

Pre-AGM Questions from Shareholders for 63rd AGM (as at 02 May 2023)

Door Gift & AGM Matters (1/2): AGM Door Gifts

Shareholder Name	Questions
LEE TECK HONG	What is the gift?
CHIN WENG HAM	Any door gift, please?
TAN SHI RUEY	For the last decade or so, the management has only been giving a meagre RM50 door gift to the shareholders in return of our tremendous support over the years. Can the management seriously look into the possibility of giving more valuable gifts to the shareholders?
CH'NG MUN CHERN	Any door gift for AGM participation this year?
TAN BOON CHUN	Last year AGM provided RM50 Lotus voucher, find it very useful for us, can we continue this Lotus voucher for this year AGM?
LEE SHEW LOONG	Any door gift for this virtual meeting?
LEE CHEW FOONG	Dear Board of Directors, please kindly consider giving all shareholders a good and generous door gift as we have worked hard, taken a lot of time, efforts, involvement and participation in this important AGM. Thank you very much for your kindness and generosity.
TAN KENG CHOK	Many profit-making public-listed companies offered lucrative/attractive gifts to shareholders during AGM, besides the normal dividend declared. Will the board consider such gifts for shareholders?
DAVID TAI DA WEI	Is there a gift or token to shareholders?
TAN TEE KHENG	Door gift?
CHAI MING JIAN	Can give rm200 KFC voucher?
NG SOCK HONG	Is it I can get my door gift once I have successfully register on this meeting?
GOH SU LOOI @ GOH PEK LENG	Can the value of the doorgift be increased, in view of inflation? Thanks.
FONG LEE YONG	Dear sir, this year any door gifts for the shareholders?
KONG CHONG HIN	Dear Maybank, this year AGM any door gifts for shareholders?
CHEW CHIN CHIN	How to get my door gift in case I am unable to attend the virtual meeting? Can the team email me the door gift voucher link? Kindly revert. Thank you
CHONG CHEE SAN	Any gift?
SIM CHEE HOAW	Any doorgift for shareholders ?
KOU CHAN KAI@KOW CHEE FOO	Does this year distribute cash value RM 200?
KHOO KOK LEONG	Please forward door gifts. Thank you.
NG CHIN HEE	What is the door gift?
Response	
<p>For the 63rd AGM, LOTUS (formerly TESCO) e-vouchers with a value of RM50 each will be issued to all shareholders and proxies who have registered for this AGM. An e-voucher will be sent to the email address that the shareholder/ proxy has used to register for this meeting, within 7 days from the AGM date.</p> <p>Our view is that the AGM is an important platform for Maybank's directors and senior management to engage with shareholders to facilitate greater understanding of the company's business and performance. As such, we strongly encourage shareholders' AGM participation for this purpose as shareholder returns are measured through the dividend distributed.</p>	

Door Gift & AGM Matters (2/2): Conduct of AGM and AGM Service Provider

Shareholder Name	Question
LEE TECK HONG	Kindly consider to hold the meeting in hybrid mode instead of virtual to be in line with government initiative to be Covid free country.
STEPHEN LYE TUCK MENG	Dear Mr Chairman - Kindly do not use Boardroom services for RPV in future. The system is very lousy - it is not integrated and doesn't allow us to vote when the meeting starts unlike SSSHB or Tricor - We need to hunt for login details in our email and have to use a separate system (LUMI) just to attend the RPV. Many shareholders have voiced similar complaints. This has been reported to Boardroom Senior Mgmt but they refuse to listen and improve. Kindly use SSSHB or Tricor in future. TQ
Response	
<p>In deciding to convene a virtual meeting for the 63rd AGM, our consideration was to ensure that shareholders have easier and more efficient access to attend the AGM. Article 59 (2) of the Bank's constitution and the revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers (SC Guidance) issued by the Securities Commission Malaysia on 7 April 2022 allows general meetings to be conducted virtually during the country's 'Transition to Endemic' phase from the Pandemic phase. We also observed that many public listed companies have continued to conduct virtual meetings including the national stock exchange.</p> <p>We will consider the possibility of conducting a hybrid meeting in the future provided we are comfortable with the technology needed to support a seamless, stable and secure large-scale meeting in hybrid mode. Based on our past AGMs, average physical attendance by shareholders was about 5,000 shareholders while virtual participation was around 4,000 shareholders.</p> <p>We successfully convened our 61st and 62nd AGMs in the last two years by deploying the remote participation voting facilities provided by Boardroom, a leading regional Corporate Secretarial/AGM services provider. Boardroom partners with Lumi, a third party meeting platform provider to deliver the technology components of a meeting. Lumi has a good track record and not encountered any technology disruptions in the past three years. Lumi has also given assurance that their virtual meeting platform can support up to 10,000 shareholders concurrently, which meets Maybank's requirements.</p>	

Capital (1/2): Capital Position

Shareholder Name	Question
LOH MUN SEONG	Group CET1 Capital and total capital declined from 15.40% to 14.78% and 18.83% to 18.20%, respectively. Although both thresholds are above BNM's Basel III minimum ratios, but why such a decline so drastically?
Response	
<p>The lower Group CET1 capital ratio and total capital ratio can be attributed to the deduction of the second interim dividend in FY2021 and first interim dividend in FY2022 as well as fair value through other comprehensive income reserve losses following the rise in interest rates.</p> <p>Despite the macro-economic and current global trade uncertainties, we have continued to record a strong group CET1 capital ratio and total capital ratio. In fact, besides being above the BNM's Basel III regulatory minimum thresholds, the capital adequacy ratios of Maybank are also one of the highest compared to peers in the banking industry.</p> <p>We regard our capital as of utmost importance in fulfilling our strategic vision. Therefore, we will continue to maintain our capital at sustainable levels to support our growth aspirations, provide buffer to withstand external shocks and support dividend payouts to our shareholders.</p>	

Capital (2/2): Share Split & Bonus Issue

Shareholder Name	Question
TAN YING FEI	Good morning. Any bonus issue or share split in the future?
TIONG CHUN YII	Is there any plan to have share split in near future?
TANG YENG FATT	Public Bank did a share split of 1 for 5 in 2020 to make the share more affordable and tradable. Are there similar plans for Maybank shares?
LOH MUN SEONG	No bonus issues since 2008 and right issues since 2009. Any plan to exercise such issues?
GOH SOON TECK	Does Maybank Banking Berhad have any plans to distribute bonus shares in the future?
Response	
<p>We do not have any plans currently to undertake a bonus issue, rights issue or share split as we have the dividend reinvestment plan that increases the number of shares issued. Meanwhile, our shares remain at an affordable price compared to other listed companies in Malaysia.</p> <p>In addition, bonus issues and share splits may have the effect of diluting EPS which may not be viewed favourably by other investors and shareholders.</p>	

Dividend (1/2): Dividend Payout & Dividend Policy (1/2)

Shareholder Name	Question
TAN SHI RUEY	Given the contemporary rising of domestic inflation, is the management considering raising the dividend rate in parallel?
ALAN PANG YINJIN	Hopefully get more dividend
CHEONG MUN YEI	Increase dividend
TENG SIEW MOI	This year dividend rate same as last year, any improvement to increase dividend for next year?
CHAI MING JIAN	Next year have RM1 per stock dividend?
LOH MUN SEONG	The dividend yield in 2022 was recorded at 6.7% compared to 7% (2021), what is the strategy to increase the dividend yield?
LOH MUN SEONG	Based on the observation, the dividend payout ratio at pre-covid 19 level was registered at 87.8% (2019) & 91.2% (2020), respectively. And 2022 only recorded 84.6%, what is the management plans to increase back to pre-covid level.
LOCK PENG WEI	What is the ratio of profit that is allocated for dividend? Any plan to increase in near future?
TAN CHENG YONG	Will Maybank keeps continue distributing high dividend like now? If yes, how you can ensure to do that?
BENEDICT LOPEZ A/L GIBSON CONCEPTION	Based on projections, can Maybank maintain the same dividend payout of 58 sen or increase it in 2023?
KOU CHAN KAI@KOW CHEE FOO	Can this year distribute higher than past financial years ?
KOW LIH SHI	This year able to distribute higher than past financial years? Possible up to RM3?
LEE HAN LONG	Yearly dividend

Response

Maybank's historical gross dividend, yield and payout ratio as well as Maybank's share price & total shareholder return are as follows:

Indicators	2019	2020	2021	2022
Gross Dividend (sen per share)	64.0	52.0	58.0	58.0
Share price as at 31 Dec (RM)	8.64	8.46	8.30	8.70
Gross dividend yield (%)	7.4	6.1	7.0	6.7
Dividend payout ratio (%)	87.8	91.2	84.5	84.6
Total Shareholder Return (%)	(3.11)	4.61	6.27	11.87

Before deciding on a dividend payout for our shareholders, we take into consideration our profitability, capital adequacy levels, peer benchmarking, historical payouts, future business growth, macroeconomic conditions and external ratings' requirements. This is to ensure Maybank's continued resilience in the face of economic headwinds while balancing rewards to shareholders.

This is evident via Maybank's strong dividend yield, which is one of the highest in the banking industry in Malaysia as well as the region. While Maybank's gross dividend per share remained consistent at 58 sen for FY2021 and FY2022, Maybank's share price improved to RM8.70 as at Dec 31 2022 versus RM8.30 as at 31 Dec 2021. This therefore resulted in a slightly lower dividend yield of 6.7% in FY2022 versus 7% the year before but a higher total shareholder's return. We remain committed to rewarding our shareholders by driving continued improvement in our financial performance as explained earlier as part of the M25+ corporate strategy while also taking into consideration the Group's capital adequacy levels.

Dividend (1/2): Dividend Payout & Dividend Policy (2/2)

The Group's long-term dividend payout policy rate is 40% to 60% based on reported net profit attributable to shareholders. Prior to FY2019, the Group's dividend payout ratio was in the mid to high 70s. It was only starting FY2019 that the Group has paid out above 80% of its net profit. FY2020 was an unusual year as the Group sought to maintain strong shareholder returns despite a drop in net profit to RM6.48 billion arising from the effects of the COVID-19 pandemic, as we were conscious of our shareholders' need for steady income that year. Hence the dividend payout of 91.2% in FY2020.

The Group will endeavour to maintain a strong dividend payout ratio from its net profit but is unable to provide any forward looking guidance on this matter. We also wish to highlight that while our dividend payout levels for FY2021 and FY2022 were similar, our effective cash dividend paid out from net profit has increased to 76.7% in FY2022 versus 57.8% in FY2021.

Dividend (2/2): Dividend Reinvestment Plan

Shareholder Name	Question
TAN BOON CHUN	Any plan to stop dividend reinvestment policy? The shares quantity keep growing and diluting the EPS.
ENG TZE LOK	Thank you BODs, management & employees for making Maybank a world-class company. Would you consider shelving the Dividend Reinvestment Plan (DRP) temporarily? DRP is a good initiative but it comes with a drawback of diluting the Earning Per Share (EPS) as new securities are issued. From my observation, the EPS growth has been stagnant in recent years no thanks to Covid-19 pandemic, geo-political tension, inflationary pressure, stiff competition etc. Is it better to shelf the DRP until the EPS is back to healthy growth trajectory?
CHAI MING CHIUAN	Why is there no DRP for current Dividend ?
ONG BUN KIAN	Why is that the latest Maybank dividend don't offer Dividend Reinvestment Plan?
ARJAN SINGH A/L MENENDER SINGH	Have Maybank stopped dividend reinvestment? On the last dividend declared, I did not receive any email or message informing me regarding this. All previous dividends I was informed.
WONG YOOK LOON	It seems like DRIP policy has ceased on the last dividend payout dated 24/3/2023. Any chance to revive DRIP plan?
Response	
<p>We decided not to implement any DRP for our most recent dividend after taking into consideration our profitability, capital adequacy levels, peers benchmarking, historical payouts and future business growth as well as having evaluated feedback from shareholders to increase the cash dividend portion of the dividend payout.</p> <p>Dividend Reinvestment Plan (DRP) provides the company with an efficient way to preserve capital. Should the need arise, we may resume our DRP again in the future so that we can provide an option to our shareholders to reinvest additional shares in Maybank via the DRP and to allow the Bank to build its capital levels naturally instead of opting for alternative corporate fundraising exercises.</p> <p>Having said that, we understand your concerns regarding our EPS. We will endeavour to further improve our EPS over time by improving our profitability, enhancing our resilience and increasing our competitiveness to continue delivering shareholder returns.</p>	

Board of Directors: Skillset, Tenure & Remuneration (1/2)

Shareholder Name	Question
SUJARTHA A/P KUMARASAMY	Has the board identified any skill gaps among its members (as part of regular board evaluations or otherwise), and, if so how will these be addressed?
BENEDICT LOPEZ A/L GIBSON CONCEPTION	<p>Maybank should have a policy whereby a board member can only serve a maximum of three terms and subject to a maximum age of 70. Board members appointed must have some experience in banking, finance and insurance.</p> <p>Alternatively, they should have experience in today's key areas-digital economy, fintech, cyber security, artificial intelligence, robotics and automation.</p>
BENEDICT LOPEZ A/L GIBSON CONCEPTION	<p>Maybank's board members are paid extremely high remunerations yearly. They should be paid only half the current amount. I would like to know what is the average annual income of the ordinary Maybank staff. I am sure the disparity between the board members and ordinary staff will be glaring high.</p> <p>Sweden's Handelsbanken board members are paid much lower than their Maybank counterparts. Could not Maybank emulate Handelsbanken.</p> <p>Maybank board members have other sources of income and they must be contended with their annual income. I know the standard response is that the amount paid is the industry norm. I am sorry I cannot accept this justification.</p>
QUEK JIN ANG	<p>Ordinary Resolution 5- Payment of Benefits to the Non-Executive Directors from 63rd AGM to 64th AGM of the Company</p> <p>Please provide the breakdown of benefits paid to each Non-Executive Director of the Company from 62nd AGM to 63rd AGM of the Company as the amount up to RM3,418,150 was approved by the shareholders at the last AGM held on 14 April 2022. Please specify amount paid for each benefit to each Director.</p> <p>Are the Non-Executive Directors entitled for medical benefits? If so, are these benefits payable to the Non-Executive Directors?</p> <p>Are the Non-Executive Directors insured under Directors & Officers Liability Insurance? If so, are these benefits payable to the Non-Executive Directors?</p>
Response	
<p><u>Board of Directors' Skillset and Tenure</u></p> <p>The Board has adopted a Policy on Tenure of Directorship in 2014 which limits the tenure of an Independent Director to nine years, after which his tenure may (subject to Board/ BNM's approval) be extended further, but as a Non-Independent Director. In practice, however, the Board has been observing a stricter stance. Since 2014, none of the former and current Directors had/have served the Board for more than nine years.</p>	

Board of Directors: Skillset, Tenure & Remuneration (2/2)

There is no age limitation in the Policy, as the Board does not consider age to be a critical factor in selecting its members. What is of key importance to the Board is the individual's knowledge and experience and how these factors complement the Board's overall mix of skills. Subject to the nine-year rule above, if the member meets these criteria, is in good health and is able to positively contribute to the Board, the member can be appointed or remain as a Board member, regardless of age. This is also aligned with the Companies Act, 2016 whereby the 70 years age limit for directors has been abolished.

The Board's overall mix of skills is reviewed annually via a Board Effectiveness Evaluation (BEE). The BEE, among other things, takes into account the overall skillsets of its current members and identify any areas that needs to be strengthened. As part of the BEE exercise last year, the Board has determined its Board skill matrix and is satisfied that Maybank Board has a diverse range of skills, age, gender, nationality, race, knowledge and experience including that in banking and finance. We agree that Digital/Technology is a skill set which can complement and strengthen the mix of skills of the Board. In this regard, you may wish to note that our Chairman does possess the necessary background and experience in technology, having served in various capacities in the technology industry. The plan moving forward is to search for candidates who possess such skill, though we acknowledge it is a scarce resource. As far as banking skill sets are concerned, BNM's expectation is for our Board's composition to comprise 50% of members with banking and risk management experience.

Board of Directors' Remuneration

The Board's remuneration framework has remained unchanged since 2018, and there are no plans to revise it during this meeting. Details of the existing Board and Board Committee fee structure are as follows:

		Annual Fee (RM)	Shareholders' Approval
Board	Chairman	610,000	Approved at the 55th AGM held on 7 April 2015
	Vice-Chairman	440,000	
	Member	295,000	
Board Committee	Chairman	75,000	Approved at the 58th AGM held on 12 April 2018
	Member	45,000	

The framework is reviewed annually with the assistance of an independent expert once every three years. The review is mainly conducted via a benchmarking analysis of banks of similar size, operating in the ASEAN region.

Maybank is a financial conglomerate operating in several countries in ASEAN and also in China, USA and the UK. In order to exercise the right level of oversight of the Bank's operations both locally and abroad, Maybank needs to be able to attract and retain the right talent as a Board member. To achieve this, the remuneration structure needs to be attractive for local and foreign talents alike.

The current remuneration framework allows the Board the flexibility to cast a net wider, beyond Malaysian shores, to identify and attract foreign talents, as and when it believes that such talents can add value to the Board's oversight function.

Meanwhile, the amount of benefits paid to each Non-Executive Director of the Bank are disclosed in page 103 of the Corporate Governance Overview Statement published in our 2022 Integrated Annual Report and pages 59 to 60 of our Corporate Governance Report for FY2022. The Bank also provides medical benefits to all Non-Executive Directors of Maybank and they are covered under the Group Directors & Officers Liability Insurance.

Performance & Business (1/6): Revenue Drivers and Profitability (1/2)

Shareholder Name	Question
TAN SHI RUEY	In view of the worldwide mounting inflation and interest rate, what is management's principal financial strategy to protect shareholders' profit in this trying moment?
DAVID TAI DA WEI	What is the key revenue segment for Maybank?
LOH MUN SEONG	Malaysia's GDP is forecast to grow approximately 4.5% in 2023 (8.7% in 2022), somehow, loan growth performance is anticipated to moderate growth. What is the strategy to boost the performance of the loan outlook?
LOH MUN SEONG	Banking crises in the US and EU creating much market volatility for the industry worldwide. And central banks will continue raising interest rates to bring down inflation, even as fears grow over the possibility of a global recession. Any plans to ride out the turbulence?
TEH KIAN LANG	WILL 2023 BE A BETTER YEAR THAN 2022 OR BE WORSE DUE TO NEW CHALLENGES?
TEO CHER MING	2023 guidance on NIM, loan growth and credit charge
WONG YOON LOON	What is the business outlook for Maybank moving forward considering the global market is heading towards recession/slowdown?
CHAN FUNG HAN	The loan growth in Singapore had slowed down to only 0.5%. How will Maybank respond to improve this situation given that the outlook for Singapore market in FY2023 is more challenging? What is the expected loans growth rate Singapore market in FY2023?
CHAN FUNG HAN	For all the key performance indicators, only the target by FY2025 is mentioned. How about the annual targets for these KPIs in FY2023?
GARY TAN SEONG YEN	Does the Bank intend to explore more overseas business ventures? There has not been progress in these areas for the past few years especially given the intense regional competition from the likes of Singapore Banks.
Response	
<p>For FY2023, Maybank will focus on growth opportunities across its consumer and business segments within the ASEAN franchise namely by:</p> <ul style="list-style-type: none"> ○ Doubling down on the CFS franchise business in areas such as mortgage, RSME and SME+ across universal markets. ○ Deepening account planning across segments, products and countries for Global Banking. ○ Expanding regional wealth management penetration and strengthening Islamic wealth management proposition in home markets. ○ Deploying sustainable financing and decarbonisation solutions to customers. <p>To support asset growth across our markets, we will maintain strong liquidity buffers and defend our CASA balances amidst a rising interest rate environment and increased deposit competition. We do anticipate potential NIM compression of between 5 bps and 8 bps for FY2023 given the increased deposit competition, seen mainly in Malaysia.</p> <p>We will also actively prioritise customer-centricity by enabling end-to-end customer journeys and developing tailored solutions and services offered through our touchpoints. In supporting our ambition of becoming a sustainability leader in ASEAN, the Group will focus on capability-building to support the responsible transition of the Group and our key stakeholders to a low-carbon economy.</p> <p>We have guided for Group Cost-to-Income Ratio to potentially increase up to 47.5% in FY2023 with planned strategic investments to enhance IT and sustainability capabilities, integrate ecosystems within</p>	

Performance & Business (1/6): Revenue Drivers and Profitability (2/2)

and beyond banking, and drive regional cross-selling synergies aligned to our refined corporate strategy, M25+.

Meanwhile, the Group will continue to support borrowers in need by offering targeted repayment assistance where needed while monitoring the health of residual loans under our existing programmes across key markets. We will focus on asset quality recovery efforts and enhanced asset quality management towards achieving a sustained lower net credit charge off rate. We have guided for net credit charge off rate of between 35 bps and 40 bps in FY2023.

With these considerations in mind, our ROE guidance is between 10.5% and 11.0% for FY2023. We will also continue to maintain our 40%-60% dividend payout policy while prioritising a higher cash component to reward our shareholders.

While we do not provide a specific loan growth target for Maybank Singapore, we will put more resources to grow the non-retail CFS portfolio, especially SME, and continue to expand our corporate lending across targeted sectors while focusing on ESG related deals, Islamic banking, and trade and supply chain financing. For our retail portfolio, we do expect the rising interest rates to result in slower loan disbursement this year.

Meanwhile for the potential overseas ventures, the Group constantly evaluates opportunities for growth and expansion, both domestically and internationally that are aligned with our strategic goals. It will depend on the attractiveness of the market and business segment in generating reasonable returns to the Group.

Performance & Business (2/6): Loan Growth

Shareholder Name	Question
STEPHEN POH YIK XIANG	Compare Q4 2022 vs Q3 2022 of the financial report, loans, advances and financing slowed down. Compare to other banks in Malaysia which increased, what caused the slow down?
Response	
<p>The Group's gross loans quarter-on-quarter (QoQ) growth between 4Q 2022 and 3Q 2022 was flat as the 1.5% QoQ loan growth in Malaysia was offset by a loan reduction of 2.5% in our international markets. As such, Maybank Malaysia's growth of 1.5% was similar to the loan growth levels seen by Malaysian banking peers (most have a primary loan exposure in Malaysia), which recorded a QoQ growth of between 0.3% and 1.7%.</p> <p>Maybank Malaysia grew 1.5% QoQ supported by growth of 2.0% in Community Financial Services (CFS) driven by loan expansion in mortgages (2.0%), auto finance (2.1%), credit cards (8.7%), Retail SME (3.0%) and Business Banking (1.9%).</p> <p>Meanwhile, our international loans contracted 2.5% led by a reduction in our Singapore portfolio of 2.1% and our Indonesia portfolio of 3.4%. The reduction in Singapore was mainly led by corporate banking, which declined 2.3% QoQ due to major redemptions and reduction in trade utilisation. Similarly, the decline in Indonesia was attributed to a reduction in Global Banking by 10.7%, but partially offset by growth in CFS of 1.6% QoQ from segments such as auto loans, credit cards & personal loans as well as business banking as a result of a pick-up in consumers' purchasing power.</p>	

Performance & Business (3/6): Impact from Specific US Banks & Credit Suisse Fallout (1/2)

Shareholder Name	Question
TEO CHER MING	What is Maybank's total investment exposure to foreign bonds, Treasury bills and securities
KWONG KUM HON	In US and Europe, some of the banks there are facing serious financial crisis, does Maybank have any preemptive preparation to minimise the impact if the effects spread throughout the world?
STEPHEN POH YIK XIANG	From the downfall of Silicon Valley Bank in the US, what is the strategy to prevent such thing from happening with Maybank? Despite the strong balance sheet of the bank and challenging of the Macroeconomics?
KEVIN HWANG QI CHONG	Regarding the financial crisis that struck the global market in March, is there any impact towards Maybank? Is there any preventive measure in Maybank to avoid it from happening?
ONG BUN KIAN	Considering the world banking scenario now, how safe is Maybank and what steps are being taken to safeguard our bank ?
TEO CHER MING	Does the group have any exposure to SVB, Credit Suisse, Adani, Signature Bank, Silvergate bank?
TEO CHER MING	In view of the Credit Suisse/SVB crisis, has Maybank conducted a stress test on its portfolio in view of the high interest environment?
YEAP CHEW SOON	WHAT IS THE IMPACT OF THE US SILICON VALLEY BANK AND CREDIT SUISSE FALLOUT HAVE ON MAYBANK PERFORMANCE AND GOING FORWARD? THANK YOU.

Response

Maybank Group's total investment exposure to foreign bonds and sukuk, treasury bills and securities across our portfolio is RM75.29 billion as at 31 December 2022, which constitutes about 32.6% of our total securities portfolio. The breakdown of our foreign investment exposure is as follows:

	Group	
	FY2022 RM' bil	FY2021 RM' bil
1. Financial assets designated upon initial recognition at fair value through profit or loss (FVTPL)	0.16	0.21
2. Financial investments at fair value through profit or loss (FVTPL)	10.25	9.84
3. Financial investments at fair value through other comprehensive income (FVOCI)	57.94	67.09
4. Financial investments at amortised cost (AC)	6.94	5.62
GRAND TOTAL	75.29	82.76

Further details can be found in Notes 8, 9, 10 and 11 on pages 69 to 74 of the FY2022 Annual Report - Financial Statements.

Maybank does not have exposure to the affected US banks (i.e.: Silicon Valley Bank, Signature Bank or Silvergate Bank) nor do we have exposure to Credit Suisse bonds or AT1 instruments. We also do not have exposure to Adani.

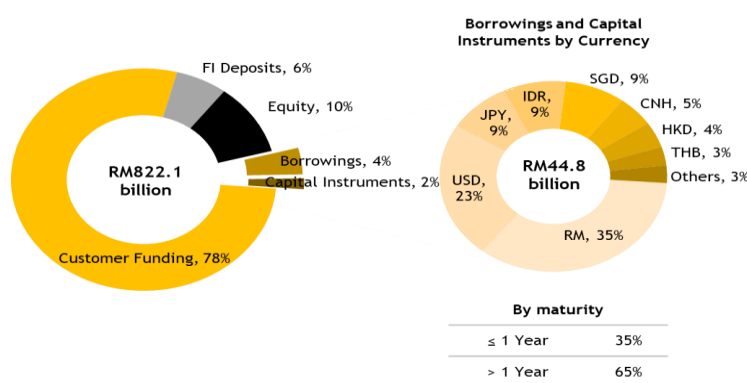
As indicated recently by Bank Negara Malaysia, the banking system in Malaysia remains resilient with Malaysian banks having strong capital and liquidity buffers. Malaysian banks also have a diverse

Performance & Business (3/6): Impact from Specific US Banks & Credit Suisse Fallout (2/2)

depositor base with limited concentrations in specific segments or liability structures. Malaysian banks continue to hold high levels of high-quality liquid assets in the forms of placements with BNM and government bonds that can be collateralised to meet any liquidity needs.

Meanwhile, Maybank proactively manages its liquidity to ensure that the Bank is able to meet its financial obligations and support asset growth at all times, even under stressed situations. We conduct frequent reviews of balance sheet management strategies and have a well-diversified liability structure that minimises excessive funding concentration, as indicated below.

Funding Breakdown as at 31 December 2022



Note:
• Customer Funding comprises Deposits from Customers & Investment Accounts of Customers

As such, we are able to maintain healthy liquidity risk indicators, with liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) at 145.4% and 118.1% respectively as at 31 December 2022, above Bank Negara Malaysia (BNM)'s regulatory minimum requirement of 100%. Further details on how the Group monitors and controls its liquidity risk exposures through tools such as liquidity gap, early warning signals, liquidity indicators, stress testing and regular monitoring can be found in Note 54 (g) on page 194 of the FY2022 Annual Report - Financial Statements.

For capital management, our approach takes into account all the relevant regulatory, economic and commercial considerations and is guided by the Group Capital Management Framework to ensure a strong and flexible financial position to navigate economic cycles. Our balance sheet remains strong and the Group is well-capitalised with Group CET1 capital ratio at 14.78% and Group total capital ratio of 18.20% as at 31 December 2022 after proposed dividend, above regulatory requirements. Furthermore, the Group's overall capital adequacy in relation to our risk profile is assessed through the Internal Capital Adequacy Assessment Process (ICAAP). Maybank Group's ICAAP Policy aims to ensure adequate levels of capital, including capital buffers for capital demands under existing and stressed conditions. Details on the comprehensive risk assessment as well as robust stress testing conducted under ICAAP can be found on pages 217 to 218 of the FY2022 Annual Report - Financial Statements.

Group-wide stress tests conducted recently include stress scenarios of aggressive interest rate hikes assuming prolonged high inflation and elevated commodity prices. Even under stressed scenarios, the capital levels of Maybank Group and most entities are above internal capital target. We also performed stress scenarios of increased customer deposit outflows and reduced inflows from loans. The outcome of this stressed scenario showed that Maybank Group's LCR remained above regulatory requirements. Arising from the recent specific banking crisis, we have also conducted a risk assessment and review of the controls in place to mitigate a similar situation as experienced by the Silicon Valley Bank.

Performance & Business (4/6): Islamic Banking Operations

Shareholder Name	Question
CHAN FUNG HAN	Page 68 to the Integrated Annual Report - The net impairment losses of Group Islamic Banking increased by 42.8% YoY. What had caused the increase in impairment losses of Group Islamic Banking despite the overall net impairment losses of the Group had decreased in FY2022? What caused the worsening in asset quality in the Group Islamic Banking and what steps will be taken to improve asset quality for Group Islamic Banking?
Response	
<p data-bbox="201 562 1447 701">The increase in net impairment losses seen in Group Islamic Banking was a result of a one-off reversal of securities made in FY2021 for an individual account upon a restructuring exercise. Excluding this, total impairment on financing for Group Islamic Banking would decrease, in line with Group's overall decrease of 13.7% YoY in net impairment losses.</p> <p data-bbox="201 741 1447 840">Aligned with the Group's stance, Group Islamic Banking will maintain the overlays in anticipation of possible impact from emerging risks in the economy for non-retail segment and inflationary pressures for retail and RSME portfolios.</p>	

Performance & Business (5/6): Insurance and Takaful Business

Shareholder Name	Question
TEO CHER MING	Page 65 of AR showed that almost 589 million of losses of insurance division is from SG. Does Maybank expect SG insurance operation to suffer another huge loss in 2023 in view of high interest rate environment?
CHAN FUNG HAN	Page 65 to the Integrated Annual Report - The Group Insurance & Takaful's PBT declined 53.2% YoY to RM436.27 million. The factors given are surrounding Etiqa Singapore pertaining to the high surrenders of a universal life product, and shift in focus towards longer-term sustainable solutions/ products with higher margins. Could the Management provide more insights of these two factors? What is the PBT target for Group Insurance & Takaful segment in FY2023?
Response	
<p>The universal life product contributing to the decline of PBT was sold in large volumes at the start of the pandemic through direct and Independent Financial Advisers' channels. The product offered an attractive short term guaranteed crediting rate of up to 2.1% and differed from traditional universal life products as flexibility was given to customers to access their funds without early termination penalties. With the rapid rise of interest rates in 2022, we experienced mass lapses as customers were able to withdraw their funds to invest in higher yielding alternatives available in the market. This product with no surrender charges is no longer available for new sales.</p> <p>Meanwhile, we will shift our focus towards growing regular premium products that will help us grow new business value.</p> <p>With that, we expect the Etiqa International Pte. Ltd (EIPL – Singapore) to see improved performance in FY2023.</p>	

Performance & Business (6/6): Credit Cards

Shareholder Name	Question
WONG JUN LEONG	I would like to inquire about the profit generated from Apple Pay since its launch in Malaysia. Can you please provide some details about the financial performance of this service and its impact on the bank's overall profitability?
WONG JUN LEONG	I was recently made aware that Alliance Bank has launched a new virtual credit card that features randomly generated 16-digit numbers to protect users' identities. Does Maybank have any plans to offer a similar service to its customers in the near future? And if so, could you provide some details on the timeline and features of such a service?
CHAI MING JIAN	Why Maybank credit card annual fee so expensive?
TEO CHER MING	Note that Maybank grab card has reduced its rewards points from x5 to x1. Since there is this huge devaluation of rewards points what is the value proposition of this card? And is this reduction in points initiated by grab or Maybank?
TEO CHER MING	As an Apple user, I thank Maybank for introducing Apple Pay after requesting it in past 2-year AGM. However as a shareholder, I also wish to know how much of value has Maybank gained in terms of new customer, value of card transactions via Apple Pay?
Response	
<p>We are one of the first banks to welcome Apple Pay in Malaysia, enabling Maybank and Maybank Islamic Mastercard® and Visa Credit, Debit and Prepaid Card users to make contactless payments in Malaysia and Singapore. To date, a total of 1.01 million cards have been provisioned in Apple Pay and contributed 1.5% of Maybank's yearly billings. Even though the portfolio is able to generate positive profit to Maybank, impact to overall profitability is minimal.</p> <p>Maybank has no immediate plans to launch a virtual credit card with the Dynamic Card Number feature as done by Alliance Bank. However, in our continuous efforts to protect our customers who may experience financial scams, we have enhanced our kill switch security feature on both the MAE app and Maybank2u web. Customers can now temporarily deactivate access to his or her online banking account or block credit/charge cards if a compromise is suspected.</p> <p>Meanwhile, our credit card annual fee is competitively priced and we do offer attractive value propositions and benefits. Our cardholders are also eligible for an annual fee waiver if they meet the minimum spend in accordance with the terms and conditions. Additionally, we also offer cards with no annual fee.</p> <p>For Maybank Grab Mastercard Platinum Credit Card, this revision was made to enable us to focus on other campaigns and promotions which will continue to reward our cardholders with long-term benefits whilst still maintaining the competitive value of our cards offerings. Although we had revised the card's value proposition recently, this is still the only card in the market offering GrabRewards Points. The GrabRewards Points is still unlimited without monthly cap with daily auto sweep to cardholder's Grab account. In addition, a new customer will still enjoy welcome gifts such as 1,000 GrabRewards Points and RM50 worth of Grab vouchers. Cardholder will also be upgraded to Platinum tier in Grab app for six months.</p>	

Outlook

Shareholder Name	Question
LOH MUN SEONG	Do you see any possibility for Bank Negara Malaysia (BNM) to increase OPR in 2023?
Response	
Maybank expects the inflation rate for 2023 to be 3.0%, thus resulting in the possibility of another +25 bps hike in Overnight Policy Rate (OPR) this year. This will bring the OPR to the pre-pandemic rate level of 3.00%, following the +100 bps hike in FY2022.	

Cost (1/4): Overheads for FY2022; Cost Reduction from Digitalisation; CAPEX Investment (1/2)

Shareholder Name	Question
OOI CHEE PING	Now is an IT world, any improvement to reduce the overhead and expenses?
KEE WEE LIM	Will any capital expenditure(capex) be involved in the coming year?
CHAN FUNG HAN	Could the Board / Management briefly explain the causes of unfavourable KPI result for the higher cost to income ratio compared to prior financial year? What are the measures to drive down the cost to income ratio to meet with the target of 45%?
CHAN FUNG HAN	<p>Page 45 to the Integrated Annual Report - Overheads grew 11.2% on higher personnel costs due to inflationary adjustments, IT expenses, and revenue-related spend such as marketing expenses and fees.</p> <p>(a) What was the impact of the inflationary-related adjustments for the collective union agreements under personnel costs? Was it for the full-year impacts or it will have further impacts to the FY23 results? How much was the increase in salary (in %) arising from the collective union agreements?</p> <p>(b) Could the Management please further explain regarding the increase in marketing expenses pertaining to the one-off credit card giftpoints redemption expenses?</p> <p>(c) What kind IT expenses incurred by Maybank that increased its operational overhead costs?</p>
Response	
<p>On the cause of higher cost to income ratio (CIR) from 45.3% in FY2021 to 46.4% in FY2022, the cost growth of 11.2% YoY was mainly driven by higher personnel and one-off expenses as elaborated in the GPCEO's presentation. The one-off credit card giftpoints relates to the conversion of air miles. For the IT expenses, it's mainly attributed to software maintenance, repair and maintenance of data processing equipment. Overall, excluding Collective Agreements (CA) adjustments and one-off cards giftpoints expenses, CIR would have been 45.5%.</p> <p>The inflationary adjustment for CA with various unions concluded between 8% to 18% for Executive as well as clerical and non-clerical categories. For the CA that has been concluded in FY2022, the one off additional cost in FY2022 is less than 5% of total personnel cost and there will be no further impact until the next review. As for FY2023, there will be additional cost to be incurred for the CA that were recently concluded which will be managed within the expected total overheads for FY2023.</p> <p>Due to the evolving macrotrends such as changing customer preferences as well as heightened competition with the emergence of new digital players, we are planning to undertake strategic investments of about RM3.50 billion to RM4.50 billion over the next few years. This is to further strengthen our capabilities aligned with M25+ refined strategy in the following focus areas identified, where 77% of the investments have been allocated to enhance our digital and technology capabilities:</p> <ul style="list-style-type: none"> • Technology for Technology (24%): To drive improvement in our digital infrastructure with potential areas for investments in data platforms, channel integration, Straight-Through Processing, API layer, and others. • Technology for Business (53%): To enhance our consumer and SME customer experience journey from end-to-end, with business driven architecture enablement to support business unit Strategic Programmes. 	

Cost (1/4): Overheads for FY2022; Cost Reduction from Digitalisation; CAPEX Investment (2/2)

- People and other investments (23%): To accelerate the institutionalisation of Agile delivery, talent investments, and appointment of expert resources to build on Maybank's commitment to empowering Maybankers with new-age skills and roles.

While this will see a short-term increase in CIR ratio potentially up to 48% in the next two years, we expect to see the CIR trend downwards towards circa 45% by 2025.

For FY2023, the Bank will possibly invest between 5% and 7% of its revenue in technology capital expenditure, of which 40% is for tech for tech and the remaining is for tech for business, covering investments across the 12 Strategic Programmes.

Cost (2/4): Disclosure on Senior Management Remuneration

Shareholder Name	Question
CHAN FUNG HAN	Page 95 (Corporate Governance Overview Statement) - Maybank has departed from the Practice 8.2 and does not adopt the Step-Up Practice 8.3 with regard to disclosure of senior management's remuneration. How does Maybank ensure the senior management are remunerated fairly and in line with the company's performance and targets? Does Maybank consider, on a proactive basis, to improve transparency on senior management remuneration, rather than disclosing them in an aggregate basis?
Response	
<p>With regards to the departure from Practice 8.2, as disclosed on page 61 of our Corporate Governance Report FY2022, the Board is of the opinion that such disclosure would be disadvantageous to the Group's business interests, given the highly competitive nature of the banking industry. As an alternative to the recommended practice, the Board has opted to make a qualitative and quantitative disclosure of Maybank's remuneration framework for senior management and other employees of the Group per Table A in Appendix 4 of the BNM CG Policy as disclosed in Section B of the same report.</p> <p>Maybank Group's Compensation Policy ensures the remuneration of our staff is competitive, fair and equitable. Differentiated compensation levels that are competitive to the market through annual salary review, variable bonus and long term incentive plan (for eligible senior management and above) are awarded to retain, motivate and reward our talents.</p> <ul style="list-style-type: none"> • Base Pay and Total Cash are benchmarked to Market P50 and P75 (for performers) respectively. • Salaries and total compensation are reviewed annually and externally benchmarked against similar roles in the market to ensure that they are paid equitably to the market. • The bonus payout to staff is based on Group, Business Unit and individual performance for the year and is aligned with the risk management and long-term performance goals of the Group through our deferral and claw-back policies. This takes into consideration the assessment of their performance via the Balanced Scorecard approach which includes non-financial KPIs in addition to the financial achievements hence promoting high achievers but with strong values and good governance. 	

Cost (3/4): Staff Productivity and Cost

Shareholder Name	Question
YOONG YIN FOH	<ol style="list-style-type: none"> 1. What is MBB's cost ratio of labour versus income? 2. Is it lower than average of banking industry? 3. If MBB's Management & shareholders are not satisfied with this ratio, what are the actions taken/ to be taken to address this issue?
LEE MUN HOE	How about overall bonuses payout to the staffs as compared to precedent year?
Response	
<p>Maybank's staff cost to income ratio (CIR) is about 27.20% in FY2022, slightly higher than 26.80% in FY2021. The staff CIR in FY2022 is within the banking industry average where most banks range between 25% and 29%.</p> <p>It has only increased by 0.25% from 26.95% in 2011. This is because we are cognisant that staff performance and productivity are key elements that influence the Group's performance. Therefore, we have in place a performance management system to closely monitor and evaluate our employees' performance. We also continuously look for ways to ensure that they are well-equipped with the necessary skillsets to perform their jobs. An initiative to build Next-Gen capabilities includes the M25 Unlimited Potential (M25UP) programme to inculcate digitalisation, customer-centricity and enterprise thinking among leaders. To strengthen our leadership culture, we also provide continuous coaching, mentoring and leadership development opportunities.</p> <p>Meanwhile, we nurture our young talent through engagements such as Conversations with C-Suite. This promotes open conversations between our young talent and top management. Besides that, we have various leadership development programmes targeted towards our high potential young executives across the Group to ensure their growth and acceleration to fulfil their ambitions. As part of our yearly Sector Talent Review Process, there are always discussions on the performance of the Group's young talents and interventions needed for their growth.</p> <p>On bonus payout, Maybank Group's variable bonus strategy reinforces a performance-oriented and prudent risk-managed culture that is aligned with the Group's strategies and stakeholders' interests to deliver long-term sustainable returns and strong business performance. Thus, the bonus payout to staff is based on Group, business unit and individual performance for the year and is aligned with the risk management and long-term performance goals of the Group through our deferral and claw-back policies.</p> <p>The overall bonus to staff for FY2022 is relatively higher than FY2021 which commensurate with the Group's better YoY performance. Business units that did not perform up to expectations were allocated a smaller pool compared to their previous performing year while business units that outperformed and contributed to the Group's overall performance were accorded a higher bonus pool to award them as goal-scorers of the Group.</p>	

Cost (4/4): Electricity

Shareholder Name	Question
KEE WEE LIM	What is the impact of the company monthly electric bills due to the government reducing electricity subsidy in early of the year?
Response	
<p>The government has removed the subsidy for electricity and raised the ICPT (Imbalance Cost Pass-Through) Tariff from RM0.037/kwh to RM0.20/kwh with effect from January 2023. This tariff increase will have an impact on our strategic buildings only, which are Menara Maybank, MGCC Bukit Jelutong, Maybank Academy and Dataran Maybank. This is estimated to incur an additional RM4.5 million per year that represents about 0.04% of our Group's total overheads.</p> <p>To mitigate this increase, we have been and will continue to implement initiatives to reduce energy consumption such as replacing our electrical equipment to more energy efficient ones and inculcate energy saving practices across the Group in line with our ambition to become a sustainability leader in Southeast Asia.</p>	

Strategy (1/4): M25+

Shareholder Name	Question
LOH MUN SEONG	Any M25+ strategy updates for the years 2023 and 2024? and What is the big challenge for the group?
Response	
<p>Key M25+ updates were provided as part of the GPCEO's presentation earlier and in our response to PNB's Question No 8. As explained, some of the initiatives we are working on include easier account opening through digital e-KYC for consumer and business customers. For our SME customers, we are also increasing the coverage to a higher lending limit and bigger revenue size as well as enhancing our digital solutions which would include developing an ecosystem beyond banking.</p> <p>Key challenges anticipated include:</p> <ul style="list-style-type: none">• the competitive landscape for talents in vital skillset areas needed to drive the M25+ strategic programmes,• harmonising our regional expansion endeavours given varying market regulatory frameworks across the markets we operate and• the complexity of rolling out technology platforms across the regional footprint to support our business aspirations of faster time to market solutions.	

Strategy (2/4): Islamic Wealth Management

Shareholder Name	Question
TEO CHER MING	In the Edge interview the CEO, he mentioned more focus on Islamic WM, which is also in line with M25+ target of achieving leadership in Islamic banking. Can the management further elaborate on this focus?
Response	
<p>The affluent and high net worth Muslim segments are growing especially in ASEAN and the Gulf Cooperation Council (GCC). Currently, their demands for holistic ethical and sustainable Islamic wealth solutions are largely underserved. As part of our M25+ aspiration to become the global leader in Islamic Wealth Management (IWM), we will focus on strengthening IWM capabilities and offerings in Malaysia as we set up a global hub in Singapore and building the same in Indonesia. Our propositions are centred on fulfilling customers' needs across these five pillars - wealth creation, accumulation, protection, purification and distribution. These offerings will be delivered via highly trained relationship managers and enabled via digital platforms.</p>	

Strategy (3/4): Listing or Divesting of Entities

Shareholder Name	Question
LAM SHENG HUANG	When is Maybank going to list Etiqa to unlock value?
TEO CHER MING	Against the investment of RM2.17 billion in Pakistan MCB, what is the total returns/dividend from MCB to Maybank to date. Is Maybank looking at divestment as there doesn't seem to be any synergy between Maybank vast SEA network and MCB. Kindly elaborate and clarify
Response	
<p>On Etiqa, Maybank has no current plans to list it.</p> <p>Meanwhile, MCB Bank Limited has been a long-term investment of Maybank for over 10 years. It has performed relatively well over the years as one of the largest private sector banks in Pakistan, with a return of equity that has consistently been in the high teens over the last five years (FY2022 ROE was 19.78%).</p> <p>Total dividends paid by MCB Bank Limited to Maybank Group since our investment in 2008 up till 31 December 2022 is RM1.23 billion. For FY2022, dividends paid by MCB to Maybank based on our associate stake in it is RM74.60 million (Page 96 of Annual Report Financial Statements FY2022). As part of our periodic review of our strategic investments, Maybank will continuously assess value creation opportunities for the organisation.</p>	

Strategy (4/4): Digital/Tech and ESG Trends

Shareholder Name	Question
TAN BOON CHUN	Growing of ChatGPT and Electric Vehicle in Malaysia for the upcoming quarters/financial years, will Maybank benefit from the growing trends?
OOI CHEE PING	Would Maybank use AI to help on business
LEE MUN HOE	To elaborate oncoming digital transformation program
Response	
<p>We acknowledge that digital and technology as well as sustainability trends are key trends affecting the banking operating environment. This is exactly the reason why two of the five strategic thrusts under our corporate strategy, M25+, focuses on 1) accelerating digitalisation and technology modernisation 2) driving leadership in the sustainability agenda.</p> <p>Aside from providing first-to-market digital solutions, we need to put in place technology infrastructure required to support fully digitalised systems and processes for enhanced operations, as well as build an expansive business-driven architecture to facilitate collaboration and deliver end-to-end digital solutions. Not only is this meant to improve internal efficiencies, it would also provide a stronger foundation for progressive customer-centric innovations and faster speed-to-market offerings. We will harmonise our digital channels and transition our platforms to be regional-based as we scale our market presence across ASEAN.</p> <p>AI (Artificial intelligence) in banking and finance allows FIs to streamline and optimise processes ranging from credit decisions, liquidity management, fraud management, capital allocation, risk management and middle/back office automation. AI can also enhance revenue and profit streams for FIs when applied to wealth management, quantitative trading and other investment recommendations. Finally, the biggest frontier for AI in banking would be when applied to customer behaviour analysis and hyper personalising their digital experiences with sophisticated recommendations. In Maybank, we are using AI with varying degrees of maturity through third party software in areas of fraud, risk and compliance across the group. We have also rolled out AI based investment recommendations for our wealth segment in Thailand and plan to expand in other markets. We have built AI models internally for SME loan credit decisioning processes, cash flow forecasting, portfolio optimisation, stress testing and other risk and capital allocation functions. On a broader scale, we have implemented a data science platform across the group to expand our AI capabilities in areas like application risk scoring, early warning signals, deposit recommendations and various other hyper personalisation use cases. We aspire to democratise AI adoption across the organisation and embed AI in all our platforms and customer journeys.</p> <p>Meanwhile, Maybank has established four sustainability commitments in line with our aspiration to become the sustainability leader in SEA. We are also further reinforcing our leadership commitments by expanding our scope to embrace ethical banking principles and supporting the execution of decarbonisation and transition strategies for clients and Maybank itself. In this regard, financing of electric vehicles is one aspect of sustainable financing that we do promote. We disbursed RM1.21 billion loan in FY2022 for the purchase of electric vehicles (EV) and hybrid vehicles. To encourage the use of clean transportation, we also introduced preferential rates for EV and hybrid vehicles financing in Malaysia and Singapore while in Indonesia, we are collaborating with Hyundai Motor Indonesia to offer EV financing with interest rates starting from 0%. Aside from providing financing and insurance coverage for EV and Hybrid vehicles, we have also installed EV charging stations at several locations in Malaysia to contribute to the development of such infrastructure in the nation.</p>	

Digitalisation/Technology (1/2): Digital Banks

Shareholder Name	Question
KEVIN HWANG QI CHONG	BNM gave out 5 digital bank licenses last year. May I know will there be any impact towards Maybank with the bloom of these competitors? If yes, what is the mitigation plan?
Response	
<p>We view the entry of new digital banks as an opportunity for us to review our digital positioning – by intensifying our digital execution, expanding our digital portfolio through strategic fintech partnerships, and ramping up in-house capabilities.</p> <p>Although competition for incumbent banks may increase in the long term with the introduction of digital banks, the initial impact is likely to be limited as the latter will focus on segments such as micro segments. While Maybank does not target these micro segments, we will not let our guard down. Digital banks will be agile and offer hyper-personalised solutions and eventually be allowed to compete outside the micro segments.</p> <p>As such, Maybank will focus on its current first-mover advantage in terms of offering digital solutions (as done with MAE, Sama-Sama Lokal, SME Digital Financing and Maybank2uBiz) and building ecosystems to strengthen our competitive edge. We will leverage our large customer data base to develop hyper-personalised solutions while expanding our ecosystems within and beyond banking through partnerships to be more pervasive. Our expansive touchpoints, digitally and physically, will be a strong advantage to drive differentiated customer experience as we are able to provide a more holistic omnichannel experience to our customers.</p>	

Digitalisation/Technology (2/2): Virtual Banking

Shareholder Name	Question
LAW KUO HWAY	Is Maybank exploring potential Digital Branches? Branches without staff or remote access staff?
LAW KUO HWAY	Is Maybank considering doing Digital Loans or Account opening?
NG ENG KEAT	Others regional banking do provide 1 page summary across their banking account at different countries, when Maybank online banking going to improve the existing login experience for clients
KOW LIH SHI	How would company benefit from overseas operating business, is there cost saving from using Western Union for transfers?
Response	
<p>We are constantly exploring new ways to better serve our customers and meet their evolving needs, and this includes evaluating our branch network. While we currently do not have plans to open full digital branches without staff, we are looking at creating digitally-enabled branches with digitised processes to support both our customers and employees. This aims to make banking more accessible and convenient for our customers while improving our efficiencies and reducing operating costs.</p> <p>Meanwhile, on product offerings, we have launched SME Digital Financing in September 2020 that enables us to extend financing to microenterprises. Since its launch, over 28,000 loans have been approved amounting to RM2.9 billion of which 81% has been extended to microenterprises including start-ups as at December 2022. For our retail customers, we also launched Personal Digital Financing that allows a full digital experience from application to disbursement within 10 seconds. Meanwhile for digital account opening, we have introduced e-KYC for Zest-i and M2U Premier account openings on Maybank2u.</p> <p>Partnerships allow us to provide more options for customers to perform remittance as well as allow various payout methods with flexibility in transaction timing. This facilitates a safe, reliable and friction-free experience for our customers.</p> <p>On our regional capabilities, we understand that our customers may have banking needs that span across different countries and regions. In line with our refined strategy, M25+, we intend to offer regionally integrated solutions, technological platforms and applications to support our customers' lifestyle and fulfil their needs. Thus, we are currently working on a regional viewing capability to facilitate a seamless and integrated banking experience.</p>	

Sustainability (1/3)

Shareholder Name	Question
NG GHIM ENG	In terms of ESG Compliance, how far up the scale is Maybank towards achieving full compliance? If not, what is the timeline to do so?
LOH CHIN LING	How will Maybank address high ESG risk sectors including palm oil, forestry, and logging besides mining industries that contribute 56% of total financed emissions?
TAN YONG SHENG	Any ESG plan in future?
DORIS LIEW WAN YIN @ KENANGA NOMINEES (ASING) SDN BHD	<p>We note Maybank has made significant progress in 2022 as it starts the journey towards being a sustainability leader in Asia. Good progress has been made towards sustainable finance of RM20.7 billion in 2022 (surpassing the RM9 billion target), with the increase in sustainable finance commitment from RM50 billion to RM80 billion by 2025. Can the bank confirm:</p> <ol style="list-style-type: none"> The total amount financed for climate mitigation and adaption. The total amount financed for renewable & clean energy, and energy storage. <p>2. In SR2022, Maybank identified 7 high climate risks sectors – palm oil, agriculture, forestry & logging, power, oil & gas, mining & quarrying, and real estate & construction. Over what timeline will the bank introduce net zero emission pathways for these sectors?</p> <p>3. Over what timeline will Maybank phase out existing coal balance?</p>
KOW LIH SHI	How was bank improve ranking of ESG and get better than other players?
CHAN FUNG HAN	Sustainability KPIs - Despite achieving the FY2022 Annual Target for the metrics of improving households and the sustainability hours and UN SDG-Related Outcomes, the performance for FY2022 shown decreased compared to FY2021. What caused the decrease in FY2022 performance for these two metrics?
TAN HUI SHIM	What is Maybank's exposure to fossil fuel financing? How do you plan to transition out of financing for fossil fuel, and into renewable energies?
TAN HUI SHIM	How many % of Maybank's staff is trained on ESG?
Response	
<p>Maybank works closely with the regulators across the various jurisdictions it operates in to ensure that we are in compliance with all regulatory requirements, including evolving and developing requirements that extend to ESG.</p> <p>However, when approaching the ESG agenda, Maybank looks at it as beyond a compliance matter. We have set an ambition to be a Sustainability Leader in Southeast Asia and our sustainability agenda focuses on: (1) transitioning towards a low-carbon economy, (2) empowering communities, and (3) ensuring our own authenticity by walking the talk. To drive this agenda, we have set four broad commitments; namely (i) Mobilising RM80 billion in sustainable finance by 2025, (ii) Improving the lives of two million households across ASEAN by 2025, (iii) Achieving a carbon neutral position of our own emissions by 2030 and net zero carbon equivalent by 2050, and (iv) Achieving one million hours per annum on sustainability and delivering one thousand significant UN SDG-related outcomes by 2025.</p> <p>As at 31 December 2022, we have provided RM34.4 billion in sustainable finance against the target of RM80 billion by 2025, we have improved the lives of 871,200 households against the target of 2 million households, we have reduced our Scope 1 and 2 emissions by 41.1% and achieved 1.56 million</p>	

Sustainability (2/3)

sustainability hours against the annual target of 1 million. We have also achieved many firsts including being one of the first few banks in ASEAN to establish our Scope 3 financed emissions baseline. We were the first Malaysian bank to develop a Climate Risk Policy to manage climate risk exposure of the Group's business activities and operations and to introduce a Sustainable Product Framework to enable more effective development of green, social, sustainable and transition products.

These key highlights were covered in the Maybank Group President and CEO's AGM presentation earlier and further details can be found in our Integrated Annual Report and Sustainability Report for FY2022.

For high ESG risk sectors, the Group has already established Risk Acceptance Criteria which are sector specific requirements that incorporate ESG considerations into the evaluation, decision-making, monitoring and review processes for credit risk assessment. This covers climate-related risks, including emissions management, amongst others. In 2022, we enhanced our position papers for existing high ESG risk sectors and broadened our Palm Oil position to cover the Agriculture industry. We will continue to enhance our sector requirements for high ESG risk sectors.

The Bank has also established a climate transition strategy premised on three pillars, required to drive the Group towards decarbonisation:

- Pillar 1 is focused on supporting clients to decarbonise, covering areas such as engagements with clients to support their decarbonisation journey, providing sustainable/transition financing to top emitting clients and limiting exposure to new and existing high emitting clients.
- Pillar 2 is specifically focused on accelerating differentiated investment in sustainable financing. This includes incentivising green projects, financing innovative technologies that helps to reduce emissions, financing nature-based solutions and setting KPI for sustainable/green financing.
- Pillar 3 is tailored towards our role in taking a leadership position in building capabilities and solutions, through partnerships and collaborations and researchers to develop thought leadership.

In 2023, a Climate Risk Policy was established to identify, assess and manage climate-related risks. This policy provides principle-based minimum standards and requirements for climate risk management, ensuring integration into day-to-day activities and prevailing risk management processes with the intention of achieving climate resilience. Climate risk considerations in this policy would assist in quantifying potential stranded assets and assist in understanding the impact of climate risk on the Group's clients, which would then facilitate in engaging them better to support their transition journey.

Furthermore, the group has NDPE requirements which apply to all relevant sectors, including but not limited to agriculture (palm oil), forestry and logging, construction and real estate, as well as no financing of new coal activities. These requirements must be met without exceptions.

One of the areas in which the Group aims to focus on is transition finance – this is to support clients in hard-to-abate sectors to decarbonise their portfolio. In that respect, we will conduct periodic reviews of our Sustainable Product Framework, which was issued in September 2022, to take into account recent developments that will help to facilitate a just transition with our clients. We also continue discussions with clients on ESG readiness and transition plans as well as better climate disclosures based on the identified top high-emitting clients.

Sustainability (3/3)

Key sectors targeted are power, oil & gas, palm oil, agriculture (non-palm oil), and infrastructure (non-power). We will also be developing and implementing a Science Based Net Zero Pathway and Strategy to accelerate our clients' decarbonisation transition for identified key sectors by fourth quarter 2024.

Meanwhile, the total amount financed for climate mitigation and adaptation in FY2022 was RM12.16 billion out of the RM20.19 billion in sustainable financing. Some RM1.29 billion of sustainable financing was mobilised for renewable energy projects in 2022, with RM535.70 million for projects that employ the use of solar and RM750.00 million for hydro power.

Currently, the Group's funded and non-funded loan exposure to ESG vulnerable sectors is minimal at 0.34% of Group Gross Loans for coal sector, 3.08% of Group Gross Loans for oil & gas sector and the remaining 2.75% for palm oil, forestry and logging as well as mining (minerals) sectors. Meanwhile for the Group's exposure to coal-fired power plants, these plants are primarily in ASEAN and in countries with relatively low electrification rates and where long-term electricity security and reliability is important. Therefore, we are cognisant that any immediate stop to coal financing would have severe economic and social impacts to these countries, jeopardising energy security and affordability.

The Group has committed to avoid financing new borrowers who are i) engaged in thermal coal and thermal coal related activities, ii) derive a material amount of their annual revenue from thermal coal; and iii) do not have any existing relationship with Maybank Group. For existing clients, we will not provide new financing for thermal coal mining and its related activities. This includes new general purpose financing which can be fungible.

In pursuit of a just transition, we will be reviewing our stated policies on coal this year to ensure that our positioning allows us to support our clients towards progressive decarbonisation, whilst exploring a suitable coal-phase out timeline. We will set a specific timeline on phasing out coal once we have developed a Science Based Net Zero Pathway and Strategy. We are committed to continue working with our power generating clients to understand their sustainability and transition plans given that the credibility of their transition plans will form the basis of the credibility of our transition efforts.

The slight YoY decrease for commitments 2 and 4 is attributed to the more stringent and authentic approach adopted in reporting. Nonetheless, despite the stringent approach that we undertook, we still managed to surpass our annual targets for both commitments. The stringent approach is aligned with the recommendations by UN Global Compact Network Malaysia & Brunei (UNGCMYB) as part of their independent Second Party Opinion (SPO) on the approach and process undertaken in reporting these two sustainability commitments.

With regards to the ESG ranking, we continue to maintain in the top quartile of the FTSE4Good Bursa Malaysia Index. Maybank also ranks amongst the top 36% of Global Banks and rated AA in 2022 by MSCI ESG Ratings. We are also the only financial institution to be included in the 2023 Bloomberg Gender Equality Index in Malaysia. In 2022, we have also obtained an improvement in our CDP score from "D" (Disclosures) to "C" (Awareness).

The percentage of Maybank staff who are ESG-trained are 73% based on unique learners. Maybankers have attended close to 250 sustainability-related programmes, with a total of 81,329 learning activities, 31,473 unique learners and 80,675 sustainability hours captured.

Others (1/9): Auditors

Shareholder Name	Question
CHAN FUNG HAN	Statutory audit fees increased by ~14% from RM23.3 million in FY21 to RM26.6 million in FY22. What caused the YoY increase in fees? What are the nature of other services in the non-audit services that costed RM5 million in FY2022?
TAN YUE JIAN	Does Maybank consider rotation of external auditors?
Response	
<p>The increase in statutory audit fee to EY of 14% YoY from FY2021 takes into account an increase in EY's professional costs arising from structural changes in the firm's staff salary in keeping with audit industry trends. This adjustment is one-off in nature. As a reference, EY has not made any professional cost adjustment or inflationary adjustment to the Group's audit fees since the last exercise in 2014.</p> <p>Additionally, the increase in statutory audit fees is also attributed to the added audit scope for the Group mainly arising from the validation fees for adoption of new accounting standard - MFRS 17 Insurance Contracts, regulatory updates across jurisdictions, implementation of new systems and IBOR reform transition review, among others.</p> <p>For non-audit assignments, the major components relate to advisory works on ESG, model validation and market study on wealth management systems.</p> <p>On rotation of the external auditor, the Group is guided by the guideline on the External Auditors (The Guideline) issued by Bank Negara Malaysia (BNM) with regards to the appointment of auditors. The Guideline does not mandate the rotation of audit firm in Malaysia but it does specify the requirement on the rotation of the engagement partner every five years.</p> <p>The Group ensures that the external auditors comply with the audit partner's five-year rotation requirement as per the Malaysian Institute of Accountants (MIA) By Laws and BNM guideline. As an additional measure, we have also extended the five-year rotation requirement to key members of the audit engagement team such as the senior partner, technical and advisory partner, director and manager level.</p> <p>We have considered rotation of external auditors before, in accordance with our internal policy.</p>	

Others (2/9): Share Price

Shareholder Name	Question
CHAI MING JIAN	When would the Maybank stock price fly to the moon?
Response	
<p>Maybank's share price rose 4.82% YoY in 2022, outperforming the FTSE Bursa Malaysia Kuala Lumpur Composite Index which declined 4.60% in the same duration. Maybank's focus is to strengthen its fundamentals, which should reflect in its share price, through its strategic intentions explained under the M25+ corporate strategy. We will pursue growth opportunities, strengthen asset quality management and invest in digital, technology and people capabilities to pursue long-term sustainable growth. However, we need to caution that Maybank's share price performance is not only subject to the company's fundamentals but other variables including market forces and larger technical trends, which are beyond the Bank's control.</p>	

Others (3/9): Impact of MFRS

Shareholder Name	Question
CHAN FUNG HAN	What are the impacts to the Group's profitability arising from MFRS 17 Insurance Contracts which effective since 1 January 2023?
Response	
The impact will be disclosed as part of the upcoming 1Q FY2023 results announcement on 24 May 2023 and the relevant materials will be uploaded onto our corporate website thereafter.	

Others (4/9): Impact of Proposed Changes to the Hire Purchase Act 1967

Shareholder Name	Question
CHAN FUNG HAN	Recently reported that the Consumer Credit Oversight Board Task Force has proposed a change in the interest calculation for HP to reducing balance from Rule 78 as part of efforts to modernise the Hire Purchase Act 1967. What will be the impact to Maybank if such change is passed and implemented in the future?
Response	
The main impact of this proposed change to the Hire Purchase (HP) Act 1967 will come from customers who decide to settle their hire purchase loans earlier than their contracted terms. Based on our experience, about 10% of our outstanding portfolio is settled earlier than the full maturity dates each year, of which the impact to the Bank is not material. We expect that the implementation of the interest calculation of HP to reducing balance will be applicable to new loans.	

Others (5/9): Resolution 7 Clarification

Shareholder Name	Question
TAN LEY THENG	<p>The Board is proposing Resolution 7 to seek shareholders' approval for the authority to allot and issue shares pursuant to Sections 75 of the Companies Act 2016.</p> <p>Why did the Board not propose a resolution to seek shareholders' approval for the waiver of pre-emptive rights under Section 85 of the Companies Act 2016 as this is a common practice with most public listed companies, when they are proposing to seek shareholders' approval for the authority to allot and issue shares pursuant to Sections 75 of the Companies Act 2016?</p>
Response	
<p>The recent practice to expressly seek a waiver of shareholders' pre-emptive rights under S.85 of the Companies Act 2016 (Act) (S. 85) is a new development that we are seeing, following a recent decision by the Court of Appeal. The case involved the private placement of new shares of the company for the specific purpose of raising cash to help fund a corporate exercise. The company in the case was not specifically seeking for a general mandate in order to allot and issue shares under S. 75 of the Act, unlike what we are doing here i.e. where we are seeking for shareholders' approval under Resolution 7 to obtain a general mandate for the allotment of Maybank shares.</p> <p>Furthermore, the application of S.85 is subject to the Constitutions of the companies, which is probably why we see some companies expressly seek a waiver of the shareholders' pre-emptive rights and some do not (depending on how their Constitutions are worded).</p> <p>For avoidance of doubt, we will also address the shareholders' pre-emptive rights under S. 85 when we deliberate Resolution 7 at the general meeting.</p>	

Others (6/9): Employee-related Metrics

Shareholder Name	Question
CHAN FUNG HAN	<p>KPI (A Leading Employer) -</p> <p>(a) What are the measures by Maybank to increase female participation in senior management?</p> <p>(b) There was a drop in the performance from 93% in FY2021 to 86% in FY2022 for the metric of succession realisation for mission critical positions. What caused such decrease and how will Maybank respond to it?</p>
Response	
<p>We embarked on our transformation journey in 2009 that has seen us establish many important DEI (diversity, equity and inclusion) oriented people policies. Culminating from this, women’s representation in Maybank’s workforce as at end 2022 reached 56% (2019: 55%) and at Senior Management level it was 41% as at end 2022 (2019: 39%). In terms of increasing female participation in Senior Management we continue to develop our women leaders through a myriad of initiatives including opportunities for international assignments, cross-sector development, signature leadership programmes and appointments into key leadership and developmental roles. As of December 2022, 10 leadership programmes as well as international assignments have been rolled out throughout the year where over 1,000 women leaders were selected to participate based on their developmental needs.</p> <p>Resulting from this we have been able to realise more women leaders into Senior Management roles as indicated by our internal vacancy realisation rate at 44% (2019: 42%) by end 2022 and women successor candidates in mission critical positions reaching 44% as at end 2022 (2019: 43%). We also recently promoted Yiow Inn Sann as a direct report to GPCEO and the new Group Compliance Officer, bringing the number of female top management to three. Other key indicators of our women representation:</p> <ul style="list-style-type: none"> - Board of Directors = 33% (2019: 33%) - Top Management = 37% (2019: 34%) - Senior Management = 41% (2019: 39%) - Management = 49% (2019: 47% and for information 2017: 36%) <p>From the Mission Critical Positions that became vacant in 2022, 14% were external hires and 86% internal. These positions did not have immediate successor candidates (immediate Readiness, or R0) available, hence external talents were recruited. Maybank continues to ensure that talents are identified and developed for critical roles across the Group through our succession planning exercise (Sector Talent Review, Country Talent Review, Global Talent Reviews) on a yearly basis. For these positions specifically, candidates with level 1 and 2 readiness (R1 and R2) have been identified and interventions are currently in progress to accelerate their readiness levels.</p> <p>In addition, from a skills family standpoint, majority of these external hires are from the Finance and Technology skills families to which we have put in place longer term measures to strengthen our internal pipeline and capabilities. For example, the CFO Lab Accelerator Programme which aims to build a pool of CFO-ready talents that can be deployed throughout the Group, was launched in 2023. On the Technology front, the Techies Internship Programme and the Next Expert in Technology graduate programme was launched in 2022 and 2021 respectively to further build our own home-grown pipeline of digitally-skills experts. Additionally, the team is also working on various initiatives to ensure improved engagement, well-being and productivity for Tech talents such as the Maybank Tech Summit and TechieSpace.</p>	

Others (7/9): Cybersecurity

Shareholder Name	Question
CHAI MING JIAN	Why only Maybank transactions always appear as “unauthorised transactions”?
KOW LIH SHI	How would banking security increase clients’ confidence and trust of safety?
Response	
<p data-bbox="201 495 1450 595">Fraud is dynamic in nature. Many times, the root cause of such fraud transactions is due to the customer’s negligence in providing third parties/ fraudsters / scammers access to banking details by clicking on suspicious links or downloading APK files.</p> <p data-bbox="201 636 1450 808">Maybank provides adequate safeguards and protection for our customers, as explained during the GPCEO’s presentation. To further strengthen our online banking security, we are fully migrating to Secure2u push authentication, which was initiated in 2017, instead of relying on SMS one-time passwords. In addition, we have introduced a cooling-off period in the MAE app for first-time and new device Secure2u activations as well as binding Secure2u to one device.</p> <p data-bbox="201 851 1450 1019">As an added measure of security, Maybank also encourages customers to be vigilant by checking credential of sites to avoid becoming a victim of fraud. Alternatively, we also provide safe avenues for our credit card customers to use MSOS (Maybank Secure Online Shopping) OTP for secured sites so that they can be protected against unauthorised fraud incidences. Lastly, we have a dedicated 24/7 hotline for our customers to report any financial scams or unauthorised transactions.</p>	

Others (8/9): SOP for Branch Services

Shareholder Name	Question
TAN KENG CHOK	Is it still a policy of Maybank to limit no. of customers in their premises, as was practiced during Covid-19 pandemic? If not, why was Maybank, Kota Kemuning (Shah Alam) branch adopt such practice until senior citizens are forced to queue under the hot sun? Is Maybank trying to be more rigid & regimented than KKM? If they have nothing better to do, please spend more time on CSR!
Response	
<p data-bbox="193 562 1461 629">Effective last year, we have discontinued the practice of limiting the number of customers in a branch at one time in line with the transition of the pandemic to the endemic phase.</p> <p data-bbox="193 667 1461 808">During peak periods especially on Mondays and Fridays, an influx of customers may lead to longer waiting periods before they are attended by our greeters. However, to accommodate customers with special needs such as advanced age, special ability and expectant mothers, we do offer a fast lane service and provide these customers with a dedicated seating area while they wait to be served.</p> <p data-bbox="193 846 1461 911">We will continuously explore ways to offer better customer experiences in our branches by improving crowd handling and adding more seats for waiting customers. We thank you for your feedback.</p>	

Others (9/9): Miscellaneous (1/2)

Shareholder Name	Question
TAN GHEE THONG	<p>Why Maybank Officer from cfrm@maybank.com swept the problems under the carpet? I want to highlight this to CEO so that the image and brand name is not tarnished due to unacceptable customer experience which will harm investors' investment return. (i am writing from an investor's perspective) I had a case with Maybank last November 2022 regarding grab missing points, the PIC from cfrm@maybank.com honored and claimed it was due to Maybank system glitch and Customer Care Agent information was incomplete. I do not deem the case to be closed since they refused to escalate to CEO or CEO is ignorance after knowing it? Hence I reserve my rights to claim 50,000 grab rewards points to resolve to wait for this opportunity to raise it up. As a customer and also an investor for years, please check the case and ensure no further and future occurrence. Be noted Customers should not be your test agent and customers experience is the root of company profitability.</p> <p>Please check, revert and explain in details what made the system glitch. Strictly no BLACK BOX Operation in IT department.</p> <p>A: We acknowledge your feedback on this matter and I have been apprised of your case. Our Customer Feedback and Resolution Management has conducted a thorough investigation on this matter and also engaged you with their findings and resolution. This includes the resolution that the rightful Grab points owing to you was credited on 12 November 2022, followed by a notification call by us to you on 15 November 2022. Thank you.</p>
LOH BOON HING	<p>I would like to have a printed Annual Report.</p> <p>A: Based on our records, the request is made by a non-shareholder so he is assumed to be a proxy. Kindly be informed that hardcopy annual reports are meant for Maybank shareholders. A softcopy can be accessed at www.maybank.com/ar.</p>
BENEDICT LOPEZ A/L GIBSON CONCEPTION	<p>The front cover of your report reads, "From Good to Great." Please don't use the word GREAT. Only Almighty God is GREAT. You could have used the word EXCELLENT.</p> <p>A: Thank you for your feedback. In the context of the annual report, we have used Great as an adjective, to indicate progression from Good, as opposed to using the term as a noun.</p>
LOO TUCK FATT	<p>Please send printed annual report and EGM report</p> <p>A: A copy of the Annual Report & EGM circular have been sent to you on 26 April.</p>
FONG LEE YONG	<p>Please send the hard copy of Maybank Bhd annual reports to my mailing address. TQ</p> <p>A: A copy of the Annual Report has been sent to you on 26 April.</p>
KONG CHONG HIN	<p>Kindly send the hard copy of the annual reports to me as soon as possible, thank you</p>

Others (9/9): Miscellaneous (2/2)

	<p>A: A copy of the Annual Report has been sent to you on 26 April.</p>
TAN WEI SIANG	<p>First, thanks to management for the hard work for past few years. Next, I would like to suggest to management to move more banking tasks online. My experience having walked into the branch office to active a premier account, it takes around 1 hour and 30 min of seating there waiting for staff do a small task. I suggest that management can fully use MAE, Maybank2u functionality to allow users to do tasks online. So this can reduce staff workload and create more efficient branch staff.</p> <p>A: Thank you for the feedback on digitising our banking processes. We will continue to work on improving our customer experience via digitalisation and technology modernisation as elaborated earlier.</p>
KOW LIH SHI	<p>Why walk in counter refuse to take broken notes of Malaysia for exchange? And client need to prove the right, only then can proceed for Malaysia central bank exchange process?</p> <p>A: The matter has been escalated to the relevant team to assist on this query.</p>
WOO KAH FAI	<p>Hi Board,</p> <p>May I know what is the branch SOP? Is every branch having their own branch SOP? Cause last time I was working in one of the company on setapak area, the company can bank in Cheque with issuing wrongly (but just miss one alphabet) payee name. And can place deposit before submitted Company resolution and even FD letter yet sign by directors also can process it first. As I know this company is cash rich company so is it cash rich company can do whatever their want? Just want to clarify.</p> <p>A: The matter has been escalated to the relevant team to assist on this query.</p>