

# Leading Asia



ANNUAL REPORT 2016



**CONNECTING  
LIVES IN OUR  
DIGITAL WORLD**

Humanising Financial Services

**RM11.69 billion**

New Record High Pre-Provisioning Operating Profit

**13.990%**

Common Equity Tier 1 Capital Ratio

**Shareholder Returns**

Dividend per Share 52 sen  
Dividend Yield 6.3%



**1978**

Pioneered  
computerisation of  
banking operations in  
Malaysia

**2006**

First to offer online  
mobile banking via  
SMS and M2U mobile  
services

**2000**

First bank in Malaysia  
to introduce Internet  
Banking with launch of  
Maybank2u (M2U)

**2009**

Launched Malaysia's  
first wireless mobile  
payment terminal  
facility

In our rich history of over 56 years, Maybank has gradually built its digital capabilities to better serve its expanding customer franchise and growing regional network. Our digital approach is simple – we offer solutions that ease your banking transactions, help you grow your wealth and pay it forward to your communities, with a click of a button. To us, this encapsulates “**Humanising Financial Services**”.

As a leading financial services group in ASEAN, we have introduced many digital ‘firsts’ for banking solutions in the markets we serve. We also collaborate with technology startups and innovators to conceive disruptive innovation. We aim to create a single integrated financial ecosystem that keeps you connected to what matters to you. We look forward to serving you better, as we continue building our digital foundation in becoming “**The Digital Bank of Choice**”.



**2012**

First bank in Singapore to introduce a Smart TV application for banking and customer engagement services

**2016**

Rollout of MaybankPay, Malaysia's first mobile wallet payment application



**2015**

Inaugural MaybankFintech event, a first-of-its-kind aimed at funding eligible tech startups and generating FinTech ideas



Maybank Group's Annual Report is our primary report and is supplemented with additional online disclosures for our stakeholders. These include consolidated and separate financial statements.

	ANNUAL REPORT 2016		SUSTAINABILITY REPORT 2016
			
	CORPORATE BOOK	FINANCIAL BOOK	
<b>CONTENTS</b>	<ul style="list-style-type: none"> <li>Provides a comprehensive assessment of the Group's performance for 2016 and outlook for 2017.</li> </ul>	<ul style="list-style-type: none"> <li>Presents the full set of the Group's and Bank's audited financial statements.</li> <li>Basel II Pillar 3 Disclosure.</li> </ul>	The Maybank Sustainability Report 2016 provides a balanced and comprehensive report of the Group's sustainability performance in relation to issues material to the Group and its stakeholders, and complies with the Global Reporting Initiative (GRI) G4 Guidelines and Bursa Malaysia Main Market Listing Requirements relating to Sustainability Statements in Annual Reports.
<b>REGULATIONS COMPLIED</b>	<ul style="list-style-type: none"> <li>Companies Act, 1965.</li> <li>Bursa Malaysia Main Market Listing Requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Malaysian Financial Reporting Standards.</li> <li>International Financial Reporting Standards.</li> <li>Companies Act, 1965.</li> <li>Bank Negara Malaysia Policy Documents and Guidelines.</li> <li>Financial Services Act, 2013.</li> <li>Islamic Financial Services Act, 2013.</li> </ul>	
<b>ONLINE VERSION</b>	<a href="http://www.maybank.com/ar2016">www.maybank.com/ar2016</a>		
<b>CROSS REFERENCES</b>	<ul style="list-style-type: none"> <li> Tells you where you can find more information within the reports</li> <li> Tells you where you can find more information online at <a href="http://www.maybank.com">www.maybank.com</a></li> </ul> <div style="display: flex; align-items: center; margin-top: 10px;">  <p>You can find this report and additional information about Maybank on our corporate website.</p> </div>		

# 57<sup>th</sup> ANNUAL GENERAL MEETING OF MALAYAN BANKING BERHAD

Grand Ballroom,  
Level 1, Sime Darby Convention Centre,  
1A Jalan Bukit Kiara 1,  
60000 Kuala Lumpur

**Thursday, 6<sup>th</sup> April 2017  
10.00 a.m.**



Refer to pages 215 to 218 for Annual General Meeting information and Financial Calendar

## 4 MAYBANK OVERVIEW 6 HIGHLIGHTS OF 2016

### Chapter 01 ORGANISATION OVERVIEW

- 10 Corporate Profile & Global Network
- 12 The Maybank Brand
- 13 Core Values, Code of Ethics & Conduct
- 14 Group Customer Experience Management
- 15 History, Innovation & Leadership
- 18 Strategic Business Units
- 21 Group Corporate Structure
- 22 Group Organisation Structure

### Chapter 02 MESSAGE TO SHAREHOLDERS

- 24 Chairman's Statement
- 26 Group President & CEO's Statement

### Chapter 03 MANAGEMENT DISCUSSION & ANALYSIS: GROUP REVIEW

- 32 Group Strategy
- 38 Economic & Banking Industry Review and Outlook
- 42 Key Performance Indicators
- 44 Group Financial Review
- 49 Capital Management
- 51 Investor Information
  - Investor Relations
  - Maybank Share
- 60 Financial Performance

### Chapter 04 MANAGEMENT DISCUSSION & ANALYSIS: BUSINESS REVIEW

- 67 Group Community Financial Services
- 72 Group Global Banking
- 80 Overseas Operations
  - Singapore
  - Indonesia
  - International
- 90 Group Insurance & Takaful
- 94 Group Islamic Banking
- 100 Group Technology
- 103 Group Operations

### Chapter 05 LEADERSHIP & PEOPLE

- 106 Board of Directors
- 108 Board of Directors' Profile
- 115 Group Executive Committee
- 122 Group Shariah Committee
- 126 Group Human Capital

### Chapter 06 CORPORATE GOVERNANCE & ACCOUNTABILITY

- 140 Statement on Corporate Governance
- 160 Additional Compliance Information
- 161 Statement on Risk Management and Internal Control
- 165 Audit Committee Report
- 169 Group Risk Management
- 175 Group Compliance
- 176 Group Shariah Committee Report
- 177 Sustainability Statement

### Chapter 07 MILESTONES & ACHIEVEMENTS

- 188 Maybank in the News
- 193 Maybank in Social Media
- 195 Event Highlights 2016
- 202 Awards & Recognition

### Chapter 08 OTHER INFORMATION

- 205 Analysis of Shareholdings
- 207 Classification of Shareholders
- 207 Changes in Share Capital
- 209 Properties Owned by Maybank Group
- 210 List of Top 10 Properties Owned by Maybank Group
- 211 Corporate Information
- 212 Group Directory

### Chapter 09 AGM INFORMATION

- 215 Notice of the 57<sup>th</sup> Annual General Meeting
- 217 Statement Accompanying Notice of the 57<sup>th</sup> Annual General Meeting
- 218 Financial Calendar
  - Form of Proxy

# MAYBANK OVERVIEW

## We are a Leading ASEAN Bank

Maybank is Malaysia's largest financial services group with an established presence in the ASEAN region.

We rank fourth by assets among banks in ASEAN and are the fifth largest Islamic bank globally. Net operating income for FY2016 amounted to RM22.26 billion.

**TOTAL ASSETS**  
**RM735.96 billion**

**MARKET CAPITALISATION**  
**RM83.58 billion**

Corporate profile & Global Network, pg. 10

## Geographical Footprint

Our home markets are Malaysia, Singapore and Indonesia. We have presence in 10 ASEAN countries with a combined branch network of 1,156 offices in ASEAN.

We also have presence in the international financial centres of Hong Kong, Shanghai, London, New York and Bahrain with associates in Pakistan (MCB Bank with 1,224 branches) and Vietnam (An Binh Bank with 146 branches).

Strategic Business Units, pg. 18

## A Major Player in the ASEAN Economic Community

We are positive about the future of ASEAN. With our footprint across ASEAN and key global financial centres, we are well-positioned to benefit from the long-term prospects of the opportunities around the ASEAN region.



Group Strategy, pg. 32

## Our Values



We live our T.I.G.E.R. values of Teamwork, Integrity, Growth, Excellence & Efficiency and Relationship Building and adhere to a strict Code of Ethics.

Core Values, Code of Ethics & Conduct, pg. 13

## Maybank<sup>2020</sup> Vision and Mission

### OUR VISION

Advancing Asia's Ambitions With You

### OUR MISSION

Humanising Financial Services

### STRATEGIC OBJECTIVES

Our Maybank<sup>2020</sup> Vision and Mission guides our strategic objectives:

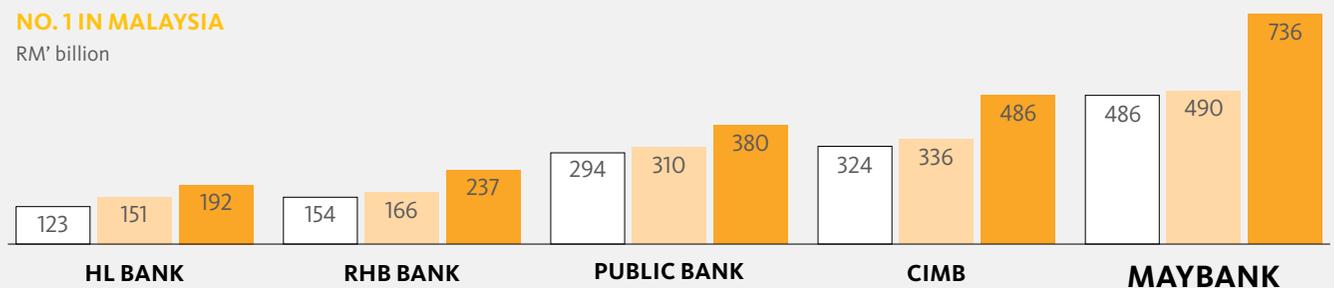
- The Top ASEAN Community Bank
- The Leading ASEAN Wholesale Bank Linking Asia
- The Leading ASEAN Insurer
- The Global Leader In Islamic Finance
- Digital Bank Of Choice

Group Strategy, pg. 32

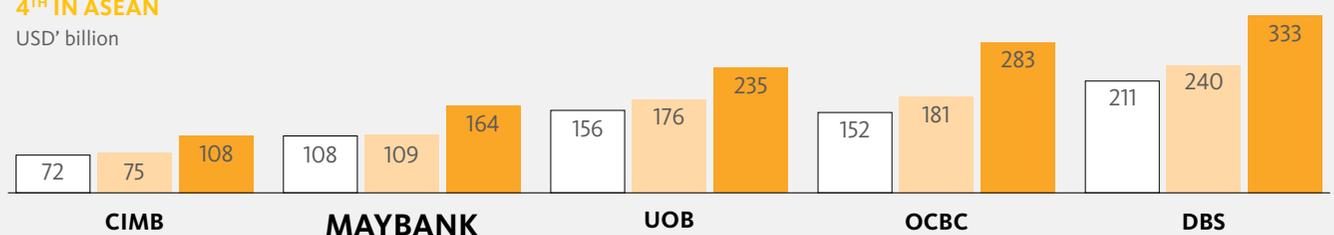
## Market Positioning in 2016

Maybank is the **leading banking group in Malaysia** and **ranks fourth in ASEAN** in terms of assets, loans and deposits and targets to remain a top 5 player in the regional market.

**NO. 1 IN MALAYSIA**  
 RM' billion



**4<sup>TH</sup> IN ASEAN**  
 USD' billion



## MAYBANK OVERVIEW

### Diverse Range of Services

Maybank provides a comprehensive range of financial services under three key business pillars: Group Community Financial Services (including consumer banking, SME and business banking), Group Global Banking (including corporate banking, global markets, investment banking, transaction banking and asset management), and Group Insurance & Takaful. These pillars are complemented by their international business operations and Islamic financial services.

Established in  
**1960**

Head office in  
**Kuala Lumpur,  
Malaysia**

Listed on Bursa Malaysia  
in **1962** and is the  
**largest company**  
on the exchange

Presence in **20 countries**  
including in all **10**  
**ASEAN countries**

**43,976**  
**employees**

### Business Pillars

### Business Units

### Developments in 2016

### Share of Group PBT

#### Group Community Financial Services

pg. 67

#### Group Global Banking

pg. 72

#### Group Insurance & Takaful

pg. 90

Islamic Finance leverage model utilised to distribute Islamic products across the Group, while international business operations are embedded within each business pillar.

pg. 94

#### Includes:

- Consumer
- Retail SME
- Business Banking (mid-sized corporates and SMEs)

#### Includes:

- Corporate Banking
- Global Markets
- Investment Banking (Maybank Kim Eng)
- Transaction Banking
- Asset Management

#### Conventional insurance:

- Life Insurance
- General Insurance

#### Takaful (Islamic insurance):

- Family
- General

- Group Community Financial Services' revenue grew 8.4% YoY, with overseas contribution at 36.8%.
- Wealth segments realigned and regrouped under the single captainship of Group Wealth Management to allow business strategies to be even more holistic.
- Continue to standardise regional products and expand marketing platforms for cardmembers.

- Group Global Banking's revenue grew 7.3% YoY supported by non-interest income growth.
- Elevated focus on managing risks, returns and capital through strategic thrusts namely selective loan growth for meaningful returns.
- Strengthened regional product portfolio support to corporate clients through holistic and comprehensive financing propositions.

- Expanded our online business by offering life products via direct sales on our portal.
- Introduced online claims submission.
- Added new distribution channels i.e., products are now also available via cooperatives, brokers, institutions and direct sales.

**41.9%**

**50.2%**

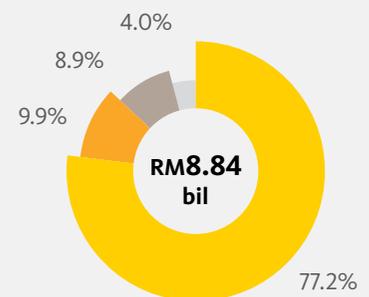
**7.9%**

### International Contribution

The contribution of PBT and composition of loans from overseas were 22.8% and 43.3% respectively.

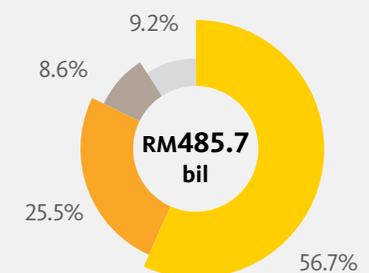


#### Profit Before Tax



Overseas: 22.8%

#### Gross Loans



Overseas: 43.3%

# HIGHLIGHTS OF 2016

**52.0 sen**

## Dividend per Share

Dividend per share of 52.0 sen translates to a dividend payout ratio of 78.1%, above our policy rate of 40.0% to 60.0%. Maintained a high dividend yield of 6.3% for FY2016.

Capital Management, pg. 49

**RM11.69 billion**

## Pre-Provisioning Operating Profit\*

Pre-Provisioning Operating Profit (PPOP) hits a new record high of RM11.69 billion, rising 6.7% from a year earlier, underpinned by strong growth across all business sectors within the Group, demonstrating the group's ability to drive topline growth and manage cost effectively.

Group Financial Review, pg. 44

**Maybank<sup>2020</sup>**

## Advancing Asia's Ambitions With You

Our plan towards 2020 is to strengthen our current positioning in ASEAN across all our sectors namely, Community Financial Services, Global Banking, Insurance & Takaful and Islamic Banking to cater to the needs of our regional clientele. Maybank also embarked on various digital innovations as we focused on delivering the best customer experience underpinned by our mission of "Humanising Financial Services".

Group Strategy, pg. 32

**47.3 %**

## Cost to Income Ratio

Lowest cost to income ratio achieved in six years, below the internal threshold of 50.0%. Positive JAWs of 2.0%, arising from net operating income growth of 4.8% exceeding overhead expenses growth of 2.8%.

Group Financial Review, pg. 44

**13.990 %**

## Common Equity Tier 1 Ratio

One of the strongest capitalised financial services groups in the region, with a CET1 ratio of 13.990%, up 121bps from a year earlier. Total Capital Ratio also improved 155bps to 19.293%

Capital Management, pg. 49

**Maybank Indonesia**

## Achieved Highest Ever Net Profit

PT Bank Maybank Indonesia Tbk delivered its highest ever net profit of IDR1.95 trillion for FY2016, a 71.0% YoY increase from IDR1.14 trillion. This was driven by higher net interest income, good cost management and reduction in provisioning levels for non-performing loans.

Overseas Operations – Indonesia, pg. 82

**Innovative Digital Services**

## Launch of Many "Firsts"

In 2016, we introduced Malaysia's first mobile wallet and Cambodia's first mobile banking application. We were also the first bank to launch a peer-to-peer donation platform. Our Analytical Push Notification reached over 1 million customers. We will continue to broaden the Group's digital ecosystem and capabilities to cater to the needs of our next-generation customers towards being the "Digital Bank of Choice".

Group Technology, pg. 100

**30 %**

## Growth in Maybank2u Transaction Value

Maybank's internet banking portal in Malaysia, Maybank2u (M2U), posted a 30.0% increase in transaction value. M2U maintained its internet banking market share lead and was also recognised as the 'Most visited local website in Malaysia' in 2016.

Group Community Financial Services, pg. 67

**54.5 %**

## Islamic Financing to Total Malaysia Loans

Maybank Islamic contributions to Maybank Malaysia's total loans increased by 3.7% from last year. Maybank Islamic captured 34.4% of the Malaysian Islamic market share and maintained its position as the No. 1 Islamic bank in Malaysia by asset size.

Group Islamic Banking, pg. 94

\* Pre-provisioning operating profit is equivalent to Operating profit before impairment losses as stated in the audited financial statements.

## HIGHLIGHTS OF 2016

## FINANCIAL HIGHLIGHTS



<sup>®</sup> Net profit is equivalent to Profit attributable to equity holders of the Bank as stated in the audited financial statements.

<sup>\*</sup> Computed based on weighted reallocation of additional RM3.66 billion capital raised in October 2012.

<sup>^</sup> RWCR and assuming full reinvestment of Dividend Reinvestment Plan.



**E-money,  
a digital cash gift  
service for festive  
seasons**

**OUR DIGITAL  
SOLUTIONS  
CUT ACROSS  
GENERATIONS,  
TAILORED TO FULFILL  
THE SPECIFIC NEEDS  
OF OUR DIVERSE  
CUSTOMER BASE**

## **ORGANISATION OVERVIEW**

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## **MESSAGE TO SHAREHOLDERS**

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# CORPORATE PROFILE & GLOBAL NETWORK

**Maybank is among Asia’s leading banking groups, and also Malaysia’s leading provider of integrated financial services. Our history dates back to 1960 when we first opened our doors for business in Kuala Lumpur with a commitment to support the economic development of independent Malaya and bring banking services to its people.**

Right from our early years, the bank underwent rapid growth by expanding within the country as well as to neighbouring markets to support growing trade and investments link. Offices were later set up in other key global financial centres such as London and New York while our range of services was progressively increased with the addition of insurance, investment banking, asset management, offshore banking, Islamic banking, venture capital financing and internet banking.

The Maybank Group currently operates over 2,400 offices in 20 countries, and is the only bank with on-ground operations in all 10 ASEAN countries. Over the years, we have not only grown our physical presence but also been at the forefront of digital banking developments, pioneering many innovative products and services across the markets we serve.

With our expanded physical and digital reach, we have been successfully connecting customers from across the world to our home in Asia through an array of unique financial solutions and innovative services. We are now focused on delivering a next-generation customer experience, in line with our aim of becoming a “Digital Bank of Choice” in the region.

We have built our reputation on a foundation of financial strength, prudence, innovation and excellence. This has made us a leading and respected brand in financial services and recognised through numerous awards over the years. Our Islamic banking arm - Maybank Islamic Berhad - is also acknowledged as one of the global leaders

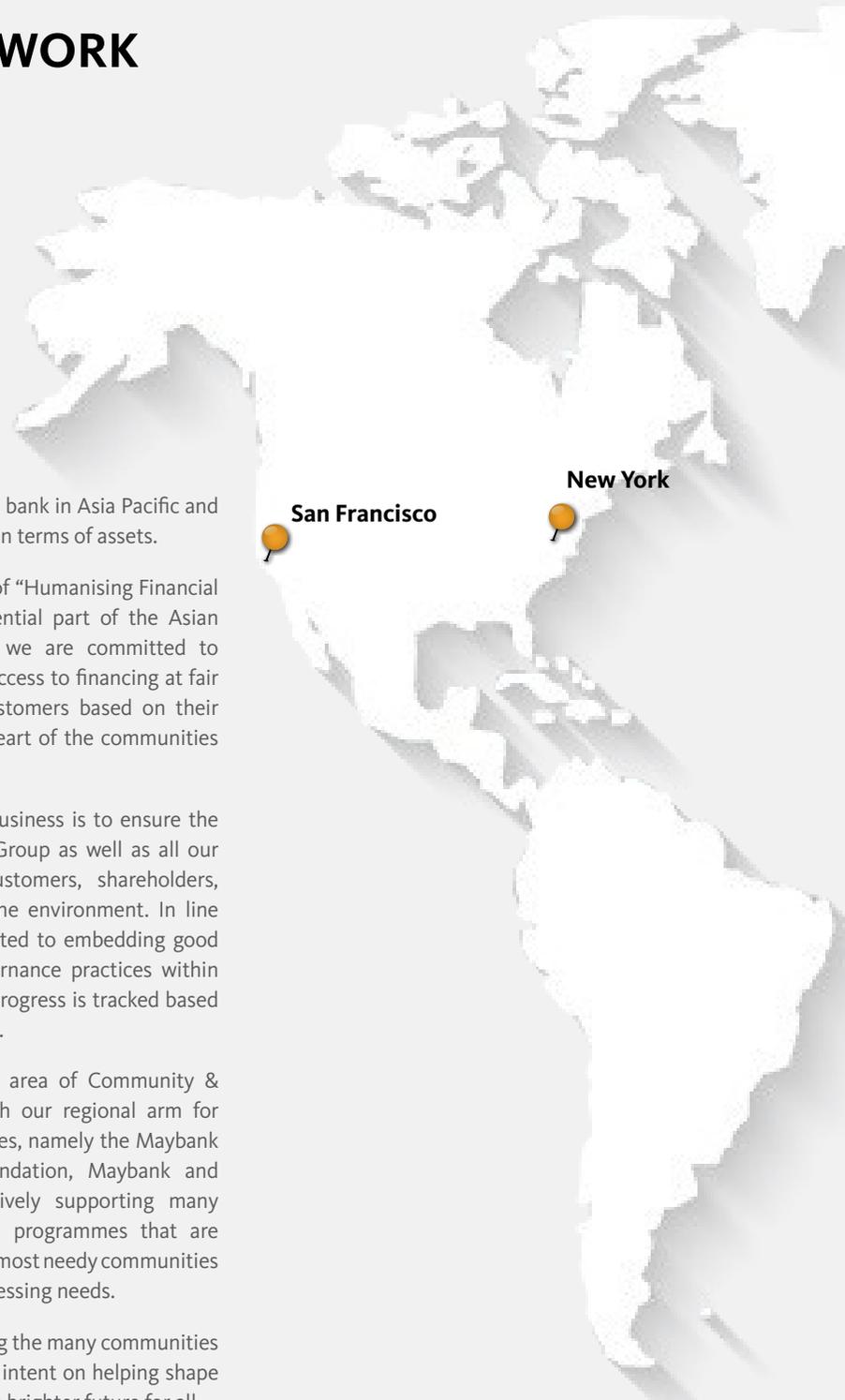
in its field, and is the top Islamic bank in Asia Pacific and among the top five in the world in terms of assets.

Maybank has a unique mission of “Humanising Financial Services”. Having been an essential part of the Asian landscape for over 56 years, we are committed to providing its people with easy access to financing at fair terms and pricing; advising customers based on their needs as well as being at the heart of the communities we serve.

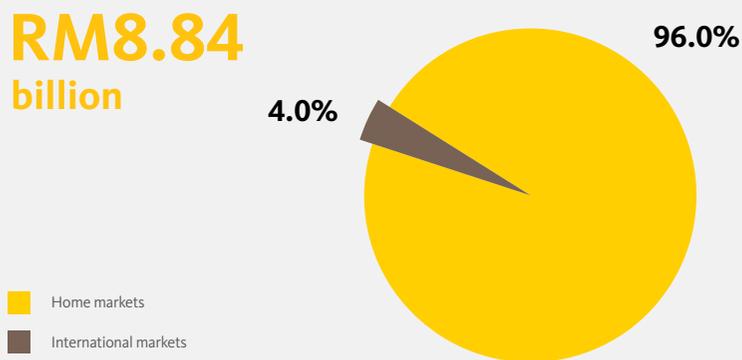
A key goal while building our business is to ensure the sustainability of the Maybank Group as well as all our stakeholders including our customers, shareholders, employees, communities and the environment. In line with this, Maybank has committed to embedding good environmental, social and governance practices within our operations, and our yearly progress is tracked based on our 20/20 Sustainability Plan.

Maybank’s commitment in the area of Community & Citizenship is delivered through our regional arm for corporate responsibility initiatives, namely the Maybank Foundation. Through the Foundation, Maybank and its employees have been actively supporting many community and environmental programmes that are designed to uplift some of Asia’s most needy communities and address some of its more pressing needs.

Today, as we continue connecting the many communities across our network, we are also intent on helping shape our digital world while building a brighter future for all.



## Group Profit Before Taxation and Zakat 2016



## Home Markets

- MALAYSIA**  
 363 branches;  
 7 branches via Maybank Investment Bank;  
 24 Etiqa branches & 4 Service Centres
- SINGAPORE**  
 22 branches;  
 3 branches via Maybank Kim Eng;  
 1 Etiqa office
- INDONESIA**  
 430 branches;  
 6 branches via Maybank Kim Eng;  
 1 branch via Maybank Syariah Indonesia

## International Markets

- BAHRAIN**  
 1 branch
- BRUNEI**  
 2 branches
- CAMBODIA**  
 21 branches

## CORPORATE PROFILE & GLOBAL NETWORK



Over  
**2,400**  
Offices  
in 20 countries

**43,976**  
Employees  
serving our customers globally

**RM736**  
billion  
Total Assets  
The largest bank in Malaysia



**CHINA**  
4 branches



**LAOS**  
2 branches



**MYANMAR**  
1 branch



**MAURITIUS**  
1 branch via Maybank  
Indonesia



**THAILAND**  
60 branches via Maybank  
Kim Eng



**HONG KONG**  
1 branch;  
1 branch via  
Maybank Kim Eng



**UNITED KINGDOM**  
1 branch; 1 branch via  
Maybank Kim Eng (London)



**UNITED STATES OF AMERICA**  
1 branch; 2 branches via  
Maybank Kim Eng  
(New York & San Francisco)



**PHILIPPINES**  
80 branches;  
3 branches via  
Maybank Kim Eng



**UZBEKISTAN**  
1 office via Uzbek Leasing  
International



**INDIA**  
1 branch via  
Maybank Indonesia;  
1 branch via  
Maybank Kim Eng



**LABUAN**  
1 branch;  
2 Etiqa offices



**PAKISTAN**  
1,224 branches via MCB Bank;  
4 branches via Pak-Kuwait  
Takaful Company



**SAUDI ARABIA**  
1 office via Anfaal Capital



**VIETNAM**  
2 branches;  
6 branches via Maybank Kim Eng;  
146 branches via An Binh Bank

# THE MAYBANK BRAND

## THE PROGRESS OF ASEAN IS THROUGH ITS PEOPLE. MAYBANK. HUMANISING FINANCIAL SERVICES.

Maybank's cumulative experience in the banking industry and dominant presence in ASEAN, supported by our extensive customer base worldwide, provide a matchless advantage and opportunity for us to make an impact in the communities we serve, economically, socially and environmentally. Having our stakeholders as the main focus and guided by our mission to "Humanise Financial Services", we consistently create value through better services, processes and facilities that execute a truly rewarding and meaningful experience for them.

### YOUR DIGITAL BANKING EXPERIENCE

In providing better services for our customers, we strive to be the "Digital Bank of Choice". Our agility has enabled us to leverage on technology to deliver a superior and frictionless banking experience. But most importantly, Maybank's attention and deep understanding of our customers' preferences have been pivotal in our success to pledge quality, simplicity and convenience to our customers.



The launch of MaybankHeart: 'Reconnecting with Humanity'.

### CLOSER TO HEART

We realise that for the bank to grow sustainably, our efforts should not only be focused on the financial front but also on building an inclusive and resilient future for our people and environment. This has led to the various continued initiatives driven by Maybank Foundation, Maybank's corporate responsibility (CR) vehicle. Our CR programmes across the ASEAN region is a testament of our passion of being at the heart of the communities, providing equitable opportunities for all as well as empowering and growing with them. In 2016, we launched an online crowd funding platform - MaybankHeart. The first such initiative by a bank in Malaysia, allows NGOs (or like-minded organisations) to take advantage of Maybank's digital capabilities and extensive network to reach out to the masses, while providing easy access for the public to contribute to the fundraising campaigns.



Maybank Championship press conference. Where the 'Best of ASEAN' meets the 'Best of the World'.

### AN ASEAN SWING

We are beyond proud that this "Humanising Financial Services" mission is more than just a philosophy as it is deeply inculcated in everything we do. Our involvement in golf, which started in 2006 is now a signature tournament for ASEAN, developing not only the standard of game but also the perception and acceptance of golf in the region. Moreover, we have triumphed at linking business, social and entertainment with golf and simultaneously uniting the ASEAN community.



The official launch of Maybank Indonesia's brand transformation.

### IMPROVED CONFIDENCE IN ASEAN

In the effort of bringing together a more flourished ASEAN region, Maybank undertook a re-branding exercise for all our operations in Indonesia to carry the Maybank brand. In line with our unique financial presence in ASEAN, this gave impetus to synergising our growth opportunities in ASEAN's largest market.

### THE BRAND VALUE

Our integrated initiatives to enhance the see, feel and experience of our stakeholders have revitalised the brand and achieved traction with consumers. Today, the Maybank brand is valued at USD2.548 billion by Brand Finance Global 500 League Table 2017, ranking fifth in the ASEAN bank brand rankings. We are also humbled to retain the 'Brand of the Year' title by the World Branding Awards for the third consecutive year and Malaysians' preferred banking, investment and insurance institution through the Putra Brand Awards for the seventh year running.



Source: 2017 BrandFinance® Banking 500 League Table Results



BrandFinance®: Top 100 Banking Brand 2017



World Branding Awards: Brand of the Year (National Category)

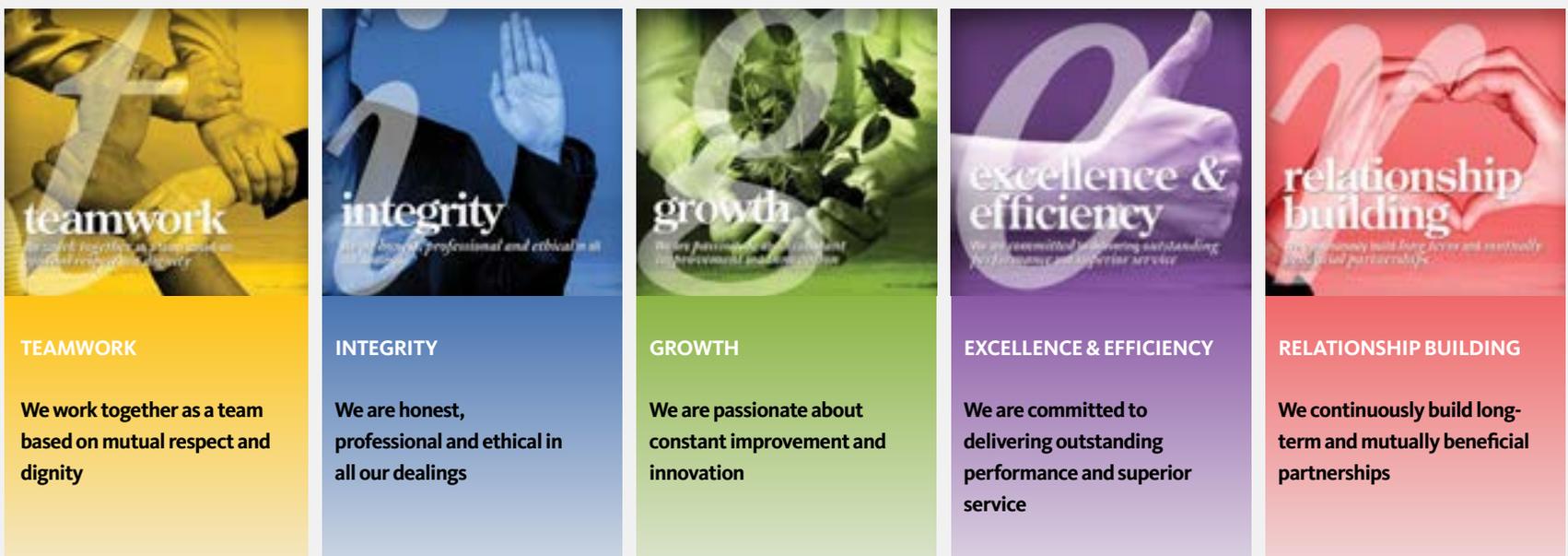


Putra Brand Awards: Gold in the Banking, Investment & Insurance Category for 7 consecutive years

## CORE VALUES, CODE OF ETHICS & CONDUCT

### CORE VALUES

Our T.I.G.E.R. values define what we believe in and what we stand for. These are our essential guiding principles for our hearts and minds, for those situations where the rule book provides no answers.



### CODE OF ETHICS & CONDUCT

Maybank, as a custodian of public funds, has a responsibility to safeguard its integrity and credibility. It is with this understanding that the organisation sets out clearly the code of ethics and conduct for its staff. The code stipulates the sound principles that will guide all Maybank staff in discharging their duties. It sets out the standards of good banking practice.

#### The purpose of the code is to:

1. Uphold the good name of Maybank Group and to maintain public confidence in the Maybank Group.
2. Maintain public confidence in the security and integrity of the banking system.
3. Maintain an impartial and unbiased relationship between the Maybank Group and its customers.
4. Uphold the high standards of personal integrity and professionalism of Maybank Group staff.

#### The code stipulates that the staff should not:

1. Engage directly or indirectly in any business activity that competes or is in conflict with the Bank's interest.
2. Misuse or abuse their positions in the Bank for their personal benefit or for the benefit of other persons.
3. Misuse information. Staff should not copy, remove or make use of any information obtained in the course of business for the direct or indirect benefit of themselves or of any other persons.

#### In addition to these, staff should:

1. Ensure the integrity and accuracy of records and/or transactions.
2. Ensure fair and equitable treatment in all business dealings on behalf of the Bank.
3. Maintain the highest standard of service in their relationship with customers.
4. Maintain confidentiality of all relations and dealings between the Bank and its customers. However, confidential information concerning a customer may be given or made available to third parties only with prior written consent of the customer or when disclosure is authorised under the Financial Services Act 2013.
5. Manage their financial matters well and not subject themselves to pecuniary embarrassment.
6. Observe and comply with laws and regulations relating to the operations of the Bank.

# GROUP CUSTOMER EXPERIENCE MANAGEMENT

## 2016 HIGHLIGHTS

In 2016, Group Customer Experience Management (GCEM) focused on elevating customer centricity within the organisation, as guided by our Service Vision of *Passionately Creating Consistent Customer Delight*.



Maybank places customer centricity at the forefront of its operations.

Customer centricity is deeply entrenched in our mission, vision statements, goals, objectives and strategic plans. As we spearhead the Bank towards achieving a true state of customer centricity, our journey demands that we continuously evaluate our products and services, innovate and find ways to add value in delightfully exceeding customers' expectations. Driven by customers' confidence and trust in us, we are proud yet humbled to be ranked among the leaders of financial institutions in the country today.

As customer experience advocates for the Bank, we also perform a governing role to ensure that our people, products, processes, interactions and initiatives remain customer centric. Our focus areas for the year involved future-proofing our people and supporting the Bank's aspiration to be the "Digital Bank of Choice".

Our regional reach is strengthened by a homogenised customer experience framework that is shared across Maybank Malaysia, Singapore, Indonesia and the Philippines and customised to suit local regulations.

### CUSTOMER ENGAGEMENT LEVELS

Customer experience remains at the forefront of our operations. We ensure that our products and services remain aligned and ahead of customer expectations by channeling the voice of customer into the decision-making processes of our business. A globally recognised independent third party was brought onboard to measure the depth of our customer relationships and evaluate our areas of strengths and opportunities from customers' perspective. Despite prevailing economic headwinds, we continue to reign among the top five leading banks domestically in relationship strength and we also maintained a strong position in our customer loyalty measurement.

### RAISING THE BAR ON PERSONAL SERVICE

The customer centric efforts at our branches have strengthened our year on year customer engagement scores, with positive gains recorded in customer's loyalty and

trust in our services. This is credited in part to a people-focused thematic programme that hones our staff's social intelligence and functional skills to enable high quality delivery of instant fulfillment. The programme also includes an internal mobility roadmap that is structured to accelerate the Bank's digital aspirations and transform our branch network from a transactional centre to an advisory services hub.

### COMPLAINTS HANDLING

We continue to drive the 'get it right the first time, every time' approach across our workforce and we strive to create an optimal complaints handling ecosystem for our customers. Strategic enhancements to our systems and policies, combined with the right set of tools and training has seen the number of first contact resolution cases increase for the Bank, with particularly encouraging progress noted in our high-touch customer base.

### MITIGATING RECURRING COMPLAINTS

The collated Voice of Customer was subjected to a detailed diagnostic analysis to pinpoint recurring issues faced by our customers. The insights unearthed seven key opportunities, and 19 initiatives were put in place to mitigate them. The intervention has successfully reduced the number of recurring complaints by more than 50%.

### PRODUCT AND SERVICE IMPROVEMENT

We are guided by the Voice of Customer to make our services, products and policies more innovative, intuitive, simple and endearing to create customer delight. In 2016, 29 initiatives have been successfully rolled out to improve our customer journeys, strengthen customer loyalty and deepen their relationship with the Bank.

### STANDARDISED CROSS-BORDER CUSTOMER EXPERIENCE

Our customer experience guidelines, frameworks and measurements have been shared across our home markets as well as Maybank Philippines.

In 2016, we focused on standardising our complaints handling framework, service standards and metrics to ensure best in class banking experiences across these borders.

### Way Forward for 2017

In 2017, GCEM plays a crucial role in crystallising our vision of "Advancing Asia's Ambitions with You". Our key focus areas for the year include:

- 01 Elevating the holistic customer experience across all our platforms and channels.
- 02 Harnessing digital opportunities via a future-proof workforce.
- 03 Expanding our regional presence through standardised delivery of best in class customer experience.

## HISTORY, INNOVATION & LEADERSHIP

### 1960

- Maybank is incorporated on May 31 and begins operations in Kuala Lumpur on September 12.
- Malayan Finance Corporation (later Mayban Finance) is established, the first wholly bank-owned finance company.
- Maybank's first overseas branch opens in Brunei Darussalam.
- Branches are opened in Singapore.

### 1962

- The Hong Kong branch opens on February 12, followed by a branch in London on September 12.
- On February 17, Maybank is listed on the Kuala Lumpur Stock Exchange (now Bursa Malaysia).

### 1973

- In September, Maybank sets up its investment banking arm — Asian and Euro-American Merchant Bankers Bhd (Aseambankers). The bank is renamed Maybank Investment Bank in 2009.

### 1974

- First to introduce a rural credit scheme.

### 1976

- First to introduce mobile bus banking services.

### 1977

- In June, Mayban-Phoenix Assurance Bhd — with the Bank holding 70% equity — is incorporated offering underwriting general insurance risks. The remaining 30% is held by British Phoenix Assurance. On October 10, 1986, Mayban-Phoenix Assurance is renamed Mayban Assurance.

### 1978

- Pioneer in computerisation of banking operations in Malaysia.

### 1980

- Maybank launches its first credit card — the Maybank Visa Classic card.

### 1981

- First Malaysian bank to set-up ATMs in Malaysia.

### 1983

- Prime Minister Dato' Seri Dr Mahathir Mohamad lays the foundation stone of Menara Maybank — Maybank's headquarters — in September.

### 1984

- Maybank's New York branch opens in September.

### 1986

- Maybank introduces the nation's first integrated and largest ATM network — Automated Banking Consortium or ABC linking Kwong Yik Bank, Mayban Finance and Maybank in Malaysia and Singapore, a total of 296 ATMs.

### 1988

- Balai Seni Maybank and the Maybank Numismatic Museum are officially opened by Tan Sri Dato' Jaffar Hussein, Governor of Bank Negara Malaysia. Official opening of Menara Maybank in June 1988 by the Prime Minister.
- First financial institution to introduce payment for new IPOs through ATMs.

### 1990

- Maybank sets up an offshore bank in Labuan International Offshore Financial Centre.

### 1992

- In January, Mayban Securities is formed.
- Maybank Autophone is launched, making Maybank the first local bank to offer a computerised telephone service.

### 1993

- Mayban Ventures begins operations.
- Aseam Leasing and Credit Bhd is incorporated, offering leasing and hire purchase activities.

### 1994

- Maybank (PNG) Ltd opens for business in Port Moresby in October, with a second branch opened in Lae in 1997.
- Prime Minister Dato' Seri Dr Mahathir Mohamad officially launches joint venture with PT Bank Nusa Internasional of Indonesia.

### 1996

- In March, the Hanoi branch and a representative office in Ho Chi Minh City are officially opened. In October 2005, Ho Chi Minh City becomes an official branch making it the second branch in Vietnam.
- Pioneer in Bancassurance in Southeast Asia.
- Maybank sells Kwong Yik Bank to Rashid Hussain Berhad in December.

### 1997

- First to offer the convenience of ticketless travel for domestic flights on MAS through MAS Electronic Ticketing (MASET).
- Maybank acquires a 60% stake in PNB-Republic Bank of the Philippines, and renames it Maybank Philippines Inc.

### 2000

- First to introduce View & Pay service in Malaysia using credit card and direct debit via Internet with Mesiniaga Bhd.
- First in Malaysia and Southeast Asia to offer common ATM and over-the-counter services in Malaysia, Singapore, Brunei and the Philippines.
- First Malaysian bank to open a branch in Shanghai, People's Republic of China.
- Maybank launches Maybank2u.com in June, making it the first bank in Malaysia to introduce Internet banking services.
- Maybank acquires Pacific Bank Bhd and Phileo Allied Bank Bhd. In 2001, they were merged into Maybank's operations.

### 2001

- Maybank and Fortis International NV, one of the largest providers of integrated financial services in Europe, collaborate to set-up Mayban Fortis Holdings Bhd in a 70:30 partnership.
- Maybank Tower, the new headquarters of Maybank Singapore, is officially opened.
- Deputy Prime Minister Dato' Seri Abdullah Ahmad Badawi launches Dataran Maybank in Kuala Lumpur.

### 2002

- Mayban Takaful commences operations, making it the first Takaful company owned by a conventional bank in Malaysia.

## HISTORY, INNOVATION & LEADERSHIP

### 2003

- First to launch an Internet banking kiosk in Malaysia called Maybank2u.com Internet Kiosk.
- Maybank officially launches its Bahrain branch, the first Malaysian bank to operate there.

### 2004

- First local bank to introduce e-Dividend via Maybank2e, a comprehensive dividend payment system through the Bank's enterprise cash management system, Maybank2e.net.
- The entire operations and business of Mayban Finance Bhd is vested into Maybank.

### 2005

- Acquisition of Malaysia National Insurance Bhd, Malaysia's largest national insurer and its subsidiary, Takaful Nasional Sdn Bhd, Malaysia's premier Takaful provider.

### 2006

- First to offer online mobile banking via SMS followed by M2U Mobile Services using GPRS/3G phones.
- Maybank becomes the sole issuer and manager of the American Express charge card and merchant acquiring businesses in Malaysia.
- First Malaysian bank to provide over-the-counter cash withdrawal services in its offices in Malaysia, Singapore, Brunei Darussalam and the Philippines, called Region Link.
- Maybank began title sponsorship of the Maybank Malaysian Golf Open for a five year period. This sponsorship was later renewed for another five years beginning 2011.

### 2007

- First to introduce structured commodity financing solution for business customers.
- First to launch complete mobile money service in Malaysia with Maxis.
- Maybank Group launches Etiqa, the new brand name for its conventional and takaful businesses under Mayban Fortis Holdings.

### 2008

- First to launch Malaysia's dual purpose Bankcard in partnership with Visa International in 2008.
- Malaysia's Most Valuable Brand in 2007 & 2008.
- Maybank establishes its Islamic banking subsidiary, Maybank Islamic Berhad.

- Maybank acquires stakes in PT Bank Internasional Indonesia, An Binh Bank of Vietnam and MCB Bank Ltd of Pakistan.

### 2009

- Maybank launches the country's first wireless (mobile) payment terminal facility to accept credit or debit payment at point of delivery with Pizza Hut.
- Partnered with Maxis, Nokia, Touch n Go and Visa, to launch the world's first, contactless mobile payments using near field communications (NFC) via Nokia phones.
- Maybank and Permodalan Nasional Berhad jointly launch Malaysia's first-ever service for making additional investments in ASB units via Internet banking.
- Maybank successfully completes a RM6 billion rights issue — the largest in Malaysian corporate history.

### 2010

- First public listed company on Bursa Malaysia to announce a dividend reinvestment plan.
- First Malaysian bank to achieve more than USD100 billion in total asset size and USD1 billion in profit after tax.
- First to launch disabled friendly banking branches for wheelchair bound users nationwide.
- Maybank celebrates its 50<sup>th</sup> anniversary.
- Launches TradeConnex, first local bank in Malaysia to offer a comprehensive suite of conventional trade finance products online.
- Maybank Islamic launches Waqf, the first structured community giving programme for customers by a financial institution in Malaysia.
- Maybank Singapore launches the first Islamic financing package for SMEs in Singapore.
- Launches Pantai American Express Credit Card, Malaysia and Asia's first co-brand credit card with a healthcare service provider.
- PT Bank Maybank Indocorp is converted to a full-fledged Islamic bank and renamed Maybank Syariah Indonesia.
- Maybank Foundation is established with an initial RM50 million allocation, to spearhead the Group's Corporate Responsibility initiatives in the region.

### 2011

- First Malaysian bank to launch an 'Overseas Mortgage Loan Scheme', offering Malaysians a Ringgit mortgage loan facility for property in London.
- Acquisition of Kim Eng Holdings Ltd, a Singapore-listed investment banking group with a strong regional platform.

- Launches a strategic partnership via Shared Banking Services with Pos Malaysia Berhad, providing selected Maybank services at more than 400 Pos Malaysia outlets nationwide.

- First in Malaysia to launch 'Maybank 2 Cards' which provides two credit cards together to a card member with only one sign-up.

- The first Qualifying Full Bank in Singapore to launch a Platinum Debit Card with the NETS FlashPay feature.

- First Malaysian bank to launch eCustody, an electronic, front-end, internet-based platform offering institutional clients the flexibility of online management of their custody accounts with the Group.

- Unveils a refreshed corporate identity which is driven by its mission to "Humanise Financial Services Across Asia".

### 2012

- Maybank becomes the first local bank to simultaneously sign agreements with four banks from Myanmar to introduce Maybank Money Express (MME) remittance service to the country.

- Maybank reaffirms its long term commitment to Cambodia with the local incorporation of its operations there.

- Maybank Foundation expands its local scholarship programme to include, for the first time, scholarships from pre-university level. The Foundation awarded full scholarships to 19 deserving students at top public and private local universities.

- Maybank expands its network in China with a new branch in Beijing to boost its Greater China operations.

- The Prime Minister of Malaysia officially opens Maybank's first branch in Laos, which completes the Group's footprint in all 10 ASEAN nations.

- Maybank Singapore executes the first Islamic Profit Rate Swap on the back of a syndicated Islamic loan, establishing its capability in Islamic hedging solutions.

- Malaysia's Most Valuable Brand.

- Maybank announces the successful completion of a bookbuilding exercise in relation to its private placement, raising approximately RM3.66 billion (USD1.2 billion). The private placement at a narrow discount to the market price and ranked as the largest in Malaysia's corporate history, is well received by both domestic and foreign institutional investors.

- Maybank Philippines Inc. launches the Maybank Credit Card in the Philippines.

- Maybank Philippines Inc. announces the relocation of its offices to the new Maybank Corporate Centre in Bonifacio Global City in Taguig.

- The first bank in Singapore to introduce the Maybank Smart TV App, leveraging on the full capabilities of the Samsung Smart TV to create a truly innovative online service and engagement channel for customers and non-customers.

## HISTORY, INNOVATION & LEADERSHIP

- Maybank launches its enhanced Regional Cash Management platform, delivered through its state-of-the-art web-based Maybank2E platform in Singapore to tap into Asia's fast growing cash management market.
- Maybank launches its internet banking service, Maybank2u, in Cambodia, making this award-winning service available to customers in the country.
- Maybank expands its network in Cambodia with the opening of its 12<sup>th</sup> branch in the country, located at the Phnom Penh Special Economic Zone.

### 2013

- Maybank is the first ASEAN bank to adopt Microsoft's Windows 8 platform for its corporate mobile banking application, Maybank2E-Regional Cash.
- Maybank launches its first investment-linked plan, luxury edition, a single premium closed-ended investment-linked insurance plan in Malaysia to offer a combination of insurance protection and investment for luxury goods market.
- Maybank launches Maybank2u Pay, another first by a bank in Malaysia. Maybank2u Pay is a payment gateway to facilitate purchases at blog shops, offering not only fast and safe transactions, but also a convenient and reliable online shopping experience.
- Maybank expands its successful co-brand partnership with Manchester United, bringing to the market the 'Maybankard Visa Infinite Manchester United' card, the first ever co-brand Manchester United card in the world targeted at the niche high net worth segment.
- Maybank expands its Overseas Mortgage Loan Scheme (OMLS) to include purchases of residential properties in three new markets, namely Sydney, Perth and Singapore. Malaysian investors can now enjoy the convenience of financing their property purchases there in Ringgit. Maybank is the first bank in Malaysia to introduce the OMLS.
- The Prime Minister of Malaysia, Dato' Sri Mohd Najib bin Tun Haji Abdul Razak, officiates the launch of Maybank Islamic Asset Management at the World Islamic Economic Forum in London.

### 2014

- Launches cardless withdrawal service via ATMs – bringing to the market Malaysia's first service where cash withdrawals can be made without an ATM card.
- First bank to offer customers across China trade financing in Malaysian Ringgit (RM), enabling them to enjoy the convenience of settling crossborder trade transactions with their Malaysian counterparts directly in RM.
- Credit Guarantee Corporation Malaysia Berhad (CGC) and Maybank seal a new portfolio guarantee agreement, the first of its kind and the largest in the country, reflecting their joint commitment to enhance access to financing for all levels of small and medium enterprises.

- Introduces new Maybank Visa Platinum Debit card – the first Visa platinum debit card enabled with Visa payWave in Malaysia.
- Launches an inaugural TOKYO PRO-BOND market listed transaction, raising JPY31.1 billion (equivalent to circa USD305 million) with a three year tenure, the first pro-bond issued out of the issuer's USD5 billion multi-currency MTN programme.
- Ranks as one of the Top 3 companies in Malaysia and Top 100 companies in Asia with the highest sustainability performance by Channel NewsAsia.
- Launches M2U Visa Direct in collaboration with Visa International, a first of its kind remittance service in Malaysia that offers an innovative alternative to send money to Visa card accounts of beneficiaries in over 200 countries.
- Launches Maybank Visa payWave Micro Tag – a new and convenient way for payments riding on the Visa payWave technology and another first in the Malaysian market. This new service enables contactless payments to be effected simply through the micro tag electronic sticker linked to the Visa card, which is placed separately on a cardholder's personal belonging such as a wallet, phone or car key.

### 2015

- Maybank launches the first ever movie theatre in Southeast Asia for the visually challenged in collaboration with Malaysian Association for the Blind (MAB), known as the Maybank – MAB Cinema.
- The first Malaysian bank and one of only two Southeast Asian banks to have a presence in Yunnan Province in Southwest China, through a branch in Kunming.
- First bank in Malaysia to initiate micro financing programmes for eligible People With Disabilities (PWDs).
- Maybank launches the first-ever Samurai bond issued out of the Malaysian banking sector, raising JPY31.3 billion (equivalent to approximately USD261 million) with a three and five year tenure.
- Launches the first Islamic equity fund under the ASEAN passport framework known as the Maybank Boseru Greater China ASEAN Equity-i Fund, to tap into the huge potential in the equity markets within the Greater China and ASEAN regions.
- Maybank offers customers 'electronic' options for gifts during the Hari Raya festive season which comprises 'duit raya' and Maybank Raya gift card via Maybank2u, the first of its kind in Malaysia.
- First bank in Malaysia to pioneer the use of biometric authentication in mobile banking with the introduction of Quick Touch service on the Maybank2u app which allows customers to access their accounts and check their balances using fingerprints on their mobile devices for authentication.
- Maybank launches MaybankFintech, the first of its kind programme by a bank in Southeast Asia to fund eligible tech startups as well as support and generate ideas in the financial technology sphere.

- Launches a new branch concept in the form of 'campus lounges' with Maybank@Monash being the first of its kind in the country to fulfill the unique banking needs of students and university communities.
- Launches a first-of-its kind digital application, 'Snap & Donate' where customers will be able to contribute to charitable beneficiaries by just taking a picture of the charitable organisation's logo on their mobile phones and then making a contribution directly to it via Maybank2u.
- First Malaysian bank to sign an agreement with China UnionPay Merchant Services to boost its cash management business in China.

### 2016

- Maybank expands network in Laos with the opening of its second branch, boosting support for the local financial services sector and enabling it to tap into the potential of one of ASEAN's fastest expanding economies.
- Maybank & WWF-Malaysia formalises partnership to support tiger conservation efforts in Belum-Temengor.
- Maybank outlines its 2020 strategic objectives which are guided by its new vision of "Advancing Asia's Ambitions With You".
- Maybank opens branch in Shenzhen, the fifth in Greater China, to leverage on the strong trade and investment flows between ASEAN and the region.
- Maybank appointed joint lead arranger for USD219 million financing of the Manhattan residential tower, the first syndicated Shariah-compliant construction financing in New York City.
- Maybank becomes the first bank in Cambodia to offer a mobile banking app with augmented reality and QR code reader.
- Maybank launches Malaysia's first mobile wallet payment convenience called MaybankPay to enable customers to make cashless payments via Android smartphones and other handheld devices.
- Launches 'Maybank Women Eco Weavers', an economic empowerment programme for women weavers designed to also promote commonalities in ASEAN countries by enriching traditional woven textiles in a sustainable manner.
- Maybank launches MaybankHeart, the first-of-its-kind digital social fundraising platform enabling NGOs to reach out to a wider audience in supporting their causes.
- First bank to offer Samsung Pay in Malaysia, also known as the most widely-accepted contactless mobile payment service that can be used to make purchases almost anywhere that accepts debit, credit and prepaid cards.
- Maybank launches the first mobile money transfer service in Malaysia with Western Union via the Maybank2u (M2U) app.

## STRATEGIC BUSINESS UNITS



**Malayan Banking Berhad is the holding company and listed entity for the Maybank Group with branches in Malaysia, Singapore and other international financial centres such as London, New York, Hong Kong and Bahrain.**

Maybank's key overseas subsidiaries are PT Bank Maybank Indonesia Tbk, Maybank Philippines Incorporated and Maybank (Cambodia) Plc. The major operating subsidiaries are Maybank Islamic Berhad, Maybank Investment Bank Berhad, Maybank Kim Eng Holdings Limited, Etiqa Insurance Berhad, Etiqa Takaful Berhad, and Etiqa Insurance Pte Ltd. Maybank has associate companies in Pakistan (through 20%-owned MCB Bank), Vietnam (through 20%-owned An Binh Bank) and Uzbekistan (through 19.7%-owned Uzbek Leasing International A.O.). Maybank International (L) Ltd and the Labuan branch in the offshore centre of Labuan in Malaysia provide international banking services and serves as an offshore booking centre for the Maybank Group.

 Visit [www.maybank.com/worldwide](http://www.maybank.com/worldwide) for more information

### Islamic Banking



#### MAYBANK ISLAMIC BERHAD

Maybank Islamic Berhad is Maybank Group's wholly-owned, full-fledged licensed Islamic bank and the leading provider of Islamic financial products and services in ASEAN. Maybank Islamic leverages on the Group's system and IT infrastructure and distribution network to offer end-to-end Shariah based financial solutions across Maybank touch points in Malaysia, as well as our overseas outlets in Indonesia, Singapore, Hong Kong, London, Labuan and Bahrain. In 2016, Maybank Islamic continued its dominance in the domestic market in all key business segments, cementing its leadership position in total assets, total financing and total funding (Deposits and Investment Account) as well as profitability.



#### MAYBANK SYARIAH INDONESIA

PT Bank Maybank Syariah Indonesia is a subsidiary of Maybank. It was established in January 1995 under the name of PT Bank Maybank Indocorp as the first Indonesia - Malaysia Joint Venture Bank and offered a wide range of banking services including trade and term financing for corporate and commercial customers. In 2010, PT Bank Maybank Indocorp was converted into a commercial Shariah bank and changed its name into PT Bank Maybank Syariah Indonesia (Maybank Syariah). Maybank Syariah has committed to become the most prominent and preferred wholesale Shariah financial services provider in Indonesia and the region. Its business strategy focuses on corporate banking, transaction banking, treasury as well as corporate advisory services.

### Investment Banking



#### MAYBANK INVESTMENT BANK BERHAD

Maybank Investment Bank Berhad is a wholly-owned subsidiary of Maybank and the Malaysian investment banking operation of Maybank Kim Eng. It offers a complete range of investment banking products and solutions including corporate finance and advisory, strategic advisory, equity markets, stock broking, debt markets, derivatives and research.



#### MAYBANK KIM ENG HOLDINGS LIMITED

Maybank Kim Eng Holdings Limited is the wholly-owned investment banking arm of Maybank Group. Maybank Kim Eng comprises businesses stretching around the globe with offices in Singapore, Hong Kong, Thailand, Indonesia, the Philippines, India, Vietnam, United Kingdom, and the United States of America. A leader in many of the ASEAN markets that it operates in, Maybank Kim Eng has been in ASEAN for more than 40 years and provides services in corporate finance, debt markets, equity capital markets, derivatives, retail and institutional securities broking and research.

### Insurance & Takaful



#### ETIQA

Etiqa is the brand for Maybank Group's Insurance and Takaful businesses, which offer all types and classes of Life and General conventional insurance policies as well as Family and General Takaful plans via our multi distribution channels. The operating entities are Etiqa Insurance Berhad (EIB) in Malaysia and Etiqa Insurance Pte Ltd (EIPL) in Singapore for insurance, and Etiqa Takaful Berhad (ETB) in Malaysia for Takaful. Etiqa also has a presence in the Philippines through AsianLife and General Assurance Corporation (ALGA), a composite license insurer.

Etiqa features a strong agency force comprising over 10,000 agents, 28 branches throughout Malaysia, a wide Bancassurance distribution network with more than 350 Maybank branches and also third-party banks; as well as co-operatives and brokers. Etiqa is one of the pioneers for direct sales through our portal namely, [www.etiqa.com.my](http://www.etiqa.com.my) and [www.motortakaful.com](http://www.motortakaful.com) as well as the Group's Maybank2u online services. Etiqa is the No. 1 digital insurance player in Malaysia, with total premium/contribution of more than RM100 million.

## STRATEGIC BUSINESS UNITS

### Asset Management



#### MAYBANK ASSET MANAGEMENT GROUP BERHAD

Maybank Asset Management Group (Maybank AM Group) is one of the pioneers in the local asset management industry with over 30 years of experience specialising in Asian markets. It is wholly-owned by Maybank Group.

Today, Maybank AM Group has entities across 3 key ASEAN markets namely Malaysia, Singapore and Indonesia providing a diverse range of Asian focused investment solutions for conventional and Islamic assets. In addition to fund management services, Maybank AM Group also offers alternative investment solutions through its private equity arm. The portfolio management services cater to all types of investors including corporate and institutions, high net-worth individuals and mass retail. Maybank AM Group of Companies comprises Maybank Asset Management Group Berhad, Maybank Asset Management Malaysia Sdn. Bhd., Maybank Islamic Asset Management Sdn. Bhd., Maybank Private Equity Sdn. Bhd., Maybank Asset Management Singapore Pte. Ltd. and PT Maybank Asset Management.

Maybank AM Group possesses vast capabilities in managing local and Asian focused portfolios ranging from equity, fixed income to money market instruments for corporations, institutions, pension funds, insurance and Takaful companies and individual clients through direct mandates, unit trust and wholesale funds.

### International Operations

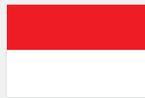


#### MAYBANK SINGAPORE

Maybank Singapore is a Qualifying Full Bank (QFB) with an approximate net asset size of SGD59 billion and staff strength of over 1,800. It has established a significant presence in the retail, wholesale and global banking markets over the five decades of its history here. Maybank was identified by the Monetary Authority of Singapore (MAS) as one of the domestic systemically important banks (D-SIBs) among seven major local and foreign banks that are deemed to have a significant impact on Singapore's financial system and the broader economy.

As a major foreign bank in Singapore, Maybank offers a full suite of financial solutions for individuals, businesses and corporations. For its private and global banking clients in particular, Maybank Singapore is a gateway to vast opportunities across ASEAN and beyond.

Its network of 27 service locations in Singapore is one of the largest, among foreign banks. As part of the atm5 — Singapore's only shared ATM network among seven participating QFBs, Maybank offers customers a combined reach of more than 150 ATM locations, island-wide.



#### PT BANK MAYBANK INDONESIA TBK

PT Bank Maybank Indonesia Tbk (previously known as PT Bank Internasional Indonesia Tbk) or Maybank Indonesia is a subsidiary of Maybank. It is the ninth largest commercial bank by assets and is listed on the Indonesia Stock Exchange (Ticker: BNII). The Bank provides a full range of financial services for business, retail and global banking customers. As of 31 December 2016, Maybank Indonesia's network comprises 428 branches, including 23 Micro Functional offices, nine Shariah branches, two overseas branches in Mumbai and Mauritius and 1,633 ATMs including 96 Cash Deposit Machines (CDMs). Maybank Indonesia has total customer deposits of IDR118.9 trillion and IDR166.7 trillion in assets.



#### MAYBANK GREATER CHINA

Maybank Greater China consists of branches in Hong Kong, Shanghai, Beijing, Kunming and Shenzhen. We provide wholesale banking and investment banking services to commercial and corporate clients in Hong Kong and China, and specialise in cross-border solutions between Greater China and ASEAN. Maybank Greater China is enhancing its Private Wealth platform to better serve our high net worth clients across the region.



#### MAYBANK PHILIPPINES

Maybank Philippines Incorporated (MPI) is a full-service commercial bank providing both retail and wholesale banking services. MPI is the foreign bank with the largest branch network of 80 branches. MPI offers a wide array of financial solutions customised for affluent clients, and top-tier corporations in the Philippines. MPI is also involved in treasury operations, with an emphasis on money market operations and foreign exchange trading as well as trust services.



#### MAYBANK INDOCHINA

Maybank Indochina comprises full-fledged branches in Vietnam, Laos, and Myanmar, as well as our subsidiary — Maybank (Cambodia) PLC (MCP). We offer wholesale banking services to our commercial and corporate clients across our Indochina markets, and provide retail banking services in both Cambodia and Laos. We are the first and only Malaysian Bank to be granted a foreign banking license by the Central Bank of Myanmar, to operate in Myanmar.



#### MAYBANK (CAMBODIA) PLC

Maybank established its presence in Cambodia in December 1993, with the opening of its first branch in Phnom Penh. In April 2012, we were locally incorporated as Maybank (Cambodia) Plc., reflecting our long-term commitment in Cambodia. Maybank (Cambodia) Plc provides a full range of banking services to affluent and retail clients, local SMEs and commercial/corporate clients. Today, we have a strong network of 21 branches across Cambodia.

## STRATEGIC BUSINESS UNITS

### Other Markets

Our global presence extends from key financial hubs to opportunistic markets, through branches which are strategically located in New York, London and Brunei.



#### MAYBANK NEW YORK

Maybank New York has been in operation since 1984 and is licensed to undertake domestic commercial banking and offshore banking activities. Maybank New York engages in wholesale banking, with emphasis in corporate lending, treasury and capital markets as well as trade finance. The branch also participates in loan syndications and bilateral arrangements.



#### MAYBANK LONDON

Maybank London has been in operation since September 1962. The branch is licensed by the then Financial Services Authority (w.e.f 1<sup>st</sup> April 2013, FSA has been replaced by Financial Policy Committee (FPC), Prudential Regulatory Authority (PRA) & Financial Conduct Authority (FCA)) to undertake commercial banking activities in the United Kingdom. Maybank London's Treasury and Credit department engages primarily in wholesale banking with emphasis in corporate lending, treasury products and capital markets and trade finance. The branch is also the designated Euro agent for all Maybank's overseas operations.



#### MAYBANK BRUNEI

Having been established in Brunei for 56 years, Maybank Brunei provides a full range of retail and commercial banking services and products. Presently, we have two branches located in Bandar Seri Begawan and Seria. The Bandar Seri Begawan branch is located in the main commercial district within close proximity to the heart of the capital, whilst the Seria branch operates within the heart of the oil & gas town in Brunei.

### Associates



#### MCB BANK LTD

MCB Bank (MCB) is a 20%-owned associate of Maybank and was incorporated in 1947, making it one of the oldest banks in Pakistan. MCB won the 'Best Bank 2016 (Pakistan)' award by Finance Asia for two consecutive years. As a leading bank in Pakistan with more than 60 years of experience, MCB has played a pivotal role in representing the country on the global platform, with its presence in Sri Lanka, Dubai, Bahrain, Azerbaijan and Hong Kong. MCB serves through a network of 1,247 branches including 27 Islamic banking branches within Pakistan and 11 branches outside the country.



#### AN BINH BANK

An Binh Bank (ABBank) is a 20%-owned associate of Maybank. Founded in May 1993, ABBank has transformed over the years. Today, ABBank offers a full range of retail and commercial banking products and services. In October 2016, Moody's upgraded ABBank credit rating from B3 to B2 broadly driven by the improvement in ABBank's financials, coupled with an improvement in its asset quality. ABBank has been awarded 'The Fastest Growing Retail Bank in Vietnam for 2016' by Global Banking & Finance Review. With 20 years under its belt, ABBank has gained a firm foothold in Vietnam's banking industry, with a network of 159 branches and sub-branch offices across 33 provinces in Vietnam.



#### UZBEK INTERNATIONAL A.O.

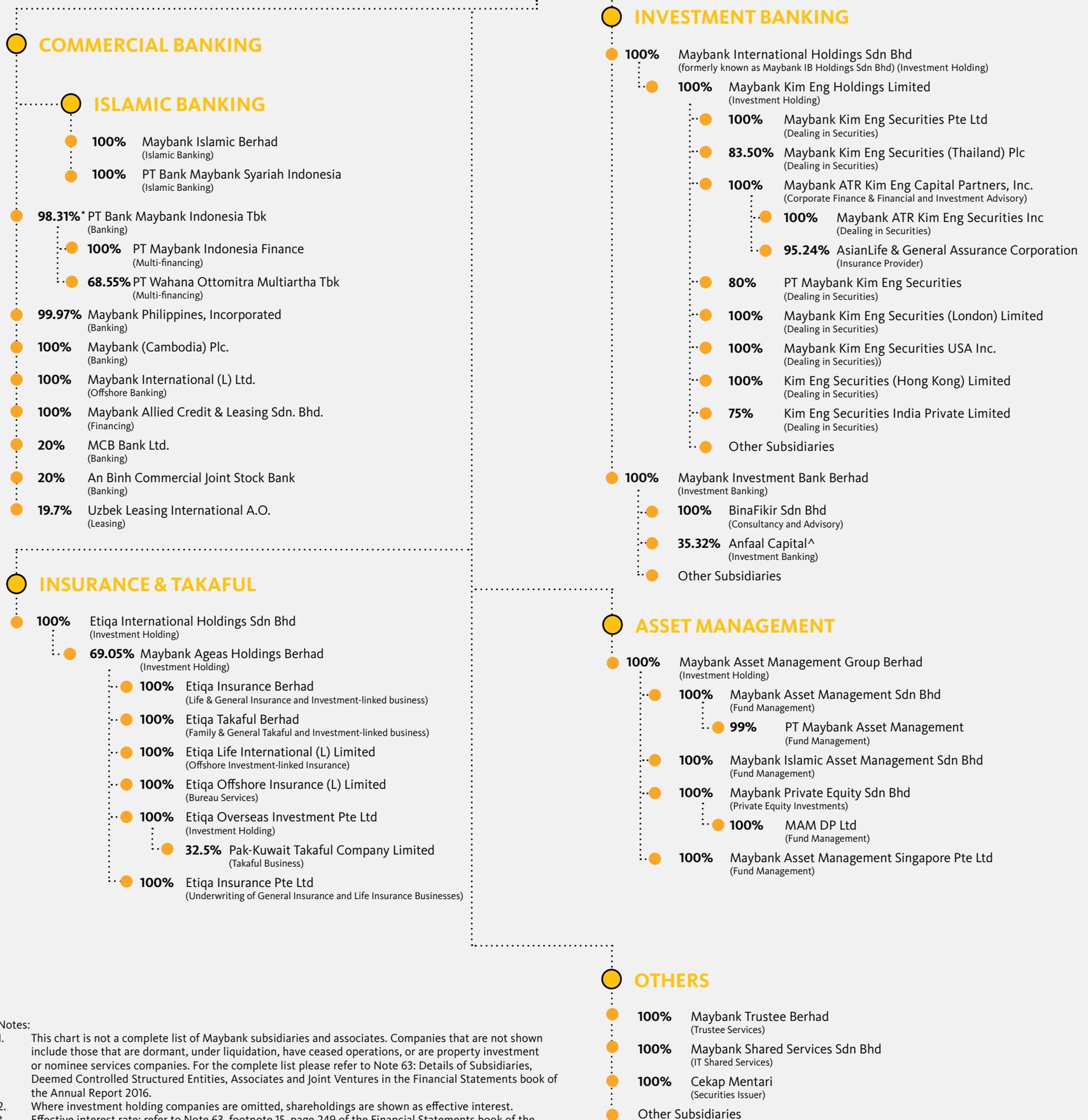
Uzbek Leasing International A.O. (Uzbek Leasing) is a 19.7%-owned associate of Maybank. It specialises in providing a wide spectrum of financial and leasing services across eight representative offices in the country. Uzbek Leasing became a member of the Association of International Business and Technology in 2015, which brings together experts and partners in the field of International business.

# GROUP CORPORATE STRUCTURE

As at 31 December 2016



## MALAYAN BANKING BERHAD



## Notes:

- This chart is not a complete list of Maybank subsidiaries and associates. Companies that are not shown include those that are dormant, under liquidation, have ceased operations, or are property investment or nominee services companies. For the complete list please refer to Note 63: Details of Subsidiaries, Deemed Controlled Structured Entities, Associates and Joint Ventures in the Financial Statements book of the Annual Report 2016.
  - Where investment holding companies are omitted, shareholdings are shown as effective interest.
- \* Effective interest rate: refer to Note 63, footnote 15, page 249 of the Financial Statements book of the Annual Report 2016 for the details.
- <sup>^</sup> Joint Venture



# GROUP ORGANISATION STRUCTURE



**DATUK ABDUL FARID ALIAS**  
Group President & Chief Executive Officer

## BUSINESS



### Community Financial Services

**DATUK LIM HONG TAT**

Group Head, Community Financial Services

- Consumer Finance
- Business Banking
- HNW & Affluent Banking
- Mass Banking
- Cards
- Funding, Deposits & Bancassurance
- Community Distribution
- SME Banking
- Private Wealth
- Retail Credit
- Virtual Banking & Payments



### Global Banking

**DATO' MUZAFFAR HISHAM**

Group Head, Global Banking

- Client Coverage
- Corporate Banking
- Investment Banking
- Transaction Banking
- Global Markets
- Asset Management



### Islamic Banking

**DATO' MOHAMED RAFIQUE MERICAN**  
**MOHD WAHIDUDDIN MERICAN**

Group Head, Islamic Banking, CEO, Maybank Islamic Berhad

- Product Management
- Islamic Global Market
- Corporate & Investment Banking
- Shariah Management
- Shariah Review & Compliance



### Insurance & Takaful

**KAMALUDIN AHMAD**

CEO, Maybank Ageas Holdings Bhd

- Etiqa Insurance Berhad
- Etiqa Takaful Berhad
- Bancassurance
- Commercial
- Investment

## FUNCTION



### Group Finance

**DATO' AMIRUL FEISAL WAN ZAHIR**

Group Chief Financial Officer

- Group Financial Controller Office
- Group Corporate Treasurer
- Group Performance Reporting
- Enterprise Information Management
- Group Tax
- Group Investor Relations
- Corporate Remedial Management



### Group Human Capital

**NORA ABD MANAF**

Group Chief Human Capital Officer

- Group Succession & Talent Development
- Group Resourcing Centre
- Human Capital Strategy, Group Performance & Planning
- Group Rewards & Workplace Futurisation
- Group Industrial Relations, Risk & Governance
- Group Employee Engagement & Internal Communications
- People Data Insights, Reporting & Operations
- Maybank Academy

## GROUP ORGANISATION STRUCTURE

**Group PCEO's Office**



**MICHAEL FOONG SEONG YEW**  
Group Chief Strategy Officer  
Office of the Group President & CEO

- Group Strategy & Business Development
- Group Transformation & Productivity
- Corporate Development & Innovation
- Group Data Scientist
- Group Corporate Affairs
- Corporate Marketing (Group Strategic Marketing)
- Group Strategic Partnerships
- Group Customer Experience Management

**Group General Counsel & Group Company Secretary**

- Group Corporate Secretarial
- Share Registration
- Legal

**Group Chief Audit Executive**

**Group Chief Compliance Officer**

**Group Risk**



**DR JOHN LEE HIN HOCK**  
Group Chief Risk Officer

- Credit Management
- Strategy & Transformation
- Governance
- Market Risk
- Credit Risk
- Non-Financial Risk
- Enterprise Reporting
- Risk Modelling
- Risk Technology
- Management Office

**COUNTRY**

**Singapore**



**DATUK LIM HONG TAT**  
CEO Singapore

- Community Financial Services
- Global Banking
- Maybank Kim Eng
- Etiqa

**International**



**POLLIE SIM**  
CEO International

- Greater China
- Philippines
- Cambodia, Myanmar, Laos, Vietnam
- US/UK Cluster
- Opportunistic Markets/ NOEs

**Group Technology**



**MOHD SUHAIL AMAR SURESH ABDULLAH**  
Group Chief Technology Officer

- Enterprise Architecture & Strategy
- Integrated Delivery House
- IT Security & Compliance
- Infrastructure & Technology
- Digital Banking Delivery & Support
- Systems & Applications Delivery & Support

**Indonesia**



**TASWIN ZAKARIA**  
President Director, Maybank Indonesia

- Maybank Indonesia
- Maybank Indonesia Finance
- Wahana Ottomitra Multiartha (WOM Finance)

**Group Operations**



**JEROME HON**  
Group Chief Operations Officer

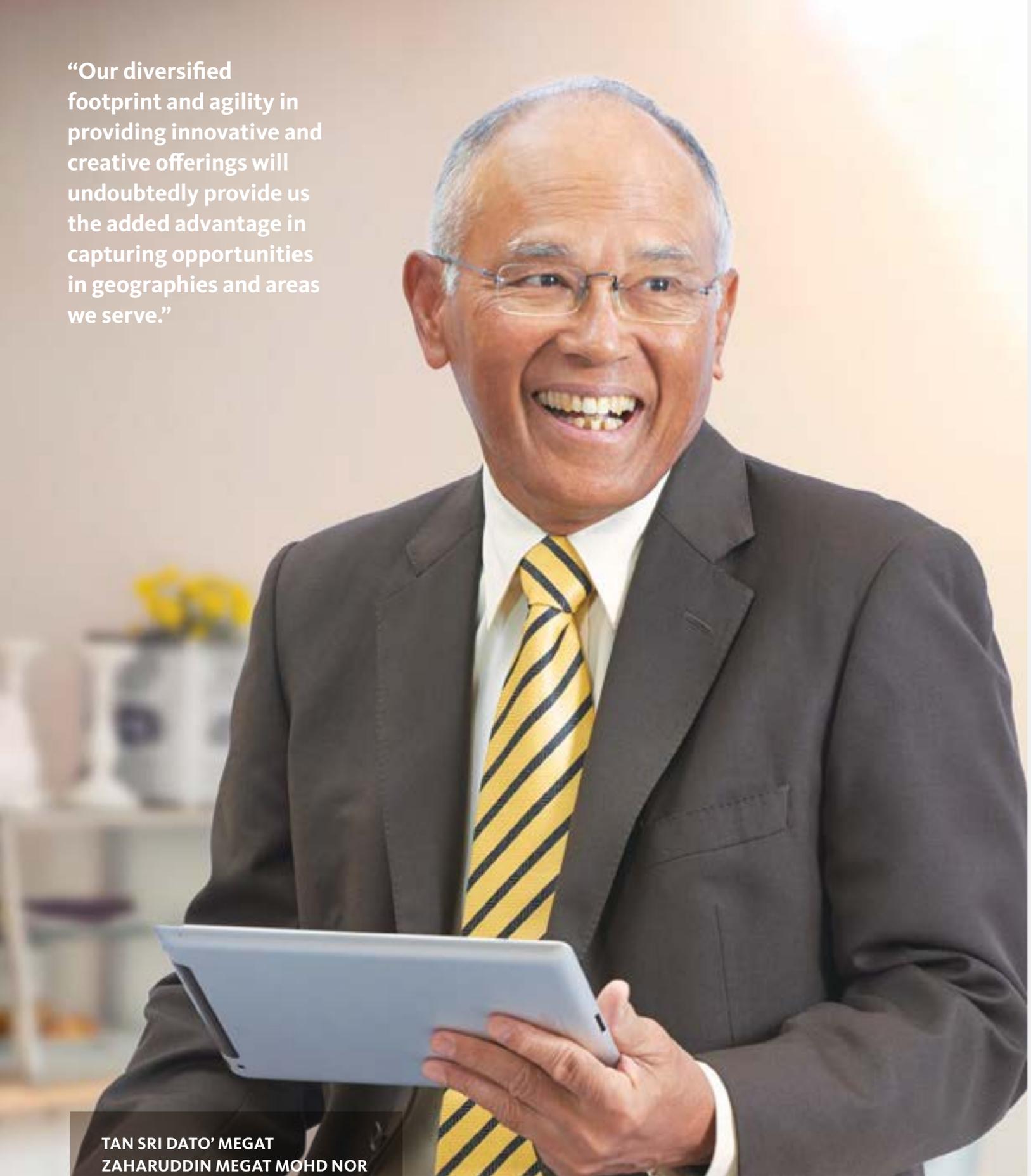
- Regional Payments & SST Operations
- Regional Trade Operations
- Regional Treasury Operations
- Group Property & Security
- Credit Administration

**Note:**  
The chart depicts key business units and departments within each unit and may not include Strategy, Marketing, Risk Management, IT, Operations and other support functions within each unit.

Visit [www.maybank.com/worldwide](http://www.maybank.com/worldwide) for more information

## CHAIRMAN'S STATEMENT

“Our diversified footprint and agility in providing innovative and creative offerings will undoubtedly provide us the added advantage in capturing opportunities in geographies and areas we serve.”



**TAN SRI DATO' MEGAT  
ZAHARUDDIN MEGAT MOHD NOR**  
Chairman

## CHAIRMAN'S STATEMENT

### DEAR SHAREHOLDERS,

After many years of rising record net profit, 2016 was a year when the issues faced by our customers due to political and economic turbulence affecting their operating environments meant that we could not sustain the profit momentum of preceding years. Despite recording a growth of 4.8% in our top line and having re-structured many cost components leading to a lower cost to income ratio of 47.3% compared to the previous year, the provisions we made for impairments led to a marginal decline of 1.4% in net profit for FY2016. This, coupled with the need to set aside more capital under Basel III rules resulted in a Return on Equity of 10.6%, which is still better than many of our immediate peers.

This year, the business environment in our focused region of ASEAN and China is expected to be robust with strong positive gross domestic product growth. More importantly, this may be one of the better performing regions in a world still grappling with the impacts of the 2016 US Presidential Elections, uncertainties surrounding United Kingdom's likely withdrawal from the European Union (Brexit) and the forthcoming parliamentary elections in key European nations this year.

Thus, our organisation is refining its group-wide business action plan in line with our strategy to outperform the competition. Our diversified footprint and agility in providing innovative and creative offerings will undoubtedly provide us the added advantage in capturing opportunities in geographies and areas we serve.

I am glad that Maybank's drive towards Environmental, Social and Governance sustainability has gained due recognition with us winning several awards, helping to enhance our brand and corporate reputation. Maybank Foundation continues to drive the implementation of several pan-region flagship Corporate Responsibility programmes and we continuously track the reputational enhancement and community reach impacts of these programmes to drive further improvements.

Once again, it pleases me that Maybank has been voted by graduates as Malaysia's most attractive employer in the banking and financial sector. Against a backdrop of a fast adopting digital world, the fresh and young talents in our organisation will enable us to better understand our consumer mindset and patterns of maturing millennials within our customer base. This will allow us to service our customers' business and personal banking needs effectively and compete for new opportunities.

Despite a challenging year performance-wise, we feel that rewarding our shareholders adequately is an imperative. Against our earnings per share of 67.8 sen, the Board has recommended that a final dividend of 32 sen per share, to be approved by shareholders at our Annual General Meeting (AGM). This translates to a dividend yield of 6.3%, which compares favourably with our dividend yields over the last few years.

With regards to Board changes, I am sad to note that one of our senior directors, Dato' Seri Ismail Shahudin, passed away unexpectedly in July 2016. We also saw the retirement of Senior Independent Director Tan Sri Datuk Dr Hadenan A. Jalil. We have fortified the Board with new directors, who are Dr Hasnita Hashim, Encik Nor Hizam Hashim, Mr Anthony Brent Elam and Datin Paduka Jamiah Abdul Hamid. At the upcoming AGM,

another senior director, Dato' Dr Tan Tat Wai will be stepping down. I, myself, will be retiring from the Board at the end of this March, having served as a director for over twelve years and as Chairman for the last seven and a half years. I will be succeeded by Datuk Mohaiyani Shamsudin, who has been on the Board since August 2011. It gives me great pride to say that we have been able to help advance Malaysia's national agenda for gender diversity inclusion as we now have three women amongst the twelve board members, with Maybank appointing the first woman Chairman on the country's largest public listed main board company.

During my tenure, I have seen Maybank grow value for all stakeholders and reinforce its stature as one of ASEAN's foremost financial institutions whilst addressing the evolving economic and social needs of the communities it serves. I feel confident that our competitive capabilities to operate as a cohesive multi-national organisation has picked up pace with the multitude of leadership and talent development efforts we have gone through. Hence, I am excited about the prospects of Maybank's continued success for the future.

I take this opportunity to thank all our stakeholders - governments, regulators, customers, staff and communities - for the overall support you have given Maybank in enabling us to make our strides towards living our aspirations of "Advancing Asia's Ambitions with You whilst Humanising Financial Services". In particular, I am grateful for the collaboration I have received from all my Board colleagues, as well as our Group President and Chief Executive Officer and his Group Executive Committee members in discharging our respective responsibilities. It has been an honour for me to be part of Maybank's progressive journey, and I take away many memories of our achievements together.

May I wish the very best to all for 2017. Thank you.



**TAN SRI DATO' MEGAT ZAHARUDDIN MEGAT MOHD NOR**  
Chairman

## GROUP PRESIDENT & CEO'S STATEMENT



**DATUK ABDUL FARID ALIAS**

Group President & Chief Executive Officer

**“We aim to be at the heart of the community by building and supporting those around us, through good and tough times. This practice was especially fundamental in 2016 as segments of our customer base faced operational and financial constraints.”**

### DEAR SHAREHOLDERS,

As I pen this statement each year, I try to do so with the candour and respect that I believe we should accord to our various stakeholders. With this in mind, to say that 2016 was unexpected would be an understatement. The vagaries of world politics took centre stage in 2016, which undeniably had a domino effect on financial and currency markets as well as global growth.

Every other month, new developments unfolded around the globe. The list is long but a few highlights included an attempted coup in Turkey, United Kingdom's prospective withdrawal from the European Union, the appointment of new country leaders in markets such as the Philippines and the US as well as Thailand losing its beloved king who reigned for 70 years.

As financial markets digested and analysed the newsflows and its implications, the level of uncertainty compounded and made investment decisions all the more challenging. Through roiling equity, bond and currency markets, investors tried to stay ahead of the curve by making strategic decisions in anticipation of rate hikes in the US and dissolution of global trade agreements.

As an organisation, these uncertainties were bound to invariably affect our financial performance as slower growth radiated through some of the markets we operate in. But through this veil of uncertainty, what we did as an organisation was simple. We stuck to our DNA. Our core.

Firstly, we embraced the characteristics of the 'Tiger' found in the Maybank emblem – we moved with sinuous grace across our ASEAN presence to look for growth opportunities in line with our risk posture. We sought to grow responsibly given our balance sheet management strategy adopted in the second half of 2015 and carried through in 2016, in which we were conscious of risk-weighted assets growth and capital utilisation.

But more importantly, we kept to our brand promise of “Humanising Financial Services”.

## GROUP PRESIDENT & CEO'S STATEMENT

### HUMANISING FINANCIAL SERVICES

Our DNA of “Humanising Financial Services” means that we strive to provide our customers with easy access to our financial services and to win hearts by treating each customer with respect and fairness. We aim to be at the heart of the community by building and supporting those around us, through good and tough times. This practice was especially fundamental in 2016 as segments of our customer base faced operational and financial constraints given the heightened softness in global tradeflows and economic growth.

Having built many long-term relationships with clients over our extensive 56-year history in key markets such as Malaysia, Singapore and Indonesia, our approach was to advise customers based on their needs and to extend a helping hand to our trusted partners who needed some breathing space to reassess and realign their existing commitments with their present cashflows. With this in mind, Maybank Group made the strategic decision at the end of 2015 to actively engage with our business and corporate banking customers to begin conversations on how we could help them cushion any headwinds they encountered. If it meant that they needed us to restructure and reschedule (R&R) their credit facilities to match their repayment abilities with their existing cashflows, this was a decision the Bank was willing to undertake.

To manage this exercise, we communicated to our borrowers that we would commence this R&R process in the first half of the year as there would be an impact to the Bank. As Bank Negara Malaysia's Classification and Impairment Provisions for Loans/Financing guidelines require R&R facilities effective 1 April 2015 to be impaired, this would cause a rise in the Group's impaired loans and credit costs. The thinking behind our strategy was for us to R&R the necessary accounts in the first half of 2016 and take the impact upfront, with the hope of normalising some of these accounts back into performing status in the later part of 2016, in accordance with BNM's guideline which allows impaired loans to be reclassified after six months of continuous performance.

With the execution of our strategy, we saw our Group gross impaired loans (GIL) ratio rise to 2.34% as at June 2016 compared to 1.86% at end December 2015 with the annualised net credit charge off increasing to 80bps at the half-year mark. As some of these R&R accounts continued to perform, we were able to write-back these loans and the associated provisions. As such, our Group GIL ratio trended lower to 2.28% by the end of 2016 with full year FY2016 net credit charge off reducing to 62bps.

In our efforts to assist our large customer base, we also worked with the local government, regulators and government-linked investment companies to address the need for affordable homes in Malaysia. Aside from addressing financing gaps within the markets we serve, we also launched digital innovations and solutions for greater banking convenience, flexibility and to bring our customers closer to us. To further enhance customer experience, our Group Customer Experience Management introduced Customer Experience Journey mapping as a tool to represent the key interaction between a customer and our products and services. This helps us capture the voice of a customer or business and feed it back into the key decision making process, ensuring we remain relevant and connected to our customers' needs.

In dealing with any type of services, there are bound to be missteps with some customers. But what is most essential is how we recover and attempt to resolve these missteps. A story that heartens me as the steward of Maybank is one that took place recently. One of our customers had raised a complaint through our Customer Feedback and Resolution Management channel about his dissatisfaction over services that he and his aged father received at one of our branches.

As part of our customer service processes in handling a complaint, details will be recorded and we seek to resolve the matter as speedily as possible. In this instance, the manager of the said branch contacted the customer and made a house call to his father's home, to assist in resolving all of the latter's banking needs such as registering him on our online banking platform Maybank2u.com. The actions of Mr Sukhbir Singh, the branch manager, are above and beyond the call of duty and has truly embodied our DNA of “Humanising Financial Services”. He is one of the many Maybankers who strive to do the right thing by our customers and display the core values this organisation is built on. We do understand that these small gestures help us become a better leader in the financial services industry.

### STRENGTHENING THE LEADERSHIP BENCH

As part of the organisation's succession planning and ongoing efforts to create a diversely skilled C-suite, we undertook a rotation of three Group Executive Committee (EXCO) members effective 1 July 2016. Such rotations are not unique to our organisation, as we did something similar two years ago with Pollie Sim assuming the role of Chief Executive Officer (CEO) for our International Operations and Datuk Lim Hong Tat becoming the CEO of Maybank Singapore.

The rationale behind the rotation of leaders within Maybank Group is to strengthen and improve these roles with new ideas from the new leaders and also for the continuous development of their leadership skills. This is part of the Group's endeavour to provide a breadth of experience to its leaders and also all Maybankers.

The rotation this past July involved three roles - Group Chief Financial Officer (CFO), Group Head of Global Banking and Group Head of Islamic Banking, and CEO of Maybank Islamic. The former Group CFO, Dato' Mohamed Rafique Merican, took over the Group's Islamic banking portfolio while Dato' Amirul Feisal Wan Zahir assumed the role of Group CFO, having formerly headed the Group Global Banking business. Dato' Muzaffar Hisham stepped into his new role as Group Head of Global Banking, after helming the Group's Islamic Banking business.

While these three Group EXCO members have settled into their new portfolios nicely, we look forward to seeing their efforts bring us to greater heights as an organisation.

With the evolving regulatory landscape and financial institutions facing increasing scrutiny by regulators, it is critical for the Group to look at enhancing its regulatory compliance and risk of financial crime capabilities, especially in areas such as anti-money laundering and counter-terrorist financing. To spearhead the improvement of our compliance structure and talent pool as well as embed a stronger compliance culture within the Maybank Group, we appointed a

#### DIVIDEND

**52**sen  
per share

#### PRE-PROVISIONING OPERATING PROFIT

**RM 11.69**  
billion

#### COST TO INCOME RATIO

**47.3%**

## GROUP PRESIDENT & CEO'S STATEMENT

### 2016 DIGITAL INITIATIVES

The information technology (IT) revolution is changing the economic, financial and social landscape. Now, IT and businesses are so integrated that it is increasingly difficult to demarcate their roles.

1

#### MaybankPay

Malaysia's first mobile wallet payment platform was introduced to provide greater convenience to our customers.

2

#### Maybank Visa PayBand

A smart wrist band that enables contactless payments at locations across Malaysia.

3

#### E-money

A digital option for presenting cash gifts during the respective seasonal celebrations.

4

#### MaybankHeart

A first-of-its-kind social fundraising platform for NGOs or charitable organisations.

5

#### Maybank Hackathon

An event for the tech community to develop digital solutions and data analytics in a competitive forum.



Group Community Financial Services, pg. 71

Group Technology, pg. 100

Group Chief Compliance Officer in September 2016. Daniel Wong, who reports directly to the Board of Directors and me, comes with more than 20 years of experience in operational risk, financial crime risk, compliance and internal audit. He is tasked with strengthening the Group's compliance infrastructure and culture and will drive the Group's compliance strategies and priorities to ensure we comply with the right internal policies and relevant local and foreign laws and regulations. As a result of our strong emphasis to improve our compliance culture and enhance our risk management approach to better mitigate regulatory risk, a reorganisation was done internally for Group Compliance to be a standalone unit.

### RAISING THE BAR

With external demand remaining weak due to softer global growth in 2016 at 2.9% compared to 3.2% a year earlier, regulators around our home markets moved quickly throughout 2016 to ease monetary policies with the intention of supporting domestic GDP growth. Our home markets of Malaysia and Singapore, which make up more than 80% of the Group's profit before tax and gross loans, saw either softer or flat economic growth.

Although we tried to withstand the softening economic conditions in an attempt to deliver on our key performance indicators mapped out for FY2016, we had to realistically review and revise our guidance downwards in the later part of the year given persisting headwinds. We lowered our (i) return on equity (ROE) guidance to 10.5%–11% from 11%–12%, (ii) group loans growth target at 2%–3% from 8%–9% and (iii) group deposit growth target at 3%–4% from 10%–11%.

Despite the challenges faced, the Bank was able to grow its net income by 4.8% YoY to a new record of RM22.26 billion for FY2016, supported by higher net fund based income which rose by 5.2% and net fee based income which grew by 4.0%. The growth in net fund based income was driven by an expansion in our Group gross loans of 5.7% as our corporate lending picked-up across our home markets and net interest margin was well-managed at 2.27%. Net fee based income was mainly supported by higher investment and trading income, arising from disposal in securities, as well as higher net earned insurance premiums.

As we searched for income growth across our key business pillars and regional presence, we were mindful of our cost in a slower revenue growth environment. To this end, we were able to keep cost growth to a low single digit of 2.8% through our strategic cost management programme initiatives. Our headcount has reduced from 45,958 in 2015 to 43,976 in 2016, managed through natural attrition. With income growth outpacing cost growth, we achieved a positive JAWs position of 2.0% YoY and a full year cost to income ratio of 47.3%, the lowest it has been in six years.

A combination of these levers resulted in the Group achieving a new high in pre-provisioning operating profit of RM11.69 billion, up 6.7% from FY2015. As addressed earlier, the Group was impacted by higher net impairment losses of RM3.02 billion against RM2.01 billion a year earlier. About 70% of the full year provisions for loans and securities were made in 1H FY2016, as part of our strategy to manage provisioning costs.

Our net profit for FY2016 saw a marginal contraction of 1.4% to RM6.74 billion arising from higher provisioning costs, resulting in an ROE of 10.6%. However, our commitment to rewarding shareholders continued with a full-year dividend payout of RM5.26 billion, representing a total dividend of 52 sen per ordinary share.

2016 also saw the continuation of our balance sheet management strategy in line with our risk posture of selective asset growth across the region. We focused on improving our current and savings accounts growth, especially in our home markets, to keep cost of funding low and ensure we had sufficient liquidity to support our moderate lending appetite. As our group deposits grew 5.2% YoY, the Group's CASA improved to 35.7% at year-end 2016 from 33.7% a year earlier.

The Group's capital positions remained extremely resilient and robust with CET1 capital ratio of 13.990% and total capital ratio of 19.293% as at end December 2016. As part of our continuous efforts to fortify our funding programmes, we completed the USD500 million Basel III-compliant Tier 2 Subordinated Notes issuance in April.

While we have deliberately held our capital position high in view of IFRS 9 implementation effective 1 January 2018, we have been disciplined about our capital utilisation as measured by our minimal Group credit risk-weighted asset growth of 0.7% YoY. We also remained capital efficient through the rationalising of some non-core holdings such as securities and Maybank Indonesia's stake in PT Wahana Ottomitra Multiartha Tbk (WOM Finance).

More on the Group's regional financial performance can be read in the Group Financial Review and in the performance review sections of our operations. Given investor interest over the Group's proactive asset quality management strategy, we enhanced our disclosures to provide better clarity on asset quality indicators and related sectors contributing to the uptick in impaired loans, particularly in the oil & gas supply chain. Readers will also notice that the business reviews on Group Community Financial Services, Group Global Banking, Group Insurance and Takaful and Group Islamic Banking are currently reporting their respective regional performances given our regional presence. Our comprehensive and extensive Management Discussion and Analysis is aimed at providing stakeholders with a better feel of Maybank's overarching strategy and performance.



Management Discussion and Analysis, pg. 32–103

## GROUP PRESIDENT & CEO'S STATEMENT

As in my previous GPCEO statements that touch on our strengths and challenges for the year, allow me to shine the spotlight on one of our strong performers for FY2016. Maybank Indonesia delivered its best-ever earnings with a net profit of IDR1.95 trillion for FY2016, up 71% from the prior year. This impressive performance was driven by strong net fund based income growth and tight cost control, with its cost to income ratio moving down significantly to 52.9% from 63.6% two years ago. Maybank Indonesia's provisioning cost has also reduced YoY as it embarked on a re-profiling of its global banking portfolio in FY2014 to ensure tighter credit approvals and selective growth arising from asset quality deterioration of specific corporate debtors three to four years earlier. My heartiest appreciation to Bapak Taswin Zakaria and his entire team for their collective efforts in bringing Maybank Indonesia to greater heights.

### DIGITALISATION

The future is digitalisation. Our approach to implementing digital solutions is by putting in place small building blocks to create a digital network that will ultimately provide a seamless and 'stress-free' banking experience for our customers. In our aspiration to become the "Digital Bank of Choice", we have rolled out numerous initiatives across our regional operations in 2016.

We were the first bank in Cambodia to introduce a mobile banking application with AR and QR code readers launched in July, which follows a similar application introduced in Malaysia in 2014. As part and parcel of our endeavours to improve customer convenience pertaining to their daily payment transactions, we introduced MaybankPay, Malaysia's first mobile wallet payment platform. An extension of this was our partnership with Samsung, to roll-out the Samsung Pay mobile wallet facility in Singapore and Malaysia. In collaboration with Visa, we also released Maybank Visa PayBand, a smart wrist band that enables contactless payments at locations across Malaysia.

In keeping with the spirit of giving during the festive seasons, we introduced our e-money services DeepaMoney and e-Ang Pow, following the success of e-Duit Raya launched in 2015. E-money is our digital option for presenting cash gifts during the respective seasonal celebrations.

A digital initiative close to my heart was the launch of our social fundraising platform for non-governmental organisations (NGOs) or charitable organisations, coined as MaybankHeart. This initiative, the first-of-its-kind, circles back to our mission of "Humanising Financial Services" as it provides the general public with information on special projects that require funding and the total funds required to realise the objectives of these specific projects. This platform, which does not

take a fee from the donations, is designed to provide transparency over the total funds collected and gives peace of mind to donors that their donations are properly channelled. Since its soft launch in September 2016, MaybankHeart has managed to raise more than RM550,000 for multiple local and international NGOs.

As we progress over the next four years in line with our ambition of being the "Digital Bank of Choice" under our M2020 strategy, we will work on broadening the Group's digital ecosystem and capabilities to cater to the needs of our next-generation customers.

### THE YEAR AHEAD

The ASEAN-6 countries are expected to chart better growth at 4.8% in 2017 from 4.5% the year before, with improvements in markets such as Malaysia, Singapore and Thailand. Looking across our home markets, Malaysia's expected growth of 4.4% this year will be underpinned by domestic demand and stronger investment growth alongside a pick-up in government consumption expenditure. Singapore's estimated 2.5% growth will be supported by a cyclical uplift from a synchronised global recovery as manufacturing and trade-related services continue to lead the country's recovery. Indonesia's growth forecast of 5.1% will be on the back of fiscal spending on infrastructure projects.

We do expect a moderate pick up in global economic growth of 3.2% versus 2.9% in 2016, on the back of firmer commodity prices and relatively better trade growth in 2017. However, the one wild card is external trade given uncertainties over US trade policy decisions, which could have a ripple effect on this region. Against this operating environment, Maybank Group remains focused on driving income growth by improving our fee based income through strengthening our cross-sell for products and services, focusing on project financing for infrastructure projects across our ASEAN footprint, participating in capital market deals across the region and targeting loan growth in segments within consumer lending and retail small and medium-sized enterprises.

As we embark on growth in 2017 with some caution, we remain watchful over asset quality concerns that could prolong into the year. The stability seen in commodity prices such as crude oil will take some time to translate into upward revisions of our borrowers' cashflows. As such, we will continue to work closely with our borrowers to assist them in addressing their repayment abilities.

Our drive to improve productivity and maintain disciplined spend will be the fundamentals to keep our cost growth in check vis-à-vis income growth. Among the key performance indicators for FY2017 that we have set as guidance include:

Return on Equity	10%-11%
Group Loans Growth	6%-7%
Group Deposit Growth	6%-7%

### SPECIAL THANKS

I would like to take an opportunity at this point to express our highest gratitude to Tan Sri Dato' Megat Zaharuddin, who will be stepping down as Chairman and member of the Board of Directors of the Maybank Group on 31 March 2017. Tan Sri Megat has been on our board in total for 12 years, with the last 7.5 years as our Chairman. He has been a significant influence in shaping our success to date through his direction, wise counsel and guidance over the years. We are indeed indebted for his service. On behalf of the Board and all Maybankers, we wish him the very best in his future endeavours.

I am pleased to welcome the appointment of Datuk Mohaiyani Shamsudin, our independent non-executive director, as Maybank Group's new chairperson, which will be effective on 1 April 2017. On behalf of the Board and all Maybankers, we congratulate Datuk Mohaiyani on her appointment, which displays our commitment to further Maybank Group's Inclusiveness and Diversity Agenda. Datuk Mohaiyani who has an impressive and extensive experience in financial and public services, is well poised to lead Maybank Group towards our next stage of growth under the M2020 strategic plan.

My heartfelt gratitude to all Maybankers for their dedication, passion and tireless contributions in helping to build Maybank into a stronger organisation that can weather through challenging circumstances with a credible performance.

To our customers and shareholders, thank you for your continued trust, loyalty and support especially in the face of an extremely challenging year. I am also appreciative of the valuable guidance extended by the members of the Maybank Board and those of the other entities within the Group, as well as the regulatory bodies in the countries we operate.

Thank you.

### Our Maybank, Our Future



**DATUK ABDUL FARID ALIAS**  
Group President & Chief Executive Officer



**Enhanced  
business internet  
banking features  
for better  
convenience**





**OUR DIGITAL PLATFORMS  
ARE BUILT TO CATAPULT  
BUSINESSES INTO THE  
NEXT PHASE OF GROWTH  
AND CRYSTALLISE  
BUSINESS OPPORTUNITIES**

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## **MANAGEMENT DISCUSSION & ANALYSIS: GROUP REVIEW**

---

- 32 Group Strategy
- 38 Economic & Banking Industry Review and Outlook
- 42 Key Performance Indicators
- 44 Group Financial Review
- 49 Capital Management
- 51 Investor Information
  - Investor Relations
  - Maybank Share
- 60 Financial Performance

---

## **MANAGEMENT DISCUSSION & ANALYSIS: BUSINESS REVIEW**

---

- 67 Group Community Financial Services
- 72 Group Global Banking
- 80 Overseas Operations
  - Singapore
  - Indonesia
  - International
- 90 Group Insurance & Takaful
- 94 Group Islamic Banking
- 100 Group Technology
- 103 Group Operations

# GROUP STRATEGY



**MICHAEL FOONG SEONG YEW**

Group Chief Strategy Officer

“2016 was Maybank’s year of innovation as we embarked on becoming the Digital Bank of Choice. Several innovative digital services were introduced including Malaysia’s first mobile wallet, MaybankPay, Samsung Pay and the continuation of our #MaybankFintech programme. These culminated in Maybank receiving the Best Innovation Award from Bank Negara Malaysia in January 2017. These innovations are testament of our focus on delivering the best customer experience, underpinned by our mission of Humanising Financial Services and guided by our Maybank<sup>2020</sup> strategic objectives.”

## GROUP BUSINESS MODEL

Our business model is steered by our Maybank<sup>2020</sup> vision – “Advancing Asia’s Ambitions With You” – and our mission of “Humanising Financial Services”, which reinforces our desire to strengthen our relationships with the communities we serve and deliver sustainable value to all our stakeholders.

Our Key Resources	Delivering Universal Financial Services	Value Creation	Value Distributed to Stakeholders
<p><b>CAPITAL &amp; FUNDING</b> Our strong capital and funding base that supports business growth and operational activities.</p> <p> Refer to Group Financial Review and Capital Management sections</p> <hr/> <p><b>TALENTS</b> Our GO Ahead. Employer Value Proposition (EVP) empowers our people to go beyond boundaries to be creative, nimble and agile in adapting to new ways of working.</p> <p> Refer to Group Human Capital section</p> <hr/> <p><b>ACCESS TO UNIVERSAL FINANCIAL SERVICES</b> Our physical and digital customer touch points across our ASEAN footprint and key global financial centres.</p> <p> Refer to Organisation Overview chapter</p> <hr/> <p><b>THE MAYBANK BRAND</b> Guided by our mission of “Humanising Financial Services”, our cumulative experience in the financial services industry and presence in ASEAN enable us to make an impact in the communities we serve.</p> <p> Refer to The Maybank Brand section</p> <hr/> <p><b>COMMUNITY RELATIONSHIPS</b> We are committed to deliver long-term value for the community and environment by being the region’s most impactful corporate citizen.</p> <p> Refer to Sustainability Statement section</p>	<p>Our key resources are moulded into various business pillars, which enable us to deliver universal financial services across our footprint in ASEAN and key global financial centres:</p> <p><b>GROUP COMMUNITY FINANCIAL SERVICES</b> Includes:</p> <ul style="list-style-type: none"> <li>- Consumer</li> <li>- Retail SME</li> <li>- Business Banking (mid-sized corporates and SMEs)</li> </ul> <p> Refer to Group Community Financial Services section</p> <p><b>GROUP GLOBAL BANKING</b> Includes:</p> <ul style="list-style-type: none"> <li>- Corporate Banking</li> <li>- Investment Banking (Maybank Kim Eng)</li> <li>- Global Markets</li> <li>- Transaction Banking</li> <li>- Asset Management</li> </ul> <p> Refer to Group Global Banking section</p> <p><b>GROUP INSURANCE AND TAKAFUL</b> Includes:</p> <p>Conventional Insurance:</p> <ul style="list-style-type: none"> <li>- Life Insurance</li> <li>- General Insurance</li> </ul> <p>Takaful:</p> <ul style="list-style-type: none"> <li>- Family</li> <li>- General</li> </ul> <p> Refer to Group Insurance &amp; Takaful section</p> <p>Islamic Finance leverage model is utilised to distribute Islamic products across the Group.</p> <p> Refer to Group Islamic Banking section</p> <p>The above business pillars are supported by our enabler functions, including Group Technology, Group Operations, Group Human Capital, Group Finance and Group Risk.</p>	<p>Our strategy is executed across business pillars and geographical footprint, translating into value creation:</p> <p><b>NET PROFIT</b> RM6.74 billion</p> <p><b>DIVIDEND PER SHARE</b> 52.0 sen</p> <p><b>COMMON EQUITY TIER 1 RATIO</b> 13.990%</p> <p><b>ISLAMIC FINANCING TO MAYBANK MALAYSIA LOANS</b> 54.5%</p> <p><b>DIGITAL CHANNEL PENETRATION</b> Over 30% growth in Maybank2u monetary transactions.</p>	<p>Value created is distributed to our stakeholders in both financial and non-financial value:</p> <p><b>CUSTOMERS</b> Physical &amp; digital access to universal financial services and innovative financial products.</p> <p> Refer to Business Review chapter</p> <p><b>INVESTORS</b> Strong focus on business growth and productivity, that translates into healthy profits and dividend payout.</p> <p> Refer to Investor Information section</p> <p><b>REGULATORS</b> Rigorous effort to provide best-in-class compliance culture and adhering to regulations set by Central Banks in our operating footprints.</p> <p> Refer to Corporate Governance &amp; Accountability chapter</p> <p><b>COMMUNITY</b> Integration of Environmental, Social and Governance (ESG) considerations into our products and services in order to practise responsible financing, promote financial inclusion and help the community build financial capability.</p> <p> Refer to Sustainability Statement section</p> <p><b>EMPLOYEES</b> Strong emphasis on talent development and providing a caring, meaningful and exciting work environment.</p> <p> Refer to Group Human Capital section</p>

## GROUP STRATEGY

### MATERIAL MATTERS

Material Matters	Our Response	Our Initiatives
<p><b>CHALLENGING ECONOMIC ENVIRONMENT</b> Slowdown in global economic growth, coupled with political uncertainties, such as Brexit.</p>	Our diversified geographical presence across the ASEAN region enables us to manage our business portfolio better amid the challenging economic environment.	 Refer to Group President & CEO's Statement section and Business Review chapter
<p><b>MANAGING REGULATORY CHANGES</b> Continued evolution of the regulatory environment, which may shift competitive positioning and the way the business is run.</p>	We work closely with our regulators to effectively implement regulatory requirements and optimise capital allocation across business pillars to achieve sustainable growth.	 Refer to Group Financial Review and Capital Management sections
<p><b>EVOLVING DIGITAL TRENDS</b> Digital technology continues to shape new customer behaviour and transform the financial services industry. These trends also call for greater cyber security.</p>	We provide secured access for our customers on our Maybank2u internet and mobile banking platforms to enable our customers to bank with us anywhere, anytime and on any device. At the same time, we continue to introduce innovative digital products and services to enhance customer experience.	 Refer to Business Review chapter
<p><b>INCREASING COMPETITION</b> Competition continues to be intense, with the number of competitors expanding to include non-financial players.</p>	We continue to optimise our physical and digital presence and focus on providing best-in-class customer experience, underpinned by our mission of "Humanising Financial Services", which differentiates us from the competition.	 Refer to Business Review chapter
<p><b>REINFORCING THE RIGHT RISK CULTURE</b> A robust risk culture is key to driving an effective management of risk.</p>	Recognising risk culture as a fundamental tenet in driving effective management of risk, we continuously reinforce a risk culture that cultivates active identification, assessment and mitigation of risk which is the responsibility of all employees across the Group.	 Refer to Corporate Governance & Accountability chapter
<p><b>CREATING A SUPERIOR LEADERSHIP &amp; TALENT PIPELINE</b> Develop leaders and talent with global ethical mindsets to produce world class productivity levels.</p>	We strive to build a knowledgeable, current, engaged and inclusive workplace for our people to make better and more informed decisions for superior and responsible business performance as well as to strengthen our ability to connect with customers.	 Refer to Group Human Capital section
<p><b>EMPOWERING COMMUNITIES AND MANAGING OUR ENVIRONMENTAL IMPACTS</b> Integrating Environmental, Social and Governance (ESG) elements will be key to futureproofing our business.</p>	Navigating ESG aspects will enable us to manage risks and opportunities in a more integrated manner, underlined by our mission of "Humanising Financial Services".	 Refer to Sustainability Statement section



## GROUP STRATEGY



### ASEAN OPPORTUNITY

The ASEAN region is vibrant and filled with increasing market opportunities, driven by the growing integration of the ASEAN Economic Community (AEC), which was established in 2015.

We are positive about the future of ASEAN. With our footprint across ASEAN and key global financial centres, we are well-positioned to benefit from the long-term prospects of the ASEAN region.



#### LARGE POPULATION WITH YOUNG DEMOGRAPHICS

- 01** 3<sup>rd</sup> largest market in the world after China and India, with a large population of 629 million.<sup>[2]</sup>

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- 02** Rising digital consumption, with a 216% increase in internet subscriptions per 100 people, from 11.9% in 2007 to 34.1% in 2015.<sup>[5], [6]</sup>

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- 03** ASEAN also has a young demographic of which over 50% are of working age.<sup>[1]</sup>

#### AN OPEN ECONOMIC REGION WITH FAST GROWING MARKETS AND CONSUMER AFFLUENCE

- 01** 7<sup>th</sup> largest economy in the world and projected to be the 4<sup>th</sup> largest by 2050.<sup>[10]</sup>

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- 02** USD2.4 trillion combined GDP in 2015, almost double from USD1.3 trillion in 2007.<sup>[2]</sup>

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- 03** 67% increase in per capita GDP from USD2,309 in 2007 to USD3,866 in 2015.<sup>[2]</sup>

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- 04** USD120.8 billion of Foreign Direct Investments (FDI) into ASEAN in 2015, representing 7% of global FDI flows (up from 4% in 2007).<sup>[1], [3]</sup>

## GROUP STRATEGY

## PROMISING OPPORTUNITIES AND POTENTIAL FOR GROWTH ACROSS THE REGION

01

**FAST GROWING TRADE:**

- Almost USD1 trillion increase in total trade between 2007 and 2015.<sup>[1]</sup>
- USD2.3 trillion in total ASEAN trade in 2015, up from USD1.6 trillion in 2007.<sup>[1]</sup>
- Intra-ASEAN trade was 24% of total ASEAN trade in 2015.<sup>[1]</sup>

02

**POTENTIAL FOR HIGHER FINANCIAL INCLUSION:**

Below 1% financial assets to GDP ratio for the ASEAN countries of Indonesia, Cambodia, Laos, Myanmar and the Philippines, versus 3.5% in the Organisation for Economic Co-operation and Department (OECD).<sup>[6]</sup>

03

**A LARGE MARKET OF SMEs:**

SMEs are the engine of growth in the ASEAN region, employing between 52% to 97% of the workforce in ASEAN countries.<sup>[4]</sup>

04

**FAST PACED GROWTH IN ISLAMIC FINANCE:**

ASEAN has a 19.4% market share of the global Islamic finance industry. The total ASEAN Islamic finance industry of USD388 billion in 2014 is set to double to USD770 billion by 2018.<sup>[7], [8]</sup>

05

**LARGE GROWTH POTENTIAL IN INSURANCE:**

3.8% overall insurance penetration rate (premiums as a percentage of GDP), well below global average of 6.2%, providing large growth potential.<sup>[1], [9]</sup>

## GROUP STRATEGY

### MAYBANK<sup>2020</sup>

Maybank<sup>2020</sup> is our strategic play towards year 2020, tapping on the opportunities around the ASEAN region and growing together with Asia's ambitions.

#### MAYBANK<sup>2020</sup> VISION

**“ADVANCING ASIA’S AMBITIONS WITH YOU”**

#### MAYBANK<sup>2020</sup> MISSION

**“HUMANISING FINANCIAL SERVICES”**

Our Mission of “Humanising Financial Services” underpins our desire to strengthen our relationships with the communities we serve.

- We focus on providing convenient access to financing in both physical and digital environments.
- We are committed to offering fair terms and pricing.
- We advise our customers based on their needs.
- We prioritise customer experience using next generation digital technologies.
- We are passionate about being at the heart of the community.

#### MAYBANK<sup>2020</sup>

#### STRATEGIC OBJECTIVES



##### THE TOP ASEAN COMMUNITY BANK

- We aim to be a leading retail & commercial financial services provider in ASEAN, leveraging on our regional presence, banking expertise and growth opportunities in ASEAN.



##### THE LEADING ASEAN WHOLESALE BANK LINKING ASIA

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



##### THE LEADING ASEAN INSURER

- We aim to be a leading ASEAN Insurer by leveraging synergies between Maybank's regional banking footprint and Etiqa's expertise in takaful & bancassurance.



##### THE GLOBAL LEADER IN ISLAMIC FINANCE

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



##### DIGITAL BANK OF CHOICE

- We aspire to be the “Digital Bank of Choice” by putting our customers' preferences first and transforming to deliver next-generation customer experience.

## GROUP STRATEGY

### 2016 REVIEW

Maybank <sup>2020</sup> Strategic Objectives	2016 Achievements	2017 Priorities
 <p><b>THE TOP ASEAN COMMUNITY BANK</b></p>	<ul style="list-style-type: none"> <li>Group Wealth Management recorded a strong 26.1% growth in YoY PBT. Total assets under management reached over RM250 billion, representing a 12.7% growth from 2015.</li> <li>Regional Retail SME recorded double digit growth in PBT.</li> <li>Maybank remained No. 1 in the Malaysia NPS customer index.</li> </ul>	<ul style="list-style-type: none"> <li>Focus on Retail SME and Wealth Management business by harnessing ASEAN's growth opportunities in SME and middle income population.</li> <li>Drive digital banking sales and transactions, whilst pushing the bar on innovative digital offerings.</li> </ul>
 <p><b>THE LEADING ASEAN WHOLESALE BANK LINKING ASIA</b></p>	<ul style="list-style-type: none"> <li>Ranked top in the Bloomberg's ASEAN Equity, Equity Linked &amp; Rights, ASEAN Local Currency Bonds and ASEAN M&amp;A League Tables.</li> <li>Continued to dominate the Malaysian market with leading market share in corporate lending, trade finance and corporate deposits.</li> <li>MKE was awarded the Best Investment Bank in Malaysia by Euromoney for the second consecutive year and Best Broker of the Decade in Southeast Asia by Alpha Southeast Asia.</li> </ul>	<ul style="list-style-type: none"> <li>Focus on client-centric solutioning to provide better access to capital, facilitate connectivity and efficient management of cash flows for our clients by leveraging on our ASEAN presence.</li> <li>Assist clients in managing risk and achieving stable and sustainable growth during uncertain times through our complete product suites and services, structuring expertise and in depth insights of the ASEAN market.</li> </ul>
 <p><b>THE LEADING ASEAN INSURER</b></p>	<ul style="list-style-type: none"> <li>Market leader in combined general insurance &amp; takaful business in Malaysia.</li> <li>Market leader in e-Channel business with 89.7% market share in General Insurance &amp; Takaful in Malaysia.</li> <li>Expanded international presence in Singapore and the Philippines.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen Bancassurance relationship between Etiqa and Maybank.</li> <li>Drive productivity by leveraging digital tools such as Motortakaful.com and Etiqa's Direct Sales Portal.</li> </ul>
 <p><b>THE GLOBAL LEADER IN ISLAMIC FINANCE</b></p>	<ul style="list-style-type: none"> <li>Increased global and regional visibility by successfully capturing headline deals in Singapore, Indonesia, UK and the US.</li> <li>Maintained reputation as a leading Sukuk arranger - ranked Top 3 of the Global Sukuk League Table.</li> <li>Further embraced Islamic Social Finance with the launch of wakaf programme in collaboration with the State of Perak, Waqf Perak Ar-Ridzuan (WPAR).</li> </ul>	<ul style="list-style-type: none"> <li>Expand regional key markets via better products and services distribution.</li> <li>Improve global visibility via participation in more landmark deals.</li> <li>Reaffirm our Humanising Financial Services mission via Islamic Social Finance and Environmental, Social and Governance (ESG) commitment.</li> </ul>
 <p><b>DIGITAL BANK OF CHOICE</b></p>	<ul style="list-style-type: none"> <li>Launched MaybankPay - Malaysia's first mobile wallet to further drive the adoption of cashless payments.</li> <li>First in Malaysia to launch Samsung Pay for contactless payment.</li> <li>Partnered with Western Union to enable online access to Western Union's money transfer service via Maybank2u.</li> <li>Introduced MaybankHeart - the first of its kind digital social fundraising platform for non-governmental organisations (NGOs).</li> </ul>	<ul style="list-style-type: none"> <li>Broaden the Group's digital ecosystem to deliver next-generation customer experience.</li> <li>Further develop digital-enabled capabilities through continuous exploration of innovative solutions.</li> </ul>

# ECONOMIC & BANKING INDUSTRY REVIEW AND OUTLOOK

## GLOBAL & ASEAN ECONOMY

### ECONOMIC REVIEW

Global economic growth in 2016 moderated to 2.9% (2015: 3.2%) as growth decelerated across the major economies, namely US (2016: 1.6%; 2015: 2.6%), China (2016: 6.7%; 2015: 6.9%) and Eurozone (2016: 1.7%; 2015: 2.0%). Financial and currency markets were volatile due to prolonged uncertainty over the timing and quantum of the Fed's interest rate hike, and compounded by political shocks following the outcome of UK's referendum on EU and the US Presidential Election which saw the decision by the UK to leave the EU and the election of Donald Trump as the new US President. Despite the slower global economic growth and the volatility in global financial and currency markets, ASEAN-6 growth momentum was sustained (2016: 4.5%; 2015: 4.4%) largely thanks to resilient domestic demand and higher infrastructure spending.

Global Real GDP				
% change	% Share of World GDP	2015	2016*	2017E
<b>World</b>		<b>3.2</b>	<b>2.9</b>	<b>3.2</b>
<b>Major Advanced Economies</b>	<b>60.5%</b>	<b>2.1</b>	<b>1.6</b>	<b>1.9</b>
US	24.5%	2.6	1.6	2.3
Eurozone	15.8%	2.0	1.7	1.5
Japan	5.6%	0.5	1.0	0.9
UK	3.9%	2.2	2.0	1.4
<b>BRIC</b>	<b>22.2%</b>	<b>5.0</b>	<b>5.1</b>	<b>5.5</b>
Brazil	2.4%	(3.8)	(3.5)	0.3
Russia	1.8%	(3.7)	(0.5)	1.0
India	2.8%	7.6	7.2	7.4
China	15.2%	6.9	6.7	6.5
<b>Asian NIEs</b>	<b>3.4%</b>	<b>2.1</b>	<b>2.2</b>	<b>2.2</b>
South Korea	1.9%	2.6	2.7	2.4
Taiwan	0.7%	0.6	1.4	1.7
Hong Kong	0.4%	2.4	1.4	1.5
Singapore	0.4%	2.0	2.0	2.5
<b>ASEAN-6 (incl. Singapore)</b>	<b>3.2%</b>	<b>4.4</b>	<b>4.5</b>	<b>4.8</b>
<b>ASEAN-5</b>	<b>2.8%</b>	<b>4.8</b>	<b>4.9</b>	<b>5.2</b>
Indonesia	1.2%	4.8	5.0	5.1
Thailand	0.5%	2.8	3.2	4.5
Malaysia	0.4%	5.0	4.2	4.4
Philippines	0.4%	5.9	6.8	6.4
Vietnam	0.3%	6.7	6.2	6.3

\* Estimates for Brazil, Russia, India, HK, actual for the rest  
Sources: IMF, OECD, Consensus, Maybank KE



### ECONOMIC OUTLOOK

The world economic growth is expected to pick up in 2017 to 3.2%, primarily on the back of firmer US growth (2017E: 2.3%) amid expectations of fiscal stimulus under President Trump via tax cuts and infrastructure spending. However, the outlook is cautious for Eurozone and UK due to political uncertainties and risk events from the start of UK-EU Brexit negotiation and key elections in Holland, France and Germany. Meanwhile, China's economy is expected to continue growing moderately (2017E: 6.5%) as policymakers address risks to financial stability from the high corporate sector leveraging and property bubble. The pickup in global growth, improvement in commodity prices and acceleration in infrastructure investment are expected to lift ASEAN-6's growth to 4.8% in 2017.

## ECONOMIC & BANKING INDUSTRY REVIEW AND OUTLOOK

### MALAYSIA

#### ECONOMIC REVIEW

Malaysia's real GDP growth slowed for the second year in a row to 4.2% in 2016 (2015: 5.0%) on slower Government consumption expenditure and gross fixed capital formation as well as decline in net external demand due to the adverse impact of lower crude oil price on Government budget, oil & gas industry's capex and activities, as well as commodity exports. Nonetheless, various measures to boost disposable incomes – especially for the lower and middle income households – and the 25bps cut in the Overnight Policy Rate (OPR) to 3.00% by Bank Negara Malaysia (BNM) supported private consumption expenditure.

Malaysia: GDP by Demand and Sectors		
% change	2015	2016
<b>Real GDP</b>	<b>5.0</b>	<b>4.2</b>
<i>By Demand</i>		
Domestic Demand	5.1	4.4
Private Consumption Expenditure	6.0	6.1
Government Consumption Expenditure	4.4	1.0
Gross Fixed Capital Formation	3.7	2.7
Net External Demand	(3.8)	(1.8)
Exports of Goods & Services	0.6	0.1
Imports of Goods & Services	1.2	0.4
<i>By Sectors</i>		
Agriculture, Forestry & Fishing	1.2	(5.1)
Mining & Quarrying	4.7	2.7
Manufacturing	4.9	4.4
Construction	8.2	7.4
Services	5.1	5.6

Source: CEIC

#### ECONOMIC OUTLOOK

After slowing in 2015 and 2016, Malaysia's real GDP growth is expected to stabilise in 2017 at 4.4%, underpinned by sustained consumer spending, faster growth in public and private investments, and pick up in Government consumption expenditure. Gross fixed capital formation will be driven by progress in existing – and rollout of new – major infrastructure and investment projects, especially in transport and downstream oil & gas. OPR is projected to remain at 3.00% in 2017 to support domestic demand.

#### BANKING SECTOR REVIEW

In 2016, Malaysia's banking system loan growth moderated to 5.3% YoY from a growth rate of 7.9% YoY in 2015. Coincidentally, both household and non-household loan growth expanded at a similar rate of 5.3% YoY in 2016, with household loans accounting for 56.8% of total loans. This compares against YoY growth rates of 7.7% and 8.0% respectively in 2015.

On the household front, residential property lending grew at a slower pace of 9.2% YoY in 2016 versus 11.9% YoY in 2015, while non-residential property loans expanded 6.1% YoY versus 10.6% YoY in 2015. Automobile loans contracted 1.0% YoY (versus a growth of 2.7% YoY in 2015) while personal loans and credit card financing expanded at a moderate pace of 4.6% YoY and 2.5% YoY respectively.

Bond issuances totalled RM85.3 billion in 2016, this being about equal to the total issuance of RM85.6 billion in 2015. Adding this to total industry loan growth, total credit growth (i.e. loans plus bonds) for the industry would have been about 5.0% YoY in 2016.

System deposit growth remained subdued, expanding 2.0% YoY in 2016, just a tad faster than the growth of 1.1% YoY in 2015. The industry's loan to deposit ratio rose marginally to 89.8% end-2016 compared to 88.7% end-2015, while the industry's loan to fund ratio was a comfortable 84.3%.

The industry's absolute gross impaired loans rose 6.0% YoY, but the overall net impaired loans ratio continued to be stable at just 1.2%. Loan loss coverage slipped to 90.2% end-2016 from 96.2% end-2015.

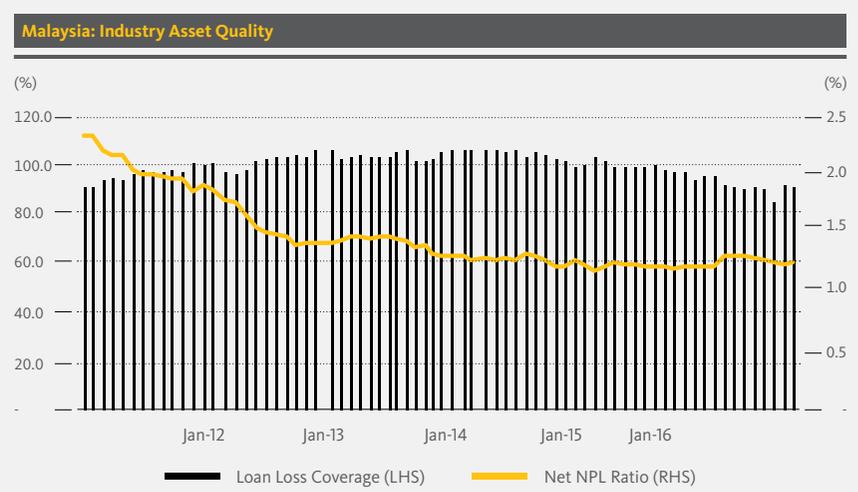
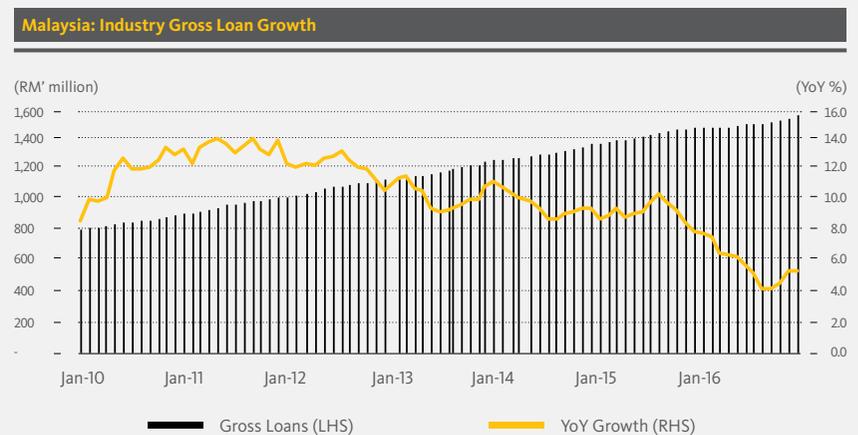
The industry's end-2016 Common Equity Tier 1 (CET1), Tier 1 Capital Ratio and Total Capital Ratio were comfortable at 13.1%, 14.0% and 16.5% respectively.

#### BANKING SECTOR OUTLOOK

The macro outlook is expected to remain stable despite headwinds on the global front. Ongoing infrastructure projects lend support to business loan growth in 2017 while the volatility in currencies offers both opportunity and challenges, particularly to export-oriented industries. Monetary policy, meanwhile, is expected to remain accommodative.

For the banking sector, the operating environment is likely to remain challenging in 2017. Loan growth, particularly on the household front, is expected to moderate further, while the pressure on interest margins is likely to persist as funding competition remains keen. Under such circumstances, the focus on cost efficiencies is likely to remain as intense in 2017 as it was in 2016.

Though generally stable, 2016 saw asset quality deterioration in certain business segments such as shipping and oil & gas, while some mild stress was evidenced in the household segment. Banks will likely continue to be vigilant over asset quality and credit costs in 2017, particularly amid ongoing uncertainties on the external front. Capital preservation/enhancement will also likely remain a key theme in 2017, ahead of the implementation of MFRS 9 in 2018, which could result in higher provisioning requirements.



## ECONOMIC & BANKING INDUSTRY REVIEW AND OUTLOOK

### SINGAPORE

#### ECONOMIC REVIEW

Singapore recorded a steady expansion of 2.0% in 2016 (2015: 2.0%) as the rebound in the export-oriented manufacturing sector, particularly, in the later part of 2016 offset the slowdown in the domestic-oriented construction and services sector. This growth dynamics was also reflected on the demand side of the economy as net external demand growth surged to counter the slump in domestic demand.

Singapore: GDP by Demand and Sectors		
% change	2015	2016
<b>Real GDP</b>	<b>2.0</b>	<b>2.0</b>
<i>By Demand</i>		
Domestic Demand	3.7	0.2
Private Consumption Expenditure	4.6	0.6
Government Consumption Expenditure	8.0	6.3
Gross Fixed Capital Formation	1.1	(2.5)
Net External Demand	1.0	9.8
Exports of Goods & Services	2.6	1.6
Imports of Goods & Services	2.9	0.3
<i>By Sectors</i>		
Manufacturing	(5.1)	3.6
Construction	3.9	0.2
Services	3.2	1.0

Source: CEIC

#### ECONOMIC OUTLOOK

Singapore's GDP growth is expected to improve to 2.5% in 2017 as the pick up in global economic growth and world trade growth will further benefit the export-oriented manufacturing sector and trade-related services. In addition, there is also the fiscal impulse from the recently announced expansionary budget for the fiscal year 2017 given the smaller budget surplus, higher expenditure - including for public infrastructure, targeted measures to support SMEs and recommendations by the Committee on the Future Economy (CFE).

#### BANKING SECTOR REVIEW

2016's global playout of populism and anti-globalisation put banks in Singapore on alert. The financial sector has long thrived on free trade and impediments to free-capital movements bear long term consequences. Against a cyclical downturn - China's listless economy, lacklustre loan demand, rising default risks and scrutiny of banks' oil & gas exposure, risk aversion prevailed. Higher cost of capital and an interest-rate upturn after 10 years accentuated the uncertainties.

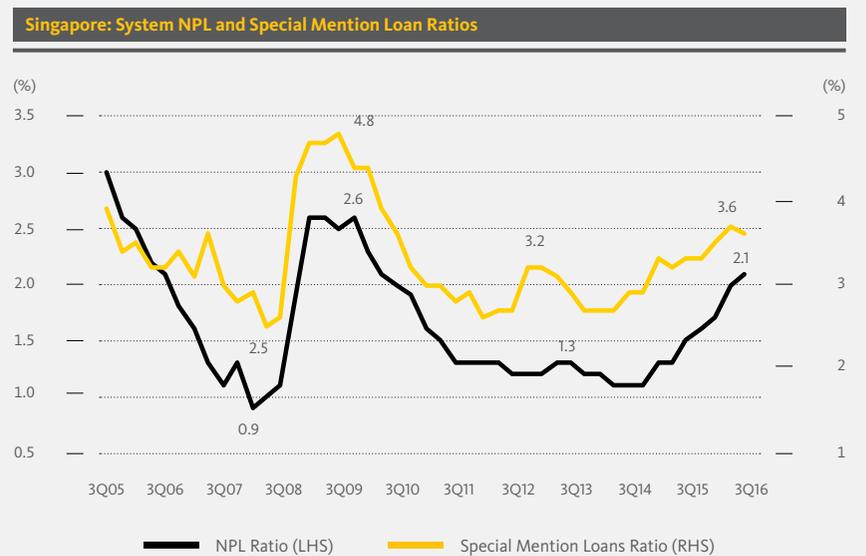
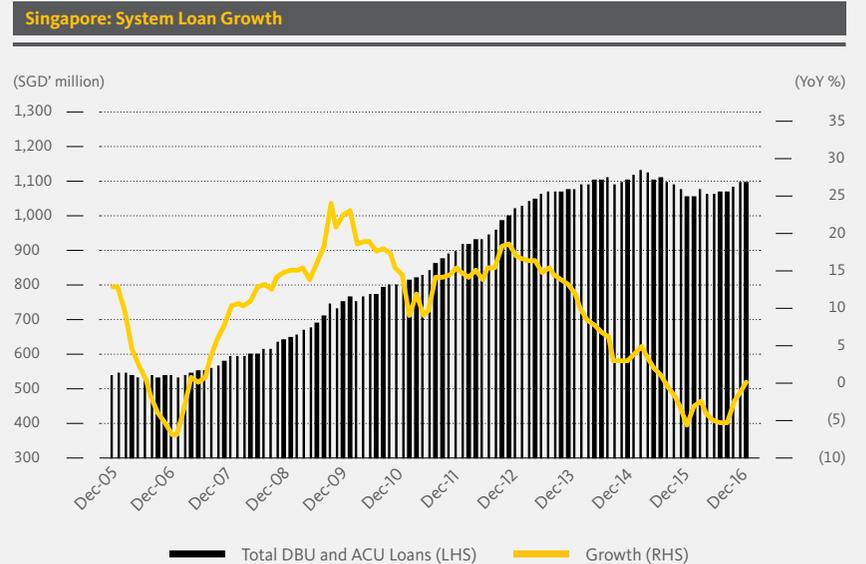
Singapore's system loans grew 0.5% YoY, reflecting fewer lending opportunities and banks' unwillingness to assume higher risks in an uncertain environment. Business loans grew 0.6% YoY. General commerce suffered from a sluggish China as lending contracted 4.6% YoY against a contraction of 9% a year ago. Building and Construction loan growth slowed to 3.3% YoY from 19.0% in 2015 as a few major public-sector projects were rescheduled to 2017. Consumer loan growth slid to 0.2% YoY, as the domestic property market remained reined in by property-cooling measures.

Liquidity was ample. System loan-deposit ratio was 99.1% vs 102.6% a year ago. Deposits grew 4% YoY, mainly as Domestic Banking Unit (DBU) deposits increased 6.5% YoY. DBU's fixed deposits and current account and savings account (CASA) deposits grew 5.4% YoY and 7.3% YoY respectively.

As at September 2016, system NPL ratio crept up to 2.1% from 1.5% a year ago, with the special-mention loan ratio climbing to 3.6% from 3.3%. With rising NPLs, provisioning coverage slipped from 129.0% as at September 2015 to 98.3% as at September 2016. Asset quality worsened, particularly from banks' exposure to oil & gas support services.

#### BANKING SECTOR OUTLOOK

Recent economic data suggest a nascent but synchronised regional economic recovery. Capital markets have affirmed the rebound, but risks remain. As an open economy, Singapore is susceptible to rising geopolitical and economic risks. Its GDP growth is still expected to be a muted 1%-3% in 2017. Corporates are adjusting to slower global growth and excess capacity in some sectors. Credit risks dominate and asset-quality problems linger. Consumer loan demand is likely to remain soft, as Singaporeans' property-buying appetite remains curbed by the additional buyer's stamp duty and total debt servicing ratio. Firmer interest rates and foreign-exchange volatilities offer opportunities and risks. On a more optimistic note, governments in Singapore and the region are supportive, proactive and pro-growth.



## ECONOMIC & BANKING INDUSTRY REVIEW AND OUTLOOK

### INDONESIA

#### ECONOMIC REVIEW

Indonesia's economic growth stabilised in 2016 at 5.0% (2015: 4.9%) after five straight years of slowdown as sustained growth momentum in consumer spending that was supported by the 150bps cuts in Bank Indonesia's benchmark interest rate offset slower investment and net external demand growth as well as the fall in Government spending that was largely due to the adverse effect of lower commodity prices.

Indonesia: GDP by Demand and Sectors		
% change	2015	2016
<b>Real GDP</b>	<b>4.9</b>	<b>5.0</b>
<i>By Demand</i>		
Domestic Demand	4.9	4.4
Private Consumption Expenditure	5.0	5.0
Government Consumption Expenditure	5.3	(0.1)
Gross Fixed Capital Formation	5.0	4.5
Net External Demand	138.1	5.1
Exports of Goods & Services	(2.1)	(1.7)
Imports of Goods & Services	(6.4)	(2.3)
<i>By Sectors</i>		
Agriculture, Livestock, Forestry & Fisheries	3.8	3.3
Mining & Quarrying	(3.4)	1.1
Manufacturing	4.3	4.3
Construction	6.4	5.2
Services	5.5	5.6

Source: CEIC

#### ECONOMIC OUTLOOK

Indonesia's growth momentum will be sustained at 5.1% for 2017 on stable domestic and external demand on the back of firmer commodity prices, progress in the implementation of infrastructure projects, and continued accommodative monetary policy as Bank Indonesia's seven-day reverse repurchase rate is expected to remain at 4.8%.

#### BANKING SECTOR REVIEW

In 2016, Indonesia's banking sector grew at a slower pace of 7.9% YoY vs. 10.4% YoY in 2015. The slowdown was felt across the segments. Loans for investment, which account for 26.0% of total industry loans decelerated to 10.0% YoY in 2016 from 46.7% YoY in 2015. Growth in loans for working capital and household which each covers 47.0% and 27.0% of the banking sector's total loan portfolio declined further from 9.0% YoY each in 2015 to 6.1% YoY and 7.4% YoY, respectively. However, mortgages, which make up 30.0% of household loans, held up quite well with 6.4% YoY growth in 2016 as banks started to cut lending rates for the segment.

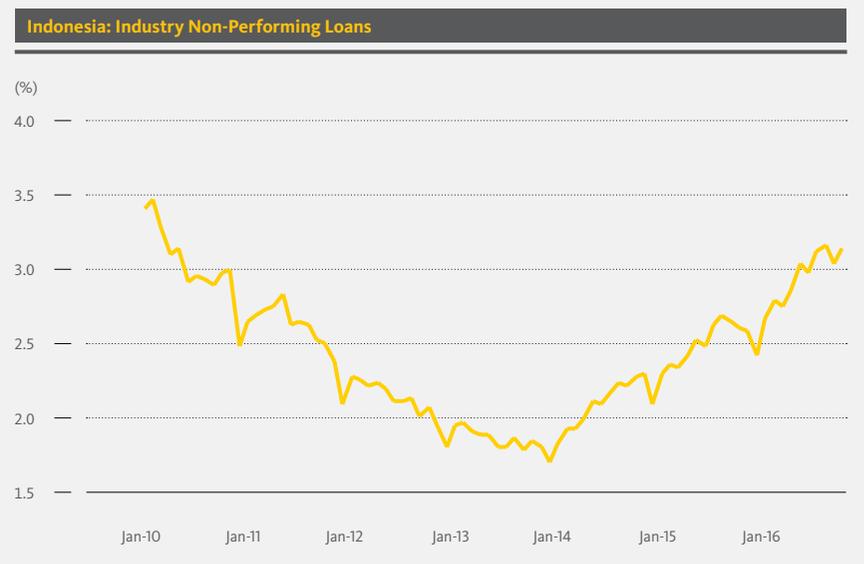
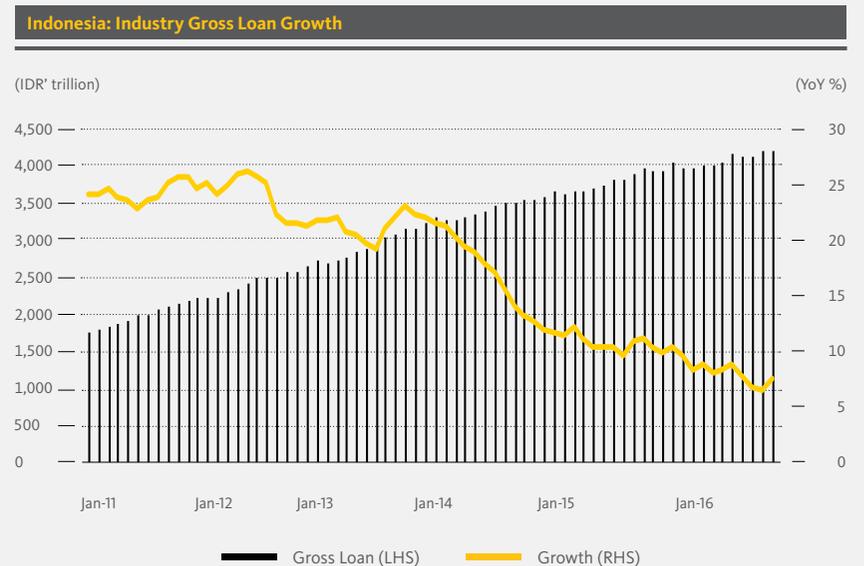
Liquidity improved during the year as reflected in a declining Loan to Deposit Ratio (LDR) to 90.6% from 92% in 2015. Savings was the main driver for 2016's 6.5% YoY total deposit growth. This portion of cheap funding accelerated by 12.4% YoY from only 8.7% a year earlier. Higher savings composition and the declining interest rate environment helped to push total funding cost down.

Asset quality deteriorated alongside economic growth. However, non-performing loan (NPL) levels remained well below the maximum 5.0% level, standing at 3.2% in 2016 vs. 2.5% in 2015.

On the other hand, capital ratios improved, with core capital ratios rising to 21.5% in 2016 from 19% in 2015, and risk-weighted capital ratios to 23.2%, up from 21.4% a year earlier.

#### BANKING SECTOR OUTLOOK

Indonesia's economic growth is expected to improve this year and the banking sector is likely to mirror this trend, with 9% to 12% loan and deposit growth. With the sector's top 10 players controlling 60.0% of market liquidity, the performance gap between the big and small banks, however, may continue to widen. Among the segments that the government plans to target are infrastructures, as well as lending to productive low income people through micro loans and subsidised mortgage. Loan quality as a whole should also improve from 2017 onwards, partly driven by recovery in oil and Crude Palm Oil (CPO) prices. New disbursement to commodity-related sectors might still be limited as banks focus on the growing and more sustainable demand from infrastructure projects, have lower risk profiles as most of these projects are government-related. State-owned banks will remain as the major players in these segments and should come out as the main beneficiaries over the long term.



# KEY PERFORMANCE INDICATORS

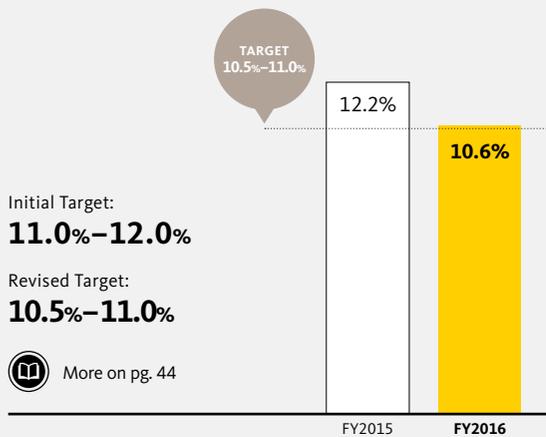
Our 12 key financial and operating metrics allow us to measure our effectiveness in achieving our key strategic objectives and creating shareholder value.

## 2016 Key Indicators

### RETURN ON EQUITY

**Aim:** To deliver a reasonable return while balancing the need of maintaining a healthy capital base. Return on equity (ROE) is defined as profit attributable to shareholders over the average shareholders' equity (comprising share capital, retained earnings and other reserves) for the financial year.

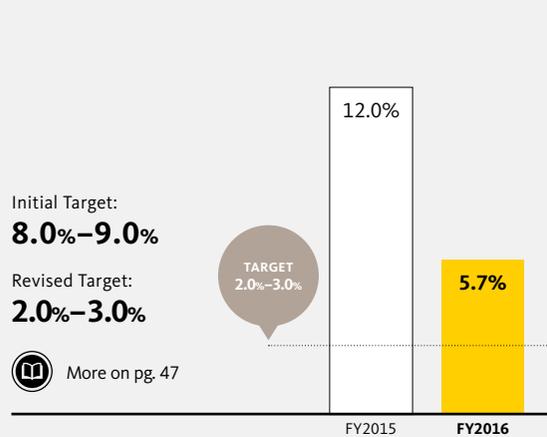
**Achievement:** Group ROE of 10.6% came in line with revised targets on the back of core revenue growth and low cost growth. We remained profitable despite the weaker operating environment.



### GROUP LOANS GROWTH

**Aim:** To grow our financing business across the Group, with a profitable and responsible approach.

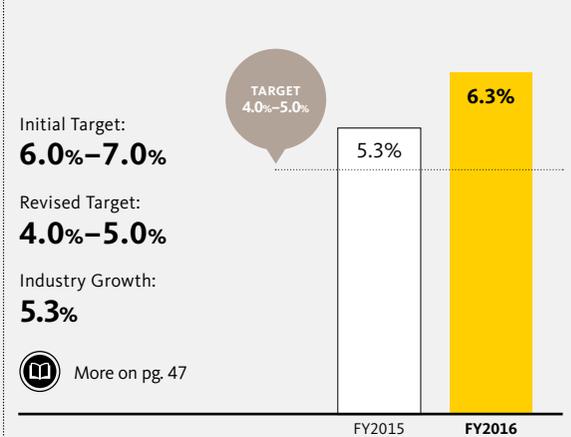
**Achievement:** Group loans growth of 5.7% surpassed the revised target of 2.0%–3.0%, driven by improved growth in Global Banking (GB) and stable growth in our retail franchise across home markets.



### MALAYSIA LOANS GROWTH

**Aim:** To deliver financing growth in our Malaysia market that is slightly above industry growth.

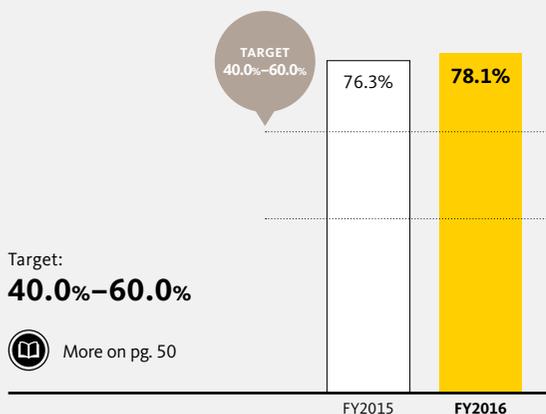
**Achievement:** Loans growth of 6.3%, slightly ahead of industry growth of 5.3% on the back of growth in consumer, Small and Medium-Sized Enterprise (SME) and corporate banking lending.



### DIVIDEND PAYOUT RATIO

**Aim:** To provide a satisfactory return to shareholders with a dividend policy rate of 40.0%–60.0%.

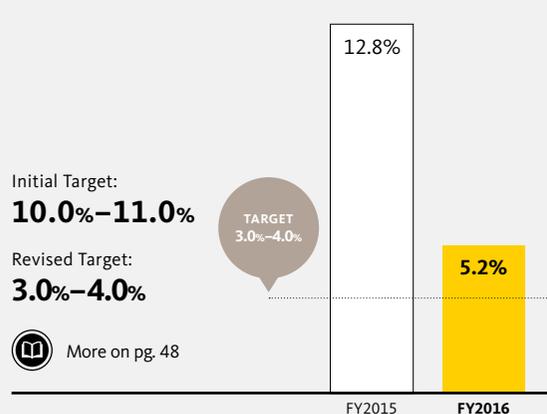
**Achievement:** With a Dividend Payout Ratio of 78.1%, we have exceeded the 40.0%–60.0% policy rate. We delivered a higher dividend payout than the previous year, in spite of the softer operating environment.



### GROUP DEPOSITS GROWTH

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

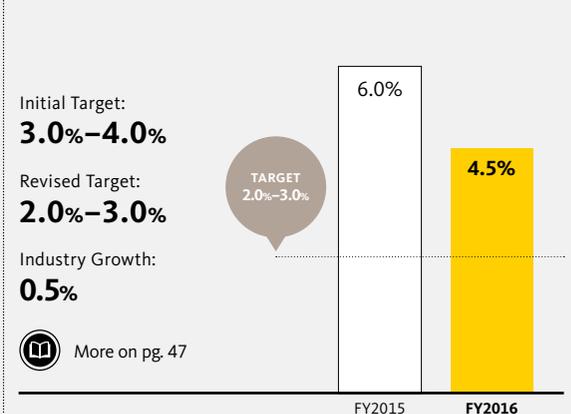
**Achievement:** Group deposits growth of 5.2% was ahead of the revised target range on the back of strong current and savings accounts growth in home markets.



### SINGAPORE LOANS GROWTH

**Aim:** To deliver financing growth ahead of the industry by focusing on niche markets and cross-border financing opportunities.

**Achievement:** Loans grew 4.5% YoY, ahead of industry growth mainly driven by expansion in GB and stable growth in Community Financial Services (CFS).



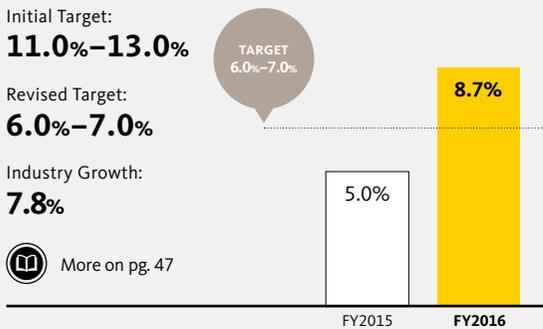
## KEY PERFORMANCE INDICATORS

### 2016 Key Indicators

#### INDONESIA LOANS GROWTH

**Aim:** To grow loans on par or slightly ahead of industry.

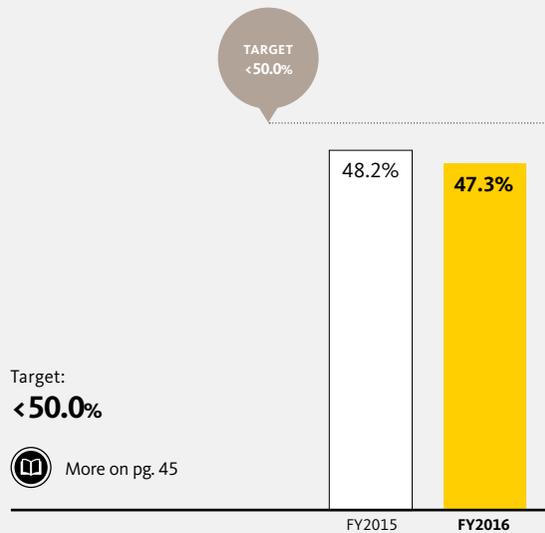
**Achievement:** Loans grew by 8.7% YoY driven by an expansion in GB as we continued re-profiling our Indonesian portfolio in line with our risk appetite for high quality credit. CFS growth was supported by lending in SME & commercial segments.



#### COST TO INCOME RATIO

**Aim:** To ensure cost is managed effectively and to maintain slower cost growth against revenue.

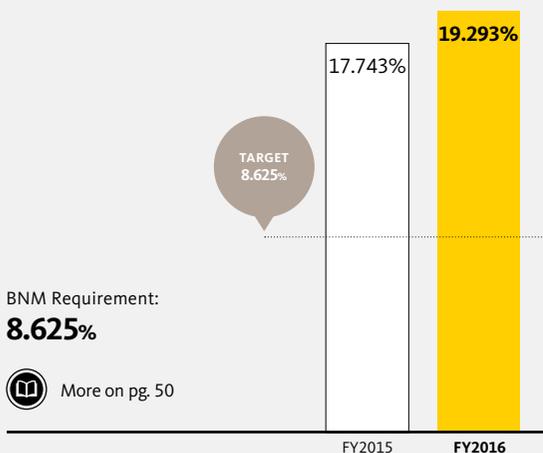
**Achievement:** Lowest cost to income ratio (CIR) in six years at 47.3% for FY2016. Guidance was to keep CIR below 50%.



#### TOTAL CAPITAL RATIO

**Aim:** To maintain a strong capital base by adopting prudent capital management to be ahead of Bank Negara Malaysia's (BNM) minimum regulatory requirements.

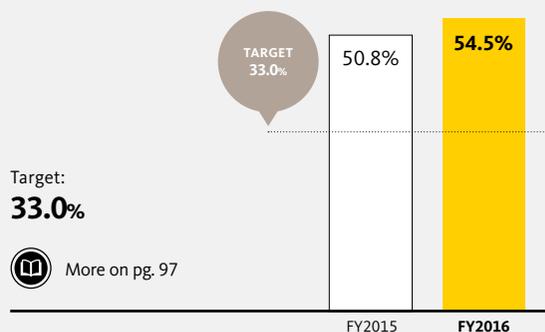
**Achievement:** Total capital ratio of 19.293%, well above the minimum regulatory requirement of 8.625% set by BNM.



#### ISLAMIC FINANCING TO MAYBANK MALAYSIA LOANS

**Aim:** To increase Islamic financing as a proportion of Maybank Malaysia's loans in line with Malaysia's role as an Islamic finance hub.

**Achievement:** Our Islamic gross financing grew by 14.3% from a year before, faster than Maybank Malaysia's gross loans growth of 6.3%. Islamic financing's contribution to Maybank Malaysia of 54.5% is well ahead of its target.

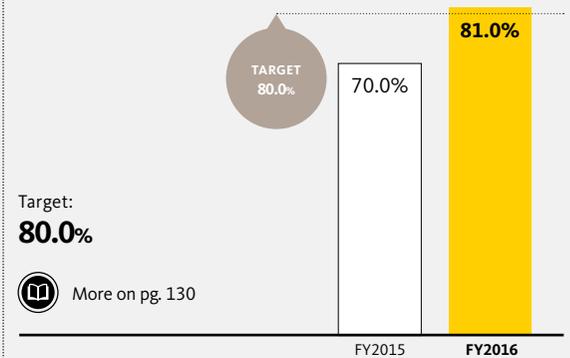


### Talent Indicators

#### SUCCESSION REALISATION FOR MISSION CRITICAL POSITIONS

**Aim:** Measures the effectiveness and the accuracy of the Group's Succession Management process to identify the right talent as successors for mission critical positions across the Group. It tests the robustness of our succession planning and continues to act as a platform to realise internal talent's potential to take up pivotal roles within the Group.

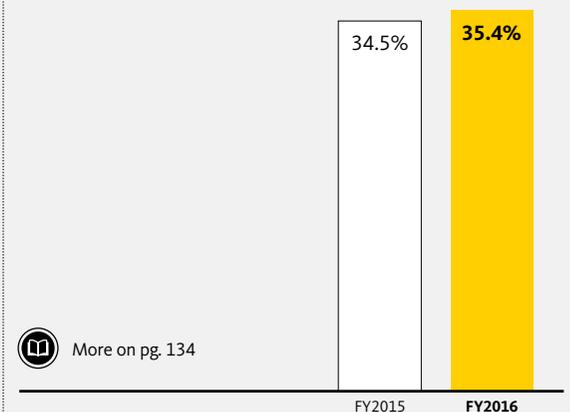
**Achievement:** We showed further improvement with an 81.0% realisation rate in FY2016. This means 8 out of 10 of these vacancies are filled from within, providing ample opportunities for upward mobility for internal talents while balancing the need for fresh perspectives from outside the Bank.



#### WOMEN IN SENIOR MANAGEMENT

**Aim:** Focused on driving greater diversity in leadership planning, to create greater shareholder value.

**Achievement:** Percentage of women in senior management increased to 35.4% in FY2016 from 34.5% in FY2015 resulting from targeted diversity initiatives.



# GROUP FINANCIAL REVIEW



**DATO' AMIRUL FEISAL WAN ZAHIR**

Group Chief Financial Officer

## Key Highlights in 2016

- New record high pre-provisioning operating profit of RM11.69 billion.
- Revenue growth of 4.8% YoY to RM22.26 billion, supported by increase in net fund and fee based income.
- Disciplined cost management resulted in low cost growth of 2.8% YoY.
- Recorded lowest cost to income ratio over the last six years at 47.3%.
- Achieved net profit of RM6.74 billion for FY2016, despite higher provisioning costs on the back of proactive management of asset quality concerns.
- Total dividend of 52 sen per share recommended for FY2016, representing a payout ratio of 78.1% and dividend yield of 6.3%.
- Group gross loans expanded by 5.7% YoY, supported by growth in all home markets.
- Group gross deposits growth of 5.2% YoY contributed by strong growth in current and savings accounts.
- Capital adequacy remained strong with Total Capital Ratio of 19.293%.

**“In spite of the challenging operating environment, Maybank Group’s ability to grow its net income and contain cost growth in FY2016 has resulted in the Group achieving a new record high pre-provisioning operating profit of RM11.69 billion, an increase of 6.7% from the year before. This is testament to the Group’s commitment in remaining profitable to ensure shareholder returns. We also balanced our growth with the need to assist our customers who sought support in the challenging environment, by way of proactive asset quality management, which led to higher provisioning costs.”**

## FY2016 PERFORMANCE OVERVIEW

The macroeconomic challenges of 2015 prolonged into 2016 and in some respects, were intensified by global geopolitical changes. As volatility in currency markets and softness in commodity prices persisted into 2016, global economic growth continued to slow to 2.9% from 3.2% in 2015.

As with 2015, we remained committed as an organisation to meet the key performance indicators we had set out at the onset of 2016. However, with regulators in our home markets easing monetary policy in early to mid-2016 in an attempt to support domestic consumption and with the unabating uncertainties surrounding political and economic developments globally, Maybank Group reassessed its guidance towards the end of 2016 to reflect a tapered growth in line with industry growth.

Despite the guidance revision for 2016, the Group achieved a commendable growth of 6.7% YoY in its pre-provisioning operating profit (PPOP) to RM11.69 billion on the back of good income growth of 4.8% and low cost growth of 2.8%. The Group recorded a net profit of RM6.74 billion for full year FY2016, on the back of higher provisioning costs as we undertook proactive measures to manage asset quality concerns given the weaker operating environment. Our FY2016 return on equity (ROE) was 10.6%, within our revised guidance of 10.5% to 11.0%. We have also continued to reward our shareholders, with the Board recommending a single-tier final dividend of 32 sen for FY2016, bringing the total dividend for FY2016 to 52 sen per ordinary share.

<b>NET PROFIT</b> <b>RM6.74 billion</b> FY2015: RM6.84 billion	<b>COST TO INCOME RATIO</b> <b>47.3%</b> FY2015: 48.2%	<b>TOTAL CAPITAL RATIO</b> <b>19.293%</b> FY2015: 17.743%
<b>RETURN ON EQUITY</b> <b>10.6%</b> FY2015: 12.2%	<b>GROSS LOANS GROWTH</b> <b>5.7%</b> FY2015: 12.0%	<b>GROSS DEPOSITS GROWTH</b> <b>5.2%</b> FY2015: 12.8%

## GROUP FINANCIAL REVIEW

Key Financial & Operating Indicators	FY2015	FY2016
Return on Equity (%)	12.2	<b>10.6</b>
Net Interest Margin (%)	2.31	<b>2.27</b>
Fee to Income Ratio (%)	31.5	<b>31.3</b>
Loan to Deposit Ratio <sup>1</sup> (%)	92.7	<b>93.2</b>
Cost to Income Ratio <sup>2</sup> (%)	48.2	<b>47.3</b>

Asset Quality		
Gross Impaired Loans Ratio (%)	1.86	<b>2.28</b>
Net Impaired Loans Ratio <sup>3</sup> (%)	1.38	<b>1.51</b>
Loan Loss Coverage (%)	72.0	<b>72.0</b>
Net Credit Charge Off Rate (basis points)	(41)	<b>(62)</b>

Capital Adequacy (Group)		
Common Equity Tier 1 Ratio (%)	12.780	<b>13.990</b>
Total Capital Ratio (%)	17.743	<b>19.293</b>

<sup>1</sup> Includes Maybank Islamic Berhad Investment Accounts totalling RM31.54 billion for FY2016 & RM17.66 billion for FY2015.

<sup>2</sup> The total cost excludes amortisation of intangible assets for PT Bank Maybank Indonesia Tbk and Maybank Kim Eng Holdings Limited.

<sup>3</sup> Financial Statements for FY2016 and FY2015 reflects net impaired loans ratio less Maybank Islamic Berhad Investment Accounts of RM31.54 billion and RM17.66 billion respectively.

### INCOME STATEMENT ANALYSIS FOR FY2016

Profit & Loss Summary	FY2015	FY2016	YoY
	RM' million	RM' million	%
Net fund based income <sup>1</sup>	14,545.0	<b>15,301.2</b>	5.2
Net fee based income <sup>1</sup>	6,692.8	<b>6,962.0</b>	4.0
Net operating income	21,237.9	<b>22,263.2</b>	4.8
Overhead expenses	(10,285.0)	<b>(10,577.2)</b>	2.8
Pre-provisioning operating profit <sup>2</sup>	10,952.9	<b>11,686.0</b>	6.7
Net Impairment losses	(2,012.6)	<b>(3,015.0)</b>	49.8
Operating profit	8,940.3	<b>8,671.0</b>	(3.0)
Profit before taxation and zakat	9,151.5	<b>8,844.5</b>	(3.4)
Profit attributable to equity holders (Net Profit)	6,835.9	<b>6,743.0</b>	(1.4)
EPS - Basic (sen)	72.0	<b>67.8</b>	(5.8)

<sup>1</sup> From consolidated Group numbers, Insurance and Takaful accounts for 6.4% of net fund based income and 9.0% of net fee based income.

<sup>2</sup> Pre-provisioning operating profit is equivalent to operating profit before impairment losses.

#### New record in pre-provisioning operating profit driven by strong revenue growth and better cost management

- The Group recorded strong revenue growth of 4.8% YoY to RM22.26 billion for full year FY2016, on the back of increases in both net fund and fee based income.
- Growth in net fund based income of 5.2% to RM15.30 billion was driven by our resilient Community Financial Services franchise as well as a pick-up in Global Banking lending in 4Q FY2016 across our home markets. Our Group gross loans base expanded 5.7% for the year while net interest margins (NIM) compressed slightly by 4bps to 2.27% on disciplined asset pricing and contained cost of funding.
- Our net fee based income rose 4.0% to RM6.96 billion due to stronger other operating income and net earned insurance premiums. The higher other

operating income mainly came from an increase in investment and trading income due to disposal of securities.

- Our disciplined cost management efforts resulted in a low cost growth of 2.8% YoY. As a result of our tight cost growth, the Group's FY2016 cost to income ratio (CIR) was 47.3%, the lowest CIR over the past six years and below our internal threshold of 50.0%. We were also able to record a positive JAWs position of 2.0% as income growth outpaced cost growth.
- As a result of good income growth and low cost growth, the Group recorded a PPOP growth of 6.7% to achieve a new PPOP high of RM11.69 billion.
- Against a weaker global economic environment, the Group remained selective in its asset growth, with total Group gross loans rising 5.7% YoY. We maintained our commitment to being capital efficient and managing credit risk-weighted asset growth at a marginal 0.7% YoY.
- Group deposits growth was 5.2% YoY, led by strong growth in current account and savings accounts (CASA) in our three home markets. Group CASA ratio strengthened to 35.7% as at end December 2016 from 33.7% a year ago.
- The Group's liquidity remained healthy with its liquidity coverage ratio at 152% as at end December 2016, well above Bank Negara Malaysia's minimum requirement of 70.0% for 2016. Group loan to deposit ratio (LDR) was slightly higher at 93.2%, from 92.7% a year earlier.
- The Group's capital ratios remained robust with Common Equity Tier 1 (CET1) Capital Ratio at 13.990% and Total Capital Ratio at 19.293% as at end December 2016, with buffers in place ahead of the adoption of IFRS 9 (International Financial Reporting Standards), effective 1 January 2018. IFRS 9 is an accounting standard that, among other conditions, sets out requirements for recognising and measuring financial assets and liabilities. This will include changes in the way financial institutions provide for credit loss from the current practise of 'incurred' to an 'expected' credit loss model.

#### Challenges impacting our performance were largely from impairment losses

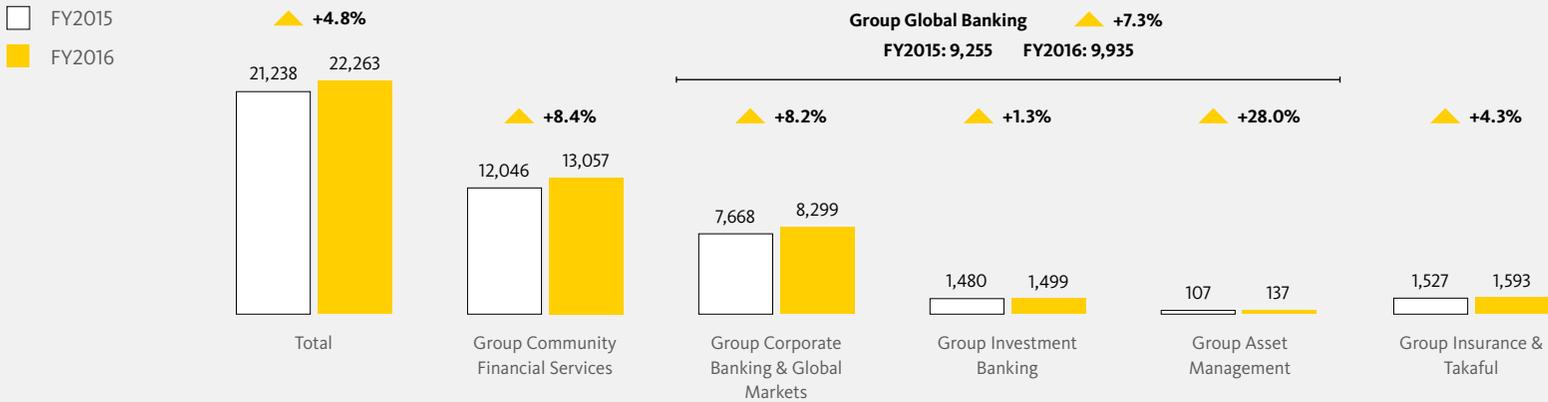
- Our net impairment losses rose to RM3.02 billion from RM2.01 billion a year ago, mainly arising from loan loss provisions made for existing and newly impaired accounts. The higher loan loss provisions were a result of higher net collective and net individual allowances.
- The increase in impaired loans of RM2.50 billion during the year caused an uptick in our Group gross impaired loans (GIL) ratio to 2.28% from 1.86% in the previous year.
- The higher impaired loans was a function of the Group's proactive stance in managing asset quality concerns in 2016, whereby we restructured and rescheduled (R&R) credit facilities of borrowers operating in sectors exhibiting weakness. The R&R activities were conducted to match the borrowers' repayment abilities with their weaker cashflows arising from a softer operating environment.
- Under BNM's impairment guidelines (Classification and Impairment Provisions for Loans/Financing), R&R accounts will be classified as impaired and only after six months of continuous performance can the account be reclassified to performing status.
- As the Group undertook this active R&R exercise, more so in the first half of 2016, the Group's impaired loans and provisioning costs increased accordingly. The new impairments came mainly from business and corporate banking facilities in the oil & gas, steel and shipping sectors across our home markets of Malaysia, Singapore and Indonesia.
- We saw our net credit charge off rise to 80bps as of 1H FY2016 in line with our proactive measures, but we ended the full year FY2016 with a net credit charge off of 62bps as some of the accounts that we restructured and rescheduled in the first half of the year continued to perform in accordance with their revised terms.
- While commodity prices have seen some stabilisation at the end of 2016, the Group continues to remain prudent in its review and monitoring of credit facilities exposed in these sectors.
- As a result, the Group's full year FY2016 net profit was marginally lower by 1.4% to RM6.74 billion.

## GROUP FINANCIAL REVIEW

### SEGMENTAL PERFORMANCE REVIEW

The Group's net operating income growth for FY2016 was well diversified, as all our key business pillars recorded revenue growth despite the challenging 2016 market environment.

#### Net Operating Income (RM' million)



Note: Net operating income includes Group elimination of entities in "Head Office & Others" of RM1,589.4 million for FY2015 and RM2,321.6 million for FY2016.

#### Group Community Financial Services' (CFS) resilience results in the largest contribution to the Group's revenue growth

- Group CFS maintained its position as the Group's main income contributor as net operating income grew by RM1.01 billion, mainly from strong net fund based income growth of 10.8% YoY. This was driven by an expansion of our retail franchise across the home markets, as Malaysia grew 6.4% YoY, Singapore increased 2.3% while Indonesia rose 4.9%.

#### Group Global Banking (GB) improved significantly from a year ago

- Group GB recorded net operating income growth of 7.3%, or RM680 million, contributed by an increase of 16.5% in net fee based income mainly arising from Group Corporate Banking & Global Markets.

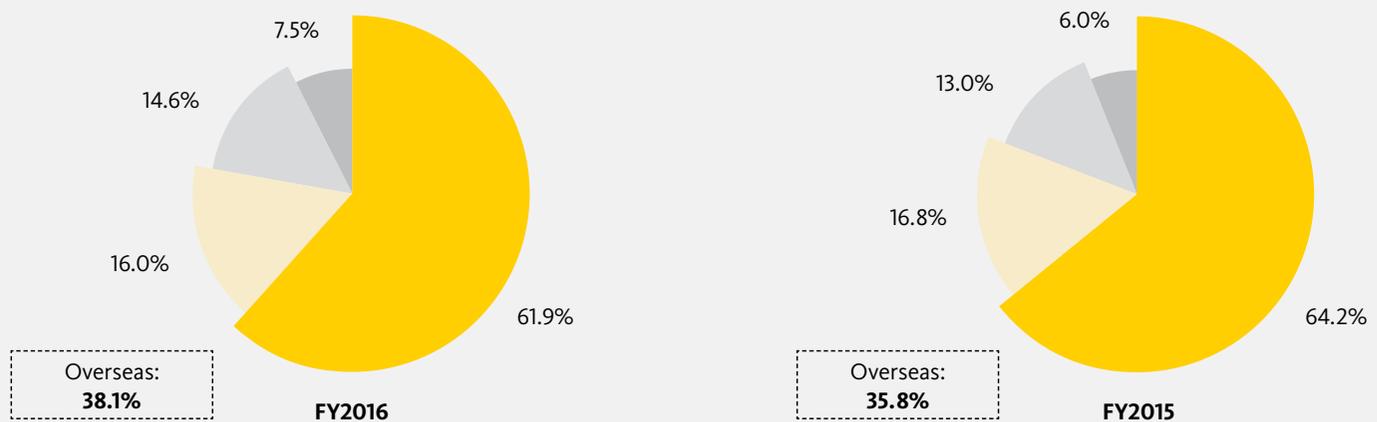
#### Group Insurance & Takaful rebounded strongly

- Group Insurance & Takaful reported a rise of 4.3% in its net operating income, mainly supported by higher net fund based income of RM103 million derived from the investment income from its debt securities portfolio and fixed income profit from shareholders' fund.

### GROUP NET OPERATING INCOME AND PROFIT BEFORE TAX BY GEOGRAPHY

#### Net Operating Income

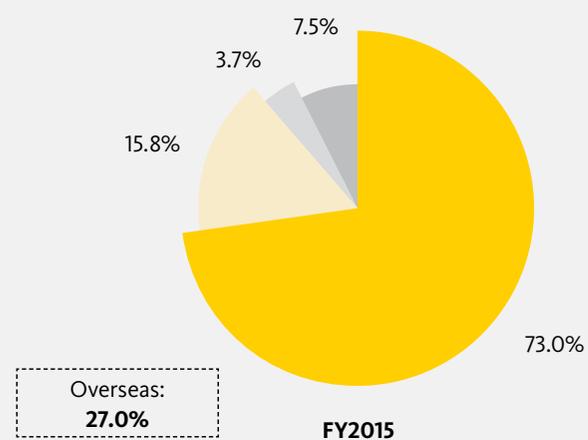
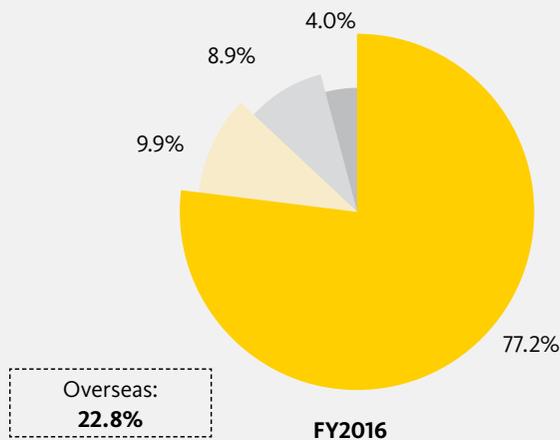
Legend: Malaysia (Yellow), Singapore (Light Yellow), Indonesia (Light Grey), Other International Operations (Dark Grey)



## GROUP FINANCIAL REVIEW

### Profit Before Tax

■ Malaysia ■ Singapore ■ Indonesia ■ Other International Operations



### ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION

Maybank Group's total assets stood at RM735.96 billion as at 31 December 2016, marking a 3.9% increase compared to the previous year driven by an expansion in loans, advances and financing.

Group Gross Loans	31 Dec 2015	31 Dec 2016	YoY
<b>Malaysia (RM' billion)</b>	255.9	<b>272.0</b>	6.3%
Community Financial Services	182.7	<b>194.4</b>	6.4%
Global Banking	73.8	<b>78.8</b>	6.8%
<b>International (RM' billion)</b>	196.5	<b>206.8</b>	5.3%
<b>Singapore (SGD' billion)</b>	37.2	<b>38.9</b>	4.5%
Community Financial Services	20.2	<b>20.7</b>	2.3%
Global Banking	16.8	<b>18.0</b>	7.2%
<b>Indonesia (IDR' trillion)</b>	114.8	<b>124.7</b>	8.7%
Community Financial Services	92.4	<b>97.0</b>	4.9%
Global Banking	22.0	<b>27.4</b>	24.6%
<b>Other Markets (RM' billion)</b>	47.7	<b>44.6</b>	(6.4)%
<b>Investment Banking (RM' billion)</b>	7.1	<b>6.9</b>	(2.5)%
<b>Group Gross Loans (RM' billion)</b>	459.4	<b>485.7</b>	5.7%

- Group gross loans growth was 5.7% YoY but 4.2% on a normalised basis after excluding currency conversion effects. The growth was supported by our home markets, with Malaysia expanding 6.3% YoY, Singapore growing at 4.5% and Indonesia increasing by 8.7%.
- For Singapore, our loans grew 4.5% YoY, mainly driven by expansion in GB arising from an increase in structured trade loans. Growth in CFS of 2.3% was driven by expansion in its business banking segment.
- In Maybank Indonesia, loans grew by 8.7% YoY, driven by an expansion in both GB and CFS of 24.6% and 4.9% respectively. GB's growth was supported by the continued re-profiling of our Indonesian portfolio and as we aligned our risk appetite towards high quality credits. CFS expanded 4.9% due to growth in the commercial and Small and Medium-sized Enterprise (SME) segments.

- In line with the Group's commitment to be capital efficient and manage our risk-weighted assets (RWA) growth, our moderate Group Credit RWA growth of 0.7% YoY vis-à-vis Group gross loans growth of 5.7% reflects further improvement in our on-going initiatives to reign in RWA growth.

Malaysia Loans (RM' billion)	31 Dec 2015	31 Dec 2016	YoY
<b>Community Financial Services</b>	182.7	<b>194.4</b>	6.4%
<b>Consumer</b>	146.9	<b>155.3</b>	5.8%
Total Mortgage	69.2	<b>75.0</b>	8.4%
Automobile Financing	40.8	<b>43.4</b>	6.3%
Credit Cards	6.4	<b>6.7</b>	5.4%
Unit Trust	28.1	<b>27.6</b>	(1.9)%
Other Retail Loans	2.4	<b>2.6</b>	10.1%
<b>Business Banking + SME</b>	35.8	<b>39.1</b>	9.1%
SME	10.2	<b>12.6</b>	23.1%
Business Banking	25.6	<b>26.5</b>	3.5%
<b>Global Banking (Corporate)</b>	73.8	<b>78.8</b>	6.8%
<b>Total Malaysia</b>	255.9	<b>272.0</b>	6.3%

- Malaysia's loan growth was mainly supported by consumer, SME and corporate banking lending.
- Our consumer portfolio in Malaysia rose 5.8% YoY, led by growth in mortgages, automobile financing and credit cards. Mortgages grew 8.4% from drawdowns of our existing loan stock.
- Automobile financing rose 6.3% as we concentrated on high volume dealers, helping to improve our market share from 23.7% in December 2015 to 25.4% as at December 2016.
- Our credit cards business grew 5.4% due to higher billings and merchant sales, arising from higher consumer demand especially at year end festive and holiday seasons.
- SME growth of 23.1% YoY continued to be supported by higher term loan demand for sectors such as wholesale, retail trade and services.
- Meanwhile, our GB portfolio grew 6.8% YoY, mainly due to a pick-up in corporate lending in the final quarter of the year. The growth for GB was mainly led by disbursements of loans in the infrastructure, telecommunication and property sectors as well as drawdowns for government related projects such as public transportation and affordable homes.

## GROUP FINANCIAL REVIEW

Group Gross Deposits	31 Dec 2015	31 Dec 2016	YoY
<b>Malaysia (RM' billion)</b>	292.2	<b>301.3</b>	3.1%
Savings Deposits	40.0	<b>42.1</b>	5.1%
Current Accounts	74.2	<b>79.8</b>	7.7%
Fixed Deposits	163.0	<b>163.5</b>	0.3%
Others	15.0	<b>15.9</b>	6.1%
<b>International (RM' billion)</b>	205.1	<b>221.6</b>	8.0%
<b>Singapore (SGD' billion)</b>	43.6	<b>45.6</b>	4.4%
Savings Deposits	4.3	<b>5.7</b>	33.9%
Current Accounts	5.0	<b>6.8</b>	36.5%
Fixed Deposits	33.6	<b>32.0</b>	(4.9)%
Others	0.8	<b>1.1</b>	41.7%
<b>Indonesia (IDR' trillion)</b>	115.9	<b>119.3</b>	2.9%
Savings Deposits	25.6	<b>25.6</b>	0.0%
Current Accounts	16.2	<b>20.4</b>	26.5%
Fixed Deposits	74.2	<b>73.3</b>	(1.2)%
<b>Group Gross Deposits (RM' billion)</b>	495.8	<b>521.4</b>	5.2%

### Group gross deposits growth on the back of expansion in CASA base

- The Group's gross deposits grew by 5.2% YoY to RM521.4 billion, on the back of strong CASA growth across our home markets.
- Malaysia's total deposits growth of 3.1% YoY was supported by CASA growth of 6.7%, arising through direct marketing activities and the launch of tactical CASA campaigns.
- For Singapore, deposits growth of 4.4% YoY was supported by savings and current account growth of 33.9% and 36.5% respectively.
- Meanwhile, Maybank Indonesia's total deposits base increased by 2.9% YoY, mainly led by growth in current accounts of 26.5%.
- The Group's CASA ratio increased to 35.7% from 33.7% a year earlier, on the back of higher CASA ratios across all home markets. Singapore's CASA ratio rose from 21.2% to 27.5% as we acquired more CASA and let go of costlier deposits. Malaysia's CASA ratio improved to 38.0% from 37.1% a year ago while Indonesia's CASA ratio increased to 38.6% from 36.0% the prior year.
- With in tandem growth from loans and deposits, our Group LDR only increased marginally to 93.2% from 92.7% in the previous year.
- The Group's liquidity remained strong with its liquidity coverage ratio rising to 152% as at end December 2016 from 148% a year earlier.

### Proactive management of asset quality

GIL Ratio Components	Dec 2015	Mar 2016	Jun 2016	Sep 2016	Dec 2016
Non-Performing Loans	1.15%	<b>1.39%</b>	<b>1.32%</b>	<b>1.35%</b>	<b>1.64%</b>
Restructured & Rescheduled	0.23%	<b>0.33%</b>	<b>0.67%</b>	<b>0.52%</b>	<b>0.39%</b>
Performing Loans Impaired Due to Obligatory/Judgemental Triggers	0.48%	<b>0.39%</b>	<b>0.35%</b>	<b>0.35%</b>	<b>0.25%</b>
<b>GIL Ratio</b>	<b>1.86%</b>	<b>2.11%</b>	<b>2.34%</b>	<b>2.22%</b>	<b>2.28%</b>

- The gross impaired loans (GIL) comprised three sub-classifications, namely non-performing loans (NPL), R&R accounts, and performing loans impaired due to obligatory or judgemental triggers (IPL).
- Based on the GIL ratio composition table above, the Group's GIL ratio trended to a high of 2.34% for FY2016 as at 30 June, mainly arising from the proactive R&R exercise that was undertaken. As such, the R&R ratio moved from 0.23% as at December 2015 to 0.67% as at end June 2016.

- Subsequently, the R&R ratio has trended downwards as at end December 2016 due to writebacks arising from the continuous performance of these accounts in accordance with BNM's guidelines.
- The Group also maintained its prudence for sectors exhibiting weakness such as oil & gas, by having the discretion to impair performing loans based on the Group's obligatory and/or judgemental triggers as documented under the Group's Core Credit Classification and Impairment Policy. The Group's direct and indirect exposure (funded and non-funded) to oil & gas borrowers was 4.35% as at end December 2016.
- Meanwhile, the relatively stable trending of the Group's NPL ratio throughout 2016 did see an increase of 29bps QoQ from September to December. This was mainly due to the reclassification of several borrowers from the IPL category to NPL as the Group moved to intensify recovery efforts for these credit facilities.

### Maintained capital adequacy strength

- The Group remained well capitalised with a Group CET1 Capital Ratio, Group Tier 1 Capital Ratio and Group Total Capital Ratio of 13.990%, 15.664% and 19.293% respectively.
- After proposed dividend and assuming an 85% reinvestment rate, the Group's CET1 Capital Ratio, Tier 1 Capital Ratio and Total Capital Ratio are 13.633%, 15.307% and 18.936% respectively. The fully loaded CET1 Ratio would be 13.23% (Group) and 12.10% (Bank) respectively. For more information on the Group's Capital Management, refer to page 49.

### Rewarding Shareholders

- The Board of Directors has proposed a single-tier final dividend of 32 sen per ordinary share, amounting to a net dividend payable of RM3.26 billion. The proposed final dividend of 32 sen consists of a cash portion of 10 sen per ordinary share to be paid in cash amounting to RM1.02 billion and an electable portion of 22 sen per ordinary share amounting to RM2.24 billion. The electable portion can be reinvested under the Dividend Reinvestment Plan (DRP).
- The total single-tier dividend for the year was 52 sen per ordinary share, representing a net dividend payout ratio of 78.1%, well above the Group's dividend payout policy of 40.0%–60.0%. For more information on dividends, refer to the Capital Management section on page 49.

### WHAT TO EXPECT IN 2017

- In FY2017, the Group will look to expand its income via selective asset growth in both consumer and business/corporate lending. We will continue to be disciplined in asset pricing while looking to grow cheaper source of funding, to minimise NIM compression.
- For fee income, the Group will improve its cross-sell initiatives and capture trade-related service fees on the back of potentially improving regional tradeflows and possibly improved capital markets should volatility in global markets subside.
- The Group will remain vigilant on improving productivity across all business segments and continue with its strategic cost management programme initiatives.
- We will maintain our prudence in monitoring asset quality concerns that could prolong into 2017 for identified sectors such as commodities and shipping.
- The Group will focus on preserving healthy liquidity levels as measured by its Liquidity Coverage Ratio and strong capital positions, ahead of the official adoption of IFRS 9 on 1 January 2018.

# CAPITAL MANAGEMENT

## INTRODUCTION

The Group's approach to capital management is driven by its strategic objectives whilst ensuring that the regulatory requirements, capital targets and risk appetite are met at all times across the Group. Effective capital management is fundamental to the sustainability of the Group. As such, the Group proactively manages its capital position, capital mix and capital allocation to meet the expectations of key stakeholders such as regulators, shareholders, investors, rating agencies and analysts whilst ensuring that the return on capital commensurates with risks undertaken by respective business units, subsidiaries and overseas branches. The process involves an ongoing review and approval by Maybank's senior management and Board of Directors (Board) in line with the Group's risk appetite and target capital adequacy ratios. The role of capital management is to ensure capital levels are adequate and with efficient capital mix to:

- Maintain adequate capital ratios at levels sufficiently above the regulatory minimum requirements.
- Support the Group's strong credit ratings from local and international rating agencies.
- Deploy capital efficiently to business and optimise return on capital.
- Remain flexible to take advantage of future strategic opportunities; and
- Build and invest in business, even in a reasonably stressed environment.

## CAPITAL MANAGEMENT AT MAYBANK

The Group's capital management is guided by robust capital management policies and procedures across the group. The Group's approach to managing capital is set out in various frameworks which are approved by the Group Executive Committee (EXCO), Risk Management Committee (RMC) and the Board.

### a. Capital Management Framework

The Capital Management Framework comprises the governance, policies and procedures which set out the requirements for effective management of capital at Group level, its subsidiaries and overseas branches, including identification, assessment, monitoring, managing and reporting of any capital matters to relevant committees such as EXCO, RMC and the Board. The Capital Management Framework contains the basis for setting of internal capital targets and also the principles for the development and usage of Risk Adjusted Performance Measurement (RAPM) to measure and manage the return on capital across the group.

### b. Capital Contingency Plan

Safeguarding the capital levels of all entities across the Group is of paramount importance. The Capital Contingency Plan ensures robust monitoring of capital position and provides a framework for effective governance and escalation process in the event of a capital crisis.

The Capital Contingency Plan also formalises the basis, strategies and action plans to restore capital back to healthy levels in the fastest possible time without affecting business plans, assets growth and strategic agenda.

### c. Annual Capital Plan

The Annual Capital Plan involves detailed planning of the Group's strategic capital plan over at least a three-year horizon. The plan highlights the capital projections, capital requirements, levels of capital and capital mix to support the Group's business plan and strategic objectives. In addition, the Annual Capital Plan also covers updates on the regulatory capital requirements in jurisdictions which the Group has presence, expectations of key stakeholders such as regulators, investors, analysts and rating agencies, performance of business sectors via the RAPM approach and stress test results, amongst others.

## CAPITAL INITIATIVES DURING THE YEAR

The Group manages its capital position proactively in order to meet stringent Basel III capital requirements and expectations from stakeholders as well as support its strategic business objectives. The following are some major initiatives that have been undertaken by the Group during the financial year:

- Maybank completed the 12<sup>th</sup> and 13<sup>th</sup> Dividend Reinvestment Plan (DRP) on the final dividend for the financial year ended 31 December 2015 and interim dividend for the financial year ended 31 December 2016 with a reinvestment rate of 83.7% and 83.5% respectively. Besides giving opportunity to our shareholders to continue to invest in Maybank shares, the DRP has also ensured that the Group capital levels remain strong at all times.
- Maybank issued a Basel III-compliant Tier 2 Subordinated Notes amounting to USD500 million in April 2016. Besides strengthening its total capital base, the issuances have also improved the capital mix of the Group with Basel III-compliant subordinated capital instruments.

## CAPITAL STRUCTURE

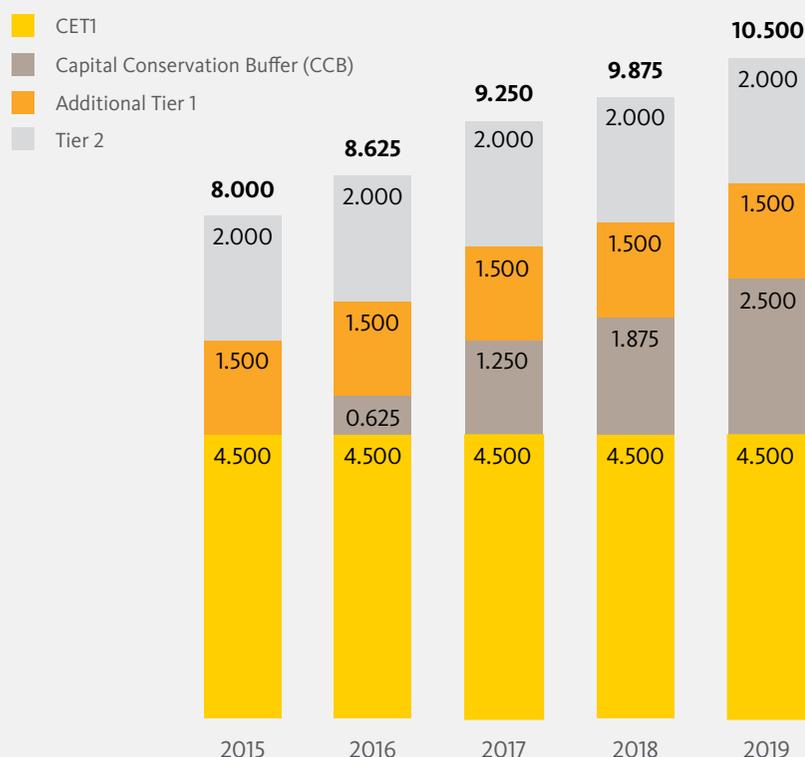
The Group places strong emphasis on the quality of its capital in order to continue meeting the minimum regulatory requirements and support business growth and risks undertaken. Thus, the Group holds a significant amount of its capital in the form of common equity which is permanent and has the highest loss absorption capability on a going concern basis. In addition to common equity, the Group also maintains other types of capital instruments such as Additional Tier 1 Capital Securities and Subordinated Debts in order to optimise capital mix and reduce overall costs of capital.

## CAPITAL ADEQUACY RATIO

The Group is required to comply with Bank Negara Malaysia's (BNM) Capital Adequacy Framework (Capital Components) for the determination of capital and computation of capital adequacy ratios (CAR) which requires banks to maintain the regulatory minimum Common Equity Tier 1 (CET1), Tier 1 Capital Ratio and Total Capital Ratio of 4.5%, 6.0% and 8.0% respectively. In addition, BNM has also introduced Capital Conservation Buffer (CCB) of 2.5% which is being phased in from 1 January 2016 to 1 January 2019.

## CAPITAL MANAGEMENT

### Regulatory Minimum Capital Requirements and CCB (%)



In addition to the Capital Conservation Buffer, BNM has also introduced the Countercyclical Capital Buffer ranging between 0% and 2.5% of total risk-weighted assets. The Countercyclical Capital Buffer will be determined as the weighted average of the prevailing Countercyclical Capital Buffer requirements applied in the jurisdictions in which the banking institution has credit exposures.

BNM may also introduce additional loss absorbency requirements for systemically important banking institutions in the future. BNM on 10 October 2016 had initiated a survey to develop a framework on Domestically Systemically Important Banks (D-SIB) with the view to implement it in the near future.

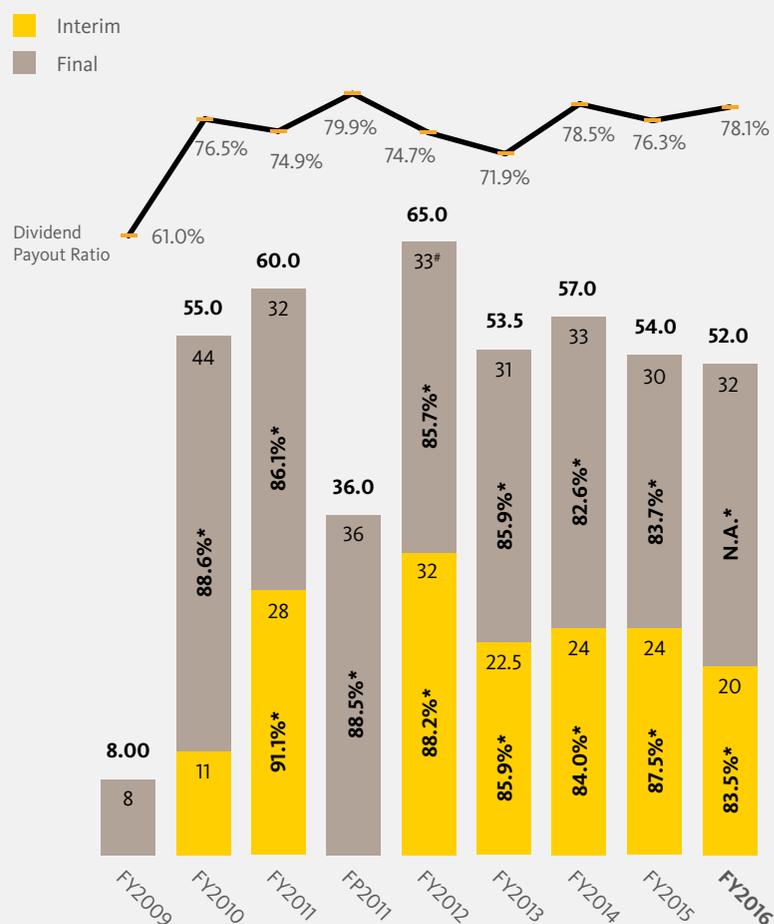
The table below shows the relevant capital adequacy ratios of the Group and Bank for both the financial year 2015 and 2016.

Capital Adequacy Ratio	Group		Bank		BNM Regulatory Minimum and CCB	
	2015	2016	2015	2016	2015	2016
CET1 Capital Ratio	12.780	<b>13.990</b>	15.781	<b>15.881</b>	4.500	<b>5.125</b>
Tier 1 Capital Ratio	14.471	<b>15.664</b>	17.969	<b>18.232</b>	6.000	<b>6.625</b>
Total Capital Ratio	17.743	<b>19.293</b>	17.969	<b>19.432</b>	8.000	<b>8.625</b>

### DIVIDEND REINVESTMENT PLAN

Maybank Group introduced its dividend reinvestment plan (DRP) in FY2010, which has allowed the Group to deliver higher dividend payout ratios ranging from 71.9% to 79.9% for the past 13 DRPs. Maybank will continue to use the DRP as an integral part of its strategy to preserve equity capital whilst providing healthy dividend income to shareholders. The past DRPs have been well-received by shareholders with an average reinvestment rate of 86.3%, ranging from 82.6% to 91.1% for the past 13 DRPs, reflecting shareholders' confidence in Maybank.

### Proposed Dividend (sen) and Payout Ratio (%)



\* Actual Reinvestment Rate for Dividend Reinvestment Plan. The reinvestment rate for Final Dividend FY2016 is pending the execution of the 14<sup>th</sup> DRP.

\* The Net Dividend is 28.5 sen of which 15 sen is single-tier dividend. Maybank adopted the single-tier dividend regime with effect from financial year ended 31 Dec 2012.

### PROPOSED DIVIDEND

The Group maintains a long-term annual dividend payout policy of 40% to 60% to provide shareholders with a stable dividend income. For the financial year ended 31 December 2016, the Board had declared an interim dividend amounting to RM2.0 billion or 20 sen per share, which comprises a cash portion of 4 sen per share and an electable portion of 16 sen per share. The Board is also proposing a final dividend amounting to RM3.3 billion or 32 sen per share, which comprises a cash portion of 10 sen per share and an electable portion of 22 sen per share. The total dividend payout for FY2016 is 52 sen per share. The electable portion for the final dividend will represent Maybank's 14<sup>th</sup> DRP which again will provide the opportunity to our shareholders to continue reinvesting into Maybank shares via the DRP.

### GOING FORWARD

The Group will continue to be proactive in its efficient utilisation of capital and will constantly monitor ongoing developments affecting regulatory capital requirements as well as related capital market developments. The Group is also committed to ensure continuous healthy capital levels with optimal capital mix to support the Group's strategic agenda and simultaneously maximises value to our shareholders.

## INVESTOR INFORMATION INVESTOR RELATIONS

**As a regional financial services provider, Maybank Group strives to continuously cultivate strong relationships with its global investment community and various stakeholders to provide timely, effective and reliable communication with the aspiration of providing better information disclosures and retaining confidence to strengthen shareholder value.**

In light of the challenging economic climate and higher volatility observed in financial markets during 2016, we enhanced our engagement efforts with investors and other stakeholders by providing relevant, timely, clear and effective communication to aid investment decisions of various stakeholders. The main objective in the Group's external communication in 2016 was to provide investors and other stakeholders with information to address key areas of concern. This was done with the intention of instilling confidence and enhancing their understanding of the Group's strategic decisions in managing the multiple headwinds of 2016.

Maybank Group Investor Relations continued with its robust investor engagements into 2016 as investors sought for regular updates on the Group's financial performance, strategy and asset quality concerns as well as the economic and banking sector outlook. We met with 362 analysts and fund managers from 278 companies, as well as attended seven conferences and Non-deal Roadshows (NDRs) during the year to maintain our engagements with existing and potential investors. We attended conferences with a regional theme, in line with our regional ambitions. These conferences also attracted Asian and/or ASEAN focused funds and funds with long-term holdings in financial institutions or large caps, which are our main investor target base. Group Investor Relations also continued to support the Group Corporate Treasurer in engaging with the Group's existing and potential fixed income investors.

Maybank Group also hosted an 'Investor Day' focusing on its Group Insurance & Takaful business to provide investors with a better view of its growth prospects, business performance and regional ambitions.

While Group Investor Relations collaborates with various information providers within the Group, we worked closely with Maybank Group's senior management to provide greater clarity and information for areas of interest by investors in 2016 (Refer to page 53). This was to ensure proactive communication by the Group to enable a clearer understanding of its performance in 2016.

### ANALYST BRIEFINGS FOR QUARTERLY RESULTS ANNOUNCEMENTS

Maybank Group continued to host two media and analyst briefings each for its half year and full year results at its headquarters in Kuala Lumpur. The analyst briefings were also made available via conference call for both local and foreign participants who were unable to attend the physical briefing. As with previous years, the first and third quarter analyst briefings were held through conference call only. Maybank ensured all investors and analysts obtain access to the briefing materials in a timely manner by uploading them to its corporate website immediately after the publication of the financial statements on Bursa Malaysia's website. The same briefing materials, which include the financial statements to the stock exchange, an investor presentation and a press release, were emailed to Maybank's distribution list. The investor presentation covered:

- Group's quarterly financial performance and financial position.
- Achievement of the Group's Key Performance Indicators.
- Economic outlook and guidance for FY2016.
- Performance review by business segments and country basis.
- Information seen as useful to the investing community, such as an enhanced view of asset quality indicators as well as lending exposure to the commodities sector.

### ANNUAL GENERAL MEETING

Maybank's 56<sup>th</sup> Annual General Meeting (AGM) was held on 7<sup>th</sup> April 2016 in Kuala Lumpur, Malaysia. Shareholders were able to raise questions and provide feedback to the Board and senior management during the AGM. All the proposed resolutions were duly passed by the shareholders.

### WEBSITE

The Maybank corporate website at [www.maybank.com](http://www.maybank.com) remained an essential tool for distribution of investor information and a key contact point for receiving queries and feedback internationally and domestically. The Investor Relations team maintained its commitment in ensuring that the Investor Relations section of the corporate website at [www.maybank.com/ir](http://www.maybank.com/ir) remained up-to-date with the latest investor-related Group disclosures.

### SHARE REGISTER ANALYSIS

During the year, two separate shareholder analysis were conducted to provide information on Maybank's shareholding structure with a breakdown of shareholders by type, investment styles and geography (Refer to page 55). Analysis of the information and a review of shareholders' trading activities throughout the year assisted us in strategising our investor programmes and investor targeting.

### CREDIT RATING

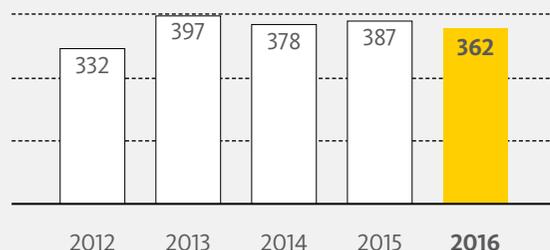
As one of the largest issuers of debt and capital securities in Malaysia, Maybank has engaged seven rating agencies to provide fixed income investors and other stakeholders with an independent rating opinion about the Group and its securities. This is an increase from last year, with an addition of one agency during the year. The agencies are: RAM Ratings, Malaysian Rating Corporation Berhad (MARC), Standard and Poor's (S&P), Moody's Investors Service, Fitch Ratings, Capital Intelligence and Japan Credit Rating Agency. Refer to page 54 for the details of Maybank's credit ratings.

Key Events	Date
<b>Results Announcement</b>	
Fourth Quarter FY2015	25 February 2016
First Quarter FY2016	27 May 2016
Second Quarter FY2016	25 August 2016
Third Quarter FY2016	24 November 2016
<b>Other Events</b>	
56 <sup>th</sup> Annual General Meeting for FY2015	7 April 2016

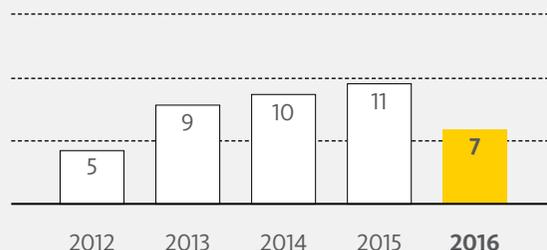
## INVESTOR INFORMATION

### INVESTOR RELATIONS

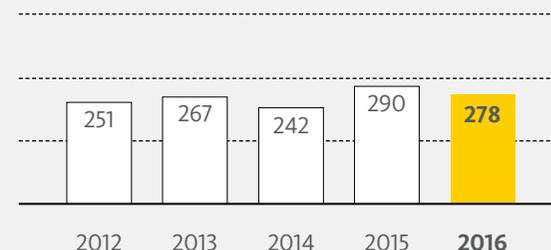
#### Number of Analysts and Fund Managers Met (In-House Meetings and Roadshows)



#### Investor Conferences & Non-Deal Roadshows



#### Number of Companies Met (In-House Meetings and Roadshows)



## CONFERENCES AND ROADSHOWS

Maybank participated in seven conferences and roadshows during the year, where senior management met with existing and potential investors to present updates on the Group's performance, strategic initiatives as well as outlook and expectations for the future.

No.	Venue	Event	Date	Organiser
1	Hong Kong	Maybank Group Non-deal Roadshow	4 – 5 January 2016	Maybank Kim Eng
2	London	Maybank Group Non-deal Roadshow	6 – 8 January 2016	Maybank Kim Eng
3	Kuala Lumpur	Alliance Investment Bank Berhad Corporate Day 2016	12 January 2016	Alliance Investment Bank Berhad
4	Kuala Lumpur	Invest Malaysia 2016	12 – 13 April 2016	Maybank Kim Eng & Bursa Malaysia
5	Singapore	Invest ASEAN 2016 – Singapore	14 – 15 April 2016	Maybank Kim Eng
6	London	Invest Malaysia London 2016	17 May 2016	Maybank Kim Eng
7	Kuala Lumpur	Macquarie ASEAN Banks Tour 2016	21 June 2016	Macquarie

## OTHER INFORMATION

### FINANCIAL YEAR END

31 December

### TICKER CODE

Bursa Malaysia	MYX:1155
Bloomberg	MAY MK EQUITY
Reuters	MBBM.KL

### SHARE REGISTRAR

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 Fax no. : 603-2783 9222  
 Email : is.enquiry@my.tricorglobal.com

## ANALYST COVERAGE

As at end December 2016, Maybank was covered by 24 analysts, reflecting strong interest from sell-side equity research houses, both domestic and abroad.

No.	Research House	Analyst	No.	Research House	Analyst
1	Affin Hwang Capital	Tan Ei Leen	13	JP Morgan Securities Singapore	Harsh Wardhan Modi
2	Alliance DBS	Lim Sue Lin	14	KAF Seagroatt & Campbell Securities	Rachel Huang
3	AmResearch	Kelvin Ong	15	Kenanga Investment Bank	Ahmad Ramzani
4	BOA Merrill Lynch (Singapore)	Anand Swaminathan	16	Macquarie Capital Securities	Anand Pathmakanthan
5	CIMB Investment Bank	Winson Ng	17	MIDF Amanah Investment Bank	Imran Yassin Yusof
6	Citigroup Global Markets Singapore	Robert P. Kong	18	Morgan Stanley Research	Nick Lord
7	CLSA Securities Malaysia	Peter Kong	19	Nomura Securities Malaysia	Tushar Mohata
8	Credit Suisse	Danny Goh	20	RHB Research Institute	Fiona Leong
9	Deutsche Bank	Sukrit Khatri	21	S&P Capital IQ	Siti Rudziah Salikin
10	Goldman Sachs (Singapore)	Benjamin Koo	22	TA Securities	Wong Li Hsia
11	Hong Leong Investment Bank	Sia Ket Ee	23	UBS Securities (Malaysia)	Chris Oh
12	HSBC (Singapore)	Loo Kar Weng	24	UOB Kay Hian	Keith Wee

## INVESTOR INFORMATION INVESTOR RELATIONS

### INVESTOR INTEREST

In 2016, the key areas of discussion during our investor engagement sessions were mainly on asset quality concerns, loan and deposit growth in the Group's key markets, the regional strategy, outlook for the Group's revenue drivers, as well as liquidity and capital management. Specific areas of interest during the investor sessions were:

Focus Areas	
Economic and banking sector landscape	Investors were keen to understand the impact on Maybank Group and its home markets arising from a sluggish global economy and specifically slower growth in China, currency volatility and the changing geopolitical environment. Management provided regular updates, especially through its results announcements and investor engagements, on views pertaining to macroeconomic and geopolitical developments and the Group's strategy to manage external headwinds in relation to its financial performance.
Strategy	Maybank Group commenced its next five-year journey in FY2016 through its M2020 strategic objectives under the vision of "Advancing Asia's Ambitions With You." The Group's ambition is to strengthen its regional leadership position across the three main business pillars – Group Community Financial Services, Group Global Banking and Group Insurance & Takaful – while being a global leader in Islamic Finance across these pillars. A new strategic objective for the Group is to become the "Digital Bank of Choice" by exploring innovative digital solutions. Maybank provided updates on its 2016 achievements in line with these aspirations.
Loans growth and ROE	On the back of a more challenging operating environment coupled with volatility in the markets, Maybank continued its focus on balance sheet management into FY2016, which initially commenced in late FY2015. Against slowing global growth and weaker growth in some ASEAN markets as well as an evolving geopolitical landscape, the Group revised its FY2016 guidance during its 9M FY2016 results announcement. Group loans growth was lowered to 2.0%–3.0% from 8.0%–9.0% previously and in line with the softer growth environment, the ROE guidance was also tightened to 10.5%–11.0% from the initial 11.0%–12.0%.
Deposits growth and liquidity	Deposits growth and liquidity were areas of interest, especially given low system growth for deposits in Malaysia. Management elaborated that the Group had adopted a funding-led growth strategy in 2016. Emphasis was also on growing cheaper deposits and ensuring sufficient liquidity, as measured by the Group's Liquidity Coverage Ratio (LCR), which were disclosed in the Maybank Group's 2016 quarterly results investor presentations. Maybank Group's LCR remains well above Bank Negara Malaysia's requirements for 2016.
Net Interest Margin (NIM)	Investors sought clarity over narrowing NIMs due to higher cost of funding and asset price competition, especially since regulators in our home markets were easing monetary policies in early to mid-2016 to support economic growth. Management explained that the Group's strategy to minimise NIM compression was by focusing on growth for the cheapest source of funding and through disciplined asset pricing.
Fee based income	Given slower capital market activity, currency volatility and potential US interest rate hikes, investors sought clarity over fee based income growth drivers. Maybank Group not only continued to provide a breakdown of its fee based income drivers, but explained the impact of bond yields and currency movements on the Group's asset and liabilities positions.
Overheads	As income growth came under pressure for the banking sector given the tougher economic environment, investors were interested to understand the Group's strategy to manage cost lower. Management provided updates on the Group's strategic cost management programme, its move to adopt digital initiatives to reduce costs over the medium term, the drive to improve productivity across the various segments and its ability to manage overall headcount downwards through natural attrition, in an effort to keep cost to income ratio well below 50%.
Asset quality	Maybank Group proactively managed asset quality concerns in early 2016 given the weaker operating environment. The Group engaged with business and corporate banking borrowers in late 2015 and early 2016 to help match borrowers' repayment abilities with their softer cashflows, especially in the commodity-related sectors. As a result, credit facilities that were restructured and rescheduled (R&R) were impaired in line with Bank Negara Malaysia's impairment guideline. These R&R accounts could be potentially reclassified to performing upon six months of continuous good conduct. Investor queries were predominantly centered on the rising asset quality indicators, sectors displaying weakness, expected credit costs and the Group's loan loss coverage level. To provide better visibility over the uptick in impairments, the Group enhanced its disclosures during its results briefings to provide the breakdown of gross impaired loan components and the trend of impaired ratios by line of businesses across home markets, comprehensive exposure to the oil & gas sector and other commodity sectors as well as collateral levels against provisioning coverage.
Capital management and dividend policy	Maybank's strong capital ratios remained a positive among investors in a weaker operating environment and given asset quality weakness. Areas of interest remained on the Group's funding strategy ahead of full Basel III adoption, local incorporation of Maybank Singapore's branches, impact of IFRS 9 on capital, and requirements for additional capital buffers in line with local regulations. Management continued to provide disclosure of its capital ratios under different scenarios including on a fully loaded basis and the plans for the Dividend Reinvestment Plan in maintaining a high dividend yield while preserving capital as well in providing a view to investors on any potential requirements that may have an impact on the Group or Bank-level capital position.
Digitalisation	Investors were keen to know more about Maybank's commitment towards digital solutions. Management explained that Maybank Group's approach towards digitalisation initiatives was to look at solutions that improved customer experience and to provide platforms for enterprises to grow. Some of these solutions include Maybank's mobile wallet solution and a crowdfunding digital platform for non-governmental organisations.

## INVESTOR INFORMATION

### INVESTOR RELATIONS

#### CREDIT RATING

Maybank is rated by seven rating agencies, of which five foreign rating agencies (S&P, Moody's, Fitch, Capital Intelligence and Japan Credit Rating Agency) have given a minimum A- or equivalent credit rating which is on par with Malaysia's sovereign rating. The two domestic rating agencies, RAM Ratings and MARC, have rated Maybank as AAA.

In 2016, credit ratings by all the rating agencies remained unchanged from the previous year. However, Fitch revised Maybank's Outlook from Negative to Stable, on par with Malaysia's sovereign outlook.

The credit rating review for Maybank is conducted annually by the respective agencies. To help ensure that the Group continues to adopt prudent capital management practises and commit to maintaining its investment grade credit ratings, Maybank facilitates continuous lines of communication with the credit rating agencies as well as regulators.

Rating Agency	Issued Date	Rating Classification	Ratings	Outlook
Standard & Poor's	16 Nov 2016	Counterparty Credit Rating	A- / Stable / A-2	Stable
		ASEAN Regional Scale	axAA / -- / axA-1	
		Preferred Stock	BB+	
		Senior Unsecured (Greater China Regional Scale)	cnAA	
		Senior Unsecured Subordinated	A- / A-2 BBB / BBB+	
Moody's Investors Service	01 Aug 2016	Bank Deposits	A3 / P-2	Stable
		Baseline Credit Assessment	a3	
		Adjusted Baseline Credit Assessment	a3	
		Counterparty Risk Assessment	A2(cr) / P-1(cr)	
		Senior Unsecured	A3	
		Subordinate	Baa2 (hyb)	
		Jr Subordinate	Baa2 (hyb)	
Commercial Paper	P-2			
Fitch Ratings	27 Oct 2016	Long-Term Foreign-Currency Issuer Default Rating	A- / Stable	Stable
		Short-Term Foreign-Currency Issuer Default Rating	F2	
		Long-term Local-Currency Issuer Default Rating	A- / Stable	
		Viability Rating	a-	
		Support Rating	2	
		Support Rating Floor	BBB	
		Senior notes	A-	
		Basel II-compliant subordinated notes	BBB+	
Basel II-compliant hybrid Tier 1 securities	BB+			
RAM Ratings	14 Dec 2016	National Scale Financial Institution Ratings	AAA / Stable / P1	Stable
		ASEAN Scale Financial Institution Ratings	seaAAA / Stable / seaP1	
		RM4.0 billion Innovative Tier-1 Capital Securities Programme (2008/2073)	AA2 / Stable	
		RM3.5 billion Non-Innovative Tier-1 Capital Securities	AA2 / Stable	
		RM3.0 billion Subordinated Note Programme (2011/2031)	AA1 / Stable	
		RM20.0 billion Subordinated Note Programme	AA1 / Stable	
		RM10.0 billion Additional Tier-1 Capital Securities Programme	AA3 / Stable	
		Proposed RM10.0 billion Sukuk Murabahah Programme - Senior	AAA / Stable	
		Proposed RM10.0 billion Sukuk Murabahah Programme - Subordinate	AA1 / Stable	
		Proposed RM10.0 billion Commercial Paper/Medium Term Note Programme	AAA / Stable / P1	
Malaysian Rating Corporation Berhad	21 Oct 2016	Financial Institution Rating	AAA / MARC-1	Stable
		Corporate Debt Rating	AAA	
Capital Intelligence	08 Feb 2017	Foreign Currency - Long Term	A-	Stable
		Foreign Currency - Short Term	A2	
		Financial Strength	A-	
		Support	1	
Japan Credit Rating Agency	05 July 2016	Foreign Currency Long-term Issuer Rating	A	Stable
		Bond	A	

## INVESTOR INFORMATION INVESTOR RELATIONS

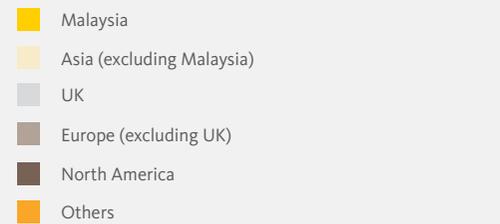
### SHAREHOLDER ANALYSIS

- Maybank has a diversified shareholder base with 77,487 shareholders across the globe as at 31 December 2016, which is 17.3% higher than a year ago.
- Analysis of the shareholding by region (excluding substantial shareholders) shows that 5.5% comes from North America, followed by 3.2% from UK, 2.6% from Asia (excluding Malaysia), 1.1% from Europe (excluding UK) and 10.3% from other geographical locations.
- Most of Maybank's shares are held by institutional investors at 90.2%, followed by private investors at 2.5%, while the remainder of 7.3% are held by other types of investors.
- Analysis of the shareholders by style shows that 68.7% are Growth At a Reasonable Price (GARP), 4.2% are index funds, 3.0% are multi style funds, 3.7% are value funds, 0.9% are quant funds, 0.4% are growth funds, 0.5% are yield funds, 11.3% are non-institutional holdings, while the remainder of 7.3% are held by other investment style funds.

#### Shareholding by Style



#### Shareholding by Region



#### Total Shareholders

Dec 2012	58,201
Dec 2013	59,075
Dec 2014	62,814
Dec 2015	68,121
Dec 2016	77,487

### FOREIGN SHAREHOLDING

In 2016, Maybank's foreign shareholding reduced by 1.76% to 15.67% from 17.43% a year earlier, a similar trend experienced in 2015. The reduction in foreign shareholding was in line with the foreign fund outflows seen in the local benchmark, which fell 3.00% in 2016, stemming from continued softness in crude oil prices, Ringgit volatility, geopolitical uncertainties and in anticipation of the Federal Reserve raising interest rates in the US.

#### Maybank's Foreign Shareholding and FBM KL Composite Index (2013-2016)



	2013		2014		2015		2016	
High	25.99%	24 May	23.14%	17 Oct	22.53%	2 Jan	18.90%	22 Apr
Low	19.58%	4 Jan	21.11%	14 Mar	17.43%	31 Dec	15.67%	30 Dec
Close	21.70%	31 Dec	22.54%	31 Dec	17.43%	31 Dec	15.67%	30 Dec
YoY Change	2.16% pts		0.84% pts		(5.11)% pts		(1.76)% pts	

# INVESTOR INFORMATION

## MAYBANK SHARE

Despite volatile market conditions witnessed during the year, Maybank's total shareholder return managed to outpace the market benchmark index by retaining a high dividend payout ratio.

### SUMMARY

- Total Shareholder Return of 3.68% outperformed the market benchmark FBM KL Composite Index which was flat at 0.07%, but trailed behind the industry benchmark KL Finance Index of 5.66%.
- Total dividend for the year was 52 sen per share, with the dividend payout ratio of 78.1% continuing to be well above the policy rate of 40% to 60%.
- Consistently high dividend yield of 6.3% compared to 6.4% in 2015.

### SHARE PRICE PERFORMANCE

Maybank's share price gain of 7.38% during the first quarter of 2016 surpassed gains made by both the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) and the Bursa Malaysia Finance Index (BM Finance Index) of 1.48% and 4.29% respectively. The increase in share price was partly contributed by the Group's higher FY2015 net profit announced in late February 2016 and the final dividend declaration.

Although hitting an all-year high of RM9.17 on 15 April, Maybank's share price performance came under pressure in the second and third quarters of 2016 due to internal and external factors. Internally, Maybank undertook a proactive management of asset quality at the start of FY2016 due to the overall weaker operating environment. This entailed restructuring and rescheduling (R&R) borrowers' facilities to match their weaker cashflows to their repayment abilities. Under Bank Negara Malaysia's 'Classification and Impairment Provisions for Loans/Financing' guideline, R&R accounts need to be impaired and can only return to performing status after six months of continuous good conduct. These impairments resulted in an increase of Maybank's credit costs for

1H FY2016. This was partly the reason Maybank's share price declined 9.76% and 7.86% in the second and third quarters respectively.

Externally, softness in our prices, volatility in currency markets and increased uncertainty in global geopolitics resulted in the local benchmark and the finance index ending lower. For the second quarter, the FBM KLCI declined 3.70% while the BM Finance Index slid 3.80%. The downtrend continued into the third quarter, albeit at a much slower pace. The FBM KLCI was marginally lower by 0.09% while the BM Finance Index shed 0.35%.

In the final quarter of 2016, Maybank's share price performance rebounded by 9.33% on the back of normalising credit costs by the Group for its 9M FY2016 financial performance. The BM Finance Index also saw a rebound by 1.59%. However, the local benchmark ended lower by 0.65% in 4Q on lingering geopolitical uncertainties and in anticipation of a rate hike in the US by the Federal Reserve.

Maybank closed 2016 lower by 2.38% at RM8.20, slightly ahead of the FBM KLCI's decline of 3.00% but behind the gain of 1.58% seen in the BM Finance Index.

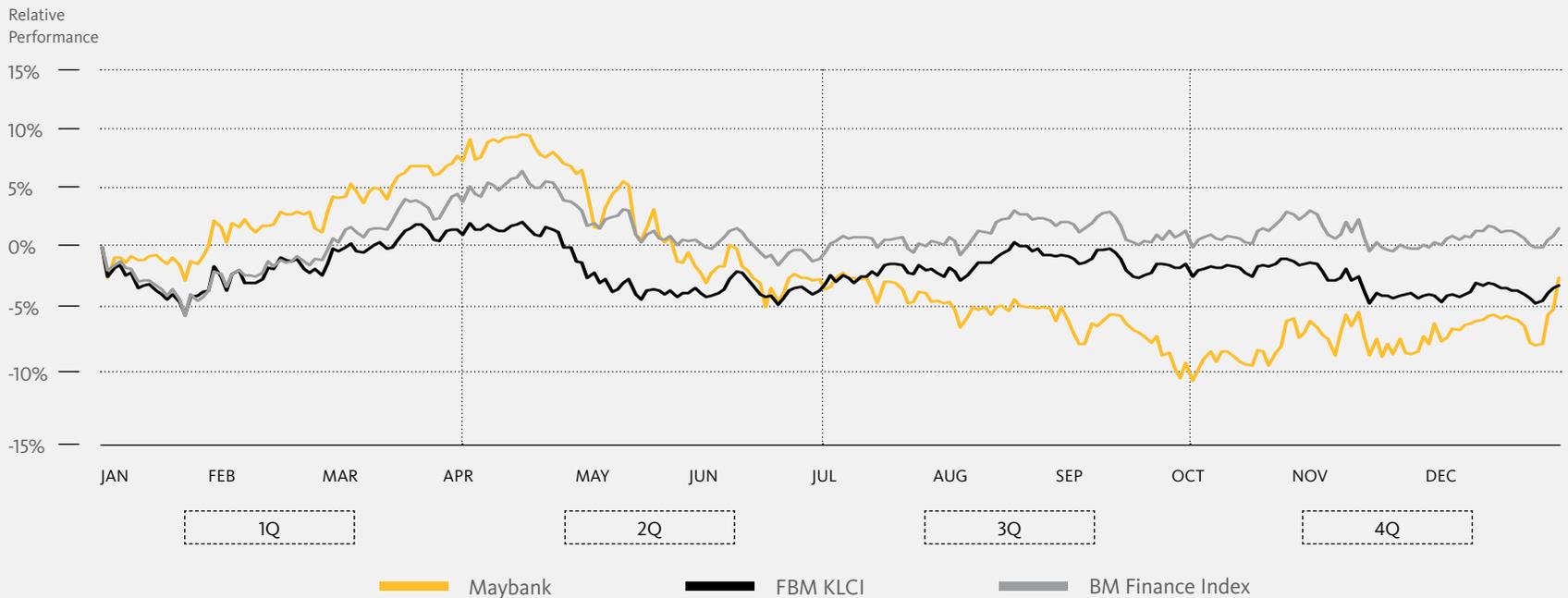
### Maybank's Share Price and Volume Performance in 2016



Share Price (RM)	1Q		2Q		3Q		4Q		FY2016	
High	9.02	31 Mar	9.17	15 Apr	8.23	4 Jul	8.20	30 Dec	9.17	15 Apr
Low	8.18	21 Jan	8.00	14 Jun	7.50	30 Sep	7.58	4 Oct	7.50	30 Sep
Close	9.02	31 Mar	8.14	30 Jun	7.50	30 Sep	8.20	30 Dec	8.20	30 Dec
Trading Range	0.84		1.17		0.73		0.62		1.67	
Average	1Q		2Q		3Q		4Q		FY2016	
Price (RM)	8.60		8.59		7.95		7.79		8.23	
Daily Volume (million)	10.00		14.17		6.93		6.52		9.43	

## INVESTOR INFORMATION MAYBANK SHARE

### Relative Performance of Maybank's Share Price vs Benchmark Indices in 2016



	31 Dec 2015	Share Price and Index Performance				2016	Total Shareholder Return 2016
		1Q	2Q	3Q	4Q		
<b>Maybank (RM)</b>	8.40	9.02	8.14	7.50	8.20	8.20	
Change (RM)		0.62	(0.88)	(0.64)	0.70	(0.20)	
Change (%)		7.38	(9.76)	(7.86)	9.33	(2.38)	3.68
<b>FBM KLCI</b>	1,692.51	1,717.58	1,654.08	1,652.55	1,641.73	1,641.73	
Change (pts)		25.07	(63.50)	(1.53)	(10.82)	(50.78)	
Change (%)		1.48	(3.70)	(0.09)	(0.65)	(3.00)	0.07
<b>BM Finance Index</b>	14,159.21	14,766.19	14,205.21	14,158.29	14,383.05	14,383.05	
Change (pts)		606.98	(560.98)	(46.92)	224.76	223.84	
Change (%)		4.29	(3.80)	(0.33)	1.59	1.58	5.66

### SHARE RELATED KEY FIGURES

	FY2007	FY2008	FY2009	FY2010	FY2011	FP2011*	FY2012	FY2013	FY2014	FY2015	FY2016
Market Capitalisation (RM* billion)	46.7	34.4	41.8	53.5	66.9	65.5	77.6	88.1	85.5	82.0	83.6
Total Shareholder Return, TSR (%)	19.30	(21.43)	(3.88)	31.69	28.13	(0.16)	15.60	14.30	(2.49)	(2.46)	3.68
Dividend per share (sen)	57.5	44.0	8.0	55.0	60.0	36.0	65.0	53.5	57.0	54.0	52.0
Dividend yield (%)	6.7	7.4	1.4	7.3	6.7	4.2	7.1	5.4	6.2	6.4	6.3
Closing Price, 31 Dec (RM)	8.62	6.33	5.90	7.56	8.94	8.58	9.20	9.94	9.17	8.40	8.20
Average share price (RM)	8.46	8.00	5.25	6.94	8.60	8.45	8.81	9.80	9.73	8.88	8.23
Highest closing share price (RM)	9.84	9.20	7.14	7.72	9.29	8.99	9.46	10.74	10.16	9.55	9.17
Lowest closing share price (RM)	7.47	6.33	3.57	5.60	7.53	7.51	8.19	8.84	8.29	8.18	7.50
Basic EPS (sen)	58.5	53.3	12.0	53.9	61.4	34.5	72.7	75.8	74.2	72.0	67.8

\* FP2011 refers to the 6-month financial period which was for Maybank to change its financial year end to 31 December from 30 June. FY2007 to FY2011 are 12 months ended 30 June.

## INVESTOR INFORMATION MAYBANK SHARE

### TOTAL SHAREHOLDER RETURN

Total Shareholder Return	FY2007	FY2008	FY2009	FY2010	FY2011	FP2011*	CY2011^	FY2012	FY2013	FY2014	FY2015	FY2016
Maybank	19.30%	(21.43%)	(3.88%)	31.69%	28.13%	(0.16%)	8.37%	15.60%	14.30%	(2.49%)	(2.46%)	3.68%
FBM KLCI	54.30%	(8.20%)	(5.26%)	26.09%	24.83%	(1.11%)	4.45%	14.27%	14.11%	(2.62%)	(0.97%)	0.07%
BM Finance Index	53.23%	(19.79%)	1.70%	43.81%	32.86%	(5.69%)	4.58%	16.99%	15.09%	(3.82%)	(6.46%)	5.66%

Maybank's Relative Performance	FY2007	FY2008	FY2009	FY2010	FY2011	FP2011*	CY2011^	FY2012	FY2013	FY2014	FY2015	FY2016
FBM KLCI	(35.00%)	(13.23%)	1.38%	5.60%	3.30%	0.95%	3.92%	1.33%	0.19%	0.13%	(1.49%)	3.62%
BM Finance Index	(33.93%)	(1.64%)	(5.58%)	(12.12%)	(4.73%)	5.53%	3.79%	(1.39%)	(0.79%)	1.33%	4.00%	(1.98%)

#### Note

\* FP2011 refers to the 6-month financial period which was for Maybank to change its financial year end to 31 December from 30 June. FY2007 to FY2011 are 12 months ended 30 June.

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

### Maybank's Historical Share Price Performance and Key Events

29 APR 09	21 APR 10	6 JAN 11	4 AUG 11	8 OCT 12	23 JULY 13	2 AUG 13	30 SEPT 13	30 SEPT 15
Maybank completes rights issue of RM6 billion	Maybank Indonesia completes rights issue of IDR1.4 trillion	Kim Eng acquisition announced	Acquisition of Kim Eng completed	Equity private placement of RM3.66 billion	Maybank Indonesia completes rights issue of IDR1.5 trillion	Datuk Farid appointed as President & CEO of Maybank Group	Taswin Zakaria appointed as President Director of Maybank Indonesia	Sale of Maybank (PNG) Ltd completed



### LONG TERM TOTAL SHAREHOLDER RETURN

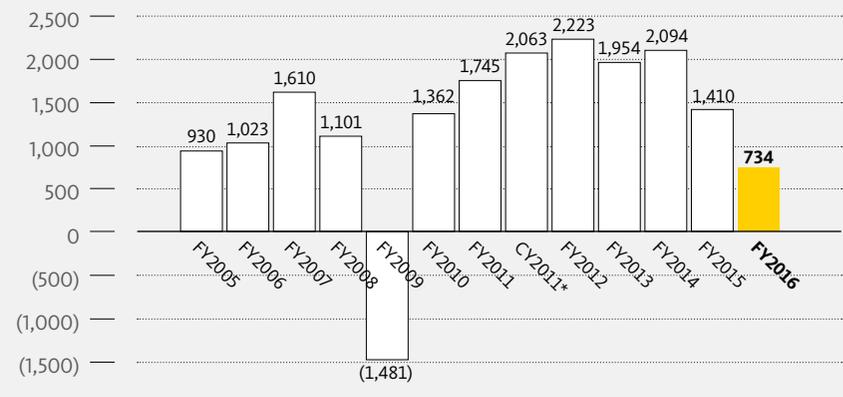
Holding Period (years)	25	20	15	10	5	3	2	1
Investment Date (31 Dec)	1991	1996	2001	2006	2011	2013	2014	2015
Total Shareholder Return (%)								
Maybank	1,861.27	213.28	229.71	75.95	30.14	(0.93)	1.31	3.68
FBM KLCI	195.16	155.88	298.58	112.14	25.33	(3.42)	(0.90)	0.07
BM Finance Index	N/A	39.85	391.09	137.48	27.66	(4.62)	(1.04)	5.66
Effective Annual Rate of Return (%)								
Maybank	12.63	5.87	8.27	5.81	5.40	(0.31)	0.65	3.68
FBM KLCI	4.42	4.81	9.65	7.80	4.61	(1.15)	(0.45)	0.07
BM Finance Index	N/A	1.69	11.19	9.02	5.00	(1.56)	(0.52)	5.66

## INVESTOR INFORMATION MAYBANK SHARE

### ECONOMIC PROFIT

- Economic profit is a key measurement of shareholder value creation. Maybank has tracked its Economic profit performance since 2005, and uses a range of related measures as part of its internal performance management process.
- Economic profit was proposed by the Putrajaya Committee on the GLC High Performance (PCG) Secretariat to measure a company's return over and above its cost of capital. The PCG spearheads the GLC (Government-linked Companies) Transformation Programme to develop high-performing entities to support Malaysia's economic development.
- In 2016, Maybank's Economic profit reduced by 48.0% to RM734 million from RM1.41 billion in the previous financial year due to lower profits as well as higher cost of equity.

Economic Profit: FY2005 to FY2016 (RM' million)



\* Unaudited

### DIVIDEND

On 6 April 2017 at the Annual General Meeting, the Board of Directors will propose a single-tier final dividend of 32 sen per ordinary share. Together with the interim dividend of 20 sen per ordinary share, the total dividend for FY2016 amounts to 52 sen, compared to 54 sen in FY2015. For more on Maybank's dividend policy and dividend reinvestment plan, refer to Group Financial Review on page 44 and Capital Management on page 49.

		Dividend per share (sen)	DRP No.	Dividend Reinvestment Plan					Declaration	Price Fixing Date for DRP	Ex-Date	Record	Payment Date
				Cash	Electable portion	Reinvestment Rate	Issue Price	Discount					
FY2010	Interim	11							9 Feb 10	2 Mar 10	4 Mar 10	16 Mar 10	
	Final	44	1	4	40	88.6%	7.70	9.90%	20 Aug 10	4 Nov 10	18 Nov 10	22 Nov 10	
	Total	55											
FY2011	Interim	28	2	4	24	91.1%	7.70	9.60%	21 Feb 11	31 Mar 11	12 Apr 11	14 Apr 11	
	Final	32	3	4	28	86.1%	7.70	7.83%	22 Aug 11	15 Nov 11	25 Nov 11	30 Nov 11	
	Total	60											
FY2011	Final	36	4	4	32	88.5%	8.00	5.77%	23 Feb 12	17 Apr 12	27 Apr 12	2 May 12	
	Total	36											
FY2012	Interim	32	5	4	28	88.2%	8.40	4.65%	16 Aug 12	7 Sep 12	20 Sep 12	24 Sep 12	
	Final	33	6	4	29	85.7%	8.80	5.17%	21 Feb 13	12 Apr 13	25 Apr 13	29 Apr 13	
	Total	65											
FY2013	Interim	22.5	7	6.5	16	85.9%	9.20	5.40%	21 Aug 13	10 Sep 13	24 Sep 13	26 Sep 13	
	Final	31	8	4	27	85.9%	8.95	5.09%	27 Feb 14	16 Apr 14	29 Apr 14	2 May 14	
	Total	53.5											
FY2014	Interim	24	9	4	20	84.0%	9.30	5.49%	28 Aug 14	12 Sep 14	25 Sep 14	29 Sep 14	
	Final	33	10	10	23	82.6%	8.70	5.23%	26 Feb 15	10 Apr 15	23 Apr 15	27 Apr 15	
	Total	57											
FY2015	Interim	24	11	4	20	87.5%	7.50	9.53%	27 Aug 15	25 Sep 15	8 Oct 15	12 Oct 15	
	Final	30	12	6	24	83.7%	8.35	5.44%	25 Feb 16	20 Apr 16	4 May 16	6 May 16	
	Total	54											
FY2016	Interim	20	13	4	16	83.5%	7.25	5.35%	25 Aug 16	9 Sep 16	23 Sep 16	27 Sep 16	
	Final	32	14	10	22	-	-	-	23 Feb 17	-	-	-	
	Total	52											

### AMERICAN DEPOSITORY RECEIPTS (ADR)

Maybank has been traded in the United States since 2005 through a NYSE-listed sponsored ADR facility with The Bank of New York Mellon as the depository, in an effort to diversify and increase US ownership as well as improve Maybank's profile in the US market. The ADRs are traded on the New York Stock Exchange under the ticker MLYBY US on Bloomberg and MLYBY.PK on Reuters.

# FINANCIAL PERFORMANCE

## FIVE-YEAR GROUP FINANCIAL SUMMARY

	Group				
	FY 31 Dec				
	2012	2013	2014	2015	2016
<b>OPERATING RESULT (RM' million)<sup>1</sup></b>					
Operating revenue	31,227	33,251	35,712	40,556	<b>44,658</b>
Pre-provisioning operating profit ("PPOP") <sup>2</sup>	8,541	9,610	9,419	10,953	<b>11,686</b>
Operating profit	7,744	8,730	8,948	8,940	<b>8,671</b>
Profit before taxation and zakat	7,896	8,870	9,112	9,152	<b>8,844</b>
Profit attributable to equity holders of the Bank	5,746	6,552	6,716	6,836	<b>6,743</b>
<b>KEY STATEMENTS OF FINANCIAL POSITION DATA (RM' million)<sup>1</sup></b>					
Total assets	494,757	560,319	640,300	708,345	<b>735,956</b>
Financial investments portfolio <sup>3</sup>	92,820	107,672	115,911	122,166	<b>130,902</b>
Loans, advances and financing	311,825	355,618	403,513	453,493	<b>477,775</b>
Total liabilities	450,942	512,576	585,559	644,831	<b>665,481</b>
Deposits from customers	347,156	395,611	439,569	478,151	<b>489,833</b>
Investment accounts of customers	-	-	-	17,658	<b>31,545</b>
Commitments and contingencies	379,695	433,829	551,960	719,952	<b>766,439</b>
Paid-up capital	8,440	8,862	9,319	9,762	<b>10,193</b>
Shareholders' equity	42,095	45,997	52,975	61,695	<b>68,516</b>
<b>SHARE INFORMATION<sup>1</sup></b>					
Per share (sen)					
Basic earnings	72.7	75.8	74.2	72.0	<b>67.8</b>
Diluted earnings	72.7	75.7	74.1	72.0	<b>67.8</b>
Gross dividend	65.0	53.5	57.0	54.0	<b>52.0</b>
Net assets (sen)	498.8	519.0	568.5	632.0	<b>672.2</b>
Share price as at 31 Dec (RM)	9.20	9.94	9.17	8.40	<b>8.20</b>
Market capitalisation (RM' million)	77,648	88,088	85,455	81,999	<b>83,584</b>
<b>FINANCIAL RATIOS (%)<sup>1</sup></b>					
Profitability Ratios/Market Share					
Net interest margin on average interest-earning assets	2.6	2.5	2.3	2.4	<b>2.3</b>
Net interest on average risk-weighted assets	4.2	4.2	3.9	4.1	<b>4.2</b>
Net return on average shareholders' funds	16.0 <sup>6</sup>	15.1	13.8	12.2	<b>10.6</b>
Net return on average assets	1.2	1.2	1.1	1.0	<b>0.9</b>
Net return on average risk-weighted assets	2.1	2.2	2.0	1.9	<b>1.8</b>
Cost to income ratio <sup>4</sup>	48.6	47.8	48.9	48.2	<b>47.3</b>
Domestic market share in:					
Loans, advances and financing	18.2	18.4	18.4	18.0	<b>18.2</b>
Deposits from customers - Savings Account	27.7	27.7	27.6	25.4	<b>25.3</b>
Deposits from customers - Current Account	20.2	20.4	21.1	19.9	<b>20.4</b>
<b>CAPITAL ADEQUACY RATIOS (%)</b>					
CET1 Capital Ratio	-	11.253	11.747	12.780	<b>13.990</b>
Tier 1 Capital Ratio	-	13.059	13.539	14.471	<b>15.664</b>
Total Capital Ratio	-	15.664	16.235	17.743	<b>19.293</b>
Core Capital Ratio <sup>5</sup> (after deducting proposed final dividend)	12.8 - 13.5	-	-	-	-
Risk-Weighted Capital Ratio <sup>5</sup> (after deducting proposed final dividend)	16.6 - 17.4	-	-	-	-
<b>ASSET QUALITY RATIOS<sup>1</sup></b>					
Net impaired loans (%)	1.09	0.95	1.04	1.43	<b>1.62</b>
Loan loss coverage (%)	105.6	107.5	95.6	72.0	<b>72.0</b>
Loan-to-deposit ratio (%) <sup>7</sup>	91.5	91.3	93.2	92.7	<b>93.2</b>
Deposits to shareholders' fund (times) <sup>8</sup>	8.2	8.6	8.3	8.0	<b>7.6</b>
<b>VALUATIONS ON SHARE<sup>1</sup></b>					
Gross dividend yield (%)	7.1	5.4	6.2	6.4	<b>6.3</b>
Dividend payout ratio (%)	74.7	71.9	78.5	76.3	<b>78.1</b>
Price to earnings multiple (times)	12.7	13.1	12.4	11.7	<b>12.1</b>
Price to book multiple (times)	1.8	1.9	1.6	1.3	<b>1.2</b>

1 Comparative figures for December 2012 were restated due to the changes in accounting policies.

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

3 Financial investments portfolio consists of financial assets at fair value through profit or loss, financial investments available-for-sale and financial investments held-to-maturity.

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

5 The capital adequacy ratios for December 2012 present the two range of extreme possibilities, i.e.

(i) where the full electable portion is not reinvested; and

(ii) where the full electable portion is reinvested in new ordinary shares in accordance with the Dividend Reinvestment Plan.

6 Computed based on weighted reallocation of additional RM3.66 billion capital raised in October 2012.

7 Loan-to-deposit ratio for December 2016 and December 2015 is computed using gross loans, advances and financing over deposits from customers and investment accounts of customers.

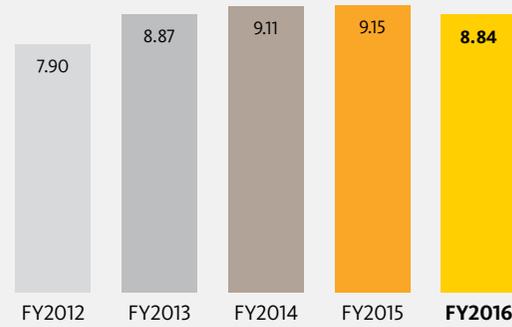
8 Deposits to shareholders' fund for December 2016 and December 2015 is including investment accounts of customers.

## FINANCIAL PERFORMANCE

Bank	
FY 31 Dec	
2015	2016
23,112	26,592
7,622	9,275
6,985	7,347
6,985	7,347
5,834	6,423
492,391	496,063
93,501	95,467
287,057	295,020
440,773	439,058
330,627	336,187
-	-
679,609	721,130
9,762	10,193
51,618	57,005
61.5	64.6
61.5	64.6
54.0	52.0
528.8	559.2
-	-
-	-
1.9	1.8
3.2	3.1
11.9	11.8
1.2	1.3
2.2	2.4
42.5	36.5
18.0	18.2
25.4	25.3
19.9	20.4
15,781	15,881
17,969	18,232
17,969	19,432
-	-
-	-
1.37	1.57
75.0	74.3
88.0	89.3
6.4	5.9
-	-
-	-
-	-

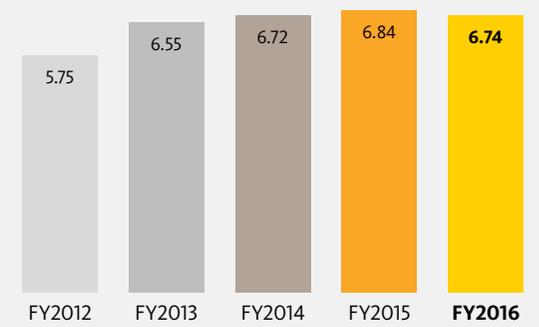
## Profit Before Taxation and Zakat

RM8.84 billion



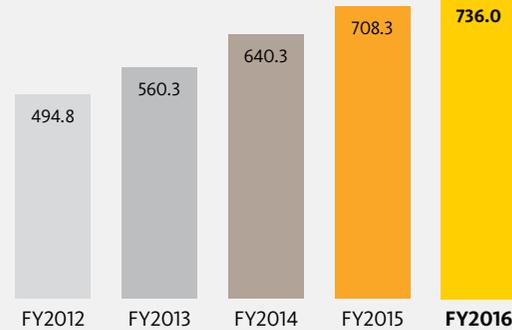
## Profit Attributable to Equity Holders of the Bank

RM6.74 billion



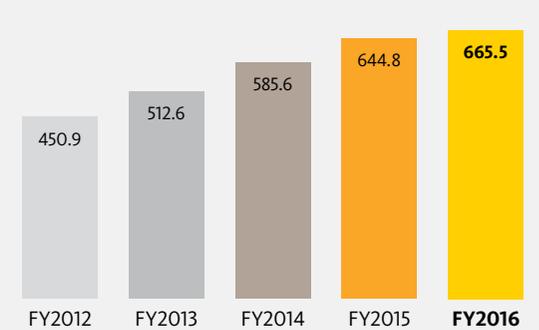
## Total Assets

RM736.0 billion



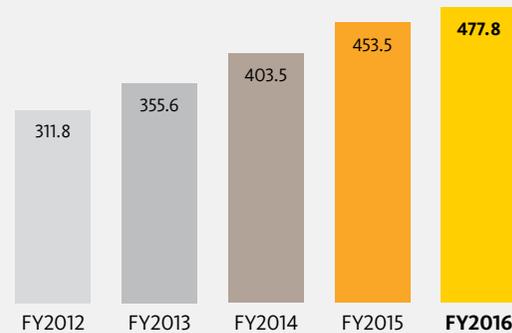
## Total Liabilities

RM665.5 billion



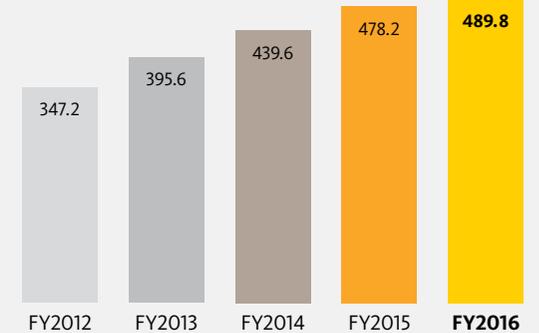
## Loans, Advances and Financing

RM477.8 billion



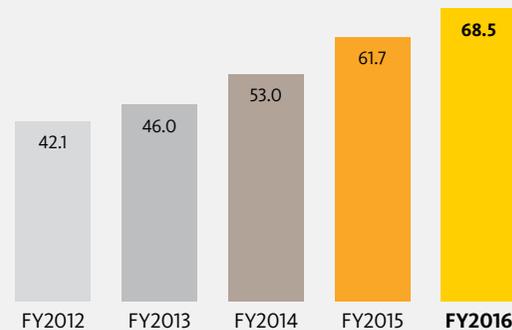
## Deposits from Customers

RM489.8 billion



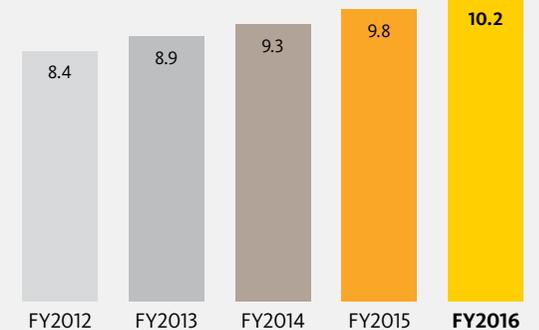
## Shareholders' Equity

RM68.5 billion



## Paid-up Capital

RM10.2 billion

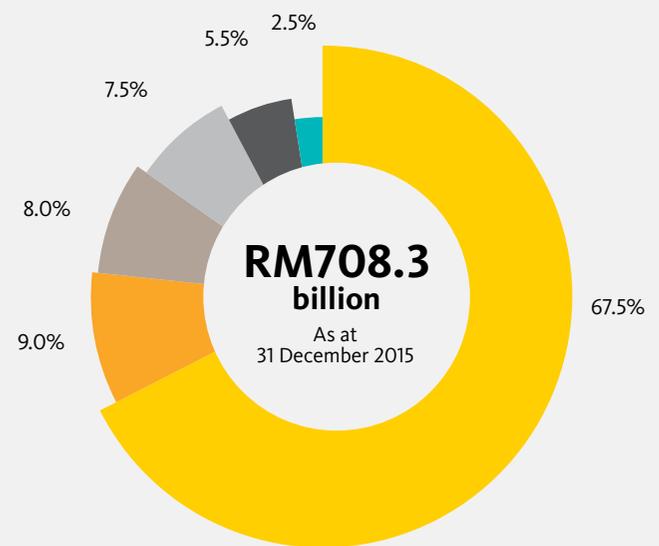
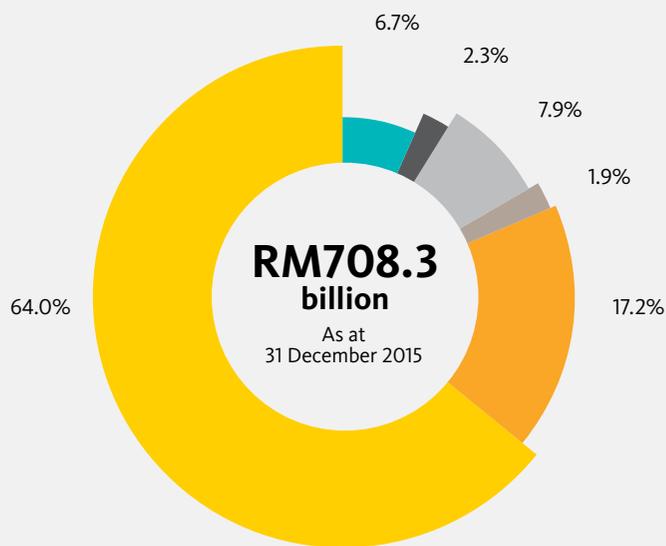
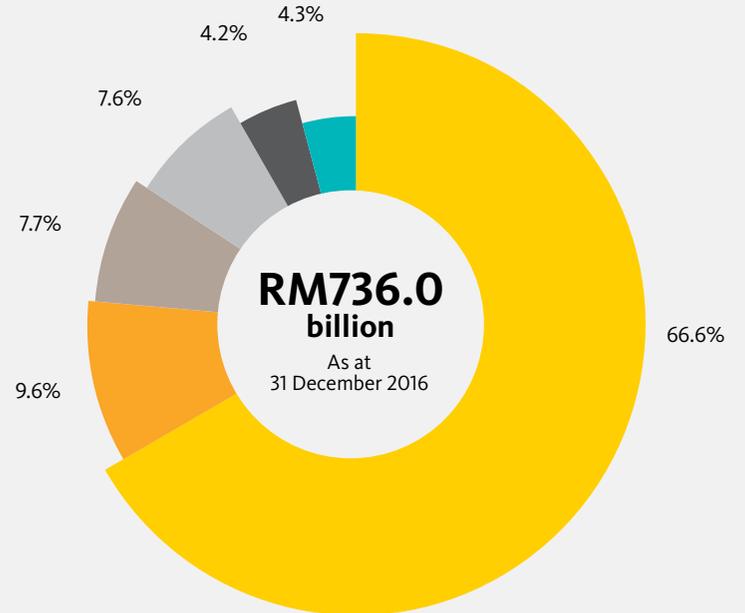
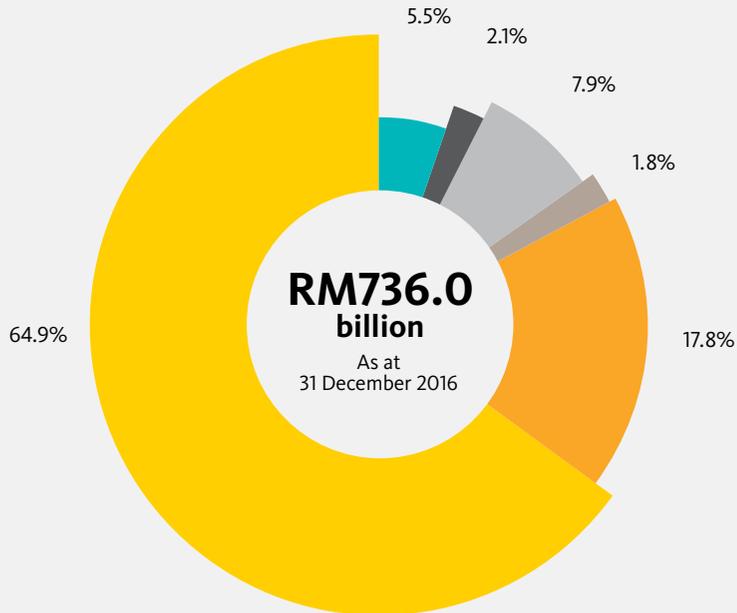


## FINANCIAL PERFORMANCE

### SIMPLIFIED GROUP STATEMENTS OF FINANCIAL POSITION

**Total Assets**

**Total Liabilities & Shareholders' Equity**



- Cash and short-term funds
- Deposits and placements with financial institutions
- Financial investments portfolio
- Loans, advances and financing
- Other assets
- Statutory deposits with central banks

- Deposits from customers
- Investment accounts of customers
- Deposits and placements from financial institutions
- Other liabilities
- Borrowings, subordinated obligations and capital securities
- Shareholders' equity

## FINANCIAL PERFORMANCE

### GROUP QUARTERLY FINANCIAL PERFORMANCE

RM' million	FY 31 Dec 2016				
	Q1	Q2	Q3	Q4	YEAR
Operating revenue	11,182	10,941	11,288	11,247	44,658
Net interest income (including income from Islamic Banking Scheme operations)	3,881	3,916	3,837	4,123	15,757
Net earned insurance premium	1,169	1,065	1,018	1,192	4,444
Other operating income	1,666	1,441	1,715	1,348	6,170
Total operating income	6,716	6,422	6,570	6,663	26,371
Operating profit	1,893	1,541	2,427	2,810	8,671
Profit before taxation and zakat	1,931	1,584	2,456	2,873	8,844
Profit attributable to equity holders of the Bank	1,427	1,160	1,796	2,360	6,743
Earnings per share (sen)	14.64	11.79	17.97	23.19	67.84
Dividend per share (sen)	-	20.00	-	32.00	52.00

RM' million	FY 31 Dec 2015				
	Q1	Q2	Q3	Q4	YEAR
Operating revenue	9,184	8,936	11,384	11,052	40,556
Net interest income (including income from Islamic Banking Scheme operations)	3,538	3,647	3,981	3,887	15,053
Net earned insurance premium	987	1,050	1,008	1,151	4,196
Other operating income	1,560	1,196	1,366	1,651	5,773
Total operating income	6,085	5,893	6,355	6,689	25,022
Operating profit	2,199	2,075	2,349	2,317	8,940
Profit before taxation and zakat	2,242	2,151	2,383	2,376	9,152
Profit attributable to equity holders of the Bank	1,700	1,585	1,899	1,652	6,836
Earnings per share (sen)	18.27	16.76	19.93	17.08	72.04
Dividend per share (sen)	-	24.00	-	30.00	54.00

### KEY INTEREST BEARING ASSETS AND LIABILITIES

	FY 31 Dec 2015			FY 31 Dec 2016		
	As at 31 December	Effective Interest Rate	Interest Income/ Expense	As at 31 December	Effective Interest Rate	Interest Income/ Expense
	RM' million	%	RM' million	RM' million	%	RM' million
<u>Interest earning assets</u>						
Loans, advances and financing	453,493	5.37	21,494	477,775	4.80	22,888
Cash and short-term funds & deposits and placements with financial institutions	69,266	2.22	981	71,585	1.63	1,164
Financial assets at fair value through profit or loss	17,223	4.75	643	23,496	3.66	805
Financial investments available-for-sale	90,262	3.50	2,707	92,385	3.83	2,940
Financial investments held-to-maturity	14,682	4.90	510	15,022	4.98	550
<u>Interest bearing liabilities</u>						
Deposits from customers	478,151	1.85	9,434	489,833	1.81	9,709
Investment accounts of customers	17,658	3.47	116	31,545	3.27	1,080
Deposits and placements from financial institutions	39,014	1.48	1,423	30,855	1.85	1,161
Borrowings	30,644	2.76	693	34,867	2.91	920
Subordinated obligations	20,252	4.23	818	15,901	4.45	940
Capital securities	6,049	6.01	380	6,200	6.18	388

## FINANCIAL PERFORMANCE

### STATEMENT OF VALUE ADDED

	FY 31 Dec 2015	FY 31 Dec 2016
<b>Value Added</b>	<b>RM'000</b>	<b>RM'000</b>
Net interest income	11,114,145	<b>11,568,256</b>
Income from Islamic Banking Scheme operations	3,938,637	<b>4,189,242</b>
Net earned insurance premiums	4,196,699	<b>4,444,057</b>
Other operating income	5,772,867	<b>6,169,537</b>
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(3,784,427)	<b>(4,107,909)</b>
Overhead expenses excluding personnel expenses, depreciation and amortisation	(3,879,647)	<b>(4,260,125)</b>
Allowances for impairment losses on loans, advances, financing and other debts, net	(1,683,557)	<b>(2,832,748)</b>
Allowances for impairment losses on financial investments, net	(329,022)	<b>(182,253)</b>
Share of profits in associates and joint ventures	211,246	<b>173,464</b>
<b>Value added available for distribution</b>	<b>15,556,941</b>	<b>15,161,521</b>

	FY 31 Dec 2015	FY 31 Dec 2016
<b>Distribution of Value Added</b>	<b>RM'000</b>	<b>RM'000</b>
To employees:		
Personnel expenses	5,765,147	<b>5,647,445</b>
To the Government:		
Taxation	2,165,160	<b>1,880,558</b>
To providers of capital:		
Dividends paid to shareholders	5,358,939	<b>4,926,889</b>
Non-controlling interests	150,449	<b>220,900</b>
To reinvest to the Group:		
Depreciation and amortisation	640,246	<b>669,626</b>
Retained profits	1,477,000	<b>1,816,103</b>
<b>Value added available for distribution</b>	<b>15,556,941</b>	<b>15,161,521</b>

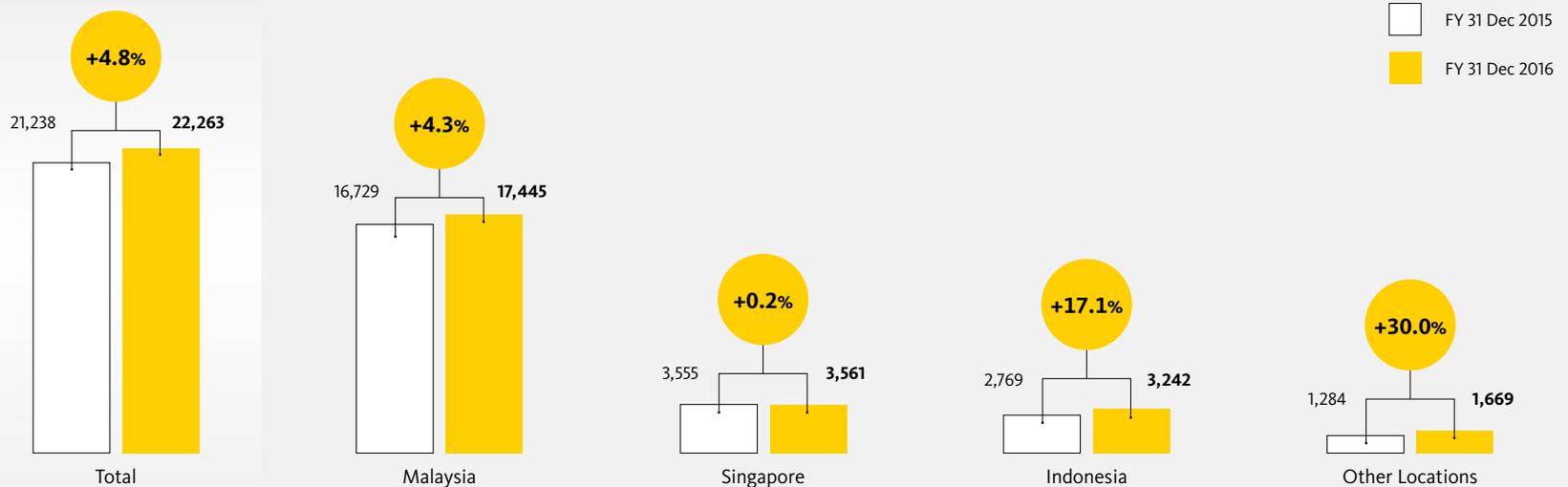
## FINANCIAL PERFORMANCE

### SEGMENTAL INFORMATION

#### Analysis by Geographical Location

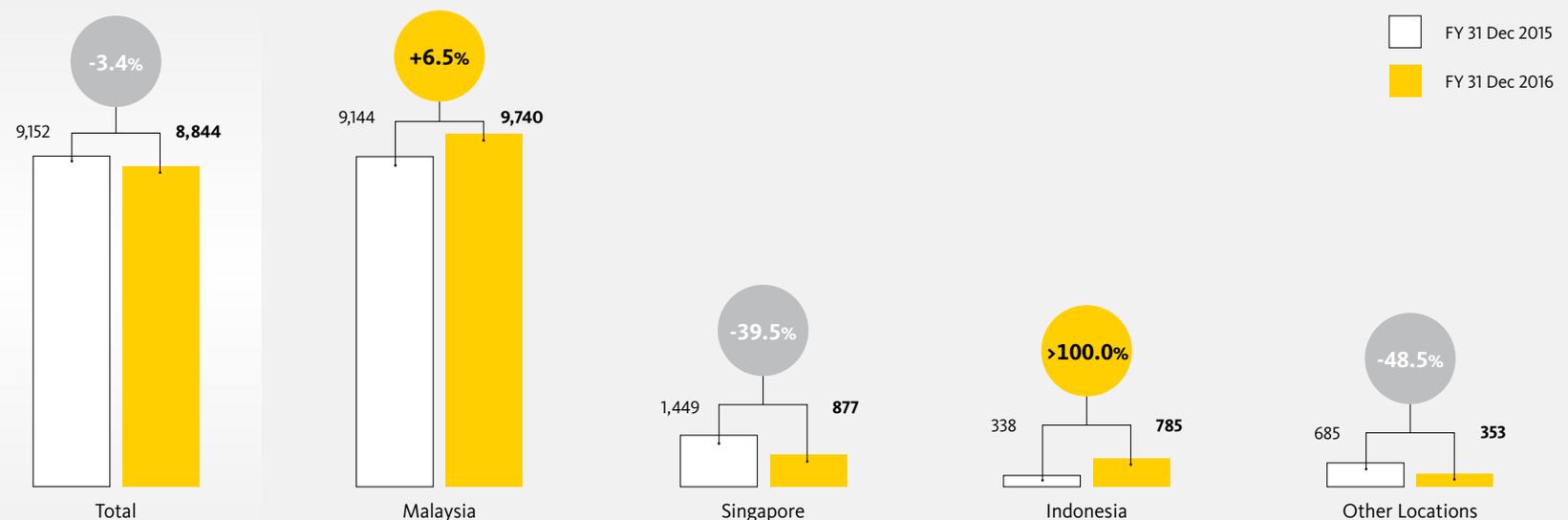
	Net operating income		Profit before taxation and zakat	
	FY 31 Dec 2015	FY 31 Dec 2016	FY 31 Dec 2015	FY 31 Dec 2016
	RM'000	RM'000	RM'000	RM'000
Malaysia	16,728,707	<b>17,444,839</b>	9,144,397	<b>9,740,066</b>
Singapore	3,555,164	<b>3,560,801</b>	1,449,284	<b>877,560</b>
Indonesia	2,769,164	<b>3,242,182</b>	337,785	<b>784,599</b>
Other Locations	1,283,936	<b>1,668,990</b>	684,505	<b>352,736</b>
Elimination	(3,099,050)	<b>(3,653,629)</b>	(2,464,423)	<b>(2,910,511)</b>
	21,237,921	<b>22,263,183</b>	9,151,548	<b>8,844,450</b>

#### Net Operating Income (RM' million)



Note: Total net operating income includes inter-segment which are eliminated on consolidation of RM3,654 million for FY 31 December 2016 and RM3,099 million for FY 31 December 2015.

#### Profit Before Taxation and Zakat (RM' million)



Note: Total profit before taxation and zakat includes inter-segment which are eliminated on consolidation of RM2,911 million for FY 31 December 2016 and RM2,464 million for FY 31 December 2015.

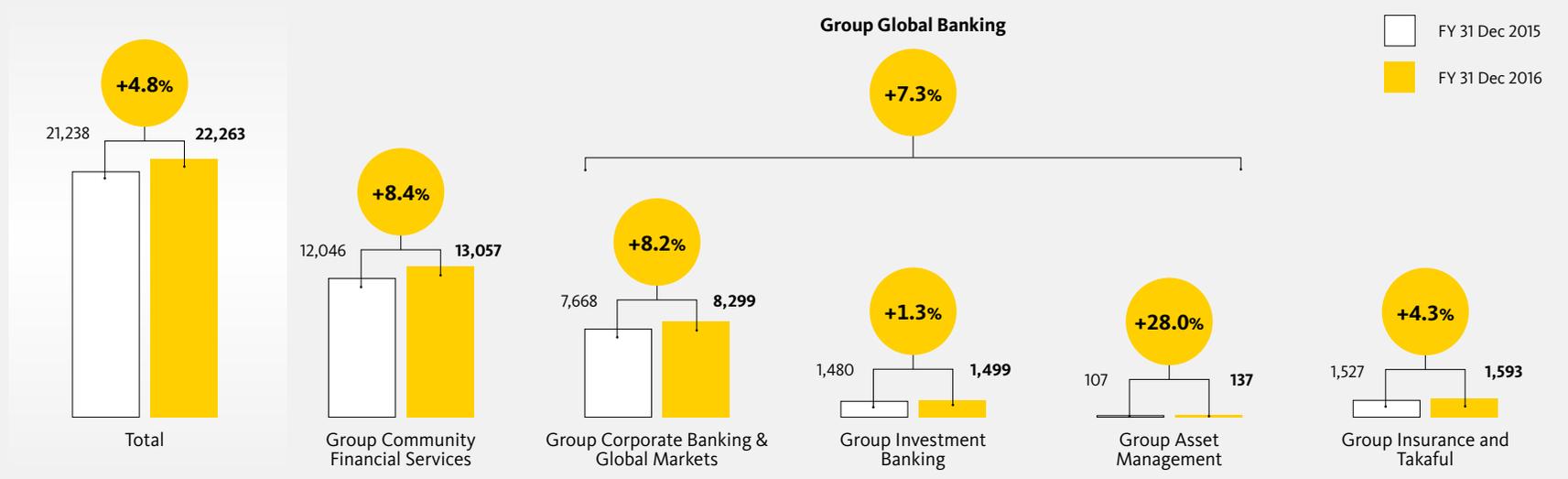
## FINANCIAL PERFORMANCE

### SEGMENTAL INFORMATION

#### Analysis by Activity

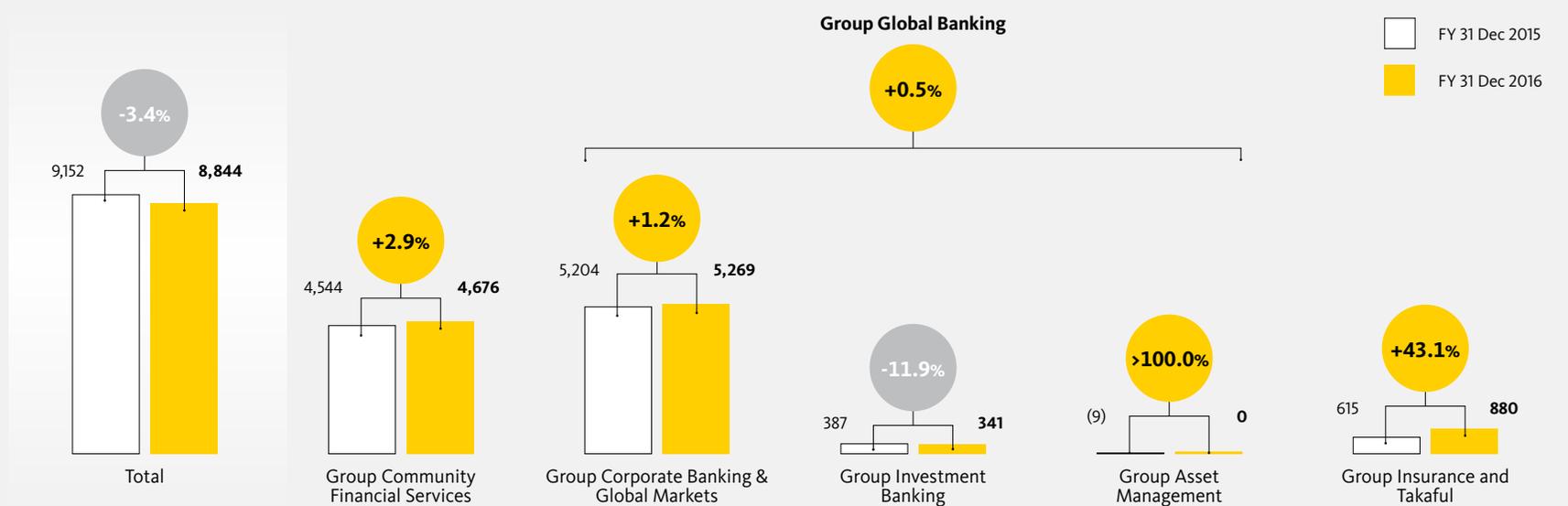
	Net operating income		Profit before taxation and zakat	
	FY 31 Dec 2015	FY 31 Dec 2016	FY 31 Dec 2015	FY 31 Dec 2016
	RM'000	RM'000	RM'000	RM'000
Group Community Financial Services	12,045,660	<b>13,056,929</b>	4,544,270	<b>4,675,555</b>
Group Corporate Banking & Global Markets	7,667,547	<b>8,299,263</b>	5,204,028	<b>5,268,908</b>
Group Investment Banking	1,479,521	<b>1,498,826</b>	387,240	<b>341,196</b>
Group Asset Management	107,419	<b>137,204</b>	(9,680)	<b>163</b>
Group Insurance and Takaful	1,527,166	<b>1,592,578</b>	615,082	<b>880,245</b>
Head Office and Others	(1,589,392)	<b>(2,321,617)</b>	(1,589,392)	<b>(2,321,617)</b>
	21,237,921	<b>22,263,183</b>	9,151,548	<b>8,844,450</b>

#### Net Operating Income (RM' million)



Note: Total net operating income include expenditures of Head Office & Others and inter-segment which are eliminated on consolidation of RM2,322 million for FY 31 December 2016 and RM1,589 million for FY 31 December 2015.

#### Profit Before Taxation and Zakat (RM' million)



Note: Total profit before taxation and zakat include expenditures of Head Office & Others and inter-segment which are eliminated on consolidation of RM2,322 million for FY 31 December 2016 and RM1,589 million for FY 31 December 2015.

## GROUP COMMUNITY FINANCIAL SERVICES



**DATUK LIM HONG TAT**

Group Head, Community Financial Services

### Key Highlights in 2016

#### GROUP COMMUNITY FINANCIAL SERVICES

- Singapore, Indonesia and Cambodia posted strong double-digit profit before tax (PBT) growth – 42.8%, 37.3% and 43.0% respectively.
- CASA growth for most markets outpaced industry. Total Group Community Financial Services CASA ratio improved from 38.5% to 40.6%.
- Key segments drove growth – Retail SME and Group Wealth Management grew PBT by 18.7% and 26.1% respectively.

### Key Priorities in 2017

- Expand fee income streams.
- Sharpen margins and focus on market segments.
- Drive productivity and improve the cost structure of our distribution network.
- Harness strength through cross-sector and cross-border collaborations.
- Drive digital transactions and sales, through innovation.

“Despite a more challenging year, fraught with macroeconomic uncertainties, we saw strong top line growth in our regional markets, and in our core areas of focus, in particular SME and Wealth Management businesses as well as current account and savings account (CASA). In Malaysia, we saw record achievements in digital banking, which registered over 30% growth in monetary transactions and over 50% growth in mobile monetary transactions.

Going into 2017, we remain optimistic of ASEAN’s growth in SMEs, affluence and digitalisation, and are confident that our core focus areas, aligned to ASEAN’s growth engines, will continue to drive our growth in the region.”

### OVERVIEW

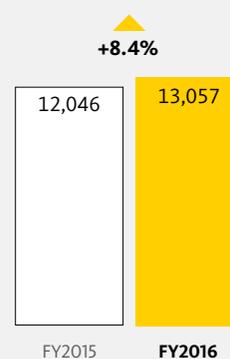
Group Community Financial Services (Group CFS) is Maybank Group’s retail franchise. Today we operate across nine markets, namely Malaysia, Singapore, Indonesia, Philippines, Cambodia, Laos, Brunei and Private Wealth desks in Hong Kong and London. We serve a range of customer segments, namely Business Banking, SME and for individual consumers: Private, Premier, Aspire and mass segments. Across our markets, we provide our customers with a multichannel customer experience, through our network of physical branches, Self-Service Terminals (SSTs) and extensive digital services.

As part of our regional setup, we have three Centre of Excellences (CoEs) to drive key regional businesses across our ASEAN markets. This includes Group Wealth Management, Regional Retail SME and Regional Cards.

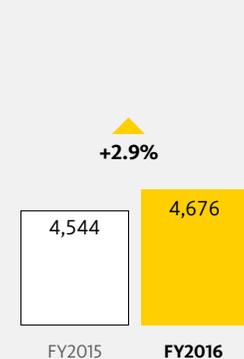
### PERFORMANCE REVIEW

Since the setup of Group CFS in 2013, we have seen double digit CAGR growth in our CFS business across the region, in both loans and deposits portfolio. In 2016, our revenue grew 8.4% against 2015, with overseas contribution increasing from 32.1% in 2015 to 36.8%. We are today one of the largest automobile financing players in the ASEAN region and have won various accolades for our SME business in Indonesia and Malaysia, as well as our Wealth Management business in Singapore and Malaysia.

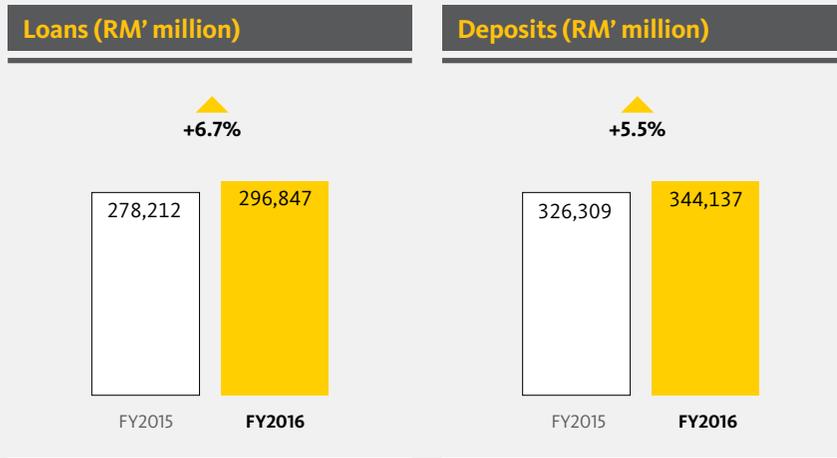
#### Revenue (RM' million)



#### Profit Before Tax (RM' million)



## GROUP COMMUNITY FINANCIAL SERVICES



Our regional businesses, which are present across most of our ASEAN markets, have seen achievements and strong growth in 2016, specifically:

### REGIONAL RETAIL SME

The launch of Retail SME has shortened the time it takes to serve our customers. The improved speed and efficiency is largely the result of our market segmentation strategy, an improved risk framework and robust business processes. With this, the operations in each of our ASEAN markets were able to drive the SME business in a streamlined and structured manner with simplified product offerings, resulting in improved access to financing.

In 2016, we saw a strong double digit PBT growth of 18.7%, underpinned by loans growth of 19.9%. This was a result of our intensified focus on reaching out to customers with “easy access” and “hassle-free” financing. We also strengthened our value proposition by enhancing our product offerings and by improving awareness of our brand through campaigns and road shows in collaboration with local agencies. This has enabled us to connect with small businesses that aspire to grow to their full potential. We were awarded Best SME Bank in Malaysia and Indonesia in 2016 by Alpha Southeast Asia.

### GROUP WEALTH MANAGEMENT

Maybank’s wealth segments of Aspire, Premier and Private Wealth were realigned and regrouped under the single captainship of Group Wealth Management (GWM) in September 2016. This core regional business allows business strategies to be even more holistic. We can meet our clients’ needs comprehensively, and deepen and grow relationships. These are measures that ultimately contribute towards profitability. Booking centres are located in Malaysia, Singapore, Indonesia, Philippines, Cambodia and Hong Kong, and a service desk is located in the United Kingdom.

In a challenging economic environment which caused several wealth management players to exit the market in 2016, GWM managed to increase its total financial assets under management by 12.7% from 2015. GWM currently has a client base of approximately 630,000 accounts across the region and manages assets of over RM250.00 billion, a contribution of approximately 40.0% to Group CFS’ total book size at the end of 2016. GWM also grew its revenue by 17.0% to RM2.88 billion, a contribution of 24.0% to Group CFS’ total revenue for the one-year period ended December 2016.

During 2016, we responded to our customers’ need for basic banking, financing and lifestyle products and enhanced our product bundle for the wealthy customer segment. We also successfully introduced new digital channels, in collaboration with our digital and credit cards team, to cater to our young and affluent customers. Our unwavering customer-centric focus has enabled us to win an array of local and international awards during the year, a testament of our standing and capabilities in the private banking arena.

### REGIONAL CARDS

Regional Cards business demonstrated strong growth with credit and charge card circulation reaching 3 million across the region. In 2016, the business generated receivables of almost RM10.00 billion and total billings grew 8.0% from 2015. We continued to standardise our regional product portfolio and expand the marketing platform and regional assets to create value for our cardmembers. For example, Maybank Premium Cards Golf Programme offers an exclusive experience to our cardholders by providing them with access to 79 golf clubs across 15 countries.

Regional cards business also continues to innovate payment channels. In 2016, Samsung Pay was introduced in Singapore and Malaysia. This application offers our customer a fast, easy and convenient way to make contactless payments.



Maybank joins Samsung’s extensive network of partnerships for our new digital application, Samsung Pay. This move increases availability of mobile payment services in Singapore and Malaysia.

### OUR KEY GROWTH DRIVERS

CFS Malaysia contributes to over 60.0% of our Group CFS business. This was largely driven by strong loans growth in consumer and SME loans, which outpaced industry growth. CFS Malaysia’s overall loans increase of 6.4% in 2016 surpassed the industry’s growth rate for the year. Mortgage loans and SME financing made a gain of 8.4% and 23.1% respectively, compared to the industry’s growth rate of 8.3% and 6.5%, respectively. Meanwhile, automobile financing registered an increase of 6.3%, in contrast to the corresponding industry’s rate which showed a drop of 1.2%.

The growth in deposits for CFS Malaysia can be attributed to an increase in retail deposits of 6.7%. The main contributor was an increase in retail CASA of 4.8% during the year.

## GROUP COMMUNITY FINANCIAL SERVICES

### HIGH NET WORTH AND AFFLUENT BANKING

High Net Worth (HNW) and Affluent customer base grew by 9.0%, while the Emerging Affluent segment increased by 6.0%.

Total financial assets (TFA) for the HNW and Affluent, and the Emerging Affluent customer segments recorded a double-digit growth of 11.0% and 10.0% respectively.

In 2016, we launched a Private Wealth Centre in Penang to cater to the strong HNW base. A streamlined network of 105 Premier Wealth Centres and Lounges, and Private Wealth Centres, allowed us to intensify our focus on the high value client segments, a move that solidified our leading position in the market.

Our recently introduced Premier Wealth mobile application is another step in expanding our digital reach. It aims to provide greater transparency, empowerment and engagement, and allows for greater accessibility while enhancing collaboration between our relationship managers and our clients.

A theme for 2016 was to bring our solutions and privileges more closely in line with our clients' wealth journeys. This proved to be a successful strategy in the uncertain economic environment and resulted in our investment assets under management increasing by double-digits. During the year, we continued to invest in building competencies and the bench strength of our relationship managers and advisors.

In 2017, we will continue to focus on wealth management and aim to deliver the best in class solutions by being a collaborative wealth partner to our clients.

### MORTGAGE & HOME FINANCING

Our mortgage portfolio grew by 8.4% to a balance outstanding of RM75.02 billion.

Residential home financing grew by 10.8%, outpacing industry growth of 9.1%.

GIL ratio remained stable at 0.6% and below the industry average of 1.1%.

We remain the second largest mortgage financier in Malaysia with a market share of 13.2% as at end December 2016. During the year, we continued our focus on the secondary market with a strategic partnership with the Malaysia Institute of Estate Agents (MIEA). We also maintained a close business relationship with FIABCI-Malaysia. The latter's wide coverage of reputable top-tier and established developers sustained our presence and position as the leading financier in the primary market.

Our achievements for the past two years are the results of effective retention and loyalty programmes aimed at preventing attrition of good loans as well as a robust risk-based framework and business strategies that strengthen the quality of our assets. In 2016, we saw positive improvement in our customer experience and service delivery index by implementing the acceptance of letter of offer by borrower(s) via email.

Maybank has been a strong supporter of Bank Negara Malaysia's mission to provide financing for affordable homes. For example, we participate in the provision of special end financing for houses in the 1Malaysia People's Housing (PRIMA) scheme. Moving forward, we will continue to support initiatives by Bank Negara Malaysia, the government and the States in schemes such as Rumah SelangorKu and Rumah Mampu Milik Wilayah Persekutuan (RUMAWIP).

### AUTOMOBILE FINANCING

Loans grew by 6.3% to RM43.41 billion, in contrast to industry growth rate of (1.2)%.

We own a sizeable market share of 25.4% as at December 2016.

Our GIL ratio of 0.51% remains the lowest in the industry.

Our retail hire purchase portfolio recorded a 6.2% increase to RM42.80 billion in total financing for 2016. This increase can be attributed to our focus on the five preferred carmakers in the country particularly national and foreign marque. We maintained a high quality of loan assets by implementing an aggressive collection process for specific customer segments and by restructuring loan payments via the Credit Counselling and Debt Management Agency (AKPK) for eligible customers.

As part of our digital strategy, we introduced a seamless straight-through processing system, known as Auto Dealer Portal. This enables hire purchase applications to be submitted online at selected high volume carmakers/principals/distributors/dealers such as Honda Malaysia Sdn Bhd and Perusahaan Otomobil Kedua Sdn Bhd (Perodua).

### CREDIT CARDS

**No. 1 in customer cardbase**  
(1.90 million cardholders with 20.7% market share).

**No. 1 in billings**  
(up by 8.3% to RM42.66 billion with 28.6% market share).

**No. 1 in merchant sales**  
(up by 4.7% to RM47.34 billion with 37.3% market share).

**No. 1 in receivables**  
(up by 5.4% to RM6.64 billion with 17.2% market share).

Asset quality was well managed with a GIL ratio at 0.72% against the industry of 1.4%.

Maybank is the undisputed leader in the credit card banking subsector in Malaysia. Growth of this business surpassed the industry's growth rate in 2016. During this year, we implemented Bank Negara Malaysia's payment card reform framework and the new pin and pay system.

The strong performance can be attributed to strategic partnerships and attractive marketing programmes with valued merchants and business partners that benefited our cardholders. We also actively promoted the use of e-debit payment, in line with Bank Negara Malaysia's drive towards a cashless society. To date, we have recorded the highest debit card transactions in the industry with a billings market share of 41.0%.

To migrate to the new pin and pay system, we introduced 30 debit card replacement kiosks. These high-tech self-service kiosks benefit our customers, as they are able to replace their existing debit card with the new pin-enhanced MyDebit Card within a minute.

## GROUP COMMUNITY FINANCIAL SERVICES

We successfully launched several 1<sup>st</sup> to market innovations in 2016. For example, the Maybank Visa Payband - the first contactless wearable in Malaysia, allowing users to conduct contactless payments in a matter of seconds, leveraging on Visa's payWave contactless technology, at more than 1,000 locations across the country.



Maybank Group Head of Cards & Wealth, B. Ravintharan (left) and Ng Kong Boon (Visa Country Manager for Malaysia) displaying their contactless payment wearables at a Starbucks outlet.

Another innovation that we launched during the year is known as MaybankPay, Malaysia's first mobile wallet. This application allows customers to pay for their purchases using their smartphones. MaybankPay charges the purchase amount to their Maybank Visa cards.



L-R: Maybank Group Chief Strategy Officer, Michael Foong; Head of Community Financial Services, Malaysia, Datuk Hamirullah Boorhan; Group Head of CFS, Datuk Lim Hong Tat; Group President & CEO, Datuk Abdul Farid Alias; Group Chief Technology Officer, Mohd Suhail Amar Suresh; Head of Cards & Wealth, Group CFS, B. Ravintharan at the launch of MaybankPay.

### BANCASSURANCE

Bancassurance recorded a healthy growth in the Regular Premium Ordinary Life and Personal Accident portfolios despite a challenging year in 2016. We continued to provide our customers with a myriad of Bancassurance solutions, underwritten by Etiqa, and based on their needs and affordability. This ensures our customers have sufficient protection, an element of their total wealth management strategy.

The needs of our retail consumers, SMEs and business banking customers were identified and our personal financial advisors and relationship managers based at branches and Premier Wealth Centres recommended solutions. Endowment plans and investment-linked policies continue to be favoured products.

New demand and recurring demand for Bancassurance is expected to provide a sustainable source of fee income for Maybank. We believe there is potential to grow Bancassurance in Malaysia as the market penetration rate is still low. We strive to accelerate our reach in the coming years, by emphasising on customer engagement and by providing better propositions to them at different touch points. This will require more Bancassurance solutions be made available on Maybank2u and other digital platforms.

### DEPOSITS

CFS continued to register deposits growth of 3.8% despite a competitive and challenging market environment in 2016. Growth in consumer and business banking segments of 6.7% and 10.0% for 2016 respectively, led the growth of Malaysia's CFS deposits.

An increase in consumer deposits by 6.7% outpaces the industry growth rate of 4.8% for the third consecutive year.

CASA deposits grew at 5.1% surpassing growth registered in the preceeding year by 1.5%.

### SME BANKING

Our SME banking business PBT grew by 12.9% in 2016, outpacing the industry's growth rate of 8.0% driven by the retail and general commerce sector.

We continue to focus on the SME First account, introduced as an 'All in One' operating solution. This account combines the operating needs of a small business such as payroll and our digital platform, Maybank2u.

During the year, we participated in eight roadshows aimed at supporting the growth of SMEs across the nation. Several strategic partnerships were also established during this period. For example, we partnered with Credit Guarantee Corporation Malaysia Bhd (CGC) to assist them in disbursing their RM1.50 billion CGC-PG fund which provides financing to SMEs. We also partnered with the East Coast Economic Regional Development Council to disburse their RM65.00 million financing fund with subsidised interest.

## GROUP COMMUNITY FINANCIAL SERVICES

### BUSINESS BANKING

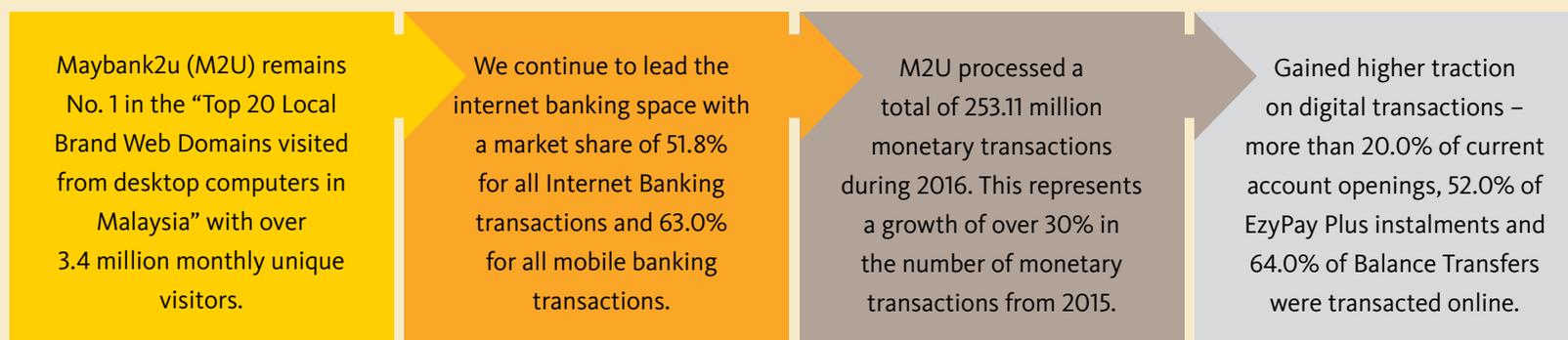
2016 was a challenging year for the corporate and commercial business segment. Loan growth for this segment decreased during this period. Nonetheless, we managed to expand our loan portfolio with new customer acquisition programmes, targeted collaborations with different business units and by leveraging our wide branch network.

We also effectively utilised working capital lines by better managing our customer relationships. We grew our deposit base by targeting non-borrowing customers using our wide branch network and increasing usage of our active cash management system among all our customers.

In terms of asset quality, we registered a small spike in our impaired loans largely due to the challenges faced by our customers in the oil & gas industry. We responded with portfolio re-balancing strategies that optimised our risk over returns, by sourcing better quality loans and by implementing stringent loan monitoring measures. As a result, our exposure to high-risk customers has gradually reduced and our pricing on loans has adjusted to commensurate with our risk exposure.

For 2017, we plan to grow with loans that will provide us with the desired returns. Adopting a 'Controlled Aggression' risk appetite should support us in this endeavour. We are driving deposit growth by promoting the use of our digital channels and this should enable us to maintain sufficient liquidity needed to support the growth in our SME loans.

### DIGITAL INITIATIVES



We continued to drive our "mobile first" strategy, to simplify the digital user experience and intensify our digital migration efforts during 2016.

The following achievements were realised:

- M2U users continue to be digitally engaged. We registered an increase in number of log-ins and transactions as compared to regional peers.
- We saw positive results from using Bahasa Malaysia as the language of transactions in M2U.
- We are the first in Malaysia to offer a first-of-its-kind Premier Wealth mobile application catered towards the affluent customer segment.
- We enhanced customers' ability to bank anywhere and anytime with a refreshed M2U mobile application user interface and a new user experience.
- Enabled remittance transfer via our mobile application, to more than 500,000 Western Union agents located in over 200 countries, 24/7. The instant cash out capability is another first of its kind in Malaysia.
- We enhanced our customer service levels. Maybank Group Call Centre continues to handle inbound & outbound (telesales) calls and social media (Facebook & Twitter) enquiries. This is part of our efforts to drive Maybank Group's mission of "Humanising Financial Services". Our effort

was recognised and we received six awards and two certificates of merit during the Contact Centre Association of Malaysia 17<sup>th</sup> National Contact Centre Awards 2016.

- During the festive season, we encouraged cashless gifts of money and the exchange of greetings via our web and mobile channels. Specialised selfie greetings for Chinese New Year, QR codes scanning among friends and family during Hari Raya and DeepaMoney for Deepavali added an element of fun for our customers.
- We successfully launched several first-to-market innovations such as Maybank Visa Payband and MaybankPay.
- We launched an e-Fixed Deposit Flexi Campaign and CASA straight through processing, a real-time online application for our premier savings account via Maybank2u, in 2016. For 2017, we have lined-up several other digital initiatives to add value to our retail, SME and Business Banking customers.

Moving forward, we are committed to driving greater digital adoption amongst our customers. This approach allows us to tap into different sources of revenue while reducing our cost-to-serve. Our focus remains on mobile banking to drive greater engagement and to increase our penetration in the payment arena.

### OUTLOOK FOR 2017

We expect a slight pick up in growth amid the continued global uncertainties and higher cost associated with industry compliance and regulations. We remain optimistic of ASEAN's growth drivers – especially in the growth of Small and Medium-sized Enterprises (SMEs), middle income population and an increasingly digitised society which sees stronger inclination towards digitisation of banking services. As one of ASEAN's cornerstone banks, we have aligned our core focus areas along the regions' growth agenda of SMEs, wealth management and digital banking to drive our CFS business in the region.

## GROUP GLOBAL BANKING



**DATO' MUZAFFAR HISHAM**

Group Head, Global Banking

**“We are motivated and excited with the prospects that the ASEAN region has to offer and we will chart solutions and proactively connect our clients with regional growth opportunities.**

**In 2016, Group Global Banking’s total revenue grew by 7.4% YoY to close at RM9.94 billion (FY2015: RM9.25 billion). We strengthened our leadership position as the preferred financial partner for corporates in ASEAN as we climbed to the top position for Bloomberg’s ASEAN Equity, Equity Linked & Rights and M&A league tables. We also clinched second place in the ASEAN Local Currency Bonds and Global Sukuk league tables. We maintained our position as the fourth largest ASEAN-based wholesale bank and the fastest growing in terms of total income amongst our peers.**

**To achieve our Maybank<sup>2020</sup> Strategic Objectives, our aspiration is to be the region’s trusted financial partner by leveraging on our extensive footprint in the ASEAN region and by focusing on client-centric solutions as well as by proactively managing our cost, risk and capital to be able to deliver sustainable returns to our clients.”**

### Key Highlights in 2016

- Group Global Banking total income grew by 7.3% YoY to reach RM9.94 billion (FY2015: RM9.25 billion) driven by an increase in non-interest income.
- We are the leading ASEAN investment banking franchise as we are ranked first in Bloomberg’s ASEAN Equity, Equity Linked & Rights and M&A tables and second in ASEAN Local Currency Bonds and Global Sukuk tables.
- We continued to dominate the Malaysian market with a leading market share in corporate lending, trade finance and corporate deposits.
- Successfully expanded the Trade and Treasury Solution Advisory capabilities across our regional franchise in line with our focus to facilitate connectivity between ASEAN and Asia.
- Recognised as the Best Islamic Trade Bank in Asia Pacific in 2016 by IJGlobal, attributable to our unique product structure which caters to the evolving needs of our clients.
- Maybank Kim Eng was awarded the Best Investment Bank in Malaysia by Euromoney for the second consecutive year and the Best Broker of the Decade in Southeast Asia by Alpha Southeast Asia, for its strong performance and best-in-class service for clients.

Our performance in 2016 has further demonstrated the strength and resilience of our franchise as we strive to achieve our Maybank<sup>2020</sup> strategic objective of being “The Leading ASEAN Wholesale Bank Linking Asia”.

### Key Priorities in 2017

- Focus on client-centric solutions as we strive to provide clients better access to capital, efficient management of cash flows and better management of financial risks.
- Partner our clients to achieve stable and sustainable growth in ASEAN during uncertain times through our complete product suites and services, structuring expertise and in-depth insights of the region.
- Continue to invest in enhancing our platform and processes in our quest to provide a seamless client experience.
- Capitalise on our Invest ASEAN platform to deepen client relationships and create opportunities for investors.
- Strengthen our foundation as we move towards becoming an investment intermediary from a credit intermediary.

### OVERVIEW

Group Global Banking provides a wide range of financing and investment solutions to corporate and institutional clients through our presence in 19 countries around the world. The Group’s client-centric business model is anchored on the Client Coverage team and supported by five key product groups: Investment Banking, Corporate Banking, Transaction Banking, Global Markets and Asset Management. Group Global Banking combines local country expertise with regional capabilities to provide consistent and integrated financial solutions to its clients across the region.

## GROUP GLOBAL BANKING

### MAYBANK GROUP GLOBAL BANKING

#### CLIENT COVERAGE

Acts as the single point of contact for both Global Banking's domestic and regional clients and is supported by product specialists to deliver innovative and customised end-to-end financial solutions.

INVESTMENT BANKING via Maybank Kim Eng Holdings Limited and Maybank Investment Bank Berhad	CORPORATE BANKING	TRANSACTION BANKING	GLOBAL MARKETS	ASSET MANAGEMENT via Maybank Asset Management Group Berhad
Products and services offered include corporate advisory services, bond issuance, equity issuance, syndicated acquisition advisory services, debt restructuring advisory services and share and futures dealings.	Offers a wide range of funding solutions, from short-term working capital financing to complex lending solutions, such as cross-border project financing, syndicated loans and bridging loans.	Consists of five main lines of business: Cash Management, Trade and Supply Chain Financing, Structured Trade and Commodities Finance, Financial Institutions and Securities Services.	Comprises the full range of products and services relating to treasury activities and services, including foreign exchange, money market, derivatives and other structured products.	Comprises the asset and fund management services, providing a diverse range of conventional and Islamic investment solutions to retail, corporate and institutional clients.

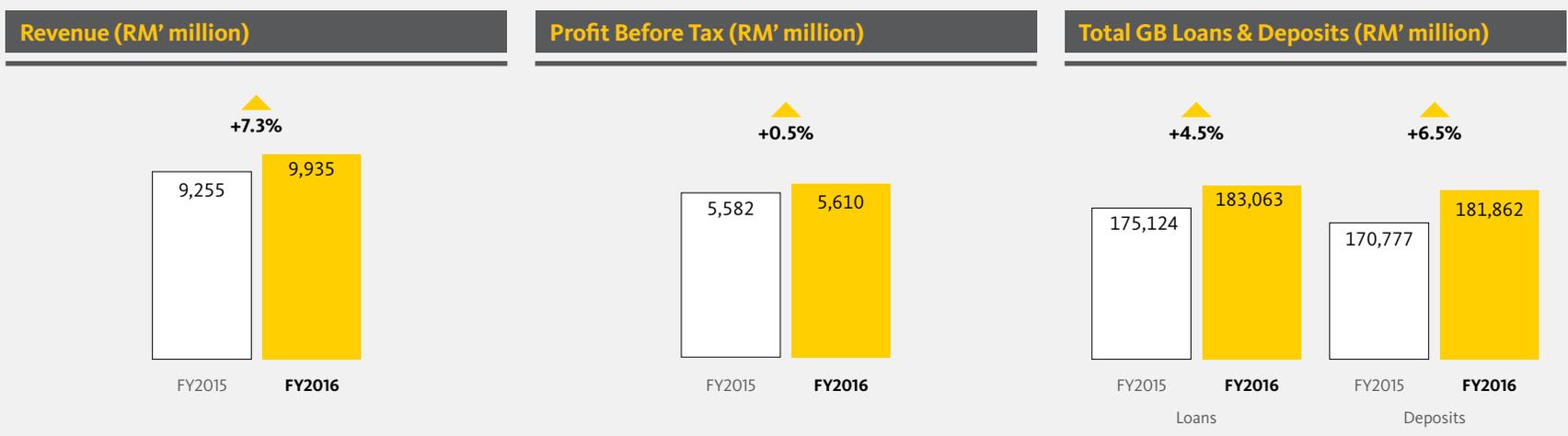
### FINANCIAL PERFORMANCE

FY2016 was another challenging year for Group Global Banking due to persistent slowdown of the global economy and bouts of volatility in the financial markets. Despite the headwinds, Group Global Banking's total revenue grew by 7.3% YoY to close at RM9.94 billion (FY2015: RM9.25 billion). Net-interest income rose by 0.9% YoY while non-interest income rose by 16.5% YoY largely led by the growth in Global Market business.

Group Global Banking recorded a profit before tax of RM5.61 billion (FY2015: RM5.58 billion). Cost to income ratio recorded improvement during the year as a result of our strategic cost management efforts to drive efficiency and higher productivity. We also saw our asset quality deteriorated on the back of challenging market conditions with increase in loan loss provisions by approximately RM384 million YoY. For FY2017, asset quality will continue to remain as our key focus area through our well-disciplined and robust oversight mechanism. We will also proactively manage our portfolio prudently and selectively within our risk appetite.

Malaysia continues to be our key market where we have seen income growth by 10.7% YoY. Our other key markets namely Singapore and Indonesia have also seen revenue growth by 4.5% and 28.1% YoY respectively.

As at 31 December 2016, Group Global Banking's loans stood at RM183.06 billion (FY2015: RM175.12 billion) representing a growth of 4.5% YoY. Deposits stood at RM181.86 billion (FY2015: RM170.78 billion) and rose by 6.5% YoY. The growth in loans and deposits are mainly contributed by our home markets of Malaysia, Singapore and Indonesia.



## GROUP GLOBAL BANKING

### PROVIDING CLIENTS WITH STRATEGIC SOLUTIONS AND ACCESS TO CAPITAL

#### INVESTMENT BANKING

Maybank Kim Eng recorded favourable income growth of 1.3% YoY to RM1.50 billion (FY2015: RM1.48 billion) despite the challenging operating environment and slowdown in capital market activities.

Continued to gain market share in ASEAN as we ranked first in Bloomberg's ASEAN Equity, Equity Linked & Rights and M&A League tables and second in Bloomberg's ASEAN Local Currency Bonds and Global Sukuk League tables.

Retained our position as the leading Investment Bank in Malaysia as we rose to the top position in Bloomberg's Equity & Rights Offering, M&A and RM Sukuk League tables. We also maintained our position among the top two in the Malaysian Bonds League table.

Named Best Investment Bank in Malaysia by Euromoney for the second consecutive year and Best Broker of the Decade in Southeast Asia by Alpha Southeast Asia.

Voted as Malaysia's Best Local Brokerage and won 21 out of 30 award categories including Best for Overall Country Research, Most Independent Research Brokerage, Best overall Sales Service, and Best for Roadshows, in the Asiamoney's Brokers Poll 2016.

#### EQUITY CAPITAL MARKETS

2016 was a landmark year for our Equity Capital Markets (ECM) franchise. It has demonstrated resilience by successfully assisting clients in raising approximately USD2.05 billion in the Asia Pacific region. Some of the notable deals successfully executed by our ECM franchise include:

- Sime Darby Bhd's USD571.65 million primary placement, the largest equity offering in Malaysia for the year and the largest primary placement in ASEAN since February 2014.
- EC World REIT's USD256.20 million IPO, the first Chinese specialised logistics and e-commerce logistics REIT to be listed on the Singapore Exchange (SGX).
- BCPG Public Limited Company's USD169.30 million IPO, Thailand's leading renewable energy company listing on The Stock Exchange of Thailand (SET).

#### DEBT CAPITAL MARKETS

Our Debt Capital Markets (DCM) franchise also demonstrated its strength as it successfully participated in 7 out of 10 largest transactions by value in Malaysia and extended its expertise across the region. Some of the notable deals completed in 2016 are:

- Government of Malaysia's USD1.50 billion Global Islamic Sukuk, the first sovereign Sukuk without utilising physical assets or Commodity Murabahah.
- Sarawak Hidro Sdn Bhd's RM5.54 billion Sukuk Murabahah Facility, the first issuer to graduate from a government guarantee to stand-alone credit.
- PT Sarana Multi Infrastruktur (Persero)'s IDR5 trillion bond issuance out of its IDR30 trillion programme in Indonesia, to accelerate the provision of national infrastructure funding.
- TuasOne Pte Ltd (Hyflux-MHI consortium)'s SGD650 million syndicated project financing for the largest and most efficient energy recovery plant in Singapore.

- Marlin Enterprise's USD425 million Senior Syndicated Facility for the acquisition finance of PT Agincourt Resources, the second largest M&A deal in Indonesia.
- Yinson Production (West Africa) Pte Ltd's refinancing of its existing USD780mil conventional term loan facility into an Islamic Murabahah term financing facility, one of largest vessel financing in Africa for the year.

#### ADVISORY

Our advisory services also made significant strides in 2016 in the face of a challenging environment, as our clients sought to further grow their business. We were involved in some of the largest M&A deals completed in ASEAN in 2016 such as:

- Acquisition of Singapore's Neptune Orient Lines Ltd by French container-ship operator CMA CGM S.A, the largest M&A deal in Singapore.
- Acquisition of hypermarket operator Big C Supercenter Pcl by Thailand's Berli Jucker Pcl, the largest M&A deal in Thailand.
- Acquisition of Shakey's Pizza franchise in the Philippines by Century Pacific Group Inc and GIC Private Ltd, a landmark transaction in the food and beverage sector for the year in terms of size and valuation benchmark achieved.



Malaysian Prime Minister Dato' Seri Najib Razak with Tan Sri Abdul Wahid Omar, leaders of Maybank and fund managers representing 25 global fund management companies at Invest Malaysia London 2016.



Dato' John Chong, CEO of Maybank Investment Bank (second from left) at the signing ceremony to commemorate IGB Corp JV's (Southkey Megamall Sdn Bhd) RM1.00 billion MTN programme. Maybank Investment Bank is the joint principal adviser, joint lead arranger and lead manager for this MTN programme.

## GROUP GLOBAL BANKING

### CORPORATE BANKING

Total income for the Group Corporate Banking segment contracted by 1.7% YoY to RM4.18 billion while total loan outstanding grew by 4.5% in FY2016 to close at RM182.31 billion.

Maintained our domestic leadership with a corporate lending market share of 21.1% as at 31 December 2016.

Participated in notable regional financing deals including:

USD650.00 million Senior Unsecured Syndicated Term Loan Facility for Therma Power Inc, a wholly-owned subsidiary of Aboitiz Power Corporation in the Philippines.

USD442.00 million Project Finance facility for PT Mabar Elektrindo in Indonesia, a company owned by China Oceanwide Holdings Ltd, Shanghai Electric Power Construction Co. Ltd and PT Garda Sayap Garuda.

SGD653.00 million Project Finance facility for TuasOne Pte Ltd in Singapore, a deal that was nominated as the best Asia-Pacific Public-Private Partnership deal of the year in 2016 by Project Finance International.

In 2016, we continued our transformation journey in our aspiration to create sustainable value for our clients through differentiated solutions anchored by product and operational excellence. On the back of difficult market conditions, we elevated our focus on managing risks, returns and capital through our strategic thrusts namely selective loan growth for meaningful returns, effective management of asset quality and enhanced overall capital efficiency. On the regional front, we have strengthened product support to corporate clients through holistic and comprehensive financing propositions while drawing on local knowledge and cross-border support from the regional offices.

For 2017, we will continue to be proactive and focus on the preservation of asset quality amidst heightened market volatility and uncertainties. On the regional outlook, the acceleration in infrastructure investment across ASEAN provides opportunities for capital expenditure financing where we are well positioned to leverage on our Group's footprints across ASEAN.



Caroline Teoh (R), Managing Director of Corporate Banking (far right) with Tan Sri Dato' Seri (Dr) Fumihiko Konishi, Group Executive Chairman of Texchem Group of Companies at HNG Capital Sdn Bhd's 40<sup>th</sup> anniversary dinner.

### FACILITATING CONNECTIVITY BETWEEN ASEAN AND ASIA

#### TRANSACTION BANKING

Maintained our top position as the leading Transaction Bank in Malaysia with a substantial trade finance market share of 25.4% (as at October 2016), cash management market share of 33.0% (transaction value; as at 3Q FY2016) and corporate deposits market share of 29.3% (as at November 2016).

Successfully rolled-out our Trade & Treasury Solution Advisory across our regional franchise and launched Virtual Account Solution in Malaysia, an advanced cash management tool for corporates that provides our clients with greater efficiency and automation in their account receivable reconciliation process.

Established headline collaborations with regional central banks including Bank Negara Malaysia (BNM) to be their sole custodian bank for their investment portfolios, and an appointment by BNM and Bank of Thailand (BOT) to be one of three exclusive cross currency dealers for Malaysian Ringgit and Thai Baht in partnership with Kasikornbank, a leading banking group in Thailand.

Established a partnership with Tollways Management Corporation from Philippines to serve its cash management requirements with our efficient cash flow solutions.

At Group Transaction Banking, we continued to intensify our efforts to strengthen our regional presence and capabilities through various initiatives such as by investing in platform and capabilities as well as by establishing headline collaborations with central banks and corporates.

Moving forward, Transaction Banking will continue our ongoing efforts to strengthen our product and channel offerings. We will also focus on extending our working capital solutions to our clients regionally and continue to undertake tactical improvements across all areas to improve our customer's experience.



YBhg Tan Sri Dato' Sri Abdul Wahid Omar (Chairman of Permodalan Nasional Bhd (PNB)), YBhg Dato' Abdul Rahman Ahmad (President & Group Chief Executive PNB), Dato' Amirul Feisal (Maybank Group Chief Financial Officer), John Wong Tze Yow (Maybank Group Head Transaction Banking), David Gerard Schick (Maybank Director Strategic Operational Excellence) together with Maybank's Transaction Banking team at the PNB Group Quality Initiatives Awards 2016.

## GROUP GLOBAL BANKING

### GLOBAL MARKETS

Total income for Group Global Markets grew by 25.8% YoY to RM3.49 billion (FY2015: RM2.78 billion), underpinned by stable income contribution from both domestic and regional treasury centres.

We solidified our ASEAN presence as we continue to be appointed principal dealer for government bonds from central banks in major centres across the region as well as market maker by the People's Bank of China (PBOC) for RMB/RM and RMB/SGD. This is testimony to our strength in structuring capabilities and sound risk management practices.

Our team at Group Global Markets continued to focus on providing the best solutions to meet our clients' investment and hedging needs by leveraging on our regional network, structuring capabilities and regional platform. After the successful implementation of the Global Traded Risk Management System across our regional footprint last year, we further consolidated our system, products and capabilities in our effort to provide holistic financial solutions to our clients to cover hedging solutions and risk distribution for their originations.

We have also managed to achieve strong income growth from our trading and investment portfolio. This is testimony to our resilient regional franchise and robust risk management. We have diversified our income base with increasing income contribution from our regional treasury centres.

In 2017, Global Markets will continue to strengthen our proposition to provide the best solutions to meet our clients' investment and hedging needs by leveraging our ASEAN presence, by investing in platforms and strengthening our product offerings and client solutions.



L-R: Suhaimi Ilias (Chief Economist Maybank Investment), Datuk Chung Chee Leong (CEO Cagamas Bhd), Saktiandi Supaat (Head FX Research), Farid Kairi (Head Global Markets Malaysia), Dato' Koon Poh Keong (Group CEO Press Metal Bhd), Winson Phoon (Fixed Income Analyst) and Tamara Henderson (Economist Southeast Asia and The Pacific Bloomberg Intelligence) at the Le Meridien Hotel, Kuala Lumpur for the conference titled 'Economic Outlook from Global Markets 2017 Abnormal... The New Normal!'

### GATEWAY TO ASEAN

#### ASSET MANAGEMENT

One of the fastest growing asset management players in Malaysia with an asset under management (AUM) growth of RM7.6 billion or 42.0% YoY and recorded AUM of RM25.60 billion as at December 2016.

Established strategic partnerships with Bank of New York Mellon, one of the top asset management firms in the world, and with Asset Management One, one of the largest firms in Asia, which will leverage on our ASEAN investment capabilities and expand our distribution reach to Japan and Europe.

Successfully launched Maybank Constant Income Fund 4 & 5 Funds, which met with positive demand as our sales target exceeded by 195.0% and 122.0%, respectively.

At Maybank Asset Management Group, we continued with our journey to be the preferred investment solutions provider in Asia as we strengthened our product manufacturing and distribution capabilities with an elevated focus on alternative distribution and strategic partnerships with leading global investment firms. We have also gained peer recognition for our solid track records and capabilities as seen by our appointments as sub-investment manager and advisor by leading global players such as the collaboration with Azimut Group, Italy's largest independent asset manager, to co-manage Azimut's Global Sukuk Fund, with an NAV of more than USD125.00 million and expansion of our partnership with Bosera, one of the largest fund houses in China, to create a wider distribution network in our effort to expand our regional reach. In addition, our absolute return funds Akshayam Asia Fund and Bluewaterz Total Return Bond Fund will be marketed widely based on their consistent performance.

Moving forward, Maybank Asset Management Group will continue to focus on strengthening our investment expertise through the development of products in the alternative space in line with our aim to provide investors with a full suite of investment solutions to suit their global investment needs.



L-R: Nor' Azamin Salleh (CEO, Maybank Asset Management Group) exchanging documents with Hajime Fukuzawa (Executive Vice President, Head, Global Business, DIAM Co Ltd - currently known as Asset Management One) and witnessed by Datuk Mohaiyani Shamsudin (centre), Chairman, Maybank Asset Management Group at a MOU signing ceremony.

## GROUP GLOBAL BANKING

### EQUITIES, RESEARCH & ECDG

One of our key differentiators is the strength of our equities franchise under Maybank Kim Eng. It remains the largest in ASEAN with over 178 retail touch points across the globe and a sales force of 1,850. In 2016, we expanded our footprint in Asia by forming strategic partnerships with Japan's Mizuho Securities and South Korea's Daishin Securities. Together with our partnership with Taiwan's Cathay Securities and our presence in Hong Kong, we now have a comprehensive coverage of the key capital markets in Asia. In terms of market share, we continue to be ranked top broker in Thailand for the 15<sup>th</sup> consecutive year and among the top three in Malaysia.

Our flagship investor conference, Invest ASEAN, powered on for the third year, providing breakaway ideas that capitalise on ASEAN. Themed 'ASEAN's Next Wave: Building the Infrastructure of Opportunity', this conference focused on ASEAN's next growth impetus, infrastructure build-up, which is estimated to be USD110.00 billion per year from 2016 until 2025. The conferences in Singapore and Indonesia attracted 1,436 participants from 15 countries, including 76 companies with a total market capitalisation of nearly USD240.00 billion, and 239 global investors with a combined asset under management (AUM) of over USD22.60 trillion.

Our on-the-ground research team, which is our core thought leadership resource, provides thematic, in-depth country analysis and bottom-up reports on 500 public listed corporates across eight countries: Malaysia, Singapore, Thailand, Indonesia, the Philippines, Vietnam, Hong Kong/China and India.

Equity and Commodity Derivatives Group (ECDG) continued to experience solid growth from the over-the-counter market in 2016. In the exchange traded space, we maintained our position among the top three Structured Warrant issuers in Malaysia. In Thailand, we are ranked in second place among the 12 derivative warrant issuers in the market at the end of 2016.



International music icon and humanitarian Sir Bob Geldof and Datuk Farid Alias discussing the role that companies and investors can play in ensuring sustainable global development at the plenary session of Invest ASEAN Singapore 2016.



Tito Sulistio, President Director of Indonesia Stock Exchange and Maybank leaders at the Maybank Kim Eng - IDX roadshow in USA.

### DIGITAL INITIATIVES

Our digital channels continued to gain traction amongst our corporate and retail clients during the year. Maybank2E, our integrated online cash management platform saw commendable growth in terms of transaction value by 33.34% in 2016, capturing one third of the market share for the whole industry.

Our retail trading platform, KE Trade also saw growth across the region where the number of subscribers to our online trading platform has increased 3% YoY. Active usage of online platforms over total active accounts has also increased to 66.9% in 2016 from 63.3% in 2015, a clear testament of continued interest in our digital offerings. As a result of our effort in building up our online brokerage business, we have been recognised with accolades such as 'Best Online Securities Platform of the Year (Malaysia)' by Asian Banking and Finance Retail Banking Awards, and 'Best Platform Functionality and Best Mobile Platform' by Investment Trends Singapore Broking Report 2016.

Moving forward, we will continue to invest in enhancing our digital platforms as we strive to make banking easier for our clients.

### OUTLOOK FOR 2017

Moving forward, we anticipate the global economy to moderately recover although downside risks from policy uncertainties in advanced economies and geopolitical developments continue to persist. Growth in ASEAN countries is projected to improve on the back of strong domestic consumption and continued infrastructure investments.

In view of this, we remain optimistic about our growth opportunities for the year specifically in the capital market space, as major infrastructure investment remains a priority for the region, in trade flows as we capture ASEAN-China connectivity in line with China's 'One Belt One Road' initiative as well as the overall advisory space from a deepening ASEAN integration. The strength of our fundamentals and our continued commitment to create sustainable value for our clients and our shareholders will help us to grow steadily in 2017 and strengthen our proposition as our clients' trusted financial partner in tapping ASEAN opportunities.

## GROUP GLOBAL BANKING

### KEY DEALS IN 2016

#### MALAYSIA

 <p><b>PAVILLION REIT BOND CAPITAL BERHAD</b></p> <p>RM8.0 Billion</p> <p>Medium Term Notes Programme</p> <p>Joint Principal Adviser, Joint Lead Arranger, Joint Lead Manager</p> <p>March 2016</p>	 <p><b>SARAWAK HIDRO SDN BHD</b></p> <p>RM5.5 Billion</p> <p>Sukuk Murabahah Facility</p> <p>Sole Principal Adviser, Sole Lead Arranger, Joint Lead Manager</p> <p>August 2016</p>	 <p><b>MALAYSIA SUKUK GLOBAL BERHAD</b></p> <p>USD1.5 Billion</p> <p>Global Trust Certificates</p> <p>Joint Lead Manager, Joint Bookrunner</p> <p>April 2016</p>	 <p><b>LEBUHRAYA DUKE FASA 3 SDN BHD</b></p> <p>RM3.6 Billion</p> <p>Sukuk Wakalah</p> <p>Joint Lead Manager</p> <p>August 2016</p>
 <p><b>SIME DARBY BERHAD</b></p> <p>RM3.0 Billion</p> <p>Perpetual Subordinated Sukuk Programme</p> <p>Sole Principal Adviser, Sole Lead Arranger, Sole Lead Manager</p> <p>March 2016</p>	 <p><b>MRCB QUILL REIT</b></p> <p>RM3.0 Billion</p> <p>Medium Term Notes Commercial Papers</p> <p>Joint Principal Adviser, Joint Lead Arranger, Joint Lead Manager</p> <p>December 2016</p>	 <p><b>YTL REIT MTN SDN BHD</b></p> <p>RM1.6 Billion</p> <p>Unrated Secured, Medium Term Notes</p> <p>Joint Principal Adviser, Lead Arranger, Lead Manager</p> <p>May 2016</p>	 <p><b>TELEKOM MALAYSIA</b> <b>KHAZANAH NASIONAL</b></p> <p>RM546.8 Million</p> <p>Secondary Placement</p> <p>Sole Placement Agent</p> <p>December 2016</p>
 <p><b>UEM SUNRISE BERHAD</b></p> <p>RM2.0 Billion</p> <p>Islamic Medium Term Notes Programme</p> <p>Joint Lead Arranger, Joint Lead Manager, Joint Shariah Adviser</p> <p>May 2016</p>	 <p><b>S P SETIA BERHAD</b></p> <p>RM1.1 Billion</p> <p>Rights Issue of new Islamic redeemable convertible preference shares</p> <p>Sole Principal Advise, Shariah Adviser</p> <p>December 2016</p>	 <p><b>SIME DARBY BERHAD</b></p> <p>USD571.7 Million</p> <p>Primary Placement</p> <p>Principal Adviser, Sole Bookrunner, Sole Placement Agent</p> <p>October 2016</p>	 <p><b>SAPURAKENCANA PETROLEUM</b></p> <p>RM774.7 Million</p> <p>Secondary Placement</p> <p>Sole Malaysian Placement Agent Co-Bookrunner</p> <p>April 2016</p>

## GROUP GLOBAL BANKING

### KEY DEALS IN 2016

#### REGIONAL

#### SINGAPORE



#### HOUSING & DEVELOPMENT BOARD

SGD700.0 Million

Bonds

Joint Lead Manager,  
Joint Bookrunner

August 2016



#### ASIA SQUARE TOWER 1 PTE LTD

SGD2.1 Billion

Syndicated Secured Facilities

Mandated Lead Arranger

November 2016



#### MICRON SEMICONDUCTOR ASIA CAPITAL II PTE LTD

USD800.0 Million

Equipment Sale &  
Leaseback Financing

Joint Mandated Lead Arranger,  
Joint Bookrunner

November 2016



#### TUASONE PTE LTD

SGD653.0 Million

Syndicated Project Finance Facility

Joint Mandated Lead Arranger

May 2016

#### INDONESIA



#### SARANA MULTI INFRASTRUKTUR

USD100.0 Million

Onshore USD Medium Term Notes

Sole Lead Arranger

April 2016



#### PT MABAR ELEKTRINDO

USD442.0 Million

Syndicated Project Finance Facility

Mandated Lead Arranger,  
Exclusive Advisor

June 2016



#### EI SUKUK CO LTD

USD750.0 Million

Senior Unsecured  
Sukuk Wakala Bond

Joint Lead Manager,  
Dealer

May 2016



#### BATTERSEA PROJECT HOLDING COMPANY LIMITED

GBP167.7 Million

Syndicated Term Loan Facility

Mandated Lead Arranger,  
Bookrunner

December 2016

#### PHILIPPINES



#### ABOITIZ POWER CORPORATION

USD650.0 Million

Senior Unsecured Syndicated Term  
Loan Facility

Joint Arranger,  
Participating Lender

November 2016



#### SMC GLOBAL POWER SMC GLOBAL POWER HOLDINGS CORP

PHP15.0 Billion

Fixed Rate Bonds

Joint Issue Manager,  
Joint Lead Underwriter,  
Bookrunner

July 2016



#### VINGROUP JOINT STOCK COMPANY

USD300.0 Million

Senior Secured Term Loan Facility

Mandated Lead Arranger,  
Bookrunner

September 2016



#### OCK GROUP BERHAD

USD40.2 Million

Term Loan

Joint Mandated Lead Arranger,  
Lender

June 2016

#### VIETNAM

#### MYANMAR

## OVERSEAS OPERATIONS SINGAPORE



**DATUK LIM HONG TAT**

CEO, Maybank Singapore

**“Despite economic downturns and political uncertainties across the globe in 2016, we are heartened by our harvest of sizable investment banking deals, made possible by close collaboration with Maybank Kim Eng, Etiqa Insurance and Maybank Asset Management. We will continue to leverage the collective strengths and capabilities of the Group’s franchise to further entrench our position as a major financial services provider in Singapore. Our relatively new segments of Private Wealth and Premier Wealth also saw surging growth, driven by our expanding presence in the region’s fastest-growing affluent markets as well as our increased cross-selling efforts.**

**Looking towards 2017, we will capitalise on Singapore’s position as Asia’s financial hub to capture the region’s cross-border trade, investment and asset flows.”**

### Key Highlights in 2016

- Strong growth in fee based income, boosted by higher treasury income and gains from investment securities.
- Maybank Singapore’s loans and deposits outpaced industry.
- Structured the first Shariah-compliant hotel financing deal in Singapore.
- Rolled out Quick Transfer which allow customers to perform near-instantaneous transfer of funds.
- Introduced new feature on Business Internet Banking (BIB) which allows BIB users to view their account balances on their iPhone app and Apple Watch.

### Key Priorities in 2017

- Leverage the combined capabilities of Maybank Singapore, Maybank Kim Eng, Etiqa and Maybank Asset Management to provide a holistic suite of financial solutions for our customers.
- Deepen engagement with our customers and cross-sell across key customer segments.
- Expand our suite of internet/mobile banking solutions and strengthen our digital capabilities to enhance our customers’ experience.
- Capture more cross-border trade, investment and AUM flows in the region.
- Build our deposit base by offering a differentiated suite of transactional and wealth management services.
- Expand Islamic offerings by providing alternative financing solutions for our customers.

### OVERVIEW

Maybank Singapore is a Qualifying Full Bank (QFB) in Singapore. We offer a full range of retail banking services such as cards, deposits, housing loans, SME banking, wealth management, corporate banking, global banking and wholesale banking.

The operating landscape for 2016 was relatively challenging. Preliminary estimates from the Ministry of Trade and Industry showed the Singapore economy expanding by 2.0% in 2016, broadly similar to the 1.9% growth in 2015. A protracted slowdown in the property market weighed heavily on the construction and real estate-related industries. In addition, weakness in global oil prices had also dampened demand for exploration and production activities, which in turn impacted marine and offshore engineering and the supporting services industries. Nevertheless, domestic sectors were relatively stable as the increase in government spending helped support growth in the education, healthcare and information & communications industries.

In light of the weak economic climate, Maybank Singapore adopted a more cautious stance in 2016. We continued to grow our core businesses but placed greater focus on tightening expenses and enhancing the quality of our assets. We also took proactive steps to restructure facilities given to our customers in the oil & gas sector, especially those that have been affected by the protracted downturn in the global energy market.

## OVERSEAS OPERATIONS SINGAPORE

### FINANCIAL PERFORMANCE

Full year net profit before tax for the financial year ended 31 December 2016 was SGD240.48 million. This was 40.0% lower than a year ago. Net fund based income declined by 13.3% to SGD521.00 million as higher funding costs led to a compression in net interest margin. Fee based income increased 18.1% to SGD270.95 million, boosted by higher treasury income and gains from investment securities.

Total loans increased by 4.5% to reach SGD38.80 billion as at December 2016, outpacing the industry growth rate of 0.5%. Amid the weaker economic environment, asset quality deteriorated slightly with the gross impaired ratio rising to 1.36% from 0.48% in the previous year.

Total deposits expanded by 4.5% to reach SGD45.49 billion as at December 2016. This was also faster than the industry growth rate of 4.2%.

### KEY BUSINESS HIGHLIGHTS

#### SINGLE CAPTAINSHIP – SHARPENING OUR COLLABORATIVE EDGE

The heart of our business strategy is our Single Captainship model, which leverages on Maybank Group's collective capabilities to position Maybank Singapore as a major financial services player in the Lion City.

Greater collaboration between the Group's entities in Singapore had taken place in 2016. Despite the softer market conditions, Maybank Singapore and Maybank Kim Eng continued to clinch a diverse range of investment banking deals in Singapore, ranging from IPOs, privatisation and project financing. Together with Etiqa and Maybank Asset Management, we also introduced insurance and investment products to meet the diverse needs of the community. Notably, revenue from our Bancassurance partnership has jumped by over 80% in 2016.

#### CUSTOMER SEGMENTATION

During this economic slowdown, we remain committed to helping viable SMEs in Singapore ride through the challenging business environment, with total lending to our Commercial Banking and Retail SME customers rising at a double-digit pace. Besides loans, we offered a holistic suite of treasury products to SMEs to hedge their cash flow in an increasingly volatile financial market.

Meanwhile, our Private and Premier Wealth businesses continued to grow from strength to strength as we expanded our footprint across the region's fast-growing affluent customer market segment. We also rolled out new product offerings such as Discretionary Portfolio Management, Fixed Income, FX and Structured Products to better serve the investment needs of our Private and Premier Wealth customers.

#### EXPANDING OUR REGIONAL OUTREACH

Maybank Singapore continues to play a pivotal role in driving the Group's cross-border business. Through our three Regional Desks (China, Indonesia and Malaysia), we have facilitated a number of cross-border investment and trade deals for customers looking to expand their business across the region.

### SOLIDIFYING OUR LEADERSHIP IN ISLAMIC FINANCE

We continue to see keen interest among our customers for Islamic variants of banking products since our "Islamic First" initiative rolled out in 2014. In particular, there has been a sharp pick-up in demand for syndicated and term loans among our business customers.

#### DIGITAL INITIATIVES

Two digital initiatives were implemented in 2016 as part of our continuous efforts to enhance the banking experience for our customers.

The Quick Transfer feature enables customers to transfer money almost instantly with just two taps on our application. This is probably the fastest money transfer transaction in Singapore. Interest in the Quick Transfer feature is certainly encouraging, with the number of users more than doubling since its launch.

We also implemented a new feature on our BIB platform, which allows users to view their account balances on their iPhone app and Apple Watch. This is the first-of-its-kind feature for BIB users in Singapore.

### OUTLOOK FOR 2017

Singapore's economy is forecast to expand by 1% to 3% in FY2017. Outlook for trade-related industries is expected to remain relatively weak given the headwinds facing the global economy. For example, growth in the European Union is likely to be hobbled by political uncertainties (such as Brexit, elections in Germany, France and Netherlands). In Asia, China's economic growth is projected to moderate further as the Chinese government continues to restructure and de-leverage its economy.

On a positive note, domestic-oriented sectors such as healthcare and education are likely to perform better in 2017. We also forecast a rise in project financing opportunities across the broader ASEAN region as governments step up their investments in infrastructure projects.

Central to our mission of "Humanising Financial Services", we will continue to engage with our customers and help them weather this challenging economic climate. We will further strengthen our digital capabilities to provide customers with even more convenient access to our comprehensive suite of financial solutions. We also plan to continue working with the government to support SMEs, as this customer segment accounts for more than 50% of Singapore's economy, with financing solutions.

## OVERSEAS OPERATIONS INDONESIA


**TASWIN ZAKARIA**

President Director, Maybank Indonesia

**“We are pleased to report a commendable performance for FY2016. This was the year that Maybank Indonesia achieved its highest results to date. The Bank’s operations improved from the preceding year despite a challenging economy and poor market conditions. Performance of our core business improved significantly on the back of healthy fee income and a disciplined approach towards pricing and growth. We also implemented rigorous risk and cost management measures. Moving forward, we will continue to live our motto of ‘Bigger, Better, Stronger’ and will carry on leveraging Maybank Group’s resources, extensive reach and regional capabilities to support Indonesia’s growth. Our plan is to further participate in the financing of infrastructure projects and to grow our SME portfolio in line with the government’s economic development agenda.”**

### Key Highlights in 2016

- Significant increase in net profit by 71.0% YoY by robust growth in fee income. Net interest income grew despite a lower interest rate climate on the back of tight liquidity management.
- Overhead costs remained under control, growing only by 1.9% YoY. Operating JAWs is still positive while CIR improved to 52.9%. The Bank’s productivity also improved significantly.
- Improved provisioning in light of the weak economic environment.
- Islamic banking continued to perform well, growing by 45.3% YoY and contributing about 13.9% to the Bank’s assets.
- Commenced a strategic partnership with Allianz for Bancassurance, which diversifies our fee based income sources.
- Indonesia Regional Transformation initiative and our exercise in re-profiling assets have started to yield results.

### Key Priorities in 2017

- Expand fee income streams through Bancassurance, structured products and e-channel transactions.
- Drive cross selling of products and services and the use of our e-channel.
- Maintain margin on Community Financial Services (CFS) higher net interest margin (NIM) products and continued segment focus on top-tier Global Banking corporates.
- Continue Maybank Indonesia Regional Transformation initiative that focuses on branch productivity.
- Improve asset quality and capital allocation by closely monitoring the early alerts and watch list.
- Continue loan restructuring activities and re-profile the corporate customer base with a focus on top-tier clients.

### OVERVIEW

The resilient Indonesian economy grew by 5.0% in 2016, supported by sturdy consumption demand in areas that are backed by non-commodity sectors, such as Java, Bali, Sulawesi, West Nusa Tenggara, several provinces in Sumatera, and Kalimantan.

The Indonesian government initially struggled to boost economic growth as the unfavourable economic environment affected government revenue and consequently, impaired government spending. To boost its revenue, the government introduced a tax amnesty programme in July 2016, which successfully added tax revenue of about IDR100 trillion for the six-month period ended December 2016.

The weak economy also affected loan growth in the banking sector, which grew by 7.9%, the lowest rate since 2009. Asset quality also deteriorated as reflected in this sector’s higher non-performing loan (NPL) ratio of 2.9%.

Indonesia’s inflation remained relatively low, around 3.0% in 2016, due to low oil prices and minimal inflationary shocks from the prices of goods and services that are administered by the government.

The biggest external shocks to the Indonesian financial markets during the year was Donald Trump’s election victory in November 2016 and rising US rates on the back of the US Federal Reserve (Fed)’s interest rate hike in December 2016. These factors also affected the Rupiah and the currency fluctuated between 13,400 and 13,600 per USD in the last two months of the year.

Indonesia’s economy is expected to recover slightly in 2017 driven by government spending on infrastructure projects. Gross domestic product (GDP) is expected between 5.1% and 5.2% for the year.

## OVERSEAS OPERATIONS INDONESIA

Meanwhile, inflation is expected to increase to 4.3% in line with the government's phased removal of electricity tariff subsidies. The recent rebound in commodity prices is also expected to affect inflation next year.

The Rupiah closed the year at IDR13,497 per USD assisted by the inflows from the tax amnesty laws received after the Fed lifted its policy rate by 25bps in December 2016. Pressure on the Rupiah is expected to continue in the new year as uncertainty in the global economy remains as the Fed may adopt a more hawkish stance.

Bank Indonesia's seven-day reverse repurchase rate is expected to remain at 4.75% to support the financial sector and the domestic economy in 2017. Total credit is expected to grow from 7.9% in 2016 to 10.2% in 2017 and total third-party funds is expected to be relatively stable from 9.6% in 2016 to 9.5% in 2017.

### FINANCIAL PERFORMANCE

In 2016, Indonesia, like the rest of the region and the world, faced a challenging economic environment, which affected the growth of local businesses and put pressure on household spending. During this challenging period, we participated in supporting the government's infrastructure financing needs. We also focused on efficiently serving selected customer segments based on their needs and both these initiatives contributed to the Bank's impressive performance for the year.

The Bank posted a 71.0% YoY increase in net profit to IDR1.95 trillion for the financial year ended 31 December 2016 from IDR1.14 trillion. This resulted in an improved return on equity (ROE) of 11.9% in 2016 from 8.5% in 2015.

The improvement in net profit is on the back of the growth in net interest income, controlled cost management and better provisioning for non-performing loans (NPL). This achievement is notable given the slow economy and challenging business environment.

Our Shariah business unit continued to improve with a contribution of almost 14.0% to the Bank's total assets, a gain from the previous year. The 'Shariah First' initiative, introduced in 2014, proves that Islamic product placements and financial solutions do cater for all our business lines and customers.

Loan growth was higher by 2.9% YoY at IDR115.74 trillion as at 31 December 2016 supported by a positive performance from a number of business segments. The main business drivers, Global Banking and Business Banking grew by 20.0% YoY and 12.3% YoY, respectively. However, Retail Banking moderated at a (14.9)% YoY on the back of sluggish consumer spending.

Total deposits grew by 3.0% YoY to IDR118.93 trillion in 2016 from IDR115.49 trillion in the previous year. In terms of liquidity, our loan to deposit ratio (LDR) for the Bank (excludes subsidiaries) stood at 88.9% in 2016.

We managed to grow our deposits by focusing on liquidity management, being disciplined in pricing and by looking for stable sources of funds. Our commitment to growing our current account and savings account (CASA) ratio has reaped rewards with a growth of 10.3% YoY to IDR46.04 trillion in 2016 from IDR41.76 trillion in 2015. This has helped us to improve our cost of funds and net interest margin (NIM) ratio. Going forward, we will continue to focus on increasing our CASA ratio.

In line with our strategy to grow conservatively and improve our percentage of good quality assets, the Bank managed to improve its gross NPL to 3.4% in 2016 from 3.7% the year before. This was achieved by re-profiling our portfolio and realigning business units towards high quality credit and top-tier customers such as corporations and state-owned companies.

We are committed to maintaining a sound and healthy capital structure, as this will enable the growth of our business to sustain. In mid 2016 we issued IDR800 billion of subordinate bonds, which were subsequently booked as Tier 2 capital. Together with our improved operating profits, this resulted in an improvement in our capital adequacy ratio of 16.8% in December 2016.

During 2016, we also continued our transformation and integration journey as part of the Maybank Group in 2016. We are particularly proud of our participation in infrastructure financing as this supports Indonesia's economic growth. As part of our commitment to aid the progress of our country, we pursued empowerment initiatives that strengthen our social relations with the broader community.

### STRATEGIC INITIATIVES

A number of strategic initiatives were implemented in 2016. This includes the integration of two lines of businesses: business banking and retail banking into a new segment known as Community Financial Services (CFS). The merger improves our ability to serve business communities targeted by our business banking, retail and corporate banking segments. It also makes CFS a major focus for all our branches in the country.

We are also delighted to announce that we have begun a strategic Bancassurance partnership with Allianz in 2016. This will enable us to offer more comprehensive and competitive products and services to our customers. It is also a strategic move to grow our fee-based income.

Our Strategic Cost Management Program (SCMP) has been instrumental in achieving our goal of looking for cost efficiencies in all areas. For the first time ever, our cost to income ratio (CIR) fell to below 55.0%. Limiting the growth of operating expenses to a single digit while increasing operating income and transaction volumes by double-digits could not be achieved without the commitment and discipline enforced by the SCMP.

We initiated Indonesia Regional Transformation (IRT) to streamline the Bank's operating areas from 12 regions into nine regions. The new distribution considers each region's characteristic and the size of its domestic economy and in line with the focus on regional economic development set by the government. It will further strengthen our capabilities and organisation in the region.

On 11 January 2017, we signed a conditional share purchase agreement to divest our entire stake of 68.55% in our subsidiary PT Wahana Ottomitra Multiartha Tbk to PT Reliance Capital Management. This was a strategic step taken to maximise our capital allocation and to streamline our customer segmentation. Both moves will allow us to effectively optimise the use of our resources. This is also in line with our renewed focus on different customer segments especially the retail customer and we will continue to sharpen our definition and our approach to each segment.

## OVERSEAS OPERATIONS INDONESIA

### CHALLENGES

The challenges faced by the banking industry include a weak global and domestic economy and sluggish domestic consumption levels that have yet to recover. A weak export market and the lower prices of commodities adversely affected corporate customers especially those in the mining and plantation sectors. Consumer spending remained weak, particularly in the property and automobile segments. As expected, these conditions affected credit quality.

We adopted a cautious stance to new loans and limited its growth to selected industries and debtors that commensurate with our desired risk levels. We continue to restructure and strengthen our loans as well as embark upon monitoring and control efforts to maintain and/or improve credit quality.

In terms of funding, accumulating low-cost CASA funds remain a priority. Much like other banks in Indonesia, we faced the problem of a mismatch in shorter-term funds and longer-term loans although this has improved in recent years. This was addressed with a prudent approach towards liquidity management, by diversifying our sources of funds and by increasing the amount and lengthening the tenure of core balances.

### DIGITAL INITIATIVES

In terms of digital innovation, we launched our digital banking service, which includes our flagship online portal, Maybank2u. This is an internet-based mobile banking service that can be accessed via smart phones, wireless devices and desktops. With Maybank2u, banking customers can transact at anytime and anywhere. It is a secure and convenient way to execute banking transactions. This digital platform enabled us to clinch the Indonesia Digital Innovation Award for Banking 2016 for a commercial bank by Business Activities (BUKU) III category by Warta Ekonomi.

In line with the digital era, we aim to build products and services, which offer a positive banking experience for our customers. This can be done with programmes embedded on digital platforms and we will take steps to meet and exceed customer expectations with these innovations. Digital platforms benefit our customers and us, as it reduces the processes and turnaround time involved in banking transactions.

To promote a cashless society, the Jakarta state government worked with Maybank Indonesia and other local commercial banks to create an online payment system for local taxes. This is a breakthrough innovation and speaks of our support for the local government. We hope this online payment system will be of tremendous help in collecting the state government's tax revenue.

Maybank Group aims to become the "Digital Bank of Choice". To support this, our digital aspirations include several targets, including 50% of our customers using our digital platforms and 30% of new sales to take place online. We are building and improving our capabilities and platforms to achieve these goals.

Plans are in place to transform our digital platform from a transactional site to a place that supports the portfolio management strategies and financial goals of the customers. Every new product and every interaction with our customers will be carefully brought to a digital form. We will continue to act as Maybank's digital ambassadors and will guide the development of our digital platforms to best suit our customers' needs.



Grand launch of the new corporate identity for Maybank Indonesia at Sentral Senayan III head office.

### OUTLOOK FOR 2017

We expect 2017 to be marked by both internal and external challenges. We do not intend to rest on our laurels but aim to maintain the momentum of our achievements in 2016. We will intensify our focus in improving and diversifying our revenue streams in the midst of an increasingly competitive banking industry.

We will continue to expand and strengthen the corporate business portfolio, building on the strength of its turnaround in 2016. Business Banking (now part of Community Financial Services) is expected to lead by focusing on SMEs, a core strength for the Bank. We will also focus on building the retail segment by offering competitively priced retail products based on our knowledge on consumer behaviour and our creativity.

We remain focused on growing our customer base, which is still relatively small at the moment. This is a goal for all our business lines and the priority is to build-up our base of retail customers.

To ensure the Bank's continued success, we will identify and seize all opportunities across all customer segments. We remain committed to growing with our business partners and providing a better level of service to our community. This is in line with our goal of becoming the leading financial services provider in Indonesia, growing with the nation and the economy, and living our mission of "Humanising Financial Services".

## OVERSEAS OPERATIONS INTERNATIONAL



**POLLIE SIM**

CEO, Maybank International

**“2016 has been a year filled with challenges and opportunities. The impact of events around the world will continue to be felt in the coming months and years.**

**I am confident that ‘Team International’ will remain resilient and committed to our customers, employees, shareholders and the communities we serve.”**

### OVERVIEW

Guided by our new vision of “Advancing Asia’s Ambitions With You”, the launch of a new 10-storey office tower in Cambodia, opening of a second branch in Laos as well as a fifth branch in Greater China further strengthened our footprint and allows our customers to enjoy better connectivity and a seamless banking experience across Asia and beyond.

Through our customer-centric initiatives, we are able to better serve our customers with more simplified and streamlined processes and empowered staff. We stay close and relevant to our customers through various ASEAN-focused networking seminars.

### OUTLOOK FOR 2017

The China-led global slowdown and volatility in the US and European markets are expected to persist in 2017. ASEAN growth will be increasingly driven by China outbound investments as well as the growth of domestic consumption in emerging markets. Leveraging on our extensive market reach and regional capabilities in all 10 ASEAN markets, we are well poised to buck the trend of continued global economic stagnation and seize business opportunities.

We will prioritise our focus to strengthen asset quality management in this vulnerable macro environment, focus on serving our key clients in ASEAN, and enhance retail banking franchises in selected international markets.

We continue to intensify the transformation programmes to grow markets, to drive flow-led strategy and strengthen retail banking by leveraging on regional capabilities of the Group’s Centre of Excellence. We will build greater synergies across the region and improved turnaround time and productivity.

#### Key Highlights in 2016

- Overall, International delivered a lower profit before tax (PBT) of RM332.07 million.
- We have successfully set up Maybank Shenzhen branch to tap on ASEAN-Greater China opportunities, following new branches in Kunming and Yangon.
- International growth has been impacted by various external volatilities in 2016 – China-led global slowdown, post-Brexit and US election uncertainties. In addition, increasingly stringent regulatory requirements to cope with uncertainties resulted in higher regulatory and compliance costs.

#### Key Priorities in 2017

- Focus on raising fee income growth, cross-selling initiatives and productivity.
- Ride on our extensive global network to capture cross-border flows.
- Strengthen asset quality management and risk management.

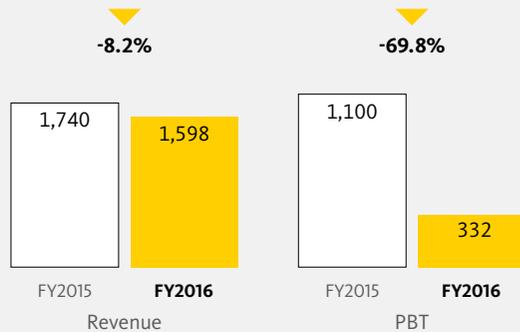
## OVERSEAS OPERATIONS INTERNATIONAL

### SUSTAINING PROFITABILITY

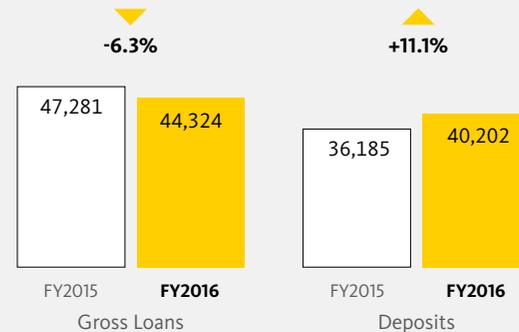
International revenue declined by 8.2% YoY largely due to lower fee income. International PBT lowered by 69.8% YoY to RM332.07 million in 2016, impacted by higher loan loss provision.

Total gross loans stood at RM44.32 billion driven mainly by term loans and revolving credits. Deposits stood at RM40.20 billion, with a 21.3% YoY growth in fixed deposit.

#### Revenue and PBT (RM' million)



#### Gross Loans and Deposits (RM' million)



## GREATER CHINA

### OVERVIEW

Maybank Greater China (GC) comprises our branches in Hong Kong, Shanghai, Beijing, Kunming and Shenzhen. We provide wholesale banking and investment banking services to commercial and corporate clients in Hong Kong and China, and specialise in cross-border solutions between Greater China and ASEAN.

#### Key Highlights in 2016

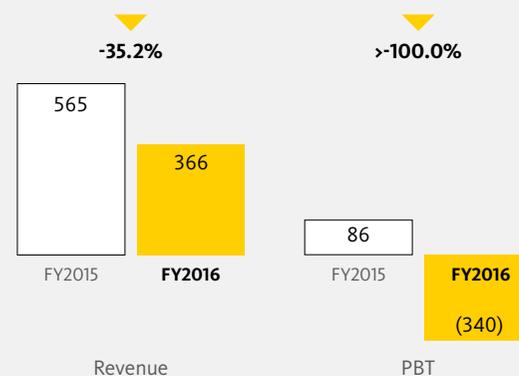
- Maybank Greater China registered a lower revenue growth of 35.3% YoY due to lower net interest income and loan related fee. PBT declined by more than 100.0% YoY, due to a higher loan loss provision.
- Gross loans declined by 20.0% YoY, mainly from term loans. Meanwhile, deposits contracted by RM4.62 billion or 28.7% as compared to the prior year, arising from lower savings accounts and fixed deposits.

- With global connectivity that defines the 21<sup>st</sup> century, China's One Belt One Road initiative will deepen its infrastructure, economic and cultural connectivity with the rest of the world. With this, abundant opportunities including currency swaps, trade-financing deals and offshore bond issuance are growing at a rapid rate globally.

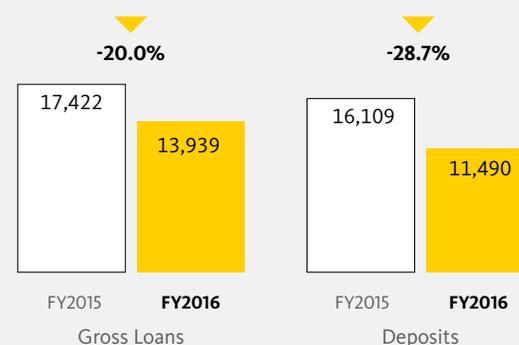
#### Key Priorities in 2017

- Continue to strengthen Transaction Banking and Treasury capabilities to better facilitate China-ASEAN flows.
- Strengthen asset quality management.
- Enhance capabilities to build flow-led business.
- Position GC as the gateway to ASEAN and Renminbi (RMB) hub.
- Grow Private Wealth segment in GC.

#### Revenue and PBT (RM' million)



#### Gross Loans and Deposits (RM' million)



### SPOTLIGHT ON 2016 ACHIEVEMENT

Maybank Shenzhen Branch was officially launched on 15 April 2016. This brings our total number of branches in GC to five.

### 2017 OUTLOOK

- GDP for China and Hong Kong is expected to expand at a moderate growth rate of 6.9% and 2.4%, respectively.
- Despite rising global economic uncertainties for Asia in 2017, optimism over China's growth outlook is increasing as the stimulus and prospects for stronger global demand buoys sentiment.

## OVERSEAS OPERATIONS INTERNATIONAL

### MAYBANK PHILIPPINES

#### OVERVIEW

Maybank Philippines Incorporated (MPI) is a full-service commercial bank providing both retail and wholesale banking services. With our branch network of 80 branches across the country, we offer a wide array of financial solutions customised for affluent clients and corporations in the Philippines. We are also involved in treasury operations, with an emphasis on money market operations and foreign exchange trading.

#### Key Highlights in 2016

- Revenue grew by 9.2% YoY, led by higher net interest income by 12.2% YoY. However, loan loss provision was higher by RM62.06 million or 129.9% YoY. This led to a contraction in PBT by RM52.75 million or 64.2% YoY.
- Gross loans and deposits expanded by 4.5% and 13.8% YoY respectively.

#### Key Priorities in 2017

- Maximise the growth of retail banking.
- Improve productivity.
- Strengthen asset quality management.
- Grow the mid-tier corporate segment.

#### SPOTLIGHT ON 2016 ACHIEVEMENTS

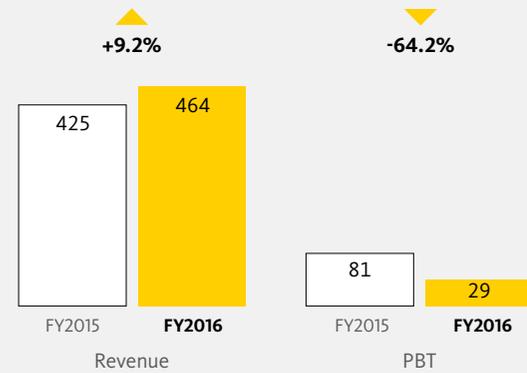
MPI launched its 80<sup>th</sup> branch in EDSA, Caloocan City on 10 March 2016, maintaining its position as the largest branch network among foreign banks in the country.

On 23 November 2016, MPI inaugurated the first stand-alone theatre in central Metro Manila, named after Maybank - Maybank Performing Arts Theater in Bonifacio Global City.

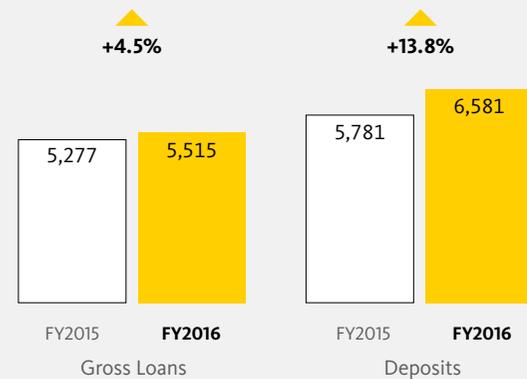
#### 2017 OUTLOOK

- Philippines' economy is ranked among the fastest growing in the world with a GDP growth of 6.4% in 2016.
- Although recent political events both in the US and domestically have made the outlook much less certain, Philippines' economic growth is domestically driven with consumption holding up relatively well. This puts the foundation in place for growth to remain strong.

#### Revenue and PBT (RM' million)



#### Gross Loans and Deposits (RM' million)



## OVERSEAS OPERATIONS INTERNATIONAL

### MAYBANK INDOCHINA

#### OVERVIEW

Maybank Indochina comprises our subsidiary in Cambodia, as well as our full-fledged branches in Vietnam, Laos, and Myanmar. Maybank has 21 branches under Maybank (Cambodia) PLC (MCP), two branches in Vietnam, two branches in Laos and one branch in Myanmar. We offer wholesale banking services to our commercial and corporate clients across our Indochina markets, and provide retail banking services in both Cambodia and Laos. We are the first and only Malaysian bank to be granted a foreign banking license by the Central Bank of Myanmar, to operate in Myanmar.

#### Key Highlights in 2016

- Strong revenue growth of 15.6% YoY, driven by Cambodia and Myanmar. In addition, PBT rose by 10.4% YoY.
- Loans grew by 23.8% YoY, on the back of steady loans and credit growth. Deposits also rose significantly by 42.8% YoY, with CASA and fixed deposits growing by 30.6% and 55.9% YoY respectively.

#### Key Priorities in 2017

- Strengthen Transaction Banking and Treasury capabilities for the region to facilitate our clients' cross border needs.
- Focus on accelerating the Global Banking franchise in Vietnam and Myanmar, particularly in facilitating Foreign Direct Investment and trade.
- Accelerate retail banking growth in Cambodia and Laos.

#### SPOTLIGHT ON 2016 ACHIEVEMENTS

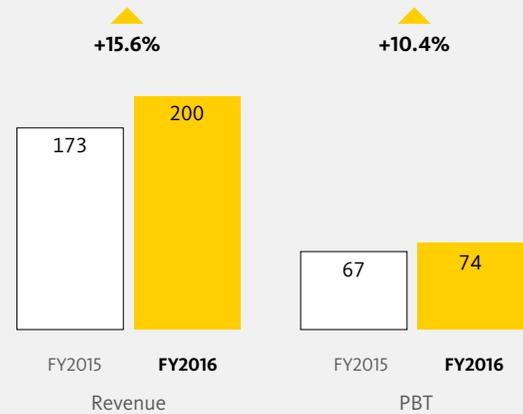
The grand opening ceremony of Maybank Tower Cambodia was held on 5 March 2016. In conjunction with the opening, MCP launched the first-of-its-kind Visa Debit Picture Card in the country.

MCP was awarded the 'Best CSR Bank Cambodia 2016' and 'Best Mobile Banking App Cambodia 2016' by the Global Banking and Finance Review.

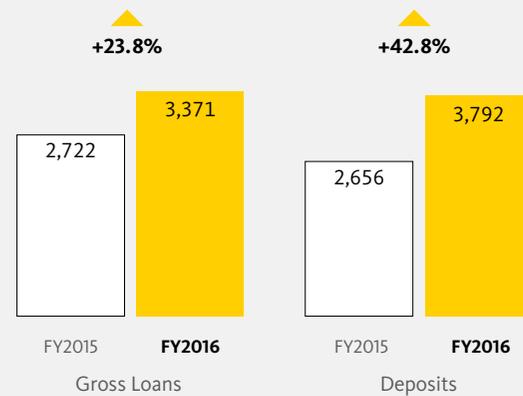
Maybank Laos officially launched its second branch in Nongduang on 7 March 2016.

Maybank Myanmar branch was one of the mandated lead arrangers for Myanmar telecommunications project with OCK Group Bhd.

#### Revenue and PBT (RM' million)



#### Gross Loans and Deposits (RM' million)



#### DIGITAL INITIATIVES ENHANCEMENTS

- Maybank Cambodia launched its latest **Mobile Banking Application** (app) in Cambodia on 28 May 2016. The app integrates an augmented reality locator tool which enables users to detect nearby ATMs and promotions exclusive to Maybank customers, an in-app QR Code Reader as well as a loan calculator.
- MCP launched the first-of-its-kind Visa Debit Picture Card which allows customers to personalise their debit cards with pictures of their choice in February 2016.

#### 2017 OUTLOOK

- Economies in the Cambodia, Myanmar, Laos and Vietnam (CMLV) region are likely to hold up reasonably well in 2017 despite concerns over slowing global growth and uncertainties of the Trump administration.
- CMLV can expect continued high growth rates, with more than 8.0% growth in Myanmar.
- Private consumption and infrastructure spending will continue to be key drivers of growth in the region.

## OVERSEAS OPERATIONS INTERNATIONAL

### REST OF THE WORLD

#### OVERVIEW

Our global presence extends from key financial hubs to opportunistic markets, through four other branches strategically located in New York, London, Brunei and Labuan.

#### Key Highlights in 2016

- The cluster's revenue declined slightly by 1.6% YoY. PBT declined by 39.5% YoY, mainly due to a write back in provision in London and Labuan for financial year ended 31 December 2015.
- Gross loans stood at RM21.50 billion, while deposits grew significantly by RM6.70 billion or 57.6% YoY.

#### Key Priorities in 2017

- Continue to build synergies with Maybank Kim Eng in the United States (US) and United Kingdom (UK) markets to provide holistic financial solutions to our regional clients.
- Focus on growing our business banking portfolio in Brunei.

#### SPOTLIGHT ON 2016 ACHIEVEMENTS

For the second consecutive year, Maybank Brunei branch was awarded the 'Fastest Growing Foreign Bank Brunei 2016' by Global Banking & Finance Review.

Maybank Labuan branch received the 'Straight Through Processing Excellence' Award 2016 for US Dollar Payments from Citibank.

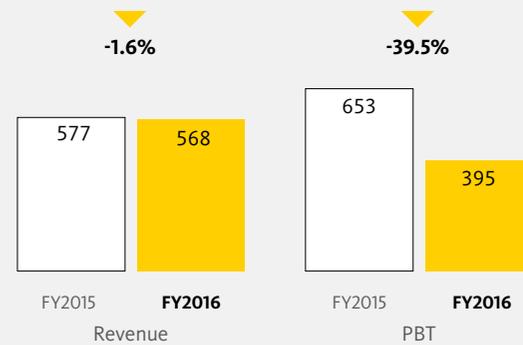
Maybank London branch successfully launched a Wakalah structure in October 2016.

#### 2017 OUTLOOK

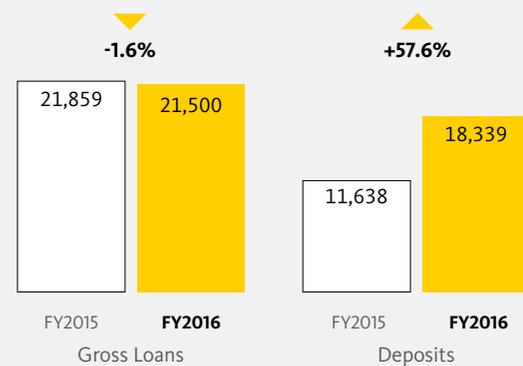
Due to uncertainty looming over the UK's economic outlook post Brexit, UK's growth should decelerate by 1.9% with businesses holding back on making investment decisions.

The US economic momentum, the likely shift in policy mix with President Donald Trump's plans for big spending and tax cuts, are likely to spur a wave of economic growth for the US, which has a forecasted GDP growth of 2.3%.

#### Revenue and PBT (RM' million)



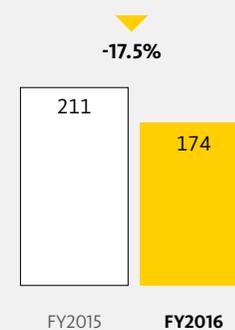
#### Gross Loans and Deposits (RM' million)



#### ASSOCIATES

Share of profits from Associates, namely MCB Bank, An Binh Bank and Uzbek Leasing International, declined by 17.5% YoY to RM174.20 million in 2016.

#### Share of Associates' Profits (RM' million)



## GROUP INSURANCE & TAKAFUL



**KAMALUDIN AHMAD**

Chief Executive Officer, Maybank Ageas Holdings Bhd

**“We are shifting towards digitalising the core of our insurance and takaful businesses. This requires us to re-think our traditional business models and explore fundamentally new and disruptive ideas. We constantly assess the way we think and work, and consider how we can improve the turnaround time and service delivery to fulfill the evolving needs of our customers in line with our vision to humanise insurance and takaful. Our move towards a stronger digital presence is part of our efforts to enhance our customers’ experience in their journey with us.”**

### OVERVIEW

The Group offers insurance and takaful products through its insurance and takaful subsidiaries under the brand name Etiqa. The holding company is Etiqa International Holdings Sdn. Bhd. (EIHSB), a wholly owned subsidiary of Maybank. Under EIHSB, there are; (i) Maybank Ageas Holdings Bhd (MAHB) which is 69.05% owned by EIHSB and 30.95% owned by Ageas Insurance International N.V. and (ii) AsianLife and General Assurance Corporation (ALGA), which is 95% owned by the Group.

The operating entities under MAHB are: Etiqa Insurance Bhd (EIB) in Malaysia, Etiqa Insurance Pte Ltd (EIPL) in Singapore for Insurance and Etiqa Takaful Bhd (ETB) in Malaysia for takaful. In Philippines, Etiqa has a presence via ALGA.

Etiqa aspires to support Maybank Group's growth regionally with its presence in Singapore via EIPL, and in Philippines via ALGA. There is also the potential to expand into other Southeast Asia countries where Maybank has a presence. This regional reach provides the foundation for Etiqa to become ASEAN's leading insurer.

Etiqa has a strong agency force comprising of over 10,000 agents and 28 branches throughout Malaysia. We also have a wide Bancassurance and Bancatakaful distribution network through over 350 Maybank branches and other third-party banks.

### Key Highlights in 2016

- Market leader in combined general insurance & takaful business in Malaysia.
- Market leader in the e-Channel business with 89.7% market share in general insurance & takaful in Malaysia.
- Topline growth of 4% YoY to RM5.33 billion from FY2015. This comes close to our record high of RM5.38 billion topline recorded for FY2012.
- Maybank Ageas Holdings Bhd recorded its highest profit before tax (PBT) of RM809.72 million in FY2016, also a record YoY growth of 34.0%.
- Etiqa Takaful Bhd recorded the best profit of RM343.33 million to date, a growth of 38% against FY2015.
- Regular premium new business grew 49% to RM492.95 million from FY2015, contributed by Etiqa Insurance Ptd Ltd in Singapore and Bancassurance.
- General insurance/takaful business recorded higher performance supported by growth in Fire, Personal Accident and Miscellaneous segments by 9.0%, 20.0% and 29.0%, respectively.
- Combined ratio improved to 78.3% from 88.1% in FY2015 due to lower claims ratio.
- No. 1 in Group Health Insurance in the Philippines in 2016 for the fifth consecutive year.
- Etiqa Insurance Bhd, Etiqa Takaful Bhd and Etiqa Insurance Pte Ltd, were respectively assigned an Insurer Financial Strength (IFS) 'A-' rating by Fitch Ratings.
- Established the foundation to become the leading ASEAN insurer with a presence in Malaysia, Singapore and Philippines; and the potential to expand into other countries in Southeast Asia.

### Key Priorities in 2017

- Champion our mission of “Humanising Financial Services” with a customer-centric focus.
- Deliver a sustainable and profitable growth to our shareholders, maintain our lead position in profitable markets and improve our market share in places where we have yet to lead.
- Strengthen the Bancassurance relationship between Etiqa and Maybank throughout the region.
- Drive productivity by leveraging on digital innovations, especially for Motortakaful.com and Etiqa's Direct Sales Portal in Malaysia and Singapore.

## GROUP INSURANCE & TAKAFUL

In line with our strategic priorities of improving our profits through a customer centric focus, we've expanded our online business. Etiqa's products are also made available through cooperatives, brokers, institutions and direct sales. This brings us closer to our customers and increases our reach in the Malaysian market.

We work hand-in-hand with our partners and customers to humanise insurance and takaful. This is in line with Maybank Group's aspiration of "Humanising Financial Services" across Asia. Etiqa's passion is backed by the solid foundation, strength, and expertise of Maybank Group and driven by the professionalism, empathy, courage and integrity of Etiqa's staff.

Etiqa's wide range of life and family products include endowment, term, personal accident, education, investment-linked and medical insurance, while the general conventional insurance and takaful products include fire, motor, aviation, marine and engineering policies.

EIB and ETB are respectively rated 'A-' with a stable outlook by Fitch Ratings following Malaysia's long term local currency issuer default rating downgrade to 'A-' from 'A'. The new rating does not affect EIB and ETB's strong business profile in the domestic insurance and takaful market, their extensive distribution network, consistent operating performance and their prudent investment approach. The rating also acknowledges EIB and ETB's solid capital position on a risk-adjusted basis and their sound reserving processes.

Across the straits, EIPL is also graded 'A-' rating by Fitch. This rating recognises EIPL's support and contributions towards Etiqa's regional aspirations.

### INTERNATIONAL PRESENCE

#### ETIQA INSURANCE PTE LTD, SINGAPORE

Etiqa Insurance Pte Ltd, Singapore (EIPL) is a licensed life and general insurance company registered in Singapore and governed by the country's Insurance Act.

EIPL's life business commenced on 6 August 2014 and made a remarkable start by making SGD23 million in sales in its first year of operation. In 2015, EIPL's life business was ranked 12 among 22 insurers while its general business was ranked 21 among 34 general insurers.

Etiqa has been providing general insurance solutions in Singapore for more than 50 years since 1961 as United General Insurance Co. Sdn. Bhd. The company evolved to become the Singapore branch of Etiqa Insurance Berhad in 2009. In April 2015, the Singapore branch of Etiqa Insurance Berhad transferred its general insurance business to EIPL.

In line with our digital aspirations, EIPL introduced a hassle-free claims submission process via its portal. It simplifies our claim processes while making it convenient for our customers during times of distress. We believe this innovation lives up to our mission of humanising insurance.

While the primary focus is still on Bancassurance, new distribution channels were added to expand our life business. This includes international brokers, independent financial advisors and direct online channels. We also launched suitable products to cater to different market segments including the mass market and high net worth customers. A comprehensive and varied distribution network is necessary for EIPL to remain competitive.

Our direct channel continued to grow, especially for fire insurance, as Etiqa is the only basic fire insurer for Singapore's Housing and Development Board (HDB). Our foray into digitalisation and social media is an added advantage as we can market such products online.

#### ASIANLIFE AND GENERAL ASSURANCE CORPORATION, PHILIPPINES

AsianLife and General Assurance Corporation, Philippines (ALGA) offers life and group health and accident products, general insurance, micro-insurance and Bancassurance. ALGA has a 58-year track record of impeccable and trustworthy service. It currently has an asset base of PHP2 billion. ALGA is also recognised as the leader in group health insurance for the past five years in Philippines. The company is ranked 15<sup>th</sup> in terms of premium income and ranked third in terms of net worth.

ALGA has a comprehensive business network establishment in the country with 691 accredited clinics, 456 hospitals and 21,112 doctors that serve more than 1,060 corporate and 400,000 individual clients nationwide. We also have a network of 60 brokers, 100 agents and a direct marketing workforce to serve our customers.

While the focus is still to strengthen our core business, ALGA had in December 2016, obtained approval from the Insurance Commission and Bangko Sentral Ng Pilipinas for a Bancassurance partnership with Maybank Philippines (MPI). This partnership allows us to roll out various life and non-life products across MPI branches nationwide. With the continuous support by the Maybank Group, strong synergy with our stakeholders and solid management team, ALGA is expected to sustain its top position in the group health and clinch the position of fastest growing Bancassurance player and leading innovator for alternative distribution channels in the country. This recognition requires ALGA to have a strong digital and online channel presence in the next five years.

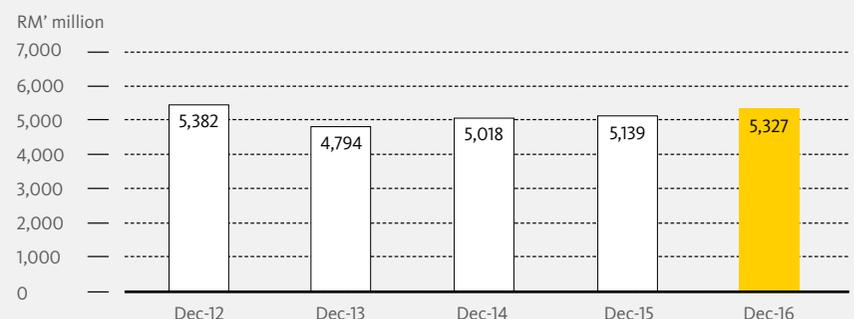
ALGA ensures its products are very competitive relative to our competition and based on our customers needs. In 2016, the company launched a single variable unit-linked (SPVL), endowment and education products. Moving forward, the company aims to offer simple, relevant, straight-through process and affordable insurance products to compete effectively and remain relevant. Plans include offering regular variable unit-linked (RPVL), personal accident products and travel insurance across all distribution channels, including online channel.

### FINANCIAL PERFORMANCE

#### MAYBANK AGEAS HOLDINGS BERHAD (MALAYSIA AND SINGAPORE OPERATIONS)

MAHB's combined gross premium and contribution recorded a 3.7% growth YoY to RM5.33 billion in FY2016, on the back of strong growth for life insurance and general takaful business. This comes close to our record high of RM5.38 billion achieved in FY2012.

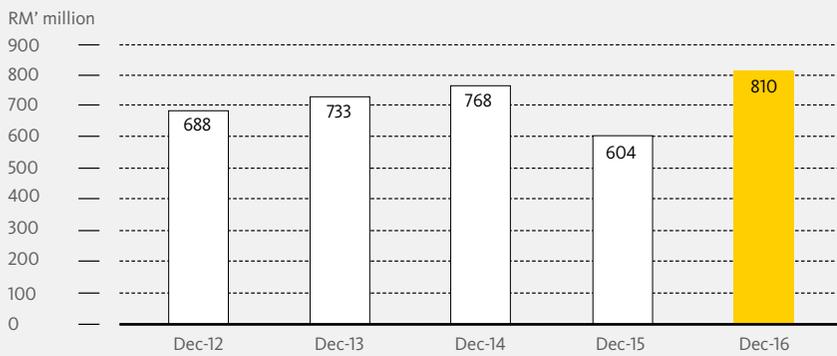
#### Gross Premium/Contribution



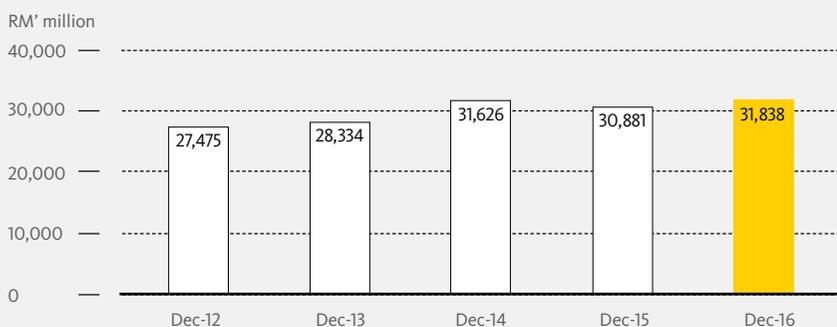
## GROUP INSURANCE & TAKAFUL

Profit before tax (PBT) surged by 34.0% to RM809.72 million for FY2016. This is the highest PBT recorded by MAHB, largely attributed to good underwriting and a favourable investing environment. Total assets increased by 3.1% to RM31.84 billion for FY2016 from RM30.88 billion recorded in the previous year.

### Profit Before Tax



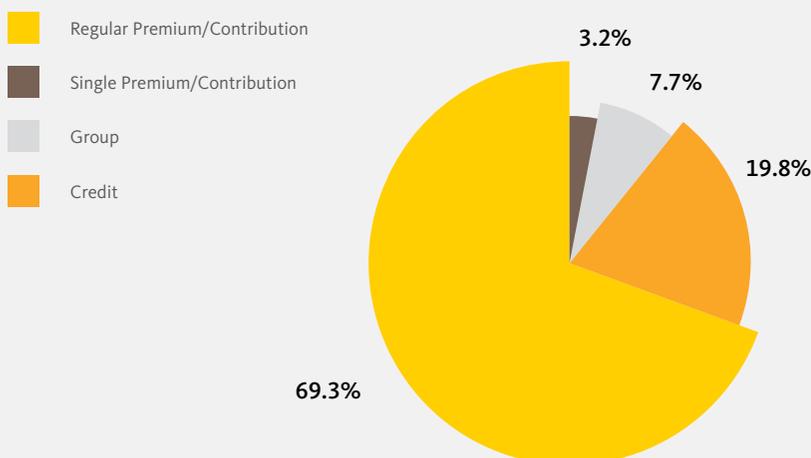
### Total Assets



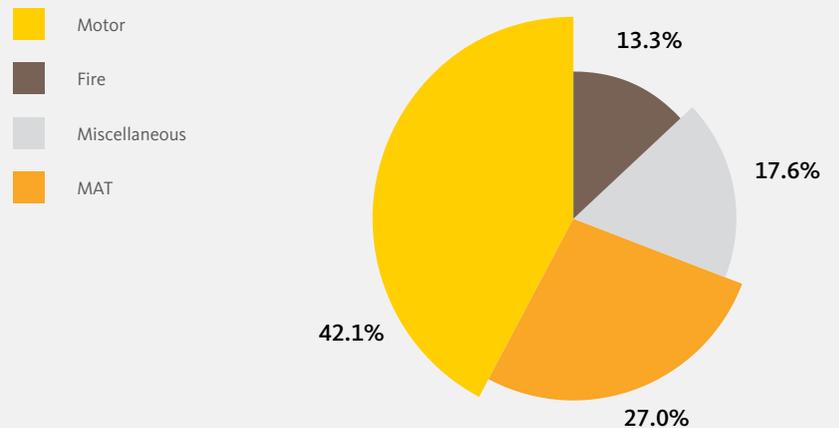
During the year, a 9.0% increase in life/family business was supported by a strong growth in Regular Premium/Contribution business but moderated by Lower Single Premium and Credit business due to fewer mortgage financing activities. The general insurance/takaful business was also affected by a slower motor business following a slowdown in motor vehicle sales and a fall in marine, aviation and transport (MAT) businesses due to lower capital expenditure by companies in the oil & gas industry.

The contribution of business from the various segments is shown below:

### Life Insurance/Family Takaful 2016



### General Insurance/General Takaful 2016



Overall, gross premium for conventional insurance rose 7.2% YoY to RM2.96 billion. This contributes 56.0% to Etiqa's total gross premium/contribution. Meanwhile, gross contribution from takaful was lower by 0.4% YoY to RM2.37 billion in FY2016.

ETB, the takaful entity continued to be the top player in the industry with a market share of 49.0% for general takaful and a 16.3% market share for family takaful new business<sup>[1]</sup>. ETB recorded its highest profit to date, with RM343.33 million, a 38.0% growth against FY2015.

We are also the market leader for combined general insurance and takaful business in Malaysia in 2016.

### ETIQA INSURANCE PTE LTD. SINGAPORE

For 2016, EIPL's topline recorded a 100.0% growth YoY to SGD200.29 million, on the back of strong growth for life and general business. For life segment, regular premium surged by 124.0% growth to SGD138.51 million from FY2015. General insurance grew 57.0% to SGD56.28 million from FY2015. Profit before tax rose to SGD5.52 million, surging 620.0% increase from FY2015.

During the year, the growth of regular premium was stimulated by the tranche product offering which continued to be well received by customers. New business regular premium recorded a 93.0% growth to SGD79.82 million against FY2015. For general insurance segment, fire insurance surged by 163.0% YoY to SGD17.11 million.

### ASIANLIFE AND GENERAL ASSURANCE CORPORATION PHILIPPINES

For 2016, ALGA's topline recorded a 6.0% growth or PHP114 million against FY2015.

For the medical segment, first year premium declined by 23.0% or by PHP86.00 million, but mitigated by the 10.0% or PHP160 million increase in renewal premium.

Overall profit before tax is higher than budget by 8.0% or PHP13.00 million but lower compared to FY2015 due to lower underwriting income and higher management expenses.

<sup>[1]</sup> Source: Insurance Services Malaysia's Statistics for 12 months ended 30 September 2016.

## GROUP INSURANCE & TAKAFUL

### ETIQA ONLINE

Etiqa remains ahead of the competition despite the growing digital presence of other insurance and takaful companies in Malaysia. According to Insurance Services Malaysia's Statistical Bulletin as at end of 3Q FY2016 and internal data, Etiqa is leading the market for e-Channel business for general insurance and takaful in Malaysia with a significant 89.7% market share.

In 2016, Etiqa introduced its first online *HouseOwner HouseHolder* product targeting retail customers. This adds to Etiqa's products that are already sold online including car, travel and term takaful. By introducing *Lifestyle Travel Care* to Maybank2u in March 2016, this product could tap onto the portal's 3.6 million active users. For FY2016, Etiqa Online recorded a 25.0% YoY growth totalling RM116.8 million for gross written premium/contribution.

Moving on, Etiqa announced the introduction of its latest online products for car and term life insurance. By adopting the latest web technology platform acquired from Oracle, customers can purchase Etiqa's online products via its mobile responsive website that offers an improved user interface and user experience. This capability will also be extended to the newly introduced Etiqa's customer web portal (My Account), which enables customers to:

- Check policy details
- Pay premium
- Check agent's details
- Status of policy
- Request for change in policy
- View claims details
- Download statements

These initiatives are the key drivers to deliver online distribution revenue for Etiqa in FY2017.

### BANCASSURANCE

Etiqa Bancassurance (Etiqa Banca) maintained its strong performance in the insurance industry in Malaysia. As at 3Q FY2016, Etiqa Banca had an overall (insurance & takaful) market share based on annual premium equivalent (APE) of 16.40%. The company also leads the regular premium investment-linked segment with a 27.0% market share. For FY2016, Etiqa Banca has shown growth in these key focus areas:

- Regular premium new business life insurance and family takaful by 25.0% based on actual first year premium (30.0% based on collected first year premium),
- Personal accident insurance by 24.0%,
- Fire retail insurance by 3.9%, and
- Fire SME insurance by 10.6%.

A Sales Dashboard was launched in October 2016 to assist our sales personnel in checking the status of their proposals and outstanding requirements. A Customer Portal was launched in November 2016 to provide for a better customer experience and engagement process.

In 4Q FY2016, Etiqa Banca introduced insurance advisors who work closely with relationship managers at Maybank Private Wealth Centres and Private Wealth Lounges. This aims to further penetrate Maybank's affluent customer segment. For commercial clients, Keyman Insurance concept was introduced to Maybank's commercial channel as an insurance solution for their customers. Finally, Smart Secure, a term life product, for the regular premium life business, was launched in December 2016. It joins Etiqa Banca's range of products that caters to a customer's different life stages.

For FY2017, the focus is largely on the regular premium life insurance and family takaful businesses. Etiqa Banca will also implement its Mobile iOS app to enhance the digital sales experience.

#### DIGITAL INITIATIVES:

##### Malaysia

- Expanded our online business by offering life products via direct sales on [www.etiqa.com.my](http://www.etiqa.com.my).
- Introduced a hassle-free claims submission process for travel, personal accident, home contents, fire, motor theft and windscreen via our portals to allow customers to make claims online.

##### Singapore

- Expanded suite of consumer products distributed on [www.etiqa.com.sg](http://www.etiqa.com.sg), where customers can purchase Direct Purchase Insurance (DPI), including whole and term life protection plans, Maid Insurance to cover domestic maids, Personal Mobility Insurance to cover cyclists and users of non-motorised mobility devices, as well as ePROTECT safety, a personal accident plan.
- New 'live chat' feature on our portal also provides convenience to our customers while allowing quicker problem resolutions.

### 2017 OUTLOOK

The Malaysian insurance and takaful sector is expected to see positive growth this year despite a challenging economic landscape and uncertainties across financial markets.

With a gross domestic product (GDP) forecast of 4.4% for 2017, gross premiums are projected to expand by about 5.0% for life insurance, 2.0% to 3.0% for general insurance and 4.0% to 5.0% for takaful contributions.

The industry's solid capitalisation built on a robust regulatory framework and stringent capital practices by the Malaysian regulator supports the sector's premium growth and limits potential underwriting volatility. Stable domestic demand and a low insurance penetration rate continue to support growth of the general insurance and takaful sector. Malaysia's takaful sector continues to grow faster than the conventional sector on the back of a low base, stable domestic consumption and increasing consumer awareness. Life insurers are expected to increasingly tap on health-related and retirement products as the population ages and medical costs rise. Meanwhile, the growth in investment-linked policies is likely to stay strong due to the low interest rates.

The deregulation of tariff rates, which will be implemented in phases starting in 2017, paves the way for new insurance products with varying features. Insurers can tailor these new products and price them based on risk profile and customer preferences. This may result in a higher premium income and a lower claims ratio, outcomes which are beneficial to the insurer's bottom line.

Growth of the general insurance industry is expected to slow down on the back of declining market values for used cars and slower new car sales.

The industry is also likely to see more merger and acquisition activity this year as composite insurance and takaful companies have to separate their life/family and general insurance/takaful businesses by July 2018.

Etiqa plans on building resilience in the challenging environment of 2017 by leveraging on digital tools to drive profitability, by strengthening its channels with profitable products and by expanding regionally in line with its aspiration of becoming the leading ASEAN insurer.

## GROUP ISLAMIC BANKING



**DATO' MOHAMED RAFIQUE MERICAN**  
**MOHD WAHIDUDDIN MERICAN**

Group Head, Islamic Banking  
 CEO, Maybank Islamic Berhad

**“As one of the top three global hubs for Islamic finance, Malaysia is well positioned to take advantage of the robust growth and market opportunities in this sector. Maybank, the largest Islamic bank in Malaysia and ASEAN, plays a leading role in the development of the Shariah-compliant financial sector in this region. We are committed to breaking new frontiers in product development and innovation and will continue to offer high quality Shariah-based solutions to our customers. Last year, we played a prominent role as an investment intermediary, embracing the very essence of Islamic Finance’s equity and profit sharing contracts by structuring different products. We also intensified our efforts to further promote Islamic Social Finance and Environmental, Social and Corporate Governance (ESG) activities through our Zakat and Waqf programmes and other initiatives. Moving forward, we remain committed to the mission of delivering sustainable long-term value creation to all communities and customers that we serve.”**

### Key Highlights in 2016

- Maybank Islamic Berhad (MIB) continued to dominate the domestic Islamic banking market, cementing its leadership based on total assets, total financing, total liquidity and profitability.
- Maybank Group Islamic Banking (MGIB) increased its regional presence and penetrated more markets by making headline deals in Singapore, Indonesia, the United Kingdom and the United States.
- MGIB continued to grow in Indonesia, a key market for Islamic finance. Maybank Indonesia’s Unit Usaha Syariah (UUS) is still in top position among all UUS in the country. Maybank’s UUS is also ranked fifth among all Shariah Banks/Islamic Windows.
- MGIB solidified its reputation as a leading Sukuk arranger and ranked among the top three Islamic banks in the Global Sukuk League Table throughout 2016.
- MGIB continued to be the catalyst for innovation with continued emphasis on product differentiation and Shariah research initiatives via its Centre of Excellence platform.
- MGIB promoted Islamic Social Finance and ESG by launching a wakaf programme in collaboration with the Perak Islamic Religious Council via Waqf Perak Ar-Ridzuan in April 2016.

### Key Priorities in 2017

- Continue to focus on high-quality assets and strategic asset management.
- Seek more stable and sustainable sources of funding/liquidity.
- Continue to expand regionally by offering innovative products and by improving on the delivery of services.
- Embrace financial and digital technology to widen coverage for Islamic product offerings.
- Secure more headline deals/transactions.
- Increase MGIB’s global visibility by participating in prominent international conferences and events.
- Secure landmark/headline transactions in new countries/markets.
- Pursue Maybank Group’s mission of “Humanising Financial Services” by launching more Islamic Social Finance and ESG programmes.

## GROUP ISLAMIC BANKING

### STRATEGY, ASPIRATION AND OUTLOOK

In 2016, Maybank Islamic Berhad (MIB) continued to dominate the domestic Islamic banking market in all key business segments. MIB claims top position based on total assets, total financing and total funding (including deposits and investment account) as well as profitability.

Maybank Group Islamic Banking's (MGIB) contribution to the overall Maybank Group business has also increased during the financial year ended 31 December 2016.

MIB pursued a segmentation strategy aimed at increasing our share of our customers' wallet. Focused initiatives targeted at specific customer segments were undertaken and MIB was successful in securing more affluent, high net-worth customers/businesses. This is reflected in our higher Total Financial Assets made in 2016.

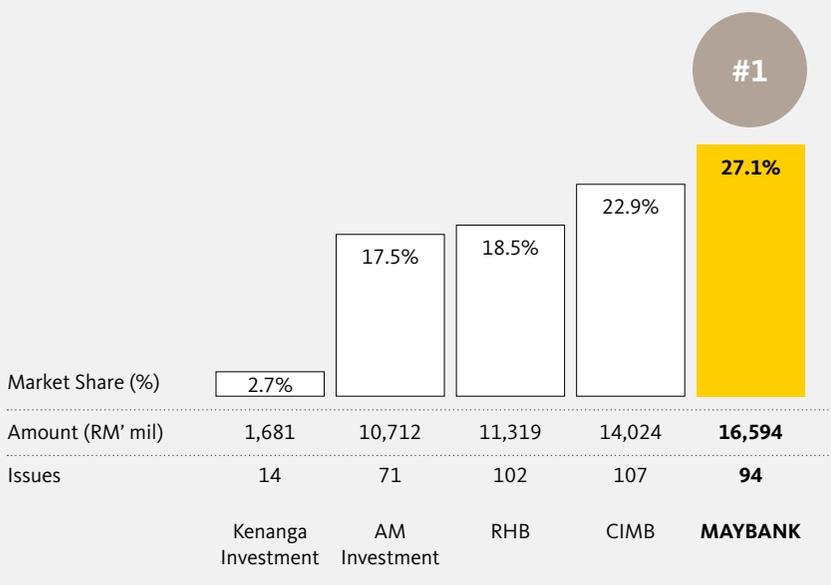
During the year, prudent measures were adopted to ensure MIB's income and profit growth is sustainable in the long-term. These measures include improving the quality of our assets and adopting a more conservative approach towards provisioning to ensure the bank always has sufficient funds to weather challenging economic conditions. Contingent recovery and remedial measures were also reviewed and improved upon accordingly.

These measures complement steps that had been taken in the past to improve MIB's funding profile. For example, our Investment Account, introduced in 2015, adds to our funding sources by giving us an additional source of liquidity.

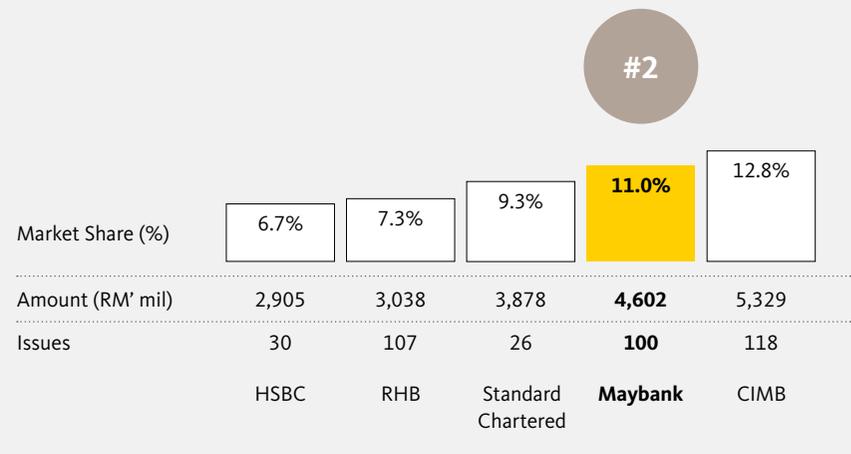
Investment Account recorded a significant growth from RM17.66 billion in December 2015 to RM31.54 billion at the end of 2016. MIB's direct financing deposit ratio also improved from 96.5% to 95.7% during this one-year period.

MGIB anticipates opportunities to penetrate other markets as demand for sukuk issuances and bilateral/syndicated financing remains healthy. MGIB is ranked among the top three global sukuk arrangers in 2016.

#### Top 5 RM Currency Sukuk



#### Top 5 Global Sukuk



Maybank's prominent position in the Sukuk League Table (RM-denominated sukuk and global sukuk) as at 31 December 2016.

Notable Islamic capital market transactions in 2016 are:

- March**  
 Maybank acted as the sole principal adviser, lead arranger, lead manager and Shariah adviser for Sime Darby Bhd's inaugural RM2.20 billion perpetual Sukuk. This Sukuk, the largest perpetual Sukuk issuance globally by a non-bank, was 1.8 times oversubscribed. It is also the largest Ringgit perpetual Sukuk issuance to-date and the first perpetual Sukuk globally based on the Shariah principle of Wakalah.
- April**  
 Maybank is one of the joint lead managers/joint bookrunners arranging the global Sukuk issuances of USD1.5 billion by the Government of Malaysia via its special-purpose entity, Malaysia Sukuk Global Bhd. This sukuk was oversubscribed by 4.2 times and attracted aggregate interest surpassing USD6.3 billion from a combined investor base of over 195 accounts.
- June**  
 Maybank acted as the principal adviser, lead arranger, joint lead manager and Shariah adviser for Bank Rakyat, via its funding conduit, Mumtaz Rakyat Sukuk Bhd, maiden Basel III-compliant Tier 2 Subordinated Sukuk Murabahah of up to RM5 billion. It is the first Basel III-compliant Tier 2 capital Subordinated Sukuk issued by a development financial institution in Malaysia.
- June**  
 Maybank jointly led a consortium of financiers to provide a syndicated Shariah-compliant construction financing of USD219 million for the development of a luxury residential tower in Manhattan, New York. This financing comprising a USD174 million senior construction loan and USD45 million mezzanine loan will fund property developer Soho Properties' 43-storey building, known as the Tribeca condominium tower. This syndication is the first Shariah compliant construction financing in New York.

## GROUP ISLAMIC BANKING

- December  
As the sole principal adviser and Shariah adviser, Maybank successfully structured and completed issuance of a new Islamic Redeemable Convertible Preference Shares of up to RM1.13 billion for SP Setia. This is the first Shariah compliant perpetual redeemable convertible preference shares to be issued and among the largest Shariah compliant preference shares issues in Malaysia.

### STRENGTHENING RISK MANAGEMENT PRACTICES

Since challenging economic conditions are expected to persist in 2017, MGIB has taken steps to enhance and strengthen its risk management practices. This includes a greater emphasis on preventing non-Shariah compliant incidents. The overall risk-management framework (e.g. oversight committees, risk management processes and others) addresses credit risk, Shariah non-compliance risk, market risk and operational risk.

This is an overview of credit risk and Shariah non-compliance risk:



**CREDIT RISK**

Under the New Credit Policy Architecture, business units are required to develop Credit Underwriting Standards (CUS) to document the minimum requirements and standards for originations of non-retail financing. Similarly, Product Development Assessment (PDA) documents are also being developed for retail credit products. The Bank has customised the key Group's policies to suit the Islamic business requirements which are Designated Loans (DLs)/defined loans/financing that require extra attention and deeper evaluation due to uncertainties and/or unfavourable industry outlook and also Maybank Group Sectoral Policy to include Construction and Iron & Steel as high risk sectors to manage the concentration risk to these sectors.



**SHARIAH NON-COMPLIANCE RISK**

The Bank has also established a comprehensive and sound Shariah Governance Framework to ensure effective and efficient oversight by the Board, Shariah Committee, Management and Business Units on the business activities and operations of Islamic products and services carried out by the bank. A part of it is the internal control to ensure Shariah compliance is executed through the Bank's Four Lines of Defence and embedded with that, the above four lines of defence shall be guided by the Shariah Governance Framework and Shariah Compliance Policy.

MIB incorporates Maybank Group's principles and standards in its risk management framework. This framework is also compliant with requirements specified by the Islamic Financial Services Board and Bank Negara Malaysia. MIB's risk management approach is based on three lines of defence: risk-taking units, risk-control units and internal audit. It is also functionally and organisationally independent from the Bank's business sectors and other units. We will continue our focus on credit risk management and Shariah non-compliance risk management in 2017.

### REGIONAL PERFORMANCE

MGIB continued to strengthen its footprints in other countries by leveraging on Maybank Group's existing vast distribution network in key markets such as Indonesia and Singapore. Given the opportunity to offer Shariah banking in one of the biggest natural markets for Islamic finance, MGIB intensified and expanded its Shariah banking initiatives in Indonesia, the country with the largest Muslim population in the world. Maybank Indonesia's Unit Usaha Syariah (UUS) is currently the largest Islamic banking window in Indonesia in terms of total assets, which amounted to IDR23.24 trillion for FY2016.

After implementing our Shariah First strategy, UUS delivered a remarkable financial result for the year ended as at 31 December 2016. Financing increased by 61.2% YoY from IDR8.67 trillion to IDR13.98 trillion, customer deposits rose 70.9% YoY from IDR6.39 trillion to IDR10.92 trillion, and net profit grew by 61.9% from IDR287.88 billion to IDR466.15 billion.

UUS's success has been recognised and it is the proud recipient of numerous awards including Best Shariah Unit from Infobank, Best Shariah Unit with assets surpassing IDR5 trillion from Investor, Best Service & Best Performance Shariah Bank from Warta Ekonomi and Best Shariah Business Unit from Tempo. These awards further cements UUS's position as the leading Islamic banking window in Indonesia.

Maybank Syariah Indonesia, a full-fledged Shariah bank (Bank Umum Syariah), has further penetrated the Indonesian corporate market by offering a full range of wholesale Shariah financial services designed for local corporates and foreign multinational clients with operations in Indonesia.

Singapore's Islamic banking industry has also grown. Shariah-compliant assets in this island-state have increased by 73.0%<sup>1</sup> from 2010 to 2016. It is also home to a number of headline cross-border deals in recent years.

MGIB's business in the Lion City was resilient during the challenging economic environment of 2016. During the year, MGIB secured a landmark SGD260.00 million Islamic financing deal with Singaporean-based RB Capital Pte Ltd. Success of this and other Islamic financing deals have garnered interest from top-tier Singaporean companies. MGIB will continue to increase awareness and acceptance of Islamic finance in Singapore in the coming year through activities such as frequent and impactful engagement initiatives with the regulatory bodies, Singaporean corporates, SMEs and the consumers.

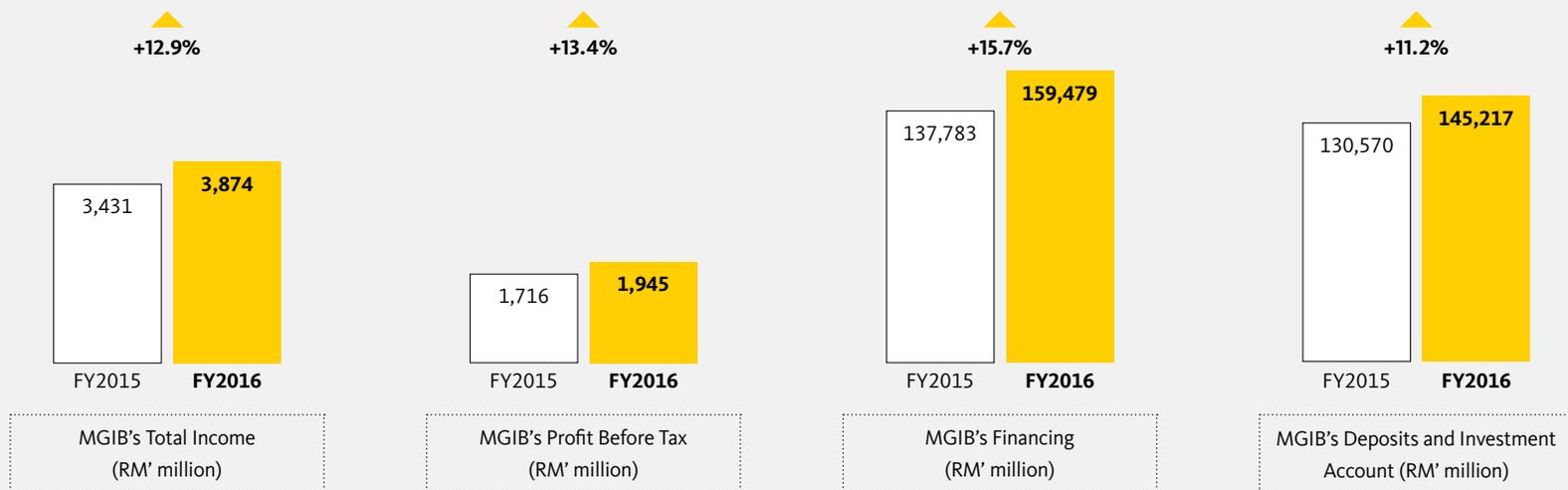
<sup>1</sup> 6<sup>th</sup> Annual World Islamic Banking Conference Asia.

## GROUP ISLAMIC BANKING

### 2016 Performance Highlights

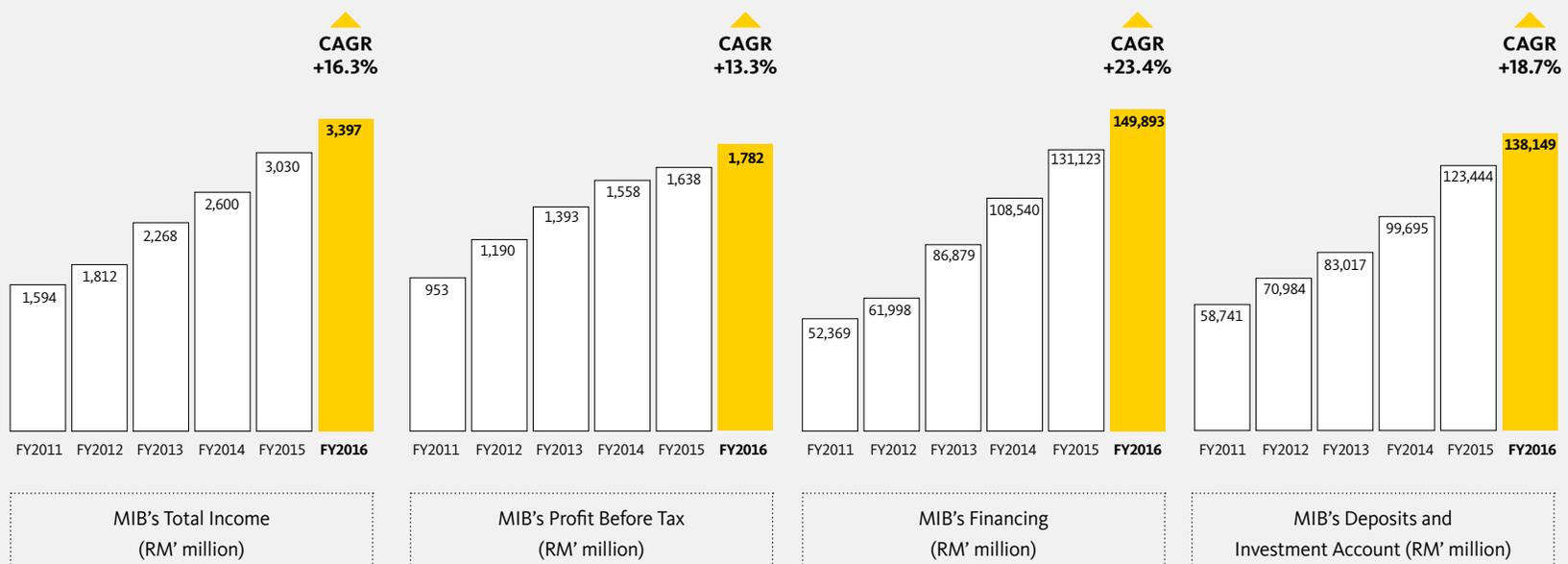
#### MAYBANK GROUP ISLAMIC BANKING

- On consolidated basis, MGIB's performance has improved YoY, derived from key markets in Malaysia, Indonesia and Singapore.
- MGIB's total income increased by 12.9% to RM3.87 billion for the financial year ended 31 December 2016.
- Profit before tax for MGIB increased by 13.4% to close at RM1.95 billion.
- MGIB's financing grew significantly by 15.7% to RM159.48 billion from the last financial year. Total deposits and investment account stood at RM145.22 billion after registering a growth of 11.2%.



#### MAYBANK ISLAMIC BERHAD

- MIB recorded a profit before tax of RM1.78 billion, a commendable growth of 8.8% YoY and healthy return on equity of 15.4% for the financial year ended 31 December 2016.
- Financing showed an impressive growth of 14.3% from the previous financial year to RM149.89 billion. As a result, MIB's financing contribution to Maybank Group's total domestic loan and financing increased to 54.5%.
- MIB is the market leader in the domestic market with total assets, financing, customer deposits and investment account of 31.3%, 34.4% and 30.3% respectively. (Source: BNM Monthly Statistical Bulletin December 2016).

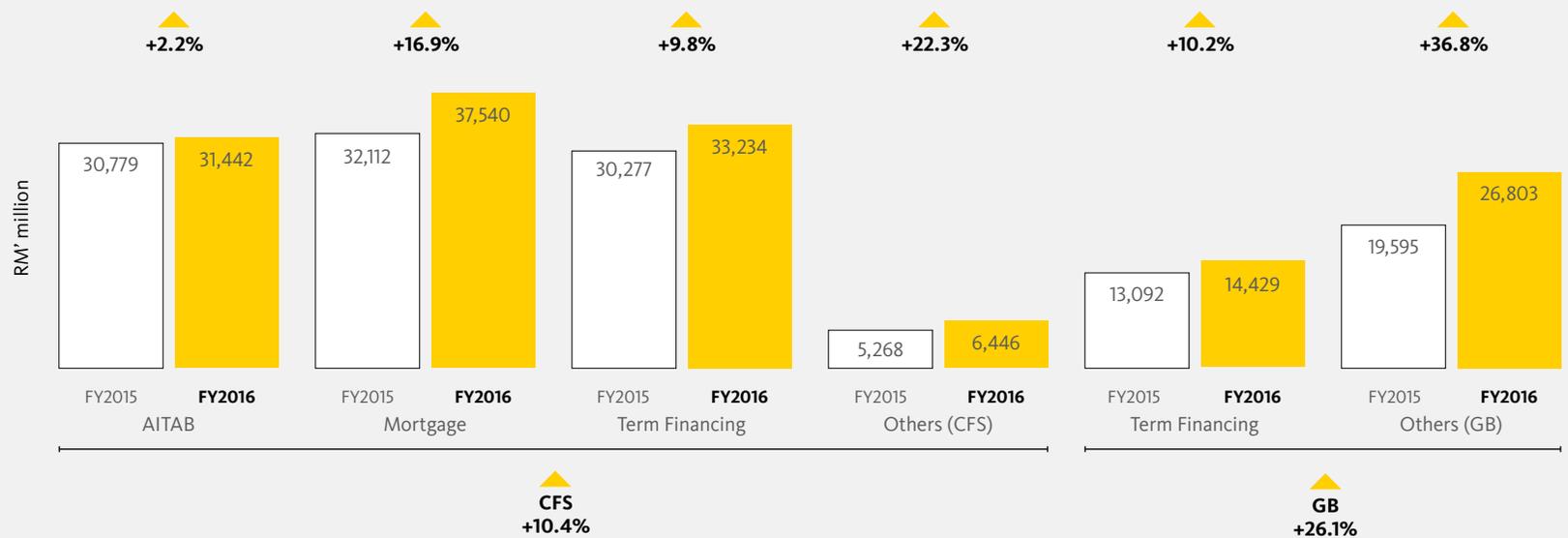


## GROUP ISLAMIC BANKING

### 2016 Performance Highlights

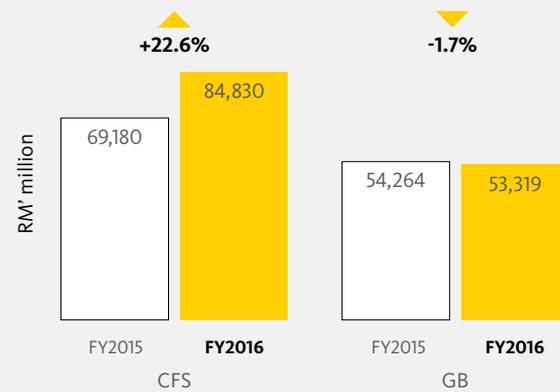
#### MIB'S FINANCING

- Financing saw a remarkable growth of RM18.77 billion or 14.3% YoY for FY2016 outpacing the industry's growth of 11.4%.
- Despite the strong financing growth, capital remained healthy with total capital ratio of 18.553%.
- CFS financing grew 10.4% YoY or RM10.23 billion whereas GB financing rose by 26.1% or RM8.54 billion from the last financial year.



#### MIB'S DEPOSITS AND INVESTMENT ACCOUNT

- MIB's deposits and investment accounts increased by RM14.70 billion, a growth of 11.9% YoY, outpacing the industry's growth of 7.6%.
- The growth is contributed by the CFS segment which expanded by 22.6% while the GB portfolio marginally decreased by 1.7%, to end at RM84.83 billion and RM53.32 billion respectively for the financial year ended 31 December 2016.



#### DIGITAL INITIATIVES

Customers using our Ikhwan Credit Card-i can enjoy greater convenience and efficiency with cashless payments, a transaction that is simple to execute, secure and widely accepted. Another contactless payment solution that we offered during the year is a mobile payment service known as Samsung Pay, a collaboration between Maybank and Samsung Malaysia Electronics Sdn Bhd. Cardholders can use Samsung Pay to make purchases almost anywhere that accepts debit, credit and prepaid cards, including numerous overseas locations.

There is increasing demand for Shariah compliant wealth management solutions in the past five years. Continuing from the launch of Islamic Custody Services-i in 2015, MIB together with Maybank Securities Services conducted a workshop to provide information on Shariah compliant investments in 2016. This workshop looked to increase awareness of these assets among participants that were mainly from the operation and compliance department's of fund management companies.

#### OUTLOOK FOR 2017

MGIB is positive about future prospects for Islamic banking in the domestic and global market although the economic environment is expected to be challenging in 2017. The Bank looks to grow in a stable and sustainable manner by emphasising on high-quality assets and good liquidity management.

MGIB will further enhance global visibility of its brand in 2017 besides expanding its regional presence. There are also plans to continue with strategic initiatives in the social finance space through wakaf and zakat programmes, as this is in line with Maybank Group's mission of "Humanising Financial Services". Besides enabling MGIB to go beyond the sphere of commercial banking and finance, these programmes empower people and communities that we serve.

## GROUP ISLAMIC BANKING

### HUMANISING FINANCIAL SERVICES

The community is at the heart of Maybank and we constantly endeavour to provide financing at fair and reasonable terms for all parties. We are also extending our reach to meet the need for affordable housing by working with state and/or government agencies. For SMEs that play a key role in Malaysia's economic development, we will continue our partnership with Credit Guarantee Corporation to offer SME Portfolio Guarantee-i financing, a short-term business facility. A new structured financing scheme for tuition fees at selected local and foreign education institutions and agencies was also launched in 2016 to complement our existing education financing solutions for undergraduates and postgraduate students.

Maybank's ability to develop value-creating banking solutions for clients around the world is reflected in a number of notable Islamic capital market transactions that made headlines last year. The Bank's leading performance has also been recognised by external parties and Maybank tops Bloomberg's Malaysia Capital Market League Tables in 2016.

### GIVING BACK TO THE COMMUNITY

We continue to carry out corporate responsibility initiatives that are aligned with Maybank Group's mission of "Humanising Financial Services". We are also committed to our corporate responsibility programmes that support social welfare, community empowerment and children's education and health. These initiatives and programmes fulfill our social promise to positively impact society besides providing opportunities and growth through our business.



On Maybank Global CR Day, 50 of Maybank Islamic Bhd's adopted children from the Klang Valley and Negeri Sembilan spent a day with MIB management & employees, and participated in a fun-filled programme themed "Teen Empowerment."

- Ramadhan Relief**

For the fourth consecutive year, MIB donated basic food supplies to almost 4,000 underprivileged families nationwide in conjunction with the fasting month of Ramadhan. The contribution aims to ease the burden of those in need and serves to bring the bank closer to the communities it serves.

- Community Empowerment**

For the first time ever, MIB collaborated with the Islamic Aid Association Malaysia to provide 70 fishermen in Kuala Nerang, Kedah with fishing equipment, tools to repair their boats and basic food supplies worth RM200,000. This was the first corporate social initiatives of this nature by a private organisation to the village.

#### 01 ZAKAT

MIB has expanded its Zakat programmes to include recipients from International/Regional ASNAF. The Bank also continued its collaboration with Yayasan Pelajaran MARA (YPM).

#### 02 WAKAF

MIB, in collaboration with the State of Perak, launched the Waqf Perak Ar-Ridzuan (WPAR) to emphasise the Bank's support in Islamic Social Finance.

#### 03 SADAQAH

The unique feature of 0.001% of the monthly spend is set for charitable contribution in MIB's Ikhwan Mastercard which enabled the Bank to accumulate RM200,000 as at 31 December 2015. This was channelled to Islamic Relief Malaysia and MERCY Malaysia.

#### 04 OTHERS

Besides Zakat, Waqf and Sadaqah, MIB also engaged with Institut Jantung Negara for its annual flagship programme and in 2016, MIB took a progressive initiative to participate in the WIEF 2016.

### COLLABORATION WITH THE NATIONAL HEART INSTITUTE (INSTITUT JANTUNG NEGARA)

- IJN Ride 4 Your Heart**

In line with our corporate responsibility programme which focuses on health, MIB became the main sponsor for the National Heart Institute's inaugural cycling event known as 'IJN Ride 4 Your Heart' held on 11 December 2016. This event aims to promote a healthy lifestyle among Malaysians through cycling.

### MAYBANK ISLAMIC SHARIAH CENTRE OF EXCELLENCE

- Book review session**

MIB and the International Shari'ah Research Academy for Islamic Finance (ISRA) organised a book review session on 17 October 2016 for its sponsored publication titled 'Historical Roots of Islamic Finance in Malaysia'. This is the first coffee table book that traces the history of Islamic finance in Malaysia from as far back as pre-Islamic era until 1983. Dato' Abdul Halim Ismail, Bank Islam Bhd's first managing director and Dato' Dr Daud Bakar, chairman of Bank Negara's Shariah Advisory Council were the panelist at this book review.

- Public awareness programme**

To enhance awareness among the public, a series of six articles on Islamic finance were published in two Bahasa Malaysia mainstream newspapers throughout 2016.

### ZAKAT-RELATED PROGRAMMES

Total zakat contribution for 2016 was RM8.98 million. From this amount, RM5.50 million was allocated to the underprivileged through the Majlis Agama Islam Negeri. The remainder was given to the needy based on the following categories:

- Education**

MIB allocated another RM2 million to Yayasan Pelajaran Mara for various educational-related programmes for the Bank's adopted school-going children from underprivileged families. This collaboration, which funds primary, secondary and tertiary education for underprivileged children around the country, is in its fourth year and the total amount given by the Bank stands at RM7.40 million.

## GROUP TECHNOLOGY



**MOHD SUHAIL  
AMAR SURESH ABDULLAH**

Group Chief Technology Officer

### Key Highlights in 2016

- 1<sup>st</sup> Banking Digital Wallet in Malaysia.
- 1<sup>st</sup> Mobile Banking App with Augmented Reality and QR code reader functions in Cambodia.
- 1<sup>st</sup> Bank driven Peer-to-Peer (P2P) Donation Platform – MaybankHeart.
- 1<sup>st</sup> Bank to launch Samsung Pay (Beta version) in Malaysia.
- Launched Samsung Pay in Singapore.
- Launched Analytical Push Notification – reaching over one million customers (Malaysia).
- Launched Straight-Through Processing for Cards and Current Account and Savings Account (CASA) via mobile and desktop internet.
- Soft launched a FinTech Sandbox.
- Developed a Business-led IT Blueprint – a holistic technology roadmap that is aligned with business goals.

### Key Priorities in 2017

- Continue to enhance digital channels and technology offerings for secured ‘stress-free’ banking experience with Maybank.
- Move ahead with cutting-edge technology and innovation to deliver superior products and services.
- Strive for delivery optimisation, stability and scalability. Invest in expansion of technology capacity to cater for future growth.
- Keep investing in talent to create a highly skilled and diversified human resource pool that will drive Maybank Group’s M2020 Vision and Mission.
- Support and nurture regional FinTech growth.

**“2016 was a very exciting year for technology in the financial sector. This wave of innovation will continue to rise in 2017 and Maybank is definitely in prime position to ride it. As our customers’ Digital Bank of Choice, we will forge ahead with more innovative products that provide great ‘stress-free’ experiences for our customers.”**

The information technology (IT) revolution is changing the economic, financial and social landscape. In the new digital world, IT and businesses are so integrated that it is increasingly difficult to demarcate their roles.

Group Technology has been pivotal in partnering business to bring alive the digital banking experience for Maybank customers.

### TECHNOLOGY INNOVATION AND LEADERSHIP

Group Technology has been at the forefront of driving technology innovation and leadership. Our focus is clear; innovate to deliver new products and delivery channels, improve customer experience and roll out key systems to the region.

A testament to our success is the continuous No. 1 ranking for the ‘Most visited local website in Malaysia’ and a 12% traffic increase in our main customer channel in 2016.

### Digital Wallet / MaybankPay / Samsung Pay

Group Technology’s commitment to Technology Innovation and Leadership was further exemplified by Maybank being the first in Malaysia to launch a digital wallet, known as MaybankPay, on 21 July 2016 in Kuala Lumpur. The MaybankPay is one of many initiatives to promote cashless transactions.

Together with Samsung Group, Maybank launched Samsung Pay wallet in Singapore in August 2016. A beta version of this application was launched in Malaysia in December 2016. This service enables customers to use their Maybank credit and debit cards to pay for their purchases at almost any point-of-sale (POS) terminal with their Samsung phones. This service offers great value and convenience to customers in Malaysia and Singapore and has been well received. We believe the high take-up rate continues to advance Maybank’s reputation as the Digital Bank of Choice.

### PUSH NOTIFICATION ANALYTICS

Leveraging on our mobile banking application, Maybank created a unique communication channel to our customers. The idea was to build a personalised one-to-one or one-to-many communication channel between the Bank and our customers. Push Notification allows Maybank to connect with over one million customers in real time for security alerts and promotions based on segment, location, time and preference. For example, a restaurant can use this feature to inform Maybank customers within its vicinity of its dining offers.

### BUILDING A STARTUP CULTURE

Group Technology recognises the importance of experimentation and incubation in the development of new ideas. A dedicated team was established to develop prototypes and test new technologies. This team, known as the Rapid Digital Delivery, was instrumental in implementing Push Notification Analytics, Peer-to-Peer (P2P) platform, Digital Signature Pilot, Blockchain Proof of Concept and Facial Recognition Proof of Concept.

## GROUP TECHNOLOGY

### COMMUNITY EMPOWERMENT

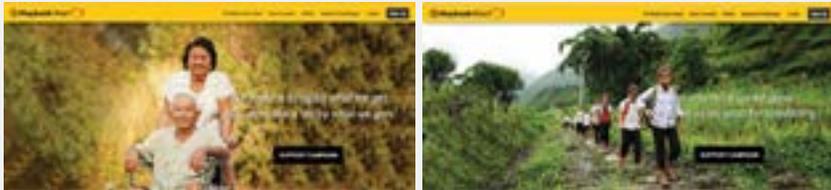
#### SOCIAL CROWDFUNDING PLATFORM



[www.maybankheart.com](http://www.maybankheart.com)

MaybankHeart is an innovative Peer-to-Peer (P2P) crowdfunding platform that collects funds for non-governmental organisations (NGOs) and other charitable organisations. Group Technology designed the user experience (UX), user interface (UI), developed the functionality and continues to provide technical support. The excellent combination of people and passion enabled MaybankHeart to be launched in less than four months.

Since its soft launch in September 2016, MaybankHeart has received 58,000 page views from around the world (i.e. approximately 10,000 page views per month). To date, the site has collected more than RM550,000 from local and international donors supporting campaigns from multiple countries.



MaybankHeart web pages.

#### FINTECH SANDBOX



With the rise of FinTech, there are many small organisations with brilliant business ideas that do not have the environment, data or tools to develop their ideas. Group Technology had soft launched a FinTech Sandbox platform in October 2016. It is first-of-its-kind Financial Sandbox that allows the FinTechs to access development environments, financial data samples, Financial APIs and development tools. This would be a suitable avenue for FinTechs to develop and test their new ideas for free.

FinTech Sandbox made its debut at Maybank's Hackathon 2016, an event for the tech community to develop digital and data analytic solutions in a competitive forum.



Maybank Hackathon 2016.

### DRIVING A GLOBAL AGENDA

Technology transcends geographical boundaries. Group Technology strives to support the regional aspirations of the Group through borderless innovations.

#### FIDESSA – A REGIONAL INSTITUTIONAL TRADING PLATFORM

In October 2015, Maybank Kim Eng introduced FIDESSA, a regional trading platform for our institutional customers from Singapore who are looking to trade in Asian, United States and European markets. This platform was also rolled out to Malaysian customers in May 2016.

FIDESSA is a complete trading solution with superior stability, streamlined workflow and transaction efficiency from trade execution up to settlement. It also offers additional trading functions such as indication of interest, algorithmic trading and basket trading. Besides offering greater market access (i.e. connection to different stock exchanges), users are given a single view of their risk across the region.



FIDESSA, our institutional trading platform.

#### SUN WU – A BROKERS TRADING ANALYSIS PLATFORM

Group Technology leveraged on Maybank's proprietary trading data to develop a trading analysis platform known as Sun Wu. Used in Thailand, this system helps Maybank Kim Eng Thailand and our VIP clients analyse the performance of stocks traded by brokers in terms of volume and price.



Sample analysis of a stock movement

#### DEJAVU – A MARKET DATA REPLAY SYSTEM

Dejavu is the codename for our "Market Data Playback" system. Here, users can select a particular date/time to view market movement of multiple stocks. Dejavu also offers a fast forward feature.



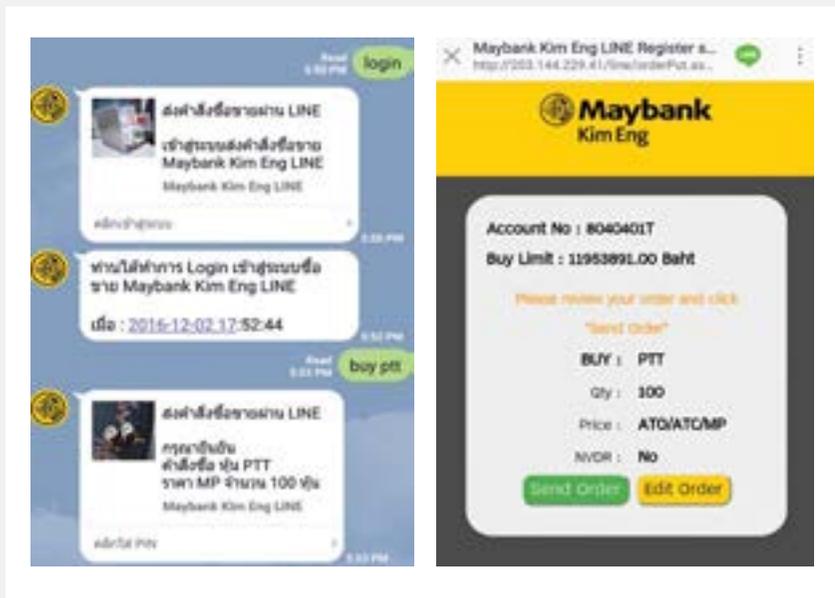
A screen shot of Dejavu showing market movements of a selected stock.

## GROUP TECHNOLOGY

### LINE CHATBOT TECHNOLOGY

LINE Chatbot is an application that makes it easier for Maybank Kim Eng's customers to request trading-related information. Using this application, customers can request for market statistics, research, stock prices, portfolio info and order info. They can also initiate trading instructions.

LINE chatbot helps clients who want convenience to trade and track the stock market by leveraging on LINE, the most popular mobile communication application in Thailand.



Screen shots of LINE Chatbots showing a customer's request for information.

### AN UPGRADED STOCKBROKING BACK OFFICE SYSTEM

Maybank Kim Eng Securities upgraded its stockbroking back office system in Indonesia. The redesigned system introduces a new master data type to standardise customer information. The new system now supports customer sub-accounts and data which was previously managed in different sources. The enhanced back office system better integrates with Maybank's front-end system and this boosts end user productivity.

### IT SECURITY BEST PRACTICES

Technology innovations are not solely about trendy digital products. Security and stability are increasingly important components of IT systems around the world. A number of cyber-financial crimes that took place last year heightened the need for greater security in the global financial industry.

In Maybank, we work closely with regulators to ensure that our systems are secure and that our employees are well informed. Data Loss Prevention measures were implemented to protect confidential customer data. Most fraudulent cases occur because confidential information is unwittingly divulged. Awareness among users is key to preventing cyber-crime. Initiatives such as personal risk management campaigns were launched to increase awareness among our customers.

From a technical perspective, Group Technology constantly conducts rigorous tests to ensure that vulnerabilities in the Bank's systems are quickly identified and resolved immediately.



Maybank's on-going security awareness campaign.

We also recognise the need for our systems to be in its optimum state given the billions of transactions within the region that goes through our systems. We proactively conduct health checks on our systems and its soundness has been validated by reputable third parties that we engage for periodic independent assessments. This ensures that proper planning and forecasting of capacity upgrades followed by execution are done in a timely manner. As a testimony to this commitment, Group Technology has maintained a strong track record of attaining high up time for all Maybank Group's critical systems.

All these measures are taken to ensure that our customers remain confident in Maybank, their Digital Bank of Choice.

## GROUP OPERATIONS



**JEROME HON KAH CHO**

Group Chief Operations Officer

**“With the establishment of the regional processing hub in 2016, the operations of the Group is expected to benefit in the longer term from more cost-efficient streamlined processes and trained skills.”**

### OPERATIONAL HUBBING

Processing hubs in Malaysia and Singapore have been established as a base for future business activities in other countries that Maybank Group could potentially expand to. This means that for any future expansions, the countries may focus on frontline activities whilst the Processing hubs will take care of its back-office needs.

### CENTRALISED OPERATIONS

As part of a cost-efficient strategy, the back office of branches operating in China have also been centralised at one operations processing centre located in Shanghai. The Central Operations Centre currently handles transactions for Shanghai, Beijing, Kunming and Shenzhen.

In Malaysia, we have commenced centralisation of the Credit Administration Centres in Peninsular Malaysia with the objective of reaping economies of scale which will contribute to cost optimisation, improve productivity and efficiency. This centralisation will facilitate the goal of creating a concentrated pool of expertise for better workload balancing and further achieve process standardisation.

### STRENGTHENING COMPLIANCE

We also worked closely with Bank Negara Malaysia and members of the financial industry to enable the migration of conventional cash processing to auto-robotic cash processing that requires minimal human intervention. Meanwhile, active efforts together with businesses are being undertaken in emplacing internal guidelines and controls to ensure processing is in accordance with the Foreign Exchange Administration Rules (FEA).

Maybank is currently managing over 3,600 Self Service Terminals (SST) in Malaysia and all SSTs are monitored centrally on a real-time basis. We endeavour to always maintain a high level of SST service uptime to serve our customers. As we continue to pursue this, there is also an ongoing SST rationalisation exercise which will involve refreshing a fleet of SSTs with the intent of strengthening the SSTs at branches to support the country's e-Payment agenda.

#### Key Highlights in 2016

- Realising the Regional Malaysia/Singapore hub for Inward Cheque Clearing, Outward Telegraphic Transfers, Trade Operations and Treasury Processing functions.
- Extended the Malaysia/Singapore Treasury Processing hub to support Vietnam, Cambodia and Philippines.
- Centralised branches' back-office in Shanghai, China.
- Established the base for Malaysia's Credit Administration functions into one centre in Peninsular Malaysia.

#### Key Priorities in 2017

- Complete centralisation of credit administration functions from all centres in Peninsular Malaysia.
- Enhance compliance to regulation pertaining to transactions (Foreign Exchange Administration Rules, AMLA and Sanction Checks).





**Spearheading  
innovation through  
our FinTech Sandbox**





**WE ARE A LEADER  
IN SUPPORTING THE  
DEVELOPMENT OF  
TRANSFORMATIVE  
TECHNOLOGY WITH  
OUR FINTECH EVENTS**

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## **LEADERSHIP & PEOPLE**

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- 106 Board of Directors
- 108 Board of Directors' Profile
- 115 Group Executive Committee
- 122 Group Shariah Committee
- 126 Group Human Capital

## BOARD OF DIRECTORS



**TAN SRI DATO' MEGAT  
ZAHARUDDIN BIN MEGAT  
MOHD NOR**  
Non-Independent  
Non-Executive Director  
(Chairman)



**DATO' DR TAN TAT WAI**  
Independent Non-Executive  
Director



**DATO' JOHAN  
BIN ARIFFIN**  
Independent Non-Executive  
Director



**DATUK R.  
KARUNAKARAN**  
Independent  
Non-Executive Director



**DATUK MOHAIYANI  
BINTI SHAMSUDIN**  
Independent Non-Executive  
Director



**CHENG KEE CHECK**  
Non-Independent  
Non-Executive Director



## BOARD OF DIRECTORS



# BOARD OF DIRECTORS' PROFILE



**TAN SRI DATO' MEGAT ZAHARUDDIN BIN MEGAT MOHD NOR**  
Non-Independent Non-Executive Director  
(Chairman)

<b>Nationality / Age / Gender:</b>	Malaysian / 68 / Male
<b>Date of Appointment:</b>	1 October 2009
<b>Academic / Professional Qualification(s):</b>	<ul style="list-style-type: none"> <li>Associate of the Royal School of Mines, UK</li> <li>Bachelor of Science (Hons) in Mining Engineering, Imperial College of Science &amp; Technology, University of London, UK</li> </ul>
<b>Working Experience:</b>	<p><b>Present:</b></p> <p><b>Within Maybank Group</b></p> <ul style="list-style-type: none"> <li>Chairman/Director of Maybank</li> <li>Chairman/Director of Maybank Ageas Holdings Berhad</li> <li>President Commissioner of PT Bank Maybank Indonesia Tbk</li> </ul> <p><b>Other Companies/Bodies</b></p> <ul style="list-style-type: none"> <li>Director of The ICLIF Leadership and Governance Centre, Malaysia</li> </ul> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>Chairman of PADU Corporation from August 2013 to September 2016</li> <li>Chairman of Maybank Investment Bank Berhad from January 2010 to March 2016</li> <li>Director of Financial Services Professional Board from May 2014 to August 2015</li> <li>Chairman of Malaysian Rubber Board from February 2009 to May 2010</li> <li>Director of Woodside Petroleum Ltd (a company listed on the Australian Securities Exchange) from December 2007 to April 2011</li> <li>Chairman of Etiqa Insurance &amp; Takaful from January 2006 until February 2009</li> <li>Director of Capital Market Development Fund from January 2004 to January 2010</li> <li>Chairman of Maxis Communications Berhad from January 2004 to November 2007</li> <li>Regional Business Chief Executive Officer and Managing Director, Shell Exploration and Production B.V. prior to his retirement in early 2004</li> <li>Outstanding career in the oil and gas industry for 31 years with the Royal Dutch Shell Group of Companies</li> </ul>
<b>Directorship of Public Companies:</b>	<ul style="list-style-type: none"> <li>Maybank</li> <li>Maybank Ageas Holdings Berhad</li> </ul>
<b>Membership of Board Committees in Maybank:</b>	None
<b>Attendance in 2016:</b>	Attended all 14 Board meetings held in the financial year.
<b>Declaration:</b>	<ul style="list-style-type: none"> <li>Nominee of Permodalan Nasional Berhad, a major shareholder of Maybank.</li> <li>No family relationship with any director and/or major shareholder of Maybank.</li> <li>No conflict of interest with Maybank and has never been charged for any offence.</li> </ul>



**DATUK ABDUL FARID BIN ALIAS**  
Non-Independent Executive Director  
(Group President & Chief Executive Officer)

<b>Nationality / Age / Gender:</b>	Malaysian / 49 / Male
<b>Date of Appointment:</b>	2 August 2013
<b>Academic / Professional Qualification(s):</b>	<ul style="list-style-type: none"> <li>Master of Business Administration (Finance), University of Denver, USA</li> <li>Bachelor of Science in Accounting, Pennsylvania State University, University Park, USA</li> <li>Advanced Management Programme, Harvard Business School, Harvard University, USA</li> </ul>
<b>Working Experience:</b>	<p><b>Present:</b></p> <p><b>Within Maybank Group</b></p> <ul style="list-style-type: none"> <li>Group President &amp; Chief Executive Officer/Executive Director of Maybank</li> <li>Director of Maybank Investment Bank Berhad</li> <li>Director of Maybank Ageas Holdings Berhad</li> <li>Commissioner of PT Bank Maybank Indonesia Tbk</li> <li>Director of Etiqa International Holdings Sdn Bhd</li> </ul> <p><b>Other Companies/Bodies</b></p> <ul style="list-style-type: none"> <li>Chairman of The Association of Banks in Malaysia</li> <li>Vice Chairman and a Fellow, Chartered Banker of Asian Institute of Chartered Bankers (AICB) and the Chartered Banker Institute (CBI), United Kingdom</li> <li>Chairman of Malaysian Electronic Payment System Sdn Bhd</li> <li>Director of Cagamas Holdings Berhad</li> <li>Member of the Asian Bankers Association Policy Advocacy Committee</li> <li>Member of Visa Asia Pacific Senior Client Council</li> <li>Investment Panel of Kumpulan Wang Persaraan (Diperbadankan)</li> <li>Member of the Emerging Markets Advisory Council of the Institute of International Finance, Washington DC</li> <li>Member of ASEAN Business Advisory Council Malaysia</li> <li>Director of Asian Banking School Sdn Bhd</li> <li>Director of STF Resources Sdn Bhd</li> </ul> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>Deputy President &amp; Head, Global Banking of Maybank from July 2010 to August 2013</li> <li>Head, International of Maybank from 2009 to 2010</li> <li>Khazanah Nasional Berhad from 2005 to 2008</li> <li>J.P. Morgan from 1997 to 2005</li> <li>Malaysian International Merchant Bankers Berhad from 1996 to 1997</li> <li>Schroders from 1994 to 1995</li> <li>Aseambankers Malaysia Berhad from 1992 to 1994</li> </ul>
<b>Directorship of Public Companies:</b>	<ul style="list-style-type: none"> <li>Maybank</li> <li>Maybank Investment Bank Berhad</li> <li>Maybank Ageas Holdings Berhad</li> <li>Cagamas Holdings Berhad</li> </ul>
<b>Membership of Board Committees in Maybank:</b>	<ul style="list-style-type: none"> <li>Credit Review Committee (Member)</li> </ul>
<b>Attendance in 2016:</b>	Attended all 14 Board meetings held in the financial year.
<b>Declaration:</b>	<ul style="list-style-type: none"> <li>No family relationship with any director and/or major shareholder of Maybank.</li> <li>No conflict of interest with Maybank and has never been charged for any offence.</li> </ul>

## BOARD OF DIRECTORS' PROFILE



**DATO' DR TAN TAT WAI**  
Independent Non-Executive Director

Malaysian / 70 / Male

15 July 2009

- PhD in Economics, Harvard University, USA
- Master of Economics, University of Wisconsin (Madison), USA
- Bachelor of Science in Electrical Engineering & Economics, Massachusetts Institute of Technology, USA

**Present:**

**Within Maybank Group**

- Director of Maybank
- Chairman of Maybank Philippines Inc.
- Director of Maybank Trustees Berhad

**Other Companies/Bodies**

- Director of Southern Steel Berhad
- Director of Shangri-La Hotels (M) Bhd
- Director of NSL Ltd (a company listed on the Singapore Exchange)
- Vice President of Lam Wah Ee Hospital (a not-for-profit organisation)

**Past:**

- Represented Malaysia as a member of the APEC Business Advisory Council
- Council Member of Wawasan Open University
- Group Managing Director of Southern Steel Berhad for 29 years, then part-time Executive Director from 2014 to 2015
- Member of the Government-appointed Malaysian Business Council, the Corporate Malaysia Roundtable, the Penang Industrial Council, the Industrial Co-ordination Council and the National Committee on Business Competitiveness set up by the Ministry of International Trade and Industry
- Served as the Secretary and a member of the Council on Malaysian Invisible Trade, set up to formulate policies to reduce Malaysia's deficit in service trade
- Assumed the role of a consultant to Bank Negara Malaysia, World Bank and the United Nations University for several years
- Joined Bank Negara Malaysia in 1978, undertaking research in economic policies

- Maybank
- Maybank Trustees Berhad
- Southern Steel Berhad
- Shangri-La Hotels (M) Bhd

- Risk Management Committee (Chairman)
- Nomination and Remuneration Committee (Acting Chairman)
- Employees' Share Scheme Committee (Acting Chairman)

Attended 12 out of the 14 Board meetings held in the financial year.

- No family relationship with any director and/or major shareholder of Maybank.
- No conflict of interest with Maybank and has never been charged for any offence.



**DATO' JOHAN BIN ARIFFIN**  
Independent Non-Executive Director

Malaysian / 58 / Male

26 August 2009

- Master of Business Administration, University of Miami, USA
- Bachelor of Arts in Economics, Indiana University, USA

**Present:**

**Within Maybank Group**

- Director of Maybank
- Chairman of Maybank International (L) Ltd
- Chairman of Maybank International Trust (L) Ltd
- Chairman of Maybank (Cambodia) Plc
- Director of Etiqa Insurance Berhad

**Other Companies/Bodies**

- Chairman of Mitraland Properties Sdn Bhd
- Chairman of Cosmopolitan Ventures Sdn Bhd
- Director of Sime Darby Property Berhad
- Chairman of Battersea Project Holding Company Limited
- Director of Battersea Project Land Company Limited
- Director of PNB Merdeka Ventures Sdn Bhd
- Director of Pelaburan Hartanah Nasional Berhad
- National Council Member of the Real Estate Housing Developers' Association Malaysia

**Past:**

- Director of Maybank Ageas Holdings Berhad and Etiqa Takaful Berhad from March 2010 to March 2016
- Managing Director of TTDI Development Sdn Bhd up to January 2009
- Senior General Manager of Property Division, Pengurusan Danaharta Nasional Berhad
- Held various senior positions in several subsidiaries of public listed companies before venturing into his own successful marketing and advertising consultancy and property development business
- Started career in the real estate division of Citibank N.A. in November 1981

- Maybank
- Etiqa Insurance Berhad
- Sime Darby Property Berhad
- Pelaburan Hartanah Nasional Berhad

- Audit Committee (Member)
- Credit Review Committee (Member)

Attended 13 out of the 14 Board meetings held in the financial year.

- No family relationship with any director and/or major shareholder of Maybank.
- No conflict of interest with Maybank and has never been charged for any offence.

**Nationality / Age / Gender:**

**Date of Appointment:**

**Academic / Professional Qualification(s):**

**Working Experience:**

**Directorship of Public Companies:**

**Membership of Board Committees in Maybank:**

**Attendance in 2016:**

**Declaration:**

## BOARD OF DIRECTORS' PROFILE



**DATUK MOHAIYANI BINTI SHAMSUDIN**  
Independent Non-Executive Director



**DATUK R. KARUNAKARAN**  
Independent Non-Executive Director

<b>Nationality / Age / Gender:</b>	Malaysian / 68 / Female	Malaysian / 66 / Male
<b>Date of Appointment:</b>	22 August 2011	16 July 2014
<b>Academic / Professional Qualification(s):</b>	<ul style="list-style-type: none"> <li>• Master of Business Administration (Finance), Cornell University, Ithaca, New York, USA</li> <li>• Bachelor of Arts in Economics, Knox College, Galesburg, Illinois, USA</li> </ul>	<ul style="list-style-type: none"> <li>• Post Graduate Course on Industrial Project Planning, University of Bradford, UK</li> <li>• Bachelor of Economics (Accounting) Hons., University of Malaya, Malaysia</li> </ul>
<b>Working Experience:</b>	<p><b>Present:</b></p> <p><b>Within Maybank Group</b></p> <ul style="list-style-type: none"> <li>• Director of Maybank</li> <li>• Chairman of Maybank Investment Bank Berhad</li> <li>• Chairman of Maybank Kim Eng Holdings Ltd</li> </ul> <p><b>Other Companies/Bodies</b></p> <ul style="list-style-type: none"> <li>• Director of Universiti Teknologi MARA (UiTM)</li> <li>• Director of Capital Market Development Fund</li> <li>• Member/Trustee of Perdana Leadership Foundation</li> <li>• Member/Trustee of National Heart Institute Foundation</li> <li>• Member/Trustee of NUR Foundation</li> <li>• Member/Trustee of National Council of Women's Organisations Malaysia</li> </ul> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>• Chairman of Maybank Asset Management Group Berhad and Maybank Asset Management Sdn Bhd from August 2012 to December 2016</li> <li>• Member of several high level national working groups such as National Economic Action Council, National Economic Consultative Council II, National Information Technology Council, Ministry of Finance High Level Finance Committee for Corporate Governance and National Advisory Council for Women, Ministry of Women, Family and Community Development</li> <li>• Chairman of Association of Stockbroking Companies Malaysia</li> <li>• Deputy Chairman of Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Bhd)</li> <li>• Owner and Managing Director of Mohaiyani Securities Sdn Bhd from 1985 to 2004</li> <li>• Dealer at Seagroatt &amp; Campbell Securities Sdn Bhd from 1982 to 1984</li> <li>• Assistant General Manager, Amanah Chase Merchant Bank Berhad from 1976 to 1981</li> </ul>	<p><b>Present:</b></p> <p><b>Within Maybank Group</b></p> <ul style="list-style-type: none"> <li>• Director of Maybank</li> <li>• Director of Maybank Ageas Holdings Berhad</li> <li>• Chairman of Etiqa Insurance Berhad</li> <li>• Chairman of Etiqa Takaful Berhad</li> <li>• Director of Maybank (Cambodia) Plc</li> </ul> <p><b>Other Companies/Bodies</b></p> <ul style="list-style-type: none"> <li>• Director of IOI Corporation Berhad</li> <li>• Director of Integrated Logistics Berhad</li> <li>• Director of Bursa Malaysia Berhad</li> <li>• Director of Sime Darby Motors Sdn Bhd</li> </ul> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>• Chairman/Director of Maybank Private Equity Sdn Bhd from May 2013 to December 2016</li> <li>• Director of Maybank Asset Management Group Berhad from August 2012 to December 2016</li> <li>• Director of Maybank Asset Management Sdn Bhd from November 2010 to January 2017</li> <li>• Director of Maybank Investment Bank Berhad from February 2009 to November 2014</li> <li>• Director of Maybank Agro Fund Sdn Bhd from May 2012 to March 2016</li> <li>• Member of the Cabinet Committee on Investment for High Impact Projects and PEMUDAH</li> <li>• Joined the Malaysian Investment Development Authority [formerly known as Malaysian Industrial Development Authority (MIDA)] in August 1972 and served in various positions including Deputy Director, Director, Deputy Director-General and Director-General</li> </ul>
<b>Directorship of Public Companies:</b>	<ul style="list-style-type: none"> <li>• Maybank</li> <li>• Maybank Investment Bank Berhad</li> </ul>	<ul style="list-style-type: none"> <li>• Maybank</li> <li>• Maybank Ageas Holdings Berhad</li> <li>• Etiqa Insurance Berhad</li> <li>• Etiqa Takaful Berhad</li> <li>• IOI Corporation Berhad</li> <li>• Integrated Logistics Berhad</li> <li>• Bursa Malaysia Berhad</li> </ul>
<b>Membership of Board Committees in Maybank:</b>	<ul style="list-style-type: none"> <li>• Risk Management Committee (Member)</li> <li>• Credit Review Committee (Member)</li> </ul>	<ul style="list-style-type: none"> <li>• Audit Committee (Member)</li> <li>• Nomination and Remuneration Committee (Member)</li> <li>• Risk Management Committee (Member)</li> <li>• Employees' Share Scheme Committee (Member)</li> </ul>
<b>Attendance in 2016:</b>	Attended all 14 Board meetings held in the financial year.	Attended all 14 Board meetings held in the financial year.
<b>Declaration:</b>	<ul style="list-style-type: none"> <li>• No family relationship with any director and/or major shareholder of Maybank.</li> <li>• No conflict of interest with Maybank and has never been charged for any offence.</li> </ul>	<ul style="list-style-type: none"> <li>• No family relationship with any director and/or major shareholder of Maybank.</li> <li>• No conflict of interest with Maybank and has never been charged for any offence.</li> </ul>

## BOARD OF DIRECTORS' PROFILE



**CHENG KEE CHECK**

Non-Independent Non-Executive Director

Malaysian / 52 / Male

19 November 2014

- LLB (Hons), National University of Singapore, Singapore

**Present:**

**Within Maybank Group**

- Director of Maybank
- Director of Maybank Trustees Berhad

**Other Companies/Bodies**

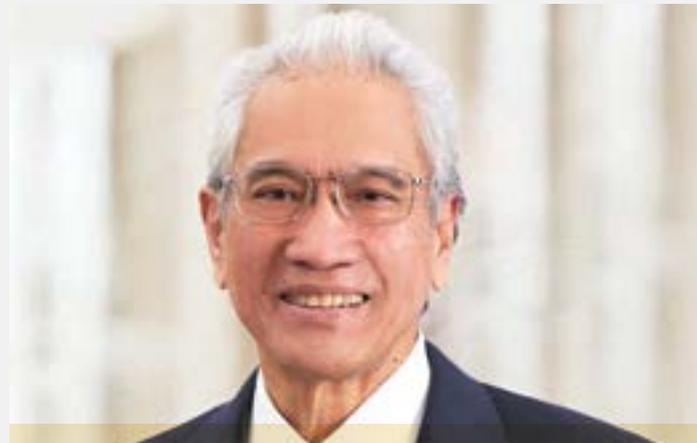
- Director of PNB Development Sdn Bhd
- Director of Seriemas Development Sdn Berhad
- Member of the Investment Committee of Amanah Saham Wawasan 2020
- A corporate lawyer and partner at Messrs Skrine

- Maybank
- Maybank Trustees Berhad

- Audit Committee (Member)
- Nomination and Remuneration Committee (Member)
- Credit Review Committee (Member)
- Employees' Share Scheme Committee (Member)

Attended all 14 Board meetings held in the financial year.

- Nominee of Permodalan Nasional Berhad, a major shareholder of Maybank.
- No family relationship with any director and/or major shareholder of Maybank.
- No conflict of interest with Maybank and has never been charged for any offence.



**EDWIN GERUNGAN**

Independent Non-Executive Director

Indonesian / 68 / Male

24 August 2015

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

**Present:**

**Within Maybank Group**

- Director of Maybank

**Other Companies/Bodies**

- Independent Commissioner of PT Indonesia Infrastructure Finance

**Past:**

- President Director of PT BHP Billiton Indonesia from 2007 to 2013
- President Commissioner of Bank Mandiri from 2005 to 2014
- Independent Commissioner of Bank Danamon from 2003 to 2005
- Independent Commissioner of Bank Central Asia from 2002 to 2003
- Chief Executive Officer of Indonesian Banking Restructuring Agency from 2000 to 2001
- Executive Vice President, Treasury and International, Bank Mandiri from 1999 to 2000
- Senior Advisor at Atlantic Richfield from 1997 to 1999
- Vice President, Head of Treasury, Citibank N.A. from 1972 to 1997

- Maybank

- Nomination and Remuneration Committee (Member)
- Risk Management Committee (Member)
- Credit Review Committee (Member)
- Employees' Share Scheme Committee (Member)

Attended all 14 Board meetings held in the financial year.

- No family relationship with any director and/or major shareholder of Maybank.
- No conflict of interest with Maybank and has never been charged for any offence.

**Nationality / Age / Gender:**

**Date of Appointment:**

**Academic / Professional Qualification(s):**

**Working Experience:**

**Directorship of Public Companies:**

**Membership of Board Committees in Maybank:**

**Attendance in 2016:**

**Declaration:**

## BOARD OF DIRECTORS' PROFILE



<b>Nationality / Age / Gender:</b>	Malaysian / 68 / Male	Malaysian / 55 / Female
<b>Date of Appointment:</b>	13 June 2016	1 July 2016
<b>Academic / Professional Qualification(s):</b>	<ul style="list-style-type: none"> <li>Member of the Malaysian Institute of Accountants (MIA)</li> <li>Bachelor Degree in Commerce (Finance, Accounting and Economics), University of Western Australia, Australia</li> <li>Bachelor Degree in Jurisprudence (Hons) University of Malaya, Malaysia</li> </ul>	<ul style="list-style-type: none"> <li>Investment Advisors License from the Securities Commission Malaysia</li> <li>Associate of the Institute of Actuaries, Staple Inn, London, UK</li> <li>PhD in Nuclear Physics, Oxford University, UK</li> <li>Bachelor of Science in Physics, Surrey University, UK</li> </ul>
<b>Working Experience:</b>	<p><b>Present:</b></p> <p><b>Within Maybank Group</b></p> <ul style="list-style-type: none"> <li>Director of Maybank</li> <li>Director of Maybank Islamic Berhad</li> </ul> <p><b>Other Companies/Bodies</b></p> <ul style="list-style-type: none"> <li>Director of Minority Shareholder Watchdog Group (Badan Pengawas Pemegang Saham Minoriti Berhad)</li> </ul> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>Expert Officer to the Public Private Partnership Unit and the Economic Planning Unit in the Prime Minister's Department from 2007 to 2011</li> <li>Chief Executive Officer of TM International Corporation from 2000 to 2003</li> <li>Chief Financial Officer of TELKOM SA Ltd (South Africa) from 1997 to 1999</li> <li>Chief Operating Officer of Telekom Malaysia Berhad from 1995 to 1996</li> <li>Senior General Manager of Corporate Finance, Telekom Malaysia Berhad from 1992 to 1994</li> <li>General Manager of Corporate Finance, Telekom Malaysia Berhad from 1988 to 1991</li> <li>Financial Controller of Mamor Sdn Bhd (a subsidiary of the Unilever Group) from 1982 to 1985</li> <li>Accountant and Financial Analyst of ESSO Malaysia Berhad from 1975 to 1981</li> </ul>	<p><b>Present:</b></p> <p><b>Within Maybank Group</b></p> <ul style="list-style-type: none"> <li>Director of Maybank</li> <li>Chairman of Maybank Asset Management Group Berhad</li> <li>Chairman of Maybank Asset Management Sdn Bhd</li> </ul> <p><b>Other Companies/Bodies</b></p> <ul style="list-style-type: none"> <li>Director, Guidance Atel Investments Ltd</li> <li>Director, Redachem Sdn Bhd</li> <li>Director of Guidance SEARE Advisors GP Limited</li> </ul> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>Chief Executive Officer of Guidance Investments Sdn Bhd from 2012 to 2016</li> <li>Managing Director of Guidance Financial Group, Washington DC from 2002 to 2012</li> <li>Chief Executive Officer of IslamiQ from 1998 to 2001</li> <li>Chief Executive Officer of Commerce MGI Sdn Bhd from 1994 to 1998</li> <li>Fund Manager with Rashid Hussain Asset Management from 1992 to 1994</li> <li>Actuary with Coopers and Lybrand Deloitte, London, UK from 1988 to 1992</li> </ul>
<b>Directorship of Public Companies:</b>	<ul style="list-style-type: none"> <li>Maybank</li> <li>Maybank Islamic Berhad</li> </ul>	<ul style="list-style-type: none"> <li>Maybank</li> <li>Maybank Asset Management Group Berhad</li> </ul>
<b>Membership of Board Committees in Maybank:</b>	<ul style="list-style-type: none"> <li>Audit Committee (Chairman)</li> <li>Credit Review Committee (Member)</li> </ul>	<ul style="list-style-type: none"> <li>Risk Management Committee (Member)</li> <li>Credit Review Committee (Member)</li> </ul>
<b>Attendance in 2016:</b>	Attended all 9 Board meetings held in the financial year since his appointment on 13 June 2016.	Attended all 8 Board meetings held in the financial year since her appointment on 1 July 2016.
<b>Declaration:</b>	<ul style="list-style-type: none"> <li>No family relationship with any director and/or major shareholder of Maybank.</li> <li>No conflict of interest with Maybank and has never been charged for any offence.</li> </ul>	<ul style="list-style-type: none"> <li>No family relationship with any director and/or major shareholder of Maybank.</li> <li>No conflict of interest with Maybank and has never been charged for any offence.</li> </ul>

## BOARD OF DIRECTORS' PROFILE



**ANTHONY BRENT ELAM**  
Independent Non-Executive Director

American / 58 / Male

15 November 2016

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

**Present:**

**Within Maybank Group**

- Director of Maybank

**Past:**

- Chief Risk Officer/Director of PT Bank Central Asia Tbk from May 2002 to April 2016
- Advisor at PT Bahana Pembinaan Usaha Indonesia from November 1996 to December 2001
- Vice President Director at Dieng Djaya from February 1994 to November 1996
- Vice President at Citibank from 1986 to 1994

- Maybank

- Risk Management Committee (Member)
- Credit Review Committee (Chairman)

Attended all 3 Board meetings held in the financial year since his appointment on 15 November 2016.

- No family relationship with any director and/or major shareholder of Maybank.
- No conflict of interest with Maybank and has never been charged for any offence.



**DATIN PADUKA JAMIAH BINTI ABDUL HAMID**  
Independent Non-Executive Director

Malaysian / 61 / Female

3 January 2017

- Certified Financial Planner
- Master in Business Administration, Universiti Kebangsaan Malaysia, Malaysia
- Bachelor of Science (Finance), Northern Illinois University, USA
- Diploma in Public Administration, Universiti Teknologi MARA, Malaysia

**Present:**

**Within Maybank Group**

- Director of Maybank

**Other Companies/Bodies**

- Chairman of Turnpike Synergy Sdn Bhd
- Chairman of Projek Lintasan Sungai Besi-Ulu Klang Sdn Bhd
- Chairman of Projek Lintasan Damansara-Shah Alam Sdn Bhd
- Chairman of Prolintas Expressway Sdn Bhd
- Chairman of Projek Lintasan Shah Alam Sdn Bhd
- Chairman of Projek Lintasan Kota Sdn Bhd
- Chairman of Projek Lintasan Kota Holdings Sdn Bhd
- Director of Pernec Integrated Network Systems Sdn Bhd
- Director of Unilever (Malaysia) Holdings Sdn Bhd

**Past:**

- Deputy President, Corporate and International, Permodalan Nasional Berhad from 2009 to 2016

- Maybank

- Audit Committee (Member)
- Nomination and Remuneration Committee (Member)
- Credit Review Committee (Member)
- Employees' Share Scheme Committee (Member)

Not Applicable.

- No family relationship with any director and/or major shareholder of Maybank.
- No conflict of interest with Maybank and has never been charged for any offence.

**Nationality / Age / Gender:**

**Date of Appointment:**

**Academic / Professional Qualification(s):**

**Working Experience:**

**Directorship of Public Companies:**

**Membership of Board Committees in Maybank:**

**Attendance in 2016:**

**Declaration:**

## BOARD OF DIRECTORS' PROFILE



**WAN MARZIMIN BIN WAN MUHAMMAD**  
Group General Counsel and Company Secretary

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**Academic / Professional  
Qualification(s):**

- LLB (Honours), University of Kent at Canterbury, UK
- Bar Finals, London Guildhall University, Called to the Bar of England & Wales (Barrister of Gray's Inn)
- Advocate and Solicitor of the High Court of Malaya

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**Working  
Experience:**

- Past:**
- Partner, Zaid Ibrahim & Co.
  - Legal Counsel, Manazel Group, Abu Dhabi
  - Senior General Manager & Head, Legal & Secretarial, Tenaga Nasional Berhad
  - Vice President, Legal & Secretarial, Scomi Group Berhad
-

## GROUP EXECUTIVE COMMITTEE



**DATUK ABDUL FARID ALIAS**  
Group President & Chief Executive Officer

Malaysian / 49 / Male

2 August 2013

- Master of Business Administration (Finance), University of Denver, USA
- Bachelor of Science in Accounting, Pennsylvania State University, University Park, USA
- Advanced Management Programme, Harvard Business School, Harvard University, USA
- Datuk Farid has over 20 years' experience in investment banking, corporate finance and capital markets, having served with various investment and merchant banks.
- Datuk Farid was named CEO of the Year at the ASEAN Business Awards Malaysia 2015, which recognises outstanding enterprises in the ASEAN business community.
- Datuk Farid was also awarded the CNBC Asia Business Leader Award for Corporate Social Responsibility in 2015.
- Spearhead Maybank Group's overall business growth and regionalisation strategies.
- Drive execution of Maybank Group's business targets to meet the Group's aspirations and vision.
- Oversee and ensure a good balance between driving operational excellence and strong governance to deliver sustainable long-term value for shareholders, customers, employees and all other stakeholders.

**Present:**

**Within Maybank Group**

- Group President & Chief Executive Officer/Executive Director of Maybank
- Director of Maybank Investment Bank Berhad
- Director of Maybank Ageas Holdings Berhad
- Commissioner of PT Bank Maybank Indonesia Tbk

**Other Companies/Bodies**

- Chairman of The Association of Banks in Malaysia
- Vice Chairman and a Fellow, Chartered Banker of Asian Institute of Chartered Bankers (AICB) and the Chartered Banker Institute (CBI), United Kingdom
- Chairman of Malaysian Electronic Payment System Sdn Bhd
- Director of Asian Banking School Sdn Bhd
- Director of STF Resources Sdn Bhd
- Director of Cagamas Holdings Berhad
- Member of ASEAN Business Advisory Council (ASEAN-BAC) Malaysia
- Member of the Asian Bankers Association Policy Advocacy Committee
- Member of Visa Asia Pacific Senior Client Council
- Investment Panel Of Kumpulan Wang Persaraan (Diperbadankan) (KWAP)
- Member of the Emerging Markets Advisory Council of The Institute of International Finance, Washington DC

**Past:**

- Deputy President and Head, Group Global Banking of Maybank from 2010 to 2013
- Head, International of Maybank from 2009 to 2010
- Khazanah Nasional Berhad from 2005 to 2008
- J.P. Morgan from 1997 to 2005
- Malaysian International Merchant Bankers Berhad from 1996 to 1997
- Schroders from 1994 to 1995
- Aseambankers Malaysia Berhad from 1992 to 1994

- Maybank
- Maybank Investment Bank Berhad
- PT Bank Maybank Indonesia Tbk
- Maybank Ageas Holdings Berhad
- Etiqa International Holdings Sdn Bhd

- Maybank

**Membership of Board/Management Committee in Maybank**

- Credit Review Committee of the Board (Member)
- Group Executive Committee (Chairman)
- Group Asset & Liability Management Committee (Chairman)

Nil

- No family relationship with any director and/or major shareholder of Maybank.
- No conflict of interest with Maybank and has never been charged for any offence.
- No convictions for offences within the past 5 years.
- No public sanction or penalty imposed by the relevant regulatory body during the financial year.



**DATUK LIM HONG TAT**  
Group Head, Community Financial Services  
Chief Executive Officer (CEO), Singapore

Malaysian / 57 / Male

1 January 2014

- Bachelor of Economics (Business Administration) (Hons), University of Malaya
- Fellow of the International Academy of Retail Banking
- Advanced Management Programme at Harvard Business School, Harvard University, USA
- Datuk Lim joined Maybank upon graduation in 1981.
- Datuk Lim has 35 years of experience covering all aspects of banking, having managed branches, regional banking, credit cards and international banking operations including holding senior management positions such as Director/President and CEO of Maybank Philippines Incorporated, Head of International Banking and Head of Consumer Banking in Maybank Group.
- Datuk Lim was named the 'Retail Banker of the Year' by the Asian Banker for year 2014.
- Drive and implement the Bank's community banking strategy across all geographies which covers branch banking, consumer lending, Small and Medium-sized Enterprise (SME) and Business Banking, sales and distribution, wealth management, payments, virtual banking, product innovation and customer segmentation.
- Grow business of all Maybank entities in Singapore which span the full suite of financial products and services – commercial banking, global banking, investment banking and insurance.

**Present:**

**Within Maybank Group**

- Group Head, Community Financial Services, Maybank Group and CEO, Singapore

**Past:**

- Group Head, Community Financial Services
- Deputy President, Head Community Financial Services
- Head, Consumer Banking
- Head, International Banking
- Executive Director/CEO Maybank Philippines Inc
- Chief Manager, Credit Card Centre
- Regional Manager, Johor/Melaka
- Branch Manager, Petaling Jaya
- Manager, Credit Processing, Johor/Melaka
- Head, Credit Processing, Region Sarawak
- Assistant Manager, Credit Administration Centre, Penang/Kedah/Perlis
- Assistant Branch Manager, Federal Territory
- Credit Officer, Bukit Bintang

- Maybank Kim Eng Holdings Ltd
- Maybank Kim Eng Securities Pte Ltd
- Etiqa Insurance Pte Ltd (Singapore)
- Maybank Philippines Inc

Nil

- Asia Pacific Visa Client Council (Member)
- European Financial Management Association (Board Member)
- Association of Banks in Singapore (Council Member)
- Mutiara Mortgage & Credit Sdn Bhd (wholly owned subsidiary of Ministry of Housing Sarawak)

- No family relationship with any director and/or major shareholder of Maybank.
- No conflict of interest with Maybank and has never been charged for any offence.
- No convictions for offences within the past 5 years.
- No public sanction or penalty imposed by the relevant regulatory body during the financial year.

**Nationality / Age / Gender:**

**Date of Appointment:**

**Qualification:**

**Responsibility:**

**Working Experience:**

**Directorship in Maybank  
Group of Companies:**

**Directorship of  
Public Companies:**

**Committee Membership/  
Appointments:**

**Declaration:**

## GROUP EXECUTIVE COMMITTEE



**DATO' MUZAFFAR HISHAM**  
Group Head, Global Banking



**DATO' AMIRUL FEISAL WAN ZAHIR**  
Group Chief Financial Officer

<b>Nationality / Age / Gender:</b>	Malaysian / 44 / Male	Malaysian / 47 / Male
<b>Date of Appointment:</b>	1 July 2016	1 July 2016
<b>Qualification:</b>	<ul style="list-style-type: none"> <li>Bachelor of Science (Hons) in Economics and Accounting, University of Bristol, United Kingdom</li> <li>Dato' Muzaffar was previously appointed as Group Head, Islamic Banking of Maybank Group and Chief Executive Officer of Maybank Islamic Berhad from March 2011 till end June 2016</li> <li>Dato' Muzaffar has more than 20 years of experience in banking and financial services. He started his career with Asian International Merchant Bankers Berhad in the Corporate Banking Division. He later joined Amanah Merchant Bank Berhad and Amanah Short Deposits Berhad where he was involved extensively in corporate debt and financing businesses from debt syndication to advising on private debt securities. Dato' Muzaffar was also involved in various debt and corporate restructuring exercises during the 1997 financial crisis. During his tenure at CIMB Investment Bank and HSBC Amanah, Dato' Muzaffar oversaw the investment banking business.</li> <li>Prior to joining Maybank, Dato' Muzaffar was the Deputy Chief Executive Officer of CIMB Islamic Bank Berhad. He was previously a member of the Board of Directors of CIMB Insurance Brokers Sdn. Bhd.</li> <li>He received the Asset Triple A Awards 2013, Industry Leadership Award as Islamic Banker of the Year for his contribution to developing Islamic finance regionally and growing Maybank Group's Islamic banking business</li> </ul>	<ul style="list-style-type: none"> <li>BSc Economics (Accounting &amp; Finance), London School of Economics &amp; Political Science, United Kingdom</li> <li>Fellow of the Institute of Chartered Accountants England and Wales, United Kingdom</li> <li>Member of the Malaysian Institute of Accountants</li> <li>Chartered Banker, Chartered Banker Institute and Asian Institute of Chartered Bankers</li> <li>Dato' Feisal was previously appointed as Group Head, Global Banking of Maybank Group from October 2014 till end June 2016</li> <li>Dato' Feisal worked with KPMG Plc, London before joining Schroders in 1997. At Schroders, which later became Citigroup Global Markets, Dato' Feisal progressed his career across various departments within the Investment Banking division including Project Finance and Privatisations, Corporate Finance, Mergers &amp; Acquisitions as well as coverage of large cap Industrial Groups in their Kuala Lumpur, Singapore and Hong Kong offices</li> <li>In 2004, he joined BinaFikir Sdn Bhd as a shareholder and Executive Director. Four years later, he was appointed as Managing Director, Head of Investment Banking for Maybank Investment Bank where he was instrumental in transforming and renewing the Investment Banking, Corporate Finance, Equity Capital Markets and Private Equity Divisions. In 2010, he joined Permodalan Nasional Berhad as Executive Vice President of Special Projects and was later seconded to Chemical Company of Malaysia Berhad, a public listed company, as Executive Director and subsequently, appointed as Group Managing Director</li> </ul>
<b>Responsibility:</b>	<ul style="list-style-type: none"> <li>Dato' Muzaffar is responsible for the Global Banking business anchored on Client Coverage teams supported by five key product groups; which comprise Investment Banking, Global Markets, Corporate Banking, Transaction Banking and Asset Management. As the Group Head, Global Banking, he focuses on strengthening and entrenching Global Banking's business in Maybank Group's key regional markets such as Singapore, the Philippines, Indonesia, Greater China and Indochina.</li> <li>Strategise the growth and development of the global banking business across Maybank Group</li> <li>Strategise and identify new markets and business opportunities offering end-to-end solutions which are designed to suit clients' financial needs.</li> <li>Strengthen and entrench Global Banking's business in Maybank Group's key regional markets such as Singapore, the Philippines, Indonesia, Greater China and Indochina.</li> </ul>	<ul style="list-style-type: none"> <li>Dato' Feisal is responsible for the Group's financial, capital and funding management. He oversees Group Financial Control, Group Corporate Treasury, Group Tax, Group Performance Reporting, Group Investor Relations and Group Finance Operations (Corporate Remedial Management and Enterprise Information Management).</li> </ul>
<b>Working Experience:</b>	<p><b>Present:</b> <b>Within Maybank Group</b></p> <ul style="list-style-type: none"> <li>Group Head, Global Banking</li> </ul> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>Group Head, Islamic Banking, Maybank Group, and CEO, Maybank Islamic Berhad from 2011 to 2016</li> <li>CIMB Islamic Bank Berhad from 2006 to 2011</li> <li>HSBC (M) Berhad from 2005 to 2006</li> <li>Commerce International Merchant Bankers from 2003 to 2005</li> <li>Amanah Short Deposits Berhad from 2002 to 2003</li> <li>Malaysia Discount Berhad from 2001 to 2002</li> <li>Amanah Merchant Bank Berhad from 1997 to 2001</li> <li>Asian International Merchant Bankers Berhad from 1995 to 1997</li> </ul>	<p><b>Present :</b> <b>Within Maybank Group</b></p> <ul style="list-style-type: none"> <li>Group Chief Financial Officer</li> </ul> <p><b>Past</b></p> <ul style="list-style-type: none"> <li>Group Head, Global Banking, Maybank Group from 2014 to 2016</li> <li>Managing Director, Head of Investment Banking, Maybank Investment Bank from 2008 to 2010</li> <li>Chemical Company of Malaysia Berhad from 2011 to 2014</li> <li>Permodalan Nasional Berhad in 2010</li> <li>BinaFikir Sdn Bhd from 2004 to 2008</li> <li>Citigroup Global Markets from 1997 to 2004</li> <li>KPMG Plc from 1993 to 1997</li> </ul>
<b>Directorship in Maybank Group of Companies:</b>	<ul style="list-style-type: none"> <li>Maybank Asset Management Group Berhad</li> </ul>	Nil
<b>Directorship of Public Companies:</b>	Nil	Nil
<b>Committee Membership/ Appointments:</b>	<ul style="list-style-type: none"> <li>Standards Committee of Association of Islamic Banking Institutions Malaysia (AIBIM) (Chairman)</li> <li>AIBIM Executive Committee (Member)</li> <li>H.M. Treasury U.K. Global Islamic Finance and Investment Group (Member)</li> <li>INCEIF Professional Development Panel (Member)</li> <li>INCEIF Academic Quality Assurance Committee (Member)</li> <li>Chartered Banker of Asian Institute of Chartered Bankers (AICB) (Member)</li> <li>Director of ANFAAL Capital, Saudi Arabia</li> </ul>	Nil
<b>Declaration:</b>	<ul style="list-style-type: none"> <li>No family relationship with any director and/or major shareholder of Maybank.</li> <li>No conflict of interest with Maybank and has never been charged for any offence.</li> <li>No convictions for offences within the past 5 years.</li> <li>No public sanction or penalty imposed by the relevant regulatory body during the financial year.</li> </ul>	<ul style="list-style-type: none"> <li>No family relationship with any director and/or major shareholder of Maybank.</li> <li>No conflict of interest with Maybank and has never been charged for any offence.</li> <li>No convictions for offences within the past 5 years.</li> <li>No public sanction or penalty imposed by the relevant regulatory body during the financial year.</li> </ul>

## GROUP EXECUTIVE COMMITTEE



**DR JOHN LEE HIN HOCK**  
Group Chief Risk Officer



**NORA ABD MANAF**  
Group Chief Human Capital Officer

Malaysian / 51 / Male

17 January 2011

- Doctorate of Philosophy in Economics, Monash University, Australia
- Bachelor of Economics, Monash University, Australia
- Fellow Certified Practising Accountant of the Australian Society of CPAs
- Chartered Banker of Asian Institute of Chartered Bankers
- Member of the American Finance Association, Econometrics Society and Society of Financial Studies
- Prior to joining Maybank, Dr. John Lee served in financial services consulting and advisory, where he was a partner with KPMG Business Advisory for 13 years, assisting numerous financial institutions across the Asia Pacific markets. He was also with Amanah Merchant Bank and the Kuala Lumpur Options and Financial Futures Exchange (KLOFFE).
- Dr. John Lee has in-depth financial industry and risk management expertise with specialisation in Islamic finance, business strategy, risk management and performance management.
- Dr. John Lee was awarded the Bank Risk Manager of the Year 2013 by Asia Risk and the Risk Manager of the Year 2014 by Asian Banker for his contribution to the Group and the industry.
- Dr. John Lee is also active as a leader in the development of talent and standards for the financial services and risk management communities.

- Formulate and implement the Risk Strategy, Risk Appetite and Risk Management Framework for Maybank Group.
- Strategise and lead Maybank Group's Enterprise Risk Management objectives and directions.
- Lead, implement and monitor effective risk management for Maybank Group.
- Oversee the execution of sound asset quality management practices across the businesses in Maybank Group.

**Present:**

- Within Maybank Group**
- Group Chief Risk Officer

**Past:**

- KPMG Business Advisory from 1997 to 2011
- The Kuala Lumpur Options & Financial Futures Exchange (KLOFFE) from 1994 to 1997
- Amanah Merchant Bank Berhad from 1993 to 1994
- Royal Melbourne Institute of Technology from 1991 to 1993
- Monash University from 1988 to 1991

Nil

Nil

- Member of the Liquidity Risk Management Working Group and the Risk Management Working Group of the Islamic Financial Services Board (IFSB)
- Member of the Monash University (Malaysian Branch) School of Business Advisory Board

- No family relationship with any director and/or major shareholder of Maybank.
- No conflict of interest with Maybank and has never been charged for any offence.
- No convictions for offences within the past 5 years.
- No public sanction or penalty imposed by the relevant regulatory body during the financial year.

Malaysian / 53 / Female

22 September 2008

- Chartered Accountant, Malaysian Institute of Accountants (MIA)
- Post-graduate certification in Human Resource Development, Cornell University
- Certified Gallup Strengths Coach Level II
- Honorary Adjunct Professorship from Universiti Utara Malaysia (UUM) College of Business
- Industry leader for Universiti Utara Malaysia (UUM), for the CEO@ Faculty Programme (CEO@FP)
- Prior to joining Maybank, Nora was with several multinationals and large local organisations across several sectors including telecommunications in Maxis and semiconductor in Intel, as well as academia.
- Nora was with Standard Chartered Group for over 9 years, in key management roles including Head of Human Resources, Scope International (a wholly-owned subsidiary of Standard Chartered UK Plc), a leadership development role in London, and on integration post acquisition of Chase Retail bank in Hong Kong. She was also Executive Vice President, Strategic Initiatives in Permata Bank Indonesia.
- Nora is actively engaged in the country's financial and business employers' circles in her capacity as Chairman of the Malaysian Commercial Banks Association (MCBA), a position she was voted into for 4 terms since 2009, Council member of the Malaysian Employers Federation, member of the National Labour Advisory Council (NLAC), and Chairman of the Banking Sector HR Networking Group since 2010.
- Nora actively mentors the country's upcoming talents within multiple national-level mentoring programmes including the ICAEW-TalentCorp WIL Programme.
- Nora is Institute of Chartered Accountants in England and Wales (ICAEW) qualified person responsible for training, also known as QPRT. The QPRT takes an active lead in the development of students and ensures that the ICAEW training standards are maintained and followed. She is also a member of the Board of Examiners for the Asia Institute of Chartered Bankers (AICB).
- Most recently, Nora was awarded the "Beacon of Light" at the National Women in Leadership Summit and Exhibition organised by Asli in partnership with the Ministry of Women, Family and Community Development, in August 2016.

- Formulate the Human Capital strategy across the Group that includes shaping and implementing business strategies aligning with the Group's aspirations and objectives.
- Act as a Strategic Advisor to the Maybank Group Board and Group EXCO on Human Capital matters.
- Shape Maybank workforce to current as well as future-ready – a key strategy in achieving the Group's 2020 Aspirations.

**Present:**

- Within Maybank Group**
- Group Chief Human Capital Officer

**Past:**

- Scope International from 2003 to 2004 and in 2008
- Permata Bank from 2005 to 2008
- Standard Chartered Bank from 1999 to 2003 and from 2004 to 2005
- Maxis from 1995 to 1999
- Raffles Group from 1992 to 1995
- Ministry of Education from 1989 to 1992
- Intel from 1988 to 1989

- Etiqa Insurance Berhad

Nil

- Malayan Commercial Banks' Association (MCBA) (Chairman)
- Banking Sector Human Resource Networking Group (HRNG) (Chairman)
- Malaysian Employers Federation (MEF) (Council Member)
- National Labour Advisory Council (NLAC) (Council Member)
- UUM Master of Science (Finance) (Member of the Advisory Committee)
- Yayasan Peneraju Pendidikan Bumiputra (Advisory Council Member (Financial Services Sector))
- HR and Training Committee (Member appointed by the Chairman of the Malaysia Competition Commission (MyCC) Board)
- Board of Examiners for the Asian Institute of Chartered Bankers (AICB) (Member)
- Asia Pacific Industry Advisory Panel (Member) Chartered Institute of Management Accountants (CIMA)
- Inducted into the Global HR 50 World Top 50 Human Resource Professionals

- No family relationship with any director and/or major shareholder of Maybank.
- No conflict of interest with Maybank and has never been charged for any offence.
- No convictions for offences within the past 5 years.
- No public sanction or penalty imposed by the relevant regulatory body during the financial year.

**Nationality / Age / Gender:**

**Date of Appointment:**

**Qualification:**

**Responsibility:**

**Working Experience:**

**Directorship in Maybank Group of Companies:**

**Directorship of Public Companies:**

**Committee Membership/ Appointments:**

**Declaration:**

## GROUP EXECUTIVE COMMITTEE



**DATO' MOHAMED RAFIQUE MERICAN BIN MOHD WAHIDUDDIN MERICAN**  
Group Head, Islamic Banking  
Chief Executive Officer (CEO), Maybank Islamic Berhad



**KAMALUDIN AHMAD**  
Chief Executive Officer (CEO), Maybank Ageas Holdings Berhad (MAHB)

<b>Nationality / Age / Gender:</b>	Malaysian / 52 / Male	Malaysian / 49 / Male
<b>Date of Appointment:</b>	1 July 2016	1 December 2013
<b>Qualification:</b>	<ul style="list-style-type: none"> <li>Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom</li> <li>Chartered Accountant, Malaysian Institute of Accountants (MIA)</li> <li>Advanced Management Programme at Harvard Business School, Harvard University, USA</li> <li>Dato' Rafique was previously appointed as Group Chief Financial Officer of Maybank Group from June 2012 till end June 2016.</li> <li>Dato' Rafique has more than 25 years of experience in the corporate sector, including five years as Chief Financial Officer of Tenaga Nasional Berhad (TNB) and Malakoff Berhad. Prior to joining TNB in 2009, he served at Radicare (M) Sdn Bhd, the facilities management concessionaire for hospitals in Klang Valley, Selangor, Kelantan, Terengganu and Pahang as its Chief Operating Officer initially and subsequently as its Chief Executive Officer.</li> <li>Dato' Rafique has also held corporate finance and advisory roles with Amanah Capital Group and Bumiputra Merchant Bankers Berhad in the early part of his career.</li> <li>Dato' Rafique was awarded the 'Best CFO for Investor Relations (Large Cap)' by the Malaysian Investor Relation Association (MIRA) in 2015.</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Science (Hons) in Actuarial Science from University of Kent, Canterbury, England</li> <li>Kamaludin joined Maybank Group as CEO of Etiqa Insurance Berhad and Head of General Insurance &amp; Takaful Business on 4 June 2012 and was appointed as Acting CEO of MAHB on 1 March 2013. As CEO of MAHB, he prioritises considerable time engaging with staff and stakeholders at the various distribution channels to drive the Insurance &amp; Takaful business and growth in alignment with Group's vision. Etiqa today has the largest market share in the General Insurance and Takaful market and ranked 2<sup>nd</sup> in the Life/Family New Business segment in Malaysia, testimony to the hard work and strong collaboration of the entire team.</li> <li>Kamaludin has more than 25 years of experience in the financial services industry including sales, marketing, actuarial, underwriting and operations, domestically as well as internationally. He has more than six years of experience in the regulatory and risk area which he gained while working with Securities Commission and Bank Negara Malaysia.</li> <li>Kamaludin has held several key management positions in AIG Malaysia and AIG International.</li> </ul>
<b>Responsibility:</b>	<ul style="list-style-type: none"> <li>Manage and oversee the overall Islamic Banking franchise of Maybank and ensure that it operates on a parallel platform, leveraging the Group's resources.</li> <li>Formulate business strategy for the Group's Islamic Banking business including Maybank Islamic's products development and delivery, marketing support, risk and Shariah-compliance management, spearheading the expansion of Group Islamic Banking in ASEAN and globally.</li> </ul>	<ul style="list-style-type: none"> <li>Drive and manage the overall strategy, profitability and growth of the Group's insurance and Takaful business in Malaysia and Singapore.</li> <li>Oversee the investment, commercial, corporate planning, risk management and IT decisions pertaining to the Insurance &amp; Takaful operations.</li> <li>Strengthen Group's Insurance and Takaful distribution footprint, grow its profitability via organic growth and regional expansion.</li> <li>Strengthen the Takaful leadership position and drive Etiqa as a preferred brand among all Malaysians.</li> </ul>
<b>Working Experience:</b>	<p><b>Present:</b> <b>Within Maybank Group</b></p> <ul style="list-style-type: none"> <li>Group Head, Islamic Banking and CEO, Maybank Islamic Berhad</li> </ul> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>Group Chief Financial Officer, Maybank Group from 2012 to 2016</li> <li>Tenaga Nasional Berhad from 2009 to 2012</li> <li>Radicare (M) Sdn Bhd from 2004 to 2009</li> <li>Malakoff Berhad from 2002 to 2004</li> <li>Amanah Capital Partners Berhad from 1998 to 2002</li> <li>Taipng Consolidated Berhad from 1996 to 1998</li> <li>Landmarks Berhad from 1994 to 1996</li> <li>Bumiputra Merchant Bankers Berhad from 1991 to 1994</li> <li>Land and General Berhad in 1991</li> </ul>	<p><b>Present:</b> <b>Within Maybank Group</b></p> <ul style="list-style-type: none"> <li>Chief Executive Officer (CEO), Maybank Ageas Holdings Berhad (MAHB)</li> </ul> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>CEO, Etiqa Insurance Berhad and Head of General Insurance &amp; Takaful Business from 2012 to 2013</li> <li>UEM Group from 2011 to 2012</li> <li>AIG Malaysia and AIG International from 1996 to 2011</li> <li>Am Investment Bank in 1996</li> <li>Securities Commission from 1993 to 1995</li> <li>Bank Negara from 1990 to 1993</li> </ul>
<b>Directorship in Maybank Group of Companies:</b>	<ul style="list-style-type: none"> <li>Etiqa Takaful Berhad</li> <li>P.T. Bank Maybank Syariah Indonesia</li> </ul>	<ul style="list-style-type: none"> <li>Etiqa Insurance Pte Ltd (Singapore)</li> <li>Etiqa International Holdings Sdn Bhd</li> <li>Etiqa Life International (L) Ltd</li> <li>Etiqa Offshore Insurance (L) Ltd</li> <li>Etiqa Overseas Investment Pte Ltd</li> <li>ALGA Corporation, Philippines</li> </ul>
<b>Directorship of Public Companies:</b>	Nil	Nil
<b>Committee Membership/ Appointments:</b>	<ul style="list-style-type: none"> <li>Malaysian Accounting Standards Board (MASB) (Member)</li> <li>Malaysia Advisory Committee of Association of Chartered Certified Accountants (ACCA) Malaysia (Member)</li> <li>CNBC Global CFO Council (Member)</li> <li>PT Bank Maybank Syariah Indonesia (President Commissioner)</li> </ul>	Nil
<b>Declaration:</b>	<ul style="list-style-type: none"> <li>No family relationship with any director and/or major shareholder of Maybank.</li> <li>No conflict of interest with Maybank and has never been charged for any offence.</li> <li>No convictions for offences within the past 5 years.</li> <li>No public sanction or penalty imposed by the relevant regulatory body during the financial year.</li> </ul>	<ul style="list-style-type: none"> <li>No family relationship with any director and/or major shareholder of Maybank.</li> <li>No conflict of interest with Maybank and has never been charged for any offence.</li> <li>No convictions for offences within the past 5 years.</li> <li>No public sanction or penalty imposed by the relevant regulatory body during the financial year.</li> </ul>

## GROUP EXECUTIVE COMMITTEE



**MICHAEL FOONG SEONG YEW**  
Group Chief Strategy Officer, Office of the Group President & CEO

Malaysian / 48 / Male

1 January 2014

- Master of Arts in Economics and Management Studies, Cambridge University, United Kingdom
- Advanced Business Management Program, Kellogg Graduate School of Management, Northwestern University, Chicago, USA
- Prior to joining Maybank Group, Michael was the Senior Managing Director of Accenture's management consulting practice in Malaysia. He spent 17 years serving financial services clients throughout Asia, primarily banks but also including insurance companies and stock exchanges. Michael has held various management positions in Accenture. He co-managed Accenture's Asia-Pacific Technology Ventures unit from 2000 to 2002, and after that, Accenture's Asia-Pacific Corporate Development office. Michael has worked in locations throughout Asia Pacific and spent seven years seconded as a leader into Accenture's offices in Beijing, Shanghai, Hong Kong, Sydney, Singapore, Tokyo and Jakarta. Between 2004 and 2011, he focused on architecting and implementing large-scale multi-year transformation programmes for banks in Malaysia and Singapore.
- Michael's career record includes Group-wide corporate planning, devising group and business sector strategies, operating models, business process reengineering, performance management frameworks, and ICT strategies.

- Drive the Group's agenda on regionalisation, digital, business development, transformation and productivity programmes across the region, and developing the Group's long-term strategy.
- Oversee Group Corporate Development & Innovation Unit, Group Corporate Affairs, Strategic Marketing, Customer Experience Management and Strategic Partnerships.

**Present:**

- **Within Maybank Group**
- Group Chief Strategy Officer

**Past:**

- Chief Strategy & Transformation Officer from 2011 to 2014
- Accenture from 1994 to 2011
- Sime Darby Bhd from 1991 to 1994

- Etiqa International Holdings Sdn Bhd

Nil

Nil

- No family relationship with any director and/or major shareholder of Maybank.
- No conflict of interest with Maybank and has never been charged for any offence.
- No convictions for offences within the past 5 years.
- No public sanction or penalty imposed by the relevant regulatory body during the financial year.



**TASWIN ZAKARIA**  
President Director, Maybank Indonesia

Indonesian / 49 / Male

11 November 2013

- Bachelor of Science in Business Administration degree in Accounting, Cum Laude (Honors), The Ohio State University
- Taswin has served as an Independent Commissioner for Maybank Indonesia from 16 December 2003 to 11 November 2013. He was an Independent Commissioner of PT Jasa Angkasa Semesta Tbk (2005 to 2013), President Director of PT Indonesia Infrastructure Finance (2010 to 2011), Director of Barclays Bank Plc for Indonesia and the Head of Regional Asia for Alternate Capital Market/Islamic Finance (2001 to 2003). He was the Vice President of Deutsche Bank AG Jakarta and the Head of Debt Capital Market and Liability Risk Management (1997 to 2001).
- He started his banking career at Citibank N.A, Jakarta, where he held the position as Head of Corporate Restructuring and Project Finance (1992 to 1997).
- Taswin was awarded 'Indonesia Business Leader of the Year' in CNBC's 15<sup>th</sup> Asia Business Leaders Award 2016.

- Establish strategic policies and provide the overall direction for the banking business operations of Maybank Indonesia.
- Supervise the development of Shariah banking business and the Bank's Internal Audit.
- Leverage on Maybank Group to capture a bigger market share.
- Strengthen the Group's operations in Indonesia.

**Present:**

- **Within Maybank Group**
- President Director, Maybank Indonesia

**Past:**

- PT Jasa Angkasa Semesta Tbk from 2005 to 2013
- PT. Indonesia Infrastructure Finance from 2010 to 2011
- Barclays Capital, Jakarta from 2001 to 2003
- Deutsche Bank AG, Jakarta from 1997 to 2001
- Citibank N.A., Jakarta from 1992 to 1997

- PT Bank Maybank Indonesia TBK

Nil

- Member of Supervisory Board of PERBANAS

- No family relationship with any director and/or major shareholder of Maybank.
- No conflict of interest with Maybank and has never been charged for any offence.
- No convictions for offences within the past 5 years.
- No public sanction or penalty imposed by the relevant regulatory body during the financial year.

**Nationality / Age / Gender:**

**Date of Appointment:**

**Qualification:**

**Responsibility:**

**Working Experience:**

**Directorship in Maybank Group of Companies:**

**Directorship of Public Companies:**

**Committee Membership/ Appointments:**

**Declaration:**

## GROUP EXECUTIVE COMMITTEE



**POLLIE SIM**  
Chief Executive Officer (CEO), International



**MOHD SUHAIL AMAR SURESH ABDULLAH**  
Group Chief Technology Officer

<b>Nationality / Age / Gender:</b>	Singaporean / 55 / Female	Malaysian / 54 / Male
<b>Date of Appointment:</b>	1 October 2013	1 April 2015
<b>Qualification:</b>	<ul style="list-style-type: none"> <li>Stanford Executive Program</li> <li>Masters in Business Administration, Brunel University of West London, United Kingdom</li> <li>Diploma in Management Studies, Singapore Institute of Management</li> <li>Diploma in Marketing &amp; Selling Bank Services, International Management Centre</li> <li>In 2012, Pollie was accorded the IBF Distinguished Fellow and the Distinguished FICP (Financial Industry Certified Professional) by The Institute of Banking &amp; Finance (IBF), Singapore and also received the Pacific Rim Bankers Program Distinguished Leadership Award.</li> <li>Pollie has more than 35 years of experience in the banking and financial industry and has held many senior positions within Maybank Group.</li> <li>Pollie was Chief Executive Officer of Mayban Finance (S) Ltd, before she was appointed as CEO of Maybank Singapore in 2006. She has been instrumental in leading and developing Maybank's retail banking business in Singapore.</li> </ul>	<ul style="list-style-type: none"> <li>Master of Business Administration, Charles Sturt University, Australia</li> <li>Suhail first joined Maybank in October 2012 as the Head of Virtual Banking &amp; Payments, Community Financial Services. He led the evolution of the Digital Strategy roadmap and was responsible for the roll out of several key digital platforms and capabilities across multiple markets. In June 2014, he was appointed the Group Chief Information Officer, Group Technology and the Head of Maybank Shared Services of Maybank Group.</li> <li>Prior to joining Maybank Group, Suhail was the Managing Director of Malaysian Electronic Clearing Corporation Sdn Bhd (MyClear), a wholly-owned subsidiary of Bank Negara Malaysia, responsible for the growth and success of the national e-payment infrastructure and services. He also served as the Group Managing Director of Malaysian Electronic Payment System Sdn Bhd (MEPS) and was responsible in accelerating the growth of MEPS as the centralised national switch. Suhail also held several senior positions in the Information Services Division of a commercial bank. Throughout his extensive career in other multinational organisations, Suhail managed the overall technology investments and directed the implementation and integration of Technology services within the Asia Pacific region.</li> <li>Suhail has more than 30 years of global experience in various areas related to Corporate Strategy, Business Development &amp; Marketing, Information Technology, Systems and Applications Architecture within the Banking and Telecommunications industries.</li> </ul>
<b>Responsibility:</b>	<ul style="list-style-type: none"> <li>Strategise, lead and transform Maybank Group's international operations excluding Singapore and Indonesia.</li> <li>Build greater synergy and accelerate profitability of the Maybank franchise across the international landscape for long term growth.</li> <li>Establish the Bank as a regional financial services leader.</li> </ul>	<ul style="list-style-type: none"> <li>Develop and lead the execution of the Group Technology strategies, systems and capabilities in collaboration with the Group Business, Functions and Countries to achieve business goals.</li> <li>Strategise, direct and build a differentiated regional strategic capability for the Group to use technology as a competitive advantage for enhanced customer experience, greater efficiency and cost advantage.</li> <li>Transform IT within Maybank and strengthen the in-house technical capabilities to support the Group's vision and aspirations.</li> </ul>
<b>Working Experience:</b>	<p><b>Present:</b></p> <ul style="list-style-type: none"> <li><b>Within Maybank Group</b> <ul style="list-style-type: none"> <li>CEO, International</li> </ul> </li> </ul> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>CEO, Singapore from 2006 to 2013</li> <li>Head, Retail Financial Services, Singapore from 2002 to 2006</li> <li>Head, Enterprise Banking, Singapore in 2001</li> <li>Head, Commercial Banking, Singapore from 1979 to 2001</li> <li>Chief Executive Officer, Mayban Finance (S) Ltd.</li> </ul>	<p><b>Present:</b></p> <ul style="list-style-type: none"> <li><b>Within Maybank Group</b> <ul style="list-style-type: none"> <li>Group Chief Technology Officer</li> <li>Head, Maybank Shared Services Sdn Bhd</li> </ul> </li> </ul> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>Virtual Banking &amp; Payments, Maybank from 2012 to 2014</li> <li>Malaysian Electronic Clearing Corporation Sdn Bhd from 2011 to 2012</li> <li>Malaysian Electronic Payment System Sdn Bhd from 2002 to 2011</li> <li>Cosine Communications Inc from 2000 to 2002</li> <li>Lucent Technologies Inc in 2000</li> <li>Affin Bank from 1983 to 1999</li> </ul>
<b>Directorship in Maybank Group of Companies:</b>	<ul style="list-style-type: none"> <li>Maybank Philippines Inc.</li> <li>Maybank (Cambodia) PLC</li> <li>An Binh Bank Commercial Joint Stock Bank (Vietnam)</li> </ul>	<ul style="list-style-type: none"> <li>Maybank Shared Services Sdn Bhd</li> <li>MCB Bank Limited</li> </ul>
<b>Directorship of Public Companies:</b>	Nil	Nil
<b>Committee Membership/ Appointments:</b>	<ul style="list-style-type: none"> <li>Asian Bankers Association (Maybank Representative on the Board of Directors)</li> <li>Financial Planning Associates (FPAS), Singapore (Honorary Member)</li> <li>Hong Kong-ASEAN Economic Cooperation Foundation (HKAECF) (Advisor)</li> </ul>	<ul style="list-style-type: none"> <li>Director to the Board of MCB Bank Limited; member of the board committees for MCB Bank Limited Business Strategy &amp; Development, and Risk Management &amp; Portfolio review</li> <li>Member of the Board Oversight Committee of Maybank Aegae Holdings Berhad for Information Technology</li> <li>Fellow of the Malaysian Institute of Management</li> <li>Associate of the Asian Institute of Chartered Bankers (formally known as Institute of Bankers Malaysia - IBBM)</li> </ul>
<b>Declaration:</b>	<ul style="list-style-type: none"> <li>No family relationship with any director and/or major shareholder of Maybank.</li> <li>No conflict of interest with Maybank and has never been charged for any offence.</li> <li>No convictions for offences within the past 5 years.</li> <li>No public sanction or penalty imposed by the relevant regulatory body during the financial year.</li> </ul>	<ul style="list-style-type: none"> <li>No family relationship with any director and/or major shareholder of Maybank.</li> <li>No conflict of interest with Maybank and has never been charged for any offence.</li> <li>No convictions for offences within the past 5 years.</li> <li>No public sanction or penalty imposed by the relevant regulatory body during the financial year.</li> </ul>

## GROUP EXECUTIVE COMMITTEE



**JEROME HON KAH CHO**  
Group Chief Operations Officer

Malaysian / 50 / Male

1 December 2013

- Malaysian Institute of Certified Public Accountants (MICPA)
- Member of MICPA
- Member of Malaysia Institute of Accountants (MIA)
- Jerome has been with Maybank for more than 20 years and has served in various positions within the Maybank Group including Accounting, Central Operations, Internal Audit and key management positions of Maybank Group subsidiaries involved in trust and futures broking businesses.
- Prior to his appointment as Group Chief Operations Officer of Maybank Group, Jerome was the Chief Audit Executive of Maybank for more than 7 years, where he oversaw the Internal Audit functions of Maybank as well as its subsidiaries.
- Prior to joining Maybank, he articulated with an accounting firm where he pursued his qualification as a Chartered Accountant and served the firm for 8 years. During the period with the firm, he was involved in various types of audits which include financial services, insurance, manufacturing and other services.

- Formulate and develop the operational strategy to support Maybank Group's Vision and Mission.
- Develop and execute strategies on risk management and governance – from internal, industry and regulatory perspectives for Maybank Group Operations.
- Oversee the Group's overall operations and processes to ensure efficient and effective delivery of support service.

**Present:**

**Within Maybank Group**

- Group Chief Operations Officer

**Past:**

- Chief Audit Executive, Maybank Group from 2006 to 2013
- Project Management Office, Maybank in 2005
- Head, Outsourcing Services, Central Operations, Maybank from 2003 to 2004
- Acting Executive Director, Maybank Futures Sdn Bhd in 2002
- Head, Maybank Trustees Bhd from 1997 to 2001
- Head, Corporate Reporting, Maybank from 1994 to 1997
- Salleh, Leong, Azlan & Co from 1987 to 1994

Nil

Nil

Nil

- No family relationship with any director and/or major shareholder of Maybank.
- No conflict of interest with Maybank and has never been charged for any offence.
- No convictions for offences within the past 5 years.
- No public sanction or penalty imposed by the relevant regulatory body during the financial year.

**Nationality / Age / Gender:**

**Date of Appointment:**

**Qualification:**

**Responsibility:**

**Working Experience:**

**Directorship in Maybank Group of Companies:**

**Directorship of Public Companies:**

**Committee Membership/ Appointments:**

**Declaration:**

# GROUP SHARIAH COMMITTEE



**ASSOCIATE PROFESSOR DR AZNAN HASAN**  
Chairman



**ASSOCIATE PROFESSOR DR AHCENE LAHSASNA**  
Member

<b>Nationality / Age / Gender:</b>	Malaysian / 45 / Male	Algerian / 47 / Male
<b>Date of Appointment:</b>	1 May 2014	11 June 2009
<b>Qualification:</b>	<ul style="list-style-type: none"> <li>Bachelor's degree in Shariah (Mumtaz), University of al-Azhar</li> <li>Master's degree in Shariah (Mumtaz), Cairo University</li> <li>PhD, University of Wales, Lampeter, United Kingdom</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's degree in Islamic law and Islamic jurisprudence, University of Emir Adel Kader, Constantine, Algeria</li> <li>Master's degree in Islamic law and Islamic jurisprudence, International Islamic University of Malaysia (IIUM)</li> <li>PhD, International Islamic University of Malaysia (IIUM)</li> </ul>
<b>Working Experience:</b>	<p><b>Within Maybank Group</b></p> <ul style="list-style-type: none"> <li>Shariah consultant to Maybank Investment Bank</li> </ul> <p><b>Other Companies/Bodies</b></p> <ul style="list-style-type: none"> <li>Associate Professor, IIUM Institute of Islamic Banking and Finance, International Islamic University Malaysia (IIUM)</li> <li>President of the Association of Shariah Advisors in Islamic Finance (ASAS)</li> <li>Deputy Chairman, Shariah Advisory Council, Securities Commission of Malaysia</li> <li>Member, Shariah Advisory Board, ABSA Islamic Bank (South Africa)</li> <li>Member, Shariah Advisory Board, FNB Bank (South Africa)</li> <li>Member, Shariah Advisory Board, Yasaar Limited (London)</li> <li>Member, Shariah Advisory Board, Khalij Islami (London)</li> <li>Member, Shariah Advisory Board, European International Islamic Bank (EIIB)</li> <li>Member, Shariah Advisory Board, Amanahraya Berhad</li> <li>Member, Shariah Advisory Board, Amanah Raya Investment Bank Labuan</li> <li>Member, Shariah Advisory Board, Employee Provident Fund (EPF)</li> <li>Member, Shariah Supervisory Board of the Waqaf Foundation (Yayasan Waqaf)</li> <li>Independent Non-Executive Director, Hong Leong MSIG Takaful</li> </ul> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>Member of the Shariah Advisory Council of Bank Negara Malaysia from 2006 to 2008 and from 2010 to 2013</li> </ul>	<p><b>Within Maybank Group</b></p> <ul style="list-style-type: none"> <li>Chairman of Shariah Committee of Etiqa Takaful</li> </ul> <p><b>Other Companies/Bodies</b></p> <ul style="list-style-type: none"> <li>Associate Professor and Deputy Director, Management Research Centre, International Center for Education in Islamic Finance (INCEIF)</li> <li>A registered Shariah advisor for the Islamic Unit Trust Schemes and Islamic Securities (Sukuk) with the Securities Commission of Malaysia</li> <li>A member of the Shariah Advisory Council of the Malaysian Financial Planning Council (MFPC)</li> <li>Panel member of FAA Accreditation</li> </ul> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>Assistant Lecturer, Department of Fiqh and Usul Fiqh, Kulliyah of Islamic Revealed Knowledge and Human Science, International Islamic University Malaysia (IIUM) from 2000 to 2006</li> <li>Lecturer, Shariah and Law Faculty, Islamic Science University of Malaysia (USIM) from 2006 to 2007</li> <li>Lecturer, Graduate Business School, Faculty of Business and Accountancy, Banking and Finance Department, University Malaya from 2009 to 2010</li> </ul>

## GROUP SHARIAH COMMITTEE



**ASSISTANT PROFESSOR DR MOHAMMAD DEEN MOHD NAPIAH**  
Member

Malaysian / 55 / Male

1 April 2005

- Bachelor's degree in Shariah & Islamic Studies, Kuwait University
- PhD, Glasgow Caledonian University, Scotland

#### Other Companies/Bodies

- Shariah Advisor, Amanah Hartanah Bumiputera
- Assistant Professor, Ahmad Ibrahim Kulliyah of Laws, International Islamic University Malaysia (IIUM)
- Academic Assessor, Malaysian Quality Agency (MQA)
- Member, Jawatankuasa Standard Perindustrian Berkenaan Standard Halal (ISCI) Jabatan Kemajuan Islam Malaysia (JAKIM)
- Chairman, Working Committee for Halal Terminologies and Nomenclatures with Standard and Industrial Research Institute of Malaysia (SIRIM)
- Registered Shariah Advisor for the Islamic Unit Trust Schemes and Islamic Securities (Sukuk) with the Securities Commission of Malaysia
- Member, Disciplinary Committee Panel, Advocates & Solicitors Disciplinary Board of the Malaysian Bar Council.

#### Past:

- Head, Islamic Law Department, Ahmad Ibrahim Kulliyah of Laws, International Islamic University Malaysia (IIUM) from 1997 to 2000
- Deputy Dean, Ahmad Ibrahim Kulliyah of Laws, International Islamic University Malaysia (IIUM) from 2000 to 2004
- Shariah Advisor, EON Bank Berhad from 1997 to 2004



**ASSOCIATE PROFESSOR DR MOHAMED FAIROOZ BIN ABDUL KHIR**  
Member

Malaysian / 40 / Male

1 May 2013

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

#### Other Companies/Bodies

- Associate Professor, School of Law and Shariah, Islamic University of Malaysia
- Registered Shariah Advisor for the Islamic Unit Trust Schemes and Islamic Securities (Sukuk) with the Securities Commission of Malaysia
- Chairman, Shariah Committee, AGRO Bank
- Member, Shariah Committee, MNRB Holdings Berhad

#### Past:

- Head, Islamic Banking Unit, International Shariah Research Academy for Islamic Finance (ISRA) from 2013 to 2016
- Lecturer, Department of Islamic Revealed Knowledge and Human Sciences, Centre for Foundation Studies, International Islamic University Malaysia ("IIUM") from 2002 to 2010
- Shariah advisor, Malaysian Industrial Development Finance Berhad from 2011 to 2013

**Nationality / Age / Gender:**

**Date of Appointment:**

**Qualification:**

**Working Experience:**

## GROUP SHARIAH COMMITTEE



**DR MARJAN BINTI MUHAMMAD**  
Member

<b>Nationality / Age / Gender:</b>	Malaysian / 41 / Female
<b>Date of Appointment:</b>	1 May 2013
<b>Qualification:</b>	<ul style="list-style-type: none"> <li>• Bachelor of Islamic Revealed Knowledge and Heritage, Fiqh and Usul al-Fiqh, International Islamic University Malaysia (IIUM)</li> <li>• Master of Islamic Revealed Knowledge and Heritage, Fiqh and Usul al-Fiqh, International Islamic University Malaysia (IIUM)</li> <li>• PhD, Islamic Revealed Knowledge and Heritage, Fiqh and Usul al-Fiqh, International Islamic University Malaysia (IIUM)</li> </ul>
<b>Working Experience:</b>	<p><b>Other Companies/Bodies</b></p> <ul style="list-style-type: none"> <li>• Director of Research, International Shariah Research Academy for Islamic Finance (ISRA)</li> </ul> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>• Member, Shariah Committee, RHB Islamic Bank from 2011 to 2013</li> <li>• Tutor, Faculty of Judiciary and Law, Islamic Science University of Malaysia (USIM) from 2001 to 2005</li> </ul>



**ASSISTANT PROFESSOR DR ISMAIL  
BIN MOHD @ ABU HASSAN**  
Member

<b>Nationality / Age / Gender:</b>	Malaysian / 51 / Male
<b>Date of Appointment:</b>	1 April 2007
<b>Qualification:</b>	<ul style="list-style-type: none"> <li>• Bachelor's Degree (Honours), Shariah, University of Malaya</li> <li>• LL.M, Comparative Laws, School of Oriental Studies, University of London</li> <li>• PhD, Comparative Law of Evidence, Victoria University of Manchester, United Kingdom</li> </ul>
<b>Working Experience:</b>	<p><b>Within Maybank Group</b></p> <ul style="list-style-type: none"> <li>• Member, Shariah Committee, Etiqa Takaful Malaysia</li> <li>• Member, Board of Directors, Etiqa Takaful Malaysia</li> </ul> <p><b>Other Companies/Bodies</b></p> <ul style="list-style-type: none"> <li>• Assistant Professor, Ahmad Ibrahim Kulliyah of Laws, International Islamic University Malaysia (IIUM)</li> <li>• Shariah Advisor, Amanahibah Malaysia</li> <li>• Shariah Advisor, Amanah Hartanah Bumiputera</li> <li>• Member, Board of Trustees, Infaq lil Waqf, ANGKASA</li> <li>• Member, Shariah Committee, Koperasi Angkasa (KOPSYA), ANGKASA</li> <li>• Registered Shariah Advisor for the Islamic Unit Trust Schemes and Islamic securities (Sukuk) with the Securities Commission of Malaysia</li> <li>• Board of Trustees, Yayasan Lace, Johor</li> </ul> <p><b>Past:</b></p> <ul style="list-style-type: none"> <li>• Board of Director, Perbadanan Waqf Selangor from 2011 to 2014</li> <li>• Member, Shariah Committee, CIMB Islamic from 2006 to 2008</li> <li>• Member, Shariah Committee, Commerce Tijari Bank from 2004 to 2006</li> <li>• Committee Member, Majlis Pengurusan Waqf Majlis Agama Islam Selangor from 2005 to 2011</li> <li>• Deputy Director, Harun Hashim Law Centre Kulliyah of Laws, International Islamic University Malaysia from 2002 to 2004</li> </ul>

## GROUP SHARIAH COMMITTEE



**USTAZ MOHD KAMAL MOKHTAR**

Member

Singaporean / 49 / Male

**Nationality / Age / Gender:**

1 September 2015

**Date of Appointment:**

- Diploma, Arabic Language, Islamic University of Medina
- B.Sc., Zoology and Botany, National University of Singapore (NUS)
- BA (Hons.), Hadith and Islamic Studies, Islamic University of Medina
- Shari'a Advisory Training Program, Singapore Islamic Scholars & Religious Teachers Association (PERGAS) and International Institute of Islamic Finance (IIIF)
- Master in Finance, International Islamic University of Malaysia (IIUM)

**Qualification:**

**Other Companies/Bodies**

- Judge, Shariah Appeal Court of Singapore
- Associate member, Fatwa Council of Majlis Ugama Islam Singapore (MUIS)
- Member, Asatizah Recognition Board (ARB)
- Member, Shariah Committee, Basil Fund, a private Real Estate Investment fund based in Singapore since 2012
- Member, Singapore Islamic Scholars & Religious Teachers Association (PERGAS)

**Working Experience:**

**Past:**

- Executive Director, Finance, Andalus Corporation, Singapore from 1998 to 2000
- Executive Director, Training and Curriculum, Albany Learning and Development Pte Ltd, Singapore from 2000 to 2008
- Research Analyst, Fatwa Council of Majlis Ugama Islam Singapore (MUIS) from 2008 to 2009
- Consultant and Shariah Advisor, SHAPETM Financial Corp. from 2009 to 2013
- Director, Singapore Islamic Scholars & Religious Teachers Association (PERGAS) from 2011 to 2014

## GROUP HUMAN CAPITAL


**NORA ABD MANAF**

Group Chief Human Capital Officer

“2016 marked a year that we leapfrogged our efforts to ‘future-proof’ the organisation by preparing our talent to navigate the changing economic, business and social global landscape. We focused intensively on preparing our diverse workforce with the right mind-set, behaviours, skills and tools to create breakthroughs and unlock potential, and to be able to anticipate customers’ preferences and needs. Our commitment in ensuring our Corporate Culture, Talent Management and Development practices are superior, best-in-class, and able to adapt to the changing business needs, continues as a critical enabler to the growth and performance of the organisation. Our focus is on finding progressive and responsible ways for our talent to innovate, adapt and evolve, to be agile and nimble and to act on changes successfully. We are thankful and humbled that our people transformation efforts continue to be recognised as leading and trailblazing internally and externally.”

### Key Highlights in 2016

- We continue to chalk up improvement in our people’s performance given our disciplined approach to raise productivity. Our people productivity performance continues to trend positively. Income per employee was RM506,258 in 2016 compared to RM462,116 in 2015 and RM393,925 in 2014.
- Profit Before Tax (PBT) per employee was RM201,120 in 2016 (RM193,695 in 2014 and RM199,129 in 2015) while overall income per staff cost is 3.94 times.
- We won Employer of the Year for the second time and was named the Most Popular Employer (Banking and Financial Services) for the sixth consecutive year at Malaysia’s Leading 100 Graduate Employers (M100) Awards. Maybank has been in the top ten position of the M100 list since 2011, climbing the ranks from 17<sup>th</sup> in 2010, fifth in 2011 and third in 2012. Since 2013, we continue to be ranked in the top two positions among the Top 100 Leading Employers.
- We are regionally recognised for our various Talent Management and Employer Branding initiatives. We clinched a total of fifteen awards at the Human Resources’ Asia Recruitment Awards 2016 held in Hong Kong, Singapore and Kuala Lumpur - as well as an award at the Malaysia Best Employer Awards 2015-2016 in Kuala Lumpur, reaffirming our position as one of the top employers in the region.
- For our sustained long-term commitment in promoting gender diversity, work-life integration and a parent-friendly work environment, we garnered the ‘Platinum Award’ at the Life@Work Awards 2016. The Platinum Award is given to the organisation that has won a Life@Work award category for three consecutive times or more. Maybank bagged the ‘Best Malaysian Organisation Award’ in 2014 and 2015.



Maybank recognised as No. 1 Graduate Employer of the Year at M100 2016



Nora Abd Manaf receiving the Platinum Award on behalf of Maybank from YB Datuk Rahman Dahlan, Minister in the Prime Minister’s Department at the Life@Work Awards 2016

 Further details on our award listing are contained in awards and recognition section on pg. 202.

## GROUP HUMAN CAPITAL

### OVERVIEW

In 2016, the Group firmly committed itself to scaling new heights in its next phase of growth guided by our 2020 Vision of “Advancing Asia’s Ambitions with You” (hereinafter known as M2020). To deliver on our M2020 aspirations, we are channelling our energy and time to shape our talent to be future-ready and dynamic so that Maybank can continue to be a leader. We need to help our people navigate the uncertainties and deal with the ever-changing social and global landscape, moving forward.

In Group Human Capital (GHC), we have reshaped our roles and disrupted the way we operate to gain first-hand experience in facilitating a climate change in the organisation. We are also influencing our fellow colleagues to leap ahead with confidence. We are entrusted and expected to make quantum leap changes in how we develop, up-skill, manage and lead people, to bring out the best in them to achieve a breakthrough performance.

The Five People Pillars, aligned with our humanising mission, guide our People initiatives:

Humanising Mission: Five People Pillars				
YOU Matter	Go Ahead. Grow	Diversity & Inclusion	Respect & Dignity	Fairness & Transparency
We listen when you speak. Act on feedback. And make time to explain decisions.	You are encouraged, helped, supported and enabled when you want to learn, develop and grow.	You are valued for who you are and what you bring to the team, and we look for your uniqueness and embrace different views.	We show the same respect to anyone, regardless of level, grade, age. We are ethical in our dealing. And we have honest, open and trusting conversations with you.	We strive to ensure you are informed. We encourage you to seize opportunities.

To renew and push ourselves ahead intensively, we had to change the way the GHC team operates to enable the function to influence the rest of the organisation. And, we knew that we had to be agile in providing quicker and correct solutions that encourage desired ways of working across our footprint in order for our people to have a competitive advantage.

We recalibrated the GHC structure based on its current relevance to needs of the business and its talent. In the process, we invited our GHC talent to volunteer into critical projects, over and above their current tasks. It was deliberately introduced to set the foundation for this wave of transformation to enable our talent to unleash their potential and thrive. Aimed at trying new ways of working to gain personal experience and learning, this restructuring exercise encouraged our people to create, design and trailblaze a path to the new workplace of tomorrow. Talent were mobilised, underwent rotations within GHC and started contributing to projects beyond their job scope to learn new skills. Many of these projects created opportunities to improve operational excellence and facilitate more effective and efficient decisions.

2016 was indeed an important year on many fronts as we prepared ourselves to lead our talent across the Group towards our M2020 Vision. We have already crafted our GHC M2020 roadmap with our strategic

objective of ‘growing and nurturing world class talent to deliver world class results’. In short, our ambitious GHC M2020 journey focuses on six human capital transformation goals that boost our people’s ability to deliver exceptional results while encouraging them to thrive and unleash their professional and personal potentials.

### Six Human Capital Transformation Goals



Superior Leadership and Talent Pipelines



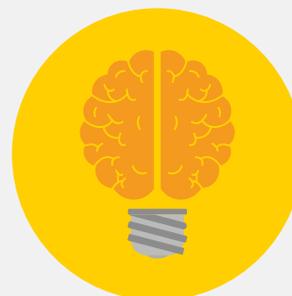
World Class Productivity Levels



Global Ethical Mindsets



Tech Savvy workforce that is Creative, Nimble & Agile



Thought Leaders in Financial Services



A Caring, Meaningful & Exciting Work Environment

## GROUP HUMAN CAPITAL

### ENGAGING OUR PEOPLE IN THIS PHASE OF GROWTH

A successful organisation is not only managed but driven from one success to another by high performing individuals who care about each other and are committed to the success of their organisation. Our leaders passionately provide clarity and direction as well as targets and expectations about our M2020 Vision, allowing our people to be deeply connected to each other as they are bound by a common vision and mission, understand what is required from their role and are able to execute on this intent responsibly. Our leaders spent significant time with our employees through purposeful and impactful dialogue sessions such as the Maybank Group Townhall/Sectorial Townhall, Group EXCO Roadshows, Conversation Series with Chairman and Group EXCO, Group EXCOs Leaders Teaching Leaders sessions and Leaders-On-The-Go Series.

<b>MAYBANK GROUP TOWNHALL</b>	In 2016, a total of five Maybank Group Townhalls were conducted at the Corporate Head Office and broadcasted to all locations through webcast, teleconference and WEBEX live-streaming. The Maybank Group Townhall is one of our important platforms where our leaders share updates on the Group's performance and key initiatives as well as map out clear direction and expectations to deliver on our aspirations and strategic objectives.
<b>THE LEADERS-ON-THE-GO (LOTG) SERIES</b>	In conjunction with the M2020 Vision cascade, LOTG series of 'Our Maybank Our Future 2.0', was organised to raise employees' momentum and accelerate change required for the organisation to remain relevant and be future-ready. LOTG continued to facilitate two-way flow of information and knowledge where it demonstrated the authenticity of our leaders engaging with employees to understand concerns that they have in their daily operations as well as to create a culture of recognition that further nurtures and promotes a motivating environment. From 4Q FY2016 to 2Q FY2017, our Group EXCO would have covered 222 locations Group-wide.
<b>CONVERSATION SERIES WITH CHAIRMAN AND GROUP EXCO</b>	A total of 61 conversation series were held throughout 2016 where our top leaders engaged with employees around the Group. The conversation series continued to provide a platform for our talent to exchange ideas, speak their mind and give feedback, while engaging in face-to-face conversation with our top leaders. It also served as an opportunity for our top leaders to give clarity on the organisation's direction, expectations, as well as provide first-hand coaching on professional and personal growth.
<b>LEADERS TEACHING LEADERS SESSION</b>	During these sessions, the participants learn useful leadership insights for their career and personal growth as well as engage in thought-provoking conversations with each other. The sessions consist of Maybank Group Induction Programme, EXCO Learning Engagement, EXCO Leadership Insights, The Guru Series, The Author Series, The Technical Expert Series, The Leadership Research Insight Series, Chit Chat With Leaders and Mentoring Programmes.



Maybankers gather at Menara Maybank to hear from our leaders on the Group performance and key initiatives during the Maybank Group Townhall held quarterly.

We leverage on a host of platforms to engage and get feedback from Maybankers to ensure they continue to feel valued, empowered and able to thrive in an inclusive work environment. Their feedback is a crucial source in creating change and to institute improvements across the Group. We use both face-to-face and electronic channels to connect with our colleagues, as well as work towards further strengthening H.O.T (Honest, Open, Trusting) conversations.

In addition to our existing employee feedback channels namely Ask Senior Management (ASM) and the Employee Engagement Survey (EES), a 'Speak Up' Campaign known as 'Problem, Solution & Idea (PSI)' was launched on 8 June 2016. The PSI campaign was another avenue for Maybankers to give honest feedback, share problems, highlight opportunities and offer potential solutions. Within 48 hours, 505 PSIs were contributed. This compelled a strong commitment to our promise of finding solutions across boundaries that lead to a brighter future for all. The responses were then channelled to the various touch points for consideration.

One of the key outcomes from reinventing GHC to better serve the needs of our employees and to be responsive and alert at all times was a refreshed reinvention of our previous HR Helpdesk into a brand new GHC Contact Centre in order to provide end-to-end solutions for our employees. Apart from significantly strengthening its availability, the team spearheading this project has already mapped out and provided for new facilities beyond email and phone calls. Jabber, an instant messaging platform, will also be introduced in February 2017.

In addition to acting on employees' feedback, we also place emphasis on analysing the feedback down to its root cause to ensure that any future challenges or concerns are mitigated and solved. This approach applies to feedback that we receive from all sources.

## GROUP HUMAN CAPITAL

### ENHANCING DIGITAL SOLUTIONS FOR OPERATIONAL EFFICIENCIES AND AGILITY

At Maybank, we are continuously looking for impactful ways to increase our productivity, operational efficiency and deliver greater value to the business to make smarter and responsible decisions quickly. myHR2u is our one-stop online employee portal available in 16 countries. The common modules available are Employee Information, Leave, Payment, Claims, Performance Management and Talent Management. In 2016, we introduced new modules for our employees in Malaysia, namely the online conversation logs, MyProfile, Maybank organisation chart and online functional competency assessments to enable them to access information easily.

**Conversation log:** It is an online productivity tool that was rolled out in Malaysia for pilot implementation in the second half of 2016. Conversation log emphasises on the need for prompt, corrective and constructive feedback, with the aim to strengthen performance and productivity responsibly and quickly.

**MyProfile Module:** We have revamped it with a new look and feel as well as exciting features. In the past, employees' information was located in various modules within myHR2u. For convenience, we have consolidated all information into a single view.

**Maybank organisation chart:** Previously the module that provides a visual display of the organisation structure with the workforce was made available for Human Capital Heads. In 2016, it was accessible by all Line Managers to improve workforce planning, relationship building and collaboration to support business growth.

**Online functional competency assessments:** It was introduced to employees as a pilot project to build a strategic Online Competency Information Database for convenient, effective and efficient human capital management. This online assessment tool provides a gap analysis of employees' skills and knowledge in their present job with a view to enabling proper identification of interventions to improve capabilities.



Access myHR2u anywhere, anytime on your mobile device!

### ENHANCING OUR LEARNING AGILITY

We strongly believe that continuous learning and development is vital to ensuring our people have the right skills, knowledge and abilities to increase their efficiency and excellence. Our learning and development is underscored by the 70:20:10 development philosophy which respectively denotes Experiential, Relationship (mentoring and coaching) and Classroom interventions.

Employees are more familiar and engaged now with our alternative channels for learning that complement our existing ones to provide a more social, creative, focused and resilient learning environment aligned with our GO Ahead. Employer Value Proposition. The varied learning platforms and opportunities are designed to encourage our employees to take personal ownership of their growth.

Our flagship learning portal, MyCampus, was upgraded in June 2016 to revolutionise learning technologies via mobile platforms, making it a digital hub for online learning activities. Since it was introduced in 2005, we have seen a significant upward trend in usage of e-learning. In 2016, MyCampus was used for 368,636 hours, almost a seven-fold increase from 54,800 learning hours in 2011.

Our learning & development hub, the Maybank Academy (MA) has undergone major transformation. The refurbished MA with integrated resources and state-of-the-art technology offers a bright, modern look and feel to create an engaging and stimulating learning experience.

In 2016, our total Group learning budget utilisation was RM129.00 million. Training per employee Group-wide averaged at 32 hours, on par with The Association for Talent Development's (ATD, formerly ASTD) global benchmark. About 38% of total training hours were deployed via e-Learning programmes.

In Malaysia, we have disbursed RM1,370,760 to employees for various professional qualifications and graduate studies under the Staff Education Assistance Scheme.

#### Our latest additions are:

#### CLASSROOM INTERACTIVITY

In 2016, we introduced real-time feedback on effectiveness of classroom sessions and tracking of participants' knowledge acquisition via mobile learning solutions. Based on real-time feedback gathered during the classroom sessions, instructors could focus on areas where participants' need the most attention and increased the impact of the programmes.

#### ONLINE COMMUNITIES OF LEARNING

We leveraged the use of social media and online learning communities to foster continued learning among employees even after classroom sessions ended. These online learning communities enabled peer-to-peer coaching and tracking of learning effectiveness beyond the classroom. Instructors were also able to engage with their learners even after they returned to their jobs, which facilitated the transfer of learning and personalised support.

#### WEBINARS

Employees as well as teams can dial-in and listen to as well as participate in learning valuable, current and fresh insights from industry experts across the globe.

#### HARVARD MENTORING SERIES

This is an online learning programme featuring 40 self-paced modules that address the full spectrum of topics for personal and professional growth, encompassing self-improvement to team's performance and results. The series also enables our employees to interact with research specialists and renowned world-class experts. Close to 4,500 employees have registered and utilised the programme, a 50% increase from 2015.

#### CREDIT CURRICULAR MODULES (CCM)

We have converted the face-to-face Credit Curricula Modules (CCM) Generic into an e-learning platform. The module has reduced the 7.5 days classroom training into 21 online learning hours with an estimated cost savings of RM5.40 million. Targeted credit personnel will need to complete all e-learning sessions under CCM Generic before attending the specialised face-to-face module i.e. Consumer, SME or Corporate/Commercial.

## GROUP HUMAN CAPITAL

### TALENT & LEADERSHIP DEVELOPMENT

In Maybank, we constantly nurture a high-performing workforce to facilitate growth and deliver world-class business outcomes. Our Talent Management Framework which comprises four main areas - Recruit, Perform, Develop and Reward continues to provide robust talent identification and follow-through on development, movements and retention of our internal talent pool.

Maybank employs world-class talent management practices through the utilisation of international standards for talent assessments and development, and via evidence-based approaches to talent management. Benchmarked against Saratoga Institute's global and regional standards, in 2014, the Bank was rated global best practice for six out of nine aspects and good practice for the remaining three.

As a result of the disciplined implementation of multi-level talent reviews for Sector, Country & Group forums, we now have stronger capability in identifying and developing our internal talent pool. The reviews look at the bench strength and succession for Mission Critical Positions (MCPs). Employees identified as high potential talent are supported by the Bank to accelerate their career development via specific development programmes. These reviews are done twice annually and each year, we achieve 100% completion for these reviews.

The discipline of monitoring our people transformation through our Talent Management's people dashboard continues in 2016. Among the milestones achieved include:

- Succession Realisation for MCPs is 81% in 2016 from over 30% in 2009, above the global benchmark of 55%.
- Ready-Now Successors rose from 26% in 2008 to 29% in 2016.
- Regrettable Loss at almost 50% in 2009 and has trended significantly lower to 19% in 2016.
- In 2016, 159 talent have gained international exposure through International Assignments, an increase from 130 in 2014.

#### Our Strategy for Accelerating Talent Development

The Bank employs the following four key strategies to accelerate the development of our talent:

#### TOP MANAGEMENT AS ROLE MODELS & MENTORS

##### ACTIVE LINE MANAGER INVOLVEMENT

- Providing developmental feedback to talents at least every six months
- Creating on-the-job opportunities to grow talents' experiences
- Being a Role-Model Leader

##### EMPLOYEES' COMMITMENT FOR LEARNING

- Proactively stretching oneself to take on job challenges
- Seeking out various learning experiences
- Seeking out feedback from line managers at least every six (6) months

##### IMPACTFUL DEVELOPMENT EXPERIENCES

- On-the-job assignment beyond BAU (70%)
- Coaching & Mentoring (20%)
- Impactful Training (10%)



Our Conversation Series with our Chairman and Group EXCO provide good learning opportunities and invaluable coaching for our talent.

### TOP MANAGEMENT AS ROLE MODELS & MENTORS

Our top management sets the culture and priority on development. In this regard, our Board and Top Management have spent significant time in engaging, coaching, mentoring, and determining the possible career paths for our talent. For example, our Conversation Series with our Chairman and Group EXCO was further enhanced in 2016. Talent not only presented their personal development plans and progress to our top management but were also involved in Action Learning projects that are strategic in nature for the Bank. Constant feedback, honest and open impactful conversations are common features in all interactions, engagements throughout the organisation and weaved into all facets of interventions whether engagement, learning or even social.

### ACTIVE LINE MANAGEMENT INVOLVEMENT

In 2016, the Bank also further invested in up-skilling the line managers who are critical in coaching and providing impactful on-the-job experiences for our top talent. The Bank developed specific workshops for line managers on career pathing, assessing talent for potential, and on reviewing personal development plans of talent, which provided the necessary tools and frameworks for line managers to engage with their talent on development. The average proficiency score of line managers who participated in the workshops increased by 20% post workshop. Additionally, each talent and their respective line manager discussed career paths and specific areas of development during these workshops, which provided further clarity for the talent on aspects they should be focusing on to grow.

### EMPLOYEES' COMMITMENT FOR LEARNING

The Bank strongly believes that the primary responsibility for learning lies in the hands of our talent themselves to ensure continued priority on self-development, sustainability of learning efforts, and that proactive steps are taken to learn throughout the talent's career. The Bank reinforces this through our enhanced talent management policy which specifies the talent's responsibility to learn, via talent on-boarding sessions, and at our training programmes to ensure consistency of the message across all key channels.

Through our enhanced Performance Management system, employees are also frequently reminded to continuously seek feedback from their line managers on their development, progress and contributions. The Bank has re-organised its talent management function to be "Talent-Centric" where a Talent Lead is appointed for each key successor for critical positions in the Bank. The responsibility of the Talent Lead is to ensure that the talent has clarity on their possible career paths in the Bank, is executing on their development plans, and receiving the feedback and support that they need to progress to the next level of development.

Our multi-level talent reviews also ensure that talent are evaluated based on their development progress. In this regard, the Bank enhanced its talent analytics to capture salient aspects of a talent's development.

## GROUP HUMAN CAPITAL

### IMPACTFUL DEVELOPMENT EXPERIENCES

The creation of our signature homegrown talent pipeline programmes is part of the Bank's commitment to growing and nurturing internal talent. The programmes, which encompass all career stages from entry level to top tier, harnesses the capability of our diverse workforce and equips them with leadership skills, business acumen, technical expertise, as well as the skills needed to adapt to changing business needs.

Our people leadership capabilities and managerial competencies are measured against the Group's standard set of competencies known as S.E.A.R.C.H. (Strategic Visioning, Engaging and Developing Talent, Spirit of Achievement, Cultivating Relationships, Customer Centricity and Innovation and cHange) and S.E.A.R.C.H. PLUS, a set of capabilities that measures global acumen, navigates complexity and raises the bar.

For our key talent across the Group, the talent pipeline programmes are:

- **Top Team Effectiveness Programme (TTEP)** conducted in 2016, is a 24-month programme that is specifically designed to strengthen personal and team effectiveness of Group EXCO with their respective teams.
- Our three-year programme, **Transitioning Leaders to CEOs (TLC)** prepares our key talent to take on CEO-like roles. Since 2010, 98 participants have completed the Programme, of which 59% have expanded into larger roles or progressed to other roles. At present, 49 are undergoing the TLC programme. Overall, 32% of TLCians are international participants, namely from Singapore, Indonesia, Philippines, Cambodia, China, Myanmar, United Kingdom, Thailand and Vietnam, and 44% are women.
- **The High Potential-Performer Integrated Programme (HIP)** is designed to develop and equip young talent (executive levels) with the right leadership capabilities to prepare them for larger and stretched roles. Currently, 308 high potential Gen Ys are in the HIP programme and 56% of them are women. 206 of our young talent have completed the Programme. In 2016, we launched the HIP in Maybank Cambodia and 39 high potential talent joined the programme.

*(Other signature programmes include the Maybank Great Executives, Maybank Great Managers and Maybank Great Leaders programmes)*

To nurture and retain high potential talent to assume key positions in the Group, the Entry Level Pipeline Programmes are as follows:

- The award winning **Global Maybank Apprentice Programme (GMAP)** is our marquee entry level programme that offers two-year rotational opportunities and best-in-class learning and development. It incorporates on-the-job training, international assignment to Maybank Offices worldwide as well as enrolment into the HIP Programme. The composition has grown from one nationality when it was first launched in 2008 to 16 nationalities currently. Women make up 41% of the talent in GMAP. In 2016, it was recognised as the Winner of 'Best Management Trainee/Graduate Programme' at the Malaysia's 100 Leading Graduate Employers, for the gradmalaysia Graduate Recruitment Awards. The Maybank Apprentices (MAs) make up about 40% of the International Assignees across the Group. The GMAP Plus, introduced in 2014, sponsors talent who aspire to be Chartered Accountants with the Institute of Chartered Accountants in England and Wales (ICAEW) without a bond or contract.
- The **Branch Management Entry Level Pipeline (BMELP) Programme** that was introduced in Malaysia in 2011 grooms aspiring branch managers for the Group's Community Financial Services (CFS). It provides intensive training experience in branch management, including a two-year attachment in a branch. In 2016, we had a total of eight rollouts with 168 talent enrolled in the Programme. To-date, 65% in the Acceleration Pool have been appointed to various key positions and 34% of which are women.

Following its success in Malaysia, the BMELP has expanded its wings to Cambodia in October 2016. For the inaugural pilot phase, 10 talent were identified from Maybank Cambodia to join their colleagues from CFS Malaysia for the duration of six months training and on-the-job attachment, before continuing two years on-the-job rotation in Maybank Cambodia. The Programme is part of the Group's effort to develop and nurture world-class talent, whilst building the capability of our talent pool to be innovative, creative, as well as business and customer-oriented.

- **BMELP SME/BB** is an extended version of the current BMELP Programme. It was designed specifically to build a bench strength of talent pool potential for Small and Medium-sized Enterprises (SME)s/Business Banking (BB) management key positions. Talent will undergo six months of formal training and on-the-job attachments at our branches, SME Centres and BB Centres before continuing with a one-year attachment at our SME Centres. Talent will be fast tracked to assume their SME management role within five years. Since its first launch in 2015, we have conducted two rollouts of BMELP SME/BB with a total of 28 talent recruited.

We also offer our employees specialised/structured development programmes to enhance and hone skills to perform in the roles effectively. These programmes are:

- **Shariah Pipeline Programme** sponsors undergraduate and postgraduate students who pursue Shariah or Islamic Finance Studies. The Programme consists of full sponsorships of tuition fees for completion of the Chartered Islamic Finance Professional (CIFP) or Masters in Islamic Finance Practice (MIFP) qualifications at the International Centre for Education in Islamic Finance (INCEIF) for 18 months. Upon completing the CIFP/MIFP qualification, our scholars are required to serve an employment bond of three years with the Bank. During this period, they undergo a series of job rotations to familiarise themselves with the operations of Maybank as well as work in selected Shariah-related job functions across the Group. To date, we have sponsored 15 scholars, of which 40% have been absorbed into permanent employment with the Bank and are undergoing job rotations.
- **Global Banking Programme** is a two-year programme designed to enhance employees' technical, leadership and strategic business development competencies for specific business sectors under Group Global Banking. The Programme is a hybrid of on-the-job training and classroom model, leading graduates to be licensed practitioners. Since its inception in 2015, 14 talent have joined this programme.
- **Risk IT Architecture Pipeline Programme** was created in 2014 to develop sustainable pools of talent who are capable of providing solutions and creating innovation, while complying with the Group's governance and risk requirements. Five talent from the pilot phase have graduated in 2016 and are currently deployed in various projects under Group Risk.
- **Global IT Pipeline Programme** commenced in 2014 to develop our young, capable talent to be effective IT specialists, equipping them with both leadership and technical capabilities. The combination of classroom-based and on-the-job training is intended to provide a holistic foundation of IT training over a course of two years. 14 talent have graduated from the initial batch and are currently deployed to Group Technology.
- **The Career Transition Centre (CTC)** was first launched in 2009 to re-skill and up-skill employees whose roles have become redundant due to organisational changes to be an additional source of talent for the Bank. In 2016, 89 talent completed the Programme and were redeployed to their new roles in the organisation. Since 2013, a total of 430 talent have been redeployed under the Programme. The CTC is also available in Indonesia.

## GROUP HUMAN CAPITAL

- The Relationship Manager Development Programme (RMDP)** introduced in 2016, is aimed at strengthening the bench strength of Relationship Managers at entry level. Talent undergo intensive six months classroom training and on-the-job experience at Branches and PWCs. Talent are also required to sit for the licensing examination in order to be able to sell unit trust and insurance products. To date, we have launched two rollouts of RMDP and 51 talent have been enrolled into this Programme. Within less than a year in the Bank, five talent from our RMDP rollout 1 have been identified to be fast tracked to become Relationship Managers.
- The Branch Manager Certification Programme (BMCP)** aspires to build an internal certification for Branch Managers by establishing globally-benchmarked competencies for the job. It is an industry-leading online assessment tool to determine up-skilling needs for closure of competency gaps to develop Astute Branch Managers. The online assessment was rolled out nationwide in Malaysia and Cambodia, and covered the areas of Product Knowledge, Credit Analysis & Operations and Personal & Leadership Effectiveness. 394 Branch Managers, Assistant Branch Managers and Heads of Performance Improvement sat for the assessment in Malaysia, whilst 36 Branch Managers and Deputy Branch Managers undertook a similar assessment in Cambodia.
- The **Go Disrupt Challenge** is an innovative leadership learning intervention designed to develop strategic thinking and further equip our employees with digital capabilities. 45 participants from across the Group were involved in a full day of immersive role-playing in the Digital Payments space.



Participants at the Maybank Go Disrupt Challenge sharing insights on digital disruption with our GCHCO, Pn Nora Abd Manaf.

- Maybank Elevator Pitch Challenge (MEPC)** is a development programme to upskill employees to articulate their thoughts concisely while engaging with various stakeholders. Started in 2014 with 32 participants, the MEPC has grown and attracted more young talent to join the Challenge. MEPC 2016, the 3<sup>rd</sup> instalment saw 140 participants from Maybank Malaysia undergo rigorous training sessions to develop the right skills and knowledge. Six of them made it to the grand finale and pitched their winning ideas to the Chairman, Group EXCO, senior leaders and Maybankers in an exciting, Live 'on the Spot' public challenge. In 2016, MEPC was also successfully launched in Maybank Philippines with 40 participants.



Winners of the Maybank Elevator Pitch Challenge 2016

A survey was conducted amongst the MEPC 2016 participants and their line managers post MEPC to track and measure the effectiveness of the Programme. According to the survey, 90% of line managers saw improvement in their employees' engagement levels and would certainly recommend this Programme to others in their sector. Over 90% of our participants indicated that they progressed tremendously in their engagements with clients, colleagues and senior leaders.

As part of our efforts in building, empowering and growing talent, we continue to contribute through these programmes:

- The **Skim Latihan 1Malaysia (SL1M) Programme** supports the Malaysian Government's initiatives to enhance the employability of unemployed graduates. The trainees undergo an experiential working experience via on-the-job training and rotation guided by supervisors. Since 2011, Maybank has enrolled 1,057 trainees.
- The **MY ASEAN Internship**, is a collaboration between the Ministry of International Trade and Industry (MITI) and Talent Corporation Malaysia (TalentCorp) to increase awareness of ASEAN among youth in Malaysia. The programme enables our interns, comprising Maybank scholars and university students to undergo their internships for a minimum of two months at any Maybank office in the ASEAN countries. Since inception in 2015, 20 students have enrolled and four interns are currently at our offices in Cambodia and Indonesia. These assignments and internship attachments are key elements of experiential learning.
- Maybank Scholarship Award** aims to help deserving students from low and middle income families by providing an opportunity to realise their dreams of studying in top universities. Besides financially supporting them from pre-university/foundation studies until the completion of undergraduate studies, we place great emphasis in nurturing our scholars. The regular communication and face-to-face engagements with our leaders provide our scholars with the opportunity to understand the required skills, behaviours, and capabilities to perform effectively in a high-performing organisations such as Maybank. The engagement sessions are also an apt platform for our leaders to provide first-hand coaching for our scholars' personal growth, motivation and success. Apart from these scholarships, we have a special sponsorship category which is dedicated to outstanding students specifically from families with a household income of below RM40,000 a year, with no obligatory bond. 254 students benefitted from total scholarships disbursed in Malaysia for 2016 amounting to over RM23.00 million. In Indonesia, Maybank Indonesia offered scholarships to underprivileged students from 34 provinces to study at top universities in Indonesia, Malaysia and Singapore.
- We continue to aggressively draw top talent in the region and grow their career with the Bank via our multi-channel recruitment platforms. In its 5<sup>th</sup> instalment, the **Maybank GO Ahead. Challenge (MGAC)** remains to be both an innovative and responsible recruitment platform to build and nurture the younger generations of today. The increasing number of submissions attests to the appeal of this competition.

## GROUP HUMAN CAPITAL



The Maybank Go Ahead Challenge 2016

YEAR  
VS NO.  
APPLICANTS

2012 1,000;  
2013 5,000;  
2014 10,000;  
2015 23,000;

over  
2016 37,000

In 2016, the Challenge included the newly introduced Campus Activations and Inter-University Social Media Challenge to engage the students with unique and fun activities. We received applications from more than 100 nationalities around the world with 16 nationalities competing at the Global Finals. The Global Finalists were from the United Kingdom, China, Vietnam, the Philippines, Singapore, Thailand, Hong Kong, Cambodia and Malaysia. The Challenge was recognised as the 'Best Innovation on Campus' in the Graduate Recruitment Award 2016 for the 3<sup>rd</sup> consecutive year.

### UPHOLDING A CULTURE OF GOOD CONDUCT

Integrity and credibility are the foundations on which the banking business is built. At Maybank, we are committed to building and enforcing ethical behaviours and integrity of our employees to safeguard the interest of all stakeholders. All employees are required to take ownership of their conduct and ensure that their decisions and actions are aligned with our Core Values T.I.G.E.R., Code of Ethics & Conduct and other governing policies and regulations to demonstrate our commitment as individuals and as a business to operate responsibly.

In 2016, we launched an internal awareness campaign themed 'Do the Right Thing' aimed at helping our people understand better the impact of financial crimes and to emphasise the role each employee plays in preventing it. The campaign was driven through four key levers – Tone from the Top, Training & Learning, Communications & Engagement, Monitoring & Accountability and Recognition - to create the desired impact immediately.

Some of our on-going initiatives include The Anti-Money Laundering (AML) Assessment 2016 (multiple choice scenario questions focused on real-life situations), Annual Maybank Ethics, Integrity, Risk & Values Awareness E-Learning Modules (the topics covered in this handy e-compendium are T.I.G.E.R. values, Code of Ethics, Risk Culture, the Personal Data Protection Principles, and other essential guidelines), Weekly Values Capsules (encourages a good display of attitude and professionalism to impart lessons on living our Core Values), Know Your Staff Guideline (a guide to line managers to avert a potential fraud or non-compliance), Cyber Security Awareness Assessment (an e-learning programme to create an awareness about Cyber Risk) and news alert on fraud and lapses (our constant reminder of the Bank's zero tolerance for fraud), amongst others.

### FAMILY FRIENDLY INITIATIVES

We go far beyond the standard policies in our offerings to our employees and their family members aligned with our Humanising mission and commitment as a caring and family-friendly organisation.

Our Flexible Work Arrangement (FWA) is always important to meet the ever-changing needs of our people from all genders and generations. Our FWA policy covers fixed flexible schedule, flexi time, flexible work location and reduced hours or conversion to fixed-hour part-time employment. 72% of those on FWA in 2016 are women. 2017 will see even more differentiated and progressive options for employees to refresh and re-energise.

Our Staff Welfare Fund (TKKKM) offers financial assistance to employees and family members for their emergency needs that are not covered under the employees' benefits. In 2016, TKKKM disbursed RM380,845 to 133 eligible employees. In Maybank, we also recognise academic excellence of our employees' children. We have in place the Maybank Group Staff's Children Academic Excellence Award (MGSCAEA), which is part of the Group's commitment as a responsible corporate citizen in nurturing and caring for the younger generation to be the leaders of tomorrow. In Malaysia, 462 children of employees received a total of RM209,000 at the Staff's Children Academic Excellence Award.

The 'Back to School' Financial Assistance to Staff's Children Entering Institutions of Higher Learning, Form Six and Boarding Schools are meant for employees in the lower income bracket. The schemes offer a one-off financial assistance to defray the cost at the start of the school/college/university term. In 2016, in Malaysia, RM430,600 was extended to 979 employees and 1,468 children under the scheme.

## GROUP HUMAN CAPITAL

Our other gender and family-friendly initiatives include the Maybank Tiger Cub Childcare Centre (MT3C), 90 days maternity leave, paternity leave, lactation and breastfeeding rooms, designated car park for expecting mothers, gym for ladies and year-long wellness programmes.

### DIVERSITY, INCLUSIVITY AND GENDER POLICY

Diversity fosters fresh perspectives, stronger leadership and enables us to play an essential and responsible role in serving our stakeholders better. As at December 2016, the biggest age group in our workforce is between the 30-36 years range. This provides a healthy pipeline and succession pool within the Group that will enable us to deliver over the long term. Our male and female ratio is about even with the latter group making 55% of the total population.

In 2016, women's representation in Management positions (Band G and above) increased to 45% from 38% in 2009. Women's representation in Top Management positions (Band D and above) has also increased to 30% from 16% in 2009. As at February 2017, we have three female directors on the Maybank Board, reflecting our commitment in supporting the Group's Inclusiveness & Diversity Agenda.

Our policy is to provide equal employment opportunities – whether for recruitment, promotion, transfer or development – with meritocracy and fairness as the underlying principles. While we continue to uphold these philosophies, we track diversity indicators rigorously in our People Dashboard.

### PROGRESSING WOMEN AGENDA IN MAYBANK: MAYBANK WOMEN MENTOR WOMEN COUNCIL

In 2016, the Maybank Women Mentor Women (WMW) Council continued to drive the regionalisation of the Group's Diversity and Inclusion agenda and build a platform to inspire Maybank women, and empower them to draw on their own unique leadership qualities that will enable them to rise to the highest levels of leadership. Among the key developments that took place in 2016, was the formation of Sub-Councils to drive leadership programmes and initiatives for women. The Sub-Council has a presence in Indonesia, International Markets, Kim Eng Group and Group Technology. Since the expansion, the number of Council committee members has increased from eight to 13 women leaders.

One of the key initiatives of the Group and Sub-Councils is the roll out of structured mentoring and coaching programmes where we paired over 100 employees as mentors and mentees in 2016 to support their development as effective leaders. Community engagement is also a key pillar of the Council and Sub-Council activities, with a number of programmes in place to support the development of women.

In Malaysia for example, Maybank once again rolled out the women-inspired event entitled H.E.R. (Health. Empowerment.Richness.) 2.0 after its successful launch in 2015. The annual event themed 'Journey to Health & Wealth' was developed for Maybank customers and provides them with access to healthcare providers and thought leadership on key health issues.

Our support of women in communities also extends to entrepreneurial initiatives. Through Maybank's investment banking subsidiary, Maybank Kim Eng, we have supported the underprivileged community by increasing their access to finance, new markets and technology via Maybank Kim Eng's Trade [&Give] Programme. The Programme raises funds for women micro-entrepreneurs through brokerage activities between Maybank Kim Eng and its clients. Maybank Kim Eng through its partnership with Amanah Ikhtiar Malaysia, also set up the Pusat Transformasi Jahitan (PTJ) to spur economic development in Kuala Krai, a district in Malaysia's state of Kelantan, following the worst flood experienced in December 2014. To-date, the Trade [&Give] Programme has assisted over 2,000 entrepreneurs region-wide.

In Cambodia and Indonesia, we established the Maybank Women Eco-Weavers Programme (MWEWP). The MWEWP is one of Maybank Foundation's flagship programmes, which is designed to promote commonalities in ASEAN countries by enriching and promoting traditional woven textiles in a sustainable manner, enabling the various communities to become economically independent whilst advocating financial inclusion at the same time.

### EMPLOYEES' CELEBRATIONS OF FESTIVITIES

The celebration of major festivities is one of our cherished practices and heritage that demonstrate our philosophy of embracing diversity and inclusion. An average of over 2,000 employees attended the Maybank Group Staff Festive Celebrations, namely Chinese New Year, Hari Raya, Deepavali and Christmas at Menara Maybank alone. At these festivities, employees dress in traditional attire and participate in traditional games as well as savour traditional cuisines. Maybank also invites the beneficiaries of the Bank's CR programmes to join the celebration, living out our humanising mission of being at the heart of communities. Festivities are also held at different regions and countries.



Maybank Directors; Chairman, Tan Sri Dato' Megat Zahrudin, Group President and CEO, Datuk Abdul Farid Alias, Group EXCO and senior management with beneficiaries of our festive celebration at Menara Maybank.

## GROUP HUMAN CAPITAL

As part of the Group's commitment to recognise women's contributions to the organisation, Maybank celebrates International Women's Day (IWD) every year to appreciate our female employees for their important role in the workplace and family. Maybank Group's International Women's Day 2016 was organised in Menara Maybank and employees from Indonesia, Singapore, Philippines, Shanghai, Labuan and Beijing also joined in the celebration via video conferencing. Themed 'Pledge for Parity', the celebration emphasised the importance of all parties coming together to bridge the gender inequality gap and encourage the advancement of women. A Guru Series was also held in conjunction with IWD and the invited guest was Ann Osman, the first Malaysian female professional mixed martial arts (MMA) fighter in ONE Fighting Championship. Branches and countries celebrated the International Women's Day in different ways, appreciating our female colleagues and customers.



Inspiring engagements and dialogues at Maybank's International Women's Day.

### EMPLOYEES WELL-BEING

We aim to make our organisation a great place to work for all colleagues, with their health and well-being as top priorities. We encourage everyone to be active to improve or maintain their wellbeing for a healthier body and mind. Our various Wellness and Fitness programmes are important aspects of our promise to humanise people development and management. For 2016, we focused on health education/preventive care through regular physical exercise and promoted healthy eating habits. Close to 4,000 participants attended 37 Health and Wellness Sessions (not including the annual sports engagements). Some of these programmes are the Monthly Noon Talks, Pedometer Challenge, Onsite Health Screening, Ergonomic Workshops and Campaigns on Healthy Eating.

Working in partnership with external, leading health specialists, we published health and wellness articles in all employee communication channels to ensure that health and fitness are on top of their minds. A wellness corner was created on our Employee Portal for our employees to read or obtain articles easily from a single platform. These articles were also shared with all employees in Malaysia through our Wellness Champions. Wellness Champions who also are the OSH committee members share best practices, inspire and motivate their colleagues to stay the course, besides successfully implementing health and wellness activities.

We also encourage our employees to participate in various sports activities. In October, the 'FIT Tigers' sporting event was held in conjunction with the National Sports Day. Close to 4,000 Maybankers Group-wide participated in the event promoting healthy living, goodwill and unity. For colleagues from Menara Maybank and branches in Klang Valley, an array of activities was held at Maybank Academy. We had YB Khairy Jamaluddin, Malaysia's Minister of Youth and Sports with over 2,000 colleagues attending this event in Maybank Academy. Our colleagues in other regions as well as countries namely, Singapore, Myanmar, Vietnam and Hong Kong held the FIT Tigers event at their respective locations. Our Maybank Indoor Games which was held in Ipoh, Perak, attracted a total of 640 employees from all states in Malaysia.



Our Maybank Recreation Centre (MRC) at Menara Maybank is open to employees from 6am till 10pm from Monday to Friday and we have an average of 3,900 visits a month. It offers facilities such as men' and ladies' gyms, steam rooms, squash courts, multipurpose courts, aerobic studio and a spinning studio. Daily exercise classes such as Met Con, X'posed, Yoga, Zumba, Tai Chi, personalised fitness coaching/training and Spinning classes are offered at the gym. Our gym instructors and coaches are sportspersons who also conduct morning stretching sessions at the Lobby of Menara Maybank every Monday, Wednesday and Friday for employees from 8am to 8.15am.

We have sporting and fitness facilities at Dataran Maybank, Maybank Group Call Centre and Maybank Academy. Our coaches also conduct the morning stretches at our other offices. Regular blood donation drives were conducted and 600 blood donors were recorded at the Head Office. In 2016, Maybank was recognised by the Ministry of Health for its support in organising blood donation drives internally.

### OCCUPATIONAL, SAFETY AND HEALTH

Maybank places top priority on occupational safety and health (OSH) matters. Various initiatives are organised annually to increase the awareness of OSH and comply with the requirements. Among the significant OSH initiatives implemented in 2016 were:

- Roll-out of OSH Committee e-learning to strengthen the OSH Committee framework nationwide
- Conducted five sessions of ergonomics workshop to address musculoskeletal problems amongst office employees
- Organised two sessions of safe commuting programmes at Region Pahang, Kelantan and Terengganu in view of the rising number of accidents in the East Coast highway
- Conducted Menara Maybank Road Safety Advocacy Campaign



Maybankers Groupwide came together from various locations for our Hari Sukan Negara (HSN) celebration themed 'Fit Tigers'.

## GROUP HUMAN CAPITAL

### EMPLOYEE VOLUNTEERISM

It is inspiring to witness how our colleagues engage, grow together and touch lives to build a better future for the present and future generations. Our employee volunteerism is structured, monitored and evaluated for impact. In 2016, the total employee volunteer hours for our flagship Cahaya Kasih (CK) programme and Bank initiatives were 108,863 hours. Besides participating in Corporate Responsibility (CR) initiatives, our employees also participated and volunteered their time in other employee volunteerism initiatives such as the National Day, Maulidur Rasul, Labour Day and Maal Hijrah celebrations.



Maybank Global CR Day 2016

On 22 August 2016, 15,267 Maybank employees volunteered during the Maybank Global CR Day (GCD), a large scale single community programme undertaken simultaneously in one day. Themed 'Enabling Communities with Solutions', GCD 2016 marked yet another milestone for the Group as it was not only the seventh consecutive year that our employees showcased their impactful CR activities, but took the impact further on the sustainability front with the principle of Paying it Forward weaved into their activities.

### REWARDS AND REMUNERATION

Our total rewards strategy is aligned to our Group's strategic objectives in nurturing a high-performance culture that generates growth and delivers on our Vision. We embrace an integrated rewards strategy that focuses on providing the right remuneration, benefits and career development/progression opportunities at the right time to enable employees to achieve their personal and professional aspirations. It involves the integration of key elements of total rewards that underpins the Maybank Group's strategy, Maybank Group Human Capital strategy, culture and Core Values T.I.G.E.R. to deliver motivated, engaged and productive employees, who in turn create desired business performance and results for sustainable longterm growth.

Maybank Group's Total Rewards is delivered holistically via the Group's Total Compensation Framework which includes base pay, other fixed cash, performance based variable pay, long term incentive awards, benefits and development, as follows:

Key Elements	Purpose
Fixed Pay	<ul style="list-style-type: none"> <li>Attract and retain talent by providing competitive pay that is externally benchmarked among relevant peers and location and internally aligned taking into consideration differences in individual performance and achievements, talent classification, skill set, job scope and competency level.</li> </ul>
Variable Cash	<ul style="list-style-type: none"> <li>Reinforce pay-for-performance culture and adherence to Maybank Group's Core Values.</li> <li>Variable cash award design that is aligned with the long-term performance of the Group through our deferral and claw-back policies.</li> </ul>
Long Term Incentive Awards	<ul style="list-style-type: none"> <li>Attract and retain employees who have a direct line of sight to the long-term sustainable performance of the Maybank Group.</li> </ul>
Benefits	<ul style="list-style-type: none"> <li>Employee benefits provides employees with financial protection, access to health care, paid time-off, programmes to support work/life balance, etc. and aims to remain relevant for a diverse workforce. The benefits programmes, which blend all elements including cost optimisation and employee/job needs, is reviewed regularly with proactive actions taken so as to remain competitive in the increasingly dynamic business landscape and continuously enrich our employees as part of our total rewards strategy.</li> </ul>
Development and Career Opportunities	<ul style="list-style-type: none"> <li>Opportunities provided to employees to chart their careers across different businesses and geographies.</li> </ul>

A critical part of the reward and remuneration also include our recognition for high achievers. Each year, our top performers are celebrated and recognised for their outstanding achievements in sector engagement dinners (culminating in the Maybank Group Awards Nite). A total of 77 Best Employee Awards nominees from across the Group were celebrated at the Maybank Group Awards Nite. Held on 9 April 2016 at the Putrajaya International Convention Centre, our Maybank 'Stars' were recognised in the presence of the Board of Directors, Group EXCO and 3,000 Maybankers across the Group.

Other recognitions include Branch Incentive Plan, Long Service Awards, Overseas Study Tours, CFS Sales Convention & Awards ceremony and Employee Academic Excellence Awards. In 2016, 2,317 employees received long service awards for 10, 20,

30 and 40 years of service with each receiving a gold coin as well as a certificate of appreciation. These awards and incentives are also a strong motivation in raising the bar of performance as well as in stimulating creativity and innovation.

Total Compensation ensures that employees are paid equitably to the market, delivered via cash and shares/share-linked instruments. The mix of cash and shares/share-linked instruments is aligned to our long-term value creation and time horizon of risk with targeted pay mix ratio.

The target positioning of Base Pay is mid-market while target positioning for Total Compensation for a performer is to be within the Upper Range of market. Target positioning for benefits is mid-market. In certain markets/geographies, there may

## GROUP HUMAN CAPITAL

be exceptions for selected benefits with above mid-market positioning for strategic purposes. As Maybank Group operates globally, it is essential that local legislation and practices are observed. Should any clause of any policy conflict with local legislations, local legislations shall take precedence.

During the year, three Collective Agreements (CA) related to Maybank were concluded, namely Kesatuan Pengawal-Pengawal Keselamatan Malayan Banking (KPPKMB), Association of Maybank Executives (AME) and Association of Maybank Class One Officers (AMCO).

### KEY FEATURES OF OUR REMUNERATION FRAMEWORK THAT PROMOTES ALIGNMENT BETWEEN RISK AND REWARDS

Our Total Compensation, a mixture of Fixed and Variable (i.e. Variable Bonus and Long Term Incentive Plan) is designed to align with the long-term performance of the company. The balance between the fixed and variable compensation, changes according to individual performance, business/corporate function performance, Group performance outcome and individual's level and accountability.

Pursuant to the Financial Stability Board's (FSB) guidelines on sound remuneration system issued in 2009 in response to sub-prime/financial crisis, we have implemented the following to ensure our practices are best-in-class:

- Incorporation of risk-adjusted performance measures in individual KPI. Inputs from control functions and Board Committees are incorporated into sector and individual performance results.
- Deferral Policy: Any Variable Bonus Award in excess of certain threshold will be deferred over a period of time.
- Clawback: The Maybank Board, based on risk management issues, financial misstatement, fraud and gross negligence or wilful misconduct, has the discretion to make potential adjustment or clawback on variable bonus awards.

The Employee Share Scheme was introduced in 2011 to deliver competitive Total Compensation within the market as well as ensure a mixture of cash and shares or shares-linked instruments that is aligned to the long-term value creation and the time horizon of risk in our variable compensation.

<b>BALANCED SCORECARD</b>	<ul style="list-style-type: none"> <li>We inculcate pay-for-performance culture by ensuring a close linkage between our compensation and performance outcome as measured through the balanced scorecard.</li> <li>Our current Balanced Scorecard approach covers both quantitative and qualitative KPIs. We have also included risk-adjusted performance KPIs that are consistent with the level of risks undertaken / capital consumption in the generation of returns.</li> </ul>
<b>MAYBANK GROUP VARIABLE BONUS</b>	<ul style="list-style-type: none"> <li><b>Group Performance</b> <ul style="list-style-type: none"> <li>Bonus Funding is based on Group's ROE achievement and as a percentage of Net Profit Before Tax (NPBT).</li> </ul> </li> <li><b>Business/Corporate Functions Performance</b> <ul style="list-style-type: none"> <li>Performance Measures: Balanced Scorecard approach.</li> <li>Variable Bonus pool allocation to business/corporate functions takes into account the performance of each unit measure to the unit's balanced scorecard evaluated by Group PCEO.</li> </ul> </li> <li><b>Individual Performance</b> <ul style="list-style-type: none"> <li>Performance Measures: Balanced Scorecard approach.</li> <li>Distribution of bonus based on employee's performance.</li> </ul> </li> </ul>
<b>LONG TERM INCENTIVE PLAN</b>	<ul style="list-style-type: none"> <li>Performance Restricted Share Units awards is subject to a three-year performance period. The vesting of the awards at the end of the three-year performance period will be dependent on the performance conditions set at the company and individual level.</li> </ul>

### SENIOR MANAGEMENT

Senior management for the purpose of Disclosure on Remuneration as per Bank Negara Malaysia's Corporate Governance Policy is defined as members of Executive Committee (EXCO) reporting direct to Group PCEO. The performance results of the senior management are reviewed by the Board periodically. Any remuneration payout is aligned to the actual performance of the sector and individual.

Each of the senior management carry Risk Management KPI in their individual Scorecard and are cascaded accordingly. Inputs from control functions and Board Committees are incorporated into sector and individual performance results.

Total value of remuneration awards for the financial year	Unrestricted		Deferred	
<b>Fixed remuneration</b>				
- Cash-based	12 headcount	RM15,266,235.00	-	-
<b>Variable remuneration</b>				
- Cash-based*	12 headcount	RM10,029,846.00	-	-
- Shares and share-linked instruments <sup>^</sup>	-	-	1 headcount	RM297,500.00

Notes:

Figures presented in the table is in RM. Currency exchange used for remuneration in foreign currency is based on average exchange rate for the year.

\* The variable cash of two senior management were deferred by six months and paid in the same year

<sup>^</sup> Share value based on Fair Market Value as at grant date

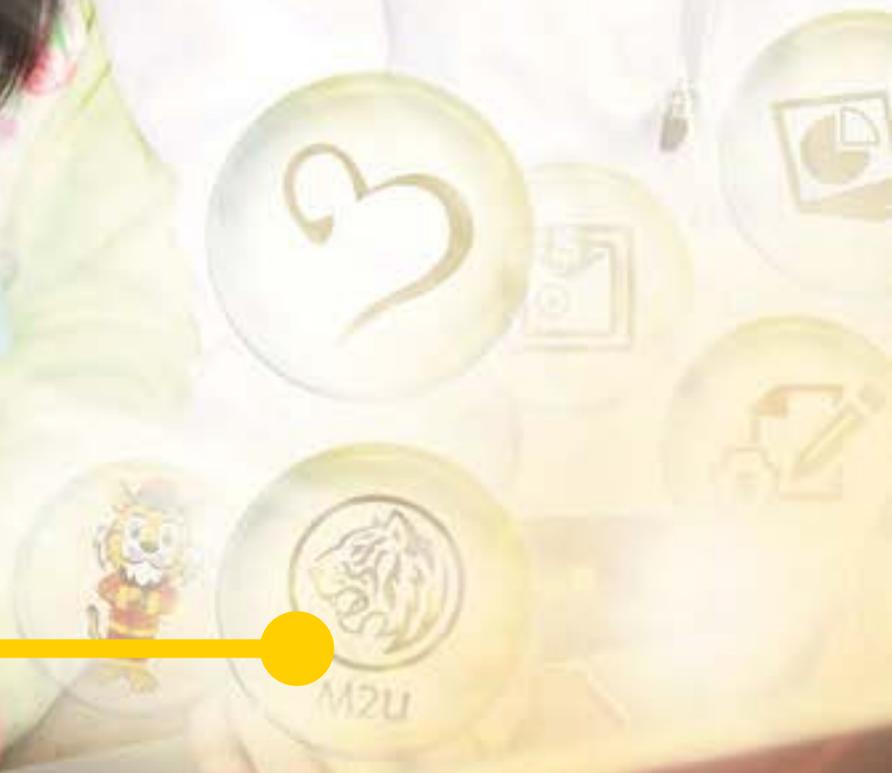
### FOCUS FOR 2017

As we continue to identify and create breakthroughs to unlocking potentials in our diverse talent, our efforts for 2017 will be centred on ensuring that we drive and sustain employee engagement to continue to reinforce line of sight, commitment, creativity, operational excellence and customer centricity.

Focus will continue on strengthening expertise, capabilities and credibility of employees to ensure that they are able to deliver on both the Bank's strategic priorities and also, our mission of "Humanising Financial Services" whilst preparing them to be world class talent delivering world class business outcomes and performance.



**Launched Malaysia's  
first social  
crowdfunding  
platform  
MaybankHeart**





**WE USE OUR DIGITAL  
CAPABILITIES TO  
EMPOWER COMMUNITIES  
BY CREATING AWARENESS  
AND LINKING PARTNERS**

**CORPORATE GOVERNANCE  
& ACCOUNTABILITY**

- 140 Statement on Corporate Governance
- 160 Additional Compliance Information
- 161 Statement on Risk Management and Internal Control
- 165 Audit Committee Report
- 169 Group Risk Management
- 175 Group Compliance
- 176 Group Shariah Committee Report
- 177 Sustainability Statement

**MILESTONES & ACHIEVEMENTS**

- 188 Maybank in the News
- 193 Maybank in Social Media
- 195 Event Highlights 2016
- 202 Awards & Recognition

**OTHER INFORMATION**

- 205 Analysis of Shareholdings
- 207 Classification of Shareholders
- 207 Changes in Share Capital
- 209 Properties Owned by Maybank Group
- 210 List of Top 10 Properties Owned by Maybank Group
- 211 Corporate Information
- 212 Group Directory

**AGM INFORMATION**

- 215 Notice of the 57<sup>th</sup> Annual General Meeting
- 217 Statement Accompanying Notice of the 57<sup>th</sup> Annual General Meeting
- 218 Financial Calendar
  - Form of Proxy

# STATEMENT ON CORPORATE GOVERNANCE

## INTRODUCTION

The Board of Directors of the Maybank Group (Maybank or the Group) views corporate governance as a fundamental process towards achieving long term shareholder value, whilst taking into account the interest of other stakeholders.

Amidst an increasingly challenging operating environment, the Board continuously strives to refine the Group's corporate governance practices and processes to meet these challenges head-on, to ensure that the Group's competitive edge both locally and regionally remains undiminished. Testament to the Board's unwavering commitment in the area of corporate governance, Maybank has received the following awards:-

### 2016 MALAYSIAN NATIONAL ANNUAL CORPORATE REPORT AWARDS (NACRA)

- Most Outstanding Annual Report of the Year (Platinum)
- Corporate Social Responsibility Reporting Award (Platinum)
- Industry Excellence Award (Finance Sector)
- Inclusiveness and Diversity Reporting Award (Silver)

### MINORITY SHAREHOLDER WATCHDOG GROUP (MSWG)

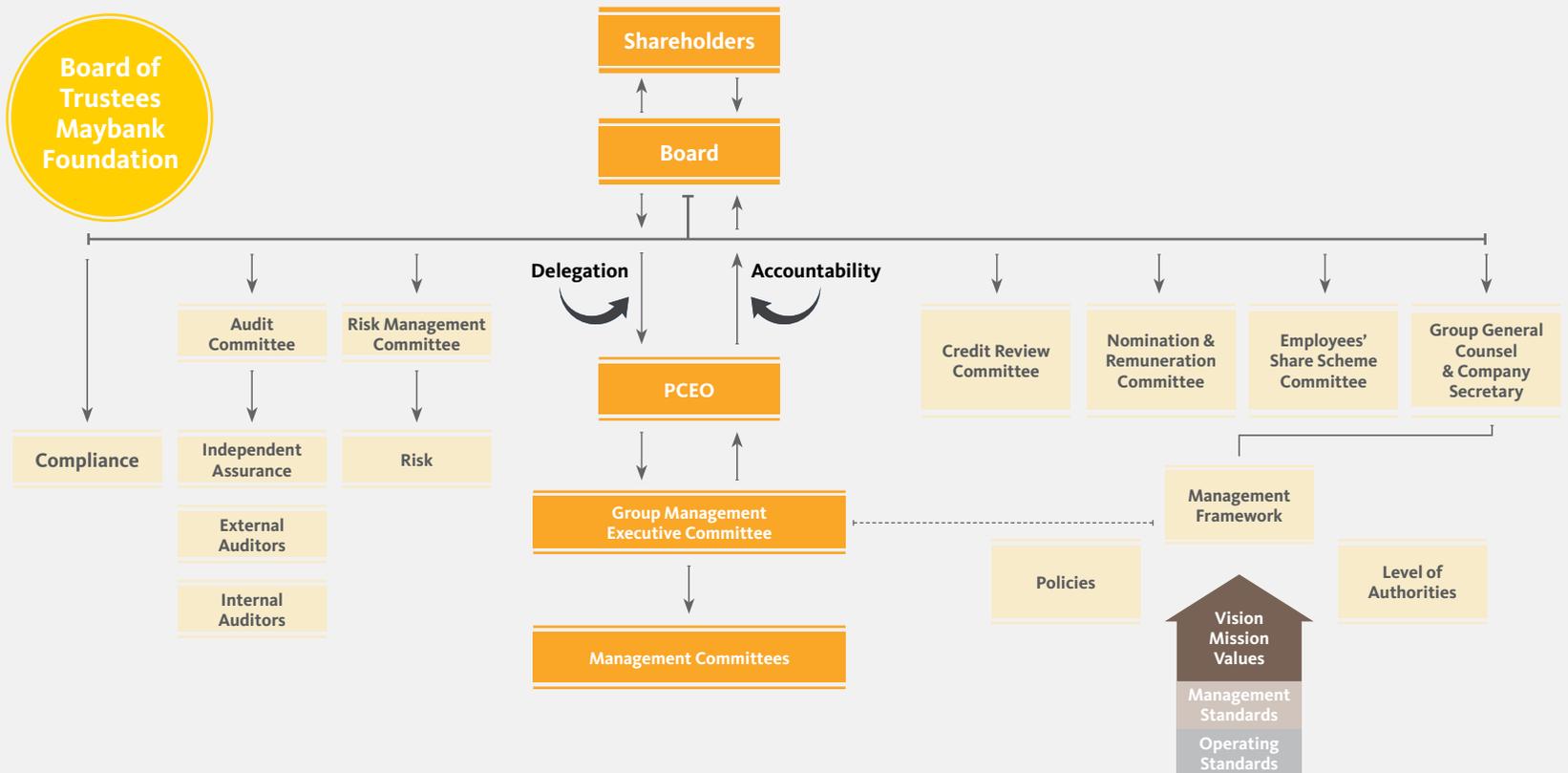
- Excellence Award for Top Corporate Governance and Performance
- Top 10 Merit Award for Corporate Governance Disclosures

Maybank's Corporate Governance Framework is premised upon the following statutory provisions, best practices and guidelines:-

1. Companies Act, 2016;
2. Malaysian Code on Corporate Governance 2012 (Code);
3. Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia) (Listing Requirements);
4. Green Book on Enhancing Board Effectiveness (Green Book) by the Putrajaya Committee on Government Linked Companies' High Performance;
5. Corporate Governance Guide: Towards Boardroom Excellence 2<sup>nd</sup> Edition by Bursa Malaysia; and
6. MSWG's Malaysia-ASEAN Corporate Governance Scorecard.

Further to the above, the Board also welcomed Bank Negara Malaysia (BNM)'s new Policy on Corporate Governance which was introduced in August, 2016 (BNM CG Policy) as well as the new Companies Act, 2016 which took effect on 31 January 2017. The Board

## Corporate Governance Framework



## STATEMENT ON CORPORATE GOVERNANCE

is also taking the necessary steps to incorporate the new standards of corporate governance as set out in the BNM CG Policy into the Group's corporate governance framework, which it believes would further strengthen the Board's effectiveness, especially in the establishment of a sound risk culture and remuneration system which upholds prudent risk-taking. Besides this, the Board also took cognisance of the new corporate disclosure requirements as introduced by Bursa Malaysia in March, 2016 and has disclosed the required information in the relevant pages of this Annual Report.

On that note, the Board is pleased to inform the shareholders in this Statement on Corporate Governance, the manner in which the Group has complied with the Code throughout the financial year ended 31 December 2016 (FY2016).

### BOARD OF DIRECTORS

The business and affairs of the Group are managed under the direction and oversight of the Maybank Board, which also has the responsibility to periodically review and approve the overall strategies, business, organisation and significant policies of Maybank. The Board also sets the Group's core values, adopts proper standards to ensure that the Group operates with integrity, and complies with the relevant rules and regulations.

### BOARD CHARTER

The Board has established a Board Charter which outlines among others, the respective roles, responsibilities and authorities of the Board (both individually and collectively) in setting the direction, management and control of the Group. The Board Charter also includes the division of responsibilities and powers between the board and management, and between the Chairman and the Group President and Chief Executive Officer (Group PCEO). A copy of the Board Charter is available on Maybank Group's corporate website ([www.maybank.com](http://www.maybank.com)).

### BOARD MANUAL

Besides the Board Charter, the Board has in place a Board Manual, which acts as guidance to the Board in discharging its duties effectively. The Board Manual highlights the guiding principles and matters relating to Board organisation, responsibilities, and relevant internal policies and procedures which are applicable to the Board, including those mentioned in the Board Charter.

### ROLES AND RESPONSIBILITIES

Among the key roles and responsibilities of the Board are as follows:-

Key Roles and Responsibilities of the Board	
1	Reviewing and approving the strategies, business plans and annual budget for the Group to ensure that they are aligned with the Group's vision and mission
2	Overseeing the conduct and the performance of the Group's businesses
3	Identifying and managing principal risks affecting the Group's business
4	Reviewing the adequacy and integrity of the Group's internal control systems
5	Establishing and approving policies on compliance for the Group
6	Reviewing succession plan and talent management plans for the Group, and approving the appointment, remuneration and compensation of senior management
7	Approving new policies pertaining to boardroom diversity and remuneration structure of employees of the Group
8	Approving changes to the corporate organisation structure
9	Approving the appointment of Directors and Directors' remuneration in accordance with the relevant regulatory requirements
10	Approving policies relating to corporate branding, public relations, investor relations and shareholder communication programmes
11	Reviewing the Group's strategies on promotion of sustainability focusing on environmental, social and governance (ESG) aspects

## STATEMENT ON CORPORATE GOVERNANCE

Other than the above, the responsibilities for managing Maybank's business activities are delegated to the Group PCEO of Maybank, who is accountable to the Board.

### DISCHARGE OF BOARD'S DUTIES AND RESPONSIBILITIES

Some insights on how the Board had discharged its responsibilities during the year are set out as per below:-

#### (I) STRATEGY

- (a) **Operational Excellence (OE) Plan 2016** – The Group had commenced its OE initiative in 2013 to ensure that the Group achieves its goal of becoming among the most customer centric, effective and efficient financial banking groups in ASEAN. The Board took note of the OE Plan for FY2016 which remained focused on initiating transformation initiatives that would yield real and measurable value capture. Some suggestions were made by the Board including the need to enhance customer service and experience through a more simplified banking process.
- (b) **Social Media Strategy** – The Board views social media as an important platform for Maybank to engage customers, provide new and innovative services and enhance brand loyalty. Upon reviewing the performance of the Group's Social Media Strategy against its key performance indicators, the Board suggested that the Management improve on Maybank's content offering as well as to grow Maybank's social media audience regionally.
- (c) **Sustainability Plan and Corporate Responsibility (CR) Strategy** – The Board continues to ensure that the Group remains steadfast in its efforts to ensure the sustainability of its operations as well as that of the communities it serves. During the year, the Board reviewed the Group's 20/20 Sustainability Plan (developed in 2014) to ensure that the Group remains on-track to achieve its objectives, based on three main pillars i.e. Community and Citizenship, People and Access to Products and Services. While the Board took note that the Group had achieved an 'A' rating based on the MSCI ESG Index, the Board pointed to areas for further improvements to the Group's economic, social and governance investments moving forward.
- (d) **Business Portfolio Review** – The Board deliberated on means to enhance Group-wide capital use and made several decisions on areas to be improved.

#### (II) COMPLIANCE

- (a) **Alignment of Group Compliance Function** - BNM had in October 2015, issued a policy document on Compliance with the objective to promote the safety and soundness of financial institutions by minimising financial, reputational and operational risks arising from legal and regulatory non-compliance (BNM Compliance Policy). The BNM Compliance Policy had since come into effect from 1 January 2017. During FY2016, the Board had deliberated on the need to align the Group's compliance function with the spirit and intent of the BNM Compliance Policy and subsequently reiterated the need to foster a strong compliance culture and to ensure the effective management of compliance risk.

- (b) **Compliance Strategy** – The Board deliberated on the effectiveness of the overall compliance function for Group-wide operations. Several discussions were held on this subject before the compliance strategic plan and budget was approved by the Board under Maybank's new Group Chief Compliance Officer.

#### (III) CORPORATE GOVERNANCE

Among the matters deliberated by the Board during the year in relation to corporate governance were as per the following:-

- (a) **Bursa Malaysia's report on the level and quality of disclosures made in listed issuers' annual reports for the financial years 2013 – 2014 (Maybank included)** - The Board analysed the findings of Bursa Malaysia's report particularly on Maybank and had identified some areas for improvement which the Management was requested to work on during the year.
- (b) **Concept paper on the draft of Malaysian Code on Corporate Governance 2016 issued by the Malaysian Securities Commission** - The Board took note of the Concept Paper (which to-date is still pending implementation) and the Securities Commission's proposal to change the basis of compliance from the existing "Comply or Explain" basis to "Comply or Explain an Alternative" basis.
- (c) **Amendments to the Listing Requirements on enhanced corporate disclosures** - The Board took cognisance of the new corporate disclosure requirements as introduced by Bursa Malaysia in March 2016 and has disclosed the required information in the relevant pages of this Annual Report.
- (d) **Review of BNM CG Policy** - The Board reviewed the BNM CG Policy against the existing practices and procedures of Maybank and identified areas which needed to be enhanced moving forward in order for the Group to comply with the new standards set out in the BNM CG Policy.
- (e) **Key strategic priorities undertaken by Group Audit to enhance audit performance and productivity** - The Board took note of the four key strategic priorities undertaken by Group Audit to enhance audit performance and productivity, focused on enhancing audit effectiveness and improving audit efficiency. The Board also discussed the overall satisfactory performance of Group Audit, with the Chairman of the Audit Committee.
- (f) **Update on New Key Legislation: New Companies Act, 2016** – The Board took note of the relevant provisions of the new Companies Act, 2016 in preparation for the upcoming Annual General Meeting (AGM).

## STATEMENT ON CORPORATE GOVERNANCE

### BOARD COMPOSITION

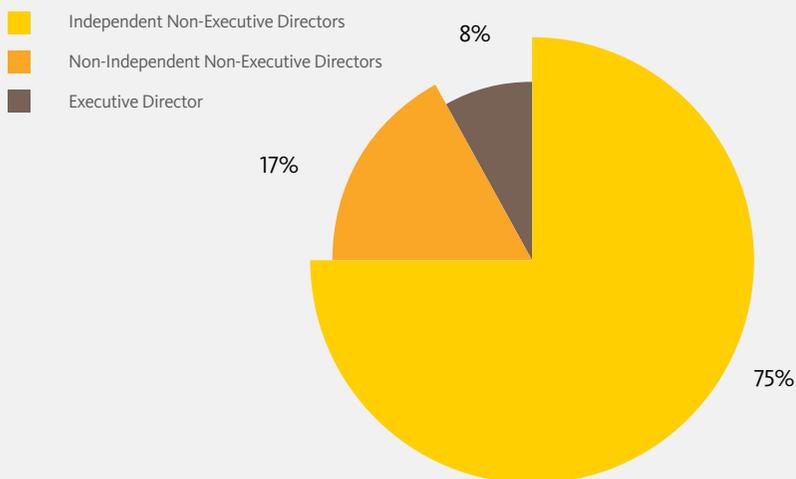
#### OVERALL COMPOSITION

Currently, the Board is composed of 12 Directors out of which:-

- (a) one is an Executive Director;
- (b) two are Non-Independent Non-Executive Directors; and
- (c) nine are Independent Non-Executive Directors.

The present composition of the Board exceeds the minimum one-third requirement of independent directors as stipulated in the Listing Requirements as well as the requirement of having a majority of independent directors on the Board as set out in the BNM CG Policy. The Group PCEO is the only Executive Director on the Board, while the two Non-Independent Non-Executive Directors are nominees of Permodalan Nasional Berhad. The composition also reflects the interest of Maybank's majority shareholder which is adequately represented by the appointment of its nominee directors, balancing the interest of the minority shareholders.

#### Composition of Board of Directors



#### BOARD SIZE

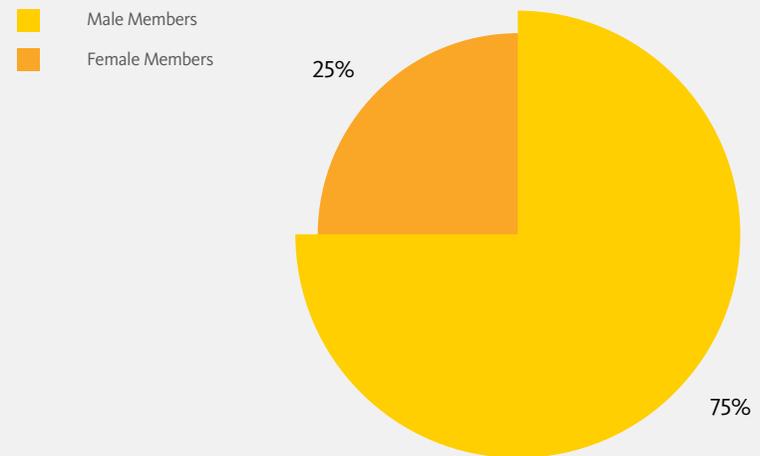
In terms of size, the Board would consider the same in terms of the Board's overall effectiveness, including whether the present size is one that is manageable and would not inhibit or impair the ability of Directors to contribute their thoughts and ideas meaningfully.

#### DIVERSITY AND INCLUSIVENESS

The Board is committed to ensuring diversity and inclusiveness in its composition and deliberations and the Group embraces the proposition that having a diverse Board would have a positive, value-relevant impact on the Group. In this regard, the Board considers diversity from a number of different aspects, including gender, age, cultural and educational background, ethnicity, nationality, professional experience, skills, knowledge and length of service.

In terms of gender, the Board has surpassed Maybank Group's Board Gender Diversity Policy (Gender Diversity Policy) 2016 target (20%), by having three women Directors on the Board, representing 25% of total members as to-date.

#### Gender



Currently, there are two foreign nationals on the Board, Mr Edwin Gerungan, an Indonesian and Mr Anthony Brent Elam, an American (based in Indonesia). Both are ex-bankers with international experience, especially in Indonesia, where Maybank's presence is large and quite significant.

#### ROLES AND RESPONSIBILITIES OF THE CHAIRMAN AND THE GROUP PRESIDENT & CHIEF EXECUTIVE OFFICER

The roles and responsibilities of the Chairman and the Group PCEO are separated with a clear division of responsibilities, defined, documented and approved by the Board, in line with best practices so as to ensure appropriate supervision of the Management. This distinction allows for a better understanding and distribution of jurisdictional responsibilities and accountabilities. The clear hierarchical structure with its focused approach and attendant authority limits also facilitates efficiency and expedites informed decision-making.

#### CHAIRMAN

Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor, a Non-Independent Non-Executive Director, has been the Chairman of Maybank since 1 October 2009. Prior to his appointment as the Chairman, he was an Independent Non-Executive Director of Maybank from July 2004 until February 2009. He has never assumed an executive position in Maybank. He was previously the Chairman of two other Malaysian public listed companies, namely Shell Refining Company Berhad and Maxis Communications Berhad, as well as being a director of Woodside Petroleum Ltd, an Australian public-listed company from December 2007 to April 2011.

The Chairman leads the Board and is also responsible for the effective performance of the Board. He ensures orderly conduct and proceedings of the Board, where healthy debate on issues being deliberated is encouraged to reflect an appropriate level of scepticism and independence. As ever, the Chairman will always try to ensure that the Board's decisions are reached by consensus (and failing this, reflect the will of the majority), and any concern or dissenting view expressed by any Director on any matter deliberated at meetings of the Board or any of its Committees, as well as the meeting decisions, will accordingly be addressed and duly recorded in the relevant minutes of the meetings.

## STATEMENT ON CORPORATE GOVERNANCE

The Chairman continuously works together with the rest of the Board in clarifying the Group's aspirations and objectives, as well as setting the policy framework and strategies to align the business activities driven by the senior management and monitor its implementation.

The Chairman also takes the lead to ensure the appropriateness and effectiveness of the succession planning programme for the Board and senior management levels. Furthermore, the Chairman cultivates a healthy working relationship with the Group PCEO and provides the necessary support and advice as appropriate. He continues to demonstrate the highest standards of corporate governance practices and ensures that these practices are regularly communicated to all the stakeholders.

Although the Chairman is a Non-Independent Non-Executive Director, his influence on the Board is balanced by the majority of Independent Non-Executive Directors on the Board.

### EXECUTIVE DIRECTOR/GROUP PRESIDENT AND CHIEF EXECUTIVE OFFICER

Datuk Abdul Farid Alias has been the Group PCEO since 2 August 2013 and is the only Executive Director on the Board.

Datuk Abdul Farid has been delegated certain responsibilities by the Board in his capacity as Group PCEO and is primarily accountable for overseeing the day-to-day operations to ensure the smooth and effective running of the Group's business.

Among others, the Group PCEO is responsible for mapping the medium to longer term plans for Board approval, and is accountable for implementing the policies and decisions of the Board, as well as coordinating the development and implementation of business and corporate strategies, specifically by making sure that they are carried through to their desired outcomes, especially in the institution of remedial measures to address identified shortcomings. He is also responsible for developing and translating the strategies into a set of manageable goals and priorities and setting the overall strategic policy and direction of the business operations, investment and other activities based on effective risk management controls.

The Group PCEO ensures that the financial management practice is performed at the highest level of integrity and transparency for the benefit of the shareholders and that the business and affairs of Maybank are carried out in an ethical manner and in full compliance with the relevant laws and regulations.

The Group PCEO is also tasked with ensuring that whilst the ultimate objective is maximising total shareholder return, social and environmental factors are not neglected. The Group PCEO is further expected to develop and maintain strong communication programmes and dialogues with the shareholders, investors, analysts as well as employees, and providing effective leadership to the Group organisation. He is also responsible for ensuring high management competency as well as the emplacement of an effective management succession plan to sustain continuity of operations. The Group PCEO, by virtue of his position as a Board member, functions as the intermediary between the Board and senior management.

### NON-EXECUTIVE DIRECTORS

As at to-date, there are 11 Non-Executive Directors on the Board, comprising two Non-Independent Non-Executive Directors and nine Independent Non-Executive Directors.

The high proportion of Non-Executive Directors helps the Board to ensure and provide strong and effective oversight over management. Non-Executive Directors do not participate in the day-to-day management of Maybank and do not engage in

any business dealing or other relationships with Maybank (other than in situations permitted by the applicable regulations) in order to ensure that they remain truly capable of exercising independent judgment and act in the best interests of the Group and its shareholders. Further, the Board is satisfied and assured that no individual or group of Directors has unfettered powers of decision that could create a potential conflict of interest.

The Non-Executive Directors of Maybank continue to proactively engage with senior management and other relevant parties such as the external/internal auditors as well as Maybank's Compliance and Risk units, to ensure that various concerns and issues relevant to the management and oversight of the business and operations of Maybank and the Group are properly addressed.

The Board ensures that all Non-Executive Directors possess the following qualities:-

1	Ability to challenge the assumptions, beliefs or viewpoints of others with intelligent questioning, constructive and rigorous debating and dispassionate decision-making in the interest of Maybank
2	Willingness to stand up and defend their own views, beliefs and opinions for the ultimate good of Maybank
3	A good understanding of Maybank's business activities in order to appropriately provide responses to the various strategic and technical issues confronted by the Board

### INDEPENDENT DIRECTORS

With more than half of its members comprising Independent Non-Executive Directors, the Board has a strong degree of independence. The Group has established a Directors' Independence Policy which sets out Maybank's approach in determining directors' independence (Independence Policy). The Independence Policy provides a guideline for the Board and its related licensed subsidiaries in the assessment of independence of each Independent Non-Executive Director. Consistent with the Independence Policy and the recommendations of the Code, the Board via the Nomination and Remuneration Committee, assesses the independence of Independent Non-Executive Directors upon their appointment, re-appointment and in any event, annually.

### TENURE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

In line with the Code, the tenure of service for Independent Non-Executive Directors has been capped at the maximum period of nine years whereby upon completion of such tenure, an Independent Non-Executive Director may continue to serve on the Board subject to his re-designation as a Non-Independent Non-Executive Director.

Having said this, the Board recognises that an individual's independence cannot be determined arbitrarily on the basis of a set period of time alone. The Board also believes that continued tenure may bring considerable stability to the Board and acknowledges the fact that it has benefited greatly from the presence of Independent Directors who have over time gained valuable insight into the Group and its markets. Hence, the Board may in certain circumstances and subject to the Nomination and Remuneration Committee's assessment, decide to maintain a member as an Independent Non-Executive Director beyond the requisite nine-year period, if the Board is satisfied (upon the review by the Nomination and Remuneration Committee) that the said Director can remain independent in character and judgment, and would continue to present an objective and constructive challenge to the assumptions and viewpoints presented by the management and the Board.

## STATEMENT ON CORPORATE GOVERNANCE

Under such circumstances, the Board may allow the shareholders to decide whether the said Director should continue to be designated as an Independent Non-Executive Director (notwithstanding the fact his tenure has exceeded the 9-year period), with strong justifications provided by the Board to support the proposal.

Currently, none of the Board's Independent Non-Executive Directors has reached the 9-year term in Maybank. The Board will continue to monitor the tenure of each Independent Director moving forward as part of succession planning.

### INDEPENDENCE ASSESSMENT

The Nomination and Remuneration Committee determines the ability of the Independent Non-Executive Directors to continue bringing independent and objective judgment to board deliberations as well as considers if there is any ground or reason that has come to the attention of the Nomination and Remuneration Committee that may affect the independent status of Independent Non-Executive Directors.

The Nomination and Remuneration Committee undertakes the independence assessment via the Board and Peer Annual Assessment as well as the Fit and Proper Assessment exercise (described below), taking into account the Directors' skills, experience, contributions, background, economic and family relationships, tenure of directorship and the Independent Non-Executive Directors' self-declaration on their compliance with the independence criteria set out under the BNM CG Policy, the Listing Requirements as well as the Independence Policy.

Pursuant to the assessment conducted for FY2016, the Board is satisfied that all the Independent Non-Executive Directors of the Maybank Board have met the independence criteria set out under the Listing Requirements, the BNM CG Policy, as well as the Group's Independence Policy.

### SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board took cognisance of the best practices in corporate governance to appoint a Senior Independent Director who is primarily responsible to address concerns that may be raised by the shareholders and stakeholders of the Group. Apart from this, the Senior Independent Director also has the following additional role of assisting and improving communications between the Board members as well as to enhance the meeting proceedings of the Board:

- (i) preside at all meetings of the Board at which the Chairman is not present;
- (ii) serve as a liaison between the Chairman and the Independent Directors; and
- (iii) have the authority to call meetings of the Independent Directors.

Following the demise of Dato' Seri Ismail Shahudin, the Board is in the midst of identifying an Independent Director to assume this position.

### BOARD APPOINTMENTS

A formal and transparent procedure is in place vis-à-vis the nomination and appointment of new Directors to the Board, the primary responsibility of which has been delegated to the Nomination and Remuneration Committee. Such responsibilities include screening, conducting initial selection of internal and external candidates, performing requisite evaluation and assessment on the candidates' ability to discharge their duties effectively and efficiently, prior to making recommendations to the Board for its approval. The Nomination and Remuneration Committee also ensures candidates possess the appropriate skills, core competencies, experience, integrity and time to effectively discharge his or her role as a director.

### NOMINATION AND APPOINTMENT PROCESS

The Group's Policy on Nomination Process for Appointment of Chairman, Directors and CEO of Maybank Group (Policy on Nomination Process) sets out a clear and transparent nomination process of the same, which involves the following five stages:-



Upon approval being obtained from the respective Board, an application for the appointment of the shortlisted candidates will be submitted to BNM for the requisite approval as required under the Financial Services Act 2013 (FSA) or the Islamic Financial Services Act (IFSA) (whichever applicable).

The appointment process for Executive Directors is similarly robust, in order to ensure that the best person is selected for the top executive position in the interest of the Group. The process includes the identification of potential candidates (both internal as well as external) by a special committee of the Board, governed by the expectation of the roles and capabilities described and required by the Board. This process includes interviews, which are subsequently followed by a submission to the Nomination and Remuneration Committee for deliberation and thereafter the final recommendation to the Board for endorsement, and ultimately submission to BNM for approval.

### FIT AND PROPER ASSESSMENT

Besides the assessment on independence, the Directors also undergo a fit and proper assessment upon their appointment as a Director, and their re-appointment, or in any event annually. The assessment is undertaken in accordance with Group's Fit and Proper Policy which has been in force since August 2006.

The Fit and Proper Policy, which sets out the attributes and qualifications required of a candidate to determine his/her suitability, includes among others, requirements in respect of his/her management and leadership experience, which has to be at the most senior level in a reputable local or international financial services group, public corporation or professional firm/body. In relation to the candidate's skills, expertise and background, the candidate should ideally and to the extent available, possess a diverse range of skills, including in particular, business, legal and financial expertise, professional knowledge and financial industry experience, as well as experience in regional and international markets. The Fit and Proper Policy also assist in identifying the gaps in skills in the composition of the Board.

## STATEMENT ON CORPORATE GOVERNANCE

The following aspects would be considered by the Board in making the selection, with the assistance of the Nomination and Remuneration Committee:-

- (a) Probity, personal integrity and reputation – the person must have key qualities such as honesty, integrity, diligence, independence of mind and fairness.
- (b) Competence and capability – the person must have the necessary skills, ability and commitment to carry out the role.
- (c) Financial integrity – the person must manage his debts or financial affairs prudently.

### SUCCESSION PLAN

Succession planning is an integral part of the Board's corporate governance practices. The Board believes that the membership and composition of the Board should be refreshed from time to time with new appointees whilst still ensuring continuity in meeting the Group's long term goals and objectives. In this regard, the Group's Policy on the Tenure of Directorships (Directors Tenure Policy) facilitates succession planning by providing the Board with the opportunity to consider and reassess its membership periodically, not only to ensure continuity in meeting its long term goals and objectives but also to affirm that the knowledge, experience and skill sets of its members would be well suited to meet the demands of the ever changing landscape of the financial industry.

The Nomination and Remuneration Committee plays a major role in the recruitment and selection process of potential candidates, which includes procuring from time to time the curriculum vitae of prospective candidates discreetly from various internal and external sources (including institutions which maintain salient details on directors with financial industry background) for its review and consideration, to ensure that the Board would always have a steady pool of talent for selection whenever there is a need to appoint new directors.

### TENURE OF DIRECTORSHIPS

The appointment of Non-Executive Directors on the Board, as well as their tenure as a director, is subject to the approval of BNM (BNM Approved Tenure). Prior to the expiry of the BNM Approved Tenure, Maybank may apply to BNM for an extension of the same, if pursuant to an assessment, the Board is satisfied with the performance and contribution of the said Non-Executive Director.

Apart from the BNM Approved Tenure, the Directors Tenure Policy limits the tenure of all Non-Executive Directors in the following manner:-

- (a) upon completion of a 12 year period;
- (b) upon attaining the age of 70 years; or
- (c) in the case of Independent Non-Executive Directors, upon completion of a cumulative period of nine years.

With the coming into effect of the new Companies Act, 2016, the Board will review the 70 years age limitation and to determine whether the policy on this subject should be maintained.

Notwithstanding the limitations as mentioned above, the Board may at its discretion, request the affected Director to nevertheless remain serving the Board in appropriate cases, and in the case of an Independent Non-Executive Director (having reached the cumulative period of nine years), to seek shareholders' approval for the affected Director to remain on the Board as an Independent Non-Executive Director or alternatively, to re-designate the affected Director as a Non-Independent Non-Executive Director.

In 2016, Tan Sri Datuk Dr Hadenan A. Jalil, an Independent Non-Executive Director who attained the age of 70 years, had retired and stepped down as a Director at the conclusion of Maybank's 56<sup>th</sup> AGM held on 7 April 2016 in accordance with the Directors Tenure Policy. Sadly, Dato' Seri Ismail Shahudin, also an Independent Non-Executive Director, had passed away on 30 July 2016. Through diligent future planning and focused recruitment efforts by both the Nomination and Remuneration Committee and the Board, the vacancies left behind by these two Directors have been effectively mitigated with new appointees, namely:-

- (i) Encik Nor Hizam Hashim with effect from 13 June 2016;
- (ii) Dr Hasnita Dato' Hashim with effect from 1 July 2016;
- (iii) Mr Anthony Brent Elam with effect from 15 November 2016; and
- (iv) Datin Paduka Jamiah Abdul Hamid with effect from 3 January 2017.

### DIRECTORS' RETIREMENT, RE-ELECTION AND RE-APPOINTMENT

All Directors of Maybank, including the Group PCEO as an Executive Director, are subject to re-election by the shareholders at the first opportunity after their appointment, and are subject to retirement by rotation at least once every three years in accordance with the Listing Requirements and Articles 96 and 97 of Maybank's Articles of Association.

The Board's support for a Director's re-election is not automatic and is subject to satisfactory assessment of performance. The Nomination and Remuneration Committee will first assess the Directors who are due for re-election at the AGM and will then submit its recommendation to the Board for deliberation and approval.

Pursuant to Articles 96 and 97 of Maybank's Articles of Association, the following Directors are due for retirement by rotation and will be seeking re-election at the forthcoming AGM:

- (i) Datuk Abdul Farid Alias;
- (ii) Datuk R. Karunakaran; and
- (iii) Mr Cheng Kee Check

The following Non-Executive Directors who were appointed to fill casual vacancies during the financial year will also be retiring and seeking re-election at the upcoming AGM pursuant to Article 100 of Maybank's Articles of Association:

- (i) Encik Nor Hizam Hashim;
- (ii) Dr Hasnita Dato' Hashim;
- (iii) Mr Anthony Brent Elam; and
- (iv) Datin Paduka Jamiah Abdul Hamid

As evaluated by the Nomination and Remuneration Committee and subsequently the Board, all of these Directors have met the Board's expectations and continued to perform in an exemplary manner as demonstrated by among others, their contribution to the Board's deliberations and the Board would accordingly recommend to the shareholders, their respective re-elections.

## BOARD PROCESSES

### BOARD AND INDIVIDUAL DIRECTOR'S EFFECTIVENESS

The Nomination and Remuneration Committee follows a formal and transparent process to assess the effectiveness of individual Directors, the Board as a whole and its committees, as well as the performance of the Group PCEO (based on his Balanced Scorecard and other contribution) in respect of their respective skills and experience, pursuant to the Board and Peer Annual Assessment exercise. This exercise is undertaken upon the completion of every financial year.

## STATEMENT ON CORPORATE GOVERNANCE

The Board and Peer Annual Assessment exercise is primarily based on answers to a detailed questionnaire prepared internally by Group Corporate Secretarial of Maybank (GCS) incorporating applicable best practices. The assessment questionnaire is distributed to all the respective Board members and covers topics which include, among others, the responsibilities of the Board in relation to strategic planning, oversight of senior management's performance, risk management, succession planning for the Board and senior management, financial reporting, internal control, human capital management, corporate social responsibility and sustainability strategies, investor relations, corporate governance, and shareholders' interest and value. Other areas being assessed include composition and size of the Board and Board Committee, Board remuneration, contribution of each and every member of the Board and Board Committee at meetings, the Board's decision-making and output, information and support rendered to the Board.

Based on the outcome of the assessment, the Chairman of the Board (and the Chairman of the Nomination and Remuneration Committee, in appropriate circumstances), may discuss with individual members areas in which the individual's performance can be improved, as well as their training needs.

Pursuant to the assessment conducted for FY2016, all the Directors of the Maybank Board have satisfactorily met all the assessment criteria.

### BOARD MEETINGS

The Board meets on monthly basis, with additional meetings convened between the scheduled meeting to consider matters/proposals that require expeditious deliberations or decisions by the Board. Board meetings are scheduled in advance before the commencement of each financial year so as to enable the Directors to plan ahead and accommodate the meetings into their schedule.

During FY2016, the Board met 14 times to deliberate and consider a variety of significant matters that required its guidance and approval. All the current Directors have attended more than 75% of the total Board meetings held during FY2016.

Details of attendance of each Director at the Board and respective Board Committee meetings held during FY2016 are set out in the table below.

Name of Directors	Board Number of Meetings			Credit Review Committee Number of Meetings			Audit Committee Number of Meetings		
	Held	Attended	%	Held	Attended	%	Held	Attended	%
Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor	14	14	100	-	-	-	-	-	-
Datuk Abdul Farid Alias	14	14	100	12	8	67	-	-	-
Tan Sri Dr Hadenan A. Jalil <sup>1</sup>	3	2	67*	-	-	-	6	2	33*
Dato' Seri Ismail Shahudin <sup>2</sup>	7	1	14*	-	-	-	-	-	-
Dato' Dr Tan Tat Wai <sup>3</sup>	14	12	86	-	-	-	-	-	-
Dato' Johan Ariffin <sup>4</sup>	14	13	93	12	11	92	17	17	100
Datuk Mohaiyani Shamsudin	14	14	100	12	10	83	-	-	-
Datuk R. Karunakaran	14	14	100	-	-	-	17	17	100
Mr Cheng Kee Check <sup>5</sup>	14	14	100	12	12	100	17	17	100
Mr Edwin Gerungan	14	14	100	12	12	100	-	-	-
Encik Nor Hizam Hashim <sup>6</sup>	9	9	100	4	4	100	5	5	100
Dr Hasnita Dato' Hashim <sup>7</sup>	8	8	100	3	3	100	-	-	-
Mr Anthony Brent Elam <sup>8</sup>	3	3	100	2	2	100	-	-	-

Name of Directors	Risk Management Committee Number of Meetings			Nomination and Remuneration Committee Number of Meetings			Employees' Share Scheme Committee Number of Meetings		
	Held	Attended	%	Held	Attended	%	Held	Attended	%
Dato' Seri Ismail Shahudin <sup>2</sup>	-	-	-	8	2	25*	2	0	0*
Dato' Dr Tan Tat Wai	9	9	100	13	13	100	3	3	100
Datuk Mohaiyani Shamsudin	9	8	89	-	-	-	-	-	-
Datuk R. Karunakaran	9	9	100	13	13	100	3	3	100
Mr Edwin Gerungan	9	9	100	13	13	100	3	3	100
Mr Cheng Kee Check	-	-	-	9	9	100	3	3	100
Dr Hasnita Dato' Hashim <sup>7</sup>	2	2	100	-	-	-	-	-	-
Mr Anthony Brent Elam <sup>8</sup>	1	1	100	-	-	-	-	-	-

\* Absence from meetings was due to ill health.

#### Notes:-

- Retired at the conclusion of the 56<sup>th</sup> AGM held on 7 April 2016. He also ceased to be the Chairman and a member of the Audit Committee with effect from 7 April 2016.
- Demised on 30 July 2016. Previously, he was the Vice-Chairman of the Board and the Chairman of the Nomination and Remuneration Committee and Employees' Share Scheme Committee.
- Appointed as Acting Chairman of the Nomination and Remuneration Committee and Employees' Share Scheme Committee on 24 February 2016.
- Appointed as Chairman of the Audit Committee on 7 April 2016.
- Appointed as a member of the Nomination and Remuneration Committee and Employees' Share Scheme Committee on 25 April 2016.
- Appointed as a Director on 13 June 2016. He was subsequently appointed as a member of the Audit Committee and Credit Review Committee on 27 September 2016 and 28 September 2016 respectively.
- Appointed as a Director on 1 July 2016. She was subsequently appointed as a member of the Risk Management Committee and Credit Review Committee on 24 October 2016 and 25 October 2016 respectively.
- Appointed as a Director and member of the Risk Management Committee and Credit Review Committee on 15 November 2016.

## STATEMENT ON CORPORATE GOVERNANCE

### MEETING MANAGEMENT

An agenda together with appropriate papers for each agenda item to be discussed is forwarded to each Director at least five clear days before the scheduled meeting to enable the Directors to review the papers in preparation for the meeting, and to obtain further clarification or explanation, where necessary, in order to be adequately apprised before the meeting.

Additionally, Maybank's minutes of meetings of the Board and various Board Committees incorporate the discussions of the members at the meetings in arriving at decisions, to ensure concise and accurate minutes. The draft minutes of the Board meetings are circulated to the Board within one week of the Board meetings for early feedback and suggestions prior to tabling at the subsequent meetings for formal confirmation.

Senior management members are invited to attend Board meetings to report on matters relating to their areas of responsibility and also to brief and present details to the Directors on recommendations submitted for the Board's consideration. Additional information or clarification may be required to be furnished, particularly in respect of complex and technical issues tabled to the Board.

In order to ensure that board papers are of the highest quality and prepared in accordance with best practice requirements and within the expectations of the Board, Directors are given an avenue to provide written feedback during each Board meeting to rate the quality of the papers and that of the session discussing the papers.

The Chairman of various Board Committees would also brief the Board on salient matters and significant findings deliberated at the respective Board Committees' meetings, which require the Board's attention and/or notation.

### REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Board believes that one area that the Board needs to focus on in order to remain effective in the discharge of its duties and responsibilities is the setting of a fair and comprehensive remuneration package commensurate with the expertise, skills, responsibilities and the risks of being a director of a financial institution. The level of Non-Executive Directors' remuneration is comparable in order to attract and retain directors of such calibre for the effective management and operations of the Group.

The remuneration of all Non-Executive Directors is reviewed and recommended by the Nomination and Remuneration Committee for the approval of the Board and the Board as a whole will ensure that it is aligned to the market and to the Directors' duties and responsibilities. All Non-Executive Directors shall abstain from the deliberation on their individual remuneration.

The Board has set out its intention to periodically review the remuneration of Non-Executive Directors of Maybank and its group of companies at least once every three years. The present remuneration structure as adopted by the Board is based on the previous structure approved by the shareholders, illustrated as follows:

	Annual Fee (RM)	Date of Shareholders' Approval
<b>Board</b> – Chairman – Vice Chairman – Member	610,000 440,000 295,000	Approved at the 55 <sup>th</sup> AGM held on 7 April 2015
<b>Board Committee</b> – Chairman – Member	45,000 30,000	Approved at the 51 <sup>st</sup> AGM held on 29 September 2011

The Board shall be seeking shareholders' approval for Non-Executive Directors fees (as per the approved remuneration structure above) and benefits payable to the Non-Executive Directors at the 57<sup>th</sup> Annual General Meeting of the Company.

## STATEMENT ON CORPORATE GOVERNANCE

A summary of the total remuneration received/receivable by the Directors, as distinguished between Executive and Non-Executive Directors, in aggregate with categorisation into appropriate components for FY2016 is as follows:-

	Salary (RM)	Bonus (RM)	Directors' Fees (RM)	Other Emoluments (RM)	Benefits in kind (RM)	Employees' Share Scheme (RM)	Total (RM)
<b>Executive Director</b>							
Datuk Abdul Farid Alias	1,800,000	2,700,000	-	963,580*	47,961	617,064^	6,128,605
<b>Total</b>	1,800,000	2,700,000	-	963,580	47,961	617,064	6,128,605
<b>Non-Executive Directors</b>							
Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor			610,000	571,000	27,941#		1,208,941
Tan Sri Dr Hadenan A. Jalil <sup>1</sup>			91,611	5,000	1,030#		97,641
Dato' Seri Ismail Shahudin <sup>2</sup>			372,392	3,500	-		375,892
Dato' Dr Tan Tat Wai <sup>3</sup>			425,517	45,000	-		470,517
Dato' Johan Ariffin <sup>4</sup>			374,750	47,500	3,195#		425,445
Datuk Mohaiyani Shamsudin			355,000	39,000	3,169#		397,169
Datuk R. Karunakaran			415,000	64,000	3,195#		482,195
Mr Cheng Kee Check <sup>5</sup>			396,000	64,000	-		460,000
Mr Edwin Gerungan			430,000	60,000	-		490,000
Encik Nor Hizam Hashim <sup>6</sup>			177,833	23,500	-		201,333
Dr Hasnita Dato' Hashim <sup>7</sup>			158,710	17,000	-		175,710
Mr Anthony Brent Elam <sup>8</sup>			45,361	7,500	-		52,861
<b>Total</b>			3,852,174	947,000	38,530		4,837,704
<b>Grand Total</b>	1,800,000	2,700,000	3,852,174	1,910,580	86,491	617,064	10,966,309

\* Executive Director's Other Emoluments include pension costs, allowances, retirement gratuity and reimbursements.

# Benefits in kind for the Chairman and Vice Chairman include a driver, car and fuel allowance whilst the benefits in kind for Non-Executive Directors include golf club membership.

^ During FY2016, the Restricted Share Unit third grant amounting to 69,411 options (equivalent to RM617,064 based on average market price on the vesting date) has been vested and awarded to the Executive Director.

### Notes:-

- Retired at the conclusion of the 56<sup>th</sup> AGM held on 7 April 2016. He also ceased to be the Chairman and a member of the Audit Committee with effect from 7 April 2016.
- Demised on 30 July 2016. Previously, he was the Vice-Chairman of the Board and the Chairman of the Nomination and Remuneration Committee and Employees' Share Scheme Committee.
- Appointed as Acting Chairman of the Nomination and Remuneration Committee and Employees' Share Scheme Committee on 24 February 2016.
- Appointed as Chairman of the Audit Committee on 7 April 2016.
- Appointed as a member of the Nomination and Remuneration Committee and Employees' Share Scheme Committee on 25 April 2016.
- Appointed as a Director on 13 June 2016. He was subsequently appointed as a member of the Audit Committee and Credit Review Committee on 27 September 2016 and 28 September 2016 respectively.
- Appointed as a Director on 1 July 2016. She was subsequently appointed as a member of the Risk Management Committee and Credit Review Committee on 24 October 2016 and 25 October 2016 respectively.
- Appointed as a Director and member of the Risk Management Committee and Credit Review Committee on 15 November 2016.

A breakdown of remuneration received by the Directors from Maybank and on group basis for FY2016 is set out under Note 43 of the Financial Statements for FY2016 on pages 134 to 136 of the Financial Statements Book of the Annual Report 2016.

## STATEMENT ON CORPORATE GOVERNANCE

### THE ACTIONABLE IMPROVEMENT PROGRAMME

In conjunction with the Board and Peer Annual Assessment, individual Board members are also encouraged to provide feedback to the senior management on areas for improvement. All feedback will initially be received and compiled by the GCS and thereafter submitted to the Board for its review and final endorsement. The AIP includes areas as diverse as succession planning for senior management, corporate responsibility or Risk Management and is monitored by the Board twice a year to determine the progress of the action plans developed by the senior management pursuant to the feedback received by the Board.

### THE ANNUAL BOARD OUTLINE AGENDA

The Annual Board Outline Agenda serves as a mechanism to highlight to the Board and relevant Board Committees as well as the senior management subject matters to be tabled to the Board at each of the scheduled Board meeting other than 'routine' for the period to facilitate better planning and for greater time effectiveness for various parties. It also gives a greater sense of discipline on the part of the senior management to commit to the said outline. Concurrently, such focus allows the Board to deliberate on and contribute towards achieving a higher level of value-added discussions on such identified issues and other relevant matters. In response to technological advancement in the digital space, the Board has taken the initiatives to implement paperless board meeting where board papers are uploaded onto a secured platform, namely, BoardPAC and accessible via tablet devices.

### QUALITY AND SUPPLY OF INFORMATION TO THE BOARD

The Board has full and unrestricted access to all information pertaining to Maybank's businesses and affairs as well as to the advice and services of the senior management of the Group. In addition to formal Board meetings, the Chairman maintains regular contact with the Group PCEO to discuss specific matters, and the latter assisted by the Company Secretary ensures that frequent and timely communication between the senior management and the Board is maintained at all times as appropriate.

The Board is regularly kept up to date on and apprised of any regulations and guidelines, as well as any amendments is issued by BNM, Bursa Malaysia, Securities Commission, the Companies Commission of Malaysia and other relevant regulatory authorities including recommendations on corporate law reform in respect of Malaysian as well as relevant foreign jurisdictions, particularly the effects of such new or amended regulations and guidelines on directors specifically, and Maybank and the Group generally.

### INDEPENDENT PROFESSIONAL ADVICE

Independent professional advice can be obtained by any individual Director, at Maybank's expense where necessary, in the furtherance of their duties in accordance with Maybank's Policy and Procedure on Access to Independent Professional Advice, Senior Management and Company Secretary by Directors of Maybank Group. Copies of any reports, advice and recommendations provided by the independent professional adviser to the relevant Director would be forwarded by the said Director to the Company Secretary, who will, where appropriate, circulate them to other Directors to ensure that they are kept informed of pertinent issues, which may have an impact on the Group's interest, growth and performance.

### COMPANY SECRETARY

In his function as the Company Secretary, the Group General Counsel and Company Secretary is responsible for advising the Board on issues relating to corporate compliance with the relevant laws, rules, procedures and regulations affecting the Board and the Group, as well as best practices of governance. He is also responsible

for advising the Directors of their obligations and duties to disclose their interest in securities, disclosure of any conflict of interest in a transaction involving Maybank, prohibition on dealing in securities and restrictions on disclosure of price-sensitive information. All Directors have access to the advice and services of the Company Secretary and the Board Satisfaction Index acts as an evaluation mechanism on the support and services provided by the Company Secretary to the Board during the financial year.

### BOARD SATISFACTION INDEX

Performed every year, the Board Satisfaction Index (BSI) demonstrates an important initiative to ensure continuing adequate support is provided by the Company Secretary to the Board, to assist Directors in discharging their duties effectively.

The areas of assessment cover transactional and operational efficiency, which includes the quality of the minutes of the Board and Board Committees, of papers and meeting arrangements, and of training and knowledge management, as well as advisory services on matters concerning Directors' duties, such as disclosure of interests and prohibition on trading.

Pursuant to the feedback received from Board members pursuant to the BSI exercise for FY2016, the Board was generally satisfied with the support provided during the year under review with some areas identified for further improvement.

### DIRECTORS' INDEMNITY

Maybank maintained a Directors' and Officers' Liability Insurance throughout FY2016. Directors and Officers are indemnified against any liability incurred by them in the discharge of their duties while holding office as Directors and Officers of the Company. This insurance does not, however, provide coverage in the event of any negligence, fraud, breach of duty, breach of trust or fine upon conviction. The Directors contribute jointly to the premium payment of this policy.

### INDUCTION PROGRAMME

Coordinated by the GCS, a comprehensive induction programme has also been established to ease new Directors into their new role and to assist them in their understanding of the Group's management and operations. New Directors would be encouraged to attend the programme as soon as possible after they have been appointed. Typically undertaken within a period of two days, the programme includes intensive one-on-one sessions with the Group PCEO and the rest of the Group Executive Committee members, wherein new Directors would be briefed and brought up to speed on the challenges and issues facing the Group. The programme covers a wide scope of subject matters, such as the Group's business and strategy, work processes and Board Committees, as well as on Directors duties and responsibilities.

### DIRECTORS' TRAINING

The Board acknowledges the importance of continuing education for its Directors to ensure they are equipped with the necessary skill and knowledge to perform their functions and meet the challenges of the Board.

During the year, all the Board members have attended various training programmes and workshops on issues relevant to the Group, including key training programme for Directors of financial institutions.

During the year, the Nomination and Remuneration Committee has undertaken an assessment on the training needs of the Directors vide the Board Assessment and identified key areas of focus for the training programmes.

## STATEMENT ON CORPORATE GOVERNANCE

Trainings programmes, conferences and forums attended by the Directors for FY2016 were as follows:-

Name of Director	Training Programme	Organised by
<b>TAN SRI DATO' MEGAT ZAHARUDDIN MEGAT MOHD NOR</b>	<ol style="list-style-type: none"> <li>1. Invest ASEAN Edition 2016 at Singapore</li> <li>2. Annual Risk Workshop</li> <li>3. Compliance Training Programme</li> </ol>	Maybank Investment Bank Maybank (Internal) Maybank Maybank (Internal)
<b>DATUK ABDUL FARID ALIAS</b>	<ol style="list-style-type: none"> <li>1. Capital Market Director Programme               <ul style="list-style-type: none"> <li>- Module 1: Directors as Gatekeepers of Market Participants</li> <li>- Module 2A: Business Challenges &amp; Regulatory Expectation – What Directors Need to Know (Equities &amp; Futures Broking)</li> <li>- Module 2B: Business Challenges &amp; Regulatory Expectations - Fund Management</li> <li>- Module 3: Risk Oversight and Compliance-Action Plan for Board of Directors</li> <li>- Module 4: Current &amp; Emerging Regulatory Issues in the Capital Market</li> </ul> </li> <li>2. Invest Malaysia 2016 at Kuala Lumpur</li> <li>3. Invest ASEAN Edition 2016 at Singapore</li> <li>4. AML Workshop at Jakarta</li> <li>5. Annual Risk Workshop</li> <li>6. Guru Series: Integrity Dilemma</li> <li>7. Compliance Training Programme</li> </ol>	Securities Industry Development Corporation (SIDC) and Securities Commission Malaysia (SC)  Maybank Investment Bank and Bursa Malaysia Maybank Kim Eng Maybank Indonesia Maybank (Internal) Maybank Maybank (Internal)
<b>DATO' DR TAN TAT WAI</b>	<ol style="list-style-type: none"> <li>1. BNM - FIDE FORUM Dialogue with Deputy Governor on the Corporate Governance Concept Paper</li> <li>2. Annual Risk Workshop</li> <li>3. ICAAPS Banks</li> <li>4. Current Issues in Corporate Governance</li> </ol>	BNM and Financial institutions Directors' Education (FIDE) Maybank (Internal) FIDE FIDE
<b>DATO' JOHAN ARIFFIN</b>	<ol style="list-style-type: none"> <li>1. FIDE FORUM 2<sup>nd</sup> Distinguished Board Leadership Series: "Avoiding Financial Myopia"</li> <li>2. Annual Risk Workshop</li> <li>3. The Learning Series : Andrew Fastow (Former Enron CFO)</li> <li>4. Etiqa Risk Workshop</li> <li>5. Dinner Talk on "After BREXIT – Britain, Europe and the World"</li> </ol>	FIDE  Maybank (Internal) Maybank Etiqa LSE Alumni Society of Malaysia
<b>DATUK MOHAIYANI SHAMSUDIN</b>	<ol style="list-style-type: none"> <li>1. Invest Malaysia 2016 at Kuala Lumpur</li> <li>2. Invest ASEAN Edition 2016 at Singapore</li> <li>3. FIDE FORUM 2<sup>nd</sup> Distinguished Board Leadership Series: "Avoiding Financial Myopia"</li> <li>4. Invest Malaysia 2016 at London</li> <li>5. Leaders Room Session with Anwar Jumabhoy</li> <li>6. Sustainability Engagement Series for Directors and CEOs of Listed Companies</li> <li>7. FIDE FORUM 3<sup>rd</sup> Distinguished Board Leadership Series – "Effective Board Evaluation"</li> <li>8. Annual Risk Workshop</li> <li>9. Corporate Governance Programme-Board Chairman Series Part 2: Leadership Excellence from the Chair</li> <li>10. Capital Market Director Programme               <ul style="list-style-type: none"> <li>- Module 2A: Business Challenges &amp; Regulatory Expectation-What Directors Need to Know (Equities &amp; Future Broking)</li> </ul> </li> </ol>	Maybank Investment Bank and Bursa Malaysia Maybank Kim Eng FIDE  Maybank Investment Bank FIDE Bursa Malaysia  FIDE  Maybank (Internal) Bursa Malaysia/ICLIF  SIDC and SC

## STATEMENT ON CORPORATE GOVERNANCE

Name of Director	Training Programme	Organised by
	<ul style="list-style-type: none"> <li>- Module 2B: Business Challenges &amp; Regulatory Expectations - Fund Management</li> <li>- Module 3: Risk Oversight &amp; Compliance-Action Plan for Board of Directors</li> <li>- Module 4: Current &amp; Emerging Regulatory Issues in the Capital Market</li> </ul> <ol style="list-style-type: none"> <li>11. Invest ASEAN 2016 at Jakarta, Indonesia</li> <li>12. FIDE FORUM – Technology-based Innovation that counts</li> <li>13. MICG Seminar: Governance in Taxation &amp; Budget 2017</li> <li>14. Guru Series: Integrity Dilemma</li> <li>15. Compliance Training Programme</li> </ol>	Maybank Investment Bank FIDE Malaysian institute of Corporate Governance (MICG) Maybank Maybank (Internal)
<b>DATUK R. KARUNAKARAN</b>	<ol style="list-style-type: none"> <li>1. Workshop on Risk Management – Corporate Governance</li> <li>2. Invest Malaysia 2016</li> <li>3. 2016 WFE/IOMA Derivatives &amp; Clearing Conference</li> <li>4. FIDE FORUM 2<sup>nd</sup> Distinguished Board Leadership Series: “Avoiding Financial Myopia”</li> <li>5. Briefing on Trans-Pacific Partnership Agreement</li> <li>6. Annual Risk Workshop</li> <li>7. Etiqa Annual Risk Workshop</li> <li>8. Role of The Chairman &amp; Independent Directors</li> <li>9. Issues and Challenges of the Malaysian Capital Market’s Ecosystem</li> <li>10. Compliance Training Programme</li> <li>11. New Companies Act 2016</li> </ol>	Sime Darby Motor Sdn Bhd Maybank Investment Bank and Bursa Malaysia World Federation of Exchanges (WFE) and Bursa Malaysia FIDE Bursa Malaysia Maybank (Internal) Etiqa MICG Bursa Malaysia Maybank (Internal) IOI Corporation Berhad
<b>MR CHENG KEE CHECK</b>	<ol style="list-style-type: none"> <li>1. FIDE FORUM - Dialogue on the New and Revised Auditor Reporting Standards: Implications to Financial Institutions</li> <li>2. FIDE Program (Module A)</li> <li>3. FIDE FORUM - Dialogue on the Corporate Governance Concept Paper</li> <li>4. International forum on the World’s Economic Outlook - Challenges and Opportunities for Malaysian Companies</li> <li>5. Annual Risk Workshop</li> <li>6. FIDE FORUM - FinTech: Business Opportunity or Disruptor</li> <li>7. FIDE Program (Module B)</li> <li>8. Compliance Training Programme</li> </ol>	MIA-MICPA Iclif MIA-MICPA PNB Investment Institution Maybank (Internal) FIDE Iclif Maybank (Internal)
<b>MR EDWIN GERUNGAN</b>	Annual Risk Workshop	Maybank (Internal)
<b>ENCIK NOR HIZAM HASHIM</b>	<ol style="list-style-type: none"> <li>1. Mandatory Accreditation Program</li> <li>2. Director’s Induction Programme</li> <li>3. Annual Risk Workshop</li> <li>4. 2<sup>nd</sup> Members’ Breakfast Talk – Achieving Higher Performance: leveraging Governance Practices</li> <li>5. Guru Series: Switched on: Igniting Creativity and Innovation in Large Companies</li> <li>6. FIDE FORUM – Technology-based Innovation that counts</li> <li>7. Guru Series: Integrity Dilemma</li> <li>8. The Evolving Role of Audit Committee in Governance, Risk &amp; Control</li> </ol>	Bursatra Maybank and Maybank Islamic (Internal) Maybank (Internal) MICG Maybank FIDE Maybank MICG

## STATEMENT ON CORPORATE GOVERNANCE

Name of Director	Training Programme	Organised by
<b>DR HASNITA DATO' HASHIM</b>	<ol style="list-style-type: none"> <li>Director's Induction Programme</li> <li>Annual Risk Workshop</li> <li>Mandatory Accreditation Programme</li> <li>The Learning Series : Andrew Fastow (Former Enron CFO)</li> <li>Compliance Training Programme</li> </ol>	<p>Maybank (Internal)</p> <p>Maybank (Internal)</p> <p>Bursatra</p> <p>Maybank</p> <p>Maybank (Internal)</p>
<b>MR ANTHONY BRENT ELAM</b>	Director's Induction Programme	Maybank (Internal)

As at the end of FY2016, all Directors are in adherence to the Mandatory Accreditation Programme, in compliance with the Listing Requirements.

Apart from attending the various training programmes, a number of the Directors have also been invited to speak at conferences and seminars organised by regulatory bodies and professional associations.

### BOARD PROFESSIONALISM

#### DIRECTORSHIPS IN OTHER COMPANIES AND SUBSIDIARIES

In compliance with the Listing Requirements and consistent with the best practices and recommendations of the Green Book, each member of the Maybank Board holds not more than five directorships in public listed companies. This has enabled the Directors to focus, commit and devote sufficient time in discharging their duties and responsibilities effectively.

Whilst the Board values the experience and perspective gained by the Non-Executive Directors from their memberships on the boards of other companies, organisations, and associations, the Board Manual provides that the Non-Executive Directors must first consult the Chairman to ensure that their acceptance of such other appointments would not unduly affect their time commitments and responsibilities to the Maybank Board and Group.

With regard to directorships in subsidiaries, the current practice of Maybank is to appoint Board members to sit on subsidiary boards, in particular those of the key overseas subsidiaries. The purpose is to maintain oversight and ensure the operations of the respective subsidiaries are aligned with the Group's strategies and objectives.

At the same time, key members of the Group Executive Committee would also have requisite membership on subsidiary level boards to further ensure that the Group's governance remains linked with strategic and operational focus in line with Maybank's corporate aspirations and expanding regional footprint.

This practice is in accordance with the Policy on Appointment of Maybank Senior Executives as Directors of Maybank Group of Companies which encapsulates the guiding principles, requisite approval process and selection of entities for the nomination of Senior Executives of the Group as directors. The Senior Executives appointed as directors are from amongst Group Executive Committee members, senior management and other executives as the Group PCEO deems appropriate. Furthermore, the nominations and appointments of the Senior Executives as directors

of subsidiaries are in accordance with the tiering of subsidiaries following the Group's Tiering Matrix Framework. Additionally the Group's Policy on Staff Directorship in External Companies allows selected members of the senior management, especially women, to take up directorships in publicly listed companies subject to certain criteria and restrictions to be observed, enabling these executives to gain exposure and experience that would be beneficial for them in the short and long term.

The Nomination and Remuneration Committee assesses the independence of the Independent Non-Executive Directors who hold directorships in licensed subsidiaries in the Maybank Group, pursuant to a declaration made that they are not taking instructions from any person including Maybank. In this respect, all the Independent Non-Executive Directors of Maybank complied with the relevant requirements of BNM CG Policy. In addition, the respective key subsidiaries within the Group also appoint other Independent Non-Executive Directors who are not members of the Maybank Board to ensure an optimal balance between board members in terms of independent internal and external directors.

#### CONFLICT OF INTEREST

In accordance with the BNM CG Policy, the Board has established a Directors Conflict of Interest Policy to regulate and manage issues relating to conflict of interest that a Director may encounter during his tenure as a Director, so that the Board may address the same in a manner that ensures the integrity of Maybank as a financial institution is not compromised.

According to the Conflict of Interest Policy, members of the Board are required to make a declaration of interest in the event that they have interests in proposals which are being considered by the Board, including where such interest arises through close family members and related parties, in line with various statutory requirements on the disclosure of Director's interest. In all situations where the Directors are deemed interested, they would recuse themselves from all proceedings and deliberations of the Board pertaining to the matters of conflict. The declaration of interest and abstention from voting would be recorded in the minutes of the meeting or written resolutions of the Directors.

Compliance of the Conflict of Interest Policy will be monitored by the Audit Committee from time to time.

## STATEMENT ON CORPORATE GOVERNANCE

### INSIDER TRADING

Directors, key management personnel and principal officers of the Maybank Group are prohibited from trading in securities or any kind of property based on price sensitive information and knowledge, which has not become public information, in accordance with the Listing Requirements and the relevant provisions of the Capital Markets & Services (Amendment) Act 2015. Notices on the closed period for trading in Maybank's securities are circulated to Directors, key management personnel and principal officers who are deemed to be privy to any price sensitive information and knowledge, in advance of whenever the closed period is applicable. Any dealings in securities by the Directors and principal officers would be publicly disclosed, in accordance with the relevant provisions of the Listing Requirements.

### BOARD COMMITTEES

The Board has established the following Board Committees to assist the Board in the execution of its duties and responsibilities:-

- (i) Audit Committee;
- (ii) Nomination and Remuneration Committee;
- (iii) Risk Management Committee;
- (iv) Credit Review Committee; and
- (v) Employees' Share Scheme Committee.

Presently, the composition of the Audit Committee, Nomination and Remuneration Committee and the Risk Management Committee in particular, are in compliance with the following provisions of the BNM CG Policy:

- (i) All have at least three members;
- (ii) All have a majority of Independent Directors;
- (iii) All chaired by Independent Directors;
- (iv) The Executive Director (Group PCEO) is not a member of any of these Board Committees; and
- (v) The Chairman of the Board does not chair any of these Board Committees (nor a member of any Board Committee).

While certain duties and responsibilities of the Board are delegated to these Board Committees, the Board remains fully accountable for any authority delegated to them. Each Board Committee operates within their own specific terms of references and the Chairman of each Board Committee is responsible to table and report on the activities of these Board Committees to the Board at the monthly Board meeting.

The current composition, function, roles and responsibilities of each Board Committee is described in further detail below.

### AUDIT COMMITTEE

The Audit Committee comprises the following Non-Executive Directors, a majority of whom are Independent Non-Executive Directors and is chaired by an Independent Non-Executive Director:

1. Encik Nor Hizam Hashim (Chairman) – Independent Non-Executive Director (Appointed as Chairman with effect from 26 January 2017)
2. Dato' Johan Ariffin – Independent Non-Executive Director
3. Datuk R. Karunakaran – Independent Non-Executive Director

4. Mr Cheng Kee Check – Non-Independent Non-Executive Director
5. Datin Paduka Jamiah Abdul Hamid – Independent Non-Executive Director (Appointed as member with effect from 26 January 2017)

The duties and responsibilities of the Audit Committee are set out in its Terms of Reference which is published in Maybank Group's corporate website ([www.maybank.com](http://www.maybank.com)).

A total of 17 meetings of the Audit Committee were held during FY2016 and the details of meeting attendance are set out on page 165 of this Annual Report.

The activities carried out by the Audit Committee during FY2016 are summarised in the Audit Committee Report presented on page 165 of this Annual Report.

### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises the following Non-Executive Directors and is chaired by an Independent Non-Executive Director:

1. Dato' Dr Tan Tat Wai (Acting Chairman) – Independent Non-Executive Director
2. Datuk R. Karunakaran – Independent Non-Executive Director
3. Mr Cheng Kee Check – Non-Independent Non-Executive Director
4. Mr Edwin Gerungan – Independent Non-Executive Director
5. Datin Paduka Jamiah Abdul Hamid – Independent Non-Executive Director (Appointed as member with effect from 3 January 2017)

The duties and responsibilities of the Nomination and Remuneration Committee are set out in its Terms of Reference which is published in Maybank Group's corporate website ([www.maybank.com](http://www.maybank.com)).

A total of 13 meetings of the Nomination and Remuneration Committee were held during FY2016 and the details of meeting attendance are set out on page 147 of this Annual Report.

Among the salient activities undertaken by the Nomination and Remuneration Committee during FY2016 were as follows:

#### (i) Nomination

##### (a) Review of Board Size and Composition and Succession Planning

The Nomination and Remuneration Committee undertook several reviews on the overall size and composition of the Board of Maybank in tandem with the Board's succession plan:-

- (i) to ensure that the Board of Maybank as well as its subsidiaries have the correct mix of skill and experience;
- (ii) to ensure alignment with the expectations of the regulators; and
- (iii) to ensure the proper and smooth implementation of the plan of succession for those Directors who are expected to step down from office or to undertake new responsibilities within the Group in the future.

## STATEMENT ON CORPORATE GOVERNANCE

### (b) Recruitment and Appointment of New Directors

Several interview sessions and meetings were held by the Nomination and Remuneration Committee to assess the suitability of potential candidates to be appointed on the Board based on the Board's succession plan and recommendations were made to the Board pursuant thereto, culminating in the appointment of the following Independent Non-Executive Directors:-

- (i) Encik Nor Hizam Hashim;
- (ii) Dr Hasnita Dato' Hashim;
- (iii) Mr Anthony Brent Elam; and
- (iv) Datin Paduka Jamiah Abdul Hamid.

### (c) Role Rotation of Group Executive Committee Members

In line with the Group's strategic intent and objective of ensuring and establishing a strong succession talent pipeline for mission critical positions within the Group, the Nomination and Remuneration Committee deliberated on the proposal and subsequently recommended to the Board to approve the rotation of the following Group Executive Committee members to assume the following positions, as a key readiness acceleration intervention for succession into the role of Group PCEO:-

- (i) Dato' Amirul Feisal Wan Zahir as Group Chief Financial Officer (formerly Group Head, Global Banking)
- (ii) Dato' Mohamed Rafique Merican as Group Head, Islamic Banking (formerly Group Chief Financial Officer)
- (iii) Dato' Muzaffar Hisham as Group Head, Global Banking (formerly Group Head, Islamic Banking)

### (ii) Remuneration

#### (a) Financial Institutions Directors' Education (FIDE) Report on "Performance Pays – A Study of Financial Institutions Directors' Remuneration" (FIDE Report)

The Nomination and Remuneration Committee reviewed and took note of the FIDE Report which contained among others, a suggestion for local financial institutions to move towards remunerating Non-Executive Directors in terms of actual time spent preparing for and attending meetings as opposed to the more traditional retainer based remuneration framework.

#### (b) Corporate Governance Updates – BNM CG Policy on Compensation

The Nomination and Remuneration Committee reviewed the new standards to be met as set out in the BNM CG Policy in terms of the compensation policy to be established by financial institutions, which requires all financial institutions to put in place a system of remuneration that must work together with "other management tools" in pursuit of prudent risk taking.

### RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises the following Non-Executive Directors, a majority of whom are Independent Non-Executive Directors and is chaired by an Independent Non-Executive Director:-

1. Dato' Dr Tan Tat Wai (Chairman) – Independent Non-Executive Director
2. Datuk Mohaiyani Shamsudin – Independent Non-Executive Director
3. Datuk R. Karunakaran – Independent Non-Executive Director
4. Mr Edwin Gerungan – Independent Non-Executive Director
5. Dr Hasnita Dato' Hashim – Independent Non-Executive Director
6. Mr Anthony Brent Elam – Independent Non-Executive Director

The roles and responsibilities of the Risk Management Committee include the following:

<b>1</b>	To ensure that the risk exposures and risk outcomes of the overall remuneration system for Maybank are adequately considered
<b>2</b>	To review and approve risk management strategies, risk frameworks, risk policies, risk tolerance and risk appetite limits
<b>3</b>	To review and assess adequacy of risk management policies and frameworks in identifying, measuring, monitoring and controlling risks and the extent to which they operate effectively
<b>4</b>	To ensure infrastructure, resources and systems are in place for risk management, i.e. ensuring that the staff responsible for implementing risk management systems perform those duties independently of Maybank's risk taking activities
<b>5</b>	To review management's periodic reports on risk exposure, risk portfolio composition and risk management activities

The specific duties of the Risk Management Committee in managing risks cover the following:

1. To review and recommend revised changes in Group Credit Authority Limits for Board's approval;
2. To review the impact of risk on capital adequacy and profitability and asset quality under stress scenarios;
3. To review and assess the internal capital adequacy assessment process (ICAAP), levels of regulatory and internal capital for Maybank, vis-a-vis its risk profile;
4. To review and recommend strategic actions to be taken by Maybank arising from regulatory rules impacting risk management practices for Board's approval;
5. To review, recommend and approve corrective measures to address risk concerns as highlighted by various home-host regulatory authorities, where relevant;
6. To review and approve new products and services and ensure compliance with the prevailing guidelines issued by BNM or other relevant regulatory bodies;
7. To review and approve model risk management and validation framework;
8. To oversee the resolution of BNM Composite Risk Rating findings for Maybank Group;

## STATEMENT ON CORPORATE GOVERNANCE

9. To provide oversight of specific risk management concerns in the business sectors of the Group;
10. To delegate appropriate operational issues to Management for their further actions; and
11. To carry out such other responsibilities as may be delegated to it by the Board from time to time.

A total of nine meetings of the Risk Management Committee were held during FY2016 and the details of meeting attendance are set out on page 147 of this Annual Report.

Further details on the risk management of the Group are presented in the Statement on Risk Management and Internal Control and the Group Risk Management & Compliance section on pages 161 to 164 and pages 169 to 175 of this Annual Report, respectively.

### CREDIT REVIEW COMMITTEE

The Credit Review Committee comprises the following members, a majority of whom are Independent Non-Executive Directors:

1. Mr Anthony Brent Elam (Chairman) - Independent Non-Executive Director (Appointed as Chairman with effect from 22 February 2017)
2. Mr Edwin Gerungan - Independent Non-Executive Director
3. Datuk Abdul Farid Alias - Executive Director
4. Dato' Johan Ariffin - Independent Non-Executive Director
5. Datuk Mohaiyani Shamsudin - Independent Non-Executive Director
6. Mr Cheng Kee Check - Non-Independent Non-Executive Director
7. Encik Nor Hizam Hashim - Independent Non-Executive Director
8. Dr Hasnita Dato' Hashim - Independent Non-Executive Director
9. Datin Paduka Jamiah Abdul Hamid - Independent Non-Executive Director (Appointed as member with effect from 25 January 2017)

The responsibilities of the Credit Review Committee include, amongst others, the following:-

1. To review/veto loans exceeding the Group Management Credit Committee (GMCC)'s discretionary power;
2. To review/veto, with power to object or support, all proposals recommended by the GMCC to the Board for approval/affirmation;
3. To review/veto, with power to object or support, all global limits (and any increase thereto), recommended by the GMCC to the Board for approval. To also affirm annually existing global limits approved by the Board and recommended by the GMCC for renewal; and
4. To provide oversight of the entire credit management function covering but not limited to portfolio, end-to-end process, infrastructure, resources and governance.

A total of 12 meetings of the Credit Review Committee were held during FY2016 and the details of meeting attendance are set out on page 147 of this Annual Report.

### EMPLOYEES' SHARE SCHEME COMMITTEE

The Employees' Share Scheme was established to serve as a long-term incentive plan as well as to align the interests of employees with the objectives of the Maybank Group to create sustainable value enhancement for the organisation and the shareholders. The first offer under the Employees' Share Scheme was made on 23 June 2011 to all eligible employees.

The Board has delegated to the Employees' Share Scheme Committee the responsibility for determining all questions of policy and expediency arising from the administration of the Employees' Share Scheme and to generally undertake the necessary actions to promote Maybank's best interest.

The broad responsibilities of the Employees' Share Scheme Committee as outlined in its Terms of Reference include to administer the Employees' Share Scheme and to recommend the financial and performance targets/criteria to the Board for approval prior to implementation and such other conditions as it may deem fit.

The Employees' Share Scheme Committee presently comprises exclusively of Non-Executive Directors and is chaired by an Independent Director. Below is the current composition of the Employees' Share Scheme Committee:

1. Dato' Dr Tan Tat Wai (Acting Chairman) - Independent Non-Executive Director
2. Datuk R. Karunakaran - Independent Non-Executive Director
3. Mr Cheng Kee Check - Non-Independent Non-Executive Director
4. Mr Edwin Gerungan - Independent Non-Executive Director
5. Datin Paduka Jamiah Abdul Hamid - Independent Non-Executive Director (Appointed as member with effect from 3 January 2017)

Meetings are held as and when the Employees' Share Scheme Committee is required to deliberate on matters relating to the Employees' Share Scheme. During FY2016, three meetings of the Employees' Share Scheme Committee were held and the details of meeting attendance are set out on page 147 of this Annual Report.

### EXECUTIVE LEVEL MANAGEMENT COMMITTEES

With the support of the Maybank Board, the Group PCEO has established various Executive Level Management Committees and delegated some of his authority to assist and support the relevant Board Committees in the operations of Maybank. The key Executive Level Management Committees, which are mostly chaired by the Group PCEO or the Group Chief Financial Officer, are as follows:-

- Group Executive Committee
- Group Management Credit Committee
- Group Internal Audit Committee
- Group Executive Risk Committee
- Group Asset and Liability Management Committee
- Group Staff Committee
- Group Procurement & Property Committee
- Group IT Steering Committee
- Group Transformation Steering Committee

### INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

Investor Relations (IR) is an essential part of Maybank's corporate governance framework which ensures that shareholders, stakeholders, investors and the domestic and international investment community receive relevant, timely and comprehensive information about the Group.

Maybank's dedicated IR unit is committed to providing effective and open two-way communication to improve disclosure and transparency. Contact details of key IR spokespersons of Maybank are as follows:

Dato' Amirul Feisal Wan Zahir  
 Group Chief Financial Officer  
 Contact: (6)03 2074 7703  
 Email: feisal.zahir@maybank.com

## STATEMENT ON CORPORATE GOVERNANCE

Jeeva Arulampalam  
 Head, Group Investor Relations  
 Contact: (6)03 2074 8346  
 Email: jeeva.a@maybank.com

The Board recognises the importance of timely and accurate information to the shareholders and investors for them to make informed investment decisions about Maybank. Hence, the Board has adopted the Group's Corporate Disclosure Policies and Procedures (Group Corporate Disclosure Policy) to enhance transparency, accountability as well as to facilitate disclosure of material information in a timely and accurate manner. A copy of the Group Corporate Disclosure Policy can be found on Maybank Group's corporate website ([www.maybank.com](http://www.maybank.com)).

### QUARTERLY RESULTS

Maybank's quarterly financial results are released during the midday trading break followed immediately with media and analyst briefings and/or conference calls. For the first quarter and third quarter financial results, conference calls are held with analysts whereas for the half-year and full-year financial results, media and analyst briefings are conducted with simultaneous conference calls. Financial statements including the quarterly financial results, presentation slides and press releases are made public on Maybank Group's corporate website ([www.maybank.com](http://www.maybank.com)) to provide the investment community with a better understanding of Maybank's performance. A quiet period of 14 calendar days before the targeted date of Maybank's results announcement date is adopted to prevent inadvertent disclosure of the latest financial performance.

### CONFERENCES AND ROADSHOWS

Stakeholder engagements are conducted through conferences and roadshows organised locally or abroad, whereby senior management will communicate the Group's strategy, financial performance and the progress of various initiatives to allow stakeholders to better understand Maybank's operations.

### INVESTOR MEETINGS

The IR unit has regular one-on-one and group meetings with analysts, investors and potential investors throughout the year to provide visibility and clarity on Maybank's operations while key investors and analysts are provided reasonable access to senior management. The IR unit also engages with its counterpart in Indonesia to coordinate IR activities for analysts and investors seeking meetings with the management of Maybank's subsidiary, PT Bank Maybank Indonesia Tbk.

### INVESTOR DAYS

Investor days are organised from time to time to provide a platform for selected business units, headed by their respective Executive Committee members, to engage with analysts and investors to explain their business strategy, operations and financial performance which will allow for greater transparency and detailed understanding of key business functions within the Maybank Group.

### GROUP CORPORATE WEBSITE

Maybank Group's corporate website ([www.maybank.com](http://www.maybank.com)) provides comprehensive and easy access to the latest information about the Group. Information available on the corporate website includes Maybank's corporate profile, individual profiles of members of the Board and the senior management, share and dividend information including the dividend reinvestment plan, investor presentations, financial results, annual reports, credit ratings, corporate news and Maybank's global operations and subsidiaries. Additionally, information on the Group's corporate governance structure and framework is also published in the corporate website.

Visitors can also receive the latest Maybank updates via email or RSS feed through Maybank Group's corporate website. In addition, stakeholders can also obtain regulatory announcements made by Maybank to Bursa Malaysia on Maybank Group's corporate website.

### ANNUAL REPORT

Maybank's Annual Report provides a comprehensive report on the Group's operations and financial performance for the year under review. It provides full disclosure and is in compliance with the relevant regulatory requirements to ensure greater transparency. The Annual Reports are also printed in summary form together with a digital version of the Annual Report in CD-ROM format. An online version of the Annual Report is also available on Maybank Group's corporate website ([www.maybank.com](http://www.maybank.com)).

### MEDIA COVERAGE

Media coverage on Maybank or its senior management, either through print and social media or television coverage, is also initiated proactively at regular intervals to provide wider publicity and improve the general understanding of Maybank's business among the investment community and the public.

### CREDIT RATING

Maybank's credit ratings are provided by the following rating agencies as part of providing an independent opinion on the financial position and creditworthiness of Maybank and its debt issuances to fixed income investors and other stakeholders:

- (i) Standard and Poor's;
- (ii) Moody's Investors Services;
- (iii) Fitch Ratings;
- (iv) RAM Rating Services Berhad (RAM Ratings);
- (v) Malaysian Rating Corporation Berhad (MARC);
- (vi) Capital Intelligence; and
- (vii) Japan Credit Rating Agency.

For more information on investor relations, please refer to the Investor Relations section presented on pages 51 to 55 of this Annual Report.

### MEMORANDUM AND ARTICLES OF ASSOCIATION

Subject to further guidance from Bursa Malaysia, we consider the Memorandum and Articles of Association (M&A) of Maybank as the constitution of the Company (within the meaning of the new Companies Act, 2016).

The M&A of Maybank regulates the manner in which Maybank is governed. While the Memorandum of Association sets out the powers and objects of Maybank being the fundamental conditions upon which Maybank is allowed to operate, the Articles of Association sets out the duties, obligations and powers of the Directors as well as the rights of shareholders.

The provisions of the M&A is reviewed from time to time and when necessary, approval from the shareholders' is sought to amend the same to bring it in line with the latest laws, rules and regulations.

A copy of the Articles of Association is published in Maybank Group's corporate website ([www.maybank.com](http://www.maybank.com)).

## STATEMENT ON CORPORATE GOVERNANCE

### GENERAL MEETINGS

The AGMs and Extraordinary General Meetings (EGM) represent the primary platforms for direct two-way interaction between the shareholders, Board and management of the Group. In deference to shareholder democracy and the transparency policy adopted by the Group, shareholder approval is required on all material issues including, but not limited to, major mergers, acquisitions and divestments exercises, dividend payments, increase of Directors' fees, election/re-election and appointment/re-appointment of Directors as well as the appointment of auditors.

The attendance of shareholders at the Group's general meetings has always been high as evidenced by the presence of about 4,000 shareholders at the 56<sup>th</sup> AGM held on 7 April 2016. Active participation by the shareholders is encouraged during the AGM, in which an open platform is made available to the shareholders to raise questions relevant to the AGM agenda and appropriate response and clarification are promptly provided by the Board to the shareholders.

Maybank continues the practice of encouraging shareholders to submit written questions in advance prior to the commencement of meeting, in the forms provided during registration. This additional channel for the shareholders to raise their questions would allow Maybank to prepare the answers in advance and to group together similar questions from different shareholders to answer comprehensively as one. This provides greater efficiency in meeting proceedings and enables Maybank to address even more questions from the floor and is not intended to curtail the shareholders' right to speak in the meeting as the shareholders can still raise questions or make observations after the written question and answer session has been completed.

Additionally, the queries by MSWG on Maybank's business or other pertinent governance issues raised prior to the meeting as well as Maybank's feedback are shared with all shareholders during the meeting. The results of voting of each resolution are also immediately announced to the shareholders in the meeting after the voting process. Minutes of the AGM/EGM including significant matters discussed at the meetings are also disclosed on Maybank Group's corporate website ([www.maybank.com](http://www.maybank.com)).

In line with the Listing Requirements, voting at all general meetings of Maybank will be conducted by poll. To ensure that the polling is conducted in a timely and efficient manner, electronic voting facilities will be provided during the general meetings.

### OWNERSHIP STRUCTURE

The shares of Maybank are widely held by institutional shareholders dominating the ownership structure of Maybank. As at 31 December 2016, the top three shareholders were Amanah Saham Bumiputra with 35.54%, Employees Provident Fund Board with 15.86% and Permodalan Nasional Berhad with 6.48%, accounting in aggregate for a combined 56.97%.

Although the three substantial shareholders of Maybank accounted for more than half of the total share capital of Maybank, Maybank is not subject to any biased influence from these shareholders and they do not hold management position within the Group. This arrangement ensures a high level of corporate governance and permits the Group to focus on continuously building value for all its shareholders.

Maybank's shareholding structure is transparent and is set out on pages 205 to 206 of this Annual Report. The existing share structure consists entirely of ordinary shares and there are no other classes of shares issued.

### ACCOUNTABILITY AND AUDIT

#### FINANCIAL REPORTING

The Board has a fiduciary responsibility to present to the shareholders and the public at large, a clear, balanced and meaningful evaluation of the Group and Maybank's financial position, financial performance and prospects. The Board is assisted by the Audit Committee in overseeing the financial reporting process and the quality of the Group and Maybank's financial statements.

The Audit Committee is tasked to review the appropriateness of the accounting policies applied by the Group as well as the changes in these policies.

#### DISCLOSURE ON FINANCIAL HIGHLIGHTS, INDICATORS & REPORTS

The Group and Maybank's financial highlights and indicators for FY2016 are set out on pages 60 to 66 of this Annual Report.

The Group's financial statements are included on pages 33 to 250 of the Financial Statements Book of the Annual Report 2016 and the financial results for FY2016 were announced to the public on 23 February 2017, less than sixty days after the closure of Maybank's financial year end.

#### STATEMENT ON DIRECTORS' RESPONSIBILITY

The Board also ensures that the Group and Maybank's financial statements prepared for each financial year give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The Statement on Directors' Responsibility in respect of the preparation of audited financial statements of Maybank and the Group is set out on page 12 of the Financial Statements book of the Annual Report 2016.

#### INTERNAL CONTROLS

The Board has overall responsibility for establishing and maintaining a sound risk management and internal control system to ensure that shareholders' investments, customers' interests and the Group's assets are safeguarded. The effectiveness of risk management and internal controls is continuously reviewed to ensure that they are working adequately and effectively.

The Audit Committee regularly evaluates the adequacy and effectiveness of the Group's internal control systems by reviewing the actions taken on lapses/deficiencies identified in reports prepared by Group Audit. The Audit Committee also reviews Group Audit's recommendations and management responses to these recommendations to ensure the lapses/deficiencies identified are being dealt with adequately and promptly.

The Statement on Risk Management and Internal Control is furnished on pages 161 to 164 of this Annual Report and this provides an overview of the state of internal controls within the Group.

#### WHISTLEBLOWING POLICY

Maybank Group advocates openness and transparency in its commitment to the highest standard of integrity and accountability.

## STATEMENT ON CORPORATE GOVERNANCE

Maybank Group had launched the whistleblowing channel (previously known as the Fraud Reporting Hotline) which has been implemented since 2004. Effective August 2011, the Hotline has been renamed as “Integrity Hotline”. It provides an avenue for all the employees to report, in good faith, belief, without malicious intent, on any suspected misconduct or actual wrongdoing including but not limited to unethical incidences such as criminal activities or contravention of laws/regulations committed by another employee or any person who has dealings with the Group via the following channels:

- Toll-Free message recording line at 1-800-38-8833 (local) or at (6)03 - 2026 8112 (overseas)
- Protected email address at integrity@maybank.com.my
- Secured P.O. Box mail address at P.O. Box 11635, 50752 Kuala Lumpur, Malaysia

Confidentiality of all matters raised and the identity of the whistleblower are protected under this scope.

In compliance with the standards as set out in the BNM CG Policy, the Board has identified Encik Nor Hizam Hashim, being the Chairman of the Audit Committee, as the Non-Executive Director who will oversee the effective implementation of the Whistleblowing Policy.

### GROUP ANTI-FRAUD POLICY

Maybank Group has an Anti-Fraud Policy which outlines the vision, broad principles and strategies for the Group in relation to fraud in order to promote high standards of integrity. The policy establishes robust and comprehensive tools and programmes for the Group and highlights the roles and responsibilities at every level for preventing and responding to fraud.

### CORPORATE INTEGRITY PLEDGE

Maybank Group remains committed to maintaining high standards of integrity, corporate governance and transparency to grow our business responsibly and profitably. In continuation after signing the Corporate Integrity Pledge (CIP) in 2011, the CIP Review was conducted by Malaysian Anti-Corruption Commission (MACC) in 2013 and 2016. This review is part of exhibiting Maybank’s commitment to progressively inculcate integrity in the Group.

The Group is continuously improving our processes and systems to create a business environment that is free from corruption in our own business conduct and interactions with business partners and other stakeholders.

### RELATIONSHIP WITH THE AUDITORS

#### Internal Auditors

Group Audit reports functionally to the Audit Committee and has unrestricted access to the Audit Committee. Its function is independent of the activities or operations of other operating units. The Group Audit regularly evaluates the effectiveness of the risk management process, reviews the operating effectiveness of the internal controls system and compliance control in the Group. The Group Chief Audit Executive is invited to attend the Audit Committee meetings to facilitate the deliberation of audit reports. The minutes of the Audit Committee meetings are then tabled to the Board for information and serve as useful references, especially if there are pertinent issues that any Directors wish to highlight or seek clarification on.

#### External Auditors

The Audit Committee and the Board place great emphasis on the objectivity and independence of the Bank’s Auditors, namely Messrs. Ernst & Young, in providing relevant and transparent reports to the shareholders. The Audit Committee undertakes an assessment on the independence of the external auditors annually. The Bank’s Auditors have also provided their written assurance to the Group in respect of their independence for FY2016.

To ensure full disclosure of matters, the Bank’s Auditors are regularly invited to attend the Audit Committee meetings (as well as the AGMs). During FY2016, the Audit Committee had one private session with the Bank’s Auditors without the presence of the senior management to review the scope and adequacy of the audit process and their audit findings.

A full report of the Audit Committee outlining its role in relation to the internal and external auditors is set out in the Audit Committee Report presented on pages 165 to 168 of this Annual Report.

#### Maybank Group’s Code of Ethics and Conduct

In addition to the BNM CG Policy and the Company Directors’ Code of Ethics established by the Companies Commission of Malaysia, the Group also has a Code of Ethics and Conduct that sets out sound principles and standards of good practice in the financial services industry, which are observed by the Directors and the employees of the Group. A copy of the Code of Ethics and Conduct is available on Maybank Group’s corporate website (www.maybank.com).

Both Directors and employees are required to uphold the highest integrity in discharging their duties and in dealings with stakeholders, customers, fellow employees and regulators. This is in line with the Group’s Core Values which emphasise behavioural ethics when dealing with third parties and fellow employees.

The Group-wide programmes conducted during the year to embed the right ethical values and compliance with Maybank’s Code of Ethics and Conduct amongst all Maybank employees were as follows:-

1. Annual e-Learning Code of Ethics Declaration;
2. Training through induction for new employees; and
3. e-Capsule - messages are screened through MyPortal to remind and ensure compliance to the Code of Ethics and Conduct.

### CORPORATE RESPONSIBILITY

The Board is satisfied that a good balance has been achieved between value creation and corporate responsibility. Details of the Group’s corporate responsibility initiatives are set out on pages 177 to 187 of this Annual Report.

This Statement on Corporate Governance is made in accordance with a resolution of the Board dated 26 January 2017.



**TAN SRI DATO’ MEGAT ZAHARUDDIN MEGAT MOHD NOR**  
Chairman of the Board

## ADDITIONAL COMPLIANCE INFORMATION

### AUDIT AND NON-AUDIT FEES

A breakdown of fees for audit and non-audit services incurred by Maybank and on group basis for the financial year ended 31 December 2016 is set out under Note 42 of the Financial Statements for the financial year ended 31 December 2016 on page 133 of the Financial Statements Book of the Annual Report 2016.

### MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors and substantial shareholders, either still subsisting at the end of the financial year ended 31 December 2016 or entered into since the end of the previous financial year.

### RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE (RRPT)

The Company did not enter into nor seek mandate from its shareholders on any RRPT during the financial year ended 31 December 2016.

### UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

#### (a) Commercial Papers, Senior Medium Term Notes and Subordinated Notes

During the financial year ended 31 December 2016, Maybank has issued commercial papers, senior medium term notes and subordinated notes. The proceeds raised from the issuances of these commercial papers, senior medium term notes and subordinated notes are used for working capital, general banking and other corporate purposes.

Details of these commercial papers, senior medium term notes and subordinated notes are disclosed in Notes 29 and 30 of the Financial Statements for the financial year ended 31 December 2016 on pages 106 to 111 of the Financial Statements Book of the Annual Report 2016.

#### (b) Dividend Reinvestment Plan (“DRP”)

Net proceeds raised from the DRP (after deducting estimated expenses of the DRP) are for the purpose of funding the continuing growth and expansion of the Maybank Group.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FINANCIAL YEAR ENDED 31 DECEMBER 2016

## INTRODUCTION

In pursuant to the Listing Requirements, the Board is pleased to provide the Statement on Risk Management and Internal Control which was prepared in guidance with the “Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers” endorsed by Bursa Malaysia Securities Berhad. The statement outlines the key features of the risk management and internal control system of the Group during the year under review.

## BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility in establishing a sound risk management and internal control system as well as reviewing its adequacy and effectiveness. In view of the inherent limitations in any internal control system, the risk management and internal control system can only provide reasonable assurance that the significant risks impacting the Group’s strategies and objectives are managed within the risk appetite set by the Board and Management, rather than absolute assurance regarding achievement of the Group’s objectives. It does not in any way eliminate the risks of failure to realise the Group’s objectives and against any material financial misstatement, fraud or loss. The inherent limitations include amongst others human error, the uncertainty inherent in judgment and the potential impact of external events outside management’s control as well as human collusion to circumvent internal controls.

Recognising the importance of a sound risk management and internal control system, the Board has established a governance structure to ensure effective oversight of risks and controls in the Group. The Board is satisfied that the Group has implemented an ongoing process to identify, evaluate, monitor, manage and respond to significant risks faced by the Group in its achievement of the business goals and objectives amidst the dynamic and challenging business environment and regulatory requirements. The outcome of this process is closely monitored and reported to the Board for deliberation. This ongoing process has been in place for the entire

financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

The Board receives reports on a monthly basis relating to regulatory developments and compliance deficiencies identified within the Group. The Board focuses on the deficiencies reported, understands the root causes and directs Management to take all steps necessary to correct the circumstances and conditions that had caused the compliance deficiencies. This includes specific remediation plans and follow-up actions to ensure the deficiencies are addressed.

## MANAGEMENT RESPONSIBILITY

The Management is overall responsible for implementing the Board’s policies and procedures on risks and controls and its roles include:

- Identifying and evaluating the risks relevant to the Group’s business, and the achievement of business objectives and strategies;
- Formulating relevant policies and procedures to manage these risks in accordance with the Group’s strategic vision and overall risk appetite;
- Designing, implementing and monitoring the effective implementation of risk management and internal control system;
- Implementing the policies approved by the Board;
- Implementing the remedial actions to address the compliance deficiencies as directed by the Board; and
- Reporting in a timely manner to the Board any changes to the risks and the corrective actions taken.

## RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

### RISK MANAGEMENT

#### Risk Management Framework

Risk management has evolved into an important driver for strategic decisions in support of business strategies while balancing the appropriate level of risk taken to the desired level of rewards. As risk management is a core discipline of the Group, it is underpinned by a set of key principles which serve as the foundation in driving strong risk management culture, practices and processes:

#### RISK MANAGEMENT FRAMEWORK

01

#### ESTABLISH RISK APPETITE & STRATEGY

The risk appetite which is approved by the Board, articulates the nature, type and level of risk the Group is willing to assume.

02

#### ASSIGN ADEQUATE CAPITAL

The approach to capital management is driven by strategic objectives and accounts for the relevant regulatory, economic and commercial environments in which the Group operates.

03

#### ENSURE PROPER GOVERNANCE AND OVERSIGHT FUNCTION

There is clear, effective and robust governance structure with well-defined, transparent and consistent lines of responsibility established within the Group.

04

#### PROMOTE STRONG RISK CULTURE

Institutionalisation of a strong risk culture that supports and provides appropriate standards and incentives for professional and responsible behaviour.

05

#### IMPLEMENT SOUND RISK FRAMEWORKS AND POLICIES

Implementation of integrated risk frameworks, policies and procedures to ensure that risk management practices and processes are effective at all levels.

06

#### EXECUTE STRONG RISK MANAGEMENT PRACTICES AND PROCESSES

Robust risk management processes are in place to actively identify, measure, control, monitor and report risks inherent in all products and activities undertaken by the Group.

07

#### ENSURE SUFFICIENT RESOURCES AND SYSTEM INFRASTRUCTURE

Ensure sufficient resources, infrastructure and techniques are in place to enable effective risk management.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FINANCIAL YEAR ENDED 31 DECEMBER 2016

### Risk Appetite

The risk appetite is a critical component of a robust risk management framework which is driven by both top-down Board leadership and bottom-up involvement of the Management at all levels. The risk appetite enables the Board and senior management to communicate, understand and assess the types and levels of risk that the Group is willing to accept in pursuit of its business objectives. The development of the risk appetite is integrated into the annual strategic planning process and is adaptable to changing business and market conditions. The articulation of the risk appetite is done through a set of risk appetite statements that defines the Group's appetite on all material risks of the Group. The Group's risk appetite balances the needs of all stakeholders by acting both as a governor of risk, and a driver of future and current business activities.

### Risk Governance & Oversight

The risk governance model provides a transparent and effective governance structure that promotes active involvement from the Board and senior management in the risk management process to ensure a uniform view of risk across the Group. The governance model aims to place accountability and ownership whilst facilitating an appropriate level of independence and segregation of duties between the three (3) lines of defence, which include risk-taking units, risk-control units and internal audit.

 Further information on the three lines of defence can be found in the Group Risk Management section on page 172.

### Risk and Compliance Culture

The risk and compliance culture of the Group is driven with a strong tone from the top, complemented by the tone from the middle, to ingrain the expected values and principles of conduct that shape the behaviour and attitude of employees at all level of business and activities across the Group. Risk frameworks and policies are clearly defined, consistently communicated and continuously reinforced throughout the Group, to embed a robust culture that cultivates active identification, assessment and mitigation of risk as part of the responsibility of all employees across the Group.

 Further information on Risk Culture can be found in the Group Risk Management section on page 173.

As part of the risk and compliance culture, the Group has instilled a compliance culture where the Board, senior management and every employee of the Group is committed to adhere to the requirement of relevant laws, rules, regulations and regulatory guidelines. This commitment is clearly demonstrated through the establishment of strong compliance policies and guidelines to ensure that non-compliance risks are effectively managed.

### Risk Management Practices & Processes

The risk management practices and processes enable the Group to systematically identify, measure, control, monitor and report risk exposures across the Group.



### Shariah Governance Framework

The Group's Shariah Governance Framework sets out the expectations of the Shariah governance structures, processes and arrangements of all businesses and countries within the Group that execute Islamic business transactions. This is to ensure that all its operations and business activities are in accordance with Shariah principles as well as to provide comprehensive guidance to the Board, Group Shariah Committee and Management in discharging their duties in matters relating to Shariah.

The Group's Shariah Governance Framework reflects the responsibility of the Board, Management, independent Shariah Committee and internal Shariah functions.

The end-to-end Shariah compliant governance mechanism is executed through four (4) lines of defence that cater for both pre-execution and post-execution. The four lines of defence are 1<sup>st</sup>-Management and Business Unit, 2<sup>nd</sup>-Shariah Advisory and Research, 3<sup>rd</sup>-Shariah Risk and 4<sup>th</sup>-Shariah Audit and Shariah Review.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FINANCIAL YEAR ENDED 31 DECEMBER 2016

### Technology Risk Management Framework

Technology Risk Management Framework sets the standards for systematically identifying the causes of failure in the organisation's technology related functionalities, assessing the impact to the business and taking the appropriate risk remedial actions. This is established to safeguard the Group's reputation and to maintain high service levels to customers as well as business units.

### Cyber Risk Management Framework

The Cyber Risk Management Framework is established to identify risks, build resilience, detect cyber threats and effectively respond to cyber related events. The Framework encompasses the cyber risk management strategy, governance structure and risk management enablers. It complements the Technology Risk Management Framework and covers both Business and Technology drivers from an end to end perspective, which focuses on the key layers of People, Process and Technology.

### Compliance Management Framework

The framework provides the fundamental policies and guidelines on compliance management and oversight for the Group. It is adopted and implemented by all businesses, support sectors, countries and subsidiaries of the Group.

This Framework serves as a key tool for Compliance Officers alongside the Board, Risk Committees (Board and Management-Level), senior management and all employees in understanding, complying and managing compliance risk.

### INTERNAL CONTROL

The key elements of the internal control system established by the Board that provides effective governance and oversight of internal control include:

- Group Organisation Structure  
The Board has established an organisation structure with clearly defined lines of responsibility, authority limits, and accountability aligned to business and operations requirements which support the maintenance of a strong control environment.
- Annual Business Plan and Budget  
An annual business plan and budget are submitted to the Board for approval. Performance achievements are reviewed against the targeted results on a monthly basis allowing timely responses and corrective actions to be taken to mitigate risks. The Board reviews regular reports from the management on the key operating statistics, as well as legal and regulatory matters. The Board also approves any changes or amendments to the Group's policies.
- Oversight by Risk Management Committee (RMC)  
The Board has delegated the responsibility of reviewing the effectiveness of risk management to the RMC. The effectiveness of the risk management system is monitored and evaluated by the Group Risk (GR) function, on an on-going basis. RMC reviews and approves risk management strategies, frameworks, policies, tolerance and risk appetite limits. The committee assesses the adequacy of risk management frameworks and policies and ensures infrastructure, resources and systems are in place for risk management. Further information on the RMC is included in the Statement of Corporate Governance from pages 155 to 156.
- Other Board Committees  
Other Board Committees, namely Audit Committee, Credit Review Committee, Nomination and Remuneration Committee and Employees' Share Scheme Committee are established to assist the Board in executing its governance

responsibilities and oversight function as delegated by the Board. These Committees have the authority to examine all matters within the scope defined in their respective terms of reference and report to the Board with their recommendations. Further information on the various Board Committees is included in the Statement of Corporate Governance from pages 154 to 156.

- Executive Level Management Committees  
Various Executive Level Management Committees (ELCs) are also established by Management to assist and support the various Board Committees to oversee the core areas of business operations. These ELCs include the Group Executive Committee, Group Management Credit Committee, Group Executive Risk Committee, Group Asset and Liability Management Committee, Group Procurement Committee, Group IT Steering Committee, and Group Staff Committee.
- Written Control Policies  
A written Management Control Policy (MCP) and Internal Control Policy (ICP) from Management are in place. The MCP outlines the specific responsibilities of the various parties i.e. the Management, the Internal Audit Committee (IAC) and the Audit Committee of The Board (ACB) pertaining to internal control. The ICP is to create awareness among all the employees with regard to the internal control components and the basic control policy.
- Management of Information Assets  
Confidentiality, integrity and availability of information are critical to the day-to-day operations and strategic decision making of the Group. To safeguard the information assets of the Group, the Information Risk Management Guideline is established to clearly define the processes for effective management of information assets and its associated risks. Guided by information handling rules in alignment to the information lifecycle, all information must be properly managed, controlled and protected. Additional measures include reinforcing the clear desk policy to minimise information leakage/theft and fraud.
- Regular Updates and Communication of Risk Management Principles, Policies, Procedures and Practices  
Risk management principles, policies, procedures and practices are reviewed and updated regularly to ensure relevance to the current business environment as well as compliance with current/applicable laws and regulations. Risk frameworks, policies and procedures are applicable across the Group, inclusive of subsidiaries and overseas branches which are to adopt the principles prescribed by the Group while complying with local requirements. To strengthen consistent adoption of Group's standards, Group Risk has oversight in the adoption and customisation across the Group.
- Procurement Framework and Non-Credit Discretionary Power  
A clearly defined framework with appropriate empowerment and authority limits has been approved by the Board for procurement activities, acquisition & disposal of assets, operational write-off, donations, as well as approving general and operational expenses.
- Standard Practice Instruction  
Policies and procedures are in place to ensure compliance with internal controls and the prescribed laws and regulations. These policies and procedures are set out in the Group's Standard Practice Instruction (SPIs) and are updated from time to time in tandem with changes to the business environment or regulatory guidelines. These SPIs are published in the communication portal which is made available to all employees.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FINANCIAL YEAR ENDED 31 DECEMBER 2016

- Human Resource Policies and Guidelines  
The Maybank Group People Policies (MGPP) serves as a baseline with clarity on the philosophy and principles for People Management and Development in Maybank Group. It incorporates key principles and philosophies that support Maybank Group's mission of "Humanising Financial Services". The MGPP consists of a set of policies and guidelines that governs all aspects of human resource management, from talent acquisition and development, performance and consequence management, code of conduct to cessation of employment. A Disciplinary Policy is also established to provide for a structure where disciplinary matters are dealt with fairly, consistently and in line with the prevailing labour laws and employment regulations.
- Core Values and Code of Ethics and Conduct  
The Group's core values, T.I.G.E.R. (Teamwork, Integrity, Growth, Excellence and Efficiency, Relationship Building) are the essential guiding principles to drive behavioural ethics. It is further complemented by the Code of Ethics and Conduct that sets out sound principles and standards of good practice observed by all.
- Anti-Fraud Policy  
The Anti-Fraud Policy outlines the vision, principles and strategies for the Group to adopt to effectively manage fraud from detection to remedy, and to deter future occurrences. Robust and comprehensive tools and programmes are employed to reinforce the policy, with clear roles and responsibilities outlined at every level of the organisation in promoting high standards of integrity in every employee.
- Whistle Blowing Channel  
The Group also adopted a whistle blowing policy, providing an avenue for employees and external parties to report actual or suspected malpractice, misconduct or violations of the Group's policies and regulations in a safe and confidential manner.

### INTERNAL AUDIT

#### INTERNAL AUDIT FUNCTION

The Internal Audit (IA) function is established by the Board to undertake continuous review and assessment on the adequacy, efficiency and effectiveness of risk management, control and governance processes implemented in the Group. It reports directly to the Audit Committee of the Board (ACB) and is independent from the activities or operations of other operating units in the Group. The fundamentals of the internal audit function involve identifying risks that could negatively impact the performance of the Group and/or keep it from achieving its corporate goals, ensuring management fully understands these risks and proactively recommending improvements to minimise these risks. The Management follows through and ensures remedial actions taken are prompt, adequate and effective. Status reporting of the remedial actions taken is also tabled to the ACB and Internal Audit Committee (IAC) regularly for deliberation and tracking. More detailed description on the Internal Audit function is highlighted in the Audit Committee Report as set out on pages 167 to 168.

#### AUDIT COMMITTEE OF THE BOARD

ACB is a Board Committee established by the Board to assist in the execution of its governance and oversight responsibilities. The responsibilities include the assessment of the effectiveness and adequacy of the Group's internal control system through the Internal Audit function. The ACB has active oversight over Internal Audit's

independence, scope of work and resources. The ACB meets on a scheduled basis to review findings identified in the audit and investigation reports prepared by Internal Audit, taking into consideration the deliberation of the same report at the IAC. ACB also deliberates on the outstanding audit findings to ensure prompt and effective remedial actions are taken by the Management. Where necessary, representatives from the parties being audited are requested to attend the ACB meeting to facilitate the deliberation of the audit findings. Minutes of the ACB meeting are then tabled to the Board. The details of the activities undertaken by the ACB are highlighted in the Audit Committee Report as set out on pages 165 to 166.

#### INTERNAL AUDIT COMMITTEE

IAC is a management level committee comprising senior level representatives from the various lines of business. It is chaired by the Group Chief Financial Officer (GCFO). It meets on a scheduled basis to deliberate on the findings highlighted in the audit and investigation reports and decide on the appropriate remedial actions required. Where necessary, representatives from the parties being audited are requested to attend the IAC meeting to enable more detailed deliberation and speedy resolution of the matter at hand. The status of the audit findings is also tabled to the IAC to ensure the committed remedial actions are promptly and effectively implemented within the set timeline. Minutes of the IAC meeting are then tabled to the ACB together with the audit reports. The IAC also follows through on the actions required by the ACB.

### ASSURANCE FROM MANAGEMENT

The GPCEO and the GCFO have provided their reasonable assurance to the Board that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, during the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report. Taking into consideration the assurance from the Management and input from the relevant assurance providers, the Board is of the view that the Group's risk management and internal control system is operating adequately and effectively to safeguard shareholders' investment and the company's assets.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

In line with the Listing Requirements, this Statement has been reviewed by the external auditors for inclusion in the Annual Report for the financial year ended 31 December 2016. The review, conducted in accordance with the *Recommended Practice Guide (RPG) 5 (Revised): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control* issued by the Malaysian Institute of Accountants, was to assess whether this Statement is both supported by the documentation prepared by or for the Board and appropriately reflects the processes the Directors had adopted in reviewing the adequacy and integrity of the system of internal controls of the Group. RPG 5 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures. RPG 5 also does not require the external auditors to consider whether the processes described to deal with material internal control aspects of any significant matters disclosed in the Annual Report will, in fact, mitigate the risks identified or remedy the potential problems. Based on their review, the external auditors have reported to the Board that nothing had come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes the Board has adopted in the review of the adequacy and effectiveness of the risk management and internal control of the Group.

# AUDIT COMMITTEE REPORT

## A. COMPOSITION AND TERMS OF REFERENCE

The Audit Committee of the Board (ACB) comprises the following Non-Executive Directors, a majority of whom are Independent Directors and is chaired by an Independent Non-Executive Director:

1. Encik Nor Hizam Hashim – Chairman  
(Independent Non-Executive Director)
2. Dato' Johan Ariffin  
(Independent Non-Executive Director)
3. Datuk R. Karunakaran  
(Independent Non-Executive Director)
4. Mr Cheng Kee Check  
(Non-Independent Non-Executive Director)
5. Datin Paduka Jamiah Abdul Hamid  
(Independent Non-Executive Director)

This is in line with the Listing Requirements which prescribes that the ACB must consist of at least three members with the Chairman and a majority of the members being independent non-executive directors.

During the financial year ended 31 December 2016, Tan Sri Datuk Dr Hadenan A. Jalil retired as a Director at the conclusion of Maybank's 56<sup>th</sup> Annual General Meeting (AGM) held on 7 April 2016 and accordingly ceased to be the Chairman and a member of the ACB. Dato' Johan Ariffin took over as the Chairman of the ACB from 7 April 2016 following the retirement of Tan Sri Datuk Dr Hadenan A. Jalil.

Encik Nor Hizam Hashim was appointed as a member of the ACB on 27 September 2016 and subsequently as the Chairman of the ACB on 26 January 2017. Concurrently on 26 January 2017, Datin Paduka Jamiah Abdul Hamid was also appointed as an additional member of the ACB.

The duties and responsibilities of the ACB are set out in its Terms of Reference which is published on Maybank's corporate website ([www.maybank.com](http://www.maybank.com)).

## B. ACTIVITIES OF ACB FOR FY2016

### Attendance of Meetings

A total of 17 meetings of the ACB were held during FY2016 and the details of meeting attendance are set out below:

Name of Committee Member	Number of meetings held and attended during FY2016
1. Encik Nor Hizam Hashim (Chairman)	5/5
2. Dato' Johan Ariffin (Member)	17/17
3. Mr. Cheng Kee Check (Member)	17/17
4. Datuk R. Karunakaran (Member)	17/17
5. Tan Sri Datuk Dr Hadenan A. Jalil*	2/6

\* Retired at the conclusion of the 56<sup>th</sup> AGM held on 7 April 2016 and accordingly ceased to be the Chairman and a member of the ACB with effect from 7 April 2016. Tan Sri Datuk Dr Hadenan A. Jalil's absence from meetings was due to ill health.

The Group Chief Audit Executive (GCAE) and the Group Audit Department Heads attended the ACB meetings to present their respective audit and investigation reports. Representing the senior management Team, the Group Chief Financial Officer (GCFO) who is also the Chairman of the Internal Audit Committee (IAC) was invited to attend all the ACB meetings to facilitate deliberations as well as to provide clarification on the audit issues. Where required, the Management of

the audit subjects was also invited to provide explanation to the ACB on specific control lapses and issues arising from the relevant audit reports.

On the external audit aspects, the external auditors were invited to the ACB meetings to discuss their Management Letters, Audit Planning Memorandum (APM) and other matters deemed relevant. Together with the Group President & Chief Executive Officer (GPCEO) and the GCFO, the external auditors also attended the meetings where the ACB met to discuss and review the quarterly unaudited financial results and the annual audited financial statements of the Group and of the Bank. During FY2016, one private session was held between the ACB and the external auditors without the presence of the Management team.

During the year under review, the ACB in the discharge of its duties and functions had carried out the following activities:

### Internal Audit

1. Tabled the outcome of investigation reports as well as other pertinent audit issues that have impact on the overall Group's control environment to the Board for deliberation.
2. Deliberated and approved the Group Audit Plan (GAP) for FY2016 to ensure adequate scope and comprehensive coverage of audit as well as to ensure the audit resources are sufficient to enable Group Audit to discharge its functions effectively.
3. Deliberated and approved the half-yearly Revised GAP to ensure relevance and in consideration of the changes in the business environment as well as the requests from the regulators, ACB and Management.
4. Deliberated the draft GAP for FY2017 and took cognisance of the different audit techniques and tools that Group Audit will adopt in FY2017 to ensure adequate coverage and focus on the high risk areas and critical functions in the Group.
5. Approved the performance rewards for the Group Audit staff including the GCAE for FY2015 based on the staff performance and in line with the matrix approved by the Board after taking into consideration the overall performance achievement of Group Audit for the year.
6. Reviewed and approved the GCAE's Balance Scorecard (BSC) for FY2016 taking into consideration the relevance and importance of the key performance indicators set for the year.
7. Reviewed the monthly "Group Audit Dashboard" report on the status of performance and progress of internal audit assignments against the approved audit plan as well as turnover rate of internal audit staff. This report was also tabled to the Board for notation.
8. Reviewed and approved the proposed revision of the Audit Charter (AC) to ensure alignment with Bank Negara Malaysia (BNM) Governor's views on 'Audit as a Partner of Change' as well as to include the material requirement updates by BNM and The Institute of Internal Auditors (IIA). The revised AC was also tabled by the ACB to the Board for notation.
9. Deliberated on the key strategic priorities and initiatives undertaken by Group Audit as well as the value capture from such implementation to enhance audit performance and productivity.
10. Approved the enhanced Group Audit Organisation Structure to allow pooling of resources and to optimise Group Audit's internal talents and expertise for greater efficiency, higher productivity and synergies.

## AUDIT COMMITTEE REPORT

11. Deliberated on the audit reports, audit recommendations and Management's responses. Where necessary, GCFO was directed to escalate these control lapses and recommendations to the Group EXCO for deliberation.
12. Deliberated on the investigation reports and after having understood the case in details, directed the Management to implement controls to strengthen the control environment and prevent recurrence.
13. Reviewed the audit reports issued by the regulatory authorities as well as Management's responses to the Regulators' recommendations, remedial actions taken and the committed timeline to rectify the gaps highlighted.
14. Reviewed the quarterly audit finding status reports and deliberated on the rectification actions and timeline taken by the Management to ensure the control lapses are addressed and resolved promptly. The ACB also deliberated on the justification given by the Management for extension of rectification timeline and approved such requests where the justifications were acceptable.
15. Reviewed the minutes of meetings of the IAC for an overview of the deliberation and remedial actions taken by the Management on the control lapses raised by internal auditors.
16. Reviewed the minutes of meetings of the respective ACBs at the various subsidiary companies in Malaysia as well as regionally, sought clarification on pertinent matters discussed at these ACB meetings, deliberated on the possible common concerns and directed the relevant ACBs to take further actions where deemed necessary.
17. Deliberated on the 2015 Internal Quality Assurance Review Report conducted by Group Audit to ensure continuous conformance with the IIA standards. This report was also tabled by the ACB to the Board for notation.

### Annual Report

18. Reviewed and endorsed the Statement on Risk Management and Internal Control for Board's approval and inclusion in the Annual Report for FY2015.
19. Reviewed and approved the Audit Committee Report for inclusion in the Annual Report for FY2015.

### Financial Reporting

20. Reviewed the quarterly unaudited financial results and the annual audited financial statements of the Group and of the Bank to ensure that the financial reporting and disclosure requirements are in compliance with the accounting standards, with special focus placed on the changes in accounting policy, as well as significant and unusual events or transactions.

### External Audit

21. Reviewed with the external auditors:
  - The APM focusing on the scope of work for the year which included new areas or new scope of audit emphasis such as changes in law and regulations (e.g. Companies Act 2016), multi-location audit scoping, systems, audit timeline and statutory audit fees; and
  - The results of the audits, the relevant audit reports and Management Letters together with Management responses or comments to the audit findings.

22. Reviewed the suitability and independence of external auditors in accordance with the Framework on Appointment of External Statutory Auditors for Provision of Statutory Audit and Non-audit Services (Framework) which was adopted since December 2011 and made recommendations to the Board on their reappointment. This Framework is in line with BNM Guidelines on External Auditor.

The assessment of the external auditors' independence and performance is performed on an annual basis based on the procedures as follows:

- Review the professional conduct of external auditors by considering information available from public or independent sources. The review is carried out to ensure:
  - i. The appointed external auditors are registered auditors of public interest entity with the Audit Oversight Board;
  - ii. The appointed external auditors and key members of the audit engagement team involved in making key decisions on significant matters with respect to the audit of the financial statements (key members of the audit engagement team) have not been convicted of any offence under the Financial Services Act 2013 (FSA 2013), the Islamic Financial Services Act 2013 (IFSA 2013) or the Companies Act 1965, or any written law involving fraud or dishonesty; and
  - iii. The engagement partner and key members of the audit engagement team shall not have any record of disciplinary actions taken against them for unprofessional conduct.
- Assess the external auditors' level of knowledge, capacities and audit experience by reviewing the following:
  - i. Curriculum vitae of the engagement partner and concurring partner;
  - ii. List of public interest entities audited by the engagement partner and the concurring partner in the last two (2) years prior to the date of statutory declaration;
  - iii. Years of experience of the engagement partner and key members of the audit engagement team in auditing financial institutions; and
  - iv. Man-days spent by the engagement partner and the concurring partner in the previous audit.
- Assess the performance of external auditors by reviewing the quality of previous audit or work done by the external auditors and level of engagement by external auditors with the ACB. Based on the assessment, the external auditors have participated actively in the discussions with the ACB as evidenced below:
  - i. The external auditors have updated the ACB via Audit Committee Report for the FY2015 on 28 January 2016;
  - ii. Memorandum of recommendations arising from the audit of the financial statements for FY2015 was tabled to the ACB by external auditors on 27 May 2016;
  - iii. On 28 July 2016, the external auditors presented to the ACB the Audit Committee Report for the limited review of the Bank's unaudited income statement for the six-month period ended 30 June 2016; and
  - iv. APM with regard to the audit of financial statements for FY2016 was presented by external auditors to the ACB on 27 October 2016.
- Assess the performance of external auditors by reviewing the timeliness of service deliverables. The external auditors were able to complete the audits for the Group and for the Bank within the timeline set as evidenced below:

## AUDIT COMMITTEE REPORT

- i. Audited financial statements as at 31 December 2015 was signed off by external auditors on 25 February 2016;
  - ii. Report on limited review for the financial period ended 30 June 2016 was signed off by external auditors on 2 August 2016; and
  - iii. No past audit lapses were observed on the external auditors in the past assurance engagement.
- Assess the independence and objectivity of external auditors by reviewing the following:
    - i. List of non-audit services provided by external auditors to the Group and the Bank;
    - ii. List of advisory services rendered by the engagement partner and the concurring partner in last two (2) years;
    - iii. Value-added audit findings raised by external auditors in the recent audit of financial statements of the Group and of the Bank;
    - iv. Statutory declaration by the engagement partner and key members of the audit engagement team which confirms they have no relationship with, or interest in shares of the Group and the Bank;
    - v. Existing engagement partner does not serve the Group and the Bank for a continuous period of more than five (5) years; and
    - vi. The external auditors are required to confirm their compliance with the Code of Conduct that highlights the importance of maintaining objectivity and independence on a quarterly or annual basis.
23. Reviewed the written assurance provided by the external auditors in respect of their independence.
24. Approved the appointment of external auditors for the provision of non-audit services. The ACB considered several qualitative and quantitative criteria prior to approving the appointment of the external auditors for the provision of non-audit services to the Group and the Bank. The qualitative and quantitative criteria were as follows:
- Assess the professionalism, expertise, adequacy of knowledge and relevant experience of external auditors;
  - Consider the conflict of interest that will arise if non-audit services were to be performed by external auditors;
  - Review the fees quoted by other audit firms and external auditors for non-audit services; and
  - Ensure the fees quoted by external auditors for non-audit services commensurate with the scope of the non-audit services.

### Related Party Transaction (RPT)

25. Reviewed related party transactions as disclosed in the financial statements and the adequacy of Maybank Group's procedures in identifying, monitoring, reporting and reviewing related party transactions.

## C. INTERNAL AUDIT FUNCTION

### Independence

The Internal Audit (IA) function is established by the Board to undertake independent review and assessment on the adequacy, efficiency and effectiveness of risk management, control and governance processes implemented by the Management. The IA function of Maybank Group is organised in-house and reports functionally to the ACB and administratively to the GPCEO. It is independent from the activities or operations of other operating

units in the Group. The IA function is guided by its AC (as approved by the ACB) which defines the mission & objective, responsibility, accountability, authority, independence & objectivity and professionalism & ethical standards of the IA function of the Group.

### Principal Responsibility

The principal responsibility of Group Audit is to undertake continuous testing and assessment on the effectiveness and efficiency of the risk management frameworks and the internal control systems in order to provide reasonable assurance that such frameworks and systems continue to operate efficiently and effectively. The fundamentals of the IA function involve identifying risks that could negatively impact the performance of the Group and/or keep it from achieving its corporate goals, ensuring the Management fully understands these risks and proactively recommending improvements to minimise these risks.

The IA function for Maybank operations and its subsidiary companies is organised on a Group basis. The IA functions for the respective subsidiary companies in Malaysia, Philippines, Indonesia, Singapore, Thailand, Vietnam and Cambodia are organised and supported by the respective resident IA teams with direct accountability to the respective Board Audit Committees/Supervisory Boards of these subsidiary companies.

The total cost incurred for maintaining the IA function for FY2016 is approximately RM70 million, comprising mainly salaries, travelling, accommodation expenses and subsistence allowances for audit assignments.

Location	RM' million
Malaysia	34
Regional	36
<b>TOTAL GROUP</b>	<b>70</b>

The Group Audit activities are carried out based on a risk-based GAP which includes both assurance and consulting activities approved by the ACB. The scope of coverage encompasses all units and operations of the Group. The Group Audit processes and activities are governed by the regulatory guidelines as well as the Group's Code of Ethics and IIA's mandatory guidance, which includes the Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing (*Standards*).

In order to perform its functions effectively, the auditors are continuously sent for training to equip themselves with the requisite product knowledge and skills especially in the areas of Islamic Banking, Treasury, Credit, Investment Banking, Information Technology, Asset Management and Insurance & Takaful. Technical support and trainings in these specialised audit areas are also provided by Group Audit to the regional IA teams in the overseas subsidiary companies, where required, to ensure consistency in the application of auditing standards, processes and testings.

Audit reports are submitted to the ACB for review and deliberation. The ACB reviews and deliberates on the control lapses highlighted by Group Audit along with the audit recommendations as well as Management's responses and action plans for improvement and/or rectification. Where required and applicable, the ACB directs Management to take cognisance of the issues raised and establish necessary steps to strengthen the system of internal controls based on audit recommendations.

The Quality Assurance and Improvement Program (QAIP) continues to be used to assess the quality of audit processes. The QAIP is an ongoing and periodic assessment that covers the entire spectrum of Group Audit activities. The programme assesses the efficiency and effectiveness of the audit processes and

## AUDIT COMMITTEE REPORT

appropriate recommendations and opportunities for improvement are identified through the internal and external assessments. Internal assessment is performed half-yearly by an independent Quality Assurance team within Group Audit under the direct supervision of the GCAE while the external quality assessment is conducted by a qualified independent assessor once every five (5) years. The areas identified for improvement from both the internal and external assessments are tabled and discussed at the Group Audit Management meetings for development of action plans. The results of both the internal and external assessments are also tabled to the ACB for deliberation and information.

### SUMMARY OF GROUP AUDIT ACTIVITIES IN FY2016

The following are the activities undertaken by Group Audit for FY2016:

1. Implemented the Committee Of Sponsoring Organisation (COSO) Framework fully in the regional IA functions in the Philippines, Cambodia and Vietnam and on a pilot basis in Indonesia. The regional adoption of the COSO Framework ensures a consistent approach in assessing controls and communicating audit results across the various IA functions.
2. Attended meetings of the various management committees such as Group Information Technology Steering Committee (GITSC), Executive Risk Committee (ERC) and Group Procurement Committee (GPC) on a consultative and advisory capacity to provide independent feedback on the risk management, control and governance aspects.
3. Established a GAP using a risk-based approach, taking into consideration the Group's business strategic plan as well as inputs from senior management and the ACB. The GAP was tabled and approved by the ACB and later presented to the Board for notation. The approved GAP was revised in June 2016 in line with changes in the business environments and in consideration of the requests from the regulators, ACB and Management. The revised GAP was then approved by the ACB in June 2016.
4. Conducted periodic testing of business units, operations and processes in the Group as identified in the GAP and provided independent assessment and objective assurance over the adequacy and effectiveness of risk management, internal control and governance of the units audited. Among the areas that were tested during the financial year were the Delivery Channels (Branches, Internet Banking and Self-Service Terminals), Information Technology Infrastructure and Security, Cyber Security, Funds Transfer, Treasury Business, Investment Banking, Asset Management, Insurance Business and Underwriting. Audit reports concluding the results of the audit testings conducted together with detailed audit observations, management responses and audit recommendations to improve and enhance the existing system of internal controls and work procedures/processes were prepared and issued to the respective auditees, senior management and the ACB.
5. Conducted regional reviews (including overseas subsidiaries) on critical areas such as Internal Capital Adequacy Assessment Process (ICAAP) as well as Computation and Reporting of Capital Charge to BNM (including Credit, Market and Operations Risk) to provide an overall assessment of the controls from a Group's view.
6. Performed independent assessment prior to launching of new services, products or facilities as per the requirements stated in the approval from the various regulators including BNM, Securities Commission (SC), MyClear, Hong Kong Monetary Authority (HKMA), Monetary Authority of Singapore (MAS), etc. The main objective of the assessment was to ensure all risks were identified and adequate controls were diligently applied at all times, as well as ensuring that conditions imposed by the said regulators have been adequately met.
7. Provided independent and objective reviews of the adequacy and relevance of internal controls enforced to mitigate the risk exposures in the introduction of new products and implementation of new IT systems.
8. Participated in the various Business Continuity Management (BCM) exercises such as Enterprise Crisis Simulation Exercise, Treasury Live Split Operations and Bankwide and Subsidiaries' Disaster Recovery Live and Simulation Exercises to gauge and assess the readiness of the businesses/systems to resume/recover (in the event of disaster) within the agreed timelines.
9. Conducted compliance review mandated by the regulators in the respective countries such as BNM, Bursa Malaysia, HKMA, MAS and Bangko Sentral ng Pilipinas to ensure the business units complied with the regulatory requirements. The non-compliances were highlighted to Management for remediation.
10. Conducted investigations into activities or matters as instructed by the ACB and senior management. The outcomes from the investigations were tabled to the IAC and ACB for deliberation and to the Board for notation.
11. Conducted two half-yearly internal quality assessment reviews of Group Audit and three limited peer reviews (LPRs) of IA functions at the overseas subsidiaries in Thailand, Cambodia and Indonesia (Bank Maybank Syariah Indonesia) to assess the implementation status of the improvement opportunities identified in the previous LPRs by Group Audit.
12. Witnessed the tender opening process for procurement of services or assets to ensure the activities in the tendering process are conducted in a fair, transparent and consistent manner.
13. Conducted ad-hoc assignments and special reviews as instructed by the ACB or requested by BNM.
14. Prepared the Audit Committee Report and Statement on Risk Management and Internal Control for the Company's Annual Report for FY2016.

# GROUP RISK MANAGEMENT



**DR JOHN LEE HIN HOCK**

Group Chief Risk Officer

**“The world we operate in is changing at a faster rate than usual with globalisation and advances in technology. This new norm requires us to enhance our risk management capabilities and insights to facilitate more robust and better risk decision making process to ensure we continue to create value to our business partners, while ensuring we are sufficiently resilient to weather the storm of change.”**

## OVERVIEW

With evolving business complexity and needs, Group Risk keeps abreast with trends and challenges of risk management to better support the Group in meeting its strategic and business objectives. Group Risk is responsible for providing oversight of risk management on an enterprise-wide level through the establishment of the Group’s risk strategies, frameworks and policies, with independent assessment and monitoring of all risks challenges.

In the continuous pursuit to drive efficiency, Group Risk has established Centres of Excellence (COEs), which builds on specialisation of risk professionals, providing value-added risk insights to support business decision making. The identified COEs set consistent standards in relation to risk policies, risk reporting, risk modelling and specialisation in the management of specific risk areas within the Group.

The key pillars of Group Risk functions are as follows:

**Key Highlights in 2016**

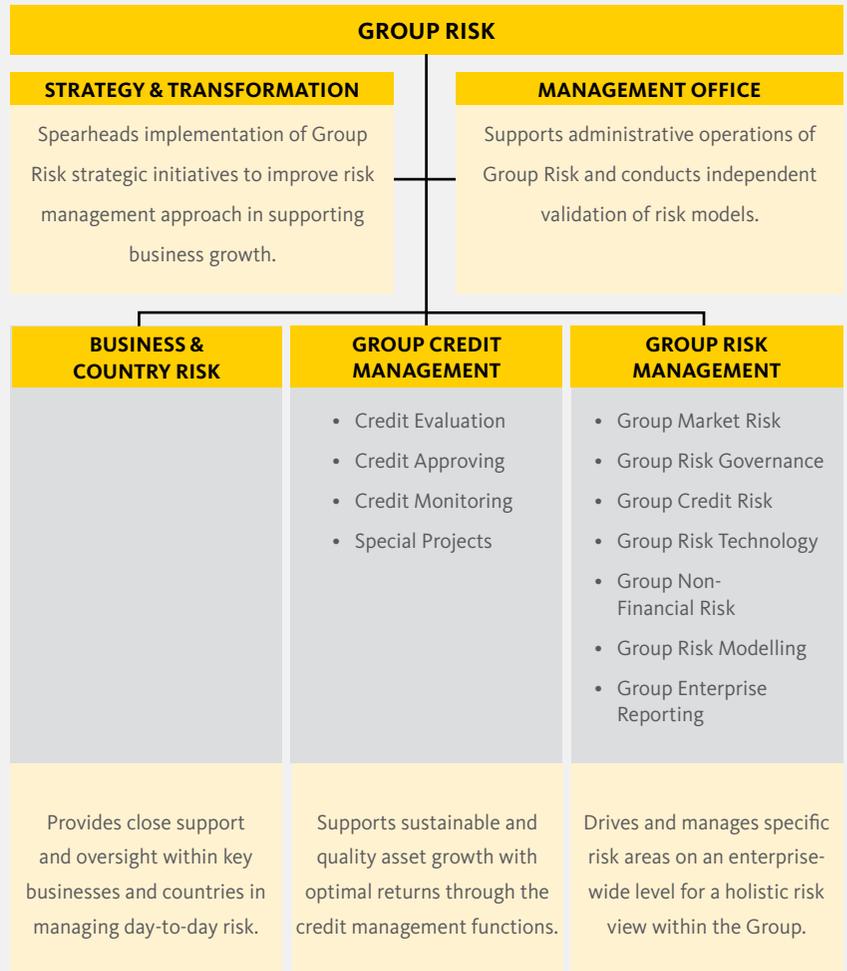
Group Risk continued to focus on creating value to support the Group’s business objectives through the following:

- Heightened the institutionalised risk culture as the foundation of good risk management governance and approach.
- Enhanced our non-financial risk management capabilities of the Group and improved the management of new emerging risks.
- Optimised our portfolios and managed our asset quality to have a strong capital and liquidity position as well as efficient use of capital and resources.

**Key Priorities in 2017**

Group Risk will continue to strengthen our value proposition in support of the Group’s strategic priorities by:

- Enhancing risk models to leverage on non-traditional data in providing leading risk insights for better and faster decision making to support the Group’s income growth acceleration.
- Continuing to improve our productivity to effectively manage the changing environment through developing better capabilities and resources, and heightening the digitisation of our processes for more efficient risk reporting.
- Reinforcing the optimisation of the Group’s portfolio through efficient use of its capital and resources to ensure the Group continues to have a strong capital position to meet business objectives and sustainable long-term earnings growth.



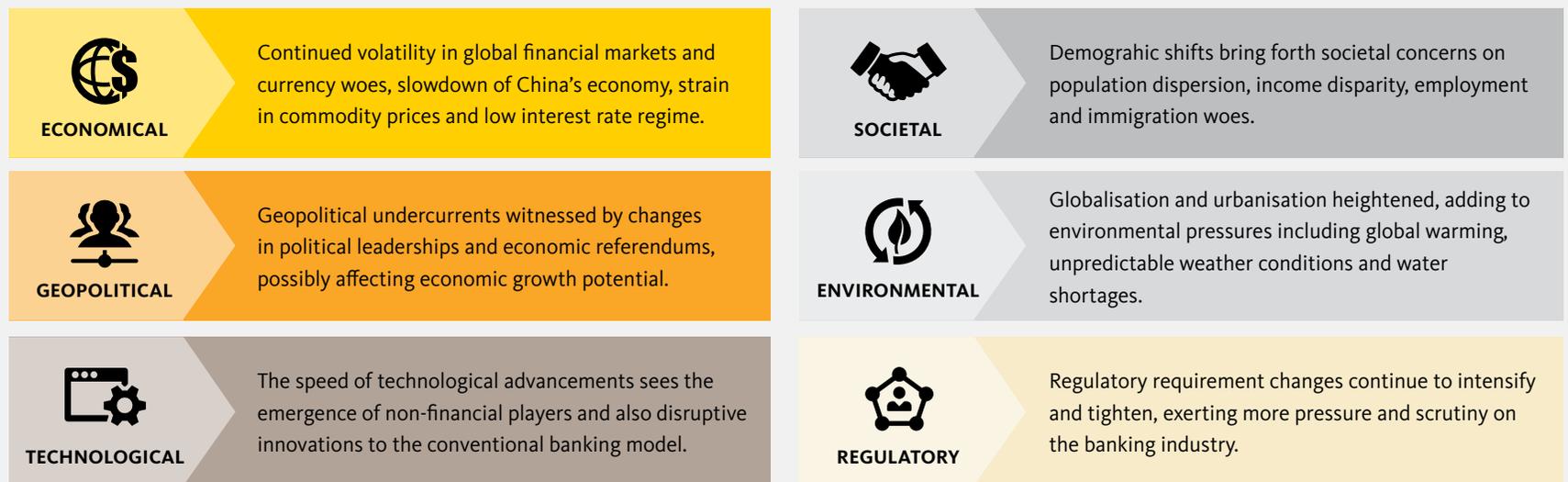
## GROUP RISK MANAGEMENT

### OPERATING LANDSCAPE FOR 2016

The operating landscape for 2016 remained challenging against the backdrop of a dynamic and ever-changing environment. The global economic temperament remains a constant concern, afflicted with continuing volatility in the global financial markets and currency, coupled with low interest rates and commodity prices. The geopolitical undercurrents strained by economic and social inequalities have brought forth unanticipated changes, witnessed from Brexit and the presidential elections outcome in Philippines and the United States. This may have impending implications on international economic growth through potential changes in global trade policies and regulations.

In addition, digital disruptions have gathered momentum, springing up opportunities along with threats to the conventional banking model. In particular, we have witnessed the emergence of financial technology (FinTech) companies, resulting in insurgence of online services and applications for seamless and intuitive services, shifting customers' behaviour and expectations. With increasing digitalisation, cyber related attacks and data breaches remain an imminent threat to the reputation and sustainability of organisations particularly for financial institutions, which are deeply rooted in customers' and shareholders' trust. To top it all, the pace and rigour of regulation enhancements and regulatory scrutiny accelerate the need to interlace regulatory compliance systematically into core business operations.

In light of the challenging landscape, we identified significant risk drivers as depicted below that would sway the way in which businesses operate and ultimately the way in which risk is managed.



While there are increasing calls to be risk agile in the face of both regional and global developments, Group Risk has fortified our existing capabilities to remain risk resilient to such changes. Against the operating landscape of 2016, Group Risk continues to adapt and strengthen our risk management approach to integrate more seamlessly with business to effectively manage and mitigate risks, and also to ensure we continue to be a strong enabler for business growth in support of the Group's strategic priorities. Aligned to Group Risk's strategic priorities for 2016, Group Risk had focused on three pillars in supporting the Group to 'Advance through Execution' as depicted below.

Strategic Imperatives	FY2016 Strategic Priorities	Key Achievements
<b>TRULY REGIONAL</b>	Institutionalise Risk Culture Enhance Non-Traditional Risk Management	<ul style="list-style-type: none"> <li>Improved regulatory management and ensure ongoing compliance to local and global regulatory requirements.</li> <li>Enriched the risk practices and processes for a more effective management of emerging non-traditional risks i.e. cyber risk.</li> </ul>
<b>CAPITAL EFFICIENCY</b>	Optimise Credit Portfolio	<ul style="list-style-type: none"> <li>Improved pricing strategies and rigorously managed asset quality by enhancing the process of mitigating potential credit deterioration.</li> </ul>
<b>PRODUCTIVITY</b>	Continuous Talent Upskilling Improve Productivity and Innovation	<ul style="list-style-type: none"> <li>Refined the Risk Talent Management Framework to ensure the core competency requirement continues to be relevant to the changing environment, with learning programmes tailored to upskill the competency.</li> <li>Continued to innovate and improve internal processes across Group Risk, increasingly automate our risk processes to improve efficiency.</li> </ul>

Group Risk's approach to risk management is enterprise-wide and is premised on a strong risk culture, forming the foundation and driver of governance and risk management practices and processes. Our overall risk management process is formulated in a structured and disciplined approach. It involves aligning strategies, policies, processes, people and technology with the specific purpose of evaluating and managing all risk types while enhancing shareholder value.

## GROUP RISK MANAGEMENT

### RISK MANAGEMENT FRAMEWORK

The risk management approach of the Group is underpinned by a sound and robust Integrated Risk Management Framework, which is constantly enhanced to remain relevant and resilient ahead of the versatile global risk landscape, changes in regulatory requirements and leading practices in ensuring effective management of risk. The overall structure of the Integrated Risk Management Framework is shown below.

#### Overview of Maybank Group's Integrated Risk Management Framework

<p><b>KEY BUILDING BLOCKS</b></p>	Principles	Risk Culture
	Risk Appetite and Strategy	Risk Management Practices and Processes
	Governance and Risk Oversight	Resources and System Infrastructure
<p><b>RISK PRINCIPLES</b></p>	<ul style="list-style-type: none"> <li>i. Establishing a risk appetite and strategy, which is approved by the Board, that articulates the nature, type and level of risk the Group is willing to assume.</li> <li>ii. Driving capital management by strategic objectives that takes into account the relevant regulatory, economic and commercial environments in which the Group operates.</li> <li>iii. Ensuring proper governance and oversight through a clear, effective and robust Group governance structure with well-defined, transparent and consistent lines of responsibility established within the Group.</li> </ul>	<ul style="list-style-type: none"> <li>iv. Promoting a strong risk culture that supports and provides appropriate standards and incentives for professional and responsible behaviour.</li> <li>v. Implementing risk frameworks, policies and procedures to ensure that risk management practices and processes are effective at all levels.</li> <li>vi. Executing robust risk management practices and processes to actively identify, measure, control, monitor and report risks inherent in all products and activities undertaken by the Group.</li> <li>vii. Ensuring sufficient resources, infrastructure and techniques are in place to enable effective risk management.</li> </ul>
<p><b>PRINCIPAL RISKS</b></p>	Enterprise Risk	Operational Risk
	Financial Risk	Reputational Risk
	Credit Risk	Regulatory Risk
	Concentration Risk	Information Technology Risk
	Market Risk	Legal Risk
	Interest Rate Risk in the Banking Book	Model Risk
	Liquidity Risk	Insurance Risk

The Integrated Risk Management Framework is fully embedded in the business and operational functions across the Group, and is supported by a comprehensive set of risk policies and procedures to guide businesses in proactively managing risks whilst working towards achieving business objectives.

## GROUP RISK MANAGEMENT

### RISK APPETITE

The risk appetite is a critical component of the Group’s robust risk management framework and is driven by both top-down Board leadership and bottom-up involvement of management at all levels. Our risk appetite enables the Board and senior management to communicate, understand and assess the types and levels of risk that the Group is willing to accept in pursuit of its business goals.

The risk appetite is integrated into the strategic planning process, and remains dynamic and responsive to changing business and market conditions. In addition, the budgeting process is aligned to the risk appetite in ensuring that projected revenues arising from business transactions are consistent with the risk profile established. Our risk appetite also provides a consistent structure in understanding risk and is embedded in day-to-day business activities and decisions throughout the Group. The risk appetite is structured based on the following general principles highlighted in the diagram.

Guided by these set of principles, the articulation of our risk appetite is done through Risk Appetite Statements, encompassing all material risks across the Group. This forms the link in which the risk limits and controls are set in managing risk exposures arising from business activities. Acting as both a governor of risk and a driver of current and future business activities, the risk appetite ultimately balances the needs of all stakeholders and acts as a powerful reinforcement to a strong risk culture.

### Principles of Risk Appetite



### RISK GOVERNANCE

The governance model adopted in the Group provides a formalised, transparent and effective structure that promotes active involvement from the Board and senior management in the risk management process to ensure a uniform view of risk across the Group.

Our governance model places accountability, ownership and agility, in ensuring an appropriate level of independence and segregation of duties. The management of risk broadly takes place at different hierarchical levels and is emphasised through various levels of committees, business lines, control and reporting functions. The structure is premised on the three lines of defence which include risk-taking units, risk-control units and internal audit. The Group’s overall risk governance structure is as illustrated below.

### Maybank Group Risk Governance Model

#### BOARD OF DIRECTORS

The Group’s ultimate governing body with overall risk oversight responsibility including defining the appropriate governance structure and risk appetite.

<b>BOARD RISK COMMITTEES</b>	<b>Risk Management Committee (RMC)</b> Board level oversight of risk exposures as well as oversight on the effective implementation of risk management strategies, frameworks, policies, tolerance and risk appetite limits.	<b>Credit Review Committee (CRC)</b> Board level oversight of transactional credits underwritten and portfolios.	
	<b>EXECUTIVE LEVEL MANAGEMENT - RISK MANAGEMENT COMMITTEES</b>		
<b>Group Executive Risk Committee (ERC)</b>	<b>Group Asset &amp; Liability Management Committee (ALCO)</b>	<b>Group Management Credit Committee (GMCC)</b>	<b>Group Non-Financial Risk Committee (GNFRC)</b>
Oversees the implementation of risk management strategies, tolerance, risk appetite limits as well as frameworks and policies.	Oversees the management of balance sheet structure and strategies.	Oversees the approval of loans/proposals based on a set of authority limits.	Oversees the management of non-financial risk including the establishment and implementation of the related frameworks, policies and governance structure.
<b>LINES OF DEFENCE</b>			
<b>1<sup>st</sup> line: Risk-Taking Units</b>	<b>2<sup>nd</sup> line: Risk-Control Units</b>	<b>3<sup>rd</sup> line: Internal Audit</b>	
<ul style="list-style-type: none"> <li>Manage day-to-day risks inherent in business, activities and risk exposures.</li> <li>Ensure the business operates within the established risk strategies, tolerance, appetite, frameworks, policies and procedures.</li> </ul>	<ul style="list-style-type: none"> <li>Provide risk oversight and guidance over the effective operation of the risk management framework, policies, practices, processes and systems.</li> </ul>	Provides assurance via regular and independent assessment and validation that: <ul style="list-style-type: none"> <li>Risk management frameworks, policies and tools are sufficiently robust and consistent with regulatory standards.</li> <li>Controls to mitigate risks are adequate.</li> <li>Adequate oversight by Risk Control Units over Risk Taking Units.</li> </ul>	

## GROUP RISK MANAGEMENT

### RISK CULTURE

Our risk framework and governance structure are reinforced only if supported by a right risk culture. Hence in the Group, a strong risk culture is a fundamental tenet of risk management and serves as the foundation upon which a robust enterprise-wide risk management structure is built.

The risk culture in the Group is driven by a strong tone from the top and strengthened by the tone from the middle, to ingrain the expected values and principles of conduct that shape the behaviour and attitude of employees at all levels of business and activities across the Group.

The Group focuses on key essentials to sustain a strong risk culture, as depicted below.

Characteristics	Key Essentials	Maybank Context
<b>1</b> <b>COMMON PURPOSE</b>	<ul style="list-style-type: none"> <li>Align people's individual interests, ideals and principles to those of the organisation.</li> </ul>	<ul style="list-style-type: none"> <li>Core values are shared across all countries/business.</li> <li>'Do The Right Thing' campaign.</li> <li>The Group is a member of Malaysia's Corporate Integrity Pledge.</li> </ul>
<b>2</b> <b>LEARNING PROGRAMMES/PROCESS</b>	<ul style="list-style-type: none"> <li>Ensure continuous learning to create awareness on effective risk management and improve the way risk is managed.</li> <li>Learn from risk culture failures by establishing measures and controls for the future.</li> </ul>	<ul style="list-style-type: none"> <li>Learning events on risk management topics.</li> <li>E-learning on various risk management subjects.</li> <li>Risk awareness publications/bulletins.</li> <li>Annual attestation on operational risk management.</li> </ul>
<b>3</b> <b>ACTIVE COMMUNICATION</b>	<ul style="list-style-type: none"> <li>Communicate issues timely and transparently and promote honest discussion about risk.</li> <li>Encourage speaking up and challenging the norms, with positive reciprocation.</li> </ul>	<ul style="list-style-type: none"> <li>Regular dialogue sessions with senior management.</li> <li>Adoption of Honest, Open and Trusting (H.O.T) Principles.</li> <li>Regular dialogue sessions between risk functions with business and countries.</li> </ul>
<b>4</b> <b>PERFORMANCE MANAGEMENT AND REWARD</b>	<ul style="list-style-type: none"> <li>Provide an incentive for effective management of day-to-day risk taking activities which is tied to the risk appetite and approach to risk taking.</li> </ul>	<ul style="list-style-type: none"> <li>Takes appropriate action for risk lapses.</li> <li>Risk management is accounted for in the performance management process.</li> </ul>
<b>5</b> <b>OWNERSHIP AND ACCOUNTABILITY</b>	<ul style="list-style-type: none"> <li>Promote accountability and ownership for the management of risk, considered in all activities in day-to-day operations.</li> <li>Understand and acknowledge the value of effective risk management.</li> <li>Ensure proactive management of risk, individually and collectively.</li> </ul>	<ul style="list-style-type: none"> <li>Adoption of Risk Governance model across the Group, with embedded risk functions within business and countries.</li> <li>Employees are held accountable for the work undertaken, individually and jointly where responsibilities are shared.</li> <li>Survey on risk culture to gauge and improve sentiments.</li> </ul>

The Group is committed in its journey to continuously weave a strong risk culture into the core of the organisation, people and processes so that the consideration for risk will always be inherent in every employee's mind before an action is taken, and not as an afterthought.

## GROUP RISK MANAGEMENT

### HUMANISING FINANCIAL SERVICES

While 2016 has been a demanding and tumultuous year, Group Risk remained focused in driving the achievement of Group's strategic priorities and its mission of "Humanising Financial Services", which is at the heart of our business model. What this means in Group Risk is to further reinforce our relationships with various stakeholders through maintaining relevance and reliability in our risk management approaches yet delivering what really matters to each stakeholder, as illustrated below.



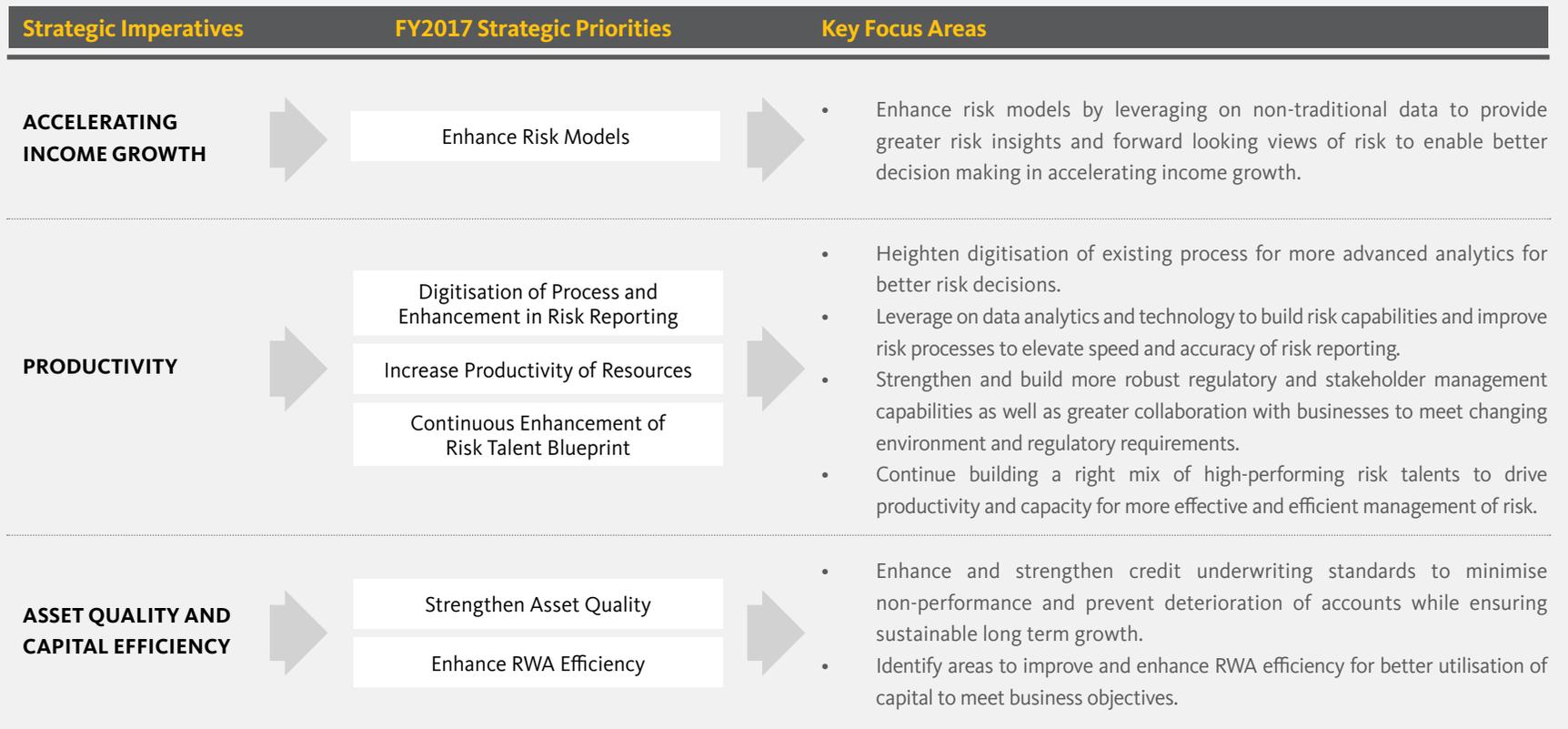
Humanising Financial Services in Group Risk's Context

As part of the Group's efforts in ensuring sustainability, Group Risk has been committed to working with the business to drive efforts on responsible financing forward. The Group's approach in developing its responsible lending guidelines is in ensuring that its practices are in line with both its core values and mission statement. The approach in determining the types of activities to be involved in are based on the principle of whether the activity would have a positive contribution or impact to society and is within the Group's Environmental, Social and Governance practices. Further details can be found in the Sustainability Report.

### OUTLOOK FOR 2017

The risk and uncertainties experienced in 2016 are expected to persist into 2017, they are unlikely to slow down or abate. In an undeniably fluid operating environment, the key to a sustainable business and enduring growth hinges considerably on an organisation's ability to spot and react swiftly to threats and opportunities ahead of other competitors. With this in mind, Group Risk is steadfast in playing a vital role through closer collaboration with business and other functions of the Group to meet the shifts in expectations of the myriad of stakeholders (i.e. employees, customers, regulators, shareholders, business partners), while ensuring we stay vigilant by having the necessary mitigating actions to proactively manage risks.

We have identified key risk drivers for 2017 and have established a set of priorities to strengthen our value creation in support of Group's strategic objectives, as illustrated below.



# GROUP COMPLIANCE



**DANIEL WONG LIANG YEE**  
Group Chief Compliance Officer

**“Compliance is fast becoming the differentiator between a successful and a failed institution. We have witnessed in the recent years how failures in compliance can lead to massive financial penalties and damage to an institution’s reputation. We must excel in compliance if the ambition is to be the leading financial institution in this region and beyond. Compliance is simply good business.”**

## 2016 REVIEW

A holistic review on the existing structure and capability of the Bank’s compliance function was conducted in 2016. Besides looking at methodology, processes and tools, we also examined the broader issue of compliance culture.

A stronger compliance culture among employees across all branches and entities, both local and overseas, must be further cultivated in order to support the Group in withstanding all internal and external risks, as well as adhering to relevant regulations. A Compliance Transformation Program for 2017-2019 was crafted after identifying the necessary changes to our compliance structure, people, processes, system and culture.

Reorganisation of the Group’s compliance function was completed in 4Q FY2016. A direct reporting line to the Board of Directors was established and a new Group Chief Compliance Officer was appointed. The Group Compliance Department was restructured into two key sections: Regulatory Compliance to focus on business/product related regulations and Financial Crime Compliance to comply with anti-money laundering, counter-terrorist financing, sanctions compliance, anti-bribery and corruption related regulations.

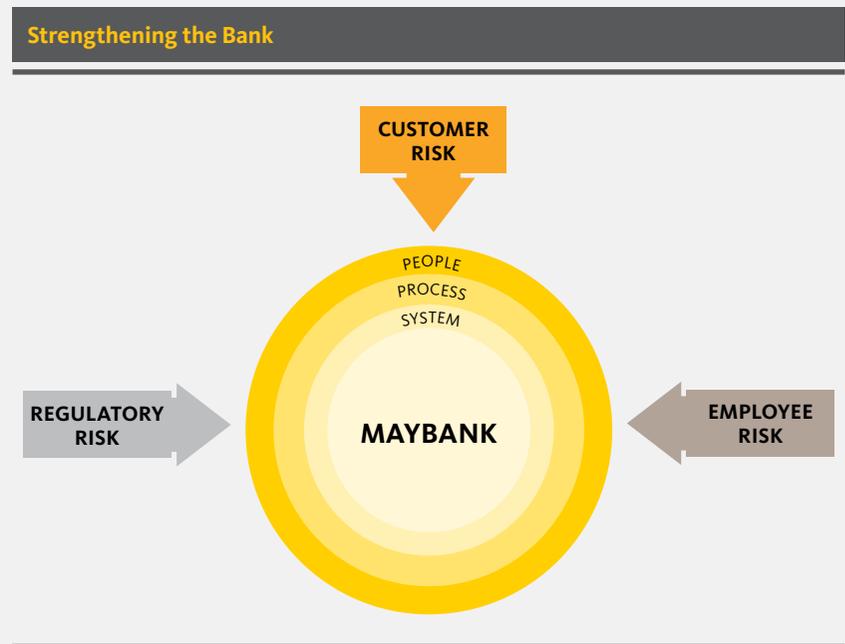
### Key Priorities in 2017

- Enhancing structure and people – A sustainable compliance bench strength will be developed by enhancing expertise of the existing team and hiring specialist talents in the selected areas such as financial crime compliance.
- Improving processes and systems – The Group’s compliance risk management framework, financial crime compliance system and processes will be strengthened.
- Cultivating a stronger compliance culture – A series of initiatives will be rolled out as part of our medium to long-term plan to shape a stronger compliance culture within the Group.

The priorities above are part of a three-year Compliance Transformation Programme, which is essential in supporting the Group in achieving its vision and mission.

## OVERVIEW

The regulatory landscape in the region has changed tremendously in recent years. Financial institutions are facing increasing regulations and regulators’ scrutiny. As a leading financial institution, we are keen to do our part in supporting the local regulators’ effort in protecting the customers and upholding the integrity of the financial system in Malaysia and across the region. The Bank is embarking on a three-year journey to upgrade our capability and capacity in managing regulatory compliance and the risk of financial crime especially in the areas of anti-money laundering and counter-terrorist financing.



# GROUP SHARIAH COMMITTEE REPORT

## INTRODUCTION

The Group Islamic Banking Shariah Committee (GIBSC) performs an oversight role on Shariah matters related to the Shariah-compliant operations and activities of the Group.

## SHARIAH GOVERNANCE

Maybank Group has established and implemented a sound and robust Shariah Governance Framework.

In this regard, the Shariah governance framework comprises:

- i) The oversight of the Board, GIBSC and the relevant committee on Shariah compliance aspects of the overall operations of Islamic business transactions;
- ii) The responsibility of the Management to provide adequate resources and capable manpower support to every function involved in the implementation of Shariah governance whereas the Business Units are responsible for identifying and managing the risk inherent in the products, services and activities;
- iii) Shariah Advisory and Research function to undertake research on Shariah matters and also ensures that all structures, terms and conditions, legal documentation and operational process flow and procedures are Shariah compliant;
- iv) Shariah risk process which identifies all possible Shariah non-compliance risks and, where appropriate, remedial measures that need to be taken to reduce the risk as well as determining that such processes and outcomes satisfy the needs of the Shariah principles; and
- v) A regular checking and examination of Shariah risk and compliance as well as continuous Shariah review of processes and deliverables across the Group undertaken by Shariah Audit and Shariah Review functions.

## GIBSC MEMBERS

The GIBSC comprises seven members. Please refer to pages 122 to 125 for the profiles of the GIBSC members.

Members Of GIBSC	Nationality	Status
Associate Professor Dr Aznan Hasan	Malaysian	Chairman
Associate Professor Dr Ahcene Lahsasna	Algerian	Member
Associate Professor Dr Mohamed Fairouz Abdul Khir	Malaysian	Member
Assistant Professor Dr Mohammad Deen Mohd Napiah	Malaysian	Member
Assistant Professor Dr Ismail bin Mohd @ Abu Hassan	Malaysian	Member
Dr Marjan binti Muhammad	Malaysian	Member
Ustaz Mohd Kamal Mokhtar	Singaporean	Member

## DUTIES, RESPONSIBILITIES & ACCOUNTABILITIES

- Understanding of responsibility and accountability
- Advise the Board and the relevant countries or businesses
- Endorse Shariah policies and procedures
- Endorse and validate relevant documentations
- Assess the work carried out by Shariah Review and Shariah Audit
- Assist related parties on Shariah matters
- Advise on matters to be referred to the relevant Shariah authorities
- Compliance to Internal Policies and Procedures

## MEETINGS AND JOINT BOARD MEETINGS

The GIBSC had convened 11 times (with an addition of another 7 special sittings) and all members have satisfied the minimum attendance requirement under the Operation Procedures for the Shariah Committee of BNM's Shariah Governance Framework of a minimum 75% attendance level.

In addition to the required GIBSC meetings, one (1) joint meeting with Dewan Pengawas Syariah of Maybank Indonesia and Maybank Syariah Indonesia has also been convened to accommodate the deliberation of urgent matters concerning each jurisdiction and to strengthen the GIBSC's oversight across Maybank Group regionally.

GIBSC places importance on ensuring effective implementation of Shariah governance and the best practices of corporate governance. In view of this, two (2) joint sessions were held between Maybank Islamic Berhad Board of Directors and the GIBSC in FY2016.

## ASSESSMENT

In compliance with BNM's Shariah Governance Framework, the GIBSC undergoes the process of assessing the effectiveness of the individual members and the committee as a whole on a yearly basis. The GIBSC annual assessment exercise is primarily based on questionnaires distributed to the respective committee members and encompasses considerations on the effectiveness of the GIBSC in discharging its duties. The assessment is an important element of evaluating current level of effectiveness and the relevant measures for further improvement.

## CONTINUING PROFESSIONAL DEVELOPMENT PROGRAMME

As part of the Group's initiatives towards strengthening capabilities of the GIBSC, a series of tailored professional development programmes, in addition to external programmes and events, have been conducted during FY2016 including on the following areas:

- Intricacies of Financial Statements
- Islamic Stockbroking
- Business Strategy
- Malaysian Legal Framework for Sukuk and Collective Investment Schemes

# SUSTAINABILITY STATEMENT



Arts and Culture is one of the six focus areas of the Maybank Foundation.



## OVERVIEW

Sustainability is an organic part of Maybank's core business. Our financial success depends on our ability to identify and address environmental, social and ethical issues that present risks or opportunities for our business. For a long time, we have believed in humanising finance, and our strategic priorities have been underpinned by this belief.

We have come a long way from supporting one-off good causes to empowering communities and responding to emerging issues by changing the ways we operate. We believe in improving prospects for livelihoods and entrepreneurship as well as access to finance, education and training.

We are now half way through our 20/20 Sustainability Plan, a five-year sustainability strategy document approved in 2014. The Plan was created with the aim of generating long-lasting impact and value across three pillars: Community and Citizenship, Our People, and Access to Products and Services.

Every part of the business and every employee have a role to play in realising our vision and achieving our overall goal. It is a long-term commitment, focusing on what we do best – bringing together our vast physical presence in Asia, our focus on innovation and the expertise of our people to provide access to finance for a better world.

This statement summarises the progress we have made in 2016 towards the commitments and goals set in the 20/20 Sustainability Plan.

## SUSTAINABILITY STATEMENT

### 2016 STRATEGIC REVIEW

#### SME EMPOWERMENT



Small and medium-sized enterprises (SMEs) are vital to stimulating local economies. For over 50 years, Maybank has been helping them grow locally and across ASEAN.



##### COMMUNITY AND CITIZENSHIP

- R.I.S.E, our training and mentoring programme for people with disabilities now operates in Malaysia, Indonesia and the Philippines. 1,411 participants have completed their training in 29 different locations.
- Up to 2016, we have supported more than 13,000 women to expand their businesses through our microfinance programme in partnership with ASPPUK and KOMIDA in Indonesia.
- Maybank Kim Eng's Trade[&Give] started with supporting five entrepreneurs in 2014 and has since created opportunities for over 4,000 small businesses region-wide. In 2016, we introduced Trade[&Give] ASEAN Sustainability Programme.



##### OUR PEOPLE

- Capacity building for Small and Medium-sized Enterprises (SME)s through Train the Trainers programme: 4,048 Maybankers trained for over 36 hours.



##### ACCESS TO PRODUCTS AND SERVICES

- Granted loans for SMEs worth RM12.40 billion in 2016.
- 'Spoke and hub' distribution model in Malaysia: 39 hubs and 67 spokes in 315 branches.
- Bumiputera Entrepreneurial Excellent (BEE) programme provided RM917.50 million of funding in 2016.
- Maybank Building Capacity and Capability (MBCC) Programme by SME Banking for micro-entrepreneurs and startups approved 52 applications amounting to RM36.40 million in 2016.

#### INCLUSIVENESS AND DIVERSITY



We consistently empower women and minority groups within Maybank, in our community programmes and through our products. We strive to expand our services to those currently underserved.



##### COMMUNITY AND CITIZENSHIP

We support women, youth and people with disabilities through Maybank Foundation:

- eMpowering Youth Across ASEAN provides young people with opportunities to get involved in tackling social issues in the region. In 2016, we gave RM1.00 million as grants for 234 university students to undertake nine community programmes in the region.
- Maybank Women Eco Weavers was launched in March 2016. We have trained 50 women weavers, engaged 70 mulberry farmers and planted 7,500 mulberry trees in Cambodia, in partnership with a local NGO, Color Silk. In Indonesia activities have started in four districts, training 80 women weavers in the first year.
- Etiqa's Socially and Economically Empowered Development (SEED) programme has been helping underprivileged women and youth become financially independent since 2007. In 2016, 50 women and 70 youths participated in a series of workshops.



##### OUR PEOPLE

- We employ nearly 44,000 people of 43 nationalities in 20 countries. 55% of total workforce are women.
- Our diversity framework, GIDA, includes initiatives to empower women and minorities economically and in the area of leadership. Our talent management includes coaching, mentoring and executive development for women.
- We encourage gender balance in the management: 45% of management (Band G and above) and 30% of top management (Band D and above) are women. 18% of our board members are women. With an additional female director on our Board in January 2017, 25% of our Board members currently consist of women.
- In 2016, 319 employees benefitted from the Flexible Work Arrangement (FWA).
- We provide employees with opportunities to volunteer in their communities. Over 15,000 Maybankers across the Group took part in the seventh Maybank Global CR Day. Total of 89 community initiatives were implemented involving special needs children, the elderly, disabled, single mothers and orphans as well as environmental conservation.

## SUSTAINABILITY STATEMENT



We consistently empower women and minority groups within Maybank, in our community programmes and through our products. We strive to expand our services to those currently underserved.

*Continued from Previous Page*



### ACCESS TO PRODUCTS AND SERVICES

- Through innovations in digital technology, financial services become accessible to everyone with a mobile phone. In 2016, we continued to improve access to financial services through new solutions like MaybankPay, Samsung Pay and integration of Western Union into the M2U app.
- MaybankHeart, the first bank sponsored peer-to-peer crowdfunding platform enables people to donate directly to NGOs and charitable organisations.
- Migrant workers are an important part of the economy in this region. We are one of the appointed banks for migrant workers' credit programme by the Agency for the Placement and Protection of Indonesian Migrant Workers (BNP2TKI) in Indonesia.
- Maybank Indonesia launched TKI Purna micro loans to migrant workers who want to start a business after their return to Indonesia.
- Maybank Philippines has a variety of products for migrant workers. They can make transfers from Malaysia to the Philippines via Maybank Money Express and from Singapore to the Philippines via Singapore Remittance.
- Maybank Philippines has also introduced Cash Collect, a nationwide cash pick-up service for transferring cash and collecting cheques directly from a customer's office.
- Etiqa Singapore launched ePROTECT insurance for domestic helpers in 2016, covering accidents and medical costs, such as hospitalisation and surgical expenses.

## RESPONSIBLE PRODUCTS AND SERVICES



- Digitalisation is at the core of banking today. It is key to providing access as well as improving customer experience.
- We employ sound risk management practices to identify, evaluate and mitigate the environmental and social impact of credit facilities.



### COMMUNITY AND CITIZENSHIP

- CashVille Kidz financial literacy show is now available on YouTube.
- We partner with SkolaFund, a crowdfunding platform for underprivileged students to raise money for scholarships for higher education.



### OUR PEOPLE

- Our employees are trained on fraud and ethics. In 2016, we provided 41 trainings and recorded a total of 20,241 training hours for our Malaysian employees.
- We have converted the face-to-face Credit Curricula Modules (CCM) generic training into an e-learning course. The new module reduced 7.5 days of classroom training into 21 hours of online learning with an estimated cost saving of RM5.40 million.



### ACCESS TO PRODUCTS AND SERVICES

- Our Responsible Lending Guidelines were introduced in 2015. In 2016, we strengthened our commitment to responsible lending by developing more detailed guidelines for assessment of social and environmental risk.
- Maybank is the leading mobile banking provider in Malaysia. In 2016, we added more services to the M2U app, such as new card application, balance transfer, EzyPay Plus, Bill Presentment on Mobile (Astro, Celcom, Telekom Malaysia and Tenaga Nasional), Quick Touch for Android and a transaction banking site in Bahasa Malaysia. The mobile banking app was extended to Cambodia.
- Malaysia's first mobile wallet payment system, MaybankPay enables cashless payments with mobile Android devices, charged to customers' Visa cards. We also launched Samsung Pay in Malaysia and Singapore.
- Financial Technology is constantly evolving. #MaybankFintech2016 competition attracted 91 companies from around the world, of which nine were shortlisted.
- Maybank and Western Union launched the first digital remittance service in Malaysia via the M2U mobile banking App.
- Maybank Regionlink makes it easy for the customer to do banking in different countries in the region, including ATM services and some over the counter services.

# SUSTAINABILITY STATEMENT

## SUSTAINABILITY GOVERNANCE AT MAYBANK

Maybank’s approach to sustainability is founded on sound decision making, policies and systems. We have been included into the Bursa Malaysia FTSE4Good Environmental, Social and Governance (ESG) Index and have received multiple awards for our sustainability reports.

Maybank Foundation	
Who	Role
Board of Trustees	Approves and reviews programmes and performance.
Chief Executive Officer	Oversees overall strategy and progress.
Maybank Foundation team	Implements and monitors Maybank’s flagship community programmes based on the focus areas under the Community and Citizenship pillar of the 20/20 Sustainability Plan.
	Supports various Maybank departments in implementing other community programmes and initiatives.
Maybank Group	
Board of Directors	Reviews sustainability performance.
Executive Committee	Deliberates and approves all key sustainability related matters.
Group Risk	Oversees overall Group Risk strategy and progress, including ESG issues.
Group Corporate Affairs	Custodian of the 20/20 Sustainability Plan.
Group Human Capital	Oversees overall Group Human Capital strategy and progress.
Various departments	Operationalise the 20/20 Sustainability Plan into their respective business and operational areas. Departments and teams have measurable and scalable targets.

Until 2011, Maybank implemented common good programmes on an ad-hoc basis. Since then we have made important changes and have integrated environmental, social and governance (ESG) practices into our organisation and invested in strategic partnerships with community organisations.

In late 2014, we formulated the 20/20 Sustainability Plan as a tool to turn sustainability into ‘business as usual’ and embed it into our long-term goal of humanising financial services. It gives us a framework to manage sustainability issues and meet stakeholder expectations. It is divided in three pillars (Community and Citizenship, Our People, and Access to Products and Services) and includes 10 commitments.

The 20/20 Sustainability Plan Implementation Guide helps us to operationalise the Plan. The Guide concentrates on the 10 commitments and has indicators to monitor progress. Various departments are involved in the implementation of the Plan. Milestones have been set in the 20/20 Sustainability Plan Action Plan for key areas such as Supply Chain and Procurement Policy; ESG Guide; Human Rights Policy; Environmental Policy; and Responsible Insurance Policy.

20/20 SUSTAINABILITY PLAN COMMITMENTS

- Education
- Arts and Culture
- Environmental Diversity
- Community Empowerment
- Healthy Living
- Disaster Relief
- Employee Engagement Platforms
- Diverse and Inclusive Workplace
- Learning and Development
- Safety, Health and Well-being
- Talent and Leadership
- Commitment to the Environment
- Digitalisation
- Focus on Customers
- Product Stewardship

20/20 SUSTAINABILITY PLAN PILLARS

→ COMMUNITY AND CITIZENSHIP

→ OUR PEOPLE

→ ACCESS TO PRODUCTS AND SERVICES

Table 1: Policies and Systems that support sustainability governance at Maybank:

Category	Relevant Policy and Systems
Economic	<ul style="list-style-type: none"> <li>• Board Gender Diversity Policy</li> <li>• Group Anti-Fraud Policy</li> <li>• Investor Relations Policy</li> <li>• Gifts and Donations Policy</li> <li>• Personal Data Protection Policy</li> <li>• Anti-Money Laundering &amp; Counter Terrorism Financing</li> <li>• Code of Ethics and Conduct</li> <li>• Signatory to the Corporate Integrity Pledge</li> <li>• Responsible Lending Guidelines</li> </ul>
Environment	<ul style="list-style-type: none"> <li>• Green Events Toolkit</li> <li>• Green Office Toolkit</li> </ul>
Social	<ul style="list-style-type: none"> <li>• Whistleblowing Mechanism</li> <li>• Work-Life Policy</li> <li>• OSH Policy</li> <li>• Code of Ethics and Conduct</li> <li>• Collective Bargaining</li> </ul>

Further details can be found at [Maybank Group Sustainability Website](#)

## SUSTAINABILITY STATEMENT



Group President & CEO, Datuk Abdul Farid Alias, and Maybank Board of Directors at the Maybank 56<sup>th</sup> Annual General Meeting on 7 April 2016.

### SUSTAINABILITY REPORTING

This Sustainability Statement is a review of our sustainability efforts. We also publish a comprehensive, annual Sustainability Report (SR), that follows the structure and indicators set forth in the 20/20 Sustainability Plan. Executing the Plan will take five years. The report communicates our achievements in the 10 commitments outlined by the Plan. Although the commitments are implemented by different departments, and address varying stakeholder priorities, they all contribute to the goals of our three pillars.

We continue to be guided by the Global Reporting Initiative (GRI), a globally recognised reporting framework for sustainability as well as the Amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements relating to Sustainability Statements in Annual Reports.

The scope of this statement and our Sustainability Report remains the same as in previous years, with data covering FY2016 and operations of Maybank Group. We have worked hard to improve monitoring of the impact of our work across the three pillars. We started tracking our progress systematically in 2013 and can provide year-on-year comparison in key areas of our business to illustrate progress.

### STAKEHOLDER ENGAGEMENT

We are receptive to the views of our stakeholders and engage with them through various channels, formally and informally. Explicit and perceived stakeholder concerns are regularly reported to management. In addition to the concerns of stakeholders, we use our internal risk management systems to analyse the macro-economic, political, social and legislative environment. We are confident that we are doing what matters to our stakeholders. The 20/20 Sustainability Plan was formulated after consulting our stakeholders and after studying the most important issues that we must address if the Group is to create value in the future.

Table 2: Key Stakeholders and Engagement Methods

Stakeholder Group	Engagement Platforms
Customers	<ul style="list-style-type: none"> <li>• Surveys</li> <li>• Policies</li> <li>• Website/digital media/general media</li> <li>• Education and training programmes</li> <li>• Road shows</li> </ul>
Communities	<ul style="list-style-type: none"> <li>• Website/digital media/general media</li> <li>• Education and training programmes</li> <li>• Employee volunteering, fund-raising, community programmes, partnerships</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Internal communications</li> <li>• Policies</li> <li>• Diverse employee engagement channels and platforms</li> <li>• Education and training programmes</li> <li>• Employee volunteering, fund-raising, community programmes, partnerships</li> </ul>
Investors	<ul style="list-style-type: none"> <li>• Financial and other reports</li> <li>• Meetings</li> <li>• Conferences, seminars</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>• Policies</li> <li>• Website/digital media/general media</li> <li>• Meetings</li> </ul>

## SUSTAINABILITY STATEMENT

### KEY HIGHLIGHTS

Maybank Foundation implements our community work through targeted social investments, volunteer efforts and long-term partnerships.

<p>We channeled nearly 1.0% of net profit to community programmes and are proud to be one of the most active corporate citizens in Asia with nearly RM60 million in community investment.</p>	<p>Maybank Foundation's Flagship Programmes;</p> <ul style="list-style-type: none"> <li>• CashVille Kidz</li> <li>• Reach Independence &amp; Sustainable Entrepreneurship (R.I.S.E)</li> <li>• eMpowering Youth Across ASEAN</li> <li>• Maybank Women Eco Weavers</li> <li>• Maybank Training and Learning Centre (TLC)</li> <li>• KataKatha</li> </ul>
<p>Carried out 6 flagship programmes in 5 countries across ASEAN.</p>	<p>We supported tiger conservation in Royal Belum Forest in partnership with WWF-Malaysia through a grant of RM481,000.</p>



President Director of Maybank Indonesia, Taswin Zakaria listening to explanation about the woven textile during the launch of Maybank Women Eco Weavers in Lombok, Indonesia on 2 November 2016.



MERCY Malaysia in collaboration with Maybank Foundation launched Building Resilient Communities (BRC) programme in Karo Regency, North Sumatera Province, Indonesia on 13-14 April 2016.



### FLAGSHIP COMMUNITY PROGRAMMES

**CASHVILLE KIDZ** teaches children how to be financially savvy through an animated TV series and related activities. Launched in 2012 in Malaysia, CashVille Kidz nurtures financially literate youths who will adopt positive spending and savings habits and eventually grow to be better informed customers. The programme has reached more than 75,000 school children from 330 schools across Malaysia. We work in partnership with MoneyTree and with support from the Malaysian Ministry of Education.

In 2016, CashVille Kidz was expanded to Cambodia. In the pilot phase we work with eight primary schools and are reaching 800 students. Subject to the evaluation of the pilot programme, we are prepared to launch a three-year campaign that will reach 19,200 students from more than 95 schools in Cambodia.

**REACH INDEPENDENCE & SUSTAINABLE ENTREPRENEURSHIP (R.I.S.E)** builds capabilities of people with disabilities through a structured training and mentoring programme. The results from the programme in Malaysia have been encouraging and in 2016, we expanded R.I.S.E to Indonesia. By the end of the year, about 1,411 participants had completed their training in 29 different locations.

**EMPOWERING YOUTH ACROSS ASEAN** is an exchange programme for students in tertiary institutions with an emphasis on community projects with impact. The programme includes mentoring, leadership training and community service projects. eMpowering Youth Across ASEAN allows young people to learn and contribute to solutions to developmental issues of our time. In 2016, we provided RM1.00 million as grants for nine community programmes with 234 youth participants from three universities: National University of Singapore, Singapore Management University and Nanyang Technological University.

**MAYBANK TRAINING AND LEARNING CENTRE (TLC)** provides vocational education for youth. It creates opportunities for young people who have been deprived of basic education or skills training. It helps them making a positive impact to their communities as the programme empowers youth, creates new job opportunities in local communities, promotes mentor development, and enhances capacity building for communities. Forty two trainers started their vocational training at the Maybank TLC in the Philippines.

## SUSTAINABILITY STATEMENT

### Our Target for Women Eco Weavers Programme



#### INDONESIA

- To train 400 women weavers in the next three years.
- To create four new markets to connect weavers and cooperatives with wholesalers and retailers.
- To establish four locally managed weaving learning centres in the districts.
- To increase awareness on the importance of natural dyes.

**MAYBANK WOMEN ECO WEAVERS** programme supports women weavers from poor and marginalised communities and aims to revive traditional weaving practices in ASEAN countries. Through training, capacity building and microfinance, the women will obtain access to tools that help them and their families become economically independent.

During the pilot phase in 2016, we trained 50 women weavers, engaged 70 mulberry tree farmers and planted 7,500 mulberry trees in Cambodia and started activities in four districts of Indonesia.



#### CAMBODIA

- To construct a silk weaving training centre in Takeo Province.
- Increase our support to 150 silk weavers and 210 families growing mulberry trees.

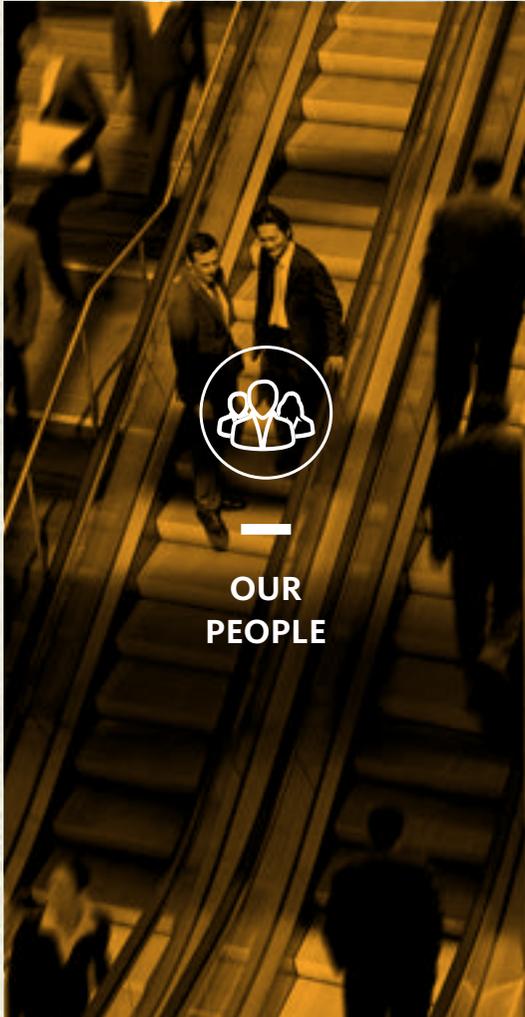
**KATAKATHA** celebrates cultural similarities and differences in the ASEAN community. We have helped numerous artists, photographers, graphic designers, and writers by sponsoring and promoting a wide range of events to celebrate South East Asia's unique, diverse, and vibrant cultures. Our own Balai Seni at Maybank is a venue for showcasing arts and cultural programmes. In 2016, we launched Maybank Synergy Center, the newest rehearsal and performance space in Manila, the Philippines in partnership with Upstart Productions.

 More information on Community and Citizenship can be found on the Maybank Foundation website <http://www.maybankfoundation.com/>.

### COMMUNITY AND CITIZENSHIP PERFORMANCE REVIEW

Commitment	Focus Area	Programmes	Indicator	Year-on-Year Tracking			
				2013	2014	2015	2016
Investing for Impact – Maybank Foundation	Education	CashVille Kidz	No. of students reached	72,000	102,580	53,020	75,000
		Scholarships	No. of schools	180	660	241	330
			Amount disbursed (RM' million)	11.26	13.76	> 14.00	23.00
	Community Empowerment	R.I.S.E	No. of participants	-	280	200	1,411
		Microfinance (KOMIDA)	No. of women impacted	1,634	2,439	2,748	3,537
	Arts and Culture	KataKatha	No. of visitors	-	-	-	1,500
	Healthy Living	Liver Transplant Centre at Selayang Hospital	No. of liver transplant surgeries performed at Selayang Hospital (cumulative)	60	63	66	82
Regional Paediatric Heart Centre, National Heart Institute of Malaysia		No. of patients (cumulative)	-	-	44	65	
Disaster Relief	Partnership with MERCY Malaysia (began in 2014)	No. of beneficiaries	-	-	> 3,500	419,061	
Environmental Diversity	Tiger conservation efforts	Monetary contribution (RM' million)	n/a	1.2	0.48	0.49	

# SUSTAINABILITY STATEMENT



OUR  
PEOPLE

## KEY HIGHLIGHTS

We want to build an inclusive and engaged workplace to help us connect with customers and make better, more informed decisions for our business. We have made sure that we have a flexible, open and supportive working environment, where employees feel they can speak up, everyone is valued and respected, and employees have an opportunity to dedicate their time for voluntary work if they so wish.

Total spending on learning and development: RM129 million	Profit before tax per employee: RM210,120
18% of our board members are women (The above data is as at 31 December 2016. As at February 2017, 25% of our board members are women.) 30% of top management are women 45% of management are women	Over 15,000 employees spent 104,285 hours volunteering in 89 Cahaya Kasih initiatives.
Our Flexible Work Arrangement (FWA) policy covers fixed flexible schedule, flexi time, flexible work location and reduced hours or conversion to fixed-hour part-time employment. 72% of those on FWA in 2016 are women.	Maybank GO Ahead. Challenge international competition continued to attract top graduates: 2015 Over 23,000 2016 Over 37,000



1. 89 initiatives were implemented by employees across Maybank Group during Global CR Day 2016 held on 22 August 2016.
2. In the spirit of unity, Maybank participated in Hari Sukan Negara on 8 October 2016 by organising our Group-wide celebration with the theme 'Fit Tigers'.

**EMPLOYEE ENGAGEMENT** is one of the priorities of our people policies. We use platforms such as employee engagement surveys and appraisals. Open communication is part of our company culture and we have a well established system for H.O.T. (Honest, Open and Trusting) conversations.

We continue to invest in the long-term **LEARNING AND DEVELOPMENT** of our people and improve capabilities across the organisation and countries where we operate. Our GO Ahead. Employee Value Proposition encourages staff to take ownership of their career. Personal Development Plans are a key component of our performance management. We believe in experiential learning through coaching, mentoring and networking. Learning programmes are customised and our online learning portal, MyCampus, provides round-the-clock access to a multitude of learning and development programmes.

To develop and retain **TALENT AND LEADERSHIP** who are able to operate successfully in diverse cultures and locations, we have established a robust talent management framework that has been recognised as global best practice. All eligible employees are appraised annually. We measure productivity of our employees not only through performance appraisals and productivity-enhancing initiatives, but also by Profit Before Tax Per Employee and Net Income Per Employee indices.

**DIVERSE AND INCLUSIVE WORKPLACE** are important for a company's success - especially a regional one like ours. We maintain an inclusive workforce that embraces racial and gender diversity. Our company's core values guide us on how we conduct our business, work collaboratively and how we deliver value across the Group. To us, safety, health and well-being means we provide a happier and healthier workplace. We attain this by promoting work-life balance, as well as physical and emotional well-being.

Cahaya Kasih, our employee volunteerism programme, takes us straight to the heart of the community. The initiatives under Cahaya Kasih follow the focus areas of our sustainability work: Community Empowerment, Education, Healthy Living, Environmental Diversity and Arts and Culture.

We believe that providing a **HEALTHY AND SAFE WORKING ENVIRONMENT** helps improve the wellbeing of our people. Good health contributes to more engaged employees, which is why we encourage our employees to make changes towards a healthy lifestyle.

## SUSTAINABILITY STATEMENT

### OUR PEOPLE PERFORMANCE REVIEW

Commitment	Indicator	Year-on-Year Tracking					
		2013	2014	2015	2016		
Learning and Development	Total spend (RM' million)	118.87	120.00	114.00	129.00		
	Average training hours per employee	45.31	33.68	35.00	32.00		
Talent and Leadership	Profit before tax per employee (RM)	185,669	193,695	199,129	201,120		
	Income/Staff Cost	3.75x	3.69x	3.68x	3.94x		
	Succession Cover Ratio (number of successors over Mission Critical Positions)	4.1:1	3.9:1	4.57:1	4.3:1		
	International mobility (number of talents)	100	>130	167	159		
Employee Engagement	% of training sessions conducted by employees (Tracked commencing 2014)	-	36	31	63		
	% of employees appraised (based on employees who are eligible to participate in the year-end appraisal)	100	100	100	100		
	Number of employees on Flexible Work Arrangement (FWA) (Formalised effective 1 November 2013)		204	315	319		
		Male	Female	Male	Female	Male	Female
		74	130	100	215	90	229
Diverse and Inclusive Workplace	% of Women in Top Management (Band D and above)	31	31	35	30		
	% of Women in Management (Band G and above)	42	46	47	45		
	% Age Group of Workforce						
	- < 30	30	28	27	23		
	- 30 – 40	38	38	37	37		
	- 40 – 50	25	26	27	30		
- > 50	7	8	9	10			
Safety, Health and Well-Being	Occupational Safety & Health: Total recordable injury frequency rate	0.006	0.005	0.002	0.003		
	Health & awareness programmes participation	> 3,400	> 5,000	5,000	> 8,000		
	Number of health & awareness sessions	-	-	56	49		
	Average monthly attendance of fitness classes at our recreation centre	Only operational in 2015	Only operational in 2015	3,823	3,926		
Employee Volunteerism	Employee volunteer participation for Cahaya Kasih (CK) & Bank initiatives	23,513	26,200	Total participation: 24,202 • 16,559 (Global CR Day) • 6,982 (Other CK efforts) • 661 (Festive celebrations & other volunteerism efforts organised by Maybank Head Office)	Total participation: 22,014 • 15,267 (Global CR Day) • 6,127 (Other CK efforts) • 620 (Festive celebrations & other volunteerism efforts organised by Maybank Head Office)		
	Employee volunteer hours for Cahaya Kasih & Bank initiatives	178,422	142,900	Total volunteer hours: 122,917 • 89,806 (Global CR Day) • 29,791 (Other CK efforts) • 3,320 (Festive celebrations & other volunteerism efforts organised by Maybank Head Office)	Total volunteer hours: 108,863 • 77,361 (Global CR Day) • 26,924 (Other CK efforts) • 4,578 (Festive celebrations & other volunteerism efforts organised by Maybank Head Office)		
	Employee volunteers for Global CR Day	19,001	24,971	16,559	15,267		
	Number of volunteer hours for Global CR Day	Not tracked	129,921	89,806	77,361		
	Number of Cahaya Kasih initiatives Group-wide	105	96	102	89		

## SUSTAINABILITY STATEMENT

### KEY HIGHLIGHTS

Our business will further thrive when embedded with elements of good governance, social innovation and environmentally sound management. We are committed to getting to know our clients' businesses, including understanding the social and environmental issues of the sectors that we bank on. Digitalisation, access to finance and funding the small businesses that fuel growth and livelihoods remain high on our agenda.

Digitalisation and use of mobile devices have transformed the way we bank. We have managed to reduce the paper trail associated with banking in Malaysia, and have now extended many of our best digital solutions to our branches in the region.	Maybank Kim Eng's Trade[&Give] supported 151 entrepreneurs in Malaysia.
2.86 billion online transactions were made through M2U worth RM237.40 billion in Malaysia.	MaybankHeart is the first bank-sponsored peer-to-peer crowdfunding platform that enables people to donate to NGOs and charity organisations.
Financed 27 Green Technology Financing Scheme (GTFS) projects with RM307 million in 2016. We are also one of the largest financers for the green tech segment outside the GTFS. In 2016 we provided loans for 15 green tech projects worth about RM340 million.	Disbursed RM12.4 billion in loans for Retail SME Financing in Malaysia.

Access to products and services is an integral part of our mission to humanise financial services. We strive to integrate Environmental, Social and Governance (ESG) considerations into our products and services by 2020.

Through our **COMMITMENT TO THE ENVIRONMENT** we consider the direct and indirect impact of our business on the environment and manage our ecological footprint as we grow regionally.

We continue to participate in the Carbon Disclosure Project (CDP). In our fourth year of participation, our progress towards environmental stewardship reached the level "awareness".

In previous years, we have emphasised management of paper usage in printing and photocopying. We have been encouraging customers and employees to move towards a paperless environment. We are constantly harnessing digital technology in order to save paper and create less waste. We track our paper usage at our headquarters and all branches. In 2016, our paper usage decreased 2.5% from 2015.

Our **FOCUS ON OUR CUSTOMERS** means building a strong relationship and providing convenient access to banking and financing, fair terms and pricing, and giving solid advice based on the needs of each customer.

We continue to regularly measure the depth and strength of our customer relationships. We remain among the five leading banks in terms of customer loyalty and relationship strength. We are humbled by our customers' unwavering support in the face of a challenging operating environment. Motivated by their trust and loyalty, we strive to harness digital opportunities and strengthen our customer centric culture.

**DIGITALISATION** has already transformed the banking sector, and we aim to anticipate and respond to the latest trends in technology. New innovations help us improve our customer experience, expand our reach and bring our financial services closer to customers. In 2016, we introduced several innovative solutions:

- Malaysia's first mobile wallet payment system called MaybankPay enables cashless payments with mobile devices, charged to customers' Visa cards. We also launched Samsung Pay.
- MaybankHeart is the first bank-sponsored crowdfunding platform that enables people to donate directly to NGOs and charity organisations.
- The first digital remittance service in Malaysia with Western Union through Maybank2u mobile banking App.
- Maybank Wealth App is an integrated mobile application that provides personalised advice, with our Relationship Manager a click away.
- Maybank2u Mobile Banking App was extended to Cambodia.
- Maybankinnovation.com, an innovation portal where employees can submit ideas, share recognition, book spaces for events and check latest news on innovations and events.
- DISCOTECH, a complete financial sandbox for fintech companies. Through this platform they can access financial data samples, APIs and development tools for free. With DISCOTECH anyone can develop and test their fintech ideas.



ACCESS TO  
PRODUCTS AND  
SERVICES

## SUSTAINABILITY STATEMENT

Our **PRODUCT STEWARDSHIP** concentrates on practising responsible financing, promoting financial inclusion and helping our customers build financial capability.

As part of our SME empowerment, we launched the Group Inclusiveness and Diversity Agenda (GIDA) in 2014. We are on track with our commitment to increase support to SMEs in the region. We increased our lending to SMEs significantly, allocating up to RM1.50 billion in financing by signing a new SME financing Portfolio Guarantee (PG) Scheme with Credit Guarantee Corporation Malaysia Bhd (CGC). We have collaborated with CGC in the PG scheme since 2013, when we became the first local bank to offer SME financing without collateral.

We also provide non-financing services for SMEs, such as our Building Capacity and Capability programme and SME First Account, a business current account offering simplified solutions to fulfill SME needs at lower cost. In 2016, our SME community engagement sessions involved 1,438 participants.

### Responsible Lending

We are committed to leading the way in responsible growth and making sure our lending practices meet our Environment, Social and Governance (ESG) commitments. We do not engage in business activities that are not aligned to the Group's values. This position is a policy applicable to all financial services provided by the Group. In 2016, we further strengthened our commitment to responsible lending by developing more detailed guidelines to assess social and environmental risk.

### Green Technology Financing

The finance sector presides over a large pool of capital, more of which could be steered towards low carbon, climate-resilient projects. Some institutions are already allocating capital and steering financial flows towards such projects, and we also have ventured into this area.

Like many other countries, Malaysia has pledged to reduce its emissions by 2030, increasing the need for green financing. We are involved in Malaysia's Green Technology Financing Scheme (GTFS) that facilitates lending to green technology companies. In 2016, we financed 27 projects under GTFS, compared to 20 in 2015, with a total investment of RM307.00 million. Since the beginning of the scheme in 2011, we have disbursed RM632.00 million for financing under the GTFS.

We are also one of the largest financers for the green tech segment outside the GTFS. In 2016 we provided loans for 15 green tech projects worth about RM340.00 million.

### Strategic Procurement

One of the most concrete ways we can impact the societies that we operate in, is through our supply chain. Our Group Strategic Procurement standard contracts embrace and enforce sustainability and fair practices in dealing with vendors. The suppliers are required to respect human rights and adhere to fair labour practices, non-discrimination as well as environmental protection guidelines according to applicable laws.

### ACCESS TO PRODUCTS AND SERVICES PERFORMANCE REVIEW

Commitment	Indicator	Year-on-Year Tracking			
		2013	2014	2015	2016
Commitment to the Environment	Carbon Disclosure Project (CDP) (Score)	67	71	C (CDP has upgraded the evaluation methodology and score in 2015)	*in progress
	Total paper consumption (Sheets) (Tracking commenced in 2014)	-	236.3 million	263.8 million	257.2 million
Focus on Customers	Customer experience	-	-	retained leading position in the market on both fronts	remained among the top five leading banks in terms of our customer loyalty and relationship strength
Digitalisation	M2U registered online users	6.9 million	7.8 million	8.3 million	9.8 million
	Number of online transactions	1.24 billion	1.57 billion	2.03 billion	2.86 billion
	Amount (RM' billion)	102.3	141.7	173.6	237.4
Product Stewardship	Retail SME Financing (RM' billion)	6.0	7.5	10.2	12.4

# MAYBANK IN THE NEWS

## NEWS

### January



#### Maybank Islamic bantu Cyndi jalani rawatan di IJN

Maybank Islamic has provided financial assistance to help a patient, Cyndi, undergo treatment at the International Islamic University Hospital (IJN).

#### Maybank raising capital with US\$3b notes programme

Maybank has successfully raised capital through a new US\$3 billion notes programme.



### February

#### Chipping in for tiger conservation

Maybank has contributed to tiger conservation efforts through a donation of RM75,000.00.



Maybank executives presenting a donation of RM75,000.00 to support tiger conservation efforts.

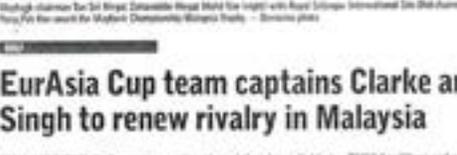
#### Maybank Sweeps HR Awards in Malaysia & Hong Kong

Maybank has won several HR Awards in Malaysia and Hong Kong for its commitment to human resources.



#### Game changer for Maybank Islamic

Maybank Islamic has implemented a game-changing strategy to improve its services and customer experience.



#### EurAsia Cup team captains Clarke and Singh to renew rivalry in Malaysia

The captains of the EurAsia Cup cricket team, Clarke and Singh, are set to renew their rivalry in Malaysia.



#### Maybank honoured

Maybank has been honoured with several awards for its contributions to the community and the industry.

### March



#### BEAUTIFUL MINDS

Maybank has launched a new initiative to support and nurture young talents in the financial industry.

#### Maybank buka cawangan kedua di Laos

Maybank has opened its second branch in Laos, expanding its regional presence.



#### Maybank sasar pinjaman RSME tahun ini RM28b

Maybank aims to provide RM28 billion in financing for Small and Medium Enterprises (SMEs) this year.



A celebration: Malaysian Banking Bhd (Maybank) chairman Tan Sri Megat Zaharuddin Megat Mohd Nor (centre) shaking hands with Maybank Indonesia president director and CEO Taswin Zakaria at the launch of Maybank Indonesia's new corporate identity and dinner reception held in Jakarta recently. With them is Maybank CEO Datuk Abdul Farid Alias.



#### Visa, Maybank launch Payband, Malaysia's first contactless wearable

Visa and Maybank have launched Payband, Malaysia's first contactless wearable payment device.

#### CEO: Islamic loans lift Maybank

Maybank CEO Datuk Abdul Farid Alias states that Islamic financing has significantly contributed to the bank's growth.

#### Sowing seeds of entrepreneurship among women and youths of poor families

Maybank has initiated a program to support entrepreneurship among women and youths from low-income families.



MAYBANK IN THE NEWS

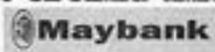
April



The entrance of Maybank Commerce FD in Plaza Dink, Nuchart, one of a list of projects in Indonesia, the Philippines, Malaysia, Thailand as well as parts of Indonesia, which Maybank global banking group head Sheikh Ahmad Faizal Nasr Abdul Ghani says. Source: The Express (Singapore) 23/04/2016

**இணைச்சென் நகரில் மேபோங்க் வங்கி**

சென்னை, 15.04.2016  
புதிய இணைச்சென் நகரில் மேபோங்க் வங்கி கிளை திறப்பு விழா நடைபெற்றது. மேபோங்க் வங்கி இந்தியா தலைநகரில் உள்ள இணைச்சென் நகரில் உள்ள புதிய கிளை திறப்பு விழா நடைபெற்றது. மேபோங்க் வங்கி இந்தியா தலைநகரில் உள்ள இணைச்சென் நகரில் உள்ள புதிய கிளை திறப்பு விழா நடைபெற்றது.



**Industri perbankan yakin pada Gubernur BNM baharu**



**Maybank's Asean push**



**Banking on the local touch in Asean quest**



**Banking on the local touch in Asean quest**



**Maybank buka cawangan di Shenzhen**



**Maybank buka cawangan di Shenzhen**



**Maybank tops bank sector in remarkable turnaround**



**Maybank eyes Asean infrastructure market**



May

**MAMG & DIAM teroka pasaran ASEAN, Jepun**



**Maybank clinches 15 HR awards across 3 countries**



**Maybank Asset Management**



**Maybank clinches 15 HR awards across 3 countries**



**Untung bersih suku pertama Maybank RM1.43 bilion**

**Wedudukan modal, mudah tunai tunai mengukuh**



**Teasing Off NEB BANK CHAMPIONSHIP MALAYSIA COCKTAIL PARTY**



**Maybank International Labuan helps needy families**



June

**Maybank scholar hopes to repay people's kindness**



**368 sertai Maybank Bali Marathon**



**Feisal new group CFO in Maybank reshuffle**



**Maybank Islamic allocates RM10m seed capital for waqf fund**



**Maybank moves up Forbes Global 2000 list**



**MAYBANK FOUNDATION CONTINUES SUPPORT FOR FRANCES ELEMENTARY SCHOOL**



Milestones & Achievements

MAYBANK IN THE NEWS

July

Digital festive conveniences

MAYBANK has added a number of new features to its e-Digi Bank to benefit the general public.

**MODERN DUIT KATA**  
The e-wallet convenience badge extension gives user receive duit kata. e-Digit is also now the user of paper changed that replaced the bank, across the distribution. The service also comes to handy for those

unable to be with their loved ones during this festive period, especially those living in the city. Simply send the amount they want for crediting into the recipient's account.

**ADDED CONVENIENCE**  
This new extension have some updates on the service users, including security into account other than Maybank, Malaysia

**MORE BENEFITS**  
With more ways to share our festive "duit" and give that extra, Maybank has also introduced financial services features such as financial services such as "My e-Digit" and "My e-Digit" to help our customers get to purchase the gold coins with a limited edition packaging containing a special that have sent. In addition, we have festive promotions offering between our and you. Discounts at merchants. "Go on to the bank's website for the list of merchants."

**GRAT AND WIN**  
Maybank has launched its "Greet & Win" campaign, open to all its customers and the public. Log on to the website to download the app and participate. Attractive prize computer of daily cash giveaway, weekly reward and sleeping. The end of the campaign will see a grand prize winners taking home RM1,000,000 worth.



August

Maybank Expands Mobile Banking App To Cambodia

Maybank has expanded its mobile banking app to Cambodia, offering its customers a convenient way to manage their accounts and transactions on the go.

The app, known as Maybank e-Digit, allows users to check balances, transfer funds, and pay bills using their mobile phones. It is available in both English and Khmer.

Maybank officials said the expansion into Cambodia is part of the bank's strategy to provide digital banking services to its customers in the region.



Maybank Kim Eng sweeps best broker awards

Maybank Kim Eng has been recognized as the best broker in Southeast Asia for the 10th year, receiving the Alpha Southeast Asia 2016 Award.

The award is a testament to the bank's commitment to providing high-quality financial services and innovative solutions to its customers in the region.

Maybank Kim Eng CEO, Kim Eng, expressed his gratitude for the recognition and said the bank will continue to strive for excellence in the years ahead.



September



Maybank partners CGC in RM1.5bil financing deal

Maybank has entered into a RM1.5 billion financing deal with Credit Guarantee Corporation (CGC) to support the growth of small and medium enterprises (SMEs) in Malaysia.

The deal involves the bank providing a guarantee for loans issued by CGC to SMEs, reducing the risk for lenders and encouraging them to lend to these businesses.

Maybank officials said this partnership is a key part of the bank's strategy to support the Malaysian economy and create jobs.

Anykling therapy for autistic children

Maybank has launched a program to provide anykling therapy for autistic children, aiming to improve their social skills and communication.

The program, called "Anykling Therapy for Autistic Children," is a free service provided to children and their families. It involves a series of structured activities designed to help children learn to interact with others.

Maybank officials said the program is a result of the bank's commitment to social responsibility and supporting the needs of the community.



Bank celebrates Raya with underprivileged children

Maybank has celebrated the Raya festival with underprivileged children in the community, providing them with gifts and food.

The bank's staff and volunteers spent time with the children, distributing gifts and providing them with a festive meal. The children expressed their joy and gratitude for the bank's support.

Maybank officials said this activity is part of the bank's commitment to social responsibility and caring for the less fortunate.



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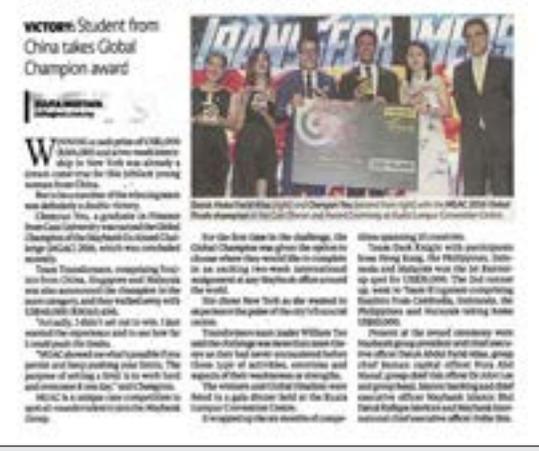


Global team wins MGAC '16

Maybank's global team has won the MGAC '16 award, recognizing their outstanding performance and commitment to excellence.

The award is a testament to the bank's dedication to providing high-quality services to its customers worldwide and its commitment to innovation and growth.

Maybank officials said this achievement is a result of the hard work and dedication of the entire global team.



Maybank Pay 快捷簡易安全

Maybank Pay is a new mobile payment service that allows users to make payments quickly, easily, and securely using their mobile phones.

The service is available in Malaysia and is designed to provide a convenient and safe way for users to make payments at merchants and for online transactions.

Maybank officials said this service is a key part of the bank's strategy to provide digital banking services to its customers.



Alert bank staff foil \$200,000 love scam

Maybank staff have successfully foiled a \$200,000 love scam, preventing a large sum of money from being lost.

The scam involved a woman who was contacted by a man claiming to be a wealthy businessman. He offered her a large sum of money in exchange for her personal information and bank details.

Maybank staff identified the scam and alerted the woman, who reported the matter to the police. The bank's quick response helped to prevent the loss of the money.



Maybank expanding its digital presence across the region

Maybank is expanding its digital presence across the region, offering a wider range of digital banking services to its customers.

The bank is investing in new technologies and platforms to enhance the user experience and provide more convenient and secure digital banking options.

Maybank officials said this expansion is a key part of the bank's strategy to provide digital banking services to its customers in the region.



Maybank Indonesia net profit rises 121%

Maybank Indonesia's net profit has risen by 121% in the first half of 2016, reflecting strong performance and growth.

The increase in profit is attributed to the bank's focus on digital banking services, which has led to higher transaction volumes and improved operational efficiency.

Maybank officials said this performance is a result of the bank's commitment to innovation and providing high-quality services to its customers in Indonesia.



Bersenam bersama anak autisme

Maybank has organized a community activity called "Bersenam bersama anak autisme" (Exercise together with autistic children), promoting social inclusion and support for children with autism.

The activity involved a group of children with autism and their families participating in a fun and interactive exercise session. The children enjoyed the activity and expressed their appreciation for the bank's support.

Maybank officials said this activity is part of the bank's commitment to social responsibility and supporting the needs of the community.



Yayasan Maybank perluas program RiSE ke Labuan

Maybank's Yayasan Maybank has expanded its RiSE (Rampas Insan Sejahtera) program to Labuan, providing support and resources for children with special needs.

The program involves providing financial assistance and other support services to children with special needs and their families. The children have benefited from the program and expressed their gratitude for the bank's support.

Maybank officials said this expansion is a key part of the bank's commitment to social responsibility and supporting the needs of the community.



Maybank expanding its digital presence across the region

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# MAYBANK IN THE NEWS

## October

### Maybank Championship leads to Saigona

The Maybank Championship, a premier golf tournament in Singapore, concluded with a dramatic finish. Saigona emerged as the champion, securing a place in the final of the Asian Tour. The event was held at the scenic Sentosa Golf Club, drawing a large crowd of spectators.

### Maybank New York hosts M'rian students considered 'Maybankers'

Maybank New York recently hosted a group of M'rian students from the Philippines. The students, who are highly motivated and academically excellent, were invited to spend time at the bank's New York office. They were given the opportunity to learn about the bank's operations and culture, and were affectionately referred to as 'Maybankers'.

### Deepavali fun for Pulau Carey kids

Bank treats young guests from nearby families to a festive celebration.



Maybank celebrated the Deepavali festival with a special event for the children of Pulau Carey. The bank's staff and community members joined the kids in a festive celebration, featuring traditional music, dance, and the lighting of oil lamps. The event was a heartwarming occasion for everyone involved.



### Maybank rewards paralympian Josephine Medina

Maybank has officially launched its latest digital offering – the Maybank Samsung Pay mobile wallet facility – as part of its strategy to strengthen its digital presence across the region. The facility allows customers to use their mobile devices to make payments at various merchants, providing a convenient and secure payment method.

### Maybank Launches Samsung Pay Mobile Wallet Facility in Singapore

Maybank has officially launched its latest digital offering – the Maybank Samsung Pay mobile wallet facility – as part of its strategy to strengthen its digital presence across the region. The facility allows customers to use their mobile devices to make payments at various merchants, providing a convenient and secure payment method.

Maybank has been recognized for its excellence in the financial services industry. The bank received several awards for its commitment to innovation, customer service, and social responsibility. The awards were presented at a formal ceremony, highlighting Maybank's achievements and its dedication to excellence.



## November

### Yayasan Maybank lancar program latihan tunan di Indonesia

Yayasan Maybank Indonesia recently launched a training program for visually impaired individuals. The program aims to provide them with the necessary skills and knowledge to become self-sufficient and contribute to society. The training covers various aspects, including basic life skills, vocational training, and entrepreneurship.



### Maybank's crowd-funding plan a first

New online platform to help NGOs raise funds, connect with public and private sector

Maybank has introduced a new crowd-funding platform to support non-governmental organizations (NGOs). This platform allows NGOs to raise funds from the public and private sectors, enabling them to carry out their social and community programs more effectively. The platform is user-friendly and provides a secure environment for transactions.



### Edisi kedua Golf Maybank saji kelainan

The second edition of the Maybank Golf tournament is set to take place. This year's event promises to be an exciting and competitive one, with a strong field of players. The tournament is a key event in the local golf calendar and attracts a large number of spectators.



### Maybank profit rises 3.1% to RM2.46b

Maybank reported a 3.1% increase in profit for the third quarter, reaching RM2.46 billion. This growth is attributed to the bank's strong performance in its core banking and financial services segments. The bank's focus on digital transformation and customer-centric services has contributed to its success.



### Maybank sasar 15,000 pengguna Maybank Wealth

Maybank aims to reach 15,000 users for its Maybank Wealth platform. The platform offers a range of investment and wealth management services, providing customers with a comprehensive solution for their financial needs. The bank is committed to providing high-quality service and support to its wealth management clients.

## December

### Christmas cheer for children

Maybank celebrated Christmas with a special event for children. The bank's staff and community members joined the kids in a festive celebration, featuring traditional music, dance, and the lighting of oil lamps. The event was a heartwarming occasion for everyone involved.

### Maybank menang 4 anugerah NACRA

Maybank has won four NACRA awards for its commitment to excellence in customer service and digital innovation. The awards recognize the bank's efforts in providing a superior customer experience and its leadership in the digital banking space.

### Bank showcases career and development programmes to Cambodian students

Maybank has showcased its career and development programmes to Cambodian students. The bank's staff and community members provided valuable insights into the various opportunities available at the bank, including internships, graduate programmes, and professional development courses.

### Maybank, it's bringing Tagalog expertise to Philippines

Maybank is bringing its Tagalog expertise to the Philippines. The bank's staff and community members are providing valuable insights into the various opportunities available at the bank, including internships, graduate programmes, and professional development courses.

### 'Maybank's capital base provides buffer against asset woes'

Analysts note that Maybank's strong capital base provides a buffer against potential asset quality issues. The bank's prudent risk management and strong financial performance have contributed to its robust capital position.

### WORLD-CLASS DUATHLETES DISPLAY WARES IN CLARK



### MAYBANK, FORTANALIA PHILIPPINES LEAD IN THE SMARTEST CITY AWARDS OF THE COUNTRY

Maybank and Fortanalia Philippines have been recognized as the smartest cities in the country. The awards highlight the bank's commitment to digital innovation and its leadership in the financial services industry.

### Maybank sees surge in customers using contactless payments

Maybank has seen a significant surge in customers using contactless payments. The bank's staff and community members are providing valuable insights into the various opportunities available at the bank, including internships, graduate programmes, and professional development courses.

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## MAYBANK IN THE NEWS

### TV

#### January



Gavin Green enters Maybank Championship Malaysia 2016 (TV1)

#### February



Maybank's FY2015 financial results announcement (TV3)

#### March



Maybank expands Retail SME financing regionally (TV2)

#### April



Maybank Group Head, Global Banking interview session with Bloomberg (Bloomberg TV)

#### May



Maybank's 1Q FY2016 financial results announcement (NTV7)

#### June



Maybank offers e-duit raya facility during the festive season (TV1)

#### July



Maybank launches Malaysia's first mobile wallet (Bernama TV)

#### August



Maybank Islamic Chief Executive Officer interview session with CNBC (CNBC)

#### September



Maybank partners CGC to provide financing to local Small and Medium-sized Enterprises (SME)s (TV3)

#### October



Maybank Indonesia's 3Q FY2016 financial results announcement (TV1)

#### November



The launch of MaybankHeart, first of its kind digital social fundraising platform for NGOs (TV3)

#### December



Maybank Samsung Pay launch in Malaysia (TV1)

# MAYBANK IN SOCIAL MEDIA

## SOCIAL

Maybank continues to connect with its audience on digital media through innovative and engaging content. Maybank ranked number 12 globally in the Power 100 Banks on Social Media in 2016.

### Facebook



Introduction of the new PIN-enabled Maybank Cards with a more secured payment method.



Maybankers from around the world participated in the Maybank Global CR Day 2016.

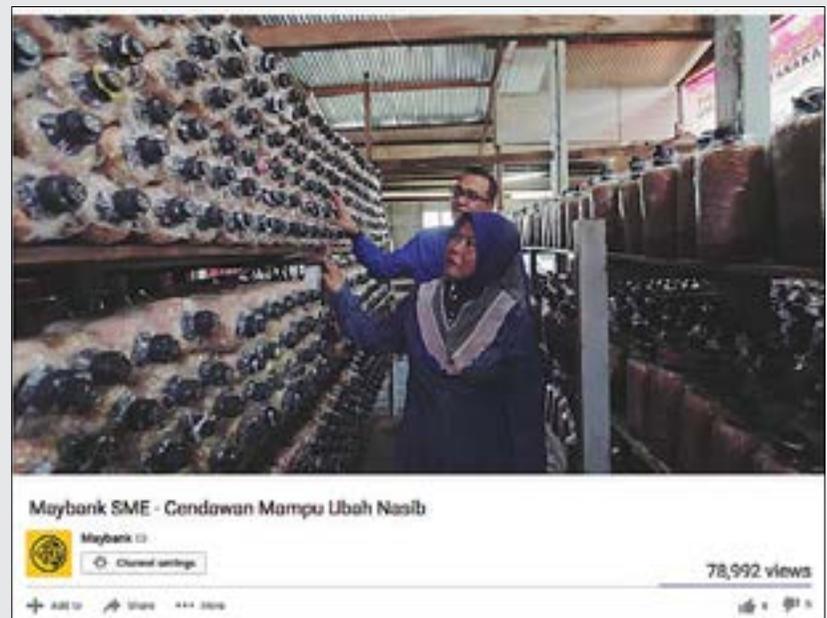


The launch of MaybankHeart, a crowdfunding innovative platform through Facebook LIVE.

### Youtube



Salam & Menang video, an innovation by Maybank2u promoting digital transactions during the festive period.



Maybank's initiative to reach out to customers in the micro financing segment by highlighting real-life experiences of a Maybank client.

## MAYBANK IN SOCIAL MEDIA

### Twitter



Monthly tips and alerts on internet banking security.



Maybankers supporting Hari Sukan Negara through #FitTigers with Minister of Sports, YB Khairy Jamaluddin.



Live updates from the Deepavali celebration at Menara Maybank.

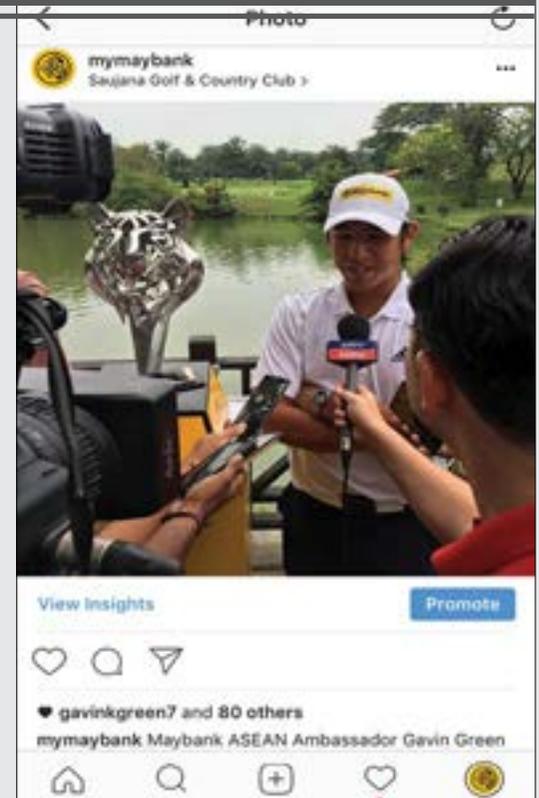
### Instagram



#HumansOfMaybank, a series of individual stories of Maybankers from all backgrounds and walks of life.



Launch of the KataKatha exhibition at Balai Seni Menara Maybank which was officiated by DYMM Sultan Nazrin Muizzuddin Shah. The exhibition organised in collaboration with PUSAKA is an exploration of creative life and regional arts in Southeast Asia.



Interview with Maybank's ASEAN golf ambassador, Gavin Green, at the Maybank Championship 2017 press conference.

## EVENT HIGHLIGHTS 2016

### January



#### 14 JANUARY

Maybank continued its Maybank Fintech for the second year, a programme designed to provide more opportunities for start-ups involved in finance technology (Fintech) from around the world to partner with the bank.



#### 15 JANUARY

Maybank Asset Management held a market outlook session for investment partners and clients to offer insights on the market outlook, economic landscape, challenges and investing opportunities.



#### 21 JANUARY

Maybank introduced its e-Ang Pow service for Chinese New Year, a digitalised money transfer service that enables Maybank2u users to send money to loved ones with a Malaysian mobile number.



#### 28 JANUARY

The Maybank Foundation-Perdana Leadership Foundation writing and photo contest themed 'Empowering Youth for a Better ASEAN' was launched for young Malaysians to express their thoughts in the form of essays or photo-essays.

### February



#### 1 FEBRUARY

Maybank Kim Eng in partnership with Bursa Malaysia hosted an investor roadshow in Hong Kong, Singapore, US and UK. About 80 fund managers, representing USD32.30 trillion in Assets Under Management (AUM) attended this event.



#### 3 FEBRUARY

The Maybank Championship Malaysia trophy was unveiled - a modern sculptural representation of the 'Tiger', Maybank's brand mark and a symbol of the Malaysian national pride.



#### 16 FEBRUARY

Maybank introduced several new services on Maybank2u to further strengthen its leadership in online banking by improving customer convenience and reducing waiting time at branches. The services include opening a current account in real-time, bill presentation on Mobile QuickTouch for Android devices and a transaction-banking site in Bahasa Malaysia.



#### 18 FEBRUARY

Maybank hosted the inaugural Maybank Championship Malaysia event at the Royal Selangor Golf Club. Top golfers from the European Tour and Asian Tour competed for a prize purse of USD3.00 million at this event.



#### 23 FEBRUARY

Maybank organised a special Chinese New Year celebration at Menara Maybank for 66 senior citizens and disabled residents from three welfare organisations. Guests were entertained with traditional music and lion dances, and received festive goodies.



#### 23 FEBRUARY

Maybank Indonesia reported a profit after tax and minority interest (PATAMI) of IDR1.14 trillion for financial year ended 31 December 2015. The Bank's profit before tax also surged 59% from IDR973 billion to IDR1.54 trillion during this period.



#### 23 FEBRUARY

Maybank Kim Eng kicked off its regional Invest ASEAN 2016 conference series in Manila, Philippines. The conference, with the theme 'ASEAN's Next Wave: Building the Infrastructure of Opportunity', attracted 150 attendees, including 20 Philippine corporates with a total market capitalisation of USD75.70 billion as well as 39 local and foreign fund managers with a total of USD134.50 billion in AUM.



#### 24 FEBRUARY

Etiqa launched its 'Socially and Economically Empowered Development' programme, aimed at helping disadvantaged women and youth become financially independent. This programme provides opportunities for employment and teaches entrepreneurial and technical skills that are needed to start or further develop a business.



#### 25 FEBRUARY

Maybank announced that the Group's net profit for FY2015 rose 1.8% to RM6.84 billion from RM6.72 billion a year earlier.



#### 29 FEBRUARY

Etiqa signed a memorandum of understanding with the Police Cooperative Ltd (Koperasi Polis Diraja Malaysia Bhd) and Sterling Insurance Brokers Sdn Bhd to provide registered Malaysian police with privilege cards that provide an array of benefits in addition to medical coverage.

### March



#### 1 MARCH

Maybank Foundation organised a charity art show 'Road to LA 2016' at Balai Seni, Menara Maybank to raise funds for SP Winds, an award-winning wind orchestra from Sekolah Seri Puteri. Funds raised enabled SP Winds to participate in the Los Angeles International Music Festival in California.

## EVENT HIGHLIGHTS 2016

### 3 MARCH

Maybank Philippines' Global Markets team was recognised as one of the Top Five Fixed-Income Brokering Participants by Philippine Dealing System Group during its annual awards event. This is the second year that the Global Markets team received this accolade.

### 5 MARCH

Maybank Cambodia launched its new corporate office, a 10-storey Maybank Tower, in Norodom Boulevard, the main commercial street in Phnom Penh. This building, which houses the bank's operations and its main branch, symbolises the Group's commitment to supporting Cambodia's economic development.

### 5 MARCH

Maybank introduced its Women Eco Weavers Programme in Cambodia, aimed at positively impacting women in that country. Through this programme, Maybank Foundation established a silk weaving training centre to equip women with silk weaving skills, and supported a sericulture programme to help farmers produce high quality Cambodian golden silk.

### 7 MARCH

Maybank Investment Bank and Taiwan-based Cathay Securities Corporation jointly organised Taiwan Corporate Day, to bring Taiwanese companies and regulators from the Taiwan Stock Exchange Corporation to meet with investors in Kuala Lumpur, Singapore and Hong Kong.

### 8 MARCH

Maybank expanded its network in Lao PDR by opening its second branch in the capital, Vientiane. This expansion serves the needs of the local community as well as Maybank's customers across the region by introducing trade and investment links to the country.



### 9 MARCH

Maybank Islamic and the National Press Club organised a media workshop on Islamic finance. The workshop touched on the development of Islamic banking and finance in the country and discussed ways the media can assist in promoting the Islamic banking industry.

### 11 MARCH

Maybank Philippines opened its 80<sup>th</sup> branch in Caloocan City. This makes Maybank the foreign bank with the largest branch network in the Philippines.



### 21 MARCH

Maybank Foundation launched a partnership with WWF-Malaysia to support tiger conservation efforts in the Belum-Temengor rainforest. The Foundation has committed more than RM5.00 million for a four-year project, which will enable WWF-Malaysia to continue its work in increasing tiger density in the area.

### 24 MARCH

Maybank Investment Bank acted as the sole principal advisor, lead arranger and lead manager in Sime Darby Bhd's RM3.00 billion Perpetual Subordinated Sukuk Programme. It is the world's largest perpetual Sukuk issuance by a non-bank, the largest Ringgit perpetual Sukuk issuance to-date, and the first perpetual Sukuk based on the Wakalah principle.



### 31 MARCH

Maybank Philippines held a groundbreaking ceremony for the Maybank Training and Learning Centre, a three-storey training centre equipped with technical facilities, located in Xavier Ecoville in Cagayan de Oro City. Funded by Maybank Foundation, this centre provides training to young people with little or no opportunity to be part of the formal schooling system.

## April

### 8 APRIL

Maybank Cambodia hosted Maybank INVEST 2016, an event to provide customers and the public with a greater understanding on the importance of investing for the future and the investing opportunities that are available domestically and regionally.



### 9 APRIL

Maybank Foundation launched eMpower Youths Across ASEAN, a programme for students at three universities in Singapore to challenge youths to go beyond the typical community service projects. The projects focused on alleviating poverty, creating wealth and improving livelihoods in ASEAN countries.

### 12 APRIL

Maybank Kim Eng in partnership with Bursa Malaysia hosted 'Invest Malaysia 2016', a conference with the theme 'Malaysia: Sustainable at the Core'. A total of 47 global and regional fund managers, with AUM of USD11.10 billion, participated in this event which featured 55 of Malaysia's most investable corporates from different sectors.

### 13 APRIL

Maybank Foundation in collaboration with MERCY Malaysia launched 'Building Resilient Communities', a programme in Karo Regency, in North Sumatera, Indonesia. A sum of RM150,000 was disbursed to benefit 10,000 locals from 10 areas in this regency.



### 14 APRIL

Maybank Kim Eng held its flagship investor conference, Invest ASEAN 2016 in Singapore. The conference attracted over 1000 delegates from 12 countries including 48 ASEAN corporates which represent a total market capitalisation of USD94.50 billion as well as 307 local and foreign fund managers that manage USD21.60 trillion in AUM.

## EVENT HIGHLIGHTS 2016



### 18 APRIL

Maybank opened a branch in Shenzhen, its fifth in Greater China, to leverage on the strong trade and investment flows between ASEAN countries and the region. The branch is located at AVIC Center on the main street of Futian District, the economic and commercial centre of Shenzhen.



### 25 APRIL

Maybank Asset Management Group signed a memorandum of understanding with Japan-based DIAM Co., Ltd, now known as Asset Management One, to collaborate and venture into cross-border distribution of funds in their respective markets and across ASEAN countries.



### 26 APRIL

Maybank Indonesia announced a net profit increase of 73.7% to IDR444.00 billion for the first quarter ended 31 March 2016 from IDR256.00 billion a year earlier.



### 26 APRIL

Maybank Foundation launched the first R.I.S.E training session in Jakarta for 41 participants from Dinas Sosial, a non-government organisation in Indonesia. The R.I.S.E programme, launched in 2014, is an economic empowerment programme, aimed at helping the underprivileged particularly the disabled increase their income.



### 17 MAY

Maybank Kim Eng and Bursa Malaysia jointly organised Invest Malaysia London 2016, an event for the Prime Minister of Malaysia Dato' Sri Najib Razak to meet with 28 fund managers representing 25 global fund management companies. Dato' Seri Najib Razak provided first-hand insights into the government's developmental plans as well as investing opportunities in Malaysia's resilient economy and capital market.



### 20 MAY

Maybank Philippines's annual Yippie Bankers Programme was successful executed in 39 branches. The Yippie Bankers Programme is a five-day immersion experience for children aged 7-12, which teaches them the value of saving at an early age as well as the basics of banking.



### 22 MAY

Maybank Foundation launched its first R.I.S.E training programme in Kota Kinabalu, Sabah. About 30 persons with disabilities attended this three-day entrepreneurship and financial training event.



### 27 MAY

Maybank announced a net profit of RM1.43 billion for the first quarter of 2016 compared with RM1.70 billion in the previous corresponding quarter. The Group had allocated more provisioning for corporate loans in markets affected by a weak operating environment.



### 28 MAY

Maybank Cambodia launched M2U App, a digital banking application that incorporates augmented reality and a QR code reader.

## June



### 2 JUNE

The prestigious Maybank scholarships were given to 50 tertiary students to further their studies at top universities in Malaysia and abroad.



### 4 JUNE

Maybank Islamic donated food supplies to approximately 4,000 underprivileged families, during the month of Ramadhan. This donation took place in 23 mosques across the country.



### 21 JUNE

Maybank launched e-Duit Raya, a service which allows customers to enjoy the convenience of receiving and sending digital 'Duit Raya' to loved ones.

## EVENT HIGHLIGHTS 2016


**21 JUNE**

Maybank announced its participation in a waqf fund in collaboration with the Perak Religious Council via the Waqf Perak Ar-Ridzuan. Half of the total contribution of RM10.00 million will fund construction of a student's hostel for Universiti Islam Sultan Azlan Shah. The remaining amount is allocated to a general cash waqf.


**27 JUNE**

Maybank was appointed joint lead arranger for the first syndicated Shariah-compliant construction financing in New York City totalling USD219.00 million. This is to finance the development of a luxury residential tower located in Manhattan.

July


**17 JULY**

Maybank Foundation partnered with Soroptimist International Damansara to launch Cycling for Cycles 2016, a campaign to raise funds to purchase bicycles for volunteers that treat victims of malaria and raise awareness of this disease in Cambodian villages.


**20 JULY**

Maybank Kim Eng acted as joint lead underwriter for PT Tiga Pilar Sejahtera Food Tbk Indonesia's IDR1.5 trillion Sukuk Ijarah.


**21 JULY**

Maybank launched Malaysia's first mobile wallet known as MaybankPay, a digital service that allows customers to make contactless payments using their handheld devices. With this service, customers do not need their physical credit or debit card to pay for purchases at merchants where contactless payments are accepted.


**21 JULY**

Maybank Kim Eng and the Stock Exchange of Thailand jointly organised an investor roadshow in New York, Boston and San Francisco. During this event, 11 Thai corporates with a combined market capitalisation of USD123.10 billion met with 39 global fund managers with a total AUM of USD6.25 trillion.


**22 JULY**

Maybank Islamic contributed over RM160,000 to Mercy Malaysia. This donation was from its MasterCard Ikhwan Card charity proceeds. A unique feature of this card is a charity contribution of 0.1% by the bank for every transaction made by cardholders.


**26 JULY**

Maybank hosted a 'One Belt, One Road' talk on business opportunities in Malaysia and Indonesia at the Maybank Tower, Singapore. The event provided an in-depth look at the prospects of infrastructure development, opportunities and challenges, related legal frameworks and project financing that the Group can provide.


**27 JULY**

Maybank launched its arts and culture exhibition, 'This World, Out Here – the KataKatha Exhibition' at Balai Seni Maybank in Kuala Lumpur. Officiated by the Sultan of Perak, DYMM Sultan Nazrin Shah, the exhibition is an exploration of creative life in Southeast Asia and a continuation of the KataKatha conversations, a formative regional arts and culture initiative by Maybank Kim Eng, which is supported by Maybank Foundation in collaboration with PUSAKA, a non-profit cultural heritage organisation.


**28 JULY**

Maybank Indonesia announced that its net profit for the first half of the financial year ended 30 June 2016 soared 121.2% to IDR858 billion from IDR388 billion in the previous year.


**29 JULY**

Maybank Foundation launched the Global Tiger Day in collaboration with WWF-Malaysia to increase awareness for tiger protection around the world through a #ThumbsUpForTigers digital campaign.

August


**1 AUGUST**

Maybank Philippines signed a contract with Toll Management Corporation to provide cash management services.


**2 AUGUST**

Maybank Islamic was a strategic partner of the 12<sup>th</sup> World Islamic Economic Forum, themed 'Decentralising Growth, Empowering Future Business' held in Jakarta.


**4 AUGUST**

Around 100 underprivileged children from three welfare homes were invited to participate in Maybank's Corporate Hari Raya celebration. The children received gifts and 'duit raya' from Maybank.

## EVENT HIGHLIGHTS 2016



### 10 AUGUST

Maybank partnered with McDonald's Malaysia to offer cashless payment options. This service enables customers to pay for their meals with their credit card, debit card or MaybankPay mobile wallet at over 140 McDonald's restaurants across the country.



### 24 AUGUST

Maybank Islamic continued to support the 'Sahabat Korporat Tabung Haji' programme by contributing 25,000 trolley bags to Malaysian Hajj pilgrims.



### 24 AUGUST

A 'Power Breakfast' programme was held to provide Maybank customers from the food processing industry in Singapore with the opportunity to network and gain valuable insights from the High Commissioner of Malaysia in the city-state.



### 25 AUGUST

Maybank announced a net profit of RM2.59 billion for the first half of 2016 compared with RM3.28 billion recorded in the previous year. This decline was due to higher provisioning mainly from proactive efforts to reschedule and restructure some of the credit facilities to customers affected by the weaker global economy.



### 26 AUGUST

Maybank partnered with Samsung to introduce the Samsung Pay mobile wallet service in Singapore. With this, customers can use their Samsung mobile phones to make payment from their credit and debit cards at almost every point-of-sale terminal in Singapore.



### 30 AUGUST

Maybank Kim Eng Securities and the Singapore Stock Exchange jointly organised a Singapore Corporate Day in Bangkok. About 26 fund managers with a total AUM of USD144.00 billion met with senior management of 10 Singaporean corporates, with a total market capitalisation of USD22.30 billion, at this event.



### 31 AUGUST

Maybank Foundation and Soroptimist International Damansara presented 139 bicycles to village malaria workers in the Oddar Meanchey Province, and donated RM 60,000 to Soroptimist International Phnom Penh, to support these workers.

## September



### 2 SEPTEMBER

Maybank and Credit Guarantee Corporation Malaysia Bhd entered into a partnership to provide Small and Medium-sized Enterprises (SMEs) with up to RM1.50 billion in financing. This is the largest ever amount allocated to support local SMEs in growing their businesses.



### 5 SEPTEMBER

Maybank Philippines launched the Maybank Synergy Centre located at the ground floor of the Maybank Corporate Centre in Bonifacio Global City, Manila. This centre is a new venue for the arts.



### 14 SEPTEMBER

The third and final instalment of the Invest ASEAN 2016 conference series was held in Jakarta, Indonesia. The conference attracted over 400 delegates from six countries including 27 Indonesian corporates with total market capitalisation of USD144.00 billion, and 93 local and foreign fund managers with USD831.00 billion in AUM.



### 20 AUGUST

Over 18,000 Maybank employees worldwide participated in the seventh Maybank Global Corporate Responsibility Day with the theme 'Enabling Communities with Solutions'. Through various initiatives, Maybank employees positively impacted the environment and/or communities in their respective locations.

## EVENT HIGHLIGHTS 2016



### 24 SEPTEMBER

Maybank Foundation expanded its R.I.S.E. programme to Labuan. This programme provides a structured training and mentoring programme for people with disabilities.



### 24 SEPTEMBER

Maybank Islamic collaborated with Islamic Aid Association Malaysia, to repair boats, provide fishing equipment and food supplies worth more than RM200,000 to 70 fishermen and their families in Kuala Nerang, Kedah. This was the first corporate social initiative by a corporate organisation in that village.

## October



### 4 OCTOBER

Maybank Foundation, through Maybank Philippines, rewarded Philippine athlete Josephine Medina with PHP200,000 in a Maybank savings account. This was in recognition of her achievement in winning a bronze medal in table tennis in the 2016 Summer Paralympics.



### 14 OCTOBER

Maybank Investment Bank served as the principal advisor, sole bookrunner and sole placement agent for Sime Darby Bhd's private placement worth RM2.36 billion. This transaction was the largest equity offering in Malaysia and the third largest primary placement in Malaysian corporate history.



### 17 OCTOBER

Maybank Islamic and the International Shariah Research Academy for Islamic Finance held a book review session for its publication titled 'Historical Roots of Islamic Finance in Malaysia'. This is part of Maybank Islamic's Shariah centre of excellence's initiatives to promote Islamic finance through the sponsoring of publications.



### 20 OCTOBER

Maybank invited approximately 100 underprivileged children from Pulau Carey to a Deepavali celebration held at Menara Maybank. The children were presented with goodie bags and cash gifts.



### 24 OCTOBER

Maybank Indonesia announced a net profit of IDR1.3 trillion for the first nine months of the year, a 118.4% increase from IDR592.2 billion recorded in the previous year.



### 25 OCTOBER

Maybank Kim Eng and the Indonesia Stock Exchange jointly organised an investor roadshow in New York and Boston. This event brought together eight large Indonesian corporates with a combined market capitalisation of USD34.00 billion and 30 global fund managers, representing USD6.80 trillion in AUM.



### 26 OCTOBER

Maybank Kim Eng acted as the joint financial advisor and joint lead underwriter for Sahakol Equipment Plc's THB1.22 billion initial public offering. Sahakol Equipment is the first full-scale mining service provider to list on the Stock Exchange of Thailand.



### 27 OCTOBER

Maybank introduced its first 'DeepaMONEY' online service for the Deepavali festive season - an alternate way to present cash gifts to loved ones via Maybank2u.



### 28 OCTOBER

Maybank Cambodia hosted a wealth management seminar that featured regional financial experts. Maybank Cambodia's bancassurance partner, Manulife Cambodia also shared wealth protection tips at this seminar.

## November



### 1 NOVEMBER

Maybank Islamic Bhd launched an enhanced feature for the Maybank Islamic PETRONAS Ikhwan Visa card-i. This feature offers customers better benefits and makes the card more competitive.



### 2 NOVEMBER

Maybank Foundation launched its Maybank Women Eco Weavers programme in Lombok to support traditional women weavers in becoming financially independent.



### 7 NOVEMBER

Maybank Foundation organised a performance by SP Winds, an orchestra band from Sekolah Seri Puteri, and donated RM10,000 to the orchestra to support its participation in the world championship in Amsterdam in 2017.



### 9 NOVEMBER

Maybank launched MaybankHeart, the first-of-its-kind digital social fundraising platform to enable NGOs to reach out to a wider audience and garner support for their causes.

## EVENT HIGHLIGHTS 2016

**15 NOVEMBER**  
 Maybank Asset Management Group entered into a partnership with Azimut Group, an established European asset management firm, to further develop their respective capabilities across global sukuk markets.

**16 NOVEMBER**  
 Maybank Asset Management held its inaugural institutional investor series event to share expert insights from the company and its global partners. This event was aimed at providing guidance to institutional investors on their asset class strategies in 2017.



**17 NOVEMBER**  
 Maybank Kim Eng hosted Mr. Simon Kirby, Economic Secretary to the UK Treasury, in a dialogue session where he shared insights on the impact and opportunities for investments after Brexit.

**20 NOVEMBER**  
 Maybank was a co-presenter for the Powerman Philippines Asian Invitational held at the SM Mall of Asia. This event featured a short Powerman race participated by approximately 400 duathletes.

**23 NOVEMBER**  
 The Bonifacio Global City Arts Centre in Manila was officially opened. This arts centre comprises three inspired spaces including Maybank Performing Arts Theater, the first stand-alone theatre in central Metro Manila, Philippines.

**25 NOVEMBER**  
 Maybank announced a stronger performance in 3Q FY2016 with a net profit of RM1.80 billion, a 54.8% rise from RM1.16 billion registered in 2Q FY2016 but marginally lower by 5.4% compared with 3Q FY2015.

**25 NOVEMBER**  
 Maybank launched eMpowering Talents @ Cambodia, a programme that is part of the bank's commitment to accelerate development of skilled talents and create a sustainable human capital pipeline for Cambodia's banking industry.

**27 NOVEMBER**  
 Maybank Cambodia launched the 'Water for Life' project in collaboration with the Embassy of Malaysia and the Ministry of Rural Development Cambodia. This is a sustainable initiative that provides access to clean, safe water in rural Cambodia.



**28 NOVEMBER**  
 Maybank Islamic announced its participation as the main sponsor in the National Heart Institute's 'Ride For Your Heart' event, held on 11 December 2016.

### December

**3 DECEMBER**  
 Maybank was the title sponsor of a premier duathlon event in the Philippines. This event is a qualifying race for the Powerman Duathlon World Championship which takes place in Switzerland in 2017. About 650 athletes, including ten professional duathletes from around the world participated in this duathlon.



**6 DECEMBER**  
 Maybank Cambodia, together with Maybank Foundation, in partnership with MoneyTree Asia, launched 'CashVille Kidz', a financial literacy programme via an animated TV series in Cambodia. Endorsed by the National Bank of Cambodia, this programme addresses the need for financial education in schools. This initiative is aligned with Maybank's objective to champion financial literacy among school-going students in ASEAN countries.



**7 DECEMBER**  
 Maybank held a Christmas celebration at Menara Maybank for more than 90 children from three welfare homes in Kuala Lumpur. The children received Christmas goodie bags and cash gifts at this fun-filled event.



**9 DECEMBER**  
 Maybank and Samsung Malaysia Electronics jointly announced the introduction of Samsung Pay in Malaysia with an open beta service exclusively for Maybank cardholders in Malaysia. The service was made available to users with a Maybank debit, credit or prepaid cards.

**16 DECEMBER**  
 Maybank Kim Eng signed an agreement to form a strategic partnership with Daishin Securities, one of South Korea's top tier brokerage firms, to expand its equities footprint in Asia and provide its clients with access to the South Korean stock market.



**21 DECEMBER**  
 Maybank partnered with Western Union to launch the first digital remittance service in Malaysia via the Maybank2u mobile banking app. The mobile app service allows Maybank customers to transfer money to more than 500,000 Western Union® agent locations in over 200 countries.

# AWARDS & RECOGNITION



**National Annual Corporate Report Awards (NACRA) 2016**  
Best Inclusiveness & Diversity Reporting Award – Silver



**World Branding Awards 2016**  
Brand of the Year



**National Annual Corporate Report Awards (NACRA) 2016**  
Overall Excellence Award - Platinum



**Putra Brand of the Year Award 2016**  
No.1 brand in Banking, Investment and Insurance



**National Annual Corporate Report Awards (NACRA) 2016**  
Industry Excellence Award (Finance)



**National Annual Corporate Report Awards (NACRA) 2016**  
Most Outstanding Annual Report of the Year



**National Annual Corporate Report Awards (NACRA) 2016**  
Best Corporate Social Responsibility Reporting Award – Platinum

## GROUP AWARDS

### National Annual Corporate Report Awards (NACRA) 2016

- Overall Excellence Award – Platinum
- Corporate Social Responsibility Reporting Award – Platinum
- Best Inclusiveness & Diversity Reporting Award – Silver
- Industry Excellence Award (Finance)

### World Branding Awards 2016

- Brand of the Year

### Putra Brand of the Year Award 2016

- No.1 brand in Banking, Investment and Insurance

### 8<sup>th</sup> Global CSR Summit & Awards 2016

- Best Community Program category (Silver award)

### Global Finance Awards 2016

- Best Bank in Malaysia
- Best Islamic Financial Institution in Malaysia

### Asia Pacific Loyalty & Engagement Awards 2016

- Maybank Championship Malaysia (MCM) (1 Gold award & 2 Bronze awards)

### 17<sup>th</sup> Asian Banker Summit 2016

- The Best Financial Supply Chain Management in Malaysia (under The Bank-Client Partnership Awards by Country)

### Disaster Recovery Institute's (DRI)

#### Regional Conference and Awards of Excellence 2016

- Best Certified Business Continuity Professional (CBCP) 2016
- Continuity Awareness (Private Sector)

## AWARDS & RECOGNITION

### GROUP HUMAN CAPITAL

#### Human Resources (HR) Excellence Awards 2016

- Excellence in Diversity & Inclusion (Malaysia) – Gold
- Excellence in Talent Management (Malaysia) – Gold
- Excellence in Social Media (Malaysia) – Gold
- Excellence in Employer Branding (Malaysia) – Silver
- Excellence in Recruitment (Malaysia) – Bronze
- Excellence in Graduate Recruitment & Development (Singapore) – Silver

#### Asia Recruitment Awards 2016

- Grand Winner for Best In-House Corporate Recruitment Team (Malaysia)
- Best Employer Brand Development (Malaysia) – Gold
- Best Recruitment Advertising Strategy (Malaysia) – Gold
- Best Candidate Experience (Malaysia) – Silver
- Best Graduate Recruitment Programme (Malaysia) – Silver
- Best Use of Digital Media (Malaysia) – Silver
- Best Regional Recruitment Programme (Malaysia) – Silver
- Best Diversity and Inclusion Strategy (Malaysia) – Bronze
- Best Recruitment Innovation (Malaysia) – Bronze
- Best Use of Digital Media (Singapore) – Gold
- Best Diversity and Inclusion Strategy (Singapore) – Silver
- Best Recruitment Innovation (Singapore) – Bronze
- Best Candidate Experience (Singapore) – Bronze
- Best Candidate Experience (Hong Kong) – Silver

#### GTI Media Malaysia's 100 Leading Graduate Employers

- The Graduate Employer of the Year
- Most Popular Graduate Employer in Banking and Financial Services – Winner
- Gradmalaysia Best Innovation on Campus – Winner
- Gradmalaysia Best Management Trainee/Graduate Programme – Winner

#### TalentCorp's Life@Work Awards

- Platinum Winner
- Honorary Award

#### National Women in Leadership Summit and Exhibition 2016 – Ministry of Women, Family and Community Development, Asian Strategy & Leadership Institute (ASLI) and the National Council of Women's Organisations (NCWO)

- Empowering Women – Workplace Gender Equality Recognition Category
- 'Beacon of Light' (Nora Abd Manaf)

#### National Workers' Day celebration 2016 (Ministry of Human Resources)

- 1Malaysia Best Employers Awards 2016 – Large Company/GLC' Category

### COMMUNITY FINANCIAL SERVICES

#### Private Banker International Wealth Awards 2016

- Outstanding Private Bank for Growth Strategy – Organic (Winner)
- Outstanding Private Bank – Southeast Asia (Highly Commended)
- Outstanding Wealth Management Technology Initiative – Back Office (Highly Commended)
- Outstanding Young Private Banker – Ivy Cheng (Private Wealth Malaysia)
- Outstanding Young Private Banker – Jack Lim (Private Wealth Malaysia)
- Outstanding Young Private Banker – Jenny Chin (Private Wealth Singapore)
- Outstanding Young Private Banker – Yvonne Ho (Private Wealth Singapore)

#### FinanceAsia Country Awards for Achievement 2016

- Best Private Bank in Malaysia

#### Retail Banker International

- Best Loan Offering (Maybank SME Banking)
- Best Initiative in Financial Inclusion (Highly Commended) (Maybank SME Banking)
- Dynamic Third Party Partnerships (Highly Commended) (Maybank SME Banking)

#### Euromoney Magazine Private Banking Survey Awards 2016

- Best Private Banking Services in Malaysia
- No. 1 in Net-worth-specific services – Ultra HNW clients (Greater than USD30 million)
- No. 1 in Net-worth-specific services – HNW clients (USD5 million to USD30 million)

- No. 1 in Net-worth-specific services – Super affluent (USD1 million to USD5 million)
- No. 1 in Commercial Banking Capabilities
- No. 1 in Family Office Services
- No. 1 in Research and Asset Allocation Advice
- No. 1 in Philanthropic Advice
- No. 1 in SRI/Social Impact Investing
- No. 1 in Succession Planning Advice and Trusts
- No. 1 in Innovative Technology – Client Experience
- No. 1 in Innovative Technology – Back Office Systems

#### 2015 Citibank Straight Through Processing (STP) Excellence Award

- MT103 Excellence Award – STP rate 95%
- MT202 Excellence Award – STP rate 97%

#### 2015 J.P. Morgan Quality Recognition Award

- MT 103 Quality Recognition Award – STP rate 95.90%
- MT 202 Quality Recognition Award – STP rate 99.63%

#### 2015 Deutsche Bank USD STP Excellence Award

- MT103 Excellence Award – achieving 96% straight through processing rate

### GLOBAL BANKING

#### Euromoney Award 2016

- Best Investment Bank in Malaysia

#### Alpha Southeast Asia 10<sup>th</sup> Alpha Annual Best Deal & Solution Awards 2016

- Best Ijarah Deal of the Year 2016 in Southeast Asia – Tiga Pilar Sejahtera's IDR1.2 Trillion (USD88 Million) Sukuk Ijarah
- Best Islamic Finance Sukuk Deal of the Year in Southeast Asia – Sarawak Hidro's RM5.54 Billion (USD1.33 Billion) Sukuk Murabahah
- Best Wakalah Deal of the Year in Southeast Asia – Lebuhraya Duke Fasa 3's RM3.64 Billion (USD820 Million) Sukuk Wakalah
- Best Sovereign Bond Deal of the Year 2016 in Southeast Asia – Government Of Malaysia's USD1.5 Billion Global Islamic Sukuk
- Best Deleveraging Deal of the Year 2016 in Southeast Asia – Sime Darby's RM2.2 Billion Perpetual Sukuk Wakalah
- Best M&A House in ASEAN 2016
- Most Improved Bond House In 2016

#### Alpha Southeast Asia 10<sup>th</sup> Annual Best Financial Institution Awards 2016

- Best Broker of the Decade in Southeast Asia (Maybank Kim Eng)
- Best Retail and Institutional Broker of the Decade in Malaysia, Indonesia, Singapore, Thailand, Philippines and Vietnam (Maybank Kim Eng)
- Best Trade Finance Bank (Maybank Transaction Banking)
- Best Cash Management Bank in Malaysia (Maybank Transaction Banking)

#### Asiamoney Domestic Bank Awards 2016

- Best Equity House in Malaysia (Maybank Kim Eng)

#### Asiamoney Brokers Poll 2016

- Best Local Brokerage House in Malaysia (Maybank Kim Eng)
- Best Overall Country Research in Malaysia (Maybank Kim Eng)
- Most Independent Research Brokerage in Malaysia (Maybank Kim Eng)
- Best Overall Sales Service in Malaysia (Maybank Kim Eng)
- Best for Roadshows in Malaysia (Maybank Kim Eng)

#### FinanceAsia Country Awards for Achievement 2016

- Best ECM House in Malaysia (Maybank Kim Eng)
- Best Broker in Malaysia (Maybank Kim Eng)
- Best Broker House in Philippines (Maybank Kim Eng)

#### The Asset Triple A 2016

- Best Brokerage House in Malaysia and Vietnam (Maybank Kim Eng)
- Best Transaction Bank in Malaysia (Maybank Transaction Banking)
- Best Cash Management Bank in Malaysia (Maybank Transaction Banking)
- Best Rights Issue in Malaysia – Hong Leong's RM3 billion Ringgit offering
- Best Bank Capital Bond in Malaysia – Maybank's USD500 million Basel III-compliant Tier 2 bonds

## AWARDS & RECOGNITION

- Best Syndicated Loan in Myanmar – OCK Group Berhad's USD40.2 million syndicated term loan facility
- Best Domestic M&A in Philippines – Century Pacific Group and GIC's acquisition of Shakey's Philippines
- Best Domestic M&A in Singapore – CMA CGM's USD5 billion acquisition of Neptune Orient Lines
- Best Domestic M&A in Thailand – Berli Jucker Pcl's USD6.3 billion acquisition of Big C Supercenter
- Best Syndicated Loan in Vietnam – Vingroup's USD300 million term loan facility

### The Asian Banker 2016

- Best Transaction Bank in Malaysia (Maybank Transaction Banking)
- Best Cash Management Bank in Malaysia (Maybank Transaction Banking)

### Permodalan Nasional Berhad (PNB) Group Quality Initiatives Awards 2016

- Cash Management Customer Sourcing To Execution & Servicing – 1<sup>st</sup> runner up (Maybank Transaction Banking)

### Global Finance

- Malaysia's Best FX provider in 2017 (Maybank Global Markets)

### Asia Asset Management Best of the Best Awards 2016

- Islamic Institutional House of the Year – Winner (Maybank Asset Management)
- Best Islamic Product – Winner (Maybank Asset Management)

## GROUP TECHNOLOGY

### ASEAN Banker 2016

- Leading Practitioners

### PIKOM Chief Information Officer (CIO) Excellence Award 2016

- PIKOM ICT Leadership Award

### iCMG Global Business CIO Award 2016

### iCMG Architecture Excellence Award in Architecture Governance

- Architecture Governance – Enterprise Category

## INSURANCE AND TAKAFUL

### Malaysia Takaful Association 2016

- Best Takaful Provider in General Takaful Business
- Corporate Social Responsibility Special Award

### The Asset Triple 'A' Islamic Finance Awards 2016

- Best Takaful Institution

### World Finance Insurance Awards 2016

- Best General Insurance Company in Malaysia

## ISLAMIC BANKING

### Islamic Business & Finance Awards (CPI Financial Magazine) 2016

- Best Corporate Bank, Malaysia
- Best Retail Bank, Malaysia

### The Asset Triple A Islamic Finance Awards 2016

- Bank of the Year, Asia Pacific
- Bank of the Year, Malaysia
- Bank of the Year, Singapore
- Best Retail Bank, Malaysia
- Best Retail Bank, Singapore
- Best Trade Finance Bank, Malaysia
- Islamic Deal of the Year
- Best Corporate Sukuk
- Best New Sukuk
- Best Deal, Indonesia

### CGC SME Awards 2016

- Best Financial Partner Award
- Top Bumiputera FI Partner Award – contribution towards the financing of Bumiputera SMEs
- Top FI Partner Awards – overall category

### Global Finance Awards 2016

- Best Islamic Financial Institution
- Best Sukuk Bank (Global)
- Best Provider of Shariah – Compliant Short-Term Investments (Global)

### Kuala Lumpur Islamic Finance Forum (KLIFF) Islamic Finance Awards 2016

- The Most Outstanding Islamic Retail Banking

## MAYBANK INDONESIA

### 15<sup>th</sup> Asia Business Leader Award 2016

- Indonesia Business Leader of the Year

### Bisnis Indonesia Banking Award 2016

- The Best Performance Bank
- The Most Efficient Bank for Commercial Bank (BUKU) III category

### CG Conference & Award 2016

- Best CG Financial Sector

### Excellent Service Experience Award (ESE Award) 2016

- Best Regular Banking

### HR Asia Awards 2016

- Best Company to work for in Asia

### Indonesia Banking Awards 2016

- The Best Shariah Business Unit

### Indonesia Digital Innovation Award for Banking 2016

- Digital Innovation for Commercial Bank Based on Business Activity (BUKU) III category

### Sustainability Reporting Award 2016

- Commendation for Best Practice in Micro Financing for Women

## SUSTAINABILITY AWARDS

### Asia Sustainability Reporting Awards 2015

- Winner – Asia's Best Workplace Reporting
- Highly Commended – Asia's Best Online CSR Communication

### ASEAN Corporate Sustainability Summit & Awards (ACSSA) 2016

- Sustainability Strategy – 1<sup>st</sup> Runner up
- Product & Service Innovation – 1<sup>st</sup> Runner up

### FTSE4Good Bursa Malaysia Index 2016

- Maybank is 1 of the constituents

### 2016 Channel NewsAsia Sustainability Ranking

- Top 3 Companies in Malaysia – 2<sup>nd</sup> Place

### MSCI ESG Rating 2016

- Rated A

### MSCI Accounting & Governance Risk (AGR) score 2016

- AGR Rating – Conservative, AGR Score – 99

### Sustainalytics ESG Score 2016

- Overall ESG Score of 68, ranked at 57 out of 396 companies globally

# ANALYSIS OF SHAREHOLDINGS

AS AT 10 FEBRUARY 2017

Issued and Paid-Up Share Capital : 10,193,199,917  
 Class of Shares : Ordinary Share of RM1 each  
 Number of Shareholders : 77,487 shareholders  
 Voting Right : 1 vote per Ordinary Share

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
Less than 100	4,726	6.10	161,573	0.00
100 to 1,000 shares	16,861	21.76	10,942,115	0.11
1,001 to 10,000 shares	41,295	53.29	147,867,053	1.45
10,001 to 100,000 shares	12,690	16.38	339,139,341	3.33
100,001 to less than 5% of issued shares	1,912	2.47	3,951,284,928	38.76
5% and above of issued shares	3	0.00	5,743,804,907	56.35
<b>TOTAL</b>	<b>77,487</b>	<b>100.00</b>	<b>10,193,199,917</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
1.	AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM BUMIPUTERA	3,654,877,208	35.86
2.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD	1,540,648,522	15.11
3.	PERMODALAN NASIONAL BERHAD	658,437,062	6.46

## TOP THIRTY SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
1.	AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM BUMIPUTERA	3,654,877,208	35.86
2.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD	1,430,490,637	14.03
3.	PERMODALAN NASIONAL BERHAD	658,437,062	6.46
4.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	328,282,923	3.22
5.	AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM MALAYSIA	182,417,391	1.79
6.	AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM WAWASAN 2020	176,061,373	1.73
7.	AMANAHRAYA TRUSTEES BERHAD B/O: AS 1MALAYSIA	175,499,516	1.72
8.	VALUECAP SDN BHD	134,177,000	1.32
9.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD B/O: PLEDGED SECURITIES ACCOUNT FOR LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (CBMT3-FELDA)	112,500,000	1.10
10.	CARTABAN NOMINEES (ASING) SDN BHD B/O: EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLTOD67)	94,967,823	0.93
11.	HSBC NOMINEES (ASING) SDN BHD B/O: BBH AND CO BOSTON FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	86,325,688	0.85
12.	CARTABAN NOMINEES (TEMPATAN) SDN BHD B/O: PAMB FOR PRULINK EQUITY FUND	84,187,388	0.83
13.	HSBC NOMINEES (ASING) SDN BHD B/O: EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.S.A.)	74,009,218	0.73
14.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD B/O: GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 1)	67,370,000	0.66
15.	CARTABAN NOMINEES (ASING) SDN BHD B/O: GIC PRIVATE LIMITED FOR GOVERNMENT OF SINGAPORE (C)	53,633,854	0.53
16.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EXEMPT AN FOR AIA BHD.	53,619,119	0.53

## ANALYSIS OF SHAREHOLDINGS

AS AT 10 FEBRUARY 2017

### TOP THIRTY SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS (CONT'D.)

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
17.	AMANAHRAYA TRUSTEES BERHAD B/O: AMANAH SAHAM BUMIPUTERA 2	48,838,948	0.48
18.	LEMBAGA TABUNG ANGKATAN TENTERA	44,260,128	0.43
19.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	43,878,109	0.43
20.	MAYBANK NOMINEES (TEMPATAN) SDN BHD B/O: MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N14011940100)	42,625,712	0.42
21.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD B/O: YAYASAN HASANAH (AUR-VCAM)	32,971,944	0.32
22.	UOB KAY HIAN NOMINEES (ASING) SDN BHD B/O: EXEMPT AN FOR UOB KAY HIAN PTE LTD ( A/C CLIENTS )	32,557,116	0.32
23.	HSBC NOMINEES (ASING) SDN BHD B/O: EXEMPT AN FOR THE BANK OF NEW YORK MELLON (MELLON ACCT)	30,115,015	0.30
24.	LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (FELDA)	30,048,941	0.29
25.	CITIGROUP NOMINEES (ASING) SDN BHD B/O: LEGAL & GENERAL ASSURANCE (PENSIONS MANAGEMENT) LIMITED (A/C 1125250001)	25,670,975	0.25
26.	HSBC NOMINEES (ASING) SDN BHD B/O: HSBC BK PLC FOR SAUDI ARABIAN MONETARY AUTHORITY	25,318,800	0.25
27.	HSBC NOMINEES (ASING) SDN BHD B/O: EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.K.)	25,113,197	0.24
28.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD B/O: EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	24,457,114	0.24
29.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD B/O: GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	24,163,429	0.24
30.	YONG SIEW YOON	20,020,969	0.19
<b>TOTAL</b>		<b>7,816,896,597</b>	<b>76.69</b>

## CLASSIFICATION OF SHAREHOLDERS

AS AT 10 FEBRUARY 2017

Category	No. of Shareholders		No. of Shares Held		% of Issued Shares	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
<b>INDIVIDUAL</b>						
a. Bumiputera	3,051		26,419,078		0.26	
b. Chinese	53,636		422,019,216		4.14	
c. Indian	1,866		13,777,505		0.14	
d. Others	309	2,288	2,286,942	62,648,992	0.02	0.62
<b>BODY CORPORATE</b>						
a. Banks/Finance	85	1	5,519,046,206	5,100	54.14	0.00
b. Investment/Trust	17		15,256,410		0.15	
c. Societies	27		794,608		0.01	
d. Industrial	895	48	121,626,402	18,681,375	1.19	0.18
<b>GOVERNMENT AGENCIES/ INSTITUTION</b>						
	14		79,633,954		0.78	
<b>NOMINEES</b>						
	12,614	2,632	2,345,525,718	1,565,385,714	23.01	15.36
<b>OTHERS</b>						
	4		92,697		0.00	
<b>TOTAL</b>	<b>72,518</b>	<b>4,969</b>	<b>8,546,478,736</b>	<b>1,646,721,181</b>	<b>83.84</b>	<b>16.16</b>

## CHANGES IN SHARE CAPITAL

### ISSUED AND PAID-UP SHARE CAPITAL (PRIOR TO THE EFFECTIVE DATE OF THE COMPANIES ACT, 2016)

Details of changes in the Bank's issued and paid-up share capital since its incorporation are as follows:-

Date of Allotment	No. of Ordinary Shares Allotted	Par Value	Consideration	Resultant Total Issued and Paid-Up Capital
		RM		RM'000
31-05-1960	1,500,000	5.00	Cash	7,500,000
18-05-1961	500,000	5.00	Cash	10,000,000
31-05-1962	1,000,000	5.00	Rights Issue (1:2) at RM7.00 per share	15,000,000
21-08-1968	1,500,000	5.00	Rights Issue (1:2) at RM7.00 per share	22,500,000
04-01-1971	22,500,000	1.00*	Rights Issue (1:1) at RM1.50 per share	45,000,000
06-05-1977	15,000,000	1.00	Capitalisation of Share Premium Account (Bonus Issue 1:3)	60,000,000
23-06-1977	30,000,000	1.00	Rights Issue (1:2) at RM3.00 per share	90,000,000
21-02-1981	30,000,000	1.00	Capitalisation of Share Premium Account (Bonus Issue 1:3)	120,000,000
10-04-1981	60,000,000	1.00	Rights Issue (1:2) at RM4.00 per share	180,000,000
14-11-1984	45,000,000	1.00	Capitalisation of Share Premium Account (Bonus Issue 1:4)	225,000,000
28-12-1984	45,000,000	1.00	Rights Issue (1:4) at RM6.00 per share	270,000,000
31-11-1985	68,249	1.00	Conversion of Unsecured Notes	270,068,249
15-11-1986	9,199,999	1.00	Issued in exchange for purchase of Kota Discount Berhad (Now known as Mayban Discount Berhad)	279,268,248
01-12-1986	10,550	1.00	Conversion of Unsecured Notes	279,278,798
29-07-1987 to 20-10-1987	90,000	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	279,368,798
30-11-1987	11,916	1.00	Conversion of Unsecured Notes	279,380,714
08-06-1988	27,938,071	1.00	Capitalisation of Share Premium Account (Bonus Issue 1:10)	307,318,785
30-11-1988	10,725	1.00	Conversion of Unsecured Notes	307,329,510
16-03-1989 to 21-06-1989	9,198,206	1.00	Exchange for Kwong Yik Bank Berhad ("KYBB") shares	316,527,716
11-07-1989 to 23-11-1989	7,555,900	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	324,083,616
30-11-1989	46,174,316	1.00	Conversion of Unsecured Notes	370,257,932
01-12-1989 to 24-10-1990	4,508,900	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	374,766,832
16-11-1990	187,383,416	1.00	Capitalisation of Share Premium Account (Bonus Issue 1:2)	562,150,248
27-11-1990	11,550	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	562,161,798

## CHANGES IN SHARE CAPITAL

Date of Allotment	No. of Ordinary Shares Allotted	Par Value	Consideration	Resultant Total Issued and Paid-Up Capital
		RM		RM' 000
30-11-1990	280,497	1.00	Conversion of Unsecured Notes	562,442,295
03-01-1991	3,300	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	562,445,595
03-01-1991	188,991,002	1.00	Rights Issue (1:2) at RM5.00 per share	751,436,597
04-01-1991	4,950	1.00	Rights Issue (1:2) upon ESOS at RM5.00 per share	751,441,547
25-01-1991 to 28-11-1991	726,000	1.00	Exercise of Employees' Share Option Scheme ("SOS")	752,167,547
30-11-1991	35,197	1.00	Conversion of Unsecured Notes	752,202,744
11-12-1991 to 20-05-1992	5,566,000	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	757,768,744
30-11-1992 to 30-11-1993	3,153,442	1.00	Conversion of Unsecured Notes	760,922,186
18-01-1994	380,461,093	1.00	Capitalisation of Share Premium Account (Bonus Issue 1:2)	1,141,383,279
29-12-1994	2,030,428	1.00	Conversion of Unsecured Notes	1,143,413,707
19-06-1998	1,143,413,707	1.00	Capitalisation of Share Premium and Retained Profit Account (Bonus Issue 1:1)	2,286,827,414
21-09-1998 to 09-10-2001	72,909,000	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	2,359,736,414
23-10-2001	1,179,868,307	1.00	Capitalisation of Retained Profit Account (Bonus Issue 1:2)	3,539,604,721
25-10-2001 to 05-08-2003	60,567,200	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	3,600,171,921
29-09-2004 to 14-02-2008	304,058,100	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	3,904,230,021
20-02-2008	976,057,505	1.00	Capitalisation of Share Premium Account (Bonus Issue 1:4)	4,880,287,526
27-02-2008 to 30-10-2008	859,625	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	4,881,147,151
27-04-2009	2,196,516,217	1.00	Rights Issue (9:20) at RM2.74 per share	7,077,663,368
29-07-2009 to 26-08-2009	319,400	1.00	Exercise of Employees' Share Option Scheme ("ESOS")	7,077,982,768
20-12-2010	244,257,623	1.00	Dividend Reinvestment Plan ("DRP") at RM7.70 per share	7,322,240,391
12-05-2011	155,965,676	1.00	Dividend Reinvestment Plan ("DRP") at RM7.70 per share	7,478,206,067
05-07-2011 to 09-12-2011	10,000	1.00	Exercise of Employees' Share Scheme ("ESS")	7,478,216,067
28-12-2011	161,221,416	1.00	Dividend Reinvestment Plan ("DRP") at RM7.30 per share	7,639,437,483
10-01-2012 to 26-01-2012	3,600	1.00	Exercise of Employees' Share Scheme ("ESS")	7,639,441,083
26-03-2012 to 09-05-2012	8,100	1.00	Exercise of Employees' Share Scheme ("ESS")	7,639,449,183
04-06-2012	202,854,119	1.00	Dividend Reinvestment Plan ("DRP") at RM8.00 per share	7,842,303,302
28-06-2012 to 08-10-2012	12,233,400	1.00	Exercise of Employees' Share Scheme ("ESS")	7,854,536,702
11-10-2012	412,000,000	1.00	Private Placement	8,266,536,702
16-10-2012 to 22-10-2012	52,400	1.00	Exercise of Employees' Share Scheme ("ESS")	8,266,589,102
25-10-2012	173,144,233	1.00	Dividend Reinvestment Plan ("DRP") at RM8.40 per share	8,439,733,335
30-10-2012 to 28-05-2013	38,147,500	1.00	Exercise of Employees' Share Scheme ("ESS")	8,477,880,835
29-05-2013	201,462,948	1.00	Dividend Reinvestment Plan ("DRP") at RM8.80 per share	8,679,343,783
29-05-2013 to 24-10-2013	47,955,100	1.00	Exercise of Employees' Share Scheme ("ESS")	8,727,298,883
25-10-2013	130,326,898	1.00	Dividend Reinvestment Plan ("DRP") at RM9.20 per share	8,857,625,781
25-10-2013 to 29-05-2014	24,164,342	1.00	Exercise of Employees' Share Scheme ("ESS")	8,881,790,123
30-05-2014	229,810,271	1.00	Dividend Reinvestment Plan ("DRP") at RM8.95 per share	9,111,600,394
02-06-2014 to 27-10-2014	40,406,200	1.00	Exercise of Employees' Share Scheme ("ESS")	9,152,006,594
28-10-2014	165,329,047	1.00	Dividend Reinvestment Plan ("DRP") at RM9.30 per share	9,317,335,641
28-10-2014 to 25-05-2015	12,748,542	1.00	Exercise of Employees' Share Scheme ("ESS")	9,330,084,183
26-05-2015	203,533,085	1.00	Dividend Reinvestment Plan ("DRP") at RM8.70 per share	9,533,617,268
27-05-2015 to 02-11-2015	5,681,100	1.00	Exercise of Employees' Share Scheme ("ESS")	9,539,298,368
12-11-2015	222,451,959	1.00	Dividend Reinvestment Plan ("DRP") at RM7.50 per share	9,761,750,327
13-11-2015 to 06-01-2016	2,500	1.00	Exercise of Employees' Share Scheme ("ESS")	9,761,752,827
07-01-2016 to 12-05-2016	11,859,359	1.00	Exercise of Employees' Share Scheme ("ESS")	9,773,612,186
02-06-2016	235,139,196	1.00	Dividend Reinvestment Plan ("DRP") at RM8.35 per share	10,008,751,382
13-06-2016 to 15-07-2016	76,600	1.00	Exercise of Employees' Share Scheme ("ESS")	10,008,827,982
24-10-2016	184,371,435	1.00	Dividend Reinvestment Plan ("DRP") at RM7.25 per share	10,193,199,417
25-10-2016	500	1.00	Exercise of Employees' Share Scheme ("ESS")	10,193,199,917

\* The par value of the Bank's shares was changed from RM5.00 to RM1.00 on 25 November 1968

## PROPERTIES OWNED BY MAYBANK GROUP

Area	No. Of Properties		Land Area (sq. m.)	Book Value As At 31 Dec 2016 RM'000
	Freehold	Leasehold		
<b>Maybank</b>				
Kuala Lumpur	13	15	50,307.46	186,193
Johor Darul Takzim	32	11	19,147.42	64,581
Kedah Darul Aman	11	5	6,111.83	8,401
Kelantan Darul Naim	1	6	1,993.00	4,441
Melaka	1	4	3,253.00	4,593
Negeri Sembilan Darul Khusus	8	7	21,350.92	7,173
Pahang Darul Makmur	10	15	16,279.00	10,932
Perak Darul Ridzuan	13	12	10,559.85	14,804
Perlis Indera Kayangan	1	3	1,475.00	1,357
Pulau Pinang	22	3	13,211.52	20,738
Sabah	-	20	15,949.18	26,480
Sarawak	9	15	7,039.23	19,713
Selangor Darul Ehsan	25	18	104,852.22	123,055
Terengganu Darul Iman	6	2	4,329.00	3,928
Hong Kong	-	2	193.00	HKD896
London	1	4	1,097.00	GBP3,915
Singapore	10	12	20,668.70	SGD90,010
<b>Aurea Lakra Holdings Sdn Bhd</b>				
(Formerly known as Mayban P.B. Holdings Sdn Bhd)				
Johor Darul Takzim	2	1	1,330.00	2,016
Pahang Darul Makmur	1	2	595.42	848
Perak Darul Ridzuan	1	1	857.74	2,239
Pulau Pinang	1	-	445.93	655
Sabah	-	1	257.62	1,006
Sarawak	-	1	314.00	796
Selangor Darul Ehsan	2	1	1,269.13	2,696
<b>Maybank International (L) Ltd</b>				
W.P. Labuan	-	3	1,089.81	USD170
<b>ETIQA</b>				
Kuala Lumpur	2	4	24,258.47	667,736
Johor Darul Takzim	1	-	286.00	567
Kedah Darul Aman	2	1	1,127.97	1,062
Melaka	-	1	452.00	1,062
Negeri Sembilan Darul Khusus	3	1	1,659.64	2,875
Pahang Darul Makmur	2	1	18,334.57	3,193
Pulau Pinang	1	1	624.00	3,450
Sabah	-	2	443.34	1,963
Selangor Darul Ehsan	1	1	38,927.49	92,389
<b>Maybank Kim Eng</b>				
Singapore	-	2	1,609.50	SGD104,309
USA	1	-	299.33	USD5,292
<b>PT Bank Maybank Indonesia Tbk</b>				
Indonesia	182	-	185,299.74	Rp2,174,800,428

## LIST OF TOP 10 PROPERTIES OWNED BY MAYBANK GROUP

Location	Description	Current Use	Tenure	Remaining Lease Period (Expiry Date)	Age of Building	Land Area (SQ.M.)	Year of Acquisition	Net Book Value (RM'000)
Etiqa Twins No. 11 Jalan Pinang Kuala Lumpur	27-storey Twin Office Buildings	Office & Rented out	Freehold	-	21 years	6,612.00	1994	343,000
50 North Canal Road Singapore	Office Building	Office	Leasehold	91 years (expiring 2106)	5 years	1,283.30	2007	SGD84,778
Maybank Tower 2 Battery Road Singapore	32-storey Office Building	Office	Leasehold 999 years	810 years (expiring 2825)	14 years	1,135.70	1962	SGD60,653
Dataran Maybank No. 1 Jalan Maarof Bangsar	2 blocks of 20 storey and a block of 22 storey Office Buildings	Office & Rented out	Leasehold 99 years	70 years (expiring 3.12.2085)	15 years	9,918.00	2000	119,005
Lot 153 Section 44 Jalan Ampang Kuala Lumpur	Commercial Land	Vacant	Freehold	-	-	3,829.00	2008	109,000
Menara Maybank 100 Jalan Tun Perak Kuala Lumpur	58-storey Office Building	Head office & Rented out	Freehold	-	28 years	35,494.00	1978	104,891
1079, Section 13 Shah Alam	Commercial Land	Vacant	Leasehold 99 years	87 years (expiring 11.3.2102)	-	38,417.00	1994	91,000
Akademi Etiqa 23, Jalan Melaka Kuala Lumpur	25-storey Office Building	Office & Rented out	Leasehold 99 years	50 years (expiring 2065)	20 years	1,960.47	1994	73,100
48 North Canal Road Singapore	Office Building	Office	Leasehold	96 years (expiring 2111)	4 years	326.20	2012	SGD19,532
Lot 379, Section 96 Bangsar, Kuala Lumpur	Commercial Land	Under construction	Leasehold 99 years	69 years (expiring 31.12.2085)	-	4,645.00	1975	55,000

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### TAN SRI DATO' MEGAT ZAHARUDDIN MEGAT MOHD NOR

DPCM, PJN, PSM  
Non-Independent Non-Executive Chairman

#### DATUK ABDUL FARID ALIAS

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

#### DATO' DR TAN TAT WAI

PhD, DMPN  
Independent Non-Executive Director

#### DATO' JOHAN ARIFFIN

DPTJ  
Independent Non-Executive Director

#### DATUK MOHAIYANI SHAMSUDIN

PJN, SSAP  
Independent Non-Executive Director

#### DATUK R. KARUNAKARAN

DSDK, DMSM, KMN, AMN, BKT  
Independent Non-Executive Director

#### CHENG KEE CHECK

Non-Independent Non-Executive Director

#### EDWIN GERUNGAN

Independent Non-Executive Director

#### NOR HIZAM HASHIM

DSM  
Independent Non-Executive Director  
(Appointed with effect from 13 June 2016)

#### DR HASNITA DATO' HASHIM

PhD  
Independent Non-Executive Director  
(Appointed with effect from 1 July 2016)

#### ANTHONY BRENT ELAM

Independent Non-Executive Director  
(Appointed with effect from 15 November 2016)

#### DATIN PADUKA JAMIAH ABDUL HAMID

DSIS, JSM  
Independent Non-Executive Director  
(Appointed with effect from 3 January 2017)

### STEPPED DOWN / CEASED

#### DATO' SERI ISMAIL SHAHUDIN

SPMP  
Independent Non-Executive Vice Chairman  
(Demised on 30 July 2016)

#### TAN SRI DATUK DR HADENAN A. JALIL

PhD, PSM, PNBS, SIMP, DMSM, JMN, KMN, AMN  
Independent Non-Executive Director  
(Retired on 7 April 2016)

### COMPANY SECRETARIES

#### WAN MARZIMIN WAN MUHAMMAD

(LS0009924)  
Group General Counsel & Company Secretary

#### EDLEEN REHANIE ARIFFIN

(LS0009515)  
Joint Company Secretary

### REGISTERED OFFICE

14<sup>th</sup> Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur, Malaysia  
Telephone : (6)03-2070 8833  
: 1300-88-6688 (Local)  
(6)03-7844 3696 (Overseas)  
(Maybank Group Customer Care)  
: (6)03-2074 8075  
(Customer Feedback &  
Resolution Management)

Facsimile : (6)03-2032 4775  
(Group Investor Relations)  
: (6)03-2711 3421  
(Customer Feedback &  
Resolution Management)  
: (6)03-2031 0071  
(Group Corporate Secretarial)  
: 1300-88-8899 (Local)  
(6)03-7845 9858 (Overseas)  
(Maybank Group Customer Care)

SWIFT : MBBEMYKL  
Website : <http://www.maybank.com>  
E-Mail : [corporateaffairs@maybank.com.my](mailto:corporateaffairs@maybank.com.my)  
: [cfr@maybank.com](mailto:cfr@maybank.com)

### SHARE REGISTRAR

#### MALAYAN BANKING BERHAD

14<sup>th</sup> Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur, Malaysia  
Tel : (6)03-2074 7822  
Fax : (6)03-2072 0079

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad  
(Listed since 17 February 1962)

### EXTERNAL AUDITORS

#### Ernst & Young (AF: 0039)

Chartered Accountants  
Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur, Malaysia  
Tel : (6)03-7495 8000  
Fax : (6)03-2095 9076/78

### AGM HELPDESK

Tel : (6)03-2783 9299  
(Tricor Investor & Issuing House Services  
Sdn Bhd)

# GROUP DIRECTORY

## COMMERCIAL BANKING

### MALAYSIA

#### MALAYAN BANKING BERHAD

14<sup>th</sup> Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur  
Tel : +603 2070 8833  
Fax : +603 2031 0071  
Website : www.maybank.com  
Email : corporateaffairs@maybank.com.my

#### MAYBANK ISLAMIC BERHAD

Level 10, Tower A  
Dataran Maybank  
No. 1, Jalan Maarof  
59000 Kuala Lumpur  
Tel : +603 2297 2001  
Fax : +603 2297 2002  
Website : www.maybankislamic.com.my  
Email : mgcc@maybank.com

#### MAYBANK INTERNATIONAL LABUAN BRANCH

Level 16 (B), Main Office Tower  
Financial Park Labuan  
Jalan Merdeka  
87000 Wilayah Persekutuan Labuan  
Tel : +6087 414 406  
Fax : +6087 414 806  
Website : www.maybank.com

### SINGAPORE

#### MALAYAN BANKING BERHAD SINGAPORE BRANCH

Maybank Tower  
2 Battery Road  
Singapore 049907  
Tel : 1800 629 2265 / +65 6533 5229 (Overseas)  
Website : www.maybank2u.com.sg  
Email : cs@maybank.com.sg

### INDONESIA

#### PT BANK MAYBANK INDONESIA TBK.

Gedung Sentral Senayan 3, 26<sup>th</sup> Floor  
Jl. Asia Afrika No. 8  
Senayan Gelora Bung Karno  
Jakarta 10270  
Indonesia  
Tel : +62 21 2922 8888  
Fax : +62 21 2922 8914  
Website : www.maybank.co.id  
Email : customercare@maybank.co.id

#### P.T. BANK MAYBANK SYARIAH INDONESIA

17<sup>th</sup> Floor Sona Topas Tower  
Jalan Jenderal Sudirman KAV 26  
12920 Jakarta  
Indonesia  
Tel : +62 21 250 6446  
Fax : +62 21 250 6445  
Website : www.maybanksyariah.co.id

### OTHER INTERNATIONAL OFFICES

#### MAYBANK PHILIPPINES INCORPORATED

Maybank Corporate Center,  
7<sup>th</sup> Avenue Corner 28<sup>th</sup> Street  
Bonifacio High Street Central, Bonifacio Global City,  
Taguig City, 1634  
Philippines  
Tel : +632 588 3777  
Fax : +632 808 2669  
Website : www.maybank.com.ph

#### MALAYAN BANKING BERHAD HONG KONG BRANCH

18/F, CITIC Tower  
1 Tim Mei Avenue  
Central  
Hong Kong  
Tel : +852 3518 8888  
Fax : +852 3518 8889

#### MALAYAN BANKING BERHAD BEIJING BRANCH

32<sup>nd</sup> Floor  
China World Tower  
No. 1, Jianguomenwai Avenue  
Beijing 100004  
China  
Tel : +86 108 535 1855  
Fax : +86 108 535 1825

#### MALAYAN BANKING BERHAD KUNMING BRANCH

Unit 3-4, 23<sup>rd</sup> Floor, The Master  
No. 1, Chongren Street  
Kunming 650021  
Yunnan, China  
Tel : +86 871 6360 5300  
Fax : +86 871 6366 2061

#### MALAYAN BANKING BERHAD SHANGHAI BRANCH

Room 03-04, 6<sup>th</sup> Floor  
Oriental Financial Center  
No. 333 Lujiazui Ring Road  
Pudong New District  
Shanghai 200120  
China  
Tel : +86 21 6028 7688  
Fax : +86 21 6886 1032 / 0132

#### MALAYAN BANKING BERHAD SHENZHEN BRANCH

Unit 01, 07-08, 37/F, AVIC Center  
No. 1018 Huafu Road  
Futian District, Shenzhen  
Guangdong, P.R.C  
Tel : +86 755 8326 3300  
Fax : +86 755 8325 7509

#### MAYBANK (CAMBODIA) PLC.

Maybank Tower  
No. 43 Preah Norodom Boulevard  
Sangkat Phsar Thmey 3,  
Khan Daun Penh, Phnom Penh  
Kingdom of Cambodia  
Tel : +855 2321 0123/255  
Fax : +855 2321 0099  
Website : www.maybank2u.com.kh

#### MALAYAN BANKING BERHAD MAYBANK VIENTIANE LAO PDR BRANCH

Lot 43, 45 47 Lane Xang Avenue  
Hatsady Village, Chantabouly District  
PO Box 1663 Vientiane, Lao PDR  
Tel : +856 2126 3100 / 263101  
Fax : +856 2126 3113

#### MALAYAN BANKING BERHAD YANGON BRANCH

7<sup>th</sup> Floor Centrepoint Towers  
No. 65 Corner of Sule Pagoda Road & Merchant  
St Kyauktada Township  
Yangon, Union of Myanmar  
Tel : +95 137 7526 / +95 1 377 173  
Fax : +95 137 7527

## GROUP DIRECTORY

### MALAYAN BANKING BERHAD HO CHI MINH CITY BRANCH

Sun Wah Tower  
9<sup>th</sup> Floor, 115 Nguyen Hue Street  
District 1 - Ho Chi Minh City  
Vietnam  
Tel : +84 83 827 8188

### MALAYAN BANKING BERHAD HANOI BRANCH

Suite 909, Floor 9  
Corner Stone Building  
16 Phan Chu Trinh Street  
Hoan Kiem District  
Hanoi, Vietnam  
Tel : +84 83 934 5042 / 934 5041

### MALAYAN BANKING BERHAD LONDON BRANCH

Ground & Part 1<sup>st</sup> Floor  
77 Queen Victoria Street  
London EC4VAY  
Tel : +44 20 7638 0561  
Fax : +44 20 7638 9329

### MALAYAN BANKING BERHAD NEW YORK BRANCH

11<sup>th</sup> Floor, 400 Park Avenue  
New York, NY 10022  
United States of America  
Tel : +1 212 303 1300  
Fax : +1 212 308 0109

### MALAYAN BANKING BERHAD BAHRAIN BRANCH

8<sup>th</sup> Floor, Al Jasrah Tower  
Diplomatic Area  
P.O. Box 10470  
Manama  
Kingdom of Bahrain  
Tel : +973 17 535 733  
Fax : +973 17 533 895

### MALAYAN BANKING BERHAD BANDAR SERI BEGAWAN BRANCH

Unit 5-8, Simpang 22, Jalan Dato Ratna  
Kiarong Sentral, Kg Kiarong BE1318  
Negara Brunei Darussalam  
Tel : +673 2 242494 / 242495 / 242496  
Fax : +673 2 225404

## INVESTMENT BANKING

### MAYBANK INVESTMENT BANK BERHAD

32<sup>nd</sup> Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur  
Tel : +603 2059 1888  
Fax : +603 2078 4217  
Website : www.maybank-ib.com

### BINAFIKIR SDN BHD

32<sup>nd</sup> Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur  
Tel : +603 2059 1888  
Fax : +603 2078 4217

### MAYBANK KIM ENG HOLDINGS LIMITED MAYBANK KIM ENG SECURITIES PTE. LTD.

50, North Canal Road  
Singapore 059304  
Tel : +65 6231 5000  
Helpdesk Tel: +65 6432 1888  
Website : www.maybank-ke.com

### MAYBANK KIM ENG SECURITIES (THAILAND) PUBLIC COMPANY LIMITED

999/9 The Offices at Central World  
20<sup>th</sup> - 21<sup>st</sup> Floor Rama 1 Road Pathumwan  
Bangkok, 10330 Thailand  
Tel : +66 2 658 6300  
Fax : +66 2 658 6301  
Website : www.maybank-ke.co.th

### MAYBANK ATR KIM ENG CAPITAL PARTNERS, INC MAYBANK ATR KIM ENG SECURITIES, INC

17<sup>th</sup> Floor, Tower One & Exchange Plaza  
Ayala Avenue, Ayala Triangle  
Makati City, Philippines  
Tel : +632 849 8988 / 849 8888  
Fax : +632 848 5640  
Website : www.maybank-atrke.com

### PT. MAYBANK KIM ENG SECURITIES

Plaza Bapindo-Citibank Tower  
17<sup>th</sup> Floor Jalan Jenderal Sudirman Kav 54-55  
Jakarta 12190 Indonesia  
Tel : +62 21 2557 1188  
Fax : +62 21 2557 1189  
Website : www.maybank-ke.co.id

### KIM ENG SECURITIES (HONG KONG) LIMITED

Level 30, Three Pacific Place  
1 Queen's Road East  
Hong Kong  
Tel : +852 2268 0800  
Fax : +852 2845 3772  
Website : www.kimeng.com.hk

### KIM ENG INVESTMENT LIMITED SHANGHAI (REPRESENTATIVE OFFICE)

New Shanghai International Building  
360 Pudong South Road, Pudong District  
Shanghai, People's Republic of China  
Tel : +86 21 5096 8366  
Fax : +86 21 5096 8311

### KIM ENG SECURITIES INDIA PRIVATE LIMITED

2<sup>nd</sup> Floor, The International 16  
Maharishi Karve Marg  
Churchgate  
Mumbai 400 020  
India  
Tel : +91 22 6623 2600  
Fax : +91 22 6623 2604

### MAYBANK KIM ENG SECURITIES LIMITED

Floor 4A-15+16  
Vincom Center Dong Khoi  
72 Le Thanh Ton Street  
Ben Nghe Ward, District 1  
Ho Chi Minh City  
Vietnam  
Tel : +84 8 4455 5888  
Fax : +84 8 3827 1030

### MAYBANK KIM ENG SECURITIES (LONDON) LTD

5<sup>th</sup> Floor, Aldermay House  
10-15 Queen Street  
London EC4N 1TX, United Kingdom  
Tel : +44 20 7332 0221  
Fax : +44 20 7332 0302

### MAYBANK KIM ENG SECURITIES USA, INC.

777 Third Avenue 21<sup>st</sup> Floor  
New York NY 10017, USA  
Tel : +212 688 8886  
Fax : +212 688 3500

### ANFAAL CAPITAL

1<sup>st</sup> Floor, Aster Center  
Prince Mohammed bin Abdulaziz Street. (Tahlia St.)  
PO Box 126575  
Jeddah 21352  
Kingdom of Saudi Arabia  
Tel : +966 12 606 8686  
Fax : +966 12 606 8787

## GROUP DIRECTORY

### INSURANCE & TAKAFUL

#### MAYBANK AGEAS HOLDINGS BERHAD

Level 19, Tower C  
 Dataran Maybank  
 No. 1, Jalan Maarof  
 59000 Kuala Lumpur  
 Tel : +603 2297 3888  
 Fax : +603 2297 3800  
 Website : www.etiqa.com.my  
 Email : info@etiqa.com.my

#### ETIQA INSURANCE BERHAD

#### ETIQA TAKAFUL BERHAD

Level 19, Tower C  
 Dataran Maybank  
 No. 1, Jalan Maarof  
 59000 Kuala Lumpur  
 Tel : +603 2297 3888  
 Fax : +603 2297 3800  
 Website : www.etiqa.com.my  
 Email : info@etiqa.com.my

#### ETIQA LIFE INTERNATIONAL (L) LTD

#### ETIQA OFFSHORE INSURANCE (L) LTD

Brumby Centre, Lot 42  
 Jalan Muhibbah  
 87000 Labuan F.T.  
 Tel : +6087 582 588 / +6087 417 672  
 Fax : +6087 583 588 / +6087 452 333  
 Website : www.etiqa.com.my  
 Email : info@etiqa.com.my

#### ETIQA INSURANCE PTE. LTD.

One Raffles Quay  
 #22-01 North Tower  
 Singapore 048583  
 Tel : +65 6336 0477  
 Fax : +65 6339 2109  
 Website : www.etiqa.com.sg  
 Email : customer.service@etiqa.com.sg

### ASSET MANAGEMENT

#### MAYBANK ASSET MANAGEMENT GROUP BERHAD

5<sup>th</sup> Floor, Tower A  
 Dataran Maybank  
 No 1, Jalan Maarof  
 59000 Kuala Lumpur  
 Tel : +603 2297 7833  
 Fax : +603 2297 7997  
 Website : www.maybank-am.com

#### MAYBANK ASSET MANAGEMENT SDN BHD

5<sup>th</sup> Floor, Tower A  
 Dataran Maybank  
 No. 1, Jalan Maarof  
 59000 Kuala Lumpur  
 Tel : +603 2297 7836  
 Fax : +603 2715 0071  
 Website : www.maybank-am.com

#### MAYBANK ISLAMIC ASSET MANAGEMENT SDN BHD

5<sup>th</sup> Floor, Tower A  
 Dataran Maybank  
 No. 1, Jalan Maarof  
 59000 Kuala Lumpur  
 Tel : +603 2297 7872  
 Fax : +603 2297 7998  
 Website : www.maybank-am.com

#### MAYBANK PRIVATE EQUITY SDN BHD

5<sup>th</sup> Floor, Tower A  
 Dataran Maybank  
 No. 1, Jalan Maarof  
 59000 Kuala Lumpur  
 Tel : +603 2297 7887  
 Fax : +603 2297 7878  
 Website : www.maybank-am.com

#### MAYBANK ASSET MANAGEMENT SINGAPORE PTE LTD

9 Temasek Boulevard  
 #13-00 Suntec Tower Two  
 Singapore 038989  
 Tel : +65 6432 1488  
 Fax : +65 6339 1003  
 Website : www.maybank-am.com.sg

#### PT. MAYBANK ASSET MANAGEMENT

Sentral Senayan 3, Mezzanine Floor  
 Jl. Asia Afrika No. 8, Gelora Bung Karno  
 Jakarta 10270  
 Indonesia  
 Tel : +62 21 8065 7700  
 Fax : +62 21 8065 7702  
 Website : www.maybank-am.co.id

### OTHERS

#### MAYBANK TRUSTEES BERHAD

8<sup>th</sup> Floor, Menara Maybank  
 100, Jalan Tun Perak  
 50050 Kuala Lumpur  
 Tel : +603 2078 8363  
 Fax : +603 2070 9387  
 Website : www.maybank.com  
 Email : securitiesservices@maybank.com.my

#### MAYBANK (NOMINEES) SENDIRIAN BERHAD MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK NOMINEES (ASING) SDN BHD

8<sup>th</sup> Floor, Menara Maybank  
 100, Jalan Tun Perak  
 50050 Kuala Lumpur  
 Tel : +603 2070 8833 / +603 2074 7811  
 Fax : +603 2032 1505

#### MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD.

#### MAYBANK SECURITIES NOMINEES (ASING) SDN. BHD.

Level 5, Tower C  
 Dataran Maybank  
 No. 1, Jalan Maarof  
 59000 Kuala Lumpur  
 Tel : +603 2297 8888  
 Fax : +603 2710 2575

## NOTICE OF THE 57<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 57<sup>th</sup> Annual General Meeting (AGM) of Malayan Banking Berhad (Maybank/the Company) will be held at the Grand Ballroom, Level 1, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Thursday, 6<sup>th</sup> April 2017 at 10.00 a.m. to transact the following businesses:-

### AS ORDINARY BUSINESSES:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and Auditors thereon.  
**(Ordinary Resolution 1)**
2. To approve the payment of a final single-tier dividend of 32 sen per ordinary share in respect of the financial year ended 31 December 2016.  
**(Ordinary Resolution 2)**
3. To re-elect the following Directors, each of whom retires by rotation in accordance with Articles 96 and 97 of the Company's Articles of Association and being eligible, offers himself for re-election:-
  - i) Datuk Abdul Farid bin Alias **(Ordinary Resolution 3)**
  - ii) Datuk R. Karunakaran **(Ordinary Resolution 4)**
  - iii) Mr Cheng Kee Check **(Ordinary Resolution 5)**
4. To re-elect the following Directors, each of whom retires in accordance with Article 100 of the Company's Articles of Association and being eligible, offers himself/herself for re-election:-
  - i) Encik Nor Hizam bin Hashim **(Ordinary Resolution 6)**
  - ii) Dr Hasnita binti Dato' Hashim **(Ordinary Resolution 7)**
  - iii) Mr Anthony Brent Elam **(Ordinary Resolution 8)**
  - iv) Datin Paduka Jamiah binti Abdul Hamid **(Ordinary Resolution 9)**
5. To approve the following payment of Non-Executive Directors' fees from the 57<sup>th</sup> AGM to the 58<sup>th</sup> AGM of the Company:-
  - (i) Chairman's fee of RM610,000 per annum;
  - (ii) Vice Chairman's fee of RM440,000 per annum;
  - (iii) Director's fee of RM295,000 per annum for each Non-Executive Director;
  - (iv) Board Committee Chairman's fee of RM45,000 per annum for the Chairman of each Board Committee; and
  - (v) Board Committee Member's fee of RM30,000 per annum for each member of a Board Committee.**(Ordinary Resolution 10)**
6. To approve an amount of up to RM1,650,000 as benefits payable to the Non-Executive Directors from 31 January 2017 to the 58<sup>th</sup> AGM of the Company.  
**(Ordinary Resolution 11)**
7. To re-appoint Messrs Ernst & Young as Auditors of the Company for the financial year ending 31 December 2017 and to authorise the Directors to fix their remuneration.  
**(Ordinary Resolution 12)**

### AS SPECIAL BUSINESSES:

To consider, and if thought fit, to pass the following Resolutions:-

8. **AUTHORITY TO DIRECTORS TO ISSUE SHARES**  
"THAT subject always to the Companies Act, 2016, the Company's Articles of Association, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia) and approval of the relevant government/regulatory authorities, the Directors be and are hereby authorised pursuant to Section 75

of the Companies Act, 2016, to allot shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be allotted pursuant to the said allotment does not exceed ten percent (10%) of the total issued share capital of the Company as at the date of such allotment and that the Directors be and are hereby authorised to obtain all necessary approvals from the relevant authorities for the allotment and listing and quotation of the additional shares so allotted on Bursa Malaysia and that such authority to allot shares shall continue to be in force until the conclusion of the next annual general meeting of the Company."

**(Ordinary Resolution 13)**

9. **ALLOTMENT AND ISSUANCE OF NEW ORDINARY SHARES IN MAYBANK ("MAYBANK SHARES") IN RELATION TO THE RECURRENT AND OPTIONAL DIVIDEND REINVESTMENT PLAN THAT ALLOWS SHAREHOLDERS OF MAYBANK ("SHAREHOLDERS") TO REINVEST THEIR DIVIDEND TO WHICH THE DIVIDEND REINVESTMENT PLAN APPLIES, IN NEW MAYBANK SHARES ("DIVIDEND REINVESTMENT PLAN")**

"THAT pursuant to the Dividend Reinvestment Plan as approved by the Shareholders at the Extraordinary General Meeting held on 14 May 2010, approval be and is hereby given to the Company to allot and issue such number of new Maybank Shares for the Dividend Reinvestment Plan upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new Maybank Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price ("VWAMP") of Maybank Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price and that such authority to allot and issue shares shall continue to be in force until the conclusion of the next annual general meeting of the Company;

AND THAT the Directors and the Secretary of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Plan with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments or at the discretion of the Directors in the best interest of the Company."

**(Ordinary Resolution 14)**

10. To transact any other business of the Company for which due notice shall have been received in accordance with the Companies Act, 2016.

### BY ORDER OF THE BOARD

**WAN MARZIMIN WAN MUHAMMAD** (LS0009924)

**EDLEEN REHANIE ARIFFIN** (LS0009515)

Company Secretaries

Kuala Lumpur

15 March 2017

## NOTICE OF THE 57<sup>TH</sup> ANNUAL GENERAL MEETING

### NOTES:

1. A member entitled to attend, speak and vote at the AGM is entitled to appoint proxy(ies) to attend, speak and vote in his stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of a proxy.
2. (i) A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Authorised Nominee") may appoint at least one proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.  
  
(ii) Notwithstanding the above, an exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
3. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his shareholding to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, under its common seal or in some other manner approved by its directors.
5. The duly completed instrument appointing a proxy must be deposited at the office of the appointed share registrar for this AGM, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia no later than Wednesday, 5 April 2017 at 10.00 a.m.
6. For an instrument appointing a proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.
7. For the purpose of determining a member who shall be entitled to attend the AGM in accordance with Article 55(1) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 31 March 2017. Only a member whose name appears on the Record of Depositors as at 31 March 2017 shall be eligible to attend the AGM or appoint proxy(ies) to attend and vote on his/her behalf.
8. **Explanatory notes on Ordinary Businesses:-**
  - (i) **Ordinary Resolution 2 – Payment of Final Single-Tier Dividend**  
The proposed final single-tier dividend as per Ordinary Resolution 2 consists of a cash portion of 10 sen per ordinary share and an electable portion of 22 sen per ordinary share. The electable portion can be elected to be reinvested into new ordinary shares in Maybank in accordance with the Dividend Reinvestment Plan as disclosed in Note 32 of the Audited Financial Statements for the financial year ended 31 December 2016.  
  
Pursuant to Section 8.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the final single-tier dividend, if approved, shall be paid not later than three (3) months from the date of the shareholders' approval. The Book Closure Date will be announced by the Company after the AGM.
  - (ii) **Ordinary Resolutions 4, 6, 7, 8, and 9 - Assessment of Independence of Independent Directors**  
The independence of Datuk R. Karunakaran, En Nor Hizam bin Hashim, Dr Hasnita binti Dato' Hashim, Mr Anthony Brent Elam and Datin Paduka Jamiah binti Abdul Hamid all of whom have served as Independent Non-Executive Directors of the Company has been assessed by the Nomination and Remuneration Committee and affirmed by the Board.
  - (iii) **Ordinary Resolution 10 – Payment of Non-Executive Directors' Fees**  
The proposed fees to be paid to Non-Executive Directors from this AGM to the next AGM of the Company are based on the following fee structure approved by the shareholders at the previous AGMs:-

	Annual Fee (RM)	Date of Shareholders' Approval
Board		
- Chairman	610,000	Approved at the 55 <sup>th</sup> AGM held on 7 April 2015
- Vice-Chairman	440,000	
- Member	295,000	
Board Committee		
- Chairman	45,000	Approved at the 51 <sup>st</sup> AGM held on 29 September 2011
- Member	30,000	

Based on the annual review of the Directors remuneration conducted by the Nomination and Remuneration Committee, no changes to the fee structure have been proposed. Therefore, the proposed fees payable to the Non-Executive Directors from the 57<sup>th</sup> AGM to the 58<sup>th</sup> AGM of the Company to be approved by the shareholders at this AGM shall remain unchanged.

(iv) **Ordinary Resolution 11 – Benefits Payable to Non-Executive Directors**

The benefits comprise allowances, benefits in kind and other emoluments payable to the Non-Executive Directors, details of which are as follows:

- (a) Meeting Allowance
  - Board Members - RM1,500 per meeting
  - Board Committee Members – RM1,000 per meeting
- (b) Duty Allowance
  - Chairman of the Board - RM40,000 per month
- (c) Company Car and Driver
  - Chairman of the Board – RM22,700 per annum
  - Vice-Chairman of the Board – RM22,700 per annum (based on maximum taxable rate)
- (d) Other Claimable Benefits
  - Golf club membership, business travel and accommodation, leave passage for the Chairman of the Board and other claimable benefits

9. **Explanatory notes on Special Businesses:-**

(i) **Ordinary Resolution 13 - Authority to Directors to Issue Shares**

The Company has not issued any new shares under the general mandate for allotment of shares pursuant to Section 132D of the Companies Act, 1965 which was approved at the 56<sup>th</sup> AGM held on 7 April 2016 and will lapse at the conclusion of the 57<sup>th</sup> AGM to be held on 6 April 2017.

The proposed Ordinary Resolution 13 is a general mandate to be obtained from the shareholders of the Company at this AGM and, if passed, will empower the Directors pursuant to Section 75 of the Companies Act, 2016 to allot ordinary shares in the share capital of the Company of up to an aggregate amount not exceeding ten percent (10%) of the issued share capital of the Company as at the date of such allotment of shares without having to convene a general meeting. This general mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next annual general meeting of the Company.

The general mandate from shareholders is to provide the Company flexibility to undertake any share issuance during the financial year without having to convene a general meeting. The rationale for this proposed mandate is to allow for possible share issue and/or fund raising exercises including placement of shares for the purpose of funding current and/or future investment projects, working capital and/or acquisitions as well as in the event of any strategic opportunities involving equity deals which may require the Company to allot and issue new shares on an urgent basis and thereby reducing administrative time and costs associated with the convening of additional shareholders meeting(s). In any event, the exercise of the mandate is only to be undertaken if the Board considers it to be in the best interest of the Company.

(ii) **Ordinary Resolution 14 – Dividend Reinvestment Plan**

This proposed Ordinary Resolution 14 if passed, will give authority to the Directors to allot and issue shares pursuant to the Dividend Reinvestment Plan in respect of dividends declared in this AGM and subsequently, and such authority shall expire at the conclusion of the next annual general meeting of the Company.

# STATEMENT ACCOMPANYING NOTICE OF THE 57<sup>TH</sup> ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

## 1. **Directors who are standing for re-election at the 57<sup>th</sup> AGM**

The details of the Directors who are standing for re-election at the 57<sup>th</sup> AGM are provided in the “Board of Directors’ Profiles” set out on pages 106 to 114 of this Annual Report. Details of their interests in the securities of Maybank are set out in the Directors’ Report on pages 20 to 27 of the Financial Statements Book of the Annual Report 2016.

## 2. **Ordinary Resolutions on Authority to Issue and Allot Shares**

Details on the authority to issue and allot shares in the Company pursuant to Section 75 of the Companies Act, 2016 are provided under the explanatory notes on special businesses in the Notice of the 57<sup>th</sup> AGM set out on page 216 of this Annual Report.

## FINANCIAL CALENDAR

**25 FEBRUARY 2016**

Announcement of the audited results of Maybank and the Group and announcement of the final dividend for financial year ended 31 December 2015

**14 MARCH 2016**

Notice of the 56<sup>th</sup> Annual General Meeting and issuance of annual report for the financial year ended 31 December 2015

**7 APRIL 2016**

56<sup>th</sup> Annual General Meeting

**6 MAY 2016**

Book closure for determining the entitlement of the dividends

**27 MAY 2016**

Announcement of the unaudited results of Maybank and the Group for the first quarter of the financial year ended 31 December 2016

**3 JUNE 2016**

Payment of the Final Single-Tier dividend of 30 sen per share consisting of cash portion of 6 sen single-tier dividend per ordinary share and an electable portion of 24 sen single-tier dividend per ordinary share which can be elected to be reinvested into new ordinary shares in accordance with Dividend Reinvestment Plan in respect of financial year ended 31 December 2015

**25 AUGUST 2016**

Announcement of the unaudited results of Maybank and the Group for the second quarter of the financial year ended 31 December 2016

**27 SEPTEMBER 2016**

Book closure for determining the entitlement of the dividends

**25 OCTOBER 2016**

Payment of an Interim Single-Tier dividend of 20 sen per share consisting of cash portion of 4 sen single-tier dividend per ordinary share and an electable portion of 16 sen single-tier dividend per ordinary share which can be elected to be reinvested into new ordinary shares in accordance with Dividend Reinvestment Plan in respect of financial year ended 31 December 2016

**24 NOVEMBER 2016**

Announcement of the unaudited results of Maybank and the Group for the third quarter of the financial year ended 31 December 2016

**23 FEBRUARY 2017**

Announcement of the audited results of Maybank and the Group and announcement of the final dividend for financial year ended 31 December 2016

**15 MARCH 2017**

Notice of the 57<sup>th</sup> Annual General Meeting and issuance of annual report for the financial year ended 31 December 2016

**6 APRIL 2017**

57<sup>th</sup> Annual General Meeting

# FORM OF PROXY

## FOR THE 57<sup>TH</sup> ANNUAL GENERAL MEETING

MALAYAN BANKING BERHAD  
(Company No. 3813-K)  
(Incorporated in Malaysia)

Number of shares held	CDS Account No. of the Authorised Nominee*
-	-

Please refer to the notes below before completing this Form of Proxy.

I/We \_\_\_\_\_ NRIC/Passport/Co. No. \_\_\_\_\_  
(full name in block letters)

of \_\_\_\_\_ Telephone No. \_\_\_\_\_  
(full address)

a shareholder/shareholders of MALAYAN BANKING BERHAD, hereby appoint \_\_\_\_\_  
(full name in block letters)

\_\_\_\_\_ NRIC/Passport/Co. No. \_\_\_\_\_

of \_\_\_\_\_  
(full address)

or failing him/her \_\_\_\_\_ NRIC/Passport/Co. No. \_\_\_\_\_  
(full name in block letters)

of \_\_\_\_\_  
(full address)

or failing him/her, the Chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the 57<sup>th</sup> Annual General Meeting (“AGM”) of Malayan Banking Berhad to be held at the Grand Ballroom, Level 1, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Thursday, 6 April 2017 at 10.00 am and any adjournment thereof for the following resolutions as set out in the Notice of the 57<sup>th</sup> AGM:-

No.	Resolution	For	Against
	<b>Ordinary Resolutions:</b>		
1	To receive the Audited Financial Statements for the financial year ended 31 December 2016 together with the Reports of the Directors and Auditors thereon.		
2	To approve the payment of a final single-tier dividend of 32 sen per ordinary share in respect of the financial year ended 31 December 2016.		
	To re-elect the following Directors in accordance with Articles 96 and 97 of the Company’s Articles of Association:-		
3	i. Datuk Abdul Farid bin Alias		
4	ii. Datuk R. Karunakaran		
5	iii. Mr Cheng Kee Check		
	To re-elect the following Directors in accordance with Article 100 of the Company’s Articles of Association:-		
6	i. Encik Nor Hizam bin Hashim		
7	ii. Dr Hasnita binti Dato’ Hashim		
8	iii. Mr Anthony Brent Elam		
9	iv. Datin Paduka Jamiah binti Abdul Hamid		
10	To approve the payment of Non-Executive Directors’ fees from the 57 <sup>th</sup> AGM to the 58 <sup>th</sup> AGM of the Company.		
11	To approve the payment of benefits payable to the Non-Executive Directors from 31 January 2017 to the 58 <sup>th</sup> AGM of the Company.		
12	To re-appoint Messrs Ernst & Young as Auditors of the Company for the financial year ending 31 December 2017 and to authorise the Directors to fix their remuneration.		
13	Authority to Directors to issue shares pursuant to Section 75 of Companies Act, 2016.		
14	Authority to Directors to allot and issue new ordinary shares in Maybank in relation to the recurrent and optional dividend reinvestment plan (Dividend Reinvestment Plan).		

My/Our proxy is to vote on the resolutions as indicated by an “X” in the appropriate space above. If no indication is given, my/our proxy shall vote or abstain as he/she thinks fit.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2017

\_\_\_\_\_  
Signature(s) / Common Seal of Member(s)

Number of shares held

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:		
	No. of shares	Percentage
Proxy 1		
Proxy 2		
<b>Total</b>		<b>100%</b>

**Notes:**

1. A member entitled to attend, speak and vote at the AGM is entitled to appoint proxy(ies) to attend, speak and vote in his stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of a proxy.
2. (i) A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (Authorised Nominee) may appoint at least one proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.  
(ii) Notwithstanding the above, an exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
3. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his shareholding to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, under its common seal or in some other manner approved by its directors.
5. The duly completed instrument appointing a proxy must be deposited at the office of the appointed share registrar for this AGM, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia no later than Wednesday, 5 April 2017 at 10.00 a.m.
6. For an instrument appointing a proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.
7. Only members whose names appear on the Record of Depositors as at 31 March 2017 shall be eligible to attend the AGM or appoint proxy(ies) to attend and vote on his/her behalf.
- \* Applicable to shares held through a nominee account.

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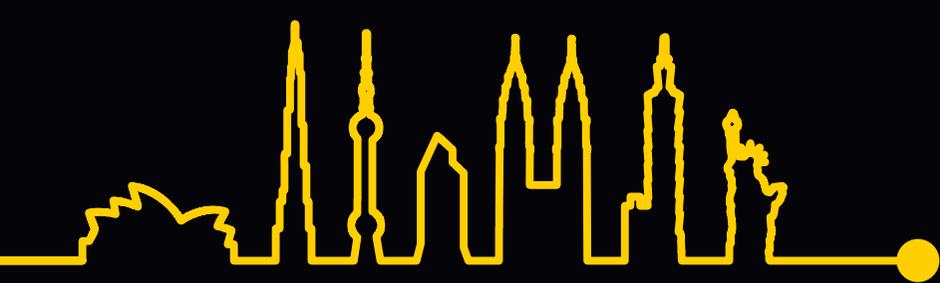
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AFFIX STAMP

Share Registrar for Maybank's 57<sup>th</sup> AGM  
**Tricor Investor Services & Issuing House Sdn Bhd**  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur  
Malaysia

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Maybank operates over 2,400 offices across 20 countries. With our expanded physical and digital reach, we have been successfully connecting customers from across the world to our home in Asia through an array of unique financial solutions and innovative services. Now, we seek to deliver a next-generation customer experience as we embark on our journey to be “The Digital Bank of Choice” as part of our Maybank<sup>2020</sup> aspirations.

**CONNECTING LIVES. CONNECTING PARTNERS. CONNECTING IDEAS.**

[www.maybank.com](http://www.maybank.com)

**Humanising Financial Services.**

