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# 64<sup>th</sup> Annual General Meeting

**Presentation to Shareholders**

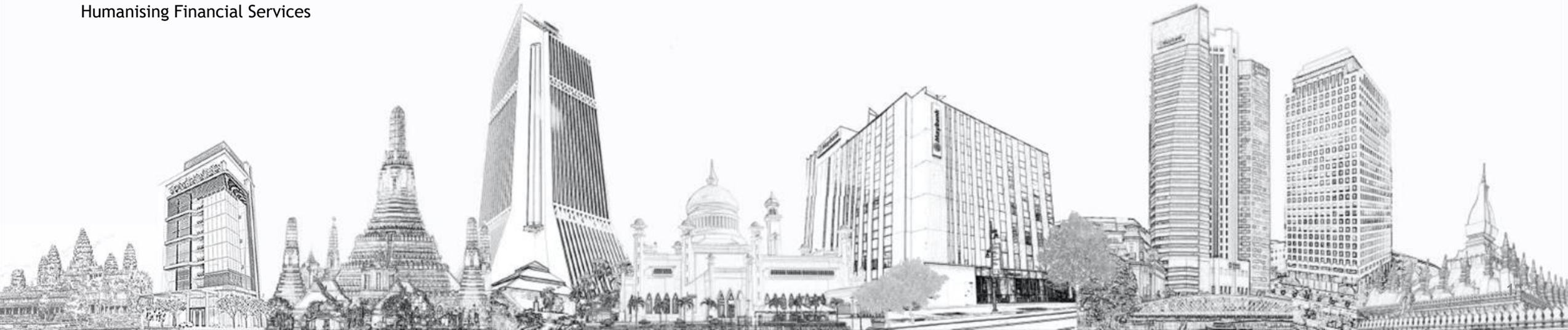
**Questions from Local Institutional Investors:**

- Employees Provident Fund (EPF)
- Kumpulan Wang Persaraan (Diperbadankan) (KWAP)

25<sup>th</sup> April 2024



Humanising Financial Services



# Question from EPF: Auditor's Remuneration



1. Resolution 8: To re-appoint Messrs Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration.

a) We noticed that the auditors' remuneration increased by 12% yoy driven by higher statutory audit fees but offset by lower non-audit services. Can we understand the reasons for such movement?

The increase in auditors remuneration is attributable to additional audit scope for the Group, primarily the validation fees for the adoption of the major new accounting standard - MFRS 17 *Insurance Contracts* by the insurance entities, new regulatory updates across jurisdictions and implementation of new policies for the Group.

The adoption of MFRS 17 entails a significant overhaul in the accounting for insurance contracts/takaful certificates and changes across data, systems and processes within the Group. Consequently, auditors were required to perform additional audit procedures on the implementation including Day-1 adoption impact, models validation and restatements, which translated into higher overall audit man-days and fees.

Non-audit service fees was higher in prior year primarily due to advisory works on ESG and market study on wealth management systems.

# Question from EPF: Auditor & Partners' Rotation/Changes



b) May we know on the last changes/rotation of the auditors and their partners.

On rotation of the external auditor, the Group is guided by the policy document 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 and concurring partner every five (5) years. The last rotation of the Group audit partner and concurring partner was in FY2020. As an additional measure, the Group has 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.

## Question from KWAP: Size of Maybank Group Board (1/2)



1. The number of directors in Maybank's board is higher than banks in Singapore which are larger by asset size. What is the thought process behind how Maybank decides on the optimal board size for the organisation?

The ideal size agreed by the Maybank Board is between 10 to 12 members. This is guided by BNM's expectation for the Maybank Board to comprise at least 12 directors, to commensurate with Maybank's operations which is expanding regionally.

As part of succession planning, the Board has also agreed that the Board size could be increased to 13 to ensure that the composition of the Board would not fall below its ideal size (12) in the event that any Director were to step down at any point in time.

In addition to the above, it is Maybank's practice to have Directors of Maybank (holding company) chairing its key subsidiaries. Given the current number of key subsidiaries, we need to ensure that we have sufficient number of Maybank Directors to chair each of these key subsidiaries.

*(continued on the next page)*

## Question from KWAP: Size of Maybank Group Board (2/2)



Besides the above, Maybank Board has established a total of seven (7) Board Committees, as below:

- Audit Committee
- Nomination & Remuneration Committee (NRC)
- Risk Management Committee
- Compliance Committee
- Credit Review Committee
- Board Sustainability Committee
- Board Technology Committee

In view of the above, Maybank needs a larger Board size to ensure that the workload of Board Committees and subsidiary boards are fairly distributed among the Directors.

The NRC reviews the Board size and Directors' memberships of Board Committees and key subsidiary Boards from time to time to ensure that all Directors are able to devote sufficient time to discharge their duties as a Director and member of Board Committee.