



BANKING

redefined



INTEGRATED ANNUAL REPORT 2023



Property listings
> 100 developments

Maybank Home^{2u}
Broadening mortgage financing access within digital mortgage loan application

Mayb

CURRENT STATE

Running a business
Access to merchant services, payroll needs and knowledge-sharing programmes

Maybank2u Biz
Access to SME digital financing and e-transaction/commerce needs (i.e.: Sama-Sama Lokal)

CURRENT STATE

8:30

Maybank2u

SME's Journey

Bank connects



Growing a business

Access to larger credit facilities, cashflow insights, supply chain financing and regionalisation

Other home ownership needs

Including renting, renovation, ESG fixture and insurance coverage



Networking opportunities

Access to a robust business ecosystem to leverage opportunities



Property partners' ecosystem

Broadening mortgage financing access with property developers



FUTURE STATE: Home Ownership Journey

Banking Redefined

Rationale



Driven by our purpose of **becoming a values-driven platform, powered by a bionic workforce that Humanises Financial Services**, Maybank is breaking the boundaries of traditional banking services to become a holistic lifestyle enabler, meeting the broader needs of our customers and enriching their everyday lives. Leveraging next-gen technologies, we are developing integrated and expansive digital ecosystems that allow us to go beyond business and financial solutions to provide hyper-personalised services that will enhance our valued customers' banking experience and overall well-being.

On top of serving our customers' financial needs, we continue to be there for them at every point in their life's journey. Our online home journey platform provides customers a seamless process from choosing a property to applying for a loan almost instantly. We will also be incorporating value-added services into our Maybank Home²u ecosystem to address our customers' home ownership needs including renting properties, home renovations and insurance coverage, among others.

We have been enhancing our banking ecosystem for SME customers too. We don't just finance them, our digital platform Maybank2u Biz simplifies our customers' business needs by allowing them to make cashless and online bill payments as well as undertake bookkeeping and invoicing services. Our SME banking ecosystem is further complemented by our Sama-Sama Lokal e-commerce platform and upskilling programmes. In line with our aim to be a one-stop shop for SMEs, we will be launching a suite of increasingly effective digital tools and banking solutions to facilitate the running of their businesses.

In taking the lead to drive sustainability, Maybank provides holistic lifestyle and business solutions as part of our M25+ strategy. Towards this end, we are accelerating our own decarbonisation plans across the Group while helping customers transition to low carbon operations. We have committed to becoming carbon neutral by 2030 and achieving net-zero carbon emissions by 2050.

Our steadfast dedication to **Humanising Financial Services** and prioritising our customers' needs remain at the core of our mission. Our commitment to continuous improvement, skills development and digital innovation will enable us to better serve our customers. We believe that every action we take should lead to the best outcomes, not only in creating value for all our stakeholders but also in preserving our environment and enriching the world we live in.

Maybank Connects



Key Milestones

1960

Maybank began operations in Malaysia and opened overseas branches in Brunei and Singapore.

1976

Set up first-ever mobile bus banking services to serve the rural communities in Johor.

1981

First Malaysian bank to set up an ATM at its Ampang Park branch in Kuala Lumpur.

1974

Introduced the first Rural Credit Scheme in Malaysia to provide banking services to small-scale industries and businesses in rural sectors.

1978

First Malaysian bank to computerise its savings and current accounts services; pioneer in digitalisation.

1984

Opened Maybank New York branch in September.



1994

Officially ventured into Indonesia through PT Maybank Nusa Internasional, a joint venture with PT Bank Nusa Internasional of Indonesia.

2005

Expanded beyond banking to insurance and takaful via the acquisition of Malaysia National Insurance Bhd and Takaful Nasional Sdn Bhd.

2000

First Malaysian bank to open a branch in Shanghai, China and first bank in Malaysia to introduce internet banking services with the launch of Maybank2u.com.

2006

First to offer online mobile banking via SMS followed by M2U Mobile Services using GPRS/3G phones.

2010

First to launch accessible banking branches for people with disabilities (PWDs) nationwide.

2012

Completed the Group's footprint in all 10 ASEAN nations with the launch of Maybank's first branch in Laos.

2019

Introduced MAE (Maybank Anytime, Everyone), the first-ever product that enables users to open an account via mobile phones, incorporating an e-wallet and other banking features.

2021

Unveiled Maybank2u Biz and SME Digital Financing application to connect and simplify SMEs day-to-day banking.

2022

Launched Malaysia's first-ever contactless ATM cash withdrawal and first-ever digital home financing solution, Maybank Home^{2u}.

2023

Launched first-of-a-kind Signature branch, a fusion of physical and digital at Pavilion Bukit Jalil offering "all-in-a-bank" features for both individual and commercial clients.



About Our Report

OUR INTEGRATED REPORTING (IR) JOURNEY



Began **IR** adoption Maybank Board of Directors endorsed full **IR** adoption Report named as Integrated Annual Report

Our Integrated Annual Report (IAR) provides:

- **Impactful, quality and interconnected disclosures** demonstrating our integrated thinking.
- Focuses on **value-enhancing disclosures** that also meet regulatory requirements, **for informed decision-making by our stakeholders**.
- **Concise reporting across 165 pages covering** our strategy, risk management, governance, business activities, performance and outlook as well as sustainability endeavours within the operating environment to create value over time for identified stakeholders.

Our annual reports also demonstrate our strategic thrusts or focus areas of **leading in customer-centricity, digitalisation and sustainability**:

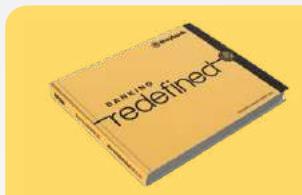
- **Improved interactivity and enhanced user friendliness** by enabling easier access through cross-referencing and linkages across all reports;
- **Shareholders are encouraged to download e-books** to eliminate paper wastage; **limited copies** of IAR and Financial Statements **printed** while Sustainability and Environmental Reports are only made available via soft copy;
- Printed books come with **reusable cloth bag**; and
- We **reduce our carbon footprint of this report** practically i.e.: by using FSC certified paper. This **responsibly harvested paper is not bleached**, eliminating the release of unnecessary pollutants contributing to carbon emissions (ISO 14001 certified).

To download a soft copy, refer to www.maybank.com/ar or scan the QR code.



OUR SUITE OF REPORTS

Maybank Group's annual report is our primary report and is supplemented by additional online disclosures for our stakeholders. The preparation of this annual report is guided by the following statutory provisions, best practices, policies and guidelines by the relevant governing and regulatory bodies:



Reporting on matters that reflect Maybank's significant impact on the economy, environment and people



Reporting the financial performance and financial position of the Group



Reporting on sustainability matters that are material for enterprise value creation



INTEGRATED ANNUAL REPORT AND CORPORATE GOVERNANCE REPORT

Provides a comprehensive overview of the Group's performance in 2023 and our outlook for 2024.

Guided by:

- Companies Act 2016
- Bursa Malaysia Main Market Listing Requirements
- Bank Negara Malaysia Corporate Governance Policy
- Malaysian Code on Corporate Governance by the Securities Commission Malaysia
- International Integrated Reporting Framework (January 2021) under IFRS Foundation
- Bursa Malaysia's Corporate Governance Guide (4th Edition)
- Malaysian Financial Reporting Standards

FINANCIAL STATEMENTS

Present the full set of the Group's and the Bank's audited financial statements.

Guided by:

- Malaysian Financial Reporting Standards
- International Financial Reporting Standards
- Companies Act 2016
- Bank Negara Malaysia Policy Documents and Guidelines
- Financial Services Act 2013
- Islamic Financial Services Act 2013
- Bursa Malaysia Main Market Listing Requirements

Note: The Basel II Pillar 3 Disclosure is available on www.maybank.com/ar

SUSTAINABILITY REPORT AND ENVIRONMENTAL REPORT

The Sustainability Report provides a comprehensive account of the Group's sustainability performance in relation to its material matters, while the Environmental Report which is to be read together with the Sustainability Report, covers the Group's overall approach towards the environment and climate.

Guided by:

- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- Bursa Malaysia Main Market Listing Requirements
- Malaysian Code on Corporate Governance by the Securities Commission Malaysia
- Sustainability Reporting Guide by Bursa Malaysia
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- Climate Risk Management and Scenario Analysis by Bank Negara Malaysia
- United Nations' Sustainable Development Goals (UN SDGs)
- Sustainability Accounting Standards Board (SASB) Sector Specific Disclosures
- Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard by the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI)
- The Global GHG Accounting and Reporting Standard for the Financial Industry by the Partnership for Carbon Accounting Financials (PCAF)
- International Sustainability Standards Board's (ISSB) S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related Disclosures

Note: These reports are available on www.maybank.com/ar, www.maybank.com/en/sustainability.page and www.maybankfoundation.com

About Our Report

OUR REPORTING SCOPE AND BOUNDARY

This IAR covers the principal activities and operations of Malayan Banking Berhad (Maybank), including the Group's business pillars and support sectors, key subsidiaries and international operations. The risks, opportunities and outcomes of our principal activities and operations are covered in detail on pages 86 to 100.

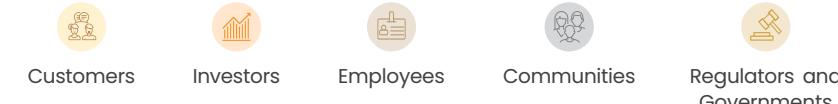
The period covered in this report is from 1 January 2023 to 31 December 2023 (Financial Year 2023) unless otherwise stated. Financial information has been prepared in accordance with the Malaysian Financial Reporting Standards (MFRS) and International Financial Reporting Standards (IFRS). Any significant restatements of data from previous years are noted in the respective sections.

REPORTING BOUNDARY

Statutory reporting boundary

Integrated Annual Report (IAR)	Financial Statements	Sustainability Report and Environmental Report
Corporate Governance Report		Basel II Pillar 3

The value creation, preservation and erosion process impacting our six capitals is covered in this report, with the outcomes documented by stakeholders as indicated below:



OUR PROCESS DISCLOSURES

A dedicated reporting team has studied the requirements of the Integrated Reporting <IR> approach and conducted content planning in determining the matters that are integral for the preparation of this report. Information included in this report has been gathered from internal and external stakeholders. The suite of reports has been prepared based on the statutory provisions, best practices, policies and guidelines established by the relevant governing and regulatory bodies (itemised by each report on page 2). These reports undergo a validation process for assurance as explained in detail below. Thereafter, the validity and suitability of the content and all issues considered material are reviewed, finalised and approved by the Board.

ASSURANCE

Internal assurance is provided through the alignment of the Group's risk, audit and compliance functions. This allows for dedicated monitoring and oversight, ensuring a robust reporting process is in place and the integrity of information disclosed. The Group's Risk Governance Structure places accountability and ownership in ensuring an appropriate level

of independence and segregation of duties between the three lines of defence. More information can be found on page 140.

The Group's annual financial statements were audited by our external auditor, Ernst & Young PLT. Limited assurance by SIRIM QAS International Sdn. Bhd. was provided for the Group's Sustainability Report, Environmental Report and sustainability-related chapters (i.e.: Sustainability Material Matters and Sustainability Statement) in the IAR while limited assurance on sustainable finance achievements was provided by PricewaterhouseCoopers PLT, Malaysia.

MATERIALITY

We assess what information should be reported in our IAR based on the principle of materiality. This report discloses our risks, opportunities, macrotrends and other considerations that impact materiality on our six capitals and our ability to create, preserve and minimise erosion of value for our stakeholders. We conduct a materiality assessment (refer to page 36) on key topics deemed pertinent to both internal and external stakeholders covering five areas including governance, environment, employees, society and products and services. This materiality assessment helps shape our long-term strategy and execution of our business model to create value-added outcomes for all stakeholders.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements about Maybank's future strategy, performance, operations and prospects. These statements and expectations carry risks and uncertainties given that they are dependent on circumstances that will take place in the future. As such, these factors may cause actual results or developments to deviate materially from Maybank's forward-looking statements made at the time of release of our FY2023 results. Maybank makes no representations or warranty, express or implied, that these forward-looking statements will be achieved. Undue reliance should not be placed on such statements and Maybank will not assume responsibility for any loss or damage by any party arising from reliance of these statements.

BOARD'S RESPONSIBILITY STATEMENT

The Maybank Group's Executive Committee, supported by a dedicated reporting team, has sought to prepare and present this IAR through a robust integrated reporting process. This is to ensure the integrity of the report and fair and balanced disclosure of matters deemed material in the Group's process of value creation, preservation and in mitigating erosion. The Audit Committee of the Board reviewed and recommended this report to the Board of Directors for approval.

The Board acknowledges its responsibility for ensuring the integrity of this report and is of the opinion that this report is materially presented in accordance with the International Integrated Reporting <IR> Framework under the IFRS Foundation.

This report was approved by Maybank Group's Board of Directors on 29 February 2024.



Inside This Report

ICONS USED IN THIS REPORT

The Six Capitals that we use to Create Value:

- FC** Financial Capital
- IC** Intellectual Capital
- MC** Manufactured Capital
- HC** Human Capital
- SRC** Social and Relationship Capital
- NC** Natural Capital
- ALL** All Six Capitals

Our Prioritised Material Matters:

- Governance**
- Environment**
- Employees**
- Society**
- Products and Services**

Our Key Stakeholders:

- Customers**
- Investors**
- Employees**
- Communities**
- Regulators and Governments**

Our Five Strategic Thrusts:

- ST1** Intensify Customer-centricity
- ST2** Accelerate Digitalisation and Technology Modernisation
- ST3** Strengthen Maybank's Position Beyond Malaysia
- ST4** Drive Leadership in Sustainability Agenda
- ST5** Achieve True Global Leadership in Islamic Banking
- ALL** All Five Strategic Thrusts

Macrotrends Impacting Our Strategy:

- MT1** Economic Outlook
- MT2** Shifting Customer Preferences
- MT3** Growing Affluent Population in Asia
- MT4** Digital and Technology Transformation
- MT5** Sustainability
- MT6** Talent Development
- ALL** All Six Macrotrends Impacting Our Strategy

Our 12 Principal Risks:

- CR** Credit Risk
- MR** Market Risk
- LR** Liquidity Risk
- NFR** Non-Financial Risk
- ITR** Information Technology (IT) Risk
- CoR** Compliance Risk
- ER** Enterprise Risk
- MoR** Model Risk
- FR** Financial Risk
- TIR** Takaful and Insurance Risk
- PPR** People and Performance Risk
- ESGR** Environmental, Social and Governance (ESG) Risk
- ALL** All 12 Principal Risks

Our 12 Strategic Programmes (SPs):

- SPI** Reshape wholesale target operating model
- SP2** Build a regional transaction banking proposition
- SP3** Reimagine the consumer banking customer journey
- SP4** Reimagine the SME banking customer journey
- SP5** Build global Islamic banking leadership
- SP6** Become a regional leader in Insurance
- SP7** Uplift Indonesia
- SP8** Redefine our international footprint
- SP9** Be the sustainability leader in Southeast Asia (SEA)
- SP10** Elevate Maybankers
- SP11** Drive hyper-personalisation through advanced analytics
- SP12** Build next-gen technology capabilities
- ALL** All 12 Strategic Programmes

Related UN SDGs:



Cross references:

- Tells you where you can find more information within the reports
- Links you to related online content
- Tells you where you can find more information online at www.maybank.com

Feedback:

Should you have any feedback on this report, please reach out to ir@maybank.com.my

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Maybank's IAR focuses on concise and meaningful disclosures that demonstrate our value creation process and meets regulatory requirements. Other corporate disclosures updated regularly on our corporate website but not included in this report are:

Maybank Corporate Updates:

- History and Milestones
- Awards and Accolades
- Group Policies, Procedures and Frameworks
- Products and Services
- Global Network Directory
- Sustainability Position Statements, Policies and Frameworks
- Social Media and News Highlights
- Media Releases

Investor Updates:

- Debt Issuances and Related Information
- Financial Statements by Subsidiaries
- Presentation Materials

64th ANNUAL GENERAL MEETING



To be held physically and broadcasted live from:
Ballroom, Level 3
Malaysia International Trade and Exhibition Centre (MITEC),
Kompleks MITEC, No. 8,
Jalan Dutamas 2, 50480
Kuala Lumpur, Malaysia



Date and time:
Thursday,
25 April 2024
10.00 a.m.





Who We Are and What We Do

Established in 1960, Maybank is the largest financial services group in Malaysia with an established presence in the ASEAN region.

OUR PURPOSE...

We are a **values**-driven **platform**, powered by a **bionic workforce** that **Humanises Financial Services**.



OUR MISSION...

Humanising Financial Services

Being at the heart of the community, we will:

- 1 Make financial services simple, intuitive and accessible.
- 2 Build trusted partnerships for a sustainable future together.
- 3 Treat everyone with respect, dignity, fairness and integrity.



OUR VALUES...

Teamwork

Integrity

Growth

Excellence & Efficiency

Relationship Building

Our **core values**, **TIGER**, are the guiding principles for all Maybankers to serve our mission of Humanising Financial Services.

WITH OUR UNIQUE DIFFERENTIATORS...

We serve our communities in ways that are simple, fair, inclusive and human,

embodying our mission.



Over

43,000 Maybankers

who serve our mission, empowered by our

core values, TIGER.



M25+

Our refined strategy,

M25+,

reinforces our focus across **five strategic thrusts** to drive sustainable long-term growth anchored on a deeper purpose.

AND OUR STRUCTURE...

In serving our mission, we provide an array of financial products and services through three key business pillars, supported by shared corporate functions across our global network of 18 countries.

Business Pillars

Group Community Financial Services



Who We Serve and What We Offer

- Consumer Banking
 - Serves: Individuals
 - Offers: Loans such as housing, personal, hire purchase and unit trusts, fixed deposits, savings and current accounts, remittance services, bancassurance products, wealth management services, credit cards as well as digital and mobile banking services
- Non-retail Banking
 - Serves: Micro, small and medium enterprises (SMEs) as well as commercial customers
 - Offers: business financing, short-term credit (i.e.: overdrafts and trade financing), cash management and custodian services as well as digital and mobile banking services

Group Global Banking



1 Corporate Banking and Global Markets

- Corporate and Transaction Banking
 - Serves: Corporates, financial institutions and government entities/agencies
 - Offers: Term loans, overdrafts, short-term revolving credit, trade finance and services, guarantees, supply chain and cash management solutions
- Global Markets
 - Serves: Individuals, corporates, financial institutions and government entities/agencies
 - Offers: Treasury activities and services including foreign exchange and structured products, money market deposits, derivatives and capital products as well as trading services

2 Group Investment Banking

- Serves: Individuals, corporates, governments (including agencies and government-linked companies) and financial sponsors
- Offers: Investment banking solutions covering corporate finance and advisory, fund raising; securities, futures and prime brokerage services, derivatives and research as well as sustainable finance advisory

3 Group Asset Management

- Serves: Individuals, SMEs, corporates, institutional clients and government entities/agencies
- Offers: Unit trusts and wholesale funds including conventional, Islamic, ESG, alternative investment solutions and mandates

Group Insurance and Takaful



- Serves: Individuals, corporates and government entities/agencies

- Offers: Conventional and Islamic insurance (takaful) solutions for general and life/family businesses including long-term savings and investment products

Group Islamic Banking



Maybank adopts an Islamic-first approach:

- Serves: Universal retail and non-retail segments
- Offers: Shariah-compliant and values-based financial solutions across the Group's three business pillars

Group Corporate Functions

- Finance | Strategy | Technology | Operations | Compliance | Risk |
- Human Capital | Internal Audit | Corporate Secretarial | Legal | Sustainability

Who We Are and What We Do

We provide a full suite of conventional and Shariah-compliant products and services in commercial banking, investment banking and insurance, to over 16 million retail, non-retail and corporate customers.

Presence and Network

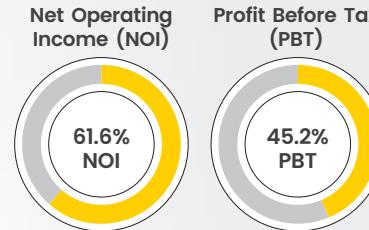


Over 954 touchpoints which include branches, premier, service and commercial banking centres as well as various digital and online platforms.

Areas of Strength and Differentiation

- Largest retail physical distribution network in Malaysia and regional presence in six other ASEAN markets
- Market leader in Malaysia for cards, consumer current and savings accounts (CASA), merchants, bancassurance and digital banking businesses with strong expertise and experience in consumer and SME segments
- Market leader in internet banking (54.0%) and mobile transaction (52.9%) volume in Malaysia

Contribution to Maybank Group FY2023



Dubai has corporate banking services.

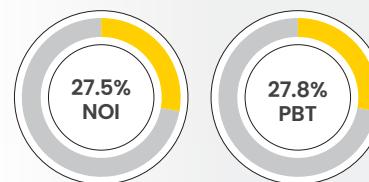
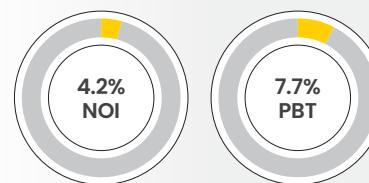
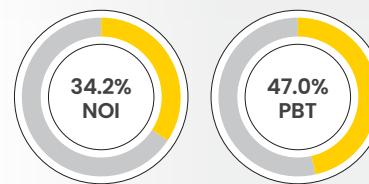


Total of nine offices, 33 branches and 96 touchpoints.



More than 10,000 agents, 46 branches and 17 offices. Bancassurance network has over 490 branches, cooperatives, brokers and online platforms.

- Market leader with strong presence as online insurer in Malaysia for general business
- Leading ASEAN insurer: Malaysia's largest general insurer and takaful company, Philippines' second largest group medical/life insurer and seventh largest life insurer in Cambodia
- One of only two insurers in Malaysia to hold all four licences (life, family, general and general takaful), offering a complete suite of insurance and takaful products



HELP DELIVER VALUE ACROSS ASEAN.

Being at the heart of ASEAN, we continue to dedicate our efforts towards achieving a sustainable and inclusive future for our communities.

RM39.0 billion

Total non-retail loans disbursed across key markets in FY2023, with Maybank serving over 850,000 SME customers across ASEAN.

Over RM4.3 billion

of affordable home loans mobilised in Malaysia in FY2023, providing home ownership accessibility to low-income households.

Over RM34.1 billion

of sustainable financing mobilised in FY2023 to support low-carbon transition initiatives and sustainable development outcomes, of which RM17.5 billion was through sustainable Islamic finance solutions.

Over RM1.1 trillion

transacted via Maybank's digital platforms across ASEAN in FY2023, supported by cross-border initiatives between key markets including Malaysia, Singapore, Indonesia and Cambodia to promote borderless inclusivity.

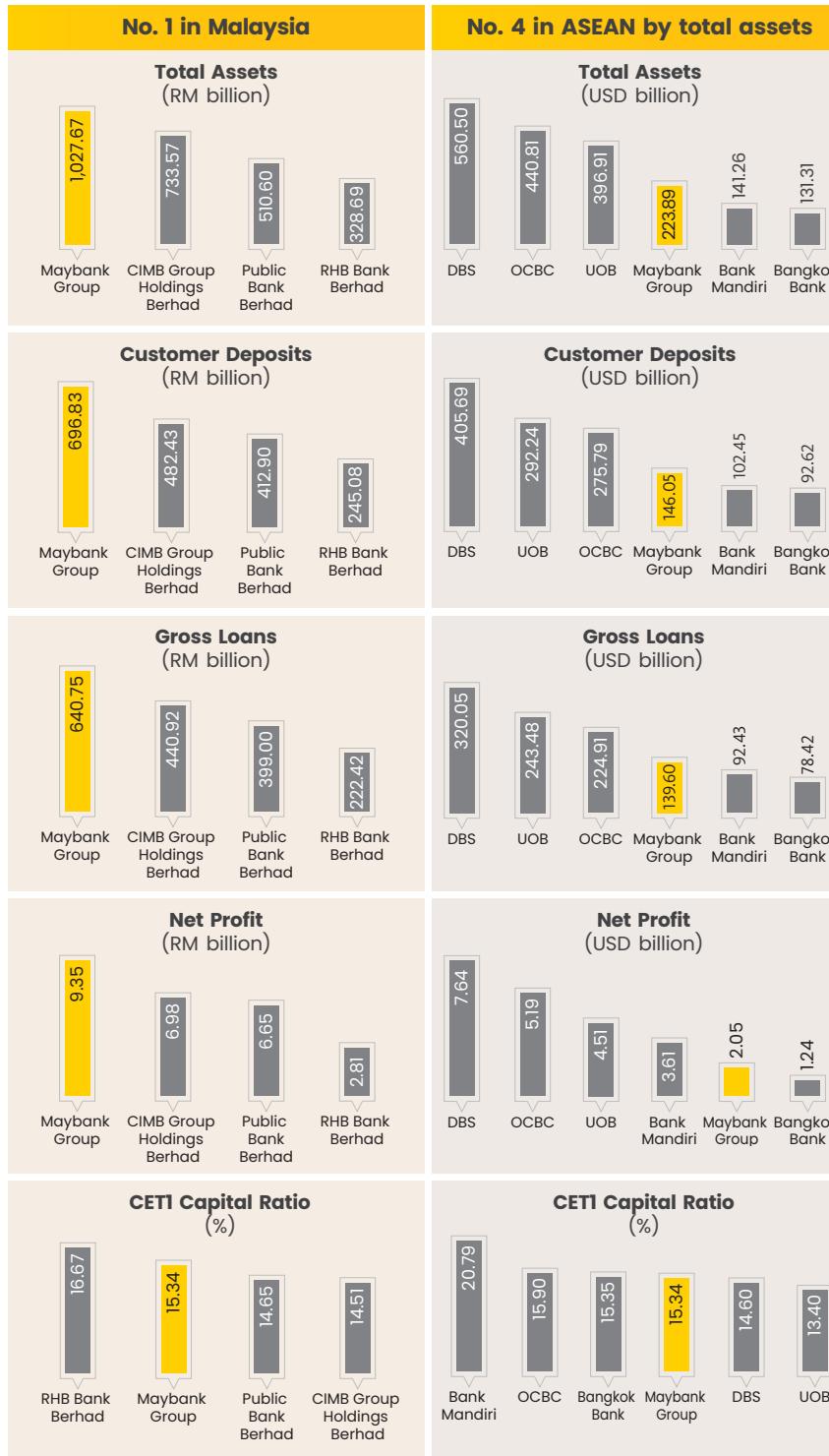
RM71.1 billion

in Islamic wealth asset under management as at year-end, focusing on innovative solutions covering customers' life journeys premised on the five Islamic wealth pillars, namely creation, accumulation, preservation, purification and distribution.



Our Presence and Ranking in ASEAN

MAYBANK'S RANKING AGAINST MALAYSIAN AND ASEAN PEERS



Source: Company's financial statements as at 31 December 2023

Source: Bloomberg for the reporting period as at 31 December 2023

ASEAN Presence

Global Presence

10 countries

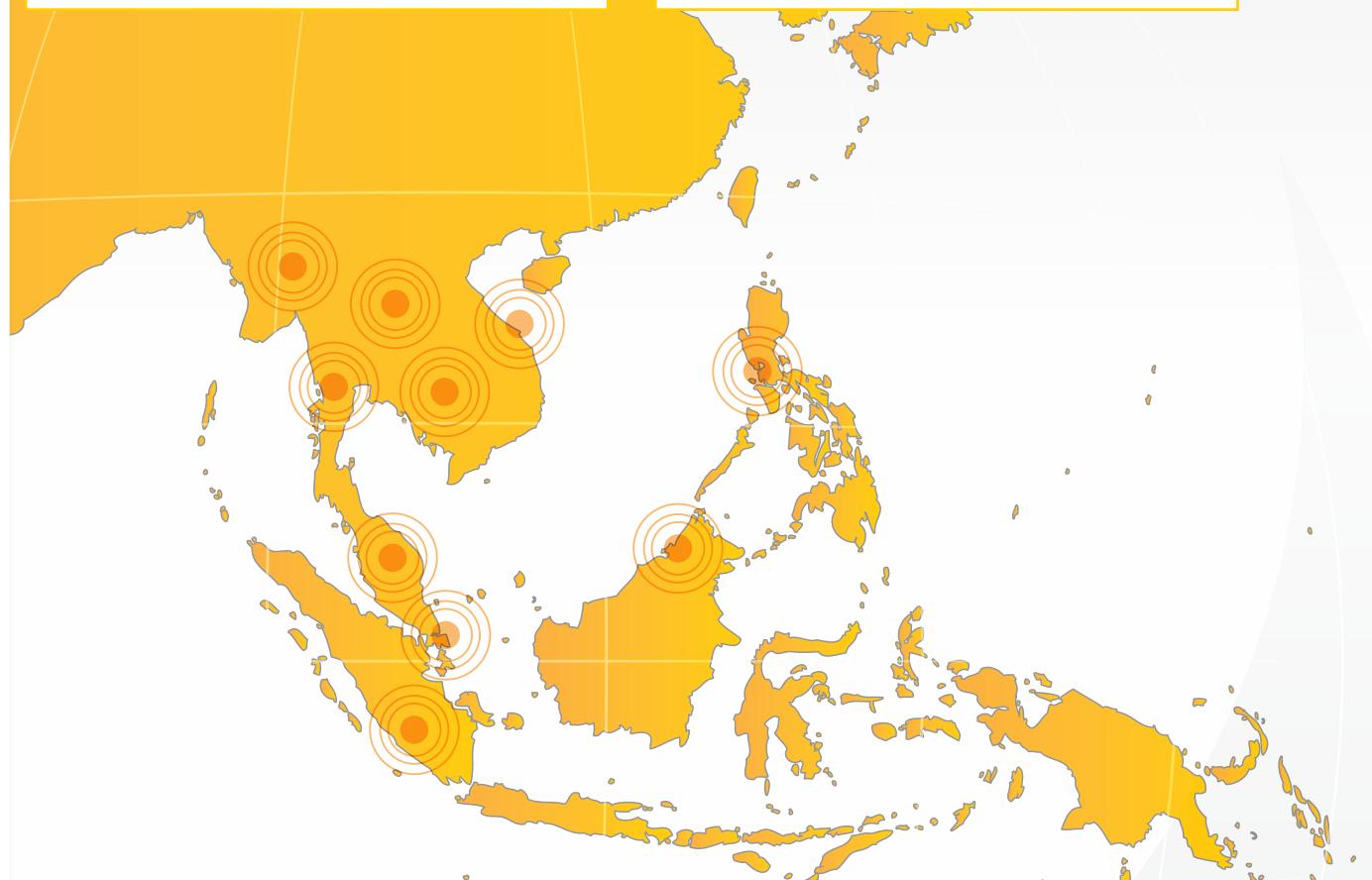
959# branches

33 investment banking (IB) branches

18* countries

2,597# branches

33 investment banking (IB) branches



* The non-ASEAN countries are Greater China, India, Pakistan, Saudi Arabia, UAE, UK, USA and Uzbekistan

Branches serve retail, non-retail and corporate customers

Our Presence and Ranking in ASEAN

OUR PRESENCE

Malayan Banking Berhad is the holding company and listed entity for Maybank Group. The Group, through its subsidiaries, offers an extensive range of products and services, which includes consumer and corporate banking, investment banking including stockbroking, Islamic banking, insurance and takaful, trustee and nominee services and asset management.

Our operations span across 18[^] countries including all 10 ASEAN countries and international financial centres such as London, New York, Hong Kong and Dubai. Maybank's home markets are Malaysia, Singapore, Indonesia and Cambodia. We have sharpened our focus by defining our robust global network into three archetypes based on our key strengths in the different markets where we operate to leverage the existing subsidiaries or network established in these markets.

 Universal Play	Definition: Universal offering; Participation in all segments and core products	 Focused Play	Definition: Focused propositions; Opportunistic on key segments with tailored products	 Strategic Footprint	Definition: Serves strategic imperatives; Lean setup to connect customers and act as liquidity hub targeting ASEAN corporates
Country	Description	Country	Description	Country	Description
Malaysia 	 1960  353 and also six for IB  Retail, non-retail and corporate businesses	Greater China 	 1962 in Hong Kong; 2000 in Shanghai, 2012 in Beijing, 2015 in Kunming and 2016 in Shenzhen  Five  ASEAN and domestic corporate clients and financial institutions. Also, private wealth customers through Maybank Hong Kong	Vietnam 	 1995  Two (Ho Chi Minh and Hanoi)  Regional corporate businesses
Singapore 	 1960 [Maybank Singapore Limited (MSL) incorporated in 2018]  18 (includes nine for corporate and institutional businesses)  Retail and commercial businesses under MSL while corporate and institutional businesses under specific branches	Philippines 	 1997 (Maybank Philippines Incorporated)  60  Retail and corporate businesses	Thailand 	 1990 initially as Nithipat Capital Co. Ltd but name changed to Maybank Securities Thailand in 2022  19 for IB and one head office  Retail and institutional businesses (i.e.: brokerage, securities trading, underwriting and investment advisory services)
Indonesia 	 1959 (PT Bank Maybank Indonesia Tbk)  337 (includes 20 Shariah branches and one in Mumbai, India)  Retail, non-retail and corporate businesses	Brunei 	 1960  Two (Bandar Seri Begawan and Seria)  Retail and commercial businesses	Laos 	 2012  One (Vientiane)  Retail SMEs, mid-tier local and ASEAN corporate businesses
Cambodia 	 1993 (Maybank Cambodia Plc; incorporated in 2012)  21  Retail, non-retail and corporate businesses	Myanmar 	 1994 (as Representative Office but full bank license in 2014)  One (Yangon)  Foreign and local corporates as well as domestic financial institutions	USA 	 1984  One (New York)  Corporate businesses (i.e.: lending, loan syndications, bilateral arrangements, treasury, capital markets and trade finance services)
		UK 	 1962  One (London)  Regional ASEAN corporate businesses (i.e.: capital markets, trade finance and global market services)	India 	 1995  One (Mumbai held via Maybank Indonesia)  Corporate businesses (i.e.: trade and remittance services across Asia)
		UAE 	 2019  One (Maybank Islamic Dubai-DIFC Branch)  Corporate businesses (i.e.: lending, loan syndications, bilateral arrangements, treasury, capital markets and trade finance services)	Icons:  Established  Branches  Serves	

Notes:

[^] The countries not featured are Pakistan, Saudi Arabia and Uzbekistan
 For more, refer to www.maybank.com/en/maybank-worldwide.page



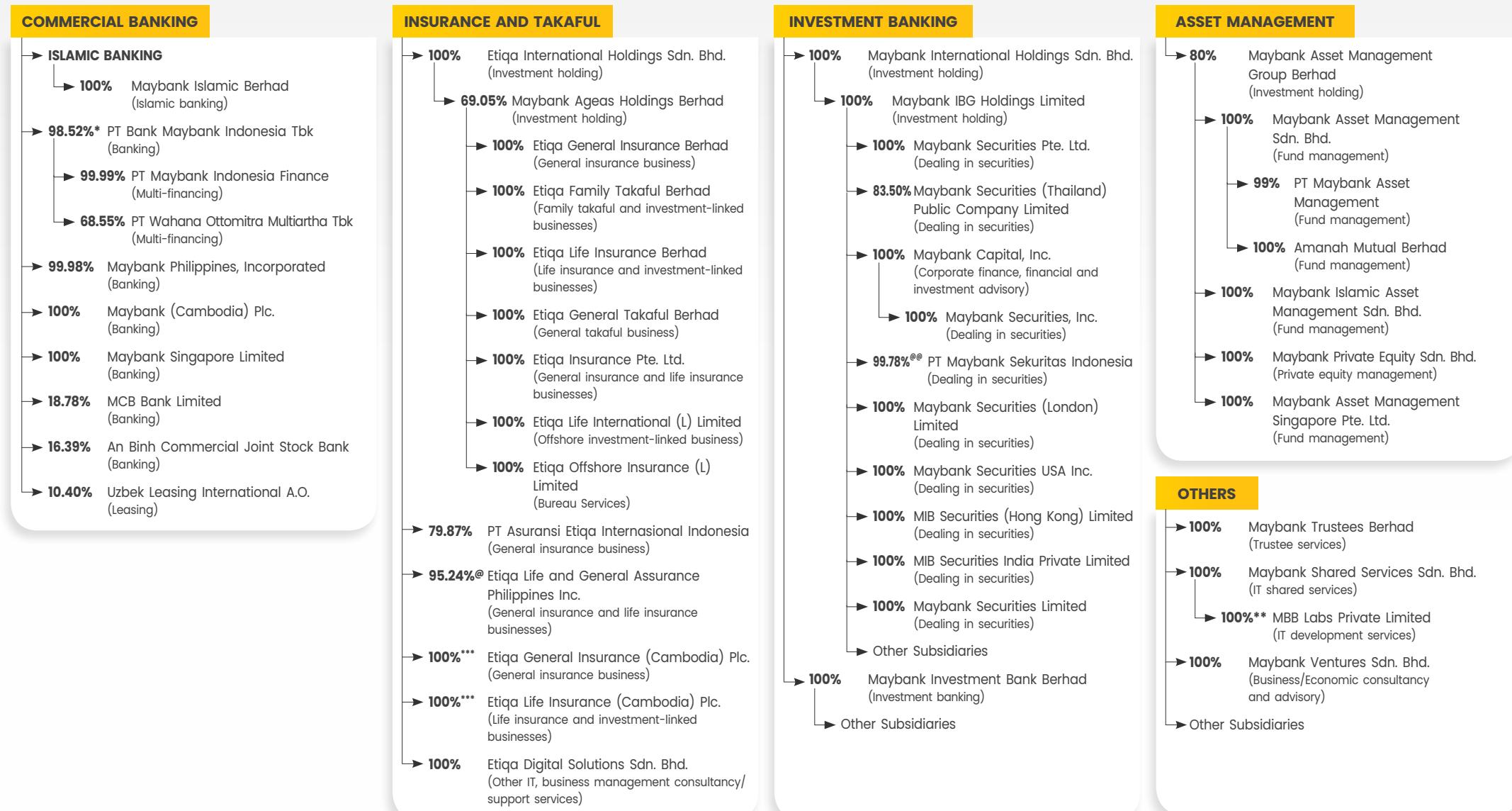
Group Corporate Structure

As at 31 December 2023



MALAYAN BANKING BERHAD

The operations of Maybank cover various key entities and business segments of the Group including commercial banking, insurance and takaful, investment banking, asset management and other business segments across 18 countries.

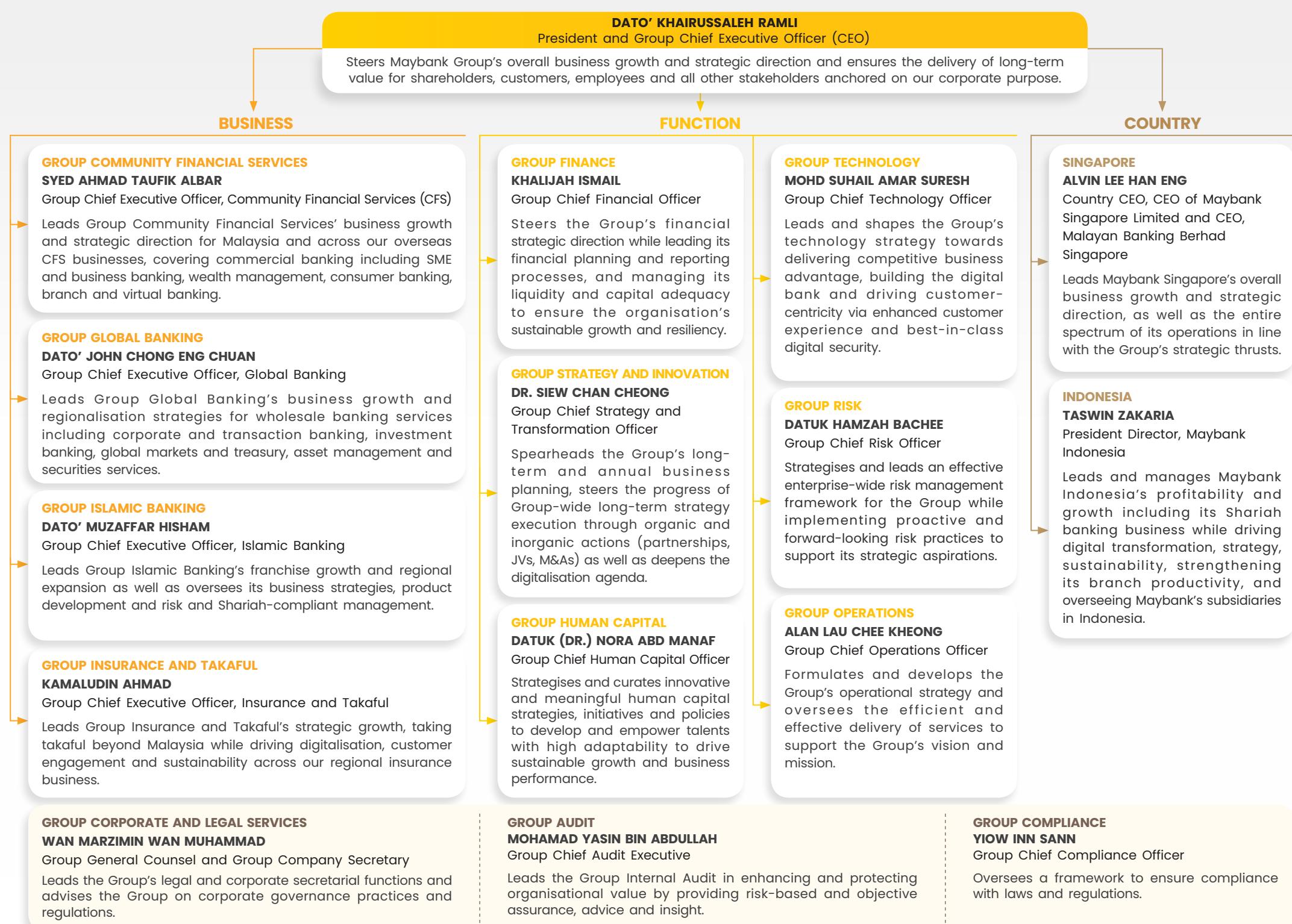


Notes:

1. This chart is not the complete list of Maybank subsidiaries and associates. Companies that are not shown include those that are dormant, under liquidation, have ceased operations, or are property investment or nominee services companies. For the complete list, refer to Notes 64: Details of Subsidiaries, Deemed Controlled Structured Entities, Associates and Joint Ventures in the Financial Statements
2. Where investment holding companies are omitted, shareholdings are shown as effective interest
- * Effective interest held by the Group. Refer to Notes 64, footnote 14, page 297 in the Financial Statements for the details
- ** 0.01% is held by Dourado Tora Holdings Sdn. Bhd.
- *** 99.998% is held by Etiqa International Holdings Sdn. Bhd.
- @ Effective interest held by the Group. 54.66% is held by Etiqa International Holdings Sdn. Bhd. and 40.58% is held by Maybank Capital, Inc.
- @@ Effective interest held by the Group. 85% is held by Maybank IBG Holdings Limited and 15% is held by PT Maybank Indonesia Finance (14.78% effective interest held by the Group)

Group Organisation Structure

As at 1 March 2024



Full profiles can be obtained on pages 112 and 118 to 120

Note: Dato' Mohamed Rafique Merican Mohd Wahiduddin Merican, formerly Group Chief Executive Officer, Islamic Banking, has been redesignated as an advisor effective 1 March 2024 until his retirement on 20 June 2024



Investment Case

A truly regional bank with strong ASEAN footprint and global access (ST3)

Pioneering pathway towards net zero carbon emissions with leading sustainability frameworks in ASEAN (ST4)

Strong track record of financial performance and superior net cash dividend payout (ALL)

5th largest Islamic bank globally and poised to be a leader in Islamic wealth management (ST5)

Why invest in Maybank?

The collage includes images of the Earth from space, a family walking outdoors, a child planting a tree, a hand writing on a document, and a person using a digital tablet.

Highlights of 2023

FINANCIAL HIGHLIGHTS

Total Assets

RM1.03 trillion

(FY2022*: RM948.13 billion)

Record Net Profit

RM9.35 billion

(FY2022*: RM7.96 billion)

Return on Equity

10.8%

(FY2022*: 9.6%)

Earnings per Share

77.6 sen

(FY2022*: 66.5 sen)

Group CET1 Capital Ratio[#]

15.34%

(FY2022: 14.78%)

Total Dividend per Share

60.0 sen

(FY2022: 58.0 sen)

Dividend Payout Ratio

77.4%

(FY2022*: 87.5%)

Dividend Yield

6.7%

(FY2022: 6.7%)

BUSINESS HIGHLIGHTS

ALL



Launched seamless regional cashless payments via cross-border QR payment in Malaysia, Singapore, Thailand and Indonesia



Sole Financier and Sustainability Structuring Adviser for ASEAN's first sustainability-linked Islamic revolving credit facility for the shipping industry totalling USD100.00 million



No. 1 general takaful player and online general insurance and takaful player in Malaysia with 53.1% market share



Established Islamic wealth management (IWM) hub in Singapore to provide onshore and offshore IWM solutions for premier and private banking customers in Malaysia, Singapore and Indonesia

DIGITAL AND CUSTOMER EXPERIENCE HIGHLIGHTS

ST1 ST2



Best Consumer Digital Bank in Asia Pacific, Best Mobile Banking App and Best Online Product Offerings in Malaysia in the Global Finance Awards 2023



Launched First "Phygital" Signature Branch to deliver superior customer experience with hyper-personalised solutions



Simplified and shortened account opening time by 70% to 15 minutes at branches via Agile Customer Experience



Maintained differentiated customer experience leadership with a Net Promoter Score of +37 (2022: +24)

SUSTAINABILITY HIGHLIGHTS

ST4



First Malaysian bank to receive Global Finance's "Outstanding Leadership in Sustainability Transparency" - Asia Pacific award. Maybank also won Global Finance's Best Bank for Sustainable Finance - Malaysia award



The only Malaysian corporation to feature among 750 companies in TIME magazine's World's Best Companies 2023, with a sustainability ranking of 374



Our CDP score improved to B from C given our coordinated action on climate issues. Also, finalising our science-based net zero pathway for two key sectors



Advancing value-based banking with first-of-its-kind solutions, Maybank myimpact credit cards, that combine sustainability and Shariah principles

* Restated FY2022 comparative information as MFRS 17 has replaced MFRS 4 Insurance Contracts for annual periods beginning on or after 1 January 2023

Post second interim dividend



Significant Events of 2023

MARCH

6 March

Maybank Singapore signed MOU with KPMG Singapore to mobilise funding for low carbon and green projects originated by the ASEAN Decarbonisation Hub.

MAY

3 May

Maybank hosted its fourth virtual annual general meeting (63rd AGM) at Menara Maybank attended by 4,786 shareholders. The AGM was immediately followed by an extraordinary general meeting attended by 1,609 shareholders.

30 May

Maybank launched its cross border QR payment service via the MAE app for Maybank customers travelling to Malaysia, Singapore, Indonesia and Thailand.

JUNE

14 June

Maybank Islamic launched a digital wasiat writing service, EzyWasiat, allowing customers to easily prepare their wasiat efficiently within Shariah and Faraid (Islamic inheritance) principles.

22 June

Etiqa launched RAHMAH Personal Accident Insurance and Takaful policies targeted at the B40 segment.

JULY

7 July

Maybank launched its first-of-a-kind Signature branch, a fusion of physical and digital 'Phygital' concept, in Kuala Lumpur.



JULY

21 July

Maybank entered strategic partnership with electric vehicle manufacturer Tesla to offer integrated auto financing solution.



27 July

Maybank Investment hosted the Invest Malaysia, Special Series: Launch of the National Energy Transition Roadmap, Part 1: Flagship Catalyst Projects and Initiatives.

AUGUST



16 August

Maybank introduced the Maybank myimpact credit cards promoting sustainable lifestyles and eco-purchases.

19 August

After a three-year hiatus due to the COVID-19 pandemic, Maybank Group Global CR Day 2023 was held in conjunction with our Maybank Group Sustainability Week.

27 August

Maybank Indonesia held Indonesia's first Elite Label Road Race Maybank Marathon in Bali, which saw more than 13,000 runners from 50 countries taking part.

SEPTEMBER

22 September

Maybank Investment Bank celebrated its 50th anniversary with a gala dinner for its customers and employees.

25 September

Maybank Indonesia launched comprehensive Shariah Wealth Management solutions.

OCTOBER

26 October

Themed 'Retake the Green', The Maybank Championship in partnership with the Ladies Professional Golf Association saw globally renowned golfers compete.

NOVEMBER

1 November

Maybank Asset Management launched AI-powered, Shariah-compliant Discretionary Portfolio Mandate with Arabesque AI.

20 November

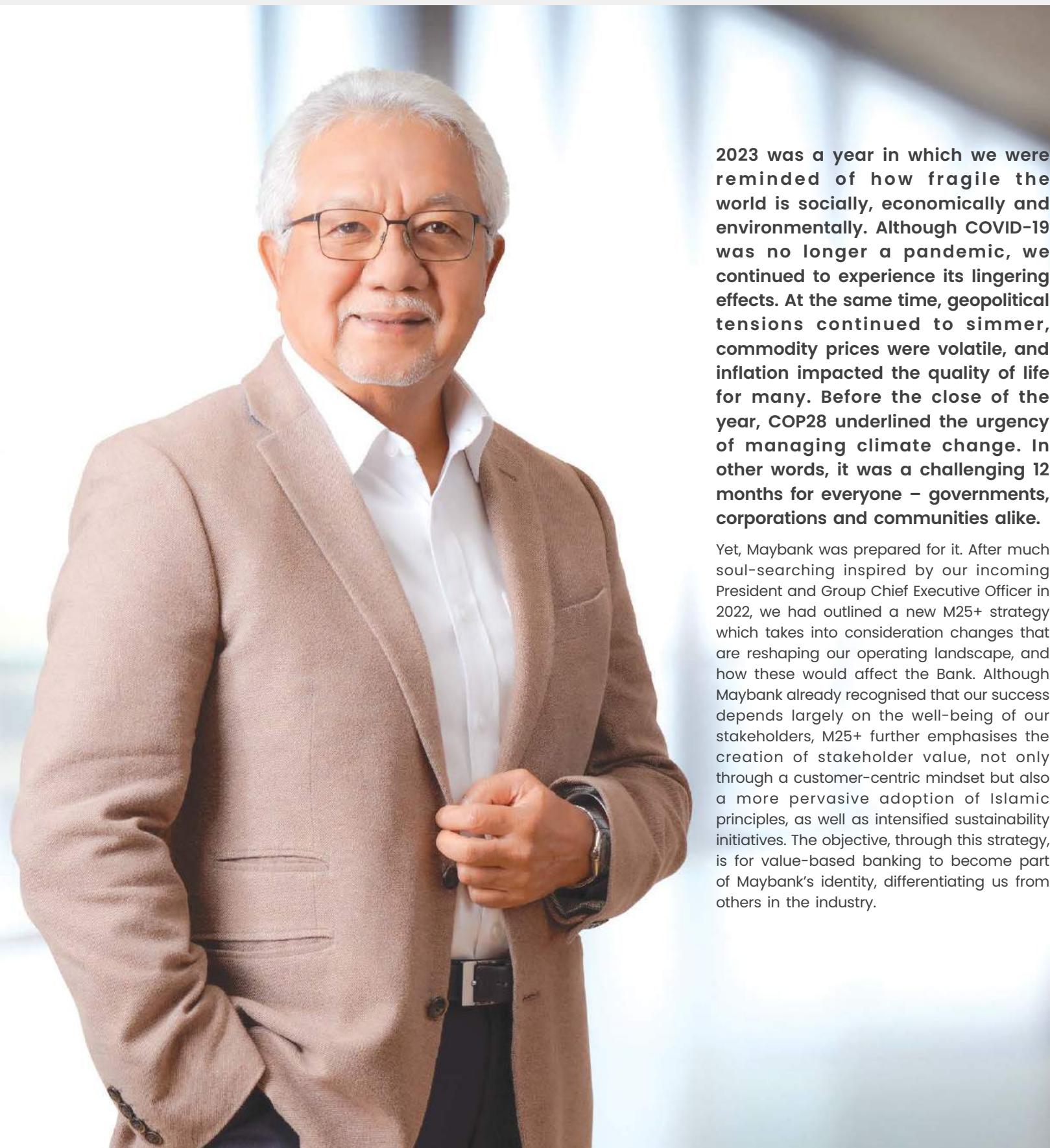
Maybank Group launched its Islamic wealth management regional offshore hub in Singapore.



DECEMBER

1 December

Maybank Singapore extended ASEAN's first sustainability-linked Islamic revolving credit facility (US\$100 million) to global shipping company, AET.



2023 was a year in which we were reminded of how fragile the world is socially, economically and environmentally. Although COVID-19 was no longer a pandemic, we continued to experience its lingering effects. At the same time, geopolitical tensions continued to simmer, commodity prices were volatile, and inflation impacted the quality of life for many. Before the close of the year, COP28 underlined the urgency of managing climate change. In other words, it was a challenging 12 months for everyone – governments, corporations and communities alike.

Yet, Maybank was prepared for it. After much soul-searching inspired by our incoming President and Group Chief Executive Officer in 2022, we had outlined a new M25+ strategy which takes into consideration changes that are reshaping our operating landscape, and how these would affect the Bank. Although Maybank already recognised that our success depends largely on the well-being of our stakeholders, M25+ further emphasises the creation of stakeholder value, not only through a customer-centric mindset but also a more pervasive adoption of Islamic principles, as well as intensified sustainability initiatives. The objective, through this strategy, is for value-based banking to become part of Maybank's identity, differentiating us from others in the industry.

Chairman's Statement

Guided by M25+, we overcame all the challenges that surfaced, surpassing industry performance to achieve another record-breaking year with total assets exceeding RM1 trillion and a net profit of RM9.35 billion.

Tan Sri Dato' Sri Ir. Zamzamzairani Mohd Isa
Chairman



**Become a global
Islamic banking leader**
and differentiate
Maybank through
value-based banking



Total assets
exceeding
**RM1
trillion**



Dividend payout of
**RM7.24
billion**



Board-level women
representation of
36%



Chairman's Statement

Guided by M25+, we overcame all the challenges that surfaced to make significant advances in every aspect of our operations in 2023. Resourceful and resilient, we surpassed industry performance to achieve another record-breaking year with total assets exceeding RM1 trillion and a net profit of RM9.35 billion, a new historical high. That these results were achieved along with a strengthened environmental, social and governance (ESG) base made them even more meaningful.

TAKING THE LEAD IN ISLAMIC BANKING

The tenets of Islamic banking clearly reflect what we seek to achieve through the ethos of value-based banking, namely being fair and transparent in our dealings while enhancing our service delivery and contributing to financial inclusivity as well as social and environmental well-being. Arising from this coupled with Islamic finance business opportunities, Maybank seeks to become a global leader in Islamic banking. It gives me pleasure to share that we achieved a milestone in this regard in 2023, with the launch of a regional offshore Islamic wealth management (IWM) hub in Singapore.

Singapore was a strategic choice because it is a regional financial centre, and our IWM facility is the first-of-its-kind on the island state offering end-to-end IWM solutions. With support from Malaysia, we are confident that this new hub will grow rapidly as it serves the needs of individuals across the region looking to make investments that are socially and environmentally responsible.

Supporting our transformation into a premier Islamic financial institution, we have also established a Centre of Excellence which will ensure Shariah-compliant practices along our value chain – from the development of customer solutions to the delivery of the highest quality of service. In addition, our Centre of Excellence will build Maybank into a thought leader in advancing the Islamic financial sector.

Meanwhile, focusing more specifically on the environmental aspects of value-based banking, we have also introduced the "myimpact" brand and launched the first-of-its-kind myimpact credit cards in the region. Essentially, myimpact seeks to create greater awareness of how our everyday actions affect the environment, with the objective of promoting more sustainable lifestyles. With the card, members can track and offset their carbon footprints. They are also rewarded for the purchase of environmentally-friendly goods and services, and for contributing towards environmental efforts across the region. Following the card, we launched the myimpact SME hub, through which we seek to guide Malaysian small and medium enterprises (SMEs) to transition towards more sustainable practices by also offering them value-based solutions.

VALUE CREATION FOR OUR STAKEHOLDERS

As a result of our robust financial performance in 2023, Maybank has been able to continue to create value for our key stakeholders. We have a policy of distributing between 40% and 60% of our net profit to our shareholders; and it gives me pleasure to share that we once again exceeded our commitment by offering a fully-cash dividend payout ratio of 77.4%, or 60.0 sen per share. This is one of Maybank's highest payouts ever and also one of the best dividend yields in the region for the year.

In addition, we are contributing RM3.10 billion in taxes and zakat to the regional governments where we operate, which will be channelled towards socio-economic programmes aimed at bettering lives. At the same time, through Maybank Foundation, an accredited ASEAN entity since 2021, we continue to positively impact the communities we serve in the region.

Education is one of the Foundation's focus areas as it is a powerful enabler in uplifting marginalised communities. Through the Foundation, we offer two scholarships – the Maybank Group Scholarship, a more than five-decade-old programme for Malaysian students; and the newer ASEAN-Maybank Scholarship. This year, we awarded the Malaysian scholarship to 69 deserving students, providing them the opportunity to pursue tertiary education locally or overseas. We also selected five outstanding students from Brunei, Indonesia, Malaysia and Vietnam for the ASEAN-Maybank Scholarship in conjunction with the 56th ASEAN Day celebration in Indonesia. The ASEAN scholarship, developed in partnership with the ASEAN Secretariat, is unique because it not only provides the opportunity for students to pursue tertiary education, but also strengthens unity across the region as each scholar is placed in a regional university outside of his/her home country.



Launched myimpact brand which seeks to create greater awareness of how our everyday actions affect the environment



Awarded Best CR Initiatives at the Edge Billion Ringgit Club 2023 awards in the Super Big Cap Companies category (for companies with above RM40 billion market capitalisation)

Other than the scholarship, Maybank Foundation organised the third Regional Capacity Building Workshop as part of the eMpowering Youths Across ASEAN (eYAA) programme together with the ASEAN Foundation. Since eYAA's launch in 2018, over 200 youth volunteers have worked together with 30 social enterprises to positively impact the lives of over 50,000 individuals in the region.

Over and above these programmes, we champion financial inclusion and literacy via programmes such as Cashville Kidz, through which we have reached over 330,000 students across ASEAN. We also launched the regional Financial Education Excellence Awards to honour Cashville Kidz educators and students. We empower women and people with disabilities (PWDs) through Women Eco-Weavers and Reach Independence and Sustainable Entrepreneurship (R.I.S.E) respectively. Both programmes continued to grow in 2023: Women Eco-Weavers opened its second Maybank Silk Weaving Training Centre in Cambodia, or eighth centre in ASEAN, while R.I.S.E expanded to its fifth ASEAN country, Cambodia. In tiger conservation, our efforts with WWF-Malaysia in the Belum-Temenggor Forest Complex helped the Royal Belum State Park achieve the first CAITS accreditation in ASEAN in 2023.

We undertake our community programmes out of a genuine desire to be a force for good. Nevertheless, it is always encouraging to receive recognition for our efforts; and this year it was a moment of pride when Maybank was awarded for Best CR Initiatives at the Edge Billion Ringgit Club 2023 awards in the Super Big Cap Companies category (for companies with above RM40 billion market capitalisation).

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pg. 151-160

pg. 161-165

EMPHASISING DIGNITY AND DIVERSITY

Our employees are one of our most important stakeholders, and we are dedicated to creating value for them too. In addition to competitive salaries and benefits, as well as continuous training and engagement activities, we nurture an inclusive and equitable environment within our workplace. Various policies are in place to ensure everyone in the Group is treated with respect and dignity including the recently launched Maybank Group Dignity Policy which enshrines our zero tolerance for discrimination, bullying, bias or harassment.

Meanwhile, as an equal opportunities employer and to further strengthen diversity at Maybank, we introduced the Work Placement Programme for PWDs. Our aim is to train differently abled talents for a minimum of eight months with the possibility of offering full-time employment to those who prove to be a good fit with our ethos. We currently have nearly 100 PWD trainees in various departments Group-wide.

DEEPENING OUR SUSTAINABILITY CAPABILITIES AND OUTCOMES

As we build our value-based identity, it is important that everyone at all levels in Maybank is on board our journey. Being aware of our aspirations is the first step; but to achieve our goals, all Maybankers need to have the knowledge and tools to ensure value creation across our operations. This has seen us continuously build our sustainability capabilities, especially in recent years. In 2023 itself, my colleagues on the Board and I attended various sustainability and climate-related training programmes including one on reporting the financial impacts of climate change, a topic which is pertinent as we support the low-carbon transition. We have also partnered with the United Nations Global Compact Network Malaysia & Brunei to develop a structured certification programme for sustainability practitioners within our workforce.

As an equal opportunities employer, we introduced the **Work Placement Programme for PWDs** offering full-time employment to those who prove to be a good fit with our ethos



The Board approved the development of **sustainability key performance indicators** as part of the Long-Term Incentive Plan for senior executives



Further integrating sustainability into the fabric of our DNA, we linked Maybank's bonus and other emoluments to metrics related to our sustainability commitments effective FY2022. The Board approved the development of sustainability key performance indicators (KPIs) as part of the Long-Term Incentive Plan for senior executives. All of this leaves no doubt in Maybank that ESG-related KPIs are as important as non-ESG KPIs.

At the ground level, we launched our inaugural Maybank Group Sustainability Week in 2023, which included panel sessions and talks on topics such as diversity and inclusion, mental health, sustainable farming and reducing carbon emissions. To encourage sustainability ideation among employees, we organised the Maybank Sustainability Ideathon, offering the winners funds to carry out proposed projects. It was encouraging to see very positive response to this initiative, with the five-day event drawing the participation of over 8,000 employees.

While the Sustainability Week was all-encompassing, the Group's 11th Global Corporate Responsibility Day was pervasive. The annual event saw more than 17,000 Maybankers engage directly with over 17,000 community members, making it one of the largest global community programmes undertaken in one day by a Malaysian-based corporation.

DRIVING GOVERNANCE AT THE BOARD

Good governance is critical to integrity and value creation; hence the Board continues to review and strengthen our governance framework as we adopt best practices. Among others, we have made a conscious effort to create diversity on the Board, with Directors bringing different experience and skillsets to enhance our perspectives and strategic decision-making capabilities. Women currently make up 36% of the Board, which is higher than the 30% baseline recommended by the Malaysian Code on Corporate Governance. In addition, eight out of our 11 directors are independent, providing objective checks and balances and ensuring the interests of our stakeholders are protected at all times.

Two of my esteemed colleagues retired in 2023 while a new Director joined the Board. On behalf of the Board, I would like to express our appreciation for the invaluable contributions of Datuk R. Karunakaran, formerly our Senior Independent Non-Executive Director, and Cheng Kee Check, previously a Non-Independent Non-Executive Director, both of whom completed their nine-year tenures in 2023. I would also like to welcome Datuk Yee Yang Chien as our new Non-Independent Non-Executive Director. With his background in local and international financial institutions as well as leadership at MISC Berhad, Datuk Yee will be a valuable addition to the team.

ACKNOWLEDGEMENTS

Maybank's sterling performance in 2023 is the cumulative result of the contributions and support of our external and internal stakeholders. The list includes the regulators and governments in each country where we operate, our extensive network of partners, our shareholders and customers. I would like to express my appreciation to these parties for contributing both tangibly and intangibly towards the creation of an ecosystem that has allowed Maybank to grow into the banking icon we are today. Additionally, I would like to express a heartfelt gratitude to all Maybankers for your unrelenting dedication to the Group and our mission of Humanising Financial Services. It is thanks to you that we have been able not only to excel as a bank, but now to go beyond as we create increasing value for the many lives that we touch.

Chairman's Statement



It gives me great pleasure to present an overview of Maybank's performance in 2023, which marked the first full year of my serving as President and Group CEO. It has been very encouraging to see our transformation programme M25+ gain traction, as reflected in our performance. This is the result of a great deal of hard work that has gone into its execution, with contributions from the entire team, including my Group Executive Committee (EXCO) colleagues and all fellow Maybankers, guided and supported by the Board of Directors. The year was not without challenges, yet we remained resolute and stayed the course, adapting and advancing the Agile ways of working.

Although fears of a global recession did not materialise, economic growth was muted in 2023, with interest rate hikes by the United States (US)'s Federal Reserve to curb decades-high inflation which cascaded into a pervasive cost-of-living impact and tightening financial conditions. Added to this, geopolitical tensions intensified with no let-up in the Russia-Ukraine war and the Israel-Gaza conflict erupting in the last quarter of the year. Amid these socio-economic and geopolitical challenges, the International Monetary Fund predicted continued slowing down of global economic growth in 2023 to 3.1%, from 3.5% in 2022 and 6.0% in 2021, when developed nations lifted their COVID-19 restrictions.

President and Group CEO's Statement

It has been very encouraging to see our transformation programme M25+ gain traction, as reflected in our performance. This is the result of a great deal of hard work that has gone into its execution, with contributions from the entire team, including my EXCO colleagues and all fellow Maybankers, guided and supported by the Board of Directors.

Dato' Khairussaleh Ramli

President and Group Chief Executive Officer (CEO)



New net profit high of
RM9.35 billion



ROE of
10.8%
meeting guidance of
10.5% to 11.0%



Strong Group
loans growth of
9.2%
YoY



Robust and
improved Group CET1
capital ratio of
15.34%
and Group total
capital ratio of 18.56%

President and Group CEO's Statement

For corporations, the business environment is further complicated by changing behavioural patterns and consumer expectations. Whereas before, only the young and tech savvy opted to carry out daily transactions online, today almost everyone has transitioned onto the digital platform because of the convenience. This has stimulated the proliferation of tech start-ups in every sphere leading to fintechs posing a real threat to conventional banks that are not quick on the digital uptake. Competition in the industry is intensifying not only from these non-bank entities but also from bigger and more established regional players.

In the current volatile and unpredictable flux, Maybank has not just stayed our ground; we continue to strengthen our leadership in various key areas. Our steady growth is mainly the result of having always maintained a pulse on the changes around us and evolving in tandem with shifting trends as these emerge.

M25+ STRATEGY FOR SUSTAINED GROWTH

Last year, I mentioned how I had worked with my EXCO colleagues to outline our refined strategy, M25+, to renew our DNA at Maybank by adopting Agile@Scale to enhance collaboration as well as rapid ideation based on customers' journeys to differentiate our solutions and propositions, futureproofing the Group. This year, I'm pleased to share that we are seeing results from this strategy which is anchored on five strategic thrusts: Intensify Customer-centricity, Accelerate Digitalisation and Technology Modernisation, Strengthen Maybank's Position Beyond Malaysia, Drive Leadership in Sustainability Agenda, and Achieve True Global Leadership in Islamic Banking. A total of 12 strategic programmes (SPs) were developed towards the attainment of goals set under these strategic thrusts and we have made good progress in all initiatives undertaken – especially the focus on enhancing customers' journeys and improving our productivity.

Recognising customers' increasing expectations of service providers, we have worked intently on driving customer-centricity leveraging next-gen technologies and analytics. The idea is to curate hyper-personalised solutions – not just in banking, but beyond banking – in order to win customers' trust and their long-term loyalty. To empower our customers and enable them to fulfil their journeys, we are investing about 77% of our M25+ budget of up to RM4.5 billion specifically on building our front-end digital solutions, Tech-for-Business, and back-end technology infrastructure, Tech-For-Tech, to provide hyper-personalised solutions and drive our overall business. Thus far, we have committed RM577 million in investments for M25+, of which 87% is for Tech-for-Business and 10% for Tech-for-Tech.

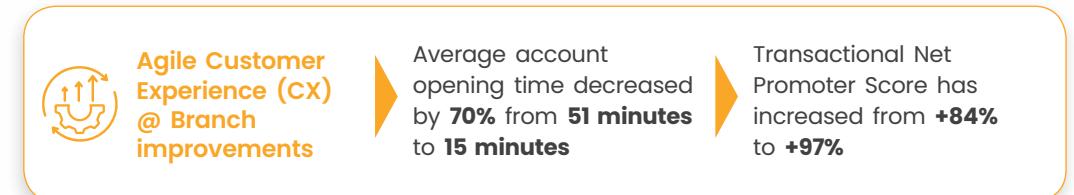
Advancing our digitalisation journey, we introduced a number of digital solutions catering to a wide section of our customers. Key among these was the e-KYC CASA account opening enabling customers to open accounts without having to visit a physical branch. For Retail SME customers, we simplified the loan application process by making available digital financing in more countries such as Singapore and Cambodia, in addition to Malaysia. For our insurance customers, we launched the Banca EaSE app presenting an integrated dashboard which not only enables our agents to recommend products that are best-suited to our customers, but also allows customers to include non-Maybank data for a more comprehensive view of their portfolios.

Beyond banking, we are building ecosystems that simplify processes and improve efficiencies in key areas of our customers' life journeys. For example, we broadened our home mortgage ecosystem by partnering with Sime Darby Property to offer a seamless home purchasing experience for home buyers by integrating Maybank Home²u into Sime

Darby Property's Online Booking System (OBS). This allows home buyers to select their dream home and apply for a mortgage loan online, quickly and effortlessly. If they satisfy the standard criteria, their loan will be approved within seconds. The ability to connect with Sime Darby Property's OBS is anchored on application programming interface (API) technology, which we are leveraging to develop more solutions that will serve customers' needs better and faster. Further supporting our customer's end-to-end (E2E) home ownership journey, we will be incorporating home renovation solutions, financing for renewable energy products such as solar panels and home insurance into our suite of offerings.

Meanwhile, to empower SMEs in Malaysia to balance their social responsibility, environmental and business growth goals, we have developed a one-stop integrated ecosystem for SMEs. This hub offers value-based solutions and serves as a knowledge repository to support SMEs in their transition journey towards sustainable practices. We also provide our SME customers with easy access to our online marketplace, Sama-Sama Lokal, to tap into a large network of suppliers and buyers. Additionally, we have simplified our SME customers' payment processes, as they can now link their Maybank accounts to initiate bulk payments from third-party accounting systems. Another API-based achievement related to SMEs was the linking of Credit Guarantee Corporation Berhad's platform with Maybank's, enabling quicker access to cash for micro small and medium-sized enterprises (MSMEs). Through this initiative, MSMEs can get their SME Digital Financing loans approved in under 10 minutes, from two days previously. Also, the money will be disbursed the same day the facility is accepted. We are especially proud of this financing innovation as it is the first-of-its-kind in Malaysia.

Internally, we have significantly enhanced our own productivity and customer service efficiency through the adoption of Agile principles. In June 2023, we rolled out our Agile Customer Experience (CX) @ Branch ensuring an optimally hassle-free experience for customers. Success with this project motivated us to apply the concept across 347 branches in Malaysia. Within 30 weeks, we have seen very encouraging improvements – with the average account opening time decreasing by 70% from 51 minutes to 15 minutes. Most importantly, our transactional Net Promoter Score has increased from +84% to +97%. We are now piloting the Agile CX @ Branch initiative at several branches in key cities across Indonesia. We have also launched the Agile CX @ Contact Centre to reduce the call waiting time for customers, improve the handling time and enhance the ability to reach Maybank Group Customer Care.



Leveraging Agile methodology, which emphasises cross-functional collaboration for continuous improvement, we are instilling Agile ways of working pervasively across our operations to further enhance efficiencies, improve productivity and optimise our resources. We are also automating our collections mechanism and using artificial intelligence to have human-like conversations with customers to improve collections. Outside of customer interactions, we are utilising machine learning and other best-in-class capabilities that can recognise complex patterns to detect financial crime and protect our customers.



President and Group CEO's Statement

In addition to digital-based products and services, we are enhancing customer-centricity through targeted segmentation and concerted efforts to build end-to-end capabilities. In 2023, we established Group Islamic wealth management (IWM) hub in Singapore, making it our offshore go-to destination for any Shariah-compliant wealth management offerings. We also launched Indonesia's first Shariah Wealth Management solutions for Maybank Indonesia's privilege and premier customers.

Meanwhile, to support the overall growth of our mortgage business in Malaysia and to gain market share, we trained and assembled a dedicated workforce of close to 100 mortgage executives and enabled our Home²u app to be accessed by our mortgage sales force to address both the primary and secondary property markets. Arising from this, the average origination and disbursement by our mortgage consultants rose, helping to boost our Malaysia mortgage portfolio growth to 10.4% YoY. We reorganised our SME business, bringing Retail SME, SME Plus and Business Banking businesses together under one roof, termed Commercial Banking. With this integrated business pillar, we are able to better organise our go-to-market approach and synergise our product offerings for all SME customers for an enhanced experience. The establishment of Commercial Banking is also a step towards our ambition of becoming the largest SME bank in Malaysia. We have already seen a 20% YoY increase in monthly loan origination to RM17.0 billion domestically. In Singapore and Indonesia, where we have increased our loan limits for SMEs as part of the re-segmentation exercise, our monthly loan origination has improved by more than double and 26.1% respectively.

In wholesale banking, we have emplaced a dedicated team to provide end-to-end services specially carved for the mid-market segment. This has seen good traction thus far, with our mid-market loans portfolio in Malaysia recording 11.2% YoY growth.

Despite undergoing this period of intense transformation, it is heartening to see that our employees remain highly engaged. Our Sustainable Engagement Index stands at 89% as we continue to perform above the Willis Towers Watson (WTW) Global High Performing Companies Norm. This achievement, along with our sixth recognition in the WTW High Performance Companies benchmark, underscores our commitment to both financial excellence and superior people practices.

M25+ KEY HIGHLIGHTS



Net Promoter Score

↑ +37

(95th percentile)



Digital customer penetration

↑ 75.4%



Employee engagement

89%

Sustainable
Engagement Index



Next-gen roles

↑ 20.8%

FINANCIAL PERFORMANCE: NEW NET PROFIT HIGH

Our net operating income grew 3.3% to RM27.36 billion from RM26.49 billion in FY2022. This was led by strong growth in our non-interest income, up 38.3% YoY to RM8.06 billion, driven mainly by gains in investments and trading, foreign exchange on a stronger US dollar as well as higher core fees. The increase of 7.4% YoY in core fees was mainly attributed to

higher service charges and fees, commission and underwriting fees. Meanwhile, net fund based income stood lower at RM19.30 billion as net interest margin (NIM) compressed by 27 basis points to 2.12% due to higher funding cost and deposit competition as interest rates across our home markets started to return to pre-pandemic levels from 2022.

We managed to record strong loans growth of 9.2% YoY to RM640.75 billion in 2023, achieving a level of growth not seen since 2015. Our loans portfolios expanded across Malaysia, Singapore and Indonesia by 6.7%, 8.7% and 6.2% respectively. Growth in Malaysia was led by the Commercial Banking segment at 9.0% YoY, consumer lending of 6.7% as the mortgage portfolio expanded 10.4% YoY, and corporate lending at 5.9% supported by growth in large and mid-market corporates at 18.5% and 11.2% respectively. Singapore's growth mainly came from lending in the corporate segment of 16.0% and non-retail segment of 15.0%, offset by a 3.2% decline in the consumer portfolio. A portfolio rebalancing in Indonesia translated into stronger growth of 9.7% YoY from its Community Financial Services franchise with its non-retail portfolio growing for the first time since 2019 at 9.3%. This helped offset the marginal corporate lending portfolio growth of 0.8%, which was also a result of rebalancing away from the state-owned enterprise segment to the large corporate segment.

Supporting loans growth, total deposits grew 9.0% YoY driven by fixed deposits growth of 11.2% led by Singapore, Indonesia and Malaysia. Current and savings accounts (CASA) portfolio saw moderation in Singapore and Malaysia as consumer spending increased and customers moved towards higher yielding products. As a result, total CASA reduced 1.7% YoY with the Group CASA ratio landing at 36.9% in 2023 from 40.9% a year earlier. Our liquidity indicators such as liquidity coverage ratio and net stable funding ratio remained stable at 142.1% and 122.0% respectively.

Meanwhile, cost increased in FY2023 by 11.8% YoY to RM13.39 billion following the conclusion of the collective union agreements in Malaysia, which resulted in personnel costs increase due to inflationary-related adjustments, higher spend by the Group for IT expenses and right-of-use assets depreciation as well as an increase in revenue-related spend such as credit-card fees on higher merchant billings. Also, we spent RM304.7 million on our M25+ strategic programmes, of which 39% was for capital expenditure. Arising from the higher spend, the Group cost to income ratio stood at 48.9% versus 45.2% in FY2022.

Asset quality remained a key priority as we continue to manage our provisions prudently. Net impairment losses reduced 39.5% to RM1.68 billion, of which RM1.83 billion was set aside for loans while a net writeback of RM145.15 million was recognised for financial investments and others. Provisions for loans reduced by 16.3% YoY on some corporate borrower writebacks in 2023 and the absence of pre-emptive provisions made the previous year. Consequently, the Group's net credit charge off rate improved to 31 bps against 40 bps in FY2022. The Group's loan loss coverage ratio remained healthy at 124.9% from 131.2% a year ago while Group gross impaired loans ratio improved to 1.34% as at 31 December 2023 from 1.57% a year earlier.

Our profit before tax rose 5.6% to RM12.53 billion while net profit grew to a new record high of RM9.35 billion in FY2023, up 17.5% from RM7.96 billion a year earlier. Earnings per share increased 16.6% to 77.6 sen from 66.5 sen in FY2022. Meanwhile, return on equity was 10.8%, hitting the higher end of our FY2023 guidance of between 10.5% and 11.0%. At the same time, our post-dividend capital levels remained healthy with Group CET1 capital ratio and Group total capital ratio at 15.34% and 18.56% respectively as at 31 December 2023. Supported by our robust capital levels, we declared a total cash dividend of 60.0 sen per share for FY2023. This translated into an effective cash dividend payout of 77.4%, higher than our dividend payout policy of 40% to 60%.

President and Group CEO's Statement

OTHER KEY FINANCIAL HIGHLIGHTS

Net operating income
RM27.36 billion

↑ 3.3% YoY

Total deposits
RM696.83 billion

↑ 9.0% YoY

Dividend payout
DPS ↑ 60.0 sen

effective cash dividend payout at
↑ 77.4%

Net credit charge off rate
31 bps

↓ 9 bps YoY

Total assets
RM1.03 trillion

↑ 8.4% YoY

Gross impaired loans
1.34%

↓ 0.23% YoY

As part of efforts to double down on our regionalisation strategy, we are rolling out digital solutions in our different home markets, adjusting these as far as possible to be optimally conducive to the local environment. The ultimate objective is to offer the same Maybank brand digital experience customised to local norms across ASEAN. Today our customers in Singapore, like their Malaysian counterparts, can use the M2U Lite app to open Maybank accounts online in a matter of seconds. In 2024, the same will be true for customers in Cambodia and the Philippines. Also as part of our regionalisation approach, we are enabling our account holders to open regional accounts, which would facilitate the transfer of funds across borders. The facility is currently available in Malaysia and Singapore. In addition to account opening, we are upgrading our Maybank Trade app to enable customers to invest in stocks across the region. The new-look, more user-friendly app iteration will be launched in 2024.

For more details on our digital initiatives and innovation, please refer to the Pervasively Digital section on pages 64 to 66

SUSTAINABILITY LEADER ACROSS ASEAN

It has become evident in recent years that the global approach to climate change has to change drastically and fundamentally, with everyone contributing towards the low-to-no carbon transition. Financial institutions play a significant role in this endeavour through the strategic allocation of funds and Maybank is taking the lead in this regard regionally. We introduced the Maybank Group Sustainable Product Framework in 2022 to guide the development of products that would support sustainable projects broadly. In 2023, we launched the Transition Finance Framework focused specifically on the classification and recognition of transition financing solutions as well as the development of products that would promote the greening of industries. Both frameworks have been firsts in the region. Recognising that clients in energy-intense sectors will need additional support, we are close to completing our science-based net zero pathway and strategy for sectors including power and palm oil.

Underlining our commitment to low-carbon economies, Maybank has been actively engaging and partnering with regulators, policy makers, other financial institutions and customers towards developing credible, orderly and just transition plans. During the year, we partnered with the Institute of International Finance (IIF) to host the inaugural IIF – Maybank Transition Finance Workshop for our clients and IIF members. The event featured conversations with regulators and policy makers; panel discussions on achieving climate transition in Asia; as well as interactive case studies with leading firms across the region.

Our coordinated action on climate issues has resulted in Maybank's Carbon Disclosure Project (CDP) score improving to B in 2023 from C previously, placing us among 43% of companies in the financial services sector but above 35% of our peers. We are the only Malaysian bank to receive such a rating and are ahead of the performance of companies in Asia and globally that averaged C. CDP is a non-profit organisation that runs the global disclosure system on environmental reporting by companies and cities.

Of our four sustainability commitments, commitment 3 – achieving carbon neutrality by 2030 and a net zero position by 2050 – sets the tone of our decarbonisation agenda. In addition to guiding our clients' transition journeys, we continue to embrace the most energy-efficient solutions within the Group and have begun to supplement this with carbon offsets towards reaching net zero. In 2023, Maybank secured 5,000 carbon credits from the newly-established Bursa Carbon Exchange market, which will lower our emissions by 3.3% from the 2019 baseline.

For more details on our FY2023 performance highlights, refer to Reflections from Our Group Chief Financial Officer on pages 72 to 76

DIGITALISATION IN MALAYSIA AND THE REGION

We realise that building our digital capabilities and a culture of innovation is essential towards unlocking the full potential of our M25+ strategy in driving our next phase of growth. Following a deep dive into what it will take to develop a data-driven culture of continuous trial and evolution, three inter-related strategic pillars have been identified.

The first is customer facing, with the objective of intensifying the E2E customer journey through the development of holistic ecosystems that go beyond banking, such as our home ownership and SME empowering platforms described above; and to scale up these ecosystems by taking them regional. This requires us to build front- and back-end infrastructure to support our customers' journeys. It would also necessitate expanding our network of partnerships with online and offline partners to provide greater depth and scope of solutions to our customers.

The second pillar involves building our internal capabilities with the right digital infrastructure and the right digital skills and mindset among all Maybankers. Towards this end, we are accelerating our investments into increasingly advanced technologies, bringing on board the latest and most effective systems and automation. At the same time, we are enhancing data access across the Group by providing our people with the right digital tools to be able to access data quickly and efficiently to cater to our customers' needs effectively.

Finally, we seek to keep adding value for our retail and business customers through continuous innovation internally and in collaboration with strategic partners. The latter include suitable third-party businesses as well as start-ups which we can help to build and scale in order to create optimum synergies. Such an environment would support the continuous generation of new concepts which we can fine-tune in phases as we transform into an Agile organisation.



President and Group CEO's Statement

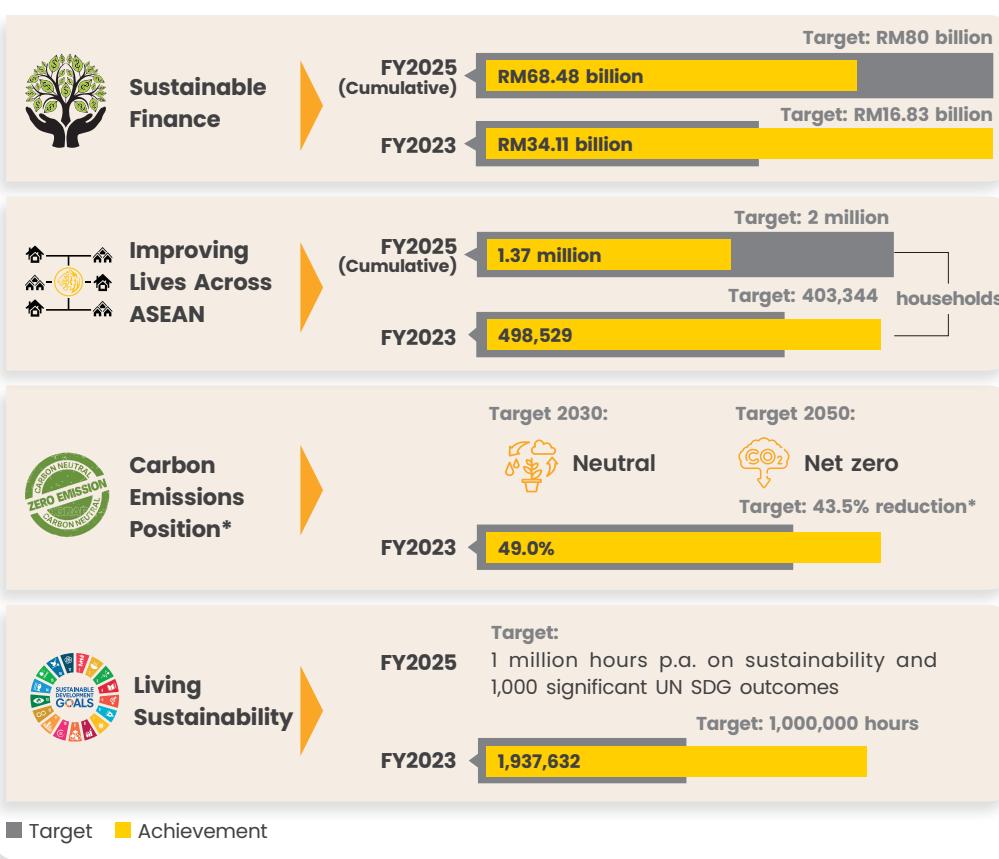
While focusing intently on decarbonisation, we have not neglected our other sustainability commitments. In fact, we exceeded our annual targets for each of the other three commitments that are to be achieved by 2025, namely: mobilising RM80 billion in sustainable finance; improving the lives of two million households across ASEAN; and achieving one million hours per annum on sustainability and delivering one thousand significant United Nations (UN) Sustainable Development Goals (SDGs)-related outcomes.

Within Maybank itself, we have been placing greater emphasis on developing holistic policies to protect the well-being of our employees. Other than to introduce the Maybank Group Dignity Policy, as mentioned by our Chairman, we have developed the Group Human Rights Policy to ensure we uphold our responsibility as a corporation to respect human rights across the Group and our value chain, aligned to the UN Guiding Principles on Business and Human Rights 2011.

It is indeed encouraging to see our efforts translate into recognition which include becoming the first Malaysian bank to receive Global Finance's Outstanding Leadership in Sustainability Transparency – Asia Pacific award as well as its Best Bank for Sustainable Finance – Malaysia award.

For more details on our sustainability initiatives and achievements, refer to the Sustainability Statement section on pages 101 to 109

SUSTAINABILITY TARGETS



FUTURISATION OF THE WORKPLACE FOR OUR NEXT-GEN WORKFORCE

In addition to respecting the rights of our employees, we have continuously invested in helping them to realise their potential. Today, as we seek to become an Agile next-gen organisation, we are intensifying efforts to revolutionise the way we work, and especially to create a mindset in which everyone feels empowered to contribute ideas, and even to risk failure. During the year, we invited tech giants such as Google, Meta, TikTok, Wiz AI and Microsoft to share their experiences, especially in relation to new digital concepts. Agile workshops, ideathons and hackathons are organised to mine ideas, especially on how to continuously enhance the customer experience. Employees are encouraged to use the data available to them to make quick decisions; and to have short but frequent interactions with colleagues – via daily stand-ups for example – to share, update and provide or obtain feedback where necessary. All of these initiatives promote a more energised environment in which things are done faster and more efficiently.

Having seen how ideation has worked to improve the customer journey, this year we leveraged the same principle to encourage employees to think more deeply about sustainability, and to generate more sustainability solutions. A Maybank Sustainability Ideathon was held which saw 46 teams submit proposals to address some of our sustainability challenges. Of these, 12 teams were chosen to attend an intensive three-day workshop during which they were guided to expand their ideas using design thinking, and provided training on presentation skills. Subsequently, the teams pitched their ideas to a panel of judges during our Maybank Group Sustainability Week and the grand prize-winning team won RM10,000 to kick-start their project on food waste management.

We continued to empower Maybankers to become a bionic workforce by unlocking their potential through upskilling and equipping them with the appropriate technology and capabilities. For instance, we undertook a large scale desktop and laptop replacement exercise with system upgrades in 2023 that impacted close to 10,000 staff in Malaysia. This was done to help improve the productivity and efficiency of our staff, especially benefiting those at our branches.

We also seek to stimulate greater employee engagement, collaboration and rejuvenation as we believe it would promote the generation of more ideas and innovation. Accordingly, we designed a mini-retreat, T-POD (with stands for TIGER POD or Tech POD), in Menara Maybank. The space encompasses a Hangout Zone, Tranquillity Zone, Gamer Zone and Theatre Zone, where Maybankers can go and chill, alone or with others. Since its launch on 25 October, T-POD has attracted significant footfall, lending reason to believe it could become a hotbed for creativity.

It is also my pleasure to share that M-Youth, the platform we created in 2022 to empower youth across the Group, is making waves through its series of leadership programmes as well as hangouts, game nights, brown bag sessions and conversations centred around the latest trends and topics. In 2023, we set up the M-Youth Council to focus on youth engagement. The Council organised our first month-long GenM Global Summit, which involved over 17,000 employees in over 100 activities, generating more than 400 growth ideas. Ultimately, we would like to provide a workspace and culture that empower and inspire our next-gen employees, which currently make up 21% of our workforce in 2023. We seek to grow our digital technology and analytics populations from 9% in 2023 to 27% by 2027.

For more details on our FY2023 Group Human Capital developments, refer to pages 67 to 69

President and Group CEO's Statement

KEY RECOGNITION IN 2023

Every year, Maybank is recognised for our efforts in almost every sphere of operations – from the quality of products and services, to our people management, sustainability initiatives and governance. Each award is meaningful and motivates us to keep doing better. This year, however, two awards stand out for reflecting the enormous advances we have made as a values-based bank that places the customer above all else.

We were the only Malaysian corporation to feature among 750 companies in TIME magazine's World's Best Companies 2023, with a sustainability ranking of 374. The criteria used in selecting the winning companies included revenue growth, employee satisfaction and ESG performance. Maybank was also named Bank of the Year in Asia Pacific and in Singapore for the first time by The Banker. The Banker cited the revamp of our banking systems, expertise and data-based services as well as improved customer experience as key attributes that led to our wins.



The only Malaysian corporation to feature among **750 companies in TIME magazine's World's Best Companies 2023**, with a sustainability ranking of **374**



Bank of the Year in Asia Pacific and in Singapore for the first time by **The Banker**



Platinum for Putra Brand Awards 2024 in the Banking, Investment & Insurance category, 14th consecutive win

A POSITIVE OUTLOOK FOR 2024

Global GDP growth is likely to moderate to 2.8% in 2024 (2023: 3.3%) on softer outlook for major economies such as the US and China. However, ASEAN growth is set to be firmer at 4.5% from 4.0% in 2023, supported by resilient domestic demand and sustained tourism as well as recovery in some parts of the manufacturing sector and exports.

Across our home markets, Malaysia's economy is anticipated to grow faster at 4.4% in 2024 from 3.7% in 2023 driven by a rebound in exports amid sustained consumer spending and investment growth. Meanwhile, Singapore's GDP growth is expected at 2.2% in 2024 (2023: 1.1%) as the manufacturing sector recovers while spending in the services sector normalises. Indonesia's GDP growth is projected to remain stable at 5.1% versus 5.0% in 2023 from steady household expenditure, a resilient labour market and policy support.

Amid the complexities of our divergent markets, Maybank will continue to keep our strategy simple and straightforward by continuing to be guided by M25+. Key market dynamics that we are experiencing today are not substantially different from those that inspired our current strategic blueprint, hence it remains relevant to our ultimate purpose of **becoming a values-driven platform, powered by a bionic workforce that Humanises Financial Services**. While we have made very encouraging progress in the first full year of this

forward-looking blueprint, there is still much to be done to achieve our goals. To maintain our leading edge in terms of customer-centricity, digitalisation and sustainability, moreover, we will have to invest continuously in our people, processes and programmes. This will help to drive greater innovation across all our operations as we complete our transformation into a truly Agile organisation.

Our data insights indicate that there are untapped opportunities to enhance up-selling and cross-selling opportunities as well as improve digital engagements across our retail and non-retail segments. Thus, we will intensify our efforts to deepen our relationships with existing and new customers, while leveraging our ecosystem play endeavours and rolling out digital solutions to meet E2E customer lifestyle and business needs. In anticipation of improved ASEAN economic growth, Maybank is poised to capitalise on identified growth in key areas such as wealth management, cash management and bancassurance while broadening our market penetration in the non-retail segments, especially among SMEs and mid-market companies. For FY2024, we have set a headline key performance indicator for return on equity of 11%.

ACKNOWLEDGEMENTS

In concluding my statement, I would like to note my deep appreciation for the Maybank team, from our Board of Directors to my colleagues in EXCO and all employees across the Group. Thank you for your dedication to Maybank and your individual contributions that, collectively, have seen us evolve to become a leading regional bank.

On behalf of the leadership, I would also like to express our gratitude to two of our senior leaders who retired in 2023 – former Country CEO and CEO of Maybank Singapore Dr. John Lee Hin Hock who served the Group for 13 years and our previous Group Chief Risk Officer Gilbert Kohnke who served close to six years. Their positions have been assumed respectively by Alvin Lee Han Eng effective 1 January 2024, formerly our Head, Community Financial Services, Singapore; and Datuk Hamzah Bachee effective 1 July 2023, formerly our Deputy Group Chief Risk Officer.

Meanwhile, effective 1 March 2024, new EXCO appointments were made to drive business growth and ensure long-term sustainability in line with M25+ with Dato' Muzaffar Hisham taking the role of Group CEO of Islamic Banking and an additional Group role to spearhead our advancement of value-based banking, from his previous role as Group CEO, Global Banking. Dato' John Chong Eng Chuan, previously Group CEO, Community Financial Services (CFS), takes on the role of Group CEO of Global Banking, while newly appointed Syed Ahmad Taufik Albar succeeds Dato' John as the new Group CEO of CFS. Our gratitude to Dato' Mohamed Rafique Merican Mohd Wahiduddin Merican who will retire at the end of June 2024.

It would be remiss to not acknowledge all our external stakeholders, who have also been instrumental in the Group's ongoing journey. On behalf of Maybank, I would like to thank the governments and regulators in our home markets, our customers, shareholders, business partners and communities for your varied yet equally valuable contributions. We look forward to strengthening our relationships as we progress into the next phase of Maybank's continuing evolution.



An Integrated Approach in Our Value Creation Journey

We endeavour to have a robust business model and strategy that is both responsive and progressive in our value creation journey. This approach requires a change in mindset from our business as usual to adopting integrated thinking and decision-making. As we aspire to create value for our stakeholders, there may be instances whereby the operating context results in us preserving value or minimising value erosion as our next best option.

WHAT WE CONSIDER WHEN CREATING VALUE

1

ASSESS AND EVALUATE OUR OPERATING CONTEXT

Macroeconomic, digital and technology, sustainability and talent developments impacting our operating environment shape our decision-making process and the way we create value for our stakeholders.

Refer to Economic and Banking Sector Overview and Macrotrends Impacting Our Strategy on pages 44 to 47

3

STRENGTHEN STAKEHOLDER RELATIONSHIPS THROUGH FREQUENT ENGAGEMENT

Through robust engagement with our stakeholder groups, we know what they value and what Maybank values from these relationships. We are able to identify our stakeholders' priorities as a Group and how we should respond to these priorities to ensure value creation for them.

Refer to How We Engage and Create Value for Our Stakeholders and How We Distribute Value Created on pages 28 to 33

2

IDENTIFY AND MANAGE RISKS AND OPPORTUNITIES

We address the 12 principal risks we manage and mitigate as a financial institution. Similarly, we identify potential risks and opportunities for our respective business segments and stakeholder groups in the current operating environment and identify appropriate actions to manage the risks and leverage the opportunities.

Refer to Principal Risks, Group Community Financial Services, Group Global Banking, Group Insurance and Takaful and Group Islamic Banking on pages 48 to 54, 86, 90, 94 and 97

4

IDENTIFY, PRIORITISE, VALIDATE AND INTEGRATE OUR MATERIAL MATTERS

Our materiality assessment in 2023 covers all our stakeholder groups to understand what material topics matter most to them. The topics, covering five broad themes touching on governance, environment, employees, society and products and services, influence our strategic decisions in creating value over the short, medium and long term.

Refer to Sustainability Material Matters on pages 36 to 43

Our Identified Material Matters:

- Governance
- Environment
- Employees
- Society
- Products and Services

5

STRENGTHEN AND REINFORCE SUSTAINABILITY COMMITMENTS

Sustainability developments globally and within the markets where we operate, as indicated in our materiality assessment, serve as impetus that shapes our long-term strategy. This, in turn, influences how we operate and how we support our stakeholders in their sustainability journey as part of our ambition to not only be the Sustainability Leader in SEA but create sustainable value for our stakeholders. We also demonstrate our efforts towards meeting the United Nations Sustainable Development Goals (UN SDGs) throughout this report.

For a more comprehensive review of our sustainability ambitions, efforts and achievements, refer to Approach to Sustainability, Sustainability Material Matters and Sustainability Statement on pages 34 to 43 and 101 to 109 in this report, as well as our Sustainability and Environmental Reports which are available on www.maybank.com/ar.



An Integrated Approach in Our Value Creation Journey

Our IAR serves as an avenue to describe how Maybank creates value over time by considering the operating environment for markets in which we are present as well as the needs, interests and material matters of our various stakeholder groups. We also consider ways to mitigate and manage our risks to help enhance opportunities impacting our customers, business segments and the Group. Our strategy and capital allocations, which adhere to the risk and governance frameworks integrated in our business model, drive the performance of the business segments and Group in creating sustainable value over the short, medium and long term.

HOW WE CREATE VALUE

6 FORMULATE BUSINESS STRATEGY

Taking into consideration our operating context, risks and opportunities and what our stakeholders want as well as their material considerations, we shape our strategic thrusts for long-term value creation which is measured by key performance indicators under our M25+ strategy. The five strategic thrusts will be enabled by 12 strategic programmes (SPs) to strengthen our foundation and competitiveness by creating the greatest value, customer experience uplift, cross-sector collaboration and regional integration Group-wide through technology. Anchoring the Group's strategy is our mission of Humanising Financial Services, embodied through our purpose statement.

Refer to Our Strategy on pages 55 to 61 and Key Performance Indicators on pages 62 to 63

Our Purpose Statement:

We are a **values**-driven platform, powered by a **bionic workforce** that **Humanises Financial Services**

Five Key Strategic Thrusts:

ST1 Intensify Customer-centricity

Full Agile and iterative Minimum Viable Product (MVP) approach, through customer journeys and imagining the end-state model

ST2 Accelerate Digitalisation and Technology Modernisation

End-to-end STP platform that integrates with ecosystems within and beyond banking

ST3 Strengthen Maybank's Position Beyond Malaysia

Regionalisation of business and product solutions, as well as technological platforms and applications, with clear leadership in Malaysia

ST4 Drive Leadership in Sustainability Agenda

Expanded scope to embrace value-based banking principles, deepen social impact and execution of decarbonisation strategy

ST5 Achieve True Global Leadership in Islamic Banking

Global Islamic wealth management (IWM) leader with Singapore as hub and Middle East/ASEAN countries as spokes

7 RESOURCE ALLOCATION THAT IS INTEGRATED INTO OUR BUSINESS MODEL

In deciding how to manage and grow our business, we consider our resources and relationships that facilitate our value creation and preservation process, and minimise value erosion. Our resources are captured as six capitals in the business model, which are deployed through our business activities to generate outputs that ultimately lead to capital outcomes that benefit specific stakeholders. Most outcomes will create value while some will see preservation or erosion. In making strategic decisions, there will also be trade-offs between creating short-term and long-term value.

Refer to Our Value Creating Business Model and Performance by Capitals on pages 26 to 27

The Six Capitals That We Use to Create Value:

FC Financial Capital **IC** Intellectual Capital **MC** Manufactured Capital **HC** Human Capital

SRC Social and Relationship Capital **NC** Natural Capital

8

DELIVERING A POSITIVE IMPACT THROUGH VALUE CREATION

Our ability to create value for our five stakeholder groups is anchored on business activities overlaid with strong risk management and governance, which are reported in detail in this IAR. We have also specified key indicators used to determine the value creation for our stakeholders at the business and Group levels.

Refer to How We Engage and Create Value for Our Stakeholders and Key Performance Indicators on pages 28 to 32 and 62 to 63



Our Value Creating Business Model and Performance by Capitals

OUR CAPITALS

FC FINANCIAL CAPITAL	Funds available to the Group to sustain its operations and activities, and to invest in the growth of other key capitals.
IC INTELLECTUAL CAPITAL	Supported by: <ul style="list-style-type: none"> Liquidity coverage ratio of 142.1% (2022: 145.4%) Strong customer funding base of RM696.83 billion (2022: RM639.40 billion) Shareholders' equity of RM94.64 billion (2022: RM85.75 billion) Gross loans and advances of RM640.75 billion (2022: RM586.86 billion)
MC MANUFACTURED CAPITAL	Built on: <ul style="list-style-type: none"> Strong brand reputation given our rich history and wide ASEAN presence. Most valuable bank brand in Malaysia, and Top 100 Global Banks in brand value ranking with brand strength rating of AAA. Integrated risk management culture and framework encompassing strategies, systems, processes and people. Strategic partnerships with technology players.
HC HUMAN CAPITAL	Aimed at enhanced service delivery through: <ul style="list-style-type: none"> Easy access to 2,597 retail branches and 4,435 self-service terminals. Streamlining operational processes for greater efficiency through automation and digitalisation. Strong internet and mobile banking platforms in key ASEAN markets such as Malaysia, Singapore and Indonesia. Integrated digital ecosystems to deliver hyper-personalised solutions across the region.
SRC SOCIAL AND RELATIONSHIP CAPITAL	Empowered by our core values, TIGER: <ul style="list-style-type: none"> Comprising a diversified workforce of over 43,000 employees across 18 countries. With emphasis on developing talents and building a sustainable succession pipeline by investing over RM129.89 million to upskill employees through learning programmes.
NC NATURAL CAPITAL	Strengthening stakeholder relationships and empowering communities by: <ul style="list-style-type: none"> Providing access to financial inclusion solutions to vulnerable groups, microenterprises and SMEs. Invested more than RM42.54 million in community programmes. Leading and shaping conversations and initiatives with regulatory bodies, NGOs and peers.
	Supporting its preservation through: <ul style="list-style-type: none"> Embedding ESG risk management practices into our business activities and internal operations, including establishing frameworks and pricing incentives that guide the development and mobilisation of RM80 billion sustainable finance by 2025. Managing our direct and indirect environmental impact through energy efficiency initiatives and our procurement processes.

OUR KEY DIFFERENTIATORS

M25+

M25+ PURPOSE
We are a **values-driven platform**, powered by a **bionic workforce** that **Humanises Financial Services**.

Group Strategic Thrusts

- ST1 Intensify Customer-centricity
- ST2 Accelerate Digitalisation and Technology Modernisation
- ST3 Strengthen Maybank's Position Beyond Malaysia
- ST4 Drive Leadership in Sustainability Agenda
- ST5 Achieve True Global Leadership in Islamic Banking

Executed through our 12 Strategic Programmes

For details on our mid- to long-term strategy, value creation and performance indicators, refer to Our Strategy on pages 55 to 61, How We Engage and Create Value for Our Stakeholders on pages 28 to 32 and Key Performance Indicators on pages 62 to 63

Governance

Good governance is at our core

For details on our Corporate Governance, refer to pages 126 to 136

Material Matters

- Governance
- Environment
- Employees
- Society
- Products and Services

For detailed Sustainability Material Matters, refer to pages 36 to 43

Principal Risks

- CR** Credit Risk
- MR** Market Risk
- LR** Liquidity Risk
- NFR** Non-Financial Risk
- ITR** Information Technology (IT) Risk
- CoR** Compliance Risk
- ER** Enterprise Risk
- MoR** Model Risk
- FR** Financial Risk
- TIR** Takaful and Insurance Risk
- PPR** People and Performance Risk
- ESGR** Environmental, Social and Governance (ESG) Risk

For details on Principal Risks, refer to pages 48 to 54

Macrotrends

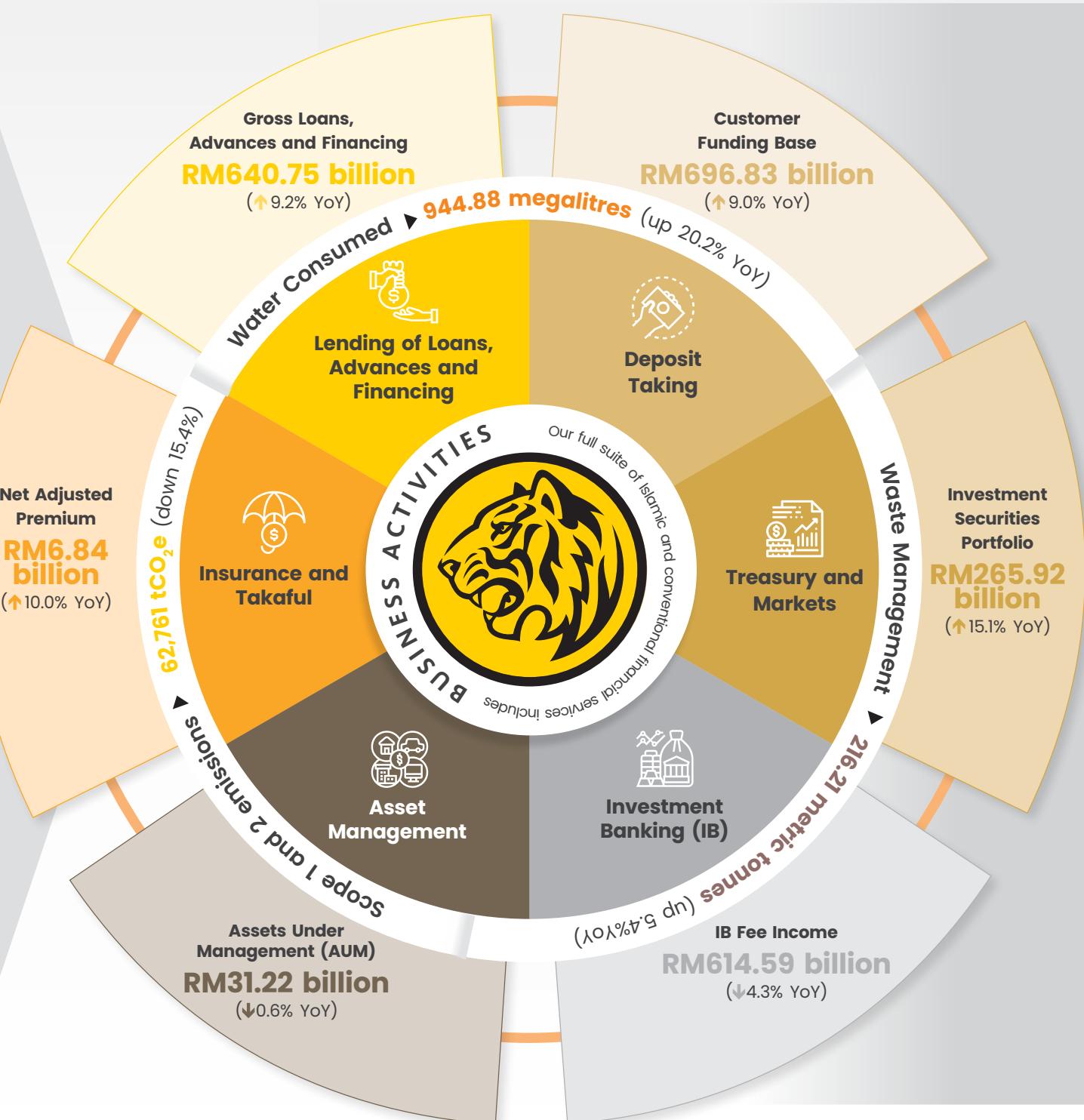
- MT1** Economic Outlook
- MT2** Shifting Customer Preferences
- MT3** Growing Affluent Population in Asia
- MT4** Digital and Technology Transformation
- MT5** Sustainability
- MT6** Talent Development

Sustainability Pillars

- 1 Responsible Transition
- 2 Enabling our communities
- 3 Our house is in order and we walk the talk

For details on our Macrotrends Impacting Our Strategy and Sustainability Commitments, refer to pages 46 to 47 and 101 to 109

OUR BUSINESS ACTIVITIES GENERATE OUTPUTS



GROWTH
We are passionate about constant improvement and innovation

XCELLENCE & EFFICIENCY
We are committed to delivering outstanding performance and superior service

RELATIONSHIP BUILDING
We continuously build genuine long-term and mutual beneficial partnerships

CREATE VALUE-ADDED OUTCOMES FOR OUR STAKEHOLDERS

Performance by Capitals

FC FINANCIAL CAPITAL

- Earnings per share (EPS) up by 16.6% YoY to 77.6 sen share.
- Return on Equity (ROE) improved to 10.8% from 9.6%.
- Total Assets increased by 8.4% YoY to RM1,027.68 billion.
- 60.0 sen per share total dividend declared for FY2023.

IC INTELLECTUAL CAPITAL

- Brand value stood at USD3.4 billion in 2024.
- Market leading customer satisfaction score (NPS) of +37 (95th percentile) in 2023 vs. +24 (95th percentile) in 2022.
- Launch of digital solutions including Kill Switch feature, cross-border DuitNow transactions, self-onboarding M2E Cash, EzyWasiat and Banca EaSE.

MC MANUFACTURED CAPITAL

- Increase in Group digital customer penetration to 75.4% from 73.6% in 2022.
- Increase in Group digital sales penetration to 76.4% from 67.2% in 2022.
- Increase in digital monetary transactions value by 11% YoY to RM1.11 trillion and volume by 16% YoY to 1.99 billion transactions.
- Market share of mobile and internet banking transaction volume at 52.9% and 54.0% in Malaysia.

HC HUMAN CAPITAL

- RM5.98 billion paid in salaries and rewards.
- Established a new Long Term Incentive Plan for Maybank Group under the new Employee Share Grant Plan and emplaced the Dignity Policy.
- Provided financial and non-financial support to employees and their families.

SRC SOCIAL AND RELATIONSHIP CAPITAL

- RM4.31 billion mobilised for affordable housing in Malaysia.
- 18,301 SMEs and individuals benefited from financing assistance and repayment assistance across home markets.
- Provided affordable and accessible micro-insurance and takaful products, as well as community empowerment programmes to 190,330 beneficiaries from lower income group.

NC NATURAL CAPITAL

- Mobilised RM34.11 billion in sustainable finance.
- Issued green and sustainable bonds totaling over RM1 billion, covering the development of a large scale solar photovoltaics plant and hydroelectric projects, contributing to climate mitigation efforts.

Actions To Enhance Outcomes

- Market capitalisation increased by 2.2% to RM107.22 billion.
 - Total Shareholder Return stood at 9.29% for FY2023 from 11.87% for FY2022.
- Refer to Key Messages to Shareholders, Reflections from Our Group Chief Financial Officer, Financial Performance and Investor Information on pages 15 to 23 and 72 to 85

- Rolled out sustainability products such as the MAMG Green Tigers Fund.
 - Complaints resolved (SLA) stood at 96.9% in 2023 vs. 96.2% in 2022.
- Refer to Group Community Financial Services, Group Global Banking, Group Insurance and Takaful, Group Islamic Banking, Pervasively Digital and Sustainability Statement on pages 86 to 100, 64 to 66 and 101 to 109

- Number of three-month active digital users increased 6.24% YoY to 9.52 million at Group level.
 - 99.95% service uptime of digital channels in 2023.
- Refer to Pervasively Digital and Group Community Financial Services on pages 64 to 66 and 86 to 89

- Succession realisation for mission critical positions at 82.0%.
 - Reduced turnover rate to 11.0% from 12.5% in 2022, demonstrating our commitment to retaining key talent and addressing skillset attrition.
- Refer to Group Human Capital on pages 67 to 71

- Contributed RM3.10 billion in zakat and taxes.
 - Active role in domestic and international leadership initiatives such as COP28, Glasgow Financial Alliance for Net Zero (GFANZ), JC3 Committee and ABM-ESG Committee.
- Refer to How We Distribute Value Created and Sustainability Statement on pages 33 and 101 to 109

- 49.0% reduction in the Group's operational Scopes 1 and 2 GHG emissions against 2019 baseline.
 - 33.7 million tCO₂e emitted from the Group's Scope 3 financed emissions (lending and investment activities including LULUCF and 31.9 million tCO₂e excluding LULUCF).
- Refer to Sustainability Statement on pages 101 to 109

Impacted Stakeholders and Related UN SDGs



Our Value Creating Business Model and Performance by Capitals

STRATEGIC TRADE-OFFS FOR SUSTAINABLE LONG-TERM GROWTH

As we strive to create value for Maybank and our diverse stakeholder groups, there will be strategic trade-offs. Our long-term sustainability and viability are dependent on the decisions we make today. We continuously assess the outcomes of the capital inputs and balance the short and long-term implications of our strategic decisions. Some of our key trade-offs include:

Balancing growth and risk management

While it is critical to enhance profitability across key businesses by pursuing opportunities through innovative solutions in our operating markets, it is important to maintain a prudent stance, particularly in the face of the uncertain operating environment. We are cultivating a resilient balance sheet alongside robust liquidity and capital buffers to ensure the ability to support growth initiatives and create continuous value for our stakeholders.

Allocating resources to propel digital innovation

The transformation of our technology capabilities is paramount to enhance customer-centricity through digital solutions, ensuring agility and mitigating the risk of losing relevance. Creating an innovative environment requires strategic capital investments in technologies and talents, fostering innovation and fortifying cyber resilience. These initiatives will directly influence our financial, manufacturing and intellectual capitals.

Managing productivity and relationships strategically

Although digitalisation enhances our productivity, it also leads to a reduction of face-to-face engagement with our customers. Our commitment is to uphold our humanising approach by integrating our digital and physical touchpoints, ensuring the consistent delivery of seamless and personalised services across multiple channels.

Transitioning towards next-gen workforce

As traditional and administrative roles are progressively being replaced by next-gen capabilities, it is increasingly more critical for us to invest in a digitally-savvy, customer-centric and sustainability-conscious workforce. Equipping Maybankers with the right tools and capabilities while fostering collaboration will yield improved productivity and financial returns over the longer term.

Be the force for good

Aligned with our mission of Humanising Financial Services, we strive to create meaningful change in the communities we serve by advancing financial inclusion, education and skills development. Providing financial services to underserved segments aligns with our overarching goal of promoting financial inclusion.

Shifting gears to combat climate change

In our commitment to combat climate change, Maybank recognises the need for a just transition, addressing risks and opportunities in high ESG-risk businesses. Short-term trade-offs may emerge between lost business opportunities and adhering to our ESG risk management principles. However, in the long run, we will be contributing to the enhancement of our natural, financial, human and social capitals.

● FC

● IC

● MC

● HC

● FC

● MC

● SRC

● FC

● SRC

● FC

● HC

● SRC

● NC



How We Engage and Create Value For Our Stakeholders

Engaging with our stakeholders on various platforms enables us to identify what is truly important to them and develop initiatives that cater to their evolving needs.

Frequency of engagement: Daily Weekly Monthly Quarterly Annually



Quality of Relationship: Customer Engagement Score: Net Promoter Score (NPS) +37

Related Strategic Thrusts and Programmes: ALL ALL EXCEPT SPIO

Who They Are:

Maybank serves a dynamic customer base across 18 countries, including all 10 ASEAN markets, encompassing over 16 million retail, non-retail and corporate customers.

Why We Engage:

- To understand their evolving needs and expectations as well as identify gaps so we can better serve them, enhancing their trust and loyalty in Maybank as the preferred financial services provider.
- To provide hyper-personalised services, ensure customer-centric innovation and build awareness of trends and issues impacting them for informed decision making.

How We Engage:

- Digital touchpoints and platforms (i.e.: Maybank2u, Maybank2u Biz and Maybank2E websites and apps, MAE by Maybank2u, Maybank2Own and Etiqa+).
- Physical branches, business centres, investment management centres, transaction banking centres, self-service terminals (ATMs).
- Customer service centres and customer-facing personnel.
- Social media platforms.
- Customer surveys, interviews, focus group discussions and empathy sessions via behaviour labs.
- Marketing campaigns and events.

Stakeholder Expectations:

- Enhanced, seamless customer experience with flexible, convenient and secure access to financial services in addition to quick issue resolution across different platforms in real time.
- Integrated, hyper-personalised solutions aligned with customer priorities, recognising customers as individuals with diverse needs and aspirations.
- Accessible resources to guide informed financial decisions while improving financial literacy and empowerment.

Risks:

- Heightened competition from both traditional and non-traditional financial services players in addressing evolving customer needs.
- Reduced loyalty from a lack of understanding of customers' needs, limited personalised products and solutions, or poor relationship management.
- Loss of customers from heightened cyberattack threats resulting in personal data and financial losses.
- Stranded assets if we do not provide alternative sustainable or transition solutions.

Opportunities:

- Be the "Top of Mind" bank and build strong customer retention through improved engagement and understanding of customers' needs.
- Collaborate with customers for insights to design solutions that meet evolving needs, building relationships beyond financial services.
- Expand customer base by targeting new customers through first-to-market solutions, innovative offerings and advisory.

Value for Maybank:

- Ability to sustain our growth and profitability across portfolios, regions and footprint.
- Strong brand reputation by building customer loyalty and trust as well as through positive endorsements.
- Strong customer base that keeps us relevant and helps us innovate timely offerings.

Value for Our Customers:

- Personalised solutions that meet their needs.
- Best-in-class customer journey and experience.
- Access to safe, fast and reliable physical and digital financial services.
- Pain points addressed quickly and effectively through engagement channels.

Our Strategic Response to Enhance Value Creation:

- Strengthen segment-focused strategies and deliver innovative sector-specific solutions, while enhancing our secure digital propositions and ESG capabilities.
- Improved customers' home-buying experience by integrating the Maybank Home^{2u} financing platform into online booking systems of established property developers.
- Empowered retail customers to make better sustainable life choices through market firsts including myimpact credit cards and end-to-end financing solution for EV and hybrid vehicles.
- Improved Malaysian branches service delivery efficiency and simplified over-the-counter individual account openings, reducing the time by 70% from 51 minutes to 15 minutes.
- Introduced self-service Kill Switch feature that temporarily deactivates online banking access, and migrated all Secure2u banking transaction authorisations into our Maybank MAE app to protect customers against online fraud.
- Identify and address end-to-end customer life/client business journeys and needs.

How We Track Value:

- Customer satisfaction scores as measured by surveys such as our annual External Customer Engagement Survey.
- Obtaining feedback from our customers.
- Tracking customer complaints as a ratio against the total number of customers.
- Number of customers utilising our products and services on monthly basis.

Achievements:

- Market leading customer satisfaction score as NPS improved to +37 in 2023 vs +24 in 2022.
- Strong digital penetration with over 9.52 million active customers Group-wide.
- Maintained position as the No. 1 online insurer and general takaful player respectively in Malaysia with 53.1% market share.
- Reduced customer complaints ratio per 10,000 customers to 0.13 in 2023 compared to 0.29 in 2022.
- Largest market share (30%) and leadership in the Islamic banking market in terms of total assets, financing and deposits.

For more details on FY2023 achievements, refer to Key Performance Indicators and Pervasively Digital from pages 62 to 66 and Group Community Financial Services, Group Global Banking, Group Insurance and Takaful and Group Islamic Banking from pages 86 to 100



Quality of Relationship: Average survey scores from three investor days in 2023: 91% rated content delivery ≥ good

Related Strategic Thrusts and Programmes: ALL ALL

Who They Are:

Maybank has a total of 162,441 shareholders, from institutional investors and fund management companies to retail investors.

Why We Engage:

- To ensure clear, timely and effective communication to maintain credibility and trust and facilitate investment decisions regarding Maybank.
- To obtain their views and expectations of Maybank for better alignment in meeting these expectations and sustaining access to capital.

How We Engage:

- Conferences and non-deal roadshows.
- Quarterly analyst briefings.
- Thematic investor day briefings.
- One-on-one and group meetings with Group EXCO members and Head of Group Investor Relations.
- Dissemination of information and disclosure of materials on our website at www.maybank.com/ir.
- AGMs and EGMs.
- Annual integrated and sustainability reports.

Refer to Investor Information on pages 82 to 85 for our investor engagements for 2023

Stakeholder Expectations:

- Sustainable earnings and stable dividend stream through revenue growth, strategic long-term investments, capital optimisation, sweating of assets, diligent management of asset quality and liquidity, and prudent risk management.
- Proactive management of asset quality and monitoring of credit risks from exposure to individuals and sectors affected by macroeconomic volatility.
- Lending and investment practices that are embedded with sustainability considerations.
- Prudent and effective technology investments and partnerships to remain ahead of emerging competition.

Risks:

- Loss of investor confidence from poor financial performance, risk management or governance.
- Misreporting or inaccurate financial analysis by analysts/investors may unfavourably impact stock rating and share price performance.
- Increased cost of capital.

Opportunities:

- Provide transparent and timely disclosures on strategy and performance.
- Demonstrate consistent performance to maintain investor confidence and spur interest in Maybank.
- Broaden access to competitively priced capital to support growth.

Value for Maybank:

- Access to a broad and diverse base of equity- and debt-holders to facilitate our growth plans.
- Attain fair ratings and valuation of Maybank's shares.

Value for Our Investors:

- Solid investment case given Maybank's track record of strong dividend payout.
- A proxy to growth in ASEAN economies given Maybank's presence in all 10 regional markets.
- Well-established business backed by robust financial resources provides assurance on our ability to pay interest and repay debt capital.
- Maybank's sustainability commitments demonstrate our seriousness to be an agent of climate change and sustainability leader in SEA.

Our Strategic Response to Enhance Value Creation:

- Refocus our global footprint and leverage our diversified portfolio across ASEAN and key financial centres to create sustainable value.
- Emphasise strong liquidity and capital management to preserve financial viability and readiness to withstand macroeconomic uncertainty.
- Provide timely and comprehensive disclosures on asset quality and ESG risk management, as well as remaining repayment assistance exposures related to the COVID-19 pandemic.
- Realign risk appetite and lending strategies with industry outlook for balance sheet preservation.
- Provide updates on strategic investments and partnerships to develop digital and technological capabilities to stay ahead of emerging competition.

How We Track Value:

- Key annual financial guidance.
- Long-term sustainability commitments under M25+.
- Long-term financial outcomes under M25+.

Achievements:

- Group return on equity of 10.8%, within guidance of 10.5% to 11.0% for FY2023.
- Group net credit charge off rate of 31 bps, within guidance of 30 bps to 35 bps for FY2023.

For our full FY2023 achievements, refer to Key Performance Indicators on pages 62 and 63



How We Engage and Create Value For Our Stakeholders



Quality of Relationship: Sustainable Engagement Index*: 89%

Related Strategic Thrusts and Programmes: ST2 ST4 SP9 SP10 SP12

Who They Are:

Maybank employs over 43,000 Maybankers in 18 countries across the Group, practising a diverse hiring approach by valuing individuals of all races and abilities without prejudice.

Why We Engage:

- To provide support and alignment in delivering Maybank's M25+ strategy, guided by three strategic thrusts to shape a thriving, diverse and inclusive workplace.
- To foster a culture of adaptability, sustainability and customer-centricity that empowers employees with relevant skills and competencies.
- To ensure an engaging and positive workplace environment.

How We Engage:

- Dialogue sessions with Group EXCO, Conversation series, townhalls, roadshows, coaching and counselling sessions, etc.
- Talent development initiatives through career conversations and learning and development programmes (M25+UP, X-celerate, NEXTLeaders, ConnectUP).
- Regular electronic communication (email, newsletters, portals) as well as virtual and social media channels.
- Feedback platforms, including the GHC One-Stop Centre, Employee Engagement Survey and Employee Outreach programmes.

Stakeholder Expectations:

- A safe, supportive and engaging work environment to enable a balance between professional and personal life.
- Greater flexibility in performing daily functions via access to tools and arrangements that facilitate remote work, integrating the evolving landscape of the new normal.
- Possessing the right skills, competencies and mindset for continued high performance, including next-gen capabilities.

Risks:

- Inability to retain and attract the right talents given immense talent competition and evolving next-gen workforce trends.
- Potential gaps in workforce skillsets driven by digitalisation and automation.
- Disengaged workforce due to intense high work demands and transformation leading to lower productivity and performance.
- Reduced employee well-being due to lack of adequate support to address mental health related requests.

Opportunities:

- Improved employee performance and ability to outperform expectations to drive the Bank's growth.
- Best-in-class and regional industry leadership through innovative and customer-centric solutions.
- Equip employees with FutureReady infrastructure through innovative digital platforms, processes and new age tools to increase productivity and efficiency.
- New next-gen roles and tasks created as a result of organisation development initiatives in line with our strategic transformation.

Value for Maybank:

- Engaged FutureReady next-gen workforce demonstrating better productivity and valuable contributions to carry out business strategies.
- Drive innovation and transformation to keep the organisation relevant and retain position as the market leader.
- Brand advocates with deep product knowledge and the ability to elevate the customer experience.

Value for Our Employees:

- Holistic employee experience encompassing a conducive work environment that empowers creative thinking, embraces diversity, prioritises well-being, and enables work-life integration through flexible work arrangements.
- Attractive and meaningful benefit programmes that cater to employees' physical, mental and emotional well-being as well as their financial, social and career needs.
- Strong learning culture with best-in-class learning and development programmes to nurture employees at all levels for career progression and long-term career relevance.

Our Strategic Response to Enhance Value Creation:

- Upskill and reskill employees through continuous learning and development, with emphasis on sustainability and FutureReady programmes.
- Expanded our Mental Health First Aiders (MHFAs) programme, certifying 95 additional Maybankers and bringing our total number of full-time certified MHFAs to 195, with over 14,000 instances of participation in mental well-being initiatives.
- The "GO Ahead. Take Charge!" initiative remains pivotal in guiding employees through the evolving work landscape and dynamic work settings, facilitating seamless career shifts.
- Institutionalised Employee Sustainability and Volunteerism, Mental Health and Human Rights policies, and launched the Dignity Policy.
- Implemented comprehensive DEI programmes, integrating our core values and ensuring equitable opportunities and support across all levels of our diverse workforce.

How We Track Value:

- Employee training and development, including workforce in next-gen roles.
- New employee hires and employee turnover rate.
- Workforce diversity, equity and inclusion metrics.
- Employee engagement metrics.
- Employee involvement in community investment and engagement activities.
- Number of hours spent on sustainability activities.

Achievements:

- Increased workforce in next-gen roles from 13% to 21% YoY.
- 40,622 unique learners with a total of 506,478 learning programmes undertaken, averaging 12 programmes per employee.
- 82% succession realisation rate for mission-critical positions, and higher internal realisation rate of women into senior management roles to 44% from 43% in 2022.
- Recognised in the Willis Towers Watson (WTW) Global High Performing Companies benchmark for the sixth time. The Sustainable Engagement Index score (89%) and Sustainability score (90%) are both above WTW Global High Performing Companies Norm.
- 1,937,632 sustainability hours in FY2023.

For more details on FY2023 achievements, refer to Group Human Capital on pages 67 to 71

* WTW describes sustainable engagement as the intensity of employees' connection to their organisation

How We Engage and Create Value For Our Stakeholders



COMMUNITIES

Quality of Relationship: Maybank Foundation Stakeholder Survey#: 81%

Related Strategic Thrusts and Programmes: ST3 to ST5 SP5 to SP9

Who They Are:

Maybank empowers diverse demographic segments including micro-enterprises, low-income individuals, persons with disabilities and marginalised communities across ASEAN through tailored support.

Why We Engage:

- To foster positive change and empower communities through financial services, in line with our mission of Humanising Financial Services.
- Stay attuned to local dynamics and drive community advancement through impactful operations, financial education, assistance and empowerment, while raising awareness of those in need.
- Promote an inclusive employment culture through tailored opportunities and employability programmes for talents with diverse abilities including the differently-abled.

How We Engage:

- Capacity-building and economic empowerment initiatives, financing assistance, local marketplace (i.e.: Sama-Sama Lokal), repayment assistance programmes and inclusion workshops.
- Strategic partnerships, outreach and educational programmes focused on financial literacy.
- Websites, social media channels and virtual communication platforms.
- Community engagement surveys.
- Employee volunteerism platforms and Maybank Foundation initiatives that support long-term stakeholder initiatives (i.e.: Cahaya Kasih, MaybankHeart).

Stakeholder Expectations:

- Foster a sustainable future for all through socio-economic initiatives targeting unemployment, low financial literacy and empowerment of disadvantaged communities, etc.
- Provide personalised finance solutions tailored to the unbanked and underbanked communities.
- Offer financial assistance and programmes to enhance livelihoods as well as create and support SME business opportunities.

Risks:

- Financing of activities that may harm the environment and surrounding communities.
- Brand risk and limited partnerships from potential lack of engagement and inclusion within the communities we serve.

Opportunities:

- Empower communities to enhance economic well-being through tailored financial offerings and financial literacy (i.e.: improve education levels, reduce poverty, increase earning power).
- Foster mutually beneficial partnerships with local community organisations, strengthening grassroots relationships and improving public perception.
- Identify new segments of potential customers and talent for employment.

Value for Maybank:

- Uphold public trust to grow our footprint and market position.
- Promote inclusivity by identifying and addressing needs of the underserved.
- Safeguard the environment and economies in our operational areas.
- Fortify social license to operate and goodwill, while cultivating sustainable partnerships within communities we serve.
- Demonstrate Maybank's commitment to employees' welfare and the community, fostering unity and teamwork.

Value for Our Communities:

- Accessible and inclusive financial services and facilities, especially for those in rural areas.
- Empowerment, enhanced earnings potential, and diversified business/job creation arising from Maybank's socio-economic and outreach programmes.
- Access to basic essentials such as education and healthcare while enhancing financial literacy.

Our Strategic Response to Enhance Value Creation:

- Launched FUNancial Day in Malaysia in collaboration with education institutions to foster financial literacy among students and young adults.
- Extended assistance via the Ehsan Financing Facility to persons with disability graduating from Maybank Foundation's R.I.S.E. programme to help them start their own businesses and achieve financial independence.
- Uplifted MSMEs by encouraging broader sector participation and greater awareness of financial opportunities via sessions with industry experts.
- Continued to widen access to affordable financing for the underprivileged/underbanked via agent banking and Maybank Mobile Bus Malaysia in remote and rural areas.
- Engaged in Cahaya Kasih initiatives Group-wide, focused on education and zero waste programmes, among others, with Maybankers collectively dedicating 142,319 hours over the entire year.

How We Track Value:

- Individuals and households impacted by our community initiatives and flagship programmes.
- Financial and non-financial benefits to individuals or communities impacted by our community and zakat programmes.
- Monitoring of Maybank Foundation programmes.
- Monthly monitoring by Value-Based Intermediation Sustainability Steering Committee.

Achievements:

- Maybank Foundation's active flagship and core programmes across ASEAN countries have benefitted 461,952 beneficiaries to date, reaching 75,658 new beneficiaries in 2023 versus 48,339 in 2022.
- Zakat contributions impacted 45,918 beneficiaries, with 129 Zakat RISE programme graduates earning income exceeding RM2,500.
- Assisted 177,078 individuals through micro insurance/takaful products from 122,664 in 2022.
- Etiqa's flagship CSR programmes benefitted 13,252 individuals in 2023.

For more details on FY2023 achievements, refer to Sustainability Statement on pages 101 to 109

Indicates the purpose, quality and impact of Maybank Foundation programmes and relationship rating with partners, beneficiaries and country representatives

Related Capitals:



Related Material Matters:



Related UN SDGs:





How We Engage and Create Value For Our Stakeholders

REGULATORS AND GOVERNMENTS

Quality of Relationship: Maintaining good relationships with regulators and authorities across markets through regular engagement

Related Strategic Thrusts and Programmes:   

Who They Are:

Maybank engages proactively with financial authorities, legislative bodies, capital market regulators and financial institutions/associations in the countries where we operate, ensuring compliance with statutory requirements across the region as well as internationally.

Why We Engage:

- To remain informed of changes and developments impacting the sector and economy, run operations smoothly, and comply with legal and regulatory requirements with the aim to drive best practices in the industry.
- To contribute to policy formulation and national development initiatives that benefit the larger economy.
- To proactively identify and mitigate financial and non-financial risks that could impact the stability of the financial system.

How We Engage:

-  Regular reporting, meetings, roundtable discussions and periodic updates.
-  Active participation and contribution to industry and regulatory consultation papers, forums, committees and working groups.

Stakeholder Expectations:

- Adherence to laws and regulations ensuring monetary and financial stability, professional business conduct, and fair treatment of financial consumers.
- Lead collaborations and engagement between industry players and consumers to capacity build, address industry gaps, as well as promote and integrate emerging trends.
- Ethically and effectively manage risks and build resilience against challenging environment (i.e.: data security, cyber risk, greenwashing) while maintaining consistency in responsible management and meeting customer expectations.

Risks:

- Lack of preparation for changing regulations could impact operational costs and performance deliverables.
- Irregularities or non-compliance could have negative financial or non-financial implications, including regulatory enforcement, loss of reputation and trust.

Opportunities:

- Leverage deep insights and industry knowledge through regular engagement to adopt best practices, facilitate strategic collaboration and shape effective decision-making.
- Preferred partner for business customers to generate economic activities with positive social and environmental impacts, and contribute to national productivity.

Value for Maybank:

- Ability to operate across the region and receive guidance on rules, regulations and latest developments, ensuring operational and organisational resilience, stability and agility to adapt.
- Remain operationally relevant while protecting the Bank's reputation by promoting trust, customer confidence and engagement.
- Monetary and financial stability and governance would support economic growth and facilitate a favourable business environment.

Value for Our Regulators and Governments:

- As an industry leader, collaborate and provide views to facilitate policymaking decisions.
- Standard setter with best practices in place.
- Support efforts to create awareness of matters impacting customers (i.e.: online scams, financial literacy and sustainable finance) in timely manner.

Our Strategic Response to Enhance Value Creation:

- Implemented Bank Negara Malaysia (BNM)'s key measures to combat fraud.
- Establish consistent and open lines of communication with regulators and financial institutions/associations for updates on developments and discuss potential enhancements, challenges or risks through working committees such as the Joint Committee on Climate Change and our COP28 representation.
- Contributed to the development of the Value-Based Intermediation Financing and Investment Impact Assessment Framework Sectoral Guides, specifically in the Mining and Quarrying sector, which were released by Association of Islamic Banking and Financial Institutions Malaysia for public consultation in May 2023.
- Engage actively in iTEKAD established by BNM to assist low-income micro entrepreneurs strengthen their financial management through business acumen.

How We Track Value:

- Conformance and compliance with regulatory expectations.
- Taxes and zakat paid.
- Reporting to Bank Negara Malaysia
 - Monthly/quarterly/half yearly/as and when required (on Climate Change and Principle-based Taxonomy, BNM Climate Related Risk).

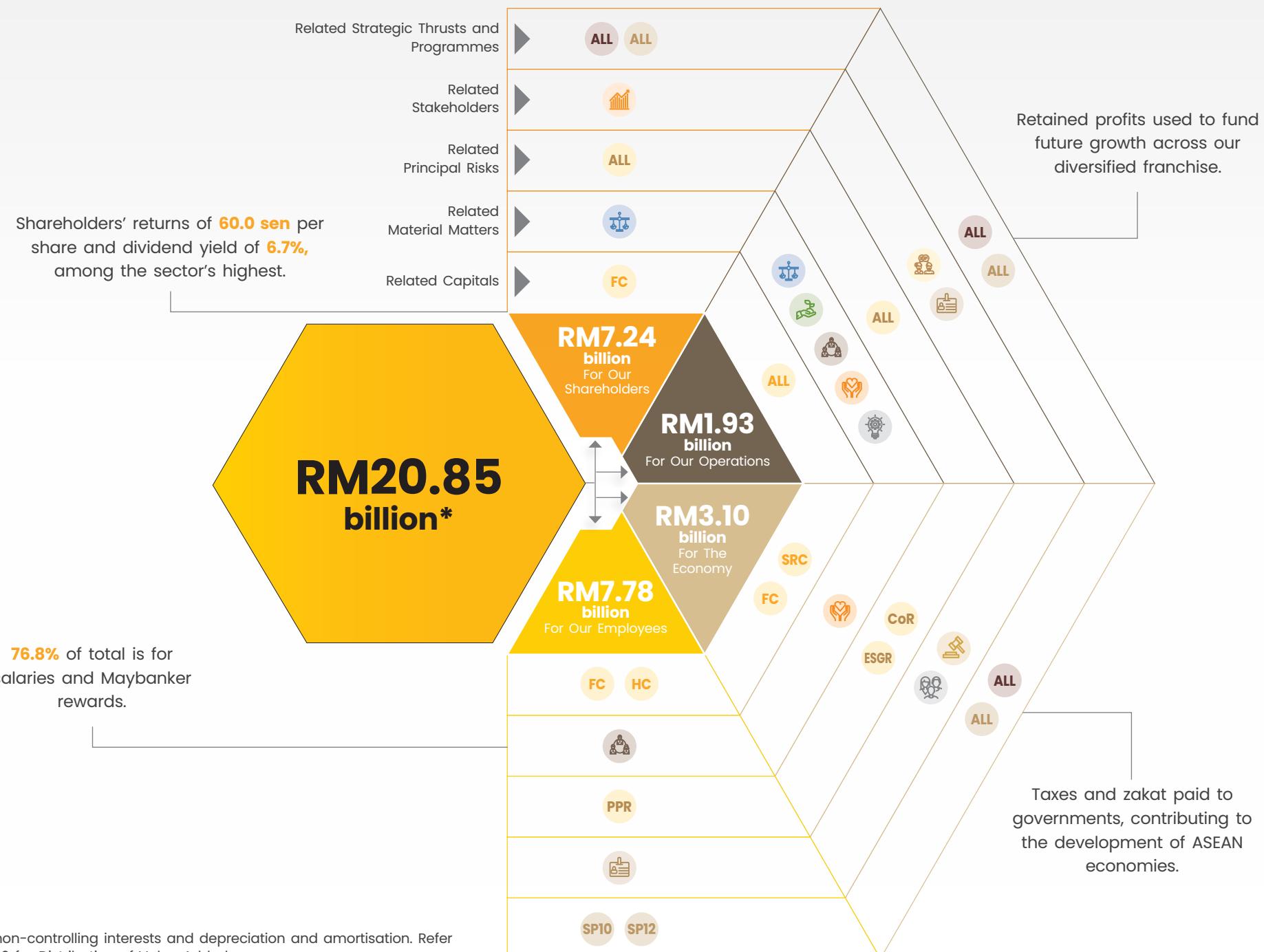
Achievements:

- 100% compliance with regulatory expectations.
- RM3.10 billion in taxes and zakat paid.

How We Distribute Value Created

In fulfilling our promise to our stakeholders, Maybank Group distributes value created in relevant and meaningful ways – and for some stakeholder groups, beyond financial means. Stakeholders receive intangible benefits ranging from employee upskilling programmes to diverse community initiatives, in our effort to enable a more sustainable future.

Value created in FY2023 was distributed as follows:





Approach to Sustainability

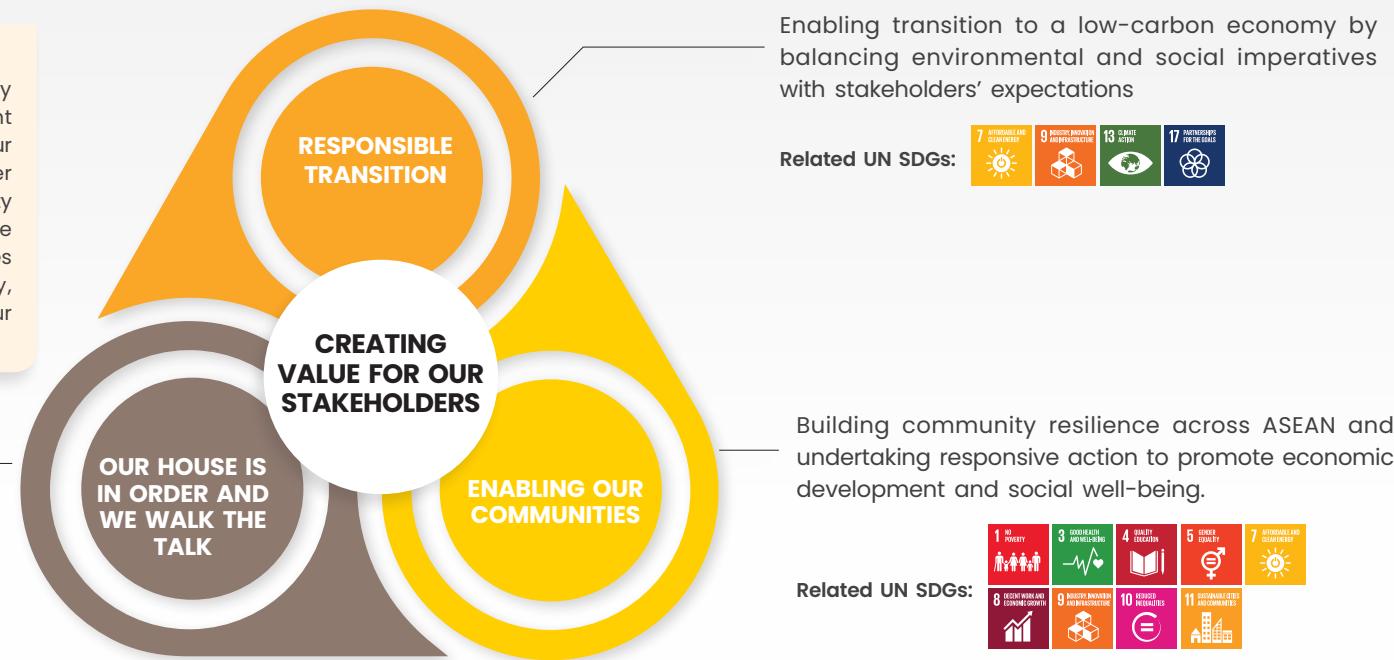
Our sustainability approach remains guided by the Maybank Group Sustainability Framework which is anchored on three core pillars. Serving as an overarching framework that sets out the Group's sustainability mission, goals, targets, governance and approach in all our activities, the robust framework enables us to embed sustainability into all our activities, products and services as we strive to serve our communities without harming people or the environment. We carry out a materiality assessment (refer to Sustainability Material Matters) every two years to identify environmental, social and governance (ESG) issues that have the most significant impact on our business and are of the greatest concern to our stakeholders. These insights are then used to enhance our sustainability strategy and roadmap, which is elaborated in our Sustainability Statement.

Sustainability Scope of Reporting:

Information disclosed in Approach to Sustainability, Sustainability Material Matters (pages 36 to 43) and Sustainability Statement (pages 101 to 109) cover the activities of the Bank, which includes our subsidiaries and branches across all 10 ASEAN countries, Greater China, India, UK, US and UAE. Quantitative information in Sustainability Material Matters and Sustainability Statement Performance Data are disclosed for a three-year duration wherever possible. Disclosures have been made to reflect best practices, comparability, completeness, accuracy and balanced reporting, to the best of our knowledge.

Leading by example with good management practices and ensuring that Maybank's ESG strategy is based on a strong foundation.

Related UN SDGs:



MAYBANK'S SUSTAINABILITY JOURNEY OVER A DECADE

- Published our **first Sustainability Report**, which included a materiality analysis.

Responsible Lending Guideline established.

- ESG Risk Management Framework endorsed as **an ESG Policy** following Board's approval.
- Incorporated **TCFD baseline**.

- Deforestation, No New Peat, and No Exploitation (NDPE) stance** approved by the Board in January 2020.
- Maybank received a rating of "AA" by **MSCI ESG Ratings**.

- First Bank in Malaysia to establish a **Sustainable Product Framework**.
- Amongst the first in ASEAN to **establish Scope 3 Financed Emissions Baseline**.

2010

2014

2015

2016

2018

2019

2020

2021

2022

2023

Maybank Group's 20/20 Sustainability Plan approved by Board of Directors.

20/20 Sustainability Plan **linked to the United Nations' SDGs**.

- Group Sustainability Council** established.
- Group-wide **ESG working group** established to integrate sustainability into existing business practices.

- Five-year strategy, M25**, launched with Sustainability as a strategic priority.
- No New Coal Financing**.
- Elevated Group Sustainability Council into **EXCO Sustainability Committee**.
- Established **Board Sustainability Committee**.

- Established the **Group Human Rights Policy**.
- Appointed as **member** of the **national advisory panel on climate change**.
- Launched the **Transition Finance Framework** to support our clients' transition towards a Paris-aligned economy.

2030

Committed to a **carbon neutral position** of our own emissions.

Beyond 2024

2050

Net zero carbon emissions position.

Approach to Sustainability

Stakeholder value created

Commitment

Achievements

What we have done

What we plan to do in 2024

01
Mobilising **RM80 billion** in sustainable finance by 2025

Related Stakeholders: 

Embed sustainability considerations into lending and investment solutions which include syndication, fundraising, underwriting and advisory practices, guided by appropriate risk management policies and practices

FY2023:
RM34.11 billion
[Target: RM16.83 billion]

Cumulative:
RM68.48 billion

Established sustainability frameworks, policies and guidelines to drive clear ESG integration:

- Sustainable Product Framework
- Transition Finance Framework
- Sustainability-linked Product Guidelines
- Climate Risk Policy
- Client Engagement Guidebook
- High ESG risk sectors position papers

Mobilised sustainable solutions for renewable energy, green buildings and homes, clean transportation, affordable basic services and infrastructure, among others.

- Develop a nature-based framework aligned to Taskforce on Nature-related Financial Disclosures.
- Spearhead the development of an industry-level transition finance framework.
- Proactively identify, ideate and provide solutions for clients in areas such as transition finance, renewable energy, EV, green mortgages and carbon credits.
- Review high ESG risk sector positions and the Sustainable Product and Transition Finance Frameworks.

KEY RECOGNITION:

Only Malaysian company to be included in **TIME's World's Best Companies 2023** comprising 750 companies, with a sustainability ranking of 374.

First Malaysian bank to win **Global Finance's "Outstanding Leadership in Sustainability Transparency- Asia Pacific" award** and **Best Bank for Sustainable Finance in Malaysia award** in 2023.

02
Improving the lives of **two million households** across ASEAN by 2025

Related Stakeholders: 

Create long-term positive impact on communities through initiatives that promote social and economic well-being, drive financial inclusion and access to financing

FY2023:
498,529
[Target: 403,344]

Cumulative:
1.37 million

- Offered affordable and accessible micro-insurance solutions and improved access to financing for lower-income customers, vulnerable groups, SMEs and microenterprises.
- Provided tailored financial literacy programmes to children, individuals and SMEs to improve their financial decision-making.
- Maybank Foundation, as the social impact arm of the Group, drives community programmes focusing on education, community empowerment and environmental diversity.

- Expand micro-insurance offerings to other countries.
- Continue to advance social impact initiatives through Maybank Foundation's flagship programmes.
- Develop a Social Progress Index.

03
Achieving a **carbon neutral** position of our own emissions by **2030** and **net zero carbon** equivalent position by **2050**

Related Stakeholders: 

Support stakeholders' transition to reduce global carbon emissions by offering sustainable solutions while reducing our own operational emissions

FY2023:
49.0%
[Target: 43.5%]

Actively working with our existing clients to drive a responsible transition:

- Established Scope 3 financed emissions.
- Launched Financed Emissions Calculator.
- Finalising sector-specific transition pathway for power and palm oil, while currently working on oil and gas.

Taking action to reduce our own emissions:

- Energy efficiency initiatives
- Carbon credit purchases
- Acquisition of Renewable Energy Certificates

- To publish decarbonisation plan for power and palm oil, and develop the decarbonisation pathway for two additional sectors.

04
Achieving **one million hours** per annum on sustainability and delivering **one thousand** significant UN SDG-related outcomes by 2025

Related Stakeholders: 

Build sustainable next-gen capabilities while adopting best practices for the management of our supply chain and environmental impact

FY2023:
1,937,632 hours

Building employee awareness and upskilling:

- Green Lab
- Maybank Cares sustainability platform
- Maybank's Sustainability Capability Building programme
- Inaugural Maybank Group Sustainability Week

Ensuring strong governance and people practices:

- Sustainability agenda oversight by Board Sustainability Committee and EXCO Sustainability Committee.
- Developed Group Human Rights Policy and Group Dignity Policy.
- Introduced Self-Led Sustainability and Volunteerism Policy.
- Roll out Maybank's Sustainability Practitioner Certification Programme and sectoral sustainability course as part of efforts to integrate sustainability expertise into business units.
- Publicly disclose the Group Human Rights Policy.
- Establish a Sustainability Learning Framework.

Obtained an overall entity rating of **two** by **RAM Sustainability Rating**, indicating very low risk on E, S and G pillars.



Sustainability Material Matters

Our sustainability material matters are determined via in-depth materiality assessments that are conducted every two years. Inputs from our stakeholders are further used to review our sustainability strategy from time to time in order to reflect evolving issues and interests. This process allows us to focus on impact-based solutions for our customers while empowering our communities as we embed sustainability across our core business.

Following the last materiality assessment conducted in FY2022, in FY2023 we reviewed the material issues identified to ensure their continued relevance to our business and its impacts, as well as alignment with stakeholder interests and concerns.

Our Materiality Review Process

1 Identification of Material Topics

Key topics were identified through a comprehensive review of ESG standards and industry trends:

- Bursa listing requirements on sustainability reporting (11 common material topics).
- GRI Topic Standards.
- Sustainability Accounting Standards Board (SASB).
- UN Sustainable Development Goals (UN SDGs).
- Global analyst reports such as CDP, FTSE ESG Index and MSCI ESG Index.

2 Assessment

- Materiality validation based on desktop research, aligning Maybank's material matters against industry peers as well as reporting requirements and frameworks.
- Targeted materiality assessment via online survey for selected stakeholders, namely customers from all business segments.

3 Prioritisation and Validation of Results

Materiality validation and online survey results were analysed and tabled to the Board for approval.

Based on the assessment, we determined that our materiality issues sufficiently reflect current stakeholder interests and require no further amendments.

Materiality Assessment Matrix

Legend:

- Governance
- Environment
- Employees
- Society
- Products and Services

Stakeholders' Influence



KEY OBSERVATIONS

During the materiality validation process, we conducted a desktop review to compare our material matters and risks against those of local, regional and global industry peers. While the analysis revealed a general alignment with industry, there were two areas in which Maybank's commitment to sustainability stood out. These were in our distinct prioritisation of "Public policy and advocacy" and "Board and executive compensation, independence and diversity". As a key financier in ASEAN, we recognise and emphasise the importance of addressing these crucial matters to uphold our sustainability values. Our material matters were cross-referenced against Bursa Malaysia's 11 common sustainability matters, GRI topic standards, and SASB industry-specific indicators. We also ensured our material issues align with the 17 UN SDGs.

Further enhancing the thoroughness of our material matters review, we sent out a smaller and targeted survey to 48 respondents, requiring them to rate which of the material topics Maybank should address and how well Maybank is managing or addressing these material topics as well as what should Maybank prioritise. The respondents consisted of customers from our key business segments, covering Group CFS, Group GB and Group Insurance and Takaful. They ranked "Privacy, data security and responsible use of technology", "Ethical, transparent and accountable business", and "Enhancing the customer experience" as Maybank's top three material matters; and "Board and executive compensation, independence and diversity", "Public policy and advocacy" and "Investing in our community" as the lowest.

Sustainability Material Matters



GOVERNANCE

Principal Risks: **ALL**

Related Strategic Thrusts and Programmes: **ST2 ST4 SP9**

Related Stakeholders:



+ Positive **- Negative**

Risks and Our Mitigating Actions:

- Business and reputation risks arising from Maybank's inability to adequately address governance issues related to incentive structures and diversity, transparent disclosure and ethical conduct as well as compliance and alignment with standards on risk management, supply chain, human rights, data privacy and security.
- To address this, the Group continuously strengthens its governance practices through internal control systems, ensuring regulatory compliance, promoting transparency in decision-making, risk management systems and fostering a culture of ethical conduct. This includes the appointment of a skilled and diverse leadership, as well as capacity and capabilities building initiatives.

Opportunities Arising:

- Improved reputation, trust and confidence among stakeholders by establishing frameworks, policies and practices to proactively manage these risks.

Capital Impact:

FC Financial Capital

- Transparent and ethical decision-making enhances investor confidence.
- Irregularities or non-compliance with regulations could result in legal challenges and regulatory penalties.

IC Intellectual Capital

- Good governance practices enable effective financial planning strategies and outcomes.
- Poor governance practices may hinder the efficacy of financial planning strategies and outcomes, and could lead to harm or damage to this capital within the organisation.

SRC Social and Relationship Capital

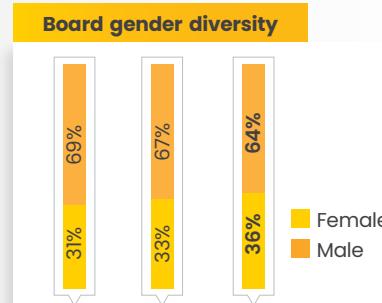
- Good governance practices help shape industry standards.
- Ethical lapses or controversies negatively impact trust and relationship with various stakeholders.

Material Matters



Board and executive compensation, independence and diversity

Compensation, accountability, independence and diversity of the company's Board and senior management, and sustainability governance/incentives at Board and senior management level.



Importance: Robust leadership in these areas fosters accountability, transparency and diversity at the highest levels, contributing to the Group's long-term success and corporate ethics in building responsible and effective operations.

Our Response: By strengthening diversity at the leadership level and within our workforce, we actively cultivate an equitable and inclusive culture, striving for diverse representation across our operations. We uphold gender diversity in the boardroom, guided by the Board Gender Diversity Policy.

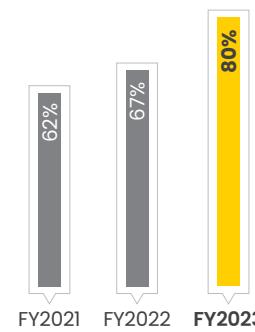
Gender diversity at the Board and Senior Management levels is discussed in: Corporate Governance Overview Statement (page 130) in this report, Embedding Sound Business Practices in the Sustainability Report (page 109), and Inculcating Strong Governance in the Environmental Report (pages 6 to 10).



Ethical, transparent and accountable business

Frameworks, policies and practices that uphold high standards of ethics, integrity, transparency and accountability throughout our business and operations to maintain stakeholders' trust in the organisation (i.e.: zero tolerance for bad conduct including corruption and bribery, sound grievance mechanisms, ensuring the fair treatment of customers and clients, providing accurate and adequate information about our products and services, etc.).

Percentage of employees who received training on anti-corruption



Importance: Adherence to high standards of business conduct ensures integrity, transparency and trustworthiness in all aspects of our operations building and maintaining stakeholders' trust.

Our Response: Guided by a set of robust policies, procedures and controls developed to prevent unlawful activities, we aim to carry out all our business activities ethically and at the highest level of integrity for interactions with all stakeholders. We also adhere to a strict zero-tolerance policy with regard to bribery and/or corruption.

Efforts to ensure ethical business conduct are discussed in: Statement on Risk Management and Internal Control (SORMIC) in this report (page 144) and Embedding Sound Business Practices in the Sustainability Report (page 109).



Sustainability Material Matters

Material Matters					
Sound risk management and compliance <p>Assessing and managing risks, and ensuring a strong compliance culture throughout the organisation to prevent major disruptions that may harm economies and societies at large.</p> 					
Learning hours on ESG programmes conducted <table> <tr> <td>FY2021: 78,289</td> <td>FY2022: 80,675</td> <td>FY2023: 86,023</td> </tr> </table>	FY2021: 78,289	FY2022: 80,675	FY2023: 86,023	Importance: Mitigates short and long-term risks, thus avoiding adverse impacts on our business while fostering a resilient and stable financial environment. Our Response: Effective management of ESG risks is a crucial driver of our sustainability initiatives. Governed by the Group Sustainability Framework, Group ESG Risk Management Framework (ESGRMF) and the Group Climate Risk Policy, our sustainability and ESG risk management governance structure promotes the active participation of all stakeholders and accountability across the organisation, fostering a consistent risk perspective.	
FY2021: 78,289	FY2022: 80,675	FY2023: 86,023			
Sustainable supply chain <p>Efforts to ensure high ESG standards in the supply chain through relevant policies and supplier engagement practices as well as approaches to diversify suppliers to include under-represented groups (i.e.: disabled, women-owned and local community businesses).</p>  <p>* Malaysia operations only.</p>	Percentage of spending on local suppliers* <table> <tr> <td>FY2021: 92.7%</td> <td>FY2022: 87.9%</td> <td>FY2023: 89.9%</td> </tr> </table>	FY2021: 92.7%	FY2022: 87.9%	FY2023: 89.9%	Importance: Mitigates and minimises adverse ESG impacts of our operations, products and services while embedding inclusivity in our supply chain for economic opportunities in the communities where we operate, particularly the underserved and the marginalised. Our Response: Adhering to ethical business principles, we maintain high standards aligned with the Group's Supplier Code of Conduct to ensure a sustainable supply chain while promoting ESG practices among our suppliers.
FY2021: 92.7%	FY2022: 87.9%	FY2023: 89.9%			
Privacy, data security and responsible use of technology <p>Responsible collection, use, storage and protection of data to safeguard employees' and customers' right to privacy (i.e.: from cyberattacks).</p>  <p>* New datapoint.</p>	Substantiated complaints concerning breaches of customer privacy and losses of customer data <p>*FY2023: Nine</p>	Importance: Safeguards privacy and the sensitive financial information of all stakeholders. A robust data security system will prevent unauthorised access and potential fraud, enabling us to build trust. Compliance with data privacy regulations demonstrates a commitment to ethical and responsible business practices. Our Response: Committed to privacy protection of our customers, business partners and employees through the Group Data Privacy Policy, which is aligned with stringent privacy standards and legal requirements. Also emphasise robust cyber security controls to safeguard personal data and prioritise customer privacy, outlined under the Group Technology Risk Management Framework and Group Cyber Risk Management Framework.			
Public policy and advocacy <p>Ensuring that efforts to drive public policy development and influence industry best practices are in alignment with our sustainability strategy.</p>  <p>* New datapoint. # Excludes clients.</p>	Collaborations and partnerships with external stakeholders* <p>*FY2023: 14#</p>	Importance: Helps shape a regulatory environment that supports our business strategy and sustainability goals by advocating relevant public policies and industry best practices. Our Response: Strengthening the Group's capabilities for effective advocacy by building partnerships with external stakeholders, including clients, while focusing on climate resilience through memberships with Partnership for Carbon Accounting Financials, UN Global Compact Network Malaysia & Brunei and UNEP FI's Net Zero Banking Alliance. Also, appointed to the national-level Advisory Panel on Climate Change and a supporter of the Task Force on Climate-related Financial Disclosures.			
Supporting human rights <p>Approaches, policies and due diligence processes to ensure respect for, and protection of, human rights for stakeholders throughout our value chain and business activities.</p> 	Percentage of employees who received human rights training <table> <tr> <td>FY2021: 100%</td> </tr> <tr> <td>FY2022: 100%</td> </tr> <tr> <td>FY2023: 84%</td> </tr> </table>	FY2021: 100%	FY2022: 100%	FY2023: 84%	Importance: Responsibility to preserve the well-being of people and establish trust among stakeholders, which in turn mitigates reputational risk. Our Response: Actively monitor and address human rights developments in our markets through robust policies and due diligence processes to safeguard stakeholders in our value chain. Maintain zero tolerance for child labour, commit to a harassment-free work environment as detailed in the Maybank Group People Policies and embed human rights protection in our operations through the ESGRMF.
FY2021: 100%					
FY2022: 100%					
FY2023: 84%					
Our approach to addressing human rights is discussed in: Human Rights (page 110), Supplier Screening (page 111), Prioritising Employee Well-being (page 98), Sustainability Report.					

Sustainability Material Matters



Risks and Our Mitigating Actions:

- Existing and increasing regulations and standards related to climate change and broader environmental aspects may pose compliance challenges, exposing the Group to legal and financial risks in the event we are unable to adapt and meet evolving requirements.
- Proactively addressing relevant regulations and standards by implementing robust policies, frameworks and processes to ensure effective practices and compliance.

Opportunities Arising:

- Opportunities to create/develop new and enhanced sustainability-related products and solutions in this region, fostering long-term growth and resilience.
- Build relationships with clients to support them in their sustainable financing needs and transition towards net zero.
- Reduce our emissions through the adoption of environmentally responsible practices.

Capital Impact:

FC Financial Capital

- + Improved long-term financial performance from higher investments in sustainable/green initiatives.
- + Potential access to new markets and investors.
- Potential increase in costs associated with transitioning to a low-carbon economy.
- Potential financial losses and reduced market competitiveness from exposure to high-risk assets affected by climate-related events.

NC Natural Capital

- + Sustainable resource management restores, preserves and contributes to the ecosystem's resilience.
- Potential ecosystem degradation and unsustainable resource consumption from mismanagement by clients/customers.

MC Manufacturing capital

- + Embracing digital and paperless banking processes may reduce environmental footprint.
- + Cost saving and improved operational efficiency through digital and paperless processes/initiatives.

SRC Social and Relationship Capital

- + Assist clients/customers throughout their transition to net zero.
- Reputational damage from failure to deliver on sustainability practices or financing certain clients/sectors or complying with relevant regulations.

IC Intellectual Capital

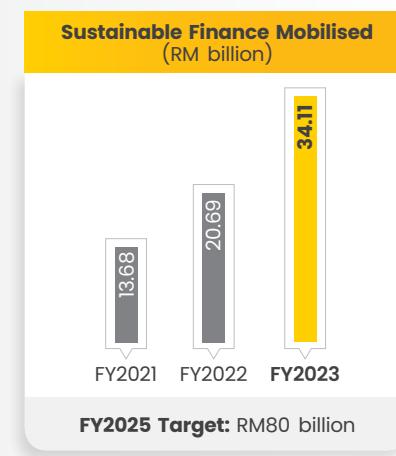
- + Deepening expertise in sustainable and transition finance practices by establishing and publishing policies such as Sustainable Product Framework and Transition Finance Framework.
- Inadequate or unclear policies may pose a risk to the Group's reputation.
- Potentially higher operational costs and increased cyber security risks of processes such as online banking arising from digital technologies adoption.

Material Matters



Building climate resilience to support the low-carbon transition

Embedding the management of climate-related risks and opportunities into our business activities to facilitate a just transition to a low-carbon economy (i.e.: through supporting low-carbon solutions, engagement with industry networks, managing our exposure to high emitting sectors, etc.).



Importance: Incorporate the management of climate-related risks and opportunities into our business activities in meeting our target of net zero carbon emissions by 2050.

Our Response: In addition to ESGRMF, the Climate Risk Policy sets out our approach in identifying and assessing climate-related risks. Climate opportunities and risk assessment is incorporated into our operations, business activities, products and investible assets. Also, the first Malaysian bank to establish a Group-wide Scope 3 financed emissions baseline in 2022 and net zero pathway development.

Progress made in ESG risk management is discussed in: SORMIC (pages 141 and 143), and Sustainability Statement in this report (pages 101 to 106), ESG Risk Governance (page 11), Identification and Impact of Climate-Related Risks (page 20), Climate-Related Opportunities, Managing Environmental Risk, Enhancing ESG Capability (pages 27 to 51), and Our Financed Emissions in the Environmental Report (pages 64 to 67), and Advancing Sustainable Finance in the Sustainability Report (pages 39 to 46).



Sustainability Material Matters

Material Matters



Managing the environmental impact of our operations

Efforts to optimise resource consumption with the aim of managing our own environmental footprint (energy management, waste management, water consumption, GHG emissions, etc.).

* Scope 2 values include the mREC purchases equivalent to 51,120 tCO₂e in 2022, and 62,400 tCO₂e in 2023

Total Scope 1 and 2 (absolute GHG emissions) (tCO₂e)



Importance: Minimise the negative impacts of our operations and reduce our carbon footprint, with a broader goal of responsible environmental stewardship.

Our Response: Committed to reducing the environmental impact of our operations, encompassing direct and indirect greenhouse gas emissions, as we work towards achieving a carbon neutral position of our own emissions by 2030.

Progress made in managing our environmental impact is discussed in: Sustainability Statement in this report (pages 102 to 104) and Our Operational GHG Emissions in the Environmental Report (pages 67 to 69).



EMPLOYEES

Principal Risks: CoR FR PPR ESGR

Related Strategic Thrusts and Programmes:

ST2 ST4 SP9 SP10 SPI2

Related Stakeholders:



+ Positive - Negative

Risks and Our Mitigating Actions:

- The inability to retain and attract talents, skillset gaps due to digitalisation and automation, disengaged workforce due to decreased engagement and satisfaction, inadequate training, well-being support and DEI initiatives could result in people turnover, performance risks and associated financial risks.
- These are mitigated by robust learning programmes, our DEI approach, retention strategies, and employee well-being initiatives.

Opportunities Arising:

- Managing these risks effectively may lead to improved internal processes, a positive workplace, and increased employee interaction and productivity, contributing to Maybank's overall resilience.

Capital Impact:

FC Financial Capital

- Improved financial performance from better productivity, innovation and employee satisfaction.
- Potential increase in costs and reputational damage from higher turnover or potential legal issues.

HC Human Capital

- Investing in training and learning, fostering a supportive work environment, and promoting work-life balance to enhance employees' skills, job satisfaction and overall well-being.
- Potentially higher turnover rates, low employee satisfaction and unsupportive work culture and environment lead to low productivity, morale and harder to attract and retain top talents.

Material Matters



Diversity, equity and inclusion (DEI)

Ensuring that DEI is reflected throughout our culture by maintaining a workplace where all employees are treated fairly, with dignity and without discrimination.

Caring for our employees

Managing the health, safety and well-being of our employees through policies, processes, initiatives and labour standards that promote a positive work environment and improve work-life balance.

Number of work-related fatalities

FY2021: 0

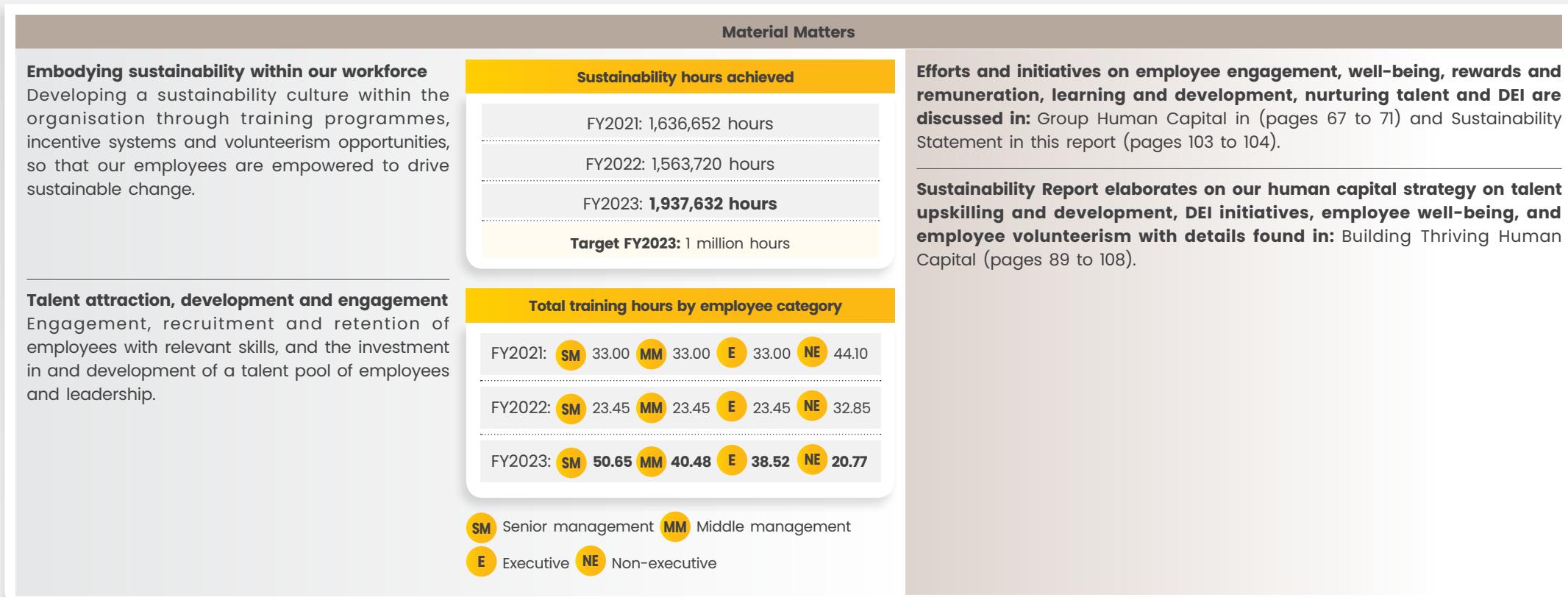
FY2022: 0

FY2023: 0

Importance: Strong DEI practices develop a culture where all employees are treated fairly, with dignity and without discrimination. A fair and conducive work environment helps boost the morale of employees and shape a productive workforce.

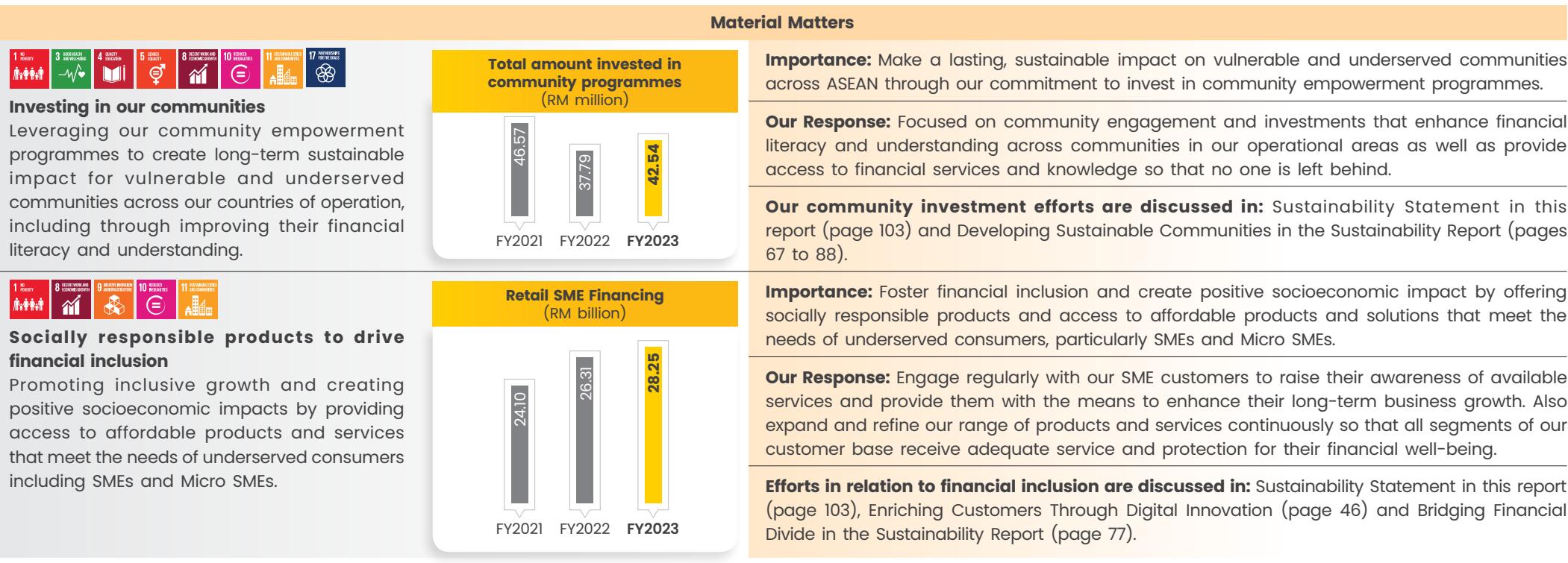
Our Response: Build an Agile, diverse and highly skilled workforce equipped with digital competencies to enhance their contributions to the organisation and communities. Also, instil a culture of sustainability by reinforcing ethical business practices among Maybankers through training, incentives and volunteerism.

Sustainability Material Matters





Sustainability Material Matters



PRODUCTS AND SERVICES	Principal Risks: ALL	Related Strategic Thrusts and Programmes: ALL ALL except SP10	Related Stakeholders: + Positive - Negative
<p>Risks and Our Mitigating Actions:</p> <ul style="list-style-type: none"> Potential risks include intensified competition from traditional and non-traditional financial services players, reduced loyalty due to a lack of understanding of customer needs, potential customer loss from increased cyberattack threats and the risk of stranded assets if sustainable or transition solutions are not provided. Mitigating these risks involves rigorous product testing, adopting sustainable business practices, communicating transparently, staying attuned to changing customer expectations and adhering to regulatory requirements. <p>Opportunities Arising:</p> <ul style="list-style-type: none"> The development of innovative and sustainability-focused products enables market differentiation, while transparent communication enhances customer trust, positioning Maybank as an industry leader. 	<p>Capital Impact:</p> <p>FC Financial Capital</p> <ul style="list-style-type: none"> + Increased revenue via market differentiation by offering unique and valuable products and services, and enhanced customer loyalty by providing quality services and solutions. - Financial penalties and increased legal costs from potential failure to comply with regulations or legal challenges pertaining to products and services. <p>IC Intellectual Capital</p> <ul style="list-style-type: none"> + Drive innovation through collaboration with customers for insights to design solutions and foster intellectual capital growth of employees to gain valuable insights and knowledge. - Inadequate protection or unauthorised use of intellectual property may result in loss of proprietary knowledge and innovation. <p>NC Natural Capital</p> <ul style="list-style-type: none"> + Offering sustainability-focused products and solutions minimises environmental impact. - Products and solutions that consume resources excessively contribute to environmental degradation, potentially harming the ecosystem and depleting valuable resources. <p>SRC Social and Relationship Capital</p> <ul style="list-style-type: none"> + Offering socially responsible products and solutions builds trust with customers. 		

Sustainability Material Matters

Material Matters						
 <p>Developing sustainability-focused products and services</p> <p>Innovative products and services that help advance sustainability (green loans, green bonds, microfinance, sustainable supply chain finance, etc.) and efforts to encourage customers to shift towards more sustainable performance and consumption patterns.</p>	<p>Retail mobilisation (RM billion)</p> <table> <tbody> <tr> <td>FY2021: 3.49</td> <td>FY2022: 4.04</td> <td>FY2023: 4.71</td> </tr> </tbody> </table>	FY2021: 3.49	FY2022: 4.04	FY2023: 4.71	<p>Importance: By offering innovative products, we not only support sustainability initiatives but also encourage customers to adopt eco-friendly practices towards the transition to a low-carbon economy.</p> <p>Our Response: Help shape a sustainable global financial system that contributes to positive socio-economic outcomes leading to a sustainable future while also facilitating the transition to a low-carbon economy. Guided by the Group Sustainable Product Framework and the Group Transition Finance Framework in streamlining processes and offering sustainable financial solutions.</p> <p>Efforts to develop sustainability-focused products and services are discussed in: Sustainability Statement in this report (page 102), Advancing Sustainable Finance, Sustainability Report (page 39 to 46), Climate-Related Opportunities (pages 27 to 29) and Stepping Up Environmental Action (pages 58 to 63), Environmental Report.</p>	
FY2021: 3.49	FY2022: 4.04	FY2023: 4.71				
 <p>ESG integration into financial investment analysis</p> <p>Systematically integrating ESG factors into financial analysis across all asset classes and subsequently operationalising this analysis by making investment decisions based on ESG-related matters.</p>		<p>Importance: Facilitates the movement of capital towards sustainable financing and investments across diverse asset classes.</p> <p>Our Response: Expanded our sustainability-themed funds over the past two years and plan to further diversify our offerings. To also increase ESG-linked wealth management solutions to meet rising demand for sustainable investment products and educate investors on the benefits of integrating ESG practices into decision-making.</p> <p>Efforts to integrate ESG considerations into business practices are discussed in: Sustainability Statement in this report (page 102), Advancing Sustainable Finance (pages 39 to 46), Advancing Islamic Finance (page 60), Sustainability Report and Climate-Related Opportunities (pages 27 to 29), Stepping Up Environmental Action, Environmental Report (pages 58 to 63).</p>				
 <p>Enhancing the customer experience</p> <p>Efforts to transform into a customer-centric organisation by embedding a customer-centred approach into all lines of business and undertaking initiatives to improve the end-to-end customer experience and drive customer satisfaction.</p>	<p>NPS score</p> <table> <tbody> <tr> <td>FY2021: +23</td> </tr> <tr> <td>FY2022: +24</td> </tr> <tr> <td>FY2023: +37</td> </tr> </tbody> </table>	FY2021: +23	FY2022: +24	FY2023: +37	<p>Importance: Helps build stronger relationships and effectively meet evolving customers' expectations, thus ensuring our competitiveness and long-term success in the financial industry.</p> <p>Our Response: Focused on meeting customers' needs across all business lines by enhancing end-to-end customer experience and boosting their satisfaction. We inculcate a customer-first mindset and embed a customer-centric culture across the organisation, guided by our Maybank Customer Service Charter.</p> <p>Efforts to enhance the customer experience are discussed in: Elevating Customer Experience, Sustainability Report (pages 62 to 66).</p>	
FY2021: +23						
FY2022: +24						
FY2023: +37						
 <p>Digital innovation to meet customer needs</p> <p>Becoming a lifestyle partner for our customers by leveraging advanced data analytics, digital systems and platforms to consistently support our customers' evolving lifestyles and business needs.</p>	<p>No. of online transactions* (billion)</p> <table> <tbody> <tr> <td>FY2021: 15.93</td> <td>FY2022: 16.84</td> <td>FY2023: 17.33</td> </tr> </tbody> </table>	FY2021: 15.93	FY2022: 16.84	FY2023: 17.33	<p>Importance: By focusing on digital innovations, we enhance customer engagement and satisfaction by meeting their evolving needs, positioning Maybank as a dynamic, Agile and responsive financial partner.</p> <p>Our Response: Offering retail customers user-friendly and convenient financial solutions while expanding our digital presence by integrating services, products and platforms seamlessly into customers' experiences, acting as a supportive companion in their daily activities. Also leverage advanced data analytics and digital platforms to meet the evolving lifestyles and business requirements of our customers.</p> <p>Our digital innovation efforts are discussed in: Pervasively Digital in this report (pages 64 to 66) and Enriching Customers Through Digital Innovation, Sustainability Report (pages 46 to 57).</p>	
FY2021: 15.93	FY2022: 16.84	FY2023: 17.33				



Economic and Banking Sector Overview

Amid a surprisingly resilient US economy and end of China's zero COVID-19 policy, ASEAN-6 economies grew moderately at 4.0% in 2023, in part due to the base effect following full economic re-opening that drove 2022 real GDP growth to 5.7%. Monetary policy tightening in the wake of cumulative interest rate hikes by central banks and a cyclical downturn in the global electronics industry added to the moderation.

Global GDP growth is expected at 2.8% in 2024 (2023: 3.3%) reflecting a softer outlook for major economies such as the US (2024: 1.0%; 2023: 2.5%) and China (2024: 4.4%; 2023: 5.2%). Meanwhile, ASEAN growth is expected to be firmer (2024: 4.5%; 2023: 4.0%), supported by domestic demand and tourism, as well as recovery in technology-related manufacturing and exports given the turnaround in global electronics demand since late 2023.

For business outlook and how material risks and opportunities were addressed, refer to Macrotrends Impacting Our Strategy, Group Community Financial Services, Group Global Banking, Group Insurance and Takaful, and Group Islamic Banking on pages 46 to 47, 86, 90, 94 and 97

ECONOMIC REVIEW AND OUTLOOK



Malaysia

GDP: 2024 (f): 4.4%
2023: 3.7% | 2022: 8.7%

OPR: 2024 (f): 3.00%
2023: 3.00% | 2022: 2.75%

2023 Operating Landscape

Positives:

- Growth moderated after the surge in 2022 following full economic opening.
- Reduced inflation of 2.5% (2022: 3.3%) and unemployment of 3.4% (2022: 3.8%).
- Firmer rebound in tourism with recovery in inbound tourists.
- Sustained investment growth momentum following realisation of investment approvals since 2021.

Negatives:

- Decline in exports amid moderation in commodity prices and global electronics downturn.
- Stronger US dollar against ringgit driven by interest rate hikes by US Federal Reserve (Fed) amid more moderate Overnight Policy Rate (OPR) increases by Bank Negara Malaysia (BNM).
- Heightened geopolitical risks following the Israel-Gaza war.

2024 Outlook

- Firmer domestic growth on rebound in export of goods and services amid sustained consumer spending and investment growth.
- BNM to keep OPR at 3.00% given upside risk to inflation (2024: 3.0%; 2023: 2.5%) from fuel subsidy rationalisation and services tax rate hike.
- With expected US rate cuts, ringgit to improve vs US dollar to 4.40 (end 2023: 4.59). MADANI Economy and other national programmes will further strengthen the ringgit and capital market sentiment.



Singapore

GDP: 2024 (f): 2.2%
2023: 1.1% | 2022: 3.6%

3M SORA: 2024 (f): 3.15%
2023: 3.7% | 2022: 4.25%

2023 Operating Landscape

Positives:

- Construction growth remained robust on the back of a project backlog and reopening tailwinds.
- Services sector remained strong with recovery in inbound visitors. Wholesale trade picked up from the second quarter, driven by regional trade with supply chain shifts.
- Inflation has been moderating with lower global commodity prices and the strong Singapore dollar.

Negatives:

- Manufacturing and export slowed from reduced global demand for semiconductors and other electronics.
- Domestic interest rates rose alongside Fed's monetary policy tightening. This and slower global trade led to contraction in loan demand.

2024 Outlook

- Growth to be stronger and more balanced as manufacturing recovers while revenge spending in services fades. Brighter growth outlook is anticipated in exports, manufacturing and trade-related services sectors.
- Core and headline inflation are expected to average at 2.8% and 3% in 2024, respectively, from 4.2% and 4.8% in 2023. Core inflation will remain above historical levels, due to the GST hikes, carbon taxes and wage cost pressures. Headline inflation will, however, be capped by lower private transport prices while accommodation inflation should ease.
- MAS is expected to reduce the pace of appreciation of the Singapore dollar nominal effective exchange rate (S\$NEER) in late 2024.



Indonesia

GDP: 2024 (f): 5.1%
2023: 5.0% | 2022: 5.3%

Reference Rate: 2024 (f): 5.25%
2023: 6% | 2022: 5.50%

2023 Operating Landscape

Positives:

- Resilient domestic demand supported GDP growth, with steady consumption and investment on the back of recovering labour market and easing inflation.
- Inflation returned to 2%-4% target range since May 2023, averaging 3.7% for the full year (2022: 4.2%) with easing global commodity prices.
- Fiscal deficit of 1.6% of GDP was much smaller than government's 2.3% estimate due to strong revenue.

Negatives:

- Exports moderated due to lower commodity prices and weaker global demand.
- Bank Indonesia (BI) raised reference rates by a total of 50bps, with a surprise hike in October to defend the rupiah amid surging US yields.

2024 Outlook

- Household expenditure should remain steady and supported by a modest election boost, policy support and a resilient labour market. There could be lingering investment uncertainty as firms wait for more clarity on post-election policies, even as the single-round election reduces political overhang. Capital expenditure will be cushioned by a ramp-up in public infrastructure spending. Exports will remain subdued on easing commodity prices.
- Inflation should ease to 3%. Food prices should remain elevated in first half 2024 as El Nino delays harvests.
- BI is expected to cut rates as easing Fed rates provide leeway to relax policy.

Economic and Banking Sector Overview

BANKING SECTOR REVIEW AND OUTLOOK



Malaysia

System Loan: 2024 (f): 5.1% | 2023: 5.3% | 2022: 5.7%

2023 Review

- Industry loan growth moderated to 5.3% from 5.7% in 2022 amid slower economic expansion. Household loan growth held steady at 5.8% (2022: 5.9%), while non-household loans grew at a slightly slower pace of 4.5% (2022: 5.3%).
- Net interest margins (NIMs) continued to face pressure from intense deposit competition which lessened somewhat with the 25bps OPR hike in May 2023.
- Robust non-interest income, mainly from investment and/or foreign exchange gains, supported operating income.
- Operating expenses picked up after reduced spending in recent years, coupled with increased unionised personnel costs and IT/technology spend.
- Absolute impaired loans were stable YoY, rising 0.8% at end-2023. The industry's gross impaired loans (GIL) ratio improved to 1.65% from 1.72% end-2022. As such, credit costs were generally lower on a YoY basis.
- Net earnings expanded in the absence of Cukai Makmur with dividend payouts for most returning to pre-COVID levels.

2024 Outlook

- Loans growth is expected to remain stable amid a pick-up in domestic economic growth.
- NIMs are expected to stabilise, while the OPR should remain unchanged.
- Capital ratios remain comfortable, with the industry CET1 ratio averaging 14.9% at end 2023. Dividend payouts are expected to remain stable.
- Five digital banks are expected to commence operations by April 2024, but are unlikely to pose much of a competition to incumbents anytime soon.



Singapore

System Loan: 2024 (f): 3.1% | 2023*: -2.9% | 2022: 2.1%

2023 Review

- Supported by Fed rate hikes, banks were able to price up their assets faster than cost of funding, resulting in robust NIMs, which expanded 46bps YoY.
- Higher funding costs saw loan demand fall 2.9% YoY, especially business loan demand (-3.9% YoY). The semiconductor sector slowdown, price sensitivity and macro uncertainty were felt keenly by the manufacturing and SME sectors, while corporates repaid credit lines to lower funding costs.
- Consumer loans were resilient led by mortgages supported by buoyant property sector and credit cards as travel took off.
- Strong liquidity flow into the system – led by high rates and Singapore's safe haven status – drove 4.3% YoY increase in deposits. This kept deposit competition benign despite entry of digital challengers.
- Fee income growth saw headwinds with wealth management fees stagnating as clients chose to enjoy higher deposit rates versus riskier products.
- Operating costs remained stable with sector cost to income falling 2.7% YoY.
- System NPLs reduced to 1.7% (2022: 1.8%). Loan moratorium roll-offs were uneventful, while strong fiscal stimulus, low unemployment and accelerated loan re-payments contributed to benign asset quality.
- The pace of general provision write-backs slowed in second half 2023 while specific provisions picked up slightly as the sector looked cautiously at the macro environment.

2024 Outlook

- NIMs are expected to moderate due to potential interest rate cuts by the Fed.
- Loan demand is expected to rise as funding costs decrease, especially for trade finance, manufacturing and SMEs. Consumer loans, especially mortgages, could increase with more units coming online.
- Wealth management AUM parked under deposits may shift to higher fee generating products to offset falling rates. This could drive an inflection in fee income.
- Asset quality faces potential downside risk and limited write-back of provisions is expected given uncertainties including slowdown in China and geo-political events.
- Competition from digital challengers could intensify with product innovations and cross-selling strategies.



Indonesia

System Loan: 2024 (f): 9.5% | 2023: 10.3% | 2022: 11.4%

2023 Review

- Loans growth remained robust at 10.3% YoY in 2023 supported by demand in corporate lending. Credit demand remained strong in all segments, i.e.: investment, working capital and consumer lending, with business recovery.
- Gross NPL ratio improved to 2.19% by December 2023 (end 2022: 2.44%) while loans at risk stood at 10.94% (end 2022: 14.05%), showing recovery from previously restructured loans.
- Loan-to-deposit ratio (LDR) rose to 83.8% in December 2023 (end 2022: 78.8%) from weaker deposit growth of 3.7% YoY (2022: 9.0% YoY).
- NIM expanded slightly to 4.81% in 2023 (FY2022: 4.71%) as loans growth offset cost of funding.
- Capital adequacy ratio of 27.65% at December 2023 was well above the minimum regulatory requirement of 8%.

2024 Outlook

- Loans growth is expected at 9.5% from higher demand for working capital and consumption, while deposits slow down to 5%, tightening liquidity with LDR expected to increase to 88%.
- There should be minimal impact from end of loan restructuring, since most banks have been prudent in provisioning and writing off loans.
- Cost of funds should stay elevated in first half 2024 as funding competition increases and BI maintains higher reference rates and reserve requirement ratio. However, if BI cuts its rate in second half 2024, there could be margin improvement as cost of funds would likely drop.

* Based on refreshed MAS disclosure of resident and non-resident lending, excluding interbank



Macrotrends Impacting Our Strategy

Long-term market trends were considered in the refinement of our M25+ strategy, and we continue to monitor the evolution of these trends while ensuring that we remain Agile to address them as the Group works towards meeting our M25+ aspirations.

MT1 ECONOMIC OUTLOOK



Key Drivers:

Slowing global economic growth coupled with monetary policy actions by major and regional economies to curb inflation and reduce foreign exchange volatility resulted in softer financial markets.

Associated Opportunities and Risks:

- Strong fundamentals coupled with a robust risk management framework and Agile ways of working would enable active risk mitigation while uncovering pockets of opportunity.
- Weaker business sentiment and activity impacting revenue growth; higher operating cost from inflationary pressures; and potential slippages in asset quality arising from tightening cashflows.

Key Actions Undertaken in 2023:

- Focus on strategic priorities to capture growth opportunities across our consumer and business segments within the ASEAN franchise.
- Ensure strong liquidity and robust capital positions.
- Proactively manage asset quality concerns.

For more details, refer to Key Messages to Shareholders, Our Strategy, Economic and Banking Sector Overview, Reflections from our Group Chief Financial Officer and the respective financial performance of our businesses Group Community Financial Services, Group Global Banking, Group Insurance and Takaful and Group Islamic Banking on pages 15 to 23, 55 to 61, 44 to 45, 72 to 76, 89, 93, 96 and 100

Related Principal Risks:



Related Capitals:



Related Material Matters:



Related Stakeholders:



Related Strategic Thrusts:



2022



2023

MT2 SHIFTING CUSTOMER PREFERENCES



Key Drivers:

Customers expect speedy, seamless, responsive, personalised products and services, with an increased emphasis on sustainability considerations.

Associated Opportunities and Risks:

- The ability to adapt, understand and address customer preferences quickly and effectively will create brand loyalty, which is a competitive advantage.
- Potential market share and revenue impact arising from inability to fully support customers in their financial needs and expectations, or play an advisory role in providing valuable wealth management or sustainable solutions.

Key Actions Undertaken in 2023:

- Continued emphasis on efforts to understand customer segments and enhance end-to-end customer journeys, anchored on Agile ways of working and digitalisation initiatives.
- Building ecosystems so that customers can access products and services via Maybank and partners' platforms.

For more details, refer to Group Community Financial Services, Group Global Banking, Group Insurance and Takaful and Group Islamic Banking on pages 86 to 88, 90 to 92, 94 to 95 and 97 to 99

Related Principal Risks:



Related Capitals:



Related Material Matters:



Related Stakeholders:



Related Strategic Thrusts:



2022



2023

MT3 GROWING AFFLUENT POPULATION IN ASIA



Key Drivers:

Rising affluence of emerging young middle classes in the region has led to a shift in needs and expectations which are also diverging.

Associated Opportunities and Risks:

- Opportunity to acquire more affluent customers to drive market share and income growth through personalised and sophisticated wealth-related products.
- Inadequate capabilities to uncover customer insights would impair ability to identify and address the needs of this growing customer segment.

Key Actions Undertaken in 2023:

- Expand and drive global wealth management proposition, including global Islamic wealth management to capture wealth flow across the region.

Related Principal Risks:



Related Capitals:



Related Material Matters:



Related Stakeholders:



Related Strategic Thrusts:



2022



2023

Macrotrends Impacting Our Strategy

Time horizon:  Short-term  Long-term

Year-on-Year Macrotrend Movement:  Increase  Decrease  No change

MT4 DIGITAL AND TECHNOLOGY TRANSFORMATION

Key Drivers:

Artificial Intelligence (AI) solutions such as ChatGPT have become prevalent with machine learning (ML) advancement. Meanwhile, social engineering attacks have heightened as technology becomes more pervasive.

Associated Opportunities and Risks:

- Ability to apply AI/ML technology across platforms for improved productivity and turnaround time as well as undertake enhanced data analytics for better customer-centricity.
- Potentially more sophisticated cyberattacks and data breaches.

Key Actions Undertaken in 2023:

- Scale digital solutions across the markets we have presence in, leveraging our digital banking leadership in Malaysia.
- Develop, attract and maintain next-gen technology-capable workforce.
- Incorporate AI/ML capabilities to enhance customer experience and solutions.
- Continued emphasis on enforcing, expanding and enhancing our cyber defence capabilities.

 For more details, refer to Pervasively Digital on pages 64 to 66

Related Principal Risks:	Related Capitals:	Related Material Matters:
NFR ITR CoR	FC IC MC HC	

Related Stakeholders:	Related Strategic Thrusts:
	ST1 ST2 ST3



2022



2023

MT5 SUSTAINABILITY

Key Drivers:

Continued emphasis on financial institutions to be early adopters and thought leaders in sustainability practices, including the transition to a low-carbon economy.

Associated Opportunities and Risks:

- The transitioning environment provides new business and financing opportunities.
- Associated risks to business and reputation if Maybank investees and clients are not able to address ESG requirements in a timely manner.

Key Actions Undertaken in 2023:

Driving leadership in sustainability on the back of adoption of values-based principles through the rollout of relevant policies, frameworks, solutions and thought leadership initiatives with the aim of promoting the transition into a low-carbon economy while balancing environmental and social imperatives that are aligned with stakeholders' expectations.

 For more details, refer to Approach to Sustainability, Sustainability Material Matters and Sustainability Statement on pages 34 to 43 and 101 to 109 as well as the Sustainability and Environmental Reports, which are downloadable from www.maybank.com/ar

Related Principal Risks:	Related Capitals:	Related Material Matters:
CR MR NFR ESGR	FC IC MC	  

Related Stakeholders:	Related Strategic Thrusts:
	ST4



2022



2023

MT6 TALENT DEVELOPMENT

Key Drivers:

Talent scarcity exacerbated by accelerated technology evolution and behavioural changes as well as workforce expectations post-pandemic.

Associated Opportunities and Risks:

- Becoming the employer of choice attracts loyal talents who contribute towards enhanced employee retention.
- Inability to hire and retain the right talents, or provide the appropriate work environment and policies may affect long-term competitive advantage and business continuity.

Key Actions Undertaken in 2023:

- Continued workforce and workplace futurisation programmes.
- Re-define and cultivate next-gen roles and talents in line with future business growth aspirations as well as evolving workplace demands and needs.
- Retention interventions through talent development and growth initiatives to minimise turnover and loss of talent.

 For more details, refer to the Group Human Capital on pages 67 to 71

Related Principal Risks:	Related Capitals:	Related Material Matters:
NFR PPR	FC IC MC HC	  

Related Stakeholders:	Related Strategic Thrusts:
	ALL



2022



2023



Principal Risks

The Group adopts a comprehensive approach to risk management across the organisation encompassing all risk types. This is anchored on frameworks outlining policies, methodologies, tools and processes that help to identify, assess, monitor and manage material risks faced by the Group.



The identification of material risks related to our portfolio employs a multi-pronged approach. Even before rolling out a new product or service, approval is sought from the relevant stakeholders – the process being key to identifying certain material risks. This is

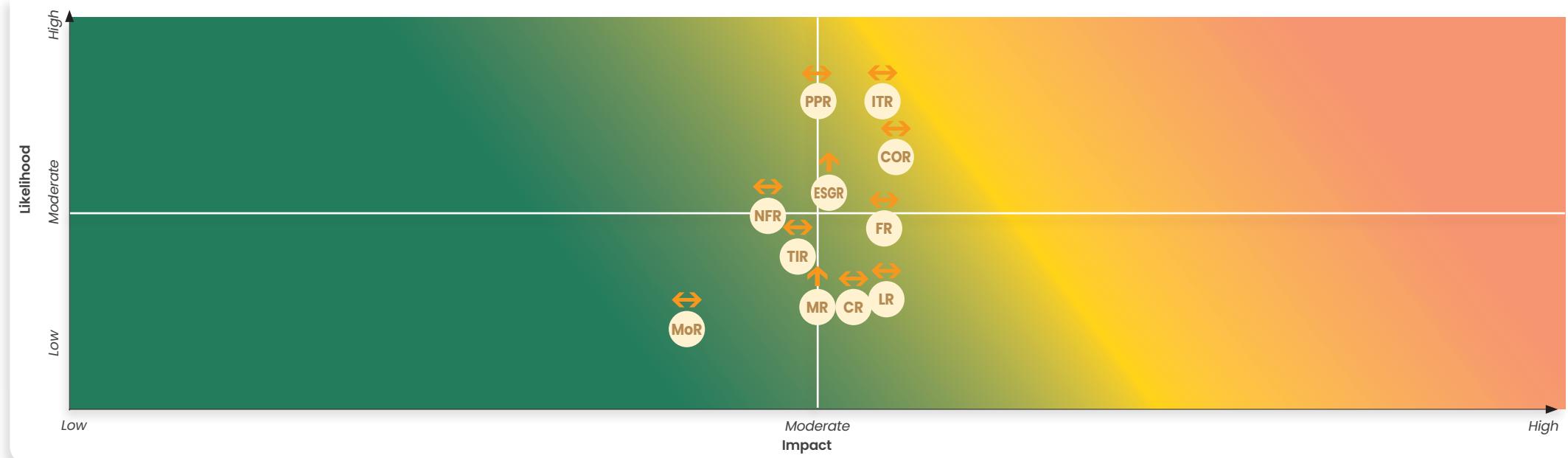
supplemented by assessment of our businesses across geographies by the different lines of business and risk function specialists for any emerging themes that may be of concern. Subsequently, portfolio assessments are conducted periodically with the Board Risk Management Committee.

In addition, we monitor the environment we operate in to identify any potential or emerging scenarios which could pose a threat to our portfolio. Risk drivers could arise from developments in the economy, business or physical environment, geopolitical shifts, regulatory or social changes, cyber threats, data loss, fraud or human error, as well as environmental, social and governance (ESG) issues. These drivers impact one or more of our principal risks.

Each principal risk is governed by an appropriate risk framework that is operationalised through policies and procedures and supported by robust risk management processes that are regularly assessed for their continued effectiveness. The approach we take to assess, monitor and manage each principal risk identified is detailed below:

Principal Risks												
CR Credit Risk	MR Market Risk	LR Liquidity Risk	NFR Non-Financial Risk	ITR Information Technology Risk	CoR Compliance Risk	ER Enterprise Risk	MoR Model Risk	FR Financial Risk	TIR Takaful and Insurance Risk	PPR People and Performance Risk	ESGR Environmental, Social and Governance Risk	
↔	↑	↔	↔	↔	↔	↔	↔	↔	↔	↔	↔	↑

The risk heat map below summarises the likelihood of the occurrence of the principal risk types and the potential impact to the Bank should that risk occur. The key actions taken by Maybank to mitigate these risks are outlined on the following page.



Principal Risks

PRINCIPAL RISKS FY2023

Risk trend: Increased No Change

Time horizon: 0-2 years 2-5 years >5 years



CR CREDIT RISK

Risk Description and Value Creation Implications: The loss of principal or income from failure of obligors or counterparties to meet contractual obligations in accordance with agreed terms. Effective management of credit risk would enable the Group to make robust assessment of the borrower's creditworthiness in fulfilling its debt obligation throughout its credit life cycle and economic cycle; supported by an appropriate credit structure, covenants and risk based pricing structure, which would lead to more sustainable growth and profitability.

Key Mitigation Actions:

- Established and refined the risk acceptance criteria (RAC) for high-risk sectors to ensure credits approved are within the Group's credit risk appetite and support the transition to sustainable financing and practices.
- Reviewed business strategy for target client segments and sectors according to industry prioritisation matrix (IPM), RACs, credit underwriting standards and product development assessment.
- Enhanced account monitoring tools and automation processes for customer onboarding and performance such as AI-based early alerts, credit and liquidity tool (C-List), straight through process (STP), product automation, RSME and mortgage dashboards and Efficient Frontiers to assist in timely identification of new and vulnerable accounts.
- Integration of ESG-related risk assessment in underwriting of credit propositions to mitigate risk of stranded assets which may lead to credit risk.
- Introduction of Zero Loan Loss Provision (LLP) Mission project with the objective of enhancing the collection strategy.

For more information, refer to credit risk management on page 177 of the Financial Statements and Basel II Pillar 3 Disclosure on Credit Risk at www.maybank.com/ar

Related Material Matters:



Related Strategic Thrusts and Programmes:



Related Capitals:



Related Stakeholders:



Associated Opportunities:

- Optimising the Bank's large client base and presence across geographies to promote sustainable growth in line with our risk appetite.
- Identification of potential new growth areas based on the IPM.
- To be alerted on adverse developments in specific industries such as construction and high-end property development.
- Improve gross impaired loans (GIL), Stage 2 and No Payment Since Disbursement (NPSD) position with the implementation of collection strategies and zero LLP.

Risk Movement:

Credit risk remains a principal concern inherent in our lending-focused business operations. In 2023, we observed no significant fluctuations in our portfolios concerning specific industries, countries, or major borrowers, apart from slight pressures in the Retail SME segment. Additionally, the Group's asset quality indicators have shown stability throughout the year, across major sectors following the full reopening of the economy post-COVID.

Outcome in 2023:

The Group effectively managed and maintained its asset quality trends as demonstrated by the improving Group gross impaired loans ratio of 1.34% as at 31 December 2023 from 1.57% the previous year.



MR MARKET RISK

Risk Description and Value Creation Implications: Potential loss of economic value from adverse movements in financial market rates or prices such as interest rates, foreign exchange rates, credit spreads, commodities and equity prices. Appropriate trading and risk management strategies could protect the Group against price volatility and minimise any undesirable outcomes to the trading book.

Key Mitigation Actions:

- Management of risk appetite through surveillance of risk metrics and related limits (i.e.: Value-At Risk, Foreign Exchange Net Open Position, Present Value of One Basis Point).
- Comprehensive stress testing and thematic reviews on periodic and as-needed basis.
- Bi-annual reviews of market risk policies and limits to cater for anticipated changes in risk profile and business strategy.

For more information, refer to market risk management on page 203 of the Financial Statements and Basel II Pillar 3 Disclosure on Market Risk at www.maybank.com/ar

Related Material Matters:



Related Strategic Thrusts and Programmes:



Related Capitals:



Related Stakeholders:



Associated Opportunities:

- Optimal utilisation of market risk limits.
- Regular risk assessment, analysis and stress testing applied at Group level enable portfolios to withstand adverse risk scenarios and continue to be managed within the Group's risk appetite.

Risk Movement:

Risk taking in the trading books are all operated within established market risk limits, including stop-loss limits.

Outcome in 2023:

The Group operated within established market risk limits, which was set with consideration of the trading budget, historical limits utilisation, business and trading strategies, and financial market conditions.



Principal Risks

Risk trend: Increased No Change

Time horizon: 0-2 years 2-5 years >5 years

**LR LIQUIDITY RISK****Risk Description and Value Creation Implications:**

Adverse impact on the Group's financial standing or overall soundness from the perceived inability to meet our obligations. Failure to manage this risk properly would result in potential major funding issues, loss of public confidence and non-compliance to regulatory requirements.

Key Mitigation Actions:

- Active liquidity management to ensure sufficient funding to support balance sheet strategies.
- Enhanced liquidity coverage reporting to optimise liquidity management.
- Periodic thematic reviews, stress testing and reverse stress testing for effective liquidity risk management.
- Continuous refinement of liquidity stress test methodology.

For more information, refer to liquidity risk management on page 221 of the Financial Statements and Basel II Pillar 3 Disclosure on Liquidity Risk at www.maybank.com/ar

Associated Opportunities:

- Ability to maintain a diverse and stable funding base while achieving an optimal portfolio that helps reduce the Group's overall cost of funding. These measures enable the Group to shape its assets and liabilities profile to achieve the desired balance sheet state.

Risk Movement:

Liquidity risk has been on a stable trend with no incidences or perceived incidences of the Group's inability to meet its obligations.

Outcome in 2023:

The Group maintained a healthy liquidity buffer at all times to mitigate any unexpected commitments, in addition to approved debt-raising programmes. Group liquidity coverage ratio was 142.1% while net stable funding ratio was 122.0% as at 31 December 2023, well above Bank Negara Malaysia's regulatory requirement of 100%.

Related Material Matters:



Related Strategic Thrusts and Programmes:



Related Capitals:



Related Stakeholders:

**NFR NON-FINANCIAL RISK****Risk Description and Value Creation Implications:**

Events related to non-financial risks stemming from inadequate internal processes, people, systems and/or from external events have the potential to impact the Group's capital, erode customers' trust, tarnish our reputation, and/or detrimentally affect our brand value and stakeholders' perceptions of the Group.

Key Mitigation Actions:

- Established framework and tools to enable assessment of risk and resilience for critical business services, focusing on risk tools integration and customer-centricity.
- Strengthened operational resilience management via measures such as establishing permanent split operations, monitoring systems availability and business continuity planning across the supply chain.
- Establishing a real-time and integrated approach to manage and respond to risk via Governance, Risk and Compliance (GRC) Solutions.
- Enhanced fraud intelligence capabilities via advanced data analytics.

For more information, refer to Basel II Pillar 3 Disclosure on Non-Financial Risk at www.maybank.com/ar

Associated Opportunities:

- Actionable risk insights leading to potential cost savings by minimising costly non-financial risk events.
- Regulatory compliance and alignment, avoiding fines and regulatory scrutiny.
- Enhanced reputation for Maybank Group due to our commitment to operational excellence and risk mitigation.

Risk Movement:

The impact and likelihood of non-financial risk remains moderate as risks are proactively identified and key controls are continuously reviewed and refreshed to mitigate the risk exposure while operational controls are continuously strengthened to combat the uptick in fraud and scam events.

Outcome in 2023:

Operational loss against gross income remained satisfactory and was within the non-financial risk appetite threshold.

Related Material Matters:



Related Strategic Thrusts and Programmes:



Related Capitals:



Related Stakeholders:



Principal Risks

Risk trend: Increased No Change

Time horizon: 0-2 years 2-5 years >5 years

ITR INFORMATION TECHNOLOGY (IT) RISK

Risk Description and Value Creation Implications:
Vulnerabilities in IT infrastructure pose risks to the integrity of operations and customers' privacy, thus impeding our capacity to maintain a safe and secure environment. Financial loss, operational disruption, or reputational harm may arise from failures in people, processes, or technology, potentially leading to cyberattacks on critical systems or the unavailability of essential technology components.

Key Mitigation Actions:

- Implemented and continuously improving effective IT strategy enabling the Group to remain competitive and resilient.
- Risk governance oversight of enterprise IT systems with the relevant frameworks, policies and procedures to manage and monitor technology and cyber risk.
- Engaged external partners to review internal controls and identify areas for improvement.
- Regularly reviewed and enhanced internal risk assessment of outsourced service providers to ensure adequate security controls.
- Enhanced awareness of cyber hygiene.

For more information on how we manage IT Risk, refer to Pervasively Digital and Statement on Risk Management and Internal Control on pages 66 and 142

Associated Opportunities:

- Enhance the customer experience with accessibility and availability of secured banking systems.
- Enable a highly efficient and productive workforce.
- Improved cyber security posture to withstand cyberattacks.

Risk Movement:

The financial industry continues to face a dynamic interplay of technology and cyber risk. While AI and machine learning promise efficiency and innovation, their complexity creates new vulnerabilities leading to new variants of fraud. Ransomware attacks remain a major threat, targeting critical infrastructure and demanding exorbitant sums. Supply chain vulnerabilities expose institutions through third-party vendors, and social engineering tactics continue to evolve, potentially aided by AI. The overall trend points towards increasingly sophisticated attacks exploiting interconnected systems and human weaknesses.

Outcome in 2023:

The Group prioritised robust cybersecurity, ensuring data, operations, and customer trust were safeguarded. We leveraged advanced technology like zero-trust architecture, multi-factor authentication, and rigorous employee training to promote cyber risk hygiene, fostering a stable and resilient technological foundation while staying ahead of evolving risks.

Related Material Matters:



Related Strategic Thrusts and Programmes:



Related Capitals:



Related Stakeholders:



CoR COMPLIANCE RISK

Risk Description and Value Creation Implications:

Changing regulations pose a significant impact on the Group's competitiveness and operational efficiency, as non-compliance may result in financial penalties, reputation damage, regulatory actions, increased compliance costs, adverse market perception, loss of business opportunities, and credit rating downgrades. Effective management of compliance risk is therefore imperative for preserving and enhancing the Group's value.

Key Mitigation Actions:

- Frequent engagement with regulatory authorities.
- Strengthened policies, processes and controls in anticipation of and in response to new regulations, key regulatory trends, emerging risks as well as domestic and international concerns.
- Continuous efforts to further enhance our compliance and awareness to uphold a corporate culture of high ethical standards and integrity.

For more information, refer to Statement on Risk Management and Internal Control on pages 140 to 144

Associated Opportunities:

- Regular engagement ensures timely updates of industry developments and regulations that facilitate effective decision-making.
- Leveraging deep insights and industry knowledge would support the adoption of best practices and facilitate strategic collaborations.

Risk Movement:

Regulatory compliance risk is on the rise particularly for risks related to financial crimes (such as scams, sanctions and proliferation financing), market conduct and data privacy. This requires stronger governance practices and comprehensive compliance risk management that extends across the three lines of defence.

Outcome in 2023:

100% compliance with regulatory expectations.

Related Material Matters:



Related Strategic Thrusts and Programmes:



Related Capitals:



Related Stakeholders:





Principal Risks

Risk trend: Increased No Change Time horizon: 0-2 years 2-5 years >5 years



ER ENTERPRISE RISK

Risk Description and Value Creation Implications:

Spans across diverse areas including business strategy, industry trends, reputational integrity, corporate governance, sustainability, and data quality management. Implementing robust enterprise risk management practices is essential to ensure the safety and stability of the Group's operations, safeguard assets, and protect shareholder interests. By diligently identifying, assessing, and mitigating risks across these crucial domains, the Group can proactively bolster its competitive resilience and minimise potential financial losses within the dynamic landscape of the banking sector.

Key Mitigation Actions:

- Strengthened data accessibility and availability through shared data platform, risk data glossary enhancements and enforcing data controls based on accurate, complete and timely data.
- Developed an Economic Capital (EC) model to manage the portfolio risk and enhanced it to link to net credit charge-off.
- Enhanced Internal Capital Adequacy Assessment Process (ICAAP) risk assessment methodology and process.

Associated Opportunities:

- Mitigate regulatory reporting risks that could lead to fines and reputational damage.
- Accessibility to and availability of quality data would enable better-informed decision-making, leading to more proactive risk management.
- Accurate and personalised data would bolster effective customer engagement via specific and targeted initiatives.

Outcome in 2023:

More efficient capital allocation done by prioritising and addressing risks according to their potential impact on the Group while strong data management led to better controls and safeguards that reduced the likelihood of adverse events such as fraud, operational failures, or reputational damage.

Related Material Matters:



Related Strategic Thrusts and Programmes:

ALL ALL

Related Capitals:

FC IC HC SRC NC

Related Stakeholders:



Key Mitigation Actions:

- Established model risk management framework and policy to manage and mitigate model risk in the Group.
- Conducted peer review of various non-regulatory models to ensure robustness.
- Sharing of best practices and tools between risk centres of excellence to elevate the expertise of modellers across the Group.
- Maintain an inventory of all models used within the organisation and prioritise models based on their importance and complexity.

Associated Opportunities:

- Enhanced model monitoring framework would ensure timely detection of model weaknesses.
- Mitigating model risk reduces the potential of financial losses, regulatory fines, and reputational damage associated with model failure.
- Transparent and well-managed models build trust with stakeholders, including customers, investors and regulators.

Outcome in 2023:

Employed a robust model risk management system that includes constant checks on model efficacy, impartial transparency and rapid response to enhance the Bank's strategic decisions. No additional RWA was required due to model risk.

Related Material Matters:



Related Strategic Thrusts and Programmes:

ST1 ST3 SPI to SP8

Related Capitals:

FC IC

Related Stakeholders:



Principal Risks

Risk trend: Increased No Change

Time horizon: 0-2 years 2-5 years >5 years

FR FINANCIAL RISK

Risk Description and Value Creation Implications: Robust management of financial risks within banks is fundamental, not just for adhering to regulatory capital thresholds and sustaining profitability, but also for reinforcing capital adequacy, enhancing shareholder value, fostering market confidence, and safeguarding the institution's reputation, thereby amplifying its overarching value.

Key Mitigation Actions:

- Enhanced the customer experience and drove profitability by deepening wallet share, boosting digital propositions via ecosystems and analytics capabilities, and refining end-to-end customer journeys.
- Continuous measures to improve risk-weighted asset consumption across the Group, with emphasis on modelling methodologies, internal processes, policies and procedures.
- Proactive monitoring of foreign exchange movements and unrealised gains/losses in trading and banking books to manage their impact on capital and capital adequacy ratios.
- Stay the course with implementing M25+ Strategic Programmes to strengthen market positions, capture growth opportunities within the ASEAN franchise, as well as future-proof our infrastructure and capabilities, while actively managing asset quality.
- Established Recovery Plans which provide a systematic approach to address potential capital, liquidity or funding disruptions that could affect the financial solvency of the Group, in line with the regulators' Recovery and Resolution Planning initiatives.

For more information, refer to Reflections from Our Group Chief Financial Officer, Pervasively Digital and Sustainability Statement on pages 72, 64, 101 and Financial Risk Management on page 170 of the Financial Statements

Related Material Matters:



Related Strategic Thrusts and Programmes:



Related Capitals:



Related Stakeholders:



Associated Opportunities:

- Optimal capital generation and consumption should bring higher returns on investments and efficiency across the Group.
- Better resources to capture new business opportunities, market share and inorganic growth propositions as they arise.

Risk Movement:

The Group's financial risk remains stable YoY but returned to levels observed prior to the COVID-19 pandemic.

Contributing factors include increased competition, a heightened emphasis on sustainability, the imperative to address broader community impacts while delivering shareholder value, the ongoing evolution of the marketplace, a challenging global economic outlook, and geopolitical dynamics.

Outcome in 2023:

We have improved our financial performance by managing downside risks, promoting business growth, enhancing value for our customers and stakeholders, enforcing capital adequacy, and fostering greater market confidence.

TIR TAKAFUL AND INSURANCE RISK

Risk Description and Value Creation Implications: The value proposition of insurance and takaful operators can be profoundly influenced by adverse changes in the value of underwritten takaful/insurance liabilities due to adverse deviation in portfolio experience as well as underlying assumptions/expectations on which product, pricing, underwriting, claims, reserving and reinsurance/retakaful have been made.

Key Mitigation Actions:

- Prepared for implementation of regulatory-driven projects such as phased liberalisation of motor and fire tariffs, and climate risk management and scenario analysis.
- Active calibration and monitoring of key risks and early warning indicators.
- Performed risk assessment for new products and new reinsurer/retakaful operators on reinsurance/retakaful arrangement.
- Established flood modelling capabilities with continuous enhancement on data granularity to improve flood risk preparedness to address potential climate change impact.

Associated Opportunities:

- Competitive pricing with effective risk management should support sustainable profitability and attract more customers and contribute to their retention.
- Awareness of associated risks would guide product innovation and market expansion.

Risk Movement:

While the risk trend in takaful and insurance remains stable, the Group remains steadfast in monitoring any potential shifts in risk movement. Vigilance in assessing underwriting management, regulatory compliance, market conditions, and emerging risks emphasises our commitment to proactive risk management. This approach ensures our readiness to address any future changes in the risk environment while upholding our reputation for prudent risk mitigation practices.

Outcome in 2023:

We deployed effective management of takaful and insurance risks to preserve and enhance our values which includes robust underwriting practices, prudent risk management, adequate reserves, diversified investment strategies, strong regulatory compliance, among others.

Related Material Matters:



Related Strategic Thrusts and Programmes:



Related Capitals:



Related Stakeholders:





Principal Risks

Risk trend: Increased No Change Time horizon: 0-2 years 2-5 years >5 years



PEOPLE AND PERFORMANCE RISK

Risk Description and Value Creation Implications:

The risk of losing talent with specialised skills poses a significant threat to the Group's continuity and competitiveness. Proactive measures such as succession planning, talent development and retention, and skills diversification are emplaced for mitigating this risk and ensuring long-term performance.

Key Mitigation Actions:

- Our people and performance risks are managed in accordance with our Group Human Capital policies and framework.
- Intensified talent infrastructure to enhance the effectiveness, coverage and impact of the Group's annual talent reviews including incorporation of talent engagement platforms as part of the infrastructure. Also expanded our development programmes to include X-celerate and the Next Expert in Technology (NExT) Programme.
- Total compensation rewards philosophy that involves annual reviews of employees' base pay and benchmarking total compensation to market.
- Reimagined the workplace focused on employee well-being to stimulate creativity and collaboration.
- Ensuring our workforce is prepared for current and future challenges, taking existing market shifts and future trends into consideration.
- Preparing our workforce for next-gen roles by supporting their development in digital and emerging next-gen skills.

For more information on how we manage our people, refer to Group Human Capital and Statement on Risk Management and Internal Control on pages 67 and 143

Associated Opportunities:

- Effective retention interventions through talent development and growth initiatives.
- Building a strong organisational culture and instilling loyalty towards minimising loss of talent.

Risk Movement:

Risk level remains stable as current strategies are robust in maintaining the risk at an acceptable level.

Outcome in 2023:

- Recognised in the Willis Towers Watson (WTW) Global High Performing Companies benchmark for the sixth time. The Sustainable Engagement Index score (89%) is above WTW Global High Performing Companies Norm.
- Our proactive talent management efforts have effectively preserved organisational value. By integrating enterprise-wide succession planning and market-competitive reward schemes, alongside targeted engagement interventions, Maybank recorded a succession realisation rate of mission critical positions of 82% and a key retention rate of 90% in 2023.

Related Material Matters:



Related Strategic Thrusts and Programmes:



Related Capitals:



Related Stakeholders:



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISK

Risk Description and Value Creation Implications:

Failure to address ESG concerns may adversely affect our business sustainability, the valuation of our assets and liabilities, and our reputation. Implementing effective ESG risk management practices can enhance the Group's long-term sustainability and resilience, while also improving access to and availability of capital.

Key Mitigation Actions:

- Established and refined ESG criteria within the RAC for high-risk sectors to support the transition to sustainable practices.
- Developed an Emissions Calculator, guiding financed emissions management by enabling users to gauge emissions from new financing upfront and its impact on the existing portfolio.
- Embarked on our net zero pathway development to guide our decarbonisation transition for specific sectors within the Group's portfolio.
- Ongoing engagement with targeted clients in the power, oil and gas, palm oil, agriculture, and infrastructure sectors on their ESG readiness, transition plans and potential decarbonising solutions.
- Consideration of ESG factors in industry research coverage to capture potential risks and opportunities within the industries' value chain.
- A dry run on climate risk stress test was conducted in anticipation of the BNM 2024 climate risk stress testing exercise.

For more information, refer to the Sustainability and Environmental Reports made available online at www.maybank.com/ar and www.maybank.com/en/sustainability

Associated Opportunities:

- Mitigate the risk of stranded assets.
- Boost financing prospects within industries seeking to address climate-related risks through adaptation and/or mitigation solutions.
- Development of the Transition Finance Framework provides guardrails on mobilisation of transition finance for hard-to-abate sectors including alignment with regional and international taxonomies.
- Development of the Client Engagement Guidebook empowers relationship managers to have meaningful ESG-related engagements with clients, build forward-looking strategic and operational thinking capabilities, and curate bespoke solutions.
- Active engagement with clients on ESG-related matters would support our pursuit to become the sustainability leader in the region.

Outcome in 2023:

The Group has taken proactive measures to address vulnerabilities which has likely reduced the likelihood and severity of ESG-related disruptions, thereby improving its risk profile. Capitalising on ESG opportunities to improve sustainability practices will enhance our reputation, increase operational efficiency, and strengthen our competitive position.

Related Material Matters:



Related Strategic Thrusts and Programmes:



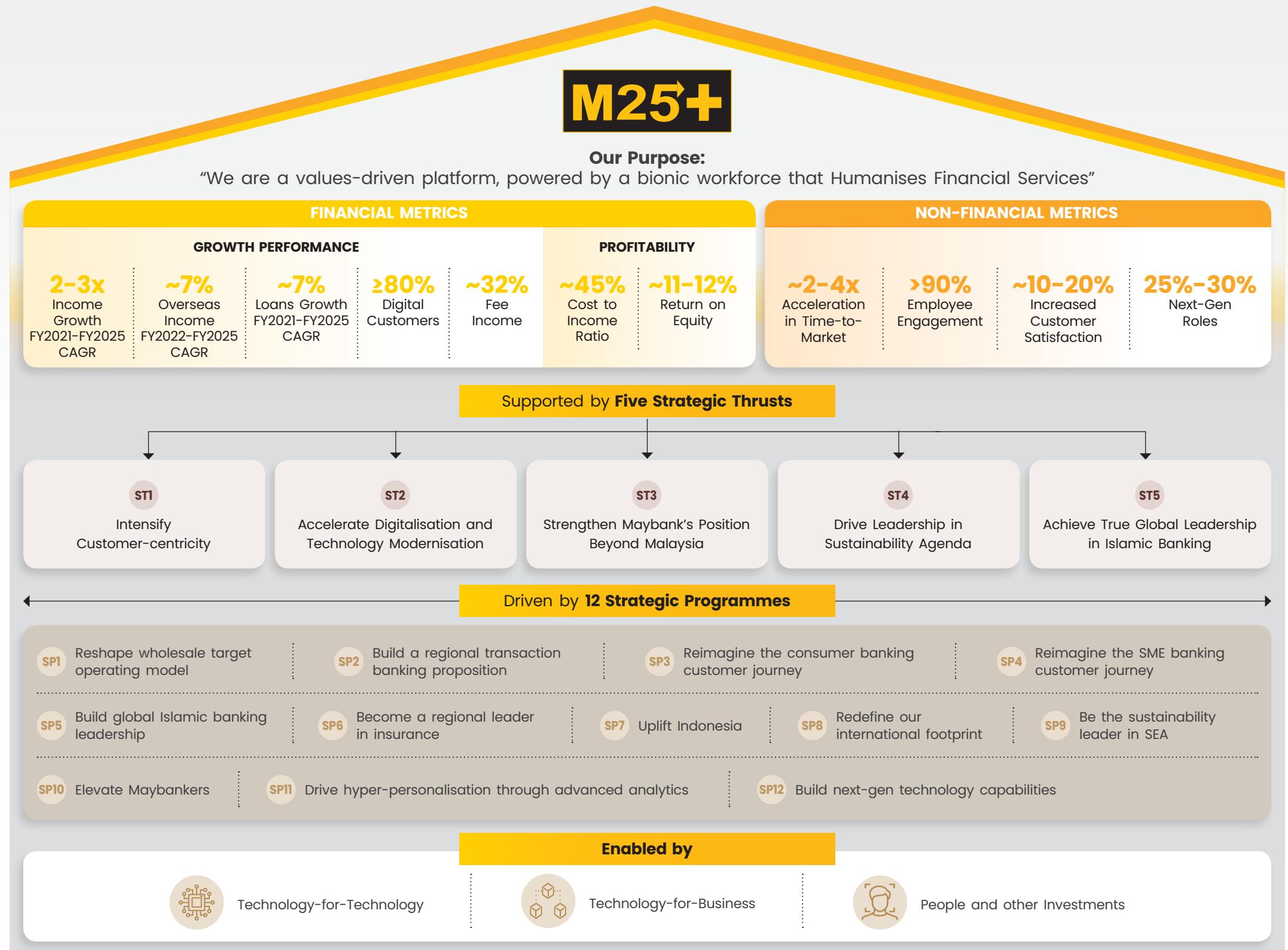
Related Capitals:



Related Stakeholders:



Our Strategy





Our Strategy

M25+ : FROM GOOD TO GREAT

2023 was a year of building the foundations of our M25+ strategy. Staying true to the five key strategic thrusts (STs), Maybank doubled down on customer-centricity, tailoring our offerings to customers' unique needs through hyper-personalisation while developing solutions beyond traditional banking. Throughout the first year of M25+ implementation, about RM304.72 million was invested into the 12 strategic programmes (SPs) resulting in 231 Minimum Viable Products (MVPs) deployed.

Through Agile ways of working, multiple product solutions and platforms were launched in the consumer, wholesale, Islamic, SME and insurance segments across the region. We also improved our customer experience through enhanced touchpoint operations and value-driven digital capabilities via personalised offerings, making it easier for customers to interact and transact with Maybank.

Ensuring the success of M25+, we are investing in our employees as we nurture a bionic workforce. Maybankers are empowered to deliver better customer service via improved processes and automated systems/tools that enable them to offer personalised financing solutions and effective advice on the products that best suit our customers' needs. Ultimately, this drives faster internal turnaround times (TAT) and accelerated time to market.

Strategic Thrusts

ST1 Full Agile and iterative MVP approach through customer journeys and imagining the end-state model

Related Macrotrends:

Purpose: To innovate to meet customers' needs faster in a rapidly evolving financial landscape

Short-to-medium term priorities:

- Build capabilities by recruiting next-gen talent, training employees in Agile methodologies, and embedding Agile practices.

Related SPs:

Related Capitals:

Related Material Matters:

Related Principal Risks:

Related Stakeholders:

ST2 End-to-end straight through processing (STP) platform that integrates with ecosystems within and beyond banking

Related Macrotrends:

Purpose: To transform customer experience and foster interconnectedness via seamless ecosystem integration

Short-to-medium term priorities:

- Prioritise impactful and high-volume core processes for STP
- Deployment of integration capabilities and regional APIs
- Form strategic partnerships to collaborate on differentiated customer experiences

Related SPs:

Related Capitals:

Related Material Matters:

Related Principal Risks:

Related Stakeholders:

ST3 Regionalisation of business and product solutions, as well as technological platforms and applications, with clear leadership in Malaysia

Related Macrotrends:

Purpose: To develop scalable solutions and capture opportunities in new markets

Short-to-medium term priorities:

- Harmonise regional front-end channels and customer engagement for omni-channel functionality to enable consistent customer experience
- Develop modular scalable products and services
- Harmonise core banking and technology platforms to facilitate sharing of data

Related SPs:

Related Capitals:

Related Material Matters:

Related Principal Risks:

Related Stakeholders:

Our Strategy

Strategic Thrusts (Cont'd.)

ST4 Expanded scope to embrace value-based banking principles, deepen social impact and execution of decarbonisation strategy
Purpose: Build customer trust, enhance our reputation and reduce climate-related vulnerabilities

Related Macrotrends:

Short-to-medium term priorities:

- Track progress via clear metrics
- Develop sustainability products for businesses
- Deploy energy efficient and sustainable practices

Long-term priorities:

- Infuse principles of value-based banking as a strategic differentiator for the Group
- Achieve carbon neutrality by 2030 and net zero carbon equivalent by 2050

Related SPs:

Related Capitals:

Related Material Matters:

Related Principal Risks:

Related Stakeholders:

ST5 Global Islamic wealth management (IWM) leader with Singapore as hub and Middle East/ASEAN countries as spokes

Purpose: Position ourselves as a leader in value-based and sustainable Islamic wealth solutions given expanding affluent and high net worth Muslim segments in ASEAN and the Gulf Cooperation Council

Related Macrotrends:

Short-to-medium term priorities:

- Maintain leadership with best-in-class customer experience, unique Shariah products and digital distribution
- Establish global IWM hubs in Singapore and Dubai
- Establish as-a-service offering to expand into new markets

Long-term priorities:

- Focus on global leadership on select fronts, i.e.: global IWM hub and #1 enabler of Islamic financial services

Related SPs: to to

Related Capitals:

Related Material Matters:

Related Principal Risks:

Related Stakeholders:

Performance of 12 strategic programmes in FY2023

Top initiatives:

- Integrated data-driven insights and analytics for more effective lead generation by Relationship Managers (RMs).
- Established Sector Specialists Group to provide industry-focused solutions for key sectors with strong business and investment opportunities.
- Penetrated mid-market segment by offering dedicated end-to-end capabilities.

Top achievements:

- Strengthen share of wallet and product holding ratio.
- Loans growth in real estate, agriculture and energy.
- Achieved 13.9% improvement in overall share of wallet for our top 20 mid-market segment clients and 11.2% YoY loans growth for this segment in Malaysia.

Focus for FY2024:

- Enhance client segment penetration through analytics with data-driven cross-sell initiatives.
- Focus on tailored solutions by bespoke expertise in product led offerings and credit improvement.
- Drive regional growth by elevating collaborative initiatives.
- Optimise operational improvement by fostering partnerships and collaborative initiatives.

Top initiatives:

- Adoption of CargoDocs to handle transactions through the electronic exchange and shift from paper to eDocs for trade finance.
- Executed Payment Agency Model for supply chain financing under transaction banking.

Top achievement:

- Improved revenue from innovative supply chain financing solution.

Focus for FY2024:

- Regional trade platform to reduce complex processes and achieve faster TAT for customers.
- Establish regional omni-channel financial supply chain management with multi-bank partners.
- Regionalise digital business account opening forms by leveraging electronic KYC (eKYC) solution to enable a fully STP journey.



Our Strategy

Performance of 12 strategic programmes in FY2023 (Cont'd.)

SP3 Top initiatives: <ul style="list-style-type: none"> Launched home ownership ecosystem leveraging Home^{2u} and Sime Darby Property collaboration to provide seamless journey from booking a property to loan application. Enhanced customer onboarding and account opening with STP for six CASA products using eKYC in Malaysia. Launched regional viewing and regional transfer enabling seamless real-time transfers between Maybank Malaysia and Maybank Singapore with preferential rates offered to our customers. 	Top achievements: <ul style="list-style-type: none"> Originated RM23.22 billion in loans via Home^{2u}, of which more than RM80 million was received through Sime Darby collaboration. Overall digital mortgage loan penetration at 49.6%. 179,722 CASA STP accounts opened and activated, representing 40% digital penetration. Overall CASA accounts opened increased 23%. 43% YoY increase in transaction volume from 158,874 to 227,428 in 2023 between Malaysia and Singapore. 	Focus for FY2024: <ul style="list-style-type: none"> Expand beyond banking to focus on home improvement journey and home investor solutions. Regionalise STP CASA account opening in other countries. Regional scale-up to other countries (Indonesia, Cambodia and Philippines) within the next two to three years.
SP4 Top initiatives: <ul style="list-style-type: none"> Launched SME resegmentation in home markets, Cambodia and Philippines, consolidating SME businesses under Commercial Banking to drive synergies and better customer focus. Launched SME Digital Lending in Singapore, following Malaysia's launch in 2020. Developed enhanced SME Digital channel for loans up to RM20 million in December 2023. 	Top achievements: <ul style="list-style-type: none"> Average monthly sales productivity increased by 20% in Malaysia from RM1.2 billion to RM1.4 billion; >100% in Singapore from SGD22 million to SGD64 million and 26% in Indonesia from IDR1.4 trillion to IDR1.7 trillion. By scaling up SME segment with larger loans limit, average loan size increased by 19% in Singapore from SGD2.6 million to SGD3.1 million and 28% in Indonesia from IDR10 billion to IDR13 billion. With SME Digital Lending, we have approved more than RM3.8 billion in loans in Malaysia. 	Focus for FY2024: <ul style="list-style-type: none"> Become SME leader in Malaysia with strong loans growth and expand distribution of SME products and services through third parties. Grow Singapore new-to-bank (NTB) SME+ loans and increase RSME focus beyond lending and banking. Focus on NTB acquisition and larger ticket size in Indonesia; optimise TAT and approval process to increase monthly booking/sales.
SP5 Top initiatives: <ul style="list-style-type: none"> IWM MVPs launched include EzyWasiat, EzQurban and zakat auto deduction on savings and investments. Launched Halal4wards for SME/BB, and Halal Facilitation and Halal Assurance. Launched Shariah Wealth Management (SWM) in Indonesia. 	Top achievements: <ul style="list-style-type: none"> Garnered 6,550 zakat auto debit registrations. Halal certified companies increased 77% YoY from 2,200 to 3,897 as of December 2023. Halal4wards 2.0 recorded disbursement of RM617.8 million (target: RM600 million). 	Focus for FY2024: <ul style="list-style-type: none"> Expand IWM product suite, strengthen capabilities and products in Malaysia, Indonesia and Singapore. Roll out Halal4ward 3.0 in Malaysia and increase number of halal certified companies while increasing Islamic finance penetration rate. Sign up new Banking-as-a-Service (BaaS) partner in Malaysia and Indonesia.
SP6 Top initiatives: <ul style="list-style-type: none"> Launched One Click Motor Renewal with push notification. Launched Banca 2.0 EaSE tool with automatic population of customers' biodata and financial data enabling faster execution and better product recommendations. Launched Automated Claims Reminder for travel with curated reminders via push notifications and immediate claim payments. 	Top achievements: <ul style="list-style-type: none"> RM30 million in premiums generated from over 32,000 policies. Steady increase of Smile/Etiqa+ app downloads (560,000 to date). Improvement in average active sales person using Banca EaSE to 72% in 2023 from 55% (January – June 2023). Faster TAT for claims payment from 14 days to five days. 	Focus for FY2024: <ul style="list-style-type: none"> Introduce refreshed Etiqa+ app boasting self-serve functionalities. Regionalise Etiqa focusing on Singapore, Cambodia, Indonesia and Philippines.

Our Strategy

Performance of 12 strategic programmes in FY2023 (Cont'd.)

SP7 Top initiatives: <ul style="list-style-type: none"> A restructuring of SME/RSME limit and credit policy under SME re-segmentation. Launched five Islamic wealth pillars and solutions under SWM targeting premier and privilege clients in Jakarta and Bandung. Introduced Digital Sales Tools for sales force with dashboard and customer 360° view enabling sales force to improve productivity and efficiency. 	Top achievements: <ul style="list-style-type: none"> SME re-segmentation led to revenue increase and reduction in TAT to 3.4 days, with approval rates up to 89% in 2023. SWM's bundle campaign contributed an increase in fee income by IDR20.1 billion while sales force efforts increased premiere customer engagement in 2023. 	Focus for FY2024: <ul style="list-style-type: none"> Enhance regional account and sales force for deeper engagement and expanded customer base. Revamp SME operations with digital and beyond-banking features to boost loan volumes. Advance BaaS pilots and deepen Islamic ecosystem penetration with innovative SWM offerings.
SP8 Top initiatives: <ul style="list-style-type: none"> Launched Maybank Pop-Up in Cambodia to create brand visibility and increase accessibility. Maybank Cambodia closing in on Top 10 position by assets, with 26.8% YoY asset growth. Established five branch-lite sites (satellite offices) in the Philippines to distribute auto and mortgage loans. 	Top achievements: <ul style="list-style-type: none"> Achieved 84% of targeted account openings since launch of Maybank Pop-Up Cambodia in December 2023. Branch-lites achieved lower operating expenses by 67% and setup costs by 75% vs a conventional branch. 	Focus for FY2024: <ul style="list-style-type: none"> Enhance visibility in Cambodia, targeting 3% penetration rate in marketable segment. Improve TAT for auto loan approval in Philippines from two to one day. Add four branch-lite sites in high potential areas within Philippines for auto, mortgage and RSME.
SP9 Top initiatives: <ul style="list-style-type: none"> Finalising a sector-specific transition pathway for power and palm oil. Launched Financed Emissions Calculator. Developed Group Human Rights Policy. 	Top achievements: <ul style="list-style-type: none"> Developed net zero pathway and business strategy for power and palm oil while working on oil and gas. Piloted to 90 RMs/Group Corporate Credit evaluators to gauge emissions from new financing and impact on portfolio. Automated and rolled out net zero tracker and dashboard in 2023. Reinforced the Bank's commitment to respecting human rights in line with the United Nations Guiding Principles on Business and Human Rights 2011. 	Focus for FY2024: <ul style="list-style-type: none"> Implement sector growth strategies consistent with net zero aspiration and develop net zero pathway strategies for additional two sector groups. Expand Financed Emissions Calculator and dashboard in Singapore and Indonesia. Continue regional capability building.
SP10 Top initiatives: <ul style="list-style-type: none"> Launched Skills-Matrix 360 and Skill Catalogue to identify in-demand next-gen job roles, currently at 21%. Established performance measurement on objectives and key results (OKRs). Introduced Daily Stand-Up (DSU) as part of new way of working. 	Top achievements: <ul style="list-style-type: none"> Deployed Skills-Matrix 360 in Indonesia, Singapore and ETIQA, as well as developed Skill Catalogue bank-wide across Maybank Group. All SP members and 152 non-SP members onboarded onto Maybank Connect platform with OKR performance to be measured quarterly. 616 SP members across 15 sectors Group-wide are now practising DSU. 	Focus for FY2024: <ul style="list-style-type: none"> Assess next-gen future ready roles for tech, data and digital. Introduce new milestone/quarterly rewards programme for SP members. Attract new talent with increased Employee Value Proposition (EVP) via regional launch of Maybank Student Ambassador Programme (#Mbassador), Future Leaders Immersion Programme (FLIP), Global Maybank Apprentice Programme (GMAP), etc. Roll out employee HR platform MyHR2U 2.0 to deliver refreshed experience, leveraging data-driven insights.



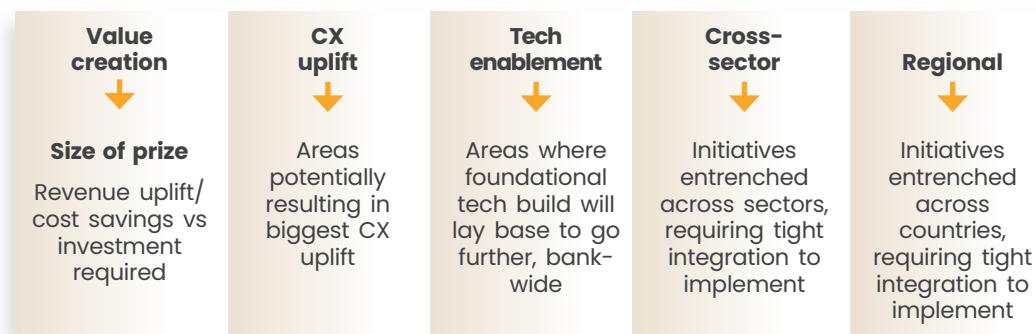
Our Strategy

Performance of 12 strategic programmes in FY2023 (Cont'd.)

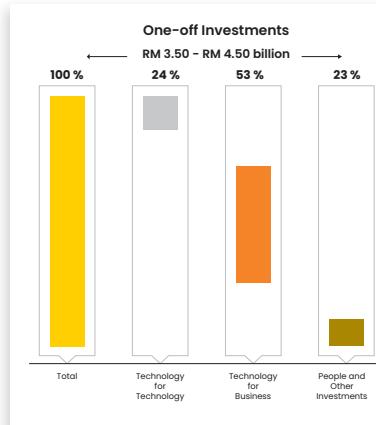
Top initiatives: <ul style="list-style-type: none"> Onboarded all active retail customers to Maybank's feature store, enabling businesses to tailor product offerings. Introduced first multiple product personalisation engine for retail and SME. Engaging customers who qualify for affluent service but were not previously engaged. <p>SPI1</p>	Top achievements: <ul style="list-style-type: none"> Customer engagement rate for unit trust increased 4x, with penetration rate sold via M2U increasing from 4% to 9%. Product recommender model now covers all SME digital financing offerings, achieving >100% uplift in loan origination. Engagement rate increased by 4x, applications received increased 2.3x, and loan disbursement increased 1.5x with >100% uplift in loan conversion. Achieved an average of 48% conversion rate uplift from launched MVPs. Reduced time to market (TTM) by 30% from 37 to 25 working days. 	Focus for FY2024: <ul style="list-style-type: none"> Identify under/unerved segments and hidden affluent customers. Use product recommender to cross-sell. A feature store and product recommender model for retail, SME and mid-market segments. Enhance customer engagement. A feature store for trade and supply chain solutions.
Top initiatives: <ul style="list-style-type: none"> Enriched customers' life journeys by offering access to banking and insurance products in travel, home and SME ecosystems powered by M-CONNECT enabled APIs. Enabled data insight capabilities to engage customers with tailored offers. Protected them from potential digital scam. <p>SPI2</p>	Top achievements: <ul style="list-style-type: none"> Enabled ecosystem play, using strategic partnerships to expand distribution of Maybank products and services (i.e.: home solutions, SME portfolio guarantee, travel insurance, ecommerce card payment) (API Enabled: 16, Partners: 55). Deepened corporate client relationships by embedding APIs in enterprise resource planning systems, offering cash management services (API Enabled: Five, Partners: Five). Enriched customer experience by offering new lifestyle experiences through MAE and Etiqa+ app strategic partnerships. (API Enabled: 32, Partners: 10). About 8500 potential fraud cases prevented with automated data insights delivered to cyber security units, aimed at protecting our customers from mobile originated fraud. 	Focus for FY2024: <ul style="list-style-type: none"> Accelerate strategic partnerships and expand banking and insurance products in auto, home and SME ecosystems with APIs powered by M-CONNECT. Leverage M-INSIGHTS platform to enable value-based, wealth and hyper-personalised solutions backed by automation and agile insights, driving operational efficiency. Enable bionic workforce through collaboration, communication and generative AI capabilities. Implement regional and cloud-native infrastructure and digital capabilities on-premise.

Resource Allocation Plans

In realising M25+ and the 12 SPs outlined, we will be allocating not only financial resources – capital and funding – but also our organisational capabilities and expertise for optimum outcomes. The volume or quantity channelled to each SP will be based on various factors, including the criticality of specific initiatives in achieving the related STs and the expected revenue uplift or longer-term value created for the sustainability and continued relevance of the organisation. The five key considerations for resource allocation planning are:



All investments in M25+ will have a positive impact on value creation in terms of the six capitals, with the impacted capitals for each SP identified on page 61. The Group may channel between RM3.50 billion to RM4.50 billion in investments over the M25+ strategy programme duration to build new capabilities across the following key focus areas:



In 2023 itself, we invested a total of RM304.72 million for operational and capital expenditure, of which 82.5% was for technology-for-business, 4.9% technology-for-technology and 12.6% for others.

M25+ is very digital-centric, with digitalisation driving almost all of our process and people improvements. Accordingly, about 77% of the total investments will be channelled towards technologies – both to enhance our customer experience and to improve internal efficiencies – while the remaining 23% will be invested into shaping a bionic workforce.

Our Strategy

Resource Allocation Plans (Cont'd.)

SP1 SP2	Global Banking	Impacted capitals:	FC IC MC HC
<p>Investment Focus Areas:</p> <ul style="list-style-type: none"> • Reimagine customer journey, improving speed and efficiency while maintaining credit risk management under control • Develop deep sector expertise to build solutions-driven capabilities • Construct holistic regional financial supply chain management operating model and technology-enabled solutions and processes • Build differentiated offerings via system enhancements for regional cash management and payments platform 			
SP3 SP4	Community Financial Services	Impacted capitals:	FC IC MC
<p>Investment Focus Areas:</p> <ul style="list-style-type: none"> • Become a leader in mortgages, integrating with real estate ecosystem • Uplift the account opening and onboarding experience • Reimagine the digital wealth proposition • Reshape auto loans, integrating with auto ecosystem • Become a leader in SME lending • Accelerate adoption of non-lending and beyond banking solutions 			
SP5	Islamic	Impacted capitals:	FC IC MC HC SRC
<p>Investment Focus Areas:</p> <ul style="list-style-type: none"> • Strengthen position in halal economy within micro/SME F&B industries • Solutions suite development and increase NTB digital acquisition and STP process • Drive hyper-personalised Islamic experience across core markets • Roll out capabilities, products and people needed in global IWM hub in Singapore • Asset-lite expansion via as-a-service model 			
SP6	Insurance	Impacted capitals:	FC IC MC HC SRC
<p>Investment Focus Areas:</p> <ul style="list-style-type: none"> • Enhance channels for better accessibility across all customer segments and drive insurance penetration through agency growth, Banca integration and partnership • Enhance analytics (marketing and underwriting) for data-driven personalisation • Front-to-back process transformation: STP; self-service and fraud risk prevention • Ecosystem plays such as mobility ecosystem and health ecosystem 			
SP7	Indonesia	Impacted capitals:	FC IC MC SRC
<p>Investment Focus Areas:</p> <ul style="list-style-type: none"> • Deepen digitalisation in operations and productivity (i.e.: digital RM tools and alternate risk assessment) • Pioneer new business models to attract fast-growing digital SME segment (i.e.: SME platforms, e-merchants, e-SCF and social sellers) • Accelerate Islamic business growth through both leverage model and Islamic as-a-service proposition 			
SP8	International	Impacted capitals:	FC IC MC HC
<p>Investment Focus Areas:</p> <ul style="list-style-type: none"> • Accelerate market share expansion and right to win strategy for universal play footprint with targeted branch rationalisation • Refine operating model for focused play footprint, upgrade IT platforms and accelerate positioning in Vietnam 			
SP9	Sustainability	Impacted capitals:	FC HC SRC NC
<p>Investment Focus Areas:</p> <ul style="list-style-type: none"> • Enhance net zero measurement capabilities including projection capabilities, covering all sectors and geographies • Segment-specific strategy to offer sustainability tailored solutions capturing transition finance opportunity • Integrating sustainability experts across all business units 			
SP10	Elevate Maybankers	Impacted capitals:	FC HC
<p>Investment Focus Areas:</p> <ul style="list-style-type: none"> • Strategic workforce planning and performance management enhancements • Run Agile processes throughout strategic programmes and institutionalise Agile@ Scale through training and mobilisation • Elevate EVP for digital talent and talent abroad while equipping Maybankers with right digital tools, capabilities and workspace 			
SP11	Hyper-personalisation	Impacted capitals:	FC IC
<p>Investment Focus Areas:</p> <ul style="list-style-type: none"> • Use advanced analytics to personalise individual journey moments 			
SP12	Next-gen technology	Impacted capitals:	FC IC MC HC SRC
<p>Investment Focus Areas:</p> <ul style="list-style-type: none"> • Channel/Customer enablement and integration • Data platforms • Lean the core (i.e.: trade, payments, etc.), driven by business ambitions • Hybrid cloud infrastructure and IT asset rationalisation • Cybersecurity 			



Key Performance Indicators

As part of our M25+ strategy, we have defined key performance metrics that are aimed at measuring the overall value we create as an organisation and resulting from our focus on the five strategic thrusts. We also measure the value we create for our stakeholders arising from the execution of our strategy and in running our day-to-day operations.

STRATEGIC VALUE CREATION

Indicators	Value Drivers	2019	2020	2021	2022 (Restated)	2023	YoY Change	Annual Target For 2023	Assurance	Relevant STs
Financial Value Proposition: ▶ To demonstrate financial performance growth and resilience while expanding regional offerings										
Income growth (%)	Growth	4.6	0.1	2.8	8.5	3.3	⬇️	N/A	MO FS	ALL
Overseas income growth (%)	Growth	6.8	-9.7	-3.8	3.9	8.6	⬆️	N/A	MO FS	ST3
Fee to income ratio (%)	Growth	29.2	32.8	25.0	22.0	29.5	⬆️	N/A	MO FS	ALL
Loans growth (%)	Growth	1.2	0.0	5.7	6.0	9.2	⬆️	N/A	MO FS	ALL
Cost to income ratio (%)	Productivity	46.7	45.3	45.3	45.2	48.9	⬆️	47.5	MO FS	ALL
Return on equity (%)	Growth/risk and capital management	10.9	8.1	9.8	9.6	10.8	⬆️	10.5-11.0	MO FS	ALL
Customer-Centricity: ▶ To fulfil customers' life journeys by offering hyper-personalised banking and non-banking solutions leveraging technology and data analytics										
Customer satisfaction: Net Promoter Score (NPS)	Engagement	+26 (95 th percentile)	+20 (95 th percentile)	+23 (95 th percentile)	+24 (95 th percentile)	+37 (95th percentile)	⬆️	N/A	IN	ST1
Digital customers (%)	Growth	59	66	71	74	75	⬆️	77	MO	ST2
Employee Proposition: ▶ To successfully build and retain a strong and diverse talent pool leveraging an engaged workforce										
Next-gen roles (%)	Productivity	N/A	N/A	N/A	13	21	⬆️	20	MO	ST2
Employee engagement (%)	Engagement – teamwork and collaboration	N/A	N/A	87	N/A	88	⬆️	N/A	MO	ALL
Sustainability Commitments: ▶ To lead the decarbonisation journey while driving social and economic development of communities in ASEAN										
Mobilise sustainable financing (RM billion)	Growth	N/A	N/A	13.68	20.69	34.11	⬆️	16.83	MO LA	ST4
Improving lives of households across ASEAN	Growth/engagement	N/A	N/A	502,759	368,441	498,529	⬆️	403,344	MO LA	ST4
Carbon neutral position (%)	ESG advancement	N/A	N/A	N/A	41.0 ⁺	49.0⁺	⬆️	43.5 ⁺	MO LA	ST4
Sustainability hours per annum	ESG advancement	N/A	N/A	1,636,652	1,563,720	1,937,632	⬆️	1,000,000	MO LA	ST4

Key Performance Indicators

STAKEHOLDER VALUE CREATION

Indicators	Value Drivers	2019	2020	2021	2022	2023	YoY Change	Assurance
Value Proposition: ▶ To build and retain an engaged and diverse talent pool with the right skills and knowledge to remain relevant and competitive								
Salaries and benefits (RM billion)	Employee remuneration and benefits	5.01	5.00	5.20	5.41	5.98	▲	MO FS
Training spend (RM million)	Investment in employee development	143.0	95.3	74.5	110.9	129.9	▲	MO
Succession realisation for mission critical positions (%)	Internal talents successfully fill identified roles	83	81	91	86	82	▼	MO
Women in senior management (%)	Progress of women in leadership positions	39	40	41	41	42	▲	MO
Value Proposition: ▶ To ensure best-in-class customer experience and fulfil customers' banking and non-banking needs through their lifecycles								
Loan growth (%)	New loans disbursed	1.2	0.0	5.7	6.0	9.2	▲	MO FS
System availability (%)	System uptime for financial transactions	99.95	99.96	99.84	99.98	99.95	▼	MO
Net Promoter Score	Customer satisfaction with our products and services	+26 (95 th percentile)	+20 (95 th percentile)	+23 (95 th percentile)	+24 (95 th percentile)	+37 (95th percentile)	▲	IN
Complaints resolved (SLA) (%)	Addressing customers' complaints	97	97	96	96	97	▲	MO
Value Proposition: ▶ To deliver consistent and strong shareholder returns								
Share price performance (%)	Share price appreciation	-9.1	-2.1	-1.9	4.8	2.2	▼	IN
Full-year dividend per share (sen)	Dividends for shareholders	64.0	52.0	58.0	58.0	60.0	▲	MO FS
Return on equity (%)	Return on shareholders' investments	10.9	8.1	9.8	9.6	10.8	▲	MO
Price to book ratio (multiple)	Market value relative to book value	1.2	1.1	1.1	1.2	1.1	▼	MO
Value Proposition: ▶ To support community empowerment and advancement through impactful initiatives								
Number of beneficiaries of Maybank Foundation's ASEAN programmes	Build financial skills and knowledge	46,250	68,785	28,279	48,339	75,658	▲	MO
Improving lives of households across ASEAN	Enhance social well-being and financial resilience	N/A	N/A	502,759	368,441	498,529	▲	MO LA
Providing accessible micro insurance products to underprivileged individuals	A safety net at a very affordable premium	N/A	N/A	276,987	122,664	177,078	▲	MO LA
Promoting financial inclusion, financial literacy and financial assistance to individuals and SMEs	Accessible and inclusive financial services	N/A	N/A	181,002	171,350	219,358	▲	MO LA
Value Proposition: ▶ To ensure strong fundamentals to support business and economic growth								
CET1 capital ratio (%) (post dividend)	Strength of capital position	14.58	14.73	15.40	14.78	15.34	▲	MO OV
Liquidity coverage ratio (%)	Strength of liquidity position	141.0	142.0	136.4	145.4	142.1	▼	MO OV
Net stable funding ratio (%)	Strength of stable funding	N/A	N/A	107.9	118.1	122.0	▲	MO OV
Taxes and zakat paid (RM billion)	Contribution to governments	2.61	1.71	3.30	4.03*	3.10	▼	MO FS OV

Assurance indicators:

- LA** External limited assurance on selected sustainability information. United Nations Global Compact Network Malaysia & Brunei has provided Second Party Opinion on the approach and processes undertaken in reporting the lives of households improved across ASEAN, sustainability hours and UN SDGs
- MO** Management and Board oversight through rigorous internal reporting
- IN** Externally source information i.e.: independent surveys
- OV** Independent oversight by regulatory bodies, including Bank Negara Malaysia
- FS** Financial information extracted from the 2023 Maybank Group Audited Annual Financial Statements or Financial Presentation

Notes:

- * The figure includes one-off Prosperity Tax whereby chargeable income above RM100.0 million was taxed at the rate of 33% instead of the statutory rate of 24%
- + Against 2019 baseline



Pervasively Digital

Scan here to view "Digitising banking, humanising financial services" video



OVERVIEW

We revolutionise the customer journey by going beyond conventional banking and developing hyper-personalised digital solutions within a cohesive digital ecosystem that supports the entire customer lifecycle. Anchored by our commitment to customer-centricity, acceleration of digitalisation and technology modernisation, as well as regional expansion, our digital strategy is premised on three pivotal pillars:

 Intensify end-to-end customer journey through ecosystem play at scale regionally

 Embrace true digitalisation among Maybankers

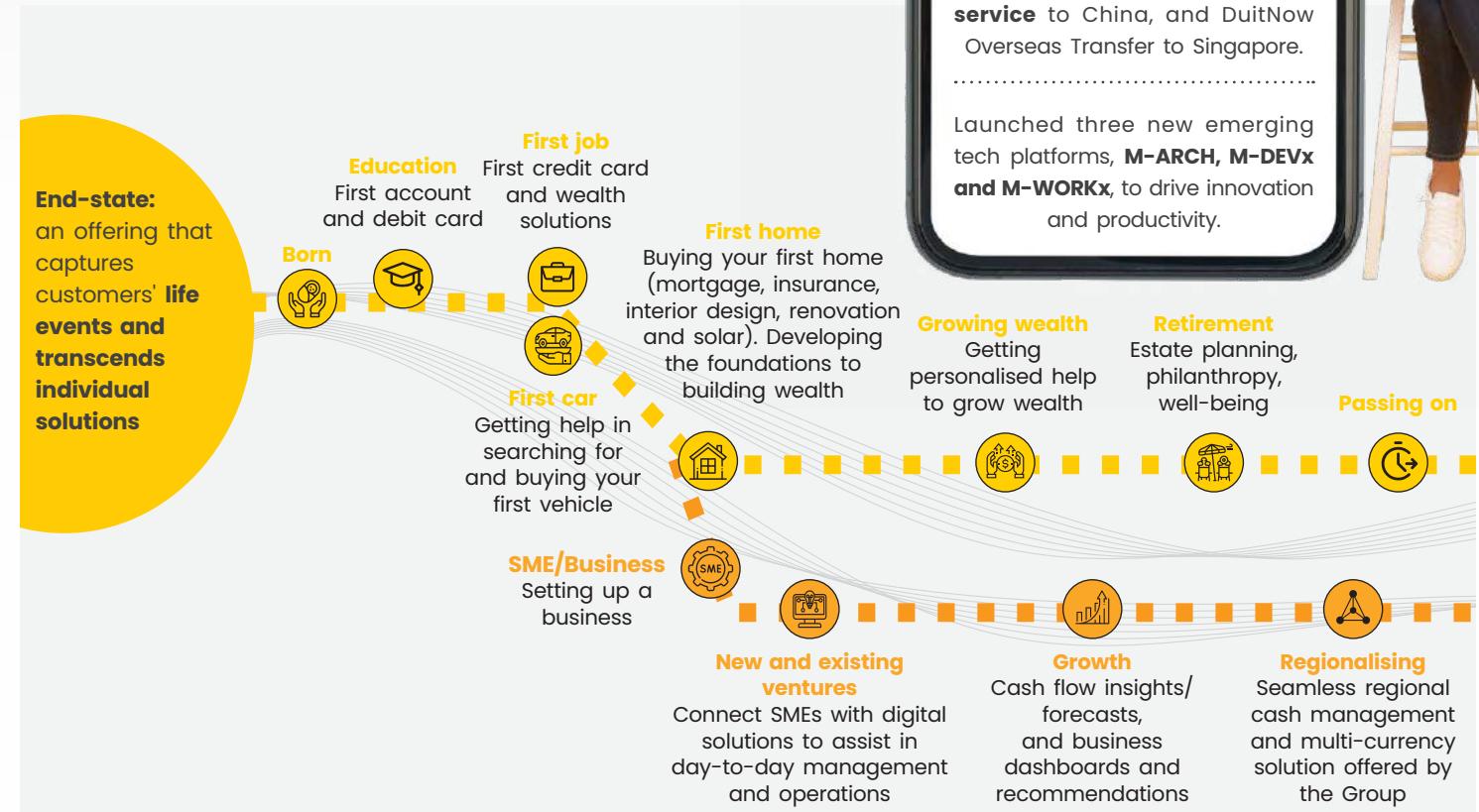
 Create new value through innovation and partnerships

We also prioritise the "regional first" approach to scale swiftly across ASEAN, leveraging advanced technological platforms and emerging tech applications.

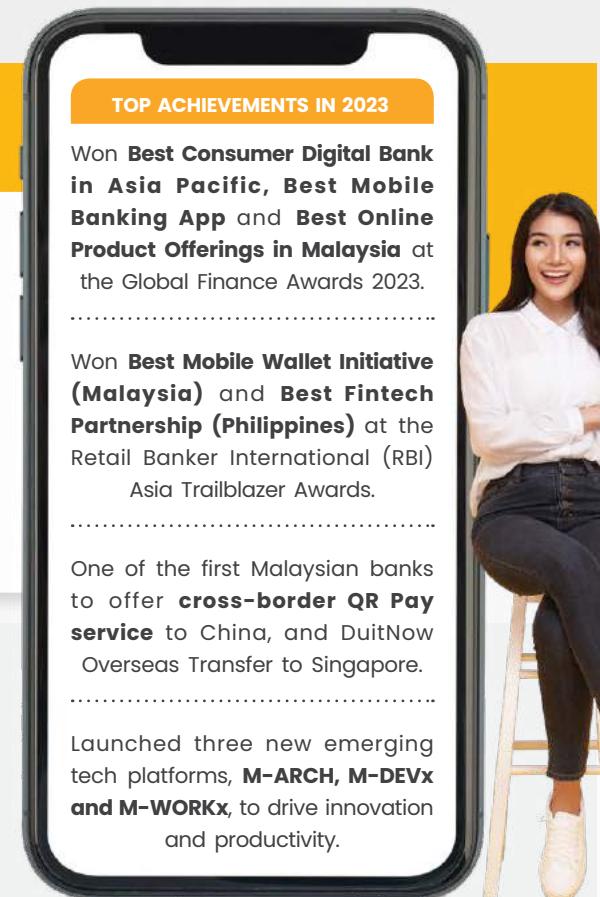
KEY FOCUS AREAS FOR 2023

Intensify end-to-end customer journey through ecosystem play at scale regionally

As we digitalise and expand our solutions to enhance banking journeys, we envision ourselves as a life advisor that supports our retail and business customers' journey across their life stages. Moving away from a product oriented approach, we have adopted Agile methodology in user research to gather a 360° view of our customers' preferences. We aspire to understand our customers comprehensively through the integration of internal and external data, employing advanced analytics via our in-house big data and analytics platform, M-INSIGHT, to develop data-driven personalisation. The automated self-service data platform facilitates real-time analytics across the region, empowering data-driven decisions and proactive customer support. To date, we have onboarded the data from more than 12 million active retail customers onto Maybank's feature store, translating to more than 2,000 features that our business units can utilise to tailor product offerings to our customers. By reducing the time taken for insight gathering and streamlining processes by 80%, we achieve agility in time to market and the ability to personalise customer engagements across our business segments. For example, Etiqa elevated its customer digital experience by introducing a one-click renewal feature that allows customers to renew their motor policy digitally and also enabling automatic payment for flight delay claims for flight delays of more than two hours. The new personalised motor policy solution has gained traction with over RM30 million premiums generated on the Etiqa application as at 31 December 2023.



Meanwhile, we continue to accelerate our ecosystem strategy to drive customer stickiness and scale our business across ASEAN. We have expanded the integration of our application programming interface (API) between our M-CONNECT platform and various supporting ecosystems that provide our customers access to Maybank's solutions and our partners' non-banking solutions related to home purchases, SME and travel insurance needs. Among our more notable initiatives has been the partnership between Maybank Home²u and a consortium of property developers in Malaysia to broaden our home ownership ecosystem. Through this API-powered platform, home buyers can view more than 2,900 property listings and enjoy a seamless loan application process with instant loan approvals. Our API approach has also enabled us to roll out new products regionally in less than six months, roughly three times faster than the 12 to 18 months it would take previously. This was evidenced in the development of MAE in Cambodia and the Philippines through the unified regional services embedded in M-CONNECT.



Pervasively Digital

HOME ECOSYSTEM

MAE

- Browse list of properties from developers
- Receive property recommendations
- Track application status

Partners' Platform

- Streamlined application process, beginning at partner's platform - during property booking process
- Removed hassle of duplicate form filling and submission of documents

Sales Force App

- Enjoy assisted applications
- Quicker, more personalised support by customer representatives, anytime, anywhere

API Marketplace

Maybank's API Marketplace allows unified integration to external partners enabling seamless user experience

Key Metrics:

- 2,995 Total number of properties available in the MAE marketplace
- 50% Of home mortgage applications are processed digitally
- 98% Of our sales personnel have adopted the platform

Other Retail and Consumer Initiatives

- Launched multi-outlet feature on Sama-Sama Lokal** to onboard companies with multiple outlets and allow customers to order from their preferred outlet.
- Cambodia **launched bill payment partnership with ACLEDA**, thus leveraging the ACLEDA biller library and providing more biller options for Maybank Cambodia customers.
- Enhanced M2U (Lite) app** in Singapore with payment and remittance services.
- Expanded STP capabilities** in Cambodia by allowing customers to apply for credit cards digitally via the M2U app.
- Enhanced CASA STP journey** for new customer account opening with eKYC on **MAE app to streamline a faster account opening process** effective September 2023.
- Revamped Indonesia's M2U website** for better customer experience. **Introduced virtual credit card and gold savings STP** with Pagadaian on M2U app.
- Maybank being the only Bank to facilitate the **payment of eMADANI via MAE**.
- Introduced **digital onboarding** within 15 minutes via Thailand's Maybank Invest app.
- Building a regional trading app for Malaysia, Singapore and Indonesia**, and a mobile app for Vietnam to enhance the trading customer experience in 2024.
- Implemented the **One-Click Renewal** and **Renewal Push Notification** functions in Smile App to enable seamless motor renewal process.
- Tiq by Etiqua** added new features to allow customers to participate in Tiq Tribe polls, comments, discussions in-app and earn reward points to redeem vouchers from brands or offset Etiqua premiums.
- Etiqua launched its **Auto Assist Care** location tracker (Geolocation), which allows customers to track the location of service provider/tow truck.
- Pilot partner for EPF's i-Lindung**, offering affordable insurance to all EPF members.
- First Islamic bank** to offer customers complete digital Wasiat (will) services via EzyWasiat within 30 minutes.

We also use API to enhance the customer experience in the non-retail segments. Among others, our transaction banking business has introduced reporting and payment APIs to enhance the digital trade experience of our corporate clients. At the same time, we are collaborating with Credit Guarantee Corporation Berhad (CGC) to provide real-time loan approvals for SMEs with instant access to cash upon the acceptance of the loan facility. We have also broadened our suite of digital offerings for SMEs to include merchant services and accounting software integration to ease their day-to-day business activities and operations. Besides focusing on offering a complete suite of products and services to cater for our customers' life journeys, we are also stepping up our regionalisation efforts. Today, SME customers in Malaysia, Singapore and Cambodia can access SME Digital Financing.

Meanwhile, SMEs in Cambodia can apply for loans digitally and accept payments seamlessly for their business via dynamic and static KHQR from its digital touchpoint and physical shop. In Indonesia, we also offer auto-debit payments for business-to-business (B2B) transactions via M2E, helping to ease our non-retail customers' payment processes and enabling faster transactions between businesses and their suppliers.

As part of our M25+ strategic vision to strengthen our regional presence, we have increased our digital cross-border services and financial solutions to cater to the evolving needs of our customers. For instance, Maybank Malaysia cardholders can enjoy no-charge withdrawals at Maybank ATMs overseas; cross-border DuitNow QR payments in Singapore, Indonesia, Thailand and China; and DuitNow overseas transfers to recipient mobile



Pervasively Digital

numbers in Singapore. In addition, we introduced a Regional View feature within our mobile application and web that allow Maybank customers in Malaysia and Singapore to view all their Maybank accounts, fixed and term deposits, cards, loans and wealth products to enable seamless management of their finances via a single dashboard. Meanwhile, our non-retail and corporate customers can now digitally self-onboard on our Maybank2E (M2E) Cash platform while we rolled out a refreshed regional M2E app called M2E Global, which allows all M2E Regional Cash Management customers to manage their working capital and transactions securely via the Secure2u digital token, eliminating the need for a physical security device.

Embrace true digitalisation among Maybankers

Digitalisation was also accelerated via multi-disciplinary Agile initiatives across business functions in Maybank. We empowered our customer-facing Maybankers with advanced solutions such as the internal sales force application, business intelligence and life advisory tools to increase their productivity and enable personalised interactions with customers. Our new sales force application now integrates various related applications, tools and processes such as Maybank Home²u, Wealth 360 and straight-through processing (STP) for hire purchase into one common platform for our sales personnel. As such, our mortgage consultants, relationship managers and personal financial advisors now have full and complete insights into customers' portfolios and are able to process loan applications more efficiently. Since its launch, we have onboarded approximately 98% of our mortgage sales personnel onto the platform. Similarly, our insurance arm introduced an integrated dashboard, Banca EaSE, for its agents to extract financial data with customers' consent and recommend products that are best-suited to them. The platform also allows customers to include non-Maybank data to enable a more comprehensive view of their portfolio.

As for back-end operations, we continue to employ artificial intelligence (AI) and machine learning tools to improve our productivity. Among others, we are building digital capabilities to enhance our fraud and compliance processes for auto detection of financial crimes. Additionally, we are automating our collections through conversational AI to reduce the need for dedicated resources for collection purposes.

These capabilities are supported by advanced in-house next-gen technology platforms. This year, we have developed three new platforms, namely M-ARCH, M-DEVx, and M-WORKx, expanding our suite of platforms which include M-CONNECT and M-INSIGHT, to revolutionise the way we work across the Group. The hybrid multi-cloud infrastructure and automation

platform M-ARCH automates routine processes and operations, while the collaborative tech platform M-DEVx allows our developers to build apps faster, reduce test times through automation, and provide real-time feedback for corrective action. These platforms have enabled us to roll out technology infrastructure services 20 times faster than before, and to double our productivity in developing new capabilities. Meanwhile, M-WORKx is a robust collaboration platform that empowers a bionic workforce by providing seamless access to knowledge and tools.

Create new value through innovation and partnerships

To foster a culture of innovation and collaboration, we have introduced transformative platforms through our Customer Experience and Innovation Lab, including the Incubation Hotbed, Centre of Excellence and Co-creation Accelerator. These platforms allow Maybankers to build end-to-end prototypes and orchestrate user experience activities as well as provide comprehensive support in solving business problems. Additionally, we are actively nurturing a community of changemakers among Maybankers. Initiatives such as I(deas) of the Tiger Hackathons and the Maybank Elevator Pitch Challenge serve as catalysts for innovation at scale. Complementing these initiatives, we have curated digital-related workshops to equip Maybankers with knowledge on data, generative AI, idea refinement and design thinking. This strategic approach ensures that Maybankers are well-versed in various technologies, fostering a workforce that is proficient at navigating the evolving landscape of digital innovation.

Strategic partnerships and collaborations are also paramount in our pursuit to scale innovation. Partnerships with start-ups and synergistic businesses are integral to exploring new business models, embracing the early adoption of emerging technologies and capabilities, gaining access to new markets and customers, as well as expanding our network to secure scarce talent.

Fortifying against cybercrime in the digital banking space

The increased prevalence and sophistication of cybercrime is a constant threat to the digital banking space. While we strive to offer cutting-edge digital solutions to make banking accessible and convenient for our customers, we have also been diligent in ensuring the safety of our customers' assets. Our commitment to delivering exceptional service is exemplified by the implementation of the zero defect initiative. We aspire to achieve 99.99% system uptime to ensure the reliability and security of our digital banking services.

Other Non-retail and Corporate Initiatives

Launched **Halal Facilitation and Halal Assurance System via Halal2u** in September 2023, to facilitate the process of obtaining halal certification and offer digitalised halal document for convenient access, management and storage.

Transaction Banking introduced **reporting APIs for seven countries** and **payment APIs** for Malaysia to enable greater accessibility to M2E and Regional Cash Management System via partners' platforms.

Collaborated with **Islamic finance fintech enabler** in digital supply chain finance platform, TFX Islamic, to **launch Islamic Digital Supplier Financing Programme**, offering an end-to-end digital experience for customers and reducing the supplier onboarding to within three days as well as improving turnaround time for fund disbursement to one day.

Launched in-house digital pricing and execution platform, **MAESTRO**, in Singapore in November 2023, reducing response time to corporate customers who trade FX options from one hour previously to five minutes.

In Malaysia, we remain supportive of Bank Negara Malaysia (BNM)'s five key measures to combat scam. In January 2023, we launched the Kill Switch feature via Maybank2u (M2U) web and MAE app by allowing customers to immediately deactivate their M2U access with just a simple click of a button should they notice something peculiar or believe they have been scammed. Starting from June 2023, Secure2u is the default transaction authentication for all transactions on M2U and MAE app. From October 2023 onwards, all first-time Secure2u activations and activations on new devices will require physical activation via Maybank ATMs.

Towards enhanced awareness, we continue to educate the public on scams and frauds via press releases and campaigns on our websites, social media platforms as well as radio and newspapers. In addition, we utilise the LCD screens at our branches and ATM/SST screens to display scam warnings. We have also joined forces with other financial institutions in Malaysia to launch scam awareness campaigns to help the public combat financial scams and fraudulent banking activities.

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pg. 110-150

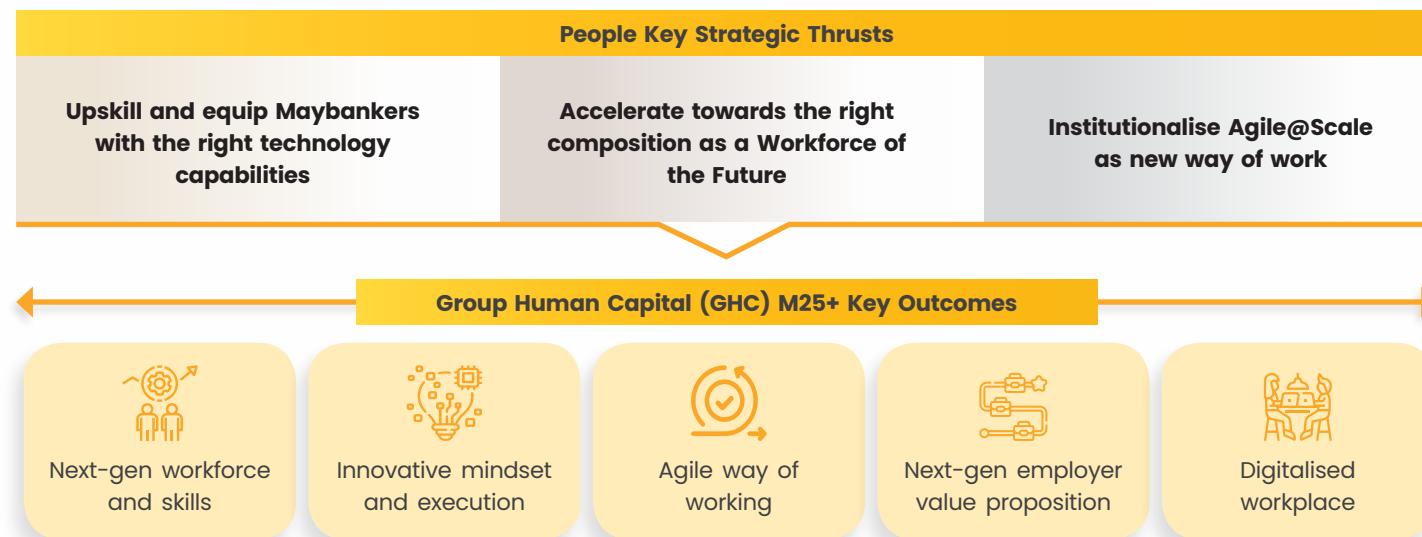
pg. 151-160

pg. 161-165



OVERVIEW

At Maybank, we have enhanced our human capital approach to develop next-gen talents through world-class practices. We focus not just on an effective workforce, but on equipping them to lead and succeed in the disruptive marketplace of today and for the future. Aligned with our M25+ strategy, our people strategy revolves around three key thrusts to shape a thriving, diverse and inclusive workplace.



In 2023, our efforts in entrenching Agile ways of working and addressing skill gaps have empowered our people to synergise with organisational changes due to evolving requirements in our operating environment. Understanding the criticality of employee well-being and engagement in achieving our M25+ goals, we have reinforced our commitment to implementing the right solutions for a #HumanisingWorkplace.

This has shaped a supportive work environment, enhanced by robust change management, dedicated employee feedback mechanisms, and comprehensive development and benefit programmes, all tailored to meet the diverse needs of our workforce during this period of change.

Group Human Capital

TOP ACHIEVEMENTS IN 2023



Key awards in graduate and workplace leadership:

- Voted as **Graduates' Choice Awards 2023** Overall Winner in Malaysia (sixth consecutive year).
- Included in the Bloomberg Gender-Equality Index (GEI) 2023, a global recognition given since 2017.



Workforce in next-gen roles **increased from 12.8% to 20.8% YoY**. Our performance management has evolved to embrace Agile methodologies and objective and key results (OKR) to drive minimum viable products and **M25+ initiatives**.



Launched **#MYouth Council** and **GenM Global Summit**, engaging over 17,000 participants in 100+ workshops, generating 400+ GenM ideas from youth leaders in key markets.



Key initiatives for people empowerment and inclusivity:

- Refined and improved capacity building and engagement efforts within MaybankerX ecosystem and Retirement-Readiness Programme for our retirees.
- Launched the **Maybank Work Placement Programme (WPP)** for persons with disabilities with nearly 100 trainees participating.



Maybank Group continued to be recognised in the Willis Towers Watson (WTW) Global High Performing Companies benchmark for the sixth time with a Sustainable Engagement Index (SEI) score of 89%. The high engagement is translated into higher productivity as evidenced by the increase in income per employee to RM627,621 in 2023 (2022: RM610,985) and profit before tax per employee to RM287,455 (2022: RM273,794).



Group Human Capital

KEY FOCUS AREAS FOR 2023

Elevating and Upskilling Maybankers

Strategic programme 10 (SP10) was set up to elevate Maybankers to achieve our M25+ strategy. Among others, the emphasis was on:

- Acceleration of Maybankers into next-gen roles underpinned by future skills that will power our digital, customer-centric and sustainability focused business model and infrastructure.
- Securing top talent and future skills needed through a well-demonstrated employer value proposition (EVP).
- Enhancing Maybankers' skills, capabilities and competence to augment their performance with the technologies available at their disposal, while entrenching a modus operandi driven by a mind-set prioritising solutions and speed.

Through an in-depth skills assessment of expertise required across the Maybank Group today and for a sustainable future, a skills-based framework of 501 unique skills has been established, encompassing 294 tech and 221 emerging next-gen skills.

Additionally, we have transformed our performance management with the OKR framework, an Agile approach that deviates from traditional KPI-setting to encourage collaborative goal-setting between employees and managers. We have onboarded 400 employees onto the OKR performance management platform through 36 workshops, clinics and OKR refreshers. Furthermore, our intensified organisational development initiatives have resulted in approximately 1,000 employees being reskilled, remapped and/or redeployed to next-gen roles alongside a recalibration of organisation structures.

To further facilitate the adoption of Agile methodologies, we have recruited Agile coaches and certified 783 employees in Agile fundamentals, alongside engaging 761 participants in more than 28 Agile facilitation and coaching sessions.

These efforts have resulted in the following key impacts for the Group's leaders and workforce:



Strategic Workforce Planning – Leaders gain a data-driven perspective for effective workforce management and future skills projections. We have assessed over 43,000 roles to determine our workforce readiness for next-gen or transitional capabilities.



Track Organisational Skills Growth – By providing an overview of the skills required in the Bank based on job clusters, line managers have reference points regarding the transition to next-gen roles.



Empowering Employee Talent Mobility – Our workforce planning tools and skills matrix enhance internal talent mobility, supporting career growth and smooth transitions into next-gen roles.



Enhanced Employee Development with Measurable Impact – Targeted skillset evaluations lead to tailored learning journeys, boosting employee engagement and retention, ensuring Maybank can continue to secure critical talent.

By 2025, our goal is to have at least 30.0% of our workforce, or over 13,000 employees, in next-gen roles across a minimum of 10 job families, reflecting skills of the future, aligned with our M25+ objectives and evolving industry demands.

Employee Engagement

In 2023, we recorded a 92% participation rate in the Employee Engagement Survey, with close to 39,000 Maybankers sharing insights. This achievement, along with our sixth recognition in Willis Towers Watson's High Performance Companies benchmark, underscores our commitment to both financial excellence and superior human resources practices.

Meanwhile, our Sustainable Engagement Index stands at 89%, as we continue to perform above the WTW Global High Performing Companies Norm.

Employee engagement is further enhanced by the Leaders Teaching Leaders series, led by our Group EXCOs. Encompassing initiatives, such as Conversations with C-Suite sessions, M25+ roadshows, and Group townhalls, the series creates a shared vision and ensures a clear line of sight, enabling employees to understand their role in achieving organisational goals. In 2023, our leaders facilitated 968 sessions.

In 2023, Maybank's year-long employee volunteerism initiative witnessed Maybankers collectively investing 142,319 hours in both team-based and individual volunteering efforts. Through our Maybank Group Global Corporate Responsibility Day, 17,420 Maybankers came together to showcase their year-long efforts with 96 environmental and community projects in just a single day.

We also celebrated our inaugural Maybank Group Sustainability Week to showcase our sustainability achievements and inspire sustainable living at work and home. The five-day event featured a broad range of activities including a diversity, equity and inclusion (DEI) panel session, sustainability workshops, and sharings from industry experts on sustainability best practices.

Employee Well-Being

Aligned with our M25+ strategy, our inclusive well-being approach promotes sustainable workforce development through proactive mental health initiatives. The Mental Well-being Roadshows, featuring educational modules, counselling and C.A.R.E. (Compassionate, Attentive, Respectful, Empathetic) Circles, help us to understand and address our employees' needs more effectively.

Key well-being initiatives undertaken this year include:

- 73 mental well-being roadshows and outreach sessions were conducted, aimed at enhancing mental health literacy and equipping Maybankers with well-being strategies, recording 14,504 instances of participation.
- Introduced three comprehensive mental health modules for targeted segments of our workforce.
- Certified an additional 95 Maybankers as Mental Health First Aiders (MHFAs), bringing our total number of certified MHFAs to 195 to offer private counselling sessions for our people. In 2023, a total of 407 sessions were conducted in-person and over Zoom.
- Since its launch in 2021, the Quarterly Step + Sleep Challenge has seen an increase in participation, reaching 10,721 participants in 2023. This reflects our commitment to a healthy lifestyle and rewarding eligible Maybankers with well-being leave.

Learning and Development

Aligned with global trends and industry shifts, we invested RM129.89 million (FY2022: RM110.90 million) to accelerate our upskilling journey and ensure Maybankers are future-ready and Agile via increased learning engagements across the Group which includes remote learning platforms that provide access to learning programmes, anytime, anywhere when needed.

The number of unique learners for the year stands at 40,622 (FY2022: 41,831) with a total of 506,478 (FY2022: 573,170) learning programmes undertaken, averaging 12 (FY2022: 13) programmes per employee.

The M25+ Unlimited Potential programme, with an investment of RM12.30 million, upskills leaders for immediate results and Group-wide collaboration, contributing to an estimated business impact of RM257.89 million. Meanwhile, the Chief Financial Officer Accelerator Lab equips finance leaders to align business intent with our values amid dynamic business landscapes.

Group Human Capital

In line with Maybank's M25+ ambition of intensifying customer-centricity, the Young Leaders (CX) Development programme inspires employees with less than two years of service in the Group to lead the customer-centric revolution. Simultaneously, the two-year NEXTLeaders programme readies young potential in our retail banking pipeline for senior leadership roles, enhancing their resilience and ability to develop enterprise strategies.

We have also introduced several programmes to address specific business needs:

- Sales Roll-out Programmes:** These enhance critical skills in sales, marketing, customer service, insurance, Shariah and credit for customer-facing relationship managers and sales professionals. 443 Maybankers participated in 15 sales roll-out programmes, which contributed to surpassing the overall sales target.
- CX Lab for Retail Banking:** Building on the Agile Customer Experience programme for retail banking, the Lab elevates branch employees' customer experience capabilities. It fosters a customer-first approach, setting standards in customer loyalty, advocacy and growth.

We have established the Maybank Talent Acceleration in Islamic Finance programme to develop internal subject matter experts and establish an Islamic banking and finance talent pipeline, by partnering with International Centre for Education in Islamic Finance, Islamic International University Malaysia and Islamic Banking & Finance Institute Malaysia.

We are also collaborating with the United Nations Global Compact for Malaysia & Brunei to develop the Maybank Sustainability Professional Certification Programme and have 24 Maybankers enrolled into in-house sustainability certification programmes to build a talent pipeline of sustainability experts within the Bank.

Digital upskilling continues to be emphasised to ensure our workforce is not only adept at their current roles but also well-prepared for the digital future. Key initiatives to enhance the efficiency and effectiveness of Maybankers in 2023 included the following:

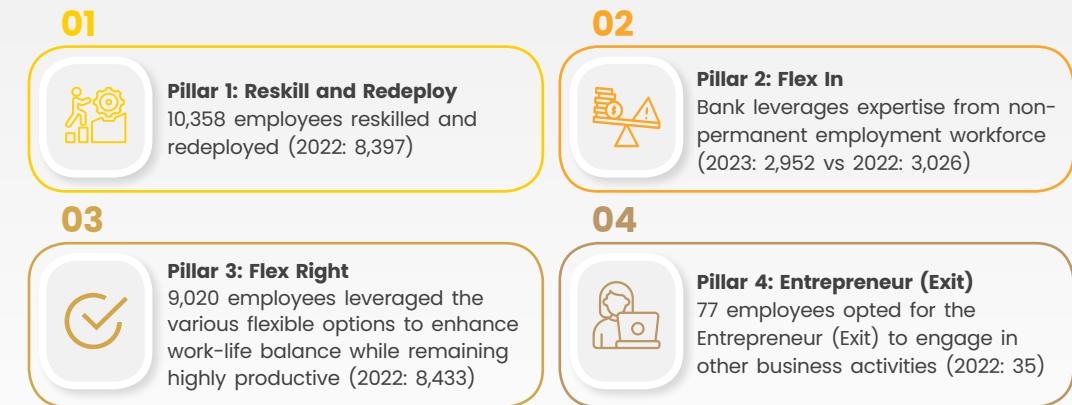
- Implementation of generative AI in our digital sales and marketing learning programmes, leading to a 58.3% increase in sales leads generation.
- Generative AI, Metaverse, Web 3.0, Blockchain, Non Fungible Tokens, and Central Bank Digital Currencies programmes, which attracted 317 participants and inspired innovative ideas.
- Our Digital Market Intelligence programme, launched across all eight CFS regions in Malaysia, surpassed our internal target set for the year by 98.0% and we had utilised generative AI to train staff which resulted in a 61.8% increase in sales lead generation.
- Expansion of our upskilling programmes in analytics, with 1,041 employees applying skills learnt for greater work efficiencies and business insights.
- Launch of the Interactive Data Visualisation and Data Storytelling with Oracle Analytics Server programme, enabling access to a single platform for all dashboards in the Bank for actionable insights. This initiative saw 134 employees trained, with plans to expand participation next year.

Nurturing Talent

In 2023, we onboarded 2,656 graduates and undergraduates through diverse entry-level roles, pipeline and government-initiated programmes including Protégé, Global Maybank Apprentice Programme, Relationship Manager Development Programme and Next Expert in Technology (NExT). Additionally, targeted training for undergraduates continued through the General Internship Programme, Techies Internship Programme, Maybank Young Bankers Internship Programme and Sales Internship.

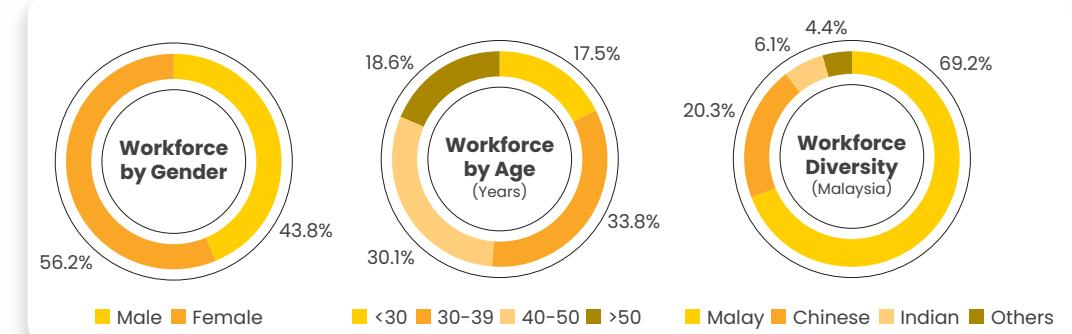
We also enhanced our youth-centricity and engagement through the appointment of the inaugural #MYouth Council. The month-long GenM Global Summit, steered by the Council, engaged over 17,000 participants in 100+ activities across the region generating over 400 growth ideas.

Meanwhile, the Maybank GO Ahead. Take Charge! programme was reviewed to reflect diverse and purposeful initiatives that enable our workforce to be more adaptable and Agile in response to the evolving job landscape. It equips employees with opportunities to manage shifts in their career aspirations via these four key pillars:



Diversity, Equity and Inclusion (DEI)

Firmly rooted in our core values, TIGER, and our "GO Ahead" EVP, Maybank's DEI approach fosters a growth-oriented workplace for all, embracing diversity across gender, ethnicity, age, race, religion and other distinctions to achieve extraordinary outcomes.



In 2023, our DEI initiatives achieved the following milestones:

- Continued global recognition in Bloomberg's Gender-Equality Index for gender equality practices since 2017 and received the Best Organisation (Malaysia) award at the Life at Work Awards. Maybank also won the Gold Award for Talent Management and Diversity at The Star's ESG Awards.
- Celebration of pivotal events such as International Women's Day, Mental Health Day, and our inaugural Sustainability Week, complemented by the activation of Maybank Singapore's Women Council and the revitalisation of the Women Council in Indonesia. Additionally, five Pay-It-Forward sessions conducted across Malaysia have fostered experience sharing, mentorship, and promoted allyship.
- Increased representation of women in senior management to 42.2% from 41.2% in 2022, as we work towards 45.0% by 2025 in line with our M25+ ambitions.
- Launched the WPP for persons with disabilities and have onboarded close to 100 trainees to equip them with employability skills.
- Introduced the Maybank Group Dignity Policy, reinforcing our commitment to zero discrimination, bullying, bias or harassment. Further details are in our Statement on Risk Management and Internal Control in this report (page 143).



Group Human Capital

REMUNERATION

Maybank Group's total rewards management remains core to our remuneration approach and practices and is strongly aligned with our business and people strategies to deliver long-term sustainable returns to our shareholders, customers and other stakeholders. It is a strategic human capital sustainability component of the integrated Talent Management Framework, which enables differentiated rewards for talent retention and attraction by providing the right remuneration, benefits and career development/progression opportunities at the right time for our people to achieve personal and professional aspirations. At the same time, it ensures we are positioned to increase staff engagement, drive positive outcomes and deliver exponential business results responsibly.

This upholds our M25+ purpose to be "**a values-driven platform, powered by a bionic workforce that humanises financial services**". By focusing on the right compensation, benefits and development support, we inspire our employees to achieve their personal and professional aspirations which, in turn, improves employee productivity and engagement.

Our Total Rewards Framework is firmly anchored in the principles of pay for performance and affordability, ensuring that our talented workforce is rewarded in a manner that is equitable, reasonable and in line with relevant indices within each respective country. We are committed to maintaining competitiveness against our peers and competitors in the market, while embracing the importance of differentiation to contribute positively to diversity, balance and overall relevance. Simultaneously, we uphold the principles of fairness, respect and equality in all aspects of our business practices, including remuneration of our employees. This reflects our commitment to foster a work environment where all employees are valued and rewarded fairly for their unique and invaluable contributions.

We continue to accelerate our Environmental, Social and Governance (ESG) and sustainability commitments by incorporating ESG in various aspects of our total rewards management through proper governance, performance measurement standards and prudent risk management considerations. Governed by sound principles, our remuneration policies and practices are reviewed periodically to ensure alignment with regulatory requirements and to reinforce a high-performance culture.

Components of Remuneration

Maybank Group adopts a well-rounded Total Rewards Framework that encompasses three integral pillars: total compensation, benefits and well-being, and development and career opportunities.

i) Total Compensation

Maybank Group's Compensation Policy ensures that our employees are paid in line with prevailing market standards. Our differentiated compensation levels are kept competitive through annual salary reviews, variable bonuses and long-term incentive plans (for eligible senior management and above) to retain, motivate and reward our talents.

Our holistic approach to total compensation is structured around two core elements, fixed pay and variable pay, the latter consisting of variable bonuses and long-term incentive awards. This dynamic framework is designed to reflect targeted pay mix levels, intricately calibrated to align with the long-term performance goals and objectives of the organisation while simultaneously motivating and rewarding our employees in a manner that befits their outstanding efforts and achievements.



Fixed Pay

- Attract and retain talents by providing competitive and equitable pay.
- Reviewed annually using a holistic approach through internal and external benchmarking against relevant peers/locations, taking into consideration market dynamics, differences in individual responsibilities, functions/roles, performance levels, skillsets as well as competency levels.



Variable Pay

Variable Bonus:

- Reinforce a pay-for-performance culture and adherence to Maybank Group's core values, TIGER.
- Variable cash award design that is aligned with the risk management and long-term performance goals of the Group through our deferral and clawback policies.
- Based on the overall performance of the Group, business/corporate function and individual.
- Premised on the balanced scorecard (BSC) approach (comprising financial and non-financial KPIs) that is tailored to drive desired behaviours and performance levels in creating long-term shareholder value.

Long-Term Incentive Award: A significant component of senior management's total compensation with the intent to drive sustainable, longer-term risk management and to meet the Group's M25+ strategy.

Deferral Policy: Any variable bonus in excess of certain thresholds will be deferred over a period of time. A deferred variable bonus will lapse immediately upon termination of employment (including resignation) except in the event of ill health, disability, redundancy, retirement or death.

Clawback Provision: Maybank's Board has the right to make adjustments or clawbacks to any variable bonus or long-term incentive award if deemed appropriate based on risk management issues, financial misstatement, fraud, gross negligence or wilful misconduct.

ii) Benefits and Well-being

Employee benefits are integral to our total rewards management, dovetailing seamlessly with our commitment to ESG values and our M25+ strategic objectives. Maybank's comprehensive benefits programme is designed to offer financial security, healthcare coverage, paid time off, employee loans at preferential rates, and other perks and benefits that facilitate work-life balance. We regularly review these offerings, ensuring they remain competitive and aligned with industry standards amid the ever-evolving business landscape. Presenteeism and poor well-being carry high consequences, resulting in financial losses on top of treatment expenses. We recognise this and ensure employees have access to diverse support. We have certified 195 Mental Health First Aiders since 2022, who provide assistance to Maybankers across regions and countries, complementing our Mental Wellbeing department. In 2023, 34,556 hours were clocked on mental health support, with 480 sessions, and 14,504 instances of participation.

Our approach is holistic, intertwining sustainability principles with the well-being of our employees. This is to cater to our employees' physical, mental and emotional well-being, as well as their financial, social and career needs, underscoring our dedication to fostering a supportive and well-rounded work environment.

iii) Development and Career Opportunities

In line with our commitment to fostering a robust learning culture, we continue to deploy best-in-class learning and development programmes that are flexible and tailored to nurture our employees across all levels.

These programmes are designed to offer flexibility and customisation, ensuring that they remain relevant for the long term, enhance our competitive edge, and promote sustained growth. One of the outcomes we have continued to track for over a decade now is the internal realisation rate which is a target of eight in 10 vacancies filled by internal talent, demonstrating real growth.

Group Human Capital

Long-Term Incentive Plan (LTIP)

Employees' Share Grant Plan (ESGP)

The existing ESGP was rolled out in December 2018 and will expire in 2025. A total of five awards have been made under the existing ESGP from 2018 to 2022. Three out of these five awards have been vested to eligible employees in 2021 to 2023 while the two remaining awards will vest in 2024 and 2025 respectively. The last (i.e.: fifth) tranche of the ESGP Award under the existing plan was made in September 2022 and will vest in 2025. Starting from 2023, no additional awards will be issued to staff under the existing ESGP.

To maintain our commitment to rewarding sustainable performance and ensure the continuity of our LTIP from 2023 onwards, we introduced a new scheme on 20 September 2023 for eligible talents and senior management. The new ESGP is valid for 10 years and will expire in 2033. The first award under the new ESGP, made in September 2023, will vest in 2026 subject to fulfilment of the vesting conditions as well as the performance criteria at the Maybank Group and individual levels.

Governance and Controls – Remuneration Practices

We maintain strong corporate governance practices with remuneration policies and practices that comply with all statutory and regulatory requirements, and are strengthened by sound risk management and controls, ensuring remuneration practices are carried out responsibly.

The Group has strong internal governance on the performance and remuneration of control functions which are measured and assessed independently of the business units to avoid any conflict of interest. The remuneration of employees in control functions is predominantly fixed to reflect the nature of their responsibilities. Annual reviews of their compensation are benchmarked internally and against the market to ensure they are competitive.

Based on sound performance management principles, our key performance indicators (KPIs) continue to focus on outcomes and are aligned with our business plans. Each of the senior officers and other material risk takers (OMRTs) carries risk, governance and compliance goals in his/her individual scorecards which are cascaded accordingly. The right KPI setting continues to shape our organisational culture while driving risk and compliance agendas effectively. Inputs from control functions and board committees are incorporated into the respective functional areas and individual performance results.

Senior Officers and Other Material Risk Takers (OMRTs)

The remuneration of senior officers and OMRTs are reviewed annually and submitted to the Nomination and Remuneration Committee for recommendation to the Group Board for approval.

The remuneration of Maybank Group's senior officers and OMRTs in FY2023 are summarised in the table below:

Total value of remuneration awards for the financial year (RM'000)	Senior Officers^		OMRT	
	Unrestricted	Deferred	Unrestricted	Deferred
Fixed remuneration				
Cash-based	37,906 (19 headcount)	–	60,109 (85 headcount)	–
Shares and share-linked instruments	–	–	–	–
Others	–	–	–	–
Variable remuneration				
Cash-based	31,716 (19 headcount)	2,205 (3 headcount)	58,255 (82 headcount)	28,637 (6 headcount)
Shares and share-linked instruments*	7,030 (17 headcount)^	Refer to note below*	7,303 (59 headcount)^	Refer to note below*
Others	–	–	–	–
Definition	Senior officers of the Group are defined as members of the Group Executive Committee (EXCO), Group Chief Compliance Officer, Group Chief Audit Executive, Group General Counsel and Company Secretary and Group Chief Sustainability Officer.		OMRTs are defined as employees who can materially commit or control significant amounts of a financial institution's resources or whose actions are likely to have a significant impact on its risk profile or those among the most highly remunerated officers.	

Notes:

* In FY2023, a total of 3,765,000 and 1,411,000 units of Maybank shares (based on On Target performance levels) under the Maybank Group ESGP/Cash-settled Employees' Share Grant Plan (CESGP) were awarded to 17 senior officers and 72 OMRTs. The number of ESGP/CESGP units to be vested/paid by 2026 would be conditional upon the said employees fulfilling the vesting/payment criteria.

^ A total of 1,619,300 units of ESGP/CESGP granted in September 2020 have vested to 17 senior officers (794,300 units) and 59 OMRTs (825,000 units) in September 2023. ESGP values are based on statutory guidelines for taxable gains calculation while CESGP value is based on volume weighted average market price (VWAMP) for the five market days immediately preceding the CESGP vesting date.

 The FY2023 compensation outcome for senior officers does not include the compensation of the President and Group CEO as it is disclosed in the Corporate Governance Overview Statement on page 134



Reflections from Our Group Chief Financial Officer

TOP ACHIEVEMENTS IN 2023



Record net profit of **RM9.35 billion**



Strong Group gross loans growth of **9.2% YoY** supported by home markets



Improved net credit charge off rate to **31 bps** from **40 bps** previously



Full-year dividend per share of 60.0 sen with **77.4% dividend payout ratio**



Robust capital positions with Group CET1 capital ratio and Group total capital ratio at **15.34%*** and **18.56%*** respectively

* Post second interim dividend



OVERVIEW

Maybank Group delivered another year of commendable financial performance despite persisting headwinds in the operating environment from geopolitical tensions, inflationary pressures and rising interest rates. The Bank focused on growth opportunities across its consumer and business segments within the ASEAN franchise, expanded its regional wealth management penetration and deployed sustainable financing solutions to customers.

Maybank continued to maintain a strong liquidity position to support assets growth across the region and made strategic investments to enhance IT capabilities as well as drive regional cross-selling synergies aligned with the M25+ plan. Asset quality recovery efforts remained a priority and enhanced asset quality management initiatives were undertaken to achieve a sustained lower net credit charge off rate of 31 bps. With these combined efforts, Maybank recorded a double-digit return on equity for the year.

ANALYSIS OF INCOME STATEMENT FOR FY2023

RM million	FY2023	FY2022 Restated ¹	YoY
Net fund based income	19,301.9	20,666.5	(6.6)%
Non-interest income	8,059.3	5,825.8	38.3%
Net operating income	27,361.1	26,492.3	3.3%
Overhead expenses	(13,388.8)	(11,974.2)	11.8%
Pre-provisioning operating profit²	13,972.3	14,518.1	(3.8)%
Net impairment losses	(1,681.1)	(2,777.2)	(39.5)%
Operating profit	12,291.3	11,740.9	4.7%
Profit before taxation and zakat	12,531.6	11,871.7	5.6%
Net profit³	9,349.8	7,960.5	17.5%
EPS – basic (sen)	77.6	66.5	16.6%

¹ Restated for the impact of adoption of MFRS 17 *Insurance Contracts*

² Pre-provisioning operating profit (PPOP) is equivalent to operating profit before impairment losses

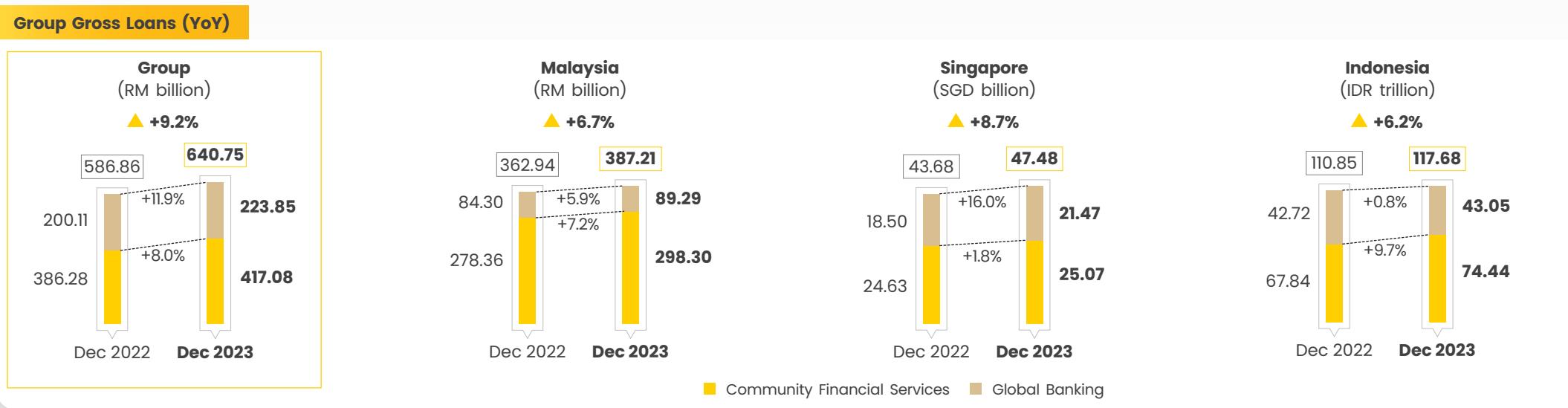
³ Net Profit is equivalent to profit attributable to equity holders of the Bank

Reflections from Our Group Chief Financial Officer

Record Profit Amid Softer Economic Landscape

- The Group's net operating income (NOI) grew 3.3% YoY driven mainly by strong growth of 38.3% in non-interest income (NOII), led by gains in treasury and markets income from the foreign exchange and investment and trading portfolios as well as better core fees. Core fees improvement came from higher service charges and fees, commission and underwriting fees.
- Meanwhile, net fund based income stood at RM19.30 billion in FY2023 versus RM20.67 billion as net interest margin (NIM) compressed 27 basis points (bps) YoY to 2.12% on higher funding costs led by interest rate hikes in 2022 and 2023 as well as continued deposit competition.
- The Group's cost to income ratio (CIR) stood at 48.9% in FY2023 as overheads grew 11.8% YoY on higher personnel costs arising from conclusion of collective agreements, IT related expenses and credit card related fees on higher billings and merchant volume as well as other general expenses in 2023.

ANALYSIS OF BALANCE SHEET AS AT 31 DECEMBER 2023



Strong Loans Growth Across Our Home Markets

- In 2023, the Group gross loans expanded 9.2% YoY, driven mainly by steady growth from the Community Financial Services (CFS) franchise across our home markets and Global Banking (GB) operations in Singapore and Malaysia.

Malaysia

- Malaysia's loans grew 6.7% supported by 7.2% growth from CFS contributed by consumer, retail SME (SME) and business banking (BB) lines. The consumer book rose 6.7% YoY, as mortgages grew 10.4% driven by the release of loan stocks, growth in residential properties and fast loan disbursements in the secondary market. Auto financing grew 9.0% YoY while credit cards also showed double-digit growth of 15.9% contributed by higher consumer spending. Retail SME and BB loans grew 9.0% YoY on a combined basis supported by better trade business and term loan disbursements. Meanwhile, the GB portfolio increased 5.9% YoY supported by term loan and trade financing growth.

Singapore

- In Singapore, our loan book improved 8.7% YoY mainly led by strong growth in GB of 16.0% while CFS grew 1.8% YoY. Corporate lending improved from growth in target segments such as financial institutions, large corporates, government-linked companies and conglomerates while CFS growth was driven by retail SME, BB and the auto portfolios.

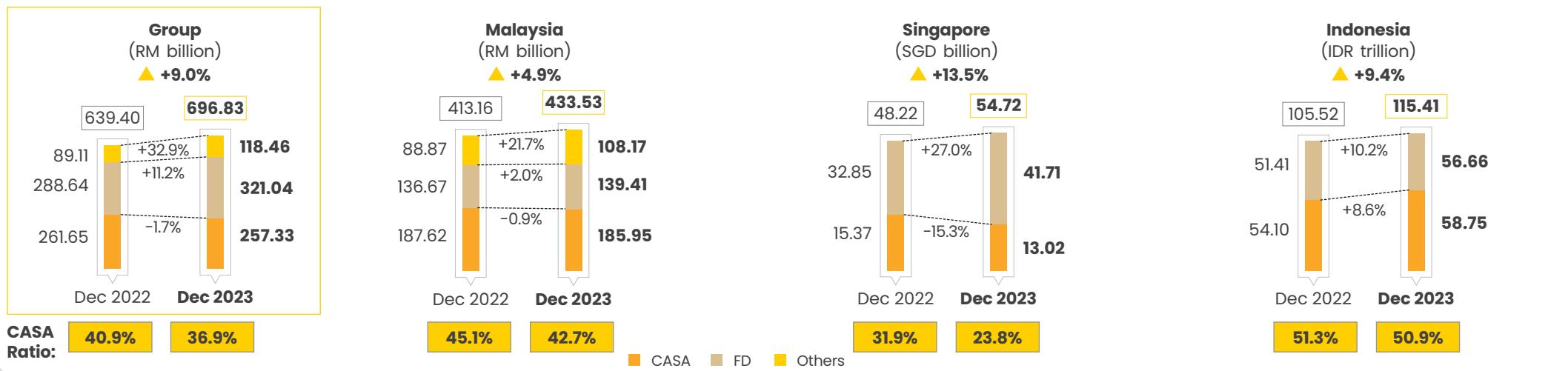
Indonesia

- The loans growth of 6.2% YoY in Indonesia came predominantly from CFS' growth of 9.7% mainly contributed by the auto, credit cards, personal loan and retail SME segments. The GB portfolio recorded minimal growth of 0.8% YoY due to early repayments by some borrowers and lending competition in the industry.



Reflections from Our Group Chief Financial Officer

Group Deposits (YoY)



Customer Deposits Expansion Led by Home Markets

- The Group's deposits expanded 9.0% YoY led by growth of 13.5%, 9.4% and 4.9% in Singapore, Indonesia and Malaysia respectively. While growth in Group deposits was led by total fixed deposits (FDs) growth of 11.2% to RM321.04 billion and other deposits such as money market deposits, the Group's CASA deposits remained healthy at RM257.33 billion with a CASA ratio of 36.9%.

Malaysia

- In Malaysia, CASA deposits were lower at RM185.95 billion from RM187.62 billion in FY2022 given increased consumer and business spending. Meanwhile, money market deposits grew 21.7% YoY to support our assets growth. Malaysia's CASA ratio remained strong at 42.7% as at 31 December 2023.

Singapore

- In Singapore, CASA deposits reduced to SGD13.02 billion from SGD15.37 billion as customers used their funds for working capital needs and opted for higher yielding deposits, which in turn supported FD growth of 27.0% YoY. Overall, Singapore's total deposits grew by 13.5% YoY with a CASA ratio of 23.8%.

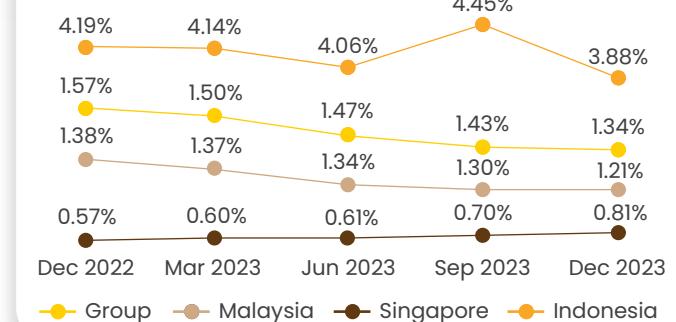
Indonesia

- Meanwhile, Indonesia's CASA grew by 8.6% YoY to IDR58.75 trillion driven by current account deposits growth across retail and non-retail segments as well as increased operating accounts through cash management and digital banking solutions. FD also increased by 10.2% as customers sought higher earning deposits. The CASA ratio remained healthy at 50.9% as at 31 December 2023.

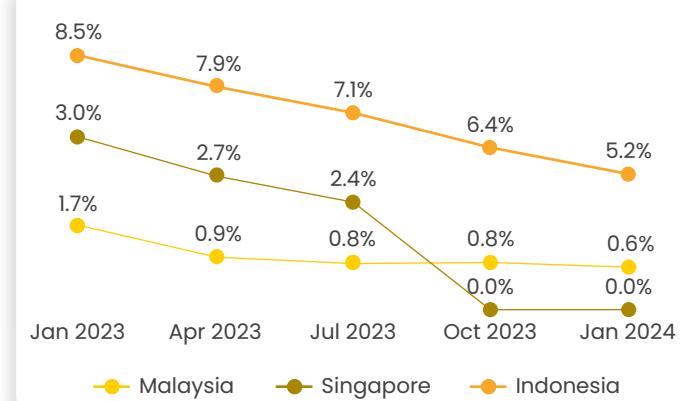
Healthy Asset Quality Trends Across Markets

- The Group's total loan loss provisioning for FY2023 decreased by 16.3% YoY to RM1.83 billion from RM2.18 billion due to writebacks of corporate borrowers in 2023 and preemptive provisioning made the year before. Provisions made for FY2023 were mainly on new and existing impaired accounts.
- We maintained management overlays of RM1.70 billion, with 60% allocated to the retail and retail SME portfolios in anticipation of emerging asset quality risks from the current economic environment.
- The Group's annualised net credit charge off rate improved to 31 bps from 40 bps in FY2022, meeting the Group's guidance of between 30 bps and 35 bps for FY2023.
- Our loan loss coverage ratio stood at 124.9% from 131.2% a year ago while gross impaired loans (GIL) ratio improved to 1.34% as at 31 December 2023 from 1.57% a year ago due to write-offs, recoveries and reclassification of accounts to non-impaired.
- In 2023, we continued to see the expiry of loans under relief, restructuring and rescheduling (R&R) as well as repayment assistance programmes arising from the COVID-19 pandemic, particularly in Malaysia and Singapore. As at 31 January 2024, total loans under relief in Malaysia and Indonesia reduced to 0.6% and 5.2% respectively. Meanwhile, there are no longer any loans under these COVID-19 related relief programmes in Singapore.

GIL Ratio for Group and Home Markets



% of Loans Under Repayment Assistance, Relief and R&R Programmes* Against Respective Total Home Market Loans



* Excludes all loans under expired programmes and loans that have commenced repayments

Reflections from Our Group Chief Financial Officer

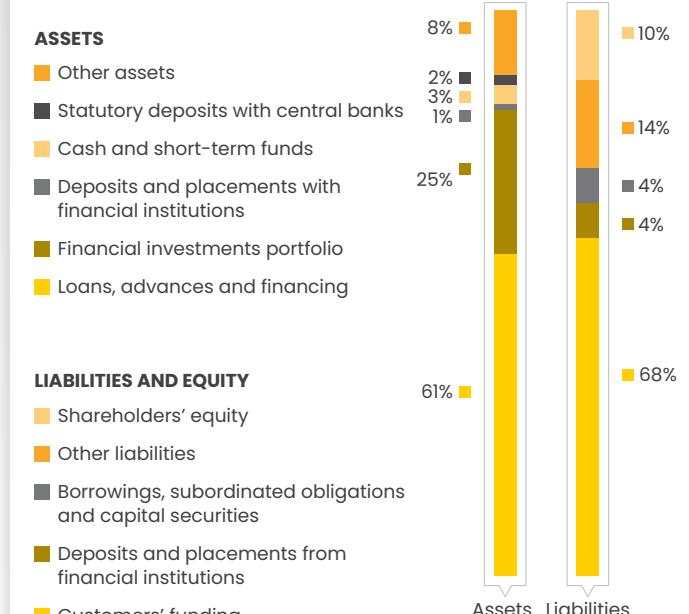
SUMMARY OF SEGMENTAL PERFORMANCE

- Group Community Financial Services** recorded a strong NOI growth of 8.3% YoY on higher net fund based income and NOI. Net fund based income rose 7.4% on loans growth of 8.0% while NOI expanded 11.2%. Total deposits growth of 9.1% was mainly led by fixed deposits. Meanwhile, overheads rose 13.0% while net loan loss provisions increased, resulting in lower PBT of 9.9% to RM5.71 billion against RM6.34 billion in FY2022.
- Group Global Banking** posted lower NOI by 6.1% to RM9.39 billion as net fund based income reduced 9.6% on higher funding costs and NOI eased 0.7% on lower trading and brokerage income. Overheads increased 7.8% but mitigated by the 87.5% decrease in net impairment losses for loans and securities. As a result, PBT increased 18.8% to RM5.95 billion.
- Group Insurance and Takaful's** NOI more than doubled to RM1.16 billion in FY2023 on higher net investment income, combined gross premiums/contributions from its general business and net adjusted premiums/ contributions from growth in its regular premium new business products. Total assets improved 18.5% to RM58.81 billion from RM49.65 billion in FY2022.
- Group Islamic Banking's** NOI was lower by 2.0% YoY at RM7.51 billion as net fund based income reduced on higher funding costs. The lower NOI was mitigated by an increase of 60.7% in non-fund based income driven by gains in the treasury and markets portfolio. Overheads increased 26.0% from higher shared services cost while impaired provisions also rose 91.6%, resulting in a PBT decline of 26.7% to RM3.49 billion.

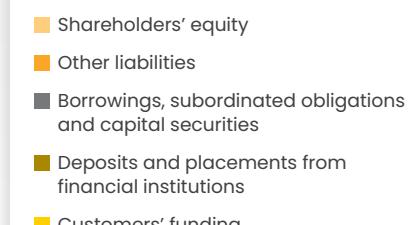
More on segmental financial performance can be found on page 89 of Group Community Financial Services, page 93 of Group Global Banking, page 96 of Group Insurance and Takaful and page 100 of Group Islamic Banking.

Assets and Funding Structure

ASSETS



LIABILITIES AND EQUITY



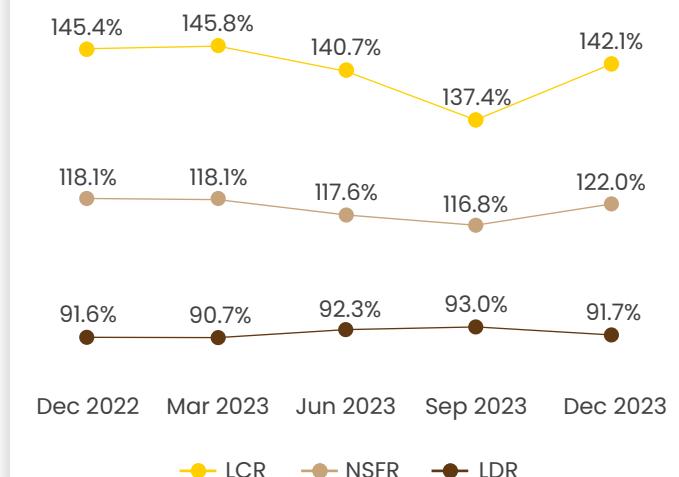
EFFECTIVE CAPITAL AND LIQUIDITY MANAGEMENT

Well-Diversified Funding Profile and Strong Liquidity Position

- Our liquidity is managed proactively across the Group in order to ensure the ability to meet financial obligations and to conduct business even under stressed situations. We conduct frequent reviews of balance sheet management strategies which include the funding needs of the Group, taking into account liquidity risk levels, market competitiveness and economic outlook.
- Through our Agile funding strategy, we were able to maintain healthy liquidity risk indicators, with liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) at 142.1% and 122.0% respectively as at 31 December 2023, above Bank Negara Malaysia (BNM)'s regulatory minimum LCR and NSFR requirements of 100%. In addition, our other liquidity indicators such as loan-to-deposit ratio (LDR) remained robust at 91.7% as at 31 December 2023.
- The Group and its major subsidiaries and overseas branches have established Recovery Plans (RCPs) in line with BNM's and Perbadanan Insurans Deposit Malaysia (PIDM)'s policy framework for recovery and resolution planning for financial institutions in Malaysia. The RCPs identify credible options to recover from events impacting the Group's financial strength, liquidity position and operational capability. RCPs provide a systematic approach to address potential capital, liquidity or funding disruptions affecting the financial solvency of the Group. RCPs encompass clear strategies, decision-making authorities, roles and responsibilities, and communications. Key components of each plan include strategic analysis, governance structure and oversight, recovery indicators, recovery options and preparatory measures, scenario analysis as well as communications and disclosures. The Group is committed to continuously enhancing our recovery and resolution capabilities in line with the requirements set by BNM and PIDM.

More on how the Group manages its liquidity can be found in Notes 53(g) on page 221 of the Financial Statements

Liquidity Risk Indicators





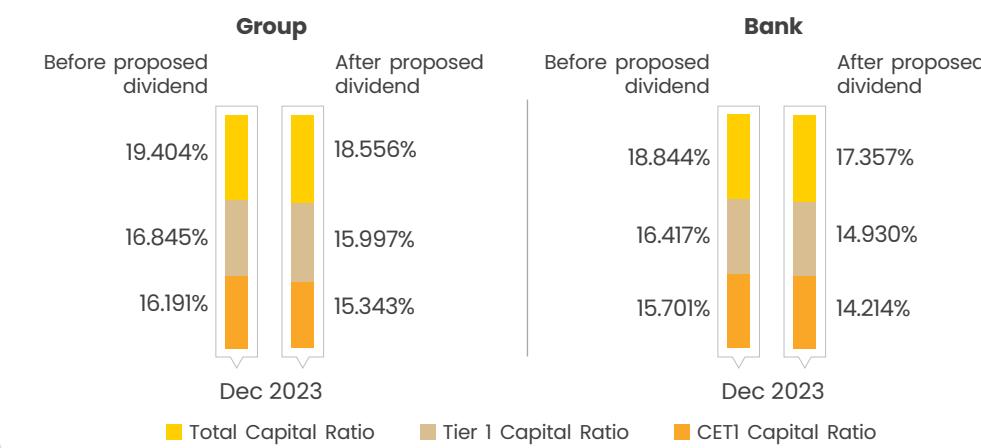
Reflections from Our Group Chief Financial Officer

Robust Capital Base Maintained

- Our regulatory capital adequacy levels remained healthy with our post second interim dividend Group common equity tier 1 (CET1) capital ratio and Group total capital ratio (TCR) at 15.34% and 18.56% respectively.
- Maybank is a domestic systemically important bank (D-SIB) and is classified under Bucket 2 by BNM. As a D-SIB, Maybank is required to maintain capital buffers to meet a higher loss absorbency (HLA) requirement of 1% of risk-weighted assets at the Group level in the form of CET1 capital on top of the BNM minimum regulatory requirement.
- Our key capital and funding initiatives during FY2023 included the following:
 - We continued to broaden and diversify our funding and capital raising through various sources, currencies, investors and markets. This included the issuance of fixed and floating rate notes in domestic and foreign currencies, such as Samurai bonds, SGD and USD extendible money market certificates, MYR and USD commercial papers, structured notes and other foreign currency denominated medium term notes.
 - Optimised and restructured the capital mix of the subsidiaries and overseas branches as part of the ongoing Group-wide capital optimisation and restructuring exercise.
 - Optimised our risk-weighted assets (RWA) across the Group. This included process improvements, refining the computation methodologies and enhancing internal policies to ensure the RWA reflects the risk profile of the Group's balance sheet, products and services.
 - Enhanced balance sheet management and oversight via ongoing implementation of Maybank Group Investment Management Framework.

More on how the Group manages its capital can be found in Notes 57, 58, 59 on pages 243 to 248 of the Financial Statements

Group Capital Ratios

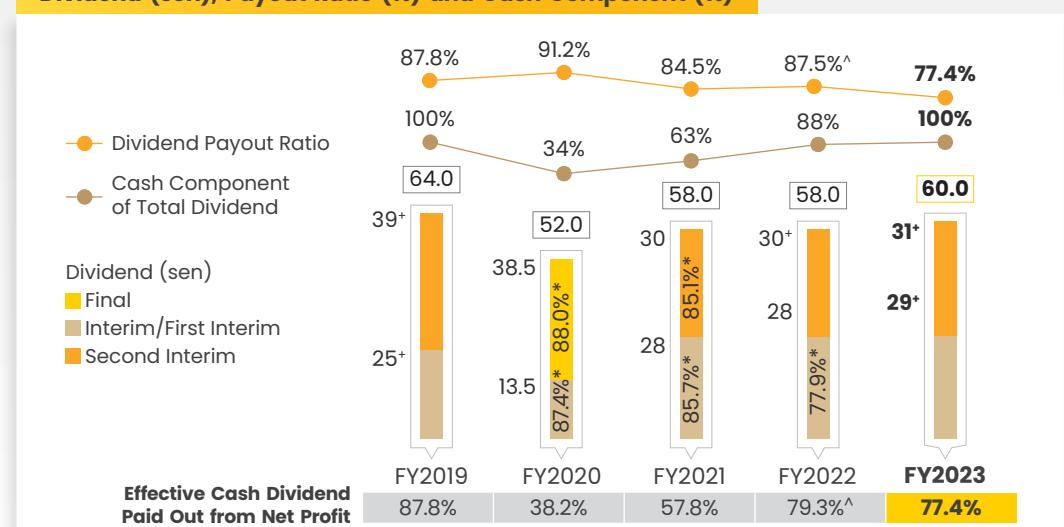


Regulatory Requirements:

- Minimum CET1 Capital Ratio + Capital Conservation Buffer (CCB) is 7.0%, minimum Tier 1 Capital Ratio + CCB is 8.5% and minimum Total Capital Ratio + CCB is 10.5%
- 1.0% D-SIB buffer effective 31 January 2021
- Pending announcement of the countercyclical capital buffer (CCyB) rate by BNM

VALUE CREATION FOR OUR SHAREHOLDERS

Dividend (sen), Payout Ratio (%) and Cash Component (%)



Notes:

* Actual Reinvestment Rate for Dividend Reinvestment Plan

+ Dividend paid fully in cash

^ Restated for the impact of adoption of MFRS 17 Insurance Contracts

- We remain committed to delivering value for our shareholders by maintaining a long-term dividend payout policy rate of 40% to 60% based on reported net profit attributable to shareholders. We continue to emphasise maintaining a strong dividend payout as part of our commitment to meet shareholders' expectations for good returns while managing the Group's capital effectively.
- For FY2023, the Board declared single-tier full-cash first interim and second interim dividends of 29.0 sen and 31.0 sen respectively per ordinary share. As such, the total dividend for FY2023 is 60.0 sen per ordinary share, equivalent to an overall dividend payout ratio of 77.4%, above the Group's long term dividend payout policy rate.

More on dividends can be found in Notes 51 on page 166 of the Financial Statements

OUTLOOK AND PRIORITIES FOR 2024

As we move into 2024, we remain steadfast in our pursuit of new loan growth opportunities regionally while ensuring optimal funding through diversification and defending our CASA balances to support asset growth. Focus growth areas include wealth management, cash management and bancassurance while broadening market penetration in the non-retail segments, especially among small and medium enterprises and mid-market companies. Concurrently, the Group will continue its M25+ momentum to drive better productivity and efficiency, improve customer experience, digital offerings, IT infrastructure, and sustainability capabilities. Asset quality management will remain a priority for the Group, as we remain vigilant over our loan portfolios and some borrowers, particularly SME customers.

For more information on our views on the economic and banking industry landscape, refer to the Economic and Banking Sector Overview section on pages 44 and 45

Financial Performance

FIVE-YEAR GROUP FINANCIAL SUMMARY

	Group FY 31 Dec					Bank FY 31 Dec	
	2019	2020	2021	2022 Restated	2023	2022	2023
OPERATING RESULT (RM' million)							
Operating revenue	52,868	51,031	45,959	49,416	64,467	26,612	34,260
Net operating income	24,741	24,763	25,448	26,492	27,361	16,210	16,634
Pre-provisioning operating profit ("PPOP") ¹	13,179	13,541	13,930	14,518	13,972	10,458	10,338
Operating profit	10,856	8,448	10,700	11,741	12,291	8,639	9,762
Profit before taxation and zakat	11,014	8,657	10,887	11,872	12,532	8,639	9,762
Profit attributable to equity holders of the Bank	8,198	6,481	8,096	7,961	9,350	6,971	8,273
KEY STATEMENTS OF FINANCIAL POSITION DATA (RM' million)							
Total assets	834,413	856,860	888,172	948,130	1,027,675	522,676	571,868
Financial investments portfolio ²	192,830	215,186	223,884	231,090	265,916	133,764	160,795
Loans, advances and financing	513,420	512,210	541,888	575,127	630,422	245,137	278,326
Total liabilities	750,344	769,750	799,620	859,518	930,026	449,606	493,439
Deposits from customers	544,531	556,349	588,968	614,895	670,359	274,854	299,676
Investment accounts of customers	20,738	23,841	28,721	24,501	26,475	-	-
Commitments and contingencies	1,208,623	1,305,385	1,176,244	1,526,306	1,855,618	1,422,559	1,742,985
Share capital	48,280	48,280	53,156	54,619	54,674	54,619	54,674
Shareholders' equity	81,571	84,437	85,811	85,746	94,642	73,071	78,429
SHARE INFORMATION							
Per share (sen)							
Basic earnings	73.5	57.7	69.7	66.5	77.6	58.2	68.6
Diluted earnings	73.5	57.7	69.7	66.5	77.6	58.2	68.6
Gross dividend	64.0	52.0	58.0	58.0	60.0	58.0	60.0
Net assets (sen)	725.6	751.1	722.4	711.3	784.7	606.2	650.3
Share price as at 31 Dec (RM)	8.64	8.46	8.30	8.70	8.89	-	-
Market capitalisation (RM' million)	97,125	95,102	98,592	104,871	107,216	-	-
FINANCIAL RATIOS (%)							
Profitability Ratios/Market Share							
Net interest margin on average interest-earning assets	2.3	2.1	2.3	2.4	2.1	1.8	1.5
Net interest on average risk-weighted assets	4.6	4.3	4.7	5.1	4.5	3.6	3.0
Return on equity	10.9	8.1	9.8	9.6	10.8	10.0	11.5
Net return on average assets	1.0	0.8	0.9	0.9	0.9	1.4	1.5
Net return on average risk-weighted assets	2.2	1.7	2.0	2.0	2.2	3.0	3.4
Cost to income ratio ³	46.7	45.3	45.3	45.2	48.9	35.5	37.9
Domestic market share in:							
Loans, advances and financing	17.9	18.1	18.0	18.1	18.4	18.1	18.4
Deposits from customers - Savings account	25.5	25.7	26.1	26.1	26.0	26.1	26.0
Deposits from customers - Current account	18.4	13.1	13.8	18.2	16.7	18.2	16.7
CAPITAL ADEQUACY RATIOS (%)							
CET1 Capital Ratio	15.729	15.313	16.090	15.669	16.191	15.264	15.699
Tier 1 Capital Ratio	16.486	16.026	16.810	16.376	16.845	16.045	16.414
Total Capital Ratio	19.387	18.683	19.518	19.080	19.404	18.635	18.841
ASSET QUALITY RATIOS							
Net impaired loans (%)	1.33	1.10	0.89	0.46	0.53	0.95	0.80
Loan loss coverage (%)	77.3	106.3	111.9	131.2	124.9	100.9	101.0
Loan-to-deposit ratio (%) ⁴	92.4	90.1	89.5	91.6	91.7	80.0	80.0
Deposits to shareholders' fund (times) ⁵	6.9	6.9	7.2	7.4	7.4	3.8	3.8



Financial Performance

	Group FY 31 Dec					Bank FY 31 Dec	
	2019	2020	2021	2022	2023 Restated	2022	2023
VALUATIONS ON SHARE							
Gross dividend yield (%)	7.4	6.1	7.0	6.7	6.7	—	—
Dividend payout ratio (%)	87.8	91.2	84.5	87.5	77.4	—	—
Price to earnings multiple (times)	11.8	14.7	11.9	13.1	11.5	—	—
Price to book multiple (times)	1.2	1.1	1.1	1.2	1.1	—	—

¹ PPOP is equivalent to operating profit before impairment losses as stated in the income statements of the financial statements.

² Financial investments portfolio consists of financial assets designated upon initial recognition at fair value through profit or loss, financial investments at fair value through profit or loss, financial investments at fair value through other comprehensive income and financial investments at amortised cost.

³ Cost to income ratio is computed using total cost over the net operating income. The total cost of the Group is the total overhead expenses, excluding amortisation of intangible assets for PT Bank Maybank Indonesia Tbk and Maybank IBG Holdings Limited.

⁴ Loan-to-deposit ratio is computed using gross loans, advances and financing over deposits from customers and investment accounts of customers.

⁵ Deposits to shareholders' fund include investment accounts of customers.

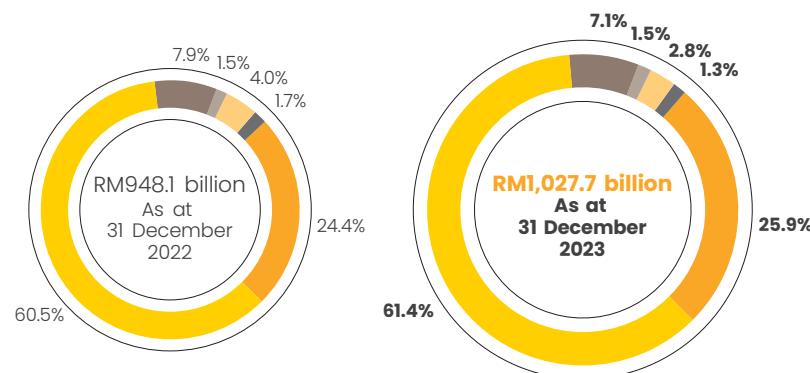
Five-Year Group Financial Summary



Financial Performance

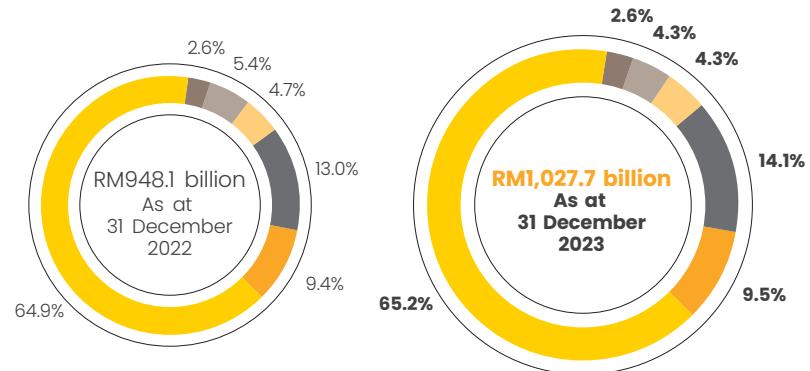
Simplified Group Statements of Financial Position

Total Assets
RM1,027.7 billion



- Cash and short-term funds
- Deposits and placements with financial institutions
- Financial investments portfolio
- Loans, advances and financing
- Other assets
- Statutory deposits with central banks

Total Liabilities & Shareholders' Equity
RM1,027.7 billion



- Deposits from customers
- Investment accounts of customers
- Deposits and placements from financial institutions
- Other liabilities
- Borrowings, subordinated obligations and capital securities
- Shareholders' equity

GROUP QUARTERLY FINANCIAL PERFORMANCE

RM' million	FY 31 Dec 2023				
	Q1	Q2	Q3	Q4	YEAR
Operating revenue	15,187	16,135	16,014	17,131	64,467
Net interest income (including income from Islamic Banking Scheme operations)	5,020	5,058	5,050	5,241	20,369
Insurance/takaful service result	(8)	220	54	284	550
Other operating income	1,719	2,506	1,859	1,904	7,988
Total operating income	6,731	7,784	6,963	7,429	28,907
Operating profit before impairment losses	3,272	3,889	3,453	3,358	13,972
Profit before taxation and zakat	3,056	3,370	3,156	2,950	12,532
Profit attributable to equity holders of the Bank	2,265	2,339	2,358	2,388	9,350
Earnings per share (sen)	18.8	19.4	19.6	19.8	77.6
Dividend per share (sen)	-	29.0	-	31.0	60.0

RM' million (Restated)	FY 31 Dec 2022				
	Q1	Q2	Q3	Q4	YEAR
Operating revenue	11,157	10,205	13,025	15,029	49,416
Net interest income (including income from Islamic Banking Scheme operations)	4,997	5,276	5,459	5,497	21,229
Insurance/takaful service result	(28)	220	(20)	40	212
Other operating income	1,023	294	1,481	1,805	4,603
Total operating income	5,992	5,790	6,920	7,342	26,044
Operating profit before impairment losses	3,523	3,412	3,911	3,672	14,518
Profit before taxation and zakat	2,975	2,300	3,100	3,497	11,872
Profit attributable to equity holders of the Bank	2,047	1,608	2,100	2,206	7,961
Earnings per share (sen)	17.1	13.4	17.7	18.3	66.5
Dividend per share (sen)	-	28.0	-	30.0	58.0



Financial Performance

KEY INTEREST BEARING ASSETS AND LIABILITIES

	FY 31 Dec 2022 (Restated)			FY 31 Dec 2023		
	As at 31 December RM' million	Effective Interest Rate %	Interest Income/ Expense RM' million	As at 31 December RM' million	Effective Interest Rate %	Interest Income/ Expense RM' million
<u>Interest earning assets</u>						
Loans, advances and financing	575,127	5.35	23,297	630,422	5.77	31,035
Cash and short-term funds & deposits and placements with financial institutions	53,670	2.35	869	42,376	2.33	1,699
Financial assets at fair value through profit or loss	37,966	2.81	927	49,349	2.63	1,035
Financial investments at fair value through other comprehensive income	121,367	2.99	3,965	132,182	3.11	5,114
Financial investments at amortised cost	71,757	3.99	2,879	84,384	3.61	2,978
<u>Interest bearing liabilities</u>						
Customers' funding:						
- Deposits from customers	614,895	1.96	7,902	670,359	2.31	16,493
- Investment accounts of customers	24,501	1.29	353	26,475	1.49	435
Deposits and placements from financial institutions	51,894	4.24	1,324	44,677	3.35	2,877
Borrowings	31,736	2.35	866	31,038	2.71	1,473
Subordinated obligations	10,238	3.64	875	10,146	3.56	1,013
Capital securities	2,829	4.07	116	2,830	4.07	116

STATEMENT OF VALUE ADDED

	FY 31 Dec 2022 RM'000 Restated	FY 31 Dec 2023 RM'000	DISTRIBUTION OF VALUE ADDED	FY 31 Dec 2022 RM'000 Restated	FY 31 Dec 2023 RM'000
Net interest income	13,815,585	12,791,522	To employees:		
Income from Islamic Banking Scheme operations	7,413,866	7,577,195	Personnel expenses	7,013,345	7,779,014
Insurance/takaful service result	211,692	550,098	To the Government:		
Other operating income	4,603,171	7,988,177	Taxation and zakat	4,147,310	3,100,553
Net insurance/takaful investment/finance result	447,964	(1,545,851)	To providers of capital:		
Overhead expenses excluding personnel expenses, depreciation and amortisation ¹	(4,425,615)	(5,066,875)	Dividends paid to shareholders	6,967,842	7,236,452
Allowances for impairment losses on loans, advances and financing and other debts, net	(2,182,735)	(1,826,212)	Non-controlling interests	15,050	265,082
(Allowances for)/writeback of impairment losses on financial investments, net	(523,384)	180,563	To reinvest to the Group:		
Allowances for impairment losses on other financial assets and interest in associates, net	(71,107)	(35,416)	Depreciation and amortisation ¹	535,232	542,911
Share of profits in associates and joint ventures	130,850	240,325	Retained profits	741,508	1,929,514
Value added available for distribution	19,420,287	20,853,526	Value added available for distribution	19,420,287	20,853,526

¹ Depreciation and amortisation exclude depreciation of right-of-use assets

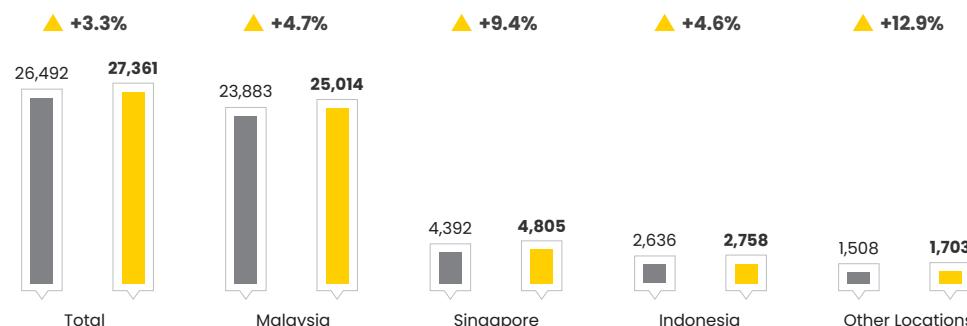
Financial Performance

SEGMENTAL INFORMATION

ANALYSIS BY GEOGRAPHICAL LOCATION

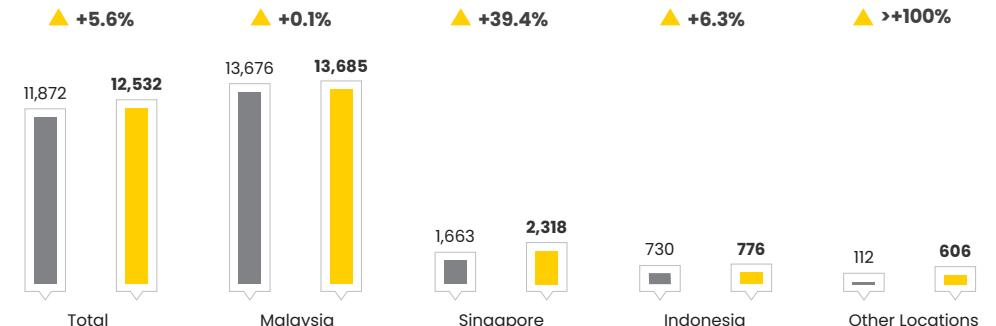
■ FY 31 Dec 2022* ■ FY 31 Dec 2023

Net Operating Income (RM' million)



Note: Total net operating income includes inter-segment which are eliminated on consolidation of RM6,919 million for FY 31 December 2023 and RM5,927 million for FY 31 December 2022.

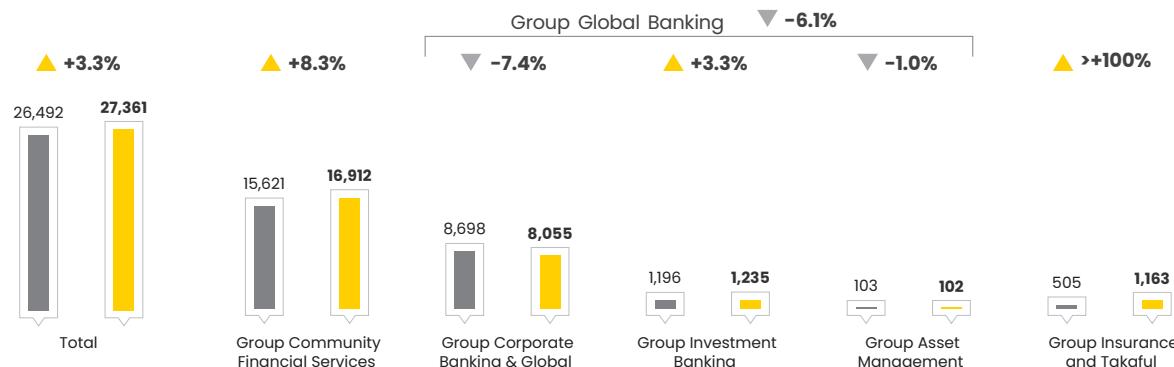
Profit Before Taxation and Zakat (RM' million)



Note: Total profit before taxation and zakat includes inter-segment which are eliminated on consolidation of RM4,853 million for FY 31 December 2023 and RM4,309 million for FY 31 December 2022.

ANALYSIS BY BUSINESS SEGMENTS

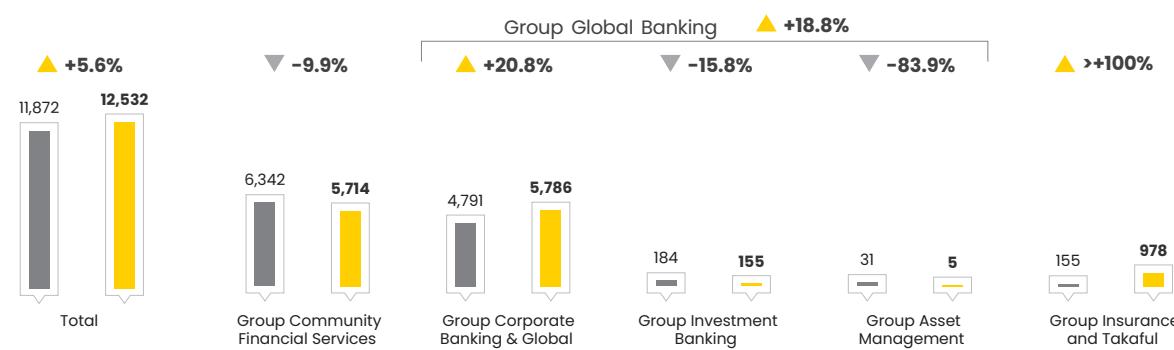
Net Operating Income (RM' million)



Note:

Total net operating income includes Head Office & Others of RM106 million for FY 31 December 2023 and RM369 million for FY 31 December 2022.

Profit Before Taxation and Zakat (RM' million)



Note:

Total profit before taxation and zakat includes Head Office & Others of RM106 million for FY 31 December 2023 and RM369 million for FY 31 December 2022.

* Restated FY2022 comparative information as MFRS 17 has replaced MFRS 4 *Insurance Contracts* for annual periods beginning on or after 1 January 2023.



Investor Information

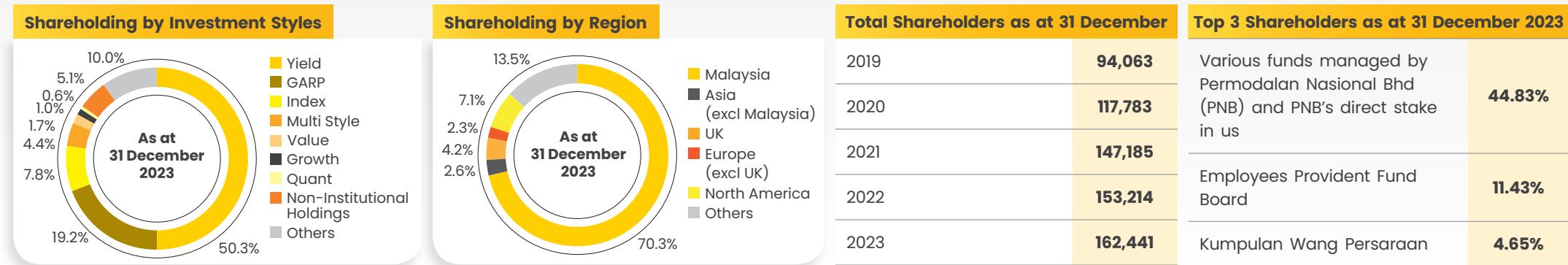
Investor engagement at Maybank focuses on building confidence and maintaining strong, transparent relationships with the global investing community.

We have a comprehensive Investor Relations programme to enable existing and potential shareholders and investors to understand our activities, strategy, financial performance and sustainability initiatives through timely and accurate dissemination of information to the investing community for informed investment decisions about Maybank.

Further supplementary investor information not found in this section is made available on our corporate website at www.maybank.com/ir. This includes Maybank's foreign shareholding updates, details of the 19 sell-side analysts covering Maybank, our capital and debt issuances as well as our credit rating outcomes by four independent credit rating agencies.

Our approach to Investor Relations is also found in the Corporate Governance Overview Statement on page 136

SHAREHOLDER ANALYSIS



SHARE PRICE PERFORMANCE

Maybank Share Price and Volume Performance as at 31 December 2023

1Q		
High	RM8.86	13 Jan
Low	RM8.26	16 Mar
Close	RM8.57	31 Mar

2Q		
High	RM8.78	19 May
Low	RM8.56	24 & 25 May
Close	RM8.63	30 Jun

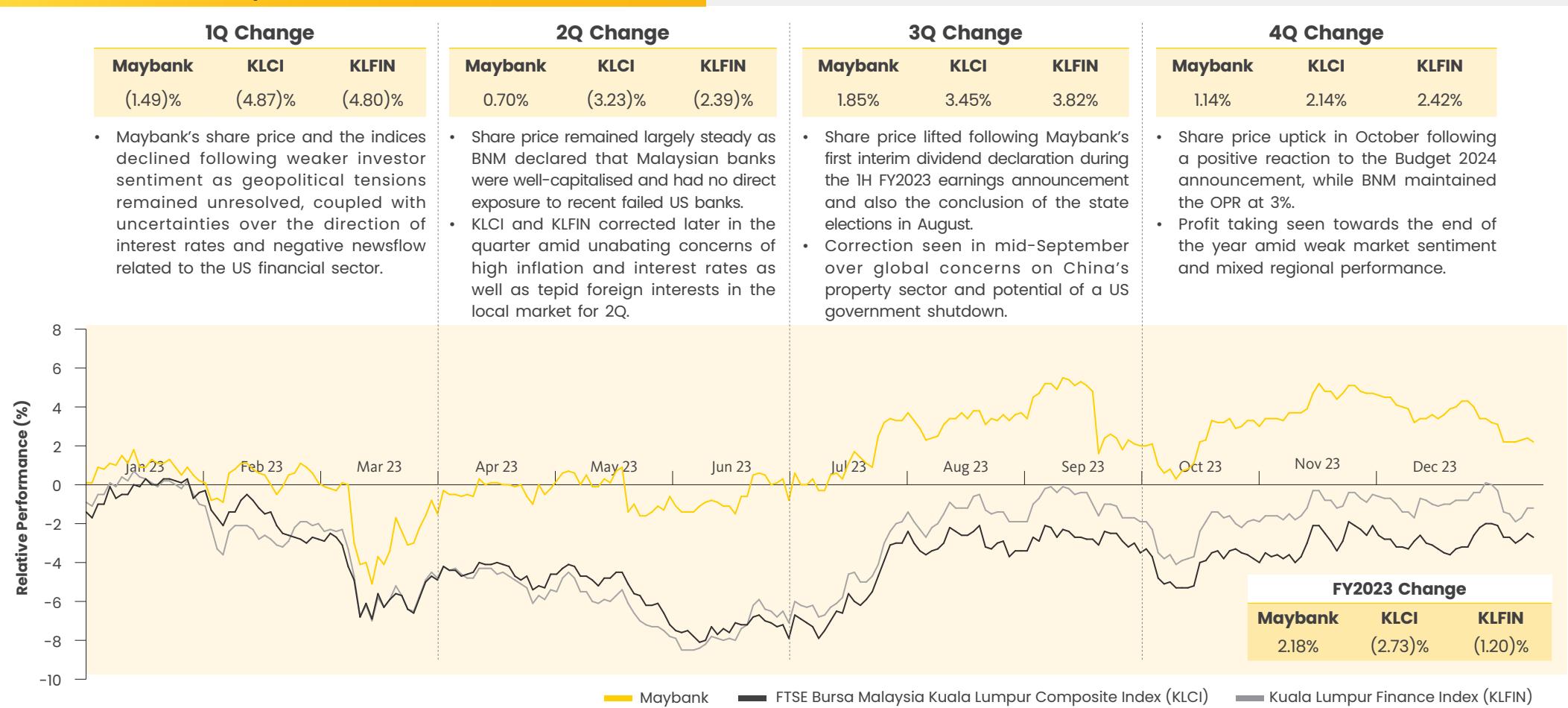
3Q		
High	RM9.18	6 Sep
Low	RM8.67	7 & 10 Jul
Close	RM8.79	29 Sep

4Q		
High	RM9.15	7 Nov
Low	RM8.73	4 Oct
Close	RM8.89	29 Dec



Investor Information

Relative Performance of Maybank's Share Price vs Benchmark Indices in 2023



Note: The separator lines in the chart above indicates the end of each quarter.

TOTAL SHAREHOLDER RETURN

TSR (%)	2015	2016	2017	2018	2019	2020	2021	2022	2023
Maybank	(2.46)	3.68	26.65	2.71	(3.11)	4.61	6.27	11.87	9.29
KLCI	(0.97)	0.07	13.19	(2.99)	(2.83)	5.71	0.33	(0.65)	1.34
KLFIN	(6.46)	5.66	21.89	6.66	(6.62)	2.94	6.85	11.44	3.93

LONG-TERM TOTAL SHAREHOLDER RETURN

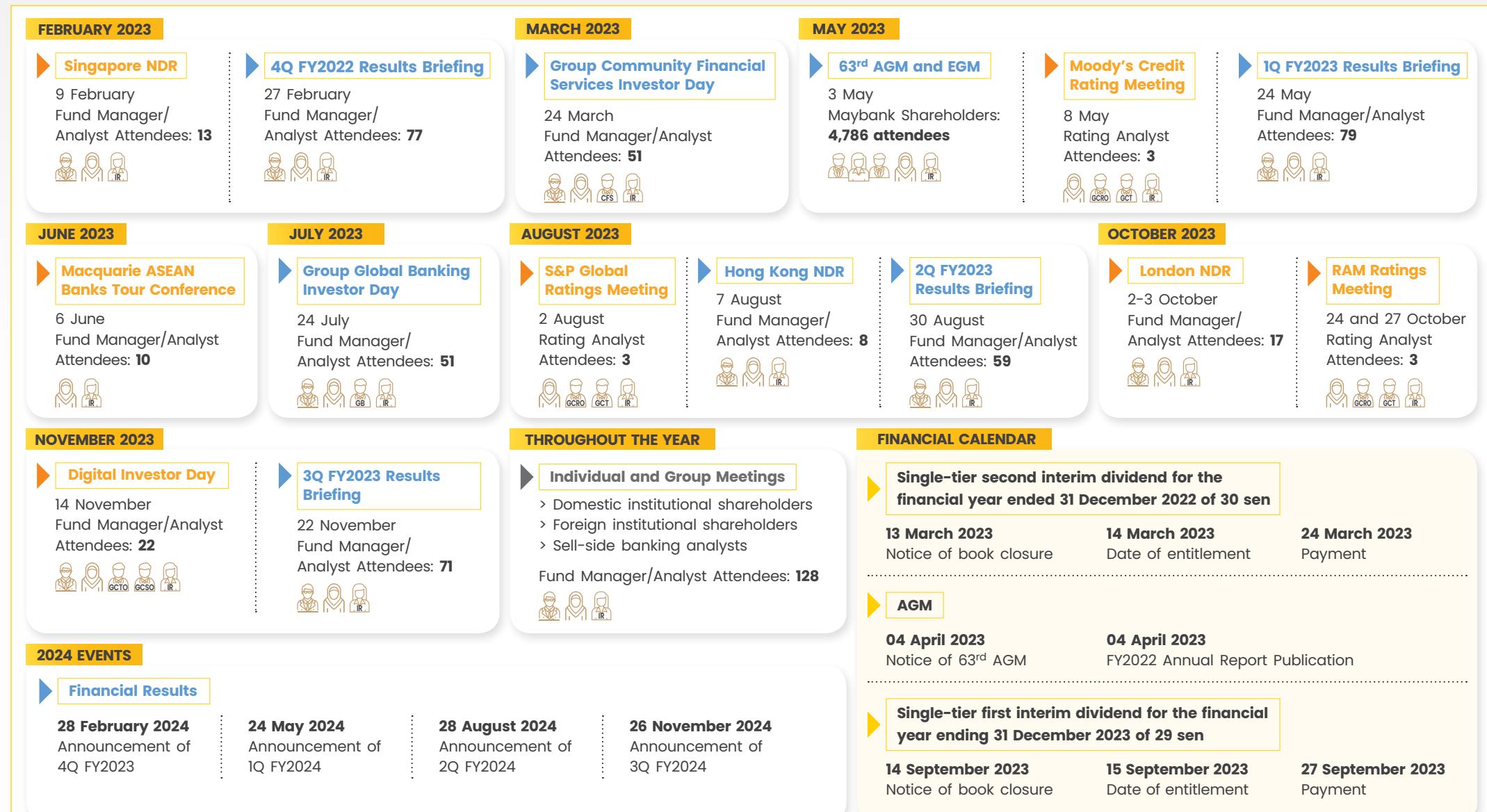
Holding Period (Years)	20	15	10	5	3	2	1
Invested on 31 December of	2003	2008	2013	2018	2020	2021	2022
Total Shareholder Return (%)							
Maybank	351.94	384.39	68.93	31.68	29.92	22.26	9.29
KLCI	280.76	176.74	9.94	3.76	1.01	0.68	1.34
KLFIN	473.42	361.31	47.01	18.95	23.75	15.82	3.93
Effective Annual Rate of Return (%)							
Maybank	7.83	11.09	5.38	5.66	9.13	10.60	9.29
KLCI	6.91	7.02	0.95	0.74	0.34	0.34	1.34
KLFIN	9.12	10.73	3.93	3.53	7.38	7.64	3.93



Investor Information

INVESTOR RELATIONS ACTIVITIES IN 2023

Presentation materials for quarterly results, investor days, conferences and non-deal roadshows (NDR) can be found on Maybank's corporate website under Investor Relations Engagement section while presentation materials and shareholders' questions and answers for annual general meetings (AGMs) and extraordinary general meetings (EGMs) can be found under the AGMs and EGMs section. Rating outcomes by rating agencies can be found under the Fixed Income Credit Rating section.



Maybank attendees:

 Board of Directors

 President and Group CEO

 Group Chief Financial Officer

 Group CEO, Community Financial Services

 Group CEO, Global Banking

 Group Chief Risk Officer

 Group Chief Strategy and Transformation Officer

 Group Chief Technology Officer

Legend:

Virtual Physical Virtual and Physical

Note: Meetings taken at Maybank Head Office, Kuala Lumpur unless indicated otherwise.

Financial calendar for 2024 can be found in the Investor Relations section on Maybank Group's corporate website at www.maybank.com/ir

Investor Information

INVESTORS' KEY FOCUS AREAS



CREDIT RATINGS

Rating Agency	Rating Classification	Ratings
Standard & Poor's	Issuer Credit Rating	A-/Stable/A-2
Moody's Investors Service	Baseline Credit Assessment/Outlook Bank Deposits	a3/Stable A3/P-2
RAM Ratings	Financial Institution Ratings	AAA/Stable/P1
Japan Credit Rating Agency	Foreign Currency Long-term Issuer Rating/Outlook	A+/Stable

RESEARCH COVERAGE

Summary of analysts' recommendations as at 31 December 2023:

Total analysts:	19	Buy:	7	Hold:	11	Sell:	1
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Full details on Maybank's credit ratings and sell-side analysts' coverage can be viewed from www.maybank.com/en/investor-relations.page



Group Community Financial Services

We offer:

- Personal banking
- Non-Retail banking
- Personal banking

In:



OPERATING CONTEXT IN 2023

Operating Landscape Impact

- Heightened competition in the deposit space together with regional and global uncertainty drove consumers to redirect their cash towards higher-return and safety assets, leading to elevated cost of funding and tighter profit margins.
- Loan growth momentum moderated as economic growth slowed.
- Asset quality remained manageable amid the conclusion of repayment assistance programmes.
- Despite overall market uncertainties and poor investor sentiment in the first half of the year, wealth management is on track for recovery driven primarily by wealth fund income generation.
- Greater alignment of business operations with environmental and sustainability goals due to a deepening sustainability commitment.
- Increasing incidence of online banking fraud and financial scams throughout the year led to customer frustration and growing concerns regarding the integrity of internet and mobile banking.

Material Risks and Opportunities

- With heightened competition and increasing customer expectation of highly personalised end-to-end solutions, it is becoming more critical to anticipate their needs while delivering seamlessly across all physical and digital touchpoints.
- Opportunity to further integrate into the customer journey and offer innovative borrowing and beyond lending solutions that address each stage of their life or business growth cycle.
- Driving regional wealth management services, including Islamic wealth management proposition, to gain from expanding global market share.
- The global shift towards ethical and sustainable practices is enhancing demand for green products in line with customers' personal values.
- Increasing prevalence of online scams poses a substantial risk to our customers, potentially resulting in financial losses and impacting their well-being.

Our Response

- Broaden our coverage across customers' life stages by introducing financial innovations and bespoke solutions, developed inhouse or via strategic partnerships and collaborations. Also, to be positioned as a one-stop-shop serving customers within and beyond banking ecosystems.
- Provided our retail and non-retail customers with a comprehensive suite of digital-enabled and beyond banking solutions that are accessible, personalised and seamless so that they can achieve their life goals and business growth objectives.
- Expanded our wealth management services by prioritising seamless customer onboarding, strengthened digital service and sales support and expanded our Islamic products suite.
- Further delighting customers through the development of innovative sustainable financing and decarbonisation solutions.
- Fortifying security measures and proactively championing customer awareness to protect them from financial scams and threats.

Group Community Financial Services is impacted by all material matters and principal risks. The businesses will leverage all six capitals to shape their respective strategies to address these material matters and manage risks in creating value for the five stakeholder groups.

TOP ACHIEVEMENTS IN 2023

Embedded our Home²u financing solution into Sime Darby Property's online booking system, enabling a seamless customer journey from booking a home to applying a loan and having it approved in 10 seconds.

Instant cash access with CGC guarantee approvals for Malaysia's SME customers via our API-enabled SME Digital Financing platform while Singapore's SME customers now have speedier financing access via our SME e-financing platform that provides approvals within 10 minutes.

Launched seamless regional cashless payments via cross-border QR payment in Malaysia, Singapore, Thailand and Indonesia. Also, one of the first Malaysian banks to adopt cross-border QR payment in China.

Awarded Excellence in Mass Affluent Banking in Singapore, Best Retail Bank and Best CSR Initiative in Cambodia as well as Best Fintech Partnership in Philippines by Retail Banker International.

Introduced Malaysia's first-of-its-kind end-to-end automobile financing solution for electric vehicle (EV) and hybrid customers covering holistic financing solutions, insurance and takaful coverage as well as EV charging privileges.

Group Community Financial Services

KEY FOCUS AREAS FOR 2023

CONSUMER	Stakeholder value:	Reimagining customers' journeys, aimed at increasing customer satisfaction through building holistic customer-centric touchpoints and solutions that meet their needs within the banking ecosystem and beyond.	Relevant STs: ST1 ST2 ST3	Relevant SPs: SP3 SP8	TARGETS BY FY2025
	FY2023 Initiatives		FY2023 Achievements		
	Home-buying journey:	<ul style="list-style-type: none"> Embedded Maybank Malaysia's Home²u financing platform into Sime Darby Property's online booking system, where customers can check their eligibility, apply for and receive approval to finance their dream home instantly. Partnered with Malaysia's Skyworld Development Bhd to offer a first-of-its-kind home renovation financing scheme providing homeowners an additional 30% margin of finance or up to a combined total of 120% of the property value. 	<ul style="list-style-type: none"> RM23.22 billion Home²u loans originated. 49.6% digital penetration by origination. RM680,000 disbursed under the MyDeco renovation scheme. 		Towards undisputed leadership in Malaysia and advance in market positioning in regional markets.
	Vehicle ownership journey:	<ul style="list-style-type: none"> Developed a dedicated sales tool app in Malaysia and enabled STP capabilities that allow existing payroll customers to apply for a car loan, with approval within 30 minutes from making the loan application. Also leveraging data analytics and real-time analysis, proactively offered pre-qualified personalised car loans to customers who paid their car booking fees via Maybank's platform. Collaborated with Perodua to provide seamless end-to-end integrated digital financial services for its entire supply chain via Maybank's M2E platform as well as offering additional financial support via financing packages to help expand Perodua dealers' business. 	<ul style="list-style-type: none"> An increase of 8.8% YoY in new auto loans disbursed at RM17.41 billion, of which RM67.59 million was from the proactive offering of pre-qualified personalised car loans to customers. 		≥80.0% digital sales contribution and digital customer penetration rate, covering retail and SME customers respectively.
	Branch banking journey:	<ul style="list-style-type: none"> Simplified individual account opening process at all Malaysia branches by addressing customer pain points and offering more efficient service delivery via seamless and personalised end-to-end banking journey. Also rolled out at selected Indonesia branches in November. Established Maybank Pop Up in Cambodia, the nation's first portable, smart and functional banking option/booth that offers a wide range of financial services and products in selected locations. 	<ul style="list-style-type: none"> Reduced Malaysia branch account opening time from 51 minutes to 15 minutes while transactional NPS score improved from 84% to 97%. Reduced paper usage by 80% for over-the-counter account openings in Malaysia. Enabled 575 account openings via the Pop Up, saving time and need for customers to visit our branches. 		Improved TAT and productivity.
	CONSUMER	Digitalising our banking processes and focusing on improving the efficiency of all distribution channels to ultimately provide convenience and uplift the customer experience.		Relevant STs: ST1 ST2 ST3	Relevant SPs: SP3
		<ul style="list-style-type: none"> End-to-end digital onboarding for CASA account opening in Malaysia within nine minutes (Straight-Through Processing) with e-KYC and debit card delivery or collection at the nearest branch. Six STP initiatives for the year: ASB, Zest-i, PMA, PMI, Kawanku and Savings-i accounts. Introduced STP for Maybank 2 Gold and Platinum Cards in Cambodia where customers can apply directly via the Maybank website. Enhanced existing regional STP digital offerings to provide customers full suite of digital banking services via internet and mobile banking channels including Cards, ASB Financing, Personal Financing, Unit Trust, Bancassurance, Fixed Deposits and Investments. Launched a first-of-a-kind Signature Branch at Malaysia's Pavilion Bukit Jalil, using Phygital concept (fusion of physical and digital) aimed at elevating and modernising Maybank's extensive array of services, encompassing retail banking, wealth management and commercial banking for both SMEs and corporates. Launched and expanded cross-border QR payment service for Maybank customers travelling to Singapore, Indonesia, Thailand and China to enable cashless instant payment transactions via MAE app, which now has over eight million active users. Similarly, incoming tourists from these countries are able to make cashless payments at more than 700,000 Maybank QRPay merchants in Malaysia. 	<ul style="list-style-type: none"> Over 179,000 STP accounts opened and activated, contributing towards a 23.0% YoY increase in overall CASA accounts opened in 2023. Improved ease of eKYC scanning and approval rate YoY from 40% to 75%. 75.6% of total GCFS sales were products sold digitally. Total value of digital monetary transactions – RM1.11 trillion (from 1.99 billion transactions). Total of 223,854 cross-border QR payment service transactions amounting to RM17.15 million. 	Contribute to Group's overall sustainable finance target of RM80 billion by 2025.	

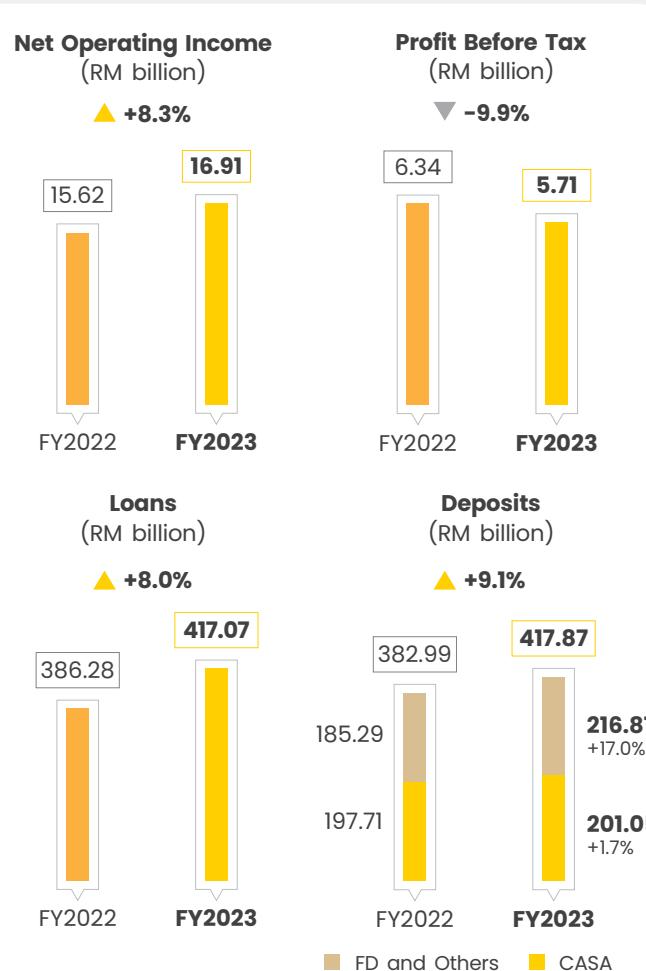


Group Community Financial Services

CONSUMER	Stakeholder value:	Offer end-to-end wealth management solutions across the region with enhanced and personalised user experience catering to customers' various wealth aspirations.	Relevant STs: ST1 ST2 ST3 ST5	Relevant SPs: SP3 SP5
FY2023 Initiatives		FY2023 Achievements		
<ul style="list-style-type: none"> Strengthened value propositions for Group Wealth Management (GWM) segments: <ul style="list-style-type: none"> Launched portfolio financing solution for Malaysian premier customers, a short-term revolving credit facility that allows customers to pledge acceptable collaterals with Maybank to access additional funds and unlock potentially higher investment returns. Equipped frontline staff in Malaysia with the wealth sales dashboard digital tool to give customers more meaningful insights into their wealth journey and more tailored portfolio advisory. Launched the digital Wealth 360 platform within Maybank MAE app in Singapore allowing customers to monitor their assets and liabilities at their convenience. Offered Islamic "Cradle to Grave" wealth solutions across the five pillars of creation, accumulation, preservation, purification and distribution. For more details, refer to Group Islamic Banking on page 98. 			<ul style="list-style-type: none"> 1.20 million clients across three segments (privilege, premier and private) in six key markets across ASEAN and Greater China with RM301.33 billion under the GWM AUM. Islamic wealth management AUM recorded 7% YoY growth to RM71.12 billion from RM66.57 billion last year. 97.3% adoption rate for wealth sales dashboard since launch. 	
CONSUMER	Stakeholder value:	Empower customers to make better sustainable life choices and embrace calls to preserve the environment for the well-being of present and future generations.	Relevant STs: ST1 ST4	Relevant SPs: SP3 SP9
<ul style="list-style-type: none"> Launched myimpact credit cards. For more details, refer to Group Islamic Banking on page 99. Introduced a first-of-its-kind end-to-end automobile financing solution in Malaysia for electric vehicle (EV) and hybrid customers covering various aspects of owning an EV or hybrid vehicle including holistic financing solutions, insurance and takaful coverage as well as EV charging privileges. Act as a key EV financing partner for Tesla in Malaysia aligned to our strategic aspiration to become the leading ESG financier in ASEAN. Continued to offer competitive sustainable financing such as green home loans, solar financing and EV and hybrid financing across regional markets to support customers in making more sustainable choices and transition towards green energy. 			<ul style="list-style-type: none"> Over 6,000 myimpact credit cards have been issued. RM1.39 billion in sustainable financing disbursed for EV and hybrid vehicles. RM627.92 million green home loans disbursed. RM18.12 million in solar financing disbursed. 	
NON-RETAIL (RSME/SME+/BB)	Stakeholder value:	Scaling up regional SME market reach and accessibility to support customers in all stages of their growth journeys, delivering best-in-class financial services via an omni-channel approach, covering lending, non-lending and beyond banking solutions.	Relevant STs: ST1 ST2 ST3	Relevant SPs: SP4 SP8
<ul style="list-style-type: none"> Re-organised Retail Small Medium Enterprise (RSME), Small Medium Enterprise Plus (SME Plus) and Business Banking (BB) in Malaysia under one business pillar known as Commercial Banking, providing customers with more seamless and efficient financial solutions and advisory as they grow their businesses and progress from RSME to SME Plus and BB. Launched a first-of-its-kind direct API platform for SME Digital Financing in Malaysia in collaboration with CGC, providing SMEs with instant access to cash upon loan acceptance following real-time CGC guarantee approvals. Launched SME e-Financing in Singapore, an end-to-end online financing solution available 24/7 via Maybank2u, with 10 minute approvals for applications submitted from existing customers. Unveiled Business Recovery Guarantee Scheme in Cambodia in collaboration with the Credit Guarantee Corporation of Cambodia (CGCC), allowing local SMEs to apply for a business loan through simplified processes and requirements resulting in quicker turnaround time. 			<ul style="list-style-type: none"> More than RM39 billion in non-retail loans disbursed across key markets since the start of the year. Serving over 850,000 SME customers across ASEAN. Over 95,000 applications received via SME Digital Financing in Malaysia and RM839.60 million disbursed. SME e-Financing in Singapore has approved and accepted 171 loan accounts amounting to SGD13.50 million. Maybank Cambodia RSME disbursed USD46.48 million, of which roughly USD3.48 million was disbursed under the CGCC scheme to a total of 37 customers. 	

Group Community Financial Services

REGIONAL FINANCIAL PERFORMANCE



Restated FY2022 comparative NOI and PBT due to change in fund transfer pricing methodology effective 1 January 2023.

KEY PERFORMANCE HIGHLIGHTS FY2023

Group Community Financial Services' profit before tax (PBT) declined 9.9% YoY due to higher overheads and net loan loss provisions despite an increase of 8.3% in net operating income (NOI):

- NOI rose to RM16.91 billion as net fund based income grew 7.4% and non-interest income (NOII) expanded 11.2%.
- Higher net fund based income was led by stronger loans growth of 8.0% YoY vs FY2022's 6.5%, driven by consumer and commercial loans at 7.0% and 11.6% respectively.
- Deposit growth of 9.1% YoY led by fixed deposits. As competition for CASA remained intense, the CASA ratio declined to 48.1% from 51.6% a year earlier.
- NOII growth of 11.2% YoY driven mainly by card fees and payments.
- Offset by higher overheads of 13.0% YoY mainly from personnel cost and information technology (IT) spend related to business growth.
- Net loan loss provisions increased due to impairment from commercial and retail loans.

In Malaysia, PBT declined 23.0% YoY to RM4.09 billion, attributed to:

- Overheads increase of 15.4% YoY from personnel, IT expenditure and fees and brokerage.
- Net loan loss provisions increase of >100% mainly from auto, retail and commercial portfolios.
- Mitigated by higher NOI of 4.4% YoY led by NOII rise of 16.7% from card fees, payments and bancassurance.
- Strong loans growth of 7.2% YoY driven from mortgage, auto and commercial portfolios.
- Deposits growth of 3.7% contributed mainly from fixed deposits.

For international operations, we recorded a commendable growth of 57.9% YoY in PBT, attributed to:

- **Singapore:** PBT growth of 79.1% YoY as NOI grew 21.3% YoY. Offset by 8.6% YoY decrease in NOII as market sentiment and high interest rate environment weighed on investment and bancassurance growth.
- **Indonesia:** PBT growth of 29.8% YoY driven by higher net fund based income and NOII of 10.2% and 8.5% respectively. Prudent cost management resulted in improved CIR from 72.5% to 71.2%. Steady loans growth of 9.8% YoY underpinned by growth in auto and commercial portfolios.
- **Philippines:** PBT growth of 54.6% YoY on NOI growth of 3.5% YoY and lower loan loss provisions. Strong loans growth at 27.9% YoY driven by auto and mortgage portfolios at 34.2% and 22.5% respectively.

Offset by:

- **Cambodia:** PBT declined 52.0% YoY on intense deposit competition and liquidity pressure which led to slowdown of asset growth.

OUTLOOK AND PRIORITIES FOR 2024

There are positive growth signals for emerging markets and developing economies as global trade improves coupled with declining inflation and easing supply chain pressures. We will further strengthen our leadership across key markets and deliver leading integrated offerings and beyond banking services as part of our customer-centric led model. Harnessing customer insights, we aim to provide bespoke and personalised banking solutions that delight and cater to individual needs. We continue to place utmost importance on creating a secure online environment, fostering public awareness of cybercrimes and implementing robust security measures to provide customers with peace of mind.

In the medium to long term, there will be increased integration of technology into our daily routines as well as rising demand for convenient solutions and sustainable practices. As such, we are diligently laying the groundwork to effectively engage and service our customers' evolving requirements.



Group Global Banking

We offer:

In:

Corporate Banking (CB)	
Transaction Banking (TB)	
Global Markets (GM)	
Investment Banking (MIBG)	
Asset Management (MAMG)	



OPERATING CONTEXT IN 2023

Operating Landscape Impact

- Uncertain global market conditions and tightening monetary policies globally amid a backdrop of continuing geopolitical tensions, successive US Federal funds rate hikes, US banking turmoil and slower than expected post-pandemic economic recovery across Greater China have led to slower global economic growth.
- Growing sustainability awareness and adoption resulting in the need for transition solutions to achieve net-zero emission ambitions or other sustainability milestones.
- Growing customer preference for seamless, convenient and real-time digital platforms.

Material Risks and Opportunities

- Lower loans growth leading to lower net interest income.
- Opportunity to capitalise on shifting supply chains to ASEAN arising from US-China geopolitical tensions.
- Managing liquidity and deposit levels in key markets post rate hikes.
- Growing traction in ESG agenda across ASEAN creating demand for sustainable solutions and products.
- Increasing necessity to adapt to customer preference for digital-first approach in their banking and investment needs.

Our Response

- Prudent management of risks and costs.
- Manage asset quality of our loans portfolio and undertake proactive measures to manage vulnerable accounts.
- Focus on quality loans within ASEAN region.
- Develop client-centric solutions and tailor our risk appetite in client segments, products and solutions to capitalise on risk-adjusted growth opportunities.
- Develop resilient deposit base and manage liquidity levels to ensure sound liquidity position to support asset growth.
- Engage clients along the different phases of their sustainability journeys and identify opportunities such as sustainable financing, products and advisory services including nature-based solutions.
- Intensify investments in digital capabilities within Investment Banking and Transaction Banking to enhance the customer experience.
- Develop digital supply chain offerings to clients on a tactical basis.

Group Global Banking is impacted by all material matters and principal risks. The businesses will leverage all six capitals to shape their respective strategies to address these material matters and manage risks in creating value for the five stakeholder groups.

TOP ACHIEVEMENTS IN 2023

Maintained position as No.1 Wholesale Bank in Malaysia for revenue, loans and deposits amid volatile operating environment.

Maybank Singapore awarded **Bank of the Year by The Banker; Corporate & Investment Bank of the Year – Singapore, and Green Deal of the Year – Singapore** by Asian Banking & Finance (ABF).

Sole Financier and Sustainability Structuring Adviser for **ASEAN's first sustainability-linked Islamic revolving credit facility for the shipping industry totalling USD100.00 million**.

Named **Best Investment Bank and Best Equity Capital Markets House in Malaysia by FinanceAsia** and **Alpha Southeast Asia**, and awarded **Best Institutional Broker** and **Best Retail Broker** in several countries by **Alpha Southeast Asia**.

Awarded **The Asset Triple A Islamic Finance Awards 2023's Sustainability Structuring Adviser and Finance Derivative's Most Sustainable Investment Bank Malaysia 2023**.

Group Global Banking

NOTABLE DEALS

Malaysia

- Dealer, Joint Lead Manager and Joint Bookrunner for Khazanah Nasional Berhad's first-ever rated USD750.00 million five-year Sukuk Wakalah and USD750.00 million 10-year Euro Medium Term Note.
- Joint Principal Adviser, Joint Global Coordinator and Joint Bookrunner for the RM720.00 million primary placement of Pavilion REIT's units, the largest primary placement in 2023 and for MREIT, second largest REIT follow-on offering in Malaysia and Pavilion REIT's inaugural primary placement.
- Sole Mandated Lead Arranger, Underwriter and Bookrunner for TPG's acquisition of a controlling stake in Asia Pacific University group via a Commodity Murabahah term financing-i. The acquisition is backed by a consortium of leading GLIC co-investors in Malaysia.
- Sole Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for DXN Holdings Bhd's RM652.87 million Initial Public Offering (IPO), the largest ever direct selling company IPO in ASEAN and fourth largest Malaysian IPO post pandemic.
- Financial Adviser, Sustainability Structuring Adviser, Mandated Lead Arranger, Original Lender and Sole Hedge Coordinator for Pengerang Independent Terminals Sdn Bhd's SGD330.00 million senior secured sustainability-linked syndicated term loan facility.

International

- Sole Lender for Royal Group's SGD195.03 million Islamic green term financing to part finance the purchase of Ming Arcade and its redevelopment into a hotel.
- Mandated Sole Financier and Sustainability Structuring Adviser for ASEAN's first sustainability-linked Islamic revolving credit facility for the shipping industry with AET Group totalling USD100.00 million.
- Mandated Lead Arranger and Lender for Pertamina's USD3.10 billion project financing for the expansion of the existing Balikpapan refinery in East Kalimantan, Indonesia.
- Lead Arranger for Talent Point Limited's HKD5.96 billion green syndication loan secured by a Grade A commercial property in Hong Kong.
- First green bond by Maybank Securities (Thailand), mandated Joint Lead Arranger for Energy Absolute Public Company Limited's Series 2023-2 Public Offering Green Bond Issuance of THB9,866.00 million.

KEY FOCUS AREAS FOR 2023

CORPORATE BANKING	Stakeholder value:	<ul style="list-style-type: none"> Improve customer-centricity through emphasis on differentiated client segment and industry sector-specific solutions regionally, including ESG solutions and Islamic financing. This will enable us to diversify and balance our loans, and achieve deeper penetration of our customer base. Conserve capital and maintain operational resilience. 	Relevant STs:	Relevant SPs:
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FY2023 Initiatives

- Enhanced client segment strategies across lines of businesses to increase penetration in addressable markets.
- Maybank Singapore entered into strategic partnerships to advance sustainable financing towards our clients' decarbonisation efforts and made progress in extending green and/or Islamic financing.
- Proactively managed our loans portfolio to mitigate potential elevated credit costs.
- Maybank Singapore extended ASEAN's first sustainability-linked Islamic revolving credit facility for the shipping industry.

FY2023 Achievements

- Maintained healthy loans growth across key markets amid uneven economic recovery in ASEAN. Our CB total credit grew 10.5% YoY.
- GGB's sustainable financing increased RM3.57 billion YoY.
- Improved asset quality with the decline in net credit charge-off rate (NCC) from 128 bps in FY2022 to 20 bps in FY2023.

TARGETS BY FY2025

Contribute RM60 billion towards Group's target to mobilise RM80 billion of Sustainable Financing.

Increase penetration and expand share of wallet in mid-market segment.

Double the number of Transaction Banking's regional customers.

Defend leadership position in Malaysia in terms of market share and League Table rankings, while improving our ASEAN League Table rankings.

Grow assets under management (AUM) to be top five in Malaysia.

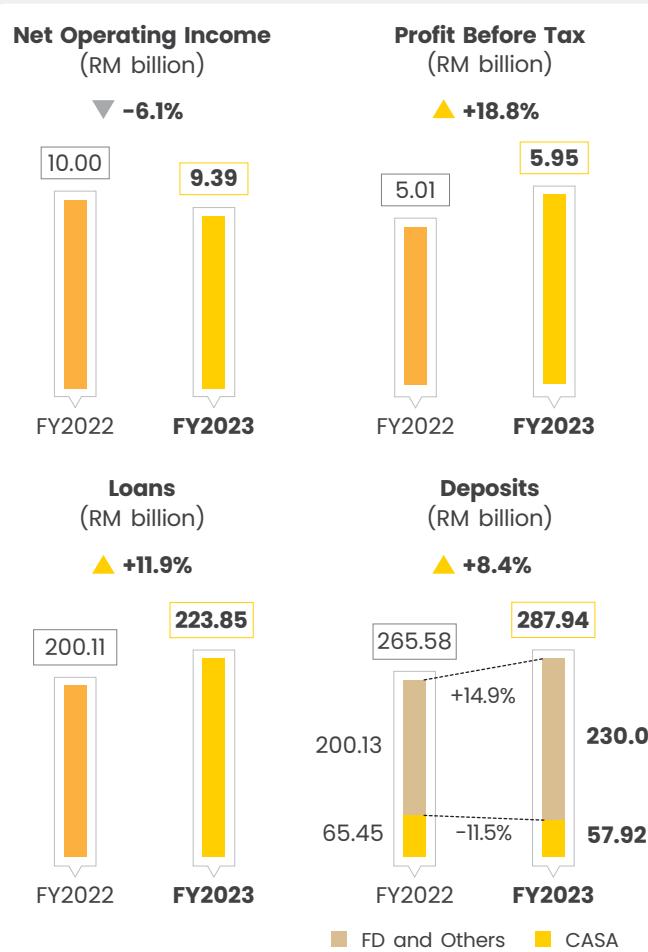


Group Global Banking

TRANSACTION BANKING	Stakeholder value:	<ul style="list-style-type: none"> Build a regional integrated trade and cash platform with digital and beyond banking capabilities. Enhance customer-centricity through digitalisation for corporates to manage their business banking transactions with ease, convenience and security. Expand Islamic offerings through providing Islamic supply chain solutions. 	Relevant STs: ST1 ST2 ST3 ST5	Relevant SPs: SP1 SP2 SP4 SP5
FY2023 Initiatives		FY2023 Achievements		
GLOBAL MARKETS	Stakeholder value:	<ul style="list-style-type: none"> Enhance client solutioning through tailored products (i.e.: sustainability-linked swaps, structured loans, hedge coordination). Expand distribution across client segments and channels across the region to reach out to wider client base and provide better client experience. 	Relevant STs: ST1 ST2 ST3 ST4	Relevant SPs: SP1
<ul style="list-style-type: none"> Focused on cross-sell of products and solutions to existing clients and expand distribution across channels (voice dealing, digital platforms and branches). Focused on nimble trading and liquidity especially for credit trading while building portfolio for long-term capital gains. Participated in Bursa Carbon Exchange's inaugural auction of nature-based offsets. 			<ul style="list-style-type: none"> Defended securities portfolio amid rising interest rates with Global Markets continuing to contribute significantly to GGB's asset position and non-interest income. Awarded the role of sole hedge coordinator in a senior secured sustainability-linked project finance facility. Purchased record-high sustainability bonds amounting to RM1.37 billion, representing an increase of 21.8% YoY. 	
INVESTMENT BANKING	Stakeholder value:	<ul style="list-style-type: none"> Focus on deepening client coverage, delivering differentiated products and advisory as well as leveraging digital tools to improve customer-centricity across the region. Intensify sustainable financing capabilities. 	Relevant STs: ST1 ST2 ST3 ST4	Relevant SPs: SP1 SP9 SP11
<ul style="list-style-type: none"> Leveraged regional platform to identify cross-border opportunities and deepened client penetration covering retail, mid-market and wholesale segments. Delivered differentiated product and advisory via new offerings and capabilities. Launched securities borrowing and lending in Malaysia and structured warrants in Indonesia. Actively engaged clients along their sustainability journeys and identified potential opportunities on the back of infrastructure growth. Rolled out various digital initiatives to improve turnaround time, enhanced UI/UX for mobile applications and enhanced trading experience. 			<ul style="list-style-type: none"> Topped the league tables by ranking #1 in ASEAN ECM and defended leadership across products in Malaysia, including #1 for ECM and #2 for Debt Markets and Investment Banking. Improved brokerage market share in ASEAN as MIBG ranked top five in Malaysia, Indonesia and Philippines. 	
ASSET MANAGEMENT	Stakeholder value:	<ul style="list-style-type: none"> Increase retail and corporate/institutional customers' accessibility and coverage through expansion of retail distribution channels and development of innovative investment solutions. Develop customer-centric investment solutions particularly in Islamic, ESG and alternative assets. Enhance customer experience through digitalisation. 	Relevant STs: ST1 ST2 ST4 ST5	Relevant SPs: SP5 SP9
<ul style="list-style-type: none"> Increased distribution of investment products through CFS network via institutional unit trust adviser or digital channels for retail customers. Made available passive funds and money market funds on digital channels for mass retail segment. MAMG enabled first-time subscription for Amanah Hartanah Bumiputera funds on M2U in July. Developed innovative investment solutions and grew Islamic/ESG-linked funds to cater for growing demand for such funds. MAMG established nine new funds, four of which were Islamic and one was ESG linked. Collaborated with Islamic wealth management and Arabesque AI to launch AI-powered hyper-customised, Shariah-compliant discretionary portfolio. 			<ul style="list-style-type: none"> Newly launched funds, i.e.: Maybank Income Flow-i Fund, Maybank Global Wealth Conservative-I Fund and MAMG Global Dividend Fund, ranked top-selling new funds at no. 1, no. 5 and no. 9 respectively as of December 2023. New ESG fund, Maybank Green Tigers fund, is a qualified Sustainable and Responsible Investment fund. Captured largest market share of new fund launches in Malaysia in 2023 by unit trust management companies. 	

Group Global Banking

REGIONAL FINANCIAL PERFORMANCE



Restated FY2022 comparative NOI and PBT due to change in fund transfer pricing methodology effective 1 January 2023.

KEY PERFORMANCE HIGHLIGHTS FY2023

Group Global Banking's profit before tax (PBT) increased by 18.8% YoY to RM5.95 billion. This was the cumulative result of:

- Net impairment losses for loans and securities improving by 87.5% YoY driven by effective asset quality management.
- Offset by lower net operating income (NOI) of 6.1% YoY and cost growth of 7.8%, resulting in higher cost to income ratio (CIR) of 36.6% from 31.9%.
- NOI declined as net fund based income reduced 9.6% on higher funding costs impacted by rate hikes in 2023 and as non-interest income (NOII) declined 0.7% from lower trading and brokerage income amid a challenging operating environment.

In Malaysia, PBT increased by 5.2% YoY to RM3.19 billion as:

- Net impairment losses improved by 63.7% YoY due to proactive asset quality management.
- Offset by NOI decline of 10.2% YoY and higher overheads of 10.6% YoY.
- NOI reduced due to net fund based income declining 15.4% YoY owing to the impact of rate hikes increasing cost of funds.
- Meanwhile, NOII declined 2.8% YoY from lower trading income in Global Markets amid market volatility.

For international operations, PBT increased by 39.7% to RM2.75 billion from:

- Greater China:** PBT improved 94.7% YoY as net impairment losses reduced. This was partially offset by NOI decreasing 6.7% on higher funding costs.
 - Indonesia:** PBT increased 23.9% YoY as NOI grew 1.6% contributed by NOII.
 - Vietnam:** PBT growth of 20.6% YoY was led by NOI increase of 12.9% on higher net fund based income from share margin financing.
 - Philippines:** PBT growth of 57.9% YoY on reduced net impairment losses.
 - Cambodia:** PBT improved 27.2% YoY mainly driven by net fund based income from higher average deposits balances.
- Offset by:
- Singapore:** PBT reduced 0.9% YoY as NOI declined 16.6% due to rate hikes and unfavourable market conditions impacting the treasury business.

OUTLOOK AND PRIORITIES FOR 2024

As we navigate through the uncertain global market conditions and geopolitical tensions, we remain customer-centric, with a commitment to serve regional clients through a targeted segment and sector-specific approach. In addition, we aim to further deepen our penetration in the mid-market segment. Given growing interest in sustainability and our extensive ESG research and capabilities, we aim to be our clients' leading partner for sustainable solutions and financing that support their journey towards net zero emissions. We are also investing in a regional financial supply chain management, cash management and payments platform to offer convenience, real-time services and beyond banking capabilities to our customers. Our investments include improving our digital platforms through end-to-end straight through processing, integrating ecosystems with AI/ML capabilities and API to enhance customer UI/UX. Asset quality remains a priority as we continue to proactively monitor our loan portfolio to minimise credit costs.



Group Insurance and Takaful

We offer:

Life/Family and General Insurance and Takaful



In:



Life and General Insurance



General Insurance



OPERATING CONTEXT IN 2023

Operating Landscape Impact

- Within the life insurance space, there has been increasing competition with peers launching shorter pay products given muted demand amid market uncertainties from rising global interest rates and a weak ringgit.
- Within the general insurance space, the demand for fire, travel and other products has strengthened while motor protection has softened.
- Several corporate activities with the exit of multinational insurers and other companies jostling for their stakes.
- More financial institutions are incorporating sustainability into their strategy and business approach to create long-term value, along with growing sustainability awareness.

Material Risks and Opportunities

- Demand for shorter-term pay products may be a temporary situation before the economy strengthens further in 2024.
- The return of mobility has seen a surge in travel-related insurance purchases.
- There will be opportunities to engage with the intermediaries of peers that have seen ownership changes.
- There is opportunity to offer ESG products to capitalise on this increasing awareness.

Our Response

- Continued focus on our strategy to promote longer-pay regular premium products that help build win-win relationships with customers.
- Ramped up marketing for our travel offerings while focused on improving our motor business profitability by pursuing the best motor customers.
- Constant evaluation of expansion opportunities either organically or via M&As.
- Strengthened our commitment and branding as a sustainable insurer/takaful operator by becoming the first signatory in Malaysia and second in Singapore to the United Nations (UN)'s Principles for Sustainable Insurance (PSI) under the UN Environment Programme Finance Initiative (UNEP FI). We have expanded our ESG products as elaborated in our Key Focus Areas for 2023.

TOP ACHIEVEMENTS IN 2023



Largest local insurer in Malaysia.



No. 1 bancassurance player in Malaysia with 21.1% market share based on Annualised Premium Equivalent.



No. 1 general takaful player and online general insurance and takaful player in Malaysia with 53.1% market share.



1st insurer in Malaysia to sign the UN PSI, reaffirming our commitment to imbue sustainability in our business decisions.

For the first time, all four Malaysian operating entities won Best company of the year at **The Asset Triple A Insurance and Islamic Finance Awards 2023**, namely Best Takaful Institution – Family, Best Takaful Institution – General, Insurance Company of the Year (Malaysia) – General Insurance and Insurance Company of the Year (Malaysia) – Life Insurance.

Group Insurance and Takaful is impacted by all material matters and principal risks. The businesses will leverage all six capitals to shape their respective strategies to address these material matters and manage risks in creating value for the five stakeholder groups.

Group Insurance and Takaful

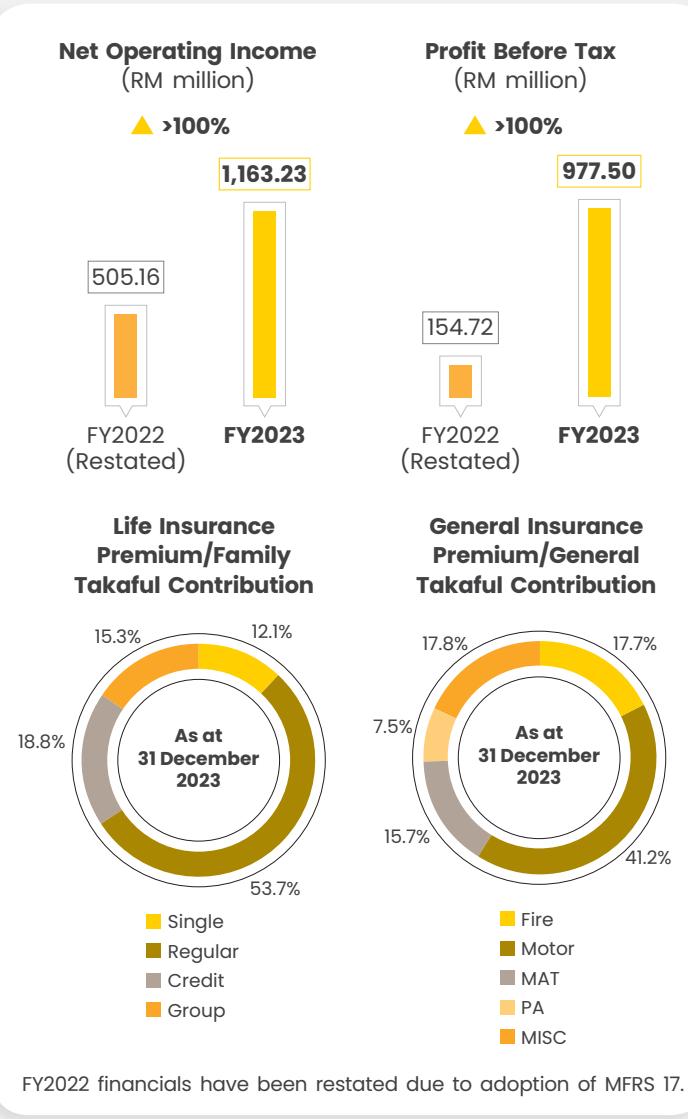
KEY FOCUS AREAS FOR 2023

CONSUMER AND CORPORATES	Stakeholder value:	To provide customers the best advice and solutions to meet their life/family takaful needs throughout their lifecycles while leveraging digital and analytical tools. Also, building partnerships for greater reach and brand presence.	Relevant STs: ST1 ST2 ST3	Relevant SPs: SP6	TARGETS BY FY2025
	FY2023 Initiatives			FY2023 Achievements	
		<ul style="list-style-type: none"> Rollout of Banca EaSE in July, a digital tool for bancassurance intermediaries that combines the customer needs analysis and straight-through processing (STP) sales modules of earlier digital applications so that these intermediaries are equipped with the best tools to service customers. Rollout of Agency EaSE to provide an STP digital tool to agents for improved productivity and ease of services and an agency management dashboard to enable the agency force to provide the best advice to customers. Leverage partnerships with established corporations and brands in Singapore for greater customer penetration. New Singtel partnership allows for Etiqa Singapore products to be offered via SingTel distribution channels. Innovative products include SINGTEL BILL PROTECT, the first complimentary plan enabling Singaporeans to stay connected even under financial duress. 		<ul style="list-style-type: none"> Premiums submitted via Banca EaSE totaled RM523.93 million. Agency EaSE was launched for Etiqa Life Insurance Berhad in January 2023 and Etiqa Family Takaful Berhad in May 2023. Premiums submitted via Agency EaSE totaled RM62.66 million. 	<p>Equip and facilitate our Bancassurance sales force with fully seamless digital tools to elevate customer satisfaction.</p> <p>Increase Etiqa Singapore market share by attracting a larger customer base.</p> <p>Issuance of 71,000 policies for EPF i-Lindung Plus by 2025.</p> <p>Top travel insurer, offering fast and easy sales, claims and services via the Etiqa+ App.</p> <p>Committed to contributing to Maybank's sustainability target of improving the lives of two million households by 2025.</p>
CONSUMER	Stakeholder value:	For motor customers, facilitating better self-service experience and encouraging more conscious driving habits. Also offering fast, easy-to-buy and convenient travel products through digitalisation.	Relevant STs: ST1 ST2 ST4	Relevant SPs: SP6	
		<ul style="list-style-type: none"> Continuation of the Drive Less Save More (DLSM) initiative to reward motorists to reduce emissions, with a total rebate of RM5.58 million paid during the year. Launched easy self-service One Click Renewal for motor protection on the Etiqa+ App. Enhancement of All Things Auto (ATA) assistance within Etiqa+ App to allow motor customers to track the location of their tow truck and service providers when request is made in app. Automatic flight delay claims payment made to customers should a customer's flight be delayed, using data from a third-party flight stats provider. 		<ul style="list-style-type: none"> Over RM30.00 million premiums generated via One Click Renewal on the app. 56.8% of service providers arrived at auto assist locations within 45 minutes, and 38.1% within 30 minutes. Over 1,000 automatic flight delay claims processed from its launch on 1 March 2023. 	
CONSUMER	Stakeholder value:	Promote inclusivity through microinsurance for greater protection by making insurance and takaful products more affordable.	Relevant STs: ST1 ST2 ST4	Relevant SPs: SP6	
		<ul style="list-style-type: none"> Pilot partner of EPF i-Lindung Plus scheme allowing EPF members to withdraw from their pension savings to purchase insurance. Pilot partner of RAHMAH insurance/takaful providing affordable coverage to the lower income group in Malaysia. Launched Asuransi Proteksi PAS in Indonesia, a personal accident insurance which provides compensation for dependants listed in the policy in the event of death of the insured customer due to an accident. 		<ul style="list-style-type: none"> Over 45,000 subscriptions for EPF i-Lindung Plus amounting to over RM4.30 million over Phase 1 and Phase 2, comprising both insurance and takaful policies. RAHMAH Personal Accident garnered a total of RM123,913 in insurance and takaful premiums benefitting 2,755 customers since its launch in 2023. Over 29,000 beneficiaries covered under Asuransi Proteksi PAS generating a total of IDRI.43 billion during the year. 	
CONSUMER AND CORPORATES	Stakeholder value:	Fulfilling customers' needs for sustainable offerings while supporting broader environmental and community outcomes.	Relevant STs: ST1 ST4	Relevant SPs: SP9	
		<ul style="list-style-type: none"> Introduced Premier Global Sustainable Equity Fund (PGSEF), Etiqa's first ESG fund that is tied to investment-linked insurance products. The fund is designed to deliver performance through investments in companies whose activities are linked to sustainable investment themes over the medium to long term. Rolled out Electric Vehicle (EV) Home Charger with motor insurance/takaful protection, a first in Malaysia. Launched the bespoke TESLA Ensure, offering Tesla owners in Malaysia EV portable charging cable coverage, as well as allowance for total loss and theft; personal accident coverage; and flood relief allowance, among other perks. Introduced i-Care OKU, the first online takaful protection for persons with visual, hearing, speech and/or physical disabilities. Launched Malaysia's first Solar Energy Shortfall Insurance aimed at compensating insured solar farm operators for losses arising from energy production shortfalls due to reduced irradiation. 		<ul style="list-style-type: none"> PGSEF's net asset value stood at RM157.41 million as at 31 December 2023. EV Home Charger with Motor Insurance/Takaful's value stood at RM5.90 million as at 31 December 2023. 1,253 TESLA Ensure policies/certificates were issued, generating RM3.92 million in gross premium/contribution. 25 certificates were issued for i-Care OKU, valued at RM5,062. 	



Group Insurance and Takaful

REGIONAL FINANCIAL PERFORMANCE



KEY PERFORMANCE HIGHLIGHTS FY2023

Group Insurance and Takaful's PBT improved by >100.0% YoY to RM977.50 million, resulting from:

- Growth in net investment income driven by realised and unrealised gains from the fixed income portfolio following the drop in bond yields during the year.
- 3.6% growth to RM11.48 billion in combined gross premiums/contributions driven by strong double-digit growth in general business, though moderated by lower single premium sales due to a deliberate shift in focus towards longer-term sustainable solutions with higher margins. Net adjusted premiums/contributions increased 10.0% to RM6.84 billion contributed mainly by the strong growth in regular premium new business products.
- 16.0% increase to RM4.96 billion in general insurance and takaful premiums/contributions supported by growth in all classes.
- Offset by 4.2% contraction to RM6.52 billion in life insurance and family takaful premiums/contributions mainly due to lower single premiums.
- Total assets increased 18.5% YoY to RM58.81 billion from RM49.65 billion in FY2022.

In Malaysia, PBT grew by 38.7% YoY to RM1.08 billion arising from:

- Increased net investment income due to fair value gain from the fixed income portfolio following the drop in bond yields.
- 15.0% growth to RM8.65 billion in combined gross premiums/contributions supported by an increase in single premiums from life business. However, lower insurance/takaful service results due to higher claims.
- 14.7% growth in general insurance and takaful business driven by production from all classes of business.
- 15.3% growth in life insurance and family takaful premiums/contributions from higher single premiums and credit business.
- New business value of life insurance and family takaful business grew 29.1% to RM182.28 million from RM141.24 million.

For international operations, loss before taxation (LBT) reduced from RM620.94 million to RM98.04 million due to:

- 91.6% reduction in Singapore LBT from RM618.26 million to RM51.85 million. In FY2022, Singapore's life business was affected by impairment losses on provisions for China bonds, negative impact from yield movement as well as losses due to high surrenders of single Mini Universal Life products. However, gross premiums from Singapore reduced 29.0% to RM2.06 billion mainly due to lower single premiums.
- Indonesia recorded a reduced LBT of RM10.65 million compared to RM13.23 million in FY2022 due to the release of premium reserve and higher investment income combined with a 3.2% growth in gross premiums to RM206.48 million.
- Offset by Philippines' LBT of RM24.91 million as underwriting profit was driven down by higher claims, particularly in health insurance although gross premiums grew 21.1% to RM562.55 million.
- Cambodia's LBT increased to RM10.63 million from RM10.05 million as the underwriting deficit expanded although gross premiums grew 42.0% to RM22.00 million from RM15.50 million in FY2022.

OUTLOOK AND PRIORITIES FOR 2024

Based on Malaysia's Budget 2024, the National Energy Transition Roadmap and New Industrial Master Plan 2030, there are many opportunities for the general insurance business in identified growth areas. These include the expansion of renewable energy (RE) projects, strengthening of the electricity transmission network, provision of data centres leveraging RE and the promotion of Malaysia as an EV hub. As the leading corporate insurer in Malaysia with an indicative 30.0% market share, Etiqa is well positioned to tap into this renewed optimism in corporate Malaysia. We will also leverage our leadership in motor takaful to provide the protection needs of Tesla and Pronet vehicles as they roll out their EV cars. Finally, consolidation of the insurance industry in Malaysia may see increased competition for market share in the short term.

In the medium term, digital insurance and takaful operators may enter the Malaysian insurance space by 2026. In preparation for new competition, Etiqa will strengthen our digital offerings. Meanwhile, over the longer run, we are stepping up efforts to standardise our digital platform across ASEAN to ensure the ability to offer the best products and services across the region.

Group Islamic Banking

We offer:

Personal Banking,
Non-Retail Banking

In:



Non-Retail Banking



Dubai International
Finance Centre



OPERATING CONTEXT IN 2023

Operating Landscape Impact

- Growing demand for hyper-personalised Islamic financial solutions that meet customers' beyond banking needs and growth of the global halal economy, fuelled by an expanding global Muslim population and ethical consumers.
- Increasing customer demand for superior banking experience as well as sustainable and responsible products and services.

Material Risks and Opportunities

- Identified a huge untapped market for Islamic wealth management (IWM) which is currently underserved.
- Increased traction in Islamic financial solutions, strong government support and matured infrastructure are among the contributing factors that encourages innovation in halal financing.
- Consumer preference for digital solutions continues to gain momentum. Also, consumers' growing emphasis on responsible, sustainable and value-based practices, which are aligned with Islamic principles. At the same time, customers are wary of greenwashing.

Our Response

- Strengthened our capabilities across the five pillars of IWM (creation, accumulation, preservation, purification, distribution) in our home markets.
- Established the global Islamic wealth management (GIWM) hub in Singapore in November 2023 to serve offshore clients from ASEAN, the Gulf and UK, among other international markets.
- Launched the Halal Assurance System (repository system for halal-certified companies) and an in-house consultation service, Halal Facilitation.
- Leveraged Maybank2u and MAE to widen the reach and accessibility of our Shariah-compliant solutions for all segments (banking transactions, investments, financing).
- Introduced initiatives to be a values-based Islamic financial intermediary guided by Shariah principles.
- Rolled out sustainable Islamic solutions for consumers, as well as sustainable and transition financing solutions for our business customers.

Group Islamic Banking is impacted by all material matters and principal risks. The businesses will leverage all six capitals to shape their respective strategies to address these material matters and manage risks in creating value for the five stakeholder groups.

TOP ACHIEVEMENTS IN 2023

Retained the **Islamic Bank of The Year in Asia Pacific** and **Malaysia** awards in the Triple A Islamic Finance Awards for the 10th consecutive year.



Launched GIWM hub in Singapore, the first Islamic bank to provide onshore and offshore IWM solutions for sophisticated premier and private banking customers in Malaysia, Singapore and Indonesia.



Launched EzyWasiat in Malaysia – an innovative way of writing wasiat in 30 minutes.



Maybank's first value-based banking offering, myimpact credit cards, based on Shariah principles. It is also Malaysia's first credit card product incorporating carbon footprint tracking and carbon offsetting solution.



First bank in Malaysia to introduce digital zakat auto debit for Shariah-compliant deposits and investment accounts.





Group Islamic Banking

KEY FOCUS AREAS FOR 2023

CONSUMER	Stakeholder value:	Preferred Islamic banking partner through customers' life journeys by providing a comprehensive cradle to grave suite of solutions across the five IWM pillars, while being a leader in global IWM.	Relevant STs: ST1 ST3 ST4	Relevant SPs: SP5 SP7 SP8	TARGETS BY FY2025
FY2023 Initiatives		<ul style="list-style-type: none"> Launched Islamic digital solutions to cater to consumers' life journeys, based on the purification and distribution pillars of IWM: <ul style="list-style-type: none"> EzQurban: Simplifying spiritual fulfilment by providing seamless qurban services via third-party digital collaboration. EzyWasiat: Digital wasiat (will) writing service encompassing Shariah and faraid (Islamic inheritance) principles. Zakat Auto Debit: Simplifying the fulfilment of zakat obligations for Shariah-compliant deposits and investment accounts via MAE app and Maybank2u. Launched GIWM hub in Singapore to serve offshore Shariah wealth management customers from Indonesia, Malaysia and Gulf Cooperation Council Countries by offering end-to-end solutions through customers' different life stages. Launched Shariah Wealth Management (SWM) in Indonesia in September 2023, the first solution in the market to cover all five IWM pillars made available to premier and privilege customers across five regions (Jabodetabek, Bandung, Semarang, Surabaya, Medan). 		<p>FY2023 Achievements</p> <ul style="list-style-type: none"> GIWM investment AUM recorded 19.0% YoY growth to RM9.32 billion (USD2.02 billion). Applications for EzQurban amounted to 43.0% of target sign-ups for the year. EzyWasiat helped boost overall wasiat business in Maybank by a 39.7% increase in sign ups. First bank in Singapore to offer end-to-end IWM solutions for customers' different life stages. SWM fee based income composition increased to 21.3% from 14.0% in 2022 against our fee based income for the wealth management business. 	<p>GIWM investment target AUM of USD4.40 billion by 2025 covering Malaysia, Singapore and Indonesia.</p> <p>Significant contributor towards Group's Sustainability Commitments 1 and 2.</p> <p>Maybank halal economy financing and deposits to grow by a CAGR of 37.0% and 20.0% respectively, with Islamic finance penetration of 75.0% and to onboard 100 export-ready halal players by 2025.</p> <p>Rollout and scale up of myimpact solutions across Malaysia, Singapore, Indonesia and opportunistic international markets.</p> <p>Investment accounts AUM to reach RM50.00 billion by 2025.</p>
NON-RETAIL (RSME, SME+ AND BB)	Stakeholder value:	Connecting and elevating the halal ecosystem through a digital values-driven platform that provides a seamless and customer-centric journey in obtaining halal certification. Also, supports business growth via Islamic supply chain solutions that fulfil the needs of principal customers as well as their suppliers and buyers.	Relevant STs: ST1 ST2 ST5	Relevant SPs: SP2 SP4 SP5 SP7	
		<ul style="list-style-type: none"> Launched the Halal Assurance System (repository for halal-certified companies) and an in-house consultation service, Halal Facilitation, to serve halal players and promote the halal economy. Launched Digital Supplier Financing Program-i in September 2023 to facilitate financing access for suppliers in the halal ecosystem and promote business growth abroad. This is to be achieved through engaging principal customers as the primary relationship holders, instead of with their respective suppliers. 		<ul style="list-style-type: none"> Maybank halal economy financing grew by 29.4% from RM5.57 billion in 2022. Income uplift of RM25.41 million via Halal4wards, a Shariah-compliant financial solution that bundles product solutions for SME and Business Banking customers within targeted halal sectors. Guided 19 companies with six successfully obtaining halal certification, versus 2023 target of 30 companies. 33 users onboarded onto Halal Assurance System surpassing 2023 target of 30 users. 	

Group Islamic Banking

CONSUMER AND NON-RETAIL (RSME, SME+ AND BB)

Stakeholder value:

To drive sustainable Islamic initiatives aligned with Islamic finance principles and the Group's sustainability agenda, while embedding myimpact principles in Maybank's offerings as a strategic differentiator to drive value for the Group.

Relevant STs:
ST4

Relevant SPs:
SP9

FY2023 Initiatives

- Introduced myimpact as part of the Group's sustainability agenda under the fourth M25+ strategic thrust: Drive Leadership in Sustainability Agenda. The initiative encompasses value-based banking, the realisation of economic value through fair, transparent, inclusive and sustainable banking practices across its products and business operations.
- Launched myimpact Ikhwan Mastercard Platinum Credit Card-i, a first-in-the-market to feature a built-in carbon footprint calculator to measure carbon emissions impact of transactions, offering rewards for sustainable lifestyle and eco-purchases, and allowing for carbon offsets through various reforestation activities in the region.
- Capacity and culture building for myimpact to enhance the application of myimpact principles and practices in business decisions and promote a sustainable culture among Maybankers across geographies.

FY2023 Achievements

- Maybank Islamic sustainable finance in Malaysia more than doubled to RM14.00 billion in 2023.
- Maybank Islamic has impacted more than 12,000 households contributing towards the Group's commitment of improving the lives of two million households across ASEAN by 2025.
- myimpact e-learning was one of the learning tools rolled out as part of the myimpact@scale, which reached over 23,000 Maybankers Group-wide.
- Approved 6,669 myimpact credit cards, of which 2,325 are myimpact Ikhwan Mastercard Platinum Credit Card-i.

CONSUMER AND NON-RETAIL (RSME, SME+ AND BB)

Stakeholder value:

A differentiated value proposition for our customers through unique solutions that meet their life/business needs at different stages while remaining true to the Group's mission of Humanising Financial Services in line with our aspiration to be a global Islamic banking leader.

Relevant STs:
ST3 ST4 ST5

Relevant SPs:
SP5 SP9

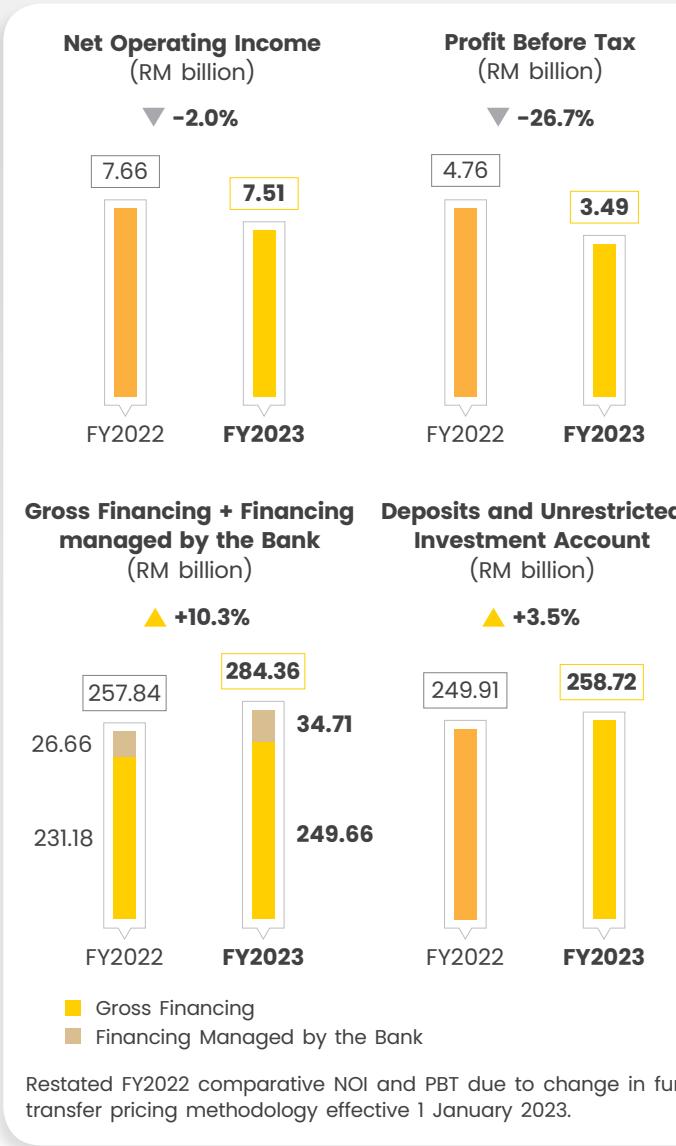
- Introduced a new bespoke term-fund for non-retail clients. Additionally, collaborated with Maybank Asset Management Group to enable corporate customers to invest in Maybank Islamic's first wakalah based term-fund, GIA Plus, an investment account-backed wholesale fund.

- Achieved AUM of RM250.00 million in 2023 after launching GIA Plus.
- Retained over 42.0% (RM27.35 billion) market share of total AUM of Unrestricted Investment Accounts (IA) in Malaysia.



Group Islamic Banking

REGIONAL FINANCIAL PERFORMANCE



KEY PERFORMANCE HIGHLIGHTS FY2023

Maybank Group Islamic Banking's PBT declined by 26.7% YoY to RM3.49 billion on lower net operating income (NOI), higher overheads and net impairment provisions:

- NOI decreased by 2.0% to RM7.51 billion from lower net fund based income (NFBI) arising from higher funding cost given the rising interest rate environment.
- Overheads increased 26.0% mainly from Maybank Islamic Berhad (MIB) due to higher shared services cost, resulting in cost to income ratio (CIR) increasing to 39.3% from 30.5%.
- Asset quality and impairments are proactively managed by taking a forward looking view. This resulted in impairment provisions increasing 91.6% due to higher expected credit losses for the retail portfolio coupled with higher management overlay applied in key markets such as Malaysia and Singapore.
- Meanwhile, total gross financing and financing managed by the Bank grew by 10.3% driven by 9.2% in Malaysia, 40.2% in Singapore and 20.5% in Indonesia. Deposits and unrestricted Investment Accounts (UA) grew by 3.5%, driven by 68.7% growth in Singapore.
- The decline in NOI was offset by an increase of 60.7% in non-fund based income (NoFBI) mainly from higher foreign exchange (forex) gain and sale of securities. NoFBI ratio stood at 19.7%, up from 12.0% the year before.

In Malaysia, PBT declined by 30.2% YoY to RM3.17 billion on lower NOI, higher overheads and net impairment provisions:

- NOI decreased by 3.7% as MIB's NFBI contracted by 12.5% while funding cost increased in a rising interest rate environment although financing assets grew.
- Overheads increased 26.7% in Malaysia, resulting in CIR increasing to 39.9% from 30.3% while net impairment provisions increased by >100% mainly for SME and corporate borrowers.
- MIB's gross financing and financing managed by the Bank increased 9.2% led by mortgage, auto, term and trade financing, while deposits and UA grew by 1.1%.
- The decline in NOI was offset partially by an increase of 61.1% in NoFBI from higher forex gains and sale of securities.

For international operations, PBT improved by 45.3% YoY to RM320.59 million as:

- Singapore's PBT rose 51.7% YoY on higher NOI despite an increase in net impairment provisions. NOI grew 68.5% driven by higher NFBI of 79.6% as financing assets grew 40.2% led by CFS' retail SME and Commercial Banking portfolios while concerted effort was made to grow affordable deposits such as retail low-cost CASA and cheaper term deposits.
- Indonesia's Unit Usaha Syariah (UUS) recorded a PBT growth of 44.1% despite increased overheads as net impairment provisions was lower. Although UUS's NFBI decreased 3.4%, its NOI increased 0.7% driven by an increase in NoFBI by 40.6% from higher takaful commissions and sales gain of government bonds.
- Overall, PPOP from international operations increased by 18.1%.

OUTLOOK AND PRIORITIES FOR 2024

Global economic growth in 2024 is expected to moderate due to the tight monetary policy environment, ongoing geopolitical tensions, and China's modest economic recovery. Nevertheless, the Islamic finance industry is projected to grow around 10.0% in 2024, with market share expanding in key markets of Malaysia and Indonesia. Growth in 2024 will be driven largely by core markets in ASEAN and the Middle East, supported by robust demand for Islamic financial products and services.

Alignment between Islamic financial values and sustainability practices is expected to benefit industry growth due to investor demand, accelerating support for the global energy transition, and Islamic countries seeking to reduce their carbon footprints. Islamic wealth management, digital banking, the halal economy and sustainability continue to be strategic priorities as we build our global leadership in Islamic finance.

Sustainability Statement

OUR APPROACH TO SUSTAINABILITY

To foster long-term sustainable growth within Maybank, sustainability has been embedded as a strategic thrust under the M25+ plan. Our mission of Humanising Financial Services underpins an aspiration to drive change by generating meaningful impacts and delivering value across the six capitals, propelled by our sustainability strategy.

In our sustainability journey, we have steadily incorporated ESG considerations into our strategic business decisions and practices. Our sustainability journey has embraced a pragmatic approach, involving a thorough review and adjusting aspects such as industry positions, risk acceptance criteria (RACs), frameworks and policies. The progress so far demonstrates our commitment to meeting diverse stakeholder expectations while steadfastly pursuing our mission to humanise financial services and contribute to the transition to a net zero future.

How to read this statement:

It provides an overview of Maybank Group's FY2023 sustainability progress towards achieving our four long-term commitments.

These commitments are aligned with our sustainability goals and address identified material matters for the year (refer to pages 36 to 43 of this report).

Statement to be read in tandem with our Sustainability Report 2023 for greater understanding of our sustainability strategy and economic, social and governance impacts together with our first standalone Environmental Report that showcases our environmental performance, including climate change.



Download reports at
www.maybank.com/ar
and www.maybank.com/en/sustainability



LEADERSHIP FOR A SUSTAINABLE FUTURE

In our pursuit to become the regional sustainability leader, we aspire to create significant positive impact by promoting the mobilisation of capital towards sustainable development. Our efforts will be channelled into sustainable finance, the transition to low-carbon economy and enhanced community well-being through financial inclusion and community empowerment initiatives. In FY2023, we strengthened our decarbonisation journey and engaged actively with the industry on thought leadership, as well as with our customers on their transition pathways. We continued to walk the talk by upskilling our talent and building capacity in sustainability.

OUR SUSTAINABILITY STRATEGY

Maybank has developed four holistic sustainability commitments, which are anchored on three robust pillars. As one of the strategic thrusts within M25+, these commitments also serve as our key focus areas aimed at driving our leadership position in the sustainability agenda. The four commitments are ingrained in our corporate culture and are reflected in our multifaceted approach to environmental, social and governance (ESG) initiatives.

SUSTAINABILITY COMMITMENTS

Commitment 1:

Mobilising RM80 billion in sustainable finance by 2025

Commitment 2:

Improving the lives of two million households across ASEAN by 2025

Commitment 3:

Achieving a carbon neutral position of our own emissions by 2030 and net zero carbon equivalent position by 2050

Commitment 4:

Achieving one million hours per annum on sustainability and delivering one thousand significant UN SDG-related outcomes by 2025

SUSTAINABILITY PILLARS

Responsible Transition:

Enabling the transition to a low-carbon economy by balancing environmental and social imperatives with our stakeholders' expectations

Enabling our communities:

Building community resilience across ASEAN and undertaking responsive action to promote economic development and social well-being

Our house is in order and we walk the talk:

Leading by example with good management practices and ensuring that Maybank's ESG strategy is based on a strong foundation

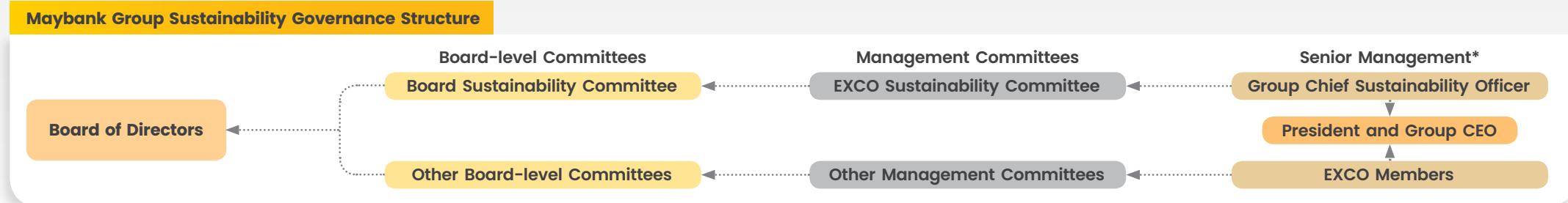
Sustainability Leader in SEA by 2025



Sustainability Statement

SUSTAINABILITY GOVERNANCE

Sustainability governance drives the full integration of our sustainability agenda within the business. Adopting a tone-from-the-top approach, sustainability at Maybank is led by our Board of Directors (the Board), the Group's highest governing body, through Board-level committees that have oversight of specific sustainability-related matters. The Board is supported by the Board Sustainability Committee (BSC), the EXCO Sustainability Committee (ESC) and our Group Chief Sustainability Officer (GCSO).



* Senior Management refers to Executive Management

For more on our sustainability governance process, roles and responsibilities, please refer to pages 6 to 10 of the Environmental Report 2023 and www.maybank.com/sustainability. For more on our corporate governance practices, refer to the Corporate Governance Overview Statement on pages 126 to 136 and our Corporate Governance Report available on www.maybank.com/ar

Advancing Our Commitments in 2023

Developed **Client Engagement Guidebook** for relationship managers to have meaningful ESG-related engagements with clients, build forward-looking strategic and operational thinking capabilities, and curate bespoke solutions.

Positively impacting communities we serve across **ASEAN via Financial Inclusion and Empowerment**; touching over 1,369,729 households since 2021.

The first Malaysian bank to launch a Transition Finance Framework (TFF) – **a first-of-its-kind framework in ASEAN** which outlines a principled and pragmatic approach to classifying and recognising credible transition finance solutions.

Established the **Maybank Group Human Rights Policy** which affirms our stand on protection of human rights as outlined by the UNGP.

Only Malaysian company to be included in **TIME's World's Best Companies 2023** comprising 750 companies, with a sustainability ranking of 374 and the only Malaysian bank to attain a "B" score for CDP climate change. **Also rated "very low risk"** by RAM Sustainability's RIESGo® ESG.

Supporting Sustainable Development Objectives

Part of Maybank's M25+ strategic thrust is to enhance our leadership position in sustainability by preserving the environment and providing comprehensive support to the communities in the regions we are active in. In pursuit of this, we identified the UN SDGs that are aligned with our core capabilities, allowing us to make meaningful contributions to their respective targets.

KEY FOCUS AREAS FOR 2023



SUPPORTING FINANCING RELATED TO GREEN, SOCIAL AND TRANSITION INITIATIVES

Related Capitals:

FC SRC NC

Mobilising Sustainable Finance



- We developed a sector-agnostic **Client Engagement Guidebook** to support client-facing employees in having more meaningful dialogues with large and medium corporate clients about their decarbonisation strategies and to better understand how the Bank can support their respective journeys.
- We enhanced the **Sustainable Product Framework (SPF)*** to align with the latest principles and standards of the International Capital Markets Association's Climate Transition Finance Handbook, and updated the eligibility of business activities according to current best practices.
- * The SPF can be downloaded from <https://www.maybank.com/iwov-resources/documents/pdf/annual-report/2023/Maybank-Group-Sustainable-Product-Framework-2023.pdf>
- We also launched the **Maybank Group Climate Risk Policy** outlining our approach to managing the climate risk exposure of the Group's business activities and operations.

Renewable Energy



- Issued green and sustainable bonds totaling over RM1 billion, covering the development of a large scale solar photovoltaics plant and hydroelectric projects, contributing to climate mitigation efforts.

Green Buildings and Homes



- Driving the growth of certified green buildings in Malaysia and Singapore, with total green building financing of RM616.27 million to date.
- Through Maybank solar financing, we have facilitated the installation of solar panel systems worth RM18.12 million in financing for Malaysian residential properties.

Sustainability Statement



SUPPORTING FINANCING RELATED TO GREEN, SOCIAL AND TRANSITION INITIATIVES (Cont'd)

Related Capitals:

Clean Transportation

- We are helping to accelerate the adoption of electric vehicles (EV) and hybrid vehicles via the disbursement of RM1.39 billion in financing across Malaysia, Singapore, Indonesia and the Philippines. In Malaysia, we provide integrated financing solutions for EV and hybrid cars, in addition to being a key EV financier for Tesla. We are also the first in the country to provide financing for EV charging infrastructure, supporting the National Energy Policy 2022-2040 target of growing the EV market share to 38% by 2040.

Affordable Basic Services or Infrastructure

- Mobilised over RM4.31 billion in affordable home loans, increasing home ownership for individuals and families, including low-income households in Malaysia, with 512 households in the Philippines reaping the benefits.

Sustainable Investment

- We launched the MAMG Green Tigers Fund, a qualified Sustainable and Responsible Investment (SRI) that invests into BNP Paribas Funds Green Tigers (the Target Fund). The Target Fund aims to obtain long-term sustainable returns by investing in Asia Pacific-based companies that are delivering solutions to environmental challenges.
- We launched Maybank Enhanced ESG Research, which incorporates ESG-integrated risk analysis to enable better investment decisions.

Managing Energy Transition

- We executed landmark sustainability-linked transactions in the hard-to-abate oil and gas sector, including a SGD330.0 million sustainability linked loan to Pengerang Independent Terminals Sdn Bhd, Maybank's first sustainability-linked project financing transaction.

Sustainable Finance Mobilised

**FY2023:
RM34.11
billion**



FY2022: RM20.69 billion

FY2025 Target: RM80 billion



EMPOWERING BUSINESSES AND COMMUNITIES BY DRIVING FINANCIAL INCLUSION, PROMOTING FINANCIAL LITERACY AND ENHANCING SOCIAL WELL-BEING

Related Capitals:

Financial Inclusion and Literacy

- In 2023, our ongoing financial literacy initiatives benefited 3,343 SMEs across Malaysia, Singapore and the Philippines.
- We extended financing assistance and repayment assistance to 18,301 SMEs (MSMEs, RSMEs and SMEs) and individuals who require financial support and relief due to economic distress and loss of sales, across Malaysia, Indonesia, Singapore and Cambodia.
- We provided access to mortgage and automobile financing to 196,740 low-income customers across Malaysia, Indonesia and the Philippines.
- We provided affordable and accessible micro-insurance and takaful products as well as community empowerment programmes to 190,330 beneficiaries from the B40 category and equivalent groups across the region. In Malaysia, Etiqa launched lower-cost conventional and takaful products in support of the Ministry of Domestic Trade and Cost of Living's RAHMAH initiatives. These affordable plans will help encourage more Malaysians, especially those in the B40 category, to obtain insurance or takaful coverage.

Zakat Programmes

- In 2023, our zakat initiatives supported by Maybank Islamic and Etiqa takaful, positively impacted 50,605 beneficiaries. Our programmes cover aspects of education, entrepreneurship and community targeting asnafs, women and underprivileged students.

Maybank Foundation Programmes

Community Empowerment

- Through R.I.S.E., we continued to support persons with disabilities (PWDs) and marginalised communities. In 2023, we trained 10,276 participants to grow their income and become financially independent.
- In 2023, 569 farmers and 205 weavers received support and training under our Eco-Weavers programme, which empowers women weavers across ASEAN.
- Through eMpowering Youths Across ASEAN, we worked with 25 civil society organisations, impacting 60,562 individuals regionally to date.
- We launched 10 campaigns, raising over RM410,000 and impacting over 3,800 lives while onboarding four new NGOs as part of the MaybankHeart crowdfunding platform.

Education

- In 2023, 69 deserving Malaysian students from lower-income families were awarded full scholarships under the **Maybank Group Scholarship** programme to pursue undergraduate studies at top local and foreign universities.
- A total of eight scholarships have been awarded since 2022 under the prestigious **ASEAN-Maybank Scholarship programme** providing students from ASEAN the opportunity to pursue undergraduate studies in top-tier universities within the region.

Household Lives Improved

**FY2023:
498,529
households***



FY2022: 368,441 households

FY2025 Target: Two million households

* UN Global Compact Network Malaysia & Brunei has provided an independent Second Party Opinion on the approach and process that Maybank has undertaken in reporting Commitment 2



Sustainability Statement



MANAGING DIRECT AND INDIRECT EMISSIONS OF OUR OPERATIONS AND BUSINESS ACTIVITIES

Related Capitals: MC NC

Managing Our Own Operations Scopes 1 and 2 GHG Emissions



- Our total absolute GHG emissions of Scopes 1 and 2 in 2023 was 62,761 tCO₂e, compared to the assured 2019 baseline of 151,091 tCO₂e. This was achieved through the acquisition of Malaysia Renewable Energy Certificates (mREC), participation in the carbon credit market through Bursa Carbon Exchange, supporting employees with hybrid cars initiative; pursuing Green Building Index for selected buildings; and the following energy efficiency initiatives across our premises:
 - 697 premises across the regions have completed the exercise of switching to LED lighting and 51 premises are in progress.
 - 471 premises in all regions completed installing LED signage with ongoing work in 30 premises.
 - Upgraded 228 premises across the Group by installing inverter based AC units.
 - Completed solar panels installation at nine premises in Malaysia and Singapore, with 27 premises currently undergoing assessment for installation.

Managing Scope 3 Financed Emissions



- Launched Emissions Calculator to increase carbon footprint awareness and collaborate with clients in accelerating their journey towards net zero emissions.
- In 2023, our total financed emissions excluding the impact of the new seventh asset class declined by 4.53% against 2022 while our overall emissions intensity was 44.3 tCO₂e/RM million (including Land Use, Land-Use Change and Forestry (LULUCF)).

Carbon Neutral Position

FY2023:
49%



Reduction in Scopes 1 and 2 emissions (against 2019 baseline*) achieved through implemented initiatives

* 2019 baseline has been assured and restated



STRENGTHENING STAKEHOLDER RELATIONSHIPS, SUSTAINABILITY MINDSET AND GOVERNANCE

Related Capitals: MC SRC NC

Inculcating a Sustainability Culture



- We intensified our sustainability initiatives via the inaugural Maybank Group Sustainability Week (MGSW). We seek to inspire employees to live sustainability at work and beyond through this event that had various sustainability-related activations.
- Under the Sustainability Capability Building programme, we continued upskilling our employees through face-to-face training, e-learning, external webinars, and certification programmes through various channels such as online learning platforms, Green Lab initiatives, and the MaybankCares Sustainability Platform. In 2023, 33,286 unique learners with approximately 86,023 hours and 65,931 learning engagements have been recorded Group-wide.
- Collaborated with the UN Global Compact Network Malaysia & Brunei to develop the Maybank Sustainability Professional Certification Programme to build capacity and offer credibility to individuals with specific sustainability knowledge.
- Our Urban Farming Programme, a key component of the FutureReady skills curriculum, has successfully trained over 4,400 Maybankers across a variety of farming modules, empowering them to equip marginalised communities with the skills to tackle the issue of food scarcity. Maybank Islamic, through zakat allocations, has established farms in selected communities to enhance their farming skills and bolster incomes through the sale of surplus produce.

Transparency and Governance



- We established the Maybank Group Human Rights Policy which defines our commitment to upholding our responsibility as a corporation to respect human rights as outlined in the United Nations Guiding Principles on Business and Human Rights 2011 (UNGPs).
- We introduced the supplier ESG engagement in 2023 to support suppliers that require improvement in their ESG journey as part of our ambition to integrate sustainability within the supply chain.

Fostering Diversity, Equity and Inclusion (DEI)



- We launched the Maybank Group Dignity Policy as an extension of the Group's Diversity, Equity and Inclusion Policy as well as the Bank's Code of Ethics and Conduct. The policy reiterates that any form of discrimination, bullying, bias or harassment will not be tolerated, condoned or ignored. Other measures to promote DEI in the workplace include the launch of our Work Placement Programme to train talents with disabilities with employability skills which saw nearly 100 trainees participating in 2023.

Sustainability Hours Achieved

FY2023:
1,937,632 hours*



FY2022: 1,563,720 hours

FY2025 Target: One million
sustainability hours p.a

* UN Global Compact Network Malaysia & Brunei has provided an independent Second Party Opinion on the approach and process that Maybank has undertaken in reporting Commitment 4

Sustainability Statement

CLIMATE-RELATED FINANCIAL DISCLOSURES

Starting with a commitment to enhance transparency regarding our approach to climate change, this section provides an overview of the Group's progress in TCFD-aligned climate reporting. For comprehensive disclosures, refer to the Environmental Report 2023.

Pillar ► GOVERNANCE	The company's governance around climate-related risks and opportunities.	
Recommendations	Summary	
Board's oversight of climate-related risks and opportunities.	<ul style="list-style-type: none"> The Board reviews and approves our sustainability strategy, focusing on ESG aspects. The BSC oversees and endorses the overall sustainability strategy and monitors its execution. This includes ensuring that climate-related aspects have been duly considered. Existing Board-level committees such as the Compliance Committee, Audit Committee, Risk Management Committee and Credit Review Committee have oversight of key sustainability aspects, including climate-related areas. 	<ul style="list-style-type: none"> The Board discussed the quarterly updates on the progress of sustainability targets, Group scorecard as well as climate risks and opportunities. Meanwhile, the ESC reviewed and discussed sustainability issues including climate change and business strategies relating to sustainability as well as operational and financed emissions. <p> For further details, please refer to Environmental Report, pages 6 to 7 and 11 to 16</p>
Management's role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> The ESC monitors and advises the Group on the implementation of sustainability initiatives, including steering efforts to embed climate change considerations. Other relevant Management committees, including the Executive Risk Committee, are also given specific climate-related mandates within their respective roles and responsibilities. 	<ul style="list-style-type: none"> This year, the ESC approved and endorsed policy developments on human rights and climate risk, Transition Finance and Sustainable Product Frameworks (TFF and SPF), Client Engagement Guidebook, sector positions and sector decarbonisation pathways. <p> For further details, please refer to Environmental Report, pages 6 to 9 and 11 to 16</p>
Sustainability/climate-related remuneration.	<ul style="list-style-type: none"> In recognition of the importance of sustainability initiatives to the Group's overall performance, the Board approved the inclusion of sustainability KPIs in the Long Term Incentive Plan (LTIP) for eligible talents and senior management in 2023. 	<ul style="list-style-type: none"> For eligible talents and senior management, their LTIP is tied to ESG metrics, such as key metrics for Commitments 1 and 3, which have yearly targets set for five years related to our climate change commitments, ensuring that the remuneration for senior management incorporates climate change performance. <p> For further details, please refer to Environmental Report, page 17</p>
Pillar ► STRATEGY	The actual and potential impacts of climate-related risks and opportunities on the company's businesses, strategy and financial planning where such information is material.	
Recommendations	Summary	
Climate-related risks and opportunities the company has identified over the short, medium and long term.	<ul style="list-style-type: none"> The Group recognises climate risks, encompassing transition, physical and liability risks, as potential threats arising from climate change that can impact the sustainability of its overall business over the short, medium and long term. The mitigation action plans have been gradually rolled out to address this. 	<ul style="list-style-type: none"> In FY2023, we enhanced efforts by providing sustainable solutions through financing, lending, investment and insurance activities in this region. For example on the retail side, opportunities identified include products and solutions such as EV, solar and green mortgages in Malaysia, Singapore, the Philippines and Cambodia. <p> For further details, please refer to Environmental Report, pages 20 to 29 and 64 to 69</p>
Impact of climate-related risks and opportunities on the company's businesses, strategy and financial planning	<ul style="list-style-type: none"> We identified the impact of climate risks on business strategy and rolled out as part of strategic programme SP9 specific initiatives to address this. <p> For further details, please refer to Environmental Report, pages 18 to 19, 48 to 64, 67 and 69 to 70</p>	
Resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<ul style="list-style-type: none"> Conducted scenario analysis and stress testing for the Malaysia and Singapore operations. The stress tests revealed projected 30-year credit losses under three Network for Greening the Financial System (NGFS) climate scenarios - no additional policy, disorderly transition, and orderly transition. <p> For further details, please refer to Environmental Report, pages 40 to 42</p>	



Sustainability Statement

Pillar ► RISK MANAGEMENT		How the company identifies, assesses and manages climate-related risks.
Recommendations	Summary	
Company's processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> Established the Maybank Group Climate Risk Policy, which outlines the approach to managing climate risk exposure of the Group's business activities and operations. 	<ul style="list-style-type: none"> The Policy complements the Maybank Group Enterprise Risk Management Framework, which institutionalises vigilance and awareness of the Group's most significant risks, and the Maybank Group ESG Risk Management Framework, which sets out Maybank's approach to managing ESG risks. <p> For further details, please refer to Environmental Report, pages 30 to 32</p>
Company's processes for managing climate-related risks.	<ul style="list-style-type: none"> Embedded climate-related risks into the Group's risk appetite framework and established a quantitative ESG Risk Appetite Statement (RAS) focusing on transactions that support climate adaptation, transition and sustainable finance. 	<ul style="list-style-type: none"> ESG risk assessment process is guided by the ESG Risk Acceptance Criteria (RAC) for key high-ESG risk industries. The RACs are sector-specific financing requirements that incorporate ESG factors into the evaluation, decision-making and monitoring and review processes for credit risk assessment. <p> For further details, please refer to Environmental Report, pages 33 to 39 and 42 to 47</p>
How processes for identifying, assessing and managing climate-related risks are integrated into the company's overall risk management.	<ul style="list-style-type: none"> ESG risk management employs various risk assessment tools such as ESG screening template and Climate Change and Principle-based Taxonomy (CCPT) classification, Sustainability Linked Product Guidelines, SPF, TFF, geospatial platform and financed emissions calculator, alongside RACs, stress testing and scenario analysis. 	<ul style="list-style-type: none"> The assessment for non-retail customers covers both transaction and business levels and includes applicable loans, financing and investments. The assessment for retail customers covers mortgage, hire purchase, retail financing and card products, as well as the classification of green products, which occurs at the portfolio level. <p> For further details, please refer to Environmental Report, pages 6 to 17 and 48 to 57</p>
Pillar ► METRICS AND TARGETS		Metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Recommendations	Summary	
Metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process	<ul style="list-style-type: none"> Reported on total amount of financing for sustainable finance covering green initiatives as well as climate mitigation purposes. Reported on total amount of sustainable securities covering green, sustainable and sustainability-linked bonds. 	<ul style="list-style-type: none"> Reported on total amount of sustainable financing for retail customers, aggregated by product type and by sector. <p> For further details, please refer to Environmental Report, pages 36 to 42, 58 to 62 and 64 to 70</p>
Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	<p>Own operations</p> <ul style="list-style-type: none"> Reported total Scope 1, Scope 2 and part of Scope 3 (business air and road travel, leased assets) as well as cumulative GHG emissions reduction rate and GHG emissions intensity per employee. Externally assured the FY2019 baseline GHG emissions for Scope 1 and Scope 2. The baseline FY2019 GHG emissions was restated to 151,091 tCO₂e compared to previously reported 131,291 tCO₂e. 	<p>Financed Emissions</p> <ul style="list-style-type: none"> Published Scope 3 baseline financed emissions, covering all six asset classes as guided by GHG Protocol Corporate Accounting Standards and GHG Accounting and Reporting Standard for the Financial Industry developed by Partnership for Carbon Accounting Financials (PCAF) in 2022. The Group's financed emissions cover the seven asset classes, including the newly published asset class seven, sovereign bonds, with exposures amounting to RM759.40 billion. The overall financed emissions intensity in 2023 stood at 44.3 million tCO₂e/RM million (including LULUCF). <p> For further details, please refer to Environmental Report, pages 64 to 68, and 74 to 75</p>
Targets used by the company to manage climate risks and opportunities and performance against targets	<ul style="list-style-type: none"> Committed to achieving a carbon neutral position for our own emissions by 2030, and a net zero carbon equivalent position by 2050. 	

Sustainability Statement

SUSTAINABILITY STATEMENT PERFORMANCE DATA

Indicator		Measurement Unit	2021	2022	2023
Bursa (Anti-corruption)					
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Senior management and above	Percentage	—	—	3.00	
Middle management	Percentage	—	—	13.00	
Executive	Percentage	—	—	49.00	
Non-executive	Percentage	—	—	14.00	
Bursa C1(b) Percentage of operations assessed for corruption-related risks*	Percentage	—	—	100.00	
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	—	—	0	
Percentage of operations assessed for corruption-related risks*	Percentage	—	—	100.00	
Bursa (Community/Society)					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	46,574,067	37,792,378	42,541,076	
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	502,759	368,441	498,529	
Bursa (Diversity)					
Bursa C3(a) Percentage of employees by gender and age group, for each employee category					
Age Group by Employee Category					
Senior management and above <30	Percentage	—	0.00	0.10	
Senior management and above 30-39	Percentage	—	9.80	9.70	
Senior management and above 40-50	Percentage	—	44.30	43.30	
Senior management and above >50	Percentage	—	45.90	46.90	
Middle management <30	Percentage	—	0.90	1.00	
Middle management 30-39	Percentage	—	32.30	31.20	
Middle management 40-50	Percentage	—	39.30	39.60	
Middle management >50	Percentage	—	27.50	28.20	
Executive <30	Percentage	—	23.30	22.70	
Executive 30-39	Percentage	—	36.80	37.10	
Executive 40-50	Percentage	—	26.30	25.80	
Executive >50	Percentage	—	13.60	14.40	
Non-executive <30	Percentage	—	17.70	18.00	
Non-executive 30-39	Percentage	—	32.70	30.20	
Non-executive 40-50	Percentage	—	33.40	33.70	
Non-executive >50	Percentage	—	16.20	18.10	
Gender Group by Employee Category					
Senior management and above Male	Percentage	—	58.80	57.80	
Senior management and above Female	Percentage	—	41.20	42.20	
Middle management Male	Percentage	—	49.60	49.00	
Middle management Female	Percentage	—	50.40	51.00	
Executive Male	Percentage	—	42.10	42.00	

* Same indicator

Internal assurance

External assurance

No assurance

(*)Restated



Sustainability Statement

Indicator	Measurement Unit	2021	2022	2023
Executive Female	Percentage	—	57.90	58.00
Non-executive Male	Percentage	—	42.70	42.50
Non-executive Female	Percentage	—	57.30	57.50
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	69.00	67.00	64.00
Female	Percentage	31.00	33.00	36.00
50-55	Percentage	8.00	8.00	9.00
56-60	Percentage	23.00	17.00	18.00
61-65	Percentage	46.00	50.00	45.00
>65	Percentage	23.00	25.00	27.00
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	3.80	4.70	4.40
Total Employees	Number	—	—	43,595
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Gigajoule	—	607,793.00	603,497.00
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate (LTIR)	Number of days	0.90	2.24	5.18
Bursa C5(c) Number of employees trained on health and safety standards	Number	80	20	505
Total recordable injury frequency rate	Percentage	0.3	0.07	0.23
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior management and above	Hours	33	23	51
Middle management	Hours	33	23	40
Executive	Hours	33	23	39
Non-executive	Hours	44	33	21
Bursa C6(c) Total number of employee turnover by employee category				
Senior management and above	Number	152	162	151
Middle management	Number	716	570	619
Executive	Number	3,630	3,210	3,319
Non-executive	Number	850	1,115	733
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	8	10	30
Percentage of employees who receive human rights training	Percentage	100.00	100.00	84.00
Security personnel trained on human rights issues	Percentage	100.00	100.00	96.00
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers**	Percentage	92.70	87.90	89.94
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	—	—	9

** Malaysian operations only

Sustainability Statement

Indicator	Measurement Unit	2021	2022	2023
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	483.25	786.28	944.88
Bursa (Waste management)				
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	53.80	205.05	216.21
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	12,395.00	10,116.00	10,997.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	138,696.00	64,093.00 [#]	51,764.00 [#]
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting) [@]	Metric tonnes	15,842.00	14,264.00	22,588.00
Net Scope 2	tCO ₂ e	—	64,093.00	46,764.00
		2021	2022	2023
Scope 3 (Financed emissions-absolute)	million tCO ₂ e	25.70	25.80	33.70 [#]
Sound risk management and compliance				
Number of sessions in ESG programmes	Number	210	248	143
Total learning hours in ESG programmes	Hours	78,289	80,675	86,023
Number of participants in ESG programmes	Number	45,378	81,329	65,931
Number of ESG programmes conducted	Number	108	139	78
Public policy and advocacy				
Collaborations and partnerships with external stakeholders	Number	—	—	14
Building climate resilience to support the low-carbon transition				
Sustainable finance	Amount mobilised, RM billion	13.6	20.69	34.11
Retail sustainable finance mobilisation	Amount mobilised, RM billion	3.49	4.04	4.71
Non-retail sustainable finance mobilisation	Amount mobilised, RM billion	10.19	16.65	29.4
Socially responsible products to drive financial inclusion				
Retail SME financing	Amount mobilised, RM billion	24.10	26.31	28.25
SME digital financing	Amount mobilised, RM billion	1.10	0.81	0.84
Digital innovation to meet customer needs				
Number of M2U 3-month active users	Million	8.24	8.96	9.52
Number of online transactions ^{@@}	Billion	15.93	16.84	17.33
Enhancing the customer experience				
NPS	Score	23.00	24.00	37.00

[^] Scope 2 includes the mREC purchases equivalent to (-51,120) tCO₂e in 2022, and (-62,400) tCO₂e in 2023.

[#] 33.7 million tCO₂e including LULUCF and 31.9 million tCO₂e excluding LULUCF

[@] including business air and land travel

^{@@} includes monetary and non-monetary transactions



Board of Directors

As at 1 March 2024



Tan Sri Dato' Sri Ir. Zamzamzairani Mohd Isa
Non-Independent Non-Executive Director
(Chairman)



Dato' Khairussaleh Ramli
Non-Independent Executive Director
(President and Group Chief Executive Officer)



Dr. Hasnita Dato' Hashim
Senior Independent Non-Executive Director



Edwin Gerungan
Independent Non-Executive Director



Anthony Brent Elam
Independent Non-Executive Director



Che Zakiah Che Din
Independent Non-Executive Director

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Board of Directors

At a Glance

Board Composition

1 (9%)

Executive Director

2 (18%)Non-Independent
Non-Executive
Directors (NINEDs)**8 (73%)**Independent Non-Executive
Directors (INEDs)

Fauziah Hisham FCIS (cs) (CGP)
Independent Non-Executive Director



Shariffuddin Khalid FCMA, CGMA
Independent Non-Executive Director



Dato' Zulkiflee Abbas Abdul Hamid
Independent Non-Executive Director



Shirley Goh
Independent Non-Executive Director



Datuk Yee Yang Chien
Non-Independent Non-Executive Director

Nationality

**9 (82%)**

Malaysian

**1 (9%)**

Indonesian

**1 (9%)**

American

Age

3 (27%)

56-60 years

5 (46%)

61-65 years

3 (27%)

>65 years

Gender

**7 (64%)**

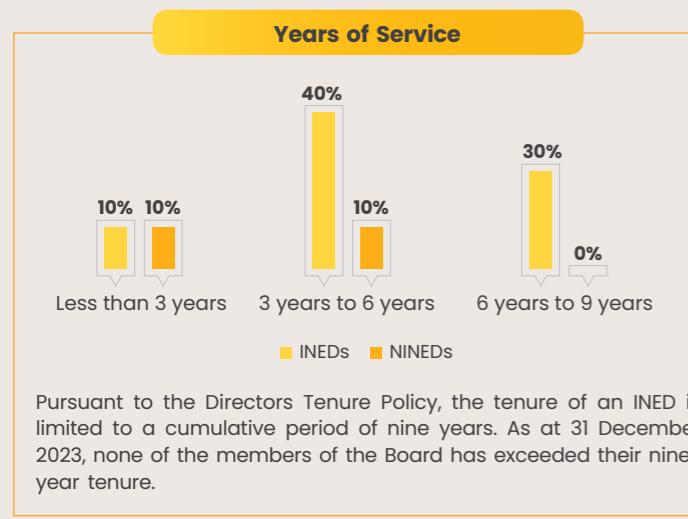
Male

**4 (36%)**

Female



At a Glance



Board of Directors

TAN SRI DATO' SRI IR. ZAMZAMZAIRANI MOHD ISA

Non-Independent Non-Executive Director
(Chairman)*



DATO' KHAIRUSSALEH RAMLI

Non-Independent Executive Director
(President and Group Chief Executive Officer)



DR. HASNITA DATO' HASHIM

Senior Independent Non-Executive Director



Qualification(s):

- Bachelor of Science in Communications Engineering, Plymouth Polytechnic, United Kingdom
- Corporate Finance, Strategies for Creating Shareholder Value Program, Kellogg School of Management, Northwestern University, United States of America
- Strategic Leadership Programme, University of Oxford's Saïd Business School
- IMD CEO Roundtable, Lausanne, Switzerland
- Honorary Doctorate, School of Management, Multimedia University, Malaysia
- Adjunct Professor, School of Management, Multimedia University, Malaysia
- Professional Engineer, Board of Engineers, Malaysia

Relevant Working Experience:

Over 30 years of experience in the telecommunications industry holding various key and senior management roles, including his last position as Group Chief Executive Officer of Telekom Malaysia Berhad (TM) prior to his retirement in 2017.

Present Directorship(s):

- Listed Entity/Entities:
 - Executive Director/President and Group Chief Executive Officer, Maybank
 - President Commissioner, PT Bank Maybank Indonesia Tbk
- Other Public Company/Companies:
 - Director, Maybank Singapore Limited
 - Director, Cagamas Holdings Berhad
 - Director, Financial Industry Collective Outreach
 - Vice Chairman, Asian Institute of Chartered Bankers

Skills:



Notes:

- Age is as at 29 February 2024
- * Tan Sri Dato' Sri Ir. Zamzamzairani Mohd Isa and Datuk Yee Yang Chien are nominees of Permodalan Nasional Berhad
- # As Director and President and Group CEO

Qualification(s):

- Bachelor of Science in Business Administration, Washington University, USA
- Advanced Management Program, Harvard Business School, USA
- Fellow, Chartered Banker, Asian Institute of Chartered Bankers

Relevant Working Experience:

Close to 30 years of knowledge and experience from the financial services and capital markets industry. He was previously the Group Managing Director of RHB Banking Group, where he was responsible for charting the Group's strategic direction and leading the organisation to achieve its goals and value creation objectives.

Present Directorship(s):

- Listed Entity/Entities:
 - Executive Director/President and Group Chief Executive Officer, Maybank
 - President Commissioner, PT Bank Maybank Indonesia Tbk
- Other Public Company/Companies:
 - Director, Maybank Singapore Limited
 - Director, Cagamas Holdings Berhad
 - Director, Financial Industry Collective Outreach
 - Vice Chairman, Asian Institute of Chartered Bankers

Skills:



Declaration:

- All the Directors:
- have no family relationship with any Director and/or major shareholder of Maybank;
 - have complied with Maybank's policies on conflict of interest;
 - have not been convicted of any offence within the past five years; and
 - have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Board of Directors

EDWIN GERUNGAN

Independent Non-Executive Director



ANTHONY BRENT ELAM

Independent Non-Executive Director



CHE ZAKIAH CHE DIN

Independent Non-Executive Director


Qualification(s):

- Bachelor of Arts in Philosophy, Principia College, Elsah, Illinois, USA

Relevant Working Experience:

Over 40 years of experience having served in key positions in banking institutions and private companies including Citibank, Bank Central Asia, Bank Danamon, Bank Mandiri and PT Indonesia Infrastructure Finance.

Present Directorship(s):

- Listed Entity/Entities:
 - Director, Maybank
 - Commissioner, PT Bank Maybank Indonesia Tbk
- Other Public Company/Companies:
 - Nil

Skills:

Qualification(s):

- Master of Business Administration (Finance and International Business), New York University, USA
- Bachelor of Science in Foreign Service, Georgetown University, USA

Relevant Working Experience:

Over 30 years of senior management positions in various large caps such as Chief Risk Officer of PT Bank Central Asia Tbk, PT Bahana Pembinaan Usaha Indonesia and Citibank.

Present Directorship(s):

- Listed Entity/Entities:
 - Director, Maybank
- Other Public Company/Companies:
 - Director, Maybank Singapore Limited
 - Director, Maybank Philippines Inc.

Skills:

Qualification(s):

- Bachelor of Economics (Hons), University of Malaya, Malaysia

Relevant Working Experience:

More than 30 years of experience working with Bank Negara Malaysia in the areas of supervision and regulation of banking institutions and developmental financial institutions. The last position she held prior to her retirement in 2017 was Director, Financial Conglomerates Supervision Department.

Present Directorship(s):

- Listed Entity/Entities:
 - Director, Maybank
- Other Public Company/Companies:
 - Director, Maybank Investment Bank Berhad
 - Director, FIDE Forum

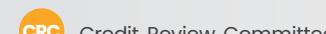
Skills:

Icons:


Date of Appointment



Number of Board meetings attended

Membership of Board Committees in Maybank:


Credit Review Committee



Nomination and Remuneration Committee



Risk Management Committee



Audit Committee



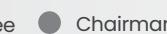
Board Sustainability Committee



Compliance Committee



Board Technology Committee



Chairman



Member



Board of Directors

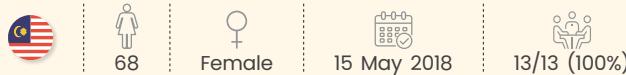
FAUZIAH HISHAM FCIS (CS) (CGP)
Independent Non-Executive Director



SHARIFFUDDIN KHALID FCMA, CGMA
Independent Non-Executive Director



DATO' ZULKIFLEE ABBAS ABDUL HAMID
Independent Non-Executive Director



Qualification(s):

- Fellow Member of The Chartered Governance Institute, UK

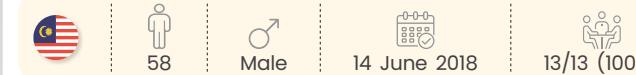
Relevant Working Experience:

Over 30 years of banking experience having served in senior management positions in J.P. Morgan Chase Bank, Standard Chartered Bank and Australia & New Zealand Banking Group in Malaysia. She served as Chairman of the board of J.P. Morgan Chase Bank Berhad prior to joining Maybank Board in May 2018.

Present Directorship(s):

- Listed Entity/Entities:
 - Director, Maybank
- Other Public Company/Companies:
 - Chairman, Maybank Philippines Inc.
 - Director, Maybank Ageas Holdings Berhad
 - Director, Agensi Kaunseling dan Pengurusan Kredit

Skills:



Qualification(s):

- Fellow Member of The Chartered Institute of Management Accountants, UK

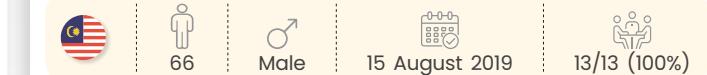
Relevant Working Experience:

Over 35 years of experience in the banking/corporate sector and Bank Negara Malaysia (BNM). He served as Director, Strategic Communications at BNM and also as the pioneer Director of the Malaysia International Islamic Financial Centre initiative. Earlier, he was part of the management team that established Pengurusan Danaharta Nasional Berhad.

Present Directorship(s):

- Listed Entity/Entities:
 - Director, Maybank
 - Director, MCB Bank Limited
 - Director, Marine & General Berhad
- Other Public Company/Companies:
 - Director, Maybank Islamic Berhad
 - Chairman, Maybank (Cambodia) Plc

Skills:



Qualification(s):

- Master of Business Administration, Southern Illinois University, USA
- Bachelor of Science in Marketing, Southern Illinois University, USA
- Advanced Management Program, Wharton School of Business, University of Pennsylvania, USA

Relevant Working Experience:

Over 35 years of banking experience having served in senior management positions such as Managing Director/Chief Executive Officer of Affin Bank Berhad and Affin Holdings Berhad and President/Managing Director of Bank Kerjasama Rakyat Malaysia Berhad.

Present Directorship(s):

- Listed Entity/Entities:
 - Director, Maybank
 - Commissioner, PT Bank Maybank Indonesia Tbk
- Other Public Company/Companies:
 - Chairman, Maybank Islamic Berhad
 - Trustee, Yayasan Budiman Universiti Teknologi MARA
 - Trustee, Tabung Pendidikan 1 Bilion

Skills:



Notes:

- Age is as at 29 February 2024
- * Tan Sri Dato' Sri Ir. Zamzamzairani Mohd Isa and Datuk Yee Yang Chien are nominees of Permodalan Nasional Berhad
- # As Director and President and Group CEO

Declaration:

All the Directors:

- have no family relationship with any Director and/or major shareholder of Maybank;
- have complied with Maybank's policies on conflict of interest;
- have not been convicted of any offence within the past five years; and
- have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Board of Directors

SHIRLEY GOH

Independent Non-Executive Director



DATUK YEE YANG CHIEN

Non-Independent Non-Executive Director*



64

Female

1 December 2021

13/13 (100%)

Qualification(s):

- Member of The Malaysian Institute of Certified Public Accountants
- Member of the Malaysian Institute of Accountants

Relevant Working Experience:

Over 40 years of experience providing audit and business advisory services, having worked with PricewaterhouseCoopers (PwC) Malaysia for 41 years, of which 24 years were as a Partner. She also has experience advising on local and cross-border merger and acquisition transactions.

Present Directorship(s):

- Listed Entity/Entities:
 - Director, Maybank
 - Director, IOI Properties Group Berhad
- Other Public Company/Companies:
 - Chairman, Maybank Trustees Berhad
 - Director, Maybank Asset Management Group Berhad
 - Director, Maybank (Cambodia) Plc

Skills:



56

Male

24 November 2023

3/3 (100%)

Qualification(s):

- Double Degree in Accounting/Financial Management & Economics, University of Sheffield, UK

Relevant Working Experience:

Close to 20 years of experience with MISC Berhad holding various key and senior management roles, including Vice President, Corporate Planning, Chief Operating Officer and his last position as President/Group Chief Executive Officer prior to his retirement in September 2022.

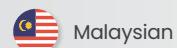
Present Directorship(s):

- Listed Entity/Entities:
 - Director, Maybank
- Other Public Company/Companies:
 - Nil

Skills:



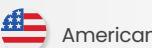
Icons:



Malaysian



Indonesian



American



Age



Gender



Date of Appointment



Number of Board meetings attended

Membership of Board Committees in Maybank:

CRC Credit Review Committee

NRC Nomination and Remuneration Committee

RMC Risk Management Committee

AC Audit Committee

BSC Board Sustainability Committee

CC Compliance Committee

BTC Board Technology Committee

Chairman

Member



Group Executive Committee

As at 1 March 2024



Dato' Khairussaleh Ramli
President and Group Chief Executive Officer



Khalijah Ismail
Group Chief Financial Officer



Syed Ahmad Taufik Albar
Group Chief Executive Officer,
Community Financial Services



Dato' John Chong Eng Chuan
Group Chief Executive Officer,
Global Banking



Dato' Muzaffar Hisham
Group Chief Executive Officer,
Islamic Banking



Kamaludin Ahmad
Group Chief Executive Officer,
Insurance and Takaful

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Group Executive Committee



Dr. Siew Chan Cheong
Group Chief Strategy and Transformation Officer



Mohd Suhail Amar Suresh
Group Chief Technology Officer



Datuk (Dr.) Nora Abd Manaf
Group Chief Human Capital Officer



Alan Lau Chee Kheong
Group Chief Operations Officer



Datuk Hamzah Bachee
Group Chief Risk Officer



Taswin Zakaria
President Director, Maybank Indonesia



Alvin Lee Han Eng
Country CEO, CEO of Maybank Singapore Limited
and CEO, Malayan Banking Berhad Singapore



Group Executive Committee

KHALIJAH ISMAIL

Group Chief Financial Officer



57

Female

1 October 2021

Qualification(s):

- Fellow Member of the Association of Chartered Certified Accountants (ACCA), UK
- Chartered Accountant, Malaysian Institute of Accountants (MIA)

Relevant Working Experience:

Over 30 years leading various roles within Maybank Group, spanning across corporate and investment banking, international operations and finance including managing Group-wide transformation programmes.

Present directorship(s) in Maybank Group, other public companies and listed entities:

- Maybank (Cambodia) Plc
- Maybank Ageas Holdings Berhad

SYED AHMAD TAUFIK ALBAR

Group Chief Executive Officer, Community Financial Services



51

Male

1 March 2024

Qualification(s):

- Bachelor of Accounting (Hons), International Islamic University Malaysia
- Master of Economics, International Islamic University Malaysia
- Fellow Member of the Chartered Institute of Management Accountants (CIMA), UK

Relevant Working Experience:

Over 25 years of domestic and international experience in CFO and business head roles across various major industries, covering banking, telecommunications, infrastructure, and oil and gas.

Present directorship(s) in Maybank Group, other public companies and listed entities:

- Nil

DATO' JOHN CHONG ENG CHUAN

Group Chief Executive Officer, Global Banking



56

Male

1 March 2024

Qualification(s):

- Bachelor of Economics (Hons), University of Queensland, Brisbane, Australia
- Chartered Banker, Asian Institute of Chartered Bankers
- Advanced Management Program, Harvard Business School

Relevant Working Experience:

Over 30 years of regional financial services experience encompassing consumer, commercial, wealth management, corporate and investment banking. Previously, the CEO of Maybank Investment Bank Berhad and Maybank Investment Banking Group from January 2014 to September 2018, and Group CEO of Community Financial Services from October 2018 to February 2024.

Present directorship(s) in Maybank Group, other public companies and listed entities:

- Maybank Trustees Berhad
- An Binh Commercial Joint Stock Bank
- Maybank (Cambodia) Plc

DATO' MUZAFFAR HISHAM

Group Chief Executive Officer, Islamic Banking



51

Male

1 March 2024

Qualification(s):

- Bachelor of Science (Hons) in Economics and Accounting, University of Bristol, UK
- Leadership Excellence through Awareness and Practice (LEAP) Programme, INSEAD
- Chartered Banker, Asian Institute of Chartered Bankers

Relevant Working Experience:

Over 25 years of regional banking experience encompassing wholesale and retail banking at large local and foreign banks. Previously, Maybank Islamic Berhad CEO and Group Islamic Banking Head from March 2011 to June 2016, and Group CEO of Global Banking from July 2016 to February 2024.

Present directorship(s) in Maybank Group, other public companies and listed entities:

- Maybank Asset Management Group Berhad
- Maybank Investment Bank Berhad
- Maybank IBG Holdings Limited

Notes:

- Age is as at 29 February 2024
- Present directorship(s) in subsidiaries of Maybank Group by members of the Group Executive Committee can also be found on pages 298 to 302 of the Financial Statements
- Dato' Mohamed Rafique Merican Mohd Wahiduddin Merican, formerly Group Chief Executive Officer, Islamic Banking, has been redesignated as an advisor effective 1 March 2024 until his retirement on 20 June 2024

KAMALUDIN AHMAD

Group Chief Executive Officer, Insurance and Takaful



56

Male

1 December 2013

Qualification(s):

- Bachelor of Science (Hons) in Actuarial Science, University of Kent, Canterbury, UK

Relevant Working Experience:

Over 30 years of financial services industry experience with large local corporates and a multinational company. Has six years of regulatory and risk experience with the Securities Commission and Bank Negara Malaysia.

Present directorship(s) in Maybank Group, other public companies and listed entities:

- Etiqa Insurance Pte Ltd (Singapore)
- PT Asuransi Etiqa Internasional Indonesia
- Etiqa General Insurance (Cambodia) Plc
- Etiqa Digital Solutions Sdn Bhd

MOHD SUHAIR AMAR SURESH

Group Chief Technology Officer



60

Male

1 April 2015

Qualification(s):

- Master of Business Administration, Charles Sturt University, Australia
- Chartered Banker, Asian Institute of Chartered Bankers
- Advanced Management Program, Harvard Business School
- Fellow, Malaysian Institute of Management

Relevant Working Experience:

Over 35 years of experience in business and technology leadership roles within the financial services and telecommunications domain in national and multinational organisations.

Present directorship(s) in Maybank Group, other public companies and listed entities:

- Maybank Shared Services Sdn Bhd
- Malaysian Global Innovation & Creativity Centre Bhd
- MCB Bank Limited
- MRANTI Corporation Sdn Bhd
- MBB Labs Pvt Ltd (India)

Declaration:

The Group Executive Committee members have no family relationship with any director and/or major shareholder of Maybank, conflict of interest with Maybank, and have not been convicted of any offence within the past five years, or been subject to public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

DR. SIEW CHAN CHEONG

Group Chief Strategy and Transformation Officer



46

Male

15 August 2022

Qualification(s):

- Bachelor of Engineering in Mechanical Engineering (1st Class Hons), University of Southampton, UK
- Master of Business Administration, London Business School, UK
- PhD in Mechanical Engineering, University of Southampton, UK

Relevant Working Experience:

Over 20 years of experience in formulating and implementing multi-country transformation strategies across various industries and organisations, including major banks in Europe and Asia.

Present directorship(s) in Maybank Group, other public companies and listed entities:

- Board member of Maybank Philippines Incorporated
- Board member of Etiqa Digital Solutions Sdn Bhd
- Board member of Grabpay Network (M) Sdn Bhd

DATUK (DR.) NORA ABD MANAF

Group Chief Human Capital Officer



59

Female

22 September 2008

Qualification(s):

- Chartered Fellow CIPD, The Chartered Institute of Personnel and Development (CIPD)
- Master Professional, Institute for Human Resource Professionals (IHRP)
- Chartered Banker, Chartered Banker Institute (CBI)
- Advanced Management Program, Harvard Business School
- Chartered Accountant, Malaysian Institute of Accountants (MIA)
- Postgraduate certification in Human Resource Development, Cornell University, USA
- Gallup Strengths Level II Coach

Relevant Working Experience:

Over 30 years of diverse functional and leadership roles in multinationals and large local organisations across several sectors including academia, telecommunications, technology and financial services.

Present directorship(s) in Maybank Group, other public companies and listed entities:

- Etiqa General Insurance Berhad
- MBB Labs Pvt Ltd (India)
- Yayasan Khazanah

Icons:

Malaysian



Singaporean



Indonesian



Age



Gender



Date of Appointment



Group Executive Committee

ALAN LAU CHEE KHEONG

Group Chief Operations Officer



63

Male

1 April 2023

Qualification(s):

- Diploma of Banking, Institute of Banking & Finance, Singapore

Relevant Working Experience:

Over 30 years of banking experience and has led various functions, including internal audit, regional operations and compliance.

Present directorship(s) in Maybank Group, other public companies and listed entities:

- Maybank Shared Services Sdn Bhd

DATUK HAMZAH BACHEE

Group Chief Risk Officer



59

Male

1 July 2023

Qualification(s):

- Bachelor of Science in Agribusiness, University Putra Malaysia
- Diploma in Plantation Management, Institut Teknologi MARA Malaysia

Relevant Working Experience:

Over 35 years of banking experience, specialising in consumer, commercial and wholesale banking as well as group risk management across all Maybank markets to drive responsible business growth and enhance risk management practices.

Present directorship(s) in Maybank Group, other public companies and listed entities:

- Nil

TASWIN ZAKARIA

President Director, Maybank Indonesia



55

Male

11 November 2013

Qualification(s):

- Bachelor of Science in Business Administration in Accounting (Honors Cum Laude), The Ohio State University, USA
- Advanced Management Program, Harvard Business School
- Strategic Leadership Program, Said Business School, Oxford University, UK

Relevant Working Experience:

Over 30 years of corporate and retail banking experience at both local and foreign companies. Previously held several key management roles in the banking and financing sector, as well as airport service and facility management.

Present directorship(s) in Maybank Group, other public companies and listed entities:

- PT Bank Maybank Indonesia Tbk

ALVIN LEE HAN ENG

Country CEO, CEO of Maybank Singapore Limited and CEO, Malayan Banking Berhad Singapore



56

Male

1 January 2024

Qualification(s):

- Bachelor of Accountancy (Hons) Nanyang Technological University

Relevant Working Experience:

Over 30 years of banking experience spanning the spectrum of risk management, corporate and consumer banking, wealth management and digital transformation at large multinational financial institutions.

Present directorship(s) in Maybank Group, other public companies and listed entities:

- Nominee Director – Maybank Asset Management Singapore

Notes:

- Age is as at 29 February 2024
- Present directorship(s) in subsidiaries of Maybank Group by members of the Group Executive Committee can also be found on pages 298 to 302 of the Financial Statements
- Dato' Mohamed Rafique Merican Mohd Wahiduddin Merican, formerly Group Chief Executive Officer, Islamic Banking, has been redesignated as an advisor effective 1 March 2024 until his retirement on 20 June 2024

pg. 72-109

pg. 110-150

pg. 151-160

pg. 161-165

Group Shariah Committees

As at 1 March 2024





Group Shariah Committees

1 PROFESSOR DR. AZNAN HASAN

Chairman of MIBSC and Member of SC EFTB and EGTB

		52	Male		MIBSC: 1 May 2014 SC EFTB and EGTB: 1 May 2019		MIBSC: 29/29 (100%) SC EFTB and EGTB: 26/26 (100%)
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Qualification(s):

- Bachelor's degree in Shariah (BA Hons), Al-Azhar University, Egypt
- Master's degree in Shariah (Mumtaz), Cairo University, Egypt
- PhD, University of Wales, Lampeter, UK

Relevant Working Experience:

Over 18 years of experience in Shariah advisory with local and international organisations including the Securities Commission Malaysia, Bank Negara Malaysia, The Central Bank of the UAE's Higher Shariah Authority and Shariah Council, Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and Shariah Council, International Islamic Financial Market (IIFM).

Present Occupation(s):

Within Maybank Group:

- Shariah consultant to Maybank Investment Bank Berhad
- Non-Independent Non-Executive Director, Board of Directors, Maybank Islamic Berhad
- Islamic Estate Planning Advisor, Maybank Islamic Berhad
- Member, Board Investment Committee, Maybank Islamic Berhad

Other Companies/Bodies:

- Professor, IIUM Institute of Islamic Banking & Finance, International Islamic University Malaysia
- Chairman, Shariah Committee for Bank Pembangunan Malaysia Berhad and Amanah Hartanah Bumiputra
- Chairman, Shariah Advisory Council, Securities Commission Malaysia
- Chairman, Shariah Advisory Board for Sedania As-Salam Capital Sdn Bhd, FNB Bank (South Africa), HSBC Amanah (Dubai) and Koperasi Permodalan Felda
- Chairman, Association of Shariah Advisors in Islamic Finance
- Deputy Chairman, Shariah Supervisory Board, Nizwa Bank (Oman)
- Board Member, Higher Shar'i'ah Authority of UAE Central Bank
- Member, Shariah Council for AAOIFI and IIFM
- Member, Shariah Advisory Board for Employees Provident Fund, ABSA Islamic Bank (South Africa), Yasaar Limited (London), Standard Chartered (Global), Khalij Islamic (London) and Association of Islamic Banking Institutions Malaysia
- Member, Shariah Committee for Yayasan Waqaf Malaysia and Lembaga Zakat Selangor
- Member, Shariah Advisory Council, Islamic Development Bank
- Shariah Consultant/Adviser for Hong Leong Investment Bank (Stockbroking), Public Investment Bank Bhd (Stockbroking), Malacca Securities Sdn Bhd, CGS-CIMB Securities Berhad, UOB Kayhian Securities, Inter-Pacific Securities Bhd, HSBC Global Asset Management
- Director, Sepakat Berkat Resources Sdn Bhd and Hana Food Industries & Trading Sdn Bhd

Note:

Full profiles of MIBSC can be obtained at www.maybank.com/islamic while profiles for SC EFTB and EGTB can be obtained at www.etiqa.com.my. For Maybank Indonesia Shariah Supervisory Board members' profiles, refer to Maybank Indonesia's Annual Report 2023

2 PROFESSOR DR. AZMAN MOHD NOOR

Chairman of SC EFTB and EGTB

		51	Male		15 June 2020		26/26 (100%)
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Qualification(s):

- Bachelor's degree in Islamic Law, Islamic University of Madinah, Saudi Arabia
- Master of Arts (MA) in Islamic Criminal Law, Universiti Kebangsaan Malaysia
- MA in Muamalat (Islamic Law of Transactions), Department of Fiqh and Usul al-Fiqh, International Islamic University Malaysia (IIUM)
- PhD in Islamic Law, University of Edinburgh, Scotland, UK

Relevant Working Experience:

Over 13 years of experience in Shariah advisory and education and was a member of the Shariah Advisory Council of the Securities Commission Malaysia.

Present Occupation(s):

Within Maybank Group:

- Independent Director, Etiqa Family Takaful Berhad

Other Companies/Bodies:

- Professor at IIUM Institute of Islamic Banking & Finance, IIUM
- Member, Shariah Committee, Bank Kerjasama Rakyat Malaysia
- Shariah Committee, Tekun Nasional Malaysia
- Shariah Committee, Kuwait Finance House (Malaysia) Berhad
- Member, Shariah Committee, Rushdi Oriyon, Micro Credit Deposit Organisation, Tajikistan
- Member, Fatwa Committee, Mufti Department of Perlis
- Member, Shariah Committee Yayasan Waqaf Malaysia
- Member, Shariah Committee YAPEIM (Yayasan Pembangunan Islam Malaysia)

Group Shariah Committees

3 USTAZ MOHD KAMAL MOKHTAR

Member of MIBSC



56



1 September 2015

29/29 (100%)

Qualification(s)

- Diploma, Arabic Language, Islamic University of Madinah, Saudi Arabia
- BSc, Zoology and Botany, National University of Singapore
- BA (Hons), Hadith and Islamic Studies, Islamic University of Madinah
- Shari'a Advisory Training Program, Singapore Islamic Scholars & Religious Teachers Association and International Institute of Islamic Finance, Malaysia
- Masters in Finance, International Islamic University Malaysia

Relevant Working Experience:

Over 13 years of collective experience in Islamic advisory roles including holding senior management positions in Islamic education institutions, research and Shariah advisory roles.

Present Occupation(s):

- Other Companies/Bodies:
- Judge, Shariah Appeal Court of Singapore
 - Chairman, Bedok Cooperative
 - Associate member, Fatwa Council of Majlis Ugama Islam Singapore
 - Vice Chairman, Asatizah Recognition Board
 - Member, Shariah Committee, Basil Property Trust, Singapore
 - Member, PERGAS
 - Board member, Warees Halal Limited
 - Shariah Advisor, Ar Rahnu Singapore
 - Member, Shariah Advisor in Islamic Finance, ASAS
 - Member, International Union for Muslim Scholars
 - Member, Wakaf Dispute Resolution Committee

4 DR. AKHTARZAITE ABDUL AZIZ

Member of MIBSC



51



1 March 2020

29/29 (100%)

Qualification(s)

- LLB, International Islamic University Malaysia (IIUM)
- LLB (Shariah), IIUM
- Master's degree in Fiqh and Usul Al-Fiqh, IIUM
- PhD in Fiqh and Usul Al-Fiqh, IIUM

Relevant Working Experience:

Over 17 years of experience on the Shariah committee of various financial institutions, as well as developing programmes, conducting training and writing research papers on Islamic finance.

Present Occupation(s):
Other Companies/Bodies:

- Assistant Professor, Department of Fiqh and Usul Al-Fiqh, IIUM
- Member, Shariah Advisory Council, Securities Commission Malaysia
- Member, Shariah Committee, PruBSN Takaful

5 DR. NIK ABDUL RAHIM NIK ABDUL GHANI

Member of MIBSC



44



8 September 2020

29/29 (100%)

Qualification(s)

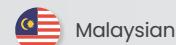
- Bachelor's degree in Shariah, Islamic University of Madinah, Saudi Arabia
- Master's degree in Shariah, Universiti Kebangsaan Malaysia (UKM)
- PhD in Islamic Finance, International Centre for Education in Islamic Finance, Malaysia

Relevant Working Experience:

Over 12 years of experience contributing to the Islamic finance industry through Shariah advisory and research.

Present Occupation(s):
Other Companies/Bodies:

- Senior Lecturer, Research Centre for Shariah, Faculty of Islamic Studies, UKM
- Member, Shariah Advisory Body, Syarikat Takaful Malaysia Keluarga Berhad
- Member, Jawatankuasa Perundingan Hukum Syarak Wilayah Persekutuan, Pejabat Mufti Wilayah Persekutuan
- Shariah Advisory Panel, Wasiyyah Shoppe Berhad
- Member, Shariah Committee, UKM
- Chairman, Shariah Committee of SME Development Finance Corporation, Maldives
- Member, Jawatankuasa Fatwa Negeri Terengganu

Icons:


Malaysian



Singaporean



Age



Gender



Date of Appointment



Number of meetings attended



Group Shariah Committees

6 PROFESSOR DR. SHARIFAH FAIGAH SYED ALWI

Member of MIBSC



52

Female

1 May 2021

29/29 (100%)

Qualification(s)

- Bachelor's degree in Shariah (Economics), University of Malaya
- Master's degree in Shariah (Islamic Banking), University of Malaya
- PhD in Islamic Banking and Finance, International Islamic University Malaysia

Relevant Working Experience:

Over 11 years of experience contributing to the Islamic finance industry through Shariah advisory and research.

Present Occupation(s):

Other Companies/Bodies:

- Professor, Arshad Ayub Graduate Business School, Universiti Teknologi MARA
- Panel Assessor, Malaysian Qualifications Agency
- Member, Shariah Committee, AmMetLife Takaful Berhad
- Member, Shariah Committee, AgroBank

7 USTAZ MUHAMMAD ALI JINNAH AHMAD

Member of MIBSC



45

Male

1 May 2021

29/29 (100%)

Qualification(s)

- Bachelor's degree in Islamic Jurisprudence (Fiqh Wa Usul), Al al-Bayt University, Jordan
- Master in Islamic Management Banking and Finance, Loughborough University, UK

Relevant Working Experience:

Over 15 years of experience contributing to the Islamic finance industry through Shariah advisory and research.

Present Occupation(s):

Other Companies/Bodies:

- Independent Non-Executive Director, FWD Takaful Berhad

8 PROFESSOR DATIN DR. RUSNI HASSAN

Member of SC EFTB and EGTB



56

Female

1 May 2017

26/26 (100%)

Qualification(s):

- LLB (Hons), International Islamic University Malaysia (IIUM)
- LLB (Shariah) (Hons), IIUM
- Master of Comparative Laws, IIUM
- PhD in Law, IIUM

Relevant Working Experience:

She was a member of the Shariah Advisory Council of Bank Negara Malaysia. Her contributions to Islamic Finance through publications, trainings and conferences have garnered international recognition.

Present Occupation(s):

Within Maybank Group:

- Independent Director, Etiqa General Takaful Berhad

Other Companies/Bodies:

- Dean, IIUM Institute of Islamic Banking & Finance, IIUM
- Professor, IIUM Institute of Islamic Banking & Finance, IIUM
- Chairman, Shariah Committee, Hong Leong Islamic Bank
- Chairman, Shariah Committee, Exim Bank
- Member, Shariah Committee, Association of Islamic Banking Institutions Malaysia; Housing Development

Finance Corporation, Maldives; Housing Development Corporation, Maldives; Waqf An-Nur and Koperasi JCorp

- Registered Shariah Advisor, Securities Commission Malaysia
- Member of Advisory Council, Association of Shariah Advisors in Islamic Finance Malaysia
- Shariah Advisory Committee, Lembaga Tabung Haji
- Shariah Committee, BIMB Securities Sdn Bhd
- Shariah Committee, Terengganu Incorporation

Note:

Full profiles of MIBSC can be obtained at www.maybank.com/islamic while profiles for SC EFTB and EGTB can be obtained at www.etiqa.com.my. For Maybank Indonesia Shariah Supervisory Board members' profiles, refer to Maybank Indonesia's Annual Report 2023

9**PROFESSOR DR. ABDUL RAHIM ABDUL RAHMAN**

Member of SC EFTB and EGTB



56



1 May 2017

26/26 (100%)

Qualification(s):

- Bachelor's degree in Finance and Accounting, University of East London, UK
- Master in Accounting and Management Sciences, University of Southampton, UK
- PhD in Accounting, University of Southampton, UK

Relevant Working Experience:

Over 20 years of experience in teaching, research and consultancy on Islamic finance, Islamic accounting, ethics and governance, and Shariah audit matters in various capacities.

Present Occupation(s):

Other Companies/Bodies:

- Member, Board of Directors, Pusat Pungutan Zakat, Majlis Agama Islam Wilayah Persekutuan
- Shariah Advisory Committee, Zakat, Waqf and Baitulmal Accounting Standard, Jabatan Akauntan Negara Malaysia
- Member of Shariah Committee Coop Bank Pertama

10**PROFESSOR EMERITUS DATO' DR. MOHD AZMI OMAR**

Member of SC EFTB and EGTB



64



1 May 2018

26/26 (100%)

Qualification(s):

- Bachelor's degree in Science (Finance), Northern Illinois University, USA
- Master of Business Administration, Northern Illinois University, USA
- PhD in Finance, Bangor University, Wales, UK
- Chartered Professional in Islamic Finance

Relevant Working Experience:

He was the Director-General at Islamic Research and Training Institute, Islamic Development Bank Group, Jeddah and served in various teaching and management capacities at the International Islamic University Malaysia.

Present Occupation(s):

Other Companies/Bodies:

- President and Chief Executive Officer, INCEIF University
- Member, Shariah Committee, Bank Kerjasama Rakyat Malaysia
- Member, Shariah Committee, MUFG Bank (Malaysia) Berhad
- Consultant, Islamic Financial Services Board
- President, International Council of Islamic Finance Educators
- Vice-President, International Association for Islamic Economics
- Member, Board of Trustees, Responsible Finance Institute Foundation

Icons:

Singaporean



Age



Gender



Date of Appointment



Number of meetings attended

Group Shariah Committees

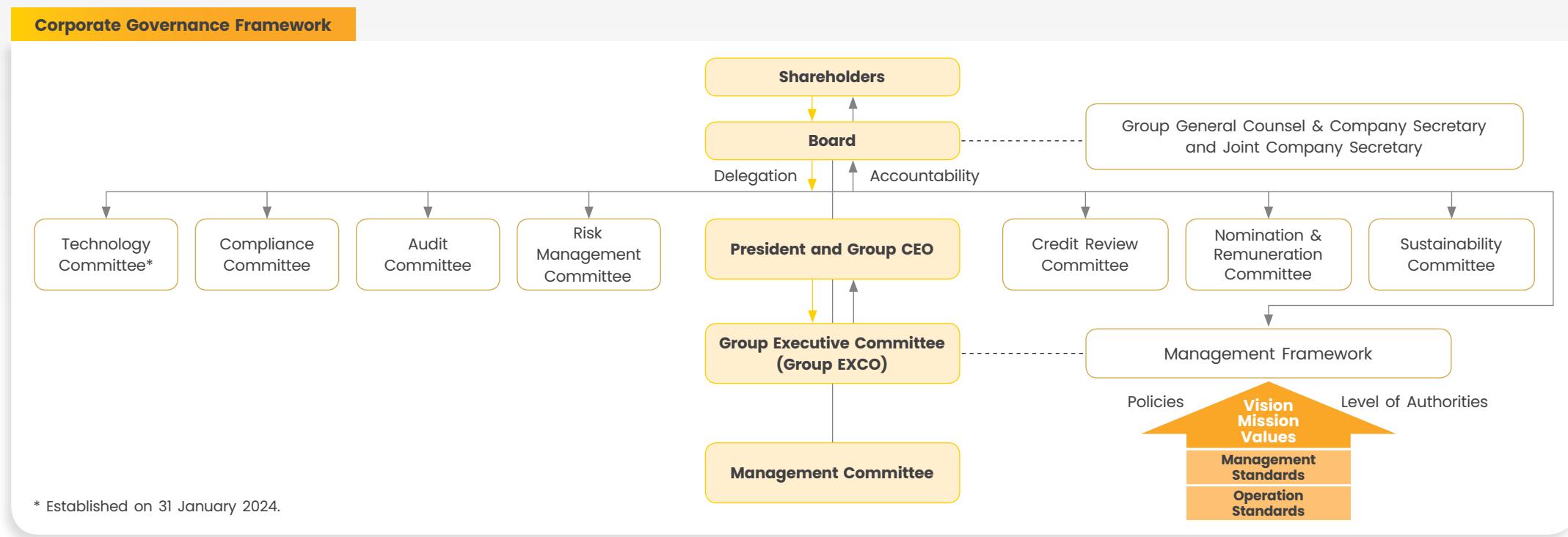


Corporate Governance Overview Statement

The Board of Directors of Maybank (the Board) emphasises the importance of strong corporate governance (CG) in enhancing operational efficiency, increasing capital accessibility, managing risks, and overseeing business activities effectively. Long-term adherence to good CG practices ensures accountability, transparency, and value creation for all its stakeholders.

OUR CG FRAMEWORK

Our CG Framework was built on the foundation of trust and integrity and is designed to establish the right balance of authority, empowerment and accountability between the Board and the Management. The framework is based on legal requirements, best practices, policies and guidelines issued by our regulators and is reviewed on a regular basis to ensure that we take into account the latest developments in the CG landscape.



SUMMARY OF CG PRACTICES

This CG Overview Statement summarises the Group's CG practices during FY2023. Details on how we have applied the best practices recommended by the Malaysian Code on Corporate Governance 2021 (MCCG 2021) are set out in the CG Report which is available on Maybank Group's corporate website at www.maybank.com. As at 31 December 2023, Maybank has applied all recommended practices in the MCCG 2021 save for Practice 8.2 and Step-up 8.3 (with regard to disclosure of senior management's remuneration).

A. BOARD LEADERSHIP AND EFFECTIVENESS

The Role of the Board

The Board is responsible for guiding and supervising the Group's operations, and plays a crucial role in setting the vision and mission for the Group. A description of the roles and responsibilities of the Board can be found in our Board Charter which is available on Maybank Group's corporate website at www.maybank.com.

To ensure the continuous identification and evaluation of various risks associated with the Group's business and operations, the Board has put in place a system of risk management and internal controls to ensure that the Group's risk appetites are set, and risks are identified, assessed and managed effectively.

Further details on pages 138 to 144 of Statement on Risk Management and Internal Control

The Board also has a formal schedule of matters specifically reserved for its decision, details of which can also be found in our Board Charter which is available on Maybank Group's corporate website at www.maybank.com.

Corporate Governance Overview Statement

Key Matters Deliberated by the Board

The main focus areas deliberated by the Board during FY2023 were as follows:

- Progress of M25+**
 - Periodic updates were tabled and discussed on the progress of the 12 strategic programmes (SP) established under M25+ which are based on the Agile ways of working. Key deliverables and outcome of these 12 SPs were assessed and measured throughout the year.
 - Key emphasis was placed on recalibrating staff mindset in the midst of change management and the need to inspire staff to work together to achieve the goals and objectives of M25+.
- Senior Leadership and Board Succession Planning**
 - With the assistance of the Nomination and Remuneration Committee (NRC):
 - Several discussions were held to identify and select suitable talents to replace key senior personnel upon their retirement/expiry of employment contracts. These appointments were preceded by several months of rigorous search and identification of potential internal as well as external talents across the region. A Board Interview Panel made up of selected Board members and led by the Chairman of the NRC was also formed to interview shortlisted candidates.
 - Several talents were identified and included in the Board's talent pool for succession planning, as the Board seeks to refresh its membership based on those who are expected to step down after completing their respective nine-year tenure within the next three years.
- Oversight of Banking Fraud and Data Breach Incidents**
 - Quarterly updates with respect to key statistics on fraud and scam activities as well as data breach incidents impacting customers were tabled and discussed, to gain better understanding of the latest trends of financial scams as well as the measures taken by the Bank to combat online banking fraud.
 - The Board was represented by the Senior Independent Non-Executive Director (SINED), who joined the meetings of the Taskforce on Oversight Banking Fraud and Data Breach Incidents (Taskforce) formed by the Management, to provide timely advice and assistance as needed, to address online fraud activities encountered by the Bank.

Other key areas/matters reviewed, deliberated and/or approved by the Board during FY2023 were as follows:

Strategy	Risk, Compliance and Oversight	Governance
<ul style="list-style-type: none"> • Approved the business strategy of various sectors within the Group • Approved the Group's Budget and Business Plan for FY2024 • Reviewed the Group's sustainability progress and action plans • Reviewed Strategic Communication Plan for FY2023 • Approved the M25+ Group Digital Strategy Alignment • Reviewed country and sector business and financial performance updates • Reviewed End User Computing Refresh Strategy for nationwide deployment • Reviewed Maybank Brand Performance for FY2022 • Approved the marketing expense for e-Madani Programme and Group Digital Banking in Q4 of FY2023 	<ul style="list-style-type: none"> • Reviewed Group Chief Risk Officer's report • Reviewed quarterly Risk Appetite Statement updates • Reviewed Group Internal Capital Adequacy Assessment reports • Reviewed the draft Observations of Bank Negara Malaysia Composite Risk Rating 2022 for Maybank and Maybank Islamic Berhad • Reviewed and approved BNM Climate Risk Management & Scenario Analysis - Gap Analysis & Implementation Plan • Reviewed the Compliance Culture Assessment FY2023 results • Approved the formalisation of Maybank Group Integrity Governance Unit Model • Reviewed and approved the Maybank Cloud Data Protection Framework • Reviewed the Money Laundering/Terrorism Financing and Sanctions Enterprise-Wide Risk Assessment Report (for the Group and Overseas Units) • Reviewed the Bribery and Corruption Risk Assessment Report – Maybank Malaysia Entities and Banking Overseas Units • Approved Annual Attestation on AML/CFT Controls to Prevent Illegal Financial Schemes and Mule Operations 	<ul style="list-style-type: none"> • Approved the Maybank Group Long Term Incentive Plan for staff • Approved the Group re-organisation and changes in Group EXCO composition • Approved the Bank Audit Charter • Noted the latest amendments to the Main Market Listing Requirements (Listing Requirements) and Corporate Governance Monitor 2022 • Reviewed and approved the revised Terms of Reference (TOR) of Board Committees • Reviewed assessment of audit firm and approved re-appointment of external auditors of the Bank pursuant to Maybank Group's Framework on Appointment of External Auditors for the Provision of Statutory Audit and Non-Audit Services • Reviewed the validation of the Implementation and Effectiveness of Fraud Countermeasures for Internet and Mobile Banking • Noted the Code of Ethics for Company Director and Company Secretary issued by Companies Commission of Malaysia (CCM) • Reviewed the Succession Plan for the President and Group CEO, Group EXCO members and Group EXCO-1 • Reviewed and approved the Directors Annual Fit and Proper Assessments • Reviewed and approved Corporate Governance Disclosures for FY2022 • Reviewed Levels of Application of MCCG 2021 by key subsidiaries of Maybank



Corporate Governance Overview Statement

Board Governance

The roles and responsibilities of the Chairman and the President and Group CEO are clearly separated by a clear division of responsibilities which are defined and approved by the Board in line with best practices to ensure the appropriate supervision of Management. This distinction allows for better understanding and distribution of jurisdictional responsibilities and accountabilities. The Board has also selected certain members to undertake additional responsibilities with the following key functions:

Senior Independent Director (SID)

- To chair the NRC; and
- To address concerns of shareholders and stakeholders which may be conveyed to him.

Senior Independent Non-Executive Director (SINED)

- To strengthen oversight of the Bank's management of banking fraud and data breach incidents; and
- To act as Advisor of the Taskforce on Oversight of Banking Fraud and Data Breach Incident.

INED in-charge of Whistleblowing Policy

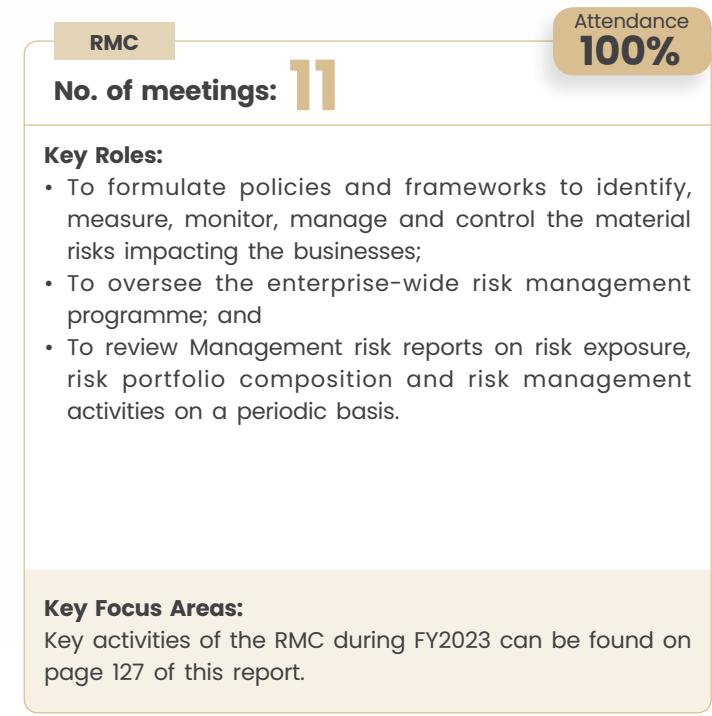
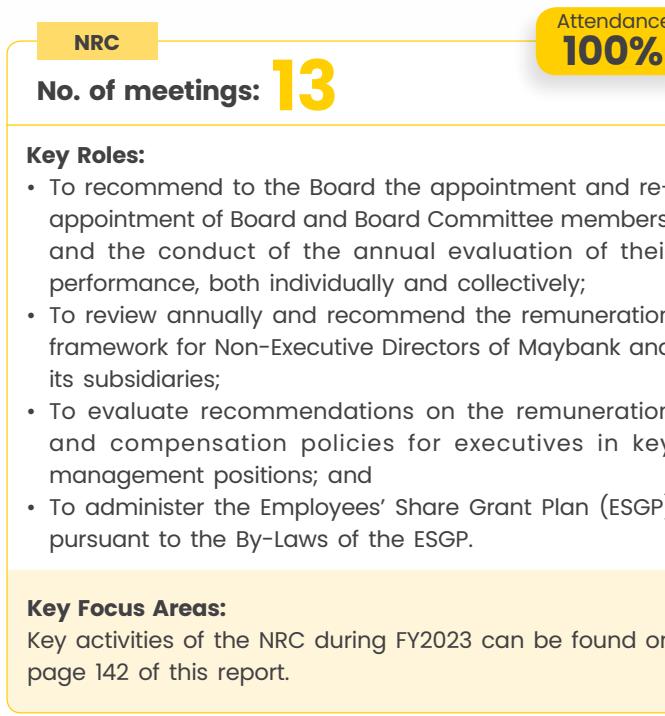
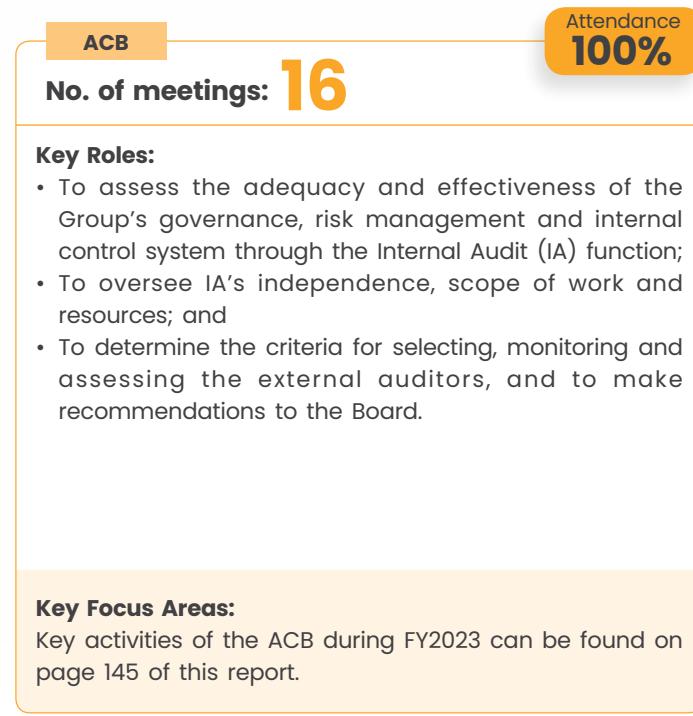
- To ensure effective implementation of Maybank Group's Whistleblowing Policy; and
- To chair the Whistleblowing Committee.

The Board is assisted by two Company Secretaries (both with legal qualifications and are qualified to act as company secretary) who ensure that Board members receive appropriate and timely information including meeting materials and minutes. All Directors have access to the advice of the Company Secretaries and the Bank provides access, at its expense, to the services of independent professional advisers in order to facilitate the Directors in their role.

Board Committees

Recognising the vital role of technology in the Group's business strategy (focusing on digital acceleration and technological modernisation as one of the strategic thrusts of M25+), the Board established the Board Technology Committee (BTC) in January 2024. This brings the total number of Board Committees to seven. Each Board Committee has its own TOR which clearly sets out its remit and decision-making powers. The chair of each Board Committee provides a report (to the Board) on salient matters discussed. The TOR of each Board Committee is also reviewed periodically, with the last review undertaken during FY2023. Amendments are made (where necessary) to ensure that the TORs of the Board Committees are updated with the latest best practices, processes and/or procedures prescribed or recommended by the regulators and are of market standard. As required under the Listing Requirements, the TORs of the NRC and the ACB as well as the Board Charter are available on Maybank Group's corporate website at www.maybank.com.

The key roles and focus areas of the Board Committees during FY2023 were as follows:



Corporate Governance Overview Statement

CCB No. of meetings: 12 Key Roles: <ul style="list-style-type: none"> • To deliberate and review Maybank Group's Compliance Framework and compliance policies, and to provide recommendations to the Board for approval; • To evaluate the effectiveness of the Group's overall management of compliance risk and to recommend to the Board improvements to be made; and • To review assessment reports on the Group's compliance status. Key Focus Areas: <ul style="list-style-type: none"> • Group-wide effectiveness in managing money laundering and terrorism financing and bribery and corruption risks; • Level of effectiveness in monitoring and ensuring ethical conduct in business dealings; and • Level of effectiveness in monitoring regulatory compliance. 	CRC No. of meetings: 15 Key Roles: <ul style="list-style-type: none"> • To review all credit applications approved by the Group Management Credit Committee and Group Wealth Management Credit Committee that are above their Credit Authority Limits; • To recommend to the Board/Maybank Islamic Berhad Board credits to Connected Parties as per Maybank Group Management of Connected Parties risk document; and • To approve credits to Connected Parties as per Maybank Group Management of Connected Parties risk document. Key Focus Areas: <ul style="list-style-type: none"> • The Group's credit portfolio, especially material or high risks by country, business, sector/market and product; • The Group's portfolio of classified, rescheduled and restructured, impaired credits as well as a summary report of the provisions, recoveries and write-off; • The credit management functions; and • Account strategies for borrowers. 	BSC No. of meetings: 5 Key Roles: <ul style="list-style-type: none"> • To recommend material sustainability plans for Board approval, and to monitor and oversee their implementation; • To oversee the integration of sustainability considerations and the institutionalisation of sustainability in business strategies and activities of the Group; and • To review and recommend the Group's sustainability disclosures to the Board for approval as required by laws and/or rules. Key Focus Areas: <ul style="list-style-type: none"> • Development and launch of the Sustainable Product Framework; • Emissions reduction plan for the Bank's own operations, and Scope 3 emissions; and • Review of the ESG position of the agricultural, construction and real estate, forestry and oil and gas sectors.
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Legend: **ACB** Audit Committee of the Board **NRC** Nomination and Remuneration Committee

RMC Risk Management Committee

CCB Compliance Committee of the Board

CRC Credit Review Committee

BSC Board Sustainability Committee

Key Group Policies

The Board from time to time establishes internal policies and frameworks for Group-wide application to sharpen the governance and oversight of its operations in Malaysia and abroad, including but not limited to the Maybank Group Code of Ethics and Conduct Policy, Maybank Group Whistleblowing Policy & Procedures, and Maybank Group Anti-Bribery and Corruption Policy & Procedures. These policies are periodically reviewed to ensure the Group's CG Framework remains robust and is continually updated.

Sustainability

Our commitment to driving Maybank's sustainability agenda from the top is reaffirmed with the establishment of a sustainability governance structure in 2021, as depicted in the diagram below. This has enabled us to drive engagement on sustainability issues among the Board and senior management team, to set the Group's direction and monitor progress of the Group's sustainability agendas as predicated on three key overarching pillars, namely: 1. Responsible Transition, 2. Enabling Our Communities, and 3. Our House is in Order and We Walk The Talk.





Corporate Governance Overview Statement

Sustainability is also one of the key strategic thrusts of M25+, giving rise to a specific strategic programme, "To become the Sustainability Leader in Southeast Asia", to drive our sustainability agenda. Key initiatives to support the effective execution of this strategy are as follows:

- 1** Net zero measurement capabilities
- 2** Target-setting and KPIs for all business units
- 3** Sustainability strategy and offerings
- 4** Organisation
- 5** Embedding sustainability in credit approvals
- 6** Sustainability communications

As Maybank's sustainability strategy is an integral part of how we build lasting impact for our stakeholders and is critical to driving long-term business growth, we have introduced among others, the following policies and frameworks:

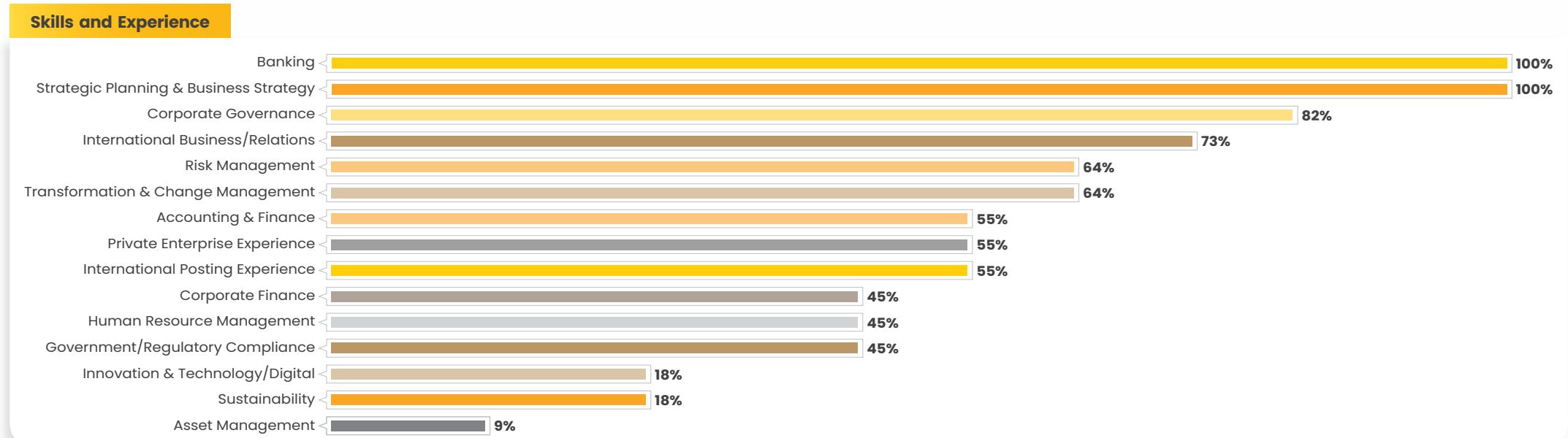
- (i) Maybank Group Sustainability Framework – To guide the Group in its approach towards sustainability matters
- (ii) Sustainable Product Framework (SPF) (updated in 2023) – To enable more effective development of green, social, sustainable and transition products
- (iii) Maybank Group Environmental Data Management (EDM) Framework – To govern the consolidation and internal verification of environmental data for the Group
- (iv) Group Climate Risk Policy (introduced in 2023) – To identify, assess and manage climate-related risks
- (v) Transition Finance Framework (introduced in 2023) – To classify and recognise credible transition finance solutions
- (vi) Human Rights Policy (developed in 2023) – To reflect Maybank's ongoing commitment in respecting human rights as outlined in the United Nations Guiding Principles on Business and Human Rights (UNGPs)

The sustainability Key Performance Indicators (KPIs) which are linked to our four sustainability commitments continue to form part of the 2023 Group scorecard.

More details on the Group's sustainability efforts can be found in the Sustainability Statement on pages 101 to 109 of this report and the Sustainability Report

Board Size, Composition and Diversity

As at to date, the Board consists of 11 members, of whom 73% are INEDs. The Board is committed to maintaining diversity and inclusion in its composition and decision-making process. In this regard, the Board considers diversity from a number of different aspects, including gender, age, cultural and educational background, nationality, professional experience, skills, knowledge and length of service. Consistent with our Policy on Board Gender Diversity, the Board has sustained a representation of at least 30% women directors in its composition since 2018. The skills and experience matrix of the Board are as set out below. For further details on the Board composition and diversity, including nationality, age and gender, please refer to page 111:



Pursuant to the Directors Tenure Policy, the tenure of an INED is limited to a cumulative period of nine years. As at to date, none of the members of the Board has exceeded their nine-year tenure. The years of service of INEDs and Non-Independent Non-Executive Directors (NINEDs) can be found on page 112.

Embracing Diversity, Equity and Inclusion (DEI), Maybank's commitment to women leadership continues to be recognised globally, with its inclusion in Bloomberg's Gender Equality Index for gender quality practices since 2017. For FY2023, women representation among senior management stood at 42.2% (FY2025 Target: 45%).

Corporate Governance Overview Statement

The Nomination and Remuneration Committee

The NRC consists of a majority of INEDs and is chaired by the SID. The roles and responsibilities of the NRC are set out in its TOR which is available on Maybank Group's corporate website at www.maybank.com.

The composition of the NRC and the meeting attendance of each member can be found in Section B of the CG Report.

Among the key activities of the NRC during FY2023 were as follows:

Board Composition and Succession Planning	<ul style="list-style-type: none"> Reviewed the overall size and composition of the Boards of Maybank and its subsidiaries including the tenure of Board members Reviewed the composition of Board Committees Reviewed the succession plan for the Board and Board Committees Reviewed Board members' directorship in Maybank's subsidiaries Reviewed Board skills matrix and the criteria for new Non-Executive Directors (NEDs) of Maybank Reviewed the talent pool for NEDs of the Group 	Recruitment and Appointment of Directors	<ul style="list-style-type: none"> Reviewed the background, skills and experience of potential candidates for appointment to the boards of Maybank and its subsidiaries Conducted engagement sessions to assess the suitability of potential candidates to be appointed to the boards of Maybank and its subsidiaries Considered the re-appointment and re-election of Directors of Maybank and its subsidiaries Reviewed the appointment and re-appointment of Shariah Committee members of Maybank Islamic Berhad, Etiqa Family Takaful Berhad and Etiqa General Takaful Berhad
Recruitment and Appointment of Senior Officers	<ul style="list-style-type: none"> Considered proposals to renew the employment contracts of senior officers of Maybank Reviewed the suitability of potential candidates for appointment as Group Chief Operations Officer, Group Chief Compliance Officer, Country CEO and CEO, Maybank Singapore, Group CEO, Community Financial Services (CFS) and President Director, Maybank Indonesia Reviewed the suitability of potential candidates for appointment as Chief Executive Officer (CEO) of subsidiaries 	Succession Planning of Senior Management	<ul style="list-style-type: none"> Reviewed the Contract Expiry and Retirement of Group EXCO, President and Group CEO-1 and Group EXCO-1 Reviewed and received updates on the succession plan for senior management Reviewed Early Retirement of Group EXCO member
Fit and Proper Assessment	<ul style="list-style-type: none"> Reviewed the results of the annual Fit and Proper Assessment of Directors, senior officers, Shariah Committee members and other Material Risk Takers in the Group 		
Board Effectiveness Evaluation	<ul style="list-style-type: none"> Reviewed the results of the Board Effectiveness Evaluation (BEE) exercise for FY2022 and recommended the proposed Actionable Improvement Programme to the Boards of Maybank and its subsidiaries for approval Reviewed the training needs of the Directors Received updates on the Actionable Improvement Programme relating to the BEE findings for FY2022 Reviewed and approved the appointment of an external consultant to conduct the BEE exercise of Maybank and its key subsidiaries for FY2023 		
Remuneration	<ul style="list-style-type: none"> Reviewed and recommended the remuneration of NEDs of Maybank and its subsidiaries Reviewed and recommended the total rewards (variable bonus and salary increment) for the Group Reviewed performance rating and recommended total rewards for the President and Group CEO and Group EXCO members Received updates on the holistic review undertaken on Maybank's Total Rewards Management in conjunction with the FY2022/2023 Total Rewards Exercise post mortem Reviewed and approved the vesting of shares under the 3rd ESGP Award Reviewed and recommended the revision of performance measures for ESGP/Cash Settled ESGP Award Reviewed Maybank Group Variable Pay Programmes: Long-Term and Short-Term Incentive Plan Reviewed Maybank Group Staff Benefits Programme and Market Competitiveness Study Reviewed and recommended the payment of special one-off ex-gratia to non-executives in clerical and non-clerical grades and equivalent in Maybank Group Malaysia Reviewed and recommended the payment of special one-off festival aid to executives in grades BG50 to BG52 and equivalent in Maybank Group Malaysia 		
Governance	<ul style="list-style-type: none"> Reviewed and recommended the establishment of new Board Committee at subsidiary level Reviewed questionnaires in relation to the Board's rating for the Balanced Scorecard of the President and Group CEO Reviewed the list of Material Risk Takers and Other Material Risk Takers of Maybank and its key subsidiaries for FY2022/FY2023 Reviewed Director's conflict of interest 		



Corporate Governance Overview Statement

Board Appointment

The NRC plays a major role in the nomination and selection process of potential candidates for appointment to the Boards of Maybank and its subsidiaries. The nomination and appointment of new Directors are guided by policies and processes as set out below:

1. Policy on Fit and Proper Criteria for Appointment/Re-Appointment of Key Responsible Persons of Licensed Institutions in Maybank Group;
2. Policy on Nomination Process for Appointment of Chairman, Director and Chief Executive Officer of Licensed Institutions in Maybank Group (Policy on Nomination Process);
3. Policy on Tenure of Directorship;
4. Policy on Directors Independence;
5. Policy on Board Gender Diversity; and
6. Policy on Directors Conflict of Interest.

Details of the above policies are provided in the CG Report.

The Policy on Nomination Process sets out a clear and transparent nomination and appointment process, as follows:

Stage 1	Identification of candidates
Stage 2	Engagement with candidates
Stage 3	Deliberation by the NRC
Stage 4	Recommendation to the Board

Succession Planning

The Board believes that effective succession planning mitigates the risks associated with the departure or absence of well-qualified and experienced individuals, and aims to ensure that the Board and senior management are always well-resourced with the right people in terms of skills and experience, in order to effectively and successfully deliver the Group's strategy.

As part of succession planning, the NRC has established a talent pool which comprises potential candidates to be considered for appointment as INEDs on the Boards of Maybank and its subsidiaries. From time to time, the NRC procures the curricula vitae of prospective candidates discreetly from various internal and external sources (i.e.: FIDE Forum) for its review and consideration.

The NRC also reviews the talent pool regularly, in order to ensure that the Board will always have talent for selection whenever there is a need to appoint new directors.

The Group's Policy on the Tenure of Directorships (Directors Tenure Policy) facilitates succession planning by providing the Board with the opportunity to consider and reassess its membership periodically. This is to ensure continuity in meeting its long-term goals and objectives and also to ensure that the knowledge, experience and skillsets of its

Board members are well-suited to meet the demands of an ever-changing financial industry.

Details of changes to the Board composition during the year were as follows:

- Dr. Hasnita Dato' Hashim was appointed as the SID of Maybank after Datuk R. Karunakaran retired from the Board at the 63rd Annual General Meeting (AGM) held in May 2023; and
- Following the conclusion of Mr Cheng Kee Check's nine-year tenure and his retirement as a Non-Executive Director in November 2023, Datuk Yee Yang Chien was appointed to the Board in the same month.

Considering that several INEDs are expected to retire in the next two years upon completing their nine-year tenure on the Board, the NRC has commenced the search for potential candidates to fill the vacant Board seats based on the "Must Have" skillsets identified by the Board during the BEE exercise. To ensure boardroom diversity, the NRC has conducted a robust review of candidates recommended by Board members as well as by the appointed external search firm, before including them in the talent pool for future consideration.

Fit and Proper

All Directors must have the necessary qualities, competencies and experience that will allow them to perform their duties and carry out the responsibilities required of the position in the most effective manner. To assist the NRC in assessing and determining the fitness and propriety of Directors, the Board has established a Fit and Proper Policy (Maybank Group FAP Policy) which sets out the criteria for the FAP assessment and the process of re-election of Directors and selection of candidates for new appointment. The FAP assessment process covers the minimum fit and proper criteria as set out below:

(a) Probatity, personal integrity and reputation

Values that can be demonstrated through personal qualities such as honesty, integrity, diligence, independence of mind and fairness.

(b) Competency and capability

Relevant skills, knowledge, experience and ability to understand the technical requirements of the business, the inherent risks and the management process required to perform the Director's role.

(c) Financial integrity

Ability to manage Director's own financial affairs properly and prudently.

Further details of the FAP assessment and criteria used for the said assessment are set out in the Maybank Group FAP Policy which is available on Maybank Group's corporate website at www.maybank.com.

Independence

In addition to the above FAP criteria, an independence assessment is also conducted on each INED based on the independence criteria set out in the following regulations/guidelines:

- (a) BNM CG Policy;
- (b) MCCG 2021; and
- (c) Listing Requirements.

To assist the NRC in evaluating the independence of INEDs, the Board has also established a Policy on Directors Independence which sets out the Board's approach in determining directors' independence and assessing the independence of each INED.

Annual FAP and Independence Assessment

In line with BNM's FAP Guidelines as well as the Maybank Group FAP Policy, FAP and independence assessments on Maybank Directors are conducted annually as well as during the nomination and selection process for the appointment of new Directors, via the following processes:

- (i) Execution of Director's Self Declaration Form by individual Directors which includes:
 - Declaration of non-disqualification of Director in accordance with Section 59 of the Financial Services Act 2013;
 - Declaration of compliance with FAP Criteria pursuant to BNM and Maybank Group FAP Policy;
 - Declaration of compliance with independence criteria for Independent Directors pursuant to:
 - (a) Paragraph 11.7 of BNM CG Policy;
 - (b) Paragraph 1.01 of Listing Requirements; and
 - (c) Maybank Group Policy on Directors Independence.
 - Declaration of directorships outside of Maybank Group;
 - Declaration of conflict of interest with Maybank Group; and
 - Declaration of shareholding in Maybank Group.
- (ii) Verification of Directors' financial standing via bankruptcy search, CCRIS Report and Maybank's internal Online Credit Information Search System (OCISS).
- (iii) Verification of other directorships as well as litigation cases filed against Directors (if any) via CTOS search.
- (iv) Verification of no adverse reports in respect of ethical and professional conduct/public exposure/legal suits based on checks conducted via the internet search engine as well as online legal report i.e.: Malaysian Law Journal and screening by an external background screening and verification company.
- (v) Review of findings of the annual BEE exercise.

Corporate Governance Overview Statement

Based on the outcome of the FAP assessment conducted in FY2023, the NRC and the Board were satisfied that all Directors have met and fulfilled all the FAP and independence criteria set out in Maybank Group FAP Policy. Additionally, all the INEDs had, during the FAP assessment, declared and affirmed their independence and ability to act in an independent and objective manner. Each INED also has an ongoing obligation to inform the Board of any circumstances which could impair his or her independence.

Board Effectiveness Evaluation (BEE)

The NRC assists the Board in reviewing its effectiveness, mix of skills and composition via the BEE exercise, which is conducted annually, and once every three years with the assistance of an independent firm of consultants. Findings from the BEE are used to establish the Board's skills matrix, which is referred to by the Board and the NRC to support the Board's succession planning activities, including strengthening of its talent pool with the right mix of skills and diversity in terms of gender and ethnicity.

In 2017, the Board decided that the BEE exercise should be conducted by an independent firm of consultants once every three years. As an independent firm of consultants was last appointed by the Board to conduct the BEE for FY2020, the Board in FY2023 appointed Ernst and Young (EY) to undertake the BEE for FY2023 for Maybank and its key subsidiaries. The FY2023 BEE exercise was conducted in two phases:

Phase 1 – Interviews with individual Directors and selected members of senior management to assess the effectiveness of the Board and Board Committees in the following broad areas:



Phase 2 – Questionnaire for Individual Director Self-Assessment and Peer Evaluation on the independence, contribution and commitment as well as competency, skills and expertise of the Directors (including Executive Director)

The average ratings of all assessment areas remained positive (trended between satisfactory and strong), with a marginal increase in five areas while one area remained unchanged as compared to the last BEE. This indicates that the Board is performing well as a whole, with a strong level of independence and a satisfactory level of contribution, commitment, and competencies from all members.

Key strengths of the Board identified pursuant to the BEE conducted include the following:

- (i) Positive Board culture and dynamics;
- (ii) Strong leadership by the Board Chair;
- (iii) Healthy and open Board and Management interactions;
- (iv) Highly diverse and knowledgeable Directors; and
- (v) Effective oversight in key areas of responsibility.

Apart from the above, there were certain areas of oversight highlighted which the Board needs to further consider, key among them were as follows:

- (i) Realigning M25+ execution across subsidiaries and/or enhancing collaboration, communication and alignment across subsidiaries within the Group for better execution of M25+ strategies;
- (ii) Improving Board composition by integrating more members with global exposure and strategic experience to promote the growth of the Group; and
- (iii) Curating customised training programmes for Directors of Maybank Group, taking into consideration emerging topics and thematic issues impacting the organisation.

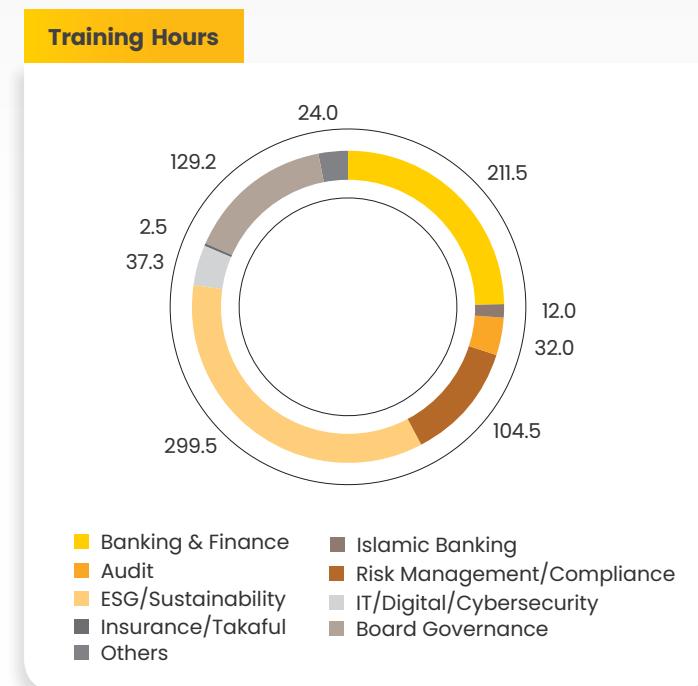
The action plans on the above focus areas will be developed and tabled to the Board for consideration and inclusion in the Board's Actionable Improvement Programme (AIP) to be undertaken during FY2024. All matters under the AIP arising from the BEE for FY2022 were regularly tracked by the NRC and the Board until its completion in July 2023.

Directors' Training

The Board acknowledges the importance of continuing education for Directors to ensure that they are well-equipped with the necessary skills and knowledge to perform their duties and meet the challenges facing the Board. With the assistance of Group Corporate Secretarial (GCS), a Directors

Training Calendar for FY2023 was prepared where all relevant internal and external trainings/ conferences/ seminars/ webinars were compiled and submitted to the Board every month for the Board's information.

During FY2023, all Board members attended various training programmes and workshops on issues relevant to the Group, among others on IT/cybersecurity, sustainable financing/ESG, and risk management (training needs identified via BEE for FY2022). In total, Board members collectively attended 852 hours of training in FY2023 (FY2022: 756 training hours). The trainings attended by Board members in FY2023 were tracked and presented to the Board on a monthly basis. The breakdown of training hours by topic is as per the chart below.



A list of trainings attended by each Director during FY2023 can be found in Part B of the CG Report.

Based on feedback from Directors via BEE for FY2023, a more comprehensive training programme is being curated, taking into consideration emerging topics and thematic issues impacting the organisation which are important for Board's awareness. This curated training programme includes the following topics:

- (i) Cybersecurity;
- (ii) Sustainability; and
- (iii) Generative Artificial Intelligence.



Corporate Governance Overview Statement

Induction Programme

A comprehensive induction programme has been established to ease new Directors into their role and to assist them in understanding the Group's business strategy and operations. New Directors are required to attend the programme as soon as possible once they have been appointed. Typically, the programme includes intensive one-on-one sessions with the Group EXCO members and/or heads of business/enabler functions, wherein new Directors will be briefed and updated on the business operations, as well as challenges and issues faced by the Group.

Datuk Yee Yang Chien attended the induction programme in December 2023 after his appointment on the Board on 24 November 2023.

Directors' Remuneration

The NRC is authorised by the Board to develop and implement formal and transparent procedures in developing Maybank's remuneration policy for its Directors by ensuring that their compensation is competitive and consistent with industry standards. The NRC has established a remuneration framework for NEDs (NED Remuneration Framework) which is subject to periodic review.

Details of the remuneration received by the Directors from Maybank in FY2023 were as follows:

	Salary (RM)	Bonus (RM)	Directors' Fees (RM)	Other Emoluments (RM)	Benefits- In-Kind (RM)	Total (RM)
Executive Director						
Dato' Khairussaleh Ramli	3,120,000	4,680,000	–	3,859,654*	62,910	11,722,564
Non-Executive Directors						
Tan Sri Dato' Sri Ir. Zamzamzairani Mohd Isa	–	–	610,000	553,327	82,714#	1,246,041
Dr Hasnita Dato' Hashim	–	–	464,597	192,000	5,914#	662,511
Mr Edwin Gerungan	–	–	385,000	169,808	19,319#	574,127
Mr Anthony Brent Elam	–	–	415,000	178,052	5,889#	598,941
Ms Che Zakiah Che Din	–	–	460,000	220,000	1,129#	681,129
Puan Fauziah Hisham	–	–	490,000	248,000	19,342#	757,342
Encik Shariffuddin Khalid	–	–	486,250	208,000	5,914#	700,164
Dato' Zulkiflee Abbas Abdul Hamid	–	–	493,750	280,000	23,044#	796,794
Ms Shirley Goh	–	–	460,000	208,000	4,942#	672,942
Datuk Yee Yang Chien ¹	–	–	30,319	12,000	118#	42,437
Datuk R. Karunakaran ²	–	–	157,043	96,000	23,259#	276,302
Mr Cheng Kee Check ³	–	–	379,833	224,937	6,375#	611,145
TOTAL (for Non-Executive Directors)	–	–	4,831,792	2,590,124	197,959	7,619,875
GRAND TOTAL	3,120,000	4,680,000	4,831,792	6,449,778	260,869	19,342,439

* Executive Director's other emoluments include pension costs, sign-on bonus, allowances and reimbursements.

Benefits-in-kind for NEDs include club membership fees, per diem allowance and farewell gift. In addition, benefits-in-kind for Chairman include company car, driver and fuel allowance.

Notes:

¹ Appointed as Director of Maybank on 24 November 2023

² Retired as Director of Maybank on 3 May 2023

³ Retired as Director of Maybank on 18 November 2023

The remuneration received by the Directors in FY2023 at Group level can be found in Notes 43 on pages 154 to 156 of the Financial Book

Corporate Governance Overview Statement

The NRC assists the Board in reviewing its remuneration framework via the Board Remuneration Review (BRR). The BRR is conducted annually, and once every three years with the assistance of an independent firm of consultants. As an independent firm of consultants was last appointed by the Board to conduct the BRR for FY2020, the Board had during FY2023 appointed PricewaterhouseCoopers (PwC) Malaysia to undertake the BRR for FY2023 to ascertain the competitiveness of the existing NED Remuneration Framework and its sufficiency to attract and retain talents to serve on the Board. The scope of the BRR exercise carried out by PwC was primarily based on a benchmarking of Maybank's local and regional peers as well as a regression analysis. The following guiding principles applied by PwC formed the basis of the BRR conducted:

- (i) Equitability of remuneration;
- (ii) Size and complexity of the businesses;
- (iii) Market comparisons for competitiveness;
- (iv) Regulatory and risk;
- (v) Sustainability and governance balance; and
- (vi) Value/contribution to the organisation.

Pursuant to the findings of the BRR exercise, PwC has recommended that the existing NED Remuneration Framework be revised as follows:

	Current NED Remuneration Framework (per annum) (RM)			Revised NED Remuneration Framework (per annum) (RM)		
	Chairman	Vice Chairman	Member	Chairman	Vice Chairman	Member
Board Fee	610,000	440,000	295,000	700,000	500,000	335,000
Board Committee Fee	75,000	-	45,000	85,000	-	50,000
Meeting Allowance	4,000 per meeting attended				4,500 per meeting attended	

Rewards to the NED Remuneration Framework as recommended by PwC will be put forth to the shareholders for approval at the 64th AGM, in accordance with Section 230 of the Companies Act 2016 and Paragraph 7.24 of the Listing Requirements.

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

Internal Controls and Risk Management

The Group has a comprehensive system of internal controls in place, designed to ensure that risks are mitigated and that the Group's objectives are attained. The Board recognises its responsibility to present a fair, balanced and understandable assessment of the Group's position and prospects. It is accountable for reviewing and approving the effectiveness of internal controls operated by the Group, including financial, operational and compliance controls, and risk management. The Board recognises its responsibility in respect of the Group's risk management processes and system of internal controls, and oversees the activities of the Group's external auditors and the Group's risk management function which have been delegated to the Audit, Risk and Compliance Committees.

During FY2023, the Audit Committee of the Board (ACB) reviewed Related Party Transactions (RPTs) to ensure that they are in compliance with Maybank Group's procedures for identifying, monitoring, reporting and reviewing RPTs, in line with Maybank Group Policy on RPT and the Listing Requirements. Following the amendments to the Listing Requirements with regard to conflict of interest, the TOR of ACB was amended in June 2023 to reflect the enhanced role of ACB in this regard.

With increased adoption of technology capabilities and the concomitant risk of cyber threats, information security and/or data breaches as well as information technology risk have been among the Group's and/or Risk Management Committee's key focus areas during FY2023. Technology infrastructure and security controls continue to be strengthened as guided by Maybank Group Cyber and Technology Risk Management Frameworks, and BNM's Risk Management in Technology (RMiT) policy document.

Premised on the guiding principles of ESG risk management which are embedded in Maybank Group's ESG Risk Management Framework, the Group periodically reviews and enhances its ESG practices by working with stakeholders to drive sustainable business activities. In enhancing our ESG practices, Maybank takes a proactive approach to incorporating ESG considerations into business processes in a meaningful way by developing ESG Risk Acceptance Criteria for high ESG risk industries.

 The Group's risk governance structure and risk management approach are further discussed on pages 138 to 144. For details on the management and mitigation of each principal risk, see pages 48 to 54. Refer to pages 128 and 129 for further details on the Audit, Risk and Compliance Committees' roles



Corporate Governance Overview Statement

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Approach to Investor Relations (IR)

The Board recognises the importance of maintaining a purposeful relationship with shareholders. In this regard, the Group has a comprehensive Investor Relations programme to enable existing and potential shareholders and investors to understand its activities, strategy, financial performance and sustainability initiatives through timely and accurate dissemination of information to the investing community. This is done with the intention of allowing all domestic and international shareholders and investors to make informed investment decisions about Maybank.

The President and Group CEO, the Group Chief Financial Officer and the Head of Group Investor Relations meet regularly with the Company's existing and potential shareholders and investors to discuss the areas mentioned above and any of their other potential areas of interests. Arising from these discussions, the Board is kept updated on shareholders and investors' feedback and areas of interest. The Board has also adopted the Group's Corporate Disclosure Policies and Procedures (CDPP) to enhance transparency and accountability and facilitate disclosure of material information in a timely and accurate manner. The CDPP, which is available on Maybank Group's corporate website, also indicates other designated spokespersons who are available to speak publicly on behalf of the Group.

IR Engagements

Broader key engagement activities conducted in FY2023 to keep shareholders and investors informed on Maybank's material developments include the 63rd AGM, Extraordinary General Meeting (EGM) and four quarterly results briefings with analysts while the public was engaged through press conferences held in conjunction with our half-yearly results announcements, AGM and EGM. Meanwhile, tailored FY2023 engagements with institutional shareholders and investors include dedicated management meetings, themed investor briefings on Community Financial Services, Global Banking and the Group's digital strategy, approach and progress as well as senior management's attendance in four conferences and non-deal roadshows, resulting in 128 analysts and fund managers from 73 companies met. Details on the investor relations engagements in FY2023 and areas of investor interest can be found in Investor Information on pages 82 to 85.

Further details on Maybank's communication channels and the types of investor engagements undertaken by Maybank are detailed in the CDPP. All investor presentations and press releases by Maybank for the above IR engagements are available on Maybank Group's corporate website at www.maybank.com/ir. Shareholders and investors can engage with the Group and provide feedback through the Investor Relations team, whose contact details are available on Maybank Group's corporate website.

General Meetings

The AGM is a primary platform for two-way interaction between shareholders and the Board with the support of its senior management. In view of the prolonged COVID-19 pandemic, the 63rd AGM and EGM held on 3 May 2023 were conducted virtually. The said events were broadcast live from Menara Maybank, Kuala Lumpur. The 63rd AGM was attended by 4,786 (62nd AGM: 3,824) shareholders while 1,609 shareholders participated in the EGM, through live streaming and online remote voting via the Remote Participation and Voting (RPV) facilities

provided by the Bank's appointed poll administrator. To ensure a seamless meeting experience, the RPV service provider together with Group Technology conducted prior stress/performance tests on the virtual meeting platform. In addition, Maybank also conducted a few dry runs and emplaced a contingency plan to ensure the 63rd AGM and EGM could be convened as planned.

During the 63rd AGM, the President and Group CEO gave a presentation to shareholders on various topics, including the Group's FY2022 financial and business performance, the Group's M25+ strategic plan and achievements, sustainability progress, impending relocation to Menara Merdeka 118, measures taken to combat financial scams as well as Maybank's performance outlook and priorities for FY2023. All the questions raised by the MSWG, institutional and retail shareholders prior to and during the meetings, as well as the Group's responses, were shared with the shareholders during the virtual AGM and EGM (Q&As). Subsequent to the 63rd AGM and EGM, these Q&As were uploaded onto Maybank Group's corporate website at www.maybank.com.

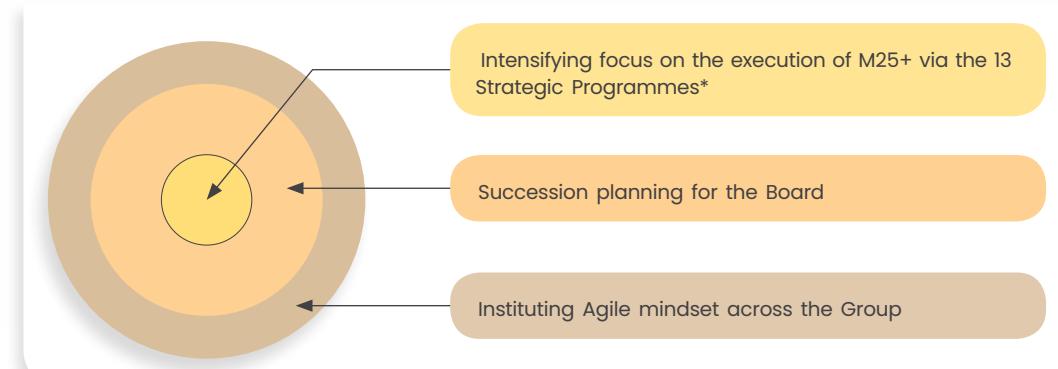
The Notice of the 63rd AGM was dispatched to shareholders not less than 28 days before the AGM. At the 63rd AGM and EGM, voting on each resolution was undertaken through e-polling, with the results immediately announced and subsequently made available on Maybank Group's corporate website. The minutes of the 63rd AGM and EGM were published on Maybank Group's corporate website within 30 business days from the date of said general meetings.

Website

Maybank Group's corporate website provides a brief description of its history, current operations and strategy, as well as an archive of news and historical financial information on the Group and details of upcoming investor relations events.

Corporate Governance Priorities

The following matters were identified as key focus areas going forward, and will be addressed and/or implemented in FY2024 and beyond:



* SP13 was approved by the Board in January 2024.

Additional Compliance Information

AUDIT AND NON-AUDIT FEES

A breakdown of fees for statutory audit and non-audit services incurred by Maybank and on a group basis for the financial year ended 31 December 2023 is set out under Note 42 on page 153 of the Financial Statements.

MATERIAL CONTRACTS

Maybank had on 19 October 2023 entered into a conditional share sale agreement (SSA) with Permodalan Nasional Berhad (PNB) in relation to the proposed acquisition from PNB of 8,336,404 ordinary shares in Maybank Asset Management Group Berhad (MAMG), representing 20% of the total issued share capital of MAMG, for a cash consideration of RM70,391,800 pursuant to the exercise of the put option granted by Maybank to PNB.

 Further details of the SSA and transaction can be found in the Company's announcement made to Bursa Malaysia on 19 October 2023 which is available on our website at www.maybank.com/ir.

Save for the above, there were no other material contracts entered into by the Company and/or its subsidiaries involving the interest of the Directors and substantial shareholders, either still subsisting at the end of the financial year ended 31 December 2023 or entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE (RRPT)

The Company did not enter into nor seek mandate from its shareholders on any RRPT during the financial year ended 31 December 2023.

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

Capital and Fund Raising Exercises

During the financial year ended 31 December 2023, the Group issued and entered into, among others, commercial papers, medium term notes, term loan and extendible money market certificates, in domestic and foreign currencies and in conventional and Islamic structures, as part of its capital and fund raising exercises. The proceeds raised from these capital and fund raising exercises were used for working capital, general banking and other corporate purposes, and/or Shariah-compliant purposes, where applicable.

 Details of these commercial papers, medium term notes, term loan and extendible money market certificates are disclosed in Notes 25 and 29, on pages 122 and 134 to 137 respectively of the Financial Statements.



Statement on Risk Management and Internal Control

Financial year ended 31 December 2023

This Statement on Risk Management and Internal Control has been prepared in accordance with paragraph 15.26(b) of Bursa Malaysia's Main Market Listing Requirements (MMLR), which requires the board of directors to provide a statement in the annual report about the state of internal control of the listed issuer as a group. Accordingly, the Board of Directors of Maybank (referred to as "the Board") is pleased to provide the following disclosure statement, which encapsulates key features of the Group's risk management system and internal control during the year under review.

BOARD RESPONSIBILITY

The Board affirms its overall responsibility for establishing a sound risk management and internal control system, as well as for reviewing its adequacy and effectiveness in identifying, assessing and responding to risks that may hinder the Group from achieving its objectives.

One of the vital roles of the Board is to establish the Group's risk appetite, which articulates the types and levels of risk that the Group is willing to accept in the pursuit of its business and strategic objectives. In this respect, the Board actively engages in the Group's strategic goals and plans, ensuring that the corresponding risks are adequately mitigated within the approved risk appetite. In view of the inherent limitations in any risk management and internal control system, the Board recognises that such a system can only provide reasonable, rather than absolute, assurance against material financial misstatement, fraud or losses.

The Board plays a crucial role in establishing a robust risk management and internal control governance structure, which is critical in setting the tone and culture of effective risk management. To effectively execute its oversight responsibilities, the Board has established the Risk Management Committee (RMC), Compliance Committee of the Board (CCB), and Audit Committee of the Board (ACB). These committees are responsible for overseeing matters related to risk, compliance and controls, respectively, and periodically provide the Board with updates on their work, key deliberations and decisions on delegated matters.

MANAGEMENT RESPONSIBILITY

Senior management holds the responsibility for implementing all policies and procedures established by the Board pertaining to risk and control. The roles of senior management include:

- Identifying and evaluating risks relevant to the Group's business, and the achievement of business objectives and strategies;
- Formulating relevant policies and procedures to manage these risks in accordance with the Group's strategic vision and overall risk appetite;
- Designing, implementing and monitoring an effective risk management and internal control system;
- Implementing remedial actions to address compliance deficiencies as directed by the Board; and
- Reporting in a timely manner to the Board any changes to risks or emerging risks and the corrective and mitigation actions taken.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

RISK MANAGEMENT

Overview

Group Risk provides oversight of risk management on an enterprise-wide level through the establishment of the Group's risk strategies, frameworks and policies, with independent assessment and monitoring of all risk challenges. In 2023, Group Risk continued to focus on value creation and supporting the Group in meeting its strategic and business objectives.

The Group Risk functions specialise in the management of specific risk areas within the Group; and manage all risks associated with the external environment and material matters strategically as they set consistent standards in relation to risk policies, risk reporting and risk modelling.

The key pillars of Group Risk functions are highlighted in Figure 1:

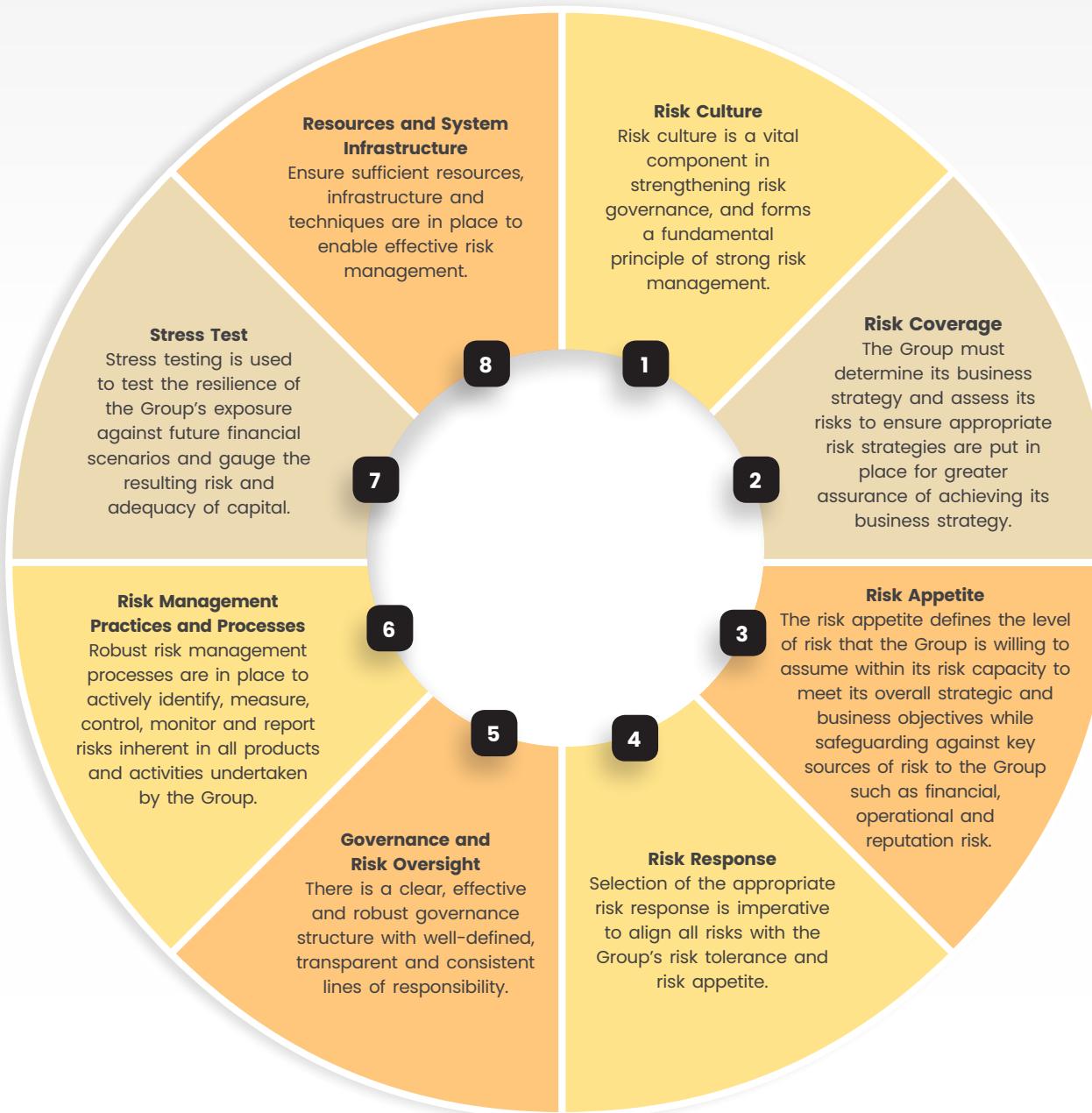
Figure 1: Group Risk Structure



Statement on Risk Management and Internal Control

Risk Management Framework

Risk management has evolved into an important driver for strategic decisions in support of business strategies while balancing the appropriate levels of risk taken with the desired levels of returns. To complement this, Group Risk has developed the Maybank Group Enterprise Risk Management Framework to institutionalise vigilance and awareness of the most significant risks to the achievement of the Group's mission, namely Humanising Financial Services, by putting customers and the wider community at the heart of everything that the Group does. The framework is underpinned by a set of building blocks that serves as the foundation in driving a strong risk management culture, encompassing the following practices and processes:

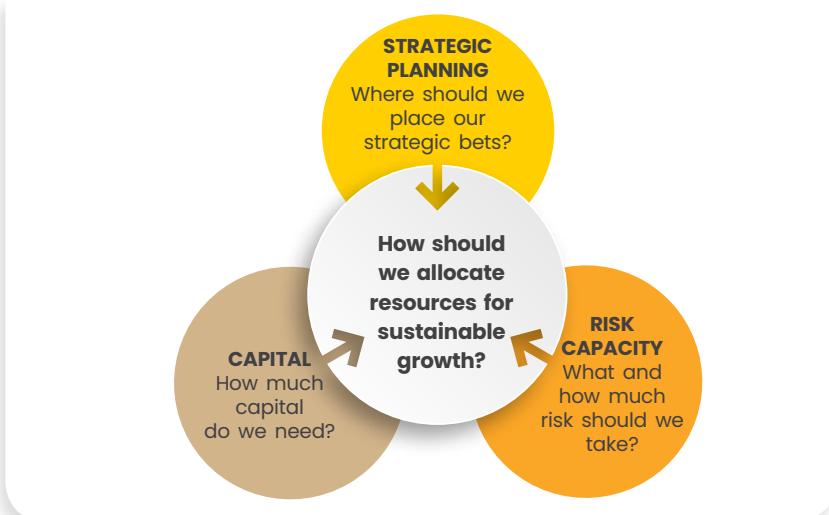


Risk Appetite

The Group's risk appetite is an integral component of the Group's robust risk management framework and is driven by both top-down Board leadership and bottom-up involvement of Management at all levels. The risk appetite enables the Board and senior management to communicate and assess the types and levels of risk that the Group is willing to accept in pursuit of its business and strategic goals while taking into consideration the constraints under a stressed environment. The Group's risk appetite translates our risk capacity into risk limits and/or tolerance as guidance, which are used regularly to measure and evaluate our risk profile.

The risk appetite is integrated into the strategic planning process, and remains dynamic and responsive to changing internal and external drivers such as business and market conditions, stakeholders' expectations and internal capabilities. In addition, the Group's annual budget is aligned with the risk appetite in ensuring that projected revenues arising from business transactions are consistent with the risk profiles established. The risk appetite also provides a consistent structure in understanding risk and is embedded in day-to-day business activities and decisions throughout the Group.

Figure 2: Principles of Risk Appetite



Risk Governance and Oversight

The governance model adopted by the Group provides a formalised, transparent and effective governance structure that promotes the active involvement of the Board and senior management in the risk management process to ensure a uniform view of risks across the Group.

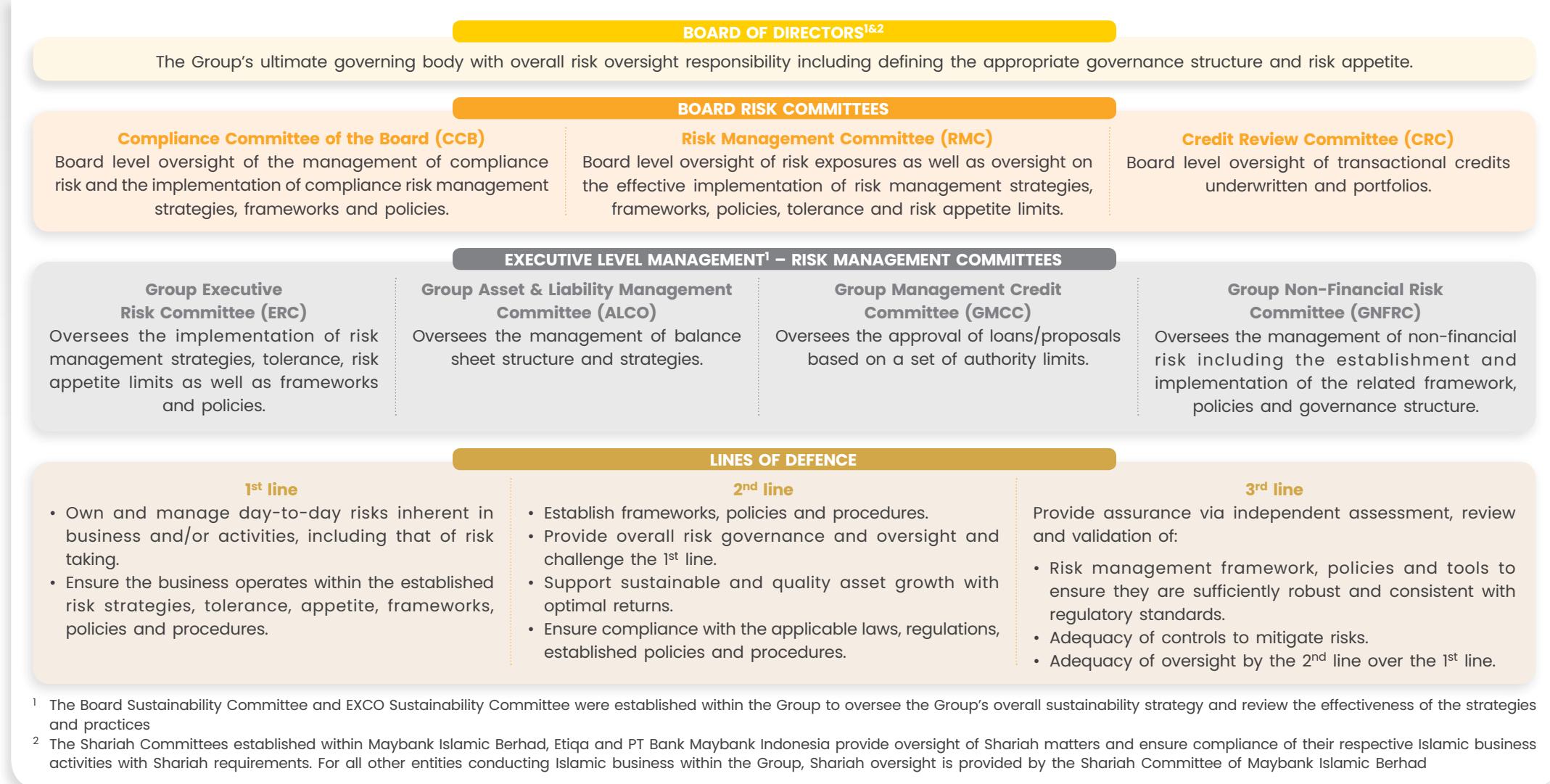
Our governance model places accountability and ownership in ensuring appropriate levels of independence and segregation of duties between the three lines of defence. The management of risk takes place at different hierarchical levels and is emphasised through various levels of committees and business lines as well as control and reporting functions.



Statement on Risk Management and Internal Control

The Group's overall risk governance structure is as illustrated in Figure 3:

Figure 3: Maybank Group Risk Governance Structure



¹ The Board Sustainability Committee and EXCO Sustainability Committee were established within the Group to oversee the Group's overall sustainability strategy and review the effectiveness of the strategies and practices

² The Shariah Committees established within Maybank Islamic Berhad, Etiqa and PT Bank Maybank Indonesia provide oversight of Shariah matters and ensure compliance of their respective Islamic business activities with Shariah requirements. For all other entities conducting Islamic business within the Group, Shariah oversight is provided by the Shariah Committee of Maybank Islamic Berhad

Risk and Compliance Culture

The risk and compliance culture is driven by a strong tone from the top. It serves as the foundation in which robust enterprise-wide risk management structures and governance are built. This is to ingrain the expected values and principles of conduct that shape the behaviour and attitude of employees at all levels of business and activity across the Group.

Risk and compliance policies are clearly defined, consistently communicated and continuously reinforced throughout the Group to embed a robust culture that cultivates active identification, assessment and mitigation of risks. As part of the risk and compliance culture, the Board, senior management and employees of the Group are committed to adhering to the requirements of relevant laws, rules and regulations. This commitment is clearly demonstrated through the establishment and strengthening of policies, processes and controls in managing and preventing non-compliance.

Risk and compliance culture programmes are emplaced and driven by the Board and senior management encompassing, among others, value capsules, induction programmes, engagement sessions, e-learning and roadshows. An integrated assurance platform is also emplaced to provide a single collective view of risk controls, compliance and governance. This ensures that risk considerations are embraced by all employees in enhancing the customer experience, building trust and brand value of the Group for long-term sustainability of the organisation.

Statement on Risk Management and Internal Control

Risk Management Practices and Processes

The risk management practices and processes enable systematic identification, measurement, control, monitoring and reporting of risk exposures across the Group.



Compliance Framework

The Framework provides the key principles and guidelines for managing compliance risk within the Group. It serves as a guide for the Compliance function alongside the Board, senior management and all employees in all jurisdictions in understanding and managing compliance risk. It is adopted and implemented by operating entities across the Group.

The Framework outlines:

- The overarching principles for the management of compliance risk across the Group;
- The overall strategy for managing compliance risk to ensure uniformity in practices across the Group in meeting regulatory and legal obligations;
- The minimum expected standards for compliance risk management; and
- The roles and responsibilities of compliance risk management across the Group.

Shariah Governance Framework

Maybank Group's Shariah Governance Framework sets out the expectations for effective Shariah governance structures, processes and arrangements of all businesses and countries within the Group that execute Islamic business transactions. The Framework was established in accordance with Bank Negara Malaysia's Shariah Governance Policy Document. This is to

ensure that all of the Group's Islamic operations and business activities are in accordance with Shariah principles as well as to provide oversight accountabilities to the Board, Shariah Committee and other key organs involved in implementation of Shariah governance.

The Shariah Governance Framework reflects the responsibilities of the Board, Shariah Committee, senior management and Shariah control functions, namely Shariah Risk, Shariah Review and Shariah Audit, to ensure the effective management of Shariah non-compliance risks. The end-to-end Shariah-compliant governance mechanism is carried out through three lines of defence as follows:

- 1st – Business and support units and Shariah Secretariat;
- 2nd – Shariah Risk and Shariah Review; and
- 3rd – Shariah Audit

Stress Testing

The Group's stress testing programme is embedded within the risk and capital management process and is also a key function of the business planning process. It serves as a forward-looking tool to facilitate the understanding of risk profiles under exceptional but plausible events and worst-case scenarios that may arise due to various economic, political and/or environmental factors, as well as to ascertain their impact on the Group and how they can be proactively managed.

The Group is preparing for Bank Negara Malaysia's 2024 climate risk stress testing (CRST) exercise. In anticipation of the 2024 CRST, we conducted a dry-run climate risk stress test on our Malaysian portfolio to support learning, enable a review of early climate stress test results and highlight areas of enhancement. There is a requirement by Otoritas Jasa Keuangan for PT Bank Maybank Indonesia Tbk to complete a climate risk stress test in 2024 for which the Group is providing support.

Responsible Lending

Our long-term financial success depends on the ability to identify and address the environmental, social and governance (ESG) risks of our business, as well as to identify opportunities for our businesses and our customers to grow sustainably. Premised on the guiding principles embedded in the Maybank Group Sustainability Framework and Maybank Group ESG Risk Management Framework, we continuously review and enhance our ESG practices by working with our stakeholders to drive sustainable business activities.

To enhance our ESG practices, ESG considerations are incorporated into the Group's credit risk policies and procedures documents as well as business processes through the development of position papers and ESG Risk Acceptance Criteria for industries with high ESG risk. Part of this process involves engagement with industry players and clients to promote understanding of ESG impacts and identify opportunities to integrate sustainability into clients' business practices. Furthermore, a Client Engagement Guidebook enables our relationship managers to have meaningful ESG-related engagements with clients, build forward-looking strategic and operational thinking capabilities, and curate bespoke solutions to support their decarbonisation journeys. An ESG Screening Document, meanwhile, integrates ESG considerations into the deal evaluation process, allowing relationship managers, risk managers and/or decision makers to gauge the maturity of clients' sustainability practices. In addition, the Sustainable Product Framework promotes more effective development of sustainable solutions, while the Transition Finance Framework provides guardrails on the mobilisation of transition finance for hard-to-abate sectors. Furthermore, the Maybank Group Climate Risk Policy provides principle-based requirements for climate risk management, with the intention of achieving climate resilience.

Details of the Frameworks can be found in the Sustainability Report and Environmental Report which are available on www.maybank.com/ar or www.maybank.com/en/sustainability.page



Statement on Risk Management and Internal Control

Cyber and Technology Risk Management Frameworks

The Cyber Risk Management Framework has been established based on standards issued by the National Institute of Standards and Technology (NIST) and guidance issued by regulatory bodies, ensuring operational resilience against extreme but plausible cyber-attacks. It is structured to identify the risks, build resiliency, continue evolving our mechanisms in detecting cyber threats and responding effectively to cyber related events. The framework covers both business and technology drivers from an end-to-end perspective. It is able to support the effective identification, protection, detection, response and recovery of systems and data hosted on premise.

The Technology Risk Management Framework implements a comprehensive approach towards governing and managing risks in the domains of technology risk for the Group. It establishes the governance and oversight structure and risk management processes on how technology risk will be identified, assessed, monitored, responded to and communicated, including roles and responsibilities.

Both frameworks are in place to ensure that our deliverables are aligned with the financial services industry's recommended practices and regulatory requirements. They have also been designed to be living documents, and to grow with the Group in the areas of cyber defence and technology development, application and system deliverables, management of outsourced service providers and awareness of cyber hygiene among our stakeholders.

INTERNAL CONTROL SYSTEM

Key elements of the internal control system established by the Board to provide effective governance and oversight of internal controls include:

• Group Organisation Structure

The Board has established an organisation structure with clearly defined lines of responsibility, authority limits and accountabilities aligned with business and operations requirements to support the maintenance of a strong control environment.

• Annual Business Plan and Budget

The Board deliberates and approves the annual business plan and budget. Performance achievements are reviewed monthly against targeted results, allowing time for the appropriate responses and required remedial actions to be taken. The Board regularly reviews reports from senior management on key operational statistics as well as legal and regulatory matters. Any changes or amendments to the Group's policies are also tabled to the Board for approval.

• Oversight by Audit Committee of the Board

The Audit Committee of the Board (ACB) has been established by the Board to assist in the execution of its governance and oversight responsibilities, as well as to ensure that there is a reliable and transparent financial reporting process within the Group. ACB's responsibilities include assessing the adequacy and effectiveness of the Group's governance, risk management and internal control systems through the Internal Audit (IA) function. The ACB has active oversight of the independence, scope of work and resources of the IA. The ACB meticulously reviews both internal and external audit plans, scrutinises control mechanisms, addresses weaknesses, and verifies financial statements for accuracy and compliance. Furthermore, the ACB plays a pivotal role in appointing and evaluating the Group Chief Audit Executive and external auditor, safeguarding audit objectivity; and upholding ethical conduct through conflict of interest review. The committee meets periodically to review audit and investigation reports prepared by IA, taking into consideration the corresponding Group Internal Audit Committee (GIAC)'s deliberation of the same reports. Significant control lapses are escalated by the ACB to

the Board for further deliberation, where necessary. As for unresolved audit findings, the ACB deliberates on them and ensures that Management undertakes the necessary remedial actions within the stipulated timeline.

Details of the activities undertaken by the ACB are highlighted in the Audit Committee Report as set out on pages 145 to 149

• Oversight by Risk Management Committee

The Board has delegated the risk oversight responsibility to the Risk Management Committee (RMC). The committee is responsible for formulating policies and frameworks to identify, measure, monitor, manage and control material risk components impacting the Group's businesses. The effectiveness of the risk management system is monitored and evaluated by the Group Risk function on an ongoing basis.

Further information on the roles, responsibilities and specific duties of the RMC can be found in Section B of the Corporate Governance Report (CG Report) which is available on Maybank's corporate website at www.maybank.com

• Oversight by Compliance Committee of the Board

The Board is assisted by the Compliance Committee of the Board (CCB) in the oversight of compliance risk. The overall objective of the CCB is to ensure that compliance risk management is deliberated at the highest level for the effective management of regulatory compliance to support business growth in line with the Group's aspirations and risk appetite. The role of the CCB, among others, is to review and assess the adequacy of infrastructure, resources and systems to manage compliance risk across the Group and recommend improvements to ensure effectiveness of the compliance framework.

Further information on the roles and responsibilities of the CCB can be found in Section B of the CG Report which is available on Maybank's corporate website at www.maybank.com

• Oversight by Nomination and Remuneration Committee of the Board

The Nomination and Remuneration Committee of the Board (NRC) was established to assist the Board in implementing its policies and procedures in respect of Board composition, nomination and appointment or re-appointment of Directors, Board evaluation as well as to review and recommend matters relating to the remuneration of the Board and the senior management of the Group. The NRC's main objective is to ensure that these policies and procedures are in compliance with regulations such as the Bank Negara Malaysia Corporate Governance Policy, MMLR, and Malaysian Code on Corporate Governance.

The key roles and responsibilities of the NRC are:

- To assess potential candidates or existing Directors and ensure compliance with BNM's Fit and Proper requirements;
- To review the independence of Directors in accordance with the related regulations;
- To assess the performance and effectiveness of the Board, Board Committees and individual Directors through the annual Board Effectiveness Evaluation exercise; and
- To establish and oversee policies for determining and reviewing remuneration for Directors and senior management.

Further information on the roles and responsibilities of the NRC can be found in Section B of the CG Report which is available on Maybank's corporate website at www.maybank.com

• Other Board Committees

Other Board Committees have been set up to assist the Board in executing its overall governance responsibilities and oversight function. They are the Credit Review Committee and Board Sustainability Committee. These committees are authorised to examine all

Statement on Risk Management and Internal Control

matters within the scope defined in their respective terms of reference and report to the Board with their recommendations.

 Further information on the various Board Committees can be found in Section B of the CG Report which is available on Maybank's corporate website at www.maybank.com

• Executive Level Management Committees

Various Executive Level Management Committees (ELCs) have been established by senior management to assist and support the Board Committees in overseeing core areas of business operations and controls.

These ELCs include the Group Executive Committee, Group Client Onboarding and Review Committee, Group Management Credit Committee, Group Executive Risk Committee, Group Asset and Liability Management Committee, EXCO Sustainability Committee, Group Non-Financial Risk Committee, Group Impairment Review Committee, Group Procurement and Property Committee, Group IT Steering Committee, Group Transformation Steering Committee, Group Internal Audit Committee, Group Staff Committee and Whistleblowing Governance Committee (chaired by an Independent Non-Executive Director).

• Management of Information Assets

Confidentiality, integrity and availability of information are critical to the Group's day-to-day operations and to facilitating Management's decision-making. The Group Information Risk Management Guidelines outline the guiding principles for effective management of information assets. All information must be properly managed, controlled and protected as guided by these information handling rules, which are also within the Maybank Group Cyber and Technology Risk Management Frameworks and BNM's Risk Management in Technology (RMiT) policy document. With increased adoption of technology capabilities and the concomitant risk of cyber threats, information security has been among our key focus areas. Technology controls are applied at various stages of the information cycle.

Technology infrastructure and security controls continue to be strengthened based on the evolving cyber threat landscape which is monitored from time to time. A clear desk policy is reinforced in the primary, alternative or mobile work arrangement site(s) to protect confidential and proprietary information.

• Sustainability Management

Premised on the mission of Humanising Financial Services, the Maybank Group Sustainability Framework serves as the overarching document outlining the sustainability mission, principles, goals, targets, governance and approach to all our activities. It is supported by other Group policies and procedures that reflect specific aspects of sustainability that are aligned with the Group's core values. The Framework details the six key principles and four commitments which are entwined with Maybank's M25+ strategy. As one of the five strategic thrusts of the Group, the sustainability strategy is underpinned by three key pillars: Responsible Transition, Enabling Our Communities, and Our House is in Order and We Walk the Talk. This involves:

- (1) Enabling the transition to a low-carbon economy and balancing environmental and social imperatives with stakeholders' expectations;
- (2) Building community resilience across ASEAN and undertaking responsive action to promote economic development and social well-being; and
- (3) Leading by example with good management practices and ensuring that Maybank's ESG strategy is based on a strong foundation.

To ensure sound sustainability governance, the EXCO Sustainability Committee – which is chaired by the President and Group CEO – is responsible for steering, coordinating and ensuring the effective implementation of the Group's Sustainability Agenda. Concurrently,

the Board Sustainability Committee oversees the Group's overall strategy on sustainability and reviews the effectiveness of the strategies and practices in place.

 Further information can be found in the Sustainability Report which is available on www.maybank.com/ar or www.maybank.com/en/sustainability.page

• Regular Updates and Communication of Risk Management Principles, Policies, Procedures and Practices

Risk management principles, policies, procedures and practices are reviewed and updated regularly to ensure relevance to the current business environment as well as compliance with applicable laws and regulations. Risk frameworks, policies and procedures are applicable across the Group, including all subsidiaries and overseas branches which are required to adopt the principles prescribed by the Group while complying with local requirements. To ensure the consistent adoption of the Group's standards, Group Risk has oversight of their adoption and customisation across the Group.

• Procurement Manual and Non-Credit Discretionary Power

The Group Procurement Manual is designed to streamline the functions of procurement within the Group. It serves as a standard guideline for good management practices expected in the procurement process and procedures. The authority to approve any request for budgeted or unbudgeted expenditure conforms to the applicable approval authority policies, i.e.: the Non-Credit Discretionary Power (NCDP), Delegation of Authority or equivalent. The NCDP defines the authority limits approved by the Board for procurement activities, acquisition and disposal of assets, operational write-offs, donations, as well as approval of general and operational expenses.

• Standard Practice Instruction

Policies and procedures are in place to ensure compliance with internal controls and the prescribed laws and regulations. These policies and procedures are set out in the Group's Standard Practice Instructions (SPIs) and are updated from time to time in accordance with changes to the business environment or regulatory guidelines. These SPIs are listed on the communication portal, which is made available to all employees.

• Maybank Group People Policies

The Maybank Group People Policies (MGPP) outline the philosophy and principles for people management and development in line with the Group's mission of Humanising Financial Services. MGPP consists of a set of policies and guidelines that covers all aspects of human capital management, including safeguards against business human rights violations, the prevention of any form of harassment, talent acquisition and development, performance and consequence management, and code of conduct for the cessation of employment. This is aligned with our M25+ strategy that ensures our ways of working promote the well-being of all our employees.

At Maybank, our focus is on creating a caring, safe and conducive working environment to enable our employees to thrive as they fulfil their personal and professional goals. In 2023, we introduced the Maybank Group Dignity Policy (MGDP) to reduce inequalities while promoting decent work and economic growth for all, regardless of their backgrounds. The MGDP safeguards our employees' right to human dignity, reinforcing our commitment to provide an environment free of discrimination and harassment, where all individuals can perform at their best, and have equal opportunities. The MGDP ensures that all our employees are shown respect and dignity, reiterating that any form



Statement on Risk Management and Internal Control

of discrimination, bullying, bias or harassment will not be tolerated. The said policy complements our Maybank Group Code of Ethics & Conduct, Business Ethics Charter and the Group's Diversity, Equity and Inclusion Policy.

• Core Values and Code of Ethics and Conduct

The Group's core values, TIGER (Teamwork, Integrity, Growth, Excellence and Efficiency, Relationship Building), are the essential guiding principles to drive behavioural ethics while fulfilling our collective responsibility to serve our mission of Humanising Financial Services. It is further complemented by the Code of Ethics and Conduct which sets out sound principles and standards of good practice to be observed by all employees.

• Fraud Management

The Group instils a culture of vigilance among employees in handling and combating fraud as well as deterring future occurrences. Robust and comprehensive tools/infrastructure and programmes are emplaced to ensure risks resulting from fraud are identified, escalated/reported and managed in a decisive and timely manner. Stern disciplinary action is taken against employees involved in fraud.

• Reputational Risk Management

The Group adopts a holistic approach, supported by sound governance, to create awareness of and manage our reputational risk and its consequences. Protecting our reputation is paramount to operating as an institution that provides financial services. Upholding trust and creating a better customer experience and security are vital parts of our obligations as a financial institution. Hence, the Group has a policy with roles and responsibilities of key stakeholders with regard to processes, such as monitoring social media sentiment, to facilitate effective reputational risk management and monitor risk exposures within our risk appetite.

• Whistleblowing

Maybank is committed to the highest standard of ethics and integrity in its conduct of business and operations. The Maybank Group Whistleblowing Policy encapsulates the governance and standards required to promote an ethical, responsible and secure whistleblowing practice in Maybank, in line with BNM's Corporate Governance Policy. The

Whistleblowing Policy provides a proper and secure avenue for employees and members of the public to report any knowledge of improper conduct without fear of adverse consequences.

Access to whistleblowing information is governed with the strictest confidentiality under the oversight of a committee chaired by an Independent Non-Executive Director.

• Anti-Bribery and Corruption

Maybank adopts a zero-tolerance approach against all forms of bribery and corruption in carrying out its daily operations. The Group complies with the Malaysian Anti-Corruption Commission Act 2009, as well as other laws and regulations in the countries where it operates. The Maybank Group Anti-Bribery & Corruption Policy and Procedures set out the guiding principles for Maybank to address and manage bribery and corruption risks in all its dealings.

• Financial Crime Compliance

Maybank is committed to fighting financial crime and ensuring compliance with the relevant laws and regulations. Financial crime risks are managed to protect Maybank's integrity and reputation. The Group has established comprehensive controls to anticipate, prevent, detect and respond to money laundering, terrorist financing and sanctions risks.

• Independent Assurance by Internal Audit

The Board established the Internal Audit (IA) function to provide independent assurance on the adequacy and effectiveness of risk management, control, anti-corruption, whistleblowing and governance processes. The IA function operates independently of the activities and operations of other operational units within the Group. This function is led by the Group Chief Audit Executive, who reports functionally to the ACB and administratively to the President and Group CEO. IA's processes and activities are guided by the Audit Charter and governed by relevant regulatory guidelines, the Group's Code of Ethics and mandatory guidance outlined within the International Professional Practices Framework established by The Institute of Internal Auditors.

More detailed description of the Internal Audit function is highlighted in the Audit Committee Report on pages 145 to 146

REVIEW OF THE STATEMENT BY EXTERNAL AUDITOR

This statement has been reviewed by our external auditor in pursuance of paragraph 15.23 of the Listing Requirements for inclusion in the annual report of the Group for the financial year ended 31 December 2023. The limited assurance review was conducted in accordance with Audit and Assurance Practice Guide 3 (AAPG3) issued by the Malaysian Institute of Accountants. The AAPG3 does not require external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on the limited assurance procedures performed and evidence obtained, the external auditor has reported to the Board that nothing has come to their attention that causes them to believe that this statement, intended to be included in the annual report, has not been prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; nor is the statement factually inaccurate.

CONCLUSION

The President and Group CEO and Group Chief Financial Officer have provided reasonable assurance to the Board that the risk management and internal control system implemented by the Group is operating adequately and effectively in all material aspects.

As for the material associate companies, an associate is defined as an entity over which the Group and the Bank have significant influence. Significant influence refers to the power to participate in the financial and operating policy decisions of the investee, although it does not constitute control or joint control over those policies.

After careful consideration of the assurance from senior management and input from relevant assurance providers, the Board is of the view that the Group's risk management and internal control system operates adequately and effectively, thus safeguarding the interests of the Group's shareholders and assets. Additionally, the Board is satisfied that the Group has established an ongoing process to identify, evaluate, monitor, manage and respond to significant risks encountered in the pursuit of its business and strategic objectives. This commitment remains amid the dynamic and challenging business environment and increasing regulatory scrutiny, especially in these times of uncertainty and crisis. This process has been consistently in place throughout the entire financial year under review, up to the date of approval of the statement for inclusion in the annual report.

Audit Committee Report

COMPOSITION

The Audit Committee of the Board (ACB) comprises the following independent non-executive directors:

1. Shirley Goh – Chairman
2. Shariffuddin Khalid
3. Che Zakiah Che Din
4. Dato' Zulkiflee Abbas Abdul Hamid
5. Fauziah Hisham (appointed a member of the ACB with effect from 1 May 2023)

This is in line with the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia), which prescribes that the ACB must consist of at least three members with the Chairman and a majority of the members being independent non-executive directors. In addition, comprising solely of independent directors of Maybank, the current ACB adheres to the Step Up Practice of the Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia.

Following a review of the term of office and performance of the ACB during the 2023 Annual Board Committee Effectiveness Evaluation, the Board of Directors (Board) was satisfied that the Committee had discharged its functions in accordance with its terms of reference.

The financial year ended 31 December 2023 (FY2023) saw a couple of changes to the composition of ACB, with Dr. Hasnita stepping down as a member with effect from 1 May 2023 and Fauziah Hisham being appointed as a member of the Committee on the same day.

 The duties and responsibilities of the ACB are set out in its terms of reference which is available on Maybank's corporate website at www.maybank.com

ACTIVITIES OF ACB FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

MEETINGS HELD AND ATTENDED

A total of 16 meetings were held during FY2023, details of which are set out below:

Name of Committee Member	Number of meetings held and attended during FY2023
Shirley Goh	16/16
Shariffuddin Khalid	16/16
Che Zakiah Che Din	16/16
Dato' Zulkiflee Abbas Abdul Hamid	16/16
Dr. Hasnita Dato' Hashim	6/6
Fauziah Hisham	10/10

The Group Chief Audit Executive (GCAE) and members of the Maybank Group Audit's management team attended these meetings to present the internal audit and investigation reports. The Group Chief Operations Officer, as Chairman of the Group Internal Audit Committee (GIAC), represented management in the ACB to provide assurance and commitment on the prompt resolution of audit issues and areas of concern highlighted by Maybank Group Audit (MGA). In addition, representatives of the audited units were also invited to the meetings as and when required, to clarify specific topics or issues arising from the audit reports, as well as to provide assurance that any rectifications needed would be undertaken.

As for the statutory audit, the external auditors were invited to the ACB meetings to discuss their Audit Planning Memorandum (APM), results and issues arising from their audit including key audit matters (KAM) and updates on Management's responses and action plans on issues highlighted in their report. Together with the President and Group CEO and Group Chief Financial Officer, the external auditors also attended ACB meetings where the quarterly and half-yearly unaudited financial reports and the annual audited financial statements of the Bank and the Maybank Group were reviewed and discussed. An annual assessment of the external auditors' performance, including their suitability and independence, was performed in accordance with the Framework on Appointment of External Statutory Auditors for Provision of Statutory Audit and Non-audit Services (Framework) that has been adopted since December 2011. Subsequently, a recommendation for the external auditors' reappointment was made to the Board.

During FY2023, ACB held three private sessions with the external auditors and two with MGA without Management's presence, to discuss matters the auditors wished to raise and to ensure the ability of the auditors to carry out their work and functions without restrictions.

In FY2023, the ACB carried out the following activities in the discharge of its duties and functions:

INTERNAL AUDIT

1. Reviewed and approved the Annual Audit Plan (AAP) for FY2023 and FY2024 to ensure the scope and coverage were sufficiently comprehensive and the audit resources at all levels were adequate to execute the plans. The ACB also reviewed and endorsed IA's annual operating budget requirement as presented in the AAP FY2023, and tabled it as part of the Group budget for the Board's approval.
2. Reviewed and approved the quarterly updates and revisions of AAP FY2023 to ensure its pertinence and agility, taking into consideration emerging risks affecting the Group as well as requests from the regulators, ACB and Management.
3. Deliberated and approved the FY2023 Balanced Scorecard for the GCAE, taking into consideration the relevance and importance of key performance indicators set for the year.
4. Assessed and approved the FY2022 performance and rewards for GCAE and MGA staff in Malaysia, considering IA's overall achievement for the year in accordance with the matrix approved by the Board.
5. Reviewed and endorsed the revised Audit Charter for final approval of the Board.
6. Reviewed the monthly GCAE's Report outlining, among others, the completion of planned audits as per the approved AAP FY2023 including the audit ratings; staff strength including staff movement and people analytics; staff learning and development including professional certification status; digital audit progress updates, MGA's participation in IT projects; and analysis of auditee's feedback on audits conducted. Aside from these, the GCAE's Report also provided an overview of alleged fraud cases as well as an analysis of card-related fraud and internet banking scams. Subsequently, the GCAE's Report was tabled to the Board for information via the ACB Chairman's Reports.



Audit Committee Report

7. Deliberated the audit and investigation reports as well as action plans implemented by Management to remediate or to enhance oversight mechanisms to further strengthen the internal control system. Pertinent discussion points by the ACB were also cascaded to the Management via the GIAC for their attention and action. Where required, the Chairman of GIAC was advised to escalate the control lapses and recommendations to the Group EXCO for deliberation and monitoring.
8. Informed and updated the Board on the audits and investigations conducted by MGA via the ACB Chairman's Report.
9. Reviewed the monthly audit finding status reports and deliberated on the corrective actions and timelines taken by Management to ensure prompt resolution of the control lapses highlighted.
10. Reviewed and approved the requests by Management to extend the timeline to rectify audit findings, taking into consideration the justifications provided.
11. Reviewed and noted the minutes of meetings for the following:
 - a. GIAC and IAC Singapore (Maybank Branch Singapore), for an overview of the deliberations and remedial actions taken by Management on control lapses raised by IA; and
 - b. ACBs at the subsidiaries in Malaysia and in the overseas entities. The ACB also deliberated the key concerns discussed at these ACBs and, where deemed necessary, sought clarification and additional information from the ACBs of the respective subsidiaries to ensure appropriate actions had been taken.
12. Reviewed and deliberated the Analysis of Audit Rating Statistics for FY2022 and 1H FY2023, which summarised the state of internal controls based on audits conducted throughout FY2022 and as of 1H FY2023 respectively. The report identified areas where improvements were noted and the factors contributed to the areas requiring attention.
13. Deliberated and approved the MGA Strategic Plan 2023-2025 (GRASP25), which outlined the strategic vision, mission and goals of MGA with the aim of achieving IA's long-term mission. GRASP25 will ultimately drive MGA to meet stakeholders' expectations to be an Insight Generator by 2025.
14. Deliberated MGA's succession pipeline for mission critical positions and the overall development intervention for the identified successors.
15. Deliberated and approved the proposed appointment of key positions for the regionalisation of MGA and the revised organisation structure.
16. Deliberated and approved the formalisation of Self-Identified Issues (SII) in audit processes to drive stronger control culture, a transparent and collaborative work environment, and promote audit efficiency.
17. Deliberated and approved a revised audit report format to facilitate a quicker and more intuitive understanding of the key messages, and allow users to focus on specific areas requiring attention.
18. Deliberated and approved the proposed expansion of quality assurance review coverage by an independent external reviewer on internal audit functions for the four overseas entities, namely Maybank Securities Limited, Maybank Capital, Inc., PT Maybank Sekuritas Indonesia and Maybank Philippines, Incorporated.

INTEGRATED ANNUAL REPORT

19. Reviewed and endorsed the FY2022 Integrated Annual Report for the Board's approval.
20. Reviewed and endorsed the Statement on Risk Management and Internal Control (SORMIC) for the Board's approval and disclosure in the FY2022 Integrated Annual Report.
21. Reviewed and endorsed the Audit Committee Report (ACR) for the Board's approval and disclosure in the FY2022 Integrated Annual Report.
22. Reviewed and endorsed the Corporate Governance Overview Statement and Report for the Board's approval and inclusion in the FY2022 Integrated Annual Report.

FINANCIAL REPORTING

23. Reviewed the quarterly unaudited financial results and the annual audited financial statements of the Bank and Maybank Group as well as the accompanying Directors' Report, to ensure that they have been prepared in accordance with the Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and requirements of the Companies Act 2016 in Malaysia, before recommending the financial results and financial statements to the Board for approval.
24. In reviewing the financial results and financial statements of the Group, the ACB discussed and made enquiries on, among others:
 - a. Changes in accounting policies including the implementation of major new accounting standards such as MFRS 17 *Insurance Contracts* by the Group;
 - b. Significant matters highlighted, including significant judgements, estimates and assumptions made by Management, significant and unusual events or transactions during the year and how these matters were addressed; and
 - c. Impact of emerging external events and business developments to the financial reporting processes.

EXTERNAL AUDIT

25. Reviewed with the external auditors:
 - a. The APM focusing on the scope of work for the year which included the audit strategy and approach for FY2023, new areas of audit emphasis arising from emerging events and recent developments in accounting standards and laws and regulations, multi-location audit scoping, audit timelines, significant audit areas that may give rise to KAM, and the proposed statutory audit fees. The APM was subsequently recommended for the Board's approval;
 - b. The results of the audits, significant audit and accounting matters identified including those pertaining to emerging external events and business developments; and
 - c. Memorandum of Recommendations arising from the audit together with Management's responses or comments.
26. Reviewed the external auditors' performance, including their suitability and independence in accordance with the Group's Framework, which is in line with BNM's policy document on the external auditor and the requirements of the By-Laws on Professional Ethics, Conduct and Practice of the Malaysian Institute of Accountants. The following procedures were carried out:

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Audit Committee Report

- a. Review the professional conduct of the external auditors by considering information available from public or independent sources. The review was carried out to ensure:
 - i. The appointed external auditors are registered with the Audit Oversight Board as public interest entity auditors;
 - ii. The appointed external auditors and key members of the audit engagement team involved in making key decisions on significant matters with respect to the audit of the financial statements (key members of the audit engagement team) have not been convicted of any offences under the FSA 2013, the IFSA 2013 or the Companies Act 2016, or any written law involving fraud or dishonesty; and
 - iii. The engagement partner and key members of the audit engagement team do not have any record of disciplinary actions taken against them for unprofessional conduct by any professional associations and/or regulatory bodies.
- b. Assess the external auditors' knowledge, capacity and audit experience by reviewing the following:
 - i. Curriculum vitae of the engagement partner and concurring partner;
 - ii. List of public interest entities audited by the engagement partner and the concurring partner in the last two years prior to the date of statutory declaration;
 - iii. Years of experience of the engagement partner and key members of the audit engagement team in auditing financial institutions; and
 - iv. Man-days spent by the engagement partner and the concurring partner in the previous audit.
- c. Assess the external auditors' performance by reviewing the quality of previous audit or work done by the external auditors and their level of engagement with the ACB. The assessment found that the external auditors had participated actively in discussions with the ACB, as detailed below:
 - i. The external auditors updated the ACB with the results of the audit findings in their report for FY2022 on 26 January 2023;
 - ii. The Memorandum of Recommendations arising from the audit of the financial statements for FY2022 was tabled to the ACB by the external auditors on 26 April 2023;
 - iii. On 27 July 2023, the external auditors presented to the ACB their report on the limited review of the Bank's unaudited profit after taxation and zakat for the six-month period ended 30 June 2023;
 - iv. The external auditors presented the APM with regard to the audit of the financial statements for FY2023 to the ACB on 23 August 2023; and
 - v. The ACB held three meetings with the external auditors on 26 January 2023, 26 April 2023 and 23 August 2023 without Management's presence to allow the external auditors to raise concerns, if any, and discuss relevant issues and obtain feedback for improvement.
- d. Assess the external auditors' performance and timeliness of service deliverables. The external auditors were able to complete the audit engagements for the Bank and Maybank Group within the timelines set, as demonstrated below:
 - i. The audited financial statements as at 31 December 2022 were signed off by the external auditors on 27 February 2023;
 - ii. The report on limited review for the financial period ended 30 June 2023 was signed off by the external auditors on 31 July 2023; and
 - iii. No past audit lapses by the external auditors were observed in previous assurance engagements.
- e. Assess the independence and objectivity of the external auditors by reviewing the following:
 - i. List of non-audit services provided by the external auditors for the Bank and Maybank Group;
 - ii. List of non-audit services rendered by the engagement partner and the concurring partner in the last two years;
 - iii. Value-added audit findings raised by the external auditors in the recent audit of the financial statements of the Bank and Maybank Group;
 - iv. Confirmation by the external auditors and all members of the engagement team of their independence in accordance with the By-Laws on Professional Ethics, Conduct and Practice of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants;
 - v. Statutory declaration by the engagement partner and key members of the audit engagement team, confirming that they have no relationship with, or interest in shares of, the Bank and Maybank Group; and
 - vi. Existing engagement partner and the concurring partner have not served the Bank or Maybank Group for a continuous period of more than five years.
- f. Assess the external auditors' Annual Transparency Report which encompassed statistics and insights into the audit firm's legal and governance structure, measures taken by the audit firm to uphold audit quality and manage risks as well as information on the audit firm's audit quality indicators.
- 27. Reviewed and approved the appointment of the external auditors for the provision of non-audit services to the Bank and Maybank Group, considering the following qualitative and quantitative criteria:
 - a. The professionalism, expertise, adequacy of knowledge and relevant experience of the engagement team members;
 - b. Conflicts of interest that could arise, and the scope and proposed fees for the non-audit services to be performed by the external auditors will not threaten their independence; and
 - c. The fees quoted by the external auditors for non-audit services were competitive and commensurate with the scope of such non-audit services.



Audit Committee Report

RELATED PARTY TRANSACTION (RPT)

28. Reviewed RPTs and ensure that they are in compliance with Maybank Group's procedures for identifying, monitoring, reporting and reviewing related party transactions, in line with the Group's RPT Policy.
29. On a quarterly basis, reviewed related party disclosures in compliance with MFRS124 Related Party Disclosures, Main Market Listing Requirement (MMLR), Companies Act, 2016 and Maybank Group's guidelines. This covered the nature and amount of the transactions to ensure that the terms and conditions of the transactions were commercially-driven and at arm's length basis.

OTHERS

30. Reviewed and endorsed for Board's approval the proposed Conflict of Interest (COI) escalation process pursuant to the amendments of the MMLR.
31. Noted on the Maybank Group Pillar 3 Disclosure for the financial year ended 31 December 2022, and half year ended 30 June 2023, as approved by the Risk Management Committee.

INTERNAL AUDIT FUNCTION

ORGANISATIONAL INDEPENDENCE

The IA function of Maybank was established by the Board to provide independent and objective assurance of the adequacy and effectiveness of the governance, risk management, anti-corruption, whistle-blowing and internal control processes implemented by the Management. The function is independent of the activities audited and from the day-to-day internal control processes. The GCAE reports functionally to the ACB and administratively to the President and Group CEO to maintain the requisite independence and objectivity as outlined in the Audit Charter approved by the Board. The IA function of Maybank, including the Malaysia and overseas subsidiaries and branches, are organised on a Group basis under the purview of the GCAE. The GCAE has active oversight of the in-house IA functions of the overseas subsidiaries in the Philippines, Indonesia, Singapore, Cambodia, Hong Kong, Thailand and Vietnam which, in turn, are directly accountable to their respective entities' ACBs (or equivalent). To maintain audit objectivity and independence, the IA functions in Malaysia as well as the overseas entities are independent of the operations of the other operating units.

The IA function of the Group is led by Mohamad Yasin Abdullah. He has more than 26 years of experience in the corporate and financial industry, of which 12 years were in the capacity of Chief Financial Officer and four years of Chief Operating Officer. He is a Chartered Banker with the Asian Institute of Chartered Bankers and a Fellow Member of The Association of Chartered Certified Accountants (FCCA) and The Chartered Institute of Management Accountants (FCMA). He is also a member of The Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accountants (MIA). He graduated from the International Islamic University Malaysia (IIUM) with a Bachelor of Accounting (Honours) and a Master of Business Administration in Finance. He is a member of the Board of Governors of The IIA Malaysia and is also an active member of the Chief Internal Auditors Networking Group (CIANG).

RESPONSIBILITY, SCOPE AND METHODOLOGY

The principal responsibility of the IA function is to evaluate the adequacy and effectiveness of the system of risk management and internal control implemented by the Group and to assess whether risks that may hinder the Group from achieving its objectives are adequately evaluated, managed and controlled. It provides risk-based and objective assurance, advice and insight to enhance and protect organisational value and assist management to achieve its objectives.

The AAP FY2023 was approved by the ACB in January 2023. It defined the IA scope of work for the year, covering the business and operations of the Group. In establishing the plan, all the auditable units were risk ranked using the Maybank Risk-Based Audit approach while the COSO Internal Control - Integrated Framework Principles and COBIT (for IT) framework were used to assess the adequacy and effectiveness of internal controls. The AAP also took into consideration the Group's key business strategies and operations, and Management's feedback on their areas of concern and potential risks. In addition, MGA continued to provide independent and objective consultative reviews of the implementation of new initiatives in the Group during the year including new business ventures, new systems, and the introduction of new products.

IA's processes and activities are governed by the relevant regulatory guidelines as well as the Group's future-ready Code of Ethics and Conduct Policy and mandatory guidance of the International Professional Practices Framework issued by The IIA. During the year, audit reports, along with the issues, root causes and recommendations as well as Management's responses and action plans for improvement and/or rectification, were tabled to the GIAC and ACB for review and deliberation. The rectification status of the audit findings was closely tracked and periodically reported to the GIAC and ACB to ensure prompt resolution. Any requests for rectification timeline extension were also tabled to the ACB for approval.

The Quality Assurance and Improvement Programme (QAIP) continues to be used to assess the quality of the audit processes against international standards promulgated by The IIA. Recommendations and opportunities for improvement are identified through internal and external assessments. The internal assessment is performed annually by an independent internal quality assurance team under the direct supervision of the GCAE, while the external assessment is conducted at least once every five years by a qualified and independent external assessor. The QAIP results are tabled to the ACB.

RESOURCES

The overall costs incurred for maintaining the IA function in the Group for FY2023 was approximately RM94.38 million. The breakdown of staff strength and expenses incurred is as follows:

Location	No. of Staff	RM' Million
Malaysia	142	45.52
Regional	210	48.86
Total Group	352	94.38

As of 31 December 2023, MGA had a total staff strength of 352 individuals (in Malaysia and the region) from diverse backgrounds and qualifications.

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Audit Committee Report

MGA continues to encourage its staff to enrich and diversify their skillsets by providing accessible and flexible learning alternatives. A comprehensive series of in-house training sessions, both in virtual and physical mode, was conducted by subject matter specialists from MGA and Maybank's line trainers to provide auditors with essential audit and technical knowledge in various audit areas. Where applicable, the training sessions were extended virtually to the overseas IA teams to ensure consistency in the application of auditing standards, processes, practices and testing procedures. Externally, the auditors also actively participated in conferences, webinars and training programmes organised by accredited training providers and professional bodies.

In October 2023, a survey aligned with the Internal Auditor Competencies Framework established by The IIA was conducted. This survey aimed to assess skillsets within MGA, providing valuable insights into the diversity and strength of available skills while also addressing the learning needs of the IA functions.

MGA remains committed to the continual upskilling of the auditors, by enabling the auditors to advance through relevant internal audit certifications, including the Specialist Certificate in Bank Audit, Certified Internal Auditors, Certified Information Systems Auditor and Certified Anti-Money Laundering Specialists, and other relevant certifications. This commitment serves to further enhance the auditors' competencies and support their continuous professional development.

SUMMARY OF INTERNAL AUDIT ACTIVITIES IN FY2023

In reference to the ACB's activities in relation to IA as stated in paragraphs 1 to 18 above, IA had also undertaken the following initiatives throughout 2023 to support the ACB in the discharge of its functions and duties:

1. Continued to transform and accelerate the application of digital technologies in auditing to provide better insights into determining emerging risks with the robust succession of data and advanced analytics. The key enhancements and evolution were on incorporating robotic process automation in most assurance functions as well as leveraging data and analytics to support IA's assurance and advisory roles to Management and stakeholders.
2. Conducted a four-day Group-wide onsite AAP challenge session to calibrate and integrate the audit approach across all IA functions in Malaysia and overseas entities. This was to ensure consistent and comprehensive coverage of risk locations across the Group.
3. Performed periodic internal control testing and independent assessment on business units, operations and processes across the Group as identified in the AAP. Among the key risk areas assessed were environmental, social and governance (ESG) initiatives, cyber and technology security, anti-money laundering, anti-bribery and corruption, outsourcing governance and operations as well as sales activities, cash management and physical security at branches.
4. Adopted a regional approach in conducting reviews on critical areas such as anti-money laundering, anti-bribery and corruption, stress testing, cyber security, compliance with the SWIFT framework and general IT controls to ensure consistency across the Group.
5. Conducted compliance reviews in accordance with the requirements of the respective countries' regulatory authorities on areas such as the e-Payment Incentive Fund Framework; Staff Training Fund Contribution Arising from Staff Pinching; Managing Risks for Electronic Banking, Direct Debit and Risks Associated with Payment Instruments Circular; and Management of Customer Information and Permitted Disclosure.
6. Prepared and presented the Analysis of Audit Rating Statistics for FY2022 and 1H FY2023 to the management committees.
7. Presented to the Group EXCO the pertinent discussion points of GIAC, covering among others, the key concerns arising from unsatisfactory and investigation reports.
8. Tracked and reported the implementation status of action plans committed by Management to address audit findings highlighted by IA. Requests for timeline extension were also escalated to the GIAC for endorsement and to the ACB for approval.
9. Conducted post-implementation reviews of new products and new IT systems to assess whether all objectives agreed to were achieved.
10. Reviewed the effectiveness of the business continuity management processes at various business entities (including the alternate business operations sites and remote working arrangement) to ensure smooth resumption of business operations in the event of any disaster.
11. Conducted special reviews on key risk areas as well as emerging risks identified for ongoing reviews such as validation of the compliance and effectiveness of fraud countermeasures on internet and mobile banking.
12. Conducted 34 investigations in FY2023 arising from lapses noted during audits or cases reported to MGA, as well as requests from Management and ACB.
13. Conducted the 1H FY2023 internal quality assurance review on the IA team in Malaysia.
14. Conducted desktop limited peer reviews of the respective overseas IA teams, and tabled the results to the respective ACBs.
15. Attended periodical meetings of various Management-level committees (on-site/virtual) such as the Group Information Technology Steering Committee, Group Executive Risk Committee, Group Non-Financial Risk Committee and Group Procurement Committee in a consultative and advisory capacity to provide independent feedback on governance, risk management and internal control.



Group Shariah Committee Report

The Shariah Committee (SC) performs an oversight role on Shariah matters related to the business operations and activities of the relevant Islamic businesses within Maybank Group.

There are three Shariah committees that reside within Maybank Group:

Maybank Islamic Berhad Shariah Committee (MIBSC)

Shariah Committee of Etiqa Family Takaful Berhad and Etiqa General Takaful Berhad (SC EFTB and EGTB)

Maybank Indonesia Shariah Supervisory Board (SSB)

For MIBSC and SC EFTB and EGTB members' profiles, refer to pages 121 to 125. For SSB members' profiles and reports, refer to Maybank Indonesia's Annual Report 2023.

SHARIAH GOVERNANCE, DUTIES, RESPONSIBILITIES AND ACCOUNTABILITIES

Maybank Group has established and implemented a robust Shariah Governance Framework based on Bank Negara Malaysia (BNM)'s requirements. Refer to Financial Statements on pages 291 and 292 and Basel II Pillar 3 Disclosure on www.maybank.com for further details on the Shariah governance structure, approach and responsibilities.

MEETINGS AND JOINT BOARD MEETINGS

The MIBSC convened 29 meetings, including five special meetings for urgent proposals. All MIBSC members fulfilled the minimum 75% attendance requirement under the operation procedures for the Shariah committee of BNM's Shariah Governance Policy Document. In line with SC's focus on ensuring effective implementation of Shariah governance and best practices of corporate governance, two joint sessions were held with the Board of Directors of Maybank Islamic Berhad and two more with the Board of Directors of Maybank Investment Bank Berhad.

SC EFTB and EGTB convened 26 meetings during the year. Similar to the MIBSC, all SC EFTB and EGTB members satisfied the minimum 75% attendance requirement. Two joint sessions were held between SC EFTB and EGTB and the Board of Directors of EFTB and EGTB, reflecting SC's commitment to promoting consistent Shariah interpretations across different financial products and activities.

SC CONTINUING PROFESSIONAL DEVELOPMENT PROGRAMME

As part of the initiatives towards strengthening capabilities of the SC, a series of tailored professional development programmes was conducted and participated by SC during FY2023 including the following:

MIBSC

- Certified Shariah Advisors (CSA) series, covering the following topics: Islamic Banking products and services, corporate and Shariah governance, risk management, Usul Mazahib, Islamic capital markets, critical analysis of contemporary resolutions in Islamic finance, takaful, case study on structuring, policy and strategy in Islamic finance, and Maqasid Shariah
- Shariah committee offsite meeting – Succeeding with Islamic Wealth Management
- Panellist at the 21st Annual Shariah Boards Conference organised by the Auditing Organisation for Islamic Financial Institutions
- Panellist at the 4th Salalah International Islamic Finance Forum
- Panellist at the 17th Muzakarah Cendekian Syariah Nusantara 2023
- Panelist at the World Zakat & Waqf Forum 2023
- Panelist at the International Shariah Scholars Forum 2023
- Panelist at Maybank Islamic's Shariah Forum 2023: Navigating the Path of Innovation in Islamic Finance
- Panelist at the Insan Charity Association Forum Kuwait
- In-house training sessions on SP5 and fundamentals of Agile, as well as treatment for customers (musir and mu'sir): MIB's practices for rescheduling and restructuring of Islamic financing
- Participation in a roundtable discussion on waqf financing with Association of Islamic Banking and Financial Institutions Malaysia
- Shariah discourse on Islam and restoration of justice in society
- Shariah contract workshop on payment card, Tawarruq, Ijarah and Musyarakah Mutanaqisah

SC EFTB AND EGTB

- Etiqa Takaful strategic engagement session 2023: "From Poverty to Prosperity: Malaysia's Fascinating Story" by Y.Bhg. Tan Sri Nor Mohamed Yakcop, Chairman of Khazanah Research Institute
- Etiqa Directors' training programme – capital management
- Etiqa Directors' training programme – risk management
- Etiqa Directors' training programme – ESG Approaches in Reinsurance Market
- FY2023 Etiqa risk landscape workshop
- Shariah compliance culture: towards a holistic Shariah compliance culture as a unique corporate value proposition
- Etiqa Directors' training programme (ESG topic): Sustainability Transition – Innovation as Change Drivers
- Etiqa Directors' training programme – Cyber Security Management: Cyber Security in Generative AI
- Certified Shariah Advisors (CSA) series
- Etiqa Family Takaful business operations
- Etiqa Directors' training programme – compliance
- Etiqa General Takaful business operations
- Etiqa Directors' training programme – ESG as a Value Driver for Financial Institutions: Understanding Impact of Climate Change

In addition to the abovementioned programmes, the MIBSC and/or SC EFTB and EGTB members also attended the following external programmes and events:

- Nadwah of Shariah Advisers in Islamic Capital Market 2023
- Fintech Masterclass
- 17th Muzakarah Penasihat Syariah Kewangan Islam 2023
- 18th Kuala Lumpur Islamic Finance Forum
- International Shariah Scholars Forum 2023
- 16th Muzakarah Penasihat Syariah Kewangan Islam 2023
- World Zakat and Waqf Forum 2023
- Webinar: Empowering Takaful Industry Through Shariah-Value Creation

SC ASSESSMENT

In compliance with BNM's Shariah Governance Policy Document, the SC undergoes the process of assessing the effectiveness of individual members and the committee as a whole on a yearly basis. The SC annual assessment exercise is primarily based on a questionnaire distributed to the respective committee members and encompasses considerations on the effectiveness of the SC in discharging its duties.

Analysis of Shareholdings

As at 26 February 2024

Issued Share Capital	: 12,060,236,592
Class of Shares	: Ordinary Shares
Number of Shareholders	: 161,866
Voting Right	: 1 vote per Ordinary Shares

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
Less than 100	9,281	5.73	284,915	0.00
100 to 1,000 shares	52,953	32.72	30,567,772	0.25
1,001 to 10,000 shares	74,982	46.32	270,423,450	2.24
10,001 to 100,000 shares	21,686	13.40	578,402,971	4.80
100,001 to less than 5% of issued shares	2,961	1.83	5,452,262,831	45.21
5% and above of issued shares	3	0.00	5,728,294,653	47.50
TOTAL	161,866	100.00	12,060,236,592	100.00

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

No. Name of Shareholders	Direct		Indirect	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1. AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM BUMIPUTERA	3,639,049,593	30.17	—	—
2. CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD	1,453,374,728	12.05	—	—
3. PERMODALAN NASIONAL BERHAD	795,560,148	6.60	—	—
4. YAYASAN PELABURAN BUMIPUTRA	—	—	795,560,148	6.60

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS

No. Name of Directors	Direct		Indirect	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1. Fauziah Hisham	21,435	0.00	0	0.00
2. Shirley Goh	0	0.00	10,090	0.00

SENIOR MANAGEMENT'S SHAREHOLDINGS

No. Name of Senior Management	No. of Ordinary Shares Held as at 01.01.2023				Changes from 01.01.2023 to 31.12.2023				No. of Ordinary Shares Held as at 31.12.2023			
	Direct		Indirect		No. of Ordinary Shares Acquired		No. of Ordinary Shares Disposed		Direct		Indirect	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares	Open Market	Subscription under Dividend Reinvestment Plan	Vesting of Shares under Employees' Share Grant Plan	No. of Ordinary Shares Disposed	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1. Dato' Khairussaleh Ramli	—	—	—	—	—	—	—	—	—	—	—	—
2. Khalijah Ismail	169,562	0.00	—	—	—	—	37,500	—	207,062	0.00	—	—
3. Dato' Muzaffar Hisham	360,191	0.00	—	—	—	—	52,000	—	412,191	0.00	—	—
4. Dato' John Chong Eng Chuan	679,256	0.01	—	—	—	—	65,000	—	744,256	0.01	—	—



Analysis of Shareholdings

As at 26 February 2024

SENIOR MANAGEMENT'S SHAREHOLDINGS (CONT'D.)

No.	Name of Senior Management	No. of Ordinary Shares Held as at 01.01.2023				Changes from 01.01.2023 to 31.12.2023				No. of Ordinary Shares Held as at 31.12.2023			
		Direct		Indirect		No. of Ordinary Shares Acquired		No. of Ordinary Shares Disposed	Direct		Indirect		
		No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares	Open Market	Subscription under Dividend Reinvestment Plan		Vesting of Shares under Employees' Share Grant Plan	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
5.	Dato' Mohamed Rafique Merican Mohd Wahiduddin Merican	354,451	0.00	—	—	—	—	—	52,000	—	406,451	0.00	—
6.	Kamaludin Ahmad	245,108	0.00	—	—	—	—	—	—	—	245,108	0.00	—
7.	Alvin Lee Han Eng	—	—	—	—	—	—	—	—	—	—	—	—
8.	Taswin Zakaria	—	—	—	—	—	—	—	—	—	—	—	—
9.	Dr Siew Chan Cheong	—	—	5,000	0.00	—	—	—	—	—	—	5,000	0.00
10.	Datuk (Dr) Nora Abd Manaf	8,498	0.00	—	—	—	—	—	52,000	50,000	10,498	0.00	—
11.	Datuk Hamzah Bachee	75,898	0.00	—	—	—	—	—	37,500	—	113,398	0.00	—
12.	Lau Chee Kheong Alan	148,786	0.00	—	—	—	—	—	—	—	148,786	0.00	—
13.	Mohd Suhail Amar Suresh Abdullah	281,777	0.00	—	—	—	—	—	52,000	—	333,777	0.00	—
14.	Mohamad Yasin Abdullah	63,339	0.00	—	—	—	—	—	46,900	—	110,239	0.00	—
15.	Yiow Inn Sann	10,000	0.00	—	—	—	—	—	9,500	—	19,500	0.00	—
16.	Ahmad Shahril Azuar Jimin	66,062	0.00	—	—	—	—	—	46,900	6,000	106,962	0.00	—
17.	Wan Marzimin Wan Muhammad	77,555	0.00	—	—	—	—	—	37,500	—	115,055	0.00	—

TOP 30 SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
1.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	3,639,049,593	30.17
2.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	1,293,684,912	10.73
3.	PERMODALAN NASIONAL BERHAD	795,560,148	6.60
4.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	558,873,821	4.63
5.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA	340,251,211	2.82
6.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 2 – WAWASAN	324,565,212	2.69
7.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 3	134,497,203	1.12
8.	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	130,476,763	1.08
9.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	113,576,233	0.94
10.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 2	107,149,999	0.89

Analysis of Shareholdings

As at 26 February 2024

TOP 30 SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS (CONT'D.)

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
11.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	101,278,368	0.84
12.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	100,775,672	0.84
13.	CITIGROUP NOMINEES (ASING) SDN BHD CB SPORE GW FOR GOVERNMENT OF SINGAPORE (GIC C)	99,667,945	0.83
14.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	78,866,730	0.65
15.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	75,030,290	0.62
16.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	60,666,299	0.50
17.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	54,233,606	0.45
18.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	48,784,800	0.41
19.	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	39,778,178	0.33
20.	CARTABAN NOMINEES (ASING) SDN BHD BNYM SA/NV FOR PEOPLE'S BANK OF CHINA (SICL ASIA EM)	39,676,771	0.33
21.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A. INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	38,178,420	0.32
22.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N14011940100)	37,914,657	0.31
23.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	35,881,600	0.30
24.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	35,424,532	0.29
25.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	34,995,259	0.29
26.	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND SWV4 FOR CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	32,336,286	0.27
27.	CARTABAN NOMINEES (ASING) SDN BHD STATE STREET LONDON FUND OQ78 FOR ISHARES IV PUBLIC LIMITED COMPANY	31,475,600	0.26
28.	HSBC NOMINEES (ASING) SDN BHD HSBC BK PLC FOR KUWAIT INVESTMENT OFFICE (KIO)	30,181,313	0.25
29.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	28,171,800	0.23
30.	HSBC NOMINEES (ASING) SDN BHD JPMSE LUX FOR ROBECO CAPITAL GROWTH FUNDS	25,296,429	0.21
Total		8,466,299,650	70.20



Classification of Shareholders

As at 26 February 2024

Category	No. of Shareholders		No. of Shares Held		% of Issued Shares	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
INDIVIDUALS						
a. Bumiputera	3,579		37,189,128		0.31	
b. Chinese	107,673		848,508,181		7.03	
c. Indian	3,102		26,041,301		0.22	
d. Others	477	2,529	5,129,460	64,881,115	0.04	0.54
BODY CORPORATE						
a. Banks/Finance	59	1	6,057,447,893	53,000	50.23	0.00
b. Investment/Trust	26		1,606,999		0.01	
c. Societies	33		1,906,149		0.02	
d. Industrial	1,141	29	127,221,070	10,042,771	1.05	0.08
GOVERNMENT AGENCIES/INSTITUTIONS						
	7		14,879,440		0.12	
NOMINEES						
	40,533	2,587	2,523,794,553	2,279,471,346	20.93	18.90
OTHERS						
	75	15	45,534,892	16,529,294	0.38	0.14
TOTAL	156,705	5,161	9,689,259,066	2,370,977,526	80.34	19.66

Changes in Issued Shares

As at 29 February 2024

ISSUED SHARES

Details of changes in the Bank's issued shares since its incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Consideration	Resultant Total Issued Shares (No. of Shares)
31-05-1960	1,500,000	Cash	7,500,000
18-05-1961	500,000	Cash	10,000,000
31-05-1962	1,000,000	Rights Issue (1:2) at RM7.00 per share	15,000,000
21-08-1968	1,500,000	Rights Issue (1:2) at RM7.00 per share	22,500,000
04-01-1971	22,500,000	Rights Issue (1:1) at RM1.50 per share	45,000,000
06-05-1977	15,000,000	Capitalisation of Share Premium Account (Bonus Issue 1:3)	60,000,000
23-06-1977	30,000,000	Rights Issue (1:2) at RM3.00 per share	90,000,000
21-02-1981	30,000,000	Capitalisation of Share Premium Account (Bonus Issue 1:3)	120,000,000
10-04-1981	60,000,000	Rights Issue (1:2) at RM4.00 per share	180,000,000
14-11-1984	45,000,000	Capitalisation of Share Premium Account (Bonus Issue 1:4)	225,000,000
28-12-1984	45,000,000	Rights Issue (1:4) at RM6.00 per share	270,000,000
30-11-1985	68,249	Conversion of Unsecured Notes	270,068,249
15-11-1986	9,199,999	Issued in exchange for purchase of Kota Discount Berhad (<i>now known as Mayban Discount Berhad</i>)	279,268,248
01-12-1986	10,550	Conversion of Unsecured Notes	279,278,798
29-07-1987 to 20-10-1987	90,000	Exercise of Employees' Share Option Scheme	279,368,798
30-11-1987	11,916	Conversion of Unsecured Notes	279,380,714
08-06-1988	27,938,071	Capitalisation of Share Premium Account (Bonus Issue 1:10)	307,318,785
30-11-1988	10,725	Conversion of Unsecured Notes	307,329,510
16-03-1989 to 21-06-1989	9,198,206	Exchange for Kwong Yik Bank Berhad (KYBB) shares	316,527,716
11-07-1989 to 23-11-1989	7,555,900	Exercise of Employees' Share Option Scheme	324,083,616
30-11-1989	46,174,316	Conversion of Unsecured Notes	370,257,932
01-12-1989 to 24-10-1990	4,508,900	Exercise of Employees' Share Option Scheme	374,766,832
16-11-1990	187,383,416	Capitalisation of Share Premium Account (Bonus Issue 1:2)	562,150,248
27-11-1990	11,550	Exercise of Employees' Share Option Scheme	562,161,798
30-11-1990	280,497	Conversion of Unsecured Notes	562,442,295
03-01-1991	3,300	Exercise of Employees' Share Option Scheme	562,445,595
03-01-1991	188,991,002	Rights Issue (1:2) at RM5.00 per share	751,436,597
04-01-1991	4,950	Rights Issue (1:2) upon Employees' Share Option Scheme at RM5.00 per share	751,441,547



Changes in Issued Shares

As at 29 February 2024

Date of Allotment	No. of Ordinary Shares Allotted	Consideration	Resultant Total Issued Shares (No. of Shares)
25-01-1991 to 28-11-1991	726,000	Exercise of Employees' Share Option Scheme	752,167,547
30-11-1991	35,197	Conversion of Unsecured Notes	752,202,744
11-12-1991 to 20-05-1992	5,566,000	Exercise of Employees' Share Option Scheme	757,768,744
30-11-1992 to 30-11-1993	3,153,442	Conversion of Unsecured Notes	760,922,186
18-01-1994	380,461,093	Capitalisation of Share Premium Account (Bonus Issue 1:2)	1,141,383,279
29-12-1994	2,030,428	Conversion of Unsecured Notes	1,143,413,707
19-06-1998	1,143,413,707	Capitalisation of Share Premium and Retained Profit Account (Bonus Issue 1:1)	2,286,827,414
21-09-1998 to 09-10-2001	72,909,000	Exercise of Employees' Share Option Scheme	2,359,736,414
23-10-2001	1,179,868,307	Capitalisation of Retained Profit Account (Bonus Issue 1:2)	3,539,604,721
25-10-2001 to 05-08-2003	60,567,200	Exercise of Employees' Share Option Scheme	3,600,171,921
29-09-2004 to 14-02-2008	304,058,100	Exercise of Employees' Share Option Scheme	3,904,230,021
20-02-2008	976,057,505	Capitalisation of Share Premium Account (Bonus Issue 1:4)	4,880,287,526
27-02-2008 to 30-10-2008	859,625	Exercise of Employees' Share Option Scheme	4,881,147,151
27-04-2009	2,196,516,217	Rights Issue (9:20) at RM2.74 per share	7,077,663,368
29-07-2009 to 26-08-2009	319,400	Exercise of Employees' Share Option Scheme	7,077,982,768
20-12-2010	244,257,623	Dividend Reinvestment Plan at RM7.70 per share	7,322,240,391
12-05-2011	155,965,676	Dividend Reinvestment Plan at RM7.70 per share	7,478,206,067
05-07-2011 to 09-12-2011	10,000	Exercise of Employees' Share Scheme	7,478,216,067
28-12-2011	161,221,416	Dividend Reinvestment Plan at RM7.30 per share	7,639,437,483
10-01-2012 to 26-01-2012	3,600	Exercise of Employees' Share Scheme	7,639,441,083
26-03-2012 to 09-05-2012	8,100	Exercise of Employees' Share Scheme	7,639,449,183
04-06-2012	202,854,119	Dividend Reinvestment Plan at RM8.00 per share	7,842,303,302
28-06-2012 to 08-10-2012	12,233,400	Exercise of Employees' Share Scheme	7,854,536,702
11-10-2012	412,000,000	Private Placement	8,266,536,702
16-10-2012 to 22-10-2012	52,400	Exercise of Employees' Share Scheme	8,266,589,102
25-10-2012	173,144,233	Dividend Reinvestment Plan at RM8.40 per share	8,439,733,335
30-10-2012 to 28-05-2013	38,147,500	Exercise of Employees' Share Scheme	8,477,880,835
29-05-2013	201,462,948	Dividend Reinvestment Plan at RM8.80 per share	8,679,343,783
29-05-2013 to 24-10-2013	47,955,100	Exercise of Employees' Share Scheme	8,727,298,883
25-10-2013	130,326,898	Dividend Reinvestment Plan at RM9.20 per share	8,857,625,781

Changes in Issued Shares

As at 29 February 2024

Date of Allotment	No. of Ordinary Shares Allotted	Consideration	Resultant Total Issued Shares (No. of Shares)
25-10-2013 to 29-05-2014	24,164,342	Exercise of Employees' Share Scheme	8,881,790,123
30-05-2014	229,810,271	Dividend Reinvestment Plan at RM8.95 per share	9,111,600,394
02-06-2014 to 27-10-2014	40,406,200	Exercise of Employees' Share Scheme	9,152,006,594
28-10-2014	165,329,047	Dividend Reinvestment Plan at RM9.30 per share	9,317,335,641
28-10-2014 to 25-05-2015	12,748,542	Exercise of Employees' Share Scheme	9,330,084,183
26-05-2015	203,533,085	Dividend Reinvestment Plan at RM8.70 per share	9,533,617,268
27-05-2015 to 02-11-2015	5,681,100	Exercise of Employees' Share Scheme	9,539,298,368
12-11-2015	222,451,959	Dividend Reinvestment Plan at RM7.50 per share	9,761,750,327
13-11-2015 to 06-01-2016	2,500	Exercise of Employees' Share Scheme	9,761,752,827
07-01-2016 to 12-05-2016	11,859,359	Exercise of Employees' Share Scheme	9,773,612,186
02-06-2016	235,139,196	Dividend Reinvestment Plan at RM8.35 per share	10,008,751,382
13-06-2016 to 15-07-2016	76,600	Exercise of Employees' Share Scheme	10,008,827,982
24-10-2016	184,371,435	Dividend Reinvestment Plan at RM7.25 per share	10,193,199,417
25-10-2016	500	Exercise of Employees' Share Scheme	10,193,199,917
06-03-2017 to 05-06-2017	85,592,932	Exercise of Employees' Share Scheme	10,278,792,849
06-06-2017	243,599,777	Dividend Reinvestment Plan at RM8.25 per share	10,522,392,626
06-06-2017 to 30-10-2017	74,474,300	Exercise of Employees' Share Scheme	10,596,866,926
01-11-2017	181,677,352	Dividend Reinvestment Plan at RM9.00 per share	10,778,544,278
02-11-2017 to 08-02-2018	59,317,400	Exercise of Employees' Share Scheme	10,837,861,678
09-02-2018 to 29-06-2018	107,334,516	Exercise of Employees' Share Scheme	10,945,196,194
30-10-2018	104,486,785	Dividend Reinvestment Plan at RM8.80 per share	11,049,682,979
10-06-2019	191,678,908	Dividend Reinvestment Plan at RM8.00 per share	11,241,361,887
15-01-2021	172,632,753	Dividend Reinvestment Plan at RM7.68 per share	11,413,994,640
28-06-2021	279,343,269	Dividend Reinvestment Plan at RM7.55 per share	11,693,337,909
21-10-2021	179,814,209	Dividend Reinvestment Plan at RM7.80 per share	11,873,152,118
09-12-2021	5,361,100	Employees' Share Grant Plan	11,878,513,218
14-04-2022	91,500,212	Dividend Reinvestment Plan at RM8.28 per share	11,970,013,430
27-09-2022	6,236,800	Employees' Share Grant Plan	11,976,250,230
19-10-2022	77,876,862	Dividend Reinvestment Plan at RM8.38 per share	12,054,127,092
26-09-2023	6,109,500	Employees' Share Grant Plan	12,060,236,592
27-02-2024	6,715,600	Employees' Share Grant Plan	12,066,952,192



Properties Owned by Maybank Group

Area	No. of Properties		Land Area (sq. m.)	Book Value as at 31 Dec 2023 RM'000
	Freehold	Leasehold		
Maybank				
Kuala Lumpur	14	15	46,547.09	153,513
Johor Darul Takzim	31	11	18,786.42	55,019
Kedah Darul Aman	10	4	4,999.26	5,677
Kelantan Darul Naim	1	6	1,993.00	3,587
Melaka	-	4	2,763.00	2,435
Negeri Sembilan Darul Khusus	8	7	21,350.92	5,964
Pahang Darul Makmur	11	14	12,467.00	8,344
Perak Darul Ridzuan	12	12	10,392.65	11,817
Perlis Indera Kayangan	1	3	1,475.00	811
Pulau Pinang	22	2	12,911.52	16,745
Sabah	-	18	15,058.18	21,333
Sarawak	9	31	9,182.04	27,074
Selangor Darul Ehsan	23	17	103,309.64	99,143
Terengganu Darul Iman	3	5	4,329.00	3,209
Hong Kong	-	2	193.00	HKD514
London	-	6	1,017.00	£3,578
Singapore	9	12	20,218.70	SGD72,106
Aurea Lakra Holdings Sdn Bhd (Formerly known as Mayban P.B. Holdings Sdn Bhd)				
Johor Darul Takzim	2	1	1,330.00	1,289
Pahang Darul Makmur	1	2	595.41	631
Perak Darul Ridzuan	1	1	857.74	1,870
Sabah	-	1	257.62	882
Sarawak	-	1	314.00	620
Selangor Darul Ehsan	2	1	1,269.13	2,042
Maybank International Labuan				
W.P. Labuan	-	3	901.37	USD141
ETIQA				
Kuala Lumpur	2	4	24,258.47	1,318,600
Johor Darul Takzim	1	-	286.00	3,880
Kedah Darul Aman	2	1	1,127.97	2,620
Melaka	-	1	452.00	4,820
Negeri Sembilan Darul Khusus	3	1	1,659.64	2,430
Pahang Darul Makmur	2	1	18,334.57	1,860
Sabah	-	1	222.22	3,820
Selangor Darul Ehsan	1	-	510.49	6,300
Maybank Kim Eng Properties				
Singapore	-	2	1,609.50	SGD91,961
USA	1	-	299.33	USD4,283
PT Bank Maybank Indonesia Tbk				
Indonesia	203	-	115,963	IDR2,534,415,843

List of Top 10 Properties Owned by Maybank Group

As at 31 December 2023

Location	Description	Current Use	Tenure	Remaining Lease Period (Expiry Date)	Age of Building	Land Area (sq.m.)	Year of Acquisition	Net Book Value RM'000
Menara Etiqa No. 3 Jalan Bangsar Utama 1 Kuala Lumpur	38-storey Office Building	Office & Rented out	Leasehold 99 years	83 years (expiring 27.11.2106)	5 years	4,636.00	1997	394,000
Etiqa Twins No. 11 Jalan Pinang Kuala Lumpur	28-storey Twin Office Buildings	Office & Rented out	Freehold	-	28 years	6,612.00	1994	359,000
Dataran Maybank No. 1 Jalan Maarof, Bangsar Kuala Lumpur	2 Blocks of 20-storey and a block of 22-storey Office Buildings	Office & Rented out	Leasehold 99 years	62 years (expiring 3.12.2085)	22 years	9,918.00	2000	337,243
50 North Canal Road Singapore	Office Building	Office	Leasehold	83 years (expiring 2106)	12 years	1,283.30	2007	SGD74,735
Lot 153 Section 44 Jalan Ampang Kuala Lumpur	Commercial Land	Open carpark	Freehold	-	-	3,829.00	2008	176,000
Maybank Tower 2 Battery Road Singapore	32-storey Office Building	Office	Leasehold 999 years	802 years (expiring 2825)	21 years	1,135.70	1962	SGD48,829
Akademi Etiqa 23, Jalan Melaka Kuala Lumpur	25-storey Office Building	Office & Rented out	Leasehold 99 years	42 years (expiring 2065)	27 years	1,960.47	1994	78,000
Menara Maybank 100, Jalan Tun Perak Kuala Lumpur	58-storey Office Building	Head office & Rented out	Freehold	-	35 years	31,748.00	1978	74,538
48 North Canal Road Singapore	Office Building	Office	Leasehold	88 years (expiring 2111)	11 years	326.20	2012	SGD17,227
Jl. Pemuda No. 150 Semarang	3-storey Office Building	Branch & Regional Jawa Tengah	Freehold	-	33 years	2,675.00	1990	IDR116,095,000



Corporate Information

COMPANY SECRETARIES

WAN MARZIMIN WAN MUHAMMAD
 (LS0009924)
 (SSM PC No.: 201908001697)

FARIZ ABDUL AZIZ
 (LS0007997)
 (SSM PC No.: 201908001696)

REGISTERED OFFICE

14th Floor, Menara Maybank
 100, Jalan Tun Perak
 50050 Kuala Lumpur, Malaysia

Tel : (6)03-2070 8833
 : 1300-88-6688 (Local)
 (6)03-7844 3696 (Overseas)
 (Maybank Group Customer Care)
 : (6)03-2074 8075
 (Customer Feedback & Resolution Management)

Fax : (6)03-2711 3421
 (Customer Feedback & Resolution Management)
 : (6)03-2031 0071
 (Group Corporate Secretarial)

SWIFT : MBBEMYKL

Website : <http://www.maybank.com>

Email : corporateaffairs@maybank.com.my
cfrm@maybank.com
mgcc@maybank.com.my
cosec@maybank.com

SHARE REGISTRAR

Malayan Banking Berhad
 14th Floor, Menara Maybank
 100, Jalan Tun Perak
 50050 Kuala Lumpur, Malaysia
 Tel : (6)03-2074 7822
 Fax : (6)03-2031 0071
 Email : mbbsrs@maybank.com

Boardroom Share Registrars Sdn Bhd

(For General Meetings & Dividend Re-Investment Plan)
 11th Floor, Menara Symphony
 No. 5, Jalan Prof. Khoo Kay Kim
 Seksyen 13, 46200 Petaling Jaya
 Selangor Darul Ehsan, Malaysia
 Tel : (6)03-7890 4700
 Fax : (6)03-7890 4670
 Email : General Meetings
bsr.helpdesk@boardroomlimited.com
 Dividend Reinvestment Plan
maybankedrp@boardroomlimited.com

INVESTOR RELATIONS

41st Floor, Menara Maybank
 100, Jalan Tun Perak
 50050 Kuala Lumpur, Malaysia
 Email : ir@maybank.com.my

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
 (Listed since 17 February 1962)

TICKER CODE

Bursa Malaysia MYX:1155
 Bloomberg MAY MK EQUITY
 Reuters MBBM.KL

EXTERNAL AUDITORS

Ernst & Young PLT (AF:0039)
 Chartered Accountants
 Level 23A, Menara Milenium
 Jalan Damanlela
 Pusat Bandar Damansara
 50490 Kuala Lumpur, Malaysia
 Tel : (6)03-7495 8000
 Fax : (6)03-2095 9076/78

FINANCIAL YEAR END

31 December

For composition of the Board, please refer to profiles of the Board of Directors on pages 112 to 115

Notice of the 64th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 64th Annual General Meeting (AGM) of Malayan Banking Berhad (Maybank/the Company) will be held at Ballroom, Level 3, Malaysia International Trade and Exhibition Centre (MITEC), Kompleks MITEC, No. 8, Jalan Dutamas 2, 50480 Kuala Lumpur, Malaysia (Meeting Venue) and will be broadcasted live from the Meeting Venue on Thursday, 25 April 2024 at 10.00 a.m. to transact the following businesses:

AS ORDINARY BUSINESSES:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors, each of whom retires by rotation in accordance with Articles 104 and 105 of the Company's Constitution and being eligible, offers himself/herself for re-election:
 - (i) Tan Sri Dato' Sri Ir. Zamzamzairani Mohd Isa **(Ordinary Resolution 1)**
 - (ii) Dr Hasnita Dato' Hashim **(Ordinary Resolution 2)**
 - (iii) Che Zakiah Che Din **(Ordinary Resolution 3)**
 - (iv) Dato' Khairussaleh Ramli **(Ordinary Resolution 4)**
3. To re-elect the following Director who retires in accordance with Article 108 of the Company's Constitution and being eligible, offers himself for re-election:
 - (i) Datuk Yee Yang Chien **(Ordinary Resolution 5)**
4. To approve the payment of the following fees to Non-Executive Directors for the period from the 64th AGM to the 65th AGM of the Company:
 - (i) Chairman's fee of RM700,000 per annum;
 - (ii) Vice-Chairman's fee of RM500,000 per annum;
 - (iii) Director's fee of RM335,000 per annum for each Non-Executive Director;
 - (iv) Board Committee Chairman's fee of RM85,000 per annum for the Chairman of each Board Committee; and
 - (v) Board Committee Member's fee of RM50,000 per annum for each member of a Board Committee. **(Ordinary Resolution 6)**
5. To approve the payment of benefits to eligible Non-Executive Directors of an amount up to RM3,770,000 for the period from the 64th AGM to the 65th AGM of the Company. **(Ordinary Resolution 7)**
6. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 8)**



Notice of the 64th Annual General Meeting

AS SPECIAL BUSINESS:

To consider, and if thought fit, to pass the following Ordinary Resolution:

7. **ALLOTMENT AND ISSUANCE OF NEW ORDINARY SHARES IN MAYBANK (MAYBANK SHARES) IN RELATION TO THE RECURRENT AND OPTIONAL DIVIDEND REINVESTMENT PLAN THAT ALLOWS SHAREHOLDERS OF MAYBANK TO REINVEST THEIR DIVIDEND TO WHICH THE DIVIDEND REINVESTMENT PLAN APPLIES, IN NEW MAYBANK SHARES (DIVIDEND REINVESTMENT PLAN)**

"THAT pursuant to the Dividend Reinvestment Plan as approved by the shareholders at the Extraordinary General Meeting held on 14 May 2010, approval be and is hereby given to the Company to allot and issue such number of new Maybank Shares under the Dividend Reinvestment Plan upon such terms and conditions and to such persons as the Directors may in their absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new Maybank Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price (VWAMP) of Maybank Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price, and that such authority to allot and issue Maybank Shares shall continue to be in force until the conclusion of the next AGM of the Company;

AND THAT the Directors and the Secretaries of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Plan with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities, or consequent upon the implementation of said conditions, modifications, variations and/or amendments, or at the discretion of the Directors in the best interest of the Company."

8. To transact any other business of the Company for which due notice shall have been received in accordance with the Companies Act, 2016 and the Company's Constitution.

(Ordinary Resolution 9)

BY ORDER OF THE BOARD

WAN MARZIMIN WAN MUHAMMAD

(LS0009924)

(SSM PC No.: 201908001697)

Company Secretary

Kuala Lumpur
27 March 2024

FARIZ ABDUL AZIZ

(LS0007997)

(SSM PC No.: 201908001696)

Joint Company Secretary

Notice of the 64th Annual General Meeting

Notes:

1. The 64th AGM of the Company will be held in a hybrid mode and member(s), proxy(ies), corporate representative(s) or attorney(s) are given an option, either:
 - (i) to attend physically at the Meeting Venue (Physical Attendance); or
 - (ii) to attend virtually using the Remote Participation and Electronic Voting (RPEV) facilities to be provided by the appointed share registrar for this AGM, Boardroom Share Registrars Sdn Bhd (Boardroom) (Virtual Attendance).

Physical Attendance

All Member(s), proxy(ies), corporate representative(s) or attorney(s) who wish to attend and participate at the 64th AGM physically are required to register for the meeting at the Meeting Venue.

Virtual Attendance

For Member(s), proxy(ies), corporate representative(s) or attorney(s) who wish to attend and participate at the 64th AGM remotely, the virtual meeting will be conducted through live streaming and online remote voting via the RPEV facilities to be provided by Boardroom on the Boardroom Smart Investor Portal (BSIP) platform at <https://investor.boardroomlimited.com>. Please follow the procedures provided in the Administrative Notes to register, participate and vote remotely via the RPEV facilities.

2. A member entitled to participate and vote at this AGM is entitled to appoint proxy(ies) to participate and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of a proxy.
3. (i) A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (Authorised Nominee) may appoint at least one proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company (Maybank Shares) standing to the credit of the said securities account to participate and vote at this AGM.
 (ii) Notwithstanding the above, for an exempt Authorised Nominee which holds Maybank Shares for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies which the exempt Authorised Nominee may appoint in respect of each Omnibus Account.
4. Where a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholding to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing, or if the appointer is a corporation, under its common seal or in some other manner approved by its directors.
6. For an instrument appointing a proxy executed outside Malaysia, the signature must be attested by a solicitor, Notary Public, Consul or Magistrate.
7. The duly completed instrument appointing a proxy must be deposited at the office of Boardroom at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The instrument appointing a proxy may also be submitted to Boardroom electronically via BSIP at <https://investor.boardroomlimited.com>. Please follow the procedures provided in the Administrative Notes for the AGM if members wish to submit the instrument appointing a proxy

electronically. All instruments appointing a proxy must be deposited with Boardroom no later than Wednesday, 24 April 2024 at 10.00 a.m.

8. For the purpose of determining a member who shall be entitled to participate at the AGM in accordance with Article 59(1) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 17 April 2024. Only a member whose name appears on the Record of Depositors as at 17 April 2024 shall be eligible to participate at the AGM or appoint proxy(ies) to participate and vote on his/her behalf.
9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 64th AGM of the Company shall be put to vote by way of a poll.

10. Explanatory notes on Ordinary Businesses:
(i) Audited Financial Statements for the financial year ended 31 December 2023

The Audited Financial Statements are laid for discussion only in accordance with Section 340(1)(a) of the Companies Act, 2016 and do not require shareholders' approval. Hence, the same will not be put forward for voting.

(ii) Ordinary Resolutions 1 to 5 – Re-election of Directors

The Nomination and Remuneration Committee (NRC) has considered the performance and contribution of each of the retiring Directors and has also assessed their independence (for Independent Directors) and ability to act in the best interest of the Company.

Based on the results of the Board Effectiveness Evaluation conducted for the financial year ended 31 December 2023, the performance of each of the retiring Directors was found to be satisfactory.

Pursuant to the annual Fit and Proper (FAP) assessment conducted in 2024, each retiring Director has met the following fit and proper criteria prescribed in the FAP Policy issued by Bank Negara Malaysia (BNM) and the Maybank FAP Policy:

- (a) Probity, personal integrity and reputation;
- (b) Competency and capability; and
- (c) Financial integrity.

All retiring Directors have complied with Maybank Group's Policy on Directors Conflict of Interest.

The retiring Independent Directors have also fulfilled the independence criteria set out in the BNM Corporate Governance Policy, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Maybank Policy on Directors Independence.

The Board has endorsed the NRC's recommendation to seek shareholders' approval for the re-election of the retiring Directors. The retiring Directors had abstained from deliberations and decisions on their re-election at the NRC and Board meetings.

The details and profiles of the Directors who are standing for re-election at the 64th AGM are provided in the Board of Directors section on pages 112 to 115 of Maybank's Integrated Annual Report 2023.



Notice of the 64th Annual General Meeting

(iii) Ordinary Resolution 6 – Payment of Non-Executive Directors' (NED) Fees

The NRC has appointed an independent firm of consultants (Consultants) to conduct a Board Remuneration Review (BRR) exercise in 2023 to ascertain the competitiveness of the existing NED Remuneration Framework and its sufficiency to attract and retain talents to serve on the Board. The scope of the BRR exercise carried out by the Consultants was primarily based on benchmarking against Maybank's local and regional peers as well as a regression analysis. Pursuant to the findings of the BRR exercise, the Consultants recommends that the existing NED Remuneration Framework be revised as follows:

	Current NED Remuneration Framework (per annum) (RM)	Revised NED Remuneration Framework (per annum) (RM)
Board		
– Chairman	610,000	700,000
– Vice-Chairman	440,000	500,000
– Member	295,000	335,000
Board Committee		
– Chairman	75,000	85,000
– Member	45,000	50,000
Meeting Allowance	4,000 per meeting	4,500 per meeting

(iv) Ordinary Resolution 7 – Benefits Payable to Non-Executive Directors

The benefits payable to NEDs comprise allowances, benefits-in-kind and other emoluments, details of which are as follows:

- (a) Meeting Allowance – RM4,500 per meeting
- (b) Duty Allowance
 - Chairman of the Board – RM40,000 per month
- (c) Company Car, Driver and Fuel Allowance
 - Chairman of the Board
 - Vice-Chairman of the Board

(based on maximum taxable rate)
- (d) Other Benefits
 - Include benefits such as club membership fees, per diem allowance, farewell gift and other facilities made available by the Company to eligible NEDs.

The shareholders had, at the 63rd AGM held on 3 May 2023, approved an amount of up to RM3,418,150 (Approved Amount) as benefits payable to NEDs from the 63rd AGM to this AGM. The total amount to be incurred as benefits payable to NEDs from the date of the 63rd AGM to the date of this AGM is expected to be approximately 80% of the Approved Amount.

The total amount requested as benefits payable to NEDs from the date of this AGM to the date of the 65th AGM to be held next year represents an increase of approximately 10% against the Approved Amount. Among the reasons for the increase are:

- (i) Establishment of a new Board Committee i.e.: the Board Technology Committee; and
- (ii) Increase in the quantum of meeting allowance.

(v) Ordinary Resolution 8 – Re-appointment of Auditors and Audit Fees

The Audit Committee of the Board (ACB) had, at its meeting held on 26 October 2023, conducted an annual review of the suitability and independence of the external auditors, Messrs Ernst & Young PLT pursuant to Maybank Group's Framework on Appointment of External Auditors for Statutory Audit and Non-Audit Services. In its assessment, the ACB considered several factors which include the following:

- (a) Level of knowledge, capabilities, experience of the professional staff assigned to the audit and quality of previous work undertaken by the firm;
- (b) Quality of performance and level of engagement with the ACB;
- (c) Ability to provide constructive observations, implications and recommendations in areas requiring improvements;
- (d) Appropriateness of audit approach and the effectiveness of audit planning;
- (e) Ability to perform audit work within agreed timeframe;
- (f) Independence and objectivity of the external auditors when interpreting standards/policies adopted by the Company and the level of non-audit services rendered by the external auditors; and
- (g) The external auditors' governance and leadership structure as well as measures undertaken by the external auditors to uphold audit quality and manage risks, as set out in the Annual Transparency Report.

Being satisfied with the performance, technical competency, audit approach as well as audit independence of Messrs Ernst & Young PLT, the ACB has recommended the appointment of Messrs Ernst & Young PLT as external auditors of the Company for the financial year ending 31 December 2024 (FY2024).

The Board had, at its meeting held on 30 November 2023, endorsed the ACB's recommendation for shareholders' approval to be sought at the 64th AGM on the appointment of Messrs Ernst & Young PLT as external auditors of the Company for FY2024.

The Board is also seeking shareholders' approval to authorise the Directors to fix the remuneration of the external auditors for FY2024.

11. Explanatory notes on Special Business:

(i) Ordinary Resolution 9 – Allotment of Shares in relation to Dividend Reinvestment Plan

This proposed Ordinary Resolution 9 if passed, will give authority to the Directors to allot and issue Maybank Shares pursuant to the Dividend Reinvestment Plan in respect of dividends declared after this AGM, and such authority shall expire at the conclusion of the next AGM of the Company.

Statement Accompanying Notice of the 64th Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Directors who are standing for re-election at the 64th AGM

The details of the Directors who are standing for re-election at the 64th AGM are provided in the Board of Directors section on pages 112 to 115 of Maybank's Integrated Annual Report 2023.

No individual is standing for election as a Director at the 64th AGM.

2. Authority to Directors to Allot Shares

The Company has, at the 63rd AGM held on 3 May 2023, sought a general mandate for allotment of shares pursuant to Section 75 of the Companies Act, 2016.

The Company has not issued any new Maybank Shares under the general mandate and the said mandate will lapse at the conclusion of the 64th AGM.

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Form of Proxy

64th Annual General Meeting



MALAYAN BANKING BERHAD
(COMPANY NO.: 196001000142)
(INCORPORATED IN MALAYSIA)

* Applicable to shares held through a nominee account

I/We _____ NRIC/Passport/Co. No. _____
(full name in block letters)

of _____
(full address)

Telephone/Mobile Phone No. and E-mail Address: _____ a shareholder/shareholders of MALAYAN BANKING BERHAD, hereby appoint:

Full Name (in Block Letters)	Proportion of Shareholdings to be represented	
NRIC/Passport No.	No. of shares	%
Full Address		
E-mail Address		
Telephone/Mobile Phone No.		

and

Full Name (in Block Letters)	Proportion of Shareholdings to be represented	
NRIC/Passport No.	No. of shares	%
Full Address		
E-mail Address		
Telephone/Mobile Phone No.		

or failing him/her, the Chairman of the meeting, as my/our proxy(ies) to vote for me/us on my/our behalf at the 64th Annual General Meeting (AGM) of Malayan Banking Berhad to be held at Ballroom, Level 3, Malaysia International Trade and Exhibition Centre (MITEC), Kompleks MITEC, No. 8, Jalan Dutamas 2, 50480 Kuala Lumpur, Malaysia (Meeting Venue) and to be broadcasted live from the Meeting Venue on Thursday, 25 April 2024 at 10.00 a.m. and any adjournment thereof, on the following resolutions as set out in the Notice of the 64th AGM:

No.	Resolution	For	Against
Ordinary Resolutions:			
1.	To re-elect Tan Sri Dato' Sri Ir. Zamzamzairani Mohd Isa as Director of the Company	Ordinary Resolution 1	
2.	To re-elect Dr Hasnita Dato' Hashim as Director of the Company	Ordinary Resolution 2	
3.	To re-elect Che Zakiah Che Din as Director of the Company	Ordinary Resolution 3	
4.	To re-elect Dato' Khairussaleh Ramli as Director of the Company	Ordinary Resolution 4	
5.	To re-elect Datuk Yee Yang Chien as Director of the Company	Ordinary Resolution 5	
6.	To approve the payment of Non-Executive Directors' fees from the 64 th AGM to the 65 th AGM of the Company	Ordinary Resolution 6	
7.	To approve the payment of benefits to the Non-Executive Directors from the 64 th AGM to the 65 th AGM of the Company	Ordinary Resolution 7	
8.	To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration	Ordinary Resolution 8	
9.	Allotment and issuance of new ordinary shares in Maybank in relation to the Recurrent and Optional Dividend Reinvestment Plan	Ordinary Resolution 9	

My/Our proxy(ies) is to vote on the resolutions as indicated by an "X" above. If no indication is given, my/our proxy(ies) shall vote or abstain as he/she thinks fit.

Dated this _____ day of _____ 2024

Signature(s)/Common Seal of Member(s)

Notes:

1. A member entitled to participate and vote at this AGM is entitled to appoint proxy(ies) to participate and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of a proxy.
2. (i) A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (Authorised Nominee) may appoint at least one proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company (Maybank Shares) standing to the credit of the said securities account to participate and vote at this AGM.
(ii) Notwithstanding the above, for an exempt Authorised Nominee which holds Maybank Shares for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies which the exempt Authorised Nominee may appoint in respect of each Omnibus Account.
3. Where a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholding to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing, or if the appointer is a corporation, under its common seal or in some other manner approved by its directors.
5. For an instrument appointing a proxy executed outside Malaysia, the signature must be attested by a solicitor, Notary Public, Consul or Magistrate.
6. The duly completed instrument appointing a proxy must be deposited at the office of Boardroom Share Registrars Sdn Bhd (Boardroom) at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The instrument appointing a proxy may also be submitted to Boardroom electronically via "Boardroom Smart Investor Portal" at <https://investor.boardroomlimited.com>. Please follow the procedures provided in the Administrative Notes for the AGM if members wish to submit the instrument appointing a proxy electronically. All instruments appointing a proxy must be deposited with Boardroom **no later than Wednesday, 24 April 2024 at 10.00 a.m.**
7. Only members whose names appear on the Record of Depositors as at 17 April 2024 shall be eligible to participate at the AGM or appoint proxy(ies) to participate and vote on his/her behalf.

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AFFIX STAMP

Share Registrar for Maybank's 64th AGM

Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

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www.maybank.com

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Financial Services

