
 - Ministry of Higher Education Investment Bridging Programme (KPT-IB) by PNB

Great Workplace (cont'd.)

Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) Policy Compliance Training

Education and training is provided to all employees to ensure awareness of and adherence to the requirements under the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 (AMLATFA 2001). Briefing sessions and mandatory e-learning on money laundering and terrorism financing form part of the induction for all newly recruited employees. Maybank focuses on training to conduct effective on-going Customer Due Diligence (CDD), detect suspicious transactions and identify necessary measures to be taken upon determining a transaction as suspicious.

The Talent Management Framework

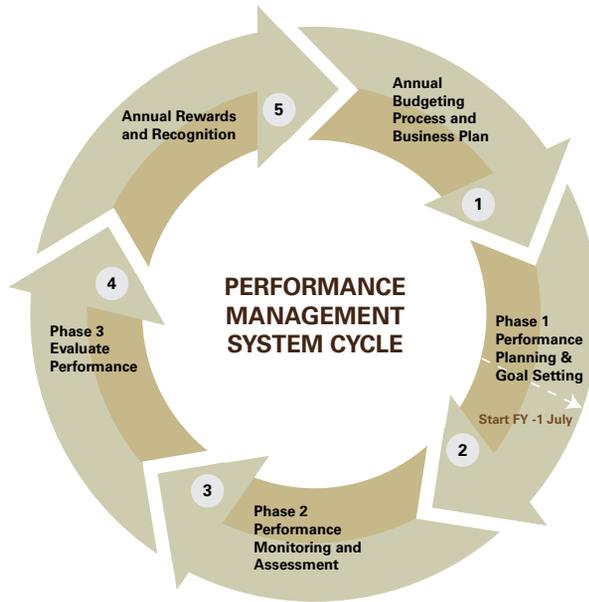


The Talent Management Framework guides the way in which Maybank aims to deliver the right talent with the skills, capabilities and motivations required to achieve its business goals. This framework enables all line managers to take an active role in talent management and development and further optimise people to achieve success.

Initial selection is key to ensuring that the best talents are identified for the right jobs. Various pipeline building and resourcing initiatives have been launched to fulfil the Group's talent requirements. A key driver of Talent Management this year has been an enhanced Talent Review architecture. This provides more robust discussions and aims to institutionalise a systematic and disciplined process for high potential talents and successor candidates.

Talents identified are considered by the Sector and Group talent review committees to assume roles of greater responsibility. This effective and efficient succession planning process is integrated with Maybank's Personal Development Plan (PDP) process and the Group's Annual Budget process for impact at the individual staff and business levels. To ensure sufficient motivation and effective retention of our valued talents, Maybank adopts a Total Reward Management approach which covers monetary remuneration and career development catering to different levels of employees.

Performance Management



Performance management in Maybank aims to manage expectations of performance and evaluate achievements. Performance management covers all levels of employees where Key Performance Indicators (KPIs) are aligned with business and individual performance. Maybankers are required to demonstrate and live Maybank’s corporate values which are an integral component and indicator of performance.

Performance results shape and drive the development of the employee’s performance and career with Maybank. Those who do not achieve the grade are coached and nurtured through a structured “consequence management process” designed to ensure that all Maybankers are given the opportunity to improve while maintaining rapport and credibility in the process. Employees are encouraged to perform to their best ability by developing their personal, technical and leadership competencies. Employees have their Personal Development Plan (PDP) which is a tool designed to identify and address individual development needs.

Great Workplace (cont'd.)

EMPLOYEE ENGAGEMENT

We request employee feedback periodically, measure and manage the level of employee engagement within Maybank and the business sectors. We recognise that appropriate initiatives can be introduced to improve engagement levels and enhance our employee value proposition. We continuously search for ways to create a positively heightened connection between employees and our organisation through various awards and recognition schemes.

STAFF ACADEMIC AWARD	MAYBANK GROUP STAFF'S CHILDREN ACADEMIC EXCELLENCE AWARD
<ul style="list-style-type: none"> For employees who strive for excellence in the pursuits of academic or professional qualifications A total of RM88,000 was granted in FY2009/2010 	<ul style="list-style-type: none"> Recognise and reward employees and their children's academic excellence for the PMR, SPM and STPM examinations Total amount of award granted was RM223,600 in FY2009/2010

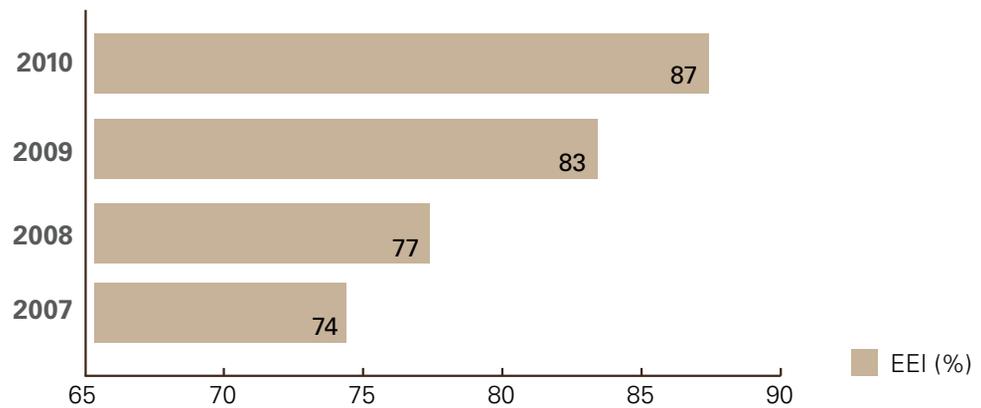
Our annual My Voice survey (employee engagement survey) measures employee engagement which includes identifying key drivers of engagement to provide a focus on improvement efforts to achieve a higher impact on employee engagement. The key drivers for FY2009/2010 are indicated in the table below:

YEAR	KEY DRIVERS
2009	Values Career Planning and Development Corporate Social Responsibility (CSR)
2010	Transformation (New key driver) Values Career Planning and Development

Transformation is the strongest driver for 2010, replacing CSR from the previous year. Career Planning and Development is performing well and driving engagement levels in Maybank Group.

The Employee Engagement Index (EEI) and the Core Values Index (CVI) have increased compared to previous years. EEI has significantly improved from the score of 83% in 2009 to 87% in 2010. It is performing strongly against the Malaysian benchmark (10% above), global industry peers (9% above) and global high performing companies (4% above). In addition, CVI for 2010 is 78% which is an increase of 5% from the previous year. This index is also performing strongly against the Malaysian benchmark (9%), global industry peers (8%) and global high performing companies (2%).

Maybank Group EEI from 2007 to 2010



	EEI*	CVI Overall	Teamwork	Integrity	Growth	Excellence and Efficiency	Relationship Building
2008	77%	69%	73%	75%	69%	57%	74%
2009	83%	74%	78%	80%	72%	63%	77%
2010	87%	78%	81%	85%	79%	67%	82%
% Difference (2009 vs 2010)	5%	5%	3%	4%	6%	5%	5%

Significant increase over 3 years



* indicates a statistically significant difference

Great Workplace (cont'd.)

EMPLOYEE COMMUNICATION

Clear and meaningful two-way communication on the vision, mission, actions and expectations is top priority. It is led by the Executive Committee and practiced throughout Maybank. Honest, open and trusting conversations are encouraged across Maybank to share constructive feedback, explore ideas and to clarify perceptions and doubts. The Executive Committee fosters open communication by continuously engaging with Maybankers through the many different methods of employee communication. These include face-to-face sessions (townhalls, roadshows, teh tarik sessions, luncheons, sporting and other events), electronic channels (email news, real time updates on the employee portal and the innovative ideas sites), telephone (helpdesk for change projects and HR matters) and print (posters, newsletters and correspondence).

MAYBANK WORKPLACE CULTURE

Our desired culture is a high performing, truly regional identity characterised by our corporate core values better known as 'TIGER'.

Our open communication culture promotes a strong sense of belonging and pride in the organisation. Maybank has designed innovative mediums for cultural transformation within the workplace. Our latest successful intervention is our full-time and part-time Executive Leadership Coaches (ELC). ELCs are appointed from a group of diverse, trusted senior credible business leaders across all business segments. They have been developed to achieve breakthrough conversations and facilitate win-win situations for the people of Maybank and the business. They are dedicated and trained mentors and coaches on call for all Maybankers.

A strong Executive Committee team (EXCO) has played a leading role spearheading the culture change to achieve Maybank's aspiration with resounding success. The EXCO is connected and engaged with all levels of Maybankers across the Company at all branches and centres. Their commitment to understanding the pulse of the organisation is supported by the 'Igniting the TIGER Spirit Tour'. The EXCO is committed to visiting our branches across the country.



Maybank Celebrates at the Group Awards Night 2010: A Night of Stars!

The Maybank Group Awards Night 2010 was held at the Putra World Trade Centre in Kuala Lumpur. The grand gala event, themed “A Night of Stars” was attended by 3,000 Maybankers from Malaysia and overseas. The objective of the Awards Night is to recognise good performance and talents. It was a momentous occasion when Maybank Group announced the award recipients as the process of selections for the various awards had been rigorous and challenging. The winners, the stars, the talents were announced for the following categories:

- Best Talent Awards (Manager, Executive and Non-Executive Category)
- Core Values Champions Award (Regional and Sector)
- CSR Cahaya Kasih President’s Award (Best Volunteer Team, Best Creative Idea Award)
- Maybank Idol

Prior to Awards Night, the Maybank Group Engagement Events dinner celebrations were held by the respective Regions and Sectors. Events for the dinner included honouring the Long Service Awards recipients, Best Talent Award winners for the respective Sectors/Regions as well as the selection process for the Maybank Idol.



Great Workplace (cont'd.)

LOCAL HIRING POLICIES

Maybank collaborates with selected colleges and universities in Malaysia and abroad as part of our hiring process to select the best-fit talents. Our main focus is the job fit and competency of the candidate for the targeted role. We actively source key talents at these institutions for employment. Maybank recruited a total of 67 candidates for various senior management positions during FY2009/2010, of which nine were expatriate employees.

OCCUPATIONAL SAFETY AND HEALTH

Maybank has made investments and improvements to provide a conducive and safe workplace environment for its employees. Under the flagship of the Occupational Safety and Health (OSH) programmes and campaigns, we focus on strengthening the OSH management structure and increasing the level of awareness within Maybank. Implemented campaigns have focused primarily on healthy lifestyle and health talks to educate employees on ways to maintain a sense of well-being.

Our OSH unit was established in 2006 and is dedicated to managing health and safety programmes. We have introduced OSH Committees at our Head office and regional offices. There are a total of 3,200 OSH Sub Committees introduced at all our branches across Malaysia. Total workforce represented in formal joint management-worker OSH Committees is 12.8%. In addition, there has been a First Aid Standby Team (F.A.S.T.) since 1998. Its role is to provide first aid to casualties within Menara Maybank before the arrival of ambulance or medical help. F.A.S.T. services cover our employees, customers and Menara Maybank tenants.

We ensure all requirements under the Occupational Safety and Health law (Occupational Safety and Health Act 1994, Factory and Machinery Act 1967, Environment Quality Act 1974) are achieved and ensure continuous compliance. We also ensure that all requirements by the enforcement agencies (Department of Occupational Safety and Health, Department of Environment) are met and that good rapport is maintained.



TRAINING AND OSH AWARENESS RAISING INITIATIVES

In 2008, Maybank won the National OSH Excellence Award and was nominated by Federal Territory Department of Occupational Safety and Health (DOSH) by participating in this programme based on its proven high standards of the OSH practices employed.

Maybank was the first financial institution in Malaysia to begin a year-long OSH Mentorship Programme with an SME, Usaha Sama Security (USS), in April 2009. The programme is part of the Federal Territory Department of OSH Mentor-Mentee and Good Neighbourhood programme with SMEs. It is aimed at increasing the level of OSH for the SME sector with the support of key corporations. This partnership shows the proven high standards of OSH practices employed by Maybank. Under the mentorship programme, Maybank will undertake activities including the sharing of expertise by training USS employees, conducting OSH audits and advisory on laws and regulations pertaining to OSH. This programme is currently at its final stage where a final audit will need to be performed.

Maybank's Emergency Responsible Plan (ERP) was launched in April 2007 and it is available to all employees via MyCampus, an on-line learning system. The objective of the ERP is to create awareness among all employees on general escape strategies during emergency situations. It also educates employees on safety and preventive measures taken during emergency situations.

Our OSH awareness talks are conducted regularly for employees. Approximately 300 employees participated so far and talks provide first-hand learning on safety and health at the workplace for all employees.

Employees are able to access the OSH online library and gather information which is related to their working environment. This self-service method has been successful as more employees benefit from the OSH tips, such as understanding and being aware of the root causes of major illnesses, medical threats and preventive measures. Other awareness programmes have been well received including light stretching activities. All departments are encouraged to participate for a few minutes daily.

In addition, the Group Business Continuity Management (BCM) Secretariat has been constantly monitoring the H1N1 situation since its initial outbreak in April 2009. Maybank has held various BCM Implementation Oversight Committee (IOC) Meetings to discuss the latest updates, responses and strategies on H1N1. Regular daily updates are provided to our employees during critical periods such as the recent H1N1 spread, dengue and haze alerts.



Great Workplace (cont'd.)

OSH Trainings in FY2009/2010

TRAINING	PURPOSE	NO. OF PARTICIPANTS	WHERE
HazMat (Hazardous Material)	To instill and create awareness of potential risks to our mentee company line workers who work with chemicals	23	USS Factory in Bukit Tinggi, Klang
F.A.S.T. refresher course	To maintain the competency skills of the F.A.S.T. members	30	Maybank Academy, Bangi
5's training	To instill the 5 'S' culture of housekeeping at the workplace	30	Menara Maybank
OSH Awareness	To instill OSH Awareness amongst Managers from Selangor Region and MGCC	40	NIOSH
Awareness e-learning	To instill OSH Awareness amongst Maybank employees	9554 completed as of Sept 2010	OSH Unit

National Institute of Occupational Safety and Health (NIOSH) - Maybank Contractor Passport (NMSP) Program

NMSP is an induction-training scheme developed by NIOSH to provide basic OSH understanding among the contractors and to reduce accidents. Only competent contractors who are trained according to the NIOSH-recognised module are hired.

OSH-TPC (Trade Processing Centre) Ergonomics Improvement Project

The OSH-TPC project is implemented to minimise and avoid musculoskeletal disorders (i.e. back, neck and shoulder pain, eye strain, carpal tunnel syndrome). This project is especially targeted for employees who conduct repetitive data entry that requires long hours in front of computers. We purchase ergonomic furniture including chairs, keyboard trays, document holders, antiglare for old PC screens and mouse/wrist pads.

Work-Life Balance Workshops

Maybank conducted six 'Parenting at Work' workshops for our employees in collaboration with National Population and Family Development Board (LPPKN). This workshop was designed to address family issues and help working parents with parenting skills. During the workshop, participants were given the opportunity to share real life experiences and learn from each other and from other parents. The topics discussed during the workshop were 'Knowing Your Personality', 'Creative Parenting' and 'Fathering, Mothering and Managing Stress'. A total of 232 participants have attended the workshops.

COLLECTIVE BARGAINING AGREEMENTS

Protecting employees' rights is fundamental to our human resources management. In FY2009/2010, we continued to implement respective collective agreements binding all employees of comparable grade. Signing comprehensive collective agreements with employees and providing them with consultation mechanism is important to us. There is no rule on minimum notice period(s) regarding significant operational change specified in collective agreements. However, we strictly comply with the existing national labour regulations in the respective countries in which we operate. Employees are notified of changes via Maybank's communication channels including face-to-face communication.

Maybank regularly conducts open dialogues with our in-house unions and national unions to discuss operational and industrial matters. These unions include four national and three in-house unions in Malaysia, two in-house unions in Indonesia and one in-house union in the Philippines and a national union in Singapore. An Office Committee/Inter-Relations Committee (IRC), comprising representatives of employees in Maybank, may be formed for the purpose of fostering and maintaining good relations between management and employees. We aim to work in a constructive partnership with recognised in-house unions in the best interests of employees.

UNION	SCOPE OF REPRESENTATION	STATUS OF THE COLLECTIVE AGREEMENT (CA)
Association of Maybank Class One Officers (AMCO)	Officers graded BG50, BG51 and BG52 (45% membership)	Present CA expiring 28 February 2011. * A minimum of two (2) members of the Office Committee shall represent employees in the Safety and Health Committee established under the Occupational Safety and Health Act 1994.
Association of Maybank Executives	Class II Officers (69% membership)	Present CA expired on 31 December 2008. Negotiation for the next CA for the period 1 January 2009 to 31 December 2011 is still ongoing. * A minimum of two (2) members of the Office Committee shall represent employees in the Safety and Health Committee established under the Occupational Safety and Health Act 1994.
Kesatuan Pengawal-Pengawal Keselamatan Malayan Banking (KPPKMB)	In-house security guards (91% membership)	Present CA expired on 31 December 2008. Pending first round of negotiation for new CA for the period of 1 January 2009 till 31 December 2011. * A minimum of two (2) members of the Office Committee shall represent employees in the Safety and Health Committee established under the Occupational Safety and Health Act 1994.
Serikat Pekerja BMI Indonesia	All categories except BOD, Heads of IR, Audit, Legal, EDP, Operations, Treasury and Corporate Secretary	Present CA still in force. Expiring on 31 January 2011.

Great Workplace (cont'd.)

UNION	SCOPE OF REPRESENTATION	STATUS OF THE COLLECTIVE AGREEMENT (CA)
Maybank Philippines Inc. Employees Union (MPIEU)	All except managerial, supervisory and confidential staff	Present CA still in force. Expiring on 31 December 2011.
Sabah Banking Employees' Union (SBEU)	SGC, Clericals and Non-Clericals in Sabah (100% membership)	Present CA expired on 31 December 2008. Negotiation for the next CA for the period 1 January 2009 to 31 December 2011 is still ongoing.
National Union of Commercial Workers (NUCW)	SGC, Clericals and Non-Clericals in insurance (73% membership)	Present CA still in force. Expiring on 31 December 2010.
Sarawak Bank Employees' Union (SBEU)	SGC, Clericals and Non-Clericals in Sarawak (100% membership)	Present CA still in force. Expiring on 31 December 2011.
National Union of Bank Employees (NUBE)	SGC, Clericals and Non-Clericals	Present CA still in force. Expiring on 31 December 2011. * A minimum of two (2) members of the IRC shall represent employees in the Safety and Health Committee established under the Occupational Safety and Health Act 1994.

UNION ENGAGEMENT

- MAYBANK SINGAPORE**

Maybank Singapore signed a policy with its unions on the re-employment of older workers based on the latest Tripartite Guidelines on the Re-Employment of Older Employees. Maybank Singapore also passed one-third of the funding received under the Jobs Credit Scheme to its employees in the form of extra bonuses. A total of 400 employees, who make up one-third of its workforce, received an additional 0.5 to 1.5 months' pay in their bonuses for 2009.

As a result of these initiatives, Maybank Singapore clinched the following awards:

- Plaque of Commendation - May Day Awards 2010, National Trades Union Congress (NTUC)
- Exemplary Employer Award - Tripartite Alliance For Fair Employment Practices (TAFEP)
- Excellence in Employee Engagement Award - The Asian Banker Excellence in Retail Financial Service Awards 2010

HUMAN RIGHTS

Maybank is committed to protecting and enhancing the human rights of its employees. Our Group employment policies are consistent with national standards and we recognise the rights of our employees to freely choose to join in-house unions. We continue to ensure equal opportunity in the workplace and encourage employee diversity based on the basic employment principles of equal work for equal pay regardless of gender. Maybank also does not tolerate child, forced or compulsory labour. Maybank has had a policy against sexual harassment since 2000 to ensure that our employees work in a safe environment. Appropriate and serious action is taken against any employees who breach this policy.

Maybank has a number of security service providers which specialise in all aspects of building security. All security providers practice the highest standards of training and operation. Their training incorporates all aspects of the law including human rights and non-discrimination.

SECURITY SERVICE PROVIDERS	COVERED REGIONS/BRANCHES
Safeguard Securicor Sdn Bhd	Sabah, Perak, Perlis, Kedah, Melaka, Sarawak, Selangor, Federal Territory
Kawalan Prima Sdn Bhd	Kedah, Federal Territory, Selangor, Kedah
Syarikat Hussain Chik	Penang
Awin Security	Melaka, Johor, Selangor, Federal Territory
Armour Security Sdn Bhd	Federal Territory, Johor
R.I. Kawalan Sdn Bhd	Perak
Kawal Wiramas Sdn Bhd	Negeri Sembilan, Selangor
Muhibbah Sdn Bhd	Federal Territory, Selangor
Guards & Escort Sdn Bhd	Sarawak

STATEMENT OF COMPLIANCE

Maybank complies fully with The Children and Young Persons (Employment) Act of Malaysia which prohibits the employment of children under the age of 14. We also comply with applicable international agreements against child labour. There have been no incidents or risks of child, forced or compulsory labour. In addition, there have been no reported incidents of violations involving the rights of indigenous people at any time in the Company's history.

Maybank's operation in Malaysia is structured by the Malaysian Employment Act 1955, which makes provisions against exploitative labour practices. We are also pleased to report that there have been no incidents regarding human rights violations or non-discrimination cases during the year under review.

Responsible Marketplace





We contribute to the region's economic prosperity and responsibly grow our business through the promotion of ethical, sustainable financial services and products with honest advice. We seek to constantly engage with our stakeholders and create beneficial win-win relationships.

INITIATIVES	
SUSTAINABLE FINANCE	Finance of clean development projects Emphasis on CR best practices by loan applicants Promote Clean Development Mechanism Support of Green Technology Financing Scheme and Clean Energy Fund
ETHICAL SELLING, PRODUCTS AND SERVICES	Customer education seminars, especially SMEs Initiate dialogue with relevant ministries and industry to develop CR standards, incentives and compliance monitoring
SUPPLY CHAIN	Work with suppliers to adopt responsible procurement practices Anti-crime policy/measures Code of Ethics in investments/financing

Responsible Marketplace (cont'd.)

SUSTAINABLE FINANCE

Maybank recognises that environmental and social impacts are increasingly evident as a risk associated with our financing and lending. We assess environmental and social implications for our financing and lending decisions rigorously. Maybank continues to encourage the adoption of sustainable business practices amongst SMEs and expands proactive approaches to other consumer lending products. Our subsidiaries, including Mayban Ventures Sdn Bhd and Maybank Investment Bank Bhd, are currently initiating sustainable financing schemes. As a result, we have a long-standing commitment to managing responsible banking.

SUPPORTING GREEN TECHNOLOGY FINANCING SCHEME (GTFS)

The Green Technology Financing Scheme (GTFS) was established by the Government to promote investments in green technology. Maybank supports this national initiative of promoting green technology into business operations and processes to conserve the natural environmental resources and minimise the negative impact of human activities.

Investment in Green Technology refers to products, equipment or systems which satisfy the following:

- Reduction of environmental degradation
- Zero or low greenhouse gas (GHG) emission
- Provision of safe products to promoting healthy and improved environment
- Active energy and natural resources conservation
- Promotion of the use of renewable resources

Maybank organised a series of Green Technology Financing Seminar roadshows between May and June 2010 in five different locations in Malaysia. The roadshow was held to create awareness among companies on the importance of 'greening business' and to alert them on the availability of dedicated financing facilities. The newly launched GTFS was discussed in depth. There was an overwhelming response with more than 150 SME customers attending the event at each of the four locations. SME customers became more aware of the need to fulfil their responsibility towards a greener environment and applying green technology in their day-to-day business operations.

Companies which are interested can submit their application to obtain the Project Certificate from the Malaysian Green Technology Corporation through the website (www.ptm.org.my or www.greentechmalaysia.my).

Maybank provides financing under the GTFS of up to RM50 million for producers of green technology products and services and up to RM10 million for users of green technology products and services. The government guarantees 60% of the total approved loan and provides a rebate of 2% of the total interest charged (conventional financing) and profit (Islamic financing).



We provide finance for the capital expenditure of equipment and machinery that reduces production waste and pollution. We have financed business ventures involved in waste management and recycling. Some of the green projects financed by Maybank include:

- Wastewater treatment plants for oil palm and other manufacturing industries
- River water treatment for domestic and industrial use
- Manufacturing reclaimed and crumb rubber
- Recycling of used computers and plastic containers
- Processing of scrap iron
- Bio-fertilizers
- Solid waste management recycling
- Oil waste recovery
- Renewable energy-generation of electricity from oil palm waste and solar power generation for domestic and industrial use

Responsible Marketplace (cont'd.)



Maybank Investment Bank provides access to funds via suitable debt market instruments, commercial papers, medium-term notes and longer-term bonds. Its Advisory Department provides project financing or fundraising advisory services for projects using clean technology as an integral part of the business. It also finances companies that are considering Clean Development Mechanism (CDM) techniques promulgated by the United Nations Framework Convention on Climate Change (UNFCCC) as a means of generating supplementary revenues. Mayban Ventures also considers equity financing for suitable clean development ventures.

INDUSTRY RESTRUCTURING FINANCING GUARANTEE SCHEME (IRFGS)

The Industry Restructuring Financing Guarantee Scheme (IRFGS) finances investments to increase productivity in high value added activities including research and development, downstream agriculture and the application of green technology. A total of RM3 billion was initially allocated for Malaysian Industrial Development Authority (MIDA) targeted sectors, including manufacturing and its related service sector. Malaysian registered companies from all economic sectors which have at least 51% Malaysian shareholding are eligible to apply for IRFGS and aggregate financing of RM50 million per company can be provided.

OTHER GOVERNMENT AIDED LOANS

Maybank is involved in processing and approving loans underwritten by the Credit Guarantee Corporation Malaysia Berhad (CGC). Maybank has recorded the largest market share for approved Credit Enhancer Scheme, Flexi Guarantee Scheme and Franchise Financing Scheme of 46.2%, 43.2% and 100% respectively in year 2009. As a result of our unwavering support and commitment, CGC awarded Maybank with two accolades; Top SMI Supporter Award 2009, for the 15th year running and Best Financial Partner Award 2009.

We also have a 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.

RISK MANAGEMENT IN FINANCING AND LENDING

We assess the social and environmental risks of any potential financial transaction when engaging with our customers. Provided customers meet our minimum standards, we support them as they move towards good working practices. We monitor case-by-case when customers do not meet our standards, in particular our own high risk indicators.

The lending guidelines of Maybank for financing projects or properties on elevated land consider the clause stated in Section 34A of the Environmental Quality Act, 1974 (EQA). This requires an Environmental Impact Assessment (EIA) to be conducted on any "prescribed activity" prior to the approval of the relevant Federal or State authority. Prescribed activity relates to any project involving the development of hill slopes, hillsides or hilltops. Maybank analyses the applicants' approach to preventing the environmental problems that may arise. We also assess the cost of environmental damage that is likely to result during the project work.

Maybank complies with guidelines where the EIA report is mandatory. When processing loan applications which are categorised under the domain of the EQA, the Lending Units relate the borrower's project or industrial activity to the requirements under the EQA.

The purpose of implementing this risk assessment is to consider the consequences of projects on the environment, particularly those which are sensitive. In order to prevent an adverse impact on the community, we need to assess whether the projects on elevated land or properties financed by Maybank can result in a landslide or fatal incidents.

Maybank conducts training for employees on our risk management policies including environmental and social risk in lending and financing. These are incorporated into our main training programme through online e-learning MyCampus modules.

Responsible Marketplace (cont'd.)

CLEAN ENERGY FUND

Mayban Ventures Sdn Bhd entered into a Joint Venture with Middle East and Asia Capital Partners in July 2010 to invest in the Clean Energy sector. The joint venture private equity fund is the first fund dedicated to the clean energy sector based in South East Asia and has a target fund size of USD500 million. The vision of the fund correlates with the aspiration of Maybank to succeed as a bank with a utilitarian purpose. Maybank is the first Malaysian financial institution to back such a fund. The fund aims to bring a larger mix of renewable and clean energy to the total energy output of Asia. It also brings sustainable energy to rural communities to enable these communities to build a better future.

The growth of energy demand in Asia is the highest in the world and offers the greatest opportunity for the clean energy industry. Clean energy is rapidly becoming a priority focus of governments in Asia and offers immense opportunities for investments.

The fund aims to develop a diversified portfolio of attractive clean energy projects in wind, solar, small hydro, biofuels, geothermal and waste-to-energy in Asia. Additionally, the fund will also have the flexibility of investing in low carbon conventional energy such as gas, Liquefied Natural Gas (LNG) and clean coal. The fund will support other energy efficient initiatives including green buildings, applications, appliances, lighting, transportation and other supportive industries.

SHARIAH COMPLIANT FINANCIAL PRODUCTS

Islamic banking is similar to conventional banking but operates in accordance with the principles of Shariah. The most pronounced difference between Islamic banking and existing conventional equivalent products is the prohibition of interest. This is based on the principle that money is unacceptable to increase in value merely by being lent to another person. Shariah does not prohibit the making of a return on capital if the provider is willing to share in the risks of a productive enterprise.

Shariah principles prohibit transactions that involve interest, gambling, speculation, unethical investment, contractual terms of a transaction involving uncertainty, deception, ambiguity or lack of clarity or gives rise to speculation. Islamic financial transactions are structured using contracts or a combination of contracts that satisfy the requirements of Shariah. Common terms used in Islamic banking include profit sharing (Mudharabah), safekeeping (Wadiah), joint venture (Musharakah), cost plus (Murabahah) and leasing (Ijarah).

Maybank Islamic is currently the largest Islamic Banking provider in the Asia Pacific region which meets the exciting and challenging developments of Islamic Banking. The table below lists some of our products which intend to build social capital value through the social aspects incorporated in the product features.

MAYBANK PRODUCT	SOCIAL BENEFITING GROUP
imTeen Account-i	Students
MaxiHome-i/Takaful Amal	Family
Senior PA/Golden Savers Account-i	Seniors

ENGAGING WITH CUSTOMERS



Maybank aims to satisfy its customers by providing top-quality services that reflect their expectations and opinions. We strive to enhance customer satisfaction and value for various groups of customers including individuals and businesses. Since January 2010, we have waived the imposition of processing fees for loans applied by SMEs. This new policy is in-line with Bank Negara Malaysia (BNM)'s support for the growing SME business in Malaysia.

Customer Education Programme the Kuala Lumpur and Selangor Chinese Chamber of Commerce and Industry

Maybank communicates with customers through customer education seminars. These include the Kuala Lumpur and Selangor Chinese Chamber of Commerce and Industry (KLSCCCI) Loan Clinic (July 2009), SME South Johor Loan Clinic (August 2009), Kuala Lumpur Malay Chamber of Commerce (KLMCC) Loan Clinic (September 2009) and SME Financial Solutions programme in Penang, Kuala Lumpur and Johor Bahru (October 2009). In October 2009, Maybank also organised a series of seminars on factoring as an alternative form of receivables financing for SMEs. This involves the Bank's factoring of company's trade debtor invoices for immediate cash advance. This financing mode is most suitable for SME clients who lack collateral and corporate clients for improving their financial performance with non-recourse factoring. In the process of factoring, Maybank undertakes the task of collecting the trade debts from our client's debtor upon the invoice maturing. This provides our clients with timely cash flow so they can concentrate on growing their businesses.

Maybank has been focusing on educating local SMEs in CR. This helps them understand the interactions between organisations and society. It also highlights what constitutes responsible business including the sharing of best practices, effective implementation and performance monitoring. Maybank collaborated with the Business Council for Sustainable Development in Malaysia (BCSDM) to educate SMEs on the need to adopt CR practices in their daily business operations as a prerequisite for participation in the global supply chain.

Entrepreneurial Development

In addition, we collaborate 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. Maybank evaluates viable franchise businesses, procedures and criteria for financing under the franchise business schemes. We have organised numerous financial courses and loan clinics for small entrepreneurs in Malaysia. Our Entrepreneurial Development Department specifically designed these courses to provide advice on cash flow management, business plan preparation for loan application and loan packages. Maybank also shares the financing options available in the form of soft loans, grants and guaranteed financing schemes.

Maybank's Entrepreneurial Development Department also conducted 18 sessions on evaluation methods of the viability of a franchise business and banking facilities for franchise business. This was organised by the Malaysian Franchise Association (MFA), in collaboration with the Ministry of Domestic Trade, Co-operatives & Consumerism (MDTCC) and Perbadanan Nasional Berhad (PNS). Maybank is one of the panel of trainers in the programme that provide exposure to the public on the basic aspects in franchise business system and evaluation method of viability as preparation to enter the industry.

Responsible Marketplace (cont'd.)

WHEN	TITLE	BENEFITS FOR SMES
June 2010	SME financing Seminar at MATRADE	Provide in-depth information on trade financing facilities to Malaysian SMEs.
May 2010	MATRADE Programme with Entrepreneurs and Exporters at Holiday Villa, Alor Setar	Provide in-depth information on export trade financing to Malaysian businessmen.
May 2010	TNB 2010 Supply Contracts/Vendors Day-Booth Exhibition (organised by Tenaga Nasional Berhad - "TNB")	Provide information on the types of vendor financing facilities.
August, November 2009 and April 2010	Agriculture Financing Seminar for Entrepreneurs and Companies (organised by Agricultural Department)	Provide information on the types of facilities offered to SMEs that are involved in the agricultural retail business.
November 2009	Briefing on Financial Planning for Business (organised by Belia 4B, Kelana Jaya)	Banking facilities offered to the SMEs and preparation of business plan for loans.
August, November 2009	Induction Programme for PROSPER Entrepreneurs (organised by Perbadanan Usahawan Nasional Berhad - "PUNB")	Provide in-depth information on the various types of facilities offered to the Bumiputera SMEs in the retail business. PROSPER refers to 'Projek Usahawan Bumiputera Dalam Bidang Peruncitan', a special scheme for Bumiputeras involved in retail business offered only by PUNB.
August 2009	SME Financing Packages and Services Seminar for TNB Vendors and Contractors (organised by Maybank)	Banking facilities offered to the TNB vendors and contractors.

Golden Bull Award 2010

The Golden Bull Award honours the best of SMEs in Malaysia by giving them recognition for their hard-earned success and outstanding achievements. The Award aims to provide an effective platform to benchmark successful SMEs and to encourage more SMEs to strive for excellence in today's ever-changing competitive globalised marketplace. Maybank is the main sponsor for this event and will play a proactive and supportive role to assist the SMEs in Malaysia. There are three main awards as follows: Outstanding SMEs, Emerging SMEs and Super Golden Bull.

Customer Engagement Survey

Maybank conducts an External Customer Engagement Survey (ECES) to boost customer satisfaction and enhance our financial services. Customer satisfaction is measured annually through our appointed survey research company. Our first survey was conducted in 2008. It targeted a group of customers classified under the 'High Network' or 'Mass Affluent' category which had transactions related to Sector/Customer Segment within the last six months. We conduct telephone interviews in English, Bahasa Malaysia and Mandarin.

The objectives of the annual ECES are to understand and increase customer engagement with Maybank, benchmark our current performance and relate this to past performance. We are working to understand the strengths more fully and identify critical improvement areas on customer perceptions and behaviours.

	SURVEY COVERAGE	NUMBER OF RESPONDENTS	ENGAGEMENT INDEX SCORE
2008	Sectors, Customer Segments, Regions	2,296	29%
2009	Sectors, Customer Segments, Regions, Branches, Auto Finance Centres	25,486	33%
2010	Sectors, Customer Segments, Regions, Branches, Auto Finance Centres	30,747	34%

Customers' Feedback Management

The channels through which customers may lodge their complaints include branches/centres or contact centre, the website Maybank2u.com, a designated email address or direct to Maybank's centralised complaints unit. Complainants may also refer any deadlock cases to an external mediation agency called The Financial Mediation Bureau (FMB) for appropriate redress. The contact details of the centralised complaints unit of Maybank are available on websites of BNM, FMB and Maybank.

All service delivery personnel may receive complaints from complainants and take appropriate steps to resolve the complaints in an efficient, fair and timely manner. Root-cause analysis is undertaken by Customers' Feedback Management to ascertain the root cause of complaints and provide appropriate remedial measures and improvement initiatives to overcome recurring or systemic problems.

The Head of the Centralised Complaints Unit reports directly to the PCEO and indirectly to the Service Quality division. Presently, there is no specific committee which deals with complaints. A Mediation Committee has recently been established to handle specific appeal cases related to loans repayment. Other cases are handled at the respective levels in accordance with the prescribed approving limits of the respective approver. Complaints data are reported on monthly basis to Maybank's EXCO.

Complaints and Feedback Trends

FEEDBACKTYPE	FY07/08	FY08/09	FY09/10
Complaints	2,127	2,292	3,473
Feedback	25,993	62,583	68,561

Customer Privacy : Customer Due Diligence (CDD)

Maybank benefits from Customer Due Diligence (CDD) especially when establishing business relationship with customers, carrying out transactions that involve a sum in excess of the amount specified by Bank Negara Malaysia (BNM) or when Maybank has any suspicion of money laundering or financing of terrorism. The CDD undertaken by Maybank helps to verify a customer's identity using reliable independent source documents, data or information. The Group CDD protects the business from becoming a victim of financial crime. Any business relationships that fail to comply with the CDD requirements will be terminated. Maybank keeps all relevant documents including any material business correspondences and documents relating to transactions for at least 7 years after the transaction has been completed or after the business relationship has ended.

Customer Service Programmes

We S.E.R.V.E. Programme

The "We S.E.R.V.E. Programme" is the follow through of the GUEST customer service programme which is focused on service recovery at branches. The objective of We S.E.R.V.E. programme is to formalise our action and behaviour (including the scripts) on how we address and manage walk-in complainants.

The programme was formally launched by the Head of Consumer Banking in December 2009 at the Suria KLCC branch complete with campaign pledge reading by the branch team. Maybank aims to take ownership and responsibility in solving customer issues and to prevent any negative impact from customer complaints.

Responsible Marketplace (cont'd.)

Supply Chain

Maybank works with a wide range of suppliers and business partners including institutions that provide financial products and services. We work to create value through collaboration with them and strive for fairness in all interactions with suppliers and business partners. We aim to develop and nurture our local vendors and entrepreneurs through our own learning and development programme. In June 2010, Etiqa Insurance and Takaful launched the Etiqa Academy located at Bangunan Datuk Zainal that will function as a centre of learning and development of its 26,000 agents nationwide.

Procurement Policy

Maybank is committed to practice world-class procurement practices and secure significant savings through strategic initiatives and collaboration with stakeholders. Our procurement policy supports the Group strategic, business and financial objectives. We continue to achieve maximum effectiveness on procurement which results in a positive impact on our cost-to-income ratio.

Ethical Supply Chain Management

Maybank is committed to working with key suppliers to contribute to the goal of continual improvement in environmental, social and ethical performance. We assess our suppliers on these issues and expect strict implementation of management systems which indirectly influence its supply chain process. All suppliers must comply with the Company's declaration of conflicts of interest. Employees must adhere to Maybank's Code of Ethics and Conduct. Any approaches by a vendor that goes beyond the bounds of courtesy, or offer or receipt of gifts, is reported to the respective Regional or Sector Heads. Maybank does not engage with suppliers or vendors who have faced any type of human rights violations.



Protection of Information

Confidential information is only sought from suppliers when necessary. This information is not disclosed without the supplier's prior written consent. Suppliers must not disclose any transaction details that may affect Maybank's business reputation and competitive advantage. We are committed to protecting confidential information, intellectual property and strategies that may cause negative impact to any of the parties.

Our procurement policy sets the following guidelines on information handling including:

- There should be no releases of any spend data or contract-specific information including supplier names or pricing, except as necessary at an aggregate commodity level for supplier negotiation purposes, or as required by law.
- Under no circumstances is any Maybank employee to release any supplier pricing to another supplier or third party.
- Release of supplier names may only be made with supplier approval in conjunction with providing sourcing or reference information for specified parts or qualified suppliers.
- There should be no release of information or comment on any commercial or strategic planning aspects of Maybank's relationship with any supplier.

In all instances where Maybank's confidential information is to be disclosed to a supplier or other external party, it is mandatory to execute a non-disclosure agreement prior to disclosure in order to protect Maybank and its customers' information and interests.

Our Relationship with Suppliers and Vendors

Maybank manages risks related to supply chain through its Group Procurement Policy and Code of Ethics and Conduct. Maybank's procurement policy sets the minimum standards expected from all supply chain activities. All vendors must maintain the highest standards of integrity in their performance. This policy details conflict of interests among parties, fair dealing and best practice standards of any subcontractors. Breaching this provision leads to the termination of this agreement.

Our contract and performance management require amendments to be authorised and agreed by both parties involved in the agreements. The business units (contract owners) are responsible for the day-to-day operations with suppliers.

The Strategic Procurement Category Managers are responsible for managing the interaction between commercial user and suppliers. Users communicate their requests to the Strategic Procurement Sector who send this information to the suppliers. Our Category Managers continue to maintain high standards in the supply chain practices.

Compliance with Legal and Regulatory Policy

Maybank's purchasing and sourcing activities are guided by Malaysian Law and the regulatory frameworks imposed on Banks and GLCs in Malaysia. Offshore sourcing is conducted in a manner that is acceptable to the providing nation state and Malaysian law. Wholly domestic contracts abroad utilise the laws of the country or state concerned.

Responsible Marketplace (cont'd.)

PREVENTION OF CORRUPTION

Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) Policy

Maybank is committed to preventing money laundering and terrorism financing. We recognise our obligations to prevent the financial channels and products from being used by money launderers and terrorist organisations for illicit purposes. Maybank complies with the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 (AMLATFA 2001) that criminalises money laundering and financing of terrorism in any form. We do not take part in any process of converting cash or property derived from illegal activities. Maybank is also against any actions of soliciting, collecting or provisioning funds that come with the intention to support terrorist acts or organisations.

In a case where there is suspected money laundering, terrorism financing or transaction(s) that trigger any High Risk Indicators, Maybank Enhanced Customer Due Diligence will obtain more detailed information on the customer approval from Senior Management before establishing the business relationship with customers.

There have been no instances of breaches of the money laundering and terrorism financing act during the period under review. There have been no significant penalties for non-compliance with applicable laws and regulations in relation to corruption.

Malaysian Competition Act

The Malaysian Competition Act 2010 is expected to be implemented in January 2012. This will provide a legal framework for curtailing anti-competitive practices in Malaysia. This will apply to any commercial activity within and outside Malaysia as the activity is transacted outside Malaysia but may have an effect on market competition in Malaysia. The anti-competitive agreements will apply to all GLCs and deal with price fixing, import cartel, bid rigging, territorial allocation, market sharing and limiting production.

Fraud Reporting Hotline

The Fraud Reporting Policy provides all employees of the Maybank Group a framework and avenue to report actual or suspected misconduct or violations of the Group's policies and regulations in a safe and protected manner. The purpose of implementing a fraud reporting hotline is to promote a culture where it is safe and acceptable for all employees to raise concerns regarding fraud, criminal activities, dishonesty and malpractice committed by another employee via a dedicated reporting mechanism.

STATEMENT ON COMPLIANCE

We adhere to all relevant laws and regulations when marketing our product and services. In addition, being a law-abiding corporate citizen, Maybank strives to ensure that our operations are founded by ethical practices within a framework of integrity and fairness. Maybank subsequently conducts marketing evaluation after each seminar, roadshow and exhibition. We have introduced a feedback form, referral tracking and exhibition queries tracking sheet for each seminar participant.

The Maybank Board of Directors has approved the Compliance Charter for implementation for all within the Group. The Charter is established with a core mission to assure that employees of all levels comply with regulatory laws, regulations, internal rules and policies. They must also comply with the ethical standard which could enhance and protect our reputation and integrity. All employees are required to read and be guided by this Compliance Charter. Training awareness and internalisation of compliance has always been a continuous effort by Maybank. In addition, we have developed a Client Charter for Small and Medium Industries (SMIs) Loans to assist SMIs in their loan application.

There have been no incidents of customer privacy violations and no significant incidents of non-compliance with laws and regulations relating to marketing and communications, advertising, promotion and sponsorship. Maybank complies fully with the Banking and Financial Institutions Act, 1989 (BAFIA). Maybank has not incurred any penalties or fines relating to non-compliance of products and services. Maybank has always subscribed to fair products at the marketplace. Efforts have been made to ensure the continuing compliance practices including the recent introduction of the Competition Act 2010 and Personal Data Protection Act 2010.

Performance Data

Environment*

	2009	2008	2007	2006	2005
Total Electricity Consumption (GWh)	22.866	23.799	24.840	NA	NA
Direct Energy Consumption - Primary Fuel Sources - Liquefied Petroleum Gas (LPG) (Litre)	4,492.8	NA	NA	NA	NA
Water Usage (cubic metre)	262,480.65	337,993.26	NA	NA	NA

* Only Menara Maybank, Kuala Lumpur, Malaysia

Workplace

	2009	2008	2007	2006	2005
Employees					
Total number*	24910	24773	22967	23147	22554
Inside Malaysia	22535	22370	20626	20764	20363
Outside Malaysia*	2375	2403	2341	2383	2191
Executive	14564	14021	12464	12499	11762
Non-Executive	10346	10752	10503	10648	10792
Full-time	24910	24773	22967	23147	22554
Part-time	-	-	-	-	-
Permanent Staff	24126	24244	22403	21953	21343
Non-permanent staff	784	529	564	1194	1211
Female	14554	14488	13277	13217	12642
Male	10356	10285	9690	9930	9912
Union members	11676	11822	11806	10590	3755
Non-Union members	13234	12951	11161	12557	18799

* Includes only International branches and subsidiaries excluding Bank Internasional Indonesia and P.T. Wahana Ottomitra Multiartha as detailed breakdown are unavailable.

Performance Data (cont'd.)

	2009	2008	2007	2006	2005
Age group					
<30	6400	7083	7024	7905	8237
30-40	11208	10924	10010	9653	9127
40-50	5655	5336	4738	4599	4381
>50	1647	1430	1195	990	809
Ratio of men vs women salary	1 : 1.13	1 : 1.13	1 : 1.11	1 : 1.08	1 : 1.02
Diversity					
Malay	16499	16654	15149	15270	14994
Chinese	5466	5257	5043	5037	4919
Indian	1221	1203	1123	1133	1189
Others	1724	1659	1652	1707	1452
Employee Turnover Rates					
Global	2099	2039	1596	1989	2675
In Malaysia	1800	1559	1197	1593	2301
Outside Malaysia	299	480	399	396	374
Global	8.43%	8.23%	6.95%	8.59%	11.86%
In Malaysia	7.99%	6.97%	5.80%	7.67%	11.30%
Outside Malaysia	12.59%	19.98%	17.04%	16.62%	17.07%
Female	1122	1148	880	1047	1555
Male	977	891	716	942	1120
Age Group					
<30	1191	1178	932	1331	2177
30-40	487	523	421	435	339
40-50	153	150	134	121	78
>50	268	188	109	102	81

	2009	2008	2007	2006	2005
Women in Management					
% Women in management (Band G & above)	38.23%	37.11%	39.55%	38.33%	37.71%
% Women in top management (Band D & Above)	15.68%	16.66%	19.11%	16.66%	14.81%
Training					
Employee participation in training	20,660	22,078	21,834	21,327	19,598
Average attendance per training program	24	18.2	22.2	21.5	22.7
Average training budget per employee (RM)	537	372	329	378	326
Average and total hours of training per employee (average Total hours)	34.5 797635.75	50.9 1152784.14	65.6 1486806.18	61.1 1359752.47	52.5 1168890.42
% met statutory requirement	2.51%	3.25%	3.91%	4.21%	3.72%
Performance Review towards Career Enhancement					
% Employee who are formally appraised (at least annually)	100%	100%	100%	100%	100%
% Employee who are formally appraised (during Mid-year Review)	86%	68%	Not Tracked		
One-on-one performance review for year-end evaluation	On-going	63%	Not Tracked		
Occupational Safety and Health (OSH)					
Total recordable injury frequency rate	NIL	NIL	6	5	-
Absenteeism Rate	NA	NA	NA	NA	NA
Lost Time Injury Frequency Rate	0.00	0.00	0.12	0.04	-
Fatal Accident Rate	NIL	NIL	NIL	NIL	NIL
Employee Satisfaction Survey Results	83%	77%	74%	77%	NA
Human Rights					
No of employees who receive Human Rights training	NA	NA	NA	NA	NA
Security Personnel trained on Human Rights issues	NA	NA	NA	NA	NA
No. of Disabled Staff	8	NA	NA	NA	NA

GRI Content Index

GRI REPORTING AREA	CORE	ADDITIONAL	STATUS
Profile Disclosures			
Strategy and Analysis	2	–	All Reported
Organisational Profile	10	–	All Reported
Report Profile	4	–	All Reported
Report Scope and Boundary	7	–	All Reported
GRI Context Index	1	–	All Reported
Assurance	1	–	All Reported
Governance	10	–	All Reported
Commitments to External Initiatives	3	–	All Reported
Stakeholder Engagement	4	–	All Reported
			All Reported
DMA and Performance Indicators			
Economic	7	2	All Reported
Social Performance : Labour Practices & Decent Work	9	5	All Reported
Social Performance : Human Rights	6	3	All Reported
Social Performance : Society	5	3	All Reported
Social Performance : Product Responsibility	3/4	4/5	Reported
Environmental	12/17	10/13	Reported
Financial Services	12/16	–	Reported
TOTAL	96	27	

PROFILE DISCLOSURES

Section : AR – Annual Report 2010; FC – Front Cover; FC(i) – Inside Front Cover; ED – Economic Data

Application : C – Core; A – Additional

Status : ◆ Fully Reported ■ Partially Reported X Not Reported

PROFILE DISCLOSURES	SECTION	STATUS
Strategy and Analysis		
1.1 Group Managing Director's & Chairman's Statements	P. 4-7	◆
1.2 Description of key impacts, risks and opportunities	P. 6-7	◆
Organisational Profile		
2.1 Name of the organisation	FC	◆
2.2 Primary brands, products, and/or services	AR P. 104-145	◆
2.3 Operational structure of the organisation	P. 9-11	◆
2.4 Location of organisation's headquarters	P. 8	◆
2.5 Number of countries where the organization operates	P. 12	◆
2.6 Nature of ownership and legal form	AR P. 427-429	◆
2.7 Markets served	AR P. 66-67	◆
2.8 Scale of the reporting organisation	P. 2	◆
2.9 Significant changes during the reporting period	P. 8	◆
2.10 Awards received in the reporting period	P. 14-15	◆
Report Profile		
3.1 Reporting period for information provided	P. 2	◆
3.2 Date of most recent previous report	P. 2	◆
3.3 Reporting cycle	P. 2	◆
3.4 Contact point for questions regarding the report or its contents	P. 3	◆
Report Scope and Boundary		
3.5 Process for defining report content	P. 20	◆
3.6 Boundary of the report	P. 2	◆
3.7 Specific limitations on the scope or boundary of the report	P. 101-107	◆
3.8 Basis for reporting on joint ventures, subsidiaries etc	P. 2	◆
3.9 Data measurement techniques and the basis of calculations	P. 53	◆
3.10 Explanation of the effect of any re-statement of information	P. 99-107	◆
3.11 Significant changes from previous reporting periods	P. 2	◆

GRI Content Index (cont'd.)

PROFILE DISCLOSURES	SECTION	STATUS
GRI Content Index		
3.12 Table identifying the location of the Standard Disclosures	P. 97-107	◆
Assurance		
3.13 Policy and current practice on external assurance	P. 108-110	◆
Governance		
4.1 Governance structure of the organisation	P. 26	◆
4.2 Status of the Chair of the Board	P. 25	◆
4.3 Independent and/or non-executive Board members	P. 25	◆
4.4 Mechanisms to provide advice to the Board	AR P. 186	◆
4.5 Link between compensation and performance of the Board	P. 27	◆
4.6 Avoiding conflicts of interest	AR P. 189	◆
4.7 Qualifications and expertise of the Board	AR P. 74-91	◆
4.8 Mission or values, codes of conduct and principles	P. 16	◆
4.9 Management of CSR performance	P. 5	◆
4.10 Evaluating the performance of the Board	P. 27	◆
Commitments to External Initiatives		
4.11 Addressing the precautionary approach or principle	P. 17-19	◆
4.12 External CSR principles	P. 17	◆
4.13 Memberships of associations	P. 23	◆
Stakeholder Engagement		
4.14 List of stakeholder groups engaged by the organisation	P. 22-23	◆
4.15 Basis for identification and selection of stakeholders	P. 22	◆
4.16 Approaches to stakeholder engagement	P. 23	◆
4.17 Key topics and concerns raised by stakeholders	P. 21	◆

DMA AND PERFORMANCE DATA

Section : AR – Annual Report 2010; FC – Front Cover; FC(i) – Inside Front Cover; ED – Economic Data

Application : C – Core; A – Additional

Status : ◆ Fully Reported ■ Partially Reported X Not Reported

			SECTION	STATUS	COMMENTS
ECONOMIC					
Disclosure on Management Approach			P. 13-64		
Economic Performance					
EC1	Economic value generated and distributed	C	P. 13	◆	
EC2	Risks and opportunities due to climate change	C	P. 50	◆	
EC3	Coverage of the defined benefit plan obligations	C	P. 63-64	◆	
EC4	Significant financial assistance from government	C	P. 47	◆	
Market Presence					
EC5	Standard entry level wage vs. local minimum wage	A	P. 63	◆	
EC6	Spending on locally-based suppliers	C	P. 90-91	◆	
EC7	Local hiring policies	C	P. 74	◆	
Indirect Economic Impacts					
EC8	Investments and services primarily for public benefit	C	P. 46	◆	
EC9	Indirect Economic Impacts	A	P. 47	◆	
LABOUR PRACTICES AND DECENT WORK					
Disclosure on Management Approach			P. 77-95		
Employment					
LA1	Employment type, employment contract and region	C	P. 93	◆	
LA2	Employee turnover by age group, gender and region	C	P. 94	◆	
LA3	Benefits provided to full-time employees	A	P. 64	◆	
Labour/Management Relations					
LA4	Collective bargaining agreements	C	P. 77	◆	
LA5	Notice period for operational change	C	P. 77	◆	

GRI Content Index (cont'd.)

			SECTION	STATUS	COMMENTS
Occupational Safety and Health					
LA6	% workforce represented in OSH committees	A	P. 74	◆	
LA7	OSH injury and accident statistics	C	P. 95	◆	
LA8	Awareness training for serious diseases	C	P. 75-76	◆	
LA9	OSH topics covered in collective agreements	A	P. 77-78	◆	
Training and Education					
LA10	Average hours of training per year per employee	C	P. 95	◆	
LA11	Skills management and lifelong learning	A	P. 65-67	◆	
LA12	% of employees with regular reviews	A	P. 69		
Diversity and Equal Opportunity					
LA13	Indicators of employee and Board diversity	C	P. 94	◆	
LA14	Basic salary men vs. women	C	P. 94	◆	
HUMAN RIGHTS					
Disclosure on Management Approach			P. 79, 85, 90		
Investment and Procurement Practices					
HR1	Agreements with human rights clauses or screening	C	P. 85	◆	
HR2	Human rights screening of suppliers and contractors	C	P. 90	◆	
HR3	Human rights training	A	P. 79	◆	
Non-Discrimination					
HR4	Incidents of discrimination and actions taken	C	P. 79	◆	
Freedom of Association and Collective Bargaining					
HR5	Risks to freedom of association and collective bargaining	C	P. 77	◆	
Child Labour					
HR6	Risk of incidents of child labour	C	P. 79	◆	
Forced and Compulsory Labour					
HR7	Risk of incidents of forced or compulsory labour	C	P. 79	◆	
Security Practices					
HR8	Security personnel trained human rights issues	A	P. 79	◆	
Indigenous Rights					
HR9	Violations involving rights of indigenous people	A	P. 79	◆	

			SECTION	STATUS	COMMENTS
SOCIETY					
Disclosure on Management Approach			P. 46-92		
Community					
SO1	Impact of operations on communities	C	P. 46	◆	
Corruption					
SO2	Risks related to corruption	C	P. 92	◆	
SO3	Training in anti-corruption policies and procedures	C	P. 68	◆	
SO4	Actions taken in response to incidents of corruption	C	P. 92	◆	
Public Policy					
SO5	Public policy development and lobbying	C	P. 47	◆	
SO6	Contributions to political organisations	A	P. 47	◆	
Anti-competitive behaviour					
SO7	Anti-competitive, anti-trust and monopoly penalties	A	P. 92	◆	
Compliance					
SO8	Penalties for non-compliance with laws and regulations	C	P. 47	◆	
PRODUCT SAFETY					
Disclosure on Management Approach			P. 86-92		
Customer Health and Safety					
PR1	Life cycle stages – health and safety impacts	C		X	We do not report on this issue since the disclosure does not relate to our nature of business as we are operating in a financial industry.
PR2	Incidents of non-compliance	A		X	We do not report on this issue since the disclosure does not relate to our nature of business as we are operating in a financial industry.
Products and Service Labelling					
PR3	Type of product and service information	C	P. 86	◆	
PR4	Incidents of non-compliance	A	P. 92	◆	
PR5	Customer satisfaction systems	A	P. 88-89	◆	

GRI Content Index (cont'd.)

			SECTION	STATUS	COMMENTS
Marketing Communications					
PR6	Compliance in marketing, communications etc.	C	P. 92	◆	
PR7	Incidents of non-compliance	A	P. 92	◆	
Customer Privacy					
PR8	Substantiated complaints breaches of customer privacy	A	P. 92	◆	
Compliance					
PR9	Penalties for non-compliance of products and services	C	P. 92	◆	
ENVIRONMENTAL					
Disclosure on Management Approach			P. 50-59		
Materials					
EN1	Materials used by weight or volume	C		X	We have not reported on this since we have not been able to gather the data yet because we do not have a sufficient system to monitor this indicator but will be able to report in the short-term. Our short-term plan is to continue to improve our data collection system and to make these available in our next report.
EN2	% of input materials that are recycled	C		X	We have not reported on this since we have not been able to gather the data yet because we do not have a sufficient system to monitor this indicator but will be able to report in the short-term. Our short-term plan is to continue to improve our data collection system and to make these available in our next report.

			SECTION	STATUS	COMMENTS
Energy					
EN3	Direct energy consumption by primary source	C	P. 53	◆	
EN4	Indirect energy consumption by primary source	C	P. 53	◆	
EN5	Energy conservation and efficiency improvements	A	P. 53	◆	
EN6	Energy-efficient or renewable energy	A	P. 53	◆	
EN7	Reducing indirect energy consumption	A	P. 53	◆	
Water					
EN8	Total water withdrawal by source	C	P. 54	◆	
EN9	Significant impact of withdrawal of water	A	P. 54	◆	
EN10	% and total volume of water recycled and reused	A		X	We have not reported on this indicator since we have not been able to gather the data yet because we do not have the system to support this function but we have introduced this process in Maybank starting from FY2010/2011 and to be reported in our next report.
Biodiversity					
EN11	Protected areas and areas of high biodiversity value	C	P. 54-55	◆	
EN12	Impact on biodiversity	C	P. 54-55	◆	
EN13	Habitats protected or restored	A	P. 54-55	◆	
EN14	Managing impacts on biodiversity	A	P. 54-55	◆	
EN15	Protected species with habitats in areas of operations	A	P. 54-55	◆	
Emissions, Effluents and Waste					
EN16	Direct and indirect greenhouse gas emissions	C	P. 53	◆	
EN17	Other relevant indirect greenhouse gas emissions	C	P. 53	◆	
EN18	Greenhouse gas emissions and reductions achieved	A	P. 53	◆	
EN19	Emissions of ozone-depleting substances	C	P. 53	◆	

GRI Content Index (cont'd.)

			SECTION	STATUS	COMMENTS
EN20	NOx, SOx, and other significant air emissions	C		X	We have not reported on this since we have not been able to gather the data yet because we do not have a sufficient system to monitor this indicator but will be able to report in the short-term. Our short-term plan is to continue to improve our data collection system and to make these available in our next report.
EN21	Total water discharge by quality and destination	C	P. 54	■	We do not report on this yet since we are still in the process of implementing systems to monitor the indicators in this domain. We aim to make this available in the short-term.
EN22	Total weight of waste by type and disposal method	C	P. 54	■	We do not report on this yet since we are still in the process of implementing systems to monitor the indicators in this domain. We aim to make this available in the short-term.
EN23	Total number and volume of significant spills	C		X	We do not report on this issue since the disclosure does not relate to our nature of business as we are operating in a financial industry.
EN24	Transported hazardous waste	A		X	We do not report on this issue since the disclosure does not relate to our nature of business as we are operating in a financial industry.
EN25	Water bodies affected discharge and runoff	A	P. 54	◆	

			SECTION	STATUS	COMMENTS
Products and Services					
EN26	Environmental impacts of products and services	C	P. 50	◆	
EN27	% of products and packaging reclaimed	C		X	We have not reported on this since we have not been able to gather the data yet because we do not have a sufficient system to monitor this indicator but will be able to report in the short-term. Our short-term plan is to continue to improve our data collection system and to make these available in our next report.
Compliance					
EN28	Penalties for environmental non-compliance	C	P. 59	◆	
Transport					
EN29	Environmental impacts of transporting products	A		X	We have not reported on this since we have not been able to gather the data yet because we do not have a sufficient system to monitor this indicator but will be able to report in the short-term. Our short-term plan is to continue to improve our data collection system and to make these available in our next report.
Overall					
EN30	Total environmental expenditures by type	A		X	We do not report on this issue since the disclosure does not relate to our nature of business as we are operating in a financial industry.

GRI Content Index (cont'd.)

			SECTION	STATUS	COMMENTS
Financial Services Sector Specific Disclosure on Management Approach					
FS1	Policies with specific environmental and social components applied to business lines	C	P. 85	◆	
FS2	Procedures for assessing and screening environmental and social risks in business lines	C	P. 85	◆	
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	C	P. 85	◆	
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	C	P. 85	◆	
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	C	P. 85-86	◆	
Financial Services Sector Specific Performance Indicators					
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector	C	AR P. 66-67	◆	
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	C		X	We do not report on this yet since we do not have a sufficient data to support this indicator but we aim to make this available in the next report.
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	C	P. 82, 85, 86	◆	
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	C	P. 85	◆	
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues	C	P. 82	◆	

			SECTION	STATUS	COMMENTS
FS11	Percentage of assets subject to positive and negative environmental or social screening	C	P. 85	◆	
FS12	Voting policies applied to environmental or social issues for shares over which the reporting organisation holds the right to vote shares or advises on voting	C		X	We do not report on this indicator because Maybank is still in the process of introducing the right to vote or advise on these issues in the mid-term.
Society					
FS13	Access points in low-populated or economically disadvantaged areas by type	C	P. 36	◆	
FS14	Initiatives to improve access to financial services for disadvantaged people	C	P. 36	◆	
Product Responsibility (Financial Services Sector Specific Disclosure on Management Approach)					
FS15	Policies for the fair design and sale of financial products and services	C	P. 86-87	◆	
Product Responsibility (Financial Services Sector Specific Disclosure on Performance Indicators)					
FS16	Initiatives to enhance financial literacy by type of beneficiary	C	P. 42-43	◆	



**Assurance Statement
MALAYAN BANKING BERHAD
(Company No: 3813-K)**

Introduction

OWW Consulting Sdn Bhd (OWW) is a specialist in Corporate Social Responsibility (CSR) and Socially Responsible Investment (SRI). We were engaged by Malayan Banking Berhad ("MAYBANK") to provide assurance services for their Corporate Responsibility Report 2010 (the "Report"). This is the first year in which we have conducted assurance of MAYBANK's Corporate Responsibility Report.

The Report and its contents are the exclusive responsibility of MAYBANK. Our responsibility is to perform limited assurance procedures over the Report and underlying processes within the scope set out below:

- Economic
- Social Performance: Labour Practices & Decent Work
- Social Performance: Human Rights
- Social Performance: Society
- Social Performance: Product Responsibility
- Environmental

In each case verification was conducted through low-level assurance via information provided by MAYBANK.

It is agreed that MAYBANK expects to be able to provide a response to each of the GRI-G3 Guideline Protocols and to provide an A+ or Advanced Application Level which requires reporting on each of the GRI-G3 indicators, even if the report is an omission statement.

Exclusions from the scope of our work

Excluded from the scope of our work is information relating to:

- Statements of commitment or intention to undertake action in the future;
- Statements of opinion, belief or aspiration;
- Information in internal or external documents referred to in the Report, except insofar as we have viewed their existence as part of the assurance process.

Basis of our opinion

In conducting this engagement we have considered the principles of balance, comparability, accuracy, timeliness, clarity, relevance and reliability as in the Global Reporting Initiative (GRI) G3 Guidelines.

We have also taken into account the principles of independence of assurance in the GRI-G3 Guidelines and have been mindful of the AA1000AS and the the International Standard on Assurance Engagements (ISAE 3000) although we have not been asked to apply these standards directly.

We have conducted this engagement to provide a reasonable rather than an absolute level of assurance and we believe that the work conducted and described herein provides a reasonable basis for our conclusions.



Our review included the following activities:

- Interviews and one-to-one meetings with relevant personnel at corporate level responsible for the information in the Report, including Head of Departments and employees;
- Documentary evidence was reviewed from communications meant for both internal and external circulation but emanating from within MAYBANK. This comprised of manually generated internal reports, reports generated from internal specialist management information systems, performance data, internal policies, established Code of Ethics and Conduct, operating manual, internal newsletters, safety procedures and the annual audited financial reports of MAYBANK;
- Observed related facilities and areas including notice boards, management offices, traffic monitoring centre;
- A review of figures for all direct and indirect energy consumption and reductions (EN3 and EN4) as well as for economic value generated (EC1) to ascertain the accuracy of the calculation of the figures reported;
- Challenges to the Corporate Responsibility (CR) related statements and claims made in the Report.

During our investigation we discussed the necessary changes in the Report with MAYBANK personnel and determined that these changes have been adequately incorporated into the final version. We relied on representations made to us during the course of our assurance work by MAYBANK personnel.

Information in the Report that is directly sourced from MAYBANK Annual Reports is considered to be reliable based on the audit statement of the Independent Chartered Accountant and Registered Auditor to these statements.

We provided advice on which data is necessary and how this data should be compiled to comply with the GRI-G3 Guidelines. All data and corrections were provided directly by MAYBANK staff. In the same reporting period we have not provided any other advisory or other work for MAYBANK which may have been used in this report.

Conclusions

1. In our opinion, the Report meets the content and quality requirements of the Global Reporting Initiative Sustainability Reporting Guidelines (Version G-3);
2. The Report provides a fair representation of MAYBANK's social accounting and reporting activity for the period covered by the Report;
3. The information in the Report is reliable and free from significant bias;
4. MAYBANK has processes in place for identifying, understanding and managing its environmental and social responsibilities and for capturing, understanding and responding to the views of its main stakeholders;
5. In our opinion the report contains new information in each domain which we believe is a fair and balanced reflection of the efforts of MAYBANK to develop and improve their approach to sustainability and reporting. It has also reflects the Company's efforts to achieving better transparency, covering wider stakeholder groups.



Recommendations:

In the context of future CSR Reporting at MAYBANK, we recommend that the Company:

- Continues to monitor the use of performance indicators across all areas of CR including the Occupational, Safety and Health (OSH), environmental impacts and other compliances;
- Continues to improve the scope and quality of measurement and reporting of environmental data especially in waste management and CO2 emissions;
- Introduces clearer links between CR issues and financial performance;
- Extends the use of impact measures such as Social Return on Investment (SROI) and introduces the use of Environmental Return on Investment (EROI);
- Enhances alternative energy programmes and GHG reduction programmes to reduce overall GHG equivalent emissions from the FY2009/2010 baseline and to calculate the Group's footprint level;
- Introduces processes for the ongoing monitoring, measurement and reporting of MAYBANK against material indicators and targets to demonstrate continuous commitment to the reporting process and responding to stakeholder interests

Considerations and limitations

In relation to our assurance work and conclusions, the following considerations and limitations should be noted:

- Certain information is excluded from the scope of our assurance work, as stated above and in the Report itself;
- Due to its nature and the methods used for determining, calculating or estimating such data, environmental and social data are subject to inherent limitations. Therefore this assurance statement should not be relied upon to detect all errors, omissions or misstatements in the Report.
- The assurance statement cannot guarantee the quality of social accounting and reporting processes used by MAYBANK.

30th August 2010
OWW Consulting Sdn Bhd

A handwritten signature in black ink, appearing to read 'Geoffrey Williams'.

Dr Geoffrey Williams
Chief Executive Officer



Statement by OWW Consulting Sdn Bhd on Independence, Objectivity and Capability

OWW Consulting Sdn Bhd (OWW) is a specialist in Corporate Social Responsibility (CSR) and Socially Responsible Investment (SRI) with established experience in providing independent CSR advisory, reporting and assurance services.

OWW Consulting has implemented a Code of Conduct in Assurance and Assessment and a Code of Ethics across our company. Our Code requires that that all of our employees maintain high ethical standards and makes explicit reference to the independence and objectivity of our assurance and assessment engagements which we believe conform to emerging international best practice.

Our assurance team conducting the work for this report have experience in conducting engagements of this type for sustainability reports, systems and processes. They are familiar with current guidelines and best practice and update their experience on a regular basis.