



Maybank

Proposed Employees' Share Scheme ("ESS") of Maybank Group

**Extraordinary General Meeting
Crowne Plaza Mutiara Hotel, Kuala Lumpur**

13 June 2011

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Resolutions Sought For Approval



ORDINARY RESOLUTION 1

ESTABLISHMENT OF AN EMPLOYEES' SHARE SCHEME OF UP TO TEN PERCENT (10%) OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY AT ANY POINT IN TIME

ORDINARY RESOLUTION 2

ALLOCATION OF OPTIONS AND/OR GRANT OF MAYBANK SHARES TO DATO' SRI ABDUL WAHID OMAR

Components of Employees' Share Scheme ("ESS")

Employee Share Option Scheme ("ESOS")


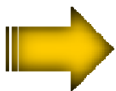
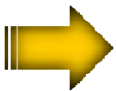
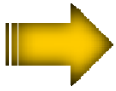
Performance-Based Restricted Share Unit ("RSU")

Supplemental Restricted Share Unit ("SRSU")

- Align the interests of the employees with the long-term objectives of Maybank Group to create sustainable value enhancement for shareholders.
- Retain, motivate as well as attract talents with a more competitive total compensation package.
- Reward and retain employees by giving recognition to their contributions and to reinforce pay for performance.
- Reward employees by allowing them to participate in the Company's profitability and eventually realise capital gains arising from appreciation in the value of Maybank Shares.
- Create a greater sense of belonging and dedication amongst employees as they will be able to participate directly in the future growth of Maybank Group
- Motivate employees towards better performance through greater productivity and loyalty.

Key Highlights



	Previous ESOS	Proposed ESS	Key Message
Plan Type	<ul style="list-style-type: none"> ESOS 	<ul style="list-style-type: none"> ESOS RSU SRSU 	 <p>Each vehicle serves a different purpose Portfolio scheme in line with market</p>
Performance Metric	<ul style="list-style-type: none"> Maybank share price appreciation Individual performance 	<ul style="list-style-type: none"> Maybank share price appreciation ROE Relative TSR Individual Performance 	 <p>Stronger performance linkage</p>
Grant Price	<ul style="list-style-type: none"> Up to 10% discount to the market price 	<ul style="list-style-type: none"> No discount given 	 <p>Pay for performance</p>
Plan Limit	<ul style="list-style-type: none"> 15% of total issued and paid-up share capital of Maybank Group for 5 years 	<ul style="list-style-type: none"> 10% of total issued and paid-up share capital of Maybank for 7 years 	 <p>Lower dilution</p>

New shares will be subscribed for this ESS. There is no share buy-back

Note:

ROE – Average Return on Equity

Relative TSR – Relative Total Shareholders' Return

Design Features



Plan Type	Employee Stock Option Scheme (“ESOS”)	Performance –Based Restricted Share Unit (RSU)	Supplemental RSU
Eligibility	<ul style="list-style-type: none"> All employees of Maybank & its branches and subsidiaries in Malaysia Overseas branches of Maybank Top management and selected key eligible personnel of BII 	<ul style="list-style-type: none"> Senior Management (line of sight) 	<ul style="list-style-type: none"> Select Senior Management, Select key retentions and new senior external recruits (sign-ons)
Grant Frequency	<ul style="list-style-type: none"> Single upfront grant (to be granted before the end of FYE 30 June 11) 	<ul style="list-style-type: none"> Annual grant 	<ul style="list-style-type: none"> As required
Vesting Schedule	<ul style="list-style-type: none"> Immediate vesting and subsequently, balance 80% to vest equally over 4 years 	<ul style="list-style-type: none"> Vesting at the end of every 3 years 	<ul style="list-style-type: none"> Vesting at the end of every 2 years







Design Features



Plan Type	Employee Stock Option Scheme ("ESOS")	Performance –Based Restricted Share Unit (RSU)	Supplemental RSU
Performance Metrics	<ul style="list-style-type: none"> Based on Individual performance rating from 2nd vesting onwards 	<ul style="list-style-type: none"> Final award contingent on the following: <ul style="list-style-type: none"> <u>Company Level</u> 3-year average ROE and TSR Ranking (70%:30%) <u>Employee Level</u> Average 3-year performance at min OT. 	<ul style="list-style-type: none"> <u>Select Senior Management & Key Talents</u> Average 2-year performance at min OT <u>New Employee</u> <ul style="list-style-type: none"> Select external senior Management recruits
Final Award at each vesting	Individual Performance <ul style="list-style-type: none"> EX – 150% of target grant ET – 125% of target grant OT – 100% of target grant NI – 50% of target grant UA – No grant 	Company Performance Multiplier <ul style="list-style-type: none"> EX – 1.5x of initial grant ET – 1.25x of initial grant OT – 1.0x of initial grant NI – 0.5x of initial grant UA – No vesting 	<ul style="list-style-type: none"> Not applicable

Long Term Incentive Plan - Market Practice for Banking Industry



Bank	Types of LTI Plan/Portfolio Share Scheme
 ALLIANCE BANK	<ul style="list-style-type: none"> ▪ SO ▪ RS ▪ ESPP
	<ul style="list-style-type: none"> ▪ SO ▪ RS
	<ul style="list-style-type: none"> ▪ SO ▪ Management Equity
	<ul style="list-style-type: none"> ▪ SO ▪ RS
	<ul style="list-style-type: none"> ▪ RS ▪ SAR
	<ul style="list-style-type: none"> ▪ SO ▪ Deferred Shares

Note:
SO = Share Option
RS = Restricted Share
ESPP = Employee Share Purchase/
Ownership Plan SAR = Stock
Appreciation Rights

General trend towards portfolio share scheme for companies renewing their Long Term Incentive Plan in recent years – Our approach is in line with our peers...

Q1. On the proposed RSU, MSWG noted that there is an option for Maybank shares or cash consideration for the selected Senior Management. Could the Board kindly explain the rationale for the consideration to be paid by Maybank through the cash option instead of Maybank shares?

It is the intention of the Company to settle the consideration by way of issuance and transfer of new Maybank shares where the cash (which is funded by Maybank) will be used by the Trustee to subscribe for new Maybank shares. As such, there is no cashflow to the Group.

The settlement of the consideration by way of cash is an option for the Company in the event that it is flushed with surplus cash.

Q2. For RSU, the ESS Committee may during the proposed ESS make further RSU Grant (“Supplementary RSU Grant”) which is also extended to Senior Management, eligible employees and other selected parties. Could the Board explain the rationale for the above Proposed Supplementary RSU grant to include Senior Management which is already covered under the above proposed RSU and the exemption from performance-based criteria for new recruits?

The SRSU is an attraction and retention tool, for select key talents which may include the Senior Management, select key retention and select senior external recruits.

Only select key talents will be considered by the ESS Committee for the SRSU as a form of recognition and retention tool. For example if a senior management is managing more than one role (i.e. double hatting) as a result of the Company’s organic growth or expansion programs or is critical to the Company’s strategy and business plans, he or she can be considered for SRSU in addition to the RSU at the discretion of the ESS Committee.

For selected new recruits where they may have to give up their bonus, Share Options or RSU upon joining the Company, SRSU will be used as an attraction tool and form part of their total remuneration package. The SRSU would be better than a sign-on bonus as the SRSU is a deferred payment to be made at the end 2 years. Thus no performance criteria is attached to it.

THANK YOU