



Maybank

INTEGRATED ANNUAL REPORT 2022



**One of the
First Banks in
ASEAN**

to Establish Scope 3
Financed Emissions
Baseline

**Best
Digital Bank**

for CX and Leading
NPS of +24

**5th Largest
Islamic Bank
Globally**

in Terms of
Total Assets

THEME

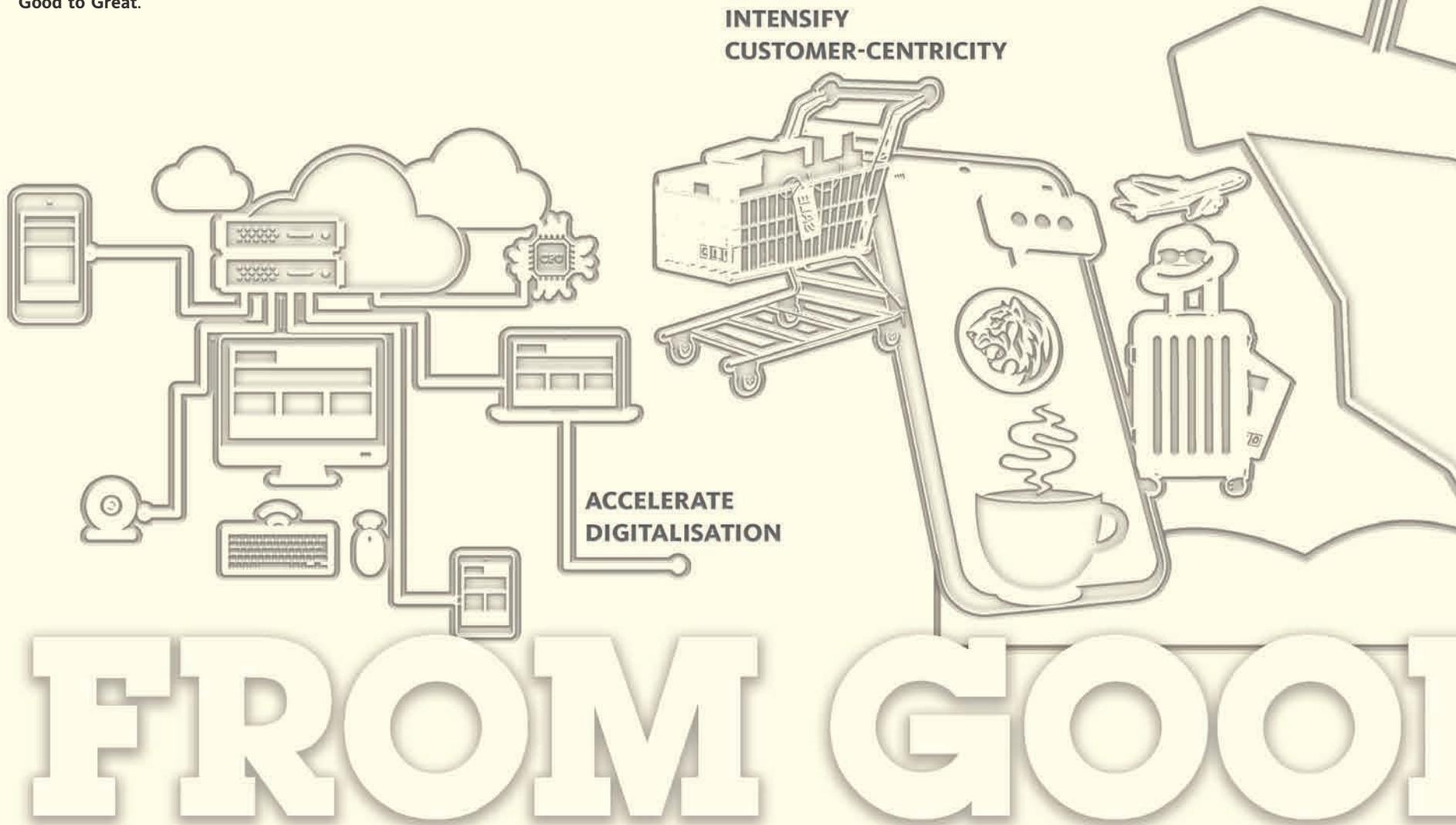
The world has evolved significantly in recent years, and especially during the pandemic which induced shock waves bringing about macroeconomic volatilities. Reacting to social restrictions, customers have adopted digital lifestyles wholeheartedly, incorporating digital technologies into practically everything they do. Meanwhile, the reality of climate change has reinforced the criticality of being sustainable.

In response to these winds of change, Maybank has taken steps to further strengthen our fundamentals by refining our long-term strategy, M25+, ensuring we remain relevant and sustainable in the long run. Committed to making a difference to the lives of our customers and the communities we serve, we are deepening our purpose of Humanising Financial Services as we deliver a differentiated customer experience and serve the community as a force for good in ASEAN.

The emphasis that we are placing our customers at the heart of everything we do is reflected in our five strategic thrusts under M25+. Most directly, we seek to **“intensify our customer-centricity”** by curating hyper-personalised products and services to create meaningful experiences throughout customers’ lifecycles. This will be driven largely by **“accelerating digitalisation and technology modernisation”**, further improving our back- and front-end systems to create integrated and expansive digital ecosystems that go beyond banking.

We will not limit our growth to our shores but will continue to develop our regional offerings and digital touchpoints to extend our market presence in ASEAN, **“strengthening Maybank’s position beyond Malaysia”**. Much of this growth will be founded on ethically differentiated offerings as we **“drive leadership in the sustainability agenda”**, accelerate our internal decarbonisation strategies and help our vendors and customers to transition to low-carbon operations. At the same time, to **“achieve true global leadership in Islamic banking”**, we will further expand our Shariah-compliant offerings to international markets, with a focus on global wealth management.

As we grow, regionally and internationally, we seek to entrench our ethical and sustainable footprint, ensuring the success of our transition **From Good to Great**.



1981

First Malaysian bank to set up ATMs in Malaysia, and to computerise savings and current accounts services.

1996

Pioneered bancassurance in Southeast Asia.

2009

Completed RM6 billion rights issue, the largest in Malaysian corporate history.

2010

First Malaysian bank to breach USD100 billion in total asset size and USD1 billion in profit after tax.

2014

Ranked a Top 3 company in Malaysia and Top 100 in Asia for sustainability by Channel NewsAsia.

2015

Launched MaybankFintech, a first by a Southeast Asian bank to fund tech start-ups as well as support and generate ideas in financial technology.



**DRIVE
SUSTAINABILITY
LEADERSHIP**

**STRENGTHEN
REGIONAL POSITION**

ESTATE PLANNING

PROTECTION

INVESTMENT

ZAKAT

**ACHIEVE GLOBAL ISLAMIC
BANKING LEADERSHIP**

D TO GREAT

2016

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

2017

First listed company in Malaysia with a market capitalisation of more than RM100 billion.

2019

The only Malaysian bank and one of two Malaysian companies to be included in the Top 500 Most Valuable Global Brands.

2019

Launched Maybank Tap2Phone, the first mobile app in Southeast Asia that enables small businesses, delivery and sales agents to accept card payments without any point-of-sale terminal.

2020

Opened a Maybank Islamic branch in Dubai, making it the first Malaysian Islamic bank overseas offering wholesale banking services and facilities with a reach of more than three billion people in the Middle East, Africa and South Asia.

2022

Introduced the first contactless ATM cash withdrawal service in Malaysia, providing more than 12 million Maybank ATM cardholders the convenience of withdrawing money through a QR code on their MAE app at selected Maybank ATMs nationwide.

About Our Report

OUR INTEGRATED REPORTING <IR> JOURNEY

Since Maybank's gradual adoption of <IR> in FY2016 and subsequent full adoption of <IR> in FY2019 endorsed by the Maybank Board of Directors, our Integrated Annual Report now:

Has more **impactful, quality and interconnected disclosures** demonstrating our integrated thinking. Focuses on **value-enhancing disclosures**, that also meet regulatory requirements, **for informed decision-making** by our stakeholders.

- Moves away from a 'report card' or 'ticking of boxes' approach.
- Demonstrates how our strategy, risk management, governance, business activities, performance and outlook, within the operating environment, can create value over a period of time for identified stakeholder groups.
- Displays interconnectedness and linkages across this report and others (refer to Our Suite of Reports) as well as our corporate website.
- Reduces repetitive information in this report to facilitate an easier and meaningful read.
- Static disclosures are retained on the corporate website and updated when needed.

-40% less pages
from FY2016

Concise but effective method of communication has led to reduction in pages, **reinforcing our commitment towards sustainable practices.**

Uses **FSC certified paper**, indicating it has been harvested responsibly. The paper is not bleached, which reduces carbon emissions by eliminating the release of unnecessary pollutants (acid-free, elemental chlorine free and ISO 14001 certified). Less ink usage on annual report cover by opting for a natural and subtle look and feel.

Forest Stewardship Council Certified
(Certificate code C-101533)

Reduced hard copies printed by -75%
from FY2019

Actively encouraged our shareholders to **download e-annual report** from our corporate website **to eliminate paper wastage.**

As we continue to adopt <IR> best practices, we will endeavour to reduce the carbon footprint of this report practically, in line with our aspiration to be a **Sustainability Leader in Southeast Asia (SEA).**

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



OUR SUITE OF REPORTS

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



INTEGRATED ANNUAL REPORT

Provides a comprehensive overview of the Group's performance in 2022 and our outlook for 2023.

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 STATEMENTS

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

Guided by:

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

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



SUSTAINABILITY REPORT[^]

Provides a comprehensive report of the Group's sustainability performance in relation to issues material to the Group and our stakeholders.

Guided by:

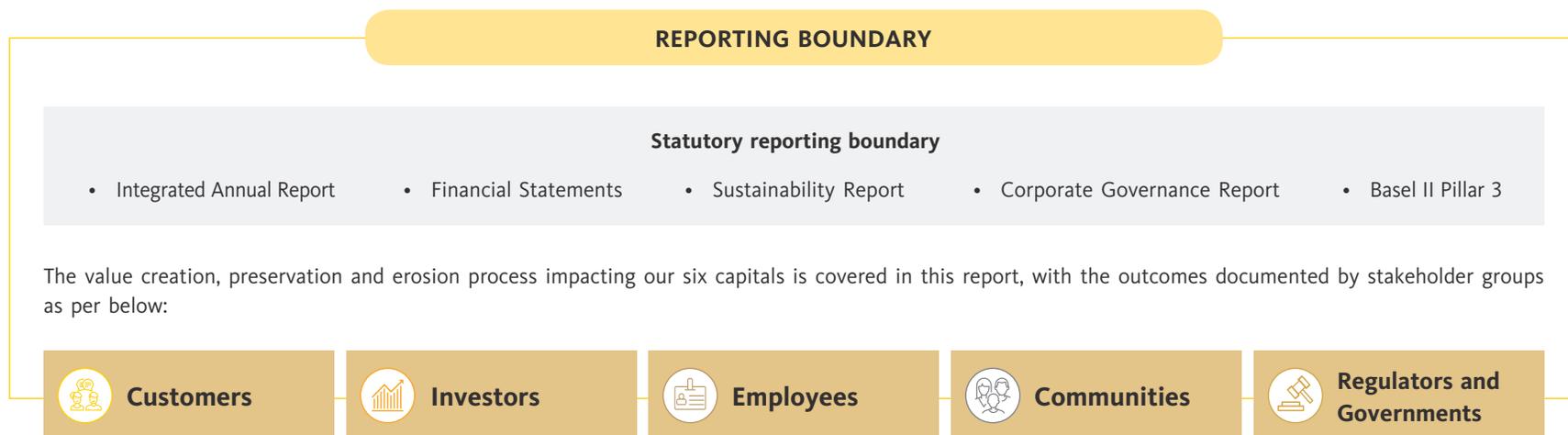
- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- Bursa Malaysia Main Market Listing Requirements
- Malaysian Code on Corporate Governance by the Securities Commission Malaysia
- Sustainability Reporting Guide by Bursa Malaysia
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

[^] This report is available on www.maybank.com/ar and www.maybankfoundation.com

OUR REPORTING SCOPE & BOUNDARY

This integrated annual report covers the principal activities and operations of Malayan Banking Berhad (Maybank), including the Group's business pillars and support sectors, key subsidiaries and international operations. The risks, opportunities and outcomes of our principal activities and operations are covered in detail on pages 38 to 39.

The period covered in this report is from 1 January 2022 to 31 December 2022 (Financial Year 2022) unless otherwise stated. Financial information has been prepared in accordance with the Malaysian Financial Reporting Standards (MFRS) and International Financial Reporting Standards (IFRS). Any significant restatements of data from previous years are noted in the respective sections.



OUR PROCESS DISCLOSURES

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

ASSURANCE

Internal assurance is provided through the alignment of the Group's risk, audit and compliance functions. This allows for dedicated monitoring and oversight, ensuring a robust reporting process is in place and the integrity of information disclosed. The Group's Risk Governance Structure places accountability and ownership in ensuring an appropriate level of independence and segregation of duties between the three lines of defence. More information can be found on page 108.

The Group's annual financial statements were audited by our external auditor, Ernst & Young PLT, while assurance by SIRIM QAS International Sdn. Bhd. was provided for the Group's Sustainability Report. PricewaterhouseCoopers PLT has provided independent limited assurance on Maybank's sustainable finance achievements.

MATERIALITY

We assess what information should be reported in our integrated annual report based on the principle of materiality. This report discloses our risks, opportunities, macro-trends and other considerations that impact materiality on our six capitals and our ability to create, preserve and minimise erosion of value for our stakeholders. We conduct a materiality assessment (refer to page 29) on key topics deemed pertinent to both internal and external stakeholders covering five areas including governance, environment, employees, society and products and services. This materiality assessment helps shape our long-term strategy and execution of our business model to create value-added outcomes for all stakeholders.

FORWARD-LOOKING STATEMENT

This report contains certain forward-looking statements about Maybank's future strategy, performance, operations and prospects. These statements and expectations carry risks and uncertainties given that they are dependent on circumstances that will take place in the future. As such, these factors may cause actual results or developments to deviate materially from Maybank's forward looking statements made at the time of release of our FY2022 results. Maybank makes no representations or warranty, express or implied, that these forward looking statements will be achieved. Undue reliance should not be placed on such statements and Maybank will not assume responsibility for any loss or damage by any party arising from reliance of these statements.

BOARD'S RESPONSIBILITY STATEMENT

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

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

This report was approved by Maybank Group's Board of Directors on 28 February 2023.

Inside This Report

ICONS USED IN THIS REPORT

The six capitals that we use to create value:

-  Financial Capital
-  Intellectual Capital
-  Manufactured Capital
-  Human Capital
-  Social & Relationship Capital
-  Natural Capital

Our identified material matters:

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

Our identified stakeholders:

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

Our principal risks:

-  Credit Risk
-  Market Risk
-  Liquidity Risk
-  Non-Financial Risk
-  Information Technology (IT) Risk
-  Compliance Risk
-  Enterprise Risk
-  Model Risk
-  Financial Risk
-  Takaful & Insurance Risk
-  People & Performance Risk
-  Environmental, Social & Governance (ESG) Risk

Our five strategic thrusts:

-  Intensify Customer-centricity
-  Accelerate Digitalisation and Technology Modernisation
-  Strengthen Maybank's Position beyond Malaysia
-  Drive Leadership in Sustainability Agenda
-  Achieve True Global Leadership in Islamic Banking

Our 12 Strategic Programmes (SPs):

-  Reshape wholesale target operating model
-  Build a regional transaction banking proposition
-  Reimagine the consumer banking customer journey
-  Reimagine the SME banking customer journey
-  Build global Islamic banking leadership
-  Become a regional leader in Insurance
-  Uplift Indonesia
-  Redefine our International footprint
-  Be the Sustainability leader in SEA
-  Elevate Maybankers
-  Drive hyper-personalisation through advanced analytics
-  Build Next-Gen Technology capabilities

Related UN SDGs



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
-  Links you to related online content

Addressing COVID-19

-  This icon indicates discussions around the initiatives developed or accelerated to support our stakeholders in their recovery efforts amid an operating environment that has transitioned into the endemic phase of COVID-19

01
OVERVIEW

Who We Are & What We Do	6
Investment Case	8
Highlights of 2022	9
Strategic Business Units	10
Group Corporate Structure	11
Group Organisation Structure	12
Key Messages to Shareholders	13

02
OUR STRATEGY TO CREATE VALUE

An Integrated Approach to Value Creation	20
Our Business Model	22
How We Create Value	24
How We Distribute Value Created	26
Stakeholder Engagement	27
Material Matters	29
Economic and Banking Sector Overview	32
Macrotrends Impacting Risk Assessment	34
Principal Risks	36
Our Operating Context	38
Our Strategy	40
Key Performance Indicators	42

03
FINANCIAL CAPITAL

Reflections from Our Group	44
Chief Financial Officer	44
Investor Information	50
Financial Performance	52
Group Community Financial Services	57
Group Global Banking	60
Group Insurance & Takaful	63
Group Islamic Banking	66

04
INTELLECTUAL CAPITAL

Pervasively Digital	69
Customer Experience	72

05
HUMAN CAPITAL

Group Human Capital	73
Remuneration	76
Board of Directors	78
Group Executive Committee	84
Group Shariah Committees	90

06
ENSURING RESPONSIBLE GOVERNANCE

Corporate Governance Overview Statement	95
Additional Compliance Information	105
Statement on Risk Management and Internal Control	106
Audit Committee Report	113
Group Shariah Committee Report	118

07
SOCIAL & RELATIONSHIP CAPITAL AND NATURAL CAPITAL

Sustainability Review	119
-----------------------	-----

08
OTHER INFORMATION

Analysis of Shareholdings	123
Classification of Shareholders	126
Changes in Issued Shares	127
Properties Owned by Maybank Group	129
List of Top 10 Properties Owned by Maybank Group	130
Corporate Information	131

09
AGM INFORMATION

Notice of the 63 rd Annual General Meeting	132
Statement Accompanying Notice of the 63 rd Annual General Meeting	136
Form of Proxy	

63rd
Annual
General
Meeting

To be held virtually and
broadcasted live from:
Menara Maybank
100, Jalan Tun Perak, 50050
Kuala Lumpur, Malaysia

Date and time:
Wednesday,
3 May 2023
10.00 a.m.

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

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

Maybank Corporate Updates:

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

Investor Updates:

- Rating by Credit Rating Agencies
- Debt Issuances and Related Information
- Financial Statements by Subsidiaries
- Sell-side Analysts Coverage
- Details of Investor Engagements and Presentation Materials

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 Purpose...

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

driven by

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

shaped by

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.

With Our Unique Differentiators...

We serve our communities in ways that are simple, fair, inclusive and human, **embodying our mission**.



Over **43,000 Maybankers** who serve our mission, empowered by our **Core Values, TIGER**.



Our refined strategy, **M25+**, reinforces our focus across **five strategic thrusts** to drive sustainable long-term growth anchored on a deeper purpose.



And Our Structure...

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

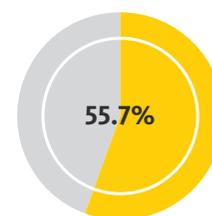
Business Pillars

Group Community Financial Services

For: Individuals, retail SMEs and mid-sized corporates.

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

Share of Group's FY2022 PBT:

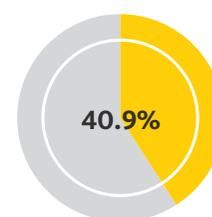


Group Global Banking

For: Large corporates and institutions.

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

Share of Group's FY2022 PBT:

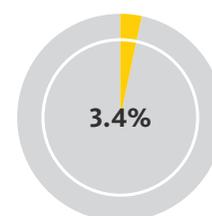


Group Insurance & Takaful

For: Individuals and corporates.

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

Share of Group's FY2022 PBT:



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 57, 60, 63 and 66

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 16 million retail, non-retail and corporate customers.

Help Deliver Value Across ASEAN...

Being at the heart of ASEAN, we take a leading role in supporting our communities navigate the transition into global endemicity and a sustainable future.

RM9.8 billion

of the Group's consumer and SME loans remain under relief measures as at year-end, with repayment assistance and support measures being extended to those in need throughout the year. ❄️

RM11.7 billion

SME loans disbursed across ASEAN in FY2022, of which RM811.4 million was disbursed through the SME Digital Financing platform.

RM2.3 billion

of affordable home loans, mobilised in Malaysia in FY2022, providing home ownership accessibility to low-income households.

RM20.7 billion

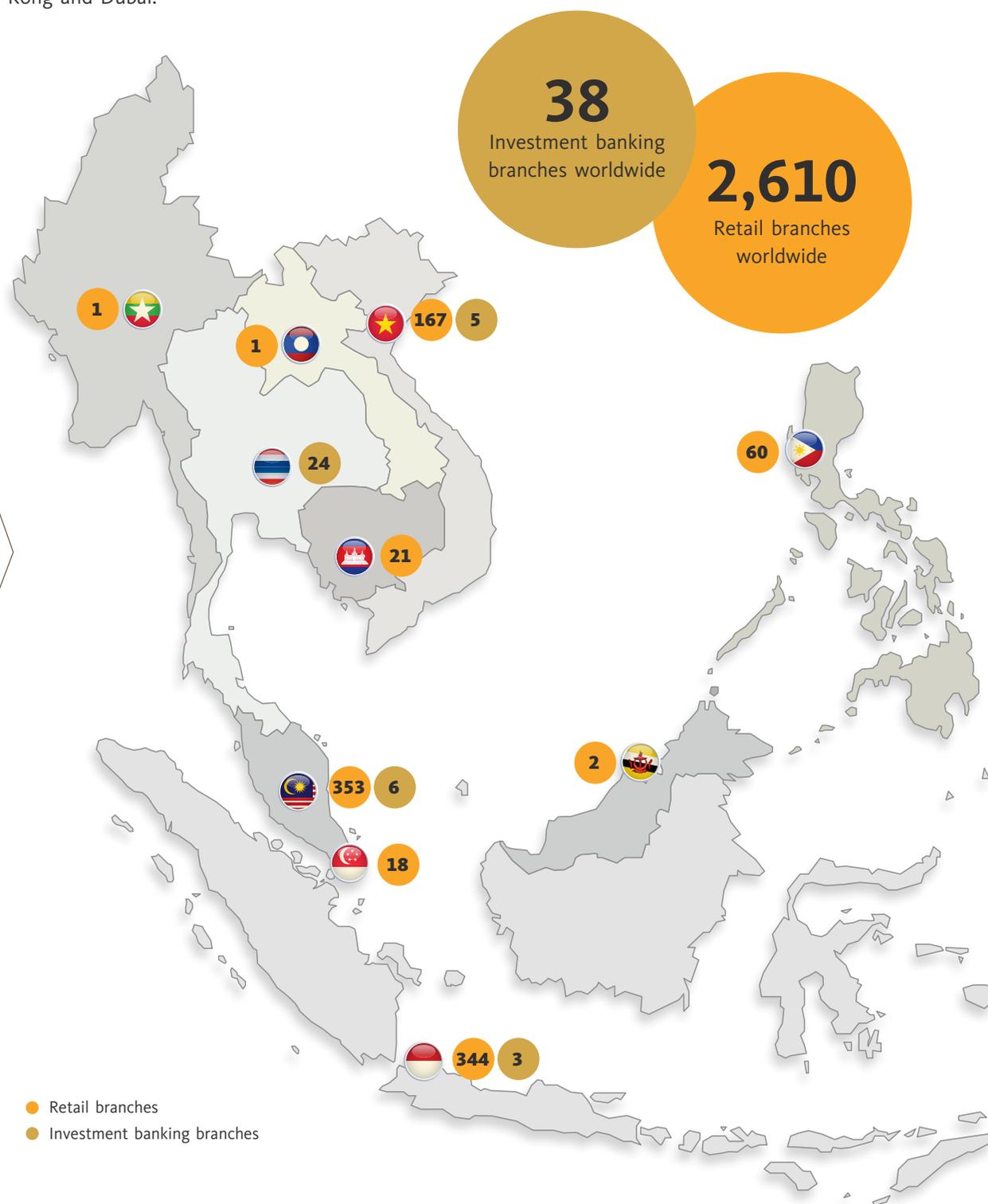
of sustainable financing mobilised in FY2022 to support the low-carbon transition initiatives and sustainable development outcomes.

Over RM1.0 trillion

transacted via Maybank's digital platforms across ASEAN in FY2022, supported by Malaysia-Cambodia, Malaysia-Singapore and Malaysia-Indonesia cross-border initiatives to promote borderless inclusivity.

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.



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

📖🌐 For more details, refer to Strategic Business Units on page 10, and www.maybank.com/en/maybank-worldwide.page

Investment Case

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

A TRULY REGIONAL BANK WITH GLOBAL ACCESS

967
retail branches in
ASEAN

Over
RM1.0 trillion
transacted via Maybank's
digital platforms across
ASEAN in FY2022



- Our network has been redefined into three archetypes for focused growth based on our key strengths in different markets.
- Our well-established presence across ASEAN over 62 years means we are best positioned to extract new opportunities from a growing and emerging marketplace.

GLOBAL LEADER IN ISLAMIC BANKING

- We are well-positioned to lead Islamic Wealth Management (IWM) growth through our Singapore hub and spokes across ASEAN and the Middle East to capture the cross-border wealth management flows.
- To entrench leadership in home markets through unique Shariah offerings, best-in-class customer experience and digital distribution.

5th largest
Islamic bank globally
and the largest in
ASEAN in terms of
total assets

Ranked 4th
in Global Sukuk
League Table and 1st in
Ringgit Malaysia Sukuk
League Table

58.0 sen
Total Dividend
Per Share

84.6%
Dividend Payout
Ratio

6.7%
Dividend
Yield

SUPERIOR DIVIDEND PAYOUT AND YIELD

- We consistently deliver returns that exceed our dividend payout policy of between 40% and 60%. One of the highest dividend yielding stocks in the region.
- Our focus on driving income growth and managing cost and asset quality allow us to deliver sustainable value for shareholders.

SUSTAINABILITY LEADER IN SEA

- Drive decarbonisation agenda by establishing our financed emissions baseline and a Sustainable Product Framework to support high-emitting clients' transition while also building transition finance capabilities.
- Moving towards carbon neutrality by 2030 and Net Zero Carbon position by 2050.

Mobilising
RM80 billion
of sustainable
financing by
2025*

"AA" MSCI
ESG rating for the
second consecutive
year

Inclusion in the
Bloomberg
Gender-Equality
Index (GEI) 2022,
a recognition given
since 2017

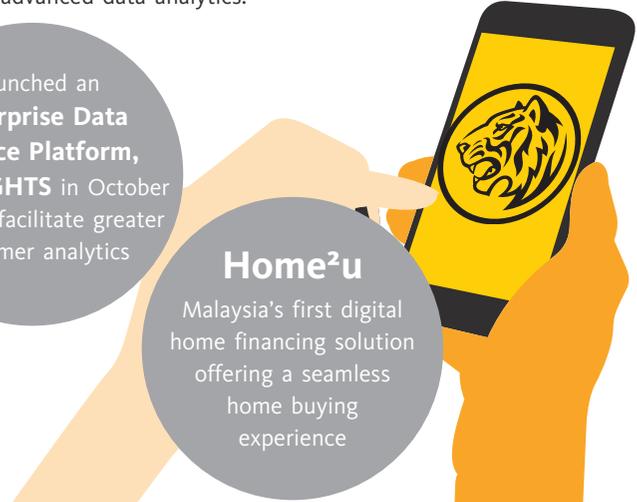


LEADING DIGITAL BANK WITH FIRST-TO-MARKET INNOVATIONS

- We invest in technology and people capabilities to ensure long-term growth and build Next-Gen competencies.
- We maintain market leadership through hyper-personalised, safe and best-in-class customer experience, enabled by robust enterprise and tech platforms leveraging advanced data analytics.

Launched an
**Enterprise Data
Science Platform,
M-INSIGHTS** in October
2022 to facilitate greater
customer analytics

Home²u
Malaysia's first digital
home financing solution
offering a seamless
home buying
experience



* Target for Commitment 1 has been revised from RM50 billion. Details are available in Our Strategy and Sustainability Review sections on pages 40 and 119

Highlights of 2022

REWARDING OUR SHAREHOLDERS

Net profit grew to a record of RM8.23 billion on stronger net operating income growth of 8.5% from RM25.45 billion in FY2021 to RM27.62 billion in FY2022 and improvement in net loan loss provisions from RM2.66 billion in FY2021 to RM2.19 billion in FY2022 that allowed us to continue rewarding our shareholders.



Key Messages to Shareholders on pages 13 and 17 and Reflections from Our Group Chief Financial Officer on page 44

DRIVING EXCELLENCE IN CUSTOMER EXPERIENCE

Staying true to our mission of Humanising Financial Services, we aim to provide a seamless experience with personalised solutions for our customers' evolving needs at each step of their life journeys. Customers are offered an omnichannel experience, allowing smooth navigation across various touchpoints and offerings within the same platform. Our focus on delivering a differentiated customer experience allows us to maintain our industry leadership position with a Net Promoter Score of +24 (2021: +23).



Customer Experience on page 72

ELEVATING OUR EMPLOYEES

Our employees' well-being and development remain our utmost priority as we continue to place great emphasis on mental health, building Next-Gen capabilities and embedding sustainability awareness. Our new initiatives include:

- Launched Mental Well-being Roadshow 2022 across several regions in Malaysia and Indonesia and introduced the #MindOurMinds Podcast series.
- Initiated Green Lab training and implemented the Maybank Group Self-Led Sustainability & Volunteerism Policy, whereby Maybankers may apply for one-month paid Sustainability Leave per annum with the option of one-month extension, if approved.
- Rolled out M25 Unlimited Potential (M25UP) programme to inculcate digitalisation, customer-centricity and enterprise thinking among leaders.
- RM110.9 million was invested in learning in FY2022 (FY2021: RM74.5 million), and enrolled 36,763 employees Group-wide in digital-focused FutureReady programmes (2021: 34,361 employees).

Group Human Capital on page 73

PERVASIVELY DIGITAL

Maybank continued to be the preferred digital bank in Malaysia:

- 53.1% mobile banking (2021: 56.3%) and 50.2% internet banking (2021: 49.6%) market share of Malaysia's digital transaction volume.
- Named **Best Mobile Banking** by The Asian Banker Malaysia Award 2022 and **Best Digital Bank for CX** in Malaysia by The Digital Banker.
- Launched first-to-market solutions, including ATM Cash-out, Personal Digital Financing, among others.



Pervasively Digital on page 69

ADVANCING OUR SUSTAINABILITY JOURNEY

We were one of the first banks in ASEAN to establish our Scope 3 financed emissions baseline and identify a transition strategy, bringing us closer to our net zero carbon ambition by 2050. Progress on our four sustainability commitments in FY2022 is as follows:

- Mobilised RM20.69 billion in sustainable finance, exceeding the FY2022 target of RM9 billion.
- Our community programmes benefitted 368,441 households across ASEAN which more than doubled the FY2022 target of 150,000 households.
- Reduced our Scope 1 and 2 emissions by 41% against a 2019 baseline, above the FY2022 target of 40%.
- Employees recorded 1.56 million sustainability hours, exceeding the FY2022 target of one million hours.



Key Messages to Shareholders on page 18 and Sustainability Review on page 119. FY2021 achievements for each of the sustainability commitments can be found in Key Performance Indicators on page 43

Net Profit*
RM8.23 billion
(FY2021: RM8.10 billion)

Return on Equity
10.0%
(FY2021: 9.8%)

Earnings per Share
68.8 Sen
(FY2021: 69.7 sen)

Group CET1 Capital Ratio
15.67%
(FY2021: 16.09%)

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

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) is the leading home-grown investment bank in ASEAN, comprising Maybank Investment Bank Berhad and Maybank IBG Holdings Limited, the latter having licensed entities in Singapore, Thailand, the Philippines, Indonesia, Vietnam, Hong Kong, India and UK. Collectively, Maybank IBG has a network of nine offices, 38 branches and 102 touchpoints offering investment banking, advisory, broking and prime broking services, as well as bottom-up macro, sector, company and ESG 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 atm⁵, 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 13.9% and 25.2% to the Group's profit before tax and gross loans* respectively in FY2022.

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 345 branches (which include 19 Shariah branches and one overseas branch in Mumbai), 895 ATMs (including 26 Cash Recycle Machines), as well as mobile and internet banking services. Maybank Indonesia contributed 6.0% and 5.3% to the Group's profit before tax and gross loans* respectively in FY2022.

MAYBANK GREATER CHINA

Established in Hong Kong in 1962, Maybank Greater China has since expanded to include branches in Shanghai (in 2000), Beijing (in 2012), Kunming (in 2015) and Shenzhen (in 2016) 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 60 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

Group Corporate Structure

as at 31 December 2022



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

COMMERCIAL BANKING

- **ISLAMIC BANKING**
 - **100%** Maybank Islamic Berhad (Islamic Banking)
- **98.52%*** PT Bank Maybank Indonesia Tbk (Banking)
 - **99.99%** PT Maybank Indonesia Finance (Multi-financing)
 - **68.55%** PT Wahana Ottomitra Multiartha Tbk (Multi-financing)
- **99.98%** Maybank Philippines, Incorporated (Banking)
- **100%** Maybank (Cambodia) Plc (Banking)
- **100%** Maybank Singapore Limited (Banking)
- **18.78%** MCB Bank Limited (Banking)
- **16.39%** An Binh Commercial Joint Stock Bank (Banking)
- **10.40%** Uzbek Leasing International A.O. (Leasing)

INVESTMENT BANKING

- **100%** Maybank International Holdings Sdn Bhd (Investment Holding)
 - **100%** Maybank IBG Holdings Limited (Investment Holding)
 - **100%** Maybank Securities Pte Ltd (Dealing in Securities)
 - **83.50%** Maybank Securities (Thailand) Public Company Limited (Dealing in Securities)
 - **100%** Maybank Capital, Inc (formerly known as Maybank Kim Eng Capital, Inc) (Corporate Finance & Financial and Investment Advisory)
 - **100%** Maybank Securities, Inc (Dealing in Securities)
 - **99.78%[⊗]** PT Maybank Sekuritas Indonesia (Dealing in Securities)
 - **100%** Maybank Securities (London) Limited (Dealing in Securities)
 - **100%** Maybank Securities USA Inc (Dealing in Securities)
 - **100%** MIB Securities (Hong Kong) Limited (Dealing in Securities)
 - **100%** MIB Securities India Private Limited (Dealing in Securities)
 - **100%** Maybank Securities Limited (formerly known as Maybank Kim Eng Securities Limited) (Dealing in Securities)
 - Other Subsidiaries
- **100%** Maybank Investment Bank Berhad (Investment Banking)
 - **35.33%** Anfaal Capital[^] (Investment Banking)
 - Other Subsidiaries

INSURANCE & TAKAFUL

- **100%** Etiqa International Holdings Sdn Bhd (Investment Holding)
 - **69.05%** Maybank Ageas Holdings Berhad (Investment Holding)
 - **100%** Etiqa General Insurance Berhad (General insurance business)
 - **100%** Etiqa Family Takaful Berhad (Family Takaful and investment-linked businesses)
 - **100%** Etiqa Life Insurance Berhad (Life insurance and investment-linked businesses)
 - **100%** Etiqa General Takaful Berhad (General Takaful business)
 - **100%** Etiqa Insurance Pte Ltd (General insurance and life insurance businesses)
 - **100%** Etiqa Life International (L) Limited (Offshore investment-linked business)
 - **100%** Etiqa Offshore Insurance (L) Limited (Bureau Services)
 - **79.87%** PT Asuransi Etiqa Internasional Indonesia (General insurance business)
 - **95.24%[⊗]** Etiqa Life and General Assurance Philippines Inc (General insurance and life insurance businesses)
 - **100%^{***}** Etiqa General Insurance (Cambodia) Plc (General insurance business)
 - **100%^{***}** Etiqa Life Insurance (Cambodia) Plc (Life insurance and investment-linked businesses)
 - **100%** Etiqa Digital Solutions Sdn Bhd (Other IT, business management consultancy/support services)

ASSET MANAGEMENT

- **80%** Maybank Asset Management Group Berhad (Investment Holding)
 - **100%** Maybank Asset Management Sdn Bhd (Fund Management)
 - **99%** PT Maybank Asset Management (Fund Management)
 - **100%** Amanah Mutual Berhad (Fund Management)
 - **100%** Maybank Islamic Asset Management Sdn Bhd (Fund Management)
 - **100%** Maybank Private Equity Sdn Bhd (Private Equity Investments)
 - **100%** Maybank Asset Management Singapore Pte Ltd (Fund Management)

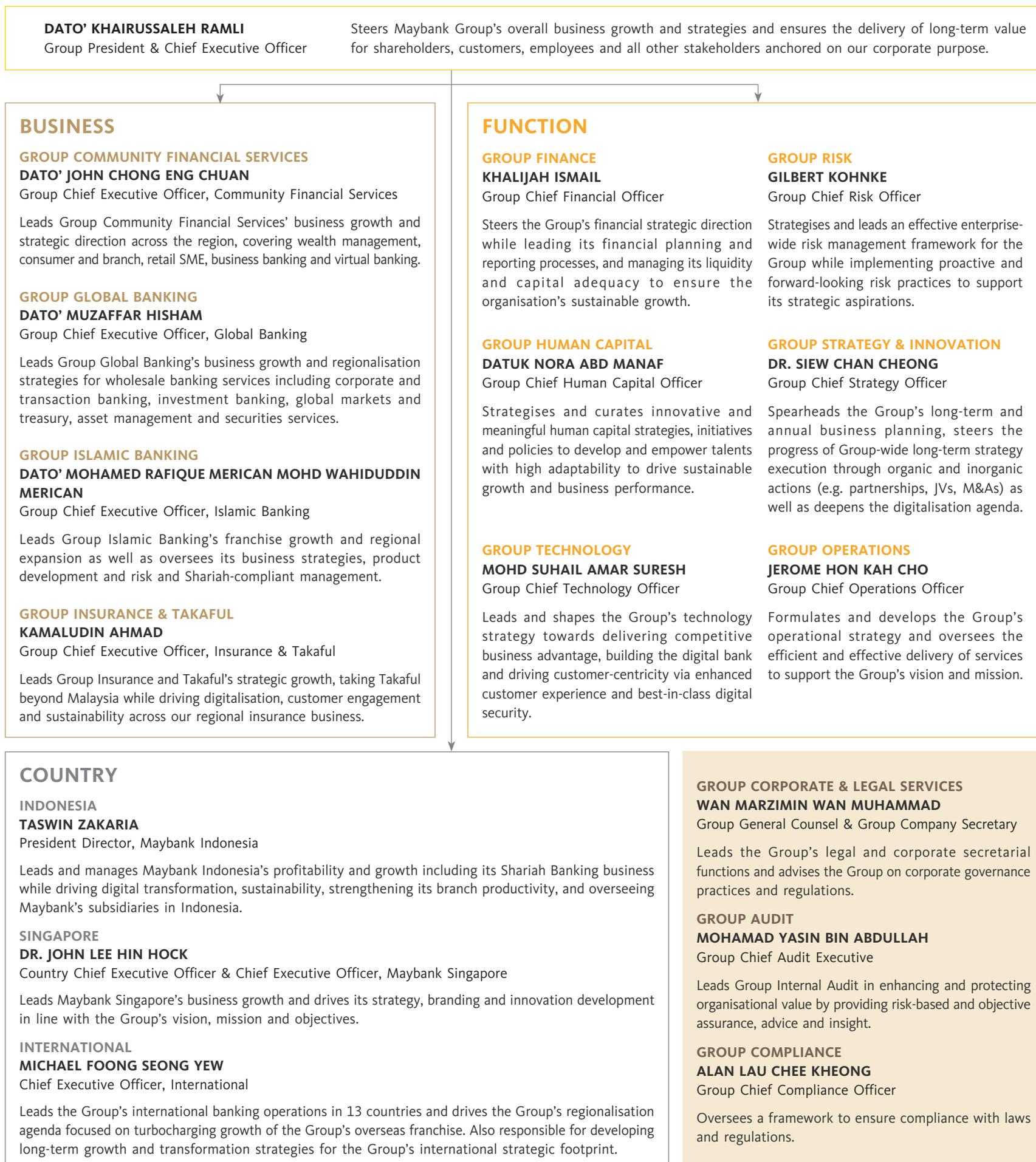
OTHERS

- **100%** Maybank Trustees Berhad (Trustee Services)
- **100%** Maybank Shared Services Sdn Bhd (IT Shared Services)
 - **100%**** MBB Labs Pte Ltd (IT Development Services)
- **100%** Maybank Ventures Sdn Bhd (formerly known as BinaFikir Sdn Bhd) (Business/Economic consultancy and advisory)
- Other Subsidiaries

Notes:

1. This chart is not the complete list of Maybank subsidiaries and associates. Companies that are not shown include those that are dormant, under liquidation, have ceased operations, or are property investment or nominee services companies. For the complete list please refer to Note 65: Details of Subsidiaries, Deemed Controlled Structured Entities, Associates and Joint Ventures in the Financial Statements
 2. Where investment holding companies are omitted, shareholdings are shown as effective interest
- * Effective interest held by the Group. Refer to Note 65, footnote 14, page 265 in the Financial Statements for the details
- ** 0.01% is held by Dourado Tora Holdings Sdn Bhd
- *** 99.998% is held by Etiqa International Holdings Sdn Bhd
- [^] Joint Venture
- [⊗] Effective interest held by the Group. 54.66% is held by Etiqa International Holdings Sdn Bhd and 40.58% is held by Maybank Capital, Inc
- ^{⊗⊗} Effective interest held by the Group. 85% is held by Maybank IBG Holdings Limited and 15% is held by PT Maybank Indonesia Finance (14.78% effective interest held by the Group)

Group Organisation Structure



GROUP CORPORATE & LEGAL SERVICES
WAN MARZIMIN WAN MUHAMMAD
Group General Counsel & Group Company Secretary

Leads the Group's legal and corporate secretarial functions and advises the Group on corporate governance practices and regulations.

GROUP AUDIT
MOHAMAD YASIN BIN ABDULLAH
Group Chief Audit Executive

Leads Group Internal Audit in enhancing and protecting organisational value by providing risk-based and objective assurance, advice and insight.

GROUP COMPLIANCE
ALAN LAU CHEE KHEONG
Group Chief Compliance Officer

Oversees a framework to ensure compliance with laws and regulations.

Note: The organisation structure depicts key businesses, support and country functions and may not include other support functions. Effective 1 April 2023, Alan Lau Chee Kheong has been appointed Group Chief Operations Officer (GCOO) and Yiw Inn Sann as Group Chief Compliance Officer, following the retirement of Jerome Hon Kah Cho as GCOO. Meanwhile, to meet our M25+ strategic aims and facilitate better effective and seamless executive of our strategy, our International operations now report directly to Group Global Banking, Group Community Financial Services or GPCEO's office, depending on the core business of the country

Key Messages to Shareholders



“ We have continued to deliver strong shareholder returns which led us to win The Edge Billion Ringgit Club (BRC) award for the highest returns to shareholders over three years. ”

Tan Sri Dato' Sri Zamzamzairani Mohd Isa
Chairman



The year 2022 has been one of significant change, both in our macroeconomic environment as we recovered from the pandemic, as well as internally within Maybank. We appointed a new Group President and CEO, Dato' Khairussaleh Ramli effective 1 May 2022. He is no stranger to the banking industry, nor indeed to Maybank, with 30 years of experience in financial services and capital markets, of which five years were at Maybank. The Board has full confidence in his ability to lead Maybank through our next phase of growth and we look forward to working closely with him in creating further value for the Bank and the communities that we touch.

VALUE CREATION: FOR SHAREHOLDERS AND SOCIETY

As the Malaysian economy started picking up in 2022, we have seen a gradual yet perceptible growth in loans. Coupled with a rising interest rate environment, these drivers have helped with Maybank's income growth. We have also seen most of our customers come off from repayment assistance programmes, as economic activities normalised to pre-pandemic levels although we maintained targeted support to those who continue to need assistance. Overall, it has been a positive year for us as we achieved a record net profit of RM8.23 billion.

Our strong financial performance allowed us to propose a single-tier full-cash second interim dividend of 30.0 sen per ordinary share for FY2022. Collectively with the first interim dividend, the full year dividend is 58.0 sen per share. This translates into a full-year dividend payout ratio of 84.6% or RM6.97 billion in total, once again exceeding our policy rate of between 40% and 60% of our net profit. Despite the challenges brought about by the pandemic, we have delivered a three-year compounded annual growth rate shareholder return of 7.4%, which led us to win The Edge BRC award for the highest returns to shareholders over three years (period ended 30 March 2022) in the financial services sector.

Our focus on shareholder returns is driven by an acknowledgment of our responsibility to creating incremental value for our shareholders over the years. We also apportion our income directly and indirectly towards the bettering of lives for the communities we operate within, either through our own community empowerment programmes or RM4.03 billion in taxes and zakat paid in FY2022 to the governments of the countries we operate in.

REFINEMENT OF OUR 5-YEAR STRATEGY: INTRODUCING M25+

Our ability to create long-term value depends to a large extent on effective strategies to sustain our growth in the markets where we operate. Given the macroeconomic shifts taking place around us, it was judicious to re-evaluate our roadmap to further entrench our presence and leadership in the region. We therefore fully supported the leadership's review of our existing five-year strategy and, subsequently, the refinements proposed.

In essence, the refined strategy, termed M25+, focuses on the same key areas but has created greater clarity on what we seek to achieve and how, premised on a deeper purpose of "becoming a **values-driven platform**, powered by a **bionic workforce** that **Humanises Financial Services**". "Values" reflect our aim to sharpen our Core Values, TIGER by infusing the principles of ethical banking focusing on environmental, social and governance (ESG) aspects as a strategic differentiator that will drive economic value for the Group. "Platform" refers to our digital aspirations and how we seek to integrate our customer offerings across the region through a common digital infrastructure. The "bionic workforce" refers to Maybankers being upskilled and equipped with technological capabilities to further unlock their collective potential. Finally, "Humanises Financial Services" circles back to our long-standing mission that guides us to connect with our customers and meet their needs. Today, this translates into providing them with hyper-personalised solutions to support them through their life journeys, while we also serve the community through our ESG initiatives.

Key Messages to Shareholders



As a financial services provider, **our customers are our raison d'être**; we exist to serve them. This is something Maybank has always taken to heart; and which we constantly remind ourselves of **our Humanising Financial Services mission**.

DRIVING CUSTOMER-CENTRICITY

As a financial services provider, our customers are our *raison d'être*; we exist to serve them. This is something Maybank has always taken to heart; and which we constantly remind ourselves of our Humanising Financial Services mission. Indeed, the Bank's early adoption of digital technologies was motivated by the realisation that digital platforms would greatly enhance the customer journey, speeding up processes and creating greater convenience.

As we continue to invest into evolving digital technologies, we are able to transfer even greater benefits to our customers. Today, through data analytics, we have a much deeper understanding of our customers, and are able to channel this intelligence into eliminating pain points while developing products and solutions that anticipate their future needs.

Constant emphasis on customer-centricity has brought Maybank widespread recognition as the most digitally advanced bank in the country. More meaningfully, it has also made us the preferred bank, as reflected in our industry leading Net Promoter Score (NPS) of +24. This is further reflected in our string of customer experience (CX) awards which in 2022 included five wins at the Digital CX Awards 2022, organised by The Digital Banker: Best Digital Bank for CX in Malaysia, Best Retail Bank for Digital CX in Malaysia, Best Retail Bank for Digital CX in Indonesia, and Highly Acclaimed for Outstanding Digital CX in both the Bank Cards and SME Loans categories.

GLOBAL ISLAMIC BANKING LEADERSHIP POSITIONING

As a firm advocate of inclusive, ethical and responsible banking, Maybank has been a pioneer in Islamic banking in Malaysia and is today the largest Islamic bank in ASEAN by asset value. We are also the fourth largest sukuk lead manager in the world, accounting for 8.5% of the total market share.

Islamic financing continues to be one of the faster-growing areas in global finance. Maybank does not only want to help grow this segment of financing but seeks to be a global Islamic finance leader, especially in wealth management. As outlined in M25+, we plan to create an Islamic wealth management hub in Singapore as well as spokes around Middle East and ASEAN, following the international wealth management flow across these regions while building our network

via an asset light as-a-service offering. The foundations for this have been laid, and I look forward to reporting on further developments in next year's report.

TOWARDS BECOMING A SUSTAINABILITY LEADER IN SEA

By extension of Humanising Financial Services, we seek to be a force of good for society in general, as encapsulated in the ideology supporting our sustainability policies and practices. To entrench sustainability across the Group and integrate it into our DNA, we are investing into the cultivation of a sustainability culture. ESG topics are routinely discussed at Board meetings, with climate change dominating our most recent annual Board Risk Workshop. Employees, meanwhile, regularly attend capacity-building programmes on sustainability and are empowered to drive self-led sustainability initiatives.

Externally, we leveraged our first physical Maybank Marathon in Bali post pandemic, held in August 2022 to spread sustainability messages to the runners, spectators, organisers, business partners, co-sponsors, surrounding villagers as well as marginalised and disabled communities in the island. In conjunction with our Marathon, we held a Sustainability Day to enhance visibility over our local community empowerment programmes and promote the importance of sustainability, as the local community in Bali remain key beneficiaries of the economic spin-off from the Marathon.

Building on our social citizenry, we have continued to contribute to various programmes aimed at elevating the lives of the marginalised, such as R.I.S.E (Reach Independence and Sustainable Entrepreneurship) and Maybank Women Eco-Weavers programme. Of note, we also awarded 61 deserving Malaysian students from lower-income families full scholarships to pursue undergraduate studies at top universities in Malaysia and overseas. In addition, this year we launched the prestigious ASEAN-Maybank Scholarship in collaboration with the ASEAN Secretariat, making Maybank the first organisation to partner with the ASEAN Secretariat in such an undertaking. This programme is very special as it does not only provide financial support for the tertiary education of deserving students, it also promotes better regional understanding, as scholars will get to study in an ASEAN country other than their own. In its inaugural year, three students were selected for the scholarship programme, one each from Malaysia, Myanmar and Cambodia.

OUR PEOPLE ABOVE ALL

In recent years, partly as a result of stresses wrought by the pandemic, mental health has become an increasing concern. In response, Maybank has been expanding our mental health engagement activities and resources to create awareness of mental wellness and to provide support for those who need it. More Maybankers were also certified as Mental Health First Aiders in 2022, increasing our contact points within the organisation for those in need of support.

Related to mental wellness is a sense of self-esteem. Towards this end, we have continued to build the capacity and skills of our people at all levels. This has the dual benefits of creating greater work satisfaction and ensuring organisational readiness for future challenges. We are also ensuring greater inclusivity in support of our increasingly diverse workforce. This year, we established MYouth, which empowers youth in the Group, giving them a platform through which their collective voice will be heard. At the other end of the spectrum, we created MaybankerX, an alumni for those who have left or retired from Maybank. Through this platform, they can stay connected with former colleagues and the Bank, in line with our motto "Once a Maybanker, always a Maybanker".



We awarded **61 deserving Malaysian students** from lower-income families full scholarships and another three scholarships under our inaugural **ASEAN-Maybank Scholarship programme**.

ACKNOWLEDGEMENTS

The most heart-warming aspect of financial year 2022 has been the realisation that Maybank overcame the challenges that surfaced during this prolonged pandemic and emerged more determined than ever to achieve its goals. Our resilience is the result of many factors, not least being a shared vision and values. I would like to acknowledge my colleagues on the Board, our leadership and all employees for coming together at a time when this was really needed, further building Maybank into an organisation we can all be proud of.

I would also like to thank all our other stakeholders – customers, shareholders, the regulators and governments in our key markets as well as our network of partners. All of you are important to Maybank, and we will continue to endeavour to be a force of good for you.

Key Messages to Shareholders



“ Assuming the helm of Maybank after being away for nine years is a mammoth task with huge responsibilities, but one that I fully embrace. One of the first things I did upon my homecoming was to reconnect with the people who have been instrumental to its continued and sustainable growth, namely Maybankers, board members, our customers, investors and regulators. ”

Dato' Khairussaleh Ramli
Group President & CEO



It is both an honour and privilege to deliver this inaugural statement as the Group President and CEO (GPCEO) of Maybank, an organisation that I hold in the highest esteem. Maybank is not foreign to me, having spent five years in the Group before, first as Group Chief Financial Officer, then as President Director of Maybank Indonesia. Even while serving another bank before returning, I continued to have high regards for Maybank. Assuming the helm of Maybank after being away for nine years is a mammoth task with huge responsibilities, but one that I fully embrace. One of the first things I did upon my homecoming was to reconnect with the people who have been instrumental to its continued and sustainable growth, namely Maybankers, board members, our customers, investors and regulators. This was important not only to reinforce strong ties with important stakeholders but also to gain a clear understanding of where the Group is today and where it intends to be.

It was imperative to understand the strategies that had been outlined to guide Maybank to its charted destination. Together with my senior leadership team, we reviewed the M25 strategy that was rolled out in 2021 in the midst of the COVID-19 pandemic. I found the strategy both sound and strong. However, arising from various global trends and challenges that were unfolding even prior to the pandemic and changes compounded by it, the leadership team was united in the belief that there was a need to refine this strategy. Among the key catalysts for the strategic revision were increasingly urgent climate change imperatives, acceleration of digitalisation, heightened competition from banks and non-banks, as well as the need to respond proactively to customers' changing demands, and having an agile way of working.

All of this combined presented a compelling case for us to sharpen our corporate strategy to remain agile for continued growth and delivery of sustained returns. Setting our aspirations and intentions beyond 2025, we found it paramount to accelerate the development of capabilities and enablers, especially in technology and people, and agreed that investment in these areas needed to be enhanced. We will need to equip ourselves with the skills, infrastructure and tools that will enable us to evolve into an organisation that is capable of delivering hyper-personalised offerings that are timely, of quality and holistic as these offerings encompass the customer's lifecycle journey.



Setting our aspirations and intentions beyond 2025, we found it paramount to accelerate the development of capabilities and enablers, especially in technology and people, and agreed that investment in these areas needed to be enhanced.

Key Messages to Shareholders

REFINED STRATEGY FOR SUSTAINED GROWTH

After months of deliberation and with the full support of the Board of Directors, we rolled out our refined strategy, M25+, in October 2022. The aim is to future-proof Maybank and bring it **From Good to Great**, by reinforcing the foundation for sustainable shareholder returns over the long term through five strategic thrusts:

ST1

Intensify Customer-centricity

Intensifying customer-centricity is about always listening to the voice of our customers and imagining their life journeys. It is about orchestrating ecosystems through partnerships so that we can become the marketplace for customers to fulfil their banking and non-banking needs, hence enriching their experience.

ST3

Strengthen Maybank's Position beyond Malaysia

This leads me to our third thrust of strengthening Maybank's position beyond Malaysia. It is about thinking regional when we introduce solutions and offerings to our clients through regional platforms and applications based on service orientation. We are committed to boosting our leadership position in Malaysia, becoming a more significant player in universal markets while integrating ourselves more fully across the region as we facilitate our regional clients to carry out their businesses more efficiently.

ST2

Accelerate Digitalisation and Technology Modernisation

Closely related to intensifying customer-centricity is our second thrust of digital acceleration and technology modernisation. This encompasses putting in place the technology infrastructure required to support fully digitalised systems and processes for enhanced operations, as well as building an expansive business-driven architecture to facilitate collaboration and deliver end-to-end digital solutions. Not only would this improve internal efficiencies, it would also provide a stronger foundation for progressive customer-centric innovations and faster speed-to-market offerings. We will harmonise our digital channels and transition our platforms to be regional-based as we scale our market presence across ASEAN.

ST4

Drive Leadership in Sustainability Agenda

We have made a significant leap in our sustainability agenda by setting four commitments as part of an overall ambition to become a sustainability leader in SEA by 2025. In fact, at the end of February 2023, we announced an upward revision of our FY2025 targets for the first two commitments given how well we have done on both over the last two years. We will mobilise RM80 billion in sustainable finance instead of the original target of RM50 billion and work towards improving the lives of two million households across ASEAN as opposed to the one million announced earlier. With M25+, we are further reinforcing our leadership commitments by expanding our scope to embrace ethical banking principles and supporting the execution of decarbonisation and transition strategies for our clients and Maybank itself. We are developing an integrated sustainability target operating model encompassing governance and multi-level key performance indicators (KPIs) to be applied across the Group.

ST5

Achieve True Global Leadership in Islamic Banking

In the sphere of Islamic Banking, Maybank is already ahead of the game within the region, with about 36% of our Group financial assets being Shariah based. We acknowledge that asset size is not the best measure of success. As such, we have identified global Islamic wealth management as our Islamic finance leadership ambition, fortifying the wealth business that we have been building with Singapore as the hub and expanding the end-to-end Islamic wealth management offerings that we have introduced in Malaysia.

In order to achieve these five strategic thrusts, we have outlined 12 programmes that will steer us towards our end goals. We have allocated an investment of up to RM4.5 billion to achieve our M25+ aspirations. Roughly 77% will go towards technological investments covering tech-for-tech which is infrastructure in nature, and tech-for-business which is business and solutions oriented.

The ultimate objective of M25+ is to deepen our sense of purpose as encapsulated in our Purpose Statement – “We are a **values-driven platform**, powered by a **bionic workforce** that **Humanises Financial Services**”. There are four parts to this statement. The first part touches on Maybankers internalising the Core Values, TIGER, and practising it in all that we do as we embody the principles of ethical banking. The second relates to building platforms and digital ecosystems as well as integrating customer offerings across the region. To achieve our ambitions, we will empower Maybankers to become “bionic”, fully unlocking their potential by upskilling and equipping them with the appropriate technological tools and capabilities. The final part is to reinforce our mission of Humanising Financial Services. This has been our clarion call since 2010, and I was honoured to be part of the team that came up with this mission statement. It resonated with me then, and I'm glad to see how it continues to resonate with all Maybankers today, defining our culture and ethos. Now, as we are digitalising so rapidly, it is more important than ever to maintain banking with a heart; to place our customers' needs above all else and serve them to the best of our ability.



We announced an upward revision of our FY2025 targets for the first two commitments given how well we have done on both over the last two years. **We will mobilise RM80 billion in sustainable finance instead of the original target of RM50 billion and work towards improving the lives of two million households across ASEAN** as opposed to the one million announced earlier.

Key Messages to Shareholders

BUILDING THE NEXT-GENERATION WORKFORCE

We have been building the capabilities of our people to shape a next-generation workforce that is not only digitally-savvy and customer-centric but sustainability conscious. Today, in line with our purpose of nurturing a bionic workforce, we seek to equip our employees with the right tools and capabilities to effectively and successfully drive change, while enabling a work environment that fosters closer collaborations. We are therefore offering training such as M25 Unlimited Potential (M25UP) to develop more dynamic, digitally-inclusive and solutions-oriented leaders; and Green Labs to enhance their sustainability knowledge. The ability to change, meanwhile, requires an agile mindset. Towards this end, we are also running practical programmes such as Agile@Work and Agile@Scale. The Maybank culture that we envision is one that is robust and innovates as well as iterates solutions for customers through collaboration, empowerment and customer-centricity while staying true to our core values.

A RECORD YEAR

As economies fully reopened and border restrictions were completely lifted in 2022, consumer spending returned and external demand improved. Against better economic growth across our home markets, our net operating income grew 8.5% to RM27.62 billion from RM25.45 billion in FY2021. This was mainly led by the 8.4% YoY growth in our net fund based income to RM20.69 billion as net interest margin (NIM) expanded 7 bps YoY to 2.39%. The expansion was driven by higher interest income on rising interest rates across our key markets as Group gross loans expanded 6.0% YoY. Our loans portfolios across Malaysia, Indonesia and Singapore expanded by 6.7%, 5.8% and 0.5% respectively. Growth in Malaysia was led by consumer lending of 7.0%, SME and business banking at 7.9% and corporate lending at 4.9%. Indonesia's growth came from corporate lending at 15.2% while its Community Financial Services franchise grew slower at 0.3% as consumer lending growth was offset by a decline in non-retail lending. Loan growth in Singapore mainly came from lending in the corporate segment of 3.6% and non-retail segment of 7.3%, offset by a 1.8% decline in the consumer portfolio.

As economic activity normalised, we saw a reduction in current and savings accounts (CASA) across our key markets like Malaysia and Singapore as consumer spending increased and businesses fully resumed operations. At the same time, customers opted to move their excess funds into higher yielding products such as fixed deposits amid the rising interest rate environment. While the Group's gross deposits grew 3.5% YoY supported mainly by fixed deposits growth across Malaysia and Singapore, Group CASA reduced 10.0% YoY. As such, the Group's CASA ratio eased to 40.9% in 2022 from 47.1% a year earlier but remained above pre-pandemic levels. The rising rate environment has resulted in higher cost of funding, which limited the upside to net interest margin expansion. However, our liquidity indicators such as liquidity coverage ratio and net stable funding ratio remained healthy at 145.4% and 118.1% respectively.

Also supporting the increase in net operating income was 9.0% growth in non-interest income to RM6.93 billion. This was led by mark-to-market gains on financial liabilities and foreign exchange gains but offset by lower banking core fees of 6.6% as market-related fees were hampered by increased market volatility from a rising rate environment and geopolitical uncertainties.

Meanwhile, cost growth accelerated in FY2022 by 11.2% YoY to RM12.81 billion as inflationary pressures persisted throughout the year and revenue-related spend was incurred. The increase in cost was mainly led by inflationary-related adjustments for the collective union agreements under personnel costs, higher marketing expenses



Our profit before tax rose 11.6% to RM12.15 billion while **net profit recorded a new high of RM8.23 billion in FY2022, up 1.7% from RM8.10 billion a year earlier.** Meanwhile, return on equity increased to 10.0%, hitting the higher end of our FY2022 guidance of between 9.5% and 10.0%.

partially from one-off credit card giftpoints redemption expenses and IT expenses. Our cost to income ratio stood at 46.4% versus 45.3% in FY2021. Given the strong net operating income growth, pre-provisioning operating profit rose to RM14.81 billion in FY2022, an increase of 6.3% YoY from RM13.93 billion in FY2021.

We continued to manage our asset quality vigilantly. Net impairment losses stood at RM2.79 billion, lower than RM3.23 billion a year ago, of which RM2.19 billion was set aside for loans and RM596.25 million for financial investments and assets. Provisions for loans reduced by 17.6% YoY while provisions for financial investments and assets increased by 4.4% YoY. As a result of lower loan provisioning, the Group's net credit charge off rate improved to 40 bps against 51 bps in FY2021. Loan provisioning was mainly attributed to pre-emptive provision as well as provisions made for existing and newly impaired accounts. Coupled with a low new impaired loans formation, the Group's loan loss coverage strengthened to 131.2% from 111.9% a year ago while Group gross impaired loans ratio improved to 1.57% as at 31 December 2022 from 1.99% a year earlier. We also saw an improvement in our overall loan repayment assistance portfolio across key markets, with loans under relief reducing to 1.7% in Malaysia, 3.0% in Singapore and 8.5% in Indonesia.

On the back of lower net impairment losses, our profit before tax rose 11.6% to RM12.15 billion while net profit recorded a new high of RM8.23 billion in FY2022, up 1.7% from RM8.10 billion a year earlier. Earnings per share was 68.8 sen, slightly lower by 1.2% from 69.7 sen in FY2021. Meanwhile, return on equity increased to 10.0%, hitting the higher end of our FY2022 guidance of between 9.5% and 10.0%. At the same time, our before-dividend capital levels remained healthy with Group CET1 capital ratio and Group total capital ratio at 15.67% and 19.08% respectively as at 31 December 2022. Supported by our robust capital levels, we declared a total dividend of 58.0 sen per share for FY2022, translating to a dividend payout of 84.6% exceeding our dividend payout policy of 40% to 60%. Although the dividend payout levels were similar to the year before, the effective cash dividend paid out from net profit increased to 76.7% from 57.8% the year before.

 For more details on our FY2022 performance highlights, refer to Reflections from Our Group Chief Financial Officer on pages 44 to 49

Key Messages to Shareholders

DELIVERING DIFFERENTIATED DIGITAL EXPERIENCE

From very early on, Maybank recognised the merits of digitalisation for our customers. In ensuring we stay ahead of the curve, we continue to innovate and develop first-to-market digital solutions to fortify our digital banking position. These include our ATM Cash-out withdrawal services as well as our pioneering partnership with Apple Pay in Malaysia.

Leveraging our robust data analytics and machine learning capabilities, we meet our customers' needs while converting their pain points into strategically curated end-to-end digital solutions. Improvement in speed and convenience are among our key focus areas in delivering a differentiated customer experience. On the retail front, we rolled out digital financing offerings that are capable of near-instant loan approvals and disbursements without the need to visit a physical branch. These include the Maybank Personal Digital Financing and Home²u solutions. Meanwhile, corporate customers can now access our newly launched in-house digital pricing and execution platform, MAESTRO, to trade FX Options in Malaysia with a faster response time of five minutes versus one hour previously.

As our digital transformation expands accessibility, we are doubling up our efforts to ensure a safe and secure banking environment for our customers, especially for internet and mobile banking services. With more customers shifting to digital platforms, we have strengthened our online banking security by migrating to Secure2u push authentication, which was initiated in 2017, as an enhanced authentication safeguard instead of relying on SMS one-time password. The full migration will be completed by June 2023. On top of this, we have introduced a cooling-off period in the MAE app for first-time and new device Secure2u activations as well as binding Secure2u to one device. We also recently announced a kill switch feature on both the MAE app and Maybank2u web, which enables a customer to temporarily deactivate access to his or her online banking account should the customer suspect fraudulent activities. We have incorporated a fraud detection and monitoring system supplemented with a call-back verification process to alert customers of suspicious transactions, as well as a dedicated 24/7 hotline for customers to report any financial scams. These measures are in line with Bank Negara Malaysia's expectations for the banking industry to help deter or minimise the likelihood of customers falling prey to financial scams.

The driving force of our digital transformation is our strong digital culture, manifested in the way we work and serve. Our efforts have gained numerous recognitions in the industry. Most notably, Maybank clinched the title *Team of the Year* in terms of Innovation Culture at the CIO100 Awards 2022. Testament to our digital strength is the large digital user base we serve and our leading online transaction market share. As at 31 December 2022, we recorded no less than 8.97 million active users on our digital platforms at Group level. We also command about 53.1% of the total number of mobile banking transactions and 50.2% of internet banking transactions in Malaysia.

Home²u via MAE app
Malaysia's first-ever digital home financing solution within an integrated banking app

ATM Cash-out via MAE app
Malaysia's first contactless cash withdrawal service

One of the first banks
to welcome Apple Pay in Malaysia

Rolled out Secure2u via Maybank2u KH app,
first-of-its-kind in Cambodia that enables secured transaction authorisation

ACCELERATING DECARBONISATION ACROSS ASEAN

Driven by our Humanising Financial Services mission, Maybank has always operated in a manner that is optimally beneficial for the communities we serve. As climate change has become more pressing, we have taken a more structured and formal stand on environmental issues, specifically on carbon emissions, be it from our own operations or through our financed portfolios. I'm pleased to share that we have made a couple of noteworthy achievements in this regard.

In 2022, we were one of the first few banks in ASEAN to establish our Scope 3 financed emissions baseline and to introduce a Sustainable Product Framework (SPF). More recently, we developed a Climate Risk Policy to manage climate risk exposure of the Group's business activities and operations. These are key towards achieving our ambition of net zero carbon emissions by 2050. As a result of our Scope 3 assessment, we have a clear understanding of the sectors and companies responsible for the highest emissions. We gather that about 70% of the Group's financed emissions come from less than 100 customers from top contributing sectors such as power and utilities, oil and gas, palm oil, agriculture, real estate and construction. By undertaking this assessment, we can now progress towards our decarbonisation plans while engaging with targeted customers to support them in their journey to low-carbon operations.

Our SPF provides greater clarity on the perimeters of sustainable financing and helps our business teams to develop green, social, sustainable and transition products as the SPF outlines the methodology and procedures to classify and report our financial products and services offered as sustainable. The framework allows us to develop dedicated sustainable, sustainability-linked or transitional solutions that meet our customers' needs across various stages of their transition and/or their decarbonisation journey. Guidelines in the SPF are in line with the International Capital Markets Association's Climate Transition Finance Handbook and the decarbonisation pathway set by the Transition Pathway Initiative.

We will support our clients to reduce their carbon emissions by offering solutions tailored to five potential approaches used by clients including exiting high-emitting activities, diversifying into less emitting businesses, decarbonising by investing and implementing less-carbon intensive processes, purchasing or developing offsetting projects and providing decarbonising solutions to others.

To guide us in achieving our four sustainability commitments and bring us closer to our ambition of being the sustainability leader in SEA, Maybank sets annual targets and has successfully exceeded all FY2022 targets. We mobilised RM20.69 billion in sustainable finance versus the target of RM9 billion. We helped to improve the lives of 368,441 households through community programmes against the target of 150,000 households. We reduced our Scope 1 and 2 emissions by 41% against a 2019 baseline, exceeding the target of 40%. Finally, Maybank employees clocked 1.56 million sustainability hours to strengthen diversity, equity and inclusion, transparency and governance, and a sustainability culture, against the target of one million hours.

Key Messages to Shareholders

While having revised our FY2025 targets to mobilise RM80 billion in sustainable finance and to improve the lives of two million households across ASEAN, we maintain our other two sustainability commitments. These are to achieve carbon neutrality for Scope 1 and 2 emissions by 2030 and net zero carbon equivalent by 2050 as well as for employees to spend one million hours on sustainability per annum by 2025.

MOVING TOWARDS GREEN WORKSPACES

As we progressively embrace evolving workspace trends, the need for optimal workspaces that meet our digital and sustainability agendas has been top of mind. A significant corporate development during the year was the firm decision made on our new head office, a journey that began in 2019. After years of extensive evaluations and considerations on our options, we finally agreed on Menara Merdeka 118 in the heart of Kuala Lumpur city. The second tallest building in the world perfectly suits our purpose as it carries MSC status and incorporates extensive green elements in its design, which could lead to triple green platinum certifications in Leadership in Energy and Environmental Design (LEED), Green Building Index (GBI) and Green Real Estate (GreenRE). Under an agreement with Permodalan Nasional Berhad (PNB) signed in September 2022, Maybank will be the anchor tenant in Menara Merdeka 118, where we will house some 5,900 employees across 33 floors. Maybank will also have the naming and signage rights over this globally recognised state-of-the-art building, thus enhancing our brand visibility and position as a regional and global leader in the financial industry. Maybank has been reaffirmed as the most valuable and AAA-rated bank brand in Malaysia and places as one of the Top 5 ASEAN bank brands and Top 100 global bank brands. We are also the Platinum recipient in the Banking, Investment & Insurance category of the Putra Brand Awards for the 13th consecutive year.

Meanwhile, another change in address was announced in April 2022, when we unveiled Mercuri Maybank in i-City, Shah Alam, as our permanent alternate site to safeguard our business continuity. Among the deciding factors in its favour were the fact that it incorporates sound security features, is Grade A GBI-certified, and at a safe distance from our head office in Kuala Lumpur.

WELCOMING NEW SENIOR LEADERS

We welcomed new members to our senior leadership team with the appointments of Dr. Siew Chan Cheong as Group Chief Strategy Officer on 15 August 2022 and Michael Oh-Lau Chong Jin as CEO, Maybank Investment Banking Group (Maybank IBG) effective 1 December 2022. Meanwhile, Alan Lau Chee Kheong has been made Group Chief Operations Officer while Yiow Inn Sann takes over from Alan's previous role as Group Chief Compliance Officer effective 1 April 2023. We also saw the retirement of Jerome Hon Kah Cho, formerly Group Chief Operations Officer, and Dato' Ami Moris, previously CEO of Maybank IBG. My best wishes to Dr. Siew, Michael, Alan and Inn Sann on their new roles and to Jerome and Dato' Ami on their retirements.

Separately, to meet our M25+ strategic aims and to facilitate better effective and seamless execution of our strategy, our international operations excluding Singapore and Indonesia now report directly to Group Global Banking, Group Community Financial Services or my own office, depending on the core business of the country.

OUTLOOK

Going into 2023, we continue to experience supply chain disruptions which, together with geopolitical uncertainties and lingering effects from the COVID-19 pandemic, are pushing up the costs of energy, food and other basic necessities, leading to widespread inflation. Many central banks have tightened their financial policies, which may result in the moderation of global economic growth to possibly 1.9% in 2023 from 3.0% in 2022 and 6.0% in 2021.

As with 2022, economic growth will be fragmented, depending largely on regional and national dependence on external factors. ASEAN-6 is expected to fare better than the global average, having grown at 5.7% in 2022 and expected to grow at 4.5% in 2023. Of our key markets, both Malaysia and Indonesia, which have relatively robust domestic economies, are likely to fare better than Singapore, which is highly dependent on international trade.



Our focus, as always, will be on our customers. Supported by increased digitalisation, we will be able to stay true to our purpose of becoming a values-driven platform, powered by a bionic workforce that Humanises Financial Services.

Malaysia's gross domestic product (GDP) grew 8.7% in 2022, but is expected to return to pre-pandemic levels of about 4.0% in 2023. Mirroring Malaysia, Indonesia's growth is expected to moderate slightly to 5.0% in 2023 from 5.3% in 2022. Meanwhile, Singapore's GDP is anticipated to decelerate from 3.6% in 2022 to 1.7% in 2023.

Against a softening economic landscape and an ambitious M25+ corporate strategy, we intend to stay the course and persevere, making adjustments where necessary along the way as we adopt an agile way of working. Our focus, as always, will be on our customers. Supported by increased digitalisation, we will be able to stay true to our purpose of becoming a **values-driven platform**, powered by a **bionic workforce** that **Humanises Financial Services**.

At the same time, we will accelerate all efforts to develop an end-to-end digital platform to support holistic ecosystems for our customers across the region. With our digital roadmap, we have a clear idea of how we would like to leverage digital technologies for optimum outcomes.

Finally, our commitment to climate action has seen Maybank take the lead in various key aspects within the banking fraternity in Malaysia. But there is still more to be done, and we are determined to be at the forefront of real and meaningful change. We hope to create clarity on what it means to operate sustainably, and use our influence as a leading financial institution in ASEAN to guide all our customers – no matter where they are on their sustainability journeys – to make the transition to a low-carbon economy, taking into account the need to be practical in our approach. The journey will not always be easy but, together, we can chart a navigable path to our envisaged destination. For FY2023, we have set a headline key performance indicator for return on equity of between 10.5% and 11.0%.

ACKNOWLEDGEMENTS

As I draw close to concluding my first year as GPCEO, I would like to take this opportunity to thank the Board of Directors for their trust in appointing me to my current position, as well as the senior leadership team and all employees for willingly spending time to get me up to speed with all matters critical to Maybank's onward journey. As a result of these collective interactions, I can say that we have a fantastic team here at Maybank, one that is fully dedicated to our mission and purpose and that has the agility as well as team spirit to see through all our aspirations. Our Board has the clarity of purpose to guide Maybank through this journey, while management has the nimbleness and innovativeness to drive effective strategies, and our employees have the skills to execute these plans.

This is reinforced by our recent employee engagement survey which indicated that Maybankers are highly engaged and have a clear understanding of the Group's purpose. I believe that by inspiring our employees through constant and effective engagement while providing them with the right skills, tools as well as environment, we can achieve great things as a united team working towards action-oriented goals.

I would also like to acknowledge the governments and regulatory bodies in our home markets for enabling sound banking and financial ecosystems that support responsible and sustainable operations. To all other stakeholders – our customers, shareholders, business partners and communities – thank you for your continued support in helping us progress **From Good to Great**.

An Integrated Approach to Value Creation

To achieve our purpose of creating value, we endeavour to have a robust business model and strategy that is both responsive and progressive. This requires a change in mindset from taking a business as usual approach to adopting an integrated approach in thinking and decision-making. Although we aspire to always create value for our identified stakeholder groups, there will be instances whereby the operating context may result in us preserving value or minimising value erosion as the next best alternative.

WHAT WE CONSIDER WHEN CREATING VALUE

ASSESS AND EVALUATE OUR OPERATING CONTEXT

Macroeconomic, social and sustainability developments as well as geopolitical events impacting our operating environment, shape our decision-making process and the way we create value for our stakeholders.

 Refer to Economic and Banking Sector Overview on pages 32 to 33

IDENTIFY AND MANAGE RISKS & OPPORTUNITIES

We ascertain broader economic, geopolitical, technological, sustainability and operational trends that impact our risk landscape while addressing the 12 principal risks we manage and mitigate as a financial institution. Similarly, we identify potential risks and opportunities for our respective business segments and stakeholder groups in the current operating environment and identify appropriate actions to manage the risks and leverage the opportunities.

 Refer to Macrotrends Impacting Risk Assessment, Principal Risks and Our Operating Context from pages 34 to 39

STRENGTHEN STAKEHOLDER RELATIONSHIPS THROUGH FREQUENT ENGAGEMENTS

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

 Refer to How We Create Value, How We Distribute Value Created and Stakeholder Engagement from pages 24 to 28

Our Identified Stakeholders:

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

HOW WE CREATE VALUE

FORMULATE BUSINESS STRATEGY

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

 Refer to Our Strategy on pages 40 to 41 and Key Performance Indicators on pages 42 to 43

Our Purpose Statement:

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

Five Key Strategic Thrusts:

- ST1

Intensify Customer-centricity
Full agile and iterative Minimum Viable Product (MVP) approach, through customer journeys and imagining the end-state model
- ST2

Accelerate Digitalisation and Technology Modernisation
End-to-end STP platform that integrates with ecosystems within and beyond banking
- ST3

Strengthen Maybank's Position beyond Malaysia
Regionalisation of business and product solutions, as well as technological platforms and applications, with clear leadership in Malaysia
- ST4

Drive Leadership in Sustainability Agenda
Expanded scope to embrace ethical banking principles, deepen social impact and execution of decarbonisation strategy
- ST5

Achieve True Global Leadership in Islamic Banking
Global Islamic Wealth Management (IWM) leader with Singapore as hub and Middle East/ASEAN countries as spokes

An Integrated Approach to Value Creation

This integrated annual report aims to explain to all our stakeholders, such as shareholders/investors, customers, employees, communities, regulators and governments as well as others, how Maybank creates value over time. These include considerations such as our operating environment for the markets in which Maybank is present in, the needs, interests and material considerations of our various stakeholder groups as well as ways to mitigate and manage risk while enhancing opportunities that impact our customers, business segments and the Group as a whole. This shapes our strategy and allocation of capitals that is integrated into our business model that adheres to risk and governance frameworks. Ultimately, this drives the performance of the business segments and Group in creating sustainable value over the short, medium and long term.

IDENTIFY, PRIORITISE, VALIDATE AND INTEGRATE OUR MATERIAL MATTERS

Our materiality assessment in 2022 encompassed feedback from over 3,000 participants covering all our stakeholder groups to understand what material topics matter most to them. The topics cover five broad themes touching on governance, environment, employees, society and products and services, which inform our strategic decisions in creating value over the short, medium and long term.

Refer to Material Matters on pages 29 to 31

Our Identified Material Matters:

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

STRENGTHEN AND REINFORCE SUSTAINABILITY COMMITMENTS

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

For a more comprehensive review of our sustainability ambitions, efforts and achievements, refer to Material Matters on pages 29 to 31 and Sustainability Review on pages 119 to 122 in this report, as well as our Sustainability Report which is available on www.maybank.com/ar



ALLOCATE OUR RESOURCES AND INTEGRATE INTO OUR BUSINESS MODEL

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

Refer to Business Model on pages 22 to 23

The Six Capitals That We Use to Create Value:

-  Financial Capital
-  Human Capital
-  Intellectual Capital
-  Social & Relationship Capital
-  Manufactured Capital
-  Natural Capital

CREATE VALUE AND DELIVER A POSITIVE IMPACT

Our ability to create value as a Group for our five stakeholder groups is carried out through our business activities overlaid with strong risk management and governance, which are reported in detail in this integrated annual report. We have also specified key indicators used to determine the value creation for our stakeholder groups at the business and Group levels.

Refer to How We Create Value on pages 24 to 25 and Key Performance Indicators on pages 42 to 43

Our Business Model



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

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

I NTEGRITY
We are trusted, professional and ethical in all our dealings

OUR CAPITALS...

FC FINANCIAL CAPITAL
Supported by:

- Strong capital and liquidity with Group CET1 capital ratio of 15.67% and liquidity coverage ratio of 145.4% in FY2022.
- Extensive retail franchise that generates a large customer funding base of RM639.40 billion while our credit rating strength (Local: AAA, Foreign: A-) allows access to diversified wholesale funding sources.

IC INTELLECTUAL CAPITAL
Built on:

- Strong brand reputation given our rich history and wide ASEAN presence.
- Reaffirmed as the most valuable bank brand in Malaysia with AAA rating, Top 5 ASEAN bank brand as well as being a Top 100 global bank brand.
- Integrated risk management culture and framework encompassing strategies, systems, processes and people.
- Strategic partnerships with technology players.

MC MANUFACTURED CAPITAL
Aimed at enhanced service delivery through:

- Easy access to 2,610 retail branches and 4,612 self-service terminals.
- Streamlining operational processes for greater efficiency through automation and digitalisation.
- Strong internet and mobile banking platforms in key ASEAN markets such as Malaysia, Singapore and Indonesia.
- Integrated digital ecosystems to deliver hyper-personalised solutions across the region.

HC HUMAN CAPITAL
Empowered by our Core Values, TIGER:

- Comprising a diversified workforce of over 43,000 employees across 18 countries.
- With emphasis on developing talents and building a sustainable succession pipeline by investing RM110.9 million to upskill employees through learning programmes.

SRC SOCIAL & RELATIONSHIP CAPITAL
Strengthening stakeholder relationships and empowering communities by:

- Providing access to financial inclusion solutions to vulnerable groups, microenterprises and SMEs.
- Invested RM29.4 million into Maybank Foundation's programmes that support communities.
- Leading and shaping conversations and initiatives with regulatory bodies, NGOs and peers.

NC NATURAL CAPITAL
Supporting its preservation through:

- Embedding ESG risk management practices into our business activities and internal operations, including establishing frameworks and pricing incentives that guide the development and mobilisation of RM80 billion in sustainable finance*.
- Managing our direct and indirect environmental impacts through energy efficiency programmes and our procurement process.

* Target for Commitment 1 has been revised from RM50 billion. Details are available in Our Strategy and Sustainability Review sections on pages 40 and 119

AND KEY DIFFERENTIATORS...

MAYBANK FIVE-YEAR STRATEGY (M25+)

M25+ PURPOSE

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

GROUP STRATEGIC THRUSTS

- Intensify Customer-centricity
- Accelerate Digitalisation and Technology Modernisation
- Strengthen Maybank's Position beyond Malaysia
- Drive Leadership in Sustainability Agenda
- Achieve True Global Leadership in Islamic Banking

executed through our 12 Strategic Programmes

These considerations shape Our Strategy

Governance

Good governance is at our core

For details on our Corporate Governance, refer to page 95

Material Matters

For detailed Material Matters, refer to page 29

Principal Risks

CR

MR

LR

NFR

ITR

CoR

ER

MoR

FR

TIR

PPR

ESGR

For details on Principal Risks, refer to page 36

Operating Environment

- Rising inflationary pressures
- Tightening monetary policies
- Uncertain economic environment
- Evolving customer preferences

For an Economic and Banking Sector Overview as well as Our Operating Context for our businesses, refer to pages 32 and 38

THROUGH OUR BUSINESS

BUSINESS ACTIVITIES
Our full suite of Islamic and conventional financial services includes:

Lending of Loans, Advances and Financing

Deposit Taking

Treasury & Markets

Investment Banking (IB)

Asset Management

Insurance & Takaful

Our Business Model

GROWTH

We are passionate about constant improvement and innovation

EXCELLENCE & EFFICIENCY

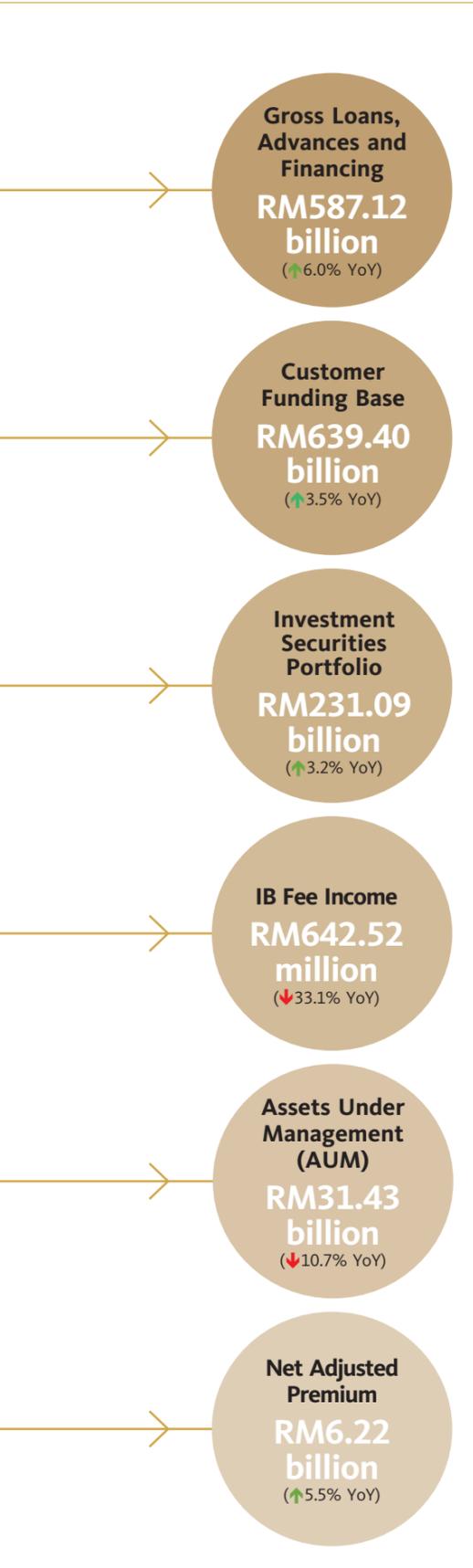
We are committed to delivering outstanding performance and superior service

RELATIONSHIP BUILDING

We continuously build genuine long-term and mutually beneficial partnerships

ACTIVITIES, GENERATE OUTPUTS...

TO CREATE VALUE-ADDED OUTCOMES FOR OUR STAKEHOLDERS.



FINANCIAL CAPITAL

- Earnings per share (EPS) of 68.8 sen from 69.7 sen. ●
- Return on Equity (ROE) improved to 10.0% from 9.8%. ●
- Total Assets increased by 6.7% YoY to RM947.81 billion. ●
- 58.0 sen per share total dividend declared for FY2022. ●
- Market capitalisation higher by 6.4% YoY to RM104.87 billion. ●
- Total Shareholder Return improved to 11.87% for FY2022 from 6.27%. ●

Refer to Key Messages to Shareholders, Reflections from our Group Chief Financial Officer, Investor Information and Financial Performance on pages 13 and 17, 44, 50 and 52

INTELLECTUAL CAPITAL

- Brand value increased by 1.1% YoY to USD3.95 billion. ●
- Market leading customer satisfaction score (NPS) of +24 (95th percentile) in 2022 vs. +23 (95th percentile) in 2021. ●
- Complaints resolved (SLA) stood at 96.2% in 2022 vs. 95.7% in 2021. ●
- Launch of digital offerings including Home²u, Wealth 360, Personal Digital Financing, and M2U (Lite) app. ●
- Rolled out sustainability products such as the MAMG Global Environment Fund and Etiqa's Premier Global Sustainable Equity 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 57, 60, 63, 66, 69, 72 and 119

MANUFACTURED CAPITAL

- Increase in digital monetary transactions value by 12% YoY to RM1.00 trillion and volume by 4% YoY to 1.71 billion transactions. ●
- Market share of mobile and internet banking transaction volume at 53.1% and 50.2% in Malaysia. ●
- Number of 3-month active digital users increased 9% YoY to 8.97 million at Group level. ●
- 99.98% service uptime of digital channels in 2022. ●

Refer to Group Community Financial Services and Pervasively Digital on pages 57 and 69

HUMAN CAPITAL

- RM5.80 billion paid in salaries and rewards. ●
- Enhanced hybrid work arrangement and formalised Maybank Group Self-Led Sustainability & Volunteerism Policy. ●
- Provided financial and non-financial support to employees and their families. ●
- Succession realisation for Mission Critical Positions at 86%. ●

Refer to Group Human Capital on page 73 and Remuneration on page 76

SOCIAL & RELATIONSHIP CAPITAL

- RM2.31 billion mobilised for affordable housing in Malaysia. ●
- 18,120 microenterprises and SMEs benefitted from financial literacy and financing programmes. ●
- Micro insurance extended to 122,664 lower income individuals. ●
- 35,028 benefitted from social impact investments. ●
- Contributed RM4.03 billion in zakat and taxes. ●
- Active role in domestic and international leadership initiatives such as J3C, ASEAN Capital Markets Forum and COP27. ●

Refer to How We Distribute Value Created and Sustainability Review on pages 26 and 119

NATURAL CAPITAL

- Mobilised RM20.69 billion in sustainable finance. ●
- RM1.21 billion financing mobilised in electric/hybrid vehicles. ●
- Mobilised RM2.06 billion into green buildings and RM539.54 million into green homes. ●
- Updated Supplier Code of Conduct to integrate ESG considerations. ●
- 41% reduction (equivalent to 53,771 tCO₂e) in Maybank Group's Scope 1 and 2 emissions against our 2019 baseline. ●
- 62,311 tCO₂e emitted from the Group's own operations (i.e. Scope 1, 2 and Scope 3 for business travel). ●
- 25.8 million tCO₂e emitted from the Group's lending and investment activities. ●

Refer to Sustainability Review on page 119

● Value creation ● Value preservation ● Value erosion



STRATEGIC TRADE-OFFS FOR SUSTAINABLE LONG-TERM GROWTH

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

Some of our key trade-offs include:

SHORT-TERM PROFITABILITY VERSUS RESILIENT BALANCE SHEET

In an uncertain economic environment, our focus is to ensure we have a resilient balance sheet with strong liquidity and capital buffers for us to continuously support growth and create value for our stakeholders. In 2022, we maintained our prudent stance and continued to build pre-emptive provisioning while maintaining ample management overlays of RM1.70 billion as part of our asset quality management to mitigate against unexpected downside risks. Although this will have a short-term impact on profits, this will benefit financial capital over the medium to long term. Also, our capital and liquidity indicators remain robust with Group CET1 capital ratio of 15.67% and liquidity coverage ratio of 145.4%, well ahead of Bank Negara Malaysia's minimum requirements.

FC ●

BUSINESS OPPORTUNITIES VERSUS SUSTAINABILITY CONSIDERATIONS

In line with efforts to embed sustainable practices within Maybank and among our customers, there will be short-term trade-offs between business opportunities and our overall ESG risk management practices and values. For instance, we will not venture into business opportunities that are not aligned with our ESG risk appetite and sector positions. Alternatively, we consciously facilitate green, social and sustainable activities aligned with our sustainability approach through the development of sustainable products and solutions. In the long run, this will add to our natural, financial and social capitals.

FC ●

SRC ●

NC ●

BALANCE BETWEEN DIGITAL CUSTOMER EXPERIENCE AND THE "HUMAN TOUCH"

As we ramp up our digital banking ambitions, more of our processes, products and services will be digitised and automated. This, in turn, will reduce the need for direct human interaction. We strive to maintain our humanising approach by integrating our digital and physical touchpoints to ensure we deliver consistent, seamless and personalised services across multiple channels. To do so, financial capital investments will be required in the near term to broaden our technological capabilities but result in improved financial returns over the longer term.

FC ●

IC ●

MC ●

SRC ●

● Value creation ● Value preservation ● Value erosion

CAPITAL OUTCOMES

How We Create Value



CUSTOMERS Related Strategic Thrusts and Programmes: ALL EXCEPT SP10

Value for Maybank:

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

Value for Our Customers:

- Personalised solutions that meet customers' needs.
- Best-in-class customer journey and experience.
- Access to safe, fast and reliable physical and digital banking channels.
- Address customers' pain points quickly and effectively through engagement channels.
- Market leader in providing innovative solutions arising from emerging trends (i.e. digitalisation, sustainability).

Risks:

- Heightened competition from bank and non-bank players in addressing evolving customers' needs.
- Reduced customer loyalty from a lack of understanding of customers' needs or poor relationship management.
- Potential loss of customers arising from heightened threat of cyber attacks that result in personal data and financial losses.
- Risk of stranded assets if we do not provide alternative sustainable or transition solutions.

Opportunities:

- Build strong customer loyalty through improved engagement and understanding of customers' needs.
- Collaborate with customers for greater insights to design solutions that meet evolving needs.
- Expand customer base by targeting new customers through first-to-market solutions or innovative offerings.

How We Track Value:

- Yearly Net Promoter Score (NPS).
- Customer satisfaction scores, views or rankings as measured by surveys such as our annual External Customer Engagement Survey.
- Feedback from our Voice of Customer system.
- Number of customer complaints received and resolved; time taken to resolve customers' complaints.
- Number of customers utilising our various products and services on a monthly basis.

Refer to Customer Experience on page 72 as well as Sustainability Report for FY2022 metrics achievements

Related Capitals: IC MC SRC NC Related Material Matters: Related UN SDGs:

INVESTORS Related Strategic Thrusts and Programmes: ALL

Value for Maybank:

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

Value for Our Investors:

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

Risks:

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

Opportunities:

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

How We Track Value:

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

Refer to Key Performance Indicators on page 42 for FY2022 metrics achievements

Related Capitals: FC IC SRC NC Related Material Matters: Related UN SDGs:

REGULATORS AND GOVERNMENTS Related Strategic Thrusts and Programmes: ST2 ST4 SP9

Value for Maybank:

- Ability to operate across the region and receive guidance on rules, regulations and latest developments to remain operationally sound.
- Monetary and financial stability and governance to support economic growth and facilitate a favourable business environment.

Value for Our Regulators and Governments:

- As an industry leader, collaborate and provide views to facilitate policymaking decisions.
- Standard setter with best practices in place.
- Support their efforts in creating awareness on timely financial matters impacting customers (i.e. online scams, financial literacy).
- Taxes and zakat paid to governments.

Risks:

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

Opportunities:

- Regular engagements provide timely update of industry developments and regulations that help shape effective decision-making.
- Leverage the deep insights and industry knowledge to adopt best practices and facilitate strategic collaborations.

How We Track Value:

- Conformance and compliance with regulatory expectations.
- Taxes and zakat paid.

Achievements:

- 100% compliance with regulatory expectations.
- RM4.03 billion in taxes and zakat paid.

Related Capitals: FC SRC Related Material Matters: Related UN SDGs:

How We Create Value



COMMUNITIES

Related Strategic Thrusts and Programmes: **ST3** TO **ST5** **SP5** TO **SP9**

Value for Maybank:

- Build public trust to grow our presence and position.
- Identify needs of the wider community which enables us to explore avenues to support the underserved.
- Protect the wider environment and economies in which we operate.
- Enhance goodwill and strengthen our social licence to operate.

Value for Our Communities:

- Easily accessible banking facilities.
- Empowerment and increased earnings potential through our outreach programmes.
- Enabling access to basic essential needs like necessities, education and healthcare while promoting financial literacy.
- Various business and job opportunities arising from Maybank's socio-economic contributions.
- Leaving no one behind through greater social and financial inclusion.

Risks:

- Financing of activities that may damage the environment and its surrounding communities.
- Brand risk from potential lack of engagement and inclusion of surrounding communities.

Opportunities:

- Engage with communities and incorporate their needs into our financial offerings, thus helping to improve their lives.
- Drive financial literacy to improve education levels, reduce poverty and increase earning power.
- Viewed as a responsible business through outreach programmes.
- Identify new segments of potential customers and talent for employment.

How We Track Value:

- Number of individuals impacted by our community initiatives and flagship programmes on a monthly basis.
- Financial and non-financial benefits to individuals or communities impacted by our community programmes and initiatives on a monthly basis.
- Maybank Foundation programmes' monitoring (e.g. quarterly project monitoring reports, quarterly CR matrix progress tracking).

Refer to Sustainability Review on page 119 as well as Sustainability Report for FY2022 metrics achievements

Related Capitals: **SRC** **NC**

Related Material Matters:

Related UN SDGs:



EMPLOYEES

Related Strategic Thrusts and Programmes: **ST2** **ST4** **SP9** **SP10** **SP12**

Value for Maybank:

- Engaged employees demonstrate better productivity and make valuable contributions to deliver on business strategy.
- Drive innovation and transformation that keeps the organisation relevant and a market leader.
- Brand advocates with deep product knowledge and the ability to elevate customer experience.

Value for Our Employees:

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

Risks:

- Inability to retain and attract the right talents for our business needs given the immense talent competition and evolving next-generation workforce trends.
- Potential gaps in workforce skillsets driven by digitalisation and automation.

Opportunities:

- Equip employees with FutureReady infrastructure through innovative digital platforms, processes and new age tools to increase productivity and efficiency.
- Design and enhance training and development programmes to build next-generation workforce that drives transformational growth.
- Integrate technology to enrich our employee engagements and talent management processes to create new-generation Employer Value Proposition.

How We Track Value:

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

Refer to Group Human Capital on page 73 as well as Sustainability Report for FY2022 metrics achievements

Related Capitals: **IC** **MC** **HC** **SRC** **NC**

Related Material Matters:

Related UN SDGs:



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.

Daily Weekly Monthly Quarterly Annually



CUSTOMERS

Why We Engage:

- To understand their needs and expectations as well as identify gaps, so that we can serve them better and retain their loyalty as the preferred financial services provider.
- To create customer awareness on trends and issues that have a direct impact on them so that they can make better informed decisions.

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

- Digital touchpoints and platforms (e.g. Maybank2u, Maybank2u Biz & Maybank2E websites and apps, MAE by Maybank2u, Maybank QRPayBiz App, Apple Pay, Maybank Trade, Maybank Invest (Thailand), Maybank2Own, Etiqa's portal and apps)
- Physical branches, Premier Wealth Centres, business centres, investment management centres, transaction banking centres, self-service terminals (e.g. ATMs)
- Customer Service Centres, sales representatives (e.g. Client Advisors, Relationship Managers, Personal Financial Advisors, Client Relationship and Client Coverage teams)
- Social media platforms
- Customer surveys and interviews
- Marketing campaigns and events

Objectives For Stakeholders:

- Improve customer experience with fast, simple, secure and convenient banking in real time.
- Develop integrated and hyper-personalised solutions that meet customers' priorities, including sustainable financing; and connect clients to growth opportunities across the region while assisting them in their transition journey.
- Provide competitive pricing and fair terms.
- Educate customers about market risk, fraud and scams, while ensuring fraud and scam prevention.
- Provide education and drive community empowerment initiatives leveraging digital capabilities to promote financial inclusion and literacy.

Our Response:

- Continue to develop initiatives to enhance our digital proposition, leveraging advanced analytics and strategic partnerships.
- Map end-to-end banking journey to address customers' priorities and pain points.
- Maintain a secure financing environment with heightened cyber and data security threat analysis and response.
- Expand ESG-related suite of financial solutions to support customers' sustainability journey, as identified under the Sustainable Product Framework.
- Develop easy-to-apply integrated offerings, e.g. mortgages (Home²u), personal loans (Personal Digital Financing) and digital wealth (MAE Wealth 360), to support customers through their life journeys.
- Support local businesses, microenterprises and underserved communities through digital solutions (e.g. Sama-Sama Lokal on MAE by Maybank2u) and agent banking (e.g. Bas Bergerak Maybank, POS Malaysia).

For more details, refer to Principal Risks, 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 36, 57, 60, 63, 66, 69, 72, 106 and 119

Related Capitals:



Related Material Matters:



Related UN SDGs:



INVESTORS

Why We Engage:

- To ensure clear, timely and effective communication to maintain credibility and trust with investors and facilitate their investment decisions in Maybank.
- To obtain feedback from investors on their investment views and expectations of Maybank for better alignment, so that we may meet these expectations and have sustained access to capital.

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 Group EXCO members and Head of Group External Communications and Investor Relations
- Dissemination of information and disclosure of materials on our website at www.maybank.com/ir
- AGMs and EGMs
- Annual integrated and sustainability reports

Objectives For Stakeholders:

- Ensure sustainable earnings and stable dividend stream through revenue growth and strategic long-term investments, capital optimisation, sweating of assets, diligent management of asset quality and liquidity and prudent risk management.
- Proactively manage asset quality and monitor credit risks from exposure to individuals and sectors affected by macroeconomic volatility.
- Embed sustainability considerations into lending and investment practices.
- Prudent and effective technology investments and partnerships, to remain ahead of emerging competition.

Our Response:

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

For more details, refer to Macrotrends Impacting Risk Assessment, Principal Risks, Reflections from Our Group Chief Financial Officer, Investor Information, Corporate Governance Overview Statement and Sustainability Review on pages 34, 36, 44, 50, 95 and 119

Related Capitals:



Related Material Matters:



Related UN SDGs:



Stakeholder Engagement

Daily Weekly Monthly Quarterly Annually

REGULATORS AND GOVERNMENTS

Why We Engage:

- To remain informed on changes and developments impacting the sector and economy, run operations smoothly and be in compliance of legal and regulatory requirements.
- Collaborate and contribute in policy formulation and national development initiatives that benefit the larger economy.

To understand changes and impact of relevant laws, regulations and policies, we engage with regulators and governments via:

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

Objectives For Stakeholders:

- Adhere to laws and regulations, manage cyber risks, ensure 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 promoting and integrating emerging trends (e.g. fintech and sustainability).

Our Response:

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

For more details, refer to Macrotrends Impacting Risk Assessment, Principal Risks, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control and Audit Committee Report on pages 34, 36, 95, 106 and 113

Related Capitals:

Related Material Matters:

Related UN SDGs:

COMMUNITIES

Why We Engage:

- To create a positive impact in our communities, either through access to financing and our service offerings or through our social initiatives and community programmes.
- To remain connected to the developments and trends surrounding our operations, helping to shape our relevance in these communities.

We engage with the local communities that we impact via:

- Capacity-building and economic empowerment initiatives
- Strategic partnerships, outreach and educational programmes
- Websites, social media channels and virtual communication platforms
- Community engagement surveys

Objectives For Stakeholders:

- Maximise the positive impact of our community initiatives towards a sustainable future for all.
- Support initiatives that address unemployment, low financial literacy and empower disadvantaged communities.
- Promote the availability, innovation and development of personalised financial solutions for the unbanked and underbanked.

Our Response:

- Continue to provide for underprivileged communities impacted by the pandemic and natural disasters.
- Reach out to communities via Maybank Foundation's flagship programmes, Maybank Islamic's Islamic Social Finance, Etiqa Cares and sustainability programmes, along with the MaybankHeart crowdfunding platform.
- Conduct digital financial and literacy programmes for SMEs, youth, the differently-abled and disadvantaged communities, young children and school teachers.
- Provide training and employment opportunities for graduates and youth.
- Distribute zakat funds for financial aid assistance to Asnaf communities through the MAE by Maybank2u app which promotes access to basic digital banking.

For more details, refer to Group Community Financial Services, Group Insurance & Takaful, Group Islamic Banking, Group Human Capital and Sustainability Review on pages 57, 63, 66, 73 and 119

Related Capitals:

Related Material Matters:

Related UN SDGs:

EMPLOYEES

Why We Engage:

- To provide clarity over Maybank's business objectives for smooth execution and delivery of the strategy.
- To be the employer of choice by understanding and addressing employees' concerns as well as keeping employees engaged and motivated.

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

- Dialogue sessions with Group EXCO and other engagement initiatives (e.g. townhalls, roadshows, coffee talk sessions)
- Regular electronic communication (e.g. email, newsletters and portals) as well as virtual and social media channels
- Feedback platforms, including GHC Call Centre

Objectives For Stakeholders:

- Ensure a safe, caring and engaging work environment to enable work-life integration and successful navigation through the pandemic and beyond.
- Enable greater flexibility in performing daily functions via access to tools and arrangements that allow employees to work remotely with minimal interruption.
- Advocate diversity, equity and inclusion (DEI).
- Power a bionic workforce equipped with the right skills, capabilities, competencies and mindset to remain relevant.
- Build Next-Gen capabilities.

Our Response:

- Ensure employees' safety remains a priority, enabled by a hybrid work environment balanced against business needs.
- Prioritise employees' holistic well-being through various interventions, platforms and programmes while encouraging DEI.
- Upskill and reskill employees through continuous learning and development, with emphasis on sustainability and FutureReady programmes.

For more details, refer to Group Human Capital on page 73

Related Capitals:

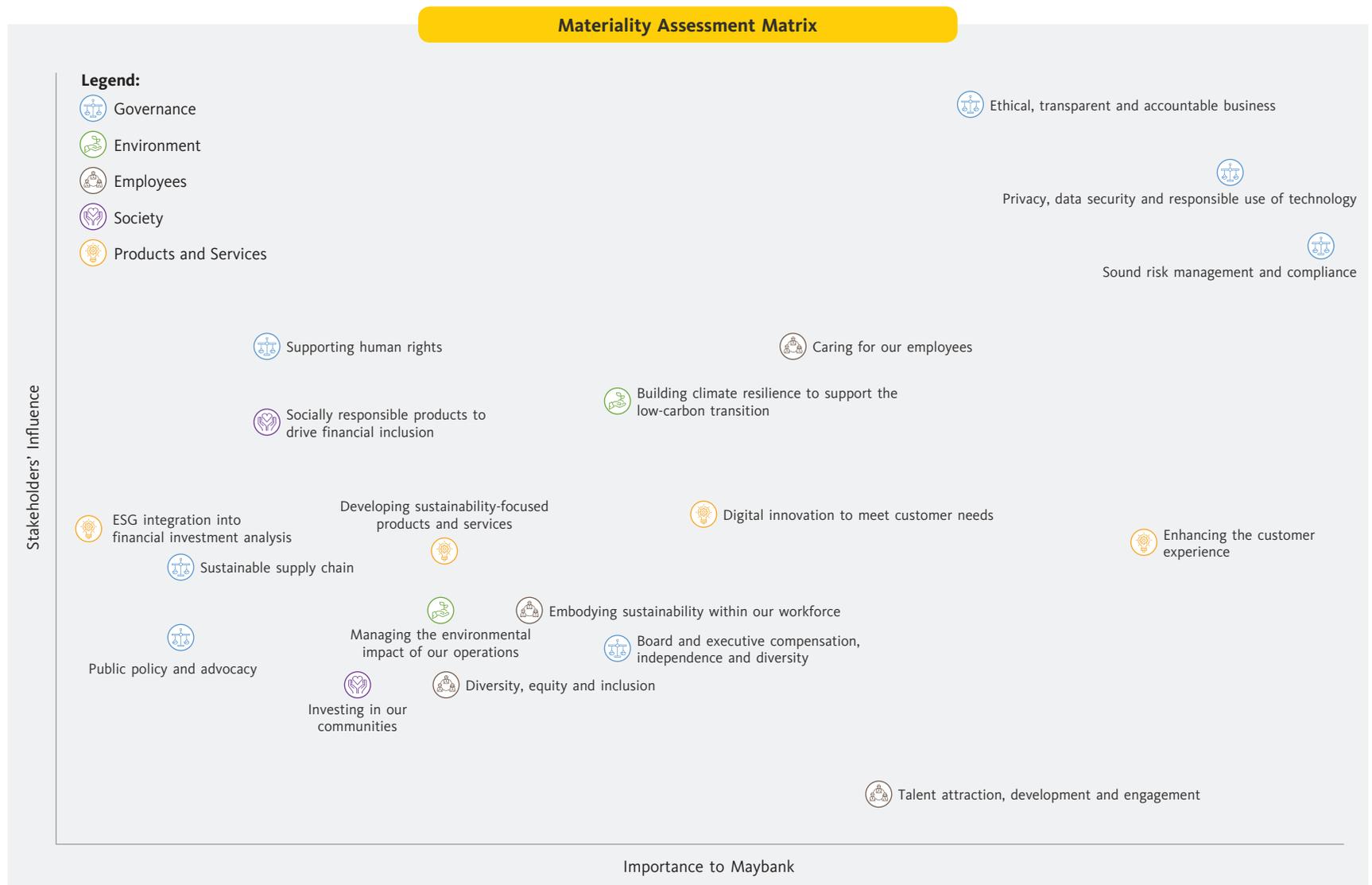
Related Material Matters:

Related UN SDGs:

Material Matters

In 2022, we undertook a materiality assessment which saw the participation of over 3,000 internal and external stakeholders through online surveys and engagements. Our aim was to capture the views of a broader range of stakeholders to reflect any priority shifts that may have taken place over the past two years, given the focus on recovery and moving forward after the COVID-19 pandemic. This was in contrast to the 2020 targeted approach where in-depth discussions were undertaken via one-on-one interviews to support our sustainability strategy development as part of our five-year plan.

We also reviewed and updated our material topics, ensuring continued relevance to industry ESG trends, taking into account updates to international reporting standards and sustainability ratings such as the Global Reporting Initiative (GRI), the Financial Times Stock Exchange Group (FTSE) ESG ratings, the Sustainability Accounting Standards Board (SASB), as well as the Dow Jones Sustainability Index (DJSI). The Group Sustainability Framework, M25+ strategy and the materiality assessment of our peers were also considered during this process. In addition, we aligned our material topics to Bursa Malaysia’s enhanced sustainability reporting framework by incorporating common sustainability matters. Following this review process, 19 material matters were identified for the 2022 materiality assessment, each aligned with our overall sustainability strategy. The results of the survey are shown in the matrix below and discussions on how we are addressing these material matters are summarised and cross-referenced in the subsequent pages of this chapter.



KEY OBSERVATIONS

Our internal and external stakeholders place the highest emphasis on matters related to Governance (**Ethical, transparent and accountable business; Privacy, data security and responsible use of technology; and Sound risk management and compliance**). **Caring for our employees** also emerged as a highly important matter, recognising that our people are critical to driving our business success. Efforts to strengthen and enhance our practices and culture via policies, awareness initiatives and training continue to be undertaken, particularly on key topics such as data privacy and protection, regulatory compliance, business ethics and human rights awareness across the Group.

Stakeholders expect Maybank to continue to integrate ESG considerations into our business activities (**Supporting human rights; Building climate resilience to support the low-carbon transition; and Socially responsible products to drive financial inclusion**). This is aligned with the growing importance of ESG within the region, as seen in national agendas and commitments towards building more sustainable

economies. In terms of climate resilience, Maybank established our Scope 3 financed emissions baseline, enabling us to identify and focus on areas that significantly contribute to our overall financed emissions. In addition to this exercise, which underlines our effort to transition to a low-carbon economy, we have established a Sustainable Product Framework to guide the development of green, social, sustainable and transition products more generally.

Enhancing the customer experience and leveraging **Digital innovation to meet customer needs** were identified as trending material issues within the financial sector, with the assessment reinforcing the importance of the two material topics to Maybank. These matters are addressed within our M25+ strategy where we continue to invest on enhancing our technological infrastructure to enable the development of hyper-personalised solutions that can support our customers’ lifestyles and needs, providing faster, easier and wider access to our financial products.

Material Matters

Related Stakeholders:

Related Capitals:

GOVERNANCE		Related Strategic Thrusts and Programmes: ST2 ST4 SP9		Principal Risks: ALL
Material Matters:	Discussed in:	Related UN SDGs:		
<p>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.</p>	<p>Our Board and Senior Management's gender diversity is discussed in our Sustainability Report under Encouraging Diversity, Equity and Inclusion (p.84-85) and Sound Business Practices (p.98). In addition, our sustainability governance approach is detailed under Sustainability Governance (p.91-93). Corporate Governance Overview Statement in this report also discusses Board diversity (p.99), Board independence (p.101-102) as well as Board and executive remuneration (p.102-103).</p>			
<p>Ethical, transparent and accountable business Frameworks, policies and practices that uphold high standards of ethics, integrity, transparency and accountability throughout our business and operations, to maintain stakeholders' trust in the organisation (e.g. zero-tolerance culture towards bad conduct including corruption and bribery, sound grievance mechanisms, ensuring the fair treatment of customers and clients, providing accurate and adequate information about our products and services, etc.).</p>	<p>Efforts to ensure ethical business conduct are discussed within our Sustainability Report, under Sound Business Practices (p.96-98). Details can also be found in our Statement on Risk Management and Internal Control (SORMIC) in this report (p.110-112).</p>			
<p>Sound risk management and compliance Assessing and managing risks, and ensuring a strong compliance culture throughout the organisation to prevent major disruptions that may harm economies and societies at large.</p>	<p>Our risk management and compliance approach are mentioned in our Sustainability Report, under Sound Business Practices (p.96-100). Furthermore, our risk management efforts pertaining to ESG are discussed within ESG Risk Governance (p.94-96) and ESG Risk Management (p.41-43). Details can also be found under SORMIC in this report (p.106-112).</p>			
<p>Sustainable 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).</p>	<p>Progress made towards ensuring a sustainable supply chain is detailed in our Sustainability Report, under Practising Responsible Procurement (p.100). Sustainability Review in this report also outlines details on our supply chain management (p.122).</p>			
<p>Privacy, data security and responsible use of technology Responsible collection, use, storage and protection of data to safeguard employees' and customers' right to privacy (e.g. from cyber attacks).</p>	<p>Data privacy and protection is mentioned in our Sustainability Report under Sound Business Practices (p.97) and cyber security measures are also discussed under Managing Cyber Security Risks (p.99-100). Our policies are discussed under SORMIC in this report (p.110).</p>			
<p>Public policy and advocacy Ensuring that efforts to drive public policy development and influence industry best practices are in alignment with our sustainability strategy.</p>	<p>Our efforts to drive sustainability within the industry are further discussed in the Sustainability Report, within Building Capabilities, Strengthening Partnerships (p.27) besides Sustainability Review in this report (p.122).</p>			
<p>Supporting human rights Approaches, policies and due diligence processes to ensure respect for and protection of human rights for stakeholders throughout our value chain and business activities.</p>	<p>Our Sustainability Report details our approach to addressing human rights, within Sound Business Practices (p.98).</p>			

Related Stakeholders:

Related Capitals:

ENVIRONMENT		Related Strategic Thrusts, Programmes and Principal Risks: ST3 TO ST5 SP5 TO SP9 CR NFR ER FR ESGR	
Material Matters:	Discussed in:	Related UN SDGs:	
<p>Building climate resilience to support the low-carbon transition Embedding the management of climate-related risks and opportunities into our business activities to facilitate a just transition to a low-carbon economy (e.g. through supporting low-carbon solutions, engagement with industry networks, managing our exposure to high emitting sectors, etc.).</p>	<p>Our efforts in this regard are detailed under SORMIC (p.109-110) and Sustainability Review (p.120-122) in this report as well as in our Sustainability Report, within ESG Risk Management (p.41-43), Mobilising Sustainable Finance (p.34-39), Managing Our Financed Emissions (p.26-27) and Financing For Retail Customers (p.40).</p>		
<p>Managing the environmental impact of our operations Efforts to optimise resource consumption with the aim of managing our own environmental footprint (e.g. energy management, waste management, water consumption, GHG emissions, etc.).</p>	<p>Progress made in managing our environmental impact is discussed within our Sustainability Report, under Managing Our Operational Emissions (p.28-29) as well as Sustainability Review in this report (p.121-122).</p>		

Material Matters

EMPLOYEES Related Strategic Thrusts, Programmes and Principal Risks: ST2 ST4 SP9 SP10 SP12 CoR FR PPR ESGR

Material Matters:	Discussed in:	Related UN SDGs:
<p>Diversity, equity and inclusion Ensuring that diversity, equity and inclusion is reflected throughout our culture, by maintaining a workplace where all employees are treated fairly, with dignity and without discrimination.</p>	<p>This report outlines initiatives on employee engagement, well-being, rewards & remuneration, learning & development, nurturing talent as well as diversity, equity & inclusion, which can be found under Group Human Capital (p.74-75). Meanwhile, efforts to inculcate a sustainability culture can be found under Sustainability Review (p.122).</p> <p>The Sustainability Report expands on our human capital approach to upskill and develop our talents within Building an Agile Workforce (p.77-80) and Nurturing People (p.81-83). Furthermore, our DEI efforts are expanded in Encouraging Diversity, Equity and Inclusion (p.84-85), while our holistic approach to employee well-being is detailed in Caring For Our Employees' Well-being (p.80-81) and Engaging our People (p.83). We also promote volunteerism opportunities as highlighted in Empowering Community Impact (p.85).</p>	
<p>Caring for our employees Managing the health, safety and well-being of our employees through policies, processes, initiatives and labour standards that promote a positive work environment and improve work-life balance.</p>		
<p>Embodying sustainability within our workforce Developing a sustainability culture within the organisation through training programmes, incentive systems and volunteerism opportunities, so that our employees are empowered to drive sustainable change.</p>		
<p>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.</p>		

SOCIETY Related Strategic Thrusts, Programmes and Principal Risks: ST3 TO ST5 SP5 TO SP9 CR NFR FR ESGR

Material Matters:	Discussed in:	Related UN SDGs:
<p>Investing in our communities Leveraging our community empowerment programmes to create long-term sustainable impact for vulnerable and underserved communities across our countries of operation, including through improving their financial literacy and understanding.</p>	<p>Our community investment efforts are further elaborated within the Empowering Communities section of our Sustainability Report (p.60-75), as well as within Encouraging Volunteerism (p.60). Sustainability Review in this report details our focus on promoting financial literacy (p.121).</p> <p>Efforts to drive financial inclusion are covered under Sustainability Review in this report (p.121) and within our Sustainability Report, under Empowering SME Customers (p.45), Microfinance (p.46), and Empowerment Through Financial Inclusion (p.67-69).</p>	
<p>Socially responsible products to drive financial inclusion Promoting inclusive growth and creating positive socioeconomic impacts by providing access to affordable products and services that meet the needs of underserved consumers, including SMEs and Micro SMEs.</p>		

PRODUCTS AND SERVICES Related Strategic Thrusts, Programmes and Principal Risks: ALL EXCEPT SP10

Material Matters:	Discussed in:	Related UN SDGs:
<p>Developing sustainability-focused products and services Innovative products 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.</p>	<p>Our efforts towards developing sustainability-focused products and services are described under Sustainability Review in this report (p.120) and within our Sustainability Report, under Mobilising Sustainable Finance (p.34-37), Our Sustainable Product Framework (p.34-35), Solutions for Our Non-Retail Clients (p.38-39) and Financing For Retail Customers (p.40).</p> <p>Our efforts in this area are also elaborated in this report under Sustainability Review (p.120) as well as within our Sustainability Report, under Sustainable Product Framework (p.34-35) and Sustainable Investing (p.39).</p> <p>Details of our efforts to enhance the customer experience are contained under Customer Experience in this report (p.72) and elaborated under Reimagining the Customer Experience (p.51-53) and Prioritising Customer Satisfaction (p.53-54) in our Sustainability Report.</p> <p>Our digital innovation efforts are detailed under Pervasively Digital in this report (p.69-71) as well as within our Sustainability Report, under Our Digital Platforms (p.47) and Digitalising Lifestyles Across ASEAN (p.48-51).</p>	
<p>ESG integration into financial investment analysis Systematically integrating ESG factors into financial analysis across all asset classes and subsequently operationalising this analysis by making investment decisions based on ESG-related matters.</p>		
<p>Enhancing the customer experience Efforts to transform into a customer-centric organisation by embedding a customer-centred approach into all lines of business and undertaking initiatives to improve the end-to-end customer experience and drive customer satisfaction.</p>		
<p>Digital innovation to meet customer needs Becoming a lifestyle partner for our customers by leveraging advanced data analytics, digital systems and platforms, to consistently support our customers' evolving lifestyles and business needs.</p>		

Related Stakeholders:



Related Capitals:



Related Stakeholders:



Related Capitals:



Related Stakeholders:



Related Capitals:



Economic and Banking Sector Overview

MACROECONOMIC REVIEW AND OUTLOOK

In 2022, ASEAN nations reopened their economies leading to strong GDP recovery from the pandemic. While ASEAN-6 growth picked up by 5.7% (2021: 4.1%) with the reopening of economies, global GDP growth (2022: 3.0%; 2021: 6.0%) was moderated by worldwide central banks' move to address rising inflation. In addition, ongoing geopolitical uncertainties also contributed to the more moderate global growth.

Global GDP is anticipated to grow more moderately at 1.9% in 2023 (2022: 3.0% YoY) arising from a higher inflation and interest rate environment, which is expected to impact major advanced economies unfavourably. We anticipate inflation to peak and begin moderating in 2023, which will pause the global interest rate hike cycle. ASEAN is emerging as a defensive harbour against the backdrop of a lingering high inflation-high interest rate environment and global recession risk. ASEAN-6 GDP growth is expected to ease but remain relatively resilient at 4.5% in 2023 (2022: 5.7%). ASEAN will continue to be supported by the reopening tailwinds and inflow of foreign direct investments (FDI) amid the ongoing diversification of manufacturing operations and capacity in response to geopolitical risk and the need for supply chain resilience and security.

For business outlook and how material risks and opportunities were addressed, refer to Macrotrends Impacting Risk Assessment on page 34 and Our Operating Context on page 38

 MALAYSIA	GDP: 2023 (f): 4.0% 2022: 8.7% 2021: 3.1%	OPR: 2023 (f): 2.75% - 3.00% 2022: 2.75% 2021: 1.75%
2022 Operating Landscape		
<p>Positives:</p> <ul style="list-style-type: none"> Full reopening of the economy from April 2022 led to real GDP growth surge amid pent-up spending and normalisation of business activities. Double-digit export growth, underpinned by the rise in commodity prices and strong demand for electronics. Firmer rebound in tourism industry as the increase in domestic travel was complemented by recovery in inbound tourists. Improvement in actual/realised private sector investment (especially FDI) following record-high approved private sector investment in 2021 that remained robust in 2022. 	<p>Negatives:</p> <ul style="list-style-type: none"> Higher inflation and interest rates amid increase in global commodity prices due to the Russia-Ukraine war and recurring lockdowns in China that disrupted global supply chains. High cost of living affecting households, and rising cost of doing business. Domestic political uncertainty resulting in a snap general election in November. Stronger US dollar against ringgit amid aggressive interest rate hikes by US Federal Reserve, further exacerbated by domestic political uncertainty. 	<p>2023 Outlook</p> <ul style="list-style-type: none"> Lower real GDP forecast in 2023 primarily reflecting slower consumer spending and external trade growth. While BNM left OPR unchanged at 2.75% during the January Monetary Policy Committee meeting, there is still potential for another hike to bring OPR back to pre-pandemic level. Potential upsides include shallower and shorter global recession; faster than expected economic growth in China; interest rate cuts; and de-escalation in geopolitical tensions. Downside risks include prolonged slow global economic growth; higher inflation due to changes in domestic policies on subsidies and price controls; higher external and domestic policy interest rates; prolonged worker shortage; continued geopolitical uncertainty; and emergence of new variants of COVID-19. Mitigating factors to curb uncertainties include drawdown of excess savings to buffer consumer spending; inbound tourism recovery; investment growth sustaining momentum; and a pro-growth Budget 2023.

 SINGAPORE	GDP: 2023 (f): 1.7% 2022: 3.6% 2021: 8.9%	3M SIBOR: 2023 (f): 4.8% 2022: 4.25% 2021: 0.44%
2022 Operating Landscape		
<p>Positives:</p> <ul style="list-style-type: none"> The service sector was a key driver of economic reopening tailwinds, boosted by recovery of consumer and tourism-related sectors such as retail trade, accommodation and food services, and air transport. Construction also rebounded from last year's low base, although it remained below pre-pandemic levels. Supporting growth: <ul style="list-style-type: none"> Strong position as regional financial centre, particularly in forex trade deals, private banking and asset management; and as regional headquarters for multi-national corporations (MNCs). Beneficiary of the US-China trade war, China's zero COVID-19 strategy, and Hong Kong's political uncertainties from Singapore's neutral stance. 	<p>Negatives:</p> <ul style="list-style-type: none"> Manufacturing sector slowed from reduced global demand for semiconductors and consumer electronics amid rising recessionary risks. This caused a contraction in non-oil domestic exports volume. Domestic interest rates (particularly mortgage rates) rose rapidly in line with the US Fed's monetary policy tightening, adding to household debt commitments. Property cooling measures effective 30 September 2022, such as private property owners having to wait 15 months after selling their property before being able to buy non-subsidised Housing & Development Board (HDB) resale flats, and lower loan-to-value (LTV) limit for HDB loans. 	<p>2023 Outlook</p> <ul style="list-style-type: none"> Two-sided economy emerging, which will diverge even more in 2023. Electronics manufacturing and trade-related services will stagnate and perhaps even contract in some months, while the services sector – hospitality, aviation, retail, recreation and construction – will maintain healthy growth. China's reopening may help to cushion slower external demand in the US and Europe, and lift visitor arrivals. Monetary Authority of Singapore (MAS) is likely to tighten monetary policy for the sixth time since October 2021 by re-centering S\$NEER to the prevailing level as core inflation remains elevated. Budget FY2023 remains expansionary with a small deficit (SGD0.4 billion or 0.1% of GDP) to help the lower-income and more vulnerable households, support young families and help businesses weather macroeconomic headwinds. GST Assurance Package was topped up by SGD3 billion, while more wealth taxes were imposed for higher-end property sales and luxury cars. Property cooling measures are expected to soften the property market.

 INDONESIA	GDP: 2023 (f): 5.0% 2022: 5.3% 2021: 3.7%	Reference Rate: 2023 (f): 5.75% 2022: 5.50% 2021: 3.50%
2022 Operating Landscape		
<p>Positives:</p> <ul style="list-style-type: none"> Economic reopening, healthy foreign investments and resilient external demand supported stronger GDP growth for 2022. Robust exports driven by higher commodity prices (coal, LNG, nickel) resulted in a current account surplus, and boosted fiscal revenue which rose by 31% YoY, about 16% above the target. Fiscal deficit in 2022, at 2.38% of GDP, was much smaller than the government's initial estimate of 4.85% of GDP, supported by strong revenues. 	<p>Negatives:</p> <ul style="list-style-type: none"> Layoffs were reported to have risen to almost one million in 2022 due to visibly slower exports from September 2022 onwards and the impact of the pandemic, which is still being felt by some companies. Bank Indonesia (BI) raised reference rates by a total of 200 bps between August and December amid inflation pressure following the 30% hike in subsidised fuel prices. 	<p>2023 Outlook</p> <ul style="list-style-type: none"> Domestic demand to remain steady in 2023, while external demand to moderate amid slower global growth. BI to allow easier credit rules including reduced down payments on property purchases (100% LTV) and for auto loans, which were extended to end-2023 from earlier expiry at end-2022. Inflation anticipated to stay elevated at 4.2% YoY as the impact of the 30% fuel price hike trickles over to transport costs. BI is expected to keep its policy rate at 5.75% following the 25 bps hike in January 2023, as inflation eases and the Rupiah improves. BI's focus will likely shift towards supporting growth. Budget 2023 set the fiscal deficit at IDR598 trillion (2.84% of GDP). While state revenue from natural resources is expected to decline in 2023, the Finance Ministry expects corporate income tax to support revenue amid the economic recovery.

Economic and Banking Sector Overview

BANKING SECTOR REVIEW AND OUTLOOK



MALAYSIA

System Loans: 2023 (f): 4.8% | 2022: 5.7% | 2021: 4.6%

2022 Review

- The sector benefitted from the economic reopening and recovery of business activities. Mortgage lending and hire purchase financing remained robust while lending to businesses picked up pace.
- Industry loan growth gathered momentum and rose 5.7% YoY in 2022, faster than the growth of 4.6% YoY in 2021. Household loans rose 5.9% YoY while non-household loans expanded 5.3% YoY.
- Net interest margin (NIM) expanded on the back of the four rate hikes during the year, taking the Overnight Policy Rate up 100 bps to 2.75% by end-2022.
- Investment income was affected by the rise in bond yields. Meanwhile, operating expenses picked up after two years of reduced spending during the periods of restricted movement.
- Credit costs remained elevated as banks continued to pre-emptively provide for potential asset quality deterioration of loans under moratorium and ahead of any potential consumption impact from rising interest rates. The industry's gross impaired loans ratio remained healthy, albeit marginally higher at 1.72% as at end December 2022 (end December 2021: 1.68%). Loan loss coverage averaged 98%.
- The expansion in earnings was moderated by Cukai Makmur. Dividend payouts for most have returned to pre-COVID-19 levels.

2023 Outlook

- Loans growth is expected to moderate in tandem with domestic economic growth.
- With deposit competition increasing and higher cost of funds, we anticipate that NIM will potentially remain flat or contract.
- Credit costs are expected to remain relatively moderate as banks have built up substantial pre-emptive provisions and are well positioned to weather through slower growth.
- There is potential for earnings to gain double-digit growth if corporate tax rates normalise in 2023.
- The five digital banks are expected to commence operations towards 2H 2023, but are unlikely to pose much of a competition to the incumbents anytime soon.



SINGAPORE

System Loans: 2023 (f): 1.0% | 2022*: -2.1% | 2021: 7.4%

2022 Review

- System loans reduced by 2.1% YoY in 2022 despite a healthy pick-up in the domestic Singapore economy. The divergence was largely due to non-resident lending, which declined by 6.8% YoY, while resident lending increased 1.3% YoY.
- Reopening of domestic sectors such as construction, transport and large corporates drove loan demand as well as rising mortgages amid drawdowns. Meanwhile, non-resident lending to sectors such as manufacturing and logistics was muted amid slower global demand, while wealth management related lending (as well as fees) declined from market volatility.
- NIM expanded as asset yields re-priced higher due to the US Fed and regional central bank rate hikes. Sector NIM expanded 32 bps YoY, the fastest pace in over a decade, which more than offset the decline in loans volume growth.
- System NPLs reduced to 1.84% vs. 2.12% in 2021. Loans under moratorium were at negligible levels while regional reopening tailwinds supported asset quality. There were limited signs of systemic stress across sectors.
- Specific provisions saw some YoY increases, while there were some small write-backs in general provisions. There are no systemic asset quality pressures seen so far.
- Overall, deposits expanded a further 7% YoY (2021: 6%). SGD deposits had moderate growth at 1% YoY whereas FX deposits increased 13% YoY pointing to safe haven liquidity inflows.

2023 Outlook

- NIM to expand at a slower pace in 2023 as interest rates persist to rise and the US Fed and regional central banks continue to manage inflation.
- Loans growth expected to be muted amid slower global economic growth expectations. However, with China reopening its market, there could be potential upside to loans growth.
- Near 100% provisioning coverage is anticipated to keep credit charges at long-run rates. However, excess provisions put in place during the pandemic are unlikely to see write-backs given macro uncertainties.
- Improving market conditions could drive wealth management, fund management fee income as well as trading income.
- The sector is anticipated to accelerate hyper-personalised banking services leveraging Artificial Intelligence and Big Data in 2023 to capture a larger share of fees in mass market wealth management.



INDONESIA

System Loans: 2023 (f): 9.5% | 2022: 11.4% | 2021: 5.2%

2022 Review

- Loans growth accelerated to 11.4% YoY supported by attractive lending rates. Credit demand remained strong in all segments, i.e. investment, working capital and consumer lending as regional economic reopening spurred recovery in business activities.
- Gross NPL ratio improved to 2.44% as at end December 2022 (end December 2021: 3.00%) while net NPL ratio stood at 0.71%, as the economic reopening enabled businesses to resume operations thus meet repayments.
- Loan-to-deposit ratio (LDR) rose to 80.5% (end December 2021: 77.1%) from stronger loans growth. Deposits grew 9.0% (2021: 9.4%).
- NIM expanded to 4.71% (2021: 4.51%) along with the stronger loans growth.
- Capital adequacy ratio was 25.6% as at end December 2022, well above the minimum regulatory requirement of 8%.

2023 Outlook

- We expect loans to grow by 9.5% in 2023 from higher demand for working capital and investment, while deposits slow down to 8%, resulting in tightening liquidity with LDR expected to increase to 85%.
- The termination of loan restructuring in March 2023, except for micro SMEs, hospitality and labour-intensive sectors, is expected to cause banks' NPL ratios to rise.
- We expect cost of funds to increase as funding competition continues to rise and BI maintains its higher reference rates and reserve requirement ratio.
- We see strong government support for subsidised micro loans with the target disbursement increasing by about 20% to IDR450 trillion from IDR373 trillion in 2022.

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

Macrotrends Impacting Risk Assessment

In light of the operating landscape in 2022, we have identified significant macrotrends that impact the risk assessment of our businesses in our home countries and across the region.

ECONOMIC UNCERTAINTY

[2022 ↔ 2021 ↔]

Key Drivers:

- Uncertain economic growth amid rising inflationary pressure.
- Changes in domestic monetary policies to counter rising interest rate globally and strong US dollar.
- Significant weakening of global financial markets.

Implications to Maybank:

- Slower economic activities due to cautious business and consumer sentiments could lead to lower profitability.
- Potentially weaker asset quality.

Key Actions Undertaken in 2022:

- Enhanced our analytical capabilities/tools to enable data-driven decision-making.
- Continuously delivered actionable risk intelligence by providing recommendations and tailored plans to identify new revenue pools and manage our portfolio.
- Proactively monitored economic developments and realigned the Group's portfolio/business strategy.
- Identified emerging risks through stress tests and scenario analysis, and formulated pre-emptive actions to address possible impacts.

Related Capitals: 

Related Material Matters: 

Related Principal Risks:   

ESCALATING GEOPOLITICAL RISK

[2022 ↑ 2021 ↑]

Key Drivers:

- Geopolitical tensions leading to supply chain disruptions, inflation and market volatility.

Implications to Maybank:

- Slower credit growth due to weaker business and consumer confidence.

Key Actions Undertaken in 2022:

- Enhanced communication mechanism that provides timely and insightful information on risks/opportunities for better decision-making.
- Realigned the Group's portfolio/business strategy according to geopolitical developments.

Related Capitals: 

Related Material Matters: 

Related Principal Risks:  

TECHNOLOGY AND DIGITAL DISRUPTIONS

[2022 ↑ 2021 ↑]

Key Drivers:

- Accelerating digitalisation, technology adoption and innovation to stay competitive, enhance productivity and improve the customer experience.
- Heightened regulatory expectations to ensure financial system availability and security against increasingly sophisticated cyber attacks.

Implications to Maybank:

- Heightened need for resilience in information technology (IT) systems in view of increasing dependence on digital platforms and new technologies.
- Potential internal operational recovery cost, opportunity loss and legal fees.
- Potential damage to our reputation and resilience.

Key Actions Undertaken in 2022:

- Continued to enhance IT infrastructure (ecosystem), cyber defence and technology capabilities to remain operationally resilient and limit systemic disruptions.
- Monitored the adequacy and effectiveness of our IT controls and new/emerging IT risks associated with our digital acceleration.

Related Capitals:    

Related Material Matters: 

Related Principal Risks:   

Macrotrends Impacting Risk Assessment

RISING OPERATIONAL CHALLENGES

[2022 ↑ 2021 ↑]

Key Drivers:

- Increasing operational challenges caused by:
 - Shifting clients' preference towards digital channels, products and services.
 - New ways of agile working.
 - Increase in third-parties' involvement.
- Social engineering attacks due to increased reliance on technology.
- Technology talent shortage amid digital transformation race requiring new tech skills.

Implications to Maybank:

- Potential loss in revenue, reputation and/or productivity from failure to maintain operational resilience across the supply chain.
- Potential impact on our trustworthiness/reputation due to data breaches, leading to increased costs to address the situation.
- Inability to hire and retain the right talents may affect our long-term sustainability.

Key Actions Undertaken in 2022:

- Strengthened the Group's operational resilience through robust business continuity and long-term strategic plans, including ongoing platform enhancements and assessment of the business, infrastructure, critical service providers and workplace requirements.
- Workforce futurisation by accelerating our employees' development through adaptive tools, professionally accredited training and upskilling.

Related Capitals:     

Related Material Matters:  

Related Principal Risks:   

INCREASING SUSTAINABILITY EXPECTATIONS

[2022 ↑ 2021 ↑]

Key Drivers:

- Heightened regulatory expectations and reporting requirements related to sustainability from a governance, disclosure and risk management perspective.
- Greater interest and expectations on sustainability practices from various stakeholders including our Board and Management.

Implications to Maybank:

- Heightened credit risk of clients who do not adopt ESG practices or are exposed to climate change impacts and transition risks.
- Increased market risk due to a shift in investor preference away from carbon intensive sectors or investees with poor ESG practices.
- Impact of climate change on business continuity, insurance coverage and/or premiums.
- Financial, regulatory and/or reputational impact from Maybank's or investees'/clients' inability to address ESG requirements in a timely manner.

Key Actions Undertaken in 2022:

- Commenced development of Climate Risk Policy to establish the approach in managing climate risk.
- Established Sustainable Product Framework to promote the development of sustainable products and determine customers' eligibility for sustainable finance.
- Established Scope 3 financed emissions baseline.
- Obtained Board approval for the Group's ESG Risk Appetite Statement.
- Established the Sustainability Circle to cultivate internal sustainability advocates.

Related Capitals:     

Related Material Matters:    

Related Principal Risks:    

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

Principal Risks

Despite continued uncertainties in our operating environment, we have demonstrated resilience in our ability to manage emerging risks consistently across the Group in line with our risk appetite. The Group's principal risks FY2022 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 the Statement on Risk Management and Internal Control on page 106

1 CREDIT RISK

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

Key Actions:

- Adopted a holistic risk management approach focusing on sustainable long-term portfolio growth, and early mitigation strategies for distressed portfolios.
- Established business strategy for target client segments and sectors according to Risk Acceptance Criteria (RAC) and Industry Prioritisation Matrix (IPM).
- Continuously enhanced account monitoring tool and automation process to assist business units in timely identification of vulnerable accounts.
- Integration of ESG-related risk assessment in underwriting of credit propositions to mitigate risk of stranded assets which may lead to credit risk.
- Incorporated ESG elements and requirements into the Group Credit Risk Framework and Policy as well as other credit risk documents.
- Established and refined the RAC for high-risk sectors including credit and ESG criteria to support the transition to sustainable financing and practices.
- Established an updated governance process for new collateral or changes to existing collateral requirements.
- Revised the guidance on bullet and balloon loan repayment structure to address refinancing risk.

 For more information, refer to credit risk management on page 157 of the Financial Statements and Basel II Pillar 3 Disclosure on Credit Risk on www.maybank.com/ar

2 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 periodic thematic reviews, stress testing and ad-hoc stress tests for insights into banking and trading book exposures, we also proactively assessed banking book portfolio risks for opportunities and vulnerabilities in a rising interest rate environment, and for strategy planning.
- 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 market risk management on page 180 of the Financial Statements and Basel II Pillar 3 Disclosure on Market Risk on www.maybank.com/ar

3 LIQUIDITY RISK

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

Key Actions:

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

 For more information, refer to liquidity risk management on page 194 of the Financial Statements and Basel II Pillar 3 Disclosure on Liquidity Risk on www.maybank.com/ar

4 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:

- Established an integrated Governance, Risk and Compliance (GRC) Solution to improve analytics capability.
- Established a real-time and integrated approach in managing and responding to risk building resilience and improving customer experience.
- Strengthened operational resilience management via measures such as establishing permanent split operations, monitoring systems availability and business continuity planning across the supply chain.

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

5 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:

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

 For more information on how we manage IT Risk, refer to Pervasively Digital and Statement on Risk Management and Internal Control on pages 69 and 110

6 COMPLIANCE RISK

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

Key Actions:

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

 For more information, refer to Statement on Risk Management and Internal Control on page 109

Principal Risks

7 ENTERPRISE RISK

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

Key Actions:

- Strengthened data accessibility and availability through shared data platform, risk data glossary enhancements and enforcing data controls based on accurate, complete and timely data.
- Continued to support lines of business to develop dynamic tools to manage the Group's portfolio risk.
- Enhanced Reputational Risk Internal Capital Adequacy Assessment Process (ICAAP) assessment and process.

8 MODEL RISK

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

Key Actions:

- Established model risk management framework and policy to manage and mitigate model risk in the Group.
- Continuously conducted sensitivity analysis for relevant models to assess the impact of loans under repayment assistance as they gradually expire.
- Conducted peer review of various non-regulatory models to ensure robustness.
- Enhanced model monitoring framework to ensure timely detection of model weaknesses.
- Initiated trial automation for various aspects of model lifecycle to increase efficiency and reduce risk of error.
- Increased training and use of open-source tools and languages to ensure agility and reduce reliance on vendors to improve cost efficiency.
- Sharing of best practices and tools between Risk Centres of Excellence (COEs) to elevate the expertise of modellers across the Group.

9 FINANCIAL RISK

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

Key Actions:

- Continuous measures to monitor and improve risk-weighted asset consumption across the Group, such as fine-tuning our models, internal processes as well as our policies.
- Enhanced the customer experience and drove profitability by deepening wallet share, boosting digital propositions via ecosystems and analytics capabilities, and refining end-to-end customer journeys.
- Execution of M25+ strategic programmes to strengthen market positions, capture new growth opportunities and future-proof our infrastructure and capabilities.

 For more information, refer to Reflections from Our Group Chief Financial Officer, Pervasively Digital, Customer Experience, and Sustainability Review on pages 44, 69, 72, 119 and financial risk management on page 151 of the Financial Statements

10 TAKAFUL & INSURANCE RISK

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

Key Actions:

- Conducted stress tests with different scenarios to support the decision-making process.
- Prepared for implementation of regulatory-driven projects such as Phased Liberalisation of Motor and Fire Tariffs and Climate Risk Management and Scenario Analysis.
- Enhanced Takaful and Insurance management reporting by embedding predictive analytics.
- Actively calibrated and monitored key risk indicators.

11 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 framework.

 For more information on how we manage our people, refer to Group Human Capital and Statement on Risk Management and Internal Control on pages 73 and 111

12 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISK

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

Key Actions:

- Rolled out ESG screening to embed ESG considerations into the process of evaluating corporate clients.
- Enhanced our position papers for existing high ESG risk sectors and broadened our Palm Oil position to cover the Agriculture industry.
- Embarked on strategic affiliations with the Partnership for Carbon Accounting Financials (PCAF), UN Global Compact (UNGC) and UNEP FI Net Zero Banking Alliance (NZBA), while becoming an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD) for technical guidance and insights into enhancing our sustainability practices.
- Embarked on engagement with major contributors to the Group's financed emissions to support their transition journeys.
- Engaged with Bursa Malaysia, Malaysian Sustainable Finance Initiative (MSFI), UNGC and Bloomberg on various aspects of sustainability, in addition to chairing the Association of Banks in Malaysia ESG Committee, to help shape industry practices.
- Rolled out our geospatial application for the agriculture sector that provides ESG-related pre-screening assessment of underlying assets, facilitating effective management of portfolio risks by our business units.
- Expanded industry ESG research coverage to capture potential risks and opportunities within the entire value chain of each industry.

 For more information, refer to the Sustainability Report which will be made available online at www.maybank.com/ar and www.maybankfoundation.com

Our Operating Context

The most significant trend in 2022 was a gradual yet discernible global economic recovery with the resumption of business activities along with the reopening of borders and easing of restrictions. This recovery, however, was dampened by market volatilities amid inflationary pressure and higher interest rates. Within this context, Maybank sought to strike a balance between seeking new growth opportunities and managing our risks as well as threats. We manoeuvred cautiously while building the right capabilities and competencies to continuously deliver value to our stakeholders amid the uncertainties.

 The **FOUR BUSINESSES** are impacted by all material matters and principal risks. The businesses will leverage all six capitals to shape their respective strategies to address these material matters and manage risks in creating value for the five stakeholder groups.

 This section discusses our strategic views and responses, supplementary to the Economic and Banking Sector Overview, Macrotrends Impacting Risk Assessment and Principal Risks sections on pages 32 to 37



Operating Landscape Impact

- Higher interest rate environment led to better net interest margin (NIM) and profitability.
- Economic environment remains uncertain due to emergence of new COVID-19 strains and supply chain bottlenecks.
- Loans growth was positive with improved repayment ability upon expiry of repayment packages as economic activities picked up post pandemic.
- Prolonged market volatility and heightened geopolitical tensions have raised concerns on asset quality and non-interest income, while probable recession casts a shadow on fiscal stability.
- More customers expect banking products and services that are personalised to their needs and are available digitally.
- There is also an increasing threat of cybercrime and scams.

Material Risks & Opportunities

- Ever-evolving customer demand gives rise to the need to develop hyper-personalised data-driven solutions and products that complement the Group's financial offerings.
- Increased potential to expand product offerings and scale up digital innovations for the SME segment.
- Increased need to manage asset quality for impacted SMEs and consumers.
- Surging demand for unique wealth management propositions and financial planning education as more customers seek to safeguard their portfolios from weakening market sentiment.
- Need for more robust online defences to protect against uptick in cyber threats and crime.

Our Response

- Unveiled product suite that transcends traditional banking capabilities to create holistic end-to-end ecosystems across different customer value chains.
- Enhanced and expanded our suite of Straight-Through Processing (STP) capabilities to provide seamless customer experience and account on-boarding.
- Provided expedient and intuitive offerings, with an emphasis on cashless and contactless capabilities.
- Nurtured SMEs by equipping them with digital solutions to help them make better operational and financial business decisions.
- Offered comprehensive wealth management solutions including ESG-conscious investment offerings, empowering our customers through financial education and leveraging our financial offerings to grow their wealth.
- Enhanced cyber security via measures such as migration from SMS OTP to Secure2u while strengthening efforts to create greater customer awareness.

 For more details please refer to Group Community Financial Services on pages 57 to 59

Outlook & Priorities for 2023

We anticipate a subdued economic environment due to weakening sentiment and continued inflationary pressures. Accordingly, we will sharpen our strategic focus to create firmer foundational capabilities for sustainable shareholder returns. We look to intensify our customer-centricity, adopting an agile and iterative minimum viable product approach that focuses on reimagining the customer's journey for both our consumers and SMEs. We will also leverage our data to better understand the consumption patterns of our diverse base of customers and provide them a truly hyper-personalised and meaningful banking experience. Cyber security remains a priority as we step up our online security measures and promote awareness of cybercrimes in order to safeguard our shareholders', customers' and communities' financial assets.

Related Strategic Thrusts and Programmes:

ALL SP3 TO SP12

Operating Landscape Impact

- Reopening of economies along with the waning pandemic has led to an increase in economic activity and private consumption, resulting in enhanced loans growth.
- Despite stronger ASEAN GDP growth, the global economy remained volatile affecting daily trading volume and liquidity of equity markets amid geopolitical tensions, tightening monetary policies and a high inflationary environment.
- ESG and sustainable development towards a low-carbon future is a growing theme among policymakers, businesses and investors.
- Increasing customer preference for online investment platforms.

Material Risks & Opportunities

- Growth opportunities in selected sectors such as healthcare, technology, telecommunications, power, as well as oil and gas.
- Potential increase in investment/mergers and acquisitions activities as valuations adjust to changing market landscape inducing industry consolidation.
- Increasing need to accelerate investments and improvements in digital investment platforms that are secure to capitalise on changing customer preferences.
- Navigating business operational risk against the backdrop of successive interest rate hikes, tightening of monetary policies and geopolitical tensions which have led to slower global economic growth.

Our Response

- Developed client-centric solutions and tailored our risk appetite in client segments, products and solutions to capitalise on risk-adjusted growth opportunities.
- Accelerated investments in digitalisation, such as multi-asset platform and digital channels, while building advisory capabilities in digital and new economic sectors.
- Continued to build capabilities across businesses and markets to provide ESG-related solutions that can help our customers transition effectively, while developing sustainability as a strategic differentiator in our offerings.
- Continued to manage our loans portfolio proactively and assist customers facing cash flow difficulties by offering restructuring and rescheduling (R&R) solutions to ease their repayment obligations.

 For more details please refer to Group Global Banking on pages 60 to 62

Outlook & Priorities for 2023

Global economic growth is expected to continue to be soft in 2023 amid moderation in trade activities and supply strains, inflationary pressures, tightening of monetary policies and geopolitical tensions. Nevertheless, we remain cautiously optimistic of continued economic recovery in ASEAN driven by stronger domestic demand, improved labour market, tourism-related activities, sustained exports and the receding effects of the pandemic. We expect an increase in financing activities and that sustainable development will be a growing priority for our clients in 2023. We will continue to focus on providing customer-centric solutions, accelerating our investments into building digital capabilities, leveraging regional connectivity to enhance go-to-market offerings, and expanding our sustainable values-infused offerings.

Related Strategic Thrusts and Programmes:

ALL SP1 SP2 SP5 SP7 TO SP12

Our Operating Context



GROUP INSURANCE & TAKAFUL

Operating Landscape Impact

- Even as the pandemic is waning, products and service offerings are increasingly transitioning towards digital platforms. There is an increase in competition from new entrants, digital offerings and disruptors in distribution channels.
- More financial institutions are incorporating sustainability into their strategy and business approach to create long-term value, as sustainability awareness is advancing among the investment community and the general population.
- Market volatility results in weaker investor sentiment amid higher yields, inflationary pressure, trade constraints and geopolitical tensions.

Material Risks & Opportunities

- Increased need to develop and create awareness of online insurance products, as well as diversified online distribution channels and services.
- Opportunity to broaden the ESG and Value Based Intermediation (VBI) scope with related partnerships and business opportunities.
- Weaker demand for investment-linked products as investment returns were affected by volatile market conditions.

Our Response

- Continued to build capabilities and offerings in the digital insurance space in Malaysia and Singapore, with ambitions to capture market share in Indonesia, the Philippines and Cambodia. Provided customers with fast and easy-to-use solutions for tasks like the submission of medical claims, one touchpoint request for local and overseas hospital guarantee letters, and road tax renewals, among others, on our Smile App.
- Created product awareness with community outreach programmes such as the Free Mammogram Programme (Phase 5) and Etiqa's National Mobile Screening Programme and CleanWater Project, among others.
- Expanded our coverage into the ESG and VBI space through products such as "Drive Less, Save More", online road tax renewal, ESG Investment-Linked Product via Bancassurance and others.
- Focused on providing the best advice during uncertain times while deepening our analytics to tailor products to customer needs.

For more details please refer to Group Insurance & Takaful on pages 63 to 65

Outlook & Priorities for 2023

The economic outlook remains uncertain for the near future with global inflationary pressures, heightened geopolitical risks and tightening of monetary policies set to dampen both investment returns as well as demand for investment-linked policies. Nevertheless, as mobility indices (a measure of time and cost to travel) have largely returned to pre-pandemic levels across ASEAN, there will be more demand for Travel, Motor and Fire insurance while issuances of Letters of Guarantee for medical treatment will rise as patients return to hospitals for deferred treatments. We also anticipate that regulators will continue to push for sustainability practices, to the advantage of industry players.



GROUP ISLAMIC BANKING

Operating Landscape Impact

- Economic growth improved as the country transitioned to endemicity, but was affected by global inflation, tightening monetary policies, supply chain disruptions from lockdowns in China, and volatile commodity markets due to geopolitical tensions.
- Customers expect products to be digitally available, with hyper-personalisation driving business growth.
- Demand in the global Halal economy is anticipated to grow on the back of growing Muslim populations, increased consumer preference for ethical financing, and governmental support.
- ESG has become a crucial consideration in the provision of financial products and services.

Material Risks & Opportunities

- Normalising economic activity amid endemicity has increased consumer spending and competition for deposits.
- We have identified Islamic Wealth Management (IWM) as a key focus area with emphasis on fulfilling customers' diverse needs from wealth creation to distribution.
- Provision of digital and sustainable financial solutions for consumers continues to gain momentum with an emphasis on responsible and ethical practices.
- There is a need to provide more offerings that can support and educate our customers to navigate the Halal economy.
- Growing interest in ESG investing creates greater opportunities for Islamic finance, with the two sharing similar principles of contributing towards social and environmental imperatives.

Our Response

- Rolled out new IWM product package, dedicated IWM Relationship Managers, and above the line (ATL) marketing initiatives.
- Introduced initiatives targeting Halal certified businesses via a customised Islamic financial solution to enable further business expansion to meet growing demand for Halal products.
- Continued to embed sustainability into our business practices and Shariah-compliant financial products to fulfil customers' needs.
- Leveraged MAE by Maybank2u and Maybank2u website to reach out to customers, offering them digital financial solutions such as Zest-i, MIGA-i, SME Digital Financing, ASB Financing and Personal Financing.
- Provided ethical and sustainable banking solutions to serve underprivileged segments in collaboration with organisations such as Majlis Agama Islam Negeri (State Islamic Religious Councils), as well as through internal programmes like R.I.S.E which target differently-abled business owners.
- Encouraged customers to maintain and/or increase their deposits with us through campaigns to increase awareness of the benefits of migration to Islamic accounts, and the Zakat Direct Debit programme that enhances the experience of Islamic account customers, among others.

For more details please refer to Group Islamic Banking on pages 66 to 68

Outlook & Priorities for 2023

As the global economy is expected to remain volatile amid higher inflation and supply chain disruptions, regulators in our home markets are likely to maintain an accommodative posture in monetary policy while continuing to encourage the development of financial solutions that stimulate sustainable growth and financial inclusion. We remain committed towards providing such solutions to serve the needs of customers including the infusion of zakat, waqf and sadaqah. This will be coupled with digitalisation of solutions to enhance the customer experience and distribution network as we build our global leadership in Islamic banking.

Our Strategy

OUR PROGRESS

Maybank Group made good progress through the M25 strategy, which provided a strong foundation to sustain growth and resilience in the face of the challenging environment caused by the COVID-19 pandemic and external headwinds.

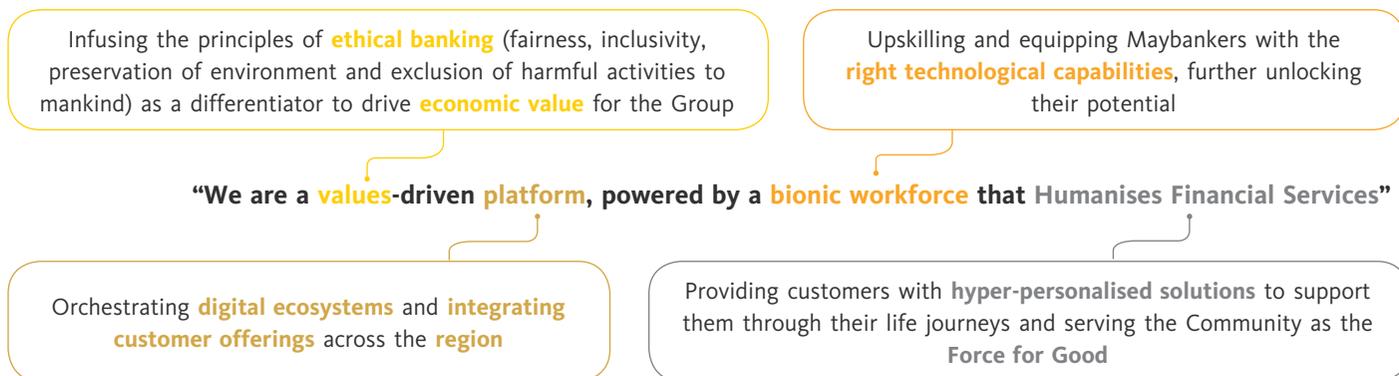
We introduced an extensive suite of solutions that helped our customers and communities through unprecedented times. We continue to lead in digitalisation efforts resulting in mobile and internet banking transaction volume market share of 53.1% and 50.2% respectively in Malaysia. We launched market leading digital solutions that further eased access to financing, such as Personal Digital Financing and Maybank Home²u with the capability to enable approvals within 10 seconds. Our lifestyle app MAE also gathered 8.3 million app downloads since its launch in 2020.

Furthermore, we made meaningful gains on the sustainability front with the development of our Sustainable Product Framework (SPF) which guides the development and classification of green, social, sustainable and transition products. We were one of the first banks in ASEAN to establish our Scope 3 financed emissions baseline and we have successfully reduced our Scope 1 and 2 emissions by 41% as of year-end 2022. In fact, the Group has exceeded all four annual sustainability commitment targets in 2022. As a result of the significant progress made, the Board approved an upward revision for Commitments 1 and 2 in December 2022 to a target of RM80 billion in Sustainable Finance (from RM50 billion previously) and improving the lives of two million households across ASEAN by 2025 (from one million households previously), respectively.

Looking ahead, market trends have evolved and the banking sector is on the cusp of facing even greater disruption and macro headwinds at an increasing scale. Therefore, we took concerted steps in 2022 to further refine our long-term strategy to ensure the Group remains agile for continued growth and delivers sustainable returns by identifying and accelerating new capabilities, especially in technology and people.

M25+: FROM GOOD TO GREAT

Our refined strategy, M25+, will steer the Group on a deeper purpose of becoming a “**values-driven platform, powered by a bionic workforce that Humanises Financial Services**”.



Five Key Strategic Thrusts

Building on the foundation laid by the M25 plan, M25+ will reinforce the push for more meaningful differentiation across five key strategic thrusts and create firmer foundational capabilities for long-term sustainable growth.

Refined Strategic Thrusts	Related Capitals	Related Material Matters	Related Principal Risks	Related Stakeholders
ST1 Intensify Customer-centricity Full agile and iterative Minimum Viable Product (MVP) approach, through customer journeys and imagining the end-state model	FC IC MC SRC		ALL	
ST2 Accelerate Digitalisation and Technology Modernisation End-to-end STP platform that integrates with ecosystems within and beyond banking	FC IC MC HC		NFR ITR CoR ER PPR	
ST3 Strengthen Maybank's Position beyond Malaysia Regionalisation of business and product solutions, as well as technological platforms and applications, with clear leadership in Malaysia	FC IC MC SRC NC		ALL	
ST4 Drive Leadership in Sustainability Agenda Expanded scope to embrace ethical banking principles, deepen social impact and execution of decarbonisation strategy	ALL		ESGR	
ST5 Achieve True Global Leadership in Islamic Banking Global Islamic Wealth Management (IWM) leader with Singapore as hub and Middle East/ASEAN countries as spokes	FC IC MC SRC NC		ALL	

12 STRATEGIC PROGRAMMES (SPs)

In achieving our intended outcomes, we formulated 12 Strategic Programmes (SPs) to strengthen our foundation and competitiveness. These SPs and our collective efforts will enable us to create an end-to-end journey that captures every part of an individual's or entity's life and growth cycles.

The 12 SPs have been institutionalised across the Group to ensure full infusion of ethical principles, regional integration, cross-sector collaborations and adoption of Agile ways of working to drive successful outcomes from our strategic thrusts.

Our Strategy

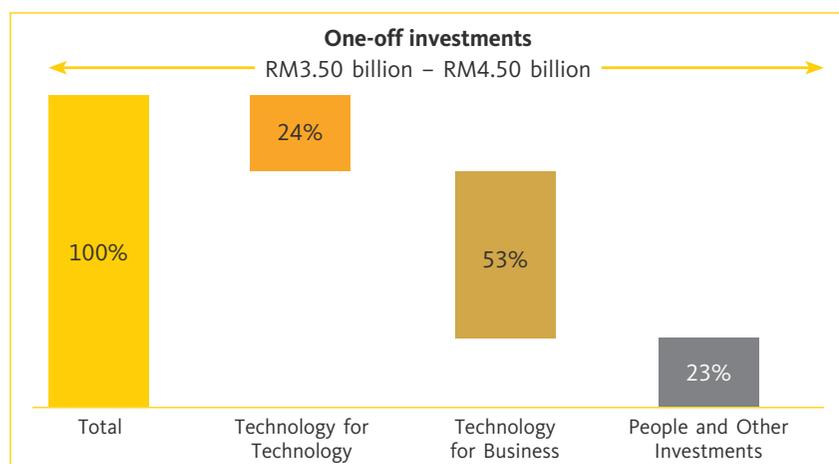
The 12 Strategic Programmes (SPs)		Related Capitals	Related Material Matters	Related Principal Risks	Related Stakeholders
SP1	Reshape wholesale target operating model To enhance group-wide coverage model and build deeper sector expertise, offering tailored solutions				
SP2	Build a regional transaction banking proposition Establish cross-country target operating model for regional trade, payments, and financial supply chain and cash management	FC IC MC	💡		👤 📈
SP3	Reimagine the consumer banking customer journey Reimagine customer journey across key growth milestones and beyond banking while orchestrate within select digital ecosystems				
SP4	Reimagine the SME banking customer journey Reimagine SME journey across key growth milestones and beyond banking while orchestrate within select digital ecosystems			ALL	
SP5	Build global Islamic banking leadership Establish global IWM hub in Singapore and Middle East/ASEAN countries as spokes; establish as-a-service offering to expand into new markets				
SP6	Become a regional leader in Insurance Strengthen Life coverage in core markets, scale and expand regionally, and deliver customer-centricity via STPs and analytics	FC IC MC SRC NC	🌱 🤝 💡		👤 📈 🏥
SP7	Uplift Indonesia Continue to strengthen fundamentals, differentiate and grow through expansion of select key levers				
SP8	Redefine our International footprint Refocus Maybank's global footprint, redesign target operating model for select markets, and optimise investment portfolio	FC MC SRC NC			
SP9	Be the Sustainability leader in SEA Build segment-specific business strategies and develop a sustainability integrated target operating model	ALL	🌐 🌱 🏥 🤝 💡	ESGR	👤 📈 🏠 🏥
SP10	Elevate Maybankers Initiate strategic workforce planning, reimagine the employee value proposition, enhance performance management and institutionalise Agile@Scale	FC HC	🏥	PPR	📈 📄
SP11	Drive hyper-personalisation through advanced analytics Develop platforms that enable hyper-personalisation experiences for customers	FC IC MC SRC	💡	NFR ITR ER	👤 📈
SP12	Build Next-Gen Technology capabilities Build a digital-ready architecture, implement an operating model that drives seamless collaboration and prioritisation of initiatives	FC HC IC	🏥 💡	PPR	👤 📈 📄

To enable our M25+ strategy, the Group will channel strategic investments of about RM3.50 billion to RM4.50 billion over the next three to five years to drive these programmes and build new capabilities across key focus areas:

Technology for Technology: To drive improvement in our digital infrastructure with potential areas for investments in data platforms, channel integration, Straight-Through Processing, API layer, and others.

Technology for Business: To enhance our consumer and SME customer experience journey from end-to-end, with business driven architecture enablement to support business unit Strategic Programmes.

People and other investments: To accelerate the institutionalisation of Agile delivery, talent investments, and appointment of expert resources to build on Maybank's commitment to empowering Maybankers with new-age skills and roles.



The realisation of M25+ will transform Maybank's performance through the reinforcement of business growth with digital and technological capabilities and reimagined customer journeys that will meet our customers' needs and experience.

GROWTH PERFORMANCE (FY2025 TARGETS)

Income Growth FY2021-FY2025 CAGR 2-3x FY2017-FY2021 CAGR: 2.3%	Loans Growth FY2021-FY2025 CAGR ~7% FY2017-FY2021 CAGR: 3%
Overseas Income FY2022-FY2025 CAGR ~7% FY2017-FY2021 CAGR: -4%	Digital Customers >80%

PROFITABILITY (FY2025 TARGETS)

Fee Income Percent ~32%	Cost to Income Ratio ~45%	Return on Equity 11%-12%
--	--	---

NON-FINANCIAL METRICS (FY2025 TARGETS)

Acceleration in time-to-market ~2-4x	Increased customer satisfaction ~10%-20%
Employee engagement >90%	Next-Gen workforce 25%-30%

Key Performance Indicators

As we refined our long-term strategy, M25+, against an evolving operating environment and socio-economic trends, we have updated our key performance metrics to measure our progress and ability to deliver value for all stakeholders.

KEY PERFORMANCE INDICATORS	VALUE PROPOSITION	METRICS	FY2021 PERFORMANCE	FY2022 PERFORMANCE	FY2022 ANNUAL TARGET	TARGET BY FY2025
 SUSTAINABLE SHAREHOLDER RETURNS	To deliver strong shareholder returns by driving income growth supported by healthy loans expansion and fee income growth while diligently managing our costs	Income Growth[^]	2.8% YoY	8.5% YoY ↑	-	2-3x CAGR FY2021 – FY2025 (2.3% CAGR FY2017 – FY2021)
		Loans Growth[^]	5.7% YoY	6.0% YoY ↑	-	~7% CAGR FY2021 – FY2025 (3% CAGR FY2017 – FY2021)
		Fee to Income Ratio[^]	25.0%	25.1% ↑	-	~32%
		Cost to Income Ratio	45.3%	46.4% ↑	45%-46%	~45%
		Dividend Payout Ratio	84.5%	84.6% ↑	40%-60% <input checked="" type="checkbox"/>	40%-60%
		Return on Equity	9.8%	10.0% ↑	9.5%-10.0% <input checked="" type="checkbox"/>	11%-12%

KEY PERFORMANCE INDICATORS	VALUE PROPOSITION	METRICS	FY2021 PERFORMANCE	FY2022 PERFORMANCE	FY2022 ANNUAL TARGET	TARGET BY FY2025
 TOP RATED CUSTOMER EXPERIENCE	To ensure best-in-class customer experience by listening to the voice of customers and imagining their life journeys. To become the marketplace for them to fulfil their banking and non-banking needs	Net Promoter Score	+23 (95 th percentile)	+24 ↑ (95th percentile)	>75 th percentile <input checked="" type="checkbox"/>	>75 th percentile
		Digital Customer Penetration[^]	71%	74% ↑	-	>80%

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

Note: indicates FY2022 target has been achieved

[^] Metrics that are disclosed in line with the refined M25+ strategy

* Malaysia Renewable Energy Certificates

** Revised FY2025 target for Commitment 1 (RM50 billion previously) and Commitment 2 (one million households previously). More details available in Our Strategy and Sustainability Review sections on pages 40 and 119

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

+ Against 2019 baseline

Key Performance Indicators

KEY PERFORMANCE INDICATORS	VALUE PROPOSITION	METRICS	FY2021 PERFORMANCE	FY2022 PERFORMANCE	FY2022 ANNUAL TARGET	TARGET
 <p>SUSTAINABILITY LEADER IN SEA</p>	To champion decarbonisation and transition strategies for our clients and Maybank itself, drive social and economic development of our communities in ASEAN and sustainability practices within Maybank	Sustainable Financing	Over RM13.6 billion	RM20.7 billion ↑	RM9 billion <input checked="" type="checkbox"/>	Mobilising RM80 billion in sustainable finance** by 2025. Achieved ~RM34.4 billion as at 31 December 2022
		Improving Households	502,759 households	368,441 households ↓	150,000 households <input checked="" type="checkbox"/>	Improving the lives of two million households** across ASEAN by 2025. Achieved 871,200 as at 31 December 2022
		Carbon Neutral Position	Sale and Purchase Agreement of mRECs*	41% reduction in scope 1 & scope 2 emissions ⁺ ↑	40% reduction in scope 1 & scope 2 emissions <input checked="" type="checkbox"/>	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	1,636,652 hours [#]	1,563,720 hours [#] ↓	One million hours <input checked="" type="checkbox"/>	Achieving one million hours per annum on sustainability and delivering one thousand significant UN SDG-related outcomes by 2025

KEY PERFORMANCE INDICATORS	VALUE PROPOSITION	METRICS	FY2021 PERFORMANCE	FY2022 PERFORMANCE	FY2022 ANNUAL TARGET	TARGET BY FY2025
 <p>A LEADING EMPLOYER</p>	To successfully build and retain a strong and diverse talent pool	Succession Realisation for Mission Critical Positions	93%	86% ↓	80% <input checked="" type="checkbox"/>	80%
		Women in Senior Management	41%	41% ↔	42%	45%

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

Note: indicates FY2022 target has been achieved

[^] Metrics that are disclosed in line with the refined M25+ strategy

^{*} Malaysia Renewable Energy Certificates

^{**} Revised FY2025 target for Commitment 1 (RM50 billion previously) and Commitment 2 (one million households previously). More details available in Our Strategy and Sustainability Review sections on pages 40 and 119

[#] 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

⁺ Against 2019 baseline



Reflections From Our Group Chief Financial Officer

OVERVIEW

The year 2022 saw economic recovery as ASEAN countries recorded a strong rebound in economic activities driven by improved mobility and lifting of border restrictions. Consumer demand also returned in tandem with full economic reopening. On the back of an improved economic environment, we delivered a commendable set of financial results with good loans growth in FY2022. It was by no means an easy feat against rising inflationary pressures, tightening global monetary conditions and geopolitical tensions, among others. Our priorities remained on preserving liquidity and capital strengths for us to continuously support our customers' funding needs and our business growth. With the gradual reduction of pandemic-related fiscal support measures by governments, we stepped up efforts to proactively engage with customers on a targeted basis to extend additional support for those in need, while retaining adequate provision buffers for potential weakening in asset quality.

TOP ACHIEVEMENTS IN 2022



Net operating income rose 8.5% YoY on stronger net fund based and non-interest income



Credit cost improved to 40 bps from 51 bps in the previous year given 17.6% YoY reduction in net loan loss provision



Healthy Group gross loans growth of 6.0% YoY supported by growth from home markets



Sustained shareholder returns with 84.6% dividend payout ratio



Robust capitalisation with Group CET1 capital ratio and Group total capital ratio at 15.67% and 19.08% respectively

ANALYSIS OF INCOME STATEMENT FOR FY2022

RM million	FY2022	FY2021	YoY
Net fund based income	20,685.1	19,089.0	8.4%
Non-interest income	6,930.0	6,359.4	9.0%
Net operating income	27,615.1	25,448.4	8.5%
Overhead expenses	(12,807.1)	(11,518.5)	11.2%
Pre-provisioning operating profit¹	14,808.0	13,929.9	6.3%
Net impairment losses	(2,785.6)	(3,229.4)	(13.7)%
Operating profit	12,022.4	10,700.4	12.4%
Profit before taxation and zakat	12,153.3	10,886.6	11.6%
Net profit²	8,234.9	8,096.2	1.7%
EPS – basic (sen)	68.8	69.7	(1.2)%

¹ Pre-provisioning operating profit (PPOP) is equivalent to operating profit before impairment losses

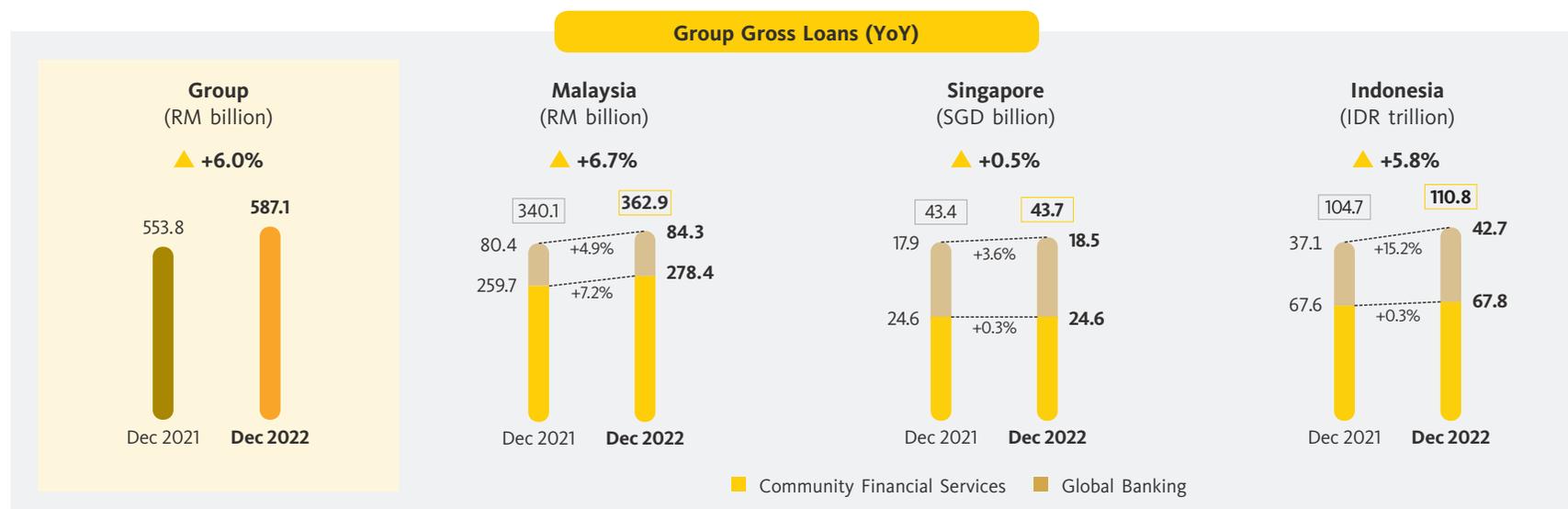
² Net profit is equivalent to profit attributable to equity holders of the Bank

Reflections From Our Group Chief Financial Officer

Robust Performance Amid Strong Economic Growth in Home Markets

- The Group's net operating income grew 8.5% YoY driven by higher net fund based income of 8.4% YoY and non-interest income (NOII) growth of 9.0% YoY.
- Net fund based income growth was mainly supported by strong loans growth in Malaysia and Indonesia and net interest margin (NIM) expansion of 7 bps YoY from higher interest rates. The improvement in NIM met the Group's guidance for expansion of above 5 bps for FY2022.
- Meanwhile, NOII increased due to mark-to-market gains on financial liabilities and foreign exchange gains. However, higher NOII was offset by lower banking core fees, which declined by 6.6% YoY on lower commissions, underwriting fees and brokerage income due to market volatility.
- The Group's cost to income ratio (CIR) stood at 46.4% in FY2022 as overheads grew 11.2% on higher personnel costs due to inflationary adjustments, IT expenses, and revenue-related spend such as marketing expenses and fees facilitated by improved regional economic activity in 2022.
- The Group's net impairment losses reduced by 13.7% to RM2.79 billion in FY2022. This was led by lower net loan loss provision of RM2.19 billion as compared with RM2.66 billion for FY2021, given lower provisioning for individually impaired accounts and management overlays.
- On the back of the strong net operating income growth, profit before tax improved by 11.6% YoY to RM12.15 billion. Net profit rose to a record of RM8.23 billion in FY2022. Return on equity (ROE) stood at 10.0%, hitting the higher end of the Group's guidance of between 9.5% and 10.0% for FY2022.
- We delivered on our commitment to reward our shareholders by declaring a total dividend of 58.0 sen per share for FY2022, which translates to a dividend payout of 84.6% that is well ahead of our dividend payout policy rate of 40% to 60%.

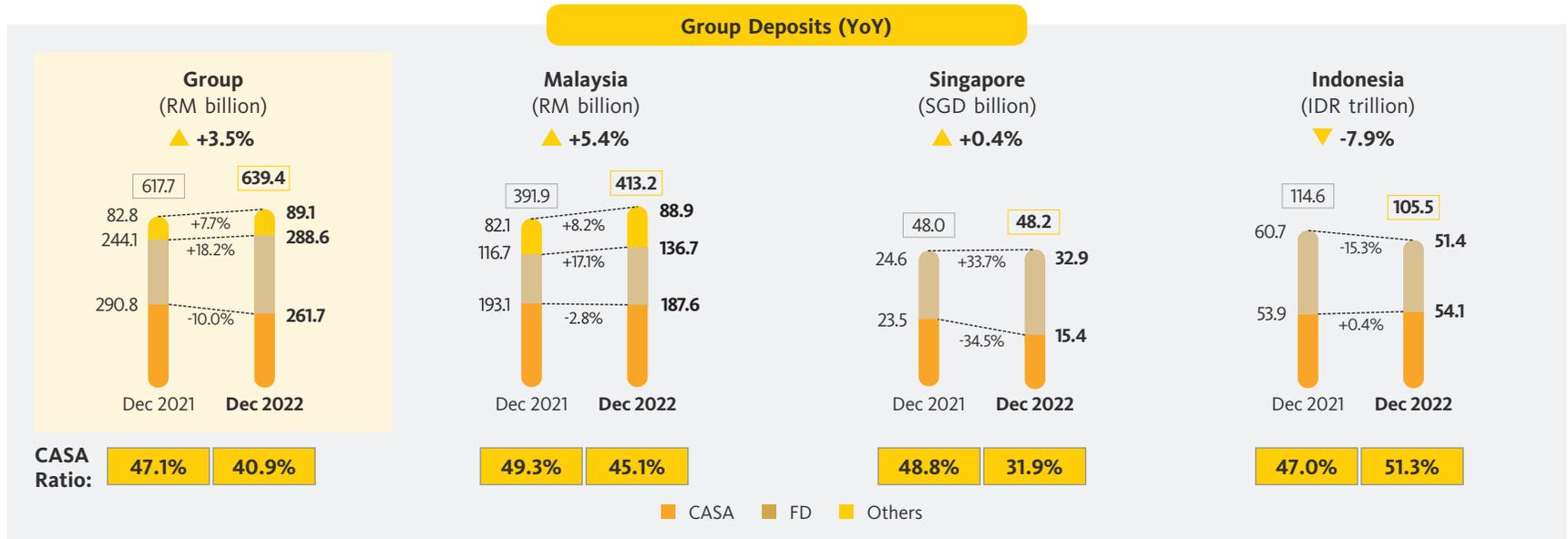
ANALYSIS OF BALANCE SHEET AS AT 31 DECEMBER 2022



Healthy Loans Growth Especially in Malaysia and Indonesia

- In 2022, the Group focused on driving loans growth in key business segments to capitalise on the rising interest rate environment. Group gross loans expanded 6.0% YoY, driven by good growth from the Community Financial Services (CFS) franchise and the Global Banking (GB) operations across our home markets.
- Malaysia's loans grew 6.7% YoY supported by the growth in both CFS and GB portfolios of 7.2% and 4.9% respectively. The expansion in CFS loans was led by consumer, retail SME (RSME) and business banking (BB) lines. The consumer book rose 7.0% YoY, as mortgages grew 6.8% driven by demand in residential properties in our targeted customer segment as well as immediate loan disbursements in the secondary market. Similarly, auto finance grew 9.0% YoY as customers took advantage of the expiring tax exemptions and higher disbursement from clearing of stock backlog. Credit cards also showed good growth momentum at 19.9% YoY, in tandem with the pick-up in consumer spending as mobility normalised on economic reopening. RSME loans increased by 9.1% YoY supported by higher term loans, overdraft and trade business facilities. BB portfolio expanded 6.8% YoY driven by draw down of loan and trade facilities. Meanwhile, the 4.9% YoY improvement in GB portfolio was mainly attributed to disbursement of short-term revolving credits.
- In Singapore, our loans expanded marginally by 0.5% YoY as GB's growth of 3.6% was moderated by slower CFS growth of 0.3%. The growth in our corporate lending portfolio was mainly contributed by segments such as real estate, financial institutions, large corporate and government-linked companies while CFS' growth came mainly from RSME and BB.
- The healthy loans growth of 5.8% YoY in Indonesia came predominantly from GB's growth of 15.2% due to the resumption of trade and business activities. Our retail segment also grew across all lines of business as consumers' purchasing power improved on economic recovery. However, the growth was offset by the contraction in the non-retail loan segment of CFS, namely BB and SME+ segments.

Reflections From Our Group Chief Financial Officer



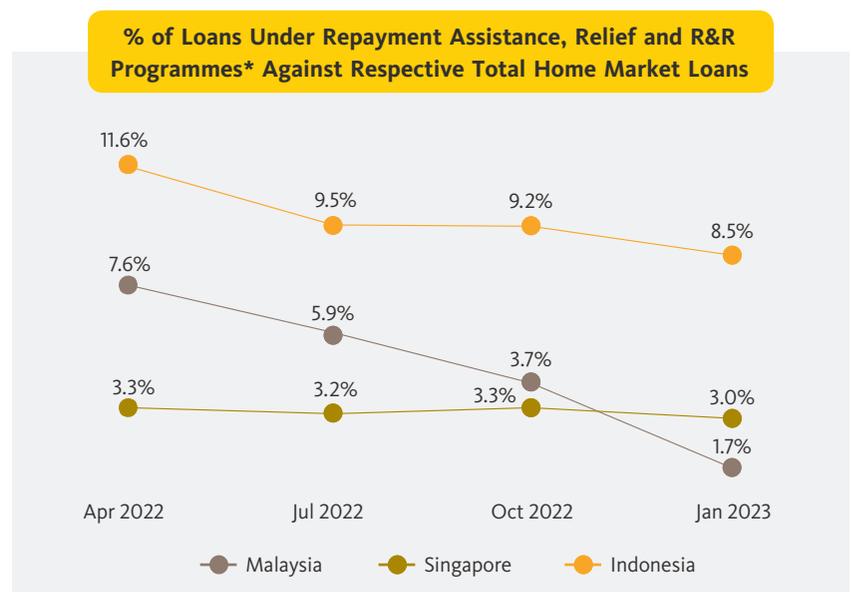
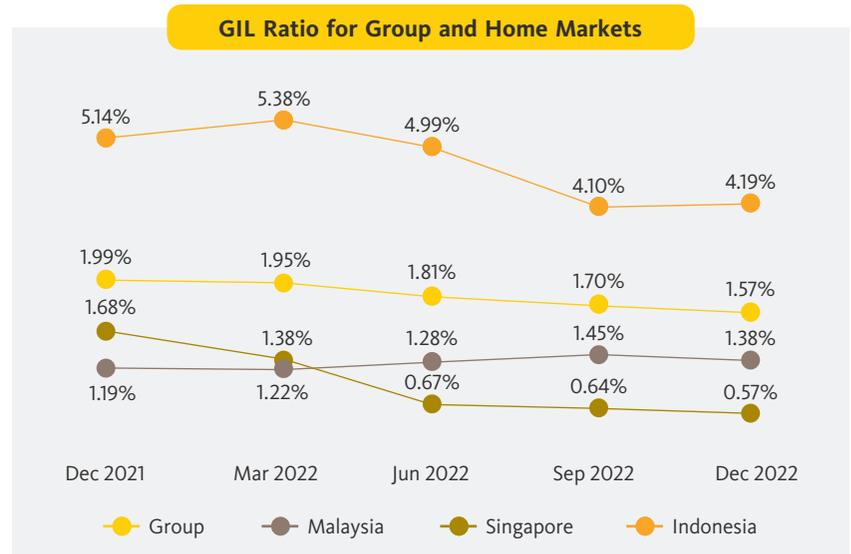
Customer Deposits Expansion Led by Malaysia

- The Group's gross deposits expanded 3.5% YoY led by the 5.4% growth in Malaysia.
- In Malaysia, CASA deposits stood at RM187.62 billion compared to RM193.06 billion in FY2021 given increased consumer and business spending due to normalisation of economic activities. Meanwhile, fixed deposits (FD) grew 17.1% YoY and other deposits, namely money market deposits, increased 8.2% driven by clients' cash flow requirements. Malaysia's CASA ratio remained strong at 45.1% as at 31 December 2022.
- In Singapore, CASA deposits declined by one third from the previous year to SGD15.37 billion as companies accelerated their spending on resumption of business activities and the widening interest rate differential between FD and savings resulted in outflows towards higher yielding deposits. As such, FD rose 33.7% YoY. Given the sharper FD growth and lower CASA base, CASA ratio stood at 31.9%. Total Singapore deposits grew slightly at 0.4% YoY.
- Meanwhile, Indonesia's CASA grew by 0.4% YoY to IDR54.10 trillion while FD declined by 15.3% in tandem with the Bank's strategy to reduce costlier deposits through effective cash management and digital banking services. As a result, CASA ratio improved significantly to 51.3% from 47.0% as at 31 December 2021.

Maintained Prudence in Preserving Asset Quality

- The Group's total loan provisioning for FY2022 was lower YoY at RM2.19 billion due to the sizeable pre-emptive provisioning taken over the previous two financial years and as economic activities resumed to normal levels post-pandemic. The provisions made for FY2022 were mainly attributed to pre-emptive provisions as well as provisions made for newly and existing impaired accounts.
- We remained prudent by maintaining MOA of RM1.70 billion to cover potential asset quality deterioration for loans upon expiry of the repayment assistance and targeted repayment assistance programmes, as well as to cater for vulnerable accounts in view of heightened external risks.
- Meanwhile, the Group's annualised net credit charge off rate improved YoY to 40 bps from 51 bps in FY2021, and was on the lower end of the FY2022 guidance of between 40 bps and 50 bps.
- Our loan loss coverage increased to 131.2% from 111.9% a year ago, bolstered by the provisioning made in FY2022 coupled with low formation of impaired loans. Our gross impaired loans (GIL) ratio stood lower at 1.57% against 1.99% a year ago due to some recoveries and repayments of specific borrowers as well as write-offs of impaired accounts.
- As for loans under relief, restructuring and rescheduling (R&R) as well as repayment assistance programmes, our home markets continued to see the expiry of these programmes in 2022.

- As at 31 January 2023, total loans under relief in Malaysia reduced to 1.7% with reduction seen across all CFS' lines of businesses and the GB portfolio. Loans under relief in Singapore hovered at 3.0% as the majority of the outstanding loans under relief are government-backed ESG-related loans and attributed to the CFS portfolio. Indonesia also saw a reduction in loans under relief to 8.5%.



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

Reflections From Our Group Chief Financial Officer

INVESTOR KEY FOCUS AREAS AND OUR RESPONSES

**HOME MARKETS' BANKING SECTOR TRENDS & POLICIES**

Given deposit price sensitivity in a rising interest rate environment, preservation of low-cost deposits was key. This led to questions on the Group's strategy to maintain CASA levels and outlook on NIM. We responded that our tactical strategy in preserving CASA would benefit NIM while we remained selective on our asset expansion to drive sustained growth. Meanwhile, investors were interested in the Prosperity Tax's impact on profit.

**GROWTH DRIVERS**

We provided clarity on our refined corporate strategy, M25+, which focuses on five strategic thrusts to sustain the Group's growth over the long term. We also explained our plans to create an Islamic wealth hub and focus on targeted growth segments (including RSME and SME+) under key markets to support revenue growth.

**DIGITAL**

With the emergence of new digital banking players, investors were interested to find out Maybank's approach in defending its leadership position as well as investment plans to enhance digital and technology capabilities. Through M25+ engagements, we shared plans to allocate 77% of investments to be made (i.e. RM3.50 billion - RM4.50 billion) to better our digital infrastructure to drive greater customer-centricity.

Refer to Pervasively Digital on pages 69 to 71

**M25+ STRATEGY**

We hosted an Investor Day to explain the Group's refined corporate strategy, M25+, in October 2022 to provide clarity on the refinements, growth opportunities, investment plans, long-term financial and non-financial targets under M25+. We undertook dedicated investor engagements through one-to-one and group meetings to further elaborate on the strategy.

Refer to Our Strategy, Group Community Financial Services, Group Global Banking, Group Insurance & Takaful, Group Islamic Banking, Pervasively Digital and Sustainability Review on pages 40, 57, 60, 63, 66, 69 and 119

**ASSET QUALITY**

Investor queries were focused on repayment assistance trends, level of provisioning required and expected formation of impaired loans arising from the expiry of the relief programmes as well as for vulnerable corporate accounts. We addressed these concerns by disclosing the repayment status of the loans under relief measures as well as the staging of the outstanding portion as part of our quarterly results' investor presentations, which can be found on our corporate website. Investors were also curious about the prospects of potential write-backs for pre-emptive provisions made previously.

Refer to pages 13 to 16 of the Financial Statements

**SHAREHOLDER RETURNS**

Investors wanted to know if Maybank would reduce the scrip portion under the Dividend Reinvestment Plan (DRP) to limit growth in the equity base for better ROE uplift. The Group continues to maintain optimal capital levels to support growth plans while improving returns to shareholders. There were also questions on potential plans to unlock shareholder value through a listing of Etiqa or divestment of non-core assets, to which we responded that we will continue to evaluate opportunities as they arise.

Refer to page 49 for the dividend payout chart

**SUSTAINABILITY**

Investors were interested in Maybank's decarbonisation strategy and progress especially since more investors are embedding ESG considerations into their investment evaluations. Arising from meaningful progress in achieving our long-term 2025 sustainability targets, investors also wanted to know if these targets would be revised upwards (revision announced in February 2023). A Sustainability Investor Day was held to provide insights into our decarbonisation strategy and progress, including transition roadmap, given the significant interest in climate change. Additionally, updates on our four sustainability commitments were featured in the quarterly results' investor presentations, annual and sustainability reports.

Refer to Sustainability Review on pages 119 to 122

Refer to Sustainability Report which is available on www.maybank.com/ar for more details while Sustainability Day Investor Presentation can be found on www.maybank.com/iwov-resources/documents/pdf/presentations-and-webcasts/2022/Maybank-Investor-Day-Sustainability-20220901.pdf

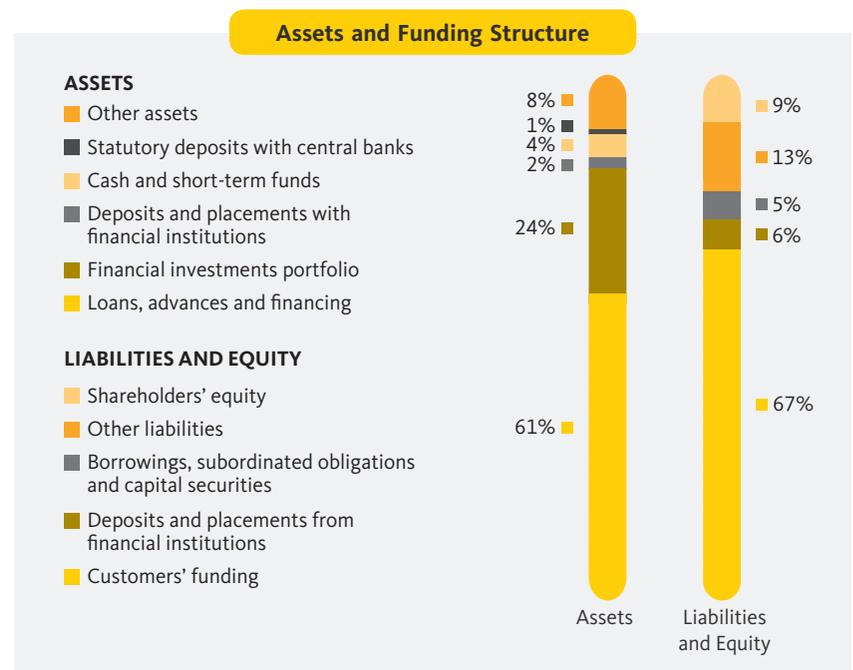
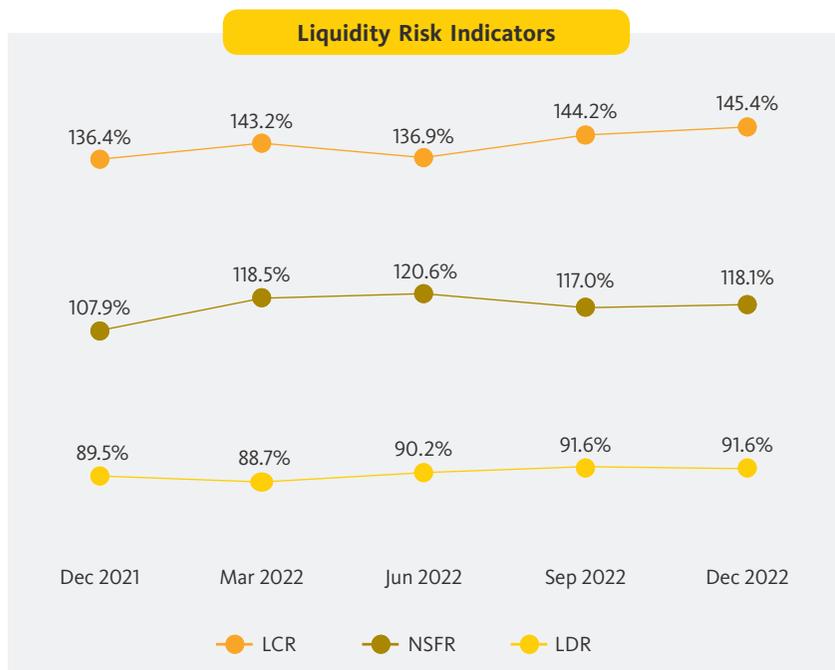
Reflections From Our Group Chief Financial Officer

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 economic outlook.
- Through our agile funding strategy, we were able to maintain healthy liquidity risk indicators, with liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) at 145.4% and 118.1% respectively as at 31 December 2022, above Bank Negara Malaysia (BNM)'s regulatory minimum LCR and NSFR requirements of 100%. In addition, our other liquidity indicators such as loan-to-deposit ratio (LDR) remained robust at 91.6% as at 31 December 2022.
- The Group and its major entities and overseas branches have established Recovery Plans (RCPs) in line with BNM's and Perbadanan Insurans Deposit Malaysia (PIDM)'s Recovery and Resolution Planning initiative. The RCPs identify credible options to recover from events impacting the Group's financial strength, liquidity position and operational capability. RCPs provide a systematic approach to address potential capital, liquidity or funding disruptions affecting the financial solvency of the Group. RCPs encompass clear strategies, decision-making authorities, roles and responsibilities, and communications. Key components of each plan include strategic analysis, governance structure and oversight, recovery indicators, recovery options and preparatory measures, scenario analysis as well as communications and disclosures. The Group is committed to continuously enhancing our recovery and resolution capabilities in line with the requirements set by BNM and PIDM.

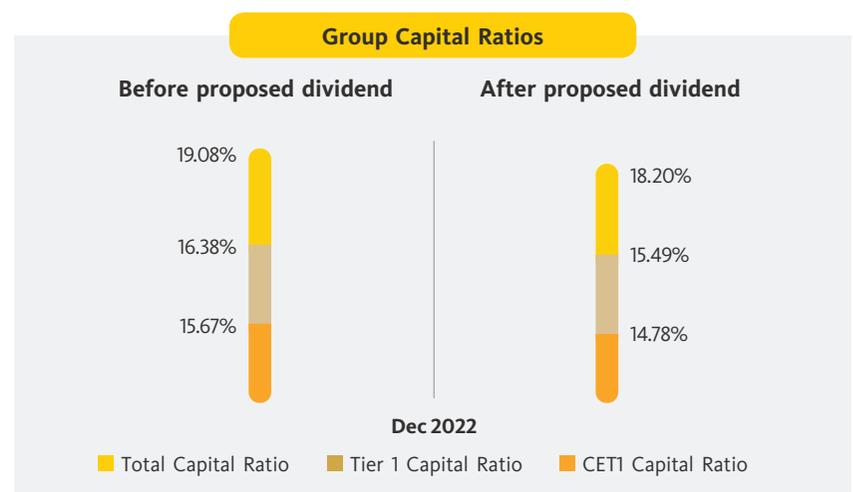
More on how the Group manages its liquidity can be found in Note 54 (g) on page 194 of the Financial Statements



Robust Capital Base Maintained

- Our capitalisation levels remained healthy with our Group CET1 capital ratio and Group total capital ratio at 15.67% and 19.08% respectively, as at 31 December 2022. After the single-tier full-cash second interim dividend, our Group CET1 capital ratio and Group total capital ratio are projected to remain strong at 14.78% and 18.20% respectively.
- Maybank is a domestic systematically important bank (D-SIB) and is classified under Bucket 2 by BNM. As a D-SIB, Maybank is required to maintain a Higher Loss Absorbency (HLA) of 1% of risk-weighted assets at Group level on top of the BNM minimum regulatory requirement.
- Our key capital and funding initiatives for FY2022 include the following:
 - We continued to broaden and diversify our funding and capital raising through various sources, currencies, investors and markets. This included the issuance of fixed and floating rate notes in domestic and foreign currencies, such as Samurai bonds, SGD and USD extendible money market certificates, MYR and USD commercial papers, structured notes and other foreign currency denominated medium term notes.
 - 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 57, 58 and 59 on pages 216 to 218 of the Financial Statements



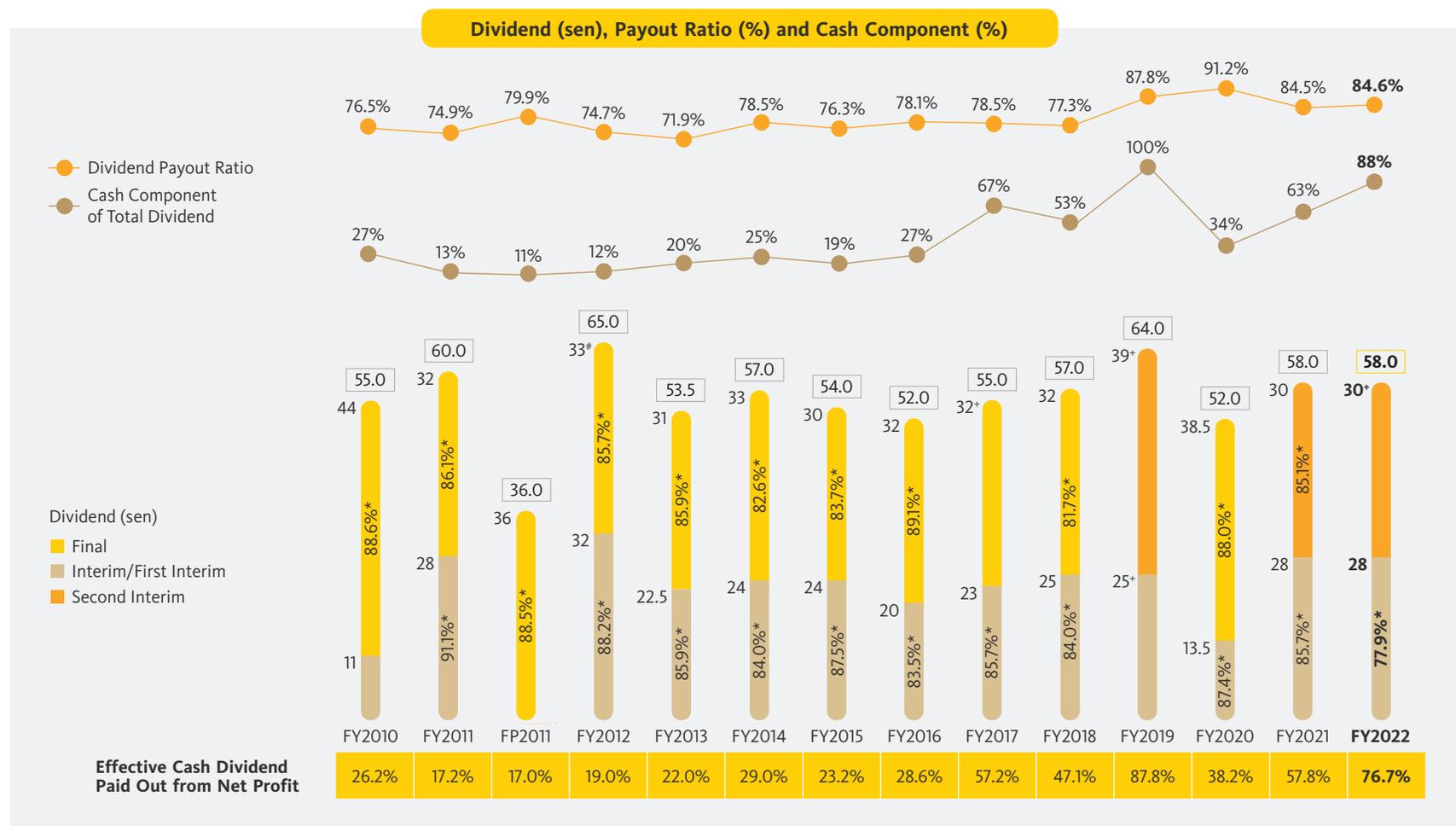
Regulatory Requirements:

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

Reflections From Our Group Chief Financial Officer

EFFECTIVE CAPITAL AND LIQUIDITY MANAGEMENT (CONT'D.)

Value Creation for Our Shareholders



Note:

* Actual Reinvestment Rate for Dividend Reinvestment Plan

+ The Final Dividend for FY2017, Interim and Second Interim Dividend (reclassification from Final Dividend) for FY2019 and Second Interim Dividend for FY2022 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

- We remain committed to delivering value for our shareholders by maintaining a long-term dividend payout policy rate of 40% to 60% based on reported net profit attributable to shareholders. We continue to emphasise maintaining a strong dividend payout as part of our commitment to meet shareholders' expectations for good returns while managing the Group's capital effectively.
- The Board declared a single-tier first interim dividend of 28.0 sen per ordinary share for FY2022. A Dividend Reinvestment Plan (DRP) was applied to the first interim dividend, in which 7.0 sen was electable to be reinvested in new Maybank shares in accordance with the DRP, which saw a reinvestment take-up rate of 77.9%.
- In our pursuit to continue rewarding shareholders, the Board has declared a single-tier full-cash second interim dividend of 30.0 sen per ordinary share for FY2022. As such, the total dividend for FY2022 is 58.0 sen per share, equivalent to a payout ratio of 84.6%, above the Group's dividend payout policy rate. Effective cash dividend paid out from net profit for FY2022 is 76.7% from 57.8% a year earlier.

More on dividends and DRP can be found in Notes 33 (b) and 52 on pages 128 and 147 of the Financial Statements

OUTLOOK & PRIORITIES FOR 2023

Global economic growth is expected to moderate given continued inflationary pressures and tightening monetary conditions. Our home markets are also anticipated to see lower growth in 2023. Maybank Group will continue to focus on opportunities for growth across its consumer and business segments within its ASEAN franchise. The Group will maintain its strong liquidity position to support asset growth.

Asset quality management will continue to be a priority and Maybank remains committed to offering support to customers on a targeted basis, should they require additional assistance. Strategic investments will be channelled to enhance IT capabilities and drive regional cross-selling synergies aligned with the M25+ corporate strategy.

For more information on our views of the economic and banking industry landscape please see the Economic and Banking Sector Overview section on page 32

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. The website also has foreign shareholding and other IR updates, including details of the 20 sell-side analysts covering Maybank, our credit ratings by four independent credit rating agencies, and details of our investor engagements.

For information on our approach to Investor Relations and engagements for FY2022, please refer to the Corporate Governance Overview Statement on page 104

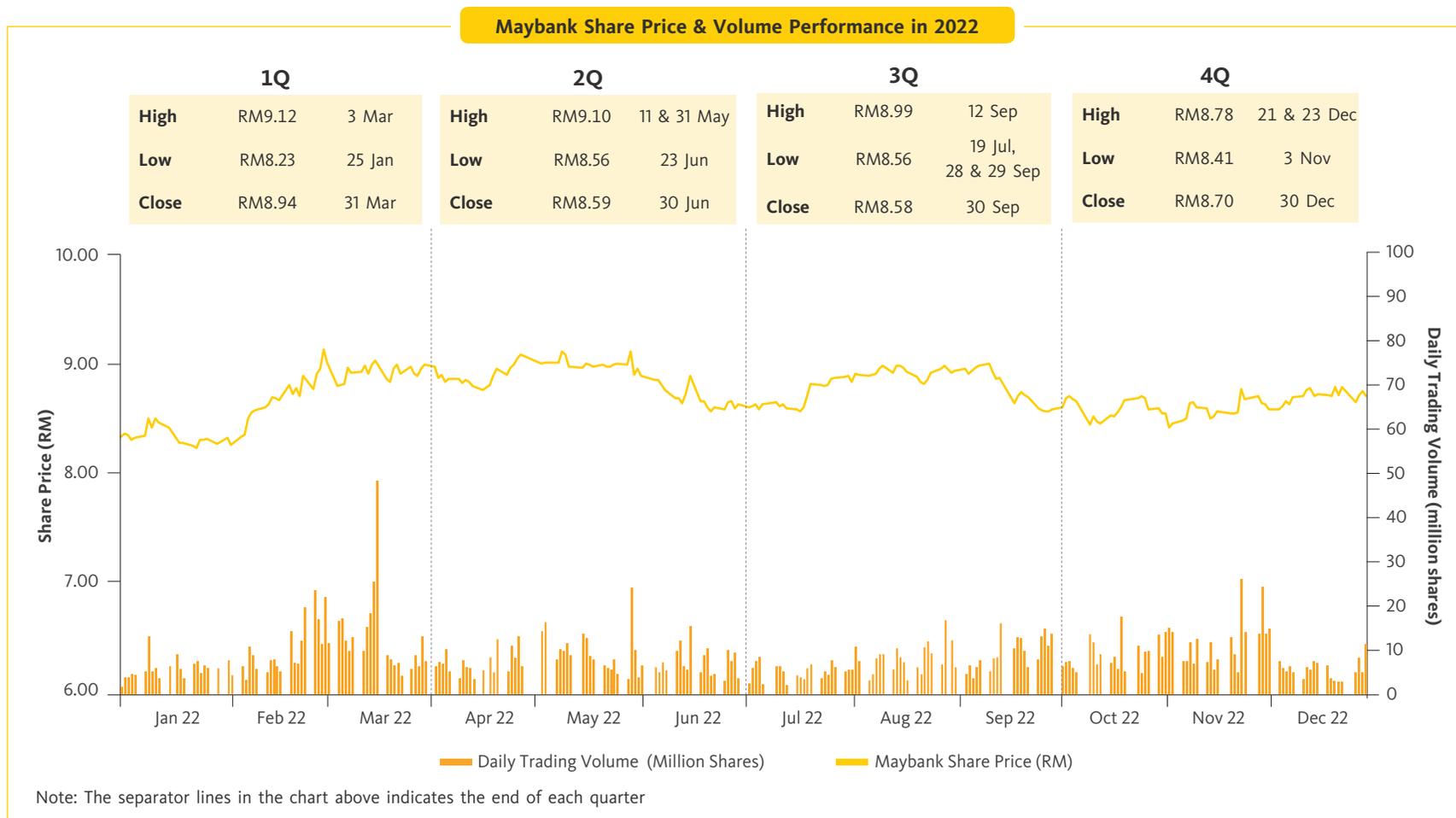
SHAREHOLDER ANALYSIS

Total Shareholders as at 31 December	
2018	78,872
2019	94,063
2020	117,783
2021	147,185
2022	153,214

Top 3 Shareholders as at 31 December 2022	
Various funds managed by Permodalan Nasional Bhd (PNB) and PNB's direct stake in us	46.7%
Employees Provident Fund Board	11.8%
Kumpulan Wang Persaraan	4.4%

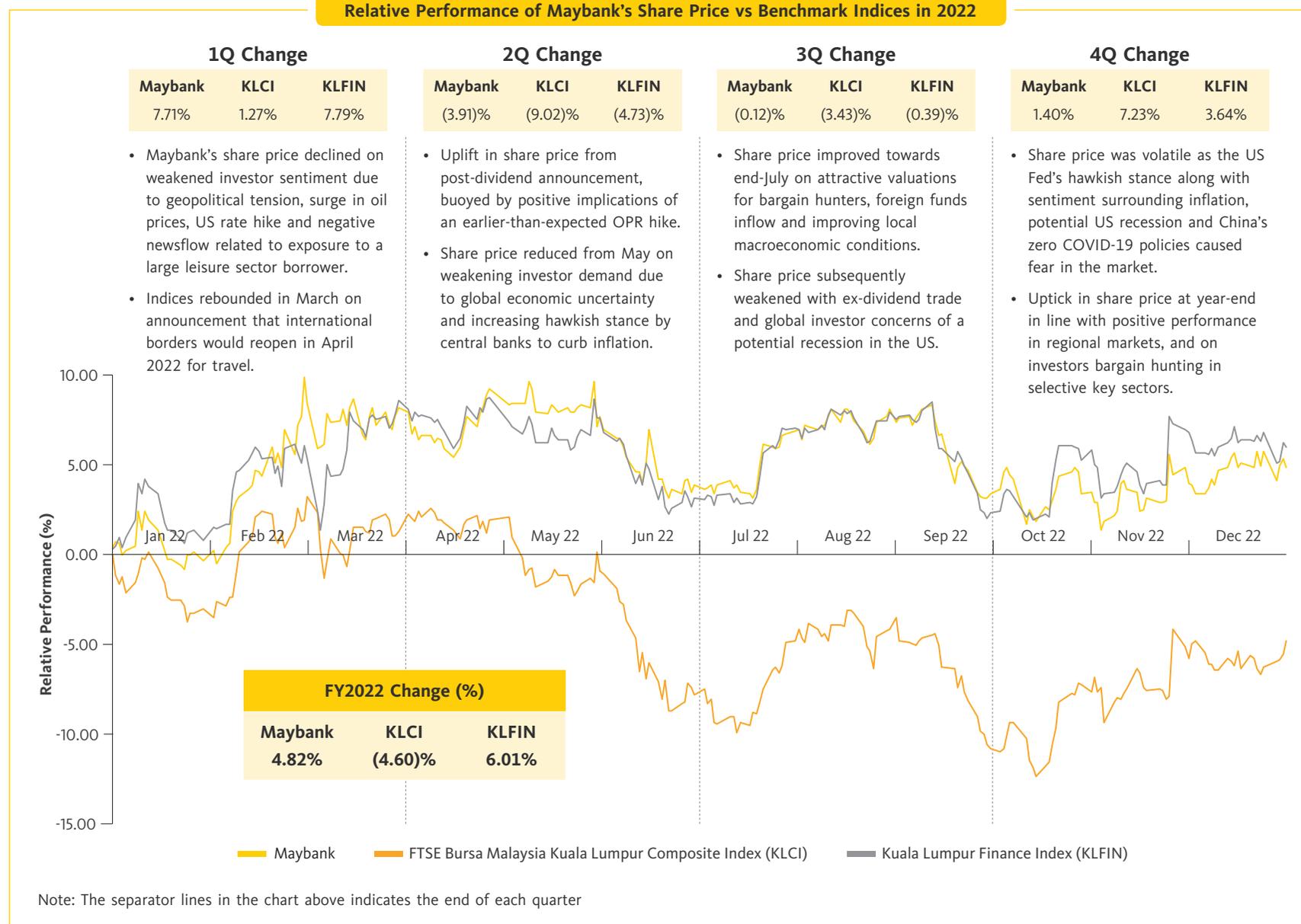


SHARE PRICE PERFORMANCE



Investor Information

Relative Performance of Maybank's Share Price vs Benchmark Indices in 2022



TOTAL SHAREHOLDER RETURN

TSR (%)	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Maybank	(2.49)	(2.46)	3.68	26.65	2.71	(3.11)	4.61	6.27	11.87
KLCI	(2.62)	(0.97)	0.07	13.19	(2.99)	(2.83)	5.71	0.33	(0.65)
KLFIN	(3.82)	(6.46)	5.66	21.85	6.60	(6.68)	2.94	6.85	11.44

LONG-TERM TOTAL SHAREHOLDER RETURN

Holding Period (Years)	20	15	10	5	3	2	1
Invested on 31 Dec of	2002	2007	2012	2017	2019	2020	2021
Total Shareholder Return (%)							
Maybank	473.08	157.78	76.67	23.75	24.35	18.88	11.87
KLCI	377.89	74.14	23.79	(0.68)	5.37	(0.32)	(0.65)
KLFIN	669.86	184.48	62.80	22.08	22.57	19.07	11.44
Effective Annual Rate of Return (%)							
Maybank	9.12	6.51	5.85	4.35	7.54	9.04	11.87
KLCI	8.13	3.76	2.16	(0.14)	1.76	(0.16)	(0.65)
KLFIN	10.74	7.21	4.99	4.07	7.02	9.13	11.44

Financial Performance

FIVE-YEAR GROUP FINANCIAL SUMMARY

	Group FY 31 Dec					Bank FY 31 Dec	
	2018	2019	2020	2021	2022	2021	2022
OPERATING RESULT (RM' million)							
Operating revenue	47,320	52,868	51,031	45,959	50,914	23,181	26,612
Net operating income	23,662	24,741	24,763	25,448	27,615	15,190	16,210
Pre-provisioning operating profit ("PPOP") ¹	12,416	13,179	13,541	13,930	14,808	10,168	10,458
Operating profit	10,803	10,856	8,448	10,700	12,022	7,744	8,639
Profit before taxation and zakat	10,901	11,014	8,657	10,887	12,153	7,744	8,639
Profit attributable to equity holders of the Bank	8,113	8,198	6,481	8,096	8,235	6,878	6,971
KEY STATEMENTS OF FINANCIAL POSITION DATA (RM' million)							
Total assets	806,992	834,413	856,860	888,172	947,813	489,351	522,676
Financial investments portfolio ²	177,952	192,830	215,186	223,884	231,090	126,242	133,764
Loans, advances and financing	507,084	513,420	512,210	541,888	575,387	240,123	245,137
Total liabilities	729,254	750,344	769,750	799,620	858,896	416,242	449,606
Deposits from customers	532,733	544,531	556,349	588,968	614,895	276,559	274,854
Investment accounts of customers	23,565	20,738	23,841	28,721	24,501	-	-
Commitments and contingencies	872,955	1,208,623	1,305,385	1,176,244	1,526,306	1,081,180	1,422,559
Share capital	46,747	48,280	48,280	53,156	54,619	53,156	54,619
Shareholders' equity	75,330	81,571	84,437	85,811	85,957	73,108	73,071
SHARE INFORMATION							
Per share (sen)							
Basic earnings	74.2	73.5	57.7	69.7	68.8	59.2	58.2
Diluted earnings	74.2	73.5	57.7	69.7	68.8	59.2	58.2
Gross dividend	57.0	64.0	52.0	58.0	58.0	58.0	58.0
Net assets (sen)	681.7	725.6	751.1	722.4	713.1	615.5	606.2
Share price as at 31 Dec (RM)	9.50	8.64	8.46	8.30	8.70	-	-
Market capitalisation (RM' million)	104,972	97,125	95,102	98,592	104,871	-	-
FINANCIAL RATIOS (%)							
Profitability Ratios/Market Share							
Net interest margin on average interest-earning assets	2.3	2.3	2.1	2.3	2.4	1.9	1.8
Net interest on average risk-weighted assets	4.6	4.6	4.3	4.7	5.1	3.5	3.6
Return on equity	11.4	10.9	8.1	9.8	10.0	9.7	10.0
Net return on average assets	1.0	1.0	0.8	0.9	0.9	1.4	1.4
Net return on average risk-weighted assets	2.2	2.2	1.7	2.0	2.0	2.9	3.0
Cost to income ratio ³	47.5	46.7	45.3	45.3	46.4	33.1	35.5
Domestic market share in:							
Loans, advances and financing	18.1	17.9	18.1	18.0	18.1	18.0	18.1
Deposits from customers – Savings account	26.1	25.5	25.7	26.1	26.1	26.1	26.1
Deposits from customers – Current account	19.3	18.4	13.1	13.8	18.2	13.8	18.2
CAPITAL ADEQUACY RATIOS (%)							
CET1 Capital Ratio	15.029	15.729	15.313	16.090	15.669	15.462	15.264
Tier 1 Capital Ratio	15.983	16.486	16.026	16.810	16.376	16.223	16.045
Total Capital Ratio	19.024	19.387	18.683	19.518	19.080	18.785	18.635
ASSET QUALITY RATIOS							
Net impaired loans (%)	1.28	1.33	1.10	0.89	0.46	1.93	0.95
Loan loss coverage (%)	83.6	77.3	106.3	111.9	131.2	79.6	100.9
Loan-to-deposit ratio (%) ⁴	92.7	92.4	90.1	89.5	91.6	77.9	80.0
Deposits to shareholders' fund (times) ⁵	7.4	6.9	6.9	7.2	7.4	3.8	3.8
VALUATIONS ON SHARE							
Gross dividend yield (%)	6.0	7.4	6.1	7.0	6.7	-	-
Dividend payout ratio (%)	77.3	87.8	91.2	84.5	84.6	-	-
Price to earnings multiple (times)	12.8	11.8	14.7	11.9	12.6	-	-
Price to book multiple (times)	1.4	1.2	1.1	1.1	1.2	-	-

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

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

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

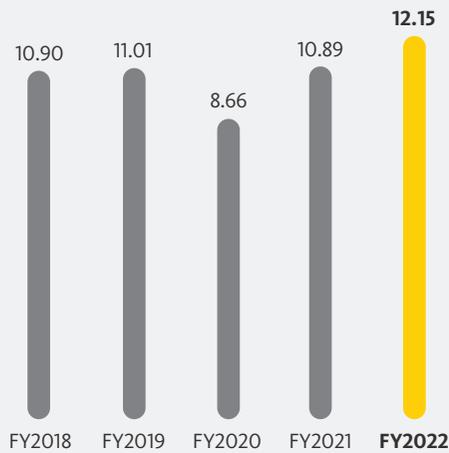
⁴ Loan-to-deposit ratio is computed using gross loans, advances and financing over deposits from customers and investment accounts of customers.

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

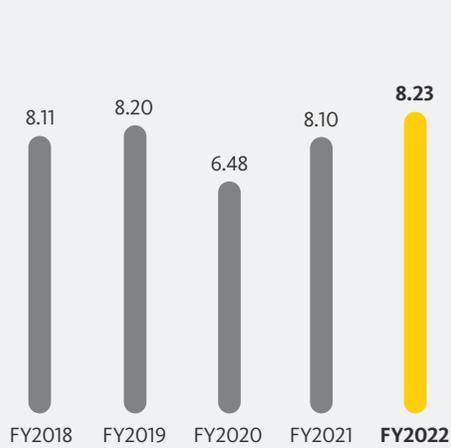
Financial Performance

Five-Year Group Financial Summary

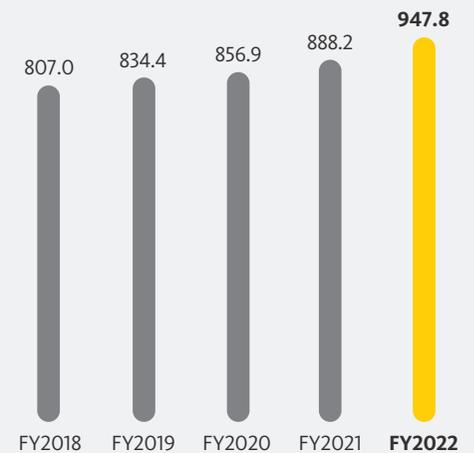
Profit Before Taxation and Zakat RM12.15 billion



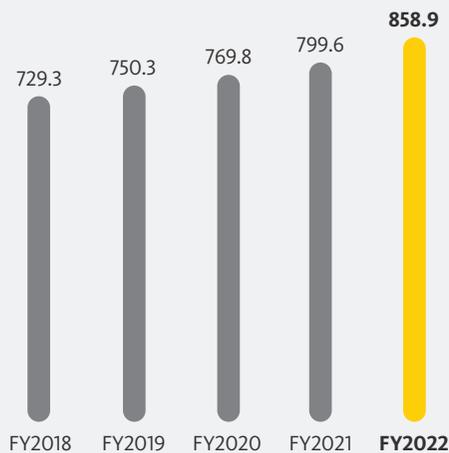
Profit Attributable to Equity Holders of the Bank RM8.23 billion



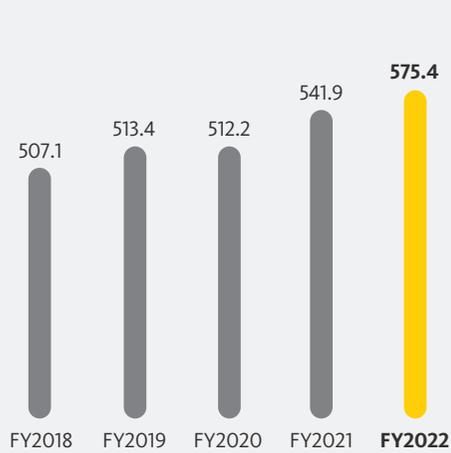
Total Assets RM947.8 billion



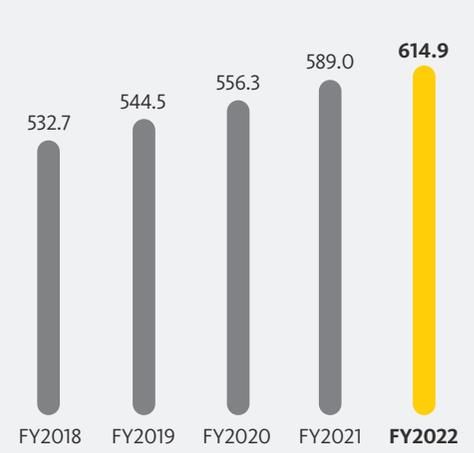
Total Liabilities RM858.9 billion



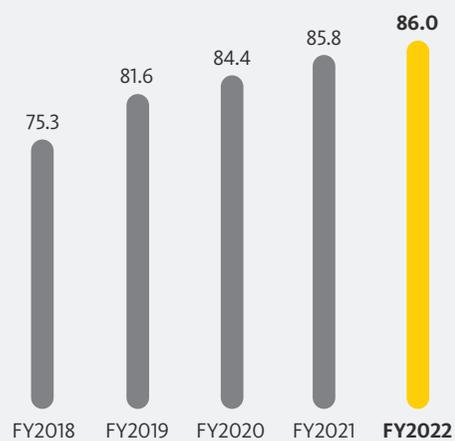
Loans, Advances and Financing RM575.4 billion



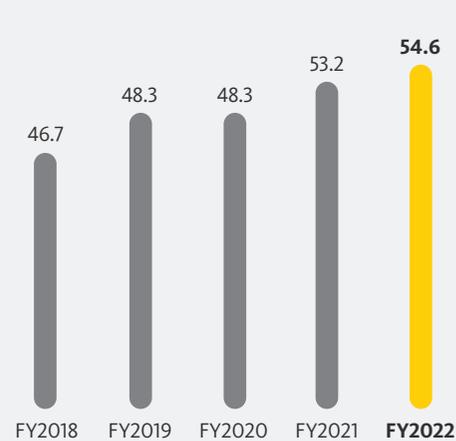
Deposits from Customers RM614.9 billion



Shareholders' Equity RM86.0 billion

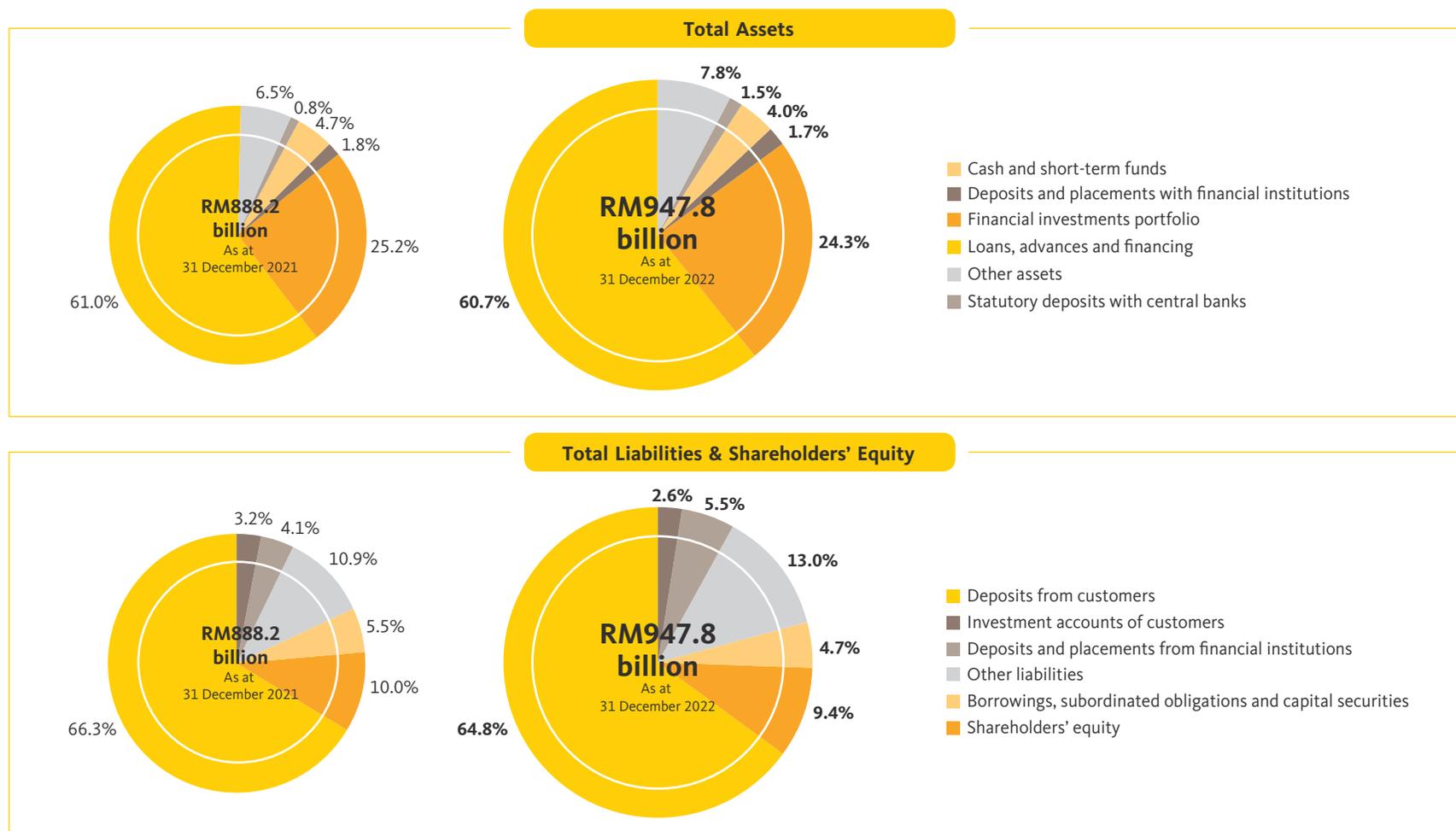


Share Capital RM54.6 billion



Financial Performance

SIMPLIFIED GROUP STATEMENTS OF FINANCIAL POSITION



GROUP QUARTERLY FINANCIAL PERFORMANCE

RM' million	FY 31 Dec 2022				
	Q1	Q2	Q3	Q4	YEAR
Operating revenue	11,872	11,145	13,387	14,510	50,914
Net interest income (including income from Islamic Banking Scheme operations)	4,997	5,286	5,464	5,501	21,248
Net earned insurance premiums	2,356	2,268	2,259	2,095	8,978
Other operating income	947	367	1,546	1,765	4,625
Total operating income	8,300	7,921	9,268	9,362	34,851
Operating profit before impairment losses	3,520	3,779	4,020	3,489	14,808
Profit before taxation and zakat	2,972	2,666	3,208	3,307	12,153
Profit attributable to equity holders of the Bank	2,045	1,857	2,166	2,167	8,235
Earnings per share (sen)	17.2	15.5	18.2	17.9	68.8
Dividend per share (sen)	-	28.0	-	30.0	58.0

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)	-	28.0	-	30.0	58.0

Financial Performance

KEY INTEREST BEARING ASSETS AND LIABILITIES

	FY 31 Dec 2021			FY 31 Dec 2022		
	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
Interest earning assets						
Loans, advances and financing	541,888	4.58	19,708	575,387	5.35	23,316
Cash and short-term funds & deposits and placements with financial institutions	57,521	1.83	605	53,670	2.35	869
Financial assets at fair value through profit or loss	40,957	2.17	1,020	38,627	2.81	927
Financial investments at fair value through other comprehensive income	122,394	2.40	3,468	120,706	2.99	3,965
Financial investments at amortised cost	60,532	3.43	2,183	71,757	3.99	2,879
Interest bearing liabilities						
Customers' funding:						
– Deposits from customers	588,968	1.14	5,651	614,895	1.96	7,859
– Investment accounts of customers	28,721	1.12	290	24,501	1.29	353
Deposits and placements from financial institutions	36,583	1.12	354	51,894	4.24	970
Borrowings	35,548	2.16	706	31,736	2.35	866
Subordinated obligations	10,239	3.64	482	10,238	3.64	456
Capital securities	2,828	4.07	116	2,829	4.07	116

STATEMENT OF VALUE ADDED

	FY 31 Dec 2021 RM'000	FY 31 Dec 2022 RM'000
Net interest income	12,034,045	13,834,213
Income from Islamic Banking Scheme operations	7,572,599	7,413,866
Net earned insurance premiums	8,846,782	8,977,582
Other operating income	4,470,670	4,625,377
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(7,475,699)	(7,235,971)
Overhead expenses excluding personnel expenses, depreciation and amortisation ¹	(4,127,651)	(4,735,520)
Allowances for impairment losses on loans, advances and financing and other debts, net	(2,658,541)	(2,189,311)
Allowances for impairment losses on financial investments, net	(598,298)	(523,384)
Writeback of/(allowances for) impairment losses on other financial assets, interest in associates and goodwill, net	27,393	(72,868)
Share of profits in associates and joint ventures	186,183	130,850
Value added available for distribution	18,277,483	20,224,834

DISTRIBUTION OF VALUE ADDED

	FY 31 Dec 2021 RM'000	FY 31 Dec 2022 RM'000
To employees:		
Personnel expenses	6,808,178	7,503,517
To governments:		
Taxation & zakat	3,298,702	4,031,440
To providers of capital:		
Dividends paid to shareholders	6,837,689	6,967,842
Non-controlling interests	225,286	138,053
To reinvest to the Group:		
Depreciation and amortisation ¹	582,710	568,051
Retained profits	524,918	1,015,931
Value added available for distribution	18,277,483	20,224,834

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

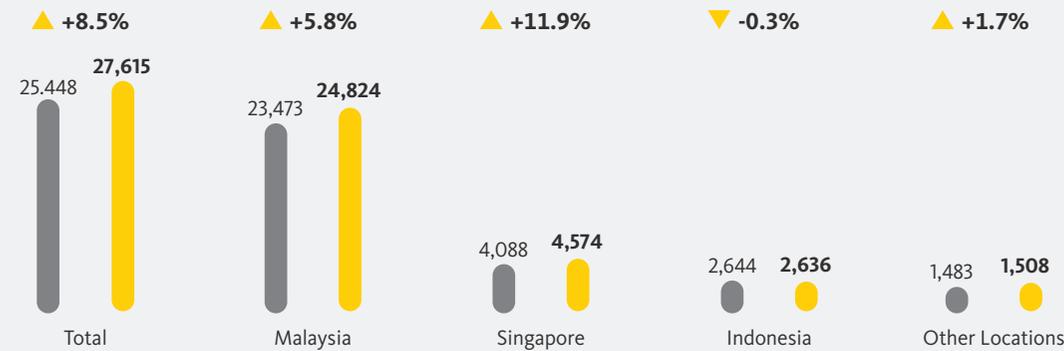
Financial Performance

SEGMENTAL INFORMATION

■ FY 31 Dec 2021 ■ FY 31 Dec 2022

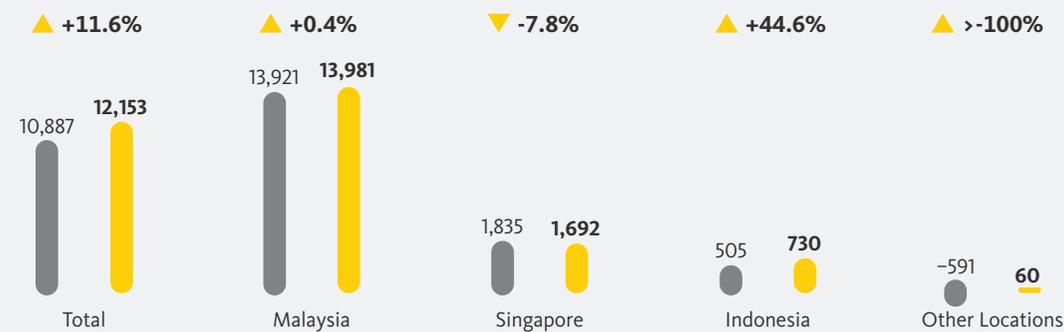
Analysis by Geographical Location

Net Operating Income (RM' million)



Note: Total net operating income includes inter-segment which are eliminated on consolidation of RM5,927 million for FY 31 December 2022 and RM6,240 million for FY 31 December 2021.

Profit Before Taxation and Zakat (RM' million)



Note: Total profit before taxation and zakat includes inter-segment which are eliminated on consolidation of RM4,310 million for FY 31 December 2022 and RM4,783 million for FY 31 December 2021.

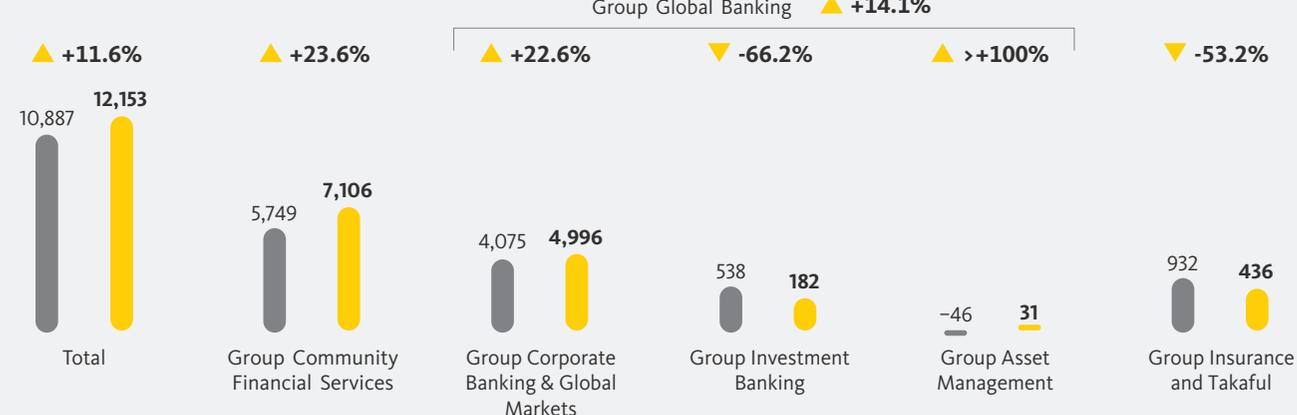
Analysis by Business Segments

Net Operating Income (RM' million)



Note: Total net operating income includes Head Office & Others of RM598 million for FY 31 December 2022 and RM361 million for FY 31 December 2021.

Profit Before Taxation and Zakat (RM' million)



Note: Total profit before taxation and zakat includes Head Office & Others of RM598 million for FY 31 December 2022 and RM361 million for FY 31 December 2021.



Group Community Financial Services

Related Strategic Thrusts and Programmes:

ALL SP3 TO SP12

Refer to Our Operating Context on page 38 for Material Risks, Opportunities, Mitigating Actions and Outlook

OVERVIEW

Our focus remains on delivering an exceptional customer experience by going beyond banking to provide meaningful business and financial solutions across different value chains to our customers, especially in the SME, Digital Banking and Wealth Management segments. We continue to prioritise customer-centricity, technological modernisation and spearheading the agendas of regionalisation and sustainability. Digitalisation and innovation remain key enablers in enhancing our product and service suite, as demonstrated by the launch of several breakthrough products and the commendable growth of existing offerings across the region, further cementing our intention to help customers navigate their life journeys and to be the Preferred Community Bank in ASEAN.

**TOP
ACHIEVEMENTS
IN 2022**



Unveiled **Home²u via MAE app, Malaysia's first-ever digital home financing solution within an integrated banking app** that simplifies home ownership by providing financing approval within 10 seconds



One of the first banks to welcome **Apple Pay** in Malaysia, facilitating the largest billings in its first month of debut



Launched **ATM Cash-out** via MAE app, **Malaysia's first contactless cash withdrawal service**, to allow quick and easy cardless withdrawals



Named **Best Retail Bank for Digital CX** and **Best Digital Bank for CX** by The Digital Banker in Malaysia, as well as **Most Innovative Digital Bank** by the International Finance Awards in the Philippines



Recognised for **Best Automobile Financing** at The Asian Banker Malaysia Award 2022

KEY FOCUS AREAS FOR 2022

Going Beyond Banking to Deliver Differentiated Customer Experience

Cementing our intention to go above and beyond providing financial services, we have expanded our suite of solutions in our MAE app. Maybank Home²u, launched in March 2022, is the first-in-market home financing digital solution designed to make home ownership even simpler for prospective home buyers allowing them to browse for properties and apply for near-instant home financing without having to visit a branch. Since its initiation, we have approved a total of RM1.14 billion in loans as at end December 2022. Sama-Sama Lokal was also integrated into the MAE app as we intend to widen the market reach and accessibility for both customers and vendors while maintaining a zero-cost and zero-commission model.

Meanwhile, we continue to develop end-to-end digital banking solutions to deliver fast and hassle-free financing. Our new Maybank Personal Digital Financing on Maybank2u web and MAE app, for example, is capable of providing approvals within just 10 seconds. To date, we have received 3,887 successful applications and approved loans amounting to RM63.23 million. We also saw encouraging take-up of our existing Straight-Through Processing offerings across the region, with about 65% of Group Community Financial Services sales being completed via our digital channels.



Scan here for video on Maybank Home²u on the MAE app.



Group Community Financial Services

KEY FOCUS AREAS FOR 2022 (CONT'D.)

Going Beyond Banking to Deliver Differentiated Customer Experience (Cont'd.)

As we accelerate our efforts to provide an integrated digital banking experience, we introduced the ATM Cash-out solution in our MAE app in May 2022, enabling cash withdrawals without the use of physical ATM cards. This new cardless withdrawal solution has gained traction, seeing more than 312,300 transactions as at end December 2022.

Strategic partnerships were formed to further drive the adoption of contactless and cashless payments. For instance, our collaboration with Apple Pay enables Maybank and Maybank Islamic Mastercard® and Visa Credit, Debit and Prepaid Card users to make contactless payments via their iPhone or Apple Watch in Malaysia and Singapore. Similarly, we have teamed up with Masjid Pro to enable Infaq collections at over 60 mosques via QR code in MAE app.

We also accelerated all efforts to drive borderless inclusivity by partnering with established financial institutions across ASEAN. Our collaboration with the National Bank of Cambodia on Maybank-Bakong Cross Border Funds Transfer has gained recognition and won several awards at the Retail Banker International Asia Trailblazer Awards 2022. This year, we also integrated Bank Indonesia's Fast Payment (BI FAST) system into our digital platforms to enable real-time interbank transfers between Maybank Indonesia and Bank Indonesia's vast network of member banks. Within Maybank Group, we expanded our Singapore-Malaysia cross-border solutions via our Regional Online Account Opening platform. Malaysian Maybank customers can now open SGD savings accounts online using their Malaysian Maybank2u login credentials as authentication. Our efforts to drive an integrated and expansive digital ecosystem led us to win multiple awards including Best Mobile Banking Award by The Asian Banker.

Fortifying Our Wealth Management Propositions

As investors increasingly seek to align their investment portfolios with more sustainable value, we continuously seek to expand our product offerings to provide more sustainability-linked investment solutions.

In the Islamic space, we continue to upskill our Islamic Financial Planning (IFP) certified Relationship Managers (RM) and Personal Financial Advisors (PFA) to enable them to provide holistic Islamic wealth financial planning solutions. On top of that, we continued with internal capacity-building initiatives through training and engagement programmes like the tactical solution and Shariah-related programmes to be able to fulfil our customers' holistic needs. Throughout the year, we also launched new Wealth Accumulation offerings in the form of Shariah-compliant investment funds.

New digital wealth offerings such as the Digital Wealth 360 on Maybank2U website and MAE app in Malaysia and M2U ID app in Indonesia were rolled out to provide our customers a dashboard view of their overall financial portfolio and allow them to set up financial investment goals without the need of financial advisors. In both countries, we saw more than 10,200 goals being created amounting to more than RM18.20 million worth of investment value.

Overall, our collective efforts and dedications were recognised, clinching us several wins at the prestigious Global Private Banking Innovation Awards and Private Banker International Global Wealth Awards.

Safeguarding Our Customers With Heightened Online Banking Security

In line with our humanising mission and aspiration to be a Force For Good, we continue to safeguard our customers' and communities' hard-earned savings from fraud and scams. Fraud awareness efforts were emphasised through various channels to educate customers to remain vigilant.

In addition, we deployed new initiatives to prevent phishing such as migrating the SMS one-time password (OTP) to Secure2u, introducing a cooling-off period prior to activation of Secure2u on new devices, allowing only one Secure2u device per account holder, and disabling URLs and QR codes in electronic direct mail and SMS-es.

 Refer to Pervasively Digital on page 70 for more details

Driving Financial Inclusion and Promoting Green Solutions

In line with our focus to drive greater financial inclusion and literacy among local communities, our mobile bus banking service, or "Bank Bergerak", expanded its coverage to Lepar Hilir and Kuala Pahang to serve the underserved in rural Pahang. With these two new routes, Bank Bergerak is now available across 10 remote routes in Malaysia, providing customers convenience and easier access to financial services at their doorstep.

 Refer to www.maybank.com/en/news/2022/07/05.page to read more on mobile bus banking

We introduced several green financing solutions to meet the diverse needs of our customers and support the transition to a low-carbon economy. These included a Solar Panel Financing Campaign in partnership with Petronas, offering affordable solar panel financing to their staff. Over in Singapore, we relaunched the enhanced Green Home Loan in July 2022 based on the residential property obtaining a minimum of BCA Green Mark GoldPLUS certification, offering eligible customers rebates in the form of shopping vouchers.

To encourage the use of greener vehicles, customers in Singapore can enjoy preferential interest rates for new electric and plug-in hybrid vehicles, while over in Indonesia, we are collaborating with Hyundai Motor Indonesia to offer electric vehicles financing with interest rates starting from 0%.

Supporting SMEs Regionally to Grow and Compete

As part of our ongoing support for SMEs, we rolled out additional features in our Maybank2u Biz app and Maybank QRPay Biz app, including the issuance and customisation of invoices, on-the-go transaction approvals and data extraction for seamless integration with accounting systems. The enhancements are vital to help SMEs better manage their day-to-day operations at their fingertips. As at end December 2022, about 55,000 companies were onboarded to Maybank2u Biz App.

The SME Digital Financing solution on Maybank2u and Maybank2u Biz continued to gain strong traction especially among micro SMEs. A total of RM946.60 million worth of loan applications were approved with 85.7% disbursement rate as at end December 2022, 77.0% of which was for micro SMEs. In September 2022, the minimum financing amount was lowered from RM10,000 to RM3,000 to extend the reach of our SME Digital Financing to microenterprises such as small traders, hawkers and food peddlers, among others. This is part of our continued efforts to uplift the business community, especially smaller SMEs that form the lifeline of the country's economy.

Various new localised programmes were rolled out to enrich and equip micro entrepreneurs with knowledge of trade financing solutions. These included the SME Trade Talks and SME Trade Clinic Programme as well as Micro2Grow, aimed at strengthening their credit behaviour and credit record.

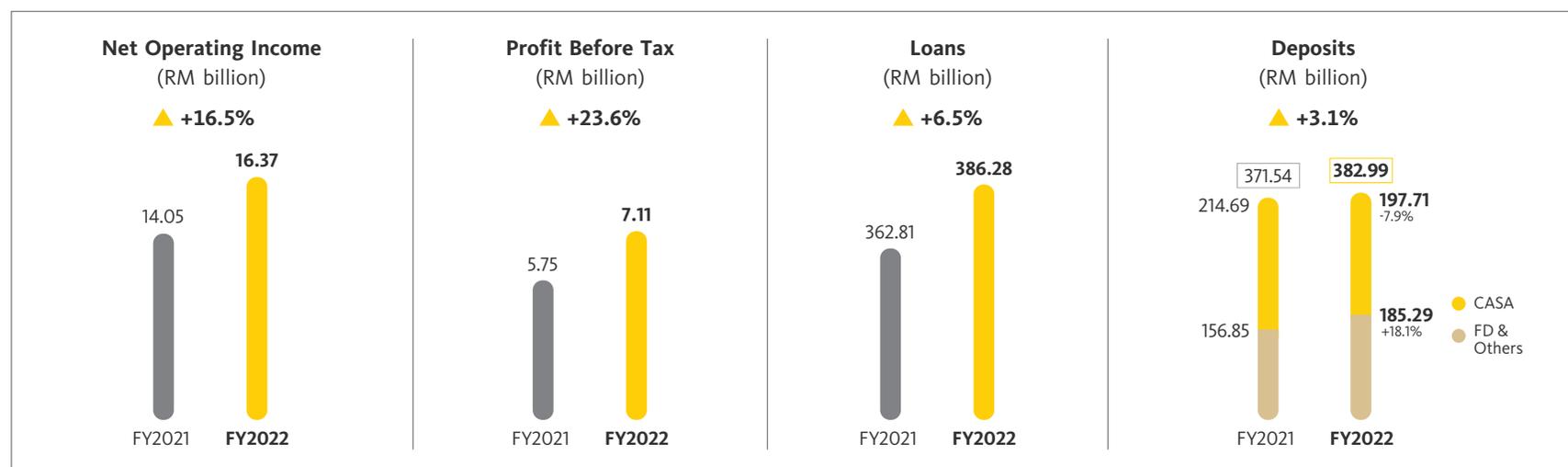
In Cambodia, we issued KHQR for merchants in support of the nation's goal of creating a unified QR code across the country, removing barriers that Cambodian merchants faced when trying to receive funds from different banks.

 Refer to Sustainability Review on page 121 for more information



Group Community Financial Services

REGIONAL FINANCIAL PERFORMANCE



KEY PERFORMANCE HIGHLIGHTS FY2022



Group Community Financial Services recorded Profit Before Tax (PBT) growth of 23.6% to RM7.11 billion, attributed to:

- Net operating income (NOI) expanded by 16.5% YoY to RM16.37 billion, breaching the RM16 billion mark for the first time, from the healthy growth in net fund based income and non-interest income.
- 18.9% YoY growth in net fund based income on the back of 6.5% increase in loans, mainly from the Consumer (6.7%), Retail SME (9.0%) and Business Banking (3.4%) segments.
- 18.1% YoY growth in fixed deposits along with 7.9% YoY reduction in CASA, with the CASA ratio decreasing 6.2% to 51.6%.
- 8.4% YoY increase in non-interest income driven by card fees and payments. This helped cushion the slower growth in investment fee income due to market volatility and global uncertainties.
- Offset by 14.2% growth in overheads YoY amid technology (IT) investment spending and marketing expenses. Despite the increase, cost to income ratio (CIR) improved to 52.1% (FY2021: 53.1%) amid healthy NOI growth during the year.
- 21.8% reduction in loan loss provisioning YoY mainly due to lower top-up requirements following larger buffers from management overlays in FY2021.



In Malaysia, we recorded PBT growth of 37.8% to RM6.07 billion, attributed to:

- Strong fund based income growth of 25.5% YoY, driven mainly by loans growth as well as higher interest rates which supported net interest margin expansion.
- 7.2% loans growth YoY contributed by Mortgages (6.8%), Auto (9.0%) and Cards (19.9%). SME saw solid growth of 9.1% with good traction coming from SME Digital Financing, which grew 33.9% YoY.
- 3.1% growth in deposits YoY as 3.8% reduction in CASA offset 13.7% increase in fixed deposits and others.
- 13.5% growth in non-interest income YoY driven by card fees in tandem with increased billings and merchant sales due to strong rebound in consumer spending and consumption.
- Offset by overheads increase of 18.8% YoY mainly due to increase in personnel cost, IT spending and marketing expenses. However, CIR improved to 46.1% (FY2021: 47.7%) due to robust NOI growth of 23.1% YoY to RM11.85 billion.
- 62.5% reduction in loan loss provisioning YoY mainly due to lower top-up requirements following larger buffers from management overlays in FY2021.



For international operations, we recorded a PBT decline of 23.0% YoY due to:

- **Singapore:** PBT declined 39.4% YoY due to elevated net loan loss provisions from higher adjustments for macroeconomic variables and management overlays amid the prolonged economic uncertainties. Partly cushioning the decline was NOI growth of 1.0% YoY with fund based income up 3.9%, partly offset by a 4.1% reduction in non-interest income mainly due to lower investment fee income.
 - **Indonesia:** PBT declined by 17.8% YoY mainly due to lower NOI of 2.7% YoY and higher preemptive provisions. NOI was affected by slower loans growth from non-retail largely coming from Business Banking. This was partly mitigated by solid consumer loans growth of 13.7%, driven largely by Auto. Meanwhile, cost was well managed at 2.1% YoY growth.
- Offset by:
- **Philippines:** PBT growth was 3.8% YoY, supported by lower overheads and net loan loss provision of 1.1% and 37.6% YoY respectively. In addition, NOI grew 2.0% YoY driven by 37.2% increase in non-interest income due to one-off fair value adjustments from foreclosed properties.
 - **Cambodia:** Strong PBT growth of 48.3% YoY driven by both fund and non-interest income. Fund based income grew 4.0% underpinned by consumer and non-retail loans growth at 15.2% and 18.4%, respectively. Overheads grew 9.6% YoY predominantly due to increase in personnel expense to support business expansions. Improved asset quality resulted in lower net loan loss from non-retail portfolios.



Related Strategic Thrusts and Programmes:

ALL SP1 SP2 SP5 SP7 TO SP12

Refer to Our Operating Context on page 38 for Material Risks, Opportunities, Mitigating Actions and Outlook

OVERVIEW

We are determined to constantly elevate our customers' experience through the provision of digitalised customer-centric solutions and integrated bespoke customer offerings across the region while generating sustainable value in partnering with our customers towards a sustainability-first journey. Against the backdrop of inflationary pressure triggering rate hikes and heightened market volatility, we remain committed to assisting our customers to manage their financial obligations proactively as well as maintain discipline over asset quality monitoring.

TOP
ACHIEVEMENTS
IN 2022

 Maintained position as No.1 Wholesale Bank in Malaysia for revenue, loans and deposits amid volatile operating environment	 Named Best Investment Bank in Malaysia by Finance Asia and Best Islamic Investment Bank in Asia-Pacific and Malaysia by The Asset Triple A	 Awarded Best Sustainable & ESG Asset Management Malaysia and Best ESG Shariah Equity Fund Malaysia by Global Banking and Finance	 Executed MBSB Bank's RM5 billion sustainability sukuk , the world's first by an Islamic financial institution	 Top 2 ranking for Ringgit Islamic Sukuk, Ringgit Bonds, ASEAN Local Currency Bonds, ECM and M&As in Malaysia on Bloomberg's league tables
--	--	--	---	---

KEY FOCUS AREAS FOR 2022

Assisting Customers to Navigate the Volatile Economy Through Client-Centric Offerings

To support our customers and connect them to cross-border offerings and solutions, we continued to leverage our extensive capabilities and experience in ASEAN and regional markets to tailor investment solutions for them. In the early part of 2022, our brokerage business gained further traction following the stock market rally in 2021 on more upbeat sentiment. As market volatility picked up against economic uncertainties and geopolitical tensions, trade volumes tapered from the second quarter onwards. Nevertheless, we continued to facilitate our customers' growth ambitions through deal activities including cross-border deals such as the acquisition of logistics assets in Australia by a sovereign wealth fund in ASEAN and the syndicated term facility for Thailand's Charoen Pokphand Group.

During the year, we remained focused on managing the asset quality of our loans portfolio and took proactive measures to manage vulnerable accounts. Engaging with our customers, we were able to provide early intervention and assistance where needed, the latter in the form of financial management solutions including restructuring and rescheduling (R&R) for eligible borrowers. ❁

KEY FOCUS AREAS FOR 2022 (CONT'D.)**Provide Differentiated Investment Management Advisory and Solutions Across All ASEAN Markets**

In 2022, our Equity and Commodity Derivatives (ECD) business introduced equity-linked structured products in Singapore with the launch of Autocallable notes out of our Global Note Programme. That was followed by the launch of structured products out of Maybank Securities (Thailand) PCL in August 2022 catering to local investors in Thailand. In line with market sentiment, ECD has also adjusted its core offerings surrounding principal protected investments to cater to market demand and distributors' objectives of capital preservation strategies such as minimum redemption investment, fund-linked investment and rainbow fund-linked investment. These products offer clients a predetermined percentage of invested capital protection upon entering the trade, providing greater certainty on expected returns. In an effort to improve our client engagement, ECD launched a dedicated Telegram channel "Trade with Maybank" in April 2022 enabling information sharing with the Malaysian equity investment community.

Our asset management arm, Maybank Asset Management Group (MAMG), expanded its product suite with the launch of various innovative funds. One of them, the MAMG China Evolution Equity Fund, is a sub-fund of T-Rowe Price Funds SICAV, which offers T-Rowe Price's premier China-focused equity investment strategy to Malaysian investors. The fund aims to provide better share valuation over the long term, through the selection of investments focused on sustainable growth strategies. MAMG's overall performance saw it being named the Best Asset Manager (Money Market Funds) and Best Provider of Islamic & Conventional Retirement Plans by Alpha Southeast Asia in 2022.

**Accelerating Digitalisation and Technology Modernisation to Elevate Customer Experience**

The year saw us continue to invest in digitalisation efforts to improve turnaround time as part of our focus to enhance the customer experience. In January 2022, we launched the Maybank Automated Environment for Sales and Trading Real Time Operations (MAESTRO) platform in Malaysia, our in-house platform utilising Straight-Through Processing to price and execute FX Option instrument deals. This has resulted in faster response to clients, efficient price iterations and reduced booking errors and operational risk. Overall, MAESTRO has improved our ability to capture opportunities in the fast-paced and market sensitive Global Markets segment.

In Indonesia, we launched our bond trading capability on our website, www.maybank.co.id, and the Maybank2u Indonesia app in January 2022. With these capabilities, customers are able to execute retail and secondary bond trades without having to go through sales representatives, which provides them greater efficiency of trade flows. This has resulted in an increase in bond trade flows by approximately 10.0% YoY for FY2022.

We also launched the Maybank Invest application in Thailand in line with our aspiration to transition from an equity-centric platform to a multi-asset platform. The app enables customers to invest in various financial products such as stocks, funds and debentures, among others. It leverages Artificial Intelligence (AI) that utilises customers' data to provide them goal-based investment recommendations suited to their risk appetite and profile. The app is one of the first in the Thai market that can provide a consolidated portfolio overview across asset classes. Since its launch, the app has garnered an average of 17,000 monthly active users.

To facilitate greater efficiency and access, we rolled out our Regional Cash Management Systems (RCMS) in our Shenzhen and Kunming branches in Greater China as well as in Cambodia. The RCMS allows customers to receive and transfer payments from electronic wallets and bank accounts. In Malaysia, we have incorporated new DuitNow modules that enable immediate payment and receipt of funds between buyers and sellers with real-time pre-authorisation and/or consent features, enabling corporate clients to transact with their customers more seamlessly.

Refer to Pervasively Digital on page 71 for more information

Drive Leadership in Sustainability Agenda

Sustainable development towards a low-carbon future is a growing priority among businesses, investors and policymakers. As we work towards transitioning to a low-carbon economy responsibly, we continue to build our internal capabilities and expertise in industry/sector decarbonisation strategies while keeping abreast of global sustainability developments. This will enable us to develop client-centric solutions that support the rollout of decarbonisation strategies across our businesses and markets. In 2022, we executed TNB Power Generation Sdn Bhd's maiden sustainability sukuk, which was also the first sustainability sukuk in the Malaysian utility sector; acted as the sole sustainability framework adviser for MBSB Bank's issuance of the first sustainability sukuk in the world by an Islamic financial institution; and executed the first sustainability-linked Islamic profit rate swap for Axis Real Estate Investment Trust. Regionally, we participated in several sustainability-related transactions such as PT Bank Negara Indonesia's

inaugural green bond issuance, and Tembusu Residential Pte Ltd's and Frasers Property Investments (Holland) B.V.'s green loans. Our sustainable financing deals in FY2022 have contributed RM15.86 billion to the mobilisation of Sustainable Finance under Commitment 1 of our Sustainability Agenda.

Please see the Sustainability Review section on page 119 for more details on the Group's Sustainability commitments

Meanwhile, MAMG expanded its ESG product offerings with the launch of MAMG Global Environment Fund in August 2022. This sustainability themed feeder fund invests in BNP Paribas Global Environment Fund which, in turn, supports new energy, sustainable food, water, circular economy, smart environment, clean and efficient transport solutions. This fund marks our third qualified Sustainable & Responsible Investment (SRI) fund under the Securities Commission Malaysia SRI Funds' guidelines.

**NOTABLE DEALS****Malaysia**

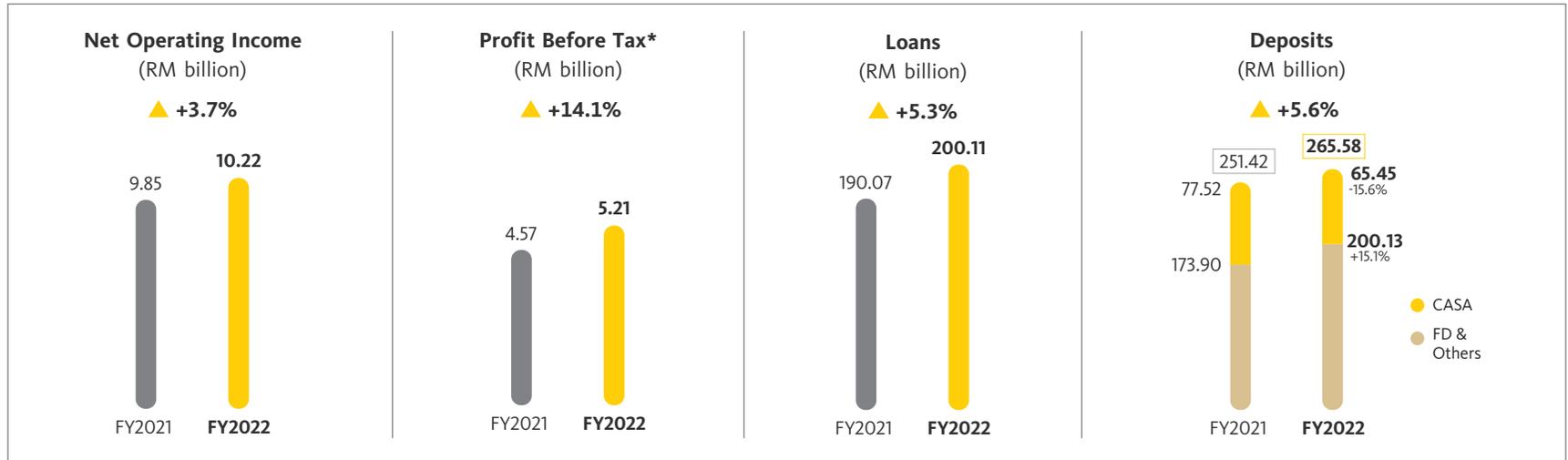
- Joint Lead Arranger and Manager for TNB Power Generation Sdn Bhd's inaugural RM1.5 billion Sustainability Sukuk issuance.
- Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter and Joint Underwriter for Farm Fresh Berhad's RM1.1 billion IPO, the largest Malaysian IPO in 2022 and largest ever dairy products sector IPO in ASEAN.
- Joint Bookrunner and Placement Agent to Press Metal Aluminium Holdings Berhad's RM970.6 million placement, the largest primary placement in the Malaysian industrial sector and the regional metal sector.
- Principal Adviser and Debt Adviser to Axiata Group Berhad for the merger of the telecommunications operations of Celcom Axiata Berhad and Digi.com Berhad for a combined consideration of RM17.8 billion.
- Joint Principal Adviser, Joint Lead Arranger and Joint Lead Manager for Sarawak Petchem Sdn Bhd's Sukuk Wakalah Programme of up to RM4.0 billion.

International

- **Singapore:** Joint Mandated Lead Arranger and Bookrunner for OUE Commercial REIT's SGD978 million Sustainability-Linked Loan, the largest sustainability-linked loan among S-REITs.
- **Indonesia:** Joint Lead Underwriter for PT Bank Negara Indonesia (Persero) Tbk's first IDR Green Bond of IDR5 trillion issued by an Indonesian bank.
- **Greater China:** Lead Arranger for Harmony Lotus Ltd's HKD10.3 billion secured green syndication loan.
- **Thailand:** Joint Lead Arranger for Gulf Energy Development PCL's first-ever public senior unsecured debentures issuance of THB24.0 billion marketed to retail investors.
- **Vietnam:** Mandated Lead Arranger, Underwriter and Bookrunner for Vietnam Prosperity Joint Stock Commercial Bank's (VPBank) USD600 million Senior Unsecured Syndicated Term Loan Facility, VPBank's largest offshore syndicated loan.

Group Global Banking

REGIONAL FINANCIAL PERFORMANCE



* FY2021 PBT has been restated due to reclassification between Group Global Banking and Group Community Financial Services

KEY PERFORMANCE HIGHLIGHTS FY2022



Group Global Banking's Profit Before Tax (PBT) increased by 14.1% YoY to RM5.21 billion contributed by:

- A 3.7% YoY increase in net operating income (NOI) due to higher net fund based income and non-interest income.
- A 3.4% YoY increase in net fund based income mainly supported by well-managed funding cost mainly from Transaction Banking, as well as the higher interest rate environment and loans growth which lifted net interest margins (NIM).
- A 4.2% YoY increase in non-interest income mainly due to higher trading income recorded by Global Markets.
- Offset by 5.1% YoY increase in overheads resulting in a marginal increase in the cost to income ratio (CIR) from 31.0% to 31.4%.
- 19.2% YoY reduction in net impairment losses mainly contributed by lower provisions incurred by overseas operations amid write-backs from proactive efforts to manage the asset quality of our loans portfolio.



In Malaysia, PBT declined by 5.4% YoY to RM3.37 billion, attributed to:

- Increase of 43.6% YoY in net impairment losses on loans as pre-emptive provisioning made mainly on oil & gas related exposures.
- 5.8% increase in overheads resulting in marginal CIR growth of 23.0% in FY2022 from 22.9% in FY2021.
- Offset by 5.2% YoY NOI growth as a result of 11.8% increase in net fund based income, mainly supported by well-managed funding cost and higher interest rates on loans, which improved NIM.
- However, non-interest income declined by 3.7% YoY from lower IB&A and brokerage income amid the challenging operating environment, moderated by higher income from trading activities.



For international operations, PBT increased by 83.2% to RM1.84 billion, contributed by:

- **Singapore:** 11.1% growth in PBT due to a 17.2% increase in NOI, driven mainly by gains from treasury business, exceptional one-off loan-related fees as well as strong loans and trade growth.
- **Indonesia:** More than 100% growth in PBT due to 84.7% YoY decrease in net impairment losses, which was partially offset by an 8.6% decrease in NOI due to lower gains from treasury related activities.
- **Greater China:** PBT improved by 66.5% due to 58.4% decline in net impairment losses, which was partially offset by lower NOI due to reduced gains from investment banking, treasury and loan related activities.
- **Philippines:** 42.4% growth in PBT due to a 48.9% YoY decrease in net impairment losses and 8.1% contraction in overheads, which partially offset a decrease in NOI YoY due to lower income from loans-related IB&A and brokerage activities.
- **Vietnam:** 30.2% growth in PBT due to a 98.6% YoY decrease in net impairment losses and 1.7% increase in NOI from higher income from syndication loan fees, trading activities, IB&A deals and the brokerage business.
- **Cambodia:** 15.1% growth in PBT due to 18.1% increase in NOI and higher net ECL write-backs for FY2022. The NOI growth was driven mainly by higher net fund based income supported by higher average customer deposits during the year.



Group Insurance & Takaful

Related Strategic Thrusts and Programmes:

ST1 TO ST4 SP6 SP9 TO SP12

Refer to Our Operating Context on page 39 for Material Risks, Opportunities, Mitigating Actions and Outlook

OVERVIEW

As mobility returned to pre-pandemic levels across ASEAN, access to our intermediaries and branches improved compared to 2021. The opening up of the economy and lifting of travel restrictions led to a strong rebound in demand for general insurance products such as motor and personal accidents. However, demand for life and family Takaful investment-linked products was limited by market volatility. Meanwhile, a shift in customer interest drove us to develop solutions that are sustainable, inclusive and easily accessible. We also continued to leverage our digital platforms and strategic partnerships to expand our ecosystems to serve a wider network of customers as we work towards our M25+ aspiration to become a regional leader in insurance.

TOP
ACHIEVEMENTS
IN 2022

 <p>No. 1 Bancassurance/ Bancatakaful player in Regular Premium/ Contribution and Total Life/Family with 20.4% and 19.1% market share respectively in Malaysia</p>	 <p>No. 1 General Takaful Operator in Malaysia</p>	 <p>No. 1 online General Insurer and Takaful in Malaysia with 55.2% market share, and leading online life insurer in Singapore</p>	 <p>Recognised as the Best Family and General Takaful Institutions by The Asset Triple A Islamic Finance Awards 2022</p>	 <p>Launched Premier Global Sustainable Equity Fund (PGSEF), among the first ESG insurance products in Malaysia via Bancassurance channel</p>
--	--	--	--	---

KEY FOCUS AREAS FOR 2022

Strengthening Our Position as the Preferred Banca Partner Across ASEAN

Greater emphasis was placed on wealth management products focused on legacy building under Bancatakaful in 2022, as the volatile investment market has capped interest in investment linked products. Arising from the product shift, our Wealth Accumulation, Wealth Preservation and Wealth Distribution products gained traction among our banca customers, leading growth in our Family Takaful segment. To better understand our customers, we leveraged our Etiqa Virtual Insurance Advisor (EVIA) platform to gain insights into their insurance and Takaful needs. Since its launch, EVIA has assisted our intermediaries to improve their customer engagement. Its value is reflected in the fact that it was used by about 39.9% of our intermediaries for customer profiling, and 22.5% eventually creating unique customer profiles in 2022.

Group Insurance & Takaful

KEY FOCUS AREAS FOR 2022 (CONT'D.)



Leading the Sustainability and VBI Agenda in the Insurance Industry

As a leading insurance and Takaful provider, we are constantly looking for ways to further drive the sustainability agenda. This saw us establish a Sustainability Dashboard during the year to address our sustainability gaps and track our progress on carbon emissions, which includes Etiqa's operations as well as our ESG investments portfolio and underwriting portfolio, among others. The dashboard is also in line with our Value-Based Intermediation (VBI) commitment.

We have also introduced several key milestone products to help our customers to transition sustainably. The Premier Global Sustainable Equity Fund, for example, is the first ESG Investment Linked Product sold via Bancassurance in Malaysia. It allows customers to invest in companies with activities linked to sustainable investment themes through our Bancassurance channel. Additionally, we introduced first-in-Malaysia insurance and Takaful coverage for electric vehicle (EV) home chargers to encourage the adoption of clean mobility.

Several programmes were also carried out as part of our commitment to 'Making the World a Better Place'. We launched our first Etiqa Cares Centre in the southern region at the Program Perumahan Rakyat Kempas Permai, Johor Bahru, in collaboration with Adab Youth Garage (AYG). At the centre, B40 youth will get to participate in free educational activities and counselling sessions to prepare for their future. Preserving the marine ecosystem, the Etiqa Marine Conservation Programme 2022 partnered Kelab Legasi Selam Skuba Malaysia (Leges Divers) to organise workshops and rejuvenate nine coral conservation units at the Salang House Reef Dive Site in Kampung Salang, Pulau Tioman, with various species of newly propagated corals. Over in Cambodia, we teamed up with WaterAid Cambodia to launch a co-funding programme to provide clean water supply, benefiting close to 200 families in Kandal, Phnom Penh. Meanwhile, our Etiqa Free Cervical Screening programme with ROSE Foundation earned us the "Insurance & Takaful Company of the Year" award in the Women & Public Health category by CSR Malaysia Publications at the Sustainability & CSR Malaysia Awards 2022.

For more on Etiqa's financial inclusion initiatives, refer to Sustainability Review on page 121

Providing FEBA (Fast and Easy, Best Advice) Services Beyond Auto insurance

During the year, we further enhanced our All Things Auto (ATA) platform with the introduction of value-added services to provide holistic auto solutions to customers. Following the rollout in 2021 of our back-end ATA System Release 3.0 functions, our case assignments have been automated to connect with the nearest active service providers. This improvement has helped shorten the turnaround time for Auto Assistance from approximately three hours to under an hour. In 2022, we launched Malaysia's first Auto Assistance Location Tracker enabling customers to track the location of their auto service providers in real time via the Etiqa Smile mobile application. This is in line with our promise to be Fast and Easy to deal with for all our customers.



Leader in Digital Insurance Sphere Across ASEAN

As part of efforts to make insurance simpler and more easily accessible, we further enhanced the user interface in our Smile App to enable faster claims submissions, easier navigation for medication delivery requests, and one request touchpoint for local and overseas Hospital Guarantee Letters and nearest medical providers.

In line with our brand promise of humanising insurance, we also upgraded our Etiqa website to be user-friendly for the visually impaired. Having incorporated the Auditory Web Accessibility function, now visually challenged customers can access and browse for medical and other insurance products on our website independently. New digital products were also developed to cater for the underserved, such as the i-Care OKU, our first online Takaful plan for *orang kurang upaya* (OKU) or disabled persons registered with Jabatan Kebajikan Malaysia. This new product was designed to be affordable and easy to apply for via the Etiqa website.

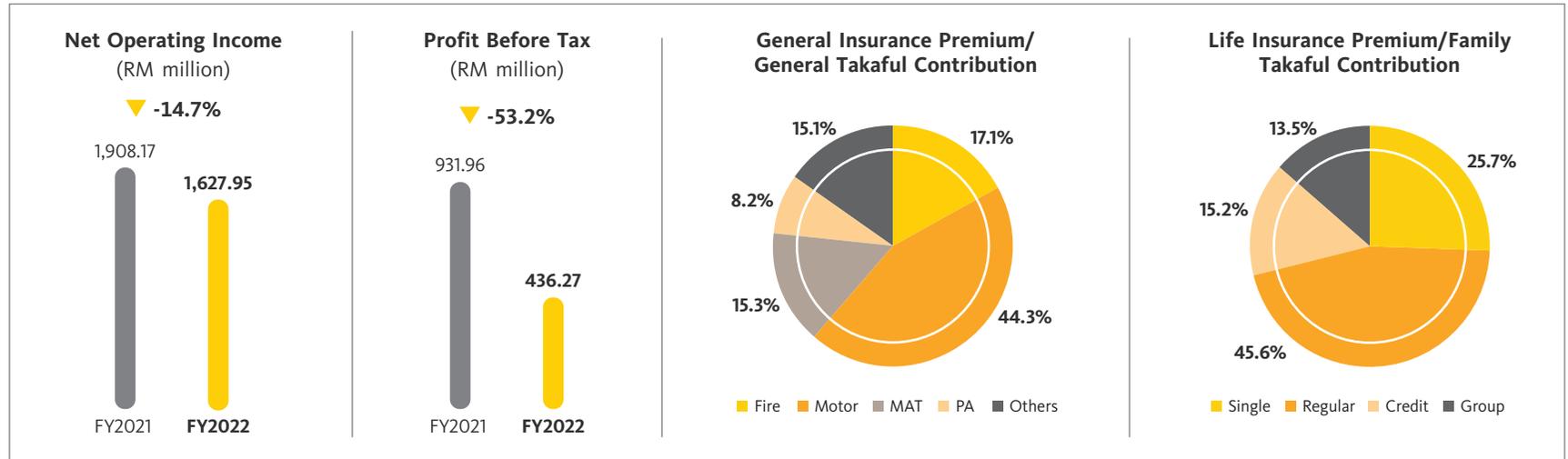
We also broadened our digital offerings for the B40 community by teaming up with the Employees Provident Fund (EPF) to launch Etiqa Term Secure and Etiqa Critical Care under EPF's "i-Lindung" initiative, a microinsurance or microtakaful product available on EPF's member website.

Building on our leading digital insurance position in Malaysia and Singapore, we are expanding our reach to Indonesia, the Philippines and Cambodia, tapping into Maybank Group's touchpoints to grow our presence across ASEAN.

Refer to Pervasively Digital on page 71 for more details

Group Insurance & Takaful

REGIONAL FINANCIAL PERFORMANCE



KEY PERFORMANCE HIGHLIGHTS FY2022



Group Insurance & Takaful's PBT declined 53.2% YoY to RM436.27 million, with the following contributing factors:

- 34.2% YoY decline in investment income amid the continued rise in bond yields as well as lower underwriting profit of 52.6% YoY, from high surrenders of a universal life product in Etiqa Singapore, as customers shift to higher yielding assets amid the rising interest rate environment.
- 3.3% YoY decline in combined gross premiums/contributions to RM11.09 billion due to contraction in the Single Premium business. Net Adjusted Premium, however, grew by 5.5% YoY to RM6.22 billion supported mainly by strong double-digit growth in the motor insurance/Takaful class.
- A 13.3% YoY decrease in Life Insurance & Family Takaful premiums/contributions to RM6.81 billion, driven by the decline in Single Premium business, particularly from Etiqa Singapore, from a deliberate shift in focus towards longer-term sustainable solutions/products with higher margins.
- However, General Insurance & General Takaful premiums/contributions increased by 18.4% YoY to RM4.28 billion due to growth in all classes, particularly motor insurance/Takaful.
- Meanwhile, total assets decreased by 3.4% YoY to RM52.37 billion from RM54.19 billion in FY2021.



In Malaysia, PBT grew by 8.0% YoY to RM1.03 billion due to:

- Improved profit from underwriting mainly attributed to Life Insurance & Family Takaful from changes in actuarial reserve valuation methodology resulting in increased surplus. In addition, net investment income was 3.0% higher YoY driven mainly by increased interest/profit from fixed income investments though moderated by the negative impact of yield curve movement following the rise in yields and widening credit spread during the period.
- 9.3% YoY growth in combined gross premiums/contributions to RM7.51 billion from RM6.87 billion in FY2021 supported by the motor and credit-related business. Net Adjusted Premium grew by 8.1% YoY to RM4.68 billion.
- The General Insurance & Takaful business grew by 17.3% YoY driven by all classes, especially the motor business. Its market share increased to 15.4% from 14.3% YoY.
- Life Insurance & Family Takaful new business premiums/contributions grew by 4.8% YoY, especially in the Credit business. Market share increased from 12.0% to 12.2% YoY, while new business value grew 6.7% YoY.



For international operations, loss before taxation (LBT) increased to RM591.98 million from RM20.24 million, due to:

- 22.2% YoY contraction in regional markets' combined gross premium to RM3.58 billion from RM4.60 billion.
- **Singapore:** 26.6% YoY contraction in gross premiums to RM2.90 billion, attributed mainly to decreased sale of single premiums. The country operations recorded an LBT of RM589.31 million as compared to RM19.09 million in FY2021 due to lower profit from underwriting following the impact of high surrenders of a universal life product, coupled with net losses from investments.
- **Philippines:** PBT declined by 44.2% YoY to RM20.61 million amid lower underwriting profit, although partly moderated by 0.9% YoY growth in gross premiums to RM464.62 million.
- **Indonesia:** 6.7% YoY growth in gross premiums to RM200.10 million cushioned the LBT which reduced to RM13.23 million from RM31.39 million in FY2021, as the underwriting deficit was lower for FY2022.
- **Cambodia:** Increase in gross premiums to RM15.50 million from RM5.71 million in FY2021. However, LBT increased to RM10.05 million from RM6.71 million due to higher management expenses.



Related Strategic Thrusts and Programmes:

ALL SP5 SP9 TO SP12

Refer to Our Operating Context on page 39 for Material Risks, Opportunities, Mitigating Actions and Outlook

OVERVIEW

As a leading Islamic finance provider in the region, we place significant importance on serving our customers, businesses and communities. During the year, we supported the pick-up in business activities amid a reopening of economies by providing holistic financial solutions through Islamic Wealth Management (IWM) and Halal economy initiatives in order to capture both the increase in consumer demand as well as investment opportunities for our customers. Prioritising inclusive financial opportunities, we also assisted our customers to recover from the impact of the pandemic through sustainable and Islamic social finance initiatives. Aligned with Shariah principles, we strive to further our sustainability agenda, rolling out impactful programmes that support communities while driving sustainable practices in our business conduct. To build our thought leadership and contribute towards the development of global Islamic finance, we held the inaugural Maybank Islamic Global Connect Forum themed “Driving Sustainable Impact Through Islamic Finance”.

TOP
ACHIEVEMENTS
IN 2022

 <p>Grew our assets by 9.2% YoY and retained our position as a top five Islamic bank globally and the largest in ASEAN in terms of total assets</p>	 <p>First bank in Malaysia to introduce Islamic Financial Planning Certification to develop specialists in IWM based on the five pillars of creation, accumulation, preservation, purification and distribution</p>	 <p>Launched Malaysia's first-of-its-kind integrated automobile financing solution targeted at electric vehicle and hybrid vehicle owners</p>	 <p>Ranked 1st in Ringgit Malaysia Sukuk League Table and 4th in Global Sukuk League Table as well as successfully advised five sustainability sukuk issuances</p>	 <p>Retained the title of Islamic Bank of The Year in Asia Pacific and Malaysia from Triple A Islamic Finance Awards for the ninth consecutive year and awarded Best Islamic Finance Institution in Asia and Malaysia for 2022 by Global Finance</p>
---	---	---	--	--

KEY FOCUS AREAS FOR 2022

Strengthening Our Islamic Proposition Through Differentiated Customer Solutions

Against a backdrop of economic volatility, global demand for Halal products has remained strong, inspiring us to roll out various initiatives to grow Halal micro, small and medium enterprises (MSMEs). These included programmes that provide value added services and financial solutions to support our customers on their Halal business journeys.

Among others, we held awareness and capacity building programmes to promote Halal Certification via our Halal Awareness Certification Programme, which was attended by 681 MSMEs. We also launched Halal Fund and Ehsan Financing in March 2022 to enable homegrown Halal MSMEs to scale up their businesses. In October 2022, we introduced Halal 4 Wards, a Shariah-compliant financial solution that bundles product solutions for our SME and Business Banking customers within targeted Halal sectors, providing them access to financing, deposits, Takaful as well as capacity building programmes.

In efforts to provide holistic financial solutions for Islamic Wealth Management (IWM), we continued to upskill our Relationship Managers (RMs) by enrolling them in the Islamic Financial Planning (IFP) Certification training. We are proud to be the first bank in Malaysia to introduce the IFP Certification enabling our RMs to specialise in Shariah product advisory, and grow our IWM proposition. We also initiated the assignment of Personal Financial Advisors (PFAs) to provide customers advice on Islamic financial solutions at Maybank Islamic Berhad (MIB) branches nationwide.

KEY FOCUS AREAS FOR 2022 (CONT'D.)**Strengthening Our Islamic Proposition Through Differentiated Customer Solutions (Cont'd.)**

We have also been driving awareness of our IWM propositions. On top of targeted marketing and advertising campaigns, we held three IWM Coffee Talk sessions during the year with our IFP RMs, inviting 15 customers per session to provide a dedicated space to better understand their issues and educate them about IWM solutions that could support their ambitions. In addition, we organised dialogues with industry experts to nurture longstanding relationships with our customers and equip them with information on IWM to support their financial decisions throughout the various stages of life. No less than 1,573 participants from Asia, Europe, America and Africa tuned in to Maybank Islamic's Islamic Wealth Dialogue which was held on a hybrid basis in December 2022.

Separately, in collaboration with the Group, IWM customers are now also able to monitor their assets and liabilities positions through the Digital Wealth 360 platform on the MAE app and Maybank2u website.

 More details are available in Group Community Financial Services on page 58

Initiatives to grow our IWM business are aligned with our pursuit to provide long-term sustainable value to our shareholders by strengthening our value proposition to customers. Our efforts resulted in IWM revenue growing 32.2% YoY to RM1.70 billion in FY2022 (FY2021: 28.9% YoY to RM1.28 billion). This was mainly due to 29.7% YoY growth in fund based income (FY2021: 25.5% YoY) to RM1.57 billion, and non-fund based income growth of 70.3% YoY (FY2021: 120.4% YoY) to RM132.45 million.



Scan here
for video on
Islamic Wealth
Management

Innovating Islamic Banking in a Pervasively Digital World

We continue to embed digital Islamic financial solutions that complement our customers' life journeys. In collaboration with the Group's Home²u rollout, we embedded our Islamic home financing offering on this platform along with other financing packages like My First Home Scheme-i, to provide greater financial accessibility to potential homeowners. With this initiative, we have managed to grant a total of RM841.0 million approved Islamic mortgage financing to 2,841 applicants as at end-December 2022, since its launch in March 2022.

 More details of Home²u are available in Group Community Financial Services (GCFS) and Pervasively Digital sections on pages 57 and 70

In October 2022, we also launched the e-KYC for Zest-i and M2U Premier Islamic account openings on our MAE app. As this brings greater convenience to customers, it resulted in strong growth in digital account opening which outpaced over-the-counter account opening by almost double during 2022.

Driving Positive Impact for Our Communities and the Environment Without Compromising Customers' Needs

Demand for sustainable offerings picked up significantly in 2022 from corporate clients in their need to achieve their sustainability agendas as well as from institutional investors seeking investments that meet their ESG and SRI mandate requirements.

Driven by this demand as well as our own aspiration to be an ESG leader in the region, we have been collaborating with our customers and partners to develop more ESG-friendly offerings. This year, we worked closely with Maybank Investment Bank on the issuance of 10 Sustainability, Green and SRI-related sukuk offerings through various roles including Joint and Lead Manager, Arranger, Principal Adviser, Facility Agent and Shariah Adviser. Among others, we were involved in TNB Power Generation (TNBPG)'s inaugural sustainability sukuk, as well as in MBSB's first sustainability sukuk, the world's first to be issued by a Malaysian Islamic bank.

We also introduced an Electric Vehicle (EV) Financing Membership Programme in November 2022 titled InCharge. The sustainability-driven solution covers various aspects of owning an EV or hybrid vehicle including financing and insurance/Takaful coverage, while providing access to EV charging privileges through the Park Easy app. In addition, we installed EV charging stations at Dataran Maybank, the Kuala Lumpur Golf & Country Club and Mandarin Oriental Hotel, Kuala Lumpur to contribute to the development of the infrastructure and ecosystem required to promote the use of EV and hybrid vehicles. MIB aims to add 10 EV charging stations within the Klang Valley and other states by 2023. We believe there will be significant opportunities to meet the expectations of a growing number of environmentally-conscious consumers through EV solutions and others that promote the transition to a low-carbon economy. These initiatives are aligned with our commitment of Mobilising RM80 billion Sustainable Financing* by 2025 and the Malaysian Government's National Energy Policy 2022-2040 of growing the EV market share to 38% by 2040.

In December 2022, we also introduced eco-friendly credit cards, made mostly of bio-sourced and renewable materials, and which reward cardholders for spending with specified eco-friendly merchants and sustainable businesses. This is aligned with our efforts to promote sustainability and to reduce our carbon footprint.

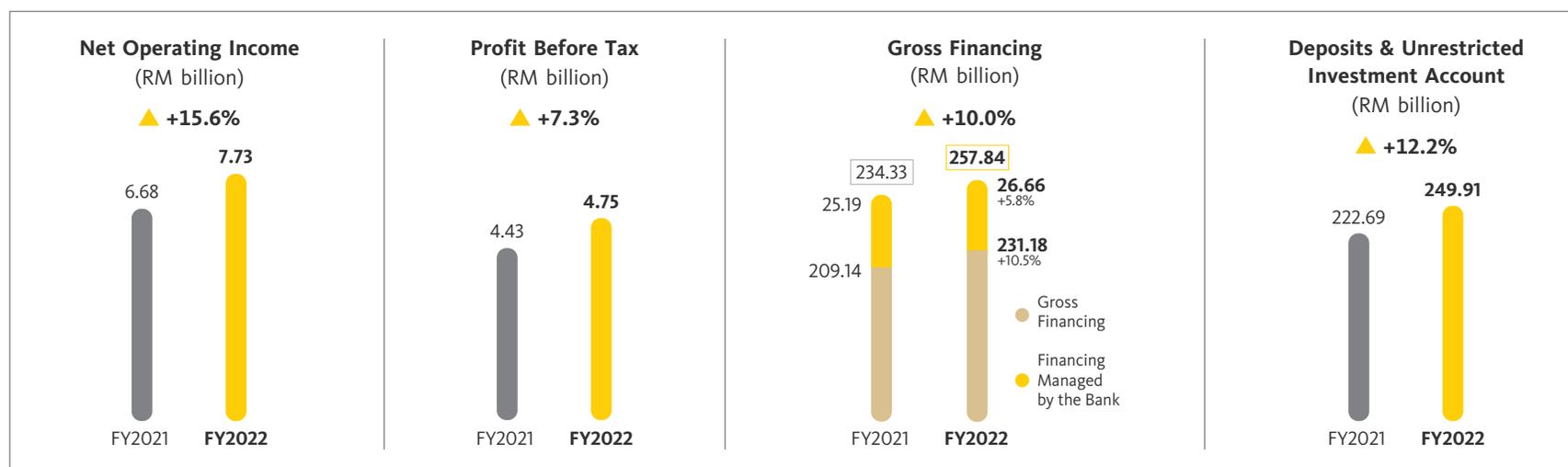
We also held the inaugural Maybank Islamic Global Connect Forum themed "Driving Sustainable Impact Through Islamic Finance" in March 2022. The collaborative event with Islamic Markets seeks to stimulate dialogue between industry leaders from across the globe and foster collaboration on sustainability, inclusivity and delivering a positive impact. The overall forum covered three thematic sessions which were the integration of ESG and Islamic finance; digital and technology propositions; and the global Halal economy and its ecosystems. The virtual three-day event attracted a total of 583 global viewers.

In keeping with our mission of Humanising Financial Services, we continue to find meaningful ways to support our communities and businesses through community empowerment programmes across ASEAN, leveraging Islamic Social Finance tools such as zakat, sadaqah and waqf. Our efforts to improve the lives of asnaf households included 32 zakat programmes that seek to create a positive impact. While continuing with existing programmes such as Zakat RISE, our student entrepreneurship programme, Urban Farming, and Ehsan Financing, we also introduced new programmes in 2022 such as Zakat Financing, an Entrepreneurship Development Programme for Women and the Megapreneurship Project (collaboration with Group Community Financial Services). During the year, we disbursed a total of RM25.53 million through various Majlis Agama Islamic Negeri as well as Maybank Islamic Zakat programmes towards entrepreneurship funding to underprivileged households such as Zakat Financing and the Megapreneurship Project. In addition, we provided food aid and relief assistance, such as Ramadhan Relief, to vulnerable households via various humanitarian aid programmes which supported more than 45,000 beneficiaries.

 * Target for Commitment 1 has been revised from RM50 billion. Details are available in Our Strategy and Sustainability Review sections on pages 40 and 119

Group Islamic Banking

REGIONAL FINANCIAL PERFORMANCE



KEY PERFORMANCE HIGHLIGHTS FY2022



Maybank Group Islamic Banking (MGIB)'s net profit before tax (PBT) improved 7.3% YoY to RM4.75 billion, supported by:

- Net operating income (NOI) grew by 15.6% YoY to RM7.73 billion amid strong income growth from both net fund based income (NFBI) and non-fund based income (NoFBI).
- NFBI growth of 12.5% YoY from healthy gross financing (including financing managed by the Bank) which increased 10.0% YoY mainly in our home markets. Meanwhile, deposits and unrestricted Investment Account (UA) grew by 12.2% YoY, mainly from term funding growth which moderated the net financing margin. MGIB's NFBI contributed to 32.9% of Maybank Group's total net interest income (NII) as compared to 31.7% in the previous financial year. Gross financing and deposits contributed to 43.9% and 39.1% of Maybank Group's gross loans and deposits respectively (FY2021: 42.3% and 36.1% respectively).
- Double-digit growth of 45.5% YoY in NoFBI mainly due to growth in core fee income in Maybank Islamic Berhad (MIB), contributed by the inclusion of Restricted Profit Sharing Investment Account (RPSIA) profit sharing fees* and new value driver, namely Islamic Wealth Management (IWM). Non-fund based income ratio stood at 11.9%, which was 2.4% higher than in FY2021.
- Offset by overheads growth of 29.5% YoY, mainly from higher personnel costs which resulted in the cost to income ratio (CIR) increasing to 31.2% from 27.8% in FY2021.
- Meanwhile, net impairment losses increased by 42.8% YoY from continuous assessments to safeguard asset quality in corporate and SME borrowers.



In Malaysia, PBT increased by 8.9% YoY to RM4.54 billion due to:

- 14.7% YoY increase in NOI, driven by MIB's NFBI 11.5% YoY growth which was led by financing assets growth as well as higher policy rates. Meanwhile liquidity and funding management continued to improve with healthy growth in CFS deposits.
- 10.6% YoY growth in MIB's gross financing (including financing managed by the Bank), led by mortgage, auto, term financing and STRC-i. Deposits and UA also grew by 13.1% from stronger CFS term deposits as a result of efforts to improve its liquidity profile and funding cost. MIB contributed 41.6% and 36.8% of Maybank Group's financing and deposits respectively (2021: 39.8% for financing, 33.7% for deposits).
- 46.0% YoY increase in NoFBI from inclusion of RPSIA profit sharing fees and strong performance by IWM in FY2022.
- Offset by 26.5% YoY increase in overheads due to personnel costs, resulting in higher CIR at 30.3% for FY2022 (FY2021: 27.5%) and
- 29.4% YoY increase in net impairment losses following continuous provision assessments for corporate and SME borrowers.



For international operations, PBT declined by 18.3% to RM212.75 million:

- **Singapore:** PBT decreased 12.1% YoY, due to lower NFBI by 14.5% and increase in net impairment losses of 58.4%. Financing assets grew by 3.9% primarily led by CFS Retail SME and commercial banking portfolios.
- **Indonesia:** Unit Usaha Syariah PBT was lower by 26.4% YoY amid continuous measures to safeguard asset quality by setting aside higher net impairment losses (124.2% YoY). However, NOI improved by 44.3% YoY driven by higher margin income and lower dividend expense, which was aligned with the growth in financing assets and CASA, coupled with an increase in NoFBI.

Offset by:

- **Labuan:** PBT increased by 9.1% YoY on lower net impairment losses of 124.4% YoY, despite a 65.5% YoY decrease in NOI.
- Overall, PPOP from international operations increased by 9.9% YoY and contributed to 7.6% of MGIB's total PPOP.

* Effective 1 January 2022, net income from RPSIA assets were reclassified from NFBI to NoFBI following the treatment of RPSIA as off-balance sheet



OVERVIEW



Scan here to view “Digitising banking, humanising financial services” video

Along with growing digital economies and rapidly evolving customer preferences, we continue to enhance our technological and people capabilities to provide personalised solutions, leveraging advanced data analytics to analyse, understand and identify our customers’ needs. In this manner, we continue to innovate, enhance and integrate solutions offered on our digital platforms to provide a secure and seamless end-to-end banking experience to cater to our customers’ needs and support them through their life journeys.

Maybank will continue to invest to accelerate the development of our digital capabilities over the next three to five years as part of our M25+ strategy to support the Group’s long-term sustainability and stay ahead of emerging competition.

KEY FOCUS AREAS FOR 2022

Enabling a Digital-Ready Infrastructure in a Data-Driven Organisation

Over the years, we have been laying the foundation to enable the acceleration of technology modernisation to secure the Group’s long-term needs. In 2022, we initiated the groundwork for data centralisation in several ESG-compliant hubs across Malaysia. This will bring about better connectivity, enable economies of scale to focus our resources efficiently, as well as reduce our downtime and recovery time to minimise service interruption with reinforced real-time 24/7 monitoring capabilities and enhanced cyber security. Centralisation of our international data centres is being implemented in phases and expected to be completed in FY2023.

Access to a common source of centralised data promotes data democratisation across the Group, enabling greater insights and unleashing more opportunities, forming the cornerstone of our analytics-driven culture. The Enterprise Data Science Platform (EDSP), also known as M-INSIGHTS, was launched in October 2022. This is a development space to understand customers’ behavioural trends equipped with data analytic tools and libraries for idea exploration and experimentation. Through this, we intend to encourage cross-collaboration and drive better insights in developing innovative solutions to address consumer needs.

To facilitate better data discovery in our vast database, we implemented an Enterprise Metadata Management (EMM) platform in June 2022 that serves as a data catalogue. It allows our users to better understand the context of the data, further accelerating our data-driven journey. Meanwhile, to encourage accurate, consistent and well-informed decision-making, we have a Data Quality Management System (DQMS) that improves data quality by allowing users to report data quality issues for prompt resolution.

With a greater utility for data assets, the safeguarding and privacy of customers’ data remain our utmost priority. We have implemented various measures from physical protective measures to cyber defence systems to ensure safe and responsible data collection, usage and storage. This year, cyber security was enhanced via the

incorporation of a Zero Trust security framework aimed at minimising the risk of attacks. Under this framework, users need to be authenticated, authorised and validated for security configuration before being granted access to any data, services or applications. Keeping up with the cyber threat landscape, we have also deployed a cyber security tool that collates information on the tactics used by cyber attackers to understand existing threats and spot the emergence of new risks.

For more information on data management as well as the Cyber Risk and Technology Risk Management Frameworks, refer to Statement on Risk Management and Internal Control on page 110

Cultivating Our Technology Talent Mix and Fortifying Exemplary Culture

The need for digitally savvy talent has become increasingly crucial to enable the Group’s aspiration as well as to remain competitive as a digital financier. In this context, we have been diversifying our recruitment and development programmes to build our own home-grown pipeline of digitally-skilled experts. Following the launch of the Next Expert in Technology (NExT) graduate programme in 2021, a total of 79 NExTers have successfully completed one year of intensive technical training and on-the-job learning in data science, full stack development and cyber security as at end December 2022 and are now absorbed into Maybank. To further extend our reach and engage with a wider talent demographic, we introduced the Techies Internship Programme (TIP) in 2022. Under our pilot TIP, 18 students will be provided early exposure to technical banking professions.

Meanwhile we continue to invest in FutureReady programmes, Agile@Work and Agile@Scale training to ensure our existing talent are well-equipped with the right skills and knowledge to keep them relevant and competitive. As a testament to our efforts, Maybank clinched the “Team of the Year – Culture” at the CIO100 Awards 2022 in recognition of excellence of our internal culture and our ability to attract and retain talent.

Pervasively Digital

KEY FOCUS AREAS FOR 2022 (CONT'D.)

Intensifying Customer-centricity via Further Integration of Our Digital Ecosystems

Customer-centricity being our core focus in developing solutions that deliver exceptional customer experience has driven the continuous improvement of our technological infrastructure and systems such as Straight-Through Processing (STP), which allows us to expand our offerings to facilitate a seamless end-to-end customer experience within our digital platforms.

In February 2022, we enabled personal loans to be instantly approved and disbursed through an STP-based initiative that allows existing customers on MAE app and Maybank2u website to obtain financing within 10 seconds. It utilises a decisioning engine that performs pre-qualification checks and real-time application assessment, leveraging existing comprehensive credit risk metrics and modelling capabilities.

Another STP milestone in Malaysia was the launch of the Maybank Home²u on the MAE app in March 2022, the first-ever digital home financing solution in Malaysia which can approve our existing customers' mortgage applications within 10 seconds. Instant pre-approved financing checks are provided once the online application forms are filled in with in-built capabilities to connect customers with mortgage advisors. This is aligned with our ambition to create a connected property ecosystem, offering enhanced services from the pre- to post-purchase journey of owning a home.

For our non-retail clients, we have been expanding the use of our digital platforms to facilitate their day-to-day business activities as well as simplify their business operations including cash and liquidity management, along with data reconciliation among others. In early 2022, we rolled out a Regional Cash Management System in our Kunming and Shenzhen branches in Greater China. In Cambodia, we implemented "Bakong", a real-time cash management transfer service initiated by the National Bank of Cambodia (NBC), along with payment automation (STP) for cross-currency

transactions. Meanwhile, in Malaysia, we enabled DuitNow modules to facilitate immediate payment and receipt of funds. In Thailand, we launched the Maybank Invest application offering clients multi-asset solutions on a digital platform leveraging Artificial Intelligence (AI) to provide goal-based recommendations suited to their risk appetite and profile. This app is also one of the first in Thailand that provides a consolidated portfolio view across asset classes.

 More details of our digital offerings are available in Group Community Financial Services and Group Global Banking on pages 57 and 61

As more customers shift to digital platforms, we have been strengthening our online banking security. This year, we fully migrated to Secure2u push authenticator instead of the SMS one-time password (OTP) as an enhanced authentication safeguard. While Secure2u was initiated in 2017, we have now introduced a cooling-off period in the MAE app for first-time and new device Secure2u activations, binding Secure2u to one device. In addition, the system will provide customers alerts via email, SMS and push notification for any transaction carried out on the MAE app or Maybank2u. Hyperlinks have also been disabled in electronic direct mail (eDMs) and SMS-es to prevent phishing. We also have a fraud detection and monitoring system supplemented with a call-back verification process to alert customers of suspicious transactions, as well as a dedicated 24/7 hotline for customers to report any financial scams. Towards enhanced awareness, we publish press releases and run campaigns on our website, the radio, social media and newspapers to inform the public about scams. In addition, we leverage the LCD screens at our branches and ATM/SST screens to display scam warnings.



Scan here to view "Macam Yes, Maybe Not" music video on scam awareness

KEY DIGITAL INITIATIVES

GROUP COMMUNITY FINANCIAL SERVICES

- Launched Maybank Home²u in MAE app and Personal Loan Financing STP via Maybank2u and MAE app with near-instant approval checks.
- Enhanced iSave in Philippines by replacing manual Know-Your-Customer (KYC) with digital eKYC, removing customers' need to visit physical branches.
- Unveiled the M2U (Lite) app in Singapore complete with banking facilities, money management and lifestyle features, including sending e-Angpao during festive seasons and as general gifting.
- Introduced additional capabilities to the Maybank2u Biz app to allow SMEs to export transactional data, invoicing capabilities, and on-the-go transaction approval functions.
- SME Digital Financing expanded its financing solutions to petty traders and microenterprises with minimum financing amount as low as RM3,000.
- Expanded capabilities of Digital Wealth solutions to include goal-based investing on Maybank2u and MAE App in Malaysia. Digital Wealth is now available in Indonesia via M2U ID app, allowing customers to view total Maybank holdings, track expenses and invest to achieve life goals. In Malaysia and Indonesia, we saw a total of 10,200 goals being created amounting to RM18.20 million sales generated to date.
- Expanded STP capabilities on M2U ID app in Indonesia involving Mutual Fund Switching STP, Bonds STP to purchase primary government bonds and Share Trading Settlement Account STP with Maybank Sekuritas Indonesia.
- Maybank Mview on Maybank2u and M2U SG (Lite) app now allows linking of Singapore Financial Data Exchange data, enabling customers to view their total financial holdings. Since the launch, we have seen a 32.0% increase in new users as compared to our prior average monthly new users.
- Enhanced Secure2u with a 12-hour activation period for the new or different device registration, in line with BNM's recommendations to minimise and mitigate the fraud risks for internet and mobile banking. A total of 8.62 million Maybank2u users have registered and are actively using the Secure2u features.
- New efforts to promote a cashless society:
 - Unveiled ATM Cash-out on the MAE app for contactless and cardless cash withdrawals at ATMs/SRMs, enabled more than 312,300 transactions to date.
 - Collaborate with Apple Pay to enable credit, debit and prepaid card users of Maybank and Maybank Islamic to make contactless payments via their iPhone or Apple Watch in Malaysia and Singapore.
 - Provide EzySave account offering through GCash wallet app, Philippines' leading e-wallet.
 - With KHQR integration in Cambodia, customers can quickly scan and pay more than 230,000 merchants nationwide and generate QR to receive funds.

KEY DIGITAL INITIATIVES (CONT'D.)



GROUP GLOBAL BANKING

- In January 2022, we launched MAESTRO in Malaysia, which is an in-house digital pricing and execution platform to improve the client experience and enhance efficiency to trade FX Options. With MAESTRO, response time to customers has reduced from one hour to five minutes.
- Launched bond trading function on our Maybank2u site in Indonesia, in January 2022.
- Implementation of RCMS in Cambodia, which enables cross-currency payment and real-time payment (Bakong) for domestic payment. It allows customers to make payments using their electronic wallet and bank accounts.
- In April 2022, ECD launched a dedicated Telegram channel "Trade with Maybank" that provides an enhanced engagement and information sharing platform with the equity investment community.
- In May 2022, implemented Regional Cash Management System (RCMS) in the Shenzhen and Kunming branches in China, and also upgraded the existing payment reporting modules, consolidating all four China branches into a single provider.
- In August 2022, Maybank Securities (Thailand) PCL launched the Maybank Invest mobile application (app), a digital wealth platform that enables customers to invest in various financial products on a mobile platform on-the-go. The app offers stocks, funds, debentures and more for local markets.
- In September 2022, we rolled out Phase 2 of the Retail Payment Platform (RPP), an industry initiative in Malaysia to facilitate immediate payment and receipt of funds between buyers and sellers with real-time authentication features under the following modules:
 - DuitNow Request
 - DuitNow Online Banking
 - DuitNow AutoDebit - Consent Registration and Maintenance
 - DuitNow AutoDebit
- In November 2022, we launched the enhanced Maybank2E which enables online form submission for client on-boarding, as well as products subscription which resulted in a shorter turnaround time (TAT).

GROUP INSURANCE & TAKAFUL

- Launched Life and Critical Illness products under Malaysia's Employees Provident Fund (EPF)'s i-Lindung platform.
- Etiqa Singapore launched the new AI Chatbot on its customer web portal which includes options for live chats with agents and schedule for call-backs.
- Etiqa Malaysia enhanced its All Things Auto (ATA) System, which includes automated case assignment to the nearest active service provider thus improving service delivery time. ATA was also enhanced with functionality to allow policy holders to track the location of their service providers in real time.

GROUP ISLAMIC BANKING

- Allow customers to apply for Islamic mortgage financing via the MAE app (Maya Home), enabling a fully digital home ownership journey with a shorter TAT.
- We introduced e-KYC for Zest-i online account opening via MAE app in October 2022 to enable instant and seamless on-boarding using mobile devices.

GROUP HUMAN CAPITAL

- Our learning and development is enabled by a myriad of on-demand digital platforms such as Harvard ManageMentor (HMM), Spark, MyCampus, and the Learning Outreach Future App (LOFA).
- Our FutureReady (FR) Programme, already in the fifth year, continues to realise business impacts from the digital skills applied by Maybankers such as generating over RM5 billion in sales from its Digital Marketing programme participants.
- Techies Internship Programme (TIP) was launched in July 2022 as part of our pipeline building strategy, with selected second-year IT students.
- Launched the M25UP programme for leaders across the Group, curated to nurture more dynamic, digitally-inclusive and solution-oriented leaders, aligned with our M25+ strategic plan. 35 cohorts covering about 3,500 employees will be conducted from August 2022 until the second quarter of 2023.
- Our Mobile Work Arrangement continues to provide our employees the flexibility to work from varied locations. Our mobile employees are supported with various initiatives and engagement platforms to ensure they are well-equipped for the hybrid working environment.



OVERVIEW

Customer-centricity forms one of the five thrusts of our M25+ strategy, driving us to build on our customer-centric principles in order to attain the Group's desired goals. As our customers' needs are evolving, we have redesigned our offerings and interaction processes to offer hyper-personalised solutions and integrated engagements to enhance every touchpoint of their journey. While assimilating even more technology for greater efficiency and accessibility, we are also conscious of retaining our human touch to continuously strengthen our emotional bonds with our customers. Ultimately, everything we do starts and ends with customers at heart, aligning with our mission of Humanising Financial Services.

TOP ACHIEVEMENTS IN 2022



Achieved a **Net Promoter Score of +24**, continuing to be the industry leader for customer experience among local and international banks in Malaysia



Recognised as the **Best Digital Bank For CX** in Malaysia by Digital CX Awards 2022



Launched a new digital complaints management platform, **Voice of Customer (VOC)**, to gather real-time customer feedback to address transactional-related issues

KEY FOCUS AREAS FOR 2022

Providing a Seamless Customer Journey

- We seek to go beyond the provision of financial services to serve our customers holistically, meeting their needs throughout their life journeys. This has seen us connect with various partners to offer our customers end-to-end personalised solutions be it for purchases or investment purposes. For example, our Home²u digital mortgage application is being developed to be able to assist home buyers from the time they browse for homes, to applying for loans, and even to appointing contractors to install solar panels. The seamless cross-business and functional collaboration provides customers an immersive omni-channel experience, allowing them access to multiple channels simultaneously within the same application.
- The same customer experience (CX) approach is adopted at all touchpoints, including our physical branches. Pulse-checks are conducted regularly, for example via the Mystery Visit Programme where mystery shoppers visit the branches to evaluate our employees and branch readiness, advisory capabilities, customer engagement and communication skills. In FY2022, our branches scored 92%, indicating a stable delivery of seamless experience for our customers.

- We have also intensified our security measures to enable a worry-free banking environment. This year, we fully migrated our SMS one-time password (OTP) authentication method to Secure2u via MAE app for a faster and safer authorisation process.

Leveraging Advanced Data Analytics to Design Personalised Experience

- To create bespoke journeys, it is imperative for us to analyse data from multiple sources swiftly for a 360° view of customers' needs and be able to meet those needs in an effective and efficient manner. With this in mind, we launched a new digital Voice of Customer (VOC) platform to gather real-time feedback, and immediately address transaction-related issues. VOC complements our complaints management platforms like the Complaint Predictive Model and root cause analysis, enabling us to better anticipate future customer needs and make data-driven decisions in curating hyper-personalised solutions.
- Insights gathered via our annual External Customer Engagement Survey (ECES) were also utilised to enhance the customer experience. In 2022, 23 CX improvement initiatives were implemented based on the feedback received. These included launching

Home²u, which facilitates the mortgage loan application process via MAE; enhanced M2U Biz functionality for fund transfers of up to RM100,000 daily; and system enhancements for new card applications.

Embedding a Customer-Centric DNA

- In efforts to sustain a committed customer-centric DNA and champion relationship-building with customers, we are instilling a CX mindset among our workforce through various upskilling and advocacy programmes across the Group. Key highlights include:
 - Providing CX Competency training to 2,051 employees to date. The initiative has contributed to a more positive CX, as evidenced by ECES which notes that two out of three Maybank customers have positive things to say about their experience with the Bank.
 - Embedding customer-centricity DNA across regional markets through the Train-The-Trainer (TTT) programme by appointing key CX leaders to cascade learning materials to team members. This is part of the efforts to develop a standardised experience for customers across the Group.



OVERVIEW

At Maybank, we aspire to develop a world-class workforce delivering world-class results. Our comprehensive efforts are geared towards holistically powering a bionic workforce as we elevate Maybankers into next-generation wholesome talents, aligned with our M25+ strategy. Our people strategy continues to be 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.



* Refers to our human capital talent in its entirety, and the futurisation of our talent management processes to ensure that our people have FutureReady skills, competencies and values that are representative of a bionic workforce.

TOP ACHIEVEMENTS IN 2022



Recognised as the No 1 Graduate Employer of Choice at:

- Malaysia's 100 (M100) Leading Graduate Employers Awards 2022 (Banking and Financial Services Category) for the 12th consecutive year
- Graduates' Choice Award for the fifth consecutive year
- GRADUAN Brand Awards 2022 for the eighth consecutive year



Mental health continues to be prioritised, with the Mental Well-being Roadshow in Malaysia and Indonesia creating further awareness of mental wellness and the availability of related resources



Inculcating a strong customer-focused, enterprise thinking, inclusive leadership and sustainability mindset among more than 1,000 leaders across the Group through the M25 Unlimited Potential (M25UP) programme, to deliver our M25+ strategic plan



In line with building next-generation workforce and skills, launched by-youth, for-youth platforms for young Maybankers, GenM by MYouth



Employee productivity continued to increase, with:

- Income per employee growing from RM603,500 in 2021 to RM636,879 in 2022, while pre-provisioning operating profit per employee increased from RM330,342 in 2021 to RM341,512 in 2022
- Profit before tax per employee increasing from RM258,172 in 2021 to RM280,287 in 2022

Group Human Capital

KEY FOCUS AREAS FOR 2022

Employee Engagement

- Maintaining open lines of communication remains a key priority in building trust and fostering collaboration within the organisation. We redesigned our engagements to be more inclusive and accessible for both in-person and mobile Maybankers across the Group. Various hybrid initiatives were launched, including Hybrid Hangouts, the Future of Work series as well as Hybrid Happy Zooms to keep Maybankers engaged.
- As we continue to cultivate a learning mindset and enable two-way feedback, a series of interactive engagements with top management was curated, including Conversations with C-Suite and Chairman, Specialist Sharing Sessions (Triple S) and the EXCO Mentoring Programme. Meanwhile, townhalls and roadshows across the Group on our refined five-year strategy, M25+, have provided visibility and deeper understanding of the organisation's performance, initiatives and strategic direction.

Employee Well-Being

- All that we do is designed to promote balanced work-life integration, enabling employees to thrive at work, at home and in their communities. 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 aspects of work.
- We undertook the following key initiatives this year:



Launched Mental Well-being Roadshow 2022 in Malaysia and Indonesia to raise awareness of mental health and the resources available for Maybankers.



Made available counselling sessions to all employees, either via Zoom or on-site. On-site counselling sessions are conducted on a bi-monthly basis at Menara Maybank, Dataran Maybank and Mercu Maybank.



Introduced the #MindOurMinds Podcast series for Maybankers, focusing on mental health-related conversations and ways to preserve one's psychological well-being.



Formalised the Maybank Group Self-Led Sustainability & Volunteerism Policy to encourage Maybankers to lead volunteer efforts. Maybankers may apply for Volunteerism Leave and one-month Sustainability Leave per year for longer-term projects, with the option to extend for an additional one month, subject to approval.

- To date, a total of 100 Maybankers have been certified as Mental Health First Aiders (MHFAs) through a collaboration with the Malaysian Mental Health Association. MHFAs are the first point of contact for employees seeking mental health assistance.
- Over 7,700 Maybankers have participated in our Quarterly Step + Sleep Challenge since its launch in 2021 to encourage employees to rest well and lead a healthy lifestyle, offering eligible Maybankers Well-being Leave.

❁ To ensure a safe and thriving work environment, we unveiled a permanent alternate office, Mercu Maybank, as part of our business continuity management. We continue to remain vigilant and uphold best practices to safeguard our employees by imposing compulsory COVID-19 self-testing and vaccination requirements, as well as providing self-test kits, unrecorded leave for vaccinations and related assistance.

- As severe floods continue to affect several states in Malaysia, we extended our humanitarian aid in various forms to Maybankers, from cash and essential needs to provision of temporary accommodation as well as mental health support via our internal MHFAs.

Rewards & Remuneration

- Our Line Managers are equipped with Total Rewards Management skills via our Total Rewards Management workshops, enabling them to make the right rewards decisions and communicate these decisions effectively to employees.

Learning & Development

- We employ a customer-centric approach in designing lifelong learning and development opportunities which are easily accessible by Maybankers, encouraging them to grow their knowledge base independently and improve both their personal and professional skills. A total of RM110.9 million was invested in learning (FY2021: RM74.5 million) to accelerate our upskilling journey and further cultivate agile mindsets.
- Learning uptake across the Group improved YoY with the number of unique learners increasing to 41,831 (2021: 40,464). Additionally, the total number of learning activities undertaken increased by 6.4% to 573,170 from 538,343 in 2021, with the average learning activity per employee improving from 12 to 13.
- Various upskilling programmes were deployed for employees to accelerate their career progression and to take on greater responsibilities. Of these, the Workplace Enabler programme saw the graduation of its 338 successful non-clerical participants and their subsequent promotion to clerical grade. We also launched the Scale-up Clerical programme at branches via the Universal Banker model, as part of our strategy to equip a future-ready and customer-centric workforce.
- To unleash our leaders' potential, the M25 Unlimited Potential (M25UP) programme was rolled out to further inculcate enterprise thinking, inclusive leadership, customer-centricity and a sustainability mindset; and was attended by more than 1,000 leaders across the Group, with the last cohort expected to complete the programme by the end of the second quarter of 2023 with the participation of an estimated 3,500 leaders.
- A total of 36,763 (2021: 34,361) employees Group-wide have enrolled in various FutureReady programmes, which focus on enhancing employees' digital skills. Among those upskilled were 573 employees who took up Business Analytics training, enabling them to develop new data-driven insights and increase efficiencies through automation. Meanwhile, the 2,133 sales employees who underwent Digital Marketing training were able to generate over RM5 billion in sales.
- To accelerate organisational development, a series of 21 workshops was facilitated to focus on removing "dead horses", i.e. roadblocks to productivity. Over 300 participants across various levels and sectors produced 52 ideas relating to people, processes, policies and technology. 24 ideas have since been approved and successfully implemented, of which 12 have already indicated positive measurable impact, including top-line revenue growth, work process automation, organisational re-design and business re-alignment.
- Launched the Maybank Virtual Market, Smart Farming System, and Urban Farming Virtual Galleries in March 2022, during the Maybank Urban Farm (MUF) Open Day – in line with the Bank's commitment to achieving our sustainability goals, which include various other MUF-related initiatives such as in-house training in urban farming, and community outreach programmes.
- We continue to build our sustainability talent pool via various bespoke initiatives under the Sustainability Capability Programme. New initiatives such as Green Labs were activated among employees to encourage "Living Sustainability" adoption and advocacy at work and home. In total, 363 Green Lab Train the Advocates workshops have been conducted Group-wide, with approximately 1,082 Sustainability Advocates trained.
- Agile@Scale was rolled out to institutionalise the Agile way of working across the Maybank Group, starting with the M25+ Strategic Programmes. As part of the initial roll-out, 276 squad members, Initiative Owners and Strategic Programme Leads have undergone certified Agile Fundamentals training as of December 2022.

Group Human Capital

KEY FOCUS AREAS FOR 2022 (CONT'D.)

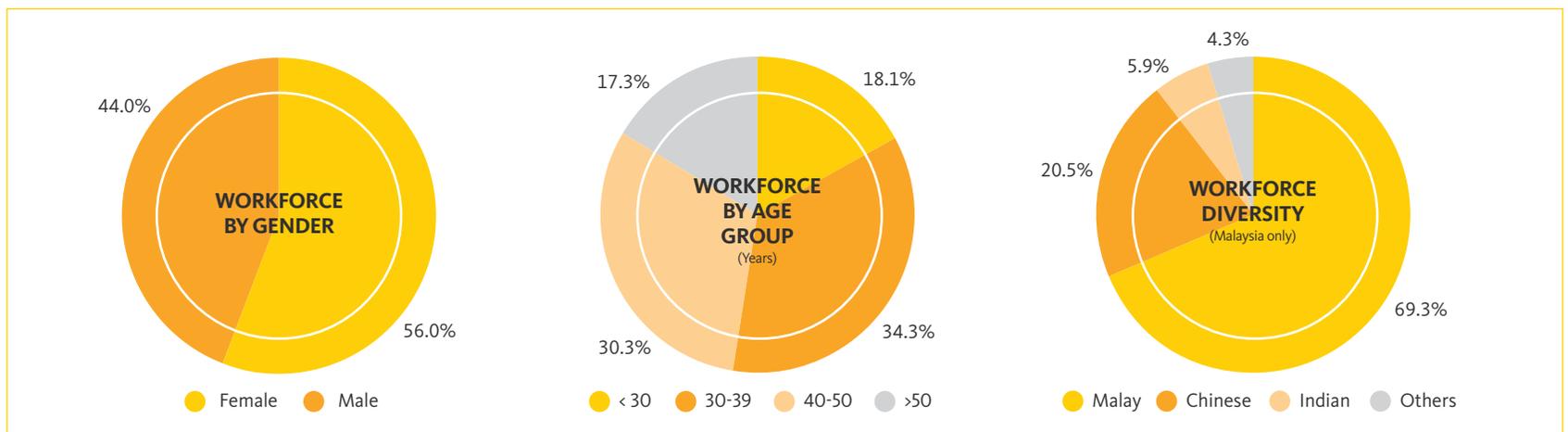
Nurturing Talent

- For us, nurturing talent is about knowing their abilities and enabling them to thrive through appropriate training and opportunities.
- As part of our pipeline building strategy, we actively design programmes to attract young talents. This includes the Techies Internship Programme (TIP) launched in July 2022, through which 18 second-year IT students were given on-the-job training and the chance to learn from our subject matter experts in Group Technology as they were exposed to the working environment.
- In 2022, we on-boarded 2,681 graduates and undergraduates through various entry-level roles, internships, and pipeline programmes, such as the Global Maybank Apprentice Programme (GMAP), Relationship Manager Development Programme (RMDP), and Next Expert in Technology (NExT), as well as government-initiated programme, Protégé.
- We continued to actively engage students and graduate talents in 2022 through various virtual recruitment and engagement initiatives such as #Mbassador, #MaybankDay at universities, and virtual career fairs, to continue empowering young talents around us. We also provide internship opportunities to students through programmes such as the General Internship Programme, Maybank Young Banker Internship Programme and Sales Internship Programme. In 2022, we on-boarded 559 interns including those from TIP.
- We launched MYouth, a by-youth, for-youth engagement platform for young Maybankers, with the GenM Summit, Maybank's first youth summit, being one of its programmes. It provides young Maybankers a space that connects and empowers them to recognise their potential and voice their ideas. The month-long summit, filled with workshops and activities, saw the participation of 1,271 Maybankers.
- Our Retirement Readiness Programme, which includes modules and workshops on financial planning, well-being and lifelong skills to help employees make a smooth transition to retirement, continues to gain traction. We also launched new gig opportunities, such as Etiqa Agent-on-the-Go and Training Facilitators, to provide retirees with opportunities to keep enhancing their skills. In addition, they can sign up to learn to be certified MHFAs.
- 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 facilitates career transitions. Take-up numbers for Maybank GATC are as below:

	Pillar 1: Reskill & Redeploy 8,397 employees (2021: 7,159) reskilled and redeployed
	Pillar 2: Flex In 11,304 employees (2021: 7,167) placed under the various flexible work arrangements
	Pillar 3: Flex Right Nine employees (2021: 12) have explored external work opportunities while retaining the option of returning to the organisation at the end of leave, so long as there is no conflict of interest with the Maybank Group
	Pillar 4: Entrepreneur (Exit) 49 employees (2021: 35) have taken Sabbatical Leave or the Entrepreneur (Exit) option to be engaged in other employment/business activities

Diversity, Equity & Inclusion (DEI)

- Our DEI approach is firmly rooted in our Core Values, TIGER, together with our "GO Ahead" Employer Value Proposition. Collectively, they act as a call to action for all employees regardless of 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 DEI initiatives to date are:
 - We were recognised by Bloomberg in its 2022 Gender-Equality Index (GEI), a recognition we have been given since 2017.
 - Continuous efforts to meet our M25+ target of increasing the percentage of Women in Senior Management from 41% currently (2021: 41%) to 45% by 2025.
 - Activation of various DEI programmes for women, youth talent, retirees, international employees, mental health, allyship and employee resource groups.
- We continuously expand our network of communities beyond the Bank as part of efforts to grow our future workforce, customers and brand advocates. This further reinforces our M25+ strategy and advances our DEI agenda in building a sustainable community. In 2022, we introduced MaybankerX, a lifelong alumni network for resignees and retirees to stay connected and truly embrace our "Once a Maybanker, Always a Maybanker" motto.

Remuneration

Our remuneration and rewards philosophy is aligned with the Group's strategies and stakeholders' interests, fostering a performance-oriented and prudent risk-managed culture to deliver long-term sustainable returns and strong business performance.

We have in place a comprehensive Total Rewards system, which is a strategic human capital component embedded with sustainability considerations 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. By focusing on the right compensation, benefits and development support, it inspires our employees to achieve their personal and professional aspirations.

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



COMPONENTS OF REMUNERATION

Maybank Group embraces a holistic Total Rewards Framework comprising Total Compensation, Benefits & Well-Being, Recognition, and Development & Career Opportunities.

i) Total Compensation

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

Our Total Compensation is based on two components, Fixed Pay and Variable Pay (i.e. Variable Bonus and Long-term Incentive Award), with targeted Pay Mix levels 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.

FIXED PAY

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

VARIABLE PAY

Variable Bonus

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

Long-Term Incentive Award

- A significant component of Senior Management's Total Compensation with the intent to drive sustainable, longer-term risk management and to meet the Group's Strategy.

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

Clawback Provision: Maybank's Board has the right to make adjustments or clawbacks to any Variable Bonus or Long-Term Incentive Award if deemed appropriate based on risk management issues, financial misstatement, fraud, gross negligence or wilful misconduct.

ii) Benefits & Well-being

Employee benefits are integral to our Total Rewards management, along with the integration of ESG values and M25+ objectives. Maybank's benefits programme provides financial protection, healthcare benefits, paid time-off, employee loans at preferential rates and other benefits that support work-life integration. These are reviewed periodically and benchmarked against industry practices and evolving trends within the rapidly changing business environment. We embrace a holistic way of working that embeds sustainability considerations to cater to our employees' physical, mental and emotional well-being as well as their financial, social and career needs.

iii) Development & Career Opportunities

In line with our strong learning culture, we continue to deploy best-in-class learning and development programmes to nurture our employees at all levels in a multitude of flexible or customisable development programmes 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.

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 is valid for seven years and it serves as a long-term incentive for eligible talents and senior management.

Eligibility for the ESGP is subject to fulfilment of the ESGP vesting conditions as well as meeting the performance criteria at the Maybank Group and individual levels. The first ESGP Award that was granted in December 2018 vested in December 2021, while the second ESGP Award granted in September 2019 was vested in September 2022. The last tranche of the ESGP Award (i.e. fifth ESGP Award) under the current plan was granted in September 2022 and will be vested in 2025. There will be no further awards under the current ESGP.

In line with the Group's remuneration strategy to drive long-term sustainable goals to maximise shareholder value, a new Long-Term Incentive Plan is to be rolled out in 2023. The new plan will run concurrently with the existing plan until its expiry in 2025.

Governance & Controls – Remuneration Practices

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

The Group has strong internal governance on the performance and remuneration of control functions which are measured and assessed independently of the business units to avoid any conflict of interests. 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 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 FY2022 is summarised in the table below:

Total value of remuneration awards for the financial year (RM'000)	Senior Officers		OMRT	
	Unrestricted	Deferred	Unrestricted	Deferred
Fixed remuneration				
Cash-based	32,059 (17 headcount)	498 (1 headcount)	81,138 (152 headcount)	–
Shares and share-linked instruments	–	–	–	–
Others	–	–	–	–
Variable remuneration				
Cash-based	26,948 (16 headcount)	3,944 (5 headcount)	57,962 (149 headcount)	18,424 (7 headcount)
Shares and share-linked instruments	7,124 (16 headcount)^	Refer to note below*	9,819 (86 headcount)^	Refer to note below*
Others	–	–	–	–
Definition	Senior Officers of the Group are defined as Members of the Group Executive Committee (EXCO); Group Chief Compliance Officer, Group Chief Audit Executive, Group General Counsel and Company Secretary and Chief Sustainability Officer.		OMRTs are defined as employees who can materially commit or control significant amounts of a financial institution's resources or whose actions are likely to have a significant impact on its risk profile or those among the most highly remunerated officers.	

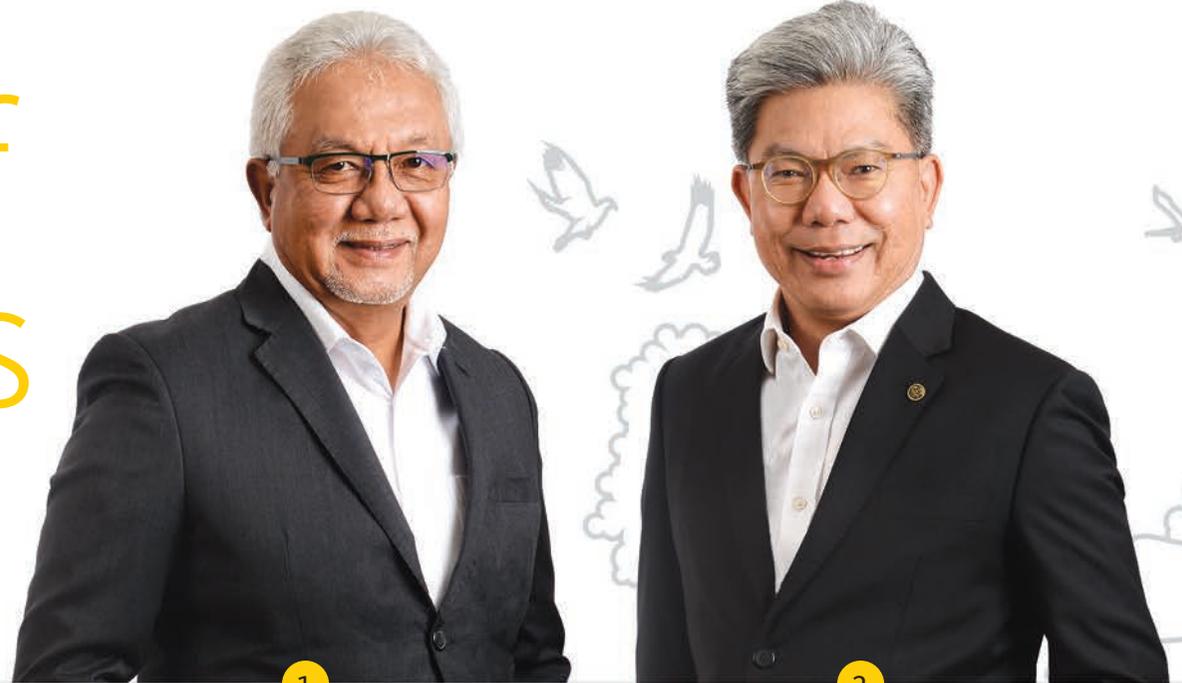
Notes:

* In FY2022, a total of 1,710,000 and 2,560,600 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 17 Senior Officers and 104 OMRTs respectively. The number of ESGP/CESGP units to be vested/paid by 2025 would be conditional upon the said employees fulfilling the vesting/payment criteria

^ A total of 1,974,700 units of ESGP/CESGP granted in September 2019 has vested to 16 Senior Officers (830,400 units) and 86 OMRTs (1,144,300 units) in September 2022. ESGP values are based on statutory guidelines for taxable gains calculation and CESGP value is based on volume weighted average market price (VWAMP) for the five market days immediately preceding the CESGP vesting date

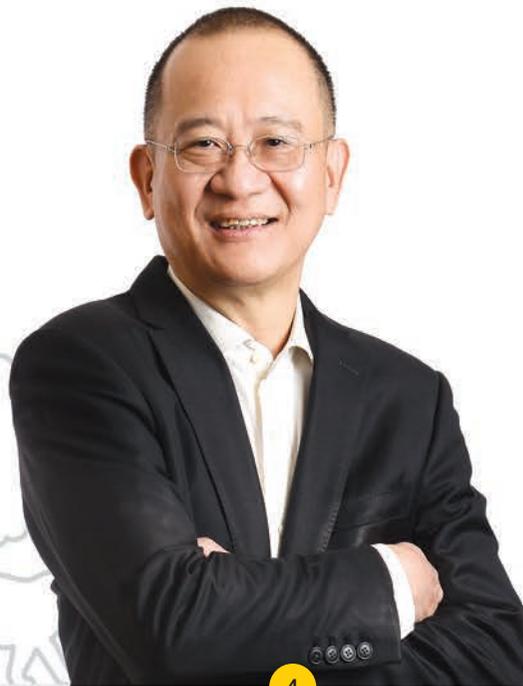
 The FY2022 compensation outcome for Senior Officers does not include the compensation of the Group President & CEO as it is disclosed in the Corporate Governance Overview Statement on page 103

Board of Directors



- 1 **Tan Sri Dato' Sri Zamzamzairani Mohd Isa**
Non-Independent Non-Executive Director
(Chairman)
- 2 **Dato' Khairussaleh Ramli**
Non-Independent Executive Director
(Group President & Chief Executive Officer)
- 3 **Datuk R. Karunakaran**
Senior Independent Non-Executive Director
- 4 **Cheng Kee Check**
Non-Independent Non-Executive Director





- 5 **Edwin Gerungan**
Independent Non-Executive Director
- 6 **Dr. Hasnita Dato' Hashim**
Independent Non-Executive Director
- 7 **Anthony Brent Elam**
Independent Non-Executive Director
- 8 **Che Zakiah Che Din**
Independent Non-Executive Director



- 9 **Fauziah Hisham** *FCIS (CS) (CGP)*
Independent Non-Executive Director
- 10 **Shariffuddin Khalid** *FCMA, CGMA*
Independent Non-Executive Director
- 11 **Dato' Zulkiflee Abbas Abdul Hamid**
Independent Non-Executive Director
- 12 **Shirley Goh**
Independent Non-Executive Director

Board of Directors

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

Nationality/Age/Gender:

Malaysian/62/Male

Date of Appointment:

2 November 2020

Number of meetings attended:

18/19 (95%)

Qualification(s):

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

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, Maybank
- Other Public Company/Companies:
 - Director, Perdana Leadership Foundation

DATO' KHAIRUSSALEH RAMLI
Non-Independent Executive Director
(Group President & Chief Executive Officer)



Nationality/Age/Gender:

Malaysian/55/Male

Date of Appointment:

1 May 2022[#]

Number of meetings attended:

11/11 (100%)

Qualification(s):

- Bachelor of Science in Business Administration, Washington University, USA
- Advanced Management Program, Harvard Business School, USA
- Fellow, Chartered Banker, Asian Institute of Chartered Bankers

Relevant Working Experience:

Close to 30 years of knowledge and experience from the financial services and capital markets industry. He was previously the Group Managing Director of RHB Banking Group, where he was responsible for charting the Group's strategic direction and leading the organisation to achieve its goals and value creation objectives.

Present Directorship(s):

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

DATUK R. KARUNAKARAN
Senior Independent
Non-Executive Director



Nationality/Age/Gender:

Malaysian/72/Male

Date of Appointment:

16 July 2014

Number of meetings attended:

19/19 (100%)

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 the Malaysian Investment Development Authority (MIDA) for over 35 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, Maybank
 - Chairman, ILB Group Berhad (formerly known as Integrated Logistics Berhad)
- Other Public Company/Companies:
 - Chairman, Maybank Singapore Limited
 - Chairman, Maybank Ageas Holdings Berhad

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.

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 2023

Board of Directors

ANTHONY BRENT ELAM

Independent
Non-Executive Director



Nationality/Age/Gender:

American/64/Male

Date of Appointment:

15 November 2016

Number of meetings attended:

19/19 (100%)

Qualification(s):

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

Relevant Working Experience:

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

Present Directorship(s):

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

CHE ZAKIAH CHE DIN

Independent
Non-Executive Director



Nationality/Age/Gender:

Malaysian/63/Female

Date of Appointment:

1 March 2018

Number of meetings attended:

19/19 (100%)

Qualification(s):

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

Relevant Working Experience:

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

Present Directorship(s):

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

FAUZIAH HISHAM *FCIS (CS) (CGP)*

Independent
Non-Executive Director



Nationality/Age/Gender:

Malaysian/67/Female

Date of Appointment:

15 May 2018

Number of meetings attended:

19/19 (100%)

Qualification(s):

- Fellow 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, Maybank
 - Director, Hengyuan Refining Company Berhad
- Other Public Company/Companies:
 - Chairman, Maybank Philippines Inc.
 - Director, Agensi Kaunseling dan Pengurusan Kredit

Membership of Board Committees in Maybank:



Credit Review Committee



Nomination and Remuneration Committee



Risk Management Committee



Audit Committee



Compliance Committee



Sustainability Committee



Chairman



Member

Board of Directors

CHENG KEE CHECK

Non-Independent
Non-Executive Director*



Nationality/Age/Gender:

Malaysian/58/Male

Date of Appointment:

19 November 2014

Number of meetings attended:

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 was a partner at Messrs Skrine from 1997 until his retirement in December 2022. His practice areas include mergers, acquisitions, takeovers, and restructurings of companies. He was previously also a Director of PNB Development Sdn. Berhad and Seriemas Development Sdn. Berhad.

Present Directorship(s):

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

EDWIN GERUNGAN

Independent
Non-Executive Director



Nationality/Age/Gender:

Indonesian/74/Male

Date of Appointment:

24 August 2015

Number of meetings attended:

19/19 (100%)

Qualification(s):

- Bachelor of Arts in Philosophy, Principia College, Elsau, 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, Maybank
 - Commissioner, PT Bank Maybank Indonesia Tbk
- Other Public Company/Companies:
 - Nil

DR. HASNITA DATO' HASHIM

Independent
Non-Executive Director



Nationality/Age/Gender:

Malaysian/61/Female

Date of Appointment:

1 July 2016

Number of meetings attended:

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 investment banking, asset management and Islamic finance with over 20 years in senior management roles at local and multinational companies.

Present Directorship(s):

- Listed Entity/Entities:
 - Director, Maybank
- Other Public Company/Companies:
 - Chairman, Maybank Investment Bank Berhad
 - Chairman, Maybank IBG Holdings Ltd
 - Chairman, Maybank Asset Management Group Berhad

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.

Note:

- * Tan Sri Dato' Sri Zamzamairani 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 2023

Board of Directors

SHARIFFUDDIN KHALID *FCMA, CGMA*

Independent
Non-Executive Director



Nationality/Age/Gender:

Malaysian/57/Male

Date of Appointment:

14 June 2018

Number of meetings attended:

19/19 (100%)

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 at BNM and also as a pioneer Director of the Malaysia International Islamic Financial Centre. Earlier, he was part of the management team that established Pengurusan Danaharta Nasional Berhad.

Present Directorship(s):

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

DATO' ZULKIFLEE ABBAS ABDUL HAMID

Independent
Non-Executive Director



Nationality/Age/Gender:

Malaysian/65/Male

Date of Appointment:

15 August 2019

Number of meetings attended:

19/19 (100%)

Qualification(s):

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

Relevant Working Experience:

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

Present Directorship(s):

- Listed Entity/Entities:
 - Director, Maybank
 - Commissioner, PT Bank Maybank Indonesia Tbk
- Other Public Company/Companies:
 - Chairman, Maybank Islamic Berhad
 - Trustee, Yayasan Budiman Universiti Teknologi MARA
 - Trustee, Tabung Pendidikan 1 Bilion

SHIRLEY GOH

Independent
Non-Executive Director



Nationality/Age/Gender:

Malaysian/63/Female

Date of Appointment:

1 December 2021

Number of meetings attended:

19/19 (100%)

Qualification(s):

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

Relevant Working Experience:

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

Present Directorship(s):

- Listed Entity/Entities:
 - Director, Maybank
 - Director, UEM Edgenta Berhad
- Other Public Company/Companies:
 - Director, Maybank Asset Management Group Berhad
 - Director, Maybank Trustees Berhad

Membership of Board Committees in Maybank:

Credit Review Committee	Nomination and Remuneration Committee	Risk Management Committee	Audit Committee
Compliance Committee	Sustainability Committee	Chairman	Member

Group Executive Committee

- 1 **Dato' Khairussaleh Ramli**
Group President & Chief Executive Officer
- 2 **Khalijah Ismail**
Group Chief Financial Officer
- 3 **Dato' John Chong Eng Chuan**
Group Chief Executive Officer,
Community Financial Services
- 4 **Dato' Muzaffar Hisham**
Group Chief Executive Officer,
Global Banking
- 5 **Dato' Mohamed Rafique Merican
Mohd Wahiduddin Merican**
Group Chief Executive Officer,
Islamic Banking
- 6 **Kamaludin Ahmad**
Group Chief Executive Officer,
Insurance & Takaful
- 7 **Mohd Suhail Amar Suresh**
Group Chief Technology Officer
- 8 **Datuk Nora Abd Manaf**
Group Chief Human Capital Officer
- 9 **Dr. Siew Chan Cheong**
Group Chief Strategy Officer
- 10 **Gilbert Kohnke**
Group Chief Risk Officer
- 11 **Jerome Hon Kah Cho**
Group Chief Operations Officer
- 12 **Dr. John Lee Hin Hock**
Country Chief Executive Officer &
Chief Executive Officer, Maybank Singapore
- 13 **Michael Foong Seong Yew**
Chief Executive Officer, International
- 14 **Taswin Zakaria**
President Director, Maybank Indonesia





Group Executive Committee

DATO' JOHN CHONG ENG CHUAN

Group Chief Executive Officer, Community Financial Services

Nationality/Age/Gender: Malaysian/55/Male

Date of Appointment: 1 October 2018

Qualification(s):

- Bachelor of Economics (Hons), University of Queensland, Brisbane, Australia
- Chartered Banker, Asian Institute of Chartered Bankers
- Advanced Management Program, Harvard Business School

Relevant Working Experience:

Over 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.

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

- Maybank Trustees Berhad

DATO' MUZAFFAR HISHAM

Group Chief Executive Officer, Global Banking

Nationality/Age/Gender: Malaysian/50/Male

Date of Appointment: 1 July 2016

Qualification(s):

- Bachelor of Science (Hons) in Economics and Accounting, University of Bristol, UK
- Leadership Excellence through Awareness and Practice (LEAP) Programme, INSEAD
- Chartered Banker, Asian Institute of Chartered Bankers

Relevant Working Experience:

Over 25 years of regional banking experience encompassing wholesale and retail banking at large local and foreign banks. Previously, Maybank Islamic Berhad CEO and Group Islamic Banking Head.

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

- Maybank Asset Management Group Berhad
- Maybank Investment Bank Berhad
- Maybank IBG Holdings Limited
- Maybank Ventures Sdn Bhd (formerly known as BinaFikir Sdn Bhd)

DATO' MOHAMED RAFIQUE MERICAN MOHD WAHIDUDDIN MERICAN

Group Chief Executive Officer, Islamic Banking

Nationality/Age/Gender: Malaysian/57/Male

Date of Appointment: 1 July 2016

Qualification(s):

- Fellow of the Association of Chartered Certified Accountants (ACCA), UK
- Chartered Accountant, Malaysian Institute of Accountants (MIA)
- Advanced Management Program, Harvard Business School

Relevant Working Experience:

More than 30 years of corporate sector experience, with nine years spent as the CFO of several Malaysian listed corporates, including Maybank Group.

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

- Etiqa General Takaful Berhad
- Maybank Islamic Asset Management Sdn Bhd

KAMALUDIN AHMAD

Group Chief Executive Officer, Insurance & Takaful

Nationality/Age/Gender: Malaysian/55/Male

Date of Appointment: 1 December 2013

Qualification(s):

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

Relevant Working Experience:

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

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

- Etiqa Insurance Pte Ltd (Singapore)
- PT Asuransi Etiqa Internasional Indonesia
- Etiqa General Insurance (Cambodia) Plc
- Etiqa Digital Solutions Sdn Bhd

Notes:

- Age is as at 28 February 2023
- Present directorship(s) in subsidiaries of Maybank Group by members of the Group Executive Committee can also be found on pages 266 to 269 of the Financial Statements
- Effective 1 April 2023, Alan Lau Chee Kheong, previously Group Chief Compliance Officer, has been appointed Group Chief Operations Officer, following the retirement of Jerome Hon Kah Cho. Meanwhile, to meet our M25+ strategic aims and facilitate better effective and seamless executive of our strategy, our International operations now report directly to Group Global Banking, Group Community Financial Services or GPCEO's office, depending on the core business of the country

Group Executive Committee

KHALIJAH ISMAIL

Group Chief Financial Officer

Nationality/Age/Gender: Malaysian/56/Female

Date of Appointment: 1 October 2021

Qualification(s):

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

Relevant Working Experience:

Over 30 years leading various roles within Maybank Group, spanning across 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

DATUK NORA ABD MANAF

Group Chief Human Capital Officer

Nationality/Age/Gender: Malaysian/58/Female

Date of Appointment: 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

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)
- Yayasan Khazanah

MOHD SUHAIL AMAR SURESH

Group Chief Technology Officer

Nationality/Age/Gender: Malaysian/59/Male

Date of Appointment: 1 April 2015

Qualification(s):

- Master of Business Administration, Charles Sturt University, Australia
- Chartered Banker, Asian Institute of Chartered Bankers
- Advanced Management Program, Harvard Business School
- Fellow, Malaysian Institute of Management

Relevant Working Experience:

Over 30 years of experience in business and technology leadership roles within the financial services and telecommunications domain in national and multinational organisations.

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

- Maybank Shared Services Sdn Bhd
- MCB Bank Limited
- MBB Labs Pvt Ltd (India)
- Malaysian Global Innovation & Creativity Centre Bhd

Declaration:

The Group Executive Committee members have no family relationship with any director and/or major shareholder of Maybank, conflict of interest with Maybank and have not been convicted of any offence within the past five years, or been subject to public sanction or penalty imposed by the relevant regulatory bodies during the financial year

Group Executive Committee

GILBERT KOHNKE

Group Chief Risk Officer

Nationality/Age/Gender: Canadian/64/Male/

Date of Appointment: 1 November 2017

Qualification(s):

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

Relevant Working Experience:

Over 30 years of experience in global financial institutions, with a proven track record of risk expertise. Formerly the Group Chief Risk Officer of Danske Bank AS and OCBC Bank.

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

Nil

DR. SIEW CHAN CHEONG

Group Chief Strategy Officer

Nationality/Age/Gender: Malaysian/45/Male

Date of Appointment: 15 August 2022

Qualification(s):

- Bachelor's degree in Mechanical Engineering (1st Class Hons), University of Southampton, UK
- Master of Business Administration, London Business School, UK
- PhD in Mechanical Engineering, University of Southampton, UK

Relevant Working Experience:

Over 20 years of experience in formulating and implementing multi-country transformation strategies across various industries and organisations, including major banks in Europe and Asia.

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

Nil

JEROME HON KAH CHO

Group Chief Operations Officer

Nationality/Age/Gender: Malaysian/56/Male

Date of Appointment: 1 December 2013

Qualification(s):

- Member of Malaysian Institute of Certified Public Accountants (MICPA)
- Member of Malaysia Institute of Accountants (MIA)
- Chartered Banker (AICB, CBI)

Relevant Working Experience:

Close to 30 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.

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

Nil

Notes:

- Age is as at 28 February 2023
- Present directorship(s) in subsidiaries of Maybank Group by members of the Group Executive Committee can also be found on pages 266 to 269 of the Financial Statements
- Effective 1 April 2023, Alan Lau Chee Kheong, previously Group Chief Compliance Officer, has been appointed Group Chief Operations Officer, following the retirement of Jerome Hon Kah Cho. Meanwhile, to meet our M25+ strategic aims and facilitate better effective and seamless executive of our strategy, our International operations now report directly to Group Global Banking, Group Community Financial Services or GPCEO's office, depending on the core business of the country

Group Executive Committee

TASWIN ZAKARIA

President Director, Maybank Indonesia

Nationality/Age/Gender: Indonesian/54/Male

Date of Appointment: 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 Programme, Saïd 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 services & facility management.

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

- PT Bank Maybank Indonesia Tbk

DR. JOHN LEE HIN HOCK

Country Chief Executive Officer & Chief Executive Officer, Maybank Singapore

Nationality/Age/Gender: Malaysian/57/Male

Date of Appointment: 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 Chief Risk Officer.

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

- Maybank IBG Holdings Limited
- Maybank Securities Pte Ltd

MICHAEL FOONG SEONG YEW

Chief Executive Officer, International

Nationality/Age/Gender: Malaysian/54/Male

Date of Appointment: 1 June 2018

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. Previously, Maybank Group Chief Strategy Officer from 1 January 2014 until 14 August 2022.

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

Nil

Declaration:

The Group Executive Committee members have no family relationship with any director and/or major shareholder of Maybank, conflict of interest with Maybank and have not been convicted of any offence within the past five years, or been subject to public sanction or penalty imposed by the relevant regulatory bodies during the financial year

Group Shariah Committees



1



2



3



6



5



4



7



8



9



11



10

Group Shariah Committees

1 PROFESSOR DR. AZNAN HASAN

Chairman of MIBSC and Chairman of SC EFTB & EGTB

Nationality/Age/Gender: Malaysian/51/Male

Date of Appointment: 1 May 2014 & 1 May 2019 respectively

Number of meetings attended: 28/28 (100%) & 24/24 (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 17 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
- Non-Independent Non-Executive Director, Board of Directors, Maybank Islamic Berhad
- Islamic Estate Planning Advisor, Maybank Islamic Bank Berhad

Other Companies/Bodies:

- Professor, IIUM Institute of Islamic Banking & Finance, International Islamic University Malaysia (IIUM)
- Chairman, Shariah Committee, Bank Pembangunan Malaysia Berhad
- Chairman, Shariah Committee, Amanah Hartanah Bumiputra
- Deputy Chairman, Shariah Advisory Council, Securities Commission Malaysia
- Deputy Chairman, Shari'a Supervisory Board, Bank Nizwa, Oman
- 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)
- 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
- Independent Non-Executive Director, Board of Directors, Yayasan Pembangunan Ekonomi Islam Malaysia (YaPEIM) Holdings Sdn Bhd

2 USTAZ MOHD KAMAL MOKHTAR

Member of MIBSC

Nationality/Age/Gender: Singaporean/55/Male

Date of Appointment: 1 September 2015

Number of meetings attended: 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 12 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)
- Vice Chairman, Asatizah Recognition Board (ARB)
- Member, Shariah Committee, Basil Property Trust, Singapore
- Member, PERGAS
- Board member, Warees Halal Limited
- Shariah Advisor, Ar Rahnu Singapore

Note:

Age is as at 28 February 2023



Full profiles for MIBSC can be obtained at www.maybank.com/islamic while profiles for SC EFTB & EGTB can be obtained at www.etiqa.com.my. For Maybank Indonesia Shariah Supervisory Board (SSB) members' profiles, refer to Maybank Indonesia's Annual Report 2022

Group Shariah Committees

3 DR. AKHTARZAITE ABDUL AZIZ

Member of MIBSC

Nationality/Age/Gender: Malaysian/50/Female

Date of Appointment: 1 March 2020

Number of meetings attended: 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 16 years of experience on the Shariah committees 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

4 ASSOCIATE PROFESSOR DR. SHARIFAH FAIGAH SYED ALWI

Member of MIBSC

Nationality/Age/Gender: Malaysian/51/Female

Date of Appointment: 1 May 2021

Number of meetings attended: 28/28 (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 10 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, Bank Pertanian Malaysia Berhad (Agrobank)
- Member, Shariah Committee, AmMetLife Takaful Berhad

5 DR. NIK ABDUL RAHIM NIK ABDUL GHANI

Member of MIBSC

Nationality/Age/Gender: Malaysian/43/Male

Date of Appointment: 8 September 2020

Number of meetings attended: 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 11 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 Perundangan Hukum Syarak Wilayah Persekutuan, Pejabat Mufti Wilayah Persekutuan
- Shariah Advisory Panel, Wasiyyah Shoppe Berhad
- Member, Shariah Committee, UKM

Note:
Age is as at 28 February 2023

Full profiles for MIBSC can be obtained at www.maybank.com/islamic while profiles for SC EFTB & EGTB can be obtained at www.etiqa.com.my.
For Maybank Indonesia Shariah Supervisory Board (SSB) members' profiles, refer to Maybank Indonesia's Annual Report 2022

Group Shariah Committees

6 USTAZ MUHAMMAD ALI JINNAH AHMAD

Member of MIBSC

Nationality/Age/Gender: Malaysian/44/Male

Date of Appointment: 1 May 2021

Number of meetings attended: 28/28 (100%)

Qualification(s):

- Bachelor's degree in Islamic Jurisprudence (Fiqh Wa Usul), Al al-Bayt University, Jordan
- Master in Islamic Management Banking and Finance, Loughborough University, UK

Relevant Working Experience:

Over 14 years of experience contributing to the Islamic finance industry through Shariah advisory and research.

Present Occupation(s):

Other Companies/Bodies:

- Independent Non-Executive Director, FWD Takaful Berhad

7 PROFESSOR DR. ABDUL RAHIM ABDUL RAHMAN

Member of SC EFTB & EGTB

Nationality/Age/Gender: Malaysian/55/Male

Date of Appointment: 1 May 2017

Number of meetings attended: 24/24 (100%)

Qualification(s):

- Bachelor's degree in Finance and Accounting, University of East London, UK
- Master in Accounting and Management Sciences, University of Southampton, UK
- PhD in Accounting, University of Southampton, UK

Relevant Working Experience:

Over 16 years of experience in teaching, research and consultancy on Islamic finance, Islamic accounting, ethics and governance, and Shariah audit matters in various capacities.

Present Occupation(s):

Other Companies/Bodies:

- Vice Chancellor, Kolej Universiti Poly-Tech MARA (KUPTM)
- Member, Board of Directors, Pusat Pungutan Zakat, Majlis Agama Islam Wilayah Persekutuan
- Distinguished Associate Fellow, Institute of Shariah Governance and Islamic Finance (ISGAIF), Universiti Utara Malaysia (UUM)
- Shariah Advisory Committee, Zakat, Waqf and Baitulmal Accounting Standard, Jabatan Akauntan Negara Malaysia

8 PROFESSOR DATIN DR. RUSNI HASSAN

Member of SC EFTB & EGTB

Nationality/Age/Gender: Malaysian/55/Female

Date of Appointment: 1 May 2017

Number of meetings attended: 24/24 (100%)

Qualification(s):

- LLB (Hons), International Islamic University Malaysia (IIUM)
- LLB (Shariah) (Hons), IIUM
- Master of Comparative Laws, IIUM
- PhD in Law, IIUM

Relevant Working Experience:

She was a member of the Shariah Advisory Council of Bank Negara Malaysia. Her contributions to Islamic finance through publications, training and conferences have garnered international recognition.

Present Occupation(s):

Within Maybank Group:

- Independent Director, Etiqa General Takaful Berhad

Other Companies/Bodies:

- Dean, IIUM Institute of Islamic Banking & Finance, IIUM
- Professor, IIUM Institute of Islamic Banking & Finance, IIUM
- Chairman, Shariah Committee, Hong Leong Islamic Bank
- Chairman, Shariah Committee, Exim Bank
- Member, Shariah Committee, Association of Islamic Banking Institutions Malaysia (AIBIM); Housing Development Finance Corporation, Maldives; Housing Development Corporation, Maldives; Waqf An-Nur and Koperasi JCorp
- Registered Shariah Advisor, Securities Commission Malaysia
- Member of Advisory Council, Association of Shariah Advisors in Islamic Finance Malaysia (ASAS)
- President, International Council of Islamic Finance Educators (ICIFE)

Note:
Age is as at 28 February 2023

Full profiles for MIBSC can be obtained at www.maybank.com/islamic while profiles for SC EFTB & EGTB can be obtained at www.etiqa.com.my. For Maybank Indonesia Shariah Supervisory Board (SSB) members' profiles, refer to Maybank Indonesia's Annual Report 2022

Group Shariah Committees

9 PROFESSOR DATO' DR. MOHD AZMI OMAR

Member of SC EFTB & EGTB

Nationality/Age/Gender: Malaysian/63/Male

Date of Appointment: 1 May 2018

Number of meetings attended: 24/24 (100%)

Qualification(s):

- Bachelor of Science (Finance), Northern Illinois University, USA
- Master of Business Administration, Northern Illinois University, USA
- PhD in Finance, Bangor University, Wales, UK
- Chartered Professional in Islamic Finance (CPIF)

Relevant Working Experience:

He was the Director-General at Islamic Research and Training Institute, Islamic Development Bank Group, Jeddah and served in various teaching and management capacities at the International Islamic University Malaysia (IIUM).

Present Occupation(s):

Other Companies/Bodies:

- President and Chief Executive Officer, International Centre for Education in Islamic Finance (INCEIF)
- Member, Shariah Advisory Council, Securities Commission Malaysia
- Member, Shariah Committee, Bank Kerjasama Rakyat Malaysia
- Member, Shariah Committee, MUFG Bank (Malaysia) Berhad
- Consultant, Islamic Financial Services Board (IFSB)

10 PROFESSOR DR. AZMAN MOHD NOOR

Member of SC EFTB & EGTB

Nationality/Age/Gender: Malaysian/50/Male

Date of Appointment: 15 June 2020

Number of meetings attended: 24/24 (100%)

Qualification(s):

- Bachelor's degree in Islamic Law, Islamic University of Madinah, Saudi Arabia
- Master of Arts (MA) in Islamic Criminal Law, Universiti Kebangsaan Malaysia (UKM)
- MA in Muamalat (Islamic Law of Transactions), Department of Fiqh and Usul al-Fiqh, International Islamic University Malaysia (IIUM)
- PhD in Islamic Law, University of Edinburgh, Scotland, UK

Relevant Working Experience:

Over 11 years of experience in Shariah advisory and education and was a member of the Shariah Advisory Council of the Securities Commission Malaysia.

Present Occupation(s):

Within Maybank Group:

- Independent Director, Etiqa Family Takaful Berhad

Other Companies/Bodies:

- Professor at IIUM Institute of Islamic Banking & Finance, IIUM
- Member, Shariah Committee, Bank Kerjasama Rakyat Malaysia
- Shariah Committee, Tekun Nasional Malaysia
- Shariah Committee, Kuwait Finance House (Malaysia) Berhad
- Member, Shariah Committee, Rushdi Oriyon, Micro Credit Deposit Organization, Tajikistan
- Member, Fatwa Committee, Mufti Department of Perlis

11 SAHIBUS SAMAHAH DR. MOHAMAD SABRI HARON

Member of SC EFTB & EGTB

Nationality/Age/Gender: Malaysian/58/Male

Date of Appointment: 1 January 2022

Number of meetings attended: 24/24 (100%)

Qualification(s):

- Diploma in Islamic Studies, Kolej Ugama Sultan Zainal Abidin (KUSZA), Malaysia
- Bachelor's degree in Islamic Studies, Universiti Kebangsaan Malaysia (UKM)
- Master of Comparative Laws, International Islamic University Malaysia (IIUM)
- PhD, Fiqh and Usul Fiqh (Shariah), University of Jordan, Jordan

Relevant Working Experience:

Holds the position of Terengganu State Mufti since 1 April 2021. Over 21 years of experience in teaching, research and consultancy on Shariah and Islamic finance; and once seconded to the Securities Commission Malaysia contributing to the Islamic Capital Market through Shariah advisory and research.

Present Occupation(s):

Other Companies/Bodies:

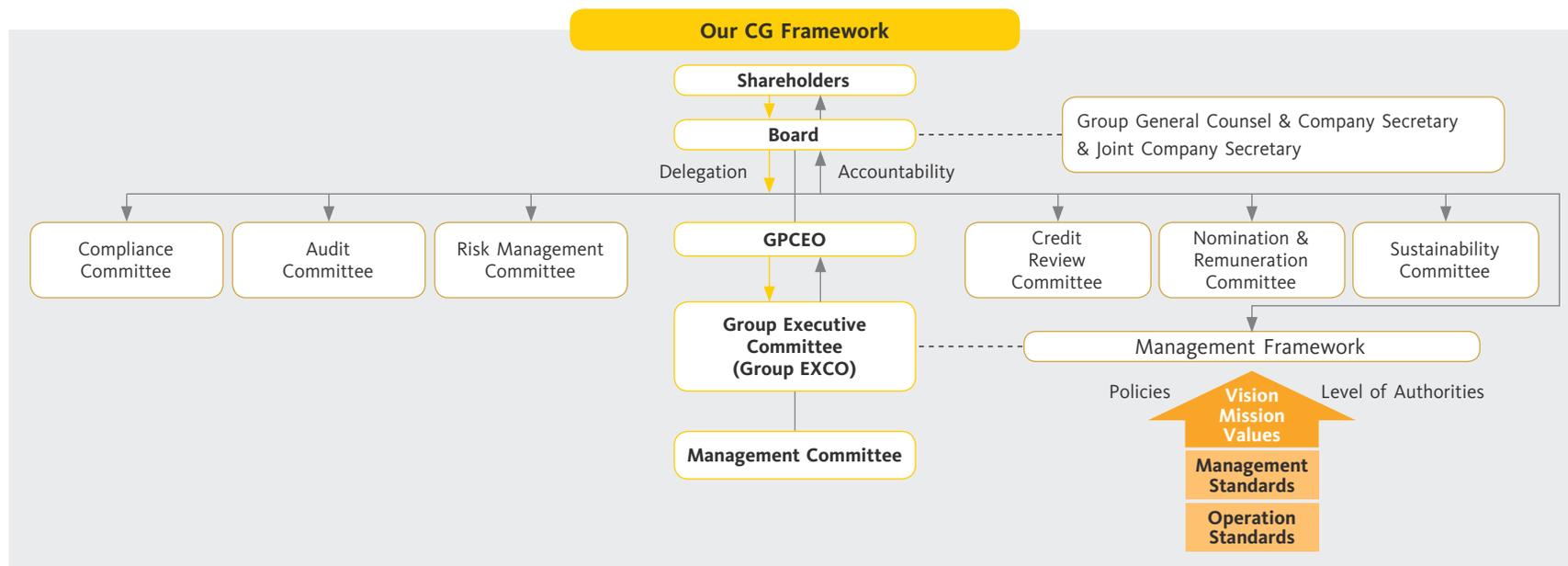
- Mufti of the State of Terengganu
- Chairman, Shariah Committee, Koperasi ANGKASA (Angkatan Koperasi Kebangsaan Malaysia Berhad)
- Chairman, Shariah Committee, Apex Investment Services Berhad
- Member, Shariah Committee, Koperasi UNIKEB Berhad
- Member, Shariah Committee, Koperasi Pos Malaysia
- Member, Shariah Committee, UKM
- Member, Shariah Committee, Bank Kerjasama Rakyat Malaysia

Note:
Age is as at 28 February 2023

Full profiles for MIBSC can be obtained at www.maybank.com/islamic while profiles for SC EFTB & EGTB can be obtained at www.etiqa.com.my. For Maybank Indonesia Shariah Supervisory Board (SSB) members' profiles, refer to Maybank Indonesia's Annual Report 2022

Corporate Governance Overview Statement

The Board of Directors of Maybank (the Board) believes that good corporate governance (CG) enables 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.



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 issued by the Securities Commission Malaysia (SC).

To ensure a corporate culture which is both robust and effective, the Board reviews and enhances its internal governance processes and practices on a regular basis, taking into account latest developments in the CG landscape. Testament to the Board's commitment in this space, Maybank was conferred CG excellence recognition from both the Minority Shareholders Watch Group (MSWG) and the ASEAN Capital Market Forum.



Awards



MSWG-ASEAN CG Award 2021

- Excellence Award for CG Disclosure
- Industry Excellence Award – Financial Services



ASEAN Corporate Governance Scorecard Award 2021

- ASEAN Asset Class PLC

Summary of CG Practices

This CG Overview Statement summarises the Group's CG practices during FY2022. Details on how we have applied the best practices recommended by the Malaysian Code on Corporate Governance are set out in the CG Report which is available on Maybank Group's corporate website at www.maybank.com.

As at 31 December 2022, Maybank has applied all recommended practices in the Malaysian Code on Corporate Governance save for Practice 8.2 and Step-up 8.3 (with regard to disclosure of senior management's remuneration).

A. BOARD LEADERSHIP AND EFFECTIVENESS

The Role of the Board

The Board directs and oversees the business and affairs of the Group by periodically reviewing and approving its overall strategies and significant policies. The Board also establishes the Group's core values and adopts proper standards to ensure that the Group operates with integrity and in compliance 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.

The Board believes that success of the Group's strategy requires that it be aligned with good governance practices. To achieve this, a strong system of risk management and internal controls has been put in place to ensure that the Group's risk appetites are set and risks are identified, assessed and managed effectively.

Further details on pages 106 to 112 of Statement on Risk Management and Internal Control

Apart from setting the tone from the top and establishing the purpose, mission and core values of the Group, the Board also monitors senior management's execution of strategy and financial performance. While the Board focuses on long-term sustainable growth, it advises the management to strike the right balance between short-term and long-term goals. The Board is also mindful of its wider obligations and considers the impact that its decisions will have on the Group's various stakeholders such as employees, shareholders, customers and the community as a whole.

The Board also has a formal schedule of matters specifically reserved for its decision, details of which can also be found in our Board Charter which is available on Maybank Group's corporate website at www.maybank.com.

Corporate Governance Overview Statement

Key Matters Deliberated by the Board

Some of the key focus areas of the Board during FY2022 are described below:

Launch of Maybank's M25+ Strategy

- Building on the foundation laid by the M25 Strategy, the Board approved the Group's refined corporate strategy, M25+, which was announced to the public during Maybank Investor Day on 27 October 2022.
- M25+ is anchored on five key strategic thrusts and is supported by 12 Strategic Programmes, all of which are expected to be completed by 2025.

 More details on M25+ can be found on page 40 of this Integrated Annual Report

Board Succession Planning

- FY2022 saw changes in the boardroom with the departure of Tan Sri Abdul Farid Alias, the former Group President & CEO (GPCEO) and Executive Director (ED), and Dato' Idris Kechot, an Independent Non-Executive Director (INED). Tan Sri Abdul Farid Alias' departure was expected and a search for suitable candidates to replace him began much earlier in accordance with our succession plan, culminating in the appointment of Dato' Khairussaleh Ramli as our new GPCEO and ED. With this appointment, the Board has been restored to its ideal size of 12 members.
- The Board is also aware that some of its current members will be approaching their nine-year tenures in the next two years. In this regard, the Board, together with the Nomination and Remuneration Committee (NRC), has already begun searching for suitable talents to strengthen its talent pool, in line with its 'Must Have' skills matrix, to ensure a seamless transition of members expected to step down in the near future.

Maybank to Move its Head Office to Merdeka 118

- Pursuant to vigorous and robust deliberations and close scrutiny of the Audit Committee of the Board (ACB), the Board approved the re-location of Maybank's Head Office to Merdeka 118, which is expected to be done in stages, beginning 2025. Recognising that Merdeka 118 is owned by PNB, a major shareholder of Maybank, the ACB conducted a holistic review of the deal with PNB, including seeking guidance and advice from two independent firms of valuers, to ensure that the deal is fair, reasonable and on normal commercial terms, not detrimental to the interest of Maybank's minority shareholders while being in the Group's best interest. The deal was subsequently announced to the public on 12 September 2022.

Other key areas/matters reviewed, deliberated and approved by the Board during FY2022 were as follows:

Strategy

- Approved the business strategy of various sectors within the Group
- Approved the Group's Budget and Business Plan for FY2023
- Reviewed the Country's business and financial performance updates
- Reviewed the Group's sustainability progress and action plans
- Approved the Revised Group Sustainability Commitments
- Reviewed the Ethical Banking Strategy
- Reviewed Maybank Brand Performance for FY2022

Risk, Compliance & Oversight

- Reviewed the Group Chief Risk Officer reports
- Reviewed the quarterly Risk Appetite Statement updates
- Reviewed Group Internal Capital Adequacy Assessment reports
- Reviewed the Compliance Culture Assessment FY2022 results
- Approved the revised Anti-Bribery and Corruption Policy & Procedures
- Reviewed the Bribery and Corruption Risk Assessment Report – Maybank Malaysia Entities
- Approved Maybank Group Policy on Managing Sensitive Information and Material Non-Public Information
- Approved the Implementation of Trade Surveillance System
- Approved Annual Attestation on AML/CFT Controls to Prevent Illegal Financial Schemes and Mule Operations

Governance

- Reviewed the Board Manual, Board Charter and Terms of Reference (TOR) of the Board and Board Committees
- Reviewed the Succession Plan for the GPCEO, EXCO and EXCO-1
- Approved the Directors Annual Fit and Proper Assessments
- Approved Corporate Governance Disclosures for FY2021
- Reviewed Levels of Application of Malaysian Code on Corporate Governance 2021 by key subsidiaries of Maybank
- Approved Maybank Group Sustainable Product Framework
- Reviewed Maybank Group Capital Management Framework
- Approved Maybank Group Policy on Reserved Matters
- Approved Malaysia Primary Data Centre relocation
- Approved sponsorship of the Ladies Professional Golf Tournament

Board Governance

The roles and responsibilities of the Chairman and the GPCEO are clearly separated by a clear division of responsibilities which are defined and approved by the Board in line with best practices to ensure the appropriate supervision of management. This distinction allows for better understanding and distribution of jurisdictional responsibilities and accountabilities. The Board has also selected certain members to undertake the following special functions:

Senior Independent Director (SID)

- To chair the NRC
- To address concerns of shareholders and stakeholders which may be conveyed to him

Senior Independent Non-Executive Director (SINED)

- To strengthen oversight of the Bank's management of banking fraud and data breach incidents

INED in-charge of Whistleblowing Policy

- To ensure effective implementation of Maybank Group's Whistleblowing Policy

Corporate Governance Overview Statement

The Board is assisted by two Company Secretaries (both with legal qualifications and are qualified to act as company secretary) who ensure that Board members receive appropriate and timely information including meeting materials and minutes. All Directors have access to the advice of the Company Secretaries and the Bank provides access, at its expense, to the services of independent professional advisers in order to facilitate the Directors in their role.

As depicted in the CG Framework, the Board is supported in its duties by six Board Committees, each of which has its own TORs which clearly set out its remit and decision-making powers. The chair of each Board Committee meeting provides a report (to the Board) on salient matters discussed. The TORs of each Board Committee are also reviewed periodically, with the last review undertaken during FY2022. Amendments are made (where necessary) to ensure that the TORs of each committee are updated with the latest best practices, processes and/or procedures prescribed or recommended by the regulators and are of market standard. As required under the Listing Requirements, the TORs of the NRC and the ACB as well as the Board Charter are published on Maybank Group's corporate website at www.maybank.com.

Board Committees

The key roles and focus areas of the Board Committees during FY2022 were as follows:

<p style="text-align: center;">ACB</p> <p style="text-align: center;">17 No. of meetings</p> <p style="text-align: center;">99% Attendance</p> <p>Key Roles:</p> <ul style="list-style-type: none"> To assess the adequacy and effectiveness of the Group's governance, risk management and internal control system through the Internal Audit (IA) function; To oversee IA's independence, scope of work and resources; and To determine the criteria for selecting, monitoring and assessing the external auditors, and to make recommendations to the Board. <p>Key Focus Areas:</p> <p>Key focus areas and activities of the ACB during FY2022 can be found on page 113 of this Report.</p>	<p style="text-align: center;">NRC</p> <p style="text-align: center;">13 No. of meetings</p> <p style="text-align: center;">100% Attendance</p> <p>Key Roles:</p> <ul style="list-style-type: none"> To recommend to the Board the appointment of new Board and Board Committee members, and the conduct of the annual evaluation of their performance/skills set, both individually and collectively; To evaluate recommendations for promotion, remuneration and compensation policies for executives in key positions; and To administer the Employees' Share Grant Plan (ESGP) pursuant to the By-Laws of the ESGP. <p>Key Focus Areas:</p> <p>Key focus areas and activities of the NRC during FY2022 can be found on page 99 of this Report.</p>	<p style="text-align: center;">RMC</p> <p style="text-align: center;">12 No. of meetings</p> <p style="text-align: center;">100% Attendance</p> <p>Key Roles:</p> <ul style="list-style-type: none"> To formulate policies and frameworks to identify, measure, monitor, manage and control the material risks impacting the businesses; To oversee the enterprise-wide risk management programme; and To review management risk reports on risk exposure, risk portfolio composition and risk management activities on a periodic basis. <p>Key Focus Areas:</p> <p>Key focus areas and activities of the RMC have been included in the FY2022 Board Review found on page 96 of this Report.</p>
<p style="text-align: center;">CCB</p> <p style="text-align: center;">11 No. of meetings</p> <p style="text-align: center;">100% Attendance</p> <p>Key Roles:</p> <ul style="list-style-type: none"> To deliberate and review Maybank Group Compliance Framework and Maybank Group's compliance policies, and to provide recommendations to the Board for approval; To evaluate the effectiveness of the Group's overall management of compliance risk and to recommend to the Board improvements to be made; and To review assessment reports on the Group's compliance status. <p>Key Focus Areas:</p> <ul style="list-style-type: none"> Reviewed Group-wide effectiveness in managing money laundering and terrorism financing risks; Reviewed the level of effectiveness in monitoring and ensuring ethical conduct in business dealings; and Reviewed the level of effectiveness in ensuring compliance with laws and regulations. 	<p style="text-align: center;">CRC</p> <p style="text-align: center;">18 No. of meetings</p> <p style="text-align: center;">100% Attendance</p> <p>Key Roles:</p> <ul style="list-style-type: none"> To review all credit applications approved by the Group Management Credit Committee and Group Wealth Management Credit Committee that are above their Credit Authority Limits; To recommend to the Board/Maybank Islamic Berhad Board credits to Connected Parties as per Maybank Group Management of Connected Parties risk document; and To approve credits to Connected Parties as per Maybank Group Management of Connected Parties risk document. <p>Key Focus Areas:</p> <ul style="list-style-type: none"> Reviewed the Group's credit portfolio, especially material or high risks by country, business, sector/market and product; Reviewed the Group's portfolio of classified, rescheduled and restructured, impaired credits; Reviewed the credit management functions; and Reviewed account strategies for the borrowers. 	<p style="text-align: center;">BSC</p> <p style="text-align: center;">4 No. of meetings</p> <p style="text-align: center;">96% Attendance</p> <p>Key Roles:</p> <ul style="list-style-type: none"> To recommend material sustainability plans for Board approval, and to monitor and oversee its implementation; To oversee the integration of sustainability considerations and the institutionalisation of sustainability in business strategies and activities of the Group; and To review and recommend the Group's sustainability disclosures to the Board for approval as required by laws and/or rules. <p>Key Focus Areas:</p> <ul style="list-style-type: none"> Reviewed the development of Maybank Group Sustainable Product Framework; Reviewed the emissions reduction plan for the Bank's own operations, and Scope 3 emissions; and Reviewed the Group's ESG position on agricultural, construction and real estate, forestry and oil & gas sectors.

Corporate Governance Overview Statement

Key Group Policies

The Board from time to time establishes internal policies and frameworks for Group-wide application to sharpen governance and oversight of its operations in Malaysia and abroad. The following are some of the key policies and frameworks:

Ethical Standards and Behaviour	Strategy & Decision-Making	Legal & Compliance
<ul style="list-style-type: none"> (a) Maybank Group Code of Ethics and Conduct Policy[#] (b) Policy on Fit and Proper Criteria For Appointment/Re-Appointment of Key Responsible Persons of Licensed Institutions in Maybank Group[#] (c) Policy on Conflict of Interest for Directors[#] 	<ul style="list-style-type: none"> (a) Maybank Group Policy on Reserved Matters (New) (b) Non-Credit Discretionary Powers (NCDP) and Operational Write-Off[#] (c) Maybank Group Environmental, Social and Governance (ESG) Policy (d) Maybank Group Sustainability Framework (e) Maybank Group Sustainable Product Framework (New) 	<ul style="list-style-type: none"> (a) Maybank Group Whistleblowing Policy & Procedures[#] (b) Maybank Group Anti-Bribery and Corruption Policy & Procedures[#] (c) Maybank Group Anti-Money Laundering/Countering Financing of Terrorism Policy & Procedures (d) Maybank Group Credit Transactions and Exposures With Connected Parties (e) Maybank Group Policy on Related Party Transactions

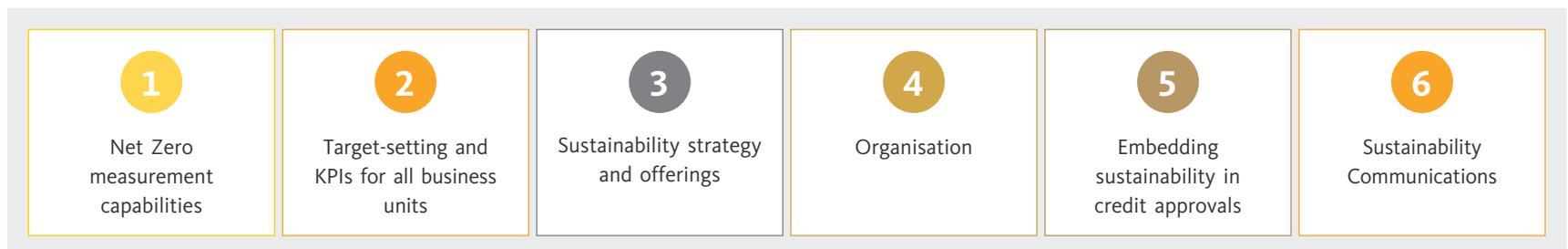
[#] Reviewed and updated during FY2022

These policies are periodically reviewed to ensure that the Group's CG Framework remains robust and is continually updated.

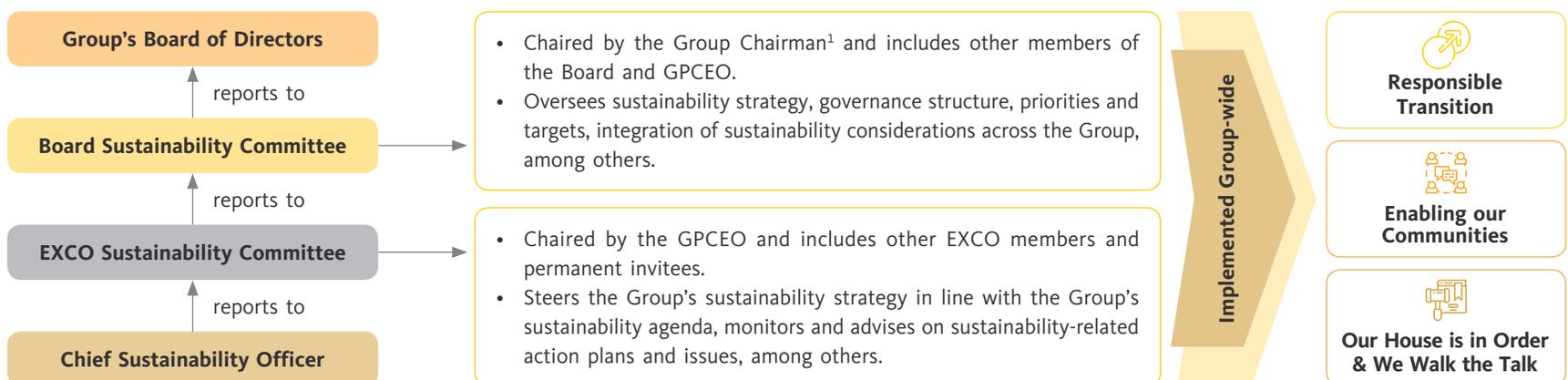
Sustainability

Following the introduction of Maybank Group Sustainability Framework in 2021, on 1 September 2022, we rolled out Maybank Group Sustainable Product Framework, the first ever by a Malaysian bank, to guide the development of green, social, sustainable and transition products based on the readiness and needs of our customer base.

Sustainability is also one of the key strategic thrusts of M25+, giving rise to a specific strategic programme, "To become the Sustainability Leader in SEA", to drive our sustainability agenda. Key initiatives to support the effective execution of this strategy are as follows:



Our commitment to driving Maybank's sustainability agenda from the top is reaffirmed with the establishment of a sustainability governance structure in 2021, as depicted in the diagram below. This has enabled us to drive engagement on sustainability issues among the Board and senior management team, to set the Group's direction and monitor progress of the Group's sustainability agendas as predicated on three key overarching pillars, namely: 1) Responsible Transition; 2) Enabling Our Communities; and 3) Our House is in Order & We Walk The Talk. Sustainability KPIs are also incorporated into the organisation's performance setting (scorecard) and adopted by all staff within the Group.



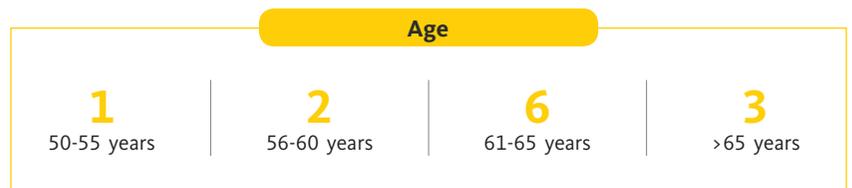
¹ On 1 January 2023, the Group Chairman stepped down as Chair of the BSC, and an INED was appointed to the position

Corporate Governance Overview Statement

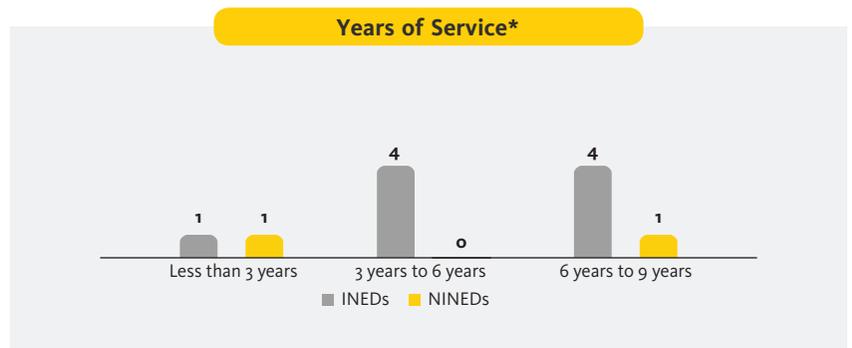
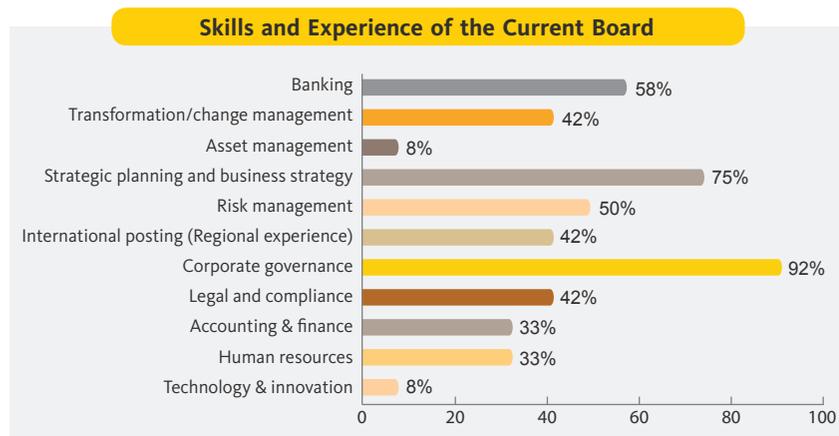
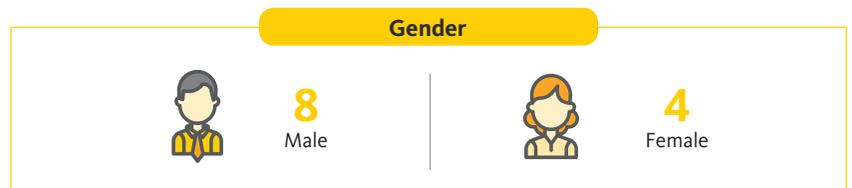
Board Size, Composition and Diversity

As at to-date, the Board consists of 12 members, its ideal size, out of which 75% are INEDs. The Board is committed to maintaining diversity and inclusion in its composition and decision-making process. In this regard, the Board considers diversity from a number of different aspects, including gender, age, cultural and educational background, nationality, professional experience, skills, knowledge and length of service. Pursuant to our Policy on Board Gender Diversity, the Board strives to maintain at least 30% women directors in its composition. As at 31 December 2022, the composition, diversity and skills and experience matrix of the Board are as set out below:

Embracing Diversity, Equity & Inclusion (DEI), Maybank's commitment to women leadership continues to be recognised globally. In 2022, we were recognised by Bloomberg in its Gender Equality Index (GEI), a recognition we have been given since 2017. For FY2022, women representation among senior management stood at 41% (FY2025 target: 45%).



* Nominees of Permodalan Nasional Berhad



* Pursuant to the Directors Tenure Policy, the tenure of an INED is limited to a cumulative period of nine years. As at 31 December 2022, none of the members of the Board had exceeded their nine-year tenures

The Nomination and Remuneration Committee (NRC)

The NRC consists of a majority of INEDs and is chaired by the SID. The roles and responsibilities of the NRC are set out in its TOR which is available on Maybank Group's corporate website at www.maybank.com.

The composition of the NRC and the meeting attendance of each member can be found in Section B of the CG Report.

Among the key activities of the NRC during FY2022 were as follows:

 <p>Board Composition and Succession Planning</p>	<ul style="list-style-type: none"> Reviewed the overall size and composition of the Boards of Maybank and its subsidiaries including the tenure of Board members Reviewed the composition of Board Committees Reviewed the succession plan for the Board and Board Committees Reviewed and recommended the appointment of the SID Reviewed Board members' directorship in Maybank's subsidiaries Reviewed Board skills matrix and the criteria for new Non-Executive Directors (NEDs) of Maybank Reviewed the talent pool for NEDs of the Group
 <p>Recruitment and Appointment of Directors</p>	<ul style="list-style-type: none"> Reviewed the background, skills and experience of potential candidates for appointment to the boards of Maybank's group of companies Conducted engagement sessions to assess the suitability of potential candidates to be appointed to the boards of Maybank and its subsidiaries Reviewed and recommended the appointment of a senior independent director to strengthen oversight of banking fraud and data breach incidents Considered the re-appointment and re-election of Directors of Maybank's group of companies Reviewed the appointment and re-appointment of Shariah Committee members of Maybank Islamic Berhad, Etiqa Family Takaful Berhad and Etiqa General Takaful Berhad

Corporate Governance Overview Statement

The NRC (Cont'd.)

 <p>Recruitment and Appointment of Senior Officers</p>	<ul style="list-style-type: none"> • Considered proposals to renew the employment contracts of senior officers of the Group • Reviewed the suitability of potential candidates for appointment as GPCEO, Group Chief Strategy Officer and Group Chief Audit Executive • Reviewed the suitability of potential candidates for appointment as Chief Executive Officer (CEO) of subsidiaries • Reviewed the appointment of Group EXCO members on the boards of key subsidiaries and external entities (outside Maybank Group)
 <p>Succession Planning of Senior Management</p>	<ul style="list-style-type: none"> • Reviewed the Contract Expiry and Retirement of Group EXCO, GPCEO-1 and EXCO-1 • Reviewed and received updates on succession plan of senior management
 <p>Fit and Proper Assessment</p>	<ul style="list-style-type: none"> • Reviewed the results of the annual Fit and Proper Assessment of Directors, senior officers, Shariah Committee members and other Material Risk Takers in the Group
 <p>Board Effectiveness Evaluation</p>	<ul style="list-style-type: none"> • Reviewed the results of the Board Effectiveness Evaluation (BEE) exercise for FY2021 and recommended the proposed Actionable Improvement Programme to the Board and the subsidiaries' boards for approval • Reviewed the training needs of the Directors • Received updates on the Actionable Improvement Programme relating to the BEE's findings for FY2021 • Reviewed the BEE questionnaire for FY2022
 <p>Remuneration</p>	<ul style="list-style-type: none"> • Reviewed and recommended the remuneration of NEDs in Maybank and its subsidiaries • Reviewed and recommended the total rewards (variable bonus and salary increment) for the Group • Reviewed performance rating and recommended total rewards for the GPCEO and Group EXCO members • Received updates on the holistic review undertaken on Maybank's Total Rewards Management in conjunction with the FY2021/2022 Total Rewards Exercise post mortem • Reviewed and approved the vesting of shares under the second ESGP Award • Reviewed and recommended the revision of performance measures for ESGP/Cash Settled ESGP Award • Reviewed Maybank Group Variable Pay Programmes: Long-Term and Short-Term Incentive Plan
 <p>Governance</p>	<ul style="list-style-type: none"> • Received updates on the following: <ul style="list-style-type: none"> (i) Malaysian Code on Corporate Governance 2021 (MCCG 2021); (ii) CG Monitor 2021; (iii) CG Strategic Priorities 2021-2023; (iv) Principles on Good Governance for Government Linked Investment Companies; and (v) Main Market Listing Requirements on Disclosure of Fit and Proper Policy on Appointment and Re-election of Directors of Listed Issuer and Subsidiaries • Reviewed Maybank subsidiaries' alignment with MCCG 2021 • Reviewed and approved amendments to the TOR of the NRC • Reviewed the implementation of Maybank Group's Handover Policy • Reviewed and recommended Maybank Group Policy on Reserved Matters • Reviewed questionnaires in relation to the Board's rating for the Balanced Scorecard of the GPCEO • Reviewed the list of Senior Management and Other Material Risk Takers for Maybank and its key subsidiaries for FY2021 • Received updates on Group Employee Engagement Survey • Reviewed Director's conflict of interest
 <p>Talent Management</p>	<ul style="list-style-type: none"> • Reviewed and recommended talent attraction and retention strategy for Group Technology

Corporate Governance Overview Statement

Board Appointment

The NRC plays a major role in the nomination and selection process of potential candidates for appointment to the 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

Succession Planning

The Board believes that effective succession planning mitigates the risks associated with the departure or absence of well-qualified and experienced individuals, and aims to ensure that the Board and senior management are always well-resourced with the right people in terms of skills and experience, in order to effectively and successfully deliver the Group's strategy.

As part of succession planning, the NRC has established a talent pool which comprises potential candidates to be considered for appointment as INEDs on the 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 (e.g. ICDM and Fide Forum) 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 Group's Policy on the Tenure of Directorships (Directors Tenure Policy) facilitates succession planning by providing the Board with the opportunity to consider and reassess its membership periodically. This is to ensure continuity in meeting its long-term goals and objectives and also to ensure that the knowledge, experience, and skills set of its Board members are well-suited to meet the demands of an ever-changing financial industry.

Fit and Proper (FAP)

All Directors must have the necessary qualities, competencies and experience that will allow them to perform their duties and carry out the responsibilities required of the position in the most effective manner. To assist the NRC in assessing and determining the fitness and propriety of Directors, the Board has established a Fit and Proper Policy (Maybank Group FAP Policy) which sets out the criteria for the FAP assessment and the process of re-election of Directors and selection of candidates for new appointment. The FAP assessment process covers the minimum fit and proper criteria as set out below:

(a) Probity, personal integrity and reputation

Values that can be demonstrated through personal qualities such as honesty, integrity, diligence, independence of mind and fairness.

(b) Competency and capability

Relevant skills, knowledge, experience and ability to understand the technical requirements of the business, the inherent risks and the management process required to perform the Director's role.

(c) Financial integrity

Ability to manage Director's own financial affairs properly and prudently.

Further details of the FAP assessment and criteria used for the said assessment are set out in the Maybank Group FAP Policy which is published on Maybank Group's corporate website at www.maybank.com

Independence

In addition to the above FAP criteria, independence assessments are also conducted on each INED based on the independence criteria set out in the following regulations/guidelines:

- (a) BNM CG Policy;
- (b) MCCG 2021; and
- (c) Listing Requirements.

To assist the NRC in evaluating the independence of INEDs, the Board has also established a Policy on Directors Independence (the Independence Policy) which sets out the Board's approach in determining directors' independence and assessing the independence of each INED.

Annual FAP and Independence Assessment

In line with BNM's FAP Guidelines as well as the Maybank Group FAP Policy, FAP and independence assessments on Maybank Directors are conducted annually as well as during the nomination and selection process for the appointment of new Directors, via the following processes:

- (i) Execution of Director's Self Declaration Form by individual Directors which includes:
 - Declaration of non-disqualification of Director in accordance with Section 59 of the Financial Services Act 2013;
 - Declaration of compliance with FAP Criteria pursuant to BNM and Maybank Group FAP Policy;
 - Declaration of compliance with independence criteria for Independent Directors pursuant to:
 - (a) Paragraph 11.7 of BNM CG Policy;
 - (b) Paragraph 1.01 of Listing Requirements; and
 - (c) Maybank Group Policy on Directors Independence.
 - Declaration of directorships outside of Maybank Group; and
 - Declaration of business interest/transactions with Maybank Group and shareholding in Maybank Group.
- (ii) Verification of Directors' financial standing via bankruptcy search and CCRIS Report.
- (iii) Verification of other directorships as well as litigation cases filed against Directors (if any) via CTOS search.
- (iv) Verification of no adverse reports in respect of ethical and professional conduct/public exposure/legal suits based on checks conducted via the internet search engine as well as online legal report, e.g. Malaysian Law Journal and screening by an external background screening and verification company.
- (v) Review of findings of the annual BEE exercise.

Based on the outcome of the FAP assessment conducted in FY2022, the NRC and the Board were satisfied that all Directors have met and fulfilled all the FAP and independence criteria set out in Maybank Group FAP Policy. Additionally, all the

Corporate Governance Overview Statement

INEDs had, during the FAP assessment, declared and affirmed their independence and ability to act in an independent and objective manner. Each INED also has an ongoing obligation to inform the Board of any circumstances which could impair his or her independence.

Board Effectiveness Evaluation (BEE)

The NRC assists the Board in reviewing its effectiveness, mix of skills and composition via the BEE exercise, which is conducted annually, and once every three years with the assistance of an independent international firm of consultants. Findings from the BEE are used to establish the Board's Skills Matrix, which is referred to by the Board and the NRC to support the Board's succession planning activities, including strengthening of its talent pool with the right mix of skills and diversity in terms of gender and ethnicity.

Since the Board had appointed an independent firm of consultants to conduct the BEE for FY2020, the BEE for FY2021 and FY2022 were conducted internally (with the assistance of Group Corporate Secretarial (GCS)) via online questionnaires to evaluate the effectiveness of the Board, the performance, personality and quality of individual directors (including the GPCEO who is also an ED) as well as the independence of INEDs. Taking into consideration M25+ and the updated Guidelines on the Conduct of Directors of Listed Corporations and their Subsidiaries 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.

The overall results of the BEE conducted for FY2022 were positive with all evaluated areas rated as either "strong" or "satisfactory" reflecting strong performance by the Board and Board Committees.

Key strengths identified included the following:

- (i) **Positive Board Culture and Dynamics** – There were robust discussions and healthy debates, Board members are open minded and willing to voice their own opinions and to raise concerns, where needed;
- (ii) **Focus on Business Strategies** – The Board understands the Group's key risks and challenges, focused on change initiatives and strategic direction;
- (iii) **High Board Diversity** – Members' skills set, age, gender, nationality, race, knowledge and experience are sufficiently diverse;
- (iv) **Strong Board Commitment** – The Board demonstrated a high level of commitment to keep abreast of developments and activities. Board members work well together;
- (v) **Effective Board Committees** – Board Committees have provided strong support to the Board;
- (vi) **Effective Board Committee meetings** – Board and Board Committees meetings were effectively managed;
- (vii) **Effective Oversight Over Management** – The Board is supportive of the management and provided sufficient guidance and challenge to the management's proposals. Strong oversight in risk management, crisis management (especially during pandemic) and managing clients' expectations; and
- (viii) **Strong Leadership** – Good leadership and strong steer from the Board Chairman on expectations and outcomes.

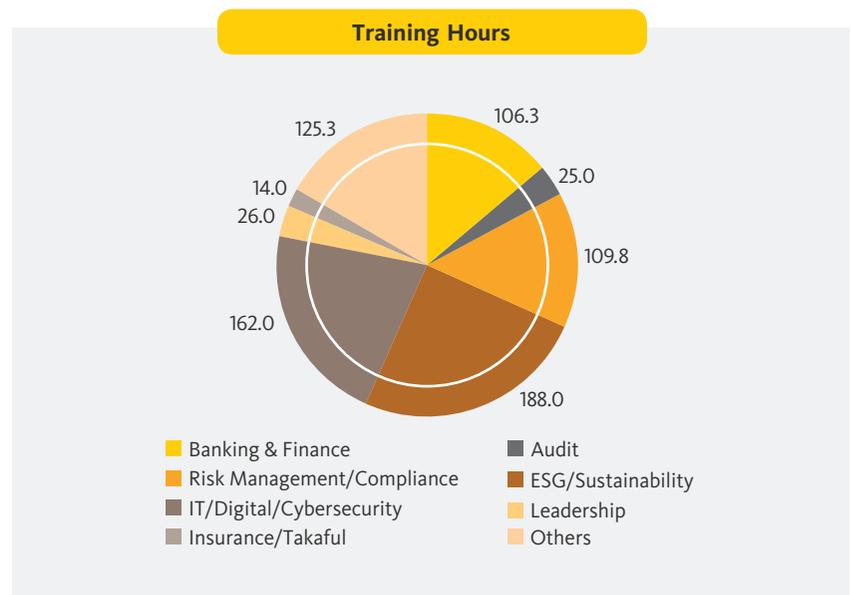
Pursuant to the results of the BEE for FY2022, Directors believe that certain areas should be further enhanced in the future. These include:

- (i) Placing greater focus on M25+ execution and operational challenges;
- (ii) Further enhancing the Board composition with skills set in technology/digital;
- (iii) Further enhancing the Group's communications strategy; and
- (iv) Curating trainings for Directors, to be in line with M25+ objectives.

Directors' Training

The Board acknowledges the importance of continuing education for Directors to ensure that they are well-equipped with the necessary skills and knowledge to perform their duties and meet the challenges facing the Board.

During FY2022, all the Board members attended various training programmes and workshops on issues relevant to the Group, among others on ESG/ Sustainability, Digital and Insurance and Takaful (training needs identified via BEE for FY2021), including a tailor-made Risk and Compliance workshop, recording a total of 756 training hours. The breakdown of training hours by topic is as per the pie chart.



A list of trainings attended by each Director during FY2022 can be found in Part B of the CG Report.

Based on feedback from Directors via BEE for FY2022, a more comprehensive training programme has been developed to enhance the Board's knowledge and skills to assist them in overseeing the Group's execution of M25+. The curated training programme include the following topics:

- (i) IT, cyber security, latest technological and digital developments;
- (ii) Sustainable financing, decarbonisation, carbon trading/exchange; and
- (iii) Risk management on topics and techniques.

Induction Programme

A comprehensive induction programme has been established to ease new Directors into their role and to assist them in understanding the Group's business strategy and operations. New Directors are required to attend the programme as soon as possible once they have been appointed. Typically undertaken within a period of two days, 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 the business operations, as well as challenges and issues faced by the Group.

Dato' Khairussaleh Ramli had participated in the induction programme when he took office as the GPCEO on 1 May 2022.

Directors' Remuneration

The NRC is authorised by the Board to develop and implement formal and transparent procedures in developing Maybank's remuneration policy for its Directors by ensuring that their compensation is competitive and consistent with industry standards. The NRC has established a remuneration framework for NEDs (NED Remuneration Framework) which is subject to periodic review.

Corporate Governance Overview Statement

The NRC assists the Board in reviewing its remuneration framework via the conduct of a Board Remuneration Review (BRR). The BRR is conducted annually, and once every three years with the assistance of an independent international firm of consultants. Since the Board appointed an independent firm of consultants to conduct the BRR for FY2020, the BRRs for FY2021 and FY2022 were conducted internally (with the assistance of GCS). The main objective of the internal BRR was to verify and refresh the data provided by the independent firm of consultants in FY2020, and to assess whether NEDs' remuneration is still competitive.

Pursuant to the BRR undertaken, the Board has decided to maintain the existing NED Remuneration Framework. Maybank's NED Remuneration Framework is as per below:

Fee Component	NED Remuneration per annum (RM)			
	Chairman	Vice Chairman	Member	Shareholders' Approval
Board Fee	610,000	440,000	295,000	Obtained at the 55 th AGM held on 7 April 2015
Board Committee Fee	75,000	-	45,000	Obtained at the 58 th AGM held on 12 April 2018

Details of the remuneration received by the Directors from Maybank in FY2022 were as follows:

	Salary (RM)	Bonus (RM)	Directors' Fees (RM)	Other Emoluments (RM)	Benefits-In-Kind (RM)	Total (RM)
Executive Director						
Dato' Khairussaleh Ramli ¹	1,840,000	4,140,000	-	1,226,319*	44,955	7,251,274
Tan Sri Abdul Farid Alias ²	1,000,000	-	-	7,930,058*	33,390	8,963,448
Non-Executive Directors						
Tan Sri Dato' Sri Zamzamairani Mohd Isa	-	-	685,000	564,000	95,633 [#]	1,344,633
Datuk R. Karunakaran	-	-	460,000	192,000	23,821 [#]	675,821
Mr Cheng Kee Check	-	-	430,000	240,000	1,087 [#]	671,087
Mr Edwin Gerungan	-	-	385,000	182,813	19,319 [#]	587,132
Dr Hasnita Dato' Hashim	-	-	491,694	268,000	5,589 [#]	765,283
Mr Anthony Brent Elam	-	-	415,286	170,705	1,087 [#]	587,078
Ms Che Zakiah Che Din	-	-	460,000	256,000	1,087 [#]	717,087
Puan Fauziah Hisham	-	-	460,000	244,000	19,237 [#]	723,237
Encik Shariffuddin Khalid	-	-	445,000	200,000	5,919 [#]	650,919
Dato' Idris Kechot ³	-	-	142,823	80,000	46,653 [#]	269,476
Dato' Zulkiflee Abbas Abdul Hamid	-	-	520,000	328,000	22,761 [#]	870,761
Ms Shirley Goh	-	-	440,040	260,000	4,162 [#]	704,202
TOTAL (for Non-Executive Directors)	-	-	5,334,843	2,985,518	246,355	8,566,716
GRAND TOTAL	2,840,000	4,140,000	5,334,843	12,141,895	324,700	24,781,438

* ED's other emoluments include ex-gratia, pension costs, allowances and reimbursements

[#] Benefits-in-kind for NEDs include monthly subscription of golf club membership and farewell gift. In addition, benefits-in-kind for Chairman include driver, car and fuel allowance

Note:

¹ Appointed as GPCEO and ED of Maybank on 1 May 2022

² Stepped down as GPCEO and ED of Maybank on 30 April 2022

³ Stepped down from Maybank Board on 14 May 2022

 The remuneration received by the Directors in FY2022 at Group level can be found in Note 44 on pages 137 to 139 of the Financial Statements

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

Internal Controls and Risk Management

The Group has a comprehensive system of internal controls in place, designed to ensure that risks are mitigated and that the Group's objectives are attained. The Board recognises its responsibility to present a fair, balanced and understandable assessment of the Group's position and prospects. It is accountable for reviewing and approving the effectiveness of internal controls operated by the Group, including financial, operational and compliance controls, and risk management. The Board recognises its responsibility in respect of the Group's risk management processes and system of internal controls, and oversees the activities of the Group's external auditors and the Group's risk management function which have been delegated to the Audit, Risk and Compliance Committees. With increased adoption of technology capabilities and the concomitant risk of cyber threats, information security has been among the Group's key focus areas. Technology infrastructure and security controls continue to be strengthened as guided by Maybank Group Cyber and Technology Risk Management Frameworks, and BNM's Risk Management in Technology (RMiT) policy document.

Corporate Governance Overview Statement

Premised on the guiding principles of ESG risk management which are embedded in Maybank Group ESG Risk Management Framework, the Group periodically reviews and enhances its ESG practices by working with stakeholders to drive sustainable business activities. In enhancing our ESG practices, Maybank takes a proactive approach to 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 is available on www.maybank.com/ar

 The Group's risk governance structure and risk management approach are further discussed on pages 106 to 112. For details on the management and mitigation of each principal risk, see pages 36 to 37. Refer to page 97 for further details on the Audit, Risk and Compliance Committees' roles

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Approach to Investor Relations (IR)

The Board recognises the importance of maintaining a purposeful relationship with shareholders. In this regard, the Group has a comprehensive Investor Relations programme to enable existing and potential shareholders and investors to understand its activities, strategy and financial performance and sustainability initiatives through timely and accurate dissemination of information to the investing community. This is done with the intention of allowing all domestic and international shareholders and investors to make informed investment decisions about Maybank.

The GPCEO, the Group Chief Financial Officer and the Head of Group External Communications and Investor Relations meet regularly with the Company's existing and potential shareholders and investors to discuss the areas mentioned above and any of their other potential areas of interests. Arising from these discussions, the Board is kept updated on shareholders and investors' feedback and areas of interest. The Board has also adopted the Group's Corporate Disclosure Policies and Procedures (CDPP) to enhance transparency, 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

Broader key engagement activities conducted in FY2022 to keep shareholders and investors informed on Maybank's material developments include the 62nd AGM and four quarterly results briefings with analysts while the public was engaged through press conferences held in conjunction with our half-yearly results announcements, AGM, update on M25+ and signing of agreements related to Merdeka 118. Meanwhile, tailored FY2022 engagements with institutional shareholders and investors include dedicated management meetings, themed investor briefings on Sustainability and M25+ as well as attendance in four conferences and non-deal roadshows, resulting in 149 analysts and fund managers from 96 companies met.

Further details on Maybank's communication channels and the types of investor engagements undertaken by Maybank are detailed in the CDPP. All investor presentations and press releases by Maybank for the above IR engagements are available on Maybank Group's corporate website at www.maybank.com/ir. Shareholders and investors can engage with the Group and provide feedback through the Investor Relations team, whose contact details are available on Maybank Group's corporate website.

General Meetings

The AGM is a primary platform for two-way interaction between shareholders and the Board with the support of its senior management. In view of the prolonged COVID-19 pandemic, the 62nd AGM held on 14 April 2022 was conducted virtually. The said event was broadcast live from Menara Maybank, Kuala Lumpur. The meeting was attended by 3,824 (61st AGM: 2,939) shareholders, through live streaming and online remote voting via the Remote Participation and Voting (RPV) facilities provided by the Bank's appointed poll administrator. To ensure a seamless meeting experience, the RPV service provider together with Group Technology conducted prior stress/performance tests on the virtual meeting platform. In addition, Maybank also conducted a few dry runs and emplaced a contingency plan to ensure the 62nd AGM could be convened as planned.

During the 62nd AGM, the Chairman and the GPCEO gave separate presentations to shareholders on various topics, including the Group's FY2021 financial and business performance, as well as an update on the Group's five-year M25 plan achievements. All the questions raised by the MSWG and shareholders prior to and during the meeting, as well as the Group's responses, were shared with 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.

The Notice of the 62nd AGM was dispatched to shareholders not less than 28 days before the AGM. At the AGM, voting on each resolution was undertaken through e-polling, with the results immediately announced and subsequently made available on Maybank Group's corporate website. The minutes of the 62nd AGM were published on Maybank Group's corporate website within 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.

Corporate Governance Priorities

The following matters were identified as key focus areas going forward, and will be addressed and/or implemented in FY2023 and beyond:



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 2022 is set out under Note 43, on page 137 of the Financial Statements.

MATERIAL CONTRACTS

During the financial year, Maybank had entered into the following agreements with Permodalan Nasional Berhad (PNB):

1. Tenancy Agreement dated 12 September 2022 for the tenancy by Maybank of Level 6 and Levels 43 to 74 (inclusive) of Menara Merdeka 118; and
2. Lease Agreement dated 12 September 2022 for the leasing of Menara Maybank to PNB.

 Further details of the agreements and transactions can be found in the Company's announcement made to Bursa Malaysia on 12 September 2022 which is available on our website at www.maybank.com/ir

Save for the above, there were no other material contracts entered into by the Company and/or its subsidiaries involving the interest of the Directors and substantial shareholders, either still subsisting at the end of the financial year ended 31 December 2022 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 2022.

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

(a) Capital and Fund Raising Exercises

During the financial year ended 31 December 2022, the Group issued and entered into, among others, commercial papers, medium term notes, term loan and extendible money market certificates, in domestic and foreign currencies and in conventional and Islamic structures, as part of its capital and fund raising exercises. The proceeds raised from these capital and fund raising exercises were used for working capital, general banking and other corporate purposes, and/or Shariah-compliant purposes, where applicable.

 Details of these commercial papers, medium term notes, term loan and extendible money market certificates are disclosed in Notes 25 and 30, on pages 110 and 123 to 126 respectively of the Financial Statements.

(b) Dividend Reinvestment Plan (DRP)

Net proceeds raised from the DRP (after deducting estimated expenses of the DRP) during the financial year ended 31 December 2022 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 2022

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 a listed issuer to ensure that its board of directors makes a statement in its annual report about the state of risk management and internal control of the listed issuer as a group. Accordingly, the Board of Directors of Maybank (the Board) is pleased to provide the following disclosure statement, which outlines key features of the Group's risk management system and internal control during the year under review.

BOARD RESPONSIBILITY

The Board affirms its overall responsibility for establishing a sound risk management and internal control system, as well as for reviewing its adequacy and effectiveness in identifying, assessing and responding to risks that may hinder the Group from achieving its objectives.

One of the vital roles of the Board is to establish the Group's risk appetite, which articulates the types and levels of risk that the Group is willing to accept in the pursuit of its business and strategic objectives. In this respect, the Board actively participates in the Group's strategic goals and plans, ensuring that the corresponding risks are adequately mitigated within the approved risk appetite. In view of the inherent limitations in any risk management and internal control system, the Board recognises that such a system can only provide reasonable, rather than absolute, assurance against material financial misstatement, fraud, or losses.

The Board plays a crucial role in establishing a 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 the 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

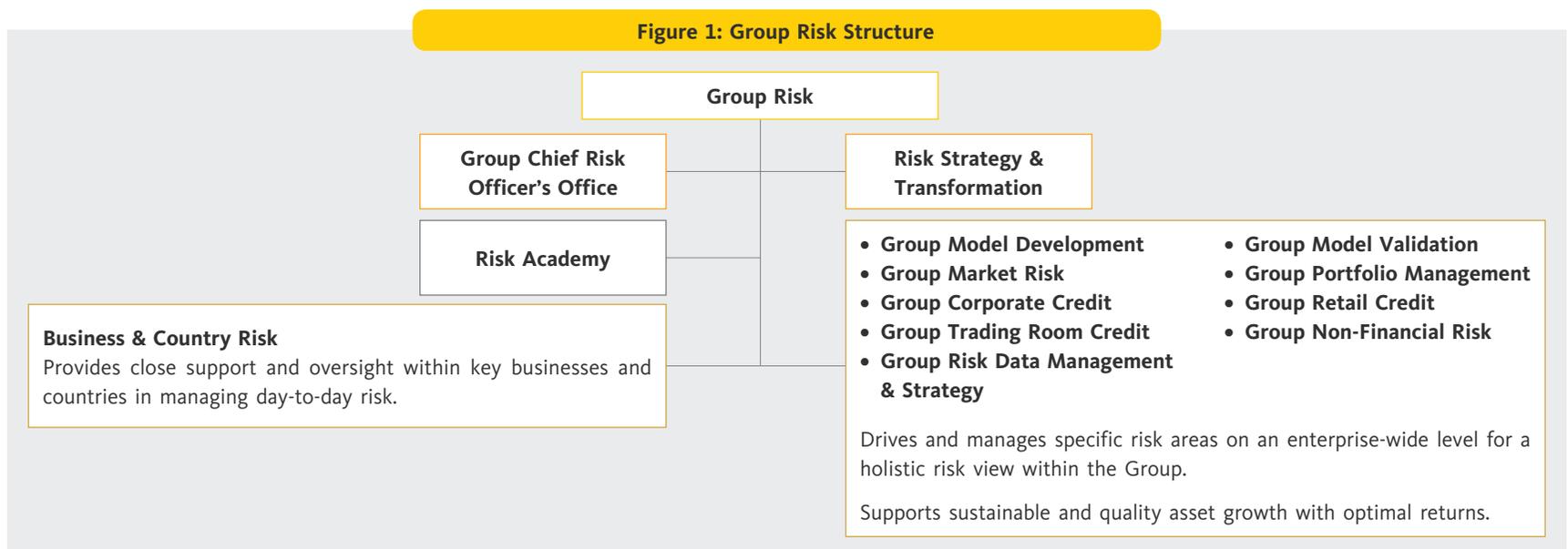
RISK MANAGEMENT

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 2022, Group Risk 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.

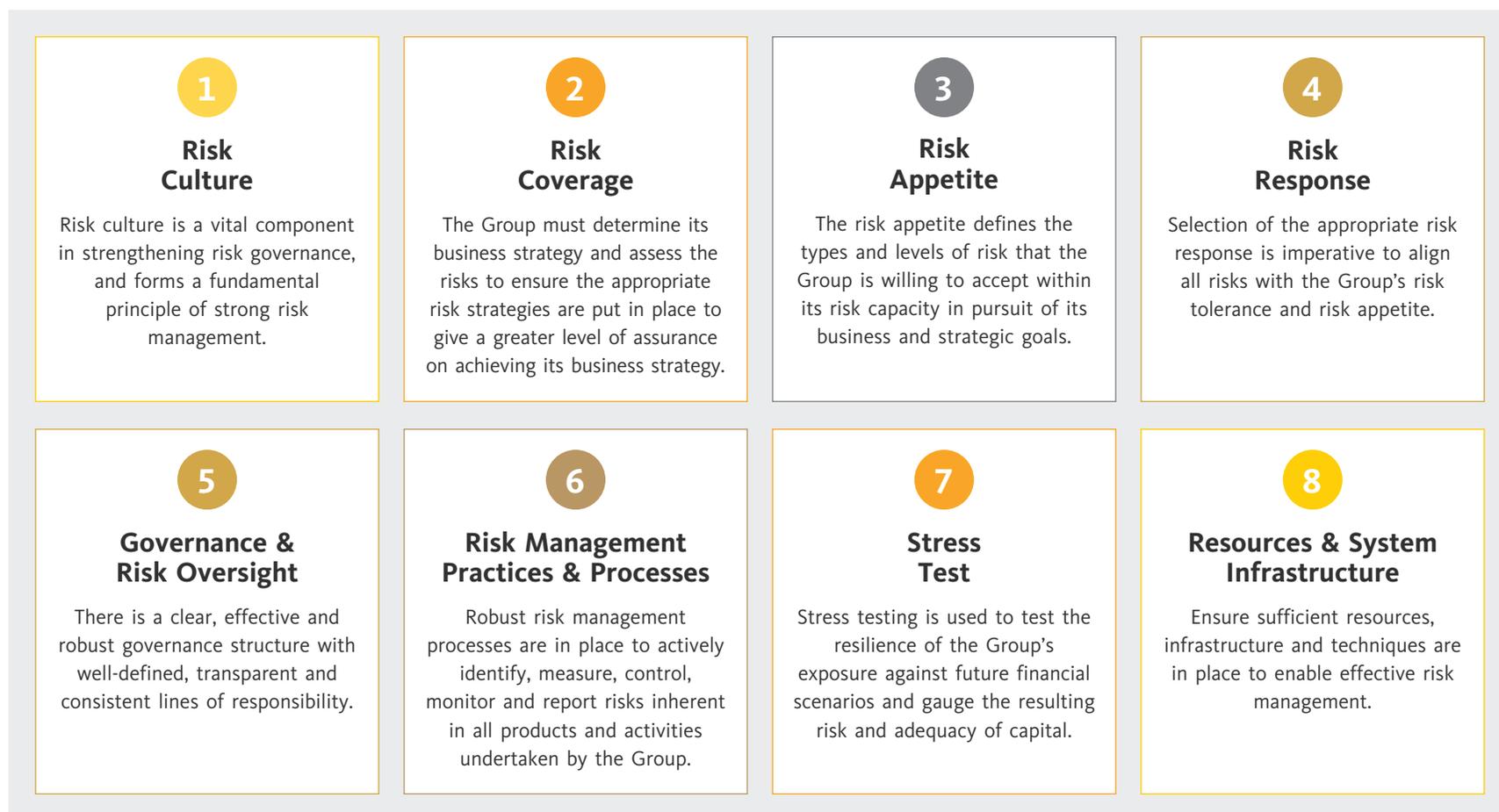
The key pillars of Group Risk functions are highlighted in Figure 1:



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 levels of returns. To complement this, Group Risk has developed the Maybank Group Enterprise Risk Management Framework to institutionalise vigilance and awareness of the most significant risks to the achievement of the Group's mission, namely Humanising Financial Services, by putting customers and the wider community at the heart of everything that the Group does. The framework is underpinned by a set of building blocks that serve 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 translates our risk capacity 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 changing internal and external drivers such as market conditions, stakeholders' expectations and internal capabilities. In addition, the Group's annual budget is aligned with the risk appetite in ensuring that projected revenues arising from business transactions are consistent with the risk profiles established. The risk appetite also provides a consistent structure in understanding risk and is embedded in day-to-day business activities and decisions throughout the Group.

Figure 2: Principles of Risk Appetite



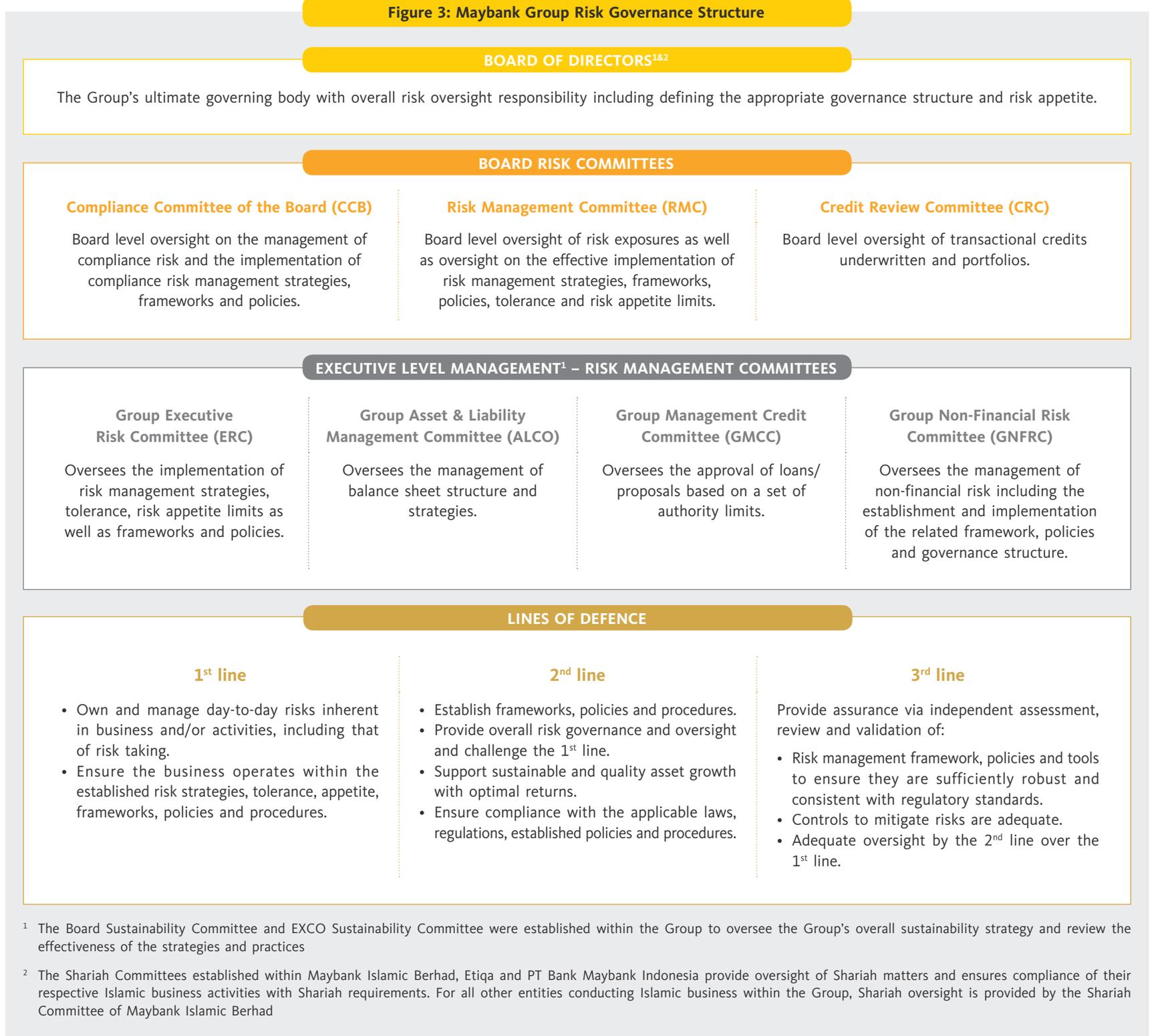
Statement on Risk Management and Internal Control

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 appropriate levels of independence and segregation of duties between the three lines of defence. The management of risk takes place at different hierarchical levels and is emphasised through various levels of committees, 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



Statement on Risk Management and Internal Control

Risk and Compliance Culture

The risk and compliance culture is driven by a strong tone from the top. It serves as the foundation in which robust enterprise wide risk management structures and governance are built. This is to ingrain the expected values and principles of conduct that shape the behaviour and attitude of employees at all levels of business and activity across the Group.

Risk and compliance policies are clearly defined, consistently communicated and continuously reinforced throughout the Group to embed a robust culture that cultivates active identification, assessment and mitigation of risks. As part of the risk and compliance culture, the Board, Senior Management and employees of the Group are committed to adhering to the requirements of relevant laws, rules and regulations. This commitment is clearly demonstrated through the establishment and strengthening of policies, processes and controls in managing and preventing non-compliance.

Risk and compliance culture programmes are emplaced and driven by the Board and Senior Management encompassing, among others, value capsules, induction programmes, engagement sessions, e-learning and roadshows. An integrated assurance platform is also emplaced to provide a single collective view of risk controls, compliance and governance. This ensures that risk considerations are embraced by all employees in enhancing the customer experience, building trust and brand value of the Group for long-term sustainability of the organisation.

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 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's Shariah Governance Framework sets out the expectations for effective Shariah governance structures, processes and arrangements of all businesses and countries within the Group that execute Islamic business transactions. The Framework was established in accordance with Bank Negara Malaysia (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 carried out through three lines of defence that cater for both pre-execution and post-execution. The three lines of defence are as follows:

- 1st – Business & support units and Shariah Secretariat;
- 2nd – Shariah Risk and Shariah Review; and
- 3rd – Shariah Audit

Stress Testing

The Group's stress testing programme is embedded within the risk and capital management process and is also a key function of the business planning process. It serves as a forward-looking tool to facilitate the understanding of risk profiles under exceptional but plausible events and worst-case scenarios that may arise due to various economic, political and/or environmental factors, as well as to ascertain their impact on the Group and how they can be proactively managed.

The Group is building its climate risk stress testing capabilities. A Singapore country-level climate risk stress test has been conducted and submitted to the Monetary Authority of Singapore (MAS). The Group is now working on a prototype in preparation for the upcoming BNM climate risk stress test requirement in 2024. This will also help the Bank analyse how climate change could influence its business strategy and performance in coming years.

The current initiative of an integrated stress testing application enhances stress testing capabilities with on-demand generation of risk profiles under various scenarios.

Responsible Lending

Our long-term financial success depends on our ability to identify and address environmental, social and governance (ESG) risks to our business, as well as to identify opportunities for our businesses and our customers to grow sustainably. Premised on the guiding principles embedded in the Maybank Group ESG Risk Management Framework, we continuously review and enhance our ESG practices by working with our stakeholders to drive sustainable business activities.

Statement on Risk Management and Internal Control

To enhance our ESG practices, ESG considerations are incorporated into business processes through the development of position papers and ESG Risk Acceptance Criteria for high-ESG risk industries. Part of this process involves engagement with industry players and clients to promote understanding of ESG impacts and identify opportunities to integrate sustainability into clients' business practices. An ESG Screening Document, meanwhile, integrates ESG considerations into the deal evaluation process, allowing relationship managers, risk managers and/or decision makers to gauge the strength of clients' sustainability journey and/or initiatives. In addition, a Sustainable Product Framework was established to promote the development of sustainable financing solutions.

 Details of the ESG Risk Management Framework and the Sustainable Product Framework can be found in the Sustainability Report which is available on 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, a governance structure and risk management enablers. It complements the Technology Risk Management Framework, covering both business and technology drivers, 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 implementing the recommended risk remedial actions. It standardises the technology operations environment, and ensures service availability to customers as well as business units.

Both frameworks are in place to ensure that our deliverables are aligned with the financial services industry's recommended practices and regulatory requirements. They have also been designed to be living documents, and to grow with the Group in the areas of cyber defence and technology development, application and system deliverables, management of outsourced service providers and awareness of cyber hygiene among our stakeholders.

INTERNAL CONTROL SYSTEM

Key elements of the internal control system established by the Board 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 assessing the adequacy and effectiveness of the Group's governance, risk management and internal control systems through the Internal Audit (IA) function. The ACB has active oversight of the independence, scope of work and resources of the IA. The 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 113 to 115

- **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 Group's 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, 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

- **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, among others, is to review and assess the adequacy of infrastructure, resources and systems to manage compliance risk across the Group and recommend improvements to ensure effectiveness of the compliance framework.

 Further information on the roles and responsibilities of the CCB can be found in Section B of the Corporate Governance Report (CG Report) which is available on Maybank's corporate website at www.maybank.com

- **Other Board Committees**

Other Board committees have been set up to assist the Board in executing its overall governance responsibilities and oversight function. They are the Credit Review Committee, 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

- **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 facilitating Management's decision-making. The Group Information Risk Management Guidelines outline the guiding principles for effective management of information assets. All information must be properly managed, controlled and protected as guided by these information handling rules, which are also within the Maybank Group Cyber and Technology Risk Management Frameworks, and BNM's Risk Management in Technology (RMiT) policy document.

Statement on Risk Management and Internal Control

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. Among 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 Maybank Group Sustainability Framework serves as the overarching document outlining the sustainability mission, principles, goals, targets, governance and approach to all our activities. It is supported by other Group policies and procedures that reflect specific aspects of sustainability that are aligned with the Group's core values. The Framework details the six key principles and four commitments which are entwined with Maybank's M25+ strategy.

As one of the five strategic thrusts of the Group, the sustainability strategy is underpinned by three key pillars: Responsible Transition; Enabling Our Communities; and Our House is in Order and We Walk the Talk. This involves:

- (1) Enabling the transition to a low-carbon economy and balancing environmental and social imperatives with stakeholders' expectations;
- (2) Building community resilience across ASEAN and undertaking responsive action to promote economic development and social well-being; and
- (3) Leading by example with good management practices and ensuring that Maybank's ESG strategy is based on a strong foundation.

To ensure sound governance on sustainability, the EXCO Sustainability Committee – which is chaired by the Group President & CEO - is responsible for steering, coordinating and ensuring the effective implementation of the Group's Sustainability Agenda. Concurrently, the Board Sustainability Committee, chaired by our Group Chairman, oversees the Group's overall strategy on sustainability and reviews the effectiveness of the strategies and practices in place.

 Further information can be found in the Sustainability Report which is available on www.maybank.com/ar

- **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) outline the philosophy and principles for people management and development in line with the Group's mission of Humanising Financial Services. MGPP consists of a set of policies and guidelines that covers all aspects of human resources management, including safeguards against business human rights violations, the prevention of any form of harassment, talent acquisition and development, performance and consequence management, and code of conduct for the cessation of employment. A Disciplinary Policy has also been established to ensure disciplinary matters are dealt with fairly and consistently, according to prevailing labour laws and employment regulations.

Maybank's meaningful and progressive people practices, such as the Flexible Working Arrangements (FWA) introduced in 2013, enabled our successful pivot to operate effectively during the pandemic. The recently introduced Mobile Work Arrangement (MWA), formalising our remote working policy, means we now have a mobile workforce of over 4,500 employees across all levels and functions. Enabling employees to be mobile is essential as we build organisational resilience and enhance productivity, in addition to recognising the diverse needs of our employees.

The policy encompasses a bilateral agreement between Maybank and our employees that empowers the latter to work from home, on site or at permanent alternate locations. Employees under the MWA 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.

- **Core Values and Code of Ethics and Conduct**

The Group's Core Values, TIGER (Teamwork, Integrity, Growth, Excellence and Efficiency, Relationship Building), are the essential guiding principles to drive behavioural ethics while fulfilling our collective responsibility to serve our mission of Humanising Financial Services. It is further complemented by the Code of Ethics and Conduct which sets out sound principles and standards of good practice to be observed by all employees.

- **Fraud Management**

The Group instils a culture of vigilance among employees in handling and combating fraud as well as deterring future occurrences. Robust and comprehensive tools/ infrastructure and programmes are emplaced to ensure risks resulting from fraud are identified, escalated/reported and managed in a decisive and timely manner. Stern disciplinary action is taken against employees involved in fraud.

- **Reputational Risk Management**

The Group adopts a holistic approach, supported by sound governance, to create awareness of and manage our reputational risk and its consequences. Protecting our reputation is paramount to operating as an institution that provides financial services. Upholding trust and creating a better customer experience and security are vital parts of our obligations as a financial institution. Hence, the Group has a policy with roles and responsibilities of key stakeholders with regard to processes, such as monitoring social media sentiment, to facilitate effective reputational risk management and monitor risk exposures within our risk appetite.

Statement on Risk Management and Internal Control

- **Whistleblowing**

Maybank is committed to the highest standard of ethics and integrity in its conduct of business and operations. Maybank Group Whistleblowing Policy encapsulates the governance and standards required to promote an ethical, responsible and secure whistleblowing practice in Maybank, in line with BNM's Corporate Governance Policy. The Whistleblowing Policy provides a proper and secured avenue for employees and members of the public to report any knowledge of improper conduct without fear of any adverse consequences.

Access to whistleblowing information is governed with the strictest confidentiality under the oversight of a committee chaired by an Independent Non-Executive Director.

- **Anti-Bribery and Corruption**

Maybank adopts a zero-tolerance approach against all forms of bribery and corruption in carrying out its daily operations. 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.

- **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 (IA)**

The Board established the IA function to provide independent assurance on the adequacy and effectiveness of risk management, control, anti-corruption, whistleblowing and governance processes. The IA function is independent of 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 115 to 116

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

This Statement has been reviewed by external auditors in pursuance of paragraph 15.23 of the Listing Requirements for inclusion in the Annual Report of the Group for the financial year ended 31 December 2022. The limited assurance review was conducted in accordance with Audit and Assurance Practice Guide 3 (AAPG3) issued by the Malaysian Institute of Accountants. The AAPG3 does not require external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on the limited assurance procedures performed and evidence obtained, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; nor is the Statement factually inaccurate.

CONCLUSION

The 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 operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group.

As for the material associated companies, an associate is an entity over which the Group and the Bank have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is not control or joint control over those policies.

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 operating adequately and effectively to safeguard the interests of the Group's shareholders and assets. 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 in achieving its business and strategic objectives amid the dynamic and challenging business environment and increasing regulatory scrutiny, particularly in these times of uncertainty and crisis. 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. **SHIRLEY GOH** – Chairman
2. **SHARIFFUDDIN KHALID**
3. **CHE ZAKIAH CHE DIN**
4. **DATO' ZULKIFLEE ABBAS ABDUL HAMID**
5. **DR. HASNITA DATO' HASHIM**

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.

Following a review of the term of office and performance of the ACB during the 2022 Annual Board Committee Effectiveness Evaluation, the Board was satisfied that the ACB had discharged its functions in accordance with its Terms of Reference.

The financial year ended 31 December 2022 (FY2022) saw several changes to the composition of ACB. Shirley Goh, who joined the Board of Maybank in FY2021, was appointed as a new member of the ACB on 19 January 2022. Thereafter, she took over as Chairman of the ACB from Shariffuddin Khalid with effect from 1 July 2022. Shariffuddin Khalid was since re-designated as a member of the ACB. Shirley Goh is a member of The Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accountants (MIA). Dato' Idris Kechot stepped down as a member of the ACB on 14 May 2022, following the completion of his tenure as a Director of Maybank.

 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

ACTIVITIES OF ACB FOR FINANCIAL YEAR ENDED 31 DECEMBER 2022

MEETINGS HELD AND ATTENDED

A total of 17 meetings were held during FY2022, details of which are set out below:

Name of Committee Member	Number of meetings held and attended during FY2022
Shirley Goh	17/17
Shariffuddin Khalid	17/17
Che Zakiah Che Din	17/17
Dato' Zulkiflee Abbas Abdul Hamid	17/17
Dr. Hasnita Dato' Hashim	16/17
Dato' Idris Kechot	8/8

The Group Chief Audit Executive (GCAE) and members of the Group Audit Leadership Team (GALT) attended these meetings to present the internal audit and investigation reports. The Group Chief Operations Officer (GCOO), who took over as Chairman of the Group Internal Audit Committee (IAC) from the Group Chief Financial Officer (GCFO) in September 2022, 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 invited to the meetings, where required, to provide explanation to the ACB, on specific topics or issues as well as commitment to rectify IA findings arising from the relevant reports.

As for the statutory audit, the external auditors were invited to the ACB meetings to discuss their Audit Planning Memorandum (APM), results and issues arising from their audit including Key Audit Matters and updates on Management's responses and action plans on issues highlighted in their report. Together with the Group President & Chief Executive Officer (GPCEO) and GCFO, the external auditors also attended ACB meetings where the quarterly and half-yearly unaudited financial reports and the annual audited financial statements of the Bank and the Maybank Group were reviewed and discussed. An annual assessment of the external auditors' performance including their suitability and independence, was performed in accordance with the Framework on Appointment of External Statutory Auditors for Provision of Statutory Audit and Non-audit Services (Framework) adopted since December 2011; and recommendation for their reappointment was then made to the Board.

During FY2022, ACB held three private sessions with the external auditors and one with IA without Management's presence, to discuss any matters the auditors may wish to raise and to ensure that the auditors are able to carry out their works without any restrictions.

In FY2022, 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 FY2022 (AAP2022) to ensure the scope and coverage were sufficiently comprehensive and IA resources at all levels were adequate to execute the plan. ACB also took cognisance of IA's annual operating budget requirement as presented in the AAP2022, and tabled it as part of the Group Budget for the Board's approval.
2. Reviewed and approved the quarterly updates and revisions of AAP2022 to ensure its agility, in consideration of emerging risks arising primarily from changes in work arrangements and the challenging business environment as well as in response to requests from the regulators, ACB and Management.
3. Deliberated IA's audit approach in view of relaxed movement restrictions in FY2022. During the year, Group Audit continued to perform audits remotely while onsite reviews were conducted where required. This was to ensure continued audit assurance and the safety of staff at all times.
4. Assessed and approved FY2021 performance and rewards for the GCAE and IA staff, considering IA's overall achievement for the year in accordance with the matrix approved by the Board.
5. Deliberated and approved the FY2022 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 as per the approved AAP2022 and their respective ratings, as well as IA staff strength, participation of IA in the Group's projects and any fraud cases reported to Group Audit. Subsequently, this Dashboard was tabled to the Board for information.
7. Deliberated the audit and investigation reports as well as Management's action plans implemented to remediate or enhance controls to further strengthen the internal control system. Pertinent discussion points by the ACB were also cascaded to the Management via the Group IAC for their attention and action. Where required, the Chairman of Group IAC was advised to escalate the control lapses and recommendations to the Group EXCO for deliberation and monitoring.
8. Informed and updated the Board on the audits and investigations conducted by Group Audit via the ACB Chairman's Report.
9. Reviewed the monthly audit finding status reports and deliberated on the corrective actions and timelines taken by Management to ensure prompt resolution of the control lapses highlighted.
10. Reviewed and approved any Management's requests on audit finding rectification timeline extension, taking into consideration the justifications provided.

Audit Committee Report

11. Reviewed and noted the minutes of meetings for the following:
 - a. Group IAC and IAC 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 subsidiaries in Malaysia and in the region. The ACB also deliberated the key concerns discussed at these ACBs and, where deemed necessary, sought clarification and additional information from the ACBs of the respective subsidiaries to ensure appropriate actions have been taken.
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).
13. Reviewed and approved the appointment of an independent external reviewer to conduct a Quality Assurance Review (QAR) of the Group's IA function to assess Group Audit's conformance with the International Standards promulgated by The IIA. The QAR report was tabled to the ACB in November 2022, concluding that Group Audit's current practices conformed with the IIA Standards.
14. 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 of developing and sustaining a high-performing IA team.
15. Deliberated the digital audit initiatives such as the development of audit analytics as Continuous Auditing (CA) for continuous assurance and enhancement of audit digitalisation via the Audit Management System.
16. Deliberated the Group Audit's FY2022 Succession Planning to gain insights into the availability and readiness of competent leaders to succeed a critical role should it become vacant.
17. Approved the revised Audit Rating Nomenclature for Disaster Recovery (DR) exercises to ensure consistency and uphold the highest standards in DR capabilities.

ANNUAL REPORT

18. Reviewed the entire FY2021 Corporate Annual Report book and endorsed it for integrated reporting to the Board.
19. Reviewed and endorsed the Statement on Risk Management and Internal Control (SORMIC) for Board's approval and disclosure in the FY2021 Annual Report.
20. Reviewed and approved the Audit Committee Report (ACR) for incorporation in the FY2021 Annual Report.
21. Reviewed and endorsed the Corporate Governance Overview Statement and Report for Board's approval and inclusion in the FY2021 Annual Report.

FINANCIAL REPORTING

22. Reviewed the quarterly unaudited financial results and the annual audited financial statements of the Bank and Maybank Group as well as the accompanying Directors' Report, to ensure that they have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and requirements of the Companies Act 2016 in Malaysia, before recommending the financial statements to the Board for approval.
23. In reviewing the financial results and financial statements of the Group, the ACB discussed and made enquiries on, among others:
 - a. Changes in accounting policies including implementation of major new accounting standards;
 - b. Significant matters highlighted, including significant judgements, estimates and assumptions made by Management, significant and unusual events or transactions during the year and how these matters were addressed; and
 - c. Impact of COVID-19 pandemic to the financial reporting processes.

EXTERNAL AUDIT

24. Reviewed with the external auditors:
 - a. The APM focusing on the scope of work for the year which included the audit strategy and approach for FY2022, new areas of audit emphasis arising from emerging events and recent developments in accounting standards and laws and regulations, multi-location audit scoping, audit timelines, significant audit areas that may give rise to key audit matters ("KAM") and also the proposed statutory audit fees which was subsequently recommended for the Board's approval;
 - b. The results of the audits, significant audit and accounting matters identified including those pertaining to COVID-19 impact and relief assistance; and
 - c. Management Letters points together with Management's responses or comments.
25. Reviewed the external auditors' performance, including their suitability and independence in accordance with the Group's Framework, which is in line with BNM's Policy document on External Auditor. The following procedures were carried out, taking into consideration the external auditors' Annual Transparency Report which encompassed their firm-level statistics and insights on the legal and governance structure, measures taken by the audit firm to uphold audit quality and manage risks as well as information on the audit firm's audit quality indicators:
 - a. Review the professional conduct of the external auditors by considering information available from public or independent sources. The review is carried out to ensure:
 - i. The appointed external auditors are registered auditors of public interest entity with the Audit Oversight Board;
 - ii. The appointed external auditors and key members of the audit engagement team involved in making key decisions on significant matters with respect to the audit of the financial statements (key members of the audit engagement team) have not been convicted of any offence under the FSA 2013, the IFSA 2013 or the Companies Act 2016, or any written law involving fraud or dishonesty; and
 - iii. The engagement partner and key members of the audit engagement team shall not have any record of disciplinary actions taken against them for unprofessional conduct by any professional associations and/or regulatory bodies.
 - b. Assess the external auditors' knowledge, capacity and audit experience by reviewing the following:
 - i. Curriculum vitae of the engagement partner and concurring partner;
 - ii. List of public interest entities audited by the engagement partner and the concurring partner in the last two years prior to the date of statutory declaration;
 - iii. Years of experience of the engagement partner and key members of the audit engagement team in auditing financial institutions; and
 - iv. Man-days spent by the engagement partner and the concurring partner in the previous audit.
 - c. Assess the external auditors' performance by reviewing the quality of previous audit or work done by the external auditors and their level of engagement with the ACB. The assessment found that the external auditors had participated actively in discussions with the ACB, as demonstrated below:
 - i. The external auditors updated the ACB with the results of the audit findings in their report for FY2021 on 28 January 2022;
 - ii. The Memorandum of Recommendations arising from the audit of the financial statements for FY2021 was tabled to the ACB by the external auditors on 28 July 2022;

Audit Committee Report

- iii. On 28 July 2022, the external auditors presented to the ACB their report for the limited review of the Bank's Unaudited Profit after Taxation and Zakat for the six-month period ended 30 June 2022;
 - iv. The external auditors presented the APM with regard to the audit of the financial statements for FY2022 to the ACB on 28 October 2022; and
 - v. The ACB held three meetings with the external auditors on 28 January 2022, 28 July 2022 and 28 October 2022 without Management's presence to allow the external auditors to raise concerns, if any, and discuss relevant issues and obtain feedback for improvements.
- d. Assess the external auditors' performance and timeliness of service deliverables. The external auditors were able to complete the audit engagements for the Bank and Maybank Group within the timelines set, as demonstrated below:
- i. The audited financial statements as at 31 December 2021 were signed off by the external auditors on 24 February 2022;
 - ii. The report on limited review for the financial period ended 30 June 2022 was signed off by the external auditors on 28 July 2022; and
 - iii. No past audit lapses by the external auditors were observed in previous assurance engagements.
- e. Assess the independence and objectivity of the external auditors by reviewing the following:
- i. List of non-audit services provided by the external auditors of the Bank and Maybank Group;
 - ii. List of non-audit services rendered by the engagement partner and the concurring partner in the last two years;
 - iii. Value-added audit findings raised by the external auditors in the recent audit of the financial statements of the Bank and Maybank Group;
 - iv. Confirmation by the external auditors and all members of the engagement team of their independence in accordance with the By-Laws on Professional Ethics, Conduct and Practice of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA code);
 - v. Statutory declaration by the engagement partner and key members of the audit engagement team, confirming that they have no relationship with, or interest in shares of, the Bank and Maybank Group; and
 - vi. Existing engagement partner has not served the Bank or Maybank Group for a continuous period of more than five years.
26. Reviewed and approved the appointment of the external auditors for the provision of non-audit services to the Bank and Maybank Group, considering the following qualitative and quantitative criteria:
- a. The professionalism, expertise, adequacy of knowledge and relevant experience of the engagement team members;
 - b. Conflicts of interest that could arise, and the scope and proposed fees for the non-audit services to be performed by the external auditors will not threaten their independence; and
 - c. The fees quoted by the external auditors for non-audit services were competitive and commensurated with the scope of such non-audit services.

RELATED PARTY TRANSACTION (RPT)

27. Reviewed RPTs and ensure that they are in compliance with Maybank Group's procedures in identifying, monitoring, reporting and reviewing related party transactions, in line with the Group's RPT Policy.
28. On a quarterly basis, reviewed related party disclosures in compliance with MFRS 124 Related Party Disclosures, Main Market Listing Requirements of Bursa Malaysia (MMLR), Companies Act, 2016 and Maybank Group's guidelines.
29. During the year, the ACB reviewed a proposed RPT involving the interest of a major shareholder, i.e. Permodalan Nasional Berhad (PNB). In this regard, Maybank had proposed to enter into agreements relating to: (i) a Tenancy Agreement for the tenancy by Maybank of Level 6 and Levels 43 to 74 (inclusive) of the Office Tower known as Menara Merdeka 118; and (ii) a Lease Agreement for the leasing of Menara Maybank to PNB. These transactions were deemed as RPT under Paragraph 10.08 of the MMLR. Further details of the transactions were set out in the announcement made to Bursa Malaysia on 12 September 2022.

The ACB, after having considered all aspects of the transactions including but not limited to the terms, the rationale and benefits, and the independent valuations appraised by the independent valuers, is of the view that the transactions were fair, reasonable and on normal commercial terms, not detrimental to the interest of the minority shareholders of Maybank and were in the best interest of Maybank.

INTERNAL AUDIT FUNCTION

ORGANISATIONAL INDEPENDENCE

The IA function of Maybank was 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 function is independent of the activities audited and from the day-to-day internal control processes. The GCAE reports functionally to the Group ACB and administratively to the GPCEO to maintain the requisite independence and objectivity as outlined in the Audit Charter approved by the ACB. The IA functions of Maybank, including the Malaysia and overseas subsidiaries and branches, are organised on a Group basis under the purview of the GCAE. The GCAE has active oversight of the in-house IA functions of the regional subsidiaries in the Philippines, Indonesia, Singapore, Cambodia, Hong Kong, Thailand and Vietnam, which have direct accountability to their respective entities' ACBs (or equivalent). To maintain audit objectivity and independence, the IA functions in Malaysia as well as the region are independent of the operations of the other operating units.

The IA function of the Group is led by Mohamad Yasin Abdullah, who was appointed as the GCAE on 9 May 2022, succeeding Nazlee Abdul Hamid, who has since retired. He has more than 25 years of experience in the corporate and financial industry, of which 12 years were in the capacity as Chief Financial Officer and 4 years as Chief Operating Officer. He is a Chartered Banker of Asian Institute of Chartered Bankers and a Fellow Member of The Association of Chartered Certified Accountants (FCCA) and The Chartered Institute of Management Accountants (FCMA). He is also a member of The Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accountants (MIA). He graduated from the International Islamic University Malaysia (IIUM) with a Bachelor of Accounting (Honours) and a Master of Business Administration in Finance. He is an active member of the Chief Internal Auditors Networking Group (CIANG) and was recently appointed as a member to the Institute of Internal Auditors (IIA) Malaysia's Board of Governors.

Audit Committee Report

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 AAP2022 was approved by the ACB in January 2022. It defined the IA scope of work for the year, covering the business and operations of the Group. In establishing the plan, all the auditable units were risk ranked using the Maybank Risk-Based Audit (MRBA) approach while the COSO Internal Control - Integrated Framework Principles and COBIT (for IT) frameworks were used to assess the adequacy and effectiveness of internal controls. The AAP also took into consideration the Group's key business strategies and operations, and Management's feedback on their areas of concerns and potential risks. In addition, IA continues to provide independent and objective consultative reviews of the implementation of new initiatives in the Group during the year including new business ventures, new systems, and introduction of new products.

IA's 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 Group IAC and ACB for review and deliberation. The rectification status of the audit findings was closely tracked and periodically reported to Group IAC and ACB to ensure prompt resolution. Any requests for rectification timeline extension were also tabled to the ACB for approval.

The Quality Assurance and Improvement 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. For FY2022, an external Quality Assurance Review was performed by the appointed external reviewer. The appointed external reviewer assessed, among others, IA's conformance with the IPPF as issued by The IIA and recommended enhancements to IA in line with industry's best practices by way of assessing the current operations and structure of IA.

RESOURCES

The overall costs incurred for maintaining the IA function in the Group for FY2022 was approximately RM81.5 million. The breakdown of staff strength and expenses incurred is as follows:

Location	No. of Staff	RM' million
Malaysia	153	37.8
Regional	200	43.7
Total Group	353	81.5

As of 31 December 2022, Group Audit had a total staff strength of 353 individuals (in Malaysia and the region) from diverse backgrounds and qualifications.

Following various pandemic restrictions in the previous years, Group Audit continues to encourage its staff to enhance and diversify their skillsets via accessible and flexible learning alternatives. Modern learning strategies have transformed classroom-centric training to virtual learning, which had significantly expanded the learning coverage to the auditors in the region. In recognising the importance of having skilled and competent auditors, the Audit Lab was established in 2021 to focus on

the learning needs of IA functions. A series of in-house virtual and physical training sessions was conducted by Group Audit's subject matter specialists and Maybank's line trainers to provide the auditors with the requisite audit and product knowledge in various audit areas. Furthermore, auditors also attended conferences, webinars and training programmes organised by accredited external training providers and professional bodies.

In addition, to enhance the auditors' competencies and their continuous professional development, Group Audit supports education programmes that enable its personnel to advance their professional development via relevant internal audit certifications such as Certification for Bank Auditors (CBA), Certified Internal Auditors (CIA), Certified Information Systems Auditor (CISA), Certified Anti-Money Laundering Specialists (CAMS), etc. Training and guidance continue to be 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.

SUMMARY OF INTERNAL AUDIT ACTIVITIES IN FY2022

The key IA activities undertaken in FY2022 were as follows:

1. Organised a 2-day Group Audit Conference 2022, attended by over 230 participants from Malaysia as well as the region.
2. 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.
3. Continued to transform and accelerate the digital application in auditing to provide better insights into determining emerging risks with the robust succession of data and advanced analytics. The key enhancements and evolution were on incorporating robotic process automation (RPA) and artificial intelligence/machine learning (AI/ML) components in most assurance functions as well as leveraging data and analytics to support the IA's assurance and advisory roles to Management and stakeholders.
4. Established a risk-based AAP for FY2022 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.
5. Revised the audit approach in response to relaxed movement restrictions in FY2022 and in consideration of the different 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 alternative audit methods/approach.
6. Conducted a four-day Group-wide onsite 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 of the units audited. Among the key risk areas assessed were cyber and technology security, 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, stress testing, cyber security, compliance to SWIFT framework, general IT controls etc. to ensure consistent coverage and assessment of the controls from Group perspective.

Audit Committee Report

9. Conducted compliance reviews mandated by the respective countries' regulatory authorities on areas such as 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 FY2021 to the ACB and Group EXCO which summarised the state of internal controls based on the audits conducted throughout FY2021. The report identified areas where improvements were noted and the factors contributing to areas requiring attention. The same report summarising the audits conducted in 1H FY2022 was also presented to the ACB and Group EXCO for deliberation.
11. Presented the key discussion points of Group IAC as well as key concerns from unsatisfactory and investigation reports to the Group EXCO.
12. Tracked and reported the implementation status of action plans committed by the Management to address audit findings highlighted by the IA. Requests for timeline extension were also escalated to the ACB for deliberation and approval.
13. Conducted preliminary independent reviews with regard to the adequacy of internal controls prior to the introduction of new products and implementation of new IT solutions.
14. Issued Independent Audit assessments 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.
15. Conducted Post Implementation Reviews of new products and new IT systems to assess whether all committed objectives were achieved.
16. Reviewed the effectiveness of the Business Continuity Management (BCM) at various business entities during the pandemic to ensure the smooth resumption of business activities.
17. Conducted ad-hoc and special reviews on key risks areas as well as emerging risks identified for ongoing review such as Maybank Group's remedial functions and panel solicitors/partners.
18. Conducted 18 investigations in FY2022 as requested by the ACB in FY2022.
19. Conducted internal quality assessment reviews of the IA and desktop limited peer reviews of the respective regional IA functions, and tabled the results to the respective ACBs.
20. Evaluated the proposals submitted in the tendering exercise to appoint an external reviewer to conduct the external QAR on internal audit activities.
21. Presented the Audit Lab Learning Intervention report for ACB's deliberation. The status of the learning focus identified for FY2021 and 1H FY2022 was also provided to the ACB.
22. Presented digital audit initiatives such as the development of audit analytics.
23. Reviewed the regional subsidiaries' Internal Audit Charters for approval at the respective regional subsidiaries' audit committees, pursuant to the material updates of the Group's Internal Audit Charter.
24. Proposed changes to the Audit Rating Nomenclature for disaster recovery (DR) exercises to ensure consistency and uphold the highest standards in DR capabilities.
25. Presented Group Audit's FY2022 Succession Planning to the ACB on the readiness and availability of competent leaders within the Group to succeed a critical role should it become vacant.
26. Prepared the ACR and SORMIC for inclusion in the FY2022 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 three Shariah committees that reside within Maybank Group:

- Maybank Islamic Berhad Shariah Committee (MIBSC)
- Shariah Committee of Etiqa Family Takaful Berhad and Etiqa General Takaful Berhad (SC EFTB & EGTB)
- Maybank Indonesia Shariah Supervisory Board (SSB)

 For MIBSC and SC EFTB & EGTB members' profiles, refer to pages 90 to 94. For SSB members' profiles and reports, refer to Maybank Indonesia's Annual Report 2022

SHARIAH GOVERNANCE, DUTIES, RESPONSIBILITIES & ACCOUNTABILITIES

Maybank Group has established and implemented a robust Shariah Governance Framework based on Bank Negara Malaysia (BNM)'s requirements. Refer to Financial Statements on pages 260 to 261 and Basel II Pillar 3 Disclosure on www.maybank.com for further details on the Shariah governance structure, approach and responsibilities.

MEETINGS AND JOINT BOARD MEETINGS

The MIBSC convened 28 meetings inclusive of four special meetings to cater for urgent proposals, while the SC EFTB & EGTB convened 24 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 Document.

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 FY2022, while SC EFTB & EGTB held four 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 was conducted and participated by SC during FY2022 including the following:

MIBSC

- Certified Shariah Advisors (CSA) series which covered 15 topics including ethics, legal, governance, Islamic banking and finance, Islamic capital market, risk management, accounting, Takaful, and Maqasid Shariah
- Shariah Committee Off-site Meeting – The Alignment of Shariah & Sustainability Goals
- Panellist during INCEIF University ISF Webinar 360 Series: “Digitisation of Islamic Social Finance – Mere Hype?”
- Presentation at 16th Muzakarah Cendekiawan Syariah Nusantara 2022
- In-house training sessions on Asset and Liability Management, Introduction to Sustainex (Sustainability Model), Environmental, Social and Governance (ESG) Screening and Value-Based Intermediation (VBI) Update
- Produced various articles on Islamic banking in collaboration with Shariah Centre of Excellence
- Participated in “Simpan Emas” Panel session as panellist on “Tijarah” show by TV Al-Hijrah

SC EFTB & EGTB

- Hajah Discussion Paper by BNM: Industry Roundtable Discussion
- Etiqa Takaful Strategic Engagement Session 2022: Takaful At Crossroads – The Way Forward by Tan Sri Muhammad Ibrahim
- Workshop on Takaful Products Pricing
- Refresher Session on IFRS 17
- Training sessions on Personal Accident Products, Etiqa Flood Recovery Solutions, TripCare 360/TripCare 360 Takaful Products and Shariah Underwriting Guidelines in General Business
- Directors' Training Programme on compliance, Environmental, Social and Governance (ESG), Diversity, Equity and Inclusion (DEI), risk management, investment, cyber security and product development
- Talks on competitive advantage and building the Islamic banking and finance Industry
- Forum Kemerdekaan 2022: Kemerdekaan yang Lestari

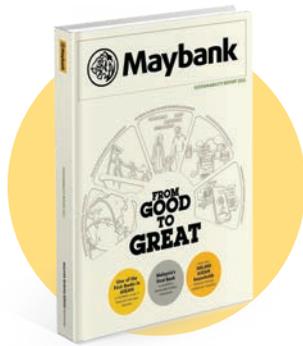
In addition to the abovementioned programmes, the MIBSC and/or SC EFTB & EGTB members also attended the following external programmes and events:

- 13th SC-OCIS Roundtable on Shaping a Stakeholder Economy for the Islamic Capital Market
- 17th Kuala Lumpur Islamic Finance Forum (KLIFF 2022)
- Muzakarah Penasihat Syariah Kewangan Islam 2022
- 4th International Shariah Scholars Roundtable (ISHAR 2022)
- Global Islamic Finance Forum (GIFF 2022)
- 17th International Shari'ah Scholars Forum (ISSF 2022)

SC ASSESSMENT

In compliance with BNM's Shariah Governance Policy Document, 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



ABOUT THIS SUSTAINABILITY REVIEW

This Sustainability Review covers progress made by Maybank in FY2022 towards meeting our four long-term commitments, in line with the Group's sustainability ambitions as well as material issues identified during the year (refer to Material Matters on pages 29 to 31). A comprehensive account of our sustainability strategy and initiatives, accompanied by quantifiable and qualitative data, is presented in our standalone Sustainability Report 2022 (Report). The Report is guided by the Group's material matters and prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards and local regulatory requirements. It can be downloaded at www.maybank.com/ar



LEADERSHIP FOR A SUSTAINABLE FUTURE

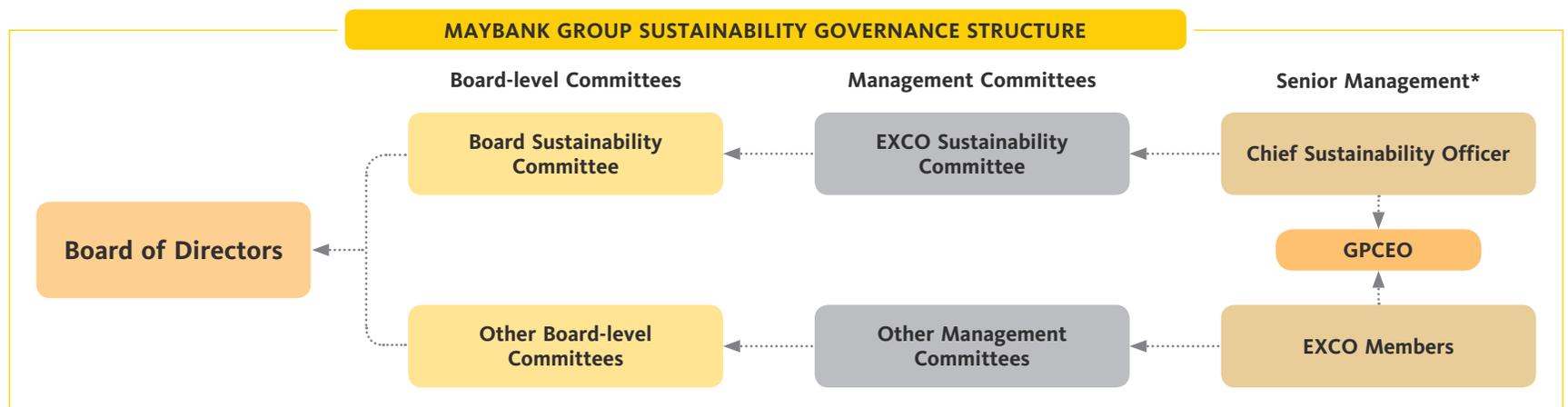
Moving into normalcy in 2022 has meant that we were able to raise the bar in our approach towards sustainability, and take leadership positions in several key areas. Specifically, we established key frameworks, policies and processes to manage ESG risks and promote the development of sustainable financing solutions. We also supported marginalised communities, underprivileged lower-income individuals, SMEs and microenterprises through the provision of financing, micro insurance, education and financial assistance programmes. In addition, we outlined Maybank's decarbonisation strategy while engaging actively with the industry on thought leadership, and our customers on their transition journey. Internally, we continuously upskilled our talents and built their capacity to strengthen our sustainability culture.

As a result of the significant progress made, the Board approved an upward revision for Commitments 1 and 2 in December 2022 to a target of RM80 billion in Sustainable Finance (from RM50 billion previously) and two million households across ASEAN by 2025 (from one million households previously), respectively.



SUSTAINABILITY GOVERNANCE

Cultivating a top down approach focused on accountability and agility, the Board of Directors (Board), as the Group's highest governing body, is responsible for overseeing Board-level committees that have oversight of specific areas relating to sustainability. Supporting the Board in driving its sustainability agenda are the Board Sustainability Committee (BSC), the EXCO Sustainability Committee (ESC) and our Chief Sustainability Officer (CSO).



* Senior Management refers to Executive Management

Sustainability Review

**TOP
ACHIEVEMENTS
IN 2022**

 Introduced Malaysia's first Sustainable Product Framework to align all facets of our businesses towards the development of sustainable finance solutions	 Awarded the ASEAN-Maybank Scholarship to the first group of scholars
 One of the first banks in ASEAN to establish our baseline Scope 3 financed emissions , which will help shape our future business portfolio in support of our net zero carbon equivalent ambition	 Introduced Green Lab – a learning and engagement initiative for Maybankers to gain insights into sustainability and design new sustainability-related initiatives
 Recognised at the UN Global Compact Network Malaysia & Brunei Sustainability Performance Awards 2022 for our partnerships geared towards achieving the UN SDGs and pioneering sustainable development	

SUPPORTING SUSTAINABLE DEVELOPMENT OBJECTIVES

At Maybank, we are focused on driving sustainable long-term growth by way of strengthening our business performance, ensuring environmental preservation and holistically supporting our communities in the countries in which we operate. To this end, we have identified the Sustainable Development Goals (SDGs) and its specific targets to which we are best able to contribute towards.

 The SDGs that we contribute to are listed in An Integrated Approach to Value Creation section on page 21

The subsequent sections highlight the specific SDGs and Material Matters which are tied to the achievements of our Sustainability Commitments.

 Other SDGs not highlighted within our Sustainable Commitments are covered in our Sustainability Report 2022 on www.maybank.com/sustainability

KEY FOCUS AREAS FOR 2022



SUPPORTING FINANCING RELATED TO GREEN, SOCIAL AND TRANSITION INITIATIVES

Related Capitals: FC SRC NC

Sustainable Finance Mobilised

FY2022

RM20.69 billion

FY2021
>RM13.6 billion

FY2025 Target: RM80 billion*

* Revised target from RM50 billion



of a Sustainability Sukuk, proceeds from which will be channelled to construct the Nenggiri Hydroelectric Power Plant in Kelantan. The plant is expected to generate 300 MW of clean power, avoiding 355,000 tCO₂ emissions.

Green Buildings & Homes



Green Building financing amounts to RM2.06 billion and is driven mostly by financing the acquisition and construction of certified green buildings in Malaysia and Singapore. On the retail front, the “Go Green with Maybank Home” financing scheme in Malaysia provides attractive financing rates for the installation of solar panels and/or the purchase of homes that meet recognised green building certifications. In 2022, RM539.54 million was mobilised to more than 770 customers through the scheme. In Singapore, the “Green Home Loan” campaign was relaunched in July 2022 offering financing for homes that meet the Building and Construction Authority (BCA)’s Green Mark GoldPLUS standard and above. As of end December 2022, it had attracted an uptake of SGD33.55 million in residential green home ownership.

Clean Transportation



A total of RM1.21 billion was disbursed for financing the purchase of electric vehicles (EV) and hybrid vehicles, marking an increase of 124% YoY. In Malaysia, this year we introduced preferential rates for the financing of EV and hybrid vehicles which contributed to the mobilisation of over RM302.23 million in financing for over 2,000 customers. In the long term, the programme will support the National Energy Policy 2022-2040, which has set the target for EV to command 38% of the market share by 2040. Similar programmes introduced in Singapore and Indonesia saw the mobilisation of RM812.72 million and RM98.31 million in the two countries respectively.

Affordable Basic Services or Infrastructure



RM2.31 billion of affordable home loans were mobilised in Malaysia in FY2022 as we continue to assist individuals and families to secure home ownership and address the gaps in housing accessibility for low-income households.

Sustainable Investment



Our existing sustainability-themed funds are still performing well, albeit a slight reduction in comparison to the previous year due to the challenging market conditions in 2022. AUM stood at RM530.02 million as at year end, a 15.9% decrease from 2021. In August 2022, our asset management arm, MAMG, expanded its sustainable product offerings with the launch of MAMG Global Environment Fund. The certified Sustainable and Responsible Investment (SRI) fund invests in global companies that focus on new energy, sustainable food, water, the circular economy, smart environment, as well as clean and efficient transport. As at year end, its AUM stood at RM2.85 million.

Other Sustainable Financing



We support Bank Negara Malaysia’s Low Carbon Transition Facility (LCTF) that helps fund Malaysian SMEs as they transform their business into low-carbon operations. This includes capital expenditure or working capital that is channelled to initiate or facilitate the transition to low-carbon and sustainable operations, such as procuring sustainable materials for production or improving the energy efficiency of buildings and appliances. LCTF financing that meets the eligibility criteria laid out in the Group’s SPF is recognised as Sustainable Financing.

Driving Sustainable Finance



The Group established a Sustainable Product Framework (SPF) in September 2022 to define green, social, sustainable and transition products across our businesses. This will help to steer the development of financing solutions that meet the Group’s sustainable standards throughout their life-cycle. The framework is aligned with the International Capital Markets Association’s Climate Transition Finance Handbook and the decarbonisation pathway set by the Transition Pathway Initiative, among other local and international frameworks, and will be reviewed annually.

 The SPF can be downloaded from <https://www.maybank.com/iwov-resources/documents/pdf/annual-report/2022/Maybank-Sustainable-Product-Framework.pdf>

Renewable Energy



We continue to support renewable energy projects, mobilising a total of RM535.70 million this year for projects that employ the use of solar and RM750.00 million for hydro power. More recently, we facilitated the issuance

Sustainability Review

KEY FOCUS AREAS FOR 2022 (CONT'D.)



EMPOWERING BUSINESSES AND COMMUNITIES BY DRIVING FINANCIAL INCLUSION, PROMOTING FINANCIAL LITERACY AND ENHANCING SOCIAL WELL-BEING

Related Capitals: **SRC**

Financial Inclusion and Literacy

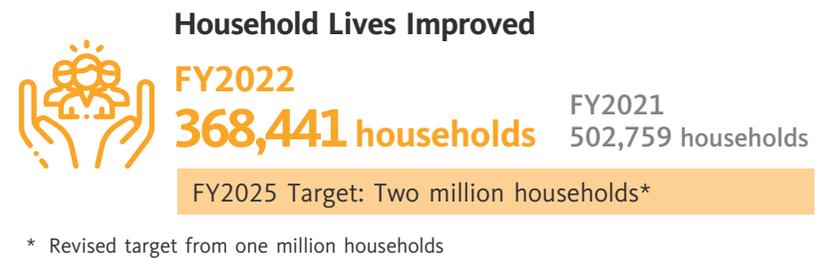


- SMEs continue to be a focus of our financial literacy programmes under the purview of Group Community Financial Services, as they form the largest demographic base in the region and serve as a key source of economic growth and employment. As at end December 2022, 18,120 (2021: 14,195) SMEs in Malaysia, Indonesia and Cambodia continued to benefit from ongoing financial literacy and financial assistance initiatives. These include entrepreneurship programmes that help SMEs to manage their businesses more efficiently and effectively using financial solutions and digital technologies, as well as improve their credit practices and industry knowledge. We also continued to extend financial assistance to SMEs, including those that still required support post pandemic.
- 153,218 low-income customers were provided a total of RM6.43 billion in mortgages and automobile financing.
- We continue to offer micro insurance products that are affordable, accessible, easy to understand, administratively simple and of good protection value to the B40 and equivalent across the region. As at end December 2022, 122,664 (2021: 276,987) individuals were covered under these products. Key insurance product launches included the Etiqa Term Secure Insurance & Takaful and Etiqa Critical Care Insurance & Takaful in Malaysia, providing coverage against death, total and permanent disability (TPD) and critical illnesses to Employees' Provident Fund members. i-Care OKU, which was also introduced this year, is the first online plan that provides Takaful protection to people with speech, visual, hearing or physical disabilities who are registered with Jabatan Kebajikan Malaysia (JKM).

Zakat Programmes



- Ongoing zakat initiatives by Maybank Islamic and Etiqa impacted 39,399 beneficiaries in 2022 (2021: 20,469). These included providing vulnerable communities access to basic infrastructure and services (such as electricity and water), financing underprivileged students to further their studies, offering free healthcare screening as well as supporting the Federal Territory Ministry's post-



COVID Jejak Prihatin programme. In 2022, Etiqa also introduced a Hijrahpreneur Skills Programme that provides financial aid and training to the Asnaf and Ar-Riqab communities, helping them to set up their own self-sustaining small businesses.

Maybank Foundation Programmes



- 61 deserving Malaysian students from lower-income families were awarded full scholarships worth RM4 million under the Maybank Group Scholarship Programme 2022, to pursue undergraduate studies at top local and foreign universities.
- Maybank Foundation introduced the ASEAN-Maybank Scholarship programme in 2021, the first scholarship by a regional organisation in partnership with the ASEAN Secretariat providing students from ASEAN the opportunity to pursue undergraduate studies in top tier universities within the region. The programme received 2,412 applications from all 10 ASEAN member countries, and three scholarships were awarded in 2022 to recipients from Malaysia, Cambodia and Myanmar.
- Maybank Foundation, in partnership with Yayasan Pelajaran MARA (YPM) and Universiti Teknologi MARA (UiTM), introduced the Maths for Rural Kids (MARK) pilot programme in 2022, providing Mathematics tuition to primary school students in rural communities in Malaysia. The programme has been piloted in three districts – Beseri, Perlis; Pengkalan Hulu, Perak; and Rompin, Pahang – and will be expanded to other states in Malaysia in FY2023. As at year-end, the programme has benefitted 300 students.



MANAGING DIRECT AND INDIRECT EMISSIONS FROM OUR OPERATIONS AND BUSINESS ACTIVITIES

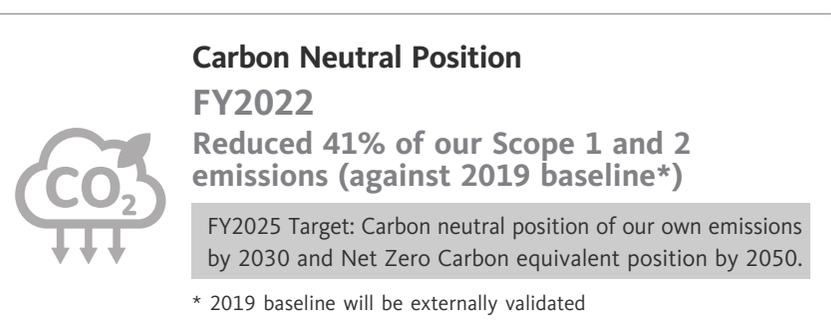
Related Capitals: **MC NC**

Managing Scope 1 & 2 Emissions



- We have reduced 41% (equivalent to 53,771 tCO₂e) of our Scope 1 and 2 emissions against our 2019 baseline of 131,291 tCO₂e, with the acquisition of the Malaysia Renewable Energy Certificates and roll-out of various energy efficiency programmes, including:

	Retrofitted LED lighting across 423 premises in Malaysia and 60 branches in Singapore, Cambodia, Philippines and Indonesia
	Retrofitted our branch signages with LED lighting across 50 premises in Malaysia and nine branches in Singapore
	Installed AC inverters at 35 locations in Malaysia and 30 premises across Singapore, Cambodia, Philippines and Indonesia
	Upgraded the chiller system at Maybank Tower, Singapore



Managing Scope 3 Emissions



- We have established our Scope 3 financed emissions baseline at 25.7 million tCO₂e for FY2021 premised on six asset classes set out by the Global GHG Accounting and Reporting Standard for the Financial Industry by Partnership for Carbon Accounting Financials. This exercise has enabled us to identify and focus our transition strategy on geographies, sectors and clients that contribute significantly to the Group's financed emissions. We have started to engage with

Sustainability Review

KEY FOCUS AREAS FOR 2022 (CONT'D.)

MANAGING DIRECT AND INDIRECT EMISSIONS FROM OUR OPERATIONS AND BUSINESS ACTIVITIES (CONT'D.) Related Capitals: **MC** **NC**

clients and related stakeholders to develop an appropriate transition strategy, and are working on integrating climate scenario analysis with the data to identify the relevant climate-related transition risks. This will help us to set emission reduction targets and exposure limits.

- We are also in the midst of developing a Group Climate Risk Policy to identify, assess and manage climate-related risks, guided by the Task Force on Climate-Related Financial Disclosures (TCFD) and key regulatory requirements. The policy will set out methodologies and procedures to address climate-related disclosures, and is expected to be implemented in FY2023.
- We have broadened our position paper on Palm Oil to Agriculture and refined our position papers for Oil & Gas and Forestry & Logging.
- Our position on these and other sectors are published on www.maybank.com/sustainability
- As part of ongoing efforts to educate our staff and manage their emissions from travel, we have started reimbursing employees for EV-related expenses. We have

also enhanced our staff travel policy to encourage virtual meetings and discussions in lieu of travel as well as to leverage the most efficient methods of travel.

Managing Our Supply Chain



- Our Supplier Code of Conduct was enhanced in July 2022 to incorporate requirements and standards on environment, health & safety, labour, human rights as well as other compliance and regulatory obligations.
- We have also embedded ESG assessment questions into our procurement onboarding and renewal process across our operating markets to raise awareness of ESG and its importance among existing and potential suppliers. The outcome of the assessment will form the basis of ESG criteria used when selecting suppliers in the future.
- Our Supplier Code of Conduct is published on <https://www.maybank.com/en/about-us/corporate-governance/procurement.page>

STRENGTHENING STAKEHOLDER RELATIONSHIPS, SUSTAINABILITY MINDSET AND GOVERNANCE Related Capitals: **HC** **SRC**



Sustainability Hours Achieved

FY2022	FY2021
1,563,720 hours*	1,636,652 hours*

FY2025 Target: One million sustainability hours p.a.

*34.9% (FY2021: 18.7%) is contributed by workforce sustainability initiatives, which is discussed in Group Human Capital page 74

- In ensuring that our people uphold confidentiality and security of all personal data handled, this year all customer-facing employees were required to complete mandatory e-Learning modules related to privacy, covering the management of data privacy and breaches, regulatory compliance and data protection measures.
- For more risk initiatives and culture-building, refer to Principal Risks and Statement on Risk Management and Internal Control on pages 36 and 111. For more on employees' learning & development, refer to Group Human Capital on page 74

Transparency and Governance



- In fostering a culture of fairness and transparency across all our dealings throughout the Group and operating in an ethical and just manner, we conducted 23 business ethics and human rights awareness sessions in 2022 for 370 employees across the Group.
- To ensure that the Group has proper guidance on the overall approach towards stakeholder engagement on sustainability matters, a Stakeholder Engagement Strategy was developed in 2022 which helps to identify key stakeholder groups through a set of predefined criteria.
- For more on our governance efforts and initiatives, refer to Corporate Governance Overview Statement, Statement on Risk Management and Internal Control and Audit Committee Report on pages 95, 106 and 113

Diversity, Equity and Inclusion (DEI)



- We developed an internal online publication, "Thriving in Diversity", as part of continued efforts to raise DEI awareness.
- To maintain DEI awareness in the forefront, numerous programmes and webinars were curated and implemented throughout the year, including an International Women's Day event; Maybank's first youth summit launch – the GenM summit to provide young Maybankers a space that connects and empowers them to recognise their potential and voice their ideas; customised Mental Well-being Outreach sessions; facilitator-led support groups with solutions-focused CARE Circle sharing sessions; as well as Let's Talk It Out (LTIO) Webinars.
- For more on our DEI initiatives, refer to Group Human Capital page 75

Inculcating a Sustainability Culture



- An Annual Board Risk Workshop is held for the Board of Directors, senior management and business leads to discuss current and future risk trends. This year, several new key ESG-related areas were brought to the table, including the need for greater oversight and awareness of sustainability and climate change. Some of the action items included the need for clearly aligned deliverables and risk appetite for our investment time horizons; as well as employing agile tactical solutions to meet customer and business needs while staying the course on our strategy execution.
- 10 ESG risk-related programmes involving more than 1,000 employees across all levels in the Bank were organised in 2022 as part of Group Risk's continued efforts to embed ESG risk management into daily business operations, in line with the ESG Risk Management Framework.
- As part of the Group's efforts to inculcate sustainability among staff, two key initiatives were introduced. The Sustainability Circle was established as an informal network consisting of representatives from various sectors and countries who act as internal advocates facilitating the exchange of opinions and driving the adoption of sustainability within their respective units. To drive sustainability action, a Sustainability Capability Building programme for employees called Green Lab was curated to provide foundational knowledge on sustainability and encourage sustainability best practices. As at year end, 1,082 sustainability advocates had been trained and more than 200 sustainability initiatives had been logged in the internal sustainability knowledge sharing platform, MaybankCares.

Analysis of Shareholdings

as at 28 February 2023

SENIOR MANAGEMENT'S SHAREHOLDINGS (CONT'D.)

No.	Name of Senior Management	Number of Ordinary Shares Held as at 01.01.2022		Changes from 01.01.2022 to 31.12.2022				Number of Ordinary Shares Held as at 31.12.2022			
		Direct		Indirect	Number of Ordinary Shares Acquired			Number of Ordinary Shares Disposed	Direct		Indirect
		No. of Shares Held	% of Issued Shares		Open Market	Subscription under Dividend Reinvestment Plan	Vesting of Shares under Employees' Share Grant Plan		No. of Shares Held	% of Issued Shares	
9.	Michael Foong Seong Yew	153,846	0.00	-	-	-	54,600	-	208,446	0.00	-
10.	Datuk Nora Abd Manaf	2,198	0.00	-	-	-	68,300	62,000	8,498	0.00	-
11.	Gilbert Kohnke	52,000	0.00	-	2,300	753	54,600	20,000	89,653	0.00	-
12.	Dr. Siew Chan Cheong	-	-	-	-	-	-	-	-	-	-
13.	Jerome Hon Kah Cho	340,600	0.00	-	-	5,800	54,600	-	401,000	0.00	-
14.	Mohd Suhail Amar Suresh Abdullah	209,809	0.00	-	-	3,668	68,300	-	281,777	0.00	-
15.	Lau Chee Kheong Alan	148,786	0.00	-	-	-	-	-	148,786	0.00	-
16.	Mohamad Yasin Abdullah	14,039	0.00	-	-	-	49,300	-	63,339	0.00	-
17.	Ahmad Shahril Azuar Jimin	48,662	0.00	-	-	-	39,400	22,000	66,062	0.00	-
18.	Wan Marzimin Wan Muhammad	37,500	0.00	-	-	655	39,400	-	77,555	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 AMANAHA SAHAM BUMIPUTERA	3,924,603,493	32.56
2.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	1,493,157,545	12.39
3.	PERMODALAN NASIONAL BERHAD	827,860,662	6.87
4.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	536,742,120	4.45
5.	AMANAHRAYA TRUSTEES BERHAD AMANAHA SAHAM MALAYSIA 2 – WAWASAN	320,065,212	2.66
6.	AMANAHRAYA TRUSTEES BERHAD AMANAHA SAHAM MALAYSIA	233,457,211	1.94
7.	AMANAHRAYA TRUSTEES BERHAD AMANAHA SAHAM MALAYSIA 3	138,997,203	1.15
8.	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	130,435,263	1.08
9.	AMANAHRAYA TRUSTEES BERHAD AMANAHA SAHAM BUMIPUTERA 2	108,149,999	0.90
10.	CITIGROUP NOMINEES (ASING) SDN BHD CB SPORE GW FOR GOVERNMENT OF SINGAPORE (GIC C)	107,675,953	0.89
11.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	104,025,138	0.86
12.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	99,064,872	0.82
13.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	93,553,768	0.78
14.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	87,892,430	0.73
15.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	85,710,990	0.71

Analysis of Shareholdings

as at 28 February 2023

TOP 30 SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS (CONT'D.)

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
16.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	55,666,299	0.46
17.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N14011940100)	42,658,157	0.35
18.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	42,340,500	0.35
19.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	36,692,706	0.30
20.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	35,685,820	0.30
21.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	35,424,532	0.29
22.	CARTABAN NOMINEES (ASING) SDN BHD BNYM SA/NV FOR PEOPLE'S BANK OF CHINA (SICL ASIA EM)	34,350,671	0.28
23.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A. INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	30,517,220	0.25
24.	HSBC NOMINEES (ASING) SDN BHD HSBC BK PLC FOR KUWAIT INVESTMENT OFFICE (KIO)	30,181,313	0.25
25.	CARTABAN NOMINEES (ASING) SDN BHD STATE STREET LONDON FUND OQ78 FOR ISHARES IV PUBLIC LIMITED COMPANY	30,124,400	0.25
26.	PERTUBUHAN KESELAMATAN SOSIAL	29,854,858	0.25
27.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	28,275,466	0.24
28.	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND SWV4 FOR CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	26,562,786	0.22
29.	HSBC NOMINEES (ASING) SDN BHD JPMSE LUX FOR ROBECO CAPITAL GROWTH FUNDS	24,097,029	0.20
30.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSF)	23,873,211	0.20
TOTAL		8,797,696,827	72.98

Classification of Shareholders

as at 28 February 2023

Category	No. of Shareholders		No. of Shares Held		% of Issued Shares	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
INDIVIDUAL						
a. Bumiputera	3,628		36,775,944		0.30	
b. Chinese	103,467		788,603,575		6.54	
c. Indian	3,077		26,003,962		0.22	
d. Others	461	2,538	4,662,246	68,637,108	0.04	0.57
BODY CORPORATE						
a. Banks/Finance	64	5	6,267,925,765	3,184,265	52.00	0.03
b. Investment/Trust	26		1,581,042		0.01	
c. Societies	30		1,907,815		0.02	
d. Industrial	1,208	46	157,377,379	31,418,062	1.31	0.26
GOVERNMENT AGENCIES/INSTITUTION	8		18,675,337		0.15	
NOMINEES	37,809	2,570	2,654,428,050	1,992,646,651	22.02	16.53
OTHERS	4		299,891		0.00	
TOTAL	149,782	5,159	9,958,241,006	2,095,886,086	82.61	17.39

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 (Now known as Mayban Discount Berhad)	279,268,248
01-12-1986	10,550	Conversion of Unsecured Notes	279,278,798
29-07-1987 to 20-10-1987	90,000	Exercise of Employees' Share Option Scheme	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
29-07-2009 to 26-08-2009	319,400	Exercise of Employees' Share Option Scheme	7,077,982,768

Changes in Issued Shares

ISSUED SHARES (CONT'D.)

Date of Allotment	No. of Ordinary Shares Allotted	Consideration	Resultant Total Issued Shares (No. of Shares)
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
14-04-2022	91,500,212	Dividend Reinvestment Plan at RM8.28 per share	11,970,013,430
27-09-2022	6,236,800	Employees' Share Grant Plan	11,976,250,230
19-10-2022	77,876,862	Dividend Reinvestment Plan at RM8.38 per share	12,054,127,092

Properties Owned by Maybank Group

Area	No. of Properties		Land Area (sq. m.)	Book Value as at 31 Dec 2022 RM'000
	Freehold	Leasehold		
Maybank				
Kuala Lumpur	14	15	46,547.09	159,293
Johor Darul Takzim	31	11	18,786.42	56,311
Kedah Darul Aman	10	4	4,999.26	5,876
Kelantan Darul Naim	1	6	1,993.00	3,709
Melaka	-	4	2,763.00	2,540
Negeri Sembilan Darul Khusus	8	7	21,350.92	6,143
Pahang Darul Makmur	11	14	12,467.00	8,718
Perak Darul Ridzuan	12	12	10,392.65	12,224
Perlis Indera Kayangan	1	3	1,475.00	854
Pulau Pinang	22	2	12,911.52	17,313
Sabah	-	18	15,058.18	21,952
Sarawak	9	31	9,182.04	27,920
Selangor Darul Ehsan	23	17	103,309.64	102,209
Terengganu Darul Iman	3	5	4,329.00	3,311
Hong Kong	-	2	193.00	HKD567
London	-	6	1,017.00	£3,667
Singapore	9	12	20,218.70	SGD74,444
Aurea Lakra Holdings Sdn Bhd (Formerly known as Mayban P.B. Holdings Sdn Bhd)				
Johor Darul Takzim	2	1	1,330.00	1,323
Pahang Darul Makmur	1	2	595.41	662
Perak Darul Ridzuan	1	1	857.74	1,923
Sabah	-	1	257.62	900
Sarawak	-	1	314.00	645
Selangor Darul Ehsan	2	1	1,269.13	2,136
Maybank International (L) Ltd				
W.P. Labuan	-	3	901.37	USD145
ETIQA				
Kuala Lumpur	2	4	24,258.47	1,279,000
Johor Darul Takzim	1	-	286.00	3,800
Kedah Darul Aman	2	1	1,127.97	2,600
Melaka	-	1	452.00	4,330
Negeri Sembilan Darul Khusus	3	1	1,659.64	3,125
Pahang Darul Makmur	2	1	18,334.57	2,532
Sabah	-	1	222.22	3,792
Selangor Darul Ehsan	1	-	510.49	6,300
Maybank Kim Eng Properties				
Singapore	-	2	1,609.50	SGD93,725
USA	1	-	299.33	USD4,427
PT Bank Maybank Indonesia Tbk				
Indonesia	201	-	115,436	IDR2,562,902,936

List of Top 10 Properties Owned by Maybank Group

as at 31 December 2022

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	84 years (expiring 27.11.2106)	4 years	4,636.00	1997	377,000
Etiqa Twins No. 11 Jalan Pinang Kuala Lumpur	28-storey Twin Office Buildings	Office & Rented out	Freehold	-	27 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	63 years (expiring 3.12.2085)	21 years	9,918.00	2000	330,461
50 North Canal Road Singapore	Office Building	Office	Leasehold	84 years (expiring 2106)	11 years	1,283.30	2007	SGD76,169
Lot 153 Section 44 Jalan Ampang Kuala Lumpur	Commercial Land	Open carpark	Freehold	-	-	3,829.00	2008	166,000
Maybank Tower 2 Battery Road Singapore	32-storey Office Building	Office	Leasehold 999 years	803 years (expiring 2825)	20 years	1,135.70	1962	SGD50,518
Menara Maybank 100, Jalan Tun Perak Kuala Lumpur	58-storey Office Building	Head office & Rented out	Freehold	-	34 years	31,748.00	1978	78,875
Akademi Etiqa 23, Jalan Melaka Kuala Lumpur	25-storey Office Building	Office & Rented out	Leasehold 99 years	43 years (expiring 2065)	26 years	1,960.47	1994	78,000
48 North Canal Road Singapore	Office Building	Office	Leasehold	89 years (expiring 2111)	10 years	326.20	2012	SGD17,556
Jl. Pemuda No. 150 Semarang	3-storey Office Building	Branch & Regional Jawa Tengah	Freehold	-	32 years	2,675.00	1990	IDR116,549,980

Corporate Information

COMPANY SECRETARIES

WAN MARZIMIN WAN MUHAMMAD
(LS0009924)

FARIZ ABDUL AZIZ
(LS0007997)

REGISTERED OFFICE

14th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur, Malaysia

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
cfrm@maybank.com
mgcc@maybank.com

SHARE REGISTRAR

Malayan Banking Berhad
14th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur, Malaysia

Tel : (6)03-2074 7822
Fax : (6)03-2031 0071

Boardroom Share Registrars Sdn Bhd
(For General Meetings & Dividend Re-Investment Plan)

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Tel : (6)03-7890 4700

Fax : (6)03-7890 4670

Email : General Meetings
bsr.helpdesk@boardroomlimited.com

: Dividend Reinvestment Plan
maybankedrp@boardroomlimited.com

INVESTOR RELATIONS

41st Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur, Malaysia

Email : ir@maybank.com.my

STOCK EXCHANGE LISTING

**Main Market of Bursa Malaysia
Securities Berhad**
(Listed since 17 February 1962)

TICKER CODE

Bursa Malaysia MYX:1155
Bloomberg MAY MK EQUITY
Reuters MBBM.KL

EXTERNAL AUDITORS

Ernst & Young PLT (AF:0039)
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia

Tel : (6)03-7495 8000
Fax : (6)03-2095 9076/78

FINANCIAL YEAR END

31 December

 For composition of the Board, please refer to profiles of the Board of Directors on pages 78 to 83

Notice of the 63rd Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 63rd Annual General Meeting (AGM) of Malayan Banking Berhad (Maybank/the Company) will be held virtually and broadcasted live from Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur, Malaysia (Broadcast Venue) on Wednesday, 3 May 2023 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 2022 together with the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors, each of whom retires by rotation in accordance with Articles 104 and 105 of the Company's Constitution and being eligible, offers himself for re-election:
 - (i) Mr Edwin Gerungan **(Ordinary Resolution 1)**
 - (ii) Mr Anthony Brent Elam **(Ordinary Resolution 2)**
 - (iii) Dato' Zulkiflee Abbas Abdul Hamid **(Ordinary Resolution 3)**
3. To approve the payment of the following fees to Non-Executive Directors for the period from the 63rd AGM to the 64th 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 4)**
4. To approve the payment of benefits to eligible Non-Executive Directors of an amount up to RM3,418,150 for the period from the 63rd AGM to the 64th AGM of the Company. **(Ordinary Resolution 5)**
5. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 6)**

AS SPECIAL BUSINESSES:

To consider, and if thought fit, to pass the following Ordinary Resolutions:

6. **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 7)**

Notice of the 63rd Annual General Meeting

7. ALLOTMENT AND ISSUANCE OF NEW ORDINARY SHARES IN MAYBANK (MAYBANK SHARES) IN RELATION TO THE RECURRENT AND OPTIONAL DIVIDEND REINVESTMENT PLAN THAT ALLOWS SHAREHOLDERS OF MAYBANK TO REINVEST THEIR DIVIDEND TO WHICH THE DIVIDEND REINVESTMENT PLAN APPLIES, IN NEW MAYBANK SHARES (DIVIDEND REINVESTMENT PLAN)

“THAT pursuant to the Dividend Reinvestment Plan as approved by the shareholders at the Extraordinary General Meeting held on 14 May 2010, approval be and is hereby given to the Company to allot and issue such number of new Maybank Shares under the Dividend Reinvestment Plan upon such terms and conditions and to such persons as the Directors may in their absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new Maybank Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price (VWAMP) of Maybank Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price, and that such authority to allot and issue Maybank Shares shall continue to be in force until the conclusion of the next AGM of the Company;

AND THAT the Directors and the Secretaries of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Plan with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities, or consequent upon the implementation of said conditions, modifications, variations and/or amendments, or at the discretion of the Directors in the best interest of the Company.”

(Ordinary Resolution 8)

8. To transact any other business of the Company for which due notice shall have been received in accordance with the Companies Act, 2016 and the Company's Constitution.

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
4 April 2023

Notice of the 63rd Annual General Meeting

Notes:

- The 63rd 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>. Please follow the procedures provided in the Administrative Notes for the AGM in order to register, participate and vote remotely via the RPV facilities.
- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 and Article 67(4)(a) 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.
- 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.
- 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.
 - 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.
- 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.
- 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.
- For an instrument appointing a proxy executed outside Malaysia, the signature must be attested by a solicitor, Notary Public, Consul or Magistrate.
- The duly completed instrument appointing a proxy must be deposited at the office of Boardroom at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The instrument appointing a proxy may also be submitted to Boardroom electronically via "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 Tuesday, 2 May 2023 at 10.00 a.m.
- 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 25 April 2023. Only a member whose name appears on the Record of Depositors as at 25 April 2023 shall be eligible to participate at the AGM or appoint proxy(ies) to participate and vote on his/her behalf.
- 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 63rd 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 2022

The Audited Financial Statements are laid for discussion only in accordance with Section 340(1)(a) of the Companies Act, 2016 and do not require shareholders' approval. Hence, the same will not be put forward for voting.

(ii) Ordinary Resolutions 1, 2 and 3 – Re-election of Directors

The Nomination and Remuneration Committee (NRC) has considered the performance and contribution of each of the retiring Directors and has also assessed their independence and ability to act in the best interest of the Company.

Based on the results of the Board Effectiveness Evaluation conducted for the financial year ended 31 December 2022, the performance of each of the retiring Directors was found to be satisfactory.

Pursuant to the annual Fit and Proper (FAP) assessment conducted in 2023, each retiring Director has met the following fit and proper criteria prescribed in the FAP Policy issued by Bank Negara Malaysia (BNM) and the Maybank FAP Policy:

- Probity, personal integrity and reputation;
- Competency and capability; and
- Financial integrity.

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 63rd AGM are provided in the Board of Directors section on pages 78 to 83 of Maybank's Integrated Annual Report 2022.

(iii) Ordinary Resolution 4 – 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
Board		
– Chairman	610,000	Approved at the 55 th AGM held on 7 April 2015
– Vice-Chairman	440,000	
– Member	295,000	
Board Committee		
– Chairman	75,000	Approved at the 58 th AGM held on 12 April 2018
– Member	45,000	

Notice of the 63rd Annual General Meeting

(iv) Ordinary Resolution 5 – 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 proposed amount of up to RM3,418,150 to be paid as benefits to eligible Non-Executive Directors from this AGM to the next AGM of the Company is the same as the amount approved by the shareholders at the last AGM held on 14 April 2022.

(v) Ordinary Resolution 6 – Re-appointment of Auditors and Audit Fees

The Audit Committee of the Board (ACB) had, at its meeting held on 28 October 2022, conducted an annual review of the suitability and independence of the external auditors, Messrs Ernst & Young PLT pursuant to Maybank Group's Framework on Appointment of External Auditors for Statutory Audit and Non-Audit Services. In its assessment, the ACB considered several factors which include the following:

- (a) Level of knowledge, capabilities, experience of the professional staff assigned to the audit and quality of previous work undertaken by the firm;
- (b) Quality of performance and level of engagement with the ACB;
- (c) Ability to provide constructive observations, implications and recommendations in areas requiring improvements;
- (d) Appropriateness of audit approach and the effectiveness of audit planning;
- (e) Ability to perform audit work within agreed timeframe;
- (f) Independence and objectivity of the external auditors when interpreting standards/policies adopted by the Company and the level of non-audit services rendered by the external auditors; and
- (g) The external auditors' governance and leadership structure as well as measures undertaken by the external auditors to uphold audit quality and manage risks, as set out in the Annual Transparency Report.

Being satisfied with the performance, technical competency, audit approach as well as audit independence of Messrs Ernst & Young PLT, the ACB has recommended the appointment of Messrs Ernst & Young PLT as external auditors of the Company for the financial year ending 31 December 2023 (FY2023).

The Board had, at its meeting held on 30 November 2022, endorsed the ACB's recommendation for shareholders' approval to be sought at the 63rd AGM on the appointment of Messrs Ernst & Young PLT as external auditors of the Company for FY2023.

The Board is also seeking shareholders' approval to authorise the Directors to fix the remuneration of the external auditors for FY2023.

12. Explanatory notes on Special Businesses:

(i) Ordinary Resolution 7 – Authority to Directors to Allot Shares

The proposed Ordinary Resolution 7 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 62nd AGM held on 14 April 2022 and will lapse at the conclusion of this AGM.

(ii) Ordinary Resolution 8 – Allotment of Shares in relation to Dividend Reinvestment Plan

This proposed Ordinary Resolution 8 if passed, will give authority to the Directors to allot and issue Maybank Shares pursuant to the Dividend Reinvestment Plan in respect of dividends declared after this AGM, and such authority shall expire at the conclusion of the next AGM of the Company.

Statement Accompanying Notice of the 63rd 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 63rd AGM

The details of the Directors who are standing for re-election at the 63rd AGM are provided in the Board of Directors section on pages 78 to 83 of Maybank's Integrated Annual Report 2022.

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 63rd AGM.

Form of Proxy

63rd Annual General Meeting



MALAYAN BANKING BERHAD
(COMPANY NO.: 196001000142)
(INCORPORATED IN MALAYSIA)

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 E-mail Address: _____ a shareholder/shareholders of MALAYAN BANKING BERHAD,

hereby appoint _____ NRIC/Passport No.: _____
(full name in block letters)

of _____
(full address)

Telephone No. and E-mail Address: _____ and _____
(full name in block letters)

NRIC/Passport No.: _____ of _____
(full address)

_____ Telephone No. and E-mail 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 63rd Annual General Meeting (AGM) of Malayan Banking Berhad to be held virtually and broadcasted live from Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur, Malaysia on Wednesday, 3 May 2023 at 10.00 a.m. and any adjournment thereof, on the following resolutions as set out in the Notice of the 63rd AGM:

No.	Resolution		For	Against
Ordinary Resolutions:				
1.	To re-elect Mr Edwin Gerungan as Director of the Company	Ordinary Resolution 1		
2.	To re-elect Mr Anthony Brent Elam as Director of the Company	Ordinary Resolution 2		
3.	To re-elect Dato' Zulkiflee Abbas Abdul Hamid as Director of the Company	Ordinary Resolution 3		
4.	To approve the payment of Non-Executive Directors' fees from the 63 rd AGM to the 64 th AGM of the Company	Ordinary Resolution 4		
5.	To approve the payment of benefits to the Non-Executive Directors from the 63 rd AGM to the 64 th AGM of the Company	Ordinary Resolution 5		
6.	To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration	Ordinary Resolution 6		
7.	Authority to Directors to issue new ordinary shares in Maybank pursuant to Section 75 of the Companies Act, 2016	Ordinary Resolution 7		
8.	Allotment and issuance of new ordinary shares in Maybank in relation to the Recurrent and Optional Dividend Reinvestment Plan	Ordinary Resolution 8		

My/Our proxy(ies) is to vote on the resolutions as indicated by an "X" above. If no indication is given, my/our proxy(ies) shall vote or abstain as he/she thinks fit.

Dated this _____ day of _____ 2023

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

Signature(s)/Common Seal of Member(s)

Number of shares held

	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

Notes:

1. A member entitled to participate and vote at this AGM is entitled to appoint proxy(ies) to participate and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of a proxy.
2. (i) A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (Authorised Nominee) may appoint at least one proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company (Maybank Shares) standing to the credit of the said securities account to participate and vote at this AGM.
(ii) Notwithstanding the above, for an exempt Authorised Nominee which holds Maybank Shares for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies which the exempt Authorised Nominee may appoint in respect of each Omnibus Account.
3. Where a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholding to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing, or if the appointer is a corporation, under its common seal or in some other manner approved by its directors.
5. For an instrument appointing a proxy executed outside Malaysia, the signature must be attested by a solicitor, Notary Public, Consul or Magistrate.
6. The duly completed instrument appointing a proxy must be deposited at the office of Boardroom Share Registrars Sdn Bhd (Boardroom) at 11th Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The instrument appointing a proxy may also be submitted to Boardroom electronically via "Boardroom Smart Investor Portal" at <https://investor.boardroomlimited.com>. Please follow the procedures provided in the Administrative Notes for the AGM if members wish to submit the instrument appointing a proxy electronically. All instruments appointing a proxy must be deposited with Boardroom **no later than Tuesday, 2 May 2023 at 10.00 a.m.**
7. Only members whose names appear on the Record of Depositors as at 25 April 2023 shall be eligible to participate at the AGM or appoint proxy(ies) to participate and vote on his/her behalf.

Fold here

AFFIX STAMP

Share Registrar for Maybank's 63rd AGM

Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony

No. 5, Jalan Prof. Khoo Kay Kim

Seksyen 13, 46200 Petaling Jaya

Selangor Darul Ehsan, Malaysia

Fold here

www.maybank.com