

Press Release

2 July 2018

Maybank cancels its 16th Dividend Reinvestment Plan

Maybank today announced that its Board of Directors has resolved to exercise its right not to proceed with the implementation of the 16th Dividend Reinvestment Plan (DRP) given the current softer equities market which has also affected its share price.

Maybank Group President & CEO Datuk Abdul Farid Alias said that the decision was taken by the Board after careful deliberation over what would be in the best interest of its shareholders of Maybank as well as the Group's capital requirements at this time.

“Given that the prevailing market price of Maybank shares throughout the DRP election period from 11-26 June 2018 has been lower than the price of the new Maybank shares to be issued pursuant to the 16th DRP at RM10 each, the Board is of the view that a full cash dividend would offer shareholders better value at this point of time,” he explained. “The Board remains assured that this decision is also in line with our mission of humanising financial services which calls us to do the right thing at all times, including being equitable to all shareholders.”

Datuk Farid said that the cancellation of the 16th DRP will not have any material impact to the performance of the Group or its capital structure and/or requirements, nor its issued share capital, earnings per share, net assets per share, gearing and substantial shareholders' shareholdings of the Company.

“Maybank remains among the region's best capitalised banks with its CET1 ratio at 13.37% and total capital ratio of 18.12% (after final cash dividend) as at end March 2018, which is more than sufficient to support its growth and regulatory requirements.”

He also said that while the DRP has been cancelled on this occasion, it will remain an integral part of the Group's strategy for sound capital management and would continue in the future where relevant, given that it offers sufficient flexibility to shareholders as well as the Group.

“We are firmly committed in ensuring a market-competitive dividend for our shareholders complemented by strategic planning of our capital requirements, which are essential in creating the next chapter of growth,” he said. “Our stature as one of the leading regional banking groups is founded on and strengthened through our relevance and value created for our stakeholders consistently over the years.”

Following this decision, shareholders will now receive an all-cash final single-tier dividend of 32 sen per share for the financial year ended 31 December 2017.

The final dividend, totalling some RM3.50 billion, will be paid to all shareholders on Friday 6 July 2018 - which is the payment date announced for the final cash dividend on 23 May 2018. Shareholders who had opted for the DRP and paid the RM10 stamp duty would be reimbursed the RM10 fee by Maybank.
