

Leading Asia



ANNUAL REPORT 2017

- **RM7.52 billion**
Net Profit
- **RM105.67 billion**
Highest Market Capitalisation
on Bursa Malaysia
- **Strong Shareholder
Value Creation**
Earnings per Share 72 sen
Dividend per Share 55 sen

**DELIVERING VALUE
ACROSS ASEAN**



DELIVERING VALUE

ACROSS ASEAN

As a leading financial services group in ASEAN, we are passionate about our people and we will continue to embrace the diversity of the region. Whether we are serving our customers or communities across the region, our focus on delivering the best customer experience is underpinned by our mission of Humanising Financial Services.

For more than five decades, we have grown not only our physical presence but we are also at the forefront of digital banking developments. We look to constantly deliver value through better services and products and we leverage on technology to deliver seamless banking experiences for all.

As trends continue to evolve, we look forward to serving you better and creating sustainable value for our stakeholders, now and in the future.

ABOUT OUR REPORTS

Maybank Group's Annual Report is our primary report and is supplemented with additional online disclosures for our stakeholders. These include consolidated and separate financial statements.

ANNUAL REPORT 2017

CORPORATE BOOK



FINANCIAL BOOK



CONTENTS

- Provides a comprehensive assessment of the Group's performance for 2017 and outlook for 2018
- Presents the full set of the Group's and Bank's audited financial statements
- Basel II Pillar 3 Disclosure

REGULATIONS COMPLIED

- | | |
|--|---|
| <ul style="list-style-type: none">• Companies Act 2016• Bursa Malaysia Main Market Listing Requirements• Bank Negara Malaysia Corporate Governance Policy• Malaysian Code on Corporate Governance | <ul style="list-style-type: none">• 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 |
|--|---|

INTEGRATED REPORTING <IR>

We have embarked on the Integrated Reporting journey as part of our continuous efforts in enhancing information disclosure. This year, we have expanded our <IR> scope to include a group-wide discussion on sustainable value creation vis-à-vis our medium-to-long term business goals and we have identified key material risks and opportunities by our business pillars.

We create value through these five identified capitals:



Financial Capital



Intellectual Capital



Manufactured Capital



Human Capital



Social & Relationship Capital

Discussions that relate to our stakeholders have been identified and are highlighted with the following icons:



Customers



Investors



Employees



Regulators



Communities

ONLINE VERSION

www.maybank.com/ar2017

CROSS REFERENCES

Tells you where you can find more information within the reports

Tells you where you can find more information online at www.maybank.com

SUSTAINABILITY REPORT 2017

The Maybank Sustainability Report 2017 provides a balanced and comprehensive report of the Group's sustainability performance in relation to issues material to the Group and its stakeholders, and complies with the Global Reporting Initiative (GRI) G4 Guidelines and Bursa Malaysia Main Market Listing Requirements relating to Sustainability Statements in Annual Reports.

The report will be available at www.maybank.com/sustainability

58th AGM



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Form of Proxy



mySpace2@Ballroom
Level 3, The Malaysia International Trade and Exhibition Centre
(MITEC), Kompleks MITEC, No. 8, Jalan Dutamas 2
50480 Kuala Lumpur, Malaysia



Thursday, 12th April 2018
10.00 a.m.

MAYBANK OVERVIEW

Established in 1960, Maybank is the largest financial services group in Malaysia with an established presence in the ASEAN region. We provide a full suite of conventional and Shariah-compliant products and services in commercial banking, investment banking and insurance.

OUR VALUES

fulfil

OUR MISSION

guides

OUR ASPIRATION

Our T.I.G.E.R values are the guiding principles for all Maybankers to serve our mission of Humanising Financial Services.

- T** TEAMWORK
- I** INTEGRITY
- G** GROWTH
- E** EXCELLENCE & EFFICIENCY
- R** RELATIONSHIP BUILDING



We fulfil our customers' ambitions by building trusted relationships that last for generations through thick and thin. We believe in treating all our stakeholders fairly and in simplifying financial solutions.



HUMANISING FINANCIAL SERVICES

As we grow together with our customers, the Maybank brand has reached all 10 ASEAN countries, Greater China and other key global financial markets. Our aspiration is to be the top ASEAN bank, fulfilling our customers' ambitions in the region and linking them to Asia and beyond.



ADVANCING ASIA'S AMBITIONS WITH YOU

OUR DIFFERENTIATORS



We serve our communities in ways that are simple, fair and human, thus embodying our mission of Humanising Financial Services



Over **43,000** Maybankers who serve the mission, empowered by the **T.I.G.E.R values**



Our **strong retail community franchise** spanning across **ASEAN**

OUR STRUCTURE

In serving our mission, we provide an array of financial solutions through three key business pillars, supported by shared corporate functions.

Business Pillars

Group Community Financial Services

Group Global Banking

Group Insurance & Takaful

Islamic Finance leverage model utilised to distribute Islamic products across the Group

Group Corporate Functions

Finance

Human Capital

Technology

Risk

Compliance

Operations

Internal Audit

BUSINESS SEGMENTS, PRODUCTS & SERVICES

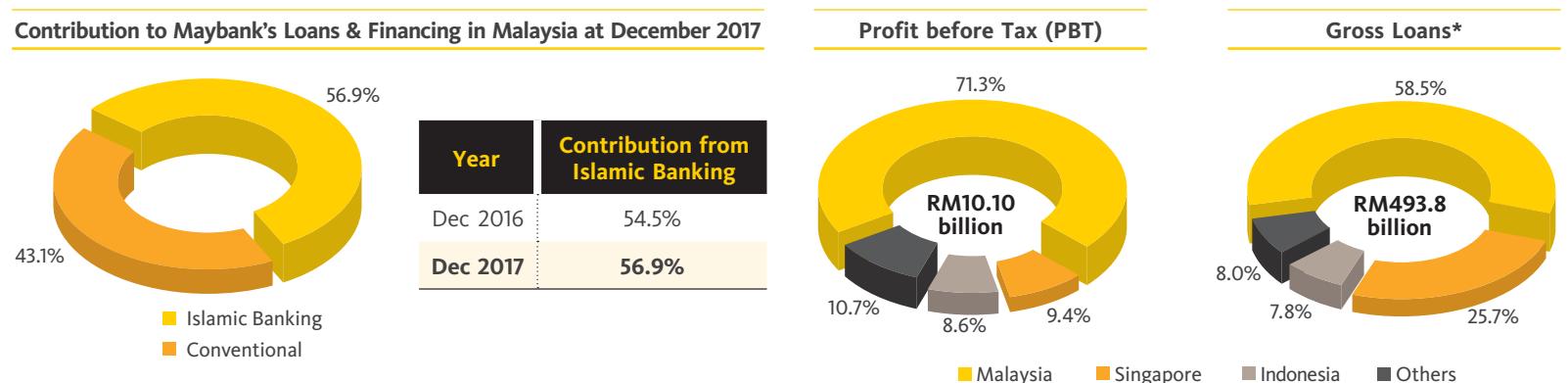
Overview
pg. 1-25

The Group operates via its three business pillars; Group Community Financial Services, Group Global Banking and Group Insurance & Takaful. We adopt a leverage model for Islamic finance where it utilises the Group's current infrastructure and network to distribute its products and services across the three business pillars.

Meanwhile, our international business operations are embedded within each business pillar.

Group Community Financial Services	Group Global Banking	Group Insurance & Takaful
<p>Our retail franchise offers a full range of financial products and services to retail consumers, Retail SMEs and mid-sized corporates (via Business Banking) which ranges from wealth management, credit cards to business lending solutions.</p> <p>Share of Group PBT 46.3% [i] For more details, go to page 55</p> <p>Total Financial Assets for Group Wealth Management: 7.8% YoY growth to RM278 billion </p> <p>Total mobile transactions: 146% YoY growth to 1.2 billion</p>	<p>Our corporate and investment banking franchise is a leading provider of wholesale banking services to large corporates and institutions. Our products and services include transactional banking, investment banking, corporate banking, global markets and treasury, and asset management.</p> <p>Share of Group PBT 44.9% [i] For more details, go to page 59</p> <p>No.1 in ASEAN Loan Syndication (by bookrunner)* </p> <p>No.1 in Debt Capital Market[^] Source: Bloomberg[*] & Dealogic[^]</p>	<p>Etiqua is our insurance and takaful franchise. We provide conventional insurance (life & general), Takaful or Islamic insurance (family & general), long-term savings and investment products to individuals, families and corporates.</p> <p>Share of Group PBT 8.8% [i] For more details, go to page 63</p> <p>>70% market share in online insurance </p> <p>Record PBT of RM1.01 billion</p>

Group Islamic Banking	International Operations
<p>Our Islamic division is a leading provider of Islamic financial products and services in ASEAN and offers a full suite of Shariah-compliant solutions across all our business pillars. We adopt an Islamic-first approach where we offer customers Shariah-compliant products and services as a standard product and this has helped us cement our position in the country and the region.</p> <p>[i] For more details, go to page 66</p>	<p>Malaysia, Singapore and Indonesia are three countries that make up Maybank's home markets. We also operate in all the other countries in Southeast Asia, such as Philippines, Indochina, Cambodia and Brunei and also in Greater China, the USA and England. Through our associates, we are also present in Pakistan, Vietnam and Uzbekistan.</p> <p>[i] Discussion on our international operations is embedded in the three business pillar sections on pages 55, 59 and 63</p>



* Including Islamic loans sold to Cagamas and exclude unwinding of interest

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GLOBAL NETWORK

HOME MARKETS

MALAYSIA

356 branches;
7 branches via Maybank Investment Bank;
24 Etiqa branches & 4 sales offices



SINGAPORE

21 branches;
2 branches via Maybank Kim Eng;
1 Etiqa office & 1 service centre



INDONESIA

407 branches;
6 branches via Maybank Kim Eng;
10 branches via Maybank Syariah Indonesia;
16 offices via PT Asuransi Asoka Mas



INTERNATIONAL MARKETS

BAHRAIN

1 branch



CHINA

4 branches



LABUAN

1 branch;
1 Etiqa office



MYANMAR

1 branch



SAUDI ARABIA

1 affiliate office via Anfaal Capital
1 branch;
2 branches via Maybank Kim Eng
(New York & San Francisco)



UNITED STATES OF AMERICA

1 branch;
2 branches via Maybank Kim Eng
(New York & San Francisco)



BRUNEI

2 branches



HONG KONG

1 branch;
1 branch via Maybank Kim Eng



LAOS

2 branches



PAKISTAN

1,405 branches via MCB Bank;
1 office via Pak-Kuwait Takaful Company



THAILAND

47 branches via Maybank Kim Eng



UZBEKISTAN

1 office via Uzbek Leasing International



CAMBODIA

21 branches



INDIA

1 branch via Maybank Indonesia;
1 branch via Maybank Kim Eng



MAURITIUS

1 branch via Maybank Indonesia



PHILIPPINES

74 branches;
3 branches via Maybank Kim Eng;
8 offices via AsianLife & General Assurance



UNITED KINGDOM

1 branch;
1 branch via Maybank Kim Eng (London)



Vietnam

2 branches;
6 branches via Maybank Kim Eng;
165 branches via An Binh Bank



Strategic Business Units, page 14



Visit www.maybank.com/worldwide for more information

DELIVERING VALUE ACROSS ASEAN

Overview
pg. 1-25

Maybank Group is a leading provider of financial services in Asia and an essential part of the ASEAN landscape for almost 60 years. Our strong foundation – robust financial strength, prudence, integrity, innovation and excellence - supports us in delivering our mission of Humanising Financial Services. This mission embodies our commitment to effectively deploy our five sources of capital; financial capital, intellectual capital, manufactured capital, human capital and social & relationship capital, to create value for our stakeholders.

We currently operate in over 2,400 branches across 20 countries including all 10 ASEAN countries. Our broad physical and digital reach enables us to offer an array of unique financial solutions and innovative services, based on cutting-edge technology and at fair terms and pricing, to our customers. And, to reach our goal of becoming the 'Digital Bank of Choice' in the region, we remain steadfast in our focus to deliver the next-generation customer experience to our growing clientele across ASEAN and around the world.

To ensure sustainability of the Maybank Group, we are cognisant of our commitment to environmental, social and governance (ESG) as we strive towards meeting our business targets and delivering on our mission. ESG best practices are embedded in our operations and our progress towards meeting our 20/20 Sustainability Plan is tracked and reported every year.

We also remain deeply committed to the communities where we operate. Maybank Foundation formulates and drives our corporate responsibility initiatives around the region. Through this foundation, Maybank Group and Maybankers actively support initiatives that address some of the region's most pressing environmental needs and most needy communities. These initiatives, which consist of social investments, volunteer efforts and long-term programmes, aim to make the biggest positive impact on its beneficiaries and further entrenches our position at the heart of the communities that we serve.

RM124 million spent on training & development

Upskilling of our employees to help ensure that we are future-proofing our people while promoting a culture of innovation and mobility for the sustainability of the organisation and our people.

RM65 million in community investment

We channel about 1% of net profit to community programmes through Maybank Foundation.

130,209 volunteer hours

Completed through our Cahaya Kasih (CK), which is our main employee volunteerism platform, as well as other external initiatives.

RM27 million disbursed in scholarships

Supporting access to education across the region to foster academic and non-academic excellence.

11 million registered M2U users

Moving towards embracing the Fourth Industrial Revolution (IR 4.0) with our regional customers. Also, our online crowd funding platform, Maybank Heart, has benefitted 61 beneficiaries and received public donations of over RM1 million.

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HIGHLIGHTS OF 2017

55.0 sen

Total dividend per share



This translates to a dividend payout ratio (DPR) of 78.5%, well above our policy rate of 40.0% to 60.0%; with a cash component of 42%, the highest since we introduced the DRP in 2010.

Capital & Liquidity Management, page 43

Etiqa's highest PBT ever at



RM1.01 billion

Etiqa delivered its highest ever profit before tax (PBT) of RM1.01 billion for FY2017, driven by strong premiums growth.

Group Insurance & Takaful, page 64

14.773%

Common Equity Tier 1 (CET1) ratio



We remain one of the strongest capitalised financial services groups in the region with a CET1 ratio of 14.773%, up 78 bps YoY. Total Capital Ratio also improved to 19.383%.

Reflections from Our Chief Financial Officer, page 41

**First to break
RM100 billion
market cap**



Maybank is the first company on Bursa Malaysia to achieve a **market capitalisation of over RM100 billion**.

Key Awards & Recognition, page 149

**Enhanced
Maybank2u
app**



Improved user friendliness and enhanced security features such as Secure2u and three biometric login options (face ID, voice ID and fingerprint). The first app to offer three personalised security features in Malaysia.

The Digital Bank of Choice, page 69



Empowering Women

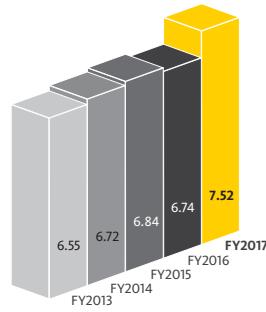
Our new Chairman, Datuk Mohaiyani, is the first woman to lead Maybank's Board. We are also the first bank to implement extended maternity leave for female employees.

Group Human Capital, page 86

CREATING SHAREHOLDER VALUE

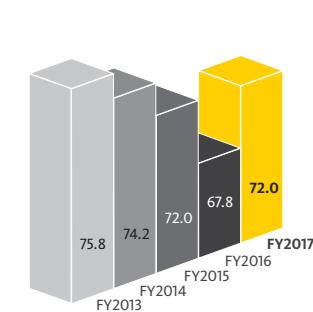
Net Profit (RM billion)

RM7.52 billion



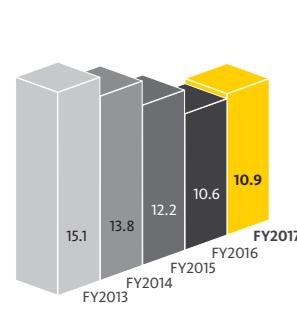
Earnings per Share (sen)

72.0 sen



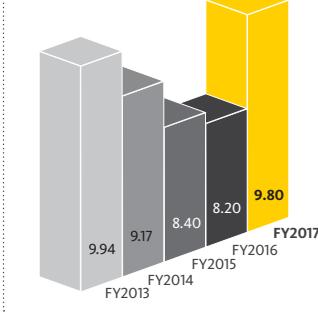
Return on Equity (%)

10.9%



Share Price (RM)

RM9.80



THE MAYBANK BRAND

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MAYBANK. HUMANISING FINANCIAL SERVICES

Maybank Brand Value
USD2.5 BILLION



Maybank has been a key driving force behind the rise of businesses and economies across ASEAN and making a positive impact in the communities that we serve. We have supported the development of both infrastructure and people in business, government, communities and sports in ways we can.

With our mission of 'Humanising Financial Services', Maybank has retained lead position as Malaysia's most valuable bank brand and amongst the top 100 bank brands globally with a brand value of USD2.5 Billion. Maybank is the only AAA bank brand in Malaysia.

PEOPLE FOR PEOPLE



Maybank invests to improve the way we live and embark on technology to push our imagination. We champion ingenuity, creativity, compassion, camaraderie, teamwork and integrity. We believe this enables us to inspire each other and to push further and reach our fullest potential.

ENRICHING OFFERINGS VIA DIGITAL BANKING



Our digital approach is centred on four key areas: enriching our customer offerings, investing in strategic capabilities, exploring broadly and understanding deeply and building and participating in the digital ecosystem. This has seen us taking the lead in payments and digital wallets, channel digitalisation, in building internal R&D capabilities, in investing in data science and new applications, as well as in engaging with governments, regulators, Fintech companies and global leaders to build truly differentiated digital offerings for our customers.

CLOSER TO HEART



Our strong presence in all 10 ASEAN countries puts us in an opportune position to make a positive difference to the communities we serve, not only economically, but also socially and environmentally. Guided by our mission to 'Humanise Financial Services', we have undertaken various impactful corporate initiatives such as MaybankHeart. MaybankHeart is a unique online crowd funding platform that provides the general public with information on NGO projects that require funding. To date, Maybank Heart has benefitted 61 beneficiaries and received public donations of over RM1 million.

CELEBRATING OUR UNSUNG HEROES



This year, Maybank pays tribute to our unsung heroes; those who have fought for us in the name of honour, freedom, and to ensure our security. Our Unsung Heroes series, launched in conjunction with Malaysia's 60th Independence, showcases the sacrifices made by our elders and the troubled past of Malaysia. It reveals the hardships endured by our parents and grandparents to shape a better Malaysia for us today. By learning from the past, we can see the way ahead and understand what is needed to be a leader in unity, multi ethnicity and economic transformation. We also see how humanising every part of our lives will lead to a future that benefits all of us.

SWINGING BIG ACROSS ASEAN



Maybank is the first financial institution in Malaysia to champion a structured long term development of golf in Malaysia and across the ASEAN region, beginning its support of the game in 2006. This included direct sponsorship of selected players; creating playing platforms for ASEAN talent to experience international tournaments; monetary support through the prize purses sponsored; and creating, maintaining and promoting of the Maybank Championship that allows aspiring players the perfect platform to springboard to international success.

Part of Maybank's on-going commitment to developing excellence in golf across ASEAN, is the appointment of Gavin Green as Maybank's ASEAN Ambassador. Green, who turned professional in 2015, is now the second youngest golfer and the first Malaysian to win the accolade of Order of Merit champion on the Asian Tour. Gavin Green is an example of what we see as an effective talent development initiative where Maybank empowers dedicated, focused and ambitious young talents and help them reach new heights.

GROUP CUSTOMER EXPERIENCE MANAGEMENT

In Group Customer Experience Management (GCEM), we are guided by our service vision of Passionately Creating Consistent Customer Delight and the Group's mission of Humanising Financial Services. We take pride in maintaining our leadership position in terms of customer loyalty, engagement and advocacy in the Malaysian financial industry, as we continue to rank first with an improved Net Promoter Score (NPS).

We value our customers deeply and we believe that continuous improvement is essential for us to retain them in an increasingly competitive operating landscape. We have outlined the following initiatives as our key focus areas in 2017.



Voice of Customer

Simply put, the Voice of Customer is our customer feedback channel. It is a platform where customers can candidly express their views on our customer service levels while we gain insights and act on the feedback accordingly. In 2017, we focused on improving the speed, efficiency and simplification of our services to elevate customer convenience and satisfaction.

We have introduced Straight Through Processing (STP) and automation with some of our existing processes and procedures.

As a result, more than 80% of our business unit lines have seen improved YoY NPS performance, backed by valuable customer insights on how we can further improve our offerings.

Consistency in Service Standards

Understanding that our customer-facing front liners set the tone and standard for our customer service, we continued to invest in upskilling them with the right digital competencies and people skills to facilitate the consistent delivery of best-in-class branch banking experience. This has resulted in a high 99.4% satisfaction rating according to the feedback gathered by Voice of Customer, endorsing our front liners for their professionalism, strong communication skills and extensive product knowledge.

We have also engaged an external party to conduct an independent assessment on our branches' readiness to serve. The results depicted that we have improved by 8.6% YoY in our performance, with the ambience of our physical touch points and the professional image of our staff being our key strengths.

Complaints Handling

Our complaints handling framework has been further improved to adopt the industry's best practices to better meet the rapidly evolving needs and expectations of our customers in terms of speed and quality of resolutions delivered. Guided by our motto of *getting it right the first time, every time*, we have seen encouraging improvement in 2017 where the number of customer complaints resolved at first contact outnumbered customer complaints that were escalated for resolution by a ratio of 80:20.

We also keep records of recurring service failures and conducted a detailed analysis to understand and mitigate the root cause of these complaints. Initiatives arising from this process include empowering our staff with the required tools and training to enable consistent follow up and follow through as well as improving the speed and accuracy in the delivery of information pertaining to our products among several others, and these have yielded a 25% reduction in the number of recurrence.

OUTLOOK AND PRIORITIES FOR 2018

Our strategic priorities for 2018 include:

- Enhancing our customer engagement channels as we continue to explore new, more convenient avenues to gather customer feedback
- Utilising data analytics to help us personalise recommendations based on customers' profiles and needs
- Improving our complaints handling framework through quicker turnaround time and higher quality resolutions
- Standardising cross-border key customer experience drivers across all markets that we operate in

KEY MILESTONES

Overview
pg. 1-25

1960's

1960

- Maybank is incorporated on 31 May and begins operations in Kuala Lumpur on 12 September.
- Establishes Malayan Finance Corporation (later Mayban Finance), the first wholly bank-owned finance company.
- Opens first overseas branch in Brunei Darussalam and later in Singapore.

1962

- Opens branch in Hong Kong on 12 February, then in London on 12 September.
- Listed on the Kuala Lumpur Stock Exchange (now Bursa Malaysia) on 17 February.

1970's

1973

- Sets up investment banking arm – Asian and Euro-American Merchant Bankers Bhd (Aseambankers) in September. It is renamed as Maybank Investment Bank in 2009.

1974

- First to introduce a rural credit scheme.

1976

- First to introduce mobile bus banking services.

1977

- Incorporates Mayban-Phoenix Assurance Bhd in partnership with British Phoenix Assurance to offer general insurance. It is renamed as Mayban Assurance on 10 October 1986.

1978

- Pioneer in computerisation of banking operations in Malaysia.

1980's

1980

- Launches its first credit card – the Maybank Visa Classic card.

1981

- First Malaysian bank to set-up ATMs in Malaysia.

1983

- The Prime Minister lays the foundation stone of Menara Maybank, Maybank's headquarters.

1984

- Opens branch in New York in September.

1986

- Introduces nation's first integrated and largest ATM network – Automated Banking Consortium (ABC) linking Kwong Yik Bank, Mayban Finance and Maybank in Malaysia and Singapore.

1988

- The Governor of Bank Negara Malaysia officiates Balai Seni Maybank and Maybank Numismatic Museum.
- Official opening of Menara Maybank in June by the Prime Minister of Malaysia.
- First financial institution to introduce payment for IPOs through ATMs.

1990's

1990

- Sets up offshore bank in Labuan International Offshore Financial Centre.

1992

- Establishes Mayban Securities.
- Launches Maybank Autophone, the first local bank to offer a computerised telephone banking service.

1993

- Mayban Ventures begins operations.
- Incorporates Aseam Leasing and Credit Bhd.

1994

- The Prime Minister of Malaysia officially launches Maybank's joint venture with PT Bank Nusa Internasional of Indonesia.

1996

- Official opening of Hanoi branch and Ho Chi Minh City (HCMC) representative office. In 2005, HCMC becomes a branch.
- Pioneer in Bancassurance in Southeast Asia.
- Sells Kwong Yik Bank to Rashid Hussain Berhad.

1997

- First to offer ticketless travel convenience for MAS domestic flights through MAS Electronic Ticketing (MASET).
- Acquires a 60% stake in PNB-Republic Bank of the Philippines, renaming it as Maybank Philippines Inc.

2000's

2000

- First in Malaysia and Southeast Asia to offer common ATMs and over-the-counter services in Malaysia, Singapore, Brunei and the Philippines.
- First Malaysian bank to open branch in Shanghai.
- Launches Maybank2u.com, first bank in Malaysia to introduce internet banking.
- Acquires Pacific Bank Bhd and Phileo Allied Bank Bhd. In 2001, they are merged into Maybank's operations.

2001

- Maybank and Fortis International NV collaborate to set up Mayban Fortis Holdings Bhd in a 70:30 partnership.
- Officially opens Maybank Tower, the new headquarters of Maybank Singapore.
- Deputy Prime Minister of Malaysia launches Dataran Maybank in Kuala Lumpur.

2002

- Mayban Takaful commences operations, the first Takaful company owned by a conventional bank in Malaysia.

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KEY MILESTONES

2000's		
2003	2007	2009
<ul style="list-style-type: none"> Officially launches Bahrain branch, the first Malaysian bank to operate there. 	<ul style="list-style-type: none"> First to launch complete mobile money service in Malaysia with Maxis. Launches Etiqa, the new brand name for insurance businesses under Maybank Fortis Holdings. 	<ul style="list-style-type: none"> Launches the country's first wireless (mobile) payment terminal facility to accept credit or debit payment at point of delivery with Pizza Hut. Partners with Maxis, Nokia, Touch n Go and Visa to launch the world's first contactless mobile payments using near field communications (NFC) via Nokia phones. Jointly launches with Permodalan Nasional Berhad the first service to make additional investments in ASB units via internet banking. Completes RM6 billion rights issue – the largest in Malaysian corporate history.
2004	2008	
<ul style="list-style-type: none"> First local bank to introduce e-Dividend via Maybank2e. Vests the entire operations and business of Maybank Finance Bhd into Maybank. 	<ul style="list-style-type: none"> First to launch Malaysia's dual purpose Bankcard in partnership with Visa International. Establishes Islamic banking subsidiary, Maybank Islamic Berhad. Acquires stakes in PT Bank Internasional Indonesia, An Binh Bank of Vietnam and MCB Bank Ltd of Pakistan. 	
2005		
<ul style="list-style-type: none"> Acquires Malaysia National Insurance Bhd and Takaful Nasional Sdn Bhd. 		
2006		
<ul style="list-style-type: none"> First to offer online mobile banking via SMS followed by M2U Mobile Services via GPRS/3G phones. Becomes sole issuer and manager of the American Express charge card and merchant acquiring businesses in Malaysia. 		
2010's		
2010	2011	2012
<ul style="list-style-type: none"> First public listed company in Malaysia to announce dividend reinvestment plan. First Malaysian bank to reach more than USD100 billion in total asset size and USD1 billion in profit after tax. First to launch disabled friendly banking branches for wheelchair bound users nationwide. Launches TradeConnex, first local bank in Malaysia to offer a comprehensive suite of conventional trade finance products online. Maybank Islamic launches Waqf, the first structured community giving programme for customers by a financial institution in Malaysia. Launches the first Islamic financing package for SMEs in Singapore. Converts PT Bank Maybank Indocorp into a full-fledged Islamic bank and renames it as Maybank Syariah Indonesia. Establishes Maybank Foundation with an initial allocation of RM50 million, to spearhead the Group's Corporate Responsibility initiatives in the region. 	<ul style="list-style-type: none"> First Malaysian bank to launch an 'Overseas Mortgage Loan Scheme', offering Malaysians a ringgit mortgage loan facility for properties in London. Acquires Kim Eng Holdings Ltd, a Singapore listed investment banking group. Launches Shared Banking Services with Pos Malaysia Berhad to provide selected Maybank services at over 400 Pos Malaysia outlets nationwide. The first Qualifying Full Bank in Singapore to launch a Platinum Debit Card with the NETS FlashPay feature. First Malaysian bank to launch eCustody, an electronic, front-end, internet-based platform offering institutional clients the flexibility of online management of custody accounts. Unveils refreshed corporate identity driven by our mission to "Humanise Financial Services Across Asia". 	<ul style="list-style-type: none"> First local bank to simultaneously sign agreements with four banks from Myanmar to introduce Maybank Money Express (MME) remittance service to the country. Reaffirms long term commitment to Cambodia with local incorporation of operations there. Expands its network in China with a new branch in Beijing to boost its Greater China operations. The Prime Minister of Malaysia officially opens Maybank's first branch in Laos, completing the Group's footprint in all 10 ASEAN nations. Maybank Singapore executes the first Islamic Profit Rate Swap on the back of a syndicated Islamic loan. Successfully completes private placement bookbuilding exercise, raising approximately RM3.66 billion (USD1.2 billion) – the largest in Malaysia's corporate history. Maybank Philippines Inc. announces relocation of its offices to the new Maybank Corporate Centre in Bonifacio Global City in Taguig. Launches enhanced Regional Cash Management platform, delivered through its state-of-the-art web-based Maybank2E platform in Singapore. Launches Maybank2u in Cambodia.

2010's

2013

- Launches Maybank2u Pay, first by a bank in Malaysia to facilitate online purchases at blog shops.
- Expands co-brand partnership with Manchester United, introducing 'Maybankard Visa Infinite Manchester United' card, the first co-brand Manchester United card in the world targeted at the high net worth segment.
- First bank in Malaysia to introduce the Overseas Mortgage Loan Scheme for purchases of residential properties in three new markets, i.e. Sydney, Perth and Singapore.
- The Prime Minister of Malaysia officiates the launch of Maybank Islamic Asset Management at the World Islamic Economic Forum in London.

2014

- First bank to launch cardless withdrawal service via ATMs in Malaysia.
- First bank to offer customers across China trade financing in Malaysian Ringgit (RM), enabling them to settle cross-border trade transactions with Malaysian counterparts directly in ringgit.
- Introduces new Maybank Visa Platinum Debit card – the first of its kind enabled with Visa payWave in Malaysia.
- Launches inaugural TOKYO PRO-BOND market listed transaction, raising JPY31.1 billion (approx. USD305 million), the first pro-bond issued out of the issuer's USD5 billion multi-currency MTN programme.
- Ranks as one of the Top 3 companies in Malaysia and Top 100 companies in Asia with the highest sustainability performance by Channel NewsAsia.
- Launches M2U Visa Direct in collaboration with Visa International, the first of its kind remittance service in Malaysia to send money to Visa card accounts of beneficiaries in over 200 countries.
- Launches Maybank Visa payWave Micro Tag – a new and convenient way for payments riding on the Visa payWave technology and the first of its kind in Malaysia.

2015

- Launches Maybank-MAB Cinema – the first ever movie theatre in Southeast Asia for the visually challenged, in collaboration with Malaysian Association for the Blind (MAB).
- First Malaysian bank and one of the only two in ASEAN to have a presence in Yunnan Province, through a branch in Kunming.
- First bank in Malaysia to initiate micro financing programmes for eligible People With Disabilities (PWDs).
- Launches the first-ever Samurai bond issued out of the Malaysian banking sector.

- Launches the first Islamic equity fund under the ASEAN passport framework known as the Maybank Bosera Greater China ASEAN Equity-i Fund, to tap into the equity markets within Greater China and ASEAN.
- Introduces e-Duit Raya, an 'electronic' option for gifts during the Hari Raya festive season via Maybank2u, the first of its kind in Malaysia.
- First bank in Malaysia to pioneer biometric authentication in mobile banking with the introduction of Quick Touch on Maybank2u app.
- Launches MaybankFintech, the first of its kind programme by a bank in Southeast Asia to fund eligible tech startups as well as support and generate ideas in the financial technology sphere.
- Launches new branch concept – 'campus lounges' with Maybank@Monash being the first in the country to fulfil the unique banking needs of students and university communities.
- Launches 'Snap & Donate', the first of its kind application for customers to contribute to a beneficiary via Maybank2u by taking a picture of its logo using mobile phones.
- First Malaysian bank to sign agreement with China UnionPay Merchant Services to boost its cash management business in China.

2016

- Expands network in Laos with the opening of its second branch.
- Opens branch in Shenzhen, the fifth in Greater China.
- Appointed joint lead arranger for the USD219 million financing for Manhattan residential tower, the first syndicated Shariah-compliant construction financing in New York City.
- First bank in Cambodia to offer a mobile banking app with augmented reality and QR code reader.
- Launches MaybankPay, Malaysia's first mobile wallet to enable cashless payments via handheld devices.
- Launches 'Maybank Women Eco Weavers' to promote traditional textiles in a sustainable manner whilst creating economic independence and financial inclusion of women weavers across the ASEAN region.
- Launches MaybankHeart, the first-of-its-kind digital social fundraising platform enabling NGOs to reach out to a wider audience.
- First bank to offer Samsung Pay in Malaysia.
- Launches first mobile money transfer service in Malaysia with Western Union via the Maybank2u (M2U) app.

2017

- Datuk Mohaiyani Shamsudin appointed Chairman of Maybank – the first woman Chairman on the board of the country's largest public listed company.
- First bank in Malaysia to implement extended maternity leave of up to one year for eligible female employees within the Group.
- Announces partnership with Alipay of China to provide contactless payment convenience across various outlets in Malaysia.
- Launches Maybank2u Pay, a new payment gateway to support e-commerce entrepreneurs to boost online businesses.
- Launches Regional Collaborative Fintech Sandbox Platform, the first of its kind in ASEAN, to boost the development of Fintech.
- First listed company in Malaysian corporate history to breach RM100 billion market capitalisation.
- Launches co-branded debit and credit cards with renowned European football club FC Barcelona.
- Introduces face and voice recognition features in M2U mobile banking app - the first bank in Malaysia to offer all three biometric functionalities on a banking app, including the earlier fingerprint recognition.
- Launches HouzKEY, an innovative Rent-to-Own (RTO) product which is the first by a bank in Malaysia.
- First bank in Malaysia to launch cashless mobile payment option using QR code called Maybank QRPay.

STRATEGIC BUSINESS UNITS



Maybank

MALAYAN BANKING BERHAD IS THE HOLDING COMPANY AND LISTED ENTITY FOR THE MAYBANK GROUP WITH BRANCHES IN MALAYSIA, SINGAPORE AND OTHER INTERNATIONAL FINANCIAL CENTRES SUCH AS LONDON, NEW YORK, HONG KONG AND BAHRAIN.

Maybank's key overseas subsidiaries are PT Bank Maybank Indonesia Tbk, Maybank Philippines Incorporated and Maybank (Cambodia) Plc. The major operating subsidiaries are Maybank Islamic Berhad, Maybank Investment Bank Berhad, Maybank Kim Eng Holdings Limited and its subsidiaries, Etiqa Insurance Berhad, Etiqa Takaful Berhad, and Etiqa Insurance Pte Ltd. Maybank has associate companies in Pakistan (through 18.78%-owned MCB Bank), Vietnam (through 20%-owned An Binh Bank) and Uzbekistan (through 19.7%-owned Uzbek Leasing International A.O.).

ISLAMIC BANKING



**Maybank
Islamic**

MAYBANK ISLAMIC BERHAD

Maybank Islamic Berhad is Maybank Group's wholly-owned, full-fledged licensed Islamic bank and the leading provider of Islamic financial products and services in ASEAN. It leverages on the Group's system and IT infrastructure, as well as distribution network to offer end-to-end Shariah-based financial solutions across 454 Maybank touchpoints in Malaysia, as well as our overseas operations in Indonesia, Singapore, Hong Kong, London, Labuan and Bahrain. Maybank Islamic is the domestic market leader in total assets, total financing and total funding (Deposits and Unrestricted Investment Account) as well as profitability across all key business segments.



**Maybank
Syariah**

MAYBANK SYARIAH INDONESIA

PT Bank Maybank Syariah Indonesia is a subsidiary of Maybank. Established in 1995, it offers a wide range of banking services including corporate banking, transaction banking, treasury as well as corporate advisory services and is committed to become the most prominent and preferred Wholesale Shariah financial services provider in Indonesia and the region.

INVESTMENT BANKING



**Maybank
Investment Bank**

MAYBANK INVESTMENT BANK BERHAD

Maybank Investment Bank Berhad is the wholly-owned subsidiary of Maybank and the Malaysian investment banking operation of Maybank Kim Eng. It offers a complete range of investment banking products and solutions including debt advisory and arrangement via bonds/sukuk, project financing, leverage financing and loan syndication, corporate finance, equity capital markets, merger and acquisition advisory, sector advisory, strategic advisory, retail and institutional securities broking, equities derivatives and research.



**Maybank
Kim Eng**

MAYBANK KIM ENG HOLDINGS LIMITED

Maybank Kim Eng Holdings Limited (MKE) is the wholly-owned investment banking arm of Maybank with offices in Singapore, Hong Kong, Thailand, Indonesia, the Philippines, India, Vietnam, Great Britain, and the United States of America. Having been in ASEAN for more than 40 years, MKE is a leader in many of the markets that it operates in and offers a suite of financial solutions, which include debt advisory and arrangement via bonds/sukuk, project financing, leveraged financing and loan syndication, corporate finance, equity capital markets, merger and acquisition advisory, sector advisory, strategic advisory, equities derivatives, retail and institutional securities broking and research.

INSURANCE & TAKAFUL



ETIQA

Etiqa represents Maybank Group's Insurance and Takaful businesses, offering a full range of Life and General conventional insurance policies as well as Family and General Takaful plans via our multi distribution channels of over 10,000 agents, 24 standalone branches throughout Malaysia, over 350 Bancassurance network via Maybank branches and third-party banks, co-operatives and brokers, as well as an online platform.

Etiqa is one of the pioneers for online direct sales through www.etiqa.com.my, www.motortakaful.com as well as the Group's Maybank2u online platform and is the No. 1 digital insurance player in Malaysia, with total premium/contribution of more than RM100 million.

Etiqa International Holdings Sdn Bhd (EIHSB), wholly-owned by Maybank, is the holding company of Etiqa. Apart from Malaysia (via Etiqa Insurance Berhad and Etiqa Takaful Berhad), Etiqa also has presence in Singapore (via Etiqa Insurance Pte Ltd), Indonesia (via PT Asuransi Asoka Mas) and the Philippines (via AsianLife and General Assurance Corporation).

Following BNM's requirement for composite license insurers to split their businesses into respective business lines effective 1 January 2018, Group Insurance and Takaful in Malaysia now operates as four different entities comprising Etiqa Life Insurance Berhad, Etiqa General Insurance Berhad, Etiqa Family Takaful Berhad and Etiqa General Takaful Berhad.

ASSET MANAGEMENT



MAYBANK ASSET MANAGEMENT GROUP BERHAD

Maybank Asset Management Group Berhad (MAMG), is one of the pioneers in the local asset management industry with a highly capable fund management team, averaging over 20 years of individual investment experience and expertise in Asian markets. MAMG offers a diverse range of conventional and Islamic investment solutions and manages portfolios that range from equity, fixed income to money market instruments for high net-worth individuals, corporates and institutions.

MAMG also offers alternative investment solutions and maintains several strategic partnerships with reputable asset managers such as BNY Mellon Investment Management and Azimut Group to leverage on their expertise and global investment capabilities.

MAMG operates across the Group's three home markets, Malaysia, Singapore and Indonesia through Maybank Asset Management Group Berhad, Maybank Asset Management Malaysia Sdn Bhd, Maybank Islamic Asset Management Sdn Bhd, Maybank Private Equity Sdn Bhd, Maybank Asset Management Singapore Pte Ltd and PT Maybank Asset Management.

INTERNATIONAL OPERATIONS



MAYBANK SINGAPORE

Maybank Singapore is a Qualifying Full Bank (QFB) with a net asset size of approximately SGD65.8 billion and staff strength of over 1,800. It provides a full suite of financial solutions in the retail, wholesale and global banking markets catering to individuals (including private and global banking clients), businesses and corporations.

Recognised by the Monetary Authority of Singapore as a domestic systemically important bank, it is one of seven major banks that is deemed to have a significant impact on Singapore's financial system and the broader economy.

Its network of 27 service locations in Singapore is one of the largest among foreign banks. As part of the atm5, Singapore's only shared ATM network among six participating QFBs, Maybank has a combined reach of more than 200 ATMs island-wide.



PT BANK MAYBANK INDONESIA TBK

PT Bank Maybank Indonesia Tbk (Maybank Indonesia) is a subsidiary of Maybank and is listed on the Indonesia Stock Exchange (Ticker: BNII). It provides a comprehensive range of products and services to individual and corporate customers through its Community Financial Services (Retail Banking and Non-Retail Banking) and Global Banking businesses through its network of 407 branches (which includes 13 Micro Functional offices, 10 Shariah branches, and two overseas branches in Mumbai and Mauritius) and 1,606 ATMs including 96 cash deposit machines. Maybank Indonesia is the ninth largest commercial bank by assets and has total customer deposits of IDR121.3 trillion and IDR173.3 trillion in assets as at 31 December 2017.

STRATEGIC BUSINESS UNITS

INTERNATIONAL OPERATIONS (Cont'd)



MAYBANK PHILIPPINES

Maybank Philippines Incorporated (MPI) is a full-fledged commercial bank with 74 branches - the largest branch network amongst the foreign banks in the country. Providing both retail and wholesale banking services, MPI offers a wide array of financial solutions customised for emerging affluent and affluent clients, retail SMEs, top and mid-tier corporations in the Philippines. MPI is also involved in treasury business, including money market and foreign exchange as well as trust services.



MAYBANK GREATER CHINA

Maybank Greater China consists of branches in Hong Kong, Shanghai, Beijing, Kunming and Shenzhen. We provide wholesale banking services to corporate clients in Hong Kong and China, primarily to inbound ASEAN corporates, Chinese/HK corporates with regional operations and projects as well as financial institutions. Maybank Hong Kong also offers Private Wealth products for our high net worth clients.



MAYBANK CLMV

Maybank CLMV represents Maybank's presence in Cambodia, Laos, Myanmar, and Vietnam. In Cambodia, we operate through our subsidiary, Maybank Cambodia PLC (MCP), which was established since 1993 and locally incorporated in 2012. MCP provides a full range of banking services to emerging affluent and affluent consumers, retail SMEs and corporate clients through 21 branches across Cambodia. In Laos, we serve retail SMEs and corporate clients through two branches in Vientiane. In Myanmar and Vietnam, Maybank offers wholesale banking services including capital expenditure financing, working capital, trade & FX products and project financing to regional corporate clients. Maybank is also the first and only Malaysian bank to be granted a foreign banking license by the Central Bank of Myanmar since 2015.



MAYBANK NEW YORK

Maybank New York has been in operation since 1984 and engages in wholesale banking, with an emphasis on corporate lending, treasury and capital markets as well as trade finance. The branch also participates in loan syndications and bilateral arrangements.



MAYBANK LONDON

Established in 1962, Maybank London serves as an ASEAN-Europe banking partner to corporate clients and financial institutions, focusing primarily in corporate lending, treasury, capital markets and trade finance. We also provide Shariah-compliant products to corporate and high net worth retail clients.



MAYBANK BRUNEI

Established for 57 years, Maybank Brunei provides a full range of retail and commercial banking services and products through our two branches located in Bandar Seri Begawan and Seria.

ASSOCIATES



MCB BANK LTD

MCB Bank (MCB) is an 18.78%-owned associate of Maybank. Incorporated in 1947 and privatised in 1991, it operates as one of the premier financial institutions in Pakistan with more than 70 years of experience. MCB serves through a network of 1,405 branches within Pakistan and 11 branches outside the country and has a presence in Sri Lanka, Dubai, Bahrain and Azerbaijan. MCB also caters to the financial needs of the growing Islamic segment through its wholly owned subsidiary, MCB Islamic Bank Limited. In 2017, MCB acquired NIB Bank Limited through a share swap arrangement.



AN BINH BANK

An Binh Bank (ABBANK) is a 20%-owned associate of Maybank. Founded in May 1993, ABBANK offers a full range of retail and commercial banking products and services through its network of 165 branches and sub-branch offices across 34 provinces in Vietnam.



UZBEK INTERNATIONAL A.O.

Uzbek Leasing International A.O. (Uzbek Leasing) is a 19.7%-owned associate of Maybank. It specialises in providing a wide spectrum of financial and leasing services across eight representative offices in the country and is a member of the Association of International Business and Technology which brings together experts and partners in the field of International business.

GROUP CORPORATE STRUCTURE

AS AT 31 DECEMBER 2017



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COMMERCIAL BANKING

ISLAMIC BANKING

- 100% Maybank Islamic Berhad (Islamic Banking)
- 100% PT Bank Maybank Syariah Indonesia (Islamic Banking)
- 98.31%* PT Bank Maybank Indonesia Tbk (Banking)
- 100% PT Maybank Indonesia Finance (Multi-financing)
- 68.55% PT Wahana Ottomitra Multiartha Tbk (Multi-financing)
- 99.97% Maybank Philippines, Incorporated (Banking)
- 100% Maybank (Cambodia) Plc (Banking)
- 18.78% MCB Bank Ltd (Banking)
- 20% An Binh Commercial Joint Stock Bank (Banking)
- 19.70% Uzbek Leasing International A.O. (Leasing)

INSURANCE & TAKAFUL

- 100% Etiqa International Holdings Sdn Bhd (Investment Holding)
- 69.05% Maybank Ageas Holdings Berhad (Investment Holding)
 - 100% Etiqa Insurance Berhad (Life & General Insurance and Investment-linked Business)
 - 100% Etiqa Takaful Berhad (Family & General Takaful and Investment-linked Business)
 - 100% Etiqa Life Insurance Berhad# (Life & Investment-linked Business)
 - 100% Etiqa General Takaful Berhad# (General Takaful Business)
 - 100% Etiqa Insurance Pte Ltd (Underwriting of General Insurance and Life Insurance Businesses)
 - 100% Etiqa Life International (L) Limited (Offshore Investment-linked Insurance)
 - 100% Etiqa Offshore Insurance (L) Limited (Bureau Services)
 - 100% Etiqa Overseas Investment Pte Ltd (Investment Holding)
 - 32.50% Pak-Kuwait Takaful Company Limited (Takaful Business)
- 75% PT Asuransi Asoka Mas (Insurance Provider)
- 95.24%@ AsianLife & General Assurance Corporation (Insurance Provider)

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 please refer to Note 63: Details of Subsidiaries, Deemed Controlled Structured Entities, Associates and Joint Ventures in the Financial Statements book of the Annual Report 2017.
 2. Where investment holding companies are omitted, shareholdings are shown as effective interest.
- * Effective interest held by the Group. Refer to Note 63, footnote 15, page 282 in the Financial Statements book of the Annual Report 2017 for the details.
- ** 0.01% is held by Dourado Tora Holdings Sdn Bhd.
- [^] Joint Venture
- # New subsidiaries incorporated in Malaysia under the Companies Act, 2016. Refer to Note 60(i)(c), page 245 in the Financial Statements book of the Annual Report 2017 for the details.
- @ Effective interest held by the Group. 54.66% is held by Etiqa International Holdings Sdn Bhd and 40.58% is held by Maybank ATR Kim Eng Capital Partners, Inc.

INVESTMENT BANKING

- 100% Maybank International Holdings Sdn Bhd (Investment Holding)
- 100% Maybank Kim Eng Holdings Limited (Investment Holding)
 - 100% Maybank Kim Eng Securities Pte Ltd (Dealing in Securities)
 - 83.50% Maybank Kim Eng Securities (Thailand) Plc (Dealing in Securities)
 - 100% Maybank ATR Kim Eng Capital Partners, Inc (Corporate Finance & Financial and Investment Advisory)
 - 100% Maybank ATR Kim Eng Securities Inc (Dealing in Securities)
- 80% PT Maybank Kim Eng Securities (Dealing in Securities)
- 100% Maybank Kim Eng Securities (London) Limited (Dealing in Securities)
- 100% Maybank Kim Eng Securities USA Inc (Dealing in Securities)
- 100% Kim Eng Securities (Hong Kong) Limited (Dealing in Securities)
- 75% Kim Eng Securities India Private Limited (Dealing in Securities)
- Other Subsidiaries

- 100% Maybank Investment Bank Berhad (Investment Banking)
 - 100% BinaFikir Sdn Bhd (Consultancy and Advisory)
 - 35.32% Anfaal Capital[^] (Investment Banking)
- Other Subsidiaries

ASSET MANAGEMENT

- 100% Maybank Asset Management Group Berhad (Investment Holding)
- 100% Maybank Asset Management Sdn Bhd (Fund Management)
 - 99% PT Maybank Asset Management (Fund Management)
- 100% Maybank Islamic Asset Management Sdn Bhd (Fund Management)
- 100% Maybank Private Equity Sdn Bhd (Private Equity Investments)
 - 100% MAM DP Ltd (Fund Management)
- 100% Maybank Asset Management Singapore Pte Ltd (Fund Management)

OTHERS

- 100% Maybank Trustee Berhad (Trustee Services)
- 100% Maybank Shared Services Sdn Bhd (IT Shared Services)
 - 100%** MBB Labs Pte Ltd (IT Development Services)
- 100% Cekap Mentari Berhad (Securities Issuers)
- Other Subsidiaries

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Intellectual Capital
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Manufactured Capital
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Human Capital
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Ensuring Responsible Governance
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AGM Information
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GROUP ORGANISATION STRUCTURE



DATUK ABDUL FARID ALIAS
Group President & Chief Executive Officer

BUSINESS

COMMUNITY FINANCIAL SERVICES



DATUK LIM HONG TAT
Group Head, Community Financial Services

- Consumer Finance
- SME Banking
- Business Banking
- Cards & Wealth
- HNW & Affluent Banking
- Mass Banking
- Virtual Banking & Payments
- Community Distribution

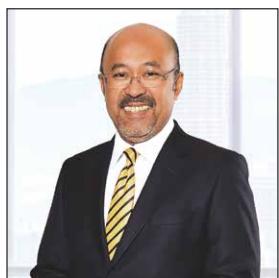
GLOBAL BANKING



DATO' MUZAFFAR HISHAM
Group Head, Global Banking

- Client Coverage
- Corporate Banking
- Investment Banking
- Transaction Banking
- Global Markets
- Asset Management

ISLAMIC BANKING



**DATO' MOHAMED RAFIQUE MERICAN
MOHD WAHIDUDDIN MERICAN**
Group Head, Islamic Banking
CEO, Maybank Islamic Bhd

- Community Banking
- Islamic Global Market
- Corporate & Investment Banking
- Shariah Management
- Shariah Review & Compliance

INSURANCE & TAKAFUL



KAMALUDIN AHMAD
CEO, Maybank Ageas Holdings Bhd

- Etiqa Life Insurance Bhd
- Etiqa Family Takaful Bhd
- Etiqa General Insurance Bhd
- Etiqa General Takaful Bhd
- Etiqa Insurance Pte Ltd (Singapore)
- AsianLife & General Assurance (Philippines)
- PT Asuransi Asoka Mas (Indonesia)

FUNCTION

GROUP FINANCE



DATO' AMIRUL FEISAL WAN ZAHIR
Group Chief Financial Officer

- Group Financial Controller Office
- Group Corporate Treasurer
- Group Performance Reporting
- Enterprise Information Management
- Group Tax
- Group Investor Relations
- Corporate Remedial Management

GROUP HUMAN CAPITAL



NORA ABD MANAF
Group Chief Human Capital Officer

- Group Succession & Talent Development
- Group Recruitment Centre
- Human Capital Strategy, Group Performance & Planning
- Compensation Management
- Workplace Futurisation
- Group Industrial Relations, Risk & Governance
- Group Employee Engagement & Internal Communications
- Human Capital Intelligence & Operations Centre
- Stakeholder Management & Human Capital Contact Centre
- Maybank Academy

GROUP ORGANISATION STRUCTURE

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GROUP PCEO'S OFFICE



MICHAEL FOONG SEONG YEW

Group Chief Strategy Officer
Office of the Group President & CEO

- Group Strategy & Business Development
- Group Transformation & Productivity
- Corporate Development & Innovation
- Group Data Scientist
- Group Corporate Affairs
- Group Strategic Marketing
- Group Strategic Partnerships
- Group Customer Experience Management
- Group Digital

GROUP RISK



GILBERT KOHNKE

Group Chief Risk Officer

- Credit Management
- Strategy & Transformation
- Governance
- Market Risk
- Credit Risk
- Non-Financial Risk
- Enterprise Reporting
- Risk Modelling & Model Validation
- Risk Technology
- Management Office

GROUP TECHNOLOGY



MOHD SUHAIL AMAR SURESH ABDULLAH

Group Chief Technology Officer

- Strategy & IT Architecture
- Integrated Delivery House
- IT Security & Compliance
- Infrastructure & Technology
- Digital Banking Delivery & Support
- Systems & Applications Delivery & Support
- IT Risk

GROUP OPERATIONS



JEROME HON

Group Chief Operations Officer

- Regional Payments & SST Operations
- Regional Trade Operations Centre
- Regional Treasury Operations
- Group Property
- Credit Administration

GROUP GENERAL COUNSEL & GROUP COMPANY SECRETARY

WAN MARZIMIN WAN MUHAMMAD

- Group Corporate Secretarial
- Share Registration
- Legal

GROUP CHIEF AUDIT EXECUTIVE

NAZLEE ABDUL HAMID

- Malaysia Operations
- Overseas Operations

GROUP CHIEF COMPLIANCE OFFICER

DANIEL WONG LIANG YEE

- Group Business Compliance
- Group Compliance Governance
- Group Country Compliance
- Group Financial Crime Compliance

COUNTRY

SINGAPORE



DR. JOHN LEE HIN HOCK

CEO, Maybank Singapore

- Community Financial Services
- Global Banking
- Maybank Kim Eng
- Etiqa

INDONESIA



TASWIN ZAKARIA

President Director, Maybank Indonesia

- Maybank Indonesia
- Maybank Indonesia Finance
- Wahana Ottomitra Multiartha (WOM Finance)

INTERNATIONAL



POLLIE SIM

CEO, International

- Indochina Cluster
- Greater China Cluster
- Philippines Cluster
- US/UK Cluster
- Opportunistic Markets & NOE Cluster

Note:

The chart depicts key business units and departments within each unit and may not include Strategy, Marketing, Risk Management, IT, Operations and other support functions within each unit.

Full profiles can be obtained on pages 98 to 106.

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“AS MAYBANK GROWS FROM STRENGTH TO STRENGTH, WE FOCUS ON CREATING SUSTAINABLE VALUE BY CHAMPIONING INITIATIVES FOR OUR STAKEHOLDERS ACROSS ASEAN. WE INVEST TO MAKE AN IMPACT IN THE COMMUNITIES WE SERVE.”

DATUK MOHAIYANI SHAMSUDIN
CHAIRMAN



Rewards to shareholders

55 sen



TOTAL DIVIDEND PER SHARE



Delivered one of the highest dividend yields in the region of

5.6%

DEAR SHAREHOLDERS,

It is an honour and a privilege to deliver this statement in my first year as Chairman of Maybank. Since starting my directorship with this Board in August 2011, I have witnessed Maybank grow from a leading financial institution in Malaysia to one of the top regional players in ASEAN. It has been a truly humbling experience for me to be appointed as the first Chairwoman for Malaysia's largest public listed company.

I commenced my role as Chairman in a year where global economic growth was faster at 3.8% from 3.2% in 2016, driven by synchronised expansion in advanced economies while ASEAN economies benefited from improvement in external demand. In Malaysia, the economy grew 5.9% on the back of stronger export of goods and services and private investments. While the macroeconomic landscape looked much better in 2017, there was lingering global geopolitical uncertainties and downward pressure on oil prices during the first half of 2017. This resulted in Maybank remaining cautious in the execution of its business strategy, especially pertaining to the management of its assets and liabilities.

The strategy paid off with Maybank Group achieving its highest ever net profit in its 57-year history; RM7.52 billion for FY2017. To reward our shareholders, we are proposing a final dividend of 32 sen per share for FY2017, or a net dividend payout of RM3.45 billion based on 10.78 billion ordinary shares as at 31 December 2017. This amounts to a full year dividend payout of RM5.89 billion or 55 sen per share. We also continued to deliver one of the highest dividend yields in the region of 5.6%.

At the centre of Maybank's continued success and growth is its people. As such, Maybank focuses on empowering and developing its human capital in order to remain relevant and future-proof in a rapidly evolving business environment. In 2017, Maybank piloted the 'Maybank GO Ahead. Transform' programme, a platform dedicated for the purpose of advancing, upskilling and preparing Maybankers in shaping the future of the organisation.

The emphasis on our people development continues to be recognised, as we maintained our winning streak in Malaysia's 100 Leading Graduate Employers Awards' Banking and Financial Services category for the seventh consecutive year. We believe that part of being a bank with a 'Humanising' touch is reflected in our ability to attract, develop and grow best-in-class talents from the ASEAN region.

As part of Maybank's Group Inclusiveness and Diversity Agenda, we have shown our commitment in driving initiatives to strengthen women's contributions to the Group. About 31% of our top management positions are filled by women, with an even wider representation of women in management at 45%.

We also display our mission of Humanising Financial Services in our steadfast efforts to drive Environmental, Social and Governance sustainability by being at the heart of the community. During the year, we saw our flagship regional programmes under Maybank Foundation attain greater heights by expanding

to new geographies and reaching a wider group of beneficiaries. These programmes include Reach Independence & Sustainable Entrepreneurship Programme (R.I.S.E) and Maybank Women Eco Weavers.

As Maybank grows from strength to strength, we focus on creating sustainable value by championing initiatives for our stakeholders across ASEAN. We invest to make an impact in the communities we serve, focusing on education, community empowerment, arts and culture, environmental diversity, healthy living and disaster relief.

Maybank was also recognised as the 5th Most Valuable Bank Brand in ASEAN and the only bank in Southeast Asia to retain the World Branding Awards – Brand of the Year for four consecutive years.

On changes to the Board, I would like to welcome our newest director, Che Zakiah Che Din, who was appointed to the Board on 1 March 2018. She brings with her over 30 years of regulatory experience, having served at Bank Negara Malaysia. Her addition to the Maybank Board brings our total women directors composition to 36%, exceeding Malaysia's national agenda of achieving at least 30% women representation on the boards of listed companies by 2020.

In January 2018, we bid farewell to Renato Tinio De Guzman, who left the Board as a director. We will also be saying goodbye to our longest serving director, Dato' Johan Ariffin, who will be stepping down at our upcoming annual general meeting on 12 April 2018. We would like to extend our warmest appreciation for their services and contributions to Maybank Group.

Finally, on behalf of the Board, I would like to thank the Maybank management, led by Datuk Abdul Farid Alias, Group President & CEO and his Executive Committee members, as well as all Maybankers for their tireless efforts and commitment in 2017 that have resulted in an outstanding performance for the Bank.

I would also like to thank all stakeholders – governments, regulators, shareholders and customers – for the support you have given for Maybank to prosper. I am confident that with the support of Board members and management, Maybank will continue to deliver balanced, sustainable and inclusive growth in 2018 and beyond.

DATUK MOHAIYANI SHAMSUDIN
Chairman

CHAIRMAN'S REFLECTIONS

REFLECTIONS FROM OUR GROUP PRESIDENT & CEO

“THE CULMINATION OF THE EFFORTS IN 2016 AND 2017 BY THE VARIOUS BUSINESS AND SUPPORT TEAMS IN MAYBANK ACROSS OUR EXTENSIVE FOOTPRINT HAS YIELDED A RECORD FINANCIAL PERFORMANCE FOR THE GROUP ON MANY COUNTS. ”

DATUK ABDUL FARID ALIAS
Group President & Chief Executive Officer

DEAR SHAREHOLDERS,

Over the last few years, my team and I have made it a point to engage with institutional investors at the start of the year through targeted investor meetings. This is in an effort to understand their evolving investment requirements as well as to discuss thematic topics arising from changes in the operating, geopolitical and regulatory landscapes. We have seen these conversations evolve from emphasis on shorter-term goals to longer-term value creation strategies that are inclusive for all our stakeholders. What this means is that we must strive to do “right” by all our stakeholders, which include shareholders, customers, employees, regulators and the communities in markets that we serve.

In knowing what is “right”, we need to draw from our own sense of purpose. Our purpose is to fulfil our customers’ ambitions by building trusted relationships that last for generations through thick and thin. We believe in treating all our stakeholders fairly, advice them based on their needs and capacity and in making financial solutions simpler. We do all that so that our customers will then do well. This is our purpose. Our mission. And this is ‘*Humanising Financial Services*’.

Our purpose keeps us focused on what we do, who we are doing it for and why are we doing it. It is the foundation for long-term value creation and moves us away from short-term pressures of meeting quarterly targets, as this can compromise the investments we need to make for innovation, people development and growth opportunities. In effect, short-sightedness could result in reduction of necessary spend that prevents an organisation from generating sustainable returns for its stakeholders over the long-term.

Such thinking is not unique to us. You may remember that Maybank made some hard decisions in 2016, ahead of peers, to impair loans that were exhibiting asset quality weakness. Arising from our early conversations in late 2015 with business and corporate banking customers who were facing some headwinds in their operating cashflows, we restructured and rescheduled (R&R) some of these facilities to match their repayment abilities according to their existing cashflows. These facilities were subsequently impaired, in accordance with Bank Negara Malaysia (BNM) guidelines, which stipulate that a facility that has been R&R needs to be impaired and can only be reclassified to performing after six months of continued performance.

To us, this decision encapsulates ‘Humanising Financial Services’. What I mean by this is that we were proactive in engaging with our borrowers and advising them to make the right decisions for themselves and yet, doing it with an element of humanity during difficult times. Serving in the interest of our customers meant that we could also look out for the interest of our employees and investors, by removing uncertainty in our future performance. The decision to make these impairments in FY2016 resulted in short-term compression on earnings but it provided us with the foundation to see sustainable growth in 2017.

REFLECTIONS FROM OUR GROUP PRESIDENT & CEO

DELIVERING VALUE THROUGH A YEAR OF RECORD PERFORMANCE

The culmination of the efforts in 2016 and 2017 by the various business and support teams in Maybank across our extensive footprint has yielded a record financial performance for the Group on many counts. We achieved many new highs, including for revenue, pre-provisioning operating profit (PPOP) and net profit.

Having said that, the year 2017 was not without its own set of challenges. At the start of 2017, we guided that our net interest margin (NIM) could face downward pressure stemming from deposit competition and limited ability to reprice loans upwards. Therefore, we decided from the onset that we would protect our margins and not chase for market share at the expense of diminishing returns. The mantra repeated from management to our business lines was to only grow the right type of credit at the right price.



With our emphasis on pricing credit correctly (i.e.: price based on the risks associated to the credit), we moved away from fixating on a loan growth target. Although our initial loan growth Key Performance Indicator (KPI) communicated to the market was 6% to 7%, we revised the KPI downwards to 3% as we opted to be more mindful of growth in our international markets. We also did not want anyone to take undue risks in order to meet this KPI. In Malaysia, we surpassed industry growth at 5.0% YoY despite more corporates tapping the bond market arising from favourable pricing. But our growths in Singapore and Indonesia were behind industry levels given our risk appetite and mindfulness over potential asset quality weakness. The other unknown, which increasingly affected our Group loan growth, was the rapid fluctuations in currency exchange rates. As a result, our Group loan growth for FY2017 was 1.7% or 4.0% if normalised for currency conversion effects.

Meanwhile, pricing credit optimally was only half the battle. On the other side of the coin, we needed to keep our cost of funds competitive to protect margins. Thus, we increased our efforts in securing cheaper sources of funding to support our credit growth. We successfully drove CASA growth across our three home markets – Malaysia, Singapore and Indonesia – which contributed to Group CASA ratio expanding to 37.3% as at 31 December 2017 from 36.0% a year earlier. We also attracted these deposits because of our high capital ratios and strong liquidity positions.

As a result of our disciplined pricing approach and improved cost of funding, our NIM expanded by 9 bps YoY to 2.36%, beating our initial expectation for a compression in FY2017. This then resulted in our net fund based income growing 10.3% YoY to RM16.63 billion for FY2017. Despite a weaker year in terms of net fee based income owing to softer trading income, we still produced a strong net operating income growth of 4.9% to RM23.27 billion.

Through our disciplined cost management, we were able to record a cost-to-income ratio of 48.7%, which was within our guidance of below 50%. Coupled with the strong net operating income growth, PPOP was solid at RM11.91 billion.

RECOGNISED AS THE

**Best Digital Bank and
Best Mobile App in Malaysia**



BY WORLD FINANCE DIGITAL
BANKING AWARDS 2017

Earnings per share

GROWTH OF 6.2% YoY TO

72.0 sen

DRIVEN BY RECORD HIGH NET PROFIT



ENDED FY2017 WITH OUR

Highest Ever Revenue of

RM 23.27 billion



REFLECTIONS FROM OUR GROUP PRESIDENT & CEO

As indicated earlier, the decision to take in RM3.02 billion net impairment provisions in FY2016 was the right decision, as our provisioning levels for loans and securities reduced by one third in FY2017 to RM2.03 billion, on the back of recoveries, write-offs and slower formation of new impaired loans in 2017 versus a year ago. As a result of lower loan provisions, our net credit charge off rate reduced to 40 bps, well within our FY2017 guidance of 50 bps and under, and lower than last year's 62 bps.

With a solid PPOP and lower net impairment losses, we were able to achieve a new high in our net profit of RM7.52 billion for FY2017, marking an 11.5% improvement over FY2016. Our earnings per share rose by 6.2% YoY to 72 sen per share.

Meanwhile, our return on equity was 10.9%, within our KPI range of 10% to 11% for FY2017. Our commitment to shareholders continues, with us proposing a final dividend of 32 sen per share on top of the interim dividend of 23 sen per share.

We continued to maintain our capital positions at strong levels with CET1 capital ratio of 14.773% and total capital ratio of 19.383% as at the end of 2017. The strengthening of our capital base is the Group's prudent preparation for changes in accounting requirements, primarily in view of the Malaysian Financial Reporting Standards 9 (MFRS 9) effective 1 January 2018.

In terms of liquidity risk indicators, we have enhanced our level of disclosures to include more relevant metrics as recommended by BNM. Traditionally, loans to deposits ratio (LDR) has been used by the market to measure liquidity risk. It is a simplistic assessment of liquidity focusing purely on deposits, while ignoring other funding. Maybank's LDR remained stable at 93.8% as at 31 December 2017, from 93.9% a year ago.

Given the diversity seen in financial institutions' funding compositions today, traditional indicators such as LDR are less relevant. The Group has moved towards indicators which are more reflective of liquidity risk, such as the adoption of Liquidity Coverage Ratio (LCR). Maybank's LCR as at 31 December 2017 was 133.1%, well ahead of the 80% minimum requirement for 2017. Alongside LCR, the Group also measures liquidity using loan-to-funding and loan-to-funding-and-equity ratios, which stood at a healthy 86.2% and 75.7% respectively at the end of FY2017.

It is my yearly practice, to shine a spotlight on a standout performer for FY2017. Our Group Insurance and Takaful business, via Etiqa International Holdings, posted its highest profit before tax of RM1.01 billion. This was achieved through a 29.9% rise in its life and family business regular premiums, whereby we implemented an initiative that helped reinvigorate the bancassurance sales in both Maybank branches and Premier Wealth Centres, resulting in a 24% YoY rise in bancassurance business. My deepest appreciation to Kamaludin Ahmad and his team for their determination and resolve in driving Etiqa's performance to new highs.

Another accomplishment that all Maybankers can be proud of is the fact that Maybank was the first Malaysian public-listed company to surpass the RM100 billion market capitalisation barrier on 7 June 2017.

DELIVERING VALUE THROUGH ENHANCED CUSTOMER EXPERIENCE

Value is not only created through our financial performance. As a financial institution, it is essential for us to innovate products and services that promotes convenience, efficiency and ensures security to our customers as part of our ability to deliver better value-add services.

We have worked hard to better understand our customers' needs and behaviours and deliver solutions that are exciting and meaningful for them. We have achieved digital milestones that reinforced our commitment to put our customers' preference first and delivered simpler and more user friendly

customer experience. Our key digital highlights for 2017 can be found in 'The Digital Bank of Choice' section on page 68.

Some of the milestones that we have achieved include the enhanced Maybank2u app with biometric features, the first in Malaysia with all three personalised security features in a single app. The idea behind the redesign of the app was to go back to basics in user experience. In our enhancement process, we used real customers to provide inputs of what they would like to see in the app, thus highlighting the customer centricity of the app. The overall feel of the app is very simplified and personalised, and we are happy with the positive feedback it has garnered, as well as the increase in usage traffic since its launch. In addition, we introduced QR enabled payment for Maybank Singapore's customers. We also introduced a cashless mobile payment option using QR codes, known as 'Maybank QRPay'.

Using a similar feel of the enhanced app, the Group will soon be launching a redesigned Maybank2u desktop website to incorporate the same touches as seen in the app.

Aside from enhancing our customer experience through digital initiatives, we also look to provide solutions for segments that are underserved or whose needs are unmet. Through Maybank Islamic Berhad, we launched 'HouzKEY', an innovative Rent-to-Own (RTO) product which is the first by a bank in Malaysia. 'HouzKEY' is our response to the growing demand from Malaysians who want to own their own homes but can't afford to do so. It was designed to provide an alternative solution for home ownership through a leasing scheme which does not require any down payment while offering a locked-in purchase price for customers. 'HouzKEY' is also the first such RTO product in the country to be fully enabled on a digital platform, thus offering practicality and convenience.

DELIVERING VALUE THROUGH OUR PEOPLE BY TRANSFORMING AND UPSKILLING OF WORKFORCE

The digital transformation not only encompasses our products and services, but also the skills and competencies of our workforce. We recognise the need to accelerate our employees' readiness to compete in these times. I am excited by the possibilities that lie ahead of us as the developments in technology and infrastructure are indeed opportunities for us to make a difference in the lives of our customers and our people.

In 2017, we introduced 'Maybank GO Ahead. Transform' which highlights Maybank's commitment to continuously support and appreciate our people's contribution. This platform is targeted for the purpose of advancing, upskilling and further preparing Maybankers, to take control of shaping Maybank's future. It will allow us to build a team that is innovative, agile and energetic in responding to the ongoing changes and able to continuously create the ideal customer experience, for now and the future.

Meanwhile, our priorities for 2018 include upskilling Maybankers for competitive advantage and growth. It is a must for all staff to have the relevant skills of today and the future, and understand what it takes to operate in an environment that is highly influenced by digital enablers. This will ensure our continued relevance to our customers.

With that in mind, we have designed a comprehensive curricular for all staff to complete, with senior management throwing their full commitment in championing this initiative. Briefly, this curricular is anchored on six pillars that covers key areas of skills such as digital awareness, data analytics, computational thinking, agile project management methods, and human centred design. We are happy to see that all Maybankers are keen to learn and are committed to this programme.

By future-proofing our people, we are creating long-term value for them by ensuring that they remain relevant resources for today and in the future. This is our way of being humanising with our people.

REFLECTIONS FROM OUR GROUP PRESIDENT & CEO

Overview
pg. 1-25

We also continued to strengthen the senior leadership team at Maybank, as was done in 2016, to ensure sustainability of the organisation's growth. We appointed a new Group Chief Risk Officer, Gilbert Kohnke, effective 1 November 2017. Gilbert has more than 29 years of global financial institution experience and a proven track record of strong risk expertise and talent management.

He will report to me and is tasked with driving the Group Risk transformation as well as balancing the need for resilient customer-centric risk practices amidst an increasingly more challenging banking environment. He takes over from Dr John Lee, who has assumed the role of Chief Executive Officer, Maybank Singapore, with effect from 1 December 2017. Dr John succeeds Datuk Lim Hong Tat, who previously double-hatted as Group Head, Community Financial Services (CFS) and CEO, Maybank Singapore. Datuk Lim will now fully focus on the role of Group Head, CFS to bring Group CFS to the next level of growth in the region.

I wish all three senior leaders the very best for 2018 and onwards, and am confident that they will lead their teams to greater heights.

DELIVERING VALUE THROUGH AN INTEGRATED APPROACH

Throughout my letter, I have spoken about our desire to deliver value through our performance, our customer experience and our people. Ultimately, we have tried to create and deliver value for our stakeholders who include investors, customers, employees and the communities we serve. These linkages have been made even clearer in this FY2017 annual report, as we have embarked on the Integrated Reporting journey. Integrated Reporting is meant to demonstrate the clear links between an organisation's ability to create value over time through its strategy, governance, performance and outlook, within its operating environment. This is a material process for any organisation to undertake, as it gets all of us within the organisation to think about the value creation that we are helping to build for our stakeholders. Effectively, this will also enable all 43,000 plus Maybankers to see the connectivity of what we do and how, in the process, it affects our various stakeholder groups.

This report has identified our strategy to create value for our various stakeholder groups using our capitals, such as financial, intellectual, manufactured, human and social and relationship. We start the conversation by talking about how we create value, how we distribute it and to whom, how we interact with our various stakeholders and what are their concerns as well as how we address those concerns as part of the Group's overarching strategy to create long term value. Equally important is that we have identified the risks and opportunities that we face in our operating environment for the various capitals and our responses to those risks and opportunities.

DELIVERING VALUE IN 2018

We expect global growth to be sustained in 2018 at 3.8% on the back of synchronised expansion across the G3 economies (US, Japan and Eurozone). The G3-led global economic growth fuels world trade, which is a positive for ASEAN economies as we are seeing spillover effects on domestic demand from the expansions in external demand.

Our three home markets are expected to continue seeing stable growth. Malaysia's economy is expected to grow at 5.3%, driven by consumption and investment growth, while exports and imports will expand further on the back of the sustained global growth momentum.

Singapore's GDP growth is expected to grow slightly slower at 2.8% in 2018, arising from a cooling off of the manufacturing-driven surge in 2017. In 2018, the services sector is likely to maintain its growth momentum while construction will stage a recovery on the back of a strengthening property market and rollout of public infrastructure projects.

Indonesia's economic growth is expected to remain stable at 5.3% in 2018 with loan growth to be supported by the subdued interest rate environment and government infrastructure projects.

As a Group, we will remain focused on preserving our margins against a backdrop of rising rates across our home markets and by maintaining our pricing discipline in loans as we adopt a new accounting standard, MFRS 9. Although we stand to benefit from the 25 bps hike in Malaysia's overnight policy rate in January 2018, we do remain cautious as competition in the market could intensify later this year due to the adoption of the Net Stable Funding Ratio (NSFR) implementation in 2019 for Malaysia. As such, we will continue to maintain stable liquidity risk indicators, ahead of the NSFR adoption.

We will also strengthen existing revenue drivers by focusing on pockets of opportunities in both consumer and corporate lending, as well as capturing regional opportunities through our footprint and franchise. We will continue to exercise strict cost-discipline and look for opportunities to tighten our productivity levers across the Group. Our KPI for FY2018 is to target for an ROE of approximately 11%.

To keep ahead and remain relevant to our customers, we will intensify growth digitally by accelerating our customers' migration to our digital platforms, enhancing our distribution channels and improving our capabilities to offer our customers what they need when they need it and to pursue new revenue streams.

NOTE OF APPRECIATION

I would like to express my sincerest gratitude to all our stakeholders that the Group impacts, both directly and indirectly. Your expectations for us to always improve and do better is what drives us as an organisation.

To the more than 43,000 Maybankers, allow me to salute you for your unflinching commitment and dedication that has resulted in the organisation's tremendous success in FY2017. On behalf of the Executive Committee, we extend our deepest appreciation for your individual and collective contributions in helping us to achieve another record high for FY2017.

To Datuk Mohaiyani Shamsudin, who eased into her new role as Chairman in April 2017, we thank you for your ongoing counsel and guidance. I'm also grateful for the valuable guidance provided by the members of the Maybank Board and those of the other entities within the Group, as well as the regulatory bodies in all the geographies we serve.

To all our customers and shareholders, my heartfelt appreciation for your continuous support, trust and loyalty towards this organisation. We constantly aim to improve and deliver sustainable value to all, be it in service or returns. We hope you remain with us on our long term journey to create better value for Maybank in time to come.

Thank you.

Our Maybank, Our Future

DATUK ABDUL FARID ALIAS

Group President & Chief Executive Officer

Our Strategy to Create Value
pg. 26-36

Financial Capital
pg. 37-67

Intellectual Capital
pg. 68-80

Manufactured Capital
pg. 81

Human Capital
pg. 82-112

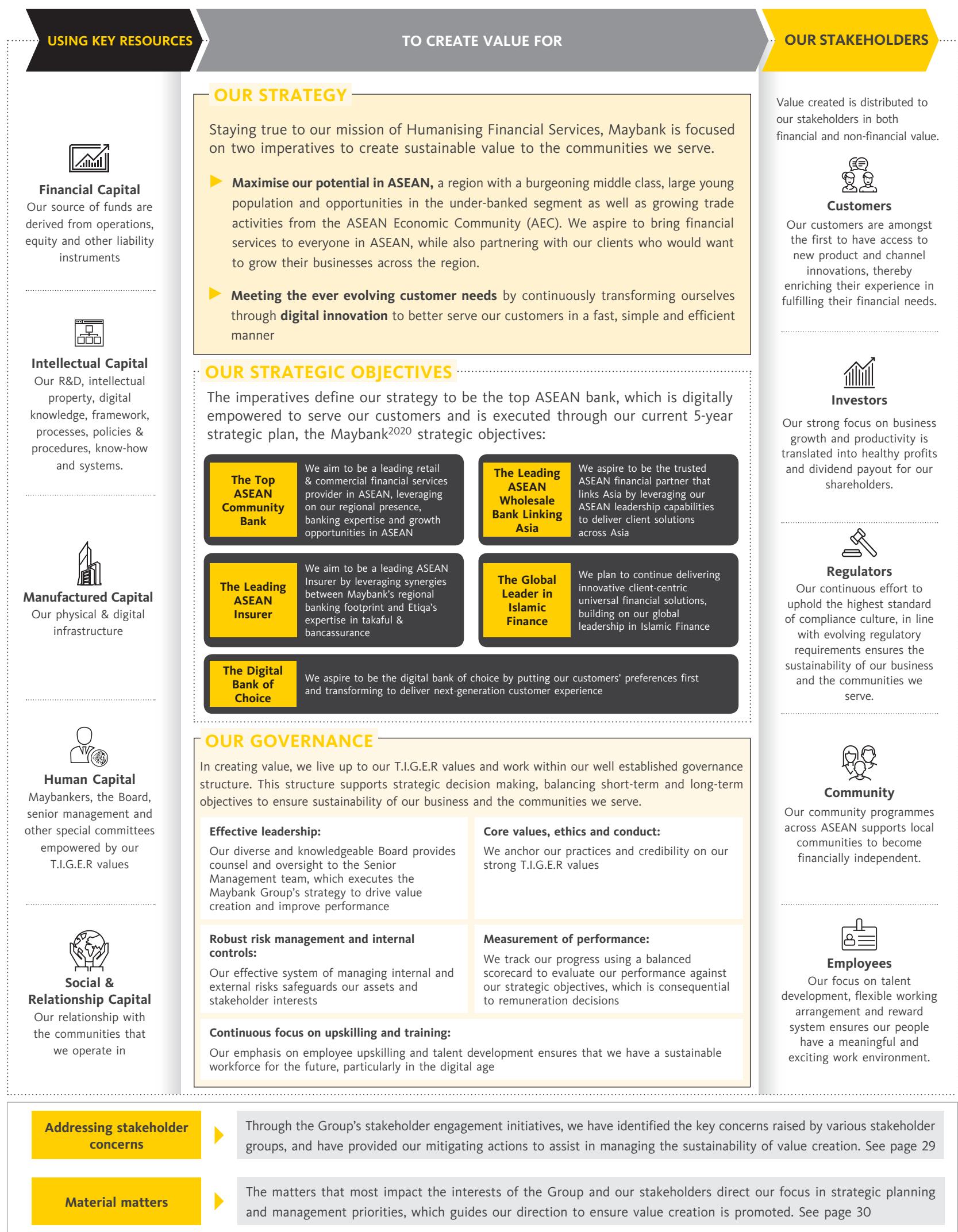
Ensuring Responsible Governance
pg. 113-121

Social & Relationship Capital
pg. 122-129

Other Information
pg. 130-161

AGM Information
pg. 162-166

OUR BUSINESS MODEL



Addressing stakeholder concerns

Through the Group's stakeholder engagement initiatives, we have identified the key concerns raised by various stakeholder groups, and have provided our mitigating actions to assist in managing the sustainability of value creation. See page 29

Material matters

The matters that most impact the interests of the Group and our stakeholders direct our focus in strategic planning and management priorities, which guides our direction to ensure value creation is promoted. See page 30

OUR CAPITALS: BUSINESS ENABLERS

The following capitals are used efficiently and effectively to create sustainable long-term value for our stakeholders. Our capitals are also a strategic differentiator and a competitive edge for the Group.

FINANCIAL CAPITAL



We build a strong financial base through share capital, retained earnings and debt capital to perpetuate our growth and pay out dividends or interests to our capital providers.

CAPITAL

RM72.99 billion

Shareholder's Equity

14.773%

CET1 Capital Ratio

16.459%

Tier 1 Capital Ratio

19.383%

Total Capital Ratio

FUNDING

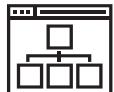
RM526.6 billion

Customers' Funding*

37.3%

CASA Ratio*

INTELLECTUAL CAPITAL



This encompasses all the technological initiatives under the Group's Maybank²⁰²⁰ strategic objectives aimed at becoming the Digital Bank of Choice. It also includes cutting-edge technological enablers from Group Technology, prudent management of risk led by Group Risk Management and the proactive and holistic compliance function undertaken by Group Compliance.

11 million

M2U registered online users^

4.33 billion

Number of online transactions^

HUMAN CAPITAL



Our employees, the Board and Executive Committee and the Shariah Committee make up our human capital. This talent pool works passionately to deliver the bank's mission and to create value for stakeholders. To maintain our position as the leading financial services provider in ASEAN, our human capital is supported with appropriate leadership and upskilling programmes needed to stay relevant, to perform effectively and to lead in the future.

49.84

Average training hours per employee

>43,000

No. of staff

84%

Employee Engagement Index (EEI)

SOCIAL & RELATIONSHIP CAPITAL



As a corporate citizen, we are cognisant that we are a part of a larger socioeconomic ecosystem and have a crucial role to play to maintain its balance and sustainability.

130,209

Total volunteer hours by employees

RM26.75 million

Academic scholarships disbursed

MANUFACTURED CAPITAL



This refers to the structure, business processes and operations across Maybank Group. Group Operations, which oversees all the centralised operational processes including risk management governance, digitalisation and a highly automated back office with straight through processing and multi platforms/systems, is a key component of manufactured capital.

>2,400

Branches

* inclusive of Investment Accounts of customers

^ data for Malaysia, Singapore, the Philippines and Cambodia

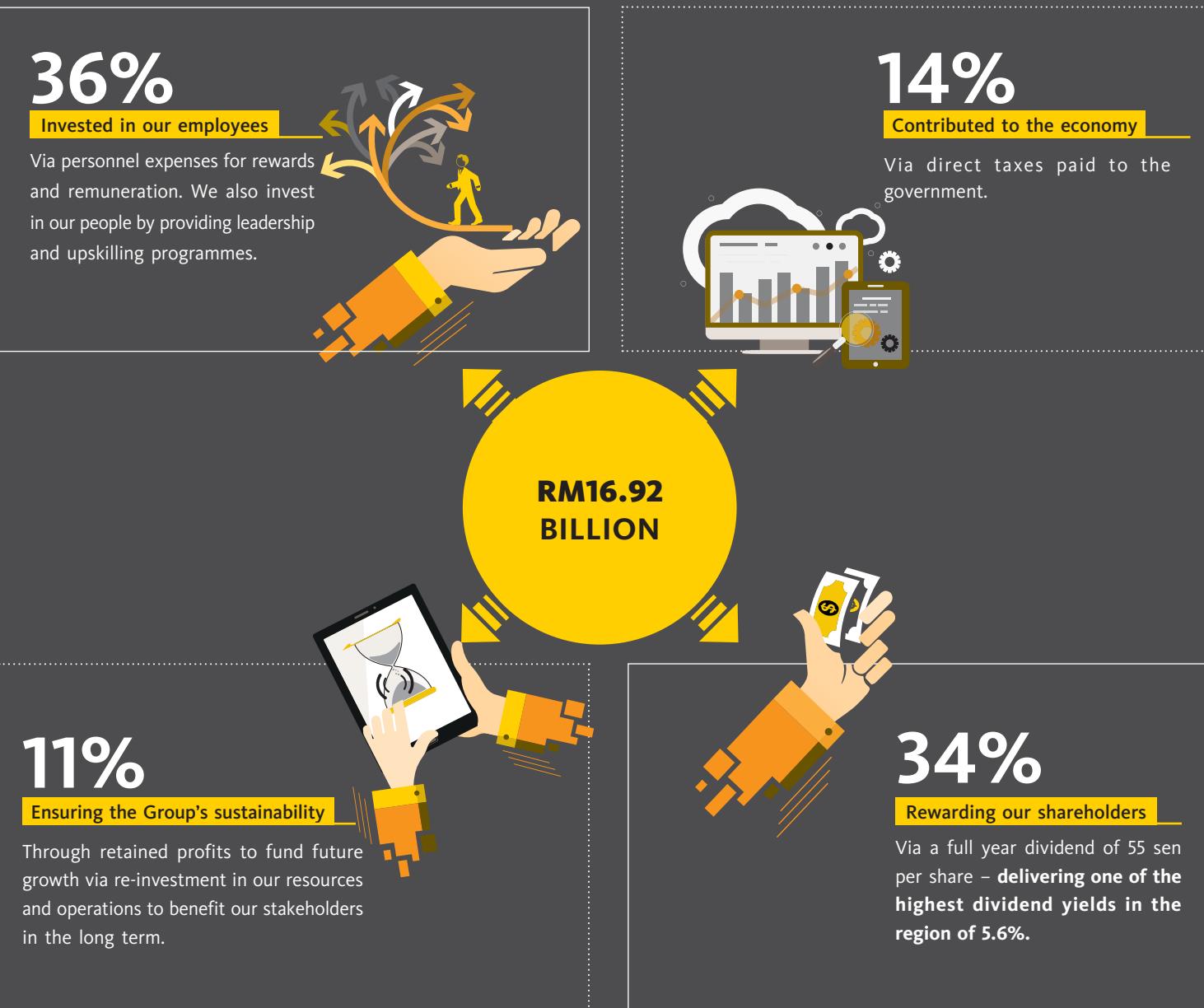
HOW WE DISTRIBUTE VALUE CREATED



The value created by Maybank Group is distributed in ways that are meaningful and relevant to our stakeholders. Besides financial value, some stakeholders groups, such as our employees and the communities where we operate, also receive intangible benefits from our upskilling programmes and our volunteer efforts and long-term partnerships, respectively.

The Statement of Value Added indicates how much value we have created in FY2017 from the utilisation of our capitals. In turn, Distribution of Value Added illustrates how we distribute this wealth to our key stakeholders. We define our value as net profit before taxation and zakat, personnel expensense, depreciation & amortisation and non-controlling interests.

How we distributed the RM16.92 billion that we created in 2017 is as follows:



For more information, refer to the Financial Performance page 53

STAKEHOLDER ENGAGEMENT

Key Stakeholders	Engagement Channel	Stakeholder Objectives	Our Response	Our Strategy to Create Value pg. 26-36
 Shareholder/ Investors	<ul style="list-style-type: none"> Conferences and non-deal roadshows Quarterly conference calls and biannual analysts briefings on financial performance One-to-one and group investor meetings with GPCEO, GCFO or Investor Relations Head Dissemination of information and disclosure of materials through our website at www.maybank.com/ir AGM and EGM Annual and sustainability reports 	<ul style="list-style-type: none"> Resilient revenue growth and sustainable cost management Asset quality and credit risks from oil & gas sector exposures Embedding sustainability considerations into business practices Emerging competition particularly Fintech in the retail space Sustainable dividend stream 	<ul style="list-style-type: none"> We drive sustainable value creation by leveraging on our diversified portfolio across ASEAN and key financial centres, and allocating capital to selected growth opportunities Provided detailed investor presentation disclosures on asset quality breakdown by geography and line of business Hosted 'Maybank Group Digital Day' for analysts on Maybank's digital initiatives <p> For more details, refer to Investor Relations section pages 44 and 45</p>	Financial Capital pg. 37-67
 Customers	<ul style="list-style-type: none"> Digital touchpoints, which include Maybank2u website & Maybank2u mobile app Physical branches, self-service terminals (e.g. ATMs) Customer Service Centres Relationship Managers (RMs), Personal Financial Advisors (PFAs) and Client Coverage Teams Maybank social media platforms (Facebook, Twitter) Customer satisfaction surveys 	<ul style="list-style-type: none"> Enhancement of customer service levels and improvement in process efficiency for faster and more convenient banking options Expectations of personalised financial advice and solutions Protection against fraud and scams Fair pricing and terms 	<ul style="list-style-type: none"> Enhanced customer experience through innovative digital initiatives. For more details, refer to the Digital Bank of Choice section page 68 Expanded our wealth advisory capabilities with the setup of advisory teams such as Insurance Advisors (IAs) and Investment/Wealth Consultants Enhanced security measures – Tightened Know-Your-Customer (KYC) controls, introduced biometric features for security authentication and increased customer awareness campaigns Continued to develop attractive and competitively priced product offerings 	Intellectual Capital pg. 68-80
 Regulators	<ul style="list-style-type: none"> Reporting and periodic updates to Bank Negara Malaysia (BNM) Active participation and contribution to industry and regulatory working groups, forums and consultation papers 	<ul style="list-style-type: none"> Effective management of financial crime risks, such as money laundering, terrorism financing, fraud, etc. Management of data governance, data privacy and cyber security Embedding ethical, compliance and risk-aware culture 	<ul style="list-style-type: none"> Continued with on-going enhancements to risk management tools Continuous review and enhancement of Maybank's systems and processes for compliance risk management Strengthened compliance monitoring and appointed regulation specialists to provide regulatory advisory to businesses 	Human Capital pg. 82-112
 Employees	<ul style="list-style-type: none"> Employee dialogue sessions with Group EXCO – Conversation Series with C-Suite Employee engagement programmes and initiatives Regular electronic and printed communications (e.g. email and newsletters) Employee engagement and feedback surveys/platforms (e.g. Employee Engagement Survey, electronic "Ask Senior Management", GHC Contact Centre) 	<ul style="list-style-type: none"> Staying relevant in the workforce and the need to be future-ready to embrace the changing operating landscape Attraction, management and retention of talent Achieving work-life balance and increasing productivity growth Diversity & inclusivity throughout the Group 	<ul style="list-style-type: none"> Enhanced various leadership and development programmes to upskill our employees Strong emphasis on talent development and engagement by providing a caring, meaningful and exciting work environment Improved work-life balance through the implementation of innovative people policies Continued to foster diversity and inclusivity that resulted in higher engagement and productivity levels <p> For more details, refer to Group Human Capital section page 82</p>	Ensuring Responsible Governance pg. 113-121
 Communities	<ul style="list-style-type: none"> Employee volunteerism, partnerships and strategic community investments Websites and social media channels including Twitter, Instagram, YouTube, Facebook and LinkedIn 	<ul style="list-style-type: none"> Impact of investments to communities Contribution to initiatives that address unemployment and funding for higher education Availability of financial expert advice, products and solutions to support families, small businesses and communities 	<ul style="list-style-type: none"> Continued to empower communities through our Maybank Foundation flagship programmes and MaybankHeart platform Financial literacy programmes are regularly offered and Maybank employees volunteer their expertise in programmes such as R.I.S.E. Participated in SLIM programme to extend on-the job training opportunities to graduates <p> For more details, refer to the Sustainability Statement page 122</p>	Other Information pg. 130-161
				AGM Information pg. 162-166

MATERIAL MATTERS

To improve as an organisation, we need to continuously identify and understand the key topics that are important to our stakeholders and how these relate to the actions and decisions we make. Only by doing so can we balance competing expectations and address issues that matter to our stakeholders.

The importance on some issues vary over time, reflecting changes in our internal priorities and broader operating environment along with evolving expectations of stakeholders.

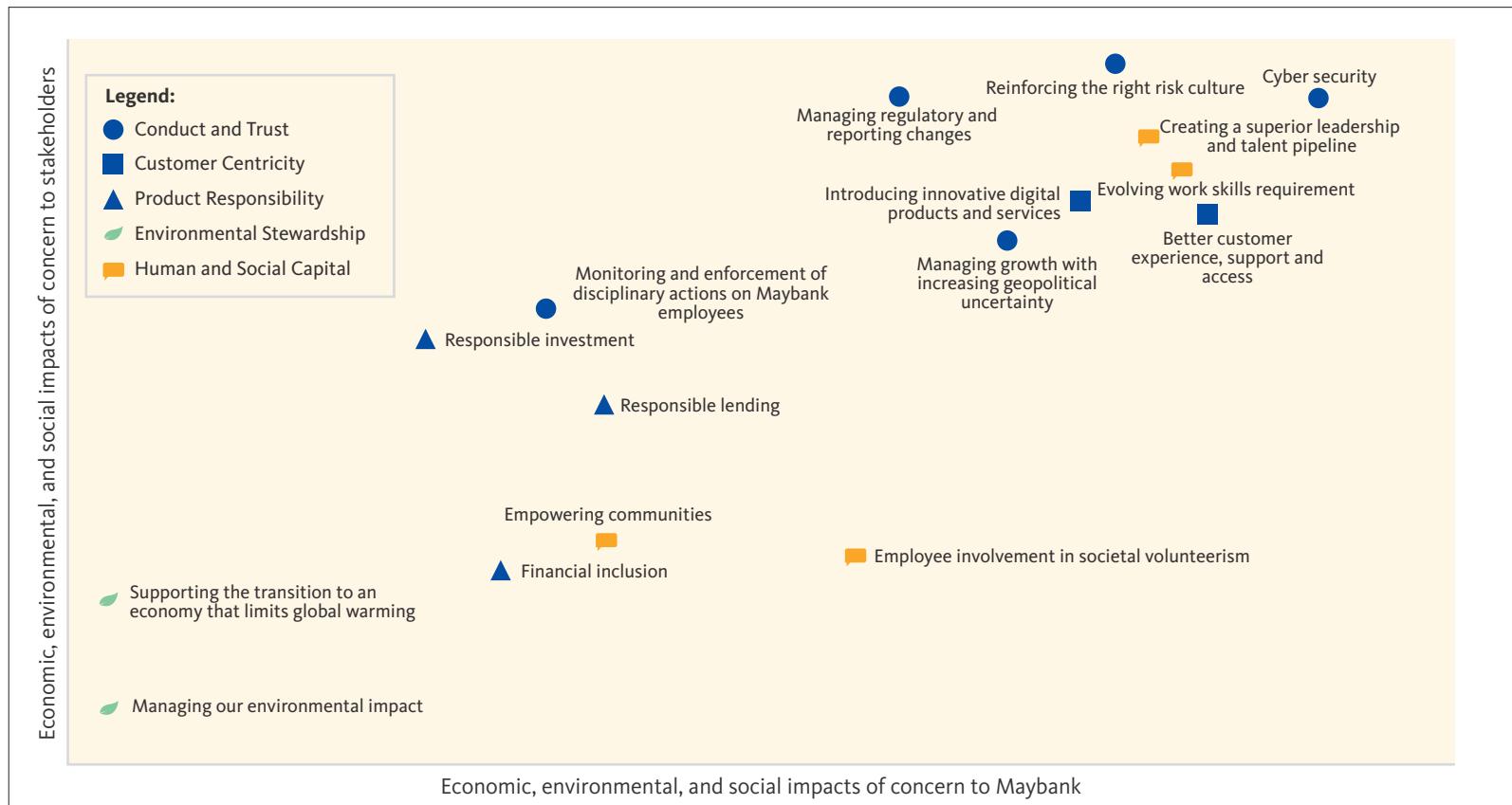


Figure 1 – Maybank's materiality matrix 2017

The key steps in the 2017 materiality process:

- Assessment of potential material issues based on Group Risk's assessments, investor queries, employee related surveys, media as well as broader trends in the banking and financial services industry. Global and key market industry as well as sustainability trends that may be of importance to Maybank's business and stakeholders were also considered. This resulted in a shortlist of key material issues for review and discussion by stakeholders.
- Completion of an online questionnaire distributed to a representative sample of stakeholders for consultation on the importance of issues. Stakeholder groups included Board of Directors, senior management, employees, major shareholders and the investing community, media partners and others, covering different divisions and departments of Maybank and different aspects of the company's business impact*.

As a result, we have mapped the 16 most material issues identified in our materiality assessment into three clusters; namely Economic (Conduct and Trust, Customer Centricity and Product Responsibility), Environmental (Environmental Stewardship) and Social (Human and Social Capital). The topics with the highest priority for stakeholders are: **managing regulatory and reporting changes, reinforcing the right risk culture, and cyber security**, which are under the Economic cluster.

Regulatory changes and management of risk culture have consistently emerged as top issues in the past years. **Cyber security** and **evolving digital trends** are now seen to be of high importance due to the changing nature of business with rapid technological development in the financial and banking sector. Data security and customer privacy are also crucial to build customer confidence towards the entire financial system. We are strongly committed to preventing and suppressing cyber threats through investments in cutting-edge technologies to create stability in our financial system and the future financial landscape in all our markets.

In the 2017 Sustainability Report, we will also elaborate on how Maybank's work in these areas supports and contributes to the United Nations Sustainable Development Goals (SDGs).

Moving forward, we aim to further improve our materiality assessment process by reaching out to more stakeholder groups in the survey stage and gathering a greater response rate from each stakeholder group.

* The questionnaire requested stakeholders to rank 16 proposed material matters. It was opened for two weeks and resulted in 169 responses. Majority of the responses (132) were complete and could be used for the prioritisation calculations.

2017 MATERIAL MATTERS AND APPROACH

Our Priorities	Material Matters	Arising Risks	Harnessing Opportunities	How We are Responding	Our Strategy to Create Value pg. 26-36
Conduct and Trust	Reinforcing the right risk culture to actively identify, assess, and mitigate risks	Excessive and unmoderated behaviours lead to multi-layered issues in the financial services sector	Conduct and culture is a key aspect that transcends our operations and the solutions that we offer to the market	Refer to Group Compliance, page 80; Group Human Capital, page 82	Financial Capital pg. 37-67
	Managing regulatory and reporting changes that affect the Bank's management of capital, liquidity, and profitability	The regulatory and reporting changes affect our business model and compliance measures	Measuring evolving regulatory changes prepares us to be agile and future-proofs our business as well as meet the changes that affect management of capital, liquidity, and profitability	Refer to Group Compliance, page 80; Group Risk Management, page 72; Reflections from Our Group Chief Financial Officer, page 38	
	Managing growth with increasing geopolitical uncertainty and challenging macroeconomic trends	Varied economic growth in ASEAN countries, volatility in capital market, fluctuating commodity prices, and potential trade barriers imposed on China by the US affect business growth	Our long-standing relationships with clients and insight into ASEAN position us to capture growth in challenging market conditions	Refer to Group Community Financial Services, page 55; Group Global Banking, page 59; Group Insurance & Takaful, page 63; Group Islamic Banking, page 66	
	Monitoring and enforcement of disciplinary actions on Maybank employees to prevent anti-competitive behaviour in misadvising customers	Anti-competitive behaviour and corruption can damage our reputation and have a direct impact on our license to operate	Ensuring compliance and accountability enables better management of resources	Refer to Group Compliance, page 80	Intellectual Capital pg. 68-80
	Cyber security: Prioritising technology investments to enhance data protection and payment security	Cyber security breaches create deficit in the trust placed in financial institutions	An enhanced cyber security strategy is the core aspect of our digitalisation efforts, ensuring continued customer ease in our products and services	Refer to Group Technology, page 71	Manufactured Capital pg. 81
Customer Centricity	Bettering customer experience, support and access	Delivery of customer needs and experience is undergoing rapid changes. Efforts must be in place to meet the demand for access to services and technology	New and loyal customers are a result of exceptional service with on-point solutions	Refer to Group Customer Experience Management, page 10; The Digital Bank of Choice, page 68	Human Capital pg. 82-112
	Introducing innovative digital products and services to enhance customer experience	Financial services must meet technological demands or risk obsolesce	Technological innovation will cement existing market positions and enable us to rapidly move into new product segments.	Refer to the Digital Bank of Choice, page 68; Group Technology, page 71	
Product Responsibility	Financial inclusion of underserved and unbanked individuals	Unintentionally not addressing the financial needs of specific segments within the community	Opportunities to create new market segments and develop more inclusive financial products, fuelled by our digital ambitions	Refer to How We Distribute Value Created, page 28; Group Community Financial Services, page 55	Ensuring Responsible Governance pg. 113-121
	Responsible lending: How we manage Environmental, Social, and Governance (ESG)	Reputational and credit risks arising from inappropriate lending behaviours	Investors are increasingly eyeing on sustainable companies. ESG lending provides an opportunity to better manage our portfolios	Refer to Group Risk Management, page 72; Sustainability Statement, page 122	
	Responsible investment of assets by Maybank	Lack of consideration opens Maybank to scrutiny by various stakeholders	A risk-driven approach to consider a range of environmental, social, and governance (ESG) factors, including climate change and human rights – making active choices in procurement, investment and lending decisions	An area for further evaluation by Maybank	Social & Relationship Capital pg. 122-129
Environmental stewardship	Managing our environmental impact	Managing the direct environmental impact from our operations including the buildings, IT systems, and business travel must be based on verified data	Identification and prioritisation of areas for continuous improvement in our environmental performance enables us to better manage resources	Refer to Sustainability Statement, page 122	Other Information pg. 130-161
	Supporting the transition to an economy that limits global warming	Climate change poses reputational, credit, operational risks and beyond	Financial institutions are the backbone of the economy and provide capacity building for students to understand more about climate change and business	Refer to Sustainability Statement, page 122	
Human and Social Capital	Evolving work skills requirements	High employee attrition rates or lack of diversity, could lead to sub-optimal performance as well pose a reputational risk	Our multiple platforms provide the basis for our workforce to constantly learn and upskill, ultimately creating a thriving environment	Refer to Group Human Capital, page 82	AGM Information pg. 162-166
	Creating a superior leadership and talent pipeline	Attracting and retaining the right talent is non-negotiable if the Group is to adapt to changing skillset requirements of the market	A leadership pipeline that is agile will enable the workplace to be more productive and innovative	Refer to Group Human Capital, page 82	
	Employee involvement in societal volunteerism	There must be a bridge between community empowerment efforts and the business	Encourage Maybankers to come together as agents of change to foster stronger bonds in the community	Refer to Group Human Capital, page 82	
	Empowering communities	A missed opportunity to harness Maybank's resources to improve livelihoods and support community growth	Building deeper linkages with community stakeholders enables long-term relationships and creating sustainable livelihoods	Refer to Sustainability Statement, page 122	

MARKET OVERVIEW

Our home markets of Malaysia, Singapore and Indonesia collectively contribute around 90% to the Group's Profit Before Tax and loans portfolio. As such, the macro environment and banking landscape of these countries have a bearing on the Group's performance.

POLITICAL AND MACROECONOMIC REVIEW & OUTLOOK

GLOBAL & ASEAN

2017 Review

Global economic growth in 2017 picked up to 3.8% (2016: 3.2%) as major economies expanded, namely the US (2017: 2.3%; 2016: 1.5%), China (2017: 6.9%; 2016: 6.7%) and the Eurozone (2017: 2.5%; 2016: 1.8%). The growth across major countries helped large emerging economies such as Brazil and Russia to recover in 2017. The ASEAN-6 growth momentum also improved (2017: 5.2%; 2016: 4.6%) with buoyant external trade augmenting robust domestic demand while infrastructure spending continued. Despite improving economic growth for the year, the region's central banks maintained an accommodative monetary policy amidst a low inflation environment.

Global Real GDP (%, change)	Share of World GDP	2016 (%)	2017* (%)	2018E (%)
World	n/a	3.2	3.8	3.8
Major Advanced Economies	60.5	1.7	2.3	2.2
US	24.4	1.5	2.3	2.6
Eurozone	15.8	1.8	2.5	2.1
Japan	6.2	1.0	1.6	1.2
UK	3.2	1.8	1.7	1.4
BRIC	22.6	5.0	5.7	5.7
Brazil	2.6	(3.6)	0.9	2.0
Russia	1.9	(0.2)	1.8	1.9
India	3.1	7.1	6.4	7.3
China	15.1	6.7	6.9	6.5
South NIEs	3.5	2.4	3.2	2.8
South Korea	1.9	2.8	3.1	3.0
Taiwan	0.7	1.5	2.8	2.3
Hong Kong	0.4	2.0	3.8	2.9
Singapore	0.4	2.0	3.6	2.8
ASEAN-6 (Incl. Singapore)	3.3	4.6	5.2	5.1
ASEAN-5	2.9	4.9	5.4	5.4
Indonesia	1.3	5.0	5.1	5.3
Thailand	0.6	3.2	3.9	4.1
Malaysia	0.4	4.2	5.9	5.3
Philippines	0.4	6.9	6.7	7.0
Vietnam	0.3	6.2	6.8	6.5

* Estimated GDP figures for Brazil and Russia. Actual figures for the other countries.

Source: The International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), consensus estimates and Maybank Kim Eng.

Outlook for 2018

Global growth momentum is expected to sustain at 3.8% in 2018, the same pace as 2017, on the back of synchronised expansions across the G3 economies (US, Japan, the Eurozone). In particular, the current "slow and shallow" Fed rate hikes and fiscal stimulus, via tax cuts and reforms, should support the current US growth cycle, which is currently the third-longest on record. At the same time, there is broad-based growth in the Eurozone and reflation of Japan's economy. Growth of the G3 economies fuels world trade growth. This is positive for ASEAN economies as we are seeing spillover effects on domestic demand, namely on consumer spending and capital expenditure, expanding external demand, and a growing momentum on infrastructure investments such as projects under the China-led Belt and Road Initiatives. Consequently, growth of the ASEAN-6 are expected at 5.1% in 2018.

MALAYSIA

2017 Review

Malaysia's real GDP growth accelerated to 5.9% in 2017 (2016: 4.2%) on the back of stronger domestic demand growth and a pick up in exports amidst a broadening recovery across developed economies, especially the US, the Eurozone and Japan. The expansion in domestic demand was broad-based given increasing private and government consumption, gross fixed capital formation and imports. The Overnight Policy Rate (OPR) remained at 3.00% during the year, after a 25 bps cut in 2016, further supported economic growth.

Malaysia GDP by Demand and Sectors (%, change)	2016 (%)	2017 (%)
Real GDP	4.2	5.9
<i>By Demand</i>		
Domestic Demand	4.3	6.5
Private Consumption Expenditure	6.0	7.0
Government Consumption Expenditure	0.9	5.4
Gross Fixed Capital Formation	2.7	6.2
Net External Demand	1.5	(1.1)
Exports of Goods and Services	1.1	9.6
Imports of Goods and Services	1.1	11.0
<i>By Sectors</i>		
Agriculture, Forestry & Fishing	(5.1)	7.2
Mining & Quarrying	2.2	1.1
Manufacturing	4.4	6.0
Construction	7.4	6.7
Services	5.6	6.2

Outlook for 2018

After the pick up in growth in 2017, we expect growth momentum to sustain in 2018 albeit at a slower pace of 5.3%. Domestic demand should remain the key driver on the back of continued growth in consumer spending, public consumption and gross fixed capital formation. Exports and imports will further expand in 2018 as the momentum of global and domestic growth are projected to sustain although at moderate pace from its high base in 2017. Gross fixed capital formation will be driven by private and public investment amidst progress in existing and new major public infrastructure projects and investments in the manufacturing and services sectors. Meanwhile, Bank Negara Malaysia raised the OPR by 25 bps to 3.25% on 25 January 2018, and we expect the OPR to remain at this level throughout the year to sustain the positive growth momentum in the domestic economy.

SINGAPORE

2017 Review

Singapore's economy posted a firmer expansion of 3.6% in 2017, the fastest pace since 2014, mainly due to a manufacturing-driven surge on the back of stronger external demand. The rebound in the trade-oriented manufacturing sector, which posted double-digit growth in 2017, also supported growth in the services sector.

Singapore GDP by Demand and Sectors (%, change)	2016 (%)	2017 (%)
Real GDP	2.0	3.6
<i>By Demand</i>		
Domestic Demand	1.1	1.4
Private Consumption Expenditure	1.7	3.1
Government Consumption Expenditure	3.5	4.1
Gross Fixed Capital Formation	(0.6)	(1.8)
Net External Demand	7.1	(2.4)
Exports of Goods and Services	1.1	4.1
Imports of Goods and Services	0.1	5.2
<i>By Sectors</i>		
Manufacturing	3.7	10.1
Construction	1.9	(8.4)
Services	1.4	2.8

Outlook for 2018

Singapore's GDP growth is expected to stabilise at 2.8% in 2018 with the services sector set to continue its growth momentum. Meanwhile the construction sector recovers on the back of a strengthening property market and public infrastructure projects starting earlier than planned. Growth is expected to broaden firmly in domestic-oriented services. This will help to offset an expected moderation in growth of the manufacturing sector. A slower manufacturing sector should also result in external-oriented services posting slower growth this year. Tightening foreign labour restrictions will further constrain growth this year particularly in the services sector. Targeted relaxation of some of these restrictions may be necessary to sustain the country's economic growth.

INDONESIA

2017 Review

Indonesia's economy grew by 5.1% in 2017 (2016: 5.0%) on the back of continued growth in private consumption as Bank Indonesia cut interest rate by a total of 50 bps as inflationary pressures remained under control during the year. Economic growth was also driven by greater government infrastructure spending and supported by an expansion in external demand. The sovereign rating upgrade by S&P and Fitch during the year, which upgraded Indonesia to investment grade, reflects domestic macroeconomic stability and reforms that should sustain future economic growth.

Indonesia GDP by Demand and Sectors (% change)	2016 (%)	2017 (%)
Real GDP	5.0	5.1
<i>By Demand</i>		
Domestic Demand	4.4	5.1
Private Consumption Expenditure	5.0	5.0
Government Consumption Expenditure	(0.1)	2.1
Gross Fixed Capital Formation	4.5	6.2
Net External Demand	10.0	21.2
Exports of Goods and Services	(1.7)	9.1
Imports of Goods and Services	(2.3)	8.1
<i>By Sectors</i>		
Agriculture, Livestock, Forestry & Fisheries	3.4	3.8
Mining & Quarrying	1.0	0.7
Manufacturing	4.3	4.3
Construction	5.2	6.8
Services	5.6	5.6

Outlook for 2018

Indonesia's economic growth momentum is expected to continue with real GDP growth projected at 5.3% in 2018, driven by a pick up in private consumption, continued government infrastructure spending, an improving investment climate, firm commodity prices, and an accommodative monetary policy. Major local events, such as the regional elections and the Asian Games, are expected to add positive impetus to domestic growth. Given progress of the monetary policy normalisation in the US, we expect Bank Indonesia to adjust its benchmark policy rate slightly higher by 25 bps in the later part of 2018.

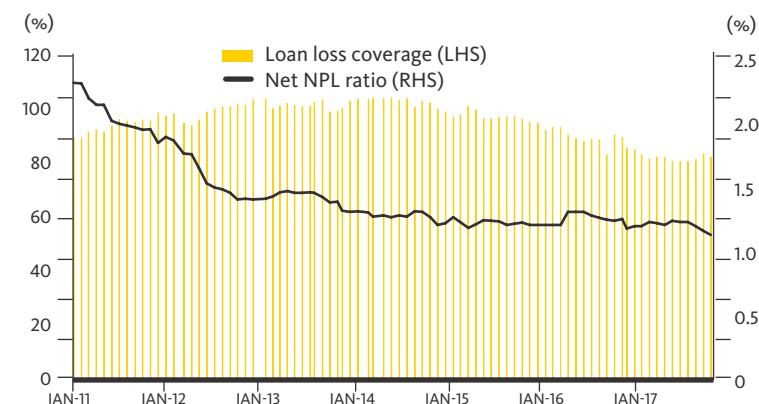
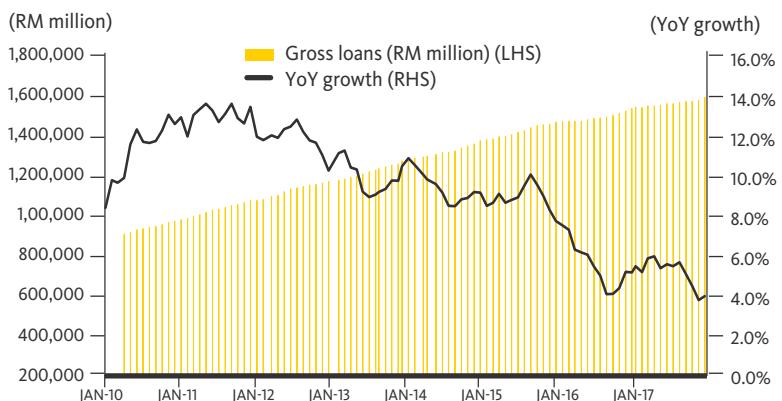
BANKING SECTOR REVIEW & OUTLOOK

MALAYSIA

2017 Review

In 2017, Malaysia's banking system loan growth moderated to 4.1% from 5.3% in 2016. Household loans expanded at a stable pace of 5.1%, little change from the growth of 5.3% in 2016. The drag was primarily from corporate lending, as the momentum of non-household loans slowed to just 2.9% from 5.3% in 2016, with corporate loan repayments outpacing disbursements.

Meanwhile, residential property loans grew by 8.9% YoY, and accounted for 57.2% of total household loans and 32.8% of total industry loans at end-December 2017. This compensated for slower growth in most of the other household loans segments.



It is worth noting that bond issuances hit a new high of RM122 billion in 2017, up 43% YoY. As such, total industry credit growth was higher at 6.2% YoY in 2017 versus just 5.0% YoY in 2016.

Total banking system deposits growth slowed to 3.9%, marginally lagging behind loan growth of 4.1% for the year. Nevertheless, CASA expanded at a faster pace of 9.4%.

Asset quality improved as absolute gross impaired loans (GIL) contracted by 0.8% YoY for the first time since October 2015. This contributed to a notable decline in the GIL ratio to 1.53% at the end of 2017 from 1.61% in 2016. The industry's loan loss coverage ratio stood at 82.9% at the end of 2017.

The industry's Common Equity Tier 1 (CET1 Ratio), Tier 1 Capital Ratio and Total Capital Ratio were comfortable at 13.3%, 14.3% and 17.1%, respectively at end-2017.

MARKET OVERVIEW

Outlook for 2018

The macro outlook is stable notwithstanding an expected moderation in overall economic growth. A positive sign is consumer sentiment that continues to recover, as this should help to bolster overall growth in household loans. Meanwhile, after a slow start in 2017, corporate lending is expected to pick up pace in 2018 amidst improved confidence. As such, overall growth in industry loans should gain momentum in 2018.

After a 25 bps hike in the Overnight Policy Rate to 3.25% in January 2018, the monetary policy is expected to remain accommodative. This should provide some support to interest margins in the short term.

2018 will see the implementation of MFRS 9. A knock-on effect on the capital ratios of some banks is expected but nevertheless, banks in Malaysia are generally sufficiently capitalised and this impact should be well-absorbed.

Domestic asset quality remains strong and Malaysian banks have generally weathered the global upheaval in commodity prices particularly in the oil & gas sector. Ongoing recoveries in regional economies would generally support an improving asset quality trend for banks with regional exposure.

SINGAPORE

2017 Review

Synchronised global growth supported a rebound in trade in Asia in 2017. Banks in Singapore benefited from greater demands for credit. Generally, there were no major credit slippages – except for oil & gas sector exposure – as corporate cash flows improved.

The banking system loan growth rebounded to 8.0% YoY (2016: 0.5%). Business loans grew 9.3% YoY, mainly driven by the manufacturing sector which increased by 4.3%, general commerce which gained 6.2% YoY and financial institutions which expanded by 33.1% YoY. Building and construction loan growth was constant at 3.4% YoY (2016: 3.3%), since a number of large public-sector infrastructure projects were pushed to 2018. Consumer loans gained 4.6% YoY (2016: 0.2%), mainly from improved demand for housing loans of 4.4% YoY.

Liquidity remained ample with the loan-to-deposit ratio of 104.1% at end-December 2017 (2016: 99.1%). Deposits grew by 2.9% YoY, as the Asian Currency Unit (ACU) deposits increased by 4.3% YoY in SGD terms (12.9% YoY in USD).

As of September 2017, the banking system's NPL ratio was constant at 2.1% and the special-mention ratio eased to 3.3%. Provisioning coverage improved to 113.6% (September 2016: 100.3%). Asset-quality concerns for oil & gas support services have eased, and the worst is likely to be over for Singapore banks with exposure to this sector.

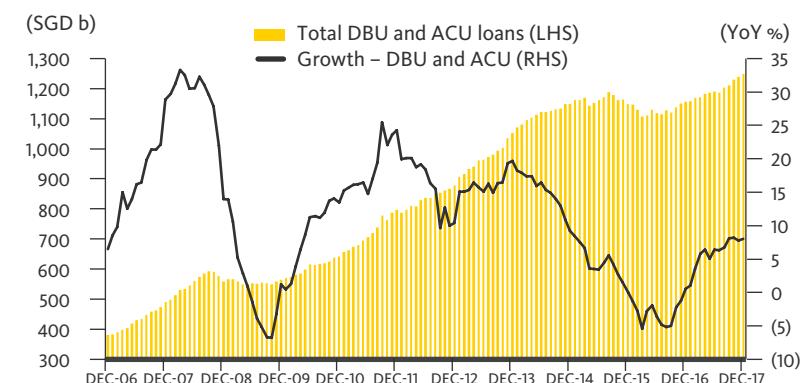


Figure 1: Singapore's Banking System's loan growth

Singapore's banking system loans comprise of Domestic Banking Unit (DBU) loans and Asian Currency Unit (ACU) loans.

Source: Monetary Authority of Singapore (MAS)

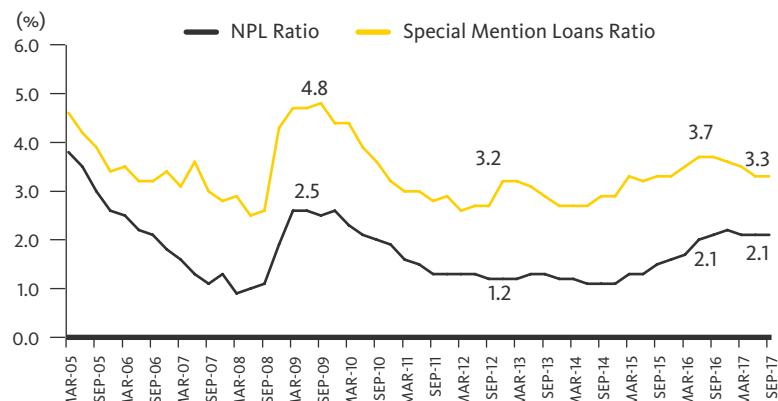


Figure 2: Singapore's Banking System's non-performing loans and special-mention loans ratios

Source: Monetary Authority of Singapore (MAS)'s Financial Stability Review

Outlook for 2018

Singapore's GDP growth is expected to be between 1.5% and 3.5% for 2018. Interest rates are likely to climb gradually and major asset-quality deterioration is not expected. An interest rate upcycle can widen banks' lending yields and margins from re-pricing intervals. A revival of the Singapore property market and recent en-bloc deals should translate into building & construction and mortgages lending opportunities. Still, as an open economy, Singapore remains susceptible to geopolitical and economic risks. Rising bond yields on higher inflation expectations and quantitative tightening by the US Fed may also raise the cost of capital, and this further accentuates the uncertainties. That said, a positive macroeconomic and benign credit outlook in 2018 will benefit banks.

INDONESIA

2017 Review

Indonesia's banking sector posted a relatively stable loan growth of 7.4% YoY in November 2017 vs. 7.9% December 2016. Among three types of loans: investment loans, working capital loans and consumption lending loans, investment loans posted the slowest growth of 4.5% YoY down from 10% in 2016. Working capital loans grew at par with the overall banking sector's growth, at 7.5% YoY, a slight acceleration from 2016 growth of 6.1%. Meanwhile, consumption lending loans jumped to 10.3% YoY from 7.4%. Investment loans, working capital loans, and consumption lending loans contributed 25.2%, 46.6% and 28.4% respectively, to the total loan portfolio.

The banking sector's single-digit growth in 2017 is due to many banks that are still restructuring and focusing on improving loan quality. This strategy was reflected in the declining NPL ratio of 2.9% at end-November 2017 from 3.2% a year earlier. Liquidity also improved during the year, shown in a declining loan-to-deposit ratio of 88.9% from 90.6% in 2016. Indonesia banking sector also remained well capitalised, with an increase of 21.7% for Tier 1 capital ratio while the total capital adequacy ratio is stable at a growth of 23.4% YoY.

Outlook for 2018

The current interest rate is regarded to be sufficient to maintain macroeconomic and financial system stability, while supporting the domestic economic recovery. Earlier rounds of monetary easing should adequately support the country's domestic economic recovery. Export-led economic expansion will fuel private capital investments in 2018. Demand for Indonesia's loans is strongly correlated with interest rates, exports, commodity prices, FDIs and capital-utilisation rates and each of these variables have been improving. With this backdrop, we estimate the banking sector loan growth to reach 11% YoY in 2018.

MAYBANK²⁰²⁰ STRATEGIC OBJECTIVES: 2017 ACHIEVEMENTS AND 2018 PRIORITIES

Maybank ²⁰²⁰ Strategic Objectives	2017 Achievements	2018 Priorities	Our Strategy to Create Value pg. 26-36
The Top ASEAN Community Bank	<ul style="list-style-type: none"> Our focus segments across ASEAN achieved a commendable growth, namely: <ul style="list-style-type: none"> Group Wealth Management, which recorded a strong 19.2% YoY growth in revenue, with total asset under management (AUM) of RM278.2 billion, representing a 7.8% YoY growth Regional SME, which recorded a 8.3% YoY growth in revenue Maybank remained No. 1 in the Malaysia NPS customer index, registering a significant score improvement from the previous year <p> For more details, refer to Group Community Financial Services section on page 55</p>	 Refer to Group Community Financial Services section on page 55	Financial Capital pg. 37-67
The Leading ASEAN Wholesale Bank Linking Asia	<ul style="list-style-type: none"> Strengthened our lead as an ASEAN wholesale and investment bank, achieving No. 1 in Global Sukuk, No. 1 in ASEAN Loan Syndication and No. 2 in ASEAN Local Currency Bonds in the Bloomberg League Tables Maintained our position as the No. 1 wholesale bank in Malaysia (by market share) in corporate lending, trade finance and corporate deposits Awarded the Best Investment Bank in Malaysia (by Global Finance & Euromoney), Best Broker in Southeast Asia (by Alpha Southeast Asia) and Best Transaction Bank, Cash Management Bank and Trade Finance Bank in Malaysia (by The Asian Banker) <p> For more details, refer to Group Global Banking section on page 59</p>	 Refer to Group Global Banking section on page 59	Intellectual Capital pg. 68-80
The Leading ASEAN Insurer	<ul style="list-style-type: none"> Achieved the highest ever Profit Before Tax of RM1.01 billion Maintained No. 1 online insurance position in Malaysia with a market share exceeding 70% Implemented the Insurance Advisor model that has seen the bancassurance regular premium new business grow to a new record high of RM319.50 million Regional business expansion with bancassurance business growth in Singapore and the Philippines, as well as an acquisition of a 75% stake in Indonesia's PT Asuransi Asoka Mas <p> For more details, refer to Group Insurance & Takaful section on page 63</p>	 Refer to Group Insurance & Takaful section on page 63	Human Capital pg. 82-112
The Global Leader in Islamic Finance	<ul style="list-style-type: none"> No. 1 Global Sukuk Lead Manager on Bloomberg's Global Sukuk League Table No. 1 Lead Manager on Bloomberg's Ringgit Malaysia Sukuk League Table Joint lead arranger for one of the world's largest green "Sustainable and Responsible Investment" (SRI) sukuk Launched HouzKEY, the first rent-to-own scheme in Malaysia <p> For more details, refer to Group Islamic Banking section on page 66</p>	 Refer to Group Islamic Banking section on page 66	Ensuring Responsible Governance pg. 113-121
The Digital Bank of Choice	<ul style="list-style-type: none"> Launched the new Maybank2u app in Malaysia with improved user-friendliness, biometric features (Face & Voice ID) for security authentication and Secure2u function Launched various first-to-market digital initiatives: Maybank QRPay, Alipay-enabled merchant terminals in Malaysia and Maybank2u Pay (an online merchant registration and payment platform via APIs) Launched Maybank Sandbox as a regional collaboration platform for Fintech developers to test out new ideas using real banking APIs Awarded Best Digital Bank and Best Mobile App in Malaysia by World Finance Digital Banking Awards 2017 <p> For more details, refer to the Digital Bank of Choice section on page 68</p>	 Refer to the Digital Bank of Choice section on page 68	Social & Relationship Capital pg. 122-129 Other Information pg. 130-161 AGM Information pg. 162-166

KEY RISKS AND MITIGATION

Risk is an inherent element in our business operations, and it needs to be managed properly to protect the interests of our stakeholders and ensure that we can continue to create value for them in a sustainable manner. As such, we have a robust risk management framework in place to guide us in effectively managing these risks.

PRINCIPAL RISKS

To strengthen our risk resilience, we have identified the following principal risks to help us better understand the operating landscape in the markets we do business in.

Principal Risk	What It Means To Us
Credit Risk	The Group's risk of loss of principal or income arising from the failure of an obligor or counterparty to perform their contractual obligations in accordance with agreed terms.
Market Risk	Risk of loss or adverse impact on the Group's earnings or capital from changes in the level of volatility of market rates or prices such as interest/profit rates, foreign exchange rates, commodity prices and equity prices.
Liquidity Risk	Risk of adverse impact to the financial condition or overall safety and soundness of the Group that could arise from the inability (or perceived inability) or unexpected higher cost to meet its obligations.
Non-Financial Risk	Risk of loss arising from operational events and/or external factors that could result in monetary losses or negative impact in brand value and/or stakeholder perceptions towards the Group. It comprises operational, information and reputational risk as well as other downside risks (i.e. the "known unknowns"). Holistically, it is from the point of discovery through active risk and business continuity management.
Information Technology Risk	Risk which impacts confidentiality, availability and integrity of information and services related to information technology. This includes risks that customers or the business may suffer on service disruptions or may incur losses arising from system defects, illegal or unauthorised use of computer systems or data breach via computer systems perpetrated either by internal staff/vendors or external parties. This also includes Cyber Risk that can lead to losses due to cyber-crime and cyber terrorism. The consequences are potential breach of customer data/information and reputational impact to the Bank.
Regulatory Risk	Changing regulations (local and foreign countries in which the Group has operations) could adversely impact the Group's competitive position and the capacity to efficiently conduct business. Regulatory Risk also covers Shariah Non-Compliance Risk that arises from failure to comply with the Shariah rules and principles determined by the Shariah Committee of the Islamic Financial Services and the relevant bodies in the jurisdiction in which it operates.
Enterprise Risk	Risk of loss to the Group arising from business/strategic, industry, reputational, corporate governance, sustainability and data quality risk.
Model Risk	Risk of a model not performing the tasks or capture the risks it was designed to address.
Financial Risk	Risk of loss to the Group arising from capital and profitability risk.
Insurance Risk	Risk of loss or adverse change in the value of underwritten insurance liabilities, due to change in claims experience and the underlying assumptions on which pricing and claims estimations have been made.

As a Group, we are actively managing these risks. Read more about our 2017 key developments in the Group Risk Management section on page 72.

Our businesses have also identified key risks unique to them and highlighted actions to manage them. These discussions can be found in their respective sections:

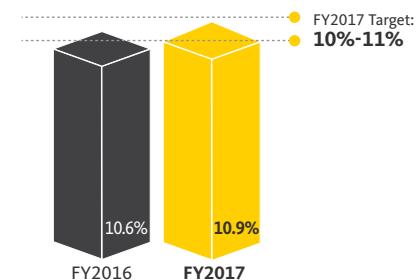
-  Group Community Financial Services on page 55
- Group Global Banking on page 59
- Group Insurance & Takaful on page 63
- Group Islamic Banking on page 66

KEY PERFORMANCE INDICATORS

The eight key financial and operating metrics below allow us to measure our effectiveness in achieving our key strategic objectives and in creating shareholder value.

RETURN ON EQUITY (ROE)

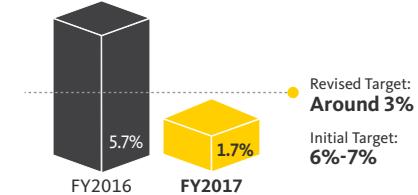
Objective: To deliver a reasonable return while balancing the need to maintain a healthy capital base. ROE is defined as profit attributable to shareholders over the average shareholders' equity (comprising share capital, retained earnings and other reserves) for the financial year.



GROUP LOANS GROWTH

Objective: To grow our financing business across the Group, in a profitable and responsible manner.

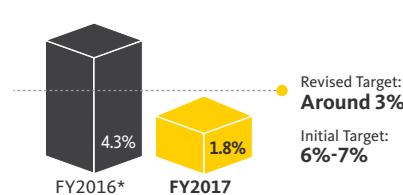
Normalised for FX currency movement, loan growth was 4.0% for FY2017



GROUP DEPOSITS GROWTH

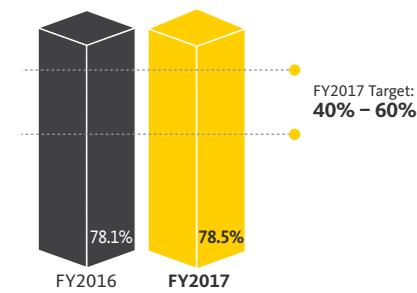
Objective: To strengthen our deposit base to fund our selective asset growth across key markets.

Normalised for FX currency movement, deposit growth was 4.0% for FY2017



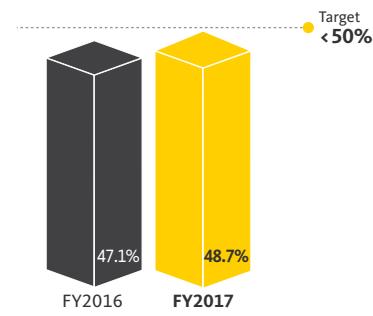
DIVIDEND PAYOUT RATIO

Objective: To provide good returns to shareholders with a 40%-60% dividend payout policy rate.



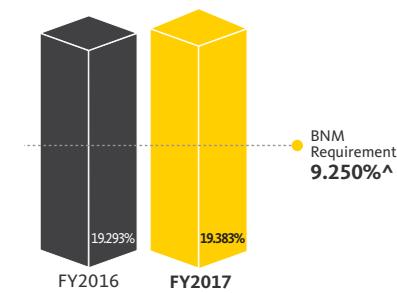
COST-TO-INCOME RATIO

Objective: To ensure cost is managed effectively and to maintain a slower cost growth against revenue over the long-term.



TOTAL CAPITAL RATIO

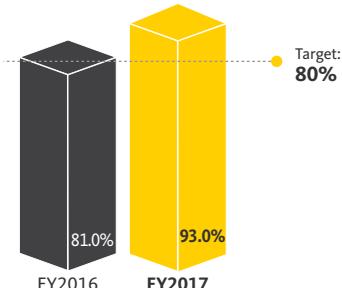
Objective: To maintain a strong capital base by adopting prudent capital management and be ahead of Bank Negara Malaysia's minimum regulatory requirements.



For more details, refer to Reflections from Our Group Chief Financial Officer on page 38

SUCCESSION REALISATION FOR MISSION CRITICAL POSITIONS

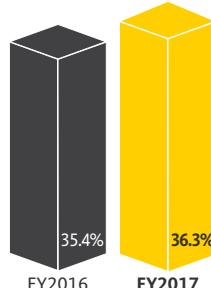
Objective: To measure the effectiveness of the Group's succession management process, whereby the focus is on realising our talents' potential to take up pivotal roles within the Group.



For more details, refer to Group Human Capital on page 82

WOMEN IN SENIOR MANAGEMENT

Objective: To support the leadership development of our senior female employees across the Group and drive greater diversity in top management.



* FY2016 deposits have been restated to exclude structured deposits in accordance with BNM's circular dated 21 June 2017 on Classification and Regulatory Treatment for Structured Products under FSA 2013 and IFS 2013.

^ Includes Capital Conservation Buffer (CCB) of 1.250% for 2017.

REFLECTIONS FROM OUR GROUP CHIEF FINANCIAL OFFICER

SUSTAINABLE, RESILIENT FINANCIAL DELIVERABLES

Against a landscape of improved growth in the global economy and in most of our home markets, we delivered a set of record financial results in FY2017. This performance did not come easy, as it required us to strategise in early 2017 on how to overcome some headwinds from 2016 that continued to persist into the first half of 2017 such as volatility in oil prices, slower loan growth and lingering asset quality weakness from sectors such as oil and gas.

With the combined effort of the teams in the organisation, we looked for growth without compromising on the pricing of our assets and liabilities while retaining strong capital positions ahead of the adoption of MFRS 9 (Malaysian Financial Reporting Standards 9), effective 1 January 2018.

This led to the Group's steady revenue growth of 4.9% YoY to a new high of RM23.27 billion, boosting its pre-provisioning operating profit (PPOP) to a record of RM11.91 billion. We saw our net impairment losses reduce significantly by 32.7%, as asset quality stabilised across our business portfolios. Collectively, these improvements contributed to our net profit rising by 11.5% YoY to RM7.52 billion, our highest earnings in the Group's history.

Resulting from our improved earnings, our return on equity (ROE) was 10.9%, coming within the Group's guidance of between 10% and 11% for FY2017. Our total dividend is 55 sen per ordinary share, demonstrating our continued commitment to rewarding shareholders for their support. We also announced a total cash payout of 42% from our total dividend, the highest cash payout since we began our Dividend Reinvestment Plan (DRP) in FY2010.

OUR PERFORMANCE DRIVERS

Agile in responding to changes in operating environments and regulations

Our nimble execution has been consistently demonstrated over the past years. From our first venture into digitalisation through Maybank2u in 2000 and the rollout of many other innovative mobile services thereafter (Refer to the Digital Bank of Choice on page 68) to address fast-changing client requirements; to taking the lead and initiative to restructure and reschedule credit facilities of our business and corporate banking customers to help them cushion headwinds they encountered; to being proactive in providing guidance to the investing community on Day 1 impact to the Group from MFRS 9 implementation. We make sure that we remain agile and proactive in adapting to changes in the operating and regulatory landscapes.

Prudent balance sheet management

We strategised towards growing low cost of funds, namely current and savings account (CASA), by leveraging on our expansive, longstanding customer network to acquire more payroll and operating accounts. We also maintain healthy capital positions, registering a Group CET1 capital ratio and Group total capital ratio of 14.773% and 19.383% respectively. Our strong liquidity and capital positions enable us to navigate business opportunities and challenges more effectively.

Strategic presence in ASEAN

Our strategy to build a strong presence in all 10 ASEAN countries is embedded in the Group's Maybank²⁰²⁰ journey. We are positive about the future of ASEAN, the third largest market in the world after China and India that has a large and young population base. It is also an open economic region with fast growing markets and consumer affluence, and is projected to be the fourth largest economy in the world by 2050. The underserved markets in these emerging economies present a plethora of opportunities for the Group's regional penetration and growth (More on Market Overview on page 32).

► KEY ACHIEVEMENTS IN 2017

New record highs achieved in **PBT** of **RM10.10 billion** and **Net Profit** of **RM7.52 billion** in FY2017

Net Interest Margin expanded to **2.36%**, through targeted growth in cheaper funding sources

Credit cost moderated to **40 bps** on **30.8%** YoY reduction in **loan loss provisions**

Sustained capital strength. **Total Capital Ratio:** **19.383%** and **CET1 Ratio:** **14.773%**

Total Shareholder Return of **26.65%** and a **dividend yield** of **5.6%** for FY2017

REFLECTIONS FROM OUR GROUP CHIEF FINANCIAL OFFICER

ANALYSIS OF FINANCIAL PERFORMANCE & POSITION

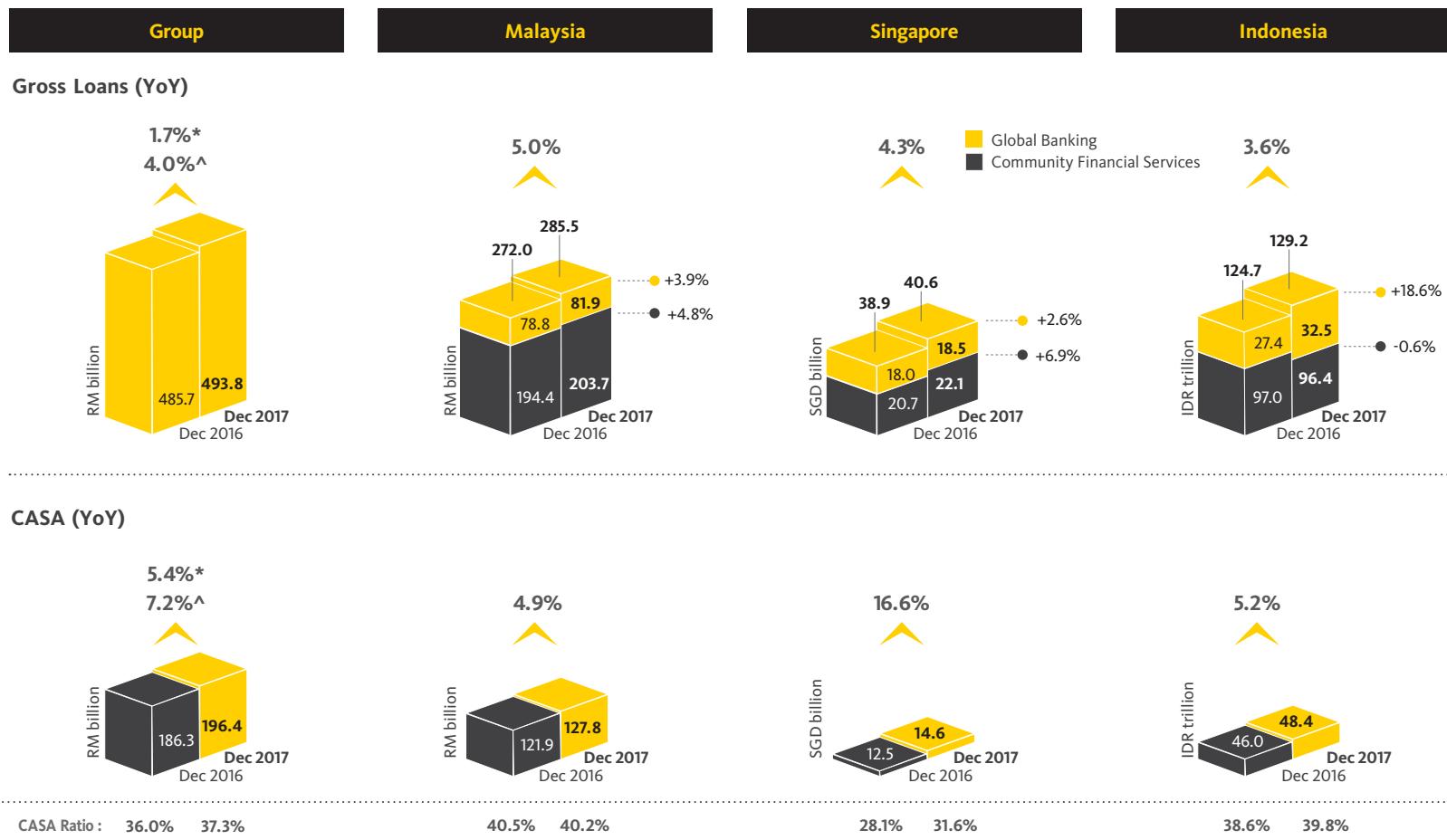
Analysis of income statement for FY2017

Profit & Loss Summary	FY2016 RM million	FY2017 RM million	YoY Change %
Net fund based income	15,074.4	16,627.7	10.3
Net fee based income	7,098.8	6,640.7	(6.5)
Net operating income (Revenue)	22,173.1	23,268.4	4.9
Overhead expenses	(10,487.2)	(11,357.1)	8.3
Pre-provisioning operating profit (PPOP)	11,686.0	11,911.3	1.9
Net impairment losses	(3,015.0)	(2,027.8)	(32.7)
Operating profit	8,671.0	9,883.5	14.0
Profit before taxation and zakat (PBT)	8,844.5	10,098.1	14.2
Profit attributable to equity holders (Net Profit)	6,743.0	7,520.5	11.5
EPS – basic (sen)	67.8	72.0	6.2

► New record net profit driven by strong revenue growth and improvements in impairments

- Net fund based income grew 10.3% YoY due to net interest margin (NIM) expansion of 9 bps to 2.36%. NIM expansion was led by disciplined loan pricing, better securities yield performance and our ability to grow CASA.
- Net fee based income was down by 6.5% YoY, mainly arising from lower investment and trading income due to one-off disposal gains recorded in FY2016.
- Our revenue growth of 4.9% to RM23.27 billion was led by higher net fund based income.
- Overheads expenses rose by 8.3% YoY mainly from higher personnel costs and administrative and general expenses. Administrative and general expenses grew due to higher merchant fees from increased cardholder spending volume and general expense incurred for Group initiatives to strengthen our compliance processes and for MFRS 9 automation. Our FY2017 cost-to-income ratio was 48.7%, below the Group's guidance of 50%.
- Meanwhile, net impairment losses reduced by a third to RM2.03 billion from a year earlier on the back of lower net collective and individual allowances made for loans as well as provisioning for the securities portfolio.
- As a result, our full year net profit for FY2017 rose by 11.5% to RM7.52 billion.

Analysis of balance sheet as at 31 December 2017



Note:

*Reported ^Normalised

- CASA ratio for Group and Malaysia includes investment accounts.
- Normalised to exclude the conversion effects from Singapore, Indonesia, Philippines, Greater China and Labuan (USD).

Chart 1: Loans and CASA growth for Group and Home Markets

REFLECTIONS FROM OUR GROUP CHIEF FINANCIAL OFFICER

► Group loans growth supported by growth across home markets

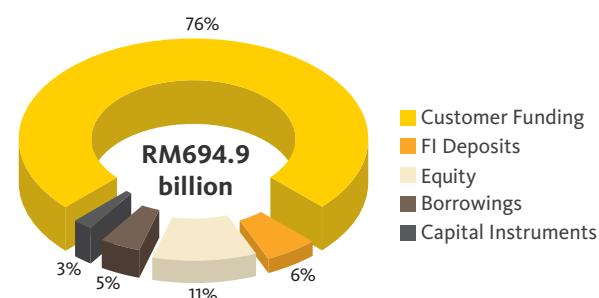
- Group gross loans grew by 1.7% YoY or 4.0% on a normalised basis after excluding currency conversion effects. The main contributions came from our home markets, with Malaysia, Singapore and Indonesia expanding at 5.0%, 4.3% and 3.6% respectively.
- At 5.0%, our loans growth in Malaysia was ahead of industry growth of 4.1%. Our consumer portfolio grew by 5.2% YoY, led by an increase in mortgages at 7.6%, credit cards at 7.3% and auto finance at 5.3% while retail SME increased by 18.3%. The strong mortgage growth was arising from tie-ups with established developers for the primary market while we worked with car dealers to grow our automobile financing portfolio. The retail SME franchise benefitted from term loan expansion in the wholesale, retail trade and services sector. Our Global Banking portfolio also reported a 3.9% rise, mainly due to loan disbursements for the construction, agricultural and wholesale sectors.
- In Singapore, our loans growth of 4.3% was mainly driven by growth in our Community Financial Services (CFS) portfolio of 6.9%. This was attributed to a rise in our consumer portfolio from stronger lending for private and residential properties and for our cards business. Meanwhile, our corporate lending portfolio grew slower at 2.6% as we remained cautious of selected segments in line with our risk appetite.
- The expansion of 3.6% in Indonesia, came predominantly from Global Banking, which expanded by 18.6%, arising from successful key deals for infrastructure projects related to government development programmes. Our CFS portfolio was relatively flat owing to softness experienced in Indonesia's overall consumer banking segment, as we emphasised on maintaining pricing discipline as opposed to growing market share.
- In line with our commitment to be capital efficient and manage our risk-weighted assets (RWA) growth, our Group credit RWA reduced by 2.7% YoY despite our loans portfolio growing by 1.7%. This was done through our continued RWA optimisation initiatives.

► Steady deposit growth supported by CASA expansion

- The Group's gross deposits grew by 1.8% YoY to RM526.6 billion, on the strength of Group CASA growth of 5.4% (Normalised: 7.2%).
- CASA expansion was experienced in all three home markets, with Malaysia, Singapore and Indonesia growing by 4.9%, 16.6% and 5.2% respectively. The growth was a result of our strategic acquisition of operating and payroll accounts and running of targeted campaigns.
- As a result, Group CASA ratio improved to 37.3% from 36.0% a year ago, with Singapore's ratio improving significantly to 31.6% from 28.1% a year earlier and Indonesia's ratio improving to 39.8% from 38.6% in 2016.
- In our emphasis to drive the growth of cheaper sources of funding, we shed costlier fixed deposits in Singapore and Indonesia by 1.2% YoY and 0.3% YoY respectively.

► Well-diversified funding profile and strong liquidity position

- We continued to keep our funding sources well diversified, with customer funding making up 76% of the pool. Customer funding includes customer deposits and investment accounts.
- As a result of our strong funding pool, our liquidity risk indicators remained healthy with our liquidity coverage ratio of 133.1% as at 31 December 2017, versus Bank Negara Malaysia's minimum requirement of 80% for 2017. Our other liquidity ratios such as loan-to-fund ratio and loan-to-fund-and-equity ratios remained strong at 86.2% and 75.7% respectively as at 31 December 2017.



Note: Funding sources include customer deposits, investment accounts, deposits and placements from financial institutions, borrowings, capital instruments and equity

Chart 2: Group Funding profile

► Stabilising asset quality trends

- The Group recorded a 30.8% reduction in loan provisions to RM1.96 billion for FY2017, due to lower net collective allowances of RM233.5 million and net individual allowances of RM770.9 million. The lower provisioning resulted in a net credit charge off of 40 bps versus 62 bps in 2016. Our loan loss coverage remained stable at 71.5% from 72.0% recorded in 2016.
- The lower loan provisioning comes on the back of a slower formation rate of our gross impaired loans (GIL) volume, which grew by 4.5% in 2017 versus a growth of 29.2% in 2016 (Refer Chart 3).

Slower YoY growth in Group GIL volume

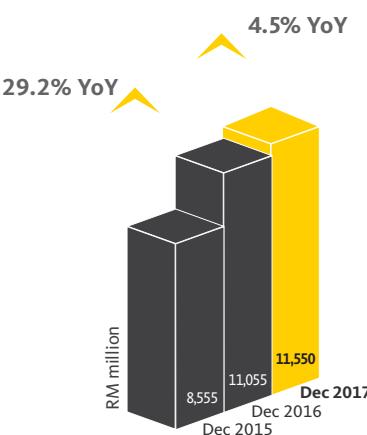
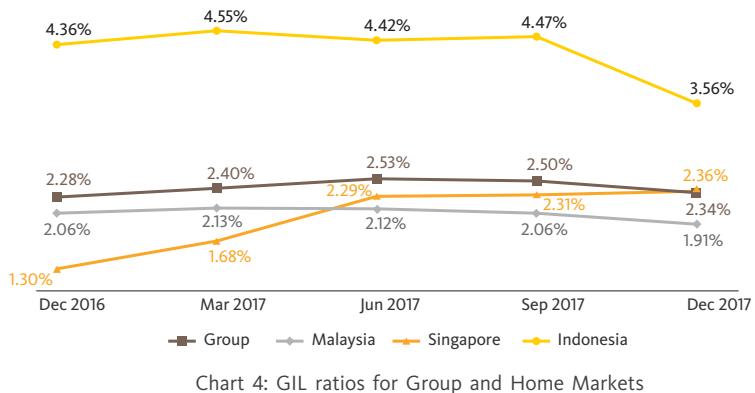


Chart 3: Gross Impaired Loans (GIL) growth formation

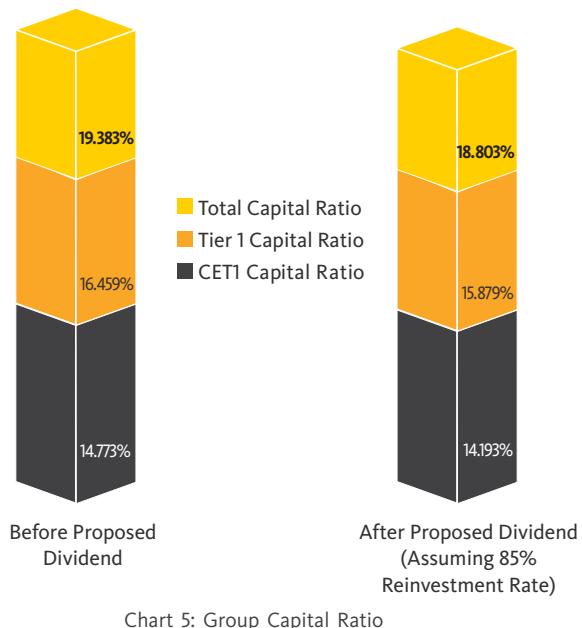
REFLECTIONS FROM OUR GROUP CHIEF FINANCIAL OFFICER



- As illustrated in Chart 4, the Group GIL ratio saw a marginal uptick to 2.34% from 2.28% a year ago on the slower GIL growth mainly arising from some impairments made in corporate banking and retail SME in Singapore.
- Meanwhile, GIL ratios for Malaysia and Indonesia both improved YoY to 1.91% and 3.56% respectively, on a combination of recoveries, sale of impaired loans and some write-offs.

Solid capital base

- We remained well capitalised with Group CET1 Capital Ratio and Group Total Capital Ratio of 14.773% and 19.383% respectively as at 31 December 2017. Further details on our capital positions using an 85% reinvestment rate under our DRP are as per Chart 5.
- Assuming an 85% reinvestment rate under our DRP, the fully loaded Group CET1 ratio would be 14.01%. Please refer to page 42 for more details on the Group's Capital Management.



DELIVERING VALUE TO OUR SHAREHOLDERS

- We are committed to delivering long-term value to our stakeholders, whilst ensuring the sustainable growth of the Group. For FY2017, the Group's value added available for distribution stood at RM16.92 billion (FY2016: RM15.15 billion), apportioned to our shareholders, employees, government, as well as to the Group for reinvestment. The statement of value added and its distribution breakdown can be found on page 53 under Financial Performance.
- For FY2017, shareholders were rewarded with an interim single-tier dividend of 23 sen per ordinary share. The Board of Directors have also recommended a final single-tier dividend of 32 sen per ordinary share, comprising 18 sen cash and 14 sen electable, whereby the latter can be reinvested into new company shares under the DRP. As such, the total dividend of 55 sen per ordinary share, amounts to a payout ratio of 78.5% for the year, sitting well above our dividend policy of 40.0% to 60.0%. For more information on dividends, please refer to page 43 under Capital Management.

LOOKING AHEAD

- We started 2018 with some degree of optimism that economic growth in the region will remain resilient and commodity prices such as oil has stabilised. Against this backdrop, we expect that our loans growth in Malaysia will be in line with industry growth driven by infrastructure, investment and manufacturing financing. In Singapore, we are likely to see some loan growth pick-up compared with 2017 growth due to better lending in the corporate segment. For Indonesia, we remain cautious on its loan growth as consumer demand remains weak.
- Other areas of growth for us include opportunities to expand our wealth management business offerings through investment and insurance products as well as to capture better treasury and transaction-related fees from improving domestic and regional trade flows.
- As such, we have set our Key Performance Indicator for ROE of approximately 11% in FY2018.
- We will also focus on tightening our productivity levers across the Group and aspire to contain our cost-to-income ratio around 48%.
- We will preserve our healthy liquidity and capital position in 2018, ahead of the expected implementation of Net Stable Funding Ratio by Bank Negara Malaysia on 1 January 2019.
- Finally, we maintain our prudence in asset quality management as we adopt MFRS 9 on 1 January 2018. We have disclosed in our FY2017 Financial Statements as well as to the investment community that the potential reduction on the Group's and Bank's capital adequacy ratios would be around 40 basis points to the opening retained earnings on 1 January 2018. This is based on our parallel run using the latest available information and our FY2017 numbers. The final impact is still being assessed and may be adjusted as necessary. For more details on our disclosure about MFRS 9, refer pages 65 to 67 in the Financial Statements.

Financial Capital Pg. 37-67

Intellectual Capital Pg. 68-80

Manufactured Capital Pg. 81

Human Capital Pg. 82-112

Ensuring Responsible Governance Pg. 113-121

Social & Relationship Capital Pg. 122-129

Other Information Pg. 130-161

AGM Information Pg. 162-166

CAPITAL & LIQUIDITY MANAGEMENT

CAPITAL MANAGEMENT AT MAYBANK

Effective capital management is fundamental to the sustainability of the Group. As such, the Group proactively manages its capital to meet the expectations of key stakeholders such as regulators, shareholders, investors, rating agencies and analysts whilst ensuring that the return on capital commensurate with the risks undertaken by respective business units. Effective capital management aims to:

- Maintain adequate capital ratios at levels sufficiently above regulatory minimum requirements;
- Support the Group's strong credit ratings from local and international rating agencies;
- Deploy capital efficiently to the business and to optimise return on capital;
- Remain flexible to take advantage of future strategic opportunities; and
- Build and invest in the business, even in a reasonably stressed environment.

The Group's approach to managing capital is set out in various frameworks approved by the Group Asset and Liability Committee (ALCO), Group Executive Committee (EXCO), and the Board.

In FY2017, Maybank's subsidiaries namely Maybank Philippines and Maybank Islamic successfully issued a PHP2.00 billion Tier 2 capital instrument and a RM1.00 billion Additional Tier 1 capital instrument respectively, which qualifies as regulatory capital in their local jurisdictions.

CAPITAL STRUCTURE AND ADEQUACY

The Group holds a significant amount of capital in the form of common equity, which is permanent and has the highest loss absorption capability on a going concern basis. The Group also maintains other types of capital instruments such as Additional Tier 1 capital securities and subordinated debts to optimise the capital mix and reduce the overall costs of capital.

The Group is required to comply with Bank Negara Malaysia's (BNM) Capital Adequacy Framework (Capital Components), which requires banks to maintain the regulatory minimum Common Equity Tier 1 (CET1), Tier 1 Capital Ratio and Total Capital Ratio of 4.5%, 6.0% and 8.0% respectively. In addition, BNM has also introduced the Capital Conservation Buffer (CCB) of 2.5%, which is being phased in from 1 January 2016 to 1 January 2019.



A. Capital Management Framework

The Capital Management Framework comprises of governance, policies and procedures which set out the requirements for effective management of capital at Group level, its subsidiaries and overseas branches, including identification, assessment, monitoring, managing and escalation of capital matters.



B. Capital Contingency Plan

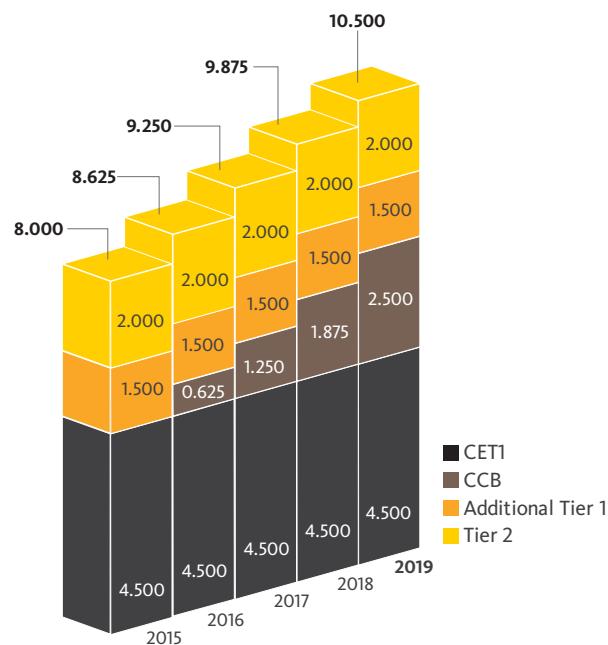
The Capital Contingency Plan formalises the basis, strategies and action plans to restore capital back to healthy levels, in the fastest possible time in the event of a capital crisis, and without affecting business plans, assets growth and strategic agenda.



C. Annual Capital Plan

The Annual Capital Plan involves detailed planning of the Group's strategic capital plan over a three-year horizon. The plan highlights capital projections, capital requirements, levels of capital and capital mix, updates on regulatory capital requirements, expectations of key stakeholders, performance of business sectors via the Risk Adjusted Performance Measurement (RAPM) approach and stress test results, amongst others.

Regulatory Minimum Capital Requirements and CCB (%)



BNM has also introduced the Countercyclical Capital Buffer (CCyB) ranging between 0% and 2.5% of total risk-weighted assets. The CCyB is determined by the weighted average of the prevailing CCyB requirements in jurisdictions which the bank has credit exposures. The official CCyB rate has yet to be announced by BNM as at FY2017.

BNM may also introduce additional loss absorbency requirements for systemically important bank in the future.

Maybank Group maintains a strong capital position to meet stringent regulatory requirements of MFRS 9 effective 1 January 2018.

CAPITAL INITIATIVES DURING THE YEAR

The Group manages its capital position proactively to meet stringent Basel III capital requirements and meets stakeholders' expectations, while supporting its strategic business objectives.

Maybank has completed the 14th and 15th Dividend Reinvestment Plan (DRP) on the final dividend for the financial year ended 31 December 2016 and interim dividend for the financial year ended 31 December 2017 respectively with reinvestment rates of 89.1% and 85.7% respectively. Aside from being a mechanism that allows shareholders to increase their investments in Maybank shares, the DRP also ensures that the Group's capital levels remain strong at all times.

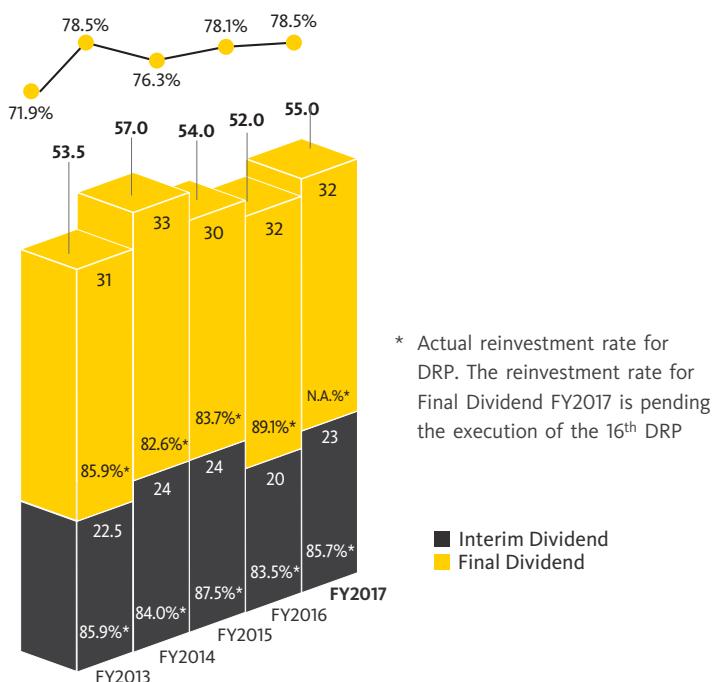
CAPITAL & LIQUIDITY MANAGEMENT

PROPOSED DIVIDEND

The Group maintains a long-term dividend payout policy of 40% to 60% to provide shareholders with stable dividend income. For the financial year ended 31 December 2017, the Board declared an interim dividend amounting to RM2.44 billion or 23 sen per share, which comprised of a cash portion of 5 sen per share and an electable portion of 18 sen per share.

The Board also proposed a final dividend of 32 sen per share, which comprise of a cash portion of 18 sen per share and an electable portion of 14 sen per share. The total dividend payout for FY2017 is 55 sen per share. The electable portion for the final dividend represents Maybank's 16th DRP which provides another opportunity for our shareholders to reinvest in Maybank shares.

Proposed Dividend (sen) and Payout Ratio (%)



LIQUIDITY MANAGEMENT AT MAYBANK

The Group proactively manages its liquidity to ensure sufficient funds to meet financial obligations and to conduct business even under stress situations. Effective liquidity management aims to:

- Diversify funding base to access various funding sources;
- Proactively manage deposits management to achieve a stable funding profile;
- Maintain a stable maturity profile by managing duration gaps between assets and liabilities;
- Optimise funding cost by managing the funding structure; and
- Maintain a strong investor profile to attract lower cost of fund.

LIQUIDITY AND FUNDING STRATEGIES

The Group's ALCO is responsible for reviewing balance sheet strategies when considering the growth in loans and deposits, sources of funding, foreign exchange risk, re-pricing gap, market competitiveness and economic outlook.

Maybank's strong franchise and digital platforms allows us continuous access to core deposits, a wide investor base and new markets. Maybank had successfully obtained term loans and issued commercial papers and medium term notes denominated in various currencies.

Maybank's landmark issuance of onshore Renminbi bonds (Panda Bonds) in July 2017 gives us access to China, the world's third largest bond market. Maybank's Panda Bonds is the first onshore Renminbi bonds issuance from Malaysia and ASEAN. In addition, Maybank is the first foreign issuer to offer Panda Bonds via the Bond Connect platform. The proceeds of Maybank's Panda Bonds will be used to support activities connected to the Belt and Road Initiative, a key focus of the Chinese government, that is strongly supported by the Malaysian government. Maybank's Panda Bonds was awarded the Best Renminbi Bond from International Financing Review (IFR) and Best Renminbi Bond and Best FIG Bond in Malaysia from The Asset for 2017.

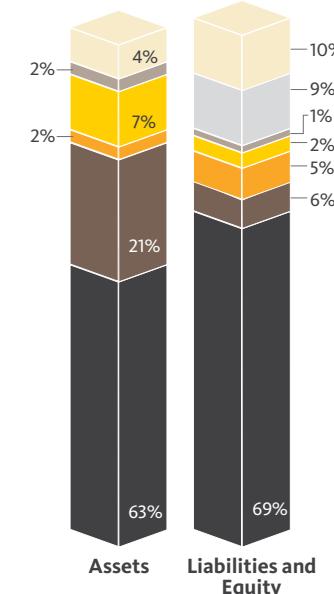
FUNDING STRUCTURE

Maybank funds its assets from various sources. The following is the assets funding structure as at 31 December 2017:

Funding Structure as at 31 December 2017

ASSETS

- Other assets
- Statutory deposits
- Cash and short-term funds
- Deposits and placements with financial institution
- Securities and other financial assets
- Loans, advances and financing



LIABILITIES AND EQUITY

- Total equity
- Other liabilities
- Capital securities
- Subordinated obligations
- Borrowings
- Deposits and placements from financial institution
- Deposits from customers

Maybank's loan-to-deposit ratio (LDR) stood at around 93.8% as at 31 December 2017. LDR is the benchmark measure for liquidity risk, but it is a simplistic assessment of liquidity focusing purely on deposits and ignoring other funding instruments on a bank's balance sheet. Given the diversity seen in financial institutions' funding compositions today, traditional indicators such as LDR are less relevant.

Following BNM's guidance, the Group has moved towards indicators which are more reflective of liquidity risk, such as the adoption of Liquidity Coverage Ratio (LCR). Maybank's LCR as at 31 December 2017 was 133.1%, well ahead of the 80% minimum requirement for 2017. The Group also measures liquidity using loan-to-funding (LTF) and loan-to-funding-and-equity (LTRE), which stood at a healthy 86.2% and 75.7% respectively, at the end of FY2017.

INVESTOR RELATIONS

Maybank Group's Investor Relations (IR) efforts and activities are centred around building and maintaining confidence within the global investing community, through proactive communication with investors in a timely, accurate, effective, clear and relevant manner. We also undertake an advisory role with internal stakeholders to inform them of investors' interests and expectations so that as a leading regional financial services provider, Maybank can continuously create sustainable value that is aligned to stakeholders' needs.

INVESTOR ENGAGEMENT CHANNELS

Corporate Website

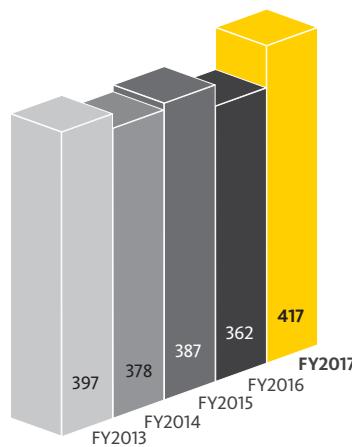
The Maybank corporate website at www.maybank.com is an essential channel for distributing investor information and remains a key point of contact for receiving queries and feedback from local and foreign stakeholders. The Group IR team maintains the IR section at www.maybank.com/ir. It is the key online repository for disseminating up-to-date and historical investor-related information to enable investors to make sound investment decisions.

Meetings, Conferences & Roadshows

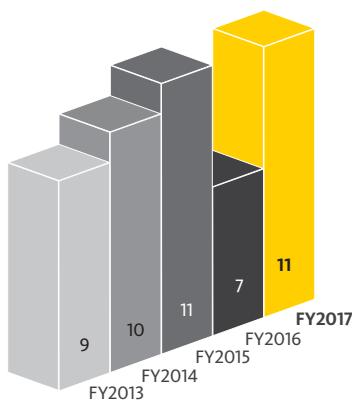
Maybank participated in 11 investor conferences and non-deal roadshows (NDR) in our key markets and met analysts and fund managers from 261 companies during the financial year.

No	Venue	Event	Date	Organiser
1	Singapore	Maybank Group NDR	5-6 Jan	Maybank Kim Eng
2	Hong Kong	Maybank Group NDR	9-10 Jan	Maybank Kim Eng
3	UK (London & Edinburgh)	Maybank Group NDR	11-13 Jan	Maybank Kim Eng
4	Singapore	Invest ASEAN 2017 Singapore	21-22 Mar	Maybank Kim Eng
5	London	Invest Asia 2017 London	4-5 May	Maybank Kim Eng
6	Denmark, Sweden, Holland & Germany	Maybank Group NDR	8-10 May	Maybank Kim Eng & Citibank
7	Kuala Lumpur	ASEAN Banks Tour 2017	14 June	Macquarie
8	Tokyo	Fixed Income NDR	5-6 Sep	Mizuho
9	Tokyo	Mizuho Investment Conference	7-8 Sep	Mizuho
10	Hong Kong	UBS Malaysia Corporate Day	1 Nov	UBS
11	Hong Kong	Maybank Group NDR	2 Nov	UBS

Number of Analysts & Fund Managers Met (In-House Meetings & Roadshows)



Number of Investor Conferences & NDRs Attended



Analyst Briefings

Maybank hosts analyst briefings for its half year and full year results announcements at its headquarters in Kuala Lumpur. Conference calls are made available for all four quarterly briefings to both local and foreign participants from the investing community.

Briefing materials, which include the financial statements to the stock exchange, an investor presentation and a press release, are made available via email and the corporate website immediately after the publication of the financial statements on Bursa Malaysia's website.

For 2017, the quarterly results announcements were held for:

- Fourth Quarter and Full Year FY2016: 23 February 2017
- First Quarter FY2017: 25 May 2017
- Second Quarter and Half Year FY2017: 30 August 2017
- Third Quarter and Nine Months FY2017: 30 November 2017

Analyst Coverage

Maybank is covered by a total of 23 analysts, from both domestic and foreign sell-side equity research houses, as at end of December 2017. Details on our analyst coverage is available on www.maybank.com/ir.

Investor Days and Themed Briefings

In 2017, Maybank provided more visibility over two key areas of interest, predominantly the impact of MFRS 9 on Maybank Group's performance and the digital strategy adopted by the organisation. Details are as follow:

• MFRS 9 – 30 August

Held during the Group's Second Quarter and Half Year FY2017 results briefing, the Group shared its progress on the implementation of MFRS 9, Day 1 impact on capital from the adoption of MFRS 9 on 1 January 2018 and illustrated how the new regime would affect the treatment of provisions moving forward.

• Digital Day – 13 November

The Group shared its digital strategy, adoption approach and engagement with the Fintech community towards achieving one of our strategic objectives of becoming the Digital Bank of Choice. The event, which was open to both investors and the media, attracted 42 participants from the investing community.

AGM & EGM

Maybank's 57th Annual General Meeting (AGM) and Extraordinary General Meeting (EGM) were held on 6 April 2017 in Kuala Lumpur, Malaysia. All resolutions tabled at the respective meetings were duly passed. The Board and senior management also opened the floor for any queries or feedback from the shareholders. The abridged minutes for both meetings are available on www.maybank.com/ir.

SUMMARY OF INVESTOR INTEREST

Our stature as a distinguished regional banking group is founded on and strengthened through our relevance and value created for our stakeholders, including investors; consistently over the years. Our investor engagements in 2017 equipped us with better cognisance on their focus areas, as tabulated below, which in turn help define and guide the Group's long term priorities.

Focus Area	Our Response
Economic and banking sector outlook	Coming off the vulnerabilities witnessed in 2016, investors sought to understand our views on the macroeconomic outlook particularly in our home markets, as well as the banking sector landscape moving forward. Through the Group's quarterly results announcements and other investor engagements, management were able to provide updated views on the developments and how we planned to manage the challenges in order to sustain the Group's financial performance.
Loans and deposits growth	Despite improved economic growth in FY2017, the multiplier effect between loans and GDP growth had reduced. Amid the tepid operating environment, loan and deposit growth was below our initial target of 6-7% for FY2017 due to our risk adverse appetite in some sectors. As such, the Group revised its initial guidance to around 3%, as we recognised the importance of protecting our margins over chasing outright growth in loans at the expense of pricing.
Net interest margin (NIM)	For FY2017, our focus was on growing cheaper sources of funding by expanding our CASA base, particularly in our home markets in order to fund asset growth at more profitable margins.
Asset quality	Since FY2015, we began our proactive stance to manage asset quality concerns by restructuring and rescheduling (R&R) accounts of borrowers experiencing cashflow weakness due to the challenging operating environment. Our decision to take in impairments early on resulted in an uptick of our asset quality trends. However, the impact from provisions has reduced as we began seeing improvements from accounts that were reclassified as their performance improved. Through our enhanced disclosures of gross impaired loans composition by buckets, first shared in FY2016 and continued in FY2017, investors were able to track the movements on a quarterly basis and understand our prudent posture. Our proactive stance of managing asset quality issues helped us manage the larger exposures early on. Despite that, we remain cautious in managing asset quality.
Capital management and dividend policy	Our decision to retain strong capital levels was in preparation of incoming accounting standards and regulatory requirements, such as MFRS 9 and net stable funding ratio (NSFR). We are comfortable with our current capital positions, and do not foresee any issues in complying with the requirements. The DRP will be preserved to sustain capital at optimal levels, however there will be potential adjustments to the cash and electable components to better manage the equity base, as seen in the higher cash component proposed for the total dividend of FY2017.
Liquidity risk indicators	Loan to Deposit ratio (LDR) has been the benchmark measure for liquidity risk, but is a simplistic assessment of liquidity focusing purely on deposits, while ignoring other funding instruments on a bank's balance sheet. Per BNM's guidance, the Group has moved towards indicators which are more reflective of liquidity risk, such as the adoption of Liquidity Coverage Ratio (LCR). Alongside LCR, the Group also measures liquidity using loan-to-funding (LTF) and loan-to-funding-and-equity (LTRE), which we began disclosing starting in our 3Q FY2017 results announcement presentation.
MFRS 9 adoption	Throughout the year, investors were keen to get a better understanding of the impact of MFRS 9 adoption on banks. As there was a lack of clarity and guidance provided in this area, the Group decided to share practical illustrations of how the new standard would impact on provisioning moving forward, as well as an update of the Group's implementation progress and readiness. This briefing was conducted as part of our 2Q FY2017 results announcement, where we also disclosed the potential impact to capital ratios based on June 2017 positions. We followed this up with sharing of the revised potential impact based on December 2017 positions during the 4Q FY2017 earnings briefing, as impact analysis was further refined.
Digital strategy	Another topic of constant interest was that of the Group's digital strategy, in view of the disruptors effecting the industry in recent times. To shed more light on the Group's efforts in this area, we hosted a digital-themed investor day where we disclosed our strategy and adoption approach for digital, as we look to achieve our strategic objective of becoming the Digital Bank of Choice.

INVESTOR INFORMATION

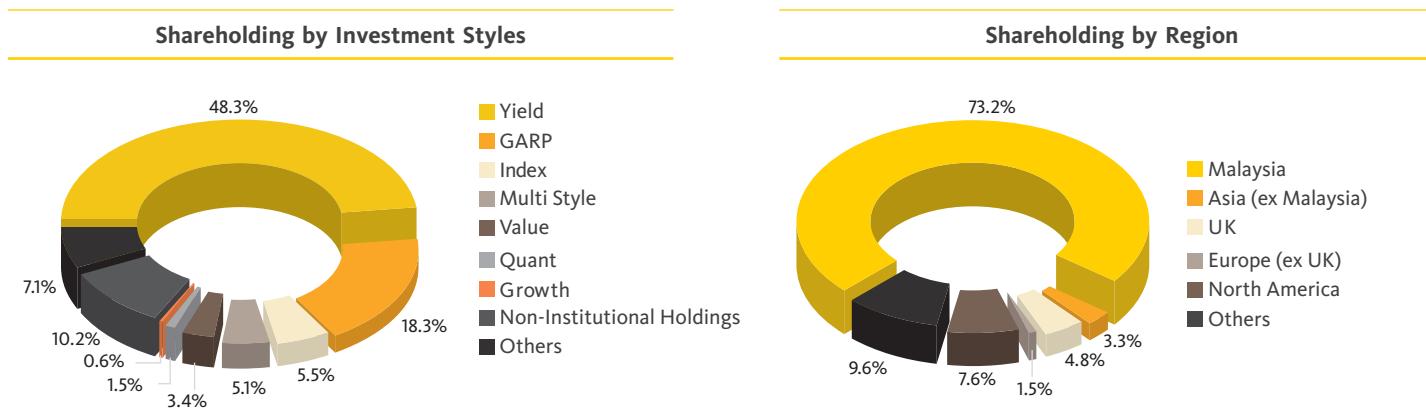
Credit Rating

As one of the largest issuers of debt and capital securities in Malaysia, Maybank engaged with seven independent credit rating agencies, both domestic and foreign, for an independent rating opinion about the Group and its securities. Further details on the classification and ratings are available on www.maybank.com/ir.

Shareholder Analysis

We conduct shareholding analysis biannually to help us better understand our shareholder composition and plan our investor engagement strategy accordingly. The analysis shows that as at 29 December 2017, 90.5% of Maybank shares are held by institutional investors, 2.2% by private investors and the remaining by other types of investors.

Year	Total Shareholders
Dec 2013	59,075
Dec 2014	62,814
Dec 2015	68,121
Dec 2016	79,942
Dec 2017	72,692



Share Price Performance

Maybank's share price performance for the first quarter of 2017 began on a strong note, registering an upside gain of 8.78%. The expansion was on par with the performance of the Bursa Malaysia Finance Index (BM Finance Index) of 8.88%, while surpassing the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) of 5.99%. The uptrend was primarily buoyed by the Group's resilient financial performance in the last quarter of FY2016 which came in line with expectations, coupled with our final dividend declaration in late February 2017.

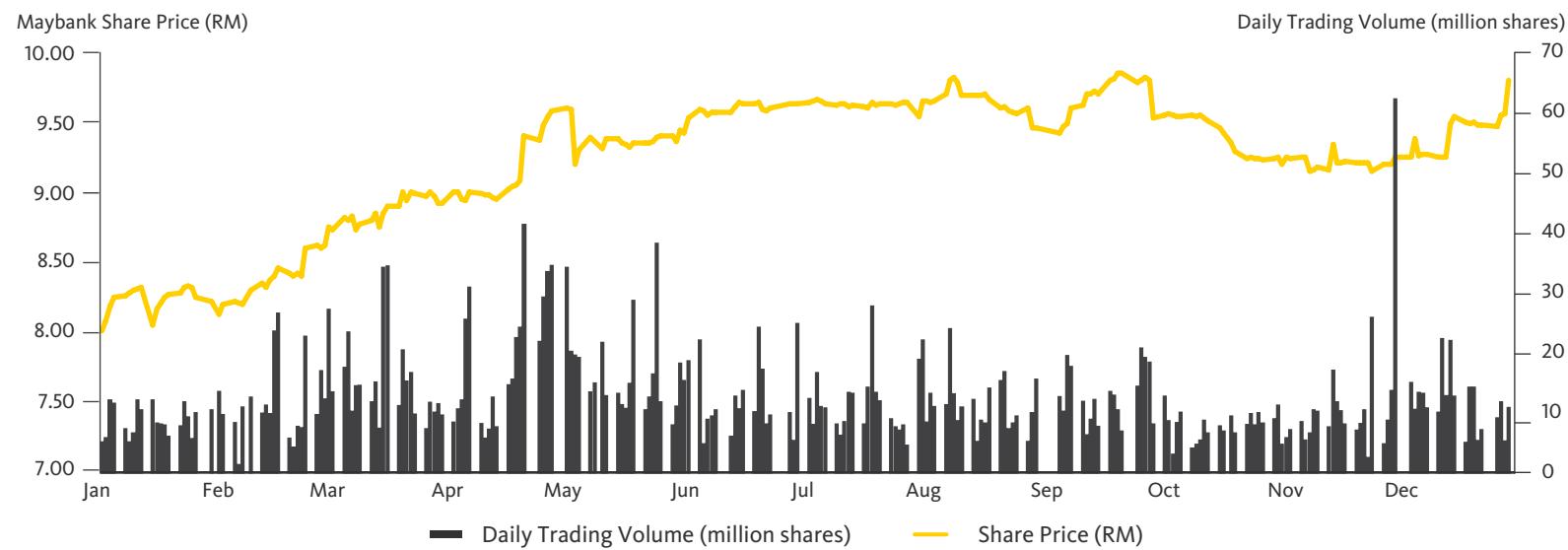
The gains in the second quarter continued with Maybank's share price increasing 7.96% against the rise seen in the BM Finance Index and FBM KLCI of 7.07% and 1.36% respectively, mainly attributed by foreign fund inflows into Malaysian equities. The improved sentiment was spurred by robust economic growth of 5.6% for 1Q FY2017, better corporate earnings and investor perception of an undervalued ringgit.

In the third quarter, concerns over the US-North Korea geopolitical tension dampened general investor sentiment, causing a slowdown in buying interest. This affected the indices and Maybank, which slid 1.04% against the decline seen in the BM Finance Index of 1.95% and the FBM KLCI of 0.46%.

For the final quarter of 2017, Maybank's share price improved by 2.83% on the back of positive market sentiment boosted by firmer oil prices and the strengthening of the ringgit against the US dollar. The FBM KLCI and BM Finance Index also rebounded by 2.35% and 2.56% respectively.

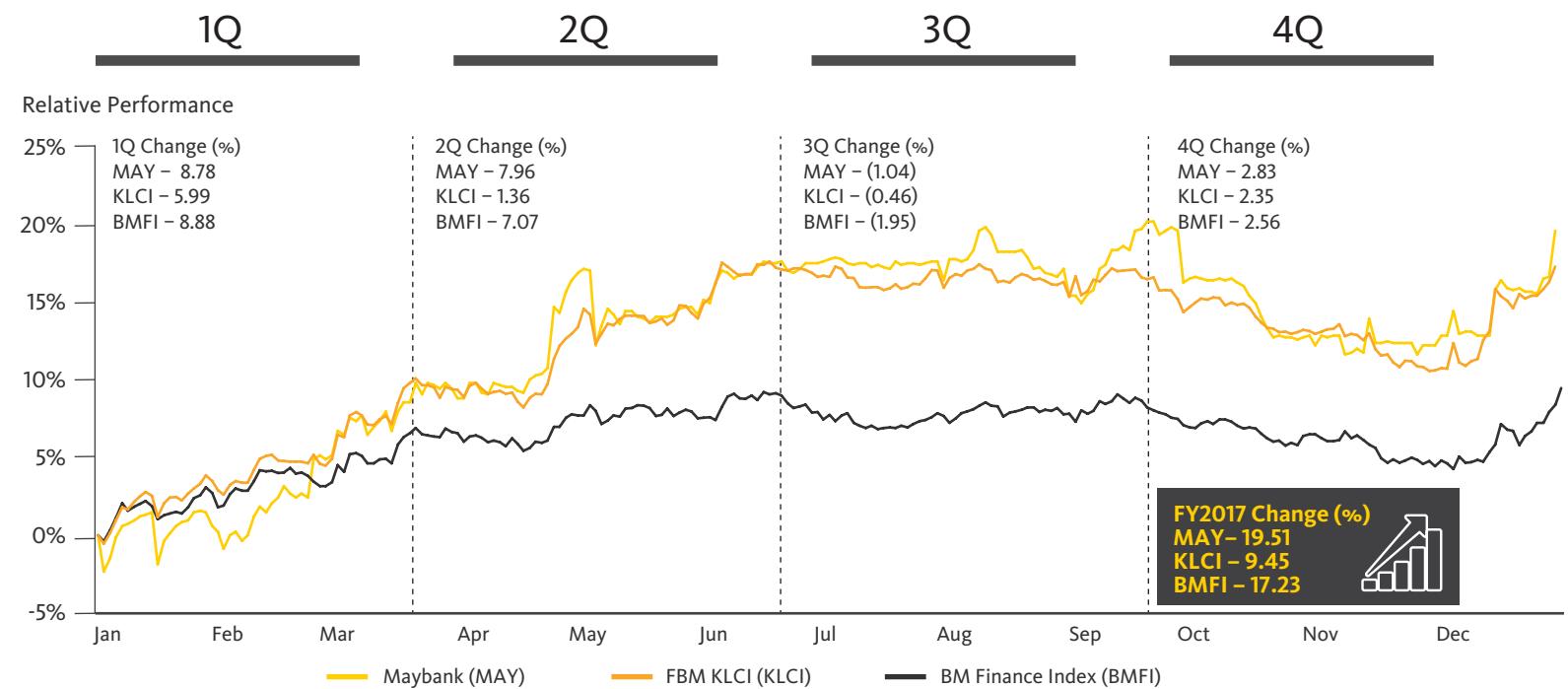
Maybank's share price closed 2017 at RM9.80, recording a significant increase of 19.51% YoY, ahead of the growth seen in both the FBM KLCI of 9.45% and BM Finance Index of 17.23%.

Maybank Share Price and Volume Performance in 2017



Share Price (RM)	1Q	2Q	3Q	4Q	FY2017	
High	9.00	21, 23, 28 Mar	9.64	15, 20 Jun	9.80	29 Dec
Low	8.01	3 Jan	8.94	6 April	9.15	8, 11 Nov
Close	8.92	31 Mar	9.63	30 Jun	9.80	29 Dec
Trading Range	0.99		0.70	0.43	1.84	
Average	1Q	2Q	3Q	4Q	FY2017	
Price (RM)	8.51	9.36	9.65	9.34	9.22	
Daily Volume (million shares)	12.12	16.29	11.81	10.34	12.60	

Relative Performance of Maybank's Share Price vs Benchmark Indices in 2017



INVESTOR INFORMATION

Share Related Key Figures

	FY2009	FY2010	FY2011	FP2011*	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Market Capitalisation (RM billion)	41.8	53.5	66.9	65.5	77.6	88.1	85.5	82.0	83.6	105.7
Total Shareholder Return, TSR (%)	(3.88)	31.69	28.13	(0.16)	15.60	14.30	(2.49)	(2.46)	3.68	26.65
Dividend per share (sen)	8.0	55.0	60.0	36.0	65.0	53.5	57.0	54.0	52.0	55.0
Dividend yield (%)	1.4	7.3	6.7	4.2	7.1	5.4	6.2	6.4	6.3	5.6
Closing Price, 31 Dec (RM)	5.90	7.56	8.94	8.58	9.20	9.94	9.17	8.40	8.20	9.80
Average share price (RM)	5.25	6.94	8.60	8.45	8.81	9.80	9.73	8.88	8.23	9.22
Highest closing share price (RM)	7.14	7.72	9.29	8.99	9.46	10.74	10.16	9.55	9.17	9.85
Lowest closing share price (RM)	3.57	5.60	7.53	7.51	8.19	8.84	8.29	8.18	7.50	8.01
Basic EPS (sen)	12.0	53.9	61.4	34.5	72.7	75.8	74.2	72.0	67.8	72.0

Total Shareholder Return

TSR (%)	FY2009	FY2010	FY2011	FP2011*	CY2011^	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Maybank	(3.88)	31.69	28.13	(0.16)	8.37	15.60	14.30	(2.49)	(2.46)	3.68	26.65
FBM KLCI	(5.26)	26.09	24.83	(1.11)	4.45	14.27	14.11	(2.62)	(0.97)	0.07	13.19
BM Finance Index	1.70	43.81	32.86	(5.69)	4.58	16.99	15.09	(3.82)	(6.46)	5.66	21.85

Maybank's Relative Performance (%)	FY2009	FY2010	FY2011	FP2011*	CY2011^	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
FBM KLCI	1.38	5.60	3.30	0.95	3.92	1.33	0.19	0.13	(1.49)	3.62	13.46
BM Finance Index	(5.58)	(12.12)	(4.73)	5.53	3.79	(1.39)	(0.79)	1.33	4.00	(1.98)	4.80

Long Term Total Shareholder Return

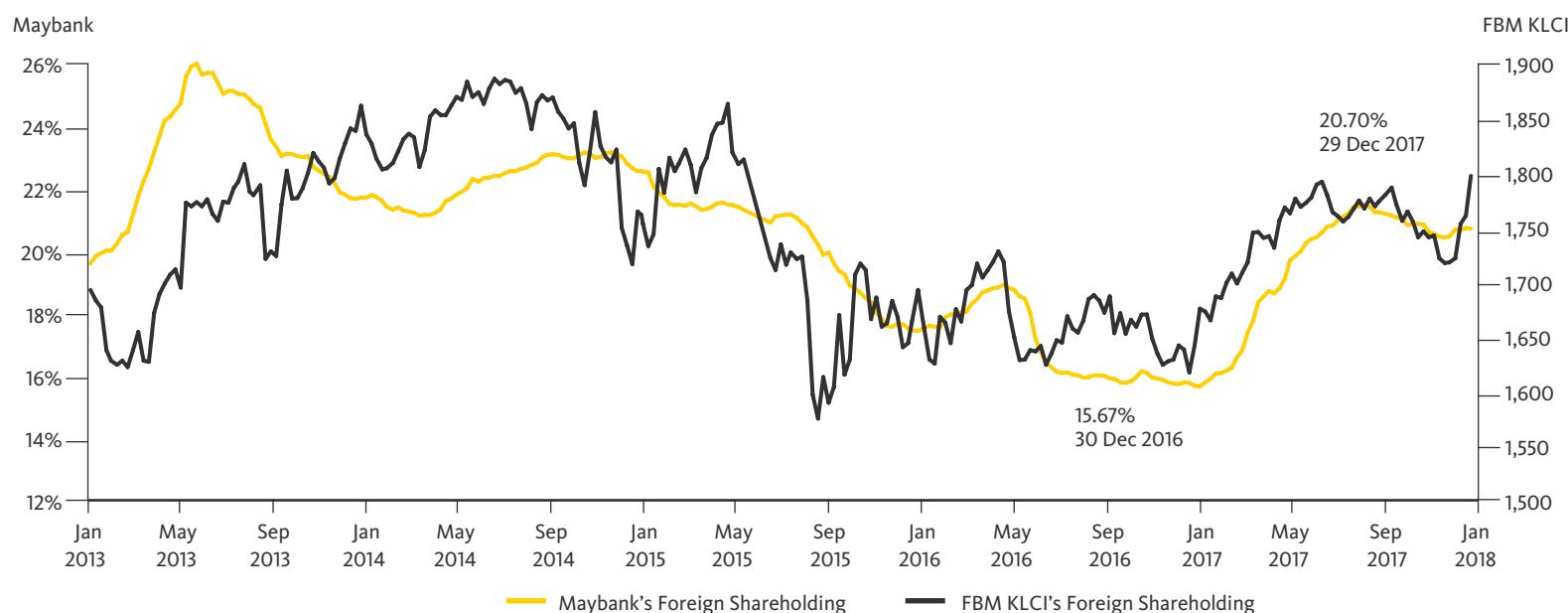
Holding Period (Years)	25	20	15	10	5	3	2	1
Investment Date (31 Dec)	1992	1997	2002	2007	2012	2014	2015	2016
Total Shareholder Return (%)								
Maybank	1,631.63	859.44	359.32	110.07	42.65	27.88	30.73	26.65
FBM KLCI	484.53	479.25	371.03	74.76	24.26	12.01	13.09	13.19
BM Finance Index	523.75	415.13	511.42	129.19	33.14	20.33	28.37	21.85
Effective Annual Rate of Return (%)								
Maybank	12.08	11.96	10.69	7.70	7.37	8.55	14.36	26.65
FBM KLCI	7.31	9.18	10.88	5.74	4.44	3.86	6.36	13.19
BM Finance Index	7.59	8.54	12.82	8.65	5.90	6.37	13.32	21.85

* FP2011 refers to the 6-month financial period which was for Maybank to change its financial year end to 31 December from 30 June. FY2007 to FY2011 are 12 months ended 30 June.

^ CY2011 refers to the 12-month calendar year which is unaudited and shown for illustrative purposes only.

Foreign Shareholding

Maybank's Foreign Shareholdings and FBM KLCI (2013-2017)



	2013		2014		2015		2016		2017	
High	25.99%	24 May	23.14%	17 Oct	22.53%	2 Jan	18.90%	22 Apr	21.48%	11 Aug
Low	19.58%	4 Jan	21.11%	14 Mar	17.43%	31 Dec	15.67%	30 Dec	15.65%	6 Jan
Close	21.70%	31 Dec	22.54%	31 Dec	17.43%	31 Dec	15.67%	30 Dec	20.70%	29 Dec
YoY	2.16% pts		0.84% pts		(5.11)% pts		(1.76)% pts		5.03% pts	

Following a downtrend in 2015 and 2016, the Group's foreign shareholding recovered in 2017, hitting a high of 21.48% on 11 August. The improvement in our foreign shareholding was underpinned by Maybank's resilient financial performance in 2017 despite persisting weakness in some commodity related sectors. We also benefited from inflows of foreign funds into emerging markets.

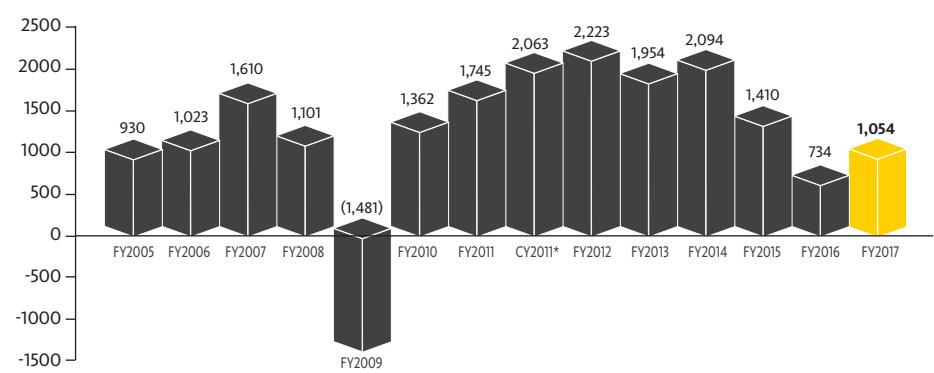
American Depository Receipts (ADR)

Maybank has been traded in the United States since 2005 through a New York Stock Exchange (NYSE)-listed sponsored ADR facility with The Bank of New York Mellon acting as the depository, in our effort to diversify and increase US investor ownership. The ADRs trade on the NYSE under the ticker MLYBY US on Bloomberg and MLYBY.PK on Reuters.

Economic Profit

A key measure of Maybank's ability to create value for its shareholders is the economic profit it creates. For FY2017, the Group reported an increase in economic profit by 43.7% to RM1.05 billion (2016: RM734 million), contributed by higher profits recorded during the financial year.

Economic Profit: FY2005 to FY2017 (RM million)



* Unaudited

Dividend Policy

Maybank has a long running dividend policy whereby it rewards shareholders with a dividend payout of 40% – 60% of its reported net profit attributable to shareholders.

Two dividends were declared for the financial year ended 31 December 2017:

- Interim single-tier dividend of 23 sen per ordinary share
- Final single-tier dividend of 32 sen per ordinary share

As such, total dividend for FY2017 was 55 sen per share, with a 42% cash component (2016: 52 sen with 27% cash component).

More information on Maybank's dividend policy and DRP can be found at www.maybank.com/ir.

FINANCIAL PERFORMANCE

FIVE-YEAR GROUP FINANCIAL SUMMARY

	Group FY 31 Dec				
	2013	2014	2015	2016	2017
OPERATING RESULT (RM' million)					
Operating revenue	33,251	35,712	40,556	44,658	45,580
Pre-provisioning operating profit ("PPOP") ¹	9,610	9,419	10,953	11,686	11,911
Operating profit	8,730	8,948	8,940	8,671	9,883
Profit before taxation and zakat	8,870	9,112	9,152	8,844	10,098
Profit attributable to equity holders of the Bank	6,552	6,716	6,836	6,743	7,521
KEY STATEMENTS OF FINANCIAL POSITION DATA (RM' million)					
Total assets	560,319	640,300	708,345	735,956	765,302
Financial investments portfolio ²	107,672	115,911	122,166	130,902	154,373
Loans, advances and financing	355,618	403,513	453,493	477,775	485,584
Total liabilities	512,576	585,559	644,831	665,481	690,118
Deposits from customers	395,611	439,569	478,151	485,524	502,017
Investment accounts of customers	–	–	17,658	31,545	24,555
Commitments and contingencies	433,829	551,960	719,952	766,439	811,374
Paid-up capital/Share capital ³	8,862	9,319	9,762	10,193	44,250
Share Premium ³	19,030	22,748	25,900	28,879	–
Shareholders' equity	45,997	52,975	61,695	68,516	72,989
SHARE INFORMATION					
Per share (sen)					
Basic earnings	75.8	74.2	72.0	67.8	72.0
Diluted earnings	75.7	74.1	72.0	67.8	72.0
Gross dividend	53.5	57.0	54.0	52.0	55.0
Net assets (sen)	519.0	568.5	632.0	672.2	676.9
Share price as at 31 Dec (RM)	9.94	9.17	8.40	8.20	9.80
Market capitalisation (RM' million)	88,088	85,455	81,999	83,584	105,671
FINANCIAL RATIOS (%)					
Profitability Ratios/Market Share					
Net interest margin on average interest-earning assets	2.5	2.3	2.4	2.3	2.4
Net interest on average risk-weighted assets	4.2	3.9	4.1	4.1	4.5
Net return on average shareholders' funds	15.1	13.8	12.2	10.6	10.9
Net return on average assets	1.2	1.1	1.0	0.9	1.0
Net return on average risk-weighted assets	2.2	2.0	1.9	1.8	2.0
Cost to income ratio ⁴	47.8	48.9	48.2	47.1	48.7
Domestic market share in:					
Loans, advances and financing	18.4	18.4	18.0	18.2	18.3
Deposits from customers – Savings Account	27.7	27.6	25.4	25.3	25.7
Deposits from customers – Current Account	20.4	21.1	19.9	20.4	19.4
CAPITAL ADEQUACY RATIOS (%)					
CET1 Capital Ratio	11.253	11.747	12.780	13.990	14.773
Tier 1 Capital Ratio	13.059	13.539	14.471	15.664	16.459
Total Capital Ratio	15.664	16.235	17.743	19.293	19.383
ASSET QUALITY RATIOS					
Net impaired loans (%)	0.95	1.04	1.43	1.60	1.58
Loan loss coverage (%)	107.5	95.6	72.0	72.0	71.5
Loan-to-deposit ratio (%) ⁵	91.3	93.2	92.7	93.9	93.8
Deposits to shareholders' fund (times) ⁶	8.6	8.3	8.0	7.5	7.2
VALUATIONS ON SHARE					
Gross dividend yield (%)	5.4	6.2	6.4	6.3	5.6
Dividend payout ratio (%)	71.9	78.5	76.3	78.1	78.5
Price to earnings multiple (times)	13.1	12.4	11.7	12.1	13.6
Price to book multiple (times)	1.9	1.6	1.3	1.2	1.4

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 at fair value through profit or loss, financial investments available-for-sale and financial investments held-to-maturity.

³ Pursuant to Companies Act 2016, the share capital will cease to have par or nominal value, and share premium become part of the share capital.

⁴ 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 Kim Eng Holdings Limited.

⁵ Loan-to-deposit ratio for December 2017, December 2016 and December 2015 is computed using gross loans, advances and financing over deposits from customers and investment accounts of customers.

⁶ Deposits to shareholders' fund for December 2017, December 2016 and December 2015 is included investment accounts of customers.

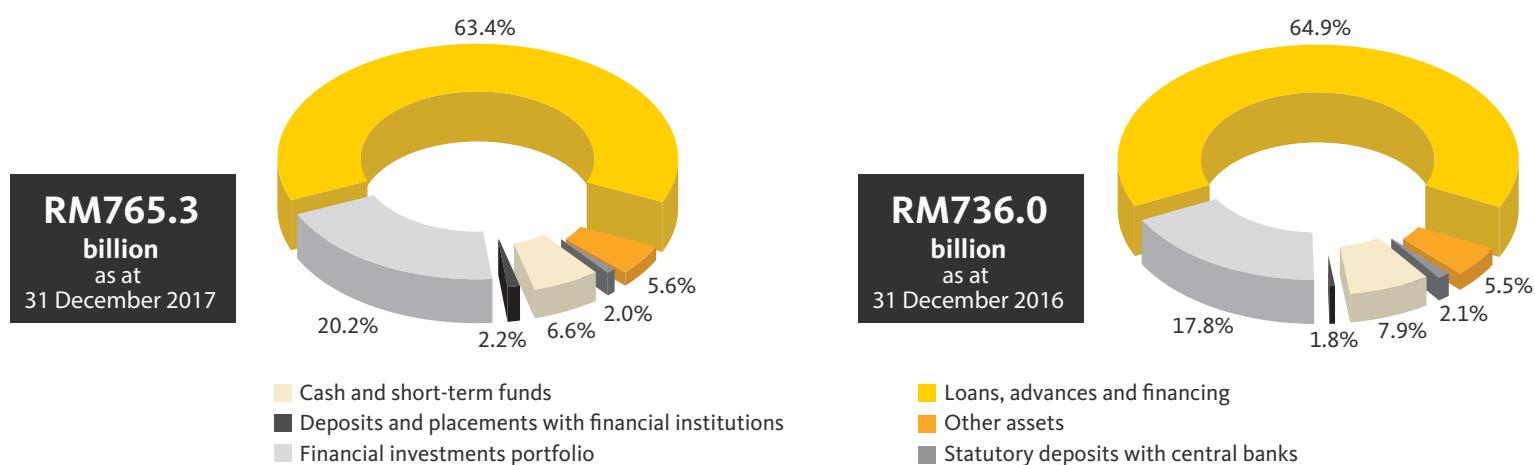
FINANCIAL PERFORMANCE



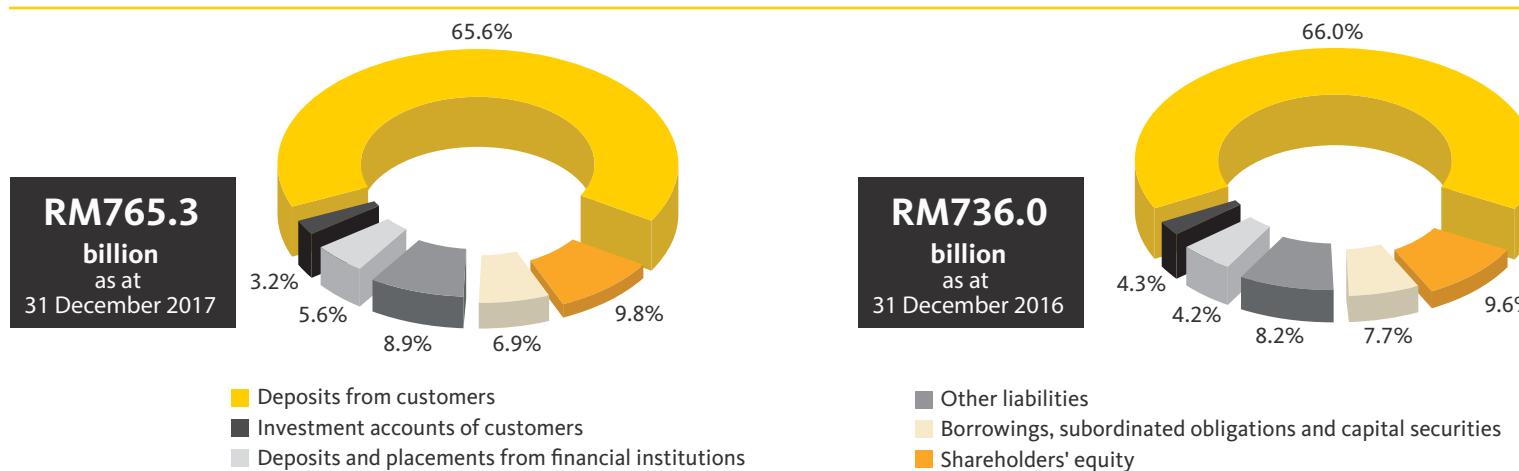
FINANCIAL PERFORMANCE

SIMPLIFIED GROUP STATEMENTS OF FINANCIAL POSITION

Total Assets



Total Liabilities & Shareholders' Equity



GROUP QUARTERLY FINANCIAL PERFORMANCE

RM' million	FY 31 Dec 2017				
	Q1	Q2	Q3	Q4	YEAR
Operating revenue	11,278	10,922	11,594	11,786	45,580
Net interest income (including income from Islamic Banking Scheme operations)	4,249	4,231	4,309	4,258	17,047
Net earned insurance premiums	1,254	1,256	1,307	1,434	5,251
Other operating income	1,405	1,527	1,497	1,598	6,027
Total operating income	6,908	7,014	7,113	7,290	28,325
Operating profit	2,208	2,179	2,602	2,894	9,883
Profit before taxation and zakat	2,249	2,245	2,678	2,926	10,098
Profit attributable to equity holders of the Bank	1,703	1,659	2,027	2,132	7,521
Earnings per share (sen)	16.7	16.1	19.2	19.9	72.0
Dividend per share (sen)	–	23.0	–	32.0	55.0

RM' million	FY 31 Dec 2016				
	Q1	Q2	Q3	Q4	YEAR
Operating revenue	11,182	10,941	11,288	11,247	44,658
Net interest income (including income from Islamic Banking Scheme operations)	3,856	3,793	3,822	4,077	15,548
Net earned insurance premiums	1,169	1,065	1,018	1,192	4,444
Other operating income	1,670	1,543	1,709	1,367	6,289
Total operating income	6,694	6,401	6,549	6,637	26,281
Operating profit	1,893	1,541	2,427	2,810	8,671
Profit before taxation and zakat	1,931	1,584	2,456	2,873	8,844
Profit attributable to equity holders of the Bank	1,427	1,160	1,796	2,360	6,743
Earnings per share (sen)	14.6	11.8	18.0	23.2	67.8
Dividend per share (sen)	–	20.0	–	32.0	52.0

FINANCIAL PERFORMANCE

KEY INTEREST BEARING ASSETS AND LIABILITIES

	As at 31 December RM' million	FY 31 Dec 2016 Effective Interest Rate %	Interest Income/ Expense RM' million		As at 31 December RM' million	FY 31 Dec 2017 Effective Interest Rate %	Interest Income/ Expense RM' million
<u>Interest earning assets</u>							
Loans, advances and financing	477,775	4.80	22,888	485,584	4.86	24,010	
Cash and short-term funds & deposits and placements with financial institutions	71,585	1.63	1,164	67,323	2.26	1,265	
Financial assets at fair value through profit or loss	23,496	3.66	805	25,117	3.70	964	
Financial investments available-for-sale	92,385	3.83	2,940	109,070	3.28	3,372	
Financial investments held-to-maturity	15,022	4.98	550	20,185	4.60	704	
<u>Interest bearing liabilities</u>							
Customers' funding:							
– Deposits from customers	485,524	1.81	9,709	502,017	2.38	9,605	
– Investment accounts of customers	31,545	3.27	1,080	24,555	2.05	913	
Deposits and placements from financial institutions	30,855	1.85	1,161	42,598	2.25	1,644	
Borrowings	34,867	2.91	920	34,506	3.20	1,097	
Subordinated obligations	15,901	4.45	940	11,979	4.74	855	
Capital securities	6,200	6.18	388	6,284	6.06	395	

STATEMENT OF VALUE ADDED

	FY 31 Dec 2016 RM'000	FY 31 Dec 2017 RM'000
Net interest income	11,358,470	12,147,041
Income from Islamic Banking Scheme operations	4,189,242	4,900,251
Net earned insurance premiums	4,444,057	5,250,890
Other operating income	6,289,283	6,027,304
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(4,107,909)	(5,057,130)
Overhead expenses excluding personnel expenses, depreciation and amortisation	(4,178,656)	(4,536,456)
Allowances for impairment losses on loans, advances and financing, net	(2,832,748)	(1,959,060)
Allowances for impairment losses on financial investments, net	(182,253)	(68,762)
Share of profits in associates and joint ventures	173,464	214,620
Value added available for distribution	15,152,950	16,918,698

DISTRIBUTION OF VALUE ADDED

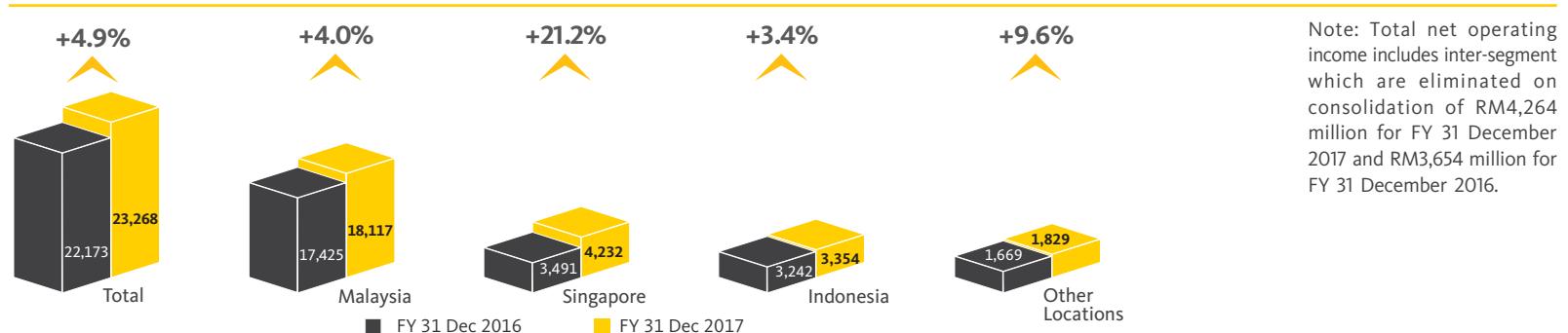
	FY 31 Dec 2016 RM'000	FY 31 Dec 2017 RM'000
To employees:		
Personnel expenses	5,638,874	6,128,012
To the Government:		
Taxation	1,880,558	2,301,222
To providers of capital:		
Dividends paid to shareholders	4,926,889	5,708,543
Non-controlling interests	220,900	276,332
To reinvest to the Group:		
Depreciation and amortisation	669,626	692,590
Retained profits	1,816,103	1,811,999
Value added available for distribution	15,152,950	16,918,698

FINANCIAL PERFORMANCE

SEGMENTAL INFORMATION

ANALYSIS BY GEOGRAPHICAL LOCATION

Net Operating Income (RM' million)

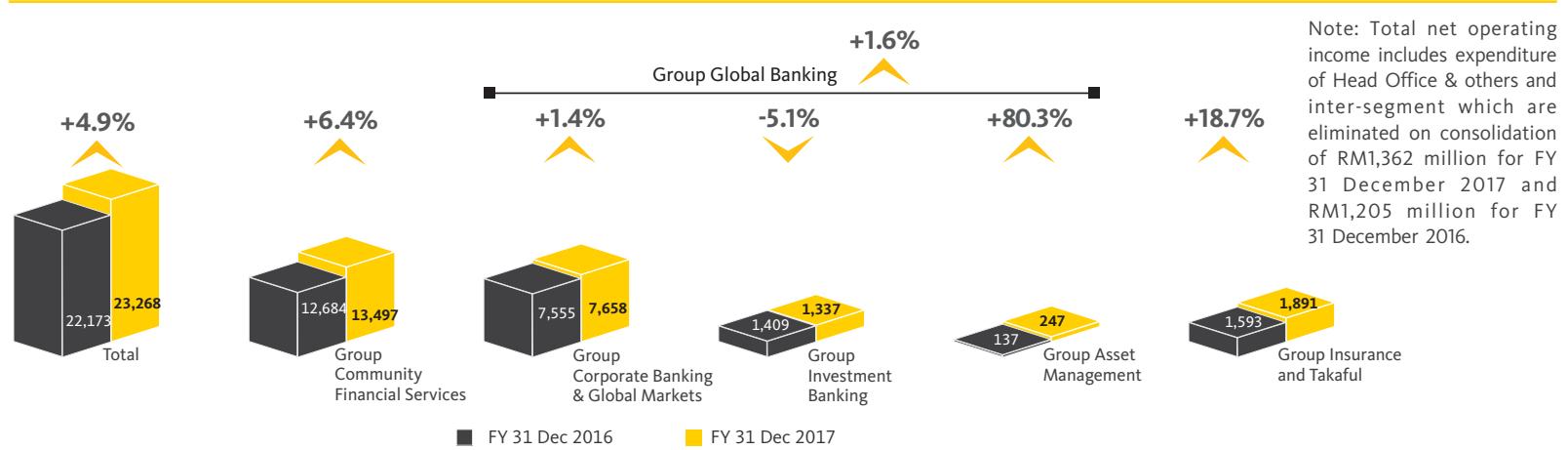


Profit Before Taxation and Zakat (RM' million)

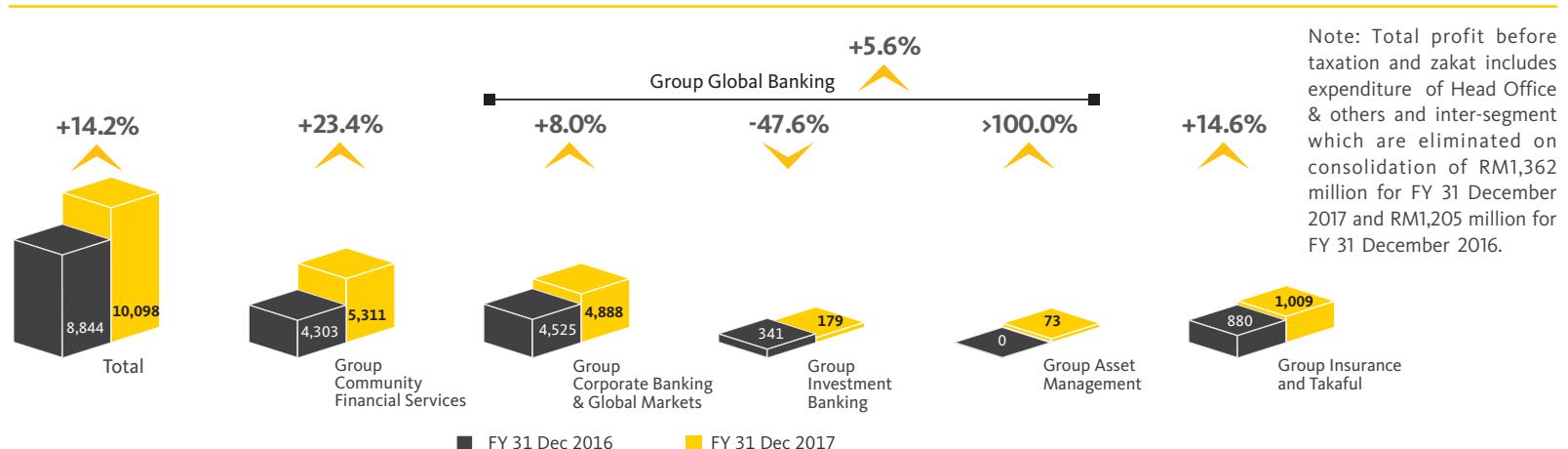


ANALYSIS BY BUSINESS SEGMENTS

Net Operating Income (RM' million)



Profit Before Taxation and Zakat (RM' million)

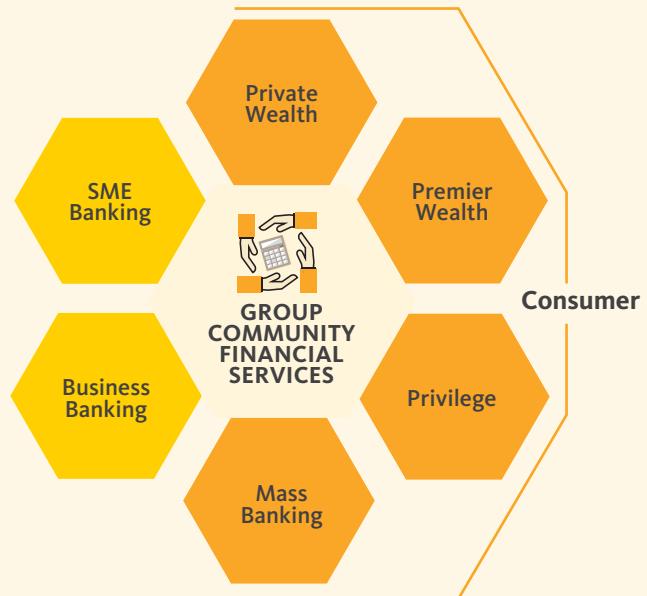


GROUP COMMUNITY FINANCIAL SERVICES

Group Community Financial Services (GCFS) is Maybank Group's retail franchise providing financial solutions to retail, small and medium enterprises (SME) and business banking (BB) customers. We offer a wide variety of products and services such as:

- wealth management, mortgage, automobile financing and credit card to retail customers; and
- short-term credit such as overdrafts and trade financing, cash management and long-term business loans to SME and BB customers

GCFS operates in Malaysia, Singapore, Indonesia, Philippines, Cambodia, Laos and Brunei with Private Wealth desks in Hong Kong and London. These operations form an integral part of its regional value propositions and distribution capabilities, enabling the Group to serve banking needs of both local and cross-border customers. We serve our various segments of customers through a network of physical branches, Self-Service Terminals (SST) and extensive digital services.



OUR STRATEGIC OBJECTIVE

We aspire to be the Top ASEAN Community Bank as part of the Group's Maybank²⁰²⁰ strategic objectives. Through our key value drivers, we aim to improve the lives and fulfil our customers' needs across ASEAN, prioritising value creation for our three main stakeholder groups – customers, employees and shareholders.

Key Value Drivers	Performance Metric
Among the most profitable in ASEAN	<ul style="list-style-type: none"> • Return measures • Cost efficiency • Growth in our focused segments
Customer focus, building on speed and relationship	<ul style="list-style-type: none"> • Improved client satisfaction scores across GCFS franchise
Regional leader in digital banking	<ul style="list-style-type: none"> • Digital adoption and digital sales
Employee engagement	<ul style="list-style-type: none"> • Improved employee engagement scores

Stakeholder Expectations

We have identified the needs of our stakeholders and tailored our responses based on the risks and opportunities affecting our business.



► KEY ACHIEVEMENTS IN 2017

Achieved a Net Promoter Score of 26 for CFS Malaysia (against 8 in 2014)	Total mobile transactions grew by 146% to 1.2 billion from 2016 mainly attributable to new M2U app	Improved NIM backed by loans expansion and CASA growth, especially in Malaysia and Singapore	Robust asset quality management, with loan provisioning down by 40.7% YoY	CFS Malaysia garnered several prestige awards from distinguished bodies such as Asian Banking & Finance and Retail Banker International
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 For GCFS' Key Awards and Recognition, refer to page 149

GROUP COMMUNITY FINANCIAL SERVICES

MATERIAL RISKS AND OPPORTUNITIES

Material Risks & Opportunities	How It Affects Us		Our Response
Opportunity: Continued economic growth and stable geopolitical landscape in the region	<ul style="list-style-type: none"> Improved consumer and business sentiment led to increased spending and loan demand in some markets Rising affluence among individuals presents tectonic shifts in customer preference and segmentation Asset quality trends remained stable 		<ul style="list-style-type: none"> Ramping up efforts in our focus segments, Wealth Management and Retail SME, for greater yield and profitability Rigorous asset quality management for BB segment through portfolio rebalancing to smaller-sized loans, exiting risky and chunky loans, and greater recovery efforts
Opportunity & Risk: Technological advancement brought greater process innovation and data-driven decision making. On the flipside, this has created threats from digital disruptors	<ul style="list-style-type: none"> Heightened competition in the payments landscape impacts bank's revenue stream Innovation in process technology lowers cost to serve customers and creates cost efficiencies Enhanced data analytics and innovation in digital channels generate new revenue streams 		<ul style="list-style-type: none"> Providing alternative payment channels such as QRPay Reducing serving time and turnaround time (TAT) through process automation Improved digital banking experience via refreshed M2U app User Interface/User Experience (UI/UX) and Straight Through Processing (STP)-enabled capabilities. Refer to 'Going Digital' on page 58 for further details
Opportunity & Risk: Evolving skillsets amidst intense talent competition and drive for better performance and productivity	<ul style="list-style-type: none"> Up-to-date skills required to serve customers in a technology-driven environment Highly sought after talents (i.e.: effective and quality salespeople) increases recruitment cost Technology enhancements enable employees to perform more effectively and efficiently 		<ul style="list-style-type: none"> Upskilling for relevant skillset requirements in line with technological developments Effective two-way communication through performance management, townhall and regional roadshows to bolster corporate culture and provide on-ground feedback for business growth Instilling and upholding T.I.G.E.R values
Opportunity & Risk: Greater emphasis and requirements surrounding governance, regulation and risk management	<ul style="list-style-type: none"> Increased regulations surrounding banking products (e.g.: credit cards) impacts fee income Heightened risk of data theft and fraud can potentially create reputational risk Intensified scrutiny and regulations surrounding Anti-Money Laundering and Terrorism Financing and Foreign Exchange Administration 	 	<ul style="list-style-type: none"> Creating employee awareness of new governance guidelines/regulations and the consequences of breaching through compulsory e-learning and specific courses for relevant personnel Educating employees to ensure continuous compliance with regulatory requirements Embedding technological innovations in our systems to enhance risk mitigation and generate cost efficiencies, i.e.: our fraud detection system and credit decisioning platform

OUR OPERATING LANDSCAPE

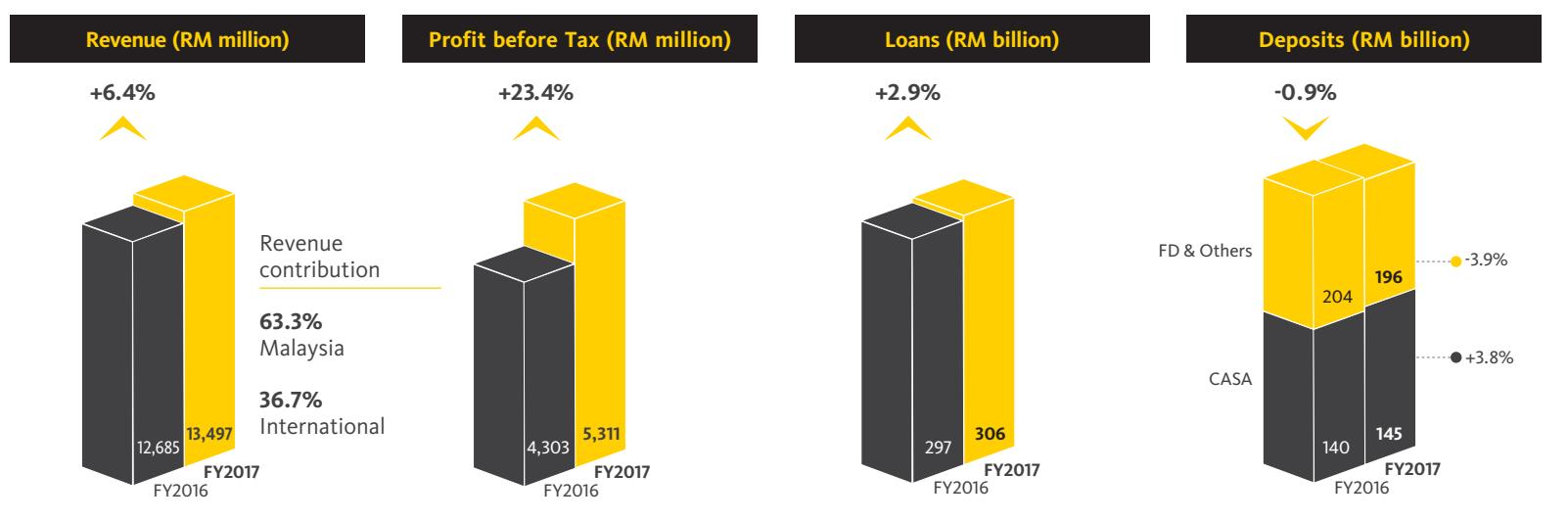
MALAYSIA

- Stronger economic conditions from growth in domestic and external demand
- Growing need to keep up with innovation from the digital space
- Competitive market for talents requiring constant review of remuneration and target setting
- Tighter competition for deposits, especially among SME and BB entities

INTERNATIONAL

- Greater expansion and growth in Singapore's economy
- Heightened competition in local banks' offerings and entrance of foreign banks into the Singaporean mortgage loan market
- Indonesian government's regulation on cards' interest rates capping
- Heightened loan pricing competition in Indonesia, particularly for mortgage, SME and BB loans
- Sustained growth in digital penetration in Cambodia and the Philippines

REGIONAL FINANCIAL PERFORMANCE FY2017



KEY PERFORMANCE HIGHLIGHTS

GCFS profit before tax (PBT) rose 23.4% to RM5.31 billion arising from:

- Higher income as net fund and fee based income rose by 6.9% and 4.8% respectively. This was supported by robust loans growth across Malaysia, Singapore and the Philippines and growth in investment and bancassurance fees.
- The rise in net fund based income was predominantly driven by NIM management as our loans portfolio grew and we managed our blended funding cost. Total GCFS loans grew by 2.9%, mainly from growth in SME and consumer of 8.2% and 4.3% respectively. SME growth was mainly from term financing. Consumer loans growth was led by mortgages, which makes up 40% of Group CFS loans, growing at 5.9% while auto financing grew steadily at 4.9%.
- Our emphasis to grow current and savings accounts (CASA) yielded growth of 3.8%, although total deposits reduced by 0.9% as we reduced dependency on more costly fixed deposits.
- Net fee based income rose by 4.8% mainly from our Banca and trade business.
- Net impairment losses reduced by 40.7% on better asset quality management through regular risk assessments.

In MALAYSIA, net income growth was up 8.5% YoY as:

- NIM strengthened on loans growth of 4.8% as we grew our cheaper funding, CASA, at 2.0%. Loans growth was led by SME growth of 18.3% (Industry: 4.7%), mortgage growth of 7.6% (Industry: 8.7%) and automobile financing growth of 5.3% (Industry: -0.8%).

- We maintained our consumer CASA industry leadership position with a market share of 25%.
- Net fee based income growth was supported by higher investment and bancassurance fees as a result of better advisory capabilities from pairing of Insurance Advisor and Wealth Consultant to support our sales team.
- While loans and deposits growth were managed through well-planned strategies and enhanced product propositions, we remained mindful of asset quality management and constantly looked for cost optimisation opportunities.

Net income growth for our INTERNATIONAL markets was 3.0% YoY. Growth was mixed in different markets as:

- In Singapore, NIMs improved as loans expanded by 6.9% while CASA growth was strong at 18.3% in its local currency. This was led by the focus on payroll customers as well as low cost CASA with the introduction of various new savings products to attract new CASA.
- For Indonesia, loans base contracted slightly due to price competition and slowdown in the consumer sector. We remained vigilant on our pricing strategy to grow our customer base within our risk appetite.
- Meanwhile, our other international retail franchises, mainly the Philippines and Cambodia, reported a steady income growth of 9.3%. This was led by robust consumer loans growth of 17.6%.
- Key initiatives in 2017 include strengthening cross-border financing and investment opportunities for our affluent customers with international banking needs and cross-border referrals made available for SME and Business Banking clients who require banking services beyond their home market.

GROUP COMMUNITY FINANCIAL SERVICES

FOCUS AREAS FOR 2017

ADVANCES IN OUR WEALTH BUSINESS

Wealth management was identified as one of the key strategic priorities for our retail business given the growth of the affluent segment across ASEAN. Our regional wealth franchise, under the helm of Group Wealth Management and its centre of excellence, contributes over 26% of total GCFS' net income in 2017. In FY2017, our wealth segment grew 19.2% YoY in net income. Total financial assets under management grew by 7.8%, reaching RM278.2 billion for FY2017. We are currently serving approximately 650,000 wealth customers.

The strength of our wealth management growth was based on tailored offerings to our private, premier and privilege customers. We focus on building meaningful relationships with our customers, tailoring our products and services according to their changing needs across their lifespan. We not only seek to help customers protect their wealth, but aim to deliver consistent returns for them. We also increased our customer reach in Malaysia through Virtual Relationship Managers, who cater to our affluent customers who are banking digitally while maintaining the human interaction between the customer and the bank. This is the third consecutive year that we have received the Asian Private Banker awards for Best Private Bank in Malaysia for delivering seamless and differentiated customer experience.

SIGNIFICANT STRIDES IN OUR REGIONAL RETAIL SME BUSINESS

The Regional Retail SME business aims to provide "easy access" and "hassle-free" financing tailored to small business owners. We also pride ourselves in providing fast best-in-market approvals for customers, with average TAT of 5 to 13 days. This is done through our improved risk framework and re-engineered business processes adopted across the region. Our unique value propositions, product offerings through campaigns and collaboration with local agencies improved our brand awareness and allowed us to connect with small businesses that are aspiring to meet their full growth potential. As a result, we saw a net income growth of 8.3% in FY2017, underpinned by loans growth of 8.2%. Our Retail SME business was also awarded the Best SME Bank of the Year in Malaysia in 2017 by Alpha Southeast Asia.

GOING DIGITAL

Keeping abreast with digital evolution, we continue to innovate using digital technology to enrich our customers' experiences, enhance our cost efficiencies for customer service and create tomorrow's solutions. With this, the Maybank2u (M2U) app was redesigned to be more user-friendly, making it easier, faster and more convenient for customers to transact anytime, anywhere. Its enhanced features allow customers to get instant access to their balances and an aggregated balance of all accounts, leveraging on fingerprint, face and voice multi factor authentication technology. With the enhanced offerings, we were awarded the Best Digital Bank and Best Mobile App in Malaysia at the World Finance Digital Banking Awards 2017 with over 4.6 million unique M2U visitors monthly. We intend on replicating this service to our other key markets progressively.

We also recognise the increasing importance of data analytics. Starting with Malaysia, we have used data analytics to tap opportunities and further our customer reach with targeted offerings tailored to their specific needs. We will continue to build on this intelligence and adopt it in other markets.



Our GCFS leaders, Mr. B. Ravintharan (Head, Regional Cards), Datuk Lim Hong Tat (Group Head, CFS) and Datuk Hamirullah Bin Boorhan (Head, CFS Malaysia) receiving awards at the 4th Cards & Electronic Payments International Awards, amongst the various awards garnered by GCFS in 2017.

OUTLOOK AND PRIORITIES FOR 2018

Moving into 2018, we expect growth momentum to be sustained in most markets we operate in, backed by improving economic indicators such as stabilising crude oil prices, resilient export numbers and stronger domestic consumption. Meanwhile, banks will continue to be challenged by the rising change in the dynamics of delivering banking solutions. This includes the need for sharper, more innovative products and services to be distributed through physical infrastructure and virtual channels.

Priorities for 2018:

Stimulating revenue growth through greater customer centricity and digitisation

- Further enhance our product propositions to better serve our customers, leveraging on our local and regional network
- Enriching customer experience through enhanced digital platforms
- Enable STP capabilities across our range of products
- Leveraging on data analysis to scale up customer penetration and sharpen product offerings
- Future-enable our people for digitisation

Continuous costs management

- Managing costs rigorously through centralisations and productivity improvements
- Enhancing digital capabilities via straight-through processing to lower costs to serve and strengthen digital sales

Mitigating risks with sound asset quality management

- Continuing efforts to improve asset quality management
- Growing customers within the Bank's risk appetite
- Prudent pricing strategies in view of new accounting standards

 For our Digital Milestones, refer to the Digital Bank of Choice on page 69

GROUP GLOBAL BANKING

Maybank Group Global Banking (GGB) is one of ASEAN's leading wholesale and investment banking franchise providing a wide range of financial services to corporations, governments, financial institutions and individuals. Our geographical presence includes all 10 ASEAN countries, China as well as key financial centres of New York, London and Hong Kong.

Our client-centric business model is anchored on our Client Coverage team, who acts as single point of contact for both domestic and regional clients and supported by product specialists to deliver innovative and customised end-to-end financial solutions. GGB combines local expertise with regional capabilities to provide consistent and integrated financial solutions to its clients across the region.

WHAT WE DO

- INVESTMENT BANKING
- GLOBAL MARKETS
- CORPORATE BANKING
- TRANSACTION BANKING
- ASSET MANAGEMENT

Investment Banking & Advisory

A market leader with consistent top-tier ranking in major league tables, we provide a full spectrum of capital market products, debt arrangement and advisory services. The capital market products we offer include Initial Public Offerings (IPOs), Rights Offerings, Placements and Convertible Securities. For debt arrangement, we provide Project Financing, Leverage Financing and Loan Syndication, while our advisory services encompass Debt Advisory, Corporate Finance Advisory, Merger and Acquisition (M&A), Sector Advisory and Strategic Advisory.

Equities

We are one of the largest brokerage firms in ASEAN providing retail and institutional securities broking services and equity derivatives supported by our innovative digital platforms and award-winning research teams in ASEAN-6, India and Hong Kong.

We facilitate client transactions through our comprehensive range of treasury products and services which include foreign exchange, money market instruments, fixed income securities, currency/interest rate derivatives and other structured solutions.

We offer a wide range of funding solutions from short-term working capital financing to complex lending solutions such as cross-border project financing, syndicated loans and bridging loans.

Cash Management

We provide cash management solutions ranging from payment and collection services as well as liquidity management.

Trade Finance

We offer a comprehensive suite of trade and supply chain financing products and solutions.

We provide a diverse range of multi-asset investment solutions, both conventional and Islamic, through the Group's fund management and private equity division.

► KEY ACHIEVEMENTS IN 2017

Bridging the infrastructure gap in ASEAN, through successfully completed project finance deals in Malaysia, Singapore, Indonesia and Indochina

Facilitated greater regional connectivity through landmark cross-border deals

Maintained No. 1 wholesale bank position in Malaysia by market share and sustained our position as Thailand's No. 1 brokerage house

Ranked 1st in Global Sukuk and ASEAN Loan Syndication and 2nd in ASEAN Local Currency Bonds in Bloomberg League Tables

Leading ASEAN and Malaysian wholesale and investment bank based on numerous accolades received

 For GGB's Key Awards and Recognition, refer to page 150

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Our Strategy to Create Value
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Financial Capital
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Intellectual Capital
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Manufactured Capital
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Human Capital
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Ensuring Responsible Governance
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Social & Relationship Capital
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Other Information
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AGM Information
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GROUP GLOBAL BANKING

OUR STRATEGIC OBJECTIVE

GGB's vision of becoming the Leading ASEAN Wholesale Bank Linking Asia centres on us being our clients' trusted financial partner that enables progress across ASEAN. To us, this means a continuous commitment to create sustainable value for our customers and other stakeholders through our key differentiators.

Stakeholder Expectations

INVESTORS



Delivering Sustainable Returns
We deliver consistent returns to our shareholders through efficient and effective operations.

CUSTOMERS



Fostering Local and ASEAN Champions
We are a partner that sticks with our customers through thick and thin. We chart solutions together through challenging times and proactively connect our customers with regional growth opportunities.

Gateway to ASEAN
Our on-the-ground relationships across our extensive regional network is a truly unique proposition that assists our clients to grow in the ASEAN region. Through Maybank's knowledge and in-depth insights of ASEAN, we build strong regional partnerships.

NOTABLE DEALS

Malaysia

- ▶ Joint Lead Arranger, Joint Lead Manager and Joint Bookrunner for PRIMA Corporation Malaysia's RM5 billion Islamic Medium Term Notes Programme.
- ▶ Joint Principal Adviser, Joint Lead Arranger, Joint Lead Manager and Joint Bookrunner for Tenaga Nasional Berhad's RM5 billion Islamic Medium Term Notes Programme.
- ▶ Joint Lead Arranger and Joint Lead Manager for Quantum Solar Park (Semenanjung) Sdn Bhd's RM1 billion Green SRI Sukuk, the largest green sustainable and responsible Sukuk in the world.
- ▶ Mandated Lead Arranger for Pengerang Terminals (Two) Sdn Bhd's USD1.25 billion Syndicated Term Loan Facility.
- ▶ Joint Lead Manager, Joint Bookrunner and LFX Listing Agent for Press Metal Berhad's USD400 million High-yield USD Senior Fixed Rate Notes.
- ▶ Joint Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for Eco World International Berhad's RM2.5 billion IPO.
- ▶ Sole Principal Adviser for the listing of Sime Darby Plantation Berhad and Sime Darby Property Berhad, with a total deal value of RM42.23 billion.

International

- ▶ Indonesia: Mandated Lead Arranger, Bookrunner, and Underwriter for Star Energy Geothermal's USD660 million Syndicated Term Facility.
- ▶ Singapore: Sole Mandated Lead Arranger and Bookrunner for Oxley Gem Pte Ltd's SGD585 million Syndicated Term Loan and Revolving Credit Facilities.
- ▶ Philippines: Joint Issue Manager, Joint Lead Underwriter and Joint Bookrunner for Doubledragon Properties Corporation's PHP9.7 billion Fixed Rate Bonds.
- ▶ Philippines: Financial Adviser for Petronas Dagangan Berhad in the disposal of Petronas Energy Philippines Inc. and Duta Inc. to Phoenix Petroleum Philippines Inc., with a total deal value of RM541.4 million.
- ▶ Thailand: Joint Financial Adviser, Joint Global Coordinator, Joint International Bookrunner and Joint Domestic Underwriter for TPI Polene Power Pcl's THB17.5 billion IPO, the largest in Thailand as at listing since 2015.
- ▶ Saudi Arabia: Joint Lead Manager and Joint Bookrunner for IDB Trust Services Limited's USD1.25 billion Islamic Trust Certificate Issuance.

MATERIAL RISKS AND OPPORTUNITIES

Material Risks & Opportunities	How It Affects Us	Our Response
Opportunity & Risk: Sustained economic growth in our operating region supported by strong global demand, domestic consumption and investments	<ul style="list-style-type: none"> • Better business sentiment led to increased demand for fund raising activities and working capital solutions • Improved investor sentiment arising from strong financial markets' performance boosted our brokerage business • Recovery in asset quality performance although pressure from some industries such as oil and gas persisted 	<ul style="list-style-type: none"> • With our ASEAN footprint and expertise combined with strong balance sheet, we continued to support our clients, especially in infrastructure investments and cross border financing. Refer to 'Focus Areas for FY2017' on page 62 for more details • Further tightened asset quality monitoring. Refer to 'Regional Financial Performance FY2017' in the following page for more details
Opportunity & Risk: Evolving digital trends and entry of new digital players	<ul style="list-style-type: none"> • Technology is rapidly transforming the brokerage industry and reshaping how our clients trade and how we connect with them 	<ul style="list-style-type: none"> • We continued to invest in our digital platforms emphasising on customising client experience. Refer to the Digital Bank of Choice on page 69
Opportunity & Risk: Regulatory changes	<ul style="list-style-type: none"> • The MFRS 9 impairment methodology requires banks to adopt a more prudent approach by factoring in credit cost provisions for potential losses 	<ul style="list-style-type: none"> • We continued to build a diverse loan portfolio while maintaining pricing discipline. We also proactively managed the quality of our assets to reduce credit losses upon its implementation

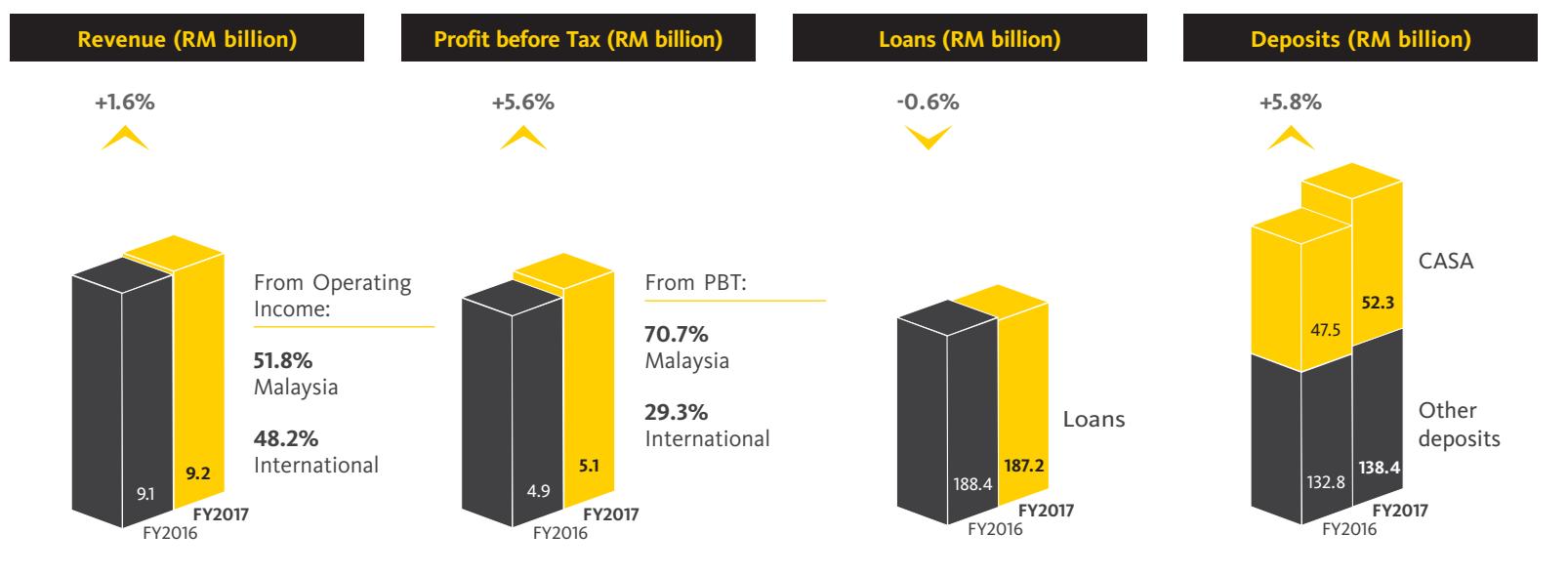
OUR OPERATING LANDSCAPE

MALAYSIA

- Positive momentum in financing projects with a continual infrastructure focus by the government.
- Subdued oil price in 1H 2017 continued to impact oil & gas (O&G) players.
- Opportunities for investment banking in Singapore as the government emphasised on technology adoption and heightened regional competitiveness.
- Concern on asset quality in Singapore's O&G sector.
- Defensive stance adopted in equity market amidst volatility.
- Foreign appetite on local government bonds remain tepid in the first ten months of 2017, with a net outflow of RM17 billion, but reversed in November and December with a net inflow of RM10 billion.
- Infrastructure financing opportunities arising from the Indonesian government's commitment to spend.
- While investment and exports picked up, domestic consumption growth in Indonesia was not strong enough.

INTERNATIONAL

REGIONAL FINANCIAL PERFORMANCE FY2017



KEY PERFORMANCE HIGHLIGHTS

GGB profit before tax (PBT) rose 5.6% to RM5.14 billion arising from:

- Total income growth of 1.6% YoY supported by higher net fund based income and lower provisioning cost of 19.5%.
- Net fund based income growth of 5.5% YoY mainly driven by an improvement in net interest margin (NIM) as well as the growth in unrated bonds. There was a slight decline of 0.6% in GGB's loans portfolio as some corporates pared down their loans and tapped the bond market instead.
- Deposits growth was mainly led by improved current and savings accounts (CASA) growth of 10.1%, due to targeted efforts in cross-selling, trade finance and cash management products and services.
- Net fee based income saw a decrease of 3.5% mainly owing to lower income from corporate deals, fees and service charges.
- For 2018, we will focus on institutionalising greater collaboration between business units to improve generation of fee based income.
- Group Asset Management achieved robust performance this year with net operating income growing 80.3% to RM247.38 million, attributed to strong growth in its Asset Under Management (AUM) to RM31.31 billion while Group Investment Banking's equities and debt capital market businesses also recorded growth.
- Loans allowances have decreased by 19.5% due to improved asset quality and partial recovery was made from existing impaired loans.

Net income for MALAYSIA grew by 3.3% YoY:

- On the back of corporate credit growth mainly in term loans, overdraft, shares margin financing and unrated bonds as well as improved distribution of cash management products.
- Better corporate loans income was underpinned by NIM improvement and robust loans expansion of 4.4%, which includes Group Investment Banking loans. Separately, Malaysia's corporate banking asset quality improved, with gross impaired loans ratio reducing to 1.6% in December 2017 from 1.9% a year ago.

Net income for INTERNATIONAL markets recorded a stable performance of RM4.46 billion:

- Mainly arising from income growth in Singapore of 3.0%, Indonesia of 8.5%, and Indochina of 27.6%.
- Singapore's income grew as a result of our efforts to pare down high cost deposits, as well as higher facility, participation and trade bills fees.
- Indonesia's income growth was due to higher net fund income supported by corporate loans growth mostly from sectors such as utilities & infrastructure, financial & insurance, and mining & quarrying.
- In 2017, we continued to make investment in products and headcount capabilities in Indochina to provide service excellence. As a result, we recorded income growth across our broad range of products and services.
- We also grew the income from institutional customers in Indochina, which is a target segment, by 93.9%.
- Meanwhile, impairment costs for our international markets rose slightly, arising from newly classified impaired loans.

GROUP GLOBAL BANKING

FOCUS AREAS FOR 2017

FOSTERING LOCAL & ASEAN CHAMPIONS

By leveraging on our strong global distribution network and our local and ASEAN knowledge, we continued to support our clients' capital and funding needs. We facilitated several landmark local currency and US dollar deals in 2017 that showcased our capabilities. These include TPI Polene Power Pcl's THB17.5 billion IPO, acclaimed to be one of the largest listings in Thailand in 2017 and Press Metal Berhad's USD400 million senior fixed-rate notes issues, the first Malaysian high-yield USD bond issuance in over a decade and the largest ever to-date. Press Metal's issuance was accorded the Best New Bond in Asia for 2017 by The Asset Triple A's Regional Awards.

We also assist our clients in managing their day-to-day operations through our regional franchise that provides a consistent and complete suite of products and services across countries. We help our clients manage their working capital requirements and optimise funding costs through our cash management and trade solutions as well as manage their financial risks through our wide range of treasury products and services. Central to our strategy this year was our focus on identifying and driving client opportunities from cross-selling as well as improving our digital cash management platform. In recognition of our efforts, we were awarded The Most Active FX Bank 2017 by The Financial Market Association of Malaysia (FMAM) and the Best Treasury and Cash Management Provider in Malaysia at the Global Finance Transaction Processing Awards 2017.

GATEWAY TO ASEAN OPPORTUNITIES

Fulfilling our commitment to connect ASEAN to the world, we capitalised on our flagship investors conference, Invest ASEAN, to advocate ASEAN's rich opportunities as a single marketplace and promote the region's most investable companies to global investors. The Invest ASEAN series, held in Malaysia, Singapore and the United Kingdom, saw strong reception in each location which further entrenched our position as a gateway to ASEAN opportunities.

We also managed to successfully facilitate a number of outbound investments from China as the Belt and Road Initiative (BRI) intensified in the region. A good example is the Industrial and Commercial Bank of China (ICBC) Singapore Branch's 5-year USD2b dual-tranche floating rate notes where we acted as the co-manager. We also inked a Memorandum of Understanding (MoU) with China Construction Bank Corp (CCB) for the opening of a ringgit clearing account and to facilitate China interbank bond market activities.

OUTLOOK AND PRIORITIES FOR 2018

Looking at the prospects for 2018, we believe that there is a strong positive outlook for the global economy as a result of a sustained synchronised growth for developed and emerging countries. On the back of moderate inflation, stable commodity prices and rising consumer and business confidence, we expect to see stronger economic growth in our key operating region of ASEAN especially in the areas of domestic demand and capital spending.

Funds from China's Belt and Road Initiative (BRI) will continue to aid the investment environment in ASEAN for 2018, as it enhances regional connectivity and is set to kick-start some major projects across the region. We also see diversification of investments from the BRI into other industries such as technology, chemicals, mining, real estate, health and insurance in 2018.

Firmer global growth will see trade rebounding, and this will catalyse a strong private investment recovery in export-led economies such as Malaysia, Vietnam, Thailand and Singapore as companies expand their capacity to meet rising demands.

GEARING FOR THE FUTURE OF WEALTH AND INVESTMENT MANAGEMENT

To meet ASEAN's emerging middle class demand for wealth and investment management services, we are repositioning our asset management business. In December 2017, we announced our intention to acquire PNB's mutual fund businesses which include Amanah Mutual Berhad (AMB) and Singapore Unit Trust Limited (SUTL). The proposed acquisitions will help to solidify our presence in the retail market of Malaysia and Singapore and will result in the creation of a larger entity with greater investment expertise. In 2017, our Islamic asset management arm won the Best New Islamic Asset Management Company in Malaysia by Global Banking & Finance Review Awards 2017.

PARTNER ASEAN COUNTRIES IN NURTURING ECONOMIC GROWTH

Sustained economic growth in 2017 has led to rising momentum in infrastructure and project investments across ASEAN particularly in Malaysia, Indonesia, the Philippines, Thailand and Vietnam. With our strong balance sheet strength and expertise in project financing, we have supported various clients in the region in search of funding solutions. Notable project financing deals completed in 2017 include:-

- Quantum Solar Park (Semenanjung)'s RM1 billion Green Sustainable and Responsible Investment (SRI) Sukuk issuance for the financing of solar photovoltaic power plants in Kedah, Melaka and Terengganu. The largest solar Sukuk issuance to-date was accorded Best Sustainable Finance Deal in Southeast Asia and Most Innovative Islamic Finance Deal in Southeast Asia 2017 by Alpha Southeast Asia's 11th Annual Best Deal & Solutions Awards, and the Infrastructure & Project Finance Deal of the Year by Islamic Finance News Awards 2017.
- Star Energy Geothermal's award-winning USD660 million Syndicated Term Loan for the acquisition financing of Chevron Corporation's Indonesian geothermal and power operating assets. The largest offshore syndicated deal in Indonesia won multiple awards including Best Leveraged Finance-Backed M&A Deal in Southeast Asia 2017, and Best Deal in Southeast Asia 2017 by Alpha Southeast Asia's 11th Annual Best Deal & Solutions Awards and Best M&A and Best Acquisition Financing by The Asset Triple A's Country Awards 2017 – Indonesia

Priorities for 2018:

- Facilitate businesses to grow across borders by leveraging on our expertise in ASEAN to deliver integrated and end-to-end financial solutions.
- Accelerate fee-income growth from our Transaction Banking and Global Markets businesses by harnessing the vibrant trade environment in ASEAN in 2018.
- Provide more holistic offerings to our clients through an expansion of our wealth and investment management solutions and our innovative digital platforms.
- Further enhance our relationship with our bank and non-bank financial institution clients by scaling-up our Financial Institutions Group.
- Create greater synergies across businesses and functions to enhance delivery of products and services to our clients.

GROUP INSURANCE & TAKAFUL

Etiqa is a multi-channel distributor of life and general insurance as well as family and general takaful products. We offer products and services through our 10,000 strong agency force, 24 Etiqa branches, more than 350 Maybank branches and on our website, which is ranked as Malaysia's No. 1 insurance and takaful website. We operate in Malaysia, Singapore (via Etiqa International Pte Ltd), the Philippines (via AsianLife and General Assurance) and starting 2017, Indonesia (via PT Asuransi Asoka Mas).

OUR STRATEGIC OBJECTIVE

We aspire to be the Leading ASEAN Insurer as part of the Group's Maybank²⁰²⁰ strategic objectives. With a brand promise of 'Humanising Insurance and Takaful', Etiqa aims to make buying insurance 'Fast and Easy' for our customers and to become the leading bancassurance player in the region. We have a medium-term Return on Equity (ROE) target of at least 15% to meet investor needs. To achieve our deliverables to our stakeholders, our key strategic pillars are:

- ▶ Remain the preferred bancassurance partner
- ▶ Revitalise the agency force
- ▶ Improve our digitalisation and omni channel approach
- ▶ Improve operational efficiency via our commitment to always be fast and easy

Ultimately, these strategic pillars form the backbone of our efforts to improve customer experience by offering convenience and first-class delivery of product knowledge while looking to ensure sustainable business growth by tapping into ASEAN's large and young population.

MATERIAL RISKS AND OPPORTUNITIES

Material Risks & Opportunities	How It Affects Us	Our Response
Risk: Regulatory changes (E.g.: Fire insurance tariff liberalisation, IFRS17)	<ul style="list-style-type: none"> Increasingly complex environment 	<ul style="list-style-type: none"> Integrate changes and principles underlying these regulatory developments into our business practises such as capital adequacy management, risk management and customer protection
Opportunity: Liberalisation of general insurance industry in Malaysia	<ul style="list-style-type: none"> Allows for greater freedom in product innovation such as home-content policies for fire insurance 	<ul style="list-style-type: none"> Swiftly offered competitive pricing for motor insurance based on customer's profile
Opportunity: Regional expansion leveraging on the Group's ASEAN footprint	<ul style="list-style-type: none"> Ability to expand our income streams and strengthen our Etiqa brand presence across ASEAN 	<ul style="list-style-type: none"> Acquired a 75% stake in general insurer PT Asuransi Asoka Mas in September 2017, in line with our regional expansion strategy to improve our bancassurance and online channel penetration Foray into bancassurance for our operations in the Philippines

► KEY ACHIEVEMENTS IN 2017

Record topline and profit before tax of RM6.19 billion and RM1.01 billion respectively	Strong growth in bancassurance business of over 23.8% YoY	Top online insurer in Malaysia with >70% market share	Top 5 Life Insurance/ Family Takaful provider and Top 2 General Insurance/ General Takaful provider in Malaysia	Regional business expansion of Etiqa with bancassurance business growth into the Philippines and a 75% stake acquisition in Indonesia's PT Asuransi Asoka Mas
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GROUP INSURANCE & TAKAFUL

OUR OPERATING LANDSCAPE

MALAYSIA

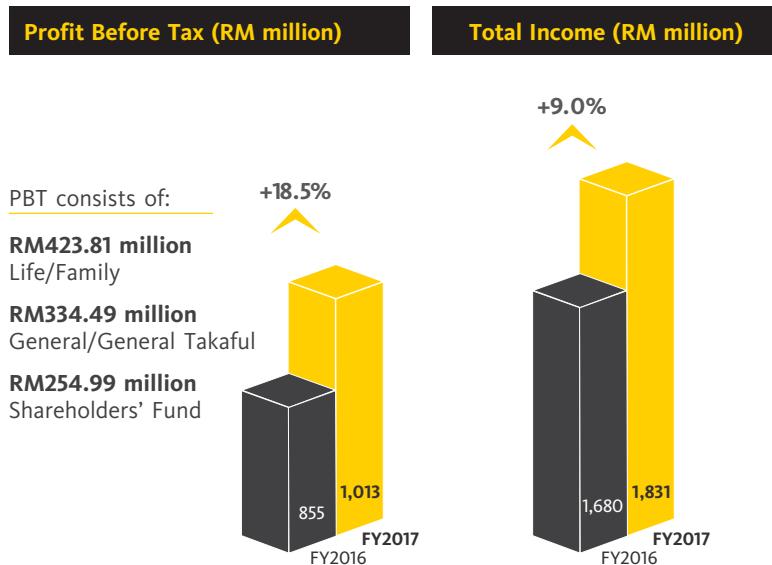
- ▶ Motor insurance tariff liberalisation
- ▶ Slowdown in the oil and gas industry which affected corporate customers

INTERNATIONAL

- ▶ Growth opportunities for bancassurance products in Indonesia
- ▶ Strong growth in Singapore, especially in life insurance segment

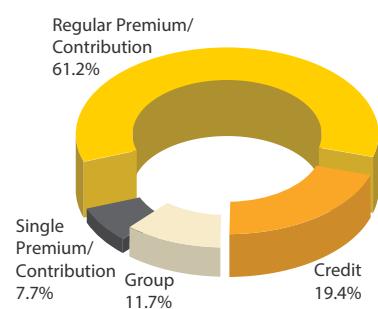
- ▶ Preparation to legally separate Etiqa's Life Insurance/Family Takaful and General Insurance/General Takaful businesses under the Financial Services Act (FSA) and Islamic Financial Services Act (IFSA)

REGIONAL FINANCIAL PERFORMANCE FY2017

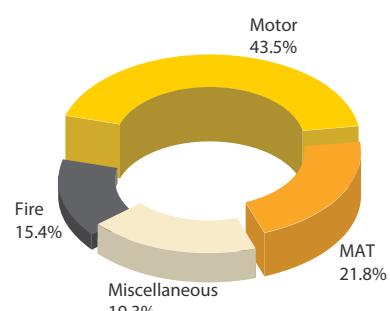


The contribution of business from the various segments is shown below:

Life Insurance/Family Takaful FY2017



General Insurance/General Takaful FY2017



KEY PERFORMANCE HIGHLIGHTS

Group Insurance and Takaful's PBT was higher by 18.5%, hitting a record RM1.01 billion driven by:

- Combined gross premiums grew by 12.3% to RM6.19 billion in FY2017 from RM5.51 billion.
- This was supported by a 29.9% increase in Life/Family business owing to a strong growth in regular premiums. This was riding on the success of our insurance advisor strategy, where support was provided to professional financial advisors and relationship managers to specialise in insurance.
- The general insurance/takaful business, however, was impacted by a decline in the Marine, Aviation and Transit (MAT) segment, following slower capital expenditure in the oil and gas industry.
- Total assets increased by 4.3% YoY to RM34.47 billion for FY2017 from RM33.04 billion.
- Overall, gross premium for conventional insurance rose by 15.3% YoY to RM3.62 billion. This contributed 58.9% to Etiqa's total gross premium/contribution. Meanwhile gross contribution from takaful grew by 8.4% YoY to RM2.56 billion in FY2017.

In MALAYSIA, PBT growth was up 19.4% YoY to RM947.54 million:

- Mainly contributed by the rise in investment income and a favourable underwriting experience for Family Takaful business but moderated by lower underwriting profit from general business.
- Combined gross premiums increased by 5.9% to RM5.05 billion in FY2017 from RM4.77 billion.
- Etiqa Takaful Berhad continued to be the top player in the general takaful segment with a market share of 58% and ranked third with a 9% market share for family takaful adjusted new business (source: Insurance Services Malaysia's Statistics for 12 months ended 30 September 2017).

In our INTERNATIONAL markets, PBT growth for Singapore and the Philippines were 50.7% YoY and 46.4% YoY respectively:

- Our Singapore PBT growth to SGD8.30 million was driven by strong investment performance and disciplined expense management.
- Life premiums grew by 71.5% YoY to SGD246.93 million due to strong sales of single premium products to the High Net Worth (HNW) segment.
- Meanwhile, Philippines' ALGA PBT grew to PHP256.57 million due to higher underwriting profit and investment income.
- Growth of 29.8% in gross premium was driven by higher first year premiums and renewals on the back of higher medical insurance premium growth.

FOCUS AREAS FOR 2017

TO REMAIN THE PREFERRED BANCASSURANCE PARTNER

We introduced the Insurance Advisor (IA) programme and revamped our sales force for bancassurance. The IAs reinvigorated bancassurance sales in both Maybank branches and Premier Wealth Centres, leading to a 90% increase in sales productivity between 2015 and 2017. In the span of a year, our bancassurance business increased by 24% in 2017. We focused our efforts on regular premiums targeting the affluent market. We also equipped bank staff with iPads, allowing a straight-through-processing (STP) of insurance applications and sales to better serve our customers and to further the digitalisation of Etiqa.

We entered the Indonesian market in 2017, through our acquisition of a 75% stake of general insurer PT Asuransi Asoka Mas. The acquisition is a gateway into the Indonesian market, as part of our longer term strategy to grow our bancassurance business across ASEAN.

OUR DIGITAL APPROACH

In 2006, Etiqa was one of the first insurers to sell products online. This pioneering spirit paid off with Etiqa still being the top online insurer in Malaysia with a market share of above 70%. In 2017, we refreshed our websites in Malaysia and Singapore to offer more products as well as to make the experience of buying insurance online ‘Fast and Easy’. Our collaboration with RinggitPlus, a Fintech company, and MyEG, a B2G and C2G portal, enabled Etiqa to improve the accessibility of digital insurance to Malaysians.

We also launched Etiqa’s online customer portal, which provides 24/7 live chat services and self-service functions for non-financial policy changes, for greater customer convenience.

REVITALISING THE AGENCY FORCE

The life insurance and family takaful agency force was revitalised in 2017. The outcome of this revitalisation led to the life insurance business seeing more than 50% of its new business coming from Investment Linked Products while the Family Takaful agency more than doubled its number of Million Dollar Round Table (MDRT) agents from the 12 agents in 2016.

IMPROVING OPERATIONAL EFFICIENCY

We also adopted the ‘Fast and Easy’ motto in our backroom operations. To enhance our customer claims experience, we launched the Premier Etiqa Panel Repairer accreditation and Own Damage Express, which aims to reduce the TAT for claims approval from the industry standard of three days to 30 minutes. As a result, we received the “Best Takaful Operator Award 2017” for Best Turnaround Time in Motor Claims by Motordata Research Consortium (MRC).

With a dedicated Claims Careline and Auto Assist App, Etiqa offers round the clock emergency assistance for its policy/certificate holders. We improved our motor vehicle insurance/takaful experience via the Enhanced Etiqa Auto Assist Programme, in an effort to provide seamless motor services to our customers, in line with the liberalisation of the motor insurance industry. This programme will benefit over 1.3 million motor customers who hold 1.5 million motor insurance policies. Policyholders are entitled to free towing services of up to 200km to the nearest panel workshop within Malaysia,

Singapore, Thailand, and Brunei; and alternative travel assistance including arrangements of taxi, hotel reservation, or car rental in the event of a car breakdown or accident. Etiqa has over 560 panel workshops for motor repairs and more than 300 panel workshops for windscreen repairs across the country.



Lee Hin Sze (CFO, Group Insurance and Takaful) and Siti Nita Zuhra (CBO, Maybank Ageas Holdings Berhad), accepting the TOP (The Outstanding Partner) business partner for SMEs award in the ‘Most Preferred General Insurance’ category as awarded by the Malaysia SME Media Group.

OUTLOOK AND PRIORITIES FOR 2018

The improved economic outlook for 2018 will remain the backbone of Etiqa’s continued growth. We will further strengthen our bancassurance annualised premium equivalent by expanding the IA model, growing our agency force, and adding more services to our online sales channel. For 2018, we will be introducing new value-added products and widening our footprint in ASEAN.

Among the products we will launch include investment linked products, which will benefit if the equity market and the ringgit strengthens in 2018. We will also be introducing medical and retirement products to meet rising demand as the population ages and the cost of medical services continues to rise.

Moving forward, the Malaysian insurance/takaful sector is expected to continue its growth fuelled by various initiatives under Transformasi Nasional 2050 (TN50) and other stimulus packages from the government, which will ultimately translate into stronger demand for insurance and takaful products.

Priorities for 2018:

- Increase sales from regular premium and personal accident products via bancassurance
- Establish partnerships with digital insurance distributors
- Continue to reinvigorate our agency force
- Make our processes ‘Fast and Easy’ using automation and data analytics

GROUP ISLAMIC BANKING

Group Islamic Banking delivers Shariah-compliant solutions across the CFS and GB business lines, operating in Malaysia, Indonesia, Singapore, Hong Kong, Labuan, London and Bahrain.

OUR STRATEGIC OBJECTIVE

In line with our aspiration to be the Global Leader in Islamic Finance by the year 2020, we strive to be at the forefront of the industry and become a well-respected market leader in our home markets and globally. Our global leadership agenda is premised on preserving the values of our ASEAN roots whilst creating a strong global presence, enhancing financial profitability through responsible and sustainable measures, becoming a leader in innovation and contributing to the Islamic Finance industry through Thought Leadership.

Stakeholder Expectations

ENHANCING CUSTOMER EXPERIENCE	BEING AT THE HEART OF THE COMMUNITIES THAT WE SERVE
 <ul style="list-style-type: none"> Provide meaningful solutions that create value to customers and forging lasting relationships. Enable an enhanced and efficient customer experience platform through simpler processes and digitalisation. 	 <ul style="list-style-type: none"> We remain committed to continue our role in driving sustainable initiatives that will elevate quality of life, empower the underserved and ensure financial inclusion.

Material Risks & Opportunities	How it Affects Us	Our Response
Opportunity: Push for sustainable and impact based financing by regulatory authorities under Value Based Intermediation (VBI) initiatives	Increased regulatory reporting requirements and assessment on VBI related initiatives	 <ul style="list-style-type: none"> Initiated a community food distribution programme called Ramadhan Relief programme Continue to empower SMEs through the Bumiputera Entrepreneur Excellence (BEE) programme Promote Green Technology Financing Scheme (GTFS), a scheme that provides financing to companies that supply and utilise green technology Continue to develop our employees to have the right skillsets
Opportunity: Significant growth potential for Trade Finance facilitation to support Halal trade	<ul style="list-style-type: none"> Emerging awareness and interest in Halal goods and products are increasing global Halal trade and will impact demand for Islamic Trade Finance solutions 	<ul style="list-style-type: none"> Simplification of Trade Finance documentation and processes to facilitate faster turnaround time for customers We are embarking on synergistic partnerships with regulators and policy makers to create a conducive ecosystem for Islamic Trade Finance to thrive

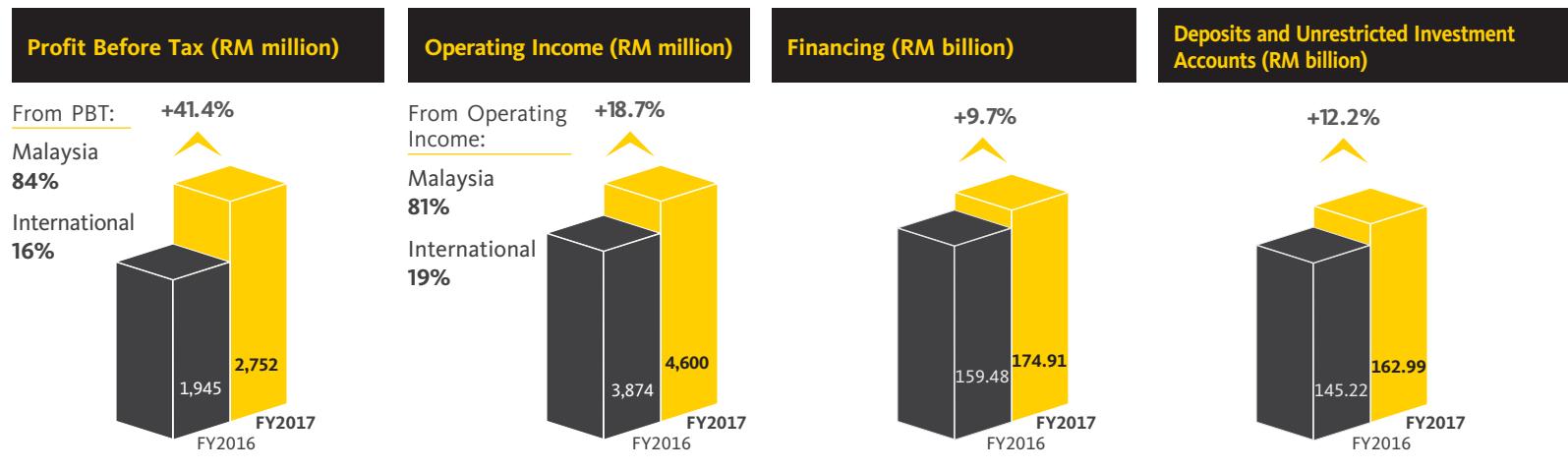
► KEY ACHIEVEMENTS IN 2017

We continued to dominate the domestic Islamic banking market by further enhancing our financial profitability, global presence, product innovation and Centre of Excellence.	We increased our regional presence and penetrated more markets. Maybank Indonesia's Unit Usaha Syariah (UUS) is the leader among all UUS in the country.	Maybank solidified its reputation as a leading Sukuk arranger and ranked first in the Global & Malaysia Ringgit Sukuk League Table for FY2017.	We continued to be the catalyst for innovation with continued emphasis on product differentiation and Shariah research initiatives.
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OUR OPERATING LANDSCAPE IN 2017

MALAYSIA	<ul style="list-style-type: none"> Sustained growth in consumer financing amidst higher cost of living and deposit rate competition 	<ul style="list-style-type: none"> Increased attention towards sustainable financing and strong support by regulatory authorities for VBI initiatives, which promote sustainable and impactful investments
INTERNATIONAL	<ul style="list-style-type: none"> In Indonesia, increased awareness and growth in Islamic Finance arising from Islamic Finance blueprint release and encouragement from the authorities 	<ul style="list-style-type: none"> In Singapore, financing growth supported by domestic economy recovery and pick-up in its property market purchases

REGIONAL FINANCIAL PERFORMANCE FY2017



KEY PERFORMANCE HIGHLIGHTS

MGIB profit before tax (PBT) rose 41.4% to RM2.75 billion arising from:

- Financing for MGIB grew by 9.7% to RM174.91 billion from the last financial year. This was supported by good YoY performance from Malaysia.
- The growth in financing was supported with the growth in total deposits and Unrestricted Investment Accounts (UA) by 12.2% YoY to RM162.99 billion. The growth was mainly contributed from Malaysia.

In Malaysia, PBT growth was up 27.2% YoY as:

- Total income rose 12.3% to RM3.82 billion as financing grew 9.1% YoY to RM163.56 billion. The growth in financing was mainly led by Mortgage, Corporate and SME financing.
- As a result of the financing growth, Maybank Malaysia's Islamic contribution to Maybank Malaysia's total loans and financing portfolio has increased to 56.9% from 54.5% a year ago.
- Meanwhile, total deposits and UA growth was 11.8% YoY to RM154.45 billion. The growth was mainly driven by CASA and Term Deposit.
- We have continued to maintain our domestic market share leadership with total assets, financing and customer deposits including investment account of 31.0%, 33.8% and 30.4% respectively.

Total Asset growth for our international markets was 24% YoY. Growth was mixed in different markets as:

- In Indonesia, Maybank Indonesia's Unit Usaha Syariah (UUS) continued to record an impressive performance. Total assets increased by 16.7% and total financing rose 48.0% and its total deposits grew 52.6% YoY. Asset quality improved significantly with the Non-Performing Financing (NPF) level at 3.0% in 2017 compared to 4.4% in the previous year. The YoY PBT growth of 33.0% for the Bank was attributed by strong growth in financing.
- For Singapore, financing grew by 11.9% YoY predominantly backed by Overdraft, Auto and Mortgage Financing. Deposits registered a 8.7% growth YoY as a result of higher CASA balances recorded for the year. The additional impairment provisions made for oil & gas related exposures resulted in a drop in PBT for FY2017.

FOCUS AREAS FOR 2017

STRENGTHENING OUR GLOBAL PRESENCE

We are driven by our desire to ensure our stakeholders are assured a world class and industry leading Islamic Financial service. We have maintained our position as the largest Islamic Finance provider in Malaysia and Asia Pacific. Globally, we rank among the fifth largest Islamic financial institutions in the world by assets.

PIONEERING INNOVATION

Our commitment to drive value-based solutions to customers are demonstrated through the following services and offerings:

- Rent-to-own or HouzKEY: An alternative solution to own a home by bridging the gap between the renter's market and the existing home financing market.
- Maybank Islamic Mastercard Ikhwan: The card that provides an allocation to charity and give customers the opportunity to perform umrah.
- Joint venture agreement with Perak Islamic Religion and Malay Customs Council (MAIPk) to develop the state's waqf (endowment) boat project.
- Championed the development of the Green Sukuk and Sustainable and Responsible Investment (SRI) Sukuk market with the closing of a jointly lead RM1.00 billion Green SRI Sukuk issuance, in line with the Malaysian regulators' initiative to develop it.

FORTIFYING OUR CENTRE OF EXCELLENCE (COE)

We championed Thought Leadership programmes that will enable further understanding on the virtues of Islamic Finance via our Centre of Excellence platform. In 2017 we participated in the following COE programmes:

- Securities Commission-Oxford Centre of Islamic Studies Roundtable on Risk Sharing & Sustainable Finance in March 2017.
- MIB-Warwick University Knowledge Exchange Workshop in Coventry, London on Value Based Intermediation (VBI) in September 2017.
- University of Oxford's OCIS on Perspectives of Islamic Finance Discussion Series in December 2017.

OUTLOOK & PRIORITIES FOR 2018

- To diversify our underlying asset for our Unrestricted Investment Account, grow our Islamic Wealth Management portfolio and to further develop Islamic Trade Finance and Islamic Capital Market.
- To develop distribution capabilities in the GCC, which can benefit our Sukuk, Syndicated Financing and Trade Finance position in the region.
- To focus on building capacity and harness Thought Leadership initiatives in order to pioneer ideas that will enhance our social and economic platforms.

THE DIGITAL BANK OF CHOICE

The future is in digitalisation. Recognising this trend and its exponential growth, we have been accelerating our digital innovation efforts to stay ahead in the present disruptive environment. Our digital initiatives pervade all our business segments, centering on our focus to enrich our customer offerings and improve customer experience, invest in strategic capabilities that will carry us into the new digital age as well as to help build and participate in the development of the digital ecosystem. The digital groundwork we have laid so far places us well to harness the benefits of faster service, lower operational costs, increased productivity and improved customer service.

OUR STRATEGIC OBJECTIVE

We aspire to be the Digital Bank of Choice as part of the Group's Maybank²⁰²⁰ strategic objectives. To achieve this, we leverage on our extensive and long-standing client relationships to better understand our customer needs and expectations, and based on the insights obtained, we develop customer-centric digital financial solutions, utilising the expertise of our dedicated, in-house R&D team. Meanwhile, we have also invested in the upskilling of our employees to help ensure that we are future-proofing our people while promoting a culture of innovation and mobility for the sustainability of the organisation and our people. We are committed to creating long-term value for our various stakeholder groups, such as customers, employees and shareholders.

Stakeholder Expectations

CUSTOMERS	EMPLOYEES	INVESTORS
 <p>Faster and better customer experience</p> <ul style="list-style-type: none"> Hassle-free and convenient banking experience Understanding customer expectations and reinventing their user experience with us 	 <p>Empowering our employees</p> <ul style="list-style-type: none"> Upskilling employees with digital skillsets that future-proof them. More details can be found under Group Human Capital on page 82 Incorporating automation and digital initiatives groupwide to improve productivity 	 <p>Improving shareholder value</p> <ul style="list-style-type: none"> The Group maintains disciplined spending on new technologies by focusing its resources on initiatives that will improve customer experience and result in sustainable income streams Process and service optimisation through automation will yield cost savings for the organisation

MATERIAL RISKS AND OPPORTUNITIES

Material Risks & Opportunities	How It Affects Us	Our Response
Opportunity: The central bank continues to craft pro-electronic banking policies	<ul style="list-style-type: none"> The traditionally cash-based society presents vast opportunity for the growth of our online customer base and revenue 	<ul style="list-style-type: none"> Designed useful and 'sticky' app to maintain and increase our market share
Opportunity & Risk: Technology advancements have drastically transformed customer expectations and bank-client relationships	<ul style="list-style-type: none"> Need to invest in digital capabilities and clientele relationship management or risk losing market share 	<ul style="list-style-type: none"> Rapid experimentation and introduction of innovative digital solutions through our in-house R&D team Reinvented the way we approach and engage our customers in order to remain relevant. For example, P2P festive money transfers
Opportunity & Risk: Disruptive technologies enable the entry of non-traditional competitors leading to increased competition	<ul style="list-style-type: none"> Disintermediation and competition erode earnings as they target the same customer base Provide opportunities for us to partner disruptors to deliver new innovations to disrupt the market, and create new income streams for the Group 	<ul style="list-style-type: none"> Created Maybank Sandbox to collaborate with Fintech talents to develop real world end-to-end solutions Created Maybank Sandbox to provide a collaborative environment for Fintech and technology players to get connected to pitch, develop and test ideas. Provided developers with real banking APIs to connect and make use of existing banking functions. It also offers replicated banking data for analytics and simulation.
Risk: The growing threat of cyber risks as more data is being migrated onto digital platforms	<ul style="list-style-type: none"> Any security breach, be it fraud or identity theft, can pose serious reputational risk and may lose our customers' trust to continue banking with us 	<ul style="list-style-type: none"> Placed security ring fence and utilised best of breed security monitoring for detection of anomalies within Maybank's technology ecosystem. Additional authentication layers for mobile app to deter phishing and/or identity theft.

KEY DIGITAL MILESTONES IN 2017

Group Community Financial Services

- 01** Introduced to the Malaysian consumers the new and improved M2U app, featuring
- minimalist design and enhanced user-friendliness
 - Secure2u function enabling customers to approve transactions on the app, eliminating reliance on SMS TAC
 - face and voice recognition as new options for security authentication, on top of the existing fingerprint recognition. The first in Malaysia to incorporate all three biometric security features in a single app

The new app was very well received, recording more than two million downloads since its launch. We also saw active users grow 39% YoY while mobile banking transaction increased by 146% compared to the year before, contributing to 1.2 billion mobile transactions.

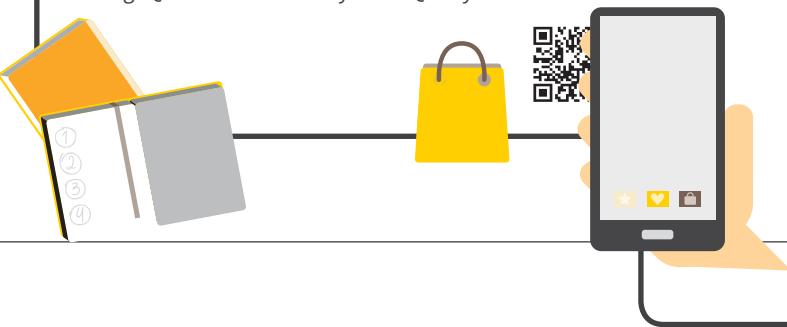
- 02** First bank in Malaysia to roll out AliPay-enabled terminals at over 2,000 merchant locations within the country to facilitate contactless payments for the convenience of Chinese tourists visiting Malaysia
- 03** Introduced QR-enabled payment for Maybank Singapore's customers
- 04** Launched cardless withdrawal for Indonesia, which saw a 10% growth in SMS banking registered user base in six months post-launch

- 05** Participated in the PayNow service network, which enables sending and receiving of payments via simple mobile or NRIC number as identification. Maybank Singapore is the first bank to provide registration via SMS for the PayNow service and it has recorded over 8,000 registrations since its launch in July. Approximately 10% of all transactions to date are made through PayNow.

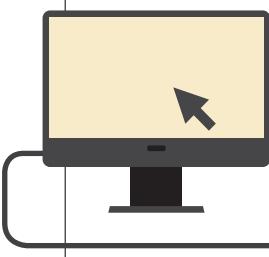
- 06** Introduced Quick Balance feature on Maybank Singapore's mobile app. 37% of our active mobile banking users registered for the service within the first month of launch.

- 07** Introduced bulk payment feature via M2U Biz to enable convenience for SMEs in making bulk payments to staff and vendors. Captured close to 7,000 users within six months post-launch and recorded over 58,000 transactions amounting to RM487 million.

- 08** First bank in Malaysia to launch cashless mobile payment option using QR code called Maybank QRPay.



Group Global Banking



- 01** Introduced I.V.A.N (Intelligent Virtual Assistant Network) to provide our sales force with the analysis of key clients information and fresh breakthrough trading ideas to sharpen their competitive edge

- 02** Introduced a personalised notification platform that is powered by data analytics. It updates clients with the latest news or events of their interests, based on their investing profile

- 03** Introduced MiKE (Mobility. Ingenious. Knowledge. Empowerment), a new mobile trading platform that is rich with features such as personalised contents, curated real-time information and alerts based on individual unique portfolio, and a seamless navigation system for both novice and sophisticated traders

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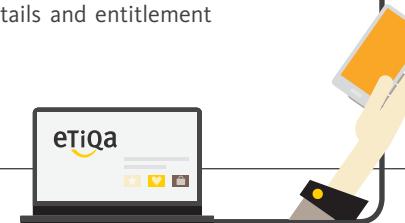
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THE DIGITAL BANK OF CHOICE

Group Insurance & Takaful

- 01 Launched the Customer Portal and refreshed Etiqa's website to be more user-friendly with 'Fast and Easy' processes for a seamless customer experience
- 02 Introduced the Bancassurance Straight-Through-Processing (STP) system on iOS for Bancassurance sales staff
- 03 Adopted a customer-centric Master Data Management (MDM) solution to help us better manage our data and build consolidated customer profiles to increase our competitiveness in this newly liberalised insurance market
- 04 Launched enhanced Etiqa Auto Assist, a 24/7 roadside assistance app. One of its prominent offerings is free towing services of up to 200km to the nearest panel workshop within Malaysia, Singapore, Thailand, and Brunei
- 05 Launched Etiqa Healthcare mobile app for Etiqa customers to apply and check the status of guarantee letters, search for panel hospitals, and view policy details and entitlement



FOCUS AREAS FOR 2017

ENHANCE CUSTOMER ENGAGEMENT BY CONTINUOUSLY IMPROVING OUR DIGITAL PLATFORMS

As the first bank to launch an online banking platform in Malaysia in 2000, we are proud to build on the lead we have established as the preferred platform. Our leading position sees further strengthening as we continue to offer innovative digital solutions, such as biometric authentication for mobile banking, digital token/signing for enhanced security via Secure2u, #MaybankFintech engagement programme, Maybank Fintech Sandbox platform, P2P donation platform via MaybankHeart, P2P festive money transfers, as well as a digital games & rewards platform.

By focusing on improving our digital channels, we have seen enhanced customer engagement through these platforms. For instance, on average Maybank users log into the new Maybank app once a day. Our digital channels have also driven our digital sales with 50% of all new current account openings and 74% of balance transfers done via digital channels.

We have also invested in building in-house R&D capabilities, understanding that it is an imperative advantage and differentiator to have a dedicated team to enable faster delivery of new digital innovations to the market.

CREATE A PLATFORM FOR FINTECH COLLABORATIONS

We launched Maybank Sandbox in June 2017 to encourage collaborations with Fintech talents in ASEAN and across the globe. The sandbox brings likeminded ideators, academia, businesses and technology enthusiasts together to a common platform to experiment, build and test their ideas. It provides developers with real banking application programming interface (API) to connect and make use of existing banking functions; data for analytics and simulation; and development tools for the creation of new web and mobile applications.

OUTLOOK AND PRIORITIES FOR 2018

Competition from digital entrants and strategic partnerships is expected to intensify, especially in the area of digital payments and lending. The Group will remain focused on improving its customer experience, investing in strategic capabilities and helping to build the overall digital ecosystem by focusing on these themes:

- Being at the forefront of digital innovation
- Maximising online customer engagement
- Partnering global & regional industry disruptors
- Engaging Fintechs on potential collaboration
- Recalibrating business models for now and the future
- Accelerating digital deployments across regional/global footprint

GROUP TECHNOLOGY



Group Technology is a key enabler of the digital and technological aspirations of the Group's various business segments. This is achieved by building internal talents, focusing on ideation and executing proof of concepts. Working in tandem with the Group's businesses, Group Technology strives to ensure that Maybank is the Digital Bank of Choice by powering business' key digital initiatives.

Key focus areas in 2017 include implementation of Digital Initiatives, providing strong cyber security ring fencing and ensuring overall system stability. This supports our foundation in building trust and confidence in Maybank's services with our customers across various touch-points; branch, web and mobile.

FOCUS AREAS FOR 2017

KEEPING THE LIGHTS ON



In the increasingly digital and automated world, the need for base technology infrastructure performance predictability and stability becomes more imperative. It is the same with the need to provide 24/7 service availability to cater for customers' needs in accessing banking facilities anytime, anywhere. As such, Group Technology invested in creating resilient, high availability infrastructures.

The exponential growth in technology in return hastens the obsolescence mark or expiration date for existing systems. Maybank has employed a framework internally to have continuous assessments on such risks and ensures that they are addressed in a timely manner. An example of this would be the Branch Teller Replacement in Maybank Philippines, a continuation from the journey we started in Malaysia to replace our front end systems with a more modern technology architecture. Such refreshes are key to ensuring our IT system's resilience on an increasing higher demand for service. Through this framework as well, we are able to priorities and optimise the overall technology investments to balance the needs of new investments versus cost of replacements.

ENHANCING CUSTOMER EXPERIENCE



Aligned with the Group's strategic objective to be the Digital Bank of Choice, Group Technology, in collaboration with business implemented initiatives to enhance customer experience. We look at the most efficient ways to crystallise the business' requirement to continuously delight customers. Such initiatives include the new Etiqa Online revamp enabling customers to get a quote and renew their car insurance or Takaful in less than five minutes as well as the MyInfo initiative in Singapore where customers no longer need to provide supporting documents to open an account with Maybank. With technology, such Straight Through Processing (execution of a business function digitally without human intervention) becomes easier and more cost effective to implement.

Recognising the necessity to support businesses' needs to capture market share and attention, Group Technology focused on building internal development teams instead of relying on vendor based solutions. This allows the Group to have flexibility of customisation and maintain the Intellectual Property of new systems or functions.

INNOVATION



With the rise of Fintech, there is risk of non-traditional competitors invading our customer base. However, we believe we are able to create collaborations with such players, whilst they have the innovation and idea, a bank has the necessary security, risk engines and processing power to be able to create a minimum viable product. As such, Maybank created the Maybank Sandbox. The first of its kind in ASEAN, the Maybank Sandbox is a complete Fintech ecosystem that provides all the essential components to test ideas, and to fast-track the growth of Fintech developers across the region. It is equipped with development tools, realistic test data, Application Programming Interfaces (API) to connect and use existing banking functions as well as the ability to reach out to talents within a safe and secure environment.

The Maybank Sandbox was designed to meet the unique needs of key user groups, namely the public, Fintechs, technologists and technology enthusiasts as well as academia. The public could raise ideas for new services, products or facilities while Fintechs have access to a platform to develop, test and publish their ideas. Technologists and enthusiasts, meanwhile, can connect to a large community of peers while academia can use it as a platform to teach and learn. We believe this will enable us to lead as well as contribute effectively to the growth of digital banking in the time to come.

SECURITY



With the increased adoption of technology, the risk of cyber threats increases in tandem. Additionally, as banking services become easier to access, customers become more exposed to phishing attempts. Cognisant of these risks, Group Technology stepped up by employing a best of breed Security Information and Event Management (SIEM) technology. This allows Maybank to perform continuous real time monitoring to detect and quickly respond to any internal or external cyber-attacks. This helped the Group stay above threats like WannaCry and NotPetya.

Whilst we strengthen security and monitoring internally, Group Technology also focuses on security features for our online and web services. To thwart phishing activities, Maybank deployed additional biometric authentication options for our mobile app and Secure2U as an alternative to TAC. These security features, whilst are designed for ease and convenience of customers, adds additional layers to hinder malicious activities.

OUTLOOK AND PRIORITIES FOR 2018

Digital, mobile first initiatives will continue to take centre stage as we move into 2018. Group Technology will be focused on building development skillsets for the Group. In tandem, focus will be on ensuring security ring fencing is kept updated across all layers; system, network and infrastructure. This will be to ensure we provide secured and enhanced digital offerings for a stress free banking experience with Maybank.

GROUP RISK MANAGEMENT

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 risks.

In the continuous pursuit to drive effectiveness, we have Centres of Excellence (COEs), which build on specialisation of risk professionals, providing value-added risk insights to support business decision-making. The identified COEs set consistent standards in relation to risk policies, risk reporting, risk modelling and specialisation in the management of specific risk areas within the Group.

The key pillars of Group Risk functions are highlighted in Figure 1:

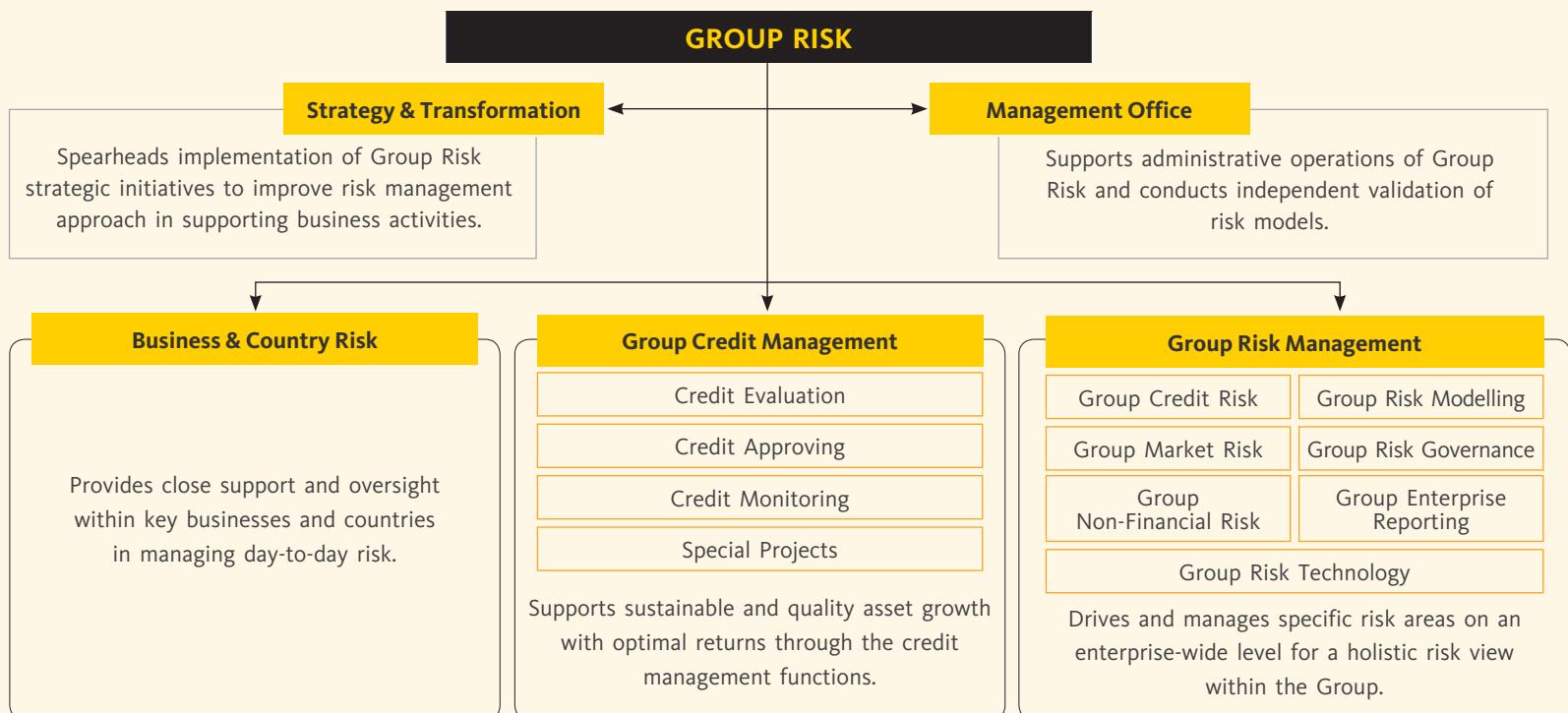


Figure 1: Group Risk Structure

The management of risk has evolved over the past decades into distinct phases in response to the changing business landscape and regulatory environment of today's world. As we moved into 2017 with the lingering risks and uncertainties of 2016, we positioned ourselves to remain risk resilient in the face of these changes and identified several key risk drivers with an established set of priorities to strengthen our value creation in support of the Group's strategic objectives. This is illustrated in Figure 2.

Strategic Imperatives	2017 Strategic Priorities	Key Outcomes
ACCELERATING INCOME GROWTH	<ul style="list-style-type: none"> Enhance Risk Models 	<ul style="list-style-type: none"> Reviewed and continued to enhance risk models, tools and methodologies to provide greater risk insights and forward-looking views of risk to enable informed decision making in executing business strategy.
PRODUCTIVITY	<ul style="list-style-type: none"> Digitisation of Process and Enhancement in Risk Reporting Increase Productivity of Resources Continuous Enhancement of Risk Talent Blueprint 	<ul style="list-style-type: none"> Automated selected processes and addressed data quality issues with ongoing initiatives to elevate speed, accuracy of risk reporting and enrichment of risk database. Up-skilled risk personnel with the appropriate analytical skills and capabilities to improve risk management analytics. Improved regulatory and stakeholder management capabilities including greater collaboration with businesses to meet changing environment and regulatory requirements. Continued to build the right mix of high-performing risk talents to accelerate transformation of more effective and efficient management of risk.
ASSET QUALITY AND CAPITAL EFFICIENCY	<ul style="list-style-type: none"> Strengthen Asset Quality Enhance RWA Efficiency 	<ul style="list-style-type: none"> Enhanced and strengthened credit underwriting standards and credit criteria to prevent deterioration of accounts and minimise non-performing assets. Optimised Risk-Weighted Asset (RWA) efficiency through implementation of projects/initiatives for better capital utilisation to meet business objectives.

Figure 2: Group Risk's Key Achievements in 2017

Our strategic priorities are based on three underlying drivers that enabled our achievements. These drivers are:

- Customer centricity – aimed at improving risk processes and practices as part of value creation for our customers.
- Digitisation – emphasising and exploring digital initiatives to further strengthen risk management capabilities.
- Synergies – forging greater collaboration in ensuring cohesive and efficient management of risk between sectors and geographies.

OPERATING ENVIRONMENT AND ASSOCIATED RISKS IN 2017

Against the backdrop of a rather challenging, volatile and unpredictable operating environment in recent years, global activity picked up in 2017, although tempered by the presence of new and prevailing risks.

Overall the operating landscape from both the domestic and regional fronts saw areas of favourable growth. Key highlights are reflected in the following table:

Market	Operating Landscape in 2017		Intellectual Capital pg. 68-80
	Strengths	Weaknesses	
MALAYSIA	<ul style="list-style-type: none"> • Growth in private sector spending and spillover from strengthening global economic activity. • Improvements in services, wholesale, retail and manufacturing sectors. • Introduction of digital free trade zone. 	<ul style="list-style-type: none"> • Some imbalances in the property market contributed by pricing mismatch and household affordability as well as an oversupply of commercial properties. • Higher cost of living impacting vulnerable segments. • Cyber security related incidents across various industries. 	Manufactured Capital pg. 81
SINGAPORE	<ul style="list-style-type: none"> • Growth in electronics and manufacturing sector and an upswing in exports. 	<ul style="list-style-type: none"> • Contraction in the construction sector. • Noticeable downstream effects on the oil and gas industry, although expected to abate. 	
INDONESIA	<ul style="list-style-type: none"> • Moderate growth supported by higher commodity prices, improvements in regional trade, surge in exports and relatively accommodative monetary and financial conditions. 	<ul style="list-style-type: none"> • Headwinds in mining sector impacting foreign inflows. • Low credit growth given credit quality concerns among banks. 	Human Capital pg. 82-112
CHINA	<ul style="list-style-type: none"> • Sustainable growth contributed by strong external demand and rebalancing of the economy from investment to consumption and services. • Tighter enforcement of capital flow measures. • Strengthening local government borrowing frameworks and addressing financial sector risks. 	<ul style="list-style-type: none"> • Weak mining sector and moderate demand for commodities and metals partly due to the rise in commodity prices. • Overcapacity in industrial sectors, higher corporate financing costs and sluggish market demand. • Rising debt levels in state-owned enterprises, corporates and individuals. 	Ensuring Responsible Governance pg. 113-121
PHILIPPINES	<ul style="list-style-type: none"> • Strong domestic demand, governance reforms and infrastructure spending. • Private consumption supported by rapid credit growth and fiscal policy reforms. 	<ul style="list-style-type: none"> • Rising unemployment, unfavourable weather conditions and vulnerability to natural disasters affecting the country's economic growth. 	Social & Relationship Capital pg. 122-129
INDOCHINA	<ul style="list-style-type: none"> • Growth supported by infrastructure investment, particularly in the energy and transport sectors in Cambodia and Laos. • Growth in Myanmar driven by accommodative monetary and fiscal policies, as well as implementation of growth enhancing reforms. • Steady growth in Vietnam contributed by strong exports and high real credit growth. • Private consumption growth in Cambodia and rising tourism in Cambodia and Myanmar. 	<ul style="list-style-type: none"> • Changes in trade policies disproportionately affecting the more open economies with sizable exports to advanced economies. • Higher inflation and weakness in Vietnam's mining sector. • Ethnic tension and political risk remain elevated in Myanmar. • High energy costs, insufficient supply of electricity, shortcomings in the transportation network and high cost of doing business in Cambodia. 	Other Information pg. 130-161

In light of this, we identified several macro risk drivers to be factored into the way in which we operate our business, both in Malaysia and across the region, as highlighted in Figure 3.

GROUP RISK MANAGEMENT



Figure 3: Significant Macro Risk Drivers of 2017

Premised on the significant risk drivers identified, we have fortified existing capabilities and established necessary mitigating actions to remain risk resilient to such challenges. This includes amongst others, measures put in place to address potential security concerns and ability to respond to potential business disruptions arising from geopolitical events. In addition, we conduct stress testing with various assumptions under various scenarios, including geopolitical risks, to assess the potential impact on the Group, its businesses and portfolios. In an increasingly digital financial services world, anticipation of evolving cyber and technology related threats, requires continuous focus on strengthening resilience and defence capabilities with appropriate safeguards in place to withstand such threats. We continuously look to ensure the core banking system remains robust while evolving our digital service offerings in pursuit of opportunities and keeping abreast with technology innovations. In addressing the changing regulations and regulators' expectations, we actively engage

with our regulators to ensure that regulatory changes are appropriately addressed and effectively implemented across the jurisdictions in which we operate, concurrently we strengthen the governance over regulatory change management. Overall the Group remains vigilant to adapt and strengthen our risk management approaches seamlessly with business, to proactively manage and effectively mitigate its risks.

Principal Risks

Associated with the key macro risk drivers arising from the operating environment in 2017, the potential impact of the Group's principal risks and the necessary actions to manage and mitigate were also taken into consideration. Our key risk categories which are viewed as sufficiently material to have a significant impact on the Group are classed into 10 principal risks. The key developments surrounding these risks are explained below.

Principal Risk	Key Developments in 2017
Credit Risk	<ul style="list-style-type: none"> Enhanced and tightened credit underwriting standards across businesses and entities to ensure consistency with credit parameters and processes, enhanced credit criteria and credit approval process to minimise risk of new facilities turning non-performing and ensuring filtering commences at point of origination as well as a more cautious stance towards selected industries with an unfavourable outlook. Strengthened monitoring through early detection of potential problem or vulnerable accounts and strengthened the management of accounts to prevent deterioration throughout the Group such as Global Banking, Community Financial Services, Maybank Islamic, Singapore, Indonesia, Greater China, Indochina and Labuan. Strengthened collection activities, as well as the centralisation of recovery activities. Reviewed and enhanced related credit policies to reflect the above in anticipation of the implementation of MFRS 9.
Market Risk	<ul style="list-style-type: none"> Reviewed the trading and non-trading book limits and supporting policies which document the risk limits and structure as well as controls for the respective books, while ensuring consistency and alignment with regulatory requirements.

GROUP RISK MANAGEMENT

Principal Risk	Key Developments in 2017	
Liquidity Risk	<ul style="list-style-type: none"> Aligned and enhanced liquidity risk management procedures to the latest liquidity risk practices. In FY2017, Group Liquidity Coverage Ratio (LCR) remained above the regulatory minimum of 80%. As at 31 December 2017, Group LCR stood at 133.1%. Ongoing preparation for Net Stable Funding Ratio to ensure that the Group maintains sufficient stable funds to support its asset growth over a one year horizon. Intensified deposit action and contingency funding plans as well as mobilisation of deposits and management of funding concentration risk in Greater China. Management of liquidity risk through cost management initiatives for Maybank Islamic. 	Our Strategy to Create Value pg. 26-36
Non-Financial Risk	<ul style="list-style-type: none"> Enhanced non-financial risk policies reflecting improvements in the governance model and updates on the roles and responsibilities, processes to facilitate management, assessment, measurement, monitoring and reporting of non-financial risks. Emplaced people management policies that create the right climate for the workforce and instituted supportive solutions reflective of the value proposition. Closer collaboration between the three Lines of Defence (as defined under Risk Governance on page 77) with the aim of safeguarding the Group's information assets, data protection measures and compliance to related regulatory requirements. Strengthened operational controls, fraud prevention and application of consequence management. 	Financial Capital pg. 37-67
Information Technology (IT) Risk	<ul style="list-style-type: none"> Continuous cyber awareness campaigns (i.e. electronic learning) and control effectiveness assessment and adoption of industry best practices. Enhanced IT infrastructure to minimise risk of disruptions. Addressed key obsolescence through refreshing, upgrading or in some instances replacing systems and continuous assessment of IT risks. 	Intellectual Capital pg. 68-80
Regulatory Risk	<ul style="list-style-type: none"> Continuous engagement with regulatory authorities. Strengthen existing policies, processes and controls in preparation of meeting new and upcoming regulations such as stress testing guidelines issued by BNM and MFRS 9. Continuous effort to create awareness, enhance existing tools and review of risk management practices relating to Shariah risk within the Group. 	Manufactured Capital pg. 81
Enterprise Risk	<ul style="list-style-type: none"> Automation of selected processes in risk reporting to improve turnaround time and facilitate faster and more informed decision making as well as enrichment of risk database. In line with International Finance Corporation's Standards and other international best practices, developed the Environmental, Social and Governance (ESG) Policy to ensure Group's sustainability strategy is effectively managed by driving efforts on responsible financing. Enhanced Reputational Risk Policy reflecting updated roles and responsibilities as well as streamlining process to facilitate assessment, measurement, monitoring and reporting of reputational risks. Improved overall agility of risk governance in relation to new products approval, risk committees and risk policies, to facilitate timely risk decision making. Conducted Group stress test covering various scenarios including global economic turmoil and impact on liquidity risk due to cyberattacks, which also serve as a forward-looking risk and capital management tool in determining capital adequacy and capital buffers. 	Human Capital pg. 82-112 Ensuring Responsible Governance pg. 113-121 Social & Relationship Capital pg. 122-129
Model Risk	<ul style="list-style-type: none"> Ongoing review, maintenance and enhancements of risk models and tools. Adopted new methodologies to enhance the risk-ranking ability of the models. 	Other Information pg. 130-161
Financial Risk	<ul style="list-style-type: none"> Identified process and portfolio improvements to allow RWA optimisation such as the application of effective maturity for Credit RWA and reduced capital cost for the Group, including initiatives to improve Return on RWA for Indochina and Indonesia. Focused on increasing net fund and fee based income for Maybank New York, Maybank London, Maybank Singapore and Maybank Indonesia, by targeting selected products and customer base. 	AGM Information pg. 162-166
Insurance Risk	<ul style="list-style-type: none"> Focused on the implementation of licence split and de-tariffication initiatives as part of BNM's regulatory requirements. Preparation on implementation of MFRS 9 in relation to investment strategies. Conducted stress testing for tail events to determine the impact on solvency and earnings as well as the associated drivers. 	

In addition to the above, the Group is cognisant of the emerging risks that it is exposed to given the evolving risk landscape, pace of technological enhancements and heightened regulatory demands. Thus, a forward-looking approach in identifying emerging risk is always considered. This is to ensure that appropriate steps are taken to minimise the Group's exposure.

GROUP RISK MANAGEMENT

RISK MANAGEMENT FRAMEWORK

The risk management approach of the Group is underpinned by a sound and robust Integrated Risk Management Framework (Framework), which is constantly enhanced to remain relevant and resilient ahead of the versatile global risk landscape, changes in regulatory requirements and leading practices in ensuring effective management of risk. The overall structure of the Framework is highlighted in Figure 4.



Figure 4: Maybank Group's Integrated Risk Management Framework

The Framework is fully embedded in the business and operational functions across the Group, and is supported by a comprehensive set of risk policies and procedures to guide businesses in proactively managing risks whilst working towards achieving business objectives.

Risk Appetite

The risk appetite is a critical 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. Our risk appetite enables the Board and senior management to communicate, understand and assess the types and levels of risk that the Group is willing to accept in pursuit of its business goals.

The risk appetite is integrated into the strategic planning process, and remains dynamic and responsive to changing business and market conditions. In addition, the budgeting process is aligned to the risk appetite in ensuring that projected revenues arising from business transactions are consistent with the risk profile established. Our risk appetite also provides a consistent structure in understanding risk and is embedded in day-to-day business activities and decisions throughout the Group. The risk appetite is structured based on the general principles in Figure 5.

Guided by these set of principles, the articulation of our risk appetite is done through Risk Appetite Statements, encompassing all material risks across the Group. This forms the link in which the risk limits and controls are set in managing risk exposures arising from business activities. Acting as both a governor of risk and a driver of current and future business activities, the risk appetite ultimately balances the needs of all stakeholders and acts as a powerful reinforcement to a strong risk culture.



Figure 5: Principles of Risk Appetite

GROUP RISK MANAGEMENT

Risk Governance

The governance model adopted in the Group provides a formalised, transparent and effective structure that promotes active involvement from the Board and senior management in the risk management process to ensure a uniform view of risk across the Group.

Our governance model places accountability, ownership and agility, in ensuring an appropriate level of independence and segregation of duties. The management of risk broadly takes place at different hierarchical levels and emphasised through various levels of committees, business lines, control and reporting functions. The structure is premised on the three lines of defence which include risk-taking units, risk-control units and internal audit. The Group's overall risk governance structure is illustrated in Figure 6.

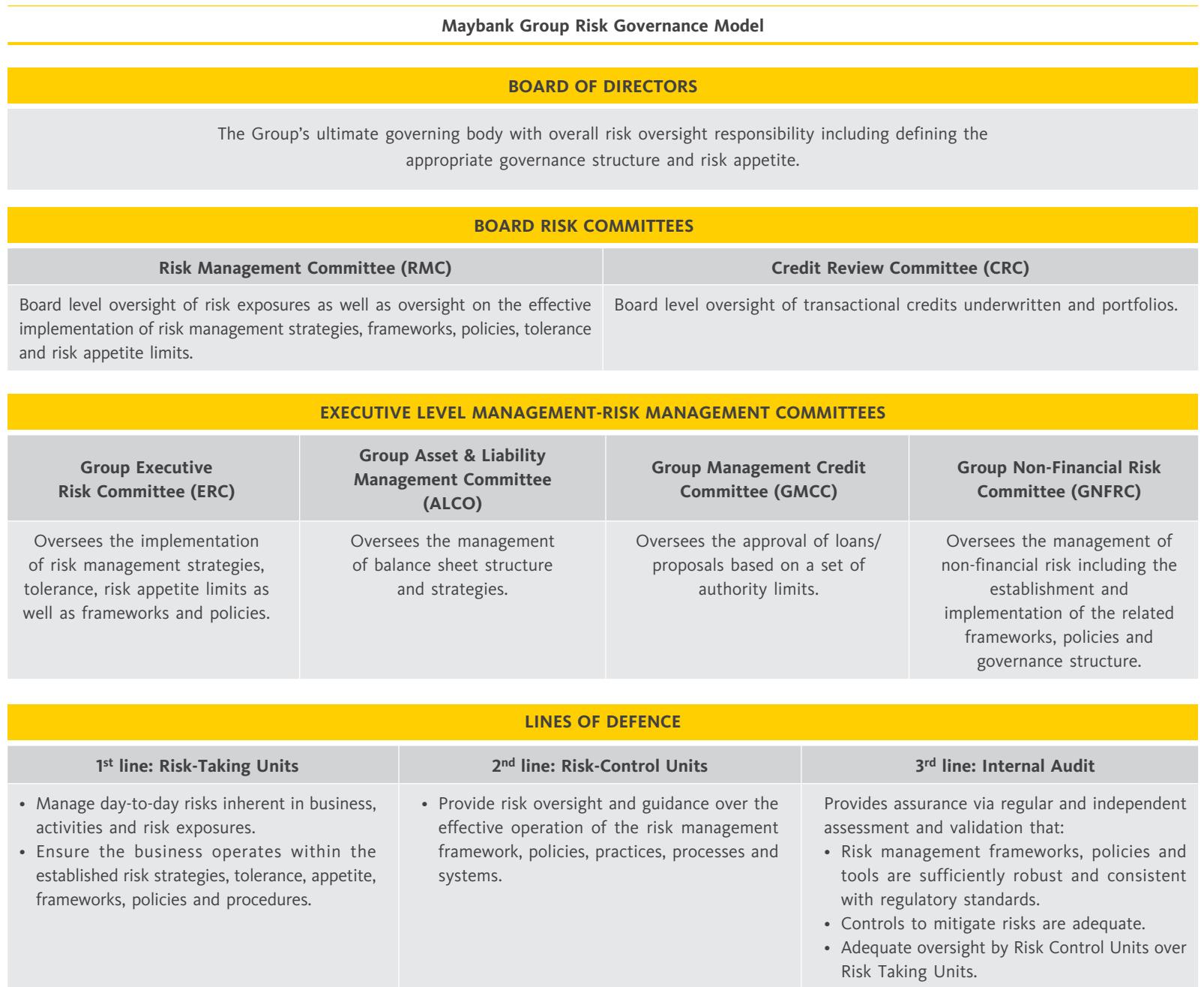


Figure 6: Maybank Group Risk Governance Structure

Overview pg. 1-25

Our Strategy to Create Value pg. 26-36

Financial Capital pg. 37-67

Intellectual Capital pg. 68-80

Manufactured Capital pg. 81

Human Capital pg. 82-112

Ensuring Responsible Governance pg. 113-121

Social & Relationship Capital pg. 122-129

Other Information pg. 130-161

AGM Information pg. 162-166

GROUP RISK MANAGEMENT

Risk Culture

Our risk framework and governance structure is reinforced only if supported by the right risk culture. Hence in the Group, a strong risk culture is a fundamental tenet of risk management and serves as the foundation upon which a robust enterprise wide risk management structure is built.

The risk culture is driven by a strong tone from the top and strengthened by the tone from the middle, to ingrain the expected values and principles of conduct that shape the behaviour and attitude of employees at all levels of business and activities across the Group.

We are committed in our journey to continuously weave a strong risk culture into the core of the organisation, people and processes to ensure consideration for risk is inherent in every employee's mind before an action is taken, and not as an afterthought.

Stress Testing

The Group's stress testing programme is embedded within risk and capital management process and also forms a key function of the business planning process. It serves as a forward-looking tool to facilitate the understanding of the risk profile under extreme but plausible events that are contributed by various factors such as economic, political and environmental issues and ascertain the impact to the Group and how this can be proactively managed and mitigated.

During the financial year, we conducted a number of stress tests arising from the domestic and regional operating landscape to assess our ability to withstand prevailing and emerging risks. Some of these include the impact of the Trump presidency on ASEAN and Asia, property sector for retail and non-retail portfolios and global economic turmoil covering digital disruptions and cyberattacks. Further information on stress testing can be found in the Pillar 3 Disclosure on Page 302 of the Maybank Group Financial Statements Annual Report 2017 book.

Responsible Lending

Our long term financial success depends upon our ability to identify and address environmental, social and ethical issues that present risks or opportunities for our business. With this, we remain steadfast in working with the business to drive efforts on responsible financing through the established ESG Policy.

This sets the standards in ensuring that the Group's sustainability strategy is sufficiently robust and effectively managed. The Policy supports one of the Group's three pillars on "Access to Products and Services" by incorporating ESG risk assessment for business activities of which a standard governance process is in place to facilitate this assessment. Details on the ESG Policy can be found in the Sustainability Statement on page 122.

OUTLOOK AND PRIORITIES FOR 2018

While global growth prospects are expected to improve in 2018, particularly in emerging markets and developing economies, inescapably, risks and uncertainties still exist within the global operating environment. Although various sectors including the financial industry were seen to have weathered the storm in 2017, we anticipate that challenges will remain in the coming year albeit at varying degrees.

Market	Potential Risk Outlook in 2018
MALAYSIA	<ul style="list-style-type: none"> The domestic debt level. Elevated property prices in some segments of residential property. An oversupply of commercial property. Heightened volatility in financial markets. Upcoming general elections.
SINGAPORE	<ul style="list-style-type: none"> Potential tightening of monetary policy amid expansionary growth. Continued weakness in the construction industry. Labour demand reduction arising from automation and disruptive technologies. Core inflation to rise as GDP and government expenditure improves.
INDONESIA	<ul style="list-style-type: none"> Rising inflation on GDP growth, with rising exports contributing to growth. Regional and presidential elections to take place in 2018 and 2019. Ongoing tax policy and administration reforms.
CHINA	<ul style="list-style-type: none"> Stable expansion on the back of authorities maintaining expansionary policy. Imposition of ad hoc trade barriers by the US may prove counterproductive and inhibit growth. Concern over rising leverage in non-financial firms as policy-makers attempt to tighten shadow financing and manage the credit boom.
PHILIPPINES	<ul style="list-style-type: none"> GDP growth led by improving exports, increased spend on infrastructure, education, health and targeted social protection programmes. However, a key persisting risk includes the country's poverty level and possible trade protectionism, which may result in lower trade and remittances.
INDOCHINA	<ul style="list-style-type: none"> Continued risks arising from nationalist and strong state-centred politics in Myanmar. Impending general elections in Cambodia may influence investors' sentiment. Decline in tourist arrivals and stronger controls over government spending, amid high-level public debt are expected to persist in Laos. Vietnam continues to face structural challenges in boosting economic growth, as the economy is dependent on low-cost labour, dated technology and depleting natural resources as well as low productivity levels.

In addition to the above, several common macro drivers that are expected to continue to influence the global risk landscape in 2018 include cybersecurity, technology, regulatory, economic, geopolitical, societal and environmental risks.

With the above risks and challenges in mind and through ongoing assessment of risks, the Group remains steadfast and equipped to effectively manage and mitigate these risks. In response to this, we have identified our strategic imperatives for the upcoming year as illustrated in Figure 7.

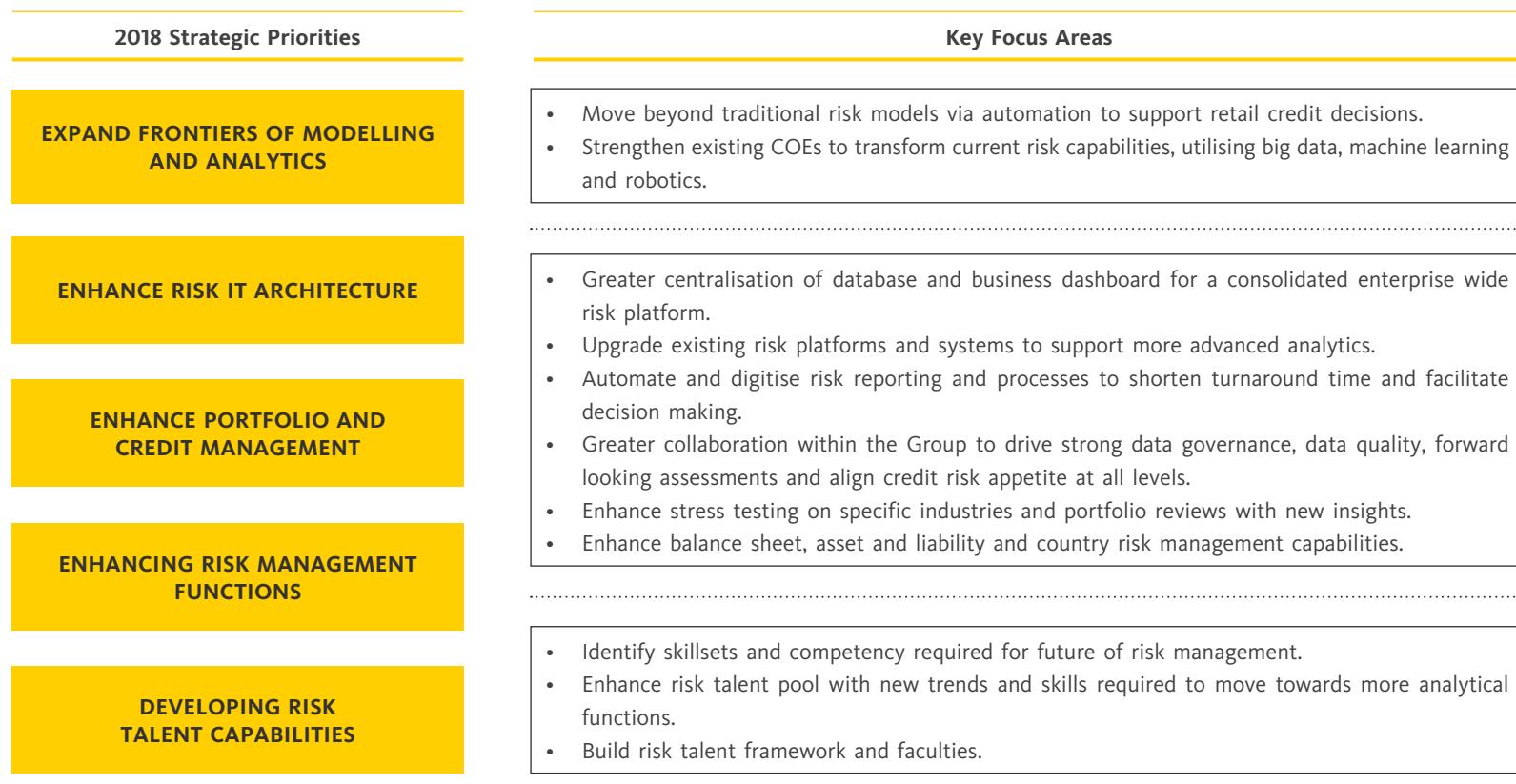


Figure 7: Group Risk Strategic Imperatives for 2018

Similar to the Group, some of the risk strategies that the respective entities will be looking into include digital, cost, liquidity and balance sheet management initiatives as well as improvements in risk management processes, reporting and analytic capabilities.

The much anticipated Basel III post crisis reforms covering Standardised Approach and Internal Ratings Based Approach for Credit Risk, Minimum Capital Requirements on Credit Valuation Adjustment and Operational Risk, the Output Floor and Leverage Ratio were finalised in December 2017. The revisions including the Minimum Capital Requirement for Market Risk, will come into effect in January 2022. The revisions are aimed at strengthening the soundness of financial institutions, their practices and ensuring capital resilience, reducing variability in RWA and improving comparability of risk-based capital ratio of banks. The Group is in the midst of evaluating these changes and its impact on the regulatory capital, risk policies and processes in preparation for meeting these requirements.

Local regulators are also expected to draw on the developments in global standards while reflecting their specific local requirements. While several local regulators were initially in the forefront in implementing the revised regulations, some have deferred the implementation of certain regulatory initiatives in their respective jurisdictions to further understand the full implications particularly on capital and profitability. These deferred initiatives pertain to Minimum Capital Requirement for Market Risk, Interest Rate Risk in the Banking Book and Standardised Approach for measuring Counterparty Credit Risk Exposures.

Heightened areas of regulatory focus from a home and host regulators' perspective include management of cyber risk and information risk, recovery and resolution planning, and the strengthening of the overall governance, management and oversight of risk, particularly credit and liquidity risk. As a result, these areas will continue to remain a key focus in the upcoming year.

GROUP COMPLIANCE



Group Compliance reports directly and independently to Maybank Group's Board of Directors and is tasked with fulfilling the compliance function responsibilities as set out in Bank Negara Malaysia's (BNM) policy on compliance. This includes identification, assessment, monitoring and reporting of compliance risk as well as providing advisory, guidance and training on regulatory requirements.

Material Risks and Opportunities	Our Response
Financial Crime Compliance (FCC) issues such as AML/CTF, Sanctions, Anti-Bribery and Corruption remains a major concern of regulators around the world	<ul style="list-style-type: none"> We adhere to international FCC standards in order to fulfil regulators' expectations across multiple jurisdictions Manage financial crime risk through robust governance, effective risk procedures and adequate internal control mechanisms More investment for FCC in 2017, especially on hiring of key specialist personnel, increasing manpower in the transaction monitoring team, and enhancing the transaction monitoring system. More details under '2017 Initiatives' We ensure readiness to comply with new compliance requirements to enable speedy adoption of the new requirements
Risks from the rising global trends of cyberattacks, and data leakages or even new technology entrants, which invariably result in new or updated regulations	<ul style="list-style-type: none"> We enhanced awareness across business units through customised compliance trainings for relevant and practical application of these regulatory requirements Compliance Surveillance and Advisory teams were set up to perform on-going monitoring and reinforcement at the branches in order to improve compliance with FEA and other key regulations
BNM introduced control measures in 2017 to strengthen compliance on Foreign Exchange Administration (FEA) rules	<ul style="list-style-type: none"> Established regulation specialist teams to provide global support on specific regulations. In our Compliance Engagement Model approved in 2017, the partnership between Group Compliance and business units is deepened with the assignment of a relationship manager to a business sector, who acts as a single point of contact for compliance matters
Rapid changes in the regulatory landscape and increasing regulator scrutiny in the countries where Maybank operates	

Our compliance priorities for 2017 continues to help shape a strong compliance culture among Maybankers and build a robust governance process that minimises potential regulatory risk and reputational damage. All our efforts are channeled into strengthening the public's trust in the Maybank brand, which is built on our mission of Humanising Financial Services.

2017 Initiatives	Outcome
<ul style="list-style-type: none"> New compliance structure based on specialisation. We recruited strategic FCC and Regulation Compliance personnel. Implemented new engagement model. Established compliance committees at Board, Executive and Working Level for the deliberation of compliance-related matters. Implemented Compliance Risk Management framework. We increased regulation monitoring to mitigate potential compliance breaches. Enhanced FCC capabilities through people upskilling, processes and system enhancements. Implemented Compliance League Table as a tool to measure compliance performance of branches/regions/departments. Enhanced the Maybank Group Whistleblowing Policy. 	<p>Internal Outcome:</p> <ul style="list-style-type: none"> Strengthened the tone from the top and the governance model in compliance risk management. Increased compliance awareness on key areas, i.e. FEA and FCC. Mitigated compliance risk and regulatory breaches. <p>External Outcome:</p> <ul style="list-style-type: none"> Played a leading role in relation to government and regulators' continuous initiatives. Demonstrated the Group's commitment in adhering to ethical and compliance standards.



OUTLOOK & PRIORITIES FOR 2018

Effective January 2018, BNM will publish enforcement actions taken against financial institutions and intermediaries for non-compliance with rules and regulations to further increase the impact of enforcement actions as a credible deterrent. Maybank will continue to increase its compliance capabilities and capacities in order to uphold strong compliance and corporate governance standards in the conduct of our business.

The digital era brings new and unknown risks and we need to be ready to navigate new regulations in order to achieve the desired compliance standards and outcomes. We remain focused on building a strong compliance culture which is a cornerstone of Maybank's success in ensuring safe and sound banking. Deepening the trust of stakeholders such as customers, shareholders and regulators continues to be a key agenda for the compliance transformation journey ahead.

GROUP OPERATIONS

Group Operations, established four years ago, focuses on streamlining many operational processes for consistency, standardisation and to improve productivity. Centralisation of our multiple centers has transformed the back office into a fully integrated unit, giving us the agility and flexibility to support our business counterparts in this competitive environment.

A key focus area was to strengthen the risk management governance in all our processes and to inculcate a resilient risk culture among our staff. We believe in taking preemptive measures to safeguard the Bank's and customers' interest at all times.

FOCUS AREAS FOR 2017

- Successfully centralised branch back-office operations to enable branches to focus on customer experience and on revenue generating sales and services
- Completed our nationwide Credit Administration centralisation to achieve economies of scale
- Completed our Regional Processing Hub by including Hong Kong Treasury Back-office into the setup
- Operationalised of the local currency settlement framework bypassing the US dollar conversion (in rupiah, baht and ringgit) for cross border trade settlement between Indonesia and Malaysia, and Thailand and Malaysia

Centralisation	How We Manage Risk
<p>Branch Processes Centralisation</p> <ul style="list-style-type: none"> • Enabled branches to give greater attention to customer needs at the branches • Successfully centralised back office operations for across 351 branches Malaysia into a single dedicated center <p>Credit Administration Processes Centralisation</p> <ul style="list-style-type: none"> • Created a pool of concentrated expertise for better workload balancing and to further drive process standardisation • One dedicated Credit Administration Center in Klang Valley, consolidated from six across Peninsular Malaysia <p>Regional Treasury Hub</p> <ul style="list-style-type: none"> • Hong Kong Treasury Operations will be the latest addition to the existing Regional Hub setup • Achieved the main objective of addressing the risk, skillset gaps and strategic cost management 	<p>How We Manage Risk</p> <ul style="list-style-type: none"> • Strengthening our risk management governance in all our processes, by continuously conducting process reviews and by reviewing existing controls and key risk indicators including close engagements with the respective Operational Risk Officers • Inculcating a resilient risk culture among our staff by embedding proper control and awareness programmes, stressing the importance and the need to appreciate risk management while encouraging feedback from the ground <p>Having done this efficaciously, we were able to manage emerging operational risks arising from the various initiatives to improve service levels, productivity and lower costs.</p> <p>We will continue to focus on these areas as we commence initiatives that are aligned to the Group's Digital plans</p>

OUTLOOK AND PRIORITIES FOR 2018

In line with the Group's digitalisation journey, we will focus on migrating Over the Counter (OTC) customers' transactions to our existing and new digital channels and ensuring seamless transaction processing. At the same time, remaining systems that are not yet connected will be interfaced. These approaches should lead to greater efficiency and productivity.

Automation	Digitalisation
<p>Objective</p> <p>To set up a highly automated back office with multi platforms/system interfacing and high level of straight through processing</p> <p>Our Response</p> <ul style="list-style-type: none"> • We will collaborate with Business Sectors and Group Technology for an effective automation solution • We have identified key processes, usually from in credit processes, branch operations, remittances and trade services • These initiatives will improve service delivery from the point of initial request to the completion of transaction 	<p>Objective</p> <p>To migrate customers from OTC to our digital channels</p> <p>Digitising back office functions through the following strategies:</p> <ul style="list-style-type: none"> • Migration of transactions into e-channels • Interfacing the relevant processing systems • Implementing technologies such as RPA & BPM into identified processes

Our initiatives and focus areas will result in greater straight through processing. We piloted three processes for the adoption of RPA and this has significantly improved the turnaround time.

New Technology for Self Service Terminals (SST)

As part of our strategic pursuit to strengthen SSTs and improve e-Payment transactions, the Bank's deployment of new recycler machines with improved interactive capabilities at branches since November 2017 which will continue into 2018.

The phased implementation refresh exercise will enable us to strengthen the SST banking experience at branches whilst enhancing security features and accelerate the speed of transaction processing.

We have continuously undertaken various measures to enhance the security of SSTs. This includes the implementation of ink staining technology to deter robbery. SSTs fitted with this technology are protected with indelible and traceable security ink that will smear the banknotes when there is an attempt to tamper with the machine. The stained banknotes will be unidentifiable and valueless.

GROUP HUMAN CAPITAL

Group Human Capital focuses on achieving Maybank's aspiration of 'Advancing Asia's Ambitions With You' by ensuring the delivery of 'Developing World Class Talent to Deliver World Class Results' leveraging on six human capital transformation goals in a digitalised business landscape. Our transformation goals are:

					
Build superior leadership and talent pipelines	Attain world class productivity levels	Create global ethical mindsets	Build a tech savvy workforce that is creative, nimble and agile	Develop thought leaders in financial services	Create a caring, meaningful and exciting work environment

We innovate our leadership and upskilling programmes to provide our talent with the right skills and platform to stay relevant, perform effectively and prepare them to lead in the future. Our enhanced, integrated and systematic talent management framework helps create sustainability in our talent pool by continuously attracting, developing and retaining the right talent. While we ensure that our employees are rightly and fairly remunerated and rewarded, we seek to build their sense of belonging and pride in the Bank. We also ensure that our people policies and practices are aligned with our promise to humanise people management and development.

► TOP THREE 2017 HIGHLIGHTS

Improved people productivity performance with profit before tax per employee at RM233,330 in 2017 vs RM201,120 in 2016

Seventh consecutive win for the 'Banking & Financial Services' category at the 2017 Malaysia's 100 Leading Graduates Employers Awards. Since 2013, we continue to be ranked in the top three positions among the Top 100 Leading Employers, climbing the ranks from 17th in 2010 and fifth in 2011

For 2017, Maybank Group's Sustainable Engagement Index (SEI) at 88% is high against internal and external benchmarks: +3% vs 2014; +5% vs Willis Towers Watson (WTW) Global Financial Services norm; +2% vs WTW Global High Performing Company norm. Maybank Group's Employee Engagement Index (EEI) at 84% remained high against internal and external benchmarks: +2% vs 2014; +4% vs WTW Global Financial Services norm; -1% vs WTW Global High Performing Company norm



Maybank clinches seventh consecutive win for the 'Banking & Financial Services' category and named as the Top Three Leading Graduate Employers in the country at the 2017 Malaysia's 100 Leading Graduates Employers Awards



CODE OF ETHICS & CONDUCT

Maybank, as a custodian of public funds, has a responsibility to safeguard its integrity and credibility. It is with this understanding that the organisation sets out clearly the code of ethics and conduct for its employees. The code stipulates the sound principles that will guide all employees in discharging their duties. It sets out the standards of good banking practice.



Visit www.maybank.com for the complete Code of Ethics & Conduct

OUR OPERATING ENVIRONMENT

The new norm of today's V.U.C.A. (Volatile, Uncertain, Complex and Ambiguous) world requires employees to be agile and nimble to stay relevant today and tomorrow. In 2017, we further strengthened our current learning and development programmes with a strong emphasis on digital skillsets to navigate and seize opportunities successfully in this Industrial Revolution 4.0 era and unpredictable times.

Material Risks & Opportunities	How It Affects Us	Our Response
Risk: New technologies used to deliver financial services to customers more efficiently	<ul style="list-style-type: none"> Talent require the right capabilities to deliver on the current and evolving needs of our customers 	<ul style="list-style-type: none"> Targeted programmes to help talent upskill to remain relevant today and in the future. More details on page 84 under Building Capabilities for 4.0 Digital Economy
Risk: Intensifying competition for skilled talent	<ul style="list-style-type: none"> Regrettable loss of talent and potentially higher costs for new talent acquisition 	<ul style="list-style-type: none"> Regrettable loss was lower at 10% in 2017 vs 19% in 2016. This was done by ensuring continuous growth of our talent in Mission Critical Positions Keeping our talent upskilled through our targeted development programmes. More details on Superior Learning & Development initiatives below
Opportunity: Globally, many high performing organisations are shifting away from the traditional organisational model into a more flexible and team-centric model	<ul style="list-style-type: none"> New, agile and flexible ways of working to support the evolving business needs and customers' demand 	<ul style="list-style-type: none"> Our policies like the Flexible Work Arrangement, Sabbatical Leave, Parental Leave, Childcare Leave and Extended Maternity Leave are aimed to enable realisations, create the right climate with progressive policies and interventions that help our talent work and engage in this 4.0 world We are experimenting with different ways of organising teams by breaking away from traditional structures to accelerate our business impact and empower our people to go beyond functional boundaries (such as team-based/project-based)

KEY INITIATIVES FOR 2017

SUPERIOR LEARNING & DEVELOPMENT AND NEW TALENT CAPABILITIES

We focused on strengthening our learning culture, infrastructure, and development of new programmes that enable our employees to acquire new skills and lead successfully in the rapidly changing environment. Our learning & development initiatives in 2017 were anchored on four key focus areas:



INITIATIVE 1 – STRENGTHENING OVERALL EFFECTIVENESS & DELIVERY OF DEVELOPMENT PROGRAMMES

HOW ➤	<p>1. Increased learning satisfaction of training programmes</p> <p>Existing training programmes were reviewed to ensure relevance to current business needs, simplicity in learning, and comprehensiveness in addressing job requirements</p>	<p>2. Tracked and ensured high levels of knowledge acquired in our training programmes</p> <p>Institutionalised knowledge assessments in all training programmes where applicable</p>	<p>3. Implemented various levels of learning effectiveness measures in 2017</p> <p>The Return of Investment (ROI) of key programmes were measured</p>
OUTCOME ➤	<p>Overall learning satisfaction increased to 4.4/5.0 in 2017 from 4.2/5.0 in 2016</p> <p>(significant increase and benchmark accomplished across all training programmes in Maybank Academy)</p>	<p>Achieved an overall Knowledge Acquisition level of 83% surpassing our internally set standard of 80%</p> <p>(in certain key programmes higher standards were set)</p>	<p>ROI results range from 0.3 times to 4.0 times of learning investment</p>

GROUP HUMAN CAPITAL

INITIATIVE 2 – DEEPENING A STRONG LEARNING CULTURE

HOW >	<p>1. Group EXCO role modelling through teaching and learning sessions, known as Leaders Teaching Leaders (LTL) were conducted and tracked since 2014</p>	<p>2. Increased the use of our own internal subject matter experts to conduct and contextualise learning materials for our employees to increase transfer of newly acquired knowledge to the job</p>	<p>3. Having Maybankers Teach Maybankers (MTM), a programme where employees who attended external learning programmes will need to cascade and share their knowledge with their team or colleagues via classroom, brown bags, townhalls, and other communications forums</p>	<p>4. Ensuring that our employees have opportunities for learning and growing</p>										
OUTCOME >	<p>Since its introduction, all sessions conducted were tracked and resulted in the following:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; padding: 2px;">Year</th><th style="text-align: left; padding: 2px;">Sessions Conducted</th></tr> </thead> <tbody> <tr> <td style="text-align: left; padding: 2px;">2014</td><td style="text-align: left; padding: 2px;">123</td></tr> <tr> <td style="text-align: left; padding: 2px;">2015</td><td style="text-align: left; padding: 2px;">295</td></tr> <tr> <td style="text-align: left; padding: 2px;">2016</td><td style="text-align: left; padding: 2px;">468</td></tr> <tr> <td style="text-align: left; padding: 2px;">2017</td><td style="text-align: left; padding: 2px;">563</td></tr> </tbody> </table> <p>Correspondingly, the Sustainable Engagement Index (SEI) in 2017 was a high 88%. The transformation and training & career development categories in the Employee Engagement Survey (EES) too recorded a high favourable score at 82% and 80% respectively</p>	Year	Sessions Conducted	2014	123	2015	295	2016	468	2017	563	<p>The % of Internal Line Trainers increased to 89% in 2017 from 63% in 2016</p>	<p>As a pilot initiative, 53 employees conducted 57 sharing sessions</p>	<p>Overall learning man-days for the Bank stood at 6 days, which is above the global training benchmark of 4 days (source: Association of Training & Development, ATD)</p> <p>The % of unique learners also increased to 95% in 2017 from 85% in 2016</p>
Year	Sessions Conducted													
2014	123													
2015	295													
2016	468													
2017	563													

INITIATIVE 3 – BUILDING CAPABILITIES FOR 4.0 DIGITAL ECONOMY

PROGRAMME	OBJECTIVE	OUTCOME	MEASURE
Maybank Immersion Programme	<p>To provide talent with a unique on-the-job opportunity to immediately innovate and practise entrepreneurship</p> <p>(Maybank is the first bank to have 6 months internship programmes for employees with a select group of start-up and Fintech companies in Malaysia as a learning and development platform)</p>	<p>Maybankers were exposed to new ways of thinking and working through a collaboration with the Maybank Innovation Centre which partners with a variety of start-ups</p>	<p>As a pilot initiative, 15 talent are currently “immersed” in this 6-month programme, with 58% being women</p>
Data Analytics Upskilling Programme	<p>To enable talent to build technical skills in various aspects of data science, business acumen, and regional business perspectives</p>	<p>Employees gained new skills in business data analytics and developed business recommendations based on the insights gained via the analytics approaches learnt</p> <p>Talent with more advanced skills in analytics were mentored by our Group Chief Data Scientist</p>	<p>51 talent in the first batch</p>
Computational Thinking Challenge	<p>To upskill our employees by developing an understanding of building algorithms via coding skills</p>	<p>Employees participated in a fun and an experiential manner via a gamification challenge</p>	<p>122 participants across different job levels with no prior coding experience completed the challenge</p>
Maybank GO Ahead. Transform (MGAT)	<p>To empower employees to be change-capable and resilient to seize endless opportunities and deliver global-class outcomes</p>	<p>Participants faced real-time challenges and business cases that were not ‘google-able’ to enhance their agility and adaptability to explore new ways of working, collaborate, brain storm and solution impactfully</p>	<p>671 employees across Malaysia participated</p>
Maybank's Guru Series	<p>Sharing of deep expertise by global thought leaders on current and strategic topics such as Digital Transformations and the rise of Ecosystems and Hub based companies</p>	<p>Employees get to attend hands-on workshops with thought leaders to address current challenges and implement new techniques that can be applied to our business for increased performance</p>	<p>947 employees attended</p>

INITIATIVE 4 – AUGMENTING HIGH POTENTIAL TALENT PIPELINE PROGRAMMES

We continued to focus on building up our strong pipeline of leaders to ensure sustainable superior performance for the Bank. Amongst the key achievements:

SUCCESSION REALISATION FOR MISSION CRITICAL POSITIONS ROSE TO 93% IN 2017 FROM 81% IN 2016

85% OF INTERNAL VACANCIES FOR SENIOR MANAGEMENT IN 2017 WERE FILLED BY INTERNAL TALENT COMPARED TO 74% IN 2016 AND 60% IN 2015

The strong increase is a result of our Hire from Within First approach, strong internal talent bench-strength developed over the past eight years and continued efforts to hire the best talent.

KEY SIGNATURE PROGRAMMES

PROGRAMME	OBJECTIVE	OUTCOME
Transitioning Leaders to CEOs (TLC) programme was enhanced in 2017 to incorporate Action Learning Projects on strategic level issues impacting the Bank	To prepare our internal talent to take on CEO-like and mission critical roles in the Bank	Participants were exposed to world renowned thought leaders via a customised executive education programme and mentored by our Group EXCO to address strategic business challenges. Recommendations from talent on the action learning projects were accepted by top management and relevant Board members 2017: 107 participants completed 64% participants had their roles expanded or progressed to other roles and 33% are international participants
Global Maybank Apprentice Programme (GMAP)	To accelerate Maybank Apprentices' growth into management roles upon their graduation from the programme	Participants get familiarised with Maybank's global network operations through customised on-the-job rotations with international assignments 2017: 59 Maybank Apprentices
Maybank GO Ahead. Challenge	To spot diverse, global entry level talent	Participants are exposed to real-life pressures and expectations of a high performing organisation 2017: Close to 40,000 applicants 108 nationalities
Career Transition Centre (CTC)	To re-skill and upskill employees whose roles have become redundant due to organisational changes	Since 2013, 490 employees have been redeployed under this programme 2017: 52 employees were redeployed to new roles

NEW KEY LEADERSHIP PROGRAMMES EXECUTED IN 2017

PROGRAMME	OBJECTIVE	OUTCOME
Global Institute for Leadership Development (GILD) Asia, a unique learning platform that accelerated the growth of 400 participating global leaders of various professions and organisations in the United States, Portugal, Dubai, Australia and across Asia	To accelerate the growth of leaders by stretching their ambitions, potential and capacity through Linkage's High Impact Leadership Model namely focus drive, trusted influence, emotional intelligence, systems thinking and conceptual thinking	Talent received 1-1 personalised coaching from senior leaders and Board members on various matters impacting the growth of talent 2017: 152 Maybank participants  Nora Abd Manaf, Maybank Group Chief Human Capital Officer at the 2017 GILD
New Executive Education Programmes i.e., the Cambridge Summer School Programme and INSEAD's Inter-Alpha Banking Programme	To prepare senior executives to become visionary leaders who can think globally and compete strategically (Maybank was the first Asian Bank to be nominated and selected into INSEAD's Inter-Alpha Banking Programme)	With Maybank's entrance into the Inter-Alpha programme, senior executives were exposed to thought leaders in the European banking environment which enables further innovation and collaboration on multiple levels 2017: 12 senior executives in various Executive Education Programmes
Advancing Women Leaders Programme	To provide development support, line of sight to senior leadership, and to champion their career development	Talent benefited from world-class executive education programmes via the GILD and Harvard Business Publishing's online sessions with thought leaders on key competency areas i.e., Strategic Thinking, Change Management and Transformation Talent were given special projects involving key strategic areas of the Bank and were mentored by Group Chief Human Capital Officer and other senior leaders in the Bank Talent were given the opportunity to have "up-close and personal" networking sessions with senior corporate women leaders in the country to motivate, inspire, and advise on how they could navigate their careers in the Bank 2017: 35 top high potential women leaders

GROUP HUMAN CAPITAL

We continued to offer specialised/structured development programmes for fresh graduates such as Branch Management Entry Level Pipeline (BMELP) Programme, BMELP SME/BB and Relationship Manager Development Programme (RMDP) to nurture and retain high potential talent to assume key positions in the Group.

We also continued our efforts to attract, develop and empower the country and the region's youth through these programmes:



ENHANCING OPPORTUNITIES FOR LEARNING & GROWING FOR OUR EMPLOYEES

We continuously provide progressive learning opportunities for our employees to upskill themselves with skills that are relevant today and in the future.

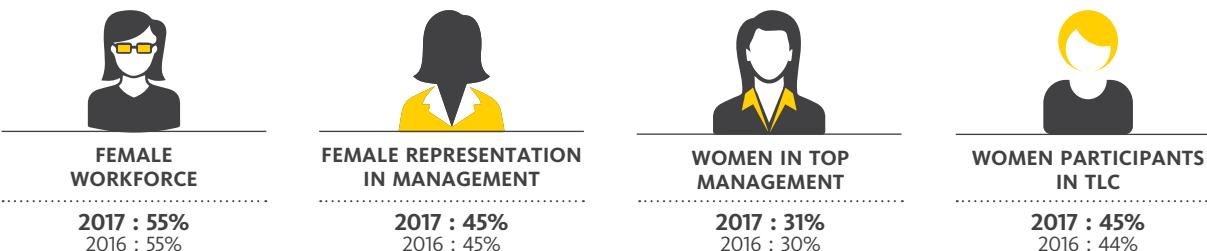


CARING, MEANINGFUL & EXCITING WORK ENVIRONMENT – BEYOND 4.0 POLICIES, PROCESSES AND TOOL

We developed various talent related policies, programmes and family friendly offerings that impact positively employee engagement, empowerment and enablement.

EMPOWERING WOMEN

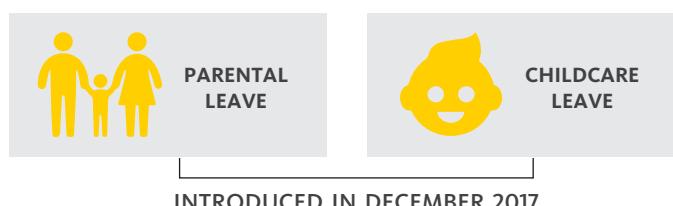
Initiatives have been systematically and progressively instituted since the start of our people transformation journey in 2009. Please refer to Sustainability Statement page 122.



ENABLING WORK-LIFE BALANCE BY NURTURING A FAMILY-FRIENDLY ENVIRONMENT



INTRODUCED IN 2017



INTRODUCED IN DECEMBER 2017

PROMOTING HEALTH, WELLNESS AND SAFETY

THROUGH OUR WELLNESS AND SPORTING INITIATIVES, WE ENCOURAGE OUR EMPLOYEES TO MAKE BETTER LIFESTYLE CHOICES



2,712

AVERAGE MONTHLY PARTICIPATION FOR FITNESS CLASSES AT MAYBANK RECREATION CENTRE, MENARA MAYBANK



286

HEALTH AND AWARENESS SESSIONS CONDUCTED GROUPWIDE, WITH 23,296 PARTICIPATION



1,008

PARTICIPANTS FOR THE 'MAYBANK GROUP 30 DAYS STEP CHALLENGE'



2,470

PARTICIPANTS IN 'THE BIGGEST LOSER CHALLENGE'



Prize giving ceremony for the Biggest Loser 2017 Challenge



Note: Data covering Maybank Malaysia including Maybank Kim Eng and Maybank Islamic Berhad, but excluding Group Insurance & Takaful as different entities submission covers it. Data is as reported to Department of OSH (DOSH) Malaysia every 31 January.



Maybankers volunteering during Global CR Day 2017

GIVING BACK TO SOCIETY THROUGH CAHAYA KASIH INITIATIVES

Our employees are encouraged to participate in team volunteerism projects of their choice. This programme has been running since 2010 and is key to an enabling and inclusive environment. Apart from funding, recognition and coaching on how to make each initiative impactful, the Group also recognises the top 20 initiatives yearly and additional funding is routed to these initiatives. For those who volunteer on their off days, they are given unrecorded leave in appreciation of their time and efforts. Cahaya Kasih galvanises all teams across the Maybank world to proudly showcase their yearlong efforts together on Global CR Day (GCD), one day a year where they go down to the ground and volunteer their time.

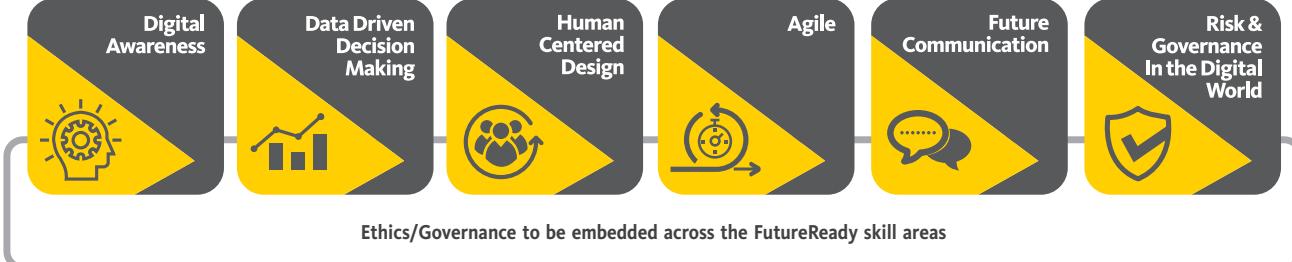
In GCD 2017 themed "Enabling Communities with Solutions", over 20,000 Maybankers volunteered in their respective initiatives.

Note:

For details, please refer to Sustainability Statement page 122.

OUTLOOK AND PRIORITIES FOR 2018

- Maybank Staff's mandatory FutureReady Upskilling Programme 2018 – upskilling of our employees for competitive advantage and growth to enable them to flourish, stay relevant and productive in this 4.0 digital environment.



Adapted from: Institute of Banking and Finance (IBF), Singapore

- Strengthening Workplace Climate and Culture to ensure that employees deliver on Bank's strategic priorities and mission responsibly.

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REMUNERATION

At Maybank, we embrace an integrated rewards strategy that focuses on providing the right remuneration, benefits and career development/progression opportunities at the right time for our employees' personal and professional aspirations. It involves integration of total rewards' key elements that are aligned to the Maybank Group strategy, Maybank Group Human Capital strategy, culture and core values, to create motivated, engaged and productive employees. This outcome will in turn create desired business performance for sustainable growth.

Our remuneration policy is approved by the Board and is subject to periodic monitoring and reviewing. It reinforces a high performance culture to attract, motivate and retain talent through market competitive and differentiated pay.

Maybank Group rewards' principles are delivered holistically via the Group's Total Rewards Framework which include base pay, other fixed cash, performance-based variable cash, long-term incentive awards, benefits and development.

KEY ELEMENTS	PURPOSE
Fixed Pay	Attract and retain talent by providing competitive pay that is externally benchmarked against relevant peers and locations, and internally aligned with consideration of differences in individual performance and achievements, skillset, job scope as well as competency level.
Variable Cash	<ul style="list-style-type: none"> Reinforce pay-for-performance culture and adherence to Maybank Group's core values. Variable cash award design that is aligned with the long-term performance goals of the Group through our deferral and claw-back policies. Based on overall Group performance, business/corporate function and individual performance. Performance is measured via a Balanced Scorecard approach. Deferral Policy: Any variable bonus award in excess of certain thresholds will be deferred over a period of time. Clawback: The Maybank Board, based on risk management issues, financial misstatement, fraud and gross negligence or wilful misconduct, has the discretion to make potential adjustments or clawbacks on variable bonus awards.
Long Term Incentive Awards	<ul style="list-style-type: none"> Attract and retain employees who have a direct line of sight to the Maybank Group's long-term performance.
Benefits	<ul style="list-style-type: none"> Employee benefits provide employees with financial protection, access to health care, paid time off, staff loans at preferential rates, programmes to support work/life balance, etc. and aim to remain relevant for a diverse workforce. The benefits programmes which blend all elements of staff benefits based on employee/job needs are reviewed regularly with proactive actions taken to remain competitive in the increasingly dynamic business landscape and continuously enrich our employees as part of our total rewards strategy.
Development and Career Opportunities	<ul style="list-style-type: none"> Opportunities provided to employees to chart their careers across different businesses and geographies.

Total Compensation ensures that employees are paid equitably to the market, delivered via cash and shares/share-linked instruments. The mix of cash and shares/share-linked instruments is aligned to our long term value creation and time horizon of risk with targeted mix ratio.

The target positioning of base pay is mid-market while target positioning for Total Compensation for a performer is to be within the upper range of market. Target positioning for benefits is mid-market. In certain markets/geographies, there may be exceptions for selected benefits with above mid-market positioning for strategic purposes. As Maybank Group operates globally, it is essential that local legislation and practices are observed. Should any clause of any policy conflict with local legislation, local legislation shall take precedence.

Key Features of Our Remuneration Framework that Promote Alignment between Risk and Rewards

Our Total Compensation, a mixture of Fixed and Variable (i.e. Variable Bonus and Long term Incentive Plan), is designed to align with the long term performance goals and objectives of the organisation. The compensation framework provides a balanced approach between fixed and variable components that change according to individual performance, business/corporate function performance, group performance outcome and individual's level and accountability.

The Bank has strong internal governance on performance and remuneration of control functions which are measured and assessed independently from the business units they support to avoid any conflict of interests. Remuneration of the control functions is approved by the respective committees of the Board.

Performance Management principles ensure KPIs continue to focus on outcomes delivered that are aligned with business plans. Senior Officers* and Other Material Risk Takers (OMRT)* carry risk, governance & compliance goals in their individual scorecard and are cascaded accordingly. Being a responsible organisation, the right KPI setting continues to shape the organisational culture, actively drive risk and compliance agenda effectively where inputs from control functions and Board Committees are incorporated into the sector and individual performance results.

Corporate Governance – Remuneration Practices

As part of the overall corporate governance framework, the Bank ensures its remuneration policies and structure are in line with the requirement of governance regulations. From a risk management perspective, the remuneration policy is supported by strong governance and sensitive to risk outcomes.

Staff rewards are reviewed on an annual basis and are consistent with business performance and prudent risk management. Appropriately, involvement by the relevant control functions are sufficiently embedded to provide an independent and objective assessment of the remuneration principles and practices which are the prerequisites for executing a sound remuneration policy.

Senior Officers and OMRT

The remuneration package for Senior Officers and OMRT are reviewed on an annual basis and submitted to the Nomination and Remuneration Committee for recommendation to the Board for approval.

A summary of the FY2017 compensation outcome for those identified as Senior Officers and OMRT of Maybank Group is as follows:

	RM'000			
Total value of remuneration awards for the financial year	Senior Officers		OMRT	
	Unrestricted	Deferred	Unrestricted	Deferred
Fixed remuneration				
– Cash-based	22,446 (17 headcount)	–	43,517 (91 headcount)	–
Variable remuneration				
– Cash-based [#]	16,496 (16 headcount)	–	45,148 (88 headcount)	2,873 (7 headcount)
– Shares and share-linked instruments [^]	8,745 (10 headcount)	–	9,823 (72 headcount)	–
Definition*	Senior Officers of the Group are defined as Group President & CEO, Members of the Group Executive Committee (EXCO); Group Chief Financial Officer; Group Chief Risk Officer; Group Chief Compliance Officer; and Group Chief Audit Executive.		OMRT are defined as employees who can materially commit or control significant amounts of the 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:

Figures presented in the table are in ringgit.

The variable cash of one senior management and eleven OMRT were deferred by six months and paid in the same year whilst seven OMRT were paid in the following year.

[^] Share value is based on statutory guidelines for taxable gains calculation.

BOARD OF DIRECTORS



1. DATUK MOHAIYANI BINTI SHAMSUDIN

Non-Independent Non-Executive Director
(Chairman)



Age/Gender : 69 years/Female
Appointed : 22 August 2011
2017 Meeting Attendance : 14 out of 15 Board meetings (93%)

2. DATUK ABDUL FARID BIN ALIAS

Non-Independent Executive Director
(Group President & Chief Executive Officer)



Age/Gender : 50 years/Male
Appointed : 2 August 2013
2017 Meeting Attendance : 15 out of 15 Board meetings (100%)

3. DATUK R. KARUNAKARAN

Senior Independent Non-Executive Director



Age/Gender : 67 years/Male
Appointed : 16 July 2014
2017 Meeting Attendance : 15 out of 15 Board meetings (100%)

4. DATO' JOHAN BIN ARIFFIN

Independent Non-Executive Director



Age/Gender : 59 years/Male
Appointed : 26 August 2009
2017 Meeting Attendance : 15 out of 15 Board meetings (100%)

5. CHENG KEE CHECK

Non-Independent Non-Executive Director



Age/Gender : 53 years/Male
Appointed : 19 November 2014
2017 Meeting Attendance : 15 out of 15 Board meetings (100%)

6. EDWIN GERUNGAN

Independent Non-Executive Director



Age/Gender : 69 years/Male
Appointed : 24 August 2015
2017 Meeting Attendance : 15 out of 15 Board meetings (100%)



7. NOR HIZAM BIN HASHIM

Independent Non-Executive Director



Age/Gender : 69 years/Male
Appointed : 13 June 2016
2017 Meeting Attendance : 15 out of 15 Board meetings (100%)

8. DR. HASNITA BINTI DATO' HASHIM

Independent Non-Executive Director



Age/Gender : 56 years/Female
Appointed : 1 July 2016
2017 Meeting Attendance : 14 out of 15 Board meetings (93%)

9. ANTHONY BRENT ELAM

Independent Non-Executive Director



Age/Gender : 59 years/Male
Appointed : 15 November 2016
2017 Meeting Attendance : 15 out of 15 Board meetings (100%)

10. DATIN PADUKA JAMIAH BINTI ABDUL HAMID

Independent Non-Executive Director



Age/Gender : 62 years/Female
Appointed : 3 January 2017
2017 Meeting Attendance : 15 out of 15 Board meetings (100%)

11. CHE ZAKIAH BINTI CHE DIN

Independent Non-Executive Director



Age/Gender : 58 years/Female
Appointed : 1 March 2018



Full profiles of the Directors can be found in Section B of the Corporate Governance Report published on Maybank's corporate website at www.maybank.com

BOARD OF DIRECTORS' PROFILE



DATUK MOHAIYANI BINTI SHAMSUDIN
Non-Independent Non-Executive Director (Chairman)

QUALIFICATION

- Master of Business Administration (Finance), Cornell University, Ithaca, New York, USA
- Bachelor of Arts in Economics, Knox College, Galesburg, Illinois, USA

WORKING EXPERIENCE/OTHER DIRECTORSHIPS

Present:

Within Maybank Group

- Chairman of Maybank
- Chairman of Maybank Investment Bank Berhad
- Chairman of Maybank Kim Eng Holdings Ltd
- Chairman of Maybank Foundation

Other Companies/Bodies

- Director of Universiti Teknologi MARA (UiTM)
- Director of Capital Market Development Fund, Securities Commission
- Member/Trustee of Perdana Leadership Foundation
- Member/Trustee of IJN Foundation
- Member/Trustee of NUR Foundation
- Member/Trustee of National Council of Women's Organisations Malaysia

Past:

- Chairman of Maybank Asset Management Group Berhad and Maybank Asset Management Sdn Bhd from August 2012 to December 2016
- Member of several high level national working groups such as National Economic Action Council, National Economic Consultative Council II, National Information Technology Council, Ministry of Finance High Level Finance Committee for Corporate Governance, National Advisory Council for Women, Ministry of Women, Family and Community Development
- Chairman of Association of Stockbroking Companies Malaysia
- Deputy Chairman of Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Bhd) from 1999 to 2004
- Owner and Managing Director of Mohaiyani Securities Sdn Bhd from 1985 to 2004



DATUK ABDUL FARID BIN ALIAS FCB
Non-Independent Executive Director
(Group President & Chief Executive Officer)

QUALIFICATION

- Master of Business Administration (Finance), University of Denver, USA
- Bachelor of Science in Accounting, Pennsylvania State University, University Park, USA
- Advanced Management Programme, Harvard Business School, Harvard University, USA
- Chartered Banker of Asian Institute of Chartered Banker

WORKING EXPERIENCE/OTHER DIRECTORSHIPS

Present:

Within Maybank Group

- Group President & Chief Executive Officer/Executive Director of Maybank
- Director of Maybank Ageas Holdings Berhad
- President Commissioner of PT Bank Maybank Indonesia Tbk
- Director of Etika International Holdings Sdn Bhd

Other Companies/Bodies

- Chairman of The Association of Banks in Malaysia
- Vice Chairman of Asian Institute of Chartered Bankers
- Director of Cagamas Holdings Berhad
- Member of the ASEAN Banking Council
- Member of the Asian Bankers Association Policy Advocacy Committee
- Member of Visa Asia Pacific Senior Client Council
- Investment Panel of Kumpulan Wang Persaraan (Diperbadankan)
- Member of the Emerging Markets Advisory Council of the Institute of International Finance, Washington DC
- Member of ASEAN Business Advisory Council Malaysia
- Director of Asian Banking School Sdn Bhd
- Director of STF Resources Sdn Bhd
- Director of Payments Network Malaysia Sdn Bhd

Past:

- Chairman of Malaysian Electronic Payment System Sdn Bhd from November 2013 to August 2017
- Director of Maybank Investment Bank Berhad from June 2011 to August 2017
- Deputy President & Head, Global Banking of Maybank from July 2010 to August 2013
- Khazanah Nasional Berhad from 2005 to 2008

Membership of Board Committees in Maybank:

- Credit Review Committee (Member)

Declaration:

All the Directors have no:

- family relationship with any director and/or major shareholder of Maybank.
- conflict of interest with Maybank and has never been charged for any offence.

Datuk Mohaiyani binti Shamsudin is a nominee of Permodalan Nasional Berhad, a major shareholder of Maybank.



Full profiles of the Directors can be found in Section B of the Corporate Governance Report published on Maybank's corporate website at www.maybank.com

BOARD OF DIRECTORS' PROFILE



DATUK R. KARUNAKARAN

Senior Independent Non-Executive Director

QUALIFICATION

- Post Graduate Course in Industrial Project Planning, University of Bradford, UK
- Bachelor of Economics (Accounting) Hons., University of Malaya, Malaysia

WORKING EXPERIENCE/OTHER DIRECTORSHIPS

Present:

Within Maybank Group

- Director of Maybank
- Chairman of Maybank Ageas Holdings Berhad
- Chairman of Etiqa International Holdings Sdn Bhd
- Chairman of Etiqa General Insurance Berhad (formerly known as Etiqa Insurance Berhad)
- Chairman of Etiqa Life Insurance Berhad

Other Companies/Bodies

- Director of Bursa Malaysia Berhad
- Director of IOI Corporation Berhad
- Director of Integrated Logistics Berhad

Past:

- Chairman of Etiqa Family Takaful Berhad (formerly known as Etiqa Takaful Berhad) from March 2016 to December 2017
- Director of Sime Darby Motors Sdn Bhd from December 2010 to November 2017
- Director of Maybank (Cambodia) Plc from October 2012 to October 2017
- Chairman/Director of Maybank Private Equity Sdn Bhd from May 2013 to December 2016
- Joined the Malaysian Investment Development Authority (formerly known as Malaysian Industrial Development Authority (MIDA)) in August 1972 and served in various positions including Director and Director-General

Membership of Board Committees in Maybank:

- Nomination and Remuneration Committee (Chairman)
- Employees' Share Scheme Committee (Chairman)
- Employees' Share Grant Plan Committee (Chairman)
- Risk Management Committee (Member)

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DATO' JOHAN BIN ARIFFIN

Independent Non-Executive Director

QUALIFICATION

- Master of Business Administration, University of Miami, USA
- Bachelor of Arts in Economics, Indiana University, USA

WORKING EXPERIENCE/OTHER DIRECTORSHIPS

Present:

Within Maybank Group

- Director of Maybank
- Chairman of Maybank (Cambodia) Plc
- Director of Maybank Ageas Holdings Berhad
- Director of Etiqa International Holdings Sdn Bhd
- Director of Etiqa General Insurance Berhad (formerly known as Etiqa Insurance Berhad)
- Director of Etiqa Life Insurance Berhad
- Director of Etiqa Family Takaful Berhad (formerly known as Etiqa Takaful Berhad)
- Director of Etiqa General Takaful Berhad

Other Companies/Bodies

- Chairman of Mitraland Group of Companies
- Director of Sime Darby Property Berhad
- Chairman of Battersea Project Holding Company Limited
- Director of Battersea Project Land Company Limited
- Director of Pelaburan Hartanah Nasional Berhad
- Director of PNB Merdeka Ventures Sdn Bhd
- Director of TPPT Sdn Bhd
- Trustee of The Merdeka Heritage Trust
- National Council Member of the Real Estate Housing Developers' Association Malaysia

Past:

- Director of Maybank International (L) Ltd from January 2010 to August 2017
- Managing Director of TTDI Development Sdn Bhd
- Senior General Manager of Property Division, Pengurusan Danaharta Nasional Berhad
- Held various senior positions in several subsidiaries of public listed companies before venturing into his own successful marketing and advertising consultancy and property development business

Membership of Board Committees in Maybank:

- Audit Committee (Member)
- Credit Review Committee (Member)

Declaration:

All the Directors have no:

- family relationship with any director and/or major shareholder of Maybank.
- conflict of interest with Maybank and has never been charged for any offence.



Full profiles of the Directors can be found in Section B of the Corporate Governance Report published on Maybank's corporate website at www.maybank.com

BOARD OF DIRECTORS' PROFILE

**CHENG KEE CHECK**

Non-Independent Non-Executive Director

QUALIFICATION

- LLB (Hons), National University of Singapore, Singapore

WORKING EXPERIENCE/OTHER DIRECTORSHIPS**Present:****Within Maybank Group**

- Director of Maybank
- Chairman of Maybank Trustees Berhad

Other Companies/Bodies

- Corporate lawyer and partner at Messrs Skrine

Past:

- Director of PNB Development Sdn. Berhad from March 2009 to August 2017
- Director of Seriemas Development Sdn Berhad from July 2009 to August 2017
- Member of the Investment Committee of Amanah Saham Wawasan 2020 from 15 October 2012 to 1 January 2018

Membership of Board Committees in Maybank:

- Credit Review Committee (Member)
- Audit Committee (Member)
- Nomination and Remuneration Committee (Member)
- Compliance Committee (Member)
- Employees' Share Scheme Committee (Member)
- Employees' Share Grant Plan Committee (Member)

**EDWIN GERUNGAN**

Independent Non-Executive Director

QUALIFICATION

- Bachelor of Arts in Philosophy, Principia College, Elsah, Illinois, USA

WORKING EXPERIENCE/OTHER DIRECTORSHIPS**Present:****Within Maybank Group**

- Director of Maybank

Other Companies/Bodies

- Independent Commissioner of PT Indonesia Infrastructure Finance

Past:

- President Director of PT BHP Billiton Indonesia from 2007 to 2013
- President Commissioner of Bank Mandiri from 2005 to 2014
- Independent Commissioner of Bank Danamon from 2003 to 2005
- Independent Commissioner of Bank Central Asia from 2002 to 2003

Membership of Board Committees in Maybank:

- Risk Management Committee (Chairman)
- Nomination and Remuneration Committee (Member)
- Employees' Share Scheme Committee (Member)
- Employees' Share Grant Plan Committee (Member)

Declaration:

All the Directors have no:

- family relationship with any director and/or major shareholder of Maybank.
- conflict of interest with Maybank and has never been charged for any offence.

Cheng Kee Check is a nominee of Permodalan Nasional Berhad, a major shareholder of Maybank.



Full profiles of the Directors can be found in Section B of the Corporate Governance Report published on Maybank's corporate website at www.maybank.com

BOARD OF DIRECTORS' PROFILE



NOR HIZAM BIN HASHIM
Independent Non-Executive Director

QUALIFICATION

- Member of the Malaysian Institute of Accountants (MIA)
- Bachelor Degree in Commerce (Finance, Accounting and Economics), University of Western Australia, Australia
- Bachelor Degree in Jurisprudence (Hons) University of Malaya, Malaysia

WORKING EXPERIENCE/OTHER DIRECTORSHIPS

Present:

Within Maybank Group

- Director of Maybank
- Director of Maybank Islamic Berhad

Other Companies/Bodies

- Director of MCB Bank Limited
- Director of Minority Shareholder Watchdog Group (Badan Pengawas Pemegang Saham Minoriti Berhad)

Past:

- Expert Officer to the Public Private Partnership Unit, Economic Planning Unit in the Prime Minister's Department from 2007 to 2011
- Chief Executive Officer of TM International Corporation from 2000 to 2003
- Chief Financial Officer/Executive Director of Telkom SA Ltd (South Africa) from 1997 to 1999
- Chief Operating Officer of Telekom Malaysia Berhad from 1995 to 1996

Membership of Board Committees in Maybank:

- Audit Committee (Chairman)
- Credit Review Committee (Member)

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DR. HASNITA BINTI DATO' HASHIM
Independent Non-Executive Director

QUALIFICATION

- Investment Advisors License from the Securities Commission Malaysia
- Associate of the Institute of Actuaries, Staple Inn, London, UK
- PhD in Nuclear Physics, Oxford University, UK
- Bachelor of Science in Physics, Surrey University, UK

WORKING EXPERIENCE/OTHER DIRECTORSHIPS

Present:

Within Maybank Group

- Director of Maybank
- Chairman of Maybank Asset Management Group Berhad
- Chairman of Maybank Asset Management Sdn Bhd

Other Companies/Bodies

- Director, Guidance Atel Investments Ltd
- Director, Guidance Investments (Labuan) Ltd
- Director of Guidance SEARE Advisors GP Limited
- Director, Redachem Malaysia Sdn Bhd

Past:

- Chief Executive Officer of Guidance Investments Sdn Bhd from 2012 to 2016
- Head, Institutional Business, Guidance Financial Group from 2002 to 2011
- Chief Executive Officer of IslamiQ from 1998 to 2001
- Chief Executive Officer of Commerce MGI Sdn Bhd from 1994 to 1998
- Fund Manager with Rashid Hussain Asset Management from 1992 to 1994
- Actuary with Coopers and Lybrand Deloitte, London, UK from 1988 to 1992

Membership of Board Committees in Maybank:

- Credit Review Committee (Member)
- Risk Management Committee (Member)
- Compliance Committee (Member)

Declaration:

All the Directors have no:

- family relationship with any director and/or major shareholder of Maybank.
- conflict of interest with Maybank and has never been charged for any offence.



Full profiles of the Directors can be found in Section B of the Corporate Governance Report published on Maybank's corporate website at www.maybank.com

BOARD OF DIRECTORS' PROFILE



ANTHONY BRENT ELAM

Independent Non-Executive Director

QUALIFICATION

- Master in Business Administration (Finance and International Business), New York University, USA
- Bachelor of Science, Foreign Service, Georgetown University, USA

WORKING EXPERIENCE/OTHER DIRECTORSHIPS

Present:

Within Maybank Group

- Director of Maybank
- Director of Maybank (Cambodia) Plc

Other Companies/Bodies

- Commissioner of PT Lombok Saka
- Advisor of PT Sarana Menara Nusantara Tbk

Past:

- Chief Risk Officer/Director of PT Bank Central Asia Tbk from May 2002 to April 2016
- Advisor at PT Bahana Pembinaan Usaha Indonesia from November 1996 to December 2001
- Vice President at Dieng Djaya from February 1994 to November 1996
- Vice President at Citibank from 1986 to 1994

Membership of Board Committees in Maybank:

- Credit Review Committee (Chairman)
- Risk Management Committee (Member)
- Compliance Committee (Member)



**DATIN PADUKA JAMIAH BINTI
ABDUL HAMID**

Independent Non-Executive Director

QUALIFICATION

- Master in Business Administration, Universiti Kebangsaan Malaysia
- Bachelor of Science (Finance), Northern Illinois University, USA
- Diploma in Public Administration, Universiti Teknologi MARA, Malaysia
- Certified Financial Planner

WORKING EXPERIENCE/OTHER DIRECTORSHIPS

Present:

Within Maybank Group

- Director of Maybank
- Director of Maybank Islamic Berhad

Other Companies/Bodies

- Chairman of Turnpike Synergy Sdn Bhd
- Chairman of Prolintas Expressway Sdn Bhd
- Chairman of Projek Lintasan Kota Sdn Bhd
- Chairman of Projek Lintasan Kota Holdings Sdn Bhd
- Chairman of Projek Lintasan Shah Alam Sdn Bhd
- Chairman of Projek Lintasan Damansara-Shah Alam Sdn Bhd
- Chairman of Projek Lintasan Sungai Besi-Ulu Klang Sdn Bhd
- Director of Sistem Lingkaran-Lebuhraya Kajang Sdn Bhd
- Director of Manfaat Tetap Sdn Bhd
- Director of Pernec Integrated Network Systems Sdn Bhd
- Trustee of Tabung Pendidikan 1Billion

Past:

- Director of Unilever (Malaysia) Holdings Sdn Bhd from October 1987 to January 2018
- Deputy President, Corporate and International, Permodalan Nasional Berhad from 2009 to 2016

Membership of Board Committees in Maybank:

- Compliance Committee (Chairman)
- Audit Committee (Member)
- Nomination and Remuneration Committee (Member)
- Employees' Share Scheme Committee (Member)
- Employees' Share Grant Plan Committee (Member)

Declaration:

All the Directors have no:

- family relationship with any director and/or major shareholder of Maybank.
- conflict of interest with Maybank and has never been charged for any offence.



Full profiles of the Directors can be found in Section B of the Corporate Governance Report published on Maybank's corporate website at www.maybank.com

BOARD OF DIRECTORS' PROFILE



CHE ZAKIAH BINTI CHE DIN

Independent Non-Executive Director

QUALIFICATION

- Bachelor of Economics, University of Malaya, Malaysia

WORKING EXPERIENCE/OTHER DIRECTORSHIPS

Present:

Within Maybank Group

- Director of Maybank

Other Companies/Bodies

- External Expert, International Monetary Fund
- Public Interest Director, Federation of Investment Managers Malaysia

Past:

- Director, Financial Conglomerates Supervision Department, Bank Negara Malaysia from 2004 to 2017
- Director, Development Financial Institutions Regulations Department, Bank Negara Malaysia from 2002 to 2004
- Deputy Director, Bank Regulations Department, Bank Negara Malaysia from 1998 to 2002
- Bank Supervision Department, Bank Negara Malaysia from 1984 to 1998
- Economics Department, Bank Negara Malaysia from 1982 to 1984



WAN MARZIMIN BIN WAN MUHAMMAD

Group General Counsel and Company Secretary

QUALIFICATION

- LLB (Honours), University of Kent, Canterbury, UK
- Bar Finals, London Guildhall University, Called to the Bar of England & Wales (Barrister of Gray's Inn)
- Advocate and Solicitor of the High Court of Malaya

WORKING EXPERIENCE/OTHER DIRECTORSHIPS

Past:

- Partner, Zaid Ibrahim & Co.
- Legal Counsel, Manazel Group, Abu Dhabi
- Senior General Manager & Head, Legal & Secretarial, Tenaga Nasional Berhad
- Vice President, Legal & Secretarial, Scomi Group Berhad

Declaration:

All the Directors have no:

- family relationship with any director and/or major shareholder of Maybank.
- conflict of interest with Maybank and has never been charged for any offence.



Full profiles of the Directors can be found in Section B of the Corporate Governance Report published on Maybank's corporate website at www.maybank.com

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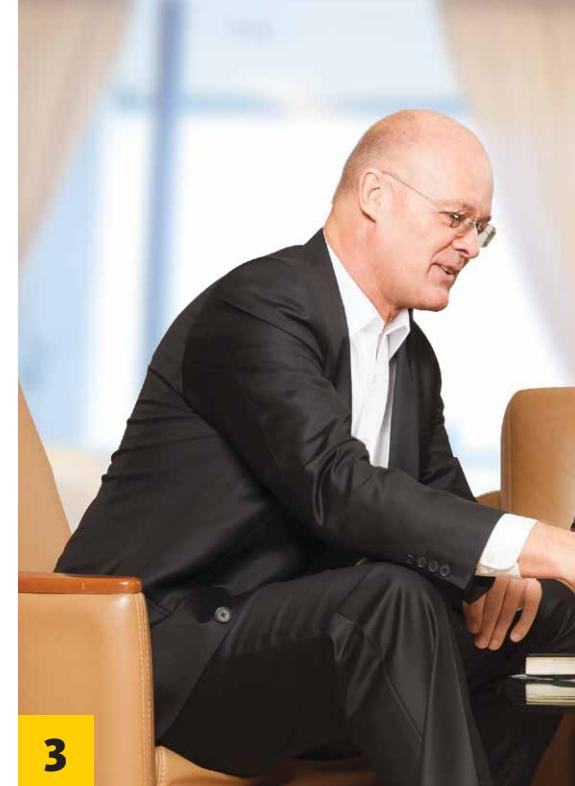
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GROUP EXECUTIVE COMMITTEE



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From left to right	1	TASWIN ZAKARIA
	2	DATUK ABDUL FARID ALIAS
	3	DATO' AMIRUL FEISAL WAN ZAHIR
	4	KAMALUDIN AHMAD
	5	DR. JOHN LEE HIN HOCK
		POLLIE SIM
	1	GILBERT KOHNKE
	2	NORA ABD MANAF
	3	MICHAEL FOONG SEONG YEW
	4	DATO' MOHAMED RAFIQUE MERICAN BIN MOHD WAHIDUDDIN MERICAN
	5	DATUK LIM HONG TAT
	1	MOHD SUHAIL AMAR SURESH ABDULLAH
	2	DATO' MUZAFFAR HISHAM
	3	JEROME HON



2



**“ LEADERSHIP AT
MAYBANK IS BUILT ON
FRIENDSHIP, OPENNESS,
TRUST AND A LITTLE BIT
OF FUN. ”**



5



4



GROUP EXECUTIVE COMMITTEE PROFILE



DATUK ABDUL FARID ALIAS FCB
Group President & Chief Executive Officer



Age/Gender: 50/Male

Appointed: 2 August 2013

Qualification:

- Master of Business Administration (Finance), University of Denver, USA
- Bachelor of Science in Accounting, Pennsylvania State University, University Park, USA
- Advanced Management Programme, Harvard Business School, Harvard University, USA
- Chartered Banker of Asian Institute of Chartered Banker

Responsibility:

- Spearhead Maybank Group's overall business growth and regionalisation strategies
- Drive execution of Maybank Group's business targets to meet the Group's aspirations and vision
- Oversee and ensure a good balance between driving operational excellence and strong governance to deliver sustainable long-term value for shareholders, customers, employees and other stakeholders

Relevant Working Experience:

- Group Global Banking, Maybank from 2010 to 2013
- Khazanah Nasional Berhad from 2005 to 2008
- J.P. Morgan from 1997 to 2005
- Malaysian International Merchant Bankers Berhad from 1996 to 1997

Present Directorship:

- Maybank
- PT Bank Maybank Indonesia Tbk
- Maybank Ageas Holdings Berhad
- Etiqa International Holdings Sdn Bhd
- Cagamas Holdings Berhad



DATUK LIM HONG TAT
Group Head, Community Financial Services



Age/Gender: 58/Male

Appointed: 1 January 2014

Qualification:

- Bachelor of Economics (Business Administration) (Hons), University of Malaya
- Fellow of the International Academy of Retail Banking
- Advanced Management Programme at Harvard Business School, Harvard University, USA

Responsibility:

- Lead, drive and implement Maybank Group's community banking strategy across all geographies which covers branch banking, consumer lending, SME and Business Banking, sales and distribution, wealth management, payments, virtual banking, product innovation and customer segmentation

Relevant Working Experience:

- Maybank Singapore from 2014 to 2017
- Community Financial Services, Maybank from 2010 to 2014
- Consumer Banking, Maybank from 2008 to 2010
- International Banking, Maybank from 2006 to 2008

Present Directorship:

- Maybank Kim Eng Holdings Ltd (January to November 2017)
- Maybank Kim Eng Securities Pte Ltd (January to November 2017)
- Etiqa Insurance Pte Ltd (Singapore) (January to December 2017)
- Maybank Philippines Inc

Flags indicate nationality:



Malaysian



Canadian



Indonesian



Singaporean

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 has never been charged for any offence.
- convictions for offences within the past 5 years.
- public sanction or penalty imposed by the relevant regulatory body during the financial year.

GROUP EXECUTIVE COMMITTEE PROFILE



DATO' MUZAFFAR HISHAM

Group Head, Global Banking



Age/Gender: 45/Male

Appointed: 1 July 2016

Qualification:

- Bachelor of Science (Hons) in Economics and Accounting, University of Bristol, United Kingdom
- Leadership Excellence through Awareness and Practice Programme at INSEAD, The Business School for the World, Fontainebleau, France

Responsibility:

- Responsible for Maybank Group's Global Banking business anchored on Client Coverage teams and supported by five key product groups which are Investment Banking, Global Markets, Corporate Banking, Transaction Banking and Asset Management
- Plan and execute Global Banking's business growth and regionalisation strategies such as identifying new markets and business opportunities as well as strengthening and entrenching Global Banking's business in Maybank Group's regional markets

Relevant Working Experience:

- Maybank Islamic Berhad from 2011 to 2016
- CIMB Islamic Bank Berhad from 2006 to 2011
- HSBC (M) Berhad from 2005 to 2006
- Commerce International Merchant Bankers (CIMB) from 2003 to 2005

Present Directorship:

- Maybank Asset Management Group Berhad
- Maybank Investment Bank
- Maybank Kim Eng Holdings Limited
- ANFAAL Capital (Saudi Arabia)

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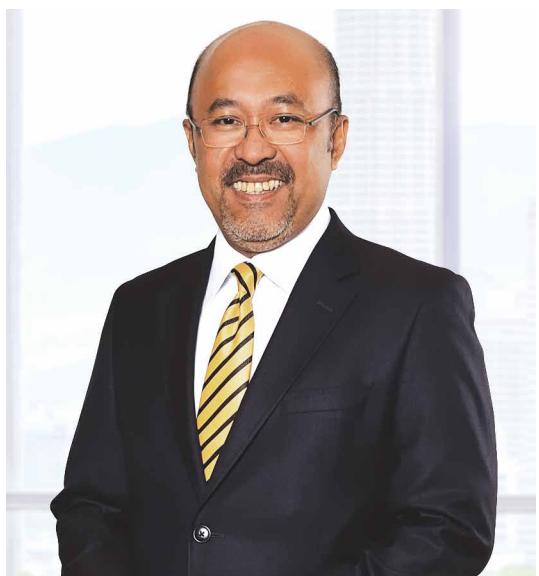
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DATO' MOHAMED RAFIQUE MERICAN

BIN MOHD WAHIDUDDIN MERICAN

Group Head, Islamic Banking

Chief Executive Officer, Maybank Islamic Berhad



Age/Gender: 53/Male

Appointed: 1 July 2016

Qualification:

- Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom
- Chartered Accountant, Malaysian Institute of Accountants (MIA)
- Advanced Management Programme at Harvard Business School, Harvard University, USA

Responsibility:

- Manage and oversee the overall Islamic Banking franchise of Maybank and ensure that it operates on a parallel platform, leveraging on the Group's resources
- Formulate business strategies for the Group's Islamic Banking business including Maybank Islamic's products development and delivery, marketing support, risk and Shariah-compliance management, spearheading the expansion of Group Islamic Banking in ASEAN and globally

Relevant Working Experience:

- Group Finance, Maybank from 2012 to 2016
- Tenaga Nasional Berhad from 2009 to 2012
- Radicare (M) Sdn Bhd from 2004 to 2009
- Malakoff Berhad from 2002 to 2004

Present Directorship:

- Etiqa Takaful Berhad
- P.T. Bank Maybank Syariah Indonesia

Flags indicate nationality: Malaysian Canadian Indonesian Singaporean

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 has never been charged for any offence.
- convictions for offences within the past 5 years.
- public sanction or penalty imposed by the relevant regulatory body during the financial year.

GROUP EXECUTIVE COMMITTEE PROFILE



KAMALUDIN AHMAD

Chief Executive Officer,
Maybank Ageas Holdings Bhd (MAHB)



Age/Gender: 50/Male

Appointed: 1 December 2013

Qualification:

- Bachelor of Science (Hons) in Actuarial Science from University of Kent, Canterbury, England

Responsibility:

- Drive and manage the overall strategy, profitability and growth of the Group's Insurance and Takaful business in Malaysia and Singapore
- Oversee the investment, commercial, corporate planning, risk management and IT decisions pertaining to the Insurance & Takaful operations
- Strengthen Group's Insurance and Takaful distribution footprint, grow its profitability via organic growth and regional expansion. Strengthen the Takaful leadership position and drive Etiqa as a preferred brand among all Malaysians

Relevant Working Experience:

- General Insurance & Takaful Business, Etiqa Insurance Berhad from 2012 to 2014
- UEM Group from 2011 to 2012
- AIG Malaysia and AIG International from 1996 to 2011

Present Directorship:

- Etiqa Insurance Pte Ltd (Singapore)
- AsianLife & General Assurance Corporation



DATO' AMIRUL FEISAL WAN ZAHIR

Group Chief Financial Officer



Age/Gender: 48/Male

Appointed: 1 July 2016

Qualification:

- BSc Economics (Accounting & Finance), London School of Economics & Political Science, United Kingdom
- Fellow of the Institute of Chartered Accountants England and Wales, United Kingdom
- Member of the Malaysian Institute of Accountants
- Chartered Banker, Chartered Banker Institute and Asian Institute of Chartered Bankers

Responsibility:

- Maybank Group's financial, capital and funding management
- Oversee Group Financial Control, Group Corporate Treasury, Group Tax, Group Performance Reporting, Group Investor Relations and Group Finance Operations (Corporate Remedial Management and Enterprise Information Management)

Relevant Working Experience:

- Global Banking, Maybank from 2014 to 2016
- Chemical Company of Malaysia Berhad from 2011 to 2014
- Permodalan Nasional Berhad in 2010
- Maybank Investment Bank from 2008 to 2010

Present Directorship:

- Director, Maybank Ageas Holdings Berhad

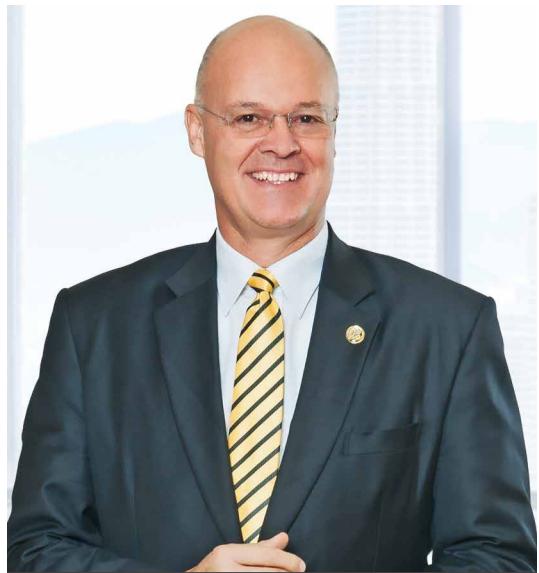
Flags indicate nationality: Malaysian Canadian Indonesian Singaporean

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 has never been charged for any offence.
- convictions for offences within the past 5 years.
- public sanction or penalty imposed by the relevant regulatory body during the financial year.

GROUP EXECUTIVE COMMITTEE PROFILE



GILBERT KOHNKE
Group Chief Risk Officer



Age/Gender: 59/Male

Appointed: 1 November 2017

Qualification:

- Master of Business Administration, University of Hawaii, Manoa
- Bachelor of Commerce (Accounting), University of Windsor, Canada
- Bachelor of Arts (Economics), University of Western Ontario, Canada

Responsibility:

- Strategise, lead and enforce an appropriate enterprise-wide risk management framework to ensure financial and reputational integrity of Maybank Group through effective mitigation of risks
- Support the Group and all its businesses in achieving business objectives and regional aspirations through the establishment of proactive and forward looking risk practices

Relevant Working Experience:

- Danske Bank, Copenhagen, Denmark from 2015 to 2017
- OCBC Bank, Singapore from 2005 to 2014
- CIBC World Markets, London, United Kingdom from 2002 to 2005

Present Directorship:

- Nil

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NORA ABD MANAF
Group Chief Human Capital Officer



Age/Gender: 54/Female

Appointed: 22 September 2008

Qualification:

- Chartered Accountant, Malaysian Institute of Accountants (MIA)
- Post-graduate certification in Human Resource Development, Cornell University
- Gallup Strengths Level II Coach

Responsibility:

- Lead and shape strategies to drive Human Capital objectives across the Group to realise Maybank's aspirations
- Provide strategic leadership in all aspects of workforce, workplace and performance futurisation for a sustainably performing organisation into the future
- Develop a strong talent strategy, pool and pipeline with high adaptability to drive sustainable performance

Relevant Working Experience:

- Standard Chartered Group from 1999 to 2008
- Scope International, Standard Chartered UK, PT Bank Permata from 2003 to 2008
- Maxis from 1995 to 1999

Present Directorship:

- Etiqa General Insurance Berhad
- Etiqa Life Insurance Berhad
- MBB LABS Pvt. Ltd (India)

Flags indicate nationality: Malaysian Canadian Indonesian Singaporean

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 has never been charged for any offence.
- convictions for offences within the past 5 years.
- public sanction or penalty imposed by the relevant regulatory body during the financial year.

GROUP EXECUTIVE COMMITTEE PROFILE

**MOHD SUHAIL AMAR SURESH****ABDULLAH**

Group Chief Technology Officer

**Age/Gender:** 55/Male**Appointed:** 1 April 2015**Qualification:**

- Masters of Business Administration, Charles Sturt University, Australia

Responsibility:

- Develop and lead the execution of the Group Technology strategies, platforms and capabilities in collaboration with the Group Business, Functions and Countries to achieve business goals
- Strategise, direct and build a differentiated regional strategic capability for the Group to leverage on technology as a competitive advantage for enhanced customer experience, greater efficiency and cost advantage
- Transform IT within Maybank and strengthen the in-house technical capabilities to support the Group's vision and aspirations

Relevant Working Experience:

- Group Technology, Maybank from 2014
- Virtual Banking & Payments, Maybank from 2012 to 2014
- Malaysian Electronic Clearing Corporation Sdn Bhd from 2011 to 2012
- Malaysian Electronic Payment System Sdn Bhd from 2002 to 2011

Present Directorship:

- Maybank Shared Services Sdn Bhd
- MCB Bank Limited
- MBB LABS Pvt. Ltd (India)

**MICHAEL FOONG SEONG YEW**Group Chief Strategy Officer,
Office of the Group President & CEO**Age/Gender:** 49/Male**Appointed:** 1 January 2014**Qualification:**

- Master of Arts in Economics and Management Studies, Cambridge University, United Kingdom
- Advanced Business Management Program, Kellogg Graduate School of Management, Northwestern University, Chicago, USA

Responsibility:

- Drive the Group's agenda on regionalisation, digital, business development, transformation and productivity programmes across the region, and develop the Group's long-term strategy
- Oversee Group Corporate Development & Innovation Unit, Corporate Affairs & Sustainability, Strategic Marketing, Customer Experience Management and Strategic Partnerships

Relevant Working Experience:

- Strategy & Transformation, Maybank from 2011 to 2014
- Accenture from 1994 to 2011
- Sime Darby Bhd from 1991 to 1994

Present Directorship:

- Nil

Flags indicate nationality: Malaysian Canadian Indonesian Singaporean

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 has never been charged for any offence.
- convictions for offences within the past 5 years.
- public sanction or penalty imposed by the relevant regulatory body during the financial year.

GROUP EXECUTIVE COMMITTEE PROFILE



JEROME HON
Group Chief Operations Officer

Age/Gender: 51/Male
Appointed: 1 December 2013

Qualification:

- Malaysian Institute of Certified Public Accountants (MICPA)
- Member of MICPA
- Member of Malaysia Institute of Accountants (MIA)

Responsibility:

- Formulate and develop the operational strategy for the Group and oversee the efficient and effective delivery of services to support the Maybank Group's vision and mission

Relevant Working Experience:

- Group Audit, Maybank from 2006 to 2013
- Maybank Trustees Bhd from 1997 to 2001
- Corporate Reporting, Maybank from 1994 to 1997
- Salleh, Leong, Azlan & Co from 1987 to 1994

Present Directorship:

- Nil

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DR. JOHN LEE HIN HOCK
Chief Executive Officer, Maybank Singapore

Age/Gender: 52/Male
Appointed: 1 December 2017

Qualification:

- Doctorate of Philosophy in Economics, Monash University, Australia
- Bachelor of Economics, Monash University, Australia
- Fellow Certified Practising Accountant of the Australian Society of CPAs
- Chartered Banker of Asian Institute of Chartered Bankers

Responsibility:

- Lead overall growth strategy for Maybank Singapore to support Maybank Group's vision, mission and regionalisation business objectives
- Facilitate Innovation and Competitive Strategy for Singapore vis-à-vis other financial institutions and market in Singapore and regionally and position Maybank Singapore as Maybank Group's centre of excellence for wealth management and infrastructure financing
- Lead and drive the overall branding and corporate positioning for Singapore to ensure a superior customer value proposition and sustain strong relationships with all customers and stakeholders

Relevant Working Experience:

- Group Risk, Maybank from 2011 to 2017
- KPMG Business Advisory from 1997 to 2011
- The Kuala Lumpur Options & Financial Futures Exchange (KLOFFE) from 1994 to 1997
- Amanah Merchant Bank Berhad from 1993 to 1994

Present Directorship:

- Maybank Kim Eng Holdings Limited
- Etiqa Insurance Private Limited

Flags indicate nationality: Malaysian Canadian Indonesian Singaporean

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 has never been charged for any offence.
- convictions for offences within the past 5 years.
- public sanction or penalty imposed by the relevant regulatory body during the financial year.

GROUP EXECUTIVE COMMITTEE PROFILE



TASWIN ZAKARIA
President Director, Maybank Indonesia



Age/Gender: 50/Male

Appointed: 11 November 2013

Qualification:

- Bachelor of Science in Business Administration degree in Accounting, Cum Laude (Honors), The Ohio State University

Responsibility:

- Strategise, plan and lead the overall direction for the banking business operations and strengthen the Group's operation of Maybank Indonesia to meet the objectives and targets as per Group's regional strategy to become the top financial services provider
- Facilitate growth of MBI operations by leveraging on Group's business capabilities and client networks and leverage on Maybank Group to capture a bigger market share and strengthen the Group's operations in Indonesia
- Supervise the development of Shariah banking business and the Bank's Internal Audit

Relevant Working Experience:

- PT Jasa Angkasa Semesta Tbk from 2005 to 2013
- PT Indonesia Infrastructure Finance from 2010 to 2011
- Barclays Capital, Jakarta from 2001 to 2003
- Deutsche Bank AG, Jakarta from 1997 to 2001

Present Directorship:

- PT Bank Maybank Indonesia Tbk



POLLIE SIM
Chief Executive Officer, International



Age/Gender: 56/Female

Appointed: 1 October 2013

Qualification:

- Stanford Executive Program
- Master in Business Administration, Brunel University of West London, United Kingdom
- Diploma in Management Studies, Singapore Institute of Management
- Diploma in Marketing & Selling Bank Services, International Management Centre

Responsibility:

- Strategise, lead and transform Maybank Group's international operations covering 13 countries (excluding Singapore and Indonesia) by building greater synergies and accelerating profitability for long term growth

Relevant Working Experience:

- Maybank Singapore from 2006 to 2013
- Retail Financial Services, Maybank Singapore from 2002 to 2006
- Enterprise Banking, Maybank Singapore in 2001
- Commercial Banking, Maybank Singapore from 1979 to 2001

Present Directorship:

- Maybank Philippines Inc.
- Maybank (Cambodia) Plc
- An Binh Bank Commercial Joint Stock Bank (Vietnam)

Flags indicate nationality: Malaysian Canadian Indonesian Singaporean

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 has never been charged for any offence.
- convictions for offences within the past 5 years.
- public sanction or penalty imposed by the relevant regulatory body during the financial year.

GROUP SHARIAH COMMITTEE



SHARIAH COMMITTEE OF ETIQA TAKAFUL BERHAD (SCETB)

1. DR. AHcene LAHSASNA Chairman



Age/Gender : 48 years/Male
Appointed : 11 June 2009
2017 Attendance : 11/12 (92%)

2. DR. SARIP ADUL Member



Age/Gender : 48 years/Male
Appointed : 1 June 2011
2017 Attendance : 12/12 (100%)

3. PROFESSOR DR. RUSNI HASSAN Member



Age/Gender : 50 years/Female
Appointed : 1 May 2017
2017 Attendance : 8/8 (100%)

4. PROFESSOR DR. ABDUL RAHIM ABDUL RAHMAN Member



Age/Gender : 50 years/Male
Appointed : 1 May 2017
2017 Attendance : 8/8 (100%)

5. ASSISTANT PROFESSOR DR. ISMAIL BIN MOHD @ ABU HASSAN Member



Age/Gender : 52 years/Male
Appointed : 12 April 2005
2017 Attendance : 11/12 (92%)

6. ASSISTANT PROFESSOR DR. MOHAMMAD DEEN MOHD NAPIAH Member



Age/Gender : 56 years/Male
Appointed : 18 May 2005
2017 Attendance : 12/12 (100%)

Flags indicate nationality:



Malaysian



Algerian



Full profiles for SCETB can be obtained at www.etiqa.com

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GROUP SHARIAH COMMITTEE



MAYBANK ISLAMIC BERHAD SHARIAH COMMITTEE (MIBSC)

1. ASSOCIATE PROFESSOR DR. AZNAN BIN HASAN

Chairman



Age/Gender : 46 years/Male
Appointed : 1 May 2014
2017 Attendance : 28/28 (100%)

2. DR. AHcene Lahsasna

Member



Age/Gender : 48 years/Male
Appointed : 11 June 2009
2017 Attendance : 24/28 (86%)

3. DR. MARJAN BINTI MUHAMMAD

Member



Age/Gender : 42 years/Female
Appointed : 1 May 2013
2017 Attendance : 28/28 (100%)

4. ASSOCIATE PROFESSOR DR. MOHAMED FAIROOZ BIN ABDUL KHIR

Member



Age/Gender : 41 years/Male
Appointed : 1 May 2013
2017 Attendance : 26/28 (93%)

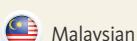
5. USTAZ MOHD KAMAL MOKHTAR

Member



Age/Gender : 50 years/Male
Appointed : 1 September 2015
2017 Attendance : 28/28 (100%)

Flags indicate nationality:



Malaysian



Algerian



Singaporean



Full profiles for MIBSC can be obtained at our corporate website

GROUP SHARIAH COMMITTEE PROFILE



DR. AHcene LAHSASNA
Chairman (SCETB)/Member (MIBSC)

Qualification

- Bachelor's degree in Islamic Law and Islamic Jurisprudence, University of Emir AbdelKader, Constantine, Algeria
- Master's degree in Islamic Law and Islamic Jurisprudence, International Islamic University of Malaysia (IIUM)
- PhD in Islamic Law and Islamic Jurisprudence, International Islamic University of Malaysia (IIUM)

Working Experience:

Present:

- Chairman of Shariah Committee of Etiqa Takaful
- Vice President, Research & Publication of Malaysian Financial Planning Council (MFPC)
- Academic Director, Singapore Islamic Finance Academy (SIFA)
- Member, Shariah Committee, Maybank Islamic Berhad
- Member, Committee, Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) (Malaysia)
- Registered Shariah Advisor for the Islamic Unit Trust Schemes and Islamic Securities (Sukuk) with the Securities Commission of Malaysia
- Member, Shariah Advisory Council of the Malaysian Financial Planning Council (MFPC)
- Member, Shariah Committee, RGA Takaful (Labuan)
- Panel member, FAA Accreditation

Past:

- Associate Professor and Deputy Director, Management Research Centre, International Centre for Education in Islamic Finance (INCEIF)



DR. SARIP ADUL
Member (SCETB)

Qualification:

- Bachelor's degree (Shariah), Al-Azhar University
- Master in Fiqh and Usul Al-Fiqh, University of Jordan
- PhD in Shariah, Universiti Kebangsaan Malaysia

Working Experience:

Present:

- Senior Lecturer, Universiti Malaysia Sabah
- Registered Shariah Advisor for the Islamic Unit Trust Schemes and Islamic Securities (Sukuk) with the Securities Commission of Malaysia
- Member, Shariah Committee, Perbadanan Baitulmal Sabah

Past:

- GIBSC member from 2011 to 2015
- Member of Fatwa Council, Sabah from 2007 to 2011
- Lecturer, Kulliyah of Laws, International Islamic University Malaysia from 1996 to 2000

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GROUP SHARIAH COMMITTEE PROFILE



PROFESSOR DR. RUSNI HASSAN

Member (SCETB)

Qualification:

- LLB (Hons), International Islamic University Malaysia (IIUM)
- LLB (Shariah) (Hons), IIUM
- Master of Comparative Laws, IIUM
- PhD in Law, IIUM

Working Experience:

Present:

- Professor and Deputy Dean, IIUM Institute of Islamic Banking and Finance
- Member, Shariah Committee, Hong Leong Islamic Bank
- Member, Shariah Committee, Association of Islamic Banking Institutions Malaysia (AIBIM)
- Member, Shariah Committee, Housing Development Finance Corporation, Maldives
- Member, Shariah Committee, Housing Development Corporation, Maldives
- Member, Shariah Committee, Koperasi JCorp
- Registered Shariah Advisor for the Islamic Unit Trust Schemes and Islamic Securities (Sukuk) with the Securities Commission of Malaysia
- Secretary General, Association of Shariah Advisors in Islamic Finance Malaysia (ASAS)
- Assistant Secretary, International Council of Islamic Finance Educators (ICIFE)

Past:

- Member, Shariah Advisory Council of Bank Negara Malaysia from 2010 to 2016
- Member, Shariah Committee, HSBC Amanah Bank from 2005 to 2010
- Member, Shariah Committee, HSBC Amanah Takaful from 2007 to 2010



**PROFESSOR DR. ABDUL RAHIM
ABDUL RAHMAN**

Member (SCETB)

Qualification:

- Bachelor degree in Finance and Accounting, University of East London
- Master in Accounting and Management Sciences, University of Southampton, United Kingdom
- PhD in Accounting, University of Southampton, United Kingdom

Working Experience:

Present:

- Member, Board of Directors, Etika Takaful Berhad
- Professor, Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia (USIM)
- Member, Shariah Committee, Amanah Ikhtiar Malaysia (AIM)
- Panel member of Muamalat experts, Department of Islamic Development Malaysia (JAKIM)
- Member, Shariah Committee, Malaysia Building Society Berhad (MBSB)
- Committee member, Economics and Finance Cluster, National Council of Professors (MPN)

Past:

- Director of Corporate Planning and Quality Management, USIM from 2015 to 2017
- Member, Shariah Committee, HSBC Amanah Bank from 2011 to 2016
- Dean, IIUM Institute of Islamic Banking and Finance from 2004 to 2007 and in 2012
- Visiting Professor, Faculty of Economics and Management, Universiti Sultan Zainal Abidin (Unisza), Terengganu in 2015



**ASSISTANT PROFESSOR DR. ISMAIL
BIN MOHD @ ABU HASSAN**

Member (SCETB)

Qualification:

- Bachelor's Degree (Honours), Shariah (First Class), University of Malaya
- LLM, Comparative Laws, School of Oriental Studies, University of London
- PhD, Comparative Law of Evidence, Victoria University of Manchester, United Kingdom

Working Experience:

Present:

- Assistant Professor, Ahmad Ibrahim Kulliyyah of Laws, International Islamic University Malaysia (IIUM)
- Shariah Advisor, Amanahibah Malaysia
- Shariah Advisor, Amanah Hartanah Bumiputera
- Member, Board of Trustees, Infaq lil Waqf, ANGKASA
- Member, Shariah Committee, Koperasi Angkasa (KOPSYA), ANGKASA
- Registered Shariah Advisor for the Islamic Unit Trust Schemes and Islamic Securities (Sukuk) with the Securities Commission of Malaysia
- Board of Trustees, Yayasan Lace, Johor

Past:

- Member, Shariah Committee, Maybank Islamic Berhad from 2005 to 2017
- Member, Board of Directors, Etika Takaful Berhad from 2014 to 2017
- Member, Board of Directors, Perbadanan Waqf Selangor from 2011 to 2014
- Member, Shariah Committee, CIMB Islamic from 2006 to 2008

GROUP SHARIAH COMMITTEE PROFILE



**ASSISTANT PROFESSOR DR.
MOHAMMAD DEEN MOHD NAPIAH**

Member (SCETB)

Qualification:

- Bachelor's degree in Shariah & Islamic Studies, Kuwait University
- PhD, Glasgow Caledonian University, Scotland

Working Experience:

Present:

- Assistant Professor, Ahmad Ibrahim Kulliyah of Laws, International Islamic University Malaysia (IIUM)
- Shariah Advisor, Amanah Hartanah Bumiputera
- Academic Assessor, Malaysian Quality Agency (MQA)
- Member, Jawatankuasa Standard Perindustrian Berkennaan Standard Halal (ISCI) Jabatan Kemajuan Islam Malaysia (JAKIM)
- Chairman, Working Committee for Halal Terminologies and Nomenclatures with Standard and Industrial Research Institute of Malaysia (SIRIM)
- Registered Shariah Advisor for the Islamic Unit Trust Schemes and Islamic Securities (Sukuk) with the Securities Commission of Malaysia
- Member, Disciplinary Committee Panel, Advocates & Solicitors Disciplinary Board of the Malaysian Bar Council

Past:

- Head, Islamic Law Department, Ahmad Ibrahim Kulliyah of Laws, IIUM from 1997 to 2000
- Deputy Dean, Ahmad Ibrahim Kulliyah of Laws, IIUM from 2000 to 2004
- Shariah Advisor, EON Bank Berhad from 1997 to 2004
- Member, Shariah Committee, Maybank Islamic Berhad from 2005 to 2017

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**ASSOCIATE PROFESSOR
DR. AZNAN HASAN**

Chairman (MIBSC)

Qualification:

- Bachelor's degree in Shariah (BA Hons), University of al-Azhar
- Master's degree in Shariah (Mumtaz), Cairo University
- PhD, University of Wales, Lampeter, United Kingdom

Working Experience:

Present:

- Shariah consultant to Maybank Investment Bank
- Associate Professor, IIUM Institute of Islamic Banking and Finance, International Islamic University Malaysia
- President of the Association of Shariah Advisors in Islamic Finance (ASAS)
- Chairman, Shariah Committee, Bank Pembangunan Malaysia Berhad
- Deputy Chairman, Shariah Advisory Council, Securities Commission
- Independent Non-Executive Director, Hong Leong MSIG Takaful
- Member, Shariah Advisory Board of ABSA Islamic Bank (South Africa), FNB Bank (South Africa) Yasaar Limited (London), Khalij Islamic (London), HSBC Amanah (Dubai), Amanahraya Berhad Employees Provident Fund (EPF), Waqaf Foundation (Yayasan Waqaf)
- Member, Committee, Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI)
- Board Member, Higher Shari'ah Authority of UAE Central Bank

Past:

- Member of the Shariah Advisory Council of Bank Negara Malaysia from 2006 to 2008 and from 2010 to 2013

GROUP SHARIAH COMMITTEE PROFILE



**ASSOCIATE PROFESSOR DR.
MOHAMED FAIROOZ BIN
ABDUL KHIR**

Member (MIBSC)

Qualification:

- Bachelor of Islamic Revealed Knowledge and Heritage, Fiqh and Usul al-Fiqh, International Islamic University Malaysia (IIUM)
- Master's degree in Shariah, specialising in Fiqh, Usul al-Fiqh and Islamic Finance University of Malaya
- PhD, Fiqh, Usul al-Fiqh and Islamic Finance, University of Malaya

Working Experience:

Present:

- Associate Professor, School of Law and Shariah, Islamic University of Malaysia
- Member, Shariah Advisory Council, Securities Commission
- Registered Shariah Advisor for the Islamic Unit Trust Schemes and Islamic Securities (Sukuk) with the Securities Commission of Malaysia
- Chairman, Shariah Committee, AGRO Bank
- Member, Shariah Committee, MNRB Holdings Berhad
- Shariah Adviser, the Farmers' Organization Authority

Past:

- Head, Islamic Banking Unit, International Shariah Research Academy for Islamic Finance (ISRA) from 2013 to 2016
- Lecturer, Department of Islamic Revealed Knowledge and Human Sciences, Centre for Foundation Studies, International Islamic University Malaysia (IIUM) from 2002 to 2010
- Shariah advisor, Malaysian Industrial Development Finance Berhad from 2011 to 2013



DR. MARJAN BINTI MUHAMMAD

Member (MIBSC)

Qualification:

- Bachelor of Islamic Revealed Knowledge and Heritage, Fiqh and Usul al-Fiqh, International Islamic University Malaysia (IIUM)
- Master of Islamic Revealed Knowledge and Heritage, Fiqh and Usul al-Fiqh, International Islamic University Malaysia (IIUM)
- PhD, Islamic Revealed Knowledge and Heritage, Fiqh and Usul al-Fiqh, International Islamic University Malaysia (IIUM)

Working Experience:

Present:

- Head, Research Quality Assurance Office, International Shariah Research Academy for Islamic Finance (ISRA)

Past:

- Director of Research, International Shariah Research Academy for Islamic Finance (ISRA) June 2013 to February 2017
- Member, Shariah Committee, RHB Islamic Bank from 2011 to 2013
- Tutor, Faculty of Judiciary and Law, Islamic Science University of Malaysia (USIM) from 2001 to 2005



USTAZ MOHD KAMAL BIN MOKHTAR

Member (MIBSC)

Qualification:

- Diploma, Arabic Language, Islamic University of Medina
- B.Sc., Zoology and Botany, National University of Singapore (NUS)
- BA (Hons.), Hadith and Islamic Studies, Islamic University of Medina
- Shari'a Advisory Training Program, Singapore Islamic Scholars & Religious Teachers Association (PERGAS) and International Institute of Islamic Finance (IIIF)
- Masters in Finance, International Islamic University of Malaysia (IIUM)

Working Experience:

Present:

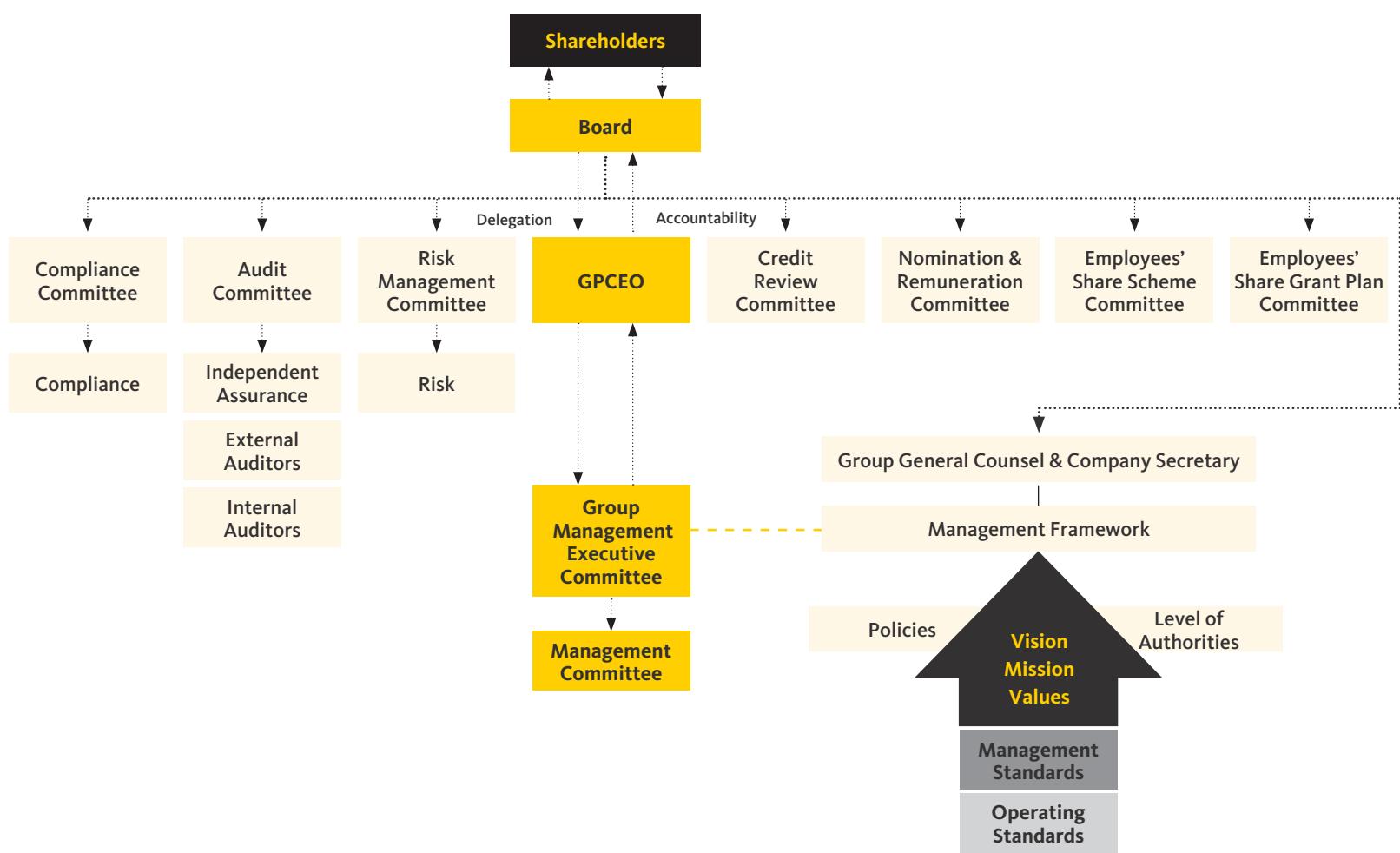
- Member, Singapore Islamic Scholars & Religious Teachers Association (PERGAS)
- Shari'a Advisor and Research Analyst, SHAPE Financial Corp
- Judge, Sharia Appeal Court of Singapore
- Associate member, Fatwa Council of Majlis Ugama Islam Singapore (MUIS)
- Member, Asatizah Recognition Board (ARB)
- Member, Shariah Committee, Basil Fund a private Real Estate Investment fund based in Singapore since 2012

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors (the Board) of Malayan Banking Berhad (Maybank, the Group or the Company) views corporate governance as a fundamental process contributing towards achieving long term shareholder value, taking into account the interest of other stakeholders. Amidst an increasingly challenging operating environment, the Board continuously strives to refine the Group's corporate governance practices and processes to meet these challenges head-on, to ensure that the Group's competitive edge both locally and regionally remains undiminished.

CORPORATE GOVERNANCE FRAMEWORK



Maybank's Corporate Governance Framework was revised during the financial year ended 31 December 2017 (FY2017) to take into account the establishment of the Compliance Committee of the Board (the CCB) in June, 2017, to ensure that compliance risk management is given the needed attention at the highest level.

Maybank's Corporate Governance Framework is premised upon the following statutory provisions, best practices and guidelines:-

1. Companies Act, 2016;
2. Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia) (Listing Requirements);
3. Policy on Corporate Governance issued by Bank Negara Malaysia (BNM CG Policy); and
4. Malaysian Code on Corporate Governance issued in 2017 (the Code).

The Board welcomed Bursa Malaysia's enhanced corporate governance disclosure requirements which are set out in Para 15.25 and Practice Note 9 of the Listing Requirements, introduced in line with the Code. Pursuant to these disclosure requirements, the Board has taken the necessary steps to set out a summary of the Group's corporate governance practices during FY2017 in this Corporate Governance Overview Statement (CG Overview Statement). In addition to this, the application of each of the Practices set out in the Code is disclosed in our Corporate Governance Report (CG Report) which is available on Maybank Group's corporate website (www.maybank.com).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A. BOARD LEADERSHIP & EFFECTIVENESS

Board Activities

The business and affairs of the Group are managed under the direction and oversight of the Board, which also has the responsibility to periodically review and approve the overall strategies, business, organisation and significant policies of Maybank. The Board also sets the Group's core values, adopts proper standards to ensure that the Group operates with integrity, and complies with the relevant rules and regulations. The roles and responsibilities of the Board are set out in Maybank's Board Charter which is available on Maybank Group's corporate website (www.maybank.com).

Among the key activities of the Board during FY2017 were as follows:-

Strategy
Reviewed and deliberated on the following update and strategy papers:- <ul style="list-style-type: none">• Business strategy of the various sectors within the Group• Innovation in Maybank and the Industry• Maybank's Corporate Social Responsibility Strategy• Maybank's Inclusiveness and Diversity Agenda• Operational Excellence and the culture of continuous improvement• Maybank's Fintech Strategy• Maybank's brand value based on Brand Finance Global 500 League Table 2017 report• Maybank's digital achievements and progress of digital initiatives Attended off-site session on Artificial Intelligence/Fintech and Cybersecurity
Risk, Compliance and Oversight
Reviewed and deliberated on the following reports and approval papers:- <ul style="list-style-type: none">• The establishment of the following management level committees:-<ul style="list-style-type: none">- Business Compliance Committee- Group Financial Crime Compliance Committee• Quarterly compliance reports• Group Chief Officer's Risk report• Internal Audit Report from the Audit Committee of the Board• Quarterly risk appetite statements and capital adequacy assessment reports• Group Compliance's transformation strategy updates• Maybank's Credit Authority Limit• Maybank's Environmental, Social and Governance Risk Management Framework
Governance
Reviewed and deliberated the following reports and approval papers:- <ul style="list-style-type: none">• Annual Board Assessment for the financial year ended 31 December 2016• Composition of the Board and Board Committees and of its key subsidiaries• Policy on Directors' Conflict of Interest• Group Capital Contingency Plan• Corporate governance updates pursuant to the issuance of the Code• The establishment of the CCB• Revisions to Maybank's Policy on Directors Independence in line with the provisions of the BNM CG Policy• Group's Capital and Funding Plan for FY2018 to FY2020• Maybank's Corporate Governance Framework• Maybank's readiness for MFRS 9 implementation• Budget and Business Plan for the Group for FY2018

Board Composition

Currently, the Board consists of eleven Directors, comprising:-

- (a) one Executive Director (ED);
- (b) two Non-Independent Non-Executive Directors (NINED); and
- (c) eight Independent Non-Executive Directors (INED).

The composition of the Board exceeds the minimum one-third requirement of independent directors as stipulated in the Listing Requirements and meets the requirement of having a majority of independent directors as set out in the BNM CG Policy. The Group President and Chief Executive Officer, Datuk Abdul Farid Alias (Group PCEO) is the only ED on the Board, while the two NINEDs are nominees of Permodalan Nasional Berhad, a major shareholder of Maybank.

The Board is committed to ensuring diversity and inclusiveness in its composition and deliberations and the Group embraces the proposition that having a diverse Board would have a positive, value-relevant impact on the Group. 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. The percentage of women Directors on the Board as at 31 December 2017 was 27%. In 2018, the percentage has further increased to 36% with the appointment of Ms Che Zakiah Che Din (in March, 2018) as an INED. Currently, there are two foreign nationals on the Board, Mr. Edwin Gerungan, an Indonesian and Mr. Anthony Brent Elam, an American (based in Indonesia); both are ex-bankers with international experience, especially in Indonesia where Maybank's presence is large and significant.

The roles and responsibilities of the Chairman, Datuk Mohaiyani Shamsudin and the Group PCEO are separated by a clear division of responsibilities and are defined, documented, and approved by the Board in line with best practices so as to ensure the appropriate supervision of Management. This distinction allows for better understanding and distribution of jurisdictional responsibilities and accountabilities. The clear hierarchical structure with its focused approach facilitates efficiency and expedites informed decision-making.

The profile of each Director can be found on pages 90 to 97 of this Annual Report.

Board Meetings

The Board meets on monthly basis, and the meeting dates are scheduled well in advance (before the commencement of each financial year) to enable the Directors to plan ahead. When required, the Board will meet on ad hoc basis to consider urgent matters. All Directors attended more than 75% of Board meetings held during FY2017.

Details of attendance of each Director at Board meetings held during FY2017 are disclosed in the Board of Directors section on pages 90 to 91 of this Annual Report.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) consists of a majority of INEDs and is chaired by an INED.

The roles and responsibilities of the NRC are set out in its Terms of Reference which are available on Maybank Group's corporate website (www.maybank.com).

The composition of the NRC and details of meetings attended by each member can be found in Section B of the CG Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Among the key activities of the NRC during FY2017 were as follows:-

Board Composition and Succession Planning <ul style="list-style-type: none"> Reviewed the overall size and composition of the Board and the board of its subsidiaries in tandem with the Board's succession plan Reviewed and made recommendations on the composition of Board Committees
Recruitment and Appointment of Directors <ul style="list-style-type: none"> Reviewed the background, skills and experience of potential candidates for appointments on the Board and the board of its subsidiaries Conducted interview sessions to assess the suitability of potential candidates to be appointed to the Board and the board of its subsidiaries Considered the re-appointments and re-elections of Directors of the Group Reviewed the appointment of Shariah Committee members of Maybank Islamic Berhad and Etiqa Takaful Berhad
Recruitment and Appointment of Senior Officers <ul style="list-style-type: none"> Reviewed the suitability of potential candidates for the appointment of senior officers including the Chief Executive Officer (CEO) of the subsidiaries Assessed the fit and propriety of senior officers of the Group Considered the proposals to renew the employment contract of senior officers of the Group Received updates on Group Executive Committee (EXCO) Succession Management
Fit and Proper Assessment <ul style="list-style-type: none"> Reviewed the results of the annual Fit and Proper assessment on Directors, senior officers and other Material Risk Takers of the Group
Board Effectiveness Evaluation <ul style="list-style-type: none"> Appointed independent external consultants to conduct the Board Effectiveness Evaluation (BEE) exercise on the Board, Board Committees and its main subsidiaries in respect of their performance for FY2107 Reviewed the results of the BEE exercise and recommended the proposed action plan programme to the Board and the board of its subsidiaries for approval Reviewed the training needs of the Directors Reviewed the performance of Shariah Committee of Maybank Islamic Berhad and Etiqa Takaful Berhad
Remuneration of Directors <ul style="list-style-type: none"> Appointed independent external consultants to undertake a review of the NEDs' remuneration for Maybank and its subsidiaries Deliberated on the findings of the remuneration review and recommended a revised remuneration framework for NEDs to the Board for consideration

Remuneration for Maybank Group <ul style="list-style-type: none"> Reviewed and recommended the total rewards (variable bonus and salary increment) for the Group
Governance <ul style="list-style-type: none"> Reviewed and recommended the proposed establishment of CCB and Employees' Share Grant Plan Committee for the Group and recommended the same to the Board for approval Received updates on the Group's Corporate Governance Framework Reviewed the internal processes, procedures, Board Charter, Board Manual, policies and framework in relation to the following: <ul style="list-style-type: none"> appointment of Directors; tenure of directorships; fit and proper assessments Directors' independence; gender diversity; and Directors conflict of interest
<p>The Board delegates to the NRC the responsibility to establish a formal and transparent procedure for the nomination and appointment of new Directors to the Board. Such responsibilities include screening, conducting initial selection of internal and external candidates, and performing the requisite evaluation and assessment on the candidates' ability to discharge their duties effectively and efficiently prior to making recommendations to the Board for its approval. The NRC also ensures that candidates possess the appropriate skills, core competencies, experience and integrity to effectively discharge their role as a director.</p> <p>The NRC determines the ability of the INEDs to continue bringing independent and objective judgment to the Board deliberations as well as to consider if there are any ground or reason that have come to the attention of the NRC that may affect the independence status of the INEDs. To assist the NRC in evaluating the independence of directors, the Board has established a Directors' Independence Policy (Independence Policy) which sets out Maybank's approach in determining directors' independence. The Independence Policy provides a guideline for the Board and its subsidiaries in the assessment of the independence of each INED. Consistent with the Independence Policy, the Board via the NRC assesses the independence of INEDs prior to their appointments and re-appointments as part of the annual Fit and Proper Assessment exercise. Pursuant to the recommendation of the NRC based on the assessment undertaken for FY2017, the Board is satisfied that all the INEDs of the Board have met the independence criteria set out under the Listing Requirements, the BNM CG Policy, as well as the Independence Policy.</p> <p>Induction Programme</p> <p>A comprehensive induction programme has been established to ease new Directors into their new role and to assist them in their understanding of the Group's business strategy and operational matters. New Directors are required to attend the programme as soon as possible after they have been appointed. Typically undertaken within a period of two days, the programme includes intensive one-on-one sessions with the Group PCEO and the Group EXCO members, wherein new Directors will be briefed and updated on the challenges and issues faced by the Group.</p>
<p>Human Capital pg. 82-112</p> <p>Manufactured Capital pg. 81</p> <p>Intellectual Capital pg. 68-80</p> <p>Financial Capital pg. 37-67</p> <p>Our Strategy to Create Value pg. 26-36</p> <p>Other Information pg. 130-161</p> <p>Social & Relationship Capital pg. 122-129</p> <p>AGM Information pg. 162-166</p> <p>Overview pg. 1-25</p>

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Succession Plan

Succession planning is an integral part of the Board's corporate governance practices as the Board believes that the membership and composition of the Board should be reassessed from time to time, while ensuring continuity in meeting the Group's long term goals and objectives. The NRC plays a major role in the recruitment and selection process of potential candidates, which includes procuring from time to time the curricula vitae of prospective candidates discreetly from various internal and external sources for its review and consideration, to ensure that the Board will always have a steady pool of talent for selection whenever there is a need to appoint new directors. In this regard, 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, not

only to ensure continuity in meeting its long term goals and objectives but also to ensure that the knowledge, experience, and skillset of its members would be well suited to meet the demands of the ever-changing landscape of the financial industry.

NED Remuneration Framework

The NRC is further authorised to develop and implement formal and transparent procedures for the development of Maybank's remuneration policy for its directors by ensuring that compensation is competitive and consistent with industry standards. The NRC has established a remuneration framework for its NEDs (NED Remuneration Framework) which (as set out in the Board Charter) is subject to periodic review. Details of the NED Remuneration Framework for FY2017 are illustrated below:-

Fee Component	NED Remuneration Framework per annum (RM)			Shareholders Approval	
	Chairman	Vice Chairman	Member		
Board Fee	610,000	440,000	295,000	Obtained at the 55 th AGM held on 7 April 2015	
Board Committee Fee	45,000	-	30,000	Obtained at the 51 st AGM held on 29 September 2011	

Based on the framework set out above, details of the total remuneration of the Directors, as distinguished between the ED and NEDs, in aggregate with categorisation into appropriate components for FY2017 is set out as follows:-

	Salary (RM)	Bonus (RM)	Directors' Fees (RM)	Other Emoluments (RM)	Benefits- In-Kind (RM)	Employees' Share Scheme (RM)	Total (RM)
Executive Director							
Datuk Abdul Farid Alias	2,400,000	4,300,000	-	1,315,580*	38,836	2,057,194^	10,111,610
Non-Executive Directors							
Datuk Mohaiyani Shamsudin ¹			546,250	457,500	32,971#		1,036,721
Datuk R. Karunakaran			426,042	58,000	6,571#		490,613
Dato' Johan Ariffin			356,008	53,000	6,544#		415,552
Mr. Cheng Kee Check			433,659	81,000	-		514,659
Mr. Edwin Gerungan			414,063	57,000	1,705#		472,768
Encik Nor Hizam Hashim			368,992	54,000	3,000#		425,992
Dr. Hasnita Dato' Hashim			365,242	43,500	5,678#		414,420
Mr. Anthony Brent Elam			378,054	49,000	3,000#		430,054
Datin Paduka Jamiah Abdul Hamid			430,253	79,000	3,000#		512,253
Mr. Renato Tinio De Guzman ²			80,957	11,000	5,189#		97,146
Tan Sri Dato' Megat Zaharuddin Megat							
Mohd Nor ³			152,500	197,500	135,975#		485,975
Dato' Dr. Tan Tat Wai ⁴			114,667	14,500	43,000#		172,167
Total (for Non-Executive Directors)	-	-	4,066,687	1,155,000	246,633	-	5,468,320
Grand Total	2,400,000	4,300,000	4,066,687	2,470,580	285,469	2,057,194	15,579,930

* Executive Director's Other Emoluments include pension costs, allowances, retirement gratuity and reimbursements.

Benefits-in-kind for Non-Executive Directors include golf club membership, annual gift and farewell gift. In addition to this, benefits-in-kind for the Chairman also include driver, car and fuel allowance.

¹ During FY2017, the Executive Director had exercised a total of 375,000 options under the Employees' Share Option Scheme and a total of 190,655 Restricted Share Unit had been vested and awarded to him (value of both equivalent to RM2,057,194 based on statutory guidelines for taxable gains calculation).

Notes:-

¹ Appointed as Chairman of Maybank on 1 April 2017

² Appointed as an INED of Maybank on 2 October 2017

Tendered resignation on 18 January 2018

³ Retired as Chairman of Maybank on 31 March 2017

⁴ Retired as an INED of Maybank on 6 April 2017

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Revision to the NED Remuneration Framework

The NED Remuneration Framework as set out above was established pursuant to the findings of a review conducted in 2013. The NRC had during FY2017, appointed an international firm of consultants (the Consultants) to conduct fresh review of the NED Remuneration Framework based on the results of a market survey on the remuneration and benefits received by NEDs. Given Maybank's aspirations to be a regional financial services provider, the scope of the survey carried out by the Consultants was primarily structured to benchmark against Maybank's regional peers (the NED Remuneration Survey). The NED Remuneration Survey also considered other major factors, including the revenue/size of the Group against its regional peers in light of the positive correlation between the company size and its cost of governance due to its larger scale and increased complexity.

Pursuant to the findings of the Consultants, the Board will be seeking shareholders' approval at the 58th AGM, for a revision to the NED Remuneration Framework as per the following:-

	Current NED Remuneration Framework per annum (RM)			Proposed NED Remuneration Framework per annum (RM)		
	Chairman	Vice-Chairman	Member	Chairman	Vice-Chairman	Member
Board Fee	610,000	440,000	295,000	No Change	No Change	No Change
Board Committee Fee	45,000	-	30,000	75,000	-	45,000

The rationale for the proposal is to better align the Board Committee fee component of the NED Remuneration Framework with the Group's regional peers, given that it has not been revised since 2011. The Board is not proposing to revise the Board fee component of the NED Remuneration Framework as the current Board fee is still competitive.

Approval will also be sought from the shareholders at the 58th AGM for an increase in the benefits payable to NEDs compared to the amount approved at the 57th AGM, mainly due to the Consultants' recommendation to revise the meeting allowance of NEDs to a sum of RM 4,000 per meeting. Further details of the benefits payable to the NEDs can be found in the explanatory notes to the Notice of the 58th AGM of the Group.

In addition to the above, the remuneration framework for senior management of the Group has also been reviewed by the NRC and the Board, the particulars of which can be found in Section B of the CG Report.

Board Effectiveness

The Board conducts an annual evaluation of its members and of Board Committees on an annual basis. In line with the expectations of the Code, the NRC engaged a firm of consultants to conduct the annual BEE on the overall effectiveness of the Board and individual Directors for FY2017. Pursuant to the said exercise, comments received from the Board (including areas for improvements) have been incorporated into the Board's Actionable Improvement Plan (AIP) to be addressed throughout 2018. The Board's AIP for FY2018 is as follows:-

- To further build on the Group's Environmental and Social Governance practices and processes;
- To strengthen the Board's skillsets in the following areas-
 - Disruptive technology/digital;
 - Cybersecurity;
- To address the training needs of Directors in the following areas-
 - Industry updates;
 - Risk management; and
 - Disruptive technology/Digital.

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Directorships in Other Companies and Maybank Subsidiaries

In compliance with the Listing Requirements, each member of the Board holds no more than five directorships in public listed companies. This enables the Directors to focus, commit, and devote sufficient time in discharging their duties and responsibilities effectively.

Whilst the Board values the experience and perspective gained by the NEDs from their memberships on the boards of other companies, organisations, and associations; the Board Manual provides that the NEDs must first consult the Chairman to ensure that their acceptance of such other appointments would not unduly affect their time commitments and responsibilities to the Board and the Group.

In addition to the above, the Board may from time to time, nominate some of its members to sit on the board of Maybank's subsidiaries which are also financial institutions. While these directors are expected to represent the interest of the Group, the Board is mindful of the duties imposed on such Directors, who must also act in the best interest of the subsidiaries that they represent.

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee of the Board

The Audit Committee of the Board (the ACB) consists of a majority of INEDs, and is chaired by an INED.

The composition and details of meetings attended by each member can be found in Section B of the CG Report. The composition of the ACB for FY2017 was in compliance with both the Listing Requirements and the provisions of the BNM CG Policy.

The ACB members are equipped with vast experience from various industries and are capable of providing sound advice to the Board not only in terms of financial reporting but also on internal audit and the state of the Group's risk and internal control environment. The Terms of Reference of the ACB are available on Maybank Group's corporate website (www.maybank.com).

The ACB and the Board place great emphasis on the objectivity and independence of the external auditors in providing relevant and transparent reports to the shareholders. In line with this, the Board has delegated the responsibility to assess the suitability, objectivity, and independence of the Group's appointed external auditors to the ACB. This responsibility is enshrined in the ACB's Terms of Reference, while the procedures and processes for the conduct of such assessment are guided by the Group's Framework on Appointment of External Statutory Auditors for Provision of Statutory Audit and Non-Audit Services. The ACB conducts such assessments on an annual basis. On that note, the external auditors have provided their written assurance to the Group in respect of their independence for FY2017. In respect of fees, the details of the statutory audit and non-audit fees incurred for FY2017 are set out under Note 42 on page 151 of the Maybank Group Financial Statements Annual Report 2017. To ensure full disclosure of matters, the external auditors are regularly invited to attend the Audit Committee meetings as well as general meetings of Maybank.

The Board is also assisted by the ACB in overseeing the financial reporting process and the quality of the Group's financial statements to ensure that the Board dispenses with its fiduciary responsibility to present to the shareholders and the public at large, a clear, balanced and meaningful evaluation of the Group's financial position, financial performance, and prospects. The ACB is also tasked to review the appropriateness of the accounting policies applied by the Group as well as the changes in these policies. Based on the ACB's recommendations, the Board also ensures that the Group's financial statements prepared for each financial year sets out a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act, 2016 in Malaysia. The Statement on Directors' Responsibility in respect of the preparation of the audited financial statements of the Group is set out on page 10 of the Financial Statements Book of this Annual Report. On that note, the financial results for FY2017 were announced to the public on 28 February 2018, less than sixty days after the closure of Maybank's financial year end. The Group's financial highlights and indicators for FY2017 are set out on page 37 of this Annual Report. The Group's financial statements are included on pages 33 to 287 of the Financial Statements Book of this Annual Report.

Internal Audit Function

The Internal Audit (IA) function is established by the Board to undertake continuous review and assessment on the adequacy, efficiency and effectiveness of risk management, control, and governance processes implemented in the Group. The IA is headed by the Group Chief Audit Executive (GCAE) who reports functionally to the ACB and administratively to the Group PCEO and is independent from the activities or operations of other operating units in the Group. The IA function is guided by its Audit Charter (as approved by the ACB) which defines the mission and objective, responsibility, accountability, authority, independence and objectivity and professionalism and ethical standards of the IA function of the Group.

The IA function has unrestricted access to the ACB and the GCAE is invited to attend ACB meetings to facilitate the deliberation of audit reports. The minutes of ACB meetings are then tabled to the Board for information and serve as useful references, especially if there are pertinent issues that any Directors wish to highlight or seek clarification on.

To ensure effective management and independence of the IA function, the ACB is empowered by its Terms of Reference to appraise and approve the appointment and termination of the GCAE, the scope of IA function and the required resources, as well as the performance of its senior IA staff. Further details on the activities of the ACB during FY2017, the independence of audit personnel and the Group's internal audit framework can be found in the Audit Committee Report which is set out on pages 136 to 140 of this Annual Report.

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Risk Management Committee

The Risk and Management Committee (RMC) consists exclusively of INEDs, and is chaired by an INED.

The composition of the RMC, its duties and responsibilities as well as details of meetings attended by each member can be found in Section B of the CG Report.

The RMC assists the Board in ensuring that the risk exposures and outcomes affecting the Group are effectively managed and addressed by the Board. More specifically, the RMC is responsible for formulating policies and frameworks to identify, monitor, manage and control material risks impacting the Group.

Risk Management and Internal Control Framework

The Board takes cognisance of its overall responsibility in establishing a sound risk management and internal control system as well as reviewing its adequacy and effectiveness. The Board has established a governance structure to ensure effective oversight of risks and controls in the Group. The effectiveness of risk management and internal controls is continuously reviewed to ensure that they are working adequately and effectively. The ACB regularly evaluates the adequacy and effectiveness of the Group's internal control systems by reviewing the actions taken on lapses/deficiencies identified in reports prepared by Group Audit. The ACB also reviews Group Audit's recommendations and management responses to these recommendations to ensure any lapses/deficiencies identified are being dealt with adequately and promptly.

Compliance Committee of the Board

Recognising the importance of compliance with the strict regulatory requirements, the Board established the CCB in June, 2017.

The CCB consists of a majority of INEDs and is chaired by an INED.

The composition of the CCB, its duties and responsibilities as well as details of meetings attended by each member can be found in Section B of the CG Report.

The main objective of the establishment of the CCB is to ensure that regulatory compliance risk is effectively managed to support the Group's business growth in line with the Group's aspiration and risk appetite.

The Board has disclosed the key features of its risk management and internal control system as well as its adequacy and effectiveness in the Statement on Risk Management and Internal Control which is set out on pages 130 to 135 of this Annual Report.

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Investor Relations (IR) is an essential part of Maybank's Corporate Governance Framework which ensures that all stakeholders, including the domestic and international investment community, receive relevant, timely and comprehensive information about the Group.

Maybank's dedicated IR unit is committed to providing effective and open two-way communication to improve disclosure and transparency. Contact details of key IR spokespersons of Maybank are as follows:

Dato' Amirul Feisal Wan Zahir

Group Chief Financial Officer

Contact: (6)03 2074 7703

Email: feisal.zahir@maybank.com

Jeeva Arulampalam

Head, Group Investor Relations

Contact: (6)03 2074 8017

Email: jeeva.a@maybank.com

The Board recognises the importance of timely and accurate information to the shareholders and investors for them to make informed investment decisions about Maybank. Hence, the Board has adopted the Group's Corporate Disclosure Policies and Procedures (Group Corporate Disclosure Policy) to enhance transparency, accountability as well as to facilitate disclosure of material information in a timely and accurate manner. A copy of the Group Corporate Disclosure Policy can be found on Maybank Group's corporate website (www.maybank.com). The policy details Maybank Group's communication channels with its stakeholder groups and types of investor engagements undertaken by the Group. More details on our investor engagement for 2017 can be found in the Investor Relations section on pages 44 to 45 of this Annual Report.

In line with the practice set out in the Code, the Board has also evaluated the Management's recommendations for Maybank to adopt integrated reporting as part of the Group's communications strategy with the Group's stakeholders and has approved the transition of the Annual Report to integrated reporting format in stages.

Group Corporate Website

Maybank Group's corporate website (www.maybank.com) provides comprehensive and easy access to the latest information about the Group. Information available on the corporate website includes Maybank's corporate profile, individual profiles of Directors and senior management, share and dividend information including the dividend reinvestment plan, investor presentations, financial results, annual reports, credit ratings, corporate news and Maybank's global operations and subsidiaries. Additionally, information on the Group's corporate governance structure and framework is available on the corporate website.

Visitors can also receive the latest Maybank updates via email or RSS feed through Maybank Group's corporate website (www.maybank.com). In addition, stakeholders can also obtain regulatory announcements made by Maybank to Bursa Malaysia on Maybank Group's corporate website (www.maybank.com).

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Memorandum and Articles of Association

The Memorandum and Articles of Association (M&A) of Maybank regulates the manner in which Maybank is governed.

In line with the introduction of the new Companies Act, 2016 which took effect on 31 January 2017, the M&A has been reviewed and the Board will be seeking the approval of the shareholders at the 58th AGM to adopt the changes made pursuant to the new provisions of the Companies Act, 2016.

General Meetings

The AGMs and Extraordinary General Meetings (EGM) represent the primary platforms for direct two-way interaction between the shareholders, the Board and Management of the Group. In deference to shareholder democracy and the transparency policy adopted by the Group, shareholder's approval is required on all material issues including, but not limited to, major mergers, acquisitions and divestments exercises, dividend payments, increase of Directors' fees, election/re-election and appointment/re-appointment of Directors as well as the appointment of auditors. The attendance of shareholders at the Group's general meetings has always been high as evidenced by the presence of more than 5,000 shareholders at the 57th AGM held on 6 April 2017. Active participation by the shareholders is encouraged during the AGM, in which an open platform is made available to the shareholders to raise questions relevant to the AGM agenda and appropriate response and clarification are promptly provided by the Board to the shareholders. In line with the recommendations of the Code, the Notice of the 58th AGM of the Group was issued to the shareholders of the Company 28 days prior to the date of the said meeting.

Maybank continues the practice of encouraging shareholders to submit written questions in advance prior to the commencement of meeting, in the forms provided during registration. This additional channel for the shareholders to raise their questions would allow Maybank to prepare the answers in advance and to group together similar questions from different shareholders to answer comprehensively as one. This provides greater efficiency in meeting proceedings and enables Maybank to address even more questions from the floor and is not intended to curtail the shareholders' right to speak in the meeting as the shareholders can still raise questions or make observations after the written question and answer session has been completed.

Additionally, the queries by the Malaysian Shareholders Watchdog Group on Maybank's business or other pertinent governance issues raised prior to the meeting as well as Maybank's feedback are shared with all shareholders during the meeting. The results of voting for each resolution are also immediately announced to the shareholders in the meeting after the voting process. Minutes of the AGM/EGM including significant matters discussed at the meetings are also disclosed on Maybank Group's corporate website (www.maybank.com). Recognising the significance of the AGM as the primary forum for the Group's shareholders to engage with all members of the Board on a face-to-face basis, all members of the Board are committed to attend the same. The Chair of all Board Committees also comes prepared to address any issues that shareholders may raise within the scope of the Board Committees in which they lead.

In accordance with the relevant provisions of the M&A, shareholders who are eligible to vote at general meetings but are unable to attend the AGM in person, may appoint proxies to vote on their behalf. Maybank has also introduced electronic voting (e-voting) facilities at the 57th AGM held last year, and will continue to make available such facilities in future meetings, to ensure that the mandatory poll voting process at all general meetings are carried out efficiently.

D. KEY FOCUS AREAS AND FUTURE PRIORITIES

Moving forward, the Board will continue to refine and seek to build upon the enhanced corporate disclosure requirements as required by Bursa Malaysia (and other regulators), to better operationalise and improve the Group's corporate governance practices and procedures in the best interest of all our stakeholders. Besides the areas identified by the Board (pursuant to the BEE), the Board will also be prioritising its succession plan, particularly on the need to establish a deeper pool of talent from which new candidates for Board memberships could be more efficiently assessed and evaluated prior to appointment.

This CG Overview Statement was approved by the Board on 28 February 2018.

ADDITIONAL COMPLIANCE INFORMATION

STATUTORY AUDIT AND NON-AUDIT FEES

A breakdown of fees for statutory audit and non-audit services incurred by Maybank and on group basis for the financial year ended 31 December 2017 is set out under Note 42 of the Financial Statements for the financial year ended 31 December 2017 on page 151 of the Financial Statements Book of the Annual Report 2017.

MATERIAL CONTRACTS INVOLVING INTERESTS OF DIRECTORS OR MAJOR SHAREHOLDERS

Save for the Proposed Acquisitions and Proposed Subscription announced to Bursa Malaysia on 13 December 2017 which involve the interests of Permodalan Nasional Berhad, a major shareholder of the Company, there were no other material contracts entered into by the Company and/or its subsidiaries involving the interests of the Directors and substantial shareholders, either still subsisting at the end of the financial year ended 31 December 2017 or entered into since the end of the previous financial year.

Details of the Proposed Acquisitions and Proposed Subscription can be found in the Company's announcement dated 13 December 2017.

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 2017.

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

(a) Capital and Fund Raising Exercises

During the financial year ended 31 December 2017, the Group had issued, amongst others, commercial papers, medium term notes and capital instruments (including conventional and Islamic) as part of its capital and fund raising exercises. The proceeds raised from these capital and fund raising exercises are used for working capital, general banking and other corporate purposes, and/or Shariah-compliant purposes, where applicable.

Details of the commercial papers, medium term notes and capital instruments are disclosed in Notes 23, 29, 30 and 31 to the Financial Statements for the financial year ended 31 December 2017 on pages 106 and 119 to 128 of the Financial Statements Book of the Annual Report 2017.

(b) Dividend Reinvestment Plan (DRP)

Net proceeds raised from the DRP (after deducting estimated expenses of the DRP) are for the purpose of funding the continuing growth and expansion of the Maybank Group.

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SUSTAINABILITY STATEMENT

Sustainability is an integral part of Maybank's business practices and we have a long track record of sustainability reporting. Our financial success depends on our ability to identify and address environmental, social, and ethical issues that present risks and opportunities for our business. From the start we have believed in Humanising Financial Services, and our strategic priorities are underpinned by this belief.

We have come a long way from supporting one-off good causes to empowering communities and responding to emerging issues by changing the ways we operate. We believe in improving prospects for livelihoods and entrepreneurship as well as access to financial services and education. We want to be able to show how we create long-term value and how we have managed to integrate environmental and social thinking into our business and operations, thus presenting financial and sustainability information side by side.

We report against our 20/20 Sustainability Plan, a five-year sustainability strategy document approved in 2014. The Plan aims to generate long-lasting impact and value across three pillars – Community and Citizenship, Our People, and Access to Products and Services and it includes 10 commitments.



Formulation of the Plan in 2014 helped us incorporate sustainability into 'business as usual' and embed it into our long-term mission of Humanising Financial Services. The Plan is operationalised with the help of the 20/20 Sustainability Plan Implementation Guide, which sets indicators to monitor our progress in fulfilling the 10 commitments. Various departments are involved in the implementation of the Plan.

This statement summarises the progress we made in 2017 towards the commitments and goals set in the 20/20 Sustainability Plan.

SUSTAINABILITY REPORTING

We publish a comprehensive, annual Sustainability Report (SR), that is aligned with the structure and commitments defined in the 20/20 Sustainability Plan. The report communicates our progress towards the 10 commitments outlined by the Plan. We have set indicators for the commitments that make tracking our progress easier. This Sustainability Statement is a summary of our sustainability efforts. We are also increasingly enhancing our disclosures online as well as social media as a means of extending sustainability information to a broader audience.

Our reporting is guided by the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines, a globally recognised reporting framework for sustainability, as well as the amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements relating to Sustainability Statement in Annual Reports.

The scope of this statement and our SR remains the same as in previous years, with data covering FY2017 and operations of Maybank Group, unless stated otherwise. We continue to focus on improving the monitoring of the impact of our work across the three pillars. We started tracking our progress systematically in 2013 to enable year-on-year comparison in key areas.

For details on stakeholder engagement and material issues, please refer to pages 29 to 31.

OUR ROLE AS A TRUSTED COMPANY

Maybank's approach to sustainability is founded on sound decision making and robust policies and systems. We have been included into the FTSE4Good Bursa Malaysia Index and our MSCI ESG Rating has been rated A since 2013.

In the past, many of Maybank's charitable community programmes were implemented on an ad-hoc basis. Over the years, we have made important changes and have integrated environmental, social, and governance (ESG) practices into our organisation and invested in strategic partnerships with community organisations. We have made an effort to report transparently about our progress, and have received multiple awards for our sustainability reports.

Sustainability roles within Maybank

Who	Role
Maybank Group	
Board of Directors	Reviews sustainability performance and the Group's strategies on promotion of sustainability, focusing on ESG aspects.
Group Executive Committee	Deliberates and approves all key sustainability related matters.
Group Risk	Oversees overall Group Risk strategy and progress, including ESG issues and sustainability risks.
Group Corporate Affairs	Custodian of the 20/20 Sustainability Plan.
Group Human Capital	Oversees overall Group Human Capital strategy and progress.
Group Property, Security & Valuation	Management of resource consumption and usage including environmental impact from business activities.
Various departments	Operationalise the 20/20 Sustainability Plan into their respective business and operational areas. Departments and teams provide information against measurable indicators.
Maybank Foundation	
Board of Trustees	Approves and reviews programmes and performance.
Chief Executive Officer	Oversees overall strategy and progress.
Maybank Foundation team	<ul style="list-style-type: none"> Implements and monitors Maybank's flagship community programmes based on focus areas under the Community and Citizenship pillar of the 20/20 Sustainability Plan. Supports community programme partnerships and initiatives throughout the Group.

Sustainable Development Goals (SDGs)

We support the United Nations' SDGs, launched in 2016. The SDGs consist of 17 goals and 169 targets dedicated to improving the well-being of present and future generations by addressing global challenges that include poverty, environment, and human rights. The SDGs acknowledge the role played by businesses in contributing to sustainable development. We are exploring how to incorporate those SDGs that are directly connected to our business at a working level.

Sustainability and Board of Directors

Group Corporate Affairs presents all relevant information on sustainability to the Board, including changes in the external operational environment as well as progress of the Group in relation to our goals. For example, in March 2017 the presentation included the following:

- Recap of Maybank 20/20 Sustainability Plan
- Sustainability report snapshots and progress
- Awards and external recognition
- Update on sustainability issues (e.g. from investors, customers, ESG analysts, pressure groups, fund managers, and other third parties)
- Future plans

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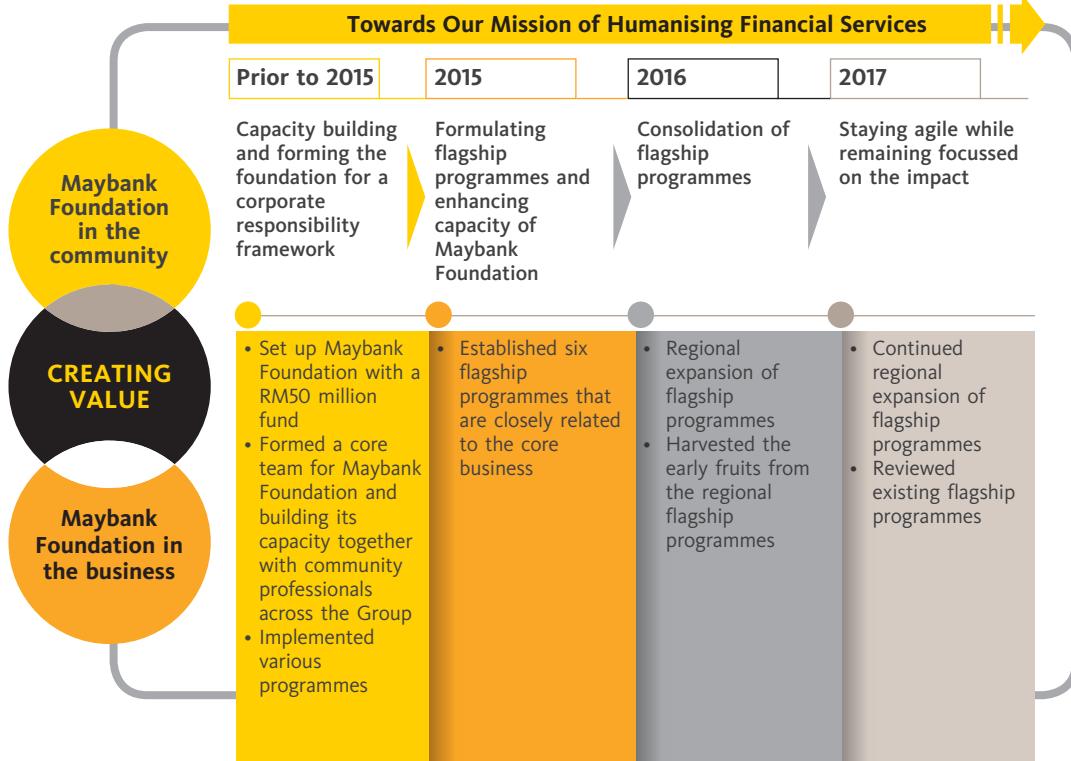
SUSTAINABILITY STATEMENT

OUR ROLE IN THE COMMUNITY

Our approach to giving back to the community is threefold. With targeted social investments, volunteer efforts, and long-term partnerships, we are able to empower the communities where we operate. Maybank Foundation manages the community investments of the Group in the markets that Maybank operates in, according to the priorities set out in the 20/20 Sustainability Plan.

We channelled about 1% of net profit to community programmes, as we have been doing since 2013, and are proud to be one of the more active corporate citizens in Asia with approximately RM65 million in community investment.

In 2017, our community programmes reached out to participants and beneficiaries across ASEAN. We strive to invest for impact, focusing on education, community empowerment, arts and culture, environmental diversity, healthy living, and disaster relief.



MAYBANK FOUNDATION'S FLAGSHIP PROGRAMMES

CashVille Kidz^

CashVille Kidz, our financial literacy programme was launched in Cambodia in March 2017. Its pilot phase targeted eight schools, reaching out to over 900 students in Phnom Penh. Our initial reports indicate an average increase of 25.49% in post-assessment scores of financial literacy knowledge among participating students in Cambodia. In the next phase, the programme will expand to more national schools in the country. The programme is expected to run in Cambodia for the next three years.

CashVille Kidz has been successful in Malaysia. In 2017, it was accepted as an extra co-curricular activity in participating schools by the Malaysian Ministry of Education.

In 2017, CashVille Kidz in Malaysia and Cambodia reached:

25,964
students

188
schools

Reach Independence & Sustainable Entrepreneurship (R.I.S.E.)^

► Target

R.I.S.E. builds capabilities of people with disabilities through a structured training and mentoring programme.

Phase 2

Started: September 2015
Completed: March 2017
Target: 1,800 participants:

- Malaysia: 1,400 participants
- Indonesia: 200 participants
- The Philippines: 200 participants

► Performance

R.I.S.E. trained a total of **1,866 participants** in Phase 2 in Malaysia, Indonesia, and the Philippines.

Phase 3 launched on 7 December 2017 will reach out to **4,000 people** in four countries:



Malaysia
800



Indonesia
2,000



The Philippines
1,000



Laos
200

of which **70%** will be people with disabilities.

SUSTAINABILITY STATEMENT

eMpowering Youths Across ASEAN^

The programme reaches out to students from partner universities, enabling them to undertake community initiatives around the region. Currently, Maybank Foundation is in discussion with the ASEAN Foundation to expand the programme further. It would be managed by ASEAN Foundation and reach out to all member countries.

In 2017, Maybank was invited to showcase its work with ASEAN youth in a United Nations Volunteers (UNV) conference in Bangkok, titled South-South Exchange on Youth Volunteering for the SDGs. Maybank was one of only three invited corporates amongst NGOs and government participants.

Maybank Women Eco Weavers^

Maybank Women Eco Weavers launched a silk weaving training centre in Takeo, Cambodia. To date, 50* women weavers have been trained in Cambodia, with another 25 currently undergoing training. The programme will be launched in Laos in 2018.

The programme was featured at the ASEAN 50th anniversary celebration in Jakarta in August 2017, as an example of a community programme that is in line with the ASEAN Socio-Cultural Community Blueprint – that seeks to promote high quality of life, equitable access to opportunities and protection of human rights, while preserving the arts and culture of the ASEAN region.



▲ The CEO of Maybank Foundation, Shahril Azuar Jimin, explaining about the Maybank Women Eco Weavers to the President of the Republic of Indonesia, H.E. Joko Widodo at the ASEAN 50th Anniversary Celebration held at the ASEAN Secretariat in Jakarta.

**Target: to train
400 weavers in Indonesia**

* 5 women weavers did not complete the training programme

Maybank Training & Learning Centre (TLC)^

Maybank's second TLC was opened in Myanmar (the first TLC is operational in the Philippines).

Maybank TLC-CVT (Centre for Vocational Training) Programme 2017 is a collaboration between Maybank and CVT Myanmar, intended to provide vocational training for the youths in Myanmar.



Arts and Culture

Several art exhibitions and talks were held at the Menara Maybank gallery space Balai Seni, including EMANSIPASI in conjunction with the 60th Merdeka (National Day) celebration, Tiger Art Exhibition in conjunction with Global Tiger Day on 29 July and Maybank Plenary Art Talk in conjunction with Malaysia Day.

As part of the KataKatha^ programme, the Drum for Hope project in the UK was launched in collaboration with MERCY Malaysia UK.

For further details on our ^ flagship programmes, please refer to Sustainability Report 2017.

COMMUNITY AND CITIZENSHIP PERFORMANCE REVIEW

20/20 SP Commitment	Focus Area	YoY Tracking																
Investing for Impact	Education	<p>Supporting access to education across the region to foster academic and non-academic excellence.</p> <table border="1"> <thead> <tr> <th>Year</th><th>2015</th><th>2016</th><th>2017</th></tr> </thead> <tbody> <tr> <td>CashVille Kidz^ (number of students)</td><td>53,020</td><td>75,000</td><td>25,964*</td></tr> <tr> <td>CashVille Kidz^ (number of schools)</td><td>241</td><td>330</td><td>188*</td></tr> <tr> <td>Scholarships (amount disbursed) (RM)</td><td>>14,000,000</td><td>23,000,000</td><td>26,751,005</td></tr> </tbody> </table> <p>* Due to the transition to a new phase of CashVille Kidz, there was a decrease in the number of students and schools reached in 2017.</p>	Year	2015	2016	2017	CashVille Kidz^ (number of students)	53,020	75,000	25,964*	CashVille Kidz^ (number of schools)	241	330	188*	Scholarships (amount disbursed) (RM)	>14,000,000	23,000,000	26,751,005
Year	2015	2016	2017															
CashVille Kidz^ (number of students)	53,020	75,000	25,964*															
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Scholarships (amount disbursed) (RM)	>14,000,000	23,000,000	26,751,005															
	Community Empowerment	<p>Reaching out to communities across the region through empowerment programmes.</p> <table border="1"> <thead> <tr> <th>Year</th><th>2015</th><th>2016</th><th>2017</th></tr> </thead> <tbody> <tr> <td>R.I.S.E.^ (number of participants)</td><td>200</td><td>1,411</td><td>455</td></tr> <tr> <td>Microfinance (KOMIDA) (number of women impacted)</td><td>2,748</td><td>1,131</td><td>100*</td></tr> </tbody> </table> <p>* Due to the transition to a new partnership of Microfinance, there was a decrease in the number of women impacted in 2017.</p>	Year	2015	2016	2017	R.I.S.E.^ (number of participants)	200	1,411	455	Microfinance (KOMIDA) (number of women impacted)	2,748	1,131	100*				
Year	2015	2016	2017															
R.I.S.E.^ (number of participants)	200	1,411	455															
Microfinance (KOMIDA) (number of women impacted)	2,748	1,131	100*															
	Arts and Culture	<p>Promoting and preserving traditional and new forms of art and expression.</p> <table border="1"> <thead> <tr> <th>Year</th><th>2015</th><th>2016</th><th>2017</th></tr> </thead> <tbody> <tr> <td>KataKatha^ (number of visitors)</td><td>-</td><td>1,500</td><td>1,500</td></tr> </tbody> </table>	Year	2015	2016	2017	KataKatha^ (number of visitors)	-	1,500	1,500								
Year	2015	2016	2017															
KataKatha^ (number of visitors)	-	1,500	1,500															

[^] flagship programmes

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COMMUNITY AND CITIZENSHIP PERFORMANCE REVIEW (Cont'd)

20/20 SP Commitment	Focus Area	YoY Tracking																				
Investing for Impact (Cont'd)	Environmental Diversity	<p>Preserving environmental diversity across ASEAN, particularly through tiger conservation.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2015</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Tiger conservation efforts (amount disbursed, RM)</td> <td>481,548</td> <td>722,321</td> <td>1,311,950</td> </tr> </tbody> </table>	Year	2015	2016	2017	Tiger conservation efforts (amount disbursed, RM)	481,548	722,321	1,311,950												
Year	2015	2016	2017																			
Tiger conservation efforts (amount disbursed, RM)	481,548	722,321	1,311,950																			
	Healthy Living	<p>Enabling access to affordable healthcare, supporting premier sporting events in the region, and nurturing local talent.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2015</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Number of liver transplant surgeries performed at Selayang Hospital's Liver Transplant Centre (cumulative since 2011)</td> <td>66</td> <td>82</td> <td>n/a (exited the programme)</td> </tr> <tr> <td>Total contribution to Selayang Hospital (amount disbursed, RM million)</td> <td>1</td> <td>n/a</td> <td></td> </tr> <tr> <td>Maybank Group contributed towards the initial purchase of equipment for the centre and its welfare fund on a number of subsequent occasions</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Save a Child's Heart at Regional Paediatric Heart Centre, National Heart Institute of Malaysia* (number of patients)</td> <td>12</td> <td>16</td> <td>2</td> </tr> </tbody> </table>	Year	2015	2016	2017	Number of liver transplant surgeries performed at Selayang Hospital's Liver Transplant Centre (cumulative since 2011)	66	82	n/a (exited the programme)	Total contribution to Selayang Hospital (amount disbursed, RM million)	1	n/a		Maybank Group contributed towards the initial purchase of equipment for the centre and its welfare fund on a number of subsequent occasions				Save a Child's Heart at Regional Paediatric Heart Centre, National Heart Institute of Malaysia* (number of patients)	12	16	2
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Save a Child's Heart at Regional Paediatric Heart Centre, National Heart Institute of Malaysia* (number of patients)	12	16	2																			
	Disaster Relief	<p>Supporting communities impacted by natural disasters in relief and rebuilding.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2015</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Disaster relief contribution to MERCY Malaysia (amount disbursed, RM)</td> <td>1 million</td> <td>1 million</td> <td>300,000*</td> </tr> </tbody> </table>	Year	2015	2016	2017	Disaster relief contribution to MERCY Malaysia (amount disbursed, RM)	1 million	1 million	300,000*												
Year	2015	2016	2017																			
Disaster relief contribution to MERCY Malaysia (amount disbursed, RM)	1 million	1 million	300,000*																			
		<p>* Restatement of data because of the difference in the timing of patient operation and disbursement across different years.</p> <p>* Our formal three-year partnership with MERCY Malaysia ended in 2016.</p>																				

OUR ROLE AS A LEADING EMPLOYER

We want to build an inclusive and engaged workplace to help us connect with customers and make better, more informed decisions for our business. We have made sure that we have a flexible, open and supportive working environment, where employees feel they can speak up, and everyone is valued and respected.



Bloomberg
The only Malaysian company listed on
2017 BLOOMBERG FINANCIAL SERVICES GENDER-EQUALITY INDEX (GEI)

Maybank has different nationalities, varying age groups, and socio-economic levels in our dynamic workforce. Tangible developments were made from the start of Maybank's people transformation journey commencing 2009 to ensure that Maybank and Maybankers embrace diversity and inclusion.

Maybank's Diversity and Inclusion Policy governs all aspects of employment practices which clearly prohibits discrimination or harassment and is based on the rule of meritocracy - embedded in our HR strategy, policies and practiced in our dealings with all stakeholders.

Constant engagement to listen and act on employee feedback through multiple forums and platforms led by Group EXCO to reinforce ways of working, and address pain points swiftly continue to be intensively pursued.

Maybank continues to maintain since 2009, the Human Capital Dashboard reviewed monthly at Management meetings which has been one of the tools enabling Maybank's many milestone successes. Maybank's Group Inclusiveness and Diversity Agenda in 2014 continue to be spurred by efforts emplaced earlier. Outcomes are monitored through a compulsory Key Performance Indicator (KPI) in the Group EXCO scorecard.

Maybank Women Mentor Women Council's main 2017 focus was to attract and retain female workforce, empower women talent through development programmes and drive career advancement of women through sponsorship programme/projects. It continues to support sub-councils for women across Maybank's presence in ASEAN, United States and United Kingdom. Some key programmes in 2017 include the International Women's Day 2017 Celebration (Kuala Lumpur), Women Conference in Indonesia and World of Women in Philippines.



The Maybank Women Mentor Women (WMW) Council's recently launched Advancing Women Leaders Programme (AWLP) is an important platform to increase women leadership, strengthen diversity and inclusion, and contribute to achieving Maybank's aspiration. Designed and executed by Group Human Capital and championed by the Maybank WMW Council, the programme has a developmental focus on women leaders. This programme is part of the Council's initiative to inspire and empower women at Maybank to draw on their unique leadership qualities.

Number of women leaders on AWLP: **35**



36% of Board of Directors are women

Women in top management, Band D and above **31%**

Women in management, Band G and above **45%**

SUSTAINABILITY STATEMENT



Maybank GO Ahead. Challenge



OUR PEOPLE PERFORMANCE REVIEW

20/20 SP Commitment	YoY Tracking																
Employee Engagement Platforms	<p>Engaging employees on issues that matter most to them is key to unlocking a values-based organisation with an agile and competitive regional talent pool.</p> <table border="1"> <thead> <tr> <th>Year</th><th>2015</th><th>2016</th><th>2017</th></tr> </thead> <tbody> <tr> <td>Percentage of employees appraised (based on employees who are eligible to participate in the year-end appraisal) (%)</td><td>100</td><td>100</td><td>100</td></tr> <tr> <td>Percentage of Employee Engagement Survey Results (%)</td><td>Not administered</td><td>Not administered</td><td>SEI: 88% EEI: 84%</td></tr> </tbody> </table> <p>* For 2017, Maybank Group's Sustainable Engagement Index (SEI) at 88% is high against internal and external benchmarks: +3% vs 2014; +5% vs Willis Towers Watson (WTW) Global Financial Services norm; +2% vs WTW Global High Performing Company norm. Maybank Group's Employee Engagement Index (EEI) at 84% remained high against internal and external benchmarks: +2% vs 2014; +4% vs WTW Global Financial Services norm; -1% vs WTW Global High Performing Company norm.</p>	Year	2015	2016	2017	Percentage of employees appraised (based on employees who are eligible to participate in the year-end appraisal) (%)	100	100	100	Percentage of Employee Engagement Survey Results (%)	Not administered	Not administered	SEI: 88% EEI: 84%				
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Percentage of Employee Engagement Survey Results (%)	Not administered	Not administered	SEI: 88% EEI: 84%														
Talent and Leadership	<p>Nurturing talent by providing the appropriate support for growth and the opportunity to excel in the organisation.</p> <table border="1"> <thead> <tr> <th>Year</th><th>2015</th><th>2016</th><th>2017</th></tr> </thead> <tbody> <tr> <td>Profit before tax per employee (RM)</td><td>199,129</td><td>201,120</td><td>233,330</td></tr> <tr> <td>Succession Cover Ratio (number of successors in Mission Critical Positions)</td><td>4.57:1</td><td>4.3:1</td><td>4.3:1</td></tr> <tr> <td>International mobility (number of talent taking up international positions after taking part in mobility programmes)</td><td>167</td><td>159</td><td>133</td></tr> </tbody> </table>	Year	2015	2016	2017	Profit before tax per employee (RM)	199,129	201,120	233,330	Succession Cover Ratio (number of successors in Mission Critical Positions)	4.57:1	4.3:1	4.3:1	International mobility (number of talent taking up international positions after taking part in mobility programmes)	167	159	133
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International mobility (number of talent taking up international positions after taking part in mobility programmes)	167	159	133														
Learning and Development	<p>Investing in the long-term development of our people and improving capabilities across the organisation.</p> <table border="1"> <thead> <tr> <th>Year</th><th>2015</th><th>2016</th><th>2017</th></tr> </thead> <tbody> <tr> <td>Learning and development spend (RM million)</td><td>114</td><td>129</td><td>124</td></tr> <tr> <td>Average training hours per employee</td><td>35.00</td><td>32.00</td><td>49.84</td></tr> <tr> <td>Percentage of training sessions conducted/facilitated by employees (%)</td><td>31</td><td>63</td><td>89</td></tr> </tbody> </table>	Year	2015	2016	2017	Learning and development spend (RM million)	114	129	124	Average training hours per employee	35.00	32.00	49.84	Percentage of training sessions conducted/facilitated by employees (%)	31	63	89
Year	2015	2016	2017														
Learning and development spend (RM million)	114	129	124														
Average training hours per employee	35.00	32.00	49.84														
Percentage of training sessions conducted/facilitated by employees (%)	31	63	89														

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OUR PEOPLE PERFORMANCE REVIEW (Cont'd)

20/20 SP Commitment	YoY Tracking																																																																								
Diverse and Inclusive Workplace 	Embracing and nurturing all employees' needs and requirements within a single group culture, which guides how we do business, how we work together, and how we collectively deliver value across the Group.																																																																								
	<table border="1"> <thead> <tr> <th>Year</th><th>2015</th><th>2016</th><th>2017</th></tr> </thead> <tbody> <tr> <td>Women in top management, Band D and above (%)</td><td>35</td><td>30</td><td>31</td></tr> <tr> <td>Women in management, Band G and above (%)</td><td>47</td><td>45</td><td>45</td></tr> <tr> <td>Age group of workforce (%)</td><td></td><td></td><td></td></tr> <tr> <td><30</td><td>27</td><td>23</td><td>22</td></tr> <tr> <td>30-39</td><td>37</td><td>37</td><td>37</td></tr> <tr> <td>40-49</td><td>27</td><td>30</td><td>30</td></tr> <tr> <td>≥50</td><td>9</td><td>10</td><td>11</td></tr> <tr> <td>Total participation</td><td>24,202</td><td>22,014</td><td>25,179</td></tr> <tr> <td>• Global CR Day</td><td>16,559</td><td>15,267</td><td>20,780</td></tr> <tr> <td>• Other volunteerism efforts</td><td>7,643</td><td>6,747</td><td>4,399</td></tr> <tr> <td>Total volunteer hours</td><td>122,917</td><td>108,863</td><td>130,209</td></tr> <tr> <td>• Global CR Day</td><td>89,806</td><td>77,361</td><td>105,140</td></tr> <tr> <td>• Other volunteerism efforts</td><td>33,111</td><td>31,502</td><td>25,069</td></tr> <tr> <td>Number of CK initiatives Group-wide</td><td>102</td><td>89</td><td>87</td></tr> <tr> <td>Total number of employees on Flexible Work Arrangement (FWA)*</td><td>315</td><td>319</td><td>372</td></tr> <tr> <td>• Male</td><td>100</td><td>90</td><td>108</td></tr> <tr> <td>• Female</td><td>215</td><td>229</td><td>264</td></tr> </tbody> </table>	Year	2015	2016	2017	Women in top management, Band D and above (%)	35	30	31	Women in management, Band G and above (%)	47	45	45	Age group of workforce (%)				<30	27	23	22	30-39	37	37	37	40-49	27	30	30	≥50	9	10	11	Total participation	24,202	22,014	25,179	• Global CR Day	16,559	15,267	20,780	• Other volunteerism efforts	7,643	6,747	4,399	Total volunteer hours	122,917	108,863	130,209	• Global CR Day	89,806	77,361	105,140	• Other volunteerism efforts	33,111	31,502	25,069	Number of CK initiatives Group-wide	102	89	87	Total number of employees on Flexible Work Arrangement (FWA)*	315	319	372	• Male	100	90	108	• Female	215	229	264
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Safety, Health and Well-being 	Improving safety and work-life balance.																																																																								
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	* For Maybank Malaysia (including Maybank Kim Eng and Maybank Islamic Berhad, but excluding Group Insurance & Takaful) as it is covered by different entities submission. Data from our report is submitted to the Department of Operational Safety and Health (DOSH) Malaysia annually on 31 January.																																																																								

OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER

Our business will continue to thrive if it is embedded with elements of good governance, innovation, and environmentally sound management. We are committed to getting to know our clients' businesses, including understanding the social and environmental issues of the sectors that we bank on. Digitalisation, access to finance, and funding the small businesses that fuel growth and livelihoods remain high on our agenda.



We continue to focus on managing our carbon footprint. We have participated in the CDP (formerly the Carbon Disclosure Project) for six years, and were the first Malaysian financial institution to take part. We are committed to the process and continue to disclose our carbon footprint.



To support the SME segment's growth, Maybank increased the number of seminars under the 'Building Capacity & Capability' Programme, now in its third year. In 2017, 15 seminars were organised and 148 micro SMEs were reached. The programme helps retail SMEs to better understand banking facilities available to them and learn how they can leverage on these services to grow their businesses. The half-day sessions are jointly hosted by industry experts and financial advisors from Maybank and include business insights and financial tips from renowned speakers, as well as networking sessions with other SMEs and industry experts.



We launched a new cashless mobile payment option that uses QR codes, Maybank QRPay. It is available at Laman (food court), Menara Maybank. The service was made available to the public in January 2018.



We entered into a strategic partnership with Ant Financial Services Group (Ant Financial) of China to provide Alipay users travelling in Malaysia with contactless payment service, thereby expanding the geographical reach of their digital wallets and enhancing their travel experience in Malaysia.



We launched face and voice recognition security authentication service for our customers via the mobile Maybank2u App as part of multi-factor security features. The Face ID and Voice ID will enable customers to access their accounts and check their balances via the Maybank app. Further transactions require login with passwords.

SUSTAINABILITY STATEMENT



The new **#MaybankApp** lets you withdraw money without your ATM card



The Maybank Group's Environmental, Social and Governance (ESG) Risk Management Framework, developed in consultation with country offices and business sectors and designed to be consistent with the Group's 20/20 SP, was approved by the Board in 2017. The framework is aligned with:

- **United Nations' Human Rights policy**
- **International Finance Corporation (IFC)'s standards**
- **Global environmental standards**

Maybank will not finance activities that are deemed not in line with our core values or international best practices. ESG risk assessment is to be conducted during the pre-deal origination and to be included as part of the overall evaluation of the activity, with all Know Your Customer (KYC) processes remaining unchanged. ESG risk assessment is to be conducted for new and existing clients. ESG risks are categorised into low risk, medium risk, or high risk.

The framework will be operationalised throughout the Group in 2018.

HouzKEY is our new alternative method of home financing. Based on the Islamic concept of Ijarah (a Shariah principle of leasing), it offers an option to purchase the home after renting it for 12 months. Targeted at first-time home buyers and home upgraders, HouzKEY helps to address the growing concern for affordable home ownership in Malaysia. It is the first such rent-to-own product in the country, fully enabled on a digital platform.

ACCESS TO PRODUCTS AND SERVICES PERFORMANCE REVIEW

20/20 SP Commitment	YoY Tracking																
Commitment to the Environment 	<p>Managing our environmental impacts.</p> <table border="1"> <thead> <tr> <th>Year</th><th>2015</th><th>2016</th><th>2017</th></tr> </thead> <tbody> <tr> <td>CDP (score)</td><td>71</td><td>C*</td><td>C**</td></tr> <tr> <td>Total paper consumption (sheets)</td><td>263,846,748*</td><td>262,570,998**</td><td>305,604,662**</td></tr> </tbody> </table> <p>* Data covering Malaysia operations. Please refer to SR 2015 page 54 for further details on CDP boundaries. ** Data covering Malaysia and Singapore operations. Please refer to SR 2016 page 67 for further details on CDP boundaries.</p>	Year	2015	2016	2017	CDP (score)	71	C*	C**	Total paper consumption (sheets)	263,846,748*	262,570,998**	305,604,662**				
Year	2015	2016	2017														
CDP (score)	71	C*	C**														
Total paper consumption (sheets)	263,846,748*	262,570,998**	305,604,662**														
Focus on Customers 	<p>Understanding the interaction of social issues and financial products to develop effective and affordable solutions for the community.</p> <table border="1"> <thead> <tr> <th>Year</th><th>2015</th><th>2016</th><th>2017</th></tr> </thead> <tbody> <tr> <td>Customer experience</td><td>Retained leading position in the Market on both Net Promoter Score (NPS) and Relationship Strength Index (RSI)</td><td>Remained among the top five leading banks in terms of our customer loyalty and relationship strength</td><td>Maintained our lead position as the preferred financial institution in the country</td></tr> <tr> <td>Retail SME financing (RM billion)</td><td>10.2</td><td>12.6</td><td>15.0</td></tr> </tbody> </table>	Year	2015	2016	2017	Customer experience	Retained leading position in the Market on both Net Promoter Score (NPS) and Relationship Strength Index (RSI)	Remained among the top five leading banks in terms of our customer loyalty and relationship strength	Maintained our lead position as the preferred financial institution in the country	Retail SME financing (RM billion)	10.2	12.6	15.0				
Year	2015	2016	2017														
Customer experience	Retained leading position in the Market on both Net Promoter Score (NPS) and Relationship Strength Index (RSI)	Remained among the top five leading banks in terms of our customer loyalty and relationship strength	Maintained our lead position as the preferred financial institution in the country														
Retail SME financing (RM billion)	10.2	12.6	15.0														
Digitalisation 	<p>Enabling technology to fulfil the increasingly complex requirements of a growing and more sophisticated customer base.</p> <table border="1"> <thead> <tr> <th>Year</th><th>2015</th><th>2016</th><th>2017</th></tr> </thead> <tbody> <tr> <td>Number of M2U registered online users (million)</td><td>8.3</td><td>9.8</td><td>11.0*</td></tr> <tr> <td>Number of online transactions (billion)</td><td>2.07*</td><td>2.90*</td><td>4.33*</td></tr> <tr> <td>Amount (RM billion)</td><td>173.6</td><td>260.5*</td><td>341.8*</td></tr> </tbody> </table> <p>* Data covering Malaysia, Indonesia, Singapore, the Philippines and Cambodia.</p>	Year	2015	2016	2017	Number of M2U registered online users (million)	8.3	9.8	11.0*	Number of online transactions (billion)	2.07*	2.90*	4.33*	Amount (RM billion)	173.6	260.5*	341.8*
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Number of M2U registered online users (million)	8.3	9.8	11.0*														
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Product Stewardship 	<p>Leading bank in responsible lending practices.</p> <table border="1"> <thead> <tr> <th>Year</th><th>2015</th><th>2016</th><th>2017</th></tr> </thead> <tbody> <tr> <td>Responsible lending</td><td>Established Responsible Lending Guidelines</td><td>Reviewed approach towards assessing ESG risks</td><td>Established Maybank Group's ESG Risk Management Framework</td></tr> </tbody> </table>	Year	2015	2016	2017	Responsible lending	Established Responsible Lending Guidelines	Reviewed approach towards assessing ESG risks	Established Maybank Group's ESG Risk Management Framework								
Year	2015	2016	2017														
Responsible lending	Established Responsible Lending Guidelines	Reviewed approach towards assessing ESG risks	Established Maybank Group's ESG Risk Management Framework														

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FINANCIAL YEAR ENDED 31 DECEMBER 2017

INTRODUCTION

The Board of Directors is pleased to provide the Statement on Risk Management and Internal Control pursuant to the Listing Requirements (LR) of Bursa Malaysia Securities Berhad (Bursa Malaysia). The statement was prepared in guidance with the “Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers” endorsed by Bursa Malaysia. It outlines the key features of the risk management and internal control system of the Group during the year under review.

BOARD RESPONSIBILITY

The Board takes cognisance of its overall responsibility in establishing a sound risk management and internal control system as well as reviewing its adequacy and effectiveness. In view of the inherent limitations in any internal control system, the risk management and internal control system can only provide reasonable assurance, rather than absolute assurance, that the significant risks impacting the Group's strategies and objectives are managed within the risk appetite set by the Board and Management. It does not in any way eliminate the risks of failure to realise the Group's objectives and against any material financial misstatement, fraud or losses.

The Board has established a governance structure to ensure effective oversight of risk and control in the Group. It is assisted by the Risk Management Committee (RMC) and Audit Committee of the Board (ACB) to oversee all matters with regard to risk and control. Recognising the importance in ensuring compliance with the strict regulatory requirements, the Board has also established the Compliance Committee of the Board (CCB) in 2017 to ensure effective oversight of compliance risk across the Group.

The Board is satisfied that the Group has implemented an ongoing process to identify, evaluate, monitor, manage and respond to significant risks faced by the Group in its achievement of the business goals and objectives amidst the dynamic and challenging business environment and increasing regulatory scrutinisation. The outcome of this process is closely monitored and reported to the Board for deliberation and where required, the Board directs the Management to take the necessary remediation actions to address the gaps/deficiencies reported. This ongoing process has been in place for the entire financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

MANAGEMENT RESPONSIBILITY

The Management is responsible for implementing the Board's policies and procedures on risk and control, and its roles include:



Identifying and evaluating the 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 the effective implementation of risk management and internal control system;



Implementing the policies approved by the Board;



Implementing the remedial actions to address the compliance deficiencies as directed by the Board; and



Reporting in a timely manner to the Board any changes to the risks and the corrective actions taken.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Risk Management

Risk Management Framework

Risk management has evolved into an important driver for strategic decisions in support of business strategies while balancing the appropriate level of risk taken to the desired level of rewards. As risk management is a core discipline of the Group, it is underpinned by a set of key principles which serve as the foundation in driving strong risk management culture, practices and processes:

01 Establish risk appetite and strategy

The risk appetite which is approved by the Board, articulates the nature, type and level of risk the Group is willing to assume.

05 Implement sound risk frameworks and policies

Implementation of integrated risk frameworks, policies and procedures to ensure that risk management practices and processes are effective at all levels.

02 Assign adequate capital

The approach to capital management is driven by strategic objectives and accounts for the relevant regulatory, economic and commercial environments in which the Group operates.

06 Execute strong risk management practices and processes

Robust risk management processes are in place to actively identify, measure, control, monitor and report risks inherent in all products and activities undertaken by the Group.

03 Ensure proper governance and oversight function

There is a clear, effective and robust Group governance structure with well-defined, transparent and consistent lines of responsibility established within the Group.

07 Ensure sufficient resources and system infrastructure

Ensure sufficient resources, infrastructure and techniques are in place to enable effective risk management.

04 Promote strong risk culture

Institutionalisation of a strong risk culture that supports and provides appropriate standards and incentives for professional and responsible behaviour.

Risk Appetite

The risk appetite is a critical component of a robust risk management framework which 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, understand and assess the types and levels of risk that the Group is willing to accept in pursuit of its business objectives. The development of the risk appetite is integrated into the annual strategic planning process and is adaptable to changing business and market conditions. The articulation of the risk appetite is done through a set of risk appetite statements that define the Group's appetite on all its material risks. The risk appetite balances the needs of all stakeholders by acting both as a governor of risk, and a driver of future and current business activities.

Risk Governance and Oversight

The risk governance model provides a transparent and effective governance structure that promotes active involvement from the Board and Senior Management in the risk management process to ensure a uniform view of risk across the Group. The governance model aims to place accountability and ownership whilst facilitating an appropriate level of independence and segregation of duties between the three lines of defence, which include risk-taking units, risk-control units and internal audit.

 Further information on the three lines of defence can be found on page 77 under the Group Risk Management section.

Risk and Compliance Culture

The risk and compliance culture is driven with a strong tone from the top, complemented by the action from the middle, to ingrain the expected values and principles of conduct that shape the behaviour and attitude of employees at all levels of businesses and activities across the Group. Risk and compliance frameworks and 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 responsibility of all employees across the Group.

As part of the risk and compliance culture, the Group has instilled a compliance culture where the Board, Senior Management and every employee of the Group is committed to adhere to the requirement of relevant laws, rules, regulations and regulatory guidelines. This commitment is clearly demonstrated through the establishment of strong compliance policies and guidelines to ensure that non-compliance risks are effectively managed.

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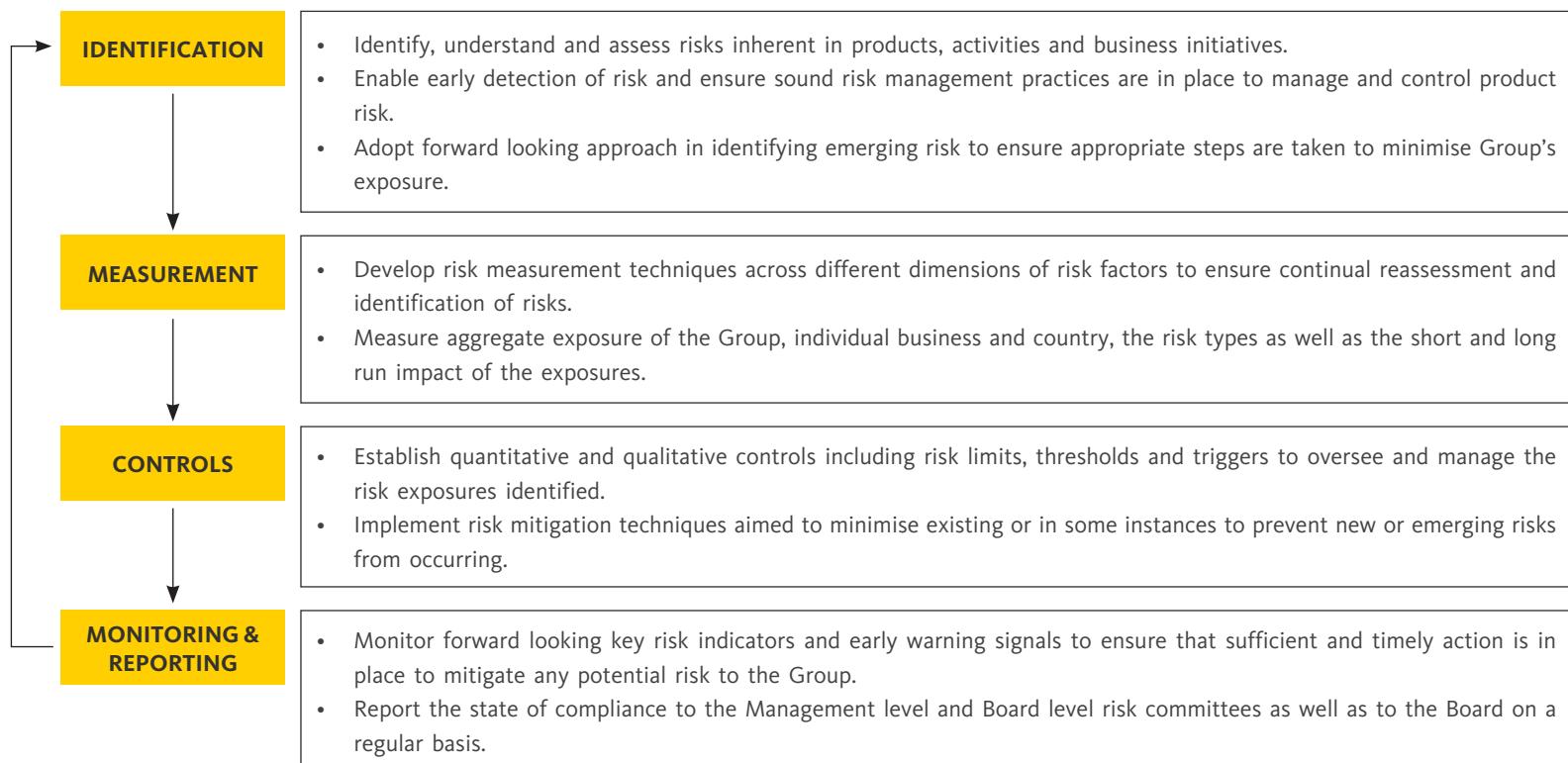
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Risk Management Practices and Processes

The risk management practices and processes enables systematic identification, measurement, control, monitoring and reporting of risk exposures across the Group.



Group Compliance Framework

The Framework provides the key principles and guidelines for managing Compliance Risk within Maybank Group. It is to be adopted and implemented across all operating entities of the Group in various jurisdictions.

The Framework serves as a guide for Compliance function alongside Board of Directors, Senior Management and all employees in all jurisdictions in understanding, complying and managing compliance risk.

The objectives of the Framework are to:

- Outline the overall strategy in managing compliance risk to ensure uniformity in practices across the Group in meeting regulatory and legal obligations;
- Specify the minimum expected standards for compliance risk management;
- Establish the roles and responsibilities of compliance risk management across the Group; and
- Establish the Group's compliance structure and its scope.

Shariah Governance Framework

The Group's Shariah Governance Framework sets out the expectations of the Shariah governance structures, processes and arrangements of all businesses and countries within the Group that execute Islamic business transactions. This is to ensure that all its operations and business activities are in accordance with Shariah principles as well as to provide comprehensive guidance to the Board, Shariah Committee and Management in discharging their duties in matters relating to Shariah.

The Group's Shariah Governance Framework reflects the responsibility of the Board, Management, Shariah Committee and Shariah Control functions, namely, Shariah Advisory and Research, Shariah Risk, Shariah Review and Shariah Audit, as well as Business Units to ensure effective management of Shariah Non-Compliance risks.

The end-to-end Shariah compliant governance mechanism is executed through four lines of defence that cater for both pre-execution and post-execution. The four lines of defence are 1st-Management and Business Unit, 2nd-Shariah Advisory and Research, 3rd-Shariah Risk and 4th-Shariah Audit and Shariah Review.

Cyber and Technology Risk Management Policy and Guideline

The Cyber Risk Management Policy is established to identify risks, build resilience, detect cyber threats and effectively respond to cyber related events. The Policy encompasses the cyber risk management strategy, governance structure and risk management enablers. It complements the Technology Risk Management Guideline and covers both Business and Technology drivers from an end to end perspective, which focus on the key layers of People, Process and Technology.

Technology Risk Management Guideline sets the standards for systematically identifying the causes of failure in the organisation's technology related functionalities, assessing the impact to the business and taking the appropriate risk remedial actions. This is established to safeguard the Group's reputation and to maintain high service levels to customers as well as business units.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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Internal Control System

The key elements of the internal control system established by the Board that provides 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 accountability aligned to business and operations requirements which support the maintenance of a strong control environment.

• Annual Business Plan and Budget

An annual business plan and budget are submitted to the Board for approval. Performance achievements are reviewed against the targeted results on a monthly basis allowing timely responses and corrective actions to be taken to mitigate risks. The Board reviews regular reports from the Management on the key operating statistics, as well as legal and regulatory matters. The Board also approves any changes or amendments to the Group's policies.

• 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 the material risk components impacting the businesses. The effectiveness of the risk management system is monitored and evaluated by the Group Risk (GR) function, on an on-going basis. Further information on the roles and responsibilities and specific duties of the RMC is included in the Corporate Governance Overview Statement from pages 113 to 120.

 Further information on the roles, responsibilities and specific duties of the RMC is included in the Corporate Governance Report which is published 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 assessment of compliance risk. The overall objective of the CCB is to ensure compliance risk management is given the needed attention at the highest level to ensure regulatory compliance risk is effectively managed to support business growth in line with the Group's aspiration and risk appetite.

The CCB reviews and deliberates reports prepared by Group Chief Compliance Officer (GCCO) on a scheduled basis on regulatory developments, risk assessment and compliance deficiencies identified within the Group. The CCB focus on the root causes of deficiencies and the sufficiency of management action in addressing compliance risks and concerns. CCB would then recommend to the Board on key decisions/actions needed.

The Board directs Management to take all steps necessary to correct the circumstances and conditions that had caused the compliance deficiencies. This includes specific implementation or remediation plans to address any control gaps or deficiencies.

 Further information on the roles and responsibilities of the CCB is included in the Corporate Governance Report which is published on Maybank's corporate website at www.maybank.com

• Other Board Committees

Other Board Committees, namely Credit Review Committee, Nomination and Remuneration Committee, Employees' Share Scheme Committee and Employee Share Grant Plan Committee are established to assist the Board in executing its governance responsibilities and oversight function as delegated by the Board. These Committees have the authority to examine all 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 is included in the Corporate Governance Report which is published on Maybank's corporate website at www.maybank.com

• Executive Level Management Committees

Various Executive Level Management Committees (ELCs) are also established by Management to assist and support the various Board Committees to oversee the core areas of business operations. These ELCs include the Group Executive Committee, Group Special Client Committee, Group Management Credit Committee, Group Executive Risk Committee, Group Asset and Liability Management Committee, Group Procurement and Property Committee, Group IT Steering Committee, Group Transformation Steering Committee, Group Internal Audit Committee and Group Staff Committee.

• Establishment of Group Special Client Committee

The establishment of Group Special Client Committee (GSCC) chaired by the GPCEO was approved by the Board in end FY2016 to evaluate, deliberate and decide on the on-boarding and retention of special risk clients, as well as processing of large and unusual transactions as per the defined parameters. GSCC is also to decide on change of risk appetite and parameters used to define special risk clients and transactions.

• Written Control Policies

A written Management Control Policy (MCP) and Internal Control Policy (ICP) from Management are in place. The MCP outlines the specific responsibilities of the various parties, the Management, the Internal Audit Committee (IAC) and the ACB pertaining to internal control. The ICP is to create awareness among all employees with regard to the internal control components and basic control policy.

• Management of Information Assets

Confidentiality, integrity and availability of information forms the basis for data protection of customers and stakeholders, which is critical to day-to-day operations for management decision making. This holds true as the handling of information assets ultimately impacts the reputation of the Group. To safeguard the information assets, the Information Risk Management Guideline is established to clearly define the processes for effective management of information assets and its associated risks. Guided by information handling rules in alignment to the information lifecycle, all information must be properly managed, controlled and protected. Additional measures include reinforcing the clear desk policy to minimise information leakage/theft and fraud.

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- **Sustainability Management**

Operating in a sustainable manner is an organic part of the Group's approach to its core business. Our long term financial success depends upon our ability to identify and address environmental, social and ethical issues that present risks or opportunities for our business. The Group has in place a five year Sustainability Plan, a strategic document with the aim of generating long-lasting impact and value across three pillars; Community and Citizenship, Our People and Access to Products and Services, by integrating Environmental, Social and Governance practices into our 'business-as-usual' as part of our commitment to various stakeholders which is supported by relevant policies and systems.

 Further information on Sustainability can be found in the Sustainability Statement section from pages 122 to 129.

- **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 current/applicable laws and regulations. Risk frameworks, policies and procedures are applicable across the Group, inclusive of subsidiaries and overseas branches whom are to adopt the principles prescribed by the Group while complying with local requirements. To strengthen consistent adoption of Group's standards, Group Risk has oversight in the adoption and customisation across the Group.

- **Group Procurement Manual and Non-Credit Discretionary Power**

The Group Procurement Manual is designed to streamline the procurement functions within the Group. It serves as a standard guideline on good management practices expected in the procurement process and procedures. Authority to approve any requisition against budgeted or unbudgeted expenditures shall be in accordance with relevant approving authority policies, i.e. the Non-Credit Discretionary Power (NCDP), Delegation of Authority (DOA) or any equivalent.

The NCDP defines the authority limits approved by the Board for procurement activities, acquisition & disposal of assets, operational write-off, donations, as well as approving 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 Instruction (SPIs) and are updated from time to time in tandem with changes to the business environment or regulatory guidelines. These SPIs are published in the communication portal which is made available to all employees.

- **Human Resource Policies and Guidelines**

The Maybank Group People Policies (MGPP) serves as a baseline with clarity on the philosophy and principles for People Management and Development in Maybank Group. It incorporates key principles and philosophies that support Maybank Group's Mission of Humanising Financial Services. The MGPP consists of a set of policies and guidelines that governs all aspects of human resource management, from talent acquisition and development, performance and consequence management, code of conduct to cessation of employment. A Disciplinary Policy is also established to provide for a structure where disciplinary matters are dealt with fairly, consistently and in line with the prevailing labour laws and employment regulations.

- **Core Values and Code of Ethics and Conduct**

The Group's core values, T.I.G.E.R. (Teamwork, Integrity, Growth, Excellence and Efficiency, Relationship Building) are the essential guiding principles to drive behavioural ethics. It is further complemented by the Code of Ethics and Conduct that sets out sound principles and standards of good practice to be observed by all.

- **Anti-Fraud Policy**

The Anti-Fraud Policy outlines the vision, principles and strategies for the Group to adopt by instilling a culture of vigilance to effectively manage fraud from detection to remedy, and to deter future occurrences. Robust and comprehensive tools and programmes are employed to reinforce the Policy, with clear roles and responsibilities outlined at every level of the organisation in promoting high standards of integrity in every employee.

- **Reputational Risk Policy**

Protecting our reputation is paramount to operating as an institution that provides financial services. Upholding trust forms a vital part of our obligation as a financial institution. Hence, the way in which we conduct ourselves through engagements with markets, regulators, customers, and the communities we serve is crucial. Given the importance of reputation, the Reputational Risk Policy is established to effectively manage reputational risk and to institutionalise awareness on and the consequences of such risk. The Policy outlines the roles and responsibilities of key stakeholders and the guiding principles to protect the Group's reputation.

- **Whistleblowing Policy**

Maybank Group Whistleblowing Policy was enhanced to provide a proper and secured avenue for Maybank Group employee and/or member of the public who has knowledge or is aware of any improper conduct to report any suspected fraud, corruption, criminal activity or unethical conduct/behaviour in the workplace, without facing any adverse consequences, such as retaliation. This Policy is developed to meet the requirement that has been set forth in BNM's Corporate Governance Policy. This Policy serves as a key instrument to emplace the principles prescribed in the Whistleblower Protection Act 2010 to combat corruption and other wrongdoings by encouraging and facilitating disclosures of improper conduct in an organisation.

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The access to pertinent whistleblower case/information is strictly governed and administered with highest confidentiality by a designated Board level of Non-Executive Director, GCCO and a Designated Whistleblowing Manager. All whistleblowing initiatives/activities are under the direct purview of Maybank Group Board. Maybank Group is committed to ensure that no person raising the concern is victimised, harassed, retaliated or otherwise unfairly treated by reason of raising such concern. The identity of the Whistleblower will be kept confidential at all times.

• **Financial Crime Compliance**

Group Financial Crime Compliance (GFCC) function was established at end of FY2016 and is further strengthened in FY2017 with appointment of key personnel in strategic roles. The GFCC is primarily focused in the areas of anti-money laundering, counter financing of terrorism, sanctions and anti-bribery and corruption.

In combating financial crime, the Group is committed to ensure the Group's financial crime risks are carefully managed to mitigate potential regulatory risk as well as protecting the integrity and reputation of the Group. To this end, the Group has increased its investment in the area of financial crime compliance in FY2017. Group-wide FCC policies and manuals are formulated to ensure that Maybank Group is guided in compliance with the requirements and obligations imposed, which among others, include:

- Maybank Group Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) Policy
- Maybank Group Procedural Guidelines on Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT)
- Maybank Group Sanctions Policy

INTERNAL AUDIT

INTERNAL AUDIT FUNCTION

The Internal Audit (IA) function is established by the Board to undertake continuous review and assessment on the adequacy, efficiency and effectiveness of risk management, control and governance processes implemented in the Group. It reports directly to the Audit Committee of the Board (ACB) and is independent from the activities or operations of other operating units in the Group. The fundamentals of the internal audit function involve identifying risks that could negatively impact the performance of the Group and/or keep it from achieving its corporate goals, ensuring Management fully understands these risks and proactively recommending improvements to minimise the risks. The annual Group Audit Plan (GAP) is established based on the Maybank Risk Based Audit (MRBA) while COSO Framework is used to assess the adequacy and effectiveness of internal controls. The Management follows through and ensures remedial actions taken are prompt, adequate and effective. Status reporting of the remedial actions taken is also tabled to the ACB and IAC regularly for deliberation and tracking. More detailed description on the Internal Audit function is highlighted in the Audit Committee Report as set out on pages 136 to 140.

AUDIT COMMITTEE OF THE BOARD

Audit Committee of the Board (ACB) is a Board Committee established by the Board to assist in the execution of its governance and oversight responsibilities. The responsibilities include the assessment of the effectiveness and adequacy of the Group's internal control system through the Internal Audit function. The ACB has active oversight over Internal Audit's independence, scope of work and resources. The ACB meets on a scheduled basis to review audit and investigation reports prepared by Internal Audit, taking into consideration the deliberation of the same report at the IAC. The ACB also deliberates on the outstanding audit findings to ensure prompt and effective remedial actions are taken by the Management. Where necessary, representatives from the parties being audited are requested to attend the ACB meeting to facilitate the deliberation of the audit reports. Minutes of the ACB meeting are then tabled to the Board. The details of the activities undertaken by the ACB are highlighted in the Audit Committee Report as set out on pages 136 to 140.

INTERNAL AUDIT COMMITTEE

Internal Audit Committee (IAC) is a management level committee chaired by the Group Chief Financial Officer (GCFO) to ensure adequacy of deliberation over issues/concerns raised by Internal Audit. It comprises senior level representatives from the various lines of business. It meets on a scheduled basis to deliberate on the findings highlighted in the audit and investigation reports and decide on the appropriate remedial actions required. Where necessary, representatives from the parties being audited are requested to attend the IAC meeting to enable more detailed deliberation and speedy resolution of the matter at hand. The status of the audit findings is also tabled to the IAC to ensure the committed remedial actions are promptly and effectively implemented within the set timeline. Minutes of the IAC meeting are then tabled to the ACB together with the audit reports. The IAC also follows through on the actions required by the ACB.

ASSURANCE FROM MANAGEMENT

The GPCEO and GCFO have provided their reasonable assurance to the Board that the Group's risk management and internal control system is operating adequately and effectively, in all material respects, during the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report. Taking into consideration the assurance from the Management and input from the relevant assurance providers, the Board is of the view that the Group's risk management and internal control system is operating adequately and effectively to safeguard shareholders' investment and the company's assets.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

In line with the Listing Requirements, this Statement has been reviewed by the external auditors for inclusion in the Annual Report for the financial year ended 31 December 2017. The limited assurance review was conducted in accordance with the Recommended Practice Guide (RPG) 5 (Revised 2015) issued by the Malaysian Institute of Accountants. RPG 5 (Revised 2015) does not require the external auditors to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system. Based on their review, the external auditors have reported to the Board that nothing had come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes the Board has adopted in the review of the adequacy and integrity of the risk management and internal control system of the Group.

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AUDIT COMMITTEE REPORT

A. COMPOSITION

The Audit Committee of the Board (ACB) comprises the following Non-Executive Directors, a majority of whom are Independent Directors and is chaired by an Independent Non-Executive Director:

1. Encik Nor Hizam Hashim – Chairman (*Independent Non-Executive Director*)
2. Dato' Johan Ariffin (*Independent Non-Executive Director*)
3. Mr. Cheng Kee Check (*Non-Independent Non-Executive Director*)
4. Datin Paduka Jamiah Abdul Hamid (*Independent Non-Executive Director*)
5. Mr. Renato Tinio De Guzman (*Independent Non-Executive Director*)
– Appointed w.e.f 30 November 2017

This is in line with the Listing Requirements 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.

During the financial year ended 31 December 2017 (FY2017), Datuk R. Karunakaran stepped down as a member of the ACB on 30 March 2017. Subsequently, Mr. Renato Tinio De Guzman who joined the Board of Maybank on 2 October 2017, was appointed as an additional member of the ACB on 30 November 2017.

The duties and responsibilities of the ACB are set out in its Terms of Reference which is published on Maybank's corporate website at www.maybank.com.

B. ACTIVITIES OF ACB FOR FINANCIAL YEAR ENDED 31 DECEMBER 2017

Attendance of Meetings

A total of 19 meetings were held during FY2017 and the details of meeting attendance are set out below:

Name of Committee Member	Number of meetings held and attended during FY2017
1. Encik Nor Hizam Hashim (Chairman)	19/19
2. Dato' Johan Ariffin (Member)	18/19
3. Mr. Cheng Kee Check (Member)	19/19
4. Datin Paduka Jamiah Abdul Hamid (Member)	19/19
5. Mr. Renato Tinio De Guzman (Member)*	2/2
6. Datuk R. Karunakaran**	4/4

* Tendered resignation on 18 January 2018.

** Stepped down as a member of the ACB with effect from 30 March 2017.

To facilitate deliberation of audit issues, the Group Chief Audit Executive (GCAE) and Group Audit Department Heads attended the ACB meetings to present their respective audit and investigation reports. The Group Chief Financial Officer (GCFO) who is also the Chairman of the Internal Audit Committee (IAC), represent Senior Management Team in ACB meetings to provide assurance and commitment by Management in addressing/resolving the audit issues and area of concerns. Where required, the Management of the audit subjects were called to provide explanation to the ACB on specific control lapses and issues arising from the relevant audit reports.

On the external audit aspects, the external auditors were invited to the ACB meetings to discuss their Management Letters, Audit Planning Memorandum (APM) and other matters deemed relevant. Together with the Group President & Chief Executive Officer (GPCEO) and GCFO, the external auditors also attended the meetings where the ACB met to discuss and review the quarterly unaudited financial results and the annual audited financial statements of Maybank and the Group. During FY2017, two private sessions were held between the ACB and the external auditors without the presence of the Management team.

During the year under review, the ACB in the discharge of its duties and functions, had carried out the following activities:

Internal Audit

1. Reviewed and approved the Group Audit Plan for FY2017 (GAP2017) to ensure comprehensiveness of audit scope and coverage as well as adequacy of audit resources to discharge internal audit functions effectively. The ACB also took cognisance of the Group Audit's annual operating budget requirement for FY2017 which was later tabled to the Board for approval together with the annual operating budget requirement for the entire Group.
2. Deliberated and approved the half-yearly Revised GAP2017 to ensure pertinence and in consideration of the changes in the business environment as well as the requests from the Regulators, ACB and Management.
3. Assessed and approved the performance rewards for the Group Audit staff including the GCAE for FY2016 based on the staff performance and in accordance with the matrix approved by the Board after considering the overall performance achievement of Group Audit for the year.
4. Deliberated and approved the FY2017 goal setting for the GCAE taking into consideration the relevance and importance of the key performance indicators set for the year.
5. Reviewed the monthly "Group Audit Dashboard" on the status and progress of internal audit assignments against the approved audit plan as well as turnover rate of internal audit staff. This report was also tabled to the Board for information.

AUDIT COMMITTEE REPORT

6. Deliberated on the audit and investigation reports and directed the Management to formulate and implement the necessary controls to strengthen the internal control system and prevent recurrence. Where necessary, GCFO was directed to escalate the control lapses and recommendations to the Group EXCO for deliberation.
7. Tabled the quarterly internal control health check report as well as outcome of investigations reports and other pertinent audit issues that have impact on the overall Group's control environment to the Board for deliberation.
8. Reviewed the audit reports issued by the regulatory authorities as well as Management's responses to the Regulators' recommendations, remedial actions taken and the committed timeline to rectify the gaps highlighted.
9. Reviewed the quarterly audit finding status reports and deliberated on the rectification actions and timeline taken by Management to ensure the control lapses are addressed and resolved promptly. The ACB also deliberated on the justification given by Management for extension of rectification timeline and approved such request where the justifications were acceptable.
10. Reviewed and noted the minutes of meetings for the following:
 - i. The IAC in Malaysia and Singapore for an overview of the deliberation and remedial actions taken by Management on the control lapses raised by internal auditors.
 - ii. The respective ACBs at the various subsidiary companies in Malaysia as well as regionally, sought clarification on pertinent matters discussed at these ACB meetings, deliberated on the possible common concerns and directed the relevant ACBs to take further actions where deemed necessary.
11. Deliberated and approved the appointment of KPMG Management & Risk Consulting Sdn. Bhd. (KPMG) to conduct Quality Assurance Review (QAR) on conformance of Group Audit's activities to the International Standards promulgated by The Institute of Internal Auditors (IIA). The QAR report was tabled to the ACB in November 2017 with the conclusion that the present practices carried out by Group Audit were in conformance with the standards and leading practice recommended by the IIA.
12. Deliberated on the staff fraud trend and the outcome of the cases for the year 2013 to 2017.

Annual Report

13. Reviewed and endorsed the Statement on Risk Management and Internal Control for Board's approval and inclusion in the Annual Report for financial year ended 31 December 2016 (FY2016).
14. Reviewed and approved the Audit Committee Report for inclusion in the Annual Report for FY2016.

Financial Reporting

15. Reviewed the quarterly unaudited financial results and the annual audited financial statements of the Bank and Maybank Group to ensure that the financial reporting and disclosure requirements are in compliance with the accounting standards, with special focus placed on the changes in accounting policy, as well as significant and unusual events or transactions.

External Audit

16. Reviewed with the external auditors:
 - The Audit Planning Memorandum (APM) focusing on the scope of work for the year which included new areas or new scope of audit emphasis such as changes in law and regulations (e.g. Companies Act, 2016 and Issuers Communication No. 1/2017 – Guidance on Disclosures in Notes to Quarterly Report), multi-location audit scoping, systems, audit timeline and statutory audit fees; and
 - The results of the audits, the relevant audit reports and Management Letters together with Management responses or comments to the audit findings.
17. Reviewed the suitability and independence of external auditors in accordance with the Framework on Appointment of External Statutory Auditors for Provision of Statutory Audit and Non-audit Services (Framework) which was adopted since December 2011 and made recommendations to the Board on their reappointment. This Framework is in line with BNM Guidelines on External Auditor.

The assessment of the external auditors' independence and performance is performed on an annual basis based on the procedures as follows:

- Review the professional conduct of external auditors by considering information available from public or independent sources. The review is carried out to ensure:
 - i. The appointed external auditors are registered auditors of public interest entity with the Audit Oversight Board;
 - 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 offence 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 shall not have any record of disciplinary actions taken against them for unprofessional conduct.

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- Assess the external auditors' level of knowledge, capacities 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.
- Assess the performance of external auditors by reviewing the quality of previous audit or work done by the external auditors and level of engagement by external auditors with the ACB. Based on the assessment, the external auditors have participated actively in the discussions with the ACB as evidenced below:
 - i. The external auditors have updated the ACB via Audit Committee Report for the FY2016 on 26 January 2017;
 - ii. Memorandum of recommendations arising from the audit of the financial statements for the FY2016 was tabled to the ACB by external auditors on 27 July 2017;
 - iii. On 27 July 2017, the external auditors presented to the ACB the Audit Committee Report for the limited review of the Bank's unaudited income statement for the six-month period ended 30 June 2017; and
 - iv. APM with regard to the audit of financial statements for the FY2017 was presented by external auditors to the ACB on 26 October 2017.
- Assess the performance of external auditors by reviewing the timeliness of service deliverables. The external auditors were able to complete the audits for the Bank and Maybank Group within the timeline set as evidenced below:
 - i. Audited financial statements as at 31 December 2016 was signed off by external auditors on 23 February 2017;
 - ii. Report on limited review for the financial period ended 30 June 2017 was signed off by external auditors on 31 July 2017; and
 - iii. No past audit lapses were observed on the external auditors in the past assurance engagements.
- Assess the independence and objectivity of external auditors by reviewing the following:
 - i. List of non-audit services provided by external auditors to the Bank and Maybank Group;
 - ii. List of advisory services rendered by the engagement partner and the concurring partner in last two years;
 - iii. Value-added audit findings raised by external auditors in the recent audit of financial statements of the Bank and Maybank Group;
 - iv. Statutory declaration by the engagement partner and key members of the audit engagement team which confirms they have no relationship with, or interest in shares of the Bank and Maybank Group;
 - v. Existing engagement partner does not serve the Bank and Maybank Group for a continuous period of more than five years; and
 - vi. The external auditors are required to confirm their compliance with the Code of Conduct that highlights the importance of maintaining objectivity and independence on an annual basis.
- 18. Reviewed the written assurance provided by the external auditors in respect of their independence.
- 19. Approved the appointment of external auditors for the provision of non-audit services. The ACB considered several qualitative and quantitative criteria prior to approving the appointment of the external auditors for the provision of non-audit services to the Bank and Maybank Group. The qualitative and quantitative criteria were as follows:
 - Assess the professionalism, expertise, adequacy of knowledge and relevant experience of external auditors;
 - Consider the conflict of interest that will arise if non-audit services were to be performed by external auditors;
 - Review the fees quoted by other audit firms and external auditors for non-audit services; and
 - Ensure the fees quoted by external auditors for non-audit services commensurate with the scope of such non-audit services.

Related Party Transaction (RPT)

- 20. Reviewed related party transactions as disclosed in the financial statements and the adequacy of Maybank Group's procedures in identifying, monitoring, reporting and reviewing related party transactions.

C. INTERNAL AUDIT FUNCTION

Independence

The Internal Audit (IA) function is established by the Board to undertake independent review and assessment on the adequacy, efficiency and effectiveness of risk management, control and governance processes implemented by the Management. The IA function of Maybank Group is organised in-house and reports functionally to the ACB and administratively to the GPCEO. It is independent of the activities or operations of other operating units in the Group. The IA function is guided by its Audit Charter (as approved by the ACB and noted by the Board) which defines the mission & objective, responsibility, accountability, authority, independence & objectivity and professionalism & ethical standards of the IA function of the Group.

The IA function is headed by Puan Nazlee Abdul Hamid, the GCAE. She has over 30 years audit experience in the financial industry as well as with BNM. She has a Master of Business Administration in Management and Organisational Leadership and holds a Diploma in Accountancy.

AUDIT COMMITTEE REPORT

She is also a Member of ISACA, an independent, non-profit, global association that engages in the development, adoption and use of globally accepted, industry-leading knowledge and practices for information systems.

Principal Responsibility

The principal responsibility of IA is to undertake continuous testing and assessment on the effectiveness and efficiency of the risk management frameworks and the internal control systems in order to provide reasonable assurance that such frameworks and systems continue to operate efficiently and effectively. The fundamentals of the IA function involve identifying risks that could negatively impact the performance of the Group and/or keep it from achieving its corporate goals, ensuring management fully understands these risks and proactively recommend improvements to minimise these risks.

The IA function for Maybank as well as its branches and subsidiaries in Malaysia and regionally is organised on a Group basis. As of 31 December 2017, Group Audit is staffed with 296 individuals with relevant experience and qualifications. The IA functions for the respective subsidiaries in Malaysia, Philippines, Indonesia, Singapore, Thailand, Vietnam and Cambodia are organised and supported by the respective resident IA teams with direct accountability to their respective Board Audit Committees/Supervisory Boards.

The total cost incurred for maintaining the IA function for the FY2017 is approximately RM68.2 million, comprising mainly salaries and audit activities related spending (travelling, accommodation expenses and subsistence allowances):

Location	No. of Staff	RM million
Malaysia	151	34.6
Regional	145	33.6
Total Group	296	68.2

The IA activities are carried out based on a risk-based annual audit plan approved by the ACB. In establishing the plan, all the auditable units are risk-ranked using the Maybank Risk Based Audit (MRBA) approach into three risk ratings, i.e. High, Medium and Low while the COSO Framework is used to assess the adequacy and effectiveness of control in line with the three COSO Internal Control Objectives (Operations, Reporting and Compliance). In respect of Information Technology audit, "Control Objectives for Information and Related Technologies" (COBIT) Framework is used in assessing controls and communicating audit results across the various IA functions. The scope of coverage of the annual audit plan encompasses all units and operations of the Group.

The IA processes and activities are governed by the regulatory guidelines as well as the Group's Code of Ethics and The IIA's mandatory guidance, which includes the Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing (Standards).

In order to perform its functions effectively, the auditors undergo continuous trainings to equip themselves with the requisite product knowledge and skills, especially in the areas of Islamic Banking, Treasury, Credit, Investment Banking, Information Technology, Asset Management and Insurance & Takaful. Trainings and guidance in these specialised audit areas are also provided by Group Audit to the regional IA teams in the overseas subsidiary companies, where required, to ensure consistency in the application of auditing standards, processes and testings.

Audit reports are submitted to the ACB for review and deliberation. The ACB reviews and deliberates on the control lapses highlighted by IA along with the audit recommendations as well as Management's responses and action plans for improvement and/or rectification. Where required and applicable, the ACB directs Management to take cognisance of the issues raised and establish necessary steps to strengthen the system of internal controls based on audit recommendations.

The Quality Assurance and Improvement Program (QAIP) continues to be used to assess the quality of audit processes. It is an ongoing and periodic assessment that covers the entire spectrum of IA activities. The program assesses the efficiency and effectiveness of the audit processes and appropriate recommendations and opportunities for improvement are identified through the internal and external assessments. Internal assessment is performed half-yearly by an independent Quality Assurance team within IA under the direct supervision of the GCAE while the external quality assessment is conducted by a qualified independent assessor once every five years. In FY2017, KPMG conducted a quality assurance review on IA where IA was assessed to be in general conformance with the IIA Standards and leading practices recommended by The IIA. The areas identified for improvement from both the internal and external assessments are tabled and discussed at the IA Management meetings for development of action plans. The results of both the internal and external assessments are also tabled to the ACB for deliberation and thereafter to the Board for information.

Summary of IA Activities in FY2017

The following are the activities undertaken by Internal Audit in FY2017:

- Attended meetings of the various management committees such as Group Information Technology Steering Committee (GITSC), Executive Risk Committee (ERC), and Group Procurement Committee (GPC) on a consultative and advisory capacity to provide independent feedback on the risk management, control and governance aspects.
- Enhanced the audit approach and coverage through technology, optimised allocation of resources and scheduling of audits to improve audit efficiency and for better cost management.
- Established a dedicated Data Insights and Technology team to further expand the use of data analytics tools and enhance the audit coverage as well as the immeasurable quality and impact that it provides.
- Established a Pre-audit Engagement Assessment (PEA) questionnaire which allows for a preliminary assessment on the adequacy and effectiveness of the internal control system implemented at the branches. It also emphasises on and tests the understanding and awareness of risks and controls integral to the day-to-day operations.

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5. Established a Group Audit Plan for FY2017 (GAP2017) using a risk-based approach, taking into consideration the Group's business strategic plan, the business landscape, the regulatory requirements as well as inputs from Senior Management and the ACB. The GAP2017 was tabled and approved by the ACB and later presented to the Board for information. The plan was later revised in July 2017 in line with changes in the business environment and in consideration of the requests from the Regulators, ACB and Management.
6. Conducted a two-day offsite Regional Group Audit Challenge Session to deliberate the audit approach and coverage for 2018 prior to finalising the GAP2018.
7. Conducted periodic internal control testing of business units, operations and processes in the Group as identified in the annual audit plan and provided independent assessment and objective assurance over the adequacy and effectiveness of risk management, internal control and governance of the units audited. Among the areas that were tested during the year were the Delivery Channels (Branches, Internet Banking and Self-Service Terminals), Corporate Governance, Data Loss Prevention, Information Technology Infrastructure and Security, Cyber Security, Asset Quality, Funds Transfer, Treasury Business, Investment Banking, Asset Management, Insurance and Takaful as well as post implementation reviews of newly implemented systems or products. Audit Reports concluding the results of the audit testings conducted together with detailed audit observations, management responses and audit recommendations to improve and strengthen the system of internal controls were prepared and issued to the respective auditees, Senior Management and the ACB.
8. Conducted regional reviews (including overseas subsidiaries) on critical areas such as Internal Capital Adequacy Assessment Process (ICAAP), Computation and Reporting of Capital Charge (including Credit, Market and Operations Risk) to BNM, Group Stress Testing (including Credit, Operations, Liquidity, Market and Shariah Non Compliance risks), Group Impaired Loans, Regional Hubbing and Compliance to SWIFT Customer Security Framework, etc. to provide an overall assessment of the controls from a Group's view.
9. Conducted compliance review mandated by the Regulators in the respective countries such as BNM, Bursa Malaysia, Hong Kong Monetary Authority (HKMA), Monetary Authority of Singapore (MAS) and Bangko Sentral ng Pilipinas (BSP) to ensure the business units complied with the regulatory requirements. The non-compliances were highlighted to Management for remediation.
10. Provided independent and objective reviews of the adequacy and relevance of internal controls enforced to mitigate the risk exposures in the introduction of new products and implementation of new IT systems.
11. Performed independent assessment prior to launching of new services, products or facilities as per the requirements stated in the approval from the various Regulators and authorities including BNM, Securities Commission Malaysia (SC), Payment Network Malaysia (PayNet), HKMA, MAS, etc. The main objective of the assessment was to ensure all risks were identified and adequate controls were diligently applied, as well as ensuring that conditions imposed by the said Regulators have been adequately met.
12. Participated in the various Business Continuity Management exercises, including Disaster Recovery Exercise (Live and Simulation), Crisis Simulation Exercise and Live Split Operations Exercise to gauge and assess the readiness of the businesses/systems to resume/recover (in the event of disaster) within the agreed timelines.
13. Conducted investigations into activities or matters as instructed by the Regulators, ACB and Senior Management. The outcomes from the investigations were tabled to the IAC and ACB for deliberation and to the Board for information.
14. Conducted one half-yearly internal quality assessment review of Group Audit and four limited peer reviews (LPRs) of IA functions of Maybank Kim Eng entities in Philippines, Vietnam, Indonesia and Thailand to assess conformance of IA activity to the IIA Standards.
15. Witnessed the tender opening process for procurement of services or assets to ensure the activities in the tendering process are conducted in a fair, transparent and consistent manner.
16. Conducted ad-hoc and special reviews as instructed by the ACB or requested by the Regulators. For FY2017, a total of 52 such reviews were conducted.
17. Prepared the Audit Committee Report and Statement on Risk Management and Internal Control for the Company's Annual Report for FY2017.

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 two Shariah committees that reside within Maybank Group:

- Maybank Islamic Berhad Shariah Committee (MIBSC)
- Shariah Committee of Etiqa Takaful Berhad (SCETB)

SHARIAH GOVERNANCE

Maybank Group has established and implemented a robust Shariah Governance Framework. In this regard, the framework comprises of:

- i. The oversight of the Board, SC and the relevant committees on Shariah compliance aspects of the overall operations of Islamic business transactions;
- ii. The responsibility of the Management to provide adequate resources and manpower support to every function involved in the implementation of Shariah governance, whereas the Business Units are responsible for identifying and managing the risk inherent in the products, services and activities;
- iii. Shariah Advisory and Research function to undertake research on Shariah matters and also ensures that all structures, terms and conditions, legal documentation and operational process flow and procedures are Shariah compliant;
- iv. Shariah risk process which identifies all possible Shariah non-compliance risks and, where appropriate, remedial measures that need to be taken to reduce the risk and determining that such processes and outcomes satisfy the needs of Shariah; and
- v. Regular checking and examination of Shariah risk and compliance as well as continuous Shariah review of processes and deliverables across the relevant businesses within Maybank Group undertaken by Shariah Audit and Shariah Review functions.

SC MEMBERS

There are two SC committees that comprise of the below members. Please refer to pages 107 to 112 for the profiles of the SC members.

Members of Maybank Islamic Berhad Shariah Committee (MIBSC)	Nationality	Status
Associate Professor Dr. Aznan Hasan	Malaysian	Chairman
Dr. Ahcene Lahsasna	Algerian	Member
Associate Professor Dr. Mohamed Fairooz Abdul Khir	Malaysian	Member
Dr. Marjan binti Muhammad	Malaysian	Member
Ustaz Mohd Kamal Mokhtar	Singaporean	Member

Members of Shariah Committee of Etiqa Takaful Berhad (SCETB)	Nationality	Status
Dr. Ahcene Lahsasna	Algerian	Chairman
Assistant Professor Dr. Ismail bin Mohd @ Abu Hassan	Malaysian	Member
Assistant Professor Dr. Mohammad Deen Mohd Napiah	Malaysian	Member
Dr. Sarip Adul	Malaysian	Member
Professor Dr. Rusni Hassan	Malaysian	Member
Professor Dr. Abdul Rahim Abdul Rahman	Malaysian	Member

DUTIES, RESPONSIBILITIES & ACCOUNTABILITIES

• Understanding of responsibilities and accountabilities

The SC is expected to understand that in the course of discharging its duties and responsibilities, as a member, they are responsible and accountable for all Shariah decisions, opinions, and views provided by them.

• Advise the Board and the relevant countries or businesses

The SC is expected to advise and provide Shariah input on Shariah matters in order for the relevant countries or businesses to comply with Shariah principles at all times.

• Endorse Shariah policies and procedures

The SC is expected to endorse Shariah policies and procedures and to ensure that the contents do not contain any elements which are not in line with Shariah.

• Endorse and validate relevant documentations

To ensure that the products comply with Shariah principles, the SC must approve:

- i. The terms and conditions contained in the forms, contracts, agreements or other legal documentations used in executing the transactions; and
- ii. The product manual, marketing advertisements, sales illustrations, and brochures used to describe the products.

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GROUP SHARIAH COMMITTEE REPORT

- Assess the work carried out by Shariah Review and Shariah Audit**

To assess the work carried out by Shariah Review and Shariah Audit in order to ensure compliance with Shariah matters which forms part of their duties in providing their assessment of Shariah compliance and assurance information in the annual report.

- Assist related parties on Shariah matters**

The related parties of the Group such as its legal counsel, auditor or consultant may seek advice on Shariah matters from the SC and the SC is expected to provide the necessary assistance to the requesting party.

- Advise on matters to be referred to the relevant Shariah authorities**

The SC may advise the Group to consult the Shariah Advisory Council of Bank Negara Malaysia, Shariah Advisory Council of Securities Commission of Malaysia, or other relevant Shariah authorities on Shariah matters that could not be resolved.

- Compliance to internal policies and procedures**

The SC shall at all times comply with the internal policies and procedures which implement the requirements and standards specified by relevant host regulators in relation to Shariah matters, governance and compliance.

MEETINGS AND JOINT BOARD MEETINGS

The MIBSC convened 28 meetings inclusive of four special meetings to cater for urgent proposals, while the SCETB convened 12 meetings inclusive of three special meetings. All SC members have satisfied the minimum 75% attendance requirement under the Operation Procedures for the Shariah Committee of BNM's Shariah Governance Framework.

In addition to the required SC meetings, two joint meetings with the Dewan Pengawas Syariah of Maybank Indonesia and Maybank Syariah Indonesia were convened by MIBSC as a platform to provide better visibility of matters pertaining to Shariah across the entities and sharing of views amongst the esteemed scholars.

SC places importance on ensuring effective implementation of Shariah governance and the best practices of corporate governance. In view of this, two joint sessions were held between MIBSC and the Board of Directors in FY2017, while SCETB held one section.

SC ASSESSMENT

In compliance with BNM's Shariah Governance Framework, the SC undergoes the process of assessing the effectiveness of the individual members and the committee as a whole on a yearly basis. SC annual assessment exercise is primarily based on questionnaires distributed to the respective committee members and encompasses considerations on the effectiveness of the SC in discharging its duties.

SC CONTINUING PROFESSIONAL DEVELOPMENT PROGRAMME

As part of the initiatives towards strengthening capabilities of the SC, a series of tailored professional development programmes have been conducted in 2017 which include the following areas:

MIBSC	SCETB
<ul style="list-style-type: none"> Islamic Treasury Trade Finance MFRS 9 	<ul style="list-style-type: none"> Actuarial – Family Pricing Retakaful and Reinsurance Shariah Risk Management Business Strategy

In addition to the abovementioned programmes, MIBSC members also attended the following external programmes and events:

- Zakat Accounting for Islamic Banks
- Muzakarah Cendekiawan Syariah Nusantara

EVENT HIGHLIGHTS 2017

BUSINESS

CORPORATE

CORPORATE RESPONSIBILITY

JANUARY

11 JANUARY

Maybank Foundation launched its Reach Independence & Sustainable Entrepreneurship (R.I.S.E) programme in Manila, Philippines. A total of 117 participants, comprising physically challenged and the marginalised were enrolled in the pilot programme.

14 JANUARY

A graduation ceremony was held for Etiqa's Socially and Economically Empowered Development Programme involving over 200 youths in Kuala Lumpur. The programme assists underprivileged women and youths to become financially independent through starting their own businesses or finding employment.



14 JANUARY

21 JANUARY

Maybank Foundation hosted the inaugural 'eMpowering Youths Across ASEAN Showcase' in Singapore. The programme offers university students there the opportunity to create innovative and sustainable solutions to solve real life issues faced by ASEAN communities.

FEBRUARY

MAYBANK CHAMPIONSHIP

FEBRUARY 9 - 12, 2017

SAUJANA GOLF & COUNTRY CLUB



5 FEBRUARY

Etiqa alleviated the burden of some 150 poor fishermen in Balik Pulau, Penang by contributing free fuel from its zakat contribution under its Fuel Aid for Boat Engine Programme.

9 FEBRUARY

Maybank hosted its second Maybank Championship tournament which saw 156 top golfers from the European and Asian Tours compete in this USD3 million prize purse event.



23 FEBRUARY

Maybank announced that its net profit for its fourth quarter of financial year 2016 rose 43% to RM2.36 billion from RM1.65 billion a year earlier. Net profit for the full year ended 31 December 2016 stood at RM6.74 billion compared with RM6.84 billion a year earlier.

8 FEBRUARY

Maybank Kim Eng's flagship conference, Invest ASEAN 2017, themed ASEAN RESET was held in Kuala Lumpur. Senior management of the ASEAN-6 exchanges and a 1,000-strong audience listened to thought provoking conversations on the new global realities and their potential impact on ASEAN's politics, economics, and social inclusiveness.

16 FEBRUARY

Maybank Indonesia announced its 2016 financial results with net profit after tax and minority interest (PATAMI) reaching Rp1.95 trillion for the year ended 31 December 2016, a 71.0% increase from Rp1.14 trillion achieved in the previous corresponding year.

21 FEBRUARY

Maybank organised a special Chinese New Year celebration at Menara Maybank for 100 special guests from two welfare homes in Kuala Lumpur.

28 FEBRUARY

Maybank Cambodia, in partnership with the Indian Chamber of Commerce in Cambodia and supported by the Embassy of India in Phnom Penh, organised a seminar on "Trade Management and Insurance Landscape in Cambodia" aimed at assisting clients to better manage their trade and financing needs.

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EVENT HIGHLIGHTS 2017

MARCH

2 MARCH

Maybank announced the appointment of Datuk Mohaiyani Shamsudin as the new Chairman of Maybank, in place of Tan Sri Dato' Megat Zaharuddin bin Megat Mohd Nor who stepped down after about twelve years on the Board, with the last seven and a half years as Chairman. Datuk Mohaiyani is the first woman to be appointed Chairman of the main board of the country's largest public listed company.

8 MARCH

In conjunction with International Women's Day, Maybank announced that it would grant extended maternity leave of up to one year for eligible female employees, making it the first banking Group in the country to offer such a benefit.

9 MARCH

Maybank Indonesia provided a Musyarakah Line iB (Syariah) financing facility amounting to Rp900 billion to government owned PT Jasa Marga which overlooks the planning, building, operating and maintaining of toll road projects in Indonesia. The facility is the largest Shariah bilateral advance financing facility in Rupiah for infrastructure projects in Indonesia.

15 MARCH

Maybank Indonesia arranged a loan syndication for toll road projects by Wijaya Karya to support the construction of Balikpapan-Samarinda and Soreang-Pasir Koja toll roads.

15 MARCH

Maybank acted as the Joint Principal Adviser, Joint Lead Arranger, and Joint Lead Manager of Tanjung Bin Energy Sdn Bhd's RM800.00 million Unrated Perpetual Sukuk programme. Tanjung Bin Energy is the first independent power producer in Malaysia to issue a Perpetual Sukuk.

16 MARCH

Maybank Foundation kicked off its Cashville Kidz Financial Literacy Program at Westline School, Phnom Penh, Cambodia. The programme was part of the ongoing initiative by Maybank Foundation to help develop financially savvy children across ASEAN.

20 MARCH

Maybank Indonesia inaugurated two new Shariah branches in Palembang, South Sumatra and Denpasar, Bali.

21 MARCH

The second leg of Invest ASEAN 2017 was held in Singapore. The conference attracted over 800 delegates including 49 corporates from Thailand, Malaysia, the Philippines, Indonesia, Singapore, and Vietnam with total market capitalisation of USD129.70 billion, and 126 funds with USD18.00 trillion in Assets Under Management.

22 MARCH

Maybank entered into a strategic partnership with Ant Financial Services Group of China to provide Alipay users travelling in Malaysia with contactless payment service to be made available at outlets ranging from high-end department stores to duty free outlets to hotels.

APRIL

3 APRIL

Maybank introduced a refreshed Maybank2u (M2U) app offering significantly faster user interaction to customers. The introduction of the new M2U app was also expected to raise the value of mobile banking transactions by over 50% to some RM25 billion this year.

5 APRIL

Maybank Kim Eng acted as the Joint Financial Adviser, Joint Global Coordinator, Joint International Bookrunner, and Joint Domestic Underwriter for TPI Polene Power Pcl's USD500.00 million Initial Public Offering, the largest in Thailand for 2017.

11 APRIL

Maybank Indonesia signed a Memorandum of Understanding (MoU) with airport train operator, PT Railink to support the payment system of Soekarno-Hatta airport train services.

13 APRIL

Maybank Indonesia partnered with developers, Synthesis Kreasi Utama and Synthesis Karya Pratama to offer mortgage facilities for the public to own selected properties that have been developed by the companies.

21 APRIL

Maybank launched a new payment gateway, Maybank2u Pay, to enable e-commerce businesses, particularly SMEs to apply online and obtain payment capabilities and approvals for their e-commerce sites in as little as 24 hours.

21 APRIL

Maybank Singapore organised an inaugural 'Invest Cambodia' forum, themed 'Doing business in Cambodia', the first such organised by the bank. Participants included SMEs and MNCs looking to set up business in the country, as well as high net worth individuals keen to invest in the property sector.

EVENT HIGHLIGHTS 2017

BUSINESS

CORPORATE

CORPORATE RESPONSIBILITY

MAY



4 MAY

Maybank Kim Eng held its Invest Asia UK in London which was attended by over 300 delegates from 23 countries. It also included 31 corporates from 12 countries in North Asia and ASEAN with total market capitalisation of about USD500 billion, and 120 funds across Europe with USD19 trillion in Assets Under Management.

4 MAY

The Drum for Hope project was successfully launched by Maybank Kim Eng at Invest Asia UK. The project aims to create wider public awareness about the plight of refugees in Nottinghamshire, United Kingdom.

10 MAY

Maybank Kim Eng accompanied officials from the Stock Exchange of Thailand and nine Thai listed companies to meet with global investors in London. The Thailand Corporate Day attracted 39 funds from across Europe having USD7.30 trillion in Assets Under Management.

11 MAY

Maybank signed an agreement with Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN) to formalise its appointment as a panel bank for PTPTN, targeting to serve 60,000 new undergraduate customers by 2018.

25 MAY

Maybank announced a 19.3% increase in net profit for the first quarter ended 31 March 2017 to RM1.7 billion from RM1.43 billion a year earlier.

JUNE

6 JUNE

Maybank launched the first of its kind Regional Collaborative Fintech Sandbox Platform in ASEAN to boost the development and growth of Fintech in the region by providing opportunities for start-ups and innovators to develop and test new ideas.



23 JUNE

Maybank rolled out its first batch of Alipay-enabled merchant terminals in Malaysia, to facilitate contactless payments for the estimated 3 million tourist arrivals from China into Malaysia this year.

JULY

11 JULY

Etiqua and the National Cancer Society of Malaysia (NCSM) signed a partnership agreement to launch a free breast cancer screening programme targeted to reach out to 5,000 underprivileged women aged 40 and above.

17 JULY

Some 200 children from four homes and a school in the Klang Valley were invited as special guests to two Maybank Hari Raya Open House events, namely the Maybank Group Corporate Hari Raya Open House as well as the Maybank Group Staff Hari Raya celebrations.



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EVENT HIGHLIGHTS 2017

JULY (Cont'd)



17 JULY



25 JULY



31 JULY

19 JULY

Maybank acted as the Joint Principal Adviser, Joint Lead Arranger, Joint Lead Manager, and Joint Bookrunner for BEWG (M) Sdn Bhd's RM400.00 million Sukuk Wakalah programme. This is the first and largest Ringgit denominated Sukuk issuance for a water infrastructure funding by a China-owned company in Malaysia.

20 JULY

Maybank Indonesia launched a mobile cash vehicle at Maybank Samarinda branch office, East Kalimantan. The mobile cash vehicle was aimed at providing more convenient banking transactions for customers in Samarinda.

25 JULY

Maybank Foundation launched a Tiger Art Exhibition at Menara Maybank in conjunction with Global Tiger Day 2017, to raise awareness of tiger conservation.

29 JULY

Maybank Foundation launched its Global Tiger Day Celebration in Ipoh, Perak in conjunction with Global Tiger Day 2017.

31 JULY

Maybank Foundation announced the successful completion of its pilot Cashville Kidz Financial Literacy Programme in Cambodia, and its expansion under Phase 2 at a special ceremony held at Maybank Tower in Phnom Penh, Cambodia.

31 JULY

Maybank hosted its sixth instalment of the Maybank Go Ahead. Challenge themed 'TakeOverTomorrow', attracting close to 40,000 applicants from 108 nationalities around the world.

AUGUST

1 AUGUST

Maybank Foundation launched its first-ever silk weaving training centre in Takeo, Cambodia.

3 AUGUST

Maybank was the Joint Principal Adviser, Joint Lead Arranger, Joint Lead Manager, and Joint Bookrunner for Tenaga Nasional Berhad's RM2.00 billion Sukuk Wakalah issuance under their RM5.00 billion Sukuk Wakalah programme.

3 AUGUST

Maybank Kim Eng and FinanceAsia jointly held a "Vietnam Roundtable 2017", an exclusive event to discuss Vietnam's changing landscapes and burgeoning opportunities. It was attended by some 50 representatives of investment funds, regulators and officials from the Ministry of Finance and the Vietnam Asset Management Company.

8 AUGUST

Maybank Indonesia opened a new Shariah branch in Banjarmasin, South Kalimantan, bringing the number of its Shariah branches to 10.

9 AUGUST

Maybank was mandated as one of the banks to raise a Government Guaranteed Sukuk of up to RM9.75 billion and a Government Guaranteed Revolving Credit Facility of RM1.0 billion for the East Coast Rail Link project in Kuantan, Pahang.

11 AUGUST

Maybank was the only corporate organisation invited to participate in the ASEAN@50 Anniversary Celebration at the ASEAN Secretariat office in Jakarta. An exhibition of the Maybank Women Eco-Weavers Programme as well as a fashion show was held at the event which was graced by President Joko Widodo of Indonesia and other dignitaries from the ASEAN Region.

EVENT HIGHLIGHTS 2017

BUSINESS

CORPORATE

CORPORATE RESPONSIBILITY

AUGUST



17 AUGUST

Maybank Foundation sponsored a solo art exhibition by local artist, Badruddin Syah Abdul Wahab at Menara Maybank. The art exhibition entitled, 'EMANSIPASI', was held in conjunction with Malaysia's Independence Day.



17 AUGUST

Maybank Kim Eng and the Singapore Exchange jointly organised an investor roadshow in Kuala Lumpur, bringing 11 large Singaporean corporates to meet with 31 local funds representing USD326.49 billion in Assets Under Management.



19 AUGUST

Over 20,000 Maybank employees worldwide commemorated the eighth Maybank Global CR Day where they engaged directly with communities in their respective locations, whilst helping to continue impacting lives and the environment through sustainable initiatives.



28 AUGUST

Maybank Indonesia organised the sixth edition of the Maybank Bali Marathon (MBM) which attracted more than 9,000 participants from 44 countries.

28 AUGUST

A groundbreaking ceremony was held in Kuala Krai, Kelantan for a water project undertaken by Etiqa in collaboration with Islamic Aid Malaysia. The project aims to end the water woes of villagers in Kampung Chuchoh Puteri.

30 AUGUST

Maybank announced that its net profit for the half year ended 30 June 2017 rose 29.9% to RM3.36 billion from RM2.59 billion a year earlier, buoyed by a 43.0% year-on-year jump in its second quarter earnings.

SEPTEMBER

6 SEPTEMBER

Maybank announced the return of the Maybank Championship for a third edition themed 'The Best of ASEAN Meets the Best of the World' to Saujana Golf & Country Club in 2018.

6 SEPTEMBER

Maybank Cambodia, in collaboration with Mizuho Bank Ltd, held a special event entitled "Doing Business in Cambodia", bringing together the unique capabilities of both banks to enhance the banking experience for Japanese businesses there.

18 SEPTEMBER

Maybank held a Thailand Corporate Day in Kuala Lumpur, bringing 10 large Thai listed companies with total market capitalisation of USD19.20 billion to meet with Malaysian global investors. The event attracted 48 global funds with USD308.40 billion in Assets Under Management.

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EVENT HIGHLIGHTS 2017

BUSINESS CORPORATE CORPORATE RESPONSIBILITY

OCTOBER

2 OCTOBER

Maybank Cambodia in partnership with VISA and MasterCard, launched its “Discover Cambodia” campaign in Siem Reap and Phnom Penh to enhance the experience of overseas travelers there and improve the business of local retail merchants.

4 OCTOBER

Maybank signed an MoU with InfoCorp Technologies, a Singapore-based Fintech company to provide financial solutions to the unbanked people in Singapore and the ASEAN region. The first project to be launched is InfoCorp's CrossPay, a mobile solution for 16,800 migrant workers which will facilitate cashless payments between the workers and merchants in the Tuas View Dormitory.



10 OCTOBER

10 OCTOBER

Maybank launched its co-brand partnership with renowned football club FC Barcelona, bringing to the Malaysian market the “Maybank FC Barcelona Cards” targeted at emerging affluent customers.

15 OCTOBER

Maybank once again introduced its DeepaMONEY online service – an alternate way to present cash gifts to loved ones via M2U in conjunction with the Deepavali celebration.

30 OCTOBER

Maybank Investment Bank acted as the Joint Lead Manager and Joint Bookrunner for the issuance of Press Metal Aluminium Holdings Berhad's USD400.00 million Senior Fixed Rates Notes, Malaysia's first high yield USD notes issuance in over a decade, and the largest to-date.

NOVEMBER

1 NOVEMBER

Maybank announced two new senior appointments in its Group Risk and Maybank Singapore operations. Dr. John Lee Hin Hock assumed the post of Chief Executive Officer, Maybank Singapore while Gilbert Kohnke was appointed Group Chief Risk Officer.

6 NOVEMBER

Maybank Kim Eng in partnership with Bursa Malaysia hosted Invest Malaysia in London and Edinburgh, bringing 12 large Malaysian corporates with a combined market capitalisation of RM257.46 billion to meet with 31 global funds in UK representing USD3,327.26 billion in Assets Under Management.

9 NOVEMBER

Maybank Indonesia announced a net profit after tax and minority interest (PATAMI) of Rp1.4 trillion for the first nine months period of 2017, a 12% increase from the Rp1.3 trillion achieved in 2016.

22 NOVEMBER

Maybank introduced face and voice recognition capabilities in its M2U mobile banking app, making it the first bank in Malaysia to offer three biometric functionalities including the earlier introduction of the fingerprint recognition.

23 NOVEMBER

Maybank Islamic launched HouzKEY, an innovative Rent-to-Own (RTO) product which is the first by a bank in Malaysia. The scheme is to support the growing demand from Malaysians for affordable schemes that will enable them to own their own homes.



23 NOVEMBER

30 NOVEMBER

Maybank announced a 23.0% rise in net profit to RM5.39 billion for the nine months ended 30 September 2017 compared with the RM4.38 billion achieved in the previous corresponding period.

DECEMBER

13 DECEMBER

Maybank held a Christmas celebration at Menara Maybank for 100 special children from four welfare homes in Kuala Lumpur. The children received presents on their wish list after Maybank introduced its ‘Grant-A-Wish’ initiative where Maybank employees would fulfil a gift request from the children.



13 DECEMBER

14 DECEMBER

Maybank launched a pilot version of its cashless mobile payment option using QR codes called ‘Maybank QRPay’ – the first bank to introduce such a service in Malaysia.

KEY AWARDS & RECOGNITION

GROUP AWARDS

The Edge Billion Ringgit Club (BRC) Awards

- 1st Company to Breach RM100b Market Capitalisation
- Highest Growth in Profit After Tax over Three Years (RM10b & above market cap – Finance Sector) – Silver
- Highest Returns to Shareholders over Three Years (RM10b & above market cap – Finance Sector) – Silver

National Annual Corporate Reporting Awards (NACRA) 2017

- Best Annual Report in Bahasa Malaysia – Platinum
- Most Outstanding Annual Report of the Year – Gold
- Inclusiveness and Diversity Reporting Award – Gold
- Sustainability Reporting Award – Silver

Asiamoney Best Bank Awards 2017

- Best Domestic Bank (Malaysia)

World Branding Awards 2017

- Brand of the Year (Banking)

Brand Finance

- Top 100 Global Banking Brands 2017

Global Finance

- Safest Bank in Malaysia

Karnival Kewangan 2017

- Best Innovation Award

Customer Experience Management (CEM) Asia Excellence Awards

- Best Social Media Strategy – Silver
- Best Contact Centre – Bronze
- Best Brand Experience – Honorary Mention
- Best Omni-Channel Experience – Honorary Mention

GROUP HUMAN CAPITAL

HR Excellence Awards Malaysia 2017

- Excellence in Talent Management – Gold
- Excellence in Leadership Development – Gold
- Excellence in Graduate Recruitment & Development – Silver
- Excellence in HR Innovation – Silver
- Excellence in HR Change Management – Bronze

Willis Towers Watson (WTW)

- Global High Performing Company 2017

Malaysia's 100 Leading Graduate Employers (M100) Awards

- The Graduate Employer of the Year – 2nd Runner-Up
- Most Popular Graduate Employer in Banking and Financial Services 2017 – Winner
- gradmalaysia Best Innovation on Campus – Winner
- gradmalaysia Best Management Trainee Programme – Winner

Asia Recruitment Awards 2017

- In-House Corporate Recruitment Team (Overall) – Grand Winner
- Best Regional Recruitment Programme – Gold
- Best Candidate Experience by a Corporate HR Team – Gold
- Best Recruitment Innovation by a Corporate HR Team – Gold
- Best Diversity & Inclusion Strategy – Gold
- Best Recruitment Advertising Strategy – Bronze

GROUP LEGAL

ALB Malaysia Law Awards 2017

- Banking and Financial Services In-House Team of the Year

SUSTAINABILITY

ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2017

- Best Overall Reporting – First Runner-up

GROUP COMMUNITY FINANCIAL SERVICES

Retail Banker International Trailblazer Awards 2017

- Excellence in SME Banking (Products & Services)
- Best Staff Training and Development Programme (People)
- Best Social Media Marketing Campaign – Highly Commended
- Excellence in Service Innovation – Highly Commended
- Best Initiative in Financial Inclusion – Highly Commended (Maybank SME Banking)
- Best Marketing – Highly Commended (Overall)

Cards and Electronic Payments International Asia Awards 2017

- Best Initiative for Customer Engagement – Winner
- Best NFC-enabled Service Initiative – Winner
- Most Innovative Digital Solution – Highly Commended (Consumer)

The Asian Banker Technology Innovation Awards 2017

- Best Mobile Security Project

Customer Experience in Financial Services (CXFS) Awards 2017

- Best Use of Social Media for MyM2U Challenge – Winner
- Best Client On-Boarding Initiative for Cards STP Application via M2U Mobile – Winner
- Best Customer Experience on M2U website – Highly Commended

ABF Retail Banking Awards 2017

- Mobile Banking Initiative of the Year – Malaysia (e-Ang Pow)
- Social Media Initiative of the Year – Malaysia (e-Ang Pow)
- Online Banking Initiative of the Year – Malaysia (e-Ang Pow)
- Credit Card Initiative of the Year – Malaysia (Cards STP)

Marketing Excellence Awards 2017 – Malaysia

- Excellence in Mobile Marketing (Bronze – e-Duit Raya/Salam & Menang)
- Excellence in Viral Marketing (Finalist – e-Duit Raya/Salam & Menang)



Please refer to the corporate website for the full list of awards

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KEY AWARDS & RECOGNITION

GROUP GLOBAL BANKING

Alpha Southeast Asia Best Financial Institution Awards 2017

- Best Broker in Southeast Asia
- Best Equity House in Malaysia
- Best Cash Management Bank in Malaysia
- Best Institutional Broker in Indonesia & Philippines
- Best Retail Broker in Philippines & Thailand

Asiamoney 2017 Brokers Poll Awards

- Best Local Brokerage in Malaysia
- Best for Overall Country Research in Malaysia
- Best Overall Sales Service in Malaysia
- Best for Events and/or Conferences in Malaysia

Asian Banking & Finance – Wholesale Banking Awards 2017

- Malaysia Domestic Cash Management Bank of the Year
- Malaysia Domestic Project Finance Bank of the Year

Euromoney Country Awards for Excellence 2017

- Best Investment Bank in Malaysia

Finance Asia Country Awards for Achievement 2017

- Best ECM House in Malaysia
- Best Broker in Malaysia

Global Banking & Finance Awards 2017

- Best New Islamic Asset Management Company in Malaysia
- Best Asset Management Company in Singapore

Global Finance Awards 2017

- Best Investment Bank in Malaysia
- Best Foreign Exchange Providers in Malaysia
- Best Trade Finance Providers in Malaysia
- Best Treasury and Cash Management Provider in Malaysia
- Best Securities Services in Malaysia



GROUP ISLAMIC BANKING

Asset Triple A Islamic Finance Awards 2017

- Islamic Bank of the Year – Asia Pacific
- Islamic Bank of the Year – Malaysia
- Islamic Bank of the Year – Singapore
- Best Islamic Retail Bank – Malaysia
- Best Islamic Retail Bank – Singapore
- Best Islamic Deal – Singapore

Global Finance Awards 2017

- Best Global Islamic Financial Institution
- Best Global Sukuk Bank
- Best Global Provider of Shariah-Compliant Short-Term Investments
- Best Islamic Financial Institution in Asia Pacific
- Country Award – Malaysia
- Country Award – Singapore

The Banker Awards 2017

- Islamic Bank of the Year – Malaysia
- Islamic Bank of the Year – Asia Pacific

KLIFF Islamic Finance Awards

- Most Outstanding Islamic Bank

World Islamic Banking Conference Performance Awards 2017

- Best Performing Islamic Bank – South East Asia
- Best Performing Islamic Bank – Malaysia

Benchmark Wealth Management Awards 2017

- Outstanding Achiever – Malaysia

Islamic Business & Finance – South East Asia Awards 2017

- Best Retail Bank
- Best Investment Product

MAYBANK INDONESIA

9th Annual Global CSR Summit & Awards

- Best Community Programme Award (Companies with more than USD1 billion market capital) – Bronze (Maybank Foundation)

Global Finance

- Safest Bank in Indonesia



MAYBANK SINGAPORE

Asia Recruitment Awards 2017

- Best Use of Digital Media – Gold
- Best Candidate Experience by a Corporate HR Team – Gold
- Best Graduate Recruitment Programme – Silver

Champion of Good Award

- Presented by National Volunteerism & Philanthropy Centre (NVPC)

27th Private Banker International (PBI) Awards

- Winner: Outstanding Private Bank for growth strategy – Organic
- Winner: Outstanding Wealth Management Technology Initiative – Back Office
- Winner: Most Innovative Business Model
- Highly Commended: Outstanding Private Bank – Southeast Asia

Her World Nuyou Credit Card Awards 2017

- Best Air Miles Card – Maybank Horizon Visa Signature Card
- Best Golf Card – Maybank World MasterCard

The Asset Triple A Islamic Finance Awards 2017

- Bank of the Year, Asia-Pacific
- Bank of the Year, Singapore
- Best Retail Bank, Singapore
- Best Islamic Deal, Singapore (RB Capital SGD260 million Islamic financing)

Global Finance

- Singapore's Best Islamic Financial Institution 2017



Please refer to the corporate website for the full list of awards

ANALYSIS OF SHAREHOLDINGS

AS AT 12 FEBRUARY 2018

Issued and Paid-Up Share Capital : 10,837,861,678
 Class of Shares : Ordinary Share
 Number of Shareholders : 71,275
 Voting Right : 1 vote per Ordinary Share

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100	5,632	7.90	196,288	0.00
100 to 1,000 shares	15,034	21.09	9,127,129	0.08
1,001 to 10,000 shares	36,834	51.68	129,337,356	1.19
10,001 to 100,000 shares	11,674	16.39	314,263,830	2.91
100,001 to less than 5% of issued shares	2,098	2.94	4,610,358,018	42.54
5% and above of issued shares	3	0.00	5,774,579,057	53.28
TOTAL	71,275	100.00	10,837,861,678	100.00

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

No. Name of Shareholders	No. of Shares Held	% of Issued Shares
1. AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM BUMIPUTERA	3,799,864,147	35.06
2. CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD	1,222,235,260	11.28
3. PERMODALAN NASIONAL BERHAD	752,479,650	6.94

TOP THIRTY SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS

No. Name of Shareholders	No. of Shares Held	% of Issued Shares
1. AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM BUMIPUTERA	3,799,864,147	35.06
2. CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD	1,222,235,260	11.28
3. PERMODALAN NASIONAL BERHAD	752,479,650	6.94
4. KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	406,948,560	3.75
5. AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM MALAYSIA	196,200,000	1.81
6. AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM WAWSAN 2020	187,000,000	1.73
7. CARTABAN NOMINEES (ASING) SDN BHD B/O: EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLTOD67)	165,712,241	1.53
8. CIMB GROUP NOMINEES (TEMPATAN) SDN BHD B/O: PLEDGED SECURITIES ACCOUNT FOR LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (CBMT3-FELDA)	117,810,000	1.09
9. MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD B/O: GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	111,433,243	1.03
10. AMANAHRAYA TRUSTEES BERHAD B/O: AS 1MALAYSIA	109,058,002	1.01
11. HSBC NOMINEES (ASING) SDN BHD B/O: BBH AND CO BOSTON FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	99,652,498	0.92

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ANALYSIS OF SHAREHOLDINGS

AS AT 12 FEBRUARY 2018

TOP THIRTY SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS (CONT'D.)

No. Name of Shareholders	No. of Shares Held	% of Issued Shares
12. CARTABAN NOMINEES (ASING) SDN BHD B/O: GIC PRIVATE LIMITED FOR GOVERNMENT OF SINGAPORE (C)	84,130,952	0.78
13. CARTABAN NOMINEES (TEMPATAN) SDN BHD B/O: PAMB FOR PRULINK EQUITY FUND	81,484,192	0.75
14. HSBC NOMINEES (ASING) SDN BHD B/O: JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	79,285,591	0.73
15. AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM BUMIPUTERA 2	65,000,000	0.60
16. CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EXEMPT AN FOR AIA BHD.	60,848,086	0.56
17. CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	51,663,253	0.48
18. MAYBANK NOMINEES (TEMPATAN) SDN BHD B/O: MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N14011940100)	45,053,644	0.42
19. VALUECAP SDN BHD	44,383,400	0.41
20. HSBC NOMINEES (ASING) SDN BHD B/O: EXEMPT AN FOR THE BANK OF NEW YORK MELLON (MELLON ACCT)	34,243,291	0.32
21. UOB KAY HIAN NOMINEES (ASING) SDN BHD B/O: EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	30,032,365	0.28
22. CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	29,678,766	0.27
23. DB (MALAYSIA) NOMINEE (ASING) SDN BHD B/O: STATE STREET LONDON FUND 26AD FOR ASIAN EQUITY FUND (IN GBST FD)	29,666,900	0.27
24. MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD B/O: GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	29,571,142	0.27
25. HSBC NOMINEES (ASING) SDN BHD B/O: HSBC BK PLC FOR SAUDI ARABIAN MONETARY AUTHORITY	29,303,766	0.27
26. CARTABAN NOMINEES (ASING) SDN BHD B/O: RBC INVESTOR SERVICES BANK S.A. FOR ROBECO CAPITAL GROWTH FUNDS	29,228,518	0.27
27. HSBC NOMINEES (ASING) SDN BHD B/O: JPML SA FOR AVIVA INVESTORS	25,170,525	0.23
28. LEMBAGA TABUNG ANGKATAN TENTERA	24,815,300	0.23
29. CITIGROUP NOMINEES (ASING) SDN BHD B/O: EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	24,438,517	0.23
30. HSBC NOMINEES (ASING) SDN BHD B/O: JPMCB NA FOR UNIVERSITIES SUPERANNUATION SCHEME	24,307,777	0.22
	7,990,699,586	73.73

CLASSIFICATION OF SHAREHOLDERS

AS AT 12 FEBRUARY 2018

Category	No. of Shareholders		No. of Shares Held		% of Issued Shares		Our Strategy to Create Value pg. 26-36
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign	
INDIVIDUAL							
a. Bumiputera	2,910		27,068,756		0.25		
b. Chinese	49,082		393,036,979		3.63		
c. Indian	1,756		13,123,558		0.12		
d. Others	294	2,096	2,408,447	53,919,438	0.02	0.50	
BODY CORPORATE							Financial Capital pg. 37-67
a. Banks/Finance	79		5,733,432,942		52.90		
b. Investment/Trust	19		20,647,138		0.19		
c. Societies	23		663,754		0.01		
d. Industrial	802	42	100,108,131	19,290,468	0.92	0.18	
GOVERNMENT AGENCIES/INSTITUTION	14		45,500,509		0.42		
NOMINEES	11,279	2,875	2,211,162,670	2,217,406,191	20.40	20.46	Intellectual Capital pg. 68-80
OTHERS	4		92,697		0.00		
TOTAL	66,262	5,013	8,547,245,581	2,290,616,097	78.86	21.14	

CHANGES IN SHARE CAPITAL

ISSUED AND PAID-UP SHARE CAPITAL

Details of changes in the Bank's issued and paid-up share capital since its incorporation are as follows:-

Date of Allotment	No. of Ordinary Shares Allotted	Consideration	Resultant Total Issued and Paid-Up Capital RM'000	Other Information pg. 130-161		Ensuring Responsible Governance pg. 113-121	Human Capital pg. 82-112	Social & Relationship Capital pg. 122-129	Manufactured Capital pg. 81	Intellectual Capital pg. 68-80	Financial Capital pg. 37-67
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								
31-11-1985	68,249	Conversion of Unsecured Notes	270,068,249								
15-11-1986	9,199,999	Issued in exchange for purchase of Kota Discount Berhad (Now known as Mayban Discount Berhad)	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 (ESOS)	279,368,798								

CHANGES IN SHARE CAPITAL

ISSUED AND PAID-UP SHARE CAPITAL (CONT'D.)

Details of changes in the Bank's issued and paid-up share capital since its incorporation are as follows:- (cont'd.)

Date of Allotment	No. of Ordinary Shares Allotted	Consideration	Resultant Total Issued and Paid-Up Capital RM'000
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 (ESOS)	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 (ESOS)	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 (ESOS)	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 (ESOS)	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 ESOS at RM5.00 per share	751,441,547
25-01-1991 to 28-11-1991	726,000	Exercise of Employees' Share Option Scheme (ESOS)	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 (ESOS)	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 (ESOS)	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 (ESOS)	3,600,171,921
29-09-2004 to 14-02-2008	304,058,100	Exercise of Employees' Share Option Scheme (ESOS)	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 (ESOS)	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 (ESOS)	7,077,982,768
20-12-2010	244,257,623	Dividend Reinvestment Plan (DRP) at RM7.70 per share	7,322,240,391
12-05-2011	155,965,676	Dividend Reinvestment Plan (DRP) at RM7.70 per share	7,478,206,067
05-07-2011 to 09-12-2011	10,000	Exercise of Employees' Share Scheme (ESS)	7,478,216,067
28-12-2011	161,221,416	Dividend Reinvestment Plan (DRP) at RM7.30 per share	7,639,437,483
10-01-2012 to 26-01-2012	3,600	Exercise of Employees' Share Scheme (ESS)	7,639,441,083
26-03-2012 to 09-05-2012	8,100	Exercise of Employees' Share Scheme (ESS)	7,639,449,183
04-06-2012	202,854,119	Dividend Reinvestment Plan (DRP) at RM8.00 per share	7,842,303,302

CHANGES IN SHARE CAPITAL

ISSUED AND PAID-UP SHARE CAPITAL (CONT'D.)

Details of changes in the Bank's issued and paid-up share capital since its incorporation are as follows:- (cont'd.)

Date of Allotment	No. of Ordinary Shares Allotted	Consideration	Resultant Total Issued and Paid-Up Capital RM'000	AGM Information pg. 162-166	Other Information pg. 130-161	Ensuring Responsible Governance pg. 113-121	Social & Relationship Capital pg. 122-129	Human Capital pg. 82-112	Manufactured Capital pg. 81	Intellectual Capital pg. 68-80	Financial Capital pg. 37-67	Our Strategy to Create Value pg. 26-36	Overview pg. 1-25
28-06-2012 to 08-10-2012	12,233,400	Exercise of Employees' Share Scheme (ESS)	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 (ESS)	8,266,589,102										
25-10-2012	173,144,233	Dividend Reinvestment Plan (DRP) at RM8.40 per share	8,439,733,335										
30-10-2012 to 28-05-2013	38,147,500	Exercise of Employees' Share Scheme (ESS)	8,477,880,835										
29-05-2013	201,462,948	Dividend Reinvestment Plan (DRP) at RM8.80 per share	8,679,343,783										
29-05-2013 to 24-10-2013	47,955,100	Exercise of Employees' Share Scheme (ESS)	8,727,298,883										
25-10-2013	130,326,898	Dividend Reinvestment Plan (DRP) at RM9.20 per share	8,857,625,781										
25-10-2013 to 29-05-2014	24,164,342	Exercise of Employees' Share Scheme (ESS)	8,881,790,123										
30-05-2014	229,810,271	Dividend Reinvestment Plan (DRP) at RM8.95 per share	9,111,600,394										
02-06-2014 to 27-10-2014	40,406,200	Exercise of Employees' Share Scheme (ESS)	9,152,006,594										
28-10-2014	165,329,047	Dividend Reinvestment Plan (DRP) at RM9.30 per share	9,317,335,641										
28-10-2014 to 25-05-2015	12,748,542	Exercise of Employees' Share Scheme (ESS)	9,330,084,183										
26-05-2015	203,533,085	Dividend Reinvestment Plan (DRP) at RM8.70 per share	9,533,617,268										
27-05-2015 to 02-11-2015	5,681,100	Exercise of Employees' Share Scheme (ESS)	9,539,298,368										
12-11-2015	222,451,959	Dividend Reinvestment Plan (DRP) at RM7.50 per share	9,761,750,327										
13-11-2015 to 06-01-2016	2,500	Exercise of Employees' Share Scheme (ESS)	9,761,752,827										
07-01-2016 to 12-05-2016	11,859,359	Exercise of Employees' Share Scheme (ESS)	9,773,612,186										
02-06-2016	235,139,196	Dividend Reinvestment Plan (DRP) at RM8.35 per share	10,008,751,382										
13-06-2016 to 15-07-2016	76,600	Exercise of Employees' Share Scheme (ESS)	10,008,827,982										
24-10-2016	184,371,435	Dividend Reinvestment Plan (DRP) at RM7.25 per share	10,193,199,417										
25-10-2016	500	Exercise of Employees' Share Scheme (ESS)	10,193,199,917										
06-03-2017 to 05-06-2017	85,593,770	Exercise of Employees' Share Scheme (ESS)	10,278,792,849										
06-06-2017	243,599,777	Dividend Reinvestment Plan (DRP) at RM8.25 per share	10,522,392,626										
06-06-2017 to 30-10-2017	74,474,300	Exercise of Employees' Share Scheme (ESS)	10,596,866,926										
01-11-2017	181,677,352	Dividend Reinvestment Plan (DRP) at RM9.00 per share	10,778,544,278										
02-11-2017 to 08-02-2018	59,317,400	Exercise of Employees' Share Scheme (ESS)	10,837,861,678										

PROPERTIES OWNED BY MAYBANK GROUP

Area	No of Properties		Land Area (sq. m.)	Book Value as at 31.12.2017 RM'000
	Freehold	Leasehold		
Maybank				
Kuala Lumpur	14	15	50,293.09	189,697
Johor Darul Takzim	31	11	18,786.42	63,019
Kedah Darul Aman	11	4	5,813.83	8,128
Kelantan Darul Naim	1	6	1,993.00	4,319
Melaka	–	4	2,763.00	3,001
Negeri Sembilan Darul Khusus	8	7	21,350.92	7,078
Pahang Darul Makmur	10	14	12,467.00	10,540
Perak Darul Ridzuan	13	12	10,559.85	14,393
Perlis Indera Kayangan	1	3	1,475.00	20,198
Pulau Pinang	22	3	13,211.52	1,070
Sabah	–	18	15,058.18	25,138
Sarawak	9	15	7,039.23	19,132
Selangor Darul Ehsan	24	18	104,545.64	118,672
Terengganu Darul Iman	6	2	4,329.00	3,825
Hong Kong	–	2	193.00	HKD840
London	–	6	1,017.00	£4,118
Singapore	10	12	20,668.70	SGD87,224
Aurea Lakra Holdings Sdn Bhd				
(Formerly known as Mayban P.B. Holdings Sdn Bhd)				
Johor Darul Takzim	2	1	1,330.00	1,497
Pahang Darul Makmur	1	2	595.42	817
Perak Darul Ridzuan	1	1	857.74	2,186
Pulau Pinang	1	–	445.93	630
Sabah	–	1	257.62	988
Sarawak	–	1	314.00	771
Selangor Darul Ehsan	2	1	1,269.13	2,603
Maybank International (L) Ltd				
W.P. Labuan	–	3	1,089.81	USD165
ETIQA				
Kuala Lumpur	2	4	24,258.47	817,703
Johor Darul Takzim	1	–	286.00	554
Kedah Darul Aman	2	1	1,127.97	1,029
Melaka	–	1	452.00	1,042
Negeri Sembilan Darul Khusus	3	1	1,659.64	2,875
Pahang Darul Makmur	2	1	18,334.57	3,121
Sabah	–	2	443.34	1,563
Selangor Darul Ehsan	1	1	38,927.49	96,378
Maybank Kim Eng				
Singapore	–	2	1,609.50	SGD102,545
USA	1	–	299.33	USD5,147
PT Bank Maybank Indonesia Tbk				
Indonesia	188	–	117,686.20	IDR2,135,091,123

LIST OF TOP 10 PROPERTIES OWNED BY MAYBANK GROUP

AS AT 31 DECEMBER 2017

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
Etiqa Twins No. 11 Jalan Pinang Kuala Lumpur	27-storey Twin Office Buildings	Office & Rented out	Freehold	-	22 years	6,612.00	1994	343,000
50 North Canal Road Singapore	Office Building	Office	Leasehold	90 years (expiring 2106)	6 years	1,283.30	2007	SGD83,343
Lot 422, Section 96 Jalan Bangsar Utama 1 off Jalan Bangsar 59000 Kuala Lumpur	38-storey Office Building	Under construction (estimation completion Aug 2018)	Leasehold 99 years	69 years (expiring 3.12.2085)	0–1 year	4,645.00	1975	205,000.00
Maybank Tower 2 Battery Road Singapore	32-storey Office Building	Office	Leasehold 999 years	809 years (expiring 2825)	15 years	1,135.70	1962	SGD58,964
Dataran Maybank No. 1 Jalan Maarof Bangsar	2 Blocks of 20-storey and a block 22-storey Office Buildings	Office & Rented out	Leasehold 99 years	69 years (expiring 3.12.2085)	16 years	9,918.00	2000	116,254
Lot 153, Section 44 Jalan Ampang Kuala Lumpur	Commercial Land	Vacant	Freehold	-	-	3,829.00	2008	109,000
Menara Maybank 100, Jalan Tun Perak Kuala Lumpur	58-storey Office Building	Head office & Rented out	Freehold	-	29 years	35,494.00	1978	100,555
1079, Section 13 Shah Alam	Commercial Land	Vacant	Leasehold 99 years	86 years (expiring 11.3.2102)	-	38,417.00	1994	95,000
Akademi Etiqa 23, Jalan Melaka Kuala Lumpur	25-storey Office Building	Office & Rented out	Leasehold 99 years	49 years (expiring 2065)	21 years	1,960.47	1994	73,000.00
48 North Canal Road Singapore	Office Building	Office	Leasehold	95 years (expiring 2111)	5 years	326.20	2012	SGD19,202

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CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK MOHAIYANI SHAMSUDIN

PJN, SSAP

Non-Independent Non-Executive Chairman

DATUK ABDUL FARID ALIAS FCB

DMSM, DPNS

Non-Independent Executive Director
(Group President & Chief Executive Officer)

DATUK R. KARUNAKARAN

DSDK, DMSM, KMN, AMN, BKT

Senior Independent Non-Executive Director

DATO' JOHAN ARIFFIN

DPTJ

Independent Non-Executive Director

CHENG KEE CHECK

Non-Independent Non-Executive Director

EDWIN GERUNGAN

Independent Non-Executive Director

NOR HIZAM HASHIM

DSM

Independent Non-Executive Director

DR. HASNITA DATO' HASHIM

PhD

Independent Non-Executive Director

ANTHONY BRENT ELAM

Independent Non-Executive Director

DATIN PADUKA JAMIAH ABDUL HAMID

DSIS, JSM

Independent Non-Executive Director

CHE ZAKIAH CHE DIN

Independent Non-Executive Director

COMPANY SECRETARIES

WAN MARZIMIN WAN MUHAMMAD

(LS0009924)

FARIZ ABDUL AZIZ

(LS0007997)

REGISTERED OFFICE

14th Floor, Menara Maybank

100, Jalan Tun Perak

50050 Kuala Lumpur, Malaysia

Telephone : (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)

Facsimile : (6)03-2032 4775

(Group Investor Relations)

: (6)03-2711 3421

(Customer Feedback & Resolution Management)

: (6)03-2031 0071

(Group Corporate Secretarial)

: 1300-88-8899 (Local)/

(6)03-7845 9858 (Overseas)

(Maybank Group Customer Care)

SWIFT : MBBEMYKL

Website : <http://www.maybank.com>

E-Mail : corporateaffairs@maybank.com.my
cfrm@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

Tricor Investor & Issuing House Services Sdn Bhd

(for General Meetings of the Company &

Dividend Re-Investment Plan)

Unit 32-01, Level 32

Tower A, Vertical Business Suite

Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

Tel : 603-2783 9299

Fax : 603-2783 9222

Email : is.enquiry@my.tricorglobal.com

EXTERNAL AUDITORS

Ernst & Young (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

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

GROUP DIRECTORY

COMMERCIAL BANKING

MALAYAN BANKING BERHAD

14th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Tel : (6)03-2070 8833
Fax : (6)03-2031 0071
Website : www.maybank.com
Email : corporateaffairs@maybank.com

MALAYAN BANKING BERHAD SINGAPORE BRANCH

2 Battery Road
#01-01 Maybank Tower
Singapore 049907
Tel : 1800-629 2265;
(65) 6533 5229 (Overseas)
Website : www.maybank2u.com.sg
Email : cs@maybank.com.sg

MALAYAN BANKING BERHAD HONG KONG BRANCH

18/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong
Tel : 852-3518 8888
Fax : 852-3518 8889

MALAYAN BANKING BERHAD BEIJING BRANCH

32nd Floor
China World Tower
No. 1, Jianguomenwai Avenue
Beijing 100004
China
Tel : 86-108 535 1855
Fax : 86-108 535 1825

MALAYAN BANKING BERHAD KUNMING BRANCH

Unit 3-4, 23rd Floor, The Master
No. 1, Chongren Street
Kunming 650021
Yunnan, China
Tel : 86-871 6360 5300
Fax : 86-871 6366 2061

MALAYAN BANKING BERHAD SHANGHAI BRANCH

Room 03-04, 6th Floor, BRICS Tower
No. 333 Lujiazui Ring Road
Pudong New District
Shanghai, China 200120
Tel : 86-216 028 7688
Fax : 86-216 886 1032/0132

MALAYAN BANKING BERHAD SHENZHEN BRANCH

Unit 01, 07-08, 37/F, AVIC Center
No. 1018 Huafu Road
Futian District, Shenzhen
Guangdong, P.R.C
Tel : 86-755 8326 3300
Fax : 86-755 8325 7509

MALAYAN BANKING BERHAD HO CHI MINH CITY BRANCH

Sun Wah Tower
9th Floor, 115 Nguyen Hue Street
District 1 - Ho Chi Minh City
Vietnam
Tel : 84-2-8-3827 8165/8196/8197/8198
84-2-8-3821 9919/9917

MALAYAN BANKING BERHAD HANOI BRANCH

Suite 909, Floor 9
Corner Stone Building
16 Phan Chu Trinh Street
Hoan Kiem District
Hanoi, Vietnam
Tel : 84-2-4-3824 1791
84-2-4-3934 5041/5042

MALAYAN BANKING BERHAD MAYBANK VIENTIANE LAO PDR BRANCH

Lot 43, 45 & 47 Lane Xang Avenue
Hatsady Village
Chantabouly District
PO Box 1663 Vientiane, Lao PDR
Tel : 856 21 263 100/263 101
Fax : 856 21 263 113

MALAYAN BANKING BERHAD YANGON BRANCH

7th Floor Centrepoint Towers
No. 65 Corner of Sule Pagoda Road & Merchant
St Kyauktada Township
Yangon, Union of Maynmar
Tel : 95 1 377 526/95 1 377 173
Fax : 95 1 377 527

MALAYAN BANKING BERHAD LONDON BRANCH

Ground & Part 1st. Floor
77 Queen Victoria Street
London EC4VAY
Tel : 44-20-7638 0561
Fax : 44-20-7638 9329

MALAYAN BANKING BERHAD NEW YORK BRANCH

11th Floor, 400 Park Avenue
New York, NY 10022
United States of America
Tel : 1-212-303 1300
Fax : 1-212-308 0109

MALAYAN BANKING BERHAD KINGDOM OF BAHRAIN BRANCH

8th Floor, Al Jasrah Tower
Diplomatic Area
P.O. Box 10470
Manama
Kingdom of Bahrain
Tel : 973-17-535 733
Fax : 973-17-533 895

MALAYAN BANKING BERHAD BANDAR SRI BEGAWAN BRANCH

Unit 5-8, Simpang 22,
Jalan Dato Ratna
Kiarong Sentral, Kg Kiarong BE1318
Negara Brunei Darussalam
Tel : 673-2-242 494/242 495/242 496
Fax : 673-2-225 404

PT BANK MAYBANK INDONESIA TBK.

Gedung Sentral Senayan 3, 26th Floor
Jl. Asia Afrika No. 8, Senayan Gelora Bung Karno
Jakarta 10270, Indonesia
Tel : (62)-21-2922 8888
Fax : (62)-21-2922 8914
Website : www.maybank.co.id
Email : customercare@maybank.co.id

MAYBANK ISLAMIC BERHAD

Level 10, Tower A, Dataran Maybank
No. 1, Jalan Maarof, 59000 Kuala Lumpur
Tel : (6)03-2297 2001
Fax : (6)03-2297 2002
Website : www.maybankislamic.com
Email : mgcc@maybank.com

P.T. BANK MAYBANK SYARIAH INDONESIA

17th Floor Sona Topas Tower
Jalan Jenderal Sudirman KAV 26
12920 Jakarta, Indonesia
Tel : (62)-21-250 6446
Fax : (62)-21-250 6445
Website : www.maybanksyariah.co.id

MAYBANK PHILIPPINES INCORPORATED

Maybank Corporate Center
7th Avenue Corner 28th Street
Bonifacio High Street Central
Bonifacio Global City
Taguig City, 1634 Philippines
Tel : (632) 588 3777
Fax : (632) 808 2669
Website : www.maybank.com.ph

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GROUP DIRECTORY

COMMERCIAL BANKING (CONTINUED)

MAYBANK INTERNATIONAL LABUAN BRANCH

Level 16 (B), Main Office Tower
Financial Park Labuan, Jalan Merdeka
87000 Wilayah Persekutuan Labuan
Tel : (6)087-414 406
Fax : (6)087-414 806
Website : www.maybank.com

MAYBANK (CAMBODIA) PLC.

Maybank Tower
No. 43 Preah Norodom Boulevard
Sangkat Phsar Thmey 3
Khan Daun Penh, Phnom Penh
Kingdom of Cambodia
Tel : (855)-23-210 123/255
Fax : (855)-23-210 099
Website: www.maybank2u.com.kh

INVESTMENT BANKING

MAYBANK INVESTMENT BANK BERHAD

32nd Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Tel : (6)03-2059 1888
Fax : (6)03-2078 4217
Website : www.maybank-ib.com

BINAFIKIR SDN BHD

32nd Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Tel : (6)03-2059 1888
Fax : (6)03-2078 4217

MAYBANK KIM ENG HOLDINGS LIMITED MAYBANK KIM ENG SECURITIES PTE. LTD.

50, North Canal Road
#03-01 Singapore 059304
Tel : (65)-6231 5000
Helpdesk Tel : (65)-6432 1888
Website : www.maybank-ke.com.sg

MAYBANK KIM ENG SECURITIES (THAILAND) PUBLIC COMPANY LIMITED

999/9 The Offices at Central World
20th – 21st Floor Rama 1 Road Pathumwan
Bangkok, 10330 Thailand
Tel : (66)-2658 6300
Fax : (66)-2658 6301
Website : www.maybank-ke.co.th

MAYBANK ATR KIM ENG CAPITAL PARTNERS, INC MAYBANK ATR KIM ENG SECURITIES, INC

17th Floor, Tower One & Exchange Plaza
Ayala Avenue, Ayala Triangle
Makati City, Philippines 1226
Tel : (632)-849 8988/849 8888
Fax : (632)-848 5640/848 5738
Website : www.maybank-atrke.com

PT MAYBANK KIM ENG SECURITIES

Sentral Senyan III, 22nd Floor
Jl Asia Afrika No. 8
Jakarta 10270, Indonesia
Tel : (62)-21-8066 8500
Fax : (62)-21-8066 8501
Website : www.maybank-ke.co.id

KIM ENG SECURITIES (HONG KONG) LIMITED

28/F, Lee Garden Three
10 Hysan Avenue
Causeway Bay
Hong Kong
Tel : (852)-2268 0800
Fax : (852)-2845 3772
Website : www.kimeng.com.hk

KIM ENG SECURITIES INDIA PRIVATE LIMITED

2nd Floor, The International 16
Maharshi KarveMarg
Churchgate
Mumbai 400 020
India
Tel : (91)-22 6623 2600
Fax : (91)-22 6623 2604

KIM ENG INVESTMENT LIMITED SHANGHAI (REPRESENTATIVE OFFICE)

Unit 605, 6F
CHAMTIME Tower C
2889 Jinke Road
Pudong New District
Shanghai 201203
People's Republic of China
Tel : (86) 21 2050 1688
Fax : (86) 21 2050 1677

MAYBANK KIM ENG SECURITIES LIMITED

Floor 4A-15+16, Vincom Center Dong Khoi
72 Le Thanh Ton Street
Ben Nghe Ward, District 1
Ho Chi Minh City, Vietnam
Tel : (84) 28 44 555 888
Fax : (84) 28 38 271 030

MAYBANK KIM ENG SECURITIES (LONDON) LTD

1st Floor, PNB House
77 Queen Victoria Street
London EC4V 4AY
United Kingdom
Tel : (44)-20 7332 0221
Fax : (44)-20 7332 0302

MAYBANK KIM ENG SECURITIES USA, INC.

777 Third Avenue
21st Floor
New York NY 10017
United States of America
Tel : (212)-688 8886
Fax : (212)-688 3500

ANFAAL CAPITAL

2898, Prince Mohammed bin Abdulaziz Street
(Tahlia St.)
Al Khalidyah District, Unit 2
Postal Code 23421 – 6199
Jeddah, Saudi Arabia
Tel : (966) 12 606 8686
Fax : (966) 12 606 8787

INSURANCE & TAKAFUL

MAYBANK AGEAS HOLDINGS BERHAD

Level 19, Tower C
Dataran Maybank
No. 1, Jalan Maarof
59000 Kuala Lumpur
Tel : (6)03-2297 3888
Fax : (6)03-2297 3800
Website : www.etiqa.com.my
Email : info@etiqa.com.my

ETIQA GENERAL INSURANCE BERHAD (formerly known as Etiqa Insurance Berhad)

ETIQA FAMILY TAKAFUL BERHAD (formerly known as Etiqa Takaful Berhad)

ETIQA LIFE INSURANCE BERHAD

ETIQA GENERAL TAKAFUL BERHAD

Level 19, Tower C
Dataran Maybank
No. 1, Jalan Maarof
59000 Kuala Lumpur
Tel : (6)03-2297 3888
Fax : (6)03-2297 3800
Website : www.etiqa.com.my
Email : info@etiqa.com.my

ETIQA LIFE INTERNATIONAL (L) LTD

ETIQA OFFSHORE INSURANCE (L) LTD

Brumby Centre, Lot 42
Jalan Muhibbah
87000 Labuan F.T.
Tel : (6)087-582 588
 (6)087-417 672
Fax : (6)087-583 588
 (6)087-452 333
Website : www.etiqa.com.my
Email : info@etiqa.com.my

ETIQA INSURANCE PTE. LTD.

One Raffles Quay
#22-01 North Tower
Singapore 048583
Tel : (65)-6336 0477
Fax : (65)-6339 2109
Website : www.etiqa.com.sg
Email : customer.service@etiqa.com.sg

ASSET MANAGEMENT

MAYBANK ASSET MANAGEMENT GROUP BERHAD

5th Floor, Tower A
Dataran Maybank
No 1, Jalan Maarof
59000 Kuala Lumpur
Tel : (6)03-2297 7833
Fax : (6)03-2297 7997
Website : www.maybank-am.com

MAYBANK ASSET MANAGEMENT SDN BHD

5th Floor, Tower A, Dataran Maybank
No. 1, Jalan Maarof
59000 Kuala Lumpur
Tel : (6)03-2297 7836
Fax : (6)03-2715 0071
Website : www.maybank-am.com

MAYBANK ISLAMIC ASSET MANAGEMENT SDN BHD

5th Floor, Tower A
Dataran Maybank
No. 1, Jalan Maarof
59000 Kuala Lumpur
Tel : (6)03-2297 7872
Fax : (6)03-2297 7998
Website : www.maybank-am.com

OTHERS

MAYBANK TRUSTEES BERHAD

8th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Tel : (6)03-2078 8363
Fax : (6)03-2070 9387
Website : www.maybank.com
Email : securitiesservices@maybank.com.my

MAYBANK (NOMINEES) SENDIRIAN BERHAD MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK NOMINEES (ASING) SDN BHD

8th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Tel : (6)03-2070 8833/(6)03-2074 8158
Fax : (6)03-2032 1505

MAYBANK PRIVATE EQUITY SDN BHD

5th Floor, Tower A
Dataran Maybank
No. 1, Jalan Maarof
59000 Kuala Lumpur
Tel : (6)03-2297 7887
Fax : (6)03-2297 7878
Website: www.maybank-am.com

MAYBANK ASSET MANAGEMENT SINGAPORE PTE LTD

50 North Canal Road
#03-01 Singapore 059304
Tel : (65) 6231 5080
Fax : (65) 6339 1003
Website : www.maybank-am.com.sg

PT. MAYBANK ASSET MANAGEMENT

Sentral Senayan 3, Mezzanine Floor
Jl. Asia Afrika No. 8, Gelora Bung Karno Jakarta
Jakarta 10270
Indonesia
Tel : (62) 21 8065 7700
Fax : (62) 21 8065 7702
Website : www.maybank-am.co.id

MAYBANK SECURITIES NOMINEES

(TEMPATAN) SDN. BHD.

MAYBANK SECURITIES NOMINEES (ASING) SDN. BHD.

Level 5, Tower C
Dataran Maybank
No. 1, Jalan Maarof
59000 Kuala Lumpur
Tel : (6)03-2297 8888
Fax : (6)03-2710 2575

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NOTICE OF THE 58TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 58th Annual General Meeting (AGM) of Malayan Banking Berhad (Maybank/the Company) will be held at mySpace2@Ballroom, Level 3, The Malaysia International Trade and Exhibition Centre (MITEC), Kompleks MITEC, No. 8, Jalan Dutamas 2, 50480 Kuala Lumpur, Malaysia on Thursday, 12 April 2018 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 2017 together with the Reports of the Directors and Auditors thereon. **(Ordinary Resolution 1)**
2. To approve the payment of a final single-tier dividend of 32 sen per ordinary share in respect of the financial year ended 31 December 2017. **(Ordinary Resolution 2)**
3. To re-elect the following Directors, each of whom retires by rotation in accordance with Articles 96 and 97 of the Company's Articles of Association and being eligible, offers herself/himself for re-election:-
 - (i) Datuk Mohaiyani binti Shamsudin **(Ordinary Resolution 3)**
 - (ii) Mr. Edwin Gerungan **(Ordinary Resolution 4)**
4. To re-elect Ms Che Zakiah binti Che Din who retires in accordance with Article 100 of the Company's Articles of Association and being eligible, offers herself for re-election. **(Ordinary Resolution 5)**
5. To approve the following payment of Non-Executive Directors' fees from the 58th AGM to the 59th AGM of the Company:-
 - (i) Chairman's fee of RM610,000 per annum;
 - (ii) Vice Chairman's fee of RM440,000 per annum;
 - (iii) Director's fee of RM295,000 per annum for each Non-Executive Director;
 - (iv) Board Committee Chairman's fee of RM75,000 per annum for the Chairman of each Board Committee; and
 - (v) Board Committee Member's fee of RM45,000 per annum for each member of a Board Committee. **(Ordinary Resolution 6)**
6. To approve an amount of up to RM3,104,400 as benefits payable to eligible Non-Executive Directors from the 58th AGM to the 59th AGM of the Company. **(Ordinary Resolution 7)**
7. To re-appoint Messrs Ernst & Young as Auditors of the Company for the financial year ending 31 December 2018 and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 8)**

AS SPECIAL BUSINESSES:

To consider, and if thought fit, to pass the following Ordinary Resolutions:-

8. AUTHORITY TO DIRECTORS TO ISSUE NEW ORDINARY SHARES IN MAYBANK (MAYBANK SHARES)

"THAT subject always to the Companies Act, 2016, the Company's Articles of Association, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia) and approval of the relevant government/regulatory authorities, the Directors be and are hereby authorised pursuant to Section 75 of the Companies Act, 2016, to allot Maybank Shares at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of Maybank Shares to be allotted pursuant to the said allotment does not exceed ten percent (10%) of the total number of issued shares of the Company as at the date of such allotment and that the Directors be and are hereby authorised to obtain all necessary approvals from the relevant authorities for the allotment and listing and quotation of the additional shares so allotted on Bursa Malaysia and that such authority to allot Maybank Shares shall continue to be in force until the conclusion of the next annual general meeting of the Company."

(Ordinary Resolution 9)

9. 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 (SHAREHOLDERS) 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 for 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 annual general meeting 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 the said conditions, modifications, variations and/or amendments or at the discretion of the Directors in the best interest of the Company."

(Ordinary Resolution 10)

10. PROPOSED GRANT OF NEW ORDINARY SHARES IN MAYBANK (MAYBANK SHARES) TO DATUK ABDUL FARID BIN ALIAS

"THAT pursuant to the Employees' Share Grant Plan (ESGP) as approved by the Shareholders under Ordinary Resolution 1 at the Extraordinary General Meeting held on 6 April 2017 (EGM), the Directors be and are hereby authorised at any time, and from time to time during the duration of the ESGP, to grant a maximum of 4,320,000 Maybank Shares (as defined in Notice of EGM dated 16 March 2017) over a period commencing from the second year to the fifth year of the ESGP to Datuk Abdul Farid bin Alias, the Group President and Chief Executive Officer and Non-Independent Executive Director of Maybank as they shall deem fit, subject always to such terms and conditions of the ESGP By-Laws provided that not more than 10% of the Maybank Shares to be issued under the ESGP are to be allocated to any individual Eligible Employee who, either singly or collectively through persons connected with that Eligible Employee, holds 20% or more in the total number of issued shares of the Company (excluding treasury shares) and the term "person connected with" shall have the same meaning as that assigned under Paragraph 1.01 of the Listing Requirements.

AND THAT the Directors be and are hereby authorised to, from time to time, issue and allot new Maybank Shares to him for the purpose of the ESGP."

(Ordinary Resolution 11)

NOTICE OF THE 58TH ANNUAL GENERAL MEETING

To consider, and if thought fit, to pass the following Special Resolution:-

**11. PROPOSED AMENDMENT OF THE COMPANY'S EXISTING
MEMORANDUM AND ARTICLES OF ASSOCIATION (M&A) (PROPOSED
AMENDMENT)**

"THAT the Company's existing M&A be altered, modified, added and/or deleted, as the case may be, in the form and manner as set out in Appendix II of the Circular to Shareholders dated 14 March 2018 accompanying the Company's Annual Report for the financial year ended 31 December 2017;

AND THAT the Directors be and are hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed Amendment with full powers to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities."

(Special Resolution)

12. To transact any other business of the Company for which due notice shall have been received in accordance with the Companies Act, 2016.

BY ORDER OF THE BOARD

WAN MARZIMIN BIN WAN MUHAMMAD (LS0009924)

FARIZ BIN ABDUL AZIZ (LS0007997)

Company Secretaries

Kuala Lumpur
14 March 2018

Notes:

1. A member entitled to attend, speak and vote at the AGM is entitled to appoint proxy(ies) to attend, speak and vote in his 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 standing to the credit of the said Securities Account.

(ii) Notwithstanding the above, for an exempt Authorised Nominee which holds ordinary shares in the Company 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 specifies the proportions of his 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 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. The duly completed instrument appointing a proxy must be deposited at the office of the appointed share registrar for this AGM, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia no later than Wednesday, 11 April 2018 at 10.00 a.m.
6. For an instrument appointing a proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.
7. For the purpose of determining a member who shall be entitled to attend the AGM in accordance with Article 55(1) of the Company's Articles of Association 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 30 March 2018. Only a member whose name appears on the Record of Depositors as at 30 March 2018 shall be eligible to attend the AGM or appoint proxy(ies) to attend and vote on his/her behalf.

8. Explanatory notes on Ordinary Businesses:-

(i) Ordinary Resolution 2 – Payment of Final Single-Tier Dividend

The proposed final single-tier dividend as per Ordinary Resolution 2 consists of a cash portion of 18 sen per ordinary share and an electable portion of 14 sen per ordinary share. The electable portion can be elected to be reinvested into new ordinary shares in Maybank in accordance with the Dividend Reinvestment Plan as disclosed in Note 32 of the Audited Financial Statements for the financial year ended 31 December 2017.

Pursuant to Section 8.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the final single-tier dividend, if approved, shall be paid not later than three (3) months from the date of the shareholders' approval. The Book Closure Date will be announced by the Company after the AGM.

(ii) Ordinary Resolutions 4 and 5 – Assessment of Independence of Independent Directors

The independence of Mr. Edwin Gerungan and Ms Che Zakiah binti Che Din both of whom have served as Independent Non-Executive Directors of the Company has been assessed by the Nomination and Remuneration Committee and affirmed by the Board.

(iii) Ordinary Resolution 6 – Payment of Non-Executive Directors' Fees

The comparison between the current Directors' fees for Non-Executive Directors as approved by the shareholders of the Company at the 57th AGM held on 6 April 2017 and the proposed fees are as follows:-

	Current Fees (RM)			Proposed Fees (RM)		
	Vice		Member	Vice		Member
	Chairman	Chairman		Chairman	Chairman	
Board Fee	610,000	440,000	295,000	No Change	No Change	No Change
Board Committee Fee	45,000	-	30,000	75,000	-	45,000

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NOTICE OF THE 58TH ANNUAL GENERAL MEETING

(iv) Ordinary Resolution 7 – Benefits Payable to Non-Executive Directors

The benefits comprise allowances, benefits-in-kind and other emoluments payable to eligible Non-Executive Directors, details of which are as follows:

- (a) Meeting Allowance
 - Board Members – RM4,000 per meeting
 - Board Committee Members – RM4,000 per meeting
- (b) Duty Allowance
 - Chairman of the Board – RM40,000 per month
- (c) Company Car and Driver
 - Chairman of the Board
 - Vice-Chairman of the Board
 - (based on maximum taxable rate)
- (d) Other Benefits
 - Includes benefits that are claimable or otherwise, including golf club membership, leave passage for the Chairman of the Board and other facilities made available by the Company to eligible Non-Executive Directors.

9. Explanatory notes on Special Businesses:-

(i) Ordinary Resolution 9 – Authority to Directors to Issue Maybank Shares

The Company has not issued any new Maybank Shares under the general mandate for allotment of shares pursuant to Section 75 of the Companies Act, 2016 which was approved at the 57th AGM held on 6 April 2017 and will lapse at the conclusion of the 58th AGM to be held on 12 April 2018.

The proposed Ordinary Resolution 9 is a general mandate to be obtained from the shareholders of the Company at this AGM and if passed, will empower the Directors pursuant to Section 75 of the Companies Act, 2016 to allot Maybank Shares of up to an aggregate amount not exceeding ten percent (10%) of the issued share capital of the Company as at the date of such allotment of shares without having to convene a general meeting. This general mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next annual general meeting of the Company.

The general mandate from shareholders is to provide the Company the flexibility to undertake any share issuance during the financial year without having to convene a general meeting. The rationale for this proposed mandate is to allow for possible share issue and/or fund raising exercises including placement of shares for the purpose of funding current and/or future investment project, working capital and/or acquisitions as well as in the event of any strategic opportunities involving equity deals which may require the Company to allot and issue new Maybank Shares on urgent basis and thereby reducing administrative time and costs associated with the convening of additional shareholders meeting(s). In any event, the exercise of the mandate is only to be undertaken if the Board considers it to be in the best interest of the Company.

(ii) Ordinary Resolution 10 – Dividend Reinvestment Plan

This proposed Ordinary Resolution 10 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 in this AGM and subsequently, and such authority shall expire at the conclusion of the next annual general meeting of the Company.

(iii) Ordinary Resolution 11 – Proposed Grant of Maybank Shares to Datuk Abdul Farid bin Alias

This proposed Ordinary Resolution 11 if passed, will give authority to the Directors of the Company to grant a maximum of 4,320,000 Maybank Shares to Datuk Abdul Farid bin Alias, the Group President and Chief Executive Officer and Non-Independent Executive Director of Maybank, for the second to the fifth year of the ESGP subject always to such terms and conditions as set out in the By-Laws of the ESGP which have been approved by the shareholders at the Extraordinary General Meeting (EGM) held on 6 April 2017.

The proposed grant of Maybank Shares as aforementioned is in addition to the authority to grant a maximum of 1,080,000 Maybank Shares to Datuk Abdul Farid bin Alias which was earlier approved by the shareholders at the EGM held on 6 April 2017 in respect of the first year of the ESGP.

(iv) Special Resolution – Proposed Amendment of the Company's Existing Memorandum and Articles of Association (M&A) (Proposed Amendment)

This proposed Special Resolution if passed, will give full effect to the Proposed Amendment as set out in Appendix II of the Circular to Shareholders dated 14 March 2018 accompanying the Company's Annual Report for the financial year ended 31 December 2017.

The rationale of the Proposed Amendment is to ensure continued compliance and to bring the M&A of the Company in line with the following laws and regulations:-

- (i) Latest amendments made to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which was issued on 29 November 2017; and
- (ii) Companies Act, 2016 which came into effect on 31 January 2017.

STATEMENT ACCOMPANYING NOTICE OF THE 58TH 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 58TH AGM

The details of the Directors who are standing for re-election at the 58th AGM are provided in the Board of Directors' profile set out on pages 90 to 97 of this Annual Report. Details of their interests in the securities of Maybank are set out in the Directors' Report on page 24 of the Financial Statements Book of the Annual Report 2017.

2. ORDINARY RESOLUTION ON AUTHORITY TO ISSUE AND ALLOT NEW ORDINARY SHARES IN MAYBANK (MAYBANK SHARES)

Details on the authority to issue and allot Maybank Shares pursuant to Section 75 of the Companies Act, 2016 are provided under the explanatory notes on special businesses in the Notice of the 58th AGM set out on page 162 of this Annual Report.

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FINANCIAL CALENDAR

23 FEBRUARY 2017	15 MARCH 2017	16 MARCH 2017	6 APRIL 2017
Announcement of the audited results of Maybank and the Group and announcement of the final dividend of 32 sen per ordinary share consisting of cash portion of 10 sen and an electable portion of 22 sen per ordinary share which can be elected to be reinvested into new ordinary shares in accordance with the Dividend Reinvestment Plan in respect of financial year ended 31 December 2016	Notice of the 57 th Annual General Meeting and issuance of annual report for the financial year ended 31 December 2016	Notice of the Extraordinary General Meeting	57 th Annual General Meeting and Extraordinary General Meeting
8 MAY 2017	25 MAY 2017	6 JUNE 2017	30 AUGUST 2017
Book closure for determining the entitlement of the final dividend in respect of financial year ended 31 December 2016	Announcement of the unaudited results of Maybank and the Group for the first quarter of the financial year ended 31 December 2017	Payment of the Final Single-Tier dividend in respect of financial year ended 31 December 2016	Announcement of the unaudited results of Maybank and the Group for the second quarter of the financial year ended 31 December 2017 and announcement of the interim dividend of 23 sen per ordinary share consisting of cash portion of 5 sen and an electable portion of 18 sen per ordinary share which can be elected to be reinvested into new ordinary shares in accordance with the Dividend Reinvestment Plan in respect of financial year ended 31 December 2017
3 OCTOBER 2017	1 NOVEMBER 2017	30 NOVEMBER 2017	28 FEBRUARY 2018
Book closure for determining the entitlement of the interim dividend for financial year ended 31 December 2017	Payment of the Interim Single-Tier dividend in respect of financial year ended 31 December 2017	Announcement of the unaudited results of Maybank and the Group for the third quarter of the financial year ended 31 December 2017	Announcement of the audited results of Maybank and the Group and announcement of the final dividend of 32 sen per ordinary share consisting of cash portion of 18 sen and an electable portion of 14 sen per ordinary share which can be elected to be reinvested into new ordinary shares in accordance with the Dividend Reinvestment Plan in respect of financial year ended 31 December 2017
14 MARCH 2018	12 APRIL 2018		
Notice of the 58 th Annual General Meeting and issuance of annual report for the financial year ended 31 December 2017	58 th Annual General Meeting		



MALAYAN BANKING BERHAD
(COMPANY NO. 3813-K)
(INCORPORATED IN MALAYSIA)

FORM OF PROXY

FOR THE 58TH ANNUAL GENERAL MEETING

NUMBER OF SHARES HELD	CDS ACCOUNT NO. OF THE AUTHORISED NOMINEE*											
	-		-									

Please refer to the notes below before completing this Form of Proxy.

I/We _____ NRIC/Passport/Co. No. _____
(full name in block letters)

of _____ Telephone No. _____
(full address)

a shareholder/shareholders of MALAYAN BANKING BERHAD, hereby appoint _____
(full name in block letters)

NRIC/Passport/Co. No. _____

of _____
(full address)

or failing him/her _____ NRIC/Passport/Co. No. _____
(full name in block letters)

of _____
(full address)

or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the 58th Annual General Meeting (AGM) of Malayan Banking Berhad to be held at mySpace2@Ballroom, Level 3, The Malaysia International Trade and Exhibition Centre (MITEC), Kompleks MITEC, No. 8, Jalan Dutamas 2, 50480 Kuala Lumpur, Malaysia on Thursday, 12 April 2018 at 10.00 am and any adjournment thereof for the following resolutions as set out in the Notice of the 58th Annual General Meeting:-

No.	Resolution	For	Against
Ordinary Resolutions:			
1.	To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2017 together with the Reports of the Directors and Auditors thereon		
2.	To approve the payment of a final single-tier dividend of 32 sen per ordinary share in respect of the financial year ended 31 December 2017		
	To re-elect the following Directors in accordance with Articles 96 and 97 of the Company's Articles of Association:-		
3. i.	Datuk Mohaiyani binti Shamsudin		
4. ii.	Mr. Edwin Gerungan		
5.	To re-elect Ms Che Zakiah binti Che Din who retires in accordance with Article 100 of the Company's Articles of Association		
6.	To approve the payment of Non-Executive Directors' fees from the 58 th AGM to the 59 th AGM of the Company		
7.	To approve the payment of benefits to the Non-Executive Directors from the 58 th AGM to the 59 th AGM of the Company		
8.	To re-appoint Messrs Ernst & Young as Auditors of the Company for the financial year ending 31 December 2018 and to authorise the Directors to fix their remuneration		
9.	Authority to Directors to issue new ordinary shares in Maybank pursuant to Section 75 of the Companies Act, 2016		
10.	Authority to Directors to allot and issue new ordinary shares in Maybank in relation to the Recurrent and Optional Dividend Reinvestment Plan		
11.	Proposed grant of new ordinary shares in Maybank to Datuk Abdul Farid bin Alias		
Special Resolution:			
12.	Proposed Amendment of the Company's existing Memorandum and Articles of Association		

My/Our proxy is to vote on the resolutions as indicated by an "X" in the appropriate space above. If no indication is given, my/our proxy shall vote or abstain as he/she thinks fit.

Dated this _____ day of _____ 2018

Signature(s)/Common Seal of Member(s)

Number of shares held

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:		
	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

Notes:

1. A member entitled to attend, speak and vote at the AGM is entitled to appoint proxy(ies) to attend, speak and vote in his 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 standing to the credit of the said Securities Account.
(ii) Notwithstanding the above, for an exempt Authorised Nominee which holds ordinary shares in the Company 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 specifies the proportions of his 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 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. The duly completed instrument appointing a proxy must be deposited at the office of the appointed share registrar for this AGM, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia no later than Wednesday, 11 April 2018 at 10.00 a.m.
6. For an instrument appointing a proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.
7. Only members whose names appear on the Record of Depositors as at 30 March 2018 shall be eligible to attend the AGM or appoint proxy(ies) to attend and vote on his/her behalf.

* Applicable to shares held through a nominee account.

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AFFIX STAMP

Share Registrar for Maybank's 58th AGM
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur Malaysia

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THE DIGITAL BANK OF CHOICE

MAYBANK IS AMONG ASIA'S LEADING BANKING GROUPS, AND ALSO MALAYSIA'S LEADING PROVIDER OF INTEGRATED FINANCIAL SERVICES.



As a financial institution that grew out of a community need since we opened our doors in 1960, our commitment is deeply rooted in our culture. We are committed to providing access to financing at fair terms and pricing, to advise our customers based on their needs as well as to be at the heart of the communities that we serve. We also prioritise customer experience using next generation digital technologies. These are the brand drivers that support our mission of Humanising Financial Services.

The financial world has embraced technological changes over the years and Maybank has been at the forefront. Our digitalisation efforts are part of our strategic objective to be the Digital Bank of Choice in the region by 2020. We have introduced many innovative digital products and services in recent years, which have helped us build closer affinity with our customers.

THIS IS OUR MAYBANK, OUR FUTURE.