

MINORITY SHAREHOLDER WATCHDOG GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia – Company No. 524989-M)

The Star, StarBiz – Wednesday, 12 August 2009

Maybank board revamp a normal transition, says CEO

MALAYAN Banking Bhd's (Maybank) board revamp is part of a normal transition, says chief executive officer Datuk Seri Abdul Wahid Omar.

"It is a normal course of transition," he said when asked to comment on a Singapore's *Straits Times* report which stated that the revamp was directed by Bank Negara, which was not happy with the high price that Maybank paid for the acquisition of Bank Internasional Indonesia (BII).

Maybank would give further details during the announcement of its financial year results on Aug 25, he said on the sidelines of the symposium.

The report quoted a senior government official who was involved in top-level discussions

on Maybank's Indonesian venture as saying that the little-publicised revamp followed Government displeasure at the controversial acquisition by Maybank last year.

The official said the board revamp would be carried out in stages and directors who were retiring would not be re-elected to the board.

Maybank entered into an agreement to buy a 55% interest in BII from Sorak Financial Holdings in March 2008, which was majority-owned by Singapore's Temasek Holdings.

It agreed to pay US\$1.5bil (RM5.3bil) for the stake and then made a tender offer for the remaining 44% for roughly US\$1.2bil.

Minority Shareholder Watchdog Group chief executive officer Rita Benoy Bushon, when met

during the symposium, said it was a normal process if the central bank asked to revamp the board of directors.

"However, the decision on Maybank is quite abnormal and sudden. It is surprising," she said, adding that the watchdog group would study the issue.

Maybank's main shareholders are Permodalan Nasional Berhad and Employees Provident Fund.

The bank sent a statement providing reasons for its board of directors' revamp on July 15 when announcing the retirement of two directors and the appointment of three new members.

In explaining the changes, it said the appointments represented a significant development

in the ongoing transition and succession planning exercise implemented by the board following an initiative formulated in 2007.

"In the interest of the organisation, the execution of the transition and succession planning exercise also takes cognisance of the need to maintain elements of continuity in the composition, proceedings and stability of the board.

"The board's transition and succession planning exercise is designed in line with international best practices on board governance and effectiveness," it said.

Between end-October last year, when the acquisition of BII was completed, and March this year, three of its directors have resigned.
— Bernama