

Leading Asia



ANNUAL REPORT 2020



Together with you

Over
4,400 SMEs
digitised through
Sama-Sama Lokal

Over
RM20 million
donated to support
COVID-19-related initiatives

RM23 billion
of consumer loans remain
under relief measures
across the Group



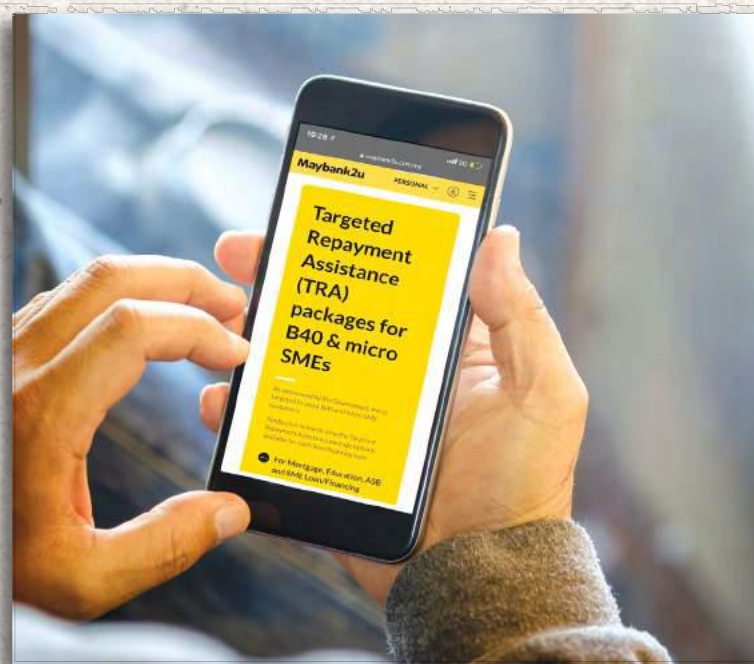
Together with you

Nobody wishes for hard times. But when the going gets tough, there is one definite silver lining. You get to find out who your true friends are – people who know you, and you can count on for support. 2020 was one such year. Because of the COVID-19 pandemic, the economy took a dive. Businesses closed down. Many were set back financially, not to mention emotionally.

Amid the shadow of the pandemic, however, Maybank was there for you. We made it our business to understand what you were going through and to help you in any way we could. Not only did we offer the automatic moratorium on loans, we did away with compound interests for certain products, and when the six-month period came to an end, we sat down with you to work out the best repayment schedule to suit your needs.

Seeing how so many small businesses were suffering, our people came up with a livelihood-saving digital solution – *Sama-Sama Lokal*. *Through this online platform, we connected farmers, fishermen, hawkers and other merchants with buyers, sustaining their income despite the loss of physical presence. The faces of some of the small business owners we've helped are reflected on the cover page of our annual report this year.* Even when movement restrictions were lifted, these merchants continued to stay on the platform, because it was so effective.

We also gave to national efforts to combat the virus. Because we care. Because that's what our mission of Humanising Financial Services is about. Now, as we enter a new year, uncertainties still abound. But one thing is for sure, Maybank will continue to be your friend in need. Together with you, we will work to get through the pandemic and start rebuilding a better future.



1974

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

1976

First to introduce mobile bus banking as part of our mission to provide financial services to rural communities. We were also the only bank to have branches in 18 rural locations.

2010

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

2014

Sealed a new Portfolio Guarantee agreement with Credit Guarantee Corporation Malaysia Berhad, the first of its kind in the country to enhance access to financing for small and medium enterprises.

2015

First bank in Malaysia to initiate micro financing programmes for People With Disabilities.

2016

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



2011

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

2013

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

2014

Ranked as one of the Top 3 companies in Malaysia and Top 100 companies in Asia for sustainability performance by Channel NewsAsia.

2017

Launched Maybank2u Pay, a payment gateway enabling e-commerce businesses, particularly SMEs, to apply online and obtain payment capabilities and approvals for their e-commerce sites within 24 hours.

2019

Launched Maybank Tap2Phone, the first payment solution in Southeast Asia that enables small businesses, delivery and sales agents to accept card payments from customers using an app, without the need for a point-of-sale terminal.

2020

Established Sama-Sama Lokal, an online platform on Maybank2u, to help local hawkers and small grocers source for business at no cost amid reduced footfall due to COVID-19.

About Our Reports

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

CORPORATE BOOK



Provides a comprehensive overview of the Group's performance in 2020 and our outlook for 2021.

Guided by:

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

FINANCIAL BOOK



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

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

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



Maybank Group's Annual Report is available for download at www.maybank.com/ar

BOARD'S RESPONSIBILITY STATEMENT

The Group's 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 25 February 2021.

ICONS USED IN THIS REPORT

Five capitals that we use to create value are:



Financial Capital



Human Capital



Intellectual Capital



Social & Relationship Capital



Manufactured Capital

Our identified stakeholders are:



Customers



Communities



Investors



Employees



Regulators

Our identified material matters are:



Governance



Society



Environment



Products and Services



Employees

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

Inside This Report

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ANNUAL GENERAL MEETING

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

 Thursday, 15th April 2021

 10.00 a.m.

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Who We Are & What We Do

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

OUR VALUES...

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

Our TIGER Core 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 **42,000** Maybankers

who serve the mission, empowered by our

TIGER Core 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

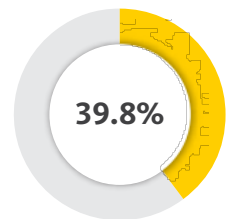
For:

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.

Share of Group's FY2020 PBT



Group Global Banking

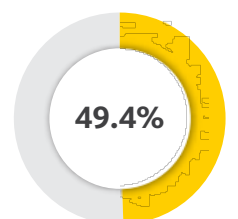
For:

Large corporates and institutions.

Offers:

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

Share of Group's FY2020 PBT



Group Insurance & Takaful

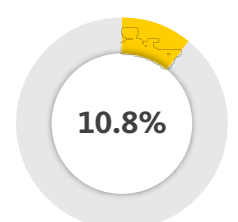
For:

Individuals and corporates.

Offers:

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

Share of Group's FY2020 PBT



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

Group Corporate Functions

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

For more details about our business pillars and Islamic franchise, refer to pages 51, 53, 55 and 57.

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

HELP DELIVER VALUE ACROSS ASEAN...

Staying true to our purpose of Humanising Financial Services, we took the lead in supporting our stakeholders navigate this extraordinary year overshadowed by the global pandemic. In our commitment to stand by them through good times and tough times, we pioneered initiatives to help them survive, thrive and rise above the challenges.

RM7.6 billion

new retail SME financing disbursed across the region in FY2020.

RM23 billion

of the Group's retail loans remain under relief measures as at year-end, from the initial RM165 billion moratorium and relief measures extended throughout 2020.

Over 4,400

SMEs digitised through Sama-Sama Lokal, generating sales of over RM2 million at no cost to them.

Over RM20 million

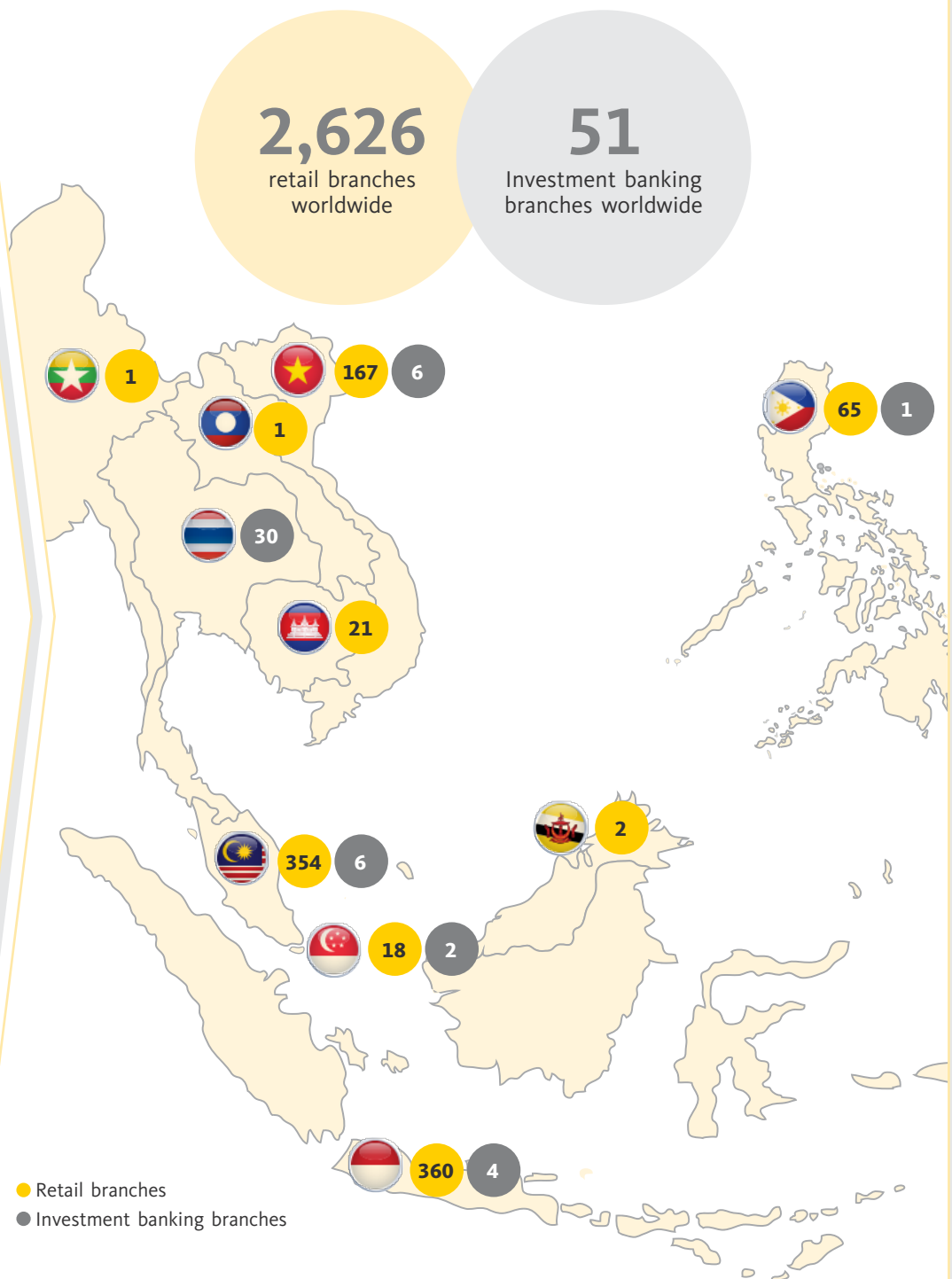
donated to MERCY Malaysia's and Ministry of Health's COVID-19 initiatives.

Over RM3 million

raised from crowdfunding to assist vulnerable communities and support COVID-19 initiatives.

AND BEYOND.

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



* The non-ASEAN countries are Greater China, India, Pakistan, Saudi Arabia, UAE, UK, USA and Uzbekistan.
 For more details about our global network, refer to Strategic Business Units on page 8, and www.maybank.com/en/worldwide/all-countries.page?

Robust capital and liquidity strength

- With raised macroeconomic uncertainty due to the impact of the pandemic, we continued to prioritise capital and liquidity preservation.
- We were able to rely on our prudent and conservative stance from past years to remain comfortable in continuing to reward our shareholders, especially in this current environment.

18.683% & 142.0% **91.2%**
 Total Capital Ratio & Liquidity Coverage Ratio Dividend Payout Ratio

Proven track record of resilience in ASEAN

- Our 60-year history is testament to our strength in growing together with emerging ASEAN economies, towards becoming a regional leader.
- Our established presence across all of ASEAN means we are best placed to serve a growing and emerging marketplace ripe for expansion.

989
retail
branches
 in ASEAN

Rooted in
ASEAN
 60 years of resilience
 and market expertise

Investment Case

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

Market leading digital innovator

- We rely on internal competencies and understanding of the market to develop digital solutions that enhance customer experience, with most being market firsts.
- Our digital focus now looks beyond customer-facing solutions, with added emphasis on data analytics and machine learning to derive value from our capabilities.

1st
 digital SME financing
 powered by artificial
 intelligence

1st
 Shariah-compliant
 e-wallet

Good governance at our core

- Robust independence within the Board of Directors, encompassing diversity in age, gender, cultural background, as well as skills and experience.
- Upholding an effective risk management system to safeguard our assets and stakeholder interests.

75%
 Independent
 Directors

Multiple
winner
 at MSWG-ASEAN Corporate
 Governance 2019 Awards

Highlights of 2020



Supporting sustainable solutions

The Board endorsed the Group's No Deforestation, No Peat and No Exploitation stance. On BNM's Value-Based Intermediation, Etiqa was among the first in the insurance & Takaful industry to kick-start the programme while Maybank Islamic led BNM's Working Group to develop a Guidance Document on palm oil. We also executed Malaysia's first-of-its-kind syndicated multi-currency Shariah-compliant sustainability-linked financing facility, won the bid to finance solar power plants across Malaysia, and launched our first sustainable equity fund.

① Group Global Banking on page 53, Group Insurance & Takaful on page 56, Group Islamic Banking on page 57 and Sustainability Review on pages 100 & 103.

Caring in the time of COVID-19



We offered our customers various financial relief and support schemes while contributing to numerous efforts on the ground to contain the pandemic, including a total Group donation of over RM20 million to MERCY Malaysia and the Ministry of Health.

① Key Messages to Shareholders on pages 11 & 14, Addressing COVID-19 on pages 18 & 19 and Sustainability Review on pages 101-104.



Capital resiliency

Maybank continues to be one of the strongest capitalised financial services groups in the region with a Group CET1 Capital Ratio of 15.313% and Group Total Capital Ratio of 18.683%.

① Reflections from Our Group Chief Financial Officer on page 42.



Unwavering support for SMEs

We assisted more than 4,400 small businesses affected by the pandemic, onboarding them onto our Sama-Sama Lokal online platform. We also unveiled the first end-to-end digital financing for SMEs in Malaysia and enabled business account opening within minutes online.

① Group Community Financial Services on page 51 and Sustainability Review on page 102.

Total dividend of 52.0 sen per share

Not even the pandemic was able to dampen our dividends. Our payout ratio of 91.2% was once again above our dividend payout policy rate of 40% to 60%.

① Reflections from Our Group Chief Financial Officer on page 43.



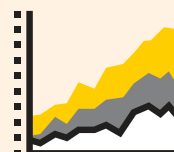
Net Profit*

RM6.48 billion



Return on Equity

8.1%



Earnings per Share

57.7 sen



CET1 Capital Ratio

15.313%

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

Strategic Business Units

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

ISLAMIC BANKING

Maybank Group Islamic Banking (MGIB) is the largest Islamic banking group by assets in ASEAN. This position is supported by our Islamic-first approach where Shariah-compliant products and services are standard offerings. MGIB operates by leveraging the Group's system, IT infrastructure and distribution network of 354 Maybank touchpoints in Malaysia, and has a presence in Indonesia, Singapore, Hong Kong, the United Kingdom (UK) and the United Arab Emirates (UAE).

INSURANCE & TAKAFUL

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

INVESTMENT BANKING

Maybank Kim Eng Group (MKE), comprising Maybank Investment Bank Berhad and Maybank Kim Eng Holdings Limited, operates in Malaysia, Singapore, Thailand, the Philippines, Indonesia, Vietnam, Hong Kong, India, the UK and the United States of America via 51 investment banking branches and 107 other touchpoints. MKE offers a complete range of investment banking products and solutions to various retail, mid-market, corporate and institutional segments, supported by on-ground, ASEAN-wide company, sector, country and macro research.

ASSET MANAGEMENT

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

INTERNATIONAL OPERATIONS

MAYBANK SINGAPORE

Maybank Singapore Limited (MSL), our Singapore-incorporated subsidiary, is recognised as a domestic systemically important bank (D-SIB) with Qualifying Full Bank (QFB) privileges. MSL operates the retail and commercial businesses in 28 service locations and has access to over 200 ATMs across the country as part of atm⁵, Singapore's only shared ATM network among six participating QFBs. Meanwhile, Maybank's Singapore Branch operates the corporate and institutional businesses in nine branch locations. Maybank Singapore contributed 6.7% and 24.1% to the Group's profit before tax and gross loans* respectively in FY2020.

MAYBANK INDONESIA (PT BANK MAYBANK INDONESIA TBK)

Maybank Indonesia is one of the largest commercial banks in Indonesia by assets and is listed on the Indonesia Stock Exchange (Ticker: BNII). It offers retail, non-retail and global banking products and services through its network of 361 branches (which includes 16 Shariah branches and one overseas branch in Mumbai) as well as 1,428 ATMs including Cash Deposit Machines. Maybank Indonesia contributed 7.7% and 5.9% to the Group's profit before tax and gross loans* respectively in FY2020.

MAYBANK GREATER CHINA

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

MAYBANK PHILIPPINES INCORPORATED (MPI)

MPI is a full-fledged commercial bank established in 1997 serving retail and corporate clients through its 65 branches across the Philippines.

MAYBANK CAMBODIA PLC (MCP)

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

MAYBANK VIETNAM

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

MAYBANK MYANMAR

Maybank Myanmar, established in 2015, is the first Malaysian bank to be granted a foreign banking license by the Central Bank of Myanmar. It offers wholesale banking services primarily to ASEAN corporates.

MAYBANK LAOS

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

MAYBANK BRUNEI

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


MAYBANK NEW YORK

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

MAYBANK LONDON

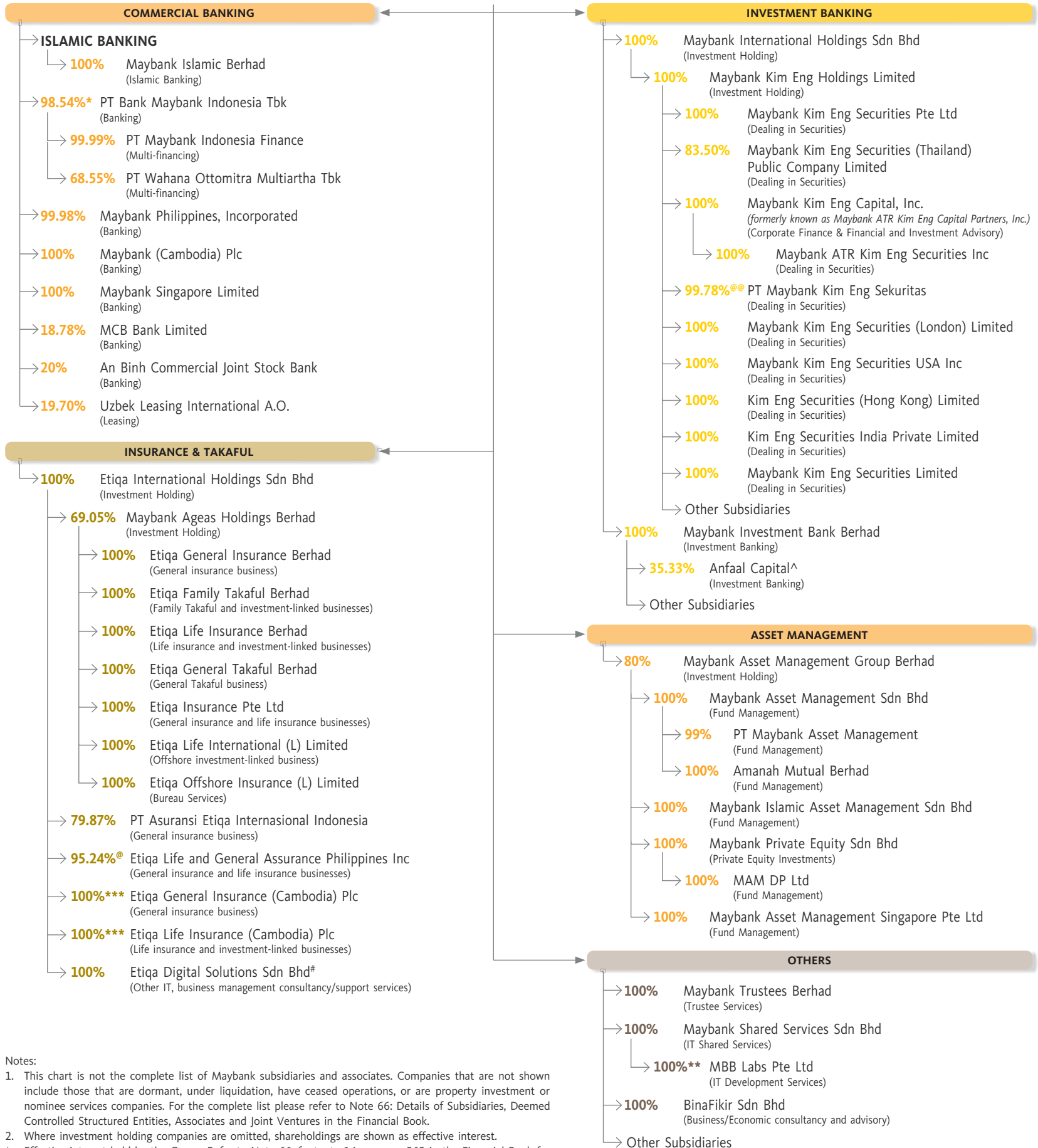
Established in 1962, Maybank London offers wholesale banking services primarily to our regional ASEAN corporate clients and financial institutions. It also provides Shariah-compliant products to both corporate and HNW retail clients.

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

 For more details about our Strategic Business Units, refer to <https://www.maybank.com/en/worldwide/all-countries.page?>

Group Corporate Structure

as at 31 December 2020



Notes:

- This chart is not the complete list of Maybank subsidiaries and associates. Companies that are not shown include those that are dormant, under liquidation, have ceased operations, or are property investment or nominee services companies. For the complete list please refer to Note 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, on page 262 in the Financial Book for the details.
- ** 0.01% is held by Dourado Tora Holdings Sdn Bhd.
- *** 99.998% is held by Etiqa International Holdings Sdn Bhd.
- [^] Joint Venture.
- [#] New subsidiary incorporated in Malaysia. Refer to Note 18(i), page 93 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 Kim Eng Capital, 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



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
TAN SRI DATO' SRI ZAMZAMZAIRANI MOHD ISA

Maybank's new five-year strategy (M25) defines **sustainability** as one of the three strategic priorities

Dividend yield of
6.1%

Earnings per Share
57.7 sen

9 out of 12
Directors are independent



I feel privileged to be presenting this message as Chairman of Maybank, a position to which I was elected effective 2 November 2020. As I step into the role filled by former Chairman Datuk Mohaiyani Shamsudin, I would like to express the Maybank Group Board of Directors (Board)'s deepest gratitude and appreciation to Datuk Mohaiyani for her commitment and dedication in guiding the organisation over the last 3.5 years, as well as her overall nine-year tenure on the Board.

Over its 60-year history, Maybank has proven its resilience by overcoming various economic and financial crises to become a bank that is practically synonymous with Malaysia. Established just a few years after the nation's independence, it grew along with the country by providing financial services to create and protect the wealth of Malaysians. As the organisation increased its footprint, this role expanded to include people of all backgrounds and walks of life in ASEAN.

Focusing on the needs of the common man, Maybank very quickly became known as “the kopitiam bank” because most of its branches were located next to such coffee shops. Over the years, it has strengthened its ethos of service – by truly listening not just to customers but also the community – in order to

meet their needs. This, which Maybank defines as its mission of Humanising Financial Services, is something that sets it apart. And was something that was very evident in the tumultuous year that was 2020.

Maybank, together with a handful of other leading banks, was instrumental in putting into motion the loan moratorium which brought immense relief to millions of Malaysians impacted by the COVID-19 pandemic. Over and above the provision of repayment assistance, the Bank also contributed significantly towards various efforts to provide relief to frontliners, medical personnel and marginalised communities. In the immediate aftermath of the lockdown, we channelled funds directly to MERCY Malaysia's COVID-19 Strategic Preparedness and Response Plan

which included the purchase of personal protection equipment (PPE) such as disposable gloves. This was followed by a second contribution through a donation made via the Association of Banks in Malaysia. Separately, our insurance arm Etiqa donated ventilators and test kits to MERCY Malaysia as well as to the Ministry of Health. Meanwhile, campaigns through our crowdfunding platform, MaybankHeart, raised a total of more than RM2 million which was channelled to MERCY Malaysia as well as directly to the marginalised and underprivileged.

As a corporate entity, we have a responsibility to our shareholders to generate sustainable profits. However, equally important to us as a bank that cares is ensuring the survivability and sustainability of those we serve.

Key Messages to Shareholders

Weaving For A Cause

Our humanitarian arm, Maybank Foundation, has launched various initiatives to empower marginalised communities in the different countries where we operate. One of its flagship programmes is Maybank Women Eco-Weavers, under which women are trained to produce traditional textiles in order to gain financial independence.

When the shortage of face masks became apparent following the imposition of SOPs across the region resulting in price increases, 250 of our weavers in Cambodia pledged to produce handwoven masks that people could afford and re-use. Together, they produced more than 75,000 masks as at year end, greatly helping to fill the supply gap.

As our Maybank Foundation CEO remarked, it is wonderful to see how we have not only supported the livelihood of women through our programme, but also empowered these women to be able to contribute in a meaningful way to “fighting the biggest threat the world is facing”.

VALUE CREATION DESPITE THE PANDEMIC

COVID-19 has forced social and movement restrictions, crippling businesses globally. While battling to protect lives, governments have instituted fiscal and monetary policies, including lowered interest rates, to keep economies afloat.

Despite net interest margin compression, modification losses arising from the loan/financing moratorium in Malaysia and slower business activity amid economic contraction, Maybank has performed commendably. We achieved a net profit of RM6.48 billion, based on which the Board will be proposing a final single-tier dividend of 38.5 sen per share amounting to a net dividend payable of RM4.39 billion. The final dividend consists of a cash portion of 17.5 sen and an electable portion of 21.0 sen per share. The final dividend is in addition to a fully-electable interim dividend of 13.5 sen per share for the nine-month period ending 30 September 2020, made under the Bank’s Dividend Reinvestment Plan (DRP).

Maintaining our dividend policy in a year that has been as challenging as 2020 reflects our commitment to rewarding our shareholders, while our ability to do so underlines our prudent risk management culture. We adhere to stringent risk management protocols in order to assure our ability to create shareholder value.

60 YEARS OF STRATEGIC & SUSTAINABLE DIRECTION

The resilience so clearly demonstrated by Maybank in 2020 is the result of sound policies and strategies that have focused increasingly on supporting the sustainability of our stakeholders. Sustainability at Maybank is based on the incorporation of Environmental, Social and Governance (ESG) principles into key decisions. The year 2020 marked a milestone in this regard as it saw ESG be given added emphasis, along with customer experience and digitalisation, in our new five-year strategy termed M25. This evolution of ESG comes on the heels of the conclusion of our last five-year 20/20 Sustainability Plan which was premised on three pillars – community and citizenship, our people, and access

to products and services – resulting in various successes through community impact initiatives, digital services adoption and workforce development milestones.

With sustainability defined as one of the three strategic priorities under M25, it will be enhanced and expanded considerably from the previous sustainability plan. Areas of development include our transition to a more sustainable economy through adequate management of ESG risks and delivery of sustainable financial services, financial inclusion, community empowerment as well as strengthening governance and management of our environmental and social impacts across our value chain, among others.

This is reflected Group-wide, including in our Islamic banking operations, where we have taken an active role in the industry to help champion the move towards sustainable practises. For instance, Maybank Islamic contributes actively to Bank Negara Malaysia (BNM)’s Value-Based Intermediation Financing and Investment Impact Assessment Framework, and as part of an industry working group, led the development of an impact-based assessment for the palm oil sector in 2020.

At the same time, as a member of the Joint Committee on Climate Change, established by BNM and the Securities Commission (SC), we are contributing towards the formulation of guidelines to build resilience against climate and environmental-related events. These ongoing initiatives are indicative of the value placed by Maybank, and the Board, on efforts to mitigate climate change.

Our next five-year journey will continue to centre on our mission of Humanising Financial Services and see us placing our customers and the community foremost in everything we do. This is not just ethical; it also makes business sense. Customers today are different from what they were a decade ago. They are more knowledgeable, empowered and discerning. As the number of financial service providers increases, they can pick and choose either banks or FinTechs that most closely reflect their needs and values while giving them the best customer experience. In this respect, Maybank has embraced technological changes by incorporating machine learning for effective credit-decision making

and enhanced analytics for more personalised customer engagement. Maybank will strive continuously to meet the technical, social and environmental expectations associated with a leading financial institution.

FOCUS ON GOOD GOVERNANCE

Ultimately, our financial and ESG performance rests on good governance. To ensure the best governance practices, we continuously review and update our policies. In 2020, we strengthened our Anti-Bribery and Corruption Policy to address corporate liability issues as required by Section 17A of the Malaysian Anti-Corruption Commission Act. We also made significant progress in reinforcing our Anti-Money Laundering and Countering Financing of Terrorism capabilities through system enhancements, new processes and awareness programmes. Complying with regulator SC’s directive, we held our 60th Annual General Meeting virtually, respecting the safety and well-being of our shareholders.

Our commitment to good governance is reflected in the diversity of age and experience of our Board. Further strengthening our Board composition, no less than nine out of 12 Directors are independent, far exceeding Bursa Malaysia’s guidelines, while three of our Directors are women. We are working towards meeting the recommendation of having a minimum of 30% female representation.

We also continued to safeguard the well-being of our people during the recent pandemic and remain focused on building capabilities and developing capacity for the new normal through learning and development programmes. On top of our previously introduced Flexible Work Arrangement policy, identified Maybank employees can now opt to work remotely under the Mobile Work Arrangement policy introduced in 2020. The upskilling of our people remains a key priority as seen by the development of a customised online analytics programme with a world-renowned business school and the continuation of our digital marketing programme to generate new sales and deepen relationships with customers.

ACKNOWLEDGEMENTS

The year 2020 marked Maybank’s 60th anniversary, a veritable landmark which, unfortunately, was eclipsed by efforts to manage our and our stakeholders’ well-being. It would be remiss, however, not to acknowledge this momentous event, and I would like to take this opportunity to thank our stakeholders – the governments and regulatory bodies of the countries where we operate, our network of partners, our shareholders and employees, as well as our customers – for your continued support which has been invaluable to the many successes we have enjoyed to date.

We also extend our heartfelt gratitude to all frontliners, be it ours as well as those across the various sectors, who selflessly put themselves and their families at risk through their vocation. We owe a debt to those who protect and serve this nation so that we may continue to lead our lives.

Key Messages To Shareholders

FROM GROUP PRESIDENT & CEO
DATUK ABDUL FARID ALIAS

Pre-provisioning operating profit of
RM13.52 billion

Return on equity of
8.1%

Total dividend of
52.0 sen
per share

Total capital ratio of
18.683%



Our two topmost priorities during this pandemic have been to safeguard the well-being of our employees and customers.



As I write this message to you, countries around the world have commenced an ambitious programme to vaccinate their people with the intention of providing immunity against the severe acute respiratory syndrome coronavirus 2, also known as COVID-19. Thus far, countries have prescribed to at least one of the 11 authorised vaccines as part of their public immunisation plans.

This is indeed a welcome turn of events, after having gone through the last 12 months which saw almost 116 million people infected and more than 2.5 million individuals lose their battle to this deadly virus. Most of the global stock indices have rebounded, and some including the Dow Jones Industrial Average and S&P 500 Index are already near their historical highs, signifying returning investor confidence and optimism in global recovery. However, the progress of vaccination (and the consequential recovery of public health and the economy) is slow, and uneven in differing parts of the world. We are hopeful, but must continue to remain vigilant for a smooth transition into a sustainable recovery.

When the pandemic first reared its ugly head right around the time of my previous statement, I expressed Maybank's unwavering commitment in doing its part to help its customers and the communities, in which we are a part of, to overcome this difficult duration.

True to our mission of Humanising Financial Services, we worked through various initiatives to ensure that the interest of our stakeholders such as employees, customers, investors and regulators, among others, are protected. I believe these initiatives undertaken by Maybank as an organisation, which will be further elaborated in my note, have helped many to sustain and keep afloat during this immensely challenging period.

WORKING TOGETHER

A key measure announced by Bank Negara Malaysia (BNM) in March 2020 was the automatic six-month moratorium for all loans to individuals and small and medium enterprises (SMEs) starting from 1 April 2020. Malaysians were also provided leniency and greater flexibility in paying their insurance/Takaful premiums/contributions. To ease the pressure on banks, BNM relaxed its capital conservation and

liquidity requirements. It also lowered its Net Stable Funding Ratio requirements to 80% from 1 July 2020 until 30 September 2021, after which, the ratio will return to the initial requirement of 100%. At the same time, BNM reduced the interest rate (IRCC) and profit rate (PRCC) stress factor caps applied to insurance/Takaful providers. As the six-month moratorium drew to a close, it was decided that banks should continue to offer repayment assistance, but only to those who needed it.

For us at Maybank, it was in keeping with our mission of Humanising Financial Services to have prioritised the financial well-being of our customers during these turbulent times. In fact, knowing full well that many Malaysians would be in dire need of financial aid, Maybank had started offering assistance in terms of restructuring and rescheduling loans as early as 11 February 2020, a full month-and-a-half before the moratorium was announced.

Key Messages to Shareholders

TAKING OUR RESPONSIBILITY TO HEART

Given our presence in Greater China, we had an advantage of knowing the severity of this virus the moment it emerged. Reacting fast, we put into motion initiatives to brace for the challenges to come. In addition to strengthening our Business Continuity Management framework, we also developed a plan to protect our employees and customers.

We had already embarked on split operations in late February 2020 such that when the staggered global lockdown took place in March 2020, no less than 82% of our workforce in Malaysia, which represents half of the Group's over 42,000 employees, was working from home.

Our two topmost priorities during this pandemic have been to safeguard the well-being of our employees and customers. Towards this end, only Maybankers' whose functions require them to be at our premises were allowed to work on-site. To keep our employees and customers safe, we adhered strictly to all the recommended standard operating procedures such as temperature screening, the provision of personal protective equipment and hand sanitisers, as well as maintaining physical distancing. We also encouraged our customers to leverage our digital channels to see to their banking needs instead of visiting our branches. As a result, we have seen an increase in the transaction value and/or volume of our various digital platforms such as Maybank2u internet and mobile banking applications across our home markets.

While we have taken the necessary precautionary measures across our premises, we have had some employees who contracted the virus. We provided full support to ensure their speedy recovery and also reinforced the safety of the affected premises with thorough sanitisation and/or deep-cleansing in accordance with safety and health guidelines. We carried out detailed contact tracing to identify and inform those who had direct contact with the employees. To ensure the safety of our customers, we launched Maybank EzyQ to allow customers to make an online appointment before making a trip to a branch.

Financially, as mentioned previously, we provided our customers with assistance for loan repayments. In Malaysia, individual and SME borrowers under the automatic moratorium did have a choice to opt out if they wanted to. Prior to the moratorium ending in September 2020, we engaged with vulnerable customers to offer pre-approved Repayment Assistance (RA) packages to over 183,900 accounts. RA clinics were held across the country while operating hours of selected branches were extended to cater for RA engagements. Following the Budget 2021 announcement, we have offered and continue to offer Targeted Repayment Assistance, in the form of a three-month instalments deferment or a 50% instalment reduction for six months, to eligible B40 and microenterprise customers up to 30 June 2021. We have also disbursed

about RM1.7 billion in SME loans under BNM's Special Relief Fund (SRF), aimed at assisting this crucial segment of the economy by alleviating short-term cash flow problems faced by SMEs arising from this pandemic.

Meanwhile, customers in Singapore were given the choice of opting for a moratorium for auto and housing loans while relief loans were offered to qualified SME borrowers. Qualified customers in Indonesia could opt for loan moratorium extensions while in the Philippines, automatic loan moratoriums were offered to qualified retail borrowers and SME loans were restructured as and when needed. Group-wide, we have RM23.0 billion of consumer loans and RM18.3 billion of non-retail loans as at end-December 2020 that continue to be under some form of relief or repayment assistance.

Across our operations, we engaged with our corporate customers proactively to extend financial assistance via relief programmes and restructuring and rescheduling solutions that best suited their needs. We also closely monitored vulnerable borrowers to raise early alerts, enabling swift assistance and mitigation plans. As such, we had offered more than RM30 billion worth of relief packages to corporate clients across Malaysia, Singapore, Indonesia and Greater China by the end of December 2020.

To ensure the Group's capital adequacy, liquidity and asset quality were well managed, we established Credit Lending War Rooms across key markets and a Business Banking Repayment Assistance Scan committee to deliberate and execute speedy credit-related strategies. Our past emphasis on healthy liquidity and capital levels gave us an edge to enter this pandemic from a position of strength. While many may have thought

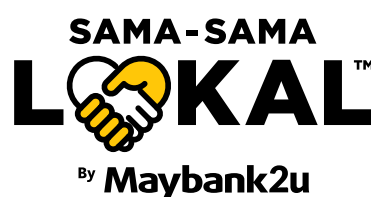
we were being overly prudent in the past with our capital positions, our strategy proved judicious as this pandemic showed us how quickly an untoward event can take place and have lingering effects. We entered the pandemic with a Group Common Equity Tier 1 capital ratio of 15.729% as at end-December 2019 and concluded 2020 at 15.313%. Meanwhile, our Group liquidity coverage ratio remained stable at 142% as at end-December 2020, from 141% a year earlier.

For more details on our customer initiatives or programmes, refer to the business reviews on pages 51 to 58.

Aside from loan assistance, we also launched a Social Impact Deposit campaign through Maybank Islamic under its Islamic fixed deposit portfolio. For every deposit made during the offer period, Maybank Islamic contributed to a Social Impact Assistance Account which will be used to provide financial relief to those whose incomes have been affected by the pandemic. In Indonesia, we introduced a savings account embedding COVID-19 Takaful protection for retail customers when the pandemic was declared.

On the community side, we immediately offered financial aid to national efforts in fighting the pandemic when we saw hospitals running out of face masks, gloves and personal protection equipment. Maybank donated over RM10 million through MERCY Malaysia's COVID-19 Pandemic Fund. In addition, we raised over RM2 million through MaybankHeart to be channelled to the disenfranchised via MERCY Malaysia as well as other non-governmental organisations (NGOs). Separately, our subsidiary, Etiqa, donated a total of RM10 million to the Ministry of Health for the purchase of test kits.

Helping the Lokal Community



One Movement Control Order (MCO) initiative I am truly proud of is Sama-Sama Lokal, through which we have onboarded more than 4,400 small businesses and entrepreneurs such as farmers, fishermen, hawkers and stall owners, onto our online platform, Maybank2u. The idea was to help them gain visibility and business during a time when people were not able to go out, and their livelihoods were severely threatened.

These entrepreneurs needed help in leveraging technology to sustain their income. Through this programme, they received the guidance they needed. We set them up with online accounts to enable them to use our contactless QRPay bank transfer. For vendors who had no transport services, we also helped with the delivery of items purchased.

From April 2020, when the programme was set up, until end-December 2020, we helped the participating vendors generate a total of over RM2 million through about 50,000 orders. Even more heartening is the fact that the programme was conceived and implemented entirely by Maybankers within three weeks during MCO 1.0. Today, it has been integrated into the Ministry of Finance's PENJANA (Pelan Jana Semula Ekonomi Negara) initiative which seeks to catalyse the nation's economic recovery. It was chosen for the way in which it has helped SMEs be part of the digital economy.

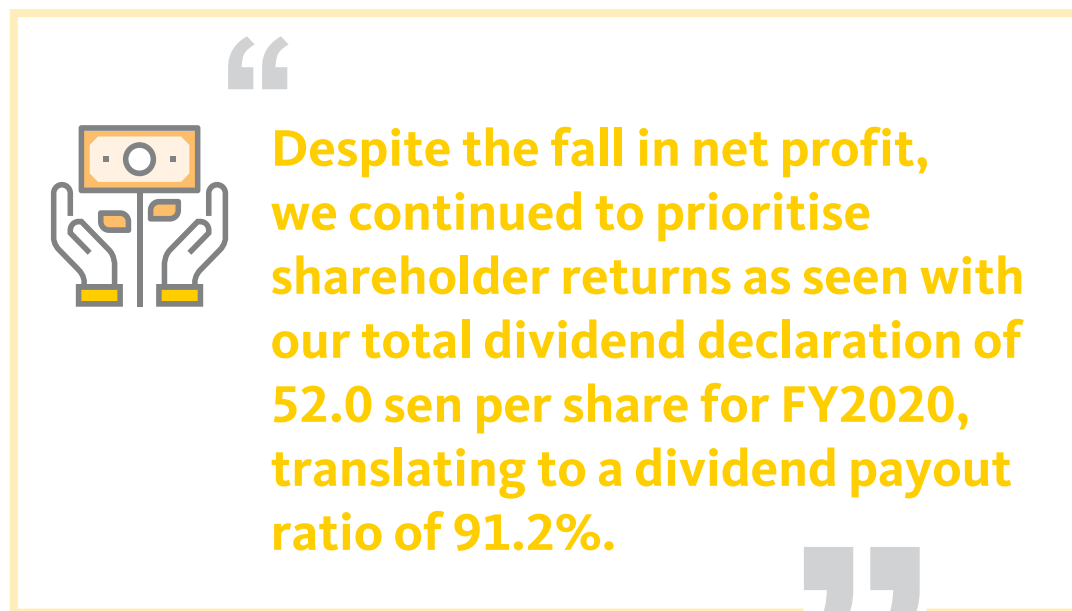
ASSISTING FROM A POSITION OF STRENGTH

We generally start every year with the expectation that it would be better than the year before. The year 2020 was no different with some bright spots emerging due to optimism surrounding the “Phase 1” trade deal between the US and China and accommodative monetary and fiscal policies in the ASEAN region, which was expected to provide a boost to economic growth. This optimism quickly evaporated with the initial spread of COVID-19 in China turning into a full-blown global pandemic, forcing border closures and movement restrictions that effectively led to staggered economic shutdowns globally. With falling global demand, lower commodity prices, supply chain disruption, weaker domestic demand and labour market dislocation, governments and central banks worked together to mitigate the impact with the roll out of various economic stimulus packages and steep interest rate cuts to provide assistance and relief to affected individuals and businesses.

Our performance was not spared. Net operating income was flat at RM24.76 billion in FY2020 from RM24.74 billion in FY2019 as our net fund based income came under pressure on aggressive interest rate cuts across our home markets such as Malaysia (OPR: -125 bps), Singapore (3M SIBOR: -136 bps) and Indonesia (Reference Rate: -125 bps) as well as the net impact absorbed in interest income from the Day-One modification loss for fixed rate financing mainly in Malaysia. The Group’s net interest margin (NIM) compressed 17 bps within the year, closing at 2.10% from 2.27% in FY2019. Loans growth at the Group level stalled, with our overseas portfolio contracting 6.4% YoY as home markets Singapore and Indonesia saw their loan portfolios shrink by 1.9% and 14.8% respectively. Both markets were impacted by the softer operating landscape as well as some past de-risking exercises undertaken on specific segments of their respective portfolios. In Malaysia, however, our consumer franchise and non-retail portfolios continued to grow at 6.6% and 7.6% respectively, on loan stock drawdowns as well as targeted lending under various initiatives like SRF disbursements to SMEs to help them meet cash flow needs. The overall growth in our Malaysia portfolio of 4.0% was partially offset by a contraction of 3.8% in our Global Banking portfolio, due to reduction in specific credit facilities and softer trade financing.

While loan growth was a challenge, our ample liquidity growth through low cost deposits, namely current and savings accounts (CASA), helped mitigate the fallout in NIM. Group CASA grew 23.5% YoY driven by an increase in liquidity across all home markets due to a variety of reasons such as consumers having extra cash arising from moratoriums or loan reliefs and lower lifestyle and travel expenses on reduced mobility. The growth in our Group CASA resulted in our CASA ratio expanding to 42.8% as at end-December 2020 from 35.5% a year earlier.

The ample liquidity we had coupled with a conducive funding environment helped stave off any impact



from Fitch Ratings’ downgrade on Maybank’s long-term issuer default rating from A- to BBB+ in April 2020. The downgrade by the international rating agency on several Malaysian banks it rates publicly was event-driven due to the impact of the COVID-19 pandemic and expected softness of the Malaysian operating environment. It was by no means a reflection of Maybank’s fundamentals. While a typical downgrade in debt ratings lead to higher cost of funding given a narrowing in choice of debt investors, no added cost was passed onto our consumers as we worked internally to manage and smoothen our funding costs.

The decline of 4.9% YoY in net fund based income was mitigated by an increase in net fee based income of 12.3% given higher realised securities disposal gains under investment and trading income as well as unrealised revaluation gains in our derivatives portfolio. We were able to capitalise on trading opportunities arising from the unintended consequences of this prolonged low-yield environment and sluggish loan growth landscape, which meant that opportunistic gains could be realised if we could find suitable replacement assets for disposals made from our securities portfolio. Our core fee income, which makes up close to half of our net fee based income, was slightly down by 1.7% on lower business activity but mitigated by higher brokerage income arising from a rebound in retail trading in 2020.

Given the soft income environment, we continued to manage our cost lever to ensure overhead expenses were well contained. As the year progressed, we did see lower expenses for events and marketing, due to cancellations and deferrals in light of physical distancing requirements. The slowdown in business activities also resulted in lower revenue related spend, while we also reduced personnel spend through a salary freeze in place for senior management since the start of the year. Cost discipline resulted in the Group’s overheads reducing by 2.7% YoY and yielded the lowest cost to income ratio in over a decade, at 45.4% for FY2020. With flat revenues and a reduction

in our cost base translating to a positive JAWs of 2.8%, pre-provisioning operating profit (PPOP) improved by 2.6% to a healthy RM13.52 billion.

Although we were able to see some growth in PPOP, almost 40% of it went towards proactive provisioning for potentially bad loans, bonds and derivatives arising from weakness radiating from this pandemic. Net impairment losses more than doubled to RM5.07 billion, of which RM4.60 billion was set aside for loans and RM471.7 million for securities and derivatives. Close to 50% of the loan loss provisioning of RM4.60 billion was made proactively in anticipation of a weakening credit environment, either through management overlays for vulnerable borrowers or macroeconomic variable adjustments, with the balance provisioning going towards existing impaired accounts and to facilitate write-offs of some accounts across the home markets. As loan loss provisioning increased and new impaired loan formations remained low, the Group’s loan loss coverage improved to 106.3% as at end-December 2020 from 77.3% a year ago.

With the increase in provisioning, net profit declined 20.9% YoY to RM6.48 billion, or an earnings per share of 57.7 sen. Despite the fall in net profit, we continued to prioritise shareholder returns as seen with our total dividend declaration of 52.0 sen per share for FY2020, translating to a dividend payout ratio of 91.2%. Given the capital retention and conservatism signalled by global regulators in relation to banks paying out dividends during this pandemic, we have lowered the cash component to 34% versus the all cash payout seen in FY2019. The dividend reinvestment plans for FY2020 will ensure our capital levels remain robust, with Group’s Total Capital Ratio at 18.683%, and it will provide a buffer as we enter the second year of the pandemic in 2021. Maybank’s FY2020 Return on Equity was 8.1%, ahead of our revised Key Performance Indicator of circa 7.5%.

For more details on our FY2020 performance highlights, refer to Reflections from Our Group Chief Financial Officer on pages 39 to 43.

Key Messages to Shareholders

“ By putting people at the centre of all that we do and by acting consistently in accordance with our values, we will continue to build a sustainable future for generations to come. ”



DIGITALISATION & AN ENHANCED EXPERIENCE

Amid the time and resources that were channeled towards managing a transition to the new normal, we pushed ahead with our digital initiatives, maintaining steady progress towards becoming The Digital Bank of Choice. If anything, the year has underlined the absolute necessity of fully embracing digitalisation in order to support new ways of working and connecting with our customers. As we already had a strong digital infrastructure, it was relatively easy to adopt split operations and mobilise work-from-home. Our digital platforms also made it possible for our customers to carry out more banking transactions online, without exposing themselves to unnecessary risk from visiting our physical branches.

One strong motivation in pursuing our digital agenda is the fact that it enables greater inclusivity. We saw this clearly with Sama-Sama Lokal. In the past, we would not have been able to reach out and serve the fishermen, farmers and hawkers hosted on our online platform. Now, we are not only serving them but actually empowering their businesses.

The second factor is our intention to enhance customer experience. Continuing to build on our portfolio of digital businesses, we launched three initiatives for SMEs in Malaysia. The first is account opening for SMEs via online. The second is Maybank EzyQ, an online appointment system via Maybank2u that allows you to book an appointment at your selected branch ahead of time. These initiatives will help you avoid long queues and crowded spaces. The third is our introduction of the Maybank SME Digital Financing. Our Digital SME Financing allows a borrower to apply online, and have the loan approved within 10 minutes. For existing eligible customers of Maybank, they may even have the funds deposited into their accounts within the 10 minutes.

We also introduced the MAE by Maybank2u App, which builds on the MAE e-wallet launched in 2019 as part of the Maybank2u mobile app. Now available as a standalone, we are able to deepen our customer engagement via the App which effectively serves as a “pocket bank”, complete with advisors that customers can carry with them everywhere they go. Not only can they perform a multitude of banking transactions with the App, they also get to learn how to manage their money better with the in-built expenses tracker and saving features, while being privy to attractive deals. The App’s relevance has been reflected in the numbers. As at 28 February 2021, there have been over 1.4 million new app installations and over 90,000 new MAE cards issued since its launch.

For more details on our digital endeavours, refer to The Digital Bank of Choice on pages 59 to 60.

STRATEGY & SUSTAINABILITY RESET

The year 2020 was significant for Maybank for a couple of reasons. It was the year in which we celebrated having served our valued customers for 60 years plus the year in which we revitalised our strategy to be able to serve another 60 years and more.

In January 2021, we internally launched M25, our new five-year blueprint that replaces Maybank²⁰²⁰. Still centred on our mission of Humanising Financial Services, we took this recent opportunity in designing our next five-year strategy to ask ourselves what this phrase really means. After some soul searching at a senior management offsite, we agreed that our mission or purpose statement, is about building trust-based relationships with all our stakeholders and promoting a sustainable future for everyone.

For more details on M25, refer to Our Strategy on page 32.

We also realised that this was essentially the objective of our sustainability agenda. Hence, we made a fundamental shift by integrating sustainability into our overall business direction and made it a strategic priority. By comparison, the past Sustainability Plan was treated as a standalone blueprint.

The COVID-19 pandemic has also had a positive influence on our ongoing sustainability journey, as it inspired a re-evaluation of what is really important to us, and our role in managing bigger issues in the world. The way we mobilised ourselves to support the community drove home a meaningful truth: that the people we serve are more important to us than profits. This was reflected in the materiality assessment carried out, which refined our previous material matters and identified new ones. Based on this materiality assessment, our Group Sustainability Council spearheaded a refreshed sustainability agenda that will see strategic initiatives across three pillars anchored on long-term targets. By putting people at the centre of all that we do and by acting consistently in accordance with our values, we will continue to build a sustainable future for generations to come.

A key way in which we create value for our stakeholders is through the adoption of ESG-based financing, and I’m pleased to share that during the year, we have taken a lead role in financing Malaysia’s Large Scale Solar Projects while introducing ESG-friendly investment products such as Maybank Global Sustainability Equity-i Fund, a Shariah-compliant equity fund adopting ESG factors.

For more details on our sustainability efforts and new sustainability agenda under M25, refer to the Sustainability Review on pages 99 to 106.

OUTLOOK FOR 2021

Our home markets are expected to see economic growth this year on the back of accommodative monetary policies and expansionary fiscal policies.

In Malaysia, the economic recovery is expected to be gradual and uneven amid pandemic containment measures such as MCO 2.0, declaration of emergency and the rollout of COVID-19 vaccines. The forecasted growth of 5.1% for 2021 is on the back of a stable interest rate environment and the Government maintaining its stimulatory policies as well as having signed various agreements to procure vaccines for the country, with the aim of covering 70% of the population. Under Budget 2021, BNM has also launched two more SME lending schemes worth RM2.5 billion.

An anticipated U-shaped recovery in Singapore is premised on the services sector rebounding. The estimated economic growth of 4.5% will be aided by the Government's SGD100 billion support package announced in 2020 and additional SGD11 billion package highlighted as part of the Budget 2021. In Indonesia, GDP is expected to rebound by 5.3%, supported by accommodative monetary policy by Bank Indonesia and the passing of the highly anticipated Omnibus Law, which will simplify business and attract more foreign investment, among others.

Against a backdrop of accommodative monetary policies, we anticipate that the interest rate environment in our home markets will remain relatively unchanged, hence resulting in a flattish net interest margin trend for 2021. We will leverage fee-based income opportunities in wealth management,

global markets, investment banking, asset management and insurance while accelerating product rollouts on our digital platform to increase market penetration and generation of fee-based revenues.

Capital and liquidity conservation will remain the utmost priority for the Group given lingering uncertainties over a potentially weakening credit environment. We will focus on growing low-cost funds in the form of CASA across our home markets in view of the low rate environment.

While there are expected challenges to income growth given the tentative operating landscape, we remain focused on driving productivity and managing cost in line with income growth. We will also continue monitoring asset quality closely for potential slippages given the uneven trajectory of economic recovery expected in some markets. On the back of a soft operating environment and potentially elevated provisioning, the Group has set a Return on Equity Key Performance Indicator of circa 9% for FY2021.

2021 also marks the first year of M25, and we are set to put our plans into action – differentiating ourselves through digitalisation and data analytics to better understand and serve our customers while capturing new business opportunities. At the same time, we will make the necessary changes to integrate sustainability into our operating models and policies, and support stakeholders as they transition to sustainable practices. Going through the current pandemic, we are reminded that, should the worst case scenario unfold due to climate change, the consequences would be even more

catastrophic. It is therefore critical that all parties pursuing profitable ventures begin paying attention to the impact they make on society and the environment. As responsible caretakers of the earth, we must chart a sustainable and inclusive growth strategy for all segments of society and progress towards carbon neutrality in the foreseeable future, for the sake of future generations.

APPRECIATION

It goes without saying that the year 2020 was momentarily challenging, yet Maybank has emerged intact. This is because of the unfailing dedication of all our employees. Despite the turmoil of the pandemic, our people have given their all to ensure we continued to serve our customers and the nation. For this, I would like to express my heart-felt gratitude.

We also said goodbye to Datuk Mohaiyani Shamsudin, who served as Maybank Group's Chairman for the past 3.5 years and a board member for the last nine years up to 1 November 2020. On behalf of all Maybankers, we extend our deepest gratitude to Datuk Mohaiyani for her wisdom and guidance and wish her every blessing in her retirement. She has been an inspiring leader who epitomised Maybank's mission of Humanising Financial Services, motivating us on every occasion to remain true to our purpose in all aspects of our business. Most of all, she challenged us to strive to do better, through her own example of commitment and dedication to the Maybank Group.

We welcome our new chairman, Tan Sri Dato' Sri Zamzamzairani, who comes with extensive understanding of the corporate sector and brings great insights particularly in the technology space, which will help propel Maybank forward even more in its ongoing digital endeavours.

I would also like to thank the Board for their wise counsel, which has been particularly valuable in these times of financial and social stress. My appreciation extends to all relevant regulatory bodies for collaborating with financial institutions and enabling an ecosystem in which we have been able to carry out our responsibilities in a sustainable manner.

To all other stakeholders – our customers, business partners, investors and communities – thank you for your continued support. We exist to serve you, and are more determined than ever to enable professional and personal successes, enriching lives for many years to come.



2021 also marks the first year of M25, and we are set to put our plans into action – differentiating ourselves through digitalisation and data analytics to better understand and serve our customers while capturing new business opportunities.




We were quick to activate our business continuity processes, as early as January 2020, when the first signs of the COVID-19 virus were reported. Our Business Continuity Management committee, chaired by our Group Chief Technology Officer, met daily to monitor all developments surrounding the virus. We have since been realigning our priorities to safeguard the resilience of our operations and the well-being of our stakeholders.

Measures have been rolled out progressively across our operations to ensure the safety of our customers and employees while we strive to maintain quality service with minimised disruptions. We have supported our borrowers through this period of uncertainty by providing viable financial solutions to help keep them afloat, preventing business failures and lay-offs. Compelled by a sense of responsibility, we have assisted efforts to contain the spread of the virus with various contributions to aid the tireless work of frontliners, reduce the burden on healthcare systems, as well as provide relief for marginalised communities.

Despite the unprecedented uncertainties, one thing we could always rely on for guidance as we charted our course this year was our mission of Humanising Financial Services. Driven by this sense of purpose, we prioritised doing what we can to support all our stakeholders, not leaving anyone behind.


Customers

- Provided financial relief and support to affected customers and clients beginning in February 2020 through moratorium/payment deferments, as well as restructuring & rescheduling (R&R) solutions. Repayment Assistance (RA) followed by Targeted Repayment Assistance were then extended to specific borrower groups most impacted by the pandemic, post-automatic moratorium, and this support runs until end-June 2021.
- Proactive engagement with customers and clients enabled us to offer guidance on options available for financial assistance while encouraging customers to bank digitally to reduce physical presence at branches, in line with movement restriction requirements.
- We accelerated the enhancement and deployment of fully digital financial products and services to enable our customers to undertake their daily banking needs remotely with minimal disruption.
- With physical branches, we undertook temporary closures or revised the operating hours when needed; and conducted regular disinfection/sanitisation exercises. We ensured compliance with SOPs by enforcing physical distancing measures at customer waiting areas as well as usage of protective equipment such as masks and acrylic barriers at the counters. We also developed EzyQ, an online appointment management system to manage queues.

 For more, refer to Group Community Financial Services on page 51, Group Global Banking on page 53, Group Insurance & Takaful on page 55, Group Islamic Banking on page 57, Service Delivery on page 61 and Sustainability Review on page 99.

Investors

- Reclassified the final dividend for FY2019 to the second interim dividend FY2019 to ensure timely payment to shareholders, as movement restrictions in Malaysia resulted in uncertainties to the timing of the 60th Annual General Meeting (AGM).
- Through past prudence and conservatism, we were able to continue rewarding shareholders with dividend payouts for FY2020, while still maintaining capital and liquidity strength.
- To protect the health and safety of shareholders and the investing community, we opted to host our quarterly results briefings through webinars.
- Disclosed the extent of our vulnerable portfolios and mitigating plans for asset quality preservation through our quarterly results analyst briefings.
- Despite the pandemic resulting in national movement restrictions, we were able to issue our regulatory-required annual report, notice of AGM and host our AGM within the allowable timeframe. To comply with physical distancing and other safety measures, we livestreamed our first ever fully virtual AGM in 2020, enabling a platform for shareholders to ask questions to the Board.

 For more, refer to Risk Drivers on page 33, Reflections from Our Group Chief Financial Officer on page 39, Group Risk Management on page 62 and Corporate Governance Overview Statement on page 81.


Regulators

- In addressing regulators' relief directives, we:
 - Established new frameworks and lending guidelines including revising the relevant methodology for assessment of borrowers' capacity for repayment, risk profile, R&R applications and collateral requirements to enable speedy and flexible responses to affected borrowers' needs.
 - Established Credit Lending War Rooms to deliberate and execute speedy credit-led strategies while preserving the Group's capital adequacy, liquidity and asset quality.
 - Set up relevant RA committees to govern, steer, coordinate and ensure the effective implementation of the Group's RA strategy.
 - Continuously undertook ad hoc stress tests and simulation analyses in response to the rapid changes in the operating environment to ensure overall resilience.
- Maybank continues to prioritise capital and liquidity strength and operates well above the regulatory minimum despite the capital and liquidity relief afforded to the banking sector through the drawdown of buffers and lowering of liquidity coverage thresholds.

 For more, refer to Risk Drivers on page 33, Reflections from Our Group Chief Financial Officer on page 39 and Group Risk Management on page 62.


Communities

- Contributed over RM20 million to MERCY Malaysia and the Ministry of Health for the purchase of protective equipment, hospital equipment, test kits and other initiatives to alleviate the burdened healthcare system and frontliners. We also enabled the public to lend a helping hand through our digital crowdfunding campaigns, which raised over RM3 million for various COVID-19-related causes and other initiatives to assist vulnerable communities.
- Launched Sama-Sama Lokal, an internally-developed platform which allows small local businesses to instantly create an online presence within Maybank2u at no cost.
- Acted as the primary distribution bank for Sukuk Prihatin, a government initiative under the National Economic Recovery Plan (PENJANA).
- Channelled financial assistance and donations to the underserved and impacted communities through our zakat-funded programmes.

 For more, refer to Group Community Financial Services on page 51, Group Global Banking on page 53, Group Insurance & Takaful on page 55, Group Islamic Banking on page 57 and Sustainability Review on page 99.

Employees

- Even before COVID-19 was declared a pandemic, we had established and implemented the Maybank Group Pandemic Preparation Framework and activated our Business Continuity Plan. To mitigate risks and flatten the COVID-19 infection curve, our actions have been guided by four key principles:
 - a remote-first mentality
 - reduction, if not elimination of transmission among employees
 - maintaining high standards of hygiene and safe practices in the workplace
 - ensuring preservation of life and safety of employees, their families, our customers and communities, as well as continuity of our operations
- Some of the key initiatives undertaken include:
 - A travel policy either restricting or banning employees from business or leisure travel.
 - Activation of split operations teams between offices, alternate sites and work from home.
 - Implementation of strict Standard Operating Procedures including physical distancing, usage of personal protection equipment, health monitoring, travel declarations and deferment of all events requiring physical attendance.
 - Accelerated implementation of flexible work policies and practices that enable mobile working, and rollout of necessary technology infrastructure.
 - Reconfigured branch operations with reduced banking hours and workforce strength while ensuring services are intact.
 - Established 24/7 Group Human Capital Staff Emergency Support team and issued regular advisories including an Employee Workplace Handbook.
 - Cash flow reprieve for affected employees via payment deferments, and assistance for staff financing facilities.
 - Constant virtual learning and employee engagement initiatives to promote mental, physical, emotional and performance fitness. Counsellors were also made available to staff for emotional support.
 - Deployment of New Normal Workplace Enforcers to monitor and ensure strict compliance with all measures implemented by the Bank.

 For more, refer to Group Human Capital on page 63.

Our Business Model

OUR CAPITALS...

FINANCIAL CAPITAL

Supported by:

- Strong capital and liquidity with Group CET1 Capital Ratio of 15.313% and Liquidity Coverage Ratio of 142.0% in FY2020.
- Extensive retail franchise that generates a large customer funding base of RM580.19 billion while our credit rating strength (Local: AAA, Foreign: A-/BBB+) 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, as well as being a Top 100 global bank brand.
- Integrated risk management culture and framework encompassing strategies, systems, processes and people.
- Strategic partnerships with technology players.

MANUFACTURED CAPITAL

Aimed at enhanced service delivery through:

- Easy access to 2,626 retail branches and 5,130 self-service terminals.
- Streamlining operational processes for greater efficiency through automation and digitalisation, through deployment of 132 Robotic Process Automation systems to replace 1,379 manual tasks.
- Strong internet and mobile banking platforms in key ASEAN markets such as Malaysia, Singapore and Indonesia.

HUMAN CAPITAL

Empowered by our TIGER Core Values:

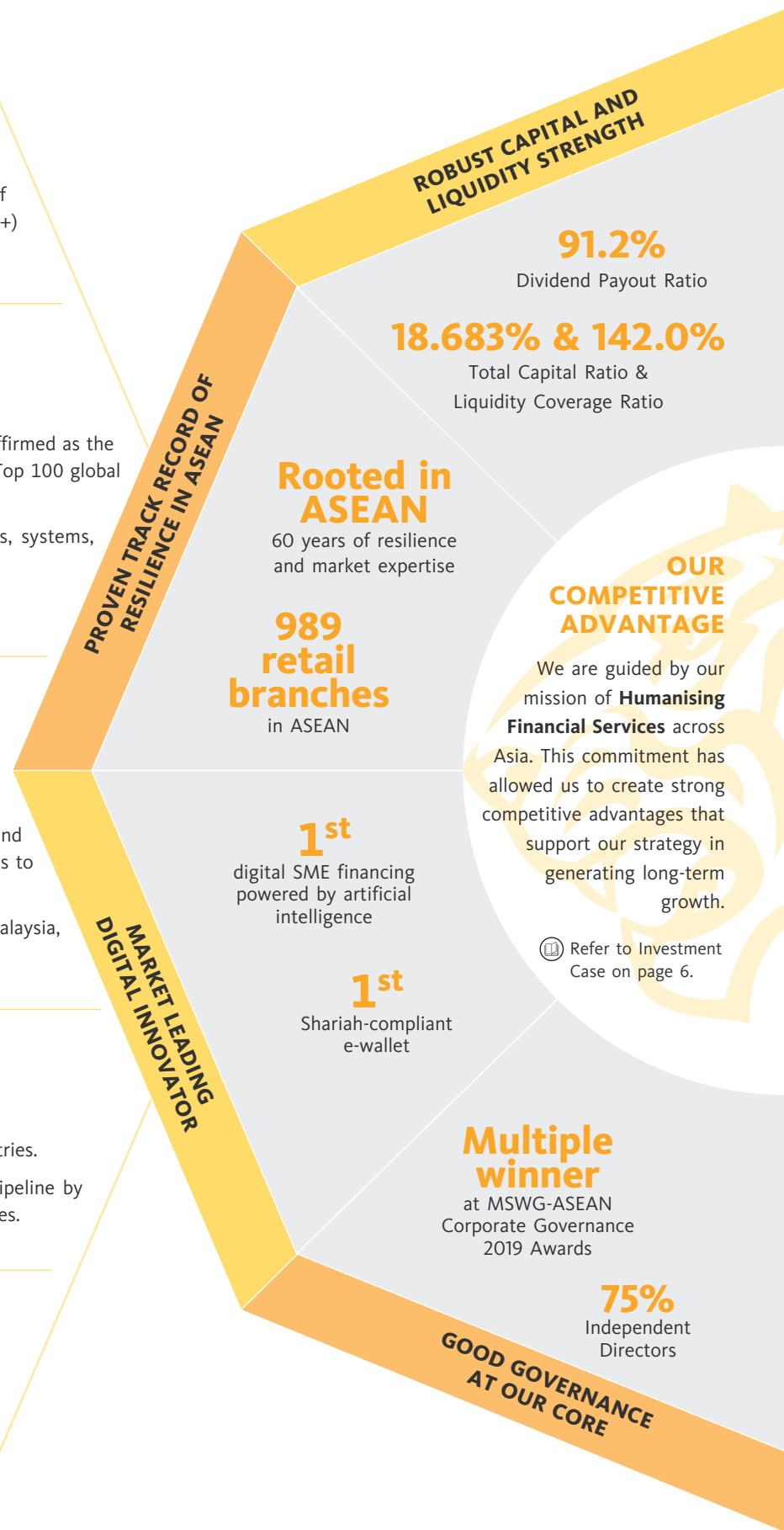
- Comprising a diversified workforce of over 42,000 employees across 18 countries.
- With emphasis on developing talents and building a sustainable succession pipeline by investing over RM95 million to upskill employees through learning programmes.

SOCIAL & RELATIONSHIP CAPITAL

Our commitment to the communities we serve is underlined by:

- Channelling approximately 1% of net profit towards community programmes.
- Constructive relationships and ongoing dialogue with regulators, governments and non-profit organisations.

AND KEY DIFFERENTIATORS HELP US CREATE VALUE...



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

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

Integrity
We are trusted, professional and ethical in all our dealings

FROM BUSINESS ACTIVITIES CENTRED ON OUR STRATEGY...

TO MEET STAKEHOLDERS' NEEDS.

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 51.

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

📖 More on page 53.

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 55.

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 57.

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

📖 More on page 59.

Growth

We are passionate about constant improvement and innovation

Excellence & Efficiency

We are committed to delivering outstanding performance and superior service

Relationship Building

We continuously build genuine long-term and mutually beneficial partnerships

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

CUSTOMERS

- ➔ New client-centric digital innovations such as SME Digital Financing – the first end-to-end digital financing for SMEs with 10-minute approval.
 - ➔ Executed several ESG bond and sukuk deals as well as launched Maybank's first ESG/ sustainability investment product, Maybank Global Sustainability Equity-i Fund.
 - ➔ Industry leader in customer experience with Net Promoter Score (NPS) of +20.
- 📖 Refer to Group Community Financial Services, Group Global Banking, Group Insurance & Takaful, Group Islamic Banking, The Digital Bank of Choice, Service Delivery and Sustainability Review on pages 51, 53, 55, 57, 59, 61 and 99 for more.

INVESTORS

- ➔ Return on equity of 8.1% for FY2020.
 - ➔ Full year FY2020 dividend payout of RM5.91 billion, translating to 91.2% of net profit. Dividend yield of 6.1%.
- 📖 Refer to Key Messages to Shareholders and Reflections from Our Group Chief Financial Officer on pages 11 and 39 for more.

REGULATORS

- ➔ Compliance with regulatory requirements.
 - ➔ Contributed RM1.94 billion in taxes and zakat.
- 📖 Refer to Financial Book on pages 56 to 58 and 141, Corporate Governance Overview Statement on page 81 and Statement on Risk Management and Internal Control on page 88 for more.

COMMUNITIES

- ➔ Launched Sama-Sama Lokal to help local businesses in the neighbourhood to instantly create an online presence at no cost to them, amid reduced footfall due to the pandemic.
 - ➔ Over RM20 million donated to MERCY Malaysia and Ministry of Health in support of COVID-19-related initiatives.
- 📖 Refer to Sustainability Review on page 99 for more.

EMPLOYEES

- ➔ RM5.00 billion in salaries and rewards.
 - ➔ Flexible remote working policies for employees, prioritising safety and convenience.
 - ➔ Virtual engagements to promote mental, physical, emotional and performance fitness as employees adapt to working remotely.
- 📖 Refer to Group Human Capital on page 63 for more.

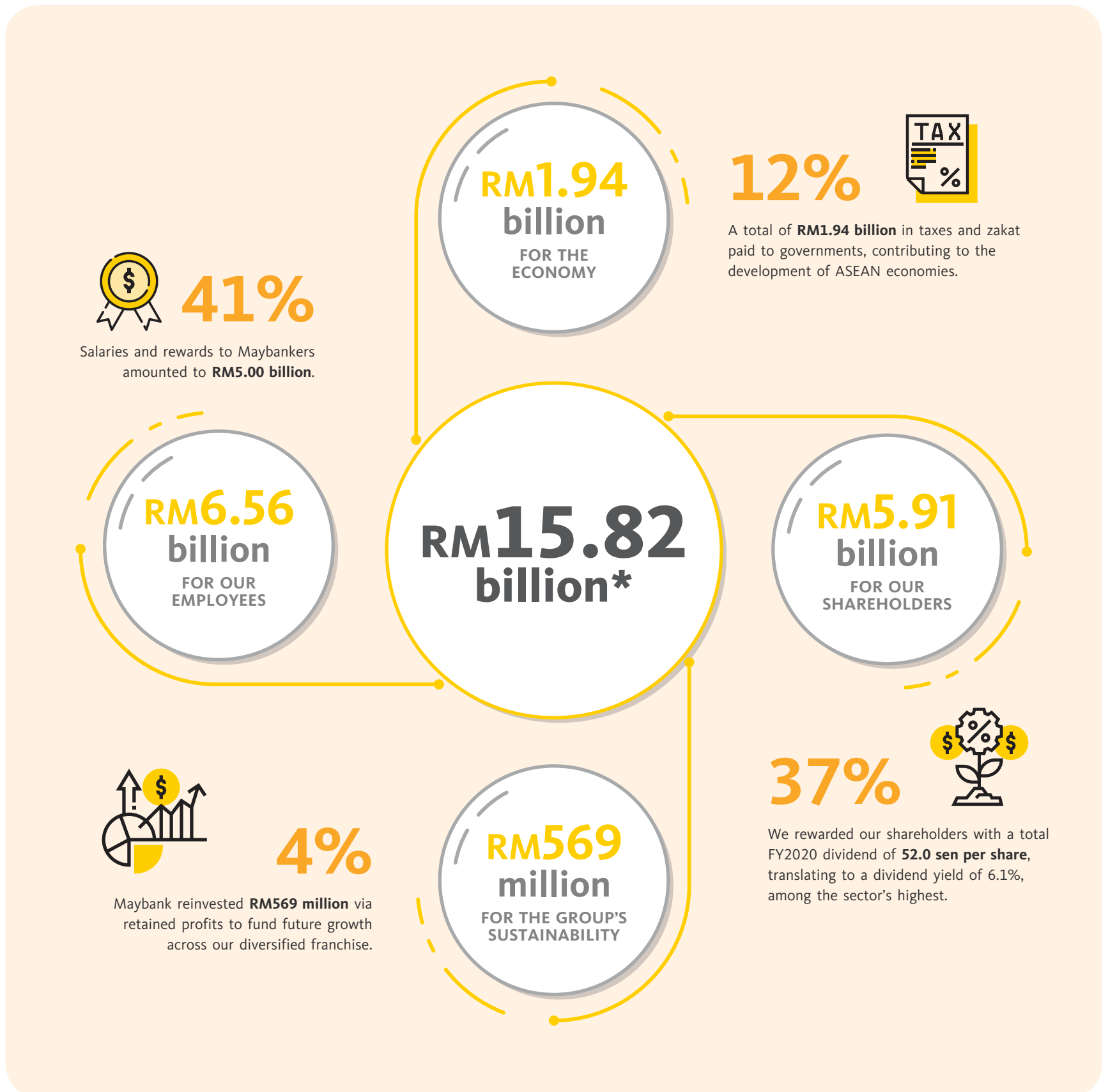
We engage our stakeholders through various channels to identify, understand and address their key concerns. Read more about Stakeholder Engagement on page 23.

We also discuss matters that significantly impact the interest of the Group and our stakeholders in the Material Matters section on page 24.

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 2020 was distributed as follows:



* Includes non-controlling interests, as well as depreciation and amortisation which represent the combined 6% not illustrated above. Refer to page 49 for Distribution of Value Added.

Stakeholder Engagement

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

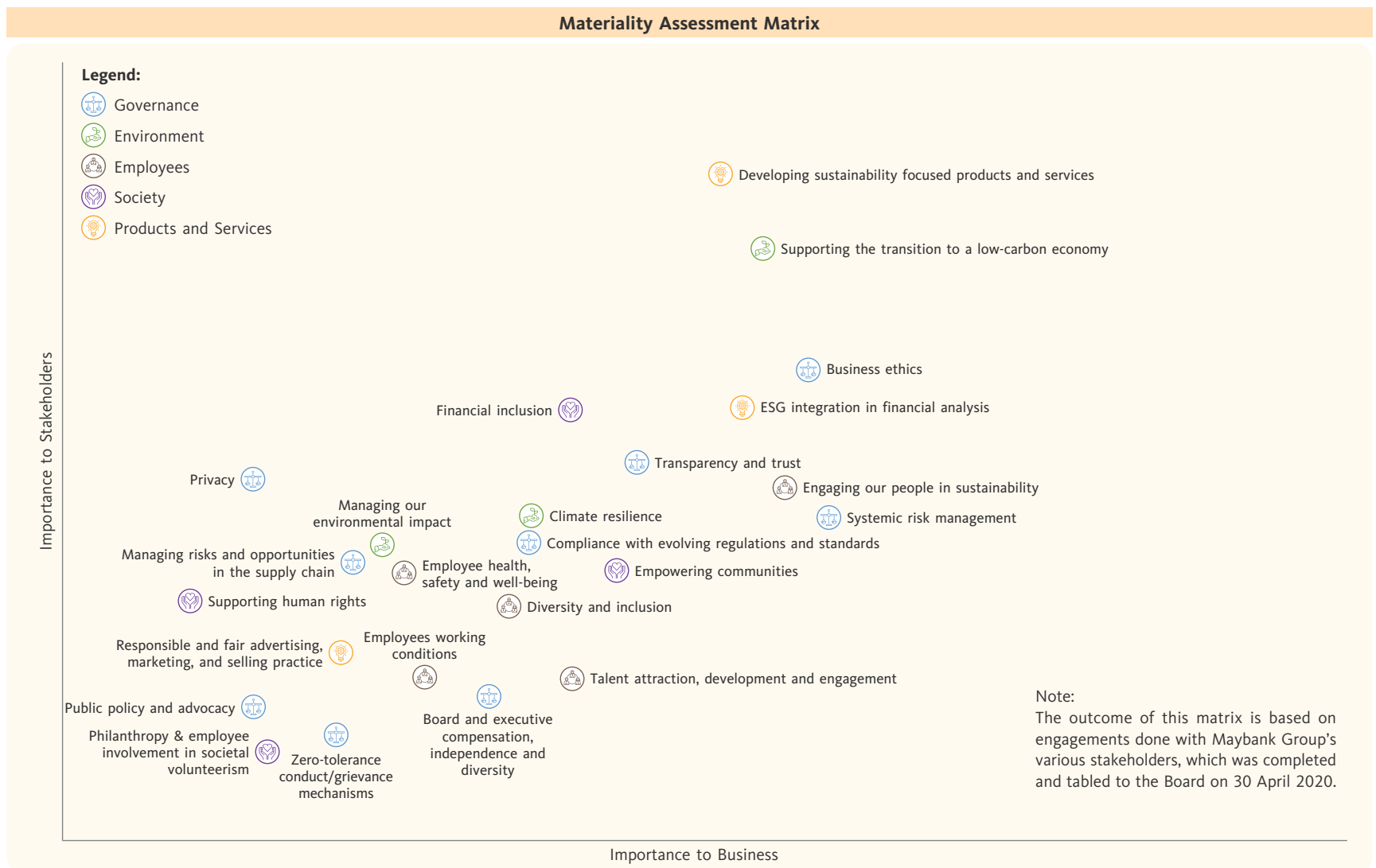
<p> Customers</p> <p>To provide solutions that suit their needs, we engage them via:</p> <ul style="list-style-type: none"> Digital touchpoints, e.g. Maybank2u & Maybank2E websites and apps, MAE by Maybank2u, Maybank Trade mobile app, Maybank2Own & Etiqa's portals and apps Physical branches, Premier Wealth Centres, Business Centres, self-service terminals, Transaction Banking Centres & Maybank Investment Branches Customer Service Centres, Sales representatives (e.g. Client Advisors, Relationship Managers, Personal Financial Advisors and Client Coverage Teams) Social media platforms Customer satisfaction surveys 	<p>Objectives for Stakeholders:</p> <ul style="list-style-type: none"> Enhance customer service with fast, simple and convenient banking Meet customers' needs and expectations for personalised advice and solutions Provide competitive pricing and fair terms Protection from fraud and scams Support in mitigating the impact of COVID-19 pandemic, e.g. by extending financial solutions to individuals, small businesses as well as corporates 	<p>Our Response:</p> <ul style="list-style-type: none"> Introduce innovative products & services leveraging data analytics Drive awareness of cyber security to prevent possible attacks and enhance data security Implement measures to ensure business continuity and assist customers impacted by the pandemic <p> For more details, refer to Group Community Financial Services, Group Global Banking, Group Insurance & Takaful, Group Islamic Banking, The Digital Bank of Choice, Service Delivery and Sustainability Review on pages 51, 53, 55, 57, 59, 61 and 99.</p>	<p>Related Material Matters: </p>
<p> Investors</p> <p>As our financial capital providers, we engage and update them via:</p> <ul style="list-style-type: none"> Conferences and non-deal roadshows Quarterly analyst briefings Thematic investor day briefings One-on-one and group meetings with GPCEO, GCFO or Head of Group Performance Reporting and Investor Relations Dissemination of information and disclosure of materials on our website at www.maybank.com/ir AGM and EGM Annual integrated and sustainability reports 	<p>Objectives for Stakeholders:</p> <ul style="list-style-type: none"> Sustainable earnings generation and stable dividend stream Deliver sustainable returns by optimising capital across our franchise, proper distribution of assets and resources, preservation of asset quality, liquidity planning and prudent management of risks and costs Proactive management of asset quality and credit risks from exposure to individuals and sectors affected by COVID-19 Effective technology investments that benefit customers and add value to Maybank Embed sustainability considerations into lending and investment practices Stay ahead of emerging competition in the banking industry, particularly FinTechs 	<p>Our Response:</p> <ul style="list-style-type: none"> Create sustainable value leveraging diversified portfolio across ASEAN and key financial centres, and via digitalisation Emphasis on strong liquidity and capital management to preserve financial viability Led discussions with industry players and regulators to deliver effective solutions for customers impacted by COVID-19 Provide timely and comprehensive asset quality disclosures Integrate ESG considerations into our credit and risk evaluation processes Realign risk appetite and lending strategies with industry outlook for balance sheet preservation Provided updates on COVID-19 impact and Maybank's response Leveraged digital capabilities to offer alternative engagement channels <p> For more details, refer to Reflections from Our Group Chief Financial Officer, and Investor Information on pages 39 and 44.</p>	<p>Related Material Matters: </p>
<p> Regulators</p> <p>To understand the changes and impact of relevant laws, regulations and policies, we engage them via:</p> <ul style="list-style-type: none"> Regular reporting, engagement and timely updates Active participation and contribution to the industry and regulatory working groups, forums and consultation papers 	<p>Objectives for Stakeholders:</p> <ul style="list-style-type: none"> Collaborate with regulators and industry working groups to shape regulatory environment Cultivate an ethical risk-aware culture that complies with regulations Ensure balance between stringent compliance controls and safeguarding customer needs 	<p>Our Response:</p> <ul style="list-style-type: none"> Continuous review and enhancement of our compliance risk management monitoring tools, systems and processes Ensure business units meet all regulatory requirements while pursuing business objectives <p> For more details, refer to Group Risk Management and Statement on Risk Management and Internal Control on pages 62 and 88.</p>	<p>Related Material Matters: </p>
<p> Communities</p> <p>We engage the local communities that we impact via:</p> <ul style="list-style-type: none"> Strategic partnerships and various outreach & educational programmes as part of our CSR initiatives Websites and social media channels including Twitter, Instagram, YouTube, Facebook, TikTok and LinkedIn 	<p>Objectives for Stakeholders:</p> <ul style="list-style-type: none"> Maximise the positive impact of our community initiatives towards a sustainable future for all Make financial solutions available to the wider community Support initiatives that address unemployment and low financial literacy levels 	<p>Our Response:</p> <ul style="list-style-type: none"> Efforts targeting disadvantaged communities impacted by the pandemic Reach out to communities through our partners, Etiqa Cares programmes, Maybank Foundation flagship programmes as well as the MaybankHeart platform via virtual platforms Conduct financial digital and literacy programmes online targeting SMEs, youth, the differently abled & disadvantaged communities Provide employment opportunities for graduates and youth <p> For more details, refer to Sustainability Review on page 99.</p>	<p>Related Material Matters: </p>
<p> Employees</p> <p>To understand and cater to their diverse needs, we engage them via:</p> <ul style="list-style-type: none"> Dialogue sessions with Group EXCO and other engagement initiatives Regular electronic and printed communication (e.g. email, newsletter and portal) and virtual channels Feedback platforms 	<p>Objectives for Stakeholders:</p> <ul style="list-style-type: none"> A safe, caring and engaging work environment to enable successful navigation through the pandemic and beyond Greater flexibility to perform daily functions and be more productive Equipped with the right skills, capabilities and mindsets to remain relevant 	<p>Our Response:</p> <ul style="list-style-type: none"> Ensure employees' safety while balancing the needs of business operations Accelerated Flexible Work Arrangements policy and introduced Mobile Work Arrangement policy Curate employee learning & development, and wellness & well-being initiatives Enable and encourage employees to develop and apply FutureReady skills <p> For more details, refer to Group Human Capital on page 63.</p>	<p>Related Material Matters: </p>

Material Matters

We undertook a deeper and more targeted approach to the materiality assessment with our stakeholders this year as part of the development of the Group’s next five-year strategy, M25, where sustainability is one of our strategic priorities.

The past materiality assessment had a wider stakeholder reach through online surveys, whereas one-on-one interviews were conducted instead this year with both internal and external stakeholders including Board members, senior management, regulators, institutional shareholders (both domestic and foreign), non-governmental organisations and customers (including corporate clients at the C-suite level). In-depth discussions were held on how the identified material issues influence our business success and value creation for our stakeholders; and which material issues pose risks or represent opportunities for the business. The interviewees were also asked to rank the material issues. As these interviews were conducted in the first half of the year, the spread of COVID-19 throughout Southeast Asia and its wide-ranging impact formed part of the conversations.

The 24 material issues identified for this year’s assessment were derived using internal documentation such as Maybank’s annual risk landscape survey, peers’ materiality assessments, and international reporting standards including the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). Results of the assessment are shown in the matrix below.



Internal and external stakeholders gave the greatest weightage to **Developing sustainability-focused products and services** and **Supporting the transition to a low-carbon economy**. All stakeholder groups also recognise that processes, infrastructure and skillsets (**Systemic risk management, Engaging our people in sustainability, Business ethics, and ESG integration in financial analysis**) are important in the development of products and solutions that are responsible and take into account the transition to sustainable growth. In line with this, the Group has embarked on several initiatives such as ESG-linked financing (refer to Group Global Banking and Group Islamic Banking on pages 53 and 57), the launch of a new asset management fund (refer to Group Global Banking on page 53) and a Social Impact Deposit (refer to Group Islamic Banking on page 57), among others. The assessment also reinforces the importance of **Financial inclusion** and **Empowering communities** as we continue to leverage technology to provide faster, easier and wider access of our financial products to the unserved and underserved, which is especially pertinent during this pandemic (refer to Addressing COVID-19 on page 18, Group Community Financial Services on page 51 and Sustainability Review on page 99).

Findings from this assessment give us a better understanding as to how we should prioritise material issues and re-define our strategic framework – including the setting of goals, targets and KPIs – as we continue along our sustainability journey. The assessment will also contribute to initiatives to refine and strengthen our ethos of Humanising Financial Services to reflect our long-term priorities and the ever-changing operating landscape. The Group Sustainability Council, which reports to the Group President & CEO, is currently working closely with business leads to ensure alignment and integration of ESG strategies across the Group.

For more on our sustainability progress and initiatives, please refer to our Sustainability Review on page 99.

 **Governance**

<p>Material Issue: Board and executive compensation, independence and diversity Compensation, accountability, independence and diversity of the company's Board and senior management and sustainability governance/incentives at Board and senior management level.</p>	<p>Discussed in: Group Human Capital (p.66), Remuneration (p.68-69), Corporate Governance Overview Statement (p.81-86), Statement on Risk Management and Internal Control (p.88-93), Audit Committee Report (p.94-97), Sustainability Review (p.100)</p>
<p>Business ethics Organisational standards governing the actions and behaviours of individuals, including e.g. prevention of anti-competitive practices; working against corruption, extortion, money laundering and bribery.</p>	<p>Risk Drivers (p.35), Statement on Risk Management and Internal Control (p.90-91 & 93)</p>
<p>Compliance with evolving regulations and standards Compliance with current and emerging laws, regulations, standards and ethical practices, ensuring strong compliance culture throughout the organisation.</p>	<p>Risk Drivers (p.35), Corporate Governance Overview Statement (p.81), Statement on Risk Management and Internal Control (p.90-91), Audit Committee Report (p.97), Group Shariah Committee Report (p.98), Sustainability Review (p.99)</p>
<p>Managing risks and opportunities in the supply chain Efforts to ensure high ESG standards in the supply chain through relevant policies and supplier engagement practices as well as approaches to diversify suppliers to include under-represented groups (e.g. disabled, women-owned, local community businesses).</p>	<p>Our procurement policy and approach is covered in Statement on Risk Management and Internal Control (p.92) and Sustainability Review (p.102)</p>
<p>Privacy Responsible collection, use, storage and protection of data to safeguard employees' and customers' right to privacy (e.g. from cyber attacks).</p>	<p>Risk Drivers (p.33-34), The Digital Bank of Choice (p.59), Service Delivery (p.61), Group Risk Management (p.62), Statement on Risk Management and Internal Control (p.91-92)</p>
<p>Public policy and advocacy High ethical standards and transparency in lobbying activities ensuring that practices to influence policy development are fully aligned with the company's sustainability commitments and strategy.</p>	<p>Group Insurance & Takaful (p.56) and Group Islamic Banking (p.57) are at the forefront of advocating sustainability-related policies and initiatives in their respective business sectors</p>
<p>Systemic risk management Assessing and managing financial and business risk throughout the entire company system to prevent major disruptions that may harm economies and societies at large (e.g. financial crisis).</p>	<p>Risk Drivers (p.33-35), Group Risk Management (p.62), Statement on Risk Management and Internal Control (p.88-93)</p>
<p>Transparency and trust Disclosure of information of ESG practices, business activities, financial situation, tax contribution and performance, in accordance with applicable regulations and industry practices, ensuring constructive engagement with stakeholders based on trust.</p>	<p>About Our Reports (p.2) outlines the frameworks, guidelines, policies, codes and standards that our reports are guided by. Meanwhile, the Corporate Governance Overview Statement (p.81), Statement on Risk Management and Internal Control (p.88) and Audit Committee Report (p.94) outline our Group's governance approach and the Sustainability Review outlines our Sustainability governance approach (p.100)</p>
<p>Zero-tolerance conduct/grievance mechanisms Culture of zero-tolerance towards bad conduct (internally or externally) and that employees feel free to speak up without fear of retaliation, including setting up formal channels for employees to report on issues.</p>	<p>Statement on Risk Management and Internal Control (p.93)</p>

 **Environment**

<p>Material Issue: Climate resilience Incorporate climate risks (catastrophe losses associated with extreme weather events) into the underwritten insurance products, or value of underlying assets, as well as the risk of missed loan repayments and defaults.</p>	<p>Discussed in: Our approach, progress, and how we address environmental matters are discussed in Risk Drivers (p.33-35), Group Risk Management (p.62), Statement on Risk Management and Internal Control (p.91-92) and Sustainability Review (p.100 & 103)</p>
<p>Managing our environmental impact Company efforts to minimise and manage the environmental footprint of its own operations and resources usage (energy, GHG emissions, water, waste travel and commuting, etc.).</p>	<p>Product and business specific discussions can be found in Group Global Banking (p.53), Group Insurance & Takaful (p.56) and Group Islamic Banking (p.57)</p>
<p>Supporting the transition to a low-carbon economy Investment policies and products and service offering that enable clients, customers, and other industries to mitigate their environmental impacts and build adaptive capacity in the context of a changing climate (including reducing the Bank's exposure to high emitting sectors).</p>	<p>Product and business specific discussions can be found in Group Global Banking (p.53), Group Insurance & Takaful (p.56) and Group Islamic Banking (p.57)</p>

Material Matters

Employees

Material Issue:

Diversity and inclusion

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

Employee health, safety and well-being

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

Employees working conditions

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

Engaging our people in sustainability

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

Talent attraction, development and engagement

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

Discussed in:

Employee-related initiatives and engagements are covered in Group Human Capital (p.63-67) and Sustainability Review (p.103) while people-related approach and policies are covered in Remuneration (p.68-69) and Statement on Risk Management and Internal Control (p.93)

Society

Material Issue:

Empowering communities

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

Financial inclusion

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

Philanthropy & employee involvement in societal volunteerism

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

Supporting Human Rights

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

Discussed in:

Our approach and Group-wide activities are covered in Sustainability Review (p.101-102 & 104-105)

Community-based initiatives are also covered in Group Community Financial Services (p.51), Group Insurance & Takaful (p.55) and Group Islamic Banking (p.57)

Products & Services

Material Issue:

Developing sustainability focused products and services

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

ESG integration in financial analysis

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

Responsible and fair advertising, marketing, and selling practice

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

Discussed in:

Our approach is covered in Sustainability Review (p.100-103), Statement on Risk Management and Internal Control (p.91-92), Risk Drivers (p.33-35) and Group Risk Management (p.62)

Our business' specific initiatives are discussed in Group Community Financial Services (p.51-52), Group Global Banking (p.53-54), Group Insurance & Takaful (p.56) and Group Islamic Banking (p.57)

MACROECONOMIC REVIEW AND OUTLOOK




The operating landscape in 2020 was extremely challenging, with the COVID-19 pandemic leading to a global recession. The global economy is estimated to have shrunk by 3.6% (2019: 2.8%) following deep contractions in major economies, i.e. the US (2020: -3.5%; 2019: 2.2%); Eurozone (2020: -6.8%; 2019: 1.3%); Japan (2020: -4.8% 2019: 0.7%), and a sharp slowdown in China (2020: 2.3%; 2019: 6.1%). The GDP of ASEAN-6 economies, meanwhile, contracted by 4.0% (2019: 4.3%).

The global economy is expected to rebound by 5.1% in 2021 following the development and deployment of COVID-19 vaccines to achieve herd immunity. Global monetary policies are anticipated to remain accommodative and fiscal policies are to stay expansionary, extending economic stimulus, thus avoiding a policy cliff from premature withdrawals, ending or exiting of stimulus packages.

For business outlook and how material risks and opportunities were addressed, refer to Risk Drivers on page 33 and Our Operating Context on page 36.

2020 Operating Landscape

2021 Outlook

	2020 Operating Landscape	2021 Outlook
 <p>MALAYSIA</p> <p>GDP 2021 (f): 5.1% 2020: -5.6% 2019: 4.3%</p> <p>OPR 2021 (f): 1.75% 2020: 1.75% 2019: 3.00%</p>	<p>Positives:</p> <ul style="list-style-type: none"> Broad-based policy responses to address economic, financial and social impacts of COVID-19 e.g. record low Overnight Policy Rates (OPR), economic stimulus packages and direct fiscal injections such as cash handouts, wage subsidies, tax deferrals and incentives, as well as banks' loan moratorium. These helped to stabilise and lift financial markets, contain unemployment, provide financial support and relief to households and businesses while spurring consumer spending (e.g. auto sales, domestic tourism). <p>Negatives:</p> <ul style="list-style-type: none"> Global recession led to weaker external trade and domestic demand. Domestic movement controls and international border closures heavily impacted services sectors, especially tourism and travel, hospitality, retail, F&B, entertainment and leisure. Domestic political uncertainty and instability. 	<ul style="list-style-type: none"> Economic recovery expected to be gradual and uneven amid pandemic containment measures that include re-imposition of Movement Control Order (MCO) and declaration of emergency, as well as rollout of COVID-19 vaccines. Continued monetary, fiscal and economic stimulus, e.g. OPR to remain at record low 1.75% until end-2021; continued expansionary fiscal policy via record Budget 2021 spending allocation of RM322.5 billion; targeted policy support and interventions for individuals and businesses e.g. job placements, training, re-skilling; micro enterprise and SME financing schemes; and loan repayment assistance.
 <p>SINGAPORE</p> <p>GDP 2021 (f): 4.5% 2020: -5.4% 2019: 0.7%</p> <p>3M SIBOR 2021 (f): 0.40% 2020: 0.41% 2019: 1.77%</p>	<p>Positives:</p> <ul style="list-style-type: none"> Manufacturing and exports performed well from higher demand for semiconductors and pharmaceuticals. Singapore's position as regional hub and its global connectivity is strengthening, with more free trade agreements (RCEP, CPTPP) and reconfiguration of supply chains towards ASEAN. Singapore's neutral position in the US-China trade war is luring more MNCs and Chinese companies to expand their presence, reinforced by reaction to political developments in Hong Kong. <p>Negatives:</p> <ul style="list-style-type: none"> Services sector is recovering at a sluggish pace due to safety measures and border controls, which dragged down the tourism-related and aviation sectors. Construction remains significantly below pre-pandemic levels from stricter safety measures and shortage of foreign labour. 	<ul style="list-style-type: none"> U-shaped recovery is expected, conditional on the services sector as manufacturing already surged strongly in 2020. Inflation to turn positive on rising energy prices and petrol duty hikes but remain manageable, as weak labour market recovery will keep wage cost pressure in check. The Monetary Authority of Singapore (MAS) will likely maintain its neutral stance following the double easing in March 2020. Following the generous SGD100 billion (20% of GDP) package in 2020, Budget 2021 set aside a smaller SGD11 billion package in 2021 which will narrow the budget deficit to 2.2% of GDP (2020: 13.9%).
 <p>INDONESIA</p> <p>GDP 2021 (f): 5.3% 2020: -2.1% 2019: 5.0%</p> <p>Reference Rate 2021 (f): 3.50% 2020: 3.75% 2019: 5.00%</p>	<p>Positives:</p> <ul style="list-style-type: none"> Low inflation and a stable IDR provided space for substantial monetary policy easing by Bank Indonesia (125 bps policy rate cut) to support the economy. Passing of the Omnibus Law to boost job creation and improve the business climate is a positive step towards catalysing private and foreign investment. <p>Negatives:</p> <ul style="list-style-type: none"> COVID-19 cases remain high, dampening domestic mobility and economic activities. Given the large population and slow vaccine rollout, herd immunity may only be achieved in 1H 2022. Unemployment rate shot up to a decade high of 7.1%, with about 2.7 million people losing their jobs. 	<ul style="list-style-type: none"> Vaccine deployment will help restore domestic mobility and revive consumer spending and investments. Monetary policy to stay accommodative with a cumulative 150 bps policy rate cut delivered since 2020. Bank Indonesia also relaxed lending rules for properties and motor vehicles to spur lending in these sectors. Bank Indonesia will continue to buy government bonds through the primary market as a non-competitive bidder. Inflation to pick up to 2.4%, driven by the recovery of energy and food prices.

Market Overview

BANKING SECTOR REVIEW AND OUTLOOK

2020 Review

2021 Outlook



MALAYSIA

System Loan

2021 (f): 3.8%

2020: 3.4%

2019: 3.9%

- System loans expanded at a slower rate (2020: 3.4%; 2019: 3.9%), impacted by economic contraction. Household loan growth was resilient (2020: 5.0%; 2019: 4.7%), while non-household loan growth slowed (2020: 1.0%; 2019: 2.7%).
- Mortgages continued to be the backbone of consumer financing (35% of system loans) with stable growth of 7.1% (2019: 7.3%), supported by drawdowns on mortgage stockpiles. Auto financing, meanwhile, saw strong recovery in 2H 2020 (2020: 5.6%; 2019: -1.0%) aided by the Sales & Service Tax (SST) incentives.
- As for businesses, cautious sentiment was reflected in tepid working capital loan growth of 0.5% (2019: 1.1%). Bond issuances declined 19% in 2020 and overall credit (loans and bonds) growth was a subdued 1.8%.
- Due to OPR reductions and one-off modification losses, banks' net interest margins (NIMs) contracted. Positively, bank earnings were supported by the ensuing decline in bond yields, which contributed to investment gains.
- Credit cost picked up significantly, as banks put through higher pre-emptive provisions amid weaker economic fundamentals. The industry's gross impaired loans ratio was nevertheless stable at 1.57% as at end-2020 (end-2019: 1.53%).
- The industry remained well-capitalised with an average Common Equity Tier 1 ratio of 14.6% as at end-2020 (2019: 14.6%).

- Amid the anticipated recovery in economic activity, loan growth is expected to gather momentum.
- If there are no further cuts in the OPR, NIMs should improve as deposits fully re-price. Although treasury gains are expected to taper off, most banks have already built up substantial unrealised investment reserves that could be partially realised.
- The industry's gross impaired loans ratio is expected to rise further, given the targeted loan moratorium and MCO extension into 2021. As such, credit costs are expected to remain elevated.
- Capital levels are comfortable and liquidity is expected to remain ample.



SINGAPORE

System Loan

2021 (f): 5.0% to 7.0%

2020 (f): -1.2%

2019: 4.2%

- Following the full force of border closures and domestic lockdowns, system loans contracted by 1.2% – the first negative reading since 2016. The weakness was largely driven by SMEs and transport sector weathering the full brunt of COVID-19.
- While sectors such as manufacturing and financial services fared better, growth was not enough to offset pressure from other sectors.
- Consumer loans saw only marginal 0.5% YoY contraction (2019: 1.0%) supported by overseas mortgage lending and generous government support schemes.
- Gross Non Performing Loans (NPL) increased to 2.6% (2019: 2.0%), the largest increase since 2016. As banks build up cautionary provisions, credit charges have expanded to the highest level since the global financial crisis (GFC).
- Overall deposits expanded 12% YoY (2019: 9%) from safe-haven flows, especially outside Singapore (FX deposits: 60% YoY).
- Separately, MAS awarded four digital banking licenses to consortiums led by participants with access to unique data pools and FinTech track records.

- Asset quality is expected to remain uncertain as continued loan moratoriums and restructuring mask visibility of repayments.
- While loan growth may see a turnaround, especially as economies emerge from lockdowns, this may be tempered by continued border closures.
- NIM is anticipated to remain thin given low policy rates regionally, but the decline has likely bottomed.
- Deposit growth may taper, given low interest rates and improving economic activity.
- With new digital banks, first glimpses of innovative products aimed at the underbanked are likely to emerge towards end-2021.



INDONESIA

System Loan

2021 (f): 4.5%

2020 (f): -2.4%

2019: 6.1%

- Loans contracted by 2.4% due to lower interest rates as COVID-19 disrupted economic activities. Weaker credit demand was experienced in all segments, i.e. investment, working capital and consumer lending.
- Gross NPL ratio remained below the 5% mark as at end-2020 (end-2019: 2.53%) given that nearly 25% of bank loan portfolios have undergone restructuring. This was due to OJK's more lenient policy on credit quality assessment for accounts affected by the pandemic.
- Loan-to-deposit ratio stood at 82.2% as at end-2020 (end-2019: 94.4%) indicating strong liquidity to support future lending. Deposits grew 13% (2019: 6.5%).
- NIM eased to 4.5% (2019: 4.9%) due to the lower interest rates.
- Capital adequacy ratio stood at 23.9% as at end-December, above the minimum regulatory requirement of 8%.

- Loans are expected to grow by 4.5% YoY in 2021 from mild pick-up in credit demand amid the prolonged pandemic, with working capital recovering faster than investments and improved consumer lending circumstances.
- The anticipated extension of loan restructuring period should prevent a spike in NPLs, but is likely to have a negative impact on NIM.
- Positively, banks have much stronger provisioning buffers compared to the GFC period, attributed to IFRS 9 implementation at the start of 2020.
- Banks' long-term prospects remain attractive given the relatively high-margin and severely underpenetrated market.

KEY MAYBANK²⁰²⁰ ACHIEVEMENTS

Setting out with an aspiration of **Advancing Asia's Ambitions With You**, the Maybank²⁰²⁰ strategy has been our guiding path for the last five years. During this period, Maybank strengthened its foundation to be sustainable in the long term, particularly through investments in digital platforms and capabilities.



First-to-market digital solutions such as the all-new MAE by Maybank2u lifestyle app, QRPay and SME Digital Financing



Upskilled employees through our FutureReady Programmes



Built new innovative capabilities through Maybank Labs



Sealed strategic partnerships to strengthen our value proposition

As a testament to the forward-looking position taken on digital, we were able to leverage our digital capabilities to support our customers and community during the onset of the global pandemic in 2020. This foundation has positioned us to stay relevant, competitive and sustainable for the long term.

THE TOP ASEAN COMMUNITY BANK

To be a leading retail & commercial financial services provider in ASEAN, leveraging our regional presence, banking expertise and growth opportunities in ASEAN.

Consumer adoption rate using digital platforms

2020 **66.1%** 2016 **36.3%**

Monetary transactions through digital platforms (YoY growth)

2020 **53.0%** 2016 **34.5%**

% of core product sales generated through digital platforms

2020 **78.6%** 2016 **23.8%**

Winner



- Regional winner (Asia Pacific) for Best Website Design Award 2020 by Global Finance Magazine 2020.
- Asia Trailblazer of the Year 2020 by Retail Banker International Asia Trailblazer Awards 2020.
- World's Best Consumer Digital Bank Awards in Asia Pacific (Malaysia, Indonesia) by Global Finance Magazine 2020.
- Best Digital Bank in Malaysia and Indonesia by Global Retail Banking Innovation Awards 2020.



Leader in digital banking – Largest market share in Malaysia with 60.7% in mobile banking.

Group Wealth Management, our regional wealth franchise servicing Private Wealth, Premier Wealth and Privilege Wealth segment, recorded 8.3% CAGR growth in total AUM over the last five years.



2020 **RM244.0 billion** 2016 **RM177.7 billion**

Regional Retail SME

recorded 8.4% five-year CAGR growth in loans.



2020 **RM32.7 billion** 2016 **RM23.7 billion**



Introduced many innovative and first-to-market digital solutions such as:

- MAE by Maybank2u, a lifestyle app.
- New and improved Maybank2u app with biometric and Secure2u features.
- QRPay and Tap2Phone, affordable digital payment solutions for small merchants.
- SME Digital Financing with 10-minute approval.
- EzyQ, an online branch appointment system.
- Fully digital real-time account opening for SMEs in Malaysia.
- Video Know-Your-Customer (KYC) via Maybank2u, enabling fully digital customer onboarding in Indonesia.

Our Strategy

KEY MAYBANK²⁰²⁰ ACHIEVEMENTS (CONT'D.)

THE LEADING ASEAN WHOLESALE BANK LINKING ASIA

To be the trusted ASEAN financial partner that links Asia by leveraging our ASEAN leadership capabilities to deliver client solutions across Asia.

Bloomberg League Table

MYR Islamic Sukuk

2020

1 2016 **1**

Malaysia Bonds

2020

2 2016 **2**

Malaysia ECM

2020

1 2016 **1**

Global Sukuk

2020

3 2016 **2**

ASEAN Local Currency Bonds

2020

2 2016 **2**



No. 1 Wholesale Bank in Malaysia

by market share of loans, deposits and trade finance.

Leading Global Banking franchise in the country and region

- Best Trade Finance Provider in Malaysia by Global Finance Trade & Supply Chain Finance Awards 2020.
- Best Investment Bank in Malaysia by Euromoney, Global Finance, and Finance Asia.
- Best Broker in Southeast Asia by Alpha Southeast Asia.



ESG market leader in Malaysia



- Consistently ranked No. 1 on the ESG League Table (Dealogic) since 2017
- Executed noteworthy ESG-driven deals across the region such as the LSS3 solar power projects financing, and Indonesia's USD2.5 billion Sovereign Sukuk.



Maybank2E

expanded ASEAN capabilities across the region.



Leading brokerage franchise in ASEAN and Top 5 in Malaysia, Thailand and Indonesia.

Net Promoter Score (NPS) in Malaysia

2020

15 2016 **6.4**

Total # of ASEAN DCM deals

2020

82 2016 **56**

Group Asset Management's

AUM recorded five-year CAGR growth of 12.6% to RM32.6 billion in FY2020.

THE LEADING ASEAN INSURER

To be a leading ASEAN insurer by leveraging synergies between Maybank's regional banking footprint and Etiqa's expertise in Takaful & bancassurance.

Life/Family APE Bancassurance

Market Share in Malaysia

2020

No. 1 (19.4%) 2016 **No. 2 (16.0%)**

NPS

in Malaysia

2020

24 2016 **-7**

Regular Premium/Contribution Bancassurance

Market Share in Malaysia

2020

No. 1 (20.4%) 2016 **No. 2 (17.3%)**



No. 1

- General Takaful Provider in Malaysia.
- Online Insurer with over 66% market share in Malaysia.



Highest ever revenue

RM11.27 billion in 2020 (in gross written premium).

Expanded ASEAN footprint

from Malaysia and Singapore to the Philippines (2014), Indonesia (2017) and Cambodia (2020).

Implemented Insurance Advisor Model driving growth in bancassurance regular premium, achieving No. 1 position in Malaysia.



Winner

- Best Takaful Company 2019 (International Takaful Awards)
- Top Bancatakaful Producer 2020 (Malaysian Takaful Association)



Introduced Etiqa's Smile App

enabling customers to access the full extent of services including policy details, service providers and claim submission.

KEY MAYBANK²⁰²⁰ ACHIEVEMENTS (CONT'D.)

THE GLOBAL LEADER IN ISLAMIC FINANCE

To continue delivering innovative client-centric universal financial solutions, building on our global leadership in Islamic Finance.

Sukuk League Table

MYR	Global
2020	2020
No.1	No.3
2016	2016
No.1	No.2

 **Top 5 Islamic Bank globally** by asset size.

 **Largest Islamic Finance Provider** in Malaysia and Asia Pacific.

Established Maybank's first branch in the Dubai-DIFC to drive GCC-ASEAN flow.

MGIB Contribution to Maybank Group

Assets	2020	2016
31.7%	26.9%	

Funding	2020	2016
35.7%	27.9%	

PBT	2020	2016
28.2%	21.2%	

Introduced innovative products such as Investment Account, HouzKEY and the first Shariah-compliant e-wallet in Malaysia, MAE.



Winner

- Global Islamic Bank of the Year (2014, 2015, 2020)
 - The Banker Awards (Financial Times)
- Asia-Pacific Islamic Bank of the Year (2016-2020)
 - The Asset Triple A Islamic Finance Awards

Led the development of Islamic Finance in the region:

- Joint lead arranger for one of the world's largest green Sustainable and Responsible Investment (SRI) sukuk in 2019.
- Contributed and collaborated with academic, educational and governmental bodies such as INCEIF, ISRA and IIUM to develop Islamic Finance knowledge, learning and banking modules.











NPS in Malaysia

2020	2016
33	-6


THE DIGITAL BANK OF CHOICE


To be the digital bank of choice by putting our customers' preferences first and transforming to deliver next-generation customer experience.

Further enhanced customer experience by building partnerships, digital assets, platforms and capabilities such as:

-  Introduced various customer facing capabilities and innovations as mentioned across the four strategic objectives above, such as SME Digital Financing with 10-minute approval and MAE by Maybank2u lifestyle app.
-  Launched Maybank Sandbox as a regional collaboration platform for FinTech developers to test out new ideas using real banking APIs.
-  Standardised and rolled out base applications and Straight-Through Processing capabilities across the countries and geographies to serve our customers.
-  Introduced CARisMa (Capital Adequacy and Risk Management), an integrated system to better manage assets, liabilities and risks.
-  Established Maybank Labs to augment digital and analytical delivery for Maybank Group.
-  Built connections to partner ecosystems to allow seamless payments & customer experience, i.e. Grab, Lazada and Shopee.
-  Sealed strategic partnerships with Grab, SamsungPay, Alipay and Shopee.
-  Rolled out FutureReady digital upskilling programmes for employees.
-  Increased in-house capabilities to manage and develop financial applications and improve cyber defence capabilities.
-  First local bank to introduce SWIFT gpi in 2019, enabling speedier, convenient and secure cross-border remittances.

Supporting community development, particularly during the pandemic:

 **SAMA-SAMA LOKAL**
by Maybank2u
Launched Sama-Sama Lokal in 2020, a platform that enables small businesses to operate online at no cost.

 **Maybank Heart**
Introduced MaybankHeart in 2016 – the first-of-its-kind digital social fundraising platform for non-governmental organisations (NGOs).

Our Strategy

MAYBANK'S NEXT FIVE-YEAR STRATEGY: M25

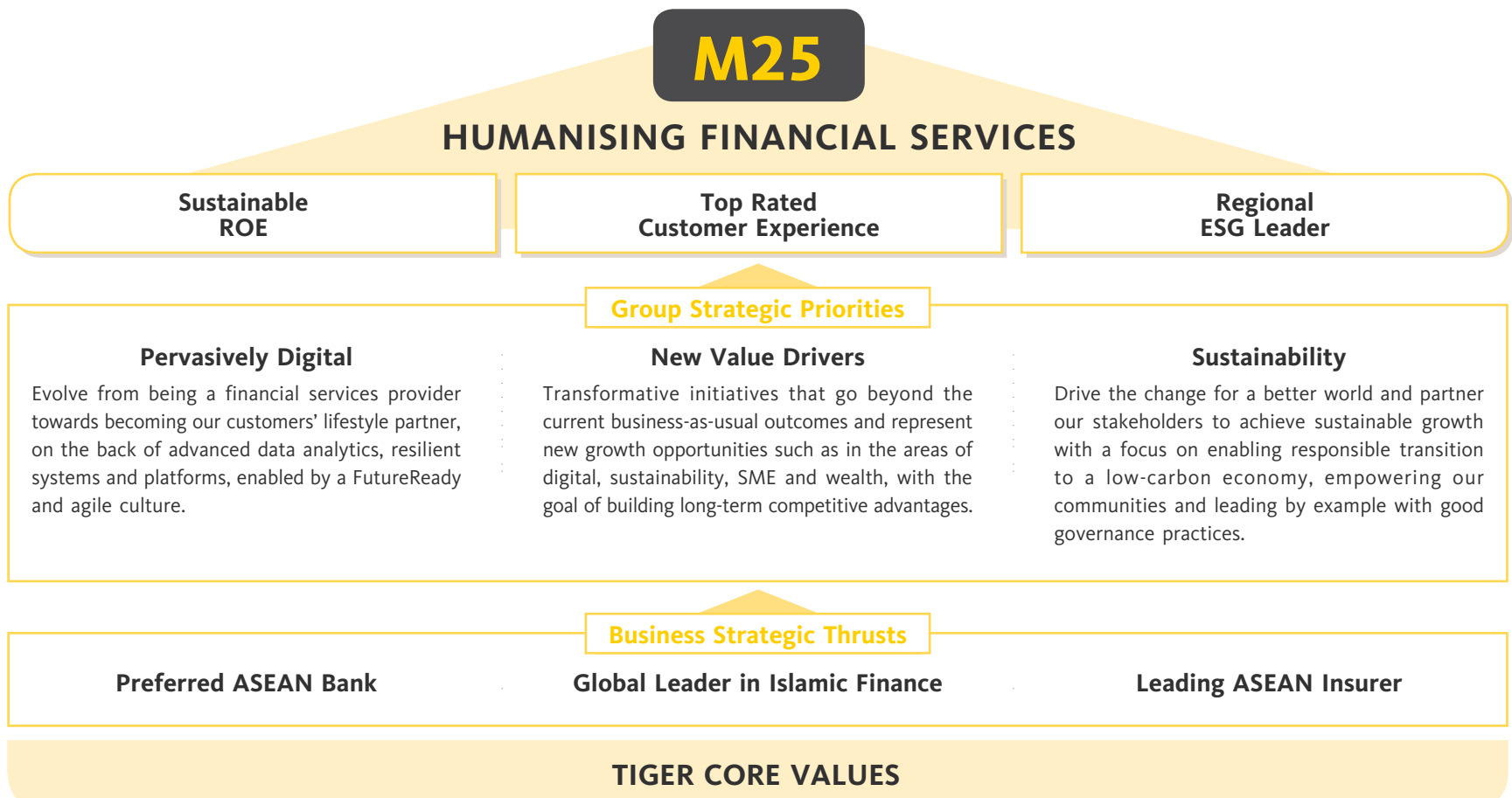
M25 is Maybank's next long-term strategy towards 2025, capturing our strategic intent, key plans and outcomes for the next five years. With M25, our aim is to further enhance the way we leverage digital innovation to create an unmatched customer experience, whilst strengthening every aspect of our business to be FutureReady to capture new growth opportunities. Infused with our sustainability agenda, we also intend to proactively make changes to our operating model and policies that will be value-accretive in the long run.

As we drive these transitions on the digital and sustainability front, M25 will be executed with a clear line of sight of our purpose, Humanising Financial Services, as described below:





















M25 GROUP FRAMEWORK

Anchored on our purpose, the M25 Group Framework will guide the next five years' strategy, steered by the **Group Strategic Priorities** of being Pervasively Digital, building New Value Drivers and driving Sustainability forward, to achieve Sustainable ROE, Top Rated Customer Experience and Regional ESG Leadership. The **Business Strategic Thrusts** articulate the strategic objectives for our businesses, powered by our **TIGER Core Values**.



We have identified the following significant risk drivers that may impact our businesses in our home countries and across the region in light of the operating landscape in 2020.


Economic				2020: ▲	2019: ▲
Key Drivers: <ul style="list-style-type: none"> COVID-19 controls and restrictions are disrupting economies causing labour market weakness and business uncertainties. Synchronised recession across regions we operate in. Economic uncertainty from the prolonged US-China trade war. 	Implications to Maybank: <ul style="list-style-type: none"> Slower loans growth, weakening of asset quality and profitability from dampened sentiment and softening business activities. Potential impact on liquidity and profitability from moratorium and repayment assistance granted. 	Key Actions Undertaken: <ul style="list-style-type: none"> Actively re-shape the Group's portfolio/business strategy, identifying potential weaknesses. Accelerate digitalisation in credit risk management by enhancing analytical abilities using data driven tools. Reinforce credit risk management and credit assessment processes for targeted borrowers from vulnerable industries. 	Related Principal Risk(s): <ul style="list-style-type: none"> Credit risk Market risk Liquidity risk Related Capital(s): 		
<small>Refer to Group Risk Management on page 62 for more details.</small>					
Technological				2020: ▲	2019: —
Key Drivers: <ul style="list-style-type: none"> COVID-19 has accelerated the pace and intensity of cyber attacks, and caused a significant shift in banking behaviour. Cyber security is now a business risk rather than just an IT issue, as more businesses become more digitalised. Heightened regulatory expectations to ensure system availability. 	Implications to Maybank: <ul style="list-style-type: none"> Greater risk of IT system and resource constraints as well as data breach from increased online transaction volumes and cyber attack attempts. 	Key Actions Undertaken: <ul style="list-style-type: none"> Continuous upgrades of our IT infrastructure, heightened monitoring of system availability, cyber and technology risk assessments and cyber defence capabilities. 	Related Principal Risk(s): <ul style="list-style-type: none"> Information technology risk Non-financial risk Compliance risk Related Capital(s):   		
			Related Material Matter(s): 		
Non-Financial				2020: ▲	2019: ▲
Key Drivers: <ul style="list-style-type: none"> The pandemic has accelerated the need to meet the digitalisation requirements of all stakeholders while maintaining the operational resilience of our people, processes and infrastructure. 	Implications to Maybank: <ul style="list-style-type: none"> Failure to ensure business and operational resilience will impact service delivery and employee productivity. Inability to leverage digital platforms to anticipate trends and manage risks may result in not meeting customer expectations and missed business opportunities. 	Key Actions Undertaken: <ul style="list-style-type: none"> Long-term strategic efforts to ensure business continuity and operational resilience, including ongoing platform enhancements as well as the re-assessment of business and workplace requirements in the new normal. 	Related Principal Risk(s): <ul style="list-style-type: none"> Non-financial risk People and performance risk Related Capital(s):   		
			Related Material Matter(s):  		
Sustainability				2020: ▲	2019: ▲
Key Drivers: <p>Increased awareness and expectations of stakeholders and regulators for good governance & sustainable business practices to avert:</p> <ul style="list-style-type: none"> Harm to the environment, e.g. deforestation and ecosystem degradation. Social issues, e.g. oppression and community displacement. 	Implications to Maybank: <ul style="list-style-type: none"> Financial and reputational risks from exposure to clients/investees who do not take into account environmental, social and governance (ESG) considerations. Heightened credit risk from clients who do not adhere to ESG practices. 	Key Actions Undertaken: <ul style="list-style-type: none"> Deployment of ESG Industry Scrum teams to develop strategies for high ESG risk industries. Formalised No Deforestation, No Peat and No Exploitation stance. Collaborate with regulators and industry specialists to gain better insight into ESG practices. Continuous engagement with customers from high ESG risk segments to monitor ESG adoption progress. 	Related Principal Risk(s): <ul style="list-style-type: none"> ESG risk Credit risk Non-financial risk Related Capital(s):   		
			Related Material Matter(s):   		
Geopolitics				2020: ▼	2019: ▲
Key Drivers: <ul style="list-style-type: none"> Political uncertainties due to various events including the US presidential election, Brexit, unrest in Hong Kong and Thailand, COVID-19 vaccine procurement, trade war/tensions (e.g. US-China, US-EU relations). 	Implications to Maybank: <ul style="list-style-type: none"> Slower credit growth due to weaker business and consumer confidence as well as possible trade sanctions. Expectations from regulators to manage emerging risks arising from geopolitical issues. 	Key Actions Undertaken: <ul style="list-style-type: none"> Strengthen communication mechanism across the Group to enable timely flow of information on risks/opportunities for better decision-making and timely action. Proactive identification of vulnerable sectors and borrowers and the development of appropriate intervention strategies. 	Related Principal Risk(s): <ul style="list-style-type: none"> Credit risk Market risk Related Capital(s): 		
			Related Material Matter(s): 		

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

Risk Drivers

PRINCIPAL RISKS FY2020

Our Principal Risks are underlying risks that impact the financial services industry. These necessarily encompass emerging risks, such as the risk drivers mentioned earlier, but also ongoing risks that are managed consistently across the Group in line with our risk appetite. Our 12 principal risks are outlined along with the actions taken to mitigate them, ensuring we are able to achieve our strategic goals.



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

Credit Risk

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

Key Actions:

- Infrastructure upgrade streamlining counterparty credit risk exposure aggregation across the Group; and enhanced risk analysis as well as reporting, leading to proactive limit management.
- Adopted a more cautious stance on certain industries in countries most impacted by COVID-19, regularly reviewing our portfolios to identify potential hotspots. We also took proactive account measures through periodic MFRS9 assessments.
- Developed Maybank Group Credit Risk Framework to ensure effective credit risk management to attain: positive customer experience, good quality credits, diversified and resilient credit portfolio, target risk returns and capital optimisation.
- Adopted adaptive and flexible policies such as re-aligning credit operational processes and new income assessment methodology which are forward looking and responsive to market movements and customer sentiment to identify vulnerability and threats in the new economic environment.



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

Market Risk

Loss arising from adverse movements in market rates/prices such as interest rates, foreign exchange rates, commodities and equity prices.

Key Actions:

- Conducted Thematic Reviews of Trading Book to highlight performance and risks, and better understand the trading books.
- Ongoing preparations to implement Interest Rate Risk in the Banking Book Standards across the Group.
- Upgrading risk system to prepare for implementation of Basel requirements related to the Fundamental Review of Trading Book.
- Developed Group Market Risk Framework for optimisation of risk returns, consistent management of market and liquidity risk, and governance and risk oversight.



  For more information, refer to Financial Book on market risk management on page 179 and Basel II Pillar 3 disclosure on Market Risk on www.maybank.com.

Liquidity Risk

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

Key Actions:

- Funding management at Group and overseas centres to ensure sufficient liquidity to support loan moratoriums.
- Implemented measures to meet BNM's Net Stable Funding Ratio regulatory requirement effective 1 July 2020.
- Refinement in daily Liquidity Coverage Ratio reporting for Group and key entities as per regulatory requirements.


  For more information, refer to Financial Book on liquidity risk management on page 193 and Basel II Pillar 3 disclosure on Liquidity Risk on www.maybank.com.

Non-Financial Risk

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

Key Actions:

- Established Maybank Group Pandemic Preparation Framework to protect our staff, their families and the community.
- Revised the Business Impact Analysis methodology to enhance transparency and linkages on internal and external dependencies of processes that cut across different functions, besides incorporating learnings from COVID-19.
- Substantially enhanced C-InSIGHT, an integrated assurance platform which allows for greater transparency and accountability, enabling proactive risk responses; and increased its adoption through co-development with business units.
- Standardised reporting criteria to promote greater clarity, transparency and consistency amongst control owners.
- Re-engineered the product approval process and improved product risk management through enhanced analytics and dashboard reporting to increase product speed-to-market.


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

Information Technology (IT) Risk

Risks related to the confidentiality, availability and integrity of information and services.

Key Actions:

- In managing increased volume of digital transactions, we continuously reviewed our cyber defence capabilities to protect customers' data and payments security, while refining our Cyber and Technology Risk Assessment to strengthen our resilience against potential cyber threats.
- To ensure system availability, the IT infrastructure was upgraded and monitored to minimise risk of disruption and single point failure.

 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 59 and 88.

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

Key Actions:

- 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 culture and awareness to comply with applicable laws, regulations and supervisory expectations.

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

Key Actions:

- Focus in 2020 was to divert substantial resources to manage the Bank's portfolio during economic uncertainty arising from the pandemic. These activities included but were not limited to building an on-demand credit analysis tool to assist in credit decisions with more immediate customer analysis aligned with current economic outlook and ad hoc portfolio stress testing taking into account changing economic scenarios.
- Enhanced Reputational Risk ICAAP assessment and process with Group-wide coverage.
- Developed Maybank Group Enterprise Risk Management Framework to manage all material bank risks holistically.
- Developed Maybank Group Risk Reporting Procedure to reflect current state of risk reporting and to align with Basel Committee on Banking Supervision (BCBS) 239 "Principles of effective risk data aggregation and risk reporting".

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


Key Actions:

- Adopted new methodologies to enhance the risk-ranking ability of the models.
- Established Model Risk Management Framework and policy to govern various model types in Maybank Group.
- Established clear roles and responsibilities throughout model lifetime to flag out related concerns on timely basis.

Financial Risk
 Risk of not meeting regulatory minimum capital requirements and/or inability to maintain sustainable profits.

Key Actions:

- Implementation of the following key regulations issued by BNM:
 - BNM's Capital Adequacy Framework (Capital Components) policy document (PD) issued on 5 February 2020, which sets out the general requirements concerning regulatory capital adequacy and components of eligible regulatory capital.
 - BNM's Domestic Systemically Important Banks Framework (D-SIB) PD issued on 5 February 2020 in which Maybank is deemed as D-SIB.
 - BNM's Statutory Reserve Requirement PD issued on 20 March 2020.

 For more information, refer to Reflections from Our Group Chief Financial Officer on page 39 and Financial Book on financial risk management on page 151.

Takaful & Insurance Risk
 Negative impact due to adverse deviation in underlying assumptions on which product, pricing, underwriting, claims, reserving and retakaful/reinsurance have been made.


Key Actions:

- Established Takaful & Insurance Risk Policy to formalise and govern the internal risk reporting requirements while enhancing coordination between business owners and second-line functions on Takaful & insurance risk management matters.
- Streamlined and enhanced the quality of risk reports to encompass a wider range of Takaful & insurance risks.
- Conducted risk assessment and stress testing exercises to support the decision-making process.
- Collaborated with business operations for regulatory-driven initiatives such as Phased Liberalisation of Fire and Motor Tariffs, New Life Framework and International Financial Reporting Standard 17 (IFRS 17).
- Calibrated and monitored key risk indicators in the Takaful & insurance businesses.

People and Performance Risk
 Loss arising from misconduct or industrial strife.

Key Actions:

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

 For more information on how we manage our people, refer to Group Human Capital on page 63.

Environmental, Social and Governance Risk
 Failure to address ESG concerns could impact the Group's financial and corporate performance, as well as reputation.


Key Actions:

- Developing Maybank Group ESG Risk Framework, outlining principles and key building blocks for the management of ESG risk.
- Deployment of ESG Industry Scrum team to develop strategies for high ESG risk areas and identify means to address related issues.
- Formalised by way of Board approval our stance on No Deforestation, No Peat and No Exploitation.
- Collaborations with BNM, Securities Commission and industry players under the Joint Committee on Climate Change.
- Proactively engage with customers, NGOs, investors and regulators to encourage adoption of better ESG practices and promote a low-carbon economy, as well as to gain better insights into these ESG sensitive industries.

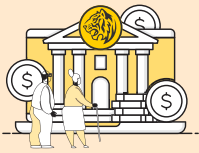
  For more information, refer to Sustainability Review on page 99 and the Sustainability Report which will be made available online at www.maybank.com/ar and www.maybankfoundation.com.

Our Operating Context

This unusual yet pivotal year has seen major changes in our operating landscape, prompting us to manoeuvre carefully, albeit quickly, to adapt to and embrace the new normal while continuing to serve and deliver value to our stakeholders amidst the uncertainties.

 This section discusses our strategic views and responses, supplementary to the Market Overview and Risk Drivers section on pages 27 & 33 respectively.

THE TOP ASEAN COMMUNITY BANK



Operating Landscape Impact:


- Accelerated need for resilient digital infrastructure and innovation capabilities as the new normal sets in, coupled with heightened competition from financial and non-financial technology disruptors
- Lower interest rate environment and modification loss impact led to net interest margin (NIM) compression and lower profitability
- Soft business sentiment and subdued global economy due to the pandemic resulted in business slowdown and weaker asset quality outlook
- Heightened awareness among financial institutions of the need to support Sustainable Development Goals (SDGs)
- Increasing need to support and ensure sustainability of SMEs amid the pandemic, as they are significant drivers of the regional economy

Material Risks & Opportunities:

- Increasing demand for innovative financial solutions from urban middle classes and SMEs which make up a significant demographic in ASEAN
- Cautious consumer sentiment resulting in demand for wealth management propositions
- Pockets of growth opportunities seen in selected emerging sectors such as e-commerce and healthcare
- Continuous technological innovation required to address rapidly evolving customer needs
- Opportunity to develop more inclusive solutions in line with growing customer demand

Our Response:

- Maintain diligence in managing asset quality, e.g. establishing Credit Lending War Room to expedite COVID-19 credit decision making
- Consistent and proactive customer engagement as well as development of needs-based digital solutions and relief programmes leveraging data-led capabilities
- Expand digital reach through enhancement of Straight-Through Processing (STP) capabilities across the region
- Provide viable and affordable financial solutions to customers through, for example, the government-initiated affordable home ownership and COVID-19 financial assistance programmes

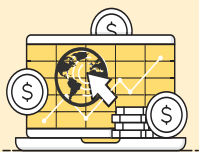
 For more details, refer to page 51.

Outlook & Priorities for 2021:

While the industry and consumer behaviour transition into the new normal, moderate growth in the ASEAN region is still anticipated, largely led by fiscal stimulus and easing of monetary policies in supporting households and businesses. The push for inclusive financial services is likely to persist along with increasing competition from non-bank players.

With this in mind, we remain committed to delivering meaningful customer-centric solutions that meet our customers' and the communities' needs. This includes developing our talent pipeline to embed a customer-centric mindset, enabling business agility to seize opportunities, and strengthening our digital propositions while managing asset quality.

THE LEADING ASEAN WHOLESALE BANK LINKING ASIA



Operating Landscape Impact:

Movement restrictions and contractions in economic activity in home markets from the COVID-19 pandemic caused:


- Stress in tourism-related, aviation, oil & gas, real estate and construction sectors leading to pressure in asset quality
- Significant NIM compression due to cuts in interest rates and muted corporate loans growth leading to slower income growth from loan-related activities
- Elevated market volatility and capital outflows resulting in higher trading and investment activities

Material Risks & Opportunities:

- ESG considerations becoming increasingly central in the financial industry as businesses and investors shift their focus towards sustainable agenda
- Accelerated need for digital transformation to enable customers to continue to perform banking needs digitally in the new normal
- LIBOR to be replaced with Risk Free Rates by 2021 as part of global reform of benchmark interest rates

Our Response:

- Proactive and consistent client engagement to develop and offer relevant solutions while enabling early detection of asset quality deterioration to expedite financial relief assistance and mitigation plans
- Expand customer segment as part of the portfolio diversification strategy
- Continuous enhancements to regional cash platform and trade finance service levels to minimise disruption
- Continuous development of ESG capabilities and participation in ESG-related opportunities
- Establishment of LIBOR Project Steering Committee at the Group level, followed by client engagement and outreach programme to ensure smooth transition.

 For more details, refer to page 53.

Outlook & Priorities for 2021:

The impact of COVID-19 is likely to persist well into 2021 leading to continued softer markets and weaker sentiment from the corporate segment. We remain focused on engaging actively with our customers to mitigate its impacts while continuing to provide them with integrated and innovative financial solutions. We will also continue to strengthen our balance sheet resilience through portfolio diversification; accelerate our investments into digital capabilities; and ramp up regional flow and cross-border propositions leveraging our SG-ASEAN+ connectivity and to be the go-to wealth and investment manager delivering market-driven solutions.

In the long run, we aspire to become our customers' Valued ASEAN Banking Partner Globally by redefining our customer servicing model supported by strong digital architecture. Underlying this is our aim to create value and build community resilience across ASEAN through ESG-infused products and solutions.

THE LEADING ASEAN INSURER



Operating Landscape Impact:

- Slow business environment and investment sentiment impacting insurance investment portfolio
- Movement restrictions due to the pandemic resulted in reduced foot traffic at our customer touchpoints and touchpoints between intermediaries and customers
- Travel restrictions significantly impacted the previously fast-growing segment of travel insurance

Material Risks & Opportunities:

- There is still a large uninsured and underinsured population across ASEAN
- New business opportunities from changes in consumer behaviour and operating environment which leverage digital platforms
- Increased demand for medical and health coverage arising from the pandemic
- Higher risk of cyber crime as digital platforms are heavily leveraged during the pandemic by internal and external stakeholders

Our Response:

- Maintain our philosophy of providing customers with FEBA – i.e. Fast and Easy services and the Best Advice
- Provide needs-based and digital solutions that are relevant to the current environment such as COVID-19-related travelling products, and health and well-being products

📖 For more details, refer to page 55.

Outlook & Priorities for 2021:

The pandemic is expected to continue to impact the global economy until the comprehensive roll-out of proven vaccines. However, changes in consumer behaviour and preference will present pockets of opportunities in selected segments, particularly in the digital sphere. There will be more calls for action to achieve SDGs, which is in line with our purpose statement, “To make the World a Better Place”. Accordingly, we will put into place frameworks and policies to ensure we are at the forefront of ESG practices.

THE GLOBAL LEADER IN ISLAMIC FINANCE



Operating Landscape Impact:

- COVID-19 has severely impacted SMEs and disadvantaged communities across ASEAN
- Policy and regulatory responses have focused on safeguarding economic resilience – this includes regulators’ call to ramp up sustainability practices under the Value-Based Intermediation (VBI) agenda
- Consumer preference is shifting towards businesses that uphold sustainable practices

Material Risks & Opportunities:

- Economic disruption impacted the livelihood of communities, impairing their ability to meet their financial obligations
- Opportunity to meet ever-growing demand for Shariah-compliant solutions which are community-centric and sustainable

Our Response:

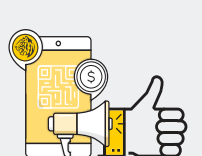
- Introduced products aimed at supporting those impacted by the pandemic and launched programmes to educate and assist vulnerable groups with income opportunities
- Published Maybank Islamic’s Sustainability Statement, reinforcing our sustainability commitments
- Lead in industry-wide discussion on the development of the VBI Assessment Framework (VBIAF) Sectoral Guidance for Palm Oil by BNM

📖 For more details, refer to page 57.

Outlook & Priorities for 2021:

Continuous effort of regulators in our home markets to drive recovery will intensify competition among Islamic financial institutions to develop solutions that not only stimulate sustainable growth but also support inclusivity for vulnerable groups. Cognisant of this, we intend to explore alternative financing methods (such as Islamic social financing that leverages zakat, waqf and sadaqah) and expedite digital solutions to support the underserved communities as well as SMEs.

THE DIGITAL BANK OF CHOICE



Operating Landscape Impact:

- Surge in migration to cashless and digital platforms, due to the pandemic, intensifying the need for agile and resilient digital capabilities and infrastructure to provide innovative, inclusive and safe solutions that meet our customers’ and communities’ needs
- Heightened competition from new digital entrants, coupled with new regulatory and technology developments (Digital Bank Frameworks, Open Banking, Blockchain, Banking as a Service (BaaS) solutions, Work From Anywhere/Home models), requires us to continuously adapt and innovate to remain relevant and productive

Material Risks & Opportunities:

- Explore regional and global partnerships to build synergies with our internally built capabilities
- Reinforce our security and digital infrastructure as well as approach to prevent and address cyber threats, while keeping pace with the demands of changing customer behaviours
- Develop fully digital, needs-based solutions and approaches to cater to all segments who have been impacted by the pandemic

Our Response:

- Accelerate ongoing IT infrastructure and security enhancement programmes to strengthen the protection of customers’ data, maintain operational resilience in the face of increased transaction volumes, and prevent potential cyber threats
- Establish digital partnerships with third parties to offer a holistic and seamless banking experience for customers (e.g. launch of STPs on third-party platforms and co-branded credit cards with fully-digital features)
- Re-focus efforts to develop products and services that cater to pressing needs arising from the pandemic enabling customers to conduct their daily banking remotely and support those who are impacted by the pandemic

📖 For more details, refer to page 59.

Outlook & Priorities for 2021:

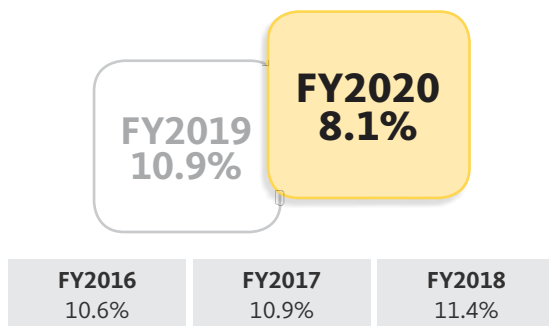
Competition in the digital space has intensified with fast-paced landscape changes, further accelerated by the pandemic. It is critical that we put in place relevant capabilities that enable us to swiftly adapt to new business models and extract value creation opportunities to address the needs of consumers in this environment, while being able to maintain operating resilience.

Key Performance Indicators

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.

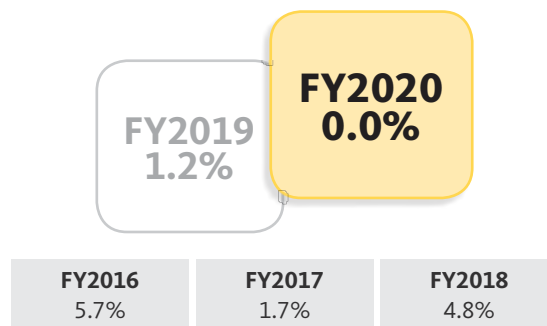
Target: ~7.5%.



Group Loans Growth

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

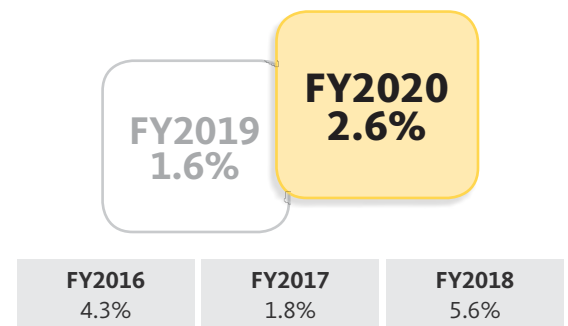
Target: In line with industry.



Group Deposits Growth

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

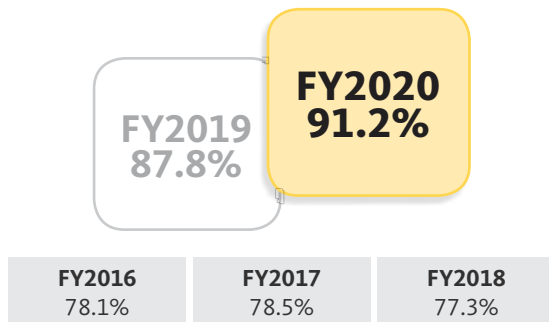
Target: In line with industry.



Dividend Payout Ratio

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

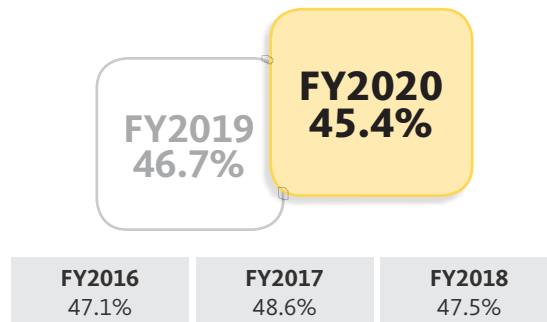
Target: 40%-60%.



Cost to Income Ratio

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

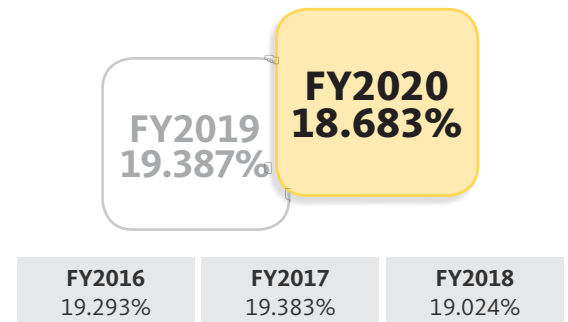
Target: <48%.



Total Capital Ratio

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

Target: BNM minimum requirement of 10.5% (includes Capital Conservation Buffer of 2.5%).

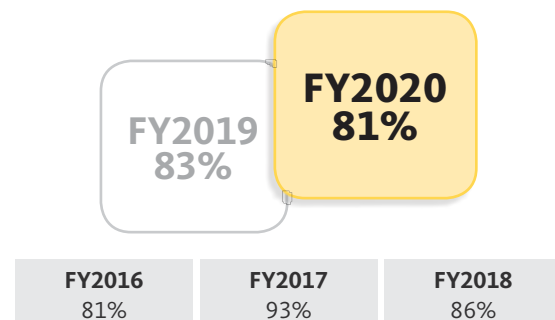


Refer to Reflections from Our Group Chief Financial Officer on page 39 for more details.

Succession Realisation for Mission Critical Positions

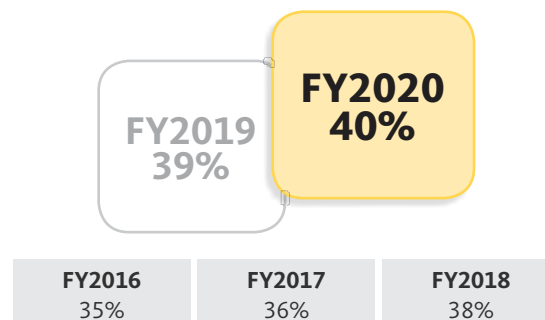
Objective: To measure the effectiveness of the Group's succession management process, whereby the focus is on realising our talents' potential to take up pivotal roles within the Group.

Target: 80%.



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 66 for more details.

Reflections From Our Group Chief Financial Officer

Expansive CASA base with Group CASA ratio of **42.8%**

Resilient capital position with CET1 capital ratio of **15.313%**

Robust liquidity coverage ratio of **142.0%**

Cost discipline yielded CIR of **45.4%**

Rewarding shareholders through **91.2% dividend payout ratio**

We began the year 2020 with a renewed sense of optimism, inspired by the possibility of an economic upturn as trade tensions began to dissipate; and this set the template for plans and targets for the year. The script was, however, completely re-written when COVID-19 spread across the world, paralysing the global economy with drastic impact on the livelihood of people and businesses everywhere. As movement restrictions caused a rapid deceleration of economic activity, policy rates started to fall hitting record lows. Our moral compass guided us to prioritise the well-being of our stakeholders, be it through the implementation of health and safety measures at our premises to devising financial solutions that helped our customers weather the rough patches created by the pandemic. In order to support and continue supporting our ecosystem, we had to ensure that we were doing so from a position of strength. Thus, we actively managed our liquidity and capital positions to keep funding accessible to customers while closely monitoring the potential build-up of asset quality slippage that could place pressure on capital levels and shareholder returns. This diligence translated into a decent performance despite the unprecedented challenges of 2020, and is testament of our resilience and determination.

ANALYSIS OF INCOME STATEMENT FOR FY2020

	FY2020 RM million	FY2019 RM million	YoY
Net fund based income	16,650.5	17,514.8	(4.9)%
Net fee based income	8,112.7	7,226.1	12.3%
Net operating income	24,763.2	24,740.9	0.1%
Overhead expenses	(11,245.2)	(11,561.9)	(2.7)%
Pre-provisioning operating profit (PPOP)¹	13,518.0	13,178.9	2.6%
Net impairment losses	(5,070.2)	(2,323.4)	>100%
Operating profit	8,447.8	10,855.5	(22.2)%
Profit before taxation and zakat (PBT)	8,657.0	11,013.9	(21.4)%
Net profit²	6,481.2	8,198.1	(20.9)%
EPS – basic (sen)	57.7	73.5	(21.5)%

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.

Realigning our priorities during a year of tumultuous trepidation

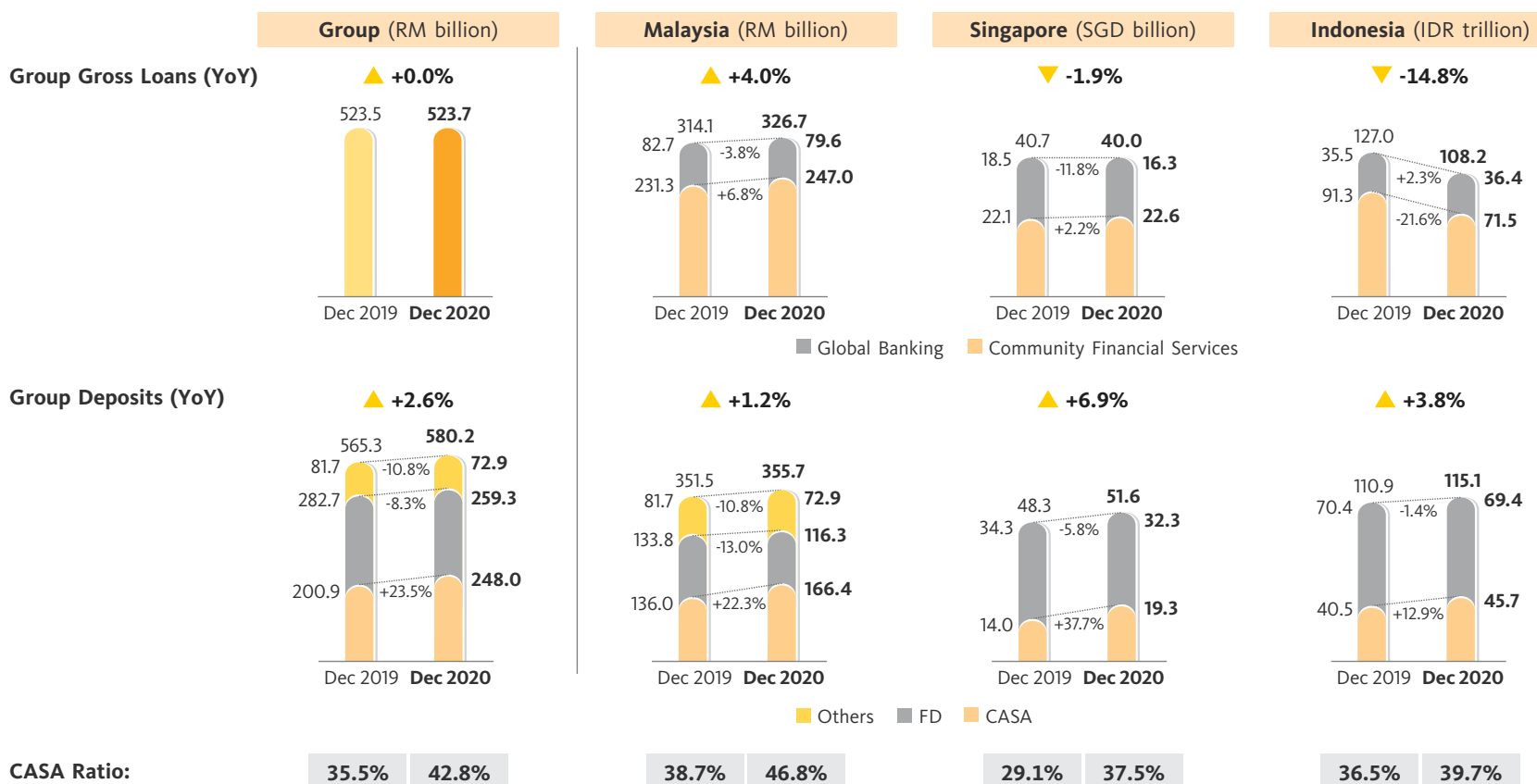
- Net operating income growth was flat for the Group in FY2020, as the 12.3% YoY upside in net fee based income was offset by the weaker net fund based income.
- The increase in net fee based income was due to higher realised securities disposal gains under investment and trading income, as well as mark-to-market (MTM) derivatives revaluation gains. Due to various forms of movement restrictions enforced throughout the year, we saw core fee income reduce on lower business activity. However, the decline was partially offset by the improved performance in brokerage income.
- Net fund based income declined 4.9% YoY, as net interest margin (NIM) compressed 17 bps YoY to 2.10%, driven by sharp policy rate cuts across our home markets and the net impact recognised for Day-One modification loss for alterations done on fixed rate loans or financing, due to the automatic moratorium granted to borrowers in Malaysia between April to September 2020.

- Due to the softer income environment, the Group continued with its cost discipline and managed to lower overheads by 2.7% YoY. This came mainly from lower spending on marketing and events, as well as lower revenue-related expenditure from slower business activities. The Group's cost to income ratio (CIR) for FY2020 improved to 45.4%, which outperformed our guidance of below 48%.
- However, the impact of the pandemic meant we needed to strengthen our loss absorption buffers, as our priority was to support our customers during this trying period. This saw FY2020 loan loss provisioning doubling to RM4.60 billion, on the back of proactive provisioning in the form of management overlay for specific businesses and corporates displaying weakness, and for forward looking assumptions given weakened macro-economic variables.
- Resulting from the above, the Group's FY2020 net profit declined 20.9% YoY, while Return on Equity stood at 8.1%, ahead of our revised Key Performance Indicator (KPI) of circa 7.5% for FY2020.

- In light of the headwinds, we remained agile and looked for pockets of income growth while being mindful of keeping costs down, to deliver a commendable performance during a year when the bottom line was always going to be diminished from elevated impairment charges. However, our main focus was always to ensure our capital and liquidity buffers were robust to face the uncertain times.
- We did not propose an interim dividend as we usually would during our second quarter earnings release as we were just transitioning out from the height of the pandemic and widespread lockdowns, and this was the norm for the sector and other corporates.
- However, our commitment to meet the needs of our shareholders meant that we still declared the interim dividend, albeit during our third quarter results, as we were comfortable with our capital positions, stemming from our prudent stance undertaken in the past. In keeping with our dividend payout policy, we capped off this very challenging year with a final dividend declaration of 38.5 sen per share for FY2020, resulting in an overall dividend payout ratio of 91.2%.

Reflections from Our Group Chief Financial Officer

ANALYSIS OF BALANCE SHEET AS AT 31 DECEMBER 2020



Domestic franchise strength supported a year of muted loans growth for the Group

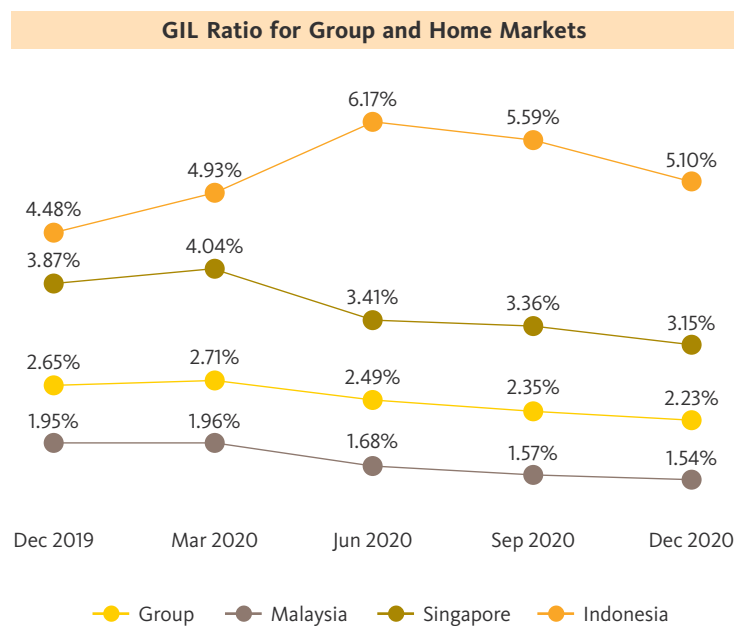
- Group gross loans remained flat YoY, as domestic expansion was offset by declines elsewhere. The contraction was seen in our other home markets, Singapore and Indonesia, which saw their loan portfolios contract 1.9% and 14.8% respectively.
- The reduction in Singapore came from Global Banking (GB) at 11.8%, due to intentional paring down of exposures, loan redemptions and partial write-off of non-performing loans. The decrease was also a result of tightened controls over the structured trade business which began in 2019, before the pandemic. The Community Financial Services (CFS) portfolio in Singapore partially offset the decline with an increase of 2.2%.
- In Indonesia, the contraction was driven by CFS' decline of 21.6%, as consumer loans decreased on impact of the pandemic, while Business Banking (BB) contracted as we continued de-risking and re-profiling the portfolio, which had been undertaken since 2019.
- However, the contraction in our overseas portfolio was offset by commendable growth in Malaysia of 4.0% YoY. This was led by our CFS portfolio which expanded 6.8%, mainly due to consumer, retail SME and BB lines.
- For the domestic consumer book, mortgages expanded 10.6% YoY on the back of loan stock drawdown for residential properties, mainly in our targeted segments. In addition, auto financing recorded growth of 6.5% YoY driven by stronger traction gained from campaigns by manufacturers and distributors, on the back of the sales tax exemption for new cars.
- Meanwhile, retail SME grew 13.9% YoY, supported by growth in term loans, improvements in trade business and through disbursements from a government supported Special Relief Fund (SRF) as part of our commitment to assist SMEs. BB loans expanded 2.8% YoY, contributed by growth in our SME+ segment, SRF disbursements and trade loans.
- However, GB loans declined 3.8% YoY, mainly from contraction of revolving credit facilities and trade financing due to reduced demand given weaker activity during the year.

CASA deposit expansion across the Group

- While the impact surrounding the pandemic resulted in muted loan growth, the opposite was observed with deposits as we recorded Group deposits expansion, particularly in low-cost CASA, as people chose to save and take advantage of campaigns during the low-rate environment. CASA growth Group-wide was an impressive 23.5% YoY, equating to an enhanced Group CASA ratio of 42.8% as at 31 December 2020, from 35.5% in the prior year.
- In Malaysia, CASA grew 22.3% YoY from an increase in key customers' operational accounts, continued efforts focusing on low cost Islamic CASA within the consumer segment, coupled with our acquisition and retention campaigns. As such, our Malaysia CASA ratio improved to 46.8% from 38.7% a year ago.
- Fixed deposits declined 13.0% YoY as we continued exiting high-cost FDs with increased competition in the market. Other deposits contracted 10.8%, as we released these deposits given our higher CASA growth and as clients withdrew to manage their own cash flow requirements.
- Singapore's CASA was up by 37.7% YoY through a series of savings fresh funds top up promotions, Time Deposit-CASA Bundle campaigns, and higher consumer savings during the pandemic period. CASA growth was also supported by higher savings in foreign currency accounts, continued efforts in obtaining companies' payroll and operational accounts, increase in cash holdings from corporate clients, as well as unutilised loan disbursements from various government support schemes. Singapore's CASA ratio improved to 37.5% from 29.1% a year ago.
- In Indonesia, CASA grew 12.9% YoY, while FD declined by 1.4%, in line with the Bank's strategy to reduce cost of funding through cash management and digital banking services. Indonesia's CASA ratio improved to 39.7% YoY from 36.5%.

Proactive asset quality management in a challenging climate

- Resulting from the widespread impact of the pandemic, our priority was and remains to help support the domestic economies of our home markets, as well as work with borrowers to ensure viable solutions that can help support employment and prevent business failures.
- Although no significant asset quality deterioration was seen in impaired loans formation, a significant portion of the Group's FY2020 net allowance for losses on loans of RM4.60 billion was recognised proactively, in anticipation of the weakening credit environment. Of this, around RM950 million was macroeconomic variable adjustments while a further RM1.2 billion relates to management overlays from vulnerable borrowers impacted by the pandemic. The Group also topped up provisioning for existing impaired accounts and to facilitate the write-off of some accounts in the home markets.
- Given that asset quality indicators such as impaired loans ratios have a lagging effect from the corresponding economic event, new impairments made in FY2020 was much lower, resulting in our Group gross impaired loans (GIL) ratio decreasing to 2.23% from 2.65% in FY2019. With the proactive provisioning made, the annual net credit charge off rate was elevated at 88 bps for FY2020, within the Group's guidance range of 75 bps to 100 bps.
- Resulting from the increase in provisioning and coupled with slower new impaired loan formation, the Group's loan loss coverage improved to 106.3% as at 31 December 2020, and to 115.9% with regulatory reserves.



INVESTOR KEY FOCUS AREAS AND OUR RESPONSES



We received many queries surrounding NIM outlook given the drastic policy rate cuts seen across our home markets and globally, coupled with the Day-One modification loss for fixed rate financing. Our priority this year was to mitigate NIM pressure by focusing on growing lower cost funding, while the net modification loss was something we absorbed as we did not want to pass it on to our customers. Meanwhile, we were also asked about the operational impact of the pandemic, to which we have promptly and progressively rolled out measures for business continuity and more importantly, to safeguard the resilience of our operations and the well-being of our stakeholders.



There was plenty of interest in understanding the impact of the automatic moratorium/targeted repayment assistance and other forms of pandemic-induced relief for loans/financing on asset quality as well as our exposure to vulnerable/high-risk sectors directly and indirectly impacted by COVID-19. We addressed these concerns by disclosing the percentage of our book currently under relief measures on a quarterly basis through our investor presentation slides, while we also hosted an ad hoc investor day in early April 2020 to give the market a sense of our exposure to impacted sectors early on during the pandemic.

Refer to pages 13 and 14 of the Financial Book.



Investors were keen to know our outlook on dividend payout for FY2020 given the conservative stance taken by several central banks across the world to limit dividend distributions by banks in 2020. We responded by still declaring an interim dividend during the third quarter results release, and the final dividend for FY2020, underlining our commitment to reward shareholders and our level of comfort in terms of capital strength.

Refer to page 43 for the dividend payout chart.



The movement and mobility restrictions raised questions on our ability to grow revenue during the pandemic. As can be seen, lower business activity did result in a decline in our core fees. However, it also meant we had to find other drivers of growth through our treasury operations, as well as improved brokerage income and our growing Wealth Management business.



With the movement restrictions and move towards cashless transactions, investors were keen to know if we were seeing traction in the usage of our digital channels. We began disclosing on a quarterly basis through our results presentations the growth seen in transaction values and volumes of our flagship online banking website and mobile app, Maybank2u. This was supplemented with data on the growing adoption of Maybank QRPay by customers and vendors, as well as newer innovations such as the MAE e-wallet and SME Digital Financing.



Stronger interest was received with regards to Maybank's ESG and sustainability actions. We had more engagements with investors to explain further the Group's overarching ESG framework, progress on our No Deforestation, No Peat, No Exploitation (NDPE) policy, updates on palm oil lending initiatives and progress of borrower certifications.

Refer to Sustainability Review, page 99.

Reflections from Our Group Chief Financial Officer

EFFECTIVE CAPITAL AND LIQUIDITY MANAGEMENT

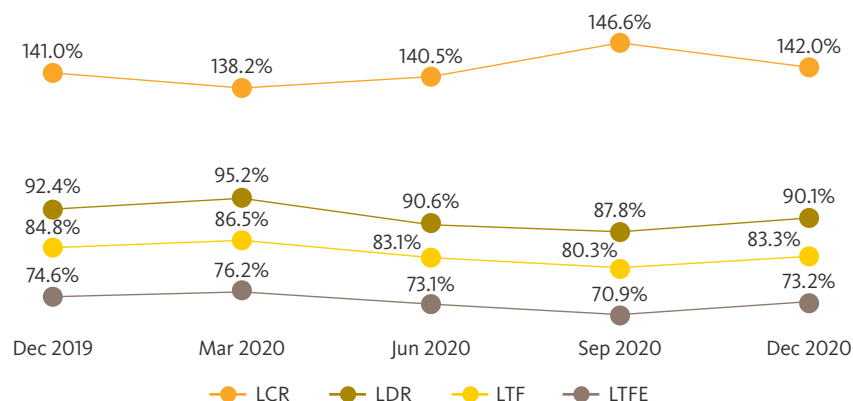
Funding and liquidity profile is stable and well-diversified

- Our liquidity is managed proactively across the Group in order to ensure sufficient liquidity to meet financial obligations and to conduct business even under stressed situations. We conduct frequent reviews of balance sheet management strategies which include the funding needs of the Group, taking into account liquidity risk levels, market competitiveness and economic outlook.
- Through our agile funding strategy, we were able to maintain healthy liquidity risk indicators, with liquidity coverage ratio (LCR) at 142.0% as at 31 December 2020, 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 90.1%, 83.3% and 73.2%, respectively, as at 31 December 2020.

- BNM has issued the *Additional Measures to Assist Borrowers/Customers Affected by the COVID-19 Outbreak* in March 2020, whereby banking institutions are allowed to drawdown on the capital conservation buffer of 2.5%, operate below the minimum LCR of 100% and reduce regulatory reserves held against expected loss to 0%, as part of the relief measures in response to the pandemic. Furthermore, the implementation of the Net Stable Funding Ratio (NSFR) proceeded, but at a lowered minimum NSFR of 80%, effective 1 July 2020. Given the Group's strong liquidity and capital positions, the Group does not foresee any challenges in meeting BNM's requirements.

More on how the Group manages its liquidity can be found in Note 55(g) on page 193 of the Financial Book.

Liquidity Risk Indicators



- Note:
- BNM's minimum LCR requirement is 100%.
 - LTF is gross loans divided by (deposits + borrowings + subdebt) while LTFE's denominator is (deposits + borrowings + subdebt + equity + capital securities).
 - LDR, LTF & LTFE exclude loans to banks and FIs.

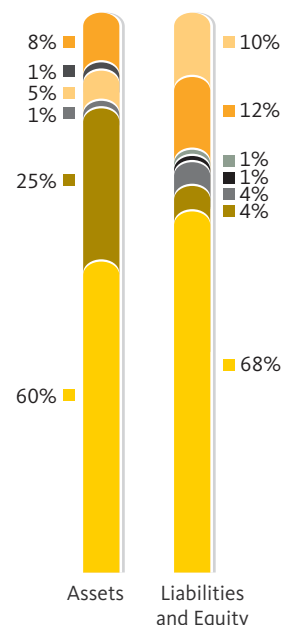
Assets and Funding Structure

ASSETS

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

LIABILITIES AND EQUITY

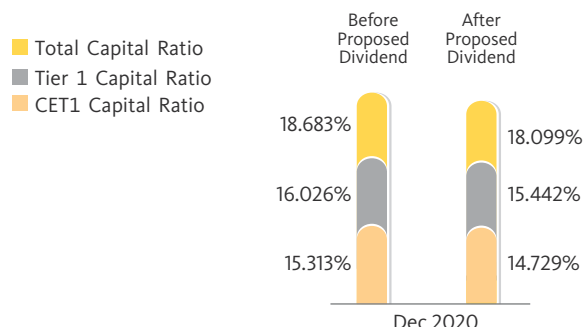
- Total equity
- Other liabilities
- Capital securities
- Subordinated obligations
- Borrowings
- Deposits and placements from financial institutions
- Customers' funding



Robust capital base maintained

- Our capitalisation levels remained healthy with our Group CET1 Capital Ratio and Group Total Capital Ratio at 15.313% and 18.683% respectively, as at 31 December 2020. After the proposed final dividend, our Group CET1 Capital Ratio and Group Total Capital Ratio are projected to continue strong at 14.729% and 18.099% 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 Risk-Weighted Assets. The HLA requirement came 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 FY2020 include the following:
 - We continue to broaden and diversify fund and capital raising through different sources, currencies, investors and markets. Among others, our notable fund raising activities were as follows:
 - Public issuance of Samurai bonds in Japan totalling JPY60.9 billion
 - Issuance of Tier 2 Sukuk Murabahah amounting to RM3.0 billion
 - Issuance of SGD and USD extendible money market certificates
 - The Group also restructures the capital mix of the subsidiaries and overseas branches as part of the Group-wide capital optimisation and restructuring initiative.

Group Capital Ratios

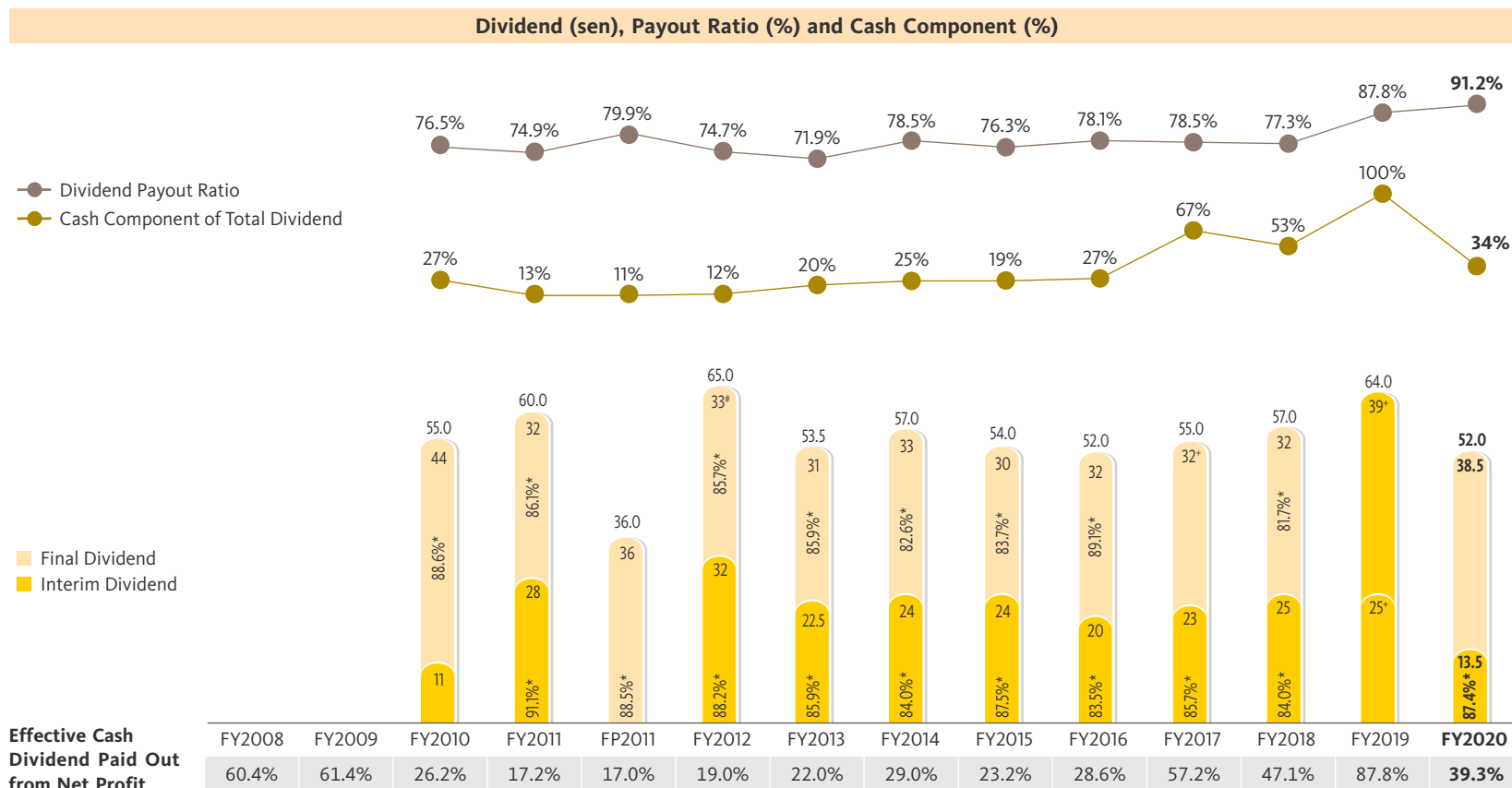


Regulatory Requirement:

- Minimum CET1 Capital Ratio + Capital Conservation Buffer (CCB) is 7.0%, minimum Tier 1 Capital Ratio + CCB is 8.5% and minimum Total Capital Ratio + CCB is 10.5%.
- 1.0% D-SIB Buffer effective 31 January 2021.
- Pending finalisation of Countercyclical Capital Buffer (0%-2.5%).

More on how the Group manages its capital can be found in Notes 59 and 60 on pages 214 to 216 of the Financial Book.

Value creation for our shareholders



Note:

* Actual reinvestment rate for Dividend Reinvestment Plan (DRP). The reinvestment rate for Final Dividend FY2020 is pending execution of the DRP.

+ The Final Dividend for FY2017, Interim and Second Interim Dividend for FY2019 are fully in cash.

The Net Dividend is 28.5 sen of which 15.0 sen is single-tier dividend. Maybank adopted the single-tier dividend regime with effect from FY2012.

- We remain committed to delivering long-term value for our shareholders by maintaining a 40% to 60% dividend payout policy rate. We continue to emphasise maintaining a strong effective cash dividend payout, as seen since FY2017, as part of our commitment to meet shareholders' expectations for strong returns while managing the Group's capital effectively. However, for FY2020, capital preservation was an area of focus for us given the potential weakening credit environment.
- Despite the challenging financial year, the Board declared a single-tier interim dividend of 13.5 sen per ordinary share for FY2020. A Dividend Reinvestment Plan (DRP) was applied to the interim dividend, in which the entire 13.5 sen was electable to be reinvested in new Maybank Shares in accordance with the DRP, which saw an 87.4% reinvestment take-up rate.
- In our pursuit to continue rewarding shareholders, the Board has declared a single-tier final dividend of 38.5 sen per ordinary share for FY2020, which consists of a cash portion of 17.5 sen and an electable portion of 21.0 sen. As such, the total dividend for FY2020 is 52.0 sen per share, equivalent to a payout ratio of 91.2%, above the Group's dividend payout policy rate.

📖 More on dividends and DRP can be found in Notes 34(a) and 53 on pages 128 and 147 of the Financial Book.

OUTLOOK & PRIORITIES IN 2021

Maybank will continue to prioritise capital and liquidity strength in 2021 and maintain proactive engagements with borrowers to address asset quality concerns early on, while supporting customers that remain affected by the pandemic-induced downturn. To mitigate against further net interest margin compression, the Group will focus on growing lower cost deposits such as current and savings accounts.

The Group will also target fee-based income opportunities and focus on accelerating digital product rollouts to increase market penetration. Furthermore, Maybank will enhance productivity and efficiencies, while maintaining disciplined cost management to offset top line pressures.

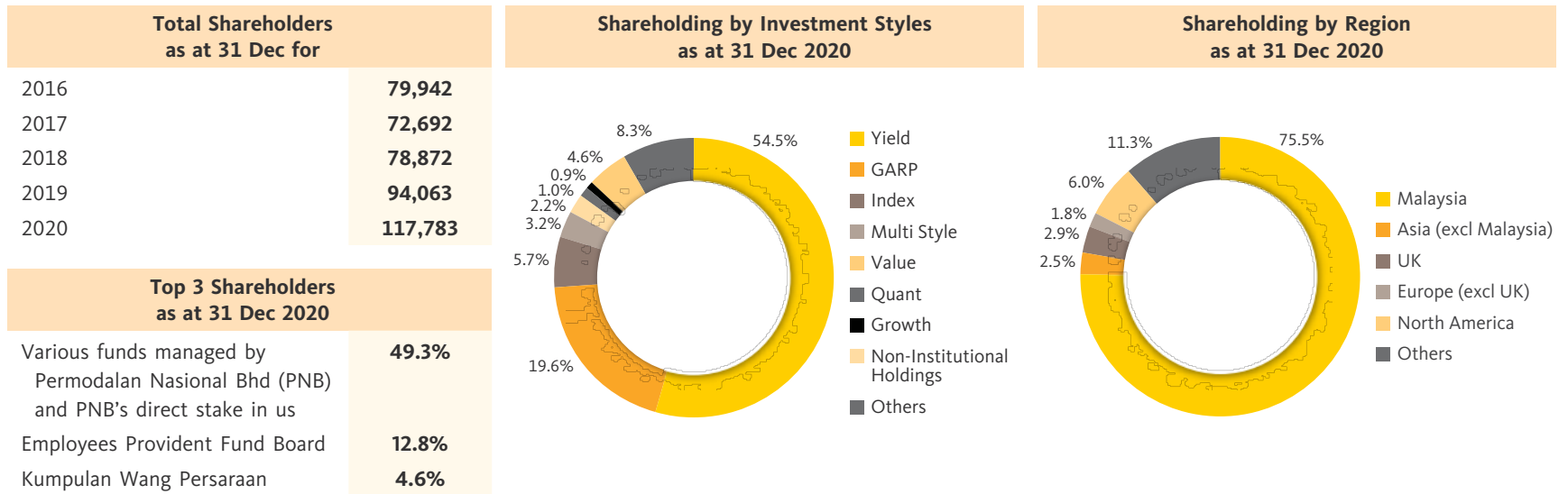
Investor Information

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

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

For information on our approach to Investor Relations, please refer to the Corporate Governance Overview Statement on pages 86 to 87.

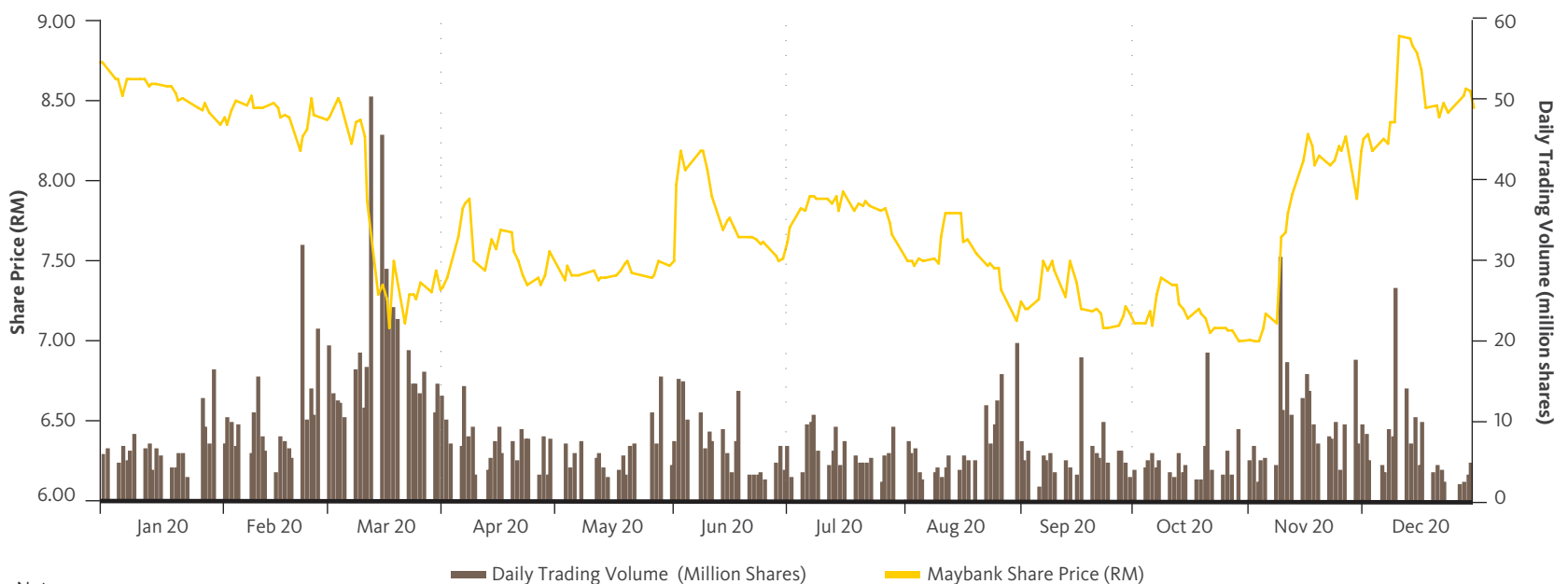
SHAREHOLDER ANALYSIS



SHARE PRICE PERFORMANCE

Maybank Share Price & Volume Performance in 2020

	1Q		2Q		3Q		4Q	
High	RM8.75	2 & 3 Jan	RM8.20	9 & 10 Jun	RM7.94	17 Jul	RM8.91	11 Dec
Low	RM7.08	19 Mar	RM7.32	1 Apr	RM7.08	25 Sep	RM7.00	30 Oct, 3 & 4 Nov
Close	RM7.45	31 Mar	RM7.51	30 Jun	RM7.22	30 Sep	RM8.46	31 Dec



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

Relative Performance of Maybank's Share Price vs Benchmark Indices in 2020

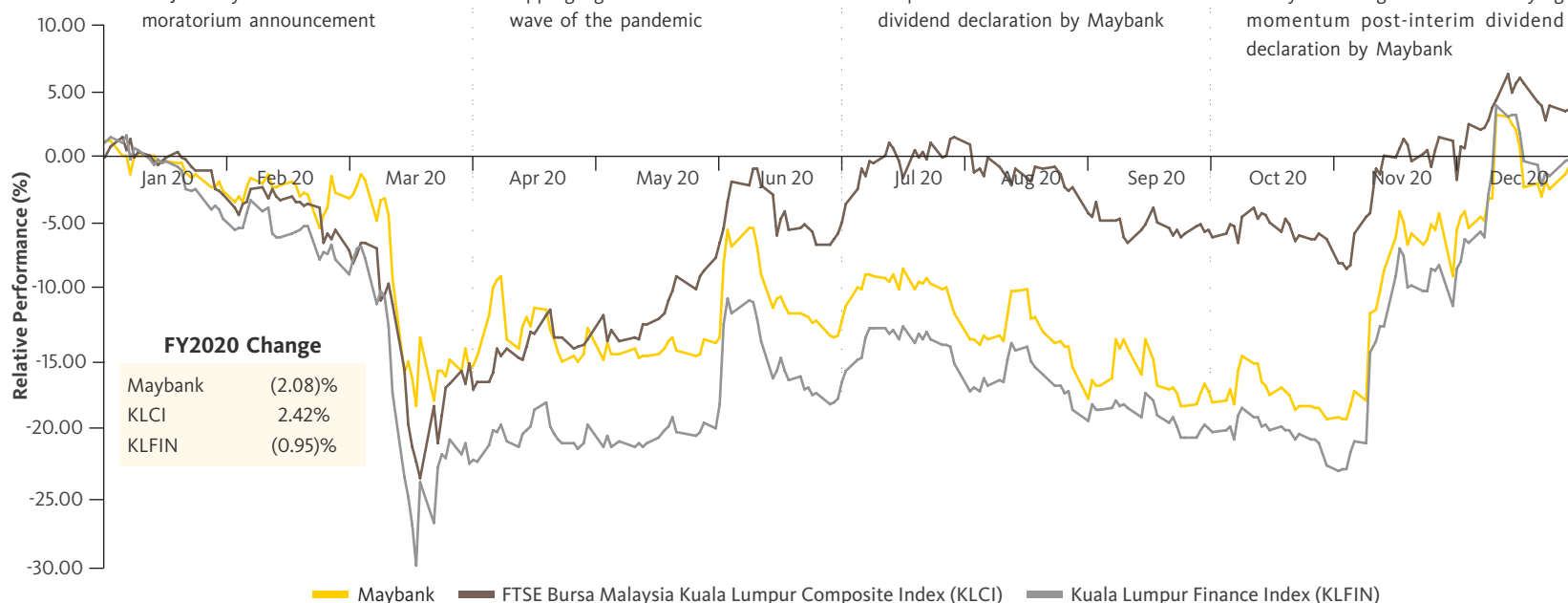
1Q Change		2Q Change		3Q Change		4Q Change	
Maybank	(13.77)%	Maybank	0.81%	Maybank	(3.86)%	Maybank	17.17%
KLCI	(14.97)%	KLCI	11.11%	KLCI	0.26%	KLCI	8.13%
KLFIN	(20.65)%	KLFIN	3.60%	KLFIN	(1.85)%	KLFIN	22.75%

- Maybank's share price declined amid sell-down due to US-Iran tensions, COVID-19 outbreak, crude oil price contraction and political uncertainties in Malaysia
- Further weighed down by OPR cuts in January and March and loan moratorium announcement

- Enhanced by buying momentum before Maybank share traded ex-dividend. Pressure resumed after the third OPR cut of the year in May
- Brief uplift in early June as movement restrictions were relaxed before dipping again on fears of a second wave of the pandemic

- Downtrend in reaction to the fourth OPR cut in July and announcement of an extension to the loan repayment assistance schemes
- Further decline on weaker 2Q earnings and concerns over rising credit costs, coupled with the absence of an interim dividend declaration by Maybank

- Continued decline amid further domestic political instability and reimplementing of movement restrictions across Malaysia
- Rebound in early November on BNM decision to maintain OPR, tabling of Malaysia's Budget 2021 and buying momentum post-interim dividend declaration by Maybank



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

TOTAL SHAREHOLDER RETURN

TSR (%)	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Maybank	15.60	14.30	(2.49)	(2.46)	3.68	26.65	2.71	(3.11)	4.61
KLCI	14.27	14.11	(2.62)	(0.97)	0.07	13.19	(2.99)	(2.83)	5.71
KLFIN	16.99	15.09	(3.82)	(6.46)	5.66	21.85	6.60	(6.68)	2.94

LONG-TERM TOTAL SHAREHOLDER RETURN

Holding Period (Years)	25	20	15	10	5	3	2	1
Invested on 31 Dec of	1995	2000	2005	2010	2015	2017	2018	2019
Total Shareholder Return (%)								
Maybank	447.17	306.34	151.36	86.19	36.71	4.10	1.35	4.61
KLCI	268.59	381.84	205.03	48.20	12.86	(0.36)	2.72	5.71
KLFIN	323.65	531.80	267.37	67.03	31.85	2.41	(3.93)	2.94
Effective Annual Rate of Return (%)								
Maybank	7.03	7.25	6.33	6.41	6.45	1.35	0.67	4.61
KLCI	5.35	8.17	7.71	4.01	2.45	(0.12)	1.35	5.71
KLFIN	5.94	9.64	9.05	5.26	5.68	0.79	(1.98)	2.94

Financial Performance

FIVE-YEAR GROUP FINANCIAL SUMMARY

	Group FY 31 Dec					Bank FY 31 Dec	
	2016	2017	2018	2019	2020	2019	2020
OPERATING RESULT (RM' million)							
Operating revenue	44,658	45,580	47,320	52,868	51,031	26,929	24,362
Pre-provisioning operating profit ("PPOP") ¹	11,686	11,911	12,416	13,179	13,518	10,283	9,668
Operating profit	8,671	9,883	10,803	10,856	8,448	8,415	6,929
Profit before taxation and zakat	8,844	10,098	10,901	11,014	8,657	8,415	6,929
Profit attributable to equity holders of the Bank	6,743	7,521	8,113	8,198	6,481	7,279	5,965
KEY STATEMENTS OF FINANCIAL POSITION DATA (RM' million)							
Total assets	735,956	765,302	806,992	834,413	856,860	464,360	476,304
Financial investments portfolio ²	130,902	154,373	177,952	192,830	215,186	126,286	133,580
Loans, advances and financing	477,775	485,584	507,084	513,420	512,210	226,589	229,924
Total liabilities	665,481	690,118	729,254	750,344	769,750	394,297	404,037
Deposits from customers	485,524	502,017	532,733	544,531	556,349	242,758	250,025
Investment accounts of customers	31,545	24,555	23,565	20,738	23,841	–	–
Commitments and contingencies	766,439	811,374	872,955	1,208,623	1,305,385	1,125,440	1,225,860
Paid-up capital/Share capital ³	10,193	44,250	46,747	48,280	48,280	48,280	48,280
Share premium ³	28,879	–	–	–	–	–	–
Shareholders' equity	68,516	72,989	75,330	81,571	84,437	70,063	72,266
SHARE INFORMATION							
Per share (sen)							
Basic earnings	67.8	72.0	74.2	73.5	57.7	65.2	53.1
Diluted earnings	67.8	72.0	74.2	73.5	57.7	65.2	53.1
Gross dividend	52.0	55.0	57.0	64.0	52.0	64.0	52.0
Net assets (sen)	672.2	676.9	681.7	725.6	751.1	623.3	642.9
Share price as at 31 Dec (RM)	8.20	9.80	9.50	8.64	8.46	–	–
Market capitalisation (RM' million)	83,584	105,671	104,972	97,125	95,102	–	–
FINANCIAL RATIOS (%)							
Profitability Ratios/Market Share							
Net interest margin on average interest-earning assets	2.3	2.4	2.3	2.3	2.1	1.9	1.8
Net interest on average risk-weighted assets	4.1	4.5	4.6	4.6	4.3	3.5	3.3
Net return on average shareholders' funds	10.6	10.9	11.4	10.9	8.1	11.3	8.4
Net return on average assets	0.9	1.0	1.0	1.0	0.8	1.6	1.3
Net return on average risk-weighted assets	1.8	2.0	2.2	2.2	1.7	3.3	2.6
Cost to income ratio ⁴	47.1	48.6	47.5	46.7	45.4	32.8	33.1
Domestic market share in:							
Loans, advances and financing	18.2	18.3	18.1	17.9	18.1	17.9	18.1
Deposits from customers – Savings Account	25.3	25.7	26.1	25.5	25.7	25.5	25.7
Deposits from customers – Current Account	20.4	19.4	19.3	18.4	13.1	18.4	13.1
CAPITAL ADEQUACY RATIOS (%)							
CET1 Capital Ratio	13.990	14.773	15.029	15.729	15.313	15.314	15.581
Tier 1 Capital Ratio	15.664	16.459	15.983	16.486	16.026	16.120	16.343
Total Capital Ratio	19.293	19.383	19.024	19.387	18.683	19.387	18.639
ASSET QUALITY RATIOS							
Net impaired loans (%)	1.60	1.58	1.28	1.33	1.10	1.65	1.31
Loan loss coverage (%)	72.0	71.5	83.6	77.3	106.3	76.1	105.8
Loan-to-deposit ratio (%) ⁵	93.9	93.8	92.7	92.4	90.1	87.7	82.4
Deposits to shareholders' fund (times) ⁶	7.5	7.2	7.4	6.9	6.9	3.5	3.5
VALUATIONS ON SHARE							
Gross dividend yield (%)	6.3	5.6	6.0	7.4	6.1	–	–
Dividend payout ratio (%)	78.1	78.5	77.3	87.8	91.2	–	–
Price to earnings multiple (times)	12.1	13.6	12.8	11.8	14.7	–	–
Price to book multiple (times)	1.2	1.4	1.4	1.2	1.1	–	–

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

² 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.

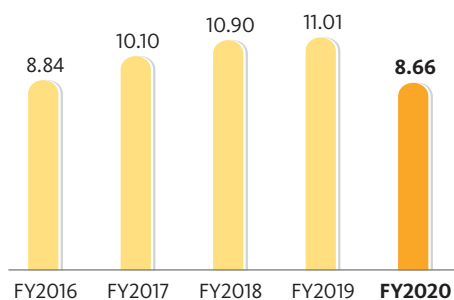
⁴ Cost to income ratio is computed using total cost over the net operating income. The total cost of the Group is the total overhead expenses, excluding amortisation of intangible assets for PT Bank Maybank Indonesia Tbk and Maybank Kim Eng Holdings Limited.

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.

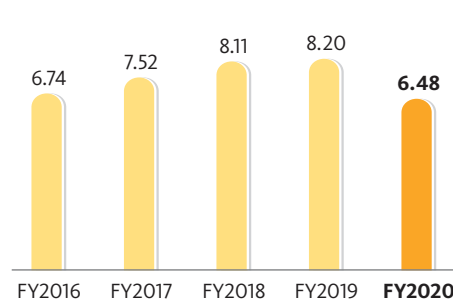
Profit Before Taxation and Zakat

RM8.66 billion



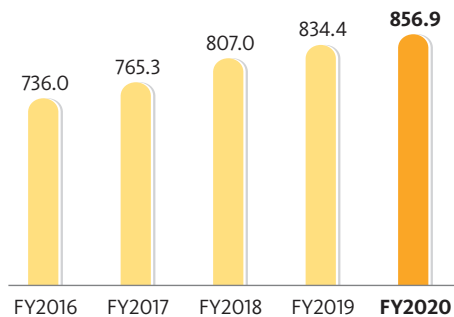
Profit Attributable to Equity Holders of the Bank

RM6.48 billion



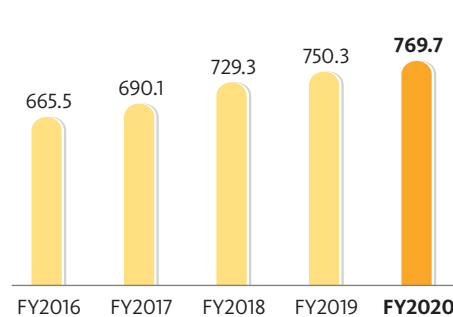
Total Assets

RM856.9 billion



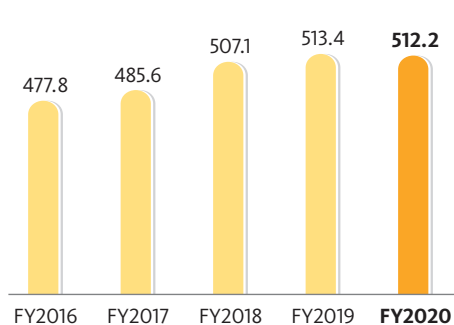
Total Liabilities

RM769.7 billion



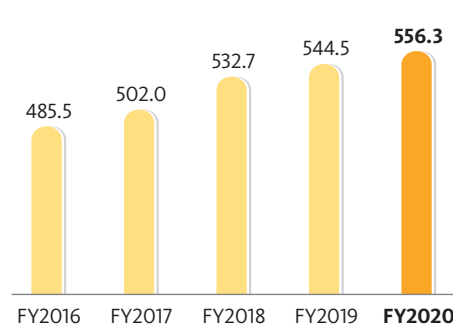
Loans, Advances and Financing

RM512.2 billion



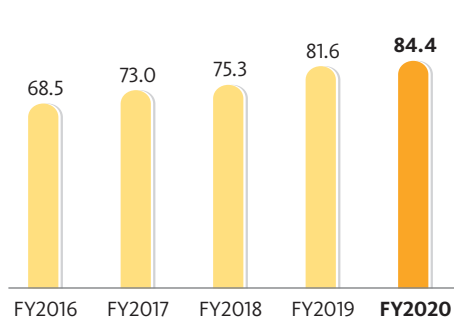
Deposits from Customers

RM556.3 billion



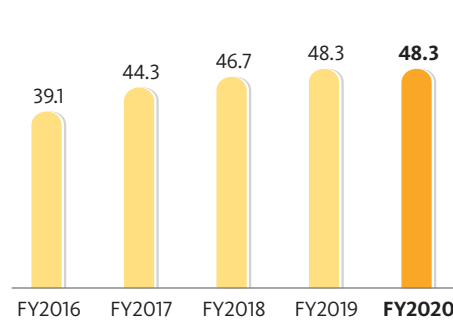
Shareholders' Equity

RM84.4 billion



Share Capital[^]

RM48.3 billion

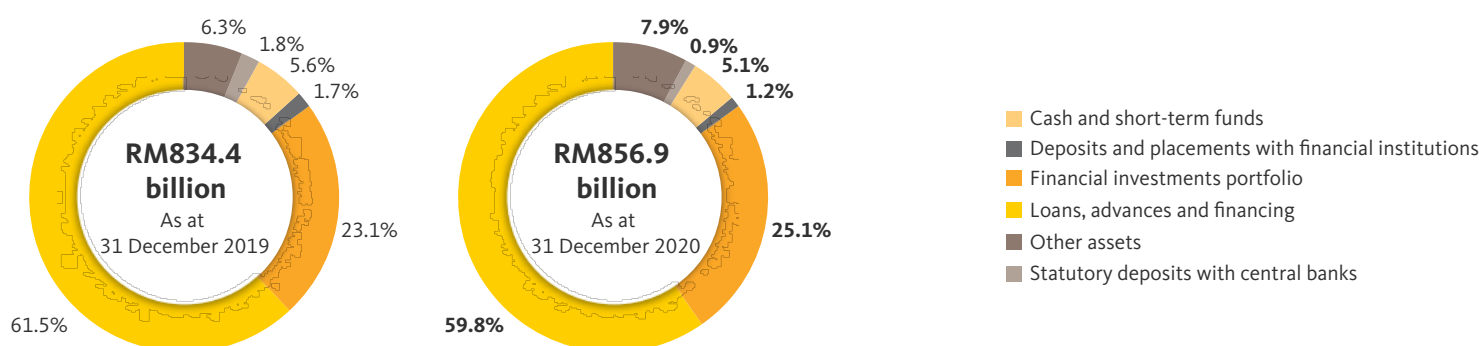


[^] Share capital for FY2016 is inclusive of share premium.

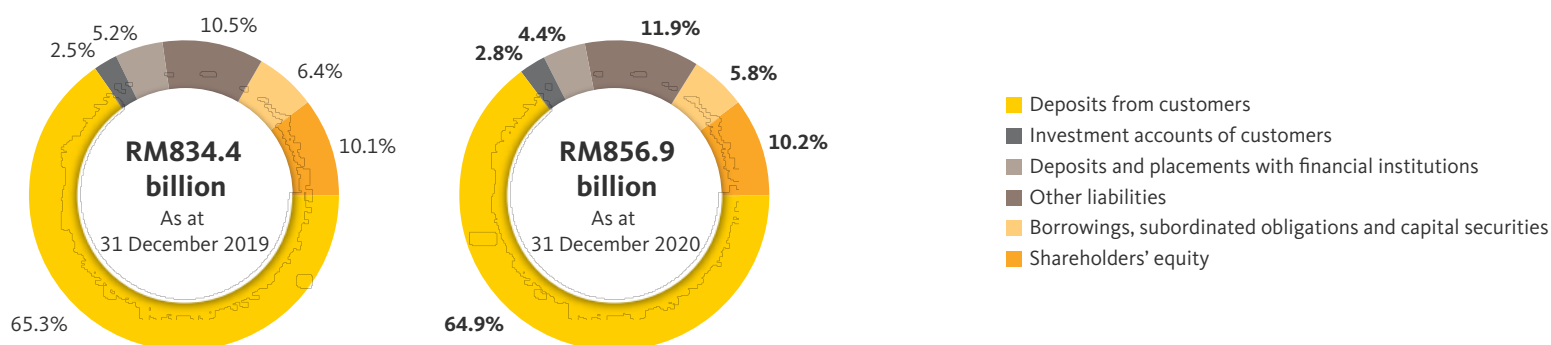
Financial Performance

SIMPLIFIED GROUP STATEMENTS OF FINANCIAL POSITION

Total Assets



Total Liabilities & Shareholders' Equity



GROUP QUARTERLY FINANCIAL PERFORMANCE

RM' million	FY 31 Dec 2020				
	Q1	Q2	Q3	Q4	YEAR
Operating revenue	13,235	11,795	13,756	12,245	51,031
Net interest income (including income from Islamic Banking Scheme operations)	4,532	3,949	4,288	4,457	17,226
Net earned insurance premiums	1,945	1,741	2,990	2,783	9,459
Other operating income	1,333	2,427	2,037	1,502	7,299
Total operating income	7,810	8,118	9,314	8,742	33,984
Operating profit (before impairment losses)	3,782	2,943	3,373	3,420	13,518
Profit before taxation and zakat	2,798	1,256	2,611	1,992	8,657
Profit attributable to equity holders of the Bank	2,050	942	1,952	1,537	6,481
Earnings per share (sen)	18.2	8.4	17.4	13.7	57.7
Dividend per share (sen)	-	-	13.50	38.50	52.00

RM' million	FY 31 Dec 2019				
	Q1	Q2	Q3	Q4	YEAR
Operating revenue	12,976	13,054	13,833	13,005	52,868
Net interest income (including income from Islamic Banking Scheme operations)	4,450	4,301	4,655	4,669	18,075
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 (before impairment losses)	3,052	3,068	3,535	3,524	13,179
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

KEY INTEREST BEARING ASSETS AND LIABILITIES

	FY 31 Dec 2019			FY 31 Dec 2020		
	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	513,420	5.35	26,416	512,210	5.21	21,498
Cash and short-term funds & deposits and placements with financial institutions	60,562	2.58	1,320	54,014	1.85	772
Financial assets at fair value through profit or loss	34,694	2.64	1,113	41,208	2.28	1,095
Financial investments at fair value through other comprehensive income	123,352	3.27	3,959	127,503	2.45	3,450
Financial investments at amortised cost	34,784	4.50	1,414	46,476	3.55	1,799
<u>Interest bearing liabilities</u>						
Customers' funding:						
– Deposits from customers	544,531	2.18	12,492	556,349	1.44	9,074
– Investment accounts of customers	20,738	2.51	567	23,841	1.62	371
Deposits and placements from financial institutions	43,557	2.21	2,267	37,879	1.37	1,659
Borrowings	41,339	2.78	1,347	38,097	2.06	1,040
Subordinated obligations	9,321	4.63	959	8,968	3.98	1,006
Capital securities	2,827	4.07	185	2,827	4.07	116

STATEMENT OF VALUE ADDED

	FY 31 Dec 2019 RM'000	FY 31 Dec 2020 RM'000
Net interest income	12,095,005	11,090,389
Income from Islamic Banking Scheme operations	5,979,577	6,135,582
Net earned insurance premiums	6,760,618	9,458,856
Other operating income	7,276,998	7,299,202
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(7,371,318)	(9,220,803)
Overhead expenses excluding personnel expenses, depreciation and amortisation ¹	(4,387,248)	(4,083,105)
Allowances for impairment losses on loans, advances and financing and other debts, net	(2,287,490)	(4,598,581)
Writeback of/(allowances for) impairment losses on financial investments, net	20,400	(413,918)
Allowances for impairment losses on other financial assets, net	(56,344)	(57,741)
Share of profits in associates and joint ventures	158,373	209,147
Value added available for distribution	18,188,571	15,819,028

DISTRIBUTION OF VALUE ADDED

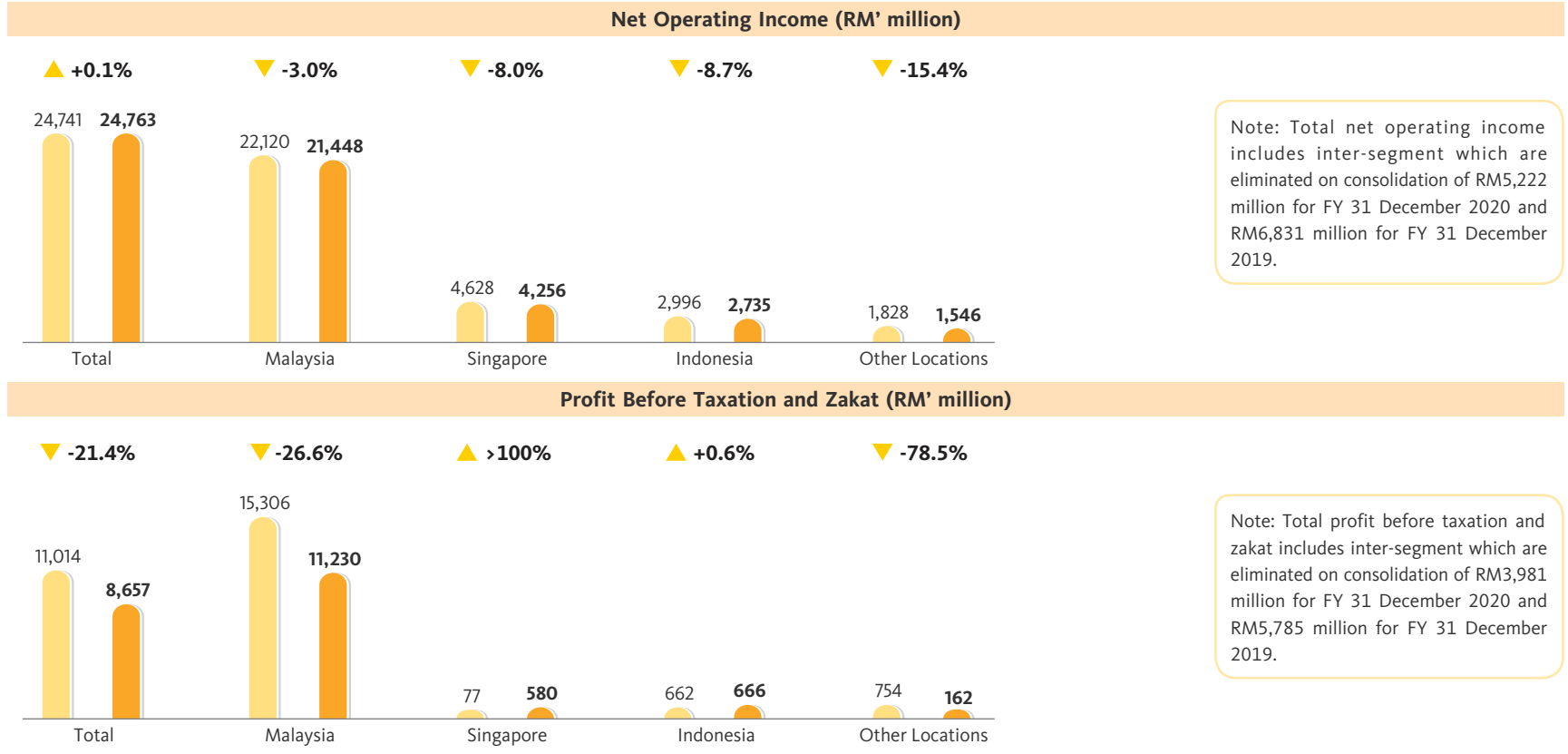
	FY 31 Dec 2019 RM'000	FY 31 Dec 2020 RM'000
To employees:		
Personnel expenses	6,625,037	6,563,189
To the Government:		
Taxation	2,538,231	1,937,877
To providers of capital:		
Dividends paid to shareholders	7,194,472	5,911,971
Non-controlling interests	277,575	237,860
To reinvest to the Group:		
Depreciation and amortisation ¹	549,654	598,883
Retained profits	1,003,602	569,248
Value added available for distribution	18,188,571	15,819,028

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

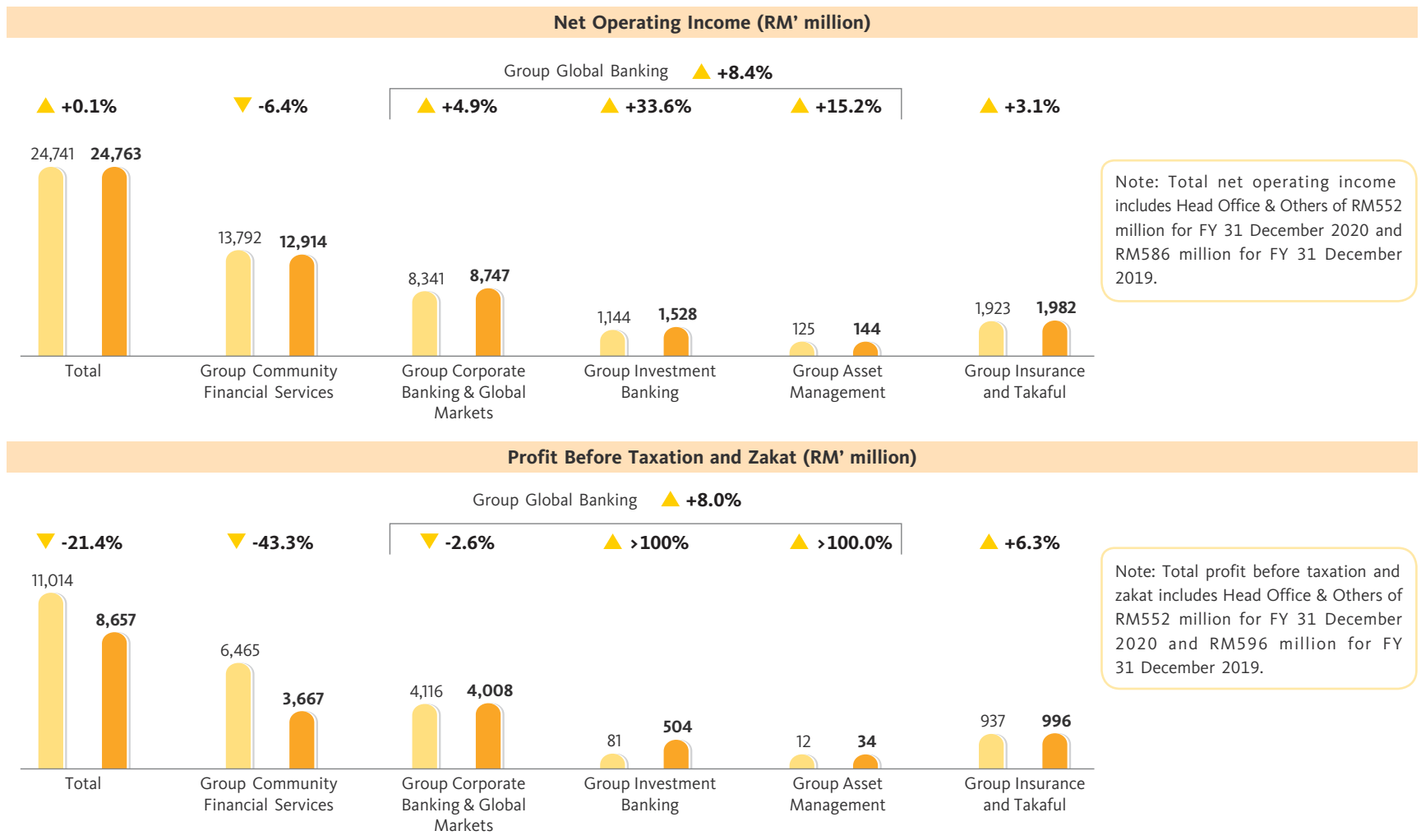
Financial Performance

SEGMENTAL INFORMATION

ANALYSIS BY GEOGRAPHICAL LOCATION



ANALYSIS BY BUSINESS SEGMENTS



■ FY 31 Dec 2019 ■ FY 31 Dec 2020

GROUP COMMUNITY FINANCIAL SERVICES

Our priority in the year marked by the pandemic was firstly to reach out to our customers and communities. To provide them with the financial as well as business support they needed, whilst diligently managing asset quality as part of our responsibility to our shareholders. At the same time, we strove continuously to improve customer experience and deliver value to all our key stakeholders, maintaining our strategic focus areas in SMEs, Wealth Management and Digital Banking, all of which yielded commendable growth.

TOP ACHIEVEMENTS IN 2020

Unveiled **SME Digital Financing**, the first end-to-end digital financing for SMEs in Malaysia with **10-minute approval**

Launched **Sama-Sama Lokal**, an online platform that connects **over 4,400 small and local businesses** to the wider communities

Introduced **MAE by Maybank2u**, an internally-built app with unique ecosystem to **deliver a revolutionary user experience for customers**

Group Wealth Management won **21 international and regional** awards including 16 titles from Euromoney Private Banking & Wealth Management Awards

Recognised by Global Finance as **the Best Consumer Digital Bank** in Malaysia and Indonesia, underscoring our commitment to elevate customer experience

KEY FOCUS AREAS FOR 2020

Upholding our purpose in safeguarding our customers and serving our communities

Significant effort was expended to ensure that customers affected by the pandemic received the assistance they needed.

In Malaysia, all borrowers were automatically approved for the six-month moratorium announced in March. However, we enabled customers who wished to continue with their repayments to opt out via Maybank2u. We established a Movement Control Order (MCO) Task Force in March to manage business continuity by ensuring branch operations, etc, continued to fulfil our customers' needs during the lockdown. We also set up a Credit Lending War Room (CWR) and Business Banking Repayment Assistance (RA) Scan Committee to expedite decision-making on credit-related matters. Prior to the end of the moratorium in September, we engaged with vulnerable customers, offering pre-approved Repayment Assistance (RA) packages to over 183,900 accounts. RA clinics were held across the country while selected branches' operating hours were also extended to cater for RA engagements. Following the Budget 2021 announcement, we are offering Targeted Repayment Assistance – either three-month

instalments deferment, or 50% instalment reduction for six months – to eligible B40 and microenterprise customers up to 30 June 2021.

In Singapore, customers were given the choice of opting for a moratorium for auto and housing loans, while relief loans were offered to qualified SME borrowers. In Indonesia, qualified customers could opt in for loan moratorium extensions. Automatic loan moratoriums were offered to qualified retail borrowers in the Philippines while loans were restructured on a case-by-case basis for SMEs. As at year end, loan exposure approved for moratorium and restructuring across our international markets amounted to RM9.1 billion.

To assist local hawkers and small grocers suffering from reduced footfall, we launched Sama-Sama Lokal in Malaysia on Maybank2u. Through the platform, they were able to create online presence and even enjoy delivery assistance at no cost. The platform attracted over 4,400 merchants and processed about 50,000 orders valued at over RM2 million since launch. To ensure the safety of customers, in addition to social distancing policies and arrangements, we launched EzyQ, enabling customers to make an appointment online before dropping by the branch.

Enabling SME growth through continuous efforts to increase the ease of access to financial services

Our commitment to SMEs saw us introduce two digital solutions that further simplify their financial services journey. SME Digital Financing, an end-to-end digital loan application via Maybank2u or Maybank2u Biz, requires minimal information and no documentation for existing customers. Application outcomes are made known within 10 minutes and, if approved, funds are disbursed within one minute upon acceptance of the offer. New customers undergo a brief onboarding verification process online and decisions will be provided within two working days. Since its launch in September, more than 5,700 applications have been approved, with over RM500 million loans disbursed. The Business Account STP was launched on Maybank2u and Maybank2u Biz in February, allowing SMEs to open business accounts within 10 minutes online. Over 64,000 new-to-bank accounts have been opened since its launch.

Group Community Financial Services

Enriching customer experience by scaling digitalisation efforts to new heights

We continue to introduce solutions that enable customers to integrate their daily banking needs into their lifestyle. Riding on the success of the MAE e-wallet, we launched the MAE by Maybank2u App, enabling customers to use their e-wallet and undertake a full suite of banking activities, while enjoying enhanced financial management tools as well as new lifestyle features. Along with the App, we introduced a physical MAE Visa Debit card that can also be used overseas, with competitive foreign exchange rates. MAE by Maybank2u saw over 770,000 new app users and 50,000 new MAE cards issued since launch.

This year was also our first of hosting our Virtual Treats Fair in Malaysia, which made it even easier for non-Klang Valley cardholders to participate. Gathering

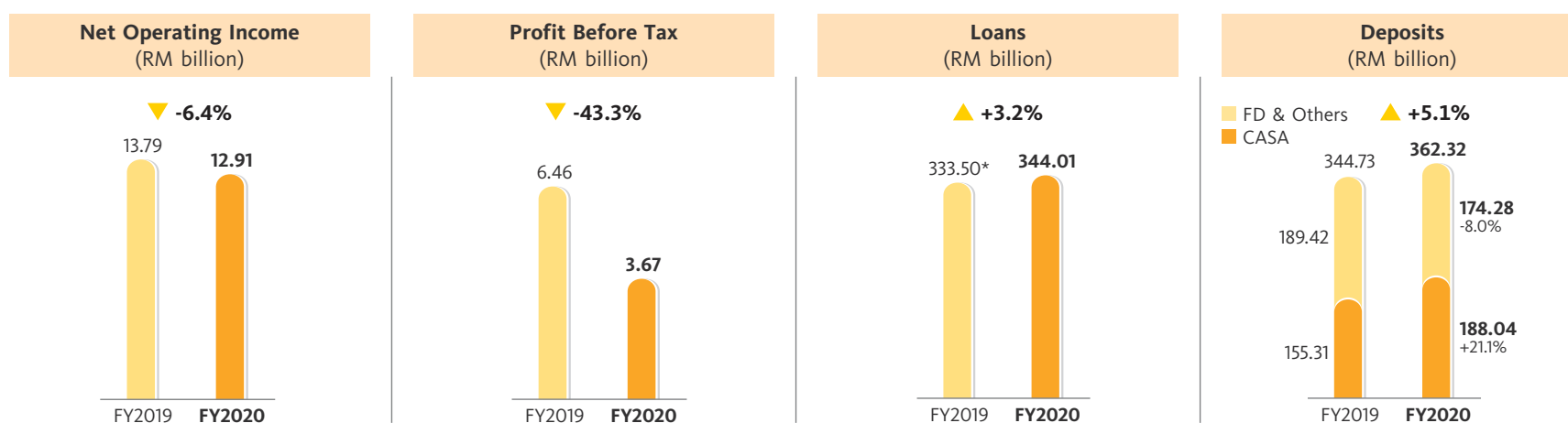
over 100 merchants nationwide, we saw more than 117,000 online visitors over the three-day event.

In Singapore, the revamped Maybank2u Mobile App offers enhanced payment capabilities and user experience. It also enables overseas fund transfers and allows customers to generate dynamic PayNow QR codes to request for payments. Over 140,000 users have registered since its launch in April, with 66% being active. In Indonesia, the Maybank2u App has been enhanced to enable Know-Your-Customer onboarding through a video call. Meanwhile, in the Philippines, we launched iSAVE CASA STP, one of the country's first digital savings accounts. This led to more than 44,000 active iSAVE accounts worth PHP3.3 billion. We also launched Maybank Zone, a proprietary virtual car showroom with a digital auto financing application that also caters for other retail products.

Stepping up to keep our wealth customers closely engaged during the pandemic

In response to movement restrictions, we intensified our digital engagement with our customers. A series of webinars on diverse topics was organised in Malaysia, Singapore, Indonesia and the Philippines since April 2020, garnering over 23,000 views. We also introduced online bancassurance sales enabling new customers to be onboarded virtually, contributing to the 21.2% YoY growth in our investment Asset Under Management to RM40.5 billion and being named the Best Private Bank in ASEAN at the Global Private Banking Innovation Awards, as well as an Outstanding Private Bank in ASEAN at the Private Banker International Global Wealth Awards.

REGIONAL FINANCIAL PERFORMANCE FY2020



* Restated to net of unwinding interest/profit and effective interest/profit rate.

KEY PERFORMANCE HIGHLIGHTS

GCFs' net operating income declined by 6.4% YoY to RM12.91 billion due to:

- 4.9% decline in net fund based income attributed to modification loss as well as NIM compression.
- 10.9% drop in net fee based income driven by lower income generated from Payments, Cards & non Retail Business due to slower consumer spending during the Movement Control Order, but mitigated by growth in the Wealth segment.
- Favourable cost containment measures and prudence resulted in 3.8% overheads reduction.
- Healthy loans expansion by 3.2%, mainly attributed to mortgages and Retail SME which grew 8.1% and 2.7%, respectively.
- 5.1% growth in deposits driven by CASA growth of 21.1% underpinned by continued emphasis on growing low-cost funds, as well as a shift in preference for saving arising from the pandemic.
- Stable gross impaired loans ratio of 1.7% despite higher proactive provisioning made in anticipation of a weakening credit environment.

In Malaysia, net operating income recorded a decline of 7.1% YoY at RM8.25 billion arising from:

- 5.1% drop in net fund based income to RM6.45 billion, predominantly from the lower interest rate environment due to OPR cuts as well as the impact of modification loss.
- 13.7% decline in net fee based income due to slower business activities. However, fee based income from the investment portfolio and Digital Banking grew by double digits at 25.3% and 26.1% respectively.
- Notwithstanding that, Malaysia recorded strong loans growth at 6.8% YoY, mainly contributed by Retail SME at 13.9% and Consumer at 6.6%. Mortgage was the largest contributor for Consumer loans with a solid growth of 10.6% YoY.
- Strong CASA growth of 22.6%, translating to an improved CASA ratio of 57.3% from 51.2% in 2019.
- Sustained improvement in asset quality as demonstrated by gross impaired loans ratio which reduced 33 basis points from a year earlier.

International's net operating income declined by 5.1% YoY, while CASA grew 17.9%, attributable to a continuous focus on growing low cost funding:

- Singapore recorded steady growth in both net fund based and fee based income of 1.2% and 0.9% respectively, underpinned by strong CASA growth of 25.3% and improved wealth management fees.
- Indonesia's CASA growth remained strong at 3.9% with CASA ratio improving to 43.0% from 40.1% a year earlier.
- Philippines' consumer CASA recorded strong growth of 19.9% driven by the success in iSAVE CASA STP.
- Cambodia saw 2.1% growth in net operating income on the back of healthy Consumer and Business Banking loans growth.
- Hong Kong recorded double digit deposits growth of 22.8% mainly from CASA.

GROUP GLOBAL BANKING

Developments surrounding the COVID-19 pandemic combined with uncertainties due to policy changes, ongoing geopolitical tensions and volatile oil prices led to a tightening in global financial conditions in 2020. Our customers were faced with unprecedented challenges as the pandemic significantly disrupted their business and investment activities. While maintaining our focus on connecting our customers to opportunities around ASEAN and supporting their sustainability journey, we also assisted stakeholders to navigate the challenging economy. Meanwhile, continued enhancement of our digital platforms ensured the delivery of best-in-class customer experience and solutions, mitigating the impact of social and business restrictions.

TOP ACHIEVEMENTS IN 2020

Healthy PBT growth of 8.0% YoY and maintained position of **No. 1 Wholesale Bank in Malaysia** for revenue, loans and deposits

Ranked **Top 2 on the ASEAN Local Currency Bonds League Table** and **Top 3 on the Global Sukuk League Table** by Bloomberg

Transaction Banking recognised by the Global Finance Trade and Supply Chain Finance Awards 2020 as the **Best Trade Finance Provider in Malaysia**

Recognised as a **leading Investment Banking and Brokerage business** by Euromoney, Global Finance, and Finance Asia, among others

Executed noteworthy **ESG-driven deals across the region** such as the LSS3 solar power projects financing, and Indonesia's USD2.5 billion Sovereign Sukuk

KEY FOCUS AREAS FOR 2020

Partnering customers in navigating a challenging environment

Amidst the challenges and risks brought about by the pandemic, we engaged our corporate customers proactively to extend financial assistance if required. We also published FAQs on relief programmes for corporate and non-corporate clients and provided our Helpdesk contact details on Maybank2u and Maybank2Own, encouraging customers to reach out to us. We offered moratorium, repayment assistance (RA) and restructuring & rescheduling (R&R) solutions that best suited their needs. We also closely monitored vulnerable borrowers to raise early alerts, enabling swift assistance and mitigation plans. As of December 2020, we had provided more than RM30 billion worth of relief packages in Malaysia, Singapore, Indonesia and Greater China.

We served as the key bank disbursing funds for various government stimulus packages. We were the sole bank appointed by SOCSO to pay out RM20.6 billion in wage subsidies under its employment retention programmes and one of the key payment banks for EPF's i-Lestari programme benefitting about two million account holders monthly. We were also the advisor and primary distributor for Sukuk Prihatin, the first digital sukuk in Malaysia under the National Economic Recovery Plan (PENJANA), which was oversubscribed, raising more than RM666.42 million.

Despite the pandemic, our Investment Banking & Advisory teams completed several notable deals across ASEAN. As a result, we were ranked Top 2 on Bloomberg's ASEAN Local Currency Bonds League Table and first in Malaysia Equity Capital Markets.

Delivering integrated flow solutions across the region

In line with customer migration onto digital platforms, we have secured mandates to facilitate bulk transactions through the Payment Gateway Solution for Selangor Digital E-Supply Chain (SELDEC) and i-Bayaq, a portal that facilitates various payments to the Kedah State Government.

Maybank Trade expanded its infrastructure capacity to accommodate the increase in trading volume during movement restrictions, resulting in outstanding YoY growth of 44.3% and 135.6% of online trading in Thailand and Singapore respectively. Focusing on virtual customer engagement, we hosted a total of 255 webinars and thematic investor conferences such as the first Invest Malaysia 2020 Virtual Series in July 2020 in collaboration with Bursa Malaysia.

Supporting the transition to a low-carbon, climate resilient and sustainable economy

We participated in several sustainability-linked deals. Among those were the Republic of Indonesia's USD2.5 billion Sovereign Sukuk with a USD750 million green tranche, and Bank Kerjasama Rakyat (Malaysia)

Berhad's first Sukuk Wakalah programme containing SRI elements. We were also chosen to finance Malaysia's Large Scale Solar 3 (LSS3) project, which will boast a total solar capacity of 500MW.

Maybank Asset Management (MAM) Malaysia launched Maybank Global Sustainability Equity-i Fund in August 2020, our first actively managed Shariah-compliant global equity fund adopting ESG factors. The fund garnered more than RM400 million in Asset Under Management (AUM) within a month of its launch, and was featured at the Securities Industry Development Corporation (SIDC)'s first SRI 2020 virtual conference, for which we were also the exclusive partner.

Delivering market-driven wealth and investment solutions

We introduced customer analytics and data-led decision-making at Maybank Kim Eng (MKE)'s Institutional Brokerage business for holistic insight into customer behaviour. We also saw MAM Group gain traction with the onboarding of new third-party distributors and regional product expansion, including the launch of its new Gold Fund, which contributed to an outstanding AUM growth of 21.9% YoY as of December 2020. Meanwhile, our Equity Commodity Derivatives Group was awarded the Best Bank for Investment Solutions, Equity in Malaysia at The Asset Triple A Private Capital Awards.

Group Global Banking

NOTABLE DEALS

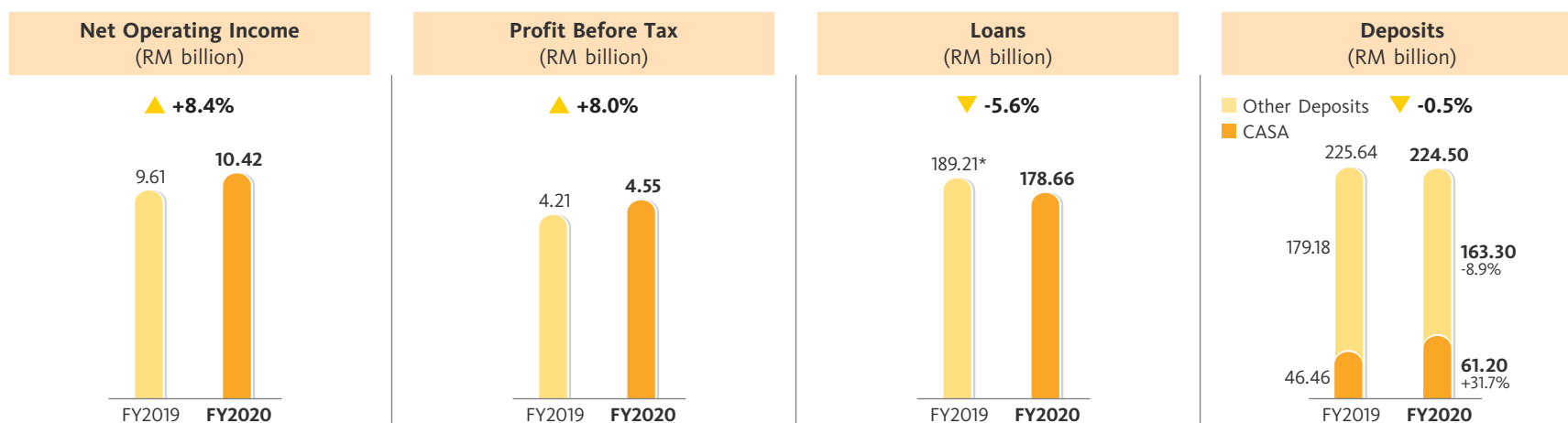
Malaysia

- Sole Principal Adviser and Lead Arranger for Bank Kerjasama Rakyat (Malaysia) Berhad's RM10.0 billion Sukuk Wakalah programme with a Sustainable and Responsible Investment (SRI) element.
- Arranger, Dealer, Principal Adviser, Listing Agent and Joint Bookrunner for Petronas' USD6.0 billion Global Medium-Term Note Programme, the largest by a Southeast Asian issuer to date.
- Joint Lead Arranger for Axiata Group Berhad's USD800 million Shariah-Compliant Syndicated Multi-Currency Sustainability Linked Term Financing.
- Joint Mandated Lead Arranger, Bookrunner and Facility Agent for Hong Leong Healthcare Group's USD385.9 million Syndicated Term Loan.
- Joint Principal Adviser, Joint Global Coordinator and Joint Bookrunner for Mr DIY Group (M) Bhd's RM1.5 billion Initial Public Offering (IPO), the largest on Bursa Malaysia in three years.

International

- Singapore and Greater China: Joint Bookrunner and Joint Lead Manager for Industrial and Commercial Bank of China Limited Singapore Branch's USD1.8 billion and ICBC International Holdings Limited's USD700 million bond issuances.
- Singapore: Joint Bookrunner and Joint Lead Manager for China Construction Bank Corporation Singapore Branch's SGD500 million bond issuance.
- Indonesia: Joint Bookrunner, Joint Lead Manager, Principal Adviser and Joint Shariah Adviser for Republic of Indonesia's USD2.5 billion 3-Tranche Sovereign Sukuk including Green Tranche, the largest ever 30-year Sukuk issued out of Asia.
- Greater China: Mandated Lead Arranger in Maiden Hong Kong Commercial Property-Backed Club Deal for Phoenix Property Group's HKD400 million club loan participation.
- Thailand: Joint Financial Adviser, Joint Domestic Coordinator, Joint Bookrunner and Joint Lead Manager for Kerry Express' THB8.4 billion IPO.

REGIONAL FINANCIAL PERFORMANCE FY2020



* Restated to net of unwinding interest/profit and effective interest/profit rate.

KEY PERFORMANCE HIGHLIGHTS

GGB's profit before tax (PBT) increased by 8.0% YoY to RM4.55 billion attributable to:

- 8.4% increase in net operating income mainly due to strong investment and trading income growth recorded by Global Markets, as well as higher brokerage and trading income recorded by MKE.
- Increase in net fund based income and net fee based income of 2.4% and 16.5% respectively, due to gains from treasury-related activities.
- 13.1% increase in pre-provisioning operating profit (PPOP) due to growth in income and supported by 1.5% reduction in total overheads as a result of our strategic cost management efforts. Consequently, cost to income ratio (CIR) improved from 31.9% to 29.0%.
- 4.2% increase in loan loss provisions (LLP) mainly due to the pandemic which affected some of our clients' businesses.

In Malaysia, net operating income increased by 15.4% YoY to RM5.90 billion, contributed by:

- 16.1% growth in net fund based income and 14.7% growth in net fee based income mainly due to treasury-related gains.
- 20.6% growth in PPOP due to increase in income while cost remained relatively flat compared to last year.
- RM1.17 billion increase in LLP mainly due to the pandemic, which resulted in a 22.3% decline in PBT.

For international operations, net operating income (NOI) increased marginally by 0.4% YoY to RM4.51 billion, contributed by:

- Singapore: 2.8% drop in NOI as we were cautiously and selectively growing our business whilst proactively managing asset quality.
- Indonesia: 31.8% increase in NOI mainly due to gains from treasury-related activities.
- Greater China: 5.3% decline in NOI due to cautious loans growth and lower net fee based income arising from lower trading income as well as lending and trade-related fees. However, it was partially cushioned by MKE HK from a pick-up in trading and active IPO activities in HK.
- Vietnam: 3.1% growth in NOI mainly due to growth in investment management but dampened by sluggish loans pipeline.
- Philippines: 10.7% growth in NOI driven by continuous improvement in cost of funding and treasury-related activities.

GROUP INSURANCE & TAKAFUL

Amid the economic challenges brought about by COVID-19, we have continued to prioritise the interests of our customers and communities in line with our philosophy of being Fast and Easy as well as offering the Best Advice (FEBA) while providing protection and wellness products to as many people as possible. This has been supported by our agile corporate culture that enables us to deploy our resources to respond quickly to changes in the marketplace and environment. We have also accelerated our digital adoption to meet the needs of the market and support the industry's move to champion sustainability as we strive continuously to make the world a better place.

TOP ACHIEVEMENTS IN 2020

Top online insurer in Malaysia with **over 66% market share** and recorded **highest revenue for the 4th consecutive year**

Among the first in industry to kick-start the **Value Based Intermediation (VBI)** programme, initiated by Bank Negara Malaysia

One of the first few insurance companies in the region to **extend relief for Life Insurance and Family Takaful** customers upon COVID-19 confirmation

Etiqa General Takaful and Etiqa Family Takaful recognised by **Malaysian Takaful Association (MTA)** as one of the top Takaful industry players of the year

Garnered **SGD100 million** in gross premiums over three months from new customers following Etiqa Singapore's new partnership with Singtel

KEY FOCUS AREAS FOR 2020

Addressing the needs of our customers and communities

Given the global pandemic, people are more conscientious about health and are increasingly interested in protecting their families. At the same time, livelihoods are affected by reduced employment and slow business activity. To assist customers in need, Etiqa provided assistance through donations and various relief initiatives including:

- Extending RM5,000 cash relief for Life Insurance and Family Takaful customers upon confirmation of being diagnosed with COVID-19 between 19 February to 30 June 2020, which was subsequently extended to 31 December 2020.
- Special waiver for travellers who purchased our travel plans and required medical treatment for COVID-19 during the course of their travels prior to WHO declaring COVID-19 a pandemic in March 2020.
- Allowing the renewal of Motor certificates for six months instead of one year on a case-by-case basis.
- Offering staggered payments for eligible corporate customers' Takaful programmes.

We also contributed to various COVID-19-related initiatives. This included a total of RM12 million to the Malaysian Government and MERCY Malaysia for the purchase of medical equipment and test kits; and RM50,000 to Tabung Musa'adah, a fund set up by the Islamic Development Department (JAKIM), to assist those affected by the pandemic.

Increased adoption of technology and digitalisation across Etiqa

Following the Movement Control Order (MCO) in Malaysia, it became more critical to be able to engage with our customers online, given greater traffic via our digital channels. This inspired us to further enhance our web portal and the Smile App, and ensure our customers continue to receive essential insurance protection. For example, we increased our e-mail and SMS reminders to customers (across channels including telemarketing and branch walk-ins) to renew their general insurance online. For our Life and Family Takaful business, we sent confirmation SMS-es as part of the sales fulfilment process to potential new customers to facilitate the sales workflow.

We also enhanced our engagement with agents and partners through digital initiatives such as the new Agent On The Go (AOTG) app while further improving the Etiqa Partner Portal (EPP). Through AOTG and EPP, we have simplified and integrated our business processes and functions, enabling real-time premium calculations for insurance coverage and instant quotations. This has shortened the turnaround time of prospecting and processing new business opportunities for agents, increasing productivity. In 2020, Agency business contributed 17.1% of our total gross premium/contributions in Malaysia.

We also launched an Accelerator Programme and ESCAPADE, a platform which enables Etiqa to collaborate with start-ups - both with the objective of disrupting the insurance ecosystem. The programmes provide start-ups with direct access to our network of experts and mentors, as well as access to Escape, a co-working space at Menara Etiqa. Start-ups will be able to leverage our regional network providing them with opportunities to connect with investors and funding partners.

Group Insurance & Takaful

Being the Preferred Bancassurance/Bancatakal Partner

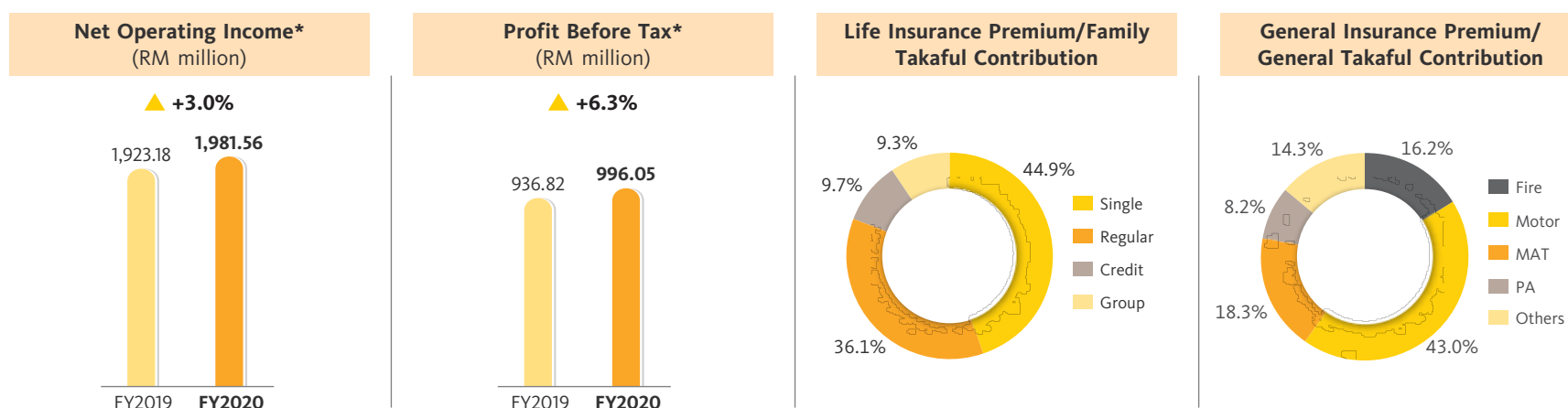
In 2020, we launched the Etiqa Virtual Insurance Advisor (EVIA) which enhances customer experience by providing our Bancassurance salesforce with enhanced digital tools for account planning and customer profiling. EVIA presents an overview of customers' financial status and calculates the insurance gap for wealth preservation, facilitating speedy and relevant product recommendations. We also included a gamification platform for better customer engagement at our bank branches. In 2020, Bancassurance contributed 22.1% of Etiqa's total gross premiums/contributions in Malaysia.

Advocating and Inculcating Value-Based Intermediation (VBI)

VBI is essentially a Shariah version of the Environmental, Social and Governance (ESG) agenda of responsible investing. It was launched in 2020 in line with our aspiration to create sustainable value for the community, while protecting the environment, by changing the mindset and culture of the company. In addition, via enhanced self-governance, we can deliver our promise of Fast and Easy service and provide Best Advice to customers. Etiqa is among the first in the industry to kick-start the VBI programme initiated by Bank Negara Malaysia. Among the Initiatives under the VBI banner are:

- Partnership with iCycle to run various activities including webinars and staff campaigns to inculcate 3R (Reduce, Reuse and Recycle) values. In 2020, Etiqans have recycled 210kg of goods, and contributed 122kg of CO₂ savings.
- Energy savings campaign – achieving 12% YoY savings in 2020 for electricity.
- Constant communication via publications, talks and webinars to increase awareness of VBI/sustainability among our staff and partners.

REGIONAL FINANCIAL PERFORMANCE



* Net operating income and profit before tax (PBT) are mapped according to segmental disclosures. Refer to Note 62 on pages 219 to 222 of the Financial Book.

KEY PERFORMANCE HIGHLIGHTS

Group Insurance & Takaful's PBT growth of 6.3% YoY to RM996.05 million was from:

- 40.2% YoY increase in our combined gross premiums/contributions to RM11.27 billion in FY2020, on the back of strong Single Premiums growth. Net Adjusted Premium grew by 11.1% to RM5.57 billion.
- 62.1% increase in Life Insurance and Family Takaful premiums/contributions to RM7.92 billion mainly due to the strong performance of Single Premiums, particularly from Etiqa Singapore (EIPL) and Regular Premium products from EIPL and Bancassurance in Malaysia.
- 6.2% increase in General Insurance and Takaful premiums/contributions to RM3.35 billion supported by increase in the Miscellaneous class.
- 3.0% and 6.3% increase in net operating income and PBT respectively, on the back of better underwriting experience and lower management expenses.
- 18.9% increase in total assets to RM48.26 billion from RM40.61 billion in FY2019.

In Malaysia, PBT contracted by 0.6% YoY to RM873.26 million from:

- 0.7% reduction in combined gross premiums/contributions to RM6.19 billion from RM6.24 billion in FY2019, due to contraction in credit-related business, which was moderated by growth in the Regular Premium and Group business. Net Adjusted Premium declined by 1.0% to RM4.04 billion.
- Lower returns from our investment portfolio coupled with a drop in bond yields and a widening credit spread during the year. However, this was mitigated by better underwriting experience and lower management expenses.
- 3.1% growth in General Insurance and Takaful business driven by growth in Miscellaneous class, far surpassing the industry's growth of 0.2%. Market share increased from 13.7% to 14.1% YoY.
- 2.0% growth in our Life Insurance and Family Takaful new business premiums/contributions commanding 10.9% market share. New business value recorded a contraction of 39.2% YoY.

For international operations, PBT grew 76.9% YoY to RM116.70 million from:

- Significant growth in regional markets' combined gross premium to RM5.07 billion.
- Substantial increase in gross premiums from the Singapore operations to SGD1.45 billion, driven mainly by strong growth in the Single Premium business from universal life products distributed in partnership with SingTel Dash. PBT was 27.1% higher than in FY2019, due to higher profits from the Life Insurance business.
- 5.9% growth in gross premiums in the Philippines to PHP4.66 billion. PBT increased by 78.6% to PHP530.73 million as a result of higher underwriting profit.
- Significant growth in gross premiums in Indonesia to IDR893.45 billion. PBT of IDR6.56 billion, a turnaround from the loss before taxation of IDR22.68 billion in 2019.
- But mitigated by USD0.61 million in gross premiums and loss before taxation of USD0.78 million in our Cambodian market.

GROUP ISLAMIC BANKING

The COVID-19 pandemic has reshaped consumer behaviour, accelerating the adoption of digital products and services. In line with the needs and expectations of our individual and institutional customers, Maybank Group Islamic Banking (MGIB) has introduced a number of business and social impact initiatives with the primary aim of supporting our customers and communities in these trying times. We continue to strengthen our commitment towards the sustainability agenda by not only embedding Shariah values and principles into our products and services, but also through continuous engagement with local and global stakeholders to steer the sustainability conversation within the bank and industry.

TOP ACHIEVEMENTS IN 2020

MAE, **Malaysia's first Shariah-compliant e-wallet**, was selected by Suruhanjaya Syarikat Malaysia (SSM) to disburse zakat to students in need

Issued **Maybank Islamic Sustainability Statement** outlining the Bank's commitment towards holistic Shariah compliance

Completed the **USD2.5 billion Sovereign Sukuk** issuance for the Republic of Indonesia, whereby USD750.0 million will be deployed for green projects

Introduced **Malaysia's first Social Impact Deposit**, extending financial relief to those affected by the COVID-19 pandemic

Awarded Global Islamic Bank of the Year from **The Banker Awards (Financial Times)**

KEY FOCUS AREAS FOR 2020

Supporting our stakeholders in their time of need

On top of the financial relief programmes undertaken by the Group, we spearheaded several initiatives to assist our customers and communities in need. In Malaysia, we launched a Social Impact Deposit campaign under our Islamic fixed deposit (IFD-i) account. For every deposit made during the offer period, Maybank Islamic Berhad (MIB) contributed to a Social Impact Assistance Account which will be used to provide financial relief to those whose incomes have been affected by the pandemic. In addition, we channeled funds to those facing hardship through our flagship zakat-funded outreach programmes, i.e. Regional Ramadhan Relief and MIB Community Programme across ASEAN on top of the newly implemented COVID-19 Assistance Programme. In Singapore, zakat collections were extended to the Asnaf in collaboration with local community partners. Meanwhile, in Indonesia, we introduced a Savings Account embedding COVID-19 takaful protection for retail customers as soon as COVID-19 was declared a pandemic. We also distributed food

packages to help orphans and the underprivileged during the fasting month through our head office and Shariah branches.

Championing sustainability beyond traditional banking

We published a Sustainability Statement outlining our commitment, role and approach to sustainability. This statement was approved by Maybank Islamic Berhad's Board of Directors in April 2020 and is now accessible on our corporate website.

🌐 Visit https://www.maybank.com/iwov-resources/pdf/islamic/about-us/MIB_Sustainability-Statement2019.pdf to view our Maybank Islamic Sustainability Statement.

We continue to participate actively in Bank Negara Malaysia (BNM)'s Value-Based Intermediation Financing and Investment Impact Assessment Framework (VBIAF) Sectoral Guide Working Group following the publication of the VBIAF Guidance Document in November 2019. We led the Working Group to develop an impact-based assessment of the palm oil sector, covering the industry's upstream

activities. The guide will be enhanced to cover additional parts of the palm oil value chain in phases.

We have also been facilitating ESG-driven deals such as:

1. The issuance of a USD2.5 billion Sovereign Sukuk for the Republic of Indonesia where USD750.0 million will be deployed for green projects.
2. A first-of-its-kind in Malaysia syndicated multi-currency Shariah-compliant sustainability-linked financing facility worth USD800 million for Axiata Group Berhad.
3. Cagamas Berhad's Islamic Medium Term Note (IMTN) Sustainable and Responsible Investment (SRI) Sukuk tranche worth RM100 million in nominal value and Sime Darby Property Berhad's ASEAN Sustainability SRI Sukuk worth RM150 million in nominal value, for which we were the Joint Principal Adviser, Joint Lead Arranger and Joint Shariah Adviser.

Group Islamic Banking

Acceleration of digital solutions

In line with changes in customer behaviour, we introduced multiple Shariah-compliant digital products and solutions. With the launch of the new MAE app, we now have Malaysia's first Shariah-compliant e-wallet. MAE was also selected by SSM-Food Bank for its pilot zakat disbursement to students in public universities, benefiting around 4,000 students, each of whom received RM500. In addition, SME Digital Financing-i launched in September 2020 offers a Shariah-compliant financing option via our Commodity Murabahah Term Financing-i (CMTF-i).

MGIB has also been facilitating zakat payments online in Malaysia and Singapore via Maybank2u and PayNow respectively. In addition, we launched a donation payment service to Majlis Ugama Islam Singapura's Rahmatan Lil Alamin Foundation Ltd via Maybank2u and PayNow.

As one of the few banks officially appointed by Badan

Pengelola Keuangan Haji in Indonesia to undertake the Hajj savings scheme, Unit Usaha Syariah (UUS) of Maybank Indonesia introduced an online account which helps customers save in order to perform the Hajj. Customers in Indonesia can now also submit documents and open their Shariah accounts online with video call-based KYC (Know-Your-Customer) via Maybank2u Indonesia App.

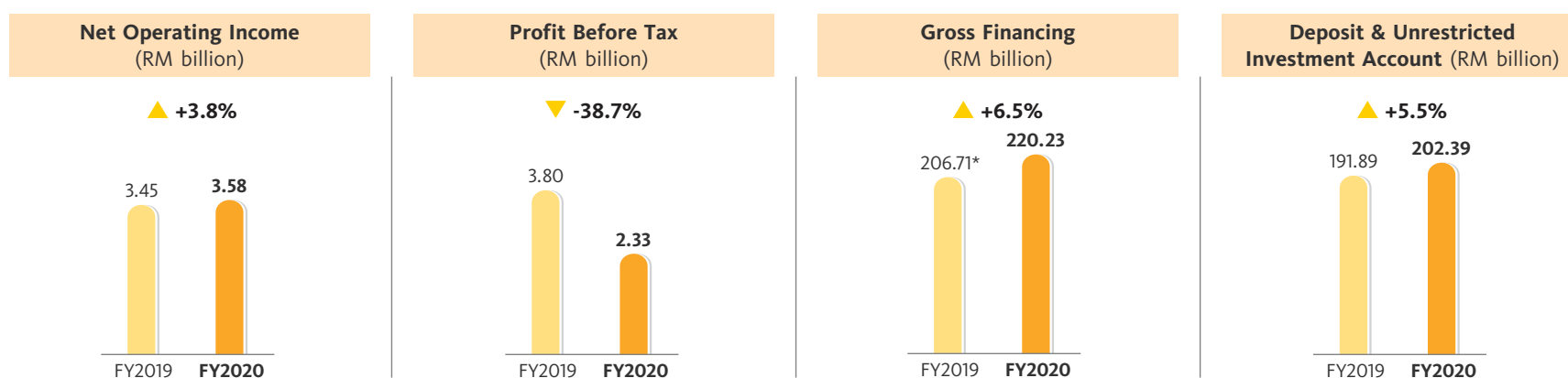
Advancing Islamic Finance via Thought Leadership

We continued to promote Islamic finance through major local and global events. Two notable Thought Leadership events were the Securities Commission's Sustainable and Responsible Investment Virtual Conference 2020 and a webinar organised by the International Centre for Education in Islamic Finance (INCEIF) on how Islamic banks can overcome COVID-19 challenges while supporting their clients and community. To drive further expansion of the Halal industry globally, we engaged with industry players through programmes such as the Islamic Markets Leadership Series aimed at increasing

awareness of the importance of Islamic Financial Institutions (IFIs) in providing support beyond pure financing deals. Meanwhile, together with IIUM Centre for Islamic Economics (CIE), we conducted a webinar review of a book entitled "First Principles of Islamic Economics" by Sayyid Abul A'la Maududi which highlights the economic vision and thoughts of one of the most influential Muslim thinkers.

We also took the opportunity to solidify our position as the leading global Islamic bank via major international conferences such as the Bonds, Loans & Sukuk, Middle East (BLSME) Conference and the Islamic Finance News (IFN) on Air Forum and Advisory+ in Dubai and Singapore as well as the 2nd Islamic Financial Services Board Innovation Forum. These served as a platform for us to share our thoughts on Islamic finance, sustainability and innovation. In addition, we organised the inaugural Maybank Indonesia Shariah Thought Leaders Forum 2020 bringing together regulators, scholars and industry players to discuss issues relating to Islamic finance in Indonesia.

REGIONAL FINANCIAL PERFORMANCE FY2020



* Restated to net of unwinding profit and effective profit rate.

KEY PERFORMANCE HIGHLIGHTS

MGIB's profit before tax (PBT) contraction of 38.7% YoY to RM2.33 billion was mainly from the following:

- Decrease in PBT by 38.7% in Malaysia and 69.7% in Indonesia due to higher net provision charges and slower top line growth, as well as disposal of PT Bank Maybank Syariah Indonesia (PT Bank MSI) in FY2019.
- Total income contracted 9.9% in Indonesia, compared to 7.0% and 9.4% increase in Malaysia and Singapore respectively. Performance was affected by policy rates changes across the region and modification loss in Malaysia.
- 13.2% contraction in gross financing in Singapore, due to low demand from Corporate and Business Banking, which was cushioned by a 7.7% increase in gross financing in Malaysia contributed by Retail and SME campaigns.
- 5.5% increase in deposits and Unrestricted Investment Account (UA) mainly from CASA and term deposits in Malaysia and Singapore.

In Malaysia, PBT contracted by 38.7% YoY to RM2.03 billion from:

- Higher net provision charges attributed to management overlays for specific accounts and weaker Corporate customers.
- Decrease in gross fund based income due to modification loss and Overnight Policy Rate reductions, cushioned by lower dividend expense and an increase in Non-Fund Based Income, mostly from sale of securities and commissions.
- Despite the above, Maybank Islamic Berhad (MIB) achieved healthy balance sheet growth with 7.7% increase in gross financing and 4.0% increase in deposits and UA resulting from a series of deposit campaigns.
- Yielded cost to income ratio of 33.7% in 2020 (2019: 33.2%), and an improved gross impaired financing ratio of 1.03% (2019: 1.44%).
- MIB's contribution to Maybank Malaysia's total domestic financing as well as deposits and UA increased to 62.6% (2019: 60.7%) and 52.8% (2019: 51.9%).

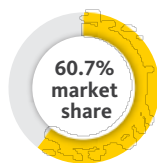
For international operations, PBT contracted by 39.2% YoY to RM301.35 million due to PT Bank MSI disposal in FY2019, as well as from:

- Indonesia's PBT decreased by 69.7% to RM63.43 million due to provision charges and slower top line growth. Nevertheless, gross financing grew by 7.7% contributed by Corporate financing while deposits grew by 6.5%.
- Shariah Banking's total assets contributed 21.6% to Maybank Indonesia's total assets, while a digital deposits campaign for new and existing customers enhanced its Savings Account by 29.3%.
- Singapore's PBT was relatively flat at RM176.50 million. Total income improved by RM15.69 million from higher investment income. However, provisions increased by RM14.32 million from a writeback position last year.
- Gross financing decreased by 13.2% in Singapore from low take-up rates in Global Banking and Business Banking. However, deposits increased significantly from term deposits due to customers' preference for upfront profit payment.

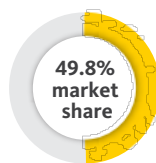
THE DIGITAL BANK OF CHOICE

Maybank's aspiration to be The Digital Bank of Choice stems from our philosophy of always delivering a next-generation experience. Recognising customers' desire for immediacy, empowerment and simplicity, we have over the years built an increasingly robust digital infrastructure in order to continuously enhance our offerings. Lessons learnt and the capabilities built throughout our ongoing journey were put to the test during the COVID-19 pandemic as online transactions and traffic multiplied. We demonstrated the strength and agility of our digital platforms by being able to pivot quickly to support our customers and local communities.

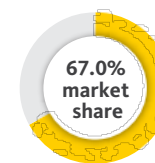
KEY HIGHLIGHTS IN 2020



Leader for mobile banking transaction volume in Malaysia



Leader for internet banking transaction volume in Malaysia



Leading online insurer by gross written premium in Malaysia

KEY FOCUS AREAS IN 2020

Continuous innovation to deliver what customers need

We constantly push the envelope of innovation to deliver cutting-edge digital financial products and services to meet the needs of our stakeholders. Adopting a holistic approach, we have streamlined our back-end processes; deployed machine learning for effective credit decision-making; and leveraged enhanced analytics for more personalised customer engagement. We have also reimagined the customer journey on various digital platforms, delivering a whole new level of speed, convenience and functions including the ability to access financial management tools. Growing our digital portfolio, this year we launched MAE by Maybank2u App, SME Digital Financing, EzyQ and Sama-Sama Lokal among others, enabling us to also fulfil another key ambition, namely to achieve greater financial inclusivity.

Building our capabilities & competencies

In pursuing our vision to be The Digital Bank of Choice we have continuously reinvented our technology stack across all layers. We have introduced self-service capabilities, automated our middle and back-office processes and refreshed our technologies to support the needs of our digital channels.

In recent years, we have placed greater emphasis on upgrading our data centre, rearchitecting our applications on modern digital stacks; and building reusable business services. Our new architecture allows us to leverage Application Programming Interfaces (APIs) for seamless integration with our partners to support Open Banking initiatives. The foundations being laid today will enable us to continue to enhance our customer-centric platforms in line with our M25 vision.

We have also laid the foundations for our Customer Engagement Platform to enable real-time data insights to enhance our customer engagement. With deeper understanding of customers' behaviour, our business and contact points will be able to better anticipate their needs in order to develop products and solutions that customers naturally embed into their lifestyles.

Along with our digital transformation we have been nurturing a digital culture internally. This has necessitated investment into building capabilities for innovation, incubation, experimentation and development at scale. While reskilling existing talents, we also groom fresh graduates in relevant digital competencies and are hiring key digital talents. As a result, our pool of around 200 digital talents, primarily based in Kuala Lumpur, has successfully

conceptualised and delivered digital platforms including regional projects demonstrating borderless capabilities. Recognising the criticality of continuous innovation, we continue to expand our pool of tech-savvy enthusiasts.

Meanwhile, at MBB Labs in Bangalore, India, we have over 170 highly talented product owners, product engineers, data scientists and efficiency engineers, more than 70% of whom are from the top five technology institutes in the country. This team, which designed our regional Capital Adequacy and Risk Management (CARisMa) platform, is key to enabling our M25 Data Strategy.

As we grow our digital platforms, we also deploy and continuously upgrade best-in-class cyber security defence mechanisms. We have invested in creating a regional team of more than 50 cyber security talents who operate our 24/7 Regional Security Operations Centre and, through our Blue & Red Teams, serve to defend our assets at all times.

Going forward, we will continue to innovate and enhance our systems as well as digital capabilities to be future-ready, in line with M25. Our ultimate vision is to become truly "Digital at Core".

The Digital Bank of Choice

KEY DIGITAL INITIATIVES

GROUP COMMUNITY FINANCIAL SERVICES

- Launched Sama-Sama Lokal, an online platform on Maybank2u, to assist local hawkers and small retailers.
- For SMEs, provided:
 - Business account STP through Maybank2u and Maybank2u Biz allowing business accounts to be opened within 10 minutes.
 - SME Digital Financing, the first end-to-end digital financing experience in Malaysia, with approval within 10 minutes.
- Hosted Virtual Treats Fair, the first-ever virtual loyalty points redemption fair in Southeast Asia.
- Introduced MAE by Maybank2u in Malaysia, a new app with a unique ecosystem to help customers manage their finances while also featuring lifestyle offerings.
- Revamped Mobile App in Singapore with enhanced payment capabilities including overseas funds transfers and the ability to generate dynamic PayNow QR codes for payments.
- Launched fully digital CASA STP/Know-Your-Customer (KYC) capability through the new Maybank2u App in Indonesia which enables onboarding KYC through video calls; QRPay capability at any Indonesian National QR Standard merchant (QRIS); and online Mutual Fund STP transactions.
- Launched iSAVE CASA STP, one of the first digital savings accounts in the Philippines, to support the financial inclusion initiative of Bangko Sentral ng Pilipinas (BSP).
- Expanded QR Payment and STP-enabled capabilities on Maybank2u across the region:
 - PayNow QR payment terminals in Singapore and QR code in the Philippines.
 - Selected product and loan applications in Singapore, Indonesia and the Philippines.
 - Payment gateways and transactions initiatives in Malaysia, Singapore, Indonesia and Cambodia.
- First bank in Malaysia to launch EzyQ, an online branch appointment system.
- Launched co-branded credit cards with Shopee and Grab, which customers can apply online via Maybank2u.

GROUP GLOBAL BANKING

- Our cash and trade financing digital platforms, Maybank2E RC and TradeConnex, enabled fully online cash transactions, drawdown applications and documents submission to minimise business disruption and physical contact.
- Extended the SWIFT gpi tracker and Paynow for Singapore's Regional Cash Management System (RCMS) enabling safer real-time interbank transfers.
- Maybank Trade is the first brokerage platform in Thailand to partner with communication app, LINE, enabling investors to receive instant market information.
- Maybank Trade mobile app was enhanced with new features enabling personalised notifications and reminders as well as Seamless Securities Borrowing and Lending (SBL), while offering market intelligence and portfolio management summaries, among others.
- Introduced KE Trade PRO Syariah in Indonesia, offering investors the choice to invest and trade in Shariah-compliant products.
- KE Trade was voted as one of the top 100 Most Trusted Products and Services in TIN & DUNG, an annual poll organised by Tu Van Tieu Dung of the Vietnam Economic Times.

GROUP INSURANCE & TAKAFUL

Malaysia

- Etiqa Malaysia increased its product and services visibility on the internet by improving the User Interface/User Experience (UI/UX) of online products.
- Launched Artificial Intelligence (AI) for Anomalous Parts Detection, to investigate and detect anomalies in vehicle parts proposals in claims submissions.
- Launched Agent On The Go (AOTG) Fire and Motor mobile app to enable general insurance/Takaful agents to conduct end-to-end motor and non-motor business on-the-go.
- Launched Etiqa Partner Portal (EPP), an end-to-end digital platform that enables Life Insurance and Family Takaful agents to serve customers with fast real-time information.
- Launched an improved version of the Motor Application Programming Interface (API) and a new API for Etiqa's Travel Insurance and Takaful products.

- Launched Etiqa Virtual Advisor (EVIA) for Bancassurance salespeople to identify and recommend appropriate solutions for customers.
- Kicked off ESCAPADE & Accelerator Programmes by Etiqa to incubate start-ups that will later provide us with new value streams.

Singapore

- Etiqa Singapore (EIPL) launched a partnership with Singtel giving EIPL exclusive rights to distribute its digital savings products.
- Agile implementation and collaboration between various cross-functional internal business units delivered a new "3-year endowment plan" within nine days which contributed to 300% increase in sales month-on-month.
- Launched an API-ready platform to connect our digital integration with partners' portals like Singtel, Gojek, IKEA, Moneysmart and PolicyPal for seamless insurance purchasing and claims processes.

GROUP ISLAMIC BANKING

- Enabled Malaysia's first Shariah-compliant e-wallet within MAE.
- One of the few banks selected by Badan Pengelola Keuangan Hajj to offer online accounts for Hajj savings in Indonesia.
- Enabled fully-online Shariah account opening within the Maybank2u Indonesia App.
- Revamped Islamic Banking microsite for new look, feel and greater customer experience.
- Launched zakat payment via Maybank2u and PayNow in Malaysia and Singapore.
- Launched donation payment service to Majlis Ugama Islam Singapura's Rahmatan Lil Alamin Foundation Ltd via Maybank2u and PayNow.
- Launched CASA STP in Singapore enabling customers to open Islamic savings accounts through Maybank2u Singapore app or the government online service, MyInfo.

GROUP HUMAN CAPITAL

- Pivoted our learning & development, wellness & well-being and internal & external engagement, migrating physical initiatives onto virtual platforms. We also continued to explore and experiment on new ways of living and working through key initiatives outlined on page 63.
- Rolled out Mobile Work Arrangement policy to strengthen organisational resilience while safeguarding employees' health and all aspects of their fitness – mental, physical, emotional and performance.
- Developed Learning Outreach Future App under the Universal Banker model to facilitate capability-building and upskilling of employees to elevate our customer experience.

Maybank was set up in 1960 with the sole intent to serve; to provide Malaysians – and eventually the ASEAN community with financial products to enhance their lives. Over the years, this resolution has grown stronger and more ingrained into our corporate ethos. So much so that, as we celebrated our 60th anniversary in 2020, it has become part of our identity. Throughout the year, in the face of multiple challenges due to COVID-19, we truly demonstrated the humanising of financial services; providing support and assistance beyond banking.

We raised over RM3 million through crowdfunding which was channelled – together with food and personal protective equipment (PPE) – to affected communities in the region. We launched a Social Impact Deposit enabling people to contribute to the needy. Leveraging technologies developed by our teams in Malaysia and Bangalore, we also introduced a suite of innovations to help small businesses stay afloat. With Sama-Sama Lokal, we did not just connect small businesses to buyers online at no cost, we even helped with delivery.

Above all, we strove to protect the well-being of our customers, and adhered to stringent SOPs in our branches while encouraging greater interaction and transactions online.



CUSTOMER EXPERIENCE

As part of our mission to deliver the best customer experience across all our platforms, we engage independent industry experts to conduct an annual External Customer Engagement Survey (ECES). ECES evaluates key factors that influence customer behaviour throughout their banking journey via our different channels and touchpoints. In 2020, 40 improvement initiatives were undertaken based on the survey conducted in 2019.

Our +20 Net Promoter Score (NPS) in ECES 2020 makes us the industry leader for five years running, entrenching our position as the preferred financial institution in the country. This was contributed by our fast and effective response to support customers affected by COVID-19, including:

- Solutions and options on the loan moratorium; relief measures and packages for customers facing financial difficulties; and comprehensive FAQs on Maybank2u.
- Prioritising customers' safety and providing the level of customer experience they expect at our branches by maintaining SOPs such as social distancing and managing queue times with EzyQ, an in-house innovation that enables customers to make online bookings ahead of their visits to the branches and centres via Maybank2u.
- Additional training of frontline staff to be better prepared for the new normal. Among others, we provided bite-sized learning content and equipped our employees with the skills to resolve issues immediately, to minimise the escalation of complaints.

TIRELESS EFFORTS TOWARDS ENHANCED SUPPORT

In 2020, while continuing with several ongoing initiatives, we also took steps to ensure we were fully prepared for the changes brought about by the pandemic.

Even before the movement control in Malaysia was announced, we split our back-office operations into different locations to minimise the potential risk of service disruption. We also made sure our offices and branches adhered to social distancing requirements. Lifts and escalators were calibrated and floors marked; workstations were adjusted and renovated; and, where necessary, acrylic partitions were installed.

At the same time, in our attempt to minimise work disruption, we enhanced our work from home capabilities with remote digital access and infrastructure. This encompassed the extensive roll out of Virtual Private Networks (VPNs), virtual desktops, mobile emails and laptops as well as enabling virtual conferencing across the Group. To cater to the quantum increase in number of internal users, our in-house team implemented a new remote access platform, mWorks, which enables staff to access emails, shared folders and selected applications through Virtual Desktops Infrastructure (VDI) while protecting corporate data and intellectual property. We are now exploring the possibility of rolling out the platform to cover the Group's entire user base.

Ensuring the smooth implementation of the loan moratorium, which was reviewed and updated several times, required a significant team effort to ensure our core banking, middleware and front-end systems were able to support the requirements as these changed. This entailed, first, auto-tagging eligible accounts and then making several rounds of changes to our digital infrastructure. Following further enhancements in October 2020 to manage the end of the moratorium, minor changes are still being carried out and this is expected to continue to accommodate year-end reporting.

Meanwhile, we achieved substantial progress with ongoing customer experience-related initiatives. We successfully deployed 132 Robotic Process Automation (RPA) systems to replace 1,379 manual tasks. Preparations to transition from the London Inter-Bank Offered Rate (LIBOR) to the Secured Overnight Financing Rate (SOFR) are on track to meet the 1 January 2022 deadline. We have also continued to roll out SWIFT's Customer Security Controls Framework (CSCF) as per requirements to further strengthen our cyber security.

Cyber security has acquired greater urgency as more customers take to digital banking and more employees work remotely. Over the years, we have developed increasingly robust cyber defense capabilities and extensive IT security frameworks. However, these have to be continuously enhanced as new threats continue to emerge. We have also expedited the enhancement and expansion of our IT infrastructure, including continued system upgrades to our newly established Disaster Recovery Data Centre. These efforts have collectively contributed to us being able to maintain our online banking availability in line with the strict regulatory requirements imposed on unscheduled downtime, in the respective countries that the Group operates in.

Group Risk Management

As the Group has been facilitating customers to navigate through the pandemic, Group Risk remains committed to being a proactive assurance partner to ensure portfolio sustainability by enhancing operational resilience with risk-informed solutions. As the Group's risk navigator, we continue to iteratively build actionable intelligence and set action paths through the continued development of digital capabilities that enable the proactive management of asset quality while delivering alpha returns.

KEY FOCUS AREAS FOR 2020

Support the Group's Risk Needs While Managing Uncertainties Arising From the COVID-19 Pandemic

The Group has implemented several priority action plans focused on managing uncertainties arising from a stressed economic environment across various jurisdictions while transitioning into the new normal operating landscape, balancing risk considerations to ensure business resilience.

Outcome:

Business Continuity Management Crisis meetings spearheaded by Group Risk resulted in preventive measures across our network even before COVID-19 was declared a pandemic. We also conducted a Pandemic Rapid Exposure Drill and Crisis Management overview to quickly assess areas which could potentially be impacted by the outbreak. In addition, we developed moratorium or asset quality assessment tools to review and monitor accounts under the moratorium and to identify potential asset quality issues. This enabled early identification of vulnerable borrowers, activating prompt engagement to manage any potential impact post-moratorium and to identify borrowers who could qualify for Repayment Assistance.

Enhance Operational Resilience

We continued to focus on potential cyber threats, infrastructure resilience as well as data loss/theft and disruption that could impact delivery channels, business services, communications and the Group's digital agenda as a whole. This was especially pertinent as the volume and frequency of digital transactions surged due to the pandemic.

Outcome:

Detailed analysis of our IT infrastructure and systems, as well as global trends in cyber risks, enables our IT Security team to identify potential threats and security breaches to ensure our systems remain resilient as the volume of online transaction increases. Our cyber risk management policy and methodology has been enhanced and aligned with international standards, such as the Cyber security Framework and Risk Management Framework by the National Institute of Standards and Technology, to take into account emerging threats.

Enable Actionable Risk Insights

We continuously seek to improve our risk adjusted returns and, in line with the Group's digital journey, enhance our Active Portfolio Management (APM) through:

- Continued Balance Sheet Optimisation by implementing a top-down APM system to enhance risk adjusted returns.
- Identification of risk adjusted opportunities and target segments through bottom-up APM via data driven analytics.
- Enhancement of Efficient Frontier application (EF) and its usage to support the formulation and implementation of EF for Business Banking's deposit strategy.

Outcome:

The target value capture for Balance Sheet Optimisation remains wide including yield enhanced strategy, optimised Risk Weighted Assets (RWA), capital efficiency, optimal liquidity & funding strategy and effective interest rate risk management. The use of portfolio allocation analytics in deriving EF insights for deposit strategy helps enhance returns and long-term profitability. Data analytics use cases have enabled the identification of new business opportunities based on transaction flows, deposit relationships and mortgage portfolio analysis.

Support the Group's ESG Agenda to Promote Sustainable Business Practices

We continued to enhance our ESG Policy through our ESG Industry Scrum teams. We also continued to engage with industry stakeholders to promote understanding of ESG impacts and opportunities stemming from our lending activities.

Outcome:

We enhanced the Forestry & Logging Risk Acceptance Criteria to extend sustainable standards to the entire forestry sector value chain. Our ESG Industry Scrum teams are now exploring other sectors such as power, oil & gas, construction and real estate.

OUTLOOK & PRIORITIES IN 2021

We anticipate the operating and economic environment to remain volatile and fluid given the pandemic's impact on customer business models and supply chain disruptions. In this regard, our key priorities in 2021 will be to:

1. Drive actionable risk intelligence by providing recommendations and tailored plans to manage asset quality and identify new revenue pools to originate quality credit while proactively managing existing exposures. The latter includes continuously enhancing our Capital Adequacy and Risk Management (CARisMA) application to automate the reporting process.
2. Adopt a strategic data management programme to streamline data management and ensure usage of high quality risk-related data.
3. Adopt a more proactive risk management approach and embed sustainability considerations into our risk strategy as well as businesses' strategies.

While staying committed to “Developing World-Class Talent to Deliver World-Class Results” via our Human Capital Transformation Goals and Strategic Imperatives, the COVID-19 outbreak has inspired a renewed commitment of our priorities and propelled various initiatives to ensure our employees and organisation transition successfully to the new normal. Always focused on nurturing a safe, caring and inclusive work environment, we re-designed various solutions to enable our employees to navigate through these challenging and uncertain times. Ultimately, we seek to keep our employees connected, engaged and productive, while enabling them to deliver on the Bank’s performance expectations for business continuity.



Maybank Group has been included in the Willis Towers Watson (WTW) 2020 Global High Performance Companies normative benchmark for the fifth time since 2010. An internationally acclaimed benchmark, this recognition acknowledges Maybank as an organisation that has sustained outstanding financial performance along with strong commitment and focus on our employee experience.

6 Human Capital Transformation Goals

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

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 2020

Enabling Work From Home (WFH) with Flexible Work Arrangements (FWA) and Mobile Work Arrangement (MWA) Policies

Strategic Imperatives:

Initiative:

Along with movement restrictions enforced since March 2020, we swiftly facilitated WFH arrangements for all employees except those critically needed on-site, for the safety and well-being of our employees, customers and communities. This entailed accelerating the implementation of various flexible work policies and practices including our existing **FWA policy**, enabling employees to continue to deliver value from the safety of their home.

We had started tracking the number of employees working from home even before the movement restrictions, and continued the daily practice as part of efforts to embrace a remote-first mentality while balancing the needs of our business operations. At the same time, we ensured Standard Operating Procedures (SOPs) for physical distancing were adhered to by employees on-site.

Following this, we introduced the **MWA policy** and identified employees with jobs/roles that can be done remotely, allowing employees to work from home, on-site and at split locations. Curated to strengthen organisational resilience and performance while safeguarding employees’ safety and well-being, this policy is another step towards meeting the diverse needs of our employees as we embrace the future workplace without compromising on our service levels, customer experience and operational efficiency.

Various controls and engagement platforms have been instituted to support our mobile employees and ensure they remain connected. Employees have also been assigned an agreed set of expectations and outcomes, minimum weekly scheduled physical/virtual check-ins and performance updates reflected in the myHR2u Conversation Log.

Outcome:

In Malaysia, our WFH rate reached over 80% within the first week of the first Movement Control Order (MCO). We continued to trend within a healthy 80% range through to late April 2020, and maintained high WFH levels of above 50% until well after the easing of movement restrictions.

In Singapore and Indonesia, 76% and 40% of employees worked from home soon after movement restrictions were imposed in the respective countries.





Close to 2,000 employees were onboarded on MWA.

“WFH has been great for me as it allows me to keep safe and comfortable in my own workspace while enabling me to raise my productivity.”
– Amirah Malek

Group Human Capital

KEY FOCUS AREAS FOR 2020 (CONT'D.)

Enabling Work From Home (WFH) with Flexible Work Arrangements (FWA) and Mobile Work Arrangement (MWA) Policies (Cont'd.)

Strategic Imperatives:    

Initiative:

As employees acclimatise to the new ways of working, it has become more important than ever to manage, monitor and evaluate their performance effectively. We have therefore encouraged employees and line managers to engage in frequent conversations for immediate feedback and improvements. These conversations are captured in the **Conversation Log** for real-time progress monitoring and tracking – enabling greater ownership of performance management between employees and line managers.



We also introduced **Agility@Home** to ease the shift to remote working by providing advice and best practices on productivity and collaboration tools, team communication strategies and time management skills to enhance collaboration in remote teams.

Outcome:

Over 62,000 Conversation Logs recorded.

“To be productive while working from home can be a challenge. However, with the tools and tips shared during the Agility@Home session, it helps me to ensure that my work productivity momentum is kept up to speed and makes me feel fulfilled.” – *Edelyn H. Castro*

Staying Safe and Acing the New Normal with Wellness & Well-being Programmes

Strategic Imperatives:  

Initiative:

With employees having to practise physical distancing and work remotely, it has become even more crucial to support their well-being. We therefore ramped up all efforts to promote mental, physical, emotional and performance fitness in our policies and culture. Initiatives undertaken include:

1. Promoting the right precautionary efforts to flatten COVID-19 infection curve

We activated **My Pledge** before the movement restrictions to promote safe behaviours and to set an example of doing the right thing to fellow Maybankers and our communities. This was followed by activation of **#iWillStaySafe** pledge in April 2020 and **#MaybankersPledge** in September 2020.

Outcome:

We recorded over 35,000 pledges over the three pledge editions.

2. Keeping employees engaged, motivated and fit

- Four editions of **#MaybankersWFH Challenge** were organised to help employees overcome isolation. The initial few weeks of the first movement restrictions were especially difficult as employees had to adjust to the sudden changes in their lives. Daily challenges were therefore curated to keep employees fit – mentally, physically, emotionally and performance-wise, as well as connected. We introduced **#AcingtheNewNormal Challenge**, an enhanced version with five editions, to further encourage employees to adopt and adapt to new ways of living, foster resilience and continue to be productive.
- **Noon talks via live webinars** were held to help employees gain knowledge and tips on staying mentally and physically fit, and to encourage them to take ownership of their well-being.
- A 30-day **Maybank Group 7-Minute Home Workout Challenge** was organised to encourage employees to cultivate the habit of being active despite being indoors.
- Our Maybank Sports team provided fitness and health advice to employees. We also organised **virtual workout programmes including daily videos of home workout routines** and a **personalised body transformation programme** by certified coaches – all delivered virtually to help employees achieve their fitness goals.

“I participated in the #MaybankersWFH Challenge to better my time management. As a mother, wife and employee, mobile working is always a balancing act. The Challenge kept me on my toes and I am glad that I have inspired my colleagues to join in too.”
– *Salizan Alinawati Othman*

Over 3,700 instances of participation in 25 webinars.

The challenge recorded over 277 hours of exercise over 30 days.

Over 13,000 instances of participation in the virtual workout programmes.

3. Providing employee support assistance


- In February, the **Group Human Capital Staff Emergency Support (GHC SES)** team was set up and made available 24/7 as a single point of enablement and support contact for all employees, in relation to COVID-19. Immediately after the MCO was imposed, we launched the **Rapid Response Critical Incident Hotline** to provide emotional support to employees and family members, thereafter supported by the GHC SES team.
- We also curated a **GHC & Ladies** chat group to enable women employees **including senior management**, to exchange best practices on work- and family-related challenges.

Over 21,000 calls logged by GHC SES for COVID-19-related support assistance.

506 members across all levels joined this voluntary group.

KEY FOCUS AREAS FOR 2020 (CONT'D.)

Showing Care & Appreciation through Group EXCO-led Engagement

Strategic Imperatives: 

Initiative:

Different means of communication and engagement were curated to enable our leaders to connect with employees. Through **Leaders Teaching Leaders (LTL)**, we organised the following virtual activities as a means for Group EXCO to ensure continued engagement and boost employees' well-being:

- Quarterly **Maybank Group Townhalls** to give employees visibility of the organisation's performance, initiatives and strategic plans, particularly concerning how the organisation is tackling COVID-19 – allowing employees to seek clarity on-the-spot from the Group EXCO.
- **Leaders on-the-Go** to reassure employees of top management's care and appreciation, and to obtain feedback especially from employees working on-site – to keep motivation levels high. This included virtual engagement sessions between Group Chief Human Capital Officer (GCHCO) and employees who had recovered from COVID-19 for the GCHCO to reassure them of the Bank's constant support.
- **Conversations with C-Suite (CwC)** and **EXCO Mentoring Programme** to enable our cross-sector talents to continue to have impactful dialogues with the Group EXCO and further empower them to excel personally and professionally.

Outcome:

633 instances of participation by Group EXCO in various LTL sessions.

Over 20,000 instances of participation in the quarterly Townhalls with a high participation of 9,165 employees in the Fourth Quarter Townhall and 7,682 employees in the Third Quarter Townhall.

379 virtual visits were organised covering branches and centres nationwide.

Building Capabilities and Developing Capacity for the New Normal and Beyond through Learning & Development Programmes

Strategic Imperatives: 

Initiative:

We kicked off **#LearningNeverStops** programme in early March, running weekly, to help employees stay focused on positivity and productivity, in addition to sustaining their upskilling and reskilling efforts during the movement restrictions while empowering them to continue learning from anywhere. It is a go-to platform to access educational insights and a wide choice of capability-building programmes delivered by industry and internal subject-matter experts.

We embedded gamification elements such as learning points and leaderboard to encourage healthy competition. Employees were encouraged to submit their learning activities which were converted into learning points to track skills and knowledge gained. The learning points were also used to measure progress and learning achievement.

Despite the trying times, employees continued to show agility and flexibility in learning new digital skills through the **FutureReady (FR)** programme which supports the Bank's aspiration to be the Digital Bank of Choice. In its third year, the FR programme focuses on realising business impact from digital skills applied.

- Following the traction gained from the analytics upskilling programme in 2019, we have collaborated with a world-renowned business school to develop a customised **online analytics** programme, called the **AI Learning Hub**, for the Bank.
- Various new **analytics** modules such as R Programming, Structured Query Language (SQL) and Python Programming courses were rolled out and conducted virtually to enable employees to be more efficient and productive in carrying out their daily tasks.
- 2020 also saw the continuation of our **Digital Marketing** programme which was initiated in 2019 to generate new sales, deepen relationships with customers and build better trust.

Outcome:

Close to 14,000 employees registered for various learning activities within a month of the programme's roll-out.

Over 31,000 unique learners and over 320,000 learning activities recorded.

Over 42,000 instances of participation in various FR programmes.

The AI Learning Hub allows employees Group-wide to be upskilled and involved in Analytics, Machine Learning (ML) and Data Science areas from Foundational right up to Advanced level of expertise.

Over RM400 million in business value was realised from key AI/ML initiatives across the Bank.

Close to 2,000 instances of participation by employees involved in report generation and analysis, enabling them to improve their quality of output and automate manual processes.

Over 2,000 instances of participation and over RM900 million in business impact was realised.

Group Human Capital

KEY FOCUS AREAS FOR 2020 (CONT'D.)

Addressing Employees' Changing Career Needs with GO Ahead. Take Charge! (GATC) Platform

Strategic Imperatives:     

Initiative:

Recognising that employees' career aspirations may change over time as a result of a shift in their personal goals, family circumstances or even as a consequence of COVID-19, GATC continues to be relevant as it is the channel through which the transition of career goals can be facilitated via four pillars:

Pillar 1: Reskill & Redeploy – job rotations, inter-sector transfers or enrol for FR programmes

Pillar 2: Flex In – sign up for FWA

Pillar 3: Flex Out – explore external work opportunities that have no conflict of interest with Maybank Group, whilst retaining the option of returning to the organisation at the end of leave

Pillar 4: Entrepreneur – take a break to become an entrepreneur whilst retaining the opportunity to return to work at the end of leave. Employees who decide to become full-time entrepreneurs can take the exit option to focus on ventures they are passionate about.

Virtual career talks were organised in collaboration with GATC's partners to disseminate information on the latest business opportunities and job trends covering the gig economy, franchising business opportunities, entrepreneurial training and business coaching programmes.

Outcome:





GATC was recognised as an **Outstanding Practice** under Work-Life Integration Initiative category at the **LIFE AT WORK Awards**

Take up rate for:

- **Pillar 1:** 6,081
- **Pillar 2:** 7,373
- **Pillar 3:** 10
- **Pillar 4:** 28

“GATC provided me the impetus to start out as a budding entrepreneur. With the salary that I continue to receive during the initial start-up months, I was able to utilise part of it for working capital and savings. I'm happy that I'm doing something that I'm passionate about and as for my future plans, well, the sky is the limit!” – *Salasiyah Hassim*

Elevating Customer Experience & Excellence through Universal Banker

Strategic Imperatives:    

Initiative:





GHC and Community Financial Service (CFS) Malaysia introduced the Universal Banker (UB) model in January 2020 which focuses on the human touch and customer-centricity to enable more personalised and holistic solutions to meet customers' business and personal needs. By prioritising an exceptional customer experience, it also safeguards the sustainable future of our employees and the Bank while focusing on financial resiliency of customers through this period of uncertainty and beyond.

To facilitate employees' capability-building and upskilling thus ensuring their ability to deliver greater value to customers, GHC developed an in-house app called Learning Outreach Future App (LOFA) which combines learning with on-the-go reference points on the Bank's products. It also features several modules to assist UBs to provide holistic solutions to customers, covering various aspects of customer service such as personalisation, engagement, technological capabilities and data insights.

Outcome:

“To ensure Maybank continues to be relevant to our customers and communities, we must prioritise on delivering exceptional customer experience and serving them with our humanising touch. Therefore, it is crucial for us to provide comprehensive solutions, build trust, deliver value and have constant engagement with them. Equally important is to equip ourselves with knowledge on the Bank's products and services, and upskilling ourselves with digital skills to stay ahead. With UB and its enablers, we are all empowered and equipped to be a trusted partner for our customers from all walks of life, and to grow stronger with them in good and bad times.” – *Datin Munirah Che Rose*

Accelerating Diversity & Inclusion

Strategic Imperatives:    

Initiative:

Tangible developments have been achieved since Maybank embarked on our transformation journey in 2009 with regard to diversity and inclusion. Since then, we have been ensuring rigorous monthly tracking of diversity and gender representation through our Human Capital Dashboard to keep a fact-based pulse check and enable crafting of data-based actions to address imbalances. Through the Group Inclusiveness and Diversity Agenda (GIDA) Framework introduced in 2014, our efforts have been accelerated and outcomes monitored through measures reflected on the Group EXCO scorecard.

We also ensure our talent management practice is as inclusive as possible for stronger alignment between our talent management strategy and business strategy, enabling the Bank to realise our business goals.

Outcome:

Key Talent Indicators:



- Succession Realisation for Mission Critical Positions: 81%
- Internal Vacancies Realisation Rate for Senior Management Positions: 87%
- Ready Now Successors: 25%
- Key Retention Rate: 87%
- Regrettable Loss: 13%

Women Representation:

- Board of Directors: 25%
- Top Management: 34%
- Senior Management: 40%
- Management: 47%

KEY FOCUS AREAS FOR 2020 (CONT'D.)

Empowering Youth via Digital Recruitment Initiatives

Strategic Imperatives:  

Initiative:

In January 2020, even before COVID-19 was declared a global pandemic, we made a conscious call to withdraw from all physical engagements, career fairs and recruitment-related activities as part of our Business Continuity Management (BCM) strategy. Where possible, these were conducted virtually. Through these initiatives, which are part of our employer branding strategy, we were able to continue engaging our stakeholders and empowering youth to grow, despite the challenging times we are in.

- We debuted a two-month virtual recruitment campaign called **#DefytoDefine**, which went beyond career and recruitment to also include financial literacy and industry-specific sessions. It also featured diverse activities from financial planning to C-Suite Talks.
- We introduced a month-long **PFA-Refer-PFA** campaign in April to encourage existing Personal Financial Advisors (PFA) to refer potential PFA talents. Within a month, over 600 PFA profiles were referred nationwide.
- Our first-ever **Maybank Digital Race 2020** saw in-house talents comprising Global Maybank Apprentices design puzzles, riddles and interactive checkpoints including a 90-minute live session hosted by the GCHCO over a period of 10 days.
- We continued our **internship and training programmes** virtually, ensuring our interns and trainees were able to learn remotely via Maybank's online learning modules and remote assignments.

Outcome:

Maybank retains **No. 1 position** as the Graduate Employer of the Year at **Malaysia's 100 Leading Graduate Employers Awards 2020**


Over 4,300 applications from over 250 universities across 25 countries received in the #DefytoDefine campaign.

Honouring our recruitment offers, new hires were onboarded virtually without any postponement of reporting dates despite movement restrictions. Over 3,000 new recruits were onboarded in 2020.

We received over 300 applications from university students and fresh graduates who competed to emerge as the Maybank Digital Race Champion.

Over 350 interns and more than 850 trainees underwent internship and Protégé programmes respectively.

Exponential Productivity Enhancement

Strategic Imperatives: 

Initiative:

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.

Outcome:

We continued to increase employee productivity as evidenced by:

- Income per employee increased from RM572,653 in 2019 to RM588,620 in 2020
- Pre-provisioning operating profit per employee increased from RM305,040 to RM321,323 though profit before tax per employee showed a decrease from RM254,927 in 2019 to RM205,775 in 2020, attributed to proactive provisioning due to potential asset quality deterioration arising from the COVID-19 pandemic.

OUTLOOK & PRIORITIES FOR 2021

To enable the Group to deliver on our M25 aspirations, GHC's 2021 priorities will be centred on developing strong talents supported by a fulfilling workplace and world-class infrastructure.

We are committed to future-proofing our workforce while ensuring that Environmental, Social and Governance (ESG) considerations are embedded into all our initiatives, aligned with Maybank's Humanising Financial Services mission and guided by our Key Thrusts below:

- Workplace Futurisation – institutionalising more effective ways of working including reconfiguring and redesigning the business and organisation
- Workforce Futurisation – accelerating the development and productivity of our talents such as ramping up training and employee well-being programmes
- FutureReady Infrastructure – offering innovative platforms, processes and tools to ensure employees are supported by the right infrastructure to enable them to deliver greater outcomes

We will continue to accelerate our readiness to enable more employees to embrace diverse ways of working by fully leveraging technology. The envisioned new normal workplace for Maybank will comprise a hybrid arrangement where employees are either located on-site, at split locations or at home.

Remuneration

Our remuneration and rewards philosophy is aligned with our business strategies and values, and serves to foster a performance-oriented culture that delivers long-term sustainable returns for our stakeholders. We have in place a comprehensive Total Rewards system which forms a holistic and strategic component of our integrated Talent Management framework, guiding us to effect “Reward Right” principles to drive positive outcomes and deliver exponential business results responsibly. The system not only supports Maybank Group’s strategy and business plan, it is also critical to improving employee productivity and engagement. By focusing on the right compensation, benefits and development support, it inspires our employees to achieve their personal and professional aspirations.

Governed by sound principles, our remuneration policies and practices are reviewed periodically to ensure alignment with regulatory requirements and to reinforce a high-performance culture. The aim is to attract, motivate and retain talents through market competitiveness and responsible values.

COMPONENTS OF REMUNERATION

Maybank Group adopts a holistic Total Rewards Framework comprising three main elements, namely Total Compensation, Benefits & Well-Being, and Development & Career Opportunities.

(i) Total Compensation:

Total Compensation is based on two components, Fixed Pay and Variable Pay (i.e. Variable Bonus and Long-term Incentive Award), with targeted Pay Mix levels designed to align with the long-term performance goals and objectives of the organisation. The compensation framework provides a balanced approach between fixed and variable components that change according to the performance of the Group, business/corporate function and individual.



Fixed Pay

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



Variable Pay

Variable Bonus

- Reinforce a pay-for-performance culture and adherence to Maybank Group’s TIGER Core Values.
- Variable cash award design that is aligned with the long-term performance goals of the Group through our deferral and claw-back policies.
- Based on the overall performance of the Group, business/corporate function and individual.
- Performance is measured using Balanced Scorecard.

Long-Term Incentive Award

- Offered to eligible talents and senior management who have a direct line of sight in driving, leading and executing Maybank Group’s business strategies and objectives.

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

Clawback Provision: Maybank’s Board has the right to make adjustments or clawbacks to any Variable Bonus or Long-Term Incentive Award if deemed appropriate based on risk management issues, financial misstatement, fraud, gross negligence or wilful misconduct. This provision was further strengthened in 2020 to ensure the highest level of rewards governance.

(ii) Benefits & Well-being

Maybank believes in promoting employees’ well-being through the provision of financial protection, health care benefits, paid time-off, staff loans at preferential rates and programmes that support work-life integration. The benefits programmes, which blend all elements including cost optimisation and employee/job needs, are reviewed regularly in order to remain competitive in an increasingly dynamic business landscape. In light of the COVID-19 pandemic, working remotely has become a new normal. This is supported by a strong infrastructure built on innovative platforms, together with the right policies and system to enable employees to perform their best. Our mobile workforce have also been provided with financial assistance where needed.

(iii) Development & Career Opportunities

We continue to deploy best-in-class learning and development programmes to nurture our employees at all levels. Our strong learning culture is grounded in a multitude of flexible and customisable learning and development programmes for employees’ long-term relevance, competitive advantage and growth. Employees are also encouraged to assume personal ownership of their development by upgrading their skills and taking on stretch assignments as well as expanded responsibilities.

LONG-TERM INCENTIVE AWARD

Employees' Share Grant Plan

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

Vesting eligibility of the ESGP is subject to fulfilment of the ESGP vesting conditions as well as upon meeting the performance criteria at the Maybank Group and individual levels. The first ESGP Award that was granted in December 2018 will vest in 2021, the second ESGP Award granted in September 2019 will vest in 2022, and the third ESGP Award which was granted in September 2020 will vest in 2023.

Governance & Controls – Remuneration Practices

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

The 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 any conflict of interests. The remuneration of employees in control functions are predominantly fixed to reflect the nature of their responsibilities. Annual reviews of their compensation are benchmarked internally and against the market to ensure they are competitive.

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

Senior Officers and Other Material Risk Takers

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

The remuneration of Maybank Group's Senior Officers and OMRTs in FY2020 is summarised in the table below:

Total value of remuneration awards for the financial year (RM'000)	Senior Officers [^]		OMRT	
	Unrestricted	Deferred	Unrestricted	Deferred
Fixed remuneration				
– Cash-based	28,290 (15 headcount)	–	59,445 (95 headcount)	–
– Shares and share-linked instruments	–	–	–	–
– Others	–	–	–	–
Variable remuneration				
– Cash-based	23,285 (15 headcount)	287 (1 headcount)	43,561 (94 headcount)	14,471 (7 headcount)
– Shares and share-linked instruments*	–	–	–	–
– Others	–	–	–	–
Definition	Senior Officers of the Group are defined as Members of the Group Executive Committee (EXCO); Group Chief Compliance Officer; Group Chief Audit Executive and Group General Counsel and Company Secretary.		OMRTs are defined as employees who can materially commit or control significant amounts of a financial institution's resources or whose actions are likely to have a significant impact on its risk profile or those among the most highly remunerated officers.	

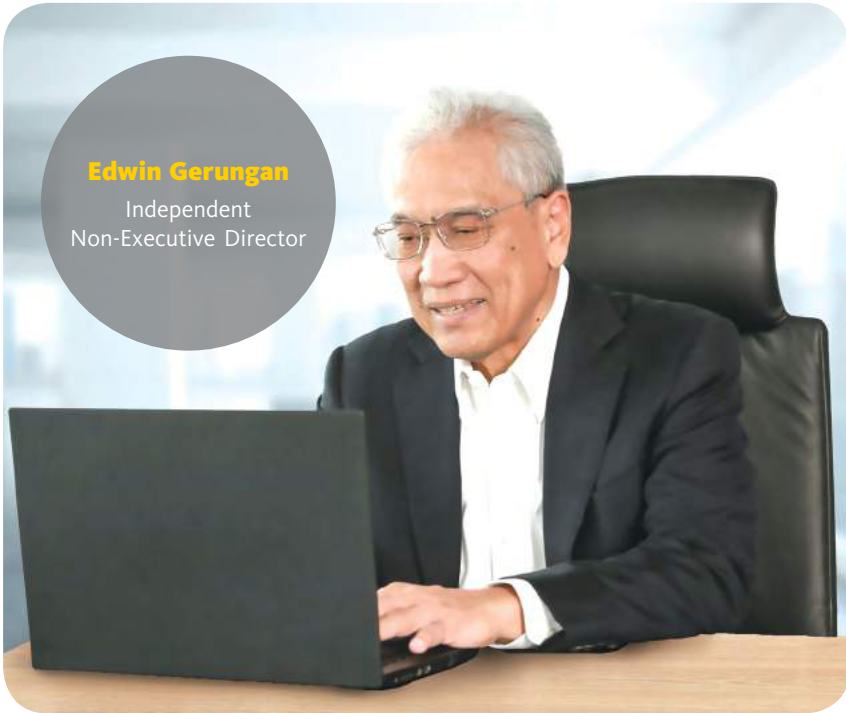
Notes:

* In FY2020, a total of 1,473,000 and 2,070,000 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 80 OMRTs respectively. The number of ESGP/CESGP units to be vested/paid by 2023 would be conditional upon the said employees fulfilling the vesting/payment criteria.

[^] The FY2020 compensation outcome for Senior Officers does not include the compensation of the Group President & CEO as it is disclosed in the Corporate Governance Overview Statement on page 86.



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



Edwin Gerungan
Independent
Non-Executive Director



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

Board Direc



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



Cheng Kee Check
Non-Independent
Non-Executive Director



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



Datuk Abdul Farid Alias
Non-Independent Executive Director
(Group President & Chief Executive Officer)



Che Zakiah Che Din
Independent Non-Executive Director



Shariffuddin Khalid
Independent Non-Executive Director



Dato' Idris Kechot
Independent Non-Executive Director

of tors



Fauziah Hisham
Independent Non-Executive Director



Dato' Zulkiflee Abbas Abdul Hamid
Independent Non-Executive Director

Board of Directors

Tan Sri Dato' Sri Zamzamzairani Mohd Isa



Non-Independent Non-Executive Director (Chairman)*

Age/Gender: 60/Male
Appointed: 2 November 2020
Meeting Attendance: 3/3 (100%)

Qualification(s):

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

Relevant Working Experience:

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

Present Directorship(s):

- Listed Entity/Entities:
 - Chairman of Maybank
- Other Public Company/Companies:
 - Nil

Datuk Abdul Farid Alias FCB



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

Age/Gender: 53/Male
Appointed: 2 August 2013#
Meeting Attendance: 19/19 (100%)



Qualification(s):

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

Relevant Working Experience:

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

Present Directorship(s):

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

Datuk R. Karunakaran



Senior Independent Non-Executive Director

Age/Gender: 70/Male
Appointed: 16 July 2014
Meeting Attendance: 19/19 (100%)



Qualification(s):

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

Relevant Working Experience:

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

Present Directorship(s):

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

Anthony Brent Elam



Independent Non-Executive Director

Age/Gender: 62/Male
Appointed: 15 November 2016
Meeting Attendance: 19/19 (100%)



Qualification(s):

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

Relevant Working Experience:

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

Present Directorship(s):

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

Che Zakiah Che Din



Independent Non-Executive Director

Age/Gender: 61/Female
Appointed: 1 March 2018
Meeting Attendance: 19/19 (100%)



Qualification(s):

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

Relevant Working Experience:

More than 30 years of experience working with Bank Negara Malaysia (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/Entities:
 - Director of Maybank
- Other Public Company/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: 65/Female
Appointed: 15 May 2018
Meeting Attendance: 19/19 (100%)



Qualification(s):

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

Relevant Working Experience:

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

Present Directorship(s):

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

Membership of Board Committees in Maybank:

- | | |
|---------------------------|---------------------------------------|
| Credit Review Committee | Nomination and Remuneration Committee |
| Audit Committee | Compliance Committee |
| Risk Management Committee | |

- Chairman
- Member

Note:

- * Tan Sri Dato' Sri Zamzamzairani Mohd Isa and Cheng Kee Check are nominees of Permodalan Nasional Berhad.
- # As Director and Group President & Chief Executive Officer.
- Age is as at 28 February 2021.

Cheng Kee Check
Non-Independent Non-Executive Director* 

Age/Gender: 56/Male  
Appointed: 19 November 2014 
Meeting Attendance: 19/19 (100%)

Qualification(s):
• LL.B. (Hons), National University of Singapore, Singapore

Relevant Working Experience:
Over 30 years of experience as a practising corporate lawyer, and has been a partner at Messrs Skrine since 1997. His practice 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/Entities:
– Director of Maybank

• Other Public Company/Companies:
– Chairman of Maybank Trustees Berhad

Edwin Gerungan
Independent Non-Executive Director 

Age/Gender: 72/Male  
Appointed: 24 August 2015
Meeting Attendance: 19/19 (100%)





Qualification(s):
• Bachelor of Arts in Philosophy, Principia College, Elsau, Illinois, USA

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

Present Directorship(s):
• Listed Entity/Entities:
– Director of Maybank
– Commissioner of PT Bank Maybank Indonesia Tbk

• Other Public Company/Companies:
– Nil

Dr. Hasnita Dato' Hashim
Independent Non-Executive Director 

Age/Gender: 59/Female  
Appointed: 1 July 2016  
Meeting Attendance: 19/19 (100%)


Qualification(s):
• PhD in Nuclear Physics, Oxford University, UK
• Bachelor of Science in Physics, Surrey University, UK

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

Present Directorship(s):
• Listed Entity/Entities:
– Director of Maybank

• Other Public Company/Companies:
– Chairman of Maybank Investment Bank Berhad
– Chairman of Maybank Kim Eng Holdings Ltd

Shariffuddin Khalid
Independent Non-Executive Director 

Age/Gender: 55/Male  
Appointed: 14 June 2018
Meeting Attendance: 19/19 (100%)



Qualification(s):
• Fellow Member of The Chartered Institute of Management Accountants, UK

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

Present Directorship(s):
• Listed Entity/Entities:
– Director of Maybank
– Director of MCB Bank Limited
– Director of Marine & General Berhad

• Other Public Company/Companies:
– Director of Maybank Islamic Berhad
– Director of Maybank (Cambodia) Plc.

Dato' Idris Kechot
Independent Non-Executive Director 

Age/Gender: 66/Male   
Appointed: 15 May 2019
Meeting Attendance: 19/19 (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 Entity/Entities:
– Director of Maybank
– Chairman of Kumpulan Fima Berhad

• Other Public Company/Companies:
– Chairman of Maybank Asset Management Group Berhad

Dato' Zulkiflee Abbas Abdul Hamid
Independent Non-Executive Director 

Age/Gender: 63/Male    
Appointed: 15 August 2019
Meeting Attendance: 19/19 (100%)

Qualification(s):
• Master of Business Administration, Southern Illinois University, USA
• Bachelor of Science in Marketing, Southern Illinois University, USA
• Advanced Management Program, Wharton School of Business, University of Pennsylvania, USA

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

Present Directorship(s):
• Listed Entity/Entities:
– Director of Maybank


• Other Public Company/Companies:
– Chairman of Maybank Islamic Berhad
– Trustee of Yayasan Budiman Universiti Teknologi MARA
– Trustee of Tabung Pendidikan 1 Bilion

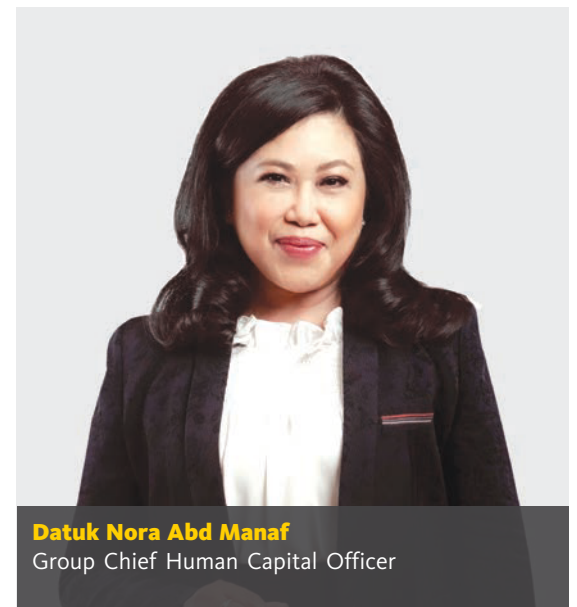
Flags indicate nationality:

-  Malaysian
-  Indonesian
-  American

Declaration: All the Directors:

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

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



Group Executive Committee



Group Executive Committee

Dato' John Chong Eng Chuan

Group Chief Executive Officer,
Community Financial Services



Age/Gender: 53/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, wealth management and investment banking. Previously, the CEO of Maybank Investment Bank Berhad and Maybank Kim Eng Group.

Present Directorship(s) in Maybank Group, Other Public Companies and Listed Entities:

- Maybank Trustee Berhad

FY2020 Key Achievement(s):

Led digital initiatives including Malaysia's first end-to-end SME Digital Financing with approval within 10 minutes; MAE by M2U, a new app that is beyond banking; and Malaysia's first Virtual Treats Fair.

Dato' Muzaffar Hisham

Group Chief Executive Officer, Global Banking



Age/Gender: 48/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 regional banking experience encompassing wholesale and retail banking at large local and foreign banks. Previously, Maybank Islamic Berhad CEO and Group Islamic Banking Head.

Present Directorship(s) in Maybank Group, Other Public Companies and Listed Entities:

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

FY2020 Key Achievement(s):

Led Group Global Banking (GGB)'s continued success together with GGB's talented leadership through numerous landmark deals including the largest ever retail IPO in Malaysia and issuance of Malaysia's first digital sukuk.

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:

Close to 30 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.

Present Directorship(s) in Maybank Group, Other Public Companies and Listed Entities:

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

FY2020 Key Achievement(s):

Awarded Asia-Pacific Islamic Banker of The Year by The Asset Triple A Awards 2020 for outstanding contribution to the Islamic banking and finance industry as well as leadership in Maybank Group Islamic Banking's growth and regional expansion.

Gilbert Kohnke

Group Chief Risk Officer



Age/Gender: 62/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.

Present Directorship(s) in Maybank Group, Other Public Companies and Listed Entities:

- Nil

FY2020 Key Achievement(s):

Led Group Risk's continued strategic transformation and strengthened the Group's operational resilience to deliver optimal support and experience for customers and communities during the pandemic.

Michael Foong Seong Yew

Group Chief Strategy Officer &
Chief Executive Officer, International



Age/Gender: 52/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:

Close to 20 years of experience in serving financial services clients across Asia Pacific, specialising in the areas of strategy and enterprise transformation.

Present Directorship(s) in Maybank Group, Other Public Companies and Listed Entities:

- Nil

FY2020 Key Achievement(s):

Facilitated the development of Maybank Group's next five-year strategy, and steered our International units through the challenging pandemic environment whilst maintaining business focus and operational resilience.

Mohd Suhail Amar Suresh

Group Chief Technology Officer



Age/Gender: 57/Male
Appointed: 1 April 2015

Qualification(s):

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

Relevant Working Experience:

Over 30 years of experience in technology, architecture design & systems development, business strategy & development within the financial services & telecommunications industries, both domestic and international.

Present Directorship(s) in Maybank Group, Other Public Companies and Listed Entities:

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

FY2020 Key Achievement(s):

Delivered key capabilities to ensure the Group's continued systems and operational resilience during the COVID-19 pandemic while steering in-house digital efforts and key business systems development.

Flags indicate nationality:

Malaysian Indonesian Canadian

Note:

- Age is as at 28 February 2021.

Kamaludin Ahmad

Group Chief Executive Officer,
Insurance & Takaful



Age/Gender: 53/Male
Appointed: 1 December 2013

Qualification(s):

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

Relevant Working Experience:

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.

Present Directorship(s) in Maybank Group, 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

FY2020 Key Achievement(s):

Led Etiqa to achieve gross revenue of RM11.27 billion, following four consecutive years of double-digit growth that has helped establish the company as one of the top five ASEAN-owned insurers.

Dato' Amirul Feisal Wan Zahir

Group Chief Financial Officer



Age/Gender: 51/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.

Present Directorship(s) in Maybank Group, Other Public Companies and Listed Entities:

- Maybank Ageas Holdings Berhad
- Etiqa International Holdings Sdn Bhd

FY2020 Key Achievement(s):

Led the Group in navigating the COVID-19 pandemic-induced recession, positioning the Bank as one of the strongest in Southeast Asia in terms of capital and liquidity.

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

Present Directorship(s) in Maybank Group, Other Public Companies and Listed Entities:

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

FY2020 Key Achievement(s):

Drove People Management Business Continuity and Safety key initiatives during the COVID-19 pandemic, overlooking employees' health, safety, engagement and productivity levels. Successfully led the implementation of the Group's Mobile Work Arrangement Policy.

Jerome Hon Kah Cho

Group Chief Operations Officer



Age/Gender: 54/Male
Appointed: 1 December 2013

Qualification(s):

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

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.

Present Directorship(s) in Maybank Group, Other Public Companies and Listed Entities:

- Nil

FY2020 Key Achievement(s):

Ensured continuous delivery of operations and service levels during the COVID-19 pandemic while expanding the application of robotic process automation for the Group.

Dr. John Lee Hin Hock

Country Chief Executive Officer &
Chief Executive Officer, Maybank Singapore



Age/Gender: 55/Male
Appointed: 1 December 2017

Qualification(s):

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

Relevant Working Experience:

Close to 25 years of financial services experience spanning across the Asia Pacific markets as a partner of KPMG Business Advisory and previously, as Maybank Group's Chief Risk Officer.

Present Directorship(s) in Maybank Group, Other Public Companies and Listed Entities:

- Maybank Kim Eng Holdings Limited
- Maybank Kim Eng Securities Pte Ltd
- Etiqa Insurance Private Limited

FY2020 Key Achievement(s):

Navigated Maybank Singapore through the COVID-19 pandemic whilst re-positioning its digital strategy and leading the launch of its Open Banking platform.

Taswin Zakaria

President Director, Maybank Indonesia



Age/Gender: 52/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:

Close to 30 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.

Present Directorship(s) in Maybank Group, Other Public Companies and Listed Entities:

- PT Bank Maybank Indonesia Tbk (MBI)

FY2020 Key Achievement(s):

Led digital transformation and proactive measures to safeguard resilience of MBI against the pandemic, leading to MBI garnering various awards including the Global Finance Awards' World's Best Consumer Digital Banks 2020.

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



MAYBANK ISLAMIC BERHAD SHARIAH COMMITTEE (MIBSC)

- 1 Associate Professor Dr. Aznan Hasan**
Chairman
- 2 Ustaz Mohd Kamal Mokhtar**
Member
- 3 Dr. Akhtarzaite Abdul Aziz**
Member
- 4 Dr. Azrul Azlan Iskandar Mirza**
Member
- 5 Dr. Nik Abdul Rahim Nik Abdul Ghani**
Member

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

- 1 Associate Professor Dr. Aznan Hasan**
Chairman
- 6 Professor Dato' Dr. Mohd Azmi Omar**
Member
- 7 Professor Dr. Abdul Rahim Abdul Rahman**
Member
- 8 Dr. Sarip Adul**
Member
- 9 Professor Dr. Rusni Hassan**
Member
- 10 Associate Professor Dr. Azman Mohd Noor**
Member

Associate Professor Dr. Aznan Hasan

Chairman of MIBSC and Chairman of SC EFTB & EGTB



Age/Gender: 49/Male

Appointed: 1 May 2014 & 1 May 2019 respectively

Meeting Attendance: 30/30 (100%) & 26/26 (100%) respectively

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

Relevant Working Experience:

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, Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI).

Present Occupation(s):

Within Maybank Group:

- Shariah consultant to Maybank Investment Bank
- Member, Board of Directors Maybank Islamic Berhad

Other Companies/Bodies:

- Associate Professor, IIUM Institute of Islamic Banking and Finance, International Islamic University Malaysia (IIUM)
- Chairman, Shariah Committee, Bank Pembangunan Malaysia Berhad
- Chairman, Shariah Committee, Amanah Hartanah Bumiputra
- Deputy Chairman, Shariah Advisory Council, Securities Commission
- Member, Shariah Board, AAOIFI
- Board Member, Higher Shari'ah Authority, UAE Central Bank (UAE)
- Member, Shariah Advisory Board, ABSA Islamic Bank (South Africa), FNB Bank (South Africa), Yasaar Limited (London), HSBC Amanah (Dubai), Standard Chartered (Global), Sedania As-Salam Capital Sdn Bhd, and Employees Provident Fund (EPF)
- Member, Board of Trustee, Yayasan Pembangunan Ekonomi Islam Malaysia (YaPEIM)
- Shariah Adviser, Public Investment Bank Bhd (Stockbroking), Hong Leong Investment Bank (Stockbroking), Malacca Securities Sdn Bhd, CGS-CIMB Securities Berhad, UOB Kayhian Securities, and Inter-Pacific Securities Bhd

Ustaz Mohd Kamal Mokhtar

Member of MIBSC



Age/Gender: 53/Male

Appointed: 1 September 2015

Meeting Attendance: 30/30 (100%)

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)

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.

Present Occupation(s):

Other Companies/Bodies:

- Judge, Shariah Appeal Court of Singapore
- Chairman, Bedok Cooperative
- Associate member, Fatwa Council of Majlis Ugama Islam Singapore (MUIS)
- Member, 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
- Shariah Advisor, Ar Rahnu Singapore

Dr. Akhtarzaite Abdul Aziz

Member of MIBSC



Age/Gender: 48/Female

Appointed: 1 March 2020

Meeting Attendance: 25/25 (100%)

Qualification(s):

- LLB, International Islamic University Malaysia (IIUM)
- LLB (Shariah), IIUM
- Master's Degree in Fiqh and Usul Al-Fiqh, IIUM
- PhD in Fiqh and Usul Al-Fiqh, IIUM

Relevant Working Experience:

Over 15 years of experience on the Shariah Committee board of various financial institutions, as well as developing programmes, conducting training and writing research papers on Islamic Finance.

Present Occupation(s):

Other Companies/Bodies:

- Assistant Professor, Department of Fiqh and Usul Al-Fiqh, International Islamic University Malaysia (IIUM)
- Chairman, Shariah Committee, Great Eastern Takaful Berhad
- Member, Shariah Advisory Committee, IIUM Endowment Fund

Dr. Azrul Azlan Iskandar Mirza

Member of MIBSC



Age/Gender: 39/Male

Appointed: 1 April 2020

Meeting Attendance: 23/23 (100%)

Qualification(s):

- Bachelor's Degree in Shariah, University of al-Azhar
- Master's Degree in Management, International Islamic University Malaysia (IIUM)
- PhD in Islamic Finance, International Centre for Education in Islamic Finance (INCEIF)

Relevant Working Experience:

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

Present Occupation(s):

Other Companies/Bodies:

- Senior Lecturer, Faculty of Economics & Muamalat, Universiti Sains Islam Malaysia (USIM)
- Director, USIM Healthcare Sdn Bhd
- Member, Shariah Committee, FWD Takaful Berhad
- Member, Jawatankuasa Fatwa, Jabatan Mufti Kerajaan Negeri Sembilan
- Member, Board of Trustees, Yayasan Pembangunan Ekonomi Islam Malaysia (YaPIEM)
- Member, Shariah Committee, SME Bank
- Member, Shariah Committee, Amanah Hartanah Bumiputera

Flags indicate nationality:

Malaysian Singaporean

Note:

Age is as at 28 February 2021.

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

Group Shariah Committees

Dr. Nik Abdul Rahim Nik Abdul Ghani



Member of MIBSC

Age/Gender: 41/Male

Appointed: 8 September 2020

Meeting Attendance: 12/12 (100%)

Qualification(s):

- Bachelor's Degree in Shariah, Islamic University of Medina
- Master's Degree in Shariah, Universiti Kebangsaan Malaysia (UKM)
- PhD in Islamic Finance, International Centre for Education in Islamic Finance (INCEIF)

Relevant Working Experience:

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

Present Occupation(s):

Other Companies/Bodies:

- Senior Lecturer, Research Centre for Shariah, Faculty of Islamic Studies, Universiti Kebangsaan Malaysia (UKM)
- Member, Shariah Advisory Body, Syarikat Takaful Malaysia Keluarga Berhad
- Member, Jawatankuasa Perundangan Hukum Syarak Wilayah Persekutuan, Pejabat Mufti Wilayah Persekutuan
- Shariah Advisory Panel, Wasiyyah Shoppe Berhad
- Member, Shariah Committee, Universiti Kebangsaan Malaysia (UKM)

Professor Dato' Dr. Mohd Azmi Omar



Member of SC EFTB & EGTB

Age/Gender: 61/Male

Appointed: 1 May 2018

Meeting Attendance: 26/26 (100%)

Qualification(s):

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

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.

Present Occupation(s):

Other Companies/Bodies:

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

Professor Dr. Abdul Rahim Abdul Rahman



Member of SC EFTB & EGTB

Age/Gender: 53/Male

Appointed: 1 May 2017

Meeting Attendance: 22/26 (85%)

Qualification(s):

- Bachelor's 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

Relevant Working Experience:

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

Present Occupation(s):

Other Companies/Bodies:

- 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)

Dr. Sarip Adul



Member of SC EFTB & EGTB

Age/Gender: 52/Male

Appointed: 1 June 2011

Meeting Attendance: 26/26 (100%)

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

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.

Present Occupation(s):

Other Companies/Bodies:

- 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

Professor Dr. Rusni Hassan



Member of SC EFTB & EGTB

Age/Gender: 53/Female

Appointed: 1 May 2017

Meeting Attendance: 26/26 (100%)

Qualification(s):

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

Relevant Working Experience:

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

Present Occupation(s):

Within Maybank Group:

- Independent Director, Etiqa General Takaful Berhad

Other Companies/Bodies:

- Professor, IIUM Institute of Islamic Banking and Finance
- Chairman, Shariah Committee, Hong Leong Islamic Bank
- Member, Shariah Committee, 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)

Associate Professor Dr. Azman Mohd Noor



Member of SC EFTB & EGTB

Age/Gender: 47/Male

Appointed: 15 June 2020

Meeting Attendance: 14/14 (100%)

Qualification(s):

- Bachelor's degree in Islamic Law, Islamic University of Madinah, Saudi Arabia
- Master of Arts (M.A) in Islamic Criminal Law, Universiti Kebangsaan Malaysia (National University of Malaysia)
- M.A in Muamalat (Islamic Law of Transactions), Department of Fiqh and Usul al-Fiqh, IIUM
- Ph.D in Islamic Law, University of Edinburgh, Scotland

Relevant Working Experience:

Nearly 10 years of experience in Shariah advisory and education and was a member of the Shariah Advisory Council of Securities Commission Malaysia.

Present Occupation(s):

Within Maybank Group:

- Independent Director, Etiqa Family Takaful Berhad

Other Companies/Bodies:

- Associate Professor at IUM Institute of Islamic Banking and Finance (IIBF), International Islamic University Malaysia (IIUM)
- Member, Shariah Committee, Bank Kerjasama Rakyat Malaysia

Flags indicate nationality:

Malaysian Singaporean

Note:

Age is as at 28 February 2021.



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

Corporate Governance Overview Statement

The Board of Directors of Maybank (the Board) believes that good corporate governance (CG) practices enable the Group to operate more efficiently, improve access to capital, mitigate risks, and facilitate better oversight of the business, management and operations of the Group. In the long-term, good CG practices allow the Group to be more accountable and transparent, and also contribute towards value creation for all its stakeholders. The emergence of the COVID-19 pandemic since early 2020 presents a challenge to the Board to ensure that our CG Framework remains resilient and is able to adapt to the demands of the rapidly changing operating environment. In this regard, the Board remains steadfast in meeting these challenges as the Group strives to achieve its aspiration of being the top ASEAN bank, fulfilling customers' ambitions in the region and linking them to Asia and beyond.

Testament to the Board's commitment, Maybank was conferred the following awards for CG excellence by the Minority Shareholders Watch Group (MSWG) in 2020:

1. Excellence Award for Overall CG & Performance
2. Excellence Award for CG Disclosure
3. Top 3 Public Listed Companies (PLCs) in Malaysia
4. Top 20 ASEAN PLCs
5. ASEAN Asset Class Award

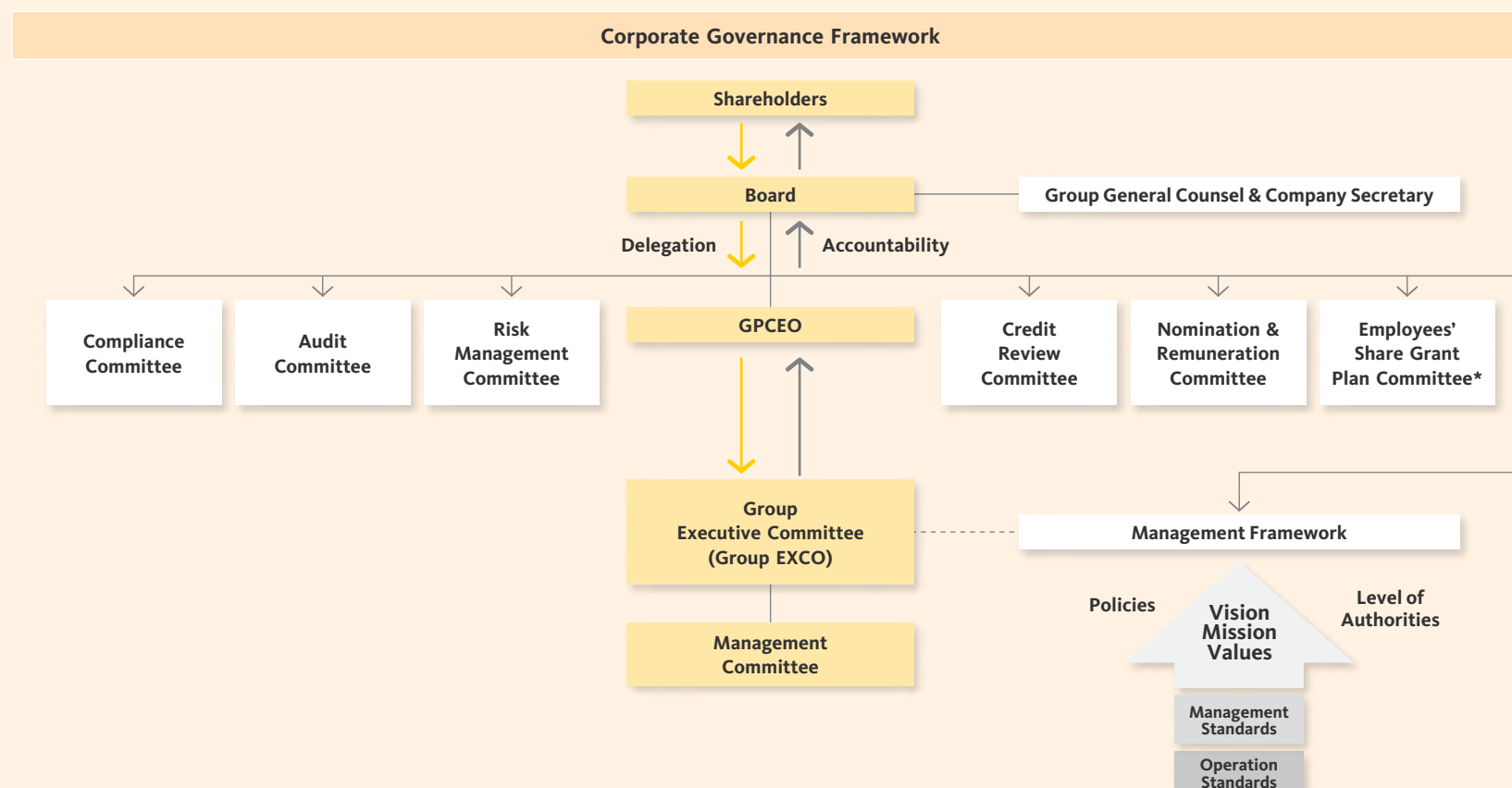
We are grateful for these recognitions and will endeavour to remain as one of the top PLCs in terms of good CG practice in Malaysia and in ASEAN.

Maybank is subject to a comprehensive regulatory regime and the Board is committed to ensure that a robust CG Framework is in place by keeping abreast of the latest developments in respect of the CG regulatory framework and requirements. Our CG Framework is based on the following key statutory provisions, best practices, policies and guidelines:

1. Companies Act 2016;
2. Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia) (Listing Requirements);
3. Policy on Corporate Governance issued by Bank Negara Malaysia (BNM CG Policy); and
4. Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia (the Code).

This statement sets out a summary of the Group's CG practices during the financial year ended 31 December 2020 (FY2020). As at 31 December 2020, Maybank has applied all recommended practices in the Code save for Practice 7.2 with regard to disclosure of senior management's remuneration.

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.



* Employees' Share Grant Plan Committee was dissolved and its roles and responsibilities have been taken over by the Nomination and Remuneration Committee with effect from 1 February 2021.

Ⓢ 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 our 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 same to be aligned with good governance practices. To achieve this, a strong system of risk management and internal controls have been put in place to ensure that the Group's risk appetites are set and risks identified, assessed and managed effectively.

Apart from setting the tone from the top and establishing the core values of the Group, the Board also monitors the management's execution of strategy and financial performance. While the Board's ultimate focus is on long-term sustainable 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 also be found in our Board Charter which is available on Maybank Group's corporate website at www.maybank.com.

CG in COVID-19 Environment

Since the onset of COVID-19 last year, the Board has been closely monitoring not only the impact of the pandemic on the global economy and the Group's overall financial performance, but also on the general health and welfare of the Group's staff across the region. The Board has also been addressing "live" issues on how to continue servicing customers in this challenging environment. Agenda items and matters discussed at the Board and Board Committee meetings have been re-aligned accordingly, to address various issues and challenges which the pandemic presents. These include addressing work from home requirements of the staff across the region, and rolling out various measures to help deserving customers.

Understanding the need to have closer interaction with the management during this time of crisis, members of the Board/Board Committees have also made themselves available at any time to discuss matters of importance. Ad-hoc meetings are being held as and when required. In line with the Bank's standard operating procedures, meetings of the Board and Board Committees have been conducted remotely. When quick decisions are required, they may be sought and obtained via circular resolutions. Those who seek further clarification, actively engages the management team for elaboration.

For further details on the various initiatives undertaken by Maybank to address the COVID-19 pandemic, please refer to the Addressing COVID-19 section on pages 18 to 19.

Board Deliberations

Among the areas/matters reviewed, deliberated and approved by the Board during FY2020 were as follows:

Strategy	Risk, Compliance & Oversight	Governance
<ul style="list-style-type: none"> • Business strategy of various sectors within the Group • Budget and Business Plan for the Group for FY2021 • M25 – Maybank's Next Long-Term Strategy and Plans • Group Sustainability: Materiality Assessment, Strategy, Ambitions and Next Steps • Group Technology and Cyber Defence Capability • Group Inclusiveness and Diversity Agenda • Succession Planning for Senior Management of Maybank Group • Review of the Group's History and Progress of Digital Plans 	<ul style="list-style-type: none"> • Group Chief Risk Officer's risk reports • Group's Risk Appetite Statements for FY2020 • Group's BNM Composite Risk Rating findings • Group's Recovery and Resolution Plan • Quarterly Risk Appetite Statements and Capital Adequacy Assessment Process reports • Deliverables to address Anti-Money Laundering and Counter Financing Terrorism Issues • Implementation of Maybank's "Financial Consumer Fair Treatment Charter" and "Financial Consumer Fair Treatment Policy" • Maybank Group Policy on Management of Customer Information and Permitted Disclosure • Onboarding of Electronic Know-Your-Customer (e-KYC) • Maybank Group Shariah Compliance Policy • Group's Audit Plan for 2020 • Legal Developments, Impact and Challenges in Light of the COVID-19 Pandemic 	<ul style="list-style-type: none"> • Board Effectiveness Evaluation and Fit and Proper Assessment • Directors' fees and benefits for Non-Executive Directors (NEDs) 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 2019 Annual Report • Updates on Corporate Governance/Corporate Governance Monitor 2020 • New Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries Issued by the Securities Commission Malaysia • Assessment of Shareholder Suitability

Board Size, Composition and Diversity

As at 31 December 2020, the Board maintained its ideal size of 12 members, comprising the following:

1	Executive Director (ED)	8%
2	Non-Independent Non-Executives Directors (NINEDs)	17%
9	Independent Non-Executive Directors (INEDs)	75%

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.

During the year, the Board decided to reinforce its commitment towards independence by requiring at least two-thirds of its composition to consist of independent directors. This is over and above the requirement prescribed under the Listing Requirements and BNM CG Policy.

The Board is also committed in maintaining diversity and inclusion in its composition and decision-making process. In this regard, the Board considers diversity from a number of different aspects, including gender, age, cultural and educational background, nationality, professional experience, skills, knowledge and length of service.

The current skills and experience of the Board include the following:

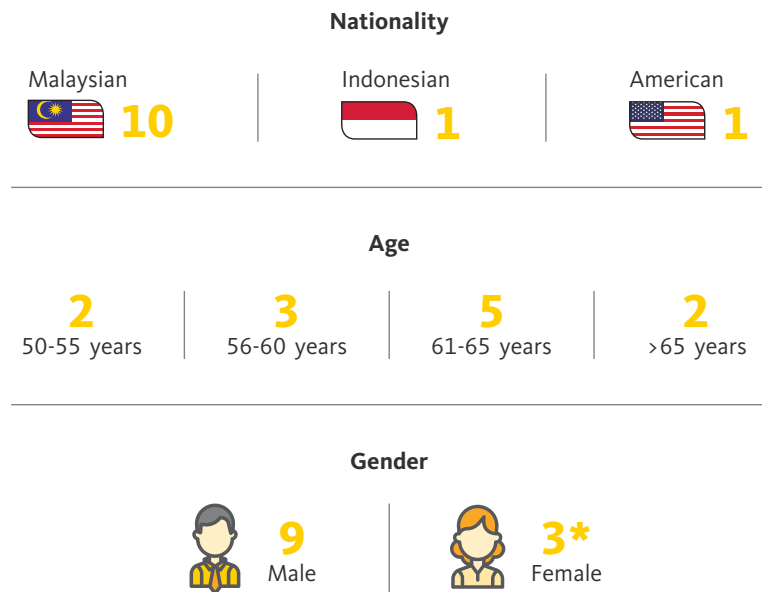
- | | |
|--|--|
| <ul style="list-style-type: none"> • Banking • Insurance/Takaful • Asset Management • Strategic Planning & Business Strategy • Risk Management • Regional Experience | <ul style="list-style-type: none"> • Corporate Governance • Legal and Compliance • Public Policy & Regulatory • Accounting & Finance • Human Resources • Technology & Innovation |
|--|--|

Pursuant to a skill matrix evaluation on Board members conducted by the Nomination and Remuneration Committee (NRC) in 2019, “technology and innovation” was identified as one of the skillsets that the Board must have. In line with this thinking, the Board welcomed the appointment of Tan Sri Dato’ Sri Zamzamairani Mohd Isa as a new member and Chairman of the Board on 2 November 2020, to complement the Board’s skillset in this area. His profile can be found on page 72 of this Annual Report.

The Board has also established a Policy on Gender Diversity which embraces the recommendations of the Code of having at least 30% women representation on the Board. The retirement of Datuk Mohaiyani Shamsudin as the Chairman of Maybank on 1 November 2020 has slightly reduced the proportion of women representation on the Board. The NRC and the Board fully recognise the need to re-balance the Board composition and have taken this into consideration in their succession planning. Nevertheless, while sufficient emphasis has been placed on recruiting women directors in the future, appointments on the Board will first and foremost be based on the merits and credentials of each candidate under evaluation.

There are 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 2020, the Board Diversity for Maybank is as follows:



* From 1 January 2020 until 1 November 2020, the Board comprised four (4) female Directors (33.3%).

Separation of Roles of the Chairman and Group PCEO

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.

Independence

To assist the NRC in evaluating the independence of the INEDs, the Board has established a Policy on Directors Independence (the Independence Policy) which sets out the Board’s approach in determining directors’ independence. Pursuant to the Independence Policy, the NRC and the Board had assessed the independence of each INED during FY2020 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, all the INEDs had, during the Fit and Proper Assessment, declared and affirmed their independence. Each INED also has an ongoing obligation to inform the Board of any circumstances which could impair his or her independence.

Nomination and Remuneration Committee

The NRC consists of a majority of INEDs and is chaired by the Senior INED. The roles and responsibilities of the NRC are set out in its Terms of Reference which are available on Maybank Group’s corporate website at www.maybank.com.

The composition of the NRC and the meeting attendance of each member can be found in Section B of the CG Report.

Corporate Governance Overview Statement

Among the key activities of the NRC during FY2020 were as follows:

<p>01 Board Composition and Succession Planning</p>	<ul style="list-style-type: none"> Reviewed the overall size and composition of the Board and the subsidiaries' boards Reviewed the composition of Board Committees Reviewed the succession plan for the Board and Board Committees Reviewed the Talent Pool for NEDs of the Group
<p>02 Recruitment and Appointment of Directors</p>	<ul style="list-style-type: none"> Reviewed the background, skills and experience of potential candidates for appointments on the Boards of Maybank's group of companies Conducted engagement sessions to assess the suitability of potential candidates to be appointed to the Board and the subsidiaries' boards Considered the re-appointments and re-elections of Directors of Maybank's group of companies Reviewed the appointment and re-appointment of Shariah Committee members of Maybank Islamic Berhad, Etiqa Family Takaful Berhad and Etiqa General Takaful Berhad
<p>03 Recruitment and Appointment of Senior Officers</p>	<ul style="list-style-type: none"> Considered the proposals to renew the employment contracts of senior officers of the Group Reviewed the suitability of potential candidates for the appointment as Chief Executive Officer (CEO) of subsidiaries
<p>04 Succession Planning of Senior Management</p>	<ul style="list-style-type: none"> Reviewed and recommended the New Talent Assessment Approach for Group EXCO and EXCO successors Received updates on succession plan of senior management
<p>05 Fit and Proper Assessment</p>	<ul style="list-style-type: none"> 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
<p>06 Board Effectiveness Evaluation</p>	<ul style="list-style-type: none"> Conducted the annual Board Effectiveness Evaluation (BEE) on the Board and the Board Committees of Maybank and key subsidiaries of Maybank for FY2020 Reviewed the results of the BEE exercise for FY2019 and recommended the proposed Actionable Improvement Programme to the Board and the subsidiaries' boards for approval Reviewed the training needs of the Directors
<p>07 Remuneration</p>	<ul style="list-style-type: none"> Reviewed Directors' fees and benefits for NEDs of Maybank Reviewed and recommended enhancements to Maybank Group Variable Bonus Approach 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
<p>08 Governance</p>	<ul style="list-style-type: none"> Reviewed the status of Common and Independent Directors on subsidiary boards Reviewed the Balanced Scorecard of the Group PCEO

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

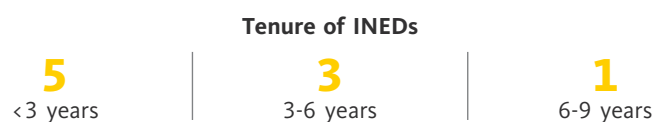
Stage 3 – Deliberation by the NRC

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 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 NED Talent Pool regularly in order to ensure that the Board will always have a steady pool of talent for selection whenever there is a need to appoint new directors.

The Group's Policy on the Tenure of Directorships (Directors Tenure Policy) facilitates succession planning by providing the Board with the opportunity to consider and reassess its membership periodically. This is to ensure continuity in meeting its long-term goals and objectives and also to ensure that the knowledge, experience, and skillset 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 2020, none of the INEDs had exceeded the nine (9) years tenure.



Board Effectiveness Evaluation

The effectiveness of the Board is vital to the success of the Group. The Board conducts a rigorous evaluation process each year to assess the performance of the Board, Board Committees and each individual Board member. In 2017, the Board decided that the BEE exercise should be conducted by an independent firm of consultants once every three (3) years. In line with this principle, the NRC had during FY2020 appointed an independent firm of consultants to undertake the BEE for FY2020 for Maybank and its subsidiaries. The BEE exercise was undertaken in two (2) phases:

Phase 1 – Interviews with individual directors and selected members of senior management to assess the effectiveness of the Board and Board Committees

Phase 2 – Questionnaires to evaluate the effectiveness of performance, personality and quality aspects of individual directors as well as independence assessment on INEDs

The overall results of the BEE conducted for FY2020 were positive with all evaluated areas rated as either “strong” or “satisfactory” reflecting strong performance by the Board and Board Committees. Among the key strengths identified were as follows:

- (i) Positive Board culture and dynamic;
- (ii) Highly diverse and knowledgeable Directors;
- (iii) Effective demonstration of leadership by the Board Chairman;
- (iv) Strong support by the Board Committees; and
- (v) Effective oversight in the areas of risk management, governance, compliance, crisis management and communication with regulators.

Apart from the above, the Board has also identified the following key areas to further strengthen in the future:

- (i) Group Operating Model/ Group CG Framework;
- (ii) Strategy in respect of Digital, Environmental, Social and Governance (ESG) and the Group’s international business; and
- (iii) Succession planning for the Board and senior management across the Group.

Directors’ Training

The Board acknowledges the importance of continuing education for the Directors to ensure that they are well equipped with the necessary skills and knowledge to perform their duties and meet the challenges facing the Board.

During FY2020, 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 FY2020 can be found in Part B of the CG Report. As for FY2021, the following key training needs of Directors were identified during the BEE exercise:

- (i) Investment banking and insurance;
- (ii) Digital;
- (iii) Disruptive technology; and
- (iv) Cyber security.

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 FY2020, Tan Sri Dato’ Sri Zamzamairani Mohd Isa participated in the induction programme via video-conferencing.

Directors’ Remuneration

The NRC is authorised by the Board to develop and implement formal and transparent procedures in developing Maybank’s remuneration policy for its Directors by ensuring that their compensation is competitive and consistent with industry standards. The NRC has established a remuneration framework for the NEDs (NED Remuneration Framework) which is subject to periodic review.

In line with this principle, an independent international firm of consultants, specialising in performance and rewards for the financial services industry, was engaged by the NRC to conduct a review of the Group’s NED Remuneration Framework during the fourth quarter of FY2020. The said consultant conducted a detailed study of market practices on NEDs’ fees and benefits which included a benchmarking exercise covering comparable regional and local banks, local financial institutions as well as top 30 listed companies on Bursa Malaysia.

Pursuant to the review undertaken, they found that the structure and level of fees and benefits accorded to the Chairman and NEDs of Maybank are generally aligned with the market. After reviewing the findings and recommendations of the said consultant, the Board has decided to maintain the NED Remuneration Framework and will not be proposing any revisions to the same at the forthcoming 61st Annual General Meeting (AGM). Maybank’s NED Remuneration Framework is as per below:

Fee Component	NED Remuneration 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

Corporate Governance Overview Statement

Details of the remuneration received by the Directors from Maybank in FY2020 were 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	–	2,479,071*	95,570	7,922,141
Non-Executive Directors						
Tan Sri Dato' Sri Zamzamairani Mohd Isa ¹	–	–	99,972	90,667	30,048 [#]	220,687
Datuk Mohaiyani Shamsudin ²	–	–	510,028	535,333	108,484 [#]	1,153,845
Datuk R. Karunakaran	–	–	490,000	160,000	19,742 [#]	669,742
Mr Cheng Kee Check	–	–	475,000	212,000	1,087 [#]	688,087
Mr Edwin Gerungan	–	–	460,000	162,899	15,609 [#]	638,508
Dr Hasnita Dato' Hashim	–	–	385,000	156,000	11,607 [#]	552,607
Mr Anthony Brent Elam	–	–	460,000	210,485	2,005 [#]	672,490
Ms Che Zakiah Che Din	–	–	460,000	236,000	1,087 [#]	697,087
Puan Fauziah Hisham	–	–	475,000	212,000	1,458 [#]	688,458
Encik Shariffuddin Khalid	–	–	415,000	184,000	5,393 [#]	604,393
Dato' Idris Kechot	–	–	430,000	240,000	9,949 [#]	679,949
Dato' Zulkiflee Abbas Abdul Hamid	–	–	475,000	280,000	5,220 [#]	760,220
TOTAL (for Non-Executive Directors)	–	–	5,135,000	2,679,384	211,689	8,026,073
GRAND TOTAL	2,760,000	2,587,500	5,135,000	5,158,455	307,259	15,948,214


* ED's other emoluments include pension costs, allowances, long-term cash award and reimbursements.

Benefits-in-kind for NEDs include monthly subscription of golf club membership and farewell gift. In addition to this, benefits-in-kind for the Chairman also include driver, car and fuel allowance.

Notes:

¹ Appointed as a NINED and Chairman of Maybank on 2 November 2020


² Retired as a NINED and Chairman of Maybank on 1 November 2020

 The remuneration received by the Directors in FY2020 at Group level can be found in Note 45 on page 137 of the Financial Book.

EFFECTIVE AUDIT AND RISK MANAGEMENT

Internal Controls and Risk Management

The Group has a comprehensive system of internal controls in place, designed to ensure that risks are mitigated and that the Group's objectives are attained. The Board recognises its responsibility to present a fair, balanced and understandable assessment of the Group's position and prospects. It is accountable for reviewing and approving the effectiveness of internal controls operated by the Group, including financial, operational and compliance controls, and risk management. The Board recognises its responsibility in respect of the Group's risk management process and system of internal control, and oversees the activities of the Group's external auditors and the Group's risk management function which have been delegated to the Audit, Risk and Compliance Committees.

 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 33 to 35. Refer to page 92 for further details on the Audit, Risk and Compliance Committees' roles.

STAKEHOLDER ENGAGEMENTS

Approach to Investor Relations (IR)

The Board recognises the importance of maintaining a purposeful relationship with shareholders. In this regard, the Group has a comprehensive Investor Relations programme to enable existing and potential investors to understand its activities, strategy and financial performance through timely and accurate dissemination of information to the investing community. This is done with the intention of allowing all shareholders, including domestic and international investors, to make informed investment decisions about Maybank.

The 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 also adopted the Group's Corporate Disclosure Policies and Procedures (CDPP) to enhance transparency, accountability and facilitate disclosure of material information in a timely and accurate manner. The CDPP, which is available on Maybank Group's corporate website, also indicates other designated spokespersons who are available to speak publicly on behalf of the Group.

Investor Relations Engagements

Maybank's investor engagement efforts focus on building confidence and maintaining strong, transparent relationships with the global investing community. Investors are engaged regularly via the corporate website, quarterly results briefings, AGM & Extraordinary General Meeting (EGM), as well as through meetings, conferences, roadshows, investor days and themed briefings for institutional investors.

Further details on Maybank's communication channels and the types of investor engagements undertaken by Maybank are detailed out in the CDPP. Presentation materials used for the above IR engagements are available on Maybank Group's corporate website at www.maybank.com/ir. Investors can engage with the Group and provide feedback through the Investor Relations team, whose contact details are available on Maybank Group's corporate website.

General Meetings

The AGM is a primary platform for two-way interaction between shareholders and the Board with the support of its senior management. In view of the COVID-19 pandemic and the Recovery Movement Control Order (RMCO) issued by the Government of Malaysia (which sets limitation on travel and mass events), the 60th AGM held on 26 June 2020 was conducted fully virtual for the first time in Maybank's history. The said event was broadcasted live from Menara Maybank, Kuala Lumpur. The meeting was attended by 715 shareholders, through live streaming and online remote voting via the Remote Participation and Voting (RPV) facilities provided by the Company's appointed share registrar. The Chairman and the Group PCEO gave separate presentations to shareholders on various topics, including the Group's FY2019 financial and business performance, ongoing strategy and outlook. Questions from the MSWG and shareholders, which were raised prior to and during the meeting as well as the Group's response to the same were shared with all shareholders during the virtual AGM (Q&As). Subsequent to the AGM, these Q&As were published on Maybank Group's corporate website at www.maybank.com.

The Notice of the 60th AGM was dispatched to shareholders not less than twenty eight (28) days before the AGM. At that AGM, voting on each resolution was undertaken through e-polling and the poll results were immediately announced, and have since been made available on Maybank Group's corporate website. Significant matters discussed during the said meeting are also disclosed on 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

Apart from the usual matters reserved for Board deliberation and decision, the Board has identified the following key areas for future priority:

- Overseeing the effective delivery of strategic priorities identified in the Group's new 5-year plan (M25) which among others, encompasses ESG and strategy for its international business;
- Strengthening the Group's overall CG framework; and
- Ensuring effective succession planning for the NEDs and senior management across 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 2020 is set out under Note 44, on page 137 of the Financial Book.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries involving the interest of the Directors and substantial shareholders, either still subsisting at the end of the financial year ended 31 December 2020 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 2020.

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

(a) Capital and Fund Raising Exercises

During the financial year ended 31 December 2020, the Group has issued, amongst others, commercial papers, medium term notes, extendible money market certificates 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, extendible money market certificates and capital instruments are disclosed in Notes 25 and 31, on pages 110 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 Maybank Group.

Statement on Risk Management and Internal Control

Financial year ended 31 December 2020

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). It outlines the key features of the risk management and internal control system of the Group for the year under review.

BOARD RESPONSIBILITY

The Board is responsible to establish a sound risk management and internal control system as well as review its adequacy and effectiveness in identifying, assessing and responding to risks that could keep the Group from achieving its objectives. One of the vital roles of the Board is to establish the risk appetite which articulates the levels and types of risk that the Group is willing to accept in the pursuit of its business and strategic objectives. In this respect, the Board actively participates in setting the strategic goals and plans of the Group and ensures that the corresponding risks are adequately mitigated within its approved risk appetite. In view of the inherent limitations in any risk management and internal control system, the Board takes cognisance that such a system can only provide reasonable, rather than absolute assurance to realise the Group's objectives and against any material financial misstatement, fraud or losses.

The Board has established a strong risk management and internal control governance structure that is crucial in setting the tone and culture of effective risk management and internal control. To carry out its risk and control oversight responsibilities effectively, 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 matters relating to risk, compliance and controls respectively. These Board committees update the Board periodically of their work, key deliberations and decisions on the delegated matters.

MANAGEMENT RESPONSIBILITY

The Management is responsible for implementing the policies and procedures established by the Board in relation to risk and control. The role of the Management includes:

- 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

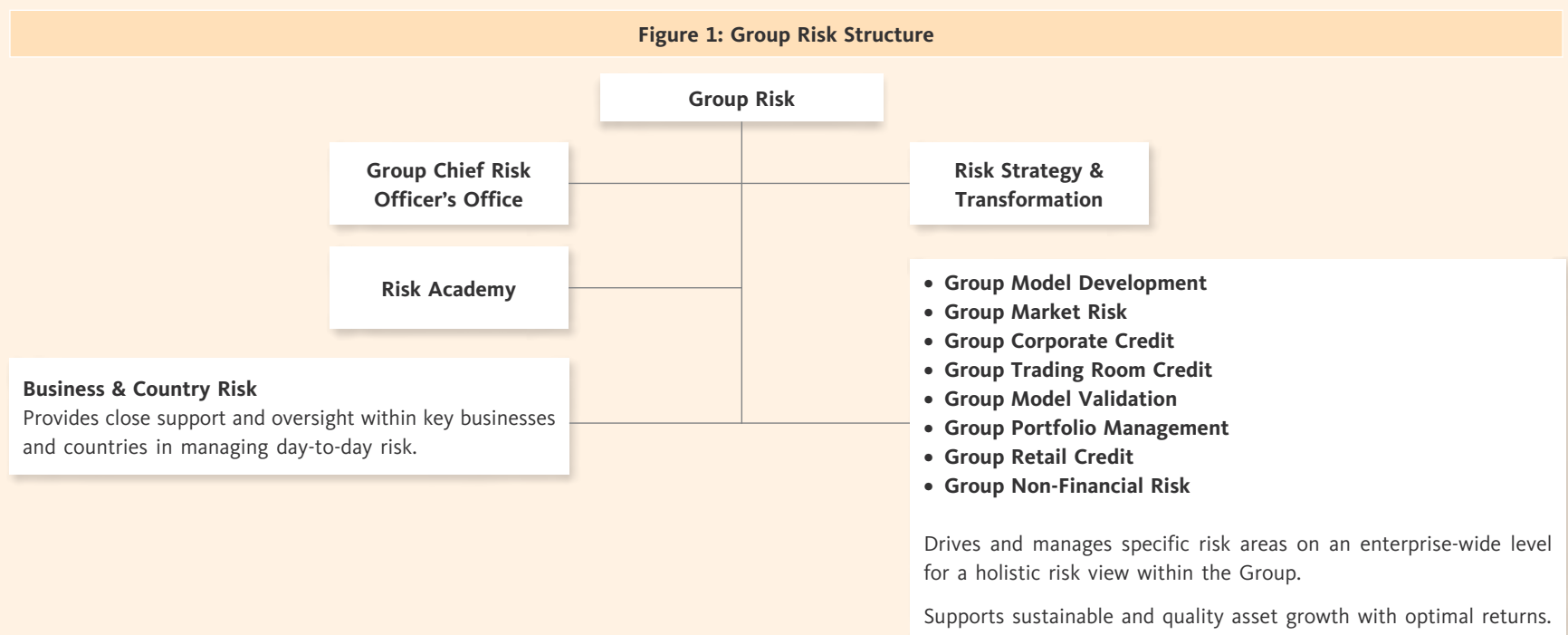
RISK MANAGEMENT

Overview

Group Risk provides oversight of risk management on an enterprise-wide level through the establishment of the Group's risk strategies, frameworks and policies, with independent assessment and monitoring of all risk challenges. In 2020, we have continued to focus on value creation and supporting the Group in meeting its strategic and business objectives.

In the continuous pursuit to drive effectiveness, the Risk Centres of Excellence (COEs) were created, building on the specialisation of risk professionals, to provide value-added risk insights in support of business decision-making. The identified COEs set consistent standards in relation to risk policies, risk reporting, 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:



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. To complement this, we have developed the Maybank Group Enterprise Risk Management Framework, to institutionalise vigilance and awareness of the most significant risks to the achievement of the Group's most important objectives, i.e. to humanise financial services by putting customers and the wider community at the heart of everything that the Group does. It is underpinned by a set of building blocks which serves as the foundation in driving strong risk management culture, practices and processes:

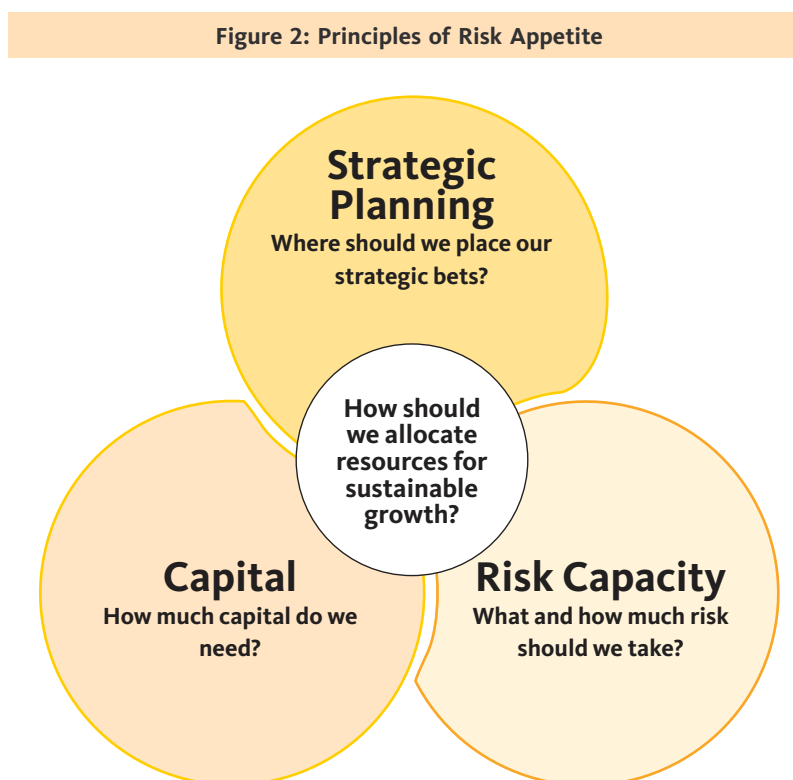


Risk Appetite

The Group's risk appetite is an integral component of the Group's robust risk management framework and is driven by both top-down Board leadership and bottom-up involvement of management at all levels. The risk appetite enables the Board and Senior Management to communicate, 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 profiles established. The risk appetite also provides a consistent structure in understanding risk and is embedded in day-to-day business activities and decisions throughout the Group.

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.



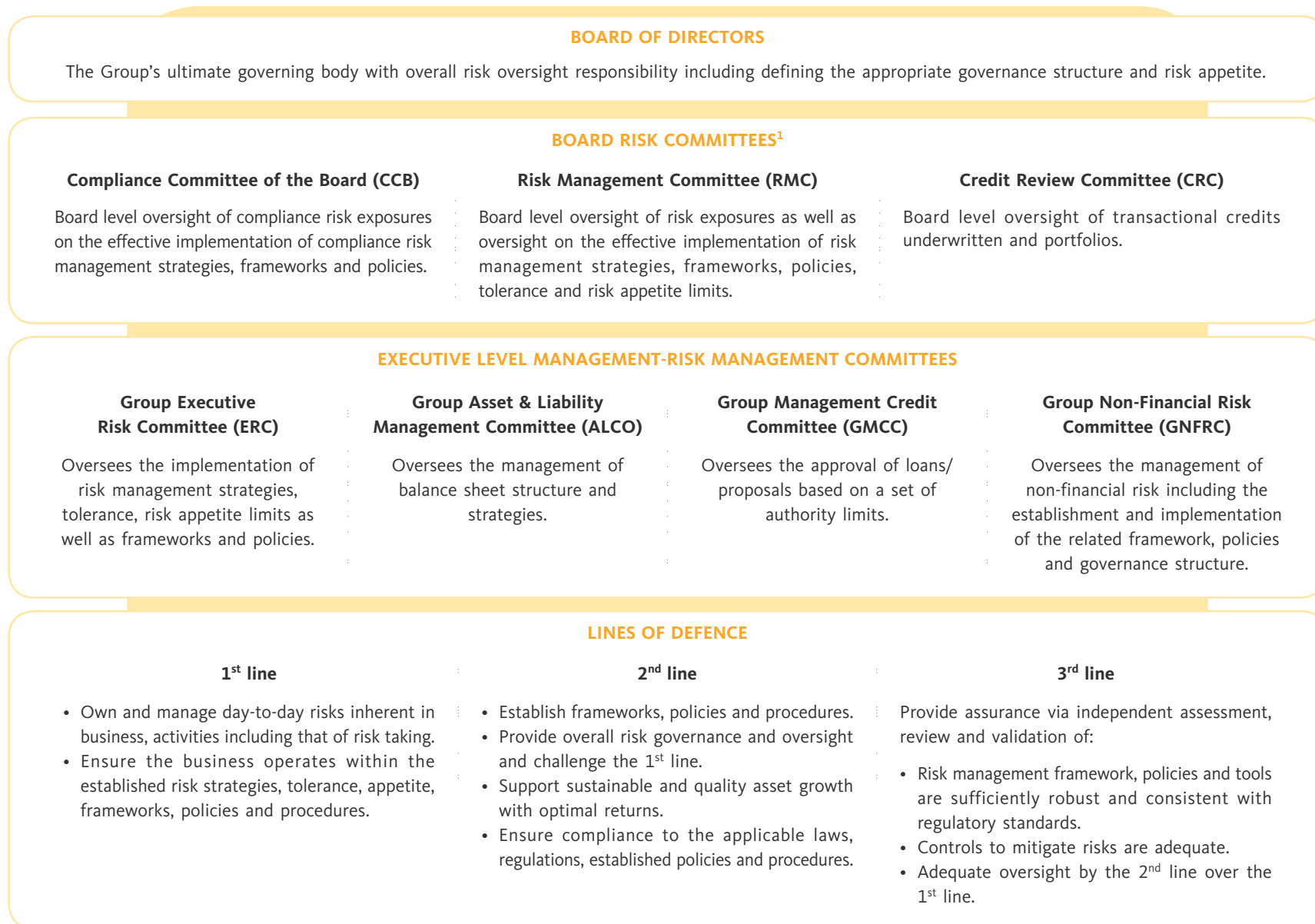
Statement on Risk Management and Internal Control

Risk Governance & Oversight

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

Our governance model places accountability and ownership in ensuring an appropriate level of independence and segregation of duties between the three lines of defence. The management of risk broadly takes place at different hierarchical levels and is emphasised through various levels of committees, business lines, control and reporting functions. The Group's overall risk governance structure is as illustrated in Figure 3:

Figure 3: Maybank Group Risk Governance Structure



¹ Board-level Shariah Committee established at Maybank Islamic Bank provides oversight over Shariah matters and compliance of the Group's Islamic banking activities.

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 robust enterprise wide risk management structure and governance are built. This is to ingrain the expected values and principles of conduct that shape the behaviour and attitude of employees at all levels of business and activity across the Group.

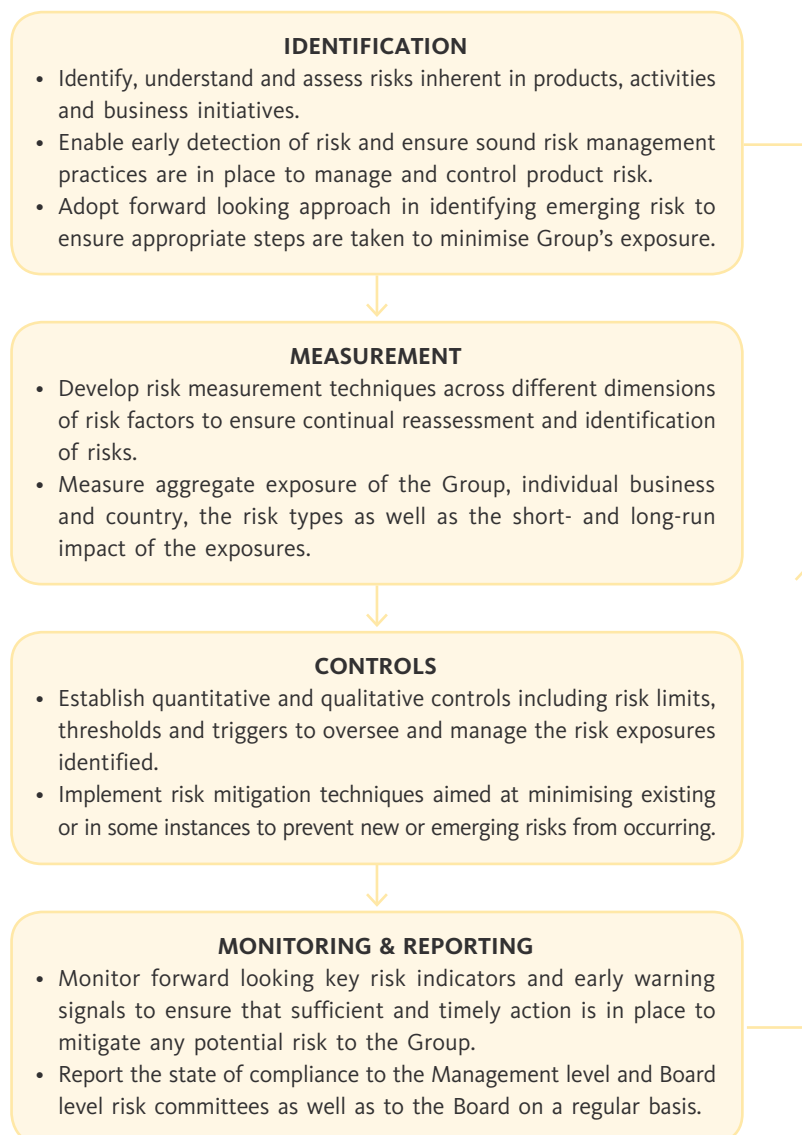
Risk and compliance policies are clearly defined, consistently communicated and continuously reinforced throughout the Group to embed a robust culture that cultivates active identification, assessment and mitigation of risks. As part of the risk and compliance culture, the Group has instilled a culture 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 and encompass amongst others, value capsules, induction programmes, engagement sessions, e-Learnings and roadshows. An integrated assurance platform is also emplaced to provide a single, collective view of risk controls, compliance and governance. This ensures that risk considerations are embraced by all employees in enhancing customer experience, building trust and brand value of the Group for long-term sustainability of the organisation.

Risk Management Practices & Processes

The risk management practices and processes enable systematic identification, measurement, control, monitoring and reporting of risk exposures across the Group.



Compliance Framework

The Framework provides the key principles and guidelines for managing Compliance Risk within the Group. It serves as a guide for 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 expectations for the effective Shariah governance structures, processes and arrangements of all businesses and countries within the Group that execute Islamic business transactions. The Framework was established in accordance with Bank Negara

Malaysia's (BNM) latest Shariah Governance Policy Document. This is to ensure that all of 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 Risk, Shariah Review and Shariah Audit to ensure effective management of Shariah Non-Compliance risks. The end-to-end Shariah-compliant governance mechanism is executed through three lines of defence that cater for both pre-execution and post-execution. The three lines of defence are as follows:

- 1st – Business & support units and Shariah Secretariat
- 2nd – Shariah Risk and Shariah Review; and
- 3rd – Shariah Audit

Stress Testing


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

The current initiative of an integrated stress testing application enhances stress testing capabilities with on-demand generation of risk profiles under various scenarios.

Responsible Lending

Our long-term financial success depends upon our ability to not only identify and address environmental, social and governance (ESG) issues that present risks to our business but more importantly, to identify areas of opportunities for our businesses as well as our customers to grow sustainably. With this, and premised on the principles of responsible lending which are embedded in the Maybank Group Environmental, Social and Governance Policy, we continuously review and enhance our ESG practices by working with our stakeholders to drive efforts on responsible lending.

As part of enhancing our ESG practices, Maybank takes a proactive approach to incorporate ESG considerations (including social aspects of lending) into business processes in a meaningful way by establishing the ESG Industry Scrum Team in 2019. The ESG Industry Scrum Team will continue to support Maybank's proactive engagements with relevant industry stakeholders to promote understanding of the ESG impacts and opportunities stemming from our lending activities.

 Details of the ESG policy can be found in the Sustainability Review on page 99 and the Sustainability Report which will be made available on www.maybank.com/ar.

Cyber and Technology Risk Management Policy and Guideline

The Cyber Risk Management Policy and Guideline has been established based on the standards issued by National Institute of Standards and Technology (NIST) which emphasise on identifying risks, building resilience, detecting cyber threats and responding effectively to cyber-related events. The Policy and Guideline encompasses the cyber risk management strategy, governance structure and risk management enablers. It complements the Technology Risk Management Policy and Guideline and covers both Business and Technology drivers from an end-to-end perspective, focusing on the key layers of People, Process and Technology.

Technology Risk Management Policy and Guideline sets out the standards for identifying the risks and required controls in an organisation's technology-related functionalities and for taking the appropriate risk remedial actions. This is established to standardise the technology operations environment, which will help to increase high service levels to customers as well as the business units.

Statement on Risk Management and Internal Control

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 accountabilities, aligned with business and operations requirements to support the maintenance of a strong control environment.

• Annual Business Plan and Budget

The Board deliberates and approves the annual business plan and budget for the year. The performance achievements are reviewed monthly against the targeted results, allowing time for the appropriate responses and required remedial actions to be taken. The Board regularly reviews reports from the Management on key operational statistics, as well as legal and regulatory matters. Any changes or amendments to the Group's policies are also tabled to the Board for approval.


• Oversight by Audit Committee of the Board (ACB)

The ACB is established by the Board to assist in the execution of its governance and oversight responsibilities, as well as to ensure that there is a reliable and transparent financial reporting process within the Group. The responsibilities include assessment of the adequacy and effectiveness of the Group's governance, risk management and internal control system through the Internal Audit (IA) function. The ACB has active oversight of the independence, scope of work and resources of the IA. The ACB meets periodically to review audit and investigation reports prepared by IA, taking into consideration the corresponding Internal Audit Committee's (IAC) deliberation of the same report. Significant control lapses are escalated by the ACB to the Board for further deliberation, where necessary. As for the unresolved audit findings, the ACB deliberates on them and ensures that Management undertakes the necessary remedial actions within the committed timeline.

 Details of the activities undertaken by the ACB are highlighted in the Audit Committee Report as set out on pages 94 to 96.


• Oversight by Risk Management Committee (RMC)

The Board has delegated the risk oversight responsibility to the RMC. The committee is responsible for formulating policies and frameworks to identify, measure, monitor, manage and control 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 (CCB)

The Board is assisted by the CCB in the oversight of compliance risk. The overall objective of the CCB is to ensure that compliance risk management is given the needed attention at the highest level to ensure regulatory compliance risk is effectively managed to support business growth in line with the Group's aspirations and risk appetite. The role of the CCB, amongst others, is to review and assess the adequacy of infrastructure, resources and systems to manage compliance risk across the Group and recommend 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

There are other Board Committees set up to assist the Board in executing its overall governance responsibilities and oversight function. They are the Credit Review Committee, Nomination and Remuneration Committee and Employee Share Grant Plan Committee. These Committees are authorised to examine all matters within the scope defined in their respective terms of reference and report to the Board with their recommendations.

 Further information on the various Board Committees can be found in Section B of the Corporate Governance Report (CG Report) which is available on Maybank's corporate website at www.maybank.com

• Executive Level Management Committees

The Management establishes various Executive Level Management Committees (ELCs) to assist and support the various Board Committees in overseeing the core areas of business operations and controls. These ELCs include the Group Executive Committee, Group Client Onboarding and Review Committee, Group Management Credit Committee, Group Executive Risk Committee, Group Asset and Liability Management Committee, 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.

• 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 outline the guiding principles for an effective management of information assets. All information must be properly managed, controlled and protected as guided by these information handling rules which are also within the Maybank Group Cyber and Technology Risk Management Policy and Guideline.

With the increased adoption of technology capabilities and the increasing risk of cyber threats, information security has been among our key focus areas. Technology controls are applied at various stages of the information cycle. Amongst the controls is Data Loss Protection to protect and prevent the potential of data loss or theft.

Technology infrastructure and security controls continue to be strengthened and monitored as Maybank embraces mobile work arrangements following the COVID-19 pandemic outbreak. Clear desk policy is reinforced in the primary, alternative or mobile work arrangement site(s) to protect confidential and proprietary information.

• Sustainability Management

Premised on the mission of Humanising Financial Services, the Group has in place a set of core ambitions which underpin our responsibility in promoting and driving sustainable growth as outlined in the Maybank Group Environmental, Social and Governance Policy. These ambitions include having sustainability as an integral part of our strategy and culture, whilst partnering with our clients to facilitate the transition towards more sustainable and responsible development. In an effort to integrate these ambitions into business practices, the Group Sustainability Council has been established, with the aims of setting the Group's sustainability strategy, defining boundaries and approving proposals as well as monitoring and advising on sustainability-linked action plans and issues. Another key focus area is to understand our stakeholders' material issues to enable a more holistic approach towards addressing sustainability across the Group.

 Further information can be found in Sustainability Review 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, including the subsidiaries and overseas branches, which are to adopt the principles prescribed by the Group while complying with local requirements. To strengthen consistent adoption of the Group's standards, Group Risk has oversight of the adoption and customisation across the Group.

• Procurement Manual and Non-Credit Discretionary Power

The Group Procurement Manual is designed to streamline the functions of procurement within the Group. It serves as a standard guideline for good management practices expected in the procurement process and procedures. The authority to approve any request for budgetary or unbudgeted expenditure shall conform to the applicable approval authority policies, i.e. 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 disposition of assets, operational write-offs, donations, as well as approval of general and operational expenses.

• Standard Practice Instruction

Policies and procedures are in place to ensure compliance with internal controls and the prescribed laws and regulations. These policies and procedures are set out in the Group's Standard Practice Instructions (SPIs) and are updated from time to time in accordance with changes to the business environment or regulatory guidelines. These SPIs are published on the communication portal, which is made available to all employees.

• Maybank Group People Policies

The Maybank Group People Policies (MGPP) serves as a baseline with clarity on the philosophy and principles for people management and development in the Group. It incorporates key principles and philosophies that support the Group's mission of Humanising Financial Services. The MGPP consists of a set of policies and guidelines that govern all aspects of human resource management, from talent acquisition and development, performance and consequence management and code of conduct to cessation of employment. A Disciplinary Policy is also established to provide a structure where disciplinary matters are dealt with fairly, consistently and in line with the prevailing labour laws and employment regulations.

Due to the COVID-19 pandemic and as a requirement by Business Continuity Management (BCM) in anticipation of future pandemics, Maybank has introduced a Mobile Work Arrangement Policy. The policy reflects the overall mobile working arrangement that will enable the organisation to balance its objectives of achieving a highly productive and harmonious work environment that is responsive to the changing professional and personal needs of today's workforce, while taking into account business and organisational needs to ensure business continuity and sustainability. The policy enables employees to work from home, on-site and at split locations. It is a bilateral agreement between Maybank and the employees which offers mutually-beneficial outcomes for both parties. Various controls and engagements are put in place to actively manage and ensure employees under the Mobile Work Arrangement continue to be supported. Being a disciplined and tracked arrangement, employees are assigned an agreed Management Model which includes agreed expectations and outcomes, minimum weekly scheduled physical/virtual check-ins and performance updates reflected in the myHR2u Conversation Log.

• Core Values and Code of Ethics and Conduct

The Group's Core Values, TIGER (Teamwork, Integrity, Growth, Excellence and Efficiency, Relationship Building) are the essential guiding principles to drive behavioural ethics while fulfilling our collective responsibility to serve our mission of Humanising Financial Services. It is further complemented by the Code of Ethics and Conduct that sets out sound principles and standards of good practice to be observed by all employees.

• Fraud Management

The Group instils a culture of vigilance amongst employees in handling and combating fraud as well as to deter future occurrences. Robust and comprehensive tools/infrastructure and programmes are emplaced to ensure risks resulting from fraud are identified, escalated/reported and managed in a decisive and timely manner. Stern disciplinary action is taken against employees involved in fraud.

• Reputational Risk Management

The Group adopts a holistic approach and sound governance in managing reputational risk and to institutionalise awareness and its consequences. Protecting our reputation is paramount to operating as an institution providing financial services. Upholding trust and creating better customer experience and security are vital parts of our obligations as a financial institution. Hence, the Group has emplaced policy with roles and responsibilities of key stakeholders and processes, such as monitoring of social media sentiment, to facilitate an effective reputational risk management and monitoring of risk exposures to be within the risk appetite.

• Whistleblowing Policy and Procedures

Maybank is committed to the highest standard of ethics and integrity in its conduct of business and operations. Maybank Group Whistleblowing Policy and Procedures encapsulate the governance and standards to promote an ethical, responsible and secure whistleblowing practice in Maybank in line with the requirements of BNM's Corporate Governance Policy. The Policy and Procedures

provide a proper and secured avenue for the employees and members of the public to report any knowledge of improper conduct in good faith, 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 and Procedures

Maybank adopts a zero tolerance approach against all forms of bribery and corruption in carrying out its daily operations. Maybank complies with the Malaysian Anti-Corruption Commission Act 2009, as well as other laws and regulations in the countries where we operate. The Maybank Group Anti-Bribery & Corruption Policy and Procedures set out the guiding principles for Maybank to address and manage bribery and corruption risks in all its dealings within and outside Maybank.

• Financial Crime Compliance

Maybank is committed to fight financial crimes and ensure compliance with the relevant laws and regulations. Financial crime risks are managed to protect the integrity and reputation of Maybank. Maybank has established comprehensive controls to anticipate, prevent, detect and respond to money laundering terrorist financing and sanctions risks.

• Independent Assurance by Internal Audit

The Board established the IA function to provide independent assurance on the adequacy and effectiveness of governance, risk management and internal control. The IA function is independent of the activities and operations of other operating units within the Group. It is headed by the Group Chief Audit Executive, who reports functionally to the ACB and administratively to the Group President & Chief Executive Officer (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 mandatory guidance established under the International Professional Practices Framework by The Institute of Internal Auditors (The IIA).

 More detailed description of the Internal Audit function is highlighted in the Audit Committee Report on pages 96 to 97.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

This Statement has been reviewed by the external auditors in accordance with the Listing Requirements, for inclusion in the Annual Report for the financial year ended 31 December 2020. The limited assurance review was conducted in accordance with the Audit and Assurance Practice Guide 3 (AAPG3) issued by the Malaysian Institute of Accountants. The AAPG3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system. The external auditors have reported to the Board that nothing had come to their attention which could lead them to conclude that this Statement is inconsistent with their understanding of the processes adopted by the Board in the review of the adequacy and integrity of the Group's risk management and internal control system.

CONCLUSION

The GPCEO and Group Chief Financial Officer (GCFO) have provided their reasonable assurance to the Board that the Group's risk management and internal control system is adequate and operating effectively in all material aspects. After taking into consideration the assurance from the Management and input from the relevant assurance providers, the Board is of the view that the Group's risk management and internal control system is adequate and operating effectively to safeguard the interest of the shareholders and the assets of the Group.

The Board is also satisfied that the Group has put in place an ongoing process to identify, evaluate, monitor, manage and respond to significant risks faced by the Group in achieving its business and strategic objectives amidst the dynamic and challenging business environment and increasing regulatory scrutiny, particularly during the time of the global COVID-19 pandemic. This process has been in place for the entire financial year under review up until the date of approval of this Statement for inclusion in the Annual Report.

Audit Committee Report

COMPOSITION

The Audit Committee of the Board (ACB) comprises the following Independent Non-Executive Directors:

1. **ENCIK SHARIFFUDDIN KHALID** – Chairman
2. **MS CHE ZAKIAH CHE DIN**
3. **DATO' IDRIS KECHOT**
4. **DATO' ZULKIFLEE ABBAS ABDUL HAMID**

This is in line with the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia) which prescribes that the ACB must consist of at least three members with the Chairman and a majority of the members being independent non-executive directors. In addition, the current composition of the ACB comprises solely of Independent Directors of Maybank is also in accordance with the Step Up practice of the Malaysian Code of Corporate Governance issued by the Securities Commission Malaysia.

Ⓢ The duties and responsibilities of the ACB are set out in its Terms of Reference which is published on Maybank's corporate website at www.maybank.com

ACTIVITIES OF ACB FOR FINANCIAL YEAR ENDED 31 DECEMBER 2020

ATTENDANCE OF MEETINGS

A total of 17 meetings were held during FY2020, details of which are set out below:

Name of Committee Member	Number of meetings held and attended during FY2020
Encik Shariffuddin Khalid (Chairman)	17/17
Ms Che Zakiah Che Din (Member)	17/17
Dato' Idris Kechot (Member)	17/17
Dato' Zulkiflee Abbas Abdul Hamid (Member)	17/17

The Group Chief Audit Executive (GCAE) and Group Audit Leadership Team (GALT) were invited to the ACB meetings to present the internal audit and investigation reports. The Group Chief Financial Officer (GCFO) who is also the Chairman of the Internal Audit Committee (IAC), represented the Management in the ACB to provide assurance and commitment on the prompt resolution of audit issues and areas of concern highlighted by Internal Audit (IA). In addition, the Management representatives of the audit subjects were also called to the meeting, where required, to provide explanation to the ACB on specific topics or issues arising from the relevant reports.

As for the statutory audit, the external auditors were invited to the meetings to discuss their Audit Planning Memorandum (APM), Management Letters and other relevant matters. Together with the Group President & Chief Executive Officer (GPCEO) and GCFO, the external auditors also attended ACB meetings where the half-yearly unaudited financial reports and the annual audited financial statements of the Bank and the Maybank Group were reviewed and discussed.

Further to the tender exercise undertaken in FY2019 for the appointment of External Statutory Auditor 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, the evaluation results of the proposals were tabled to the ACB for deliberation and endorsement, which was duly approved by the Board. Thereafter, the Bank submitted the appointment of External Auditor to BNM which was subsequently approved in March 2020, hence Ernst & Young (EY) was appointed as the principal external auditor for the Bank and Maybank Group.

During FY2020, the ACB held four private sessions with the auditors without the presence of the Management, i.e. one with IA and three with the external auditors.

During the year under review, the ACB has carried out the following activities in the discharge of its duties and functions:

INTERNAL AUDIT

1. Reviewed and approved the Annual Audit Plan for FY2020 (AAP2020) to ensure comprehensiveness of scope and coverage as well as the adequacy and competency of IA resources. The ACB also took cognisance of IA's annual operating budget requirement as presented in AAP2020. This budget requirement was subsequently tabled as part of the Group Budget to the Board for approval.
2. Deliberated and approved the revised audit approach in view of the travel restrictions imposed by the governments in the respective countries due to the COVID-19 pandemic outbreak. This is to ensure that audit assurance could be continuously provided, by focusing on pertinent risk areas as well as considering other alternative methods that could be performed.
3. Reviewed and approved the revisions made to AAP2020 in view of the mass scale of disruption caused by the pandemic and given the emerging risks/concerns that may arise from changes to work processes, the weaker operating environment and the new normal in managing the businesses.
4. Assessed and approved FY2019 performance and rewards for GCAE and IA staff, considering the overall achievement of IA for the year and in accordance with the matrix approved by the Board.
5. Deliberated and approved FY2020 Balanced Scorecard (BSC) for the GCAE, taking into consideration the relevance and importance of the key performance indicators set for the year.
6. Deliberated and approved the proposed enhancement to Group Audit's organisation structure, which is designed to support the evolution of the IA role into the next generation of internal auditing.
7. Reviewed and approved the appointment of co-sourcer to undertake the review of Maybank New York in view of the travel restrictions and regulatory expectation.
8. Reviewed the monthly Group Audit Dashboard outlining the completion of the planned audits in the approved AAP2020 as well as the turnover of IA staff. Subsequently, this was also tabled to the Board for information.
9. Deliberated the audit and investigation reports and directed the Management to formulate and implement the necessary remediation controls to strengthen the internal control system. Where required, the GCFO was directed to escalate the control lapses and recommendations to the Group EXCO for deliberation.
10. Updated the Board on pertinent concerns from the audits and investigations conducted by Group Audit via the ACB Chairman Report.
11. Reviewed the half-yearly audit finding status reports and deliberated on the corrective actions and timelines taken by the Management to ensure timely resolution of the control lapses highlighted.
12. Deliberated and approved Management's justification of requests for an extension of the audit findings rectification timelines.
13. Reviewed and noted the minutes of meetings for the following:
 - a. IACs in Malaysia (Maybank) and Singapore (Maybank Branch Singapore), for an overview of the deliberations and remedial actions taken by the Management on the control lapses raised by IA.
 - b. 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 respective subsidiaries to take further action.
14. Deliberated the Internal Quality Assurance Review Report prepared by Group Audit to ensure continuous conformance with the International Standards promulgated by The Institute of Internal Auditors (The IIA).

ANNUAL REPORT

15. Reviewed and endorsed the Statement on Risk Management and Internal Control (SORMIC) for Board's approval and disclosure in the FY2019 Annual Report.
16. Reviewed and approved the Audit Committee Report for incorporation in the FY2019 Annual Report.
17. Reviewed and endorsed the Corporate Governance Overview Statement and Report for Board's approval and inclusion in the FY2019 Annual Report.

FINANCIAL REPORTING

18. 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

19. 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.
20. Reviewed the suitability and independence of external auditors in accordance with the Framework on Appointment of External Statutory Auditors for Provision of Statutory Audit and Non-audit Services (Framework) which was adopted since December 2011 and made recommendations to the Board on their reappointment, which was subsequently approved by the Board. This Framework is in line with BNM Policy document on External Auditor.

Assessment of external auditors' independence and performance is performed on an annual basis based on the procedures as follows:

 - Review the professional conduct of external auditors by considering information available from public or independent sources. The review is carried out to ensure:
 - i. The appointed external auditors are registered auditors of public interest entity with the Audit Oversight Board;
 - ii. The appointed external auditors and key members of the audit engagement team involved in making key decisions on significant matters with respect to the audit of the financial statements (key members of the audit engagement team) have not been convicted of any offence under the FSA 2013, the IFSA 2013 or the Companies Act 2016, or any written law involving fraud or dishonesty; and
 - iii. The engagement partner and key members of the audit engagement team shall not have any record of disciplinary actions taken against them for unprofessional conduct.
 - Assess the external auditors' level of knowledge, capacity and audit experience by reviewing the following:
 - i. Curriculum vitae of the engagement partner and concurring partner;
 - ii. List of public interest entities audited by the engagement partner and the concurring partner in the last two years prior to the date of statutory declaration;
 - iii. Years of experience of the engagement partner and key members of the audit engagement team in auditing financial institutions; and

- iv. Man-days spent by the engagement partner and the concurring partner in the previous audit.
- Assess the performance of external auditors by reviewing the quality of previous audit or work done by the external auditors and level of engagement by external auditors with the ACB. Based on the assessment, the external auditors have participated actively in the discussions with the ACB as evidenced below:
 - i. The external auditors have updated the ACB with their report for the FY2019 on 29 January 2020;
 - ii. Memorandum of recommendations arising from the audit of the financial statements for the FY2019 was tabled to the ACB by external auditors on 13 May 2020;
 - iii. On 29 July 2020, the external auditors presented to the ACB with their report for the limited review of the Bank's Unaudited Profit after Taxation and Zakat for the six-month period ended 30 June 2020;
 - iv. APM report with regard to the audit of financial statements for the FY2020 was presented by external auditors to the ACB on 28 October 2020; and
 - v. EY Data Security and Protection Framework was presented by external auditors to the ACB on 18 November 2020.
 - 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 2019 was signed off by external auditors on 27 February 2020. The audited financial statements was re-signed on 26 March 2020 due to reclassification of final cash dividend to second interim cash dividend;
 - ii. Report on limited review for the financial period ended 30 June 2020 was signed off by external auditors on 30 July 2020; 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.
 - 21. Reviewed the written assurance provided by external auditors in respect of their independence.

Audit Committee Report

22. Approved the appointment of external auditors for the provision of non-audit services. The ACB considered several qualitative and quantitative criteria prior to approving the appointment of external auditors for the provision of non-audit services to the Bank and Maybank Group. The qualitative and quantitative criteria were as follows:

- Assess the professionalism, expertise, adequacy of knowledge and relevant experience of external auditors;
- Consider the conflict of interest that will arise if non-audit services were to be performed by external auditors;
- Review the fees quoted by other audit firms and external auditors for non-audit services; and
- Ensure the fees quoted by external auditors for non-audit services commensurate with the scope of such non-audit services.

RELATED PARTY TRANSACTION (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.

INTERNAL AUDIT FUNCTION

ORGANISATIONAL INDEPENDENCE

The IA function of Maybank is established by the Board to provide independent and objective assurance on the adequacy and effectiveness of the governance, risk management and internal control processes implemented by the Management. The IA function for Maybank, as well as its branches and subsidiaries in Malaysia and the regions, is organised on a Group basis under the leadership of the GCAE. The GCAE reports functionally to the ACB and administratively to the GPCEO to maintain the requisite independence and objectivity as outlined in the Audit Charter approved by the ACB. The GCAE has active oversight over the in-house IA functions of the regional subsidiaries in the Philippines, Indonesia, Singapore, Thailand, Vietnam and Cambodia. The resident IA teams of these regional entities have direct accountability to their respective ACBs/Supervisory Boards and administrative reporting to their respective entities' Chief Executive Officers. The IA functions in Malaysia as well as the region are independent of the operations of the other operating units.

Currently, the IA function of the Group is headed by Puan Nazlee Abdul Hamid (the GCAE) who has over 30 years of extensive experience in auditing in the financial industry and with BNM. She holds a Masters of Business Administration in Management and Organisational Leadership and a Diploma in Accounting. She is an active member of the Chief Internal Auditors Networking Group (CIANG) and is also a member of ISACA, an independent, non-profit, global association that engages in the development, adoption and use of globally recognised, industry-leading knowledge and practices for information systems.

RESPONSIBILITY, SCOPE AND METHODOLOGY

The principal responsibility of IA is to evaluate the adequacy and effectiveness of the governance, risk management and internal control processes and to assess whether the risks that may hinder the Group from achieving its objectives are adequately evaluated, managed and controlled. It provides risk-based and objective assurance, advice and insight to enhance and protect organisational values and assist the Management to achieve its objectives.

The IA scope of work for the year, covering the business and operations of the Group, was defined in the AAP2020 approved by the ACB in January 2020. In establishing the plan, all the auditable units were risk ranked using the Maybank Risk-Based Audit (MRBA) approach, while the COSO and COBIT (for IT) frameworks were used to assess the adequacy and effectiveness of internal controls. The AAP was aligned with the strategies, objectives and risks of the Group and is developed in consultation with the Management. IA also provides independent and objective consultative reviews over the implementation of new initiatives in the Group which amongst others, include new business ventures, new system implementation and new product introduction.

The IA processes and activities are governed by the relevant regulatory guidelines as well as the Group's Code of Ethics & Conduct and mandatory guidance of the International Professional Practices Framework (IPPF) issued by The IIA. Audit reports, along with the issues, root causes and recommendations as well as Management's responses and action plans for improvement and/or rectification, were tabled to the ACB for review and deliberation. The rectification status of the audit findings were closely tracked and periodically reported to the ACB to ensure prompt resolution. The requests for rectification timeline extension were also tabled to the ACB.

The Quality Assurance and Improvement Program (QAIP) continues to be used to assess the quality of the audit process against the International Standards promulgated by The IIA. Recommendations and opportunities for improvement are identified through internal and external assessments. The internal assessment is performed annually by an independent internal Quality Assurance team under the direct supervision of the GCAE, while the external assessment is conducted once every five years by a qualified and independent external assessor. The QAIP results are tabled to the ACB. The last external assessment was conducted in 2017, where IA was assessed to be in conformance with The IIA Standards and leading practices.

RESOURCES

The overall costs incurred for maintaining the IA function in the Group for FY2020 was approximately RM69.1 million, consisting mainly of salaries and other audit related expenditures. Breakdown of staff strength and expenses incurred as follows:

Location	No. of Staff	RM million
Malaysia	144	34.5
Regional	152	34.6
Total Group	296	69.1

As of 31 December 2020, Group Audit had a total staff strength of 296 individuals (in Malaysia as well as regionally) from a diverse backgrounds and qualifications. In view of the Movement Control Order (MCO) and the need for social distancing, the development and building of the auditors' skillset and competence continued on the virtual platform. A series of in-house virtual trainings were conducted by Group Audit's Subject Matter Specialists and Maybank's Line Trainers to equip the auditors with the requisite audit and product knowledge in the various audit areas. Furthermore, auditors also attended webinars offered by accredited external training providers and professional bodies. Training and guidance have since been extended to the regional IA teams virtually, where required, to ensure consistency in the application of auditing standards, processes and practices as well as testing procedures.

SUMMARY OF INTERNAL AUDIT ACTIVITIES IN FY2020

The key IA activities undertaken in the FY2020 are as follows:

1. Attended periodical meetings of various management level committees (on-site/virtual) such as the Group Information Technology Steering Committee, Group Executive Risk Committee, Group Non-Financial Risk Committee and Group Procurement Committee on a consultative and advisory capacity to provide independent feedback on governance, risk management and internal control.
2. Transformed and accelerated auditing in the digital space for better decision making and determining emerging risks with the robust progression of data and analytics in IA. This included the enrichment of disruptive audit digitalisation and analytics platforms to incorporate Artificial Intelligence/ Machine Learning components, where applicable, to better support and strengthen IA advisory role to the Management and stakeholders.
3. Established a risk-based AAP for FY2020 and updated the AAP in view of the emerging significant risk areas brought about by the pandemic as well as ad-hoc requests made by the ACB/Management/Regulators.
4. Revised the audit approach in response to the MCO imposed to ensure that audit assurance could be continuously provided, focusing on pertinent risk areas and considering other alternative methods to perform audit.
5. Engaged and shared with Branch Management and Region Offices on the new audit approach adopted in view of the movement restriction order and how it can be considered in their Health Check Review of the branches. Through collaboration, both parties can work together towards a common goal of providing assurance on risk and control at the branches.
6. Calibrated and integrated the audit approach across all IA functions in the Group Office and the region at the three-day virtual Regional Group Audit Challenge session. This is to ensure comprehensive coverage of risk locations across the Group.
7. Performed periodic internal control testing of business units, operations and processes across the Group as identified in the AAP, as well as provided independent assessment and objective assurance over the adequacy and effectiveness of the governance, risk management and internal control processes of the units audited.
8. Conducted regional reviews (including overseas subsidiaries) on critical areas such as Anti-Money Laundering, Common Reporting Standard (CRS), Anti-Bribery & Corruption, Cyber, Work from Home (WFH) Arrangement and Compliance to SWIFT Framework, etc. to provide an overall assessment of the controls on a Group perspective.
9. Conducted compliance reviews mandated by the respective countries' regulatory authorities, such as BNM, Perbadanan Insurans Deposit Malaysia (PIDM), US Federal Reserve Board (USFRB), New York Department of Financial Services (NY DFS), Hong Kong Monetary Authority (HKMA), Monetary Authority of Singapore (MAS) and Bangko Sentral ng Pilipinas (BSP).
10. Presented the Internal Control Health Check Report which summarised the state of internal control based on audits conducted during 2019. The report identified areas where improvement were noted and the contributory factors to areas requiring attention.
11. Tracked and reported the implementation of action plans to address audit findings highlighted by IA. Requests for timeline extension were also escalated to the ACB for deliberation and approval.
12. Conducted preliminary independent review with regard to the adequacy of internal controls prior to the introduction of new products and the implementation of new IT systems.
13. Issued Audit Independent assessment on advisory capacity based on the requirements set by the various regulators and governing authorities, prior to implementation of IT systems to ensure adequate controls are applied and identified risks are mitigated.
14. Conducted Post Implementation Review to assess the overall achievement of the introduction of new products and implementation of new IT systems to ensure that all committed objectives/ROI were achieved.
15. Reviewed the effectiveness of the Business Continuity Management (BCM) at various business entities during the pandemic outbreak to ensure resumption of business activities is not hampered.
16. Conducted ad hoc, special reviews and investigations as instructed by the ACB or as requested by the regulators. A total of 36 such reviews were conducted for FY2020.
17. Conducted internal quality assessment review of IA and desktop limited peer reviews of the respective regional IA functions.
18. Prepared the Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the FY2020 Annual Report upon approval by the ACB and the Board respectively.

Group Shariah Committee Report

The Shariah Committee (SC) performs an oversight role on Shariah matters related to the business operations and activities of the relevant Islamic businesses within Maybank Group. There are two Shariah committees that reside within Maybank Group:

- Maybank Islamic Berhad Shariah Committee (MIBSC)
- Shariah Committee of Etiqa Family Takaful Berhad and Etiqa General Takaful Berhad (SC EFTB & EGTB)

 For SC members' profiles, refer to pages 78 to 80.

SHARIAH GOVERNANCE, DUTIES, RESPONSIBILITIES & ACCOUNTABILITIES

Maybank Group has established and implemented a robust Shariah Governance Framework based on BNM's latest requirements. Refer to Financial Book on pages 257 and 258 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 30 meetings inclusive of two special meetings to cater for urgent proposals, while the SC EFTB & EGTB convened 26 meetings. All SC members have satisfied the minimum 75% attendance requirement under the Operation Procedures for the Shariah Committee of BNM's Shariah Governance Policy.

SC places importance on ensuring effective implementation of Shariah governance and best practices of corporate governance. In view of this, two joint sessions were held between MIBSC and the Board of Directors in FY2020, 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 FY2020 including the following:

MIBSC	SC EFTB & EGTB
<ul style="list-style-type: none"> • Certified Shariah Advisors (CSA) series which covered selected topics as follows: <ol style="list-style-type: none"> Corporate & Shariah Governance Codes of Ethics & Professional Conduct Critical Analysis of Contemporary Resolutions in Islamic Finance Applied Shariah Research & Finance – jami' fiqh Islamic Capital Market • Training on “Latest Issues For Rescheduling & Restructuring Islamic Financing Facilities” • Internal collaboration in producing applied Shariah research on: <ol style="list-style-type: none"> E-Wallet: Shariah Analysis within Islamic Banking Ecosystem Shariah Decision-Making and Financial Technology: Exploring the Future Ijtihad in Islamic Finance 	<ul style="list-style-type: none"> • Certified Shariah Advisors (CSA) series – Principles of Islamic Accounting • Board Onboarding Program (Induction Session) • Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 (Amendment) • Workshop on MFRS 17 – Single and Columnar Analysis • Workshop on Exposure Draft on Valuation of Insurance and Takaful Liabilities • In House Training on The Measured and Quantified Definition of ‘Detrimental’ of PRF in relation to the Takaful Cession(s) to Conventional Insurer/Reinsurer as per TOF Requirement • In House Training on Risk Management • Usrah Takaful Series 01/2020 and 02/2020

In addition to the abovementioned programmes, the MIBSC and/or SC EFTB & EGTB members also attended the following external programmes and events:

- 14th Muzakarah Cendekiawan Syariah Nusantara
- Shariah Investing Virtual conference 2020
- Malaysian Accounting Standards Board (MASB) Dialogue on Takaful and MFRS 17
- Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) 18th Annual Shari'ah Boards Conference

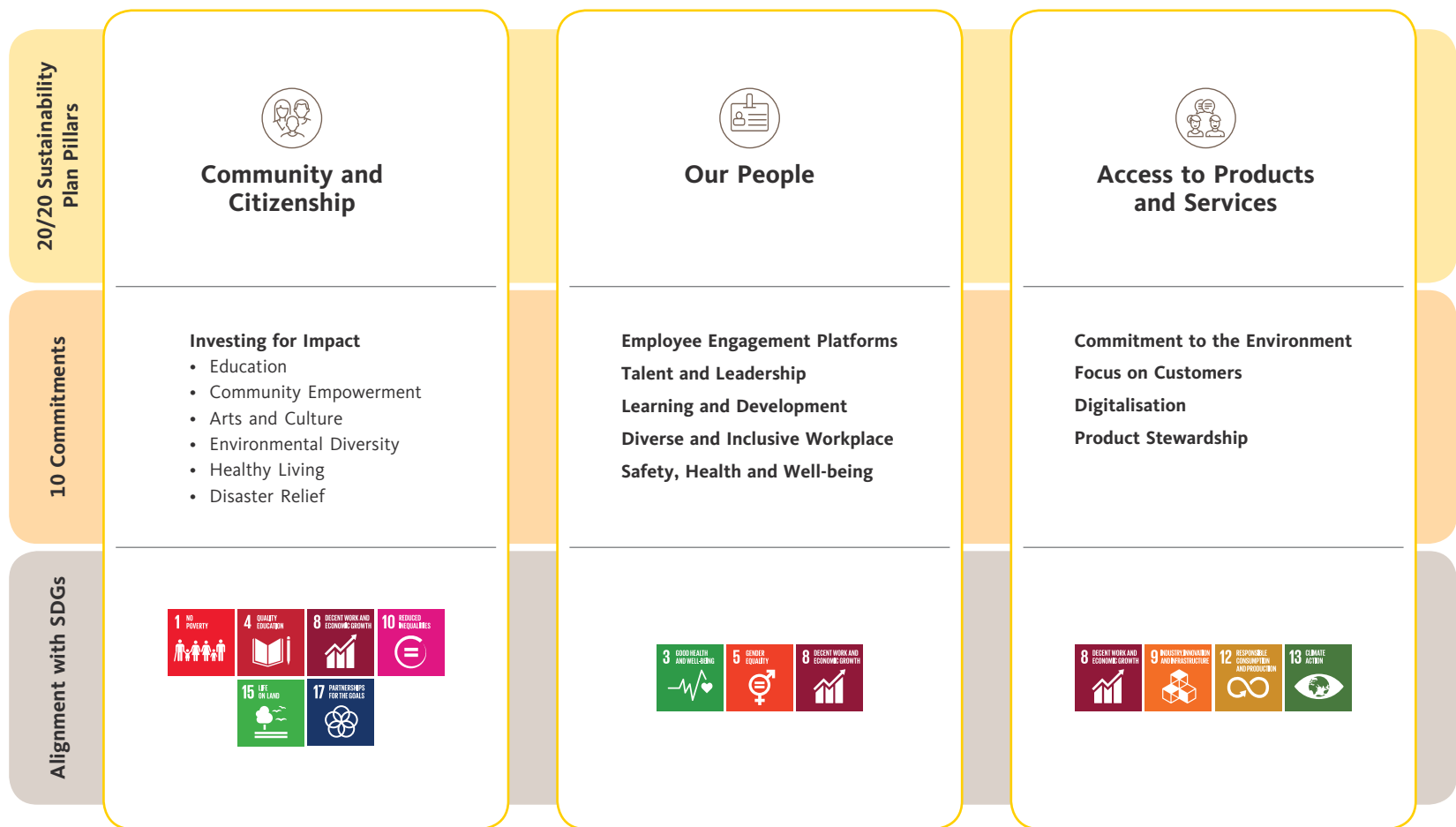
SC ASSESSMENT

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.

Our commitment to sustainability is grounded in the knowledge that economically, environmentally and socially responsible business practices are imperative to the long-term well-being of our stakeholders and our business. In line with our mission of Humanising Financial Services, Maybank's efforts to instil sustainability into our business are guided by the needs of those we serve, including our customers, our environment, our workforce and our community. In this sustainability review, we outline the ways in which the Bank created value for these stakeholders and others in the year 2020.

Since 2015, Maybank's sustainability efforts have been guided by the Bank's 20/20 Sustainability Plan, which focuses on the creation of long-term value across the three pillars: Community and Citizenship, Our People and Access to Products and Services. Guided by the 10 Commitments set out in the 20/20 Sustainability Plan, Maybank has delivered powerful impact-based programmes and initiatives across the countries in which we operate over the past five years. The 20/20 Plan has also helped to strengthen the integration of sustainability into our business practices, creating a foundation from which to drive future impact.

MAYBANK 20/20 SUSTAINABILITY PLAN



SUSTAINABILITY DISCLOSURE

The scope of this sustainability review is consistent with that of the Annual Report, with data encompassing the operations of Maybank Group for the financial year 2020. Our disclosure is guided by the Group's 2020 materiality assessment, a stakeholder engagement exercise conducted by the Group Sustainability Council to gather insight into the relative importance of sustainability topics to our stakeholders. This disclosure has been prepared in accordance with Bursa Malaysia Securities Berhad Main Market Listing Requirements related to the Sustainability Statement in Annual Reports.

For a more comprehensive overview of our sustainability strategy and initiatives, please refer to our standalone Sustainability Report 2020, which has been prepared in accordance with the GRI Sustainability Reporting Standards.

For more information on the Group's 2020 materiality assessment, please refer to the Material Matters section of this report on page 24.

Sustainability Review

SUSTAINABILITY GOVERNANCE

Responsibility for Maybank’s sustainability strategy resides at the highest level of corporate governance. Oversight of the Group’s sustainability approach and performance rests with the Board of Directors. Sound sustainability governance is further cascaded throughout the Group, with fixed responsibilities delegated across different levels of management.

MAYBANK GROUP	
Governing Body	Role
Board of Directors	Reviews sustainability performance and corporate strategy to advance sustainability with a focus on ESG aspects.
Group President and Chief Executive Officer	Deliberates and approves all key sustainability-related matters.
Group Sustainability Council	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, with other selected Department Heads as invitees.
Various Departments	Operationalise the 20/20 Sustainability Plan in respective business and operational areas. Departments and teams provide information against measurable indicators.

MAYBANK FOUNDATION	
Governing Body	Role
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.

Managing Environmental, Social and Governance Risks

Maybank is continuously enhancing the integration of environmental, social and governance (ESG) considerations into our risk management activities in order to ensure that we are adequately addressing this emerging risk area. Maybank’s ESG risks are managed through our Integrated Risk Management Framework, which identifies sustainability as a significant driver of risk. In 2020, we began developing the Maybank Group ESG Risk Framework, a comprehensive Group Risk document outlining principles and key building blocks for the management of ESG risk. It complements the Maybank Group Enterprise Risk Management Framework and is supported by all risk policies, which contain ESG risk elements.

Our financing activities present us a significant area with potential to generate ESG risk for the Group. Our ESG Policy integrates consideration of ESG risk into our financing practices so that we may focus on mitigating ESG risks while creating long-term value for shareholders and clients. Under our ESG Policy, requirements for ESG-related industry certifications and specific Risk Acceptance Criteria (RAC) have been established for high-risk industries, including the forestry & logging, oil & gas, palm oil and mining & quarrying industries. Beyond the evaluation process set out in our ESG Policy, Maybank takes a proactive approach to developing institutional capacity for ESG risk management. Our ESG interventions are managed by the ESG Industry Scrum team, which works with industry players and clients to identify opportunities to integrate sustainability into clients’ business practices. The team will also work to provide a clear understanding of potential and emerging business risks and work to mitigate such risks.

Highlights of our progress in 2020 include:

- Enhanced our palm oil RAC.
- Enhanced the forestry & logging RAC to extend sustainable standards to the entire forestry & logging value chain, from logging to wholesale and trading-related to the forestry and timber products.
- No Deforestation, No Peat and No Exploitation (NDPE) stance approved by the Board. These requirements on NDPE shall apply to all relevant sectors, including palm oil, forestry & logging, construction and real estate, among others.
- ESG Industry Scrum team focused on interventions in the forestry, logging, construction and real estate industries.

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 third 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 Group ESG Policy.
- Climate-related considerations are being integrated into our ESG Policy and categorised as sustainability risk. The 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

- Maybank has a formal NDPE stance as endorsed by the Board.
- ESG risks are integrated into lending assessments, and Risk Acceptance Criteria are in place for the forestry & logging, oil & gas, palm oil and mining & quarrying industries.
- Developing Maybank Group ESG Framework to provide direction for management of ESG risk as supported by material risk frameworks and associated policies and procedures.
- Ongoing collaboration with Bank Negara Malaysia, Securities Commission Malaysia and industry players on various initiatives as part of the working group for the Joint Committee on Climate Change.

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.

CARING FOR INDIVIDUALS AND HOUSEHOLDS

20/20 SUSTAINABILITY PLAN SCORECARD

<p>Commitments:</p> <ul style="list-style-type: none"> • Focus on Customers • Digitalisation • Product Stewardship 	<p>Progress:</p> <p>Maybank has continued to enhance customer experience under the 20/20 Sustainability Plan. Digitalisation has served as a key driver for improving customer access to financial products and services, and the Bank has successfully launched many industry firsts in digital financial products. Maybank also continues to offer products and services that meet targeted socioeconomic customer needs.</p>	<p>SDGs</p> 
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2020 HIGHLIGHTS

<p>RM14.6 million worth of mortgage financing provided through MaxiHome Ezy</p>	<p>+20 Net Promoter Score among Malaysian customers</p>	<p>MAE e-wallet now Shariah-compliant</p>	<p>15.4 million Number of users registered on our Maybank2u digital banking platform</p>
<p>45,105 Number of housing loan applications approved to ease the financial burden of Malaysian homebuyers</p>	<p>Rolled out an all-new Maybank2u app in Cambodia</p>	<p>12.9 billion Number of online transactions in Malaysia amounting to RM640 billion</p>	

A community bank at heart, our focus has always been to ensure individuals, families and households can access the financial services they need. In recent years, we have harnessed innovative new technologies to provide financial services which are increasingly digital, portable and available on demand. As we expand and enhance our product and service offerings for individuals and households, we remain focused on acting with care and delivering the best possible customer experience for those we serve.


In 2020, our delivery of retail financial services was shaped significantly by the COVID-19 pandemic. In response to the financial strain brought about by this event, the Group enacted a number of measures to support our customers, including:

- Established a moratorium on loan repayments of up to six months, beginning in April 2020. This moratorium was followed by the introduction of Repayment Assistance packages for all Maybank customers who needed support arising from the continued impact from the COVID-19 pandemic, through which we are restructuring and rescheduling facilities on a case-to-case basis.
- Extended additional relief to consumers in our markets through credit card relief assistance plans, insurance premium payment deferral options and waivers offered for interbank ATM or SST cash withdrawals.





While responding to the pressing challenge of COVID-19, we also continued to focus on enhancing our offerings for individuals and households, achieving several notable highlights during the year. Among these was the enhancement of customer experience through the launch of our Universal Banker model, which focuses on human touch and customer-centricity to enable greater personalisation and end-to-end solutions for our customers.

As customers' needs evolve in the digital sphere, Maybank has continued to deliver superior customer experience and convenience in line with our commitment to be the Digital Bank of Choice. This year, we continued to improve our offerings for customers, including the roll out of an all-new Maybank2u app for our customers in Cambodia as well as the enhancement of our MAE e-wallet to be Shariah-compliant. In doing so, MAE became the first and only Shariah-compliant e-wallet in Malaysia, able to support Islamic initiatives such as the distribution of funds to Asnaf beneficiaries.

As the ongoing digitalisation of financial services opens new risk channels, ensuring the safety of our customers and our business is paramount, we are continuously strengthening the many lines of our cyber security defense, including our internal governance, processes, workforce capacity and customer awareness.

 For more information on how we manage digital risks, please refer to the Risk Drivers section of this report on pages 33 & 34.

In addition to the continued success of MAE, Maybank realised several digital achievements in 2020.

-  Launched Maybank2u simplified e-wallet top ups with strategic partner Grab, allowing users to link their banking account to the GrabPay e-wallet.
-  Launched Maybank QRPay and enriched the Maybank2u e-wallet with additional third party e-wallet top up features.
-  Launched Maybank MView service, allowing customers to consolidate their financial information with other participating banks to gain a holistic view of their financial status.
-  Launched an all-new Maybank2u app.

Sustainability Review

SUPPORTING BUSINESSES



20/20 SUSTAINABILITY PLAN SCORECARD

Commitments:

- Focus on Customers
- Digitalisation
- Product Stewardship

Progress:

Over the past five years, Maybank has continued to support business customers, particularly SMEs and micro enterprises with limited access to finance or financial services. These efforts have included ensuring the availability of financing as well as the delivery of innovative digital financial solutions designed to meet the unique needs of our business customers.

SDGs



2020 HIGHLIGHTS

RM7.6 billion

Amount of new retail SME financing disbursed across the region in FY2020

87%

The proportion of goods and services purchased from local businesses

4,413

Number of businesses registered on Maybank's Sama-Sama Lokal platform to promote businesses during the COVID-19 pandemic

10 minutes

The amount of time it takes a business to create a bank account under Maybank's new Business Account Online Straight-Through Processing initiative or to apply for financing under our SME Digital Financing

At Maybank, we work hard to help businesses of all sizes to thrive. In doing so, we are particularly conscious of the needs of SMEs and micro enterprises, which play a vital role in driving economic growth and job creation. Maybank currently provides financial services to over 500,000 businesses of this nature. Through tailored products and services, we continuously work to meet these customers' unique needs and foster strong, stable economies.

In order to support our business customers throughout the COVID-19 pandemic, Maybank enacted a number of measures, including:

- Offered a six-month loan and financing repayment moratorium to SMEs and micro enterprises beginning April 2020, which was followed by the launch of Repayment Assistance Packages and Targeted Repayment Assistance Packages.
- Worked with non-retail and corporate clients to establish suitable restructuring solutions, payment holidays or relief measures.
- Established Sama-Sama Lokal, an online platform on Maybank2u to assist local hawkers and small grocers in sourcing for business amidst reduced footfall and absorbed selected delivery charges from the platform.

In addition to targeted support in response to the COVID-19 pandemic, Maybank continued to provide specialised service offerings for our business customers in 2020. Supporting SMEs remained a key focus for Maybank in 2020 as we collaborated with Credit Guarantee Corporation Malaysia Berhad to launch a new hybrid loan facility which makes a cumulative RM1 billion available to assist SMEs. We also leveraged digital technology to simplify banking processes for businesses and reduced the amount of time taken for them to open accounts or receive financing to within 10 minutes through the launch of our Business Account Straight-Through Processing initiative as well as SME Digital Financing.

Supporting Local Suppliers



Beyond the financial services we provide for business customers, Maybank is also committed to supporting local businesses through our procurement practices. In 2020, 87% of our RM964 million procurement expenditure was directed to local suppliers.

Empowering Business Recovery



As part of our non-financial efforts to reach out and stay connected with SME clients, in 2020 we launched a series of free webinars to help SMEs navigate the COVID-19 crisis. Featuring industry experts, professional business coaches and other speakers, these sessions provided guidance, motivation and insights to help SMEs survive the current period of economic disruption. A total of seven webinars were conducted in 2020, reaching more than 1,000 participants.

EMPOWERING OUR WORKFORCE



20/20 SUSTAINABILITY PLAN SCORECARD

Commitments:

- Employee Engagement Platforms
- Talent and Leadership
- Learning and Development
- Diverse and Inclusive Workplace
- Safety, Health and Well-being

Progress:

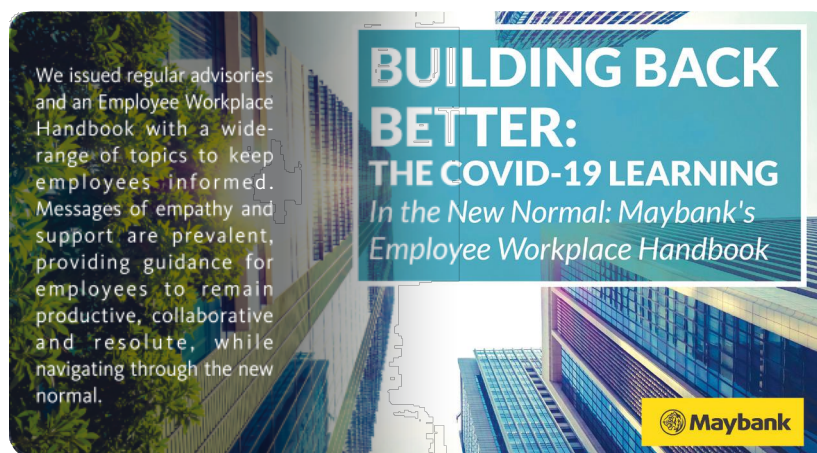
Under the 20/20 Sustainability Plan, Maybank has continued to demonstrate industry-leading best practices in building a safe, diverse and encouraging workplace. Our efforts have been particularly driven by digitalisation – adopting innovative approaches to enrich employee experience and leveraging digital platforms to develop and upskill employees to thrive in a digital age.

SDGs



The well-being of our workforce is central to our sustainability strategy, not only as a driver of progress but also as a critical component of any sustainable business as well as society. After all, our more than 42,000 employees have a wide reach and influence in the societies where we operate. As the COVID-19 pandemic evolves, we continue to curate best practices and nurture a thriving ecosystem at work and in the community. In 2020, we equipped our employees for a new normal workplace to enable them to navigate through the challenges and achieve their professional and personal goals. From implementing the Bank's Standard Operating Procedures and directives, to curating diverse and holistic learning and development, engagement and well-being initiatives, everything that we do is to create valuable opportunities for our employees, while at the same time ensuring business continuity to sustain the Bank's strong performance.

For more information on how we continued to support our workforce in 2020, please refer to Group Human Capital on page 63.



SAFEGUARDING THE ENVIRONMENT



20/20 SUSTAINABILITY PLAN SCORECARD

Commitments:

- Commitment to the Environment
- Product Stewardship

Progress:

Maybank has continued to monitor its operational environmental footprint to strengthen data integrity for the establishment of goals and targets. In recent years, we have facilitated the greening of the financial system by supporting the issuance of several green securities and issuing our first green fund. Maybank has also continued to finance renewable energy and other green infrastructure projects.

SDGs



2020 HIGHLIGHTS

Maybank's first sustainable equity fund established to help our customers to align their financial strategy with their environmental, social and governance values

9 Number of years Maybank has participated in CDP's Climate Change disclosure

With operations spanning all 10 ASEAN countries and major financial centres around the world, we are conscious of the impact that our business practices bear on the global environment. Since 2014, we have been monitoring the resources consumed and the greenhouse gases emitted by our operations in order to understand and minimise our impact. We continue to focus on enhancing our ability to track and manage our environmental footprint, using a variety of indicators and approaches.

The Bank is also committed to supporting environmentally sustainable business practices and driving a green economy through financial services. In addition to the measures we take to address the ESG risks of our lending activities, Maybank continues to finance renewable energy projects and support the issuance of green investment securities. In 2020, the Bank launched its first sustainable equity fund, Global Sustainability Equity-i Fund, which will integrate environmental, social and governance factors into the investment decision-making process.

For more information on our ESG risk management, refer to Risk Drivers on pages 33 & 35 of this report or our Sustainability Report 2020 at www.maybank.com/ar and www.maybankfoundation.com.

Sustainability Review

UPLIFTING OUR COMMUNITY



20/20 SUSTAINABILITY PLAN SCORECARD

Commitment:

- Investing for Impact

Progress:

Under the 20/20 Sustainability Plan, Maybank has expanded its community impact to become a regional leader in well-designed and meaningful community impact programmes. Through the Bank's Flagship Programmes as well as the involvement of Maybank employees in community volunteering initiatives, the Bank has had far-reaching positive influence in communities across ASEAN.

SDGs



2020 HIGHLIGHTS

Approximately

1%

Proportion of net profit diverted towards community programmes

6

Flagship Community Programmes carried out in 7 ASEAN countries

RM3.28 million

Donations collected via our MaybankHeart crowdfunding web platform

For 60 years, Maybank has been a trusted partner in communities across ASEAN. Just as these communities' loyalty and support have driven our business success, we in turn endeavour to promote their growth and development through targeted initiatives and investments carried out by Maybank Foundation. In 2020, caring for our community was more important than ever, and the Bank sought to do so through both our existing programmes as well as targeted initiatives to address the impact of COVID-19.

In 2020, we reinvested approximately 1% of our net profit in our community – a level we have maintained since 2013. These funds helped to support our ongoing initiatives across ASEAN in the areas of education, disaster relief, environment, well-being and arts and culture. In addition to adapting several of our Flagship Programmes to address community needs arising from the COVID-19 pandemic, this year the Bank also launched a number of community initiatives to directly respond to the impact of COVID-19.

COVID-19 Community Care

In Malaysia, Maybank Group and its subsidiaries have donated over RM20 million towards COVID-19-related causes through our partnership with MERCY Malaysia as well as through direct donations to the Ministry of Health and support for frontliners and families in need. Through our social crowdfunding platform, MaybankHeart, the Group also provided a channel for the public to support COVID-19 relief efforts, raising over RM500,000 for MERCY Malaysia's COVID-19 Pandemic Fund through two campaigns launched via the platform. An additional MaybankHeart campaign called "The People's Campaign" was also launched to support communities in need and those who were financially affected by COVID-19. The campaign raised over RM1.7 million in donations for disadvantaged groups, including B40 families, vulnerable women and children, senior citizens, orphans, the homeless, Orang Asli and refugees. Maybank Islamic customers were also able to give back to those in need through the Bank's newly launched Social Impact Deposit, under which the Bank contributes 0.3% of the deposit value to a fund for beneficiaries in need.

The Group's crowdfunding efforts were also reflected in Singapore, where Maybank leveraged the national Giving.sg crowdfunding platform to launch a campaign to support food-related programmes for vulnerable Singaporeans and low-wage Malaysian workers during the pandemic. The campaign, entitled "Donate a Meal Today!", collected over SGD37,000 from members of the public and Maybank employees.

Community Care: Two Maybankers' Stories



Shining a Spotlight on Those in Need

Zulkifli bin Mohd Isa, a Maybanker for over 39 years, was worried for his community when a COVID-19 cluster developed in his area. Zulkifli decided to band together with his friends to help the community, convincing local media to broadcast their plight in the hopes of receiving assistance. When further food assistance was provided in response to the media coverage, Zulkifli rose to the challenge of organising for the food to be distributed. He also helped to ensure that each and every village member received a COVID-19 test and even arranged a shuttle service for those without transportation. Zulkifli credited the training and experience he gained at Maybank with helping him to step up for the sake of his community and serve as a role model during this crisis.



Sharing Skills for Success

Upon seeing the impact of COVID-19 on local communities and livelihoods, Masykur Isnain, an Industrial Relations Manager with Maybank Indonesia felt compelled to share his skills to provide relief to local communities. Together with his friends, Masykur volunteered by providing free online consultations and digital talks to provide effective solutions to individuals who had been laid off as a result of the pandemic. By taking it upon himself to support the welfare of the community, Masykur demonstrated a spirit of sharing that is truly reflective of what it means to be a Maybanker.

FLAGSHIP COMMUNITY PROGRAMMES 2020 HIGHLIGHTS

In 2020, our focus shifted to ensuring the continuation of our flagship programmes where possible, whilst mindful of COVID-19 regulations and safety precautions. This included a shift in execution from face-to-face to virtual engagement, without compromising on our targeted deliverables. For example, to commemorate the end of the month-long celebration of the Global Tiger Day, the Roar for Life Live Virtual Concert was held on 30 August 2020 to raise awareness about Malayan tigers. We also launched virtual art exhibitions as part of our Balai Seni Art Series programme, enabling artists to showcase their artworks and sustain their income during the pandemic. The adoption of online platforms has also allowed us to continue with the implementation of our R.I.S.E. and Cashville Kidz programmes, in which our programme participants and students have adapted well to the virtual platform as the mode of delivery for the programme.



Cashville Kidz

A financial literacy programme targeted at schoolchildren aged 9-12 that focuses on personal finance management offering modules on critical thinking, economics, income, consumption, purchases and savings.

Reached **14,020** students
 Trained **381** teachers
 Impacted **43** schools



eMpowering Youths Across ASEAN

Funding for youth to run projects that positively impact poverty rates or better livelihoods in ASEAN communities.

Programme deferred to 2021 due to the impact of COVID-19



Reach Independence & Sustainable Entrepreneurship (R.I.S.E.)

A coaching and mentoring programme fostering economic empowerment for disadvantaged communities, including the differently abled, in the area of income growth.

Trained **3,263** participants



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.

Trained **144** new weavers and supported **198** new farmers

Maybank Training and Learning Centre (TLC)

Training local youths in disadvantaged surroundings with vocational skills to equip them with better prospects. The TLC also builds rapport with local authorities.

Programme deferred to 2021 due to the impact of COVID-19

Arts and Culture

Balai Seni Art Series 2020 reaffirms Balai Seni Maybank as an art space for Maybankers and the artistic community to express their creativity.

Held **4** exhibitions including **3** virtual exhibitions

Sustainability Review

SUSTAINABILITY DIRECTION

For every ending, there's a deep learning journey and a beginning. 2020 marks the conclusion of the 20/20 Sustainability Plan, which has guided the Bank's sustainability strategy for the past five years. Under the 20/20 Sustainability Plan, Maybank has realised key achievements in expanding its community impact, accelerating the provision of digital services, supporting the development of our workforce and more. As we continue building a sustainable future for generations to come, it is important that we transition with purpose, upholding stakeholders' confidence in Maybank as a trusted financial services provider. This will be particularly important as the world continues to respond to and recover from the impact of COVID-19, with Maybank seeking to strengthen resilience in a post-pandemic world.

Determining Priorities

We are working to establish a strategy which will guide the next steps of our sustainability journey with clear roadmaps, targets and key performance indicators. In recognition of the fact that the Group's financial success relies on a strategy which creates positive outcomes not just for our business but for society and the environment, a key foundation of our strategy development process is stakeholder engagement. This year, we engaged key internal and external stakeholders in detailed and in-depth conversations which covered a range of material issues and focused on both our current strategy and processes as well as risks and opportunities. The outcome of the assessment has allowed a renewed emphasis on how we can drive a just transition for all our stakeholders, one which continues to provide sustainability-focused products and services, and with our communities very much at the centre of our decision making.

Moving Forward with M25

As Maybank moves forward with the roll out of M25, the Maybank 2025 Strategy, sustainability will play a key role in our plans for the future. Setting out sustainability as one of the Group's three strategic priorities, the M25 Group Framework will serve to instil ESG considerations as fundamental to Maybank's future.

Our approach to driving sustainability under M25 will be guided by three pillars which will deepen our efforts to humanise financial services. The first of these focus areas, "Responsible Transition", will centre on supporting a responsible transition to a more sustainable economy through the delivery of sustainability focused financial services and the adequate management of ESG risks. The second area, "Enabling our Communities with a Vision of the Future", focuses on opening up new opportunities for a just, inclusive and climate-resilient society, through such areas as financial inclusion, community empowerment and inclusive operations. Finally, we will focus on upholding best practices within our business under the pillar "Our House is in Order & We Walk the Talk", which will see Maybank hone in on strengthening our governance, workforce strategy and the management of environmental and social impacts across our value chain. Across these three pillars, our strategy will be anchored in ambitious long-term targets, which will cement Maybank's commitment to delivering sustainable solutions for the communities in which we operate.

Throughout 2021 we will continue to calibrate the impact areas that will be our focus over the next years, setting appropriate targets, establishing effective monitoring systems and developing a strategy for transparent reporting on our progress. Ultimately, the next stage of our sustainability journey will continue to be guided by our mission of Humanising Financial Services, as we deepen our engagements and investments into building a more sustainable future.

Deepen Humanising Financial Services in the communities in which we operate

By putting people at the centre of all that we do and by acting consistently in accordance with our values, we will continue to build a sustainable future for generations to come.



Responsible Transition

- Supporting the Transition to a Low-Carbon Economy
- Developing Sustainability Focused Products & Services
- Systemic Risk Management
- ESG integration in Financial Analysis
- Engaging our People in Sustainability
- Business Ethics



Enabling our Communities with a Vision for the Future

- Empowering Communities
- Financial Inclusion
- Climate Resilience
- Transparency and Trust
- Diversity, Equity and Inclusion



Our House is in Order & We Walk the Talk

- Governance and Compliance
- Privacy
- Our Supply Chain
- Our Environmental Impact

Analysis of Shareholdings

as at 10 February 2021

Issued Share Capital	: 11,413,994,640
Class of Shares	: Ordinary Share
Number of Shareholders	: 121,650
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	6,697	5.51	220,273	0.00
100 to 1,000 shares	38,455	31.61	22,750,257	0.20
1,001 to 10,000 shares	57,703	47.43	204,573,337	1.79
10,001 to 100,000 shares	16,419	13.50	432,452,265	3.79
100,001 to less than 5% of issued shares	2,373	1.95	4,412,978,232	38.66
5% and above of issued shares	3	0.00	6,341,020,276	55.56
TOTAL	121,650	100.00	11,413,994,640	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	4,043,079,957	35.42	-	-
2.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD	1,609,947,670	14.11	-	-
3.	PERMODALAN NASIONAL BERHAD	829,809,001	7.27	-	-
4.	YAYASAN PELABURAN BUMIPUTRA	-	-	829,809,001	7.27
5.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	529,609,091	4.64	43,510,804	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	658,235	0.01	-	-
2.	Fauziah Hisham	20,137	0.00	-	-

TOP 30 SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
1.	AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM BUMIPUTERA	4,043,079,957	35.42
2.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD	1,468,131,318	12.86
3.	PERMODALAN NASIONAL BERHAD	829,809,001	7.27
4.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	529,609,091	4.64
5.	AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM MALAYSIA 2 - WAWASAN	289,413,976	2.54

Analysis of Shareholdings

as at 10 February 2021

TOP 30 SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS (CONT'D.)

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
6.	AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM MALAYSIA	191,074,811	1.67
7.	AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM MALAYSIA 3	120,330,312	1.05
8.	CARTABAN NOMINEES (ASING) SDN BHD B/O: EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	104,757,863	0.92
9.	AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM BUMIPUTERA 2	102,631,435	0.90
10.	CARTABAN NOMINEES (TEMPATAN) SDN BHD B/O: PAMB FOR PRULINK EQUITY FUND	101,393,774	0.89
11.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	95,904,543	0.84
12.	HSBC NOMINEES (ASING) SDN BHD B/O: JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	79,493,968	0.70
13.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EXEMPT AN FOR AIA BHD.	78,066,759	0.68
14.	HSBC NOMINEES (ASING) SDN BHD B/O: JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	77,606,012	0.68
15.	CARTABAN NOMINEES (ASING) SDN BHD B/O: GIC PRIVATE LIMITED FOR GOVERNMENT OF SINGAPORE (C)	73,451,450	0.64
16.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	53,711,205	0.47
17.	CITIGROUP NOMINEES (ASING) SDN BHD B/O: EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	44,577,294	0.39
18.	MAYBANK NOMINEES (TEMPATAN) SDN BHD B/O: MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N14011940100)	40,405,949	0.35
19.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	38,767,548	0.34
20.	UOB KAY HIAN NOMINEES (ASING) SDN BHD B/O: EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	36,193,830	0.32
21.	CITIGROUP NOMINEES (ASING) SDN BHD B/O: CBNY FOR NORGES BANK (FI 17)	33,023,332	0.29
22.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	28,303,266	0.25
23.	HSBC NOMINEES (ASING) SDN BHD B/O: JPMBL SA FOR ROBECO CAPITAL GROWTH FUNDS	26,258,742	0.23
24.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD B/O: BNYM SA/NV FOR PEOPLE'S BANK OF CHINA (SICL ASIA EM)	25,859,571	0.23
25.	HSBC NOMINEES (ASING) SDN BHD B/O: JPMCB NA FOR BLACKROCK INSTITUTIONAL TRUST COMPANY, N.A. INVESTMENT FUNDS FOR EMPLOYEE BENEFIT TRUSTS	24,919,920	0.22
26.	PERTUBUHAN KESELAMATAN SOSIAL	24,361,666	0.21
27.	CARTABAN NOMINEES (ASING) SDN BHD B/O: SSBT FUND SWV4 FOR CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	21,976,809	0.19
28.	YONG SIEW YOON	21,654,796	0.19
29.	HSBC NOMINEES (ASING) SDN BHD B/O: JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	20,718,600	0.18
30.	HONG LEONG ASSURANCE BERHAD B/O: AS BENEFICIAL OWNER (LIFE PAR)	19,808,510	0.17
	TOTAL	8,645,295,308	75.74

Classification of Shareholders

as at 10 February 2021

Category	No. of Shareholders		No. of Shares Held		% of Issued Shares	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
INDIVIDUAL						
a. Bumiputera	3,277		31,303,590		0.27	
b. Chinese	82,167		599,159,162		5.25	
c. Indian	2,642		19,306,005		0.17	
d. Others	385	2,439	3,336,200	58,403,339	0.03	0.51
BODY CORPORATE						
a. Banks/Finance	71		6,256,641,279		54.82	
b. Investment/Trust	19		1,061,571		0.01	
c. Societies	25		305,111		0.00	
d. Industrial	1,054	47	144,899,953	33,839,324	1.27	0.30
GOVERNMENT AGENCIES/INSTITUTION	10		22,845,153		0.20	
NOMINEES	26,832	2,679	2,425,697,258	1,816,989,422	21.25	15.92
OTHERS	3		207,273		0.00	
TOTAL	116,485	5,165	9,504,762,555	1,909,232,085	83.27	16.73

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

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
15-01-2021	172,632,753	Dividend Reinvestment Plan at RM7.68 per share	11,413,994,640

Properties Owned by Maybank Group

Area	No. of Properties		Land Area (sq. m.)	Book Value as at 31.12.2020 RM'000
	Freehold	Leasehold		
Maybank				
Kuala Lumpur	14	15	46,547.09	171,622
Johor Darul Takzim	31	11	18,786.42	59,018
Kedah Darul Aman	10	4	4,999.26	5,894
Kelantan Darul Naim	1	6	1,993.00	3,953
Melaka	–	4	2,763.00	2,751
Negeri Sembilan Darul Khusus	8	7	21,350.92	6,501
Pahang Darul Makmur	11	13	12,467.00	9,466
Perak Darul Ridzuan	12	12	10,392.65	13,037
Perlis Indera Kayangan	1	3	1,475.00	940
Pulau Pinang	22	3	13,211.52	18,544
Sabah	–	18	15,058.18	23,192
Sarawak	9	31	9,182.04	29,610
Selangor Darul Ehsan	23	17	103,309.64	108,533
Terengganu Darul Iman	3	5	4,329.00	3,517
Hong Kong	–	2	193.00	HKD677
London	–	6	1,017.00	£3,847
Singapore	9	12	20,218.70	SGD79,120
Aurea Lakra Holdings Sdn Bhd (Formerly known as Mayban P.B. Holdings Sdn Bhd)				
Johor Darul Takzim	2	1	1,330.00	1,393
Pahang Darul Makmur	1	2	595.41	724
Perak Darul Ridzuan	1	1	857.74	2,028
Sabah	–	1	257.62	935
Sarawak	–	1	314.00	695
Selangor Darul Ehsan	2	1	1,269.13	2,323
Maybank International (L) Ltd				
W.P. Labuan	–	3	901.37	USD153
ETIQA				
Kuala Lumpur	2	4	24,258.47	1,217,200
Johor Darul Takzim	1	–	286.00	3,400
Kedah Darul Aman	2	1	1,127.97	2,420
Melaka	–	1	452.00	4,440
Negeri Sembilan Darul Khusus	3	1	1,659.64	2,981
Pahang Darul Makmur	2	1	18,334.57	2,539
Sabah	–	1	222.22	3,550
Selangor Darul Ehsan	1	–	510.49	6,200
Maybank Kim Eng Properties				
Singapore	–	2	1,609.50	SGD97,253
USA	1	–	299.33	USD4,715
PT Bank Maybank Indonesia Tbk				
Indonesia	196	–	118,886.20	IDR2,439,046,645

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	-	25 years	6,612.00	1994	348,500
Menara Etiqa No. 3 Jalan Bangsar Utama 1 Kuala Lumpur	38-storey Office Building	Office & Rented out	Leasehold 99 years	86 years (expiring 27.11.2106)	2 years	4,636.00	1997	369,000
Dataran Maybank No. 1 Jalan Maarof, Bangsar Kuala Lumpur	2 Blocks of 20-storey and a block of 22-storey Office Buildings	Office & Rented out	Leasehold 99 years	65 years (expiring 3.12.2085)	19 years	9,918.00	2000	316,097
50 North Canal Road Singapore	Office Building	Office	Leasehold	86 years (expiring 2106)	9 years	1,283.30	2007	SGD79,039
Maybank Tower 2 Battery Road Singapore	32-storey Office Building	Office	Leasehold 999 years	805 years (expiring 2825)	18 years	1,135.70	1962	SGD53,897
Lot 153 Section 44 Jalan Ampang Kuala Lumpur	Commercial Land	Open carpark	Freehold	-	-	3,829.00	2008	135,700
Menara Maybank 100, Jalan Tun Perak Kuala Lumpur	58-storey Office Building	Head office & Rented out	Freehold	-	32 years	31,748.00	1978	87,547
Akademi Etiqa 23, Jalan Melaka Kuala Lumpur	25-storey Office Building	Office & Rented out	Leasehold 99 years	45 years (expiring 2065)	24 years	1,960.47	1994	76,000
48 North Canal Road Singapore	Office Building	Office	Leasehold	91 years (expiring 2111)	8 years	326.20	2012	SGD18,214
Jl. Pemuda No. 150 Semarang	3-storey Office Building	Branch & Regional Jawa Tengah	Freehold	-	30 years	2,675.00	1990	IDR115,620,549

Corporate Information

BOARD OF DIRECTORS

TAN SRI DATO' SRI ZAMZAMZAIRANI MOHD ISA

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)

REGISTERED OFFICE

14th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur, Malaysia

Tel : (6)03-2070 8833
: 1300-88-6688 (Local)
(6)03-7844 3696 (Overseas)
(Maybank Group Customer Care)
(6)03-2074 8075
(Customer Feedback & Resolution
Management)

Fax : (6)03-2711 3421
(Customer Feedback & Resolution
Management)
: (6)03-2031 0071
(Group Corporate Secretarial)
: 1300-88-8899 (Local)
(6)03-7845 9858 (Overseas)
(Maybank Group Customer Care)

SWIFT : MBBEMYKL

Website : <http://www.maybank.com>

Email : corporateaffairs@maybank.com
cfrn@maybank.com

SHARE REGISTRAR

Malayan Banking Berhad

14th Floor, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur, Malaysia

Tel : (6)03-2074 7822

Fax : (6)03-2031 0071

Tricor Investor & Issuing House Services Sdn Bhd

(For General Meetings of the Company & Dividend Re-Investment Plan)

Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Tel : (6)03-2783 9299

Fax : (6)03-2783 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

EXTERNAL AUDITORS

Ernst & Young PLT (AF: 0039)

Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia

Tel : (6)03-7495 8000

Fax : (6)03-2095 9076/78

FINANCIAL YEAR END

31 December

Notice of the 61st Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 61st Annual General Meeting (AGM) of Malayan Banking Berhad (Maybank/the Company) will be held at, and broadcasted live from Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur, Malaysia (Broadcast Venue) on Thursday, 15 April 2021 at 10.00 a.m. to transact the following businesses:

AS ORDINARY BUSINESSES:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of a final single-tier dividend of 38.5 sen per ordinary share in respect of the financial year ended 31 December 2020. **(Ordinary Resolution 1)**
3. To re-elect the following Directors, each of whom retires by rotation in accordance with Articles 103 and 104 of the Company's Constitution and being eligible, offers herself/himself for re-election:
 - (i) Datuk Abdul Farid Alias **(Ordinary Resolution 2)**
 - (ii) Datuk R. Karunakaran **(Ordinary Resolution 3)**
 - (iii) Mr Edwin Gerungan **(Ordinary Resolution 4)**
 - (iv) Ms Che Zakiah Che Din **(Ordinary Resolution 5)**
4. To re-elect Tan Sri Dato' Sri Zamzamairani Mohd Isa who retires in accordance with Article 107 of the Company's Constitution and being eligible, offers himself for re-election. **(Ordinary Resolution 6)**
5. To approve the payment of the following fees to Non-Executive Directors for the period from the 61st AGM to the 62nd AGM of the Company:
 - (i) Chairman's fee of RM610,000 per annum;
 - (ii) Vice Chairman's fee of RM440,000 per annum;
 - (iii) Director's fee of RM295,000 per annum for each Non-Executive Director;
 - (iv) Board Committee Chairman's fee of RM75,000 per annum for the Chairman of each Board Committee; and
 - (v) Board Committee Member's fee of RM45,000 per annum for each member of a Board Committee. **(Ordinary Resolution 7)**
6. To approve the payment of benefits to eligible Non-Executive Directors of an amount up to RM3,104,400 for the period from the 61st AGM to the 62nd AGM of the Company. **(Ordinary Resolution 8)**
7. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2021 and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 9)**

AS SPECIAL BUSINESSES:

To consider, and if thought fit, to pass the following Ordinary Resolutions:

8. **AUTHORITY TO DIRECTORS TO ALLOT NEW ORDINARY SHARES IN MAYBANK (MAYBANK SHARES)**

"THAT subject always to the Companies Act, 2016 (Act), the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia) and approval of the relevant government/regulatory authorities, the Directors be and are hereby authorised pursuant to Section 75 of the Act, to allot Maybank Shares at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of Maybank Shares to be allotted pursuant to the said allotment does not exceed ten percent (10%) of the total number of issued shares of the Company as at the date of such allotment and that the Directors be and are hereby authorised to obtain all necessary approvals from the relevant authorities for the allotment, listing and quotation of the additional shares so allotted on Bursa Malaysia and that such authority to allot Maybank Shares shall continue to be in force until the conclusion of the next AGM of the Company." **(Ordinary Resolution 10)**

Notice of the 61st Annual General Meeting

9. **ALLOTMENT AND ISSUANCE OF NEW ORDINARY SHARES IN MAYBANK (MAYBANK SHARES) IN RELATION TO THE RECURRENT AND OPTIONAL DIVIDEND REINVESTMENT PLAN THAT ALLOWS SHAREHOLDERS OF MAYBANK (SHAREHOLDERS) TO REINVEST THEIR DIVIDEND TO WHICH THE DIVIDEND REINVESTMENT PLAN APPLIES, IN NEW MAYBANK SHARES (DIVIDEND REINVESTMENT PLAN)**

“THAT pursuant to the Dividend Reinvestment Plan as approved by the Shareholders at the Extraordinary General Meeting held on 14 May 2010, approval be and is hereby given to the Company to allot and issue such number of new Maybank Shares for the Dividend Reinvestment Plan upon such terms and conditions and to such persons as the Directors may in their absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new Maybank Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price (VWAMP) of Maybank Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price and that such authority to allot and issue Maybank Shares shall continue to be in force until the conclusion of the next AGM of the Company;

AND THAT the Directors and the Secretaries of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Plan with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments or at the discretion of the Directors in the best interest of the Company.”

(Ordinary Resolution 11)

10. To transact any other business of the Company for which due notice shall have been received in accordance with the Companies Act, 2016 and the Company's Constitution.

BY ORDER OF THE BOARD



WAN MARZIMIN WAN MUHAMMAD
(LS0009924)(SSM PC No.: 201908001697)
Company Secretary



FARIZ ABDUL AZIZ
(LS0007997)(SSM PC No.: 201908001696)
Joint Company Secretary

Kuala Lumpur
17 March 2021

Notes:

1. The 61st AGM will be conducted virtually through live streaming and online remote voting via the Remote Participation and Voting (RPV) facilities to be provided by the appointed share registrar for this AGM, Tricor Investor & Issuing House Services Sdn Bhd (Tricor) via TIIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Notes for the AGM in order to register, participate and vote remotely via the RPV facilities.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 and Article 59(4) of the Company's Constitution which require the Chairperson of the meeting to be present at the main venue of the meeting. Members/proxies will not be allowed to be physically present at the Broadcast Venue.
3. A member entitled to participate and vote at this AGM is entitled to appoint proxy(ies) to participate and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of a proxy.
4. (i) A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (Authorised Nominee) may appoint at least one proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company (Maybank Shares) standing to the credit of the said securities account to participate and vote at this AGM.
(ii) Notwithstanding the above, for an exempt Authorised Nominee which holds Maybank Shares for multiple beneficial owners in one securities account (Omnibus Account), there is no limit to the number of proxies which the exempt Authorised Nominee may appoint in respect of each Omnibus Account.
5. Where a member appoints more than one proxy, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholding to be represented by each proxy.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing, or if the appointer is a corporation, under its common seal or in some other manner approved by its directors.
7. For an instrument appointing a proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.
8. The duly completed instrument appointing a proxy must be deposited at the office of Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The instrument appointing a proxy may also be submitted to Tricor electronically via TIIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Notes for the AGM if members wish to submit the instrument appointing a proxy electronically. All instruments appointing a proxy must be deposited with Tricor no later than Wednesday, 14 April 2021 at 10.00 a.m.
9. For the purpose of determining a member who shall be entitled to participate at the AGM in accordance with Article 59(1) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 31 March 2021. Only a member whose name appears on the Record of Depositors as at 31 March 2021 shall be eligible to participate at the AGM or appoint proxy(ies) to participate and vote on his/her behalf.
10. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 61st AGM of the Company shall be put to vote by way of a poll.
11. **Explanatory notes on Ordinary Businesses:**
 - (i) **Audited Financial Statements for the financial year ended 31 December 2020**
The Audited Financial Statements are laid for discussion only in accordance with Section 340(1)(a) of the Companies Act, 2016 (Act) and do not require shareholders' approval. Hence, the same will not be put forward for voting.

(ii) Ordinary Resolution 1 – Payment of Final Single-Tier Dividend

The proposed final single-tier dividend as per Ordinary Resolution 1 consists of a cash portion of 17.5 sen per ordinary share and an electable portion of 21 sen per ordinary share. The electable portion can be elected to be reinvested into new Maybank Shares in accordance with the Dividend Reinvestment Plan as disclosed in Note 34 of the Audited Financial Statements for the financial year ended 31 December 2020.

Pursuant to Section 8.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the final single-tier dividend, if approved, shall be paid not later than three (3) months from the date of the shareholders' approval. The Book Closure Date will be announced by the Company after this AGM.

(iii) Ordinary Resolutions 2, 3, 4, 5 and 6 – Re-election of Directors

The Nomination and Remuneration Committee (NRC) have considered the performance and contribution of each of the retiring Directors and have also assessed the independence of the Independent Non-Executive Directors seeking re-election.

Based on the results of the Board Effectiveness Evaluation conducted for financial year ended 31 December 2020, the performance of each of the retiring Directors was found to be satisfactory. In addition, each of the retiring Directors has also provided his/her annual declaration/confirmation on his/her fitness and propriety as well as independence.

The Board endorsed the NRC's recommendation on the re-election of the retiring Directors. The retiring Directors had abstained from deliberations and decisions on their re-election at the NRC and Board meetings.

The details and profiles of the Directors who are standing for re-election at the 61st AGM are provided in the Board of Directors section on pages 72 and 73 of Maybank's Annual Report 2020.

Directors referred to in Ordinary Resolutions 2 to 6 who are also shareholders of the Company will abstain from voting on the resolution in respect of his/her re-election at this AGM.

(iv) Ordinary Resolution 7 – Payment of Non-Executive Directors' Fees

The proposed fees to be paid to Non-Executive Directors from this AGM to the next AGM of the Company is based on the following fee structure which has not changed since it was first approved by the shareholders at previous AGMs:

	Annual Fee (RM)	Shareholders' Approval
Board		
– Chairman	610,000	Approved at the 55 th AGM held on 7 April 2015
– Vice-Chairman	440,000	
– Member	295,000	
Board Committee		
– Chairman	75,000	Approved at the 58 th AGM held on 12 April 2018
– Member	45,000	

(v) Ordinary Resolution 8 – Benefits Payable to Non-Executive Directors

The benefits payable to Non-Executive Directors comprise allowances, benefits-in-kind and other emoluments payable to them, details of which are as follows:

- (a) Meeting Allowance
 - Board Meetings – RM4,000 per meeting
 - Board Committee Meetings – RM4,000 per meeting
- (b) Duty Allowance
 - Chairman of the Board – RM40,000 per month
- (c) Company Car and Driver
 - Chairman of the Board
 - Vice-Chairman of the Board
 (based on maximum taxable rate)
- (d) Other Benefits
 - Includes benefits that are claimable or otherwise such as monthly subscription of golf club membership and other facilities made available by the Company to eligible Non-Executive Directors.

The proposed amount of up to RM3,104,400 to be paid as benefits to eligible Non-Executive Directors from this AGM to the next AGM of the Company is the same as the amount approved by the shareholders at the 58th AGM held on 12 April 2018 and since then have not changed.

(vi) Ordinary Resolution 9 – Re-appointment of Auditors and Audit Fees

The Audit Committee of the Board (ACB) had, at its meeting held on 28 October 2020, conducted an annual review of the suitability and independence of the external auditors, Messrs Ernst & Young PLT pursuant to Maybank Group's Framework on Appointment of External Auditors for Statutory Audit and Non-Audit Services. In its assessment, the ACB considered several factors which include the following:

- (a) Level of knowledge, capabilities, experience of the professional staff assigned to the audit and quality of previous work undertaken by the firm;
- (b) Quality of performance and level of engagement with the ACB;
- (c) Ability to provide constructive observations, implications and recommendations in areas requiring improvements;
- (d) Appropriateness of audit approach and the effectiveness of audit planning;
- (e) Ability to perform audit work within agreed timeframe;
- (f) Independence and objectivity of the external auditors when interpreting standards/policies adopted by the Company and the level of non-audit services rendered by the external auditors.

Being satisfied with the performance, technical competency, audit approach as well as audit independence of Messrs Ernst & Young PLT, the ACB had recommended the appointment of Messrs Ernst & Young PLT as external auditors of the Company for the financial year ending 31 December 2021 (FY2021).

The Board had, at its meeting held on 26 November 2020, endorsed the ACB's recommendation for the shareholders' approval to be sought at the 61st AGM on the appointment of Messrs Ernst & Young PLT as external auditors of the Company for FY2021.

The Board is also seeking shareholders' approval to authorise the Directors to fix the remuneration of the external auditors for FY2021.

12. Explanatory notes on Special Businesses:

(i) Ordinary Resolution 10 – Authority to Directors to Allot Shares

The proposed Ordinary Resolution 10 is a general mandate to be obtained from the shareholders of the Company at this AGM and if passed, will empower the Directors pursuant to Section 75 of the Act to allot Maybank Shares of up to an aggregate amount not exceeding ten percent (10%) of the issued share capital of the Company as at the date of such allotment of shares without having to convene a general meeting. This general mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The general mandate, if granted, will provide the Company the flexibility to undertake any share issuance without having to convene a general meeting and thereby reducing administrative time and costs associated with the convening of additional general meeting(s). The general mandate is to allow for possible share issue and/or fund raising exercises including placement of shares for the purpose of funding current and/or future investment projects, working capital and/or acquisitions as well as in the event of any strategic opportunities involving equity deals which may require the Company to allot and issue new Maybank Shares on an urgent basis. In any event, the exercise of the mandate is only to be undertaken if the Board considers it to be in the best interest of the Company.

The Company has not issued any new Maybank Shares under the general mandate for allotment of shares pursuant to Section 75 of the Act which was approved at the 60th AGM held on 26 June 2020 and which will lapse at the conclusion of this AGM.

(ii) Ordinary Resolution 11 – Allotment of Shares in relation to Dividend Reinvestment Plan

This proposed Ordinary Resolution 11 if passed, will give authority to the Directors to allot and issue Maybank Shares pursuant to the Dividend Reinvestment Plan in respect of dividends declared after this AGM, and such authority shall expire at the conclusion of the next AGM of the Company.

Statement Accompanying Notice of the 61st Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Directors who are standing for re-election at the 61st AGM

The details of the Directors who are standing for re-election at the 61st AGM are provided in the Board of Directors section on pages 72 and 73. Details of their interests in the securities of Maybank are set out in the Directors' Report on page 19 of the Financial Book.

2. Authority to Directors to Allot Shares

Details on the authority to allot shares in Maybank pursuant to Section 75 of the Companies Act, 2016 are provided under the explanatory notes on special businesses in the Notice of the 61st AGM.

Form of Proxy

61st Annual General Meeting



MALAYAN BANKING BERHAD
(COMPANY NO.: 196001000142)
(INCORPORATED IN MALAYSIA)

Number of shares held	CDS Account No. of the Authorised Nominee*														
					-										

* Applicable to shares held through a nominee account

I/We _____ NRIC/Passport/Co. No.: _____
(full name in block letters)

of _____ Telephone No.: _____
(full address)

a shareholder/shareholders of MALAYAN BANKING BERHAD, hereby appoint _____
(full name in block letters)

_____ NRIC/Passport No.: _____

of _____
(full address)

and _____ NRIC/Passport No.: _____
(full name in block letters)

of _____
(full address)

or failing him/her, the Chairman of the meeting, as my/our proxy(ies) to vote for me/us on my/our behalf at the 61st Annual General Meeting (AGM) of Malayan Banking Berhad to be held at, and broadcasted live from Menara Maybank, 100 Jalan Tun Perak, 50050 Kuala Lumpur, Malaysia on Thursday, 15 April 2021 at 10.00 a.m. and any adjournment thereof, on the following resolutions as set out in the Notice of the 61st AGM:

No.	Resolution		For	Against
1.	To approve the payment of a final single-tier dividend of 38.5 sen per ordinary share in respect of the financial year ended 31 December 2020	Ordinary Resolution 1		
2.	To re-elect Datuk Abdul Farid Alias as Director of the Company	Ordinary Resolution 2		
3.	To re-elect Datuk R. Karunakaran as Director of the Company	Ordinary Resolution 3		
4.	To re-elect Mr Edwin Gerungan as Director of the Company	Ordinary Resolution 4		
5.	To re-elect Ms Che Zakiah Che Din as Director of the Company	Ordinary Resolution 5		
6.	To re-elect Tan Sri Dato' Sri Zamzamzairani Mohd Isa as Director of the Company	Ordinary Resolution 6		
7.	To approve the payment of Non-Executive Directors' fees from the 61 st AGM to the 62 nd AGM of the Company	Ordinary Resolution 7		
8.	To approve the payment of benefits to the Non-Executive Directors from the 61 st AGM to the 62 nd AGM of the Company	Ordinary Resolution 8		
9.	To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2021 and to authorise the Directors to fix their remuneration	Ordinary Resolution 9		
10.	Authority to Directors to issue new ordinary shares in Maybank pursuant to Section 75 of the Companies Act, 2016	Ordinary Resolution 10		
11.	Allotment and issuance of new ordinary shares in Maybank in relation to the Recurrent and Optional Dividend Reinvestment Plan	Ordinary Resolution 11		

My/Our proxy is to vote on the resolutions as indicated by an "X" above. If no indication is given, my/our proxy(ies) shall vote or abstain as he/she thinks fit.

Dated this _____ day of _____ 2021

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

Signature(s)/Common Seal of Member(s)

Number of shares held

Notes:

1. A member entitled to participate and vote at this AGM is entitled to appoint proxy(ies) to participate and vote in his/her stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of a proxy.
2. (i) A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (Authorised Nominee) may appoint at least one proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company (Maybank Shares) standing to the credit of the said securities account to participate and vote at this AGM.
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7. Only members whose names appear on the Record of Depositors as at 31 March 2021 shall be eligible to attend the AGM or appoint proxy(ies) to attend and vote on his/her behalf.

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AFFIX STAMP

Share Registrar for Maybank's 61st AGM

Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32, Tower A

Vertical Business Suite, Avenue 3, Bangsar South

No. 8 Jalan Kerinchi, 59200 Kuala Lumpur

Malaysia

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www.maybank.com

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