

Leading Asia

ANNUAL REPORT 2019



Together Through Generations

Exceptional shareholder returns

- All cash dividend of 64 sen per share
- 7.4% dividend yield

RM13.18 billion

- Highest ever Pre-Provisioning Operating Profit for the Group

Hall of Fame Inductee in 2019

- Putra Brand Awards: Best-in-class for Banking, Investment & Insurance for 10 consecutive years

Together Through Generations

When Alia was six years old, her father gave her a Maybank *tabung harimau* (tiger coin box) to inculcate the habit of saving money. As her *tabung* became full, she would make a trip with her father to the Maybank branch near their home to deposit the savings into her bank account. Many decades later, Alia continues to use the trusted Maybank brand for her banking needs and has started her 12-year-old grandson, Omar, on his journey of financial management by using Maybank's latest product MAE, an e-wallet.

By serving many generations of customers – initially starting with branches located near popular *kopitiams* in small towns to now offering digital services accessible in the comfort of one's home - Maybank has evolved to become the largest bank in Malaysia and one of the largest banks in ASEAN.

Our growth is accomplished by staying true to our mission of Humanising Financial Services which drives us to constantly innovate and incorporate sustainability considerations in our pursuit of meeting the evolving needs of our stakeholders today and of the future generations.

1960-1999

- First to introduce mobile bus banking services - we were the only bank in 18 rural locations.
- Pioneered computerisation of banking operations in Malaysia, enabling customers to do banking transactions in almost real-time.
- Launched Maybank Autophone, the first local bank to offer a computerised telephone banking service.

2000-2009

- First in Southeast Asia to offer common ATMs and over-the-counter services in Malaysia, Singapore, Brunei and the Philippines.
- First bank in Malaysia to introduce internet banking - Maybank2u.com.
- First to offer online mobile banking via SMS followed by M2U Mobile Services via GPRS/3G phones.

2010-2015

- Launched Maybank2u Pay, a payment gateway to facilitate online purchases - a first by a bank in Malaysia.
- Introduced e-Duit Raya, an "electronic" option for gifts during the festive season via Maybank2u, the first of its kind in Malaysia.
- Launched MaybankFintech, the first-of-its-kind programme by a bank in Southeast Asia to fund eligible tech startups as well as support and generate ideas in the financial technology sphere.

2016-2019

- Introduced face and voice recognition features in M2U mobile banking app, making us the first bank in Malaysia to offer all three biometric functionalities on a banking app, including fingerprint recognition.
- First bank in Malaysia to launch a cashless mobile payment option using a QR code called Maybank QRPay.
- Launched MAE, the first ever product in Malaysia enabling users to start a banking relationship online via the Maybank App and transact instantly, while enjoying the convenience of a full-fledged e-wallet.

ABOUT OUR REPORTS

Maybank Group's Annual Report is our primary report and is supplemented with additional online disclosures for our stakeholders.

CORPORATE BOOK ▾



Provides a comprehensive overview of the Group's performance in 2019 and our outlook for 2020.

Guided by:

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

FINANCIAL BOOK ▾



Presents the full set of the Group's and the Bank's audited financial statements. (Note: The Basel II Pillar 3 Disclosure is available on www.maybank.com)

Guided by:

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

SUSTAINABILITY REPORT ▾

Provides a comprehensive report of the Group's sustainability performance in relation to issues material to the Group and its stakeholders. This report will be made available on www.maybank.com and www.maybankfoundation.com

Guided by:

- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- Bursa Malaysia Main Market Listing Requirements

Available online at www.maybank.com/ar



Board's Responsibility Statement

The Group Executive Committee, supported by a dedicated reporting team, have applied its collective mind to the preparation and presentation of the annual integrated report to ensure fair and balanced disclosures of matters deemed material in the Group's value creation process. The Audit Committee of the Board reviewed and recommended the report to the Board of Directors for approval. The Board acknowledges its responsibility to ensure the integrity of the report and is of the opinion that the 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 27 February 2020.

Icons Used in This Report

Five capitals that we use to create value are:

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

Our identified stakeholders are:

- Customers
- Investors
- Regulators
- Communities
- Employees

Our identified material matters are:

- Cyber Security
- Risk Culture
- Good Governance
- Sustainable Business Growth
- Responsible Financing
- Financial Inclusion
- Our Environmental Footprint
- Low-Carbon Economy
- Customer Experience
- Product and Service Innovation
- Leadership and Talent Pipeline
- Employee Well-being, Diversity and Inclusivity
- Community Empowerment

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

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WE ARE

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

OUR VALUES...

- T**eamwork
- I**ntegrity
- G**rowth
- E**xcellence & Efficiency
- R**elationship Building

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

✓ fulfil

OUR MISSION

Humanising Financial Services

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

✓ guides

OUR ASPIRATION

Advancing Asia's Ambitions With You

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

WITH OUR UNIQUE DIFFERENTIATORS...

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

embodying our mission.



Over **43,000** Maybankers

who serve the mission, empowered by our **T.I.G.E.R.** values.



Our strong retail community franchise

spanning across ASEAN.



AND OUR STRUCTURE...

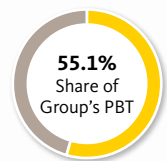
In serving our mission, we provide an array of financial products and services through three key business pillars, supported by shared corporate functions across our global network of 18 countries.

Business Pillars

Group Community Financial Services

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

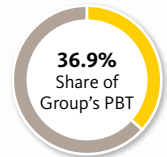
Offers: Retail banking services such as wealth management, mortgage, auto financing, credit cards, short-term credit and long-term business loans.



Group Global Banking

For: Large corporates and institutions.

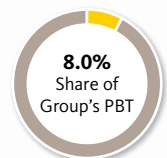
Offers: Wholesale banking services such as transactional banking, investment banking, corporate banking, global markets and treasury, and asset management.



Group Insurance & Takaful

For: Individuals and corporates.

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



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

Group Corporate Functions

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

For more details about our business pillars and Islamic franchise, refer to pages 40, 44, 48 and 52.

MAYBANK

We provide a full suite of conventional and Shariah-compliant products and services in commercial banking, investment banking and insurance.

HELP DELIVER VALUE ACROSS ASEAN...

We take a leading role in driving economic growth and helping communities progress towards a sustainable future. Our strategy is focused on areas where we believe we can make a significant difference in fulfilling our customers' and communities' ambitions including financial inclusion, whilst supporting businesses, big and small, to succeed in ASEAN and beyond.

RM3.0 billion

loans approved for affordable housing in Malaysia in FY2019.

Over 1.1 million

MAE accounts opened since launch in 2019 - supporting efforts towards a cashless society.

RM9.0 billion

new retail SME loans disbursed across the region in FY2019.

7,332

differently abled participants trained under R.I.S.E. since its pilot in 2014.

208,746

students benefited from Cashville Kidz financial literacy programme since its launch in 2013.

> AND BEYOND.

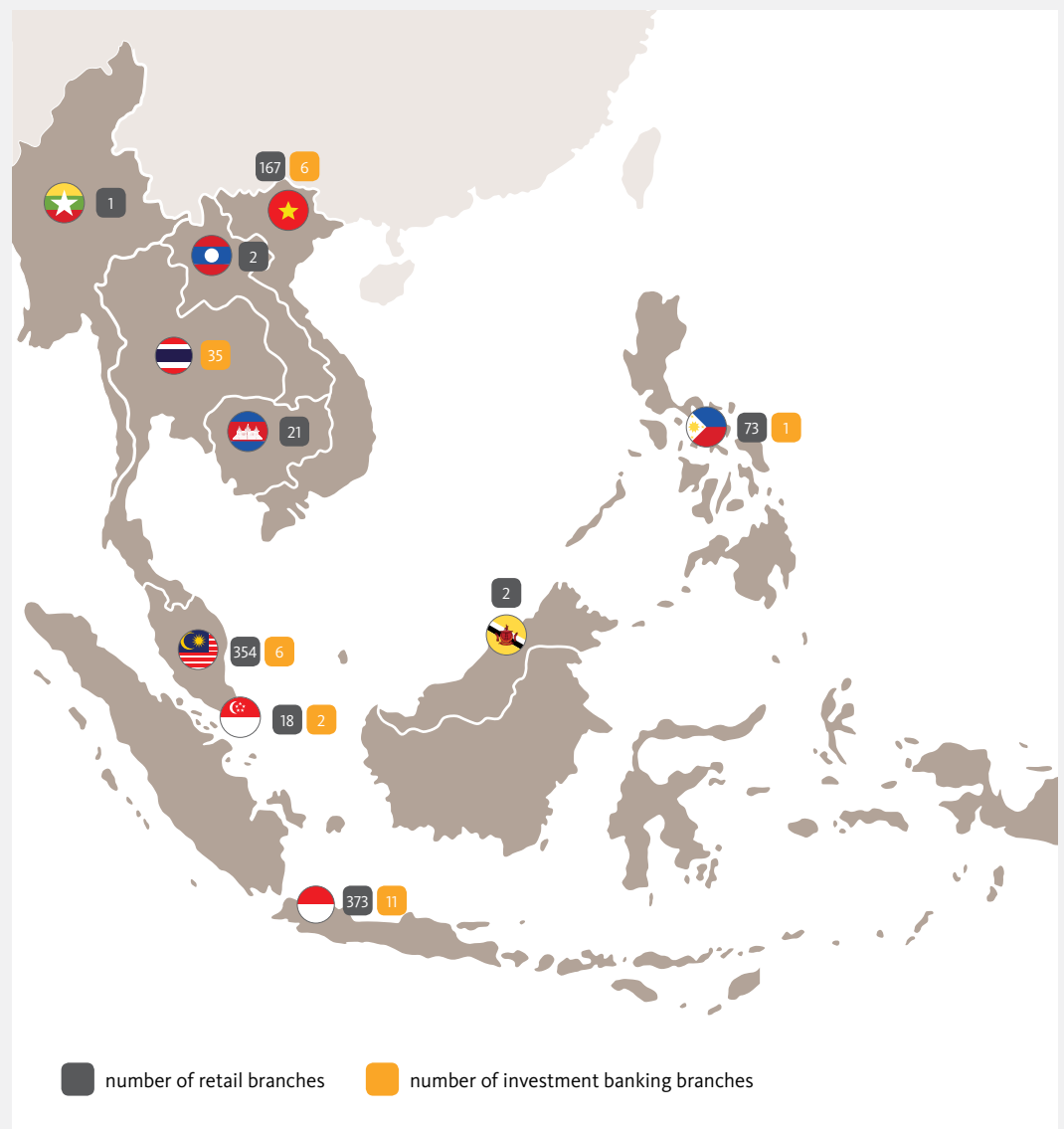
We are in 18* countries including all 10 ASEAN countries, with Malaysia, Singapore and Indonesia being our home markets. We are also present in international financial centres such as London, New York, Hong Kong and Dubai.

2,629

retail branches worldwide

65

investment banking branches worldwide



For more details about our global network, refer to Strategic Business Units, page 6 and www.maybank.com/worldwide

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



Global network with an extensive regional footprint

- We are the **leading bank in Malaysia** for conventional and Islamic banking.
- We are a truly ASEAN bank with local **presence in all 10 ASEAN countries**, allowing us to make financial solutions accessible to all.

18
countries

2,629
retail branches

Healthy liquidity and strong capital positions



- We reward our shareholders with **attractive dividend payouts**, on the back of a strong CET1 capital position.
- We have maintained **stable liquidity risk indicators**, allowing us to service our customers under any circumstances.

64 sen
all cash dividend per share

141.0%
Group LCR

INVESTMENT CASE

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



Multi-channel customer engagement

- We focus on **improving customer experience** and engagement through a rollout of **innovative digital products and services** that are safe, secure and convenient.
- We place an emphasis on **creating a compelling user experience** and interface across various platforms and countries we operate in.

+26
Net Promoter Score

8.68 billion
online transactions on Maybank2u
in FY2019

Strong governance oversight



- We uphold ourselves to the **highest standards of corporate governance** and embrace a robust risk management system to safeguard our assets and stakeholder interests.
- We ensure diversity in the Board composition to enhance our decision-making processes.

75%
Independent Non-Executive
Directors

33%
women directors

Highlights of 2019

Net Profit*
RM8.20
billion

Return on Equity
10.9%

Earnings per Share
73.5
sen

CET1 Capital Ratio
15.729%

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

More digital firsts



We launched MAE, the first e-wallet with banking facilities in Malaysia. We are also the first bank in Southeast Asia to launch Tap2Phone, a payment solution for merchants to accept card payments via a mobile app.

Group Community Financial Services and The Digital Bank of Choice, pages 40 and 56.

Total all cash dividend per share

64 sen

This translates to a dividend payout ratio of 87.8% and a dividend yield of 7.4% – one of the highest among banking stocks in the region.

Reflections from Our Group Chief Financial Officer, page 28.

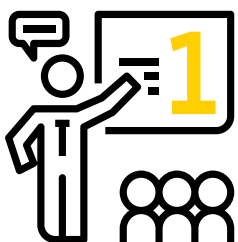
Executed

major green deals in the region



We executed a USD2 billion equivalent inaugural BRBR green bond and Cypark Ref Sdn Bhd's solar turnkey sukuk. We also distributed and were joint Shariah advisers for Indonesia's first USD Green Sovereign sukuk.

Group Global Banking and Group Islamic Banking, pages 44 and 52.



Launched first-of-its-kind
critical illness plan with mental illness coverage

We introduced Investment-Linked Critical Illness Plus, a plan that offers protection for 68 critical illnesses including four types of mental illnesses: bipolar affective disorder, major depressive disorder, schizophrenia and schizoaffective disorder.

Group Insurance & Takaful, page 48.

Established a
Group Sustainability Council

The Council sets the Group Sustainability Agenda, including the strategy, roadmap and monitoring of action plans.

Sustainability Statement, page 99.

Established our
first Islamic branch in Dubai

We expanded our global footprint to the Middle East with the opening of our Dubai-DIFC branch to be the link between businesses in ASEAN and the Middle East.

Group Islamic Banking, page 52.

STRATEGIC BUSINESS UNITS



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

Islamic Banking



Maybank Group Islamic Banking is the largest Islamic banking group by assets in ASEAN. Leveraging on the Group's system, IT infrastructure and distribution network, we offer a range of Islamic financial products and services across 354 Maybank touchpoints in Malaysia, as well as in our international operations in Indonesia, Singapore, Hong Kong, London, Labuan and Dubai.

In Malaysia, Maybank Islamic continues to be the market leader in terms of total assets, total financing, and total funding (Deposits and Unrestricted Investment Account) as well as profitability across all key business segments.

The Group adopts an Islamic-first approach where we offer Shariah-compliant products and services to our customers as a standard product. Our Islamic banking business contributed 60.7% to Maybank's financing in Malaysia as at 31 December 2019.

Insurance & Takaful



Etiqa is a leading insurance and Takaful business in ASEAN, offering a full range of Life and General conventional insurance policies as well as Family and General Takaful plans via our multiple distribution channels of over 10,000 agents, 46 branches and 17 offices, and over 490 bancassurance network (via branches, cooperatives, brokers and online platforms) across Malaysia, Singapore, Indonesia, the Philippines and Cambodia. We are also the leading digital insurance/Takaful player in Malaysia with over 60% market share of online premium/contribution in the past three consecutive years.

Investment Banking



Maybank Kim Eng (MKE) Group is the investment banking arm of Maybank Group. It comprises two groups of companies; namely, Maybank Investment Bank Berhad (MIBB) and Maybank Kim Eng Holdings Limited (MKEH). Through MIBB and MKEH, MKE operates in Malaysia, Singapore, Thailand, the Philippines, Indonesia, Vietnam, Hong Kong, India, New York, and London through a total of 65 investment banking branches and 87 touchpoints.

MKE offers a complete range of investment banking products and solutions to various retail, mid-market, corporate and institutional segments, including debt advisory and arrangement via bonds and sukuk, project financing, leverage financing, and loan syndication; alongside equity capital markets solutions as well as advisory, including mergers and acquisitions and strategic advisory.

MKE also offers equity derivatives, market access and financing via its securities operations covering retail, prime and institutional broking, supported by on-ground, ASEAN-wide company, sector, country and macro research.

Asset Management



Maybank Asset Management Group Berhad (MAMG) is the asset management arm of Maybank Group. It has a highly experienced fund management team, averaging over 20 years of individual investment experience and expertise in Asian markets. MAMG offers a variety of conventional and Islamic investment solutions and manages portfolios that range from equity, fixed income to money market instruments for high net worth individuals, corporates and institutions. MAMG also offers alternative investment solutions and maintains strategic partnerships with reputable asset managers to offer global investment solutions. MAMG operates across the Group's three home markets, namely Malaysia, Singapore and Indonesia. MAMG's Assets Under Management amounted to RM26.7 billion as at 31 December 2019.

Strategic Business Units

International Operations

**MAYBANK SINGAPORE**

Maybank Singapore has a net asset size of approximately SGD76.5 billion and staff strength of over 2,000. As one of the domestic systemically important banks (D-SIBs) identified by the Monetary Authority of Singapore, Maybank Singapore Limited (MSL) was established as a Singapore-incorporated subsidiary with Qualifying Full Bank (QFB) privileges in 2018. Operating in 27 service locations, MSL operates the retail and commercial businesses (CFS) which offer retail (personal banking, privilege wealth, premier wealth), private wealth and SME banking services. MSL is part of atm⁵, Singapore's only shared ATM network among six participating QFBs, giving retail customers access to more than 200 ATMs located across the country. Meanwhile, the corporate and institutional businesses which are still operating under Maybank's Singapore Branch, offers a wide range of wholesale and investment banking solutions, and provides banking services at 10 branch locations. Maybank Singapore contributed 0.7% and 24.4% to the Group's profit before tax and gross loans* respectively in FY2019.

**PT BANK MAYBANK INDONESIA TBK**

PT Bank Maybank Indonesia Tbk (Maybank Indonesia) is a subsidiary of Maybank and listed on the Indonesia Stock Exchange (Ticker: BNI1). It provides a comprehensive range of products and services to individual and corporate customers through its Community Financial Services (Retail Banking and Non-Retail Banking) and Global Banking businesses through a network of 374 branches (which includes 16 Shariah branches and one overseas branch in Mumbai) and 1,571 ATMs including 87 cash deposit machines. Maybank Indonesia is one of the largest commercial banks in Indonesia by assets at IDR169.08 trillion and has total customer deposits of IDR110.60 trillion as at 31 December 2019. Maybank Indonesia contributed 6.0% and 7.1% to the Group's profit before tax and gross loans* respectively in FY2019.

**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 including mortgage, trade finance and remittance.

**MAYBANK CAMBODIA PLC**

Maybank Cambodia PLC (MCP) was established in 1993 and locally incorporated in 2012, with 21 branches across Cambodia. MCP provides the full range of banking services for emerging affluent and affluent consumers, retail SMEs and corporate clients.

**MAYBANK VIETNAM**

Maybank Vietnam was established in 1995 with two branches located in Ho Chi Minh and Hanoi that provide wholesale banking services including capital expenditure financing, working capital, trade and project financing as well as foreign exchange products to regional corporate clients.

**MAYBANK LAOS**

Maybank Laos was established in 2012 with two branches in Vientiane that provide commercial banking services including trade financing and remittance to retail SMEs as well as mid-tier local and ASEAN corporate clients.

**MAYBANK MYANMAR**

Maybank Myanmar was the first and only Malaysian bank to be granted a foreign banking license by the Central Bank of Myanmar in 2015. This branch offers wholesale banking services including capital expenditure financing, working capital, project financing, trade and remittances to regional corporate clients, primarily ASEAN corporates.

**MAYBANK PHILIPPINES INCORPORATED**

Maybank Philippines Incorporated (MPI) was established in 1997 as a full-fledged commercial bank and has 73 branches across the Philippines. MPI offers a wide array of financial solutions including treasury and trust services to retail and corporate clients, servicing emerging affluent and affluent clients, retail SMEs, top and mid-tier corporations.

**MAYBANK GREATER CHINA**

Maybank started its presence in Greater China in 1962 with a branch in Hong Kong and has now expanded to Shanghai, Beijing, Kunming and Shenzhen. We provide wholesale banking services to corporate clients in Hong Kong and Mainland China, primarily to inbound/outbound ASEAN corporates, Chinese/HK corporates with regional operations and projects as well as financial institutions. Maybank Hong Kong also offers Private Wealth products for our high net worth clients.

**MAYBANK 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**

Maybank London was established in 1962 and offers wholesale banking services primarily to our regional ASEAN corporate clients and financial institutions, focusing on corporate lending, treasury products, capital markets and trade finance. We also provide Shariah-compliant products to both corporate and high net worth retail clients.

Associates

**MCB BANK LTD**

MCB Bank (MCB) is an 18.78%-owned associate of Maybank. Incorporated in 1947 and privatised in 1991, MCB is one of the premier financial institutions in Pakistan with more than 70 years of experience. MCB serves through a network of 1,598 branches within Pakistan and 10 branches outside the country and has presence in Sri Lanka, Dubai, Bahrain and Azerbaijan. MCB also caters to the financial needs of the growing Islamic banking segment through its wholly owned subsidiary, MCB Islamic Bank Limited.

**AN BINH BANK**

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

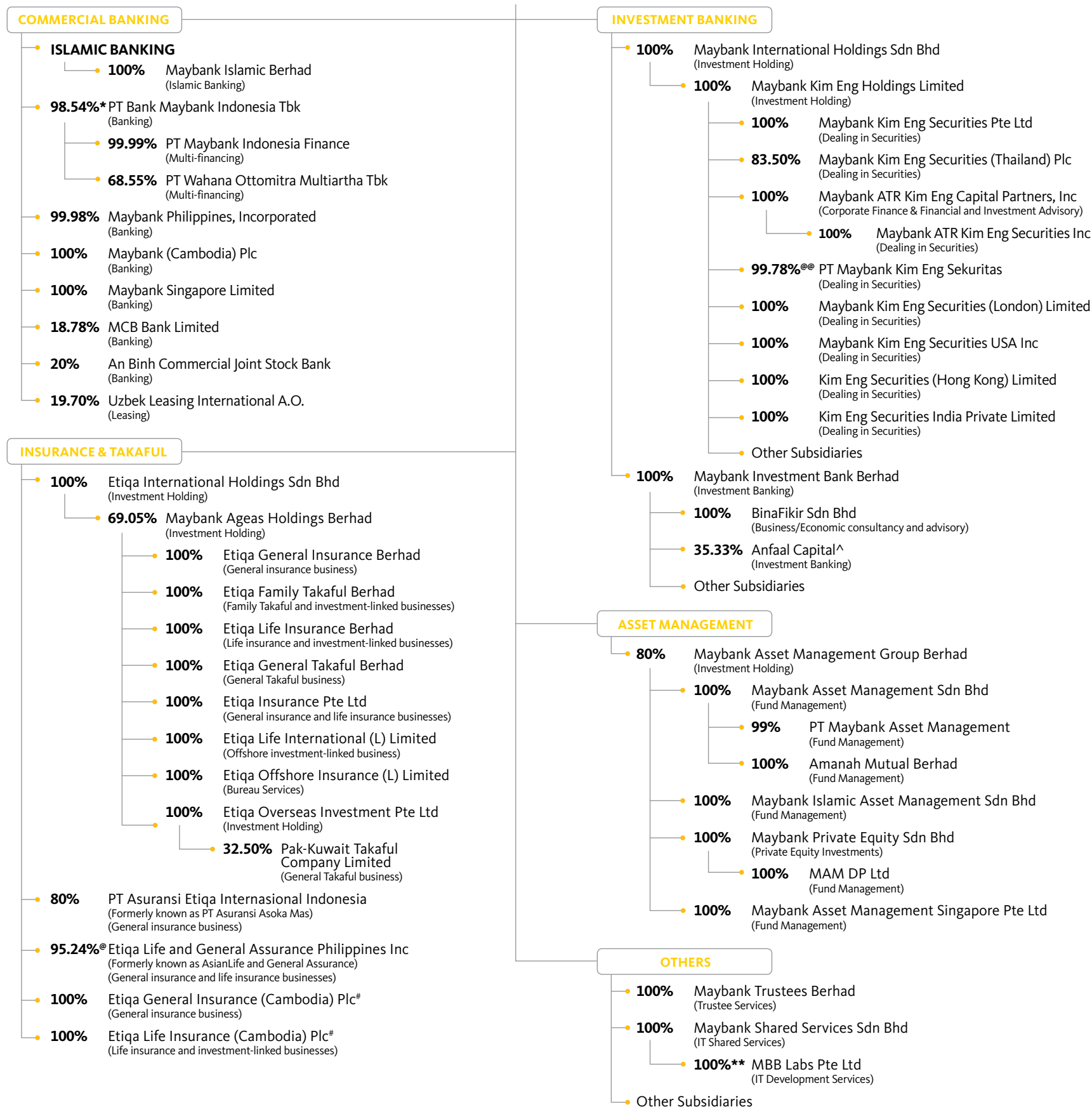
**UZBEK INTERNATIONAL A.O.**

Uzbek Leasing International A.O. (Uzbek Leasing) is a 19.7%-owned associate of Maybank. It specialises in providing a wide spectrum of financial and leasing services from 10 regional representative offices located throughout the country.

* Including Islamic loans sold to Cagamas and excluding unwinding of interest.

GROUP CORPORATE STRUCTURE

as at 31 December 2019



Notes:

- This chart is not the complete list of Maybank subsidiaries and associates. Companies that are not shown include those that are dormant, under liquidation, have ceased operations, or are property investment or nominee services companies. For the complete list refer to Note 66: Details of Subsidiaries, Deemed Controlled Structured Entities, Associates and Joint Ventures in the Financial Book.
 - Where investment holding companies are omitted, shareholdings are shown as effective interest.
- * Effective interest held by the Group. Refer to Note 66, footnote 14, page 268 in the Financial Book for the details.
- ** 0.01% is held by Dourado Tora Holdings Sdn Bhd.
- [^] Joint Venture.
- [#] New subsidiaries incorporated in Cambodia. Refer to Notes 18(iii) and 18(iv), page 90 in the Financial Book for the details.
- [@] Effective interest held by the Group. 54.66% is held by Etiqa International Holdings Sdn Bhd and 40.58% is held by Maybank ATR Kim Eng Capital Partners, Inc.
- ^{@@} Effective interest held by the Group. 85% is held by Maybank Kim Eng Holdings Limited and 15% is held by PT Maybank Indonesia Finance (14.78% effective interest held by the Group).

GROUP ORGANISATION STRUCTURE

Datuk Abdul Farid Alias

Group President & Chief Executive Officer

Helms Maybank Group's overall business growth and regionalisation strategies and ensures the delivery of long-term value for shareholders, customers, employees and all other stakeholders.

BUSINESS

GROUP COMMUNITY FINANCIAL SERVICES

Dato' John Chong Eng Chuan

Group Chief Executive Officer,
Community Financial Services

Leads Group Community Financial Services' business growth and strategic direction across the region, covering wealth management, consumer and branch, retail SME, business banking and virtual banking.

GROUP GLOBAL BANKING

Dato' Muzaffar Hisham

Group Chief Executive Officer,
Global Banking

Leads Group Global Banking's business growth and regionalisation strategies for services including corporate and transaction banking, investment banking, treasury, asset management and client coverage.

GROUP ISLAMIC BANKING

Dato' Mohamed Rafique Merican Mohd Wahiduddin Merican

Group Chief Executive Officer,
Islamic Banking

Leads Group Islamic Banking's franchise growth and regional expansion as well as oversees its business strategies, product development and risk and Shariah-compliant management.

GROUP INSURANCE & TAKAFUL

Kamaludin Ahmad

Group Chief Executive Officer,
Insurance & Takaful

Drives and manages the overall strategy, growth and profitability of the Group's insurance and Takaful business across the region.

COUNTRY

SINGAPORE

Dr. John Lee Hin Hock

Country Chief Executive Officer &
Chief Executive Officer, Maybank
Singapore

Leads Maybank Singapore's business growth, and drives its strategy, branding and innovation development in line with the Group's vision, mission and objectives.

INDONESIA

Taswin Zakaria

President Director,
Maybank Indonesia

Establishes strategic policies and provides overall direction for Maybank Indonesia's business operations as well as directly supervises the development of Shariah banking business. Oversees Maybank's subsidiaries in Indonesia.

FUNCTION

GROUP FINANCE

Dato' Amirul Feisal Wan Zahir

Group Chief Financial Officer

Leads the Group's financial planning, budgeting, reporting and recovery process and manages the Group's capital and funding to ensure sustainable growth for the organisation.

GROUP HUMAN CAPITAL

Datuk Nora Abd Manaf

Group Chief Human Capital
Officer

Builds and curates innovative and meaningful human capital strategies, initiatives and policies to develop and empower talents with high adaptability to drive sustainable growth and business performance.

GROUP RISK

Gilbert Kohnke

Group Chief Risk Officer

Strategises and leads an effective enterprise-wide risk management framework for the Group while implementing proactive and forward-looking risk practices to support its strategic aspirations.

GROUP STRATEGY & INTERNATIONAL

Michael Foong Seong Yew

Group Chief Strategy Officer
& Chief Executive Officer,
International*

Develops the Group's long-term strategy and drives its regionalisation, digital and business development agenda. Also, leads and transforms the Group's international operations covering 13 countries.

* Chief Executive Officer, International, is a Country role.

GROUP TECHNOLOGY

Mohd Suhail Amar Suresh

Group Chief Technology Officer

Builds differentiated regional strategic capabilities for the Group by leveraging technology as a competitive advantage, especially for an enhanced customer experience, greater efficiency and cost advantage.

GROUP OPERATIONS

Jerome Hon Kah Cho

Group Chief Operations Officer

Formulates and develops the Group's operational strategy and oversees the efficient and effective delivery of services to support the Group's vision and mission.

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

Nazlee Abdul Hamid

Group Chief Audit Executive

Leads 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.

Full profiles can be obtained on pages 72 and 76 to 77.

KEY MESSAGES TO SHAREHOLDERS



**From Chairman
Datuk Mohaiyani Shamsudin**

SHAREHOLDER RETURNS

How has Maybank Group performed in 2019, taking into consideration the global economic landscape? What are key highlights that shareholders should take note of?

Amidst a softer global economic backdrop, impacted by trade wars, ongoing geopolitical tensions and a reducing interest rate environment, Maybank Group held steadfast in preserving capital and liquidity strength given unfolding market uncertainties. We were selective in our balance sheet expansion and placed emphasis on protecting margins in a low rate environment. Our priority as an organisation and as Maybankers, continues to be on upholding and embodying our mission statement of Humanising Financial Services in any operating landscape as it serves as our key differentiator in achieving sustainable practices and profitability.

It is with the greatest pleasure that we announce that Maybank, has yet again, recorded its highest ever net profit at RM8.20 billion for FY2019, translating to a return on equity of 10.9%. As a reward to our shareholders, the Board had proposed a final all cash dividend of 39 sen per share for FY2019, subject to shareholders' approval at the upcoming annual general meeting (AGM). In light of the COVID-19 pandemic and the subsequent government directive to refrain from holding large gatherings, the date of our AGM remains uncertain as our utmost priority is to ensure the safety of our shareholders, employees and other stakeholders during this health crisis.

Given the uncertainty over the AGM date, which then creates uncertainty over the payment date of the proposed final dividend, Maybank Group reclassified the final cash dividend to second interim cash dividend. This decision to reclassify the dividend was made by the Maybank Board in the interest of shareholders to facilitate a timely dividend payment and is not prejudicial as the quantum of the dividend remains unchanged at 39 sen per share for FY2019. The second interim dividend, to be paid fully in cash tentatively on 6 May 2020, will not require shareholder approval at the AGM.

Maybank Group announced a total all cash dividend of 64 sen per share for FY2019, which equates to an effective payout of 87.8% from net profit. Our dividend yield of 7.4% for FY2019 remains among the highest in the region.

More on our financial performance in Reflections from Our Group Chief Financial Officer, page 28.

GOVERNANCE AND CULTURE

What are some key Board of Directors' activities undertaken in 2019 and developments within the Board composition to ensure strong governance?

The Board directs and oversees Maybank Group's business and activities by reviewing and approving its overall strategy and significant policies periodically. Some of these Group reviews and approvals include the business strategy for various sectors, annual budget and business plan, sustainability and digital strategies, as well as risk management and internal controls, among others. In this regard, the Board has acknowledged that the 2019 Annual Report is materially presented in line with the International Integrated Reporting Framework issued by the International Integrated Reporting Council, with the Group having first embarked on its Integrated Reporting journey three years ago.

Apart from setting the tone from the top in line with the Group's core values, the Board monitors management's execution of strategy and financial performance, to ensure that short-term and long-term aspirations are balanced.

Within the Board, continued emphasis is placed on diversity and inclusivity. We bid a gratitude-filled farewell to En. Nor Hizam Hashim, who retired from the Board in June 2019 having served three years as an independent non-executive director (INED). In 2019, we welcomed two new INEDs, Dato' Idris Kechot and Dato' Zulkiflee Abbas Abdul Hamid, who bring a wealth of experience in asset management and banking, respectively.

Supplementing Maybank's Group Inclusivity and Diversity Agenda, the Board has also established a Policy on Gender Diversity and has a 33.3% women representation on the Board as at end-2019. There is a strong level of independence practised at the Board, with 75% of the Board represented by INEDs. This far exceeds the regulatory requirement of one-third board independence.

More on the role of the Board as well as Board size, composition and diversity in Corporate Governance Overview Statement, pages 82 to 84.

64 sen
total dividend
per share

7.4%
dividend yield
one of the highest
among banks in
the region

Board Composition

2 Non-Independent
Non-Executive Directors

1 Non-Independent
Executive Director



9 Independent
Non-Executive Directors

Board Gender Diversity

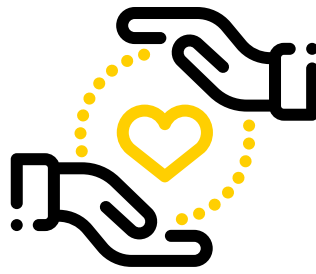
8 men

4 women

SUSTAINABILITY AND COMMUNITY DEVELOPMENT

How is Maybank approaching sustainability as an organisation?

Maybank's approach to sustainability will always be anchored on our mission statement of **Humanising Financial Services**, as we look to serve in the interests of all stakeholder groups in the markets we operate, to be a champion of inclusivity and to be a "Force of Good".



As an organisation, we have made significant strides in charting our sustainability journey over the past decade. Initially, we established Maybank Foundation in 2010 to be the strategic driver and main implementer of the Group's community programmes. A few years later, we launched the five-year Maybank 20/20 Sustainability Plan in 2014 based on three key pillars – Community and Citizenship, Our People and Access to Products and Services. As we come to the end of this five-year plan, the organisation now finds itself at a new turning point, with the marketplace pushing for greater sustainability practices and discussions on climate change. As such, the Group has established in 2019 a Sustainability Council reporting to the Group President & CEO to spearhead this agenda, with Board oversight.

📖 More on our progress of the Maybank 20/20 Sustainability Plan and the Sustainability Council in Sustainability Statement, pages 99 to 101.

Maybank's approach to sustainability will always be anchored on our mission statement of Humanising Financial Services, as we look to serve in the interests of all stakeholder groups in the markets we operate, to be a champion of inclusivity and to be a

"Force of Good". We are already well on our journey of leading sustainable activities in the region. We do this through our participation in landmark financing deals, by driving financial inclusion as we improve access to financing for the underserved segments in the region, enhancing financial literacy and prioritising environment, social and governance factors within our operations while working with our customers to do the same.

Some examples of our involvement in driving sustainable financing and practices include our appointment as the joint bookrunner and joint lead manager for Industrial and Commercial Bank of China Ltd Singapore Branch's inaugural USD2 billion green bond to support the development of a greener Belt and Road Initiative. Beyond sustainable financing, we actively promote other sustainability initiatives such as one by our insurance and Takaful arm, Etiqa's Clean Water Project, which is accessed by over 3,300 villagers from rural communities across five regions in Malaysia.

📖 More on our initiatives to provide access to sustainable finance in Sustainability Statement, pages 105 to 106.

What is Maybank's role in community development?

Through Maybank Foundation, we run various flagship community empowerment programmes such as Reach Independence & Sustainable Entrepreneurship (R.I.S.E.), eMpowering Youths Across ASEAN, Maybank Women Eco-Weavers and CashVille Kidz. It is heart-warming to see the impact our programmes have on our beneficiaries and how their lives are improved considerably and in a sustainable manner. Take Sri Lestari from Yogyakarta for example. She is a mother of two who had her spine crushed during an earthquake that left her wheelchair bound. Through the R.I.S.E. programme, she learnt how to differentiate her knitted products and achieve financial independence from an abusive spouse. The programme not only empowered her to find a means of sustainable livelihood, but gave her the courage to leave an abusive relationship and find a safer environment for herself and her children.

Maybank Group has consistently allocated about 1% of the Group's net profit to community programmes within ASEAN since 2013 and these real life stories tell us that we can help make a difference. As Maybank Group turns 60 years old in 2020, this is the perfect opportunity for us to reflect on our economic and social contributions within the ASEAN region. Our journey also signifies our growth together through generations of customers, shareholders and other stakeholders. May this relationship sustain and reach greater heights in future years to come.

About **1%**
of the **Group's net profit** goes
into **community programmes**
since **2013**

📖 More on our empowering communities initiatives can be found in Sustainability Statement, pages 102 to 103.

KEY MESSAGES TO SHAREHOLDERS



From Group President & CEO
Datuk Abdul Farid Alias

“Trust is the highest form of human motivation. It brings out the very best in people.”

– Stephen R. Covey –

Trust is the foundation on which successful, enduring and endearing relationships are built. Once it is established, it will bring out the very best in people, be it within a team, an organisation, a community or even in a country. Trust is demonstrated through consistent, example-led behaviour and actions, especially when they are more altruistic in nature.



The year 2020 marks a special year for Maybank Group. We celebrate six decades of rich, deep and meaningful relationships built on trust with our various stakeholder groups across the 18 countries we serve. The hard work of past and present Maybankers in cultivating long-lasting relationships with our customers and communities over the last 60 years have culminated in Maybank being recognised repeatedly, for its brand strength. We received the “Brand of the Year” award for the sixth consecutive year at the 2019 World Branding Awards and was also inducted into the Putra Brand Awards Hall of Fame in 2019 for winning the top award in the banking, investment and insurance category for 10 consecutive years. Maybank also won the top award at PwC’s Building Trust Awards 2019, which recognises a company’s effort in building trust through its communications and interactions with stakeholders.

A JOURNEY THROUGH TIME

Before touching on our 2019 performance, let us take a brief walk down memory lane. I’m sure some of our shareholders, customers and even Maybankers themselves, would be curious to know the history behind this organisation that now employs over 43,000 people and serves over 20 million customers across Asia, the Middle East, the UK and the US.

Maybank was established by a group of entrepreneurs led by Tan Sri Khoo Teck Puat during a time of great change in Malaya. It was set up in 1960, on the heels of Malaya gaining her independence three years earlier and the new government’s pursuit to balance growth in both urban and rural areas as part of the nation’s overall economic and social development.

Tan Sri Khoo, who had previously spent 26 years in Overseas Chinese Banking Corporation (OCBC), saw a niche for a local bank to cater to the needs of smaller businesses, civil servants and the growing number of professionals entering the workforce. His goal of making banking accessible to everyone fitted in with the government’s aspirations, especially since the banking landscape had been dominated up to that point, by foreign banks. These foreign banks, which mainly served the big foreign enterprises, came to Malaya when European traders arrived in Asia during the colonial era.

Maybank, conceived as the people’s bank, was incorporated on 31 May 1960 and opened for business several months later in September, with Tan Sri Khoo in the driving seat as managing director. He embarked on an aggressive expansion path, setting up new branches in corner shoplots almost every other day – earning Maybank’s branches the nickname “coffee-shop banks” as they were mostly near such shops. It was also under his stewardship that Maybank expanded overseas to Brunei, Hong Kong and London.

In the last 60 years, Maybank has not only grown in parallel with Malaysia’s economic development, it has also established itself as a strong and trusted regional brand that supported ASEAN’s development. As Malaysia’s largest financial institution and one of the top banks in the ASEAN region, we are able to offer clients cross-border services and connectivity to Greater China given our presence there. We have also played an integral role in the social development of communities within ASEAN by offering banking to the underserved and through our community outreach programmes.

In this journey of growth and in serving many generations of customers, what has remained clear is Maybank’s sense of purpose. Tan Sri Khoo’s intention was to make financing accessible to all and the Maybank of that era accomplished that mission. Today, Maybank aims to do the same, but with a refined mission of Humanising Financial Services. This is a constant reminder to all Maybankers that at the end of every strand in the

Key Messages to Shareholders

web of our activities are human beings, comprising shareholders, customers, employees, communities, and other stakeholders, including competitors. And at the centre of the web is our collective drive to do the right thing for our stakeholders.

In this journey of growth and in serving many generations of customers, what has remained clear is Maybank's sense of purpose - **to make financing accessible to all.**

As I looked through some memorabilia commemorating our golden jubilee anniversary from ten years ago, I came across the written testimony of one of our long-standing customers in Singapore, Mr Goh Geok Khim, who is the founder of the GK Goh Group of companies. His story caught my eye and his words resonated with me, especially given the current environment that we are in.

Mr Goh spoke about how his banking relationship with Maybank Singapore started in the late 1960s and evolved over the years. Having owned a stockbroking firm, he recollected that Maybank stood by him when a Singaporean firm, Pan Electric Industries Ltd, collapsed in 1985 due to unsettled forward contracts, wreaking havoc on the Malaysia and Singapore stock exchanges, and forcing the exchanges to be suspended for three days.

Arising from this crisis, Mr Goh said he owed bankers SGD18 million. "Of all of the bankers, only JY Lim (the Maybank manager) asked me how viable my company was, and I said, "Look, I am still profitable and all I ask for is a three-year moratorium. I will pay back all the debts in full with interest."

Mr Goh added that six of his lenders wanted their money returned. Maybank, however, came up with a proposal and offered him a SGD30 million unsecured line, which served as a lifeline for Mr Goh in his hour of need. Within two years, he had paid it back in full.

"Despite all the troubles that I had in the 1980s, Maybank directors and managers treated me with respect and to me, that counts a lot more than money," he said. He added that what distinguishes Maybank from other banks is that it is a bank with a heart. "When customers have issues, I see that Maybank always tries to work out solutions to nurse them back to health."

It is by doing the right thing by our customers, and other stakeholders, that we fulfil our sense of purpose and are successful in building trusted relationships that last through generations.

A SUBDUED 2019

Looking back at 2019, it was a year that saw the continuation of events from 2018. The effects of the US-China trade war and other geopolitical tensions caused global growth to slow to 2.9% in 2019 (2018: 3.6%) on the back of lower trade activities and decelerated growth among large economies like the US, Eurozone, China and India. Within ASEAN, a low interest rate environment persisted with central banks easing their monetary policies to support growth.

Malaysia's slower growth of 4.3% (2018: 4.7%) was led mainly by the disruption in the commodities-related sector and contraction in public investments while Singapore's lower economic growth of 0.7% (2018: 3.4%) was due to the softer manufacturing and net external demand given the ongoing trade war. Indonesia's growth remained stable at 5.0% despite weaker external demand.

For more on our macroeconomic and banking landscape review of 2019, refer to Market Overview on page 22.

Against the myriad of external challenges faced, Maybank Group leveraged its franchise to deliver growth in line with the risk appetite and liquidity management strategy. We did not pursue growth at the expense of asset and liability pricing.

As such, we achieved a respectable net operating income growth of 4.6% to RM24.74 billion in spite of the slow growth environment. This was mainly led by the 10.7% rise in net fee based income and a slight growth of 2.2% in net fund based income.

Our higher net fee based income at RM7.23 billion can be attributed to stable recurring income from commission, service charges and fees while our investment and trading portfolios benefited from the lower bond yield environment. Given our surplus liquidity, we took the opportunity to realise some trading gains from our large holding of securities and reinvested the excess cash.

Also supporting the net fee based income growth was our Insurance & Takaful arm Etiqa's strong performance, driven by its higher net adjusted premiums and better General business market share.

Meanwhile, our net fund based income of RM17.51 billion was supported mainly by loans growth in

Malaysia of 4.9%, while our international portfolio contracted owing to external demand weakness arising from the trade war and as we de-risked some segments of our overseas portfolio. Net interest margin (NIM) compression, arising from the low rate environment coupled with continued assets and liabilities competition in Indonesia, ate into our net fund based income. Group NIM compressed 6 bps YoY to 2.27%; slightly better than our compression guidance of 7 to 9 bps.

We remained watchful of cost expansion and managed a low single-digit growth of 2.8% YoY, yielding a positive JAWs position and a cost-to-income ratio of 46.7%, within our guidance of circa 47%. As a result, we achieved a record pre-provisioning operating profit of RM13.18 billion for FY2019, up 6.1% YoY.

A setback we experienced for the year was the increase in impairment charges due to provisions made for several non-retail and corporate borrowers

in Singapore and Indonesia, arising from intensifying external environment weakness in the second half of the year. We performed a review of our loan portfolios in Singapore and Indonesia and tightened data governance and risk reporting systems to ensure that we are better equipped to accurately identify risks moving forward. We are also in the process of reshaping our Singapore corporate book by paring down exposures in specific sectors and strengthening the end-to-end credit processes. Our Group net credit charge off rate was 44 bps for FY2019.

Despite the setback, Maybank Group was able to deliver a new record-high net profit of RM8.20 billion, or an earnings per share of 73.5 sen. We also declared a total all cash dividend of 64 sen per share for FY2019, translating to an effective payout of 87.8% of our net profit. This decision to return excess cash to shareholders was made in light of the slow growth environment and given our robust capital and liquidity levels. Meanwhile, the Group's return on equity was 10.9%, ahead of our revised Key Performance Indicator of between 10.0% and 10.5% for FY2019.

For more details on our liquidity and capital levels as well as our overall financial performance, refer to Reflections from Our Group Chief Financial Officer on page 28.

Net operating income growth of 4.6% to
RM24.74 billion

New record-high net profit of
RM8.20 billion

Earnings per share of
73.5 sen

Key Messages to Shareholders

BUILDING A SUSTAINABLE BANK EMBRACING DIGITALISATION

When we talk about sustainability, it encompasses two aspects – looking for sustainable growth given evolving trends such as slowing economic growth, demographic shifts and technological advancements, as well as incorporating emerging environmental, social and governance (ESG) considerations into our longer-term strategic aspirations.

While environmental sustainability is important, social issues such as the financial needs of the communities we serve, and governance topics like transparency of business practices and compliance to regulations, are equally important. Without addressing social issues, we cannot expect to address environmental sustainability. And without governance, there is little to protect against “greenwashing” or the practise of making sustainability-related statements or policies appear more serious than they truly are.

We recognise that ESG is not a passing fad and view the integration of ESG factors into our business operations as a meticulous journey that demands meaningful and significant steps to be taken progressively over a period of time. In 2019, we incorporated ESG principles into our lending decisions, in the form of Risk Acceptance Criteria, for high ESG risk sectors such as forestry and logging, oil and gas, palm oil and mining and quarrying and it will be progressively rolled out to other sectors such as power, chemical and shipping. We also established an ESG specialist team within the bank to support our clients with operations that can adversely impact the environment or society. We do recognise that our clients are at different stages of this process and are operating in countries with different stages of economic development.

In 2019, we formed a dedicated Group Sustainability Council, comprising executive committee members from across the businesses, countries and key support sectors to ensure a holistic integration of our sustainability approach into the Group’s framework. This Council reports directly to me, with the Board overseeing Maybank’s sustainability agenda. We continue to expand our sustainable activities within the region by driving sustainable financing and practices as well as value-based intermediation financing.



Incorporated **ESG principles** into our **lending decision** for high ESG risk sectors.



Established an **ESG specialist team to support clients** with operations that can adversely impact the environment or society.



Established a **dedicated Group Sustainability Council** that reports directly to the Group President & CEO.

For more details on our sustainability governance, activities and responsible financing, please refer to the Sustainability Statement on page 99.

Maybank’s digital transformation has been multifaceted. To compete successfully, it comes down to anticipating and meeting customers’ needs. As such, our strategy has been to use digital marketing for customer acquisition and engagement, to create products and services for digitally active customers, to use data judiciously to provide a differentiated value proposition and to embed banking into our customers’ daily lives for seamless transactions. We also deployed automation, artificial intelligence and straight-through processing systems to improve operational efficiency and to free-up Maybankers so they can undertake revenue-generating activities such as relationship building and cross-selling. By all accounts, we have successfully defended our market share and nurtured a brand image that places Maybank as The Digital Bank of Choice in customers’ minds.

Maybank’s digital transformation has been multifaceted - to compete successfully, it comes down to **anticipating and meeting customers’ needs.**



As the largest bank in Malaysia with an extensive regional footprint, we need to defend our position with an aggressive and intelligent digital strategy. For instance, when new-age non-bank digital players entered the digital payment space, we came up with our own innovations, intellectual property and proprietary software. The creation of our digital wallet, MAE, and the Tap2Phone payment solution, are among some examples. Many of our digital offerings are built in-house by our Technology team, yielding meaningful organisational-led innovations that are cost effective and value accretive.

For more details on our digital offerings and innovations in 2019, please refer to The Digital Bank of Choice on page 56.

While the digital banking licenses that will be made available in Malaysia in 2020 has drawn a lot of attention, it is unlikely that brick-and-mortar financial institutions will be displaced, as there are certain segments of customers who still prefer face-to-face interactions. This is why our digital transformation is designed to retain the strengths of the traditional person-to-person business model but value add to differentiate us from branchless competitors. An example is our introduction of Mspace, the revamped branch in Singapore that combines a café with modern banking services, where complex banking transactions are conducted and personalised financial advice offered. This is where we build trusted relationships that keep customers returning, even in a digital age.

Another area that I would personally like to explore further is technology innovations with value propositions designed to address the needs of the under-banked and the unbanked segments amidst the challenges we all are facing. This is a market segment that still remains largely underserved across ASEAN.

I’m excited about our digital journey for FY2020, as we have lined up a number of digital innovations to be released to the market. This includes providing solutions to improve the efficiency and turnaround time for some of our credit processes for greater customer experience.


Key Messages to Shareholders

OUTLOOK FOR 2020

As I write this, the first quarter of 2020 has concluded. The year has turned out differently from our earlier expectations of a slightly better 2020 given de-escalating trade tensions between US and China arising from a “Phase 1” deal. We could not have anticipated the widespread impact that the Novel Coronavirus (COVID-19) pandemic would inflict on the global community. As at mid-April, over 200 countries and territories have recorded a total of over two million confirmed cases and rising.

Although the true impact of this virus on the real economy cannot be quantified at this juncture, we have seen financial markets swing violently with stock markets across Asia, the US and Europe nose-dive and trigger trading halts on severe sell-offs by investors.

To flatten the curve and spread of the virus, governments around the world, including those of our home markets, have ordered nationwide lockdowns and replaced movement control orders. Globally, central banks have actioned on aggressive monetary policy easing while federal governments mobilised large stimulus packages to keep money flowing into economies to provide relief to affected businesses and individuals, on the back of a looming global recession.

 For details on our macroeconomic and banking landscape outlook for 2020, refer to Market Overview on page 22.

In Malaysia, Bank Negara Malaysia (BNM) announced that banks will offer an automatic deferment of all performing loan/financing repayments denominated in Ringgit for six-months effective 1 April 2020. The automatic deferment is applicable to individuals and small and medium enterprises while affected corporates can opt to defer or restructure their loans/financing repayments. To ensure sufficient liquidity in the banking system, BNM also introduced some liquidity and capital easing measures that allow banks to drawdown on their capital conservation buffer, operate below the minimum liquidity coverage ratio of 100% and utilise their regulatory reserves. Meanwhile, the implementation of the net stable funding ratio will proceed on 1 July 2020, although lowered to 80%.

The Monetary Authority of Singapore has also announced similar measures on debt moratoriums and liquidity measures and we anticipate that Indonesia’s Otoritas Jasa Keuangan will likely follow suit. With regulators and governments working collectively to keep individuals employed and

businesses viable, Maybank is committed to doing its part in helping its customers and communities weather through this unprecedented event in line with our mission of Humanising Financial Services. It is in our collective interest as individuals, organisations and nations to ensure livelihoods are preserved. The debt moratoriums and economic stimulus packages are meant to provide temporary cashflow reliefs to tide individuals and businesses over until a solution is found to arrest and contain the spread of the virus, allowing economic activities to restart again.

Maybank will help its customers access credit through simplified processes and quick turnarounds to keep these customers viable and “to nurse them back to health”, as we have consistently done through trying times over the decades. We will not leave behind the communities we serve and will continue to provide the necessary aid in combating this pandemic – to date, Maybank Group has donated RM18 million to COVID-19 causes, with Etiqa Family Takaful Bhd donating RM10 million to government hospitals for COVID-19 test kits and Maybank Group donating RM8 million to Mercy Malaysia’s COVID-19 pandemic fund. The fund aims to alleviate the impact to the severely burdened public healthcare system and reduce the humanitarian challenge faced by frontliners and volunteers working to contain the spread of the virus.

Maybank is committed to doing its part in **helping its customers and communities** weather through this unprecedented event in line with our mission of **Humanising Financial Services**



To our shareholders, Maybank will continue to prioritise its capital and liquidity strength, maintain selective balance sheet expansion in tandem with the Group’s risk appetite and remain focused on its ongoing cost discipline and proactive engagements with customers on asset quality management given the softer economic landscape. The Group will leverage its diversified franchise to drive revenue growth, enhance customers’ experience through digital innovations and continue upskilling our workforce to improve productivity.

NOTE OF APPRECIATION

My heartfelt gratitude to Maybank’s stakeholders, namely our shareholders, customers, regulators, and communities, for their continued trust and support extended to us throughout the year. To all Maybankers, including the members of the Maybank Board and those of the other entities within the Group, I realise that these trying periods have bonded us as a team and made us fitter, stronger and grittier. I am truly grateful for your counsel, loyalty and support in our journey to become a sustainable bank that has embraced digitalisation.

A special thanks goes out to the Maybank frontliners, who continue to unselfishly serve our customers through the COVID-19 induced lockdowns across our different geographies. We also salute the various frontliners across the globe, who have put their own health at risk, to save lives. Thank you for being a “Force of Good”.

Our Maybank, Our Future.

OUR BUSINESS MODEL

OUR CAPITALS... >



FINANCIAL CAPITAL

Supported by:

- ▶ Strong internal capital generation with net profit of RM8.20 billion in FY2019 and stable Group CET1 capital ratio of 15.729%.
- ▶ Extensive retail franchise that generates our large customer funding base of RM565.27 billion while our credit rating strength (Local: AAA, Foreign: A-) allows access to diversified wholesale funding sources.



INTELLECTUAL CAPITAL

Built on:

- ▶ Strong brand reputation given our rich history and wide ASEAN presence. Reaffirmed as the most valuable and only AAA-rated bank brand in Malaysia.
- ▶ Integrated risk management culture and framework, which encompasses strategies, systems, processes and people.
- ▶ Strategic partnerships with technology players.



MANUFACTURED CAPITAL

Aimed at service delivery improvements by:

- ▶ Easy access to 2,629 retail branches and 5,505 self-service terminals.
- ▶ Streamlining operational processes for greater efficiency through automation and digitalisation, with 99% of customer transactions in Malaysia performed via self-service terminals and digital platforms.
- ▶ Strong internet and mobile banking platforms in key ASEAN markets such as Malaysia and Singapore.



HUMAN CAPITAL

Empowered by our T.I.G.E.R. values:

- ▶ 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 RM143 million to upskill employees through learning programmes.



SOCIAL & RELATIONSHIP CAPITAL

Our commitment to the communities we serve:

- ▶ About 1% of net profit to community programmes and Maybankers investing over 146,000 total volunteer hours.
- ▶ Constructive relationships and ongoing dialogue with regulators, governments and non-profit organisations.

AND KEY DIFFERENTIATORS HELP US CREATE VALUE... >

OUR COMPETITIVE ADVANTAGE

We are guided by our mission of **Humanising Financial Services** across Asia. This commitment has allowed us to create strong competitive advantages that support our strategy in generating long-term growth.



Global network with an extensive regional footprint

18
countries

2,629
retail branches



Healthy liquidity and strong capital positions

64^{sen}
all cash dividend per share

141.0%
Group LCR



Multi-channel customer engagement

+26
Net Promoter Score

8.68^{billion}
online transactions on Maybank2u in FY2019



Strong governance oversight

75%
Independent NEDs

33%
women directors

Refer to Investment Case on page 4.



Our shared **T.I.G.E.R.** values 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 honest, professional and ethical in all our dealings

Our Business Model

FROM BUSINESS ACTIVITIES CENTRED
ON OUR STRATEGY... >

OUR BUSINESSES AND STRATEGY

Our aspiration to be ASEAN's leading financial services provider is enabled by our **Maybank²⁰²⁰ Strategic Objectives**, which in turn, is shaped by our **key business activities**.

The Top
ASEAN
Community
Bank

- > **Group Community Financial Services** aspires to achieve this by leveraging our regional presence, banking expertise and growth opportunities in ASEAN.

📖 More on page 40.

The Leading
ASEAN
Wholesale Bank
Linking Asia

- > **Group Global Banking** aspires to achieve this by leveraging our ASEAN leadership capabilities to deliver client solutions across Asia.

📖 More on page 44.

The Leading
ASEAN
Insurer

- > **Group Insurance & Takaful** aspires to achieve this by leveraging synergies between Maybank's regional banking footprint and its expertise in Takaful & bancassurance.

📖 More on page 48.

The Global
Leader in
Islamic Finance

- > **Group Islamic Banking** aspires to achieve this by continuing to deliver innovative client-centric universal financial solutions, building on our global leadership in Islamic Finance.

📖 More on page 52.

The Digital
Bank of Choice

- > **Maybank Group** aspires to achieve this by putting our customers' preferences first and transforming to deliver next-generation customer experience.

📖 More on page 56.

TO MEET STAKEHOLDERS' NEEDS.

Financial and non-financial value is created and delivered to our stakeholders.



CUSTOMERS

- ▶ New client-centric digital innovations such as MAE, Tap2Phone and Smile App.
- ▶ Daily online banking availability rate at 99.5%.
- ▶ Industry leader in customer experience with Net Promoter Score (NPS) of +26, up 4 points YoY.
- ▶ Launched the first-of-its-kind critical illness plan with mental illness coverage.
- ▶ Executed several green bonds/sukuk, including the inaugural BRBR green bond of USD2 billion and Cypark Ref Sdn Bhd's solar turnkey sukuk.

📖 Refer to Group Community Financial Services, Group Global Banking, Group Insurance & Takaful, Group Islamic Banking, The Digital Bank of Choice, Service Delivery and Sustainability Statement on pages 40, 44, 48, 52, 56, 59 and 99 for more.



INVESTORS

- ▶ Return on equity of 10.9% for FY2019.
- ▶ Full year FY2019 dividend payout of RM7.19 billion, translating to 87.8% of net profit. Dividend yield of 7.4%.

📖 Refer to Key Messages to Shareholders and Reflections from Our Group Chief Financial Officer on pages 10 and 28 for more.



REGULATORS

- ▶ Compliance with regulatory requirements.
- ▶ Smooth adoption of the new accounting standard MFRS 16.
- ▶ Contributed RM2.54 billion in taxes and zakat.

📖 Refer to Financial Book on pages 53, 54 and 142 for more.



COMMUNITIES

- ▶ Awarded RM16.1 million in academic scholarships.
- ▶ Reached 208,746 students across six countries in ASEAN via our flagship CashVille Kidz programme.

📖 Refer to Sustainability Statement on page 99 for more.



EMPLOYEES

- ▶ RM5.01 billion in salaries and rewards.
- ▶ 45.1 average training hours per employee.

📖 Refer to Group Human Capital and Sustainability Statement on pages 62 and 99 for more.

We engage our stakeholders through various channels to identify, understand and address their key concerns. Read more about Stakeholder Engagement on page 19. We also discuss matters that significantly impact the interest of the Group and our stakeholders in the Material Matters section on page 20.

G

rowth

We are passionate about constant improvement and innovation

E

xcellence & Efficiency

We are committed to delivering outstanding performance and superior service

R

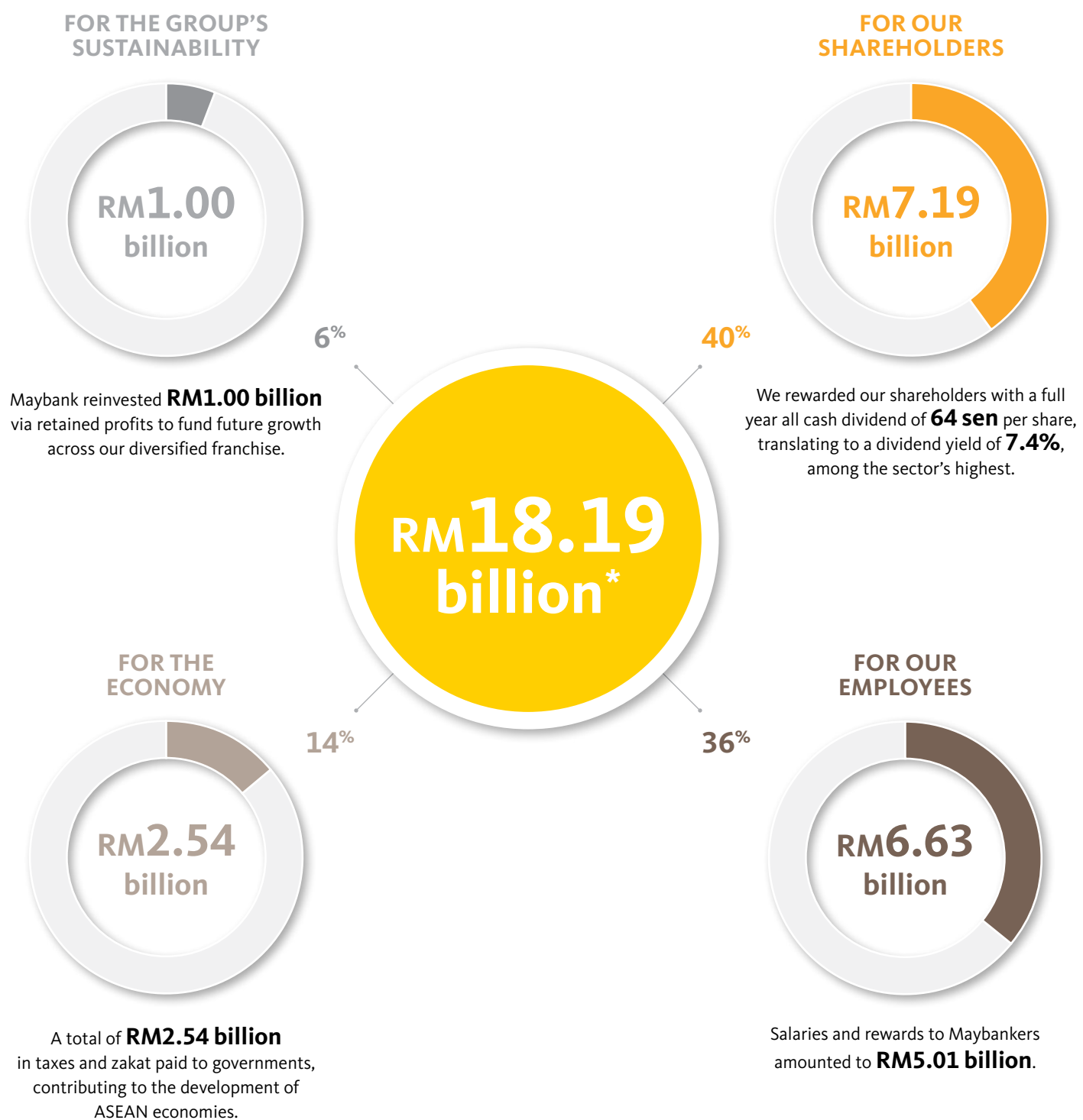
elationship Building

We continuously build long term and mutually beneficial partnerships

HOW WE DISTRIBUTE VALUE CREATED

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






Value created in 2019 was distributed as follows:



* Includes non-controlling interests as well as depreciation and amortisation which represent the combined 4% not illustrated above.

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.

	Engagement Channels	Stakeholder Objectives	Our Responses
 <p>Customers</p>	<p>To provide products and services that suit their needs, we engage them via:</p> <ul style="list-style-type: none"> Digital touchpoints, which include Maybank & Maybank Trade mobile apps, Maybank2u & Maybank2E websites, MAE and Etiqa online portals and apps Physical branches, self-service terminals (e.g. ATMs) Customer Service Centres and Sales representatives (i.e. Relationship Managers, Personal Financial Advisors and Client Coverage Teams) Maybank's social media platforms (Facebook, Instagram, Twitter) Customer satisfaction surveys 	<ul style="list-style-type: none"> Enhance customer service levels, improve process efficiency and provide options for fast and simple convenient banking Meet customers' needs and expectations for personalised financial advice and solutions Protection from fraud and scams Provide fair pricing and terms 	<ul style="list-style-type: none"> Enhance our digital propositions as well as internal functions and processes to improve our customers' experience through easier and faster transactions Leverage data analytics capabilities to provide the right solutions that meet their needs Drive awareness on cyber security to prevent possible attacks such as phishing and malware, and enhance data security <p>📖 For more details, refer to Group Community Financial Services, Group Global Banking, Group Insurance & Takaful, Group Islamic Banking, The Digital Bank of Choice and Service Delivery on pages 40, 44, 48, 52, 56 and 59</p>
 <p>Investors</p>	<p>As financial capital providers for our business to grow sustainably, we engage and update them via:</p> <ul style="list-style-type: none"> Conferences and non-deal roadshows Quarterly conference calls and biannual analyst briefings on our financial performance Thematic investor day briefings One-on-one and group investor meetings with GPCEO, GCFO or Head of Group Performance Reporting and Investor Relations Dissemination of information and disclosure of materials on our website at www.maybank.com/ir AGM and EGM Annual and sustainability reports 	<ul style="list-style-type: none"> Resilient revenue growth and sustainable cost management Sustainable dividend stream Proactive management of asset quality and credit risks from exposure to sectors with an uncertain outlook such as power, property and trade-related industries Embed sustainability considerations into our business practices Stay ahead of emerging competition in the banking industry particularly from FinTech 	<ul style="list-style-type: none"> Continue to create sustainable value by leveraging our diversified portfolio across ASEAN and key financial centres Emphasise on strong liquidity and capital management to support growth across the region Provide timely and comprehensive asset quality disclosures Integrate ESG considerations into our credit and risk evaluation processes Hosted Maybank Group Investor Day on Risk Management for analysts and fund managers <p>📖 For more details, refer to Reflections from Our Group Chief Financial Officer and Investor Information on pages 28 and 33</p>
 <p>Regulators</p>	<p>To understand the changes and impact on relevant laws, regulations and policies, we engage them via:</p> <ul style="list-style-type: none"> Regular reporting and periodic updates Active participation and contribution to the industry and regulatory working groups, forums and consultation papers 	<ul style="list-style-type: none"> Collaborate with regulators and industry working groups to manage compliance risks, financial crime risks and cyber security (including data governance and data privacy) Cultivate an ethical and risk-aware culture that complies with regulations 	<ul style="list-style-type: none"> Continuous review and enhancement of our compliance risk management and monitoring tools as well as Maybank's systems and processes Collaborate with our business units to ensure that all regulatory requirements are implemented seamlessly, while pursuing business goals <p>📖 For more details, refer to Group Risk Management, Group Compliance and Statement on Risk Management and Internal Control on pages 60, 61 and 88</p>
 <p>Communities</p>	<p>We engage the local communities that we impact via:</p> <ul style="list-style-type: none"> Strategic partnerships and active engagements Websites and social media channels including Twitter, Instagram, YouTube, Facebook and LinkedIn 	<ul style="list-style-type: none"> Maximise the positive impact of our community initiatives towards building a sustainable future for all Availability of financial advice and solutions for families, small businesses and the wider community Support initiatives aimed at addressing unemployment and low levels of financial literacy 	<ul style="list-style-type: none"> Reach out to the local and regional communities through Maybank Foundation flagship programmes and the MaybankHeart platform Conduct financial literacy programmes targeting specific segments i.e. SMEs, children, youths, the differently abled and disadvantaged communities. Provide employment opportunities for graduates and youths through various engagements and development programmes e.g. Maybank GO Ahead. Challenge, Maybank Young Bankers Internship Programme and Protégé <p>📖 For more details, refer to Sustainability Statement on page 99</p>
 <p>Employees</p>	<p>To ensure their diverse needs are catered for and that Maybank's values are embraced, we engage them via:</p> <ul style="list-style-type: none"> Employee dialogue sessions with Group EXCO – Conversation Series with C-Suite Employee engagement programmes and initiatives Regular electronic and printed communication (e.g. email and newsletters) Feedback platforms 	<ul style="list-style-type: none"> Equipped with the right skills, capabilities and mindset to remain relevant Empowerment to deliver their best by providing bespoke solutions, as well as policies, processes and infrastructure that are enabling Partake in impact-based solutions and long-term relationships that empower communities to develop sustainable livelihood skills 	<ul style="list-style-type: none"> Launched Crowdtivation, a platform that enables employees to experiment with innovation solutions and be part of internal gigs Continue to enable and encourage employees to develop and apply FutureReady skills in their daily tasks Provide holistic work-life integration programmes and a robust suite of wellness programmes Provide a platform for employees to fulfil their corporate and social responsibilities <p>📖 For more details, refer to Group Human Capital and Sustainability Statement on pages 62 and 99</p>

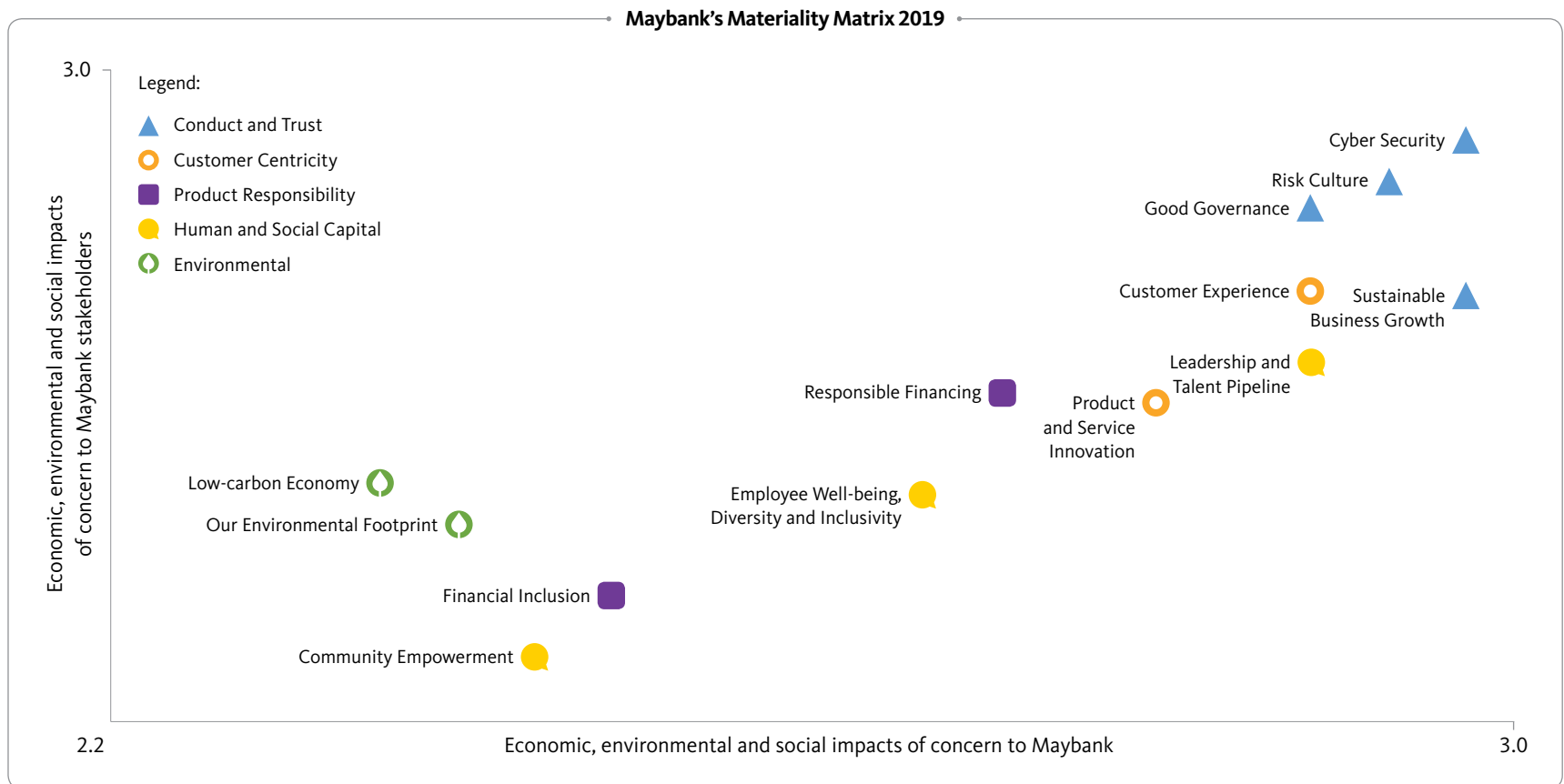
MATERIAL MATTERS

Maybank conducts an annual materiality assessment to identify topics prioritised by our stakeholders to provide a framework for our annual disclosure and alignment with the Group’s strategic objectives.

We continued to enhance our materiality assessment in 2019 by inviting more stakeholders within each stakeholder group for their feedback, merging similar topics and renaming existing material matters to reflect more commonly understood terms. New topics relevant to current industry and economic trends were also introduced.

90% more responses received than our materiality assessment in 2018

13 material topics streamlined from 18 in 2018



KEY OBSERVATIONS

In 2019, all four Conduct and Trust material matters were most prioritised by our stakeholders on the back of the digital transformation in the banking industry. **Cyber Security** remains the most prioritised of all material matters for the third consecutive year, reflecting the utmost importance placed on a bank’s cyber resilience. This can also be seen in the priority given to **Risk Culture**.





High priority given to **Good Governance** and **Sustainable Business Growth** reflect our stakeholders’ continued attention on our conduct and long-term viability in a changing landscape. Customers’ evolving preferences on how they interact with financial institutions in this digital era could have contributed to a marginal increase to the priority given to **Customer Experience**. The high level of stakeholder interest in these material matters is aligned with Maybank’s commitment to meeting our customers’ needs while protecting their security, data and privacy.

Sustainable Business Growth saw a marked increase in priority among internal stakeholders this year. This is in line with an increasing institutional focus on our long-term stability in the face of global uncertainties including an unstable political climate, slower economic growth, demographic shifts and technological advancements.



Our internal stakeholders also placed a higher priority on Product Responsibility specifically **Responsible Financing** in 2019. This is a reflection of their roles as key players in the process of incorporating environmental considerations into the Group’s business decisions. For further details, refer to the Sustainability Statement on page 99 and the Sustainability Report, which will be accessible online once published.

These material matters above are discussed by our businesses and corporate functions throughout this annual report. For an overview of how these material matters are linked to the Group’s risk assessment, refer to Risk Drivers on page 24.



Conduct and Trust

Material Matters	Discussed in
 Cyber Security Enhancing IT infrastructure to intensify the protection of customers' data and heighten payments security. Constantly developing strategies to strengthen resilience against potential cyber threats.	<ul style="list-style-type: none"> Risk Drivers, pg 24-26 The Digital Bank of Choice, pg 57 Service Delivery, pg 59 Statement on Risk Management and Internal Control, pg 91
 Risk Culture Reinforcing the right risk culture is fundamental for effective management of risk. We continuously uphold a strong risk culture that cultivates active identification, assessment and mitigation of risk. Risk culture also includes compliance on important aspects such as preventing financial crime and safeguarding customers' data.	<ul style="list-style-type: none"> Risk Drivers, pg 24-26 Group Compliance, pg 61 Corporate Governance Overview Statement, pg 82 and 86 Statement on Risk Management and Internal Control, pg 88-90
 Good Governance Continuously managing regulatory and reporting changes, as well as monitoring compliance and setting disciplinary guidelines to ensure fair business practices are maintained. Upholding the highest integrity, ethics and conduct which is anchored by our T.I.G.E.R. values and Code of Ethics and Conduct.	<ul style="list-style-type: none"> Risk Drivers, pg 24-26 Group Compliance, pg 61 Corporate Governance Overview Statement, pg 81-82 Statement on Risk Management and Internal Control, pg 88-93
 Sustainable Business Growth Taking measures for sustainable growth and demonstrating Maybank's resilience in responding to shifting trends such as slowing global economic growth, coupled with political uncertainties, demographic shifts and technological advancements.	<ul style="list-style-type: none"> Key Messages to Shareholders, pg 10-15 Risk Drivers, pg 24-26 Reflections from Our Group Chief Financial Officer, pg 28-32 Group Community Financial Services, pg 41 Group Global Banking, pg 45 Group Insurance & Takaful, pg 49 Group Islamic Banking, pg 53




Customer Centricity

Material Matters	Discussed in
 Customer Experience Addressing the basic rights and evolving needs of customers through innovation, with the passion to serve customers and provide access to financial solutions.	<ul style="list-style-type: none"> Group Community Financial Services, pg 41 Group Global Banking, pg 45 Group Insurance & Takaful, pg 49 Group Islamic Banking, pg 53 The Digital Bank of Choice, pg 57 Sustainability Statement, pg 100 and 105-106
 Product and Service Innovation Continuing to introduce innovative products and services in an economy of evolving digital trends alongside changing customers' needs. Providing secure and easy access for them to bank with us anytime, anywhere and on any platform.	<ul style="list-style-type: none"> Group Community Financial Services, pg 41 Group Global Banking, pg 45 Group Insurance & Takaful, pg 49 Group Islamic Banking, pg 53 The Digital Bank of Choice, pg 57



Product Responsibility

Material Matters	Discussed in
 Responsible Financing Focusing on managing the Environmental, Social and Governance (ESG) risks in our lending portfolio especially with the impact of climate change. Ensuring our portfolios and current customers have regular reviews of (and new customers consider) ESG issues, and Maybank's procedures protect the long-term interests of various stakeholders.	<ul style="list-style-type: none"> Risk Drivers, pg 24-26 Group Community Financial Services, pg 41 Group Global Banking, pg 45 Group Islamic Banking, pg 53 Group Risk Management, pg 60 Sustainability Statement, pg 100 and 105-106
 Financial Inclusion Broadening Maybank's customer base to include underserved and unbanked segments through tailored banking services and products that fulfil their financing needs.	<ul style="list-style-type: none"> Group Community Financial Services, pg 41 Group Insurance & Takaful, pg 49 Sustainability Statement, pg 100 and 105-106

Human and Social Capital

Material Matters	Discussed in
 Leadership and Talent Pipeline Future-proofing our workforce with relevant training on par with the ever-changing needs of the business environment. Equipping leaders with global ethical mindsets and developing talents to produce optimum productivity levels.	<ul style="list-style-type: none"> Risk Drivers, pg 24-26 Group Global Banking, pg 45 Group Human Capital, pg 62, 64-66 Sustainability Statement, pg 100 and 103-104
 Employee Well-being, Diversity and Inclusivity Creating a caring, diverse, inclusive (aligned with the Group Inclusivity and Diversity Agenda (GIDA)) and meaningful work environment as well as promoting the health, wellness and safety of Maybank employees.	<ul style="list-style-type: none"> Group Human Capital, pg 62 and 66-67 Corporate Governance Overview Statement, pg 82-83 Sustainability Statement, pg 100 and 103-104
 Community Empowerment Reaching out to communities through targeted social investments, employee volunteerism efforts (for example, Cahaya Kasih initiatives and Global CR Day), and long-term partnerships that offer programmes to the community with long-lasting impacts.	<ul style="list-style-type: none"> Group Human Capital, pg 62 and 67 Sustainability Statement, pg 100 and 102-103

Environmental

Material Matters	Discussed in
 Our Environmental Footprint Measuring and managing our impact on the environment by monitoring our environmental footprint.	<ul style="list-style-type: none"> Risk Drivers, pg 24-26 Sustainability Statement, pg 101 and 105
 Low-carbon Economy Developing solutions that support the transition to a low-carbon economy. This includes addressing climate risks and opportunities with initiatives that include financing climate change solutions, as well as strategies and advocacy for collaboration towards managing the transition to a lower carbon economy.	<ul style="list-style-type: none"> Risk Drivers, pg 24-26 Group Community Financial Services, pg 41 Group Global Banking, pg 45 Group Islamic Banking, pg 53 Group Risk Management, pg 60 Group Human Capital, pg 64 Sustainability Statement, pg 100-101 and 105-106

MARKET OVERVIEW

as at 14 April 2020

MACROECONOMIC REVIEW AND OUTLOOK

The operating landscape for 2019 was challenging on the back of a global growth slowdown due to disruption in world trade and general economic uncertainties caused by the escalation in the US-China trade war. Global economic growth moderated to 2.9%, down from 3.6% in 2018 amid broad-based deceleration in the growth of major and large emerging economies, namely the US (2019: 2.3%; 2018: 2.9%), the Eurozone (2019: 1.2%; 2018: 1.9%), China (2019: 6.1%; 2018: 6.7%) and India (2019: 4.2%; 2018: 6.1%). Slower global economic and trade growth resulted in the easing of the ASEAN-6 growth (2019: 4.2%; 2018: 5.0%).

We expect the global economy to contract in 2020 amidst the Novel Coronavirus (COVID-19) pandemic and we anticipate ASEAN-6 growth in 2020 to be similarly affected. Nevertheless, aggressive monetary policy easing and stimulus by central banks, as well as fiscal stimulus worldwide, have been put in place to mitigate the supply, demand, market and commodity shocks of COVID-19.

For business reviews, outlook and how material risk and opportunities were addressed, refer to pages 40, 44, 48, 52 and 56.

	 MALAYSIA	 SINGAPORE	 INDONESIA																								
	<table border="1"> <thead> <tr> <th>GDP</th> <th>OPR</th> </tr> </thead> <tbody> <tr> <td>2020 (f): -3.3%</td> <td>2020 (f): 2.00%</td> </tr> <tr> <td>2019: 4.3%</td> <td>2019: 3.00%</td> </tr> <tr> <td>2018: 4.7%</td> <td>2018: 3.25%</td> </tr> </tbody> </table>	GDP	OPR	2020 (f): -3.3%	2020 (f): 2.00%	2019: 4.3%	2019: 3.00%	2018: 4.7%	2018: 3.25%	<table border="1"> <thead> <tr> <th>GDP</th> <th>3M SIBOR</th> </tr> </thead> <tbody> <tr> <td>2020 (f): -6.0%</td> <td>2020 (f): 0.60%</td> </tr> <tr> <td>2019: 0.7%</td> <td>2019: 1.77%</td> </tr> <tr> <td>2018: 3.4%</td> <td>2018: 1.89%</td> </tr> </tbody> </table>	GDP	3M SIBOR	2020 (f): -6.0%	2020 (f): 0.60%	2019: 0.7%	2019: 1.77%	2018: 3.4%	2018: 1.89%	<table border="1"> <thead> <tr> <th>GDP</th> <th>Reference Rate</th> </tr> </thead> <tbody> <tr> <td>2020 (f): 2.0%</td> <td>2020 (f): 4.25%</td> </tr> <tr> <td>2019: 5.0%</td> <td>2019: 5.00%</td> </tr> <tr> <td>2018: 5.2%</td> <td>2018: 6.00%</td> </tr> </tbody> </table>	GDP	Reference Rate	2020 (f): 2.0%	2020 (f): 4.25%	2019: 5.0%	2019: 5.00%	2018: 5.2%	2018: 6.00%
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2019 OPERATING LANDSCAPE	<p>POSITIVES</p> <ul style="list-style-type: none"> Monetary policy easing by Bank Negara Malaysia via a 25 bps cut in the Overnight Policy Rate (OPR) and a 50 bps cut in Statutory Reserve Requirement (SRR) supported domestic demand especially consumer spending. Evidence of trade diversion and investment relocation arising from the US-China trade war i.e. increase export market share from the US and China for electronics, oil & oil products, petrochemicals, rubber gloves; as well as rise in approved manufacturing foreign direct investment (FDI) from the US and China in 2018-2019. <p>NEGATIVES</p> <ul style="list-style-type: none"> Slower global economic growth as a result of the US-China trade tension weighed on business confidence, resulting in weak external trade and domestic investment. Fiscal consolidation via a reduction in the budget deficit/GDP ratio (2019: 3.4%; 2018: 3.7%) curbed public expenditure. 	<ul style="list-style-type: none"> The financial sector was supported by Multinational Corporations' reconfiguration of their supply chain to the ASEAN region. The Monetary Authority of Singapore (MAS) eased its policy in Oct 2019 to slow down the appreciation of the SGD NEER. <ul style="list-style-type: none"> Economic growth slowed with manufacturing and net external demand affected by the disruption in world trade due to the US-China trade war and global electronics recession. 	<ul style="list-style-type: none"> Stable inflation rate and IDR provided the space for substantial monetary policy easing by Bank Indonesia i.e. a 100 bps cut in the benchmark interest rate which supported a resilient domestic consumer spending growth. <ul style="list-style-type: none"> Economic growth eased marginally as the US-China trade tension resulted in contractions in external trade and imports, and slower investment growth. 																								
2020 OUTLOOK	<ul style="list-style-type: none"> The economy is expected to shrink, reflecting the impact of the global COVID-19 pandemic and the domestic Movement Control Order (MCO), as well as the drop in crude oil prices. Mitigating the recession impact include monetary policy stimulus via a cumulative 50-100 bps cut in the OPR and cuts in the Statutory Reserve Requirement (SRR). In addition, the Economic Stimulus Package totalling RM260 billion (17% of GDP) was announced to provide reliefs to individuals and businesses hardest hit by the COVID-19 pandemic. 	<ul style="list-style-type: none"> The one-month "circuit breaker" imposed by the government due to the COVID-19 outbreak will see about 30% of the economy shutdown, with only essential services like food, healthcare, social services, financial services, transport, energy and water, waste & environment operating during this period. A SGD59.9 billion fiscal package has been allocated to mitigate the impact of COVID-19. We expect deflation in 2020 on the back of lower crude oil prices and the weakening of demand due to COVID-19. MAS has made a "double" move in end-March by easing its slope and re-centering the SGD NEER midpoint. 	<ul style="list-style-type: none"> Arising from the COVID-19 pandemic, its slower growth will be underpinned by domestic demand activities, especially private consumption, through the realisation of government incentive programmes. Bank Indonesia could cut policy interest rates up to 75 bps to support domestic demand. The government has also announced economic packages worth IDR438.3 trillion to mitigate the COVID-19 impact. With a sell-off in Emerging Markets owing to risk aversion sentiment in the global financial markets, the IDR has come under pressure given the country's dependency on external financing due to its twin deficits. Inflationary pressures may be driven by increased demand for essential needs during the pandemic and currency impact on prices of imported goods. 																								

BANKING SECTOR REVIEW AND OUTLOOK



MALAYSIA

System Loans

2020 (f): 0.0% to 2.0%2019: 3.9%
2018: 7.7%

- System loans expanded at a slower rate (2019: 3.9%; 2018: 7.7%) from softer economic growth. This was felt across both the household (2019: 4.7% vs 2018: 8.3%) and non-household (2019: 2.7% vs 2018: 6.8%) segments.
- Amid more cautious consumer sentiment, auto financing contracted -1.0% in 2019 (2018: flat YoY) from weak car sales, while personal financing and credit card financing growth was moderate at 3.1% and 3.2%, respectively. Encouragingly, residential property loans growth held up at 7.3% in 2019 (2018: 8.4%).
- As for corporates, the more cautious sentiment was reflected in slower working capital loan growth of 1.0% in 2019 (2018: 5.7%). However, bond issuances rose 25% YoY to RM129 billion in 2019, as corporates sought to lock in cheaper and longer term funding.
- Bank margins contracted amid stiff deposit competition and the 25 bps cut in the OPR. Positively though, the ensuing decline in bond yields led to investment gains across the sector.
- Capitalisation remained robust with Common Equity Tier 1 ratios averaging 13.8% in 2019, supporting the banks' capacity for decent dividend payouts.

- Slower loan growth and NIM compression expected amid OPR cuts, with the MCO likely to dampen consumer sentiment and demand. Credit costs are also expected to rise.
- The drop in oil price may give rise to potential asset quality issues within the O&G sector.
- Positively, provision and capital levels are much higher than they were during the Global Financial Crisis (GFC). Liquidity remains ample and the 100bps cut in SRR and eased rules on compliance (such as lower LCR and Regulatory Reserves) will help further.



SINGAPORE

System Loans

2020 (f): -2.0% to -4.0%2019: 4.2%
2018: 5.3%

- System loans growth momentum remained resilient, decelerating only marginally in 2019 despite a weaker macroeconomic environment.
- Business loans (up 5.3% YoY) was the primary driver, with overseas lending through Asian Currency Units (ACU) such as manufacturing, building, construction and general commerce picking up the slack for slower domestic growth. This may signify that the banking sector is benefiting from capacity relocation from China to ASEAN from trade war-related uncertainties.
- Deposit growth accelerated to 9.0% YoY in 2019 (2018: 3.5%), partly from strong inflows of FX deposits (up 155.0% YoY). Depositors looking for safe havens, especially from volatility in North Asia were a likely primary driver.
- Overall asset quality deteriorated marginally with gross non-performing loans (NPLs) climbing to 2.0% in 2019 (2018: 1.9%) due to weaker macro conditions, although major sectoral distress is absent.
- The announcement by MAS on the five digital banking licenses attracted significant interest from a wide spectrum of players regionally.

- The sector has strong provisioning levels and some of the highest CET1 levels regionally.
- Aggressive policy measures that focuses largely in ensuring cashflow for affected corporates and households could mean that NPL risk can be better managed than past cycles.
- High SGD and USD liquidity levels should provide near-term opportunities as regional corporates look for liquidity and also provide a medium-term advantage as supply chains relocate from North Asia to ASEAN.
- Investments in digital assets and systems should enable better integration of regional businesses as well as market share gains in under-banked markets in ASEAN.



INDONESIA

System Loans

2020 (f): 5.0%2019: 6.1%
2018: 11.8%

- Loan growth slowed in 2019 from weaker activities on the credit side given slower economic growth in 2019. Credit growth was predominantly from government activities, particularly for infrastructure and to boost personal consumption.
- The gross NPL ratio remained moderate at 2.53% as at end-December 2019 in line with the banks' stance to be more selective on third-party loans.
- Loan-to-deposit ratio stood at 94.43% as at end-December 2019 which is above upper limit level for the Macroprudential Intermediation Ratio (MIR). Deposits grew 6.54% YoY in 2019 (2018: 6.45%) in line with moderate multiplier impact on domestic money circulation from economic activities.
- Net interest margin (NIM) was stable at 4.91% YoY in December 2019 although the spread between funding and lending rates remains wide. Return on asset was stable at 2.47% in December 2019.
- The Indonesian banking sector remained relatively strong with total capital adequacy ratio at 23.40% as at end-December 2019, above the minimum regulatory requirement of 8%.

- Weaker demand for both consumption and business loans is expected due to the COVID-19 pandemic. Loan growth is likely to be even lower compared to the slowdown arising from the general election last year.
- Recent policy by OJK that gives leniency for loan restructuring might help prevent a spike in NPLs. However, likely to have a negative impact on NIM.
- On the positive side, banks are in a much stronger financial position compared to the GFC period.

RISK DRIVERS


In light of the operating landscape in 2019, we identified significant risk drivers that may impact our businesses in our home countries and across the region.

<p>ECONOMIC</p> <p>Key Drivers</p> <ul style="list-style-type: none"> Uncertainty in the economies of our operating markets caused by the risk of a prolonged US-China trade war and bilateral tensions (e.g. Brexit) which has contagion effects such as a technology war, currency war, market volatility, etc. <p>Implications to Maybank</p> <ul style="list-style-type: none"> Slower business growth due to cautious business and consumer sentiments. Lower profitability arising from softening business activities. Weakening loan asset quality. <p>Key Actions Undertaken</p> <ul style="list-style-type: none"> Developed a risk analysis tool that provides timely information to reshape the Group's portfolio/business strategy. Enhanced our analysis on economic trends and industry outlooks for appropriate risk management. Conducted stress tests based on various scenarios to formulate pre-emptive actions to address the possible impacts. 	<p>2019: 2018: </p> <p>Principal Risks</p> <ul style="list-style-type: none"> Credit risk Market risk Liquidity risk <p>Affected Material Matter(s)</p> <p>Affected Capital(s)</p>	<p>SUSTAINABILITY</p> <p>Key Drivers</p> <p>Increased awareness and requirements by regulators and stakeholders for sustainable and good governance practices on business activities that may cause:</p> <ul style="list-style-type: none"> Harm to the environment such as deforestation and ecosystem degradation. Social issues such as oppression and community displacement. <p>Implications to Maybank</p> <ul style="list-style-type: none"> Financial and reputational risks from our exposure to clients and investees that do not take into account environmental, social and governance (ESG) considerations, which could lead to adverse ESG impact on surrounding communities as well as our business operations and sustainability. <p>Key Actions Undertaken</p> <ul style="list-style-type: none"> Enhancing the Group ESG Policy, requirements and criteria for specific industries. ESG knowledge building initiatives in collaboration with industry drivers. Ongoing and continuous engagements with clients on sustainable practices. 	<p>2019: 2018: New</p> <p>Principal Risks</p> <ul style="list-style-type: none"> Environmental, Social and Governance risk Credit risk Non-financial risk <p>Affected Material Matter(s)</p> <p>Affected Capital(s)</p>
<p>TECHNOLOGICAL</p> <p>Key Drivers</p> <ul style="list-style-type: none"> Digital devices are becoming increasingly ubiquitous and customers are increasingly relying on online products which may give rise to cyber security and privacy concerns (e.g. phishing scam, ransomware etc). Heightened regulatory expectations for financial institutions to continuously monitor and manage third-party risks. <p>Implications to Maybank</p> <ul style="list-style-type: none"> Potential damage to infrastructure from cyber attacks. Potential data breaches resulting in the loss of customers, brand trust, etc. <p>Key Actions Undertaken</p> <ul style="list-style-type: none"> Continuous improvements to our IT infrastructure, enhancement of security controls and cyber awareness programmes. 	<p>2019: 2018: </p> <p>Principal Risks</p> <ul style="list-style-type: none"> Information Technology risk Non-financial risk <p>Affected Material Matter(s)</p> <p>Affected Capital(s)</p>	<p>GEOPOLITICS</p> <p>Key Drivers</p> <ul style="list-style-type: none"> The US, EU, UK and other regional politics (e.g. the US presidential election in 2020; Brexit); fallout from trade war/tensions (e.g. US-China, US-EU relations); terrorists and cyber warfare that could constrain economic growth. <p>Implications to Maybank</p> <ul style="list-style-type: none"> Slower credit growth due to weaker business, consumer confidence and possible trade sanctions. Expectations from regulators on financial institutions to focus and effectively manage emerging risks arising from geopolitical issues. <p>Key Actions Undertaken</p> <ul style="list-style-type: none"> Establish communication mechanism across the Group to enable timely flow of information on risk/opportunities for better decision-making and timely action. 	<p>2019: 2018: </p> <p>Principal Risks</p> <ul style="list-style-type: none"> Credit risk Market risk <p>Affected Material Matter(s)</p> <p>Affected Capital(s)</p>
<p>OPERATIONAL</p> <p>Key Drivers</p> <p>The evolution of the business landscape has led to an increased need for:</p> <ul style="list-style-type: none"> Talents with forward looking and predictive skills to manage emerging risks in the current digital era. Outsourcing non-core functions to enhance the Group's operational efficiency for greater competitive advantage. <p>Implications to Maybank</p> <ul style="list-style-type: none"> Inability to anticipate emerging risks, measure risks effectively and apply advanced analytics may lead to missed business opportunities and inefficiencies. Failure of third parties to perform in line with the contracted scope can lead to regulatory censure, financial and non-financial losses. <p>Key Actions Undertaken</p> <ul style="list-style-type: none"> Employees are equipped with adaptive tools, professionally accredited training and skill building opportunities to stay abreast with the changing risk landscape. Implemented policies and processes to facilitate risk management and monitor outsourcing exposures in accordance with our risk appetite. 	<p>2019: 2018: New</p> <p>Principal Risks</p> <ul style="list-style-type: none"> Non-financial risk People and performance risk <p>Affected Material Matter(s)</p> <p>Affected Capital(s)</p>		

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

PRINCIPAL RISKS FY2019


Associated with the key risk drivers arising from the operating environment in 2019, the potential impact of the Group's principal risks are identified and the necessary actions are taken to manage these risks. Underpinned by a clear risk appetite, identified risks are actively managed using a consistent approach across the Group, which is aligned with the Group's strategy. The key developments surrounding these risks are explained below.

 For more on how the Group manages its risks and internal controls, refer to Statement on Risk Management and Internal Control on page 88.

Principal Risks in FY2019**Key Actions Undertaken****Credit Risk**

Risk of loss of principal or income arising from the failure of an obligor or counterparty to perform their contractual obligations in accordance with agreed terms.


- Adopted a holistic, portfolio-based risk management approach to ensure sustainable long-term growth in all businesses/markets and to remain within our risk appetite throughout the business life cycle.
- Proactively performed regular portfolio reviews and conducted stress tests on high risk sectors to identify and monitor emerging risks so appropriate remedial action can be initiated in a timely manner.
- Established specialist industry teams across all critical industries (e.g. real estate, construction, agriculture, etc.) to identify and assess risks and opportunities arising from changes in the business environment.
- Improved data governance and risk reporting systems to ensure that risks are comprehensively and accurately identified to support well-informed decision-making for our businesses and clients.
- Further enhanced credit risk policies to incorporate change in technologies, new regulatory requirements, etc., thus ensuring that our credit risk policies remain effective and comprehensively identify, measure, monitor and control all risks.
- Developed target market and risk acceptance criteria, including lending parameters and risk-return expectations to ensure that risk-returns are within our risk appetite and risk standards.
- Strategic infrastructure upgrade was undertaken to address regulatory requirements by MAS on Standardised Approach Counterparty Credit Risk for a greater risk sensitive approach in managing treasury products and to ensure robust interbank limit management.

 For more information, refer to Financial Book on credit risk management on page 161 and Basel II Pillar 3 Disclosure on Credit Risk on page 19.

Market Risk

Risk of loss arising from adverse movements in market rates/prices such as interest rates, foreign exchange rates, commodity and equity prices.


- Commenced an upgrade of our risk system to facilitate a more robust market risk management and to prepare for the implementation of the Fundamental Review of Trading Book (regulatory framework).
- Reviewed and updated the Group's market risk policies and limits for trading and non-trading books.
- Implemented interest rate risk in the Banking Book (IRRBB) for Singapore. Preparations for implementation of IRRBB across the Group is in progress.
- Conducted thematic reviews of the trading book and banking book to highlight the performance and risks and to better understand the nature of these books.
- Improved the quality of the risk reports, including the profit & loss to market movements and risk positions.
- Performed topical market risk stress tests on the trading books based on historical and prospective scenarios.

 For more information, refer to Financial Book on market risk management on page 182 and Basel II Pillar 3 Disclosure on Market Risk on page 80.

Liquidity Risk

Risk of adverse impact to the financial condition or the overall safety and soundness of the Group that could arise from the inability (or perceived inability) or unexpected higher cost to meet its obligations.


- Ensuring measures are in place to comply with BNM's Net Stable Funding Ratio (NSFR) regulatory requirement (effective 1 July 2020).
- Alignment of our Risk Appetite Statement to the recovery plan for liquidity management under BAU, early warning and recovery phases.
- Management of funding at the overseas centres to reduce an over-reliance on intergroup funding and the wholesale market.

 For more information, refer to Financial Book on liquidity risk management on page 196 and Basel II Pillar 3 Disclosure on Liquidity Risk on page 82.

Non-Financial Risk

Risk of loss arising from operational events and/or external factors that could result in monetary losses and/or negative impact on our brand value and/or our stakeholders' perception towards the Group. It comprises of various risks such as operational, regulatory, legal, conduct, technology, information, reputational and other downside risks i.e. the "known unknowns".

- The non-financial risk policy was streamlined to encompass a wider range of emerging non-financial risk which includes enhancement in the governance model, roles and responsibilities, processes to facilitate identification, assessment and measurement, control, monitoring and reporting of non-financial risks exposures on a timely basis.
- Continuous collaboration between the three lines of defence (more on page 90) to safeguard the Group's information assets, secure data storage, enhance risk and control metrics and comply with related regulatory requirements.
- Strengthened operational controls, fraud prevention and the application of consequence management.

 For more information, refer to Basel II Pillar 3 Disclosure on Non-Financial Risk on page 84.

Risk Drivers

Principal Risks in FY2019

Key Actions Undertaken

Information Technology (IT) Risk

Risk which impacts confidentiality, availability and integrity of information and services related to information technology that may lead to financial losses, disruption and reputational risk to the Group.

- Ongoing enhancement to security controls such as our cyber defence capability and oversight of our outsourced vendors.
- Conducted surveillance via internal detection controls to ensure prevention controls are effective and participated in industry-wide cyber exercises.
- Continuous upgrades to our IT infrastructure to minimise the risk of disruptions and mitigate the risk of any single point of failure.
- Continuous cyber risk assessment on our outsourced service providers to ensure they comply with our security requirements.
- Continuous cyber awareness campaigns and assessments based on our Cyber Risk Management Policy.

📖 For more information on how we manage IT Risk, refer to The Digital Bank of Choice and Statement on Risk Management and Internal Control on pages 57 and 91.

Regulatory Risk

Changing regulations that could adversely impact the Group's competitive position and capacity to conduct business efficiently.

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

Enterprise Risk

Risk of loss to the Group arising from business/strategic, industry, reputational, corporate governance, sustainability and data quality risk.

- An initiative to enhance stress testing application capabilities with on-demand generation of risk profiles under various scenarios to serve as a forward-looking risk and capital management tool.
- Real-time monitoring of social media facilitates timely escalation of issues thus minimising our risk exposure.
- Launched targeted programmes for talent upskilling to remain relevant.

Model Risk

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

- Ongoing review, maintenance and enhancements of risk models and tools.
- Adopted new methodologies to enhance the risk-ranking ability of the models.
- Established Model Risk Management framework and policy to govern a growing number of models.

Financial Risk

Risk of not meeting the regulatory minimum capital requirements and an inability to maintain a sustainable level of profitability.

- Ongoing implementation of various initiatives including Risk Weighted Assets (RWA) optimisation to improve shareholders value and increase capital awareness across the Group.

📖 For more information, refer to Reflections from Our Group Chief Financial Officer on page 28 and Financial Book on financial risk management policies on page 154.

Insurance Risk

Risk of loss or adverse change in the value of underwritten insurance liabilities, due to change in claims experience and the underlying assumptions on which pricing and reserving/claims estimations have been made.

- Various risk assessment and stress testing exercises conducted to support the decision-making process.
- Focused on the implementation of regulatory-driven projects such as Motor & Fire de-tariffication, New Life Framework and Takaful Operational Framework.
- Actively monitored risk indicators in the insurance business.

People and Performance Risk

Risk of loss arising from the workforce, industrial harmony and conduct risk.

📖 For information on how we manage our people, refer to Group Risk Management on page 60 and Group Human Capital on page 62.

Environmental, Social and Governance (ESG) Risk

The risk of loss arising from the failure to address environmental, social and corporate governance concerns, thus impacting business operations in a sustainable, responsible and ethical manner.

- Enhanced the Group ESG Policy by including specific risk acceptance criteria for additional high ESG risk industries.
- Collaborated with palm oil industry players and certification bodies on ESG knowledge building initiatives including workshops and site visits.
- Conducting ongoing engagement with clients on the merits of sustainable practices as well as monitoring the progress of clients in high ESG risk sectors in adopting sustainable practices.

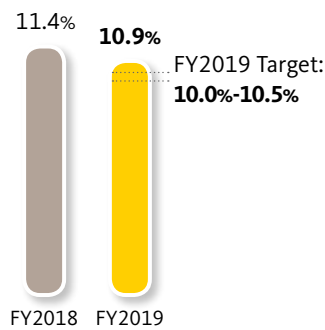
📖 For more information, refer to Sustainability Statement on page 99 and Sustainability Report which will be made available online later on www.maybank.com/ir and www.maybankfoundation.com

KEY PERFORMANCE INDICATORS

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

Return on Equity (ROE)

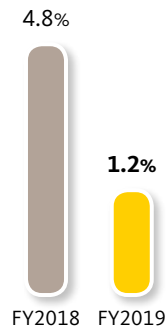
Objective: To deliver reasonable returns while balancing the need to maintain a healthy capital base. ROE is defined as profit attributable to shareholders over the average shareholders' equity (comprising share capital, retained earnings and other reserves) for the financial year.



Group Loans Growth

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

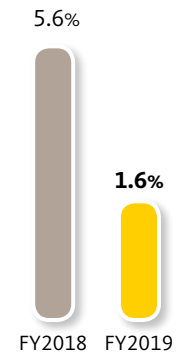
Target: In line with economic growth of our home markets.



Group Deposits Growth

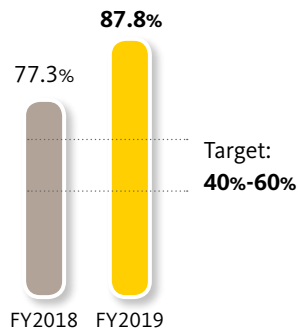
Objective: To strengthen our deposit base to fund our selective asset growth across key markets.

Target: In line with loans growth.



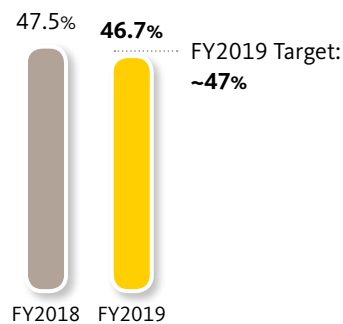
Dividend Payout Ratio

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



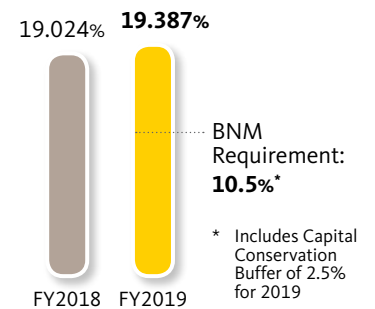
Cost to Income Ratio

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



Total Capital Ratio

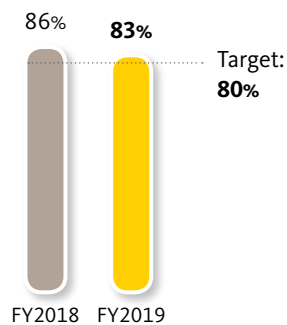
Objective: To maintain a strong capital base by adopting prudent capital management and be ahead of Bank Negara Malaysia's minimum regulatory requirements.



Refer to Reflections from Our Group Chief Financial Officer on page 28 for more details.

Succession Realisation for Mission Critical Positions

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



Women in Senior Management

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



Refer to Group Human Capital on page 62 for more details.

REFLECTIONS FROM OUR GROUP CHIEF FINANCIAL OFFICER

The operating landscape in 2019 can be encapsulated as one of slower growth in advanced and emerging markets, continued weakening in external demand amid trade tensions, as well as heightened global policy uncertainties resulting in financial market volatility. Against this backdrop, Maybank continued to prioritise targeted balance sheet growth across our markets, unrelenting in maintaining liquidity and capital strength given increased market uncertainties and volatility. Despite the macroeconomic headwinds, we leveraged our franchise to deliver growth without compromising on pricing and practised cost discipline Group-wide to achieve strong results, marking another record year for Maybank.

TOP ACHIEVEMENTS IN 2019

New **record** high **pre-provisioning operating profit of RM13.18 billion**

Maintained cost discipline in line with income growth, leading to a **cost to income ratio of 46.7%**

Domestic franchise strength as **Malaysia loans expanded 4.9% YoY**, outpacing system growth

Balance sheet optimisation with **Group loans up 1.2%** while **Group credit RWA decreased by 1.6%**

Liquidity robustness maintained with a healthy **liquidity coverage ratio of 141.0%**

ANALYSIS OF INCOME STATEMENT FOR FY2019

RM million	FY2019	FY2018	YoY
Net fund based income	17,514.8	17,135.9	2.2%
Net fee based income	7,226.1	6,525.8	10.7%
Net operating income	24,740.9	23,661.7	4.6%
Overhead expenses	(11,561.9)	(11,245.7)	2.8%
Pre-provisioning operating profit (PPOP)¹	13,178.9	12,416.0	6.1%
Net impairment losses	(2,323.4)	(1,612.9)	44.1%
Operating profit	10,855.5	10,803.1	0.5%
Profit before taxation and zakat (PBT)	11,013.9	10,901.3	1.0%
Net Profit²	8,198.1	8,113.3	1.0%
EPS - Basic (sen)	73.5	74.2	(1.0)%

Note:

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

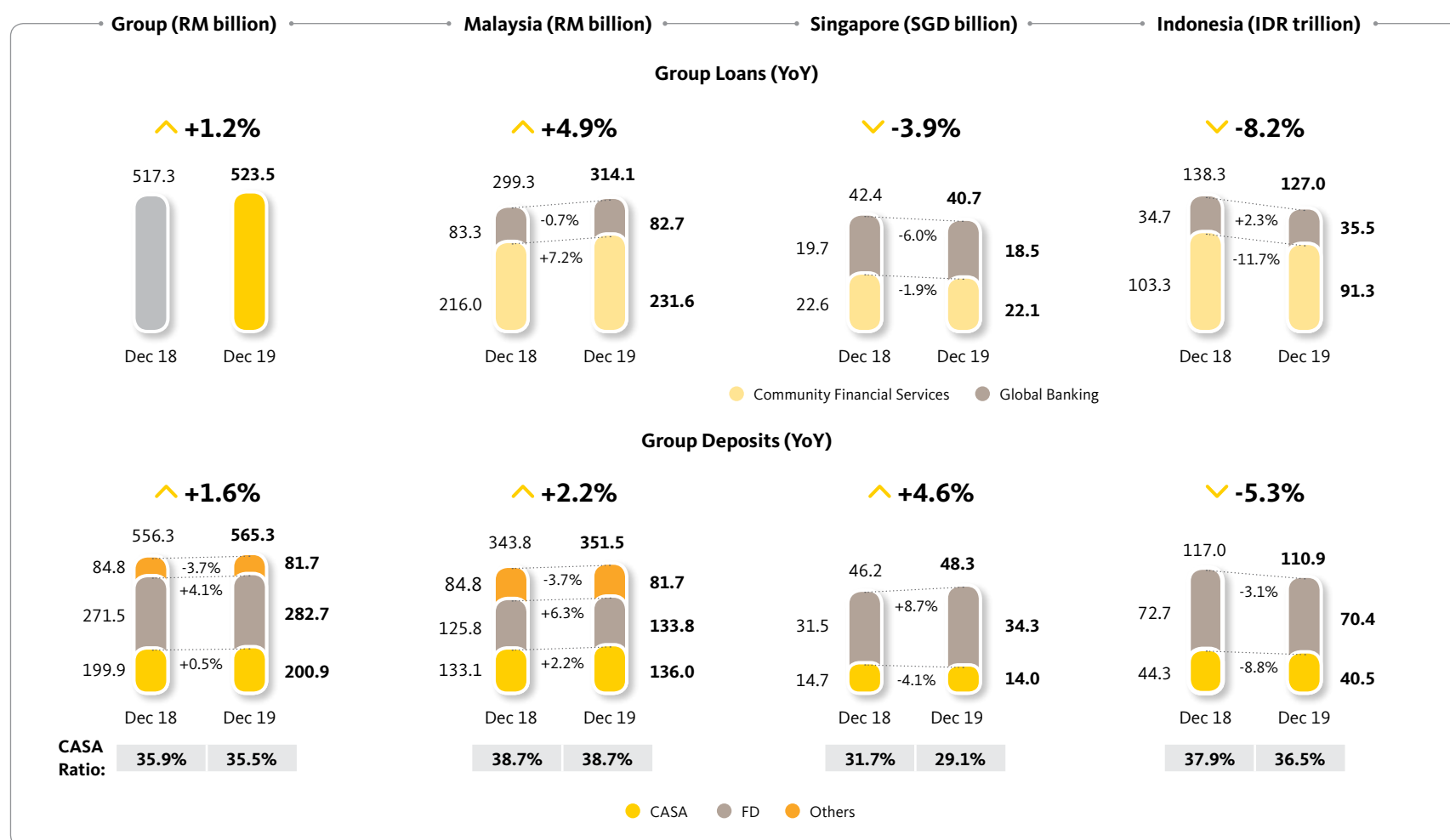
² Net Profit is equivalent to profit attributable to equity holders of the Bank

Solid performance despite weaker external environment

- The Group's net fund based income increased 2.2% to RM17.51 billion on the back of Group loans growth of 1.2% YoY, driven by targeted expansion in Malaysia and some international markets. The growth in net fund based income was moderated with Group net interest margin (NIM) compressing 6 bps to 2.27% in FY2019 from 2.33% in FY2018 given the lower rate environment, as interest rates in our home markets reduced, lowering loan and securities yields.
- Interest rate cuts across our home markets saw repricing of assets and liabilities, impacting both interest income and expenses. In Indonesia, we also held on to additional liquidity by increasing fixed deposits ahead of the country's general election (GE) in April, impacting its cost of funds. The surplus liquidity was subsequently released post GE.
- Meanwhile, our net fee based income grew 10.7% YoY to RM7.23 billion attributed to realised investment and trading income and unrealised gain on financial assets and investments given the lower bond yield environment.
- Also supporting growth in net fee based income was the strong performance of our insurance & Takaful arm, Etiqa, driven by higher net adjusted premiums and an increasing market share in the General business.
- Resulting from the above, the Group's FY2019 net operating income grew 4.6% YoY to RM24.74 billion.
- Against a lower revenue growth environment, we remained diligent in keeping cost growth contained. As a result, overheads was managed at a low single-digit growth of 2.8% YoY, yielding a positive JAWs position for the Group and a cost to income ratio of 46.7% for FY2019, within our guidance of circa 47%.
- With revenue growth and disciplined cost management, the Group's PPOP grew a strong 6.1% YoY to RM13.18 billion.
- However, the weakening external environment experienced in 2019 saw net impairment losses increase to RM2.32 billion from RM1.61 billion a year ago. This was mainly due to provisioning made for existing and several newly impaired loans.
- Despite the challenging headwinds experienced in 2019 that impacted revenue growth and caused some weakness in specific borrowers, the Group continued to set a new record-high net profit of RM8.20 billion for FY2019.
- In line with the above, the Group's return on equity (ROE) was 10.9%, ahead of our revised Key Performance Indicator (KPI) of 10.0% to 10.5% for FY2019.
- In line with our performance, we rewarded shareholders with a total all cash dividend of 64 sen per ordinary share, equivalent to a total dividend payout ratio of 87.8%.

Reflections from Our Group Chief Financial Officer

ANALYSIS OF BALANCE SHEET AS AT 31 DECEMBER 2019



Group loans growth supported by resilient domestic franchise

- Group loans grew 1.2% YoY, supported by growth in Malaysia at 4.9%, but moderated by a lower base in Singapore and Indonesia, attributable to the slower economic climate.
- Growth in Malaysia was contributed by our consumer and retail SME (RSME) portfolios, which expanded 7.2% and 11.6% respectively. The consumer portfolio growth was supported by mortgages which rose 11.6% on the back of loan stock drawdown for residential properties, as well as proactive rebalancing of our portfolio towards the secondary market for immediate loan disbursements. Meanwhile, auto financing grew 4.2% on loan disbursements for preferred brands while our cards business increased by 2.8%, driven by new customer acquisition contributing to higher billings and receivables. Unit trust financing expanded 1.8% arising from quicker loan disbursements, targeted campaigns and lower early settlements due to ongoing customer education initiatives.
- RSME loans growth was mainly contributed by expansion in term loans, along with improvements in trade business and higher utilisation of overdraft facilities. Meanwhile, our business banking (BB) portfolio turned around in 2019 to chart a growth of 4.1%, following our past exercise of de-risking this portfolio.
- Malaysia's Global Banking (GB) book moderated by 0.7%, attributable to corporate repayments, as well as muted corporate borrowings weighed down by the cautious business sentiment on account of the external and domestic uncertainties.
- Meanwhile, Maybank Singapore's Community Financial Services (CFS) loans reduced slightly by 1.9% YoY, attributed to a decline in consumer and BB loans from repayments and de-risking of our book on the back of the weaker external environment. This was compounded by a reduction in Singapore's GB book of 6.0% YoY on the back of intentional paring down of exposures and asset sales in the transport & logistics, real estate and hospitality segments as well as a contraction in trade loans in light of the trade war and tighter internal controls over our structured trade business. As a result of the above, Singapore's loans book was lower by 3.9% YoY as we carried out a portfolio rebalancing exercise in line with our risk appetite.

- In Indonesia, GB's expansion of 2.3% was supported by loans to state-owned enterprises from sectors including construction, utilities and infrastructure. However, CFS declined 11.7% YoY due to reductions in RSME and BB, as we restructured parts of this portfolio to manage asset quality weakness. Our CFS retail book also saw a decline due to stiffer market competition. Arising from this, Indonesia's loan book declined by 8.2% YoY.
- The Group remains committed in optimising risk-weighted assets (RWA) vis-à-vis capital efficiency, as seen in the decline in Group credit RWA of 1.6%, despite Group loans growth of 1.2%.

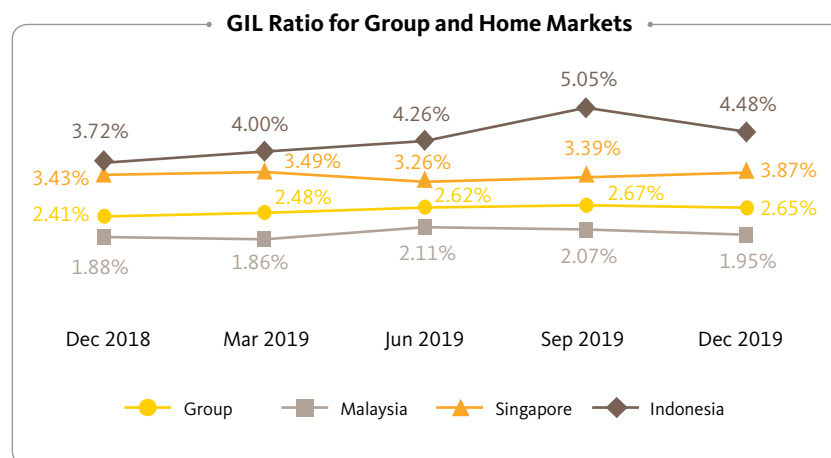
Customer deposits expansion in home markets

- Group deposits expanded by 1.6% YoY on current account and savings account (CASA) deposit growth in Malaysia and fixed deposits (FD) expansion in Singapore and Malaysia. Group CASA ratio remained stable at 35.5%.
- In Malaysia, CASA expanded 2.2% through our focus on growing low-cost deposits, especially through targeted segment-based campaigns for our mass and affluent customers and an increase in current account deposits among CFS non-retail customers. Our Malaysia CASA ratio remained flat YoY at 38.7%, despite also recording growth in FD.
- Meanwhile, Singapore's FD grew 8.7% YoY arising from a Time Deposit bundled with CASA campaign held throughout the year, which resulted in FD growth and Singapore's CASA ratio reducing slightly to 29.1% from a year ago. The lower CASA ratio was also attributable to stiffer market competition for CASA.
- In Indonesia, we built additional liquidity buffers ahead of the general elections, but this was subsequently released towards the year end, resulting in FD decline of 3.1%. Market competition remained stiff with CASA declining YoY, and we also released excess liquidity in light of the declining loan book. Indonesia's CASA ratio was lower at 36.5% compared to a year ago.

Reflections from Our Group Chief Financial Officer

Proactive asset quality management in a challenging climate

- Our FY2019 net allowance for impairment losses on loans increased by 43.8% YoY to RM2.29 billion from RM1.59 billion a year ago, from provisioning made for some newly impaired loans and existing impaired loans. The weakening external environment resulted in some international corporate borrowers displaying asset quality weakness.
- Given the macroeconomic headwinds, we reviewed our portfolios and are working with identified borrowers requiring proactive management of their credit facilities.
- New impairments made in FY2019 resulted in our Group Gross Impaired Loans (GIL) ratio increasing to 2.65% from 2.41% in the previous year. Despite the increase in impairment losses, we remained focused in realising recoveries from existing impaired accounts, leading to an annual net credit charge off rate of 44 bps for FY2019, within the Group's guidance range of 40-45 bps.



INVESTOR KEY FOCUS AREAS AND OUR RESPONSES

Future of Dividend Reinvestment Plan (DRP)

We manage dividend payout in tandem with the Group's capital needs, and strive to manage this relationship as efficiently as possible. As part of our interim dividend announcement for FY2019, we declared a 25 sen per ordinary share dividend paid fully in cash. We made the decision to provide a full cash interim dividend based on feedback received from our investors in relation to our strong capital positions. The Board also declared a single-tier second interim cash dividend of 39 sen per ordinary share for FY2019. However, we will retain the DRP and utilise the cash-script composition to manage our capital levels. Our dividend policy remains between 40%-60% and we will continue to provide strong effective cash dividend payout to shareholders under the DRP.

Refer to page 32 for the dividend payout chart.

Environmental, social and governance (ESG) approach, commitment and progress

We have provided increased clarity on our approach through our disclosure on Maybank's ESG policy as published in our Sustainability Report 2018. This is an ongoing journey as we continue to refine our ESG requirements for specific sectors which are relevant to us as a financial institution. The Group remains committed to becoming a proponent of sustainability, as seen with the establishment of the Group's Sustainability Council during the year. Further details on our ESG commitment can be obtained from our Sustainability Report, produced annually.

Refer to Sustainability Statement, page 99.

Potential corporate action with regards to mergers & acquisitions or subsidiary listings

The Group is always open to evaluating potential value creation opportunities that can benefit stakeholders, however, at this juncture there are no potential plans to be announced. We will continue assessing opportunities, including expansion of our global footprint, should they arise.

Net interest margin (NIM) outlook

In Indonesia, we experienced NIM compression owing to intense market competition over asset and liability pricing as well as arising from the increase in our liquidity buffers ahead of the country's general election in April 2019, as part of our risk management practices. Meanwhile, in Malaysia, the OPR cut in May saw variable loans repriced first, causing a steep Group NIM compression in 1H FY2019, before funding cost eased as liabilities repriced when fixed deposits began maturing in 3Q.

Asset quality outlook

The new impairments seen during the year were a result of the weakening external environment impacting specific borrowers. While we are always guided by the Group's sectorial and borrower limits as part of our risk management practices, these pockets of asset quality weaknesses would probably not be as pronounced, had it not been for the global slowdown we are currently encountering.

Digital initiatives

Maybank's digital approach is not confined to our innovative products and services such as MAE and Tap2Phone. We place great importance on upskilling our workforce with digital capabilities, while improving our processes and infrastructure to enhance customer experience and operational efficiencies. We take a measured approach in digital investments and develop innovations in-house through our Technology team. In an increasingly competitive banking landscape, our aim is to deliver what our customers want in a fast, secure and easy manner.

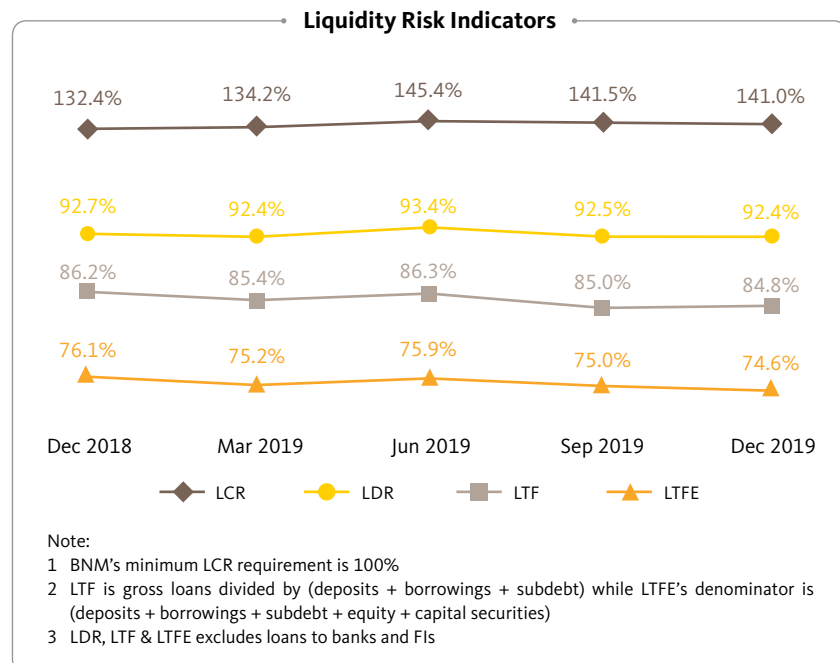
Reflections from Our Group Chief Financial Officer

EFFECTIVE CAPITAL AND LIQUIDITY MANAGEMENT

Funding and liquidity profile is stable and well-diversified

- Through our agile funding strategy, we were able to maintain healthy liquidity risk indicators, with liquidity coverage ratio (LCR) at 141.0% as at 31 December 2019, above BNM's minimum LCR requirement of 100%. In addition, our other liquidity indicators such as loan-to-deposit ratio (LDR), loan-to-fund ratio (LTF) and loan-to-fund-and-equity ratio (LTFE) remained robust at 92.4%, 84.8% and 74.6%, respectively, as at 31 December 2019.
- Meanwhile, BNM has issued the final Net Stable Funding Ratio (NSFR) standard on 31 July 2019, whereby the minimum compliance level at the Group/consolidated level is 100% effective 1 July 2020. This was subsequently lowered to 80% as part of the relief measures announced by BNM in March 2020 in response to the COVID-19 pandemic. The Group does not foresee any challenges in meeting BNM's NSFR requirements.

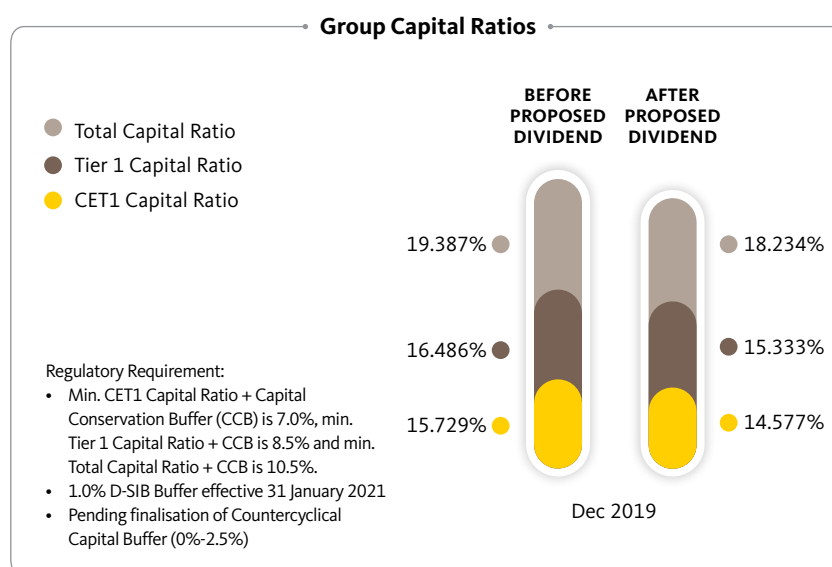
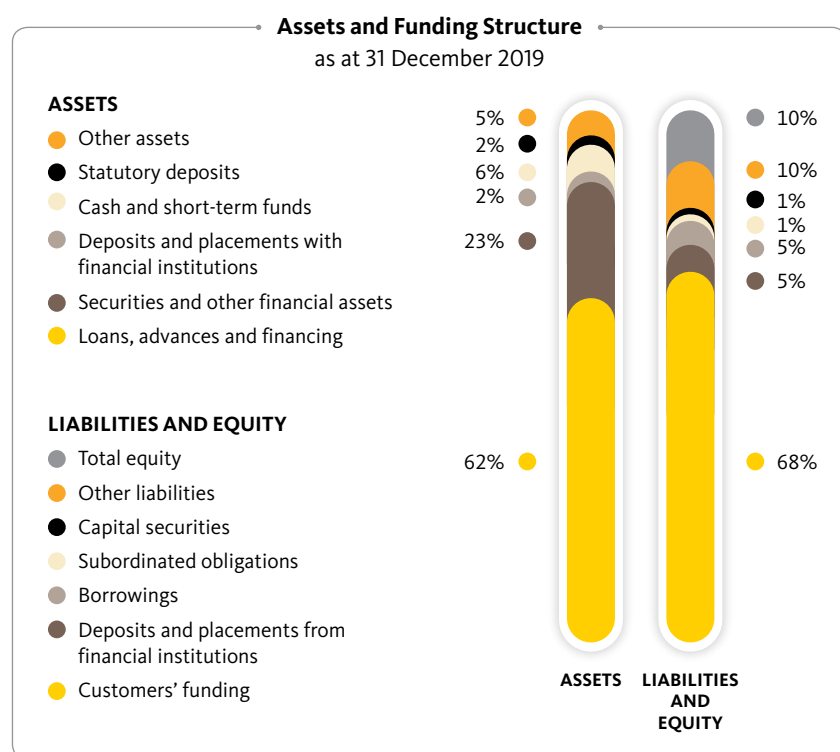
More on how the Group manages its liquidity can be found in Note 55(g) on page 196 of the Financial Book.



Robust capital base maintained

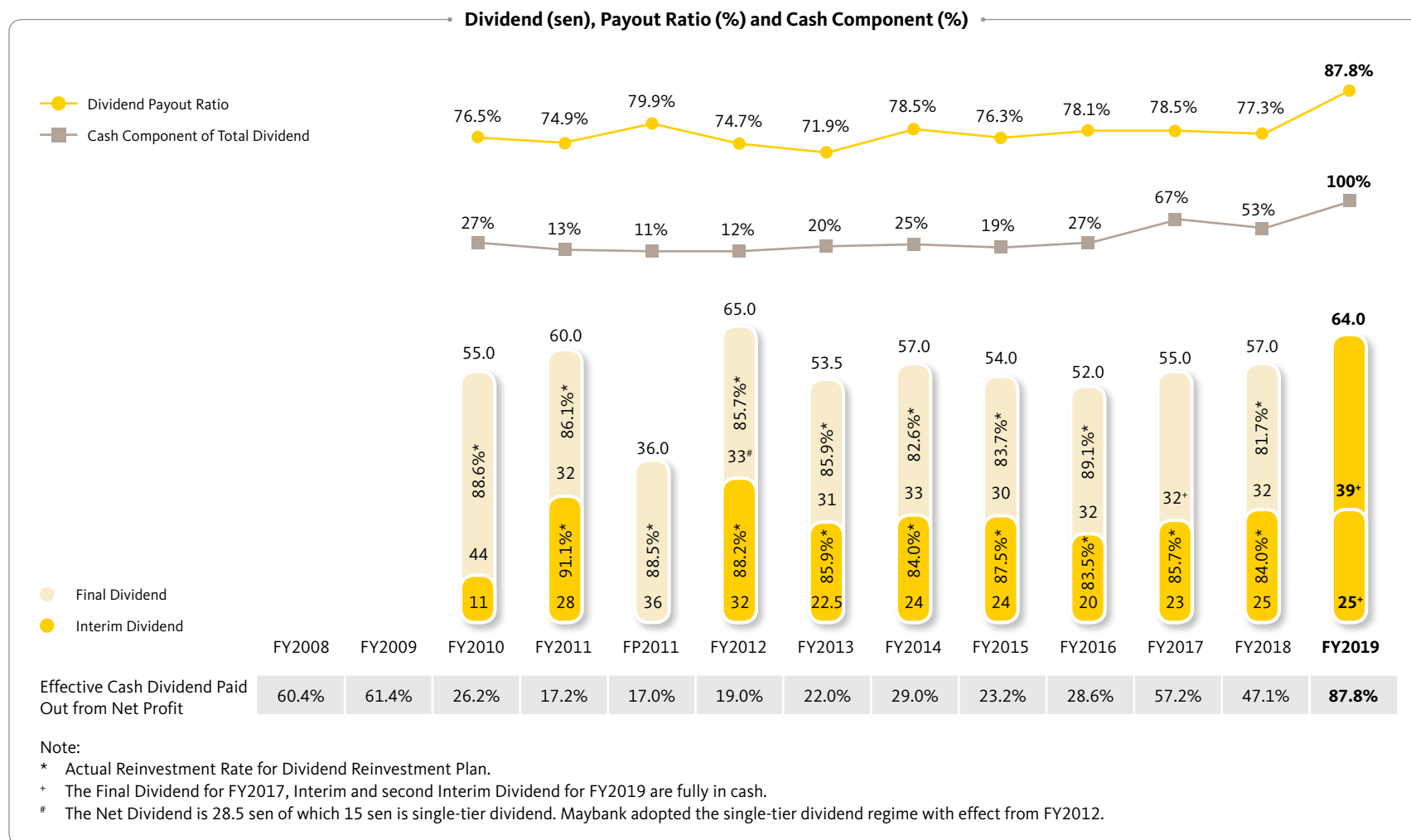
- Our capitalisation levels remained healthy with our Group CET1 Capital Ratio and Group Total Capital Ratio at 15.729% and 19.387% respectively, as at 31 December 2019. After the second interim cash dividend, our Group CET1 Capital Ratio and Group Total Capital Ratio would be 14.577% and 18.234% respectively.
- Maybank has been identified as a domestic systematically important bank (D-SIB) by BNM and classified under Bucket 2 where the applicable Higher Loss Absorbency (HLA) is 1% of RWA. The HLA requirement will come into effect on 31 January 2021. The Group does not foresee material impact on the capital levels pursuant to the D-SIB announcement.
- Our key capital and funding initiatives for FY2019 include the following:
 - Our ongoing DRP which resulted in the issuance of 191,678,908 ordinary shares that raised about RM1.5 billion under the 18th DRP.
 - We have further broadened our debt securities issuance capability by updating our Sukuk Programme to include the ability to issue Islamic Additional Tier 1 (AT1) capital securities.
 - We have successfully issued our first Basel III-compliant Islamic securities consisting of RM3.7 billion Tier-2 Sukuk and RM2.8 billion AT1 Sukuk in January 2019 and September 2019 respectively.
 - In May 2019, we have undertaken a public issuance of Samurai bonds in Japan totalling JPY54.8 billion consisting of three series with 3, 5 and 10-year tenures. This is our second time tapping into the Samurai bonds market since 2015.
 - In June 2019, we have also re-tapped into the Panda bond market in China by issuing a RMB1.0 billion 1-year and RMB1.0 billion 3-year bonds. The proceeds raised will be utilised to, among others, support activities related to the Belt and Road Initiatives both onshore and offshore. This is our second Panda bond transaction since the inaugural issuance in 2017, making us the first repeat financial institution borrower in the Panda bond market. The Asset has awarded the issuance as the Best Panda Bond for 2019.
 - We were awarded as Power Performer (Pan-Asian Issuer) under the 10th Asia-Pacific Awards, arising from our active management of bond issuances.
 - The Group also restructures the capital mix of the subsidiaries and overseas branches as part of capital optimisation strategies.

More on how the Group manages its capital can be found in Notes 59 and 60 on page 218 of the Financial Book.



Reflections from Our Group Chief Financial Officer

Value creation for our shareholders



- Our shareholders were rewarded with an interim single-tier dividend of 25 sen per ordinary share for FY2019 paid fully in cash.
- The Board has declared a single-tier second interim cash dividend of 39 sen per ordinary share. As such, the total all cash dividend for FY2019 is 64 sen, equivalent to a payout ratio of 87.8%, above the Group's dividend policy.
- We are committed to delivering long-term value for our shareholders by maintaining a dividend payout policy of 40% to 60%. We continue to emphasise on maintaining a strong effective cash dividend payout, as seen since FY2017, as part of our commitment in meeting shareholders' expectations for strong returns while managing the Group's capital effectively.
- Our effective cash dividend paid out in FY2019 is 87.8%. It was higher than the 47.1% paid out in FY2018.

📖 More on dividends and DRP can be found in Notes 34(b) and 53 on pages 129 and 148 of the Financial Book.

OUTLOOK & PRIORITIES FOR 2020

The global economy has experienced significant supply, demand, market and currency shocks arising from the rapid spread of the COVID-19 pandemic. As we brace ourselves for an impending global recession with expected contractions in many of our key operating markets, Maybank Group will strive to manage the level of net interest margin compression in a low rate environment while actively pursuing new growth opportunities in line with our risk appetite to support economic recoveries of our operating markets. We will also seek non-interest income opportunities via our investment and trading portfolio as well as look to support debt capital market activities by government entities and corporates.

Maybank Group will continue to work with our borrowers to ensure we provide viable solutions to support employment and help businesses recover over the near to medium term. We will proactively engage customers facing cashflow difficulties and help provide them with a workable credit plan to be executed during the recovery period.

Other key priorities for the Group include maintaining its cost discipline in this weak operating environment while continuing to hold robust liquidity and capital positions that are in line with regulatory requirements.

INVESTOR INFORMATION

Maybank's investor engagement efforts focus on building confidence and maintaining strong, transparent relationships with the global investing community.

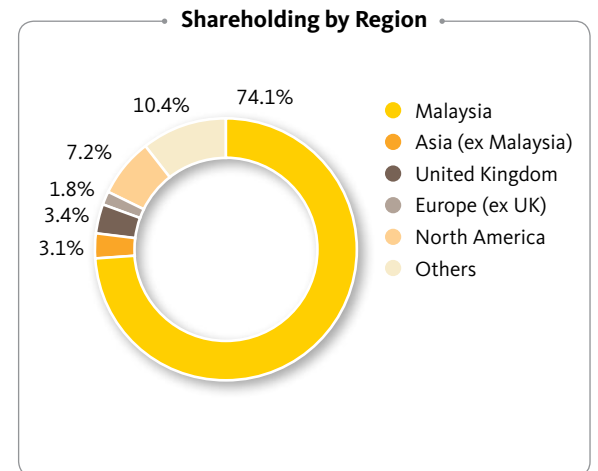
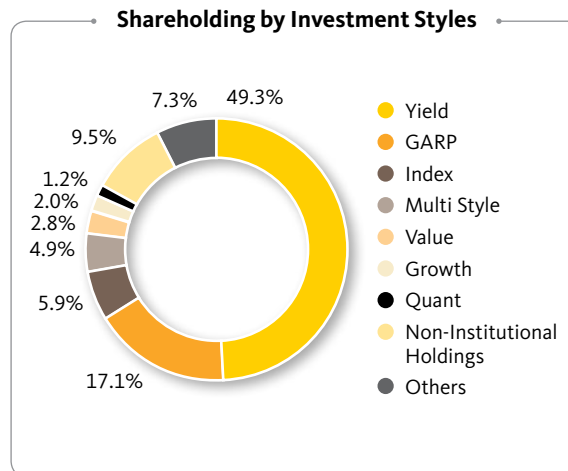
For more information on our approach to investor relations, refer to Corporate Governance Overview Statement on page 86.

SHAREHOLDER ANALYSIS

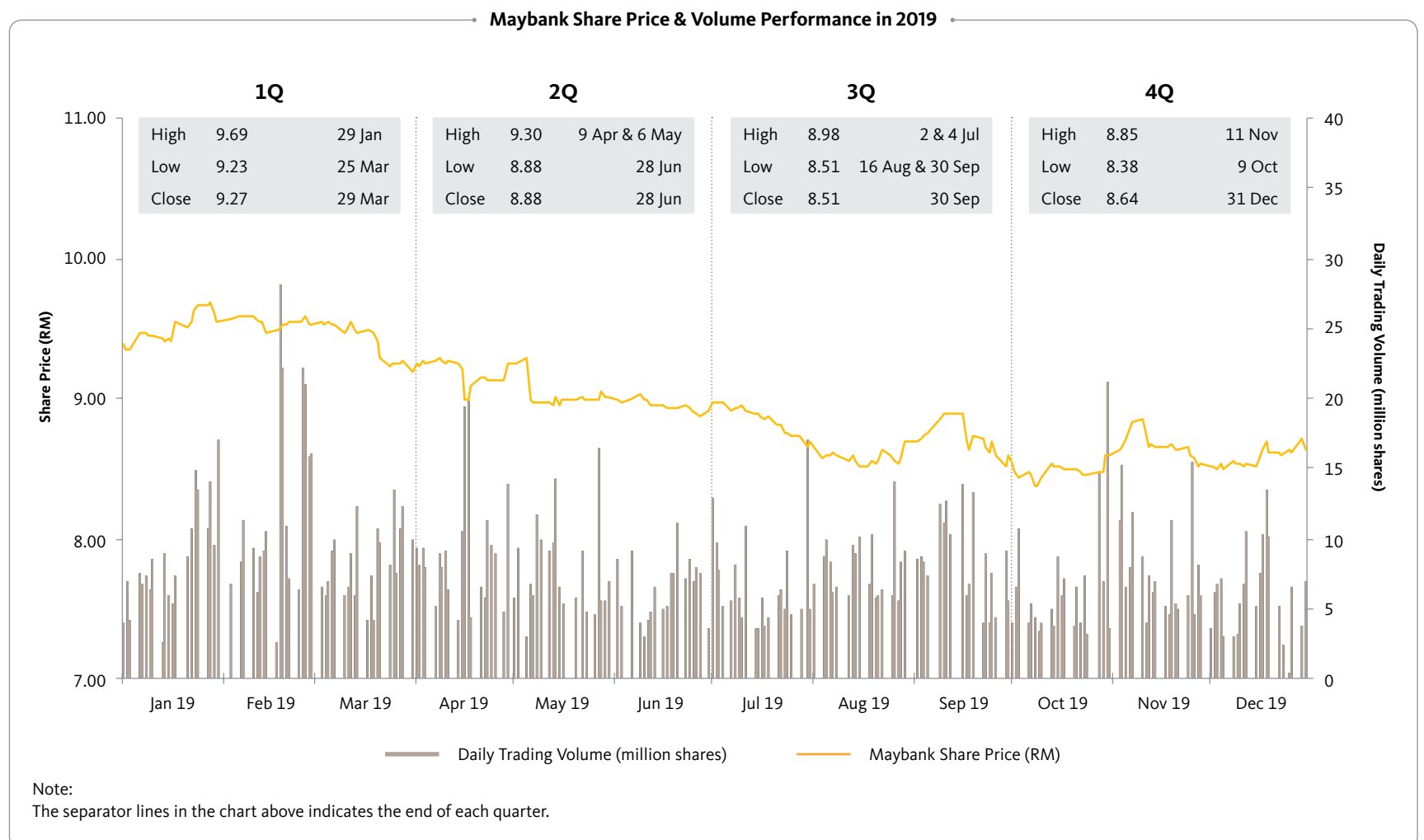
We conduct shareholding analysis to help us better understand our shareholders' composition and plan our investor engagement strategy accordingly. The analysis below provides a breakdown of our shareholders by investment styles and region as at 31 December 2019. Refer to our website at www.maybank.com/ir for weekly foreign shareholding updates and all other investor relations updates, including Maybank's sell-side coverage, credit rating classifications by independent rating agencies and details on other investor engagements for 2019.

Total Shareholders	
Dec 2015	68,121
Dec 2016	79,942
Dec 2017	72,692
Dec 2018	78,872
Dec 2019	94,063

Top 3 Shareholders	
Permodalan Nasional Bhd and the funds it manages	48.9%
Employees Provident Fund Board	11.2%
Kumpulan Wang Persaraan	4.4%

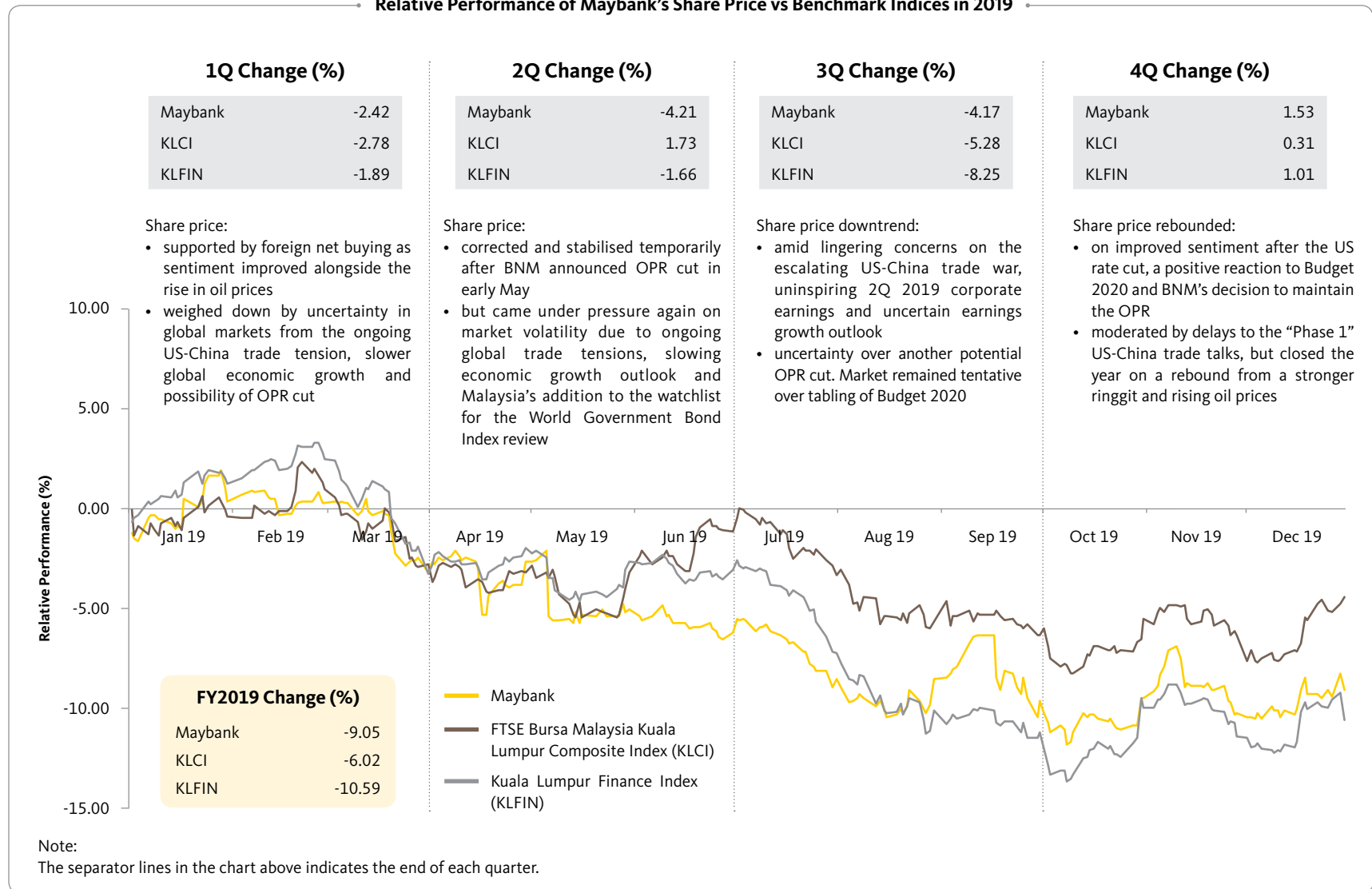


SHARE PRICE PERFORMANCE



Investor Information

Relative Performance of Maybank's Share Price vs Benchmark Indices in 2019



TOTAL SHAREHOLDER RETURN

TSR (%)	FY2011	FP2011*	CY2011^	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Maybank	28.13	(0.16)	8.37	15.60	14.30	(2.49)	(2.46)	3.68	26.65	2.71	(3.11)
KLCI	24.83	(1.11)	4.45	14.27	14.11	(2.62)	(0.97)	0.07	13.19	(2.99)	(2.83)
KLFIN	32.86	(5.69)	4.58	16.99	15.09	(3.82)	(6.46)	5.66	21.85	6.60	(6.68)

LONG-TERM TOTAL SHAREHOLDER RETURN

Holding Period (Years)	25	20	15	10	5	3	2	1
Invested on 31 Dec of	1994	1999	2004	2009	2014	2016	2017	2018
Total Shareholder Return (%)								
Maybank	634.97	292.82	157.90	135.18	27.48	26.04	(0.48)	(3.11)
KLCI	263.79	289.99	199.67	72.96	5.73	6.69	(5.74)	(2.83)
KLFIN	357.29	382.75	271.54	111.96	19.81	21.22	(0.52)	(6.68)
Effective Annual Rate of Return (%)								
Maybank	8.30	7.07	6.52	8.92	4.97	8.01	(0.24)	(3.11)
KLCI	5.30	7.04	7.59	5.63	1.12	2.18	(2.90)	(2.83)
KLFIN	6.26	8.18	9.14	7.80	3.68	6.62	(0.26)	(6.68)

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

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

FINANCIAL PERFORMANCE

FIVE-YEAR GROUP FINANCIAL SUMMARY

	2015	2016	Group FY 31 Dec 2017	2018	2019	Bank FY 31 Dec 2018	2019
OPERATING RESULTS (RM' million)							
Operating revenue	40,556	44,658	45,580	47,320	52,845	26,681	26,906
Pre-provisioning operating profit ("PPOP") ¹	10,953	11,686	11,911	12,416	13,179	9,491	10,283
Operating profit	8,940	8,671	9,883	10,803	10,856	8,748	8,415
Profit before taxation and zakat	9,152	8,844	10,098	10,901	11,014	8,748	8,415
Profit attributable to equity holders of the Bank	6,836	6,743	7,521	8,113	8,198	7,308	7,279
KEY STATEMENTS OF FINANCIAL POSITION DATA (RM' million)							
Total assets	708,345	735,956	765,302	806,992	834,413	456,613	464,360
Financial investments portfolio ²	122,166	130,902	154,373	177,952	192,830	121,354	126,286
Loans, advances and financing	453,493	477,775	485,584	507,084	513,420	230,367	226,589
Total liabilities	644,831	665,481	690,118	729,254	750,344	391,024	394,297
Deposits from customers	478,151	485,524	502,017	532,733	544,531	255,160	242,758
Investment accounts of customers	17,658	31,545	24,555	23,565	20,738	-	-
Commitments and contingencies	719,952	766,439	811,374	872,955	1,208,623	780,161	1,125,440
Paid-up capital/Share capital ³	9,762	10,193	44,250	46,747	48,280	46,747	48,280
Share premium ³	25,900	28,879	-	-	-	-	-
Shareholders' equity	61,695	68,516	72,989	75,330	81,571	65,589	70,063
SHARE INFORMATION							
Per share (sen)							
Basic earnings	72.0	67.8	72.0	74.2	73.5	66.8	65.2
Diluted earnings	72.0	67.8	72.0	74.2	73.5	66.8	65.2
Gross dividend	54.0	52.0	55.0	57.0	64.0	57.0	64.0
Net assets (sen)	632.0	672.2	676.9	681.7	725.6	593.6	623.3
Share price as at 31 Dec (RM)	8.40	8.20	9.80	9.50	8.64	-	-
Market capitalisation (RM' million)	81,999	83,584	105,671	104,972	97,125	-	-
FINANCIAL RATIOS (%)							
Profitability Ratios/Market Share							
Net interest margin on average interest-earning assets	2.4	2.3	2.4	2.3	2.3	2.0	1.9
Net interest on average risk-weighted assets	4.1	4.1	4.5	4.6	4.6	3.6	3.5
Net return on average shareholders' funds	12.2	10.6	10.9	11.4	10.9	11.9	11.3
Net return on average assets	1.0	0.9	1.0	1.0	1.0	1.5	1.6
Net return on average risk-weighted assets	1.9	1.8	2.0	2.2	2.2	3.0	3.3
Cost to income ratio ⁴	48.2	47.1	48.6	47.5	46.7	38.0	32.8
Domestic market share in:							
Loans, advances and financing	18.0	18.2	18.3	18.1	17.9	18.1	17.9
Deposits from customers - Savings Account	25.4	25.3	25.7	26.1	25.5	26.1	25.5
Deposits from customers - Current Account	19.9	20.4	19.4	19.3	18.4	19.3	18.4
CAPITAL ADEQUACY RATIOS (%)							
CET1 Capital Ratio	12.780	13.990	14.773	15.029	15.729	13.757	15.314
Tier 1 Capital Ratio	14.471	15.664	16.459	15.983	16.486	14.871	16.120
Total Capital Ratio	17.743	19.293	19.383	19.024	19.387	18.266	19.387
ASSET QUALITY RATIOS							
Net impaired loans (%)	1.43	1.60	1.58	1.28	1.33	1.73	1.65
Loan loss coverage (%)	72.0	72.0	71.5	83.6	77.3	74.3	76.1
Loan-to-deposit ratio (%) ⁵	92.7	93.9	93.8	92.7	92.4	85.8	87.7
Deposits to shareholders' fund (times) ⁶	8.0	7.5	7.2	7.4	6.9	3.9	3.5
VALUATIONS ON SHARE							
Gross dividend yield (%)	6.4	6.3	5.6	6.0	7.4	-	-
Dividend payout ratio (%)	76.3	78.1	78.5	77.3	87.8	-	-
Price to earnings multiple (times)	11.7	12.1	13.6	12.8	11.8	-	-
Price to book multiple (times)	1.3	1.2	1.4	1.4	1.2	-	-

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

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

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

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

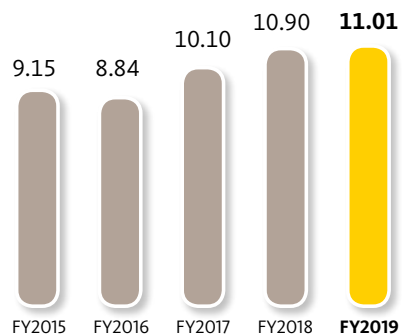
⁵ Loan-to-deposit ratio is computed using gross loans, advances and financing over deposits from customers and investment accounts of customers.

⁶ Deposits to shareholders' fund include investment accounts of customers.

Financial Performance

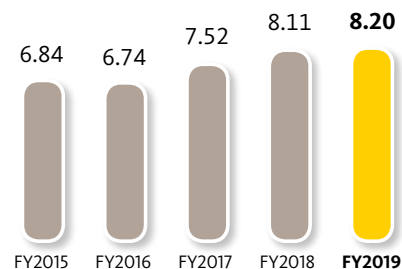
Profit Before Taxation and Zakat

RM11.01 billion



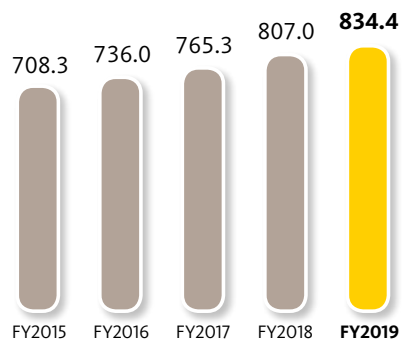
Profit Attributable to Equity Holders of the Bank

RM8.20 billion



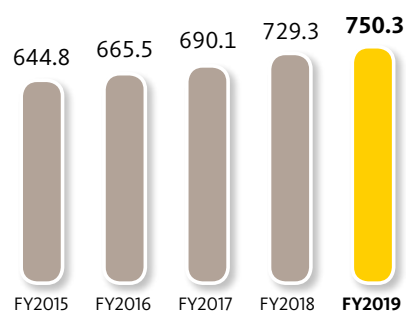
Total Assets

RM834.4 billion



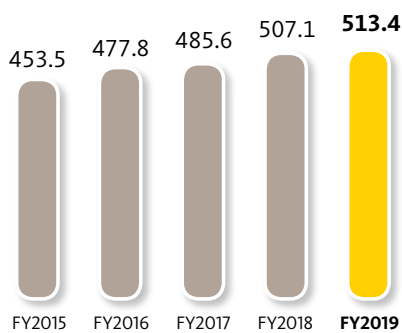
Total Liabilities

RM750.3 billion



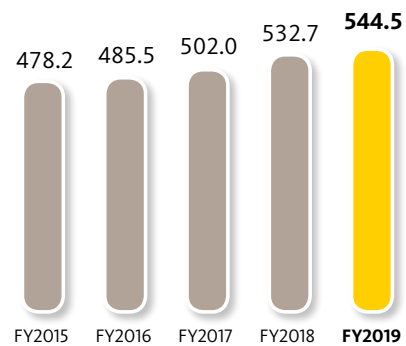
Loans, Advances and Financing

RM513.4 billion



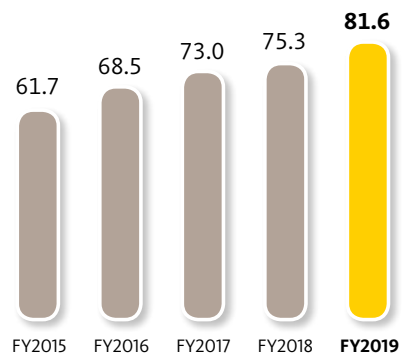
Deposits From Customers

RM544.5 billion



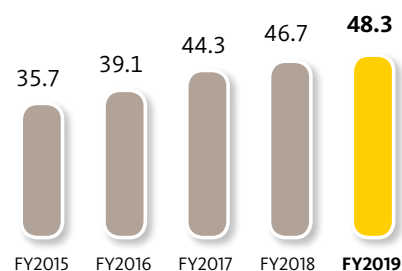
Shareholders' Equity

RM81.6 billion



Share Capital¹

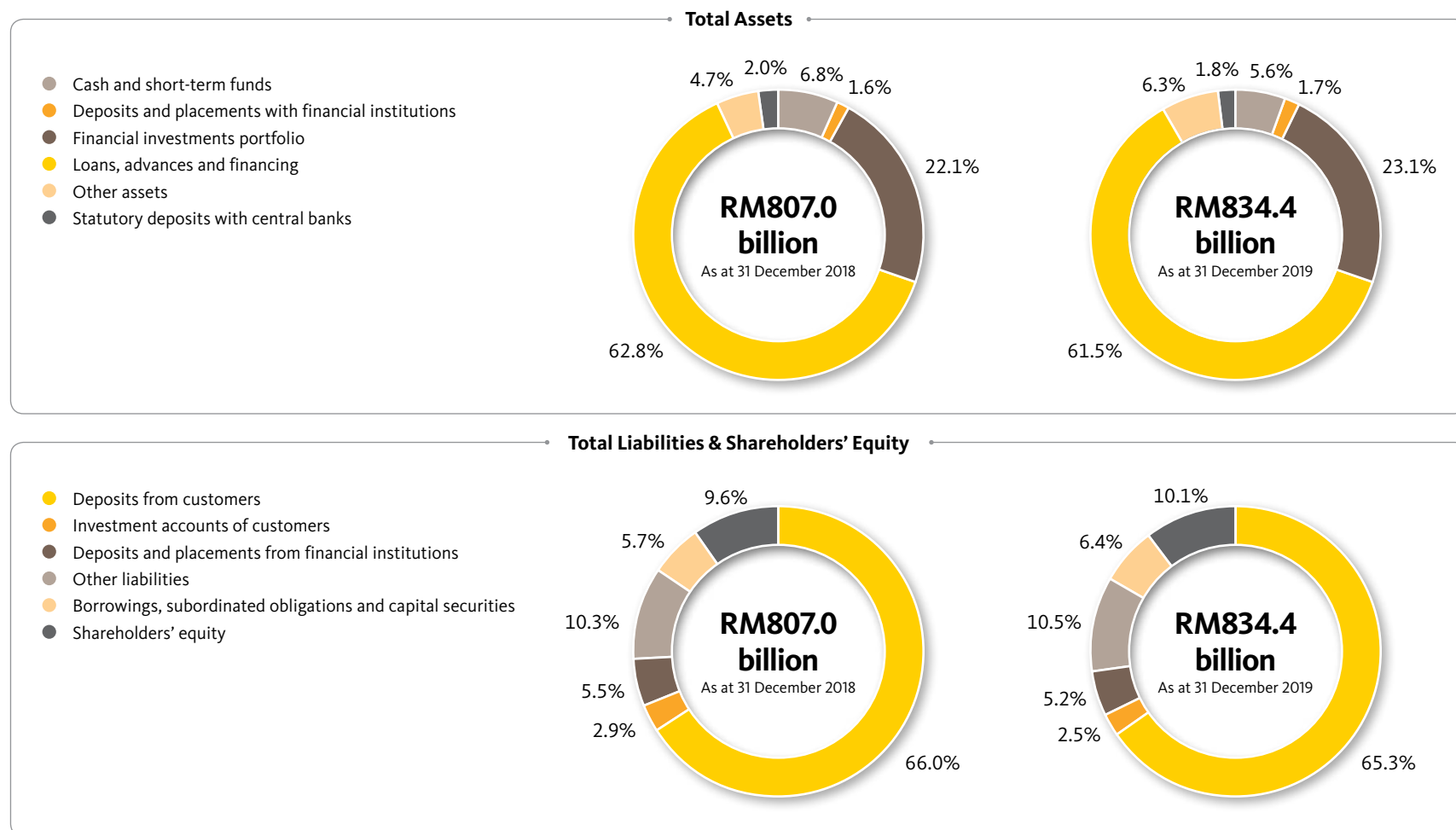
RM48.3 billion



¹ Share capital for FY2016 and FY2015 is inclusive of share premium.

Financial Performance

SIMPLIFIED GROUP STATEMENTS OF FINANCIAL POSITION



GROUP QUARTERLY FINANCIAL PERFORMANCE

RM' million	FY 31 Dec 2019				
	Q1	Q2	Q3	Q4	YEAR
Operating revenue	12,976	13,054	13,833	12,982	52,845
Net interest income (including income from Islamic Banking Scheme operations)	4,450	4,300	4,655	4,669	18,074
Net earned insurance premiums	1,627	1,624	1,749	1,761	6,761
Other operating income	1,678	1,980	2,148	1,471	7,277
Total operating income	7,755	7,904	8,552	7,901	32,112
Operating profit	2,415	2,616	2,600	3,225	10,856
Profit before taxation and zakat	2,450	2,652	2,648	3,264	11,014
Profit attributable to equity holders of the Bank	1,809	1,941	1,999	2,449	8,198
Earnings per share (sen)	16.4	17.5	17.8	21.8	73.5
Dividend per share (sen)	-	25.00	-	39.00	64.00

RM' million	FY 31 Dec 2018				
	Q1	Q2	Q3	Q4	YEAR
Operating revenue	11,515	11,509	12,062	12,234	47,320
Net interest income (including income from Islamic Banking Scheme operations)	4,368	4,320	4,388	4,608	17,684
Net earned insurance premiums	1,511	1,490	1,431	1,502	5,934
Other operating income	1,302	1,008	1,448	1,193	4,951
Total operating income	7,181	6,818	7,267	7,303	28,569
Operating profit	2,548	2,577	2,608	3,070	10,803
Profit before taxation and zakat	2,557	2,609	2,639	3,096	10,901
Profit attributable to equity holders of the Bank	1,871	1,959	1,957	2,326	8,113
Earnings per share (sen)	17.3	17.9	17.9	21.1	74.2
Dividend per share (sen)	-	25.00	-	32.00	57.00

Financial Performance

KEY INTEREST BEARING ASSETS AND LIABILITIES

	FY 31 Dec 2018			FY 31 Dec 2019		
	As at 31 December RM' million	Effective Interest Rate %	Interest Income/ Expense RM' million	As at 31 December RM' million	Effective Interest Rate %	Interest Income/ Expense RM' million
<u>Interest earning assets</u>						
Loans, advances and financing	507,084	5.46	25,493	513,420	5.35	26,416
Cash and short-term funds & deposits and placements with financial institutions	67,528	2.38	1,314	60,562	2.58	1,320
Financial assets at fair value through profit or loss	29,969	2.70	1,092	34,694	2.64	1,113
Financial investments at fair value through other comprehensive income	120,914	3.36	3,647	123,352	3.27	3,959
Financial investments at amortised cost	27,069	5.55	1,007	34,784	4.50	1,414
<u>Interest bearing liabilities</u>						
Customers' funding:						
- Deposits from customers	532,733	2.32	11,300	544,531	2.18	12,492
- Investment accounts of customers	23,565	2.79	598	20,738	2.51	567
Deposits and placements from financial institutions	43,851	2.59	2,125	43,557	2.21	2,267
Borrowings	31,600	3.33	1,061	41,339	2.78	1,347
Subordinated obligations	10,717	4.62	915	9,321	4.63	959
Capital securities	3,531	5.25	342	2,827	4.07	185

STATEMENT OF VALUE ADDED

	FY 31 Dec 2018 RM'000	FY 31 Dec 2019 RM'000
Net interest income	12,072,906	12,095,005
Income from Islamic Banking Scheme operations	5,611,704	5,979,577
Net earned insurance premiums	5,933,563	6,760,618
Other operating income	4,951,022	7,276,998
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(4,907,529)	(7,371,318)
Overhead expenses excluding personnel expenses, depreciation and amortisation ¹	(4,159,106)	(4,387,248)
Allowances for impairment losses on loans, advances and financing and other debts, net	(1,591,256)	(2,287,490)
(Allowances for)/writeback of impairment losses on financial investments, net	(47,685)	20,400
Writeback of/(allowances for) impairment losses on other financial assets, net	26,028	(56,344)
Share of profits in associates and joint ventures	98,285	158,373
Value added available for distribution	17,987,932	18,188,571

DISTRIBUTION OF VALUE ADDED

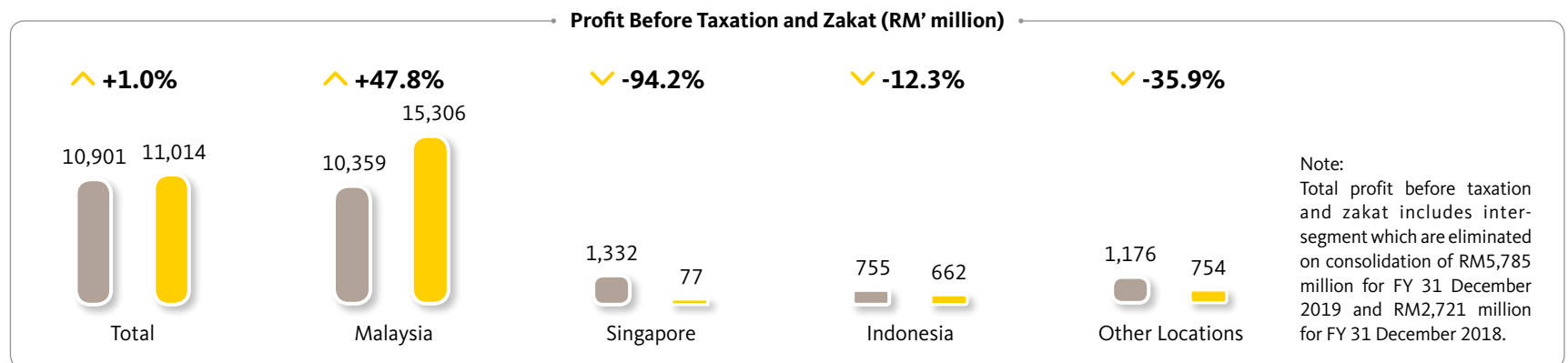
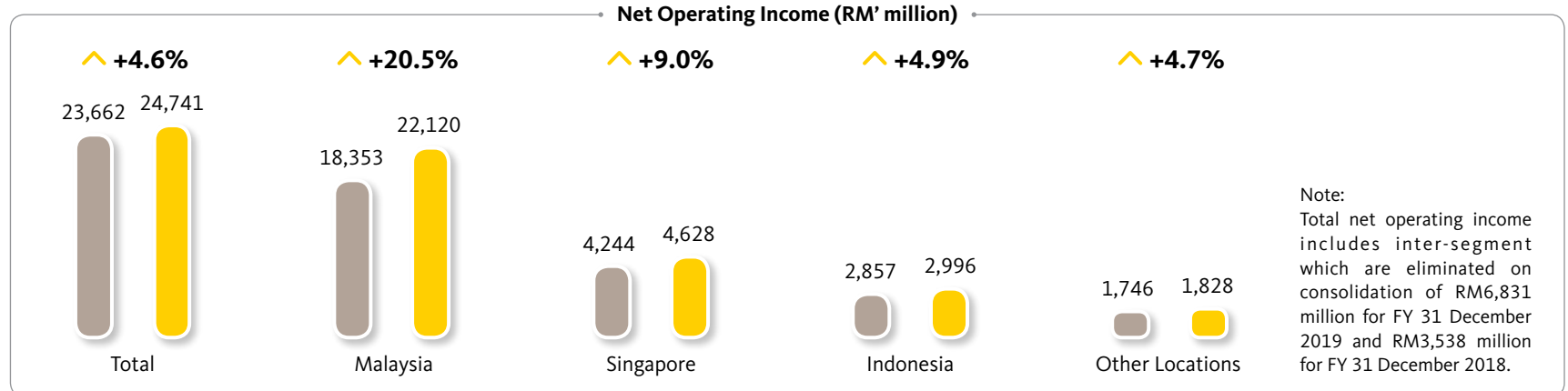
	FY 31 Dec 2018 RM'000	FY 31 Dec 2019 RM'000
To employees:		
Personnel expenses	6,449,524	6,625,037
To the Government:		
Taxation	2,545,410	2,538,231
To providers of capital:		
Dividends to shareholders	6,272,198	7,194,472
Non-controlling interests	242,676	277,575
To reinvest to the Group:		
Depreciation and amortisation ¹	637,062	549,654
Retained profits	1,841,062	1,003,602
Value added available for distribution	17,987,932	18,188,571

¹ Depreciation and amortisation for FY 31 December 2019 excludes depreciation of right-of-use assets.

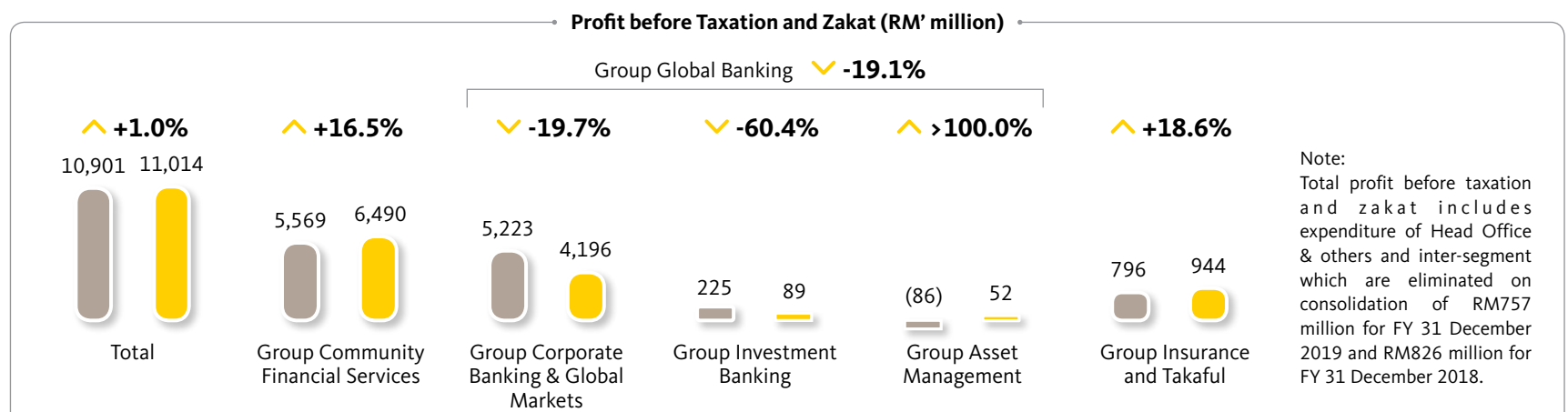
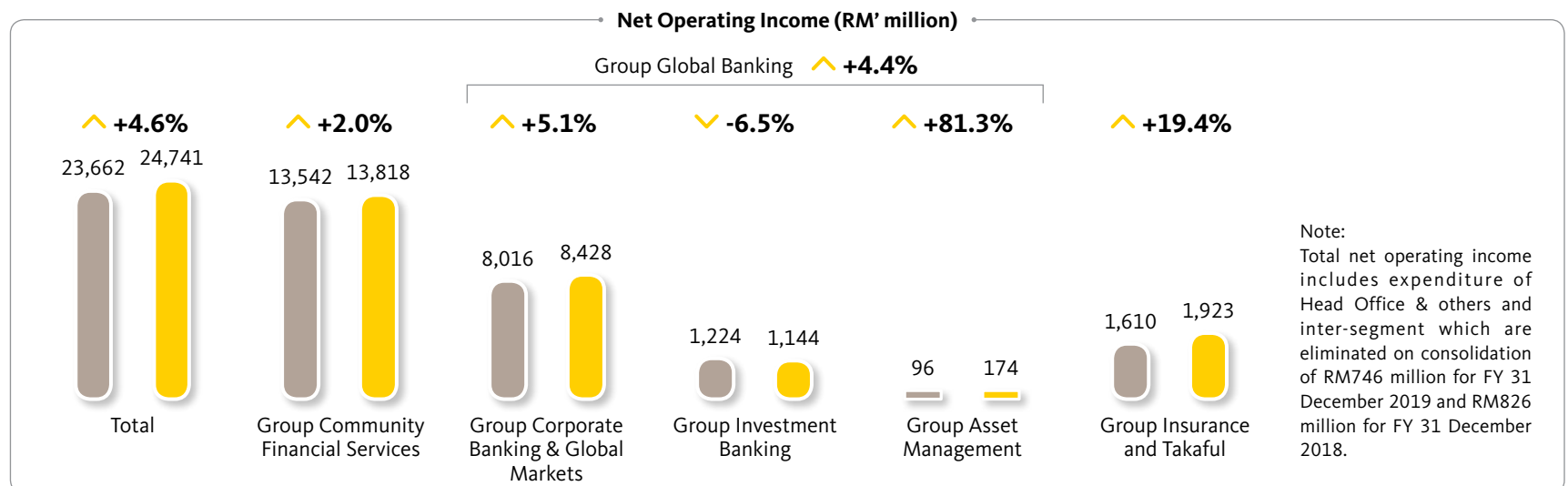
Financial Performance

SEGMENTAL INFORMATION

ANALYSIS BY GEOGRAPHICAL LOCATION



ANALYSIS BY BUSINESS SEGMENTS



● FY 31 DEC 2018 ● FY 31 DEC 2019

GROUP COMMUNITY FINANCIAL SERVICES



TOP ACHIEVEMENTS IN 2019

Launched **MAE**, Malaysia's **first e-wallet with banking facilities**.

Group Wealth Management (GWM) recorded **AUM** growth of **9% YoY to RM230.6 billion**.

First bank in Southeast Asia to launch **Tap2Phone payment solution** for merchants to accept card payments through a mobile app instead of a POS terminal.

In Singapore, **MSpace** - our first branch that combines a café with modern banking services clinched numerous accolades such as the **"Most Innovative Branch Offering"**.

In Cambodia, **Retail SME** registered **loan bookings of KHR122 billion** from our efforts to provide small business owners in rural areas with greater access to finance.

STRATEGIC OBJECTIVE

Group Community Financial Services (GCFS) aspires to be the Top ASEAN Community Bank as part of the Group's Maybank²⁰²⁰ strategic objectives. We are committed to delivering value for our stakeholders as we serve our mission of Humanising Financial Services. Our commitments include:

- Enriching our customers' banking experience by constantly innovating our financial offerings.
- Maintaining our lead position as "Among the most profitable (retail banks) in ASEAN".
- Nurturing a culture that champions employee empowerment to better serve our customers' needs.

STAKEHOLDER EXPECTATIONS



Customers

- Simple, convenient and hassle-free access to financial solutions.
- Tailored financial advice that fulfils their personal needs.



Investors

- Efficient capital management to support growth opportunities.
- Sustainable long-term growth through business practices that incorporate ESG considerations.



Regulators

- Ensure all our innovative financial solutions adhere to regulatory requirements.
- Maintain integrity by implementing a proper risk management framework and compliance measures.



Communities

- Sustainable impact-based solutions that drive inclusive growth by improving access to financial services for the underserved segments.



















Employees

- Develop talent through upskilling programmes so they remain relevant in an increasingly digital economy.
- Regular engagement with senior management to understand and align with Maybank's strategy and direction.

Group Community Financial Services

MATERIAL RISKS AND OPPORTUNITIES

Material Risks and Opportunities	How It Affects Us	Our Response
 Opportunity & Risk: <ul style="list-style-type: none"> ASEAN economies continue to grow despite US-China geopolitical trade tensions and a subdued interest rate environment. 	<ul style="list-style-type: none"> Slow business and investment sentiment lead to softer business activities and weaker loan asset quality. Demographic shifts in ASEAN with a growing urban middle-class population and more SMEs boost demand for financial services. Affected Stakeholder(s):  	<ul style="list-style-type: none"> Focus on providing financial solutions to SMEs in ASEAN. Offer financial solutions that are relevant in the uncertain market conditions and meet our customers' needs.
 Opportunity: <ul style="list-style-type: none"> Attract and preserve banking customer base across all segments – by addressing their evolving financial needs. 	<ul style="list-style-type: none"> Proliferation of innovative delivery channels by competitors may lead to a loss in our market share. Affected Stakeholder(s): 	<ul style="list-style-type: none"> Implementation of Straight-Through Processing (STP) capabilities for selected products in Malaysia and Indonesia for our customers' convenience.
 Opportunity & Risk: <ul style="list-style-type: none"> Continuous technological innovations address rapidly evolving customer needs but may disrupt less agile financial institutions. 	<ul style="list-style-type: none"> Increase investment into digital capabilities to improve cost efficiencies and customer reach. Affected Stakeholder(s): 	<ul style="list-style-type: none"> Leverage data-driven insights to offer meaningful and personalised financial solutions designed to fulfil future needs. Continue to deliver digital offerings and offer an enhanced seamless customer experience – e.g. MAE e-Wallet, Live Chat, Tap2Phone and a MOU with the National Bank of Cambodia for real-time fund transfer and cross-border remittance.
 Opportunity: <ul style="list-style-type: none"> Advancing financial inclusion to promote balanced and inclusive economic growth and development. 	<ul style="list-style-type: none"> Grow our market share by improving access to financial services for the underserved segments. Affected Stakeholder(s):  	<ul style="list-style-type: none"> Provided residential mortgage financing to the B40 and M40 segments under Malaysia's government-initiated affordable home ownership programmes. Broaden access to financing for small business owners in rural areas of Cambodia through wider usage of the Khmer Riel.
  Opportunity & Risk: <ul style="list-style-type: none"> Rising awareness on the role of financial institutions in supporting sustainable development goals. Supporting the cause to ensure climate change does not adversely impact stability of the financial system. 	<ul style="list-style-type: none"> Increased due diligence for the KYC process. Opportunity to support green and sustainable projects. Affected Stakeholder(s):    	<ul style="list-style-type: none"> Embed ESG values into our responsible lending practices and proactively manage risks for new credit applications and conduct periodic risk assessments.

KEY FOCUS AREAS FOR 2019

Advancing our wealth franchise towards new growth horizons

We continue to build our Wealth Management franchise by serving the needs of the fast-growing affluent customer base in ASEAN.

We launched Maybank Premier Wealth and Maybank Visa Infinite Credit Card in the Philippines. We also enhanced our digital distribution capabilities with the introduction of Maybank Live Chat in Malaysia to better serve our Premier Wealth customers beyond our physical branches. Furthermore, a dedicated Client Solutions team was established to deliver holistic financial solutions by identifying strategic synergies across key business divisions for our customers with more complex financial needs.

Our continued investment in our people and our platform, complemented by a full suite of product offerings have increased our asset under management by 9% YoY to RM230.6 billion in 2019. As a testament to our efforts and dedication, we were conferred several prestigious accolades from The Private Banker International, Asian Banker and Alpha Southeast Asia.



> Inauguration of our first Maybank Premier Centre in the Philippines with the GCFS management team and Maybank Philippines' Board of Directors.

Group Community Financial Services



> Maybank was conferred the prestigious Outstanding Private Bank (Southeast Asia) accolade at the 29th Private Banker International Global Wealth Awards 2019, for the second consecutive year.

Raising the bar through digitalisation

In Malaysia, we launched MAE, an e-wallet with built-in banking features to provide greater convenience to customers. This has redefined our customers' banking journey as we eliminated the need to go to branches to start a banking relationship with Maybank. By integrating banking and mobile lifestyle needs, over 1.1 million MAE accounts were opened in 2019. This contributed to triple-digit growth of 104% in monetary transaction volume for mobile banking in Malaysia, reaching 308.7 million in 2019. On the back of this success, we intend to offer this digital product across our key home markets in the region.



> Senior Management unveiling Maybank's revolutionary MAE e-wallet in Malaysia.

In Indonesia, we enhanced the Maybank mobile app with a fresh and intuitive UI/UX with integrated STP-enabled savings account opening for a seamless onboarding experience. This has garnered nearly 1,800 new-to-bank deposit accounts.



> The all-new Maybank mobile app in Indonesia offers a seamless banking experience.

We were recognised as the first bank in Southeast Asia to launch Tap2Phone payment solution for merchants, in collaboration with Visa Malaysia. This service has enabled merchants to accept card payments from customers through our mobile app, removing the need for a point-of-sale terminal. This promotes simplicity and mobility for merchants as we pursue the country's vision of a cashless community.

Our significant strides on the digital front has garnered numerous awards such as Mobile Banking of the Year in Malaysia by Asia Banking and Finance and Global Finance.

Broadening financial access for Retail SMEs

We are steadfast in our commitment to increase access to financial services for Retail SMEs. With this, we have reengineered and simplified business processes to deepen penetration among underserved small business owners. This resulted in hassle-free faster loan approvals. We launched a digital loan application channel via Maybank2u and Maybank2u Biz, offering unsecured loans up to RM250,000 to our existing SME customers with approval-in-principal within 24 hours.

We continued to proactively reach out to the small business community through roadshows and engagement programmes to share industry insights and raise awareness on funding facilities. These events garnered over 2,300 SME participants and empowered them to bridge the financing gap. Our efforts gained us recognition for "Excellence in SME Banking" in Singapore at the Global Retail Banking Innovation Awards. In Cambodia, we moved to support usage of the national currency and promoted Khmer Riel loans, which led to loan bookings of KHR122 billion. This enabled greater access to finance for small business owners in rural areas as the Khmer Riel is widely used by them.

Meanwhile in Indonesia, we partnered with a reputable insurance player to provide a range of protection plans for customers' businesses, especially given the economic environment volatility. This has resulted in nearly IDR837 billion of sum insured sign ups to-date.

OUTLOOK & PRIORITIES FOR 2020

We anticipate the economies of the ASEAN region to be supported by monetary policy easing measures and fiscal stimulus by the respective governments. Meanwhile, the push to liberalise the banking industry will heighten competitive pressures from non-bank players in selected markets. However, at Maybank, we believe that competition ultimately results in innovations that better meet the needs of customers and the community.

Priorities for 2020:

- To be nimble and seize business opportunities while managing asset quality judiciously for sustainable growth.
- Continued efforts to elevate our customer experience by improving our digital capabilities and delivering personalised financial solutions through an embedded customer-centric culture which meets their needs while delivering cost efficiencies.
- Derive meaningful customer insights by leveraging on data analytics.
- Build and maintain a future-proof talent pipeline.
- Promote financial inclusion by using innovative digital channels to improve access to financing for the underserved segments across the region.

Group Community Financial Services

OUR OPERATING LANDSCAPE IN 2019

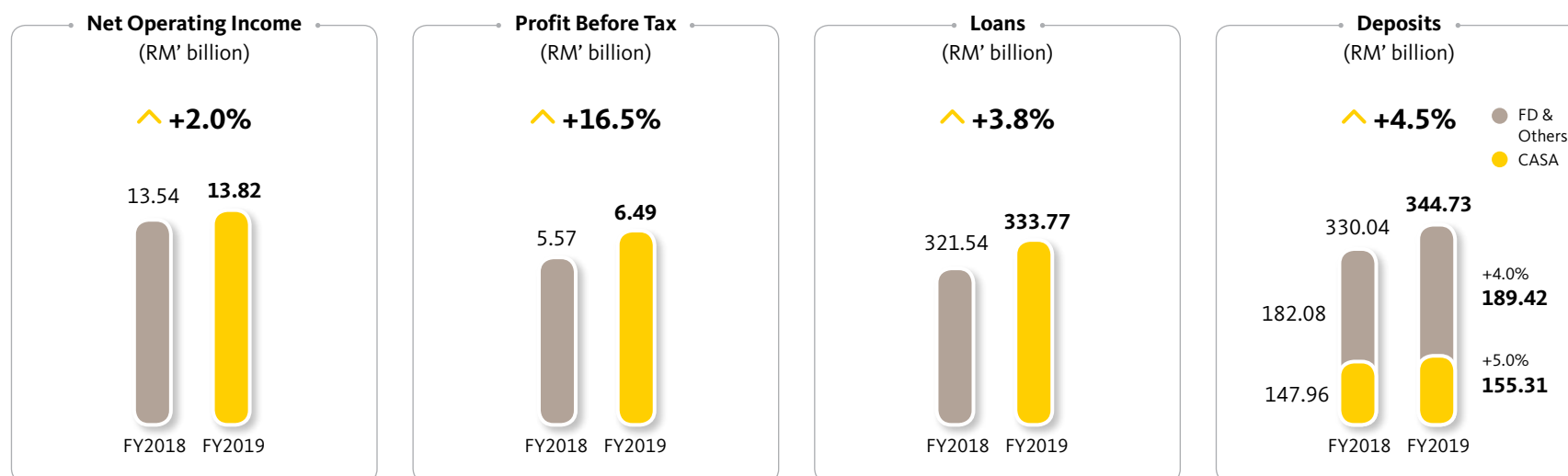
Malaysia

- Rapid pace of disruption in the payment landscape drives innovation to meet customer expectations.
- A subdued interest rate environment and intense competition for deposits, to comply with liquidity requirements, led to NIM compression.
- Consumer spending remain resilient, driven by rising affluence, presents opportunities for wealth management services.
- Growing need for SME financing.

International

- Increasing competition in the wealth space in Singapore – the local banks' retail banking growth is driven by wealth management.
- Moderation in Business Banking financing in Indonesia arising from potential asset quality deterioration amid a more subdued global economy.
- Market stimulating policies that result in lower interest rates in Indonesia and the Philippines boosts liquidity.
- High economic growth in Cambodia continues to present new opportunities for loan expansion.
- Broadening access to finance through digital banking drives wider financial inclusivity across the region.

REGIONAL FINANCIAL PERFORMANCE FY2019



KEY PERFORMANCE HIGHLIGHTS

GCFS' PBT registered solid growth of 16.5% YoY to RM6.49 billion:

- Loans expanded by 3.8% YoY, supported by resilient loans growth in the Consumer and Retail SME segment of 4.8% and 8.7%, respectively.
- CASA recorded a steady increase of 5.0% YoY underpinned by our continued emphasis on growing low-cost funds. As a result, deposits growth strengthened to 4.5% YoY from -3.2% a year earlier.
- Net fund based income growth improved by 0.9% YoY. This is the outcome of our strategy to manage the cost of funds by reducing our dependency on high-cost deposits.
- Solid growth in net fee based income of 5.8% YoY driven by higher wealth management-related fees, particularly from bancassurance and investment fees, as a result of our continuous focus on expanding investment financing capabilities and deepening of wealth penetration.
- Net impairment losses improved significantly by 128.3% as a result of sound risk and asset quality management.

Malaysia recorded net operating income amounting to RM8.89 billion:

- Healthy loans growth of 7.2% YoY led by growth in Retail SME of 11.6% and Consumer of 7.2%. Mortgage is the largest contributor to the performance of consumer loans with a solid growth of 11.6% YoY.
- Against the backdrop of low single-digit deposits growth of 1.8% YoY from lower fixed deposits, CASA recorded growth of 4.0% YoY. This translates to an improved CASA ratio of 51.2% from 50.1% in 2018.
- Notwithstanding steady top-line growth in key businesses, our net fund based income tapered by 0.5% YoY, predominantly from a lower interest rate environment due to a cut to the OPR during the year. Meanwhile, net fee based income grew by 4.2% YoY largely driven by mortgage and bancassurance fees.
- Sustained improvement in asset quality as demonstrated by lower gross impaired loans ratio of 7 basis points from a year earlier.

International maintained stable net operating income growth of 4.8% YoY anchored on broad based growth across key markets:

- Higher net operating income contribution of 35.6% by our international markets, as compared to 34.7% a year earlier.
- Singapore recorded steady growth in both net fund based and fee based income of 10.4% and 11.3% YoY respectively, underpinned by strong CASA growth of 11.4% and improved wealth management fees.
- Indonesia posted fee based income growth of 0.8% YoY with better growth momentum in the second half of FY2019, mainly from bancassurance and investment fees.
- Cambodia displayed robust net operating income growth of 10.5% YoY on the back of strong fee based and fund based income growth of 26.8% and 8.0% YoY.
- Philippines recorded deposits growth of 8.8% YoY mainly from consumer fixed deposits and CASA.

GROUP GLOBAL BANKING



TOP ACHIEVEMENTS IN 2019

No. 1 in Global Sukuk, Malaysian Ringgit Islamic Sukuk and Malaysia Bonds, and top three positions in Malaysia's Equity and Rights offerings and ASEAN Local currency Bonds on Bloomberg's League Tables.

Accorded the **Best Customer Experience (FPX)** at the Malaysian e-Payments Excellence Awards for **three consecutive years**, recognising our commitment to excellence on e-Payment services via Maybank2E, our regional cash management system.

Leading Investment Bank in ASEAN and Malaysia as demonstrated through awards like Best Investment Bank in Malaysia by Asiamoney and Alpha Southeast Asia and The Best Broker in Southeast Asia by Alpha Southeast Asia*.

Executed breakthrough green deals in the region including the Belt & Road Bankers Roundtable USD2 billion inaugural green bond.

Maybank Asset Management Malaysia was the **fastest growing** non-money market funds' AUM at **50.7% YoY**, far surpassing industry growth.

* For GGB's other key awards & recognition, refer to page 111

STRATEGIC OBJECTIVE

Group Global Banking's (GGB) vision of becoming the Leading ASEAN Wholesale Bank Linking Asia, centres on us being a trusted financial partner as we support our clients' progress across ASEAN. Our aspirations are delivered through:

- Our strong brand and extensive regional network: Having cemented our position as one of the most trusted brands in ASEAN, we provide our clients with local and regional expertise as they expand their businesses across the region. Through Maybank's knowledge and in-depth insights of this region, we are able to build strong regional partnerships with our clients and connect them with clients outside ASEAN.
- Our focus: Anchored by relationship teams and supported by product and sector specialists, we deliver a wide range of customised financial services to meet our clients' needs.
- Our capabilities: Continued investments in our talent pool, product innovation and infrastructure to ensure we deliver superior client experiences and quality solutions as well as improve our productivity.

STAKEHOLDER EXPECTATIONS



Customers

- Integrated financial solutions tailored to their needs.



Investors

- Deliver sustainable returns by optimising capital across our franchise, liquidity planning and prudent management of risks and costs.
- Proper distribution of assets and expertise to drive our growth strategy.



Regulators

- Ensure businesses and employees adhere to guidelines, policies and codes of conduct at all times.



Communities


















- Empower the less fortunate and the differently abled through sustainable educational initiatives.



Employees

- An engaged and conducive working environment as well as upskilling opportunities to remain nimble and agile.

MATERIAL RISKS AND OPPORTUNITIES

Material Risks and Opportunities	How It Affects Us	Our Response
 Opportunity & Risk: <ul style="list-style-type: none"> Slowing global economy due to the prolonged US-China trade war which disrupts global trade and heightens market volatility. 	<ul style="list-style-type: none"> Revenue growth may be impacted from subdued business activities. Asset quality for selected industries and countries may be affected. Affected Stakeholder(s):  	<ul style="list-style-type: none"> Conduct periodic credit stress tests to assess the impact of uncertain economic conditions. Prudent asset quality management that ensures our portfolio mix aligns with our risk appetite.
 Opportunity & Risk: <ul style="list-style-type: none"> Banks across the region are moving towards Industry 4.0. 	<ul style="list-style-type: none"> Increased digital competition among banks may impact revenue growth. Affected Stakeholder(s):  	<ul style="list-style-type: none"> Supply chain financing enables us to tap into wider financing opportunities. Use data analytics and models for targeted innovative customer financing solutions.
 Opportunity & Risk: <ul style="list-style-type: none"> Intense competition between banks to provide a seamless banking experience for customers. 	<ul style="list-style-type: none"> Services rendered to our customers directly impact our Net Promoter Score. Affected Stakeholder(s): 	<ul style="list-style-type: none"> Provide seamless digital client onboarding. Active communication with customers to better understand their financing needs in any market conditions.
 Opportunity & Risk: <ul style="list-style-type: none"> The green financing sector is growing rapidly and encouraged by four central banks in ASEAN: Bank Negara Malaysia, Monetary Authority of Singapore, Bank Indonesia and Bank of Thailand. 	<ul style="list-style-type: none"> Greater importance given to ESG considerations when assessing customers. Opportunities to provide financing to customers who are adopting sustainable business practices. Risk assessments must be designed to reduce the possibility of stranded assets. Affected Stakeholder(s):   	<ul style="list-style-type: none"> Established an ESG specialist team and formulate industry strategies to frame policies to support activities of our clients operating in sectors with high environmental and social impact. Ensure clients' operations align with the Group's ESG framework and that customers' quarterly sustainable reports are reviewed.
 Opportunity: <ul style="list-style-type: none"> Corporations are moving towards sustainable business practices that address climate change. 	<ul style="list-style-type: none"> Subject matter experts are needed to ensure the bank provides appropriate financing solutions. Affected Stakeholder(s):  	<ul style="list-style-type: none"> Develop internal subject matter experts to identify business opportunities and viable green solutions. Create a sustainable financing strategy.
 Risk: <ul style="list-style-type: none"> Risk of losing talents and the high cost of retaining them. 	<ul style="list-style-type: none"> High recruitment costs for highly skilled talents with vast expertise. Affected Stakeholder(s): 	<ul style="list-style-type: none"> Provide employees with opportunities for internal mobility to broaden their exposure across businesses and sectors. Encourage employees to pursue professional certifications and upskilling programmes to advance their skillsets.

NOTABLE DEALS

Malaysia

- Sole Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Sole Managing Underwriter and Joint Underwriter for Leong Hup International Berhad's Initial Public Offering of RM1.03 billion, the largest ever poultry-related IPO in ASEAN.
- Joint Lead Manager for Lembaga Pembiayaan Perumahan Sektor Awam's RM3 billion Government Guarantee Medium Term Notes programme.
- Sole Principal Adviser, Lead Arranger, Lead Manager and Facility Agent for Press Metal Aluminium Holdings Berhad's Islamic MTN (Sukuk Wakalah) programme of up to RM5.0 billion in nominal value, the largest Ringgit Sukuk issuance by a metals and mining company to-date.
- Mandated Lead Arranger and Bookrunner for YTL Cement Berhad's Syndication Bridging Loan Facility of up to RM1.8 billion to acquire Lafarge Malaysia Berhad, one of the largest M&A deal involving cement players completed in 2019.
- Sole Principal Adviser, Lead Arranger and Lead Manager for Padiberas Nasional Berhad's Unrated Islamic Medium Term Notes Programme of up to RM1.0 billion.

International

- Singapore:** Joint Bookrunner and Joint Lead Manager for Industrial and Commercial Bank of China Limited Singapore Branch's USD2 billion equivalent inaugural BRBR green bond.
- Indonesia:** Mandated Lead Arranger for PT Pertamina EP Cepu's USD1.85 billion project financing for the Jambatan-Tiung Biru gas development and procession project, the first Islamic project financing tranche for Pertamina as well as the largest and longest tenor non-ECA bank project financing facility in Indonesia.
- Indonesia:** Joint Lead Arranger, Joint Lead Manager, Joint Bookrunner and Joint Shariah Adviser for the Republic of Indonesia's USD2.0 billion Sovereign Sukuk, the first USD Sovereign Sukuk by the Indonesian government.
- Greater China:** Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager for Haitong International Securities Group Limited's USD400 million bond issuance.
- Vietnam:** Sole Mandated Lead Arranger and Bookrunner for USD135 million Syndicated term loan facility for Viettel Global Investment Joint Stock Company.

Group Global Banking

KEY FOCUS AREAS FOR 2019

Driving clients' growth ambition in ASEAN amidst market volatilities and geopolitical concerns

We participated in several landmark deals. On the equity front, we were involved in Thailand's Asset World Corp's IPO, the largest listing in ASEAN in 2019 and Malaysia's Leong Hup International Berhad's IPO, the largest ever poultry-related IPO in ASEAN. The year also marked our first foray in large cap SGX listed REITs with the listing of US Prime REIT IPO. Meanwhile, our debt franchise cemented its leadership position particularly in the Sukuk market where we participated in 15% of global Sukuk deals and clinched recognition as Asia Pacific's Sukuk Adviser of the Year by The Asset Triple A.

We also gained momentum in our China-ASEAN connectivity where we won a greater number of mandates from our clients. Leveraging our Financial Institution Group's expertise, we participated in Haitong International Securities Group Limited's USD400 million bond issuance, our first Joint Global Coordinator role for a financial institution from Greater China. As a result, we were awarded the Best Bank for Belt and Road Initiatives-related Financing in the Region (Southeast Asia) at the Asiamoney New Silk Road Finance Awards 2019.

We continued to demonstrate our commitment in driving our clients' growth by organising various conventions and conferences such as Budget 2020 Forum, Invest Malaysia and Invest Asia Singapore, which was our first collaboration with ICBC International. We also participated in thought leadership forums across the region such as Corporate Treasury & CFO Summit, World Chinese Economic Forum (WCEF) and Financial Times – Asian Infrastructure Investment Bank (FT-AIIB) Summit. These events bring together corporates, experts, regulatory bodies and decision makers to discuss and share market insights and industry trends. Besides networking opportunities, knowledge and views gained from these events would help delegates in making informed business decisions against current industry and economic trends.



> Dato' Muzaffar Hisham, Group CEO Global Banking (far right), a panellist at FT-AIIB Summit, Jakarta.

Introducing digital innovations to deliver superior client experience and improve efficiency

As our clients expand across the region, their requirements for trade and cash management solutions become more sophisticated. To meet increasing demand for faster and traceable cross-border payments, we launched SWIFT global payments innovation (gpi) in April 2019, and became the first local bank in Malaysia to introduce this service. SWIFT gpi assists clients' decision-making process as planning and budgeting are made simpler through features such as same-day fund transfer, upfront fees and costs estimations, and instant status tracking. Maybank is also currently the only bank that provides salary deduction services for Amanah Saham Nasional Berhad's investments through Maybank2E. We were recognised for Best Customer Experience (FPX) from PayNet for meeting clients' needs.

Maybank Trade enhanced its engagement platform to develop predictive customer behaviour analytics capabilities as well as implemented biometrics login for faster and more secure transactions. MKE Trade was also deployed in Thailand with country-specific features for Thai investors during the year.

Repositioning our asset management franchise

During the year, Maybank Asset Management (MAM) Malaysia saw its presence in the retail market gaining traction. In July 2019, MAM Malaysia launched the first global Shariah mixed assets fund in Malaysia called Maybank Global Mixed Assets-I Fund in collaboration with Schroders. The Fund reached the RM100 million Assets Under Management (AUM) mark within its Initial Offering Period (IOP). MAM Malaysia also took home its first group and fund award at the 2019 Lipper Fund Awards by winning the Best Equity Group award while Maybank AsiaPac ex-Japan Equity-I Fund grabbed the fund award for Best Equity Asia-Pacific ex-Japan (Islamic) in the three-year category. Meanwhile Maybank Islamic Asset Management clinched recognition as the Best Islamic Asset Management Company in Malaysia by Global Brands Magazine Awards 2019.



> MAM Malaysia taking home the Best Equity Award (Malaysia) at the 2019 Lipper Fund Awards for the first time.

Incorporating sustainability into our lending decisions

As investors and businesses around the world continue to consider the impact of their business practices on the environment and communities, the need for banks to provide sustainable finance is increasingly crucial. Understanding this, we have placed great emphasis on creating a sustainable finance strategy, incorporating ESG considerations into lending decisions and identifying new financing opportunities for our clients. An ESG specialist team was established to support the activities of our clients operating in sectors with high environmental and social impact.

We have also executed breakthrough green deals within the region including the inaugural USD2 billion equivalent Belt and Road Bankers Roundtable (BRBR) green bond for the Industrial and Commercial Bank of China (ICBC) Limited in Singapore, USD35 million financing for Solar Power Ninh Thuan, our first solar project financing in Vietnam and Bitexco Group's maiden solar project, as well as Cypark Ref Sdn Bhd's SRI Sukuk Murabahah Programme of up to RM550 million, an unprecedented solar turkey financing structure and debut issuance for Cypark Group.

OUTLOOK & PRIORITIES FOR 2020

We expect global, regional and domestic growth to be slower in 2020 and will continue to adopt a prudent approach in managing our exposures within our risk appetite. We are committed to growing responsibly, creating value and building a sustainable franchise for our clients within the ASEAN region.

Priorities for 2020:

- Develop a comprehensive trade ecosystem and upscale our regional cash management system for our flow business to tap into wider financing opportunities along the supply chain.
- Drive and expand our approach to working with our customers and partnering with them on their journey to incorporate ESG considerations in support of our long-term economic and social development.
- Continue to invest in people and infrastructure in Cambodia, Laos, Myanmar and Vietnam (CLMV) to complete our flow business proposition. In Greater China, we aim to onboard targeted clients in alignment with the Group's risk appetite and further grow our wallet share.
- Continue to build and strengthen our asset management businesses by launching innovative conventional and Islamic products and expanding our third-party distribution channels across markets, which is supported by sophisticated infrastructure.
- Continuously being proactive in managing asset quality and chart solutions together with our clients through economic and business uncertainties and actively connecting them with regional growth opportunities.

OUR OPERATING LANDSCAPE IN 2019

Malaysia

- Cautious business conditions and consumer sentiment as a result of external uncertainties and overhang in domestic policies and politics weighed down on corporate borrowings and capital market activities.
- Non-household loans growth driven by manufacturing, construction, real estate and financial services sectors.
- The equity market underperformed on the back of weak corporate earnings and continued external and domestic uncertainties.

International

- The prolonged uncertainty surrounding the US-China trade war and Brexit affected corporate investment and trade decisions.
- Singapore: Negatively impacted by softer demand for Chinese imports as well as a downturn in the global electronics sector. Manufacturing and trade-related services underperformed in 2019.
- Indonesia: Government's spending on infrastructure projects declined but macro and political stability attracted incoming FDI especially in the manufacturing sector (e.g. electric vehicles).

REGIONAL FINANCIAL PERFORMANCE FY2019

Net Operating Income
(RM' billion)

+4.4%

9.34 9.75

FY2018 FY2019

Profit Before Tax
(RM' billion)

-19.1%

5.36 4.34

FY2018 FY2019

Loans
(RM' billion)

-3.0%

195.22 189.29

FY2018 FY2019

Deposits
(RM' billion)

-3.8%

234.64 225.64

180.19 179.18

54.45 46.46

Other Deposits
CASA

FY2018 FY2019

KEY PERFORMANCE HIGHLIGHTS

GGB's PBT declined by 19.1% YoY to RM4.34 billion arising from:

- Increased loans allowances due to asset quality weakness arising from specific borrowers experiencing cashflow tightness from the challenging external environment.
- However, net income increased by 4.4% YoY supported by robust fee based income growth of 13.0% YoY, mainly contributed by gains from treasury related activities, investment banking and advisory (IB&A) fee income across all products, asset management and securities services products.
- Net fund based income declined by 1.3% YoY mainly due to slower loan growth in Singapore.
- Cost to income ratio (CIR) recorded a YoY improvement from 34.4% to 31.5% as a result of our strategic cost management efforts which saw total overheads decrease by 4.2% YoY.

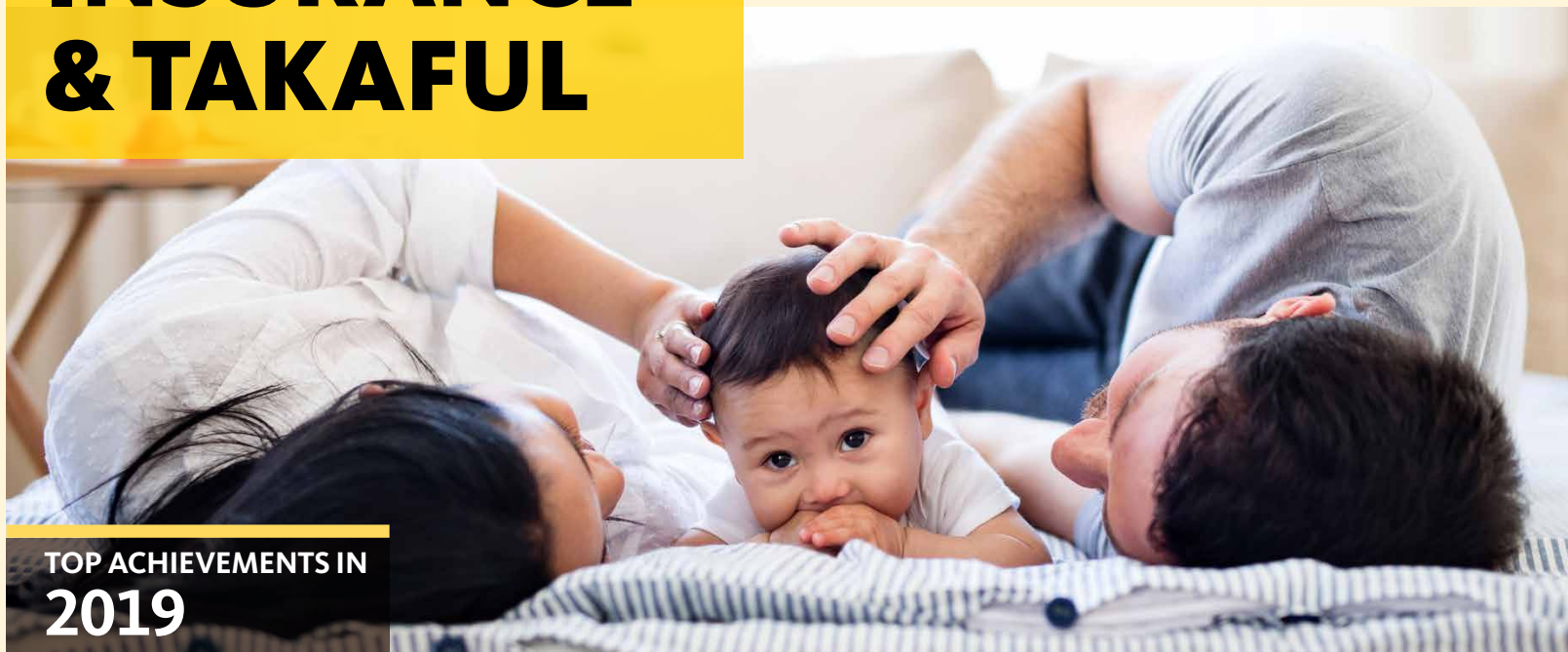
Healthy net operating income growth of 7.6% YoY in Malaysia contributed by:

- Net fee based income grew 16.9% YoY mainly contributed by growth across a range of products including treasury, corporate banking, asset management, securities services, investment banking and advisory.
- Net fund based income remained relatively flat mainly due to securities offset by corporate credit growth of 2.9% driven by term loans and unrated bonds.
- PPOP grew by 14.2% YoY contributed by net income growth and a reduction of total overheads by 8.4% YoY.
- PBT registered YoY growth of 21.2% supported by PPOP growth but impacted by higher loan loss provisioning and impairment of securities.

Net operating income for international markets recorded marginal growth of 0.9% YoY on the back of a challenging operating environment:

- Singapore: Net income grew by 2.2% YoY mainly driven by gains from treasury related activities, asset management and cash management products.
- Indonesia: Net income declined marginally by 1.6% due to lower net fund based income in Corporate Banking but offset by gains from treasury related activities.
- Greater China: Steady net income growth of 6.8% driven by a strategic focus on Belt and Road initiatives, serving both inbound and outbound cross-border trade and investment.
- Philippines: Net income grew by 15.4% YoY mainly driven by cash management services and treasury related activities as we provide a full suite of financial solutions to our clients.
- CLMV countries: Net income increased by 14.6% YoY due to growth across a range of products that generate both interest and fee income.

GROUP INSURANCE & TAKAFUL



TOP ACHIEVEMENTS IN 2019

No. 1 Bancassurance player in Malaysia for two consecutive years.

Became Malaysia's leading Motor Insurance/Takaful provider in 2019, with a **growth of 29% YoY** in the General Insurance/Takaful business.

Over 60% online insurance/Takaful market share for three consecutive years.

Launched a **first-of-its-kind product** in Malaysia that covers **mental illnesses**.

Expanded footprint to Cambodia with regulatory approvals to operate our Life and General Insurance business.

STRATEGIC OBJECTIVE

Etiqa aspires to be the leading ASEAN insurer in line with Maybank²⁰²⁰ strategic objectives. To do so, we are driven by our 2023 purpose statement, which is "To Make the World a Better Place". We prioritise the interests of our customers and communities and provide protection and wellness offerings to as many people as possible, via four focus areas:

- Providing advice that puts the customer's interest first
- Creating a Fast and Easy customer experience
- Driving technology across the organisation
- Keep only our highly effective people

STAKEHOLDER EXPECTATIONS



Customers

To be easy to deal with and to respond quickly to their queries and claims.



Investors

To enhance our new business value ratio, strengthen our Model Loss Ratio and our book value.



Regulators

To be a sustainable socially responsible business entity that is committed to giving the best service and products to customers.



Communities




To create greater social economic impact on the wider society through the preservation of health and wealth.



Employees

A working environment that is conducive and considers their well-being.

MATERIAL RISKS AND OPPORTUNITIES

Material Risks and Opportunities	How It Affects Us	Our Response
<p>Opportunity:</p> <ul style="list-style-type: none"> A large uninsured and underinsured segment in Malaysia and selected ASEAN countries. 	<ul style="list-style-type: none"> Opportunity to expand our customer base, revenue streams and strengthen the Etiqa brand across ASEAN. <p>Affected Stakeholder(s): </p>	<ul style="list-style-type: none"> Ramp up cross-selling through bancassurance and strengthening our ASEAN businesses to tap into the underserved market. Develop a deeper understanding of our customers' needs by using data analytics, which also enabled us to better personalise solutions. Ramp up the FEBA (Fast and Easy, Best Advice) experience.
<p>Risk:</p> <ul style="list-style-type: none"> Political and economic uncertainties contribute towards cautious spending by the private and public sectors. 	<ul style="list-style-type: none"> Fewer insurance business opportunities. Insurance investment portfolio impacted by the external environment. <p>Affected Stakeholder(s): </p>	<ul style="list-style-type: none"> Reduced exposure to equities and increased exposure to fixed income, thus mitigating portfolio volatility. Managed our operating expenses prudently.
<p>Opportunity & Risk:</p> <ul style="list-style-type: none"> Digitalisation is changing the way customers engage with insurers. 	<ul style="list-style-type: none"> Risk losing potential business and market share to competitors and new entrants (such as Insuretech) if we do not innovate. <p>Affected Stakeholder(s): </p>	<ul style="list-style-type: none"> Continue to innovate and launch digital services and products to entice digital-savvy customers and millennials while enabling a platform for direct sales. Developing our employees with the skillsets to serve the needs and wants of the new generation of customers.

KEY FOCUS AREAS FOR 2019

Remain the preferred Bancassurance/Bancatakaful player

Our Malaysian Bancassurance/Bancatakaful segment continued to grow by 8% in regular premium/contribution since the launch of our Insurance Advisors (IA) programme in late 2016. In 2019, we enhanced our customer profiling processes to provide a better understanding on customers' wealth management and protection needs.

Digitalisation of Etiqa and enhancing operational efficiency

We continued to digitise our services to maintain our position as the top online insurer in Malaysia and the leading digital insurer in Singapore.

For backroom operations, we leveraged new technology such as Artificial Intelligence (AI) and Robotic Process Automation (RPA) to simplify our insurance claims processes. For example, Anomalous Parts Detection (APD), a predictive system, uses data analytics to assist internal adjusters in assessing claims parts. We use RPA to reduce our policy issuance, renewal and endorsement processes, for the Standard Group Hospitalisation Scheme (GHS) product, to three and five days from 11 days.

In Singapore, we launched our first affiliate portal called Etiqa API Portal which enables third-party software developers to build new applications around Etiqa products and services. This will enable our partners to easily integrate our insurance services and solutions on their online platforms.



> Etiqa Singapore's API Portal enables our partners to integrate our insurance services on their online platform.

Revitalising our agency force

Our agency force continues to be one of the biggest contributors to our revenue. With this in mind, we continue to increase the competency of our force. Etiqa Academy, the centre for knowledge and skills development, introduced *myKASH* (which stands for *my Knowledge, Attitude, Skills and Habits*), a mobile platform which enables agents to learn while being on-the-go as it can be accessed on any device 24/7 i.e. anytime and anywhere. It also allows agents to connect and discuss topics with other users via its social features. Apart from being kept up to date with the latest developments, the learning modules contribute towards the agents' Continuous Professional Development (CPD) hours and include mandatory product training that equips them with the necessary skills and knowledge to better advise and serve our customers.

Living our brand promise by putting our customers first

We continue to carry out various initiatives to deliver our brand promise of "Humanising Insurance and Takaful". Our first Etiqa Healthcare Day at Dataran Maybank drew more than a thousand visitors and customers. This event highlighted the importance of a healthy lifestyle and offered health screenings such as dental and eye screenings in collaboration with our partners from major healthcare providers and private hospitals. All activities were offered free of charge.



> A Maybanker getting her BMI reading during Etiqa Healthcare Day 2019.

Group Insurance & Takaful

Etiqa Healthcare Day also featured talks by reputable experts in cardiology and nutrition from renowned hospitals and institutions. Besides building a professional network of healthcare partners for Etiqa, this event also created an awareness of healthy living and healthcare services among the public, our customers and Maybankers.

We introduced a new critical illness insurance coverage that includes protection for four types of mental illnesses: bipolar affective disorder, major depressive disorder, schizophrenia and schizoaffective disorder, in line with the rising trend of mental illnesses. This is the first critical illness plan in Malaysia with mental illness coverage and is known as the Investment-Linked Critical Illness Plus (IL CI Plus) plan. The launch was officiated by Deputy Minister of Women, Family and Community Development, YB Puan Hannah Yeoh. In conjunction with the launch of this revolutionary product, a mini forum titled “Breaking the Silence on Mental Illness” was held as part of our efforts to promote mental health awareness among Maybankers.



> YB Puan Hannah Yeoh, Deputy Minister of Women, Family and Community Development officiated the launch of Etiqa's first-in-Malaysia critical illness rider with mental illness coverage, IL CI Plus.

A notable event in 2019 was our offer to compensate our customers whose flights were delayed because of the technical glitch in Kuala Lumpur International Airport (KLIA)'s system in August. These events are traditionally not included in travel coverage but we decided to go the extra mile for our customers. Our quick and considerate action led to a twofold increase in the take-up rate of our travel policy.

FEBA culture

Our operations and initiatives have been guided by our philosophy of providing customers with “Fast and Easy” services and to give the “Best Advice” (FEBA). FEBA applies to our customers' overall experience with us; from purchasing policies, to submitting claims and receiving payouts.

“Fast and Easy” refers to the various avenues for customers to access our services easily and quickly. This includes our ongoing efforts to digitalise our operations to make our processes more efficient. A notable achievement in 2019 was a significant reduction in our turnaround time (TAT) to process policies and claims that now ranges between 30 minutes to under 24 hours, which outperforms the industry average and BNM regulatory requirement of seven days.



“Best Advice” places the customers' interest first through our efforts to better understand their needs and provide them with personalised solutions. This is primarily executed through continued enhancement of training programmes for our sales intermediaries, with an example given earlier. We also recently soft launched our Smile mobile app, which enables customers to obtain healthcare and auto assist services, as well as receive information on our services on an integrated mobile platform to facilitate informed decision-making.

Our efforts have been recognised locally and internationally with various awards. We were accorded the Best Takaful Service Provider in Malaysia by Global Banking & Finance Awards and Insurance Company of the Year, General Insurance, Malaysia, by The Asset Triple A Asset Servicing, Institutional Investor and Insurance Awards 2019, as well as received positive feedback from our customers.

OUTLOOK & PRIORITIES FOR 2020

We anticipate greater competition as well as opportunities in the digital space as more Insuretech players enter the market and digital initiatives by the government (such as the construction of a 5G ecosystem) are implemented in 2020. The uncertain economic environment is also expected to persist, resulting in cautious sentiment for investments and spending especially on high-valued items such as property. We expect Life/Family business to continue to grow, while investment-linked products and the General Insurance/Takaful businesses may slow down. Meanwhile, sustainability considerations will continue to gain traction in 2020 and we anticipate new regulations and guidelines such as Value-based Intermediation from Bank Negara Malaysia.

Priorities for 2020:

- Increase adoption of technology across the company and further digitalise Etiqa's business model and improve our agency force with various new tools.
- Ensure Etiqa remains as the preferred partner of banks in bancassurance by continuing our Insurance Advisors programme, developing more innovative products and simplifying the underwriting process.
- To make all our products and services aligned with “FEBA” i.e. Fast claims, Easy to be dealing with and provide the Best Advice.
- To implement Value-based Intermediation activities throughout Etiqa's business model, so that all stakeholders and the wider society can benefit from our operations.
- To continue to strengthen and grow our regional entities.

Group Insurance & Takaful

OUR OPERATING LANDSCAPE IN 2019

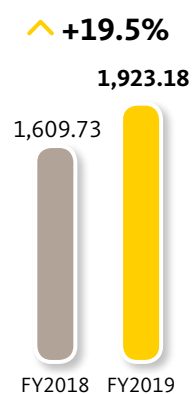
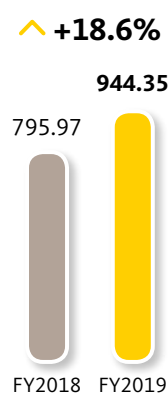
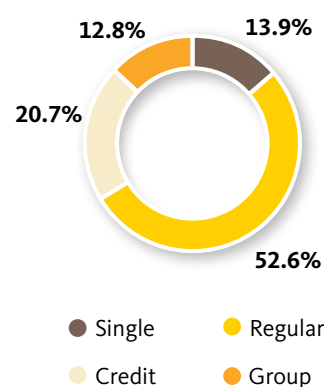
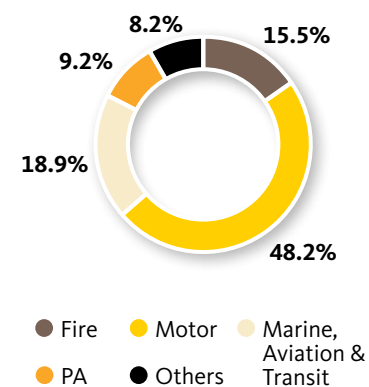
Malaysia

- Increased competition from new insurance and Takaful operators and the proliferation of innovative digital insurance and Takaful products and services.
- Stiff competition and the liberalisation of tariffs on general products continue to pressure underwriting margins. The margin for the motor segment has already narrowed and this is expected to occur to margins for fire insurance when it fully liberalises.
- A sluggish capital market has impacted investing sentiment and resulted in lacklustre sales of investment-linked policies.

International

- Concerns of a global economic slowdown due to the prolonged trade dispute between the US and China continue to discourage consumer borrowing and spending as well as business expansions. This has impacted new business opportunities.

REGIONAL FINANCIAL PERFORMANCE FY2019

Net Operating Income*
(RM' million)Profit Before Tax*
(RM' million)Life Insurance Premium/
Family Takaful ContributionGeneral Insurance Premium/
General Takaful Contribution

* Net Operating Income and Profit Before Tax are mapped according to segmental disclosures. Refer to Note 62, page 223 of the Financial Book.

KEY PERFORMANCE HIGHLIGHTS

Group Insurance & Takaful's PBT grew by 18.6% to RM944.35 million:

- Our combined gross premium/contribution recorded a growth of 11.4% YoY to RM8.03 billion in FY2019, on the back of healthy growth in selected business lines specifically Motor, Regular Premium and Single Premium. Net Adjusted Premium grew by 13.8% to RM5.00 billion in FY2019.
- Life Insurance and Family Takaful business registered a premium/contribution growth of 12.4% to RM4.88 billion mainly due to a strong performance in Regular Premium and Single Premium products.
- General Insurance and Takaful premium/contribution rose by 9.8% to RM3.15 billion supported by strong increase in the Motor business.
- Net operating income and PBT grew by 19.5% and 18.6% in FY2019 respectively, mainly from a better performance in our investments on the back of capital gains and higher interest/profit income, coupled with higher net income from our equity portfolio, compared to the losses made in 2018.
- Total assets increased by 12.2% to RM40.51 billion in 2019 from RM36.12 billion recorded in the previous year.

In Malaysia, PBT increased by 11.8% to RM877.79 million:

- Combined gross premium/contribution grew by 11.9% to RM6.29 billion in FY2019 from RM5.62 billion a year earlier, supported by strong growth in the Regular Premium, Group and Motor business. Net Adjusted Premium grew by 16.0% to RM4.08 billion in FY2019.
- The higher PBT in FY2019 was due to returns made on our investment portfolio. However, income generated was moderated by a drop in MGS and GII yields, and a widening credit spread during the year.
- Etiqa's growth of 15.3% in General Insurance and Takaful business far surpassed the industry's growth of 2.0%, driven by growth in Motor and Personal Accident. Market share increased from 11.7% to 13.7% in 2019.
- Our Life Insurance and Family Takaful new business premium/contribution which grew 9.6%, commanded 10.8% market share. New Business Value recorded an increase of 24.3% YoY.

For international operations, PBT grew 522.1% in FY2019:

- The regional markets' combined gross premium recorded a growth of 9.6% YoY to RM1.74 billion in 2019.
- The Singapore operation closed the year with gross premium of SGD447.21 million, an increase of 10.6%, driven mainly by the strong growth in the single premium business from Maybank Private and Premier Wealth customers. PBT was 146.8% higher than 2018, attributable to higher profits from the life insurance business.
- Meanwhile in the Philippines, Etiqa registered a strong growth in gross premium of 42.2% to PHP4.38 billion. PBT increased by 2.5% to PHP297.14 million as a result of higher net investment income.
- In Indonesia, Etiqa is in the process of consolidating its business. The company closed FY2019 with gross premium of IDR300.93 billion.

GROUP ISLAMIC BANKING



TOP ACHIEVEMENTS IN 2019

Maintained our position as the **largest Islamic bank in Malaysia** by assets, financing and deposits, with a market share of 29.4%, 31.1% and 27.8%, respectively.

Established our **first branch in the Dubai International Financial Centre (Dubai-DIFC)**, as part of our efforts to link ASEAN to the GCC.

Dubai-DIFC Branch completed its **first deal as the Joint Lead Manager (JLM)** for a UAE based Islamic bank's USD 7.5 billion Sukuk programme.

No. 1 in Bloomberg's 2019 League Tables for Global and Malaysian Ringgit Sukuk.

Collaborated with industry players to deepen the understanding of Islamic Finance by producing a research paper that explored the alignment of Shariah principles with ESG principles.

STRATEGIC OBJECTIVE

Maybank Group Islamic Banking (MGIB) aspires to solidify our position as a global leader in Islamic Finance, in line with the Group's Maybank²⁰²⁰ strategic objectives. We focus on delivering Shariah-compliant financial solutions in our home markets and beyond. Our cumulative experience and the scale of our business enable us to address customer needs by developing innovative financial solutions. We are also fully committed to future generations and have incorporated Maybank's sustainability agenda into our operations. Guided by these objectives, we are able to generate long-term returns for our shareholders and assist our customers in a sustainable manner.

STAKEHOLDER EXPECTATIONS



Customers

Access to a wide range of innovative Islamic financial solutions that address their needs and for us to cultivate long-lasting relationships with them through excellent customer service.



Investors

To forge strong relationships built on mutual trust, integrity and transparency to safeguard their interest.



Regulators

Active and continuous engagement with regulators and policy makers on reforms and the implementation of initiatives that promote stability and growth of the Islamic Banking industry.



Communities

Initiatives and business activities that promote economic growth, environmental sustainability and financial inclusivity for all segments.



Employees

Development and training opportunities that support them in achieving their full potential.

MATERIAL RISKS AND OPPORTUNITIES

Material Risks and Opportunities	How It Affects Us	Our Response
<p>Opportunity:</p> <ul style="list-style-type: none"> Stakeholders' growing expectations for the business to incorporate ESG elements into our operations and portfolio. 	<ul style="list-style-type: none"> Further strengthen our ESG and Shariah compliance screening to avoid shortfalls that can expose the Bank to ESG risks. <p>Affected Stakeholder(s): </p>	<ul style="list-style-type: none"> As a member of the Committee of Practitioners (COP), we contributed to the development of the Value-based Intermediation Financing and Investment Impact Assessment Framework - Guidance Document (VBIAF) issued by Bank Negara Malaysia.
<p>Risk:</p> <ul style="list-style-type: none"> Uncertainties and volatility in the operating landscape may subdue private and public spending, investment sentiment and capital market activities. 	<ul style="list-style-type: none"> Subdued demand for financing and possible impact to our asset quality. <p>Affected Stakeholder(s): </p>	<ul style="list-style-type: none"> Maintain focus on high-quality assets while maintaining strict cost management discipline. Continue to diversify our revenue streams by ramping up contribution from our international operations especially Singapore and Indonesia. Expand our operations from ASEAN and into the Middle East.
<p>Opportunity:</p> <ul style="list-style-type: none"> Increasing customers' digital expectations are changing their relationship with the bank. 	<ul style="list-style-type: none"> Opportunity to leverage Maybank's digital channels to increase product penetration and provide a seamless customer experience. <p>Affected Stakeholder(s): </p>	<ul style="list-style-type: none"> Revamped corporate website to provide more information on our products and services, as well as a knowledge repository on Islamic finance. Introduced a service for customers to seamlessly migrate their conventional current and savings accounts (CASA) to Islamic accounts.
<p>Opportunity:</p> <ul style="list-style-type: none"> Islamic wealth management (IWM) has been growing rapidly and gaining popularity among affluent Muslims. 	<ul style="list-style-type: none"> Growing appetite for Shariah-compliant products among high net worth customers from the GCC/ Middle East and Asia, particularly Malaysia and Indonesia. <p>Affected Stakeholder(s): </p>	<ul style="list-style-type: none"> Introduced a new structured investment product for affluent customers looking to diversify their portfolio. Enhancing skillsets of our Client Advisors and Relationship Managers through premier certification in Islamic Wealth Management and Islamic Financial Planning.
<p>Opportunity & Risk:</p> <ul style="list-style-type: none"> To mitigate global warming, the government is encouraging private sector's involvement and commitment to further reduce the nation's carbon footprint. 	<ul style="list-style-type: none"> Growing awareness on the alignment of Shariah principles and ESG elements may stimulate greater demand for Islamic products. Opportunity to equip our talent with technical competencies to assess and undertake the financing of green projects. <p>Affected Stakeholder(s): </p>	<ul style="list-style-type: none"> Acted as the Shariah Adviser for Cypark Ref's sukuk in Malaysia for their solar photovoltaic power plant projects. Distributed Indonesia's first USD Green Sovereign Sukuk. Participated in the Malaysia's Ministry of Finance's Green Technology Financing Scheme.

KEY FOCUS AREAS FOR 2019

Expanding global presence to tap into Middle Eastern growth

MGIB has expanded its global footprint to the Middle East with the opening of a branch in Dubai-DIFC. With a presence in Dubai, we aim to be the link between businesses in ASEAN and the Middle East, and meet the demand for financing in the USD4.5 trillion global halal economy*.

Delivering innovative Islamic financial solutions to address customer needs

To help our affluent customers diversify their investments and mitigate market uncertainties, we introduced an Islamic Dual Currency Investment (IDCI). This enables them to invest in currency-linked instruments and undertake a short-term investment, with an option to receive the investment principal and returns in selected currencies. This gives customers the benefit of diversification into a foreign currency, with the potential to earn a higher return. We also introduced a new product known as Zest-i, a Mudarabah Investment account, for customers that prefer a low-risk Shariah-compliant investment which cultivates a culture of investing for stable returns.



> His Highness Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum, Deputy Ruler of Dubai and President of Dubai International Financial Centre gracing the launch ceremony with Maybank Islamic's Chairman and senior management team.

* Source: State of the Global Islamic Economy Report 2018/19 by Thomson Reuters

Group Islamic Banking



> Zest-i is a Mudharabah investment account for customers that prefer a low-risk Shariah-compliant investment.

We continue to look for ways to provide a seamless banking experience for our customers. This led to the introduction of an account portability service that allows customers to switch from a conventional current and savings account (CASA) to an Islamic account seamlessly. Customers that switch will retain their existing account details and operational tagging such as standing instructions. This service is available on our online banking platform, Maybank2u for the convenience of our customers.

> Maybank conventional customers can now experience hassle-free and fee-free migration to Shariah-compliant accounts via Maybank2u or at our branches.

Supporting the ESG agenda to promote sustainable business practices

Sustainability remains a high priority for MGIB and we continue to make a positive impact on the communities that we serve. In 2019, we participated in the development of the Value-based Intermediation Financing and Investment Impact Assessment Framework - Guidance Document (VBIAF) in collaboration with Bank Negara Malaysia, VBI Community of Practitioners (CoP), INCEIF, The World Bank Group and WWF Malaysia. VBIAF aims to facilitate the implementation of an impact-based risk management system to assess the financing and investment activities of Islamic financial institutions in line with their respective VBI commitments.

We also successfully distributed Indonesia's first USD Green Sovereign Sukuk, known as "Perusahaan Penerbitan SBSN Indonesia III". Maybank Islamic was the joint-Shariah adviser in this landmark deal and this sukuk was oversubscribed on the back of strong demand. We were also appointed Shariah Adviser for Cypark Ref Sdn Bhd's RM550 million Islamic Medium Term Notes programme, which was used to finance the company's solar photovoltaic power plant projects in Malaysia.

We are a participating institution in the Ministry of Finance's Green Technology Financing Scheme, which supports green technology companies. The proliferation of green technology is increasingly important to the survival of our surrounding ecosystems as well as the resilience of the economy. To support Malaysia's green agenda, we will continue to provide financing to eligible companies that meet this scheme's criteria.

Spreading awareness of Islamic financing to our stakeholders

Under our Centre of Excellence initiative, we aspire to solidify our brand as the preferred Islamic Finance solutions provider and thought leader in the industry. This is done through multiple programmes including the production of high-quality research and publications.

We released a thought paper titled "The Alignment of Shariah and Sustainable Investing", a collaborative research with Schroders. This paper highlights the convergence between Islamic finance's value proposition and sustainable investing. The paper postulates that use of Shariah principles to develop an investment criteria is likely to construct a portfolio with strong sustainability considerations. The findings of this paper are expected to further develop our Shariah-compliant investment products and enhance its appeal to a wider spectrum of consumers that are concerned about sustainability.

OUTLOOK & PRIORITIES FOR 2020

Continued support by the Malaysian, Singaporean and Indonesian government and regulators towards their respective Halal economies, as well as proactive regulatory initiatives related to Sustainable and Responsible Investment (SRI) and Sustainable Finance, is expected to drive growth of Shariah-compliant products and services. However, a lack of awareness among customers may limit the use of these products and services.

Priorities for 2020:

- Enhance our global presence by delivering Shariah-compliant solutions across business lines with an emphasis on Indonesia, Singapore and the GCC.
- Promote inclusive opportunities for wealth creation and wealth preservation via consumer-centric products and services.
- Focus on enhancing customer experience by providing innovative and seamless financial solutions that adapt to changing consumer preferences.
- Collaborate with regulators, industry players and academic institutions to educate and highlight Islamic finance's value proposition to increase its acceptance rate.

OUR OPERATING LANDSCAPE IN 2019

Malaysia

- Macroeconomic uncertainties, global trade tension and subdued economic growth muted business confidence and capital expenditure.
- However, a supportive fiscal policy and an accommodative monetary policy supported domestic consumption, particularly household spending.
- The Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC), Bank Negara Malaysia and Securities Commission launched initiatives aimed at embedding sustainability into the national agenda. This would contribute significantly towards development of a high-income earning nation, financial inclusiveness and sustainable growth as aspired in Malaysia's Shared Prosperity Vision 2030.

International

- The Indonesian government's efforts to promote investment and infrastructure spending, coupled with an accommodative monetary policy supported consumer spending and buoyed the country's economic growth. The Indonesian Islamic Finance industry continues to receive strong regulatory and governmental support and this encourages growth of Shariah-compliant banking in the country. The Indonesian government has also increased their use of Sukuk, including green Sukuks, a move that further supports growth of their Islamic Finance industry.
- Singapore was impacted by global trade tensions and slowing demand for electronics and manufacturing. However, the island's economic growth was supported by an easing monetary policy and government initiatives. Its Islamic Finance industry still has the potential to develop rapidly given Singapore's status as a global financial hub.

REGIONAL FINANCIAL PERFORMANCE FY2019

Net Operating Income (RM' billion)

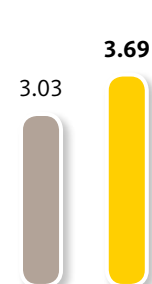
▲ +1.1%



FY2018 FY2019

Profit Before Tax (RM' billion)

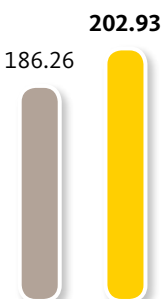
▲ +21.7%



FY2018 FY2019

Gross Financing (RM' billion)

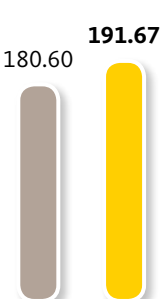
▲ +8.7%



FY2018 FY2019

Deposits & Unrestricted Investment Account (RM' billion)

▲ +6.1%



FY2018 FY2019

KEY PERFORMANCE HIGHLIGHTS

MGIB's PBT grew strongly by 21.7% to RM3.69 billion from:

- 1.1% net operating income growth to RM4.02 billion in 2019 driven by a strong performance in financing and deposits.
- Financing increased by 8.7% to RM202.93 billion from the last financial year, supported by commendable performance in Malaysia, Indonesia and Singapore.
- Total deposits and Unrestricted Investment Account (UA) grew by 6.1% YoY to RM191.67 billion in 2019 compared to RM180.60 billion in 2018. The growth was mainly contributed from Malaysia and Indonesia.
- Active cost management in tandem with income growth resulted in a relatively stable CIR from the previous year.

In Malaysia, Maybank Islamic Berhad (MIB) recorded PBT of RM3.30 billion, a commendable growth of 26.7% from RM2.60 billion in the previous year as:

- Gross fund based income increased by 6.5% YoY mainly from total financing which grew 8.6% YoY from consumer and SME financing momentum.
- Deposits and UA registered 6.1% YoY growth to RM181.78 billion mainly driven by term deposits.
- Prudent and proactive asset quality management allowed MIB to write back RM278.91 million in net impairment losses.
- MIB's contribution to Maybank Malaysia's total domestic financing as well as deposits and UA increased to 60.7% (2018: 58.7%) and 51.9% (2018: 50.0%) respectively, while maintaining leadership in market share.
- Meanwhile, Community Financial Services (CFS) remained the most significant contributor to MIB, making up 73% of total financing while the remaining 27% was from Global Banking (GB).

For international operations, PBT declined by 16.4% YoY to RM356.30 million due to a mixed performance from:

- Indonesia continued to show a strong performance in financing with a 12.1% YoY growth, contributing 19.6% of Maybank Indonesia's consolidated financing. Shariah deposits also grew significantly by 12.5% from RM6.68 billion to RM7.52 billion during the year and contributed 23.0% to Maybank Indonesia's consolidated customer deposits as at 31 December 2019.
- Indonesia's asset quality improved and registered a lower Non Performing Financing (NPF) level of 1.99% in 2019 from 2.81% in 2018.
- Meanwhile, PBT in Singapore declined by 12.1% from weak total income growth mainly because of the challenging economic environment. Nonetheless, our Islamic operations in Singapore managed to record a positive YoY growth of 7.7% for financing despite the decline in deposits by 7.2%, mainly from term deposits.

THE DIGITAL BANK OF CHOICE



TOP ACHIEVEMENTS IN 2019

Launched **MAE**, the first lifestyle e-wallet with banking facilities in Malaysia, with **over 1.1 million registered users in 2019**.

Maybank Mobile App interface is now standardised across key countries – Malaysia, Singapore, Indonesia, the Philippines and Cambodia.

Introduced **Etiqua's Smile App**, an all-in-one app that enables customers to access their policy details, the panel of service providers, submit claims and more.

First local bank in Malaysia to introduce **SWIFT gpi** that enables clients to enjoy speedier, more convenient and secure cross-border remittances.

Rolled out **M2U Live Chat**, a real-time platform for our premier banking customers to seek assistance via Maybank2u and Maybank mobile app 24/7.

STRATEGIC OBJECTIVE

To be The Digital Bank of Choice, which is part of Maybank Group's 2020 strategic objectives, we are focused on building a differentiated, robust, resilient and sustainable digital ecosystem that puts the customer at the forefront. We aim to develop and maintain long-term relationships by cultivating trust, understanding motivations and needs, and creating superior and personalised experiences for our customers. These aspirations will be accomplished by:

- Continuously improving our customers' digital experience and journey, through capabilities and features that build sticky relationships.
- Fostering relationships and partnerships with strategic technology players including FinTechs and TechFins that complement our digital ecosystem and/or enhance our digital solutions.
- Constantly recalibrating our business model in beneficial and meaningful ways e.g. improving and digitising services, lowering operational cost and increasing productivity.
- Deploying our digital innovations such as MAE, M2U and QRPay across Maybank's markets and leverage lessons learnt to make the biggest possible positive impact for our stakeholders.

STAKEHOLDER EXPECTATIONS



Customers

- Convenient, personalised and seamless interactions with us.
- A safe and secure environment for their banking transactions and personal data.



Investors

- Prudent and effective tech investments that truly benefit customers and add value to Maybank.
- To stay ahead of emerging competition from FinTechs and TechFins.



Regulators

- To adhere and execute effective risk controls and risk mitigation measures as well as ensure that systems are well maintained with minimal downtime.



Communities

- To promote financial inclusion by developing digital innovations that make it cheaper and easier for the wider society to access financial products and services.
- To be made aware of cyber threats and to be protected with preventive measures.














Employees

- To be upskilled and to remain relevant in this digital landscape.
- Infrastructure and seamless connectivity that enables flexible working arrangements.
- Stable and secure systems and platforms for a productive work environment.

The Digital Bank of Choice

MATERIAL RISKS AND OPPORTUNITIES

Material Risks and Opportunities	How It Affects Us	Our Response
 <p>Risk:</p> <ul style="list-style-type: none"> Heightened competition from FinTechs and TechFins. <p>Opportunity:</p> <ul style="list-style-type: none"> Proliferation of customers embracing new tech-enabled banking products and services. 	<ul style="list-style-type: none"> The risk of disintermediation by tech-enabled competitors with the capability to strongly influence customer behaviour. Development of applications which focus on user experience and functionality. Increase the need for customers to be vigilant of cyber security threats. Heightened need to balance between security measures and convenience. <p>Affected Stakeholder(s):   </p>	<ul style="list-style-type: none"> Innovate and offer relevant tech-enabled experiences that are in line with customers' lifestyle. Collaborate and establish digital partnerships to offer a holistic and extensive ecosystem for our customers.
 <p>Risk & Opportunity:</p> <ul style="list-style-type: none"> Large amount of customer data allows us to personalise services for customers as well as improve our risk models. However, competitors are also doing the same. 	<ul style="list-style-type: none"> Increased storage and systems needed to run data models may require additional infrastructure investment. Skillsets for speedy turnaround and relevant solutioning to meet increased customer expectations are required. <p>Affected Stakeholder(s):  </p>	<ul style="list-style-type: none"> The universal data lake has enabled the development of targeted data models for data analytics e.g. development of in-house systems, CARisMa. Expanded data warehouse to increase data storage and improve system's availability, thus improving operational efficiency. Knowledge transfer from Bangalore offshore development centre to local talents to encourage agility in developing solutions.
 <p>Risk:</p> <ul style="list-style-type: none"> Cyber crimes such as ransomware and phishing scams are increasingly rampant and sophisticated. 	<ul style="list-style-type: none"> Increased stakeholder expectations for us to be constantly vigilant and up to date on cyber security threats. Increased frequency of security patches can constrain operations. <p>Affected Stakeholder(s):   </p>	<ul style="list-style-type: none"> Continued to create and promote cyber security awareness among the stakeholders. Updated our infrastructure to allow for system patches without disrupting service availability. Collaborated with regulators to better understand global cyber threats and developed preventative measures. Conducted cyber war games simulations to enhance our response and recovery capabilities.

KEY FOCUS AREAS FOR 2019

Improving our customer experience

The Maybank Mobile App is currently standardised in five countries after upgrading this app in Singapore and Indonesia this year (completed in Malaysia, Cambodia and the Philippines in 2018). This allows customers to have a uniform and more intuitive experience. In Malaysia, the Maybank Mobile App was further enhanced to allow customers the convenience of investing in ASNB unit trust funds and apply for ASB financing on-the-go. This initiative helps to simplify our customers' onboarding process and improve the loan processing, approval and disbursement time.

This year saw us launching more digital products in our efforts to meet evolving customers' banking and lifestyle needs. We introduced MAE in Malaysia, which was designed and developed in-house and rides on the Maybank2u mobile application. MAE not only provides the conveniences of an e-wallet but also banking services like opening a new account, without having to step into a branch. MAE also comes with other features such as QRPay and lifestyle-related purchases such as movie, flight and train tickets. Following the success of MAE in Malaysia, we intend to introduce this e-wallet to our key markets in the region. We also improved a number of our

digital service and product offerings during the year. For instance, the QRPay feature in the Maybank Mobile App was enhanced to allow for integration with third-party applications, vending machines and websites, which garnered close to 500,000 participating merchants. We also introduced a Live Chat function for Maybank2u, thus enabling our premier customers to communicate with our agents via an online chat 24/7.

Growing our strategic partnerships

We continue to leverage our existing relationships with tech companies to provide our products and services on third-party platforms. This further integrates our banking transaction and facilities into our customers' lives and by increasing customer engagement, we continue to enhance our relevance in the digital age. For example, we are the only bank that allows registered merchants to receive payments from GrabPay. We are also the only bank that is enabling the direct linking of customers' CASA accounts to the GrabPay platform. This allows for seamless payments without the need for login credentials or a one-time password (OTP), which makes it easier for customers to top up their e-wallet, hail a ride or order food delivery.

OUTLOOK & PRIORITIES FOR 2020

The global banking landscape is evolving rapidly. Three key trends are expected to emerge in the coming year: Open Banking, following the rollout of Open Banking initiatives in Singapore and the UK; Digital Banking Licenses, with its introduction in Hong Kong, Singapore, Australia and Malaysia; and an enhanced e-payment landscape, following the anticipated interoperable Quick Response (QR) codes under Paynet's Real-time Retail Payments (RPP) in Malaysia. These new developments bring about challenges and opportunities for Maybank as we strive to be The Digital Bank of Choice for our customers.

Priorities for 2020:

- Continue to improve our customer experience, further develop our own ecosystem and enhance the speed and convenience of our current platforms.
- Continue to identify value creation opportunities by collaborating with leading tech giants. In line with our approach, insights that we gain will be used to identify innovations/developments that truly create value for our stakeholders.
- Focus on strengthening our core systems and processes to support the growth and scalability of digitalisation, while upholding cyber security capabilities to mitigate potential threats.

The Digital Bank of Choice

KEY DIGITAL INITIATIVES

Group Community Financial Services

- Introduced MAE e-wallet in Malaysia, which seamlessly integrates online banking with lifestyle needs. MAE features an in-app virtual debit card, QRPay for immediate payment as well as other lifestyle features.
- First bank in Southeast Asia to launch Tap2Phone payment solution app for merchants, a collaboration with Visa Malaysia. Tap2Phone promotes greater simplicity, mobility and efficiency for merchants by allowing them to accept card payments from customers via the mobile app, instead of a point-of-sale terminal.
- Introduced Live Chat on Maybank2u and Maybank mobile app for Premier Wealth customers in Malaysia. Live Chat provides real-time answers to enquiries and serves customers beyond our physical branch network.
- Launched STP-enabled capabilities on Maybank2u across the region which makes it more convenient for our customers to open accounts and apply for loans in Malaysia, or open savings accounts and apply for credit cards in Indonesia.
- Improved the Maybank Mobile App in Indonesia with a fresh and intuitive UI/UX, contributing to the growth in the number of active users by 61% YoY, to almost 129,000 customers in 2019. New features include online savings account opening with KYC (Know-Your-Customer) capabilities, secure biometric login using fingerprint and facial ID, and quick payment features such as QRPay.
- Signed a Memorandum of Understanding with the National Bank of Cambodia (NBC) for a collaboration between Maybank2u and NBC's Bakong payment system to provide instant, safe, convenient and cost-effective fund remittance solutions between the two countries.
- Enabled fund transfers using Khmer Riel on Maybank2u in Cambodia to support the country's move to encourage greater usage of the national currency.

Group Global Banking

- Maybank2E, our regional cash management system for corporate clients clinched the Best Customer Experience (FPX) at the Malaysian e-Payments Excellence Awards for three consecutive years.
- Maybank is the first local bank in Malaysia to introduce SWIFT gpi which allows our customers to enjoy faster, more convenient and secure cross-border remittances.
- Maybank is the only bank in Malaysia that enables corporates to offer their employees a salary deduction service to invest in Amanah Saham Nasional Berhad (ASNB)'s unit trust funds.
- Maybank Trade has been enhanced to include a comprehensive engagement platform that support remisers in managing portfolios and developing customer analytics. In addition:
 - Maybank Trade Malaysia introduced features such as biometric log-in to enhance the security of our app.
 - Maybank Trade Thailand was deployed with localised features designed for our investors in Thailand.
- Launched MKE Trade Global Markets Web Trading platform in Singapore, which provides traders with a real-time investment portfolio and direct access to global markets.

Group Human Capital

- Launched Crowdtivation, an internal people-centric marketplace that crowdsources skills amongst employees, enabling them to experiment with innovative solutions, create and be a part of internal gigs. It also prepares employees for a work culture that is envisioned to be boundaryless and teams/projects-based.
- Invested in digital learning solutions that deliver personalised learning experiences and enable learning on-the-go. Employees can take charge of their career growth through best-in-class learning modules designed by professors from Harvard University and industry experts.
- Equipped employees in Maybank branches and Premier Wealth Centres with new digital social learning tools to future-proof themselves and consequently, improve their productivity and customer service quality.
- Introduced an in-house built learning app that allows employees to access learning materials on-the-go.
- Introduced Online Python and R Challenges, gamified online learning platforms for employees to learn coding for analytics without any prerequisite knowledge of programming. Employees can develop new algorithms, for example, to predict customers' preferred products and services to better meet their evolving needs.
- Implemented a new AI learning tool for employees to accelerate the learning and application of analytics algorithms to their jobs.
- Introduced Social Media Upskilling Programme to upskill employees on utilising social media to engage with customers and provide financial expertise digitally.

Group Insurance & Takaful

- Completed 50 Scrum-based projects, which accelerated our projects and product design. About 600 Etiqa employees completed the Professional Scrum Masters Certification.
- Soft-launched the Smile App – an integrated mobile application for customers to enjoy seamless connectivity with Etiqa. Meanwhile, Etiqa Smile Partner was launched for our intermediaries and agents to manage and respond to our customers' claim requests and queries in real-time.
- Rolled out 31 Robotic Process Automation (RPA) processes to automate and expedite transactions which were previously done manually.
- Launched the Etiqa API Portal in Singapore. Now, our partners can easily integrate our insurance services and solutions onto their online platforms.

SERVICE DELIVERY

A key tenet of our mission of Humanising Financial Services is our commitment to deliver a personalised and seamless customer experience. This is an increasingly important focus for Maybank as customer expectations are evolving rapidly alongside the proliferation of digital devices in this technologically advanced era. Customers are also becoming more global and sophisticated and we must anticipate and address the specificity of their demands and the complexity of their needs. Our contributions continue to be recognised and we are proud recipients of many awards and accolades over the years.

USD3.98 billion in brand value

2020 Brand Finance Banking 500

Ranked No. 4 among ASEAN banking brands and No. 72 among global banking brands.

Platinum award

The Putra Brand Awards 2019

Entered into the Hall of Fame for winning the top award in the banking, investment & insurance category for 10 consecutive years.

Brand of the Year

2019 World Branding Awards

We are the only Southeast Asian bank to clinch this recognition for six consecutive years.

HONING OUR CUSTOMER EXPERIENCE

Customer experience remains our utmost priority in our efforts to continuously improve our products and services in tandem with their evolving needs and wants. This year, we embarked on several initiatives based on feedback (known as the Voice of Customers) garnered from the External Customer Engagement Survey (ECES) conducted in the preceding year, including:

> 20 customer journey improvement initiatives which include streamlining our queue management process to improve efficiency in the management of queues and waiting time for customers. Another initiative was to restructure our SME Client Engagement Model to encourage continuous engagements with SME clients throughout the customers' life cycle.

> Streamlining our complaint management process by empowering our customer-facing teams to resolve queries and complaints at the first point of contact. This is aimed at reducing the amount of time taken to resolve complaints.

> Enhancing customer experience competencies of our frontliners to provide our customers with quality, relevant advice and assistance in a professional manner by developing their communication skills and industry competency.

These initiatives have contributed to the following:

+26

Net Promoter Score (NPS), industry leader for four years running.

97%

of complaints resolved within 48 hours for four consecutive years.

DIGITAL AND OPERATIONAL IMPROVEMENTS

Delivering an exceptional customer experience is tightly woven into our aspirations of becoming The Digital Bank of Choice. This is achieved through customer-centric initiatives that improve our operational processes and technological advancements on our digital platforms.

In 2019, we continued to implement robotic process automation (RPA) and straight-through processing (STP) for business activities as these tech-driven initiatives provide for a more efficient and effective user experience for our customers. We saw significant improvements in the turnaround time by 30% to 40% for a number of operational banking processes. We also continued to actively encourage the migration of over-the-counter foreign telegraphic transfer (FTT) transactions towards online remittances, which led to a 30% growth of online transactional volume. Another major customer-centric initiative achieved is the re-engineering of operational processes to increase the daily online banking availability rate to 99.5% from 97.9% previously. This represents a significant improvement of 77% and enables us to provide almost 24/7 online real-time access to our banking services and transactions.

We completed the implementation of SWIFT global payments innovation (SWIFT gpi) which began in 2018 and became the first local bank in Malaysia to offer this service in 2019. This service transforms cross-border payments for our customers as it enables same-day credit and real-time end-to-end payments tracking. SWIFT gpi is also offered in Singapore and Indonesia.

We continued to place great importance on cyber security and preventive measures as banking services become increasingly accessible online and more customers start integrating technology into their daily lives. Besides continuous real-time monitoring to detect and respond to cyber attacks, we proactively promote cyber security awareness through internal and external campaigns and collaborate with regulators and international parties for insights on potential threats.



During the year we expanded Maybank's data centre and completed the setup of the universal data lake that began in 2018. CARisMa (Capital Adequacy and Risk Management), an integrated system for business units to better manage their assets, liabilities and risks, is an example of a model that is developed in-house using data mined from the universal data lake. The expanded data centre also supports evolution of our business by accommodating greater transactional volumes as our processes become increasingly digitalised while online offerings such as mobile banking and contactless payments gain wider acceptance.

GROUP RISK MANAGEMENT

STRATEGIC OBJECTIVE

Group Risk's priority is to provide risk management oversight and enable risk-informed business decisions across the Group. With the continued digitalisation and evolution of the business environment, there is a constant need to enhance systems, processes and resources for effective management of risk. As such, our strategic imperatives are aimed at improving connectivity across our business lines and geographies and to institutionalise a customer-centric risk culture and processes based on a balanced, predictable and sustainable business model.

MATERIAL RISKS AND OPPORTUNITIES

Material Risks and Opportunities	How It Affects Us	Our Response
 <p>Risk:</p> <ul style="list-style-type: none"> Greater expectations and stakeholder scrutiny on Maybank and our clients with regards to ESG-considerations. 	<ul style="list-style-type: none"> An unstructured and incohesive strategy and policy with respect to ESG may adversely affect the way that we engage, assess and finance existing and potential clients, thus ultimately impacting business. 	<ul style="list-style-type: none"> Enhancement of the Risk Acceptable Criteria to ensure that our clients' operations are aligned with sustainable practices.
 <p>Opportunity:</p> <ul style="list-style-type: none"> Growing demand for green and/or low-carbon solutions to address climate change has led to financing opportunities and constructive collaboration. 	<ul style="list-style-type: none"> Greater collaboration and holistic solutions required to enable a more holistic approach to the management and mitigation of ESG-related risks. 	<ul style="list-style-type: none"> Development of an implementable ESG Policy, criteria and requirements, which supports the transition towards a low-carbon economy.

KEY FOCUS AREAS FOR 2019

Initiative	Outcome
<p>Continuous enhancement of risk practices, systems and culture in line with the increasing need to adapt rapidly to changes in the operating landscape.</p> <p>The Group requires a risk management system that is not only robust and adaptable, but also one which is well integrated and accessible across our business lines and geographies. We collaborated with Group Technology, Group Finance and other internal stakeholders to develop, implement and enhance systems and processes that:</p> <ul style="list-style-type: none"> Enable the Group's portfolio to be managed proactively. Provide an integrated assurance analytics & insights platform. Enhance governance agility in our risk structures. Optimise the balance sheet in accordance to the changes in the operating environment. Enable quicker business decisions vis-à-vis the risk landscape. 	<ul style="list-style-type: none"> Adopting an active approach in the management of the Group's portfolios that utilises an integrated house view on economic trends and industry cycles that is accessible across the Group and geographies. Deployed an integrated assurance function dashboard that facilitates the timely identification of risk hotspots. Enhanced the Group Chief Risk Officer Letter as a risk communication tool for a more in-depth analysis of risks and opportunities and action plans. Streamlining of the credit approval process, aligning it with the authority limits set across the Group. Development of CARisMa (Capital Adequacy and Risk Management) applications that utilise a portfolio level risk return analysis tool and a concentration exposure dashboard which enables the Group's portfolios to be reshaped in a timely manner. Implemented a model development gated process that allows risk models to be developed to reflect current internal and external shocks and/or changes.
<p>Risk talent capacity building</p> <p>With the establishment of the Maybank Risk Academy with Group Human Capital last year, we continue to enhance the training and development syllabus and assessment processes to equip our risk experts with the necessary skillsets to adapt and respond to the rapid changes in this dynamic operating environment.</p>	<ul style="list-style-type: none"> Developed a comprehensive training and development syllabus that focuses on building predictive and analytical risk skills. Conducted periodic assessment on skillsets proficiency levels and identification of suitable learning solutions to address learning gaps.

OUTLOOK & PRIORITIES FOR 2020

While digital, regulatory and geopolitical shifts trends continue to create economic headwinds, the need to address ESG considerations, such as climate change have become more pressing. With that in mind, the key priorities for Group Risk in 2020 are:

- Accelerate the need for ESG considerations in our overall conduct and achieving a sustainable financial ecosystem.
- Develop prescriptive analytic capabilities that will allow agile reshaping of business portfolios with data-driven decision-making.
- Support the Group's The Digital Bank of Choice efforts with the enhancement of cyber risk management tools and capabilities to ensure trust, operational resilience and availability.
- Leverage the Universal Data Lake to support new applications from CARisMa, as well as a straight through origination, centralised customer due diligence and data management platforms, with a view of delivering superior customer experience and further enhancing the Group's value proposition.
- Continuous development and deployment of technology and non-financial risk tools to allow various business lines to proactively manage emerging risks and hotspots.
- Continuous development of thought leadership, risk culture and technical skill enhancement across the Group.



GROUP COMPLIANCE

STRATEGIC OBJECTIVE

Group Compliance builds the capability and infrastructure to ensure that the Bank is in compliance with all relevant laws and regulations, and businesses are conducted ethically.

We promote a compliance culture that inculcates a sense of responsibility in our staff to be vigilant against money laundering and terrorist financing, and proactively play our part in maintaining public confidence in the financial system.

MATERIAL RISKS AND OPPORTUNITIES

Material Risks and Opportunities	How It Affects Us	Our Response
 Risk: <ul style="list-style-type: none"> Challenges in managing financial crime risk arising from changes in technology and product innovation. 	<ul style="list-style-type: none"> The changing landscape creates uncertainty and tests the resilience of our control measures. Future-proofing our processes and controls against new money laundering and terrorist financing opportunities is essential to ensure long-term sustainability. 	<ul style="list-style-type: none"> Prompt and periodic review and the implementation of appropriate measures, including the use of analytics to manage money laundering and terrorist financing risk.
 Risk: <ul style="list-style-type: none"> Evolving regulatory requirements and expectations. 	<ul style="list-style-type: none"> Delayed or ineffective implementation of measures to comply with new or revised regulations can lead to penalties and/or censures, and reputational impact. 	<ul style="list-style-type: none"> Maintain a strong compliance culture across the organisation and enhance the capability and capacity in Group Compliance.

KEY FOCUS AREAS FOR 2019

Initiative	Outcome
Transformation of Financial Crime Compliance capabilities. In 2019, we undertook a transformation programme that covers an end-to-end review to enhance our Anti-Money Laundering and Counter Terrorism Financing (AML/CFT) capabilities. Significant investment has been committed to the transformation programme which is targeted to be completed in 2020.	<ul style="list-style-type: none"> Increased capacity both at the business sectors and at Group Compliance to strengthen our AML/CFT capability. Centralised specialist teams were established to support AML/CFT functions of our customer touchpoints. A new system is under development to enhance our efficiency and effectiveness in managing money laundering and terrorist financing risk. New awareness and training programmes are being developed to continuously promote a strong compliance culture. Processes were reviewed and enhanced to improve efficiency and effectiveness in detecting and preventing money laundering and terrorist financing activities.

OUTLOOK & PRIORITIES FOR 2020

Our priority for 2020 is to expedite the transformation of our financial crime function to address the increasing complexities of money laundering and terrorist financing risk, with minimal impact on customer experience.

We will also continue to review and enhance our capability to ensure that new and existing regulations are complied with and expectations from regulators are met.

GROUP HUMAN CAPITAL

STRATEGIC OBJECTIVE

Group Human Capital (GHC) is committed to “Developing World-Class Talent to Deliver World-Class Results”, a long-term endeavour which is aligned with Maybank’s sustainability agenda and business strategies. Guided by our humanising mission and GHC’s six Human Capital Transformation Goals, we dedicate our efforts towards being a flexible and agile organisation while intensively enhancing the workplace and workforce ecosystem with digital capabilities, progressive policies and the right global practices. We encourage employees to be agile, high-performance oriented and positioned for exponential growth as they navigate future complexities. We also provide opportunities for employees to achieve their potential and ensure their relevance now and in the future through upskilling, training and mentoring programmes.

6 Human Capital Transformation Goals



Build superior leadership and talent pipelines



Attain world-class productivity levels



Create global ethical mindsets



Build a tech-savvy workforce that is creative, nimble and agile



Develop thought leaders in financial services



Create a caring, meaningful and exciting work environment

We are recognised regionally for our commitment and effort in attracting, recruiting and developing world-class talents. For a list of our key awards and recognitions, refer to page 111.

MATERIAL RISKS AND OPPORTUNITIES

Material Risks and Opportunities	How It Affects Us	Our Response
<p>Opportunity:</p> <ul style="list-style-type: none"> Diversity enables us to attract and retain high-performing employees, raise productivity and deliver sustainable growth. 	<ul style="list-style-type: none"> Growing need for tailored solutions that cater to the different needs of our diverse workforce. 	<ul style="list-style-type: none"> Provide holistic work-life integration programmes. Provide a platform for employees to experiment with innovative solutions, create and be part of internal gigs. Provide a robust suite of well-being programmes and incorporate wellness and fitness elements into various employee engagement initiatives. Provide opportunities for youths to experience working life in Maybank through internship/apprenticeship programmes.
<p>Opportunity:</p> <ul style="list-style-type: none"> Create a caring and responsible organisational culture which instils a sense of pride among our employees. 	<ul style="list-style-type: none"> Increasingly important to develop a more conscientious workforce that is dedicated towards creating sustainable value for the organisation. 	<ul style="list-style-type: none"> Provide opportunities for employees to volunteer via the Group’s Cahaya Kasih platform and make an impact for our communities. Provide FutureReady skills and curricular including the Urban Farming Programme. Instil sustainable consumption habits through the ESG Employee Activism Campaign.
<p>Opportunity & Risk:</p> <ul style="list-style-type: none"> Evolving work skills to deliver industry-level competencies and prepare for emerging trends in the global financial services industry. 	<ul style="list-style-type: none"> Relevant upskilling programmes are constantly needed to ensure the future relevance of employees and the organisation. Identification of suitable talent is increasingly crucial for continuity of the Group’s operations and its ability to pursue business strategies. 	<ul style="list-style-type: none"> Develop and strengthen a talent pool with future-ready, technical and leadership capabilities through FutureReady Upskilling Programme and EXCO-led culture reinforcing initiatives. Encourage employees to be agile and respond to changes quickly through Agility@Work initiative, among others. Provide multiple platforms for employees to increase their digital literacy including regular communications called FutureReady Bytes.

KEY FOCUS AREAS FOR 2019

In line with GHC’s 2019 six Strategic Imperatives, we futurised the workplace, strengthened flexible conditions and implemented personalised solutions for employees to achieve a highly productive and harmonious work environment that is responsive to the changing professional and personal needs of today’s workforce. We also continued to support employees in embracing digital innovations and in contributing to the organisation and communities.

6 Strategic Imperatives



Workplace Futuring



Workforce Futuring



Digital Age Leaders



Unleashing Power of People Data



Workplace Health & Well-being



Exponential Productivity Enhancement

KEY FOCUS AREAS FOR 2019 (CONT'D.)



Workplace Futuring

Initiative

Outcome

GO Ahead. Take Charge! (GATC) Platform

This platform was designed to address the changing workplace environment by allowing employees to be adaptive and agile while offering them opportunities to create sustainable livelihoods. This initiative was developed in-house and is based on 4 pillars:

Pillar 1 – Reskill & Redeploy

Employees’ aspirations are matched with the Bank’s talent needs through job rotations and inter-sector transfers. Employees are also encouraged to enrol for FutureReady programmes.

Through Maybank’s innovative Urban Farm and Urban Farming Courses, we enhance employees’ urban environmental management skills and hone their entrepreneurial skills with digital competencies.

Pillar 2 – Flex In

Employees are offered Flexible Work Arrangement (FWA) to achieve an optimal work-life integration.

Pillar 3 – Flex Out

Employees can take a break and explore external work opportunities while retaining the option of returning to the organisation at the end of their leave. They can engage in other employment or business activities as long as the interest of Maybank Group is not compromised.

Pillar 4 – Entrepreneur

Employees can take a break from their career to become an entrepreneur whilst retaining the opportunity to return to work at the end of their leave.

Employees are empowered to take charge of their career by reskilling, tailoring their working arrangements (as part of our workforce reconfiguration) and embarking on entrepreneurial opportunities.

Pillar 1

6,266

Transfers & Job Rotations

13,271

Participants in Digital & Analytics Reskilling Programmes

844

Participants in Urban Farming Courses

Pillar 2

3,948

Contract Employment

1,967 Childcare Leave

661 FWA

300

Sabbatical Leave

272 Extended Maternity Leave

19 Parental Leave

Pillar 3

A series of career talks by our collaborative partners such as Malaysia Digital Economy Corporation (MDEC), Asian Banking School (ABS) and Hire.Seniors Consulting were held to support employees in making an informed choice on their aspirations and interest. Of the **300** on sabbatical leave, **11** are pursuing external jobs.

Pillar 4

18 employees on sabbatical leave have ventured into business ranging from services to the supply chain industry.

Crowdttivation

In anticipation of a boundaryless, project-based workplace, we launched a people-centric marketplace that liberates talents to perform as skills are crowdsourced from employees – thus matching demand and supply beyond the usual conventional structures.

It is also a platform for employees to create and be part of internal gigs, thus enabling them to continue being economically empowered.

Employees can collaborate in a team-based environment, experiment projects and uncover new solutions for daily business needs. They are no longer defined by their jobs but by their skills and expertise.

The platform also creates an internal ecosystem that leverages skills and expertise within the organisation to optimise internal resources.

3,613 users

19 projects

Innovative Bespoke Solutions – GHC Consultative Council (GCC) and Customer Experience Managers (CEM)

GCC was set up in August 2019 to provide guidance and assistance to resolve HR-related cases. Solutions are provided within an hour to no more than 12 hours. GCC convenes anytime, anywhere.

We also introduced CEM to bring our internal customer experience to the next level by proposing personalised solutions and immediate opportunities for a holistic solution.

Employees are provided with expert and timely solutions that consider business needs and individual circumstances for an enriched work performance and life.

Agility@Work

Made up of five different approaches: The Why Method, Knowing Your Stakeholders & Customers, Ideas, Execute and Retrospect that can be applied in BAUs and projects, this initiative encourages alternative ways of working by motivating employees to be agile and responsive to changes quickly and effectively.

The approaches cover best practices from Agile, Design Thinking, Lean Start-up and other contemporary methodologies that prioritise outcomes over processes and focuses on meeting customers’ needs.

1,411 employees have received training on agility approaches and our average rating was **4.5/5**.

Implementation of these approaches in BAUs and projects have resulted in:

- Increased transparency within the team – these approaches clarified work schedules and activities for the whole team.
- Improved productivity – teams are quicker to execute as initiatives are designed to be less process-intensive and simple.
- More purpose driven – teams are seeking to define the purpose or the “why” before working on an initiative.

Group Human Capital

KEY FOCUS AREAS FOR 2019 (CONT'D.)



Workforce Futuring

Initiative

Outcome

EXCO-Led Culture Reinforcing Initiatives

We introduced an EXCO Mentoring Programme where participants had the opportunity for close-up sessions with the Group EXCO in a group mentoring format. Participants were also put in groups for greater reach and efficient connection.

This programme is in addition to our existing EXCO-led engagement and conversation sessions.

Time Out – Redefined Performance Management (PM)

The criticality needed for prompt and constructive feedback and action is the focus of the PM system, which seeks to bring about significant improvements on performance and productivity.

Performance expectations are established at the beginning of the financial year and reviewed throughout the year in Time Out conversations that can happen anytime, anywhere for immediate actions on the improvements needed. Methods and approaches to achieve the intended results will be agreed upon, acted on and tracked in the Conversation Log.

We also implemented new ways of measuring performance based on workforce and workplace futurisation that consider flexible work arrangement and impactful goals.

Delivering Personalised Learning Experiences with World-Class Expertise and Knowledge

As part of our FutureReady digital curricular to create a climate that enables workplace agility, we invested in key innovative digital learning solutions that enable learning on-the-go. The resources are made available to employees anywhere and at any time to enhance employees' productivity and performance.

With access to thousands of world-class learning content, employees are provided with managerial and leadership modules designed by professors from Harvard University and industry experts.

Conversion of Employees' Job Grades from OII/Band J to BG50/Band I and Introduction of New Roles for Special Grade Clerk (SGC)

In October 2019, we converted the job grades of employees in OII/Band J to BG50/Band I and introduced new roles for SGC to help employees stay relevant by equipping them with the skills and capabilities for higher-value jobs so they can gain more valuable and relevant work experience.

Environmental, Social and Governance (ESG) Employee Activism Campaign

Aligned with the Bank's sustainability agenda, this campaign raises environmental and sustainability awareness in the business to manage the environmental impacts made across our value chain and to instil sustainable consumption habits among employees.

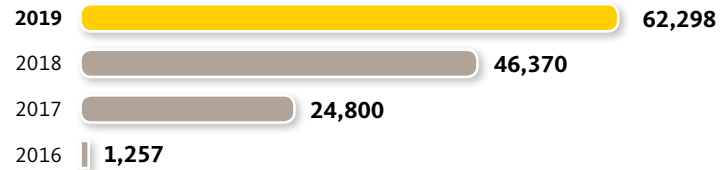
Our initiatives include on-ground and online campaigns, communications initiatives and conversation series such as a Guru Series on "Putting Sustainability at the Forefront of Finance" by Marie Morice, Head of Sustainable Finance of the United Nations Global Compact.

146 participants of the EXCO Mentoring Programme had impactful and purposeful face-to-face conversations with the Group EXCO. They exchanged ideas, shared perspectives and gave feedback on ways to remove roadblocks and hurdles for empowered performance.

Through **572** Leaders Teaching Leaders engagements conducted in 2019, participants gained useful leadership insights from our leaders for their career and personal growth. The engagements consist of C-Suite Conversation Series, Maybank Group Induction Programme and others.

Employees are enabled to deliver impactful outcomes and improve quickly through real-time feedback and appropriate action.

Conversation Log usage:



21,129 active users

Feedback from employees:

"It's so convenient that I can access the modules anytime, anywhere from my phone. It is a one-stop platform to learn new skills for professional and personal growth. With these digital learning solutions, I became more efficient in my day-to-day job."

"The advantage of being able to undergo the short courses anytime, anywhere gives me the flexibility to upskill myself for my personal and career development. It makes learning easy and engaging for someone with a hectic daily schedule."



2,346 employees were empowered and authorised to undertake higher-value jobs. This enabled them to increase their capabilities and productivity, accelerate their impact and stay relevant.

Through a regular series of communications called "Maybank and Sustainability", employees gained awareness about the long-term impact of their day-to-day activities and were motivated to take active steps to effect change.



104 employees and Top Management attended the Guru Series to better understand the needs of ESG matters and the importance of responding quickly.

Group Human Capital

KEY FOCUS AREAS FOR 2019 (CONT'D.)



Workforce Futuring (cont'd.)

Initiative

Outcome

Maybank GO Ahead. Challenge (MGAC)

MGAC is an innovative talent identification, recruitment and development platform that tests the agility, tenacity, leadership qualities and business acumen of participants through business cases, real-time challenges and corporate responsibility. It also challenges participants to go beyond their academic excellence and classroom-learning to embrace uncertainty of real-life scenarios.

Over **35,000** applications

105 nationalities

In 2019, the theme #ChallengeOfChoice was chosen as participants were given an opportunity to sculpt their own experience throughout the challenges.

The gamification concept was integrated into 2019's business case to challenge and enhance the participants' experience. It has resulted in stronger application and active recall of lessons learnt.

Maybank Young Bankers Internship Programme (MYBIP) & Professional Training and Education for Growing Entrepreneurs (Protégé)

We introduced MYBIP, a structured 5-months internship programme in 2019 to support Malaysia's agenda of increasing the employment rate among youths and raising their awareness of a career in frontline sales.

We also invited trainees from Protégé to support the government's efforts in enhancing interest among youths in entrepreneurship.

MYBIP

93 Trainees

48 Absorbed

Protégé

742 Trainees

40 Absorbed



Digital Age Leaders

Initiative

Outcome

Nurturing Capability and Developing Capacity through Maybank's FutureReady (FR) Upskilling Programme

While the FR programme in 2018 focused on building awareness, commitment and knowledge in digital, the programme in 2019 focused on application of digital skills to the job.

Employees who attended various FR classroom programmes such as Application of Analytics & Machine Learning to Business and Python Programming gained relevant digital knowledge and applied digital skills that they have learnt, resulting in an overall business impact of over RM200 million.

6 FR skill areas



Digital Awareness



Data Driven Decision-Making



Human Centred Design



Agile



Future Communication



Risk & Governance in the Digital World

Ethics/Governance to be embedded across the FutureReady skill areas

We allotted RM19 million into future-proofing employees which includes RM1.5 million on equipping branches with new learning technologies. This is over and above the RM30 million allocated in 2018.

Strategic Artificial Intelligence (AI) for Business Impact Programme

Aimed at upskilling employees on the strategic application of AI and analytics, this programme was enhanced in 2019 with new education technology tools that enabled employees to learn, apply and realise the impact of analytics. We also provided ongoing coaching, improved technology infrastructure and created recognition mechanisms to motivate employees to apply the skills learnt.

In 2019, business impact of over RM100 million was realised. This translates to a **ROI of 10 times** on the total training spend for this programme.

Robotic Process Automation Programme

This programme focuses on upskilling employees on process automation to increase efficiency in the Bank's operations. We utilise internal subject-matter experts to train employees and develop new automated processes to improve efficiency and productivity.

The new process automation generated cost savings of **RM4.4 million**.

Group Human Capital

KEY FOCUS AREAS FOR 2019 (CONT'D.)



Digital Age Leaders (cont'd.)

Initiative

Outcome

Social Media Upskilling Programme

We introduced this programme to upskill employees in utilising social media and applying social media marketing skills to build trust and deepen our relationships with customers in digital ways.

A mobile app was developed in-house to give employees the convenience of accessing digital marketing materials online.



Generated a total of **RM8.8 million** in new revenue.

Social media advocates for the Bank were rewarded and certified under the FR Upskilling Programme.

Coding and Analytics Learning Challenge

Through this challenge, employees were encouraged to learn new programming languages and apply these skills to meet business needs.

Over **400** employees participated in this challenge.

Transitioning Leaders to CEO (TLC)

In 2019, we embedded a new component on FR knowledge and skills into this flagship leadership development programme for high-potential middle managers. Here, participants participated in the Strategic AI for Business Impact Programme and an external digital training programme conducted by the Asian Banking School.

36 TLC participants were upskilled after attending this programme that focused on "Application & Impact".

55% of participants in TLC Batch 10 who had completed the first year of TLC programme in 2019 were promoted to larger roles.

Guru Series

The Guru Series continues to be one of our platforms for global thought leaders to share their views on current and strategic topics such as "WOMAN 4.0: Empowered. Agile. Ready." by Dr. Ayesha Khanna, CEO of ADDO AI, "Celebrate! Disruptive Leaders, Innovative Results" by Scott Friedman and "Velocity: New Laws for a World Gone Digital" by Stefan Olander.

Over **1,300** employees attended the Guru Series.



Unleashing Power of People Data

Initiative

Outcome

Consistent Monitoring of Human Capital Dashboard

We consistently provide learning and development opportunities to our employees and track talent progression to accelerate their careers.

Tangible developments were made from the start of Maybank's transformation journey commencing 2009 to ensure Maybank and our employees embrace diversity and inclusion.

Rigorous tracking of diversity and gender representation at all levels of the organisation has been a part of the Human Capital Dashboard, introduced in 2009 and reviewed monthly.

With the introduction of Maybank's Group Inclusiveness and Diversity Agenda (GIDA) in 2014, efforts were accelerated and outcomes are monitored through measures reflected on Group EXCO scorecard.

The Maybank Women Mentor Women (WMW) Council was conceived in 2013, aimed at supporting professional development of women across the Group, increasing the representation of women in management levels and enabling greater participation in wealth creation for citizens in countries where the Bank operates, in particular the SME community.

Apart from WMW Sub-Councils that were formed earlier in different sectors and geographies, 2019 saw the launch of Satellite WMW Council Sarawak to further advance women leadership for identified talents in the Group.

Our continued efforts to develop employees and retain the right talents show encouraging results:

Key Talent Indicators	2019 %	2018 %
Succession Realisation for Mission Critical Positions	83	86
Internal Vacancies for Band E & above	87	85
Ready Now Successors	25	23
Key Retention Rate	90	91
Regrettable Loss	10	9

Maybank's GIDA frames the aspirations of the development of women talents within the Group. The key indicators are:

Women Representation	2019 %	2018 %
Board of Directors	33	36
Top Management	34	32
Senior Management	39	38
Management	47	46

Group Human Capital

KEY FOCUS AREAS FOR 2019 (CONT'D.)



Workplace Health & Well-being

Initiative

Outcome

Wellness and Well-being

Our strategy to drive employee engagement and productivity includes a robust suite of fitness and well-being programmes anchored on a 4-Pillar Wellness Framework: Exercise Often, Eat Wise, Think Positively and Rest Well. Interventions that cover the physical and psychological/emotional aspects of a person's well-being are replicated through a series of communications, talks, campaigns, sports carnivals and healthy products offerings.

We also go beyond the standard policies in our offerings to employees and their family members, thus confirming our commitment to be a caring and family-friendly organisation.

Employees are supported and encouraged to live a healthy and productive lifestyle.

We recorded over **71,000** participation in various fitness and wellness interventions.



> Employees across the world celebrated Maybank's 59th Anniversary with a fruity office potluck to encourage each other to eat healthier and be well.

Cahaya Kasih Challenge (CKC) Cycle 2018-2019

2019 was the second and final year of our CKC 2018/2019 initiative that was designed to encourage long-term partnerships with our beneficiaries.

During the 10th Global CR Day (a day where year-long CK programmes were showcased and spotlighted), employees volunteered in various initiatives through our adopted causes across communities, anchored on Maybank's Six Corporate Responsibility Focus Areas: Education, Community Empowerment, Arts & Culture, Healthy Living, Environmental Diversity and Disaster Relief.

We continued to promote a caring culture among our employees and in turn, among our customers and the wider society.

For more, refer to Sustainability Statement, page 99.



> Fellow Maybankers from Maybank Cambodia partnered with the Khmer Sight Foundation on Maybank's "Restore the Gift of Sight" project which provided eye screening and eye surgery for the underprivileged.



Exponential Productivity Enhancement

Initiative

Outcome

We continuously redefine the operating culture of Maybank through policies, processes and infrastructure. These components are constantly reviewed and evolved to enable employees to thrive, disrupt creatively and positively, and deliver exponential business results to achieve the Bank's vision, while demonstrating the desired culture.

We continued to increase employee productivity as evidenced by:

- Income per employee increased to **RM572,653** in 2019.
- Profit before tax per employee increased to **RM254,927** in 2019.

OUTLOOK & PRIORITIES FOR 2020

To fully support Maybank in pursuing its business strategy and being a customer-centric, socially and environmentally responsible organisation, we recognise the importance of empowering and liberating our workforce. Guided by our six Human Capital Transformation Goals, GHC will continue to:

- Nurture a caring and exciting workplace by providing meaningful enablers, support and solutions that empower our employees in reaching greater heights in their personal and professional endeavours, and premised on a strong sense of purpose.
- Provide a multitude of flexible and customisable learning and development programmes including FR Upskilling Programme as well as bespoke talent development and solutions to open up opportunities for experience building, increase ability, strengthen agility and accelerate impact delivery.
- Invest in and leverage technology innovations to future-proof the infrastructure, tools and processes that enable our employees to deliver significant and impactful outcomes.
- Encourage employees to embrace data analytics and creative disruptions to provide tailored solutions to our customers.

REMUNERATION

Our remuneration and rewards philosophy anchored on our values as well as our strategic direction and purpose underpins our commitment to deliver excellent performance and long-term sustainable returns for our stakeholders. At Maybank, we embrace a Total Rewards system, a well-rounded approach with the right reward elements to drive positive outcomes and business performance. It is an integrated rewards strategy that focuses on the right remuneration, benefits, well-being preservation, skills and capabilities development to support our employees in achieving their personal and professional aspirations. The Total Rewards' key elements that enable the Maybank Group's strategy, Maybank Group Human Capital's strategy and business plan are all critical to sustain employee engagement levels, productivity and business growth.

Our remuneration policies and practices are governed by sound principles which comply with regulatory requirements. It is monitored and reviewed periodically to align with regulatory requirements as well as to reinforce a high performance culture that attracts, motivates and retains talents through market competitiveness and responsible values.

COMPONENTS OF REMUNERATION

Maybank Group rewards' principles are delivered holistically via the Group's Total Rewards Framework which includes components of Total Compensation, benefits, well-being and development.

i) Total Compensation:

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

Fixed Pay	<ul style="list-style-type: none"> Attract and retain talent by providing competitive and equitable level of pay. Reviewed annually through benchmarking externally against relevant peers and locations and internally aligned with consideration of market dynamics, differences in individual responsibilities, performance, achievements, skillset, as well as competency level.
Variable Pay	<p>Variable Bonus</p> <ul style="list-style-type: none"> Reinforce a pay-for-performance culture and adherence to the Maybank Group's T.I.G.E.R. Core Values. Variable cash award design that is aligned with the long-term performance goals of the Group through our deferral and clawback policies. Based on overall Group Performance, Business/Corporate Function and individual performance. Performance is measured via the Balanced Scorecard approach. Any Variable Bonus Awards in excess of certain thresholds will be deferred over a period of time. Deferred Variable Bonus will lapse immediately upon termination of employment (including resignation) except in the event of ill health, disability, redundancy, retirement or death. <p>Long Term Incentive Award</p> <ul style="list-style-type: none"> Offered within the suite of Total Rewards for eligible talents and senior management who have a direct line of sight in driving, leading and executing Maybank Group's business strategies and objectives. <p>Clawback Provision:</p> <ul style="list-style-type: none"> The Maybank Board, based on risk management issues, financial misstatement, fraud and gross negligence or wilful misconduct, has the discretion to make adjustment or clawback the Variable Bonus and Long-term Incentive Awards where appropriate.

ii) Benefits & Well-Being Preservation

Provides a range of benefits that are valued by employees which include financial protection, health care, paid time off, staff loans at preferential rates, programmes to support work-life integration, etc for our diverse workforce. The benefits programmes, which blend all elements including cost optimisation and employee/job needs, are reviewed regularly with proactive actions taken to remain competitive in the increasingly dynamic business landscape. This has continuously enriched our employees, which is part of our total rewards strategy.

iii) Development & Career Opportunities

Continue to invest in the current skills and capabilities necessary as well as the personal and professional growth of our employees. Opportunities are provided to employees to chart their careers across different businesses and geographies.

Remuneration

LONG-TERM INCENTIVE AWARD**Employees' Share Grant Plan**

In December 2018, the Bank rolled out a new scheme under our Long-Term Incentive Award i.e. Employees' Share Grant Plan (ESGP) which replaces the previous scheme that expired in June 2018. The ESGP has a validity period of seven years and it serves as a long-term incentive award for eligible talents and senior management.

Vesting eligibility of the ESGP is subject to fulfilment of the ESGP vesting conditions as well as upon meeting the performance criteria at the Maybank Group level and at an individual level. The first ESGP Award that was granted in December 2018 will vest by 2021 while the second ESGP Award that was granted in September 2019 will vest by 2022.

Governance & Controls – Remuneration Practices

The Bank ensures its remuneration policies and structure are in line with the requirements of governance regulations. From a risk management perspective, the remuneration policy is supported by strong governance and is sensitive to risk outcomes.

The Bank also ensures compliance to regulatory governance for risk control of remuneration practices. The Bank has strong internal governance on the performance and remuneration of control functions which are measured and assessed independently from the business units to avoid conflict of interests. The remuneration of staff in control functions are predominantly fixed to reflect the nature of their responsibilities. Annual reviews of their compensation are benchmarked against the market rate and internally to ensure that it is at an appropriate level.

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

Senior Officers and Other Material Risk Takers

Remuneration of Senior Officers and OMRTs are reviewed on an annual basis and submitted to the Nomination and Remuneration Committee for recommendation to the Board for approval.

Summary of FY2019 compensation outcome for those identified as Senior Officers and OMRTs of Maybank Group:

Total value of remuneration awards for the financial year	RM'000			
	Senior Officers [^]		OMRT	
	Unrestricted	Deferred	Unrestricted	Deferred
Fixed remuneration				
- Cash-based	29,198 (16 headcount)	-	62,682 (101 headcount)	-
- Shares and share-linked instruments	-	-	-	-
- Other	-	-	-	-
Variable remuneration				
- Cash-based	24,786 (16 headcount)	-	49,253 (94 headcount)	8,866 (4 headcount)
- Shares and share-linked instruments*	-	-	-	-
- Other	-	-	-	-
Definition	Senior Officers of the Group are defined as Members of the Group Executive Committee (EXCO); Group Chief Financial Officer; Group Chief Risk Officer; Group Chief Compliance Officer; Group Chief Audit Executive and Group General Counsel and Company Secretary.		OMRTs are defined as employees who can materially commit or control significant amounts of the financial institution's resources or whose actions are likely to have a significant impact on its risk profile or those among the most highly remunerated officers.	

Notes:

* In FY2019, a total of 1,458,100 and 2,112,100 units of Maybank shares (for On Target performance levels) under Maybank Group Employees' Share Grant Plan (ESGP)/Cash-settled Employees' Share Grant Plan (CESGP) were awarded to 15 Senior Officers and 85 OMRTs respectively. The number of ESGP/CESGP units to be vested/paid by 2022 would be conditional upon the said employees fulfilling the vesting/payment criteria.

[^] The FY2019 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.

BOARD OF DIRECTORS

Commemorating 60 years of



Datuk Mohaiyani Shamsudin

We stand privileged and humbled by this amazing journey of 60 years. It is a journey of vision and courage as Maybank is a banking pioneer and serving millions of customers as Malaysia's global financial leader. Turning 60 marks the start of a new decade and new avenues for transformational growth and leadership.

Datuk Abdul Farid Alias

60 years of consistency and integrity in character and personality, Maybank will continue to traverse the uncertainty of the next 60 years with quiet confidence and clarity of purpose.



Cheng Kee Check

Maybank is built on our core values of teamwork, integrity, excellence & efficiency, growth and relationship building; and whose achievements we can all be proud of.



Dr. Hasnita Dato' Hashim

The achievements of an organisation are the results of the combined efforts of every individual. Congratulations to all Maybankers for getting Maybank to where it is today!



Edwin Gerungan

60 years is a major milestone for an institution, and Maybank has impressively built a steady record of delivering growth in operating revenues and shareholders' earnings.



Anthony Brent Elam

Becoming a leading bank in Southeast Asia in only 60 years is a remarkable achievement made possible by Maybankers' dedication to provide the highest quality financial services to our customers and stakeholders.



Board of Directors

Humanising Financial Services



Che Zakiah Che Din

60 years old signifies wisdom, prudence, resilience and a continuous drive to move ahead. That's exactly what Maybank demonstrates.

Datuk R. Karunakaran

60 years of sustained growth as a leading financial institution and a global brand, rewarding shareholders and Humanising Financial Services. Special thanks to Maybankers, past and present.



Fauziah Hisham

It has been an exceptional journey! There were many firsts, lessons learnt, joyous and momentous occasions. Congratulations Maybank and I wish you all the very best. Stay strong and focused!



Dato' Idris Kechot

It is a testimony of Maybank's sustainability and steadfast commitment to its stakeholders. Maybank has journeyed and evolved alongside Malaysia, weathering changes while successfully protecting and building on its strengths.



Shariffuddin Khalid

This resilient financial institution has reinvented itself time and again over the years to cope with competition and a changing business environment to stay relevant in serving its customers and stakeholders. Thank you to our customers, past and present, for their confidence and trust in allowing Maybank to serve them.



Dato' Zulkiflee Abbas Abdul Hamid

Maybank turning 60 in 2020 signifies six decades of banking convenience, a secure financial future and its contribution to the development and prosperity of the nation. It marks 60 years of growth and enriching Malaysian lives.

Board of Directors

Datuk Mohaiyani Shamsudin

Non-Independent Non-Executive Director (Chairman)*



Age/Gender: 71/Female
Appointed: 22 August 2011
Meeting Attendance: 14/14 (100%)

Qualification(s):

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

Relevant Working Experience:

Over 40 years of experience in investment banking and stockbroking and was the Deputy Chairman of Kuala Lumpur Stock Exchange from 1999 to 2004. She was an appointed member of several ministerial and national working groups.

Present Directorship(s):

- Listed Entity:
 - Chairman of Maybank
- Other Public Companies:
 - Chairman of Maybank Investment Bank Berhad
 - Chairman of Maybank Kim Eng Holdings Ltd
 - Member/Trustee of Perdana Leadership Foundation
 - Member/Trustee of IJN Foundation

Datuk Abdul Farid Alias *FCB*

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



Age/Gender: 52/Male
Appointed: 2 August 2013
Meeting Attendance: 14/14 (100%)

CRC

Qualification(s):

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

Relevant Working Experience:

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

Present Directorship(s):

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

Datuk R. Karunakaran

Senior Independent Non-Executive Director



Age/Gender: 69/Male
Appointed: 16 July 2014
Meeting Attendance: 14/14 (100%)

NRC

ESGPC

RMC

Qualification(s):

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

Relevant Working Experience:

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

Present Directorship(s):

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

Anthony Brent Elam

Independent Non-Executive Director



Age/Gender: 61/Male
Appointed: 15 November 2016
Meeting Attendance: 14/14 (100%)

CRC

RMC

CC

Qualification(s):

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

Relevant Working Experience:

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

Present Directorship(s):

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

Che Zakiah Che Din

Independent Non-Executive Director



Age/Gender: 60/Female
Appointed: 1 March 2018
Meeting Attendance: 14/14 (100%)

CC

AC

CRC

Qualification(s):

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

Relevant Working Experience:

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

Present Directorship(s):

- Listed Entity:
 - Director of Maybank
- Other Public Companies:
 - Director of Maybank Investment Bank Berhad
 - Director of Maybank Kim Eng Holdings Ltd.
 - Public Interest Director of Federation of Investment Managers Malaysia

Fauziah Hisham

Independent Non-Executive Director



Age/Gender: 64/Female
Appointed: 15 May 2018
Meeting Attendance: 14/14 (100%)

RMC

NRC

CRC

ESGPC

Qualification(s):

- Associate Member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries & Administrators), UK

Relevant Working Experience:

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

Present Directorship(s):

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

Membership of Board Committees in Maybank:

- CRC Credit Review Committee NRC Nomination and Remuneration Committee RMC Risk Management Committee
- ESGPC Employees' Share Grant Plan Committee AC Audit Committee CC Compliance Committee

Flags indicate nationality:

- Chairman Malaysian Indonesian
- Member American

Board of Directors

Cheng Kee Check

Non-Independent Non-Executive Director*



Age/Gender: 55/Male
Appointed: 19 November 2014
Meeting Attendance: 14/14 (100%)

**Qualification(s):**

- LL.B. (Hons), National University of Singapore, Singapore

Relevant Working Experience:

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

Present Directorship(s):

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

Edwin Gerungan

Independent Non-Executive Director



Age/Gender: 71/Male
Appointed: 24 August 2015
Meeting Attendance: 14/14 (100%)

**Qualification(s):**

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

Relevant Working Experience:

Over 40 years of experience serving 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 Entities:
 - Director of Maybank
 - Commissioner of PT Bank Maybank Indonesia Tbk
- Other Public Companies:
 - Nil

Dr. Hasnita Dato' Hashim

Independent Non-Executive Director



Age/Gender: 58/Female
Appointed: 1 July 2016
Meeting Attendance: 13/14 (93%)

**Qualification(s):**

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

Relevant Working Experience:

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

Present Directorship(s):

- Listed Entity:
 - Director of Maybank
- Other Public Company:
 - Chairman of Maybank Asset Management Group Berhad

Shariffuddin Khalid

Independent Non-Executive Director



Age/Gender: 54/Male
Appointed: 14 June 2018
Meeting Attendance: 14/14 (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 for BNM and also served as the pioneer Director of the Malaysia International Islamic Financial Centre initiative. Earlier, he was part of the management team that established Pengurusan Danaharta Nasional Bhd.

Present Directorship(s):

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

Dato' Idris Kechot

Independent Non-Executive Director



Age/Gender: 65/Male
Appointed: 15 May 2019
Meeting Attendance: 9/9 (100%)

**Qualification(s):**

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

Relevant Working Experience:

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

Present Directorship(s):

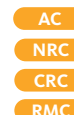
- Listed Entities:
 - Director of Maybank
 - Chairman of Chemical Company of Malaysia Berhad
 - Chairman of Kumpulan Fima Berhad
- Other Public Company:
 - Director of Maybank Asset Management Group Berhad

Dato' Zulkiflee Abbas Abdul Hamid

Independent Non-Executive Director



Age/Gender: 62/Male
Appointed: 15 August 2019
Meeting Attendance: 6/6 (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:
 - Director of Maybank
- Other Public Companies:
 - Director of Maybank Islamic Berhad
 - Trustee of Yayasan Budiman Universiti Teknologi MARA
 - Trustee of Tabung Pendidikan 1 Bilion

Note:

- * Datuk Mohaiyani Shamsudin and Cheng Kee Check are nominees of Permodalan Nasional Berhad.
- Age is as at 31 March 2020.

Declaration: All the Directors:

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



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

GROUP EXECUTIVE COMMITTEE

Commemorating 60 years of



“60 years of consistency and integrity in character and personality, Maybank will continue to traverse the uncertainty of the next 60 years with quiet confidence and clarity of purpose.”

Datuk Abdul Farid Alias

Refer to page 72 for his profile.



“I am proud to be part of an organisation that has grown to become a regional leader in financial services, yet remain steadfastly grounded to its core values of being customer-focused and community-driven.”

Dato' John Chong Eng Chuan

“I first became a Maybank customer 30 years ago when I opened an account for my first salary to be credited into. To now be part of Maybank Group in celebrating its 60 years gives me immense pride and satisfaction.”

Kamaludin Ahmad



“Inspiring! Exciting! Inspired by 60 years of dedication safeguarding the trust of its customers and excited by the challenge to continue its proud legacy of humanising banking for future generations.”

Dato' Amirul Feisal Wan Zahir



“The 60th anniversary of Maybank reminds me of a 1,300 year old Chengal tree in Pasir Raja Forest reserve, Terengganu... the oldest and largest tree in Malaysia. It demonstrates what a long-lasting presence means, transcending generations and standing tall and proud with deep roots in our beloved *tanah air*.”

Michael Foong Seong Yew



“It is with humble pride that I am a part of Maybank's 60-year journey. Maybank's brand value is testimony that it has stood the test of time. People, Passion and Persistence at its best as we continue to serve the communities across the region!”

Mohd Suhail Amar Suresh

Group Executive Committee

Humanising Financial Services



“Our successes over the past 60 years are the results of the combined efforts of our colleagues, clients and stakeholders. We are grateful of our previous leaders who laid the foundation that paved our way forward in our mission of Humanising Financial Services.”

Dato' Muzaffar Hisham



“This year marks another significant milestone for Maybank. Over the last six decades, it has grown to become a regional financial powerhouse. Congratulations and Happy Anniversary Maybank.”

Dato' Mohamed Rafique Merican Mohd Wahiduddin Merican

“Decades of passionate pursuit to make lives better in the communities we serve warms the heart of over 43,000 Maybankers and the fire continues to fuel that commitment as we turn 60 even as the world rapidly changes around us. This just reinforces why Maybank is so relevant.”

Datuk Nora Abd Manaf



“To become the largest bank in Malaysia and only truly pan-ASEAN bank within 60 years is clear testament to our vision of service to our communities and Humanising Financial Services.”

Gilbert Kohnke



“60 years is a significant milestone for any organisation. Specifically for Maybank, our contribution to the nation and people throughout the decades have been immeasurable. As we celebrate 60 years, our wish is for this to continue. Thank you Maybankers.”

Jerome Hon Kah Cho



“At 60, Maybank has touched many lives and built many communities while living our mission of Humanising Financial Services. I look forward to more good years ahead with this wonderful Maybank Family.”

Dr. John Lee Hin Hock

“Maybank's long journey to date is certainly inseparable from the contribution and dedication of all Maybankers and its customers. For that, we must continuously make improvements, adapt and innovate in this increasingly sophisticated digital era so that we remain relevant in providing financial products and services.”

Taswin Zakaria



Group Executive Committee

Dato' John Chong Eng Chuan

Group Chief Executive Officer, Community Financial Services



Age/Gender: 52/Male
Appointed: 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 and investment banking. Previously, the CEO of Maybank Investment Bank Berhad and Maybank Kim Eng Group.

FY2019 Key Achievement(s):

Drove digitalisation initiatives with MAE launch – Malaysia's first e-wallet with banking services, Tap2Phone – first mobile app in Southeast Asia allowing credit card payment acceptance; Malaysia's top auto finance provider.

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

Nil

Dato' Muzaffar Hisham

Group Chief Executive Officer, Global Banking



Age/Gender: 47/Male
Appointed: 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 20 years of Islamic and conventional banking experience in retail and wholesale banking at large local and foreign banks. Previously, Maybank Islamic Berhad CEO and Group Islamic Banking Head.

FY2019 Key Achievement(s):

Led Group Global Banking's continued success as a regional leader, linking ASEAN corporates to Greater China and having won notable cross-border deals and mandates.

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

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

Dato' Mohamed Rafique Merican Mohd Wahiduddin Merican

Group Chief Executive Officer, Islamic Banking



Age/Gender: 55/Male
Appointed: 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:

Over 25 years of corporate sector experience, with nine years spent as the CFO of several Malaysian listed corporates, including an independent power producer, an electricity company and Maybank Group.

FY2019 Key Achievement(s):

Global Private Banking Innovation Awards 2019 – Outstanding Global Banker of the Year and Appointed Member in the Government's Special Committee on Islamic Finance.

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

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

Gilbert Kohnke

Group Chief Risk Officer



Age/Gender: 61/Male
Appointed: 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. He was the Group Chief Risk Officer for Danske Bank AS and OCBC Bank.

FY2019 Key Achievement(s):

Led Group Risk's transformation to be enterprise and strategic-focus driven. Significant enhancements achieved in Credit, Portfolio Management, Non-Financial Risk areas, people practices, and training.

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

Nil

Michael Foong Seong Yew

Group Chief Strategy Officer & Chief Executive Officer, International



Age/Gender: 51/Male
Appointed: 1 January 2014 & 1 June 2018 respectively

Qualification(s):

- Master of Arts in Economics and Management Studies, Cambridge University, UK
- Advanced Business Management Program, Kellogg Graduate School of Management, Northwestern University, Chicago, USA
- Chartered Banker, Asian Institute of Chartered Bankers

Relevant Working Experience:

Over 17 years of experience in serving financial services clients across Asia Pacific, specialising in the areas of strategy and enterprise transformation.

FY2019 Key Achievement(s):

Enhanced the Group's long-term strategy with stronger focus on digital value propositions & sustainability initiatives. Also, helped drive improved growth in several key International markets in FY19 (Cambodia, Vietnam, Myanmar).

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

Nil

Mohd Suhail Amar Suresh

Group Chief Technology Officer



Age/Gender: 56/Male
Appointed: 1 April 2015

Qualification(s):

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

Relevant Working Experience:

More than 30 years of global experience in business strategy & development, technology architecture design, and systems development within the financial services & telecommunication industries.

FY2019 Key Achievement(s):

Successfully led a complex datacenter migration to improve infrastructure resiliency and steered in-house development of a system that allows business to better manage their assets, liabilities and risks.

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

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

Flags indicate nationality:



Note:

Age is as at 31 March 2020.

Group Executive Committee

Kamaludin Ahmad

Group Chief Executive Officer, Insurance & Takaful

**Age/Gender:** 52/Male
Appointed: 1 December 2013**Qualification(s):**

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

Relevant Working Experience:

Close to 30 years of financial services industry experience with large local corporates and multinational companies. Has six years of regulatory and risk experience with Securities Commission and Bank Negara Malaysia.

FY2019 Key Achievement(s):

Led Etiqa to achieve gross revenue of more than RM8 billion, following two consecutive years of double-digit growth that has helped establish Etiqa among the top five ASEAN owned insurers.

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

- Etiqa Insurance Pte Ltd, Singapore
- Etiqa Life & General Assurance Philippines, Inc.
- P.T. Asuransi Etiqa International, Indonesia
- Etiqa General Insurance, Cambodia

Dato' Amirul Feisal Wan Zahir

Group Chief Financial Officer

**Age/Gender:** 50/Male
Appointed: 1 July 2016**Qualification(s):**

- BSc Economics (Accounting & Finance), London School of Economics & Political Science
- Fellow of the Institute of Chartered Accountants England and Wales
- Member of the Malaysian Institute of Accountants
- Chartered Banker, Asian Institute of Chartered Bankers
- Advanced Management Program, Harvard Business School

Relevant Working Experience:

Over 20 years of global banking experience, practising in key Asian financial centres. Over 15 years of senior management roles, including leading a public listed chemical company and Maybank Group's Global Banking franchise.

FY2019 Key Achievement(s):

Led the Group's efforts in building stakeholder trust through Integrated Reporting excellence as recognised by PwC, resulting in Maybank's win of PwC's Building Trust Awards 2019 for Malaysia.

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

- Maybank Ageas Holdings Berhad
- Etiqa International Holdings Sdn Bhd

Datuk Nora Abd Manaf

Group Chief Human Capital Officer

**Age/Gender:** 56/Female
Appointed: 22 September 2008**Qualification(s):**

- Chartered Banker, Chartered Banker Institute (CBI)
- Chartered Accountant, Malaysian Institute of Accountants (MIA)
- Postgraduate certification in Human Resource Development, Cornell University
- Advanced Management Programme, Harvard Business School
- Gallup Strengths Level II Coach
- Adjunct Professor, appointed by College of Business of UUM

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.

FY2019 Key Achievement(s):

Awarded the Most Visible CEO award for the CEO@ Faculty programme and appointed into the Board of Advisors for UUM's Bachelor of Applied Linguistics and Business Administration with Honors.

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

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

Jerome Hon Kah Cho

Group Chief Operations Officer

**Age/Gender:** 53/Male
Appointed: 1 December 2013**Qualification(s):**

- Member of Malaysian Institute of Certified Public Accountants (MICPA)
- Chartered Accountant, Malaysian Institute of Accountants (MIA)
- Chartered Banker, Asian Institute of Chartered Bankers
- Advance Management Program, Wharton Business School

Relevant Working Experience:

Over 25 years in Maybank, of which more than seven years as the Group Chief Audit Executive. Additionally, he has eight years of audit experience prior to joining Maybank.

FY2019 Key Achievement(s):

Successfully led the implementation of SWIFT GPI for Malaysia (first local bank to do so), Singapore and Indonesia which enabled real-time confirmation, end to end views and same day use of funds.

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

Nil

Dr. John Lee Hin Hock

Country Chief Executive Officer & Chief Executive Officer, Maybank Singapore

**Age/Gender:** 54/Male
Appointed: 1 December 2017**Qualification(s):**

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

Relevant Working Experience:

Over 13 years of financial services experience spanning across the Asia Pacific markets as a partner of KPMG Business Advisory. Previously, Maybank Group's Chief Risk Officer for seven years.

FY2019 Key Achievement(s):

Repositioned Maybank in Singapore to be a leading foreign bank.

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

- Maybank Kim Eng Holdings Limited
- Etiqa Insurance Private Limited

Taswin Zakaria

President Director, Maybank Indonesia

**Age/Gender:** 51/Male
Appointed: 11 November 2013**Qualification(s):**

- Bachelor of Science in Business Administration degree in Accounting, Cum Laude (Honors), The Ohio State University
- Advanced Management Program, Harvard Business School
- Strategic Leadership Program Saïd Business School, Oxford University

Relevant Working Experience:

Over 25 years of corporate and banking experience in local and foreign companies. Held key management roles in service sectors including banking, infrastructure financing and airport management.

FY2019 Key Achievement(s):

Best of the best CEO 2019 by Economic Review magazine, and led the achievement of the 2nd best Indonesian Annual Report Award 2019 for private financial listed company.

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

- PT Bank Maybank Indonesia Tbk

Declaration:

The Group Executive Committee members have no family relationship with any director and/or major shareholder of Maybank, conflict of interest with Maybank and has never been charged for any offence, convictions for offences within the past five years and public sanction or penalty imposed by the relevant regulatory body during the financial year.

GROUP SHARIAH COMMITTEES

SHARIAH COMMITTEE OF ETIQA FAMILY TAKAFUL BERHAD & ETIQA GENERAL TAKAFUL BERHAD (SC EFTB & EGTB)



**Associate Professor
Dr. Aznan Hasan**
Chairman



Dr. Sarip Adul
Member



**Professor Dr. Rusni
Hassan**
Member



**Professor Dr.
Abdul Rahim Abdul
Rahman**
Member



**Professor Dato' Dr.
Mohd Azmi Omar**
Member

MAYBANK ISLAMIC BERHAD SHARIAH COMMITTEE (MIBSC)



**Associate Professor
Dr. Aznan Hasan**
Chairman



**Associate Professor
Dr. Mohamed
Fairouz Abdul Khir**
Member



**Ustaz Mohd Kamal
Mokhtar**
Member



Dr. Oni Sahroni
Member



**Dr. Syahnaz
Sulaiman**
Member

Group Shariah Committees

Associate Professor Dr. Aznan Hasan

Chairman of MIBSC and Chairman of SC EFTB & EGTB

**Age :** 48 **Gender :** Male **Appointed :** 1 May 2014 **SC EFTB & EGTB and MIBSC Meeting Attendance:** 26/26**Qualification(s):**

- Bachelor's degree in Shariah (BA Hons), Al-Azhar University
- Master's degree in Shariah (Mumtaz), Cairo University
- PhD, University of Wales, Lampeter, UK

Present Occupation(s):

Present: Within Maybank Group

- Shariah consultant to Maybank Investment Bank
- Member, Board of Directors Maybank Islamic Berhad
- Chairman, Shariah Committee of EFTB & EGTB

Present: Other Companies/Bodies

- Associate Professor, IIUM Institute of Islamic Banking and Finance, International Islamic University Malaysia (IIUM)
- President of the Association of Shariah Advisors in Islamic Finance (ASAS)
- Chairman, Shariah Committee, Bank Pembangunan Malaysia Berhad

- Chairman, Shariah Committee, Amanah Hartanah Bumiputra
- Deputy Chairman, Shariah Advisory Council, Securities Commission
- Member, Shariah Board, Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)
- Member, Shariah Advisory Board, ABSA Islamic Bank (South Africa), FNB Bank (South Africa), Yasaar Limited (London), HSBC Amanah (Dubai), Standard Chartered (Global), Amanahraya Berhad and Employee Provident Fund (EPF)
- Shariah Consultant, Hong Leong Islamic Bhd (Capital Market)
- Shariah Adviser, Public Investment Bank Bhd (Stockbroking), Malacca Securities Sdn Bhd, Jupiter Securities Sdn Bhd and Inter-Pacific Securities Bhd

Relevant Working Experience:

He has over 15 years of experience in Shariah advisory with local and international organisations including Securities Commission, Bank Negara Malaysia, The Central Bank of the UAE's Higher Shariah Authority and Shariah Advisory Council AAOIFI.

Professor Dr. Abdul Rahim Abdul Rahman

Member of SC EFTB & EGTB

**Age :** 52 **Gender :** Male **Appointed :** 1 May 2017 **Meeting Attendance:** 25/27**Qualification(s):**

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

Present Occupation(s):

- Deputy Vice Chancellor (Academic and International), Universiti Sains Islam Malaysia (USIM)
- Professor, Faculty of Economics and Muamalat, USIM
- Member, Shariah Committee, Amanah Ikhtiar Malaysia (AIM)
- Panel member of Muamalat experts, Department of Islamic Development Malaysia (JAKIM)
- Committee member, Economics and Finance Cluster, National Council of Professors (MPN)

Relevant Working Experience:

He has 14 years of experience in teaching, research and consultancy on Islamic Finance, Islamic Accounting, Ethics and Governance, and Shariah Audit in various capacities.

Professor Dr. Rusni Hassan

Member of SC EFTB & EGTB

**Age :** 52 **Gender :** Female **Appointed :** 1 May 2017 **Meeting Attendance:** 25/27**Qualification(s):**

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

Present Occupation(s):

- Professor, IIUM Institute of Islamic Banking and Finance
- Member, Shariah Committee, Hong Leong Islamic Bank, Exim Bank, 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 for the Islamic Unit Trust Schemes and Islamic Securities (Sukuk) with the Securities Commission of Malaysia
- Secretary General, Association of Shariah Advisors in Islamic Finance Malaysia (ASAS)
- Assistant Secretary, International Council of Islamic Finance Educators (ICIFE)

Relevant Working Experience:

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

Dr. Sarip Adul

Member of SC EFTB & EGTB

**Age :** 52 **Gender :** Male **Appointed :** 1 June 2017 **Meeting Attendance:** 25/27**Qualification(s):**

- Bachelor's degree (Shariah), Al-Azhar University
- Master in Fiqh and Usul Al-Fiqh, University of Jordan
- PhD in Shariah, Universiti Kebangsaan Malaysia

Present Occupation(s):

- Senior Lecturer, Universiti Malaysia Sabah
- Director, Islamic Centre, Universiti Malaysia Sabah
- Registered Shariah Advisor for the Islamic Unit Trust Schemes and Islamic Securities (Sukuk) with the Securities Commission of Malaysia
- Member, Shariah Committee, Perbadanan Baitulmal Sabah
- Board Member, Lembaga Pengurusan Wakaf Negeri Sabah

Relevant Working Experience:

He was a former member of the Fatwa Council for Sabah and Shariah Committee for Maybank Islamic. He is also an active speaker on the subject of Shariah, Islamic law and da'wah.

Professor Dato' Dr. Mohd Azmi Omar

Member of SC EFTB & EGTB

**Age :** 60 **Gender :** Male **Appointed :** 1 May 2018 **Meeting Attendance:** 25/27**Qualification(s):**

- Bachelor's degree in Science (Finance), Northern Illinois University, USA
- Master of Business Administration, Northern Illinois University, USA
- PhD in Finance, Bangor University, Wales, UK

Present Occupation(s):

- President and Chief Executive Officer, International Centre for Education in Islamic Finance (INCEIF)
- Member, Shariah Committee, Bank Kerjasama Rakyat Malaysia
- Islamic Finance Expert to the Autoriti Monetari Brunei Darussalam

Relevant Working Experience:

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

Flags indicate nationality:

Malaysian

Note:

Age is as at 31 March 2020.



Full profiles for SC EFTB & EGTB can be obtained at www.etiqa.com.my while MIBSC's profiles can be obtained at www.maybank.com/islamic

Group Shariah Committees

Associate Professor Dr. Mohamed Fairouz Abdul Khir

Member of MIBSC



Age : 44 Gender : Male Appointed : 1 May 2013 Meeting Attendance: 26/26

Qualification(s):

- Bachelor of Islamic Revealed Knowledge and Heritage, Fiqh and Usul al-Fiqh, International Islamic University Malaysia (IIUM)
- Master's degree in Shariah, University of Malaya
- PhD, Fiqh, Usul al-Fiqh and Islamic Finance, University of Malaya

Present Occupation(s):

Present: Other Companies/Bodies

- Associate Professor, Cluster of Islamic Accounting, Banking and Finance, Islamic University of Malaysia
- Member, Shariah Advisory Council, Securities Commission
- Registered Shariah Advisor for the Islamic Unit Trust Schemes and Islamic Securities (Sukuk) with the Securities Commission of Malaysia.
- Chairman, Shariah Committee, AGRO Bank
- Member, Shariah Committee, MNRB Holdings Berhad
- Member, Perak Fatwa Committee - Ahli Jawatankuasa Fatwa Negeri Perak

Relevant Working Experience:

Over nine years of experience in Islamic Finance education and research. Previously, he was a Shariah advisor to Malaysian Industrial Development Finance Berhad.

Ustaz Mohd Kamal Mokhtar

Member of MIBSC



Age: 52 Gender : Male Appointed : 1 September 2015 Meeting Attendance: 26/26

Qualification(s):

- Diploma, Arabic Language, Islamic University of Medina
- B.Sc., Zoology and Botany, National University of Singapore (NUS)
- BA (Hons.), Hadith and Islamic Studies, Islamic University of Medina
- Shari'a Advisory Training Program, Singapore Islamic Scholars & Religious Teachers Association (PERGAS) and International Institute of Islamic Finance (IIIF)
- Masters in Finance, International Islamic University of Malaysia (IIUM)

Present Occupation(s):

Present: Other Companies/Bodies

- Judge, Shariah Appeal Court of Singapore
- Associate member, Fatwa Council of Majlis Ugama Islam Singapore (MUIS)
- Member, Committee of Future Asatizah of MUIS
- Member, Asatizah Recognition Board (ARB)
- Member, Shariah Committee, Basil fund a private Real Estate Investment fund based in Singapore since 2012
- Member, Singapore Islamic Scholars & Religious Teachers Association (PERGAS)
- Board member, Warees Halal Limited

Relevant Working Experience:

Over 10 years of collective experience in Islamic advisory roles including holding senior management positions in Islamic education institutions, research and Shariah advisory roles.

Dr. Oni Sahroni

Member of MIBSC



Age : 44 Gender : Male Appointed : 9 July 2018 Meeting Attendance: 23/26

Qualification(s):

- Bachelor's degree in Shariah, Al-Azhar University
- Master's degree in Comparative Islamic Jurisprudence, Al-Azhar University
- Phd in Comparative Islamic Jurisprudence, Al-Azhar University

Present Occupation(s):

Present: Within Maybank Group

- Member, Shariah Supervisory Board, PT Bank Maybank Indonesia Tbk

Present: Other Companies/Bodies

- Founder, Rumahwasathia Foundation
- Director, Sebi Islamic Business Economic Research Center (SIBER-C)
- Member, Daily Management Board at National Shariah Council (DSN)-Majelis Ulama Indonesia
- Member, Shariah Supervisory Board, PT Adira Dinamika Multi Finance Tbk and BPH
- Member, Shariah Nasional Board
- Shariah Expert, Shariah Supervisory Board, of PT BNP Paribas Investment Partners

Relevant Working Experience:

Over seven years of experience in Shariah advisory roles for public listed companies and think tanks. He is also the founder of the Rumahwasathia Foundation, a Shariah consultancy entity which intends to promote Wasathia approaches.

Dr. Syahnaz Sulaiman

Member of MIBSC



Age: 42 Gender : Female Appointed: 9 July 2018 Meeting Attendance: 26/26

Qualification(s):

- Bachelor's degree in Shariah and Law, University of Malaya
- Master's degree in Comparative Laws, International Islamic University Malaysia
- PhD in Islamic Economy, University of Malaya

Present Occupation(s):

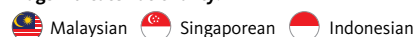
Present: Other Companies/Bodies

- Senior Lecturer, Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia

Relevant Working Experience:

Over 10 years of collective experience in administrative role and research related to Muamalat and Islamic finance including education and advisory role in the same field.

Flags indicate nationality:



Note:

Age is as at 31 March 2020.



Full profiles for SC EFTB & EGTB can be obtained at www.etiqa.com.my while MIBSC's profiles can be obtained at www.maybank.com/islamic

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Maybank (the Board) views corporate governance as an essential catalyst contributing towards achieving long term shareholder value, taking into account the interest of other stakeholders. In order to meet this objective, the Board continuously strives to refine the Group’s corporate governance practices and processes to meet the increasingly challenging operating environment. This is to ensure that the Group’s competitive edge both locally and regionally remains undiminished.

Governance requirements continually evolve and present new challenges. In this regard, the Board is committed to ensure that Maybank’s Corporate Governance Framework remains in compliance with the following statutory provisions, best practices, policies and guidelines:

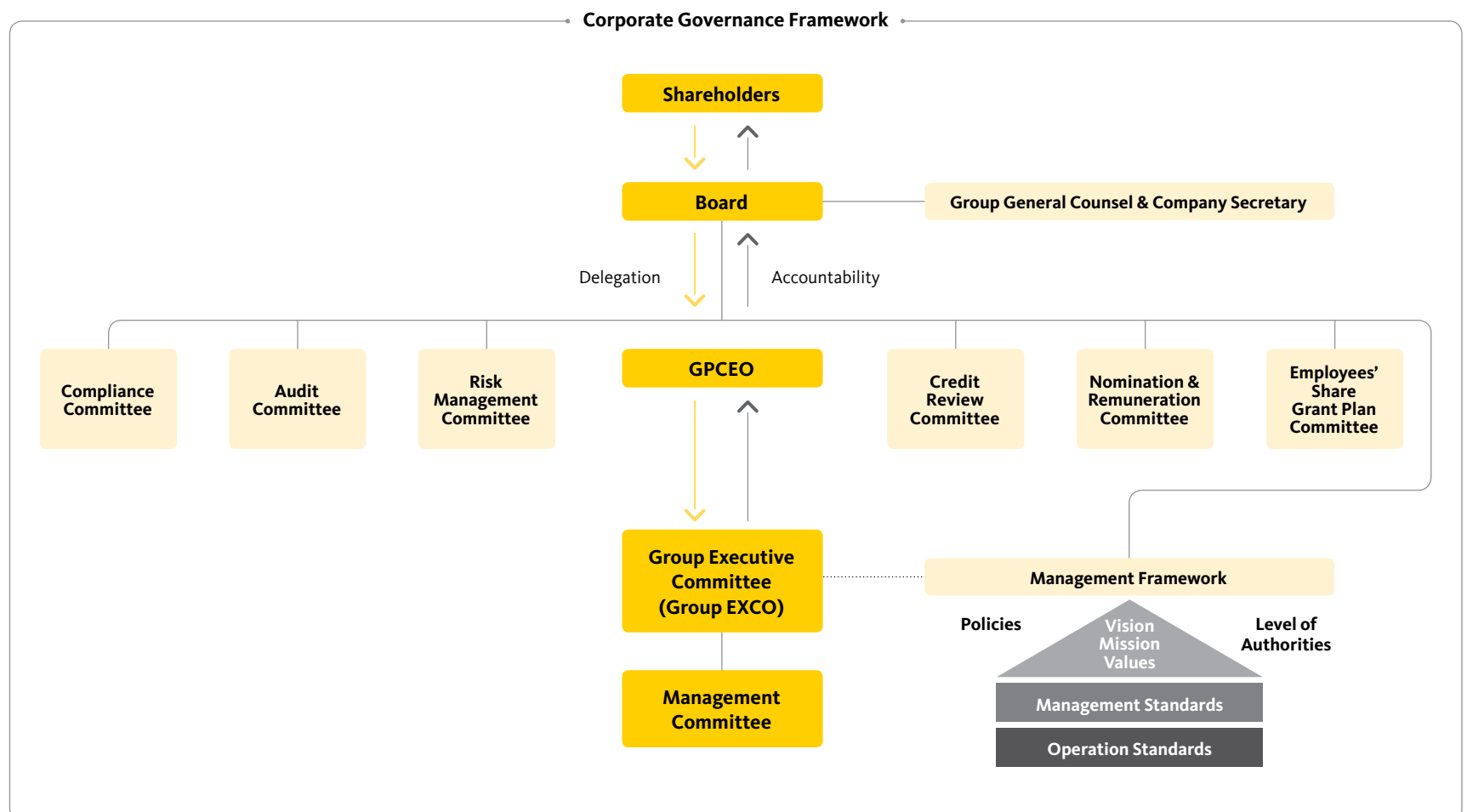
1. Companies Act 2016;
2. Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia) (Listing Requirements);
3. Policy on Corporate Governance issued by Bank Negara Malaysia (BNM CG Policy); and
4. Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia (the Code).

Compliance is achieved through processes and frameworks that ensure the ongoing sustainability of the business and maximise value for shareholders and other key stakeholders.

This report sets out a summary of the Group’s corporate governance practices during the financial year ended 31 December 2019 (FY2019). As at 31 December 2019, Maybank has applied all recommended practices in the Code save for the two (2) set out below:

- (i) The disclosure of senior management’s remuneration; and
- (ii) Facilitation of remote shareholders’ participation at general meetings.

The application of each of the practices is disclosed in Maybank’s Corporate Governance Report (CG Report) which is available on Maybank Group’s corporate website at www.maybank.com.



Note:

A description of the roles of each Board Committee can be found in Section B of the CG Report which is available on Maybank Group’s corporate website at www.maybank.com


Corporate Governance Overview Statement

BOARD LEADERSHIP AND EFFECTIVENESS

The Role of The Board

The Board directs and oversees the business and affairs of the Group by periodically reviewing and approving the overall strategies and significant policies of the Group. The Board also establishes the Group's core values and adopts proper standards to ensure that the Group operates with integrity, and complies with the relevant rules and regulations. A description of the roles and responsibilities of the Board can be found in the Board Charter which is available on Maybank Group's corporate website at www.maybank.com.

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

 Read more about our risk management and internal controls on pages 88 to 93.


Apart from setting the tone at the top and establishing the core values of the Group, the Board also monitors the management's execution of strategy and financial performance. While the Board's ultimate focus is on long-term growth, the Board also ensures that the management strikes the right balance between short term and long term goals. The Board is also mindful of their wider obligations and considers the impact their decisions will have on the Group's various stakeholders such as employees, shareholders, customers, and the community as a whole.

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

Board Meetings

The Board meets on a monthly basis and meetings are scheduled well in advance (before the commencement of each financial year) to enable members to plan ahead. When required, the Board will meet on an ad hoc basis to deliberate urgent matters.

During FY2019, the Board met fourteen (14) times to deliberate and consider a variety of significant matters that required its guidance and approval. All Directors complied with the 75% board attendance requirement during FY2019. The Board also had separate sessions with the management to discuss the Group's strategies particularly its digital initiatives and challenges.

 Board's meeting attendance during FY2019 is disclosed in the Board of Directors section on pages 72 and 73.

Among the topics and strategies that were reviewed, deliberated and approved by the Board during FY2019 were as follows:

Strategy

- Business strategy of various sectors within the Group
- Budget and Business Plan for the Group for FY2020
- Group Capital and Dividend Strategy
- Investor Relations Strategy for FY2019
- Group's Innovation Strategy
- Group's Sustainability and Corporate Responsibility Strategy
- Group's Inclusiveness and Diversity Agenda
- Group's Digital Strategy
- Environmental, Social & Governance (ESG) Strategies

Risk, Compliance and Oversight

- Group Chief Risk Officer's risk reports
- Group's Risk Appetite Statements for FY2019
- Group's BNM Composite Risk Rating findings
- Group's Recovery and Resolution Plan
- Quarterly Risk Appetite Statements and Capital Adequacy Assessment Process reports
- Group's Data Governance Framework
- Group Compliance's Dashboard/reports
- Deliverables to address Anti-Money Laundering and Counter Financing Terrorism Issues
- Group's Audit Plan for 2019
- Group's Anti-Bribery and Corruption Policy

Governance

- Board Effectiveness Evaluation and Fit and Proper Assessment
- Directors' fees and benefits for Non-Executive Directors of Maybank and its subsidiaries
- Total rewards (variable bonus and salary increment) and remuneration for the Group
- Recommendation for the appointment of external auditors for the Group
- Corporate Governance Disclosure in 2018 Annual Report
- Updates on Corporate Governance

Board Size, Composition and Diversity

As at 31 December 2019, the Board consisted of 12 Directors, comprising:

Board of Directors

- 1 Executive Director (ED)
- 2 Non-Independent Non-Executive Directors (NINED)
- 9 Independent Non-Executive Directors (INED)

The composition of the Board exceeds the minimum one-third (1/3) requirement of independent directors as stipulated in the Listing Requirements. The composition also meets the requirement of having a majority of independent directors as set out in the BNM CG Policy. The Group President and Chief Executive Officer (Group PCEO) is the only ED on the Board, while the two (2) NINEDs are nominees of Permodalan Nasional Berhad.

The Board is committed in ensuring 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.

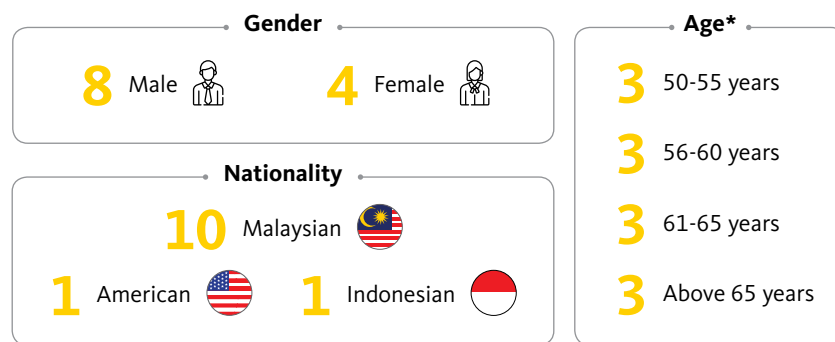
Corporate Governance Overview Statement

The skills and experience of the Board includes the following:

- Banking
- Insurance/Takaful
- Asset Management
- Strategic Planning & Business Strategy
- Risk Management
- Regional Experience
- Corporate Governance
- Legal and Compliance
- Public Policy & Regulatory

During FY2019, the Nomination and Remuneration Committee (NRC) conducted a skill matrix evaluation on Board members. Based on the results of the evaluation, the NRC had identified “technology and innovation” as one of the skill-set that the Board must have and will continue to search for a suitable candidate with the requisite skills and experience in this area.

The Board has also established a Policy on Gender Diversity and has embraced the recommendations of the Code of having at least 30% women representation on the Board. As at 31 December 2019, the Board consisted of 33.3% women Directors. There were two (2) foreign nationals on the Board, Mr. Edwin Gerungan, an Indonesian and Mr. Anthony Brent Elam, an American (based in Indonesia); both are former bankers with international experience, especially in Indonesia where Maybank’s presence is large and significant.



* as at 31 December 2019

The roles and responsibilities of the Chairman and the Group PCEO are separated by a clear division of responsibilities which are defined and approved by the Board in line with best practices to ensure the appropriate supervision of management. This distinction allows for better understanding and distribution of jurisdictional responsibilities and accountabilities. The clear hierarchical structure with its focused approach facilitates efficiency and expedites informed decision-making.

The profile of each Director can be found on pages 72 and 73.

Independence

To assist the NRC in evaluating the independence of the INEDs, the Board has established a Policy on Directors Independence (the Independence Policy) which sets out Maybank’s approach in determining directors’ independence. Pursuant to the Independence Policy, the NRC and the Board had assessed the independence of each of the INED during FY2019 as part of the annual Fit and Proper assessment and were satisfied that all INEDs have met the independence criteria and are able to act in an independent and objective manner. Additionally, each of the INEDs had, during the Fit and Proper Assessment, declared and affirmed their independence. Each INED also has an ongoing obligation to inform the Board of any circumstances which could impair his or her independence.

Nomination and Remuneration Committee (NRC)

The NRC consists of a majority of INEDs and is chaired by the Senior INED. The roles and responsibilities of the NRC are set out in its Terms of Reference which are available on the 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 FY2019 were as follows:

01

Board Composition and Succession Planning

- Reviewed the overall size and composition of the Board and the subsidiaries’ board
- Reviewed the composition of Board Committees
- Reviewed the succession plan for the Board and Board Committees
- Reviewed the Talent Pool for Non-Executive Directors (NEDs) of the Group

02

Recruitment and Appointment of Directors

- Reviewed the background, skills and experience of potential candidates for appointments on the Board and the subsidiaries’ board
- Conducted engagement sessions to assess the suitability of potential candidates to be appointed to the Board and the subsidiaries’ board
- Considered the re-appointments and re-elections of Directors of the Group
- Reviewed the appointment and re-appointment of Shariah Committee members of Maybank Islamic Berhad, Etiqa Family Takaful Berhad and Etiqa General Takaful Berhad

03

Recruitment and Appointment of Senior Officers

- Considered the proposals to renew the employment contract of the Group PCEO and other senior officers of the Group
- Reviewed the suitability of potential candidates for the appointment of senior officers including the Chief Executive Officer (CEO) of subsidiaries
- Received updates on the Group EXCO Succession Management

04

Fit and Proper Assessment

- Reviewed the results of the annual Fit and Proper Assessment on Directors, senior officers, Shariah Committee members and other Material Risk Takers of the Group

05

Board Effectiveness Evaluation

- Conducted the annual Board Effectiveness Evaluation (BEE) on the Board and the Board Committees of Maybank and key subsidiaries of Maybank
- Reviewed the results of the BEE exercise and recommended the proposed Actionable Improvement Programme to the Board and the subsidiaries’ board for approval
- Reviewed the training needs of the Directors

06

Remuneration

- Reviewed the Directors’ fees and benefits for Non-Executive Directors of Maybank and its subsidiaries
- Reviewed and recommended the total rewards (variable bonus and salary increment) for the Group
- Reviewed the payout of the Long-Term Cash Award for the Group

07

Governance

- Reviewed the Balanced Scorecard of the Group PCEO
- Reviewed the staff benefits for the Group

Corporate Governance Overview Statement

Board Appointment and Succession Planning

The NRC plays a major role in the nomination and selection process of potential candidates for appointment to the Board of Maybank and its subsidiaries. The nomination and appointment of new Directors is 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.

The details of the above policies are provided in the CG Report.

The Policy on Nomination Process sets out a clear and transparent nomination and appointment process, as follows:

Stage 1 – Identification of candidates

Stage 2 – Engagement with candidates

Stage 3 – Deliberation by the NRC

Stage 4 – Recommendation to the Board

The Board believes that effective succession planning mitigates the risks associated with the departure or absence of well qualified and experienced individuals and aims to ensure that the Board and 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 Group Talent Pool which comprises potential candidates to be considered for appointment as NEDs on the Board of Maybank and its subsidiaries. From time to time, the NRC procures the curricula vitae of prospective candidates discreetly from various internal and external sources for its review and consideration. The NRC also reviews the Group's 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 skill-set of its Board members would be well suited to meet the demands of the ever-changing landscape of the financial industry. Pursuant to the Directors Tenure Policy, the tenure of an INED is limited to a cumulative period of nine (9) years. As at 31 December 2019, none of the INEDs had exceeded the nine (9) years tenure.



* includes ED

Board Effectiveness Evaluation

The Board conducts an evaluation of the Board members and the Board Committees on an annual basis. The Board evaluation for FY2019 was conducted via a questionnaire completed by all Board members.

Overall, the results of the Board evaluation for FY2019 were positive and satisfactory, reflecting strong and improving performance by the Board and Board Committees.

During the Board Effectiveness Evaluation exercise, all Board members had provided feedback not only on the areas of assessment but also on areas that the Board could improve on moving forward.

The Board also evaluates the performance of the Group PCEO annually based on a separate set of questionnaire to be completed by all Board members. The rating derived from this assessment forms 20% of the total rating of the Group PCEO's Balance Scorecard. Based on the overall results of the evaluation conducted for FY2019, the Board was satisfied with the performance of the Group PCEO.

Directors Training

The Board acknowledges the importance of continuing education for the Directors to ensure that they are well equipped with the necessary skills and knowledge to perform their duties and meet the challenges facing the Board.

During FY2019, all the Board members attended various training programmes and workshops on issues relevant to the Group. A list of trainings attended by each Director during FY2019 can be found in Part B of the CG Report. As for FY2020, the key areas of focus for the training needs of Directors have been identified based on the Board evaluation exercise undertaken by the Board.

Induction Programme

A comprehensive induction programme has been established to ease new Directors into their role and to assist them in their understanding of the Group's business strategy and operations. New Directors are required to attend the programme as soon as possible once they have been appointed. Typically undertaken within a period of two (2) days, the programme includes intensive one-on-one sessions with the Group PCEO and the Group EXCO members, wherein new Directors will be briefed and updated on the business operations, as well as challenges and issues faced by the Group.

During FY2019, Induction Programmes were conducted for Dato' Idris Kechot and Dato' Zulkiflee Abbas Abdul Hamid who were appointed to the Board during the year.

Corporate Governance Overview Statement

Directors' Remuneration

The NRC is authorised by the Board to develop and implement formal and transparent procedures in developing Maybank's remuneration policy for its directors by ensuring that their compensation is competitive and consistent with industry standards. The NRC has established a remuneration framework for the NEDs (NED Remuneration Framework) which is subject to periodic review. Details of Maybank's NED Remuneration Framework which was previously approved by the shareholders are as per below:

Fee Component	Per annum (RM)			Shareholders Approval
	Chairman	Vice Chairman	Member	
Board Fee	610,000	440,000	295,000	Obtained at the 55 th AGM held on 7 April 2015
Board Committee Fee	75,000	-	45,000	Obtained at the 58 th AGM held on 12 April 2018

In this regard, the Board has decided to maintain the NED Remuneration Framework and will not be proposing any revision to the same at the forthcoming 60th AGM.

Details of the remuneration received by the Directors from Maybank in FY2019 are as follows:

	Salary (RM)	Bonus (RM)	Directors' Fees (RM)	Other Emoluments (RM)	Benefits- In-Kind (RM)	Total (RM)
Executive Director						
Datuk Abdul Farid Alias	2,760,000	2,587,500	-	2,143,160*	74,986	7,565,646
Non-Executive Directors						
Datuk Mohaiyani Shamsudin	-	-	610,000	610,000	66,817 [#]	1,286,817
Datuk R. Karunakaran	-	-	490,000	152,000	44,466 [#]	686,466
Mr. Cheng Kee Check	-	-	505,000	244,000	2,163 [#]	751,163
Mr. Edwin Gerungan	-	-	460,000	218,000	43,057 [#]	721,057
Dr. Hasnita Dato' Hashim	-	-	396,250	144,000	10,050 [#]	550,300
Mr. Anthony Brent Elam	-	-	460,000	264,000	7,255 [#]	731,255
Ms. Che Zakiah Che Din	-	-	460,000	212,000	1,113 [#]	673,113
Puan Fauziah Hisham	-	-	475,000	208,000	6,727 [#]	689,727
Encik Shariffuddin Khalid	-	-	431,583	196,000	13,325 [#]	640,908
Dato' Idris Kechot ¹	-	-	248,246	116,000	802 [#]	365,048
Dato' Zulkiflee Abbas Abdul Hamid ²	-	-	153,746	84,000	1,504 [#]	239,250
Encik Nor Hizam Hashim ³	-	-	186,750	72,000	38,733 [#]	297,483
Total (for Non-Executive Directors)	-	-	4,876,575	2,520,000	236,012	7,632,587
Grand Total	2,760,000	2,587,500	4,876,575	4,663,160	310,998	15,198,233

* Executive Director's other emoluments include pension costs, allowances, long term cash award and reimbursements.

Benefits-in-kind for Non-Executive Directors include golf club membership, annual gift and farewell gift. In addition to this, benefits-in-kind for the Chairman also include driver, car and fuel allowance.

Notes:

¹ Appointed as an Independent Non-Executive Director of Maybank on 15 May 2019

² Appointed as an Independent Non-Executive Director of Maybank on 15 August 2019

³ Retired as an Independent Non-Executive Director of Maybank on 12 June 2019


 The remuneration received by the Directors in FY2019 at Group level can be found in Note 45 on page 139 of the Financial Book.

Corporate Governance Overview Statement

EFFECTIVE AUDIT AND RISK MANAGEMENT

Internal Controls and Risk Management

The Group has a comprehensive system of internal controls in place, designed to ensure that risks are mitigated and that the Group's objectives are attained. The Board recognises its responsibility to present a fair, balanced and understandable assessment of the Group's position and prospects. It is accountable for reviewing and approving the effectiveness of internal controls operated by the Group, including financial, operational and compliance controls, and risk management. The Board recognises its responsibility in respect of the Group's risk management process and system of internal control, and oversees the activities of the Group's external auditors and the Group's risk management function which have been delegated to the Audit and Risk Committees.

 A review of the Group's risk governance structure and risk management approach is further discussed on pages 88 to 93. For details on the management and mitigation of each principal risk, see pages 24 to 26. Refer to page 92 for further details on the Audit and Risk Committees' roles.

STAKEHOLDER ENGAGEMENTS

Approach to Investor Relations (IR)

The Board recognises the importance of maintaining a purposeful relationship with shareholders. In this regard, the Group has a comprehensive Investor Relations programme to enable existing and potential investors to understand its activities, strategy and financial performance through timely and accurate dissemination of information to the investing community. This is done with the intention of allowing all shareholders, including domestic and international investors, to make informed investment decisions about Maybank.

The Group PCEO, the Group Chief Financial Officer and Head of Group Performance Reporting and Investor Relations meet regularly with the Company's existing and potential investors to discuss the areas mentioned above and any other potential areas of interests by shareholders. Arising from these discussions, the Board is kept updated on shareholders' feedback and areas of interest. The Board has adopted the Group's Corporate Disclosure Policies and Procedures (CDPP) to enhance transparency, accountability and facilitate disclosure of material information in a timely and accurate manner. The CDPP, which is available on Maybank Group's corporate website, also indicates other designated spokespersons who are available to speak publicly on behalf of the Group.

Investor Relations Engagements

Maybank's investor engagement efforts focus on building confidence and maintaining strong, transparent relationships with the global investing community. Investors are engaged regularly through these channels:

- Corporate website
- Results briefings on a quarterly basis
- AGM & EGM
- Meetings, conferences and roadshows for institutional investors
- Investor days and themed briefings for institutional investors

Further details on Maybank's communication channels and the types of investor engagements undertaken by Maybank is detailed out in the CDPP. Presentation materials used for the above IR engagements are available on Maybank Group's corporate website at www.maybank.com/ir. The website also has details on the 21 sell-side analysts covering Maybank, its credit rating classifications by six (6) independent credit rating agencies and details on its investment engagements for 2019.

Investors can engage with the Group and provide feedback through the Investor Relations team, whose contact details are available on the website.

General Meetings

The Annual General Meeting (AGM) is a primary platform for two-way interaction between shareholders and the Board with the support of its senior management. The 59th AGM was attended by more than 5,000 shareholders, with active participation by shareholders who had raised questions to the Board either through submitted written forms or by raising questions from the floor. Areas of interest include the various sections in the audited financial statements of the Group for FY2018, the key operations and activities of the Bank, as well as the Group's ESG policies and strategies. Questions from the Minority Shareholders Watch Group (MSWG) which were raised prior to the meeting as well as the Group's response to the same were also shared with all shareholders during the AGM. The Chairman and the Group PCEO also presented separately to shareholders on the Group's shareholder returns, the Group's FY2018 financial and business performance, ongoing strategy and outlook.

The Notice of the 59th AGM was dispatched to shareholders not less than twenty eight (28) days before the AGM. At that AGM, voting on each resolution was undertaken through e-polling and the poll results were immediately announced, and have since been made available on the Maybank Group's corporate website. Significant matters discussed during the said meeting are also disclosed on the Maybank Group's corporate website.

Website

Maybank Group's corporate website provides a brief description of its history, current operations and strategy, as well as an archive of news and historical financial information on the Group and details of upcoming investor relations events.

KEY FOCUS AREAS AND FUTURE PRIORITIES

ESG remains a key focus area for the Group moving forward. The Board will continue to provide the appropriate guidance and oversight to the senior management team as they work towards developing a more robust sustainability agenda for the Group.

ADDITIONAL COMPLIANCE INFORMATION

AUDIT AND NON-AUDIT FEES

A breakdown of fees for statutory audit and non-audit services incurred by Maybank and on group basis for the financial year ended 31 December 2019 is set out under Note 44, on page 138 of the Financial Book.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries involving the interest of the Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2019 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 2019.

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

(A) CAPITAL AND FUND RAISING EXERCISES

During the financial year ended 31 December 2019, the Group has issued, amongst others, commercial papers, medium term notes and capital instruments (including conventional and Islamic) as part of its capital and fund raising exercises. The proceeds raised from these capital and fund raising exercises are used for working capital, general banking and other corporate purposes, and/or Shariah-compliant purposes, where applicable.

Details of these commercial papers, medium term notes and capital instruments are disclosed in Notes 25 and 31, on pages 108 and 123 to 126 respectively of the Financial Book.

(B) DIVIDEND REINVESTMENT PLAN (DRP)

Net proceeds raised from the DRP (after deducting estimated expenses of the DRP) are for the purpose of funding the continuing growth and expansion of the Maybank Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Financial year ended 31 December 2019

This Statement on Risk Management and Internal Control is prepared in accordance with the Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad (Bursa Malaysia). The statement outlines the key features of the risk management system and internal control of the Group during the year under review.

BOARD RESPONSIBILITY

The Board acknowledges its responsibility in establishing a sound risk management and internal control system of the Group as well as reviewing its adequacy and effectiveness in identifying, assessing and responding to risk to achieve the Group's objectives. The Board plays a pivotal role in providing risk oversight and determining the aggregate level and types of risk that the Group is willing to take in achieving its strategic objectives (Risk Appetite). The Board actively participates in the setting of the Group's objectives and strategies, and ensures the corresponding risks are adequately mitigated within its approved risk appetite. In view of the inherent limitations in any risk management and internal control system, such system can therefore only provide reasonable, rather than absolute assurance to realise the Group's objectives and against material financial misstatements, losses or fraud.

The Board has established a strong risk management and internal control governance structure that is crucial in setting the tone and culture towards effective risk management and internal control. To effectively carry out its risk and control oversight responsibilities, the Board is assisted by the Risk Management Committee (RMC), Compliance Committee of the Board (CCB) and Audit Committee of the Board (ACB) to oversee all matters regarding risk, compliance and controls. The Board receives reports periodically from these Board Committees to keep the Board informed of the board committee's work, key deliberations and decisions on delegated matters.

MANAGEMENT RESPONSIBILITY

Management is responsible for implementing the Board's policies and procedures on risk and control and its roles include:

- Identifying and evaluating the risks relevant to the Group's business, and the achievement of business objectives and strategies;
- Formulating relevant policies and procedures to manage these risks in accordance with the Group's strategic vision and overall risk appetite;
- Designing, implementing and monitoring the effective implementation of risk management and internal control system;
- Implementing remedial actions to address the compliance deficiencies as directed by the Board; and
- Reporting in a timely manner to the Board on any changes to the risks or emerging risks and the corrective and mitigation actions taken.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

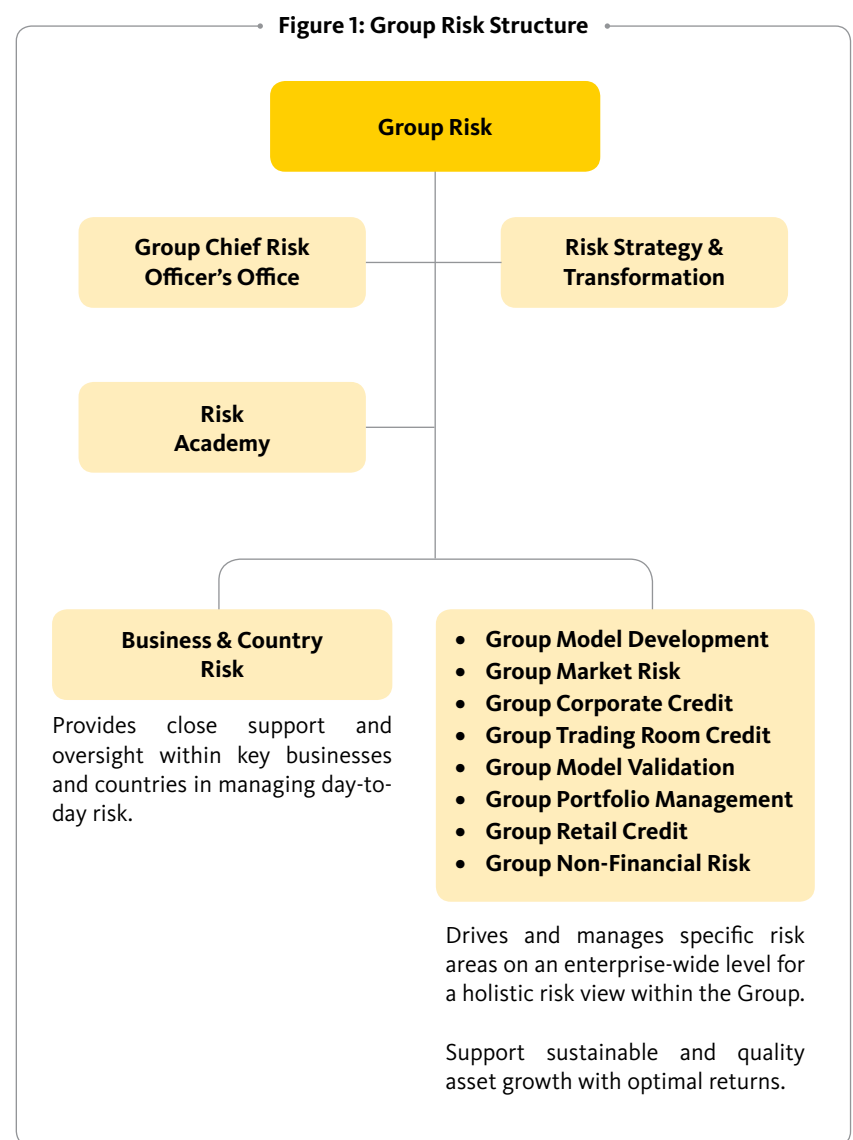
RISK MANAGEMENT

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 risks challenges. In 2019, we have continued to focus on value creation and to support the Group in meeting its strategic and business objectives.

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

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



Statement on Risk Management and Internal Control

Financial year ended 31 December 2019

Risk Management Framework

Risk management has evolved into an important driver for strategic decisions in support of business strategies while balancing the appropriate levels of risk taken to the desired level of rewards. As risk management is a core discipline of the Group, it is underpinned by a set of key principles which serves as the foundation in driving strong risk management culture, practices and processes:

01	Establish risk appetite & strategy	The risk appetite is approved by the Board, which articulates the nature, type and level of risk the Group is willing to assume.
02	Assign adequate capital	The approach to capital management is driven by strategic objectives and accounts for the relevant regulatory, economic and commercial environment in which the Group operates.
03	Ensure proper governance and oversight function	There is a clear, effective and robust Group governance structure with well-defined, transparent and consistent lines of responsibility established within the Group.
04	Promote strong risk culture	Institutionalisation of a strong risk culture that supports and provides appropriate standards and incentives for professional and responsible behaviour.
05	Implement sound risk frameworks, policies and procedures	Implementation of integrated risk frameworks, policies and procedures to ensure that risk management practices and processes are effective at all levels.
06	Execute strong risk management practices and processes	Robust risk management processes are in place to actively identify, measure, control, monitor and report risks inherent in all products and activities undertaken by the Group.
07	Ensure sufficient resources and system infrastructure	Ensure sufficient resources, infrastructure and techniques are established to enable effective risk management.

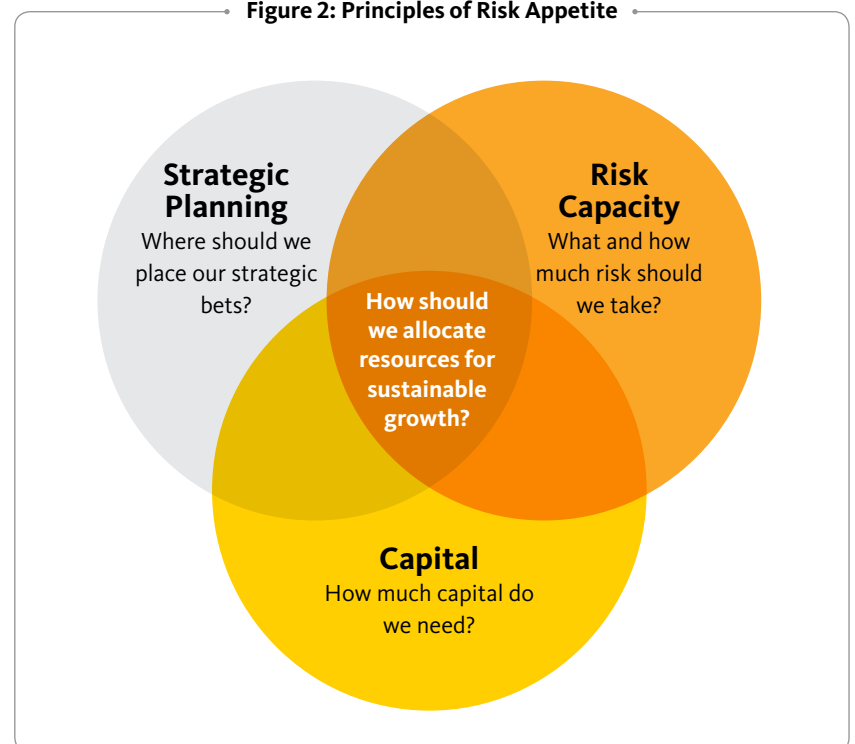
Risk Appetite

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. Our risk appetite enables the Board and Senior Management to communicate, understand and assess the types and levels of risk that the Group is willing to accept in pursuit of its business and strategic goals while taking into consideration the constraints under a stressed environment.

The risk appetite is integrated into the strategic planning process, and remains dynamic and responsive to the changing internal and external drivers such as market conditions, stakeholders' expectations and internal capabilities. In addition, the budgeting process is aligned to the risk appetite in ensuring that projected revenues arising from business transactions are consistent with the risk profile established. Our risk appetite also provides a consistent structure in understanding risk and is embedded in day-to-day business activities and decisions throughout the Group.

Guided by these principles, our risk appetite is articulated through a set of Risk Appetite Statements for all material risks across the Group to ultimately balance the strategic objectives of the Group.

Figure 2: Principles of Risk Appetite



Statement on Risk Management and Internal Control

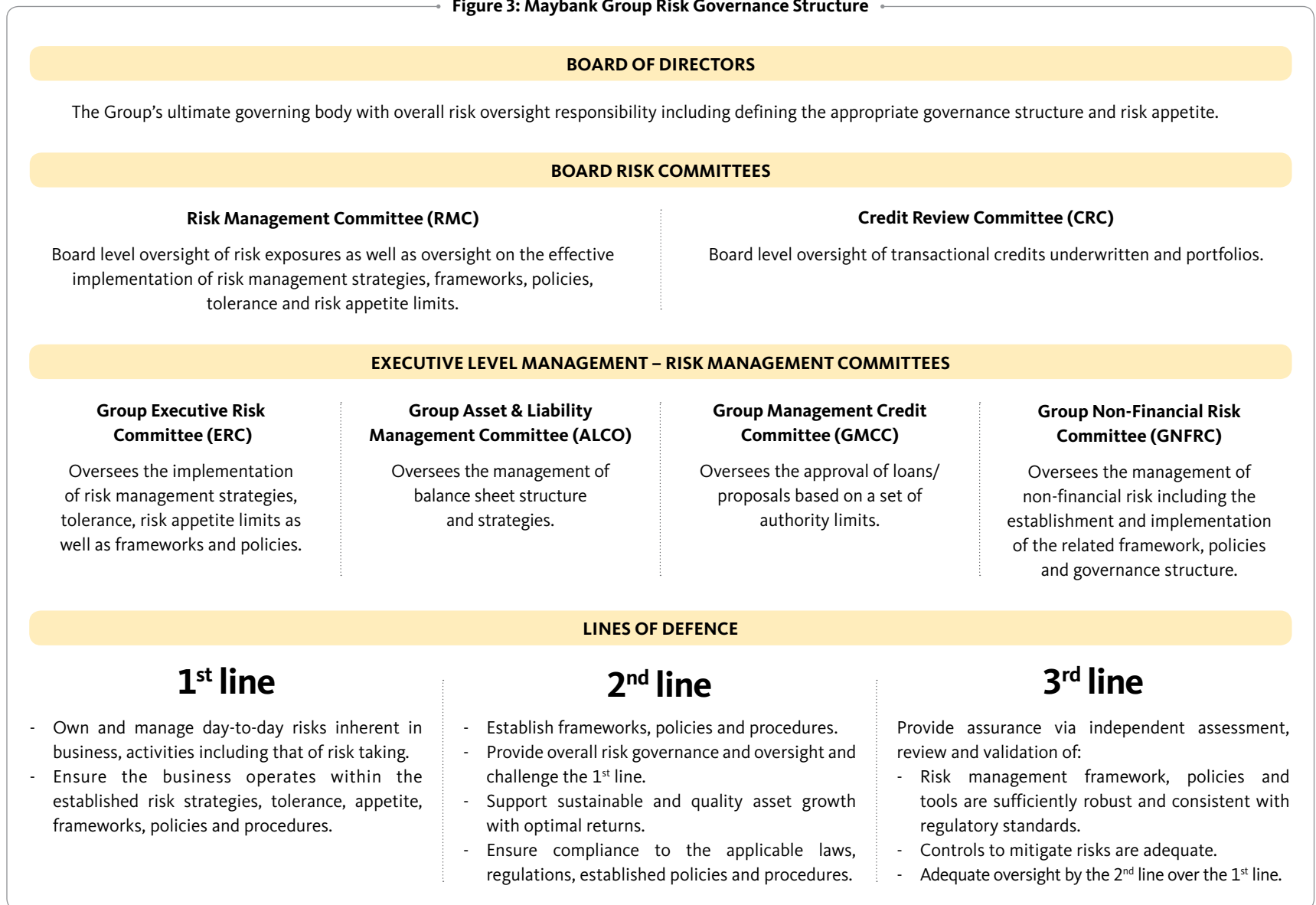
Financial year ended 31 December 2019

Risk Governance & Oversight

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

Our governance model places accountability and ownership in ensuring an appropriate level of independence and segregation of duties between the three lines of defence. The management of risk broadly takes place at different hierarchical levels and is emphasised through various levels of committees, business lines, control and reporting functions. The Group's overall risk governance structure is as illustrated in Figure 3.

Figure 3: Maybank Group Risk Governance Structure



Risk and Compliance Culture

The risk and compliance culture is driven by a strong tone from the top and strengthened by the tone from the middle which serves as the foundation upon which a robust enterprise wide risk management structure and governance are built. This is to ingrain the expected values and principles of conduct that shape the behaviour and attitude of employees at all levels of business and activities 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 Group has instilled a culture where the Board, Senior Management and employees of the Group are committed to adhere 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-compliances.

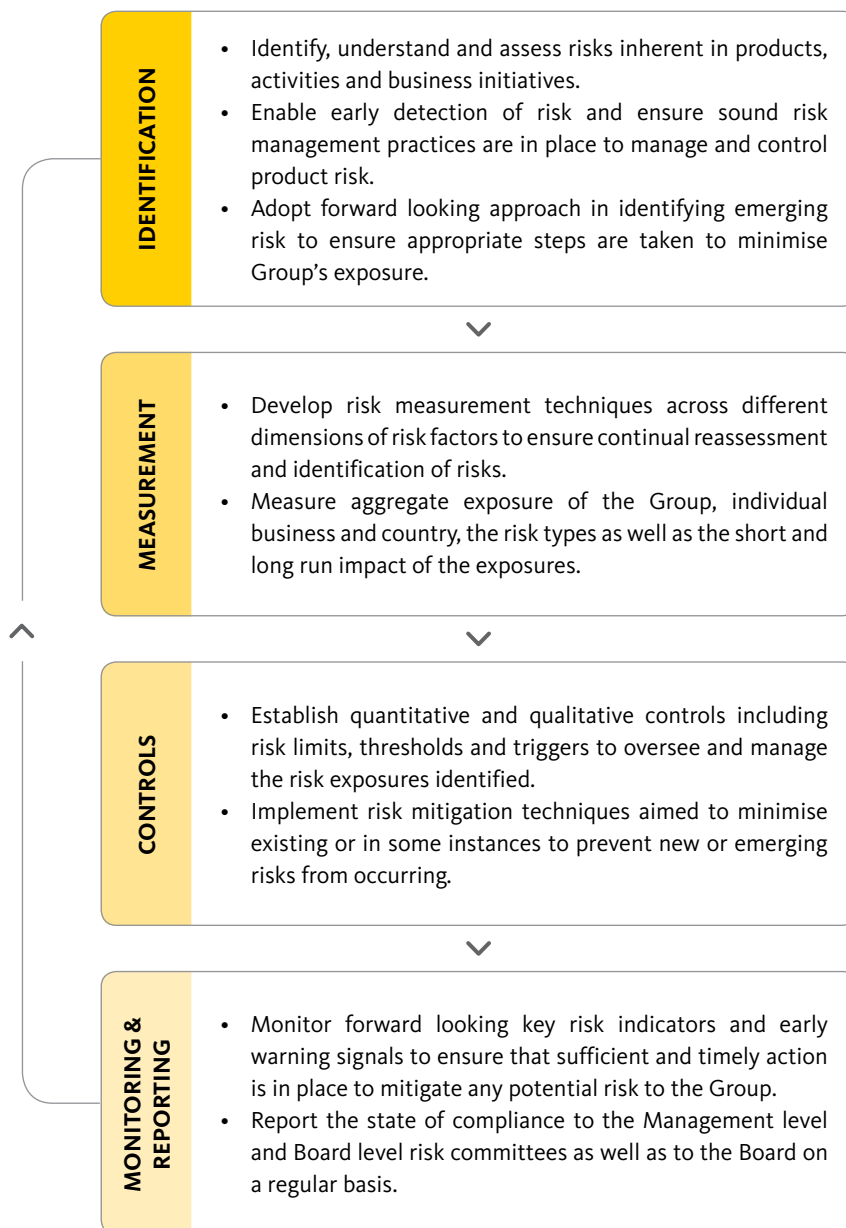
Risk and compliance culture programmes are emplaced and driven by the Board and Senior Management which encompass amongst others, value capsules, induction programme, engagement sessions, e-Learnings and roadshows. An integrated assurance platform is also emplaced to provide a single and collective view of all risk controls, compliance and governance. This ensures risk considerations are embraced by all employees together in enhancing customer experience, building trust and brand value of the Group for long term sustainability of the organisation.

Statement on Risk Management and Internal Control

Financial year ended 31 December 2019

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 Compliance function alongside Board of Directors, Senior Management and all employees in all jurisdictions in understanding, complying and managing compliance risk. It is adopted and implemented across by operating entities across the Group.

The Framework outlines:

- The overarching principles for the management of compliance risk across the Group;
- The overall strategy in managing compliance risk to ensure uniformity in practices across the Group in meeting regulatory and legal obligations;
- The minimum expected standards for compliance risk management; and
- The roles and responsibilities of compliance risk management across the Group.

Shariah Governance Framework

Maybank Group Shariah Governance Framework sets out the expectations of the Shariah governance structures, processes and arrangements of all businesses and countries within the Group that execute Islamic business transactions. The Framework was established in accordance with Bank Negara Malaysia's (BNM) Shariah Governance Framework. This is to ensure that all its operations and business activities are in accordance with the 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 responsibility of the Board, Management, Shariah Committee and Shariah Control functions, namely, Shariah Advisory and Research, Shariah Risk, Shariah Review and Shariah Audit, as well as Business Units to ensure effective management of Shariah Non-Compliance risks.

The end-to-end Shariah compliant governance mechanism is executed through four lines of defence that cater for both pre-execution and post-execution. The four lines of defence are 1st-Management and Business Unit, 2nd-Shariah Advisory and Research, 3rd-Shariah Risk and 4th-Shariah Audit and Shariah Review.


Stress Testing

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

The current initiative of an integrated stress testing application will enhance stress testing capabilities with on-demand generation of risk profiles under various scenarios.

Responsible Lending

Our long term financial success depends upon our ability to identify and address environmental, social and governance issues that present risks to or opportunities for our business. With this, we remain steadfast in working with the businesses to drive efforts on responsible lending through a continuous review and enhancement of the ESG policy for the Group.

 Details of the ESG policy can be found in the Sustainability Statement on page 99 and the Sustainability Report which will be made available on www.maybank.com/sustainability

Cyber and Technology Risk Management Policy and Guideline

The Cyber Risk Management Policy has been established based on the National Institute of Standards and Technology (NIST) standards which emphasise on identifying risks, building resilience, detecting cyber threats and effectively responding to cyber related events. The Policy encompasses the cyber risk management strategy, governance structure and risk management enablers. It complements the Technology Risk Management Guideline and covers both Business and Technology drivers from an end-to-end perspective, which focuses on the key layers of People, Process and Technology. With the issuance of Risk Management in Technology (RMiT) by BNM, the Policy is being reviewed to ensure continued compliance with the regulatory requirements.

Technology Risk Management Guideline sets the standards for identifying the risks and required controls in an organisation's technology-related functionalities and taking the appropriate risk remedial actions. This is established to standardise the Technology operations environment which will increase high service levels to customers as well as business units.

Statement on Risk Management and Internal Control

Financial year ended 31 December 2019

INTERNAL CONTROL SYSTEM

The key elements of the internal control system established by the Board that provides effective governance and oversight of internal controls include:

- **Group Organisation Structure**


The Board has established an organisation structure with clearly defined lines of responsibility, authority limits, and accountability aligned to business and operations requirements which support the maintenance of a strong control environment.

- **Annual Business Plan and Budget**

An annual business plan and budget are submitted to the Board for approval. Performance achievements are reviewed against the targeted results on a monthly basis allowing timely responses and corrective actions to be taken to mitigate risks. The Board reviews regular reports from the Management on the key operating statistics, as well as legal and regulatory matters. The Board also approves any changes or amendments to the Group's policies.


- **Oversight by Audit Committee of the Board**

The Board has established the ACB to assist in the execution of its governance and oversight responsibilities as well as ensuring that there is a reliable and transparent financial reporting process within the Group. The responsibilities include the assessment of the adequacy and effectiveness of the Group's governance, risk management and internal control system through the Internal Audit (IA) function. The ACB has active oversight over IA's independence, scope of work and resources. The ACB meets on a scheduled basis to review audit and investigation reports prepared by IA, taking into consideration the deliberation of the same report at the IAC. Where necessary, significant control lapses are also escalated by the ACB to the Board for further deliberation. The ACB deliberates on the unresolved audit findings to ensure that the 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 94 to 96.


- **Oversight by Risk Management Committee**

The Board has delegated the risk oversight responsibility to the Risk Management Committee (RMC). The committee is responsible for formulating policies and frameworks to identify, measure, monitor, manage and control the material risk components impacting the businesses. The effectiveness of the risk management system is monitored and evaluated by the Group Risk (GR) function, on an ongoing basis.

 Further information on the roles and responsibilities and specific duties of the RMC can be found in Section B of the Corporate Governance Report (CG Report) which is available on Maybank Group's corporate website at www.maybank.com

- **Oversight by Compliance Committee of the Board**


The Board is assisted by the Compliance Committee of the Board (CCB) in the assessment of compliance risk. The overall objective of the CCB is to ensure compliance risk management is given the needed attention at the highest level to ensure regulatory compliance risk is effectively managed to support business growth in line with the Group's aspirations and risk appetites. The roles of CCB is to review and assess the adequacy of infrastructure, resources and systems to manage compliance risk across the Group and recommend improvement 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, namely Credit Review Committee, Nomination and Remuneration Committee and Employee Share Grant Plan Committee are established to assist the Board in executing its governance responsibilities and oversight function as delegated by the Board. These Committees have the

authority to examine all matters within the scope defined in their respective terms of reference and report to the Board with their recommendations.

 Further information on the various Board Committees 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**

Various Executive Level Management Committees (ELCs) are also established by the Management to assist and support the various Board Committees to oversee the core areas of business operations. These ELCs include the Group Executive Committee, Onboarding and Review Committee, Group Management Credit Committee, Group Executive Risk Committee, Group Asset and Liability Management Committee, Group Non-Financial Risk Committee, Group Procurement and Property Committee, Group IT Steering Committee, Group Transformation Steering Committee, Group Internal Audit Committee and Group Staff Committee.

- **Onboarding and Review Committee**

The Onboarding and Review Committee, which is a committee at the highest Management level chaired by the Group President & Chief Executive Officer (GPCEO), deliberates and decides on the onboarding and retention of clients that pose higher financial crime risks. Decisions are made collectively by the Committee to ensure check and balance and the risks posed are within tolerance level with proper mitigations in place.


- **Management of Information Assets**

Confidentiality, integrity and availability of information are critical to the day-to-day operations and to facilitate management decision-making. The Group Information Risk Management Guidelines outlines the guiding principles for an effective management of information assets. Guided by information handling rules in alignment to the information life cycle, all information must be properly managed, controlled and protected. Clear desk policy is reinforced to minimise information leakage/theft and fraud.

With the increased adoption of technology capabilities and the increasing risk of cyber threats, Information security has been among our key focus area. Technology controls are applied at the various stages of information cycle. Amongst the controls are Data Loss Protection to protect and prevent the potential for data loss or theft.

- **Sustainability Management**

Operating in a sustainable manner is reliant on a structured forward looking approach undertaken across the Group. Our long term financial success depends upon our ability to identify and address environmental, social and ethical issues that present risks or opportunities for our business, now and into the future. The Group has in place a five year Sustainability Plan, a strategic document with the aim of generating long-lasting impact and value across three pillars: Community and Citizenship, Our People and Access to Products and Services; by integrating environmental, social and governance (ESG) practices into our business as usual as part of our commitment to all stakeholders, which are supported by relevant policies such as the ESG Policy and systems.

 Further information can be found in Sustainability Statement on page 99.

- **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, inclusive of subsidiaries and overseas branches whom are to adopt the principles prescribed by the Group while complying with local requirements. To strengthen consistent adoption of Group's standards, Group Risk has oversight in the adoption and customisation across the Group.

Statement on Risk Management and Internal Control

Financial year ended 31 December 2019

- **Procurement Manual and Non-Credit Discretionary Power**

The Group Procurement Manual is designed to streamline the procurement functions within the Group. It serves as a standard guideline on good management practices expected in the procurement process and procedures. Authority to approve any requisition against budgeted or unbudgeted expenditures shall be in accordance with relevant approving authority policies, i.e. the Non-Credit Discretionary Power (NCDP), Delegation of Authority (DOA) or equivalent.

The NCDP defines the authority limits approved by the Board for procurement activities, acquisition and disposal of assets, operational write-off, donations, as well as approving general and operational expenses.

- **Standard Practice Instruction**

Policies and procedures are in place to ensure compliance with internal controls and the prescribed laws and regulations. These policies and procedures are set out in the Group's Standard Practice Instructions (SPIs) and are updated from time to time in tandem with changes to the business environment or regulatory guidelines. These SPIs are published in the communication portal which is made available to all employees.

- **Human Resource Policies and Guidelines**

The Maybank Group People Policies (MGPP) serves as a baseline with clarity on the philosophy and principles for People Management and Development in the Group. It incorporates key principles and philosophies that support the Group's mission of Humanising Financial Services. The MGPP consists of a set of policies and guidelines that govern all aspects of human resource management, from talent acquisition and development, performance and consequence management, and code of conduct to cessation of employment. A Disciplinary Policy is also established to provide for a structure where disciplinary matters are dealt with fairly, consistently and in line with the prevailing labour laws and employment regulations.

- **Core Values and Code of Ethics and Conduct**

The Group's core values, T.I.G.E.R. (Teamwork, Integrity, Growth, Excellence and Efficiency, Relationship Building) are the essential guiding principles to drive behavioural ethics. It is further complemented by the Code of Ethics and Conduct that sets out sound principles and standards of good practice to be observed by all employees.

- **Fraud Management**

The Group instils a culture of vigilance amongst employees in handling and combating fraud, and to deter future occurrences. Robust and comprehensive tools/infrastructure and programmes are emplaced ensuring risks resulting from fraud are reported and managed in a decisive and timely manner. Stern disciplinary action is taken against employees involved in fraud.

- **Reputational Risk Management**

The Group adopts a holistic approach and sound governance in managing reputational risk, and to institutionalise awareness and its consequences. Protecting our reputation is paramount to operating as an institution that provides financial services. Upholding trust and creating better customer experience and security forms a vital part of our obligation as a financial institution. Hence, the Group has emplaced policy with roles and responsibilities of key stakeholders and processes to facilitate an effective reputational risk management and monitoring the risk exposures to be within the risk appetite.

- **Whistleblowing Policy**

Maybank Group Whistleblowing Policy encapsulates the governance and standards to promote an ethical, responsible and secure whistleblowing practice in Maybank. This is in line with the requirements of BNM's Corporate Governance Policy and the principles as prescribed in the Whistleblower Protection Act 2010. The Policy provides a proper and secured avenue for the

employees and members of the public to report any knowledge of improper conduct without fearing any adverse consequences.

The access to whistleblowing information is governed with strictest confidentiality under the oversight of an Independent Non-Executive Director of the Board.

- **Anti-Bribery and Corruption Policy**

Maybank Group Anti-Bribery and Corruption (AB&C) Policy emphasises zero tolerance for offering, giving, soliciting and receiving bribes. The Policy is to ensure that any employee, representative or agent of Maybank Group does not engage in any act of bribery and corruption.

- **Financial Crime Compliance**

The Group is committed to fight against financial crime and ensure compliance with the relevant laws and regulations. Financial crime risks are managed to protect the integrity and reputation of the Group. The Group aims to establish effective controls to anticipate, prevent, detect and respond to money laundering and terrorist financing risks.

Further information can be found in Group Compliance on page 61.

- **Independent Assurance by Internal Audit**

The Internal Audit (IA) function is established by the Board to provide independent assurance on the adequacy and effectiveness of governance, risk management and internal control. The IA function is independent of the activities and operations of other operating units in the Group. The function is headed by the Group Chief Audit Executive (GCAE) who reports functionally to the ACB and administratively to the GPCEO. The IA processes and activities are guided by the Audit Charter and governed by the relevant regulatory guidelines, Group's Code of Ethics and the Institute of Internal Auditor's (IIA) mandatory guidance established under the International Professional Practices Framework (IPPF).

More detailed description on the Internal Audit function is highlighted in Audit Committee Report on pages 96 to 97.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

In line with the Listing Requirements, this Statement has been reviewed by the external auditors for inclusion in the Annual Report for the financial year ended 31 December 2019. The limited assurance review was conducted in accordance with the Audit and Assurance Practice Guide 3 (AAPG3) issued by the Malaysian Institute of Accountants. AAPG3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system. Based on their review, the external auditors have reported to the Board that nothing had come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes the Board has adopted in the review of the adequacy and integrity of the risk management and internal control system of the Group.

CONCLUSION

The GPCEO and GCFO have provided their reasonable assurance to the Board that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively. 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 shareholders' interests and the Group's assets.

The Board is satisfied that the Group has implemented an ongoing process to identify, evaluate, monitor, manage and respond to significant risks faced by the Group in its achievement of the business goals and objectives amidst the dynamic and challenging business environment and increasing regulatory scrutinisation. This ongoing process has been in place for the entire financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

AUDIT COMMITTEE REPORT


A. COMPOSITION

The Audit Committee of the Board (ACB) comprises the following Non-Executive Directors, all of whom are Independent Non-Executive Directors:

1. **Encik Shariffuddin Khalid – Chairman**
(Independent Non-Executive Director)
2. **Ms. Che Zakiah Che Din**
(Independent Non-Executive Director)
3. **Dato' Idris Kechot**
(Independent Non-Executive Director) – Appointed w.e.f. 29 July 2019
4. **Dato' Zulkiflee Abbas Abdul Hamid**
(Independent Non-Executive Director) – Appointed w.e.f. 19 September 2019

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.

The financial year ended 31 December 2019 (FY2019) saw several changes to the composition of ACB. Encik Nor Hizam Hashim, the Chairman of the ACB, retired from his role as Chairman and member of the ACB effective 12 June 2019, following the completion of his tenure as Director of Maybank. Encik Shariffuddin Khalid, a Fellow Member of the Chartered Institute of Management Accountants (CIMA), United Kingdom, took over as the Chairman of the ACB with effect from 12 June 2019. In addition, Mr Cheng Kee Check, who is a Non-Independent Non-Executive Director of Maybank, relinquished his membership in the ACB effective 1 September 2019 in line with the Step Up practice of the Malaysian Code of Corporate Governance issued by the Securities Commission Malaysia (Step Up practice). Hence, as at 2 September 2019, the current composition of ACB comprises solely of Independent Directors of Maybank in accordance with the Step Up practice. On another note, Dato' Idris Kechot and Dato' Zulkiflee Abbas Abdul Hamid, who joined the Board of Maybank during the financial year, were appointed as new members of the ACB on 29 July 2019 and 19 September 2019 respectively.

 The duties and responsibilities of the ACB are set out in its Terms of Reference which is published on Maybank's corporate website at www.maybank.com

B. ACTIVITIES OF ACB FOR FINANCIAL YEAR ENDED 31 DECEMBER 2019

ATTENDANCE OF MEETINGS

A total of 14 meetings were held during FY2019 and the details of meeting attendance are set out below:

Name of Committee Member	Number of meetings held and attended during FY2019
Encik Nor Hizam Hashim*	7/7
Encik Shariffuddin Khalid (Chairman)	14/14
Mr Cheng Kee Check (Member)**	10/10
Ms Che Zakiah Che Din (Member)	14/14
Dato' Idris Kechot (Member)***	7/7
Dato' Zulkiflee Abbas Abdul Hamid (Member)****	4/4

* Stepped down with effect from 12 June 2019.

** Stepped down with effect from 1 September 2019.

*** Appointed with effect from 29 July 2019.

**** Appointed with effect from 19 September 2019.

The GCAE and Group Audit Leadership Team (GALT) presented the internal audit and investigation reports to the ACB. The Group Chief Financial Officer (GCFO) as the Chairman of the Internal Audit Committee (IAC), represented the Management team to provide assurance and commitment to the ACB on the prompt resolution of audit issues and areas of concern highlighted by Internal Audit (IA). Where required, the Management of the audit subjects were also called to the meeting to provide explanation to the ACB on specific control lapses and issues arising from the relevant audit and investigation reports.

The external auditors were invited to the meetings to present the Audit Planning Memorandum (APM), Management Letters and other matters deemed relevant. Together with the Group President & Chief Executive Officer (GPCEO) and GCFO, the external auditors also attended the ACB meetings where the half yearly unaudited financial results and annual audited financial statements of the Bank and Maybank Group were reviewed and discussed.

In June 2019, a tender exercise for appointment of External Statutory Auditor for the financial year ending 31 December 2020 was initiated. This was in compliance with the external statutory auditor rotation requirement as per the Group's Framework on Appointment of External Statutory Auditors for Provision of Statutory Audit and Non-Audit Services. During the tender exercise, four internationally recognised and capable audit firms had submitted and presented their proposals to the panel evaluators where Group Audit had participated as an independent observer. The assessment and evaluation of the proposals were done based on, amongst others, company profile, audit approach and effectiveness of audit plan, knowledge and expertise of engagement team, independence, familiarity concerns and conflict of interest and policy on provision of non-audit services. The evaluation results of the proposals were tabled to the ACB for deliberation and endorsement prior to tabling to the Board for approval.

During FY2019, the ACB had three private sessions with the auditors without the presence of the Management team. One session was with IA and two were with the external auditors.

During the year under review, the ACB in the discharge of its duties and functions, had carried out the following activities:

INTERNAL AUDIT

1. Reviewed and approved the Annual Audit Plan for FY2019 (AAP2019) to ensure comprehensiveness of scope and coverage as well as adequacy and competency of IA resources. The ACB also took cognisance of IA's annual operating budget requirement as presented in AAP2019. This budget requirement was subsequently tabled as part of the Group Budget to the Board for approval.
2. Deliberated and approved the quarterly revision to the approved AAP2019 in consideration of the emerging risks from the rapid changes in the business environment and in response to the requests from the Regulators, ACB and Management.
3. Assessed and approved FY2018 performance and rewards for the GCAE and IA staff in consideration of the overall achievement of IA for the year and in accordance with the matrix approved by the Board.
4. Deliberated and approved FY2019 goal setting for the GCAE, taking into consideration the relevance and importance of the key performance indicators set for the year.
5. Deliberated and approved the enhancement to Group Audit Operating Structure. The modular approach helps to build agility and enhance synergistic use of resources based on prevailing needs, thus promoting cross-fertilisation of ideas, team integration and foster a more holistic perspective of the Group's long term interests.
6. Reviewed the monthly Group Audit Dashboard detailing the completion of the planned audits in the approved AAP2019 as well as turnover of IA staff. This reporting was subsequently tabled to the Board for information.

Audit Committee Report

7. Deliberated the audit and investigation reports and directed the Management to promptly remediate the control lapses highlighted to strengthen the internal control system and prevent recurrence. Where required, the GCFO was directed to escalate the control lapses and corresponding recommendations to the Group EXCO for deliberation.
8. Updated the Board of the quarterly internal control health check report, outcome of investigation reports and other pertinent audit issues affecting the overall control environment.
9. Reviewed the audit reports issued by the regulatory authorities as well as the Management's responses to the Regulators' recommendations, remedial actions taken and the committed timeline to rectify the concerns highlighted.
10. Reviewed the quarterly audit finding status reports and deliberated the rectification actions and timelines taken by the Management to ensure prompt resolution of control lapses highlighted. The ACB also deliberated the rectification timeline extension requests by the Management and approved such requests where the justifications were acceptable.
11. Reviewed and noted the minutes of meetings for the following:
- IACs in Malaysia (Maybank) and Singapore (Maybank Branch Singapore), for an overview of the deliberations and remedial actions taken by the Management on the control lapses raised by IA.
 - ACBs at the various subsidiaries in Malaysia and in the region, for clarification on pertinent matters discussed. The ACB also deliberated the possible common concerns and where deemed necessary, requested the ACBs of the relevant subsidiaries to take further actions.
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 (IIA).
13. Reviewed and approved the revised Audit Charter updated in accordance with the revisions proposed by the IIA. The revisions revolved on the enhanced description of IA's independence, accountability and authority.
- ANNUAL REPORT**
14. Reviewed and endorsed the Statement on Risk Management and Internal Control (SORMIC) for Board's approval and inclusion in FY2018 Annual Report.
15. Reviewed and approved the Audit Committee Report for inclusion in FY2018 Annual Report.
16. Reviewed and endorsed the Corporate Governance Overview Statement and Report for Board's approval and inclusion in FY2018 Annual Report.
- FINANCIAL REPORTING**
17. Reviewed the quarterly unaudited financial results and the annual audited financial statements of the Bank and Maybank Group to ensure that the financial reporting and disclosure requirements are in compliance with the accounting standards, with special focus placed on the changes in accounting policy, as well as significant and unusual events or transactions.
- EXTERNAL AUDIT**
18. Reviewed with the external auditors:
- The APM focusing on the scope of work for the year which included new areas or new scope of audit emphasis such as changes in law and regulations, multi-location audit scoping, systems, audit timeline and statutory audit fees; and
 - The results of the audits, the relevant audit reports and Management Letters together with Management responses or comments to the audit findings.
19. Reviewed the suitability and independence of external auditors in accordance with the Framework on Appointment of External Statutory Auditors for Provision of Statutory Audit and Non-audit Services (Framework) which was adopted since December 2011 and made recommendations to the Board on their reappointment. This Framework is in line with BNM Policy document on External Auditor.
- Assessment of external auditors' independence and performance is performed on an annual basis based on the procedures as follows:
- Review the professional conduct of external auditors by considering information available from public or independent sources. The review is carried out to ensure:
 - The appointed external auditors are registered auditors of public interest entity with the Audit Oversight Board;
 - 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
 - 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.
 - Assess the external auditors' level of knowledge, capacity and audit experience by reviewing the following:
 - Curriculum vitae of the engagement partner and concurring partner;
 - 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;
 - Years of experience of the engagement partner and key members of the audit engagement team in auditing financial institutions; and
 - Man-days spent by the engagement partner and the concurring partner in the previous audit.
 - Assess the performance of external auditors by reviewing the quality of previous audit or work done by the external auditors and level of engagement by external auditors with the ACB. Based on the assessment, the external auditors have participated actively in the discussions with the ACB as evidenced below:
 - The external auditors have updated the ACB via Audit Committee Report for the FY2018 on 29 January 2019;
 - Maybank Group Day 1 impact assessment on MFRS 16 Leases was presented to the ACB by external auditors on 23 May 2019;
 - Memorandum of recommendations arising from the audit of the financial statements for the FY2018 was tabled to the ACB by external auditors on 29 July 2019;
 - On 29 July 2019, the external auditors presented to the ACB the Audit Committee Report for the limited review of the Bank's unaudited income statement for the six-month period ended 30 June 2019; and
 - APM with regard to the audit of financial statements for the FY2019 was presented by external auditors to the ACB on 24 October 2019.

Audit Committee Report

- Assess the performance of external auditors by reviewing the timeliness of service deliverables. The external auditors were able to complete the audits for the Bank and Maybank Group within the timelines set as evidenced below:
 - i. Audited financial statements as at 31 December 2018 was signed off by external auditors on 26 February 2019;
 - ii. Report on limited review for the financial period ended 30 June 2019 was signed off by external auditors on 31 July 2019; and
 - iii. No past audit lapses were observed on the external auditors in the past assurance engagements.
 - Assess the independence and objectivity of external auditors by reviewing the following:
 - i. List of non-audit services provided by external auditors to the Bank and Maybank Group;
 - ii. List of advisory services rendered by the engagement partner and the concurring partner in the last two years;
 - iii. Value-added audit findings raised by external auditors in the recent audit of financial statements of the Bank and Maybank Group;
 - iv. Statutory declaration by the engagement partner and key members of the audit engagement team which confirms they have no relationship with, or interest in shares of the Bank and Maybank Group;
 - v. Existing engagement partner does not serve the Bank and Maybank Group for a continuous period of more than five years; and
 - vi. The external auditors are required to confirm their compliance with the Code of Conduct that highlights the importance of maintaining objectivity and independence on an annual basis.
20. Reviewed the written assurance provided by external auditors in respect of their independence.
21. Approved the appointment of external auditors for the provision of non-audit services. The ACB considered several qualitative and quantitative criteria prior to approving the appointment of external auditors for the provision of non-audit services to the Bank and Maybank Group. The qualitative and quantitative criteria were as follows:
- Assess the professionalism, expertise, adequacy of knowledge and relevant experience of external auditors;
 - Consider the conflict of interest that will arise if non-audit services were to be performed by external auditors;
 - Review the fees quoted by other audit firms and external auditors for non-audit services; and
 - Ensure the fees quoted by external auditors for non-audit services commensurate with the scope of such non-audit services.
22. Reviewed and endorsed the proposal for the appointment of external statutory auditor for the financial year ending 31 December 2020 for the Bank and Maybank Group prior to recommending to the Board for approval.
- RELATED PARTY TRANSACTION (RPT)**
23. Reviewed related party transactions as disclosed in the financial statements and the adequacy of Maybank Group's procedures in identifying, monitoring, reporting and reviewing related party transactions.

C. INTERNAL AUDIT FUNCTION

ORGANISATIONAL INDEPENDENCE

The internal audit (IA) function of Maybank is established by the Board to provide independent and objective assurance on the adequacy, efficiency and effectiveness of governance, risk management and internal controls processes implemented by the Management. The IA function for Maybank as well as its branches and subsidiaries in Malaysia and in the region are organised on a Group basis. The IA functions of the subsidiaries in Malaysia, Philippines, Indonesia, Singapore, Thailand, Vietnam and Cambodia are organised in-house and supported by the resident IA teams with direct accountability to their respective ACBs/Supervisory Board. It is independent of the activities or operations of other operating units in the Group.

To maintain its impartiality and objectivity as outlined in the Audit Charter (as approved by the ACB), the IA function reports functionally to the ACB and administratively to the GPCEO. The IA function is currently headed by Puan Nazlee Abdul Hamid, the GCAE, who has over 30 years extensive experience in auditing within financial industry as well as with BNM. She holds a Masters of Business Administration in Management and Organisational Leadership and a Diploma in Accountancy. She is an active member of the Chief Internal Auditors Networking Group (CIANG) and is also a member of ISACA, an independent, non-profit, global association that engages in the development, adoption and use of globally accepted, industry leading knowledge and practices for information systems.

RESPONSIBILITY, SCOPE AND METHODOLOGY

The principal responsibility of IA is to evaluate the effectiveness of the governance, risk management and internal control framework and to assess whether the risks, which 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 stakeholders with the aim of enhancing and protecting organisational values and supporting the Group to achieve its goals.

The IA scope of work for the year, covering the business and operations of the Group was defined in the AAP2019 approved by the ACB in January 2019. In establishing the plan, all the auditable units were risk-ranked using the Maybank Risk Based Audit (MRBA) approach whilst the COSO and COBIT (for IT) frameworks were used to assess the adequacy and effectiveness of internal controls. The AAP is aligned with the strategies, objectives and risks of the Group and is developed in consultation with the Management.

The IA processes and activities are governed by the relevant regulatory guidelines as well as the Group's Code of Ethics & Conduct and the IIA mandatory guidance of the International Professional Practices Framework (IPPF). Audit reports were tabled to the ACB for review and deliberation along with the audit recommendations as well as Management's responses and action plans for improvement and/or rectification. The rectification status of the audit findings were closely tracked and periodically reported to the ACB to ensure prompt resolution. Requests for extension of timeline 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 as well as 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 whilst external assessment is conducted once every five years by qualified and independent external assessor. The results of the QAIP are tabled to the ACB. The last external assessment was conducted in 2017 where IA was assessed to be in conformance with the IIA Standards and leading practices.

Audit Committee Report

RESOURCES

The total cost incurred for the IA function of Maybank Group for FY2019 was approximately RM71 million, comprising mainly salaries and other audit related expenses (travelling, accommodation and subsistence allowances). Breakdown of the staff strength and cost incurred as follows:

Location	No. of Staff	RM' million
Malaysia	153	36
Regional	152	35
Total Group	305	71

As of 31 December 2019, Group Audit had a staff strength of 305 individuals (in Malaysia as well as regionally) from diverse backgrounds and qualifications. The auditors had undergone continuous trainings during the year, to equip themselves with the requisite audit and product knowledge in various specialised areas, leveraging both from in-house and external accredited training providers. Trainings and guidance were also extended to the regional IA teams, where required to ensure consistency in the application of auditing standards, processes and testing.

SUMMARY OF INTERNAL AUDIT ACTIVITIES IN FY2019

The following are the key IA activities undertaken in FY2019:

1. Attended meetings of the various management committees such as Group Information Technology Steering Committee (GITSC), Executive Risk Committee (ERC), and Group Procurement Committee (GPC) on a consultative and advisory capacity to provide independent feedback on governance, risk management and internal control.
2. Enhanced Group Audit Operating Structure. The modular approach helps to build agility and enhance synergistic use of resources based on prevailing needs, thus promoting cross-fertilisation of ideas, enhancing team integration and fostering a more holistic perspective of the Group's long term interests.
3. Improved significantly in the analysis of potential emerging risk by leveraging data analytics and embracing the evolution of technological advancement for better decision-making. This included enhancing the analytics platform to incorporate Artificial Intelligence/Machine Learning components where applicable, to better support and strengthen IA advisory role to the Management and stakeholders.
4. Established a risk-based AAP for FY2019 and revised the plan on a quarterly basis in consideration of the changing risk landscape as well as requests from the Regulators, ACB and Management.
5. Engaged with the relevant sectors to share on the risk and control environment within their respective business areas and to build awareness on the importance and value of controls.
6. Calibrated and integrated the audit approach across all IA functions in Group Office and in the region during the three-day offsite regional Group Audit Challenge session. This is to ensure comprehensive coverage of the risk locations across the Group.
7. Performed periodic internal control testing of business units, operations and processes across the Group as identified in the annual audit plan as well as provided independent assessment and objective assurance over the adequacy and effectiveness of governance, risk management and internal control processes of the units audited.
8. Conducted regional reviews (including overseas subsidiaries) on critical areas such as Computation and Reporting of Capital Charge, Internal Capital Adequacy Assessment Process (ICAAP), Stress Testing, Regional Hubbing, Data Loss Prevention and Compliance to SWIFT Customer Security Framework, etc. to provide an overall assessment of the controls from a Group's view.
9. Conducted compliance review mandated by the respective countries' regulators such as BNM, Bursa Malaysia, Securities Commission, New York Federal Reserve Board (NYFRB), Hong Kong Monetary Authority (HKMA), Monetary Authority of Singapore (MAS) and Bangko Sentral ng Pilipinas (BSP).
10. Conducted independent and objective reviews of the adequacy and relevance of internal controls in the introduction of new products and implementation of new IT systems.
11. Performed independent assessment prior to launching of new services, products or facilities to ensure all risks were identified and adequate controls applied, as per the requirements stated in the approval from the various regulators and governing authorities.
12. Conducted Post Implementation Review (PIR) to assess the overall achievement of the introduction of new products and implementation of new IT systems to ensure all committed objectives/ROI were achieved.
13. Participated in the various Business Continuity Management exercises, including Disaster Recovery Exercise (Live and Simulation), Crisis Simulation Exercise, Live Split Operations Exercise and Desktop Review Exercise to provide independent observations over the readiness of the businesses/systems to resume/recover (in the event of disaster) within the established timeline.
14. Conducted ad hoc, special reviews and investigations as instructed by the ACB or as requested by the Regulators. For FY2019, a total of 24 such reviews were conducted.
15. Conducted internal quality assessment review (QAR) of IA and desktop limited peer reviews (DLPRs) of the respective regional IA functions.
16. Prepared the Audit Committee Report and Statement on Risk Management and Internal Control for inclusion into the FY2019 Annual Report upon approval by the ACB and the Board respectively.

GROUP SHARIAH COMMITTEE REPORT

The Shariah Committee (SC) performs an oversight role on Shariah matters related to the business operations and activities of the relevant Islamic businesses within Maybank Group. There are two Shariah committees that reside within Maybank Group:

- Shariah Committee of Etiqa Family Takaful Berhad and Etiqa General Takaful Berhad (SC EFTB & EGTB)
- Maybank Islamic Berhad Shariah Committee (MIBSC)

 For the profile of each SC member, refer to pages 78-80.

SHARIAH GOVERNANCE, DUTIES, RESPONSIBILITIES & ACCOUNTABILITIES

Maybank Group has established and implemented a robust Shariah Governance Framework. Refer to Financial Book pages 263 to 264 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 26 meetings inclusive of two special meetings to cater for urgent proposals, while the SC EFTB & EGTB convened 27 meetings. All SC members have satisfied the minimum 75% attendance requirement under the Operation Procedures for the Shariah Committee of BNM's Shariah Governance Policy.

SC places importance on ensuring effective implementation of Shariah governance and the best practices of corporate governance. In view of this, two joint sessions were held between MIBSC and the Board of Directors in FY2019, while SC EFTB & EGTB held two joint sessions.

SC CONTINUING PROFESSIONAL DEVELOPMENT PROGRAMME

As part of the initiatives towards strengthening capabilities of the SC, a series of tailored professional development programmes were conducted during FY2019 including the following:

SC EFTB & EGTB

- Takaful Executive Development (TED) series which covered selected topics as follows:
 - Future Ready Leadership and Succession Planning
 - Integrity as the Pillar of Shariah Compliant Culture in Islamic Financial Institutions: Moving Forward
 - Making the World a Better Place: Etiqa's Role in Preserving Environmental Sustainability
 - The New Shariah Governance Policy Documents: Strengthening the Paradigm
- Workshop on Takaful Business Surplus
- Workshop on Malaysian Financial Reporting Standard (MFRS)
- In House Training on Etiqa Investment Management
- In House Training on Retakaful Operations

MIBSC

- Certified Shariah Advisors (CSA) series which covered selected topics as follows:
 - Principles of Accounting & Finance
 - Principles of Economics
 - Legal & Regulatory Framework
 - Introduction to Commercial Law
 - Codes of Ethics & Professional Conduct
- Series of Islamic Trade Finance trainings
- Training on Financial Statement
- Workshop on Actual Loss for LPC and Breach of Wa'd
- Training on Halal Industry and Standards

In addition to the abovementioned programmes, the MIBSC and SC EFTB & EGTB members also attended the following external programmes and events:

- 13th Muzakarah Cendekiawan Syariah Nusantara
- 14th International Shariah Scholars Forum (ISSF)
- Muzakarah Ahli Majlis Penasihat Syariah (MPS) Institusi Kewangan di Malaysia Kali Ke-15
- Muzakarah for Shariah Advisors of Takaful Operators 2019 (M-SAT 2019)
- MFRS 17 Implementation for Takaful Industry – MTA Forum

SC ASSESSMENT

In compliance with BNM's Shariah Governance Policy, the SC undergoes the process of assessing the effectiveness of the individual members and the committee as a whole on a yearly basis. The SC annual assessment exercise is primarily based on a questionnaire distributed to the respective committee members and encompasses considerations on the effectiveness of the SC in discharging its duties.


SUSTAINABILITY STATEMENT

At Maybank, sustainability is at the core of our business. Our approach is anchored on our mission of Humanising Financial Services, which places people at the heart of all that we do – from making ethical decisions and providing innovative financing and investment services to empowering communities and conserving the environment.

This sustainability statement describes our progress in 2019, outlining the ways in which we work to meet the needs and expectations of our communities and business. Our disclosure reflects the efforts we take to create value through the provision of financial services that enhance social, economic and environmental well-being. For a more comprehensive review of our sustainability strategy and practices, please refer to our standalone Sustainability Report 2019.


SUSTAINABILITY DISCLOSURE

Our annual Sustainability Report (SR) communicates the full scope of our sustainability efforts in line with the 10 commitments defined in our 20/20 Sustainability Plan. Unless stated otherwise, the scope of this statement and the SR is consistent with the Annual Report with data encompassing the 2019 financial year and the operations of Maybank Group. The sustainability disclosure within this statement and the SR is guided by the Group's 2019 materiality assessment, a stakeholder engagement exercise conducted by Group Investor Relations to gather insight on the relative importance of ESG topics to the stakeholders of Maybank. This statement is written in accordance with Bursa Malaysia Securities Berhad Main Market Listing Requirements related to the Sustainability Statement in Annual Reports. The SR is aligned with the GRI Sustainability Reporting Standards.

 For more information on the Group's 2019 materiality assessment, please refer to page 20.

OUR APPROACH

Maybank's sustainability initiatives are guided by our 20/20 Sustainability Plan (the Plan). Launched in 2014, the Plan highlights three major areas that contribute to the Group's long-term value: Community and Citizenship, Our People and Access to Products and Services. Since its inception, the Plan has guided the successful delivery of numerous far-reaching initiatives within these three pillars. As we come to the end of the Plan's five-year time frame, we are working to define the next phase of our sustainability strategy through targeted stakeholder engagement and enhanced mapping of our actions against the global priorities set out in the United Nations Sustainable Development Goals (SDGs).

 For more information on our stakeholder engagement and SDGs review, please refer to our 2019 Sustainability Report.

Maybank 20/20 Sustainability Plan



Sustainability Statement

OUR PROGRESS

Community and Citizenship

Delivering long-term value to our communities and environment at a regional level as an impactful corporate citizen.

Allocated approximately **1% of net profit** to community programmes in 2019, a level we have consistently maintained since 2013.

Distributed approximately **RM72.77 million** in 2019 for education, disaster relief, environment, well-being and arts and culture initiatives with meaningful impact across ASEAN.

Maybank Foundation **extended its partnership with the ASEAN Foundation** for another three years for the eMpowering Youths Across ASEAN programme.

Maybank Foundation was a **finalist in the prestigious Edie Sustainability Leaders Awards 2019** for our efforts in the R.I.S.E. and Maybank Women Eco-Weavers programmes.

Our People

Creating a thriving and inclusive working environment by enhancing the workplace and workforce ecosystem.

Continued to support employees through the **“GO Ahead. Take Charge!”** platform, a groundbreaking initiative that empowers employees to take charge of their career by reskilling, tailoring their working arrangements and embarking on entrepreneurial options.

Launched **Crowdtivation**, an internal gig platform that crowdsources skills amongst employees, enabling them to learn, collaborate, experiment with innovative solutions and be part of internal gigs while maximising internal resources.

Strengthened **FutureReady Upskilling Programme and EXCO-led culture reinforcing initiatives** to nurture capability and develop capacity.

Initiated an **Environmental, Social and Governance (ESG) Employee Activism Campaign** to raise broader awareness on ESG issues and instill sustainable habits among employees.

Incorporated a **robust suite of well-being programmes** in addition to integrating wellness and fitness elements into varied engagement initiatives.

Provided various channels for employees to volunteer through the **Cahaya Kasih** platform, enabling employees to serve as change agents for communities.

Access to Products and Services

Advancing financial inclusion, supporting financial well-being and integrating ESG considerations into products and services.

Provided access to approximately **RM2.7 billion** of financing for renewable energy projects.

Channelled 92.09% of total spending to purchases from local suppliers.

Promoted greater access to financial services through the launch of **MAE, Malaysia's first e-wallet** with banking features.

Facilitated the issuance of two separate sustainable investment securities within the region to **finance green infrastructure development**.

Progress of our sustainability efforts have been recognised by leading global sustainability indices including:

FTSE4Good

For the seventh consecutive year, the Group continues to be included in indices that measure the performance of companies that demonstrate strong ESG practices.

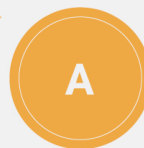
- FTSE4Good Bursa Malaysia Index
- FTSE4Good ASEAN 5 Index
- FTSE4Good Emerging Indexes
- FTSE All-World Green Revenues Index
- FTSE Asia Pacific Green Revenues Index
- FTSE Emerging ESG Index
- FTSE Emerging Green Revenues Index



MSCI ESG*

In 2019, Maybank received a rating of “A” (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment. This marks the sixth consecutive year that the Group has received an “A” rating. We were the only bank to be rated “A” among our five largest peers in 2019.

MSCI
ESG RATINGS



CCC B BB BBB **A** AA AAA

Bloomberg Gender Equality Index

2019 marked the third consecutive year in which Maybank was listed on the Bloomberg Gender Equality Index. Out of 230 global firms included in the 2019 index, Maybank is the only Malaysian company listed.



* The use by Maybank of any MSCI ESG Research LLC or its affiliates (MSCI) Data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute sponsorship, endorsement, recommendation or promotion of Maybank by MSCI. MSCI services and data are the property of MSCI or its information providers and is provided “as is” and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

Sustainability Statement

SUSTAINABILITY GOVERNANCE

Sustainability at Maybank is overseen at the Board level, whereby the Board reviews Maybank’s performance in implementing sustainability initiatives in accordance with relevant ESG considerations. In 2019, the Board reviewed the Sustainability and Corporate Responsibility Strategy, Inclusiveness and Diversity Agenda and ESG strategies. Independent oversight for our community investments is provided by the Board of Trustees for Maybank Foundation, which manages the Group’s community programmes in line with Maybank’s strategic priorities.

In 2019, the Group Sustainability Council was established to set the Group Sustainability Agenda, thereby strengthening oversight and management of sustainability matters, including alignment with national and international guidelines. The Group Sustainability Council also oversees sustainability initiatives carried out across the Group.

Who	Role
MAYBANK GROUP	
Board of Directors	Reviews sustainability performance and the Group’s strategies on the advancement of sustainability with a focus on ESG aspects.
Group President and Chief Executive Officer	Deliberates and approves all key sustainability-related matters.
Group Sustainability Council	<p>Sets the Group Sustainability Agenda, including strategy, roadmap and monitoring of action plans. The Council reports to the Group President and Chief Executive Officer and is represented by Country CEOs, Business Sector Heads and Support Sectors Heads. Group Sustainability Council members include:</p> <ul style="list-style-type: none"> Group Chief Executive Officer, Islamic Banking (Chairman) Group Chief Executive Officer, Community Financial Services Group Chief Executive Officer, Global Banking Group Chief Executive Officer, Insurance & Takaful Country Chief Executive Officer & Chief Executive Officer, Maybank Singapore President Director, Maybank Indonesia Group Chief Strategy Officer & Chief Executive Officer, International Group Chief Financial Officer Group Chief Risk Officer
Various Departments	<p>Operationalise the 20/20 Sustainability Plan in respective business and operational areas. Departments and teams provide information against measurable indicators. Departmental responsibilities include:</p> <p>Group Corporate Affairs: Custodian of the 20/20 Sustainability Plan</p> <p>Group Risk: Oversees overall Group Risk strategy and progress, including ESG issues and sustainability risks</p> <p>Group Human Capital: Oversees overall Group Human Capital strategy and progress</p> <p>Group Property, Security & Valuation: Manages resource consumption and usage including environmental impact from business activities</p>
MAYBANK FOUNDATION	
Board of Trustees	Approves and reviews programmes and performance.
Chief Executive Officer	Oversees the overall strategy and progress.
Maybank Foundation Team	Implements and monitors Maybank’s flagship community programmes based on focus areas under the Community and Citizenship pillar in our 20/20 Sustainability Plan. Supports community programme partnerships and initiatives throughout the Group.

CLIMATE-RELATED FINANCIAL DISCLOSURE

Our phased approach to identifying and managing climate risk allows us to focus on truly understanding risks, putting targeted policies in place and effectively contributing to low-carbon initiatives. This is our second year of providing disclosure in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Governance

- Responsible Lending Guidelines were established in 2015 and subsequently expanded in 2018 to form the ESG Policy.
- Climate-related considerations are integrated into our ESG Policy and categorised as sustainability risk. Group Executive Committee and the Board have oversight of these through the Group Sustainability Council, the Risk Committee and the 20/20 Sustainability Plan.

Risk Management

- ESG risks are integrated into lending assessments, and Risk Acceptance Criteria were finalised in 2018 for the palm oil sector and in 2019 for the mining and quarrying, forestry and logging and oil and gas sectors.

Metrics and Targets

- In line with Maybank’s sustainability strategy, the 20/20 Sustainability Plan, we track our direct environmental impacts, including the carbon footprint of our Malaysian and selected Singaporean operations.
- Maybank measures the footprint of resources used internally such as electricity and paper consumption.

Sustainability Statement

EMPOWERING COMMUNITIES

Maybank Foundation spearheads the Group's Community and Citizenship pillar through targeted investments, innovative partnerships and volunteer efforts. Our programmes are centred on inclusive growth for communities and the environment. By fostering social and financial empowerment, our efforts enable better community participation in the financial system. In 2019, we allocated approximately 1% of Maybank's net profit to community programmes, a level we have consistently maintained since 2013. Our investment in 2019 amounted to approximately RM72.77 million, generating meaningful impact across the ASEAN region in the areas of education, disaster relief, environment, well-being and arts and culture.

FLAGSHIP COMMUNITY PROGRAMMES

CashVille Kidz



A financial literacy programme focusing on personal finance management provided to students through critical thinking modules on economics, income, consumption, purchases and savings.

- Active in **six countries**
- Reached **905 schools** and **208,746 students** to-date
- Achieved a literacy score increase of more than **25%** for all 6 countries

2019 Highlights:

- Reached 91 schools and 23,580 students
- Showcased at National Financial Literacy Day in Cambodia, at Bangko Sentral ng Pilipinas' annual Financial Education Stakeholders Expo and at the Maybank Financial Education Excellence Awards 2019 in Malaysia

Reach Independence & Sustainable Entrepreneurship (R.I.S.E.)



A coaching and mentoring programme towards economic empowerment for disadvantaged communities, including the differently abled, in the area of income growth.

- Active in **four countries**
- Trained **6,358 participants** through **R.I.S.E. 1.0**, inclusive of **280 participants** during the 2014 pilot phase

2019 Highlights:

- Launched R.I.S.E. 2.0, under which 974 participants have been trained to-date
- Exhibited at Malaysia SDG Summit at KLCC
- Showcased at the annual Financial Education Stakeholders Expo by Bangko Sentral ng Pilipinas in Manila

eMpowering Youths Across ASEAN



Funding for youth groups to run projects that positively impact poverty rates or better livelihoods in ASEAN communities.

- Impacted the lives of **17,827 individuals** via **10 projects** in **three countries**
- **100 youths** participated in the programme

2019 Highlights:

- Three year programme extension was finalised and showcased in the main event of the 52nd ASEAN Day celebration in Jakarta, Indonesia
- Showcased during the ASEAN Senior Officials Meeting on Youth in Vientiane, Laos

Maybank Women Eco-Weavers



Empowering women weavers from poor and marginalised communities with training, capacity building and microfinancing to revive traditional weaving practices and attain financial independence.

A complementing sericulture programme provides farmers with mulberry tree saplings to maintain the supply of silk thread, an additional source of income for communities.

- Active in **four countries**
- **644 weavers** trained to-date
- **597 mulberry tree farmers supported, with more than 144,000 trees planted** to-date

2019 Highlights:

- 88 weavers trained
- 259 farmers trained with more than 78,000 trees planted
- Groundbreaking ceremony of Maybank Silk Weaving Training Center in Siem Reap
- Weavers participated in Entwine: Maybank Women Eco-Weavers Meet Southeast Asian Artists Travelling Exhibition at National Museum of Singapore

Maybank Training and Learning Centre (TLC)

Training local youths in disadvantaged surroundings on vocational skills to equip them with better prospects. The TLC also builds rapport with local authorities.

- Active in **one country**
- **45 youths trained** to-date

2019 Highlights:

- RM200,000 disbursed to fund training
- 21 youths trained

Arts and Culture

Maybank Kim Eng's art and culture initiative, KataKatha, comprises two programmes, "Balai" and "Pentas", which aim to reaffirm Balai Seni Maybank as an art space for Maybankers and the artistic community to express their creativity.

Since 2018, Balai Seni Maybank has held 12 art exhibitions, including a Regional Balai Seni Art Series Exhibition at the National Museum of Singapore.





- **319 artists** featured
- **535 artworks** showcased

2019 Highlights:

- RM1.2 million invested in the programme

Sustainability Statement


SUSTAINABILITY PERFORMANCE REVIEW

20/20 SP Commitment	Focus Area	YoY Tracking					
Investing for impact	Education	Supporting access to education across the region to foster academic and non-academic excellence.					
		Year	2015	2016	2017	2018	2019
		CashVille Kidz (number of students) 	53,020	78,883	8,984	14,845	23,580
		CashVille Kidz (number of schools) 	241	330	23*	40	91
		Scholarships (amount disbursed) (RM)	>14,000,000	23,000,000	26,751,005	24,191,711	16,123,900
		* Due to the transition to a new phase of CashVille Kidz, there was a decrease in the number of students and schools reached in 2017.					
	Community Empowerment	Reaching communities across the region through empowerment programmes.					
		Year	2015	2016	2017	2018	2019
		R.I.S.E. 1.0 (number of participants) 	200	1,411	939	2,901	627
		R.I.S.E. 2.0 (number of participants) 	Programme yet to be launched				974
		Microfinance (KOMIDA) (number of women impacted)	2,748	1,131	100*	331	576
		* Due to the transition to a new Microfinance partnership, there was a decrease in the number of women impacted in 2017.					
	Arts and Culture	Promoting and preserving traditional and new forms of artistic expression.					
		Year				2018	2019
		Number of programmes at Balai Seni				8	7
	Environmental Diversity	Preserving environmental diversity through tiger conservation.					
		Year	2015	2016	2017	2018	2019
		Tiger conservation efforts (amount disbursed, RM)	481,548	722,321	1,311,950	1,267,534	1,784,900
	Healthy Living	Enabling access to affordable healthcare, supporting premier sporting events in the region and nurturing local talent.					
	Year	2015	2016	2017	2018	2019	
	Save a Child's Heart at Regional Paediatric Heart Centre, National Heart Institute of Malaysia (number of patients)	12	16	2	32	16	
Disaster Relief	Supporting communities impacted by natural disasters through relief and rebuilding.						
	Year	2015	2016	2017	2018	2019	
	Disaster relief contribution to MERCY Malaysia (amount disbursed, RM)	1 million	1 million	300,000	350,000	207,000	

 Maybank Foundation flagship programme.

A THRIVING WORKPLACE

At Maybank, we believe that sustainability starts at home. Only by focusing first on the strength and well-being of our workforce can we deliver sustainable financial services for our community. We strive to create a thriving workplace for the benefit of our employees, our organisation, our nation and our economy. In future-proofing our workforce, our goal is to provide greater flexibility, inclusivity and opportunities for development in a manner that meets our employees' needs. We continue to focus on equipping our workforce with the right skills and knowledge to capitalise on new workplace technologies and prevent skills obsolescence.

 Read about the six human capital transformation goals and six strategic imperatives that guide our human capital strategy on page 62.

Sustainability Statement

SUSTAINABILITY PERFORMANCE REVIEW

20/20 SP Commitment	YoY Tracking					
Employee Engagement Platforms	Engaging employees on the issues that matter the most to them is key to unlocking a values-based organisation.					
	Year	2015	2016	2017	2018	2019
	Percentage of employees appraised (based on employees who are eligible to participate in the year-end appraisal) (%)	100	100	100	100	100
	Employee Engagement Survey results	Not administered	Not administered	SEI: 88% EEI: 84%	Not administered	Not administered
	Total volunteer participation	24,202	22,014	25,179	36,011	36,159
	• Global CR Day	16,559	15,267	20,780	23,193	22,875
	• Other Cahaya Kasih and volunteerism efforts	7,643	6,747	4,399	12,818	13,284
	Total volunteer hours	122,917	108,863	130,209	134,718	146,308
	• Global CR Day	89,806	77,361	105,140	107,975	112,010
	• Other Cahaya Kasih and volunteerism efforts	33,111	31,502	25,069	26,743	34,298
Number of Cahaya Kasih initiatives Group-wide	102	89	87	89	98	
SEI: Sustainable Engagement Index EEI: Employee Engagement Survey						
Talent and Leadership	Nurturing talents by providing the necessary support for growth and opportunities to excel in Maybank.					
	Year	2015	2016	2017	2018	2019
	Profit before tax per employee (RM)	199,129	201,120	233,330	252,703	254,927
	Succession Cover Ratio (number of successors in Mission Critical Positions)	4.57:1	4.3:1	4.3:1	4.1:1	4.2:1
Learning and Development	Investing in the long-term development of employees while improving capabilities across the organisation.					
	Year	2015	2016	2017	2018	2019
	Learning and development spend (RM million)	114	129	124	131	143
	Average training hours per employee	35.00	32.00	49.84	55.60	45.1
Percentage of training sessions conducted/facilitated by employees (%)	31	63	89	96	80	
Diverse and Inclusive Workplace	Embracing a group culture of diversity and inclusion which guides how we do business, how we work together and how we deliver value.					
	Year	2015	2016	2017	2018	2019
	Women in top management, Band D and above (%)	35	30	31	32	34
	Women in management, Band G and above (%)	47	45	45	46	47
	Age group of workforce (%)					
	<30	27	23	22	21	20
	30-39	37	37	37	36	36
	40-49	27	30	30	31	31
	≥50	9	10	11	12	13
	Total number of employees on a Flexible Work Arrangement (FWA)	315	319	372	476	661
• Male	100	90	108	154	211	
• Female	215	229	264	322	450	
Safety, Health and Well-being	Improving safety.					
	Year	2015	2016	2017	2018	2019
	Total recordable injury frequency rate*	0.002	0.003	0.0015	0.0031	0.0030
* For Maybank Malaysia (including Maybank Kim Eng and Maybank Islamic Berhad, but excluding Group Insurance & Takaful as it is covered by different entities). Data from our report is submitted to the Department of Operational Safety and Health (DOSH) Malaysia every year on 31 January.						

Sustainability Statement

OPERATIONAL ENVIRONMENT IMPACT

We are committed to driving environmental progress by leveraging our people, capital and ideas. We continue to make progress in managing our environmental footprint, be it direct or indirect. By tracking and reporting on this area since 2001, we have been able to monitor the impact of our business and subsequently develop initiatives to improve how we care for the environment. Our environmental efforts focus on two key issues:

Resource scarcity

Finite natural resources and growing competition can limit economic growth and business opportunities. We aim to make our internal processes more efficient and to reduce our paper and water consumption while also minimising the waste we generate.

Climate change

The rising effects of climate change have significant potential to disrupt business across all sectors. We practise responsible business by monitoring and seeking to minimise our carbon emissions.

In 2014, we began monitoring Maybank's direct impact on the environment for reporting purposes. We continue to find ways to improve the way we measure our impact, and every year we improve our tracking across operations within the region. We have been participating in the CDP (formerly the Carbon Disclosure Project) since 2011.

In 2019, Maybank marked an increase in environmental efficiency with the opening of our new secondary data centre. Energy efficiency was a key criterion in determining where to house the centre. In line with this approach, a Green Building Index certified facility was selected, offering increased efficiency of energy, water and materials usage for the reduction of the Group's environmental footprint.

SUSTAINABILITY PERFORMANCE REVIEW

20/20 SP Commitment	YoY Tracking					
Commitment to the Environment	Managing our environmental impacts.					
	Year	2015	2016	2017	2018	2019
	CDP (score)	71	C	C	D	D
	Total paper consumption (sheets)	263,846,748*	262,570,998**	306,814,321**	327,117,529	312,398,890
	* Data covering Malaysia operations.					
	** Data covering Malaysia and Singapore operations.					
	📖 Please refer to Sustainability Report 2018 page 71 for further details on CDP boundaries.					

ACCESS TO SUSTAINABLE FINANCE

Leadership in the financial services industry is about understanding consumer behaviour and needs in order to promote widespread financial well-being and economic growth. Above all, delivering better services means contributing towards a more sustainable financial industry.

PRODUCT AND SERVICE INNOVATION

Changing customer preferences increasingly reflect a desire to access banking services through convenient, intuitive and secure digital channels. This digitalisation of our industry presents a plenitude of opportunities – from reduced environmental impacts to greater access to financial services – as well as challenges including cyber security risks, changing regulatory environments and workflow disruptions. At Maybank, we aim to enhance our customers' experience in digital banking and bring our financial services closer to customers through continuous digital innovation.

PRODUCT STEWARDSHIP

Our commitment to product stewardship is a commitment to taking responsibility for our financing activities. This includes due consideration of ESG-related financing risks as well as following best market practices in consumer lending. To promote a sustainable financial system, we strive to increase access to finance and offer diverse products to consumers. We continue to uphold the value of responsible products and to minimise the environmental impact of our operations.

RESPONSIBLE FINANCING

Maybank first established Responsible Lending Guidelines in 2015 and subsequently expanded on these guidelines to form the ESG Policy in 2018. Under this policy, ESG principles and issues are integrated into financing practices to mitigate the ESG risk of our financing activities. In accordance with the policy, specific Risk Acceptance Criteria (RAC) have also been established for sectors identified as presenting high ESG risk, such as the forestry and logging, oil and gas, palm oil and mining and quarrying industries. To further strengthen the Bank's commitment as a responsible finance provider, more RAC are expected to be introduced progressively for other industries, such as the power, chemical and shipping industries, among others. In our efforts to manage the transition risks associated with the move towards more responsible lending, RAC are primarily enforced on upstream activities in these sectors, as these activities present greater risks associated with changing market preferences and regulatory landscapes.

The RAC incorporate, amongst others, ESG-related certification requirements, such as the Forest Stewardship Council Certification for the forestry industry. For clients that do not have the necessary certifications, the Group conducts constructive engagements to educate them on the merits of sustainable practices and encourages these clients to obtain relevant certifications within specific timelines. Clients' compliance with relevant certification requirements is regularly monitored and appropriate actions are taken when continuous lapses occur. In addition to ESG-related certifications, the Group's credit risk assessment process also takes into consideration social risks, including occupational health and safety standards and human rights, and environmental risks, such as climate change, biodiversity, deforestation and water-related issues.

Sustainability Statement

RESPONSIBLE FINANCING (CONT'D)

We do not finance activities deemed contrary to our core values and have committed to avoid financing activities involving harmful or exploitative forms of forced labour or child labour.

Beyond our financing policies, we are committed to better understanding the industries that we finance and working with relevant stakeholders to enhance ESG risk understanding and mitigation along our value chain. The Group continuously engages with businesses and other stakeholders, including the United Nations Environment Programme Finance Initiative, the Singapore Institute of International Affairs, the Roundtable on Sustainable Palm Oil, the Malaysian Palm Oil Board, and the World Wide Fund for Nature, in driving efforts on responsible financing. Engagements include industry-wide collaborations, knowledge-building initiatives, workshops and site visits. Examples of these initiatives include, among others, understanding on sustainable and best agricultural practices in the palm oil industry from land preparation, to planting, plantation management and harvesting.

Overall, the Group's ESG Policy enables us to integrate ESG considerations into our credit risk assessments, decision-making, credit risk monitoring and review. Ultimately, the Policy allows the Group to focus on creating long-term value for stakeholders and society. Maybank's ESG commitment is available on our corporate website.

Enhancing ESG Assessment

In 2019, the Group's risk function spearheaded a more holistic approach to assessing ESG from both a risk and opportunity perspective. This process involved various work streams and covered areas such as enhancing the RAC, identifying business opportunities and improving the communication strategy. This initiative has enabled a more robust approach, not only in understanding and assessing clients but also in evaluating the context of the industry they operate in. The Group intends to replicate this approach for the assessment of additional industries in 2020.

EXPANDING OUR ESG INVESTMENT PORTFOLIO

As clients and other stakeholders place increasing importance on sustainability, Maybank believes that strong integration of ESG considerations into investment activities has never been more important. In 2019, we expanded our ESG investment portfolio, demonstrating our leadership in the ESG space while providing innovative financing solutions to our clients. Investment highlights include:

- Served as the Principal Adviser, Lead Arranger, and Lead Manager for the issuance of Cypark Ref Sdn. Bhd.'s RM550 million sustainable and responsible investment sukuk. The proceeds from the issuance will be used to finance Southeast Asia's first and largest grid-connected floating solar photovoltaic power plant with capacity of 30MWac at Empangan Sepri, Negeri Sembilan, Malaysia.
- Acted as Joint Bookrunner and Joint Lead Manager for the world's first Green Belt and Road inter-bank regular Cooperation Bond. The bond will help support the development of green projects under China's Belt and Road Initiative while also promoting inter-bank cooperation in the Belt and Road project region. The bond marks ICBC Singapore's first green offering and saw strong demand from investors.

SUSTAINABILITY PERFORMANCE REVIEW

20/20 SP Commitment	YoY Tracking						
Focus on Customers	Understanding the connection between social issues and financial products to develop effective and affordable solutions for customers.						
	Year	2015	2016	2017	2018	2019	
	Customer experience*	Retained leading position in the market for both the Net Promoter Score (NPS) and Relationship Strength Index (RSI)	Remained among the top five leading banks in terms of our customer loyalty and relationship strength	Maintained our lead position as the preferred financial institution	Sustained a significant lead as the preferred financial institution	Moving towards 2020: runaway leader in customer experience	
	Retail SME financing (RM billion)	10.2	12.6	15.0	17.1	19.1	
* References to market position refer to Malaysia. For further details, please refer to Maybank Sustainability Reports.							
Digitalisation	Leveraging technology to meet the expectations of a growing and increasingly complex customer base.						
	Year	2015	2016	2017	2018	2019	
	Number of online transactions (billion)		2.07	2.90	4.33	5.92	8.68
	Amount (RM billion)		173.6*	260.5	341.8	435.6	533.7
* Data covering Malaysia operations only.							
Product Stewardship	The leading bank in responsible lending practices.						
	Year	2015	2016	2017	2018	2019	
	Responsible lending	Established Responsible Lending Guidelines	Reviewed our approach towards assessing ESG risks	Established Maybank Group's ESG Risk Management Framework	Established and incorporated ESG Policy across Maybank Group	Enhanced ESG investment portfolio and strengthened ESG oversight across the Group	

EVENT HIGHLIGHTS 2019

● Business ● Corporate ● Corporate Responsibility

JANUARY

● 12 JANUARY



Etiqa, in collaboration with Islamic Aid Malaysia (IAM) completed its Clean Water Supply project in Kampung Bungan Besar and Kampung Bungan Kecil, Batang Igan in Sarawak which provides uninterrupted clean water supply to over 1,000 villagers for their daily needs.

● 22 JANUARY

Maybank and ASEAN Foundation launched the regional capacity-building and orientation workshop "eMpowering Youths Across ASEAN" in Chulalongkorn University, Bangkok which saw the participation of 100 young aspiring change-makers.

● 24 & 25 JANUARY

Maybank Investment Bank and Bursa Malaysia co-organised the Invest Malaysia Tokyo Conference, which was held to attract foreign investments to the country. The two-day event brought together 18 delegates from six corporates and 14 funds with a total market capitalisation of USD12.3 billion.

● 28 JANUARY

Maybank was named among the world's top 500 brands for the first time in Brand Finance's Global 500 Brands – the only Malaysian bank and one of two Malaysian brands to be included in the prestigious list. Maybank achieved a brand valuation of USD4.2 billion, a 32% increase from last year's valuation of USD3.16 billion.

FEBRUARY

● 1 FEBRUARY

Maybank Islamic launched Account Portability – a service that enables customers to switch their conventional current and savings accounts to Islamic accounts via Maybank2u while maintaining their account number and operational tagging.

FEBRUARY (CONT'D)

● 15 FEBRUARY



Maybank hosted special guests from the House of Joy, SunTeck Handicapped Welfare Home and students of SJK(C) Chiao Nan to a Chinese New Year celebration as part of its ongoing efforts to bring cheer to the less fortunate during festive seasons.

● 19 FEBRUARY

Maybank hosted a charity art exhibition at Balai Seni Maybank to raise funds for children suffering from Spinal Muscular Atrophy (SMA) and create awareness about the disability. Some 60 paintings by guest artists and children with SMA were displayed.

MARCH

● 5 MARCH



Maybank launched MAE – the first ever digital wallet by a bank – which enables the public to start a banking relationship with Maybank via the Maybank App in less than five minutes and transact instantly while enjoying the convenience of a full-fledged e-wallet.

● 8 MARCH

Maybank celebrated International Women's Day with the launch of "RRRWARRR!!!: Maybank's Emerging Women Artists Show 2019", showcasing works of emerging women artists from across the country.

MARCH (CONT'D)

● 11 MARCH



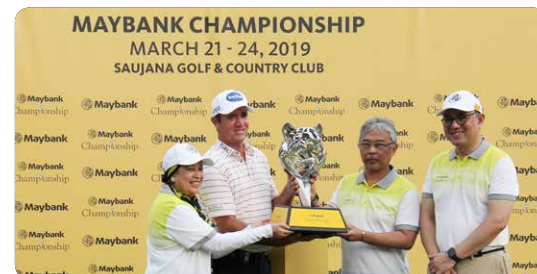
Maybank Islamic was a sponsor of the Global Financial Forum 2019 which gathered key financial services stakeholders, as well as leaders of global and regional banks, to address key issues and opportunities in the global financial services industry.

● 19 & 20 MARCH



Maybank Investment Bank and Bursa Malaysia co-hosted the Invest Malaysia 2019 Kuala Lumpur Forum. The annual conference, showcased Malaysia's capital market diversity, bringing together local and foreign investors including 339 delegates from 63 corporates and 147 funds with a total market capitalisation of USD215 billion and USD20.2 trillion in total Assets Under Management.

● 21-24 MARCH



The fourth edition of the Maybank Championship was held at the Saujana Golf & Country Club featuring 156 leading golfers from all over the world. Australian Scott Hend prevailed in a dramatic finale of this USD3 million event.

● 25 MARCH

Maybank Cambodia officially launched the Luy Yerng Luy Riel (Our Money is Riel) campaign, in conjunction with the 39th Anniversary of the Reintroduction of the Riel. The campaign was organised by the National Bank of Cambodia to promote the use of the Khmer Riel for daily transactions and business operations.

Event Highlights 2019

● Business
 ● Corporate
 ● Corporate Responsibility

APRIL

4 APRIL

The Maybank Training and Learning Centre (TLC) in the Philippines, constructed by Maybank Foundation, was formally handed to the Xavier Ecoville Multi-Purpose Cooperative, which will manage and operate it with support and oversight from Xavier University, the programme partner.

13 APRIL

Etiqa, in collaboration with IAM, successfully completed its Clean Water Supply Project for the Temuan community of Kampung Orang Asli Batu 16, Selangor.

18 APRIL



Etiqa launched a Takaful plan called Smart Hijrah designed to complement one's preparation for the journey to fulfil their religious obligations such as the Hajj, Umrah, Qurban and Aqiqah.

21 APRIL

Maybank officially launched its Online ASB Financing Application feature via the Maybank App at the Minggu Saham Amanah Malaysia in Kedah.

22 APRIL

Maybank Singapore became the first bank to launch a certified course on future-ready skills, designed to sharpen employees' capabilities to tackle new challenges in the future economy. The proprietary curriculum in Maybank FutureReady Certification Course was developed in partnership with Nanyang Polytechnic and accredited by the Institute of Banking and Finance Singapore.

23 APRIL

Maybank Cambodia announced the expansion of its CashVille Kidz Financial Literacy programme to key provinces across Cambodia. This follows the success of its rollout to 23 public and private schools in Phnom Penh where over 5,000 students completed this programme.

MAY

3 & 4 MAY



Maybank Islamic launched its Regional Ramadhan Relief programme that provided food packs in conjunction with the month of Ramadhan to 14,645 families in Malaysia and nine other ASEAN countries.

6 MAY

Maybank became the first bank in Malaysia to introduce SWIFT GPI (global payment innovation) and joined a league of 160 major global banks in over 200 countries in offering a new standard in global payments.

9 & 10 MAY

Maybank Kim Eng hosted its flagship Invest Asia conference in Singapore in collaboration with Industrial and Commercial Bank of China (ICBC) – with sustainability and inclusive growth as the key focus of its agenda. The conference attracted 928 delegates from 108 corporates and 122 funds with a total market capitalisation of USD414 billion and USD11.4 trillion total AUM.

21 MAY

Over 450 children of Maybank employees were honoured at the 33rd edition of the Maybank Group Staff's Children Academic Excellence Awards.

JUNE

3 JUNE

In conjunction with the month of Ramadhan, Maybank Group distributed special aid and festive gifts to more than 2,500 patients at 14 major hospitals throughout the country.

19 JUNE

Maybank launched its CashVille Kidz financial literacy programme in the Philippines at a special ceremony graced by Bangko Sentral ng Pilipinas Deputy Governor Chichi G. Fonacier and Department of Education Undersecretary Diosdado M. San Antonio.

20 JUNE

Maybank hosted an art exhibition entitled "Melukis: Drawings in Graphite & Ink" at Balai Seni Maybank, to highlight the struggles of society and lives of the people.

22 JUNE

Over 380 employees from Maybank Cambodia participated in a "Restore the Gift of Sight" initiative in collaboration with the Khmer Sight Foundation, which benefitted over 1,200 beneficiaries through eye screening, surgery and awareness of vision care.

JUNE (CONT'D)

25 JUNE



Some 120 children from Rumah Anak Kesayanganku, Bukit Beruntung, Selangor were special guests at the Maybank Group Staff Hari Raya celebration held at Menara Maybank, which was part of the Group's efforts to bring joy to the less fortunate.

JULY

3 JULY

Maybank launched Maybank Tap2Phone – the first innovative payment solution by a bank in Southeast Asia which enables businesses to accept card payments from customers by using an app on their mobile phones, which does away with a point-of-sale terminal.

3 JULY



Maybank Asset Management launched the Maybank Global Mixed Assets Fund, the first global Shariah mixed assets fund in Malaysia. The fund offers investors a diversified portfolio that taps on global investment opportunities.

4 JULY



The first Premier Banking Centre in the Philippines was launched at Maybank Ayala Avenue branch, Makati City. The Bank also introduced the Maybank VISA Infinite Credit Card to provide its Premier clients there with distinct lifestyle privileges.

Event Highlights 2019

JULY (CONT'D)

● 11 JULY

Maybank Investment Bank, in collaboration with Bursa Malaysia, hosted a conference entitled the “Evolution of ESG Investing” in Kuala Lumpur.

● 15 JULY

Maybank Indonesia signed a strategic partnership agreement with Great Eastern Life Indonesia and launched two new products, Great Fixed Protector and Great Life Protector.

● 18 JULY

Maybank extended its five-year partnership with Manchester United to support Maybank’s card products in Malaysia, Singapore and the Philippines.

● 25 JULY



Etiqa and IAM announced the expansion of Etiqa’s Clean Water Project. The project, worth over RM1 million, will benefit more than 3,300 villagers from rural communities across Malaysia.

● 28 JULY



The Deputy Prime Minister of Malaysia, Dato’ Seri Dr. Wan Azizah Dr. Wan Ismail, launched the “Etiqa Free Cervical Screening” programme in collaboration with ROSE Foundation. Funded by Etiqa at a cost of over RM1.2 million, this programme will provide cervical screening for 6,000 women from B40 communities throughout Malaysia over the course of one year.

AUGUST

● 2 AUGUST

Maybank Foundation collaborated with the Bangko Sentral ng Pilipinas and National Council on Disability Affairs to organise a Financial Literacy Orientation for Persons With Disabilities.

● 8 AUGUST

Maybank Foundation and the ASEAN Foundation signed a three-year extension agreement for the “eMpowering Youths Across ASEAN” programme. The signing was held in Jakarta and witnessed by President Joko Widodo of Indonesia, in conjunction with the 52nd ASEAN Day celebration.

● 21-22 AUGUST

Maybank Group and Maybank Indonesia launched the CashVille Kidz programme, a financial and banking literacy education programme for elementary school students in Indonesia.

● 22 AUGUST

Maybank Indonesia celebrated its 60th anniversary with a gala dinner in Jakarta in appreciation of its clients and business partners who have supported the Bank over the years.

● 24 AUGUST

Over 22,000 Maybank employees worldwide embarked on a mission to positively impact communities and the environment in their respective locations from 24 August - 30 October 2019 as part of the Maybank Global CR Day.

● 28 AUGUST

Maybank launched its month-long SME campaign as part of its commitment to provide SMEs with greater access to financing. It kicked off with a “Micro Entrepreneur Engagement” workshop aimed at providing entrepreneurs with the necessary financial knowledge to build their businesses.

● 29 AUGUST

Etiqa Takaful and Yayasan Pembangunan Ekonomi Islam Malaysia (YaPEIM) launched Group Mutiara PlusTakaful, a family Takaful product for employees of YaPEIM, as well as two Etiqa Takaful Personal Accident products that will be offered at all Ar-Rahnu YaPEIM branches.

SEPTEMBER

● 3 SEPTEMBER

Maybank launched the “Entwine: Maybank Women Eco-Weavers meet Southeast Asian Artists” Travelling Exhibition at the National Museum of Singapore - the first Malaysian bank to feature a regional travelling art exhibition in Asia. Maybank Foundation also signed a three-year MOU with the National Museum of Singapore to promote Southeast Asia’s art, culture and heritage.

● 7 SEPTEMBER

Etiqa, together with IAM initiated a project to reconstruct a decaying jetty at Kampung Melayu Dapur Arang, Johor benefitting more than 50 fishermen.

● 8 SEPTEMBER

The Maybank Marathon Bali 2019 event was successfully held for the eighth year, attracting over 11,600 participants from 50 countries.

● 12 SEPTEMBER

In conjunction with the 62nd Merdeka Day and 56th Malaysia Day celebrations, Maybank launched the inaugural MerdekaMalaysiaMillennial Exhibition, a platform dedicated for youths to express their views on building a united and inclusive nation. It showcased over 80 artworks by 11 talented artists and groups under the age of 40.

● 20 SEPTEMBER



The Deputy Minister of Women, Family and Community Development, Hannah Yeoh, officiated the launch of Etiqa’s first-in-Malaysia critical illness rider with mental illness coverage, IL CI Plus at Dataran Maybank.

● 24 SEPTEMBER

Maybank organised a “Building Capacity & Capability” seminar for over 150 entrepreneurs in Kota Kinabalu, Sabah as part of its commitment to provide SMEs with greater access to financing.

Event Highlights 2019

● Business
 ● Corporate
 ● Corporate Responsibility

SEPTEMBER (CONT'D) ▼

● 26 SEPTEMBER



Maybank launched R.I.S.E. (Reach Independence & Sustainable Entrepreneurship) 2.0, the second phase of a five-year economic empowerment programme designed to support disadvantaged communities particularly Persons with Disabilities. This follows the successful completion of the first phase introduced in 2014, and is expected to impact over 17,000 communities by 2023.

OCTOBER ▼

● 10 OCTOBER



Maybank and the National Bank of Cambodia signed an MOU to promote collaboration in the area of cross-border payment and remittance via Cambodia's Bakong payment system and Maybank's Maybank2u digital platform.

● 18 OCTOBER

Maybank Indonesia's Shariah Business Unit handed over charitable funds to six Islamic foundations in Jakarta and surrounding areas.

● 19 OCTOBER

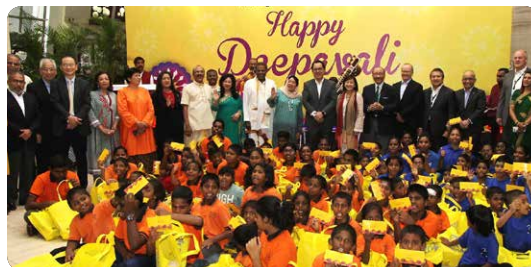
Etiqa, in collaboration with IAM, successfully completed its Clean Water Supply Project benefitting some 1,000 villagers of Kampung Padang Bukit, Lubuk Setol, Kelantan.

● 22 OCTOBER

Maybank Islamic awarded three students with postgraduate sponsorship under its Centre of Excellence initiative with the aim of contributing to the human capital needs for Islamic finance experts in the country and globally.

OCTOBER (CONT'D) ▼

● 25 OCTOBER



Maybank held a special Deepavali celebration at Menara Maybank together with some 80 specially invited children from Pertubuhan Kebajikan Rumah Anak Yatim Sri Sai Selangor and Pusat Jagaan Anak-Anak Yatim Sai Pandian as part of efforts to bring festive cheer to the less fortunate.

NOVEMBER ▼

● 9 NOVEMBER

Etiqa, in collaboration with IAM, successfully completed its Clean Water Supply Project in Kampung Belantik, Sik, Kedah.

● 13 NOVEMBER



Maybank hosted the inaugural Maybank Financial Education Excellence Awards to recognise schools, educators and students who have displayed extraordinary efforts in championing financial literacy in Malaysia as part of its CashVille Kidz Programme.

● 23 NOVEMBER

The Minister of Health, Malaysia, Datuk Seri Dr. Haji Dzulkefly Ahmad launched Phase 3 of Etiqa's Free Mammogram Programme in collaboration with the National Cancer Society of Malaysia, which will provide 6,000 free breast cancer screening examinations for underprivileged women, aged 40 and above.

● 25 NOVEMBER

Maybank was a Special Partner in the 2nd Bangko Sentral ng Pilipinas Financial Education Stakeholders Expo held at the SMX Convention Center Manila.

● 26 NOVEMBER

Maybank Indonesia became an official member of the Indonesia Sustainable Financial Initiative (IKBI) as a commitment to implement sustainable financial practices.

DECEMBER ▼

● 6 DECEMBER



Maybank held a special Christmas celebration at Menara Maybank for 60 invited children from Rumah Victory and Pertubuhan Kebajikan Yesuvin Mahligai Selangor.

● 7 DECEMBER



Maybank expanded its Maybank Women Eco-Weavers programme in Cambodia with the opening of a new silk weaving training centre in the province of Siem Reap.

● 9 DECEMBER

Maybank Indonesia signed a partnership agreement with PT Federal International Finance (FIF Group) to provide Cash Collection Solution services that will improve services for corporate customers.

● 13 DECEMBER

Etiqa, in collaboration with IAM, held its Back-to-School 2020 Programme in Pokok Sena, Kedah. Some 200 school children received assistance in the form of school uniforms, shoes and school bags.

● 16 DECEMBER



Maybank became the first American Express bank partner in the world to introduce the sleek metal American Express Platinum Card, aimed at redefining luxury lifestyle for its customers.

KEY AWARDS & RECOGNITION

Group



GROUP

Brand Finance's Global 500 Brands

- Top 500 brands

The Asian Banker Risk Management Awards 2019

- The Enterprise Risk Management Award for 2019

PWC's Building Trust Awards 2019

- Maybank – Winner

ARC Awards Annual Report Competition

- Financial Data – Grand Award

Putra Brand Awards 2019

- Banking, Investment & Insurance category – Platinum Award
- Hall of Fame Inductee

mtn-i Asia-Pacific Awards 2019

- Pan-Asian Issuer Performers category – Power Performer

Malaysia Investor Relations Awards 2019

- Best Chief Executive Officer for Investor Relations (Large Cap)
- Best Quality of Annual Reports/Formal Disclosure

GROUP HUMAN CAPITAL

HR Excellence Awards 2019 (Malaysia)

- Grand Winner (2nd consecutive year)
- Employer of the Year – Gold
- Excellence in Corporate Wellness – Gold
- Excellence in Learning and Development – Gold
- Excellence in Women Empowerment Strategy – Silver

HR Asia Recruitment Awards 2019 (Malaysia)

- Best In-House Recruitment Team – Grand Winner (5th consecutive year)
- Best Graduate Recruitment Programme – Gold
- Best Campus Recruitment Strategy – Gold
- Best Regional Recruitment Strategy – Gold
- Best Employer Branding – Gold
- Best Candidate Experience by In-House HR team – Gold

Malaysia's 100 Leading Graduate Employers Awards 2019

- Graduate Employer of the Year
- Most Popular Employer for Banking & Financial Services

- Best Graduate Training & Development Programme
- Best Internship Programme

Graduates' Choice Awards 2019

- Overall Winner
- Champion in Banking category (2nd consecutive year)
- Top 5 Most Attractive Companies

National Day Celebration 2019

- Anugerah Majikan Cemerlang (Syarikat Besar/GLC)

GROUP LEGAL

Asian Legal Business (ALB) SE Asia Law Awards 2019

- In-House Lawyer of the Year

Asian Legal Business (ALB) Malaysia Law Awards 2019

- Malaysian In-House Team of the Year
- In-House Lawyer of the Year

GROUP TECHNOLOGY

Asia IOT Business Platform

- Enterprise Innovation Awards Winner (Malaysia)

Business

GROUP COMMUNITY FINANCIAL SERVICES

Global Retail Banking Innovation Awards 2019

- Best Digital Wallet of the Year
- Best Graduate Employment Programme
- Best Retail Bank Malaysia Awards

10th Annual Retail Banker International (RBI) Asia Trailblazer Awards

- Best Retail Bank – Malaysia
- Best Social Media Marketing Campaign (e-Ang Pow)
- Excellence in OmniChannel Integration (Maybank2u)
- Excellence in Customer Centricity
- Best Advertising Campaign (Building Trust since 1960) (Maybank Singapore)
- Best Loan Offering (Maybank Singapore)
- Most Innovative Branch Offering (MSpace at Maybank)

Alpha Southeast Asia's 13th Annual Best Financial Institution Awards 2019

- Best Private Wealth Management Bank in Malaysia

The Asian Banker Excellence in Retail Financial Services Malaysia Awards 2019

- Best Wealth Management Business (Affluent Segment)
- Automobile Lending Product of the Year
- Best Internet Banking Initiative, Application or Programme

Asian Banking & Finance Retail Banking Awards 2019

- Domestic Retail Bank of the Year – Malaysia
- Advertising Campaign of the Year – Malaysia
- Digital Banking Initiative of the Year – Malaysia
- Online Banking Initiative of the Year – Malaysia
- Mobile Banking of the Year – Malaysia

Global Finance Awards 2019

- World's Best Digital Bank in Malaysia

PayNet Malaysian e-Payments Excellence Awards 2019

- Best Customer Experience (FPX)
- Market Expansion (MyDebit)
- Best JomPAY Biller Bank
- Best JomPAY Bank

GROUP GLOBAL BANKING

Global Finance: World's Best Investment Banks 2019

- Best Investment Bank (Malaysia)

Alpha Southeast Asia's 13th Annual Best Financial Institution Awards 2019

- Best Broker in Southeast Asia (Maybank Kim Eng Group)
- Best Retail Broker (Singapore, Indonesia, Philippines)
- Best Institutional Broker (Singapore, Thailand, Philippines)

Asiamoney Best Bank Awards 2019

- Best Corporate & Investment Bank in Malaysia – Maybank Investment Bank

The Asset Triple A Islamic Finance Awards 2019

- Best Islamic Investment Bank (Asia Pacific & Malaysia)
- Sukuk Adviser of the Year (Asia Pacific & Malaysia)

The Asset Triple A Country Awards 2019

- Best IPO for Leong Hup International RM1.19 billion IPO (Malaysia)

Key Awards & Recognition

Business (cont'd)

- Best FIG bond for Industrial and Commercial Bank of China US\$2.2 billion equivalent senior unsecured green BRBR bonds (China/Singapore)
- Best IPO for Prime US REIT US\$632 million IPO (Singapore)

Asiamoney New Silk Road Finance Awards 2019

- Best Bank for BRI-related Financing in the Region (Southeast Asia)

Lipper Fund Awards from Refinitiv 2019

- Best Performing Fund – Maybank AsiaPac ex-Japan Equity-I Fund
- Best Equity Award – Maybank Asset Management (Malaysia)

Global Brands Magazine Awards 2019

- Best Islamic Asset Management Company – Maybank Islamic Asset Management (Malaysia)

Bareksa Kontan 3rd Fund Awards 2019

- Gold Champion Best Money Market Fund Product – Maybank Dana Pasar Uang – 3 Years AUM > IDR 500 billion
- Silver Champion Best Money Market Fund Product – Maybank Dana Pasar Uang – 1 Year AUM > IDR 500 billion

GROUP INSURANCE & TAKAFUL

Kuala Lumpur Islamic Finance Forum (KLIFF) 2019

- The Most Outstanding Takaful Company – Winner

Insurance and Takaful Award 2019/2020, iBanding

- Motor Takaful Category – Winner
- Family Takaful Category – Winner

The Asset Triple A Asset Servicing, Institutional Investor and Insurance Awards 2019

- Insurance Company of the Year, General Insurance, Malaysia Category – Winner

International Takaful Awards 2019

- Best Takaful Company, Malaysia category – Winner

Global Banking & Finance Awards 2019

- Best Takaful Service Provider, Malaysia category – Winner

GROUP ISLAMIC BANKING

The Global Private Banking Innovation Awards (GPBIA) 2019

- Outstanding Global Islamic Banker of the Year – Dato' Mohamed Rafique Merican
- Best Private Bank for Islamic Services

- Best Provider of Shariah-Compliant Fund
- Best Provider of Shariah-Compliant Investments
- Sukuk Deal of the Year

Global Finance Awards 2019

- Best Islamic Bank for SME (Global category)
- Best Islamic Bank in Asia (Regional category)
- Best Islamic Bank in Malaysia (Country category)

Kuala Lumpur Islamic Finance Forum (KLIFF) 2019

- Most Outstanding Islamic Bank

The Asset Triple A Islamic Finance Awards 2019

- Islamic Bank of the Year (Asia-Pacific)
- Islamic Bank of the Year (Malaysia)
- Best Islamic Retail Bank (Malaysia)
- Islamic Bank of the Year (Singapore)
- Best Islamic Retail Bank (Singapore)
- Best Islamic Digital Banking Product (HouzKEY – Digital Provider)

Alpha Southeast Asia Awards 2019

- Best Islamic Finance Retail Bank
- Best Islamic Wealth Management Bank

Regional

MAYBANK SINGAPORE

29th Private Banker International Global Wealth Awards 2019

- Outstanding Private Bank (Southeast Asia) – Winner
- Outstanding Private Bank for Growth Strategy – Highly Recommend
- Outstanding Wealth Management Technology Initiative (Back Office) – Highly Recommended
- 5x Outstanding Young Private Banker

HR Asia Recruitment Awards 2019 (Singapore)

- Best Graduate Recruitment Programme – Gold
- Best Campus Recruitment Strategy – Silver

HR Excellence Awards 2019 (Singapore)

- Excellence in Worklife Balance – Gold

MAYBANK PHILIPPINES

Bankers Institute of the Philippines Inc. (BaiPhil)

- 2019 Best Bank in Digital Financial Inclusion Award – 2nd Runner-up

MAYBANK INDONESIA

Economic Review Magazine and IPMI International Business School Indonesia Finance Award II 2019

- The Best in Finance for Public Companies in the Banking Sector
- The Best of the Best in Finance for Public Companies in the Bank Industry (Maybank Indonesia)
- The Best Finance Director

HR Asia Awards 2019 (Indonesia)

- The HR Asia's Best Companies to Work for in Asia 2019

The 11th Institute of Corporate Directorship (IICD) Corporate Governance Conference and Award

- The Best Overall Big Cap

Indonesia Best Employer Branding Awards 2019

- Best Organisation with Innovative HR Practice

8th Infobank Sharia Awards 2019

- Golden Awards Sharia Business Unit 2019
- The Biggest Asset Contribution to Parent Asset 2019

Asia Sustainability Reporting Rating 2019

- Gold Rating

Indonesia Leaders Award 2019 in BUKU III Bank category

- The Best of The Best CEO Public Bank Company – Maybank Indonesia President Director, Taswin Zakaria

MAYBANK CAMBODIA

10th Annual Retail Banker International (RBI) Asia Trailblazer Awards

- Best Retail Bank – Cambodia
- Best CSR Initiative – Cambodia

International Finance Awards 2019

- Most Socially Responsible Bank

Global Banking & Finance Awards

- Best SME Bank Cambodia 2019

Sustainability

Global CSR Summit & Awards 2019

- Best Community Programme (Cashville Kidz) – Gold

Global Good Governance Awards 2019

- 3G Education & Literacy Programme (CashVille Kidz) – Winner

The Edge Billion Ringgit Club 2019

- Best CR Initiatives (Super Big Cap Companies – More than RM40b Market Capitalisation)

ANALYSIS OF SHAREHOLDINGS

as at 31 March 2020

Issued Share Capital	:	11,241,361,887
Class of Shares	:	Ordinary Share
Number of Shareholders	:	100,799
Voting Right	:	1 vote per Ordinary Share

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
Less than 100	6,230	6.18	209,006	0.00
100 to 1,000 shares	28,694	28.47	17,396,459	0.15
1,001 to 10,000 shares	49,013	48.62	177,067,132	1.58
10,001 to 100,000 shares	14,575	14.46	393,408,072	3.50
100,001 to less than 5% of issued shares	2,284	2.27	4,479,684,020	39.85
5% and above of issued shares	3	0.00	6,173,597,198	54.92
TOTAL	100,799	100.00	11,241,361,887	100.00

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name of Shareholders	Direct		Indirect	
		No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1.	AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM BUMIPUTERA	3,898,742,296	34.68	-	-
2.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD	1,541,029,191	13.71	-	-
3.	PERMODALAN NASIONAL BERHAD	871,867,476	7.76	-	-
4.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	529,895,821	4.71	43,184,920	0.38

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	Direct		Indirect	
		No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1.	Datuk Abdul Farid Alias	646,865	0.01	-	-
2.	Fauziah Hisham	14,790	0.00	-	-
3.	Dr Hasnita Dato' Hashim	8,000	0.00	-	-

TOP 30 SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
1.	AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM BUMIPUTERA	3,898,742,296	34.68
2.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD	1,402,987,426	12.48
3.	PERMODALAN NASIONAL BERHAD	871,867,476	7.76
4.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	527,339,121	4.69
5.	AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM MALAYSIA 2 - WAWASAN	287,713,976	2.56
6.	AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM MALAYSIA	191,074,811	1.70
7.	AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM MALAYSIA 3	118,539,707	1.05

Analysis of Shareholdings as at 31 March 2020

TOP 30 SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS (CONT'D.)

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
8.	HSBC NOMINEES (ASING) SDN BHD B/O: JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	108,064,268	0.96
9.	CARTABAN NOMINEES (ASING) SDN BHD B/O: EXEMPT AN FOR STATE B/O: STREET BANK & TRUST COMPANY (WEST CLT OD67)	102,339,863	0.91
10.	AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM BUMIPUTERA 2	101,621,235	0.90
11.	CARTABAN NOMINEES (ASING) SDN BHD B/O: GIC PRIVATE LIMITED FOR GOVERNMENT OF SINGAPORE (C)	96,264,004	0.86
12.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	90,247,843	0.80
13.	HSBC NOMINEES (ASING) SDN BHD B/O: JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	88,665,312	0.79
14.	CARTABAN NOMINEES (TEMPATAN) SDN BHD B/O: PAMB FOR PRULINK EQUITY FUND	86,114,084	0.77
15.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EXEMPT AN FOR AIA BHD.	84,827,458	0.75
16.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	53,711,205	0.48
17.	CITIGROUP NOMINEES (ASING) SDN BHD B/O: EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	41,684,746	0.37
18.	MAYBANK NOMINEES (TEMPATAN) SDN BHD B/O: MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N14011940100)	39,707,958	0.35
19.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	38,097,860	0.34
20.	UOB KAY HIAN NOMINEES (ASING) SDN BHD B/O: EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	35,371,500	0.31
21.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	26,634,366	0.24
22.	HSBC NOMINEES (ASING) SDN BHD B/O: JPMBL SA FOR ROBECO CAPITAL GROWTH FUNDS	26,401,272	0.24
23.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD B/O: BNYM SA/NV FOR PEOPLE'S BANK OF CHINA (SICL ASIA EM)	26,034,784	0.23
24.	HSBC NOMINEES (ASING) SDN BHD B/O: HSBC BK PLC FOR SAUDI ARABIAN MONETARY AUTHORITY	24,420,863	0.22
25.	CARTABAN NOMINEES (ASING) SDN BHD B/O: SSBT FUND SWV4 FOR CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	24,372,803	0.22
26.	CITIGROUP NOMINEES (ASING) SDN BHD B/O: EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 1)	24,144,651	0.22
27.	CITIGROUP NOMINEES (ASING) SDN BHD B/O: CBNY FOR NORGES BANK (FI 17)	21,873,871	0.19
28.	YONG SIEW YOON	21,654,796	0.19
29.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD B/O: STATE STREET LONDON FUND PYRD FOR GLOBAL BALANCED FUND (BMO INV)	21,124,278	0.19
30.	HSBC NOMINEES (ASING) SDN BHD B/O: JPMCB NA FOR BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A. INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	20,526,720	0.18
		8,502,170,553	75.63

CLASSIFICATION OF SHAREHOLDERS

as at 31 March 2020

Category	No. of Shareholders		No. of Shares Held		% of Issued Shares	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
INDIVIDUAL						
a. Bumiputera	3,109		29,485,563		0.26	
b. Chinese	69,468		542,671,353		4.83	
c. Indian	2,304		17,197,548		0.15	
d. Others	348	2,328	3,022,034	58,291,550	0.03	0.52
BODY CORPORATE						
a. Banks/Finance	69		6,147,381,780		54.69	
b. Investment/Trust	20		1,032,161		0.01	
c. Societies	11		148,440		0.00	
d. Industrial	1,024	46	165,824,259	3,226,083	1.47	0.03
GOVERNMENT AGENCIES/INSTITUTION	9		17,913,122		0.16	
NOMINEES	19,341	2,719	2,325,194,897	1,929,767,903	20.68	17.17
OTHERS	3		205,194		0.00	
TOTAL	95,706	5,093	9,250,076,351	1,991,285,536	82.28	17.72

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
31-11-1985	68,249	Conversion of Unsecured Notes	270,068,249
15-11-1986	9,199,999	Issued in exchange for purchase of Kota Discount Berhad (Now known as Mayban Discount Berhad)	279,268,248
01-12-1986	10,550	Conversion of Unsecured Notes	279,278,798
29-07-1987 to 20-10-1987	90,000	Exercise of Employees' Share Option Scheme	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

Changes in Issued Shares

ISSUED SHARES (CONT'D.)

Details of changes in the Bank's issued shares since its incorporation are as follows: (Cont'd.)

Date of Allotment	No. of Ordinary Shares Allotted	Consideration	Resultant Total Issued Shares (No. of Shares)
27-02-2008 to 30-10-2008	859,625	Exercise of Employees' Share Option Scheme	4,881,147,151
27-04-2009	2,196,516,217	Rights Issue (9:20) at RM2.74 per share	7,077,663,368
29-07-2009 to 26-08-2009	319,400	Exercise of Employees' Share Option Scheme	7,077,982,768
20-12-2010	244,257,623	Dividend Reinvestment Plan at RM7.70 per share	7,322,240,391
12-05-2011	155,965,676	Dividend Reinvestment Plan at RM7.70 per share	7,478,206,067
05-07-2011 to 09-12-2011	10,000	Exercise of Employees' Share Scheme	7,478,216,067
28-12-2011	161,221,416	Dividend Reinvestment Plan at RM7.30 per share	7,639,437,483
10-01-2012 to 26-01-2012	3,600	Exercise of Employees' Share Scheme	7,639,441,083
26-03-2012 to 09-05-2012	8,100	Exercise of Employees' Share Scheme	7,639,449,183
04-06-2012	202,854,119	Dividend Reinvestment Plan at RM8.00 per share	7,842,303,302
28-06-2012 to 08-10-2012	12,233,400	Exercise of Employees' Share Scheme	7,854,536,702
11-10-2012	412,000,000	Private Placement	8,266,536,702
16-10-2012 to 22-10-2012	52,400	Exercise of Employees' Share Scheme	8,266,589,102
25-10-2012	173,144,233	Dividend Reinvestment Plan at RM8.40 per share	8,439,733,335
30-10-2012 to 28-05-2013	38,147,500	Exercise of Employees' Share Scheme	8,477,880,835
29-05-2013	201,462,948	Dividend Reinvestment Plan at RM8.80 per share	8,679,343,783
29-05-2013 to 24-10-2013	47,955,100	Exercise of Employees' Share Scheme	8,727,298,883
25-10-2013	130,326,898	Dividend Reinvestment Plan at RM9.20 per share	8,857,625,781
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

PROPERTIES OWNED BY MAYBANK GROUP

Area	No of Properties		Land Area (sq. m.)	Book Value as at 31.12.2019 RM'000
	Freehold	Leasehold		
Maybank				
Kuala Lumpur	14	15	46,547.09	177,786
Johor Darul Takzim	31	11	18,786.42	60,415
Kedah Darul Aman	10	4	4,999.26	6,090
Kelantan Darul Naim	1	6	1,993.00	4,075
Melaka	-	4	2,763.00	2,856
Negeri Sembilan Darul Khusus	8	7	21,350.92	6,684
Pahang Darul Makmur	10	14	12,467.00	9,839
Perak Darul Ridzuan	13	12	10,559.85	13,569
Perlis Indera Kayangan	1	3	1,475.00	983
Pulau Pinang	22	3	13,211.52	19,118
Sabah	-	18	15,058.18	23,811
Sarawak	9	31	9,182.04	30,455
Selangor Darul Ehsan	23	17	103,309.64	112,306
Terengganu Darul Iman	6	2	4,329.00	3,620
Hong Kong	-	2	193.00	HKD731
London	-	6	1,017.00	£3,938
Singapore	9	12	20,218.70	SGD81,458
Aurea Lakra Holdings Sdn Bhd (Formerly known as Mayban P.B. Holdings Sdn Bhd)				
Johor Darul Takzim	2	1	1,330.00	1,427
Pahang Darul Makmur	1	2	595.41	755
Perak Darul Ridzuan	1	1	857.74	2,081
Pulau Pinang	1	-	445.93	579
Sabah	-	1	257.62	953
Sarawak	-	1	314.00	720
Selangor Darul Ehsan	2	1	1,269.13	2,416
Maybank International (L) Ltd				
W.P. Labuan	-	3	901.37	USD157
Etiqua				
Kuala Lumpur	2	4	24,258.47	1,194,000
Johor Darul Takzim	1	-	286.00	3,000
Kedah Darul Aman	2	1	1,127.97	2,420
Melaka	-	1	452.00	4,350
Negeri Sembilan Darul Khusus	3	1	1,659.64	3,095
Pahang Darul Makmur	2	1	18,334.57	2,615
Sabah	-	1	222.22	3,700
Selangor Darul Ehsan	1	-	510.49	6,000
Maybank Kim Eng Properties				
Singapore	-	2	1,609.50	SGD99,017
USA	1	-	299.33	USD4,859
PT Bank Maybank Indonesia Tbk				
Indonesia	190	-	118,842.20	IDR2,473,515,711

LIST OF TOP 10 PROPERTIES OWNED BY MAYBANK GROUP

Location	Description	Current Use	Tenure	Remaining Lease Period (Expiry Date)	Age of Building	Land Area (sq.m.)	Year of Acquisition	Net Book Value RM'000
Etiqa Twins No.11 Jalan Pinang Kuala Lumpur	28-storey Twin Office Buildings	Office & Rented out	Freehold	-	24 years	6,612.00	1994	350,000
Menara Etiqa No 3, Jalan Bangsar Utama 1 off Jalan Bangsar 59000 Kuala Lumpur	38-storey Office Building	Office & Rented out	Leasehold 99 years	87 years (expiring 27.11.2106)	1 year	4,636.00	1997	350,000
Dataran Maybank No.1 Jalan Maarof Bangsar	2 Blocks of 20 storey and a block 22 storey Office Buildings	Office & Rented out	Leasehold 99 years	66 years (expiring 3.12.2085)	18 years	9,918.00	2000	313,915
50 North Canal Road Singapore	Office Building	Office	Leasehold	87 years (expiring 2106)	8 years	1,283.30	2007	SGD80,474
Maybank Tower 2 Battery Road Singapore	32-storey Office Building	Office	Leasehold 999 years	806 years (expiring 2825)	17 years	1,135.70	1962	SGD55,586
Lot 153, Section 44 Jalan Ampang Kuala Lumpur	Commercial Land	Open carpark	Freehold	-	-	3,829.00	2008	133,000
Menara Maybank 100, Jalan Tun Perak Kuala Lumpur	58-storey Office Building	Head office & Rented out	Freehold	-	31 years	31,748.00	1978	91,883
Akademi Etiqa 23, Jalan Melaka Kuala Lumpur	25-storey Office Building	Office & Rented out	Leasehold 99 years	46 years (expiring 2065)	23 years	1,960.47	1994	76,000
48 North Canal Road Singapore	Office Building	Office	Leasehold	92 years (expiring 2111)	7 years	326.20	2012	SGD18,544
Jl. Pemuda No.150 Semarang	3-storey Office Building	Branch & Regional Jawa Tengah	Freehold	-	29 years	2,675.00	1990	IDR116,086,565

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK MOHAIYANI SHAMSUDIN

Non-Independent Non-Executive Director (Chairman)

DATUK ABDUL FARID ALIAS *FCB*

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

DATUK R. KARUNAKARAN

Senior Independent Non-Executive Director

CHENG KEE CHECK

Non-Independent Non-Executive Director

EDWIN GERUNGAN

Independent Non-Executive Director

DR. HASNITA DATO' HASHIM

Independent Non-Executive Director

ANTHONY BRENT ELAM

Independent Non-Executive Director

CHE ZAKIAH CHE DIN

Independent Non-Executive Director

FAUZIAH HISHAM

Independent Non-Executive Director

SHARIFFUDDIN KHALID

Independent Non-Executive Director

DATO' IDRIS KECHOT

Independent Non-Executive Director

DATO' ZULKIFLEE ABBAS ABDUL HAMID

Independent Non-Executive Director

COMPANY SECRETARIES

WAN MARZIMIN WAN MUHAMMAD

(LS0009924)

FARIZ ABDUL AZIZ

(LS0007997)

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(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)

: 1300-88-8899 (Local)
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Fax : 603-2783 9222
Email : is.enquiry@my.tricorglobal.com

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

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Ernst & Young PLT (AF:0039)

Chartered Accountants
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FINANCIAL YEAR END

31 December

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**Malayan Banking Berhad
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**Malayan Banking Berhad
Ho Chi Minh City Branch**

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84-2-8-3821 9919 / 9917

**Malayan Banking Berhad
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84-2-4-3934 5041 / 5042

Malayan Banking Berhad**Maybank Vientiane Lao PDR Branch**

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Hatsady Village, Chantabouly District
PO Box 1663 Vientiane, Lao PDR
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**Malayan Banking Berhad
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**Malayan Banking Berhad
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**Malayan Banking Berhad
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Malayan Banking Berhad**Bandar Seri Begawan Branch**

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Fax : (855)-23-210 099
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Maybank Islamic Berhad (Dubai-DIFC Branch)

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Fax : (6)03-2297 3800
Website : www.etiqa.com.my
Email : info@etiqa.com.my

Etiqua General Insurance Berhad

Etiqua Family Takaful Berhad

Etiqua Life Insurance Berhad

Etiqua General Takaful Berhad

Level 19, Tower C
Dataran Maybank
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Tel : (6)03-2297 3888
Fax : (6)03-2297 3800
Website : www.etiqa.com.my
Email : info@etiqa.com.my

Etiqua Life International (L) Ltd

Etiqua Offshore Insurance (L) Ltd

Brumby Centre, Lot 42
Jalan Muhibbah
87000 Labuan F.T.
Tel : (6)087-582 588 / (6)087-417 672
Fax : (6)087-583 588 / (6)087-452 333
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Email : info@etiqa.com.my

Etiqua Insurance Pte. Ltd.

One Raffles Quay
#22-01 North Tower
Singapore 048583
Tel : (65)6336 0477
Website : www.etiqa.com.sg
Email : customer.service@etiqa.com.sg

Group Directory

ASSET MANAGEMENT

Maybank Asset Management Group Berhad

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Maybank Islamic Asset Management Sdn Bhd

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Maybank Private Equity Sdn Bhd

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Maybank Asset Management Singapore Pte Ltd

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Fax : +65 6339 1003
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Sentral Senayan 3, Mezzanine Floor
Jl. Asia Afrika No. 8, Gelora Bung Karno Jakarta
Jakarta 10270, Indonesia
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Fax : (62) 21 8065 7702
Website : www.maybank-am.co.id

Amanah Mutua Berhad

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59000 Kuala Lumpur
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MAM DP Ltd

Unit Level 13 (A), Main Office Tower
Financial Park Labuan, Jalan Merdeka
87000 Federal Territory of Labuan
Tel : 60 87 451688
Fax : 60 87 453688

Singapore Unit Trusts Limited

50 North Canal Road
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OTHERS

Maybank Trustees Berhad

8th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Tel : (6)03-2078 8363
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Website : www.maybank.com
Email : securitiesservices@maybank.com.my

Maybank (Nominees) Sendirian Berhad

Maybank Nominees (Tempatan) Sdn Bhd
Maybank Nominees (Asing) Sdn Bhd
8th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Tel : (6)03-2070 8833 / (6)03-2074 8158
Fax : (6)03-2070 0966
Email : maybanknominees@maybank.com

Maybank Securities Nominees (Tempatan) Sdn. Bhd.

Maybank Securities Nominees (Asing) Sdn. Bhd.
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50050 Kuala Lumpur
Tel : (6)03-2070 8833
Fax : (6)03-2032 1572

FINANCIAL CALENDAR

2019

26 February

Announcement of audited results of Maybank and the Group and announcement of the final dividend of 32 sen per ordinary share consisting of cash portion of 15 sen and an electable portion of 17 sen per ordinary share which can be elected to be reinvested into new ordinary shares in accordance with the Dividend Reinvestment Plan in respect of the financial year ended 31 December 2018

13 March

Notice of the 59th Annual General Meeting and issuance of annual report for the financial year ended 31 December 2018

11 April

59th Annual General Meeting

- All resolutions tabled at the meeting were duly passed
- Abridged minutes of meetings are available on Maybank Group's corporate website www.maybank.com

8 May

Book closure for determining the entitlement of final dividend in respect of the financial year ended 31 December 2018

19 September

Book closure for determining the entitlement of interim dividend in respect of the financial year ended 31 December 2019

29 August

Announcement of unaudited results of Maybank and the Group for the second quarter of the financial year ended 31 December 2019 and announcement of the interim dividend of 25 sen per ordinary share in respect of the financial year ended 31 December 2019

7 June

Payment of final dividend in respect of the financial year ended 31 December 2018

30 May

Announcement of unaudited results of Maybank and the Group for the first quarter of the financial year ended 31 December 2019

2020

2 October

Payment of interim dividend in respect of the financial year ended 31 December 2019

28 November

Announcement of unaudited results of Maybank and the Group for the third quarter of the financial year ended 31 December 2019

27 February

Announcement of audited results of Maybank and the Group and announcement of the final dividend of 39 sen per ordinary share in respect of the financial year ended 31 December 2019

27 March

Announcement of the reclassification of Final Cash Dividend of 39 sen per ordinary share in respect of the financial year ended 31 December 2019 (FY2019) to Second Interim Cash Dividend for FY2019

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This annual report is printed on environmentally friendly paper.

Humanising Financial Services.



Maybank