

# LeadingAsia

ANNUAL REPORT 2021



**Maybank**



## GREATER TOGETHER



**RM11.4 billion**  
financing disbursed to SMEs

**RM69.5 billion**  
consumer and SME loans  
under relief measures

**Over RM13.6 billion**  
in sustainable financing

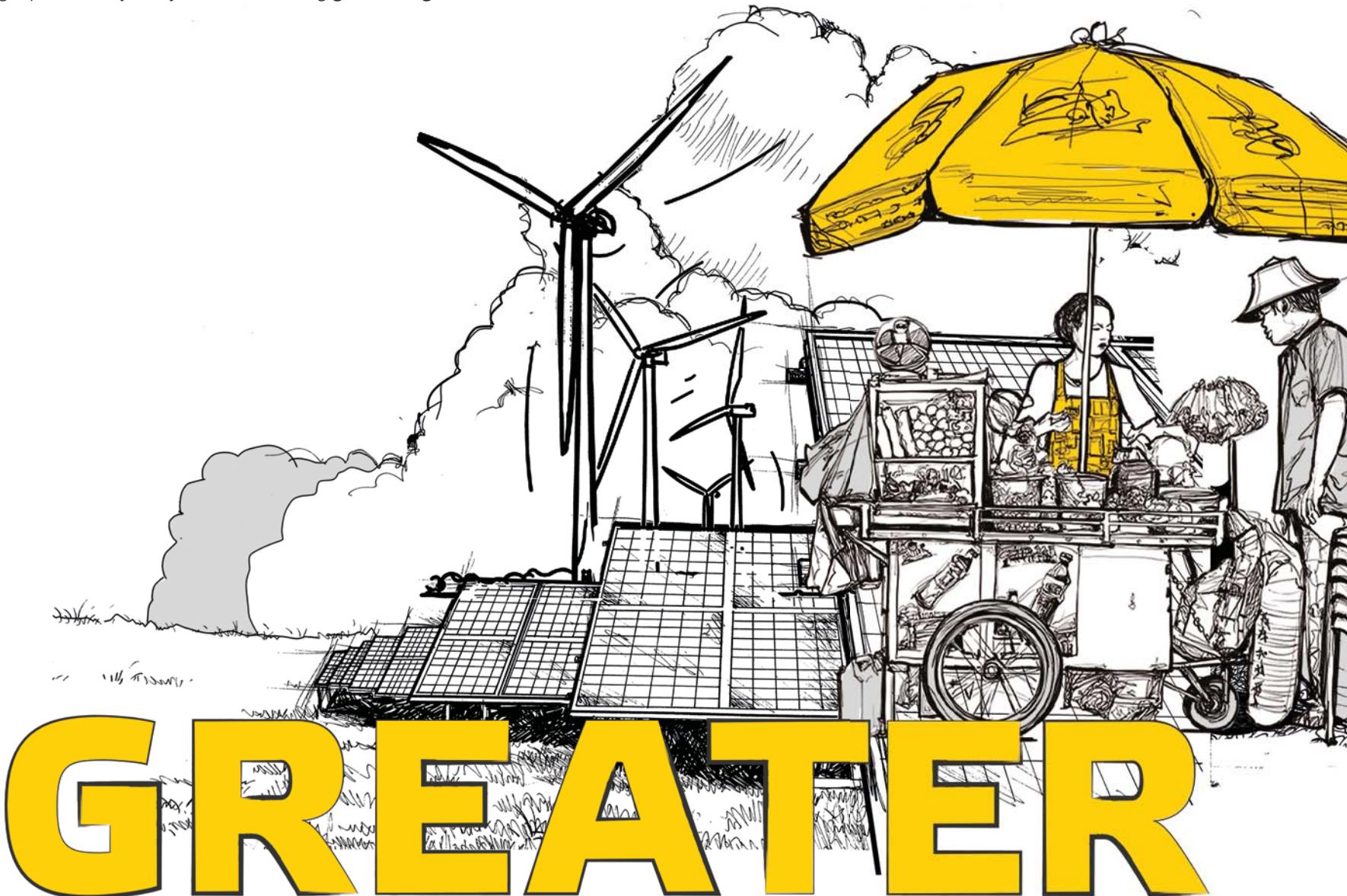
The gradual reopening of the economy and rollout of vaccines in most countries saw 2021 get off to a promising start towards recovery. However, new variants emerged resulting in a resurgence of infections, forcing renewed periods of lockdown. Like most businesses, we too had our fair share of challenges, but overcame these as we embarked on our new five-year plan, M25. As we commenced our first year under M25, the pandemic entered its second year filled with uncertainties and challenges, but one thing that remained is our commitment to place our stakeholders' interests and needs above all else, guided by our mission of Humanising Financial Services.

By being *Pervasively Digital*, we have been able to cater to the different needs of our customers in a rapidly changing environment. Throughout the year, we have developed products that enable SMEs to not just survive, but to actually thrive in an environment of reduced mobility. We have also introduced solutions that go beyond just enabling businesses but also help customers to easily stay connected with their families, supporting financial inclusivity.

To serve the end-to-end needs of our different customer segments, we have continued to innovate and, in the process, developed *New Value Drivers* – from solutions that help smaller businesses to advance despite the pandemic, to attractive and unique investment solutions and wealth opportunities for customers looking to grow their affluence.

In response to growing concerns on climate change, we have taken bolder steps through our focus on *Sustainability* to drive collective change. We seek to be there for all our stakeholders, from our customers to our communities, to help them progress on their journey towards transitioning to a low-carbon and sustainable economy, no matter what stage they are at.

As a Group, we have grown from strength to strength through all our people working towards shared goals. We seek to continue working together with you to recover from the pandemic and to create a sustainable future. As individuals, we are limited. But together, we can achieve greatness. We hope you will continue being a part of our journey towards becoming **greater, together**.



## 1974

First to introduce a rural credit scheme in Malaysia with the aim of serving the rural population and financing viable small-scale industries as well as businesses.

## 2010

Maybank Islamic launches Waqf, the first structured community-giving programme for customers by a financial institution in Malaysia.

## 2010

Established Maybank Foundation with an initial allocation of RM50 million to spearhead the Group's Corporate Responsibility initiatives in the region.

## 2011

Launched Shared Banking Services with Pos Malaysia Berhad to enable customers, especially in rural areas, to conduct various banking services at more than 400 Pos Malaysia outlets nationwide.

## 2013

First bank in Malaysia to announce a six-month moratorium on a case-to-case basis for monthly loan repayments, as well as waiver of certain charges for customers affected by the floods in Malaysia.

## 2014

Sealed a new Portfolio Guarantee agreement with Credit Guarantee Corporation Malaysia Berhad, the first of its kind and the largest in the country, to enhance access to financing for all levels of SMEs.



# TOGETHER

**2015**

First bank in Malaysia to initiate microfinancing programmes for eligible people with disabilities.

**2016**

Launched Maybank Women Eco-weavers to create economic independence and financial inclusion for women weavers across the ASEAN region.

**2016**

Launched MaybankHeart, the first-of-its-kind digital social fundraising platform enabling NGOs to reach a wider audience.

**2016**

Partnered with WWF-Malaysia to support the organisation's ongoing tiger conservation efforts in the Belum-Temengor Forest.

**2019**

Introduced Investment-Linked Critical Illness Plus, a first-of-its-kind plan in Malaysia offering protection for critical illnesses, including mental illnesses.

**2021**

Committed to mobilising RM50 billion in sustainable financing by 2025 as part of our long-term sustainability commitment under our M25 strategy.

# ABOUT OUR REPORTS

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

## CORPORATE BOOK



Provides a comprehensive overview of the Group's performance in 2021 and our outlook for 2022.

### Guided by:

- Companies Act 2016
- Bursa Malaysia Main Market Listing Requirements
- Bank Negara Malaysia Corporate Governance Policy
- Malaysian Code on Corporate Governance by the Securities Commission Malaysia
- International Integrated Reporting Framework

## FINANCIAL BOOK



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

Note: The Basel II Pillar 3 Disclosure is available on [www.maybank.com/ar](http://www.maybank.com/ar)

### Guided by:

- Malaysian Financial Reporting Standards
- International Financial Reporting Standards
- Companies Act 2016
- Bank Negara Malaysia Policy Documents and Guidelines
- Financial Services Act 2013
- Islamic Financial Services Act 2013

## SUSTAINABILITY REPORT

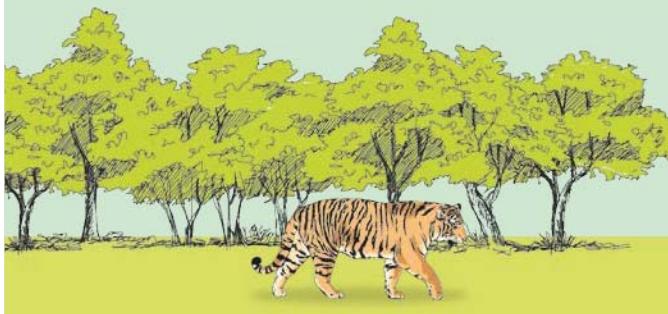


Provides a comprehensive report of the Group's sustainability performance in relation to issues material to the Group and its stakeholders. This report will be made available on [www.maybank.com/ar](http://www.maybank.com/ar) and [www.maybankfoundation.com](http://www.maybankfoundation.com)

### Guided by:

- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- Bursa Malaysia Main Market Listing Requirements
- Malaysian Code on Corporate Governance by the Securities Commission Malaysia
- Sustainability Reporting Guide by Bursa Malaysia

Maybank has always been committed to making a difference to the environment. That is why we only print limited hardcopies of our annual report, using environmentally-friendly paper. Help us in our effort by opting to download a softcopy at [www.maybank.com/ar](http://www.maybank.com/ar) or by scanning the QR code below.



## BOARD'S RESPONSIBILITY STATEMENT

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

The Board acknowledges its responsibility to ensure the integrity of this report and is of the opinion that this report is materially presented in accordance with the International Integrated Reporting <IR> Framework issued by the International Integrated Reporting Council.

This report was approved by Maybank Group's Board of Directors on 25 February 2022.

## ICONS USED IN THIS REPORT

### The five capitals that we use to create value



### Our identified stakeholders



### Our identified material matters



### 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](http://www.maybank.com)

### Addressing COVID-19



This icon indicates discussions around COVID-19, covering its impact on our stakeholders and the operating environment as well as initiatives developed or accelerated to address related concerns. It also covers initiatives that support our stakeholders as we transition towards a gradual recovery.

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62<sup>nd</sup>

ANNUAL GENERAL MEETING



Broadcasted live from:  
Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur  
Malaysia



Thursday, 14 April 2022



10.00 a.m.

# WHO WE ARE & WHAT WE DO

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

## OUR VALUES...

**T**eamwork

**I**ntegrity

**G**rowth

**E**xcellence & Efficiency

**R**elationship Building

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

fulfil

## OUR MISSION...

### Humanising Financial Services

Being at the heart of the community, we will:

- 01** Make financial services simple, intuitive and accessible
- 02** Build trusted partnerships for a sustainable future together
- 03** Treat everyone with respect, dignity, fairness and integrity

## WITH OUR UNIQUE DIFFERENTIATORS...

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

### embodying our mission.



Over  
**42,000**  
**Maybankers**

who serve the mission,  
empowered by our

### Core Values, TIGER.



## Our **M25** strategy

pillared on Pervasively Digital,  
New Value Drivers and  
Sustainability.



## AND OUR STRUCTURE...

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

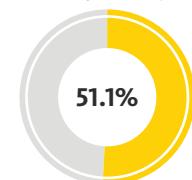
### Business Pillars

#### Group Community Financial Services

**For:**

Individuals, retail SMEs and mid-sized corporates.

Share of Group's FY2021 PBT:



**Offers:**

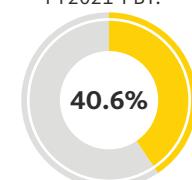
Retail banking services such as wealth management, mortgage, auto financing, credit cards, short-term credit and long-term business loans.

#### Group Global Banking

**For:**

Large corporates and institutions.

Share of Group's FY2021 PBT:



**Offers:**

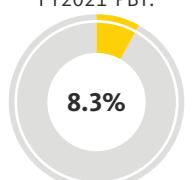
Wholesale banking services such as transactional banking, investment banking, corporate banking, global markets and treasury, and asset management.

#### Group Insurance & Takaful

**For:**

Individuals and corporates.

Share of Group's FY2021 PBT:



**Offers:**

Conventional and Islamic insurance (Takaful) solutions including long-term savings and investment products.

**Islamic Finance** leverage model is utilised to distribute Islamic products across the Group.

### Group Corporate Functions

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

For more details about our business pillars and Islamic franchise, refer to pages 50, 53, 56 and 59.

## WHO WE ARE & WHAT WE DO

We provide a full suite of conventional and Shariah-compliant products and services in commercial banking, investment banking and insurance, to over 15 million retail, non-retail and corporate customers.

### HELP DELIVER VALUE ACROSS ASEAN...

Being at the heart of the community, we remain at the forefront in supporting our stakeholders navigate yet another year filled with challenges from the global pandemic, while leading the path towards recovery.

### RM11.4 billion

financing disbursed in support of SMEs across ASEAN in FY2021, which includes SME Digital Financing.

### RM69.5 billion

of the Group's consumer and SME loans remain under relief measures as at year-end, with the extension of repayment assistance and support measures provided throughout the year due to the prolonged pandemic. 

### RM14 million

donated to MERCY Malaysia in FY2021 to strengthen Malaysia's healthcare system in response to the COVID-19 resurgence. 

### Over RM2.3 billion

of affordable mortgage financing approved in FY2021 to over 9,000 eligible homeowners.

### Over RM13.6 billion

sustainable financing provided in FY2021 to support the low-carbon transition and sustainable development outcomes.

### AND BEYOND.

We are in 18\* countries including all 10 ASEAN countries, with Malaysia, Singapore and Indonesia being our home markets. We are also present in international financial centres such as London, New York, Hong Kong and Dubai.

**2,617**

Retail branches worldwide

**45**

Investment banking branches worldwide<sup>^</sup>



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

<sup>^</sup> Maybank Investment Banking Group's head office presence in the Philippines, Vietnam, India and the USA are now excluded from the count of investment banking branches worldwide. For comparative purposes using the same approach, there were 47 investment banking branches worldwide as at 31 December 2020.

 For more details about our global network, refer to Strategic Business Units on page 8, and [www.maybank.com](http://www.maybank.com)

## ROBUST CAPITAL AND LIQUIDITY STRENGTH

- We continued to prioritise capital and liquidity preservation in view of uncertainties in the operating environment given the prolonged pandemic, while priming ourselves to support economic recovery.
- Our prudent and conservative stance from past years is an enabler, allowing us to create sustainable value and continue rewarding our shareholders.

**19.518%**

Total Capital Ratio

**136.4%**

Liquidity Coverage Ratio

**84.5%**

Dividend Payout Ratio

## PROVEN TRACK RECORD OF RESILIENCE IN ASEAN

- Our long-standing 61-year presence in ASEAN means we are inherently invested in enabling the region's recovery, demonstrating our strength and resilience in overcoming the challenges faced together.
- Our established presence across all of ASEAN means we are best placed to extract new value drivers from a growing and emerging marketplace.

**981**

retail branches in ASEAN

**RM11.4 billion**

financing disbursed to SMEs across ASEAN in 2021

## INVESTMENT CASE

Our key strengths are what set us apart from others and enable us to create sustainable value for all our stakeholders.

## GOOD GOVERNANCE AT OUR CORE

- Robust independence within the Board of Directors, encompassing diversity in age, gender, cultural background, as well as skills and experience.
- Upholding an effective risk management system to safeguard our assets and stakeholder interests, while incorporating sustainability considerations into everything that we do.

**Governing sustainability**

Established EXCO and Board Sustainability Committees

**31%**

Women representation on the Board

## MARKET LEADING DIGITAL INNOVATOR

- We rely on internal competencies and understanding of the market to develop digital solutions that enhance the customer experience, while future-proofing our pipeline of digital talents to remain ahead of the curve.
- We leverage data analytics and machine learning to derive greater value from our customer data, allowing us to provide better customer-facing solutions.

**NExT**

An internally-developed programme to build a sustainable home-grown pipeline of technical experts

**Maybank2u Biz app**

Providing beyond mobile banking services, it is also a business companion helping SMEs manage daily operations

## PROGRESSING MEANINGFULLY IN OUR SUSTAINABILITY JOURNEY

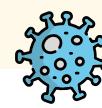


On our journey towards becoming a Regional ESG Leader, we made great strides within our four sustainability commitments this year:

- Mobilised over RM13.6 billion in sustainable finance
- Our community programmes benefitted 502,759 households across ASEAN
- The first bank in Malaysia to commit to purchase Malaysia Renewable Energy Certificates, equivalent to 70% of our Malaysian operations' Scope 2 carbon emissions
- Retained our inclusion in the Bloomberg Gender-Equality Index for the fifth consecutive year

Key Messages to Shareholders on pages 12 to 15 and Sustainability Review on pages 108 to 114.

## SUPPORTING STAKEHOLDERS THROUGHOUT THE PROLONGED PANDEMIC



In supporting stakeholders towards recovery, the Group:

- As at year-end, continued to extend RM69.5 billion in loan relief and support measures to the Group's consumer and SME segments
- Contributed RM14.0 million towards strengthening Malaysia's healthcare system during the resurgence in infections
- Through its Board and senior management donated RM2.27 million to accelerate vaccinations for vulnerable communities
- Provided tools and assistance for children from B40 families to enable remote learning
- Facilitated a hybrid work environment for our employees to ensure their safety and sustain productivity

Key Messages to Shareholders on pages 12 to 15, Group Community Financial Services on page 51, Group Global Banking on page 54, Group Insurance & Takaful on page 57, Group Islamic Banking on page 60, Pervasively Digital on pages 62 to 64, Group Human Capital on pages 67 to 68 and Sustainability Review on pages 109 to 111.

# HIGHLIGHTS OF 2021

## COMMITTED TO SHAREHOLDER RETURNS



Our commitment to reward shareholders prevailed despite the prolonged pandemic. Total dividend of 58 sen per share for FY2021 equates to a total payout of 84.5%, which continues to exceed our policy rate of 40% to 60%.

Key Messages to Shareholders on pages 11 and 16 and Reflections from Our Group Chief Financial Officer on page 42.



**Net Profit\***  
**RM8.10 billion**



**Return on Equity**  
**9.8%**



**Earnings per Share**  
**69.7 sen**



**CET1 Capital Ratio**  
**16.090%**

\* Net profit is equivalent to profit attributable to equity holders of the Bank.

## PRIORITISING EMPLOYEES' WELL-BEING AND SAFETY



Our employees' well-being remains our utmost priority, with stronger emphasis placed on mental health as we:

- Introduced a Mental Health Policy
- Certified internal Mental Health First Aiders as the first point of contact for employees seeking assistance
- Established support channels and provided educational programmes on mental well-being

Group Human Capital on page 67.

## PLACING CUSTOMERS FOREMOST IN EVERYTHING THAT WE DO



To meet customers' needs for convenience, strong service levels and personalisation, we enhanced our Customer Experience (CX) framework to achieve Top Rated CX Group-wide. With data analytics and machine learning, we hope to minimise issues from the onset and prevent recurring complaints. Our efforts have cemented our industry leadership position in CX with a Net Promoter Score of +23.

Customer Experience on page 65.

# STRATEGIC BUSINESS UNITS

**Malayan Banking Berhad is the holding company and listed entity for Maybank Group. Our key subsidiaries and international operations are as follows:**

## ISLAMIC BANKING

Maybank Group Islamic Banking (MGIB) is the largest Islamic banking group by assets in ASEAN. This position is supported by our Islamic-first approach where Shariah-compliant products and services are standard offerings. MGIB operates by leveraging the Group's system, IT infrastructure and distribution network of 352 Maybank touchpoints in Malaysia, and has a presence in Indonesia, Singapore, Hong Kong, the United Kingdom (UK) and the United Arab Emirates (UAE).

## INSURANCE & TAKAFUL

Etiqa is a leading insurance and Takaful business in ASEAN, offering a full range of Life and General insurance policies as well as Family and General Takaful plans via more than 10,000 agents, 46 branches and 17 offices. It also has a bancassurance network comprising over 490 branches, cooperatives, brokers and online platforms across Malaysia, Singapore, Indonesia, the Philippines and Cambodia.

## INVESTMENT BANKING

Maybank Investment Banking Group (Maybank IBG), formerly Maybank Kim Eng Group, is the largest homegrown investment bank in ASEAN. It comprises Maybank Investment Bank Berhad and Maybank IBG Holdings Limited (formerly Maybank Kim Eng Holdings Limited) with the latter having licensed entities in Singapore, Thailand, the Philippines, Indonesia, Vietnam, Hong Kong, India, UK and the United States of America. With a total of 45 branches and 100 touchpoints, Maybank IBG offers investment banking solutions, supported by on-ground ESG, macro, sector and company research.

## ASSET MANAGEMENT

Maybank Asset Management Group Berhad (MAMG) operates in Malaysia, Singapore and Indonesia, offering conventional, Islamic, environmental, social and governance (ESG) and alternative investment solutions for corporate, institutional and mass retail investors as well as high net worth (HNW) individuals.

## INTERNATIONAL OPERATIONS



### MAYBANK SINGAPORE

Maybank Singapore Limited (MSL), our Singapore-incorporated subsidiary, is recognised as a domestic systemically important bank (D-SIB) with Qualifying Full Bank (QFB) privileges. MSL operates the retail and commercial businesses in 18 branches and has access to over 200 ATMs across the country as part of atm<sup>5</sup>, Singapore's only shared ATM network among six participating QFBs. Meanwhile, Maybank's Singapore Branch operates the corporate and institutional businesses in nine branch locations. Maybank Singapore contributed 16.0% and 25.3% to the Group's profit before tax and gross loans\* respectively in FY2021.



### MAYBANK INDONESIA (PT BANK MAYBANK INDONESIA TBK)

Maybank Indonesia is one of the largest commercial banks in Indonesia by assets and is listed on the Indonesia Stock Exchange (Ticker: BNII). It offers retail, non-retail and global banking products and services through its network of 356 branches (which includes 19 Shariah branches and one overseas branch in Mumbai), 1,033 ATMs, as well as mobile and internet banking services. Maybank Indonesia contributed 4.4% and 5.5% to the Group's profit before tax and gross loans\* respectively in FY2021.



### MAYBANK GREATER CHINA

Established in Hong Kong in 1962, Maybank Greater China has since expanded to include branches in Shanghai, Beijing, Kunming and Shenzhen where it provides wholesale banking services primarily to inbound/outbound ASEAN corporate clients, domestic corporates with regional operations/projects as well as financial institutions. Maybank Hong Kong also serves Private Wealth customers.



### MAYBANK PHILIPPINES INCORPORATED (MPI)

MPI is a full-fledged commercial bank established in 1997 serving retail and corporate clients through its 63 branches across the Philippines.



### MAYBANK CAMBODIA PLC (MCP)

MCP was established in 1993 and locally incorporated in 2012. With 21 branches across Cambodia, it provides a full range of banking services for emerging affluent and affluent consumers, SMEs and corporate clients.



### MAYBANK VIETNAM

Maybank Vietnam was established in 1995 with two branches – in Ho Chi Minh and Hanoi – that provide wholesale banking services to regional corporate clients.



### MAYBANK MYANMAR

Maybank Myanmar was established as a Representative Office in 1994 and became the only Malaysian bank to be granted a full branch banking license in 2014, providing wholesale banking services to foreign and local corporates, as well as domestic financial institutions.



### MAYBANK LAOS

Maybank Laos was established in 2012 with one branch in Vientiane that provides commercial banking services to retail SMEs, mid-tier local and ASEAN corporate clients.



### MAYBANK BRUNEI

Maybank Brunei was established in 1960 and has two branches located in Bandar Seri Begawan and Seria offering a wide range of retail and commercial banking services.



### MAYBANK NEW YORK

Established in 1984, Maybank New York offers wholesale banking services focusing on corporate lending, loan syndications and bilateral arrangements, treasury and capital markets as well as trade finance services to corporate clients.



### MAYBANK LONDON

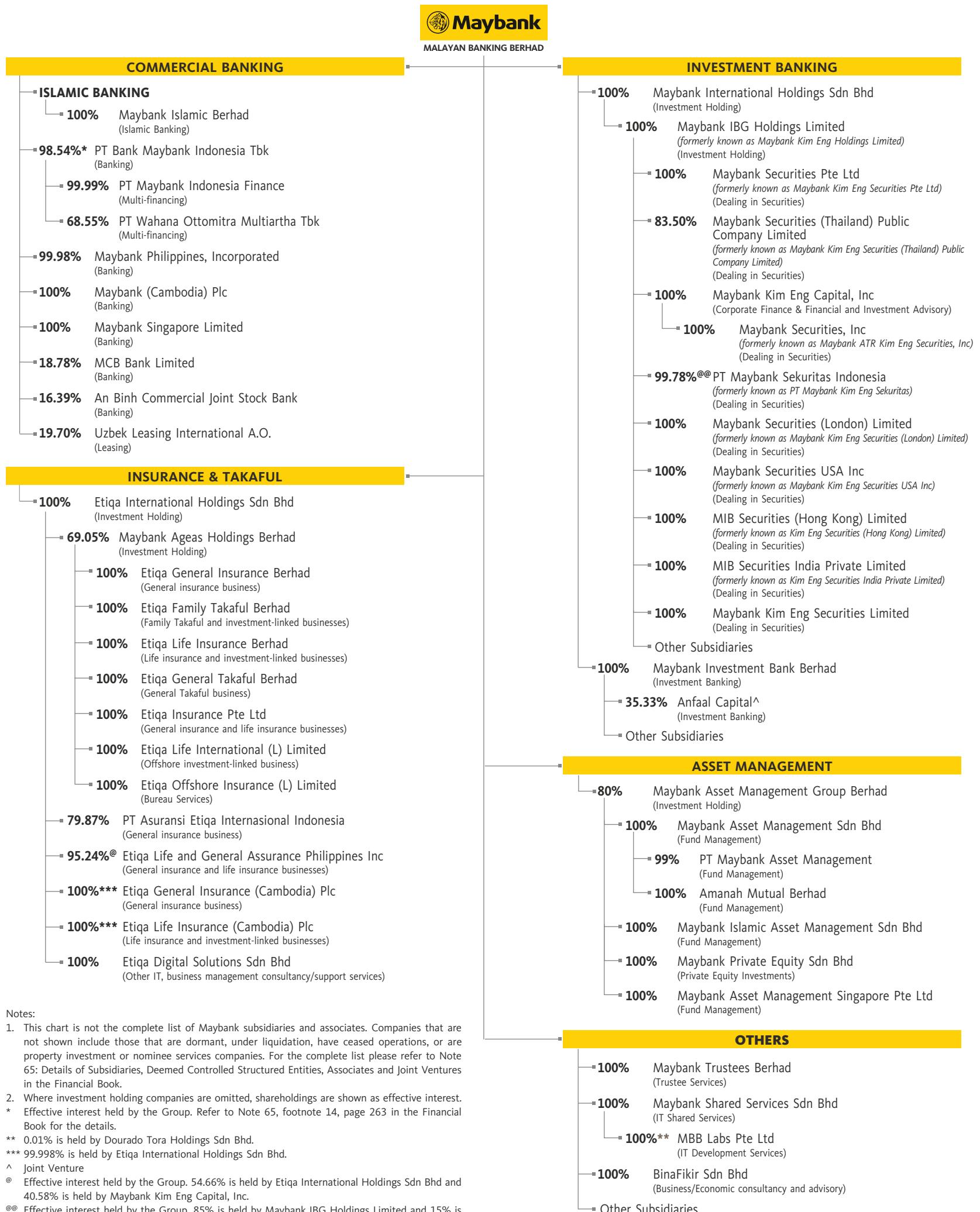
Established in 1962, Maybank London offers wholesale banking services primarily to our regional ASEAN corporate clients focusing on Capital Markets, Trade Finance Services and Global Markets.

\* Profit before tax and gross loans contribution to the Group is on a country view and includes banking, investment banking, insurance & Takaful and asset management operations. Gross loans disclosed is net of unwinding interest and effective interest rate.

For more details about our Strategic Business Units, refer to [www.maybank.com](http://www.maybank.com)

# GROUP CORPORATE STRUCTURE

as at 31 December 2021



## Notes:

- 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 65: Details of Subsidiaries, Deemed Controlled Structured Entities, Associates and Joint Ventures in the Financial Book.
- Where investment holding companies are omitted, shareholdings are shown as effective interest.

\* Effective interest held by the Group. Refer to Note 65, footnote 14, page 263 in the Financial Book for the details.

\*\* 0.01% is held by Dourado Tora Holdings Sdn Bhd.

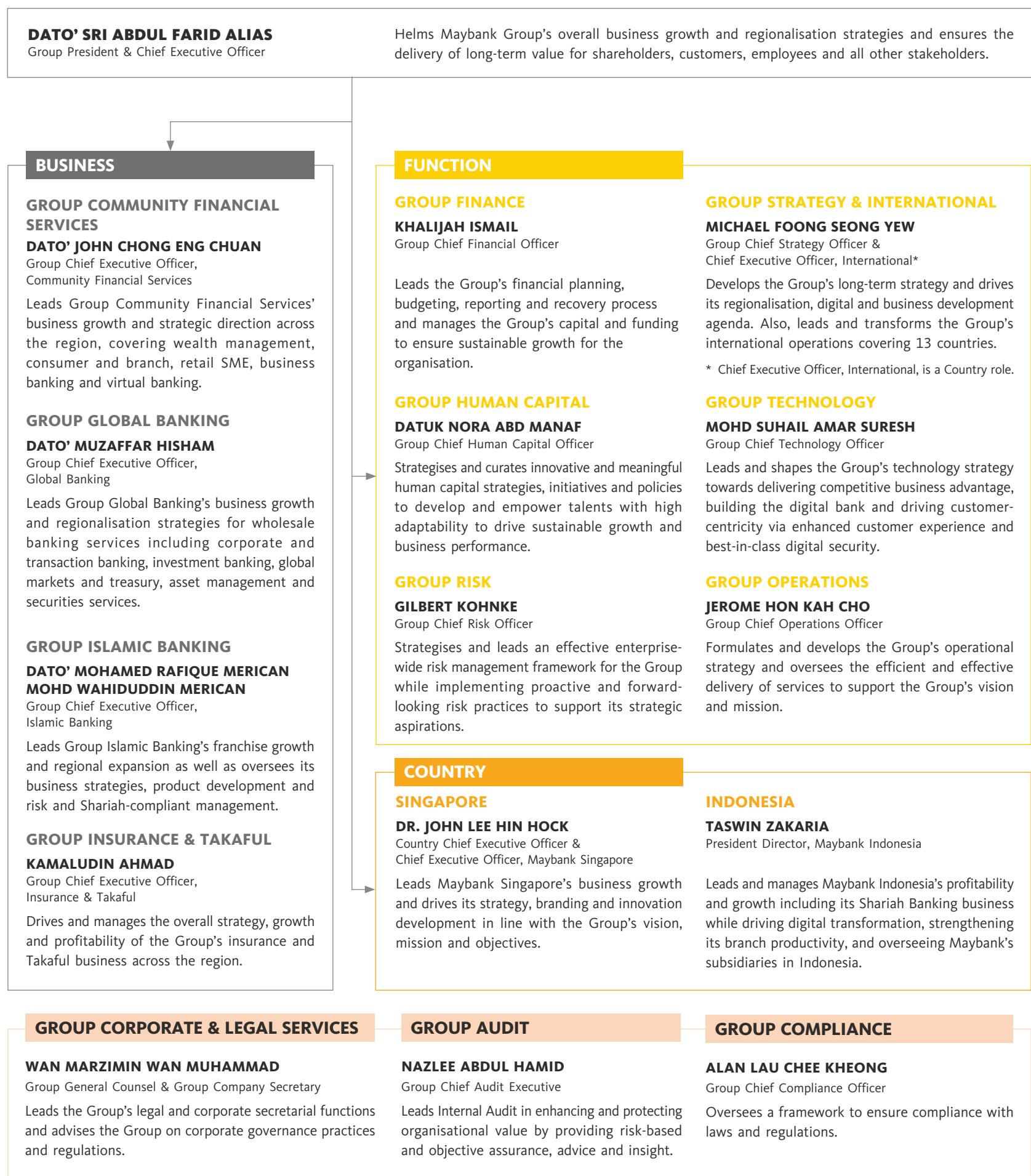
\*\*\* 99.998% is held by Etqa International Holdings Sdn Bhd.

^ Joint Venture

@ Effective interest held by the Group. 54.66% is held by Etqa International Holdings Sdn Bhd and 40.58% is held by Maybank Kim Eng Capital, Inc.

@@ Effective interest held by the Group. 85% is held by Maybank IBG Holdings Limited and 15% is held by PT Maybank Indonesia Finance (14.78% effective interest held by the Group).

# GROUP ORGANISATION STRUCTURE



**Note:**

The organisation structure depicts key businesses, support and country functions and may not include other support functions.

Full profiles can be obtained on pages 74 and 80 to 81.

# KEY MESSAGES TO SHAREHOLDERS



**It has been almost a year and a half since I was appointed Chairman of Maybank. During this time, I have met and engaged with a good number of people across the Group. With each experience, I have gained a better understanding of the Group and feel increasingly more honoured to be a part of it. Mainly because Maybank is one of those rare organisations that live up to their mission. Humanising Financial Services is not just a nice tagline; it is a driving force throughout the organisation that keeps its people energised and motivated. This is apparent in our five-year blueprint, M25, as our mission serves to guide how we interact and treat all our stakeholders.**

Everything we do is geared towards placing human and humane values above all else, as we strived to demonstrate this throughout the year. Despite the operational and financial pressures brought on by the pandemic, and in some instances *because of* it, the Group continued to prioritise our customers, employees and the community. With their interests at heart, we have not only been able to maintain their confidence and trust but have also continued to add value to them – financially and in other equally important ways.

## REINFORCING SHAREHOLDERS' CONFIDENCE

Maybank Group delivered a commendable performance in FY2021 on the back of stronger net operating income, diligent cost management and lower impairment losses on improving regional economic outlook as vaccination rates increased in the later part of the year. We achieved a net profit of RM8.10 billion, up 24.9% from a year earlier. As such, the Board has proposed a single-tier second interim dividend of 30 sen per share, consisting of a cash portion of 22.5 sen and an electable portion of 7.5 sen under the Dividend Reinvestment Plan.

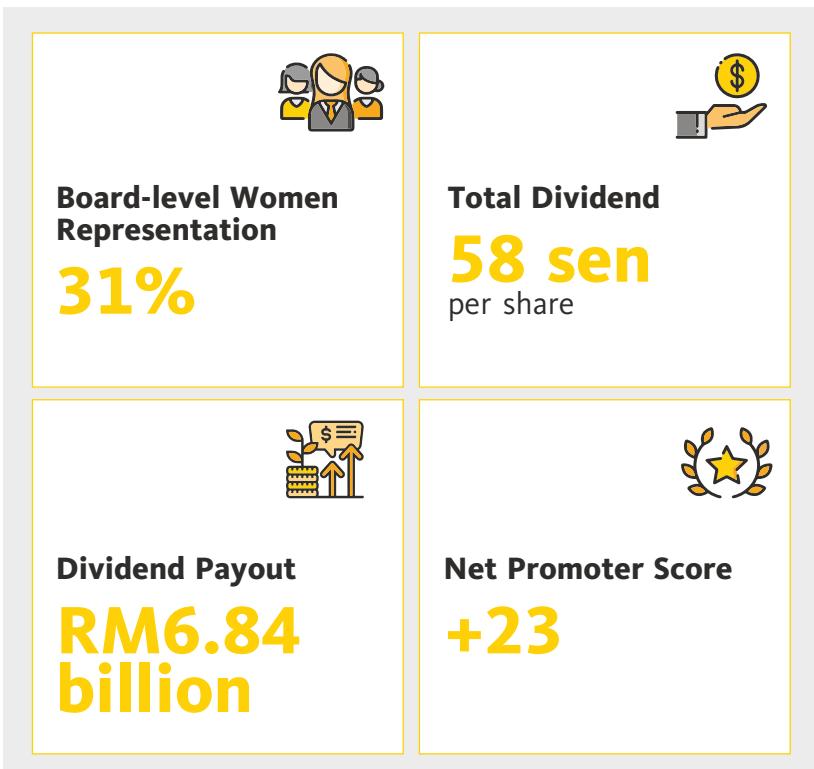
Together with the first interim dividend, the full year dividend is 58 sen per share, up 11.5% or 6 sen YoY. This translates into a full year dividend payout ratio of 84.5% or RM6.84 billion in total. The strong dividend payout reflects our commitment to rewarding our shareholders and our ability to create shareholder value, premised on diligent asset and liability management, prudent credit lending and asset quality practices as well as strong governance.

## SERVING CUSTOMERS BETTER THROUGH DIGITALISATION

At Maybank, customers are at the core of all that we do, guiding key decisions, strategies and policies. The desire to serve our customers better led Maybank to be the first in the country to introduce online banking some 20 years ago. Since then, we have further developed our digital platform to improve customer experience, meet customers' financial needs in the most intuitive and convenient manner as well as extend our reach to the underserved. Through digitalisation, moreover, we continuously seek to better understand our customers and become their trusted lifestyle and business partner.

We continue to differentiate ourselves by staying ahead of the game; pushing the envelope to embed a culture in which every Maybanker is FutureReady and driven to enhance our customer service, operations and services through digital processes and data analytics. Today, for example, we are developing a predictive model using machine learning that will enable us to identify potential complainants through historical profiles and address their issues before a complaint even arises, while another solution leverages root cause analysis to deconstruct complex complaints in order to determine their root cause and to prevent the recurrence of complaints.

Thanks to all the initiatives undertaken to offer the best possible customer experience, we remain the most preferred bank in the country. I am pleased to share that, despite the less than ideal operating environment, our Net Promoter Score (NPS) in 2021 actually increased to +23 from +20 in 2020.



## KEY MESSAGES TO SHAREHOLDERS

### ASEAN INITIATIVES AND RECOGNITION

In 2021, we unveiled the ASEAN-Maybank Scholarship, designed to provide deserving ASEAN students the opportunity for tertiary level education at prestigious universities within the region, outside of their own home countries. The scholarship programme represents a partnership between Maybank Foundation and the ASEAN Secretariat, aimed at promoting intra-ASEAN integration through better understanding among youth, in line with the ASEAN Socio-Cultural Community Blueprint 2025. This scholarship programme contributes to the United Nations Sustainable Development Goals (Goal 4, 10, and 17) in ensuring inclusive and equitable quality education while supporting the Group's commitment to improve the lives of one million households across ASEAN by 2025. Upon graduation, our scholars will be given the opportunity to be employed at either Maybank Group, the ASEAN Secretariat, or ASEAN Foundation. Another key recognition in 2021 was that Maybank, via Maybank Foundation, became an accredited Civil Society Organisation in Annex 2 of the ASEAN Charter. We are now formally acknowledged as an organisation that promotes and helps realise the aims and objectives of ASEAN's regional agenda and our regional programmes such as Reach Independence & Sustainable Entrepreneurship (R.I.S.E.), Maybank Women Eco-Weavers and eMPowering Youths Across ASEAN played a crucial role in us attaining this accreditation.



For more on Maybank Foundation's initiatives within ASEAN, refer to Sustainability Review on pages 111 to 112 and the Sustainability Report which will be made available online at [www.maybank.com/ar](http://www.maybank.com/ar)



the Multi-Asset Investment Account. We are also developing a holistic Islamic Wealth Management portfolio to fulfil the needs of high net-worth customers across our home markets. In addition, we have launched a number of initiatives to empower micro Halal entrepreneurs as we further grow the Halal ecosystem.

We have been on a long-standing journey to promote sustainability and have become a leading institution in embracing Value-Based Intermediation, an Islamic concept that aims to create a profound impact on the triple bottom lines of prosperity, people and the planet. One key achievement on this front is our successful distribution of the world's first Islamic green financing for a hospitality asset amounting to SGD250 million in Singapore.

### STRENGTHENING SUSTAINABILITY GROUP-WIDE

Going green and being socially responsible are among our strategic priorities as we mainstream sustainability under M25, integrating ESG considerations into our policies and decision making. We have made significant advances in 2021 by setting up critical governance structures to drive forward this strategic priority.

We established a Board Sustainability Committee, comprising six members and of which I serve as the Chair, to drive the Group's sustainability strategy and performance. In addition, we have elevated the Group Sustainability Council to an EXCO Sustainability Committee and appointed our first Chief Sustainability Officer who reports to the Group President and CEO (GPCEO). In keeping with our commitments, we have also deepened our accountability by embedding sustainability key performance indicators into the Group's performance scorecard.

We are also creating greater sustainability awareness within the organisation through training programmes to build sustainability capabilities among Maybankers and constant reinforcement of messages through internal newsletters and communiques. Aside from driving specific initiatives to support our four sustainability commitments announced in 2021, we have also provided targeted support to our communities affected by the pandemic. This includes RM14 million to a MERCY Malaysia programme to better equip two hospitals to deal with COVID-19 patients and RM2.27 million from Maybank's Board and senior management to expedite the vaccination of marginalised communities. We also channelled RM6.5 million towards CERDIK, a government-initiated corporate responsibility project aimed at enabling online learning for students from lower-income families.

Governance remains a key priority for Maybank, and efforts undertaken to strengthen and enhance our practices and culture in accordance with the Malaysian Code on Corporate Governance can be found in the Corporate Governance Overview Statement on pages 87 to 90. As part of our continued succession planning to bring on-board directors with the right experience

and fit with the Board's needs, we appointed Shirley Goh as an Independent Non-Executive Director effective 1 December 2021. Her appointment reinstates our women representation at the Board level back to over 30%, which was slightly under for a year following former Chairman Datuk Mohaiyani's retirement.

### CARING FOR OUR PEOPLE

It goes without saying that our people are our most valuable asset. They are not only the face of our organisation; they also determine our performance. As such, the Group adopts a holistic approach to ensure the well-being of our employees, looking into their physical, mental and emotional health. Since the pandemic, we have done our best to keep our people safe from the virus. We have actively encouraged our employees to be vaccinated, and collaborated with healthcare providers to expedite the process. We also continued to promote a hybrid work environment, allowing teams to be split between the office and home while leveraging hybrid engagement platforms for seamless interactions.

On a related note, there has been added focus on diversity, equity and inclusion (DEI) through the introduction of our Allyship programme as we strive to bring together a culturally vibrant and diverse workforce that has a good representation of the different age groups, experience and, of course, gender. Already, we have done exceptionally well in terms of gender equity, with no less than 56.1% of our total workforce being women.

### ACKNOWLEDGEMENTS

With each passing year, we increasingly recognise just how important our stakeholders are to our sustainable growth. Interdependency of organisations and their ecosystems are made even more evident by the pandemic, highlighting the power of multi-stakeholder collaboration and cooperation. With this in mind, I would like to thank all our stakeholders for their continued and invaluable support.

A special note of appreciation to my fellow colleagues on the Board and to our senior leadership team. I must extend our deepest gratitude and appreciation to our GPCEO, Dato' Sri Abdul Farid Alias, who will be leaving us on 30 April to pursue other interests. He has been instrumental in helping strengthen the Group's regional franchise and revenue streams despite the overall slower growth environment faced globally, over the course of his nine-year tenure as GPCEO. It is also his vision that helped the organisation develop its digitalisation and sustainability capabilities, to remain ahead of many of its regional peers. We wish him the very best in all future endeavours. Finally, my sincere appreciation to all Maybankers who continue to live our Core Values and in doing so, add value to all the lives we touch in one way or another.

To everyone, thank you.

### EVOLVING OUR ISLAMIC OFFERINGS

As with digital banking, Maybank is a pioneer in Islamic banking. We were the first conventional bank to adopt an Islamic-first approach, namely offering customers Shariah-compliant products and services as the norm. Now, Maybank Islamic is the largest Islamic bank in ASEAN by asset value, and one of the top five in the world. We believe in the inherent value of Islamic finance because of the strong emphasis placed on social development and environmental conservation, which reflects environmental, social and governance (ESG) principles and our mission of Humanising Financial Services.

Going beyond Shariah advisory and our Islamic-first approach, we are transforming from a credit to an investment intermediary through products such as

# KEY MESSAGES TO SHAREHOLDERS



**"Maybank's mission of Humanising Financial Services is something that resonates with my own belief that no matter what, we should always do the right thing."**

We saw a silver lining emerge at the tail-end of 2021, after dark clouds lingered for the better part of the year. Now that economies around the region have reopened on strong vaccination rates, the hope is that they will not only remain open consistently throughout 2022 but we will also see the lifting of all border control restrictions globally.

Despite the challenges of 2021 – delayed vaccination rollouts, resurgence of high daily infection cases on new variants, as well as renewed lockdowns and other restrictions – Maybankers doubled their efforts in making it a better year for the Group. It was indeed, a busy yet rewarding year for us.

We launched our new five-year strategy, M25, internally in January and made it public in April. We outlined three long-term goals, namely achieving a Sustainable Return on Equity (ROE), offering a Top Rated Customer Experience and becoming a Regional ESG Leader by 2025, supported by a focus on three strategic priorities – Pervasively Digital, New Value Drivers, and Sustainability.

Our M25 journey got off to a good start. As a pioneer in digital banking in Malaysia, our aim is to be our customers' lifestyle partner by leveraging our data analytics capabilities and resilient systems and platforms, enabled by Maybank's FutureReady employees and agile culture. Key digital solutions include the facilitation of cross-border fund transfers for our customers in specific markets like between Malaysia and Singapore as well as Cambodia, who were impacted by movement restrictions; and the launch of a mobile application, Maybank2u Biz app, that simplifies day-to-day business banking needs for our small and medium enterprise (SME) customers.

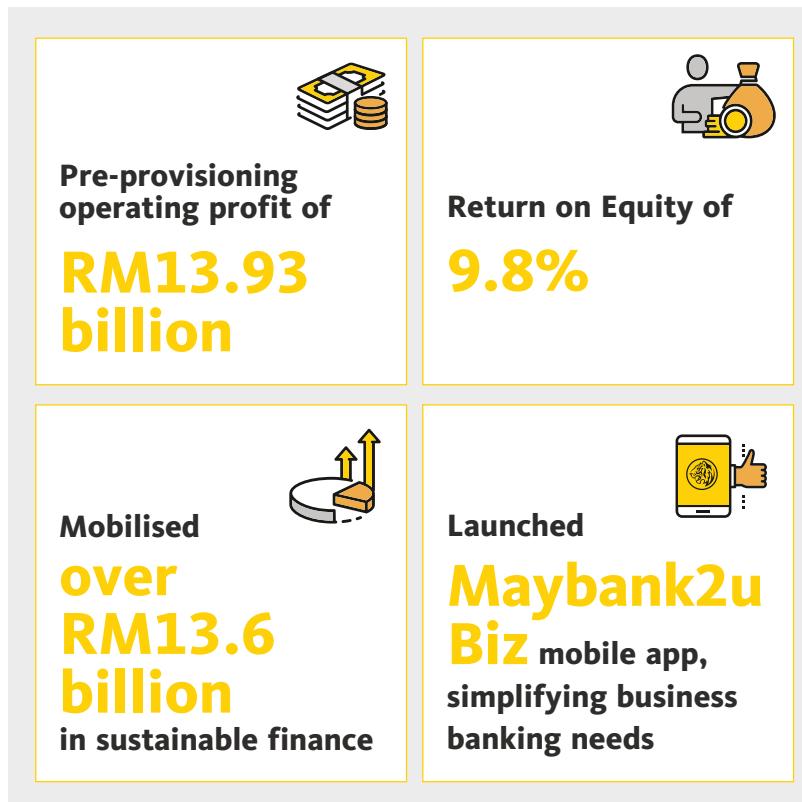
Meanwhile, our New Value Drivers seek to capture new growth opportunities in the areas of digital, sustainability, SME and wealth while our Islamic Banking franchise will evolve from its credit intermediary role. Our insurance business seeks to leverage digital enablement so that customers and intermediaries will have greater access to information to make the right decisions for themselves.

We have also seen a lot of meaningful work done on our Sustainability agenda as we take the lead to drive a responsible transition to a low-carbon economy; empower our communities across ASEAN; and lead with good governance practices and a strong ESG foundation. We have committed to four outcomes over the long term and embedded a few sustainability indicators into the Group's performance scorecard effective FY2021.

In FY2021, we mobilised over RM13.6 billion in sustainable finance (commitment is RM50 billion by 2025) across our markets. Under our commitment to improve the lives of one million households across ASEAN by 2025, over 500,000 households have benefited from our community programmes. To move closer to our commitment to be carbon neutral for our own emissions by 2030, we established 2019 as the baseline year for our Scope 1 and 2 emissions and are in the midst of setting our Scope 3 portfolio emissions baseline. We were also the first bank in Malaysia to commit to buy Malaysia Renewable Energy Certificates, equivalent to 70% of the Malaysian operations' Scope 2 carbon emissions.

Our employees are undergoing our self-designed sustainability learning programmes and all sustainability efforts Group-wide will go towards our fourth commitment of one million hours spent on sustainability per annum. It is also worth noting that the Bloomberg Gender-Equality Index included Maybank for the fifth consecutive year as a recognition of our diversity, equity and inclusion efforts. To drive our sustainability agenda, we have appointed a Chief Sustainability Officer.

While we worked on our M25 priorities, we also had to contend with similar challenges seen from the year before due to renewed lockdowns that resulted in a halt of business activities. In this regard, we prioritised our customers' safety and convenience by rolling out more digital solutions and facilitating online branch appointment bookings via Maybank EzyQ; maintained our credit lending war rooms and repayment assistance committee to deliberate and execute speedy credit-related strategies; adopted a hybrid work model for our employees to keep them safe and productive; and supported our communities through targeted financial aid.



## KEY MESSAGES TO SHAREHOLDERS

More importantly, we continued to offer financial relief in various forms to individuals, microenterprises and SMEs. These programmes in Malaysia include the targeted repayment assistance, PEMERKASA Plus, PEMULIH and the Financial Management and Resilience Programme (URUS), which was co-developed by Agensi Kaunseling & Pengurusan Kredit and the banking industry. Some RM85.06 billion worth of approved loans remained under repayment assistance or rescheduling and restructuring Group-wide as at 31 December 2021. 

Maybank has been able to withstand the vicissitudes of this pandemic because we carried healthy levels of capital and liquidity. Moreover, guided by our mission of Humanising Financial Services and our Core Values, TIGER, we have always worked together as one. We don't practice individual leadership, but instead comprise a cohesive group of like-minded individuals driven to work towards the better good of everyone. This has been our key differentiator.

The other key factor to our success is our strong focus on governance, on upholding integrity and transparency. This has built a formidable foundation of trust, which enabled us to win PwC Malaysia's Building Trust Awards 2021 in the FBM KLCI category. Internally, we scored an equally important win related to trust, on higher Employee Engagement Survey scores for the year 2021 compared to the previous survey conducted in 2017.

### THE CLOSING CHAPTER

In the FY2018 annual report, I shared a lesson learnt for each year of service over my five-year tenure then as Maybank's Group President & CEO (GPCEO). Those lessons are still very relevant today and continue to form the strong base that supports and drives Maybank's strategy, actions and performance. As I round-up to my ninth year in this role, I've learnt a few more valuable lessons that have been infused into the design of M25. Allow me to share an update on the previous five lessons, while adding on the latest lessons:



#### LESSON 1 SENSE OF PURPOSE

Over a decade ago, the senior leadership team collectively decided that our purpose of existence would be Humanising Financial Services, focused on providing customers with convenient access to financing, advice based on their needs, fair terms and pricing, as well as being at the heart of the community. As the organisation evolved over time, our sense of purpose deepened and broadened to encompass more stakeholder groups. Since our mission statement is our sense of purpose, it needed to reflect a more relevant, inclusive and equitable approach. When we were designing M25, we took the opportunity to refresh our mission to reflect long-term priorities and the new operating landscape. Aside from making financial services simple, intuitive and accessible, we aim to build trust-based relationships with everyone in the Maybank universe while treating them with respect, dignity, fairness and integrity. We also identified our stakeholder groups and our commitments to them and the long-term impact we seek to create.

 For more on Humanising Financial Services, refer to Who We Are & What We Do on page 4.



#### LESSON 2 AGILITY AND NIMBLENESS

Our people are what makes this organisation different. Our early adoption of digitalisation initiatives helped us transition faster and more easily in this new operating environment, given changes brought about by the pandemic. Over the years, we have upskilled our employees' digital skills with learning and development opportunities under our FutureReady Programme. More recently, we developed a recruitment programme to create a sustainable pipeline of technical experts as part of our M25 digital ambitions. We have also actively promoted a hybrid work model, so as to enable our people to have better work-life integration and improve their productivity. Only by investing and looking after the development needs of our people to attain the right skillsets and mindset, can we elevate a culture of agility and nimbleness, which in turn benefits the organisation and its stakeholders.

 Refer to Pervasively Digital and Group Human Capital on pages 62, 64 and 66 to 69.



#### LESSON 3 SUSTAINABILITY

Many things have been said over the recent times about sustainability or the need for ESG considerations. In coming up with our M25 strategy, we took the opportunity to enhance our mission statement and make sustainability a strategic priority, so as to embed it as part and parcel of the Group's DNA, as opposed to having it run parallel and separately as done previously. Sustainability is closely linked to our mission statement as it encompasses how we treat all our stakeholder groups. This has presented the opportunity for us to re-energise the mission and make a greater impact with ESG considerations. While our sustainability umbrella covers a spectrum of focus areas, at the core of it, our approach is to support the responsible transition to a low-carbon economy by building an environment where no one is left behind. This involves embracing inclusivity and enabling easy access to sustainable financial solutions.

 For more, refer to Sustainability Review on pages 105 to 114.



#### LESSON 4 SUSTAINABLE GROWTH

For many years now, growth for banks have moved away from pure credit expansion as economic growth trends globally have slowed. Also, asset growth alone can be punitive on capital consumption for banks, given risk-weighted asset considerations. To promote sustainable growth for the organisation and its stakeholder groups, Maybank has identified New Value Drivers (NVDs) to enable value creation under M25. This overlays with our digital and sustainability priorities while building on investment and wealth management solutions for our different market segments. We will also leverage our Islamic wealth proposition to offer solutions touching on creation, accumulation, preservation, purification and distribution. Our NVDs are meant to help us grow responsibly with our partners, customers, communities and investors, with ESG considerations embedded in our offerings.

 For more on our New Value Drivers, refer to Our Strategy on page 28.

## KEY MESSAGES TO SHAREHOLDERS



### LESSON 5 LIQUIDITY AND CAPITAL STRENGTH

Malaysian banks have learnt the importance of liquidity and capital resilience since the Asian Financial Crisis in 1997. We have gradually built our buffers to meet stringent liquidity and capital regulatory requirements, including Basel III, which ensures that the banking sector is able to absorb shocks arising from financial and economic stress. Undoubtedly, the recent pandemic was a clear test that demonstrated the collective resilience of the Malaysian banking sector, which has culminated from the diligent liquidity and capital planning and management done over the past decade between the banks and the regulator. At Maybank, we have invested a lot of our time and effort in managing our liquidity needs across our Group-wide operations. This is to ensure we are able to support the various funding needs of our multiple stakeholders while supporting our own growth plans. Similarly, the same has been done in managing our capital levels so as to preserve our continued ability to reward our shareholders via dividends during good and bad times. Fully cognisant of our large number of shareholders who are dependent on our returns for their own sustainability during the height of the pandemic in FY2020, we did our best to protect our profitability in order to maintain strong interim and final dividend payments for our shareholders.

For more, refer to Reflections from Our Group Chief Financial Officer on pages 36 to 42.



### LESSON 8 DIGITALISATION

Over the past eight years or so, I've seen the digital landscape change and evolve rapidly. We initiated our digital journey in 2013 to stay ahead of the curve. Largely, much of the work that we have done over the years has allowed us to achieve a digital bank status today. This includes our ability to provide fast and hassle-free digital loans, from application to approval, for our consumer and SME customer segments while bringing to market lifestyle applications such as our MAE app, which is an e-wallet. Our approach is for our digital solutions to not just focus on financial services, banking transactions or payment needs, but to encompass other lifestyle or complementary features to support our customers' day-to-day lives. To facilitate this, we have also built the back-end support including better and faster risk management, credit decisioning and pricing tools while leveraging predictive analytics. Moving forward, we need to continue evaluating emerging trends to remain relevant and current.

For more, refer to Group Community Financial Services, Group Global Banking, Group Insurance & Takaful, Group Islamic Banking, Pervasively Digital and Customer Experience on pages 51, 55, 57, 60, 62 to 64 and 65.



### LESSON 6 LOOKING OUT FOR THE UNDERSERVED

With time, I've grown increasingly conscious of not disadvantaging any segments of our stakeholder groups through our dealings. In making decisions, I actively try to remind myself and my colleagues to not make calls that can potentially victimise someone unintentionally. This includes dealing with customer complaints, staff welfare, community initiatives, the rollout of financial solutions, or even pursuing our sustainability commitments, among others. Maybank, given its size and reach, must be conscious of the repercussions its decisions have across its network and geographical footprint. Examples of solutions targeted to the underserved include our digitalisation of SME loans and consumer mortgages. We know that many SMEs have challenges with filling tedious documentations, losing precious time, before financing is disbursed to them. To-date, we have approved RM1.9 billion loans to over 11,000 microenterprises since this solution was launched in September 2020. Meanwhile, new and young potential homeowners may not necessarily know their financing eligibility for home purchases until after the paperwork has been submitted. With our digital solutions, we cut out the unnecessary red tapes without compromising on our risk management.

For more, refer to Group Community Financial Services, Group Insurance & Takaful, Group Islamic Banking and Sustainability Review on 50, 56, 59 and 109 to 112.



### LESSON 9 DOING THE RIGHT THING

A strong sense of purpose and good core values become the moral compass in making the right decisions. It keeps us on the straight and narrow, and prevents us from being conflicted by self-interest. For us, the call we made early on during the pandemic to find solutions to assist in the anticipated hardships of customers was the right one. It was important for us to provide the automatic six-month moratorium in early 2020 as there was a lack of insights then surrounding the virus, compounded by the ensuing movement restrictions. As time passed and vaccinations were rolled out, it made sense to progress to targeted repayment assistance programmes for those who actually needed it and offer packages that support the rehabilitation of customers' debt over the medium term. Ultimately, our approach is to support customers' unique requirements with the right solutions at different stages as opposed to using a one-size-fits-all solution that can be a moral hazard to the financial system. We want our customers to recover and have strong financial legs. It is also our obligation to do right by other stakeholders, to ensure that we are not disadvantaging them by making a decision in favour of just one stakeholder.

For more on loan relief and support measures, refer to Group Community Financial Services and Group Global Banking on pages 51 and 54. For dividends, refer to Reflections from Our Group Chief Financial Officer on page 42.



### LESSON 7 FORCE OF GOOD

Coming from a position of strength and knowing that segments of our society needed assistance in surviving and coping with this pandemic, we did what we could to help with their specific needs. We developed Sama-Sama Lokal, a zero commission online marketplace within a few weeks after seeing the struggles of neighbourhood hawkers and small businesses during the first movement restriction in 2020. These merchants, mainly microenterprises, were looking to close their businesses due to reduced sales amidst the low physical footfall to their premises. Sama-Sama Lokal, which is now integrated with the Maybank2u app, has enabled over 13,000 merchants to place their products and services onto the digital space and get access to Maybank2u's 12 million customer base, generating some RM18.6 million in order value, while benefitting from the digitalisation of their businesses. We also supported other segments of our communities by helping to strengthen the healthcare system and enabling remote learning for children from B40 families, among others, as Maybank and its subsidiaries provided direct financial aid of over RM40 million in the past two years.

For more on Sama-Sama Lokal, refer to Group Community Financial Services and Pervasively Digital on pages 51 and 62. For more on our community efforts during the pandemic, refer to Sustainability Review on pages 109 to 111.

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### AN UNEVEN 2021

Entering into 2021, we expected to see a rebound in economic growth arising from a low base the previous year, which saw economies contract. The growth was meant to be supported by deployment of vaccines and accommodative monetary and expansionary fiscal policies. However, the trajectory of recovery in 2021 was uneven between countries due to the diverging pace of vaccination rollouts amidst a resurgence in infections from the emergence of new variants, which resulted in re-introduction of restriction and containment measures. The GDP growth of Malaysia, Singapore and Indonesia were 3.1%, 7.6% and 3.7% respectively, with Singapore pulling further ahead on the quicker reopening of its economy amid achieving one of the highest vaccination rates globally.

On the back of varying economic growth in our home markets, our net operating income grew 2.8% YoY to RM25.45 billion in FY2021. This was mainly supported by our net fund based income growth of 14.6% YoY as net interest margin (NIM) expanded 22 bps YoY to 2.32%. The expansion was due to lower cost of customer deposits which reduced 38.5% YoY, as Group CASA grew strongly by 17.2% YoY on improved stickiness from our various tactical and promotional campaigns. Group CASA ratio further strengthened to 47.1% from 42.8% a year ago. As we continue to lend support to our customers by ensuring readily available funding, we maintained robust liquidity buffers with our liquidity coverage ratio at a healthy 136.4%.

Also supporting net fund based income was Group gross loans growth of 5.7% YoY driven by the Community Financial Services (CFS) franchise in Malaysia and Singapore and pick-up in corporate lending across our home markets. Growth in Malaysia of 4.1% YoY was led especially by a loan pick-up in the consumer, non-retail and corporate segments during the fourth quarter, once economic activity resumed with the rollback of movement restrictions. Singapore forged ahead with loan growth of 8.7% YoY, as both the CFS and Global Banking (GB) portfolios grew 8.5% and 9.5% respectively, on fast and relatively stable resumption of economic activity in 2021. Although GB loans grew 2.0% in Indonesia arising from disbursements to state-owned enterprises, the overall loan portfolio contracted by 3.2% YoY as the CFS segment declined by 5.5% on generally weaker credit demand and as we continued our de-risking exercise specifically for the business banking portfolio.

Meanwhile, we saw decent growth of 7.8% YoY in fees from core activities despite the prolonged lockdown for a good part of the year. The rebound was largely led by a pick-up of business activities during the intermittent periods when the economy reopened in 2021. Growth in core fees were driven by service charges and fee income from advisory, service fees related to loans and portfolio management fees while commissions increased due to higher

transaction volumes in the credit card and unit trust segments. The better core fees, however, was mitigated by lower realised securities disposal gains as well as unrealised loss on revaluation of corporate bonds and sukuk from our insurance arm and unrealised loss in equity shares by our insurance and investment banking units, resulting in a decline of net fee based income by 21.6% YoY. You may remember that in FY2020, our net fee based income supported overall income growth, as we were able to capitalise on trading opportunities from the prolonged low-yield environment and given our liquidity surplus on muted loan growth. However, the environment changed in 2021, whereby bond and sukuk yields progressively increased, resulting in unrealised losses on our portfolios and minimising trading opportunities. The rising yields were mainly driven by the expected normalisation of global monetary policy rates, especially with the US Federal Reserve turning more hawkish towards the year-end on its sustained economic recovery and mounting inflationary pressures.



**“Given our financial strength and resilience as well as our unwavering commitment in rewarding shareholders, we announced a total dividend of 58 sen per share for the full year, higher by 6 sen from a year ago.”**

As economic uncertainty prevailed in 2021, the Group continued with its cost management and kept growth low at 2.6% YoY, resulting in a positive JAWS position. Cost growth was mainly attributed to some increase in personnel cost and revenue-related spend associated with our IT infrastructure and marketing expenses. We were able to hold our cost to income ratio stable YoY at 45.3%, retaining our ten-year low for the Group. As a result, pre-provisioning operating profit grew 2.9% YoY to RM13.93 billion on the back of income growth and contained overheads.

We took in net provisions for loans, advances and financing of RM2.66 billion in FY2021, on top of the RM4.60 billion provided in FY2020, bringing our combined two-year net provision levels to RM7.26 billion. Including net provisions for financial investments, our combined provisioning for net impairment losses over the last two years were RM8.32 billion. Our prudence in providing pre-emptive provisioning for potentially bad loans and financial investments since the start of the pandemic served us well, especially given that we had to make some recent large corporate impairments due to market developments.

In fact, the sizeable provisions in FY2020 allowed us to reduce the management overlays applied for loans, advances and financing in FY2021. While we did provide some overlays for our retail portfolio exposed to the Repayment Assistance and Targeted Repayment Assistance programmes, the Group was also able to write-back some loan-related overlays in the fourth quarter of 2021 on improving macroeconomic indicators and specific corporate borrower recoveries. The balance of the loan provisions made in FY2021 were done for new and existing impairments and to facilitate write-offs of older impairments.

Arising from this, our loan loss coverage continued to strengthen to 111.9% from 106.3% a year before, while our full year net credit charge off rate was 51 bps, performing better than our guidance of 70 bps to 80 bps to investors. On the back of our lower provisioning and improved pre-provisioning operating profit, our net profit grew by 24.9% YoY to RM8.10 billion while earnings per share was up 20.8% to 69.7 sen.

The Group's ROE came in at 9.8%, above our guidance of circa 9% for FY2021. Given our financial strength and resilience as well as our unwavering commitment in rewarding shareholders, we announced a total dividend of 58 sen per share for the full year, higher by 6 sen from a year ago. The cash component of our total dividend has started to rise again, now at 63% versus 34% a year ago, signalling our strong reserves and capital base. Our total capital and CET1 capital ratios were 19.518% and 16.090% respectively as at end 31 December 2021.

On a related note to the Group's performance, it would be remiss if I did not acknowledge the contributions of our former Group Chief Financial Officer (GCFO), Dato' Amirul Feisal Wan Zahir, who left Maybank mid-2021 to be the managing director at Khazanah Nasional Berhad. Feisal was an integral teammate, especially at the height of the pandemic, in helping me drive the Group's performance in his capacity as GCFO. If I could draw from a Star Trek reference, our working dynamics was similar to that of Kirk and Spock, with him always remaining methodical, logical and unperturbed in delivery. Succeeding him is Khalijah Ismail, who is no stranger to the Maybank leadership team having served the organisation in various capacities for over 30 years. I welcome her on-board the executive committee (EXCO) team and am confident that she will be able to help steer the organisation to meet its M25 ambitions.

For more details on our FY2021 performance highlights, refer to Reflections from Our Group Chief Financial Officer on pages 36 to 42.

### CAUTIOUSLY OPTIMISTIC FOR 2022

Growth across our home markets will remain varied in 2022, largely because Singapore's growth was much faster than that of Malaysia and Indonesia in 2021. In Malaysia, with greater mobility and economic

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activity, including external demand from major trading partners, GDP growth rate is anticipated to almost double to 6.0% in 2022. This will be further fuelled by higher commodity prices, improved labour market conditions and accelerated digitalisation. We also anticipate a potential 25 bps Overnight Policy Rate hike towards the end of 2022.

Singapore's growth is expected to taper to 3.8% after charting 7.6% in 2021 given its earlier reopening of the economy amid achieving one of the highest vaccination rates globally. The Monetary Authority of Singapore is also likely to tighten its monetary policy on expectation of rising core inflation in 2022. In Indonesia, growth is expected to be stronger at 5.4% from 3.7% previously, given improved deployment of vaccines and a revival in domestic demand. There is also the likelihood that Bank Indonesia will increase its benchmark rate by 75 bps in 2022.

Although we are hopeful for better economic performance on sustained reopenings of our core markets in 2022, the key downside risk for ASEAN countries is the second order impact on global recovery arising from Russia's invasion of Ukraine. As we enter our second year of the M25 plan, we remain focused on income growth from fee based opportunities in wealth management, global markets, investment banking, asset management and insurance by leveraging our digital capabilities.

We are committed in supporting the economic recovery across our home markets by enabling access for financial support to our customers to strengthen their financial positions and capitalise on emerging growth opportunities. As such, capital and liquidity conservation remain key priorities for us. As more customers experience an easing of cash flow pressures on sustained recovery, we will continue to proactively engage with customers on a targeted basis to extend additional support for those in need and as part of our robust asset quality management process, given that most of the repayment assistance packages are expected to expire in 2022.

We will also look to defend our low-cost deposits base to maintain our NIM in a rising rate environment and as mobility stabilises. We are hopeful that loan growth will resume to pre-pandemic levels should business activities remain robust. As we ramp-up our M25 initiatives to meet the long-term financial commitments, we will make strategic investments this year to enhance our digital and sustainability capabilities to remain ahead of the curve.

Finally, we will accelerate our sustainability efforts to drive greater financial inclusion, offer more sustainable solutions and make meaningful strides in the move towards a responsible transition to a low-carbon economy. Against this backdrop, we have set a headline key performance indicator for ROE of between 9.5% and 10% for FY2022, after taking into consideration the impact from the higher one-off Prosperity Tax by the Federal Government.

# On A Personal Note...

As most of you already know, my last day as the GPCEO of Maybank is on 30 April. After serving close to nine years in this position, the time is right for me to step aside to pursue my own interests and allow the organisation to benefit from renewed leadership. I personally believe that it is good governance for CEOs to not overstay in the role, so as to promote new ideations and perspectives that can contribute to the healthy growth and development of an organisation for continued value creation.

Having had the privilege of working in the Maybank Group for over 15 years, I have felt a deep connection with this organisation and Maybankers. To me, both are truly special. Maybank's mission of Humanising Financial Services is something that resonates with my own belief that no matter what, we should always do the right thing. Supported by the Group's Core Values, TIGER, this guiding principle has become thoroughly etched into the hearts and minds of everyone across the Group. It certainly served me well on the many occasions when I was faced with conflicting choices. I've learnt from experience that you can never go wrong when you choose to do right by others. And it is with that in mind that I've tried my level best to make decisions that are fair, virtuous and would never disadvantage any of our stakeholder groups, which include shareholders, employees, business partners, customers and the community at large. What is clear to me is that because of our mission and values, this organisation has always strived to serve everyone, from every segment of society.

As this will be my last shareholder message as the GPCEO of Maybank, I want to take this opportunity to thank everyone I have worked with closely, especially over the last nine years. From our past to current Chairpersons – Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor, Datuk Mohaiyani Shamsudin, and Tan Sri Dato' Sri Zamzamzairani Mohd Isa, as

well as the esteemed board members of past and present – thank you for your guidance and wise counsel throughout the years. To every member of the EXCO who I've worked with – Hong Tat, Pollie, Nora, Geoff, John Lee, Muzaffar, Michael, Rafique, Taswin, Kamaludin, Jerome, Suhail, Feisal, Gilbert, John Chong and Khalijah – it is our collective strengths and capabilities that have contributed to Maybank's present achievements. I thank you for the hard work and perseverance, for standing with me and for the camaraderie we have shared.

To all other individuals who made Maybank's success possible – each and every Maybanker, past and present – you are truly the heart of the organisation, having built it to its current strength and made it the globally recognised brand that it is today. Together, we have achieved some amazing successes, positively touching the lives of millions of people.

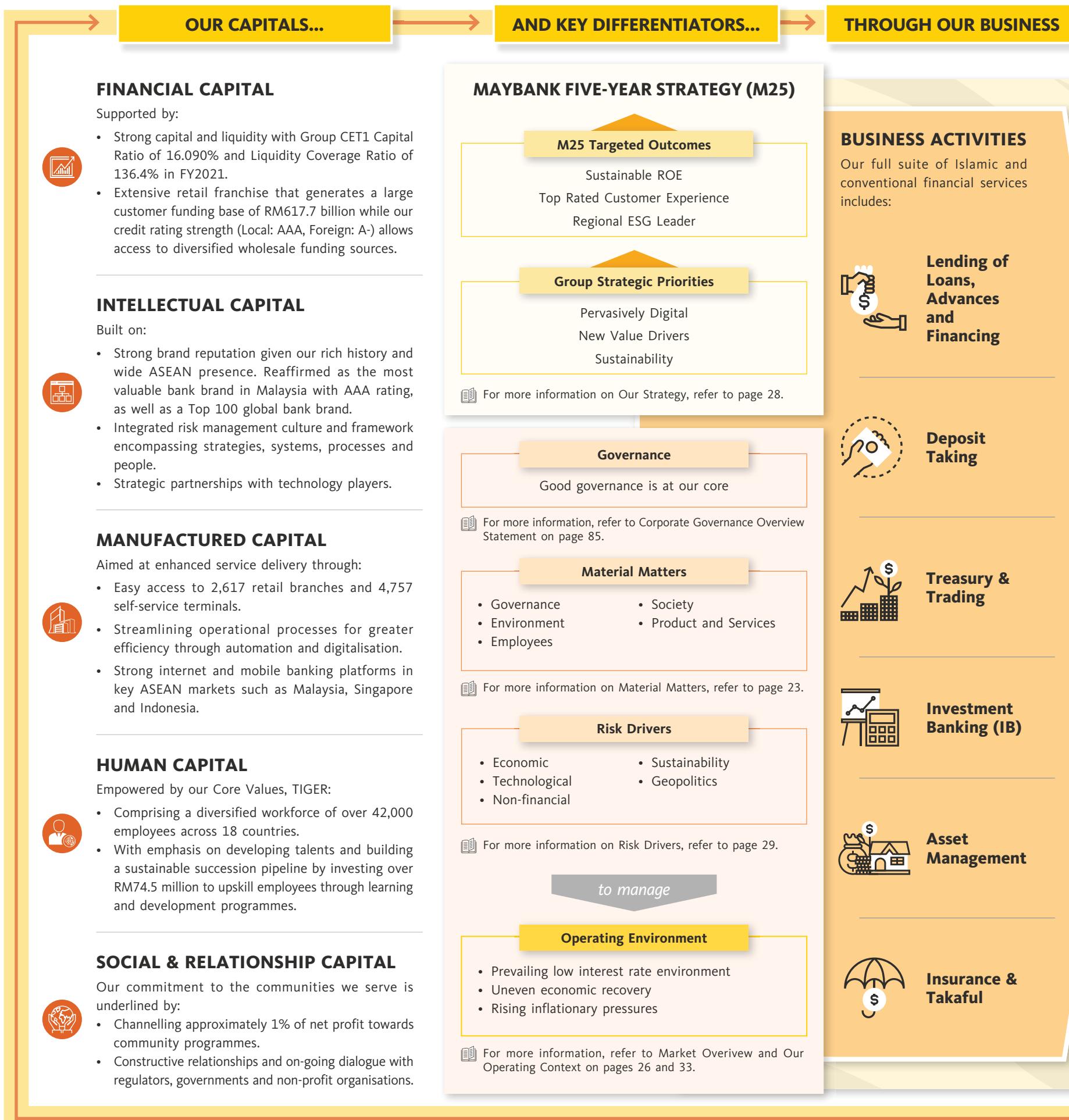
To our Maybank shareholders and customers, thank you for placing the highest trust and confidence in my leadership. It is because you have chosen Maybank to place your capital or to be your preferred financial institution that we have become the largest listed company in Malaysia and one of the leading names in ASEAN. To our business partners and regulators, thank you for your unwavering support that has allowed us to prosper and grow to greater heights. Finally, I thank the communities in which Maybank serves, for embracing our presence and letting us be part of your own journey.

It is with the greatest gratitude and appreciation that I've served in this role and I sincerely hope that I've done right by you. It has been an honour and pleasure to know each one of you.

Best Wishes,

**Farid**

# OUR BUSINESS MODEL



Our Core Values, TIGER serve as guiding principles to encourage practices that collectively form our unique culture



## TEAMWORK

We work together as a team based on mutual respect and dignity

## INTEGRITY

We are trusted, professional and ethical in all our dealings

## OUR BUSINESS MODEL

ACTIVITIES, GENERATE OUTPUTS...

TO CREATE VALUE-ADDED OUTCOMES FOR OUR STAKEHOLDERS.

**Gross Loans, Advances and Financing**

**RM553.79 billion**  
( $\uparrow$  5.7% YoY)

**Customer Funding Base**

**RM617.69 billion**  
( $\uparrow$  6.5% YoY)

**Investment Securities Portfolio**

**RM223.88 billion**  
( $\uparrow$  4.0% YoY)

**IB Fee Income**

**RM960.80 million**  
( $\uparrow$  14.6% YoY)

**Assets Under Management (AUM)**

**RM35.19 billion**  
( $\uparrow$  8.1% YoY)

**Net Adjusted Premium**

**RM5.89 billion**  
( $\uparrow$  5.4% YoY)

### FINANCIAL CAPITAL

- Earnings per share (EPS) up by 20.8% YoY to 69.7 sen per share.
- Return on Equity (ROE) improved to 9.8% from 8.1%.
- Total Assets increased by 3.7% to RM888.2 billion.
- 58 sen per share total dividend declared for FY2021.
- Market capitalisation higher by 3.7% at RM98.6 billion.
- Total Shareholder Return improved to 6.27% for FY2021 from 4.61%.

Refer to Key Messages to Shareholders, Reflections from Our Group Chief Financial Officer, Investor Information and Financial Performance on pages 11, 16, 36, 43 and 45.

### IMPACTED STAKEHOLDERS



### INTELLECTUAL CAPITAL

- Brand value increased by 6.6% YoY to USD3.9 billion.
- Market leading net promoter score (NPS) of +23.
- Launch of digital offerings including Maybank2u Biz app, Maybank-Bakong Cross Border Funds Transfer and Gigantiq, an all-in-one insurance savings plan.
- Rolled out sustainability products such as the world's first Islamic green financing for a hospitality asset and Maybank Global Sustainable Technology Fund.

Refer to Group Community Financial Services, Group Global Banking, Group Insurance & Takaful, Group Islamic Banking, Pervasively Digital, Customer Experience and Sustainability Review on pages 51, 54, 57, 60, 62, 65 and 108.



### MANUFACTURED CAPITAL

- Increase in digital monetary transactions value by 24% YoY to RM896.0 billion and volume by 40% YoY to 1.6 billion transactions.
- Market share of mobile and internet banking transaction volume at 56.3% and 49.6% in Malaysia.
- Number of 3-month active digital users increased 9% YoY to 8.2 million.
- 99.84% service uptime of digital channels in 2021.

Refer to Group Community Financial Services, Pervasively Digital and Customer Experience on pages 51, 62 and 65.



### HUMAN CAPITAL

- RM5.2 billion paid in salaries and rewards.
- Employee Engagement Survey (EES) recorded Sustainable Engagement Index of 90%.
- Enhanced hybrid work arrangement and established a Mental Health Policy.
- Provided financial and non-financial support to employees and their families.

Refer to Group Human Capital on page 66 and Remuneration on page 70.



### SOCIAL & RELATIONSHIP CAPITAL

- Mobilised more than RM13.6 billion in sustainable financing in FY2021.
- Contributed RM2.6 billion in taxes and zakat.
- Contributed towards the purchase of medical equipment for hospitals, expediting vaccinations for vulnerable groups, enabling online learning for underprivileged children and assisting the underserved through Zakat outreach programmes.
- Supported individuals facing unemployment or reduced income, microenterprises, SMEs and corporate clients with loan relief programmes due to the impact of prolonged pandemic.
- Enhanced coverage and benefits related to COVID-19 for medical and life policies as well as launched medical protection for travelling amid the reopening of borders.

Refer to Group Community Financial Services, Group Global Banking, Group Insurance & Takaful, Group Islamic Banking and Sustainability Review on pages 51, 54, 57, 60 and 108.



## GROWTH

We are passionate about constant improvement and innovation

## XCELLENCE & EFFICIENCY

We are committed to delivering outstanding performance and superior service

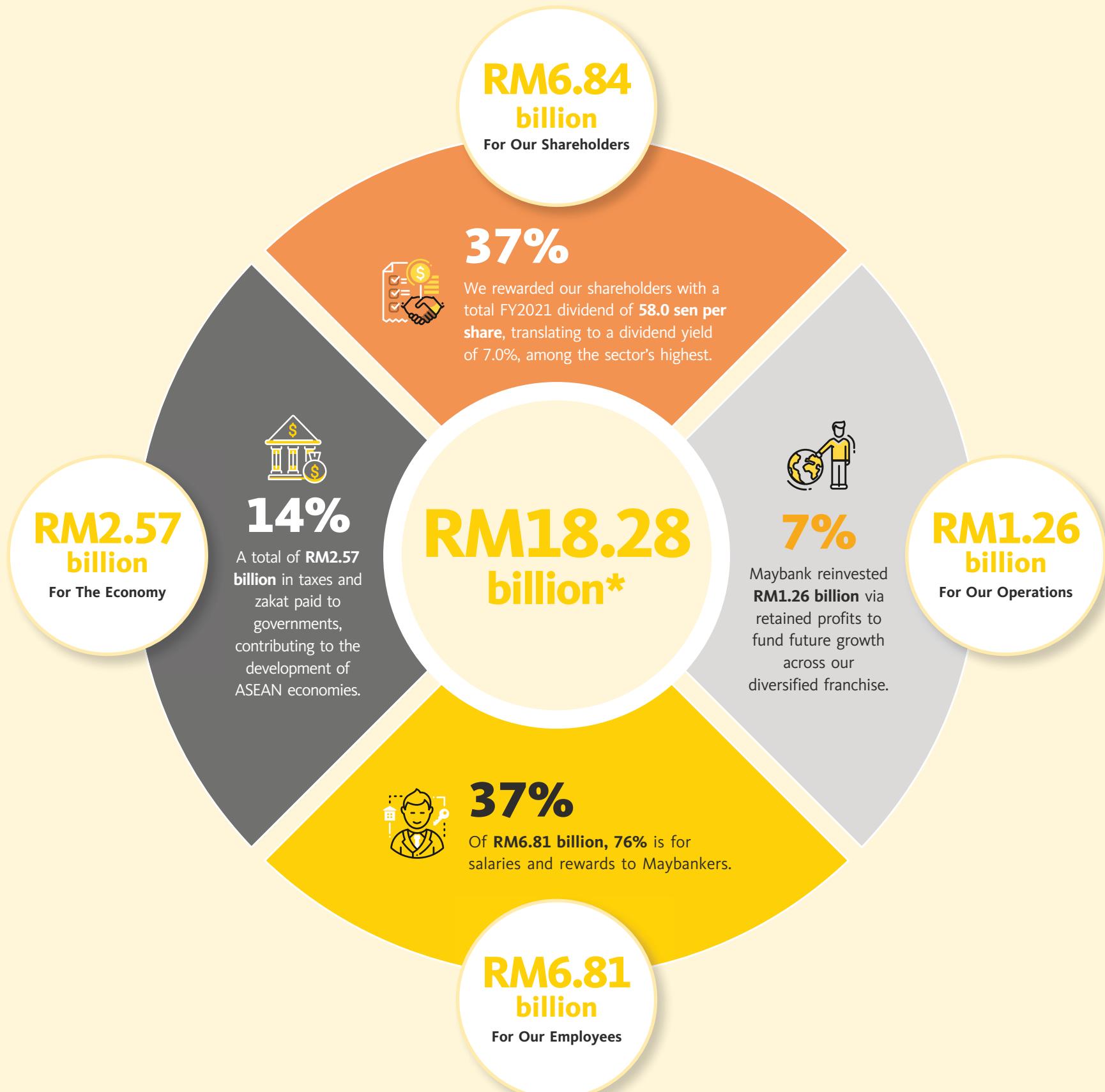
## RELATIONSHIP BUILDING

We continuously build genuine long-term and mutually beneficial partnerships

# HOW WE DISTRIBUTE VALUE CREATED

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

Value created in FY2021 was distributed as follows:



\* Includes non-controlling interests, as well as depreciation and amortisation which represent the combined 5% not illustrated above. Refer to page 48 for Distribution of Value Added.

# STAKEHOLDER ENGAGEMENT

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



## CUSTOMERS

To provide solutions that suit their needs, we engage with them via:

- Digital touchpoints, e.g. Maybank2u & Maybank2E websites and apps, MAE by Maybank2u, Maybank QRPayBiz App, Maybank2u Biz web and app, Maybank Trade, Maybank2Own, Etiqa's portal and apps
- Physical branches, Premier Wealth Centres, Business Centres, Investment Management Centres, Transaction Banking Centres, self-service terminals
- Customer Service Centres, sales representatives, e.g. Client Advisors, Relationship Managers, Personal Advisors and Client Coverage Teams
- Social media platforms
- Customer satisfaction surveys

### Objectives For Stakeholders:

- Enhance customer service with fast, simple, secure and convenient banking.
- Meet customers' needs and expectations for personalised financial advice and solutions and connect clients to growth opportunities across the region.
- Provide competitive pricing and fair terms.
- Prevention and education against fraud and scams.
- Employ measures to ensure safety at physical touchpoints; and extend support to mitigate the prolonged impact of the pandemic.

### Our Response:

- Continue to introduce innovative products and services leveraging data analytics and enhancing our digital propositions.
- Implement various measures to ensure business continuity and assist customers impacted by the pandemic.
- Heightened cyber security threat analysis and response with the inclusion of new cyber risks.
- Established appropriate protection measures at branches including optimisation of operating hours and capacity.

For more details, refer to Risk Drivers, Group Community Financial Services, Group Global Banking, Group Insurance & Takaful, Group Islamic Banking, Pervasively Digital, Customer Experience, Statement on Risk Management and Internal Control, and Sustainability Review on pages 29, 50, 53, 56, 59, 62, 65, 93 and 105.

### Related Material Matters:



## INVESTORS

We engage with and update our financial capital providers via:

- Conferences and non-deal roadshows
- Quarterly analyst briefings
- Thematic investor day briefings
- One-on-one and group meetings with GPCEO, GCFO or Head of Group External Communications and Investor Relations
- Dissemination of information and disclosure of materials on our website at [www.maybank.com/ir](http://www.maybank.com/ir)
- AGMs and EGMS
- Annual integrated and sustainability reports

### Objectives For Stakeholders:

- Sustainable earnings generation and stable dividend stream by optimising capital across our franchise, proper distribution of assets and resources, preservation of asset quality, liquidity planning and prudent management of risks and costs.
- Proactive management of asset quality and credit risks from exposure to individuals and sectors affected by the prolonged effects of the pandemic.
- Embed sustainability considerations into lending and investment practices.
- Prudent and effective technology investments and partnerships.
- Stay ahead of emerging competition from regional digital contenders.

### Our Response:

- Create sustainable value leveraging diversified portfolio across ASEAN and key financial centres, and via digitalisation.
- Emphasis on strong liquidity and capital management to preserve financial viability and readiness to support economic recovery.
- Led discussions with industry players and regulators to deliver effective solutions for customers impacted by the prolonged effects of the pandemic.
- Provide timely and comprehensive asset quality disclosures.
- Integrated disclosures that highlight ESG risk management.
- Realign risk appetite and lending strategies with industry outlook for balance sheet preservation.
- Provide timely updates on COVID-19 impact and Maybank's response.
- Remained at the forefront of technological advancements, keeping an eye on digital trends.

For more details, refer to Risk Drivers, Reflections from Our Group Chief Financial Officer, Investor Information, Corporate Governance Overview Statement and Sustainability Review on pages 29, 36, 43, 85 and 105.

### Related Material Matters:



## STAKEHOLDER ENGAGEMENT

### REGULATORS

To understand the changes and impact of relevant laws, regulations and policies, we engaged with them via:

- Regular reporting, engagement and timely updates
- Active participation and contribution to the industry and regulatory working groups, forums and consultation papers

#### Objectives For Stakeholders:

- Ensure compliance with laws and regulations to achieve monetary and financial stability, professional business conduct and fair treatment of financial consumers.
- Cultivate an ethical risk-aware culture that complies with regulations.
- Lead the industry and corporates in developing and incorporating ESG/sustainability considerations.

#### Our Response:

- Continuous review and enhancement of our compliance and risk management monitoring tools, systems and processes.
- Ensure business units meet all regulatory requirements while pursuing business objectives.

 For more details, refer to Risk Drivers, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control and Audit Committee Report on pages 29, 85, 93 and 100.

Related Material  
Matters:



### COMMUNITIES

We engage with the local communities that we impact via:

- Various capacity building and economic empowerment initiatives
- Strategic partnerships as well as outreach and educational programmes
- Websites, social media channels and virtual communication platforms

#### Objectives For Stakeholders:

- Maximise the positive impact of our community initiatives towards a sustainable future for all.
- Support initiatives that address unemployment and low financial literacy.
- Availability of financial advice and solutions for families, small businesses and the wider community.

#### Our Response:

-  Targeted efforts for underprivileged communities impacted by the pandemic.
- Support local businesses to establish their digital presence to reach more customers via our zero-commission platform, Sama-Sama Lokal.
  - Reach out to communities through our partners, Maybank Foundation's flagship programmes, Maybank Islamic's Islamic Social Finance programmes, Etiqua Cares programmes, as well as the MaybankHeart crowdfunding platform.
  - Conduct digital financial and literacy programmes for SMEs, the differently abled, disadvantaged communities, young children and school teachers.
  - Provide employment opportunities for graduates and youth.
  - Distributed Zakat funds for financial aid assistance to Asnaf communities through MAE which promotes access to basic digital banking accounts.

 For more details, refer to Group Community Financial Services, Group Insurance & Takaful, Group Islamic Banking, Group Human Capital and Sustainability Review on pages 50, 56, 59, 66 and 105.

Related Material  
Matters:



### EMPLOYEES

To understand and cater to our employees' diverse needs, we engage with them via:

- Dialogue sessions with Group EXCO and other engagement initiatives
- Regular electronic communication (e.g. email, newsletters and portals) as well as virtual and social media channels
- Feedback platforms

#### Objectives For Stakeholders:

-  A safe, caring and engaging work environment to enable work-life integration and successful navigation through the pandemic and beyond.
- Greater flexibility and accessibility to perform daily functions with minimal interruption.
  - A workplace that celebrates diversity, equity and inclusion.
  - Equipped with the right skills, capabilities, competencies and mindset to remain relevant.

#### Our Response:

-  Ensure employees' safety remains a priority, balanced against business needs, which is enabled by a hybrid work environment.
- Prioritised employees' holistic well-being through various interventions and programmes while encouraging diversity, equity and inclusion.
  - Upskill and reskill employees through learning and development and FutureReady programmes.

 For more details, refer to Group Human Capital on page 66.

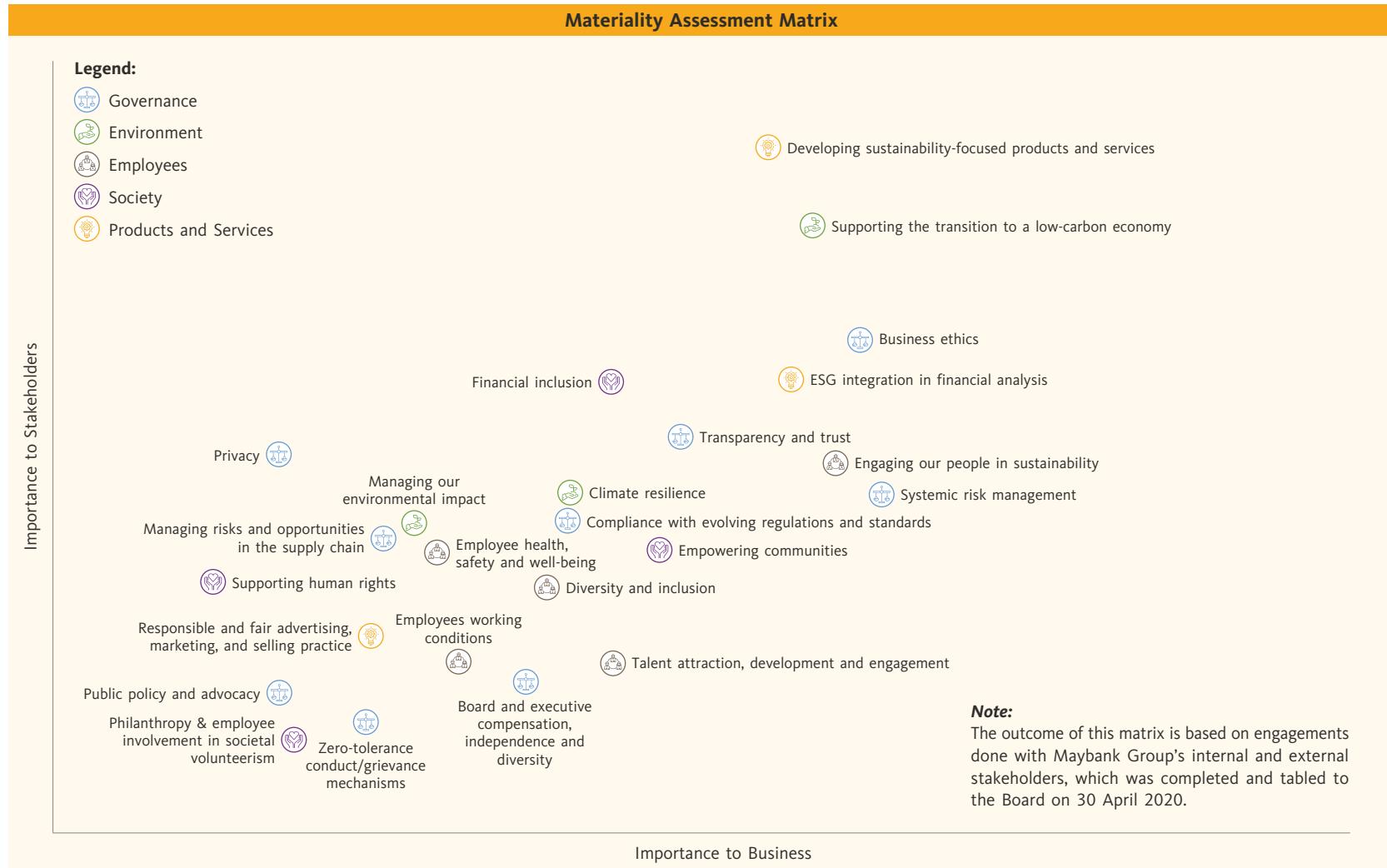
Related Material  
Matters:



# MATERIAL MATTERS

**Brought about by the spread of COVID-19, 2020 was an unprecedented and challenging year for all, both regionally and globally. The pandemic not only impacted the way we do business but also affected our customers, our communities and our economy at large. Against this backdrop, the material issues identified through an assessment conducted the year before remained relevant as the pandemic extended into 2021.**

The 24 material issues identified for the Group are shown in the matrix below:



Following a review of the 24 material issues, we prioritised 15 which are seen to be the most pertinent to our business as well as our stakeholders. These issues were considered in developing our overall sustainability strategy (refer to page 105), which guides the Group as we build capabilities in order to respond to and manage increasingly important environmental, social and governance (ESG) imperatives.

As in 2020, we continued to address societal needs through **Financial Inclusion** and **Empowering Communities**. Specifically, we focused on helping those who were most affected by the prolonged pandemic to get back on their feet by providing financial relief and support through various assistance programmes and targeted contributions (refer to Group Community Financial Services, Group Global Banking, Group Insurance & Takaful, Group Islamic Banking and Sustainability Review on pages 51, 54, 57, 60 and 109).

At the same time, we continued to place emphasis on **Developing sustainability-focused products and services** and **Supporting the transition to a low-carbon economy**. In 2021, we established the Sustainability Framework as the overarching document that sets the Group's sustainability mission, principles, goals, targets, governance and overall approach to all our activities. Having set the target of mobilising RM50 billion in sustainable finance by 2025, our businesses are placing greater emphasis on introducing more green products and services for

our customers (refer to Group Community Financial Services, Group Global Banking, Group Islamic Banking and Sustainability Review on pages 51, 54, 60 and 108).

We also made great strides in further strengthening our **Governance**, particularly in the area of sustainability. In 2021, we set up Executive and Board Sustainability Committees to ensure appropriate oversight of sustainability matters, while incorporating sustainability-related Key Performance Indicators into senior management's scorecards. In addition, we established an ESG Risk Management Framework which sets out the Group's approach towards managing our ESG risks. For more on our sustainability progress and initiatives, please refer to our Sustainability Review on page 105.

As we move into the next financial year, the Group will conduct another materiality assessment to ensure that our sustainability strategy is reflective of what our stakeholders view as important. The assessment will strengthen our five-year strategy, M25, and our mission of Humanising Financial Services to reflect our long-term priorities and the ever-changing operating landscape. Taking into consideration both domestic and regional trends, we aim to address a broad range of ESG issues, challenges and opportunities. In this manner, we will be able to identify risks that need to be managed while creating strategic opportunities to make a positive impact on our communities.

## MATERIAL MATTERS



### Governance

#### Material Issue:

##### **Board and executive compensation, independence and diversity**

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

##### **Business ethics**

Organisational standards governing the actions and behaviours of individuals, including e.g. prevention of anti-competitive practices; working against corruption, extortion, money laundering and bribery.

##### **Compliance with evolving regulations and standards**

Compliance with current and emerging laws, regulations, standards and ethical practices, ensuring strong compliance culture throughout the organisation.

##### **Transparency and trust**

Disclosure of information of ESG practices, business activities, financial situation, tax contribution and performance, in accordance with applicable regulations and industry practices, ensuring constructive engagement with stakeholders based on trust.

##### **Managing risks and opportunities in the supply chain**

Efforts to ensure high ESG standards in the supply chain through relevant policies and supplier engagement practices as well as approaches to diversify suppliers to include under-represented groups (e.g. disabled, women-owned, local community businesses).

##### **Privacy**

Responsible collection, use, storage and protection of data to safeguard employees' and customers' right to privacy (e.g. from cyber attacks).

##### **Public policy and advocacy**

High ethical standards and transparency in lobbying activities ensuring that practices to influence policy development are fully aligned with the company's sustainability commitments and strategy.

##### **Systemic risk management**

Assessing and managing financial and business risk throughout the entire company system to prevent major disruptions that may harm economies and societies at large (e.g. financial crisis).

##### **Zero-tolerance conduct/grievance mechanisms**

Culture of zero-tolerance towards bad conduct (internally or externally) and that employees feel free to speak up without fear of retaliation, including setting up formal channels for employees to report issues.

#### Discussed in:

Senior management remuneration is discussed in Remuneration (p.71). Board and management responsibilities are on Corporate Governance Overview Statement (CGOS) on p.85, the Statement on Risk Management and Internal Control (SORMIC) on p.93, Audit Committee Report (ACR) on p.100. Sustainability governance is on p.106 of Sustainability Review (SR).

CGOS (p.85-92), SORMIC (p.93-99) and ACR (p.100-103) outlines our Group's governance approach. The Group's sustainability governance approach is outlined in the SR (p.105-107), and is also addressed under the Our House is in Order & We Walk the Talk sustainability pillar, where highlights of our progress are covered under Commitment 4 (p.114).

Our compliance efforts and approach is discussed in Compliance Risk under Risk Drivers (p.32), in SORMIC under Risk and Compliance Culture, Compliance Framework, Core Values and Code of Ethics and Conduct, Fraud Management, Anti-Bribery and Corruption Policy and Procedures, and Financial Crime Compliance (p.95-96 and 99).

Adherence to guidelines, policies and requirements of our reporting are disclosed in About Our Reports (p.2) and Financial Reporting on ACR (p.101), while financial and tax related disclosures are presented in the Financial Book.

Our procurement policy and approach is discussed under Procurement Manual and Non-Credit Discretionary Power in SORMIC (p.98). We are also working towards embedding ESG components into the Supplier Charter and Code of Conduct, involving environmental and social criteria into the supplier screening process.

Our policies and approach are discussed in Cyber and Technology Risk Management Frameworks and Management of Information Assets in SORMIC (p.97-98). Actions taken are discussed in the Technological section and Information Technology Risk in Risk Drivers (p.29 & 31).

We actively engage and collaborate with regulators and industry peers on sustainability matters such as the Securities Commission, BNM's JC3 and ABM's ESG Committee. Our contributions are further discussed in the Sustainability Report.

Drivers, implications and key actions undertaken are discussed in Risk Drivers (p.29-32), and our Risk Management and Internal Control Systems are presented in SORMIC (p.93-99).

We are guided by Maybank Group People Policies, Core Values and Code of Ethics and Conduct, Whistleblowing Policy and Procedures and Anti-Bribery and Corruption Policy and Procedures, which are discussed in SORMIC (p.98-99).



### Environment

#### Material Issue:

##### **Climate resilience**

Incorporate climate risks (catastrophe losses associated with extreme weather events) into the underwritten insurance products, or value of underlying assets, as well as the risk of missed loan repayments and defaults.

##### **Managing our environmental impact**

Company efforts to minimise and manage the environmental footprint of its own operations and resources usage (energy, GHG emissions, water, waste, travel and commuting, etc.).

##### **Supporting the transition to a low-carbon economy**

Investment policies and product and service offerings that enable clients, customers and other industries to mitigate their environmental impacts and build adaptive capacity in the context of a changing climate (including reducing the Group's exposure to high emitting sectors).

#### Discussed in:

Our Environmental approach is addressed by our Responsible Transition sustainability pillar, which is discussed under Sustainability Management in SORMIC (p.98) and SR (p.105-107). We are committed to mobilising RM50 billion in sustainable finance by 2025 as well as achieving a carbon neutral position of our own emissions by 2030 and a net zero carbon equivalent position by 2050. Progress of both commitments are discussed in SR (p.107-108 and 113).

How we address environmental-related risks are discussed in Risk Drivers under Sustainability (p.30) and ESG Risk (p.32).

Business-specific discussions can be found in Our Operating Context (p.33-34), Group Community Financial Services (p.51), Group Global Banking (p.54), Group Insurance and Takaful (p.57) and Group Islamic Banking (p.60).

## MATERIAL MATTERS



### Employees

#### Material Issue:

##### Diversity and inclusion

A workplace where all employees are treated fairly, with dignity and without discrimination in employment based on gender or other factors such as ethnicity, religion, citizenship, sexual orientation, etc.

##### Employee health, safety and well-being

Managing the risk of employees and workers safety and improving their health and wellness, including relevant trainings, insurance programmes and initiatives to improve work-life balance.

##### Employees working conditions

Policies and processes to manage human resources in a work environment that promotes accountability and responsibility as well as reasonable working hours and fair wages.

##### Engaging our people in sustainability

Increasing employee engagement towards sustainability, the provision of training empowering employees' decisions based on ESG issues and employees incentive systems that embed relevant ESG metrics.

##### Talent attraction, development and engagement

Engagement, recruitment and retention of employees with relevant skills, and the investment in and development of a talent pool of employees and leadership.

#### Discussed in:

Our human capital strategy is discussed in Group Human Capital (p.67) and Maybank Group People Policy in SORMIC (p.98). Meanwhile, our approach to remuneration is covered in Remuneration (p.70-71).

Initiatives on employee engagement, well-being, rewards & remuneration, learning & development, nurturing talent and diversity, equity & inclusion (DEI) are covered in Group Human Capital (p.66-69).

Our approach to building a sustainability-focused culture is discussed under Maybankers for Sustainability Impact in SR (p.113-114).



### Society

#### Material Issue:

##### Empowering communities

Process of diversification and enhancement of economic and social activity on a local scale in a territory where the company is operating/sourcing.

##### Financial inclusion

Efforts to enable access to useful and affordable financial products and services that meet people's needs, including ways for the company to provide equal opportunities for all to access markets and resources promoting inclusive growth.

##### Philanthropy & employee involvement in societal volunteerism

Corporate employee volunteering initiatives, charitable/philianthropic support of projects aimed at creating positive social impacts.

##### Supporting human rights

Approaches and policies/due diligence processes that enable directing finance to avoid harm to human rights at a minimum, and to maximise the potential in fulfilling human rights.

#### Discussed in:

Our approach to Society is addressed by the Enabling Our Communities sustainability pillar, and is discussed under Sustainability Management in SORMIC (p.98) and SR (p.105). We are committed to improving the lives of one million households across ASEAN by 2025, the progress of which is discussed in SR (p.109-112).

Community initiatives by our businesses are also covered in Group Community Financial Services (p.51), Group Global Banking (p.54), Group Insurance & Takaful (p.57), Group Islamic Banking (p.60) and Pervasively Digital (p.62).



### Products & Services

#### Material Issue:

##### Developing sustainability-focused products and services

Innovative product and services that help advance sustainability i.e. green loans, green bonds, microfinance, sustainable supply chain finance, etc. and efforts to encourage customers to shift towards more sustainable performance and consumption patterns.

##### ESG integration in financial analysis

Inclusion of ESG analysis into traditional financial analysis based on a systematic process and in all asset classes, and consequently taking investment decisions on the basis of ESG-related issues.

##### Responsible and fair advertising, marketing, and selling practice

Honest, transparent and fair marketing and communication of products and services, including responsible lending and ensuring the safety of financial products and consumer financial protection and security in the best interest of the client.

#### Discussed in:

Our approach and progress is discussed under Solutions That Make a Difference in SR (p.108).

Business-specific initiatives are discussed in Group Community Financial Services (p.51), Group Global Banking (p.54), Group Insurance & Takaful (p.57), Group Islamic Banking (p.60) and in the SR under Commitment 1 (p.108).

We are committed to be fair, responsible and professional when dealing with customers and are guided by our Business Ethics Charter, which is supported by the Maybank Group Financial Consumer Fair Treatment Policy and in alignment with BNM requirements.

# MARKET OVERVIEW

## MACROECONOMIC REVIEW AND OUTLOOK

Economic recovery in 2021 from the pandemic-triggered recession in 2020 was uneven globally and underwhelming in ASEAN amid the emergence of COVID-19 variants, containment measures, and the divergent pace of vaccination roll-outs. This was compounded by inflationary pressures due to a surge in commodity prices, supply chain bottlenecks and the demand/spending effects of reopening economies globally.

We expect real global GDP growth of +4.5% in 2022 (2021E: +6.0%; 2020: -3.1%), which will continue to be uneven across each region. Growth in major advanced economies ex-Japan (i.e. US, Eurozone, UK) is expected to moderate on fading effects of the huge monetary and fiscal stimulus programmes as well as the earlier and faster administration of vaccinations which had already fuelled the strong economic rebound in 2021. In contrast, ASEAN-6 growth is expected to accelerate (2022E: +5.4%; 2021: +3.9%; 2020: -4.0%) on broader and sustained economic recovery amid progress in COVID-19 vaccinations.

 For business outlook and how material risks and opportunities were addressed, refer to Risk Drivers on page 29 and Our Operating Context on page 33.

### MALAYSIA



GDP	OPR
<b>2022 (f): 6.0%</b>	<b>2022 (f): 2.00%</b>
2021: 3.1%	2021: 1.75%

2020: -5.6%      2020: 1.75%

#### 2021 Operating Landscape

##### Positives:

- After various lockdowns since May 2021, the economy was progressively reopened from September 2021 with 13 states in Phase 4 of the National Recovery Plan by end 2021.
- As at end 2021, 78.5% of the total population were fully vaccinated (including 87.8% of 12 – 17 year-olds); with 28% of adult population having also received booster shots.
- Recovery in manufacturing sector's output to pre-COVID-19 level on global economic and trade rebounds.
- Higher commodity prices benefitting rural household income, government revenue, and external trade balance.

##### Negatives:

- COVID-19 clouded the recovery progress with the emergence of Delta and, subsequently, Omicron variants.
- Uneven recovery, with some sectors (e.g. services, construction) lagging/struggling; and sub-optimal job market (sticky unemployment rate, elevated youth unemployment and under-employment).
- Political instability with three different prime ministers in three years, and the current government holding a slim majority (115 of 222 parliamentary seats).

#### 2022 Outlook

- Economic recovery is expected to be firmer and broad-based on the resumption of business activities with the adoption of a “Living with COVID-19” strategy enabled by mass immunisation.
- Macro policy remains pro-growth with OPR expected to stay at record-low 1.75% before a +25 bps hike to 2.00% in 4Q 2022, while Budget 2022 remains expansionary with a third consecutive year of budget deficit ≥6% of GDP.
- Downside risks include the emergence of the Omicron variant, rising inflation, the faster pace of the US Fed’s monetary policy normalisation, China’s weaker economic outlook, domestic political instability and foreign worker shortages.

### SINGAPORE



GDP	3M SIBOR
<b>2022 (f): 3.8%</b>	<b>2022 (f): 0.98%</b>
2021: 7.6%	2021: 0.44%

2020: -4.1%      2020: 0.41%

#### 2021 Operating Landscape

##### Positives:

- Manufacturing and exports were key growth drivers, especially on the back of resilient demand for semiconductors and related equipment.
- Supporting strong growth:
  - Among the highest global vaccination rates with 87% of the population fully vaccinated and 41% having received booster shots as at end 2021.
  - Strong position as regional financial centre, particularly in FX, private banking and asset management; and as regional headquarters for multi-national corporations (MNCs).
- Neutral position in the US-China trade war; China’s zero COVID-19 strategy; and political uncertainties in Hong Kong favouring Singapore’s hub status.

##### Negatives:

- Consumer-facing and tourism-related services such as accommodation & food services recovered at a sluggish pace due to safety measures and border controls.
- Construction remained significantly below pre-pandemic levels due to a shortage of foreign labour.

#### 2022 Outlook

- GDP growth will be driven by broader services and construction recovery while inflation is expected to rise and peak in 2Q before easing in 2H2022.
- Monetary Authority of Singapore (MAS) will likely tighten monetary policy again in April 2022 given rising core inflation risks by re-centring the S\$NEER band, following the inter-meeting move in January 2022 (S\$NEER slope was adjusted from +0.5% per annum to +1%).
- Budget FY2022 remains expansionary with a SGD3.0 billion (0.5% of GDP) deficit to support post-pandemic growth. There will be an increase in various tax rates (GST, carbon tax, wealth taxes) to shore up fiscal revenue to fund the growing healthcare spending and transition to a green economy. Foreign worker policy will be tightened with a hike in minimum qualifying salaries for EP and S Pass holders.
- Property cooling measures (hike in Additional Buyer’s Stamp Duty and tightening of Total Debt Servicing Ratio) effective 16 December 2021 to dampen the property market.

### INDONESIA



GDP	Reference Rate
<b>2022 (f): 5.4%</b>	<b>2022 (f): 4.25%</b>
2021: 3.7%	2021: 3.50%

2020: -2.1%      2020: 3.75%

#### 2021 Operating Landscape

##### Positives:

- Robust exports resulted in a current account surplus while benign inflation allowed Bank Indonesia to keep its monetary policy accommodative to support the economy.
- Fiscal deficit in 2021 narrowed to 4.65% of GDP, significantly lower than the government’s initial estimate of 5.7%, as revenues surpassed target thanks to a commodity boom and growing domestic demand.
- Easy consumer credit rules that were introduced in March 2021 extended until end 2022, including zero down payment for new vehicle loans and 100% Loan-To-Value for all types of properties, to support consumer spending.

##### Negatives:

- Unemployment rate remained elevated at 6.5% in 2021, which could cap recovery in private consumption.
- Slow vaccination progress due to logistical challenges and shortage of healthcare workers resulted in prolonged movement restrictions during the Delta wave outbreak in 3Q 2021, hitting private consumption which accounts for 53% of GDP.

#### 2022 Outlook

- Vaccine deployment to help revive consumer spending and investments, and reopening of borders.
- Inflation anticipated to pick up to 3.2% on the back of improving domestic demand; VAT hike (to 11% from 10%) starting April 2022; high global commodity prices; and tapering of electricity subsidies.
- Bank Indonesia to hike policy rate by a total +75 bps in 2022, starting in the second quarter, to maintain the stability of the Rupiah as the US Fed starts to normalise its monetary policy.
- Bank Indonesia expected to continue funding the fiscal deficit in 2022 by buying government bonds, but may scale down buying if the US Fed tightens more aggressively.
- The tax reform bill, to be implemented in 2022, will allow the government to narrow its fiscal deficit gap and reinstate its 3% of GDP ceiling by 2023.
- Possible adjustment in retail fuel prices towards global market prices could lead to inflation spikes and aggressive tightening moves by Bank Indonesia.

## MARKET OVERVIEW

### BANKING SECTOR REVIEW AND OUTLOOK

#### MALAYSIA


**System Loans**
**2022 (f): 4.9%**

2021: 4.5%

2020: 3.4%

**2021 Review**

- 2021 was a challenging year for banks amid movement restrictions and the various phases of the National Recovery Plan thereafter.
- Banks also extended a second six-month blanket moratorium (on an opt-in basis) across all consumer loans under the PEMULIH package, announced on 28 June 2021, and provided further financial assistance under the Financial Management and Resilience Programme (URUS) that was announced on 13 October 2021, to assist B50 borrowers.
- Industry loans growth nevertheless picked up pace due to pent-up demand, rising 4.5% YoY in 2021 from 3.4% YoY in 2020, with household and non-household loans growing 4.3% and 4.9% YoY respectively. In the household segment, mortgages continued to be the key growth driver, increasing 6.8% YoY.
- Positively, net interest margins (NIMs) in 2021 were higher YoY with a full repricing of deposits subsequent to the rate cuts in the previous year as well as favourable deposit portfolio rebalancing. Operating costs were also well-controlled.
- Impairment allowances were generally lower YoY but credit costs remained elevated as banks continued to pre-emptively provide for potential asset quality deterioration for loans under moratorium.

**2022 Outlook**

- With the opening up of the economy and the anticipated recovery in economic activity, loans growth is expected to pick up pace.
- NIMs are expected to stabilise and should expand further if interest rates are hiked during the year.
- The expiry of the PEMULIH loan moratorium is likely to result in an increase in impaired loans industry-wide. Nevertheless, credit costs are still expected to taper off in 2022, given that banks built up pre-emptive provisions in 2020 and 2021.
- Banks' earnings in 2022 will, however, be dampened by the higher tax rate that they will have to pay under Cukai Makmur (Prosperity Tax) this financial year.
- Five digital banking licences are expected to be awarded in the first quarter of the year, which should contribute to more competition moving forward.

#### SINGAPORE


**System Loans**
**2022 (f): 7.5% - 9.0%**

2021 (e)\*: 8.1%

2020: -1.2%

**2021 Review**

- As economic activity picked up, credit demand saw a strong turnaround during the year (2021e: +8.1% YoY) compared to the contraction in the year before.
- Manufacturing, trade-related loans, together with large corporates and MNCs bulking up on liquidity, were the key contributors. On the other hand, segments such as SMEs and transport remained weak given prolonged COVID-19 management measures.
- Persistent low interest rates saw NIMs continuing to contract (-12 bps YoY). However, the pace of contraction slowed vs. 2020, as loans growth and a steeping yield curve pushed liquidity to higher yielding assets in 2021.
- Gross non-performing loans (NPL) was lower YoY at 1.5% despite the advent of new COVID-19 variants and new safe management measures. Overall, loans on moratorium facilities have reduced to negligible levels. There is limited evidence of significant NPLs materialising as customers exit these facilities.
- Provisioning costs have fallen 76% YoY (2020: increased 3x YoY) from a better-than-expected macro environment and the layering of aggressive allowances in the year before. Small general provision write-backs have also been observed.
- Overall, deposits expanded 6% (2020: 17%) driven by safe haven flows and increased liquidity among customers from slower investments and rising sales recovery.

**2022 Outlook**

- Improved growth prospects supported by accelerating vaccinations and regional borders reopening should continue to drive credit demand.
- SMEs, transportation, private banking loan demand are likely frontrunners for growth as well as fees from transaction banking and IB&A as new capacity is added and supply ramps up.
- Rising interest rates are likely to drive NIM expansion.
- Better economic prospects could improve asset quality visibility, but new COVID-19 variants leading to fresh lockdown measures remain a key downside risk.
- Asset quality is expected to remain uncertain as continued loan moratoriums and restructuring mask visibility of repayments.
- Digital bank licensees are set to begin operations in 2022. This may drive new product offerings, especially through partnerships and cross-selling across the sector.

#### INDONESIA


**System Loans**
**2022 (f): 6.5%**

2021 (f): 4.5%

2020: -2.4%

**2021 Review**

- Loans growth accelerated to 4.5% supported by attractive lending rates from the low benchmark. Stronger credit demand was seen in all segments, i.e. investment, working capital and consumer lending.
- Gross NPL ratio remained below the 5% mark as at end-2021 (end-2020: 3.1%) given that nearly 25% of banks' loan portfolios have undergone restructuring. This was due to OJK's more lenient policy on credit quality assessment for accounts affected by the pandemic.
- Loan-to-deposit ratio improved further to 78.1% (end-2020: 82.2%) indicating ample liquidity to support future lending. Deposits grew 9.4% (2020: 11.1%).
- NIM expanded to 4.52% (2020: 4.45%) along with loan acceleration.
- Capital adequacy ratio was 25% as at end-2021, well above the minimum regulatory requirement of 8%.

**2022 Outlook**

- We expect loans to grow by 7.5% YoY in 2022 from higher demand for working capital and investment as the economy starts to reopen.
- The extension of loan restructuring period until March 2023 should prevent a spike in NPLs, but could also curb NIM expansion.
- Positively, banks have much stronger provision buffers compared to the Global Financial Crisis period, attributed to IFRS 9 implementation at the start of 2020 and prudent provisioning strategy throughout the year.
- Banks' long-term prospects remain attractive given the relatively high-margin and severely underpenetrated market.

\* The Monetary Authority of Singapore has revised their reporting composition in June 2021 without making retrospective adjustments. As there is no official publication available, the growth for 2021 is using an estimate on past year's basis to provide a consistent basis of comparison.

# OUR STRATEGY

## M25: MAYBANK'S FIVE-YEAR STRATEGY

Anchored on our mission of Humanising Financial Services, our five-year strategy focuses on three Group Strategic Priorities, aimed at cementing our Business Strategic Thrusts.



M25 was operationalised in 2021, the first year of the Group's five-year plan, with key business outcomes centred around the Group's Strategic Priorities of being Pervasively Digital, building New Value Drivers and driving Sustainability forward.

Our aim to become Pervasively Digital is to evolve from being a financial services provider towards becoming our customers' lifestyle partner on the back of advanced data analytics and resilient systems and platforms, enabled by a FutureReady and agile culture to meet our stakeholders' continuously evolving needs (refer to pages 62 to 65). For the retail segment, we seek to drive financial inclusion and accessibility (refer to Group Community Financial Services on page 51). For our non-retail segment, we aim to scale up our digital capabilities across our business platforms and operating markets as well as optimise operational efficiency via Straight-Through Processing (refer to Group Global Banking on page 55). With our insurance business, our focus is to leverage digital tools to service both our customers and intermediaries and improve our overall service levels (refer to Group Insurance & Takaful on page 57). Meanwhile, Shariah-compliant features will be enhanced across our products and services (refer to Group Islamic Banking on page 60).

Our focus on building New Value Drivers (NVDs) is to capture new growth opportunities in the areas of digital, sustainability, SME and wealth, with the goal of building long-term competitive advantages. For our retail segment, we aim to empower our customers to make more relevant financial decisions, providing greater reach to the underserved, and enriching their day-to-day banking experience (refer to Group Community Financial Services on page 51). For the non-retail segment, this is achieved through transforming our end-to-end credit origination process, optimising platforms to enhance our flow business, improving our propositions to be the go-to Investment Management provider to deliver market-driven solutions, and building sustainability-first businesses to enable a more equitable and inclusive ASEAN community (refer to Group Global Banking on page 54). For our insurance segment, our NVDs are centred around digital enablement whereby either the customer or the intermediary is empowered for self-service or greater access to information and transparency (refer to Group Insurance & Takaful on page 57). On the Islamic Banking front, we focus on reimagining Islamic Banking beyond credit intermediation while harnessing growth opportunities through Islamic wealth management, the halal economy and our international business (refer to Group Islamic Banking on page 60).

In our journey towards becoming a Regional ESG Leader, our overall sustainability strategy and priorities are based on material matters identified by our internal and external stakeholders which have shaped the overarching Sustainability Pillars of the Group. These focus on supporting our clients in transitioning towards a low-carbon economy, providing access to value-based solutions, tapping into opportunities in the ESG space, enabling our communities and equipping our people with the necessary tools to drive this forward. We intend to monitor our sustainability progress via four long-term sustainability commitments: (i) Mobilising RM50 billion in sustainable finance by 2025, (ii) Improving the lives of one million households across ASEAN by 2025, (iii) Achieving a carbon neutral position of our own emissions by 2030 and net zero carbon equivalent by 2050, and (iv) Achieving one million hours per annum on sustainability and delivering one thousand significant UN SDG-related outcomes by 2025.

We view sustainability as being synergistic with the two other strategic priorities under the M25 strategy, as our overall ambition is to make financial services simple and accessible to all, while building trusted partnerships and ensuring fairness and integrity.

 For more details on our Materiality Assessment, refer to Material Matters on pages 23 to 25. For more on our sustainability initiatives and progress, refer to Group Community Financial Services, Group Global Banking, Group Insurance & Takaful, Group Islamic Banking and Sustainability Review sections on pages 51, 54, 57, 60 and 105.

As we move into the year 2022, our priority is to sustain the business growth achieved and continue to focus on executing our M25 strategic plans.

# RISK DRIVERS

In light of the operating landscape in 2021, we have identified significant risk drivers that may impact our businesses in our home countries and across the region.

## Economic

↔ 2021 ↑ 2020

### Key Drivers:

- COVID-19 vaccination rollout has accelerated globally and most advanced countries have reached herd immunity, allowing economic activity to resume.
- Recessionary pressure has subsided while economic recovery and growth is expected.
- Inflation risk remains elevated due to rising commodity prices.

### Implications to Maybank:

- Improved loans growth expected as sentiment recovers in tandem with economic recovery.
- Impact on liquidity may linger as prevailing loan moratorium affects cash flow in banks.

### Key Actions Undertaken:

- Proactively monitoring economic developments and realigning the Group's portfolio/business strategy accordingly.
- Continuously build data analytics value chain/tools to align with our journey towards data-driven decision-making.
- Continuously deliver actionable risk intelligence by providing recommendations and tailored plans to identify new revenue pools and manage asset quality.

#### Related Principal Risk(s):

- Credit risk
- Market risk
- Liquidity risk

#### Related Capital(s):



#### Related Material Matter(s):



## Technological

↑ 2021 ↑ 2020

### Key Drivers:

- Accelerating digitalisation, technology adoption and innovation to stay competitive, and to ensure productivity and efficiency of working remotely during the pandemic.
- Heightened regulatory expectations to ensure system availability and security.

### Implications to Maybank:

- Potential surge in data breaches as well as malicious activities such as cyber-attacks and phishing as a result of increasing digital and remote working arrangements.

### Key Actions Undertaken:

- Continuously evolve strategies to strengthen resilience against cyber threats, among others.
- Constant enhancement of IT infrastructure (ecosystem) and security tools to intensify customer data protection, among others.

#### Related Principal Risk(s):

- Information technology risk
- Non-financial risk
- Compliance risk

#### Related Capital(s):



#### Related Material Matter(s):



## Non-Financial

↑ 2021 ↑ 2020

### Key Drivers:

- COVID-19 crisis has intensified the need for digital solutions as well as for continued operational resilience of our people, processes and infrastructure.

### Implications to Maybank:

- Potential loss of revenue, reputation and/or productivity arising from failure to maintain operational resilience across the supply chain.

### Key Actions Undertaken:

- Strengthening the Group's operational resilience through robust business continuity and long-term strategic plans, including ongoing platform enhancements, and continuous assessment of the business, critical service providers, infrastructure, employee safety and workplace requirements.

#### Related Principal Risk(s):

- Non-financial risk
- People and performance risk

#### Related Capital(s):



#### Related Material Matter(s):



Note: Year-on-year risk movement: ↑ Increase ↓ Decrease ↔ No change

## RISK DRIVERS

### Sustainability

2021 2020

#### Key Drivers:

- Increased attention and expectations of stakeholders and regulators regarding sustainable practices, including good governance as well as responsible environmental and social practices.

#### Implications to Maybank:

- Financial and reputational risks from exposure to clients/investees who have not or have made limited progress in addressing environmental, social and governance (ESG) concerns.
- Heightened credit risk from clients who do not adopt ESG practices or are exposed to climate change impacts and transition risks.
- Increased market risk as a result of a shift in investor preference away from carbon intensive sectors or from investees with poor ESG practices.
- Implications on business continuity as well as insurance coverage and/or premium arising from the impacts of climate hazards.

#### Key Actions Undertaken:

- Establishment of Group Sustainability Framework.
- Board approval of four sustainability commitments and supporting action plans.
- Establishment of Group ESG Risk Management Framework outlining the principles and building blocks for the management of ESG risks.
- Increased capacity building initiatives for employees including the Board, senior management and client relationship managers.
- Adopted 'no new coal financing' stance.

<b>Related Principal Risk(s):</b>	<ul style="list-style-type: none"> <li>ESG risk</li> <li>Credit risk</li> <li>Market risk</li> <li>Non-financial risk</li> </ul>
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<b>Related Capital(s):</b>				
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<b>Related Material Matter(s):</b>				
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### Geopolitics

2021 2020

#### Key Drivers:

- Geopolitical tensions could disrupt global trade.

#### Implications to Maybank:

- Impact on credit growth due to weaker business and consumer confidence as possible trade disruption risk escalates.

#### Key Actions Undertaken:

- Proactively monitoring geopolitical developments and realigning the Group's portfolio/business strategy accordingly.
- Enhanced communication mechanism that provides timely information on risks/opportunities for better decision-making.

<b>Related Principal Risk(s):</b>	<ul style="list-style-type: none"> <li>Credit risk</li> <li>Market risk</li> </ul>
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<b>Related Capital(s):</b>	
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<b>Related Material Matter(s):</b>	
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Note: Year-on-year risk movement: Increase Decrease No change

## RISK DRIVERS

### PRINCIPAL RISKS FY2021

Despite continuous uncertainties in our operating environment brought on by COVID-19, we have demonstrated our organisational resilience and ability to manage emerging risks consistently across the Group in line with our risk appetite. The Group's principal risks are outlined along with actions taken to manage them, ensuring the ability to achieve our strategic goals.

 For more on how the Group manages our risks and internal controls, refer to our Statement on Risk Management and Internal Control on page 93.

#### Credit Risk

Loss of principal or income from failure of obligors or counterparties to meet contractual obligations according to agreed terms.

##### Key Actions:

- Revised the Group Credit Risk Policy in line with the principles of our Group Credit Risk Framework and to ensure effective credit risk management, resulting in positive customer experience, good quality credits, diversified and resilient credit portfolio, targeted risk-returns and capital optimisation.
- Ongoing infrastructure upgrade, streamlining counterparty risk exposure aggregation across the Group; and enhanced risk and exposure analysis with improved methodology, leading to proactive limit management.
- Established target markets and risk acceptance criteria, including lending parameters and risk profile expectations, to ensure portfolios are within the risk appetite and risk standards set.
- Aligning business strategy with Industry Prioritisation Matrix (IPM).
- Continuous proactive review of portfolios and undertaking early mitigation strategies to address the distressed portfolios.
- Identify emerging risks through regular stress tests and scenario analysis, and formulate pre-emptive actions to address possible impacts.
-  Proactive engagement with customers to assess the pandemic's impact on their business sustainability.

 For more information, refer to Financial Book on credit risk management on page 156 and Basel II Pillar 3 Disclosure on Credit Risk on [www.maybank.com/ar](http://www.maybank.com/ar)

#### Market Risk

Potential loss of economic value from adverse movements in financial market rates or prices such as interest rates, foreign exchange rates, credit spreads, commodities and equity prices.

##### Key Actions:

- Aside from daily limit monitoring and periodic stress testing, thematic reviews and ad-hoc stress tests are performed for insights into banking and trading book exposures.
- Preparations to implement Basel Interest Rate Risk in the Banking Book Standards across the Group.
- Bi-annual review of Maybank Group Trading Book limits to cater for anticipated changes in risk profile and business strategy.

 For more information, refer to Financial Book on market risk management on page 179 and Basel II Pillar 3 Disclosure on Market Risk on [www.maybank.com/ar](http://www.maybank.com/ar)

#### Liquidity Risk

Adverse impact on the Group's financial condition or overall soundness from the (perceived) inability to meet our obligations.

##### Key Actions:

-  Group-wide funding management to ensure sufficient liquidity to support loan moratoriums.
- Periodic thematic review of Banking Book inclusive of liquidity for performance and risks analysis.
- Roll out of the Intraday Liquidity Management System.
- Enhanced risk controls for optimal funding mix and capacity to raise funds in stress environment.
- Enhanced Liquidity Coverage Ratio reporting to optimise liquidity management.

 For more information, refer to Financial Book on liquidity risk management on page 194 and Basel II Pillar 3 disclosure on Liquidity Risk on [www.maybank.com/ar](http://www.maybank.com/ar)

#### Non-Financial Risk

Operational events or external factors could result in monetary losses or negatively impact our brand value and/or stakeholders' perception of the Group.

##### Key Actions:

- Strengthened operational resilience management via measures such as remote working controls and monitoring of systems availability and business continuity planning across the supply chain.
- Established Third Party Risk Management Framework to strengthen governance on third party vendor risk.
- Expanded analytics capabilities of C-InSIGHT, an assurance platform which allows for greater transparency and accountability.
- Reviewed critical business processes for products or services from the lens of the customer.
- Improved risk profiling methodology to promote greater clarity, transparency and consistency amongst risk and control owners.
- Improved product risk management dashboard and enhanced analytics to improve risk management processes, increase revenue and product speed-to-market.

 For more information, refer to Basel II Pillar 3 Disclosure on Non-Financial Risk on [www.maybank.com/ar](http://www.maybank.com/ar)

#### Information Technology (IT) Risk

Financial loss, disruption or reputational damage caused by failure of people, processes or technology leading to cyber-attack on critical systems and/or unavailability of critical technology components.

##### Key Actions:

- Continuous enhancement of cyber defence and technology capabilities, to remain operationally resilient without any major operational, IT and cyber disruptions.
- Continuously monitor and improve security posture while preventing, detecting, analysing and responding to cyber security incidents with well-established processes and tools.
- Deployed an independent assessment tool to provide oversight of the Group's IT Risk Governance and continuous monitoring of system health and capacity, among others.
- Continuously improve risk assessment of outsourced service providers to ensure compliance with security requirements.
- Continue to drive employee awareness of cyber hygiene.

 For more information on how we manage our IT Risk, refer to Pervasively Digital and Statement on Risk Management and Internal Control on pages 62 and 97 to 98.

## RISK DRIVERS

### Compliance Risk

Changing regulations could adversely impact the Group's competitiveness and ability to conduct business efficiently.

#### Key Actions:

- Continuous engagement with regulatory authorities.
- Strengthen policies, processes and controls in anticipation of and in response to new regulations, key regulatory trends, as well as domestic and international concerns.
- Continuous efforts to improve our compliance culture and awareness to comply with applicable laws, regulations and supervisory expectations.

 For more information, refer to Statement on Risk Management and Internal Control on page 93.

### Enterprise Risk

Risk arising from business/strategic, industry, reputational, corporate governance, sustainability or data quality matters.

#### Key Actions:

-  Continue to support lines of business to develop dynamic tools in managing the Group's portfolio risk during economic uncertainty as the pandemic slowdown persists throughout the year.
- Implemented Group Enterprise Risk Dashboard to provide more focused insights on the Group's portfolio risks.
- Enhanced the Group's Risk Reporting Procedure, including manual reporting processes in line with the Basel Committee on Banking Supervision (BCBS) 239 "Principles of effective risk data aggregation and risk reporting".

### Model Risk

Risk of a model not performing the tasks or capturing the risks it was designed to.

#### Key Actions:

-  Consideration of moratorium effects during pandemic for relevant models through sensitivity analysis.

### Financial Risk

Inability to meet regulatory minimum capital requirements and/or to maintain sustainable profits.

#### Key Actions:

- Enhancing digital propositions, diversification of fee income and enabling data-driven insights to strengthen customer experience and monetisation capabilities.
- Rollout of M25 strategy to build long-term competitive advantage and capture new growth opportunities.
- Embedding sustainability at the core of our business and changing our operating model and policies to create long-term sustainable value.

 For more information, refer to Reflections from Our Group Chief Financial Officer, Pervasively Digital, Customer Experience, Sustainability Review on pages 36, 62, 65 and 105 and Financial Book on financial risk management on page 150.

### Takaful & Insurance Risk

Adverse deviation in underlying assumptions on which product, pricing, underwriting, claims, reserving and retakaful/reinsurance have been made.

#### Key Actions:

- Continuous streamlining and enhancement of risk reports to encompass a wider range of Takaful & insurance businesses.
- Conduct assessments and stress testing exercises with top risk scenarios to support the decision-making process.
- Collaboration with business operations to support regulatory-driven initiatives, such as Climate Change and Principle-based Taxonomy.
- Continuously calibrate and monitor key risk indicators.

### People and Performance Risk

Loss arising from misconduct or industrial strife.

#### Key Actions:

- Our People and Performance risks are managed in accordance with our Group Human Capital policies and frameworks.

 For more information on how we manage our people, refer to Group Human Capital and Statement on Risk Management and Internal Control on pages 66 and 98 to 99.

### Environmental, Social and Governance (ESG) Risk

Failure to address ESG concerns could adversely impact the sustainability of business operations, the value of our assets and liabilities, and reputation.

#### Key Actions:

- Established a Memorandum of Understanding with WWF-Malaysia to enter into cooperation to promote and advance ESG integration into Malaysia's financial system.
- Deployment of ESG Industry Scrum teams to develop strategies for high ESG risk areas, identify means to address related issues and identify opportunities.
- Ongoing engagement with clients on the merits of sustainable practices and monitoring the progress of clients in the adoption of such practices, especially by clients in high ESG risk sectors.
- Proactively engage with customers, non-governmental organisations (NGOs), investors and regulators to encourage adoption of better ESG practices and transition to a low-carbon economy, as well as to gain better insights into these ESG sensitive industries.
- Collaborations with BNM, Securities Commission and industry players under the Joint Committee on Climate Change as well as the Association of Banks Malaysia.

 For more information, refer to Sustainability Review on page 105 and the Sustainability Report which will be made available online at [www.maybank.com/ar](http://www.maybank.com/ar) and [www.maybankfoundation.com](http://www.maybankfoundation.com)

# OUR OPERATING CONTEXT

**As the world transitions towards economic recovery, the challenge is to balance various opportunities, risks and threats. In response, we continue to remain agile and adaptive, as we focus on fulfilling our commitment to serve our stakeholders and deliver value in line with our mission and our M25 strategy.**

 This section discusses our strategic views and responses, supplementary to the Market Overview and Risk Drivers section on pages 26 and 29 respectively.



## GROUP COMMUNITY FINANCIAL SERVICES



## GROUP GLOBAL BANKING

### Operating Landscape Impact:

- Lower interest rate environment, arising from monetary policy measures, led to net interest margin compression.
- Subdued economic environment, due to the prolonged pandemic and mobility restrictions, caused a slowdown in loan demand while increasing pressure on asset quality.
- The prolonged pandemic continues to impact our customers across the region, specifically the B40 segment, individuals with reduced income, microenterprises and SMEs.
- Prolonged pandemic has intensified interest in environmental, social and governance (ESG) among regulators and the investing community.

### Material Risks & Opportunities:

- Higher demand for financial and legacy planning solutions arising from more cautious sentiments.
- Opportunity to meet evolving customer financial needs and demands arising from mobility restrictions and prolonged pandemic.
- Need to accelerate the development and enhancement of financing and digital solutions in support of the SME segment.
- Opportunity to develop initiatives and solutions to drive financial inclusion and promote balanced economic growth and development.
- Uncertain outlook on asset quality arising from the prolonged pandemic.

### Our Response:

- Continuous implementation of Straight-Through Processing (STP) capabilities for key products across ASEAN to enable a seamless digital onboarding experience and address travel restrictions due to the prolonged pandemic.
- Introduce new digital solutions while improving existing ones to support SME needs.
- Provide viable and affordable solutions for targeted customer segments requiring repayment assistance, as well as actively participate in regional governments' assistance programmes.
- Embed ESG values as part of our operations through responsible lending practices to proactively manage risks for new credit applications and asset quality as well as to drive financial inclusion.

 For more details, refer to Group Community Financial Services on pages 50 to 52.

### Outlook & Priorities for 2022:

We anticipate an economic rebound in ASEAN, largely led by an expansionary fiscal policy in supporting recovery and addressing the socio-economic impact of COVID-19. The continued push for personalised services and digital infrastructure continues to be a catalyst for increasing competition within the financial services industry. Moving into 2022, we remain committed to delivering customer-centric and meaningful solutions through our digital and ESG propositions to meet the evolving needs of our customers and the community.

### Operating Landscape Impact:

- Prolonged pandemic resulted in slow economic activities across all sectors, impacting loans growth and weakening asset quality prospects.
- Net interest income rebounded from the re-pricing of deposits, alongside strong growth in CASA deposits.
- Continued volatility in financial markets from supply chain disruptions and the tapering of the US Federal Reserve asset purchase programme causing lower mark-to-market gains.
- Greater push to drive ESG practices as policymakers, businesses and investors focus on the sustainability agenda.
- Heightened competition from financial and non-financial technology disruptors driven by plug-and-play and application programming interface (API) solutions.

### Material Risks & Opportunities:

- Growth opportunities seen in selected sectors such as healthcare, e-commerce and telecommunications.
- Corporates are re-engineering their business models to adapt and build resilience in the face of climate change while seeking innovative sustainable advisory and solutions.
- Increased need for rapid technology innovation driven by shift in the way of doing business post-pandemic.
- Ongoing transition to new Risk-Free Rates (RFR) due to the full cessation of LIBOR rates globally in 2022 impacting customers as well as banks' operations and IT infrastructure.

### Our Response:

- Partnering with customers to navigate the challenges and mitigate risks while connecting them to growth opportunities across ASEAN through consistent engagement to provide them with relevant and client-centric solutions.
- Strengthen balance sheet resilience to achieve optimum risk-adjusted returns through sharpening of customer segment and tailoring our risk appetite across operating markets.
- Infuse ESG capabilities across business and markets beyond environmental impact solutions, as we partner with our customers in their sustainability aspirations.
- Expand and scale up our platforms through digital transformation of our front-to-back office systems and processes to enhance seamlessness and efficiencies in the delivery of solutions.
- Proactive customer engagement and outreach programmes to ensure smooth LIBOR transition.

 For more details, refer to Group Global Banking on pages 53 to 55.

### Outlook & Priorities for 2022:

While we are cautiously optimistic that the region's growth trajectory will improve following the reopening of more economic sectors, we remain vigilant as new COVID-19 variants emerge and the geopolitical landscape remains uncertain. We expect financing and investment activities to pick up; however, financial markets will rebalance following exceptional growth experienced in the past two years. We will continue to focus on building a sustainable and resilient franchise by reshaping our portfolio across our operating markets to optimise returns and expand our sustainable solutions, while striving to deliver consistent, customer-centric solutions powered by digital capabilities and data-driven insights.

## OUR OPERATING CONTEXT



### GROUP INSURANCE & TAKAFUL

#### Operating Landscape Impact:

- Despite COVID-19 vaccination programmes, cases surged especially due to new variants. As such, our branch operations had to be limited with more customers opting to transact online and engage virtually.
- BNM is encouraging financial institutions to embed climate-related risk considerations into their business operations and decision making. This includes promoting financial flows to activities that will support the transition to a low-carbon and climate-resilient economy.
- Lower demand for new vehicles and properties amid the prolonged pandemic and economic uncertainty is leading to the expectation of flat volume for general insurance.
- The challenging investment landscape has reduced returns in investment portfolios.

#### Material Risks & Opportunities:

- Large number of underinsured population across ASEAN yet to be tapped.
- Changes in consumer behaviour as digital platforms become the preferred mode of transaction.
- Greater attention to health and well-being coupled with the need to maintain social distancing may trigger demand for medical health insurance with telemedicine or medication delivery.

#### Our Response:

- Continue to provide coverage to customers in line with our philosophy of FEBA (Fast and Easy, Best Advice) leveraging our digital tools and applications to develop need-based solutions. This includes, among many others:
  - Improved digital accessibility and infrastructure for our customers and intermediaries with initiatives such as Agent on the Go, Etiqa Virtual Insurance Advisor and Smile App
  - New add-on to our motor insurance/takaful – Drive Less Save More – that provides rebates for drivers who were on the road less, with the ultimate intention of encouraging less overall driving to benefit the environment
  - Enhanced auto assistance system for auto customers
  - Health and well-being solutions such as Gigantiq and Amber
- Solutions to facilitate pent-up travel demand with the gradual reopening of the economy
- Financial and non-financial contributions as well as COVID-19-related coverage to assist the government, communities and our customers impacted by the prolonged pandemic.

For more details, refer to Group Insurance & Takaful on pages 56 to 58.

#### Outlook & Priorities for 2022:

The pace of economic recovery remains contingent on the effectiveness of the vaccination roll-out including booster shots, the emergence of new COVID-19 variants, as well as the extent to which businesses adapt to the new environment. Given the challenges, there are opportunities in selected segments especially products related to COVID-19 protection and online channels. Further, there is an increased call by the regulators and investing community for the insurance industry to have a clear sustainability agenda and roadmap. As an early adopter of ESG and Value-Based Intermediation (VBI), we have already laid the foundations of a sustainability framework in line with our purpose statement: "To make the world a better place".



### GROUP ISLAMIC BANKING

#### Operating Landscape Impact:

- Supportive government initiatives and policies, and regulatory environment aimed at assisting businesses and communities amid elevated number of COVID-19 cases, which disrupted economic activities.
- The pandemic has accelerated the shift of consumer preference towards digital and sustainable solutions with an increasing emphasis on responsible business practices.

#### Material Risks & Opportunities:

- Challenging business environment and prolonged impact on economic recovery resulting from the COVID-19 pandemic have disrupted the livelihoods of households and their ability to meet financial obligations.
- Demand for Shariah-compliant solutions remains resilient as consumers shift towards community-centric and sustainable financial solutions, with the addressable market anticipated to grow.

#### Our Response:

- Continue to embed sustainability into our Shariah-compliant financial products to fulfil the needs of our customers throughout our business activities.
- Provided assistance to individuals and businesses facing challenges amid the current environment to meet their financial obligation.
- Launched programmes targeted at supporting vulnerable households impacted by the pandemic, utilising Islamic Social Finance instruments such as zakat, waqf and sadaqah.
- Collaborated with regulators and industry peers to develop the Value-Based Intermediation Financing and Investment Impact Assessment Framework (VBIAF) Manufacturing Sectorial guide.

For more details, refer to Group Islamic Banking on pages 59 to 61.

#### Outlook & Priorities for 2022:

As the global economy continues to recover, regulators in our home markets are expected to maintain supportive interventions to assist the resumption of economic activities whilst encouraging the development of financial solutions that stimulate sustainable growth and financial inclusion. We remain committed to providing such solutions to serve the needs of customers including the infusion of zakat, waqf and sadaqah. This is coupled with the digitalisation of solutions to provide better customer experience and distribution network for Islamic financial products.

# KEY PERFORMANCE INDICATORS

We proactively measure and monitor our performance against key metrics identified under our five-year strategy that help us stay focused towards creating and delivering value for our stakeholders.



## SUSTAINABLE ROE

### Return on Equity

2020	2021
<b>8.1%</b>	<b>9.8%</b>

2021 Target: ~9%   
M25 Target: 13–15%

### Cost to Income Ratio

2020	2021
<b>45.3%</b>	<b>45.3%</b>

2021 Target: 45–46%   
M25 Target: ≤45%

### Earnings Per Share

2020	2021
<b>57.7 sen</b>	<b>69.7 sen</b>

M25 Target: >100 sen per share

### Dividend Payout Ratio

2020	2021
<b>91.2%</b>	<b>84.5%</b>

2021 Target: 40–60%   
M25 Target: 40–60%



## REGIONAL ESG LEADER<sup>^</sup>

### Sustainable Financing

**2021**  
**Over  
RM 13.6  
billion**

M25 Target: Mobilising RM50 billion in sustainable finance by 2025

### Improving Households

**2021**  
**502,759  
households**

M25 Target: Improving the lives of one million households across ASEAN by 2025

### Carbon Neutral Position

**2021**  
**Sale and Purchase  
Agreement of mRECs\*  
(equivalent to 70% of our  
Malaysia Scope 2 emissions)**

M25 Target: Achieving a carbon neutral position of our own emissions by 2030 and Net Zero Carbon equivalent position by 2050

### Sustainability Hours and UN SDG-Related Outcomes

**2021**  
**1,636,652<sup>#</sup>  
hours**

M25 Target: Achieving one million hours per annum on sustainability and delivering one thousand significant UN SDG-related outcomes by 2025



## TOP RATED CUSTOMER EXPERIENCE

### Net Promoter Score

2020	2021
<b>+20</b>	<b>+23</b>
(95 <sup>th</sup> percentile)	(95 <sup>th</sup> percentile)

2021 Target: >75<sup>th</sup> percentile   
M25 Target: >75<sup>th</sup> percentile

## HUMAN CAPITAL

### Succession Realisation for Mission Critical Positions

2020	2021
<b>81%</b>	<b>93%</b>

M25 Target: 80%

### Women in Senior Management

2020	2021
<b>40%</b>	<b>41%</b>

M25 Target: 45%

Note:  indicates 2021 target has been achieved

<sup>^</sup> In line with the commencement of M25, we began tracking Regional ESG Leader targets from 2021 onwards.

\* Malaysia Renewable Energy Certificates.

# United Nations Global Compact Network Malaysia & Brunei has also provided Second Party Opinion on the approach and processes undertaken in reporting the sustainability hours and UN SDG.

# REFLECTIONS FROM OUR GROUP CHIEF FINANCIAL OFFICER

We entered 2021 with cautious optimism not knowing if economic recovery would be consistent across our home markets. As the year progressed, the emergence of new variants caused a spike in infections, bringing back movement restrictions and other containment measures, which resulted in early recovery momentum coming to a halt, impacting business activities. Recognising the need to continue to support our customers, we remained steadfast in providing financial support and solutions to ensure they could weather the strain of the prolonged pandemic and its resulting impact. In doing so, we also continued to prioritise capital and liquidity strength in order to keep funding accessible to customers while ensuring we had sufficient provision buffers to address potential asset quality slippage that could place pressure on our capital levels and shareholder returns. With our prudent stance, we managed to deliver a resilient performance in FY2021.

## TOP ACHIEVEMENTS IN 2021



Low cost funding expansion with Group **CASA ratio** of **47.1%**



Growth in net fund based income as **NIM rebounded 22 bps**



Sustained shareholder rewards with **84.5% dividend payout ratio**



Momentum towards recovery with Group **gross loans growth of 5.7%**



Robust capitalisation with Group **CET1 Capital Ratio of 16.090%**

## REFLECTIONS FROM OUR GROUP CHIEF FINANCIAL OFFICER

### ANALYSIS OF INCOME STATEMENT FOR FY2021

	FY2021 RM million	FY2020 RM million	YoY
Net fund based income	<b>19,089.0</b>	16,650.5	14.6%
Net fee based income	<b>6,359.4</b>	8,112.7	(21.6)%
<b>Net operating income</b>	<b>25,448.4</b>	24,763.2	2.8%
Overhead expenses	<b>(11,518.5)</b>	(11,221.9)	2.6%
<b>Pre-provisioning operating profit (PPOP)<sup>1</sup></b>	<b>13,929.9</b>	13,541.3	2.9%
Net impairment losses	<b>(3,229.4)</b>	(5,093.5)	(36.6)%
<b>Operating profit</b>	<b>10,700.4</b>	8,447.8	26.7%
<b>Profit before taxation and zakat (PBT)</b>	<b>10,886.6</b>	8,657.0	25.8%
<b>Net Profit<sup>2</sup></b>	<b>8,096.2</b>	6,481.2	24.9%
EPS – basic (sen)	<b>69.7</b>	57.7	20.8%

Note:

<sup>1</sup> Pre-provisioning operating profit (PPOP) is equivalent to operating profit before impairment losses

<sup>2</sup> Net Profit is equivalent to profit attributable to equity holders of the Bank

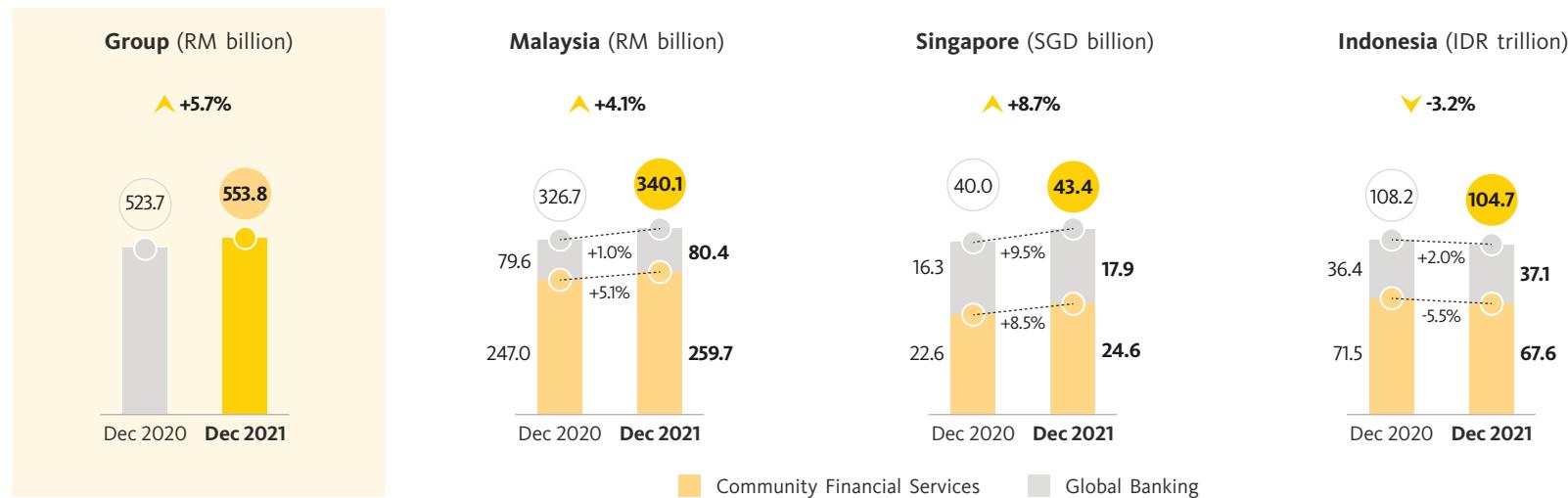
### SUSTAINING OUR PERFORMANCE AMIDST UNEVEN ECONOMIC RECOVERY

- The Group's net operating income grew 2.8% YoY supported by improvement in net fund based income of 14.6% YoY, but moderated by a decline in net fee based income by 21.6% YoY.
- Net fund based income growth was mainly driven by net interest margin (NIM) expansion of 22 bps YoY, as funding costs for customer deposits reduced 38.5% YoY from the stronger growth in lower cost deposits, namely current and savings accounts (CASA) during a period of prevailing low interest rates. The improvement in NIM came ahead of the Group's guidance for expansion of 10 bps to 15 bps in FY2021.
- Meanwhile, for net fee based income, core fees improved 7.8% YoY from higher commission, service charges and fees, as we saw improved business activities before and after the nationwide movement restrictions in the middle of the year. However, overall net fee based income declined by 21.6% YoY, due to lower realised disposal gains on investment securities this year, compared to the opportunistic gains realised in FY2020 given the low-yield environment. The reduction in net fee based income was also due to the mark-to-market losses in the fixed income portfolio held by our insurance arm and unrealised losses in equity shares by our insurance and investment banking units.
- The Group continued to maintain its cost discipline which resulted in contained growth in overheads of 2.6% YoY. This was incurred from higher personnel costs, IT expenses and marketing costs, in line with the pick-up in activity seen this year. The Group's cost to income ratio (CIR) for FY2021 was stable at 45.3%, which was within our guidance of 45% to 46% for FY2021.
- We maintained our prudent stance on asset quality management given economic uncertainty for some markets arising from movement restrictions for a good part of 2021. As such, the net loan loss provisioning was RM2.66 billion in FY2021, on top of the RM4.60 billion taken a year earlier. Provisioning for FY2021 was mainly attributed to management overlays for repayment assistance and targeted repayment assistance programmes, newly and existing impaired accounts as well as to facilitate the write-offs for some accounts across our home markets.
- As a result of better net operating income, moderate overheads growth and lower net provisions compared to last year, the Group's FY2021 net profit improved by 24.9% YoY, while Return on Equity stood at 9.8%, ahead of our Key Performance Indicator (KPI) of circa 9% for FY2021.
- While we continue to prioritise capital and liquidity strength, we maintained our commitment to reward our shareholders by maintaining our dividend payout policy rate at 40% to 60%. With this, we declared a first interim dividend of 28 sen per share and a second interim dividend of 30 sen per share for FY2021, taking the total dividend to 58 sen per share.

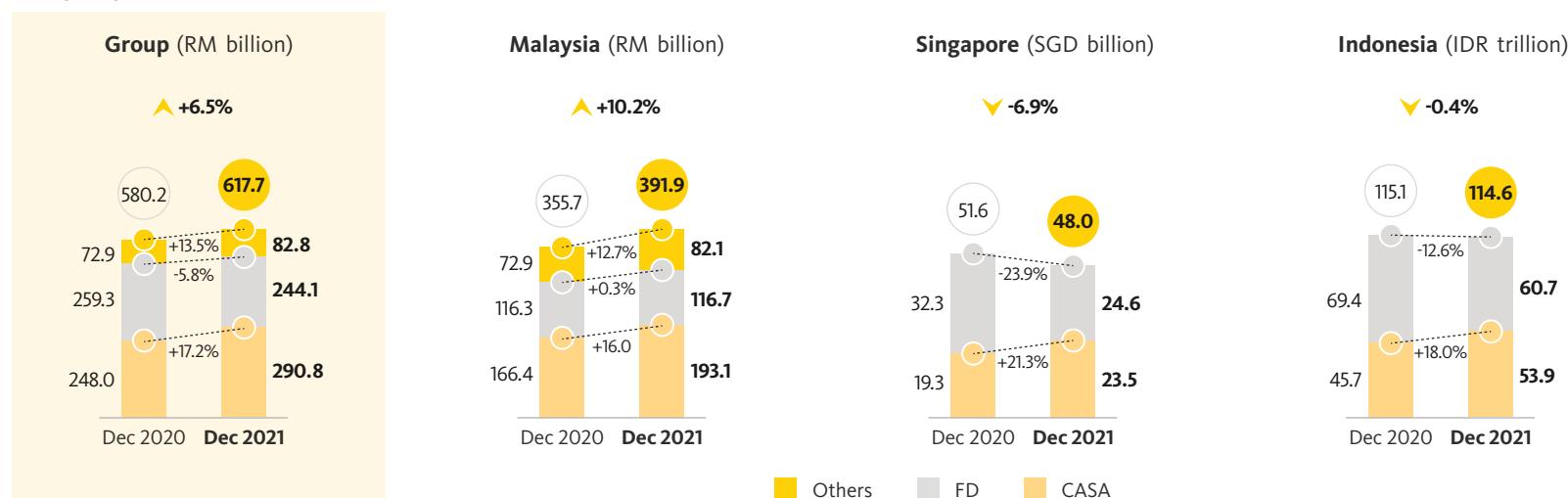
## REFLECTIONS FROM OUR GROUP CHIEF FINANCIAL OFFICER

### ANALYSIS OF BALANCE SHEET AS AT 31 DECEMBER 2021

#### Group Gross Loans (YoY)



#### Group Deposits (YoY)



#### CASA Ratio:

42.8%	47.1%	46.8%	49.3%	37.5%	48.8%	39.7%	47.0%
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#### TARGETED LOANS GROWTH GIVEN UNEVEN RECOVERY TRAJECTORY ACROSS OUR HOME MARKETS

- Group gross loans grew by 5.7% YoY, driven by expansion in the Community Financial Services (CFS) franchise in Malaysia and Singapore and the Global Banking (GB) operations across our home markets.
- Malaysia's overall growth of 4.1% was supported by expansion in CFS and GB portfolios of 5.1% and 1.0% YoY respectively. For CFS, the expansion was led by our consumer, retail SME (RSME) and business banking (BB) lines. The consumer book expanded 4.4% YoY, as mortgages grew 6.6% driven by demand in residential properties in our targeted customer segment as well as immediate loan disbursements in the secondary market. Meanwhile, auto finance grew 2.0% as customers took advantage of tax exemptions and aggressive campaigns by distributors. Similarly, credit cards grew by 4.5% as more spending was seen upon the gradual reopening of the economy.
- Meanwhile, RSME expanded 10.7% YoY, supported by term loans, property-based financing, government aided funds and portfolio guarantee loans as well as the continued growth in our SME Digital Financing. BB loans expanded 6.3% YoY, contributed by growth driven by the SME Plus segment and trade customers. GB grew 1.0% YoY, attributed to trade financing but moderated by lower term loans, short-term revolving credits and overdrafts.
- In Singapore, the 8.7% expansion was balanced, as the CFS and GB businesses grew 8.5% and 9.5% respectively. CFS growth was led by mortgage loans, auto financing, RSME and BB loans. Meanwhile, GB growth was attributed to higher trade utilisation as well as loan disbursements in the REIT, financial institutions and manufacturing segments.
- The decline of 3.2% in Indonesia was due to CFS contracting by 5.5% YoY, mainly from loan repayments outpacing new loan disbursements, with the prolonged pandemic affecting demand and the continued re-profiling and de-risking of some BB exposures. This was moderated by an expansion in GB of 2.0%, driven by the construction and telecommunications sectors.

## REFLECTIONS FROM OUR GROUP CHIEF FINANCIAL OFFICER

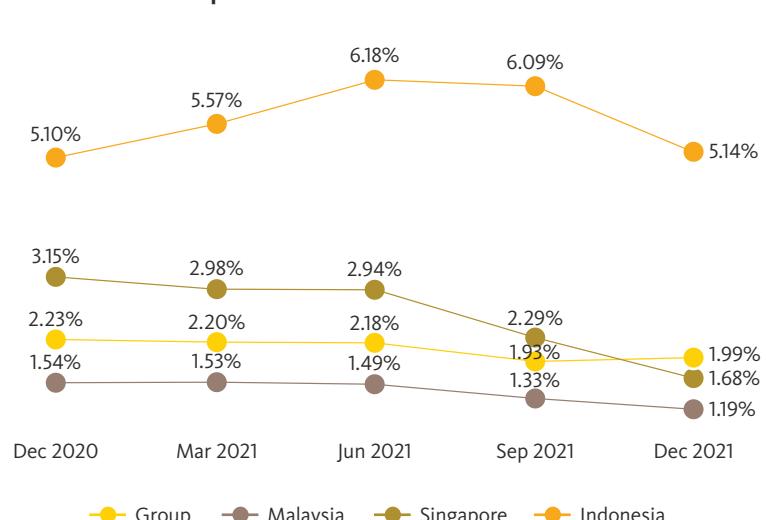
### LOW-COST FUNDING EXPANSION ACROSS OUR HOME MARKETS

- We continued to drive growth in CASA deposits supported by our targeted campaigns and efforts to improve CASA stickiness. We achieved Group-wide CASA growth of 17.2% YoY, pushing the Group CASA ratio to 47.1% as at 31 December 2021 from 42.8% in the prior year.
- In Malaysia, CASA grew 16.0% YoY with strong contributions from the consumer segment as well as our continued focus to increase key customer operational accounts, acquire and retain low-cost CASA through various tactical campaigns and online channels. This led to our Malaysia CASA ratio improving to 49.3% from 46.8% last year as fixed deposits (FD) remained stable YoY. Meanwhile, other deposits grew by 12.7% on clients' cash flow requirements and the Group's liquidity requirements. Overall deposit growth in Malaysia was up 10.2%.
- Singapore's CASA was up by 21.3% YoY as we stepped up efforts to get companies to increase usage of our digital channels and savings account for transactions and drove retention focused campaigns. We also sought corporate clients to utilise our cash management solutions for their liquidity management needs in light of market uncertainties given the pandemic and the low interest rate environment. Singapore's FD declined by 23.9% YoY from our conscious effort to focus on right pricing of costlier FD, resulting in total deposits reducing by 6.9%. Singapore's CASA ratio improved to 48.8% from 37.5% a year ago.
- In Indonesia, CASA expanded by 18.0% mainly from higher current accounts while FD reduced by 12.6% as the Bank sought to reduce liquidity surplus and costlier deposits. Maybank Indonesia continues with its strategy to acquire CASA through cash management and digital banking solutions, which has helped its CASA ratio improve to 47.0% YoY from 39.7%. Total deposits saw a slight reduction of 0.4% YoY.

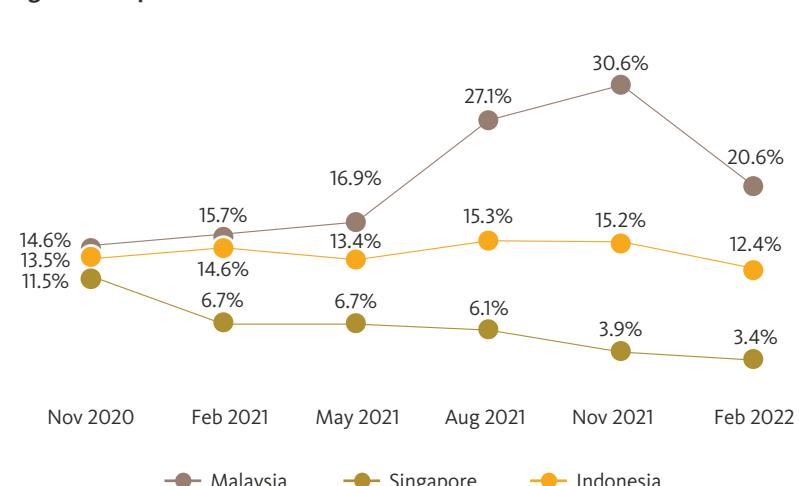
### CONTINUED PRUDENCE AND CONSERVATISM IN MANAGING ASSET QUALITY

- With the spread of new virus variants against a backdrop of slower than expected rollout of vaccinations in some countries during the earlier part of FY2021, Maybank remained committed in providing support to our borrowers and the broader economy to ensure viability of businesses.
- Although we had booked RM4.60 billion in loan provisions for FY2020, with close to half attributed to proactive provisioning either through management overlays (MOA) for vulnerable borrowers or macroeconomic variable adjustments, we continued to adopt prudence in FY2021 by taking in some MOAs for the portion of loans under repayment assistance and targeted repayment assistance programmes, especially in Malaysia. This was done since Malaysia saw an extension and broadening of repayment assistance programmes by the government during 2021, which led to an increase in loans under relief programmes.
- The Group's total loan provisioning for FY2021 was lower at RM2.66 billion than a year before due to the sizeable pre-emptive provisioning taken for FY2020 and given the generally better macroeconomic indicators for 2021. The provisions made for FY2021 were mainly attributed to specific MOAs, newly and existing impaired accounts as well as to facilitate the write-offs for some accounts across our home markets.
- The Group's annualised net credit charge off rate came in at 51 bps, better than the full year guidance of 70 bps to 80 bps for FY2021 due to recoveries as well as write backs of MOA for forward-looking adjustments in the fourth quarter. MOAs are subject to write backs on better macroeconomic outlook, model change implementation or when there are positive developments with specific borrowers.
- Our loan loss coverage increased to 111.9% from 106.3% a year ago, on additional provisioning undertaken and as several older impaired accounts were written-off throughout the year.
- Arising from some recoveries and repayments of specific borrowers as well as write-offs of older impairments, the Group GIL ratio reduced to 1.99% YoY as at 31 December 2021 from 2.23% a year ago.
- In terms of loans under relief, restructuring and rescheduling (R&R) as well as repayment assistance programmes, Singapore has been on a downward trend since late 2020 given the progressive expiry of its programmes and better economic recovery experienced in 2021.
- Meanwhile, as mentioned earlier, Malaysia saw a spike in the second half of 2021, given the introduction of various repayment assistance programmes throughout the year including the six-month loan moratorium to all individuals, microenterprises and SMEs under the PEMULIH programme. These programmes were re-introduced given the prolonged movement restrictions experienced in the middle of 2021, which impacted economic activity.
- Similarly, Indonesia saw a slight increase in relief programmes in the middle of the year as movement restrictions were emplaced on rising COVID-19 cases.
- However, now that vaccination rates have improved significantly allowing economies to reopen, the portion of loans under relief, R&R and repayment assistance programmes has started to reduce in Malaysia (20.6%) and Indonesia (12.4%) as observed in early February 2022.

**GIL Ratio for Group and Home Markets**



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



## REFLECTIONS FROM OUR GROUP CHIEF FINANCIAL OFFICER

### INVESTOR KEY FOCUS AREAS AND OUR RESPONSES



#### HOME MARKETS' BANKING SECTOR & POLICIES

We received questions on the NIM outlook given expectations of economic recovery, with rising inflation driving policy rate hikes across our home markets and globally. There were also questions related to the stickiness of CASA deposits moving forward, as mobility improved. We responded that our tactical strategy in preserving CASA would benefit NIM while we remained selective over asset growth in 2021 to avoid excessive risk taking. Meanwhile, we also had questions on the impact of the one-off prosperity tax announced by the Federal Government of Malaysia applicable in 2022.



#### GROWTH DRIVERS

There were questions on how we intend to enhance Islamic banking offerings and develop the wealth space for fee-income uplift. There were also queries on strategy to capture quality growth in the SME space, while balancing the need for financial inclusion. We provided that through our strategic priorities, by being Pervasively Digital, unlocking New Value Drivers and driving Sustainability initiatives. We are able to offer products and services that are sustainable and are better catered to our customers' varied needs.



#### M25 STRATEGY

We hosted an Investor Day to explain the Group's unveiling of its new five-year plan, M25, in 2021. We addressed questions on what would be the focus areas of growth under the strategy and what would be the long-term financial and non-financial targets under this plan. Maybank undertook dedicated investor engagements with our institutional and retail shareholders to explain this plan through one-to-one and group meetings as well as the Annual General Meeting.

Refer to Our Strategy, Group Community Financial Services, Group Global Banking, Group Insurance & Takaful, Group Islamic Banking, Pervasively Digital and Sustainability Review on pages 28, 51, 54, 57, 60, 62 and 105.



#### ASSET QUALITY

Key questions were on the portion of loans by the Group under relief programmes, breakdown of composition by markets, lines of business and income levels for Malaysia. Also, the expected formation of impaired loans arising from the expiry of the relief programmes, mainly in 2022, and level of provisioning required for these programmes. There was also interest on how we intend to support and assist vulnerable borrowers after the expiry of loan reliefs. We addressed these concerns by refining our quarterly results' investor presentation, which can be found on our corporate website, to address these queries.

Also, refer to pages 12 and 13 of the Financial Book.



#### SUSTAINABILITY

Investors were keen to understand our overall plans towards achieving carbon-neutrality for our own emissions by 2030 and net zero carbon by 2050 as per our M25 commitments. They also wanted to know our transition plans and timelines for high-risk sectors such as coal and how we were supporting sustainable financing. We held a Sustainability Investor Day to provide insights into our existing sustainability journey and the four new sustainability commitments announced in 2021, given that sustainability is one of the three strategic priorities under M25. We have also now embedded a slide on ESG into our quarterly results' investor presentation to update our progress on our sustainability commitments.

Refer to Sustainability Review on pages 105 to 114.



#### SHAREHOLDER RETURNS

Investors wanted to know if we had any plans to scale back on the Dividend Reinvestment Plan (DRP) to limit growth in the equity base in light of the higher ROE target under M25. We continue to maintain our dividend payout policy at 40% to 60% as part of our commitment to rewarding our shareholders, while maintaining flexibility of having the DRP to pursue growth opportunities. There were questions also on potential plans to unlock shareholder value through a corporate listing of Etiqa or divestment in non-core assets, in which we continue to evaluate opportunities as they arise.

Refer to page 42 for the dividend payout chart.



#### DIGITAL

Many investors wanted to understand the implications of BNM granting digital banking licenses and our plans to compete with incoming digital banks. There was also interest on our focus areas for digitalisation under M25 and how it could be enabled. We shared that we were already in a position to meet the needs of our customers both digitally and physically, enabled by our focus on customer experience, long-standing trust in the marketplace, and robust technology infrastructure. We also took the opportunity to provide more detailed insight on this during our M25 Investor Day.

Refer to Pervasively Digital on pages 62 to 64.

### EFFECTIVE CAPITAL AND LIQUIDITY MANAGEMENT

#### FUNDING AND LIQUIDITY PROFILE IS STABLE AND WELL-DIVERSIFIED

- Our liquidity is managed proactively across the Group in order to ensure sufficient liquidity to meet financial obligations and to conduct business even under stressed situations. We conduct frequent reviews of balance sheet management strategies which include the funding needs of the Group, taking into account liquidity risk levels, market competitiveness and the economic outlook.
- Through our agile funding strategy, we were able to maintain healthy liquidity risk indicators, with a liquidity coverage ratio (LCR) of 136.4% as at 31 December 2021, above Bank Negara Malaysia (BNM)'s minimum LCR requirement of 100%. In addition, our other liquidity indicators such as loan-to-deposit ratio (LDR), loan-to-fund ratio (LTF) and loan-to-fund-and-equity ratio (LTFR) remained robust at 89.5%, 83.3% and 73.5%, respectively, as at 31 December 2021.

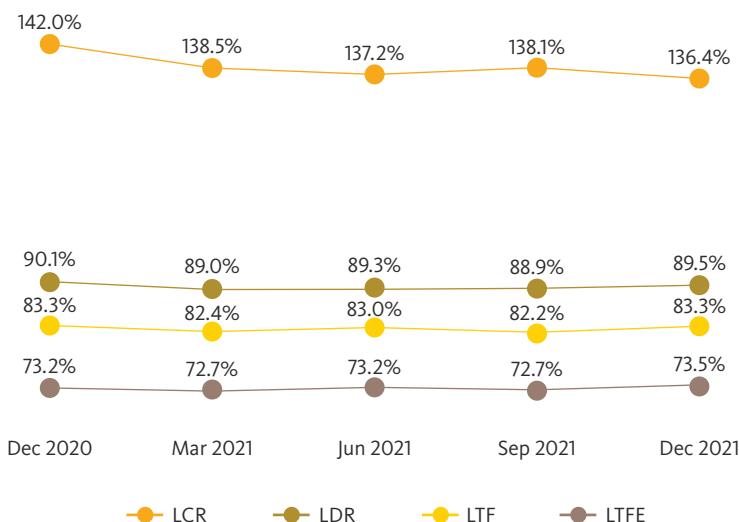
## REFLECTIONS FROM OUR GROUP CHIEF FINANCIAL OFFICER

### FUNDING AND LIQUIDITY PROFILE IS STABLE AND WELL-DIVERSIFIED (CONT'D.)

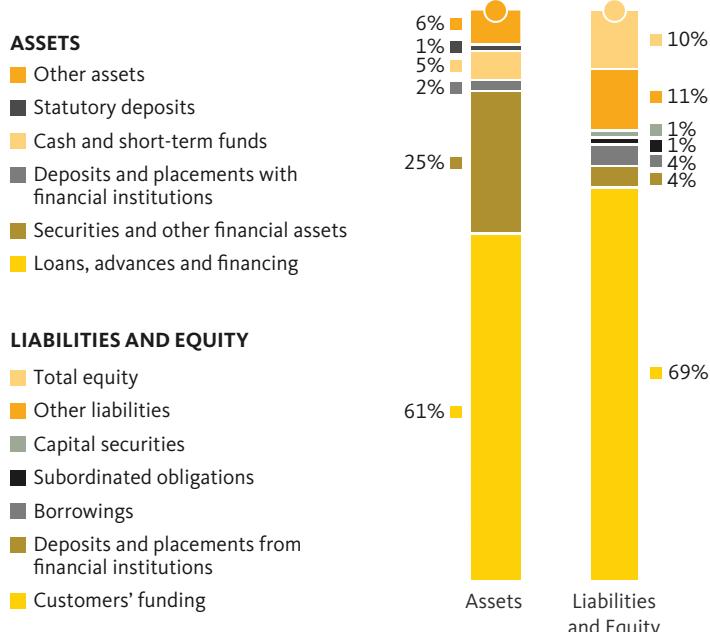
- As the Group's liquidity and capital positions remained strong over FY2021, the Group did not need to utilise the relief measures provided by BNM since March 2020. BNM previously issued the *Additional Measures to Assist Borrowers/Customers Affected by the COVID-19 Outbreak* in March 2020, whereby banking institutions were allowed to drawdown on the capital conservation buffer of 2.5%, operate below the minimum LCR of 100% and reduce regulatory reserves held against expected loss to 0%, as part of the relief measures in response to the pandemic. Furthermore, the Net Stable Funding Ratio (NSFR) requirements were lowered to a minimum requirement of 80% when it took effect on 1 July 2020. These special allowances were granted by BNM to banking institutions up to 30 September 2021.

More on how the Group manages its liquidity can be found in Note 54(g) on page 194 of the Financial Book

#### Liquidity Risk Indicators



#### Assets and Funding Structure

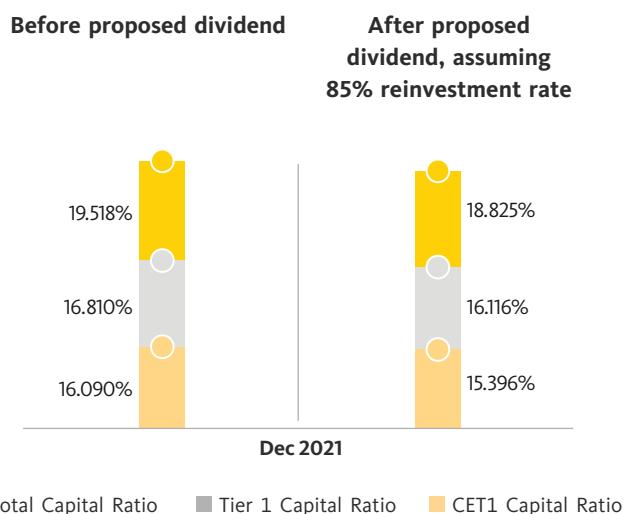


### ROBUST CAPITAL BASE MAINTAINED

- Our capitalisation levels remained healthy with our Group CET1 Capital Ratio and Group Total Capital Ratio at 16.090% and 19.518% respectively, as at 31 December 2021. After the proposed second interim dividend, our Group CET1 Capital Ratio and Group Total Capital Ratio are projected to remain strong at 15.396% and 18.825% respectively, assuming an 85% reinvestment rate for the dividend reinvestment plan.
- As Maybank is a domestic systematically important bank (D-SIB) and has been classified under Bucket 2 by BNM since early 2021, a Higher Loss Absorbency (HLA) of 1% of Risk-Weighted Assets is required. There is no material impact on the capital levels pursuant to the D-SIB announcement.
- Our key capital and funding initiatives for FY2021 include the following:
  - We continued to broaden and diversify fund and capital raising through various sources, currencies, investors and markets. This included the issuance of fixed and floating rate notes in domestic and foreign currencies, such as the issuance of RM3.0 billion Tier 2 Sukuk Murabahah, SGD and USD extendible money market certificates, MYR and USD commercial papers and other foreign currency denominated medium term notes.
  - The Group also restructured the capital mix of the subsidiaries and overseas branches as part of the Group-wide capital optimisation and restructuring initiative.

More on how the Group manages its capital can be found in Notes 58, 59 and 60 on pages 215 to 219 of the Financial Book.

#### Group Capital Ratios



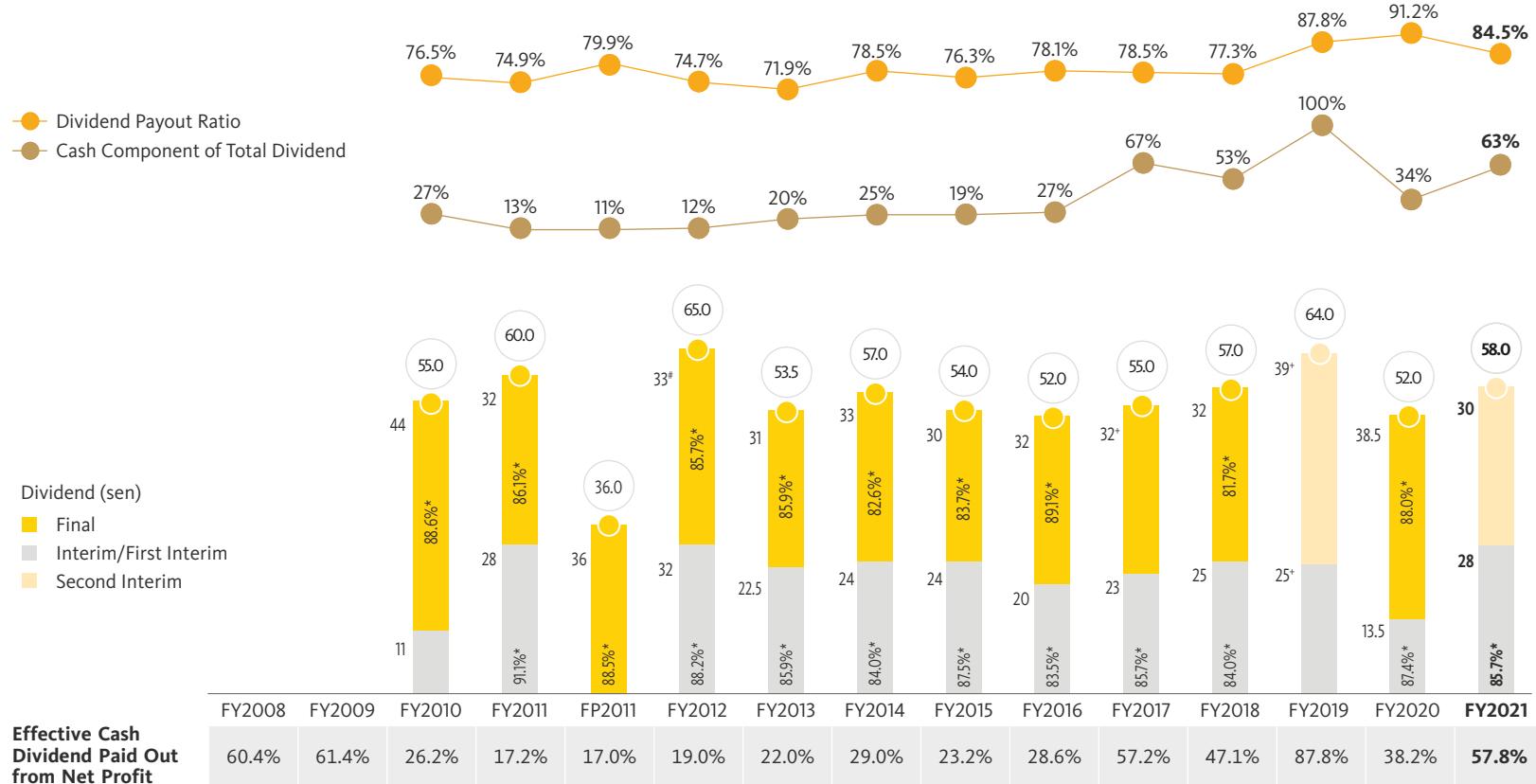
#### Regulatory Requirement:

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

## REFLECTIONS FROM OUR GROUP CHIEF FINANCIAL OFFICER

### VALUE CREATION FOR OUR SHAREHOLDERS

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



Note:

\* Actual Reinvestment Rate for Dividend Reinvestment Plan. The reinvestment rate for Second Interim Dividend FY2021 is pending the execution of the 22<sup>nd</sup> DRP.

+ The Final Dividend for FY2017, Interim and Second Interim Dividend (reclassification from Final Dividend) for FY2019 were fully in cash.

# The Net Dividend is 28.5 sen of which 15 sen is single-tier dividend. Maybank adopted the single-tier dividend regime with effect from FY2012.

• Effective Cash Dividend Paid Out for FY2021 is based on the actual reinvestment rate for First Interim Dividend FY2021 and an 85% reinvestment rate assumption for Second Interim Dividend FY2021.

- We remain committed to delivering long-term value for our shareholders by maintaining a long-term dividend payout policy rate of 40% to 60%. We continue to emphasise maintaining a strong dividend payout as part of our commitment to meet shareholders' expectations for good returns while managing the Group's capital effectively.
- Despite the challenging financial year, the Board declared a single-tier first interim dividend of 28 sen per ordinary share for FY2021. A Dividend Reinvestment Plan (DRP) was applied to the first interim dividend, in which 14 sen was electable to be reinvested in new Maybank shares in accordance with the DRP, which saw an 85.7% reinvestment take-up rate.
- In our pursuit to continue rewarding shareholders, the Board has declared a single-tier second interim dividend of 30 sen per ordinary share for FY2021, which consists of a cash portion of 22.5 sen and an electable portion of 7.5 sen. As such, the total dividend for FY2021 is 58 sen per share, equivalent to a payout ratio of 84.5%, above the Group's dividend payout policy rate. Effective cash dividend paid out from net profit for FY2021 is 57.8% from 38.2% a year earlier.

More on dividends and DRP can be found in Notes 33(b) and 52 on pages 127 and 146 of the Financial Book.

### OUTLOOK & PRIORITIES FOR 2022

As economies move into a more sustained recovery in 2022, the repayment assistance programmes are expected to expire on lessening cashflow pressures experienced by customers and as their livelihoods stabilise. We will continue to engage with borrowers and offer targeted support to those who require additional support through the year with the intention of helping them adjust to the new operating environment. To do this, Maybank will maintain its capital and liquidity strength. We will also defend our CASA balances to preserve NIM as economic activity rebounds and mobility normalises.

The Group will also target fee-based income opportunities through its wealth management, global markets, investment banking, asset management and insurance segments while maintaining focus on accelerating digital product rollouts to increase market penetration. Maybank also remains focused on improving productivity and efficiencies while undertaking strategic investment spend to enhance digital and sustainability capabilities aligned to M25 ambitions.

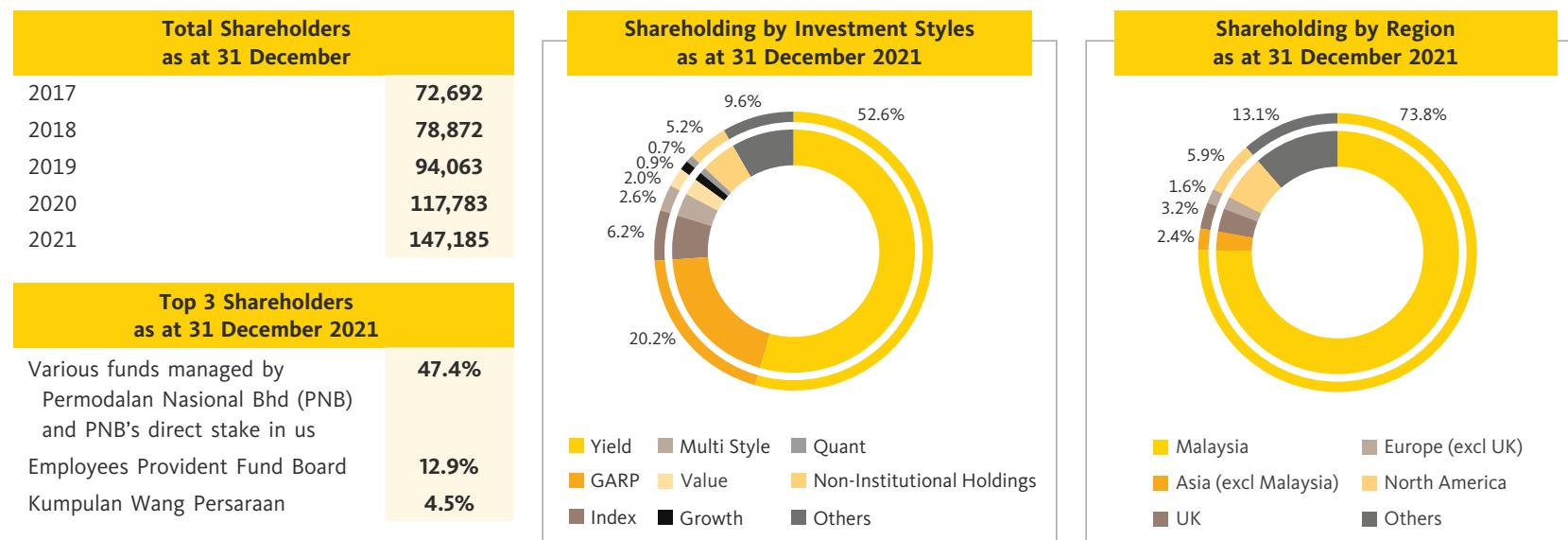
# INVESTOR INFORMATION

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

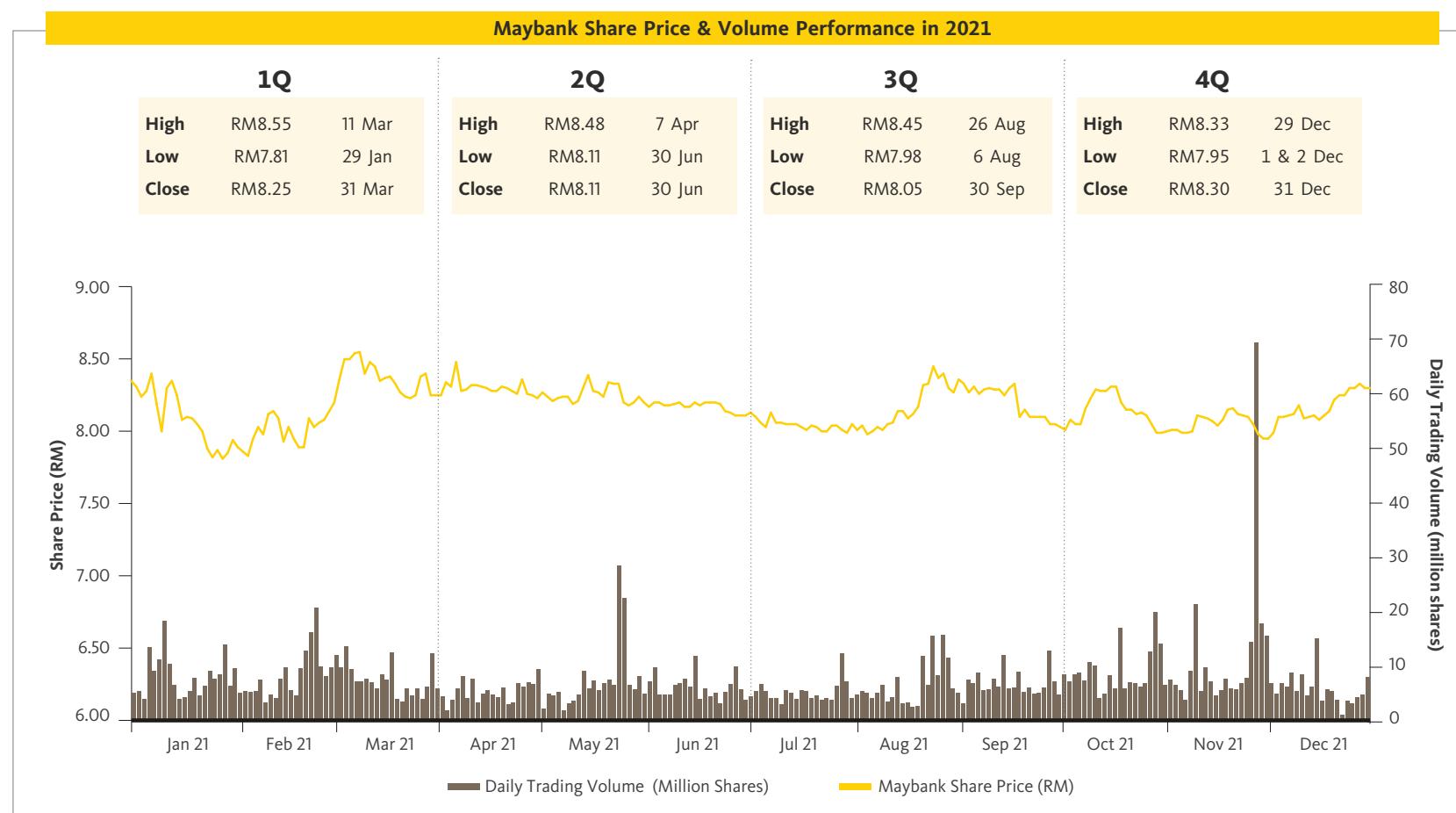
Presentation materials used in our Investor Relations (IR) engagements are available on our corporate website at [www.maybank.com/ir](http://www.maybank.com/ir). The website also has foreign shareholding updates and other IR updates, including details of the 21 sell-side analysts covering Maybank, our credit rating by five independent credit rating agencies and details of our investor engagements.

 For information on our approach to Investor Relations, please refer to the Corporate Governance Overview Statement on pages 91 to 92.

## SHAREHOLDER ANALYSIS

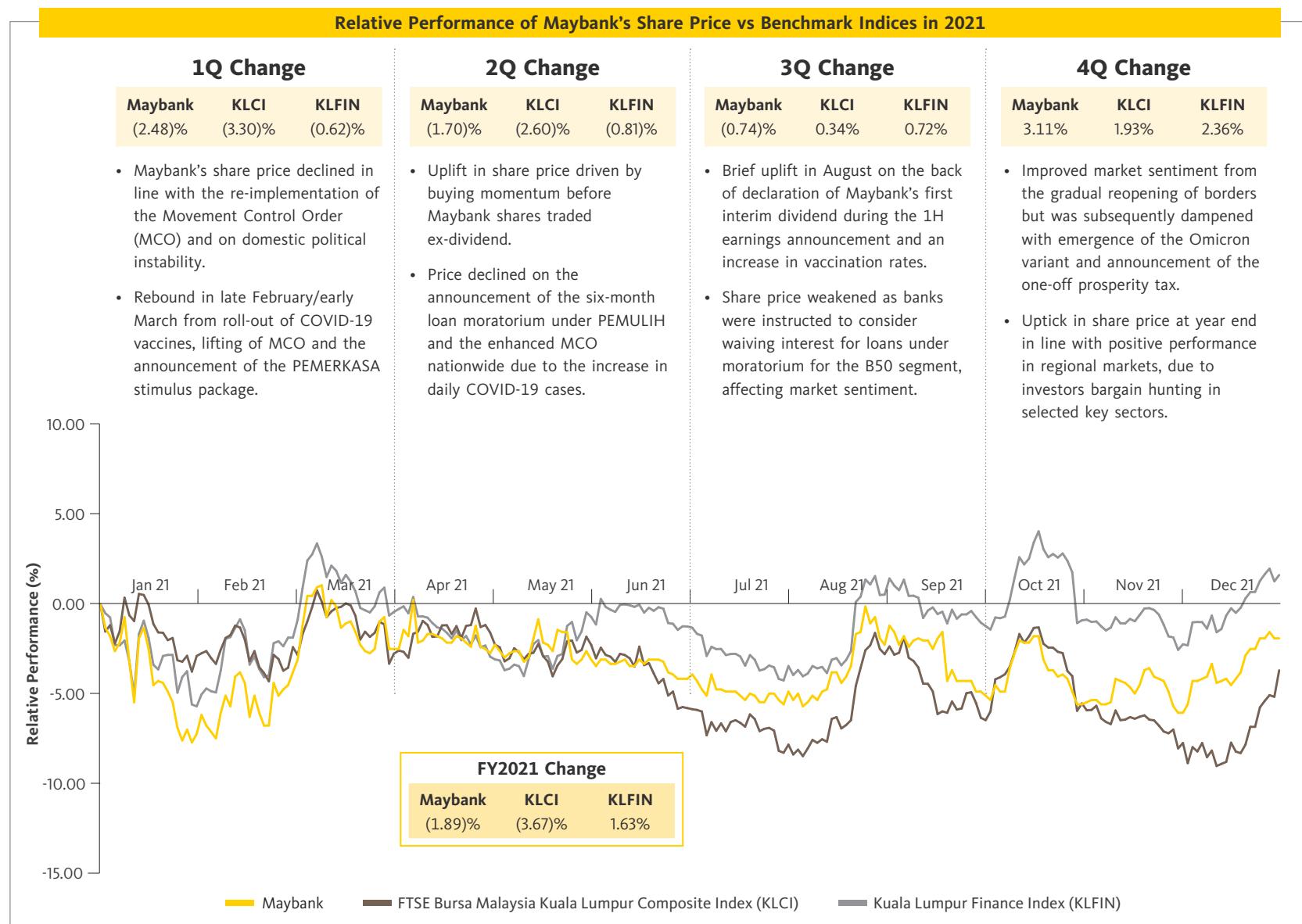


## SHARE PRICE PERFORMANCE



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

## INVESTOR INFORMATION



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

### TOTAL SHAREHOLDER RETURN

TSR (%)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Maybank	14.30	(2.49)	(2.46)	3.68	26.65	2.71	(3.11)	4.61	<b>6.27</b>
KLCI	14.11	(2.62)	(0.97)	0.07	13.19	(2.99)	(2.83)	5.71	<b>0.33</b>
KLFIN	15.09	(3.82)	(6.46)	5.66	21.85	6.60	(6.68)	2.94	<b>6.85</b>

### LONG-TERM TOTAL SHAREHOLDER RETURN

Holding Period (Years)	25	20	15	10	5	3	2	1
Invested on 31 Dec of	1996	2001	2006	2011	2016	2018	2019	2020
<b>Total Shareholder Return (%)</b>								
Maybank	340.39	363.30	143.65	82.57	40.11	7.71	11.16	6.27
KLCI	192.89	359.06	141.57	42.39	13.16	3.06	6.06	0.33
KLFIN	233.33	572.78	221.62	70.91	33.53	2.71	9.99	6.85
<b>Effective Annual Rate of Return (%)</b>								
Maybank	6.11	7.96	6.11	6.20	6.97	2.50	5.43	6.27
KLCI	4.39	7.91	6.05	3.59	2.50	1.01	2.98	0.33
KLFIN	4.93	9.99	8.09	5.50	5.95	0.89	4.87	6.85

# FINANCIAL PERFORMANCE

## FIVE-YEAR GROUP FINANCIAL SUMMARY

	Group FY 31 Dec					Bank FY 31 Dec	
	2017	2018	2019	2020	2021	2020	2021
<strong>OPERATING RESULT (RM' million)</strong>							
Operating revenue	45,580	47,320	52,868	51,031	<b>45,959</b>	24,362	<b>23,181</b>
Net operating income	23,238	23,662	24,741	24,763	<b>25,448</b>	14,452	<b>15,190</b>
Pre-provisioning operating profit ("PPOP") <sup>1</sup>	11,911	12,416	13,179	13,541	<b>13,930</b>	9,668	<b>10,168</b>
Operating profit	9,883	10,803	10,856	8,448	<b>10,700</b>	6,929	<b>7,744</b>
Profit before taxation and zakat	10,098	10,901	11,014	8,657	<b>10,887</b>	6,929	<b>7,744</b>
Profit attributable to equity holders of the Bank	7,521	8,113	8,198	6,481	<b>8,096</b>	5,965	<b>6,878</b>
<strong>KEY STATEMENTS OF FINANCIAL POSITION DATA (RM' million)</strong>							
Total assets	765,302	806,992	834,413	856,860	<b>888,172</b>	476,304	<b>489,351</b>
Financial investments portfolio <sup>2</sup>	154,373	177,952	192,830	215,186	<b>223,884</b>	133,580	<b>126,242</b>
Loans, advances and financing	485,584	507,084	513,420	512,210	<b>541,888</b>	229,924	<b>240,123</b>
Total liabilities	690,118	729,254	750,344	769,750	<b>799,620</b>	404,037	<b>416,242</b>
Deposits from customers	502,017	532,733	544,531	556,349	<b>588,968</b>	250,025	<b>276,559</b>
Investment accounts of customers	24,555	23,565	20,738	23,841	<b>28,721</b>	—	—
Commitments and contingencies	811,374	872,955	1,208,623	1,305,385	<b>1,176,244</b>	1,225,860	<b>1,081,180</b>
Paid-up capital/Share capital <sup>3</sup>	44,250	46,747	48,280	48,280	<b>53,156</b>	48,280	<b>53,156</b>
Shareholders' equity	72,989	75,330	81,571	84,437	<b>85,811</b>	72,266	<b>73,108</b>
<strong>SHARE INFORMATION</strong>							
Per share (sen)							
Basic earnings	72.0	74.2	73.5	57.7	<b>69.7</b>	53.1	<b>59.2</b>
Diluted earnings	72.0	74.2	73.5	57.7	<b>69.7</b>	53.1	<b>59.2</b>
Gross dividend	55.0	57.0	64.0	52.0	<b>58.0</b>	52.0	<b>58.0</b>
Net assets (sen)	676.9	681.7	725.6	751.1	<b>722.4</b>	642.9	<b>615.5</b>
Share price as at 31 Dec (RM)	9.80	9.50	8.64	8.46	<b>8.30</b>	—	—
Market capitalisation (RM' million)	105,671	104,972	97,125	95,102	<b>98,592</b>	—	—
<strong>FINANCIAL RATIOS (%)</strong>							
Profitability Ratios/Market Share							
Net interest margin on average interest-earning assets	2.4	2.3	2.3	2.1	<b>2.3</b>	1.8	<b>1.9</b>
Net interest on average risk-weighted assets	4.5	4.6	4.6	4.3	<b>4.7</b>	3.3	<b>3.5</b>
Return on equity	10.9	11.4	10.9	8.1	<b>9.8</b>	8.4	<b>9.5</b>
Net return on average assets	1.0	1.0	1.0	0.8	<b>0.9</b>	1.3	<b>1.4</b>
Net return on average risk-weighted assets	2.0	2.2	2.2	1.7	<b>2.0</b>	2.6	<b>2.9</b>
Cost to income ratio <sup>4</sup>	48.6	47.5	46.7	45.3	<b>45.3</b>	33.1	<b>33.1</b>
Domestic market share in:							
Loans, advances and financing	18.3	18.1	17.9	18.1	<b>18.0</b>	18.1	<b>18.0</b>
Deposits from customers – Savings account	25.7	26.1	25.5	25.7	<b>26.1</b>	25.7	<b>26.1</b>
Deposits from customers – Current account	19.4	19.3	18.4	13.1	<b>13.8</b>	13.1	<b>13.8</b>
<strong>CAPITAL ADEQUACY RATIOS (%)</strong>							
CET1 Capital Ratio	14.773	15.029	15.729	15.313	<b>16.090</b>	15.581	<b>15.462</b>
Tier 1 Capital Ratio	16.459	15.983	16.486	16.026	<b>16.810</b>	16.343	<b>16.223</b>
Total Capital Ratio	19.383	19.024	19.387	18.683	<b>19.518</b>	18.639	<b>18.785</b>
<strong>ASSET QUALITY RATIOS</strong>							
Net impaired loans (%)	1.58	1.28	1.33	1.10	<b>0.89</b>	1.31	<b>1.93</b>
Loan loss coverage (%)	71.5	83.6	77.3	106.3	<b>111.9</b>	105.8	<b>79.6</b>
Loan-to-deposit ratio (%) <sup>5</sup>	93.8	92.7	92.4	90.1	<b>89.5</b>	82.4	<b>77.9</b>
Deposits to shareholders' fund (times) <sup>6</sup>	7.2	7.4	6.9	6.9	<b>7.2</b>	3.5	<b>3.8</b>
<strong>VALUATIONS ON SHARE</strong>							
Gross dividend yield (%)	5.6	6.0	7.4	6.1	<b>7.0</b>	—	—
Dividend payout ratio (%)	78.5	77.3	87.8	91.2	<b>84.5</b>	—	—
Price to earnings multiple (times)	13.6	12.8	11.8	14.7	<b>11.9</b>	—	—
Price to book multiple (times)	1.4	1.4	1.2	1.1	<b>1.1</b>	—	—

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

<sup>2</sup> Prior to adoption of MFRS 9 on 1 January 2018, financial investments portfolio consists of financial investments held-for-trading, financial investments available-for-sale and financial investments held-to-maturity. Upon adoption of MFRS 9, the financial investments portfolio consists of financial assets designated upon initial recognition at fair value through profit or loss, financial investments at fair value through profit or loss, financial investments at fair value through other comprehensive income and financial investments at amortised cost.

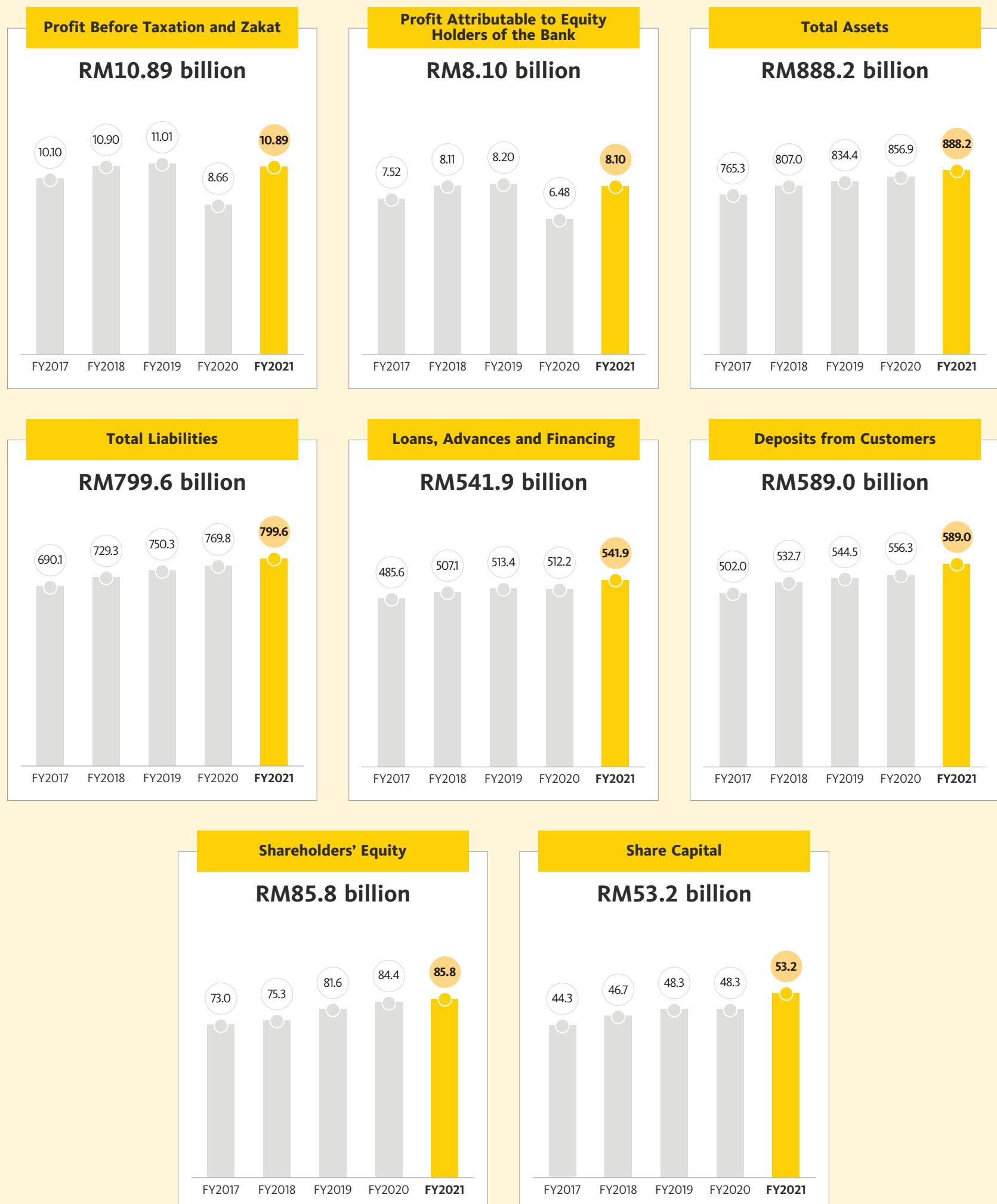
<sup>3</sup> Pursuant to Companies Act 2016, the share capital will cease to have par or nominal value, and share premium become part of the share capital.

<sup>4</sup> Cost to income ratio is computed using total cost over the net operating income. The total cost of the Group is the total overhead expenses, excluding amortisation of intangible assets for PT Bank Maybank Indonesia Tbk and Maybank IBG Holdings Limited.

<sup>5</sup> Loan-to-deposit ratio is computed using gross loans, advances and financing over deposits from customers and investment accounts of customers.

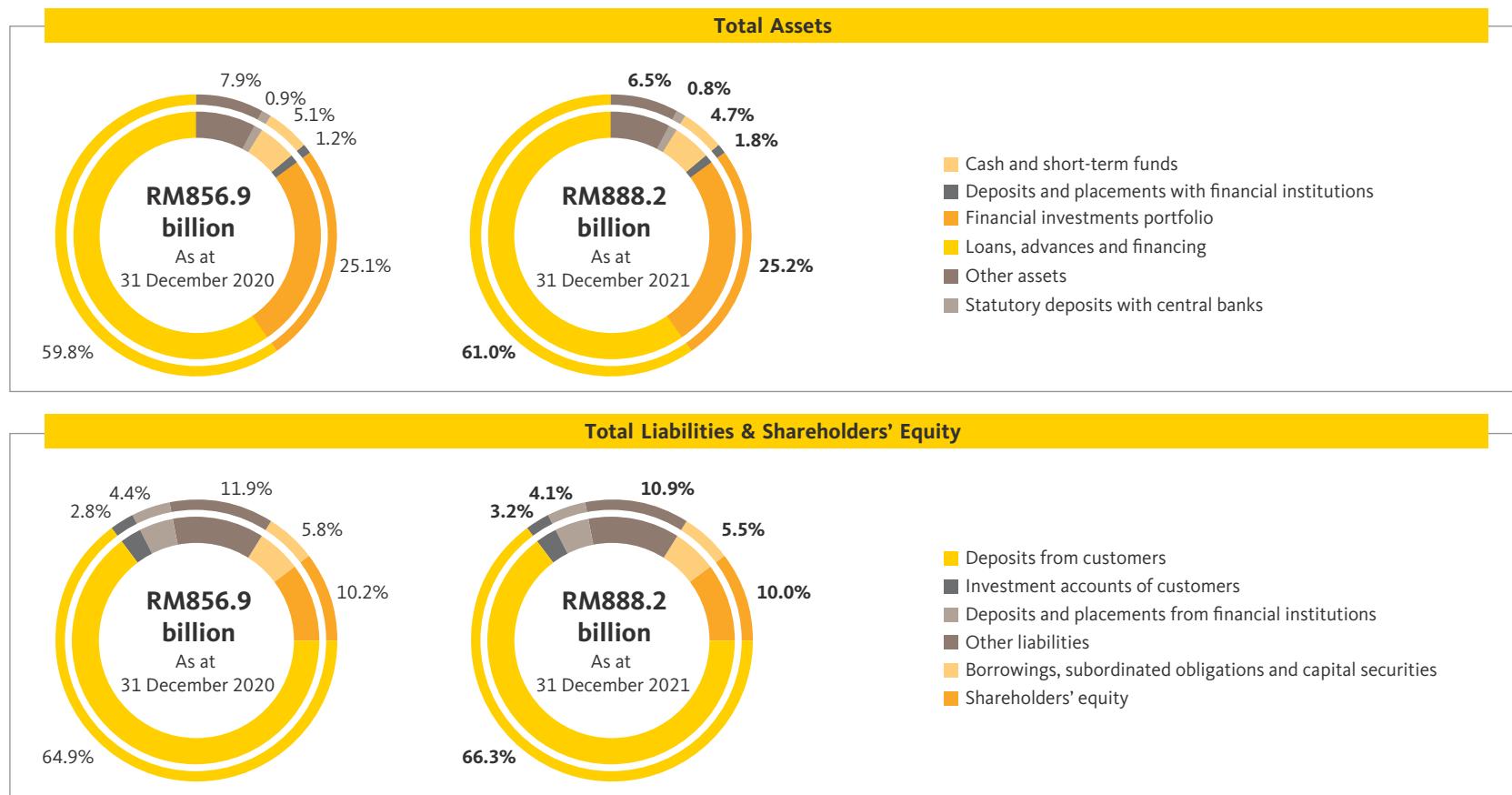
<sup>6</sup> Deposits to shareholders' fund include investment accounts of customers.

## FINANCIAL PERFORMANCE



## FINANCIAL PERFORMANCE

### SIMPLIFIED GROUP STATEMENTS OF FINANCIAL POSITION



### GROUP QUARTERLY FINANCIAL PERFORMANCE

RM' million	FY 31 Dec 2021				
	Q1	Q2	Q3	Q4	YEAR
Operating revenue	12,218	11,338	11,146	11,257	45,959
Net interest income (including income from Islamic Banking Scheme operations)	4,791	4,979	4,813	5,024	19,607
Net earned insurance premiums	2,529	2,167	1,983	2,168	8,847
Other operating income	1,015	1,150	1,313	993	4,471
Total operating income	8,336	8,296	8,109	8,183	32,924
Operating profit before impairment losses	4,003	3,253	3,329	3,345	13,930
Profit before taxation and zakat	3,172	2,726	2,269	2,720	10,887
Profit attributable to equity holders of the Bank	2,392	1,963	1,685	2,056	8,096
Earnings per share (sen)	20.9	17.1	14.4	17.3	69.7
Dividend per share (sen)	-	28.00	-	30.00	58.00

RM' million	FY 31 Dec 2020				
	Q1	Q2	Q3	Q4	YEAR
Operating revenue	13,235	11,795	13,756	12,245	51,031
Net interest income (including income from Islamic Banking Scheme operations)	4,532	3,949	4,288	4,457	17,226
Net earned insurance premiums	1,945	1,741	2,990	2,783	9,459
Other operating income	1,333	2,427	2,037	1,502	7,299
Total operating income	7,810	8,118	9,314	8,742	33,984
Operating profit before impairment losses	3,782	2,943	3,373	3,443	13,541
Profit before taxation and zakat	2,798	1,256	2,611	1,992	8,657
Profit attributable to equity holders of the Bank	2,050	942	1,952	1,537	6,481
Earnings per share (sen)	18.2	8.4	17.4	13.7	57.7
Dividend per share (sen)	-	-	13.50	38.50	52.00

## FINANCIAL PERFORMANCE

### KEY INTEREST BEARING ASSETS AND LIABILITIES

	FY 31 Dec 2020			FY 31 Dec 2021		
	As at 31 December RM' million	Effective Interest Rate %	Interest Income/ Expense RM' million	As at 31 December RM' million	Effective Interest Rate %	Interest Income/ Expense RM' million
<u>Interest-earning assets</u>						
Loans, advances and financing	512,210	5.21	21,498	541,888	4.58	19,708
Cash and short-term funds & deposits and placements with financial institutions	54,014	1.85	772	57,521	1.83	605
Financial assets at fair value through profit or loss	41,208	2.28	1,095	40,957	2.17	1,020
Financial investments at fair value through other comprehensive income	127,503	2.45	3,450	122,394	2.40	3,468
Financial investments at amortised cost	46,476	3.55	1,799	60,532	3.43	2,183
<u>Interest bearing liabilities</u>						
Customers' funding:						
– Deposits from customers	556,349	1.44	9,074	588,968	1.14	5,692
– Investment accounts of customers	23,841	1.62	371	28,721	1.12	290
Deposits and placements from financial institutions	37,879	1.37	1,659	36,583	1.12	1,472
Borrowings	38,097	2.06	1,040	35,548	2.16	706
Subordinated obligations	8,968	3.98	1,006	10,239	3.64	887
Capital securities	2,827	4.07	116	2,828	4.07	116

### STATEMENT OF VALUE ADDED

	FY 31 Dec 2020		FY 31 Dec 2021	
	RM'000	RM'000	RM'000	RM'000
Net interest income			11,090,389	12,034,045
Income from Islamic Banking Scheme operations			6,135,582	7,572,599
Net earned insurance premiums			9,458,856	8,846,782
Other operating income			7,299,202	4,470,670
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund			(9,220,803)	(7,475,699)
Overhead expenses excluding personnel expenses, depreciation and amortisation <sup>1</sup>			(4,059,834)	(4,127,651)
Allowances for impairment losses on loans, advances and financing and other debts, net			(4,598,581)	(2,658,541)
Allowances for impairment losses on financial investments, net			(413,918)	(598,298)
(Allowances for)/writeback of impairment losses on other financial assets and goodwill, net			(81,012)	27,393
Share of profits in associates and joint ventures			209,147	186,183
<b>Value added available for distribution</b>			15,819,028	18,277,483

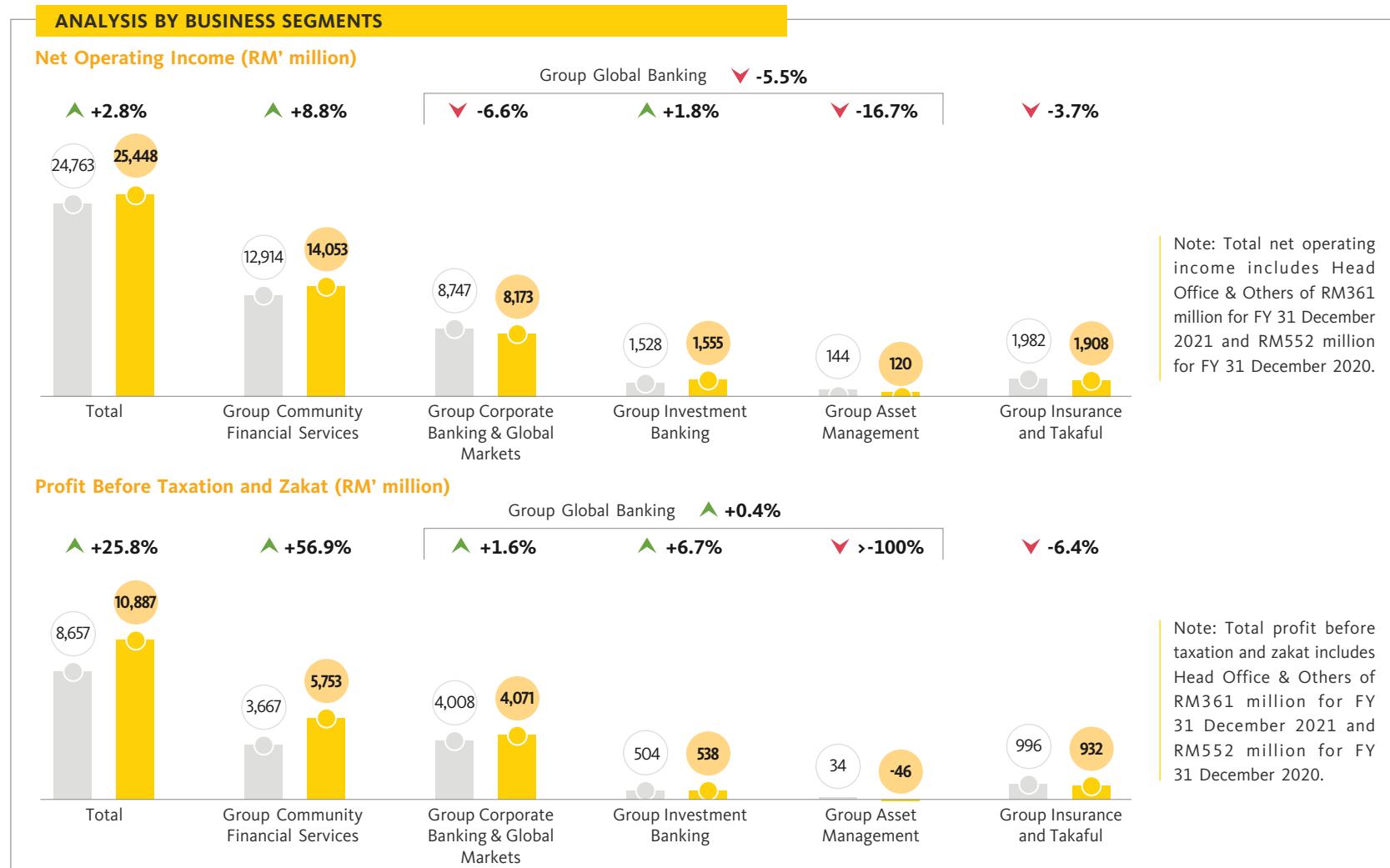
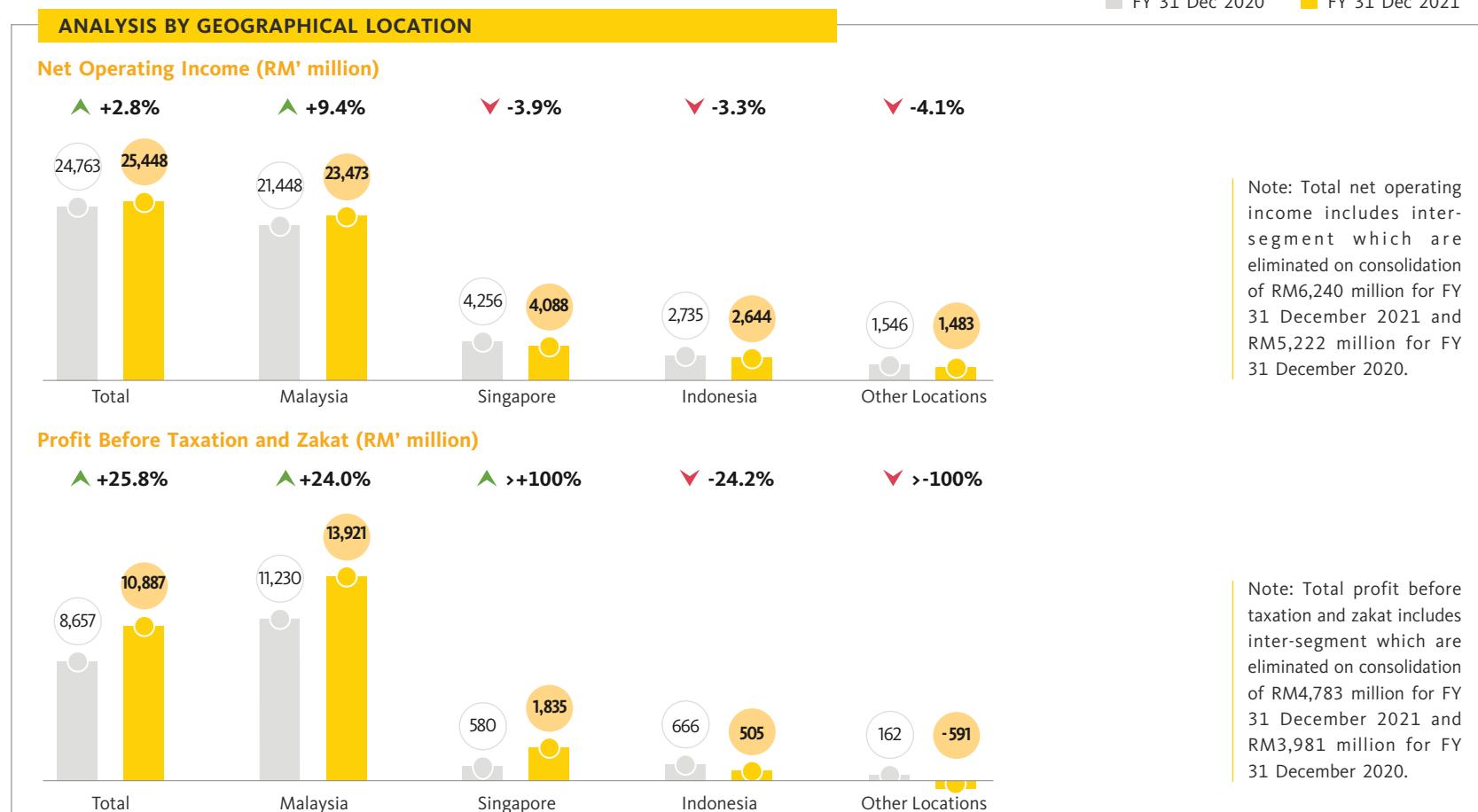
### DISTRIBUTION OF VALUE ADDED

	FY 31 Dec 2020		FY 31 Dec 2021	
	RM'000	RM'000	RM'000	RM'000
To employees:				
Personnel expenses			6,563,189	6,808,178
To the Government:				
Taxation			1,937,877	2,565,080
To providers of capital:				
Dividends paid to shareholders			5,911,971	6,837,689
Non-controlling interests			237,860	225,286
To reinvest to the Group:				
Depreciation and amortisation <sup>1</sup>			598,883	582,710
Retained profits			569,248	1,258,540
<b>Value added available for distribution</b>			15,819,028	18,277,483

<sup>1</sup> Depreciation and amortisation exclude depreciation of right-of-use assets.

## FINANCIAL PERFORMANCE

### SEGMENTAL INFORMATION



# GROUP COMMUNITY FINANCIAL SERVICES

Throughout the pandemic, we continued to support our customers with financial and business relief while maintaining healthy asset quality. Focused on delivering sustainable customer-centric solutions, we have consistently innovated to enhance our business, products and services, especially in the SME, Digital Banking and Wealth Management segments – all of which have yielded commendable growth. In this manner, we will chart our path towards achieving our M25 aspiration to be the Preferred Community Bank in ASEAN.

## TOP ACHIEVEMENTS IN 2021



Unveiled the **first Malaysia-Cambodia mobile cross-border real-time funds transfer service** via Bakong e-wallet and MAE app – Bakong's first inter-country payment service



Introduced **Maybank2u Biz app**, a mobile banking solution for SMEs that also caters for their non-banking needs



Named **Outstanding Private Bank in Southeast Asia at the Annual Private Banker International Global Wealth Awards** for the third consecutive year



Recognised by Global Finance as **one of the World's Best Consumer Digital Banks in Asia Pacific**



Launched **Maybank's first green financing solution** for properties

## GROUP COMMUNITY FINANCIAL SERVICES

### KEY FOCUS AREAS FOR 2021

#### SUPPORTING THE COMMUNITY AND ENRICHING CUSTOMER EXPERIENCE THROUGH INNOVATIVE PRODUCTS AND SERVICES

We continued to offer financial relief packages as well as financial assistance plans and advisory services to individuals and businesses to strengthen their liquidity amid the prolonged pandemic. A total of RM82.9 billion in approved loans are under some form of repayment assistance and restructuring across the region, of which RM79.9 billion is from various relief programmes in Malaysia, including the PEMERKASA Plus Repayment Assistance, PEMULIH and the Financial Management and Resilience Programme (URUS) targeted at the B40 segment, the unemployed or those with reduced income, microenterprises and SMEs. 

A survey conducted in September 2021 involving our SME customers found that SMEs experienced diverse business challenges due to the prolonged pandemic and Movement Control Order. This prompted the extension of appropriate assistance to them, including fast access to loans by Credit Guarantee Corporation schemes and Syarikat Jaminan Pembangunan Perniagaan (SJPP) guarantees in Malaysia. We have also been supporting a series of financing schemes under government-supported initiatives offered to SMEs to mitigate the impact of the prolonged pandemic in Malaysia, Singapore, Indonesia and Cambodia with a total outstanding loan balance of RM7.3 billion. 

Sama-Sama Lokal, which was launched in April 2020 to enable a digital presence for small businesses, was integrated into the Maybank2u app and upgraded with new features, improving the user experience for both customers and merchants. Customers can now track their orders in real-time and pay seamlessly within the app. Our merchant base tripled with more than 13,000 merchants onboarded, reaching a wider base of 12 million existing Maybank customers, generating orders valued at over RM18.6 million since its launch. 

In line with the Group's sustainability ambitions, we launched a Go Green campaign to promote green certified properties and the installation of solar panels in Malaysia, and received over 11,000 applications (for properties priced above RM300,000). In Singapore, we introduced two new green loans for home mortgage and home renovations in October 2021 which received 328 applications as at year-end.

Delivering an exceptional customer experience continues to be prioritised in line with our M25 aspiration. In February 2021, we piloted 20 Business-Friendly branches (BFB) to enhance the customer experience of non-retail customers, remodelling our cash management solutions and remittance while improving other business processes through digitalisation. All 40 initiatives piloted under BFB in the last quarter of 2021 have been positively received. We are also developing a commercial mindset among our talents at BFB under a Universal Banker (UB) programme, preparing them to deal with non-retail customers and to build strong personal banking relationships with customers across all touchpoints. Since the programme's launch in October 2021, 22 branch managers have passed the first stage of UB certification.

#### EXTENDING REACH TO SMES REGIONALLY THROUGH FINANCIAL INCLUSION AND DIGITAL ADOPTION

Initiatives to further drive financial inclusion of SMEs across the region contributed to greater SME borrowing penetration which now stands at 7.15% of customers (from 6.55% in 2020) in Malaysia, while the number of our SME customers increased by 2.4% from 2020 to over 75,800 in Singapore, Indonesia, the Philippines and Cambodia.

In Malaysia, we launched the Maybank2u Biz app which not only provides simplified and secure mobile banking services, but also serves as a business companion helping SMEs with their day-to-day operations. Since its launch in October 2021, more than 18,000 companies have signed up for the app, generating close to 109,000 transaction approvals amounting to RM492.6 million. We also continued to see traction with SME Digital Financing, the first end-to-end digital financing for SMEs with a 10-minute approval. Since its launch in September 2020, over 85% of loans disbursed have been made to over 11,000 microenterprises, totalling RM1.3 billion.

#### ELEVATING CUSTOMER-CENTRIC DIGITAL PROPOSITIONS

Upscaling of our regional digital banking capabilities and propositions continued to be a focus area. Over 75% of our regional product sales were completed through Straight-Through Processing (STP) as we saw traction with accelerated STP initiatives. Key among them were the introduction of the Maybank Islamic Gold Account-i (MIGA-i) and Zest-i in Malaysia; Bancassurance STP in Indonesia and iSAVE CASA Phase 2 in the Philippines.

We launched the Maybank-Bakong Cross Border Funds Transfer, a real-time funds transfer service with low fees, via Maybank's MAE App and the National Bank of Cambodia (NBC)'s Bakong e-wallet, making us the first bank in the world to partner with NBC. We also introduced real-time Malaysia-Singapore cross-border transfers for internet banking users. Close to 60,000 transactions worth over SGD90.0 million have been recorded since its launch in July 2021.

Our efforts contributed to almost 16 billion digital transactions across the region, involving more than RM896.0 billion in value, winning us numerous coveted awards. These include the Best e-Payments Bank, Best DuitNow QR Bank and Best in Mobile e-Payments Innovation for MAE by Maybank2u app at PayNet's Malaysian e-Payments Excellence Awards 2021; and the highly acclaimed Best Digital CX in Account Opening and Customer Onboarding by The Digital Banker.

#### EXPANSION OF WEALTH SOLUTIONS TO MEET WIDER SPECTRUM OF CUSTOMER NEEDS

Maybank Global Sustainable Equity-I Fund and Maybank Global Sustainable Technology Fund, the Shariah-compliant and sustainable funds we launched together last year, continued to gain traction and contributed to a total of RM13.5 billion in ESG-related Assets Under Management (AUM) in 2021. Recognising demand for more conscious choices in managing wealth, we launched the Islamic Wealth Management segment with Maybank Islamic in July 2021, using enhanced data analytics to develop products that meet customers' needs. Meanwhile, our salespersons were upskilled to meet increased demand for wealth advisory services, especially in the sustainability and Islamic space. All our identified employees are currently certified with Islamic Financial Planning (IFP) and Premier Certificate in Islamic Wealth Management (PCIWM), 80% of whom are sales people.

Throughout the year, we continued with our virtual engagements to keep customers abreast of developments in global, regional and domestic markets. We also organised live webinars and ran a series of episodes on YouTube on financial planning, financial literacy and legacy planning among others, attracting over 38,000 views regionally.

Our collective efforts contributed to a 28.8% YoY increase in AUM to RM52.1 billion in 2021. As a testament to our efforts and dedication, we were also conferred several prestigious accolades at the Global Private Banking Innovation Awards and Structured Products and Derivatives Awards.

## GROUP COMMUNITY FINANCIAL SERVICES

### KEY PERFORMANCE HIGHLIGHTS FY2021

**Group Community Financial Services' Net Operating Income (NOI) registered growth of 8.8% YoY to RM14.05 billion, contributed by:**

- 9.8% YoY growth in net fund based income backed by healthy loans growth from retail SME and mortgage by 5.7% and 8.5%, respectively.
- Loans expanded 5.5% with 80% of the growth coming from consumer loans and the remaining 20% from retail SME and business banking (BB). Mortgage remained the largest component of our loans portfolio with a solid growth of 8.5%.
- Deposits grew 2.5% YoY, supported by stronger CASA growth of 14.2% from continued efforts to lower funding cost. This has translated to an improved CASA ratio to 57.8% from 51.9% in FY2020.
- 5.7% growth in fee based income largely driven by investment fee income from the wealth segment in tandem with the shift from deposits to investment AUM, amid the low interest rate environment in FY2021.
- Higher revenue and better cost management resulted in cost to income ratio improving to 53.1% from 56.2% a year earlier.
- Net loan loss provision reduced 57.7% YoY, arising from better asset quality management.

**In Malaysia, we recorded NOI growth of 16.4% YoY to RM9.60 billion, contributed by:**

- 19.5% YoY growth in net fund based income supported by healthy loans growth of 5.1%. The increase is also partially due to lower modification loss compared to FY2020.
- Loans grew 5.1% YoY with significant traction from SME Digital Financing, which contributed to more than 40% of the total retail SME loans growth of 10.7% during the year.
- Deposits grew 9.3% YoY largely driven by CASA growth of 15.8%. Growth tapered during the second half of the year due to increase in consumer spending following the relaxation of movement restrictions.
- Meanwhile, our net fee based income grew 5.3% YoY largely contributed by investment, bancassurance, cards and virtual banking.
- Asset quality improved with gross impaired loans ratio lower by 49 bps from a year earlier.

**International's NOI declined by 4.6% YoY due to:**

- Lower net fund based income by 17.8% YoY in Singapore attributed to aggressive competition for loans, as well as the low-interest rate environment. However, the stable growth in fee based income of 6.4% YoY, particularly from wealth management, was able to cushion some of the impact from net interest margin compression.
- In Indonesia, challenges in loans growth from non-retail segments resulted in lower fund based income by 3.5% YoY. This was mitigated by the lower interest expenses from deposits with CASA growth at 11.7%. CASA ratio improved to 52.9% from 43.0% a year earlier.

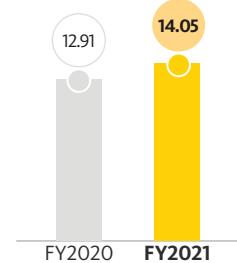
This was however offset by:

- Philippines saw stable NOI growth at 10.3% underpinned by strong fee based income growth of 66.6%, mainly from mortgage and auto fee income.
- Cambodia recorded a marginal NOI growth of 0.4% YoY, contributed by net fund based income which increased by 1.4%. This was supported by strong loans growth from BB and mortgage.

### REGIONAL FINANCIAL PERFORMANCE

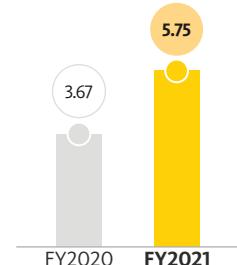
**Net Operating Income  
(RM billion)**

**▲ 8.8%**



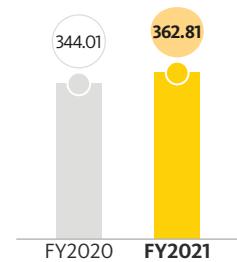
**Profit Before Tax  
(RM billion)**

**▲ 56.9%**



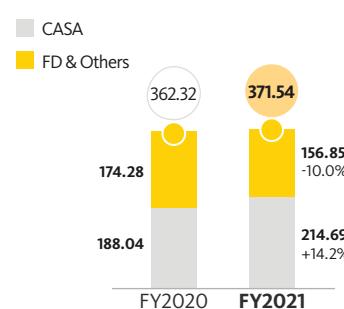
**Loans  
(RM billion)**

**▲ 5.5%**



**Deposits  
(RM billion)**

**▲ 2.5%**





# GROUP GLOBAL BANKING

Amidst the prolonged COVID-19 pandemic, we continued to support our customers, connecting them to growth opportunities across ASEAN while helping them manage the risks of heightened uncertainties and market volatility. Despite the challenging environment, we remained steadfast in providing innovative and sustainable solutions and best-in-class customer experience supported by data and digital capabilities.

## TOP ACHIEVEMENTS IN 2021

**Maintained No. 1 wholesale bank position in Malaysia**  
  
despite continued challenging operating environment



**Ranked first for Malaysia Ringgit Islamic Sukuk and Malaysia Bonds;** and top three for Global Sukuk and ASEAN Local Currency Bonds on Bloomberg's league tables



**Involved in the world's first Islamic green financing** for Royal Group Development Pte Ltd's project; and launched Maybank Global Sustainable Technology Fund

 Named **Malaysia's Best Investment Bank by Euromoney** for the sixth time, on the back of multiple landmark transactions amidst a challenging market environment



Awarded **Fund Launch of the Year (Malaysia) 2021** by Asia Asset Management for Maybank Global Sustainable Equity-I fund

## GROUP GLOBAL BANKING

### NOTABLE DEALS

#### Malaysia

- Joint Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for CTOS Digital Berhad's RM1.21 billion IPO, the largest Malaysian IPO in 2021.
- Sole Malaysian Arranger and Principal Adviser for Petronas Capital Limited's Global Medium-Term Note (GMTN) programme of up to USD15.0 billion and Joint Bookrunner for USD3.0 billion issuance under the GMTN programme, the largest 40-year tranche by an ASEAN issuer.
- Joint Lead Arranger, Joint Lead Manager and Facility Agent for SP Setia's RM800 million Sukuk issuance, oversubscribed 2.3 times.
- Joint Lead Manager for SME Development Bank Malaysia Berhad's RM500 million Sustainability Sukuk Wakalah, the first Sustainability Islamic Medium Term Notes (IMTN) programme by a Malaysian Development Financial Institution.
- Joint Lead Manager and Joint Lead Arranger for Bank Pembangunan Malaysia Berhad's inaugural RM450 million Sustainability Sukuk Wakalah issuance.
- Principal Adviser, Lead Arranger, Lead Manager and Syariah Adviser for Bank Pertanian Malaysia Berhad (Agrobank)'s RM1.0 billion Sukuk Wakalah Programme.

#### International

- Singapore: Joint Issue Manager and Joint Global Coordinator, Bookrunner and Underwriter for Aztech Global Ltd's SGD297 million IPO, Singapore's second largest non-REIT IPO in the past five years.
- Indonesia: Joint Lead Underwriter for PT Astra Sedaya's AAA-rated IDR2.5 trillion bond issuance, the first AAA-rated IDR bond issued by a non-state owned enterprise.
- Greater China and Singapore: Joint Lead Manager and Joint Bookrunner for Industrial & Commercial Bank of China (ICBC) Limited's USD1.05 billion multi-currency green bonds, the world's first triple-accredited Carbon Neutrality themed green bonds.
- Greater China: Mandated Lead Arranger Lender for Harmony Lotus' HKD9.78 billion syndicated green term loan for the acquisition of two Hong Kong Grade-A commercial buildings.
- Thailand: Joint Lead Arranger for CP ALL PLC's THB66 billion bond issuance, one of the largest transactions in Thailand's bond market in 2021.

### KEY FOCUS AREAS FOR 2021

#### CONNECTING CUSTOMERS TO GROWTH OPPORTUNITIES DESPITE CHALLENGES FROM PROLONGED PANDEMIC

We continued to engage actively with our customers and extended mitigation plans such as payment moratorium, repayment assistance (RA) and restructuring and rescheduling (R&R) solutions. During the year, we approved a total of RM21.4 billion worth of relief packages to our corporate clients across our key markets of Malaysia, Singapore, Indonesia and Greater China. 

As markets gradually recovered from the prolonged pandemic, we facilitated several notable deals in line with our efforts to diversify our portfolio to ensure balance sheet resilience and to optimise risk and returns.

We continued to support customers in realising their growth ambitions in ASEAN, focused on deepening relationships within strategic segments and enhancing cross-border opportunities (as per notable deals highlighted above). This approach facilitated our Financial Institutions Group business and Islamic arm to be better positioned among Gulf Cooperation Council countries during the year, as seen with deals such as Arab Petroleum Investment Corporation's USD750 million Senior Unsecured Notes and Qatar National Bank's Euro Currency Loan mandate. Our focus to penetrate into the Private Equity segment also resulted in our participation in several noteworthy transactions such as Creador Sdn Bhd's sale of investment stake in PT Simba Indosnack Makmur.

#### EXPANSION OF ESG SOLUTIONS TO SUPPORT CUSTOMERS' SUSTAINABILITY ASPIRATION

In line with Maybank's sustainability focus to broaden sustainable financing, we continued to expand our suite of offerings through landmark green transactions across our home markets. This included the Royal Group Development Pte Ltd's SGD250 million green financing, the world's first Islamic green financing for a hospitality asset; and South Beach Consortium Pte Ltd's SGD1.22 billion green loan, one of Singapore's largest green loans in 2021. We also participated in several sustainability-linked transactions such as SME Bank Berhad's and Bank Pembangunan Malaysia Berhad's inaugural sustainability sukuks which will be channelled to projects that support various UN Sustainable Development Goals. In addition, Maybank Asset Management Group (MAMG) expanded its ESG product offerings with the launch of the Maybank Global Sustainable Technology Fund that mainly invests in a portfolio of global technology-related equities, also marking our second qualified Sustainable & Responsible Investment (SRI) fund under the Securities Commission Malaysia SRI Funds' guidelines.

#### PROVIDE DIFFERENTIATED INVESTMENT MANAGEMENT ADVISORY AND SOLUTIONS ACROSS ALL ASEAN MARKETS

We established a Regional Client Solutions Group covering the retail, mid-market and wholesale segments to enhance customer insights and our cross-selling capabilities. Meanwhile, Maybank Securities (Thailand) launched its investment management business and centre in January 2021 to provide tailor-made investment solutions and personalised services through our relationship managers. In addition, our Prime Brokerage business launched the AllFunds Mutual Funds platform while our Equity and Commodity Derivatives (ECD) business launched the first Shariah-compliant Autocallable-i product in the region, which won The Asset Triple A Islamic Finance Awards 2021 in the Best Structured Product category.

Our asset management arm, MAMG also expanded its product suite with the launch of various innovative funds, which contributed to its commendable growth of 8.1% YoY in Assets Under Management (AUM). Among many others, it launched its first waqf fund called Maybank Mixed Assets-I Waqf Fund that provides investors the opportunity to aid the underprivileged in line with the Group's mission of Humanising Financial Services. Our efforts have gained us recognition as the Best Asset Management Company in Malaysia by Global Brands Magazine and Fund Launch of the Year (Malaysia) by Asia Asset Management in 2021.

## GROUP GLOBAL BANKING

### KEY FOCUS AREAS FOR 2021 (CONT'D.)

#### ELEVATE CUSTOMER EXPERIENCE THROUGH INVESTMENT IN DATA AND DIGITAL CAPABILITIES

To facilitate our customers' move towards digital channels and support their day-to-day operations during the lockdown, we enhanced our online cash management platform, Maybank2E with an online FX booking capability that allows customers to book FX rates, and enabled bulk DuitNow payment for corporates. This was in line with our efforts to improve customers' experience in the longer term as we develop an integrated ecosystem for our flow platforms to provide real-time visibility on account balances and transactions, on-demand cash management services and payment tracking and traceability. We are also embarking on an end-to-end corporate credit origination system to reduce the turnaround time and enable enhanced customer insights.

MAM Malaysia also became one of the first fund managers in the country to launch a quantitative investing technology fund, called Maybank Asia Mixed Asset-I Fund, on 16 August 2021. The Fund, which was launched in collaboration with our Group Community Financial Services segment and key distributors, combines the expertise of its fund managers and the latest quant investing technology, and has raised more than RM445.0 million as of December 2021.

### KEY PERFORMANCE HIGHLIGHTS FY2021

**Group Global Banking's Net Operating Income (NOI) declined by 5.5% YoY to RM9.85 billion attributable to:**

- NOI decrease was mainly contributed by lower net fee based income of 19.5% YoY due to lower investment and trading income.
- The lower NOI was mitigated by an increase of 6.3% YoY in net fund based income arising from higher investment bank & advisory (IB&A) income and an increase in credit and deposits growth.
- Reduction of loan loss provisions (LLP) by 30.3% YoY mainly contributed by lower provisions incurred by domestic operations due to proactive efforts in managing the asset quality of our loans portfolio.
- Meanwhile, overheads growth was muted at 1.1% YoY, with a slight increase from administrative and general expenses.
- The decline in NOI resulted in a higher cost to income ratio of 31.0% from 29.0% in 2020.

**In Malaysia, NOI decreased by 0.6% YoY to RM5.87 billion, contributed by:**

- Lower net fee based income of 13.0% YoY from treasury activities, brokerage and ECD amid the challenging operating environment.
- The decline in NOI was moderated by higher net fund based income of 11.3% YoY mainly due to better credit and deposits margin and rising yields on our securities portfolio.
- Pre-provisioning operating profit reduced by 1.1% YoY from lower NOI and as total overheads increased by 1.5%.
- Profit before tax growth was supported by lower LLP of 67.7% YoY mainly due to recoveries from existing impaired loans and proactive efforts in managing the asset quality of our credit portfolio.

**For international operations, NOI decreased by 11.9% YoY to RM3.98 billion as:**

- **Singapore:** Lower NOI by 23.5% due to the unfavourable market conditions which resulted in lower treasury business gains in FY2021, and as FY2020 had a recognition of an exceptional one-off loan-related fee.
- **Greater China:** Lower NOI by 8.6% on reduced income from transaction banking and treasury-related activities.
- **Philippines:** NOI declined by 21.6% on reduced investment banking gains and treasury-related income.

However, offset by:

- **Indonesia:** 0.7% growth in NOI mainly contributed by lower cost of funds.
- **Vietnam:** 52.9% growth in NOI mainly due to higher income from IB&A deals and brokerage business.

#### REGIONAL FINANCIAL PERFORMANCE

**Net Operating Income**  
(RM billion)

▼ -5.5%



**Profit Before Tax**  
(RM billion)

▲ 0.4%



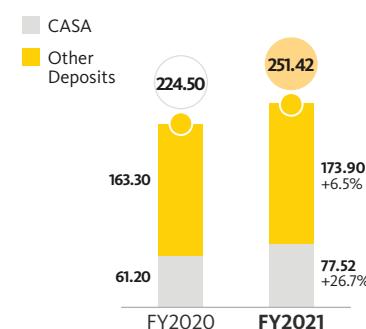
**Loans**  
(RM billion)

▲ 6.4%



**Deposits**  
(RM billion)

▲ 12.0%





# GROUP INSURANCE & TAKAFUL

We continued to manage our business well despite the prolonged COVID-19 pandemic. Access for our intermediaries improved somewhat from 2020 but remained constrained, while demand for longer-term products was restrained due to economic uncertainties. Temporary regulations, such as the waiver on road tax renewals in Malaysia, led to muted demand for certain general insurance products such as motor. Throughout the year, Etiqa developed workarounds to engage our customers while embedding elements of sustainability into our solutions, in line with our M25 focus of digitalising insurance, enhancing Auto services and fortifying ourselves as the Preferred Banca partner.

## TOP ACHIEVEMENTS IN 2021



**No. 1 Bancassurance/  
Bancatakufl player in  
Regular Premium and Total  
Life APE** with 25.6% and 23.1%  
market share respectively in  
Malaysia



**No. 1 General  
Takaful  
Operator in  
Malaysia**



**No. 1 online insurer in  
Malaysia with 56.2%**  
market share, and second largest  
online Life Insurer in Singapore

## GROUP INSURANCE & TAKAFUL

### KEY FOCUS AREAS FOR 2021

#### ENHANCING OUR DIGITAL INSURANCE OFFERINGS

In Singapore, building on the partnership forged with SingTel in 2020, we offered a broader suite of online products to cater to changing customer demands. We also launched a number of Etiqa-specific products such as Gigantiq, an all-in-one insurance savings plan, and Amber, offering retirement health and wellness services, as we looked to serve the needs of customers through an integrated digital experience. In Malaysia, the focus was on greater engagement with customers through cross-selling online as well as the continued strengthening of our digital infrastructure. Of particular note, we launched Drive Less Save More, offering rebates to drivers who are on the road less – a timely add-on to our motor insurance/takaful given periods of movement restrictions. This was designed as a value-add for customers in view of current economic challenges while also serving to encourage less driving for the benefit of the environment. Tracking of mileage is done conveniently through the Etiqa Smile app, and the take-up has been encouraging in Malaysia. Meanwhile, its Singapore counterpart was launched in late 2021.

#### PROVIDING FEBA SERVICES BEYOND AUTO INSURANCE

In line with our Fast and Easy service as well as Best Advice (FEBA) promise, we developed a system called All Things Auto (ATA) to assist customers with auto breakdowns or accidents. In 2021, we rolled out back-end functions for ATA so our Etiqa Auto Assist Consultants (EAAC) can arrange for auto assistance, assign a suitable service provider, track the service provider's location and monitor the status progress. Meanwhile we are continuing to develop the front-end modules which will enable customers to track the location of the service provider and progress of repairs, and are forging more partnerships with other service providers including workshops and parts manufacturers to provide a holistic offering.

#### FORTIFYING OUR POSITION AS THE PREFERRED BANCA PARTNER ACROSS ASEAN

The Etiqa Virtual Insurance Advisor (EVIa) launched in 2020 served us well during the lockdowns in 2021 as our intermediaries could engage with customers outside of bank branches. Deeper integration with overall Maybank systems will eventually allow the app to provide even better recommendations to customers with regards to protection. We also saw a promising take-up of the newly introduced QR code and a specific hyperlink for the purchase of general protection policies, which saw improvement of 46% in the number of policies sold as at year-end, with many appreciating its convenience. These tools, together with income distribution investment linked plans and other new products, enabled Etiqa to maintain our leading Bancassurance/Bancatakuful position in Malaysia. We are also preparing to roll out EVIA in the Philippines in early 2022.

#### STRENGTHENING OUR SUSTAINABILITY AGENDA

To fortify our Value-Based Intermediation (VBI) commitment, we have undertaken a pledge to develop a Sustainability Statement and Roadmap under which we will track and report on our initiatives to senior management and the Board on a periodic basis. The roadmap will incorporate four key focus areas – internal & social VBI, suppliers, investment and underwriting.

We also appointed the Malaysian Green Technology and Climate Change Centre (MGTC) to map out a Green Dashboard to help us improve and address our sustainability gaps, while keeping us informed on the latest Government-led Green initiatives. To reduce emissions, the Drive Less Save More add-on to our motor insurance/takaful rewards customers who drive less with rebates. Meanwhile, in the second year of our employee-focused Etiqa Recycling Programme (in partnership with iCycle), we recycled over 1.6 tonnes of waste, exceeding our target of one tonne by end 2021, and achieving an equivalent of 883 kg of CO<sub>2</sub> savings.

#### ADDRESSING THE NEEDS OF OUR CUSTOMERS AND COMMUNITIES DURING COVID-19

We continued to assist the government, communities and our customers impacted by the prolonged COVID-19 pandemic via initiatives that included:



Contribution of 2.7 million low dead volume syringes to kickstart the first phase of the National COVID-19 Immunisation Programme in February 2021.



Setting up activity corners in the integrated COVID-19 quarantine and treatment centre at the Malaysia Agro Exposition Park Serdang (MAEPS) in Selangor, and providing sustenance to 600 families in the Klang Valley.



Contribution of over RM1 million worth of medical equipment to the emergency departments of several hospitals in Malaysia during a spike in COVID-19.



Coverage for COVID-19 side effects and hospitalisation as well as a subsidy for COVID-19 tests in Malaysia and financial assistance benefits in Singapore.

With the gradual opening of the economy, Etiqa is seeing an increase in the purchase of motor insurance/takaful policies. We also see pent up demand for travel and are working to provide add-on COVID-19 coverage to our popular TripCare 360 travel insurance. In the meantime, catering to the Singapore Vaccinated Travel Lane (VTL) arrangements, we have launched SingBorder Travel to provide customers medical protection for travel to Singapore.

## GROUP INSURANCE & TAKAFUL

### KEY PERFORMANCE HIGHLIGHTS FY2021

**Group Insurance & Takaful's profit before tax (PBT) decline of 6.4% YoY to RM931.96 million was from:**

- RM68.43 million or 9.4% decline YoY in net investment income following the rise in bond yields and a contraction in international operations.
- This was offset by a 1.3% YoY increase in combined gross premiums/contributions to RM11.45 billion on the back of Regular Premium business growth. Net Adjusted Premium grew by 5.4% to RM5.89 billion.
- The increase in combined gross premiums/contributions was driven by a 7.6% YoY increase in General Insurance and Takaful premiums/contributions to RM3.61 billion, supported by growth in all classes as more businesses reopened post-movement restrictions.
- However, Life Insurance and Family Takaful premiums/contributions declined by 1.4% to RM7.85 billion mainly due to a contraction in Single Premiums, particularly from Etiqa Singapore (EIPL) despite strong growth in Regular Premiums.
- Meanwhile, total assets increased 8.2% YoY to RM52.79 billion from RM48.77 billion in FY2020.

**In Malaysia, PBT grew by 8.3% YoY to RM952.20 million due to:**

- 11.0% growth in combined gross premiums/contributions to RM6.87 billion from RM6.19 billion in FY2020, with increase in all classes especially Regular Premium and credit-related business. Net Adjusted Premium grew by 7.3% to RM4.33 billion.
- This was contributed by a growth of 10.2% in General Insurance and Takaful business, driven by growth in Motor, Fire and Miscellaneous classes, surpassing the industry's 1.6% growth. Market share increased from 14.1% to 14.3% YoY.
- Additionally, it was driven by a 20.4% growth in Life Insurance and Family Takaful new business premiums/contributions, commanding 12.0% market share. New business value increased 47.4% YoY.
- PBT growth was also supported by better underwriting experience and a lower negative impact of yield curve movement, though this was moderated by a 14.7% or RM103.01 million decrease in returns YoY from investment portfolios following the rise in bond yields.

**International operations recorded a loss before taxation of RM20.24 million contributed by:**

- 10.4% contraction in regional markets' combined gross premium to RM4.58 billion.

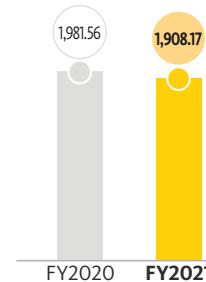
This was mainly driven by:

- 11.8% contraction in gross premiums from Singapore operations to SGD1.28 billion, attributable mainly to a decline in the sale of Single Premiums. Marginal profit recorded as compared to FY2020, due to lower profits from the Life Insurance business.
- 4.0% growth in gross premiums in the Philippines to PHP5.35 billion. However, PBT contracted by 38.9% to PHP367.92 million, resulting from lower underwriting profit.
- 26.9% contraction in gross premiums in Indonesia to IDR646.65 billion. Loss before taxation of IDR166.42 billion, as compared to profit before taxation of IDR8.43 billion in 2020, due to increased provision of claims reserve.
- USD1.33 million in gross premiums and loss before taxation of USD1.60 million in Cambodia, as it is still a new market.

### REGIONAL FINANCIAL PERFORMANCE

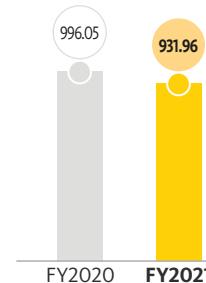
**Net Operating Income\***  
(RM million)

▼-3.7%

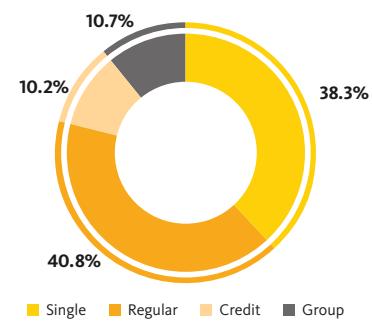


**Profit Before Tax\***  
(RM million)

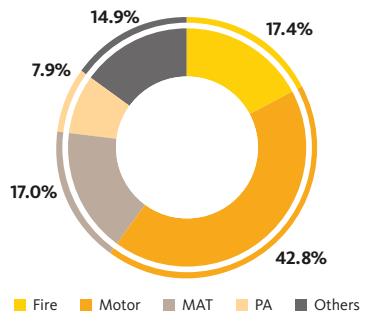
▼-6.4%



**Life Insurance Premium/  
Family Takaful Contribution**



**General Insurance Premium/  
General Takaful Contribution**



\* Net operating income and PBT are mapped according to segmental disclosures. Refer to Note 61(i) on pages 221 to 222 of the Financial Book.



# GROUP ISLAMIC BANKING

Our growth has been premised upon delivering value-driven financial solutions to our customers whilst positively impacting the community and environment. As one of the leaders in Islamic banking, we continue to focus on the growth and performance of our business in alignment with our M25 strategic priorities through a number of signature business initiatives, namely the Multi-Asset Investment Account (MAIA), Islamic Wealth Management (IWM), Halal Economy, and International Business. Whilst remaining aligned with Shariah values and principles, we embrace sustainability which underpins the service we extend to our stakeholders, including our community empowerment-led agenda that entails multiple impactful programmes.

## TOP ACHIEVEMENTS IN 2021



Retained our position as the largest Islamic bank in ASEAN and one of the **top five largest Islamic banks globally** in terms of total assets



**Launched IWM total solutions**, providing customers access to banking and investment products, together with Islamic estate planning solutions



**Launched MIGA-i, the first Shariah-compliant gold account in Malaysia** providing customers access to real-time market price for trading of gold via Maybank2u



**Launched MAIA, the first investment account in Malaysia with a mixed portfolio** which includes financing assets, enabling customers to enjoy higher returns with balanced risk



Successfully distributed the **world's first Islamic green financing for a hospitality asset** amounting to SGD250 million

## GROUP ISLAMIC BANKING

### KEY FOCUS AREAS FOR 2021

#### MEETING THE NEEDS OF CUSTOMERS THROUGH INNOVATIVE ISLAMIC FINANCIAL SOLUTIONS

Backed by growing demand for higher return investment products, we introduced the Multi-Asset Investment Account (MAIA) and MAIA Global Healthcare Fund which are the first investment accounts in the country that enable customers to invest in a mixed investment portfolio comprising our financing assets and marketable securities. MAIA offers clients a higher return banking product through the potential upside from securities and the benefits of stable financing assets. We also introduced Maybank Islamic Gold Account-i (MIGA-i), the first Shariah-compliant gold backed account in Malaysia that allows real-time market price trading of gold via Maybank2u, providing greater flexibility to customers looking to invest in the asset.

#### SUPPORTING CUSTOMERS' GROWTH OPPORTUNITIES THROUGH ISLAMIC WEALTH MANAGEMENT (IWM)

Drawing from data and feedback from customers, on 21 July 2021 we rolled out IWM total solutions, a comprehensive financial solution to address the evolving financial needs of our affluent clients. This entails providing a full suite of products covering all the five essential areas of wealth management, namely creation, accumulation, preservation, purification and distribution.

 Further information is available on our Islamic Wealth Management website at [https://www.maybank2u.com.my/maybank2u/malaysia/en/personal/wealth/iwm/islamic\\_wealth\\_management.page](https://www.maybank2u.com.my/maybank2u/malaysia/en/personal/wealth/iwm/islamic_wealth_management.page)

These comprehensive solutions enable our Maybank Privilege, Premier and Private customers access beyond investment products, coupled with Islamic estate planning solutions which consist of wasiat, hibah, waqf and estate administration. In addition, IWM customers are entitled to unique privileges such as Islamic Wealth Dialogue series, Shariah advisory services, and exclusive Umrah packages. In an effort to further enhance customer experience, we work closely with Group Community Financial Services to scale up the capabilities of our IWM and Islamic Financial Planning sales force through an accredited certification process.

#### EMPOWERING OUR CUSTOMERS TOWARDS UNLOCKING GROWTH IN THE HALAL ECONOMY

We foresee growing demand for Halal products and services due to their inherent alignment with sustainability values. To support the Halal industry, we introduced initiatives that aim to boost the growth of Micro Small and Medium Enterprises (MSMEs) through capacity building and product distribution programmes. In 2021, we launched a Halal Route to Market Programme (HalMap) which has enabled 10 Malaysian SMEs to distribute their Halal products to Singapore. We also empowered micro Halal Food & Beverage entrepreneurs towards scaling up their businesses and obtaining Halal certification as part of our Cloud Kitchen Initiative, which enables homegrown SMEs to rent a highly equipped commercial-grade kitchen space with state-of-the-art facilities at a cost-effective price and obtain guidance through the Halal certification process via the programme's partnership with Cookhouse Malaysia. To build industry awareness and promote Halal certification, we launched the Halal Awareness & Certification Programme (HACP) in partnership with Halnex, through which we conducted six webinars in 2021.

#### BUILDING ON OUR GLOBAL PRESENCE TO SUPPORT CUSTOMERS' GLOBAL ASPIRATIONS

Our regional presence provides a unique advantage to connect businesses in ASEAN and the Middle East. We developed comprehensive Islamic finance solutions such as Risk Participation (RP-i), and sukuk origination and distribution capabilities that will support business between the Gulf Cooperation Council (GCC) and ASEAN region. We also provide Islamic Wealth Management products that meet the sophisticated needs of our customers outside Malaysia. In October 2021, we launched Singapore's first Shariah-compliant balanced fund named Maybank Asian Growth and Income Fund, together with Maybank Asset Management Singapore. Investors can diversify their investments and gain exposure to Shariah-compliant Asian stocks, global sukuk and gold ETFs (Exchange Traded Funds) that are aligned with the principles of sustainability.

#### CREATING A POSITIVE IMPACT IN OUR COMMUNITIES THROUGH SUSTAINABILITY

We successfully distributed the world's first Islamic green financing for a hospitality asset amounting to SGD250 million for Royal Group Development Pte Ltd in an effort together with Maybank Singapore, capturing growing demand for sustainable finance.

We also assisted communities and businesses amid the prolonged pandemic through initiatives leveraging Islamic social finance funds such as zakat and sadaqah. These funds were channeled to those facing hardship through our flagship programmes across ASEAN, including the distribution of RM1.0 million in zakat funds for an estimated 4,736 beneficiaries, with 70% receiving it via MAE as part of our COVID-19 Immediate Assistance Programme. 

 For details on this and other programmes, refer to the Sustainability Report 2021 which will be made available on [www.maybank.com/ar](http://www.maybank.com/ar)

In addition, we provided education assistance to underprivileged students by supporting access to quality education and providing tools to encourage remote learning, as well as scholarships and financial aid. For youth and asnaf members of the community, we conducted entrepreneurship programmes to help enhance their income in the long-term thus elevating their economic status.

## GROUP ISLAMIC BANKING

### KEY PERFORMANCE HIGHLIGHTS FY2021

**Maybank Group Islamic Banking's (MGIB) net operating income (NOI) improved 24.8% YoY to RM6.68 billion:**

- Mainly driven by a YoY increase in net fund based income of 32.3% in Malaysia and 30.3% in Indonesia, from higher financing growth and lower dividend expense. Total growth of gross financing (including financing managed by the Bank) of 6.4% YoY was driven by Malaysia, Dubai and Singapore. International operations contributed 5.9% to MGIB's total gross financing. Meanwhile, deposits & Unrestricted Investment Account's (UA) growth of 10.0% YoY was led by expansion in Indonesia and Malaysia by 14.1% and 10.1% respectively. International operations contributed 6.5% to total deposits & UA.
- However, MGIB recorded lower non-fund based income growth of 12.0% YoY mainly due to reduced non-core fee income from Malaysia and Singapore, impacted by foreign exchange and mark-to-market (MTM) losses. Contribution of international operations to total MGIB net operating income stands at 8.0%.
- Despite a slight increase in overheads of 4.7% mainly from Maybank Islamic Berhad (MIB) and Indonesia, MGIB's resilient top line contributed to improvement in cost to income ratio (CIR) by 5.3% to 27.8%.
- Overall, MGIB's impairment provisions decreased by 68.5% mainly from a significant drop in Malaysia, as more proactive provisioning was booked in FY2020, resulting in profit before tax (PBT) growth of 90.3% YoY to RM4.43 billion.

**In Malaysia, NOI increased by 27.1% YoY to RM6.15 billion:**

- Mainly from higher gross fund based income in MIB by 3.4% from growth in financing and securities, supported by lower dividend expenses from the low overnight policy rate environment and improvement in liquidity and funding profile.
- MIB's growth in gross financing (including financing managed by the Bank) of 6.7% YoY was led by Auto, Mortgage and SME; while deposits & UA grew by 10.1% with the continued focus on CASA to attain lower cost of funds. Community Financial Services' (CFS) financing and funding composition stood at 77.0% and 49.8%, respectively. MIB's contribution to Maybank Malaysia's total domestic financing as well as deposits & UA increased to 64.9% (2020: 62.6%) and 53.1% (2020: 52.8%).
- However, growth in NOI was partially offset by lower non-fund based income in Malaysia of 8.1% YoY.
- Despite a marginal increase in MIB's overheads of 4.0% in line with asset expansion, improvement in CIR by 6.1% YoY to 27.2% was a result of higher income growth.
- PBT doubled YoY to RM4.17 billion, contributed by reduced impairment provisions recorded as lower proactive provisioning booked in FY2021, as well as rating improvement for various accounts.

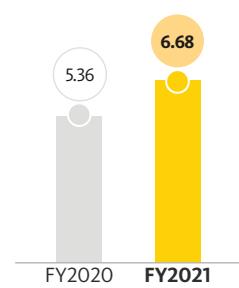
**For international operations, NOI improved 3.1% YoY to RM533.8 million as:**

- Indonesia's Unit Usaha Syariah recorded NOI improvement of 26.1% driven by lower dividend expense, which was aligned with the growth in CASA of 73.4%, moderating the impact of lower non-fund based income. Despite higher overhead expenses, PBT increased 91.9% YoY on lower impairment provisions.
- However, this was partially offset by Singapore which recorded a decline in NOI of 20.0%, mainly on higher MTM losses recorded. Singapore reported a 12.7% financing growth, attributed to targeted growth from Global Banking (GB) and CFS portfolios, while low-cost CASA expanded 23.1%. Due to an increase in impairment provisions, PBT was lower by 30.5% YoY.
- In addition, Labuan's NOI declined 48.9% YoY from lower net fund based income in line with the decline in financing and advances. Meanwhile, PBT reduced by 81.4% on higher impairment provisions for the GB portfolio.
- Resulting from the above, international operations' PBT contracted 13.9% YoY to RM260.29 million.

### REGIONAL FINANCIAL PERFORMANCE

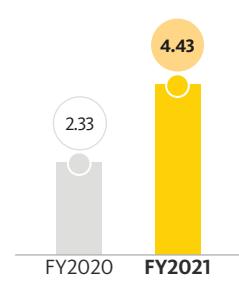
**Net Operating Income\***  
(RM billion)

▲ 24.8%



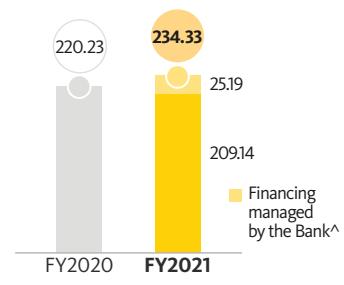
**Profit Before Tax**  
(RM billion)

▲ 90.3%



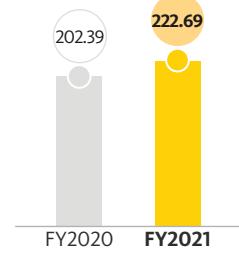
**Gross Financing**  
(RM billion)

▲ 6.4%



**Deposits & Unrestricted Investment Account**  
(RM billion)

▲ 10.0%



\* The disclosure on NOI for MGIB on page 58 of Annual Report 2020 displayed numbers for pre-provisioning operating profit instead of NOI. For comparative purposes, actual NOI for FY2019: RM5.10 billion; FY2020: RM5.36 billion.

^ Financing managed by the Bank refers to RPSIA financing that was recorded as off-balance sheet effective 31 December 2021.

# PERVASIVELY DIGITAL

## OUR STRATEGY

Guided by our core principles for digital of Experience, Trust & Resilience, we aspire to provide more personalised engagements and solutions via ecosystems that can be customised while maintaining resilient and secured backend systems. We aim to evolve from a trusted financial services provider towards becoming our customers' lifestyle and business partner, supported by advanced data analytics, digital systems and platforms. In response to the shift in customers' needs amidst the pandemic, we expanded our digital offerings to provide consistent support and empower our customers to support their daily lifestyle and business needs.

## KEY FOCUS AREAS FOR 2021

### Deepening Relationships and Empowering Customers

Our digital solutions are developed and designed based on needs arising from the continuously changing operating environment – from adapting to shifting customer behaviour to supporting businesses to evolve their business models.

We learnt that small business owners today need support beyond banking; many also face the challenge of having to digitise their operations. Therefore, our new Maybank2u Biz App launched in 2021 was designed not only to provide banking services but also business management services by simplifying and digitising processes. Built entirely in-house and based on agile methodology, the app includes features such as a built-in invoicing tool and ability to seamlessly download and extract transactional data for reconciliation and/or book-keeping purposes.

We also continued to enhance the Sama-Sama Lokal (SSL) platform, which was launched in 2020 to create an online presence for small businesses which suffered from reduced footfall due to the pandemic. Based on customers' and merchants' feedback, we added new features to SSL to improve user experience. This includes automated delivery for seamless ordering and payment, and a tracking function that enables real-time updates on shipment. On top of that, we integrated SSL into the Maybank2u app, reaching a wider base of over 12 million existing Maybank customers.

Meanwhile, travel restrictions due to the prolonged pandemic gave rise to demand for cross-border transfers. To facilitate this, we collaborated with the National Bank of Cambodia (NBC) to launch a low-cost peer-to-peer platform for the remittance of funds in real time from Malaysia to Cambodia using our MAE app as well as NBC's Bakong e-wallet. While making us the first bank to provide such a service in Cambodia, the milestone development is also aligned with our sustainability commitments of driving greater financial inclusion by improving accessibility for underprivileged communities.

### Leveraging Our Capabilities

Many of our digital innovations depend on the capabilities of Maybank's technology team, which has been responsible for the development of new digital capabilities, products and solutions including many that are mentioned throughout this book such as Maybank2u Biz, Maybank Islamic Gold and Maybank-Bakong Cross Border Funds Transfer. Enhancements to existing products such as SSL and various Straight-Through Processing (STP) capabilities across our operating countries are also the result of this team's continuous innovation.

A key development in 2021 has been the roll-out of our remote working solution, mWork, across the Group after it was piloted in Malaysia in 2020. The platform has provided employees with secure and flexible access to internal applications for remote working by leveraging the latest in Virtual Desktop Interface (VDI) technologies to provide a near-seamless working experience. Reaching more than 9,000 active users across Malaysia, Cambodia, Singapore, Hong Kong, China, Myanmar, Vietnam and Brunei in 2021, the team is now working to extend it to more staff while expanding its applications and tools. Our technology team also launched a Virtual Mobile Clinic to support staff while they work remotely.

In addition, we continue to build on our Data Analytics foundation, and in 2021 we piloted Maybank's Data Science Platform, Data Quality Management and Data Quality & Reconciliation. These capabilities fit into Maybank's overall data ecosystem to enable advanced analytics and data democratisation that drives data-led decision making, products and services.

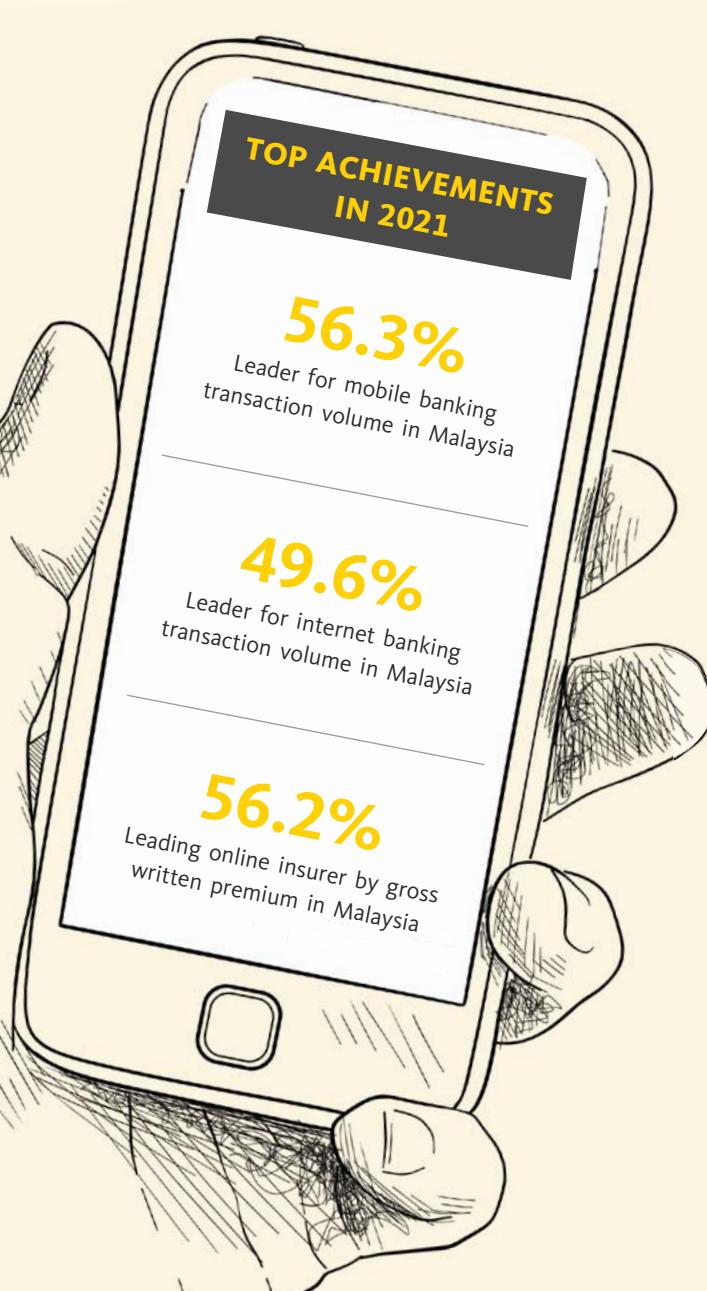
### Investing in the Next Generation of Talents

We rolled out a recruitment and development programme called Next Expert in Technology (NExT) in 2021 to build a sustainable home-grown pipeline of digitally-skilled talents such as data scientists, data engineers, cloud engineers, cyber security engineers, full stack developers and automation testers. The programme, developed in-house by Group Technology, enables talents to gain relevant digital skills via technical training and on-the-job learning.

 Further discussion on future proofing-related learning and development programmes is covered in the Group Human Capital section on page 68.

### Remodelling Distribution with Digitisation and Partnerships

We seek to replicate the success of our digital platforms in Malaysia by revamping our banking platforms across the region with enhanced payment capabilities enabled by STP options across the markets where we operate. Some key STP roll-outs this year included real-time account opening and activation via the iSave CASA in the Philippines; upgrading of the digital account opening service for new-to-bank customers with the integration of eKYC as well as digital insurance straight-through capabilities on Maybank2u in Indonesia; as well as online opening of Zest-i investment account and shares trading account in Malaysia. With STP, we were also able to further improve our Maybank2E functionality, enabling customers to deploy working capital online.



# KEY DIGITAL INITIATIVES

## Group Community Financial Services

- Jointly launched the Maybank-Bakong Cross Border Funds Transfer, a real-time funds transfer service between Malaysia and Cambodia via Maybank's MAE App and the NBC Bakong e-wallet with National Bank of Cambodia (NBC).
- One of the pioneering banks in Indonesia to launch cardless ATM withdrawal using a QR code to reduce physical contact.
- Continued to improve digital adoption among SMEs, with over 63% of the SMEs being active users:
  - Launched Maybank2u Biz app to help SMEs simplify their day-to-day business banking as well as make business operations easier.
  - Introduced MAS Electronic Payment System (MEPS), a real-time Large Value Funds Transfers and Payments capabilities for businesses, with transaction value up to SGD5 million.
  - Enabled seamless and fast-approval SME account opening including eKYC, cheque book and business debit card issuance via Maybank2u in Singapore.
- Introduced seamless and faster eKYC processes in Singapore and Indonesia:
  - Enabled eKYC-leveraged MyInfo and SingPass for online Property, Education and Renovation loans and business account applications. As of December 2021, we had received more than 2,500 online loan applications since its roll-out.
  - Rolled out biometric technology to onboard new customers through Maybank2u app. The average daily online account opening with eKYC grew by 836% compared to account opening via video call KYC launched in 2020.
- Upscaled digital capabilities for wealth customers in Singapore via the enhanced Maybank MView, which provides customers with a consolidated view of their finances across all banks and government agencies, to include data from the Singapore Stock Exchange (SGX) and investments held with the Central Depository (CDP).
- Expanded STP product offerings on Maybank2u in Malaysia, Indonesia and the Philippines with the following (whereupon over 75% of products sales were completed through STP):
  - Underscoring our commitment towards an Islamic-first approach, we launched the Zest-i account as well as the Maybank Islamic Gold Account-I (MIGA-i), a physical gold backed account which allows customers to buy and invest in gold for as little as RM10.
  - Full Bancassurance STP in Indonesia for health insurance product purchases.
  - iSave CASA Phase 2 in the Philippines, enabling customers to open accounts in real-time and activate their Maybank2u account.
- Launched real-time cross-border transfers from Singapore and Maybank Malaysia for all our Singapore Internet banking users at preferential rates. Close to 60,000 transactions worth over SGD90.0 million were recorded since its launch in July 2021.
- Revamped Maybank2u in Singapore with an enhanced security feature, Secure2u, to authorise transactions.

## Group Global Banking

- Digital FX Booking capabilities were introduced on our cash management digital platform, Maybank2E (M2E), which enhances the customer experience by allowing them to book FX Deals from M2E and continue with payment initiation.
- DuitNow bulk payment has evolved traditional collection by enabling corporates to submit multiple payments on M2E in a single file instantly.
- MKE Online Trading in Indonesia and Vietnam grew in value by 162% and 153% YoY respectively, outstripping the rest of the region.
- Maybank Asset Management Sdn Bhd (MAM) raised more than RM445.0 million in Assets Under Management from the Maybank Asia Mixed Asset-I Fund since its launch on 16 August 2021. The mixed assets fund, the first from MAM that is Shariah-compliant, combines the expertise of its fund managers and the latest quant investing technology to provide the best outcome.

## KEY DIGITAL INITIATIVES (CONT'D.)

### Group Insurance & Takaful

- Rolled out All Things Auto (ATA), allowing Etiqa Auto Assist Consultants (EAAC) to register details of any auto assistance required and assign a suitable service provider, which then tracks the service provider's location and status until the vehicle is fixed or towed to a workshop.
- Launched Interactive Underwriting for Bancassurance which enables automated underwriting decisions for customers.
- Launched Drive Less Save More, a motor insurance/takaful product add-on offering customers rebates if their driven mileage is low, with a maximum accumulated cash rebate of up to 30% for driving less than 5,000 km per year by submitting their car odometer reading regularly online via the Etiqa Smile app.
- Introduced Gigantiq, an all-in-one insurance savings plan with on-demand protection, on Etiqa Singapore's digital channel, Tiq, to fulfil customers' needs for savings and protection planning using an integrated digital experience during the pandemic.

### Group Islamic Banking

- Launched Maybank Islamic Gold Account-i (MIGA-i), a Shariah-compliant gold account that allows customers to buy, sell and redeem physical gold from the bank at real-time market price and to transfer the gold to other accounts digitally.
- Introduced digital account opening through Maybank2u for Mudarabah Investment Account Zest-i in August 2021 to improve customer accessibility and experience.
- In Singapore, we enabled cross-border CASA STP which allows existing Maybank Malaysia customers to open savings accounts digitally in Singapore, including Islamic Ar Rihla Regular Savings Account-i and iSAVvy Savings Account-i.

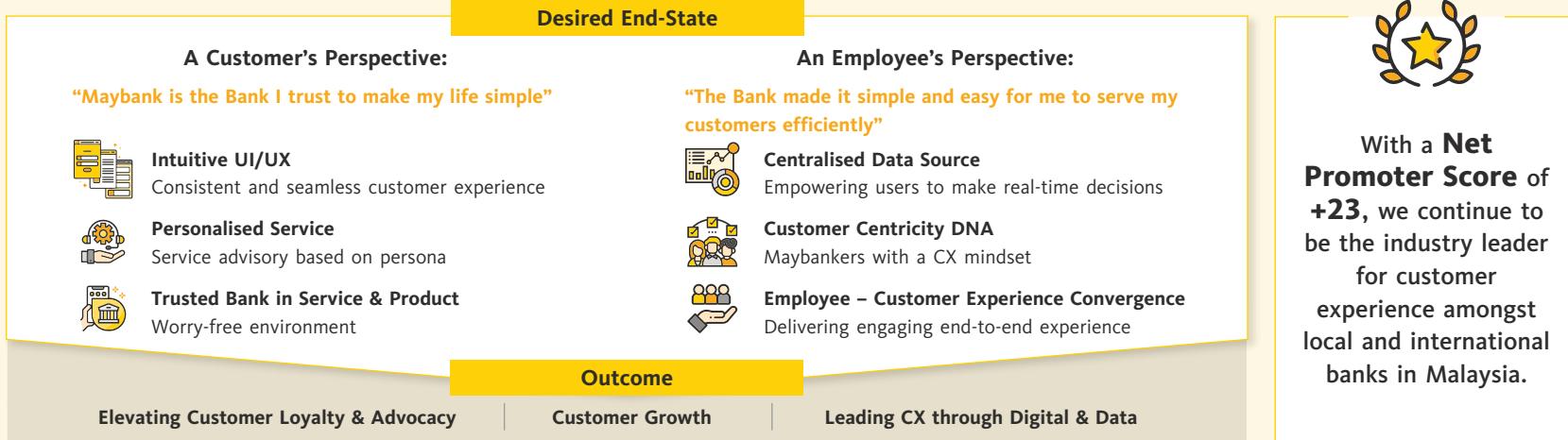
### Group Human Capital

- Continued to pivot our learning and development, wellness and mental well-being efforts, internal & external engagements, and migrating physical initiatives onto virtual platforms, seeking hybrid solutions.
- Curated enhanced programmes to cultivate a hybrid working environment to cater to diverse workforce needs, and to re-energise the workforce's virtual and physical engagements.
- Rolled out an internally-developed recruitment and development programme, Next Expert in Technology (NExT), to build a sustainable home-grown pipeline of technical experts in line with the Group's M25 digital ambition.
- Led the creation and launch of MaybankCares, a one-stop online platform for all things sustainability for Maybank employees, being an infosite, a learning and collaboration channel, and a sustainability tracker.

# CUSTOMER EXPERIENCE

## OUR STRATEGY

Guided by increasing expectations from customers for convenience, consistently high levels of service and personalisation, our M25 Customer Experience (CX) strategy remains focused on efforts to transform Maybank into a customer-centric organisation. This requires embedding a customer-centred approach into all lines of business and establishing digital-focused initiatives across the Group. Initiatives to enhance CX are based on improving the end-to-end CX journey, and encompass effective complaints management as well as standardising our CX approach across our regional offices in order to achieve the desired end-state for our customers.



## KEY FOCUS AREAS FOR 2021

### Accelerating the Transformation Journey to Provide Top Rated CX

Time is of the essence for our customers and our priority is meeting their needs and demands with efficiency based on their business needs and insights. Our journey towards achieving a Top Rated CX is facilitated through our enhanced framework which incorporates the following key principles:



Establish simple, intuitive and accessible banking



Leverage data analytics to drive decision making



Empower employees to serve efficiently



Employ the use of consistent and agile customer engagement approach



Embed a customer-centric employee culture

Guided by these principles, the different lines of business and country operations are empowered to develop their own customised CX approach and milestones according to their business needs and the markets that they operate in to ensure consistent and high quality engagement with their customers. Our lines of business will also be expected to monitor and report regularly on their CX initiatives to the senior management and Board of Directors to ensure alignment with the Group's CX goals.

### Cultivating Group-Wide Mindset Change Towards Customer Centricity

In addressing customers' needs for personalised and differentiated customer experience while cultivating sustainable and consistent CX practices, each department will appoint a team member to assume the role of a customer in all its decision-making processes. This will ensure that the department assesses and views processes, policies and product development from end-to-end through the customers' lens. In addition to that, the I Am Maybank initiative aims to strengthen employees' sense of ownership and accountability to consistently deliver a positive customer experience. This initiative was rolled out from 2019 to all our home markets and overseas units to foster a standardised experience for all customers. Ultimately, our end goal is to evolve from being a financial services provider to becoming our customers' lifestyle partner and building best-in-class experiences through our services, products and platforms.

### Application of Data and Digital Analytics

Towards providing effortless banking as expected by customers, complaints and feedback management plays a critical role in CX as it contributes to our continuous efforts to become solution-oriented. Cognisant of this, we have intensified our efforts to capture and produce high quality data to improve the process of complaints management through the application of data analytics and machine learning (ML) as part of the M25 transformation:

- Using ML, we are developing a Complaint Predictive Model to identify potential complainants based on historical complainant profiles and addressing their issues before they turn into complaints.
- Through root cause analysis (RCA), complex complaints are identified and analysed to improve the Bank's processes. This model also helps to prevent the recurrence of complaints.

### Addressing Customers' Needs

Through the 2020 External Customer Engagement Survey (ECES), we obtained the following feedback:

- Customers believe Maybank is the best among its peers in addressing their needs as well as the needs of the community in the face of the pandemic, by ensuring safety at our branches, and providing financial and non-financial support. Some 80% of customers agreed that Maybank offers various forms of assistance during this difficult period, while 89% agreed Maybank prioritises safety. Most of those who took up a relief programme said the application process was easy and accessible. In light of the prolonged pandemic, we continued to extend appropriate assistance, enabling resumption of business activities to support the reopening of the economy.

For more details, refer to Reflections from Our Group Chief Financial Officer, Group Community Financial Services, Group Global Banking, Group Insurance & Takaful and Group Islamic Banking on pages 39, 51, 54, 57 and 60.

- Due to the pandemic, there is a strong need for us to enhance and ensure the continuity of our on-site and digital service, the latter in terms of functionality, features, system stability and cyber security. We have undertaken several initiatives to increase the efficiency and speed of service at our branches; while hastening the turnaround time for on-boarding customers, improving their digital experience and safeguarding their privacy and security.

Refer to Pervasively Digital on pages 62 to 64 for more details.



# GROUP HUMAN CAPITAL

Guided by our mission of Humanising Financial Services and the Group's M25 ambitions, we remain committed to our journey of enabling our people to be digital-ready and customer-centric, while ensuring that their safety and well-being remains a priority. We continue to operate at optimal levels in spite of the pandemic by enabling flexible work policies and practices.

## TOP ACHIEVEMENTS IN 2021



**Maybank Group registered a significant increase in scores across the different areas of the Employee Engagement Survey (EES) in 2021 compared to the last cycle in 2017**



Employee productivity continued to increase, with income per employee and pre-provisioning operating profit per employee growing from **RM588,620** and **RM321,876** in 2020 to **RM603,500** and **RM330,342** in 2021, respectively



Further strengthened **focus and commitment to sustainability aims, in line with M25 Strategic Priorities**, through initiatives designed to provide support, build knowledge and heighten awareness among Maybankers



Mental well-being was further prioritised with the establishment of numerous mental health-related communications, support channels and engagements



Recognised as the **No. 1 Graduate Employer of Choice** at Malaysia's 100 Leading Graduate Employers Awards 2021, the Graduates' Choice Awards 2021, and GRADUAN Brand Awards 2021



For more awards that recognise our human capital efforts, refer to [www.maybank.com](http://www.maybank.com)

## GROUP HUMAN CAPITAL

### OUR STRATEGY

Maybankers thrive in a progressive environment that encourages and empowers holistic self-development in order to enable them to future-proof themselves and bring their best selves to the workplace. At Maybank, we place our people foremost in every decision made, to empower them to flourish and rise above any challenges. Our people strategy is guided by the following three thrusts to shape a thriving, diverse and inclusive workplace that enables employees to be engaged, future-ready as well as mentally and physically fit, while embedding the Organisational Development approach that supports the need for businesses to pivot quickly in an environment undergoing continuous change:



#### **Workplace Futurisation by Institutionalising New Ways of Working**

Accelerate a flexible, agile and open organisation to remain competitive, stay relevant and be guided by our customers' choices. Offer a hybrid work experience and prioritise the well-being of our employees.



#### **Workforce Futurisation by Accelerating Development and Productivity of Our Talent**

Continuously support a strong learning culture and invest in our employees and their growth via a multitude of flexible and customisable learning and development programmes to reskill, upskill and open up opportunities for experience-building to increase ability.



#### **FutureReady Infrastructure through Innovative Platforms, Processes and Tools**

Strengthen infrastructure through innovative platforms, policies, and systems to enable and liberate employees to thrive and deliver exponential business results responsibly.

### KEY FOCUS AREAS FOR 2021

#### EMPLOYEE ENGAGEMENT

- Our people value open communication, with leaders setting the tone and making a difference, which helps build trust within the organisation. We recorded a high participation rate of 94% in the 2021 EES with over 38,000 respondents. We also continued to be recognised in Willis Towers Watson's (WTW) High Performance Companies benchmark for the fifth time for our outstanding and sustained financial performance and focus on employee experience with superior human resource practices.
- Our Sustainable Engagement Index (SEI) is at 90%, an improvement of 2% against 2017 and 2% above the WTW Global High Performing Companies Norm, indicating a high level of employee engagement, energy and enablement.
- Key engagements undertaken include the introduction of the Group's five-year strategy, M25, with senior management. Other engagements and conversations with senior management were also conducted – e.g. coaching and mentoring employees across the organisation to develop a deeper understanding of what it entails to work effectively towards achieving the organisation's goals. In addition, multiple initiatives prioritising employee well-being were implemented.

#### EMPLOYEE WELL-BEING

- Employees expect the organisation to care for and prioritise them by providing the means for a balanced work-life integration, enabling them to thrive at work, at home and in their community. We continue to prioritise the holistic well-being of employees and redefine the employee experience through our #HUMANISINGWorkplace approach, which broadly encapsulates the Physical, Mental, Emotional and Performance core areas. We undertook the following new initiatives this year:



Introduced a Mental Health Policy that establishes guidelines aimed at helping employees improve their mental well-being, manage stress, depression and anxiety, and improve work-life integration.



Provided means for employees to educate themselves on mental health, such as via our Let's Talk It Out Mental Well-Being Webinar Series, and educational articles on mental health through our Well-Being Bytes series.



Collaborated with the Malaysian Mental Health Association (MMHA) to certify internal Mental Health First Aiders located across the region to be the first point of contact for employees seeking mental health assistance.



Launched our inaugural Mental Health Day on 30 November 2021 to create a better-informed workforce that can thrive in a stimulating environment, enabling them to contribute better to the Group and the community.



Established #WeC.A.R.E. Mental Well-being Support Channels enabling employees to reach out and get support as per their preference (email, helpline, Zoom counselling, C.A.R.E. Circle, group support and one-to-one sessions, Mental Well-being Outreach, Telegram channel and Well-being Bytes via internal communication channels) to ensure inclusivity.



Introduced a Group-wide quarterly Step + Sleep Challenge in July 2021, to encourage employees to rest well and have an active lifestyle. Employees who achieve the targets set are rewarded with Unrecorded Well-being Leave.

- As governments began relaxing movement restrictions, on-site presence of fully-vaccinated employees with critical functions also progressively increased. To continue to facilitate a hybrid work environment to cater to a changing work landscape and the varied needs of a diverse workforce, we improvised existing virtual engagements to become hybrid so both on-site and work-from-home teams could interact through our Acing Maybank's New Ways of Working programme and Future of Work series.
- To ensure safety at the workplace, we remained vigilant through our responses and support, which included implementing compulsory self-testing and vaccination requirements, as well as providing self-test kits, unrecorded leave for vaccinations and related assistance.
- We contributed 2,354 laptops, including WiFi connectivity, for children of employees from the lower-income category to assist their home-based learning while schools were closed during the prolonged pandemic. We also continued to provide financial support to help employees set up their home workspace through the Staff Mobile Loan facility, totalling close to RM280,000 (2020: RM48,518).
- In response to the severe floods that affected a number of states in Malaysia, we speedily provided humanitarian aid in numerous forms, from cash and essential needs to assistance in clean-up operations, as well as the provision of temporary accommodations.

## GROUP HUMAN CAPITAL

### KEY FOCUS AREAS FOR 2021 (CONT'D.)

#### REWARDS AND REMUNERATION

- The performance, motivation and overall workplace satisfaction of employees are driven by their expectation for fair rewards and benefits. The EES indicated that overall views on Pay and Benefits are positive with a score of 79%, an increase of 7% from 2017, while also being above the Global High Performance Company (GHPC) norm of 73% and the Global Financial Services Company (GFSC) norm of 61%.

 For more details, refer to Remuneration on pages 70 to 71.

#### LEARNING & DEVELOPMENT

- Employees want lifelong learning and development opportunities to be easily accessible, which encourages and helps them to independently grow their knowledge base and improve both their personal and professional skills.
- RM74.5 million was invested in learning (2020: RM95.3 million). Meanwhile, learning uptake improved YoY, as reflected in the increase of unique learners to 40,464 (2020: 38,065). Additionally, the overall learning activities by Maybankers showed an increase of 68% (2021: 538,343) from 320,724 in 2020, with an increase in the average learning activity per employee from 8 to 12, as they continue to be supported with enhanced training content. We also continued to leverage digital platforms to conduct our learning and development programmes.

- Our FutureReady Programme, which focuses on enhancing employees' digital skills, continued to show traction – approximately RM4.11 billion in total sales were realised from training 2,004 sales employees from the Digital Marketing module alone, where 80% post-training application of skills was recorded.
- To drive home the Group's sustainability agenda, a Sustainability Capability Building programme was developed to create awareness and establish a foundation of ESG knowledge and skills.

 Arising from the disruptions caused by the pandemic and to ensure we remain on track to achieve our M25 goals, we accelerated our efforts to re-design our workplace and roles – over 6,000 employees across the Group have gone through an initiative or programme to recalibrate their roles or upskill themselves to remain relevant.

#### NURTURING TALENT

- For us, nurturing talent is about putting employees first, knowing their abilities, and enabling them to thrive through the appropriate training and opportunities.
- We hired 1,075 new recruits in 2021 (2020: 869) in support of government programmes such as Protégé and MYSTEP to facilitate the employability of fresh graduates, while 60 fresh graduates were hired for PENJANA-HRDF's Place & Train programme.
- We have also continued to actively engage students and graduate talents throughout the year through various virtual recruitment and engagement initiatives such as #Mbassador, #MaybankDay at universities, Digital hangouts, Digital Challenges, M-Dash challenge, M-Fest, and virtual career fairs, to continue empowering young talents around us and allowing them to grow despite the challenging environment we are in. In 2021, we successfully on-boarded 1,444 new hires in various entry-level roles and pipeline programmes (2020: 1,257). Additionally, we provided internship opportunities to 476 (2020: 414) students.
- Through our efforts and commitment to stay top of mind among young talents, we were voted the No. 1 Graduate Employer of the Year for the sixth time in 2021, and No. 1 Employer for Banking and Financial Services for the 11<sup>th</sup> year. We were also the Grand Winner at the HR Excellence Awards 2021 for the third time, winning several categories including the new Excellence in Workforce Mobility category, for our Mobile Work Arrangement.
- Hired 84 fresh graduates from local and foreign universities through our newly rolled-out Next Expert in Technology (NExT) programme. Developed by Group Technology, NExT provides technical training and on-the-job experience to build a sustainable home-grown pipeline of technical experts.
- Undertook several new digital initiatives to enable better data capture and enhanced insights into our talents, which will help us refine our talent pool management and provide more accurate data for internal job matching and success planning. To date, we have mapped over 15,000 talents into nine Group talent pools and databased over 2,000 employees into 10 skill families.
- Launched an enhanced FutureReady Curriculum Vitae (FR CV), which empowers employees to provide us with greater insights into their achievements and aspirations to better map them to opportunities across the organisation.

- Launched the Retirement Readiness Programme which includes modules and workshops on financial planning, well-being and lifelong skills to support employees make a smooth transition to retirement.
- The GO Ahead. Take Charge! (GATC) programme, designed to help employees navigate the changing job landscape and work environment, continues to be relevant as it is the channel through which career transitions can be facilitated. Take up for each pillar in 2021 is as follows:

#### PILLAR 1

##### Reskill & Redeploy

Job rotations and inter-sector transfers.

**2021: 7,159 employees**

2020: 6,081 employees

#### PILLAR 2

##### Flex In

Sign up for Flexible Work Arrangements (FWA).

**2021: 7,167 employees**

2020: 7,373 employees

#### PILLAR 3

##### Flex Out

Explore external work opportunities whilst retaining the option of returning to the organisation at the end of leave, in addition to part-time employment or business opportunities outside of office hours, as long as none of these have conflicts of interest with Maybank Group.

**2021: 12 employees**

2020: 10 employees

#### PILLAR 4

##### Entrepreneur

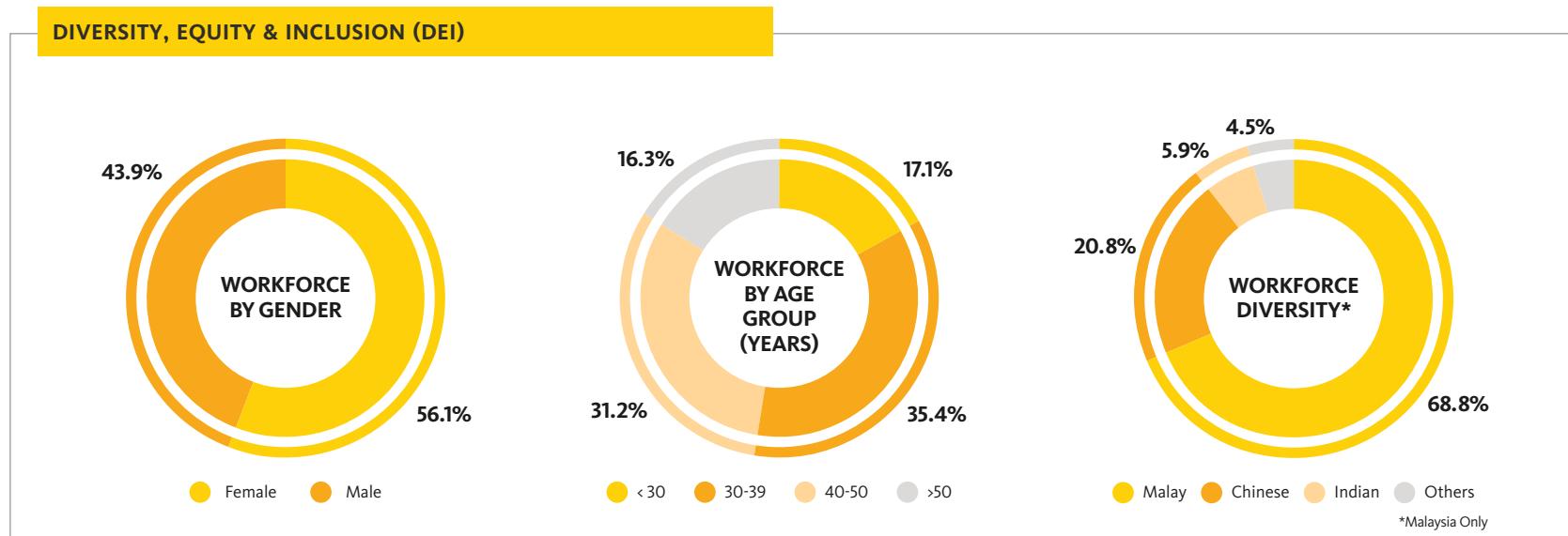
Take a break to become an entrepreneur whilst retaining the opportunity to return to work at the end of leave. Employees who decide to become full-time entrepreneurs can take the exit option to focus on ventures they are passionate about.

**2021: 35 employees**

2020: 28 employees

## GROUP HUMAN CAPITAL

### KEY FOCUS AREAS FOR 2021 (CONT'D.)



- Employees want to belong to a diverse, equitable and inclusive workplace that enables them to thrive personally and professionally. Our DEI approach is firmly rooted in our Core Values, TIGER, together with our 'GO Ahead.' Employer Value Propositions. Collectively, they act as a call to action for all employees regardless of their gender, ethnicity, age, sexual orientation, race, religion or other distinctions, to grow and thrive in a workplace that values their contributions.
- Some impacts of our numerous DEI initiatives to date are:



Women in Leadership Positions – Maybank's commitment to women leadership continued to be recognised globally, with 2021 and 2022 marking our fourth and fifth consecutive year of inclusion in the Bloomberg Gender-Equality Index.



As part of our commitment to DEI, the Group provides inclusive career growth opportunities including internal mobility – where attempts must be made to fill vacancies with internal talents before bringing in any external hire. This has allowed us to achieve an Internal Vacancy Realisation Rate (IVRR) of 88% for senior management positions.



Advance equality and celebrate diversity by promoting awareness of DEI



Call out actions incongruent with inclusion



Share experiences and mentor Maybankers to bring their best and authentic selves to work

- Apart from the annual International Women's Day celebrations, this year saw Maybank's inaugural Diversity Day on 30 April, themed "Building Sustainable Inclusion & the Value of Belonging at Work". The inclusion-centred content was created to inspire, educate, and engage our employees.

# REMUNERATION

**Our remuneration and rewards philosophy is aligned with our business strategies and values, fostering a performance-oriented and prudent risk management culture that delivers long-term sustainable returns to stakeholders.**

We have in place a comprehensive Total Rewards system which is a critical component of the integrated Talent Management framework that guides us to effect “Reward Right” principles to drive positive outcomes and deliver exponential business results responsibly. The system not only supports Maybank Group’s strategy and business plan, it is also critical to improving employee productivity and engagement. Focusing on the right compensation, benefits and development support inspires our employees to achieve their personal and professional aspirations.

Environmental, social and governance (ESG) elements are inculcated in various aspects of our Total Rewards management through proper governance, performance measurement standards and risk management considerations. Governed by sound principles, our remuneration policies and practices are reviewed periodically to ensure alignment with regulatory requirements and to reinforce a high-performance culture. The aim is to attract, motivate and retain talents through market competitiveness and responsible values.

## COMPONENTS OF REMUNERATION

Our holistic Total Rewards Framework comprises three main elements, namely Total Compensation, Benefits & Well-Being, and Development & Career Opportunities.

### i) Total Compensation

Maybank Group’s Compensation Policy ensures our employees receive salaries on par with the market. In addition to fixed pay, we offer differentiated compensation that is competitive in the form of variable bonus and a long-term incentive award (for eligible senior management and above). Employee’s compensation is reviewed annually and is geared towards retaining, motivating and rewarding our employees.

Targeted Pay Mix levels (Fixed Pay and Variable Pay (i.e. Variable Bonus and Long-term Incentive Award)) have been 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 the performance of the Group, business/corporate function and individual.

 <b>Fixed Pay</b>	<ul style="list-style-type: none"> <li>• Attract and retain talents by providing competitive and equitable level of pay.</li> <li>• Reviewed annually in a holistic approach through internal and external benchmarking against relevant peers/locations, with consideration of market dynamics, individual responsibilities, functions/roles, performance, skillsets and competency.</li> </ul>
 <b>Variable Pay</b>	<p><b>Variable Bonus</b></p> <ul style="list-style-type: none"> <li>• Reinforce a pay-for-performance culture and adherence to Maybank Group’s Core Values, TIGER.</li> <li>• Variable cash award aligned with risk management and the Group’s long-term performance goals through our deferral and claw-back policies.</li> <li>• Based on the overall performance of the Group, business/corporate function and individual.</li> <li>• Premised on the Balanced Scorecard (BSC) comprising financial and non-financial KPIs tailored to drive desired behaviours and performance in creating long-term shareholder value. In FY2021, we have incorporated ESG-related KPIs in the Group BSC and individual BSC which reflects our commitment to develop and drive compelling ESG values to generate sustainable and superior long-term results.</li> </ul> <p><b>Long-Term Incentive Award</b></p> <ul style="list-style-type: none"> <li>• Comprises a significant component of senior management’s Total Compensation with the intent to drive sustainable, longer-term risk management and to meet the Group’s M25 strategy.</li> </ul> <p><b>Deferral Policy:</b> Any Variable Bonus in excess of certain thresholds will be deferred over a period of time. A Deferred Variable Bonus will lapse immediately upon termination of employment (including resignation) except in the event of ill health, disability, redundancy, retirement or death.</p> <p><b>Clawback Provision:</b> Maybank’s Board has the right to make adjustments or clawbacks to any Variable Bonus or Long-Term Incentive Award if deemed appropriate based on risk management issues, financial misstatement, fraud, gross negligence or wilful misconduct.</p>

### ii) Benefits & Well-being

Employee benefits are integral to our Total Rewards management. ESG values and M25 objectives have been embedded in our employee benefits and are priorities in our rewards management.

Maybank’s benefits programme – offering financial protection, healthcare, paid time-off, loans at preferential rates and work-life integration support – is reviewed periodically to remain competitive and reflect evolving trends in a rapidly changing business environment. We embrace a holistic, sustainable way of working that considers our employees’ physical, mental and emotional well-being, financial needs, social needs, career development and opportunities to allow them to achieve higher levels of competencies and professionalism.

### iii) Development & Career Opportunities

In line with our strong learning culture, we continue to deploy best-in-class learning and development programmes that are flexible and customisable to nurture our employees at all levels for long-term relevance, competitive advantage and growth.

Employees are encouraged to assume personal ownership of their development by upgrading their skills and taking on stretch assignments as well as expanded responsibilities.

## REMUNERATION

### LONG-TERM INCENTIVE AWARD

#### Employees' Share Grant Plan

In December 2018, Maybank rolled out the Employees' Share Grant Plan (ESGP) under the Long-Term Incentive Award to replace a previous scheme that expired in June 2018. The ESGP, valid for seven years, serves as a long-term incentive for eligible talents and senior management.

Vesting eligibility of the ESGP is subject to fulfilment of the ESGP vesting conditions as well as meeting performance criteria at the Maybank Group and individual levels. The first ESGP Award that was granted in December 2018 has vested in December 2021. The fourth ESGP Award, granted in September 2021, will vest in 2024.

#### Governance & Controls – Remuneration Practices

Our remuneration policies and practices comply with all statutory and regulatory requirements, and are strengthened by sound risk management and controls, ensuring remuneration practices are carried out responsibly.

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

Based on sound Performance Management principles, our Key Performance Indicators (KPIs) continue to focus on outcomes and are aligned with our business plans. Each of the Senior Officers and Other Material Risk Takers (OMRT) carries Risk, Governance and Compliance goals in his/her individual scorecards which are cascaded accordingly. The right KPI setting continues to shape our organisational culture while driving risk and compliance agendas effectively. Inputs from control functions and Board Committees are incorporated into the respective functional areas and individual performance results.

#### Senior Officers and Other Material Risk Takers

The remuneration of Senior Officers and OMRTs are reviewed annually and submitted to the Nomination and Remuneration Committee for recommendation to the Board for approval.

The remuneration of Maybank Group's Senior Officers and OMRTs in FY2021 is summarised in the table below:

Total value of remuneration awards for the financial year (RM'000)	Senior Officers		OMRT	
	Unrestricted	Deferred	Unrestricted	Deferred
<b>Fixed remuneration:</b>				
• Cash-based	28,291 (16 headcount)	–	64,025 (111 headcount)	–
• Shares and share-linked instruments	–	–	–	–
• Others	–	–	–	–
<b>Variable remuneration:</b>				
• Cash-based	23,879 (16 headcount)	621 (1 headcount) Refer to note below*	46,893 (109 headcount)	19,479 (7 headcount)
• Shares and share-linked instruments	5,881 (15 headcount)^	–	6,799 (74 headcount)^ Refer to note below*	–
• Others	–	–	–	–
<b>Definition</b>	Senior Officers of the Group are defined as Members of the Group Executive Committee (EXCO); Group Chief Compliance Officer; Group Chief Audit Executive and Group General Counsel and Company Secretary.		OMRTs are defined as employees who can materially commit or control significant amounts of a financial institution's resources, or whose actions are likely to have a significant impact on its risk profile, or those among the most highly remunerated officers.	

Notes:

\* In FY2021, a total of 1,444,000 and 2,183,100 units of Maybank shares (for On Target performance levels) under Maybank Group Employees' Share Grant Plan (ESGP)/Cash-settled Employees' Share Grant Plan (CESGP) were awarded to 15 Senior Officers and 90 OMRTs respectively. The number of ESGP/CESGP units to be vested/paid by 2024 would be conditional upon the said employees fulfilling the vesting/payment criteria.

^ A total of 1,555,600 units of ESGP/CESGP granted in December 2018 has vested to 15 Senior Officers (721,600 units) and 74 OMRTs (834,000 units) in December 2021. ESGP value is based on statutory guidelines for taxable gains calculation and CESGP value is based on volume weighted average market price (VWAMP) for the five (5) market days immediately preceding the CESGP vesting date.

 The FY2021 compensation outcome for Senior Officers does not include the compensation of the Group President & CEO as it is disclosed in the Corporate Governance Overview Statement on page 91.



**Tan Sri Dato' Sri  
Zamzamzairani Mohd Isa**  
Non-Independent Non-Executive  
Director (Chairman)



**Datuk R. Karunakaran**  
Senior Independent  
Non-Executive Director

# BOARD OF DIRECTORS



**Cheng Kee Check**  
Non-Independent  
Non-Executive Director



**Fauziah Hisham**  
Independent  
Non-Executive Director



**Shariffuddin Khalid**  
Independent  
Non-Executive Director



**Dato' Idris Kechot**  
Independent  
Non-Executive Director



**Dato' Sri Abdul Farid Alias**  
Non-Independent Executive Director  
(Group President & Chief Executive Officer)



**Dr. Hasnita Dato' Hashim**  
Independent  
Non-Executive Director



**Edwin Gerungan**  
Independent  
Non-Executive Director



**Che Zakiah Che Din**  
Independent  
Non-Executive Director



**Anthony Brent Elam**  
Independent  
Non-Executive Director



**Dato' Zulkiflee Abbas  
Abdul Hamid**  
Independent  
Non-Executive Director



**Shirley Goh**  
Independent  
Non-Executive Director

## BOARD OF DIRECTORS

**TAN SRI DATO' SRI ZAMZAMZAIRANI MOHD ISA**  
Non-Independent Non-Executive Director (Chairman)\*



**Age/Gender:** 61/Male  
**Appointed:** 2 November 2020  
**Meeting Attendance:** 19/19 (100%)



### Qualification(s):

- Bachelor of Science in Communications Engineering, Plymouth Polytechnic, UK
- Corporate Finance, Strategies for Creating Shareholder Value Programme, Kellogg School of Management, Northwestern University, USA
- Strategic Leadership Programme, University of Oxford's Saïd Business School, UK
- IMD CEO Roundtable, Lausanne, Switzerland

### Relevant Working Experience:

Over 30 years of experience in the telecommunications industry holding various key and senior management roles, including his last position as Group Chief Executive Officer of Telekom Malaysia Berhad (TM) prior to his retirement in 2017.

### Present Directorship(s):

- Listed Entity/Entities:
  - Chairman of Maybank
- Other Public Company/Companies:
  - Director of Perdana Leadership Foundation

**DATO' SRI ABDUL FARID ALIAS FCB**  
Non-Independent Executive Director  
(Group President & Chief Executive Officer)



**Age/Gender:** 54/Male  
**Appointed:** 2 August 2013<sup>#</sup>  
**Meeting Attendance:** 19/19 (100%)



**DATUK R. KARUNAKARAN**  
Senior Independent Non-Executive Director



**Age/Gender:** 71/Male  
**Appointed:** 16 July 2014  
**Meeting Attendance:** 19/19 (100%)



### Qualification(s):

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

### Relevant Working Experience:

Over 25 years of experience in investment banking, corporate finance and capital markets with several institutions including Aseambankers, Schroders, Malaysian International Merchant Bankers, JP Morgan and Khazanah Nasional Berhad.

### Present Directorship(s):

- Listed Entity/Entities:
  - Executive Director/Group President & Chief Executive Officer of Maybank
  - President Commissioner of PT Bank Maybank Indonesia Tbk
- Other Public Company/Companies:
  - Director of Maybank Singapore Limited
  - Director of Cagamas Holdings Berhad
  - Director of Financial Industry Collective Outreach
  - Vice Chairman of Asian Institute of Chartered Bankers

### Qualification(s):

- Postgraduate Course on Industrial Project Planning, University of Bradford, UK
- Bachelor of Economics (Accounting) (Hons), University of Malaya, Malaysia

### Relevant Working Experience:

Served Malaysian Investment Development Authority (MIDA) for 36 years in various positions including Director and Director-General. MIDA is responsible for the promotion and coordination of the development of the manufacturing and services sector in Malaysia including promoting domestic and foreign investment.

### Present Directorship(s):

- Listed Entity/Entities:
  - Director of Maybank
  - Chairman of Integrated Logistics Berhad
  - Director of Bursa Malaysia Berhad
  - Director of IOI Corporation Berhad
- Other Public Company/Companies:
  - Chairman of Maybank Singapore Limited
  - Chairman of Maybank Ageas Holdings Berhad

## BOARD OF DIRECTORS

**ANTHONY BRENT ELAM**  
Independent Non-Executive Director



**Age/Gender:** 63/Male  
**Appointed:** 15 November 2016  
**Meeting Attendance:** 19/19 (100%)



**CHE ZAKIAH CHE DIN**  
Independent Non-Executive Director



**Age/Gender:** 62/Female  
**Appointed:** 1 March 2018  
**Meeting Attendance:** 19/19 (100%)

### Qualification(s):

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

### Relevant Working Experience:

Over 30 years of holding senior management positions in various large caps such as Chief Risk Officer of PT Bank Central Asia Tbk, PT Bahana Pembinaan Usaha Indonesia and Citibank.

### Present Directorship(s):

- Listed Entity/Entities:
  - Director of Maybank
- Other Public Company/Companies:
  - Chairman of Maybank (Cambodia) Plc
  - Director of Maybank Singapore Limited

### Qualification(s):

- Bachelor of Economics (Hons), University of Malaya, Malaysia

### Relevant Working Experience:

More than 30 years of experience working with Bank Negara Malaysia in the areas of supervision and regulation of banking institutions and developmental financial institutions. The last position she held prior to her retirement in 2017 was Director, Financial Conglomerates Supervision Department.

### Present Directorship(s):

- Listed Entity/Entities:
  - Director of Maybank
- Other Public Company/Companies:
  - Director of Maybank Investment Bank Berhad
  - Director of Maybank IBG Holdings Limited
  - Director of FIDE Forum

**FAUZIAH HISHAM**  
Independent Non-Executive Director



**Age/Gender:** 66/Female  
**Appointed:** 15 May 2018  
**Meeting Attendance:** 19/19 (100%)



### Qualification(s):

- Associate Member of The Chartered Governance Institute, UK
- Qualified Risk Director, Institute of Enterprise Risk Practitioners

### Relevant Working Experience:

Over 30 years of banking experience having served in senior management positions in J.P. Morgan Chase Bank, Standard Chartered Bank and Australia & New Zealand Banking Group in Malaysia. She served as Chairman of the board of J.P. Morgan Chase Bank Berhad prior to joining Maybank Board in May 2018.

### Present Directorship(s):

- Listed Entity/Entities:
  - Director of Maybank
  - Director of Hengyuan Refining Company Berhad
- Other Public Company/Companies:
  - Chairman of Maybank Philippines Inc.
  - Director of Maybank Trustees Berhad
  - Director of Maybank Ageas Holdings Berhad
  - Director of Agensi Kaunseling dan Pengurusan Kredit

### Membership of Board Committees in Maybank:

<b>CRC</b>	Credit Review Committee	<b>AC</b>	Audit Committee
<b>NRC</b>	Nomination and Remuneration Committee	<b>CC</b>	Compliance Committee
<b>RMC</b>	Risk Management Committee	<b>BSC</b>	Sustainability Committee
<b>Chairman</b>			<b>Member</b>

### Note:

- \* Tan Sri Dato' Sri Zamzamzairani Mohd Isa and Cheng Kee Check are nominees of Permodalan Nasional Berhad.
- # As Director and Group President & Chief Executive Officer.
- Age is as at 28 February 2022.

### Flags indicate nationality:

Malaysian   Indonesian   American

### Declaration:

- All the Directors:
- have no family relationship with any Director and/or major shareholder of Maybank;
  - have complied with Maybank's policies on conflict of interest;
  - have not been convicted of any offence within the past five years; and
  - have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Full profiles of the Directors can be found in Section B of the Corporate Governance Report published on Maybank Group's corporate website at [www.maybank.com](http://www.maybank.com)

## BOARD OF DIRECTORS

### CHENG KEE CHECK

Non-Independent Non-Executive Director\*



**Age/Gender:** 57/Male

**Appointed:** 19 November 2014

**Meeting Attendance:** 19/19 (100%)

CRC  
NRC  
CC



### EDWIN GERUNGAN

Independent Non-Executive Director

RMC  
NRC

**Age/Gender:** 73/Male

**Appointed:** 24 August 2015

**Meeting Attendance:** 19/19 (100%)

#### Qualification(s):

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

#### Relevant Working Experience:

Over 30 years of experience as a practising corporate lawyer, and has been a partner at Messrs Skrine since 1997. His practice areas include mergers, acquisitions, takeovers, and restructurings of companies. He was previously a director of PNB Development Sdn. Berhad and Seriemas Development Sdn. Berhad.

#### Present Directorship(s):

- Listed Entity/Entities:
  - Director of Maybank
- Other Public Company/Companies:
  - Chairman of Maybank Trustees Berhad

#### Qualification(s):

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

#### Relevant Working Experience:

Over 40 years of experience having served in key positions of banking institutions and private companies including Citibank, Bank Central Asia, Bank Danamon, Bank Mandiri and PT Indonesia Infrastructure Finance.

#### Present Directorship(s):

- Listed Entity/Entities:
  - Director of Maybank
  - Commissioner of PT Bank Maybank Indonesia Tbk
- Other Public Company/Companies:
  - Nil

### DR. HASNITA DATO' HASHIM

Independent Non-Executive Director



**Age/Gender:** 60/Female

**Appointed:** 1 July 2016

**Meeting Attendance:** 19/19 (100%)

CC  
RMC  
AC  
NRC  
BSC



### SHARIFFUDDIN KHALID

Independent Non-Executive Director

AC  
CC  
BSC

**Age/Gender:** 56/Male

**Appointed:** 14 June 2018

**Meeting Attendance:** 19/19 (100%)

#### Qualification(s):

- PhD in Nuclear Physics, Oxford University, UK
- Bachelor of Science in Physics, Surrey University, UK

#### Relevant Working Experience:

30 years of global financial management experience in asset management, structured finance and asset securitisation with over 20 years in senior management roles at local and multinational companies.

#### Present Directorship(s):

- Listed Entity/Entities:
  - Director of Maybank
- Other Public Company/Companies:
  - Chairman of Maybank Investment Bank Berhad
  - Chairman of Maybank IBG Holdings Limited

#### Qualification(s):

- Fellow Member of The Chartered Institute of Management Accountants, UK

#### Relevant Working Experience:

Over 30 years of experience in the banking/corporate sector and Bank Negara Malaysia (BNM). He served as Director, Strategic Communications for BNM and also as the pioneer Director of the Malaysia International Islamic Financial Centre initiative. Earlier, he was part of the management team that established Pengurusan Danaharta Nasional Berhad.

#### Present Directorship(s):

- Listed Entity/Entities:
  - Director of Maybank
  - Director of MCB Bank Limited
  - Director of Marine & General Berhad
- Other Public Company/Companies:
  - Director of Maybank Islamic Berhad
  - Director of Maybank (Cambodia) Plc.

## BOARD OF DIRECTORS

**DATO' IDRIS KECHOT**  
Independent Non-Executive Director



**Age/Gender:** 67/Male  
**Appointed:** 15 May 2019  
**Meeting Attendance:** 19/19 (100%)

NRC  
AC



**DATO' ZULKIFLEE ABBAS ABDUL HAMID**  
Independent Non-Executive Director

CRC NRC RMC  
AC BSC

**Qualification(s):**

- Master of Business Administration (Finance), University of Stirling, UK
- Bachelor of Science in Agribusiness, Universiti Putra Malaysia

**Relevant Working Experience:**

Over 35 years of experience across the entire value chain of the unit trust and investment management business. He was previously the Deputy President and Group Chief Operating Officer, Asset Management of Permodalan Nasional Berhad (PNB) prior to his retirement in 2018.

**Present Directorship(s):**

- Listed Entity/Entities:
  - Director of Maybank
  - Chairman of Kumpulan Fima Berhad
- Other Public Company/Companies:
  - Chairman of Maybank Asset Management Group Berhad

**Qualification(s):**

- Master of Business Administration, Southern Illinois University, USA
- Bachelor of Science in Marketing, Southern Illinois University, USA
- Advanced Management Program, Wharton School of Business, University of Pennsylvania, USA

**Relevant Working Experience:**

Over 35 years of banking experience having served in senior management positions such as Managing Director/Chief Executive Officer of Affin Bank Berhad and Affin Holdings Berhad and President/Managing Director of Bank Kerjasama Rakyat Malaysia Berhad.

**Present Directorship(s):**

- Listed Entity/Entities:
  - Director of Maybank
- Other Public Company/Companies:
  - Chairman of Maybank Islamic Berhad
  - Trustee of Yayasan Budiman Universiti Teknologi MARA
  - Trustee of Tabung Pendidikan 1 Bilion

**SHIRLEY GOH**  
Independent Non-Executive Director



**Age/Gender:** 62/Female  
**Appointed:** 1 December 2021  
**Meeting Attendance:** 1/1 (100%)

CRC RMC  
AC

**Qualification(s):**

- Member of The Malaysian Institute of Certified Public Accountants
- Member of the Malaysian Institute of Accountants

**Relevant Working Experience:**

Over 40 years of experience providing audit and business advisory services, having worked with PricewaterhouseCoopers Malaysia (PwC) for 41 years, of which 24 years were as a Partner. She also has experience advising on local and cross-border Merger & Acquisition transactions.

**Present Directorship(s):**

- Listed Entity/Entities:
  - Director of Maybank
  - Director of UEM Edgenta Berhad
- Other Public Company/Companies:
  - Nil

**Membership of Board Committees in Maybank:**

<b>CRC</b>	Credit Review Committee	<b>AC</b>	Audit Committee
<b>NRC</b>	Nomination and Remuneration Committee	<b>CC</b>	Compliance Committee
<b>RMC</b>	Risk Management Committee	<b>BSC</b>	Sustainability Committee

Chairman   Member

**Note:**

- \* Tan Sri Dato' Sri Zamzamzairani Mohd Isa and Cheng Kee Check are nominees of Permodalan Nasional Berhad.
- # As Director and Group President & Chief Executive Officer.
- Age is as at 28 February 2022.

**Flags indicate nationality:**

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**Declaration:** All the Directors:

- have no family relationship with any Director and/or major shareholder of Maybank;
- have complied with Maybank's policies on conflict of interest;
- have not been convicted of any offence within the past five years; and
- have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

Full profiles of the Directors can be found in Section B of the Corporate Governance Report published on Maybank Group's corporate website at [www.maybank.com](http://www.maybank.com)

# GROUP EXECUTIVE COMMITTEE



**Dato' Sri Abdul Farid Alias**  
Group President & Chief Executive Officer

Refer to page 74 for his profile.



**Mohd Suhail Amar Suresh**  
Group Chief Technology Officer

**Dato' John Chong Eng Chuan**

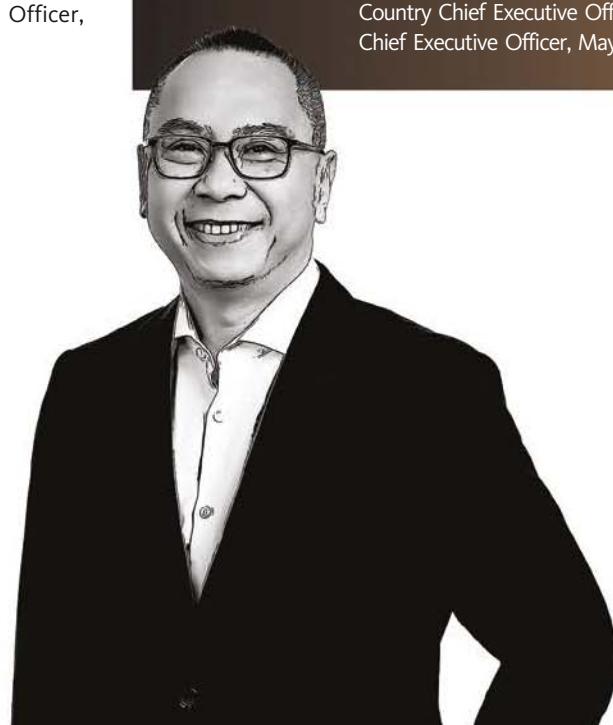
Group Chief Executive Officer,  
Community Financial Services



**Kamaludin Ahmad**  
Group Chief Executive Officer,  
Insurance & Takaful



**Dr. John Lee Hin Hock**  
Country Chief Executive Officer &  
Chief Executive Officer, Maybank Singapore



**Gilbert Kohnke**  
Group Chief Risk Officer





**Datuk Nora Abd Manaf**  
Group Chief Human Capital Officer



**Dato' Mohamed Rafique Merican**  
**Mohd Wahiduddin Merican**  
Group Chief Executive Officer,  
Islamic Banking

**Khalijah Ismail**  
Group Chief Financial Officer



**Michael Foong Seong Yew**  
Group Chief Strategy Officer  
& Chief Executive Officer,  
International

**Dato' Muzaffar Hisham**  
Group Chief Executive Officer,  
Global Banking

**Jerome Hon Kah Cho**  
Group Chief Operations  
Officer



**Taswin Zakaria**  
President Director,  
Maybank Indonesia



## GROUP EXECUTIVE COMMITTEE

<p><b>DATO' JOHN CHONG ENG CHUAN</b> Group Chief Executive Officer, Community Financial Services</p> <p><b>Age/Gender:</b> 54/Male <b>Date of Appointment:</b> 1 October 2018</p>	<p><b>DATO' MUZAFFAR HISHAM</b> Group Chief Executive Officer, Global Banking</p> <p><b>Age/Gender:</b> 49/Male <b>Date of Appointment:</b> 1 July 2016</p>	<p><b>DATO' MOHAMED RAFIQUE MERICAN</b> <b>MOHD WAHIDUDDIN MERICAN</b> Group Chief Executive Officer, Islamic Banking</p> <p><b>Age/Gender:</b> 56/Male <b>Date of Appointment:</b> 1 July 2016</p>
<p><b>Qualification(s):</b></p> <ul style="list-style-type: none"> <li>Bachelor of Economics (Hons), University of Queensland, Brisbane, Australia</li> <li>Chartered Banker, Asian Institute of Chartered Bankers</li> <li>Advanced Management Program, Harvard Business School</li> </ul> <p><b>Relevant Working Experience:</b> Over 25 years of regional financial services experience encompassing consumer, commercial, wealth management and investment banking. Previously, the CEO of Maybank Investment Bank Berhad and Maybank Investment Banking Group (formerly known as Maybank Kim Eng Group).</p> <p><b>Present directorship(s) in Maybank Group, other public companies and listed entities:</b></p> <ul style="list-style-type: none"> <li>Maybank Trustees Berhad</li> </ul>	<p><b>Qualification(s):</b></p> <ul style="list-style-type: none"> <li>Bachelor of Science (Hons) in Economics and Accounting, University of Bristol, UK</li> <li>Leadership Excellence through Awareness and Practice (LEAP) Programme, INSEAD</li> <li>Chartered Banker, Asian Institute of Chartered Bankers</li> </ul> <p><b>Relevant Working Experience:</b> Over 20 years of regional banking experience encompassing wholesale and retail banking at large local and foreign banks. Previously, Maybank Islamic Berhad CEO and Group Islamic Banking Head.</p> <p><b>Present directorship(s) in Maybank Group, other public companies and listed entities:</b></p> <ul style="list-style-type: none"> <li>Maybank Asset Management Group Berhad</li> <li>Maybank Investment Bank Berhad</li> <li>Maybank IBG Holdings Limited (<i>formerly known as Maybank Kim Eng Holdings Limited</i>)</li> <li>Anfaal Capital (Saudi Arabia)</li> <li>BinaFikir Sdn Bhd</li> </ul>	<p><b>Qualification(s):</b></p> <ul style="list-style-type: none"> <li>Fellow of the Association of Chartered Certified Accountants (ACCA), UK</li> <li>Chartered Accountant, Malaysian Institute of Accountants (MIA)</li> <li>Advanced Management Program, Harvard Business School</li> </ul> <p><b>Relevant Working Experience:</b> More than 30 years of corporate sector experience, with nine years spent as the CFO of several Malaysian listed corporates, including Maybank Group.</p> <p><b>Present directorship(s) in Maybank Group, other public companies and listed entities:</b></p> <ul style="list-style-type: none"> <li>Etika General Takaful Berhad</li> <li>Maybank Islamic Asset Management Sdn Bhd</li> </ul>
<p><b>GILBERT KOHNKE</b> Group Chief Risk Officer</p> <p><b>Age/Gender:</b> 63/Male <b>Date of Appointment:</b> 1 November 2017</p> <p><b>Qualification(s):</b></p> <ul style="list-style-type: none"> <li>Master of Business Administration, University of Hawaii, Manoa</li> <li>Bachelor of Commerce (Accounting), University of Windsor, Canada</li> <li>Bachelor of Arts (Economics), University of Western Ontario, Canada</li> </ul> <p><b>Relevant Working Experience:</b> Over 30 years of experience in global financial institutions, with a proven track record of risk expertise. Formerly the Group Chief Risk Officer for Danske Bank AS and OCBC Bank.</p> <p><b>Present directorship(s) in Maybank Group, other public companies and listed entities:</b></p> <ul style="list-style-type: none"> <li>Nil</li> </ul>	<p><b>MOHD SUHAIL AMAR SURESH</b> Group Chief Technology Officer</p> <p><b>Age/Gender:</b> 58/Male <b>Date of Appointment:</b> 1 April 2015</p> <p><b>Qualification(s):</b></p> <ul style="list-style-type: none"> <li>Master of Business Administration, Charles Sturt University, Australia</li> <li>Chartered Banker, Asian Institute of Chartered Bankers</li> <li>Advanced Management Program, Harvard Business School</li> <li>Fellow, Malaysian Institute of Management</li> </ul> <p><b>Relevant Working Experience:</b> Over 30 years of experience in business and technology leadership roles within the financial services and telecommunications domain in national and multinational organisations.</p> <p><b>Present directorship(s) in Maybank Group, other public companies and listed entities:</b></p> <ul style="list-style-type: none"> <li>Maybank Shared Services Sdn Bhd</li> <li>MCB Bank Limited</li> <li>MBB Labs Pvt Ltd (India)</li> </ul>	<p><b>JEROME HON KAH CHO</b> Group Chief Operations Officer</p> <p><b>Age/Gender:</b> 55/Male <b>Date of Appointment:</b> 1 December 2013</p> <p><b>Qualification(s):</b></p> <ul style="list-style-type: none"> <li>Malaysian Institute of Certified Public Accountants (MICPA)</li> <li>Member of MICPA</li> <li>Member of Malaysia Institute of Accountants (MIA)</li> <li>Chartered Banker (AICB, CBI)</li> </ul> <p><b>Relevant Working Experience:</b> Over 27 years in Maybank, more than seven years of which were as the Group Chief Audit Executive. Additionally, he has eight years of audit experience prior to joining Maybank.</p> <p><b>Present directorship(s) in Maybank Group, other public companies and listed entities:</b></p> <ul style="list-style-type: none"> <li>Nil</li> </ul>

Flags indicate nationality:



Malaysian



Indonesian



Canadian

Notes:

- Age is as at 28 February 2022.

- Present directorship(s) in subsidiaries of Maybank Group by members of the Group Executive Committee can also be found on pages 264 to 267 of the Financial Book.

## GROUP EXECUTIVE COMMITTEE

<b>KAMALUDIN AHMAD</b> Group Chief Executive Officer, Insurance & Takaful	
<b>Age/Gender:</b> 54/Male <b>Date of Appointment:</b> 1 December 2013	

**Qualification(s):**

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

**Relevant Working Experience:**

Over 30 years of financial services industry experience with large local corporates and a multinational company. Has six years of regulatory and risk experience with the Securities Commission and Bank Negara Malaysia.

**Present directorship(s) in Maybank Group, other public companies and listed entities:**

- Etiqa Insurance Pte Ltd (Singapore)
- Etiqa Life & General Assurance Philippines, Inc
- PT Asuransi Etiqa Internasional Indonesia
- Etiqa General Insurance (Cambodia) Plc
- Etiqa Digital Solutions Sdn Bhd

<b>KHALIJAH ISMAIL</b> Group Chief Financial Officer	
<b>Age/Gender:</b> 55/Female <b>Date of Appointment:</b> 1 October 2021	

**Qualification(s):**

- Fellow Member of the Association of Chartered Certified Accountant (ACCA), UK
- Member of the Malaysian Institute of Accountants (MIA)

**Relevant Working Experience:**

Over 30 years of experience in Maybank, having assumed various roles within the Group including Treasury Operations, Corporate & Investment Banking, International Operations and Group Finance including managing Group-wide transformation programmes.

**Present directorship(s) in Maybank Group, other public companies and listed entities:**

- Maybank Securities Pte Ltd (*formerly known as Maybank Kim Eng Securities Pte Ltd*)
- Maybank International (L) Ltd
- PT Prosperindo

<b>DATUK NORA ABD MANAF</b> Group Chief Human Capital Officer	
<b>Age/Gender:</b> 57/Female <b>Date of Appointment:</b> 22 September 2008	

**Qualification(s):**

- Chartered Banker, Chartered Banker Institute (CBI)
- Advanced Management Program, Harvard Business School
- Chartered Accountant, Malaysian Institute of Accountants (MIA)
- Postgraduate certification in Human Resource Development, Cornell University, USA
- Gallup Strengths Level II Coach
- Bachelor of Arts in Accountancy (Honours), Universiti Teknologi MARA (UiTM)

**Relevant Working Experience:**

Over 20 years of diverse functional and leadership roles in multinationals and large local organisations across several sectors including academia, telecommunications, technology and financial services.

**Present directorship(s) in Maybank Group, other public companies and listed entities:**

- Etiqa General Insurance Berhad
- MBB Labs Pvt Ltd (India)

<b>MICHAEL FOONG SEONG YEW</b> Group Chief Strategy Officer & Chief Executive Officer, International	
<b>Age/Gender:</b> 53/Male <b>Date of Appointment:</b> 1 January 2014 & 1 June 2018 respectively	

**Qualification(s):**

- Master of Arts in Economics and Management Studies, Cambridge University, UK
- Advanced Business Management Program, Kellogg Graduate School of Management, Northwestern University, Chicago, USA
- MIT Sloan Executive Education Program, Cambridge, Massachusetts, USA
- Global Banking Program, Columbia Business School, New York, USA
- Chartered Banker, Asian Institute of Chartered Bankers

**Relevant Working Experience:**

Close to 20 years of experience in serving financial services clients across Asia Pacific, specialising in the areas of strategy and enterprise transformation.

**Present directorship(s) in Maybank Group, other public companies and listed entities:**

- Nil

<b>DR. JOHN LEE HIN HOCK</b> Country Chief Executive Officer & Chief Executive Officer, Maybank Singapore	
<b>Age/Gender:</b> 56/Male <b>Date of Appointment:</b> 1 December 2017	

**Qualification(s):**

- Doctor 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, Asian Institute of Chartered Bankers

**Relevant Working Experience:**

Close to 25 years of financial services experience spanning across Asia Pacific markets as a partner of KPMG Business Advisory and, previously, as Maybank Group's Chief Risk Officer.

**Present directorship(s) in Maybank Group, other public companies and listed entities:**

- Maybank IBG Holdings Limited (*formerly known as Maybank Kim Eng Holdings Limited*)
- Maybank Securities Pte Ltd (*formerly known as Maybank Kim Eng Securities Pte Ltd*)
- Etiqa Insurance Private Limited

<b>TASWIN ZAKARIA</b> President Director, Maybank Indonesia	
<b>Age/Gender:</b> 53/Male <b>Date of Appointment:</b> 11 November 2013	

**Qualification(s):**

- Bachelor of Science in Business Administration in Accounting (Honors Cum Laude), The Ohio State University, USA
- Advanced Management Program, Harvard Business School
- Strategic Leadership Program, Said Business School, Oxford University, UK

**Relevant Working Experience:**

Over 30 years of corporate and retail banking experience at both local and foreign companies. Previously held several key management roles in the banking & financing sector, as well as airport service & facility management.

**Present directorship(s) in Maybank Group, other public companies and listed entities:**

- PT Bank Maybank Indonesia Tbk

<b>Declaration:</b> The Group Executive Committee members have no family relationship with any director and/or major shareholder of Maybank, conflict of interest with Maybank and have not been convicted of any offence within the past five years, or been subject to public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
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# GROUP SHARIAH COMMITTEES

**Associate Professor  
Dr. Aznan Hasan**  
● Member



**Dr. Akhtarzaite Abdul Aziz**  
● Member



**Dr. Azrul Azlan  
Iskandar Mirza**  
● Member



**Associate Professor  
Dr. Sharifah Faigah**  
● Member



**Dr. Nik Abdul  
Rahim Nik  
Abdul Ghani**  
● Member



**Ustaz Muhammad Ali Jinnah Ahmad**  
● Member



**Dr. Abdul Rahim  
Abdul Rahman**  
● Member



**Professor Dr.  
Rusni Hassan**  
● Member



**Professor Dato'  
Dr. Mohd  
Azmi Omar**  
● Member



**Associate Professor  
Dr. Azman  
Mohd Noor**  
● Member



**Sahibus Samahah  
Associate Professor  
Dr. Mohamad Sabri Haron**  
● Member



## GROUP SHARIAH COMMITTEES

<b>ASSOCIATE PROFESSOR DR. AZNAN HASAN</b>	
Chairman of MIBSC and Chairman of SC EFTB & EGTB	
<b>Age/Gender:</b> 50/Male	
<b>Appointed:</b> 1 May 2014 & 1 May 2019 respectively	<b>Meeting Attendance:</b> 28/28 (100%) & 26/26 (100%) respectively

**Qualification(s):**

- Bachelor's degree in Shariah (BA Hons), Al-Azhar University, Egypt
- Master's degree in Shariah (Mumtaz), Cairo University, Egypt
- PhD, University of Wales, Lampeter, UK

**Relevant Working Experience:**

Over 16 years of experience in Shariah advisory with local and international organisations including the Securities Commission Malaysia, Bank Negara Malaysia, The Central Bank of the UAE's Higher Shariah Authority and Shariah Council, Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and Shariah Council, International Islamic Financial Market (IIFM).

**Present Occupation(s):**

Within Maybank Group:

- Shariah consultant to Maybank Investment Bank
- Member, Board of Directors, Maybank Islamic Berhad
- Islamic Estate Planning Advisor, Maybank Islamic Bank Berhad

Other Companies/Bodies:

- Associate Professor, IIUM Institute of Islamic Banking & Finance, International Islamic University Malaysia
- Chairman, Shariah Committee, Bank Pembangunan Malaysia Berhad
- Chairman, Shariah Committee, Amanah Hartanah Bumiputra
- Deputy Chairman, Shariah Advisory Council, Securities Commission Malaysia
- Member, Shariah Council, AAOIFI and IIFM
- Board Member, Higher Shari'ah Authority, UAE Central Bank (UAE)
- Member, Shariah Advisory Board, ABSA Islamic Bank (South Africa), FNB Bank (South Africa), Yasaar Limited (London), Khalij Islamic (London), HSBC Amanah (Dubai), Standard Chartered (Global), Sedania As-Salam Capital Sdn Bhd, Employees Provident Fund (EPF) and Association of Islamic Banking Institutions Malaysia (AIBIM)
- Member, Board of Trustees, Yayasan Pembangunan Ekonomi Islam Malaysia (YaPEIM)
- Shariah Adviser, Public Investment Bank Bhd (Stockbroking), Hong Leong Investment Bank (Stockbroking), Malacca Securities Sdn Bhd, CGS-CIMB Securities Berhad, UOB Kay Hian Securities, and Inter-Pacific Securities Bhd

<b>USTAZ MOHD KAMAL MOKHTAR</b>	
Member of MIBSC	
<b>Age/Gender:</b> 54/Male	
<b>Appointed:</b> 1 September 2015	<b>Meeting Attendance:</b> 28/28 (100%)

**Qualification(s):**

- Diploma, Arabic Language, Islamic University of Madinah, Saudi Arabia
- BSc, Zoology and Botany, National University of Singapore (NUS)
- BA (Hons), Hadith and Islamic Studies, Islamic University of Madinah
- Shari'a Advisory Training Program, Singapore Islamic Scholars & Religious Teachers Association (PERGAS) and International Institute of Islamic Finance (IIIF), Malaysia
- Masters in Finance, International Islamic University Malaysia (IIUM)

**Relevant Working Experience:**

Over 11 years of collective experience in Islamic advisory roles including holding senior management positions in Islamic education institutions, research and Shariah advisory roles.

**Present Occupation(s):**

Other Companies/Bodies:

- Judge, Shariah Appeal Court of Singapore
- Chairman, Bedok Cooperative
- Associate member, Fatwa Council of Majlis Ugama Islam Singapore (MUIS)
- Member, Asatizah Recognition Board (ARB)
- Member, Shariah Committee, Basil fund – a private real estate investment fund based in Singapore
- Member, PERGAS
- Board member, Warees Halal Limited
- Shariah Advisor, Ar Rahnu Singapore

<b>DR. AKHTARZAITE ABDUL AZIZ</b>	
Member of MIBSC	
<b>Age/Gender:</b> 49/Female	
<b>Appointed:</b> 1 March 2020	<b>Meeting Attendance:</b> 28/28 (100%)

**Qualification(s):**

- LLB, International Islamic University Malaysia (IIUM)
- LLB (Shariah), IIUM
- Master's degree in Fiqh and Usul Al-Fiqh, IIUM
- PhD in Fiqh and Usul Al-Fiqh, IIUM

**Relevant Working Experience:**

Over 15 years of experience on the Shariah committee of various financial institutions, as well as developing programmes, conducting training and writing research papers on Islamic finance.

**Present Occupation(s):**

Other Companies/Bodies:

- Assistant Professor, Department of Fiqh and Usul Al-Fiqh, IIUM
- Chairman, Shariah Committee, Great Eastern Takaful Berhad
- Member, Shariah Advisory Committee, IIUM Endowment Fund

<b>DR. AZRUL AZLAN ISKANDAR MIRZA</b>	
Member of MIBSC	
<b>Age/Gender:</b> 40/Male	
<b>Appointed:</b> 1 April 2020	<b>Meeting Attendance:</b> 28/28 (100%)

**Qualification(s):**

- Bachelor's degree in Shariah, Al-Azhar University, Egypt
- Master's degree in Management, International Islamic University Malaysia (IIUM)
- PhD in Islamic Finance, International Centre for Education in Islamic Finance (INCEIF), Malaysia

**Relevant Working Experience:**

Over 10 years of experience contributing to the Islamic finance industry through Shariah advisory and research.

**Present Occupation(s):**

Other Companies/Bodies:

- Senior Lecturer, Faculty of Economics & Muamalat, Universiti Sains Islam Malaysia (USIM)
- Director, USIM Healthcare Sdn Bhd
- Chairman, Shariah Committee, FWD Takaful Berhad
- Member, Jawatankuasa Fatwa, Jabatan Mufti Kerajaan Negeri Sembilan
- Member, Board of Trustees, Yayasan Pembangunan Ekonomi Islam Malaysia (YaPEIM)
- Chairman, Shariah Committee, SME Bank
- Member, Shariah Committee, Amanah Hartanah Bumiputera
- Deputy Chairman, Shariah Committee, Perbadanan Tabung Kemahiran Pendidikan
- Member, Shariah Committee, Pusat Zakat Pahang

<b>ASSOCIATE PROFESSOR DR. SHARIFAH FAIGAH SYED ALWI</b>	
Member of MIBSC	
<b>Age/Gender:</b> 50/Female	
<b>Appointed:</b> 1 May 2021	<b>Meeting Attendance:</b> 20/20 (100%)

**Qualification(s):**

- Bachelor's degree in Shariah (Economics), University of Malaya
- Master's degree in Shariah (Islamic Banking), University of Malaya
- PhD in Islamic Banking and Finance, International Islamic University Malaysia (IIUM)

**Relevant Working Experience:**

Over nine years of experience contributing to the Islamic finance industry through Shariah advisory and research.

**Present Occupation(s):**

Other Companies/Bodies:

- Associate Professor, Arshad Ayub Graduate Business School, Universiti Teknologi MARA
- Panel Assessor, Malaysian Qualifications Agency
- Member, Shariah Committee, Agrobank (Malaysia)

<b>DR. NIK ABDUL RAHIM NIK ABDUL GHANI</b>	
Member of MIBSC	
<b>Age/Gender:</b> 42/Male	
<b>Appointed:</b> 8 September 2020	<b>Meeting Attendance:</b> 28/28 (100%)

**Qualification(s):**

- Bachelor's degree in Shariah, Islamic University of Madinah, Saudi Arabia
- Master's degree in Shariah, Universiti Kebangsaan Malaysia (UKM)
- PhD in Islamic Finance, International Centre for Education in Islamic Finance (INCEIF), Malaysia

**Relevant Working Experience:**

Over 10 years of experience contributing to the Islamic finance industry through Shariah advisory and research.

**Present Occupation(s):**

Other Companies/Bodies:

- Senior Lecturer, Research Centre for Shariah, Faculty of Islamic Studies, UKM
- Member, Shariah Advisory Body, Syarikat Takaful Malaysia Keluarga Berhad
- Member, Jawatankuasa Perundingan Hukum Syarak Wilayah Persekutuan, Pejabat Mufti Wilayah Persekutuan
- Shariah Advisory Panel, Wasiyyah Shoppe Berhad
- Member, Shariah Committee, UKM

<b>Flags indicate nationality:</b>	 Malaysian	 Singaporean	<b>Note:</b> Age is as at 28 February 2022.	 Full profiles for MIBSC can be obtained at <a href="http://www.maybank.com/islamic">www.maybank.com/islamic</a> while profiles for SC EFTB & EGTB can be obtained at <a href="http://www.etiqa.com.my">www.etiqa.com.my</a>
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## GROUP SHARIAH COMMITTEES

<p><b>USTAZ MUHAMMAD ALI JINNAH AHMAD</b> Member of MIBSC </p> <p><b>Age/Gender:</b> 43/Male <b>Appointed:</b> 1 May 2021 <b>Meeting Attendance:</b> 20/20 (100%)</p>	<p><b>DR. ABDUL RAHIM ABDUL RAHMAN</b> Member of SC EFTB &amp; EGTB </p> <p><b>Age/Gender:</b> 54/Male <b>Appointed:</b> 1 May 2017 <b>Meeting Attendance:</b> 26/26 (100%)</p>	<p><b>PROFESSOR DR. RUSNI HASSAN</b> Member of SC EFTB &amp; EGTB </p> <p><b>Age/Gender:</b> 54/Female <b>Appointed:</b> 1 May 2017 <b>Meeting Attendance:</b> 26/26 (100%)</p>
<p><b>Qualification(s):</b></p> <ul style="list-style-type: none"> <li>Bachelor's degree in Islamic Jurisprudence (Fiqh Wa Usul), Al alBayt University, Jordan</li> <li>Master in Islamic Management Banking and Finance, Loughborough University, UK</li> </ul> <p><b>Relevant Working Experience:</b> Over 13 years of experience contributing to the Islamic finance industry through Shariah advisory and research.</p> <p><b>Present Occupation(s):</b> Other Companies/Bodies:           <ul style="list-style-type: none"> <li>Independent Non-Executive Director, FWD Takaful Berhad</li> <li>Member, Shariah Committee, FWD Takaful Berhad</li> </ul> </p>	<p><b>Qualification(s):</b></p> <ul style="list-style-type: none"> <li>Bachelor's degree in Finance and Accounting, University of East London, UK</li> <li>Master in Accounting and Management Sciences, University of Southampton, UK</li> <li>PhD in Accounting, University of Southampton, UK</li> </ul> <p><b>Relevant Working Experience:</b> Over 15 years of experience in teaching, research and consultancy on Islamic finance, Islamic accounting, ethics and governance, and Shariah audit matters in various capacities.</p> <p><b>Present Occupation(s):</b> Other Companies/Bodies:           <ul style="list-style-type: none"> <li>President, International Council of Islamic Finance Educators (ICIFE)</li> <li>Member, Board of Directors, Pusat Pungutan Zakat, Majlis Agama Islam Wilayah Persekutuan</li> <li>Distinguished Associate Fellow, Institute of Shariah Governance and Islamic Finance (ISGAIF), Universiti Utara Malaysia (UUM)</li> <li>Shariah Advisory Committee, Zakat, Waqf and Baitulmal Accounting Standard, Jabatan Aktauntan Negara Malaysia</li> </ul> </p>	<p><b>Qualification(s):</b></p> <ul style="list-style-type: none"> <li>LLB (Hons), International Islamic University Malaysia (IIUM)</li> <li>LLB (Shariah) (Hons), IIUM</li> <li>Master of Comparative Laws, IIUM</li> <li>PhD in Law, IIUM</li> </ul> <p><b>Relevant Working Experience:</b> She was a member of the Shariah Advisory Council of Bank Negara Malaysia. Her contributions to Islamic finance through publications, training and conferences have garnered international recognition.</p> <p><b>Present Occupation(s):</b> Within Maybank Group:           <ul style="list-style-type: none"> <li>Independent Director, Etika General Takaful Berhad</li> </ul>           Other Companies/Bodies:           <ul style="list-style-type: none"> <li>Dean, IIUM Institute of Islamic Banking &amp; Finance, IIUM</li> <li>Professor, IIUM Institute of Islamic Banking &amp; Finance, IIUM</li> <li>Chairman, Shariah Committee, Hong Leong Islamic Bank</li> <li>Chairman, Shariah Committee, Exim Bank</li> <li>Member, Shariah Committee, Association of Islamic Banking Institutions Malaysia (AIBIM), Housing Development Finance Corporation, Maldives, Housing Development Corporation, Maldives, Waqf An-Nur and Koperasi JCorp</li> <li>Registered Sharia Advisor, Securities Commission Malaysia</li> <li>Member of Advisory Council, Association of Shariah Advisors in Islamic Finance Malaysia (ASAS)</li> <li>Deputy President, International Council of Islamic Finance Educators (ICIFE)</li> </ul> </p>
<p><b>PROFESSOR DATO' DR. MOHD AZMI OMAR</b> Member of SC EFTB &amp; EGTB </p> <p><b>Age/Gender:</b> 62/Male <b>Appointed:</b> 1 May 2018 <b>Meeting Attendance:</b> 26/26 (100%)</p> <p><b>Qualification(s):</b></p> <ul style="list-style-type: none"> <li>Bachelor's degree in Science (Finance), Northern Illinois University, USA</li> <li>Master of Business Administration, Northern Illinois University, USA</li> <li>PhD in Finance, Bangor University, Wales, UK</li> </ul> <p><b>Relevant Working Experience:</b> He was the Director-General at Islamic Research and Training Institute, Islamic Development Bank Group, Jeddah and served in various teaching and management capacities at the International Islamic University Malaysia (IIUM).</p> <p><b>Present Occupation(s):</b> Other Companies/Bodies:           <ul style="list-style-type: none"> <li>President and Chief Executive Officer, International Centre for Education in Islamic Finance (INCEIF)</li> <li>Member, Shariah Advisory Council, Securities Commission Malaysia</li> <li>Member, Shariah Committee, Bank Kerjasama Rakyat Malaysia</li> <li>Islamic Finance Expert to the Autoriti Monetari Brunei Darussalam</li> <li>Member, Shariah Committee, MUFG Bank (Malaysia) Berhad</li> </ul> </p>	<p><b>ASSOCIATE PROFESSOR DR. AZMAN MOHD NOOR</b> Member of SC EFTB &amp; EGTB </p> <p><b>Age/Gender:</b> 49/Male <b>Appointed:</b> 15 June 2020 <b>Meeting Attendance:</b> 26/26 (100%)</p> <p><b>Qualification(s):</b></p> <ul style="list-style-type: none"> <li>Bachelor's degree in Islamic Law, Islamic University of Madinah, Saudi Arabia</li> <li>Master of Arts (MA) in Islamic Criminal Law, Universiti Kebangsaan Malaysia (UKM)</li> <li>MA in Muamalat (Islamic Law of Transactions), Department of Fiqh and Usul al-Fiqh, International Islamic University Malaysia (IIUM)</li> <li>PhD in Islamic Law, University of Edinburgh, Scotland, UK</li> </ul> <p><b>Relevant Working Experience:</b> Over 10 years of experience in Shariah advisory and education and was a member of the Shariah Advisory Council of the Securities Commission Malaysia.</p> <p><b>Present Occupation(s):</b> Within Maybank Group:           <ul style="list-style-type: none"> <li>Independent Director, Etika Family Takaful Berhad</li> </ul>           Other Companies/Bodies:           <ul style="list-style-type: none"> <li>Associate Professor at IIUM Institute of Islamic Banking &amp; Finance, IIUM</li> <li>Member, Shariah Committee, Bank Kerjasama Rakyat Malaysia</li> <li>Shariah Committee, Tekun Nasional Malaysia</li> <li>Member, Shariah Committee, Rushdi Oriyon, Micro Credit Deposit Organization, Tajikistan</li> </ul> </p>	<p><b>SAHIBUS SAMAHAH ASSOCIATE PROFESSOR DR. MOHAMAD SABRI HARON</b> Member of SC EFTB &amp; EGTB </p> <p><b>Age/Gender:</b> 57/Male <b>Appointed:</b> 1 January 2022 <b>Meeting Attendance:</b> –</p> <p><b>Qualification(s):</b></p> <ul style="list-style-type: none"> <li>Diploma in Islamic Studies, Kolej Ugama Sultan Zainal Abidin (KUSZA), Malaysia</li> <li>Bachelor's degree in Islamic Studies, Universiti Kebangsaan Malaysia (UKM)</li> <li>Master of Comparative Laws, International Islamic University Malaysia (IIUM)</li> <li>PhD, Fiqh and Usul Fiqh (Shariah), University of Jordan, Jordan</li> </ul> <p><b>Relevant Working Experience:</b> Currently holds the position of Terengganu State Mufti since 1 April 2021 on secondment from UKM. Over 20 years of experience in teaching, research and consultancy on Shariah and Islamic finance; and once seconded to the Securities Commission Malaysia contributing to Islamic Capital Market through Shariah advisory and research.</p> <p><b>Present Occupation(s):</b> Other Companies/Bodies:           <ul style="list-style-type: none"> <li>Mufti of the State of Terengganu</li> <li>Associate Professor at Citra Centre of Studies, UKM</li> <li>Senior Fellow at Institute of Malaysian and International Studies, UKM</li> <li>Senior Fellow at Islam Hadhari Institute, UKM</li> <li>Chairman, Shariah Committee, Koperasi ANGKASA (Angkatan Koperasi Kebangsaan Malaysia Berhad)</li> <li>Chairman, Shariah Committee, Apex Investment Services Berhad</li> <li>Member, Shariah Committee, Koperasi UNIKEB Berhad</li> <li>Member, Shariah Committee, Koperasi Pos Malaysia</li> <li>Member, Shariah Committee, UKM</li> </ul> </p>

Flags indicate nationality:



Malaysian



Singaporean

Note:

Age is as at 28 February 2022.

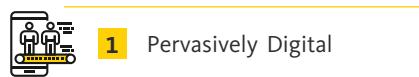


Full profiles for MIBSC can be obtained at [www.maybank.com/islamic](http://www.maybank.com/islamic) while profiles for SC EFTB & EGTB can be obtained at [www.etiqa.com.my](http://www.etiqa.com.my)

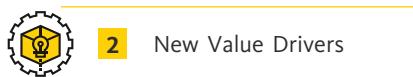
# CORPORATE GOVERNANCE OVERVIEW STATEMENT

**The Board of Directors of Maybank (the Board) believes that good corporate governance (CG) practices enable the Group to operate efficiently, improve access to capital, mitigate risks, and facilitate oversight of the business, management and operations of the Group. In the long term, good CG practices allow the Group to be accountable and transparent, and also contribute towards value creation for all its stakeholders.**

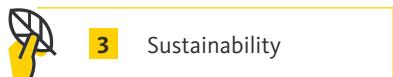
In recent times, governance has been at the forefront of discussions among regulators and other interested stakeholders. As economies around the world continue to adjust and recover from the devastating impact of the COVID-19 pandemic, corporates large and small have had no choice but to invest in new remote technologies, devise new plans and strategies, and even change the way they do business, in order to navigate through the COVID-19 storm. At the same time, environmental, social and governance (ESG) has become a key focus area for both regulators and stakeholders, as they urge corporates to change and adopt more responsible, sustainable and climate-conscious practices. Acknowledging that these factors will invariably have an impact on the country's future CG landscape, the Board has been monitoring developments in this space, as it refines and strengthens the Group's CG Framework and ensure that it remains relevant for use by the Group for the long term. Key emphasis has also been placed by the Board on governance of the Group's five-year strategy M25 Plan, with sufficient focus on its three strategic priorities:



**1** Pervasively Digital



**2** New Value Drivers



**3** Sustainability

For more, refer to Our Strategy on page 28.

Maybank is subject to a comprehensive regulatory regime and the Board is committed to ensure that a robust CG Framework is in place by keeping abreast of the latest developments in respect of the CG regulatory framework and requirements. Our CG Framework is based on the following key statutory provisions, best practices, policies and guidelines:

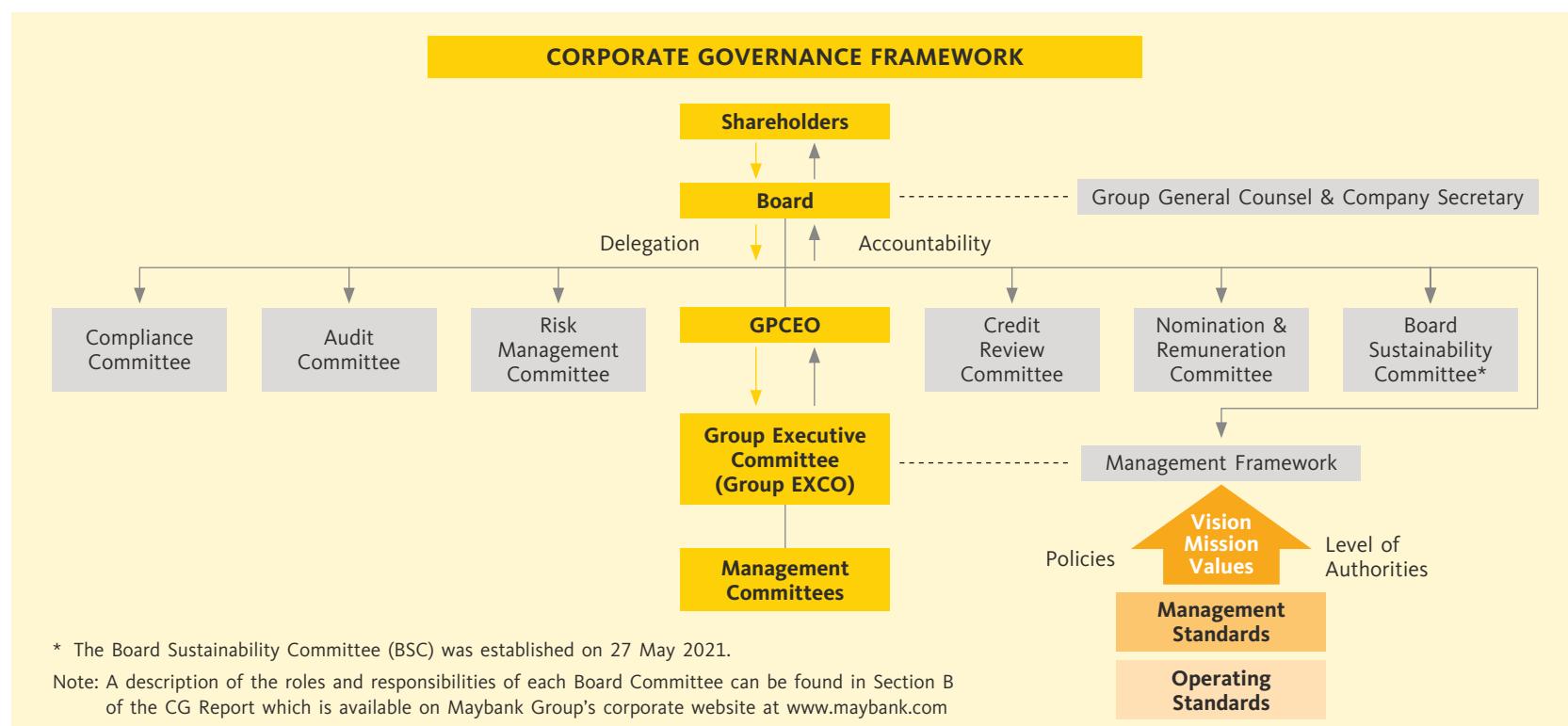
1. Companies Act 2016;
2. Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia) (Listing Requirements);
3. Policy on Corporate Governance issued by Bank Negara Malaysia (BNM CG Policy); and
4. Malaysian Code on Corporate Governance (the Code) issued by the Securities Commission Malaysia (SC).

Testament to the Board's commitment towards CG, Maybank was conferred the following awards for CG excellence by the Minority Shareholders Watch Group (MSWG) via MSWG-ASEAN CG Award 2020 during the financial year ended 31 December 2021 (FY2021):

1. Excellence Award for CG Disclosure
2. Industry Excellence Award – Financial Services

We are grateful for these recognitions and will strive to remain as one of the top public listed companies (PLCs) in terms of good CG practices in Malaysia and in ASEAN. In line with the revised Code released in April 2021 which encourages PLCs to advocate the adoption of best practices in the Code by its subsidiaries, the Board had requested the Group's key subsidiaries to conduct a gap analysis on their levels of adoption and alignment with the Code and the outcome of the analysis were tabled to their respective Boards during FY2021. The Board, with the assistance of the Group Nomination and Remuneration Committee (NRC), will continue to advocate good governance practices for the subsidiaries.

Following the establishment of the Board Sustainability Committee (BSC) on 27 May 2021 and dissolution of Employees Share Grant Plan Committee on 1 February 2021 (subsumed under the NRC), the Group Corporate Governance Framework has been updated as depicted in the diagram below:



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### CG PRACTICES UNDER THE CODE

This CG Overview Statement sets out a summary of the Group's CG practices during FY2021. As at 31 December 2021, Maybank has applied all recommended practices in the Code save for Practice 8.2 with regard to disclosure of senior management's remuneration.

The application of each practice in the Code is disclosed in Maybank's Corporate Governance Report (CG Report) which is available on Maybank Group's corporate website at [www.maybank.com](http://www.maybank.com).

### BOARD LEADERSHIP AND EFFECTIVENESS

#### The Role of the Board

The Board directs and oversees the business and affairs of the Group by periodically reviewing and approving the overall strategies and significant policies of the Group. The Board also establishes the Group's core values and adopts proper standards to ensure that the Group operates with integrity, and complies with relevant rules and regulations. A description of the roles and responsibilities of the Board can be found in our Board Charter which is available on Maybank Group's corporate website at [www.maybank.com](http://www.maybank.com).

The Board believes that the success of the Group's strategy requires the same to be aligned with good governance practices. To achieve this, a strong system of risk management and internal controls have been put in place to ensure that the Group's risk appetites are set and risks identified, assessed and managed effectively.

Apart from setting the tone from the top and establishing the core values of the Group, the Board also monitors senior management's execution of strategy and financial performance. While the Board's focus is on long-term sustainable growth, the Board advises the management to strike the right balance between short term and long-term goals. The Board is also mindful of their wider obligations and considers the impact their decisions will have on the Group's various stakeholders such as employees, shareholders, customers, and the community as a whole.

The Group has a Code of Ethics and Conduct (Code of Ethics) that sets out sound principles and standards of good practice in the financial services industry, to be observed by its employees and Directors. The Code of Ethics was reviewed during FY2021 to include a policy to safeguard and promote mental-health and well-being of the staff, and to set parameters relating to staff holding offices in political parties and legislative bodies.

The Board also has a formal schedule of matters specifically reserved for its decision, details of which can also be found in our Board Charter which is available on Maybank Group's corporate website at [www.maybank.com](http://www.maybank.com).

#### CG in COVID-19 Environment



The Board is committed to delivering value to all our stakeholders at all times, even during the pandemic. Noting that the pandemic has accelerated the importance of good governance, the Board has taken a more active role in ensuring COVID-19 initiatives undertaken by management are implemented in a structured and timely manner, consistent with the Group's obligations to our customers, our staff and members of the public as well as the long-term health and sustainability of the Group. During the year, the Board has presided over and monitored the progress of all financial assistance schemes introduced by the Group to help eligible customers address their personal finances due to the adverse impact of the pandemic. Other forms of assistance provided during the year are as follows:

- The Group had contributed RM14 million through MERCY Malaysia to provide 836 units of medical equipment, benefitting 16,819 patients as at 31 December 2021;

- The Board and senior management had contributed over RM2.27 million to cover the logistical and operational costs of vaccinations for the vulnerable communities; and
- The Group had channelled RM6.5 million towards online learning among underprivileged children, particularly those from B40 families.

Work from Home has also become the norm for our staff. The Board prioritises Work-Life Integration, to ensure that staff are equipped with the tools that they need to carry on with their day to day work at home. Standard operating procedures have also been introduced at all the Bank's premises to mitigate the risk of COVID-19 infection among staff, customers and members of the public. The Board views such assistance provided as part of the Group's Humanising Financial Services mission and will continue to provide guidance to the senior management in the Group's efforts on COVID-19 relief until the threat of the pandemic subsides.

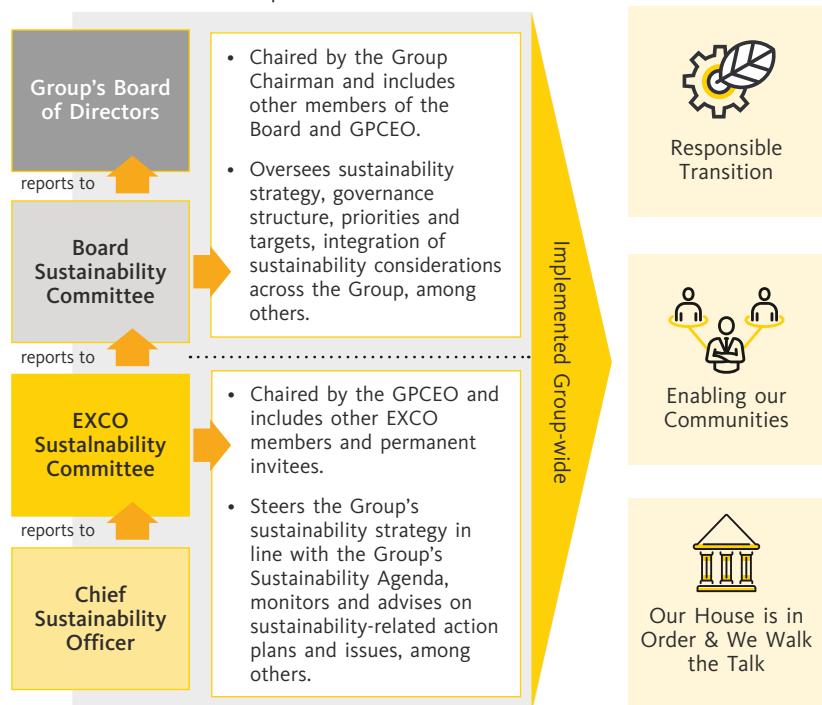
More information on the Group's COVID-19 relief initiatives can be found in the Sustainability Review on pages 109 to 111.

#### ESG

Sustainability is one of the three strategic priorities of the Group's M25 Plan. In line with the plan, the Board has during the year, approved the establishment of the Group's Sustainability Framework which is anchored by the following key principles:

- We place our communities and their well-being at the centre of our decision making;
- We commit to fair and equitable treatment, doing better and behaving ethically in all our activities;
- We see ourselves as long-term partners of our customers and stakeholders;
- We value our biodiversity and natural ecosystem and recognise the impact of climate change;
- Our local understanding, science and data will drive our decision making; and
- We are responsible for our actions and our conduct represents these values.

More details on the Group's Sustainability efforts can be found in the Sustainability Review of this Annual Report.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

In line with the M25 Plan, the Board has established the BSC to have better oversight on the Group's sustainability efforts. The composition of the BSC consists of a majority of INEDs who are also Board members from key subsidiaries of the Group to ensure effective implementation of the Group's sustainability strategy and targets. The Chairman of the Board is also the Chairman of the BSC. In this respect, the Board believes in setting the right tone from the top, when it comes to embedding a culture of sustainability and the integration of ESG principles throughout the Group.

Details of members and a description of the roles and responsibilities of the BSC can be found in Section B of the CG Report which is available on Maybank Group's corporate website at [www.maybank.com](http://www.maybank.com).

### Board Deliberations

Among the areas/matters reviewed, deliberated and approved by the Board during FY2021 were as follows:

Strategy	Risk, Compliance & Oversight	Governance
<ul style="list-style-type: none"> <li>Business strategy of various sectors within the Group</li> <li>GPCEO Monthly Report</li> <li>Maybank Group Monthly Overall Financial Performance Report</li> <li>Maybank Group Islamic Banking – Monthly Performance and Business Analysis Report</li> <li>Budget and Business Plan for the Group for FY2022</li> <li>Country business and financial performance updates</li> <li>External Customer Engagement Survey FY2020 results</li> <li>Group Sustainability progress updates and action plans</li> <li>Group Commitment on net zero carbon emission position by 2050</li> <li>Group Digital and Digital Banking updates</li> <li>Maybank Brand Performance for 2021</li> </ul>	<ul style="list-style-type: none"> <li>Group Chief Risk Officer's risks reports</li> <li>FY2021 and Quarterly Risk Appetite Statement Updates</li> <li>Group's BNM Compositing Risk Ratings progress updates</li> <li>Group Internal Capital Adequacy Assessment reports</li> <li>Group ESG Risk Management Framework</li> <li>Group Data Ethics principles</li> <li>Money Laundering/Terrorism Financing and Sanctions Enterprise-Wide Risk Assessment Report 2020</li> <li>Group Compliance Dashboard updates</li> <li>Maybank Group Business Ethics Charter</li> <li>Maybank Group Data Privacy Policy</li> <li>Compliance Culture Assessment FY2021 results</li> </ul>	<ul style="list-style-type: none"> <li>Review of Board Manual, Board Charter and Terms of Reference of Board Committees</li> <li>Board Effectiveness Evaluation Exercise and Actionable Improvement Programme for the year</li> <li>Annual Board Remuneration Review</li> <li>Directors Annual Fit and Proper Assessments</li> <li>Total Rewards for the Group and Senior Management</li> <li>Corporate Governance Disclosures in FY2020 Annual Report</li> <li>Annual General Meeting updates and post mortem</li> <li>Setting-up of permanent alternative site for critical business functions</li> <li>Establishment of BSC and composition</li> <li>Incorporation of Sustainability Key Performance Indicators for Senior Management</li> <li>Succession Plan for Board and Senior Management</li> <li>Updates on Malaysian Code on Corporate Governance 2021</li> <li>Maybank's CG performance based on the ASEAN CG Scorecard</li> <li>Updates on Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries</li> <li>Group Sustainability Framework</li> </ul>

### Board Size, Composition and Diversity

As at 31 December 2021, the Board increased the number of its members to 13 following the appointment of Ms Shirley Goh as an INED on 1 December 2021. In the course of identifying experienced, qualified, and fit-for-purpose candidates, the NRC had approached several external sources including FIDE Forum, Institute of Corporate Directors Malaysia (ICDM) and two independent search firms. To guide the selection of potential candidates, the "Must-Have" skill set i.e. accounting/finance practitioner which had been identified by the NRC earlier (via Board Effectiveness Evaluation Exercise conducted for FY2020 and Board Skills Matrix analysis conducted in April 2021) was shared with aforesaid external sources. Ms Goh's appointment strengthens the Board's composition of INEDs, exceeding our practice of having at least two-thirds of INEDs on the Board. Ms Goh's profile can be found on page 77. With this appointment, the Board comprises the following:

1	Executive Director (ED)	8%
2	Non-Independent Non-Executives Directors (NINEDs)	15%
10	Independent Non-Executive Directors (INEDs)	77%

The Group President and Chief Executive Officer (GPCEO) is the only ED on the Board, while the two (2) NINEDs are nominees of Permodalan Nasional Berhad.

The Board is committed in maintaining diversity and inclusion in its composition and decision-making process. In this regard, the Board considers diversity from a number of different aspects, including gender, age, cultural and educational background, nationality, professional experience, skills, knowledge and length of service.

The current skills and experience of the Board include the following:

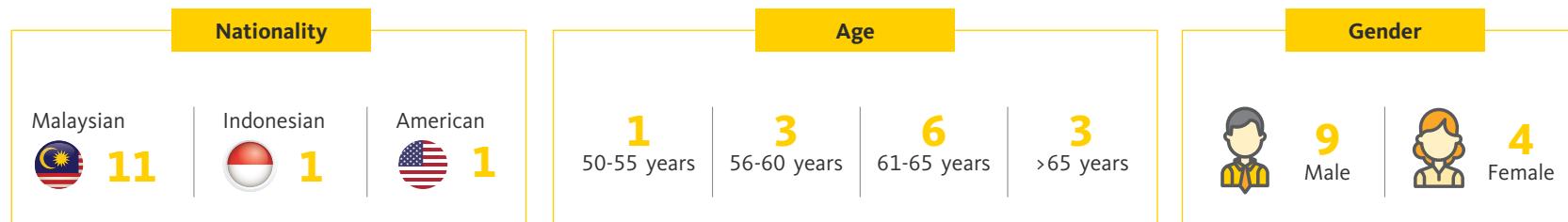
- |  |                                    |
|--|------------------------------------|
| • Corporate Governance                   | • Transformation/Change Management |
| • Strategic Planning & Business Strategy | • Legal and Compliance             |
| • Risk Management                        | • Accounting & Finance             |
| • Regional Experience                    | • Asset Management                 |
| • Banking                                | • Technology & Innovation          |
| • Human Resources                        |                                    |

As at 31 December 2021, women directors represented 31% of members of the Board, above Maybank's minimum 30% target as set out in our Policy on Board Gender Diversity. Embracing Diversity, Equity & Inclusion (DEI) approach, Maybank's commitment to women leadership continues to be recognised globally, with 2021 and 2022 marking our fourth and fifth consecutive year of inclusion in the Bloomberg Gender Equality Index. For FY2021, women representation among senior management stood at 41% (M25 Target: 45%).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 former bankers with international experience, especially in Indonesia where Maybank's presence is large and significant.

As at 31 December 2021, the Board Diversity for Maybank was as follows:



### Separation of Roles of the Chairman and GPCEO

The roles and responsibilities of the Chairman and the GPCEO are separated by a clear division of responsibilities which are defined and approved by the Board in line with best practices to ensure the appropriate supervision of management. This distinction allows for better understanding and distribution of jurisdictional responsibilities and accountabilities. The clear hierarchical structure with its focused approach, facilitates efficiency and expedites informed decision-making.

### Independence

To assist the NRC in evaluating the independence of the INEDs, the Board has established a Policy on Directors Independence (the Independence Policy) which sets out the Board's approach in determining directors' independence to assess the independence of each INED during FY2021. Pursuant to the annual Fit and Proper assessment, the NRC and the Board were satisfied that all INEDs have met the independence criteria and are able to act in an independent and objective manner. Additionally, all the INEDs had, during the Fit and Proper assessment, declared and affirmed their independence. Each INED also has an ongoing obligation to inform the Board of any circumstances which could impair his or her independence.

### Nomination and Remuneration Committee

The NRC consists of a majority of INEDs and is chaired by the Senior 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 at [www.maybank.com](http://www.maybank.com).

The composition of the NRC and the meeting attendance of each member can be found in Section B of the CG Report.

Among the key activities of the NRC during FY2021 were as follows:

<b>01</b> <b>Board Composition and Succession Planning</b>	<ul style="list-style-type: none"> <li>Reviewed the overall size and composition of the Board and the subsidiaries' boards</li> <li>Reviewed the composition of Board Committees</li> <li>Reviewed the succession plan for the Board and Board Committees</li> <li>Reviewed Board members' directorships in Maybank's subsidiaries</li> <li>Reviewed Board skills matrix and the selection criteria for new Non-Executive Directors (NEDs) of Maybank</li> <li>Reviewed the Talent Pool for NEDs of the Group</li> </ul>
<b>02</b> <b>Recruitment and Appointment of Directors</b>	<ul style="list-style-type: none"> <li>Reviewed the background, skills and experience of potential candidates for appointments on the Boards of Maybank's group of companies</li> <li>Conducted engagement sessions to assess the suitability of potential candidates to be appointed to the Board and the subsidiaries' boards</li> <li>Considered the re-appointments and re-elections of Directors of Maybank's group of companies</li> <li>Reviewed the appointment and re-appointment of Shariah Committee members of Maybank Islamic Berhad, Etiqa Family Takaful Berhad and Etiqa General Takaful Berhad</li> </ul>
<b>03</b> <b>Recruitment and Appointment of Senior Officers</b>	<ul style="list-style-type: none"> <li>Considered the proposals to renew the employment contracts of senior officers of the Group</li> <li>Reviewed the suitability of potential candidates for the appointment as GPCEO, Group Chief Financial Officer and Chief Sustainability Officer</li> <li>Reviewed the formation of Board Interview Panel as part of the recruitment process for the GPCEO position of Maybank Group</li> <li>Reviewed the suitability of potential candidates for the appointment as Chief Executive Officer (CEO) of subsidiaries</li> </ul>
<b>04</b> <b>Succession Planning of Senior Management</b>	<ul style="list-style-type: none"> <li>Reviewed the contract expiry and retirement of Group EXCO, GPCEO-1 and EXCO-1</li> <li>Reviewed and received updates on succession plan of senior management</li> </ul>
<b>05</b> <b>Fit and Proper Assessment</b>	<ul style="list-style-type: none"> <li>Reviewed the results of the annual Fit and Proper assessment on Directors, senior officers, Shariah Committee members and other Material Risk Takers of the Group</li> </ul>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

<b>06</b> <b>Board Effectiveness Evaluation (BEE)</b>	<ul style="list-style-type: none"> <li>Reviewed the results of the BEE exercise for FY2020 and recommended the proposed Actionable Improvement Programme to the Board for approval</li> <li>Reviewed the training needs of the Directors</li> <li>Received updates on Actionable Improvement Programme</li> <li>Reviewed the questionnaire of the BEE for FY2021</li> </ul>
<b>07</b> <b>Remuneration</b>	<ul style="list-style-type: none"> <li>Appointed independent external consultants to undertake a review of NEDs' remuneration for Maybank and its subsidiaries</li> <li>Reviewed and recommended the total rewards (variable bonus and salary increment) for the Group</li> <li>Received update on the holistic review undertaken on Maybank's Total Rewards Management in conjunction with the FY2020/2021 Total Rewards Exercise post mortem</li> <li>Reviewed the Group Private Wealth Management Compensation Scheme</li> <li>Reviewed and approved the vesting of the 1<sup>st</sup> Employees Share Grant Plan Award for the Group</li> </ul>
<b>08</b> <b>Governance</b>	<ul style="list-style-type: none"> <li>Reviewed Maybank's Board Manual and Board Charter</li> <li>Reviewed and approved the amendments to the Terms of Reference of the NRC</li> <li>Conducted thematic review of the Group's operating model</li> <li>Received updates on Malaysian Code on Corporate Governance 2021 and Securities Commission Guidelines on the Conduct of Directors of Listed Corporations and Their Subsidiaries</li> <li>Reviewed the setting up and composition of the Board Sustainability Committee</li> <li>Reviewed Balanced Scorecard of Business sectors prior to recommendation of total rewards for the Group for FY2020</li> <li>Reviewed the performance ratings of the GPCEO and Group EXCO</li> <li>Reviewed questionnaires in relation to the Board's rating for Balanced Scorecard of the GPCEO</li> <li>Reviewed the list of senior management and Other Material Risk Takers for Maybank and its key subsidiaries for FY2020</li> <li>Received updates on Group Employee Engagement Survey</li> <li>Reviewed benefits for staff during pandemic – contribution of digital device for children of staff in the lower income category</li> </ul>

### Board Appointment and Succession Planning

The NRC plays a major role in the nomination and selection process of potential candidates for appointment to the Board of Maybank and its subsidiaries. The nomination and appointment of new Directors are guided by the policies and processes as set out below:

1. Policy on Fit and Proper Criteria for Appointment/Re-Appointment of Key Responsible Persons of Licensed Institutions in Maybank Group;
2. Policy on Nomination Process for Appointment of Chairman, Director and Chief Executive Officer of Licensed Institutions in Maybank Group (Policy on Nomination Process);
3. Policy on Tenure of Directorship;
4. Policy on Directors Independence; and
5. Policy on Board Gender Diversity.

Details of the above policies are provided in the CG Report.

The Policy on Nomination Process sets out a clear and transparent nomination and appointment process, as follows:

Stage 1 – Identification of candidates

Stage 2 – Engagement with candidates

Stage 3 – Deliberation by the NRC

Stage 4 – Recommendation to the Board

The Board believes that effective succession planning mitigates the risks associated with the departure or absence of well qualified and experienced individuals and aims to ensure that the Board and senior management are always well resourced with the right people in terms of skills and experience, in order to effectively and successfully deliver the Group's strategy.

As part of succession planning, the NRC has established a Talent Pool which comprises potential candidates to be considered for appointment as INEDs on the Board of Maybank and its subsidiaries. From time to time, the NRC procures the curricula vitae of prospective candidates discreetly from various internal and

external sources for its review and consideration. The NRC also reviews the Group's NED Talent Pool regularly, in order to ensure that the Board will always have a steady pool of talent for selection whenever there is a need to appoint new directors.

The Policy on the Tenure of Directorships (Directors Tenure Policy) facilitates succession planning by providing the Board with the opportunity to consider and reassess its membership periodically. This is to ensure continuity in meeting its long-term goals and objectives and also to ensure that the knowledge, experience, and skill set of its Board members would be well suited to meet the demands of the ever-changing landscape of the financial industry. Pursuant to the Directors Tenure Policy, the tenure of an INED is limited to a cumulative period of nine years. As at 31 December 2021, none of the members of the Board had exceeded their respective nine-year tenure.



### Board Effectiveness Evaluation

The effectiveness of the Board is vital to the success of the Group. The Board conducts a rigorous evaluation process each year to assess the performance of the Board, Board Committees and each individual Board member. In 2017, the Board decided that the BEE should be conducted by an independent firm of consultants once every three years. Since the Board had appointed an independent firm of consultants to conduct the BEE for FY2020, the BEE for FY2021 was conducted internally (with the assistance of the Group Corporate Secretarial department) via online questionnaires to evaluate the effectiveness of the Board and Board Committees and the performance, personality and quality aspects of individual directors as well as independence of INEDs.

Taking into consideration the M25 Plan and the updated Guidelines on the Conduct of Directors of Listed Corporations and Their Subsidiaries which was issued by the SC in April 2021, the questionnaire was supplemented with assessments on conflict of interest, oversight on subsidiaries, ESG priority topics and trainings.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The overall results of the BEE conducted for FY2021 were positive with all evaluated areas rated as either “strong” or “satisfactory” reflecting strong performance by the Board and Board Committees.

Among the key strengths identified were as follows:

- (i) Positive board culture and dynamics – Discussions at meetings were sufficiently robust and Board members were able to express their own opinions and to raise concerns on key topics freely. Dissenting views and abstentions were assessed objectively and subsequently recorded in minutes of meetings;
- (ii) Key focus on business strategies – Board members spent sufficient time and focus during meetings to address key strategies as set out in the M25 Plan, including Digital, sustainability strategies and initiatives;
- (iii) High board diversity – Good diversity in terms of gender, age, skill set, knowledge, experience and expertise, which had positively impacted Board deliberations;
- (iv) Strong board commitment – Board members demonstrated high level of commitment with aligned ambitions and were diligent in attending and participating at meetings;
- (v) Effective Board Committees – Board Committees provided strong support to the Board; and
- (vi) Effective oversight over Management – The Board provided sufficient challenge to Management’s proposals as well as guidance and advice, and provided strong oversight in terms of risk management, crisis management (especially during pandemic) and managing customers’ expectations.

Apart from the above, the Board has also identified the following key areas for further enhancement in the future:

- (i) To further heighten the governance of Group entities for greater alignment of expectations and better flow of information between the boards of the Group and its subsidiaries;
- (ii) To facilitate and foster higher levels of engagement and trust between the boards of the Group and its subsidiaries via open and effective communication; and
- (iii) To improve the level of independence on the boards of the entities within the Group.

### **Directors' Training**

The Board acknowledges the importance of continuing education for the Directors to ensure that they are well equipped with the necessary skills and knowledge to perform their duties and meet the challenges facing the Board.

During FY2021, all the Board members attended various training programmes and workshops on issues relevant to the Group, including a tailor-made ESG programme conducted by an international independent academic institution. A list of trainings attended by each Director during FY2021 can be found in Part B of the CG Report.

As for the BEE for FY2021, the following key training needs of Directors were identified as follows:

- (i) ESG/Sustainability
- (ii) Digital
- (iii) Insurance and Takaful

### **Induction Programme**

A comprehensive induction programme has been established to ease new Directors into their role and to assist them in their understanding of the Group’s business strategy and operations. New Directors are required to attend the programme as soon as possible once they have been appointed. Typically, the programme includes intensive one-on-one sessions with the GPCEO and the Group EXCO members, wherein new Directors will be briefed and updated on business operations, as well as challenges and issues faced by the Group.

During FY2021, Ms Shirley Goh participated in the induction programme via video-conferencing.

### **Directors' Remuneration**

The NRC is authorised by the Board to develop and implement formal and transparent procedures in developing Maybank’s remuneration policy for its Directors by ensuring that their compensation is competitive and consistent with industry standards. The NRC has established a remuneration framework for the NEDs (NED Remuneration Framework) which is subject to periodic review.

In line with this principle, a Board Remuneration Review (BRR) is conducted annually, and periodically with the assistance of an independent international firm of consultants. Since the Board had appointed an independent firm of consultants to conduct the BRR for FY2020, the BRR for FY2021 was conducted internally (with the assistance of the Group Corporate Secretarial department). The main objective of the internal BRR was to verify and refresh the data provided by said consultants and to assess whether the NEDs’ remuneration is still competitive.

Pursuant to the BRR undertaken, the Board found that the structure and level of fees and benefits accorded to the Chairman and NEDs of Maybank are generally aligned with the market. After reviewing the findings of the BRR, the Board has decided to maintain the existing NED Remuneration Framework. Maybank’s NED Remuneration Framework is as per below:

<b>Fee Component</b>	<b>NED Remuneration per annum (RM)</b>			<b>Shareholders' Approval</b>
	<b>Chairman</b>	<b>Vice Chairman</b>	<b>Member</b>	
Board Fee	610,000	440,000	295,000	Obtained at the 55 <sup>th</sup> AGM held on 7 April 2015
Board Committee Fee	75,000	–	45,000	Obtained at the 58 <sup>th</sup> AGM held on 12 April 2018

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

Details of the remuneration received by the Directors from Maybank in FY2021 were as follows:

	Salary (RM)	Bonus (RM)	Directors' Fees (RM)	Other Emoluments (RM)	Benefits- In-Kind (RM)	Total (RM)
<b>Executive Director</b>						
Dato' Sri Abdul Farid Alias	2,760,000	4,140,000	-	2,580,380	71,016	9,551,396
<b>Non-Executive Directors</b>						
Tan Sri Dato' Sri Zamzamzairani Mohd Isa	-	-	633,750	560,000	74,231	1,267,981
Datuk R. Karunakaran	-	-	435,500	172,000	24,587	632,087
Mr Cheng Kee Check	-	-	433,750	228,000	1,087	662,837
Mr Edwin Gerungan	-	-	419,893	164,000	19,319	603,212
Dr Hasnita Dato' Hashim	-	-	484,653	288,000	5,427	778,080
Mr Anthony Brent Elam	-	-	460,857	224,000	6,377	691,234
Ms Che Zakiah Che Din	-	-	460,000	252,000	1,087	713,087
Puan Fauziah Hisham	-	-	433,750	228,000	19,237	680,987
Encik Shariffuddin Khalid	-	-	429,250	196,000	5,757	631,007
Dato' Idris Kechot	-	-	426,250	252,000	21,564	699,814
Dato' Zulkiflee Abbas Abdul Hamid	-	-	489,250	308,000	5,427	802,677
Ms Shirley Goh <sup>1</sup>	-	-	27,608	8,000	92	35,700
<b>TOTAL (for Non-Executive Directors)</b>	-	-	5,134,511	2,880,000	184,192	8,198,703
<b>GRAND TOTAL</b>	2,760,000	4,140,000	5,134,511	5,460,380	255,208	17,750,099

\* ED's other emoluments include pension costs, allowances, long term cash award and reimbursements.

# Benefits-in-kind for NEDs include monthly subscription of golf club membership. In addition to this, benefits-in-kind for the Chairman also include driver, car and fuel allowance.

Note:

<sup>1</sup> Appointed as an INED of Maybank on 1 December 2021

 The remuneration received by the Directors in FY2021 at Group level can be found in Note 44 on pages 136 to 138 of the Financial Book.

## EFFECTIVE AUDIT AND RISK MANAGEMENT

### Internal Controls and Risk Management

The Group has a comprehensive system of internal controls in place, designed to ensure that risks are mitigated and that the Group's objectives are attained. The Board recognises its responsibility to present a fair, balanced and understandable assessment of the Group's position and prospects. It is accountable for reviewing and approving the effectiveness of internal controls operated by the Group, including financial, operational and compliance controls, and risk management. The Board recognises its responsibility in respect of the Group's risk management process and system of internal control, and oversees the activities of the Group's external auditors and the Group's risk management function which have been delegated to the Audit, Risk and Compliance Committees.

Premised on the guiding principles of ESG risk management which are embedded in the Maybank Group ESG Risk Management Framework, the Group periodically reviews and enhances its ESG practices by working with the stakeholders to drive sustainable business activities. In enhancing our ESG practices, Maybank takes a proactive approach to incorporate ESG considerations into business processes in a meaningful way by developing ESG Risk Acceptance Criteria for high ESG risk industries. Details of the ESG Risk Management Framework can be found in the Sustainability Report which will be made available on [www.maybank.com/ar](http://www.maybank.com/ar).

 A review of the Group's risk governance structure and risk management approach is further discussed on pages 93 to 99. For details on the management and mitigation of each principal risk, see pages 31 to 32. Refer to page 97 for further details on the Audit, Risk and Compliance Committees' roles.

## STAKEHOLDER ENGAGEMENTS

### Approach to Investor Relations (IR)

The Board recognises the importance of maintaining a purposeful relationship with shareholders. In this regard, the Group has a comprehensive Investor Relations programme to enable existing and potential investors to understand its activities, strategy and financial performance through timely and accurate dissemination of information to the investing community. This is done with the intention of allowing all shareholders, including domestic and international investors, to make informed investment decisions about Maybank.

The GPCEO, the Group Chief Financial Officer and Head, Group External Communications and Investor Relations meet regularly with the Company's existing and potential investors to discuss the areas mentioned above and any other potential areas of interests by shareholders. Arising from these discussions, the Board is kept updated on shareholders' feedback and areas of interest. The Board has also adopted the Group's Corporate Disclosure Policies and Procedures (CDPP) to enhance transparency, accountability and facilitate disclosure of material information in a timely and accurate manner. The CDPP, which is available on Maybank Group's corporate website, also indicates other designated spokespersons who are available to speak publicly on behalf of the Group.

### Investor Relations Engagements

Maybank's investor engagement efforts focus on building confidence and maintaining strong, transparent relationships with the global investing community. Investors are engaged regularly via the corporate website, quarterly results briefings, Annual General Meeting (AGM) & Extraordinary General Meeting (EGM), as well as through meetings, conferences, roadshows, investor days and themed briefings for institutional investors.

Further details on Maybank's communication channels and the types of investor engagements undertaken by Maybank are detailed out in the CDPP. Presentation materials used for the above IR engagements are available on Maybank Group's corporate website at [www.maybank.com/ir](http://www.maybank.com/ir). Investors can engage with the Group and provide feedback through the Investor Relations team, whose contact details are available on Maybank Group's corporate website.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### General Meetings

The AGM is a primary platform for two-way interaction between shareholders and the Board with the support of its senior management. In view of the prolonged COVID-19 pandemic and the Movement Control Order (MCO) issued by the Government of Malaysia, the 61<sup>st</sup> AGM was conducted virtually on 6 May 2021. The said event was broadcasted live from Menara Maybank, Kuala Lumpur. The meeting was attended by 2,939 shareholders, through live streaming and online remote voting via the Remote Participation and Voting (RPV) facilities provided by the Company's appointed poll administrator. To ensure a seamless meeting experience, the RPV service provider together with Group Technology had conducted prior stress/performance tests on the virtual meeting platform. In addition, Maybank had also conducted a few dry runs and emplaced a contingency plan to ensure that the 61<sup>st</sup> AGM could be convened as planned. In order to better facilitate end-to-end participation from shareholders in the conduct of virtual general meetings in the future, post-mortem meetings were held with the relevant stakeholders including the SC and MSWG and the findings as well as lessons learnt were shared with and deliberated by the Board in May 2021.

During the 61<sup>st</sup> AGM, the Chairman and the GPCEO gave separate presentations to shareholders on various topics, including the Group's FY2020 financial and business performance, as well as introducing the new M25 Plan and its targeted outcomes. All the questions raised by the MSWG and shareholders prior to and during the meeting as well as the Group's response to the same were shared with the shareholders during the virtual AGM (Q&As). Subsequent to the AGM, these Q&As were published on Maybank Group's corporate website at [www.maybank.com](http://www.maybank.com).

The Notice of the 61<sup>st</sup> AGM was dispatched to shareholders not less than twenty eight (28) days before the AGM. At that AGM, voting on each resolution was undertaken through e-polling and the poll results were immediately announced, and have since been made available on Maybank Group's corporate website. The minutes of the 61<sup>st</sup> AGM was published on Maybank Group's corporate website within thirty (30) business days from the date of said general meeting.

### Website

Maybank Group's corporate website provides a brief description of its history, current operations and strategy, as well as an archive of news and historical financial information on the Group and details of upcoming investor relations events.

### KEY FOCUS AREAS AND FUTURE PRIORITIES

Going forward, the Board is expected to focus on the following areas:

- (a) the implementation of the various components under the M25 Plan, to ensure its goals and objectives are met;
- (b) the systematic implementation of good sustainable practices by the Group; and
- (c) board succession planning across the Group, taking into account key considerations such as skill set, independence and diversity.

## ADDITIONAL COMPLIANCE INFORMATION

### AUDIT AND NON-AUDIT FEES

A breakdown of fees for statutory audit and non-audit services incurred by Maybank and on a group basis for the financial year ended 31 December 2021 is set out under Note 43, on page 136 of the Financial Book.

### MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries involving the interest of the Directors and substantial shareholders, either still subsisting at the end of the financial year ended 31 December 2021 or entered into since the end of the previous financial year.

### RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE (RRPT)

The Company did not enter into nor seek mandate from its shareholders on any RRPT during the financial year ended 31 December 2021.

### UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

#### (a) Capital and Fund Raising Exercises

During the financial year ended 31 December 2021, the Group issued, amongst others, commercial papers, medium term notes, extendible money market certificates and capital instruments, in domestic and foreign currencies and in conventional and Islamic structures, as part of its capital and fund raising exercises. The proceeds raised from these capital and fund raising exercises were used for working capital, general banking and other corporate purposes, and/or Shariah-compliant purposes, where applicable.

Details of these commercial papers, medium term notes, extendible money market certificates and capital instruments are disclosed in Notes 25 and 30, on pages 109 and 122 to 125 respectively of the Financial Book.

#### (b) Dividend Reinvestment Plan (DRP)

Net proceeds raised from the DRP (after deducting estimated expenses of the DRP) during FY2021 were utilised for the purpose of funding the continuing growth and expansion of the Maybank Group.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Financial year ended 31 December 2021

**This Statement on Risk Management and Internal Control has been prepared in line with paragraph 15.26(b) of Bursa Malaysia's Main Market Listing Requirements which requires the Board of Directors of Maybank (the Board) to provide a statement in its annual report regarding the state of risk management and internal control of the Group. It outlines the key features of the Group's risk management system and internal control during the year under review.**

## BOARD RESPONSIBILITY

The Board affirms its overall responsibility for establishing a sound risk management and internal control system, as well as for reviewing its adequacy and effectiveness in identifying, assessing and responding to risks which may hinder the Group from achieving its objectives.

One of the vital roles of the Board is to establish the Group's risk appetite, which articulates the levels and types of risk that it is willing to accept in the pursuit of its business and strategic objectives. In this respect, the Board actively participates in the Group's strategic goals and plans, ensuring that the corresponding risks are adequately mitigated within its approved risk appetite. In view of the inherent limitations in any risk management and internal control system, the Board recognises that such a system can only provide reasonable, rather than absolute assurance against material financial misstatement, fraud or losses.

The Board plays a crucial role in establishing a strong risk management and internal control governance structure, which is critical in setting the tone and culture of effective risk management and internal control. To effectively carry out its risk and control oversight responsibilities, the Board has established the Risk Management Committee (RMC), the Compliance Committee of the Board (CCB), and Audit Committee of the Board (ACB) to oversee matters relating to risk, compliance and controls, respectively. These Board committees update the Board periodically of their work, key deliberations and decisions on delegated matters.

## MANAGEMENT RESPONSIBILITY

The Management is responsible for implementing all policies and procedures established by the Board in relation to risk and control. The role of the Management includes:

- Identifying and evaluating risks relevant to the Group's business, and the achievement of business objectives and strategies;
- Formulating relevant policies and procedures to manage these risks in accordance with the Group's strategic vision and overall risk appetite;
- Designing, implementing and monitoring the implementation of an effective risk management and internal control system;
- Implementing remedial actions to address compliance deficiencies as directed by the Board; and
- Reporting in a timely manner to the Board any changes to the risks or emerging risks and the corrective and mitigation actions taken.

## RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

### RISK MANAGEMENT

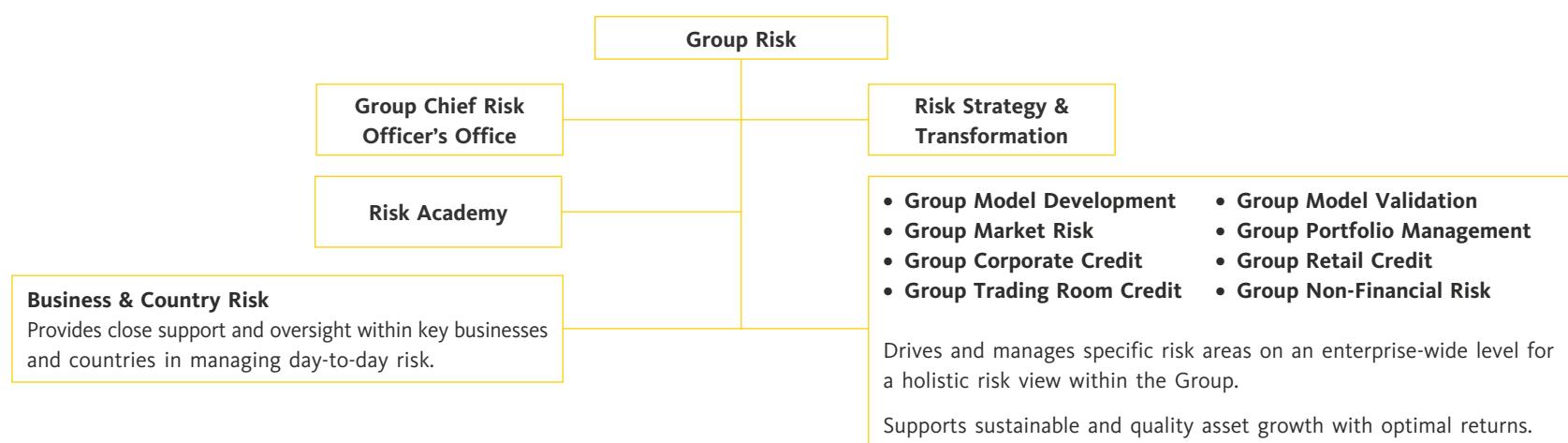
#### Overview

Group Risk provides oversight of risk management on an enterprise-wide level through the establishment of the Group's risk strategies, frameworks and policies, with independent assessment and monitoring of all risk challenges. In 2021, Group Risk has continued to focus on value creation and supporting the Group in meeting its strategic and business objectives.

In the continuous pursuit to drive effectiveness, Risk Centres of Excellence (COEs) were created, building on the specialisation of risk professionals to provide value-added risk insights in support of business decision-making. The identified COEs set consistent standards in relation to risk policies, risk reporting and risk modelling, specialise in the management of specific risk areas within the Group and manage all risks associated with our external environment and material matters strategically.

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

Figure 1: Group Risk Structure



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Risk Management Framework

Risk management has evolved into an important driver for strategic decisions in support of business strategies while balancing the appropriate levels of risk taken to the desired level of returns. To complement this, Group Risk has developed the Maybank Group Enterprise Risk Management Framework to institutionalise vigilance and awareness of the most significant risks to the achievement of the Group's mission, which is Humanising Financial Services by putting customers and the wider community at the heart of everything that the Group does. It is underpinned by a set of building blocks which serves as the foundation in driving a strong risk management culture, encompassing practices and processes:



### Risk Appetite

The Group's risk appetite is an integral component of the Group's robust risk management framework and is driven by both top-down Board leadership and bottom-up involvement of Management at all levels. The risk appetite enables the Board and Senior Management to communicate and assess the types and levels of risk that the Group is willing to accept in pursuit of its business and strategic goals while taking into consideration the constraints under a stressed environment. The Group's risk appetite defines our risk capacity and translates it into risk limits and/or tolerances as guidance, which are then used to regularly measure and evaluate our risk profile.

The risk appetite is integrated into the strategic planning process, and remains dynamic and responsive to the changing internal and external drivers such as market conditions, stakeholders' expectations and internal capabilities. In addition, the Group's annual budgeting process is aligned to the risk appetite in ensuring that projected revenues arising from business transactions are consistent with the risk profiles established. The risk appetite also provides a consistent structure in understanding risk and is embedded in day-to-day business activities and decisions throughout the Group.

Figure 2: Principles of Risk Appetite



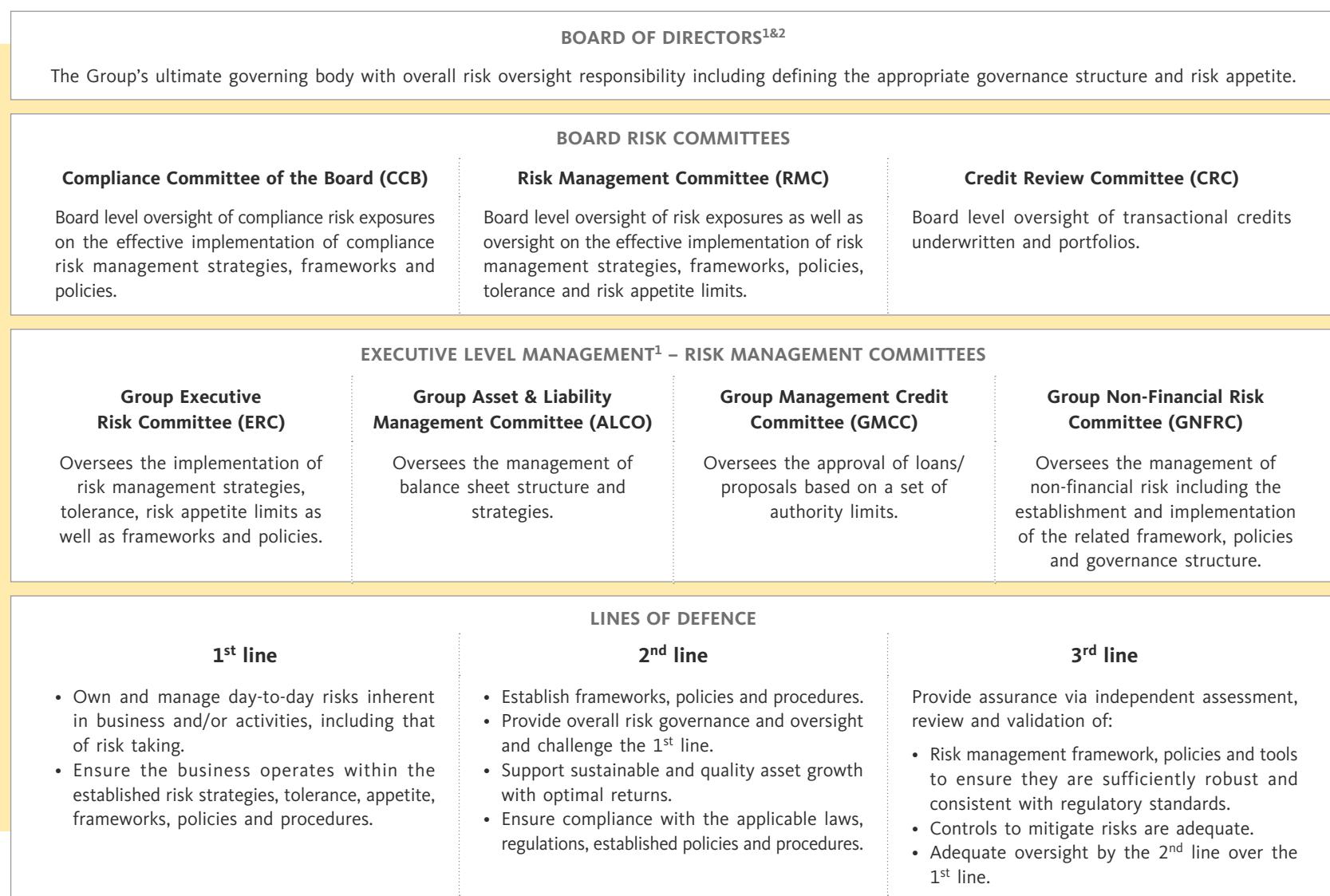
## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Risk Governance & Oversight

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

Our governance model places accountability and ownership in ensuring an appropriate level of independence and segregation of duties between the three lines of defence. The management of risk broadly takes place at different hierarchical levels and is emphasised through various levels of committees, business lines, control and reporting functions. The Group's overall risk governance structure is as illustrated in Figure 3:

**Figure 3: Maybank Group Risk Governance Structure**



<sup>1</sup> The Board Sustainability Committee and EXCO Sustainability Committee were established within the Group to oversee the Group's overall strategy on sustainability and review the effectiveness of the strategies and practices.

<sup>2</sup> The Shariah Committee established within Maybank Islamic Berhad, Etiqa and PT Bank Maybank Indonesia provide oversight over Shariah matters and compliance of their respective Islamic business activities with the Shariah requirements. For all other entities conducting Islamic business within the Group, Shariah oversight is provided by the Shariah Committee of Maybank Islamic Berhad.

### Risk and Compliance Culture

The risk and compliance culture is driven by a strong tone from the top which serves as the foundation upon which robust enterprise wide risk management structure and governance are built. This is to ingrain the expected values and principles of conduct that shape the behaviour and attitude of employees at all levels of business and activity across the Group.

Risk and compliance policies are clearly defined, consistently communicated and continuously reinforced throughout the Group to embed a robust culture that cultivates active identification, assessment and mitigation of risks. As part of the risk and compliance culture, the Board, Senior Management and employees of the Group are committed to adhering to the requirements of relevant laws, rules and regulations. This commitment is clearly demonstrated through the establishment and strengthening of policies, processes and controls in managing and preventing non-compliance.

Risk and compliance culture programmes are emplaced and driven by the Board and Senior Management encompassing, amongst others, value capsules, induction programmes, engagement sessions, e-learning and roadshows. An integrated assurance platform is also emplaced to provide a single, collective view of risk controls, compliance and governance. This ensures that risk considerations are embraced by all employees in enhancing the customer experience, building trust and brand value of the Group for long-term sustainability of the organisation.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Risk Management Practices & Processes

The risk management practices and processes enable systematic identification, measurement, control, monitoring and reporting of risk exposures across the Group.



### Compliance Framework

The Framework provides the key principles and guidelines for managing compliance risk within the Group. It serves as a guide for the Compliance function alongside the Board of Directors, Senior Management and all employees in all jurisdictions in understanding, complying and managing compliance risk. It is adopted and implemented by operating entities across the Group.

The Framework outlines:

- The overarching principles for the management of compliance risk across the Group;
- The overall strategy in managing compliance risk to ensure uniformity in practices across the Group in meeting regulatory and legal obligations;
- The minimum expected standards for compliance risk management; and
- The roles and responsibilities of compliance risk management across the Group.

### Shariah Governance Framework

Maybank Group Shariah Governance Framework sets out the expectations for effective Shariah governance structures, processes and arrangements of all businesses and countries within the Group that execute Islamic business transactions. The Framework was established in accordance with Bank Negara Malaysia (BNM)'s Shariah Governance Policy Document. This is to ensure that all of the Group's Islamic operations and business activities are in accordance with Shariah principles as well as to provide comprehensive guidance to the

Board, Shariah Committee and Management in discharging their duties in matters relating to Shariah.

The Shariah Governance Framework reflects the responsibilities of the Board, Management, Shariah Committee and Shariah control functions, namely Shariah Risk, Shariah Review and Shariah Audit, to ensure effective management of Shariah non-compliance risks. The end-to-end Shariah-compliant governance mechanism is executed through three lines of defence that cater for both pre-execution and post-execution. The three lines of defence are as follows:

- 1<sup>st</sup> – Business & support units and Shariah Secretariat
- 2<sup>nd</sup> – Shariah Risk and Shariah Review; and
- 3<sup>rd</sup> – Shariah Audit

### Stress Testing

The Group's stress testing programme is embedded within the risk and capital management process and is also a key function of the business planning process. It serves as a forward-looking tool to facilitate the understanding of risk profiles under exceptional but plausible events and worst-case scenarios that may arise due to various economic, political and/or environmental factors as well as to ascertain the impact on the Group and how this can be proactively managed.

The current initiative of an integrated stress testing application enhances stress testing capabilities with on-demand generation of risk profiles under various scenarios.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Responsible Lending

Our long-term financial success depends on our ability to not only identify and address environmental, social and governance (ESG) issues that present risks to our business but, more importantly, to identify areas of opportunities for our businesses as well as our customers to grow sustainably. With this, and premised on the guiding principles of ESG risk management which are embedded in the Maybank Group Environmental, Social and Governance Risk Management Framework (ESG Risk Management Framework), we continuously review and enhance our ESG practices by working with our stakeholders to drive sustainable business activities.

As part of enhancing our ESG practices, Maybank takes a proactive approach to incorporate ESG considerations into business processes in a meaningful way by developing ESG Risk Acceptance Criteria for high ESG risk industries. ESG interventions are managed by the ESG Industry Scrum teams, which work with industry players and clients to promote understanding of the ESG impacts and identify opportunities to integrate sustainability into clients' business practices.

 Details of the ESG Risk Management Framework can be found in the Sustainability Report which will be made available on [www.maybank.com/ar](http://www.maybank.com/ar)

### Cyber and Technology Risk Management Frameworks

The Cyber Risk Management Framework has been established based on standards issued by the National Institute of Standards and Technology (NIST) and guidance issued by regulatory bodies which emphasise the identification of risks, building resilience, detecting cyber threats and responding effectively to cyber-related events. The framework encompasses a cyber risk management strategy, governance structure and risk management enablers. It complements the Technology Risk Management Framework and covers both business and technology drivers from an end-to-end perspective, focusing on the key layers of people, processes and technology.

The Technology Risk Management Framework sets out the standards for identifying the risks and required controls in the Group's technology-related functionalities and for taking the appropriate risk remedial actions. This is established to standardise the technology operations environment, which will help to increase the level of service delivered to customers as well as to business units.

For both frameworks, separate assessments have been established to measure compliance and identify gaps. Additionally, an assessment has been established for outsourced vendor security controls and practices.

### INTERNAL CONTROL SYSTEM

Key elements of the internal control system established by the Board that provide effective governance and oversight of internal controls include:

- **Group Organisation Structure**

The Board has established an organisation structure with clearly defined lines of responsibility, authority limits and accountabilities, aligned with business and operations requirements to support the maintenance of a strong control environment.

- **Annual Business Plan and Budget**

The Board deliberates and approves the annual business plan and budget for the year. Performance achievements are reviewed monthly against targeted results, allowing time for the appropriate responses and required remedial actions to be taken. The Board regularly reviews reports from the Management

on key operational statistics, as well as legal and regulatory matters. Any changes or amendments to the Group's policies are also tabled to the Board for approval.

- **Oversight by Audit Committee of the Board (ACB)**

The ACB has been established by the Board to assist in the execution of its governance and oversight responsibilities, as well as to ensure that there is a reliable and transparent financial reporting process within the Group. ACB's responsibilities include assessment of the adequacy and effectiveness of the Group's governance, risk management and internal control system through the Internal Audit (IA) function. The ACB has active oversight of the independence, scope of work and resources of the IA. The committee meets periodically to review audit and investigation reports prepared by IA, taking into consideration the corresponding Group Internal Audit Committee (IAC)'s deliberation of the same report. Significant control lapses are escalated by the ACB to the Board for further deliberation, where necessary. As for unresolved audit findings, the ACB deliberates on them and ensures that Management undertakes the necessary remedial actions within the committed timeline.

 Details of the activities undertaken by the ACB are highlighted in the Audit Committee Report as set out on pages 100 to 103.

- **Oversight by Risk Management Committee (RMC)**

The Board has delegated the risk oversight responsibility to the RMC. The committee is responsible for formulating policies and frameworks to identify, measure, monitor, manage and control 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 ongoing basis.

 Further information on the roles and responsibilities and specific duties of the RMC can be found in Section B of the Corporate Governance Report (CG Report) which is available on Maybank Group's corporate website at [www.maybank.com](http://www.maybank.com)

- **Oversight by Compliance Committee of the Board (CCB)**

The Board is assisted by the CCB in the oversight of compliance risk. The overall objective of the CCB is to ensure that compliance risk management is given the needed attention at the highest level for the effective management of regulatory compliance to support business growth in line with the Group's aspirations and risk appetite. The role of the CCB, amongst others, is to review and assess the adequacy of infrastructure, resources and systems to manage compliance risk across the Group and recommend improvements to ensure effectiveness of the compliance framework.

 Further information on the roles and responsibilities of the CCB can be found in Section B of the Corporate Governance Report (CG Report) which is available on Maybank's corporate website at [www.maybank.com](http://www.maybank.com)

- **Other Board Committees**

Other Board committees have been set up to assist the Board in executing its overall governance responsibilities and oversight function. They are the Credit Review Committee, Board Sustainability Committee, and Nomination and Remuneration Committee. These Committees are authorised 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 can be found in Section B of the Corporate Governance Report (CG Report) which is available on Maybank's corporate website at [www.maybank.com](http://www.maybank.com)

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### • Executive Level Management Committees

The Management has established various Executive Level Management Committees (ELCs) to assist and support the Board committees in overseeing core areas of business operations and controls. These ELCs include the Group Executive Committee, Group Client Onboarding and Review Committee, Group Management Credit Committee, Group Executive Risk Committee, Group Asset and Liability Management Committee, EXCO Sustainability Committee, Group Non-Financial Risk Committee, Group Impairment Review Committee, Group Procurement and Property Committee, Group IT Steering Committee, Group Transformation Steering Committee, Group Internal Audit Committee, Group Staff Committee and Whistleblowing Governance Committee (chaired by an Independent Non-Executive Director).

### • Management of Information Assets

Confidentiality, integrity and availability of information are critical to the Group's day-to-day operations and to facilitate Management in decision-making. The Group Information Risk Management Guidelines outline the guiding principles for effective management of information assets. All information must be properly managed, controlled and protected as guided by these information handling rules which are also within the Maybank Group Cyber and Technology Risk Management Frameworks, and BNM's Risk Management in Technology (RMiT) policy document.

With increased adoption of technology capabilities and the concomitant risk of cyber threats, information security has been among our key focus areas. Technology controls are applied at various stages of the information cycle. Amongst the controls is Data Loss Protection to prevent data loss or theft.

Technology infrastructure and security controls continue to be strengthened and monitored as Maybank embraces mobile work arrangements following the COVID-19 pandemic outbreak. A clear desk policy is reinforced in the primary, alternative or mobile work arrangement site(s) to protect confidential and proprietary information. 

### • Sustainability Management

Premised on the mission of Humanising Financial Services, the Group has established the Maybank Group Sustainability Framework which serves as the overarching document outlining the sustainability mission, principles, goals, targets, governance and approach to all our activities. It is supported by other Group policies and procedures which represent the values we uphold. The Framework reflects the six key principles and four commitments which are entwined with Maybank's 2025 Strategy, whereby Sustainability is one of the Group's three strategic priorities. The sustainability strategy covers three key pillars, which are: Responsible Transition; Enabling Our Communities with a Vision of the Future; and Our House is in Order and We Walk the Talk. This involves: (1) Enabling the transition to a low-carbon economy and balancing environmental and social imperatives with stakeholders' expectation; (2) Building community resilience across ASEAN and undertaking responsive action to promote economic development and social well-being; and (3) Leading by example with good management practices and ensuring that Maybank's ESG strategy is based on a strong foundation.

In line with our effort to solidify our commitment and seriousness towards embedding sustainability in everything that we do, the Group has also established the EXCO Sustainability Committee which is chaired by the Group President & CEO. Concurrently, the Board Sustainability Committee, chaired by our Group Chairman, has been set up to oversee the Group's overall strategy on sustainability and review the effectiveness of the strategies and practices in place.

 Further information can be found in the Sustainability Review on page 105.

### • Regular Updates and Communication of Risk Management Principles, Policies, Procedures and Practices

Risk management principles, policies, procedures and practices are reviewed and updated regularly to ensure relevance to the current business environment as well as compliance with applicable laws and regulations. Risk frameworks, policies and procedures are applicable across the Group, including all subsidiaries and overseas branches which are required to adopt the principles prescribed by the Group while complying with local requirements. To ensure the consistent adoption of the Group's standards, Group Risk has oversight of their adoption and customisation across the Group.

### • Procurement Manual and Non-Credit Discretionary Power

The Group Procurement Manual is designed to streamline the functions of procurement within the Group. It serves as a standard guideline for good management practices expected in the procurement process and procedures. The authority to approve any request for budgeted or unbudgeted expenditure conforms to the applicable approval authority policies, i.e. the Non-Credit Discretionary Power (NCDP), Delegation of Authority (DOA) or equivalent. The NCDP defines the authority limits approved by the Board for procurement activities, acquisition and disposal of assets, operational write-offs, donations, as well as approval of general and operational expenses.

### • Standard Practice Instruction

Policies and procedures are in place to ensure compliance with internal controls and the prescribed laws and regulations. These policies and procedures are set out in the Group's Standard Practice Instructions (SPIs) and are updated from time to time in accordance with changes to the business environment or regulatory guidelines. These SPIs are published on the communication portal, which is made available to all employees.

### • Maybank Group People Policies

The Maybank Group People Policies (MGPP) serves as a baseline with clarity on the philosophy and principles for people management and development in the Group. It incorporates key principles and philosophies that support the Group's mission of Humanising Financial Services. The MGPP consists of a set of policies and guidelines that govern all aspects of human resource management, from talent acquisition and development, performance and consequence management and code of conduct to cessation of employment. A Disciplinary Policy has also been established to provide a structure where disciplinary matters are dealt with fairly, consistently and in line with prevailing labour laws and employment regulations.

Due to the COVID-19 pandemic and as a requirement by Business Continuity Management (BCM) in anticipation of future pandemics, Maybank has introduced a Mobile Work Arrangement Policy. The policy seeks to enable a mobile working culture that balances the Bank's objectives of achieving a highly productive and harmonious work environment that is responsive to the changing professional and personal needs of today's workforce, while taking into account business and organisational needs to ensure business continuity and sustainability. The policy enables employees to work from home, on site and at split locations. It is a bilateral agreement between Maybank and its employees which offers mutually beneficial outcomes for both parties. Various controls and engagements have been put in place to actively manage and ensure employees under the Mobile Work Arrangement continue to be supported. Being a disciplined and tracked arrangement, employees are assigned an agreed Management Model which includes agreed expectations and outcomes, minimum weekly scheduled physical/virtual check-ins and performance updates reflected in the myHR2u Conversation Log. 

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### • Core Values and Code of Ethics and Conduct

The Group's Core Values, TIGER (Teamwork, Integrity, Growth, Excellence and Efficiency, Relationship Building), are the essential guiding principles to drive behavioural ethics while fulfilling our collective responsibility to serve our mission of Humanising Financial Services. It is further complemented by the Code of Ethics and Conduct that sets out sound principles and standards of good practice to be observed by all employees.

### • Fraud Management

The Group instils a culture of vigilance amongst employees in handling and combating fraud as well as to deter future occurrences. Robust and comprehensive tools/infrastructure and programmes are emplaced to ensure risks resulting from fraud are identified, escalated/reported and managed in a decisive and timely manner. Stern disciplinary action is taken against employees involved in fraud.

### • Reputational Risk Management

The Group adopts a holistic approach and sound governance in managing reputational risk and to institutionalise awareness and its consequences. Protecting our reputation is paramount to operating as an institution that provides financial services. Upholding trust and creating better customer experience and security are vital parts of our obligations as a financial institution. Hence, the Group has emplaced a policy with roles and responsibilities of key stakeholders with regard to processes, such as monitoring of social media sentiment, to facilitate effective reputational risk management and monitor risk exposures within the risk appetite.

### • Whistleblowing Policy and Procedures

Maybank is committed to the highest standard of ethics and integrity in its conduct of business and operations. Maybank Group Whistleblowing Policy and Procedures encapsulate the governance and standards to promote an ethical, responsible and secure whistleblowing practice in Maybank in line with the requirements of BNM's Corporate Governance Policy. The whistleblowing channels provide proper and secured avenues for employees and members of the public to report any knowledge of improper conduct in good faith, without fearing any adverse consequences. Access to whistleblowing information is governed by the strictest confidentiality under the oversight of an Independent Non-Executive Director of the Board.

### • Anti-Bribery and Corruption Policy and Procedures

Maybank adopts a zero-tolerance approach against all forms of bribery and corruption in carrying out its daily operations. Maybank complies with the Malaysian Anti-Corruption Commission Act 2009, as well as other laws and regulations in the countries where it operates. The Maybank Group Anti-Bribery & Corruption Policy and Procedures set out the guiding principles for Maybank to address and manage bribery and corruption risks in all its dealings within and outside Maybank.

### • Financial Crime Compliance

Maybank is committed to fighting financial crime and ensuring compliance with the relevant laws and regulations. Financial crime risks are managed to protect Maybank's integrity and reputation. The Group has established comprehensive controls to anticipate, prevent, detect and respond to money laundering, terrorist financing and sanctions risks.

### • Independent Assurance by Internal Audit

The Board established the IA function to provide independent assurance on the adequacy and effectiveness of risk management, control, anti-corruption, whistle-blowing and governance processes. The IA function is independent from the activities and operations of other operating units within the Group. It is led by the Group Chief Audit Executive, who reports functionally to the ACB and administratively to the Group President & Chief Executive Officer (GPCEO). IA processes and activities are guided by the Audit Charter and governed by relevant regulatory guidelines, the Group's Code of Ethics and mandatory guidance established under the International Professional Practices Framework by The Institute of Internal Auditors (The IIA).

 More detailed description of the Internal Audit function is highlighted in the Audit Committee Report on pages 102 to 103.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

This Statement has been reviewed by external auditors in accordance with paragraph 15.23 of the Listing Requirements for inclusion in the Annual Report for the financial year ended 31 December 2021. The limited assurance review was conducted in accordance with the Audit and Assurance Practice Guide 3 (AAPG3) issued by the Malaysian Institute of Accountants. The AAPG3 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. The external auditors have reported to the Board that nothing had come to their attention which could lead them to conclude that this Statement is inconsistent with their understanding of the processes adopted by the Board in the review of the adequacy and integrity of the Group's risk management and internal control system.

## CONCLUSION

The GPCEO and Group Chief Financial Officer (GCFO) have provided their reasonable assurance to the Board that the Group's risk management and internal control system is adequate and operating effectively in all material aspects. After 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 adequate and operating effectively to safeguard the interest of the shareholders and the assets of the Group. The Board is also satisfied that the Group has put in place an ongoing process to identify, evaluate, monitor, manage and respond to significant risks faced by the Group in achieving its business and strategic objectives amidst the dynamic and challenging business environment and increasing regulatory scrutiny, particularly during the time of the global COVID-19 pandemic. This process has been in place for the entire financial year under review up until the date of approval of the Statement for inclusion in the Annual Report.

# AUDIT COMMITTEE REPORT

## COMPOSITION

The Audit Committee of the Board (ACB) comprises the following Independent Non-Executive Directors:

1. **ENCIK SHARIFFUDDIN KHALID** – Chairman
2. **MS CHE ZAKIAH CHE DIN**
3. **DATO' IDRIS KECHOT**
4. **DATO' ZULKIFLEE ABBAS ABDUL HAMID**
5. **DR. HASNITA DATO' HASHIM** (appointed a member of the ACB with effect from 20 January 2021)

This is in line with the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia) which prescribes that the ACB must consist of at least three members with the Chairman and a majority of the members being independent non-executive directors. In addition, the current ACB comprises solely of Independent Directors of Maybank, which is in accordance with the Step Up practice of the Malaysian Code of Corporate Governance issued by the Securities Commission Malaysia.

The term of office and performance of the ACB was reviewed by the Board in conjunction with the 2021 Annual Board Committee Effectiveness Evaluation. The Board was satisfied that the ACB had discharged their functions in accordance with the Terms of Reference.

 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](http://www.maybank.com)

## ACTIVITIES OF ACB FOR FINANCIAL YEAR ENDED 31 DECEMBER 2021

### MEETINGS HELD AND ATTENDED

A total of 18 meetings were held during FY2021, details of which as set out below:

Name of Committee Member	Number of meetings held and attended during FY2021
Encik Shariffuddin Khalid	18/18
Ms. Che Zakiah Che Din	18/18
Dato' Idris Kechot	18/18
Dato' Zulkiflee Abbas Abdul Hamid	18/18
Dr. Hasnita Dato' Hashim	18/18

The Group Chief Audit Executive (GCAE) and members of Group Audit Leadership Team (GALT) were invited to these meetings to present internal audit and investigation reports. The Group Chief Financial Officer (GCFO), as the Chairman of the Internal Audit Committee (IAC), represented the Management in the ACB to provide assurance and commitment on the prompt resolution of audit issues and areas of concern highlighted by Internal Audit (IA). In addition, Management representatives of the respective audit reports were also called to the meeting, where required, to provide explanation to the ACB on specific topics or issues arising from the relevant reports.

As for the statutory audit, the external auditors were invited to meetings to discuss their Audit Planning Memorandum (APM), Management Letters and other relevant matters. Together with the Group President & Chief Executive Officer (GPCEO) and GCFO, the external auditors also attended ACB meetings where the half-yearly unaudited financial reports and the annual audited financial statements of the Bank and the Maybank Group were reviewed and discussed.

During FY2021, the ACB held five private sessions with the auditors without the presence of the Management, i.e. (i) two with IA on 2 August 2021 and 17 November 2021; and (ii) three with the external auditors on 27 January 2021, 2 August 2021 and 1 November 2021.

During the year under review, the ACB carried out the following activities in the discharge of its duties and functions:

### INTERNAL AUDIT

1. Reviewed and approved the Annual Audit Plan for FY2021 (AAP2021) to ensure comprehensiveness of scope and coverage as well as the adequacy and competency of IA resources. The ACB also took cognisance of IA's annual operating budget requirement as presented in AAP2021. This budget requirement was subsequently tabled as part of the Group Budget to the Board for approval.
2. Reviewed and approved the quarterly revisions of AAP2021 to ensure it remained agile, in consideration of emerging risks arising primarily from changes in the work arrangement and the challenging business environment as well as in response to requests from the regulators, ACB and Management.
3. Deliberated the audit approaches adopted by IA in response to the various Movement Control Order (MCO) iterations imposed by the government. This was to ensure that continuous audit assurance could be provided and the safety of staff is assured at all times.
4. Assessed and approved FY2020 performance and rewards for GCAE and IA staff, considering the overall achievement of IA for the year and in accordance with the matrix approved by the Board.
5. Deliberated and approved the FY2021 Balanced Scorecard (BSC) for the GCAE, taking into consideration the relevance and importance of key performance indicators set for the year.
6. Reviewed the monthly Group Audit Dashboard outlining the completion of planned audits in the approved AAP2021 and the resulting ratings of the respective audits as well as turnover of IA staff and participation of IA in advisory projects. Subsequently, this was also tabled to the Group Board for information.
7. Deliberated the audit and investigation reports and directed the Management to formulate and implement the necessary remediation controls to strengthen the internal control system. Pertinent discussion points by the ACB were also cascaded to the Management via the IAC for their attention and action accordingly. Where required, the GCFO was directed to escalate the control lapses and recommendations to the Group EXCO for deliberation.
8. Updated the Board on pertinent concerns from the audits and investigations conducted by Group Audit via the ACB Chairman Report.
9. Reviewed the monthly audit finding status reports and deliberated on the corrective actions and timelines taken by the Management to ensure timely resolution of the control lapses highlighted.
10. Reviewed and approved Management's requests for audit finding rectification timeline extension, in consideration of the justifications provided by the Management.
11. Reviewed and noted the minutes of meetings for the following:
  - a. IACs in Malaysia (Maybank) and Singapore (Maybank Branch Singapore), for an overview of the deliberations and remedial actions taken by Management on the control lapses raised by IA; and
  - b. ACBs at the various subsidiaries in Malaysia and in the region, for clarification on pertinent matters discussed. The ACB also deliberated the key concerns discussed at these ACBs and, where deemed necessary, requested the ACBs of the respective subsidiaries to take further action.
12. Deliberated the Internal Quality Assurance Review Report prepared by Group Audit to ensure continuous conformance with the International Standards promulgated by The Institute of Internal Auditors (The IIA).

## AUDIT COMMITTEE REPORT

13. Deliberated the Audit Lab Learning Intervention report outlining, amongst others, the IA Learning and Development Blueprint as well as Learning Needs Analysis and Focus, with the aim to develop and sustain a high performing IA team.

### ANNUAL REPORT

14. Reviewed and endorsed the Statement on Risk Management and Internal Control (SORMIC) for Board's approval and disclosure in the FY2020 Annual Report.
15. Reviewed and approved the Audit Committee Report (ACR) for incorporation in the FY2020 Annual Report.
16. Reviewed and endorsed the Corporate Governance Overview Statement and Report for Board's approval and inclusion in the FY2020 Annual Report.

### FINANCIAL REPORTING

17. 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

18. Reviewed with the external auditors:
- The 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, multi-location audit scoping, systems, audit timeline and statutory audit fees; and
  - The results of the audits, significant audit and accounting matters identified and Management Letters points together with Management responses or comments.
19. 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, which was subsequently approved by the Board. This Framework is in line with BNM's Policy document on External Auditor. Assessment of 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 (AOB);
    - 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 by any professional associations and/or regulatory bodies.
  - Assess the external auditors' level of knowledge, capacity and audit experience by reviewing the following:
    - i. Curriculum vitae of the engagement partner and concurring partner;

- ii. List of public interest entities audited by the engagement partner and the concurring partner in the last two years prior to the date of statutory declaration;
  - iii. Years of experience of the engagement partner and key members of the audit engagement team in auditing financial institutions; and
  - iv. Man-days spent by the engagement partner and the concurring partner in the previous audit.
- 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 with their report for the FY2020 on 27 January 2021;
    - ii. Memorandum of recommendations arising from the audit of the financial statements for the FY2020 was tabled to the ACB by external auditors on 19 May 2021;
    - iii. On 2 August 2021, the external auditors presented to the ACB with their report for the limited review of the Bank's Unaudited Profit after Taxation and Zakat for the six-month period ended 30 June 2021; and
    - iv. APM report with regard to the audit of financial statements for the FY2021 was presented by external auditors to the ACB on 1 November 2021.
  - 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 timelines set as evidenced below:
    - i. Audited financial statements as at 31 December 2020 was signed off by external auditors on 25 February 2021;
    - ii. Report on limited review for the financial period ended 30 June 2021 was signed off by external auditors on 2 August 2021; 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 the 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;
    - vi. Annual Transparency Report which outlined amongst others, the external auditors' governance and leadership structure as well as measures undertaken by the external auditors to uphold audit quality and manage risks; and
    - vii. 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.

## AUDIT COMMITTEE REPORT

20. Confirmation by the external auditors of their independence in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) and ethical requirement in applicable jurisdictions.
21. 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 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 (RPTs)

22. Reviewed RPTs as disclosed in the financial statements and the adequacy of Maybank Group's procedures in identifying, monitoring, reporting and reviewing related party transactions, in line with the Group's RPT Policy.

During the year, the ACB had reviewed several RPTs involving the interest of a major shareholder and Maybank group of companies which were submitted on a quarterly basis covering the nature and amount of the transactions to ensure that the terms and conditions of the transactions are commercially-driven and at arm's length basis.

## INTERNAL AUDIT FUNCTION

### ORGANISATIONAL INDEPENDENCE

The IA function of Maybank has been established by the Board to provide independent and objective assurance on the adequacy and effectiveness of the governance, risk management, anti-corruption, whistle-blowing and internal control processes implemented by the Management. The IA functions of Maybank, as well as its Malaysia and overseas branches and subsidiaries, are organised on a Group basis under the leadership of the GCAE. The GCAE reports functionally to the ACB and administratively to the GPCEO to maintain the requisite independence and objectivity as outlined in the Audit Charter approved by the ACB. The GCAE has active oversight over the in-house IA functions of the regional subsidiaries in the Philippines, Indonesia, Singapore, Cambodia, Hong Kong, Thailand and Vietnam which also have direct accountability to their respective entities' ACBs (or equivalent). To maintain audit objectivity and independence, the IA functions in Malaysia as well as in the region are independent of the operations of the other operating units.

The IA function of the Group is led by Puan Nazlee Abdul Hamid, who was appointed as the Group Chief Audit Executive in December 2013. She holds a Master of Business Administration in Management and Organisational Leadership and a Diploma in Accounting. She has over 30 years of audit experience in the financial industry as well as with BNM. She is an active member of the Chief Internal Auditors Networking Group (CIANG) and is also a member of ISACA, an independent, non-profit, global association that engages in the development, adoption and use of globally recognised, industry-leading knowledge and practices for information systems.

### RESPONSIBILITY, SCOPE AND METHODOLOGY

The principal responsibility of IA is to evaluate the adequacy and effectiveness of the system of risk management and internal control implemented by the Group and to assess whether the risks that may hinder the Group from achieving its

objectives are adequately evaluated, managed and controlled. It provides risk-based and objective assurance, advice and insight to enhance and protect organisational values and assist the Management to achieve its objectives.

The IA scope of work for the year, covering the business and operations of the Group, were defined in the AAP2021 approved by the ACB in January 2021. In establishing the plan, all the auditable units were risk ranked using the Maybank Risk-Based Audit (MRBA) approach, while the COSO and COBIT (for IT) frameworks were used to assess the adequacy and effectiveness of internal controls. The AAP2021 was aligned with the strategies, objectives and risks of the Group and was developed in consultation with the Management. IA also provided independent and objective consultative reviews over the implementation of new initiatives in the Group during the year which include new business ventures, new system implementation and new product introduction.

The IA processes and activities are governed by the relevant regulatory guidelines as well as the Group's Code of Ethics and Conduct and mandatory guidance of the International Professional Practices Framework (IPPF) issued by The IIA. During the year, audit reports, along with the issues, root causes and recommendations as well as Management's responses and action plans for improvement and/or rectification, were tabled to the IAC and ACB for review and deliberation. The rectification status of the audit findings were closely tracked and periodically reported to the IAC and ACB to ensure prompt resolution. The requests for rectification timeline extension were also tabled to the ACB for approval.

The Quality Assurance and Improvement Program (QAIP) continues to be used to assess the quality of the audit processes against the International Standards promulgated by The IIA. Recommendations and opportunities for improvement are identified through internal and external assessments. The internal assessment is performed annually by an independent internal Quality Assurance team under the direct supervision of the GCAE, while the external assessment is conducted once every five years by a qualified and independent external assessor. The QAIP results are tabled to the ACB.

### RESOURCES

The overall costs incurred for maintaining the IA function in the Group for FY2021 was approximately RM72.18 million. The breakdown of staff strength and expenses incurred is as follows:

Location	No. of Staff	RM (Million)
Malaysia	155	35.03
Regional	155	37.15
<b>Total Group</b>	<b>310</b>	<b>72.18</b>

As of 31 December 2021, Group Audit had a total staff strength of 310 individuals (in Malaysia as well as the region) from diverse backgrounds and qualifications.

The COVID-19 crisis has led to many significant changes to Group Audit's approach of building the skillsets of its resources. Virtual alternatives have been adopted where all trainings during the year were conducted via online platforms on an unprecedented scale. Following the restrictions imposed due to the ongoing pandemic, Group Audit plays a pivotal role to ensure that learning opportunities continue to be provided to the auditors to develop their skills and competence. A series of in-house virtual trainings was conducted by Group Audit's subject matter specialists and Maybank's line trainers to equip the auditors with the requisite audit and product knowledge in the various audit areas, e.g. Cyber Security; Culture and Conduct; Environmental, Social and Governance; Anti-Money Laundering; Anti-Bribery and Corruption; etc. Furthermore, the auditors also attended various leadership and soft-skills training organised in-house as well as webinars offered by accredited external training providers and professional bodies. Training and guidance have since been extended to the regional IA teams virtually, where required, to ensure consistency in the application of auditing standards, processes and practices as well as testing procedures. 

## AUDIT COMMITTEE REPORT

### SUMMARY OF INTERNAL AUDIT ACTIVITIES IN FY2021

The key IA activities undertaken in FY2021 are as follows:

1. Attended periodical meetings of various management level committees (on-site/virtual) such as the Group Information Technology Steering Committee, Group Executive Risk Committee, Group Non-Financial Risk Committee and Group Procurement Committee on a consultative and advisory capacity to provide independent feedback on governance, risk management and internal control.
2. Continued to transform and accelerate auditing in the digital space for better decision making and determining emerging risks with the robust progression of data and analytics in IA. This includes the enrichment of disruptive audit digitalisation and analytics platforms to incorporate Artificial Intelligence/Machine Learning components, where applicable, to better support and strengthen IA's advisory role to the Management and stakeholders.
3. Established a risk-based AAP for FY2021 and updated the AAP in view of the latest developments surrounding the business operating environment and continued uncertainties posed by the ongoing pandemic as well as ad-hoc requests made by the ACB, Management and/or regulators.
4. Revised the audit approach in response to the prevailing restriction rules imposed at different stages of the MCO and in consideration of the varying working arrangements adopted by the respective business units. This was to ensure that audit assurance could be continuously provided, focusing on pertinent risk areas and considering other alternative methods to perform audit. 
5. Engaged and shared with Branch Management and Region Offices the audit approach adopted in view of the movement restriction and how it can be considered in their Health Check Review. Through collaboration, both parties can work together towards a common goal of providing assurance on risk and control at the branches. 
6. Conducted a two-day Group-wide virtual audit plan challenge session to calibrate and integrate the audit approach across all IA functions in the Group Office and the region. This was to ensure consistent and comprehensive coverage of risk locations across the Group.
7. Performed periodic internal control testing of business units, operations and processes across the Group as identified in the AAP, to provide independent assessment and objective assurance over the units audited. Among the key risk areas assessed were management of accounts granted moratorium/repayment assistance, cyber and technology security (including the remote working security controls and data loss prevention), anti-money laundering, anti-bribery & corruption, outsourcing governance and operations as well as sales activities, cash management and physical security at branches.
8. Adopted a regional approach in conducting reviews on critical areas such as anti-money laundering, anti-bribery & corruption, cyber security and compliance to SWIFT framework, etc. to ensure consistent coverage and assessment of the controls on a Group perspective.
9. Conducted compliance reviews mandated by the respective countries' regulatory authorities on areas such as Management of Customer Information and Permitted Disclosures, e-Payment Incentive Fund (ePIF) Framework, Staff Training Fund (STF) Contribution Arising from Staff Pinching and Managing of Risks for Electronic Banking, Direct Debit and Risks Associated with Payment Instruments Circular.
10. Presented the Internal Control Health Check Report for FY2020 which summarised the state of internal controls based on the audits conducted throughout FY2020. The report identified areas where improvements were noted and the contributory factors to areas requiring attention. The same report summarising the audits conducted in the first half of FY2021 was also presented to the ACB for deliberation during the year.
11. Tracked and reported the implementation status of action plans committed by the Management to address audit findings highlighted by IA. Requests for timeline extension were also escalated to the ACB for deliberation and approval.
12. Conducted preliminary independent review with regard to the adequacy of internal controls prior to the introduction of new products and implementation of new IT solutions.
13. Issued Independent Audit assessment on advisory capacity based on the requirements set by various regulators and governing authorities, prior to implementation of IT solutions to ensure adequate controls were applied and identified risks were mitigated.
14. Conducted Post Implementation Review to assess the overall achievement of the introduction of new products and implementation of new IT systems to ensure that all committed objectives were achieved.
15. Reviewed the effectiveness of the Business Continuity Management (BCM) at various business entities during the pandemic to ensure resumption of business activities were not hampered. 
16. Presented the Audit Lab Learning Intervention report outlining, amongst others, the IA Learning and Development Blueprint as well as Learning Needs Analysis and Focus. The status of the learning focus identified for FY2021 was also updated to the ACB.
17. Reviewed the Internal Audit Charter pursuant to the material updates of the relevant regulatory provisions and proposed the same for approval by the Group ACB.
18. Conducted ad-hoc, special reviews and investigations as instructed by the ACB or as requested by the regulators. A total of 21 such reviews were conducted in FY2021.
19. Conducted internal quality assessment review of IA and desktop limited peer reviews of the respective regional IA functions, and tabled the results to the respective ACBs.
20. Prepared the ACR and SORMIC for inclusion in the FY2021 Annual Report upon approval by the ACB and the Board respectively.

# 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 Family Takaful Berhad and Etiqa General Takaful Berhad (SC EFTB & EGTB)

 For SC members' profiles, refer to pages 82 to 84.

## SHARIAH GOVERNANCE, DUTIES, RESPONSIBILITIES & ACCOUNTABILITIES

Maybank Group has established and implemented a robust Shariah Governance Framework based on BNM's latest requirements. Refer to Financial Book on pages 258 to 259 and Basel II Pillar 3 Disclosure on [www.maybank.com](http://www.maybank.com) for further details on the Shariah governance structure, approach and responsibilities.

## MEETINGS AND JOINT BOARD MEETINGS

The MIBSC convened 28 meetings inclusive of four special meetings to cater for urgent proposals, while the SC EFTB & EGTB convened 26 meetings. All SC members have satisfied the minimum 75% attendance requirement under the Operation Procedures for the Shariah Committee of BNM's Shariah Governance Policy.

SC places importance on ensuring effective implementation of Shariah governance and best practices of corporate governance. In view of this, two joint sessions were held between MIBSC and the Board of Directors in FY2021, while SC EFTB & EGTB held two joint sessions.

## SC CONTINUING PROFESSIONAL DEVELOPMENT PROGRAMME

As part of the initiatives towards strengthening capabilities of the SC, a series of tailored professional development programmes were conducted during FY2021 including the following:

MIBSC	SC EFTB & EGTB
<ul style="list-style-type: none"> <li>• Certified Shariah Advisors (CSA) series which covered 13 topics ranging from legal, governance, Islamic economics and finance, risk management and takaful, amongst others to provide a fundamental understanding of Shariah advisory services</li> <li>• AAOIFI Certified Shari'a Adviser &amp; Auditor programme</li> <li>• Conducted in-house training sessions on areas relevant to the business and industry such as financial and business reporting standards, legal, governance and product structures</li> <li>• Induction for New Shariah Committee Members</li> <li>• Shariah Committee Offsite Session – "Islamic Social Finance"</li> <li>• Shariah Centre of Excellence (SCoE) initiatives: <ul style="list-style-type: none"> <li>i. Produced articles on misconceptions of Islamic banking</li> <li>ii. "Managing Money during Pandemic" Webinar</li> <li>iii. Shariah Discourse on "Islamic Banking: from Replication Towards Innovation"</li> </ul> </li> <li>• Islamic Wealth Dialogue Series (as Guest Speaker)</li> </ul>	<ul style="list-style-type: none"> <li>• Captive Retakaful Arrangements</li> <li>• FY2021 Etiqa Risk Landscape</li> <li>• Introduction to Agent on the Go Campaign</li> <li>• MFRS 17 – Reporting Qard in the Takaful Fund Column within Takaful Entity Financial Statements</li> <li>• Sembang Santai Syariah – Mendalami Syariah Menjiwai Takaful</li> <li>• Sharing Session with Etiqa Life Insurance/Family Takaful Academy</li> <li>• Risk-Based Capital Framework for Insurers and Takaful Operators: Recognition of Capital Available in Takaful Funds</li> <li>• Merdeka Talk by Yang Amat Arif Tan Sri Rohana Yusuf: Reflection of My Journey in Islamic Finance</li> <li>• Sharing Session with Etiqa General Insurance/General Takaful Academy</li> <li>• Group Directors Training Program 2021 – Takaful</li> <li>• Value-Based Intermediation on Takaful (VBIT) Capacity Building Series – Maqasid Shariah</li> <li>• Hajah Discussion Paper (DP) by Bank Negara Malaysia: The Application of Hajah in Takaful Operations</li> </ul>

In addition to the abovementioned programmes, the MIBSC and/or SC EFTB & EGTB members also attended the following external programmes and events:

- 15<sup>th</sup> Muzakarah Cendekian Syariah Nusantara (MUZAKARAH 2021)
- 16<sup>th</sup> International Shariah Scholars Forum (ISSF 2021)
- 16<sup>th</sup> Kuala Lumpur Islamic Finance Forum (KLIFF 2021)
- 2<sup>nd</sup> Kedah International Zakat Conference 2021
- 2<sup>nd</sup> Muzakarah for Shariah Advisors of Takaful Operators (M-SAT 2021)
- Association of Shariah Advisors in Islamic Finance: LIQA' Merdeka 2021: The Role of Malaysia Judiciary in Islamic Finance: My Personal Reflection by Yang Arif Dato' Seri Mohd Zawawi Salleh

## SC ASSESSMENT

In compliance with BNM's Shariah Governance Policy, the SC undergoes the process of assessing the effectiveness of the individual members and the committee as a whole on a yearly basis. The SC annual assessment exercise is primarily based on a questionnaire distributed to the respective committee members and encompasses considerations on the effectiveness of the SC in discharging its duties.

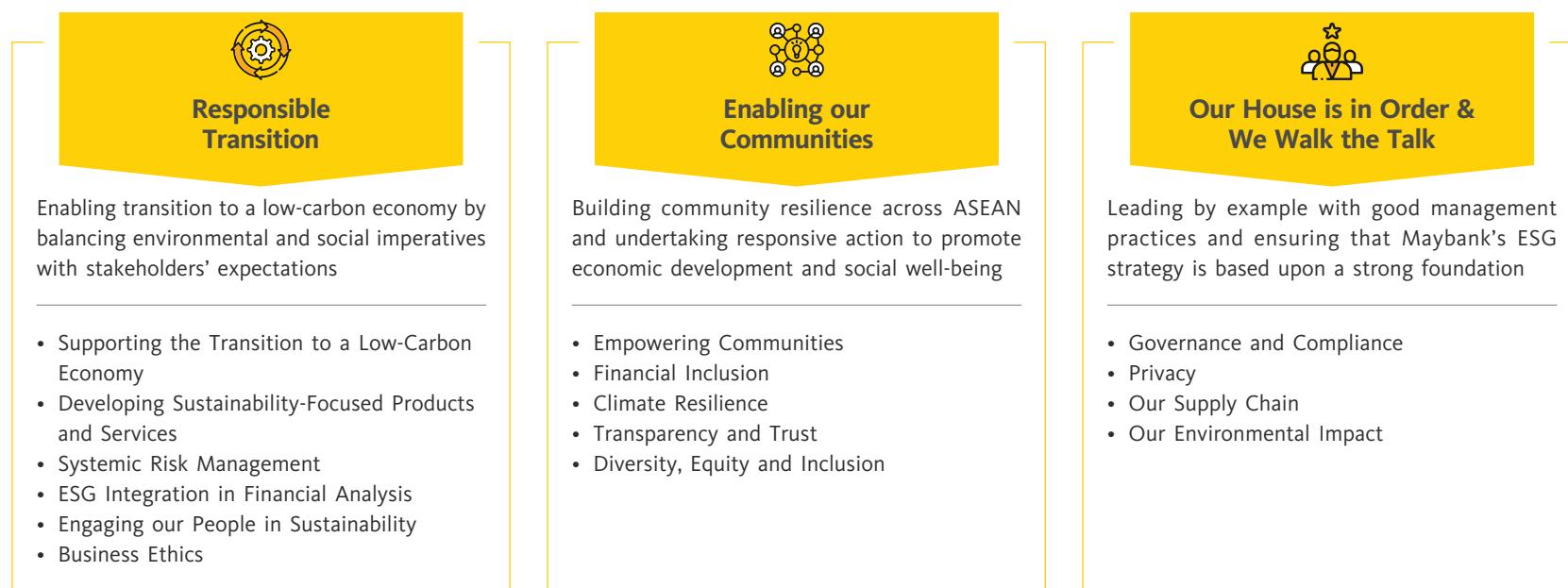
# SUSTAINABILITY REVIEW

**With the year 2020 signalling the completion of the 20/20 Sustainability Plan, we have embarked on a new and exciting journey with the Maybank 2025 Strategy, M25, in which sustainability forms one of the Group's three strategic priorities. M25 will serve to instil environmental, social and governance (ESG) considerations as fundamental to Maybank's future and deliver sustainable solutions for the communities we operate in through our ambitious long-term targets. In this sustainability review, we detail how we added value for our stakeholders in 2021.**

 For more information on the M25 Strategy, refer to page 28.

## TOWARDS ESG LEADERSHIP

We aspire to drive change by making meaningful contributions towards a better world and by working with our clients to achieve long-term success. Our sustainability approach is built on three fundamental pillars centred around enabling a responsible transition to a low-carbon economy, empowering our communities and leading by example with good governance practices.

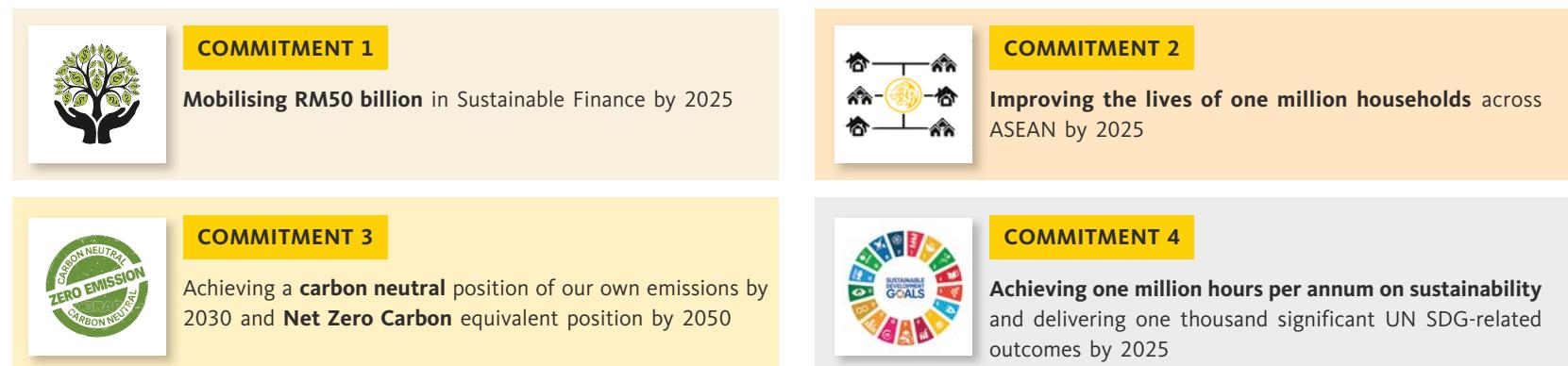


To facilitate the effective implementation of the Sustainability Pillars, the respective work streams within these pillars are grouped into four key areas for better coordination and implementation given the linkages among the work streams. These four groups cover Sustainable Solutions, Community, Walking the Talk and Building Culture. Each group has an overarching ambition and moving towards the achievement of these ambitions, the four key commitments were established. This is tied to the M25 objective of being a "Regional ESG Leader" and has framed and set the foundation for the targets that have been put in place. The achievements and progress in relation to these four groups are reflected as part of the respective commitments and is further detailed in subsequent sections.

## HOW WE ARE INTEGRATING SUSTAINABILITY

In developing M25, we focused on enhancing our business strategies as they relate to sustainability. M25 is therefore an opportunity to cast a new strategic vision leading towards greater success and growth for our business and people.

Underpinned by our mission of Humanising Financial Services, commitments established this year represent our investment in people, processes and systems to meet expectations of our stakeholders that are aligned with the United Nations Sustainable Development Goals (UN SDG). Linked to the Group's M25 strategy, these commitments mean collaborating with and for our stakeholders to promote accessible financial services, establish trusted connections as well as maintain fairness and integrity.



## SUSTAINABILITY REVIEW

### ABOUT THIS SUSTAINABILITY REVIEW

The scope of this sustainability review is consistent with that of the Annual Report, with data encompassing the operations of Maybank Group for the financial year 2021. Our disclosure is guided by the Group's 2020 materiality assessment, as the material issues identified during the year were viewed as a natural extension seeing as the pandemic prolonged into 2021. This disclosure has been prepared in accordance with Bursa Malaysia Securities Berhad's Main Market Listing Requirements related to the Sustainability Statement in Annual Reports. A more comprehensive overview of our sustainability strategy and initiatives will be covered in our standalone Sustainability Report 2021, which is prepared in accordance with the GRI Sustainability Reporting Standards.

 For more information on the Group's 2021 materiality assessment, please refer to the Material Matters section of this report on page 23.

### OUR TOP-DOWN APPROACH TO SUSTAINABILITY

Responsibility for Maybank's sustainability strategy resides at the highest level of corporate governance. The Board of Directors (the Board) is in charge of overseeing the Group's sustainability strategy and performance. Sound sustainable governance is further cascaded across the Group, with specific responsibilities assigned across multiple levels of management. In 2021, we achieved a key milestone with the establishment of the Board Sustainability Committee (BSC), the EXCO Sustainability Committee (ESC) and the appointment of our Chief Sustainability Officer (CSO).



Over and above this, in July 2021, Sustainability Key Performance Indicators (KPIs) were established and approved by the Board as part of the Group's and the Group EXCO members' scorecards.

#### Note:

Commitment 4 relates to building culture. This includes engaging our people in sustainability, supporting diversity and inclusion in the workplace and fostering fairness, transparency and ethical behaviour in our stakeholder interactions. These efforts are underpinned by the establishment of a clear sustainability governance structure, the inclusion of governing principles on sustainability and the management and protection of data. Hence, "Our Top-Down Approach To Sustainability" section above is to be read in conjunction with "Strategy" under "Climate-Related Financial Disclosures" on page 107 and "Our Progress" under Commitment 4 on page 114 to provide a more holistic view of our progress in realising this commitment.

## SUSTAINABILITY REVIEW

### PRIORITISING SUSTAINABILITY IN OUR RISK MANAGEMENT

To tackle our sustainability risks effectively, Maybank constantly seeks to better integrate ESG issues into our risk management practices. ESG risks are managed through the ESG Risk Management Framework and form a subset of the Enterprise Risk Management Framework, which highlights sustainability as a primary risk driver.

Supported by other risk policies, the ESG Risk Management Framework, which was adopted and implemented in 2021, is a holistic Group Risk document detailing principles and major components of ESG risk management. The components include risk identification, assessment, evaluation, and risk governance.

 For more information on the ESG Risk Management Framework, please refer to our Sustainability Report 2021 which will be made available on [www.maybank.com/ar](http://www.maybank.com/ar)

#### Collaborating Towards Climate Resilience

We actively engage and collaborate with regulators and financial industry peers to advance the Malaysian financial industry's response to climate change, as well as support ESG and climate-related national policy-shaping and directional strategies.

The Chief Risk Officer Forum held internally in early 2021 discussed the impact of sustainability on future risk management, as Group Risk takes a more proactive approach to integrate sustainability concerns into risk and business sectors plans. Continuous organisational change is essential to properly manage ESG risk by incorporating ESG concerns into the efforts that support our sustainability strategy.

Meanwhile, the Group engages and works with our regulators to enhance the knowledge and capability of our team as well as the industry. Among others, we are an active member of the Joint Committee on Climate Change (JC3), with representation within all the sub-committees, as well as the Association of Banks in Malaysia's ESG Committee. Contributions have been made to the development of related policies, details of which can be found in the Sustainability Report 2021.

#### Climate-Related Financial Disclosures

Our phased approach to evaluating and addressing climate risk enables us to adopt targeted strategies and strategically support low-carbon projects. This is our fourth year of submitting a disclosure in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

#### GOVERNANCE

- Newly established Board and Executive-level committees to oversee sustainability matters including the appointment of the CSO to lead Group-wide sustainability strategy and ensure alignment with our Group's strategic plans.
- Climate-related considerations are being integrated into existing policies and practices, categorised as sustainability risk.

#### STRATEGY

- Sustainability is one of the three strategic priorities in M25, and will address ESG-related issues including climate change, demonstrating Maybank's commitment towards sustainability considerations.
- Established the Sustainability Framework as the overarching document outlining the Group's overall approach towards sustainability.
- Undertook efforts to raise climate change awareness via Sustainability Matters engagements and e-learning modules, including executive education programmes that cater to Board members, Senior Leadership and relationship managers.

#### RISK MANAGEMENT

- Maybank announced in 2021 that we will not finance new coal activities and aim to transition with our borrowers towards achieving a sustainable energy mix over the medium-to-long term.
- ESG risks are integrated into lending assessments. Position papers have been developed for the forestry & logging, power, construction & real estate, mining & quarrying and oil & gas industries. In addition, the Risk Acceptance Criteria (RAC) have been further refined for the forestry & logging and palm oil industries, with a new RAC established for the power sector.
- Ongoing collaboration and engagement with regulators and external industry players on various aspects of sustainability such as the climate change taxonomy.
- Implemented the ESG Risk Management Framework which sets out the Group's approach in managing the ESG risks of business activities and operations.

#### METRICS AND TARGETS

- We continuously monitor and manage our direct and indirect carbon footprint.
- In 2021, we identified 2019 as the baseline year for emissions in our own operations, in line with commitments of becoming carbon neutral by 2030 and achieving net zero carbon equivalent by 2050.
- Maybank measures the environmental footprint of resources used internally such as electricity and paper consumption.

#### Note:

Commitment 1 relates to sustainable solutions in the transition to a low-carbon economy. These efforts are centred upon us providing access to sustainable finance, management of ESG risks including sector specific requirements, identification of opportunities, alignment to taxonomies as well as ensuring climate resilience within the overall ESG landscape. Hence, the "Risk Management" subsection above is to be read in conjunction with "Our Progress" under Commitment 1 on page 108. Additionally, Commitment 3 relates to Maybank's efforts in managing our Scopes 1, 2 and 3 emissions across our value chain. As such, the "Metrics and Targets" subsection above is to be read in conjunction with "Our Progress" under Commitment 3 on page 113, which provides a more holistic view of our progress towards realising this commitment.

## SUSTAINABILITY REVIEW

### THE APPROACH TOWARDS OUR COMMITMENTS

Maybank has set broad strategic ambitions within the three sustainability pillars, with overarching commitments to promote positive impact. This includes identifying key focus areas for the Group as part of the overall sustainability blueprint. Maybank's four sustainability commitments were approved by the Board in April 2021 and Project Steering Committees (PSCs) have been set up to ensure the implementation of identified initiatives that support the delivery of the commitments.

#### SOLUTIONS THAT MAKE A DIFFERENCE

*Ensuring a just transition to a low-carbon economy for ourselves and our clients through our lending practices and policies, and solutions that deliver impact to our stakeholders.*

As Maybank operates throughout ASEAN, we recognise the need to balance sustainability risks and opportunities with existing economic structures and market capabilities.



#### COMMITMENT 1

##### Mobilising RM50 billion in Sustainable Finance by 2025

###### What:

- Facilitate the movement of capital towards sustainable finance and investment, including direct lending or investment, syndication, fundraising, underwriting and advisory, while integrating ESG criteria to bring about sustainable development outcomes and support the transition to a low-carbon economy.

###### Our progress:

- In FY2021, Maybank Group mobilised more than RM13.6 billion in sustainable finance. Over RM9.3 billion was mobilised via Group Global Banking, while more than RM4.3 billion was mobilised by Group Community Financial Services.
- Established a Sustainable Finance team within our business segments with the objective of influencing and facilitating sustainable financing including clients' fund raising activities.
- ESG risk reporting to Executive and Board-level risk committees was implemented in the second quarter of 2021 to highlight exposure to high-risk ESG sectors.
- Developed industry-agnostic ESG screening criteria for corporates for better ESG governance and to facilitate the classification of clients based on BNM's Climate Change and Principled-based Taxonomy (CCPT).

#### Facilitating Greener Solutions

There is a need for economic growth and social inclusion within a low-carbon economy and we believe that positive environmental impacts can be realised through our financing and investment activities. By offering sustainable financial products throughout ASEAN, Maybank embodies our customer-centric approach in assisting customers to align their investment practises with their values. Notable achievements to facilitate greener solutions and reflected as part of the deal or issuance size in 2021 include:

##### ONE OF THE LARGEST GREEN LOANS TO-DATE IN SINGAPORE

**SGD 1.22 billion**

syndicated loan (approx. RM3.76 billion)

With four other banks, we provided Singapore's largest green loan for the development of South Beach Consortium Pte Ltd.

##### ACTED AS MANDATED LEAD ARRANGER IN ASEAN'S LARGEST GREEN LOAN REFINANCING IN SINGAPORE

**SGD 2.1 billion**

(approx. RM6.54 billion)

Secured Syndicated Term Loan Facility for Asia Square Tower 1.

##### LARGEST BILATERAL GREEN FINANCING FOR A HOSPITALITY ASSET IN SINGAPORE

**SGD 405 million**

(approx. RM1.25 billion)

Sole lender for one of the largest bilateral green financing for a hospitality asset in Singapore to-date.

##### JOINT LEAD MANAGERS FOR THE FIRST MALAYSIAN DFI SUSTAINABLE SUKUK ISSUANCE

**RM 500 million**

Collaborated with the Small Medium Enterprise Development Bank Malaysia Berhad (SME Bank) to issue sustainability sukuk for Malaysian SMEs, thus promoting the green technology sector.

##### WORLD'S FIRST ISLAMIC GREEN FINANCING FOR A HOSPITALITY ASSET IN SINGAPORE

**SGD 250 million**

(approx. RM770.12 million)

Linked the world's first Islamic green financing in hospitality for the development of a resort hotel that will embed Shariah-compliant and sustainability concepts in their design and operations.

## SUSTAINABILITY REVIEW

### UPLIFTING AND ENGAGING OUR COMMUNITIES

Promoting development and growth in the communities we operate in through impactful social finance solutions. Enabling a balanced and inclusive society by providing opportunities and access to resources.

We believe that financial inclusion is essential not just in creating long-term value for society, but also to address and reduce social inequality. We have seen varying levels of progress in the 10 years that we have run our financial inclusion programmes, and we continue to enhance our engagement with our communities by moving our products and services into the digital domain, as well as ensuring that our customers have the skills and knowledge to utilise these services in an informed manner.



#### COMMITMENT 2

Improving the lives of **one million households across ASEAN** by 2025

##### What:

- Empowering and providing greater financial inclusion for vulnerable communities in alignment with Humanising Financial Services and the UN SDG.
- Areas of focus: Education, Community Empowerment, Arts & Culture, Environmental Diversity, Healthy Living and Disaster Relief.
- Our decisions are made with our communities in mind. The regions in which we operate are at varying stages of development and have distinct institutional infrastructures. Hence, the need to acknowledge and address community needs, as well as focus on quantifiable impacts aligned with the SDGs.

##### Our progress:

- 502,759 households benefitting from various community programmes Group-wide.
- 14,195 SMEs benefitting from Education Programme and Financing Assistance Programme.
- Provided financing to 166,769 underprivileged, lower income customers for home ownership and the purchase of vehicles.
- Zakat initiatives impacting over 20,469 beneficiaries which include Etiqa's community and education programmes such as the Clean Water and Water Filter Programme.
- First mobile cross-border funds transfer service launched with National Bank of Cambodia (NBC), through the NBC's Bakong e-wallet and Maybank's MAE app to allow Cambodians working in Malaysia to remit funds to Cambodia with minimal service fee charged, thus accelerating financial inclusion for the migrant worker community and facilitating economic collaboration between the two countries.
- Micro insurance extended to 276,987 individuals across three countries.
- Maybank Foundation gained ASEAN accreditation for efforts in support of the ASEAN Socio-Cultural Community Blueprint 2025.

### Supporting Communities Through the Pandemic



In 2021, as COVID-19 continued to disrupt livelihoods, we focused on assisting impacted communities.



#### Supporting the Hospital Surge Capacity project

Contributed **RM14 million** through MERCY Malaysia to provide **836 units of medical equipment**, benefitting **16,819 patients**

**1,571 patients** treated through the set-up of a dedicated field hospital and upgraded paediatric wards with additional **120 beds**

Provided **6,610 medical frontliners** with access to Psychosocial Support services



#### Helping to expedite the National COVID-19 Immunisation Programme (PICK)

Participated in **MERCY Malaysia's COVID-19 Immunisation Surge Capacity Operation**

Maybank Board of Directors and senior management contributed over **RM2.27 million** to cover the logistical and operational costs of vaccinations for the vulnerable communities

**34,057** Orang Asli, people with disabilities (PWDs), homeless people and individuals from B40 communities benefited from the accelerated vaccination programme

## SUSTAINABILITY REVIEW

### Supporting Communities Through the Pandemic (cont'd.)



#### Supporting online learning among underprivileged children

Channelled **RM6.5 million** towards online learning among underprivileged children, particularly those from B40 families:

- More than **3,320 underprivileged students** from **39 schools** were provided with laptops in collaboration with CERDIK, a corporate responsibility project initiated under Budget 2021
- Contributed **2,354 laptops** to children of employees from the lower income category to facilitate home-based learning while schools were closed. Besides laptops, the students each received a dongle, a laptop bag, a wired mouse and 12-month internet data plan subscription



#### Other contributions

**991 merchants** in Malaysia affected by the pandemic received financial and non-financial support from our CFS franchise under Project Lemang. This included branch marketing programmes and merchant marketing campaigns



Maybank Singapore contributed **RM186,000** towards MaybankHeart's MERCY Malaysia's COVID-19 Response Campaign 2.0

### Our Digital Solutions

At Maybank, we strive to be at the forefront of the financial sector by being well-prepared for the future. As part of our aspiration to evolve into a full-fledged digital bank as a future-proof goal, we strive to make our financial solutions and services simple and accessible to all.



#### Maybank2u Biz App

In October 2021, we launched the Maybank2u Biz app for SMEs to manage their business in a smarter, simpler and secure manner. It is Malaysia's first business banking app designed for SMEs with capabilities such as built-in invoicing and CSV transactional data extraction for ease of reconciliation.

#### Our 2021 Progress

More than **18,000 companies** have signed up for the app

Approximately **109,000 transactions** worth **RM490 million** have been approved via the app



#### MAE App

The "Tabung" feature within our new MAE app is designed to inculcate responsible spending and saving. It provides users with the capability to save for a rainy day, to cushion against financial shocks.

#### Our 2021 Progress

With more than **5 million downloads** since its launch in October 2020, close to **1 million Tabungs** have been created by users

## SUSTAINABILITY REVIEW

### Digitally Empowering Small Businesses

Economic hardship due to the pandemic has put the agility and survivability of many local businesses to the test. Our Sama-Sama Lokal platform democratises online selling for local businesses and empowers small businesses with digital solutions that simplify business processes while delivering a user-friendly and convenient experience. By not charging commissions, registrations, set-up or transaction fees, merchants get to keep 100% of their earnings. At the moment, we are managing more than 13,000 merchants on our platform.

We recognise that SMEs are important local employers in ASEAN economies, serving as key drivers for economic growth. To better support the SME community to meet their operational and financial needs amid mobility restrictions due to the Malaysian Movement Control Order (MCO), we made strides with the introduction of the two digital solutions that were offered last year – the Business Account Straight-Through Processing (STP) and SME Digital Financing.



#### Business Account STP

STP enables SMEs to open a business account online instantly. New-to-bank and non-sole proprietary customers can activate their account at the branch within two weeks.

In 2021, we opened more than 54,800 new-to-bank accounts, a 30% increase from 2020.



#### SME Digital Financing

This first-in-market, fully digital end-to-end solution provides STP from application, approval, up to disbursement, offering SMEs a quick and hassle-free financing solution at their convenience.

Since its launch in September 2020, over 85% of loans disbursed have been made to over 11,000 micro enterprises, totalling RM1.3 billion.

### Delivering Impact Across ASEAN

In 2021, we redirected our focus to ensure continuity of our flagship programmes where possible, while remaining conscious of COVID-19 restrictions and safety considerations. This involved a transition in execution from face-to-face to virtual interaction while maintaining our objective outputs.

The adoption of online platforms allowed us to continue with our R.I.S.E. and Cashville Kidz programmes, where participants and students were seen to adapt easily to the virtual mode of delivery.



#### Cashville Kidz

A financial literacy programme targeted at schoolchildren aged 9 to 12 that focuses on personal finance management, offering modules on critical thinking, economics, income, consumption, purchases and savings.

Reached **13,400 students** in Malaysia and the Philippines

Impacted **>40 schools**

## SUSTAINABILITY REVIEW



### eMpowering Youths Across ASEAN

Funding for youth to run projects that reduce poverty rates and enhance livelihoods in ASEAN communities.

**75 youth** volunteers participated

**10 civil society organisations**, partners and other related stakeholders engaged



### Reach Independence & Sustainable Entrepreneurship (R.I.S.E.)

A coaching and mentoring programme fostering economic empowerment for disadvantaged communities, including the differently abled, in the area of income growth.

Trained more than **3,200 PWDs** and participants from marginalised communities across Malaysia, Indonesia, Laos and the Philippines



### Maybank Women Eco-Weavers

Empowering women weavers from poor and marginalised communities with training, capacity-building and microfinancing to revive traditional practices and attain financial independence. A complementing sericulture programme provides farmers with mulberry saplings to maintain the supply of silk thread as an additional source of income for communities.

Trained **319 new weavers**

Supported **227 mulberry tree farmers**

More than **47,000 mulberry trees planted**

Launched the "Weaving Tales" Short Story Competition in partnership with the ASEAN Foundation to preserve traditions and cultural heritage across the region. More than **400 submissions** were received from writers across ASEAN and the top 20 winning entries will be published in Maybank Women Eco-Weavers' book

Beyond this, we introduced the **ASEAN-Maybank Scholarship Programme** in collaboration with the ASEAN Secretariat, in support of the ASEAN Socio-Cultural Community Blueprint 2025. The programme provides deserving ASEAN nationals with full scholarships to pursue undergraduate studies at prestigious universities within ASEAN, and helps promote intra-ASEAN integration.

## SUSTAINABILITY REVIEW

### MANAGING OUR CARBON FOOTPRINT

*Adopting leading sustainable practices and supporting our suppliers' transition towards high ESG standards, while enabling greater inclusion.*

We seek to establish ourselves as leaders in the movement to reduce and manage climate change at an organisational, industrial and national level.



#### COMMITMENT 3

Achieving a **carbon neutral** position of our own emissions by 2030 and **Net Zero Carbon equivalent** position by 2050

##### What:

- Carbon Neutral 2030 refers to the Group's own emissions while Net Zero 2050 refers to an overall balance between all direct and indirect CO<sub>2</sub>e, covering operations and business activities we finance across the Group.

##### Our progress:

- Identified 2019 as the baseline year for our Scope 1 and 2 emissions as environmental performance for 2019 is reflective of our business as usual operations. We have also enhanced the scope of our emissions sources in FY2021.
- First bank in Malaysia to sign a Sale & Purchase Agreement to purchase Malaysia Renewable Energy Certificates from TNBX Sdn. Bhd., for an equivalent of 70% of our Malaysian Operations' Scope 2 emissions.
- Started energy efficiency initiatives to reduce the remaining 30% of Scope 2 emissions which are discussed in the section "Sustainability Across Our Operations" below#.
- Commenced the Climate Resiliency Project to establish our baseline Scope 3 portfolio emissions, operationalising climate resilience and advancing our ESG and climate change reporting efforts.
- A PSC has been set up to monitor progress of this Climate Resiliency Project, chaired by CSO.
- Implemented internal carbon pricing for change management purposes to create awareness among business operating units on the cost of their emissions.

For Maybank, risks and opportunities arising from climate change materialise most clearly within our own operations. We balance emerging ESG risks and opportunities, while taking care to monitor and manage our internal environmental footprint including promoting sustainable consumption and production as well as managing natural resources within our own operations.

#### Sustainability Across Our Operations

Our businesses' long-term sustainability is also dependent on a reliable and traceable supply chain. We source products and services from ethical and responsible local vendors in order to create a positive social and economic effect while reducing our environmental impact.

We are working towards traceability in our supply chain by leveraging digital and data analytics capabilities. This will allow us to work towards our goal of steadily increasing our suppliers' capabilities and compliance with ESG supply chain best practices and standards.

# Other notable initiatives that we started or executed in 2021 to reduce our environmental footprint include:



Installation of solar panels at Maybank Centre Singapore at Ang Mo Kio.



Digitising and automating selected processes to reduce paper use.



Building a system and database to capture and report all Scope 1, 2 and 3 emissions\* for the Group.



Development of a tracking platform to capture travel data for Malaysia and Singapore.



Replacement of lights with LED bulbs in all Malaysian branches.

\* For scope 3, it is limited to travel data only

### MAYBANKERS FOR SUSTAINABILITY IMPACT

*Building a strong sustainability-focused culture that is strong in governance, ethics, trust and transparency and reflects the highest commitment to diversity, inclusion, equity and privacy.*

Our people are the driving force in meeting our sustainability goals. Our numerous initiatives – from learning opportunities, recruitment, talent engagement and management and community work, to our #HUMANISINGWorkplace aims – are all aimed at providing a workplace for Maybankers to thrive in their lives and work, regardless of their background.



#### Winner of PwC Malaysia's Building Trust Awards 2021 in the FBM KLCI Category

Progressive efforts to invest in our employees and embed Sustainability Goals in their KPIs to build a sustainability mindset have been recognised. In the eyes of the public, Maybank came across as transparent, capable and reasonable, leading to above-average trust perception ratings – an acknowledgement that stakeholders across the board trust Maybank, indicating we are on the right path.

## SUSTAINABILITY REVIEW

To us, being sustainable also means ensuring our people are enabled to be the best versions of themselves. Sustainable, equitable and responsible growth is central to who we are as a business. Our people will be enabled and empowered to use their strengths and capabilities to make a meaningful impact.



### COMMITMENT 4

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

#### What:

- Embedding sustainability actions and thinking across business, operations and community-based programmes and shaping a sustainability culture among Maybankers.

#### Our progress:

- 150 Senior Leaders and Client Relationship Managers are undergoing the International Institute for Management Development (IMD) Executive Education programme and two Group Sustainability employees have undergone Global Sustainability Executive Education Programmes at Oxford & Cambridge as part of the Systemic Change Programme.
- 39,950 unique learners who have undergone at least one Sustainability Learning Programme.
- Internal communication bi-weekly to create a better understanding on key areas, and awareness of actions by Maybankers through highlights from the Sustainability Learning Calendar and sharing of sustainability-related Group initiatives.
- Embedded sustainability principles into all people policies as part of our multi-faceted approach in building a sustainability culture. Two new People Policies established – Employee Sustainability & Volunteerism Policy and Mental Health Policy, including the Business Ethics Charter and enhanced Group's Data Privacy Policy.
- Established Board Effectiveness Evaluation to evaluate the BSC effectiveness and to formulate Actionable Improvement Programmes to ensure board oversight and appropriate governance.

### Fostering a Diverse, Inclusive and Equitable Workplace

In March 2021, we hosted our annual International Women's Day, themed "We Chose to Challenge", where we were encouraged to 'choose to challenge' gender bias and inequality, and celebrate not only women's achievements, but our diversity as well. We hosted a month-long celebration with live webinar sessions hosting female experts from numerous fields, in addition to highlighting female merchants on our online merchant platform, Sama-Sama Lokal.

In April 2021, we held Maybank's first Diversity Day in conjunction with Diversity Month, to recognise and honour the diversity surrounding us. Conversations were centred around this year's theme, "Building Sustainable Inclusion & the Value of Belonging at Work", to inspire, educate, and engage employees on inclusion-centred content.

Alongside our Diversity Day, we introduced 26 Diversity Allies, as Maybank continues to cultivate internal advocates through the Maybank Allyship Programme. Here, Maybankers are free to discuss, share and build diversity in thinking to meet future business needs. We want to create a place where Maybankers can speak up, contribute and have a sense of belonging.

Beyond this, monthly communications are conducted via a publication series covering topics such as Championing Diversity, Equity, and Inclusivity. Based on the recent Employee Engagement Survey, the Sustainable Engagement Index registered a favourable score of 90%, an improvement of 2% against the last survey in 2017 and 2% above the Willis Towers Watson Global High Performing Companies Norm.

In November 2021, we hosted our first Mental Health Day, in an effort to ensure our workforce is better informed on the importance of mental health and the resources available.

### Sustainability Among Maybankers

To achieve sustainability leadership, we encourage Maybankers to learn more about sustainability, inviting them to take part in Sustainability Learning and Engagement initiatives.



In early 2021, Maybankers completed the 'Do You Know Sustainability' e-Learning module. A series of sustainability communication materials were also made available such as the Sustainability Matters newsletter, Sustainability Insights info, and Sustainability Speaks podcasts.



We launched MaybankCares, a one-stop online platform for all things sustainability, giving employees the opportunity to embody and embrace sustainability in all that they do. As this platform grows, we envision that every Maybanker will share, communicate, ideate and truly "Live Sustainability". Our efforts are aimed at anchoring a sustainability mindset, not just at work, but also in our lives.

### LOOKING TOWARDS THE FUTURE

We are excited to embark on our new sustainability journey. The M25 strategy has instilled a new sense of purpose among Maybankers in an effort to make a difference and build a stronger Maybank. Our future-proof strategy will enable us to achieve goals of integrating sustainability into our operations, products and services, become Pervasively Digital, and deliver greater customer experience by focusing on customer-centricity.

# ANALYSIS OF SHAREHOLDINGS

as at 11 February 2022

Issued Share Capital : 11,878,513,218  
 Class of Shares : Ordinary Share  
 Number of Shareholders : 145,523  
 Voting Right : 1 vote per Ordinary Share

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
Less than 100	7,359	5.06	235,928	0.00
100 to 1,000 shares	46,816	32.17	27,732,919	0.23
1,001 to 10,000 shares	69,268	47.60	248,143,477	2.09
10,001 to 100,000 shares	19,460	13.37	516,165,996	4.35
100,001 to less than 5% of issued shares	2,617	1.80	4,686,774,883	39.46
5% and above of issued shares	3	0.00	6,399,460,015	53.87
<b>TOTAL</b>	<b>145,523</b>	<b>100.00</b>	<b>11,878,513,218</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

No. Name of Shareholders	Direct		Indirect	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1. AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM BUMIPUTERA	4,040,146,323	34.01	-	-
2. CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD	1,666,615,830	14.03	-	-
3. PERMODALAN NASIONAL BERHAD	841,663,000	7.09	-	-
4. YAYASAN PELABURAN BUMIPUTRA	-	-	841,663,000	7.09

## DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS

No. Name of Directors	Direct		Indirect	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1. DATO' SRI ABDUL FARID ALIAS	838,686	0.01	0	0
2. FAUZIAH HISHAM	21,068	0.00	0	0
3. SHIRLEY GOH	0	0	10,000	0.00

## TOP 30 SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS

No. Name of Shareholders	No. of Shares Held	% of Issued Shares
1. AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM BUMIPUTERA	4,040,146,323	34.01
2. CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD	1,517,650,692	12.78
3. PERMODALAN NASIONAL BERHAD	841,663,000	7.09
4. KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	532,720,390	4.49
5. AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM MALAYSIA 2 – WAWASAN	285,065,212	2.40
6. AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM MALAYSIA	191,074,811	1.61
7. AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM MALAYSIA 3	118,836,837	1.00

## **ANALYSIS OF SHAREHOLDINGS**

as at 11 February 2022

### **TOP 30 SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS (CONT'D.)**

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
8.	CARTABAN NOMINEES (TEMPATAN) SDN BHD B/O: PAMB FOR PRULINK EQUITY FUND	110,972,052	0.93
9.	CARTABAN NOMINEES (ASING) SDN BHD B/O: EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	109,567,863	0.92
10.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EXEMPT AN FOR AIA BHD	106,999,771	0.90
11.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	100,341,328	0.84
12.	AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM BUMIPUTERA 2	99,121,235	0.83
13.	HSBC NOMINEES (ASING) SDN BHD B/O: JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	83,808,612	0.71
14.	HSBC NOMINEES (ASING) SDN BHD B/O: JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	82,489,768	0.69
15.	CARTABAN NOMINEES (ASING) SDN BHD B/O: GIC PRIVATE LIMITED FOR GOVERNMENT OF SINGAPORE (C)	61,755,981	0.52
16.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	55,205,159	0.47
17.	MAYBANK NOMINEES (TEMPATAN) SDN BHD B/O: MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N14011940100)	42,275,230	0.36
18.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	40,819,575	0.34
19.	UOB KAY HIAN NOMINEES (ASING) SDN BHD B/O: EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	35,819,660	0.30
20.	CITIGROUP NOMINEES (ASING) SDN BHD B/O: CBNY FOR NORGE BANK (FI 17)	34,264,570	0.29
21.	PERTUBUHAN KESELAMATAN SOSIAL	34,204,566	0.29
22.	HSBC NOMINEES (ASING) SDN BHD B/O: JPMCB NA FOR BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A. INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	33,493,920	0.28
23.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD B/O: BNFM SA/NV FOR PEOPLE'S BANK OF CHINA (SICL ASIA EM)	32,401,471	0.27
24.	HSBC NOMINEES (ASING) SDN BHD B/O: JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	32,000,900	0.27
25.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	28,826,966	0.24
26.	HSBC NOMINEES (ASING) SDN BHD B/O: JPMLB SA FOR ROBECO CAPITAL GROWTH FUNDS	23,817,782	0.20
27.	YONG SIEW YOON	22,656,600	0.19
28.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSF)	21,272,327	0.18
29.	HONG LEONG ASSURANCE BERHAD B/O: AS BENEFICIAL OWNER (LIFE PAR)	20,724,901	0.18
30.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD B/O: CIMB BANK BERHAD (EDP 2)	20,376,477	0.17
<b>TOTAL</b>		<b>8,760,373,979</b>	<b>73.75</b>

# CLASSIFICATION OF SHAREHOLDERS

as at 11 February 2022

Category	No. of Shareholders		No. of Shares Held		% of Issued Shares	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
<b>INDIVIDUAL</b>						
a. Bumiputera	3,589		35,659,601		0.30	
b. Chinese	98,126		736,744,567		6.20	
c. Indian	2,984		23,700,789		0.20	
d. Others	451	2,525	4,625,627	63,315,061	0.04	0.53
<b>BODY CORPORATE</b>						
a. Banks/Finance	66		6,262,855,650		52.73	
b. Investment/Trust	21		1,373,393		0.01	
c. Societies	30		740,190		0.01	
d. Industrial	1,226	47	152,368,744	33,379,313	1.28	0.28
<b>GOVERNMENT AGENCIES/INSTITUTION</b>						
NOMINEES	9		22,275,333		0.19	
OTHERS	33,912	2,534	2,677,718,930	1,863,483,180	22.54	15.69
<b>TOTAL</b>	<b>140,417</b>	<b>5,106</b>	<b>9,918,335,664</b>	<b>1,960,177,554</b>	<b>83.50</b>	<b>16.50</b>

# CHANGES IN ISSUED SHARES

## ISSUED SHARES

Details of changes in the Bank's issued shares since its incorporation are as follows:

Date of Allotment	No. of Ordinary Shares Allotted	Consideration	Resultant Total Issued Shares (No. of Shares)
31-05-1960	1,500,000	Cash	7,500,000
18-05-1961	500,000	Cash	10,000,000
31-05-1962	1,000,000	Rights Issue (1:2) at RM7.00 per share	15,000,000
21-08-1968	1,500,000	Rights Issue (1:2) at RM7.00 per share	22,500,000
04-01-1971	22,500,000	Rights Issue (1:1) at RM1.50 per share	45,000,000
06-05-1977	15,000,000	Capitalisation of Share Premium Account (Bonus Issue 1:3)	60,000,000
23-06-1977	30,000,000	Rights Issue (1:2) at RM3.00 per share	90,000,000
21-02-1981	30,000,000	Capitalisation of Share Premium Account (Bonus Issue 1:3)	120,000,000
10-04-1981	60,000,000	Rights Issue (1:2) at RM4.00 per share	180,000,000
14-11-1984	45,000,000	Capitalisation of Share Premium Account (Bonus Issue 1:4)	225,000,000
28-12-1984	45,000,000	Rights Issue (1:4) at RM6.00 per share	270,000,000
30-11-1985	68,249	Conversion of Unsecured Notes	270,068,249
15-11-1986	9,199,999	Issued in exchange for purchase of Kota Discount Berhad <i>(Now known as Mayban Discount Berhad)</i>	279,268,248
01-12-1986	10,550	Conversion of Unsecured Notes	279,278,798
29-07-1987 to 20-10-1987	90,000	Exercise of Employees' Share Option Scheme	279,368,798
30-11-1987	11,916	Conversion of Unsecured Notes	279,380,714
08-06-1988	27,938,071	Capitalisation of Share Premium Account (Bonus Issue 1:10)	307,318,785
30-11-1988	10,725	Conversion of Unsecured Notes	307,329,510
16-03-1989 to 21-06-1989	9,198,206	Exchange for Kwong Yik Bank Berhad (KYBB) shares	316,527,716
11-07-1989 to 23-11-1989	7,555,900	Exercise of Employees' Share Option Scheme	324,083,616
30-11-1989	46,174,316	Conversion of Unsecured Notes	370,257,932
01-12-1989 to 24-10-1990	4,508,900	Exercise of Employees' Share Option Scheme	374,766,832
16-11-1990	187,383,416	Capitalisation of Share Premium Account (Bonus Issue 1:2)	562,150,248
27-11-1990	11,550	Exercise of Employees' Share Option Scheme	562,161,798
30-11-1990	280,497	Conversion of Unsecured Notes	562,442,295
03-01-1991	3,300	Exercise of Employees' Share Option Scheme	562,445,595
03-01-1991	188,991,002	Rights Issue (1:2) at RM5.00 per share	751,436,597
04-01-1991	4,950	Rights Issue (1:2) upon Employees' Share Option Scheme at RM5.00 per share	751,441,547
25-01-1991 to 28-11-1991	726,000	Exercise of Employees' Share Option Scheme	752,167,547
30-11-1991	35,197	Conversion of Unsecured Notes	752,202,744
11-12-1991 to 20-05-1992	5,566,000	Exercise of Employees' Share Option Scheme	757,768,744
30-11-1992 to 30-11-1993	3,153,442	Conversion of Unsecured Notes	760,922,186
18-01-1994	380,461,093	Capitalisation of Share Premium Account (Bonus Issue 1:2)	1,141,383,279
29-12-1994	2,030,428	Conversion of Unsecured Notes	1,143,413,707
19-06-1998	1,143,413,707	Capitalisation of Share Premium and Retained Profit Account (Bonus Issue 1:1)	2,286,827,414
21-09-1998 to 09-10-2001	72,909,000	Exercise of Employees' Share Option Scheme	2,359,736,414
23-10-2001	1,179,868,307	Capitalisation of Retained Profit Account (Bonus Issue 1:2)	3,539,604,721
25-10-2001 to 05-08-2003	60,567,200	Exercise of Employees' Share Option Scheme	3,600,171,921
29-09-2004 to 14-02-2008	304,058,100	Exercise of Employees' Share Option Scheme	3,904,230,021
20-02-2008	976,057,505	Capitalisation of Share Premium Account (Bonus Issue 1:4)	4,880,287,526
27-02-2008 to 30-10-2008	859,625	Exercise of Employees' Share Option Scheme	4,881,147,151
27-04-2009	2,196,516,217	Rights Issue (9:20) at RM2.74 per share	7,077,663,368

## CHANGES IN ISSUED SHARES

### ISSUED SHARES (CONT'D.)

Date of Allotment	No. of Ordinary Shares Allotted	Consideration	Resultant Total Issued Shares (No. of Shares)
29-07-2009 to 26-08-2009	319,400	Exercise of Employees' Share Option Scheme	7,077,982,768
20-12-2010	244,257,623	Dividend Reinvestment Plan at RM7.70 per share	7,322,240,391
12-05-2011	155,965,676	Dividend Reinvestment Plan at RM7.70 per share	7,478,206,067
05-07-2011 to 09-12-2011	10,000	Exercise of Employees' Share Scheme	7,478,216,067
28-12-2011	161,221,416	Dividend Reinvestment Plan at RM7.30 per share	7,639,437,483
10-01-2012 to 26-01-2012	3,600	Exercise of Employees' Share Scheme	7,639,441,083
26-03-2012 to 09-05-2012	8,100	Exercise of Employees' Share Scheme	7,639,449,183
04-06-2012	202,854,119	Dividend Reinvestment Plan at RM8.00 per share	7,842,303,302
28-06-2012 to 08-10-2012	12,233,400	Exercise of Employees' Share Scheme	7,854,536,702
11-10-2012	412,000,000	Private Placement	8,266,536,702
16-10-2012 to 22-10-2012	52,400	Exercise of Employees' Share Scheme	8,266,589,102
25-10-2012	173,144,233	Dividend Reinvestment Plan at RM8.40 per share	8,439,733,335
30-10-2012 to 28-05-2013	38,147,500	Exercise of Employees' Share Scheme	8,477,880,835
29-05-2013	201,462,948	Dividend Reinvestment Plan at RM8.80 per share	8,679,343,783
29-05-2013 to 24-10-2013	47,955,100	Exercise of Employees' Share Scheme	8,727,298,883
25-10-2013	130,326,898	Dividend Reinvestment Plan at RM9.20 per share	8,857,625,781
25-10-2013 to 29-05-2014	24,164,342	Exercise of Employees' Share Scheme	8,881,790,123
30-05-2014	229,810,271	Dividend Reinvestment Plan at RM8.95 per share	9,111,600,394
02-06-2014 to 27-10-2014	40,406,200	Exercise of Employees' Share Scheme	9,152,006,594
28-10-2014	165,329,047	Dividend Reinvestment Plan at RM9.30 per share	9,317,335,641
28-10-2014 to 25-05-2015	12,748,542	Exercise of Employees' Share Scheme	9,330,084,183
26-05-2015	203,533,085	Dividend Reinvestment Plan at RM8.70 per share	9,533,617,268
27-05-2015 to 02-11-2015	5,681,100	Exercise of Employees' Share Scheme	9,539,298,368
12-11-2015	222,451,959	Dividend Reinvestment Plan at RM7.50 per share	9,761,750,327
13-11-2015 to 06-01-2016	2,500	Exercise of Employees' Share Scheme	9,761,752,827
07-01-2016 to 12-05-2016	11,859,359	Exercise of Employees' Share Scheme	9,773,612,186
02-06-2016	235,139,196	Dividend Reinvestment Plan at RM8.35 per share	10,008,751,382
13-06-2016 to 15-07-2016	76,600	Exercise of Employees' Share Scheme	10,008,827,982
24-10-2016	184,371,435	Dividend Reinvestment Plan at RM7.25 per share	10,193,199,417
25-10-2016	500	Exercise of Employees' Share Scheme	10,193,199,917
06-03-2017 to 05-06-2017	85,592,932	Exercise of Employees' Share Scheme	10,278,792,849
06-06-2017	243,599,777	Dividend Reinvestment Plan at RM8.25 per share	10,522,392,626
06-06-2017 to 30-10-2017	74,474,300	Exercise of Employees' Share Scheme	10,596,866,926
01-11-2017	181,677,352	Dividend Reinvestment Plan at RM9.00 per share	10,778,544,278
02-11-2017 to 08-02-2018	59,317,400	Exercise of Employees' Share Scheme	10,837,861,678
09-02-2018 to 29-06-2018	107,334,516	Exercise of Employees' Share Scheme	10,945,196,194
30-10-2018	104,486,785	Dividend Reinvestment Plan at RM8.80 per share	11,049,682,979
10-06-2019	191,678,908	Dividend Reinvestment Plan at RM8.00 per share	11,241,361,887
15-01-2021	172,632,753	Dividend Reinvestment Plan at RM7.68 per share	11,413,994,640
28-06-2021	279,343,269	Dividend Reinvestment Plan at RM7.55 per share	11,693,337,909
21-10-2021	179,814,209	Dividend Reinvestment Plan at RM7.80 per share	11,873,152,118
09-12-2021	5,361,100	Employees Share Grant Plan	11,878,513,218

# PROPERTIES OWNED BY MAYBANK GROUP

Area	No. of Properties		Land Area (sq. m.)	Book Value as at 31.12.2021 RM'000
	Freehold	Leasehold		
<b>Maybank</b>				
Kuala Lumpur	14	15	46,547.09	165,458
Johor Darul Takzim	31	11	18,786.42	57,634
Kedah Darul Aman	10	4	4,999.26	5,697
Kelantan Darul Naim	1	6	1,993.00	3,831
Melaka	-	4	2,763.00	2,646
Negeri Sembilan Darul Khusus	8	7	21,350.92	6,322
Pahang Darul Makmur	11	14	12,467.00	9,092
Perak Darul Ridzuan	12	12	10,392.65	12,630
Perlis Indera Kayangan	1	3	1,475.00	897
Pulau Pinang	22	3	13,211.52	17,971
Sabah	-	18	15,058.18	22,572
Sarawak	9	31	9,182.04	28,765
Selangor Darul Ehsan	23	17	103,309.64	105,370
Terengganu Darul Iman	3	5	4,329.00	3,414
Hong Kong	-	2	193.00	HKD623
London	-	6	1,017.00	£3,757
Singapore	9	12	20,218.70	SGD76,782
<b>Aurea Lakra Holdings Sdn Bhd</b>				
(Formerly known as Mayban P.B. Holdings Sdn Bhd)				
Johor Darul Takzim	2	1	1,330.00	1,358
Pahang Darul Makmur	1	2	595.41	693
Perak Darul Ridzuan	1	1	857.74	1,975
Sabah	-	1	257.62	917
Sarawak	-	1	314.00	670
Selangor Darul Ehsan	2	1	1,269.13	2,229
<b>Maybank International (L) Ltd</b>				
W.P. Labuan	-	3	901.37	USD149
<b>ETIQA</b>				
Kuala Lumpur	2	4	24,258.47	1,258,000
Johor Darul Takzim	1	-	286.00	3,760
Kedah Darul Aman	2	1	1,127.97	2,664
Melaka	-	1	452.00	4,270
Negeri Sembilan Darul Khusus	3	1	1,659.64	3,013
Pahang Darul Makmur	2	1	18,334.57	2,563
Sabah	-	1	222.22	3,792
Selangor Darul Ehsan	1	-	510.49	6,200
<b>Maybank Kim Eng Properties</b>				
Singapore	-	2	1,609.50	SGD95,489
USA	1	-	299.33	USD4,571
<b>PT Bank Maybank Indonesia Tbk</b>				
Indonesia	201	-	115,694	IDR2,587,971,998

# LIST OF TOP 10 PROPERTIES OWNED BY MAYBANK GROUP

as at 31 December 2021

Location	Description	Current Use	Tenure	Remaining Lease Period (Expiry Date)	Age of Building	Land Area (sq.m.)	Year of Acquisition	Net Book Value RM'000
Menara Etiqa No. 3 Jalan Bangsar Utama 1 Kuala Lumpur	38-storey Office Building	Office & Rented out	Leasehold 99 years	85 years (expiring 27.11.2106)	3 years	4,636.00	1997	372,000
Etiqa Twins No. 11 Jalan Pinang Kuala Lumpur	28-storey Twin Office Buildings	Office & Rented out	Freehold	-	26 years	6,612.00	1994	354,000
Dataran Maybank No. 1 Jalan Maarof, Bangsar Kuala Lumpur	2 Blocks of 20-storey and a block of 22-storey Office Buildings	Office & Rented out	Leasehold 99 years	64 years (expiring 3.12.2085)	20 years	9,918.00	2000	324,279
50 North Canal Road Singapore	Office Building	Office	Leasehold	85 years (expiring 2106)	10 years	1,283.30	2007	SGD77,604
Maybank Tower 2 Battery Road Singapore	32-storey Office Building	Office	Leasehold 999 years	804 years (expiring 2825)	19 years	1,135.70	1962	SGD52,207
Lot 153 Section 44 Jalan Ampang Kuala Lumpur	Commercial Land	Open carpark	Freehold	-	-	3,829.00	2008	158,000
Menara Maybank 100, Jalan Tun Perak Kuala Lumpur	58-storey Office Building	Head office & Rented out	Freehold	-	33 years	31,748.00	1978	83,211
Akademi Etiqa 23, Jalan Melaka Kuala Lumpur	25-storey Office Building	Office & Rented out	Leasehold 99 years	44 years (expiring 2065)	25 years	1,960.47	1994	77,000
48 North Canal Road Singapore	Office Building	Office	Leasehold	90 years (expiring 2111)	9 years	326.20	2012	SGD17,885
Jl. Pemuda No. 150 Semarang	3-storey Office Building	Branch & Regional Jawa Tengah	Freehold	-	31 years	2,675.00	1990	IDR117,139,629

# CORPORATE INFORMATION

## COMPANY SECRETARIES

**WAN MARZIMIN WAN MUHAMMAD**  
(LS0009924)

**FARIZ ABDUL AZIZ**  
(LS0007997)

## SHARE REGISTRAR

**Malayan Banking Berhad**  
14<sup>th</sup> Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur, Malaysia

Tel : (6)03-2074 7822  
Fax : (6)03-2031 0071

## STOCK EXCHANGE LISTING

**Main Market of Bursa Malaysia Securities Berhad**  
(Listed since 17 February 1962)

## REGISTERED OFFICE

14<sup>th</sup> Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur, Malaysia

Tel : (6)03-2070 8833  
: 1300-88-6688 (Local)  
(6)03-7844 3696 (Overseas)  
(Maybank Group Customer Care)  
  
(6)03-2074 8075  
(Customer Feedback & Resolution Management)  
  
Fax : (6)03-2711 3421  
(Customer Feedback & Resolution Management)  
  
: (6)03-2031 0071  
(Group Corporate Secretarial)  
  
SWIFT : MBBEMYKL  
Website : <http://www.maybank.com>  
Email : [corporateaffairs@maybank.com](mailto:corporateaffairs@maybank.com)  
[cfrm@maybank.com](mailto:cfrm@maybank.com)  
[mgcc@maybank.com](mailto:mgcc@maybank.com)

**Boardroom Share Registrars Sdn Bhd**  
(For General Meetings & Dividend Re-Investment Plan)  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan

Tel : (6)03-7890 4700  
Fax : (6)03-7890 4670  
  
Email  
General Meetings :  
[bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com)  
Dividend Reinvestment Plan :  
[maybankedrp@boardroomlimited.com](mailto:maybankedrp@boardroomlimited.com)

## TICKER CODE

Bursa Malaysia MYX:1155  
Bloomberg MAY MK EQUITY  
Reuters MBBM.KL

## EXTERNAL AUDITORS

**Ernst & Young PLT (AF: 0039)**  
Chartered Accountants  
Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur, Malaysia

Tel : (6)03-7495 8000  
Fax : (6)03-2095 9076/78

## INVESTOR RELATIONS

41<sup>st</sup> Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur, Malaysia  
  
Email : [ir@maybank.com](mailto:ir@maybank.com)

## FINANCIAL YEAR END

31 December

 For composition of the Board, please refer to profiles of the Board of Directors at pages 72 to 77.

# NOTICE OF THE 62<sup>ND</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 62<sup>nd</sup> Annual General Meeting (AGM) of Malayan Banking Berhad (Maybank/the Company) will be broadcasted live from Menara Maybank, 100, Jalan Tun Perak, 50050 Kuala Lumpur, Malaysia (Broadcast Venue) on Thursday, 14 April 2022 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 2021 together with the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors, each of whom retires by rotation in accordance with Articles 103 and 104 of the Company's Constitution and being eligible, offers herself/himself for re-election:
  - (i) Mr Cheng Kee Check (Ordinary Resolution 1)
  - (ii) Puan Fauziah Hisham (Ordinary Resolution 2)
  - (iii) Encik Shariffuddin Khalid (Ordinary Resolution 3)
  - (iv) Dr Hasnita Dato' Hashim (Ordinary Resolution 4)
3. To re-elect Ms Shirley Goh who retires in accordance with Article 107 of the Company's Constitution and being eligible, offers herself for re-election. (Ordinary Resolution 5)
4. To approve the payment of the following fees to Non-Executive Directors for the period from the 62<sup>nd</sup> AGM to the 63<sup>rd</sup> 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)
5. To approve the payment of benefits to eligible Non-Executive Directors of an amount up to RM3,418,150 for the period from the 62<sup>nd</sup> AGM to the 63<sup>rd</sup> AGM of the Company. (Ordinary Resolution 7)
6. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2022 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:

### 7. AUTHORITY TO DIRECTORS TO ALLOT NEW ORDINARY SHARES IN MAYBANK (MAYBANK SHARES)

"THAT subject always to the Companies Act, 2016 (Act), the Company's Constitution, 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 Act, 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 relevant authorities for the allotment, 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 AGM of the Company."

**(Ordinary Resolution 9)**

### 8. ALLOTMENT AND ISSUANCE OF NEW ORDINARY SHARES IN MAYBANK (MAYBANK SHARES) IN RELATION TO THE RECURRENT AND OPTIONAL DIVIDEND REINVESTMENT PLAN THAT ALLOWS SHAREHOLDERS OF MAYBANK TO REINVEST THEIR DIVIDEND TO WHICH THE DIVIDEND REINVESTMENT PLAN APPLIES, IN NEW MAYBANK SHARES (DIVIDEND REINVESTMENT PLAN)

"THAT pursuant to the Dividend Reinvestment Plan as approved by the shareholders at the Extraordinary General Meeting held on 14 May 2010, approval be and is hereby given to the Company to allot and issue such number of new Maybank Shares under the Dividend Reinvestment Plan upon such terms and conditions and to such persons as the Directors may in their

## NOTICE OF THE 62<sup>ND</sup> ANNUAL GENERAL MEETING

absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new Maybank Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price (VWAMP) of Maybank Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price, and that such authority to allot and issue Maybank Shares shall continue to be in force until the conclusion of the next AGM of the Company;

AND THAT the Directors and the Secretaries of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Plan with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities, or consequent upon the implementation of said conditions, modifications, variations and/or amendments, or at the discretion of the Directors in the best interest of the Company."

**(Ordinary Resolution 10)**

To consider, and if thought fit, to pass the following Special Resolution:

### 9. PROPOSED AMENDMENT TO THE CONSTITUTION OF THE COMPANY (PROPOSED AMENDMENT)

"THAT the Company's existing Constitution be altered, modified, added and/or deleted, as the case may be, in the form and manner as set out in Appendix A.

AND THAT the Directors be and are hereby authorised to do all such acts, deeds and things as are necessary and/or expedient 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)**

10. To transact any other business of the Company for which due notice shall have been received in accordance with the Companies Act, 2016 and the Company's Constitution.

### BY ORDER OF THE BOARD

**WAN MARZIMIN WAN MUHAMMAD**  
(LS0009924) (SSM PC No.: 201908001697)  
Company Secretary

**FARIZ ABDUL AZIZ**  
(LS0007997) (SSM PC No.: 201908001696)  
Joint Company Secretary

Kuala Lumpur  
16 March 2022

### Notes:

1. The 62<sup>nd</sup> AGM will be conducted virtually through live streaming and online remote voting via Remote Participation and Voting (RPV) facilities to be provided by the appointed share registrar for this AGM, Boardroom Share Registrars Sdn Bhd (Boardroom) via <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC - D6A357657). Please follow the procedures provided in the Administrative Notes for the AGM in order to register, participate and vote remotely via the RPV facilities.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 and Article 59(4) of the Company's Constitution which require the Chairperson of the meeting to be present at the main venue of the meeting. Members/proxies will not be allowed to be physically present at the Broadcast Venue.
3. A member entitled to participate and vote at this AGM is entitled to appoint proxy(ies) to participate and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of a proxy.
4. (i) A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (Authorised Nominee) may appoint at least one proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company (Maybank Shares) standing to the credit of the said securities account to participate and vote at this AGM.
- (ii) Notwithstanding the above, for an exempt Authorised Nominee which holds Maybank Shares for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies which the exempt Authorised Nominee may appoint in respect of each Omnibus Account.
5. Where a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholding to be represented by each proxy.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing, or if the appointer is a corporation, under its common seal or in some other manner approved by its directors.
7. For an instrument appointing a proxy executed outside Malaysia, the signature must be attested by a solicitor, Notary Public, Consul or Magistrate.
8. The duly completed instrument appointing a proxy must be deposited at the office of Boardroom at Ground Floor or 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The instrument appointing a proxy may also be submitted to Boardroom electronically via "Boardroom Smart Investor Portal" at <https://investor.boardroomlimited.com>. Please follow the procedures provided in the Administrative Notes for the AGM if members wish to submit the instrument appointing a proxy electronically. All instruments appointing a proxy must be deposited with Boardroom no later than Wednesday, 13 April 2022 at 10.00 a.m.

## NOTICE OF THE 62<sup>ND</sup> ANNUAL GENERAL MEETING

9. For the purpose of determining a member who shall be entitled to participate at the AGM in accordance with Article 59(1) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 31 March 2022. Only a member whose name appears on the Record of Depositors as at 31 March 2022 shall be eligible to participate at the AGM or appoint proxy(ies) to participate and vote on his/her behalf.
10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 62<sup>nd</sup> AGM of the Company shall be put to vote by way of a poll.

### **11. Explanatory notes on Ordinary Businesses:**

#### **(i) Audited Financial Statements for the financial year ended 31 December 2021**

The Audited Financial Statements are laid for discussion only in accordance with Section 340(1)(a) of the Companies Act, 2016 (Act) and do not require shareholders' approval. Hence, the same will not be put forward for voting.

#### **(ii) Ordinary Resolutions 1, 2, 3, 4 and 5 – Re-election of Directors**

The Nomination and Remuneration Committee (NRC) has considered the performance and contribution of each of the retiring Directors and has also assessed the independence of the Independent Non-Executive Directors (INEDs) seeking re-election.

Based on the results of the Board Effectiveness Evaluation conducted for the financial year ended 31 December 2021, the performance of each of the retiring Directors was found to be satisfactory.

Pursuant to the annual Fit and Proper (FAP) assessment conducted in 2022, each retiring Director has met the fit and proper criteria prescribed in the FAP Policy issued by Bank Negara Malaysia (BNM). The retiring INEDs have also fulfilled the independence criteria set out in the BNM Corporate Governance Policy, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Maybank Policy on Directors Independence.

The Board has endorsed the NRC's recommendation to seek shareholders' approval for the re-election of the retiring Directors. The retiring Directors had abstained from deliberations and decisions on their re-election at the NRC and Board meetings.

The details and profiles of the Directors who are standing for re-election at the 62<sup>nd</sup> AGM are provided in the Board of Directors section on pages 72 to 77 of Maybank's Annual Report 2021.

Directors referred to in Ordinary Resolutions 1 to 5 who are also shareholders of the Company will abstain from voting on the resolution in respect of his/her re-election at this AGM.

#### **(iii) Ordinary Resolution 6 – Payment of Non-Executive Directors' Fees**

The proposed fees to be paid to Non-Executive Directors from this AGM to the next AGM of the Company is based on the following fee structure which has not changed since it was first approved by the shareholders at previous AGMs:

	Annual Fee (RM)	Shareholders' Approval
<b>Board</b>		
– Chairman	610,000	Approved at the 55 <sup>th</sup> AGM held on 7 April 2015
– Vice-Chairman	440,000	
– Member	295,000	
<b>Board Committee</b>		
– Chairman	75,000	Approved at the 58 <sup>th</sup> AGM held on 12 April 2018
– Member	45,000	

#### **(iv) Ordinary Resolution 7 – Benefits Payable to Non-Executive Directors**

The benefits payable to Non-Executive Directors (NEDs) comprise allowances, benefits-in-kind and other emoluments payable to them, details of which are as follows:

- (a) Meeting Allowance
  - Board Meetings – RM4,000 per meeting
  - Board Committee Meetings – 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 such as monthly subscription of golf club membership and other facilities made available by the Company to eligible NEDs.

The shareholders had, at the 61<sup>st</sup> AGM held on 6 May 2021, approved an amount of up to RM3,104,400 (Approved Amount) as benefits payable to NEDs from the 61<sup>st</sup> AGM to this AGM. The total amount to be incurred as benefits payable to NEDs from the date of the 61<sup>st</sup> AGM to the date of the 62<sup>nd</sup> AGM is expected to be approximately RM2,963,563 or 95% of the Approved Amount.

The total amount of benefits payable to NEDs is estimated to increase during the period from 1 April 2022 to the next AGM to be held in 2023. In view of this, the Board is seeking approval from shareholders for an amount of up to RM3,418,150 as benefits payable to NEDs. Among the reasons for the increase are:

- (i) Increase in number of Board members from 12 to 13 since December 2021;
- (ii) Increase in number of members of certain Board Committees; and
- (iii) Establishment of additional Board Committee i.e. Board Sustainability Committee.

The amount of benefits approved by the shareholders at the previous AGMs and the current proposal are set out as follows:

Benefits	Payable to NEDs (as approved at AGM)	58 <sup>th</sup> AGM held on 12 April 2018	59 <sup>th</sup> AGM held on 11 April 2019	60 <sup>th</sup> AGM held on 26 June 2020	61 <sup>st</sup> AGM held on 6 May 2021	Approval to be sought at 62 <sup>nd</sup> AGM on 14 April 2022
Up to an amount of			RM3,104,400		RM3,418,150	

#### **(v) Ordinary Resolution 8 – Re-appointment of Auditors and Audit Fees**

The Audit Committee of the Board (ACB) had, at its meeting held on 1 November 2021, conducted an annual review of the suitability and independence of the external auditors, Messrs Ernst & Young PLT pursuant to Maybank Group's Framework on Appointment of External Auditors for Statutory Audit and Non-Audit Services. In its assessment, the ACB considered several factors which include the following:

- (a) Level of knowledge, capabilities, experience of the professional staff assigned to the audit and quality of previous work undertaken by the firm;
- (b) Quality of performance and level of engagement with the ACB;
- (c) Ability to provide constructive observations, implications and recommendations in areas requiring improvements;
- (d) Appropriateness of audit approach and the effectiveness of audit planning;
- (e) Ability to perform audit work within agreed timeframe;
- (f) Independence and objectivity of the external auditors when interpreting standards/policies adopted by the Company and the level of non-audit services rendered by the external auditors; and
- (g) The external auditors' governance and leadership structure as well as measures undertaken by the external auditors to uphold audit quality and manage risks, as set out in the Annual Transparency Report.

## NOTICE OF THE 62<sup>ND</sup> ANNUAL GENERAL MEETING

Being satisfied with the performance, technical competency, audit approach as well as audit independence of Messrs Ernst & Young PLT, the ACB has recommended the appointment of Messrs Ernst & Young PLT as external auditors of the Company for the financial year ending 31 December 2022 (FY2022).

The Board had, at its meeting held on 25 November 2021, endorsed the ACB's recommendation for the shareholders' approval to be sought at the 62<sup>nd</sup> AGM on the appointment of Messrs Ernst & Young PLT as external auditors of the Company for FY2022.

The Board is also seeking shareholders' approval to authorise the Directors to fix the remuneration of the external auditors for FY2022.

### 12. Explanatory notes on Special Businesses:

#### (i) Ordinary Resolution 9 – Authority to Directors to Allot Shares

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 (Act) 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 AGM of the Company.

The general mandate, if granted, will provide the Company the flexibility to undertake any share issuance without having to convene a general meeting and thereby reducing administrative time and costs associated with the convening of additional general meeting(s). The general 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 projects, 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 an urgent basis. 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.

The Company has not issued any new Maybank Shares under the general mandate for allotment of shares pursuant to Section 75 of the Act which was approved at the 61<sup>st</sup> AGM held on 6 May 2021 and which will lapse at the conclusion of this AGM.

#### (ii) Ordinary Resolution 10 – Allotment of Shares in relation to 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 after this AGM, and such authority shall expire at the conclusion of the next AGM of the Company.

#### (iii) Special Resolution – Proposed Amendment to the Constitution of the Company (Proposed Amendment)

This proposed Special Resolution if passed, will give full effect to the Proposed Amendment as set out in Appendix A which is circulated together with this Notice. A copy of Appendix A is also available for download from Maybank Group's corporate website at [www.maybank.com/ar](http://www.maybank.com/ar).

The rationale for the Proposed Amendment is mainly:

- (a) To update the Constitution so as to be in line with the amendments made to the Companies Act, 2016 (including Frequently Asked Questions (FAQs) on Virtual General Meetings issued by the Companies Commission of Malaysia), Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission and other relevant regulatory provisions;
- (b) To streamline and ensure consistency throughout the Company's Constitution; and
- (c) To enhance administrative efficiency.

## STATEMENT ACCOMPANYING NOTICE OF THE 62<sup>ND</sup> 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 62<sup>nd</sup> AGM

The details of the Directors who are standing for re-election at the 62<sup>nd</sup> AGM are provided in the Board of Directors section on pages 72 to 77. Details of their interests in the securities of Maybank are set out in the Analysis of Shareholdings section on page 115.

### 2. Authority to Directors to Allot Shares

Details on the authority to allot shares in Maybank pursuant to Section 75 of the Companies Act, 2016 are provided under the explanatory notes on special businesses in the Notice of the 62<sup>nd</sup> AGM.

# FORM OF PROXY

62<sup>nd</sup> Annual General Meeting

Number of shares held	CDS Account No. of the Authorised Nominee*											
	-		-		-		-		-		-	

\* Applicable to shares held through a nominee account

I/We \_\_\_\_\_ NRIC/Passport/Co. No.: \_\_\_\_\_  
(full name in block letters)

of \_\_\_\_\_  
(full address)

Telephone No. and Email Address: \_\_\_\_\_ a shareholder/shareholders of MALAYAN BANKING BERHAD,

hereby appoint \_\_\_\_\_ NRIC/Passport No.: \_\_\_\_\_  
(full name in block letters)

of \_\_\_\_\_  
(full address)

Telephone No. and Email Address: \_\_\_\_\_ and \_\_\_\_\_  
(full name in block letters)

NRIC/Passport No.: \_\_\_\_\_ of \_\_\_\_\_  
(full address)

Telephone No. and Email Address: \_\_\_\_\_  
(full address)

or failing him/her, the Chairman of the meeting, as my/our proxy(ies) to vote for me/us on my/our behalf at the 62<sup>nd</sup> Annual General Meeting (AGM) of Malayan Banking Berhad to be broadcasted live from Menara Maybank, 100, Jalan Tun Perak, 50050 Kuala Lumpur, Malaysia on Thursday, 14 April 2022 at 10.00 a.m. and any adjournment thereof, on the following resolutions as set out in the Notice of the 62<sup>nd</sup> AGM:

No.	Resolution	For	Against
<b>Ordinary Resolutions:</b>			
1.	To re-elect Mr Cheng Kee Check as Director of the Company	Ordinary Resolution 1	
2.	To re-elect Puan Fauziah Hisham as Director of the Company	Ordinary Resolution 2	
3.	To re-elect Encik Shariffuddin Khalid as Director of the Company	Ordinary Resolution 3	
4.	To re-elect Dr. Hasnita Dato' Hashim as Director of the Company	Ordinary Resolution 4	
5.	To re-elect Ms Shirley Goh as Director of the Company	Ordinary Resolution 5	
6.	To approve the payment of Non-Executive Directors' fees from the 62 <sup>nd</sup> AGM to the 63 <sup>rd</sup> AGM of the Company	Ordinary Resolution 6	
7.	To approve the payment of benefits to the Non-Executive Directors from the 62 <sup>nd</sup> AGM to the 63 <sup>rd</sup> AGM of the Company	Ordinary Resolution 7	
8.	To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2022 and to authorise the Directors to fix their remuneration	Ordinary Resolution 8	
9.	Authority to Directors to issue new ordinary shares in Maybank pursuant to Section 75 of the Companies Act, 2016	Ordinary Resolution 9	
10.	Allotment and issuance of new ordinary shares in Maybank in relation to the Recurrent and Optional Dividend Reinvestment Plan	Ordinary Resolution 10	
<b>Special Resolution:</b>			
11.	Proposed Amendment to the Constitution of the Company		

My/Our proxy is to vote on the resolutions as indicated by an "X" above. If no indication is given, my/our proxy(ies) shall vote or abstain as he/she thinks fit.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

No. of shares	Percentage
Proxy 1	
Proxy 2	
Total	100%

Signature(s)/Common Seal of Member(s)

Number of shares held

Notes:

1. A member entitled to participate and vote at this AGM is entitled to appoint proxy(ies) to participate and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of a proxy.
2. (i) A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (Authorised Nominee) may appoint at least one proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company (Maybank Shares) standing to the credit of the said securities account to participate and vote at this AGM.  
(ii) Notwithstanding the above, for an exempt Authorised Nominee which holds Maybank Shares for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies which the exempt Authorised Nominee may appoint in respect of each Omnibus Account.
3. Where a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholding to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing, or if the appointer is a corporation, under its common seal or in some other manner approved by its directors.
5. For an instrument appointing a proxy executed outside Malaysia, the signature must be attested by a solicitor, Notary Public, Consul or Magistrate.
6. The duly completed instrument appointing a proxy must be deposited at the office of Boardroom Share Registrars Sdn Bhd (Boardroom) at Ground Floor or 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The instrument appointing a proxy may also be submitted to Boardroom electronically via "Boardroom Smart Investor Portal" at <https://investor.boardroomlimited.com>. Please follow the procedures provided in the Administrative Notes for the AGM if members wish to submit the instrument appointing a proxy electronically. All instruments appointing a proxy must be deposited with Boardroom **no later than Wednesday, 13 April 2022 at 10.00 a.m.**
7. Only members whose names appear on the Record of Depositors as at 31 March 2022 shall be eligible to participate at the AGM or appoint proxy(ies) to participate and vote on his/her behalf.

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AFFIX STAMP

Share Registrar for Maybank's 62<sup>nd</sup> AGM

**Boardroom Share Registrars Sdn Bhd**

11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan, Malaysia

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[www.maybank.com](http://www.maybank.com)