

# Leading Asia



ANNUAL REPORT 2015



Delivering Our  
**ASEAN VISION  
TOGETHER**

**Undisputed No.1**  
Retail Financial Services  
Provider in Malaysia

**Leading ASEAN**  
Wholesale Bank

**A Leading  
Global**  
Islamic Bank

**Etiqua**  
General Insurance and  
Takaful Leader in Malaysia

# Delivering Our ASEAN Vision Together

**2010**

Initiated our Vision  
to become  
A Regional Financial  
Services Leader

**2011**

Acquisition of Kim Eng  
Holdings Ltd.

**2012**

Expansion in China with the  
set-up of Beijing branch  
and local incorporation of  
Maybank Cambodia

**2013-2014**

Network expansion in  
Indonesia and the  
Philippines



## Delivering Our ASEAN Vision Together

In 2010, we set our Vision on becoming a regional financial services leader by 2015. Over the last five years, our assets have doubled to RM708 billion, our footprint in ASEAN has grown and our business capabilities have expanded. Today, we are the fourth largest financial services group in ASEAN, and our achievements reflect the commitment of over 45,000 Maybankers – from long serving executives to our young millennials to deliver our Vision and make an impact to the communities and clients we serve. Our journey does not end here. We are excited to begin our Maybank<sup>2020</sup> strategy and working to Advance Asia's Ambitions With You.

**2015**

Set-up of Kunming branch  
in China and the launch of  
Myanmar operations

**2015**

Maybank is a  
Top 5 Bank in  
ASEAN with  
presence in 10  
ASEAN countries

**2016-2020**  
**Maybank<sup>2020</sup>**  
**Vision**  
Advancing Asia's  
Ambitions  
With You



**Jeremy Lim Wei Wen**  
Young Maybanker  
of the Year 2014



**Lidiya Natalia**  
Executive of the  
Year 2014



**Shaikh Munir Ahmad**  
Manager of the Year 2014



**Dato' Mohd Hanif**  
40-year Long Service  
Award Recipient



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## About Our Reports

### Annual Report 2015

#### Corporate Book



#### Financial Book



- Provides a comprehensive assessment of the Group's performance for 2015 and outlook for 2016.

- Presents the full set of the Group's and Bank's audited financial statements.
- Basel II Pillar 3 Disclosure.

- Companies Act, 1965.
- Bursa Malaysia Main Market Listing Requirements.

- Malaysian Financial Reporting Standards.
- International Financial Reporting Standards.
- Companies Act, 1965.
- Bank Negara Malaysia Policy Documents and Guidelines.
- Financial Services Act, 2013.
- Islamic Financial Services Act, 2013.

[www.maybank.com/ar2015](http://www.maybank.com/ar2015)



Tells you where you can find more information within the reports

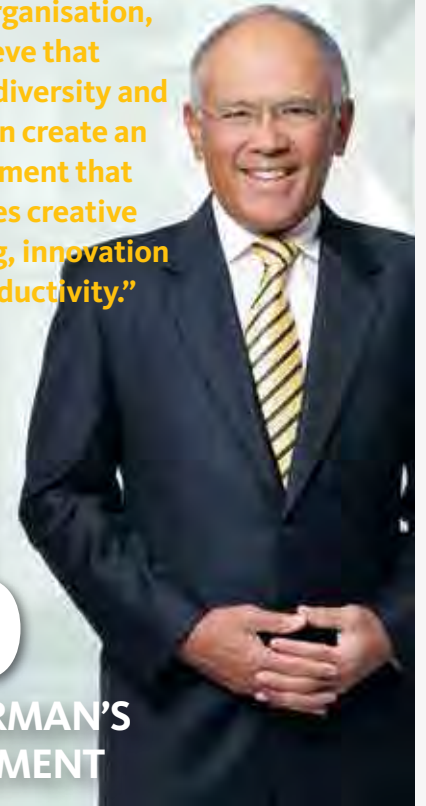


Tells you where you can find more information online at [www.maybank.com](http://www.maybank.com)

### Sustainability Report 2015

- The Maybank Sustainability Report 2015 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.
- The report will be available at [www.maybank.com/sustainability](http://www.maybank.com/sustainability)

“As an organisation, we believe that agility, diversity and inclusion create an environment that enhances creative thinking, innovation and productivity.”



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Regulations  
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Online  
Version

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# 56<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,  
7 April 2016  
10.00 a.m.**



Refer to pages 218 to 221 for Annual General Meeting information and Financial Calendar

“Our high performance culture, our mission to humanise financial services, and our commitment to customer service excellence form a solid foundation for the next phase of our transformation — Maybank<sup>2020</sup>.”

**30** GROUP STRATEGY



“We want to create long-lasting value and meaning in ways that are regionally significant and globally relevant. Achievement of our sustainability goals enables us to continue to innovate and create impact where we operate.”

**42**  
SUSTAINABLE VALUE



“FY2015 was certainly a challenging year for the Maybank Group. However, through our proactive approach in reassessing our strategy during the year, we achieved another record with a net profit of RM6.84 billion and an ROE of 12.2%.”

**76** GROUP FINANCIAL REVIEW



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# Maybank Overview

## We are a Leading ASEAN Bank

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


### TOTAL ASSETS

**RM708 billion**

### MARKET CAPITALISATION

**RM82 billion**


Maybank ranks fourth by assets among banks in ASEAN and is among the top 100 banks in the world, including the fifth largest Islamic bank globally. Net operating income for FY2015 reached to RM21.2 billion.

 Corporate Profile & Global Network, pg. 16

## Geographical Footprint

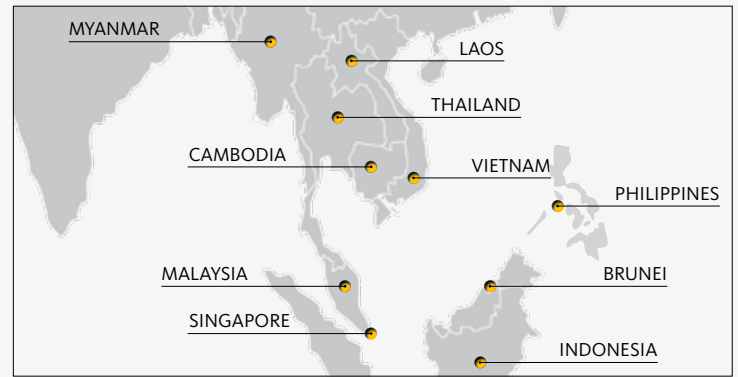
Our home markets are Malaysia, Singapore and Indonesia. We have presence in 10 ASEAN countries with a combined branch network of 1,177 offices in ASEAN.

We also have a presence in the international financial centres of Hong Kong, Shanghai, London, New York and Bahrain with associates in Pakistan (MCB Bank with 1,247 branches) and Vietnam (An Binh Bank with 146 branches).

 Strategic Business Units, pg. 22


## A major player in the ASEAN Economic Community

We aim to play a major role in the future of ASEAN with the recent establishment of the ASEAN Economic Community in 2015.



Our presence in all 10 ASEAN countries places us in a favourable position to support and benefit from the ASEAN growth opportunities as we deliver innovative solutions to our clients.


Providing financial services in ASEAN is our strength as we have the heritage, talent and network to capture market opportunities.

 The ASEAN Opportunities, pg. 36

## 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, pg. 40

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

### Our Vision

Advancing Asia's Ambitions With You


### Our Mission

Humanising Financial Services

### Strategic objectives

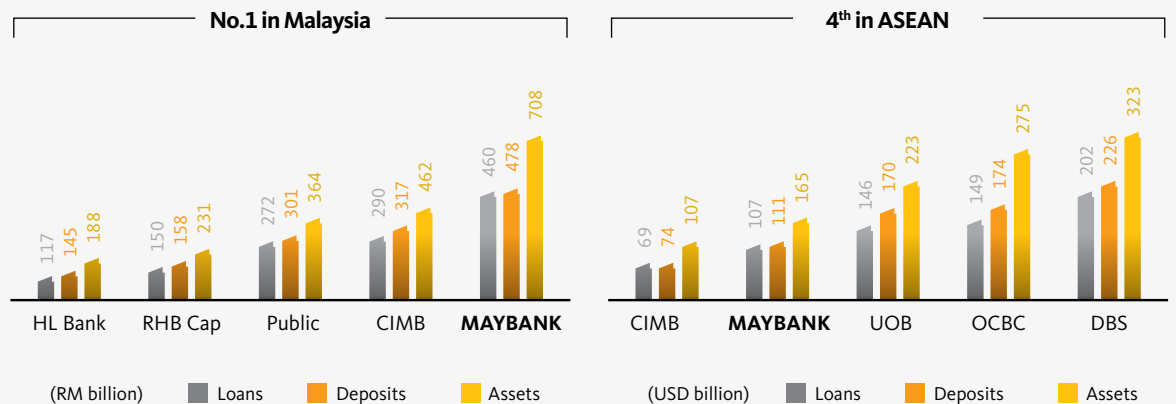
Our Maybank<sup>2020</sup> Vision and Mission guides our strategic objectives:

- 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. 30

## Market Positioning in 2015

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.



# Maybank Overview

## Diverse range of services

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

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

Presence in 20 countries including in 10 ASEAN countries

Head office in Kuala Lumpur, Malaysia

Established in 1960

Over 45,000 Employees


| Business Pillars                                   | Business Unit                                                                                                    | Developments in 2015                                                                                                                          | Share of Group PBT                                                                                                                                                                                                                                                                                                   | International Contribution   |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| <b>Community Financial Services</b><br><br>pg. 102 | <b>Islamic Finance</b><br>leverage model utilised to distribute Islamic products across the Group<br><br>pg. 133 | Includes:<br>• Consumer<br>• Retail SME<br>• Business Banking (mid-sized corporates and SMEs)                                                 | <b>35.6%</b><br><br><ul style="list-style-type: none"> <li>Increased network of Premier Wealth Centres and Lounges including to East Malaysia.</li> <li>Expanded Regional Private Wealth to Hong Kong and UK.</li> <li>Grew Private and Premier Wealth franchise to the Philippines, Cambodia and Brunei.</li> </ul> | <b>Profit Before Tax</b><br> |
| <b>Global Banking</b><br><br>pg. 108               |                                                                                                                  | Includes:<br>• Corporate Banking<br>• Investment Banking (Maybank Kim Eng)<br>• Global Markets<br>• Transaction Banking<br>• Asset Management | <b>35.8%</b><br><br><ul style="list-style-type: none"> <li>Operationalised the Global Account Management model.</li> <li>Rolled-out Trade and Treasury Solution Advisory in Malaysia.</li> <li>Refined client segmentation including greater focus on entrepreneur-controlled mid-sized corporates.</li> </ul>       |                              |
| <b>International</b><br><br>pg. 118                |                                                                                                                  | Includes operations in:<br>• Singapore<br>• Indonesia<br>• Greater China<br>• Philippines and other overseas markets                          | <b>21.3%</b><br><br><ul style="list-style-type: none"> <li>Set-up branches in Kunming (China) and Yangon (Myanmar).</li> <li>Beijing and Kunming branches granted RMB business licence by CBRC.</li> <li>Sale of Maybank Papua New Guinea operations.</li> </ul>                                                     | <b>Gross Loans</b><br>       |
| <b>Insurance and Takaful</b><br><br>pg. 128        |                                                                                                                  | Conventional insurance:<br>• Life Insurance<br>• General Insurance<br>Takaful (Islamic insurance):<br>• Family<br>• General                   | <b>7.3%</b><br><br><ul style="list-style-type: none"> <li>Launch of new online direct sales portal in Malaysia at www.etiqa.com.my</li> <li>Etiqa established a presence in the Philippines via AsianLife and General Assurance Corporation, a composite license insurer.</li> </ul>                                 |                              |

# Highlights of 2015

## RM6.84 billion

### Net Profit


Net profit rose 1.8% to RM6.84 billion and ROE was 12.2%, within the Group's revised ROE target of 12% to 13%. Net operating income rose 14.6% due to strong growth from net fund and net fee based income but revenue growth was offset by higher provisioning cost.

 Group Financial Review, pg. 76

## 54.0 sen

### Dividend per Share


Dividend per share of 54.0 sen translates to a dividend payout ratio of 76.3%, above our dividend payout ratio policy of 40% to 60%. Maintained a high dividend yield of 6.4% for FY2015.

 Maybank Share, pg. 97

## 5-Year

### Strategic Objectives Completed


FY2015 marked the final year of our five-year Strategic Objectives transformation journey. As the Maybank Group expanded its footprint to all 10 ASEAN countries, our net profit has risen 79% since FY2010 or at a compounded annual growth rate of 11.2%. For our next five-year journey, the Group has introduced the Maybank<sup>2020</sup> plan.

 Group Strategy, pg. 30

## 12.78%

### Common Equity Tier 1 Ratio


Strong capital position as Common Equity Tier 1 ratio (in accordance with BNM's Capital Adequacy Framework) increased 103 bps from 31 December 2014, providing sufficient capacity to pursue business growth. Total Capital Ratio also improved 150 bps to 17.74% as at 31 December 2015.

 Capital Management, pg. 82

## 48.2%

### Cost to Income Ratio


Cost to Income ratio was maintained below the internal threshold of 50% for the fifth consecutive year. Net operating income growth of 14.6% exceeded overhead expenses growth of 12.9%, leading to a positive JAW position.

 Group Financial Review, pg. 76

## Maybank Indonesia

### Rebranding of Indonesian Subsidiary


PT Bank Internasional Indonesia Tbk was rebranded as PT Bank Maybank Indonesia Tbk. The introduction of its new corporate identity reflects the Maybank brand, which has been again recognised as the Brand of the Year at the World Branding Awards.

 Overseas Operations – Indonesia, pg. 120

## 19.0%

### Growth in Maybank2u Transaction Value


Maybank's internet banking portal in Malaysia, Maybank2u, saw its transaction value grow 19.0%. Maybank2u continued to lead the internet banking market with a 42.9% market share.

 Community Financial Services, pg. 102

## 50.8%


### Islamic Financing to Total Malaysia Loans

Islamic financing now constitutes more than half of our total Malaysia loans portfolio, as our Islamic First strategy has enabled us to cement our position as the largest Islamic bank in Malaysia by asset size.

 Group Islamic Banking, pg. 133

## Maybank's PNG Operations Sale Completed

The sale of Maybank's entire equity interest in Maybank (PNG) Ltd and Mayban Property (PNG) Ltd was completed on 30 September 2015, signifying Maybank's effort to optimise use of capital and resources as part of its strategy to focus on the ASEAN region.

 Overseas Operations – International, pg. 123

Note: Net profit is equivalent to Profit attributable to equity holders of the Bank as stated in the audited financial statements.

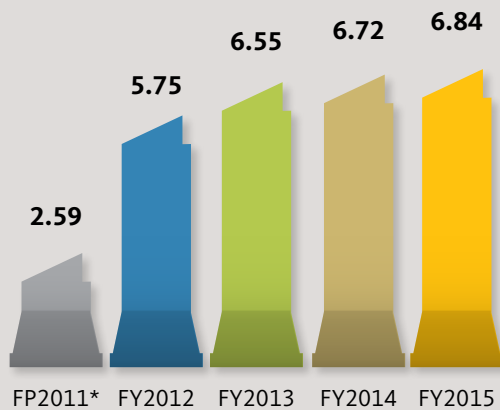


## Highlights of 2015

### Financial Highlights

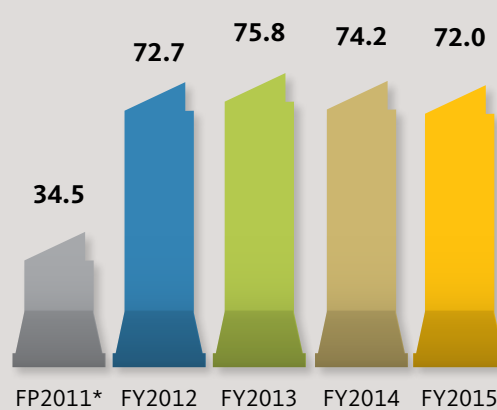
#### Net Profit

**RM6.84 billion**



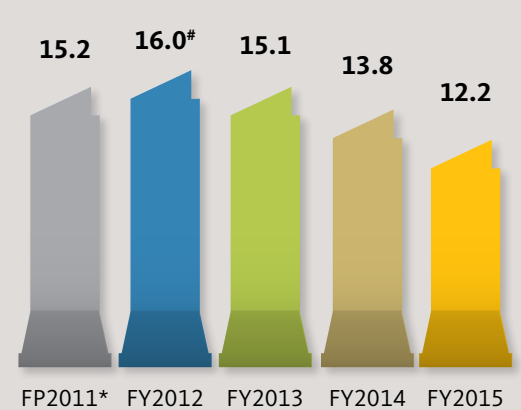
#### Earnings Per Share

**72.0 sen**



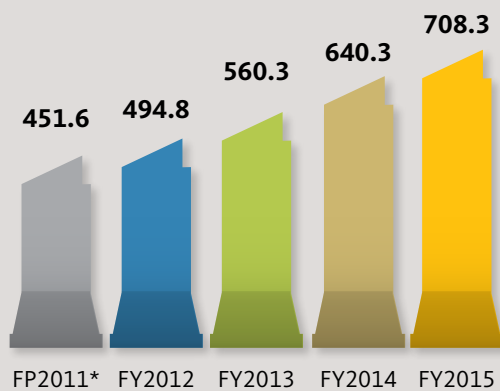
#### Return on Equity

**12.2%**



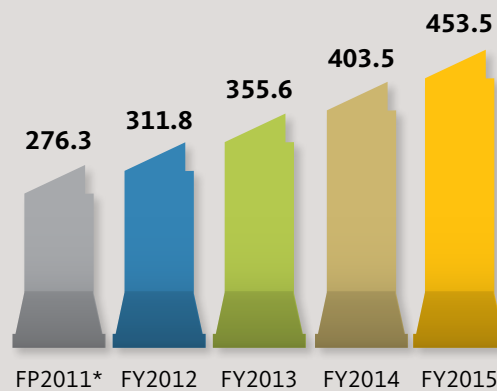
#### Total Assets

**RM708.3 billion**



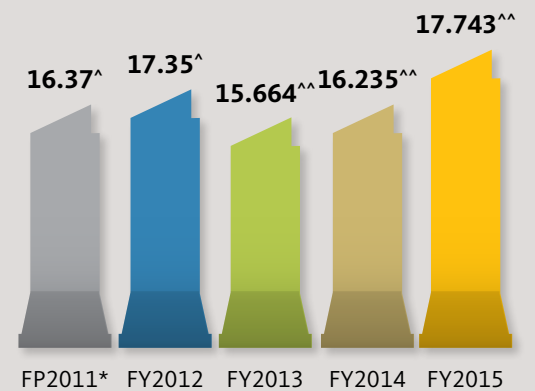
#### Loans, Advances and Financing

**RM453.5 billion**



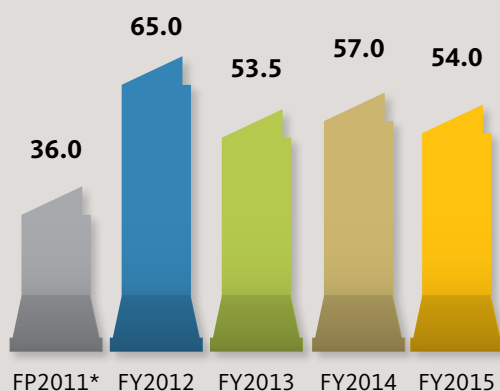
#### Total Capital Ratio

**17.743%<sup>^^</sup>**



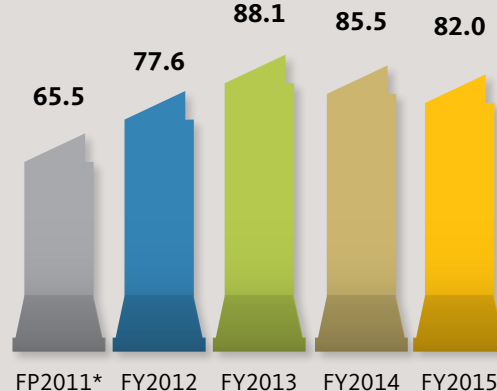
#### Dividend Per Share

**54.0 sen**



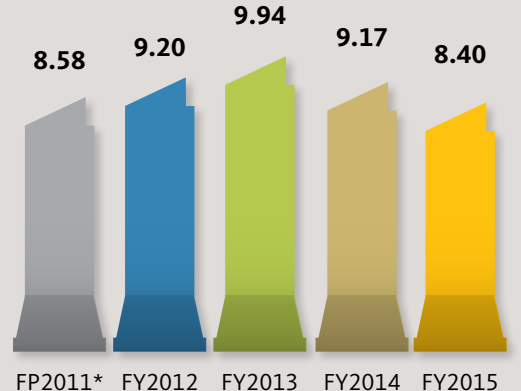
#### Market Capitalisation

**RM82.0 billion**



#### Share Price

**RM8.40**



\* Refers to 6-month financial period ended 31 December 2011 due to the change of financial year end from 30 June to 31 December

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

^ RWCR and assuming full reinvestment of Dividend Reinvestment Plan

^^ Total Capital Ratio (TCR) is computed in accordance with Capital Adequacy Framework (Capital Components) issued by Bank Negara Malaysia on 28 November 2012



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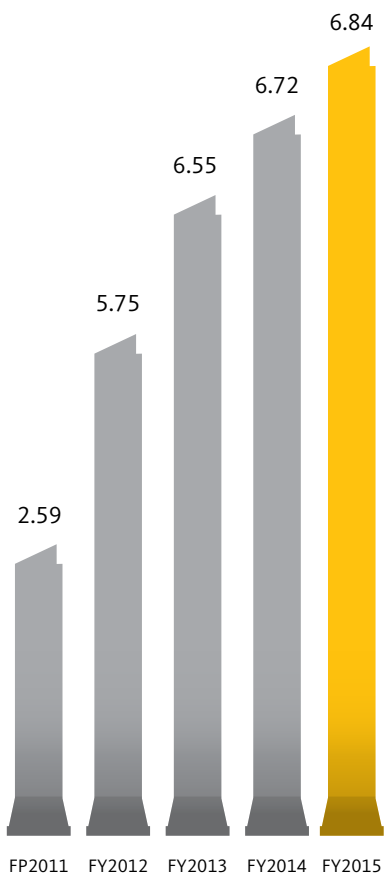
“ I am proud to have played a significant role in **Maybank's transformation journey that began in 2009**, especially in being able to lead successful projects which have been adopted regionally. As I believe that **our people are our strongest asset**, I have a personal mission to develop the next generation of Maybankers across the region. ”

**Dato' Mohd Hanif bin Suadi**  
Head, Community Distribution  
Community Financial Services Malaysia  
*40-year Long Service Award Recipient*

# Chairman's Statement

“As an organisation, we believe that agility, diversity and inclusion create an environment that enhances creative thinking, innovation and productivity.”

## Net Profit



**FY2015**  
**RM6.84 billion**

### Dear Shareholders,

The year 2015 will be remembered for a myriad of reasons. One encouraging development was the establishment of the ASEAN Economic Community, aimed at creating a vibrant single market in Maybank's region of focus, where we have a presence in all ten countries.

However, there were also challenges on many fronts. China experienced slower GDP growth while the Eurozone was beset with low single-digit economic growth, as their leaders grappled with restructuring needs. Also, the readjustment required in many economies due to low oil and commodity prices has yet to be played out. For Malaysia, several factors including these and the expectation of a US interest rate hike led to the very significant weakening of the Ringgit. Other emerging market currencies also weakened — dampening global growth sentiments further.

Against this backdrop, I believe your Company has turned in a commendable financial performance for the year, registering another record high net profit of RM6.84 billion. Malaysia remains the bedrock of our robustness, contributing 73% of our profit before tax in FY2015. Our Islamic banking business, the fifth largest in the world, also continued to record strong growth now constituting 22.3% of our assets.

We also diligently rationalised areas of our portfolio to realise value and provide

better capabilities to enhance our focus of delivery in the future. Hence, we exited from Papua New Guinea and sold some properties, as well as continued our strategic cost management efforts in several countries. Additionally, all our operations in Indonesia now carry the Maybank brand, which should give impetus to synergising our growth opportunities in ASEAN's largest market.

With the world becoming more digital, we have hastened our efforts to use this enabler to improve our operational efficiencies as well as sharpen our focus on our large targeted customer base. Our Maybank2u platform, already having a significantly large market share in Malaysia, is regionwide. By the next milestone in the course of our transformation journey, i.e. by 2020, digital technology will be a key theme that will redefine the way we do business.

As an organisation, we believe that agility, diversity and inclusion create an environment that enhances creative thinking, innovation and productivity. We believe these traits attract talent and in

2015, Maybank was again recognised as a preferred employer in both the banking and financial sectors. Recognitions such as these give us the impetus to strive even harder with our people transformation journey.

Our branding and community building efforts remain strong, and in both, we are very pleased with the recognition that we have received. For the second year running, we received the brand of the year award and our Corporate Responsibility (CR) efforts outlined in our Sustainability Report received four awards and four recognitions in 2015.

We made changes to our Board of Directors, as part of our succession planning for the next stage of growth. Our Vice Chairman Dato' Mohd Salleh Hj Harun, Pak Erry Riyana Hardjapamekas and Mr Cheah Teik Seng have retired, and we thank them for their services and wise counsel. Pak Edwin Gerungan was appointed as Director on 24 August 2015, and we are in the process of adding other new directors in 2016.




We are pleased that our shareholders have kept faith in our growth journey, enabling Maybank to maintain our position as the largest company in the Malaysian stock market for the 5<sup>th</sup> year running. To reward our shareholders, we are proposing a final dividend of 30 sen per share, or a payout of RM2.93 billion. This means a full year net dividend of RM5.22 billion which translates to RM54 sen per share.

Once again, on behalf of the Maybank Group, I wish to thank our customers, shareholders and other stakeholders for their continued support.

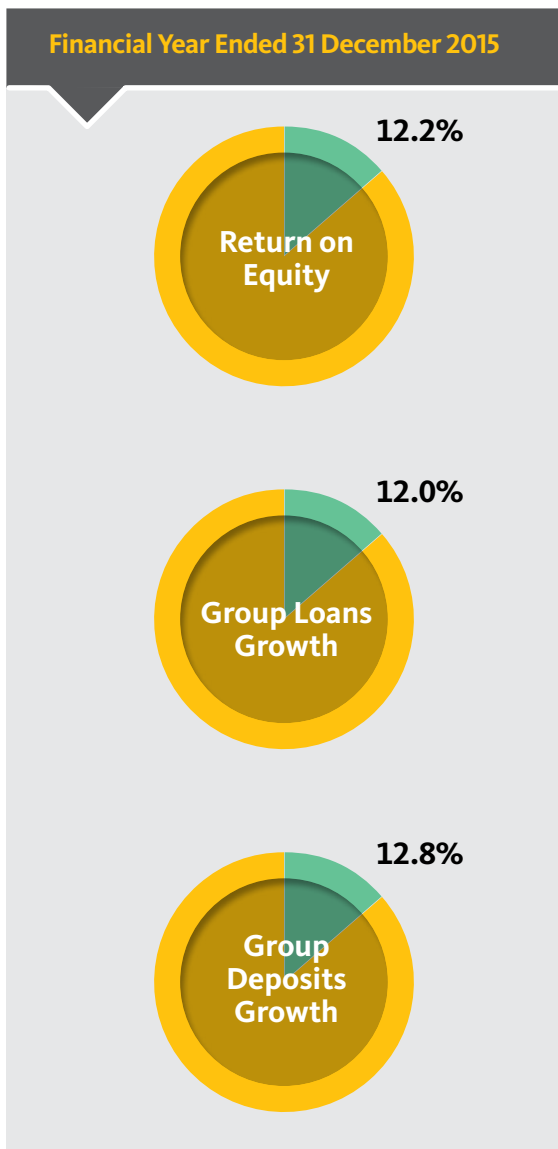
A handwritten signature in black ink, appearing to be 'M. Z.', written over a white background.

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

.....  
 Further details on the role of the chairman and group chief executive are contained in the corporate governance report on pg. 151.  
.....

# Group President & CEO's Statement

“ We have strengthened our position in the three core markets of Malaysia, Singapore and Indonesia not only in terms of our leadership in key business segments, but also on service excellence, franchise strength and business capabilities.”



## Dear Shareholders

**Thank you for allowing me this opportunity to introduce our Financial Year 2015 Annual Report. It is an especially important one for us, as it highlights some important milestones for the Maybank Group. In 2015 we not only celebrated our 55<sup>th</sup> year of operations, but also saw to the conclusion of our five-year transformation plan that began in 2010. As we welcome 2016, I would like to introduce you to Maybank<sup>2020</sup> — our follow-on strategic plan to support our vision of enhancing our regional leadership position in the financial services sector.**

When we first began our transformation journey in 2009, I had just rejoined Maybank and was leading the International and Global Banking portfolio. Together with my colleagues, long hours went into identifying key opportunities, critical areas of improvement and subsequent tactical plans that were to be implemented. Back then we called it “Leap 30” and underscoring our actions was the aspiration of becoming a regional financial services leader.

Today, the Maybank Group is the fourth largest Southeast Asian banking group with an asset base of RM708.34 billion. In terms of profit attributable to equity holders of the Bank (net profit), we have expanded just over 1.5 times from RM4.45 billion in FY2011 to RM6.84 billion in FY2015. We have strengthened our position in the three core markets of Malaysia, Singapore and Indonesia not only in terms of our leadership in key business segments, but also on service excellence, franchise strength and business capabilities.

As I reflect on the last five years, I truly believe that we have come a long way. I can only attribute our turnaround to the ability of Maybankers to step up to

the “call to action”, and execute the strategic priorities as an organisation, rather than as individuals. The convergence of skills, knowledge and experiences is what makes us effective, especially in more trying economic circumstances such as that we experienced in 2015, and which we can expect for 2016.

### A MORE CONSERVATIVE RISK POSTURE FOR 2015

Global economic growth slowed to 3.1% in 2015, from 3.4% in 2014. During the year, major advanced economies saw modest growth at 1.9% while growth in BRIC nations (Brazil, Russia, India and China) and emerging markets remained mixed as a result of slower growth and demand in China’s economy, weaker commodity prices and currency volatility.


In the ASEAN-6 markets comprising Singapore, Indonesia, Thailand, Malaysia, the Philippines and Vietnam, economic growth remained unchanged at 4.4% from 2014. Singapore, Indonesia, Malaysia and the Philippines were the most impacted ASEAN markets in 2015, with Singapore’s growth slowing to 2.0% (2014: 3.3%), Indonesia to 4.8% (2014: 5.0%), Malaysia to

5.0% (2014: 6.0%) and the Philippines at 5.8% (2014: 6.1%). Other ASEAN countries such as Thailand and Vietnam recorded improved growth at 2.9% and 6.7% respectively.

Although ASEAN's economic growth of 4.4% was higher than the global GDP growth rate of 3.1%, investor sentiments were impacted by concerns of a protracted economic slowdown and the reallocation of capital in anticipation of the Federal Reserve's move to raise US interest rates before the year ended. There was an inevitable impact on the banking and finance sector, by way of higher funding and capital costs, slower market and corporate activities and added pressure on operating margins.

It was against such a backdrop that we saw the need to reassess our targets and strategic priorities as the year progressed. As such, in mid-2015 the Group Executive Committee members (EXCO) and I, alongside various working teams spent some time to gain clarity of what could be ahead of us and to determine the Group's appropriate "risk posture".

From this review, we communicated revised headline targets for FY2015 following the 1H FY2015 results, namely (i) Return on Equity (ROE) at 12% to 13% from an earlier guidance of 13% to 14%, (ii) Group loan growth target at 8% to 9% from an earlier 9% to 10%, and (iii) Group deposit growth target at 10% to 11% from an earlier guidance of 9% to 10%. As volatility continued through the second half of 2015, our "call to action" across the Maybank Group was to focus on optimal levels of asset growth in line with our capital position, manage liquidity effectively and improve productivity.

.....  
 Further details on the role of the chairman and group chief executive are contained in the corporate governance report on pg. 151.  
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## Group President & CEO's Statement

### PRESERVING THE BALANCE SHEET

The key imperative for us as we undertook this review was to protect the interest of our shareholders by preserving the Group's balance sheet and optimising the use of capital. To this end, we took measures to taper down risk-weighted asset (RWA) growth, which meant lowering loan growth targets, growing our liquidity position further, and reigning in discretionary expenses of the Group.

To minimise the pressure on RWA, one course of action taken was to manage loan growth. The Group eased loan growth from a high of 17.8% (YTD annualised) at the end of September last year to 12.0% YoY by the end of December 2015. Other key markets also saw loan growth easing with Malaysia at 5.3% YoY, Singapore at 6.0% YoY, in line with its target of 5.0% to 6.0%, and Indonesia at 5.0% YoY. Managed loan growth, in combination with other capital efficient strategies resulted in Group RWA growth of 5.8% YoY compared to 14.3% YoY in 2014.

Fundamental to responsible balance sheet growth is our liquidity position. Although deposit competition remained prevalent in 2015, the Group's position was to develop an innovative offering that could be driven across our franchise. The push on this initiative in the second half of the year helped the Group achieve deposit growth of 12.8% YoY for 2015, surpassing its target of 10% to 11%. In addition, the Group's loan-to-deposit ratio stood at 91.5% in contrast with the year's high of 95.3% recorded as at end September 2015.

Our liquidity position was also complemented by other funding programmes, including the successful issuance of our inaugural Samurai bond which raised JPY31.3 billion (equivalent to approximately USD261 million). The issuance also marked the first-ever Samurai bond issued out of the Malaysian banking sector. This, along with other high quality liquid assets, put the Group's liquidity coverage ratio well above the regulatory minimum set by Bank Negara Malaysia.

With the right execution of our risk posture and capital efficient strategy in 2015, the Group's total capital ratio came in at 17.74% and CET1 (common equity tier 1) at 12.78% — positioning us well for future growth.

### DELIVERING VALUE FOR SHAREHOLDERS

Despite the evident challenges of 2015, the Group delivered improved net profit of RM6.84 billion for FY2015 and ROE at 12.2% in line with the target range of 12% to 13%. Resulting from improved YoY performance, the Group expects a full-year dividend payout of RM5.22 billion,

representing 76.3% of net profit for the period. The full-year dividend of 54 sen per share, also translates into a dividend yield of 6.4% for our shareholders.

One of the key features of our performance in FY2015 was higher revenue growth of 14.6% YoY, compared to a flat performance in FY2014. Revenue from net fund-based income was higher by 15.3% YoY supported by loan growth of 12.0% against the target of 8% to 9% and stable net interest margin at 2.31%. Net fee-based income, which made up 31.5% of total revenue recorded growth of 13.2% YoY. The higher growth in net fee-based income included the sale of the Group's entire equity interest in subsidiaries Maybank (PNG) Limited (MPNG) and Mayban Property (PNG) Limited (MPPNG) to Kina Ventures Ltd in September last year, while other net fee-based income from fees, treasury and insurance activities all recorded higher growth.

In 2015, there were many discussions about organisations having to restructure costs to address narrowing margins. For the Maybank Group, our priority is on transformation and productivity rather than simply cost avoidance. As such, we encourage every Maybanker to think like an "owner" and invest and spend based on income growth and value to the organisation. This approach has enabled us to continue important investments to support our long-term growth even during difficult times, and at the same time manage discretionary expenses to the extent possible.

We continued to take a rigorous approach in planning and tracking our spend in FY2015. The Group's overhead expenses in FY2015 was 12.9% YoY — higher compared to 2014 due to increased provisioning of marketing expenses for credit card reward point conversions, new salary structure under the Group's collective agreement with employee unions in Malaysia, and higher expenditures to enhance and run the Group's information technology platform.

Despite the commitments to certain overhead expenses, the Group's expenditure was managed in line with income growth, thereby improving the headroom between cost growth and income growth, or "JAW" position as we refer to internally, to 1.7% in FY2015, from -2.1% in FY2014. The Group's cost to income ratio also remained stable at 48.2% in FY2015 — the fifth consecutive year that we have been able to maintain this ratio below the 50% threshold.

Our financial performance in FY2015 was tempered by the rise in loan loss provisions and impairment in securities which totalled RM2.01 billion. The rise in

loan loss provisioning was due to the changing credit profile of specific accounts which led to a higher gross impaired loans ratio of 1.86% as at December 2015, while impairment expenses for securities was due to mark-to-market volatility in part of our securities portfolio for our insurance business.

### MERGERS AND ACQUISITIONS

The sale of our Papua New Guinea operations was a result of the Group's regular strategic reviews to reprioritise our capital and resources to focus our growth agenda in target regions where we can achieve the best returns from our investments.

In light of new and more stringent requirements under the Basel III regime, we have had to evaluate how best we can use our capital moving forward. Ultimately, we believe that we can achieve greater value by refocusing our resources in the ASEAN and Greater China region, where we can realise greater synergies and better returns on capital investments.

### DELIVERING OUR VISION – OUR FIVE-YEAR JOURNEY

We are undeniably operating in more trying times. However, the Maybank of today is quite different from when we embarked on our five-year transformation journey in 2010. Today, we operate in all ten ASEAN countries. We have also developed better capabilities to serve the requirements of our regional clients on Investment Banking, Treasury and Cash Management as well as Private Wealth.

The combined impact of our transformation initiatives across our five pillars in FY2015 was estimated at a PBT value of RM2.36 billion, an increase from RM600 million in FY2012.

The Group Community Financial Services (CFS) business has remained a market leader in its chosen business segments in Malaysia. The success of the transformation can be attributed to the successful move to a customer segment-driven model, improved credit decision processes, as well as transformation of the SME and business banking portfolios. Today Group CFS contributes 44.4% to Group PBT and has an established business model in seven of our 10 ASEAN markets.

Group Global Banking (GB) through the transformation journey has emerged as a full-service financial provider for ASEAN and global corporates connecting with the region. In the early part of Group GB's transformation, the focus was to establish an industry-focused client



## Group President & CEO's Statement

coverage team, as well as ramp up capabilities in corporate banking, global banking and transaction banking, including our very own regional trade finance system, "Trade Connex".

In 2011, the GB franchise further expanded its position in ASEAN with the acquisition of Kim Eng Holdings via Maybank Investment Bank, extending GB's investment banking presence in Singapore, Indonesia, Thailand, the Philippines, Hong Kong, the United States, the United Kingdom and Vietnam. Today, Group GB makes up 50.4% of the Group's PBT and is ranked 3<sup>rd</sup> in the Investment Banking and Advisory and Debt Capital Market ASEAN league tables.

In the last two years of our transformation journey, our focus has been on the regionalisation of the CFS and GB business outside of Malaysia. In FY2015, revenue contribution from all our international operations stood at 35.8% while gross loan contribution was 43.6%. Aside from the Group's acquisition of Kim Eng Holdings, the expansion across ASEAN and the region has been organic. This has included the establishment of operations in the People's Republic of China with branches in Beijing, Shanghai and Kunming, the local incorporation of the Maybank Cambodia branch and expansion of the present network in Indonesia and the Philippines. International PBT contribution to the Group stood at 27.0% in FY2015. This is indeed short of our intended target of 40%, which we anticipated would include a merger and acquisition during the transformation period. Although considerations for a successful merger and acquisition exercise were many, to date we have not found a good fit.

During the transformation journey, our Insurance & Takaful business, under the brand of Etiqa, has emerged as the largest takaful provider in Malaysia. It too has begun its regionalisation process by expanding into Singapore and the Philippines. In Singapore, we became the first insurer to offer online sales of Direct Purchase Insurance. We entered the Philippines in 2014 through the acquisition of AsianLife and General Assurance Corporation, thereafter, allowing Maybank Philippines Incorporated to offer life and general insurance products, through a bancassurance partnership, to its customers in 2015.

Our narrative is not complete without a discussion on the role of our Islamic finance business that has given us the platform for innovative offerings to our clients. With total assets of USD36.42 billion, Maybank Islamic is the largest Islamic bank in Asia and the fifth largest globally. Shariah-compliant financing makes up 50.8% of our Malaysia book. In the last three years, we have rolled out Islamic financial services in Singapore and Indonesia, supported by the Shariah Centre of Excellence based in Malaysia.

### WHAT'S NEXT FOR MAYBANK

When I engage with investors, I am often asked the question: How is Maybank different from other banking groups in the region? In my humble opinion, I think it comes down to our very strong belief in the role of ASEAN as a community to lead and advance Asia. This is why we have invested significantly into developing a presence in every ASEAN country, both to serve its communities and to connect our ASEAN clients to other markets.

With the establishment of the ASEAN Economic Community (AEC) in 2015 and the adoption of the AEC Blueprint 2025, we can only expect a greater role for ASEAN in this part of the world, and we hope to be a part of that. In our next five-year plan (2016 – 2020), we will be guided by our Vision "Advancing Asia's Ambitions With You". Our plan for the next five years is to strengthen our current positioning in ASEAN across all our sectors namely, Community Financial Services, Global Banking, Insurance & Takaful and Islamic Banking, and at the same time embrace the opportunities of digital innovation in financial services.

I realise there are areas we need to address to become a clear ASEAN leader. These include improving our fee-income franchise, cross-selling and collaboration between markets, as well as raising productivity and operational excellence. Rest assured that it is clear to me and my fellow Maybankers that our future success will rest on the ability to pay close attention to the emerging developments in financial services, and achieve this transformation through better execution.

As we progress into 2016, it is evident that the prevailing conditions are an extension of what we have seen in 2015. There will no doubt be more significant headwinds for us to face this year, but I am encouraged that we have a framework of priorities built around balance sheet management and capital efficiency to steer the Group in the right direction. The focus on transformation and productivity will certainly continue into FY2016 as we aspire to establish a sustainable and efficient operating model for the region.

Although we can't control the external environment, we know we can control our internal processes and risk framework to proactively manage asset quality. That will be our approach in the current environment, with more prudent credit underwriting, and increased vigilance on accounts under watchlist and special mention status. We have also undertaken other measures to proactively manage asset quality including increased stress testing on various variables, monitoring of trends in vulnerable sectors and greater deliberation on evaluation of new credit.

With these considerations in place, we have set our guidance for FY2016 key performance indicators as follows:

|                               |         |
|-------------------------------|---------|
| <b>Return on Equity</b>       | 11%-12% |
| <b>Group Loans Growth</b>     | 8%-9%   |
| <b>Malaysia Loans Growth</b>  | 6%-7%   |
| <b>Singapore Loans Growth</b> | 3%-4%   |
| <b>Indonesia Loans Growth</b> | 11%-13% |
| <b>Group Deposits Growth</b>  | 10%-11% |

### A NOTE OF APPRECIATION

As someone who has been with the Group for more than seven years, I know Maybankers have a lot of resolve in overcoming challenges. I won't claim the journey ahead to be easy, but my fellow EXCO members and I are committed to doing the "right things right" and making our next five-year transformation journey an impactful one.

Finally, I would like to acknowledge that we would not be the Maybank we are today without the contribution of Maybankers, past and present, and I wish to thank them for their commitment to our vision and performance. Our achievements would not have been possible without the support and guidance of the regulatory bodies in all the countries we operate in, and on behalf of the Group EXCO, I would like to thank them for their role in making us a stronger financial services organisation. Most importantly, I would also like to express our appreciation to our customers and shareholders for their continued trust, loyalty and support rendered throughout our journey.

Thank you.

Our Maybank, Our Future



**DATUK ABDUL FARID ALIAS**

Group President & Chief Executive Officer

# Corporate Profile & Global Network

Maybank has a proud heritage of over 50 years, bringing its unique brand of financial services to the people it serves. The Bank traces its origins to Malaysia where it was incorporated in May 1960 with the objective of helping finance the economic growth of newly independent Malaya and bringing modern financial services to its people.

The heart of Maybank may be in Malaysia but its home has grown into Asia and beyond over the years. Today, the Maybank Group operates over 2,400 offices in 20 countries worldwide, including key global financial centres.

As South East Asia's fourth largest bank by assets, Maybank is the only ASEAN based bank with on-ground operations in all 10 ASEAN nations. With a deep understanding of ASEAN markets, Maybank is well positioned to connect clients to and from this region with the rest of the world.

The Group has extensive expertise in a wide area of financial services which includes commercial banking, investment banking, stockbroking, insurance and takaful, Islamic banking, offshore banking, asset management, venture capital financing and internet banking. This enables it to offer a wide array of products and financial solutions to meet the needs of any customer segment — whether retail, SME or multinational.

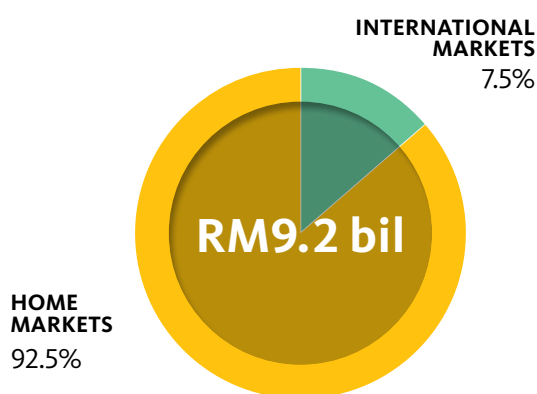
Maybank has long been acknowledged for its innovation, leadership and excellence, and has received numerous awards in recognition of the high standards it employs. The Bank is also

acknowledged for its financial strength, being ranked among the top 100 banks in the world (The Banker). The Group's Islamic banking arm — Maybank Islamic Berhad — is recognised as one of the global leaders in its field and ranks as the leading Islamic bank in Asia Pacific and among the top 5 in the world in terms of assets.

Maybank has a unique mission of humanising financial services. This is demonstrated through its commitment to provide easy access to financing at fair terms and pricing, advising customers based on their needs and being at the heart of the community. The Group also remains committed to meeting the sustainability needs of the organisation as well as its stakeholders and actively ensures that elements of environmental, social and governance criteria are adopted in all areas of operations.

Maybank Foundation, the regional arm for corporate responsibility initiatives, is a key vehicle through which the Group supports its sustainability agenda across its network. Working hand-in-hand with stakeholders and employees, the Foundation helps to ensure that the Group creates a long-lasting impact to improve the lives of communities wherever it operates.

## Group Profit Before Tax 2015



## Home Markets

- MALAYSIA**  
 393 branches;  
 7 branches via Maybank Investment Bank
- SINGAPORE**  
 22 branches;  
 5 branches via Maybank Kim Eng
- INDONESIA**  
 428 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

Over  
**45,000**  
Employees  
serving our customers globally

**RM708**  
billion  
Total Assets  
The largest bank in Malaysia



**CHINA**  
3 branches



**LAOS**  
1 branch



**MYANMAR**  
1 branch



**MAURITIUS**  
1 branch via Maybank  
Indonesia



**THAILAND**  
51 branches via  
Maybank Kim Eng



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



**LONDON**  
1 branch;  
1 branch via Maybank  
Kim Eng



**UNITED STATES OF  
AMERICA**  
1 branch;  
2 branches via Maybank  
Kim Eng



**PHILIPPINES**  
79 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



**PAKISTAN**  
1,247 branches via MCB Bank;  
4 branches via Pak-Kuwait  
Takaful Company



**SAUDI ARABIA**  
1 office via Anfaal Capital



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

# History, Innovation & Leadership

**1960**

## 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.

## History, Innovation & Leadership



2009

### 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.

### 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 in 2006.
- 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 the 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.

## History, Innovation & Leadership

**2010**

### 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 to Maybank Syariah Indonesia.
- Maybank Foundation is established with an initial RM50 million allocation, to spearhead the Group's Corporate Responsibility initiatives in the region.
- 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.
- 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.

### 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.

### 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.

## History, Innovation & Leadership



2015

### 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.
- Establishes the first Maybank childcare centre in Malaysia named 'Maybank Tiger Cubs Childcare Centre', to provide drop-in emergency childcare facilities or backup childcare services for children of employees.
- The first and only Malaysian founded organisation to be included in the Towers Watson Global High Performing Company Norm, which serves as an internationally recognised benchmark for high performing organisations.
- 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.
- Expands into the deferred annuity market through its 'Smart Retirement Xtra' Plan, the first-ever deferred annuity insurance plan in Malaysia made available through the Bancassurance channel.
- Introduces new Maybank Visa Platinum Debit card — the first Visa Debit Platinum 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 tenor, the first Pro-Bond issued out of the issuer's USD5 billion Multi-currency MTN programme.
- Introduces M2U Pay 'Snap&Sell', a first of its kind innovative mobile application that offers individuals the convenience of selling their products anywhere and at any time on social media platforms.
- First to introduce Visa Signature credit card that offers both cash back on a daily basis as well as flexibility to convert Treats points into cash.
- 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 myTrade2Cash, a comprehensive trade financing platform and the first of its kind in Asean that enables SMEs to conveniently apply for trade finance facilities from Maybank through DNeX's online platform.
- 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 — 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 South East Asia for the visually challenged in collaboration with Malaysian Association for the Blind (MAB), known as the Maybank — MAB Cinema.
- Maybank launches its first ever "Quick Balance" service in Malaysia within the Maybank2u app, designed to enrich its mobile banking value proposition.
- The first Malaysian bank and one of only two South East Asian banks to have a presence in Yunnan Province in Southwest China, through Kunming branch Maybank.
- Maybank launches two new digital banking applications — Maybank Treats and Maybank Property Finder Apps — bringing to the South East Asian markets first-of-its-kind convenience for customers.
- First bank in Malaysia to initiate Micro Financing programmes for eligible People With Disabilities (PWDs).
- Maybank launches its first-ever Samurai bond issued out of the Malaysian banking sector, raising JPY 31.3 billion (equivalent to approximately USD261 million) with a three and five year tenor.
- Launches the first Islamic equity fund under the Asean passport framework known as the Maybank Bosera 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 their 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 their fingerprints on their mobile devices for authentication.
- Maybank launches MaybankFintech, the first of its kind programme by a bank in South East 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 located at Monash University Malaysia. This lounge is specially designed to fulfil 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.
- Maybank teams up with global technology powerhouse SAGE to undertake instant electronic payments via online and mobile banking channels directly from their Accounting and Payroll modules.
- Launches Myanmar operations, aiming to focus on transaction banking, corporate lending and treasury services as part of its objective to establish itself as a leading cross-border bank in Myanmar.
- First bank to formalise a partnership with Malaysian Global Innovation & Creativity Centre (MaGIC) in efforts to further boost start-ups across the region.
- First Malaysian bank to sign an agreement with China UnionPay Merchant Services to boost its cash management business in China.

# 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 provides 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. It is the leading provider of Islamic financial products and services in ASEAN. Maybank Islamic leverages on the Group's infrastructure and network to offer end-to-end Shariah compliant financial solutions. Its portfolio of diversified products and services is available through a network of over 400 Maybank branches in Malaysia, as well as in Indonesia, Singapore, Hong Kong, London and Bahrain. It continues to be the domestic leader in overall market share for financing and deposits in 2015.



### MAYBANK SYARIAH INDONESIA

PT Bank Maybank Syariah Indonesia is a subsidiary of Maybank. It was established from the conversion of PT Bank Maybank Indocorp into an Islamic (Shariah) commercial banking entity in 2010. It aims to be a leading and preferred Shariah financial service provider in Indonesia and the region. Its business strategy focuses on corporate banking as well as advisory services.

## INVESTMENT BANKING



### MAYBANK INVESTMENT BANK BERHAD

Maybank Investment Bank Berhad is a wholly-owned subsidiary of Maybank. Maybank IB is 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 a wholly-owned subsidiary of Maybank. Maybank Kim Eng comprises businesses stretching around the globe with offices in Singapore, Hong Kong, Thailand, Indonesia, the Philippines, India, Vietnam, Great Britain and the United States of America. It 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 in Malaysia and Etiqa Insurance Pte Ltd in Singapore for insurance, and Etiqa Takaful Berhad in Malaysia for Takaful, respectively. Takaful is an arrangement based on mutual assistance under which takaful participants agree to contribute to a common fund providing for mutual financial benefits payable to the takaful participants or their beneficiaries on the occurrence of pre-agreed events.

Etiqa features a strong agency force comprising over 12,000 agents, 31 branches throughout Malaysia, a wide Bancassurance distribution network with more than 400 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.



## ASSET MANAGEMENT



### MAYBANK GROUP ASSET MANAGEMENT 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. It comprises a holding company, Maybank Asset Management Group Berhad and six subsidiaries in four key ASEAN markets — Malaysia, Singapore, Indonesia and Thailand. Maybank AM Group provides a diverse range of Asian focused investment solutions for all types of investors such as corporations, institutions, pension funds, insurance, takaful companies and individual clients. The fund portfolio management services cater to products ranging from equity and fixed income to money market instruments 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 SGD 61 billion and staff strength of over 1,800. It has established a significant presence in the retail, wholesale and global banking markets over the 5 decades of its history here. This year, Maybank was identified by the Monetary Authority of Singapore (MAS) as one of the domestic systemically important banks (D-SIBs) among 7 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 26 service locations in Singapore is one of the largest, among foreign banks. As part of the atm5 — Singapore's only shared ATM network among 7 participating QFBs, Maybank offers customers a combined reach of more than 200 ATMs, 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 tenth 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 2015, Maybank Indonesia's network comprises 456 branches, including 27 Micro Functional offices, 9 Shariah branches, 2 overseas branches in Mumbai and Mauritius and 1,605 ATMs including 95 Cash Deposit Machines (CDMs). Maybank Indonesia has total customer deposits of IDR115.5 trillion and IDR157.6 trillion in assets.



### MAYBANK GREATER CHINA

Maybank Greater China consists of branches in Hong Kong, Shanghai, Beijing, Kunming, as well as an upcoming branch in 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.

## Strategic Business Units



### 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 79 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.



### MAYBANK INDOCHINA

Maybank Indochina comprises of 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, Brunei and Bahrain.



#### 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 BRUNEI

Having been established in Brunei for 55 years, Maybank Brunei provides a full range of retail and commercial banking services and products. Presently, we have 2 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 and gas town in Brunei. During the year, we were awarded the “Fastest Growing Foreign Bank Brunei 2015” by Global Banking & Finance Review.

### ASSOCIATES



#### MCB BANK LTD

MCB Bank (MCB) is a 20%-owned associate of Maybank. MCB won the “Best Bank 2015 (Pakistan)” award by FinanceAsia. 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 found 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 9 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 2015, ABBank received its first credit rating of B2 from Moody’s, marking an important milestone for ABBank. With 20 years under its belt, ABBank has gained a firm foothold in Vietnam’s banking industry, with a network of 146 branches and sub-branch offices across 29 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 8 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.



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

# Group Corporate Structure

As At 31 December 2015



## MALAYAN BANKING BERHAD

### COMMERCIAL BANKING

#### ISLAMIC BANKING

- 100% Maybank Islamic Berhad (Islamic Banking)
- 100% PT Bank Maybank Syariah Indonesia (Islamic Banking)
- 98.31%\* PT Bank Maybank Indonesia Tbk (Banking)
- 100% PT Maybank Indonesia Finance (Multi-financing)
- 68.55% PT Wahana Ottomitra Multiartha Tbk (Multi-financing)
- 99.97% Maybank Philippines, Incorporated (Banking)
- 100% Maybank (Cambodia) Plc. (Banking)
- 100% Maybank International (L) Ltd. (Offshore Banking)
- 100% Maybank Allied Credit & Leasing Sdn. Bhd. (Financing)
- 20% MCB Bank Ltd. (Banking)
- 20% An Binh Commercial Joint Stock Bank (Banking)
- 19.7% Uzbek Leasing International A.O. (Leasing)

### INSURANCE & TAKAFUL

- 100% Etiqa International Holdings Sdn Bhd (Investment Holding)
- 69.05% Maybank Ageas Holdings Berhad (Investment Holding)
  - 100% Etiqa Insurance Berhad (Life & General Insurance)
  - 100% Etiqa Takaful Berhad (Family & General Takaful)
  - 100% Etiqa Life International (L) Limited (Offshore Investment-linked Insurance)
  - 100% Etiqa Offshore Insurance (L) Limited (Bureau Services)
  - 100% Etiqa Overseas Investment Pte Ltd (Investment Holding)
    - 32.5% Pak-Kuwait Takaful Company Limited (Takaful Business)
  - 100% Etiqa Insurance Pte Ltd (Management Services)

### INVESTMENT BANKING

- 100% Maybank IB Holdings Sdn Bhd (Investment Holding)
  - 100% Maybank Kim Eng Holdings Limited (Investment Holding)
    - 100% Maybank Kim Eng Securities Pte Ltd (Dealing in Securities)
    - 83.50% Maybank Kim Eng Securities (Thailand) Plc (Dealing in Securities)
    - 100% Maybank ATR Kim Eng Capital Partners, Inc. (Corporate Finance & Financial Investment Advisory)
      - 100% Maybank ATR Kim Eng Securities Inc (Dealing in Securities)
      - 95.24% AsianLife & General Assurance Corporation (Insurance Provider)
    - 80% PT Maybank Kim Eng Securities (Dealing in Securities)
    - 100% Maybank Kim Eng Securities (London) Limited (Dealing in Securities)
    - 100% Maybank Kim Eng Securities USA Inc. (Dealing in Securities)
    - 100% Kim Eng Securities (Hong Kong) Limited (Dealing in Securities)
    - 75% Kim Eng Securities India Private Limited (Dealing in Securities)
    - Other Subsidiaries
- 100% Maybank Investment Bank Berhad (Investment Banking)
  - 100% BinaFikir Sdn Bhd (Consultancy and Advisory)
  - 35.17% Anfaal Capital^ (Investment Banking)
  - Other Subsidiaries

### ASSET MANAGEMENT

- 100% Maybank Asset Management Group Berhad (Investment Holding)
  - 100% Maybank Asset Management Sdn Bhd (Fund Management)
    - 99% PT Maybank GMT Asset Management (Fund Management)
  - 100% Maybank Islamic Asset Management Sdn Bhd (Fund Management)
  - 100% Maybank Private Equity Sdn Bhd (Private Equity Investments)
    - 50% Maybank JAIC Management Ltd^ (Fund Management)
    - 100% MAM DP Ltd (Fund Management)
  - 100% Maybank Asset Management (Thailand) Company Limited (Fund Management)
  - 100% Maybank Asset Management Singapore Pte Ltd (Fund Management)

### OTHERS

- 100% Maybank Trustee Berhad (Trustee Services)
- 100% Maybank Shared Services Sdn Bhd (IT Shared Services)
- 100% Maybank International Trust (Labuan) Ltd (Trustee Services)
- 100% Cekap Mentari (Securities Issuer)
- Other Subsidiaries

#### Notes:

1. 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 62: Details of Subsidiaries, Deemed Controlled Structured Entities, Associates and Joint Ventures in the Financial Statements book of the Annual Report 2015.
  2. Where investment holding companies are omitted, shareholdings are shown as effective interest.
- \* Effective interest rate: refer to Note 62(a), footnote 16, page 267 of the Financial Statements book of the Annual Report 2015 for the details.
- ^ 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' AMIRUL FEISAL WAN ZAHIR**  
Group Head, Global Banking

- Client Coverage
- Corporate Banking
- Maybank Kim Eng
- Transaction Banking
- Global Markets
- Maybank Asset Management Group


**Islamic Banking**



**DATO' MUZAFFAR HISHAM**  
Group Head, Islamic Banking  
CEO, Maybank Islamic Berhad

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

**Insurance & Takaful**



**KAMALUDDIN AHMAD**  
Group Head, Insurance & Takaful  
CEO, Maybank Ageas Holdings Bhd

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

## FUNCTION


**Group Finance**



**DATO' MOHAMED RAFIQUE MERICAN BIN MOHD WAHIDUDDIN MERICAN**  
Group Chief Financial Officer

- Group Financial Controller
- Group Finance Operations
- Group Tax
- Group Performance Reporting & Investor Relations
- Group Corporate Treasurer

**Group Human Capital**



**NORA ABD MANAF**  
Group Chief Human Capital Officer

- Business Human Capital
- Talent Management and Resourcing
- Talent Effectiveness & Engagement
- Industrial Relations & Governance
- Rewards
- Organisation Development & Performance Management
- Organisational Learning

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.

# 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 & Sustainability
- Corporate Marketing (Group Strategic Marketing)
- Group Strategic Partnerships


**Group General Counsel & Group Company Secretary**

- Group Corporate Secretarial
- Share Registration
- Legal

**Group Audit**

## COUNTRY


**Group Risk**



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

- Group Credit Management
- Group Risk - Enterprise
- Group Risk - Operations
- Group Risk - Compliance


**Singapore**



**DATUK LIM HONG TAT**  
CEO Singapore

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

**International**



**POLLIE SIM**  
CEO International

- International Strategy
- Strategic Relations & Business Excellence
- US/UK Cluster
- Philippines Cluster
- Indochina Cluster
- Special Projects

**Group Technology**



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

- Enterprise Architecture & Strategy
- Integrated Delivery House
- Maybank Shared Services
- IT Security & Compliance
- Technology & Infrastructure

**Indonesia**



**TASWIN ZAKARIA**  
President Director  
Maybank Indonesia

- Maybank Indonesia
- Maybank Syariah 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 & Valuation
- Credit Administration
- Regional Operation

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

“As a young Maybanker and millennial, I believe **digitalisation of the banking industry will change the way we transact and conduct commerce** in the coming years. It will be an exciting time as we deliver to our customers the Vision of **“Advancing Asia’s Ambitions With You”** under our **Maybank<sup>2020</sup> strategy.**”

**Jeremy Lim Wei Wen**

Senior Manager, Sitiawan Branch, Perak, Malaysia  
*Young Maybanker of the Year 2014*



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# Group Strategy



**“Our transformation since 2010 has been an exciting and fulfilling journey. We are now well placed as a leading regional financial services group with an incomparable footprint across ASEAN. Our high performance culture, our mission to humanise financial services, and our commitment to customer service excellence form a solid foundation for the next phase of our transformation — Maybank<sup>2020</sup>. We will build on our strengths and develop new platforms to partner and grow with our customers and stakeholders throughout Asia.”**




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

## 2015 REVIEW

| Strategic Objectives                                                                                                                                                                   | 2015 Achievements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Focus Moving Forward                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>UNDISPUTED NO.1 RETAIL FINANCIAL SERVICES PROVIDER IN MALAYSIA BY 2015</b></p>               | <ol style="list-style-type: none"> <li>1. We are one of the most profitable retail banks in Malaysia in 2015 with a PBT of RM3.6 billion.</li> <li>2. We outpaced industry growth with overall loans and deposits growing at 8.2% and 10.5% respectively.</li> <li>3. We continued to lead the internet banking market with 43.2% market share.</li> <li>4. We further expanded our reach to HNW and Affluent segments, growing our network of Premier Wealth Centres and Lounges.</li> </ol>                                                                                                                                                                                                                                                                                                                                        | <ol style="list-style-type: none"> <li>1. Expand our segment-led business focus.</li> <li>2. Emphasise on capital efficiency and liquidity driven growth.</li> <li>3. Extract greater synergies from our regional network.</li> <li>4. Advance our multi-channel digital capabilities to reach out to our increasingly digitalised customer base.</li> </ol> |
|  <p><b>LEADING ASEAN WHOLESALE BANK, EVENTUALLY EXPANDING TO MIDDLE EAST, CHINA &amp; INDIA</b></p> | <ol style="list-style-type: none"> <li>1. We maintained our domestic market share leadership for corporate lending, non-retail deposits and trade finance.</li> <li>2. We refined our client segmentation to deliver even more relevant solutions and operationalised the Global Account Management (GAM) model to provide a seamless and consistent experience for our regional clients.</li> <li>3. Successfully rolled-out our Trade and Treasury Solution Advisory domestically to effectively facilitate trade, cash (deposits and payments) and foreign exchange (FX) flows and enhance fee income.</li> <li>4. Maybank Kim Eng maintained its position as a leading regional investment banking franchise, as recognised externally and through the continued improvements of our regional league table positions.</li> </ol> | <ol style="list-style-type: none"> <li>1. Continue to leverage our strategic presence in all 10 ASEAN countries and be our clients' trusted partner in tapping into the opportunities arising from the ASEAN Economic Community (AEC) including capturing the flows within ASEAN and with key financial centres globally.</li> </ol>                         |



# Group Strategy

| Strategic Objectives                                                                                                                                                                                     | 2015 Achievements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Focus Moving Forward                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>UNDISPUTED INSURANCE &amp; TAKAFUL LEADER IN MALAYSIA AND EMERGING REGIONAL PLAYER</b></p>                       | <ol style="list-style-type: none"> <li>1. We are the market leader in the combined General Insurance &amp; Takaful Business in Malaysia.</li> <li>2. Etiqa Insurance Berhad (EIB), Etiqa Takaful Berhad (ETB) and Etiqa Insurance Private Limited (EIPL) were respectively assigned an Insurer Financial Strength (IFS) of “A” rating by Fitch Ratings.</li> <li>3. We established a foothold in the Philippines via AsianLife and General Assurance Corporation (ALGA), leveraging on Maybank Philippines (MPI) to offer life and general insurance products to its customers.</li> <li>4. We were the first insurer in Singapore to offer online sales of Direct Purchase Insurance (DPI), a class of insurance products that is sold without financial advice and commissions.</li> </ol> | <ol style="list-style-type: none"> <li>1. Continue to evaluate international expansion to gain significant presence in high growth markets by leveraging on Maybank’s banking footprint across ASEAN and Etiqa’s expertise in takaful and bancassurance.</li> <li>2. Deepen our focus on introducing innovative products and leverage on technology to deliver true customer experience.</li> </ol>                            |
|  <p><b>TRULY REGIONAL ORGANISATION, WITH ~40% OF PRE-TAX PROFIT DERIVED FROM INTERNATIONAL OPERATIONS BY 2015</b></p> | <ol style="list-style-type: none"> <li>1. Maybank Yangon officially launched, completing our ASEAN footprint and making us the only Malaysian bank with a presence in all ten ASEAN countries.</li> <li>2. We are also the only Malaysian Bank with presence in Kunming, Yangon and an upcoming branch in Shenzhen.</li> <li>3. Greater synergies were forged within our regional network and recorded higher revenues from cross-selling of products and solutions to our clients.</li> <li>4. We are now better positioned to seize market opportunities through our extended reach in capturing trade, capital, investment and wealth flows in Asia.</li> </ol>                                                                                                                           | <ol style="list-style-type: none"> <li>1. Leverage on our strategic on-the-ground advantage in all 10 ASEAN countries to serve our clients’ needs and benefit from the anticipated boost in intra-regional trade and capital raising activities arising from the recently established ASEAN Economic Community (AEC).</li> <li>2. Continue to raise productivity and profitability of our International businesses.</li> </ol> |
|  <p><b>GLOBAL LEADER IN ISLAMIC FINANCE</b></p>                                                                       | <ol style="list-style-type: none"> <li>1. We continued to be the leading Islamic bank in ASEAN and Malaysia and one of the top Islamic banks globally.</li> <li>2. We remain a leading provider of innovative Islamic financial solutions and in 2015 introduced the “Mudarabah Investment Account”, an investment account that provides customers access to banking assets as a new investment avenue that can potentially earn higher returns compared to a traditional banking account.</li> <li>3. Together with Maybank Group, we have been the leading sukuk arranger globally, consistently in the top 4 of the Global Sukuk League Table and top 3 of the Ringgit Sukuk League Table for 5 years running.</li> </ol>                                                                 | <ol style="list-style-type: none"> <li>1. Build on our global leadership position in Islamic finance to further emphasise on value creation and entrench our leadership in key focus areas.</li> <li>2. Expand the role of Zakat and Waqf to increase our contribution to the community and in further advancing our mission to “Humanise Financial Services”.</li> </ol>                                                      |

# Group Strategy

## Our Next Phase of Growth: Maybank<sup>2020</sup>

We are now embarking on our next phase of growth through Maybank<sup>2020</sup>, where we will build on our achievements from our transformation journey up to 2015 and elevate our strategic play towards year 2020, by further tapping on opportunities around the ASEAN region and growing together with Asia’s ambitions.

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

“Advancing Asia’s Ambitions With You”

#### OUR CHARTER

##### TO US

- Our customers are paramount
- We operate in the heart of our communities
- We aim to be the ultimate ASEAN BANK linking our customers to ASIA and to the rest of the world

##### TO YOU

- We are dependable, always there when you need us
- We provide innovative, efficient & convenient access to financial services
- We are intuitive and supportive of your ambitions

##### TOGETHER

- We forge meaningful & lasting relationships
- We partner with you to achieve growth, success and happiness

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

“Humanising Financial Services”

OUR MISSION to humanise financial services drives us and 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 environment.
- 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

#### 1 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.

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



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

#### 3 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.

#### 4 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.

#### 5 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.

# Innovation in Maybank

**Innovation is recognised as a core organisational value to us in delivering the Maybank<sup>2020</sup> strategic objectives.**

Historically throughout our 56-year history, we have brought many firsts to Malaysia, especially within retail banking; delivering innovations with customers in mind. In 1978, our Kuala Lumpur main branch was the first Malaysian bank to computerise savings and current account services. This allowed our customers to transact their accounts in almost real-time. In 1981, we were the first Malaysian bank to set-up Automatic Teller Machines (ATMs), the first being in our Ampang Park branch in Kuala Lumpur. In 2000, we launched Maybank2u.com, the first ever Internet-based banking services channel in Malaysia.

Today, Maybank2u (M2U) records about RM174 billion of transactions; equating 64% of the Internet banking transaction volume and 76% of mobile banking transaction volume in the country.

In April 2015, Maybank launched two new digital banking applications — Maybank Treats and Maybank Property Finder Apps — bringing to the South East Asian markets first-of-its-kind convenience for customers. The introduction of the two apps further strengthened the Group’s digital presence. Similarly, “Quick Touch” allowed customers speedy access to their balances via the M2U app with just a biometric fingerprint scan on their devices. Maybank has also introduced real-time Current Account opening as well as instant decisioning for credit cards, Bill Presentment on mobile and a transaction banking site in Bahasa Malaysia.

Many of our efforts have also been recognised by the industry. Some notable achievements recorded in 2015 included:

## RBI Asia Trailblazer Awards

26<sup>th</sup> March 2015

### WINNER

- Strategy in Most Excellence Business Model Innovation (Malaysia)

### HIGHLY COMMENDED

- Service Excellence in Mass Affluent Banking (Malaysia)
- Channel Excellence in Mobile Banking – Overall (Singapore)

## CXFS Asia Awards

25<sup>th</sup> June 2015

### WINNER

- Best Use of Social Media (Malaysia)

### HIGHLY COMMENDED

- Best Customer Experience – Business Model (Malaysia)
- Best Service Innovation (Malaysia)
- Best Customer Experience – Website (Malaysia)
- Leadership in Customer Experience – Institution: Maybank (Malaysia)

We also launched the inaugural #MaybankFintech, a programme conceived to attract and nurture start-ups across South East Asia by providing them a platform to pitch their financial technology (FinTech) ideas. Strategically, this puts Maybank in a pioneering group of banks in collaborating with potentially disruptive fintech companies; thus giving us first-hand access to some of the new technologies and ideas that are changing the face of the financial services industry while enhancing customer experience.

**1978**  
First Malaysian bank to computerise savings and current account services

**1981**  
First Malaysian bank to set-up Automatic Teller Machines (ATMs)

**2000**  
Launched Maybank2u, first ever Internet-based banking services

**2015**  
Launched two new digital banking applications — Maybank Treats and Maybank Property Finder Apps

# Group Customer Experience Management



## 2015 HIGHLIGHTS:

In 2015, Group Service Quality Management was rebranded as Group Customer Experience Management (GCEM) with an expanded focus of its portfolio.

Guided by our Service Vision of **Passionately Creating Consistent Customer Delight**, GCEM aims to solidify Maybank's position as a truly customer-centric organisation. We have always prioritised placing customers at the forefront of our efforts and adding value to our customer interactions. We believe that this customer-first approach is the anchor of our leading position in the market. Motivated by the trust instilled in us by our customers, we continuously innovate towards delighting our customers and delivering above and beyond their expectations.

While customer experience remains the responsibility of every Maybanker, we take on a governing role to ensure that our people, products, processes, interactions and initiatives are always customer-focused. Our key areas for the year included enhancing and standardising the standards and frameworks applied at our home markets.

Our efforts have paid off handsomely as our customers have helped us retain our leading position in the market in our Relationship Strength Index and Net Promoter Score. We have also received 13 domestic and regional-level awards and accolades from industry experts for our customer-centric endeavours in branch banking, virtual channels and business frameworks, among others.

We have created a homogenous customer experience framework across Maybank Malaysia, Singapore, Indonesia and the Philippines through strategic collaborations within the scope of local regulations and requirements. This has facilitated the implementation of enhanced standards at our major physical touch points in these countries, ensuring that our customers receive the same best in class banking experience on a regional level.

## OUR DOMESTIC ACHIEVEMENTS

### Customer Recommendation and Satisfaction Levels

We have embedded customer experience into the way we do business by establishing a strong feedback mechanism, which captures the voice of customer and feeds it back into the process of where key decisions are made. This ensures we stay connected to the customer and capture their sentiments. The areas we have prioritised include customer's level of trust in the Maybank brand, their perception of our ability to fulfil their needs and the value for money that we deliver to them. We also look at our differentiators and assess our strengths and weaknesses based on what is important to our customers. We have shifted from just purely delivering customer satisfaction; instead we want to delight our customers to a level that makes them confident to recommend us to their friends and families.

Aligned to this, we use Net Promoter Score, which is a customer loyalty metric, to gauge our performance with the expertise of a globally recognised independent third party. We continue to lead in our Net Promoter Score with a healthy headway ahead of our closest competitor while our Relationship Strength Index places us third out of seven competitor banks in 2015. While we have made progress from the fourth position that we held in 2014, we will relentlessly pursue avenues to further delight our customers and strengthen our positioning in their hearts and minds.

### Raising the Bar on Personal Service

Our customer-focused efforts have resulted in significant growth and improvement of more than 60% in the Net Promoter Score for our branches from 2014 to 2015. One of the enablers behind this success is the launch of a structured thematic programme that focuses on elevating our people's engagement and interaction skills. This includes upgrading their readiness and efficiency to serve and equipping them with the ability to get it right the first time. More than 90% of neutral third party customers in the role of Mystery Shoppers confirmed that not only would they purchase Maybank products and services based on their branch banking experience, they would also be happy to recommend the same to their friends and families.

## Group Customer Experience Management

We have reassessed our approach to the measurement of waiting time at our branches to better represent customers' moments of truth. Diligent and strategic tracking has resulted in laudable improvements to the waiting time at our Premier Wealth Centres and branches. We are also offering a wider array of convenient and hassle-free banking options to our customers to improve their banking experience with us.

### Tools that Make Serving Easier

We continue to develop standards, tools and guidelines that serve as easily accessible enablers for our staff to deliver unparalleled customer experience. We have strategically upgraded our systems to ensure that relevant information is conveniently only a click away for our staff. 95.4% of staff affirmed that the tools and systems developed are user-friendly, boosting the effective execution of their customer-facing tasks.

The tools and systems have also driven excellent performance in the quarterly product knowledge assessments that is held for customer-facing staff at our branches and centres. 83.4% of staff scored 100% in the sales-related assessments and the volume of customer complaints arising from incorrect or misleading information has also reduced significantly.

### Reducing Repeat Complaints

A detailed diagnostic analysis was carried out on the Voice of Customer (VoC) to identify recurring complaints from our customers. As a result, five initiatives were identified to mitigate these issues. All the initiatives were successfully implemented by the respective lines of business, with a 61% decrease recorded in the number of related complaints.

### Complaints Handling

Our robust complaints handling framework has received awards on a regional scale. Our people are empowered through enriched tools, standards, guidelines and frameworks to get it right the first time, every time for our customers. As a result, the number of complaints recorded for the bank in 2015 has reduced favourably by 8% as compared to the prior year.

### Product and Service Improvement

Guided by the Voice of Customer, we continuously work towards enhancing the way we do things in the best interest of our customers. To further accelerate our Customer Experience Journey transformation and drive continuous improvements, 35 quick wins have been successfully implemented for various lines of business within the organisation in 2015, with close to 10 more being carried out.



### OUR REGIONAL ACHIEVEMENTS

#### One Bank, One Service Standard

Aligned to Maybank's strategic objectives to be ASEAN's leading bank, we have socialised our customer experience journey, guidelines and frameworks across the region to ensure that all our customers enjoy standardised best in class banking experiences that transcends borders.

#### Complaints Handling

To ensure quality, standardised resolution is consistently delivered to our customers, the implementation of the award-winning complaints handling framework used in Maybank Malaysia has been further enhanced for our home markets in 2015.

#### Standardised Branch Experience

A Mystery Shopping Programme is carried out at our key touch points across the region to ensure that prescribed hospitality standards are upheld at all times. Branches in Maybank Singapore and Indonesia have successfully raised the bar in 2015 by performing above the target.

#### Product Knowledge

True to the Maybank culture of growth and continuous learning, our people are regularly tested on their knowledge of our core products and functions. In 2015, staff from Maybank Malaysia, Singapore and Indonesia collectively chalked up scores of more than 90%, exceeding the set baseline.

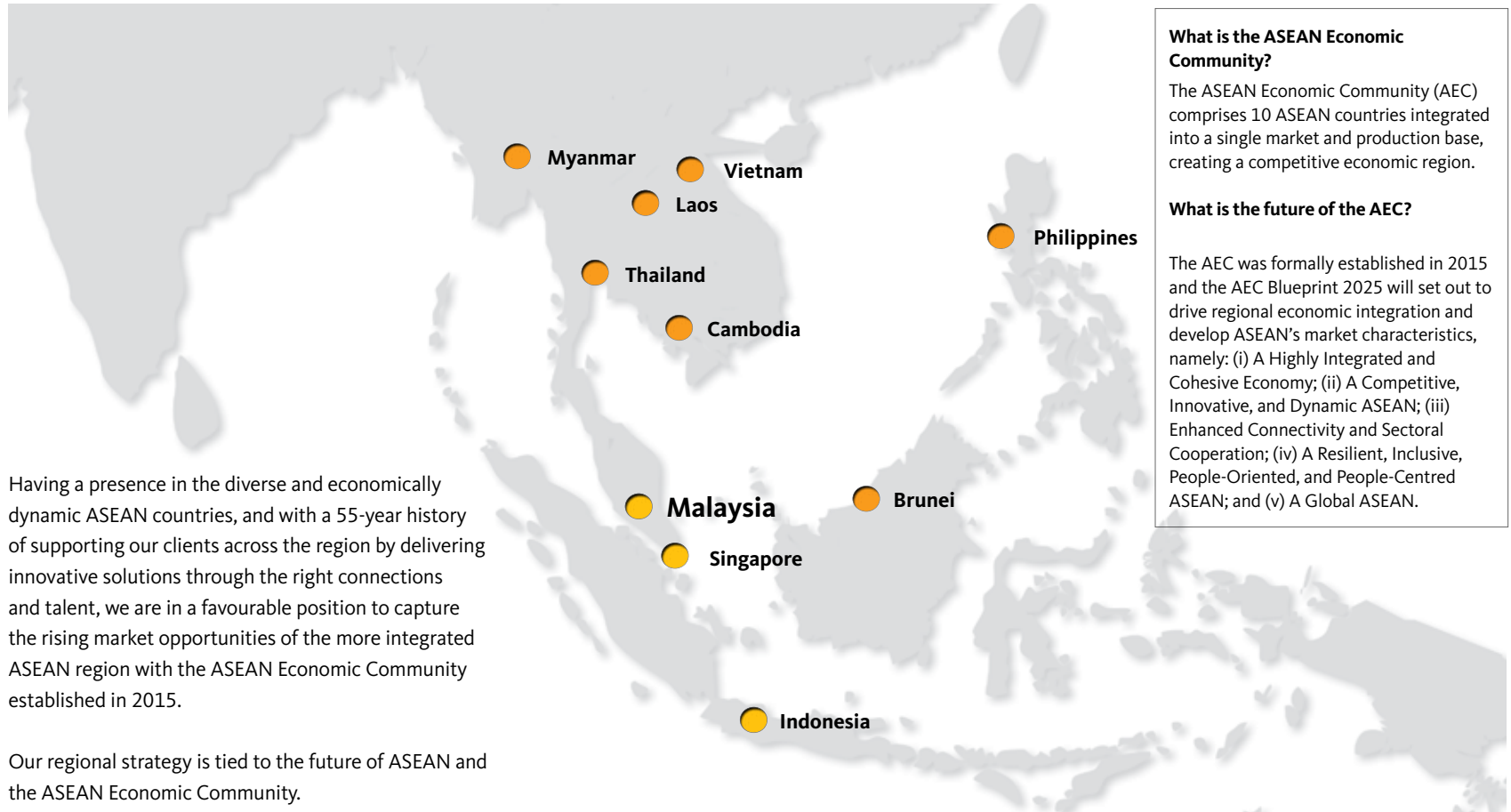
### Way Forward for 2016

In 2016, Group Customer Experience Management (GCEM) holds a pivotal role in our 2020 vision of "Advancing Asia's Ambitions With You". Our key focus areas for the year include:

1. Sustaining our position as the preferred financial institution in various geographies that we operate.
2. Strengthening our digital footprint by upgrading our alternative banking channels.
3. Expanding our regional presence through the delivery of standardised, best in class customer experience.

# The ASEAN Opportunities

The Maybank Group, as a leading regional financial services group, is well positioned to benefit from the long term growth of the ASEAN Economic Community.



**What is the ASEAN Economic Community?**  
 The ASEAN Economic Community (AEC) comprises 10 ASEAN countries integrated into a single market and production base, creating a competitive economic region.

**What is the future of the AEC?**  
 The AEC was formally established in 2015 and the AEC Blueprint 2025 will set out to drive regional economic integration and develop ASEAN's market characteristics, namely: (i) A Highly Integrated and Cohesive Economy; (ii) A Competitive, Innovative, and Dynamic ASEAN; (iii) Enhanced Connectivity and Sectoral Cooperation; (iv) A Resilient, Inclusive, People-Oriented, and People-Centred ASEAN; and (v) A Global ASEAN.

Having a presence in the diverse and economically dynamic ASEAN countries, and with a 55-year history of supporting our clients across the region by delivering innovative solutions through the right connections and talent, we are in a favourable position to capture the rising market opportunities of the more integrated ASEAN region with the ASEAN Economic Community established in 2015.

Our regional strategy is tied to the future of ASEAN and the ASEAN Economic Community.

We highlight some of the reasons we are excited about the opportunities of the growing integration of the ASEAN Economic Community and how our business units are pursuing these opportunities.

## POPULATION

### Large population with young demographics

**3<sup>rd</sup> largest** market in the world after China and India.

**622 million** people.

Over **50%** are below 30 years old, versus 39% in East Asia and 34% in Europe.

We are strategically located in our 3 home markets in Malaysia, Singapore and Indonesia and have presence in all 10 ASEAN countries.

Refer to Corporate Profile & Global Network pg. 16

## ECONOMY

### Large economies with fast growing markets and rising affluence

**7<sup>th</sup> largest** in the World.

**3<sup>rd</sup> largest** in Asia.

**US\$2.6 trillion** combined GDP, doubled from US\$1.3 trillion in 2007.

**76%** increase in per capital GDP from US\$2,343 in 2007 to US\$4,135 in 2014.

We are serving the fast growing markets of ASEAN by expanding and transforming our branches and tapping into the rising affluence with the expansion of Private and Premier Wealth Centres across the region.

Refer to Community Financial Services, pg. 102

# The ASEAN Opportunities

REALISING THE POTENTIAL FOR LONG TERM GROWTH

## FDI INFRASTRUCTURE


### Large inflow of foreign direct investments with sizable ASEAN portion

**11%** of total global FDI inflows worth US\$136 billion, up from 5% in 2007.

**US\$24 billion** intra-ASEAN trade, 2<sup>nd</sup> highest source of FDI in 2014 at 17.9%, behind EU-28.

Our global client coverage teams in Global Banking serve the ASEAN region, linking our customers into Asia and the rest of the world.

Our investment banking capability has led us to secure landmark deals by tapping the growing debt and equity capital markets to support investments across the region.

 Refer to Global Banking, pg. 108

### Requirements for infrastructure investments

**US\$7 trillion** requirement in infrastructure and real estate investment from 2015 to 2030

## TRADE


### An open economic region with fast growing trade – and a sizable portion of trade within ASEAN

**US\$1 trillion** increase in total trade from 2007 to 2014.

**24%** ratio of intra-ASEAN trade vs total trade, comprising the largest share of ASEAN's total trade by partner.

**US\$2.5 trillion** in total ASEAN trade in 2014, up from US\$1.6 trillion in 2007.

We leverage our leadership in transaction banking to introduce a wider range of innovative products across the region including a suite of trade financing and treasury services to support the trading needs of clients.

 Refer to Global Banking (Transaction Banking), pg. 113


## SME FINANCIAL INCLUSION

### A large market of SMEs

**92% - 99%** of all commercial enterprises in ASEAN countries are SMEs, employing between 58% to 97% of the domestic workforce in ASEAN countries.

We have improved our product range, service quality and turnaround time in serving the flourishing SME market with greater efficiency through our standardised Regional Retail SME business model.

We are expanding our banking branches across selected markets in the region to provide greater financial service access for SMEs and communities.

 Refer to Community Financial Services, pg. 102

### Potential for higher financial inclusion


**Below 1%** financial assets to GDP ratio for the ASEAN countries of Indonesia, Cambodia, Laos, Myanmar and Philippines, versus 3.5% in OECD.

## CONNECTIVITY DIGITALISATION

### Greater mobility for leisure and work

**69%** increase in annual tourist arrivals from 62 million in 2007 to 105 million in 2014.

We are expanding our Maybank2u internet banking platform to enable customers to bank with us anywhere, anytime and on any device of choice while providing seamless banking experience across all channels.

 Refer to Community Financial Services, pg. 102

### Rising digitalisation


**142%** increase in internet subscriptions per 100 people, from 11.8 in 2007 to 28.6 in 2014.

## ISLAMIC FINANCE

### Fast paced growth

**19.4%** ASEAN market share of global Islamic finance industry. Total ASEAN Islamic finance industry of US\$388 billion in 2014 set to double to US\$770 billion by 2018.

We are the leading Islamic bank in ASEAN with our footprint in Malaysia, Singapore and Indonesia. We are strengthening our position in Indonesia, which has the largest Islamic population in the world.


 Refer to Group Islamic Banking, pg. 133

## INSURANCE

### Large growth potential

**3.2%** insurance penetration rate (premiums as a percentage of GDP), well below global average of 6.1%, providing large growth potential.

From our leading position in Malaysia, we have expanded our insurance business under Etiqa to Singapore and the Philippines, and to seek greater opportunities in the region.

 Refer to Insurance & Takaful, pg. 128

# Key Performance Indicators

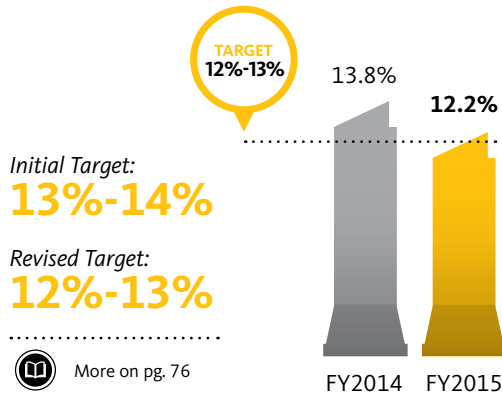
Our 12 key financial and operating metrics enable us to measure our progress in achieving our strategic objectives and shareholder value creation.

## 2015 Key Indicators

### RETURN ON EQUITY (ROE)

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

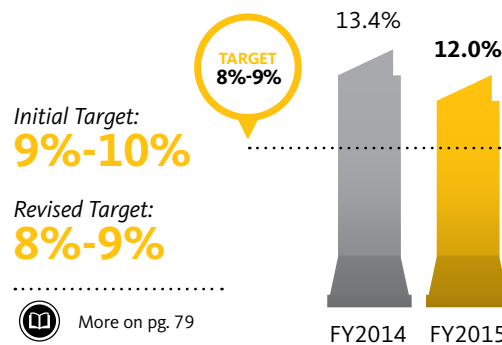
**Achievement:** Our ROE of 12.2% was in line with our revised target of 12%-13%. We maintained profitability in a more challenging operating environment.



### GROUP LOANS GROWTH

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

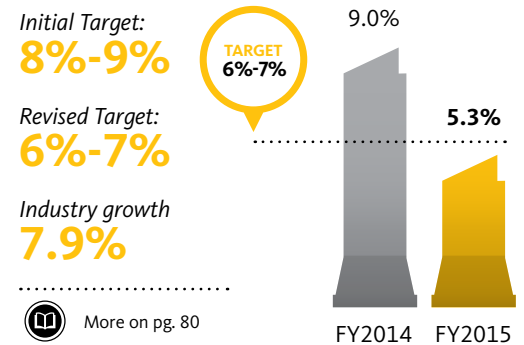
**Achievement:** Group loans growth of 12.0% surpassed our target supported by the strength of our Community Financial Services franchise in our home markets and growth in our other international markets.



### MALAYSIA LOANS GROWTH

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

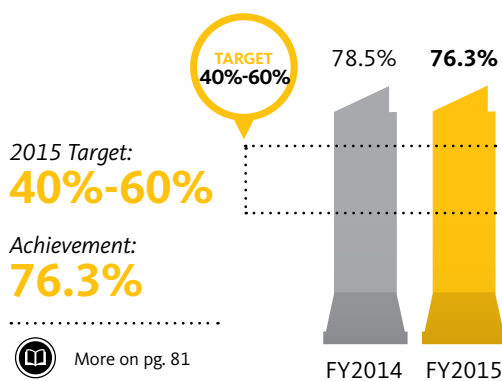
**Achievement:** Our loan growth in Malaysia of 5.3% was slightly below our revised target as we slowed corporate lending on the back of slower economic growth.



### DIVIDEND PAYOUT RATIO

**Aim:** To provide a satisfactory return to shareholders with a 40%-60% dividend policy rate.

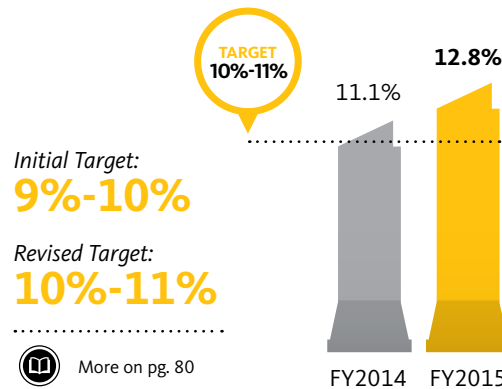
**Achievement:** Dividend payout ratio of 76.3% continued to exceed our policy rate of 40%-60%. We have also maintained the Dividend Reinvestment Plan to help strengthen the Group's capital base.



### GROUP DEPOSITS GROWTH

**Aim:** To strengthen deposit taking in key markets in order to fund asset growth.

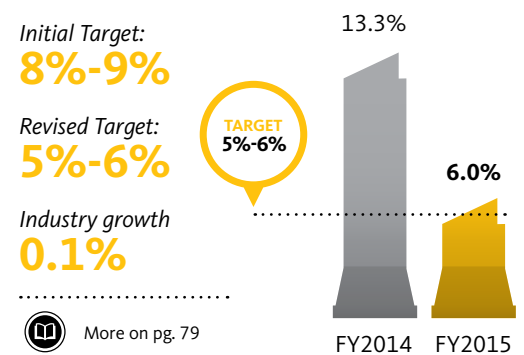
**Achievement:** Group deposits growth of 12.8% was ahead of revised target as we sought to manage loan to deposit ratio within a comfortable range.



### SINGAPORE LOANS GROWTH

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

**Achievement:** Our Singapore loan growth of 6.0% came in at the top range of our revised target, mainly driven by growth in our consumer and SME segments.





# Key Performance Indicators

## 2015 Targets Talent Indicators

### INDONESIA LOANS GROWTH

**Aim:** To grow loans on par with industry.

**Achievement:** Loan growth of 5.0% was behind our revised target of 10%-13%, as we remained selective in corporate lending business to manage asset quality.

TARGET  
10%-13%

Initial Target:  
**13%-15%**  
Revised Target:  
**10%-13%**  
Industry growth  
**10.1%**



More on pg. 79

### INTERNATIONAL CONTRIBUTION TO GROUP PROFIT BEFORE TAX (PBT)

**Aim:** To expand earnings derived from outside Malaysia in line with our regionalisation strategy.

**Achievement:** Our initial target of 40% included inorganic growth through a potential merger and acquisition (M&A). Contribution from existing international operations made up 27% of Group PBT.

TARGET  
40.0%

2015 Target:  
**40.0%**



More on pg. 79

### SUCCESSION REALISATION FOR MISSION CRITICAL POSITIONS

**Aim:** Measures the effectiveness 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:** Attained a 70% realisation target in FY2015, a consistent achievement over the last 3 years. This means 8 out of 10 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.

TARGET  
70.0%

2015 Target:  
**70.0%**



More on pg. 62

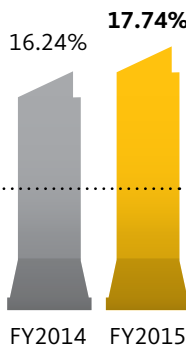
### TOTAL CAPITAL RATIO

**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:** Strong total capital ratio of 17.74%, ahead of the minimum regulatory requirement of 8% set by BNM.

BNM TARGET  
8%

BNM requirement:  
**8%**



More on pg. 81

### 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 financing contribution to Maybank Malaysia loans was 50.8%, well exceeding our target of 33%. Our Islamic gross financing growth of 21% continued to be ahead of Malaysia loan growth of 5.3%.

TARGET  
33.0%

2015 Target:  
**33.0%**



More on pg. 134

### WOMEN IN SENIOR MANAGEMENT

**Aim:** Focused at driving greater diversity in leadership planning, as it creates greater shareholder value.

**Achievement:** Percentage of women in Senior Management increased to 34.5% in FY2015 from 34.0% in FY2014, due to various initiatives undertaken to enhance diversity.



More on pg. 68

# Core Values & Code of Ethics

## 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.

|                                                                                                                                                                                               |                                                                                                                                                                                           |                                                                                                                                                                                     |                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>teamwork</b><br/>We work together as a team based on mutual respect and dignity</p> <p><b>TEAMWORK</b></p> <p><b>We work together as a team based on mutual respect and dignity</b></p> | <p><b>integrity</b><br/>We are honest, professional and ethical in all our dealings</p> <p><b>INTEGRITY</b></p> <p><b>We are honest, professional and ethical in all our dealings</b></p> | <p><b>growth</b><br/>We are passionate about constant improvement and innovation</p> <p><b>GROWTH</b></p> <p><b>We are passionate about constant improvement and innovation</b></p> | <p><b>excellence &amp; efficiency</b><br/>We are committed to delivering outstanding performance and superior service</p> <p><b>EXCELLENCE &amp; EFFICIENCY</b></p> <p><b>We are committed to delivering outstanding performance and superior service</b></p> | <p><b>relationship building</b><br/>We continuously build long-term and mutually beneficial partnerships</p> <p><b>RELATIONSHIP BUILDING</b></p> <p><b>We continuously build long-term and mutually beneficial partnerships</b></p> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## 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.

# The Maybank Brand

**Maybank is committed to providing innovative financial services solutions to our various stakeholders. We constantly endeavour to innovate products and services that not only meet our customers' current needs but also ensure they are well-positioned to prosper in the future.**



The core of our brand — “Humanising Financial Services” is what we live by. With this mission as our guiding principle, we are constantly looking to build on our relationships with the communities we serve into long-term, sustainable relationships. As a result of our efforts, we have retained the “Brand of the Year” status awarded by the World Branding Awards 2015 for the second consecutive year. Furthermore, we have been awarded with the “Putra Brand of the Year” by the Putra Brand Awards, while also retaining the “Gold” title in the Banking, Investment & Insurance category for the sixth year running. These awards are proof of the people’s continued trust and loyalty in us, and further reinforce our brand’s leadership position within Malaysia and across the ASEAN region.

To be a ‘Humanising Financial Services’ provider, we need to grow and develop the ASEAN region through its people. We also stay connected to the communities we serve through our corporate responsibility (CR) initiatives. Past initiatives include rebuilding of

schools and providing light bulbs to villages across Malaysia, Philippines and Myanmar. We also embarked on a special project for the visually-impaired to experience movies through a special cinema in Kuala Lumpur. We believe the success of ASEAN comes from its people, and we are committed to be part of the journey to create a developed ASEAN market.

Maybank is also actively involved in golf, as a means for us to become a preferred partner in ASEAN among our global stakeholders. We are keen on inspiring both professional and amateur golfers in ASEAN to expand their talent and potential in the global arena, while also bringing people from all walks of life together to enjoy the sport.

These various accolades are a testament of the continued trust we have earned from our various stakeholders, and we are more committed than ever to work towards achieving our goal of becoming an ASEAN leader in the industry, by putting people first.

**Maybank Brand Value**  
**US\$2.2 billion**

Source: 2015 BrandFinance® Banking 500 League Table Results



BrandFinance®:  
Top 100 Banking Brand 2015



BANKING – MALAYSIA  
2014 – 2015

World Branding Awards:  
Brand of the Year  
National Category

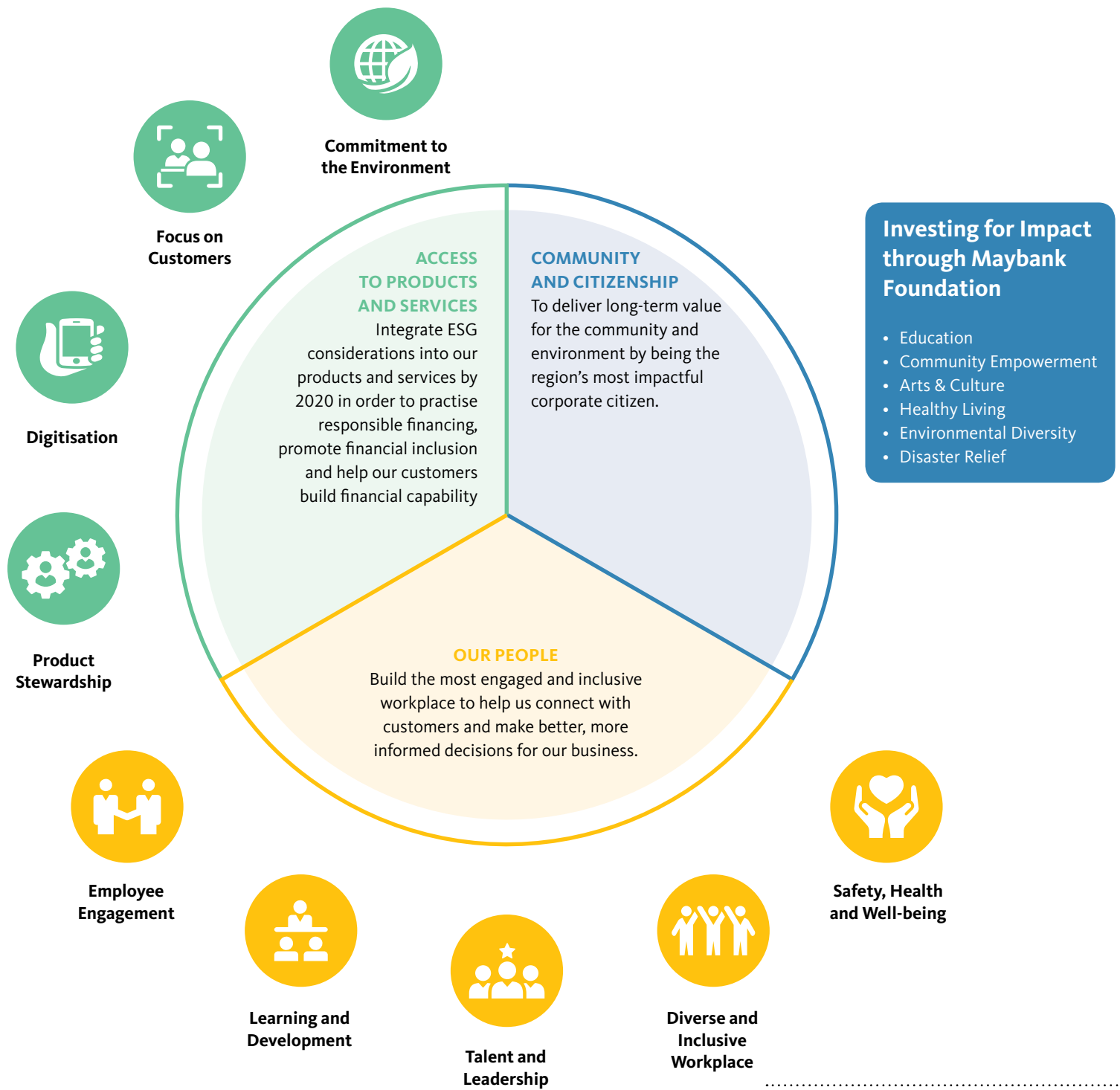


Putra Brand Awards:  
Putra Brand of the Year;  
Gold in the Banking,  
Investment & Insurance Category  
for 6 consecutive years

# Sustainable Value

## Guided and Supported by Our 20/20 Sustainability Plan

Our ability to create long-lasting meaning and value is directly linked to our material non-financial matters which encompass the Economic, Environmental and Social (EES) aspects of our business. The 20/20 Sustainability Plan has helped us to navigate and manage stakeholder expectations in this area. We want to create long-lasting value and meaning in ways that are regionally significant and globally relevant. Achievement of our sustainability goals enable us to continue to innovate and create impact where we operate.



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

## Sustainable Value

### How We Progressed Over the Years

2010

- Maybank's first Sustainability Report published with disclosure across four areas: community, workplace, marketplace and environment pursuant to Bursa Malaysia's CSR Framework
- Launch of Maybank Foundation

2011

- First financial institution in Malaysia to participate in the Carbon Disclosure Project (CDP)
- Second Sustainability Report aligned with the Global Reporting Initiative (GRI) G3 Guidelines
- Maybank Financial Literacy Programme launched as FLiP, known today as CashVille Kidz
- 37/100 Carbon Disclosure Project (CDP) score
- Awards:
  - National Annual Corporate Report Awards (NACRA) — Best Corporate Social Responsibility

2012

- First financial institution in Malaysia to participate on the Dow Jones Sustainability Emerging Market Index
- Awards:
  - ACCA MaSRA — Sustainability Report (Joint Winner)
  - NACRA — Best Corporate Social Responsibility (Gold)

2013

- Sustainability Reporting aligned with the Global Reporting Initiative (GRI) G4 Guidelines
- Year-on-year progress tracking across key areas
- Community Impact Roadmap (CIR) approved by the Board
- Awards:
  - ACCA MaSRA — Sustainability Report (Winner)
  - NACRA — Best Corporate Social Responsibility (Silver)
  - Asia's Best Companies 2013 Award — Best Corporate Governance and Corporate Social Responsibility

2014

- Maybank 20/20 Sustainability Plan approved by the Board of Directors
- Appointment of Maybank Foundation CEO
- 71/100 Carbon Disclosure Project (CDP) score
- Awards:
  - ACCA MaSRA — Sustainability Report (Winner) and Best Workplace Practices
  - Alpha Southeast Asia 4th Annual Institutional Investor Corporate Awards — Best Strategic Corporate Sustainability
  - Minority Shareholders Watchdog Group (MSWG) — Exemplary Environment Social and Governance (ESG) Practices
  - NACRA — Best Corporate Social Responsibility (Silver)
  - The ASEAN Corporate Sustainability Summit & Awards (ACSSA) — Sustainability Report Category (Winner)
  - The 6th Global CSR Summit & Awards (GSCA) — Excellence in Provision of Literacy and Education (Winner)
  - Maybank included in the list of top 20 constituents of the FTSE4Good Bursa Malaysia ESG Index

2015

- Implementation of the Maybank 20/20 Sustainability Plan
- Reputational Risk Policy established by Group Risk to support incorporation of Environmental, Social and Governance (ESG) into the Group's products, investments, credit practices and supply chain
- Disclosure against Bursa Malaysia Securities Berhad Main Market Listing Requirements relating to Sustainability Statements in Annual Reports
- Four flagship regional programmes launched by Maybank Foundation
- Green Events and Green Office Toolkits introduced
- Awards and rating:
  - Sustainability Reporting Award (SRA) — Best Sustainability Report 2014, Category Overseas
  - NACRA — Best Corporate Social Responsibility Reporting Award (Platinum Award)
  - The Edge Billion Ringgit Club (BRC) Awards — First Place Best CR Initiatives (Big Cap Companies)
  - The 14th CNBC Asia Business Leaders Awards (ABLA) — CNBC ABLA Corporate Social Responsibility Award
  - Channel NewsAsia Sustainability Ranking — One of the 100 most sustainable companies in Asia (Top 3 in Malaysia; No 65 in Asia)
  - Newsweek's Global 500 Green Rankings — Ranked at number 256
  - A constituent of the FTSE4Good Bursa Malaysia ESG Index

### 2015 Sustainability Highlights

- ▶ **About 1%** of PATAMI spent on community and citizenship programmes
- ▶ More than **RM14 million** disbursed on Maybank Scholarships
- ▶ **4 new flagship programmes** through Maybank Foundation: Maybank Women Eco-Weavers, Maybank Training & Learning Centre (TLC), KataKatha and eMpowering Youth
- ▶ **Over RM114 million** spent on employee learning and development
- ▶ Introduction of the **Maybank Green Events and Green Office Toolkit**
- ▶ **53,000** students reached through our CashVille Kidz Programme
- ▶ **480 successful entrepreneurs with disabilities trained** through our Reach Independence & Sustainable Entrepreneurship (R.I.S.E.) Programme
- ▶ **Over 242,500 hours** dedicated to employee volunteerism
- ▶ **Launch of Maybank Sustainability Website:** A new communication channel
- ▶ **167 participants** in the Maybank Global Mobility Programme
- ▶ **Savings of over RM10.88 million** in paperless transactions through Regional Branch Solution
- ▶ **Disbursed over RM290 million** to our SME Portfolio Guarantee Scheme
- ▶ **71 / 100** improved Carbon Disclosure Project (CDP) score
- ▶ **96.6%** of our suppliers in Malaysia are locally incorporated companies

# Board of Directors



**TAN SRI DATO' MEGAT ZAHARUDDIN MEGAT MOHD NOR**  
Non-Independent Non-Executive Director (Chairman)



**TAN SRI DATUK DR HADENAN A. JALIL**  
Independent Non-Executive Director



**DATO' SERI ISMAIL SHAHUDIN**  
Independent Non-Executive Director



**DATO' DR TAN TAT WAI**  
Independent Non-Executive Director



**DATO' JOHAN ARIFFIN**  
Independent Non-Executive Director

## Board of Directors



**DATUK MOHAIYANI SHAMSUDIN**  
Independent Non-Executive Director



**DATUK R. KARUNAKARAN**  
Independent Non-Executive Director



**CHENG KEE CHECK**  
Non-Independent Non-Executive Director



**DATUK ABDUL FARID ALIAS**  
Non-Independent Executive Director (Group President & Chief Executive Officer)



**EDWIN GERUNGAN**  
Non-Independent Non-Executive Director



**WAN MARZIMIN WAN MUHAMMAD**  
Group General Counsel and Company Secretary

# Board of Directors' Profile



**TAN SRI DATO' MEGAT ZAHARUDDIN  
MEGAT MOHD NOR**  
Non-Independent Non-Executive Director  
(Chairman)

.....  
**67 years of age,**  
Malaysian

#### APPOINTMENT

- 1 October 2009

#### QUALIFICATION

- Associate of the Royal School of Mines, UK
- Bachelor of Science (Hons) in Mining Engineering, Imperial College of Science & Technology, University of London, UK

#### WORKING EXPERIENCE

##### Present:

Within Maybank Group

- Chairman/Director of Maybank
- Chairman of Maybank Ageas Holdings Berhad
- President Commissioner of PT Bank Maybank Indonesia Tbk

##### Other Companies/Bodies

- Chairman of PADU Corporation
- Director of The ICLIF Leadership and Governance Centre, Malaysia

##### Previous:

- Director of Financial Services Professional Board from 1 May 2014 to 31 August 2015
- Chairman of Malaysian Rubber Board from February 2009 to May 2010
- Director of Woodside Petroleum Ltd, a company listed on the Australian Securities Exchange from December 2007 to April 2011
- Chairman of Etiqa Insurance & Takaful from January 2006 until February 2009
- Director of Capital Market Development Fund from January 2004 to January 2010
- Chairman of Maxis Communications Berhad from January 2004 to November 2007
- Regional Business Chief Executive Officer and Managing Director, Shell Exploration and Production B.V. prior to his retirement in early 2004
- Outstanding career in the oil and gas industry for 31 years with the Royal Dutch Shell Group of Companies

#### DIRECTORSHIP OF PUBLIC COMPANIES

- Maybank
- Maybank Ageas Holdings Berhad

#### ATTENDANCE IN 2015

- All 15 Board meetings held in the financial year

#### DECLARATION

- No family relationship with any director.
- Nominee of Permodalan Nasional Berhad, a major shareholder of Maybank.
- No conflict of interest with Maybank and has never been charged for any offence.



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Visit [www.maybank.com/directors](http://www.maybank.com/directors) for more information  
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## Board of Directors' Profile



**DATUK ABDUL FARID ALIAS**  
Non-Independent Executive Director  
(Group President & Chief Executive Officer)

.....  
**48 years of age,**  
Malaysian



**TAN SRI DATUK DR HADENAN A. JALIL**  
Independent Non-Executive Director

.....  
**70 years of age,**  
Malaysian

### APPOINTMENT

- 2 August 2013

### QUALIFICATION

- Advanced Management Programme, Harvard Business School, Harvard University, USA
- Master of Business Administration (Finance), University of Denver, USA
- Bachelor of Science in Accounting, Pennsylvania State University, University Park, USA

### WORKING EXPERIENCE

#### 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 of Asian Institute of Chartered Bankers
- Chairman of Malaysian Electronic Payment System Sdn Bhd
- Director of Cagamas Holdings Berhad
- Member of the ASEAN Banking Council
- Member of the Asian Banker Association
- Member of Visa Senior Client Council
- Investment Panel of Kumpulan Wang Persaraan (Diperbadankan) (KWAP)
- Member of the Emerging Markets Advisory Council of The Institute of International Finance

#### Past:

- Deputy President and Head, Group Global Banking of Maybank from 1 July 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

### DIRECTORSHIP OF PUBLIC COMPANIES

- Maybank
- Maybank Investment Bank Berhad
- PT Bank Maybank Indonesia Tbk
- Maybank Ageas Holdings Berhad
- Cagamas Holdings Berhad

#### Membership of Board/Management Committees in Maybank:

- Credit Review Committee of the Board (Member)
- Group Executive Committee (Chairman)
- Group Asset & Liability Management Committee (Chairman)

### ATTENDANCE IN 2015

- All 15 Board meetings held in the financial year.

### DECLARATION

- 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.

### APPOINTMENT

- 15 July 2009

### QUALIFICATION

- PhD, Henley Management College, Brunel University, UK
- Master of Business Management, Asian Institute Management, Philippines
- Bachelor of Economics, University of Malaya

### WORKING EXPERIENCE

#### Present:

Within Maybank Group

- Director of Maybank
- Director of Maybank Islamic Berhad
- Supervisory Board of An Binh Commercial Joint Stock Bank, Vietnam

#### Other Companies/Bodies

- Chairman of Protasco Berhad
- Chairman of Pelangi Management Sdn Bhd
- Chairman of Roadcare Sdn Bhd
- Chairman of PNB Commercial Sdn Bhd (and its subsidiaries)
- Chairman of the Board of Governors of Infrastructure University Kuala Lumpur
- Director of Unilever (Malaysia) Holdings Sdn Bhd
- Director of THP Sinar Sdn Bhd
- Director of University Tun Abdul Razak Sdn Bhd
- Audit Committee of Johor Corporation

#### Past:

- Chairman of Operation Evaluation Panel, Malaysia Anti-Corruption Commission
- Auditor General from 2000 to 2006
- Served the Government for 36 years in various capacities in the Treasury, Ministry of International Trade and Industry and Ministry of Works

### DIRECTORSHIP OF PUBLIC COMPANIES

- Maybank
- Maybank Islamic Berhad
- Protasco Berhad

#### Membership of Board Committees in Maybank:

- Audit Committee of the Board (Chairman)

### ATTENDANCE IN 2015

- 9 out of the 15 Board meetings held in the financial year

### DECLARATION

- 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.

## Board of Directors' Profile



**DATO' SERI ISMAIL SHAHUDIN**  
Independent Non-Executive Director

65 years of age,  
Malaysian



**DATO' DR TAN TAT WAI**  
Independent Non-Executive Director

69 years of age,  
Malaysian

### APPOINTMENT

- 15 July 2009

### QUALIFICATION

- Bachelor of Economics, University of Malaya

### WORKING EXPERIENCE

#### Present:

Within Maybank Group

- Director of Maybank
- Chairman of Maybank Islamic Berhad
- Director of MCB Bank Limited, Pakistan

#### Other Companies/Bodies

- Chairman of UEM Edgenta Berhad (formerly known as Faber Group Berhad)
- Director of EP Manufacturing Berhad
- Director of Opus Group Berhad
- Director of Opus International Consultants Ltd (a company listed on New Zealand Stock Exchange)
- Director of Aseana Properties Limited (a company listed on the London Stock Exchange)

#### Past:

- Chairman of Bank Muamalat Malaysia Berhad from 2004 until his retirement in July 2008
- Group Chief Executive Officer of MMC Corporation Berhad in 2002
- Executive Director of Maybank from 1997 to 2002
- Held senior positions in United Asian Bank, Citibank (served both in Malaysia and New York) and Maybank

### DIRECTORSHIP OF PUBLIC COMPANIES

- Maybank
- Maybank Islamic Berhad
- UEM Edgenta Berhad (formerly known as Faber Group Berhad)
- EP Manufacturing Berhad
- Opus Group Berhad

#### Membership of Board Committees in Maybank:

- Nomination and Remuneration Committee of the Board (Chairman)
- Employees' Share Scheme Committee of the Board (Chairman)

### ATTENDANCE IN 2015

- All 15 Board meetings held in the financial year

### DECLARATION

- 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.

### APPOINTMENT

- 15 July 2009

### QUALIFICATION

- 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

### WORKING EXPERIENCE

#### Present:

Within Maybank Group

- Director of Maybank
- 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 (ABAC) and sat on the Council 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 (ICC) and the National Committee on Business Competitiveness (NCBC) 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

### DIRECTORSHIP OF PUBLIC COMPANIES

- Maybank
- Maybank Trustees Berhad
- Southern Steel Berhad
- Shangri-La Hotels (M) Bhd

#### Membership of Board Committees in Maybank:

- Risk Management Committee of the Board (Chairman)
- Nomination and Remuneration Committee of the Board (Member)
- Employees' Share Scheme Committee of the Board (Member)

### ATTENDANCE IN 2015

- All 15 Board meetings held in the financial year

### DECLARATION

- 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.

## Board of Directors' Profile



**DATO' JOHAN ARIFFIN**  
Independent Non-Executive Director

.....  
57 years of age,  
Malaysian



**DATUK MOHAIYANI SHAMSUDIN**  
Independent Non-Executive Director

.....  
67 years of age,  
Malaysian

### APPOINTMENT

- 26 August 2009

### QUALIFICATION

- Master of Business Administration, University of Miami, USA
- Bachelor of Arts in Economics, Indiana University, USA

### WORKING EXPERIENCE

#### 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
- Director of Sime Darby Property Berhad
- Chairman of Battersea Project Holding Company Limited
- National Council member of the Real Estate Housing Developers' Association Malaysia (REHDA)

#### Past:

- Managing Director, TTDI Development Sdn Bhd up to January 2009
- Senior General Manager, 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

### DIRECTORSHIP OF PUBLIC COMPANIES

- Maybank
- Etiqa Insurance Berhad

#### Membership of Board Committees in Maybank:

- Audit Committee of the Board (Member)
- Credit Review Committee of the Board (Member)

### ATTENDANCE IN 2015

- 13 out of the 15 Board meetings held in the financial year

### DECLARATION

- 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.

### APPOINTMENT

- 22 August 2011

### QUALIFICATION

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

### WORKING EXPERIENCE

#### Present:

Within Maybank Group

- Director of Maybank
- Chairman of Maybank Investment Bank Berhad
- Chairman of Maybank Asset Management Group Berhad
- Chairman of Maybank Asset Management Sdn Bhd

#### Other Companies/Bodies

- Director of Capital Market Development Fund
- Member and trustee of National Heart Institute Foundation
- Member and trustee of NUR Foundation
- Member and trustee of Perdana Leadership Foundation
- Member and trustee of National Council of Women's Organisations Malaysia (NCWO)

#### Past:

- Member of several high level national working groups such as National Economic Action Council (NEAC), National Economic Consultative Council II (MAPENII), National Information Technology Council (NITC), Ministry of Finance High Level Finance Committee for Corporate Governance and National Advisory Council for Women, Ministry of Women, Family and Community Development
- Chairman of Association of Stockbroking Companies Malaysia
- Deputy Chairman of Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Bhd)
- Owner and Managing Director of Mohaiyani Securities Sdn Bhd (established in 1985)
- Seagrott & Campbell Sdn Bhd
- Amanah Chase Merchant Bank Berhad

### DIRECTORSHIP OF PUBLIC COMPANIES

- Maybank
- Maybank Asset Management Group Berhad
- Maybank Investment Bank Berhad

#### Membership of Board Committees in Maybank:

- Risk Management Committee of the Board (Member)
- Credit Review Committee of the Board (Member)

### ATTENDANCE IN 2015

- All 15 Board meetings held in the financial year

### DECLARATION

- 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.

## Board of Directors' Profile



**DATUK R. KARUNAKARAN**  
Independent Non-Executive Director

.....  
**65 years of age,**  
Malaysian



**CHENG KEE CHECK**  
Non-Independent Non-Executive Director

.....  
**51 years of age,**  
Malaysian

### APPOINTMENT

- 16 July 2014

### QUALIFICATION

- Post Graduate Course on Industrial Project Planning, University of Bradford, UK
- Bachelor of Economics (Accounting) Hons., University of Malaya

### WORKING EXPERIENCE

#### Present:

Within Maybank Group

- Director of Maybank
- Chairman of Etiqa Insurance Berhad
- Chairman of Etiqa Takaful Berhad
- Chairman of Maybank Private Equity Sdn Bhd
- Director of Maybank Ageas Holdings Berhad
- Director of Maybank (Cambodia) Plc
- Director of Maybank Asset Management Group Berhad
- Director of Maybank Asset Management Sdn Bhd
- Director of Maybank Agro Fund Sdn Bhd

#### Other Companies/Bodies

- Director of IOI Corporation Berhad
- Director of Integrated Logistics Berhad
- Director of Bursa Malaysia Berhad

#### Past:

- Member of the Cabinet Committee on Investment for High Impact Projects and PEMUDAH
- 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

### DIRECTORSHIP OF PUBLIC COMPANIES

- Maybank
- Maybank Ageas Holdings Berhad
- Etiqa Insurance Berhad
- Etiqa Takaful Berhad
- Maybank Asset Management Group Berhad
- IOI Corporation Berhad
- Integrated Logistics Berhad
- Bursa Malaysia Berhad

#### Membership of Board Committees in Maybank:

- Risk Management Committee of the Board (Member)
- Audit Committee of the Board (Member)
- Nomination and Remuneration Committee of the Board (Member)
- Employees' Share Scheme Committee of the Board (Member)

### ATTENDANCE IN 2015

- All 15 Board meetings held in the financial year

### DECLARATION

- 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.

### APPOINTMENT

- 19 November 2014

### QUALIFICATION

- LLB (Hons), National University of Singapore

### WORKING EXPERIENCE

#### Present:

Within Maybank Group

- Director of Maybank

#### Other Companies/Bodies

- Director of PNB Development Sdn Bhd
- Director of Seriemas Development Sdn Bhd
- Member of the Investment Committee of Amanah Saham Wawasan 2020
- A corporate lawyer and partner at Messrs Skrine

#### Past:

- Nil

### DIRECTORSHIP OF PUBLIC COMPANY

- Maybank

#### Membership of Board Committees in Maybank:

- Audit Committee of the Board (Member)
- Credit Review Committee of the Board (Member)

### ATTENDANCE IN 2015

- All 15 Board meetings held in the financial year

### DECLARATION

- No family relationship with any director.
- Nominee of Permodalan Nasional Berhad, a major shareholder of Maybank.
- No conflict of interest with Maybank and has never been charged for any offence.

## Board of Directors' Profile



**EDWIN GERUNGAN**  
Non-Independent Non-Executive Director

.....  
67 years of age,  
Indonesian



**WAN MARZIMIN WAN MUHAMMAD**  
Group General Counsel and Company  
Secretary

### APPOINTMENT

- 24 August 2015

### QUALIFICATION

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

### WORKING EXPERIENCE

#### 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
- Joined Bank Mandiri as the Executive Vice President, Treasury and International in 1999 to 2000
- Senior Advisor at Atlantic Richfield from 1997 to 1999
- Vice President, Head of Treasury at Citibank N.A. from 1972 to 1997

### DIRECTORSHIP OF PUBLIC COMPANY

- Maybank

#### Membership of Board Committees in Maybank:

- Credit Review Committee of the Board (Chairman)
- Risk Management Committee of the Board (Member)
- Nomination and Remuneration Committee of the Board (Member)
- Employees' Share Scheme Committee of the Board (Member)

### ATTENDANCE IN 2015

- All 7 Board meetings held in the financial year ended 31 December 2015 since his appointment on 24 August 2015.

### DECLARATION

- No family relationship with any director
- Nominee of Permodalan Nasional Berhad, a major shareholder of Maybank.
- No conflict of interest with Maybank and has never been charged for any offence.

### QUALIFICATION:

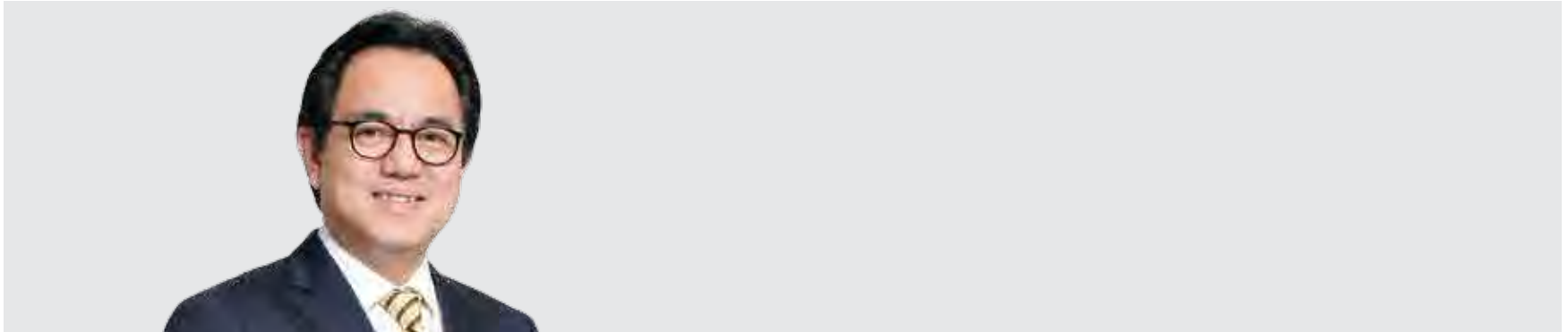
- LLB (Honours), University of Kent at Canterbury, UK
- Bar Finals, London Guildhall University. Called to the Bar of England & Wales (Barrister of Gray's Inn)
- Advocate and Solicitor of the High Court of Malaya

### 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

**Datuk Abdul Farid Alias was appointed as Group President & Chief Executive Officer of Maybank Group on 2 August 2013. Prior to this, Datuk Farid was the Deputy President and Head of Global Banking of Maybank Group.**

**Responsibility**

Datuk Farid spearheads Maybank Group's overall business growth and regionalisation strategies. He is responsible for driving the execution of Maybank Group's business targets to meet the Group's aspirations and vision. He oversees and ensures a good balance between driving operational excellence and strong governance to deliver sustainable long-term value for shareholders, customers, employees and all other stakeholders.

**Experience**

Datuk Farid has over 20 years of experience in investment banking, corporate finance and capital markets, having served with various investment and merchant banks such as Aseambankers Malaysia Berhad from 1992 to 1994, Schroders from 1994 to 1995, Malaysian International Merchant Bankers Berhad from 1996 to 1997, and J.P. Morgan from 1997 to 2005, serving in Kuala Lumpur and Singapore operations, and in Khazanah Nasional Berhad from 2005 to 2008.

Datuk Farid was appointed as Group President and Chief Executive Officer of Maybank Group on 2 August 2013. Prior to this appointment, he was Deputy President & Head, Global Banking where his areas of responsibility covered client coverage, corporate banking, investment banking, transaction banking, global markets and international business for Maybank Group. He joined Maybank as Head of International on 1 January 2009.

Datuk Abdul Farid was named CEO of the Year at the ASEAN Business Awards 2015, which recognises outstanding enterprises in the ASEAN business community. He was also awarded the CNBC Asia Business Leader Award for Corporate Social Responsibility in 2015.

**Qualification**

Master in Business Administration, Finance, University of Denver, USA; Bachelor of Science in Accounting, Pennsylvania State University, University Park, USA and Advanced Management Programme at Harvard Business School.

**Committee Membership/Appointments**

Member of the Board of Directors of Maybank Investment Bank Berhad, Maybank Ageas Holdings Berhad, Board of Commissioners of PT Bank Maybank Indonesia Tbk as well as Cagamas Holdings Berhad, Malaysia's national mortgage corporation. Chairman of both The Association of Banks in Malaysia (ABM) and Malaysian Electronic Payment System Sdn Bhd (MEPS). Vice Chairman and a Fellow, Chartered Bankers of the Asian Institute of Chartered Bankers (AICB) and the Chartered Banker Institute (CBI) in the United Kingdom. Member of Investment Panel of Kumpulan Wang Persaraan (KWAP), Asian Bankers Association (ABA) Policy Advocacy Committee and Emerging Markets Advisory Council (EMAC) of The Institute of International Finance based in Washington, DC.



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

## Group Executive Committee



**Datuk Lim Hong Tat was appointed as Group Head, Community Financial Services of Maybank Group and CEO, Singapore since 1 January 2014.**

### Responsibility

As Group Head of Community Financial Services, he is responsible for driving and implementing the Bank's community banking strategy across all geographies. This covers branch banking, consumer lending, SME and Business Banking, sales and distribution, wealth management, payments, virtual banking, product innovation and customer segmentation. He is also responsible for growing the business of all Maybank entities in Singapore. This spans the full suite of financial products and services — commercial banking, global banking, investment banking, and insurance.

### Experience

Datuk Lim joined the Bank upon graduation in 1981. He has 34 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.

### Qualification

Bachelor of Economics (Business Administration) (Hons), University of Malaya; Fellow of the International Academy of Retail Banking and Advanced Management Programme at Harvard Business School.

### Committee Membership/Appointments

Director of Maybank Kim Eng Holdings Ltd; Maybank Kim Eng Securities Pte Ltd; Etiqa Insurance Pte Ltd; Maybank Philippines Incorporated; Mutiara Mortgage & Credit Sdn Bhd, a wholly-owned subsidiary of Ministry of Housing Sarawak; Member of the Asia Pacific Visa Client Council; Board Member of EFMA (European Financial Management Association); Council Member of The Association of Banks in Singapore.



**Dato' Amirul Feisal Wan Zahir was appointed as Group Head, Global Banking on 1 October 2014.**

### Responsibility

Dato' Feisal is responsible for the Global Banking business which comprises Maybank Kim Eng Group (Investment Banking and Stockbroking), Client Coverage, Global Markets, Corporate Banking, Transaction Banking and Maybank Asset Management Group. 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.

### Experience

Dato' Feisal started his career in KPMG Plc, London and later served with Citigroup Global Markets in the Kuala Lumpur, Singapore and Hong Kong offices until 2004. Dato' Feisal progressed his career in various departments within the Investment Banking division including Project Finance and Privatisations, Corporate Finance, Mergers & Acquisitions as well as coverage of large cap Industrial Groups. 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 as Executive Director and subsequently, appointed as Group Managing Director.

### Qualification

BSc Economics (Accounting & Finance), London School of Economics & Political Science; Fellow of the Institute of Chartered Accountants England and Wales; Member of the Malaysian Institute of Accountants; Chartered Banker from Chartered Banker Institute and Asian Institute of Chartered Bankers.

### Committee Membership/Appointments

Non-Executive Director of Maybank Kim Eng Holdings Limited.

## Group Executive Committee



**DATO' MOHAMED RAFIQUE MERICAN BIN MOHD WAHIDUDDIN MERICAN**  
Group Chief Financial Officer

**Dato' Mohamed Rafique Merican has been the Group Chief Financial Officer of Maybank Group since 1 June 2012.**

### Responsibility

Dato' Rafique is responsible for the Group's financial, capital and funding management. He oversees Group Financial Control, Group Corporate Treasury, Group Tax, Group Performance Reporting & Investor Relations and Group Finance Operations (Corporate Remedial Management and Enterprise Information Management).

### Experience

Dato' Rafique has more than 20 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. He also held corporate finance and advisory roles with Amanah Capital Group and Bumiputra Merchant Bankers Berhad in the early part of his career.

### Qualification

Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom; Chartered Accountant, Malaysian Institute of Accountants (MIA) and Advanced Management Programme at Harvard Business School.

### Committee Membership/Appointments

Member of the Malaysian Accounting Standards Board (MASB); Member of the Malaysia Advisory Committee of Association of Chartered Certified Accountants (ACCA) Malaysia; Member of the CNBC Global CFO Council and the President Commissioner of PT Bank Maybank Syariah Indonesia.



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

**Dr John Lee has been the Group Chief Risk Officer of Maybank Group since 17 January 2011.**

### Responsibility

Dr John Lee is responsible for risk management, including credit and compliance, across the Group.

### Experience

Dr John Lee was previously with Amanah Merchant Bank and the Kuala Lumpur Options and Financial Futures Exchange (KLOFFE). Prior to his appointment in Maybank, he 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 has in-depth financial industry and risk management expertise with specialisation in Islamic finance, business strategy, risk management and performance management. He 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. He is also active as a leader in the development of talent and standards for the financial services and risk management communities.

### Qualification

Bachelor of Economics, Monash University, Australia; Doctorate of Philosophy in 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.

### Committee Membership/Appointments

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.



## Group Executive Committee



**Nora Abd Manaf was appointed as Group Chief Human Capital Officer of Maybank Group since September 2008, at the start of Maybank Group's Transformation Programme Leap30.**

### Responsibility

Nora formulates the Human Capital strategy across the Group that includes shaping and implementing business strategies aligning with the Group's aspirations and objectives. She is also responsible for all aspects of people, work climate and performance. She has been leading the People Transformation Programme since 2009 that focuses on shaping the Maybank workforce to current as well as future-ready – a key strategy in achieving the Group's 2020 Aspirations.

### Experience

Prior to joining Maybank, she 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) and a leadership development role in London and Hong Kong on integration work post SCB acquisition of Chase Retail bank then. She was also Executive Vice President, Strategic Initiatives in PermataBank Indonesia where she was part of a 7-member merger and alignment team seconded by StanChart to PermataBank Indonesia, to prepare the organisation for the full divestment of remaining shares held by the government of Indonesia and achievement of the Business Strategy for the bank within the StanChart Group.

### Qualification

Nora is a qualified Chartered Accountant, and is registered with the Malaysian Institute of Accountants (MIA). Nora also holds a post-grad certification in Human Resource Development from Cornell University, and is a Gallup Strengths Level II Coach.

### Committee Membership/Appointments

Nora is actively engaged in the country's financial and business employers' circles. She is the Chairman of the Malayan Commercial Banks' Association (MCBA), Chairman of the Human Resource Networking Group (HRNG) under the sponsorship of Asian Institute of Chartered Bankers (AICB) and Bank Negara Malaysia (BNM) and Vice-President and Council Member of the Malaysian Employers Federation (MEF). Nora is also a Council Member of the country's National Labour Advisory Council (NLAC), a member of the Advisory Committee for UUM Master of Science (Finance), Advisory Council Member (Financial Services Sector) under the Yayasan Peneraju Pendidikan Bumiputera, a member of the HR and Training Committee appointed by the Chairman of the Malaysia Competition Commission (MyCC) Board and a member of the Board of Examiners for the Asian Institute of Chartered Bankers (AICB). In 2013, Nora was inducted into the Global HR 50 World Top 50 Human Resource Professionals.

**Dato' Muzaffar Hisham is currently the Group Head, Islamic Banking, Maybank and Chief Executive Officer of Maybank Islamic Berhad effective 30 March 2011.**

### Responsibility

As the Group Head of Islamic Banking and CEO of Maybank Islamic, Dato' Muzaffar plays a leading role in managing and overseeing the overall Islamic banking franchise of Maybank and ensures that it operates on a parallel platform, leveraging on the Group's resources. At present, his responsibilities include determining the business strategy for the Group's Islamic Banking business including Maybank Islamic's products development and delivery, marketing support as well as risk and Shariah-compliance management, spearheading the expansion of Group Islamic Banking in ASEAN and globally.

### Experience

Dato' Muzaffar has collectively 21 years of experience in the 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. 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. 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.

### Qualification

Bachelor of Science (Hons) in Economics and Accounting, University of Bristol, United Kingdom.

### Committee Membership/Appointments

Dato' Muzaffar is the Chairman of the Standards Committee of Association of Islamic Banking Institutions Malaysia (AIBIM); Member of AIBIM Executive Committee; Member of H.M. Treasury U.K. Global Islamic Finance and Investment Group; Director of ANFAAL Capital, Saudi Arabia; Director of RAEED Holdings Sdn. Bhd.; Member of INCEIF Professional Development Panel; Member of INCEIF Academic Quality Assurance Committee and Chartered Banker of Asian Institute of Chartered Bankers (AICB).

## Group Executive Committee



**Kamaludin Ahmad is currently the Chief Executive Officer of Maybank Ageas Holdings Bhd (MAHB) and Group Head, Insurance & Takaful effective 1 December 2013.**

### Responsibility

He is responsible for driving and managing the overall strategy, profitability and growth of the Group's Insurance and Takaful business in Malaysia and Singapore. Aside from managing the life/family and general businesses, his teams also oversee the investment, commercial, corporate planning, risk management and IT decisions pertaining to the Insurance & Takaful operations. The core responsibilities of his teams are aligned towards achieving the Etiqa aspirations. These include strengthening its distribution footprint, growing its profitability via organic growth and regional expansion, strengthening its Takaful leadership position and making Etiqa as a preferred brand among all Malaysians.

### Experience

As CEO of MAHB, Kamaludin prioritises considerable time engaging with staff and stakeholders at the various distribution channels to drive the Insurance & 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 2nd in the Life/Family New Business segment in Malaysia, testimony to the hard work and strong collaboration of the entire team.

Kamaludin had earlier joined the Group as CEO of Etiqa Insurance Berhad and Head of General Insurance & Takaful Business on 4 June 2012 and was appointed as Acting CEO of MAHB on 1 March 2013. He 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 also 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. Kamaludin has held several key management positions in AIG Malaysia and AIG International.

### Qualification

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

### Committee Membership/Appointments

Director of Etiqa Insurance Pte Ltd (Singapore); Asian Life and General Assurance (Philippines) and Etiqa International Holdings Berhad.



**Pollie Sim was appointed as CEO, International of Maybank Group with effect from 1 October 2013.**

### Responsibility

Pollie is responsible for strategising, leading and transforming the Group's international operations covering 13 countries excluding Singapore and Indonesia. The key responsibilities of her team are to build greater synergy and accelerate profitability of the Maybank franchise across the international landscape for long term growth, as well as to establish the Bank as a regional financial services leader.

### Experience

Prior to her latest appointment as CEO, International of Maybank Group, Pollie took the helm of Maybank Singapore in July 2006. She has more than 30 years of experience in the banking and financial industry and has held many senior positions within Maybank Group. She has been instrumental in leading and developing Maybank's retail banking business in Singapore. Prior to Maybank Singapore, Pollie was Chief Executive Officer of Mayban Finance (S) Ltd. In 2012, Pollie was accorded the IBF Distinguished Fellow by The Institute of Banking & Finance (IBF), Singapore and also received the Pacific Rim Bankers Program Distinguished Leadership Award.

### Qualification

Pollie completed the Stanford Executive Program in 2014. She has a Masters in Business Administration from Brunel University of West London, United Kingdom. She graduated from Singapore Institute of Management with a Diploma in Management Studies, where she topped the cohort and bagged 3 Gold Awards for Academic Excellence. She also has a Diploma in Marketing & Selling Bank Services from International Management Centre.

### Committee Membership/Appointments

Non-executive Director for several companies, Singapore Unit Trusts Ltd, Maybank Philippines Incorporated, and Maybank (Cambodia) Plc; Chairman of the Singapore Unit Trust Investment Committee; Maybank Representative in the Board of Directors of Asian Bankers Association (ABA). She has been appointed as an Honorary Member by the Financial Planning Associates in Singapore (FPAS) and Advisor to the Hong Kong-ASEAN Economic Cooperation Foundation (HKAECF) which aims to foster deeper economic cooperation between China, Hong Kong and ASEAN.

## Group Executive Committee



**Taswin Zakaria is an Indonesian citizen and was appointed as President Director of Maybank Indonesia since 11 November 2013.**

#### Responsibility

Taswin Zakaria is primarily responsible for establishing strategic policies and providing the overall direction for the banking business operations of Maybank Indonesia as well as directly supervising the development of Shariah banking business and the Bank's Internal Audit. He is also responsible for leveraging on Maybank Group to capture a bigger market share and at the same time, strengthen the Group's operations in Indonesia.

#### Experience

Taswin has served as an Independent Commissioner for Maybank Indonesia since 16 December 2003 to 11 November 2013. He was an Independent Commissioner of PT Jasa Angkasa Semesta Tbk (2005-2013), President Director of PT Indonesia Infrastructure Finance (2010-2011), Director of Barclays Bank Plc for Indonesia and the Head of Regional Asia for Alternate Capital Market/Islamic Finance (2001-2003). He was the Vice President of Deutsche Bank AG Jakarta and the Head of Debt Capital Market and Liability Risk Management (1997-2001). He started his banking career at Citibank N.A, Jakarta, where he held the position as Head of Corporate Restructuring and Project Finance (1992-1997).

#### Qualification

Bachelor of Science in Business Administration degree in Accounting, Cum Laude (Honors) from The Ohio State University in 1991.

#### Committee Membership/Appointments

Nil



**Michael Foong was appointed as Group Chief Strategy Officer of Maybank Group effective 1 January 2014. Prior to this, he was the Chief Strategy and Transformation Officer of Maybank Group.**

#### Responsibility

Michael leads the Office of the Group President & CEO, which is responsible for driving the Group's agenda on regionalisation, digital, business development, transformation and productivity programmes across the region, and developing the group's long-term strategy. He also oversees the Group Corporate Development & Innovation unit, as well as Corporate Affairs & Sustainability, Strategic Marketing, Customer Experience Management and Strategic Partnerships.

#### Experience

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. His track record includes Group-wide corporate planning, devising group and business sector strategies, operating models, business process reengineering, performance management frameworks, and ICT strategies. Between 2004 and 2011, he focused on architecting and implementing large-scale multi-year transformation programmes for banks in Malaysia and Singapore. 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.

#### Qualification

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.

#### Committee Membership/Appointments

Nil

## Group Executive Committee



Jerome Hon was appointed as Group Chief Operations Officer of Maybank Group effective 1 December 2013.

### Responsibility

Jerome is responsible for the formulation and development of operational strategy to support Maybank Group's Vision and Mission. He oversees the Group's overall operations and processes and ensures that the delivery of support service is efficient and effective.

### Experience

Prior to this, 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. Jerome has been with Maybank for more than 20 years and has since served in various positions within the Maybank Group including Accounting, Central Operations and key management positions of Maybank Group subsidiaries involved in trust and futures broking businesses. 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.

### Qualification

Malaysian Institute of Certified Public Accountants (MICPA); Member of MICPA; Member of the Malaysia Institute of Accountants (MIA).

### Committee Membership/Appointments

Nil



Mohd Suhail Amar Suresh Abdullah was appointed as the Group Chief Technology Officer of Maybank Group effective 1 April 2015.

### Responsibility

Suhail develops and leads the execution of the Group Technology strategies, platforms and capabilities in collaboration with the Group Business, Functions and Countries to achieve business goals. He strategises, directs and builds a differentiated regional strategic capability for the Group to use technology as a competitive advantage for enhanced customer experience, greater efficiency and cost advantage. He is responsible for transforming IT within Maybank and strengthening in-house technical capabilities to support the Group's vision and aspirations.

### Experience

Suhail first joined Maybank in October 2012 as the Head of Virtual Banking & 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 as the Group Chief Information Officer, Group Technology and the Head of Maybank Shared Services of Maybank Group.

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 centralized 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 oversaw overall technology investments and directed the implementation and integration of Technology services within the Asia Pacific region.

Suhail has more than 30 years of global experience in various areas related to Corporate Strategy, Business Development & Marketing, Information Technology, Systems and Applications Architecture within the Banking and Telecommunications industries.

### Qualification

Suhail holds a Master of Business Administration from Charles Sturt University, Australia.

### Committee Membership/Appointments

Suhail is a Director of the Board of Maybank Shared Services; Director of the Board of MCB Bank Limited; member of the board committees for MCB's Business Strategy & Development and Risk Management & Portfolio review and Maybank Philippines IT Steering Committee (MPI ITSC).

He is also an Associate of the Malaysian Institute of Management; a Member of the Malaysian Institute of Bankers Association.

# Group Shariah Committee



**DR AZNAN HASAN**  
Chairman

- **Associate Professor, Ahmad Ibrahim Kulliyah of Laws at the International Islamic University of Malaysia (IIUM)**
- **President, Association of Shariah Advisors in Islamic Finance (ASAS)**
- **Deputy Chairman, Shariah Advisory Council, Securities Commission of Malaysia**

Dr Aznan Hasan is an Associate Professor in Islamic law and the former Head of the Islamic Law Department, Ahmad Ibrahim Kulliyah of Laws at the International Islamic University of Malaysia. He is currently the President of the Association of Shariah Advisors in Islamic Finance (ASAS), the Deputy Chairman of the Shariah Advisory Council at the Securities Commission of Malaysia and a member of the Shariah Board of the Accounting and Auditing Organisation of Islamic Financial Institutions (AAOIFI).

He was formerly a member of the Shariah Advisory Council of Bank Negara Malaysia for two terms (2006-2008, 2010-2013) and prior to that, he was the Chairman of the Shariah Advisory Board at ACR Retakaful MEA, Bahrain ad SEA, Malaysia, where he was instrumental in the setting up of the ACR Retakaful Model from a Shariah point of view.

Currently, he serves as the Chairman of the Shariah Committee at Maybank Islamic Berhad and Maybank Islamic Asset Management Sdn Bhd as well as the Chairman of the Shariah Advisory Board at Barclays Capital (DIFC, Dubai). He is also a member of the Shariah Advisory Board at FNB Bank (South Africa), ABSA Islamic Bank (South Africa), European International Islamic Bank (EIIB) (London), Yasaar Limited (London), Khalij Islamic (UK) Limited (London), Cordoba Capital (Dubai), Amanahraya Berhad, Amanah Raya Investment Bank Labuan, Employee Provident Fund (EPF) as well as other financial institutions and corporate bodies located both locally and internationally. In addition, he serves as a Shariah consultant to Maybank Investment Bank and Hong Leong Islamic Bank and as a registered Shariah Advisor for the Islamic Unit Trust Schemes and Islamic securities (Sukuk) at the Securities Commission of Malaysia. He is also a member of the Shariah Supervisory Board and Investment Committee, Waqaf Foundation, a corporate entity formed by the Government to oversee the application of Waqaf in Malaysia. Furthermore, he advises the Zakat Centre of Selangor, a Zakat entity formed by the State of Selangor to oversee the application of zakat in the State of Selangor.

Dr Aznan is also a prominent author in Islamic finance. To date, he has produced a number of books and publications in journals and has presented several conference papers/proceedings at various international conferences.

Dr Aznan Hasan received his first Degree in Shariah from University of al-Azhar in 1994. He then successfully completed his Master's degree in Shariah from Cairo University with distinction (mumtaz) in 1998 where his thesis was recommended for publication. He then obtained his Ph.D from the University of Wales, Lampeter, United Kingdom in 2003.



**DR AHCENE LAHSASNA**  
Member

- **Associate Professor at International Centre for Education in Islamic Finance (INCEIF)**

Dr Ahcene Lahsasna is currently an Associate Professor and the Deputy Director of the Centre of Research and Publication at INCEIF. He is also a registered Shariah advisor for the Islamic Unit Trust Schemes and Islamic Securities (Sukuk) at the Securities Commission of Malaysia. In addition, he serves as a Shariah board member for Maybank Islamic, Etiqa Takaful and is part of the Shariah Advisory Council for the Malaysian Financial Planning Council (MFPC). Dr Lahsasna also sits on the FAA Accreditation panel appointed by the Finance Agency Accreditation Malaysia.

He received his bachelor's degree in Islamic law and Islamic jurisprudence from Algeria, and his Master's and PhD degrees in Islamic law and Islamic jurisprudence from the International Islamic University of Malaysia (IIUM). Dr Ahcene has also obtained his Chartered Islamic Finance Professional from INCEIF.



**DR MOHAMMAD DEEN MOHD NAPIAH**  
Member

- **Assistant Professor, Ahmad Ibrahim Kulliyah of Laws at the International Islamic University of Malaysia (IIUM)**

Dr Mohammad Deen Mohd Napih is currently an Assistant Professor at the Ahmad Ibrahim Kulliyah of Laws in International Islamic University of Malaysia (IIUM). He served as a lecturer for more than 25 years at IIUM and was the Head of their Islamic Law Department from 1997 until he was promoted to Deputy Dean (Student Affairs) in 2001.

Prior to his appointment as a member of the Shariah Committee of Maybank in 2005, he was the Shariah Advisor for EON Bank Berhad from 1997 to 2003. He is currently the Shariah Advisor to Amanah Hartanah Bumiputera, an Academic Assessor for the Malaysian Quality Agency (MQA) and also a member of the Working Committee for Halal Terminologies and Nomenclatures with SIRIM. Dr Mohammad Deen is also a registered Shariah Advisor for the Islamic Unit Trust Schemes and Islamic Securities (Sukuk) with the Securities Commission of Malaysia and a member of the Disciplinary Committee Panel, Advocates & Solicitors Disciplinary Board of the Malaysian Bar Council.

He obtained his first degree in Shariah & Islamic Studies from Kuwait University and holds a Doctorate of Philosophy from Glasgow Caledonian University, Scotland.

## Group Shariah Committee



**DR MOHAMED FAIROOZ BIN ABDUL KHIR**  
Member

- **Researcher at International Shari'ah Research Academy for Islamic Finance (ISRA)**

Dr Mohamed Fairouz is a researcher at ISRA and the Head of its Islamic Banking Unit. Prior to joining ISRA, he served at the International Islamic University of Malaysia (IIUM) for eight years as a lecturer at the Department of Islamic Revealed Knowledge and Human Sciences.

He is a registered Shariah Advisor for the Islamic Unit Trust Schemes and Islamic Securities (Sukuk) with the Securities Commission of Malaysia. He is also a Shariah Committee member to AGRO Bank, MNRB Retakaful and Takaful Ikhlas.

He obtained his PhD and Masters in Shariah from the University of Malaya with specialization in Fiqh, Usul al-Fiqh and Islamic Finance, and a Degree in the same field from IIUM. He has also studied Shariah in Jordan under prominent Jordanian Shariah scholars. Dr Mohamed Fairouz was conferred the Shariah Scholarship Award by Bank Negara Malaysia (BNM) for his PhD study in Islamic finance. He is actively involved in researches related to Islamic finance. Previously he was a Shariah advisor to Malaysian Industrial Development Finance Berhad (MIDF).



**DR ISMAIL BIN MOHD @ ABU HASSAN**  
Member

- **Assistant Professor, Ahmad Ibrahim Kulliyah of Laws at the International Islamic University of Malaysia (IIUM)**

Dr Ismail bin Mohd @ Abu Hassan is currently an Assistant Professor at the Ahmad Ibrahim Kulliyah of Laws at IIUM. He has served as a lecturer at the Kulliyah of Laws at IIUM for more than 25 years and has been involved in the writing of various papers related to Shariah Laws, in particular on Islamic Will and Trust. He has also published a number of books including "The Legal History of Malaysia", "Estate Planning for Muslims", "Isu-Isu Harta Pusaka", "Practical Guide for Financial Planner Vol. 1,2,3" and "Muslim Law in Wealth and Estate Transfer".

Dr Ismail was the first Malaysian expert to testify in the first ever case involving the challenge against the validity of Nuzriah in Probate Matters before the Singaporean High Court (In the Will/ Nazari of Haji Ibrahim Originating Summons 601221) and had subsequently appeared as an expert witness in probate cases in Singapore, Brunei and Malaysia. He was also one of the committee members in drafting the Islamic law for Will and Trust for Jabatan Kemajuan Islam Malaysia (JAKIM) and the Malaysia Islamic Judiciary Department.

Dr Ismail sits on the Board of Trustees for Infaq lil Waqf, ANGKASA, and is a Shariah Committee member for Koperasi Angkasa (KOPSYA) ANGKASA. In addition, he is a Board member as well as a Shariah Committee Member for Etiqa Takaful Malaysia. He is also a registered Shariah Advisor for the Islamic Unit Trust Schemes and Islamic securities (Sukuk) at Securities Commission of Malaysia and is currently a Shariah Advisor to Amanah Hartanah Bumiputera and Amanahibah Malaysia.

He graduated with First Class honours in Shariah from the University of Malaya and subsequently obtained his LL.M in Comparative Laws from the School of Oriental Studies at University of London. He then obtained his PhD in Comparative Law of Evidence from the Victoria University of Manchester, United Kingdom.



**DR MARJAN BINTI MUHAMMAD**  
Member

- **Director of Research Affairs Department at International Shari'ah Research Academy for Islamic Finance (ISRA)**

Dr Marjan Muhamad is currently the Director of the Research Affairs Department at the International Shari'ah Research Academy for Islamic Finance (ISRA). Since her involvement at ISRA, she has been actively producing various research papers and articles internationally on Islamic Finance. Prior to joining ISRA, she was a tutor in the Faculty of Judiciary and Law at the Islamic Science University of Malaysia (USIM). Prior to her appointment as a member of the Shariah Committee of Maybank, Dr Marjan was a Shariah Committee member of RHB Islamic Bank from 2011 to 2013.

She obtained her first degree in Islamic Revealed Knowledge and Heritage (Fiqh and Usul al-Fiqh) from the International Islamic University of Malaysia (IIUM) in 1998 and subsequently pursued her Master's and PhD at the same university, both in the Islamic Revealed Knowledge and Heritage (Fiqh and Usul-Fiqh) field.



**USTAZ MOHD KAMAL MOKHTAR**  
Member

- **Judge at Syariah Appeal Court, Singapore**

Ustaz Mohd Kamal is currently a Judge at the Syariah Appeal Court of Singapore. Prior to that, he was a Senior Shariah Advisor and a Research Analyst at SHAPE Financial Corp. from 2009 to 2013 where he was involved in the formulation of Shariah funds, the structuring of sukuks as well as the monitoring of projects in the GCC, US, Europe and Southeast Asia.

He is currently serving as an associate member of the Singapore Council of Fatwa to discuss contemporary matters which concerns the general Muslim public in Singapore. He is also a member of the Asatizah Recognition Board which certifies and accredits all Islamic religious teachers in Singapore. In addition, he is a Shariah consultant for the Basil Fund, an Islamic Real Estate Investment Trust based in Singapore.

His recent research relates to the practical applications of the concepts of istijrar, tawarruq, sukuk forms, the Islamic rules of exchanges applicable to sukuk, and global capital market rules.

Ustaz Mohd Kamal completed his tertiary education in National University of Singapore (NUS) and graduated with a B.Sc. in Zoology and Botany. He obtained his Diploma in Arabic Language from the Islamic University of Medina in 1993. Subsequently, he graduated with BA (Hons.) in Hadith and Islamic Studies in the Faculty of Hadith in 1997. In 2006, he graduated from the Shari'a Advisory Training Program jointly conducted by Singapore Islamic Scholars & the Religious Teachers Association (PERGAS) and the International Institute of Islamic Finance (IIIF). Recently he completed Master of Science (Finance) in International Islamic University of Malaysia (IIUM).

Note: Ustaz Kamal was appointed as a member of the Group Shariah Committee effective 1st September 2015.

# Group Human Capital



**NORA ABD MANAF**

Group Chief Human Capital Officer

**“Our People Transformation journey, in delivering on our 2015 vision, has been fulfilling, with many significant milestones charted during the period. In 2009, our employee engagement and performance culture was lagging with the aggregated employee productivity in the bottom 25th percentile among key banks and Maybank was placed 17th in the overall list of Malaysia’s Top 100 Leading Graduate Employer in 2009. We have since then accelerated up the leadership league, achieving the top spot as Graduate Employer of the Year in 2014 and 2nd in 2015. We also retained the Most Popular Employer for Banking and Financial Services for the fifth consecutive year in 2015 and was the only Malaysian organisation recognised and included in the Willis Towers Watson Global High Performing Companies for two consecutive years in 2013 and 2014.”**

## OVERVIEW

In 2015, the challenging business environment tested the sustainability of the progress we achieved and milestones gained over the years in building a high-performance organisation. It also tested the resilience of our workforce in terms of agility, nimbleness and responsiveness to turbulent environments, including disruptors in the industry, to deliver on the Group’s 2015 vision, mission and strategic objectives. We take pride in the fact that amidst the challenges, our people have again delivered another year of trailblazing results and commendable financial performance. The key achievements in 2015 were productivity uplift from our sustained initiatives on key levers of productivity; regional and national recognition as a strong and compelling employer brand and top of mind as employer of choice; and validation of best practices in people policies, workplace initiatives and practices ranging from talent development, fostering learning, gender diversity advocacy and work life initiatives.

During the year, Group Human Capital (GHC)’s people initiatives were aimed at sustaining engagement levels, accelerating capability building, optimising costs to maximise productivity levels, as well as institutionalising an operational excellence mindset and high-performance culture across the Group. Attention was given to ensure that GHC continuously delivered on Maybank’s GO Ahead Employer Value Proposition (EVP). Our EVP empowers our people to go beyond their boundaries and contribute to the organisation, as well as their professional and personal growth, and is strongly aligned with our humanising mission.

## Key Highlights in 2015

- Our productivity levels continued to trend in a positive direction year-on-year as we remained focused and disciplined in achieving our transformation goals. Our net income per employee was RM462,116 in 2015, compared to RM306,853 in 2010 and RM393,924 in 2014.
- PBT per employee rose to RM199,129 in 2015, a jump from RM133,725 in 2010 and RM193,695 in 2014.
- Overall income per staff costs was a strong 3.68 times staff cost per staff in 2015.
- Continued to be in the top two positions in the country’s most popular employers overall list at Malaysia’s Top 100 Leading Graduate Employer (M100) Awards 2015. Winner of the ‘Most Popular Employer for Banking and Financial Services’ for the fifth consecutive year. Ranked 1st in 2014 and 2nd in 2015 as the ‘Graduate Employer of the Year’, rising from 17th place in 2009. Recognised as ‘Best Innovation on Campus’ and ‘Best Social Media Usage’ for our innovative recruitment platform, Maybank GO Ahead Challenge 2015.



Pn Nora Abd Manaf, Maybank Group Chief Human Capital Officer, and Maybank staff sharing the joy of Maybank’s wins at the Malaysia’s 100 Leading Graduate Employer Awards 2015 Ceremony.

## Group Human Capital

### Key Highlights in 2015 (Cont'd)

- Received numerous regional recognition for our Talent Management and Employee Branding, amongst others. Top awards received were Grand Award Winner for the 'Best In House Corporate Recruitment', and Gold for 'Best Employer Brand Development', 'Best Regional Recruitment Programme' and 'Best Recruitment Innovation' at the Asia Recruitment Awards 2015 for Malaysia. For the same awards in Singapore, Maybank won Gold for 'Best Graduate Recruitment Programme'.



Maybank staff beaming with pride at the awards ceremony.

- At the inaugural HR Innovations Awards in Hong Kong, Maybank won Gold for 'Excellence in Employer Branding', joint Gold for 'Excellence in Talent Management' and Silver for 'Excellence in HR Social Media', 'Excellence in Recruitment and Retention Strategy' and 'Excellence in Graduate Development'.
- For our gender diversity and workplace initiatives, for the second year running Maybank won the 'Best Malaysian Organisation' Award at the Life at Work Awards 2015 for the Malaysian Organisation Category. Organised by Talent Corporation Malaysia Berhad (TalentCorp) and the global human resources specialists, Willis Towers Watson in collaboration with the Ministry of Women, Family and Community Development, the Awards recognise organisations that incorporate global standards and demonstrate drive and commitment in championing the Diversity and Inclusion imperative.

### DELIVERING ON OUR PEOPLE TRANSFORMATION ROADMAP

One of the five strategic thrusts at the onset of the Group's Transformation Agenda in 2008 was for the Bank to become a top quartile employer of talent. The GHC Roadmap formulated in 2008 set our strategic objectives over several phases to deliver on our mission and vision.

The Bank's transformation journey to become a regional financial services leader by 2015 included focused efforts to build a high-performance culture across the Group, accelerating the capability of staff as well as offering a holistic, competitive total reward scheme. We created our GO Ahead EVP in 2012, which supports our humanising mission and creates a differentiated employer brand to attract and retain talent. Our people policies, processes and systems were enhanced to incorporate the right global practices for us to compete successfully with regional and global organisations.

### TALENT & LEADERSHIP

Our robust Talent Management Framework ensures the sustainability of our talent pool by continuously attracting, developing and retaining the right talent. Various structured approaches are incorporated into our Talent Management Process, such as multi-talent reviews, performance management, and learning and development pipeline programmes to name a few. These approaches enable us to identify strengths, weaknesses and critical gaps as well as appropriate learning and development plans for all levels of staff.

We introduced multi-level talent reviews beginning in 2009 to cover sector, country and the Group. These reviews give us group visibility of talent-related insights such as in-depth review of our talent pool, our bench strength namely high potentials and successors to meet future needs. Our Leadership Teams take an active role and each year, we achieve 100% completion for these reviews. In 2015, we initiated a skills inventory exercise for staff to update their skills and knowledge via our online HR platform (myHR2u) aimed at making our staff database even stronger — enabling even greater effectiveness and accuracy in talent planning and development.

The process of identifying our talent pool continues to be on par with global top performing organisations since 2013. Benchmarked against Saratoga Institute's global and regional standards, in 2014, we were rated global best practice for six out of nine aspects and good practice for the remaining three.

Since the transformation in 2009, our people dashboard for Talent Management has improved considerably. Our succession realisation is over 70% (from over 30% in 2009) above the global benchmark of 55%. As part of our commitment to fill eight out of every ten vacancies with internal talent, internal appointments stood at 68% in 2015.

Ready-now successors rose from 26% in 2008 to 34% in 2015. The key retention rate improved from below 40% in 2008 to 85.6% in 2015. Regrettable loss was almost 50% in 2009 and has trended significantly lower to 15% in 2015, which is below the 25% global benchmark.

During the year, we continued to infuse innovation in our recruitment processes, leveraging on technology and social media platforms. In 2015, other than through our career fairs and roadshows, over half of our entry-level recruitment was done via social media. Young professionals were recruited through the Group's official Facebook page, Instagram, LinkedIn as well as our YouTube channel.

Our Offer Acceptance Ratio for new graduates was 90% in 2011 and 97% in 2015 which is above the global benchmark of 85%.

We continuously offer a range of signature home-grown talent pipeline programmes as part of our succession interventions to prepare staff to assume different roles. These pipeline programmes shape the future direction of their careers and contribute to long-term retention and succession planning for the Group. The programmes are customised to equip staff with the skills to perform effectively immediately as well as to prepare them to lead in the future. The talent pipeline programmes include:

- The Top Team Effective Programme which is a 24-month programme, facilitated by respective Group EXCO to strengthen their team's effectiveness. In 2015, 55 leaders were involved in this programme.
- Our top leadership acceleration programme, the two-year Strategic Talent Accelerated Readiness (STAR) programme entered its second year in 2015. The programme aims to accelerate the readiness of our senior leadership as Group



## Group Human Capital

EXCO successors. Forty-five participants from across the Group attended action-learning workshops facilitated by academicians, industry and business thought leaders from renowned universities such as the Harvard Business School. The programme took the participants to three financial centres of the world where Maybank has a presence, namely Singapore, China and the United States for a hands-on exposure to the business environment and challenges. Fifty-five percent of the STAR programme participants were women. Fifty-eight percent of them were identified as EXCO successors with the rest for mission critical positions.

- Transitioning Leaders to CEOs (TLC) is a three-year programme that prepares our key talent to take on CEO-like roles. Since 2015, 82 participants have already completed the programme and 41 (under Batch 6-7) are currently undergoing the programme. About 60% of them have expanded into larger roles or progressed to other roles since their TLC journey. A total 21% of the overall TLCians are international participants, namely from Singapore, the Philippines, Thailand and Indonesia, and 40% are women.
- The High Potential Performer Integrated (HIP) Programme is for key talent at executive levels. HIP is aimed at developing and equipping young talent with the right leadership capabilities to prepare them for larger and stretched roles as well as to retain the best talent. To date, more than 750 high potential Gen Ys are in HIP and 120 have already completed the programme. Women make up 55% of the HIP talent. The programme has also gone regional, and is conducted in Malaysia, Indonesia and the Philippines.
- Global Maybank Apprentice Programme (GMAP), our marquee entry level two-year rotational programme offers best-in-class development incorporating on-the-job training, international assignment to offices where Maybank has a presence and enrolment into HIP. It was recognised as a finalist in the 'Best Management Trainee Programme' category at the M100 Awards 2015. The retention rate for GMAP talent is almost 90%. GMAP talent are recruited from various educational backgrounds, with close to 10% from non-banking disciplines. Women make up 44% of the talent in GMAP, and the diverse composition has grown from one nationality when it commenced in 2008 to currently 14 nationalities. The GMAP candidates make up about 39% of the International Assignees across the Group. The GMAP Plus programme introduced in 2014 sponsors those who aspire to be Chartered Accountants with the Institute of Chartered Accountants in England and Wales (ICAEW) with no bond or contract.
- The Branch Management Entry Level Pipeline (BMELP) grooms aspiring branch managers for Community Financial Services (CFS). BMELP provides intensive training experience in branch management including a two-year attachment in a branch. To date, we have a total of eight rollouts and 164 talents enrolled as bench strength for Branch/Centre Managers within the next five years. Women make up 43% of the participants.
- Specialist development programmes are offered to enhance and hone integral skill sets of staff to perform their roles effectively. These programmes are as follows:
  - o The 18-week Credit Pipeline Programmes that sponsor staff to be credit professionals.
  - o Global Markets Trainee Programme where upon completion of the one-year programme staff are deployed to our global financial trading hubs.
  - o Global Banking Programme for staff who aspire to be in the Investment Banking operations. The two-year programme includes International Assignment to a corresponding country's line of business.

- o Risk IT Pipeline Programme prepares staff for a career in risk and IT-related departments.
- o Shariah Pipeline Programme sponsors undergraduates and post graduate students who pursue Shariah or Islamic Finance studies. The programme develops staff into Shariah Professionals and Islamic Finance Professionals. Those under the programme will be placed at Maybank Group Islamic Banking.
- o Through our Career Transition Programme (CTP), Maybank is one of the few organisations with a structured programme to re-skill and upskill staff who become redundant due to organisational changes to be an additional source of talent for the Bank. From 2013 to 2015, 340 staff completed the programme and were redeployed to their new roles in the organisation.

As part of the Bank's commitment to the country's socio-economic development, we participated in the following programmes:

- The Maybank Internship Programme under the Skim Latihan 1Malaysia (SL1M), which 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 431 trainees. To date, 28% have been absorbed into permanent employment with the Bank.
- The ASEAN Internship Programme which leverages on the ASEAN Economic Community. Part of the MY ASEAN Internship Programme, it was launched in January 2015. The programme is a collaboration between the Ministry of Industry and Trade and TalentCorp to increase awareness of ASEAN among youths. The interns, comprising Maybank scholars and university students, undergo their internships for a minimum of two months at any Maybank office in the ASEAN countries. To date, 14 interns have enrolled and are currently at our offices in Cambodia, Indonesia, the Philippines, Singapore, Vietnam and Malaysia. This programme complements our already wide range of opportunities for staff to serve in all 19 countries, strengthening further our multi-tiered mobility assignments, which has increased by 33% from 2014. These assignments and internship attachments are key elements of experiential learning in our core geographies especially ASEAN.

The Maybank Group Scholarship Awards and Maybank GO Ahead Challenge 2015 are part of our efforts in investing in the region's future human capital needs. Our Scholarship Scheme offers multi-disciplinary study opportunities to young achievers from the lower income group. In 2015, we received 10,000 applications, an 11% increase from 2014. Following our rigorous selection process, we awarded scholarships to 66 students.

The 2015 Scholarship Award created a milestone when we sponsored a visually impaired scholar. Under the special "sponsorship" category dedicated to outstanding students from families with household incomes of below RM24,000 a year, 16 recipients were given the opportunity to pursue education in disciplines such as medicine, architecture and education, as listed under Malaysia's National Economic Transformation Programme.

We also funded 152 of our existing scholars (55% are women) who are in their second, third and fourth year of studies. The total scholarship disbursed in Malaysia for 2015 was over RM14 million. In Indonesia, Maybank Indonesia offered scholarships to underprivileged students from 33 provinces to study at top universities in Indonesia, Malaysia and Singapore, as part of our commitment to bring the ASEAN community closer.

## Group Human Capital

Our Maybank GO Ahead Challenge (MGAC) 2015 continued to be an innovative recruiting platform to spot diverse, global talents. Since its inauguration in 2012, it has raised the bar with new milestones in interests, activities and duration. The increasing number of submissions year-on-year attest to the enormous appeal of the challenge, and visibility of the Maybank brand. In 2012, it attracted 1,000 applications, rising to 5,000 in 2013 and 10,000 in 2014. In the 2015 edition, applications doubled to more than 23,000 from over 100 nationalities. The campus levels doubled to 27 across the region from 13 in 2014.

This challenge includes a corporate responsibility element and tests beyond academic and leadership qualities. A new physical endurance component was introduced to spot the all-rounder, aligned with the challenge's hashtag, "#morethanachallenge". Maybank is among the few regional organisations to promote a business case challenge specifically for university students and to draw bright talent in the region to contribute to the dynamic growth of Maybank and Asia.



The proud winners of the Maybank GO Ahead. Challenge 2015.

Two new categories were introduced in the Final Round, namely the 'People's Favourite Challenger' and 'People's Favourite Team' (voted by the public). The 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> place winners of the Ultimate GO Ahead Challenger were awarded all-expense paid trips to New York, London and Hong Kong respectively. The Champion Team and the Ultimate GO Ahead Challenger had the opportunity to engage with our top leaders under the TLC programmes. The Challenge awarded cash prizes to the top teams — USD40,000 for the Champion team, USD20,000 to the 1<sup>st</sup> runner-up and USD10,000 to the 2<sup>nd</sup> runner-up. The MGAC 2015 global finalists stood a chance to be offered fast passes into Maybank's marquee, award-winning GMAP. Eighty percent of the 2015 Finalists are now a part of the organisation in varied positions across the Group.

The 2015 Global Finals was a 12-day Challenge from 17 to 29 August 2015, taking the 60 Finalists to two cities, Jakarta and Kuala Lumpur to experience the different environments that Maybank has presence in. The MGAC 2015 attracted over 4,700 posts and more than 43,000 engagements over various social media platforms. It clinched the top awards at the M100 Awards, winning the 'Best Innovation on Campus' for two consecutive years, in 2014 and 2015 as well as the 'Best Social Media Usage'. It also won the 'Best Regional Recruitment' and 'Best Recruitment Innovation' Awards at the Asia Recruitment Awards 2015 for Malaysia.

### ORGANISATIONAL LEARNING

Our GO Ahead EVP encourages staff to take personal ownership of their development by upgrading their skills, taking on expanded or new responsibilities, cross rotational roles and international assignments. Personal ownership is reinforced in our 70:20:10 philosophy of Experiential Learning: Coaching, Mentoring and Networking: Formal Learning. The curriculum takes into account employees' learning needs as detailed in their Personal Development Plans (PDP), which is a key component of our performance management.

For FY2015, our total Group learning budget utilisation was RM114 million. Our learning budget in Malaysia continues to be well above Bank Negara Malaysia's statutory requirement. Staff training expenditure for the Bank against total gross salary was 2.74%, exceeding BNM's minimum standard of 2.5%. Training days per-employee Group-wide averaged 5.4 days, above the Association for Talent Development's global benchmark of 3.81 days.

Our flagship learning portal, MyCampus, provides round-the-clock online access to a multitude of learning and development programmes. Since it was introduced in 2005, we have seen a significant uptrend in E-Learning usage. In 2015, we had over 387,900 learning hours utilised, a seven-fold increase from 54,800 learning hours utilised in 2011. In 2016, we will be upgrading MyCampus to provide a worldwide standard of seamless user experience.

Under the Maybank Great Executives, Maybank Great Managers and Maybank Great Leaders' Programmes, 907 key talents were enrolled in 2015, of which 60% were women. The syllabus in each programme incorporates Maybank's Leadership competencies SEARCH (Strategic Visioning, Engaging and Developing Talent, Spirit of Achievement, Cultivating Relationship, Customer Centricity and Innovation Change) and SEARCH Plus (namely Global Acumen, Navigating Complexity and Raising the Bar) competencies for our staff to be agile, flexible and adaptable to challenges. The breadth and depth of our development interventions also feature our exciting and inspiring Learning Series programmes. These sessions that range from half-day sessions to full-day programmes are conducted by prominent management gurus, leadership experts and global thought leaders. The key Learning Series programmes are as follows:

- Leaders Teaching Leaders is a programme where our top leaders map out clear direction, set and clarify expectations as well as foster staff involvement to deliver our mission and vision. Through these engagement sessions, staff experience first-hand coaching from top leaders of the Maybank Group. The sessions include Group EXCO Learning Engagement, Leaders Luncheon, Conversation Series and Townhalls. Over 300 sessions were conducted in year 2015.
- The Guru Series, a half-day learning session where speakers share their insights on a multitude of disciplines such as leadership styles, strategy, risk management, customer centricity, productivity and global acumen amongst others. The prominent speakers in 2015 were YB Khairy Jamaluddin, Minister of Youth and Sports Malaysia, YBhg Dato' Seri Shazalli Ramly, CEO, Celcom Axiata Berhad, Red Hong Yi, an internationally renowned Malaysian artist, Kevin Gaskell, former MD of BMW and Porsche, and Lewis Pugh, environmental campaigner and endurance swimmer. Ten sessions were organised with 2,535 attendees in 2015.
- The Leadership Research Insight Series features international researchers who shared their findings on leadership and corporate themes such as global HR trends and global CEO challenges. Four sessions were organised with 234 attendees in 2015.
- The Technical Expert Series focus on technical insights relevant to key subject matter areas, namely Human Capital, Initial Public Offering, Property Talks, Marketing and Forensic Intelligence and Profiling. In 2015, more than 600 staff attended seven sessions.
- The Author Series is a platform for staff to learn from local and international authors. The authors who participated include Sheila Wong, Ricky Wong, Vincent Kellsey and Raymond Phoon.

## Group Human Capital

- The Leaders Luncheon is a platform for Maybank leaders and high achievers to share their thoughts on areas they are passionate about in a TED-talk style. In 2015, ten staff took to the stage and 297 people attended their sessions.
- The Harvard Mentoring series is a new online learning programme launched in June 2015 featuring 44 self-paced modules that addresses the full spectrum of issues related to leading self, others and organisation to improve performance and results. In 2015, more than 1,000 staff enrolled in the programme.
- The Webinar-based learning is a monthly online programme that allows staff to interact with research experts and thought leaders online. In 2015, 12 learning programmes facilitated by GHC were held and attended by 348 staff. The topics covered include driving breakthrough performance, building high-performance staff, customer service and innovation.
- The Book Club was a new initiative launched in 2015 to cultivate a reading culture in the organisation. It provides an avenue for staff to come together to discuss the key learnings from great reads by promising authors and old favourites. Among the books discussed were 'I am Malala' by Malala Yousafzai, 'Who Moved My Cheese' by Spencer Johnson and 'The Alchemist' by Paulo Coelho.

As the Group taps into opportunities in different locations and operating environments, and targets to provide financial solutions that are meaningful to the diverse needs of our customers, we strive to ensure that our credit staff acquire core credit competency and credit skills. This is via professional certifications to improve their ability to safeguard the assets of the Bank and provide the right solutions for the customer. During the year, we collaborated with an internationally recognised accreditation provider and expanded our credit certification programme to all our international branches to ensure a consistent and uniform approach in credit management and analysis, as well as compliance to local requirements across the Group.

In Malaysia, we have the Professional Credit Certification by Asian Institute of Chartered Bankers for our core credit staff. In 2014, we set an industry benchmark by achieving 100% certification for our Malaysian core credit staff. We achieved 100% certification for our core credit staff Group-wide in December 2015.

We also piloted certification for our Retail SME segment for 100 staff across ASEAN, namely Malaysia, Indonesia, Cambodia, Singapore and the Philippines in December 2015 and it is still in progress.

In 2016, we will focus on International Trade Finance certification in partnership with the International Chamber of Commerce, which will involve about 700 staff across the Group. Our other areas of focus are to upskill staff at the branches for a strengthened compliance and risk culture.

The Operational Excellence (OE) mindset is inculcated in staff from on-boarding in the Maybank Group Induction Programme for new joiners to engagement sessions for senior and middle management. A Lean e-learning module was introduced in April 2015 and achieved a completion status of 95% Group-wide. We have also rolled out the Lean workshops to 142 staff to enhance internal OE expertise. Eight leaders from across the Group have completed the MIT Sloan Executive Online Leading Operational Excellence Programme and we have established a pool of nine Maybank Lean Coaches to lead OE improvements across the Group.

To effectively drive the coaching culture across the Group, we have certified internal Coaches who organise coaching workshops and engage with leaders and team leads to align them to our culture and vision as well as drive performance. During the year we rolled out the Coaching Framework, Coaching Model and Coaching Roadmap for Maybank leaders. A Technical Expert Series and Coaching Conversations with renowned coaches was held for 160 middle managers. A two-day coaching programme on Coaching for Success was held for 480 middle managers in Malaysia. To strengthen the coaching competencies for middle managers, multiple programmes on coaching were conducted for them throughout the year. The increase in the pool of coaches will strengthen the organisation's coaching culture.

To prepare staff in Malaysia for the implementation of the Goods and Services Tax (GST) on 1 April 2015, GHC collaborated with Group Finance in developing the GST e-learning module for all staff in Malaysia. This was to create awareness and ensure smooth implementation of the Bank's GST project. The GST e-learning achieved a high staff completion rate of 99.5% with 100% completion rate at all branches and staff who served customers in Malaysia.

For the second year running, we organised the Maybank Elevator Pitch Challenge (MEPC) to create a pool of staff who are able to articulate their thoughts concisely and perform at maximum productivity levels while engaging with various stakeholders. From 32 participants in 2014, MEPC 2015 saw 72 participants undergoing training sessions to develop the right skills and knowledge. Twelve talents made it to the finals to pitch their winning ideas in the Boardroom Challenge to our Vice-Chairman, Group EXCO and senior leaders. The ideas were channelled to the right teams for consideration of their viability.

In 2016, we will focus on continuously accelerating leadership capability, embedding coaching culture, increasing certification for credit officers and promote self-directed and active learning via e-learning. Our learning programmes will also be aligned to new ways of working as the Group begins its next phase of growth and vision.

### REINFORCING BEHAVIOURS AND VALUES

As the Bank embarked on its transformation agenda in 2008, we strengthened our culture to deliver on our 2015 vision and humanising mission. Our corporate values embodied in the acronym T.I.G.E.R., which stands for Teamwork, Integrity, Growth, Excellence & Efficiency and Relationship Building is our shared language that provides clear guidelines for our staff and aligns them in all they do to achieve our shared objectives. The TIGER values form our DNA, which guides all our behaviours in the workplace and our dealings with stakeholders.

Each year, we have various exciting campaigns to encourage our staff to internalise the core values and to express their understanding of our values creatively. In 2015, we built on the key Group-wide Groundswell Values programme, which we first embarked on in 2014. Given the important roles of managers as leaders in shaping and reinforcing culture, the managers championed the campaign themed "Live the Values, Serve From the Heart". The campaign was designed to encourage all teams to have meaningful conversations on displaying the right behaviours to galvanise positive outcomes for the organisation, namely in areas of increasing productivity and customer centricity. In the campaign, our staff identified and acted on three key immediate actions to improve their ways of working to enable their teams to deliver outstanding and speedy performance. Storytelling was also incorporated in the campaign to inspire each other to up the bar of excellence. The Group EXCO and sector/unit leaders shared personal encounters related to topics of the campaign in an internally-designed guidebook with all staff to reinforce right learnings and accelerate behavioural change. We received over 800 personal learnings and stories from staff across the Group throughout the campaign.

## Group Human Capital

Led by the GPCEO and Group EXCO via twice monthly LTL (Leaders Teaching Leaders), storytelling by staff is an integral communication vehicle that we incorporate in all our engagement initiatives. Our 55<sup>th</sup> Anniversary celebration was an important engagement initiative to enhance team spirit, a sense of belonging and loyalty to the organisation and the Maybank brand. At the anniversary celebration on 22 September, employees around the world celebrated in unique ways with colleagues and customers. At the Head Office in Kuala Lumpur, a lunch-time celebration drew over 4,000 staff who joined with the Board and Group EXCO to commemorate our anniversary. Over a four-week period, staff from across our footprint shared through our employee communications channels defining moments at Maybank, and how our values and mission have made a difference in their personal and professional lives.

The Bank has a strong and cherished tradition of the role of Group EXCO and their leadership teams taking the lead in shaping the organisation's culture. Our Group EXCO and their leadership teams actively participated in the Leaders-On-the-Go Series (LOTG) throughout the year. The LOTG consists of impromptu management walkabouts, Leaders Reach Out and Recharge (ROAR) visits to branches/centres where they actively engage with staff and customers and the Leaders First Hand Day, where our leaders buddy with an experienced Maybanker to understand specific tasks or roles. Through these engagement platforms, our leaders took the time to understand the people behind the jobs, learn about their professional challenges, close gaps or remove obstacles, recognise extraordinary performance and share best practices across the organisation. Feedback received from these initiatives are channelled back to business owners for response, tracked and communication loop closed. Our leaders also maintain open communication via the Ask Senior Management (ASM) forum, an online feedback platform where any staff can write to the Group EXCO. In 2015, 107 feedback were received via the ASM Forum and were acted upon. We received over 1,100 feedback since its creation six years ago.



Datuk Abdul Farid Alias, Maybank Group President and Chief Executive Officer sharing the Group financial performance at the quarterly Group PCEO Townhall.

Each year, the Group EXCO also spends significant time with Maybankers through impactful dialogues in the Conversation Series and various leadership engagement initiatives such as Group-wide and sectorial townhalls. Staff are given opportunities to collaborate in groups to present ideas and business solutions to our Chairman and Group EXCO at these Conversation Sessions. These engagement platforms allow our leaders to continue to coach staff to be more productive, effective and collaborative for business success. In 2015, 44 Conversations Sessions with the Chairman/Group EXCO involving staff from all levels were held.

### OPERATIONAL EFFICIENCY & SHARED CUSTOMER EXPERIENCE

The regionalisation of myHR2u, our Group online employee self-service portal is a significant initiative to boost staff empowerment and streamline our human capital management (HCM) processes and practices. During the year, we expanded myHR2u to more countries and entities. To date, it is now available in 16 countries and the common modules shared are Employee Information, Leave, Payment, Claims, Performance Management and Talent Management, amongst others.



myHR2u is now accessed by 70% of the Group's total workforce. It also facilitates data analysis for more effective and timely human capital management decision-making to meet business needs. We introduced our mobile application called myHR2u Mobile-On-The-Go in March 2015 for the Group in Malaysia. This new app provides easy and flexible access on smart phone devices and operating systems. The modules available are Leave, Employee Information and Claims. Its popularity is evident as staff are actively using the mobile app. For the Leave module, there was a 70% increase in its use within the first six months of its availability.

As we move closer to operationalising a centralised hub of staff information via myHR2u, we ensure that data privacy is protected at all times and in compliance with the Data Protection regulations of the respective countries. During the year, we converted another 14 manual processes on people policies to online straight-through processes. We also reviewed 35 people policies to enhance customer experience.

We expanded the regionalisation of our enhanced Performance Management system implemented in FY2014. Its aim is to give staff greater ownership of their deliverables, formalise performance conversations and enhance collaboration between staff and line managers/supervisors to meet business targets. The common Performance Management platform is now adopted in 15 countries. All staff within the scope of the Association of Maybank Executives, Association of Maybank Class One Officers, Sarawak Bank Employees' Union and Sabah Banking Employees' Union adopted the Performance Management system.

### ALIGNING TOTAL REWARDS WITH OUR GOALS

Our total rewards philosophy is aligned to our business goals and key in nurturing a high-performance culture that generates growth and delivers on our vision. We embrace an integrated rewards strategy that offers a total package that include both fixed and variable remuneration, benefits as well as career development and growth opportunities.

Our Remuneration includes fixed and variable cash plans benchmarked against the market to remain competitive to attract and retain the right talent. The remuneration includes merit-based short term variable bonus/incentives and a long-term incentive plan, namely Employee Share Scheme (ESS). In 2015, we offered the fifth ESS to staff and paid ex-gratia to clerical and non-clerical staff over and above their contractual bonus. In 2015, there were 15 business specific incentive schemes for the business sector.

During the year, four Collective Agreements (CA) related to Maybank were concluded, namely National Union of Bank Employees, Sabah Banking Employees' Union, Sarawak Banking Employees' Union and Serikat Pekerja Bank Maybank Syariah Indonesia (SP-MSI).

## Group Human Capital

We reinforced our meritocracy-based rewards and culture of recognition for high performers via platforms such as business incentive schemes, staff academic excellence award, Maybank Group Awards for Best Employee/Team, long-service awards, values/customer experience campaigns, as well as volunteerism programmes. In 2015, we held an exclusive two-day Maybank Group Awards Programme themed 'Celebrating the Stars' to honour more than 70 top performers from across the Group. Recognition were given in 2015 via various engagement platforms during the Leaders-On-The-Go-Series (comprising of Group EXCO) and Leaders Walkabout to impromptu visits to sectors/branches, with the intent of making it memorable and an inspiration for others to emulate.

In 2015, we disbursed RM5.7 million to staff in Malaysia undertaking various professional qualifications and graduate studies under the Staff Education Assistance Scheme. We continuously extend various support schemes, besides staff benefits to reinforce our humanising mission to our staff and our commitment as a caring organisation. Under our Tabung Kebajikan Kakitangan Kumpulan Maybank (TKKKM or Maybank Group Staff Welfare Fund), we offer financial assistance to staff and family members related to illness, accident, losses due to disasters and needs that are not provided under the staff's benefit. During the flood crisis in Malaysia, Maybank staff worldwide demonstrated solidarity by coming together for affected colleagues and communities with a true Maybank spirit and care. Apart from emergency monetary assistance, Maybankers and the management quickly rallied and provided various forms of support and care. These included alternative accommodation at hotels and homestays, contribution of essential items such as rice, cooking oil and household electrical appliances, and monetary assistance. Staff also volunteered to take on front line services to enable affected staff to take time out to quickly return to normalcy and helped affected colleagues to clean up their premises after the devastation. The Bank collaborated with the Crisis Preparedness and Response Centre of the Ministry of Health and engaged counsellors and psychiatrists to conduct 'Post-Traumatic Counselling Sessions' to staff and family members. Maybank Islamic offered help through its Zakat Flood Relief Fund that provided household items, home repair, medical supplies and educational items to affected staff and families.

In 2015, TKKKM disbursed over RM440,000 to a total of 206 staff eligible for financial assistance.

During the year, Maybank Philippines, disbursed a total of PHP230,000 through its Maybank Staff Welfare Fund, for staff affected by severe flooding caused by Typhoon Lando (International name Typhoon Koppu) and Typhoon Melor (International name Typhoon Nona) in October and December respectively. Maybank Indonesia contributed IDR3.11 million to its staff affected by floods, including providing evacuation and food items.



The recipients of the Maybank Scholarship Awards Scheme 2015 with En Ahmad Faezal Mohamad, Head CR & Maybank Foundation Secretariat and Pn Nora Abd Manaf, Group Chief Human Capital Officer.

We go beyond the norms in our offerings to family members via our academic excellence awards to those who excel in public examinations to foster excellence among the young and 'Back-to-school' assistance to those who qualify. In 2015, in Malaysia, RM499,000 was extended to 1,059 employees and 1,754 children under the Back-to-school and Financial Assistance to Staff's Children Entering Institutions of Higher Learning, Form Six and Boarding Schools. In Malaysia, 348 children of employees received a total of RM164,100 in cash incentives at the Staff's Children Academic Excellence Award. Maybank Indonesia disbursed IDR1,020 billion to 420 children under their Beasiswa Prestasi Award. Maybank Singapore handed out SGD10,100 to 14 children who excelled under their children's excellence award scheme.

### WELLNESS AND WORKLIFE BALANCE

We recognise the importance of impactful health, wellness and safety programmes in increasing employee satisfaction and retention as well as improving productivity. Annual wellness programmes are conducted for employees including their family members. Our Maybank Recreation Centre is open from 6am to 10pm and staff traffic on average per day is 200. In 2015, we had a participation rate of 5,000 in 56 health and wellness programmes in Malaysia. Among the programmes were the monthly noon talks, total wellness and health programme, pedometer challenge, Mind Therapy@Work, Trauma/Stress Counselling Sessions for Natural Disaster Victims and Health Awareness Programmes.

We have an Occupational Safety and Health (OSH) unit that implements OSH guidelines and practices as well as ensures compliance with the national OSH regulations. The NIOSH-Maybank Safety Passport (NSMP) programme which started in 2011 at the Head Office to ensure the safety and health of all contractors at work namely in Maybank's main buildings and premises, is now fully implemented in Malaysia. This NSMP programme is in line with the government's call to reduce the number of accidents and promote an accident-free work environment.

Maybank was the first financial institution in Malaysia to set-up a First Aid Standby Team (FAST) in 1997 located at the Head Office. FAST assists in emergencies in the Bank's premises and is available during the Bank's events. To date, there are nine certified FAST teams nationwide in all regions in Malaysia with plans to set-up FAST teams in the other countries according to their needs.

Maybank is an active contributor and regularly conducts blood donation drives internally. Last year at our Head Office alone more than 700 staff donated blood. For our efforts, Maybank was given a special recognition by the Minister of Health of Malaysia. In 2015, Maybank Malaysia also organised an organ donation drive for the first time with 51 donors pledging their organs under the Organ Donation Campaign in collaboration with the National Organ Transplant Centre, Ministry of Health, Malaysia. We will continue to raise awareness and provide opportunities for interested staff to do the same.

We allocate parking bays for disabled and pregnant staff. For the safety of staff who work late, our security personnel provide escort to their vehicles. Staff who work late can also utilise the parking bays at the Head Office after working hours, during weekends and on public holidays. The Bank's holiday resorts nationwide are provided for our staff and families to rejuvenate.

We encourage and incorporate sports activities as part of our employee engagement strategy. We sponsor our staff and teams to participate in the BII Maybank Bali Marathon, interbank games and charity runs to promote a healthy lifestyle, good sportsmanship and foster greater relationship building and team spirit among employees. They also have access to our sports and gym facilities at the Maybank Academy in Bangi Malaysia, which has full sports facilities for track and field, courts and swimming pool to promote a healthy lifestyle and culture of excellence.

## Group Human Capital



Maybankers celebrating the inaugural National Sports Day at the Maybank Sports Complex, Maybank Academy, Bangi.

The recently refurbished Maybank Recreation Centre at the Head Office was upgraded into a modern ergonomically designed fitness and recreational Hub, equipped with facilities for a variety of activities. We also have sporting and fitness facilities at Dataran Maybank, Maybank Group Call Centre and Maybank Academy. In 2015, more than 2,000 staff in the Group participated in the Maybank Games Carnival 2015. More than 3,000 staff nationwide including the Group EXCO joined in Malaysia's inaugural National Sports Day in October 2015 to promote healthy living, goodwill and unity.

### DIVERSITY, INCLUSIVITY & GENDER POLICY

At Maybank, we care about diversity and inclusivity as it fosters creativity and innovation in our people to deliver high impact performance and embed a high-performance culture in the organisation. Inclusivity is embedded in our culture where diversity and differences are valued, staff are treated fairly and respected.

The Bank celebrates major festivals such as the Group-wide Idul Fitri, Chinese New Year, Deepavali and Christmas each year to reinforce the Diversity and Inclusion philosophy embraced by the organisation.

In 2015, Generation X represented half of the staff population, while Generation Y represented 40% and baby boomers 10%. Equal opportunity is given to all staff to grow professionally and personally, across all levels.



A colourful 'kolam' was designed by Maybankers in conjunction with the Deepavali celebration to symbolise the care and respect the staff have towards each other.

We aggressively undertake various initiatives especially for women leaders to be able to accelerate their development, enhance performance and to successfully balance the demands of their career and personal life. In 2015, 54% of our workforce population were women.

Rigorous tracking of gender representation, including at senior levels, remains a part of Maybank's standard people dashboard since the start of the Maybank Transformation Programme. The Group's Diversity and Inclusion Policy governs all aspects of employment practices and activities. It ensures there is no discrimination or harassment, and is based on the rule of meritocracy.

Our holistic Group Inclusiveness and Diversity Agenda (GIDA) Framework includes initiatives to empower women in areas of leadership as well as economic enhancement. Monitored through a compulsory Key Performance Indicator (KPI) in the Group EXCO scorecard, the Framework serves as a guide to channel the right efforts to enhance inclusiveness and diversity for all its stakeholders. Our Board Gender Diversity Policy serves to increase representation of women on the board.

Our women representation in Management positions have grown from 38% in 2009 to 47% in 2015, while the proportion of women in Top Management positions increased from 15.68% in 2009 to 35% in 2015. Women in the succession planning pool for critical positions increased from 35.1% in 2014 to 36% in 2015. These are indicators that our initiatives focused on driving greater diversity at the leadership bench have been impactful.



Female colleagues delighted to receive flowers at the start of the day on International Women's Day.

## Group Human Capital

We have a Flexible Working Arrangement (FWA) policy which covers fixed flexible schedule, flexi time, flexible work location and conversion to fixed-hour part-time employment. Sixty-six percent of those on FWA are women. The FWA is one of the contributing factors that have resulted in the improved key retention rate from 52% in 2009 to 85% in 2015. 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, gym for ladies, year-long wellness programmes on health and family issues for staff, and celebrations such as the International Women's Day (IWD). We were also recognised among the nation's leading champions that implement Flexible Work Arrangement and 'Companies Introducing Career Comeback Programme' at TalentCorp's Career Comeback Programme Grant Launch and Fair 2015.

Our Women Mentor Women Council formed in 2013 works within the current structure of the Bank to support the development of women across the Bank, including increasing representation of women in top management. It also has a business agenda to support business in the delivery of products and services to female consumers. In 2015, the Council paired 44 mentors and mentees, an increase from 35 mentor and mentees matched in 2014. In 2015, the Council organised an external engagement event for the women community, H.E.R. (Health, Empowerment and Richness) to offer insights on how women are able to take charge of their personal or career development, financial standing and personal well-being. Our Group's IWD celebration is an important platform to appreciate the contributions of female staff. In the Head Office in Malaysia, we organised a forum entitled "Navigating Career Pathways in a Corporate Jungle Gym" with prominent women and men panellists from the corporate world. A motivational Guru Series by renowned artist, Red Hong Yi was attended by over 350 mostly women attendees. Staff from the other countries also dialled into these two forums, and also held forums related to women's topics.

Across the region, we are playing our part in accelerating gender diversity efforts. In 2015, through Maybank's Invest ASEAN series, with key corporates and fund managers, held in Malaysia, Singapore, Thailand, the Philippines, Vietnam and Indonesia we organised exclusive engagement sessions called "Brand ASEAN Woman". These sessions focused on women's role in capturing the opportunities in ASEAN. These concerted efforts amongst others, were recognised when we were named the 'Best Malaysian Organisation' at the Life at Work Awards in 2014 and 2015.



Pn Nora Abd Manaf, Maybank Group Chief Human Capital Officer receiving the Best Malaysian Organisation Award at the Life at Work Awards 2015 from Dato' Sri Idris Jala, a Board member of TalentCorp and Chief Executive Officer of Performance Management and Delivery Unit (PEMANDU).



Maybank Singapore staff getting excited to take part in their Global CR Day.

### EMPLOYEE VOLUNTEERISM

Employee volunteerism is one of the best ways to demonstrate the Bank's commitment to corporate citizenry and our humanising mission. The programme encourages staff to be change agents in making positive and long-lasting effects to the beneficiaries and communities we serve. Employees are given an opportunity to choose a cause or project that is aligned with the CR pillars of Maybank Foundation, namely Finance and Education, Community Empowerment, Environmental Diversity, Arts and Culture, Healthy Living and Disaster Relief. During the year, 23,541 volunteers spent over 119,597 man-hours in Cahaya Kasih (CK) initiatives. Meanwhile, 17,220 volunteers spent over 122,917 man-hours in festive celebrations and other philanthropic activities.

Our Global CR Day is part of the CK Programme where staff worldwide showcase their various initiatives to the world. In 2015, the 6th edition of the Global CR Day was themed "Inspiring Communities Globally". One hundred and two initiatives were organised simultaneously and involved over 16,559 Maybankers. The sheer number of volunteers and initiatives reflect how deeply the spirit of volunteerism is entrenched within the organisation. All CK initiatives are closely monitored and evaluated, to ensure the teams implement initiatives that are well-structured and sustainable to benefit our beneficiaries.

Besides these CR initiatives, staff also volunteered their time as our brand ambassadors at national-level events and charitable campaigns that promote nation building, unity and harmony amongst the public. In Malaysia, the staff participated in the National Day where Maybank led the financial institution contingent, Earth Hour Night Walk, Maulidur Rasul march past, Labour Day celebration, Maal Hijrah celebration, and Bursa Bull Charge Run. Staff in London participated in the Standard Chartered City Run.

“ **Understanding the customer’s needs and wants is at the heart of our business.** Maybank has transformed itself into a leading regional financial services provider over the last five years as we strive to provide lasting solutions and improve the overall banking experience for our customers. ”

**Shaikh Munir Ahmad bin Shaikh Mukhtar Ahmad**  
Head, Maybank2u, Virtual Banking and Payments  
Community Financial Services, Malaysia  
*Manager of the Year 2014*







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# Economic & Banking Industry Review and Outlook

## GLOBAL & ASEAN ECONOMY

### REVIEW

Global economic growth in 2015 slowed to 3.1% (2014: 3.4%) reflecting uneven performances among the major economies as US growth momentum was sustained (2015: 2.4%; 2014: 2.4%) amid sluggish recoveries in Eurozone (2015: 1.5%; 2014: 0.9%) and Japan (2015: 0.5%; 2014: 0.0%) and the slowdown in China (2015: 6.9%; 2014: 7.3%). Global financial and currency markets were volatile due to prolonged uncertainty over the start of US Federal Reserve's interest rate hike, and compounded by the return of the Greece crisis and fear of "Grexit"; concerns over China's economy, equity markets and currency; as well as further slump in commodity prices, which in turn caused capital outflows from the emerging markets.

| Global: Real GDP                 |                      |            |            |            |
|----------------------------------|----------------------|------------|------------|------------|
| % change                         | % Share of World GDP | 2014       | 2015       | 2016E      |
| <b>World</b>                     |                      | <b>3.4</b> | <b>3.1</b> | <b>3.1</b> |
| <b>Major Advanced Economies</b>  | <b>60.9</b>          | <b>1.8</b> | <b>1.9</b> | <b>1.9</b> |
| US                               | 22.4                 | 2.4        | 2.4        | 2.3        |
| Eurozone                         | 17.3                 | 0.9        | 1.5        | 1.5        |
| Japan                            | 6.0                  | 0.0        | 0.5        | 0.8        |
| UK                               | 3.8                  | 2.9        | 2.2        | 2.2        |
| <b>BRIC</b>                      | <b>21.5</b>          | <b>5.5</b> | <b>4.3</b> | <b>4.4</b> |
| Brazil                           | 3.0                  | 0.1        | (3.5)      | (3.3)      |
| Russia                           | 2.4                  | 0.6        | (3.8)      | (1.0)      |
| India                            | 2.7                  | 7.3        | 7.3        | 7.4        |
| China                            | 13.4                 | 7.3        | 6.9        | 6.5        |
| <b>Asian NIEs</b>                | <b>3.3</b>           | <b>3.2</b> | <b>2.1</b> | <b>2.4</b> |
| South Korea                      | 1.8                  | 3.3        | 2.6        | 2.8        |
| Taiwan                           | 0.7                  | 3.7        | 0.8        | 1.8        |
| Hong Kong                        | 0.4                  | 2.3        | 2.4        | 2.0        |
| Singapore                        | 0.4                  | 3.3        | 2.0        | 1.7        |
| <b>ASEAN-6 (incl. Singapore)</b> | <b>3.1</b>           | <b>4.4</b> | <b>4.4</b> | <b>4.8</b> |
| <b>ASEAN-5</b>                   | <b>2.7</b>           | <b>4.6</b> | <b>4.8</b> | <b>5.3</b> |
| Indonesia                        | 1.1                  | 5.0        | 4.8        | 5.2        |
| Thailand                         | 0.5                  | 0.7        | 2.9        | 4.5        |
| Malaysia                         | 0.4                  | 6.0        | 5.0        | 4.3        |
| Philippines                      | 0.4                  | 6.1        | 5.8        | 7.0        |
| Vietnam                          | 0.2                  | 6.0        | 6.7        | 6.4        |



### OUTLOOK

2016 is expected to be the repeat of 2015 due to lingering concerns over China's prospect, the trajectory of post-lift off US interest rate, risk of long period of low commodity prices, and persistent volatilities in capital flows, financial markets and currencies.

Consequently, world real GDP growth is forecasted to muddle along (2016E: 3.1%; 2015: 3.1%). Major advanced economies are expected to maintain their growth momentum (2016E: 1.9%; 2015: 1.9%), underpinned by steady US growth and continued albeit patchy recoveries in Eurozone and Japan. However, growth among the large emerging economies will stay mixed reflecting further slowdown in China and continued recessions in Brazil and Russia despite stable expansion in India.

Although growth is expected to be firmer in the ASEAN-6 (2016E: 4.8%; 2015: 4.4%), the performance is uneven across the region i.e. pickups in Indonesia, Thailand and the Philippines, but slower expansions in Malaysia, Singapore and Vietnam, reflecting divergences in domestic economic conditions and policies, amid the challenging external environment.

Sources: IMF, Consensus, Maybank Kim Eng

## MALAYSIA

### ECONOMIC REVIEW

Malaysia's real GDP growth slowed to 5.0% in 2015 (2014: 6.0%), weighed down by slower consumer spending and gross fixed capital formation as well as the contraction in net external demand which offset the sustained government consumption expenditure. The operating environment was very challenging in view of the global economic uncertainties, depreciation in Ringgit and weaker commodity prices — especially crude oil, as well as domestic factors such as the impact of the Goods & Services Tax (GST) implementation.



## Economic & Banking Industry Review and Outlook

| Malaysia: Real GDP By Demand & Sectors |            |            |
|----------------------------------------|------------|------------|
| % change                               | 2014       | 2015       |
| <b>Real GDP</b>                        | <b>6.0</b> | <b>5.0</b> |
| <i>By Demand</i>                       |            |            |
| Domestic Demand                        | 5.9        | 5.1        |
| Private Consumption Expenditure        | 7.0        | 6.0        |
| Government Consumption Expenditure     | 4.4        | 4.3        |
| Gross Fixed Capital Formation          | 4.8        | 3.7        |
| Net External Demand                    | 12.8       | (3.7)      |
| Exports of Goods & Services            | 5.1        | 0.7        |
| Imports of Goods & Services            | 4.2        | 1.3        |
| Change in Inventories                  | 170.6      | (76.0)     |
| <i>By Sectors</i>                      |            |            |
| Agriculture, Forestry & Fishing        | 2.1        | 1.0        |
| Mining & Quarrying                     | 3.3        | 4.7        |
| Manufacturing                          | 6.2        | 4.9        |
| Construction                           | 11.8       | 8.2        |
| Services                               | 6.5        | 5.1        |

Source: CEIC

### ECONOMIC OUTLOOK

Malaysia's real GDP growth is expected to ease further to 4.3% (2015: 5.0%) on slower domestic demand due to continued moderation in consumer spending and private investment. However, public investment will rebound after two years of contractions as the rollout of new major infrastructure and investment projects add to the existing ongoing projects, notwithstanding the revision in Budget 2016 due to the fall in crude oil price. Meanwhile, the Overnight Policy Rate (OPR) may be lowered by 25 bps from current 3.25% despite higher inflation at 3.0%-3.5% (2015: 2.1%) as Bank Negara Malaysia leans towards supporting growth.

### BANKING SECTOR REVIEW

In 2015, Malaysia's banking system loans growth softened to 7.9% YoY from a growth rate of 9.3% YoY in 2014. Household loans, which accounted for 56.8% of total system loans as at the end of 2015, expanded at a more moderate pace of 7.7% YoY compared to 9.9% YoY in 2014, while non-household loan growth eased marginally to 8.0% YoY from 8.5% YoY in 2014.

Residential property loans accounted for 30.2% of total system loans and growth here dipped to 11.9% in 2015 from 13.3% in 2014. Non-residential property loans (13.6% of total loans) also grew at a slower pace of 10.6% YoY versus 14.9% YoY in 2014. Auto loans growth was a steady 2.7% YoY (2.3% YoY in 2014) while personal loans and credit card financing expanded 5.9% YoY and 1.2% YoY respectively.

Having lagged 2014 in quantum throughout much of 2015, PDS issuances jumped in December 2015 to RM23.9 billion from RM7.0 billion in November 2015 and RM10.3 billion in December 2014. As a result, cumulative PDS issuances in 2015 were virtually unchanged at RM85.1 billion compared to RM85.5 billion as at the end of 2014.

The industry's loan to deposit ratio continued to rise during the year as deposit growth slowed to just 1.8% YoY in December 2015, and the ratio stood at 88.7% end-December 2015 compared to 86.7% end-December 2014.

Asset quality remained strong with the industry's net impaired loan ratio stable at just 1.2% end-December 2015. Loan loss coverage slipped to 96.2% end-2015 from 101.0% end-2014. The industry's end-2015 Common Equity Tier-1 capital ratio, Tier-1 capital ratio and risk-weighted capital ratio were comfortable at 12.8%, 13.8% and 16.1% respectively.

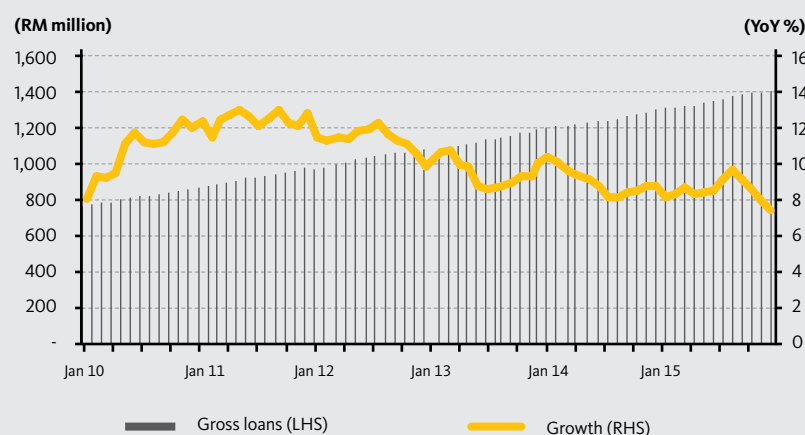
### BANKING SECTOR OUTLOOK

The operating environment continues to be challenging in 2016. Headwinds include a more moderate economic growth both on the domestic and global front, while the volatility in currencies and commodity prices is unlikely to abate any time soon.

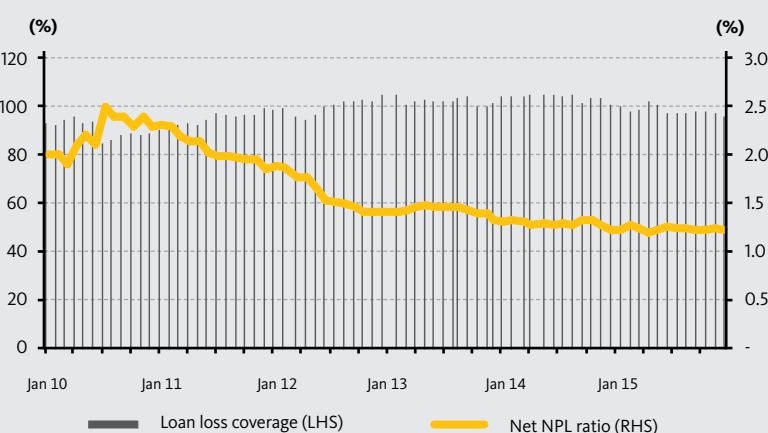
Malaysia's economic growth is expected to taper off to 4.3% (2015: 5.0%) as consumer demand is expected to remain soft amid the rise in living costs. Preserving interest margins remains a challenge in 2016, for funding competition remains keen amid tighter liquidity conditions. Improving cost efficiencies is likely to be a key preoccupation of the industry to counter any slowdown in topline expansion.

What is positive, nevertheless, is that many of the key infrastructure projects are still expected to proceed as planned, and this should help to sustain the pace of business loan growth in 2016. Moreover, the export-oriented industries should continue to fare well in light of the more competitive Ringgit. Monetary policy, meanwhile, is expected to remain accommodative. Asset quality remains impeccable but greater vigilance will be required amid increased volatility and uncertainties both on the domestic and external fronts.

### Malaysia: Industry Gross Loan Growth



### Malaysia: Industry Asset Quality



# Economic & Banking Industry Review and Outlook

## SINGAPORE

### ECONOMIC REVIEW

Singapore recorded a slower expansion of 2.0% in 2015 (2014: 3.3%). Despite firmer growth in domestic demand and net external demand as all components expanded faster or rebounded in 2015 compared with 2014, the overall real GDP growth was pulled lower by the significantly larger drawdown in inventories, especially as the manufacturing sector contracted.



| Singapore: Real GDP By Demand & Sectors |            |            |
|-----------------------------------------|------------|------------|
| % change                                | 2014       | 2015       |
| <b>Real GDP</b>                         | <b>3.3</b> | <b>2.0</b> |
| <i>By Demand</i>                        |            |            |
| Domestic Demand                         | 0.0        | 2.7        |
| Private Consumption Expenditure         | 2.2        | 4.5        |
| Government Consumption Expenditure      | (0.1)      | 6.6        |
| Gross Fixed Capital Formation           | (2.6)      | (1.0)      |
| Net External Demand                     | 6.5        | 4.6        |
| Exports of Good & Services              | 4.3        | 2.5        |
| Imports of Goods & Services             | 3.9        | 2.1        |
| Change in Inventories                   | 4.5        | (61.3)     |
| <i>By Sectors</i>                       |            |            |
| Manufacturing                           | 2.7        | (5.2)      |
| Construction                            | 3.5        | 2.5        |
| Services                                | 3.6        | 3.4        |

Source: CEIC

### ECONOMIC OUTLOOK

Singapore's real GDP growth is expected to be at 1.7% in 2016 (2015: 2.0%). Growth is being affected by the ongoing restructuring of the economy to reduce reliance on foreign labour and promote productivity. This is compounded by external factors that affect especially manufacturing activities via the impact on trade from the slowdown in China and the effect of lower crude oil price on oil & gas related manufacturing activities. Nonetheless, services and construction are expected to be supportive of growth amid expectations of further easing in the Monetary Authority of Singapore's policy stance and potential recalibration in property cooling measures.

### BANKING SECTOR REVIEW

2015 was a challenging year in the Singapore banking landscape. Economic uncertainties in China and depressed oil prices subdued the sector's growth. Asset quality deterioration to these areas has come under scrutiny.

Total system loan growth remained flat in 2015, with business loan growth shrinking to -1% YoY and consumer loan growth at 3% YoY. Business loan growth remains subdued in most sectors except Building and Construction (+19% YoY). General commerce loan growth was down 9% YoY, now accounting for 13.5% of system loans. This was triggered by a regional slowdown in trade loans and fewer lending opportunities as onshore-offshore rate differential in China converges.

System loan-deposit ratio improved to 102.6% in 2015 from 107.3% in 2014, largely as a result of slowing loan growth. Against DBU's deposit growth of 1.8% YoY, fixed deposits rose a faster 4.3% YoY. Current account and savings account (CASA) deposits were flat at 0.2% YoY. This resulted in a slight decline in CASA deposits from 62% to 61% of DBU deposits in 2015.

System NPL and special mention loan ratios ticked up as at September 2015<sup>1</sup>. The NPL ratio went from 1.1% in September 2014 to 1.5%. The special mention loan ratio has been rising gradually for two years. System's provisioning coverage fell from 157.5% as at September 2014 to 129% as at September 2015<sup>2</sup>. Banks' asset quality is starting to be compromised by a stubbornly weak oil & gas sector and its supporting industries. Capital ratios remained healthy, with the industry's Common Equity Tier-1 ratio at 13.8%, core capital ratio at 13.8% and risk-weighted capital ratio at 15.9%.

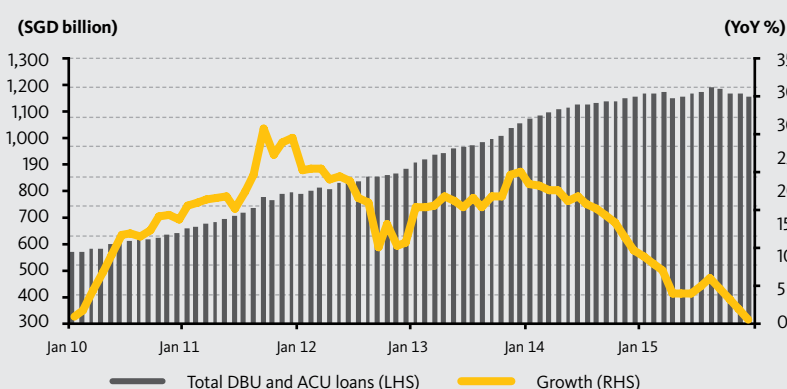
### BANKING SECTOR OUTLOOK

Given Singapore's open economy, oil's contagion is still unravelling. Businesses are adjusting to slower global growth and excess capacity in some sectors. The uncertainties in China have dented a key growth avenue. Credit risks could increase as businesses face slower cash flows. In the domestic property sector, caution prevails as the additional buyer's stamp duty (ABSD) and total debt service ratio (TDSR) continue to muzzle buying sentiment and physical prices. Singapore began 2016 with an even tougher outlook than 2015.

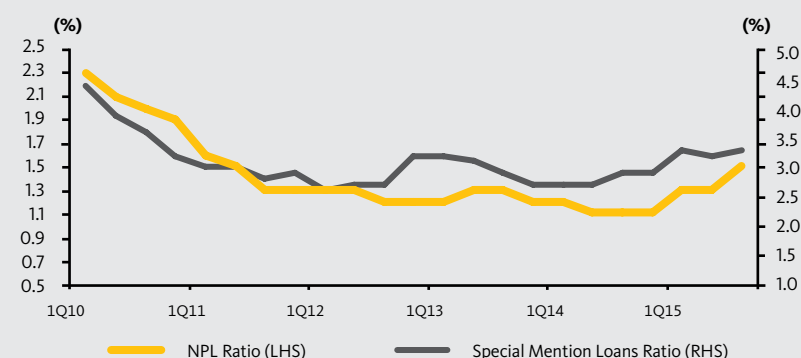
<sup>1</sup> Based on MAS Financial Stability Review 2015.

<sup>2</sup> Ratio for Total Provisions/Unsecured NPLs. Based on MAS Financial Stability Review 2015.

### Singapore: Industry Loans Growth



### Singapore: Industry Asset Quality



# Economic & Banking Industry Review and Outlook

## INDONESIA

### ECONOMIC REVIEW

Indonesia's economic growth slowed for the fifth consecutive year in 2015 to 4.8% (2014: 5.0%) mainly as moderation in consumer spending and fall in exports offset the pickup in government spending and total investment. The economy was also hit by the slump in commodity prices as reflected by the contraction in the mining sector amid continued expansions in other economic sectors.



| Indonesia: Real GDP By Demand & Sectors      |        |               |
|----------------------------------------------|--------|---------------|
| % change                                     | 2014   | 2015          |
| <b>Real GDP</b>                              | 5.0    | <b>4.8</b>    |
| By Demand                                    |        |               |
| Domestic Demand                              | 4.7    | <b>5.0</b>    |
| Private Consumption Expenditure              | 5.2    | <b>5.0</b>    |
| Government Consumption Expenditure           | 1.2    | <b>5.4</b>    |
| Gross Fixed Capital Formation                | 4.6    | <b>5.1</b>    |
| Net External Demand                          | (28.0) | <b>131.3</b>  |
| Exports of Good & Services                   | 1.0    | <b>(2.0)</b>  |
| Imports of Goods & Services                  | 2.2    | <b>(5.8)</b>  |
| Change in Inventories                        | 25.9   | <b>(28.0)</b> |
| By Sectors                                   |        |               |
| Agriculture, Livestock, Forestry & Fisheries | 4.2    | <b>4.0</b>    |
| Mining & Quarrying                           | 0.7    | <b>(5.1)</b>  |
| Manufacturing                                | 4.6    | <b>4.2</b>    |
| Construction                                 | 7.0    | <b>6.6</b>    |
| Services                                     | 6.0    | <b>5.5</b>    |

Source: CEIC

### ECONOMIC OUTLOOK

Indonesia's real GDP growth projection for 2016 is at 5.2% (2015: 4.8%), driven by higher government expenditure, economic stimulus packages and expectation of interest rate cuts totalling 75 bps to spur public infrastructure and private investments as well as consumer spending.

### BANKING SECTOR REVIEW

In 2015, Indonesia's banking sector grew at a slower pace of 10.4% YoY vs. 11.6% YoY in 2014. The slowdown was felt across the segments. Loans for investment, which account for 26% of total industry loans remained low at 14.7% YoY in 2015 from 13.2% YoY in 2014. Growth in loans for working capital and household which each covers 47% and 27% of the banking sector's total loan portfolio decelerated further to 9% YoY each in 2015 from 11% YoY in 2014. Mortgages, which make up 30% of household loans, only grew 8% YoY in 2015 although banks started to cut lending rates for the segment, while auto loans contracted 2% YoY on weak automotive demand.

Liquidity tightened during the year. This was reflected in a stubbornly high LDR of 92% despite a slowdown in loan expansion. Funding cost decreased along with lower fixed deposit growth from 20.9% YoY in 2014 to only 4.6% YoY in 2015, decreasing to 46% of total deposits from 47% previously. This rapid deceleration in fixed deposits, however, was only partially compensated by an acceleration in current and savings account growth rates to 11% YoY and 8.7% YoY, respectively. As such, total deposit growth in 2015 decelerated to 7.3% YoY from 12.3% YoY in 2014.

Asset quality deteriorated alongside economic growth. However, non-performing loan (NPL) levels were still manageable at 2.5% in 2015, up from 2.2% in 2014. On the other hand, capital ratios improved, with core capital ratios rising to 19% in 2015 from 18% in 2014, and risk-weighted capital ratios of 21.4%, up from 19.6% a year earlier.

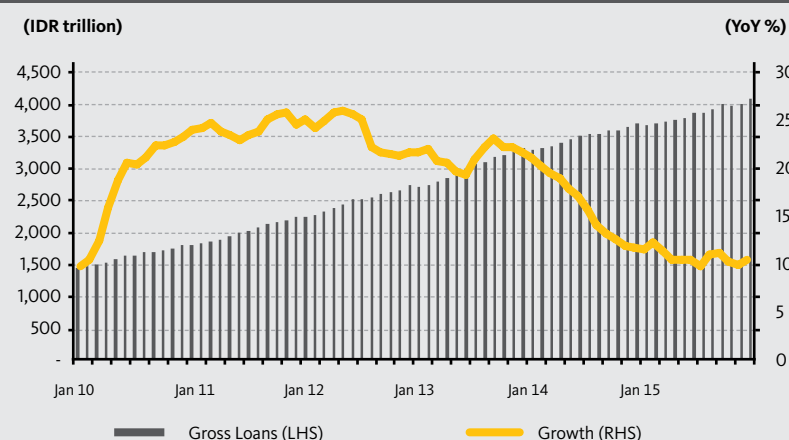
### BANKING SECTOR OUTLOOK

Indonesia's economic growth is expected to improve this year and the banking sector is likely to mirror this trend, with moderate loan and deposit growth and manageable asset quality. With the sector's top 10 players controlling 60% of market liquidity, the performance gap between the big and small banks, however, may continue to widen.

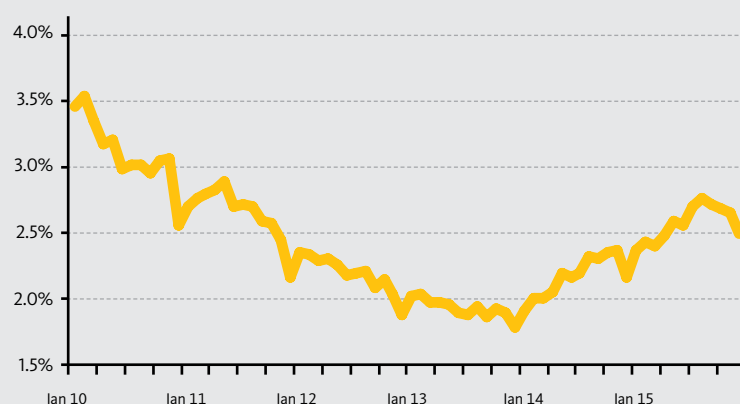
Among the segments that the government plans to target are the micro and corporate sectors. Mortgages could see a pick-up as well, given that banks are ready to cut rates further to boost demand and new subsidised mortgage program at a much lower lending rates has been rolled out. The government's micro loans programs are likely to grow faster especially in the rural areas with lending rates at par to that of the corporate segment. Infrastructure projects are seen as a medium to long-term growth source since there could be delays in execution. However, the risk profile of these loans will be low since most of these projects are government-related.

Plans are afoot to raise the domestic banking sector's competitiveness vis-à-vis its regional peers and to increase the involvement of local banks in national development projects. The emphasis will mostly be on State-Owned banks, which we believe will come out as the main beneficiaries over the long term.

### Indonesia: Industry Gross Loan Growth



### Indonesia: Industry Non-Performing Loans (%)



# Group Financial Review



**DATO' MOHAMED RAFIQUE MERICAN**  
Group Chief Financial Officer

**“Maybank Group had another record year with a net profit of RM6.84 billion and an ROE of 12.2%. This was achieved through balance sheet management amid a prolonged softness in the macroeconomic environment. We were selective on asset growth, proactive in managing asset quality and continued our focus on capital efficiency as well as productivity.”**

## FY2015 PERFORMANCE OVERVIEW

FY2015 was certainly a challenging year for the Maybank Group as we saw macroeconomic indicators continue to soften during the year amid prolonged weakness in commodity prices, the weakening Ringgit and slower economic growth in China. This prompted us to reassess our targets in the second half of the year and reposition our strategy to focus on managing our balance sheet. This resulted in more selective asset growth, franchise-led deposit growth, proactive management of asset quality and continued emphasis on capital efficiency as well as productivity.

Our proactive approach enabled us to close FY2015 with a net profit of RM6.84 billion and an ROE of 12.2%, which was within our revised ROE guidance of 12% to 13%.

### Our record net profit was driven by stronger revenue growth and better cost management

- The Group saw higher net operating income growth of 14.6% YoY to RM21.24 billion for FY2015, on the back of higher revenue from our business pillars International Banking, Community Financial Services and Global Banking.
- The growth in net operating income growth was largely due to higher net fund-based income of 15.3% YoY as gross loans grew by 12.0% YoY and net interest margin remained stable at 2.31%.
- Supporting the Group's net operating income growth was International Banking's revenue growth of 14.3% YoY. This came from higher net fund-based income of 29.9% YoY as overseas loans grew 20.8% YoY.
- Higher net fee-based income of 13.2% YoY also contributed to the Group's net operating income growth. Fee-based income growth came from higher net earned insurance premiums, foreign exchange gains, increased commission, service charges and fees as well as higher Islamic fee-based income.
- As cost management continued to be a key lever, the Group recorded a positive JAW position with income growth of 14.6% YoY outpacing overheads growth of 12.9% YoY. Our cost to income ratio (CIR) also remained below our internal threshold of 50.0% at 48.2%.
- Group loans growth was 12.0% YoY while Group credit RWA grew slower at 6.8% YoY as we continued with RWA optimisation initiatives.
- Group deposits growth was 12.8% YoY, ahead of loans growth, resulting in an improved Group LDR of 91.5% as at 31 December 2015.
- Maybank Group's capital position remained stable with a total capital ratio of 17.74%, higher compared to 16.24% in the previous year.

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

- Net impairment losses rose to RM2.01 billion in FY2015 compared with RM470.83 million in the prior year, due to higher individual allowances, lower recoveries and higher impairment charges for the equity portfolio held by the insurance business.
- Group gross impaired loans ratio increased to 1.86% as at 31 December 2015 from 1.52% in the previous year stemming from impairments made for specific accounts.

### Rewarding shareholders

The Board of Directors has proposed a final dividend of 30 sen single-tier dividend comprising a cash portion of 6 sen per ordinary share and an electable portion of 24 sen per ordinary share. The electable portion can be reinvested under the Dividend Reinvestment Plan.

The total single-tier dividend for FY2015 was 54 sen per share, representing a net dividend payout ratio of 76.3%. Please refer to the Maybank Share section in this annual report for more information on the dividend.

## Group Financial Review

### NET PROFIT

**RM6.84 billion**

FY2014: RM6.72 billion

### COST TO INCOME RATIO

**48.2%**

FY2014: 48.9%

### TOTAL CAPITAL RATIO

**17.74%**

FY2014: 16.24%

### INTERNATIONAL MARKETS PBT CONTRIBUTION

**27.0%**

FY2014: 28.8%

### RETURN ON EQUITY

**12.2%**

FY2014: 13.8%

### GROSS LOANS GROWTH

**12.0%**

FY2014: 13.4%

#### Key Financial & Operating Indicators

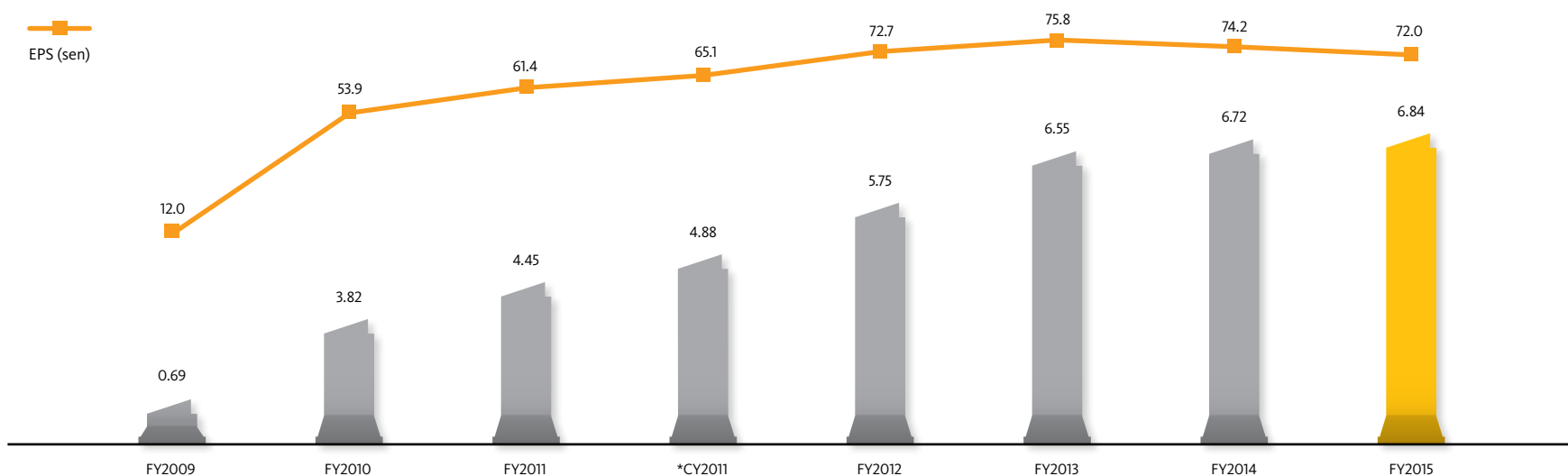
|                                           | FY2015 | FY2014 |
|-------------------------------------------|--------|--------|
| Return on Equity (%)                      | 12.2   | 13.8   |
| Net Interest Margin (%)                   | 2.31   | 2.31   |
| Fee to Income Ratio (%)                   | 31.5   | 31.9   |
| Loan to deposit Ratio (%)                 | 91.5   | 91.8   |
| Cost to Income Ratio* (%)                 | 48.2   | 48.9   |
| <b>Asset Quality</b>                      |        |        |
| Gross Impaired Loan Ratio (%)             | 1.86   | 1.52   |
| Net Impaired Loan Ratio** (%)             | 1.38   | 1.04   |
| Loan Loss Coverage (%)                    | 72.0   | 95.6   |
| Net Credit Charge-Off Rate (basis points) | (41)   | (11)   |
| <b>Capital Adequacy (Group)</b>           |        |        |
| Common Equity Tier 1 Ratio (%)            | 12.78  | 11.75  |
| Total Capital Ratio (%)                   | 17.74  | 16.24  |

\* 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 (formerly known as PT Bank Internasional Indonesia Tbk) and Maybank Kim Eng Holdings Limited.

\*\* Financial statements for full year FY2015 reflects net impaired loan ratio less MIB Investment Account of RM17.66 billion.

#### INCOME STATEMENT ANALYSIS FOR FY2015

##### Net Profit (RM billion) & EPS (sen)



\* CY2011: Includes 12-month results from 1 January 2011 to 31 December 2011

# Group Financial Review

| Profit & Loss Summary (RM million)                             | FY2015     | FY2014    | YoY    |
|----------------------------------------------------------------|------------|-----------|--------|
| Net fund-based income*                                         | 14,545.0   | 12,616.0  | 15.3%  |
| Net fee-based income*                                          | 6,692.8    | 5,914.6   | 13.2%  |
| Net operating income                                           | 21,237.9   | 18,530.6  | 14.6%  |
| Overhead expenses                                              | (10,285.0) | (9,111.3) | 12.9%  |
| Pre-provisioning operating profit (PPOP)**                     | 10,952.9   | 9,419.3   | 16.3%  |
| Net impairment losses                                          | (2,012.6)  | (470.8)   | 327.5% |
| Operating profit                                               | 8,940.3    | 8,948.5   | (0.1%) |
| Profit before taxation and zakat (PBT)                         | 9,151.5    | 9,111.6   | 0.4%   |
| Profit attributable to equity holders of the Bank (Net Profit) | 6,835.9    | 6,716.5   | 1.8%   |
| EPS - Basic (sen)                                              | 72.0       | 74.2      | (2.9%) |

\* From consolidated Group numbers, Insurance and Takaful accounts for 6.0% of net fund-based income and 12.0% of net fee-based income  
 \*\* Pre-provisioning operating profit (PPOP) is equivalent to operating profit before impairment losses

### Franchise-led growth

- The Group delivered a commendable financial performance in FY2015 despite a challenging macroeconomic landscape, with a PBT of RM9.15 billion and net profit of RM6.84 billion.
- The Group's net operating income growth of 14.6% YoY was supported by a 15.3% growth in net fund-based income driven by Group loans growth of 12.0% and a stable net interest margin of 2.31%. Group loans growth was supported by the strength of our Community Financial Services franchise in our home markets and growth in our other overseas markets. We also saw higher net fee-based income growth of 13.2%, resulting from higher net earned insurance premiums, foreign exchange gains, commission, service charges and fees, and fee income from Islamic banking operations.

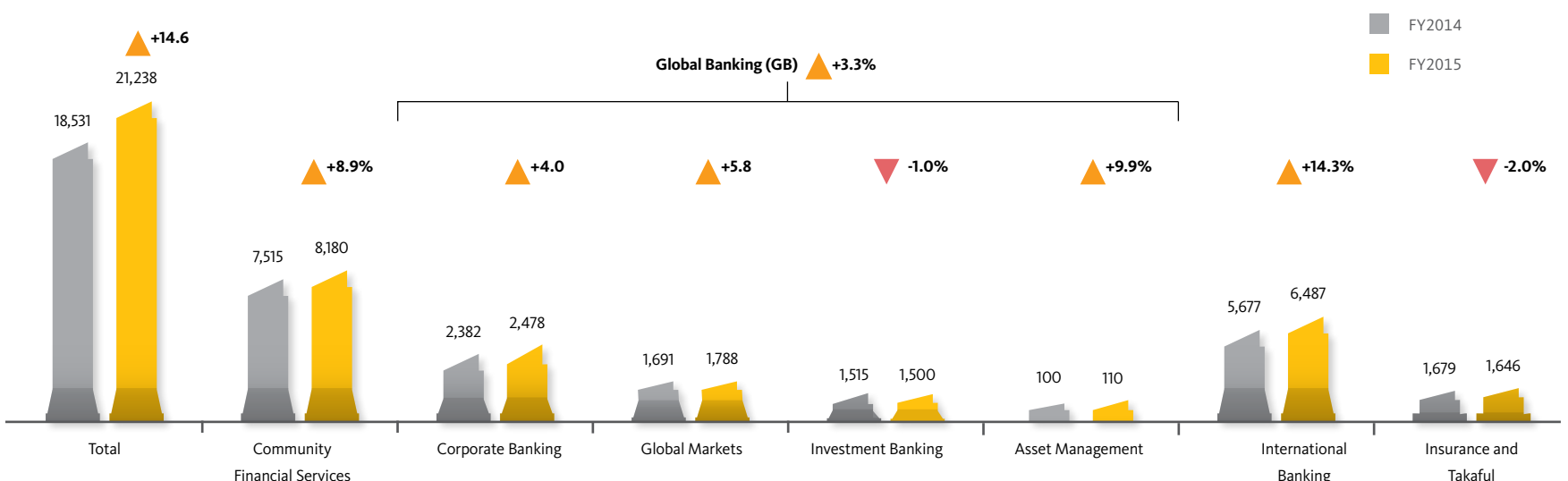
### Continued cost management resulted in positive JAW

- Through the Group's effective strategic cost management programme initiatives, we have successfully kept our CIR below the internal threshold of 50.0% over the last 5 years. For FY2015, our CIR was 48.2% compared with 48.9% in the previous year.
- The Group also achieved a positive JAW position for the year, whereby income growth exceeded overheads growth. Overheads growth in FY2015 was led by higher staff cost owing to provisioning made for the Maybank staff union's collective agreement and higher marketing expenses arising from an increase in gift point expenses for our credit card business.

### Higher net impairment losses

- Higher Group revenue was offset by a rise in net impairment losses due to an increase in individual allowances, lower recoveries compared to a year ago and higher impairment losses on the securities portfolio of our insurance business.

## Net Operating Income (RM million)



Note: Net operating income for Group includes expenditures of Head Office & Others of RM952 million for FY2015 and RM2,029 million for FY2014.



## Group Financial Review

### CFS continued to be the largest contributor to the Group

- CFS continued its positive growth momentum with a net operating income growth of 8.9% YoY as net fund-based income grew 8.0% supported by stronger loans growth in mortgage and SME. Also contributing to its net operating income growth was higher net fee-based income of RM200.78 million.

### Global banking impacted by slower capital market activities

- Global Banking recorded a positive net operating income growth of 3.3% YoY, mainly due to higher contributions from corporate banking and global markets, arising from an increase in net fund-based income growth of RM218.79 million and RM106.55 million respectively.

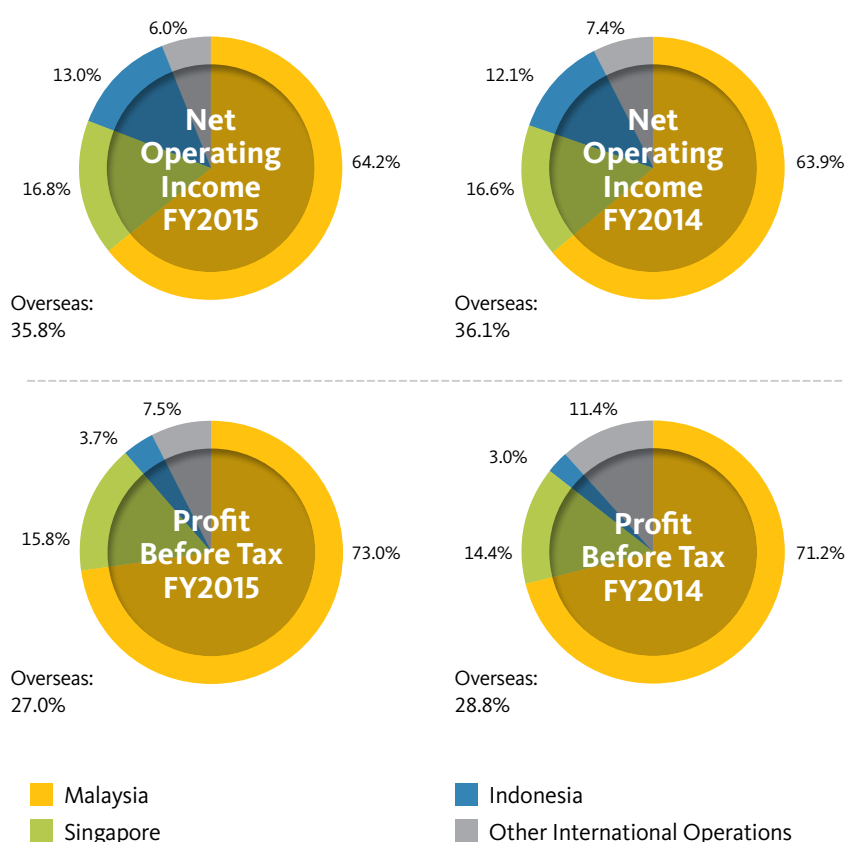
### International banking operations was the fastest growing segment

- Our international banking operations recorded the highest net operating income growth at 14.3% YoY, supported by net fund-based income growth of 29.9% as International gross loans grew by 20.8%. The major contributors were Singapore, Indonesia, Labuan Offshore and Greater China.

### Insurance & Takaful impacted by volatile capital markets

- Our Insurance & Takaful business reported a decline of 2.0% YoY in net operating income mainly due to lower equity gains and unrealised fair value losses in its other operating income.

### Group Net Operating Income and PBT by Geography



### ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION

Maybank Group's total assets stood at RM708.34 billion as at 31 December 2015, 10.6% higher than the previous year driven by higher growth in loans, advances and financing.

| Group Gross Loans                                 | 31 Dec 2015  | 31 Dec 2014 | YoY     |
|---------------------------------------------------|--------------|-------------|---------|
| <b>Malaysia<sup>1</sup> (RM billion)</b>          | <b>256.5</b> | 243.6       | 5.3%    |
| Community Financial Services                      | <b>182.7</b> | 168.8       | 8.2%    |
| Global Banking                                    | <b>73.8</b>  | 74.8        | (1.4%)  |
| <b>International (RM billion)</b>                 | <b>196.2</b> | 162.4       | 20.8%   |
| <b>Singapore (SGD billion)</b>                    | <b>37.2</b>  | 35.1        | 6.0%    |
| Community Financial Services <sup>2</sup>         | <b>20.2</b>  | 14.8        | 36.6%   |
| Global Banking <sup>2</sup>                       | <b>16.8</b>  | 20.1        | (16.2%) |
| Others                                            | <b>0.2</b>   | 0.3         | (16.0%) |
| <b>Indonesia (IDR trillion)</b>                   | <b>114.8</b> | 109.3       | 5.0%    |
| Community Financial Services                      | <b>92.4</b>  | 84.1        | 9.9%    |
| Global Banking                                    | <b>22.0</b>  | 24.9        | (11.9%) |
| Others                                            | <b>0.4</b>   | 0.3         | 26.2%   |
| <b>Other markets (RM billion)</b>                 | <b>47.4</b>  | 38.8        | 22.2%   |
| Philippines                                       | <b>5.3</b>   | 3.8         | 38.7%   |
| Indo China                                        | <b>2.7</b>   | 1.7         | 61.2%   |
| Greater China                                     | <b>17.4</b>  | 16.0        | 9.1%    |
| Others                                            | <b>22.0</b>  | 17.3        | 26.9%   |
| <b>Investment Banking (RM billion)</b>            | <b>7.1</b>   | 4.4         | 60.7%   |
| <b>Group Gross Loans<sup>3</sup> (RM billion)</b> | <b>459.8</b> | 410.5       | 12.0%   |

<sup>1</sup> Takes into account "Others" portion – Dec 2015: -RM13 million vs Dec 2014: RM7 million

<sup>2</sup> 31 December 2015 loan growth was after transfer of SGD2.2 billion from Global Banking to CFS for Business Banking segment due to realignment to the Group Customer Segmentation

<sup>3</sup> Including Islamic loans sold to Cagamas and excluding unwinding of interest

- Group gross loans grew 12.0% YoY to RM459.76 billion driven by strong loan growth in our International operations of 20.8%. This resulted in an increase in our overseas gross loans contribution of 43.6% from 40.3% in the previous year.
- Our Singapore loans growth of 6.0% YoY surpassed the industry loan growth of 0.1% as its Community Financial Services (CFS) portfolio grew 36.6%, supported by growth in the housing and SME segments.
- Indonesia loan growth also saw a positive growth of 5.0% YoY as its CFS portfolio grew by 9.9%, on the back of Business Banking growth of 12.5% and Retail Banking growth of 9.0%.
- Our Global Banking (GB) portfolios in all three home markets were impacted by slower corporate banking activities in FY2015. Our decision to be more selective in loan financing within the GB portfolios was due to on-going regional macroeconomic weakness stemming from lower commodity prices, weaker ASEAN currencies and slower intra-regional trade flows. As a result, our GB Malaysia portfolio declined 1.4%, GB Singapore reduced by 16.2% and GB Indonesia contracted by 11.9% on YoY basis.

## Group Financial Review

| Malaysia Loans (RM billion)         | 31 Dec 2015  | 31 Dec 2014 | YoY    |
|-------------------------------------|--------------|-------------|--------|
| <b>Community Financial Services</b> | <b>182.7</b> | 168.8       | 8.2%   |
| Consumer                            | 146.9        | 135.7       | 8.2%   |
| Total Mortgage                      | 69.2         | 60.9        | 13.7%  |
| Auto Finance                        | 40.8         | 38.6        | 5.7%   |
| Credit Cards                        | 6.4          | 5.8         | 9.6%   |
| Unit Trust                          | 28.1         | 28.3        | (0.6%) |
| Other Retail Loans                  | 2.4          | 2.1         | 12.5%  |
| Business Banking + SME              | 35.8         | 33.1        | 8.4%   |
| SME                                 | 10.2         | 7.5         | 35.9%  |
| Business Banking                    | 25.6         | 25.5        | 0.2%   |
| <b>Global Banking (Corporate)</b>   | <b>73.8</b>  | 74.8        | (1.4%) |
| <b>Total Malaysia<sup>1</sup></b>   | <b>256.5</b> | 243.6       | 5.3%   |

<sup>1</sup> Including Islamic loans sold to Cagamas and excluding unwinding of interest and takes into account "Others" portion — Dec 15: -RM13 million vs Dec 14: RM7 million.

- Our Malaysia loans grew by 5.3% YoY driven by our CFS portfolio.
- CFS, which accounted for 71.2% of total Malaysia loans, grew by 8.2% YoY driven by our consumer and SME segments.
- Consumer loans grew by 8.2% as our mortgage portfolio, the largest contributor to our consumer portfolio, saw double digit loan growth of 13.7% YoY as we positioned ourselves as the leading bank in the primary market through strategic partnerships with reputable top-tier developers.
- Auto finance loans grew 5.7% YoY, helping to improve our market share from 23.0% in December 2014 to 23.7% as at December 2015.
- SME continued to show strong growth of 35.9% YoY supported by general commerce, retail trade and the services sector.
- Global Banking loans contracted by 1.4% YoY as we were more selective in loan approvals given the market uncertainty.

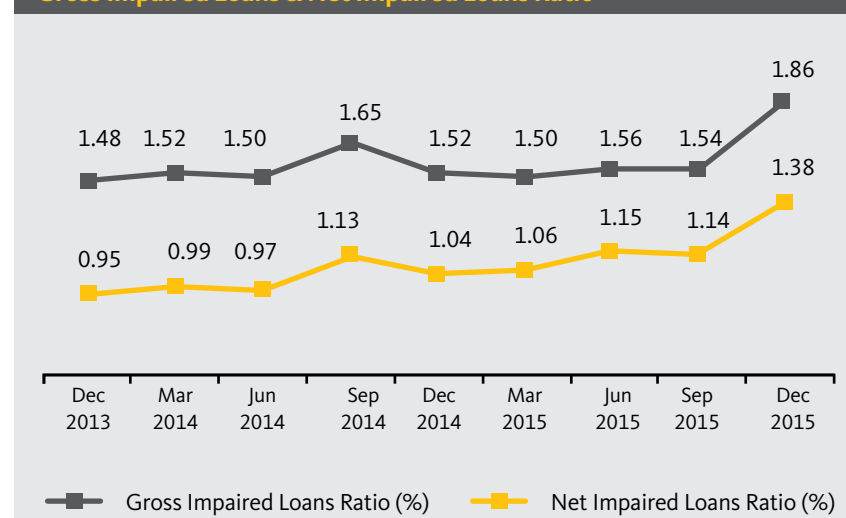
| Group Gross Deposits                     | 31 Dec 2015  | 31 Dec 2014        | YoY     |
|------------------------------------------|--------------|--------------------|---------|
| <b>Malaysia (RM billion)</b>             | <b>292.2</b> | 278.3              | 5.0%    |
| Savings Deposits                         | 40.0         | 38.5               | 4.0%    |
| Current Accounts                         | 74.2         | 72.8               | 1.9%    |
| Fixed Deposits                           | 163.0        | 140.8              | 15.8%   |
| Others                                   | 15.0         | 26.2               | (42.9%) |
| <b>International</b>                     | <b>205.1</b> | 162.9              | 25.9%   |
| <b>Singapore (SGD billion)</b>           | <b>43.6</b>  | 39.6               | 10.2%   |
| Savings Deposits                         | 4.3          | 4.5                | (5.8%)  |
| Current Accounts                         | 5.0          | 5.3                | (6.2%)  |
| Fixed Deposits                           | 33.6         | 29.0               | 16.0%   |
| Others                                   | 0.8          | 0.8                | (0.1%)  |
| <b>Indonesia (IDR trillion)</b>          | <b>115.9</b> | 102.8 <sup>1</sup> | 12.8%   |
| Savings Deposits                         | 25.6         | 23.5               | 9.1%    |
| Current Accounts                         | 16.2         | 16.3               | (1.2%)  |
| Fixed Deposits                           | 74.2         | 62.4               | 18.8%   |
| <b>Group Gross Deposits (RM billion)</b> | <b>495.8</b> | 439.6              | 12.8%   |

<sup>1</sup> Includes Others of IDR 0.6 trillion

### Group deposit growth supported by strong franchise presence in our home markets

- Group deposits rose by 12.8% YoY to RM495.8 billion due to our strong franchise in our home markets. Deposits growth in Malaysia, Singapore and Indonesia were 5.0%, 10.2% and 12.8% respectively.
- In Malaysia, deposits growth of 5.0% YoY outpaced industry growth of 1.1%, driven by fixed deposits growth of 15.8%.
- In Singapore, deposits grew by 10.2% YoY, double the industry's growth of 4.6% as fixed deposits grew by 16.0%.
- In Indonesia, deposits growth of 12.8% YoY was largely supported by fixed deposits growth of 18.8% and savings deposits growth of 9.1%.
- Our Group CASA ratio was 33.7% as at 31 December 2015 compared with 35.3% a year ago.
- As our Group deposits growth of 12.8% YoY outpaced loans growth of 12.0% YoY, our loan-to-deposit ratio improved to 91.5% as at 31 December 2015 from 91.8% a year ago.

### Gross Impaired Loans & Net Impaired Loans Ratio



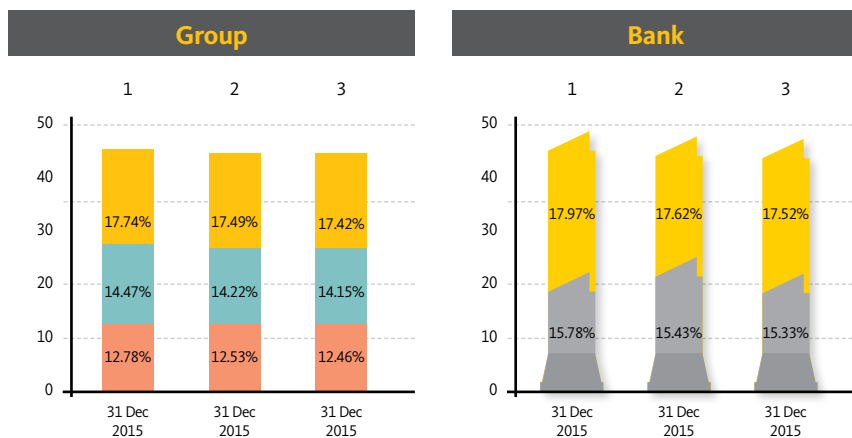
Note:  
Financial statements for full year FY2015 reflects net impaired loan ratio less MIB Investment Account of RM17.66 billion.

- The Group's gross impaired loans (GIL) ratio increased to 1.86% as at 31 December 2015 due to impairments made for specific corporate banking and business banking accounts.
- In Malaysia, GIL ratios for our consumer, SME and corporate banking portfolios remained below industry GIL ratios while our business banking GIL ratio improved from the previous year.

# Group Financial Review

## Capital adequacy remained strong

- The Group remained well capitalised with a Group CET1 Capital Ratio, Group Tier 1 Capital Ratio and Group Total Capital Ratio of 12.78%, 14.47% and 17.74% respectively. Please refer to the Capital Management section in this annual report for more information on our capital position.
- Moving forward, we will remain proactive in utilising our capital efficiently and continue to maintain healthy levels of capital. We will also ensure an optimum capital mix to support the Group's strategic agenda and maximisation of shareholder value.



- Before proposed dividend
- After proposed dividend, assuming 85% reinvestment rate
- Based on BNM's Implementation Guideline\*



Notes:

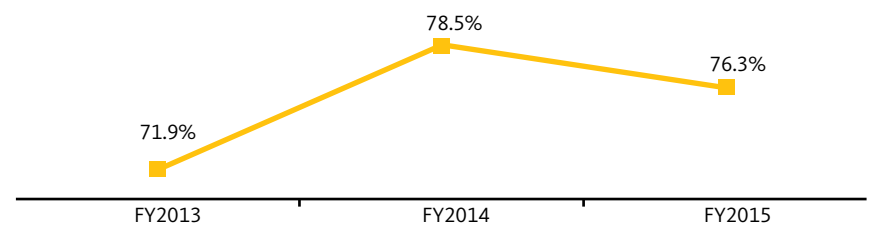
\* Based on 85% reinvestment rate under the DRP, the fully loaded CET1 Ratio would be at 11.95% (Group) and 10.62% (Bank) respectively. Capital ratios are computed based on BNM's Implementation Guidelines on Capital Adequacy Framework (Capital Components) issued on 8th May 2013.

Refer to Capital Management, pg. 82

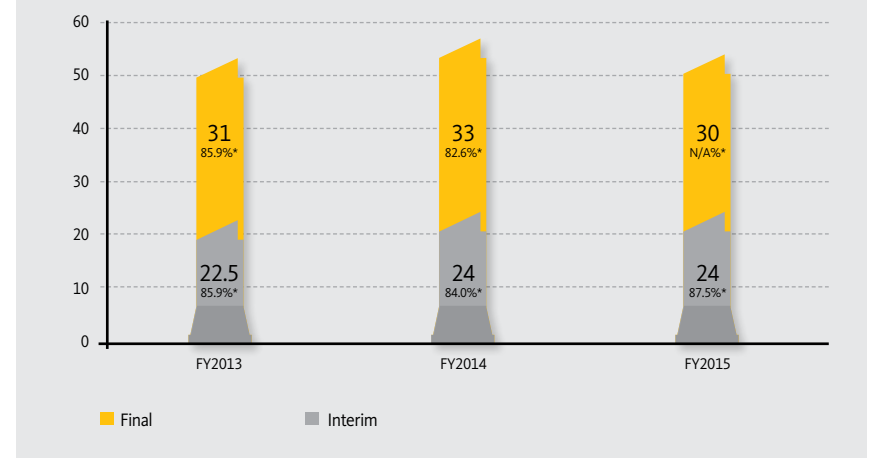
## Committed to rewarding shareholders

- A final dividend of 30 sen single-tier dividend per ordinary share of RM1.00 each, amounting to a net dividend payable of about RM2.93 billion has been proposed by the Board of Directors to be distributed to eligible shareholders. The proposed final single-tier dividend consists of cash portion of 6 sen per ordinary share to be paid in cash amounting to RM0.59 billion and an electable portion of 24 sen per ordinary share amounting to RM2.34 billion.
- The total dividend for FY2015 of 54.0 sen per share is equivalent to a payout ratio of 76.3%, which is well above the Group's dividend payout policy of 40%-60%.

## Dividend Payout Ratio



## Dividends (sen)



\* Reinvestment rate for the Dividend Reinvestment Plan

Refer to Maybank Share, pg. 97

## WHAT TO EXPECT IN 2016

- The Group will continue with its balance sheet management strategy in FY2016, given the persisting global macroeconomic headwinds seen in the first quarter of 2016.
- We will remain focused on selective asset growth to manage our RWA in line with our capital plans and continue to manage our liquidity effectively.
- The Group is also committed to improving productivity and managing its discretionary spend in FY2016.

# 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 which will support business growth and material risks undertaken.
- Maintain the Group's strong credit ratings from local and international rating agencies.
- Allocate and deploy capital efficiently to business units, subsidiaries and overseas branches to 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 and its entities, 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 is to ensure 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 3-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 10th and 11th Dividend Reinvestment Plan (DRP) on the final dividend for the financial year ended 31 December 2014 and interim dividend for the financial year ended 31 December 2015 with a reinvestment rate of 82.6% and 87.5% 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 two Basel III compliant Tier 2 Subordinated Notes amounting to RM2.2 billion and RM1.1 billion respectively in October 2015. 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

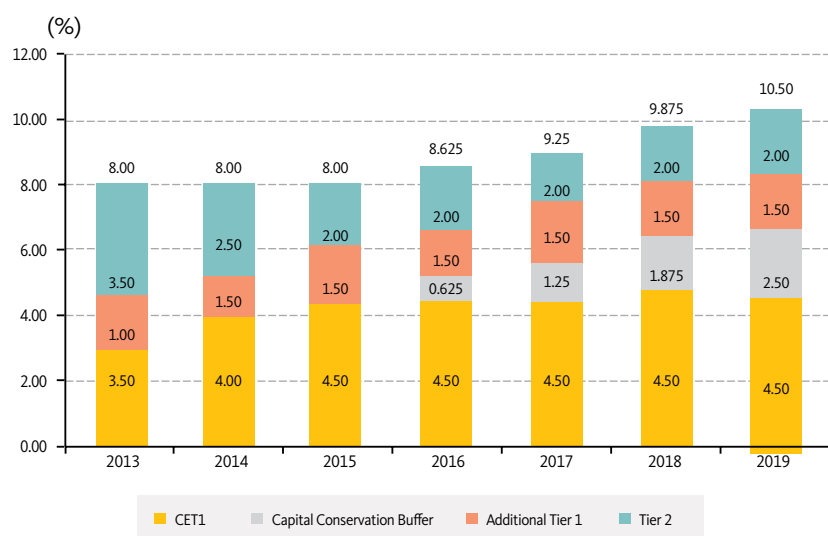
The Group places strong emphasis on the quality of its capital in order to continue meeting the minimum regulatory requirements and support business growth and risks undertaken. Thus, the Group holds a significant amount of its capital in the form of common equity which is permanent and has the highest 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 Management

### 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 are subject to a series of transitional arrangements, commencing 1 January 2013 and to be fully effective by 2019. Under BNM's capital adequacy framework, which came into effect on 1 January 2013, Maybank is required 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 starting 1 January 2015. The regulatory minimum capital requirements will also include the introduction of Capital Conservation Buffer of 2.5% which will be phased in from 1 January 2016 to 1 January 2019.



In addition to the Capital Conservation Buffer, BNM may also introduce the Countercyclical Capital Buffer ranging between 0% and 2.5% of total risk-weighted assets and additional loss-absorbency requirements for systemically important banking institutions. 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. The additional loss-absorbency requirements for systemically important banking institutions will be assessed at a later stage by BNM on the need for large banking institutions to operate at higher levels of capital. In addition, BNM may impose other capital buffers as deemed appropriate having regard to the specific risk profile of the banking institution.

The table below shows the relevant capital adequacy ratios of the Group and Bank for both the financial year 2014 and 2015.

| Capital Adequacy Ratios         | Group  |        | Bank   |        | BNM Regulatory Minimum |      |
|---------------------------------|--------|--------|--------|--------|------------------------|------|
|                                 | 2015   | 2014   | 2015   | 2014   | 2015                   | 2014 |
| <b>CET1 Capital Ratio (%)</b>   | 12.780 | 11.747 | 15.781 | 16.275 | 4.5                    | 4.0  |
| <b>Tier 1 Capital Ratio (%)</b> | 14.471 | 13.539 | 17.969 | 16.275 | 6.0                    | 5.5  |
| <b>Total Capital Ratio (%)</b>  | 17.743 | 16.235 | 17.969 | 16.275 | 8.0                    | 8.0  |

### 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 2015, the Board had declared an interim dividend amounting to RM2.3 billion or 24 sen per share, which comprises a cash portion of 4 sen per share and an electable portion of 20 sen per share. The Board is also proposing a final dividend amounting to RM2.9 billion or 30 sen per share, which comprises a cash portion of 6 sen per share and an electable portion of 24 sen per share. The total dividend payout for FY2015 is 54 sen per share.

The electable portion for the final dividend will represent Maybank's 12th DRP which again will provide the opportunity to our shareholders to continue reinvesting into Maybank shares.

### 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.

# Financial Performance

## Five-Year Group Financial Summary

|                                                                                    | Group             |                   |         |         |                |
|------------------------------------------------------------------------------------|-------------------|-------------------|---------|---------|----------------|
|                                                                                    | FP 31 Dec         | FY 31 Dec         |         |         |                |
|                                                                                    | 2011 <sup>1</sup> | 2012              | 2013    | 2014    | 2015           |
| <b>OPERATING RESULT (RM' million)<sup>2</sup></b>                                  |                   |                   |         |         |                |
| Operating revenue                                                                  | 12,892            | 31,227            | 33,251  | 35,712  | <b>40,556</b>  |
| Operating profit                                                                   | 3,497             | 7,744             | 8,730   | 8,948   | <b>8,940</b>   |
| Profit before taxation and zakat                                                   | 3,571             | 7,896             | 8,870   | 9,112   | <b>9,152</b>   |
| Profit attributable to equity holders of the Bank                                  | 2,587             | 5,746             | 6,552   | 6,716   | <b>6,836</b>   |
| <b>KEY STATEMENTS OF FINANCIAL POSITION DATA (RM' million)<sup>2</sup></b>         |                   |                   |         |         |                |
| Total assets                                                                       | 451,632           | 494,757           | 560,319 | 640,300 | <b>708,345</b> |
| Financial investments portfolio <sup>3</sup>                                       | 84,669            | 92,820            | 107,672 | 115,911 | <b>122,166</b> |
| Loans, advances and financing                                                      | 276,253           | 311,825           | 355,618 | 403,513 | <b>453,493</b> |
| Total liabilities                                                                  | 415,747           | 450,942           | 512,576 | 585,559 | <b>644,831</b> |
| Deposits from customers                                                            | 314,692           | 347,156           | 395,611 | 439,569 | <b>478,151</b> |
| Investment accounts of customers                                                   | -                 | -                 | -       | -       | <b>17,658</b>  |
| Commitments and contingencies                                                      | 369,792           | 379,695           | 433,829 | 551,960 | <b>719,695</b> |
| Paid-up capital                                                                    | 7,639             | 8,440             | 8,862   | 9,319   | <b>9,762</b>   |
| Shareholders' equity                                                               | 34,337            | 42,095            | 45,997  | 52,975  | <b>61,695</b>  |
| <b>SHARE INFORMATION<sup>2</sup></b>                                               |                   |                   |         |         |                |
| Per share (sen)                                                                    |                   |                   |         |         |                |
| Basic earnings                                                                     | 34.5              | 72.7              | 75.8    | 74.2    | <b>72.0</b>    |
| Diluted earnings                                                                   | 34.5              | 72.7              | 75.7    | 74.1    | <b>72.0</b>    |
| Gross dividend                                                                     | 36.0              | 65.0              | 53.5    | 57.0    | <b>54.0</b>    |
| Net assets (sen)                                                                   | 449.5             | 498.8             | 519.0   | 568.5   | <b>632.0</b>   |
| Share price as at 31 Dec (RM)                                                      | 8.58              | 9.20              | 9.94    | 9.17    | <b>8.40</b>    |
| Market capitalisation (RM' million)                                                | 65,546            | 77,648            | 88,088  | 85,455  | <b>81,999</b>  |
| <b>FINANCIAL RATIOS (%)<sup>2</sup></b>                                            |                   |                   |         |         |                |
| Profitability Ratios/Market Share                                                  |                   |                   |         |         |                |
| Net interest margin on average interest-earning assets                             | 2.5 <sup>6</sup>  | 2.6               | 2.5     | 2.3     | <b>2.4</b>     |
| Net interest on average risk-weighted assets                                       | 4.0 <sup>6</sup>  | 4.2               | 4.2     | 3.9     | <b>4.1</b>     |
| Net return on average shareholders' funds                                          | 15.2 <sup>6</sup> | 16.0 <sup>7</sup> | 15.1    | 13.8    | <b>12.2</b>    |
| Net return on average assets                                                       | 1.2 <sup>6</sup>  | 1.2               | 1.2     | 1.1     | <b>1.0</b>     |
| Net return on average risk-weighted assets                                         | 2.0 <sup>6</sup>  | 2.1               | 2.2     | 2.0     | <b>1.9</b>     |
| Cost to income ratio <sup>4</sup>                                                  | 49.7              | 48.6              | 47.8    | 48.9    | <b>48.2</b>    |
| Domestic market share in:                                                          |                   |                   |         |         |                |
| Loans, advances and financing                                                      | 17.9              | 18.2              | 18.4    | 18.4    | <b>18.0</b>    |
| Deposits from customers - Savings Account                                          | 27.6              | 27.7              | 27.7    | 27.6    | <b>25.4</b>    |
| Deposits from customers - Current Account                                          | 19.5              | 20.2              | 20.4    | 21.1    | <b>19.9</b>    |
| <b>CAPITAL ADEQUACY RATIOS (%)</b>                                                 |                   |                   |         |         |                |
| CET1 Capital Ratio                                                                 | -                 | -                 | 11.253  | 11.747  | <b>12.780</b>  |
| Tier 1 Capital Ratio                                                               | -                 | -                 | 13.059  | 13.539  | <b>14.471</b>  |
| Total Capital Ratio                                                                | -                 | -                 | 15.664  | 16.235  | <b>17.743</b>  |
| Core Capital Ratio <sup>5</sup> (after deducting proposed final dividend)          | 11.0 - 11.7       | 12.8 - 13.5       | -       | -       | -              |
| Risk-Weighted Capital Ratio <sup>5</sup> (after deducting proposed final dividend) | 15.7 - 16.4       | 16.6 - 17.4       | -       | -       | -              |
| <b>ASSET QUALITY RATIOS<sup>2</sup></b>                                            |                   |                   |         |         |                |
| Net impaired loans (%)                                                             | 1.86              | 1.09              | 0.95    | 1.04    | <b>1.43</b>    |
| Loan loss coverage (%)                                                             | 86.9              | 105.6             | 107.5   | 95.6    | <b>72.0</b>    |
| Net loans to deposit ratio (%) <sup>8</sup>                                        | 87.8              | 89.8              | 89.9    | 91.8    | <b>91.5</b>    |
| Deposits to shareholders' fund (times) <sup>9</sup>                                | 9.2               | 8.2               | 8.6     | 8.3     | <b>7.8</b>     |
| <b>VALUATIONS ON SHARE<sup>2</sup></b>                                             |                   |                   |         |         |                |
| Gross dividend yield (%)                                                           | 4.2               | 7.1               | 5.4     | 6.2     | <b>6.4</b>     |
| Dividend payout ratio (%)                                                          | 79.9              | 74.7              | 71.9    | 78.5    | <b>76.3</b>    |
| Price to earnings multiple (times)                                                 | 24.9              | 12.7              | 13.1    | 12.4    | <b>11.7</b>    |
| Price to book multiple (times)                                                     | 1.9               | 1.8               | 1.9     | 1.6     | <b>1.3</b>     |

<sup>1</sup> The results consist of six months financial period ended 31 December 2011 due to the change of financial year end from 30 June to 31 December.

<sup>2</sup> Comparative figures for December 2012 were restated due to the changes in accounting policies.

<sup>3</sup> 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.

<sup>4</sup> 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 (formerly known as PT Bank Internasional Indonesia Tbk) and Maybank Kim Eng Holdings Limited.

<sup>5</sup> The capital adequacy ratios for December 2012 and December 2011 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.

<sup>6</sup> Annualised.

<sup>7</sup> Computed based on weighted reallocation of additional RM3.66 billion capital raised in October 2012.

<sup>8</sup> Net loans to deposit ratio for December 2015 is computed using total deposits from customers and investment accounts of customers over net loans, advances and financing.

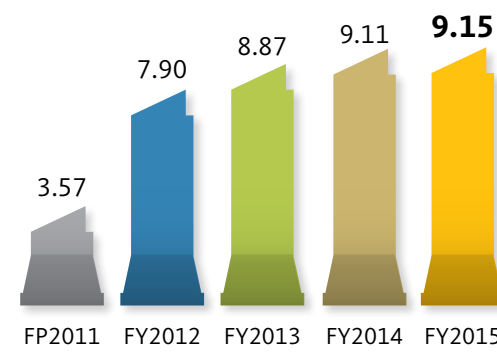
<sup>9</sup> Deposits to shareholders' fund for December 2015 is including investment accounts of customers.

## Financial Performance

|  | Bank      |         |
|--|-----------|---------|
|  | FY 31 Dec |         |
|  | 2014      | 2015    |
|  | 20,507    | 23,112  |
|  | 7,344     | 6,985   |
|  | 7,344     | 6,985   |
|  | 5,903     | 5,834   |
|  | 452,559   | 492,391 |
|  | 92,156    | 93,501  |
|  | 264,524   | 287,057 |
|  | 406,387   | 440,773 |
|  | 306,939   | 330,627 |
|  | -         | -       |
|  | 519,486   | 679,351 |
|  | 9,319     | 9,762   |
|  | 46,173    | 51,618  |
|  | 65.2      | 61.5    |
|  | 65.2      | 61.5    |
|  | 57.0      | 54.0    |
|  | 495.5     | 528.8   |
|  | -         | -       |
|  | -         | -       |
|  | 1.8       | 1.9     |
|  | 2.9       | 3.2     |
|  | 13.9      | 11.9    |
|  | 1.4       | 1.2     |
|  | 2.5       | 2.2     |
|  | 40.6      | 42.5    |
|  | 18.4      | 18.0    |
|  | 27.6      | 25.4    |
|  | 21.1      | 19.9    |
|  | 16.275    | 15.781  |
|  | 16.275    | 17.969  |
|  | 16.275    | 17.969  |
|  | -         | -       |
|  | -         | -       |
|  | 1.05      | 1.37    |
|  | 103.0     | 75.0    |
|  | 86.2      | 86.8    |
|  | 6.6       | 6.4     |
|  | -         | -       |
|  | -         | -       |
|  | -         | -       |
|  | -         | -       |

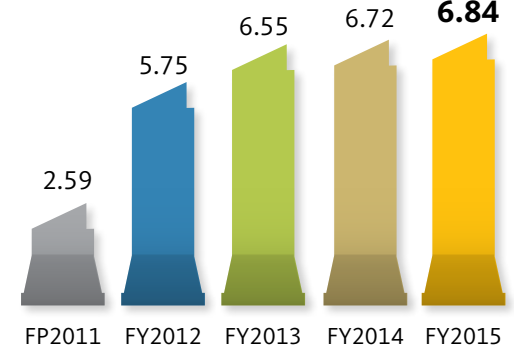
### Profit Before Taxation and Zakat

**RM9.15 billion**



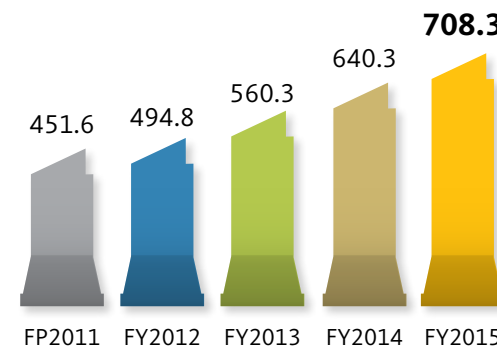
### Profit Attributable to Equity Holders of the Bank

**RM6.84 billion**



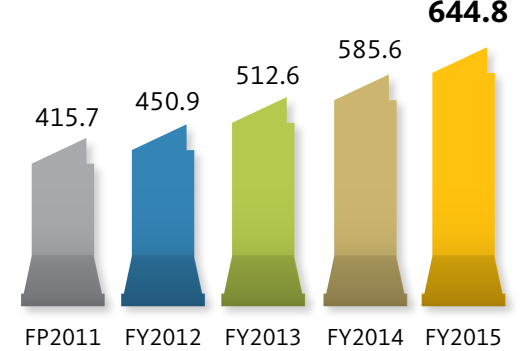
### Total Assets

**RM708.3 billion**



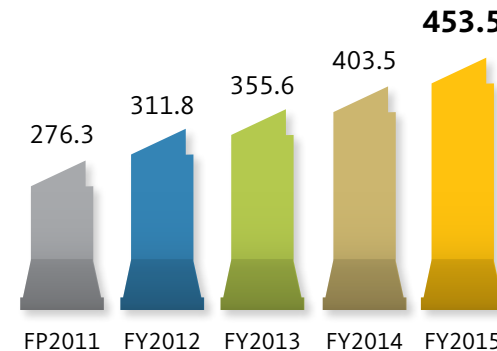
### Total Liabilities

**RM644.8 billion**



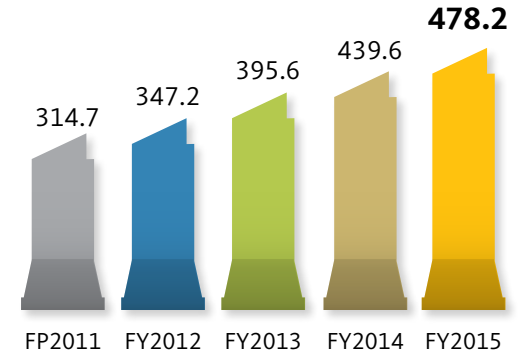
### Loans, Advances and Financing

**RM453.5 billion**



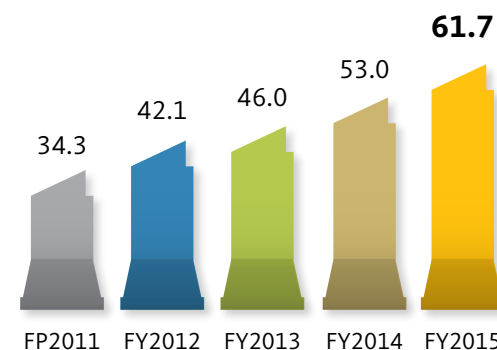
### Deposits from Customers

**RM478.2 billion**



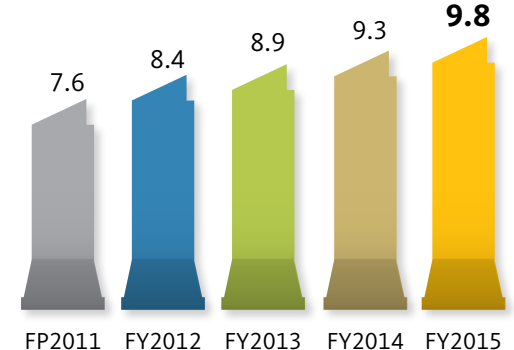
### Shareholders' Equity

**RM61.7 billion**



### Paid-up Capital

**RM9.8 billion**

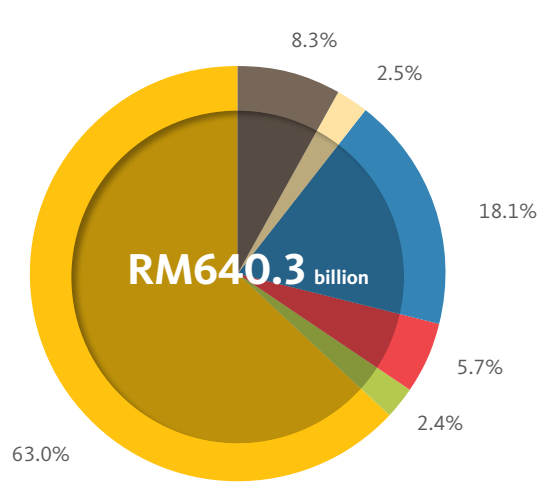


# Financial Performance

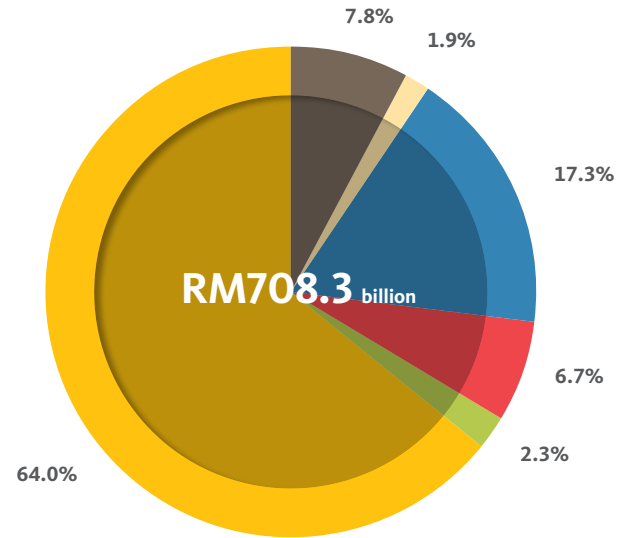
## Simplified Group Statements of Financial Position

### Total Assets

- 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



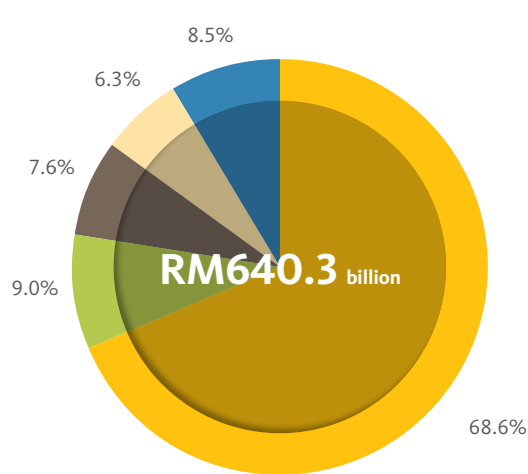
AS AT 31 DECEMBER 2014



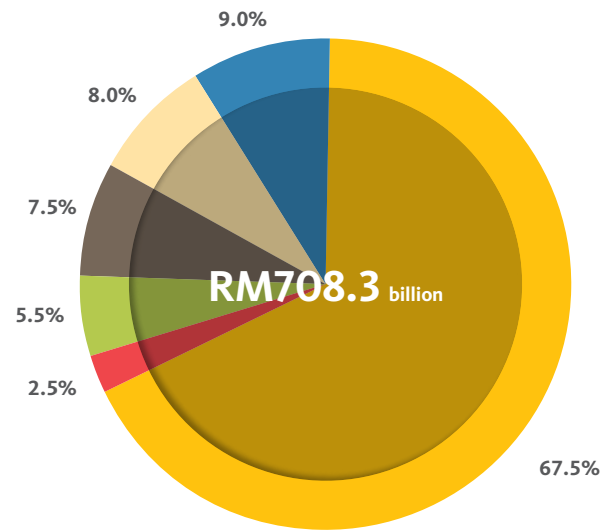
AS AT 31 DECEMBER 2015

### Total Liabilities & Shareholders' Equity

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



AS AT 31 DECEMBER 2014



AS AT 31 DECEMBER 2015



## Financial Performance

### Group Quarterly Financial Performance

| 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 premiums                                                 | 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  |

| RM' million                                                                   | FY 31 Dec 2014 |       |       |       |        |
|-------------------------------------------------------------------------------|----------------|-------|-------|-------|--------|
|                                                                               | Q1             | Q2    | Q3    | Q4    | YEAR   |
| Operating revenue                                                             | 8,357          | 8,759 | 8,934 | 9,662 | 35,712 |
| Net interest income (including income from Islamic Banking Scheme operations) | 3,201          | 3,217 | 3,310 | 3,247 | 12,975 |
| Net earned insurance premiums                                                 | 922            | 1,029 | 968   | 1,027 | 3,946  |
| Other operating income                                                        | 1,232          | 1,365 | 1,396 | 1,547 | 5,540  |
| Total operating income                                                        | 5,356          | 5,611 | 5,673 | 5,821 | 22,461 |
| Operating profit                                                              | 2,171          | 2,210 | 2,181 | 2,386 | 8,948  |
| Profit before taxation and zakat                                              | 2,208          | 2,247 | 2,226 | 2,431 | 9,112  |
| Profit attributable to equity holders of the Bank                             | 1,602          | 1,575 | 1,608 | 1,931 | 6,716  |
| Earnings per share (sen)                                                      | 18.09          | 17.47 | 17.62 | 20.75 | 74.15  |
| Dividend per share (sen)                                                      | -              | 24.00 | -     | 33.00 | 57.00  |

### Key Interest Bearing Assets and Liabilities

|                                                                                 | FY 31 Dec 2014                      |                                    |                                               | FY 31 Dec 2015                      |                                    |                                               |
|---------------------------------------------------------------------------------|-------------------------------------|------------------------------------|-----------------------------------------------|-------------------------------------|------------------------------------|-----------------------------------------------|
|                                                                                 | As at<br>31 December<br>RM' million | Effective<br>Interest<br>Rate<br>% | Interest<br>Income/<br>Expense<br>RM' million | As at<br>31 December<br>RM' million | Effective<br>Interest<br>Rate<br>% | Interest<br>Income/<br>Expense<br>RM' million |
| <b>Interest earning assets</b>                                                  |                                     |                                    |                                               |                                     |                                    |                                               |
| Loans, advances and financing                                                   | 403,513                             | 5.30                               | 18,446                                        | 453,493                             | 5.37                               | 21,494                                        |
| Cash and short-term funds & deposits and placements with financial institutions | 68,959                              | 2.13                               | 960                                           | 69,266                              | 2.24                               | 981                                           |
| Financial assets at fair value through profit or loss                           | 23,705                              | 4.30                               | 801                                           | 17,223                              | 4.75                               | 643                                           |
| Financial investments available-for-sale                                        | 82,631                              | 4.14                               | 2,698                                         | 90,262                              | 3.50                               | 2,707                                         |
| Financial investments held-to-maturity                                          | 9,575                               | 4.97                               | 285                                           | 14,682                              | 4.90                               | 510                                           |
| <b>Interest bearing liabilities</b>                                             |                                     |                                    |                                               |                                     |                                    |                                               |
| Deposits from customers                                                         | 439,569                             | 2.08                               | 8,496                                         | 478,151                             | 1.85                               | 9,434                                         |
| Investment accounts of customers                                                | -                                   | -                                  | -                                             | 17,658                              | 3.47                               | 116                                           |
| Deposits and placements from financial institutions                             | 57,387                              | 1.96                               | 1,165                                         | 39,014                              | 1.48                               | 1,423                                         |
| Borrowings                                                                      | 18,522                              | 3.25                               | 461                                           | 30,644                              | 2.76                               | 693                                           |
| Subordinated obligations                                                        | 15,640                              | 4.16                               | 701                                           | 20,252                              | 4.23                               | 818                                           |
| Capital securities                                                              | 5,902                               | 5.73                               | 384                                           | 6,049                               | 6.01                               | 380                                           |

## Financial Performance

### Statement of Value Added

|                                                                                                                                                  | FY 31 Dec<br>2014<br>RM'000 | FY 31 Dec<br>2015<br>RM'000 |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Value Added</b>                                                                                                                               |                             |                             |
| Net interest income                                                                                                                              | 9,703,703                   | 11,114,145                  |
| Income from Islamic Banking Scheme operations                                                                                                    | 3,271,211                   | 3,938,637                   |
| Net earned insurance premiums                                                                                                                    | 3,946,068                   | 4,196,699                   |
| Other operating income                                                                                                                           | 5,540,439                   | 5,772,867                   |
| Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund | (3,930,819)                 | (3,784,427)                 |
| Overhead expenses excluding personnel expenses, depreciation and amortisation                                                                    | (3,529,338)                 | (3,879,647)                 |
| Allowances for impairment losses on loans, advances, financing and other debts, net                                                              | (400,392)                   | (1,683,557)                 |
| Allowances for impairment losses on financial investments, net                                                                                   | (70,440)                    | (329,022)                   |
| Share of profits in associates and joint ventures                                                                                                | 163,125                     | 211,246                     |
| <b>Value added available for distribution</b>                                                                                                    | <b>14,693,557</b>           | <b>15,556,941</b>           |

|                                               | FY 31 Dec<br>2014<br>RM'000 | FY 31 Dec<br>2015<br>RM'000 |
|-----------------------------------------------|-----------------------------|-----------------------------|
| <b>Distribution of Value Added</b>            |                             |                             |
| To employees:                                 |                             |                             |
| Personnel expenses                            | 5,019,296                   | 5,765,147                   |
| To the Government:                            |                             |                             |
| Taxation                                      | 2,200,540                   | 2,165,160                   |
| To providers of capital:                      |                             |                             |
| Dividends paid to shareholders                | 4,939,066                   | 5,358,939                   |
| Non-controlling interests                     | 194,588                     | 150,449                     |
| To reinvest to the Group:                     |                             |                             |
| Depreciation and amortisation                 | 562,678                     | 640,246                     |
| Retained profits                              | 1,777,389                   | 1,477,000                   |
| <b>Value added available for distribution</b> | <b>14,693,557</b>           | <b>15,556,941</b>           |

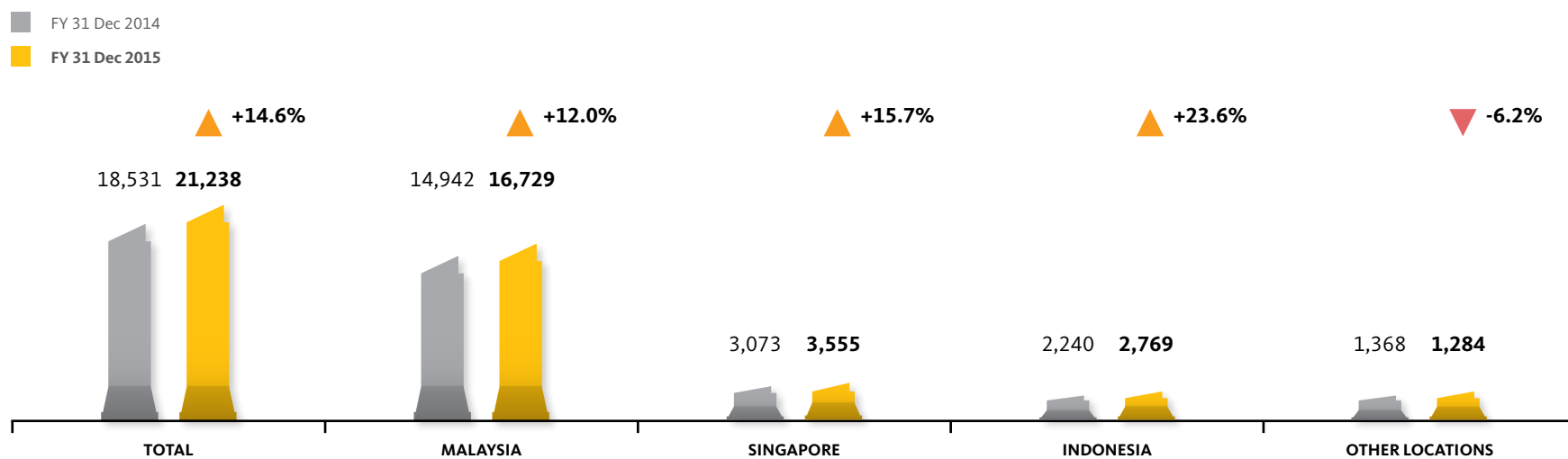
# Financial Performance

## Segmental Information

### Analysis by Geographical Location

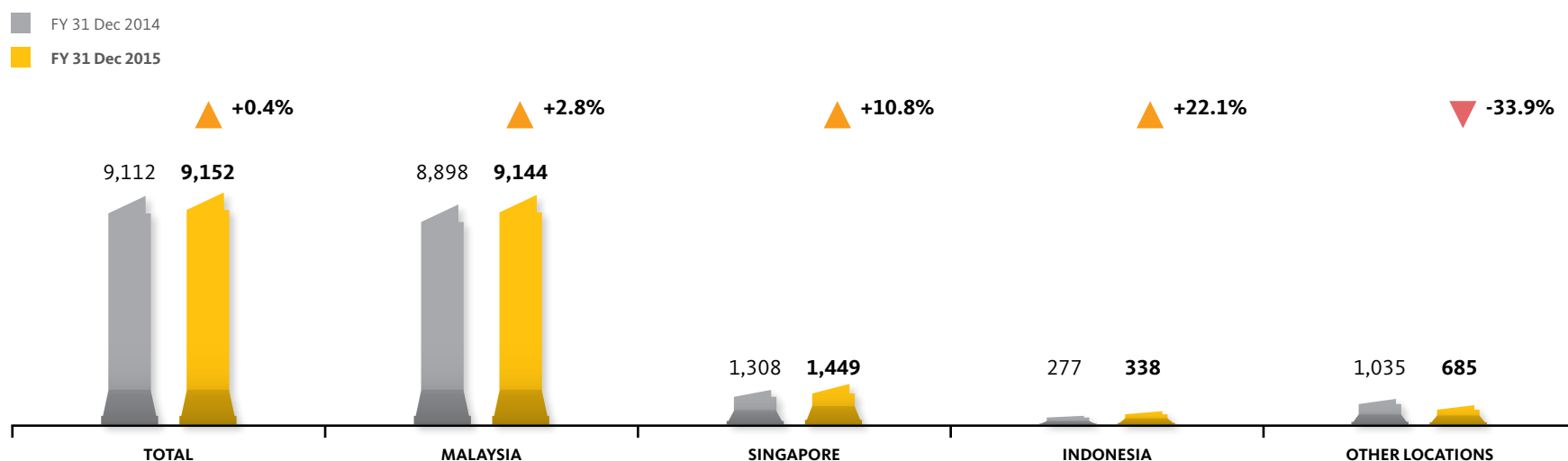
|                 | Net operating income     |                          | Profit before taxation and zakat |                          |
|-----------------|--------------------------|--------------------------|----------------------------------|--------------------------|
|                 | FY 31 Dec 2014<br>RM'000 | FY 31 Dec 2015<br>RM'000 | FY 31 Dec 2014<br>RM'000         | FY 31 Dec 2015<br>RM'000 |
| Malaysia        | 14,941,392               | <b>16,728,707</b>        | 8,898,151                        | <b>9,144,397</b>         |
| Singapore       | 3,073,428                | <b>3,555,164</b>         | 1,307,960                        | <b>1,449,284</b>         |
| Indonesia       | 2,239,999                | <b>2,769,164</b>         | 276,612                          | <b>337,785</b>           |
| Other Locations | 1,368,317                | <b>1,283,936</b>         | 1,035,481                        | <b>684,505</b>           |
| Elimination     | (3,092,534)              | <b>(3,099,050)</b>       | (2,406,621)                      | <b>(2,464,423)</b>       |
|                 | 18,530,602               | <b>21,237,921</b>        | 9,111,583                        | <b>9,151,548</b>         |

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



Note: Total net operating income includes inter-segment which are eliminated on consolidation of RM3,099 million for FY 31 December 2015 and RM3,092 million for FY 31 December 2014.

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



Note: Total profit before taxation and zakat includes inter-segment which are eliminated on consolidation of RM2,464 million for FY 31 December 2015 and RM2,406 million for FY 31 December 2014.

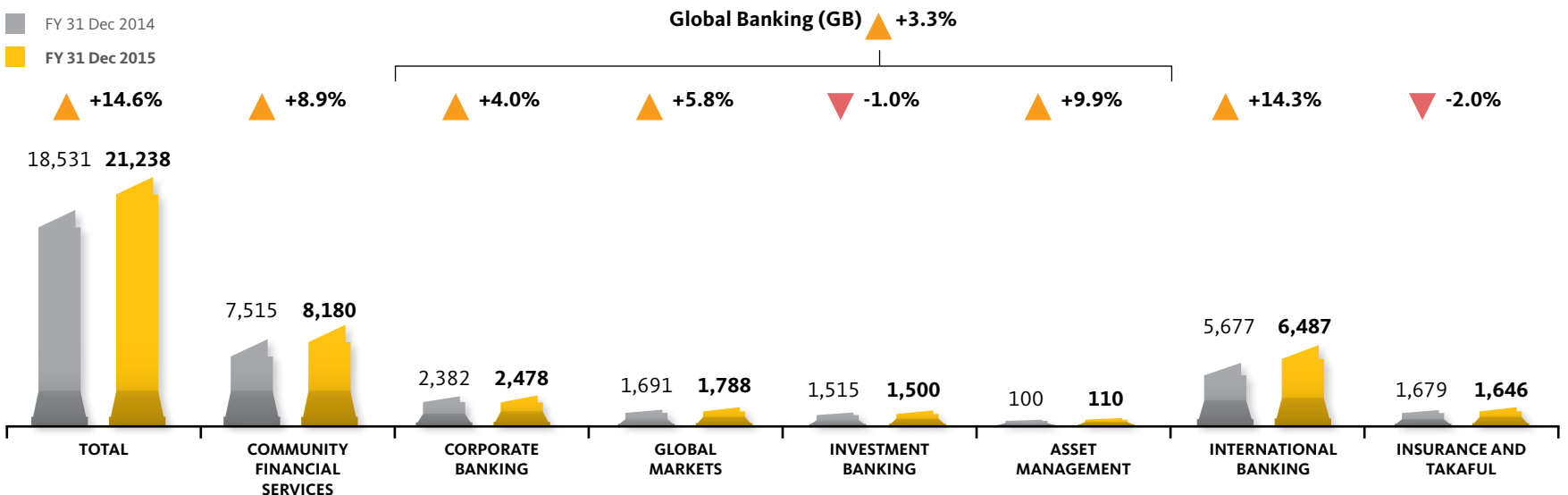
# Financial Performance

## Segmental Information

### Analysis by Activity

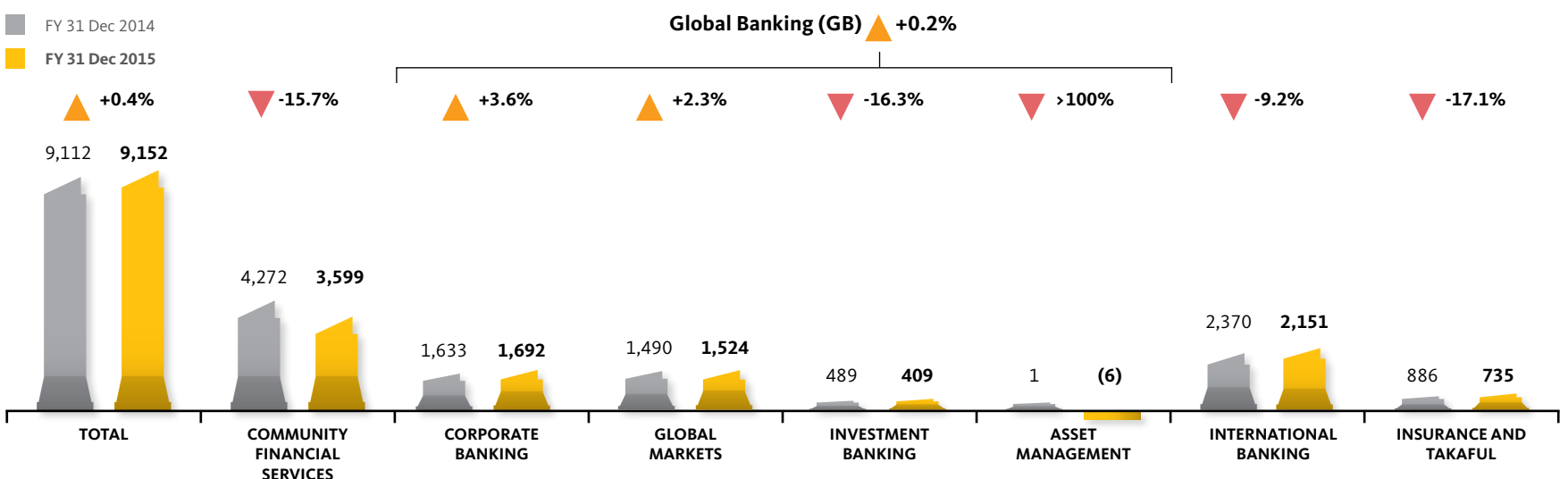
|                              | Net operating income     |                          | Profit before taxation and zakat |                          |
|------------------------------|--------------------------|--------------------------|----------------------------------|--------------------------|
|                              | FY 31 Dec 2014<br>RM'000 | FY 31 Dec 2015<br>RM'000 | FY 31 Dec 2014<br>RM'000         | FY 31 Dec 2015<br>RM'000 |
| Community Financial Services | 7,515,148                | <b>8,180,355</b>         | 4,271,546                        | <b>3,599,466</b>         |
| Global Banking               |                          |                          |                                  |                          |
| Corporate Banking            | 2,382,067                | <b>2,478,009</b>         | 1,633,098                        | <b>1,691,546</b>         |
| Global Markets               | 1,690,732                | <b>1,788,349</b>         | 1,489,607                        | <b>1,524,068</b>         |
| Investment Banking           | 1,515,299                | <b>1,500,304</b>         | 489,154                          | <b>409,402</b>           |
| Asset Management             | 100,240                  | <b>110,183</b>           | 760                              | <b>(6,772)</b>           |
| International Banking        | 5,676,692                | <b>6,486,576</b>         | 2,370,135                        | <b>2,151,075</b>         |
| Insurance and Takaful        | 1,679,475                | <b>1,646,241</b>         | 886,334                          | <b>734,859</b>           |
| Head Office and Others       | (2,029,051)              | <b>(952,096)</b>         | (2,029,051)                      | <b>(952,096)</b>         |
|                              | 18,530,602               | <b>21,237,921</b>        | 9,111,583                        | <b>9,151,548</b>         |

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



Note: Total net operating income includes expenditures of Head Office & Others of RM952 million for FY 31 December 2015 and RM2,029 million for FY 31 December 2014.

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



Note: Total profit before taxation and zakat includes expenditures of Head Office & Others of RM952 million for FY 31 December 2015 and RM2,029 million for FY 31 December 2014.

# Investor Information

## Investor Relations

**As Maybank expands across the region, we recognise the responsibility for us to foster strong relationships with the global investment community and other stakeholders by providing effective and transparent communication which creates better understanding and confidence about the Group that will lead to greater shareholder value.**

We continued to improve the quality of our disclosures during the year to address the rising demand from the investment community for more detailed and specific information as a result of the more challenging economic and banking landscape. Effective teamwork between the Investor Relations team and various information providers and leaders within the Maybank Group allowed us to provide the necessary information to better serve our stakeholders' needs.

In 2015, Maybank Investor Relations continued its strategy of diversifying its shareholder base by targeting more emerging market funds preferably with an Asian and/or ASEAN focus, and long-term funds focused on financial institutions and large caps. We also targeted prospective investors with exposure in our peers as well as fixed-income investors.

With that objective in mind, during the year Maybank participated in 8 conferences and 3 roadshows with a regional focus by attending several ASEAN-themed conferences, which is in line with the Group's aspiration to be a regional financial services leader. We increased engagement with fixed-income investors by participating in fixed-income non-deal roadshows and conferences during the year.

We met with a total of 387 analysts and fund managers from 290 companies, which was a 20% increase in the number of companies from the previous year. Management shared the Group's strategy and financial performance and received valuable feedback from both current and prospective shareholders.

### Analyst Briefings for Quarterly Results Announcements

For the announcement of the Group's half year and full year results we organised two media and analyst briefings at our head office in Kuala Lumpur, Malaysia with the analyst briefings also accessible to foreign participants via conference call. In accordance with our policy, the first and third quarter results briefings were held by conference call. To ensure that investors and analysts are provided with comprehensive and equal access to the results announcements, we provide a briefing pack which is emailed to our distribution list and is made available on the corporate website immediately after the announcement is made to Bursa Malaysia. The briefing pack includes the financial statements to the exchange, an analyst presentation and a press release, which together provide information on the:

- Group's quarterly financial performance and financial position.
- Achievement of the Group's Key Performance Indicators.
- Highlights of Maybank's achievements against its 5-year strategic objectives.
- Economic outlook and guidance for FY2015.
- Performance of other home markets of Singapore and Indonesia and other key operations such as Islamic banking and insurance.
- Information such as exposure to the commodities sectors and other information deemed useful to the investing community

### Annual General Meeting

Maybank's 55<sup>th</sup> Annual General Meeting (AGM) was held on 7 April 2015 in Kuala Lumpur, Malaysia. During the AGM, shareholders were able to raise questions and provide feedback to the Board and senior management. All the proposed resolutions were duly passed by the shareholders.

### Website

The Maybank corporate website at [www.maybank.com](http://www.maybank.com) continued to be an important channel for distributing investor information and receiving queries and feedback, both locally and overseas. The Investor Relations team continued to ensure 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

Three share register analysis were conducted during the year which provided detailed information on Maybank's shareholding structure including the breakdown of shareholders by type, investment styles and geographical location (Refer to page 95). Analysis of the shareholders' buying and selling activities across the year enabled us to facilitate investor targeting and planning of investor programmes.

### Credit Rating

Maybank is among the largest issuers of debt and capital securities in Malaysia. To provide fixed-income investors and other stakeholders with an independent opinion about the Group, we continued to maintain credit ratings with six rating agencies: RAM Ratings, Malaysian Rating Corporation (MARC), Standard and Poor's (S&P), Moody's Investors Service, Fitch Ratings and Capital Intelligence. Refer to page 94 for the details of Maybank's credit ratings.

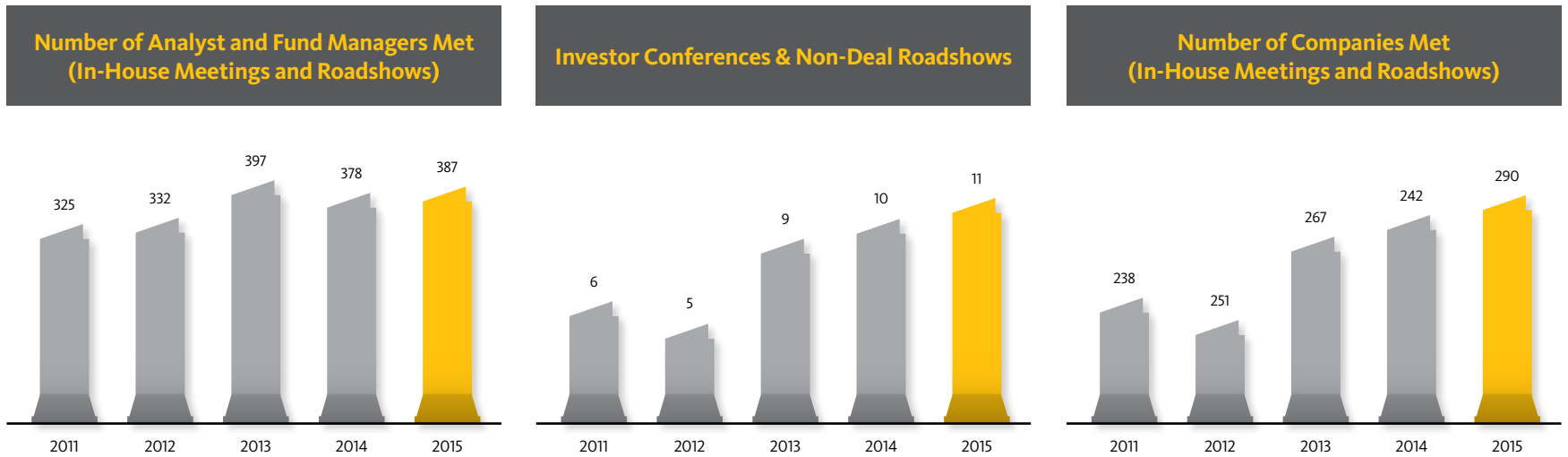
| Key Events                                         | Date             |
|----------------------------------------------------|------------------|
| <b>Results Announcement</b>                        |                  |
| Fourth Quarter FY2014                              | 26 February 2015 |
| First Quarter FY2015                               | 28 May 2015      |
| Second Quarter FY2015                              | 27 August 2015   |
| Third Quarter FY2015                               | 26 November 2015 |
| <b>Other Events</b>                                |                  |
| 55 <sup>th</sup> Annual General Meeting for FY2014 | 7 April 2015     |



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

# Investor Information

## Investor Relations



### CONFERENCES AND ROADSHOWS

During the year, Maybank participated in eleven conferences and roadshows where Senior Management met with existing and potential investors to provide updates on Maybank's strategic focus, recent performance and future prospects.

| Venue                  | Event                           | Date                        | Organiser                                                       |
|------------------------|---------------------------------|-----------------------------|-----------------------------------------------------------------|
| Tokyo, Japan           | Maybank Group Non-deal Roadshow | 4-6 March 2015              | Maybank Kim Eng with Sumitomo Mitsubishi/ Nikko/ Daiwa and HSBC |
| Singapore              | Invest ASEAN 2015 — Singapore   | 31 March 2015 -1 April 2015 | Maybank Kim Eng                                                 |
| Kuala Lumpur, Malaysia | Invest Malaysia 2015            | 23 April 2015               | CIMB & Bursa Malaysia                                           |
| Bangkok, Thailand      | Invest ASEAN 2015 — Thailand    | 15 June 2015                | Maybank Kim Eng                                                 |
| Kuala Lumpur, Malaysia | ASEAN Banks Invasion Tour 2015  | 23 June 2015                | Macquarie                                                       |
| Singapore              | Asian Investor Forum 2015       | 1 September 2015            | Standard Chartered                                              |
| Singapore              | ASEAN Conference 2015           | 2 September 2015            | UBS                                                             |
| Singapore              | Asian Investor Forum 2015       | 23-24 September 2015        | BNP Paribas                                                     |
| Hong Kong              | Maybank Group Non-deal Roadshow | 25 September 2015           | Citigroup                                                       |
| Jakarta, Indonesia     | Invest ASEAN 2015 — Indonesia   | 6 October 2015              | Maybank Kim Eng                                                 |
| Tokyo, Japan           | Maybank Group Non-deal Roadshow | 4-6 November 2015           | Daiwa                                                           |

# Investor Information

## Investor Relations

### Analyst Coverage

Maybank is covered by 24 analysts from the following research houses, reflecting strong interest by local and foreign sell-side equity research houses.

| 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 Research                     | Lim Sue Lin         | 14  | KAF Seagroatt & Campbell Securities | Chehan Perera        |
| 3   | AmResearch                                | Rachel Huang        | 15  | Kenanga Investment Bank             | Chan Jit Hoong       |
| 4   | Bank of America Merrill Lynch (Singapore) | Tay Chin Seng       | 16  | Macquarie Capital Securities        | Thomas Stoegner      |
| 5   | CIMB Investment Bank                      | Winson Ng           | 17  | MIDF Amanah Investment Bank Berhad  | Kelvin Ong Poh Meng  |
| 6   | Citigroup Global Markets Singapore        | Robert P. Kong      | 18  | Morgan Stanley Research             | Nick Lord            |
| 7   | CLSA Securities Malaysia                  | Anand Pathmakanthan | 19  | Nomura Securities Malaysia          | Jai Singh            |
| 8   | Credit Suisse                             | Danny Goh           | 20  | RHB Research Institute              | David Chong          |
| 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                | Low Yee Huap        | 23  | UBS Securities (Malaysia)           | Chris Oh             |
| 12  | HSBC Ltd, Singapore                       | Loo Kar Weng        | 24  | UOB Kay Hian                        | Keith Wee            |

During our investor engagements in 2015, the key areas of discussion were mainly on macroeconomic conditions in the Group's key markets, the regional strategy, outlook for the Group's financial performance drivers, loan and deposit growth, and capital management. Specific areas of interest during the investor sessions were:

| Focus Areas                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Economic and banking sector landscape  | The impact of the sluggish global economy, and in particular the slowdown of China's economy, on the ASEAN region, the weakening Ringgit and lower commodity prices were areas of concern. Towards this end, Maybank continued to provide updates on the economic outlook and the disclosure of the Group's commodities exposure in its home markets.                                                                                                                                                                                                                                                                                                                                                                                                           |
| Strategy                               | Maybank's regionalisation strategy continued to be of interest to investors. Maybank continued to update its progress in achieving its 5-year strategic objectives and provided information on the competitive positioning in Malaysia, its key markets and the region as well as a detailed appendix on the performance by key business units in its investor materials.                                                                                                                                                                                                                                                                                                                                                                                       |
| ROE and loans growth                   | With the increasingly challenging environment due to the slowing economy and rising inflation partly from the introduction of the Goods and Services Tax in Malaysia, giving rise to potential asset quality issues, Maybank updated investors of a shift towards balance sheet management instead of focusing on loans growth and provided a revised guidance for FY2015 in its 2Q 2015 investor presentation. The target ROE was trimmed to 12% to 13% from 13% to 14% while the Group loans growth target was revised to 8% to 9% from 9% to 10%.                                                                                                                                                                                                            |
| Deposit growth and liquidity           | Deposit growth and liquidity remained a focus among investors due to rising loan-to-deposit ratio within the Group. To demonstrate commitment in managing liquidity, in its revised guidance during 1H FY2015, Maybank raised the deposits growth to 10% to 11% from 9% to 10%. Maybank also gave assurance that the Liquidity Coverage Ratio was above Bank Negara Malaysia requirements.                                                                                                                                                                                                                                                                                                                                                                      |
| Net Interest Margin (NIM)              | Investors were concerned about narrowing net interest margins due to higher cost of funding and asset price competition. Maybank continued to guide on NIM levels with investors, and demonstrated that with focus on selective loans growth and pricing discipline, Maybank managed to keep its NIMs stable.                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Fee-based income                       | With slower capital market activity, investors were concerned about slower fee-based income growth and the quality of fee-based income. Maybank continued to provide the historical fee-based income performance by components to guide on the impact of foreign exchange gains as well as insurance and Islamic banking fee income.                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Overheads                              | Rising costs within the banking industry has been a concern among investors. Maybank continued to update investors on the progress of the Group's Strategic Cost Management Programme, explaining the impact of one-off items and providing details on strategies to improve productivity and efficiency throughout the Group, while demonstrating its cost to income ratio was below the Group's internal threshold of 50%.                                                                                                                                                                                                                                                                                                                                    |
| Asset quality                          | The slower economic growth and weaker consumer and business sentiment within the region led investors to query about signs of rising asset quality issues, the trend in net credit charge-off rate and potential sources of impaired loans. The Group maintained its disclosure of asset quality indicators at the Group level, by market and for key business segments during each result briefing and clarified that the uptick in impaired loans ratio has not been systemic but that the Group has been closely monitoring vulnerable sectors such as the commodities sector and the Business Banking segment. During the result announcement briefings, the Group has also shared information on any specific asset quality issues to the extent possible. |
| Capital management and dividend policy | Investors have generally been positive about Maybank's relatively robust capital ratios but queried on the funding strategy towards the full adoption of Basel III and in view of the local incorporation of the Singapore branches. 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.                                                                                                                                    |

# Investor Information

## Investor Relations

### CREDIT RATING

Maybank is rated by six rating agencies, of which the four foreign rating agencies (S&P, Moody's, Fitch and Capital Intelligence) have an A- or equivalent credit rating which is on par with Malaysia's sovereign rating. The two domestic rating agencies, RAM Ratings and MARC, have a AAA rating on Maybank.

In 2015, the credit ratings by all the rating agencies remained unchanged throughout 2015. However, the Outlook by Moody's was revised from Positive to Stable in line with Malaysia's sovereign rating being similarly revised from Positive to Stable in January 2016. Fitch Ratings maintained Maybank's Outlook at Negative despite revising Malaysia's sovereign Outlook from Negative to Stable.

The credit rating agencies conduct annual rating reviews on Maybank. Regular communication with the credit rating agencies as well as regulators ensure that the Group continues to adopt prudent capital management practices, and remains committed to maintaining its investment grade credit ratings.

| Rating Agency                    | Date Issued  | Rating Classification                                                          | Ratings                           | Outlook  |
|----------------------------------|--------------|--------------------------------------------------------------------------------|-----------------------------------|----------|
| Standard & Poor's                | 18 Dec 2015  | 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<br>BBB+                  |          |
| Moody's Investors Service        | 28 Jan 2016  | Outlook                                                                        | Stable                            | Stable   |
|                                  |              | Foreign Currency Bank Deposit                                                  | A3 / P-2                          |          |
|                                  |              | Local Currency Bank Deposit                                                    | A3 / P-2                          |          |
|                                  |              | Baseline Credit Assessment                                                     | a3                                |          |
|                                  |              | Adjusted Baseline Credit Assessment                                            | a3                                |          |
|                                  |              | Jr Subordinate Counterparty Risk Assessment                                    | Baa2 (hybrid)<br>A2(cr) / P-1(cr) |          |
| Fitch Ratings                    | 9 Sep 2015   | Long-Term Foreign-Currency Issuer Default Rating                               | A- / Negative                     | Negative |
|                                  |              | Short-Term Foreign-Currency Issuer Default Rating                              | F2                                |          |
|                                  |              | Long-Term Local-Currency Issuer Default Rating                                 | A- / Negative                     |          |
|                                  |              | Viability Rating                                                               | a-                                |          |
|                                  |              | Support Rating                                                                 | 2                                 |          |
|                                  |              | Support Rating Floor                                                           | BBB                               |          |
|                                  |              | Senior notes                                                                   | A-                                |          |
|                                  |              | Basel II-compliant Subordinated Notes                                          | BBB+                              |          |
| RAM Ratings                      | 28 Dec 2015  | National Scale Financial Institution Ratings                                   | AAA / Stable / P1                 | Stable   |
|                                  |              | ASEAN Scale Financial Institution Ratings                                      | seaAAA / Stable / seaP1           |          |
|                                  |              | Up to RM4.0 billion Innovative Tier-1 Capital Securities Programme (2008/2073) | AA2 / Stable                      |          |
|                                  |              | Up to RM3.5 billion Non-Innovative Tier-1 Capital Securities                   | AA2 / Stable                      |          |
|                                  |              | RM3 billion Tier-2 Capital Subordinated Note Programme (2011/2031)             | AA1 / Stable                      |          |
|                                  |              | RM7 billion Subordinated Note Programme (2012/2032)                            | AA1 / Stable                      |          |
|                                  |              | Additional Tier-1 Capital Securities Programme of up to RM10.0 billion         | AA3 / Stable                      |          |
| Malaysian Rating Corporation Bhd | 29 July 2015 | Long-Term Financial Institution Ratings                                        | AAA                               | Stable   |
|                                  |              | Short-Term Financial Institution Ratings                                       | MARC-1                            |          |
|                                  |              | Outlook                                                                        | Stable                            |          |
| Capital Intelligence             | 17 Feb 2015  | Foreign Currency - Long-Term                                                   | A-                                | Stable   |
|                                  |              | Foreign Currency - Short-Term                                                  | A2                                |          |
|                                  |              | Financial Strength                                                             | A-                                |          |
|                                  |              | Support                                                                        | 1                                 |          |
|                                  |              | Outlook - Foreign Currency                                                     | Stable                            |          |
| Outlook - Financial Strength     | Stable       |                                                                                |                                   |          |



# Investor Information

## Investor Relations

### OTHER INFORMATION

#### Financial Year End

31 December

#### Foreign Shareholding

|                  |        |
|------------------|--------|
| 31 December 2014 | 22.54% |
| 31 December 2015 | 17.43% |

#### Ticker Code

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

#### American Depository Receipts (ADR)

|           |          |
|-----------|----------|
| Bloomberg | MLYBY US |
| Reuters   | MLYBY.PK |

#### Share Registrar

Tricor Investor Services Sdn Bhd  
Unit 32-01, Level 32,  
Tower A, Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur.

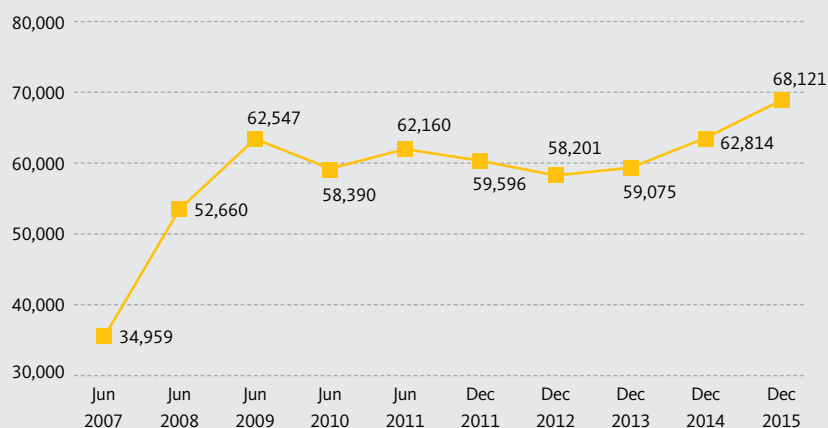
Telephone no : 603-2783 9299  
Fax no : 603-2783 9222

Email : is.enquiry@my.tricorglobal.com

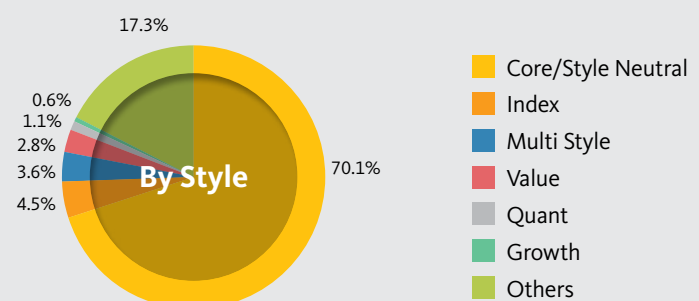
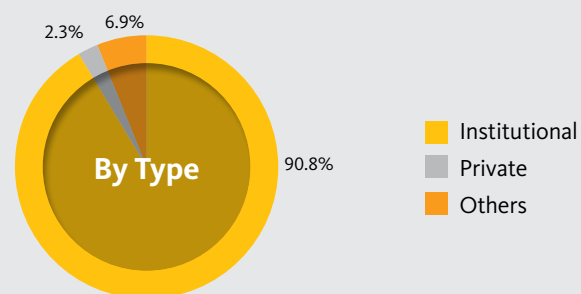
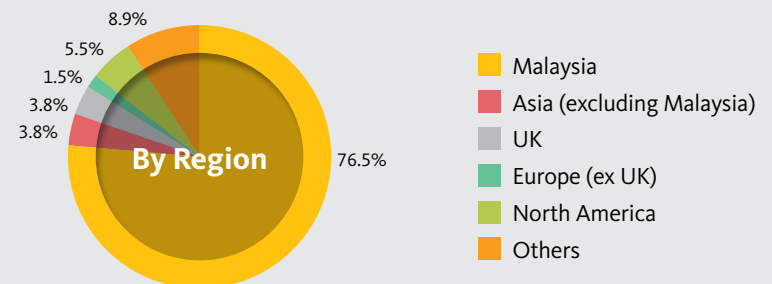
### SHAREHOLDER ANALYSIS

- Maybank has a diversified shareholder base with 68,121 shareholders across the globe as at 31 December 2015, which is 8.4% higher than a year ago.
- Analysis of the shareholding by region shows that 76.5% are from Malaysia and 5.5% comes from North America, 3.8% from Asia (excluding Malaysia) and UK respectively, 1.5% from Europe (excluding UK) and 8.9% from other geographical locations.
- Most of Maybank's shares are held by institutional investors at 90.8%, followed by private investors at 2.3%, while the remainder at 6.9% are held by other types of investors.
- Analysis of the shareholders by styles shows that 70.1% are core/style neutral funds, 4.5% are index funds, 3.6% are multi-style funds, 2.8% are value funds, 1.1% are quant funds, 0.6% are growth funds, while the remainder of 17.3% are held by other investment style funds.

#### Total Shareholders



#### Shareholding Structure

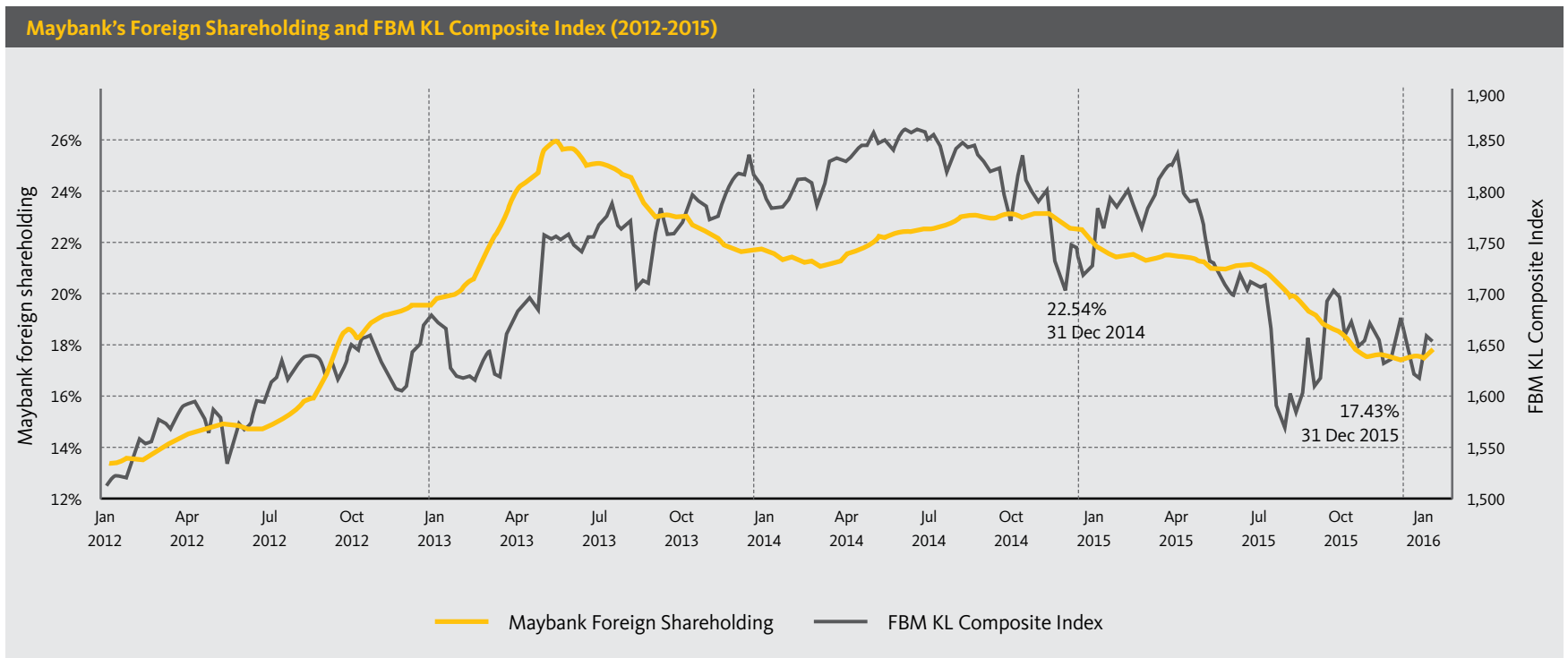


# Investor Information

## Investor Relations

### FOREIGN SHAREHOLDING

In 2015, Maybank's foreign shareholding declined by 5.11% points to 17.43% from 22.54% in the previous year. The downtrend was in line with market conditions, with the FBM KL Composite Index falling 3.9%, as foreign equity funds exited Malaysia on weakness of the Ringgit and in anticipation of the Federal Reserve increasing interest rate in the US.



|            | 2012          | 2013          | 2014          | 2015          |
|------------|---------------|---------------|---------------|---------------|
| High       | 19.58% 21 Dec | 25.99% 24 May | 23.14% 17 Oct | 22.53% 2 Jan  |
| Low        | 13.33% 6 Jan  | 19.58% 4 Jan  | 21.11% 14 Mar | 17.43% 31 Dec |
| Close      | 19.54% 31 Dec | 21.70% 31 Dec | 22.54% 31 Dec | 17.43% 31 Dec |
| YoY Change | 6.26% pts     | 2.16% pts     | 0.84% pts     | (5.11%) pts   |

# Investor Information

## Maybank Share

**Maybank's total shareholder return outperformed the industry benchmark index by maintaining a high dividend payout despite the general market downturn.**

### SUMMARY

- Total Shareholder Return of -2.46% was ahead of the industry benchmark KL Finance Index of -6.46% but lagged behind the market benchmark FBM KL Composite Index by -1.49%.
- The total dividend of 54 sen per share for FY2015 translates to a dividend payout ratio of 76.3%, well above the policy rate of 40% to 60%.
- Maintained high dividend yield of 6.4% compared to 6.2% in FY2014.

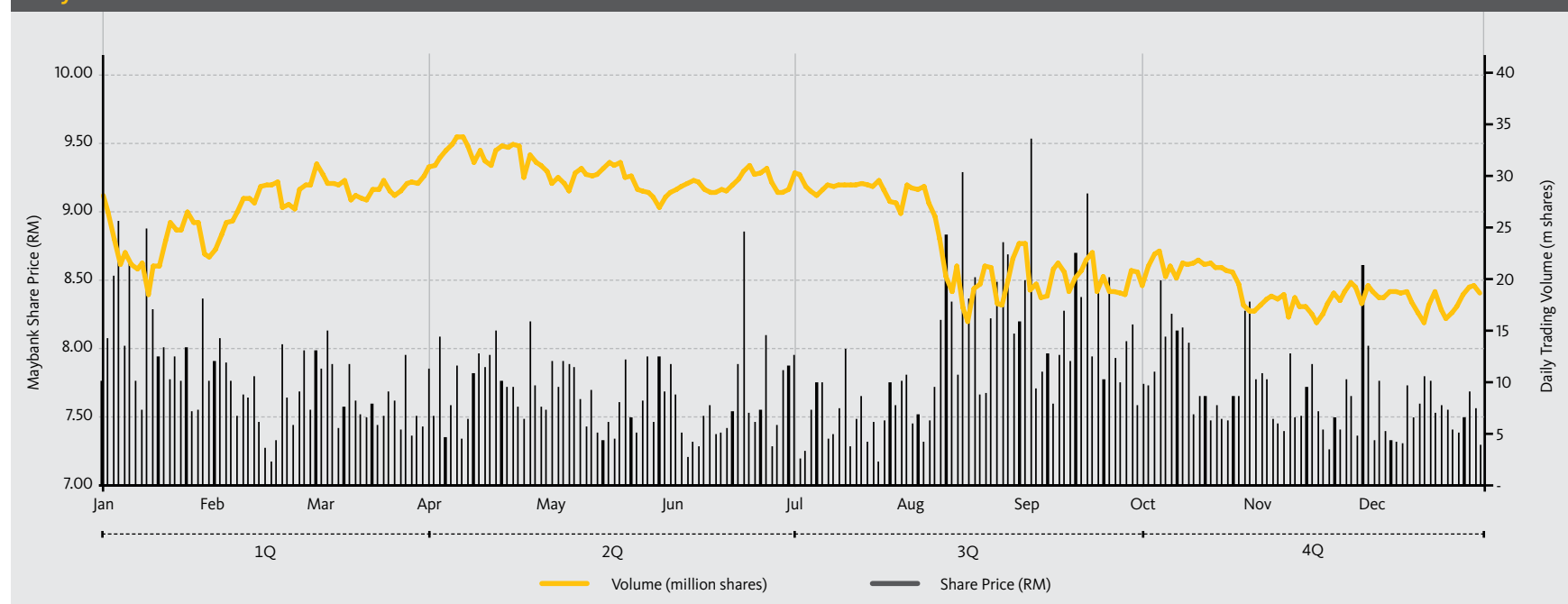
### SHARE PRICE PERFORMANCE

Maybank's share price movement for the first quarter of 2015 lagged both the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) and the Bursa Malaysia Finance Index (BM Finance Index), raising 1.74% compared to a gain of 3.95% and 3.38% for the FBM KLCI and BM Finance Index respectively due to concern in the delay of debt repayment by 1MDB, which was eventually repaid in February. The share price rose to a year high of RM9.55 on 7 and 8 April while the FBM KLCI and BM Finance Index both hit their year high on 21 April at 1,862.80 and 16,530.88 respectively. However, the global equities sell-down, triggered by prolonged crude oil price weakness and the weakening Ringgit, caused the market to decline in the second quarter with Maybank losing 2.04% against sharper declines by the FBM KLCI and BM Finance Index at 6.78% and 4.94% respectively.

The third quarter saw an even sharper market decline with losses of 6.35%, 5.02% and 9.84% for Maybank, the FBM KLCI and the BM Finance Index respectively due to similar sentiment seen in 2Q coupled with uncertainty over the start of US Federal Reserve's interest rate hike. Maybank's share price was at RM8.19 when the market fell to the year low on 24 August with the FBM KLCI at 1,532.14 and the BM Finance Index at 13,675.61, down 13.01% and 12.92% from the end of 2014.

The market recovered slightly in the fourth quarter, with the FBM KLCI and BM Finance Index rising 4.41% and 1.76% respectively but Maybank's share price remained sluggish, declining to its year low of RM8.18 on 18 November and 15 December, down 10.80% from the end of 2014, and traded sideways within the RM8.20 to RM8.50 in the final two months of the year. Maybank closed the year at RM8.40, which was 8.40% lower than the previous year while the FBM KLCI and BM Finance Index declined 3.90% and 9.84% respectively.

Maybank Share Price and Volume Performance in 2015



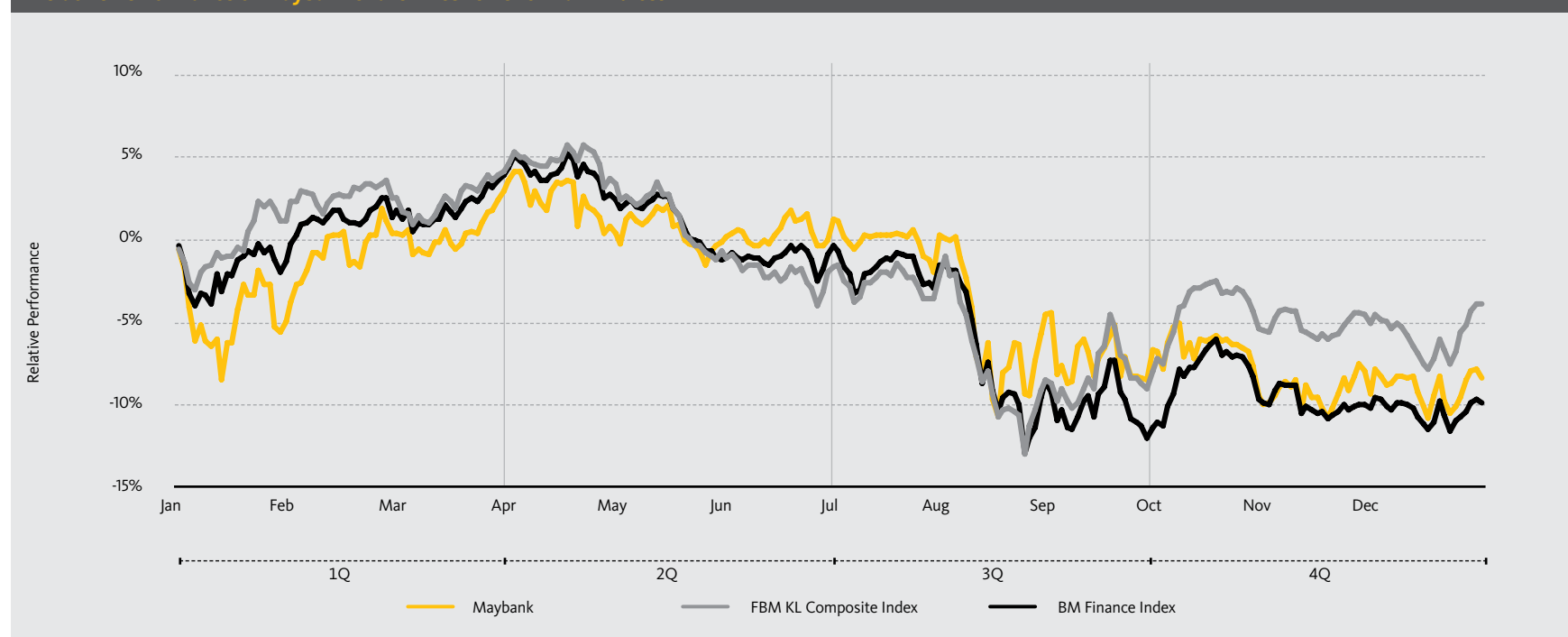
| Share Price (RM) | 1Q          | 2Q           | 3Q          | 4Q                 | 2015               |
|------------------|-------------|--------------|-------------|--------------------|--------------------|
| High             | 9.35 3 Mar  | 9.55 7-8 Apr | 9.29 2 Jul  | 8.71 7 Oct         | 9.55 7-8 Apr       |
| Low              | 8.39 14 Jan | 9.03 29 May  | 8.19 17 Aug | 8.18 18 Nov/15 Dec | 8.18 18 Nov/15 Dec |
| Close            | 9.33 31 Mar | 9.14 30 Jun  | 8.56 30 Sep | 8.40 31 Dec        | 8.40 31 Dec        |
| Trading Range    | 0.96        | 0.52         | 1.10        | 0.53               | 1.37               |

| Average                | 1Q    | 2Q   | 3Q    | 4Q   | 2015  |
|------------------------|-------|------|-------|------|-------|
| Price (RM)             | 9.01  | 9.29 | 8.79  | 8.41 | 8.88  |
| Daily Volume (million) | 10.57 | 8.79 | 12.74 | 9.06 | 10.28 |

# Investor Information

## Maybank Share

Relative Performance of Maybank Share Price vs Benchmark Indices



|                                     | 31 Dec 2014 | Share Price and Index Performance |           |            |           |            | Total Shareholder Return |
|-------------------------------------|-------------|-----------------------------------|-----------|------------|-----------|------------|--------------------------|
|                                     |             | 1Q                                | 2Q        | 3Q         | 4Q        | 2015       | 2015                     |
| <b>Maybank (RM)</b>                 | 9.17        | 9.33                              | 9.14      | 8.56       | 8.40      | 8.40       |                          |
| Change (RM)                         |             | 0.16                              | (0.19)    | (0.58)     | (0.16)    | (0.77)     |                          |
| Change (%)                          |             | 1.74                              | (2.04)    | (6.35)     | (1.87)    | (8.40)     | (2.46)                   |
| <b>FBM KL Composite Index</b>       | 1,761.25    | 1,830.78                          | 1,706.64  | 1,621.04   | 1,692.51  | 1,692.51   |                          |
| Change (pts)                        |             | 69.53                             | (124.14)  | (85.60)    | 71.47     | (68.74)    |                          |
| Change (%)                          |             | 3.95                              | (6.78)    | (5.02)     | 4.41      | (3.90)     | (0.97)                   |
| <b>Bursa Malaysia Finance Index</b> | 15,704.35   | 16,234.77                         | 15,432.56 | 13,914.36  | 14,159.21 | 14,159.21  |                          |
| Change (pts)                        |             | 530.42                            | (802.21)  | (1,518.20) | 244.85    | (1,545.14) |                          |
| Change (%)                          |             | 3.38                              | (4.94)    | (9.84)     | 1.76      | (9.84)     | (6.46)                   |

### SHARE-RELATED KEY FIGURES

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

## Investor Information

### Maybank Share

#### TOTAL SHAREHOLDER RETURN

| Total Shareholder Return     | FY07   | FY08     | FY09    | FY10   | FY11   | FP11*   | CY11^ | FY12   | FY13   | FY14    | FY15    |
|------------------------------|--------|----------|---------|--------|--------|---------|-------|--------|--------|---------|---------|
| Maybank                      | 19.30% | (21.43%) | (3.88%) | 31.69% | 28.13% | (0.16%) | 8.37% | 15.60% | 14.30% | (2.49%) | (2.46%) |
| FBM KL Composite Index       | 54.30% | (8.20%)  | (5.26%) | 26.09% | 24.83% | (1.11%) | 4.45% | 14.27% | 14.11% | (2.62%) | (0.97%) |
| Bursa Malaysia Finance Index | 53.23% | (19.79%) | 1.70%   | 43.81% | 32.86% | (5.69%) | 4.58% | 16.99% | 15.09% | (3.82%) | (6.46%) |

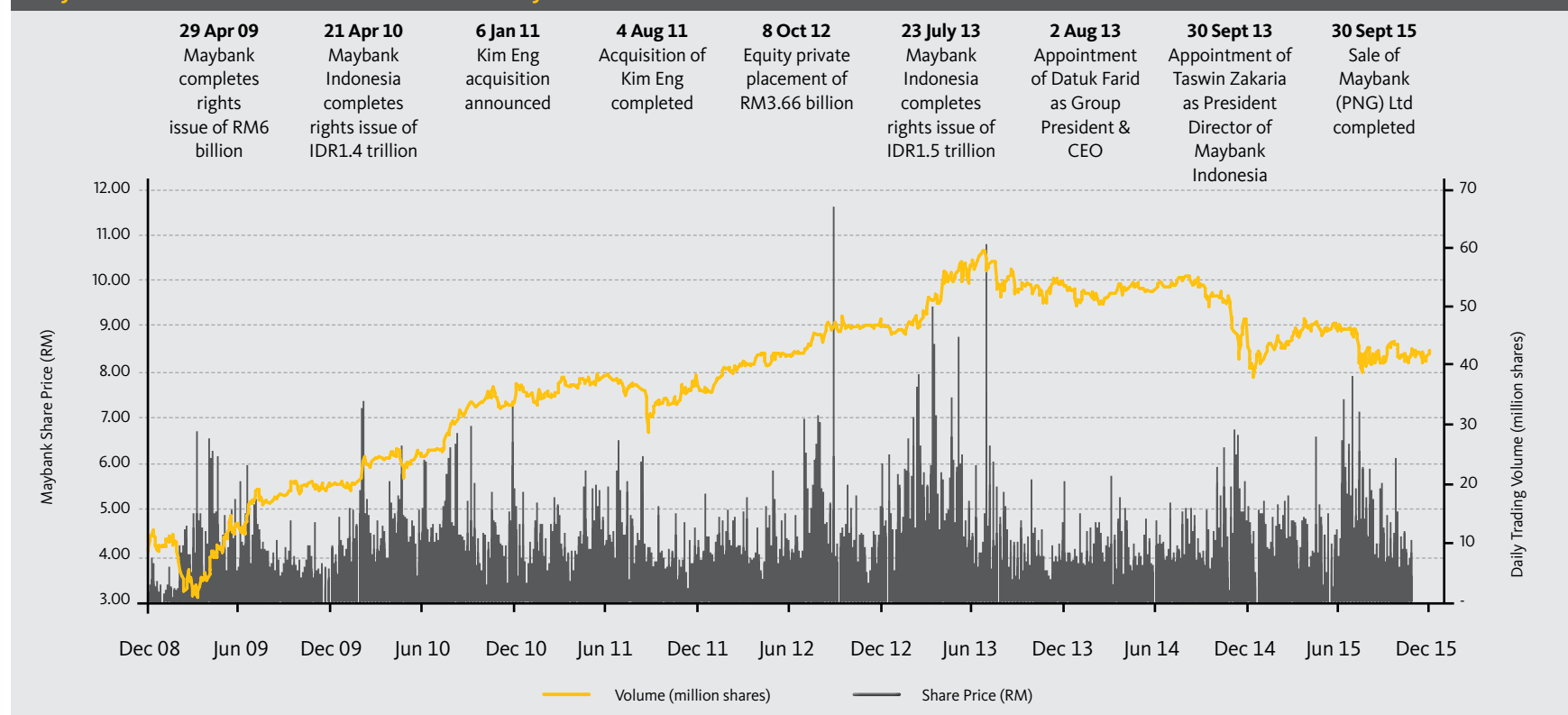
| Maybank's Relative Performance | FY07     | FY08     | FY09    | FY10     | FY11    | FP11* | CY11^ | FY12    | FY13    | FY14  | FY15    |
|--------------------------------|----------|----------|---------|----------|---------|-------|-------|---------|---------|-------|---------|
| FBM KL Composite Index         | (35.00%) | (13.23%) | 1.38%   | 5.60%    | 3.30%   | 0.95% | 3.92% | 1.33%   | 0.19%   | 0.13% | (1.49%) |
| Bursa Malaysia Finance Index   | (33.93%) | (1.64%)  | (5.58%) | (12.12%) | (4.73%) | 5.53% | 3.79% | (1.39%) | (0.79%) | 1.33% | 4.00%   |

Note

\* FP11 refers to the 6-month financial year which was for Maybank to change its financial year end to 31 December from 30 June. FY07 to FY11 are 12 months ended 30 June.

^ CY11 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



#### LONG-TERM TOTAL SHAREHOLDER RETURN

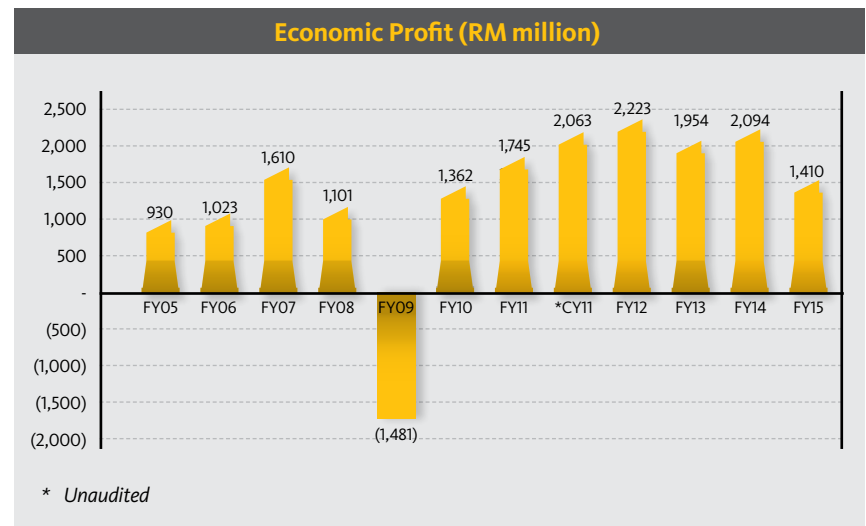
| Holding Period (years)                     | 25       | 20     | 15     | 10     | 5     | 3    | 2      | 1      |
|--------------------------------------------|----------|--------|--------|--------|-------|------|--------|--------|
| Investment date (31 Dec)                   | 1990     | 1995   | 2000   | 2005   | 2010  | 2012 | 2013   | 2014   |
| <b>Total Shareholder Return (%)</b>        |          |        |        |        |       |      |        |        |
| Maybank                                    | 1,883.55 | 298.88 | 196.41 | 85.96  | 35.70 | 9.12 | (4.35) | (2.46) |
| FBM KL Composite Index                     | 234.54   | 222.48 | 318.17 | 167.18 | 30.60 | 9.87 | (3.48) | (0.97) |
| Bursa Malaysia Finance Index               | N.A.     | 87.24  | 179.24 | 174.27 | 26.36 | 3.72 | (9.66) | (6.46) |
| <b>Effective Annual Rate of Return (%)</b> |          |        |        |        |       |      |        |        |
| Maybank                                    | 12.68    | 7.16   | 7.51   | 6.39   | 6.29  | 2.95 | (2.20) | (2.46) |
| FBM KL Composite Index                     | 4.95     | 6.02   | 10.00  | 10.32  | 5.48  | 3.19 | (1.75) | (0.97) |
| Bursa Malaysia Finance Index               | N.A.     | 3.18   | 7.08   | 10.61  | 4.79  | 1.22 | (4.95) | (6.46) |

# 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 GLC High Performance (PCG) Secretariat to measure a company's return over and above its cost of capital.
- In 2015, Maybank's Economic Profit decreased by 32.7% to RM1.41 billion from RM2.09 billion in the previous financial year due to a higher cost of equity.



### DIVIDEND POLICY

The Group adopts a dividend policy with a full year dividend payout ratio of 40% to 60% of the financial year earnings attributable to shareholders. However, with the Dividend Reinvestment Plan which was introduced in FY2010, the Group was able to deliver a higher payout ratio of above 70%, ranging between 71.9% (FY2013) and 79.9% (FY2011).

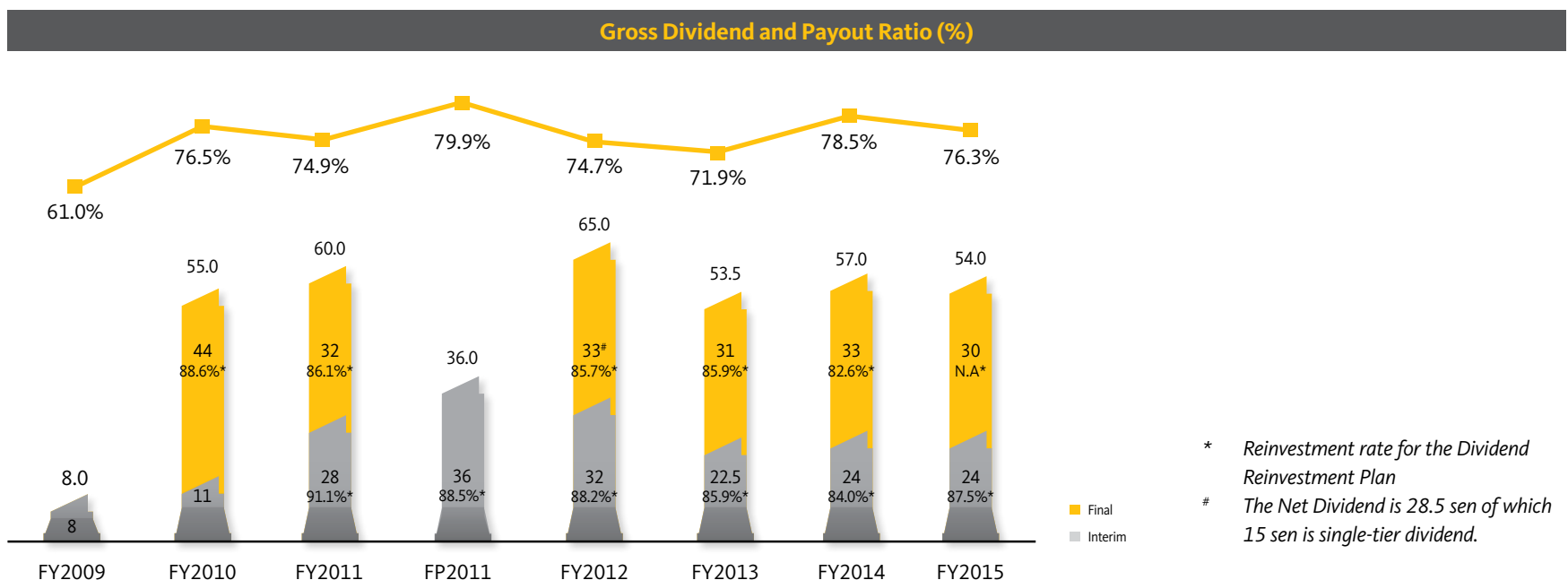
### DIVIDEND AND DIVIDEND REINVESTMENT PLAN

On 7 April 2016 at the Annual General Meeting, the Board of Directors will propose a final single-tier dividend of 30 sen. Together with the interim dividend of 24 sen, the total dividend for FY2015 amounts to 54 sen, compared to 57 sen paid in the previous year.

The full year dividend of 54 sen translates to a dividend payout ratio of 76.3%, compared to 78.5% for the previous year and is above the dividend policy rate of between 40% and 60%.

The final dividend will be issued pursuant to the 12<sup>th</sup> Dividend Reinvestment Plan (DRP) in which the single-tier cash dividend of 30 sen will consist of an electable portion of 24 sen, which can be elected to be reinvested in new ordinary shares, and a cash portion of 6 sen. 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 86.7%, ranging from 82.6% to 91.1% for the past eleven DRPs, reflecting shareholders' confidence in Maybank.



## Investor Information

### Maybank Share

#### DIVIDEND HISTORY

|        |         | Dividend per share (sen) | Dividend Reinvestment Plan |                          |                   |                   |             |          | Declaration | Price Fixing Date for DRP | Ex-Date   | Record    | Payment Date |
|--------|---------|--------------------------|----------------------------|--------------------------|-------------------|-------------------|-------------|----------|-------------|---------------------------|-----------|-----------|--------------|
|        |         |                          | DRP No.                    | Dividend per share (sen) |                   | Reinvestment Rate | Issue Price | Discount |             |                           |           |           |              |
|        |         |                          |                            | Cash                     | Electable portion |                   |             |          |             |                           |           |           |              |
| 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 | 20 Dec 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 | 12 May 11    |
|        | Final   | 32                       | 3                          | 4                        | 28                | 86.1%             | 7.70        | 7.83%    | 22 Aug 11   | 15 Nov 11                 | 25 Nov 11 | 30 Nov 11 | 28 Dec 11    |
|        | Total   | 60                       |                            |                          |                   |                   |             |          |             |                           |           |           |              |
| FP2011 | Final   | 36                       | 4                          | 4                        | 32                | 88.5%             | 8.00        | 5.77%    | 23 Feb 12   | 17 Apr 12                 | 27 Apr 12 | 2 May 12  | 4 Jun 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 | 25 Oct 12    |
|        | Final   | 33                       | 6                          | 4                        | 29                | 85.7%             | 8.80        | 5.17%    | 21 Feb 13   | 12 Apr 13                 | 25 Apr 13 | 29 Apr 13 | 29 May 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 | 25 Oct 13    |
|        | Final   | 31                       | 8                          | 4                        | 27                | 85.9%             | 8.95        | 5.09%    | 27 Feb 14   | 16 Apr 14                 | 29 Apr 14 | 2 May 14  | 30 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 | 28 Oct 14    |
|        | Final   | 33                       | 10                         | 10                       | 23                | 82.6%             | 8.70        | 5.23%    | 26 Feb 15   | 10 Apr 15                 | 23 Apr 15 | 27 Apr 15 | 26 May 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 | 11 Nov 15    |
|        | Final   | 30                       | 12                         | 6                        | 24                | -                 | -           | -        | 25 Feb 16   | -                         | -         | -         | -            |
|        | Total   | 54                       |                            |                          |                   |                   |             |          |             |                           |           |           |              |

#### 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 over the counter using the ticker MLYBY US on Bloomberg and MLYBY.PK on Reuters.



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

# Community Financial Services



**DATUK LIM HONG TAT**  
Group Head, Community Financial Services

**“Despite the increasingly challenging market condition in Malaysia as well as the region, we are encouraged by what we have achieved as well as making headway in our segmentation play and cross-sector collaboration.**

**We will continue the momentum in the year ahead, growing our business responsibly, continuing to be at the heart of the communities we serve in and staying true to our mission of Humanising Financial Services, while intensifying our focus on digital banking transformation.”**

## 2016 OUTLOOK

In 2015 Community Financial Services (CFS) achieved commendable results despite the challenging market conditions — outpacing industry growth in key business portfolios. We are optimistic that this momentum can be maintained in 2016 with us meeting our growth targets for the year. Although we anticipate the market to continue to be challenging with competition intensifying, we foresee pockets of opportunity where we can leverage our strengths to push ahead. Key priorities this year will be on expanding our segment-led business focus, extracting greater synergies from our regional network as well as advancing digital banking. As we pursue growth and targets in 2016, we are committed to our mission of “Humanising Financial Services” and will continue to operate at the heart of the communities we serve. With that, we strive to continue being the consumer bank of choice.

### Our Priorities in 2016

- Segment-led business focus
- Capital efficient and liquidity driven growth
- Expanding distribution reach through pervasive digitalisation
- Extract greater value from regional network

### Key Highlights in 2015

#### Group Community Financial Services (GCFS)

- Profit before tax (PBT) of RM4.95 billion and revenue of RM12.04 billion for FY2015.
- Double-digit growth in loans and deposits of 11.7% and 15.7% respectively.

#### CFS Malaysia

- CFS Malaysia PBT closed at RM3.60 billion and revenue at RM8.18 billion for FY2015.
- Growths in loans and deposits of 8.2% and 10.5% respectively.
- Asset quality stable with gross impaired loan (GIL) ratio at 1.87% and low consumer GIL ratio at 0.46%.

## OVERVIEW

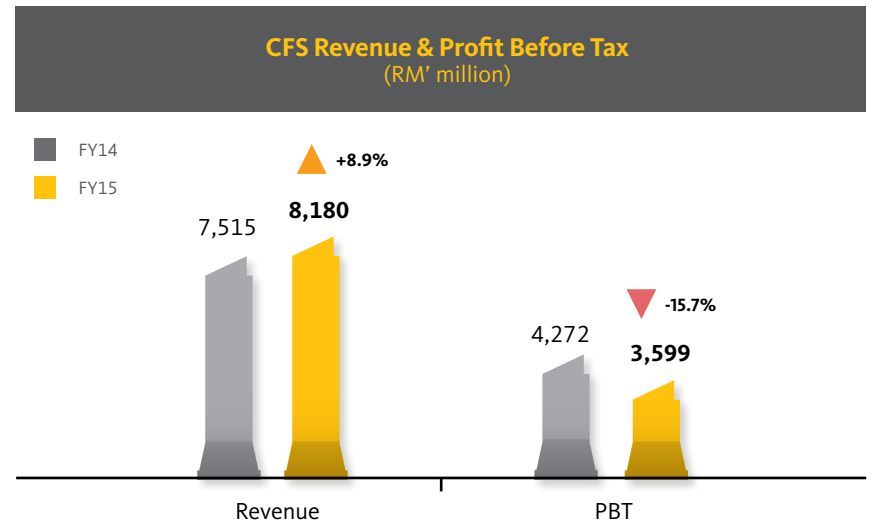
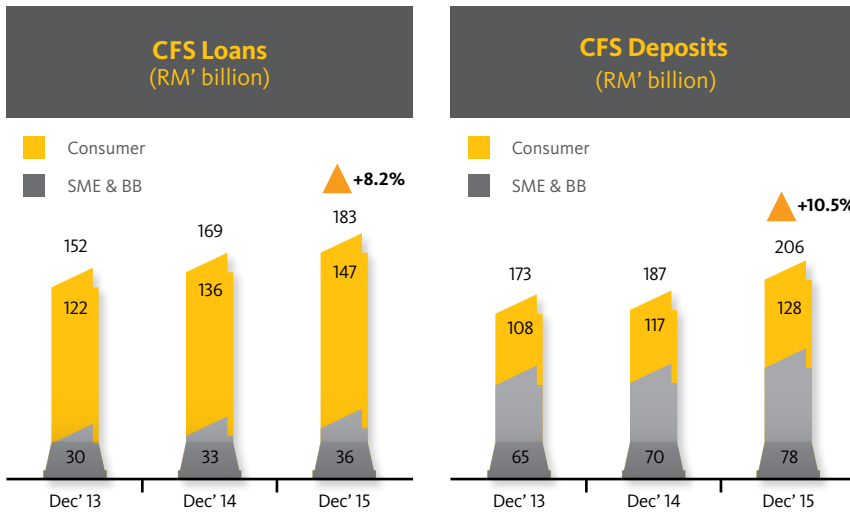
Community Financial Services is the retail banking arm of the Maybank Group — acting as a holistic one-stop shop serving the Consumer, SME and Business Banking customers. As the leading financial services provider in Malaysia, we serve the community through our multi-channel network comprising branches, self-service terminals, extensive digital banking reach and round-the-clock call centre operations.

In anticipation of the ASEAN Economic Community (AEC) and the opportunities it presents, Group Community Financial Services (GCFS) was formed in 2013 to integrate the retail and commercial banking sectors in the key markets we operate, namely, Malaysia, Singapore, Indonesia, the Philippines, Cambodia, Laos and Brunei. The aim is to leverage our extensive presence in the region to provide coherent value propositions and deliver seamless regional banking experience to our customers, cementing our position as a leading regional bank.

Since then, we have launched several high impact initiatives to strengthen our franchise, including rolling out four regional Centres of Excellence (CoEs) for Cards, Premier and Affluent Banking, Private Banking and Retail Small Medium Enterprise (SME) to capitalise on three rising trends in ASEAN: growing affluence, increased mobility, and SMEs as the backbone powering the economies in the region. The results are encouraging. Since 2013, GCFS loans have grown 14.9% CAGR to reach RM277.8 billion in 2015, while deposits have grown 14.1% CAGR to RM326.4 billion. PBT stood at RM4.95 billion in 2015, with overseas contribution at 23.3% up from 20.8% in 2014.



## Community Financial Services



| RM' billion                           | FY2014 | FY2015       | YoY (%) |
|---------------------------------------|--------|--------------|---------|
| <b>CFS Gross Loans</b>                | 168.8  | <b>182.7</b> | 8.2%    |
| - Mortgage                            | 60.9   | <b>69.2</b>  | 13.7%   |
| - Auto Financing                      | 38.6   | <b>40.8</b>  | 5.7%    |
| - Retail Financing                    | 30.4   | <b>30.5</b>  | 0.3%    |
| - Cards                               | 5.8    | <b>6.4</b>   | 9.6%    |
| - SME & Business Banking of which:    | 33.1   | <b>35.8</b>  | 8.4%    |
| SME                                   | 7.5    | <b>10.2</b>  | 35.9%   |
| Business Banking                      | 25.5   | <b>25.6</b>  | 0.2%    |
| <b>CFS Deposits</b>                   | 186.6  | <b>206.2</b> | 10.5%   |
| - Consumer                            | 116.9  | <b>128.2</b> | 9.7%    |
| - SME & Business Banking              | 69.7   | <b>77.9</b>  | 11.8%   |
| <b>CFS Gross Impaired Loans Ratio</b> | 2.05%  | <b>1.87%</b> | (0.18%) |
| - Consumer                            | 0.48%  | <b>0.46%</b> | (0.02%) |
| - SME & Business Banking              | 8.52%  | <b>7.70%</b> | (0.82%) |

### 2015 CFS MALAYSIA PERFORMANCE REVIEW

By all accounts, 2015 was a mixed year for us. In spite of the intense competition and softer market conditions, for the first time we successfully pulled in record revenue in excess of RM8 billion. Our CFS franchise remains the largest revenue contributor to the Maybank Group in 2015, contributing 72% of the Group's total domestic operation revenue.

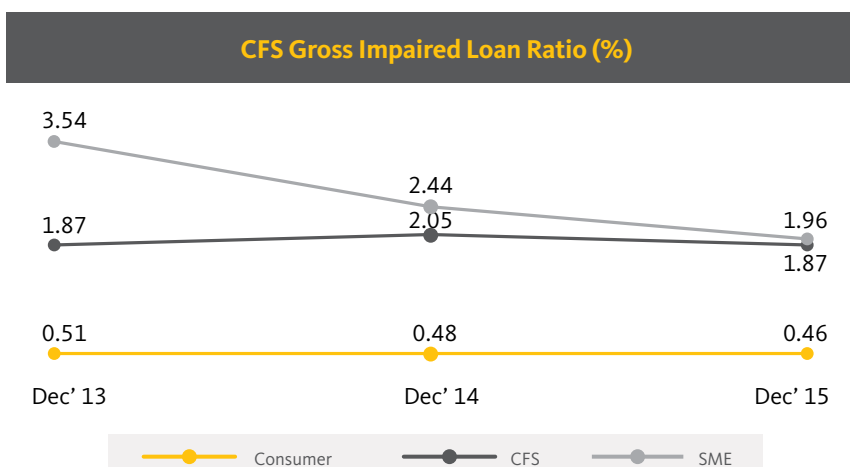
We outpaced industry growth in most business portfolios with overall loans and deposits growing at 8.2% and 10.5% respectively. Mortgage loans grew by 13.7%, ahead of the industry's 11.5%. At the same time, Auto loans and SME business recorded growth of 5.7% and 35.9% respectively, surpassing the industry rate of 2.3% and 9.4%. On the deposit front, growth came from Retail Deposits expanding by 9.7%, as well as SME and Business Banking segments which grew by 13.8% and 6.2% respectively.

While we pursued growth, asset quality was kept in check with CFS' GIL ratio improving from 2.05% in 2014 to 1.87% in 2015. This was achieved through disciplined loan origination, portfolio rebalancing strategy with focus on the right segments that reduced exposure in high risk areas and customers, and diligent monitoring and recovery measures.

Cost to income ratio landed at 50.8%, marginally higher compared to 49.4% in 2014 — reflective of the higher cost of doing business in the year. However, through our digital banking initiatives, efforts in realigning the customer footprint within our branches as well as ongoing lean operational excellence initiatives, we are looking to achieve greater efficiencies and productivity that would lower the overall cost structure for the retail franchise in the year ahead.

### HIGH NET-WORTH (HNW) AND AFFLUENT BANKING

- HNW and Affluent customer base grew 9.9% this year, whilst the emerging affluent segment grew by 7.8%.
- In tandem with this, total financial assets (TFA) recorded healthy double digit growth of 12.6% for HNW and 11.9% for affluent segments.
- Investment fee-based income achieved 15.8% YoY growth, aided by a growing suite of wealth management solutions.



## Community Financial Services

In 2015, we further expanded our reach to the HNW and Affluent segment, growing our network of Premier Wealth Centres and Lounges from 92 to 110. This includes the launch of a Private Wealth Centre in Kuching in the later part of 2015 to tap into East Malaysia.

New developments within the segment were focused on nurturing our high value client relationships to further entrench our market position. Within the emerging affluent segment, we widened our network coverage through our personal financial advisors (PFA) and more than doubled our ASPIRE customer base. With deeper focus on customer centricity and wealth management, we continued to invest in building digital capabilities and competency enhancements of our advisors. This has earned us industry recognition at an array of domestic and global private banking awards.

In advancing our regionalisation agenda, we further strengthened our cross-border capabilities, bringing to market exclusive regional privileges and events for our Private and Premier Wealth clients with regional recognition across Malaysia, Singapore, Indonesia, Cambodia, the Philippines and Brunei.

Our focus in the year ahead remains on intensifying our wealth management focus to deliver best in class solutions and to grow as a collaborative wealth partner with our clients.

### MORTGAGE & HOME FINANCING

- Residential home financing grew 15.9% to a balance outstanding of RM52.55 billion, outpacing industry growth of 11.9%
- Shop-house financing grew 9.1% to a balance outstanding of RM11.11 billion.
- GIL ratio stood at 0.55%.
- Average approval turnaround time (TAT) of 1.9 days versus target of 3.0 days.

Despite the slower real estate market in 2015, mortgage loan growth continued its momentum and sustainability, expanding at the rate of 13.7%. It was led by a 15.9% rise in residential property loans and 9.1% increase in non-residential property loans. This was achieved partly by focusing on the secondary market through our strategic partnership with Malaysia Institute of Estate Agents (MIEA). We also leveraged our partnership with FIABCI-Malaysia and its wide coverage of reputable top-tier and established developers to sustain our presence and position ourselves as the leading bank in the primary market business.

Our growth was also achieved through effective retention and loyalty programs, preventing attrition of good, valued loans. Whilst pursuing growth, our efforts in recent years to strengthen our asset quality has also paid off as our GIL ratio improved to 0.55% from 0.62% in the previous year. This is the result of a robust risk-based framework and business underwriting strategies.

In our effort to deliver delightful customer experience, we simplified the loan application processes, making them more convenient for customers. This has resulted in 88.9% of mortgage approvals meeting a TAT of three days, versus 86.9% in Dec 2014.

### AUTOMOBILE FINANCING

- Loans grew 5.7% to RM40.82 billion, higher than the industry growth of 2.3%.
- Sizeable market share at 23.7% as at Dec 2015.
- GIL ratio remains the lowest in the industry at 0.49%, compared to the industry ratio of 0.95%.

Total industry volume for automotive in 2015 was marginally higher, affected by weaker consumer sentiment. In spite of this, we managed to record a 5.8% growth in HP Financing during the year, more than double that of the industry's 2.3%. We achieved this through a more targeted segmentation strategy, greater collaboration and cross-selling within the Group, as well as building on our close support and relationship with auto dealers, distributors and manufacturers. Through these efforts, we have also retained our No.1 position in Islamic Auto Finance given that 75% of our total auto loan book is made up of Shariah-compliant loans.

We expect the automotive industry to remain cautious in the year ahead with both sales volume and financing margins continuing to come under pressure. However, we do see sentiments improving as vehicle price adjustments in the market settle down and new models roll out over the course of the year. With that, we will continue to build on our momentum and remain as one of the leading auto financing players in 2016.

### CREDIT CARDS

- No. 1 in customer cardbase (1.7 million cardholders with 19.7% market share).
- No.1 in billings (up 13.4% to RM39.41 billion with 30.1% market share).
- No.1 in merchant sales (up 9.1% to RM45.12 billion with 37.3% market share).
- Receivables were up 11.6% to RM6.11 billion with 16.9% market share.
- Asset quality was well managed with Impairment Ratio recorded at 0.79% vs the industry of 1.31%.

The cards business continued to gain traction in 2015, outperforming industry growth that has seen us improving our market share across all major indicators and entrenching our leading position in the cards market.

We have achieved this by executing sharper customer engagement programmes that are tailored to customer demand and preference, more segment-led business focus with enhanced product features and benefits, extracting greater cross-sell benefits from within the Group as well as improving our sales and support channels to meet the needs of our customers.

In keeping with evolving consumer demands and market trends, we continued to invest in and gained momentum in contactless payments (payWave). We have launched Maybank Visa Watch2Pay, Maybank MasterPass and Maybank Visa Checkout throughout 2015 and will continue to introduce more products in this space which has proved to be a convenient, swift and secure mode of payment.

## Community Financial Services

### BANCASSURANCE

- Combined conventional and family market share of 15.97%.
- Increased penetration in the Emerging Affluent customer base and improvement in average premium size and collections.

As part of the transformation strategy, Bancassurance placed greater emphasis on re-balancing its portfolio towards Regular Premium Ordinary Life plans for sustained improvement in fee income. This was supported by the rollout of Personal Financial Advisors earlier in 2015, which offered better advisory solutions and services to the bank's esteemed group of Emerging Affluent customers. With this introduction, the Regular Premium Ordinary Life domain saw an accelerated growth in fee income, attributable to improvements in premium sizes and collected premiums. The focus on Single Premium Investment-Linked typed products was moderated, which saw lower top-line growth due to its typically higher one-off premiums. Besides the re-balancing of portfolios, several sales processes were also streamlined with the objective of improving overall customer experience.

The outlook for Bancassurance remains positive. With a wide range of products in Life, Family Takaful, Credit and General Insurance, Bancassurance is well positioned to grow the diverse protection and savings needs of its customers, giving them peace of mind especially during these uncertain times.

### DEPOSITS & PAYMENTS

- CFS deposits grew 10.5% with consumer deposits outpacing industry growth.
- Out of this, retail CASA deposits grew 4.5%.
- Retail traditional deposit market share improved from 19.4% to 20.2% in 2015.
- To maintain healthy LDR at 88.6% from 90.5% the previous year.

In 2015, we continued to register double-digit deposit growth despite operating in a tighter liquidity environment and facing intense competition. CFS' overall deposits outstanding balance stood at RM206.18 billion, representing 70% of total Bank deposits. Growth in deposits came in at 10.5%, led by the Consumer and SME segments. Retail CASA deposits also registered high growth of 4.5% over the previous year.

Consumer deposit growth outpaced industry growth for the second consecutive year, growing at 9.7% versus the industry at 5.8% with both CASA deposits (4.5% versus industry of 1.3%) and Fixed Deposits (14.1% versus industry of 8.2%) contributing to the higher growth.

In the year ahead, we will continue to maintain a healthy LDR ratio for the bank to sustain asset growth. Focus will be on growing low-cost CASA deposits through various thematic and loyalty campaigns, step up product bundling and cross-selling collaboration as well as a drive to increase payroll accounts.

On the payments side, we continued to be the major contributor to total CFS fee-based income at 23.5% despite the increased competition and compression in fee margins. Our efforts in 2015 to bring innovation into the payments space were recognised and saw us garnering various awards namely:

- Best Remittance Offerings (Cards & Electronic Payments International Asia Summit and Awards 2015)
- Best Peer to Peer Payments Initiative (Cards & Electronic Payments International Asia Summit and Awards 2015)

We continued to support Bank Negara Malaysia's e-Payment initiatives on cheque reduction and achieved a 19.4% reduction in 2015. Focus will be on further reducing cheque usage in 2016 to increase efficiencies and reduce the overall cost of the banking system.

### SME BANKING

- Loans outstanding grew 35.9% to RM10.23 billion.
- GIL reduced to 1.96% from 2.44% in 2014.
- Deposits grew 13.8% to an outstanding balance of RM58.43 billion.

Our SME lending continues to outpace the industry — registering 35.9% growth in the year (industry growth of 9.4%). Encouragingly, despite the strong growth in loans, asset quality was kept in check with impaired loans continuing to trend downwards to 1.96% from 2.44% the previous year. This is attributed to clear directions in focus and growth areas to target.

The strong loan growth witnessed in the year was attributed to simplified product offering that is straightforward and meets the needs of the small business. During the year, we continued to embark on various development programmes to improve the financial literacy of SMEs and improve their accessibility to financing.

In 2016, one of our focus areas will be on microfinancing as customers needing support in this area make up about 75% of the total SME customer base in the country. Apart from supporting the national agenda of bringing greater access to financial services to this segment, it will also contribute to our growth. We expect SME banking to remain resilient and continue its momentum despite the more cautious business environment.



## Community Financial Services

### BUSINESS BANKING

- Loans outstanding stood at RM25.60 billion representing a growth of 0.2%.
- Deposits outstanding at RM19.51 billion, with a growth of 6.2%.

In 2015, higher cost of funds due to the tight liquidity in the market led to margin compression and generally a more challenging environment. Nonetheless, we managed to bring in fresh deposits through various targeted campaigns that were able to support loan growth. We expanded our loan portfolio through new customer acquisition programmes, organic growth and segment collaboration, specifically with Corporate, HNW and Affluent segments, and our wide branch network. We also maintained the utilisation of working capital lines through strong customer relationship management.

In terms of asset quality, we implemented portfolio re-balancing strategies to optimise our risk/returns and focused on sourcing quality loans and closer loan monitoring measures, especially during this period of market uncertainty. Exposure to high-risk customers has been gradually reduced and pricing on loans has been adjusted to commensurate with the risk levels.

For 2016, we will continue to grow our loans by adopting a “Controlled Aggression” risk appetite and target loans that will provide us the desired returns. At the same time, we will be driving for greater deposit mobilisation among our customers, in order to maintain appropriate liquidity to support further growth.

### DIGITAL CHANNELS

- Maybank2u remained No. 1 with over 3.3 million monthly unique visitors on the “Top 30 Local Websites from Desktop Computers in Malaysia”.
- We continued to lead the internet banking market with 43.2% market share and close to 8.2 million registered users.
- Maybank2u processed a total of two billion transactions worth RM168.7 billion during the year. This represents a 27.2% increase in the number of transactions and 19.0% increase in transaction value over 2014.

The year saw us advancing our digital-led, multi-channel strategy which seeks to achieve the following:

- **Enhanced Mobility:** Enabling customers to bank anywhere, anytime and on any device of choice.
- **Enhanced Customer Experience:** Seamless banking experience across all channels.
- **Segmented Customer Experience:** A differentiated customer experience at the physical channels, after initial profiling via digital channels have been completed.
- **Strengthening Maybank Group Call Centre (MGCC)** capabilities to handle customer queries while striving for operational excellence and process improvement to reduce call handling time and achieving better customer service experience. This also culminated in MGCC receiving 11 prestigious awards from the Association of Customer Experience Industry Malaysia in Corporate and Individual Categories.

In line with this, we introduced various Straight-Through-Processing (STP) options through our digital channels in the year such as:

- **CASA STP** which was launched in September 2015 — enabling immediate CASA opening via Maybank2u (Internet Banking) and Maybank2u Mobile (Mobile Application) by both new and existing customers.
- **Cards STP** which was launched in December 2015 — enabling potential and existing customers to apply for a credit card online via Maybank2u and get an instant decision on the application. Existing credit cardholders may also apply for a Balance Transfer and convert their purchases into instalment via the EzyPay feature.

In 2015, we also encouraged our customers to go cashless during Hari Raya Puasa, where we introduced e-Duit Raya. A customer sends the “duit raya” using a cardless withdrawal service through Maybank2u and the happy recipient withdraws the money from any local Maybank ATM. A similar e-Ang Pow service was launched during Chinese New Year in 2016.

### PHYSICAL CHANNELS

- Distribution footprint of 344 branches and 4,135 self-service terminals, making us No.1 in terms of physical touchpoint reach in Malaysia.
- Two Private Wealth Centres, 33 Premier Wealth Centres and 67 Premier Wealth Lounges to provide specialised customer experience to our HNW and Affluent customers.
- Other touchpoints include 74 Maybank kiosks and 350 Pos Malaysia outlets, extending our reach to the heart of the communities we serve.

In line with the objective of creating a “one-stop shop” for the convenience of our customers, we strived to provide a comprehensive, premium and modern outlet for customers to bank in. As we introduced more digital banking options to our customers, we embarked on various initiatives to improve customer experience at our physical touchpoints. These include:

- Branch network streamlining through clustering and merging of branches with overlapping service areas to optimise cost to serve.
- Introducing more alternatives for customers to transact digitally or using self-service terminals, instead of having to transact over the counter. Staff are trained to guide customers transacting digitally or using the self-service terminals for the first time.
- Increasing the number of dedicated Personal Financial Advisors serving the Emerging Affluent segments at the branches.
- Introducing new initiatives to improve customer experience at the branches such as SMS queue, lounge music, WIFI and Drop n Go facilities for simple transactions.
- Configuring our Cash Deposit Machines to accept small denomination currency notes, thus enabling more deposit transactions to be done via the self-service terminals.
- Equipping our Call Centre to handle incoming telephone queries and support, thus freeing up the branches and providing a better customer experience.
- Upholding our mission of “Humanising Financial Services” by continuing to extend basic financial services to the underserved and hard to reach through our mobile bus banking service to cater to specific Felda settlements, and our banking services through 350 POS Malaysia outlets to serve the rural areas.

## Community Financial Services

In 2016, we will continue to push ahead with initiatives to create a truly multi-channel banking experience to further improve customer experience.

### GROUP COMMUNITY FINANCIAL SERVICES (GCFS)

In a bid to strengthen our value proposition to our customers throughout ASEAN, we accelerated the pace of regionalisation through Group Community Financial Services (GCFS). Following the launch of four key Regional Centres of Excellence (COE) last year, our businesses are reaping the benefits from the pan-regional initiatives, focusing on:

- Standardising and simplifying business processes and operating platforms
- Ensuring consistency in business models
- Enhancing product features and services
- Driving coherence in our brand promise

The milestones achieved by our COEs are as follows:

#### Regional Cards

Strengthened regional proposition by expanding marketing platform and regional assets via partnership tie-ups with theme parks, hotels, hospitals, golf clubs and airlines. We launched regional campaigns such as Visa Overseas campaign, Go Bali Go Bandung, Music Flyaway, as well as MasterCard Rugby World Cup in England to name a few. We focused on regional customer segmentation which is supported by analytics and MIS. Our innovations include contactless payment (VISA payWave and Mastercard Paypass), digital wallet (MasterPass and Visa Checkout) and mobile POS. We have also enabled straight-through processing for cards application, for the convenience of our customers.

Besides enhancing customer offerings, we rolled out initiatives to continuously improve operating efficiencies and strengthened risk management in all our cards businesses throughout the region. Our efforts have contributed to overall business growth, where we further expanded our card base by 7.1% to 2.9 million cards with loan growth of 9.9% and billings growth of 11.4%.

#### Regional Private Wealth

Regional Private Wealth continued its growth into 2015 from the great start we had in 2014 when the business broke even in its first year of operations. In 2015 we doubled our bench strength to cater to the growing customer base and we enhanced our product offerings and platform capabilities with the central aim of serving our customers even better. Although Malaysia and Singapore are where we site our main booking centres given the natural customer base we have in these markets, we have also expanded into Hong Kong to tap the high net-worth segment in the Greater China market, as well as added a service desk in London to help our customers with their investments in the UK. In our key market in Malaysia, we opened our second private wealth centre in Kuching and hired a team in Penang.

The year saw Regional Private Wealth growing our customer base by 41% and total asset under management by 50%, of which RM3.5 billion is new-to-bank. We have also extended our coverage and now boast a wider base to include clients from China, Middle East, the Philippines, Indochina, Australia and Fiji on top of those from our home markets of Malaysia, Singapore and Indonesia.



Eunice Chan (Head, HNW & Affluent Banking) & Alvin Lee (Head, Regional Private Wealth) receiving an award at the PWM The Banker Global Private Banking Awards 2015.

By putting our clients central to everything we do we have done well in helping our clients generate a positive return on their investments despite the market volatility in the latter part of 2015. As a business, we achieved an improved return-on-asset of 78 bps, with a higher cross-sell ratio and average of six unique products per client. This has resulted in a significant increase in revenue and PBT from 2014.

Maybank Private Wealth received several accolades recognising its achievements in the private banking services. These include “Best Private Bank (Malaysia)” from PWM The Banker and Global Finance, Euromoney’s “Best Private Banking Services Overall in Malaysia” and nine awards in various categories of the Private Banker International Awards including “Outstanding Young Private Bankers” and “Outstanding Private Bank – Asia Pacific Regional Player”.

#### Regional RSME

To capture rising opportunities in the flourishing SME segment in the region, Regional RSME COE was launched to standardise the business model throughout our franchise in the region. This year, we further strengthened the business processes, risk framework and oversight, and drove operational efficiencies to shorten our turnaround time by more than 50%, ensuring our customers are served with speed. We have also launched several RSME specific products to provide better financing flexibility to our customers. As a result, we saw double-digit loan growth of 35.5% to achieve RM27.10 billion and PBT growth of 56.1% to RM980.06 million.

#### Regional Premier/ Affluent Banking

Catering to the needs of the region’s emerging affluent and affluent segments, in 2015 we further strengthened our in-country value proposition by enhancing our product offerings and increasing advisory bench strength to partner our customers in their financial growth. To facilitate customer mobility, we enhanced our regional value proposition, such as regional medical privileges, seamless cross-border account opening and regional recognition to have access to our Premier Wealth Centres and Lounges across different countries. We expanded our Premier Wealth franchise to the Philippines, Cambodia and Brunei, and completed rebranding our Indonesian franchise to deliver consistency in offerings and experience to our customers.

This further improved our financial performance where our Total Financial Assets (TFA) grew 17.3% YoY to RM243.85 billion, and PBT grew by 20.9% to RM1.78 billion.

# Global Banking



**DATO' AMIRUL FEISAL WAN ZAHIR**  
Group Head, Global Banking

“2015 represented the final leg towards achieving the five-year Group and Global Banking’s Strategic Objectives defined in 2010. Global Banking today has a revenue base that has grown to more than double its size in 2010. From 2010 to 2015, our revenue and profit before tax grew by compound annual growth rates of 16.0% and 12.6% respectively. In spite of a challenging business environment in 2015, Global Banking delivered a commendable set of financial results for the year with a revenue growth of 3.3% year-on-year, driven by stronger performances in Global Markets and Corporate Banking. We continued to strengthen our market leadership in ASEAN with Maybank Kim Eng achieving a Top-3 ranking in both the Investment Banking & Advisory and Debt Capital Markets categories in 2015.

We can proudly say today that Maybank is a leading ASEAN wholesale bank with presence across all ASEAN countries and key financial centres globally. 2016 will be a pivotal year for the ASEAN Economic Community (AEC) as it kicks off its first full year of existence. This necessitates the strengthening of Maybank’s proposition as our clients’ trusted financial partner in tapping opportunities in the region. We expect uneven economic conditions and volatile markets to persist in 2016. As such, we must remain steadfast in leveraging our ASEAN leadership capabilities to build trust and deliver solutions to clients across Asia.”

## OVERVIEW

Global Banking provides a wide range of financing and investment solutions to corporate and institutional clients through our presence in 19 countries globally. The Group’s client-centric business model is anchored on the Client Coverage team supported by five key product groups: Investment Banking, Corporate Banking, Transaction Banking, Global Markets and Asset Management.

The Client Coverage team 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. Global Banking combines local in-country expertise with regional capabilities to provide consistent and integrated financial solutions to its clients across the region.

Despite the challenging and volatile business environment in 2015, Global Banking posted a commendable positive YoY revenue growth of 3.3%.

In 2016, we will further strengthen the proposition as our clients’ trusted financial partner in tapping the opportunities of the AEC, and target for steady growth amidst the anticipated volatilities.

### Our Priorities in 2016

- Increase capture of regional flows by capitalising on our ASEAN footprint.
- Increase fee income through cross-selling and enhancing client solutioning capabilities.
- Proactive capital management across the region.
- Accelerate Operational Excellence to enhance productivity.
- Emplace and harvest returns from regional systems and platforms.

## Key Highlights in 2015

- Recorded positive YoY revenue growth of 3.3%.
- Improved asset quality with a 10.7% reduction in Loan Loss Provision to RM133.55 million (FY2014: RM149.62 million).
- Domestic LDR remains within target at 86.0% (FY2014: 82.9%).
- Maintained our domestic market share leadership position for corporate lending, non-retail deposits and trade finance.
- Maybank Kim Eng has also consistently maintained its position as a leading regional investment banking franchise, as recognised by prominent external bodies and publications and the top 4 regional league table positions for Investment Banking & Advisory, Debt Capital Market and Merger and Acquisition.
- Refined client segmentation to deliver even more relevant solutions to our clients — including an elevated focus on entrepreneur-controlled mid-sized corporates.
- Operationalised the Global Account Management (GAM) model to deliver a more seamless and consistent experience for our regional clients.
- Successfully rolled-out our Trade and Treasury Solution Advisory domestically to effectively facilitate trade, cash (deposits and payments) and foreign exchange (FX) flows and enhance fee income.

Through focused execution over the years, Maybank is today a leading ASEAN wholesale bank with presence across all ASEAN countries and key financial centres globally.

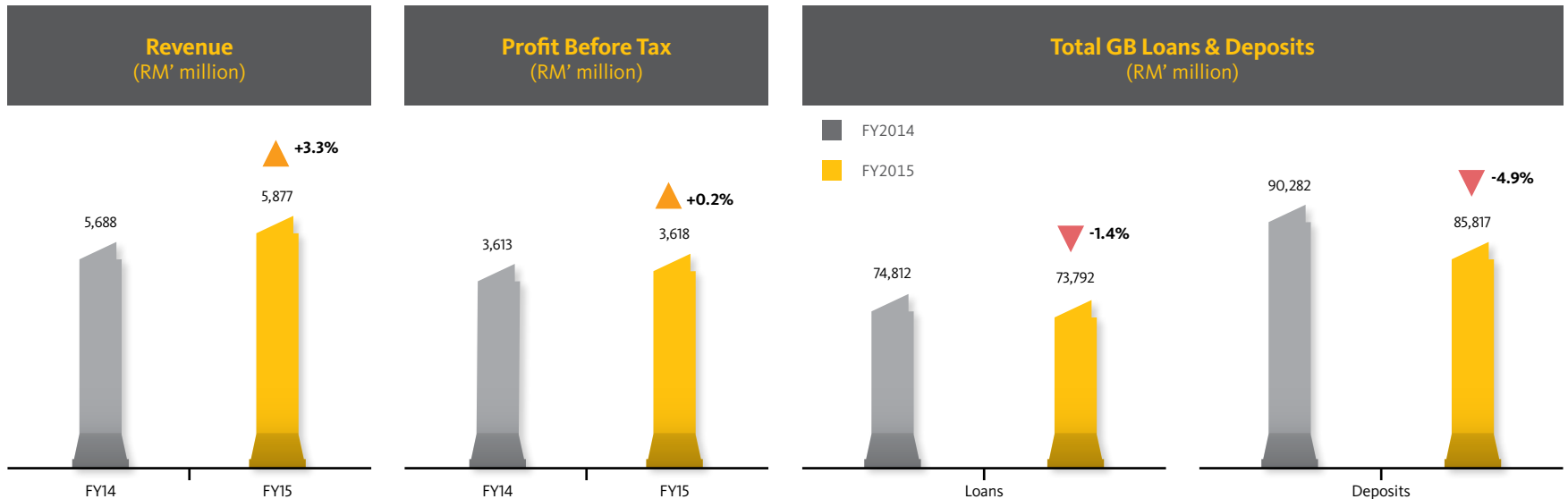
# Global Banking

## FINANCIAL PERFORMANCE

2015 was a challenging year with tepid local and global economic growth. The depreciation of Asian currencies and softer commodity prices resulted in a tougher operating environment for our business. Despite the challenging market environment, Global Banking revenue grew by 3.3% and closed at RM5.88 billion. This was led by the growth in our Global Markets and Corporate Banking businesses. Net interest income rose 15.8% while non-interest income declined by 7.7% mainly impacted by the challenging market conditions and external environment.

Global Banking recorded a PBT of RM3.62 billion (FY2014: RM3.61 billion). Cost-to-income ratio (CIR) increased marginally but within target and we continued to drive efficiency through strategic cost management efforts. Asset quality remained a key focus area and with disciplined and robust oversight, our total Loan Loss Provision (LLP) improved by 10.7% to RM133.55 million.

As at December 2015, Global Banking's domestic loans stood at RM73.79 billion (FY2014: RM74.81 billion), representing a marginal 1.4% decrease as we managed our portfolios prudently and selectively within our risk appetite. Domestic deposits stood at RM85.82 billion (FY2014: RM90.28 billion), a 4.9% decrease as a result of heightened competitive pressures. Our LDR remains within target at 86.0% (FY2014: 82.9%).



## RECOGNITION & AWARDS

We have been blessed with constant support from our clients and partners, which has helped us to continuously improve the breadth and depth of our solutions. We are proud to report that our efforts received widespread recognition in the form of 149 awards and accolades from prominent regional publications such as Euromoney, Asiamoney, Alpha Southeast Asia, The Asian Banker, Global Custodian and The Asset Triple A.

# Global Banking


## PERFORMANCE REVIEW

### CLIENT COVERAGE

Our Client Coverage team lies at the heart of Global Banking's client-centric business model. We believe in building long term, trusted partnerships across all client segments by supporting them as they grow and standing by them as they expand beyond their country of origin, especially in our home region of ASEAN and Asia.

In 2015, we refined our client segmentation to deliver even more relevant solutions and operationalised the Global Account Management (GAM) model to provide a seamless and consistent experience for our regional clients. These efforts have in part catalysed the successful delivery of solutions for our clients across the globe.

Moving forward, we remain relentless in refining our Client Coverage model to deepen relationships with our clients, create value-added business propositions and better capture growth opportunities in the region especially in the context of the AEC.

 Please refer to pages 116 to 117 for the key deals completed in 2015



Global Banking management engaged with corporate clients during the Majlis Hari Raya Aidilfitri 2015 (top) and Chinese New Year Corporate Dinner 2015 (bottom).



Former Kedah Chief Minister, Datuk Seri Mukhriz Mahathir witnessing the signing term loan ceremony between Maybank and BDB Land Sdn Bhd on 27 August 2015.

### INVESTMENT BANKING

Maybank Kim Eng (MKE) currently operates in 11 countries, with significant market share in Malaysia, Singapore, Thailand, Indonesia, Vietnam and the Philippines, as well as growing businesses in Hong Kong and India. Our reach also extends globally, with dedicated sales offices in the United Kingdom and the United States of America. We also have presence in the Middle East via Anfaal Capital, our associate company in Saudi Arabia which specialises in Islamic investment banking and asset management services.

We offer our clients a comprehensive suite of investment banking and stockbroking products and services through our two business pillars, namely Investment Banking & Advisory and Equities, with services such as corporate finance, debt capital markets, equity capital markets, equity and commodity derivatives as well as retail and institutional securities broking.

In 2015, MKE group registered a favourable operating income of RM1.50 billion and PBT of RM0.41 billion notwithstanding the difficult economic environment and slowdown in capital market activities. We were also named the Best Investment Bank in Malaysia by Euromoney, due to our strong profitability despite the challenging environment.

#### Investment Banking & Advisory

Despite the challenges, our Advisory team was involved in several landmark transactions during the year. Among them were two large outbound deals, namely Sime Darby Berhad's acquisition of New Britain Palm Oil Limited in Papua New Guinea and Malaysia Airports Holdings Berhad's acquisition of a 40% equity interest in an airport in Turkey. We also acted as an adviser to IJM Corporation Berhad in its privatisation of IJM Land Berhad which was completed in April 2015.



## Global Banking

### Debt Capital Markets

2015 was also another landmark year for MKE's Debt Capital Markets franchise. We remained resilient against the challenging backdrop of the Malaysian and global debt markets by staying client focused and solutions driven. As such, we were able to reaffirm our leadership position in the Malaysian and regional debt capital markets, ranking 1<sup>st</sup> in Bloomberg's Malaysian Borrower Loans Mandated Lead Arranger league tables and finishing among the top three for Bloomberg's MYR Bond, MYR Islamic Bonds, ASEAN Local Currency Bonds and ASEAN Borrower Loans Book Runner league tables. On the Islamic finance front, we retained our top three ranking amongst the world's top sukuk underwriters in Bloomberg's Global Sukuk league table.

Our strength and reputation as a regional Debt Capital Markets franchise has been evident through the successful completion of notable landmark deals including:

- Garuda Indonesia Global Sukuk Ltd's USD500.0 million Islamic Trust Certificates: The first non-sovereign USD Sukuk from Indonesia
- International Finance Facility for Immunisation's USD200.0 million Islamic Trust Certificates: The first USD Social Impact Sukuk arranged by Maybank IB
- FCL Treasury's SGD700.0 million Subordinated Perpetual Securities: Singapore's largest non-bank perpetual securities issuance
- PT XL Axiata Tbk's IDR1.5 trillion Sukuk Ijarah, which is the largest IDR Sukuk Ijarah issuance by a corporate to-date
- Malaysia's PETRONAS' USD5.0 billion Islamic Trust Certificates and Medium Term Notes: Asia's second largest corporate USD bond/sukuk issuance to-date



Malakoff's IPO prospectus was launched on 17 April 2015 by Senator Dato' Seri Abdul Wahid Omar and Chairman of Malakoff, Tan Sri Dato' Seri Syed Anwar Jamalulail. Maybank Investment Bank was the Transaction Manager, Joint Global Coordinator and Joint Principal Adviser of this IPO.



Tan Sri Dr Jeffrey Cheah, Founder and Chairman of Sunway Group launching the IPO prospectus of Sunway Construction. Maybank Investment Bank was the Joint Global Coordinator, Joint Bookrunner and Joint Underwriter of this IPO.

### Equity Capital Markets

Our Equity Capital Markets (ECM) franchise had another outstanding year having assisted our clients in raising a total of USD4.3 billion from the equity markets both domestically (USD3.9 billion) and across the region (USD400 million).

In Malaysia, we were involved in the two largest initial public offerings (IPO) for 2015, namely the USD1.05 billion (RM3.15 billion) IPO of Malakoff Corporation Berhad, which was also the largest IPO in Malaysia since October 2012, and the USD147 million (RM550 million) IPO of Sunway Construction Group Berhad. We also played pivotal roles in the successful execution and completion of rights issues for Eco World Development Group Berhad, Malaysia Airports Holdings Berhad, Mah Sing Group Berhad, RHB Capital Bhd as well as Hong Leong Financial Group and Hong Leong Bank's rights issues, which raised a total of USD2.31 billion (RM9.20 billion) for the issuers.

We demonstrated our strong distribution capabilities through our involvement in the successful USD178.8 million (RM638.4 million) primary placement of Eco World and USD84.30 million (RM201.4 million) primary placement of CapitaMalls Malaysia Trust. In addition, we successfully executed a follow-on placement for Standard Chartered IL and FS Asia Infrastructure Growth Fund Company Pte Limited and SEASAF Power Sdn Bhd of their remaining 5.7% stake in Malakoff, raising USD105.0 million (RM444.0 million).

In the region, we continued to be active with our participation in Thailand's Global Power Synergy's USD301.5 million (THB10.1 billion) IPO, as well as the USD159.4 million (THB5.18 billion) IPO of Platinum Group — the largest Thailand Property IPO in 2015 as of pricing date. We were also involved in the USD46.4 million (SGD63.1million) primary placement of Viva Industrial Trust in Singapore.

In recognition of our consistent class-leading performance, our ECM franchise was awarded the Best Domestic Equity House (Malaysia) in 2015 by Asiamoney. Regionally, we were awarded Best Equity House for Maybank Kim Eng Thailand in 2015 by Alpha Southeast Asia.

### Equities

2015 was a year of achievement for Equities. For the second consecutive year, we were named the Best Broker in Southeast Asia, Best Institutional Broker in Malaysia, the Philippines, and Indonesia, and Best Retail Broker in Malaysia, Thailand, the Philippines, Indonesia, and Vietnam by Alpha Southeast Asia. Our teams in Singapore and Thailand were also named Best Brokerage House by the Asset Triple A for the second year in a row.

In the region, we continued to register strong performance with our Thailand team retaining its position as the top broker for the 14<sup>th</sup> consecutive year and our team in the Philippines strengthening their ranking from 4<sup>th</sup> to 2<sup>nd</sup>.

Leveraging Maybank Group's presence in ASEAN and our growing regional franchise, we launched the Invest ASEAN 2015 edition roadshow in February, travelling to six countries namely Malaysia, Singapore, Vietnam, Indonesia, the Philippines and Thailand. As Maybank's flagship investors conference, Invest ASEAN continued to advocate ASEAN's rich opportunities as a single marketplace and promote the region's most investable companies to global investors. Overall, Invest ASEAN 2015 edition was a great success, drawing close to 4,118 participants from 19 countries, including 175 companies with a total market value of nearly USD459 billion, and investors with a combined Asset Under Management (AUM) of over USD35 trillion. The conferences were very well received in each location and have further entrenched Maybank's position as the Gateway to ASEAN opportunities.

## Global Banking

The overall success of the Invest ASEAN conference has made a strong impact on our Research and Institutional Equities franchise. We are encouraged to have been awarded the Most Innovative Research House Asia and Best Corporate Access ASEAN by The Global Banking & Finance Review. In the recent Asiamoney's Brokers Poll — Asia's largest and most recognised equities poll for institutional research and brokerage — we were voted Malaysia's Best Brokerage House, Best Overall Country Research and Macroeconomic Research for Malaysia for the first time. In addition, we were named best research for eight out of 19 categories in Malaysia. We were also voted 3<sup>rd</sup> for Asia's most improved brokerage in the last 12 months, and 2<sup>nd</sup> Best Brokerage House in Singapore and the Philippines.

One of our key differentiator is the strength of our equities research. Our award-winning Malaysian and regional research teams continued to provide in-depth country analysis and bottoms-up reports on hundreds of public listed corporates across eight countries — Malaysia, Singapore, Thailand, Indonesia, the Philippines, Vietnam, Hong Kong/China, and India. To provide our clients with insights and breakaway investment ideas, we leveraged our regional expertise and deep local knowledge to produce special innovative regional research papers such as the "Big Ideas: The Charts of ASEAN" and the comprehensive stress tests completed as a team for the companies in the region in September. Besides equities, our team also provided timely analysis on regional and country macro-economics, fixed income and foreign exchange research. Our research teams have won several accolades most notably the strong recognition we received in the recent Asiamoney's Brokers Poll Awards.



Plenary session at The Invest ASEAN Singapore conference.



Malaysian Prime Minister Dato' Seri Najib Razak with Senator Dato' Seri Abdul Wahid Omar, leaders of Maybank and Heads of Stock Exchange from ASEAN.

### Equity and Commodity Derivatives Group

Equity and Commodity Derivatives Group (ECDG) also had a good year in 2015. In the exchange traded space, we maintained our pole position among the Structured Warrant issuers in Malaysia with a total of 114 outstanding Structured Warrants. In Thailand, we were ranked 2<sup>nd</sup> among the 12 derivative warrant issuers as of the end of 2015. In the over-the-counter market, ECDG also continued to provide investors with equity and commodity linked structured products and investments, as well as complex, bespoke solutions for corporate and institutional clients in the ASEAN region.

### CORPORATE BANKING

Corporate Banking 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. It works in collaboration with its product partners, including Transaction Banking, Global Markets, Investment Banking and Maybank Islamic Berhad, leveraging on its country, industry and credit expertise to structure high quality loans.

In line with our aspiration to deliver a differentiated client experience, Corporate Banking embarked on a transformation journey in 2015 to further enhance our product and solution offerings to corporate clients in Malaysia and across the region. With the transformation, Corporate Banking has further elevated our focus on taking a holistic approach to improve customisation and execution of financing propositions to its clients. Anchored on achieving "Product and Operational Excellence", our transformation journey has seen structural changes, talent management, process re-engineering as well as system enhancements.

In addition, Corporate Banking has initiated substantial efforts on the management of its loans portfolio in line with the intents of returns and capital efficiency. A proactive and pre-emptive approach was adopted to ensure the quality of its assets amidst the headwinds and volatilities in the operating environment.



(From left) Chan Jiaheng, Executive Director of Fajarbaru-Beulah (Melbourne) Pty Ltd and Caroline Teoh, Managing Director of Corporate Banking, Global Banking at the signing ceremony between both parties pertaining to facilities granted to part finance the Gardenhill residential project in Melbourne, Australia in July 2015.

In 2015, Corporate Banking's total income increased by 4.0% YoY to RM2.48 billion (2014: RM2.38 billion) despite slower market growth, while PBT closed 3.6% higher YoY. The growth can mainly be attributed to increased utilisation as we embarked on our capital efficiency and cost management drive. Corporate Banking's loan portfolio quality remained strong with stable asset quality.

In 2016, we will build on our transformation efforts to deliver an even better set of financing propositions for our clients with the focus on strengthening our key regional markets namely Singapore, Indonesia and Greater China.

## Global Banking

### TRANSACTION BANKING

Transaction Banking consists of five main lines of business: Cash Management, Trade and Supply Chain Financing, Structured Trade and Commodities Finance, Financial Institutions, and Securities Services.

In 2015, Transaction Banking maintained its position as the leading Transaction Bank in Malaysia with a substantial Trade Finance market share of 25.7% (as of September 2015) and Cash Management market share of 36.0% (transaction value; as of September 2015). In addition, we maintained our market share of 11.9% (as of November 2015) for corporate deposits in Malaysia despite heightened competitive pressures. Partnering with Global Markets, Transaction Banking also successfully rolled out the Trade and Treasury Solution Advisory domestically to effectively facilitate trade, cash and foreign exchange flows and enhance fee income.

Transaction Banking also made headlines in 2015 through various product launches and collaborations. We launched the Islamic Custody Services in collaboration with Maybank Islamic Berhad in January 2015 for the benefit of our domestic and regional Shariah-conscious clients. This solution is targeted at Malaysia's leading institutional investors, GLCs and sovereign wealth funds with an estimated asset under management (AUM) of about RM1.4 trillion.

With its establishment, Islamic Custody Services is able to leverage the existing footprint and expertise of Maybank Islamic Berhad to capitalise on the Group's capabilities to provide its clients with an array of Shariah-compliant investment services solutions including global custody, sub-custody, fund accounting and administration, transfer agency as well as trustee services.

On the regional front, we continued to enhance our base in Asia by building relationships with corporates and financial institutions to support the needs of our regional clients. In July 2015 Transaction Banking tied-up with Kasikornbank Pcl, a leading Thai commercial bank to tap into business opportunities arising from the AEC. A Memorandum of Understanding (MOU) was signed, which will see both banks providing advisory services to clients, customer referrals to increase cross-border businesses and explore a collaborative framework for other areas of business.

In Greater China, Transaction Banking reached an agreement to partner with China UnionPay Merchant Services (China UMS) to tap into the card payments collection market in China — a market that is worth at least RMB14.0 trillion per year and underpinned by an annual growth rate of 26.0%. Maybank is the pioneering Malaysian bank to sign such an agreement with China UMS, currently the leading issuer of point-of-sale (POS) terminals in China with a market share of 40.0%. This partnership is expected to boost our cash management business in China as we are now able to offer our clients comprehensive collection and payment solutions. The tie-up is expected to benefit Maybank's existing corporate customers involved in retail businesses in China, including automotive distributors, food and beverage outlets, departmental stores and hotels.



(From left) John Wong, Managing Director of Transaction Banking, Datuk Cheong Kwee Heng, CEO of Maybank Greater China, Zhang Yong Tao, Vice President of China UMS and Liu De Wei, General Manager of Marketing of China UMS during the MOU signing ceremony in Shanghai.



(From left) Pipit Aneaknithi, Executive Vice-President of Kasikornbank Pcl and John Wong, Managing Director of Transaction Banking during the MOU signing ceremony in Kuala Lumpur.

Moving forward, Transaction Banking will continue our efforts to operationalise several strategic initiatives to further strengthen our regional footprint. Besides our ongoing efforts to strengthen our product and channel offerings, we will also focus on extending working capital solutions to our clients regionally and continue to undertake tactical improvements across all areas to improve customer experience. We also plan to grow the Financial Institutions, Securities Services and Structured Finance businesses across the region.

## Global Banking

### GLOBAL MARKETS

Global Markets provides a comprehensive range of treasury products and services through our presence in 11 countries globally. Our products and services include foreign exchange, money market instruments, fixed income securities, currency/interest rate derivatives and other structured products. We work closely with our client segment teams to provide financial market products and solutions that meet our clients' needs.

We remain steadfast in our ASEAN presence as we continue to hold Central Banks' appointment as a principal dealer for government bonds at our major Global Markets centres. Maybank is also an appointed market maker by the People's Bank of China for RMB/MYR and RMB/SGD. Meanwhile in Malaysia, Maybank and Maybank Islamic were appointed as Principal Dealer (PD) and Islamic Principal Dealer (i-PD) respectively by Bank Negara Malaysia. These appointments as Principal Dealers are a testament to our sound risk management practices and capabilities in managing large-volume transactions in both primary and secondary markets.

In 2015, we continued to build on our financial solutions capabilities to meet clients' investment and hedging needs as we infused our structuring capabilities across ASEAN and North Asia. This is evidenced by the growth in volume of our interest rate and foreign exchange derivatives business and client income in recent years. We also continued to invest in our ASEAN presence with the implementation of the Global Traded Risk Management System in Cambodia and Vietnam, in addition to the regionalisation of our electronic platform to improve pricing and execution efficiencies for vanilla products across our network globally.

Global Markets achieved resilient income growth in 2015 despite the volatile business environment. This was the result of our entrenched franchise and versatile business model that allowed us to capitalise on business opportunities arising from the market conditions. While trading income trended lower across our markets in 2015, our income performance remained supported by our investment book. Across the region, Global Markets chalked up a steady income growth of 6.5% YoY to RM2.78 billion (FY2014: RM2.61 billion), underpinned by stable income contribution from both domestic and regional treasury centres. PBT rose 1.8% to RM2.26 billion compared to the previous year.

In 2016, Global Markets will build on this momentum to strengthen our product offerings and further invest in our regional platform.



Maybank Global Markets and Research team with our panel of speakers at the November 2015 Economic Seminar held at Mandarin Oriental, Kuala Lumpur.

## Global Banking

### ASSET MANAGEMENT

Maybank Asset Management Group is the fund management arm of Maybank Group, providing a diverse range of multi-asset investment solutions, both conventional and Islamic, through our fund management and private equity divisions. Our core competencies lie in our Asian-focused expertise, giving us first-hand local and regional market insights.

In 2015, we further broadened our investment expertise through absolute return and alternative investments. We also strengthened our product manufacturing and distribution capabilities, with the following notable milestones:

- Launched Maybank Bosera Greater China ASEAN Equity-I, the first Shariah-compliant fund to be introduced under the ASEAN passport scheme and approved by the Securities Commission. The fund also marks our pioneering collaboration with a leading Chinese asset management company.
- Launched Maybank Constant Income Funds - 2<sup>nd</sup> and 3<sup>rd</sup> series.
- Established a strategic partnership with Hastings Management Pty Ltd to become Asia's preferred investment solutions provider through the diversification of our product offerings to include Islamic alternative investment solutions.
- 'Best Islamic Product' and 'Rising Star' category recognition for Malaysia at the Asia Asset Management Best of the Best Awards 2015.

As we continue the focus on Asia through our ASEAN presence, we are encouraged by the commendable 20% YoY growth in AUM achieved in FY2015, bringing the AUM to RM18 billion as at 31 December 2015.

Moving forward, Maybank Asset Management Group has lined up specific initiatives to further expand its business capacity and capabilities, including elevated focus on alternative distributions and strategic partnerships with leading global investment firms. Maybank Asset Management Singapore will also begin to passport its Asian Equity and Income Funds regionally while Maybank Asset Management Indonesia will be leveraging Maybank Indonesia's distribution channels to grow its capital protected funds. For this, the Maybank Shariah Equity Fund was recently launched to support the development of the Shariah Capital Market in Indonesia.



(From left) Datuk Mohajyani Shamsudin, Chairman of Maybank Asset Management Group (MAMG), Nor' Azamin Salleh, CEO of MAMG, Robert Campbell, Director of Asia, Hastings Management Pty Ltd, Dato' Azian Mohd Noh, Chairman of Maybank Islamic Asset Management (MIAM), and Ahmad Najib Nazlan, CEO of MIAM.

Signing of the Memorandum of Understanding between Maybank Asset Management Group and Hastings Management Pty Ltd at the 11<sup>th</sup> World Islamic Economic Forum (WIEF), Kuala Lumpur Convention Centre on 4 November 2015.



(From left) Bpk Denny R. Thaher – President Director & CEO, PT Maybank Asset Management, Ibu Ir.Nurhaida, MBA, Chief Executive Functioning Capital Market Supervisor, Indonesia Financial Services Authority (OJK), and Nor' Azamin Salleh, CEO of Maybank Asset Management Group.

Sharing market updates and launching of Maybank Shariah Equity Fund at Maybank Asset Management Investor Gathering Event & Press Conference held at Mulia Hotel, Jakarta on 19 October 2015.

# Global Banking

## KEY DEALS COMPLETED IN 2015

|                                                                                                                                  |                                                                                                              |                                                                                                                    |                                                                                                       |                                                                                                              |                                                                                                                                                                                    |                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Malaysia                                                                                                                         | Malaysia                                                                                                     | Malaysia                                                                                                           | Malaysia                                                                                              | Malaysia                                                                                                     | Malaysia                                                                                                                                                                           | Malaysia                                                                 |
|                                                                                                                                  |                                                                                                              |                                                                                                                    |                                                                                                       |                                                                                                              |                                                                                                                                                                                    |                                                                          |
| Mah Sing Group Berhad                                                                                                            | Weststar Aviation Services Sdn Bhd                                                                           | SMRT Holdings Berhad                                                                                               | SMRT Holdings Berhad                                                                                  | Mah Sing Group Berhad                                                                                        | PETRONAS Capital Ltd                                                                                                                                                               | PETRONAS Global Sukuk Ltd                                                |
| Up to RM630.0 million                                                                                                            | RM1.9 billion                                                                                                | RM51.9 million                                                                                                     | RM11.53 million                                                                                       | Up to RM600.0 million                                                                                        | USD15 billion                                                                                                                                                                      | USD1.25 billion                                                          |
| Rights Issue<br>Joint Managing Underwriter<br>Joint Underwriter                                                                  | Syndicated Murabahah Term Financing & Islamic Working Capital Facilities<br>Mandated Lead Arranger<br>Lender | Mergers & Acquisition<br>Principal Adviser                                                                         | Private Placement<br>Principal Adviser<br>Placement Agent                                             | Unrated Perpetual Sukuk Musharakah Programme<br>Joint Lead Manager                                           | Global Medium Term Note Programme<br>Joint Bookrunner                                                                                                                              | Islamic Trust Certificates<br>Joint Bookrunner                           |
| February 2015                                                                                                                    | February 2015                                                                                                | March 2015                                                                                                         | March 2015                                                                                            | March 2015                                                                                                   | March 2015                                                                                                                                                                         | March 2015                                                               |
| Malaysia                                                                                                                         | Malaysia                                                                                                     | Malaysia                                                                                                           | Malaysia                                                                                              | Malaysia                                                                                                     | Malaysia                                                                                                                                                                           | Malaysia                                                                 |
|                                                                                                                                  |                                                                                                              |                                                                                                                    |                                                                                                       |                                                                                                              |                                                                                                                                                                                    |                                                                          |
| Impian Bebas Sdn Bhd JV KLCC (Holdings) Sdn Bhd & Sapura Resources Berhad                                                        | Cititower Sdn Bhd JV KLCC (Holdings) Sdn Bhd & QD Asia Pacific Ltd                                           | Point Zone (M) Sdn Bhd KPJ Healthcare Bhd                                                                          | IJM Corporation Berhad                                                                                | ENRA GROUP BERHAD                                                                                            | Malakoff Corporation Berhad                                                                                                                                                        | Eco World – Ballymore Holding Company Limited                            |
| Up to RM1.08 billion                                                                                                             | Up to RM3.2 billion                                                                                          | Up to RM1.5 billion                                                                                                | RM1.98 billion                                                                                        | GBP6.38 million                                                                                              | RM3.1 billion                                                                                                                                                                      | Up to GBP1.1 billion                                                     |
| Club Deal Islamic Term Financing<br>Coordinating Bank<br>Joint Lead Arranger<br>Facility Agent<br>Security Agent                 | Syndicated Islamic Term Financing<br>Joint Mandated Lead Arranger<br>Bookrunner<br>Joint Underwriter         | Sukuk<br>Joint Principal Adviser<br>Joint Lead Arranger<br>Joint Lead Manager<br>Facility Agent<br>Shariah Adviser | Privatisation of IJM Land Berhad<br>Principal Adviser                                                 | Acquisition by Fitzrovia Development Ltd of a 5 Storey Office Building in London<br>Principal Adviser        | Initial Public Offering (IPO)<br>Transaction Manager<br>Joint Principal Adviser<br>Joint Global Coordinator<br>Joint Bookrunner<br>Joint Managing Underwriter<br>Joint Underwriter | Syndicated Loan<br>Joint Mandated Lead Arranger<br>Joint Bookrunner      |
| April 2015                                                                                                                       | April 2015                                                                                                   | April 2015                                                                                                         | April 2015                                                                                            | April 2015                                                                                                   | April 2015                                                                                                                                                                         | April 2015                                                               |
| Malaysia                                                                                                                         | Malaysia                                                                                                     | Malaysia                                                                                                           | Malaysia                                                                                              | Malaysia                                                                                                     | Malaysia                                                                                                                                                                           | Malaysia                                                                 |
|                                                                                                                                  |                                                                                                              |                                                                                                                    |                                                                                                       |                                                                                                              |                                                                                                                                                                                    |                                                                          |
| Jambatan Kedua Sdn Bhd                                                                                                           | Dayang Enterprise Holdings Berhad                                                                            | Genting Plantations Berhad                                                                                         | Kuala Lumpur Kepong Berhad                                                                            | Genting Malaysia Berhad                                                                                      | Wing Tai Malaysia Berhad                                                                                                                                                           | Alliance Bank Malaysia Berhad                                            |
| Up to RM4.6 billion                                                                                                              | RM841 billion                                                                                                | Up to RM1.0 billion                                                                                                | Up to RM1.6 billion                                                                                   | RM2.4 billion                                                                                                | RM182 million                                                                                                                                                                      | RM900 million                                                            |
| Islamic Medium Term Note<br>Joint Lead Arranger<br>Joint Lead Manager<br>Joint Bookrunner<br>Facility Agent<br>Financial Adviser | Mandatory General Offer (MGO) of Perdana Petroleum Bhd<br>Principal Adviser                                  | Sukuk Murabahah Issuance<br>Joint Lead Manager<br>Joint Book Runner                                                | Multi-Currency IMTN Programme<br>Joint Principal Adviser<br>Joint Lead Arranger<br>Joint Lead Manager | Medium Term Note Programme<br>Joint Adviser<br>Joint Lead Arranger<br>Joint Lead Manager<br>Joint Bookrunner | Rights Issue<br>Principal Adviser                                                                                                                                                  | Subordinated Medium Term Notes<br>Joint Lead Manager<br>Joint Bookrunner |
| May 2015                                                                                                                         | May 2015                                                                                                     | June 2015                                                                                                          | August 2015                                                                                           | August 2015                                                                                                  | September 2015                                                                                                                                                                     | October 2015                                                             |

## Global Banking

|                                                                                                    |                                                                                                                       |                                                                                                                                                                    |                                                                                                                        |                                                                                                                 |                                                                                                                                                                      |                                                                                                 |
|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| Malaysia                                                                                           | Malaysia                                                                                                              | Malaysia                                                                                                                                                           | Malaysia                                                                                                               | Malaysia                                                                                                        | Malaysia                                                                                                                                                             | Malaysia                                                                                        |
|                   |                                      |                                                                                   |                                      |                              |                                                                                   |              |
| Malakoff Corporation Berhad                                                                        | Jimah East Power Sdn Bhd                                                                                              | Tanjung Pinang Development Sdn Bhd                                                                                                                                 | Jana Pendidikan Malaysia Sdn Bhd                                                                                       | West Coast Expressway Sdn Bhd                                                                                   | Kumpulan Perangsang Selangor Berhad                                                                                                                                  | Prasarana Malaysia Bhd                                                                          |
| RM444.0 million<br>Placement of Secondary Shares<br>Joint Bookrunner                               | Up to RM10.0 billion<br>Sukuk Murabahah Issuance<br>Joint Lead Manager<br>Joint Book Runner                           | Up to RM1.084 billion<br>Syndicated Murabahah Term Financing<br>Joint Principal Adviser<br>Joint Lead Arranger<br>Joint Underwriter<br>Joint Book Runner<br>Lender | Up to RM1.2 billion<br>Medium Term Note Programme<br>Joint Lead Arranger<br>Joint Lead Manager<br>Subscriber           | RM1.50 billion<br>Syndicated Term Loan Facilities<br>Joint Mandated Lead Arranger<br>Financier                  | RM78.05 million<br>Disposal of Equity Interest in Titisang Modal (M) Sdn Bhd to Pengurusan Air Selangor Sdn Bhd<br>Principal Adviser                                 | Up to RM5.0 billion<br>Sukuk Murabahah Issuance<br>Joint Adviser<br>Joint Lead Manager          |
| November 2015                                                                                      | December 2015                                                                                                         | December 2015                                                                                                                                                      | December 2015                                                                                                          | December 2015                                                                                                   | December 2015                                                                                                                                                        | December 2015                                                                                   |
| Singapore                                                                                          | Singapore                                                                                                             | Singapore                                                                                                                                                          | Singapore                                                                                                              | Hong Kong                                                                                                       | Hong Kong                                                                                                                                                            | Hong Kong                                                                                       |
|                 |                                    |                                                                                 |                                    |                            |                                                                                 |            |
| Hap Seng Consolidated Berhad                                                                       | Frasers Centrepoint Limited                                                                                           | PacificLight Power Pte Ltd / Pacificlight Energy Pte Ltd                                                                                                           | Viva Industrial Trust                                                                                                  | Samson Paper Company Ltd                                                                                        | Fosun International Limited                                                                                                                                          | The Government of the Hong Kong Special Administrative Region of the People's Republic of China |
| Up to SGD52.5 million<br>Partial Offer on 51% of Hafary Holdings Limited<br>Sole Financial Adviser | SGD700 million<br>Subordinated Perpetual Securities<br>Joint Global Adviser<br>Joint Lead Manager<br>Joint Bookrunner | SGD1.1 billion<br>Syndicated Credit Facilities<br>Financial Adviser<br>Mandated Lead Arranger<br>Underwriter<br>SBLC Issuing Bank<br>Facility/Security Agent       | SGD63 million<br>Primary Placement<br>Joint Bookrunner and Placement Agent                                             | HKD728 million<br>Syndicated Term Financing<br>Joint Mandated Lead Arranger<br>Bookrunner<br>Joint Under Writer | USD800 million<br>Syndicated Term Loan<br>Mandated Lead Arranger and Bookrunner                                                                                      | USD1 billion<br>Sukuk Wakalah<br>Co-Manager                                                     |
| February 2015                                                                                      | March 2015                                                                                                            | April 2015                                                                                                                                                         | June 2015                                                                                                              | March 2015                                                                                                      | May 2015                                                                                                                                                             | June 2015                                                                                       |
| Hong Kong                                                                                          | Philippines                                                                                                           | Philippines                                                                                                                                                        | Philippines                                                                                                            | Philippines                                                                                                     | Turkey                                                                                                                                                               | UAE                                                                                             |
|                 |                                    |                                                                                 |                                    |                            |                                                                                 |            |
| Zhuhai Holdings Investment Group Limited                                                           | National Grid Corporation of the Philippines                                                                          | Petron Corporation                                                                                                                                                 | Petron Corporation                                                                                                     | San Miguel Consolidated Power Corporation                                                                       | KT Kira Sertifikalari Varlik Kiralama A.S.                                                                                                                           | DIB Sukuk Limited                                                                               |
| HKD2 billion<br>Syndicated Term Loan<br>Mandated Lead Arranger and Bookrunner                      | PHP1.0 billion<br>Fixed Rate Corporate Notes<br>Lead Arranger                                                         | USD78.57 million<br>5-Year Refinancing Facility<br>Structuring Bank<br>Mandated Lead Arranger & Bookrunner                                                         | USD23.8 million<br>5-Year Backstop Syndicated Term Facility<br>Structuring Bank<br>Mandated Lead Arranger & Bookrunner | USD45.0 million<br>7-Year Syndicated Term Loan Facility<br>Mandated Lead Arranger & Bookrunner                  | RM300 million<br>Sukuk Wakalah<br>Joint Principal Adviser<br>Joint Lead Arranger<br>Joint Lead Manager<br>Joint Bookrunner<br>Joint Shariah Adviser<br>Sukuk Trustee | USD750 million<br>Sukuk Wakalah<br>Joint Lead Manager<br>Joint Bookrunner                       |
| July 2015                                                                                          | June 2015                                                                                                             | July 2015                                                                                                                                                          | July 2015                                                                                                              | December 2015                                                                                                   | March 2015                                                                                                                                                           | June 2015                                                                                       |

# Overseas Operations

## Singapore



**DATUK LIM HONG TAT**  
CEO, Maybank Singapore

**“By harnessing the diverse capabilities of Maybank entities in Singapore, we have been delivering financial solutions that are uniquely Maybank. Through various collaborative efforts, we captured significant new business and reinforced our position as a major player in Singapore. In the face of challenging times ahead, we will continue to pursue even closer collaboration and synergy to unleash the vast potential of our franchise in Singapore.”**

### 2016 OUTLOOK

Singapore’s economy is forecast to expand by between 1.0% to 3.0% in FY2016. Trade-related industries such as manufacturing and shipping are expected to remain weak amid the challenging external environment, in particular the economic slowdown in China. On a positive note, domestic-oriented sectors such as construction and healthcare should see relatively firmer growth.

Meanwhile, property prices in Singapore are likely to soften further in 2016 as the combination of rising interest rates and persistent supply overhang continue to dampen market sentiments. Barring any unforeseen economic shocks, the risk of a property market collapse remains low at this juncture.

### Our Priorities in 2016

- Leverage the combined capabilities of Maybank Singapore, Maybank Kim Eng, Etiqa and Maybank Asset Management to deliver a holistic suite of financial solutions to our customers.
- Deepen our engagement across key customer segments and ramp-up cross-selling.
- Leverage virtual channels to strengthen our distribution capabilities.
- Capture cross-border trade, investment and AUM flows in the region.
- Strengthen deposit base by offering a suite of differentiated transactional and wealth management services.
- Expand Islamic offerings to provide alternate financing solutions for our customers.

### Key Highlights in 2015

- FY2015 operating profit rose 5.3% on the back of a 4.5% increase in total revenue.
- Maybank Singapore’s loans and deposits outpaced the industry with a growth of 6.0% and 10.2% respectively.
- Won Highly Commended for “Excellence in Mobile Banking” at the 6<sup>th</sup> Retail Banker International Asia Trailblazer Awards.
- Won Community Building award at the Singapore Creative CSR Awards 2015.

### OVERVIEW

Maybank Singapore is a Qualifying Full Bank (QFB) with an approximate net asset size of about SGD60.96 billion and over 1,800 staff. Established since 1960, we have a significant presence in both the retail and wholesale banking markets.

Our network includes 26 service locations in Singapore, one of the largest among foreign banks in the country. We are also part of atm5 — Singapore’s only shared ATM network among the seven participating QFBs, with a combined reach of more than 200 ATMs. Together with our various digital banking platforms, our distribution coverage is complete.

Our vision is to become a major foreign financial services group in Singapore. To this end, our greatest differentiating advantage is to leverage the Group’s collective product and distribution capabilities to deliver a competitive and holistic suite of financial solutions.



## Overseas Operations Singapore

### 2015 FINANCIAL PERFORMANCE

Full year net profit before tax for the financial year ended 31 Dec 2015 was SGD400.63 million. This was 7.4% lower than the previous year. However, operating profit rose 5.3% on the back of a 4.5% increase in total income.

Net fund based income rose 13.4% to SGD580.31 million, underpinned by an expanded loan base and improved margins. Fee-based income declined 11.7% to SGD249.97 million as a decline in both treasury and wealth management income more than offset a rise in credit-related fees.

Total loans increased by 6.0% to reach SGD37.15 billion as at December 2015 while system-wide loans stagnated. Amid the weaker economic environment, asset quality deteriorated slightly with the gross impaired ratio rising to 0.5% from 0.2% in the previous year.

Total deposits expanded by 10.2% to reach SGD43.55 billion as at December 2015. This was also faster than the industry growth rate of 4.6%.

### KEY BUSINESS HIGHLIGHTS

#### Single Captainship — Sharpening our collaborative edge

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

2015 continued to see greater collaboration between the Group's entities in Singapore. For example, both Maybank Singapore and Maybank Kim Eng jointly worked on 12 investment banking deals in Singapore with a total value of SGD7 billion. Together with Etiqa and Maybank Asset Management, we also introduced new insurance and investment products to meet the diverse needs of the community.

#### Customer Segmentation

A new operating model was implemented in 2015 as part of the Retail SME (RSME) transformation plan. Among others, a new sales distribution framework and credit scorecard was put in place, which helped to accelerate business growth and boosted the RSME portfolio by 19.8% as at end December 2015.

Following the launch of Premier Wealth in 2014, our customer base more than doubled in 2015 while total financial assets surged 84.4% as we expanded our suite of product offerings.

#### Expanding our Regional Outreach

Following the establishment of the Malaysia Desk in 2014, two additional desks were set-up in 2015 to capture cross-border financing opportunities in China and Indonesia — two of the region's most dynamic economies. Through the three desks, we have booked over SGD1 billion worth of regional exposure in Singapore.

#### Entrenching our leadership in Islamic Finance

Since the "Islamic First" initiative was rolled out in 2014, we continued to see keen interest among our customers for Islamic variants of banking products. Total Islamic deposits rose by 64.2% as at end December 2015 while Islamic loans were up nearly four-fold. Notably, there was strong demand for Islamic auto-loans and business term loans.

# Overseas Operations Indonesia



**TASWIN ZAKARIA**  
President Director, Maybank Indonesia

**“2015 was a year of transformation and integration for Maybank Indonesia. On 23 September 2015, PT Bank Internasional Indonesia Tbk changed its name to PT Bank Maybank Indonesia Tbk — affirming its Maybank Group identity, which is focused on Humanising Financial Services for all stakeholders. This transformation will make us Bigger, Better, and Stronger.**

**We aim to be the leading financial services provider in Indonesia, driven by passionately committed and innovative people, creating value and serving communities. Through this, we believe that we can achieve our goal of humanising financial services.”**

## Our Priorities in 2016

- Deepening Indonesia Regional Transformation (IRT) Implementation to boost regional penetration and productivity improvement.
- Loan growth with Capital Efficient Strategy while improving Asset Quality.
- Strengthen CASA growth drivers.
- Accelerate Fee Income growth through product diversification.
- Operational Excellence to increase productivity and efficiency improvement.
- Digital Banking to increase customer penetration and enhance customer experience.

## 2016 OUTLOOK

Amidst the global economic slowdown and turmoil in global financial markets, Indonesia's economic growth is expected to recover from 4.8% in 2015 to 5.2% in 2016. The main source of Indonesia's economic growth will come from government spending particularly strong acceleration in infrastructure projects and other capital expenditures. In addition, Indonesia's economic growth this year is also expected to be supported by the strong pace of investment, which in turn is supported by a series of government policies that facilitate those investments. Meanwhile, exports are expected to remain restrained by weak global demand which has led to the decline in commodity prices. Private consumption is expected to grow moderately by about 5.0%, supported by the easing of monetary policy implemented by Bank Indonesia.

## Key Highlights in 2015

- Amidst challenging domestic market conditions, Maybank Indonesia profit and returns for the full year 2015 improved significantly — supported by strong fee income growth, stronger balance sheet and improved liquidity positions.
- Net Profit reached IDR1.14 trillion for the financial year ended 31 December 2015, a sharp increase of 60.9% YoY.
- Shariah Banking continued to demonstrate its strong performance throughout 2015 with total Shariah assets of IDR15.99 trillion in December 2015, contributing 10.1% to the Bank's total assets. Maybank Indonesia's Shariah Bank Unit rose in ranking to fifth place in term of total assets in the Islamic Banking industry in December 2015 from eighth place in December 2014, and was ranked No. 1 in Shariah Business Unit category in December 2015.
- PT Bank Internasional Indonesia Tbk changed its name to PT Bank Maybank Indonesia Tbk reaffirming its identity as an inseparable entity of the Maybank Group.

Indonesia's inflation rate is expected to moderate and stay relatively restrained in 2016 — reaching about 4.7% YoY in 2016 compared to 3.4% YoY in 2015. The increase in the inflation rate is expected to come from the increase in food prices caused by reduced supply due to the effects of El Nino. To control inflation, the government has undertaken a series of measures to stabilise commodity prices. In addition, the government will coordinate with the central bank to monitor inflation in the different regions.

## Overseas Operations Indonesia

In line with Bank Indonesia's policy to relax monetary policy and macro-prudence, the estimated Bank Indonesia (BI) rate in 2016 was cut to 6.75%, down 75 bps from 7.50% last year. The decline in BI rate will be followed by a decline in bank lending rates which will increase demand for credit, which in turn can stimulate the Indonesian economy.

Meanwhile, in line with the global financial markets turmoil coupled with the impact of the economic slowdown in China, the threat of further devaluation of the Yuan, the threat of a US Federal Reserve rate increase, and the decline in commodity prices, especially oil, the Rupiah will still be pressured this year. The currency is expected to be around 13,500 to 14,500 per USD this year and is expected to close at around 14,500 by the end of 2016, slightly weaker compared to 13,795 at the end of 2015.

### PT BANK MAYBANK INDONESIA TBK

PT Bank Maybank Indonesia Tbk (Maybank Indonesia) is one of the largest banks in Indonesia with 56 years of experience and well known as the leader in banking service excellence. Our banking and financial services are aimed at serving both individual and corporate clients through the business segments of Retail Banking, Business Banking, and Global Banking as well as our subsidiaries, PT Wahana Ottomitra Multiartha Tbk (WOM Finance) and PT Maybank Indonesia Finance (Maybank Finance) which provides motorcycle and car financing respectively.

Our banking presence across all Indonesian provinces total 456 branches, with a regional network of 454 domestic branches including nine Shariah branches and 27 micro-functional offices, plus two overseas branches in Mauritius and Mumbai, India. Maybank Indonesia also provides e-banking services with its mobile banking, Maybank M2U, internet banking, mobile cash banking (MCK) and 1,605 ATMs including Cash Deposit Machines (CDMs) nationwide. We are also one of the few banks in Indonesia that connects to all Indonesian ATM networks, namely ATM PRIMA, ATM BERSAMA, ALTO, and CIRRUS as well as Malaysia's MEPS network and Maybank's ATMs in Malaysia and Singapore.

### FINANCIAL PERFORMANCE

Maybank Indonesia net profit reached IDR1.14 trillion for the full year ended 31 December 2015 compared with IDR 0.71 trillion for the full year ended 31 December 2014. The solid performance was achieved on the back of better Net Interest Margin, strong growth in the Bank's fee-based income as the industry loan growth had softened throughout the year, outstanding achievement in Shariah Banking, and disciplined cost management efforts.

The Bank continued to manage down exposures from certain corporate accounts that had led to an increase in the Non-Performing Loan (NPL) level. The Bank remains cautious over loan quality as businesses are still impacted by the current economic slowdown.

Our Business Banking continued to be the backbone of the Bank in generating revenues. Our efforts in re-profiling our corporate portfolio and realigning business have also started to show positive results. The Bank strengthened its focus on re-profiling its corporate portfolio and on realigning businesses with redefined risk appetite towards higher credit quality corporates to improve asset quality. Moving forward, we are poised to see further growth in Global Banking.

The Bank's continuous upgrade on its cash management system, strong financial supply chain solutions, and its (internet based) mobile banking facility, Maybank M2U have also greatly contributed to the improved liquidity position. The Loan-to-Funding ratio (Bank only, excluding subsidiaries) remained healthy at 85.1% as of 31 December 2015.

Shariah Banking has also demonstrated a significant contribution to the overall improved performance of the Bank and continued to show impressive results for the year 2015. Total Shariah financing grew by 52.8% from IDR5.68 trillion in December 2014 to IDR8.67 trillion in December 2015, contributing 7.7% of the Bank's total loan portfolio. Shariah Banking's net profit increased significantly from IDR98.36 billion in December 2014 to IDR287.92 billion in December 2015.

The Bank's revenue continued to strengthen, driven by Net Interest Margin (NIM) improvement through the Bank's disciplined loan pricing and active funding management and fee-based income diversification, that in turn was mainly driven by advisory fees, foreign exchange transactions and other fees.

At the same time, disciplined cost management efforts during the year saw the Bank improve its cost to income (CIR) ratio to below 60% for the year ended 31 December 2015.

The Bank implemented capital efficient growth strategies which enabled it to better preserve its capital. Our Capital Adequacy Ratio (CAR) stood at 15.17% in December 2015.

Given the current operating environment, we remain cautiously optimistic as we continue to seek out opportunities for sustainable growth. As part of the Maybank Group, we have the advantage of harnessing group synergies across the region and tapping into the potential arising from the economic activities in our region of focus, i.e. China and especially ASEAN, which we expect to remain robust in comparison to elsewhere in the world. Our recent brand realignment with Maybank Group will enable the Bank to further leverage the Group's differentiated strengths which we hope will lead to commendable results and deliver better value to all our stakeholders.

### ACHIEVEMENTS

Product innovation from Business Banking continued to fuel the growth in the Business Banking portfolio and revenue streams. In 2015, the Bank's Business Banking team was awarded, amongst others, the "Financial Insights Innovation Awards 2015 (FIIA 2015)" by IDC Financial Insights for its CoOLPay (Corporate On-Line Payment) and Sinergi (Distribution Card) for Financial Supply Chain Management (FSCM). The Bank also received "the Best SME Bank 2015 Award" by Alpha Southeast Asia from a field of over 200 competing banks across Southeast Asia.

Retail Banking also recorded improved performance alongside subsidiaries Maybank Finance and WOM Finance providing a positive impact to the Bank's overall performance. With its outstanding performance, Maybank Finance received an award from Indonesia Multifinance Award (IMA) as the "Best Multifinance Non-Listed Company" in the total asset size of IDR1 to IDR5 trillion category, and from Infobank as the "Best Multifinance".

Electronic Banking has also experienced robust development with the recently launched (internet based) mobile banking facility Maybank M2U, the same successful mobile banking platform used by the Maybank Group. This helped propel growth in the Bank's e-channel's volume.

## Overseas Operations Indonesia

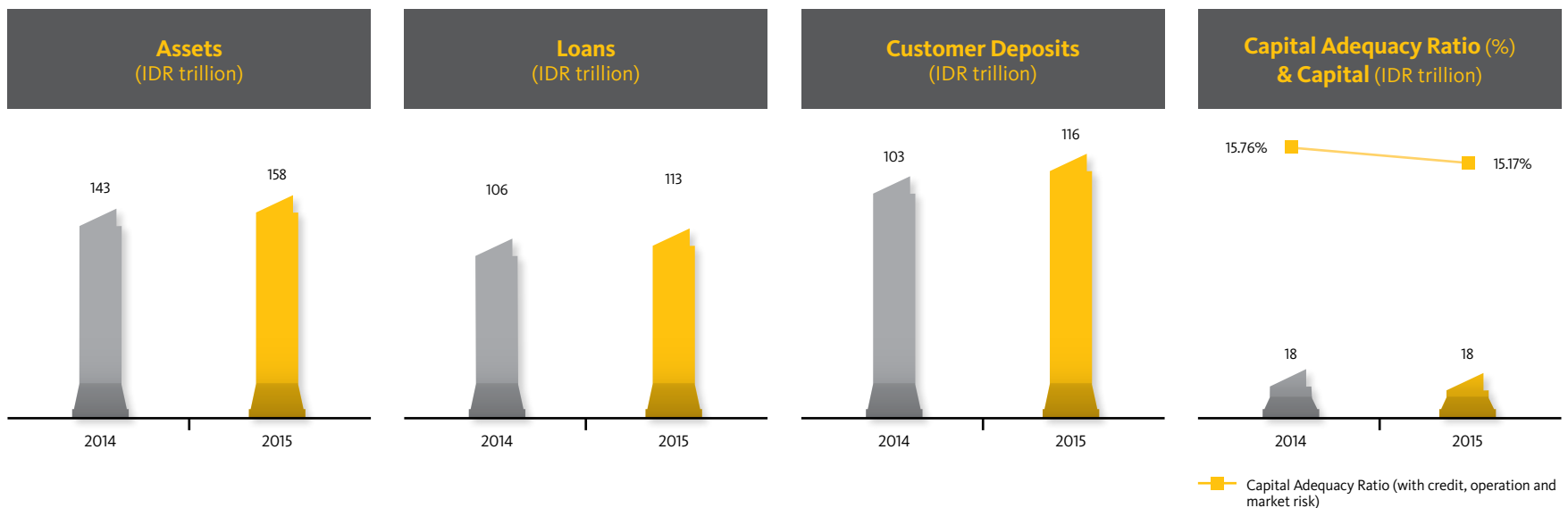
Following the implementation of the Shariah First Strategy and revamped business model in 2014, the Shariah business unit continued to show outstanding performance. The Shariah business unit also achieved various awards, including 1st position at the Islamic Finance Award 2015 for The Most Expansive Financing Shariah Unit and “Grand Champions” of the Islamic Finance Cup 2015 by KARIM Business Consulting. They were also awarded the Infobank Sharia Finance Award 2015 with a “Very Good” predicate in Financing Shariah Unit with Assets more than IDR5 trillion by Infobank.

We received two awards for our reporting practices. We were the third place winner of the Sustainability Reporting Award for Financial Service category by National Center for Sustainability Reporting (NCSR) and in second place for “The Best GCG Implementation” award for The Best Disclosure and Transparency category from Financial Services Authority cooperated with Indonesian Institute for Corporate Directorship (IICD). Furthermore, we were the fourth place winner of Anugerah Perbankan Indonesia Award for Conventional Banking (Buku III) category awarded by Perbanas Institute and Economic Review Magazine.

Maybank Indonesia won the platinum award at the Global CSR Awards 2015 held by Pinacple Group International for Women Empowerment category. An award was received for women empowerment programme for members of Komida (Koperasi Mitra Dhuafa) and ASPUK (Asosiasi Pendamping Perempuan Usaha Kecil) for our microfinancing and financial literacy programmes.

Maybank Indonesia was again selected as one of the companies in the “Top 50 Most Valuable Indonesian Brands” list with 12 other reputable banks in Indonesia. Maybank Indonesia was recognised as the financial institution that can give good value towards the brand.

Our full list of awards and recognitions can be found on page 206.



# Overseas Operations

## International



**POLLIE SIM**

Chief Executive Officer, International

**“In 2015, Team International was focused on realising our regionalisation agenda. We leveraged on our regional capabilities to serve our clients, and delivered a sterling performance during the year. We also rolled out new transformation initiatives for key markets including Greater China, the Philippines, and Indochina.**

**We remain committed to the markets that we operate in, and in line with our mission of humanising financial services, we look forward to partnering our customers in the journey of growth, and celebrating new milestones and successes together.”**

### 2016 OUTLOOK

Despite uncertainties in the economic outlook for Asia in 2016, the Philippines and Vietnam are expected to continue to thrive. With our diversified global presence, we will continue to grow our capacity and capabilities to serve our regional client base.

#### Our Priorities in 2016

- Focus on raising fee income, cross-selling initiatives and productivity.
- Deepen our liquidity profile by strengthening deposit collection.
- Strengthen asset quality management.

#### Key Highlights in 2015

- Overall, International (including associates) delivered a PBT contribution of RM1.11 billion to the Group in 2015, higher than the RM996.95 million PBT contribution in 2014.
- As part of our continuous expansion in strategic locations, we successfully set-up branches in Kunming and Yangon, as well as an upcoming branch in Shenzhen. The establishment of Maybank Kunming Branch and Maybank Yangon Branch has created greater potential for Maybank to capture the trade flows within the Greater Mekong Subregion (GMS).
- With Maybank Yangon Branch set-up in 2015, we now have a complete presence in all ten ASEAN countries, and are poised to seize market opportunities through our extended reach in the capturing of trade, capital, investment and wealth flows in Asia.

### OUR STRATEGIC PRIORITIES

The strategic regional organisation structure of International operations has gained traction in synergistic collaboration since its setup in 2014. Our in-depth knowledge of Asian markets has given us the competitive advantage to meet our clients' banking needs across the region. In 2015, we continued to expand market share with large corporates, SMEs, institutional investors and affluent individuals in the countries we operate, especially in our growth markets such as Greater China, the Philippines and Indochina.

### DRIVING GROWTH WITH SUSTAINABLE BUSINESS OPERATING MODELS

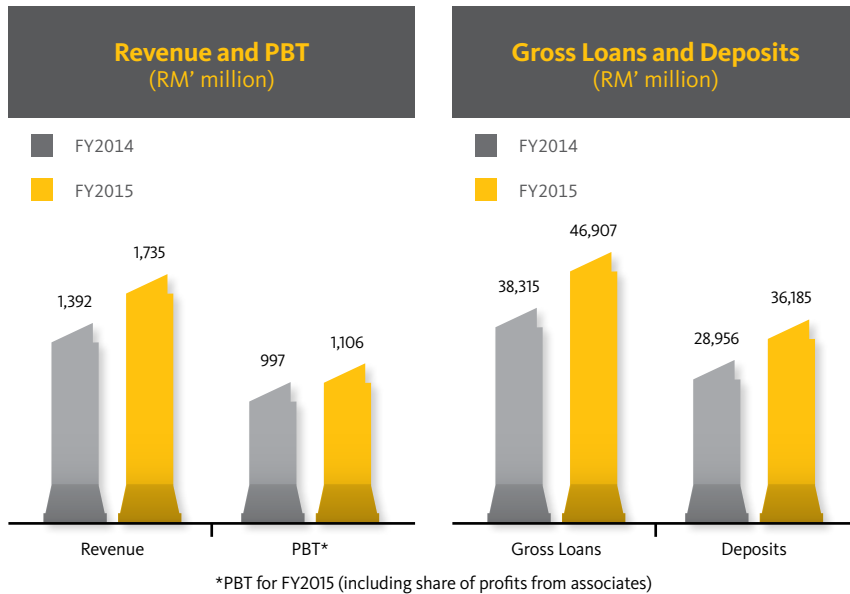
We rolled out new transformation programmes for growth markets so as to steer performance to the next level. Our focus on growth was in tandem with our emphasis on building a disciplined risk management framework. We want to deliver long-term sustainable value to our customers and stakeholders.

### ACCELERATING PROFITABILITY

International revenue grew by 26.1% YoY, on the back of steady loan and deposit growth of 24.7% and 25.0% respectively. Overall, International PBT (including associates) rose by 10.9% YoY from RM996.95 million in FY2014 to RM1.11 billion in FY2015. Overheads rose by 24.4% YoY, in line with expansionary activities during the year.

Total gross loans stood at RM46.91 billion, driven by term loans and revolving credits. Deposits stood at RM36.18 billion, with 62.1% growth in current account and savings account (CASA).

## Overseas Operations International



### GREATER CHINA

#### OVERVIEW

Maybank Greater China consists of our branches in Hong Kong, Shanghai, Beijing and Kunming, as well as an upcoming branch in 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.

#### 2016 OUTLOOK

China and Hong Kong are expected to show a moderate rise in GDP growth, at 6.0% and 2.5% respectively.

Notwithstanding the economic slowdown, depressed commodity prices and devaluation of the RMB by the People's Bank of China (PBOC), we remain positive as the economy evolves from an export-led growth economy to one driven by domestic consumption.

We are confident that China's One Belt One Road (OBOR) initiative to revive the ancient trading routes, will improve trade and cultural links between China and Europe via Central and Southeast Asia.

#### Our Priorities in 2016

- Continue to strengthen Transaction Banking and Treasury capabilities to better facilitate China-ASEAN flows.
- To shore up deposits and step up acquisition of local clients in both Hong Kong and China.
- Strengthen our RMB capabilities, by leveraging on our RMB business licence granted by the China Banking Regulatory Commission (CBRC) to our branches in China.

#### SPOTLIGHT ON 2015 ACHIEVEMENTS

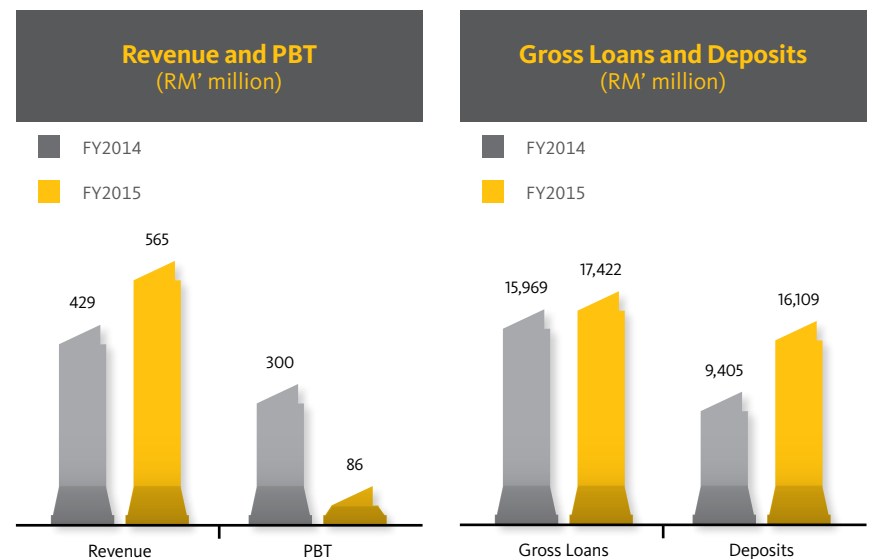
Maybank Kunming Branch was officially opened on 9 April 2015. This branch together with our newly opened Maybank Yangon Branch completed our footprint in GMS, thus facilitating greater cross-border flows.

Maybank was the Mandated Lead Arranger (MLA) of several notable deals, such as Zhuhai Holdings Investment Group Limited and Fosun International Limited.

We also achieved key milestones in our Treasury and Transaction Banking business. Maybank Beijing Branch and Maybank Kunming Branch were granted the approval of RMB business licence by CBRC in October 2015.

#### KEY HIGHLIGHTS ON 2015 FINANCIAL PERFORMANCE

- Maybank Greater China achieved a revenue growth of 31.7% YoY backed by higher loan and fee income. However, PBT declined by RM213.91 million or 71.3% YoY, impacted by loan loss provisions made in FY2015.
- Gross loans expanded by 9.1% YoY, supported by growth in term loans. Meanwhile, deposits rose significantly by RM6.71 billion or 71.3% YoY, on the back of higher CASA and fixed deposits.



## Overseas Operations International

### MAYBANK PHILIPPINES

#### OVERVIEW

Maybank Philippines Incorporated (MPI) is a full-service commercial bank providing both retail and wholesale banking services. Riding on our network of 79 branches across the country, we offer a wide array of financial solutions customised for affluent clients, and top-tier corporations in the Philippines. We are also involved in treasury operations, with an emphasis on money market operations and foreign exchange trading.

#### 2016 OUTLOOK

Among the ASEAN-5 countries, the Philippine economy is projected to have the brightest growth prospects, with GDP growth of 6.5% in 2016. This forecast is underpinned by sound macroeconomic fundamentals and robust domestic consumption.

#### Our Priorities in 2016

- Ride on the growing demand for consumer banking services, and focus on expanding our product and service offerings to the Premier Wealth and RSME clients.
- Strengthen asset quality management.
- Grow the mid-tier corporates segment.

#### SPOTLIGHT ON 2015 ACHIEVEMENTS

In 2015, our market share in Auto Finance grew to 7.5%, as the average monthly auto loan bookings rose to a record of PHP1 billion.

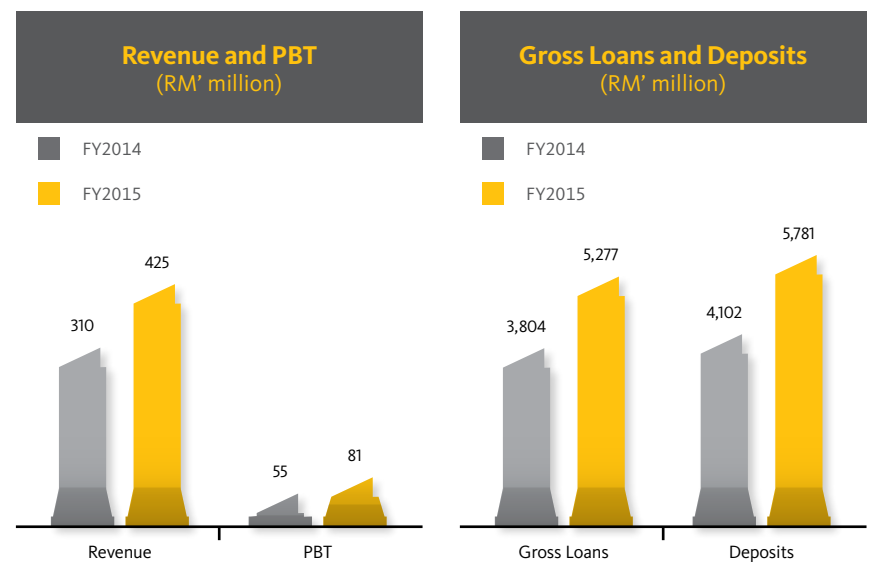
MPI bagged three awards: the Global Trade Review (GTR) — Best Islamic Trade Finance Bank, the GTR Best Deals 2014 — Wind Farm Project Financing 2014, as well as the Top 5 Fixed-Income Brokering Participant 2014.

On the global banking front, MPI was the Mandated Lead Arranger (MLA) for big corporates such as Petron Corporation and San Miguel Corporation.

Our M2U Mobile Banking application was successfully launched, as we strived to create a seamless customer experience for our clients in the Philippines.

#### KEY HIGHLIGHTS ON 2015 FINANCIAL PERFORMANCE

- Revenue increased by 37.0% YoY, led by higher net interest income and fee income by 38.5% YoY and 29.6% YoY respectively. Overall, PBT rose 47.2% YoY or RM26.10 million, driven by higher revenue from Auto Finance, Corporate Banking and Global Markets.
- Gross loans and deposits were significantly higher compared to last year, with growth of 38.7% YoY and 40.9% YoY respectively.



# Overseas Operations International

## MAYBANK INDOCHINA

### OVERVIEW

Maybank Indochina comprises our subsidiary — Maybank Cambodia PLC (MCP), as well as our full-fledged branches in Vietnam, Laos, and Myanmar. Maybank has 21 branches in Cambodia, two branches in Vietnam, and one branch each in Laos and Myanmar. We offer wholesale banking services to 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 licence by the Central Bank of Myanmar, to operate in Myanmar.

### 2016 OUTLOOK

The economies of the Cambodia, Laos, Myanmar and Vietnam (CLMV) region are expected to record an average GDP growth rate of 7.0%. Economic and investment growth prospects are supported by a number of factors, including low manufacturing costs, competitive trade and investment policies.

We remain optimistic of CLMV's growth prospects, and see strong business potential in 2016 and beyond.

### Our Priorities in 2016

- Strengthen Transaction Banking and Treasury capabilities in the region to facilitate our clients' cross-border needs.
- Deploy our Regional Cash Management System and enhance our trade finance product proposition.
- Continue to expand our Consumer Banking business in Cambodia and Laos.
- Focus on accelerating the Global Banking franchise in Vietnam and Myanmar, particularly in facilitating Foreign Direct Investment (FDI) and trade.

### SPOTLIGHT ON 2015 ACHIEVEMENTS

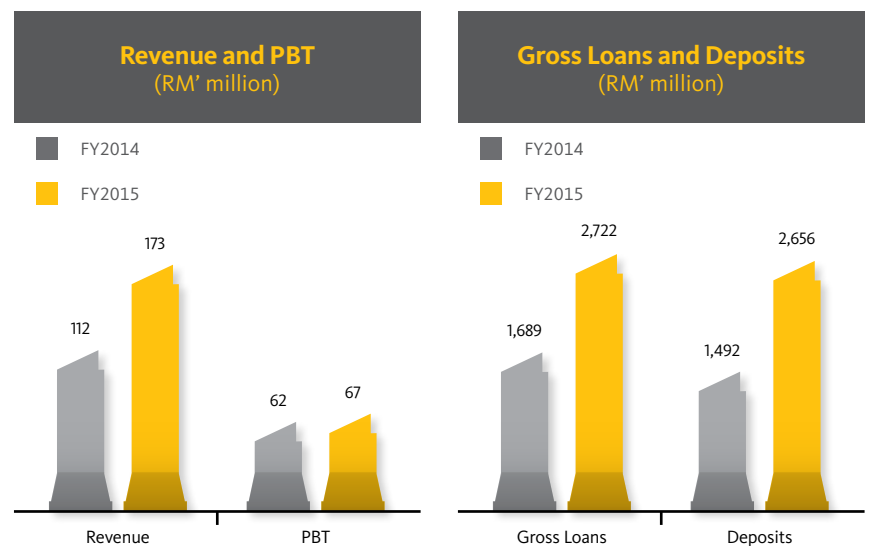
In Cambodia, Maybank was the first in the market to launch the Visa Debit card with regional benefits, and remained the exclusive acquirer for American Express cards. Mortgage and Retail Small Medium Enterprise (RSME) business also gained good traction in Cambodia in 2015, with loan growth of 40% and 34% respectively. Remittance and trade finance fee-based income rose significantly, driven by enhanced remittance services in foreign currencies and two-hour remittance services to Malaysia and Vietnam. MCP bagged two awards, namely the "Best Retail Bank Cambodia 2015" and the "Best CSR Bank Cambodia 2015".

We were awarded another banking licence by Bank of Lao for the establishment of our second branch in the country, which is expected to commence operations in Q1 2016. Maybank Yangon Branch was officially launched in October 2015, completing our footprint in ASEAN, making us the only ASEAN bank with a presence in all ten ASEAN countries.

Maybank Vietnam was a joint Mandated Lead Arranger (MLA) for Home Credit Vietnam Finance Company, which was awarded the "Best Vietnam Deal 2015".

### KEY HIGHLIGHTS ON 2015 FINANCIAL PERFORMANCE

- Strong revenue growth of 54.7% YoY, driven by Cambodia and Laos. Nevertheless, PBT rose by 8.6% YoY due to higher loan loss provisions in Laos.
- In particular, fee income saw a significant growth of 83.2% YoY, driven by Cambodia and Vietnam.
- Loans grew by 61.2% YoY, on the back of higher term loans. Deposits also rose significantly by 78.1% YoY, mainly driven by current accounts and fixed deposits.





## Overseas Operations International

### REST OF THE WORLD

#### OVERVIEW

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

#### 2016 OUTLOOK

The United States (US) and the United Kingdom (UK) economies are expected to maintain stable GDP growth at 2.7% and 2.4% respectively in 2016.

#### Our Priorities in 2016

- Strengthen Treasury capabilities in New York and London, and distribution of ASEAN assets.
- Continue to build synergies with Maybank Kim Eng in the US and UK markets to provide holistic financial solutions to our regional clients.
- Roll out RSME business in Brunei.

#### SPOTLIGHT ON 2015 ACHIEVEMENTS

Maybank successfully established a U.S. Commercial Paper (Notes) Programme (CP Programme) in October 2015. Under the CP Programme, Maybank New York Branch may issue Notes up to a maximum aggregate amount outstanding of USD500 million in nominal value.

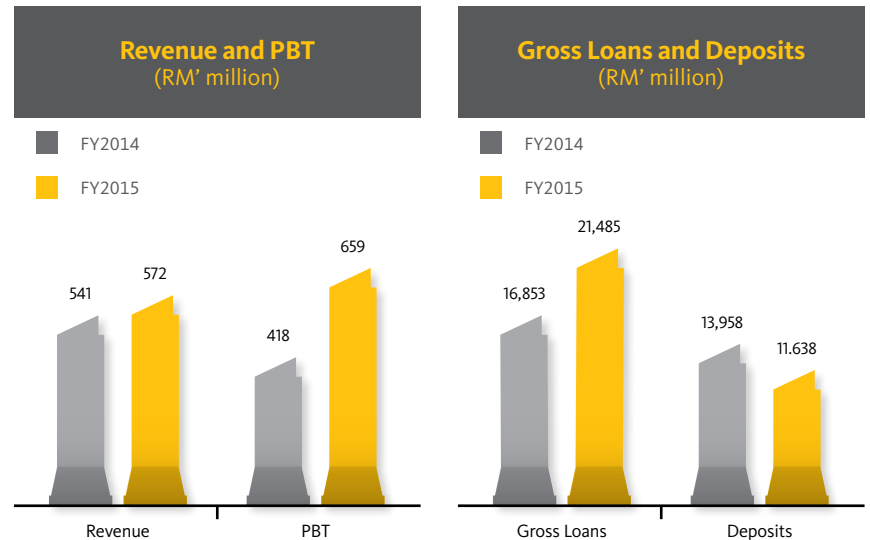
Premier Wealth was launched in Maybank London Branch and Maybank Brunei Branch.

Maybank Brunei Branch was awarded the “Fastest Growing Foreign Bank Brunei 2015” by Global Banking & Finance Review.

On 30 September 2015, Maybank completed the sale of Maybank (PNG) Limited and Mayban Property (PNG) Limited to Kina Ventures Ltd, for a total cash consideration of Kina352.8 million (equivalent to approximately RM546.8 million).

#### KEY HIGHLIGHTS ON 2015 FINANCIAL PERFORMANCE

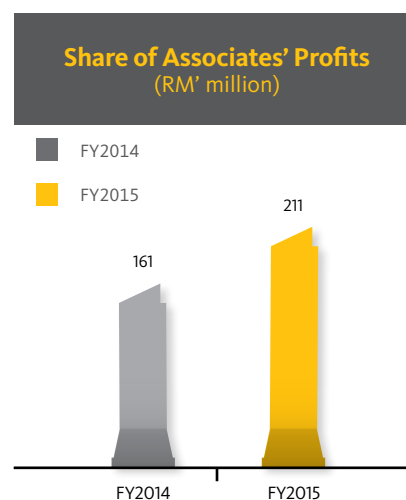
- The cluster’s performance improved with a revenue growth of 5.8% YoY. PBT rose by a remarkable 57.7% compared to the year before, aided by strong growth in net interest income coupled with write-backs in provisions during the year.
- Gross loans grew by 27.5% YoY to close the year at RM21.49 billion.



### ASSOCIATES

#### KEY HIGHLIGHTS ON 2015 FINANCIAL PERFORMANCE

Share of profits from Associates, namely MCB Bank, An Binh Bank and Uzbek Leasing International, rose by 31.0% YoY to RM211.21 million in 2015, on the back of strong growth in net interest income and fee income.



# Insurance & Takaful



**KAMALUDIN AHMAD**

Group Head, Insurance & Takaful  
Chief Executive Officer, Maybank Ageas Holdings Berhad

**“Although 2015 was a challenging year, I believe Etiqa’s intrinsic strengths enabled us to navigate through the challenging times. Moving forward, our focus is to maintain our market leading position and seek profitable opportunities wherever they may exist. The rapid development of customer behaviour puts high demands on us. We see this as an opportunity to improve customer centricity through innovation capabilities, and ultimately address a broad range of varying consumer needs to deliver great customer experiences on more innovative platforms. We are focused on delivering solutions and services that drive innovation and business value, develop our people and capabilities, and optimally manage our costs. We have great expectations for continued gains in efficiency and innovation for this year and beyond.”**

## Our Priorities In 2016

- Evaluate international expansion to gain significant presence in high growth markets by leveraging the Group’s banking footprint across ASEAN and Etiqa’s expertise in takaful and bancassurance.
- Enrich customer experience by continuously giving emphasis on empathy, professionalism, integrity and courage when dealing with customers.
- Deepen our focus on introducing innovative products based on customer needs and market/international development.
- Leverage technology by simplifying processes, employing more straight-through processing and real-time access to give a true customer experience and better understanding of customer needs and cost efficiency.

## 2015 Performance Highlights

- We are the market leader in the combined general insurance and takaful business in Malaysia.
- Etiqa Insurance Berhad (EIB), Etiqa Takaful Berhad (ETB) and Etiqa Insurance Private Limited (EIPL), were respectively assigned an Insurer Financial Strength (IFS) “A” rating by Fitch Ratings.
- Customers can now purchase non-motor products online with the launch of a new direct sales portal on [www.etiqa.com.my](http://www.etiqa.com.my).
- Etiqa has established a foothold in the Philippines via AsianLife and General Assurance Corporation (ALGA), a composite licence insurer, leveraging on Maybank Philippines Incorporated (MPI) to offer life and general insurance products to its customers.
- In March 2015, EIPL secured HDB Fire Properties for commercial areas for three years.
- EIPL was also the first insurer in Singapore to offer online sales of Direct Purchase Insurance (DPI), a class of insurance products that is sold without financial advice and commissions.

## OVERVIEW

The Group offers insurance and takaful products through its insurance and takaful subsidiaries under the brand name “Etiqa”. The holding company is Maybank Ageas Holdings Berhad (MAHB). MAHB is 69.05% owned by Etiqa International Holdings Sdn Bhd, a wholly owned subsidiary of Maybank and 30.95% owned by Ageas Insurance International N.V. The operating entities under MAHB 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, respectively. Etiqa aspires to support the Group’s growth regionally through its presence in Singapore via EIPL, and in the Philippines via ALGA.

Etiqa features a strong agency force comprising over 12,000 agents and 31 branches throughout Malaysia. We also have a wide Bancassurance and Bancatakaful distribution network with over 400 Maybank branches and other third-party banks.

## Insurance & Takaful

To cater for netizens, we offer direct sales through our portal, [www.etiqa.com.my](http://www.etiqa.com.my), [www.motortakaful.com](http://www.motortakaful.com) and also through the Group's [www.maybank2u.com.my](http://www.maybank2u.com.my). In addition, Etiqa's availability through cooperatives, brokers and institutions 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 the Group's aspiration of humanising financial services across Asia. Etiqa's passion is backed by the Group's strength, expertise and rock solid foundation and is driven by the professionalism, empathy, courage and integrity of Etiqa's staff.

The Etiqa brand offers unique and personalised services across all types and classes of life and general insurance as well as family and general takaful plans through a multi-channel distribution network, including Bancassurance, Brokers and Direct Distribution. Its 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 once again maintained its "A" rating by Fitch Ratings. This rating reflects EIB's strong business profile in the domestic life and general insurance market, its extensive distribution capacity, consistent operating performance, sound quality and prudent investment approach. The rating also acknowledges EIB's solid capital position on risk-adjusted basis and sound reserving practices.

Meanwhile, ETB rating of "A" reflects its good operating profitability and liquidity, and dominant market position in Malaysia's general and family takaful sector. The rating also recognises ETB's position as a core operating subsidiary within the Group.

In Singapore, EIPL has also been assigned an "A" rating by Fitch. The rating recognises EIPL's support of Etiqa's regional aspiration.

### 2016 OUTLOOK

Malaysia's insurance and takaful sector is expected to remain stable in 2016, underpinned by the industry's solid capitalisation, built on the robust regulatory framework and capital practices required by Malaysian regulators. The sound capitalisation will also support the sector's premium growth and potential underwriting volatility. Stable domestic demand and low insurance penetration will continue to support the general insurance and takaful sector growth. The growth in investment-linked policies is likely to stay strong due to the low interest rates. Life insurers are expected to increasingly tap into health-related and retirement products as the population ages and medical costs rise.

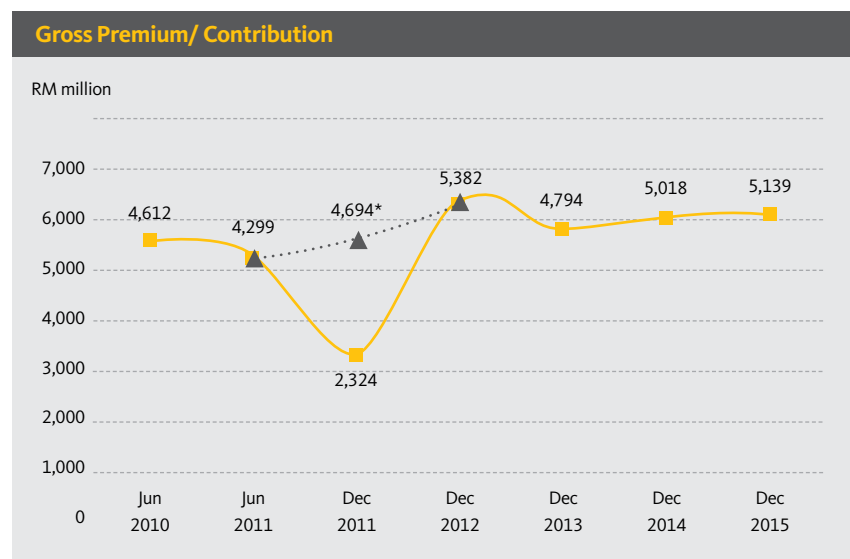
The deregulation of tariff rates in 2016 is foreseen to have a mixed impact, with motor insurers likely to benefit from greater flexibility in pricing their risks adequately, yet triggering competitive pricing among fire insurers and eroding bottom-line profitability. Stagnation in the general insurance industry's growth is anticipated due to the declining market value of used cars as well as new car sales. The general insurance industry's growth could be impacted by these two factors given that 50% of its portfolio comprises the motor business.

Merger and acquisition activities are expected to pick up following a quiet 2015, driven by the regulatory requirement for composites to split their life and non-life operations by 2018.

To support the long-term development of life insurance and family takaful, specific initiatives under the new Life Insurance and Family Takaful Framework will be gradually introduced beginning 2016. Life Insurers/Family Takaful operators will be required to provide online access to insurance and takaful accounts for their policy owners/takaful participants, as well as a service guide to enhance consumer awareness of financial advisory services for insurance and takaful products, both to be introduced from 1 July 2016.

### FINANCIAL PERFORMANCE

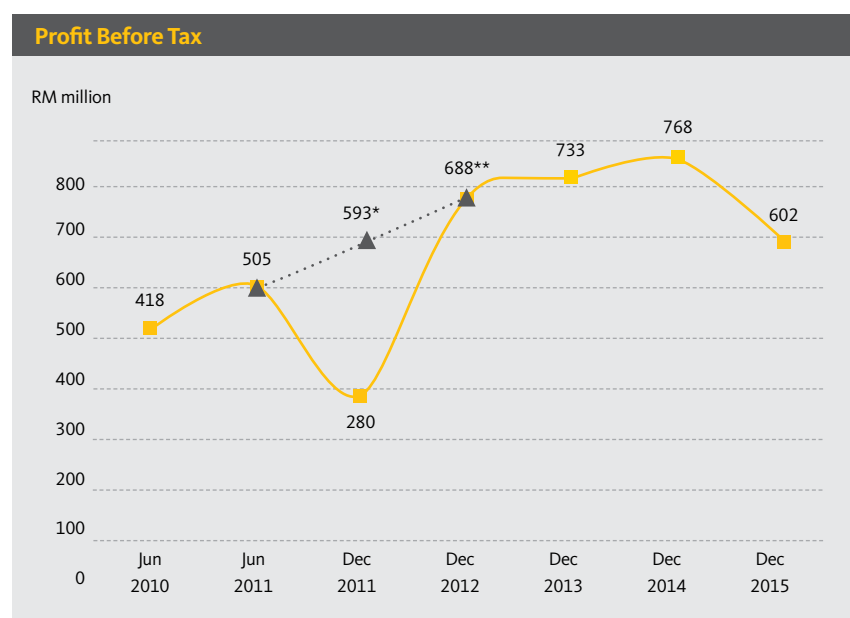
Combined gross premium and contribution recorded 2.4% growth YoY to RM5.14 billion, contributed mainly by the strong growth of General Insurance and Takaful business.



Note :

\* Dec 2011 restated 12-month figure (Dec 2011 figure of RM2.32 billion is based on 6 months performance due to change in Financial Year from June to December).

Profit Before Tax (PBT) however contracted 21.6% to RM601.73 million due to the unfavourable equity market environment and adverse fixed income performance impacting the returns of all funds. Total assets declined 2.4% to RM30.87 billion from RM31.63 billion in the previous year.

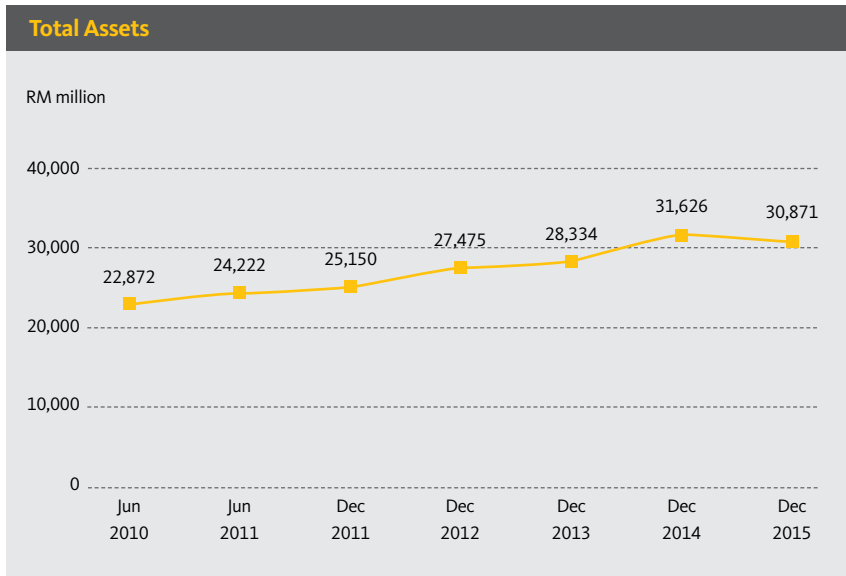


Note :

\* Dec 2011 restated 12-month figure (Dec 2011 figure of RM280.23 million is based on 6 months performance due to change in Financial Year from June to December).

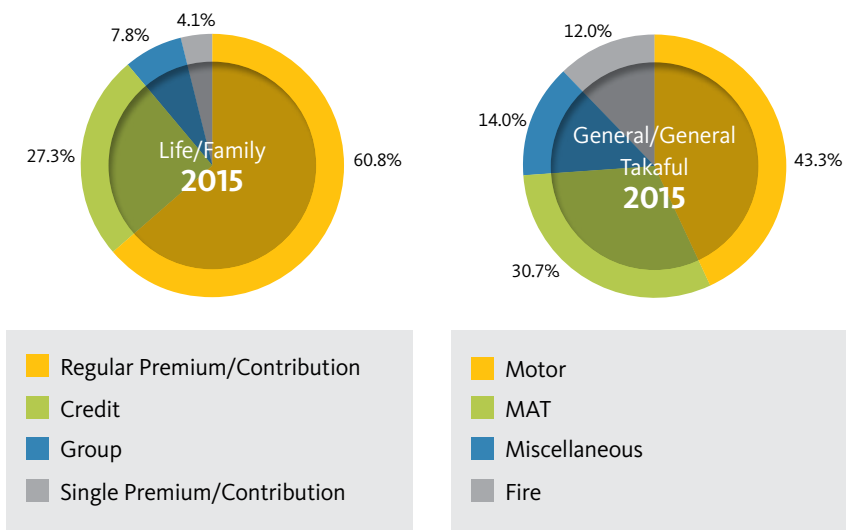
\*\* Restated figure due to prior year audit adjustment

# Insurance & Takaful



During the period, the Life/Family business was affected by the decline of the Single Premium business amidst overall lower sentiments for investment-related products. However, total business was maintained at the same level as the previous year due to the significant growth registered in regular premium products. General Insurance/Takaful business grew over 4.3% against the previous year due to the surge in Motor and Marine, Aviation and Transit (MAT) businesses.

The contribution of business from the various segments is depicted below:



Overall, conventional insurance gross premiums dipped 2.1% YoY to RM2.76 billion, contributing 53.8% of Etiqa's total gross premium/contribution while takaful gross contributions rose 8.1% YoY to RM2.38 billion.

The takaful entity has continued to be the top player in industry, commanding a market share of 47.1% in General Takaful and 20.6% market share in Family Takaful new business (ISM Statistics 12 months ended 30 September 2015).

## PRODUCT INNOVATION

In 2015, we continued to deliver on our promise to humanise insurance and takaful products for our customers. Our products provide customers with the means to protect the value of their individual or corporate assets. Individual customers or those associated with groups, such as employees of a company, are provided with products which provide payments on the occurrence of death, disability, serious illness, or hospitalisation or in the event of damages arising from unexpected events such as fire, theft, accidents and flooding. Our products also provide customers with the means to save and invest for the future, for key life events such as the education of a child, retirement or funds for a rainy day.

During the year, new and existing products were rolled out to the online distribution channel to broaden our appeal to customers. We also enhanced existing products with additional riders to upgrade the benefits for a number of products to ensure that we continue to fulfil customer needs in the market.

The following major new products were launched in 2015:

### Enrich Life Plan

A whole life protection plan that provides customers with benefits on death, disability or survival up to the age of 88. In addition, a wide range of riders can be attached to provide versatility to customers for medical, female illness, accident and child illness insurance protection.

### i-DoubleSecure

A term Takaful protection plan, sold through the online channel to provide customers with benefits on death and disability arising from natural and accidental events. The product features a simple application process, flexible coverage options, and online payment to facilitate convenience and accessibility to customers.

## OPERATIONAL EXCELLENCE

2015 saw continuous efforts in driving our topline growth as well as improving our costs and productivity across Etiqa. Having transformed many parts of our business since we embarked on our merger ten years ago, we strongly believe that there is no better time than the present to ramp up our Operational Excellence (OE) initiatives.

We have had some notable business achievements, which have been driven by OE initiatives, one of which was the successful deployment and usage of Straight-Through-Processing (STP) on iOS platform by Etiqa agents in Malaysia in March 2015. The application would enable the submission of insurance and takaful applications online, giving a true customer experience and reflecting a better understanding of customer needs and cost efficiency.

Etiqa also successfully launched a new direct sales portal on [www.etiqa.com.my](http://www.etiqa.com.my). The products launched in 2015 were i-DoubleSecure, a family takaful plan, and World Traveller Care, a travel insurance and takaful plan.

Across the straits, Etiqa Insurance Private Limited (EIPL) was the first insurer in Singapore to offer online sales of Direct Purchase Insurance, a class of insurance product that is sold without financial advice and commission.

## INTERNATIONAL PRESENCE

### Etiqa Insurance Private Limited (EIPL) Singapore

On 1 April 2015, the Scheme of Transfer of Etiqa Insurance Berhad Singapore Branch's general insurance business to EIPL Singapore was successfully completed. Hence, EIPL was established as a life and general insurance business in Singapore. This was a move aimed at strengthening the brand name and winning market share in Singapore.

## Insurance & Takaful

EIPL was officially launched on 17 April 2015 with His Excellency Dato' Husni Zai Yaacob, the High Commissioner of Malaysia to Singapore as the guest of honour at the event.

Although the primary focus is still on the Bancassurance channel, in order to further expand the Life Business, some new distribution channels for business growth were introduced which include international brokers, Independent Financial Advisor (IFA), and direct online channels. The Company launched suitable products to cater to the different market segments from mass market to high net worth customers. A comprehensive and varied distribution network is necessary for EIPL to remain competitive in the local market.

Agency growth was attributable to the new business growth and private motor schemes, while the increase in Broker businesses was largely due to the miscellaneous businesses. The direct channel continues to grow, especially in fire insurance since Etiqa is the sole basic fire insurer for the Housing Development Board (HDB), and our foray into digitalisation and social media will give us the advantage to market such products online.

### AsianLife and General Assurance Corporation (ALGA) Philippines

2014 marked our entry to the Philippines via ALGA, a composite licence insurer with a business focus in Group Health and Life Insurance.

The acquisition of ALGA was done via transfer of 100% of preference shares of ATR Holdings to EIHSB which represents an effective control of 50.28% of ALGA.

ALGA recently embarked on a Bancassurance Partnership with MPI to offer Life and General Insurance products to its customers.

ALGA provides a wide range of products including Group Health and Accident Insurance, Group Life, Individual Insurance and Micro-Insurance. Over the years, it has built a solid reputation for fast, prompt and reliable service and is now considered a leader in the employee benefits insurance insuring more than 390,000 executives, employees and dependents for more than 1,000 multinational and local corporations nationwide. ALGA also offers loans to teachers and educational plans.

### ENHANCING CUSTOMER EXPERIENCE

Becoming more customer-centric is not just a feel-good mantra — it is a core business requirement. Customer centricity requires all of us to understand who our customers are, how customers perceive their interactions with us, and the roles we play in delivering the overall experience.

At Etiqa, we want to meet our customers' needs and exceed their expectations at every interaction. The ability to deliver on this depends on the extent to which 'customer centricity' is embedded within every one of us.

To gauge how our customers value their relationship with us, we started measuring the Customer Relationship Score (CRS) by obtaining feedback from two major touch points i.e. the contact centre and branches where customers are asked how likely they will recommend Etiqa to their friends and family.

The result was encouraging. As at 31 December 2015, approximately 70% of Etiqa customers would recommend Etiqa's services and products to their families and friends.

In addition, Etiqa continuously encouraged senior leaders to engage with customers at customer touchpoints, with a view to identifying obstacles to a positive customer experience. The management also places emphasis on empathy, professionalism, integrity and courage in staff engagement sessions, using various media including video.

As part of our continuous engagement with customers online, Etiqa launched "Etiqapedia", a series of short educational videos on basic insurance knowledge and information. Etiqapedia can be viewed at [www.youtube.com/etiqa](http://www.youtube.com/etiqa).



Leading by example of our customer-centric culture, Kamaludin Ahmad, Head, Group Insurance & Takaful serves one of the customers at the reception counter of the Etiqa branch at Dataran Maybank, Bangsar.

### AWARDS AND RECOGNITION

#### Best Takaful Provider Award — 9 March

ETB once again bagged the "Best Takaful Provider" award at the annual Islamic Finance News (IFN) Awards Ceremony at Shangri-La Hotel in Kuala Lumpur. In one of the most fiercely contested categories of the competition, ETB beat 80 nominated firms to win the award for the third consecutive year.

#### Market Pioneer Award — 27 March

ETB's Subordinated Sukuk Musharakah facility of up to RM300 million won the RAM "Market Pioneer" award for being the World's first Takaful Sukuk. Ahmad Rizlan Azman, CEO of ETB received the award from Senator Dato' Sri Abdul Wahid Omar, Minister in the Prime Minister's Department during the 12<sup>th</sup> Annual RAM League Awards.

#### Excellence in Customer Experience — 14 May

EIB was recognised as the Champion for Excellence in Customer Experience during the 2015 Frost & Sullivan Excellence in Customer Experience Awards Ceremony held in Kuala Lumpur. EIB received several awards for Excellence in Customer Experience. The recognition was based on Frost & Sullivan's proprietary Customer Experience Index (CEI) - a measure of the service quality and experience that a customer goes through, covering overall experience, branch, self-service experience and mobile experience.

#### Best Innovative Islamic Finance Deal — 8 June

ETB's Subordinated Sukuk Musharakah facility of up to RM300 million was highly commended for the "Best Innovative Islamic Finance Deal". On hand to receive the award was Norlia Mat Yusof, Chief Investment Officer of Etiqa Insurance & Takaful during The Asset Triple 'A' Islamic Finance Awards 2015 held at Mandarin Oriental Kuala Lumpur.

#### Most Outstanding Takaful Company — 4 December

ETB was once again awarded "The Most Outstanding Takaful Company" at the 2015 KLIFF Islamic Finance Awards Ceremony at The Royale Chulan Hotel in Kuala Lumpur. On hand to receive the award from His Royal Highness Tuanku Muhriz ibni Almarhum Tuanku Munawir, Yang di-Pertuan Besar of Negeri Sembilan was Ahmad Rizlan Azman, Chief Executive Officer of ETB. This marks the seventh year that ETB has won the prestigious award.

## Insurance & Takaful

### Top 5 Investment House in Asian Local Currency Bonds — 4 December

Etiqa was once again honoured as Malaysia's Top 5 Investment House in Asian Local Currency Bonds for 2015. The award ceremony was held at the Four Seasons Hotel, Singapore by The Asset Benchmark Research. Etiqa also took great pride in celebrating the success of three key staff members who received prestigious industry awards for their achievements. These accolades were awarded following highly competitive processes in the investment industry and they were a testament to the staff members' skills and commitment to quality outcomes. Hasaliza Hassan, Senior Fund Manager, Fixed Income (EIB) was named as one of the most astute investors while Norhayati Yunus, Senior Fund Manager, Fixed Income (ETB) and Chu Keng Pang, Head, Fixed Income (EIB) were awarded highly commended investors in Malaysia Ringgit Bonds.

### CORPORATE SOCIAL/ZAKAT RESPONSIBILITY PROGRAMMES

We are very committed to give back to the community through our Corporate Social/Zakat Responsibility (CSR/CZR) Programmes. In 2015, the two biggest CZR programmes were as follows:

#### Construction of 46 Permanent Houses for Flood Victims at Gua Musang and Kuala Krai, Kelantan.

In 2015, ETB pledged to build 46 permanent houses for Kelantan flood victims who lost their homes in the devastating floods that hit the state in December 2014. This was in collaboration with Islamic Aid Malaysia (IAM) in an effort to ease the burden of these victims.

This construction project was the largest and biggest CZR project ever undertaken and fully financed by any Malaysian corporation for flood victims. A total of RM2.4 million was allocated for the construction of 31 houses in Kampung Lebir, Gua Musang and 15 houses in Pahi, Kuala Krai.

The construction of the 46 houses in Gua Musang and Kuala Krai were financed by ETB's zakat fund and its customers' tabung amal jariah, which was derived from the distribution of surplus contribution.

Each house features a living room, dining room, kitchen, toilet and bathroom and three bedrooms. As part of the flood mitigation plan, houses will be elevated 8-feet from the ground with columns as part of the structure. The size and quality of these houses were built based on government specifications. The groundbreaking ceremony was officiated by ETB's CEO, Ahmad Rizlan Azman and witnessed by IAM's president as well as representatives from Kuala Krai and Gua Musang Land and District Office, Kelantan state's Economic Planning Unit (EPU) and National Security Council.

The handover ceremony was held on 3 October 2015, officiated by Ahmad Rizlan Azman. Also present during the handover ceremony were Shariah committee members comprising Dr. Ismail Mohd @ Abu Hassan, Dr. Mohammad Deen Mohd Napiah and Ustaz Ahmad Jailani Abdul Ghani.



Ahmad Rizlan, CEO of ETB presented some basic household items such as refrigerator, stove and rice cooker to recipients of the newly built houses.



Some of the recipients of 46 permanent houses built for Kelantan flood victims with the mock keys of their new houses, together with CEO ETB, Ahmad Rizlan Azman.

#### Construction of Two Bridges in Pekan and a Dormitory for Rumah Anak Yatim Nur Iman, Kuantan

ETB also contributed a total of RM808,000 of zakat and amal jariah funds to improve the quality of life and economic well-being of villagers living in Pekan and Kuantan.

Out of the RM808,000 zakat and amal jariah funds, RM340,000 was allocated for the construction of the two bridges in Pekan and RM350,000 to build a dormitory for Rumah Anak Yatim Nur Iman in Kuantan. We also allocated RM100,000 to provide 20 fishing nets for a fishing village in Tanjung Lumpur and various equipment to help small business owners obtain the resources they need to start their businesses. The remaining RM18,000 was used to provide basic food packs for 200 needy families.

ETB partnered with IAM in carrying out these corporate zakat responsibility initiatives. The two-day event saw a number of volunteers reaching out to the local communities in Pekan and Kuantan. Two 50-meter long bridges were built to link the villages of Kampung Landai, Kampung Api Larat and Kampung Meranti in Pekan.

The bridges were officiated on 10 October 2015 by the younger brother of Duli Yang Maha Mulia Sultan Pahang, Yang Mulia Lt. Kol. Tengku Dato' Sri Kamarulzaman Al-Haj Ibni Almarhum Sultan Sir Abu Bakar.



Yang Mulia Lt. Kol. Tengku Dato' Sri Kamarulzaman Al-Haj Ibni Almarhum Sultan Sir Abu Bakar and Ahmad Rizlan Azman, CEO ETB officiated one of the bridges funded by Etiqa's zakat and amal jariah funds.

# Group Islamic Banking



## DATO' MUZAFFAR HISHAM

Group Head, Islamic Banking  
Chief Executive Officer (CEO), Maybank Islamic Berhad

**“In realising our aspiration of becoming the Global Leader in Islamic Finance by 2015, the past five years have been focused on targeting growth to achieve that of global scale, which has resulted in us becoming one of the top Islamic banks globally. This is a remarkable advancement from our 11<sup>th</sup> global ranking in 2009. The success can be attributed to the foundations laid in the areas of maximising efficiency in Shariah, risk and balance sheet management and a cohesive execution of driving the Islamic banking business across the Maybank Group, both domestically and regionally. Moving forward, we will continue to leverage on our strengths to innovate in the areas unique to Islamic finance and provide value-added solutions to our clients as part of our continuous mission to Humanise Financial Services for our communities.”**

### Our Priorities in 2016

- Emphasise client-centric solutions through innovative offerings of Islamic products and services and improve efficiency in balance sheet and risk management.
- Expanding the role of Zakat and Waqf to increase our contribution to the community and further advance our mission to “Humanise Financial Services”.
- Position ourselves as the global reference point on Shariah knowledge and best practices through our Shariah Centre of Excellence.

### STRATEGY, ASPIRATION, OUTLOOK

#### 2010-2015 Review

In 2010, the Maybank Group embarked on a five-year transformation programme to position the Group as the ‘Regional Leader in Financial Services’ by 2015 through five strategic objectives. One of these objectives is to grow from the ‘Largest Islamic Bank in ASEAN’ to being the ‘Global Leader in Islamic Finance’. Maybank’s Group Islamic Banking (MGIB), the Islamic subsidiary of the Maybank Group, plays a pivotal role in driving this aspiration.

Our transformation journey began with the establishment of the ‘House of Maybank’ in 2010 whereby Maybank’s Group Corporate Structure incorporated an ‘Islamic Inspired’ theme that cut across the business pillars of Community Financial Services, Global Banking and Insurance & Takaful to ensure synergies, and effectively enable transformation across the Group. This was further strengthened with the implementation of the ‘Islamic First’ strategy in Malaysia in 2011 where customers were offered Islamic banking products as the first choice.

### Key Highlights in 2015

- We are the largest Islamic bank in ASEAN and Malaysia and one of the top Islamic banks globally with total assets recorded at USD36.42 billion in FY2015.
- We are the leading Islamic bank in the region with our footprint in Indonesia and Singapore. We continue to lead the market in Singapore with the introduction of many industry “firsts” while our expansion in Indonesia continues to strengthen from 12<sup>th</sup> position in FY2013 to 5<sup>th</sup> position in FY2015.
- We remain the leading provider of innovative Islamic financial solutions. One key innovation in FY2015 was the ‘Mudarabah Investment Account’, an investment account that provides customers access to banking assets, thus offering a new investment avenue that can potentially earn higher returns compared to a traditional banking account.
- We successfully launched our Shariah Centre of Excellence (SCOE) in 2015, the first in the country by a financial institution, as we strive to be the global reference point on Shariah knowledge and best practices.
- Together with the Maybank Group, we have been the leading sukuk arranger globally, consistently in the top four of the Global Sukuk League Table and top three of the Ringgit Sukuk League Table for five years running.

## Group Islamic Banking

The success of this strategy advanced Maybank Islamic's deposit and financing market share position to number one in 2011 and as of December 2015, we have continued to maintain our top position with a market share of 26.3% and 33.5% respectively. Our financing contribution to Maybank Group domestic loans also reached 50.8% as of December 2015, far surpassing the strategic target of one-third contribution by 2015, and Bank Negara Malaysia's target of 40% share of Islamic finance to total domestic financing by 2020<sup>1</sup>.

In realising our aspiration, the past five years has been focused on targeting growth to achieve global scale, which has resulted in us becoming one the top Islamic banks globally — a remarkable advancement indeed from our 11<sup>th</sup> place in 2009. Additionally, we continue to be the leading Islamic bank in ASEAN and Malaysia with a total asset size of USD36.42 billion as of December 2015. Together with Maybank Investment Bank, we have continuously maintained our top four place on the Bloomberg Global Sukuk League and top three position on the Ringgit Sukuk League tables, cementing our position as the leading sukuk arranger globally.

As a result of the effectiveness of the 'Islamic 1st' strategy in Malaysia, it was implemented in Indonesia in 2014. In addition, increased awareness on Shariah products and services, a revamp of the Shariah offerings, expansion in the distribution network which transformed conventional only branches to dual branches selling both conventional and Shariah offerings collectively resulted in the immediate improvement of Bank Maybank Indonesia (BMI) Unit Usaha Shariah (UUS) industry ranking from 12<sup>th</sup> largest in FY2013 to 5<sup>th</sup> in FY2015, in terms of asset size. In Singapore, we continued as industry pioneer with multiple "firsts" such as the introduction of the Ar-Rihla Regular Savings Account in 2011 (a special savings account for the Hajj pilgrimage), the launch of Islamic Auto Finance, Malaysia Residential Property Financing and Malaysia Commercial & Industrial Property Financing in 2013, and the introduction of Islamic Business Term Financing and Islamic trade facilities and foreign currency deposits in 2014.

### OUTLOOK

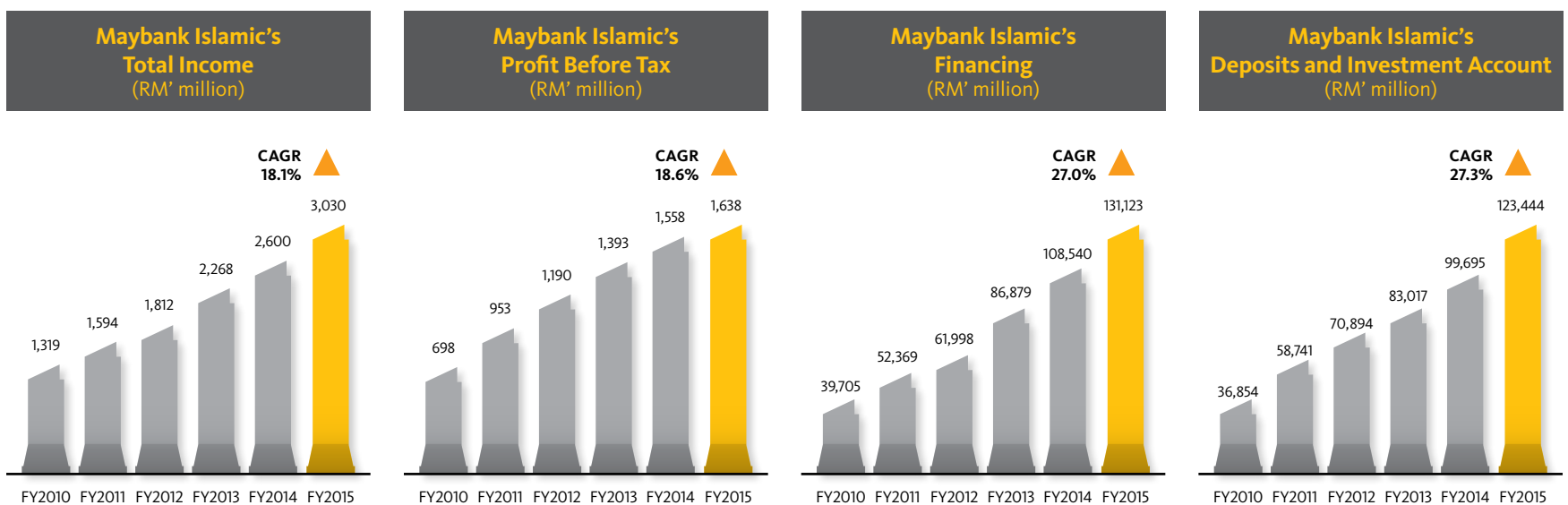
We remain optimistic on the prospects of Islamic banking, both domestically and globally, as we see tremendous opportunities in Islamic banking.

Moving forward, our focus will be to leverage our global leadership position to further emphasise value creation and establish our leadership in various areas. Principally, we aspire to leverage our global leadership position in Islamic finance to link ASEAN to the rest of the world to 'Humanise Financial Services' by further enhancing Islamic finance tools that promote socially responsible finance/investment, particularly through innovative models of waqf and zakat.

Such growth goes hand in hand with strengthening risk and Shariah management as well as increasing efficiency in balance sheet management.

### 2015 PERFORMANCE HIGHLIGHTS

- Maybank Islamic recorded a profit before tax (PBT) of RM1.64 billion, a commendable growth of 5.1% YoY and healthy Return on Equity (ROE) of 15.6%.
- Total gross financing showed an outstanding growth of 20.8% from the previous financial year to RM131.12 billion. As a result, Maybank Islamic's financing contribution to Maybank Group's total domestic loan and financing increased to 50.8%.
- Maybank Islamic continued to sustain its leadership position, with leading market share in total assets, financing and deposits at 29.2%, 33.5% and 26.3% respectively. (Source: BNM Monthly Statistical Bulletin December 2015). On a consolidated basis, the total income for Maybank Group Islamic Banking increased to RM3.94 billion, showing an exceptional YoY growth of 20.4%, with an improved contribution from international markets.



Notes:

<sup>1</sup> Source: Financial Sector Blueprint 2011-2020, Bank Negara Malaysia.



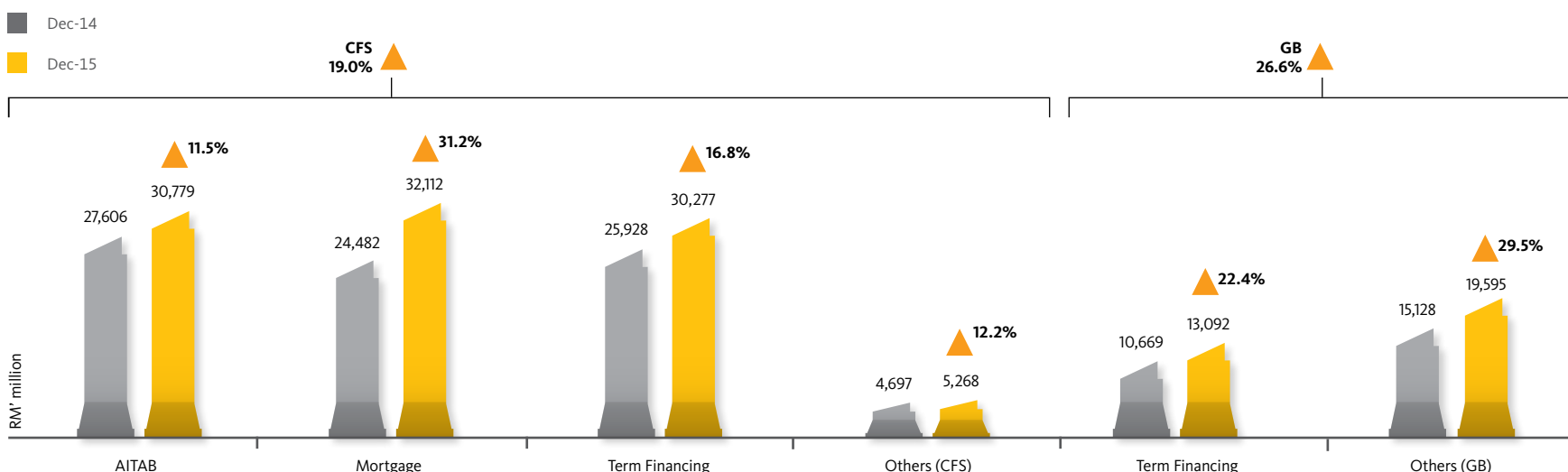
# Group Islamic Banking

## BUSINESS PERFORMANCE

### Business Segment Results

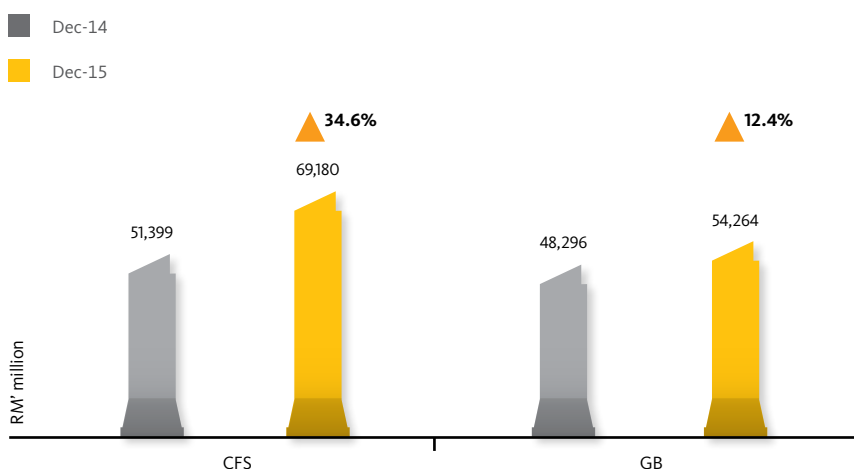
#### Financing

- For FY2015, financing saw a remarkable growth of 20.8% YoY resulting in an increase of RM22.58 billion, backed by healthy capital with a total capital ratio of 16.48%.
- The growth has outpaced the industry's financing growth of 17.8%.
- CFS Financing grew 19.0% YoY or RM15.72 billion whereas financing distributed by GB rose by 26.6% from the last financial year or RM6.86 billion.



#### Funding Performance : Deposits and Investment Account

- Deposits and Investment account increased by RM23.75 billion or 23.8% YoY.
- Both CFS and GB portfolios expanded by 34.6% and 12.4%, closing at RM69.18 billion and RM54.26 billion respectively.



#### KEY PRODUCT HIGHLIGHTS

2015 was a significant year for the Islamic banking industry with the new Islamic Financial Services Act 2013 (IFSA 2013) coming into effect. This prompted a shift in the industry, allowing us to step ahead of our competitors and progress beyond the traditional function of a credit intermediary to an investment intermediary. Fully embracing innovation is what sets us apart from the rest as we kept our promise to be the leading provider of innovative financial products and services and created more value proposition products for all our customers and stakeholders.

#### Value Proposition Products

- **Mudarabah Investment Account (IA) — an innovative proposition**  
The key milestone in 2015 was the exercise to reclassify eligible Mudarabah-based deposit accounts into Mudarabah Investment Accounts (IA) for customers who choose to do so, in line with the transition requirements of the Central Bank of Malaysia under the IFSA 2013.

The features of IA provided customers with greater transparency and disclosure of where the funds are invested, thus enhancing their involvement in the product by understanding what risks are undertaken.

The launch of the IA further distinguished the Bank from the competition as it is one of the few banks in the industry offering the IA product.

Since the reclassification in July 2015, interest in this product, which offers customers potentially higher and more stable returns, has risen as it gained traction and continues to attract both existing and new customers.

## Group Islamic Banking

- Bank Payment Obligation-i (BPO-i)**

Placing the Bank ahead of other competitors in terms of pioneering innovation is the introduction of the world's first Shariah-compliant BPO-i. This alternative innovative trade settlement instrument bridges the gap between LC-i and open account trade, providing customers an effective and quick payment process.

- Custody Services-i**

The launch of Maybank Islamic's Custody Services-i completed the Group's suite of Islamic financial offerings — providing our clients with an array of investment services solutions including global custody, sub-custody, fund accounting and administration, transfer agency as well as trustee.

Less than a year since the launch, the Bank has secured significant mandates from financial institutions and non-bank financial institutions.

### Supporting Nation Building Initiatives

Maybank Islamic continued to support various Government initiatives in key areas that emphasise greater participation in wealth creation for SME communities, women in leadership positions and corporate social responsibility.

For the SME segment, a strategic partnership with TERAJU (Bumiputera Agenda Steering Unit) was forged to support economic empowerment for SMEs by helping them crystallise their ideas and ambitions into successful business ventures.

Our collaboration with the Credit Guarantee Corporation (CGC) was further strengthened with the launch of the SME Portfolio Guarantee (SPG) for all SMEs and BBs.

We launched Microfinance-i to assist the underbanked and unbanked segments to realise their entrepreneurial aspirations. We also inked an agreement with the Selangor State Government for a Home Financing Package for less bankable customers.

The 1Malaysia People Housing Programme (PR1MA) also received an end-financing allocation of RM1 billion from the Maybank Group, inclusive of the Islamic fund from Maybank Islamic to support PR1MA's high quality housing projects.



The exchange of documents between the Selangor State Government and Maybank Islamic.

### Humanising Financial Services

The relationship with our valued customers and stakeholders is at the heart of the Group's mission of humanising our financial services.

Responding to our customers in their time of need is of the utmost importance to us and one such occasion was during the floods that struck Kelantan, Terengganu, Pahang, Perak, Kedah and Johor in late 2014. A number of packages were launched immediately after the flood to assist our retail, SME and BB customers such as the Mortgage Credit Express (MCE), ASB Partial Redemption Package and Bank Negara Special Relief Facilities.


To prepare SMEs for the implementation of the Goods and Services Tax (GST), we launched SME GST Aid-i, a special financing facility to assist them with working capital.


At Maybank Islamic, we strongly believe in the importance of education for our future generations. Skim Prihatin Pendidikan 1Malaysia (SPP1M) was launched for students pursuing tertiary education in selected local and foreign universities.

### Sukuk and Corporate Financing

On the Corporate Banking and sukuk front, we continued to deliver Islamic financing solutions, each tailored to the requirements of Maybank clients globally.

#### Selected Sukuk Deals

|                                                                                                           |                                                                                                             |                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>SapuraKencana Petroleum Bhd, via its subsidiary SapuraKencana TMC Sdn Bhd (SKTMC)</b>                  | USD200.0 million Sukuk Murabahah under the RM7.0 billion (or its equivalent) Multi-currency Sukuk Programme | Principal Adviser, Lead Arranger and Sole Lead Manager for First Issue, Shariah Adviser                                                           |
| <b>International Finance Facility for Immunisation Company (IFFIm) via IFFIm Sukuk Company II Limited</b> | USD200.0 million Islamic Trust Certificates                                                                 | Principal Adviser, Lead Arranger and Sole Lead Manager for First Issue, Joint Shariah Adviser                                                     |
| <b>PT Garuda Indonesia (Persero) Tbk via Garuda Indonesia Global Sukuk Limited</b>                        | USD500.0 million Islamic Trust Certificates                                                                 | Joint Lead Manager, Joint Bookrunner, Joint Shariah Adviser  |
| <b>Petroleum Nasional Berhad</b>                                                                          | USD1.25 billion Trust Certificates                                                                          | Joint Bookrunner                                             |
| <b>Jimah East Power Sdn Bhd</b>                                                                           | RM8,980.0 million Sukuk Murabahah                                                                           | Joint Lead Manager, Joint Bookrunner                                                                                                              |
| <b>Dubai Islamic Bank via DIB Sukuk Limited</b>                                                           | USD750.0 million Islamic Trust Certificates                                                                 | Joint Lead Manager, Joint Bookrunner                                                                                                              |

 Award Winning

## Group Islamic Banking

### Selected Financing Deals

|                                                                                          |                                                                            |                                                                                               |
|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| <b>SapuraKencana Petroleum Bhd, via its subsidiary SapuraKencana TMC Sdn Bhd (SKTMC)</b> | USD2,100.0 billion equivalent Syndicated Murabahah Term Financing Facility | Coordinating Bank, Financier                                                                  |
| <b>Cititower Sdn Bhd</b>                                                                 | RM3,200.0 million Syndicated Islamic Term Financing                        | Joint Mandated Lead Arranger, Joint Bookrunner, Financier                                     |
| <b>Impian Bebas Sdn Bhd</b>                                                              | RM1.08 billion Syndicated Syndicated Islamic Term Financing                | Coordinating Bank, Joint Lead Arranger, Financier                                             |
| <b>THP Bay Pavillions Corporation (wholly-owned subsidiary of TH Properties Sdn Bhd)</b> | AUD96.0 million Islamic term financing                                     | Financier                                                                                     |
| <b>THP Australia Corporation (wholly-owned subsidiary of TH Properties Sdn Bhd)</b>      | AUD100.0 million Islamic term financing                                    | Financier                                                                                     |
| <b>Tanjung Pinang Development Sdn Bhd (subsidiary of Eastern &amp; Oriental Bhd)</b>     | RM1.084 billion in syndicated Islamic term financing facilities            | Joint Lead Arranger, Joint Underwriter, Joint Bookrunners, Joint Principal Advisor, Financier |

In 2015, Maybank Islamic also expanded its reach to the international Islamic financial markets with the introduction of Islamic financing products at Maybank Hong Kong. With the successful completion of a bilateral Islamic financing facility for a China-based subsidiary of a Malaysian oil and gas company of up to RMB300.0 million, Maybank Islamic endeavours to develop Maybank Hong Kong as a platform to reach corporate clients in Hong Kong and Greater China.

Our achievements in the sukuk space have been recognised by several renowned publications in the Islamic finance industry:

|                                   |                                              |
|-----------------------------------|----------------------------------------------|
| <b>FY2015</b><br><b>Bloomberg</b> | <b>Top 3</b> Lead Manager for Malaysia Sukuk |
|                                   | <b>Top 5</b> Lead Manager for Global Sukuk   |
| <b>FY2015</b><br><b>dealogic</b>  | <b>Top 3</b> Lead Manager for Malaysia Sukuk |
|                                   | <b>Top 5</b> Lead Manager for Global Sukuk   |

As a testament to our commitment towards the development of the Malaysian Islamic banking industry, Maybank Islamic spearheaded the Bank Negara-led initiative called the "Investment Account Platform" or the "IAP", together with three other local Islamic banks. Operationally ready since 18 December 2015, the IAP will serve as a centralised multi-bank platform to provide a new financing option for entrepreneurs with good and viable projects, and opportunities for the private sector as well as the investing public and institutions to finance these projects.

### INTERNATIONAL MARKETS

MGIB is present through more than 400 dedicated branches and windows across Singapore, Indonesia, London, Labuan, Bahrain and Hong Kong.

In Indonesia, the Shariah Unit of Maybank Indonesia again showed a very aggressive growth, almost doubling its total assets YoY since 2012. Transformation of the business model and the implementation of the Shariah First Strategy was key in this exponential growth. As of December 2015, PBT recorded a YoY growth of 192.7% to a record profit of IDR287.92 billion while total financing grew by 52.8% YoY to reach IDR8.67 trillion and deposits grew 53.6% YoY to reach IDR6.39 trillion.

In 2015 MGIB's other operation in Indonesia, through Maybank Syariah Indonesia (MSI), prioritised enhancement of its business model with an emphasis on growing fee-based income and implementation of an 'asset light' model to improve the entity's profitability and liquidity.

Meanwhile, our focus in Singapore was to position the operation as the regional funding centre to support the regional growth of Islamic banking business and place Singapore as the gateway between ASEAN and the rest of the world. As of December 2015, total financing grew by 54.4% YoY and customer deposits grew by 64.2% YoY.

Moving forward, we will continue to leverage our distribution strengths and resources expertise to cement our global leadership position as the preferred financial provider across geographies.

### GIVING BACK TO THE COMMUNITY

In 2015, we remained steadfast in our promise to share our success by giving back to the community, in the areas of children's health and education. Financial Inclusion and Corporate Responsibility form the core of our Islamic banking proposition. These initiatives embody our commitment to embark on a long-term corporate responsibility programme in support of social welfare in Malaysia and across ASEAN.

#### Collaboration with the National Heart Institute (Institut Jantung Negara "IJN")

Maybank Islamic in collaboration with Maybank Foundation started a five-year collaboration with IJN in 2012, to effectively establish our commitment towards sustainable development in the area of children's health. We have pledged RM2.5 million to underprivileged children with congenital heart disease nationwide, and in 2014 expanded this initiative to ASEAN countries. To date, 52 patients from various nationalities, including four from Indonesia have received financial assistance from this programme and successfully undergone their surgeries.

#### • Cycle Save A Child's Heart 2.0

This second charity cycle event took place in Ipoh, Perak and was graced by DYMM Paduka Seri Sultan Perak, Sultan Nazrin Muizzuddin Shah and DYMM Raja Permaisuri Perak, Tuanku Zara Salim. It saw the participation of more than 1,500 cycling enthusiasts and raised RM100,000 for the Pediatric Congenital Heart Centre (PCHC), IJN.

## Group Islamic Banking



DYMM Paduka Seri Sultan Perak, Sultan Nazrin Muizzuddin Shah presenting the cheque to IJN CEO, witnessed by both Maybank Islamic Chairman and the CEO.

### Zakat-related programmes

Our Zakat contribution stood at RM19.19 million, and from this, RM10 million was allocated to the underprivileged through the Majlis Agama Islam Negeri and some were directly channelled to the needy.

- **Education**

Under the education theme, a total of RM2.7 million was allocated for a nurturing and holistic programme called “Semarak Ilmu” in collaboration with Yayasan Pelajaran Mara (YPM). Under this programme, a total of 1,000 schoolgoing children were adopted by Maybank Islamic and were provided monthly pocket money, additional reference books and participated in a motivation camp. Among the adopted children, 300 students were given structured tuition programmes for their national examinations, while others attended Al-Quran recital lessons. Those pursuing tertiary education both locally and abroad were also provided financial assistance.

We have also contributed RM1.31 million to 12 local and overseas universities and 233 individuals pursuing their tertiary education.



Maybank Islamic CEO Dato' Muzaffar Hisham with some of Maybank Islamic's adopted children at a motivation camp, organised by Yayasan Pelajaran Mara.

- **Natural Disaster — Flood Relief**

A Flood Relief Fund of RM5 million was established in 2015 to extend support and assistance to flood victims (including employees of Maybank group) in the East Coast. The assistance was in the form of home repair and rebuilding, provision of home electrical needs, pocket money for school children and medical and health supplies.

Apart from financial assistance totalling RM2.19 million, the rest of the Fund was channelled towards the reconstruction of 34 homes in Kelantan and Pahang complete with basic furniture and electrical appliances. The livelihood of other families was also rebuilt with the provision of basic food supplies and liquid micro fertilisers to replant damaged rubber trees.

A total of 317 families were beneficiaries of this Fund.

- **Community Empowerment**

This programme covered the education, entrepreneurship and livelihood of the Asnaf community in PPR Batu Muda, Kuala Lumpur. Livelihood support was extended to 50 families in terms of basic monthly food provisions and hygiene kits, transportation to and from school for their children, trips to the hospital for those under medical care and tuition classes for 74 children. Five entrepreneurs from the community were also provided with business capital and an entrepreneurship programme.

### Launch of Shariah Centre of Excellence (SCOE) and SCOE ‘Virtual Centre’

The SCOE was launched by the Governor of Bank Negara Malaysia, Tan Sri Dato' Sri Dr. Zeti Akhtar Aziz on 24<sup>th</sup> February 2015 and became the country's first such initiative by a local financial institution. SCOE's website is open to the public and has a wide range of Islamic finance materials which include articles, research papers, videos and fatwas related to Islamic finance.



Bank Negara Governor Tan Sri Dr Zeti Akhtar Aziz with Maybank Islamic Shariah scholars.

### SCOE's initiatives

- **Thought Leadership and Public Lecture**

The first one was held at the launch of SCOE by the First Holder, INCEIF Chair of Islamic Finance, Professor Dr Abbas Mirakhor.

- **Maybank Islamic Finance Sponsorship Award (MIFSA)**

To date, nine students from Malaysia, Singapore and Indonesia have been awarded the scholarship to do their Masters of Science in Islamic Finance at INCEIF.

- **Public awareness programme**

In an effort to deliver knowledge to the community, a series of 13 articles on Shariah and Islamic finance were published in a Malay mainstream newspaper throughout 2015.

# Group Technology



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

**“Technology innovation is moving so rapidly and with it, new opportunities and business areas are opening up. By investing in our people, leading them with passion and building a culture of persistence, Group Technology is in the perfect position to be the Trusted Partner in Driving Business Value@Speed.”**

## Our Priorities in 2016

- Building internal capabilities to support Maybank Group's 2020 Vision and Mission.
- Enhance digital channels and technology offerings for secured “stress-free” banking experiences with Maybank.
- Look inward for system optimisation to deliver functional robustness at efficient costs, stability and scalability. Including expansion of technology capacity to cater for future growth.
- Provide secured collaboration methods for the Group across the region.
- Invest in internal talent development to become industrial Subject Matter Experts and the Centre of Excellence.

Technology and Banking have evolved over the last 30 years. Technology in Banking started out to “Ease Banking” for customers via Automated Teller Machines (ATMs) and Phone Banking in the 1980s. The trend changed to “Enable Banking” anywhere at any time in the 1990s with the launch of Internet and Mobile Banking. The early 21<sup>st</sup> century gave birth to “Borderless Banking” with global ATMs, online payment facilities and online shopping. Today, we are seeing another paradigm shift with the acceleration in the rate of technology innovation that in turn will drive the era of “Digital Banking” where Banks will need to catch up and take advantage of technology.

In Group Technology, we are constantly working with the business and looking at new ways to interact with our customers e.g. wearable technology, developing next-generation banking via Digital Banking as well as opportunities in new business areas such as peer-to-peer borrowing.

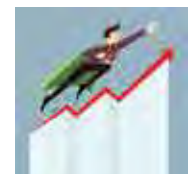
In 2015, our focus was on:

## Key Highlights in 2015

- Driving business capability delivery with 85% of key projects delivered on schedule.
- Technology innovation and leadership with implementation of internet banking to Maybank Indonesia, integration with wearable technology and improved user experience.
- Enabling National Agendas with the implementation of Goods & Services Tax (GST) and National Bill Payment Systems (NBPS).
- Enhancing cyber security to protect our customers by investing in internal and external defence capabilities.



Driving Business  
Capability Delivery



Technology Innovation  
and Leadership



Enabling National  
Agendas



Enhancing cyber security to  
protect our customers

# Group Technology



## DRIVING BUSINESS CAPABILITY DELIVERY

Group Technology executes over a hundred key projects across the Group per annum. These projects deliver new capabilities, products and channels to businesses and customers. Delivering projects on a timely and consistent basis enables speed to market and reduces wastage as project delays translate to loss of millions of dollars in opportunity cost and cost overrun.

In 2014, several key framework and process changes were made on Technology Project Management and Reporting across the group. The results have been encouraging — 85% of key projects were delivered on schedule in 2015. This was significantly above industry norm of 50% to 60%, based on the IT Key Metrics Data 2016 published by Gartner on 14 December 2015.

### Some of the key capabilities delivered in 2015:

#### Regional System Expansion

- Group Treasury System for Cambodia and Vietnam

Maybank successfully implemented the Group Treasury System for Vietnam and Cambodia in April and June 2015 respectively. Vietnam and Cambodia are now part of the common and integrated platform used by all Maybank Global Market centres — synergising the regional operating procedures across all Global Market centres with seamless integration to Group Risk Reporting.

#### Regional Governance & Reporting

- Enterprise Risk Data Mart (RITA)

RITA programme enables data consolidation for the various countries Maybank operates in and provides enriched data for internal management, compliance with local and international standards such as Basel Committee on Banking Supervision (BCBS 239) and regulatory reporting requirements. Phase 1 of RITA was implemented on 27 May 2015 which provided a single source of data consolidation from countries under International Sector for core banking, trade and treasury products to meet Risk and Regulatory requirements.

#### Drive Internal Collaboration

- Group People Directory

Launched in early 2015, the Group People Directory is Maybank’s first consolidated Group-level repository of people, teams, contact information and organisation charts. It is accessible anywhere within the Group by authorised Maybank employees to enable quicker and more accurate reach out to counterparts across the Group.



## TECHNOLOGY INNOVATION AND LEADERSHIP

Group Technology has been at the forefront of driving Technological Innovation and Leadership by partnering with business in product and channel enhancement, constantly improving customer experience and regionalising our key systems.

A testament of our success is the consistent No.1 ranking for the “Most Visited Local Website for Malaysia” based on the Alexa website which lists the top sites in Malaysia and a 19% traffic increase in our main customer channels in 2015.

### Rapid Expansion Of Digital Channels

- Indonesia Regional Mobile Banking Platform

Our regional Mobile Banking capability has rapidly expanded from Malaysia and Philippines in 2014 to Indonesia in 2015. Successfully piloted in February 2015, our Indonesian customers are now able to access a standardised user interface for all devices that has enriched capabilities and are able to perform banking transactions anywhere, anytime such as Mobile-to-Mobile (M2M) fund transfer, Fixed Deposit (FD) placements, unit trust enquiries and foreign exchange enquiries.



### Integrating With Customer Lifestyle

- Maybank2u Extension on Apple Watch

Maybank took another big step by launching our internet banking on Apple Watch on 4 June 2015 to the public. This was our first foray into Wearable Technology and it included Maybank2u mobile connectivity to Apple Watch, Quick Balance Inquiry for Current & Savings Account and Credit Cards with PIN and Balance Indicator.



## Group Technology

### Constantly Improving Customer Experience

- Account Opening and Cards Straight-through-Processing

Keeping our customers at the heart of banking drives us to constantly improve Customer Engagement and Customer Experience. By simplifying and automating processes, we are able to streamline our processes and significantly improve our approval lead times to near real-time.

As at November 2015, customers can open current or savings account, apply for new credit card, Card Balance Transfer and EzyPay Plus, at near real-time, via our Internet and Mobile Banking applications.

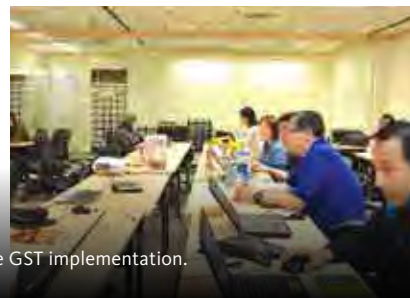


### ENABLING NATIONAL AGENDAS

### Malaysia's Goods & Services Tax (GST) Implementation

The Goods & Services Tax (GST) implementation on 1 April 2015 was one of Maybank's largest IT systems enhancement projects. This massive endeavour required Business and IT collaboration, to interpret and translate the GST rules and treatment into workable requirements and subsequently develop necessary enhancements for 128 systems across Maybank Malaysia, Maybank Investment Banking Berhad (MIBB) and Etiqa Berhad.

The successful and smooth cutover to GST on 1 April 2015 is a testament of the dedication, commitment and tenacity of Maybankers.



Business and IT working hand in hand during the GST implementation.

### Malaysia's Islamic Financial Services Act (IFSA)

As of 1 July 2015, Maybank completed all necessary conversions for more than 400,000 accounts to be in compliance with the new Investment Account (IA) policy under the Islamic Financial Services Act (IFSA) 2013 issued by Bank Negara Malaysia (BNM).



### Malaysia's National Bill Payment System (NBPS)

Initiated by BNM and spearheaded by Malaysian Electronic Clearing Corporation Sdn. Bhd. (MyClear), with the objective of encouraging the use of online bill and invoice payments offered through financial institutions' Internet and Mobile Banking such as Maybank2u, NBPS, or more commonly known as JomPAY, is the vehicle to speed up national migration to e-payments and offers consumers the convenience of paying bills at any bank.



### ENHANCING CYBER SECURITY TO PROTECT OUR CUSTOMERS

### Protecting the Group from Cyber Attacks

We see acceleration in the frequency and an increase in the maturity of cyber attacks over the last three years resulting in the need for continuous vigilance and evolving defense. Group Technology has invested in internal and external capabilities to protect the Group and customers from cyber crimes.

### Key Achievements to date

- Build internal capability to perform Security Penetration Test (previously outsourced).
- Setup 24/7 active security monitoring and response unit. On average, 90 cases are reported/tracked every month.
- Conducted assessments on various entities across the group.

# Group Operations



**JEROME HON**  
Group Chief Operations Officer

**“We will continuously strive to improve and standardise our processes with the objective of enhancing productivity and keeping costs low. We will also emphasise awareness towards operational compliance and risk management practices.”**

## Our Priorities in 2016

- Realising the full potential of our first regional Malaysia/Singapore hub.
- Setting up the International Treasury Processing Hub and a centralised back office for China in Shanghai.
- Embarking on our digitalisation strategy towards a paperless environment.

## Key Highlights in 2015

- Regional hub in Malaysia and Singapore implemented in 4Q FY2015.
- Centralising five activities in Maybank Indonesia.
- Implementing the Group Treasury Collateral Management System in Malaysia.
- Centralisation of the middle office for Regional Structured Trade activities in Singapore.

## GROUP OPERATIONS STRATEGY IN 2016

Our vision is to build a high-performance culture and implement a cost-effective operating model across the region, offering quality execution of services with global standards. We began with the consolidation of the various back office operations teams, embedding operational excellence and strengthening risk awareness and culture in our services.

In 2015, we focused on streamlining our regional operations, including the setting up of our first operations hubs in Malaysia and Singapore, and driving the risk culture deeper across the region.

As we enter 2016, we will concentrate on expanding and establishing an International Treasury processing hub, implementing standards that are globally recognised, and will continue to invest in our employees' capabilities.

## 2015 GROUP OPERATIONS REVIEW

The year was about executing and implementing the plans we had put in place in 2014, most notably the regional hub in Malaysia and Singapore, which went live in the last quarter of the year for Singapore's Inward Clearing of Cheques and Outward Telegraphic Transfers. The full roll out of trade and treasury operations will be completed in 2016.

Maybank Indonesia also continued to drive operational excellence with the centralisation of their Payroll, ATM/CDM Reconciliation and Branch Monthly Reporting to a single back office centre, and the consolidation of all funds transfer and time deposit processing to four regional centres.

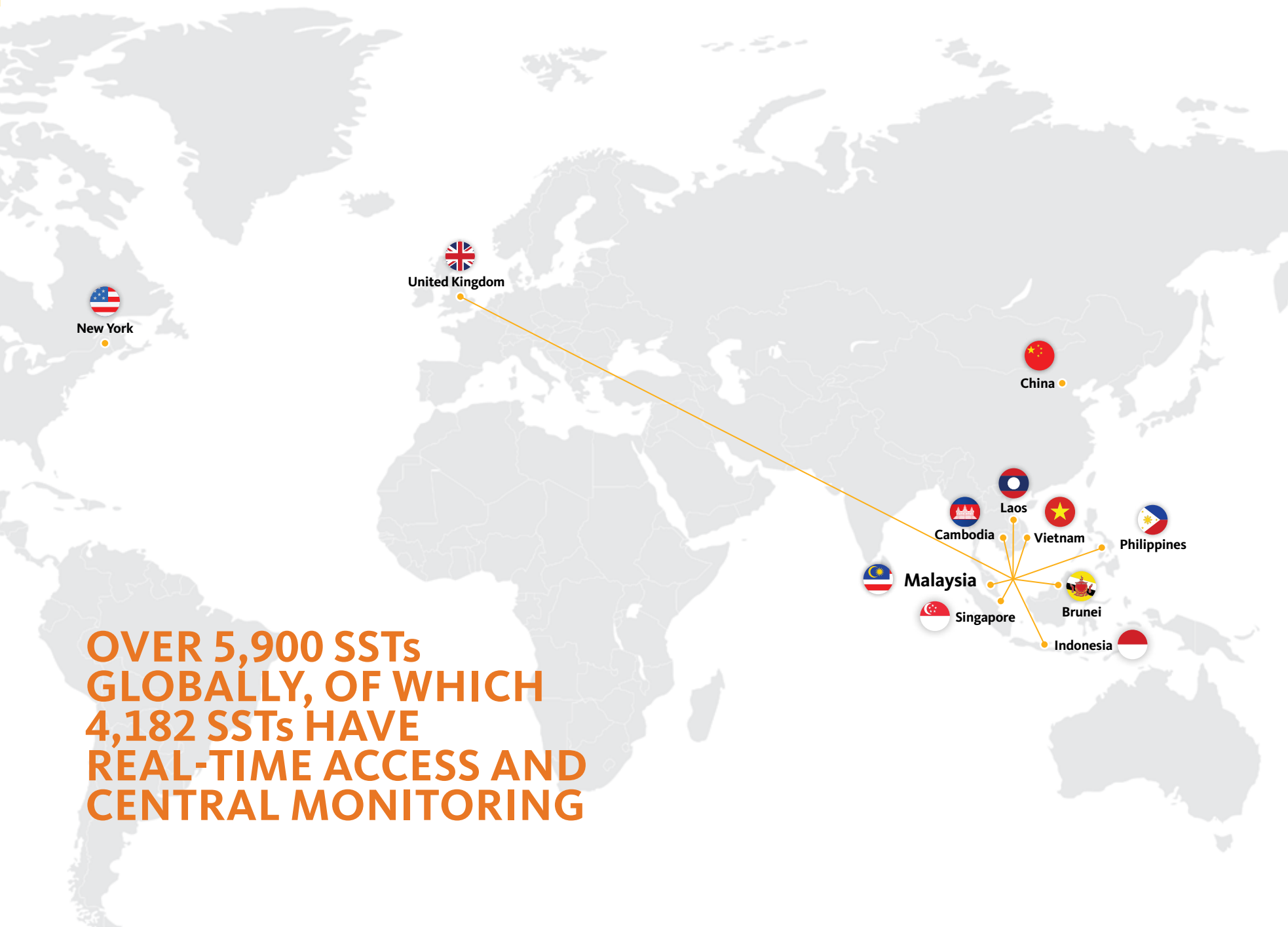
The Malaysian Treasury Operations also implemented the Group Treasury Collateral Management System, which automates collateral management and mitigates credit risk arising from transacting in REPOs, Foreign Exchanges and Over-The-Counter derivatives portfolio.

In addition to rolling out the above initiatives, we also focused on improving existing processes and services via process reviews and the adoption of operational excellence. This was clearly demonstrated when our Regional Payments/Self-Service Terminal (SST) units were recognised for their outstanding performance in handling international payments — winning multiple awards such as the JP Morgan Chase Bank's MT202/MT103 Quality Recognition Award, Wells Fargo Bank's Operational Excellence Appreciation Award and Deutsche Bank's Operational Excellence Appreciation Award.



## Group Operations

Globally, we continue to maintain 4,182 SSTs across six countries. To mitigate operational risks and improve productivity, we actively reduced our presence at high-risk and low-utilisation points, and replaced ATMs with SRMs (recyclable machines). In addition to centrally monitoring these 4,182 SSTs, the payment SST team have been providing support to our operations in Indonesia (1,605 SSTs), Philippines (95 SSTs) and Singapore (75 SSTs).



**OVER 5,900 SSTs  
GLOBALLY, OF WHICH  
4,182 SSTs HAVE  
REAL-TIME ACCESS AND  
CENTRAL MONITORING**



“ On behalf of Maybank Indonesia, **I build long-term relationships with our SME customers** by supporting their business and personal financing needs to enable them to grow and prosper. Maybank’s regional platform allows our customers to transact seamlessly and expand in the region with the support of a responsible banking partner. ”

**Lidiya Natalia**

Senior Relationship Officer  
Diponegoro Branch, Medan, Indonesia  
*Executive of the Year 2014*

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# Statement on Corporate Governance

## INTRODUCTION

The manner in which Corporate Governance is practiced at Maybank reflects the Board’s unwavering commitment in promoting a culture of integrity and transparency throughout the Group, as the Board continuously strives to achieve long-term sustainable value for all the Group’s stakeholders. The Group’s Corporate Governance Model was developed with this in mind and its key overriding approach is to ensure that there is in place, the right balance with the executive in respect of leadership, strategy, oversight, and internal controls to ensure effective risk management.

This Corporate Governance Statement seeks to provide vital insights into the corporate governance practices of the Group to the investors. The Maybank Group’s corporate governance model adopts the following requirements and guidelines:

1. Malaysian Code on Corporate Governance 2012 (the Code);
2. Bank Negara Malaysia (BNM)’s Revised Guidelines on Corporate Governance for Licensed Institutions (BNM/GP1);
3. Bursa Malaysia Securities Berhad (Bursa Malaysia)’s Main Market Listing Requirements (Listing Requirements);
4. Green Book on Enhancing Board Effectiveness (Green Book) by the Putrajaya Committee on Government Linked Companies (GLCs)’ High Performance;
5. Corporate Governance Guide: Towards Boardroom Excellence 2nd Edition (CG Guide) by Bursa Malaysia; and
6. Minority Shareholders Watchdog Group (MSWG)’s Malaysia-ASEAN Corporate Governance Scorecard.

Apart from complying with the stated local requirements and guidelines, Maybank also monitors developments in Corporate Governance standards of leading and reputable organisations and institutions in the region and around the world to ensure that its own highest standards of Corporate Governance are upheld.

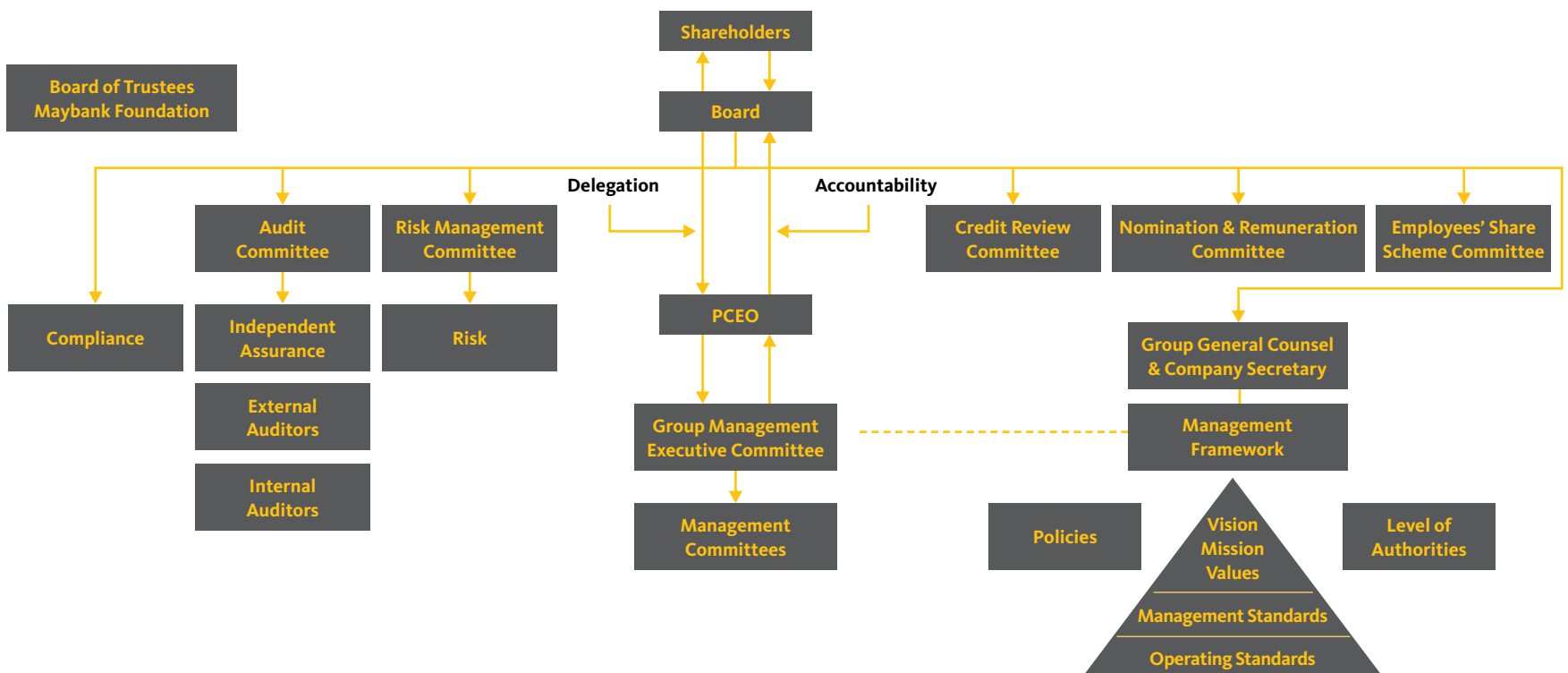
Testament to the Group’s strong commitment in the area of Corporate Governance, Maybank received the prestigious Malaysian National Annual Corporate Reporting Awards (NACRA) in 2015 for demonstrating high standards of Corporate Governance, including the Platinum Award for “Most Outstanding Annual Report for the Year” as well as the following:

- Best Corporate Social Responsibility Reporting Award (Platinum)
- Industry Excellence Award (Finance Sector)
- Best Designed Annual Report (Gold)
- Best Annual Report in Bahasa Malaysia (Silver).

Other notable acknowledgements received during the year were as follows:

- Top 50 ASEAN Publicly Listed Companies conferred by ASEAN Capital Markets Forum based on the ASEAN Corporate Governance Scorecard;
- Top 10 Corporate Governance Merit Recognition Award and Top CG Overall Recognition Award conferred by the Minority Shareholder Watchdog Group based on the Malaysian-ASEAN Corporate Governance Transparency Index.

Fundamental to the Board’s success in instilling good corporate governance practices within the Group is the Corporate Governance Model that has been adopted by Maybank, as illustrated below:



## Statement on Corporate Governance

The Board is also keenly well aware of the challenges that the Group may encounter in the years ahead and the need to continuously review its governance model to ensure its relevance and effectiveness in the light of the ever changing environment in which the Group operates.

On that note, the Board is pleased to inform the shareholders of the manner in which the Group has applied its Corporate Governance Model and the extent of compliance with the Code throughout the financial year ended 31 December 2015, as set out hereunder.

### THE BOARD OF DIRECTORS

#### Board Charter

In recognition that robust and well thought-out Corporate Governance practices are essential to safeguard the interests of the Group's stakeholders, the Maybank Board is guided by the Board Manual (Manual) in respect of the Board's role, powers, duties and functions. The Manual is reviewed by the Board at least once every two years.

The Manual not only reflects the current best practices and the applicable rules and regulations, it also outlines processes and procedures to ensure the Group's boards and their committees' effectiveness and efficiency. It is a dynamic document to be updated from time to time, to reflect changes to Maybank's policies, procedures and processes as well as amended relevant rules and regulations.

The Group's subsidiaries and associates' boards, both locally and overseas, are encouraged to adopt similar manuals for their respective corporate entities.

The Manual comprises, amongst others, well defined terms of reference as well as authority limits for the Board and its committees, and the various relevant internal policies.

The chapters covered under the Manual are as follows:

1. Group's standard of business conduct;
2. Directors' duties and obligations;
3. Appointment and resignation of Directors;
4. Governance structure effectiveness;
5. Board and board committee proceedings;
6. Remuneration and benefits for Directors;
7. Supply of information to the Board;
8. Training and induction programmes;
9. Annual Board Effectiveness assessment;
10. Conflict of interest and related party transactions; and
11. Other key policies of Maybank and the Group.

#### Roles and Responsibilities of the Board

The business and affairs of Maybank and 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 and the Group.

The Board also sets the Group's core values, adopts proper standards to ensure that Maybank operates with integrity, and complies with the relevant rules and regulations.

The Board has a formal schedule of matters reserved for its decision which include, amongst others, the following:

- Reviewing and approving the strategies and business plans for Maybank and the Group to ensure that they are aligned with the Group's Vision and Mission;
- Identifying and managing principal risks affecting the Group including establishing and approving the relevant policies for the prevention of Anti-Money Laundering and Counter-Terrorism Financing and anti-competitive practices;
- Reviewing the adequacy and integrity of the Group's internal control systems;
- Overseeing the conduct and the performance of the Group's businesses;
- Reviewing succession planning and talent management plans for the Group, and approving the appointment and compensation of senior management staff;
- Approving new policies pertaining to boardroom diversity, staff salary and benefits;
- Approving changes to the corporate organisation structure;
- Approving the appointment of Directors and Directors' emoluments and benefits in accordance with relevant statutes;
- Approving policies relating to corporate branding, public relations, investor relations and shareholder communication programmes; and
- Reviewing the Group's strategies on promotion of sustainability focusing on environmental, social and governance (ESG) aspects.

Other than as specifically reserved to the Board in the Board's Terms of Reference, as documented in the Manual, the responsibility for managing Maybank's business activities are delegated to the Executive Director and Group President & Chief Executive Officer (Group PCEO) of Maybank, who is accountable to the Board.

Some insight on how the Board had discharged their roles and responsibilities during the year are set out as per below:

- **Succession Planning**  
The Board reviewed its size and composition based on the prevailing laws, rules regulations and the internal policies of the Group on the tenure of directorships, 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.
- **Group Structure Review**  
The Board reviewed the Group's organisation structure to determine and address the challenges encountered in meeting the structure's stated objective which includes, accelerating and supporting regional performance, raising efficiency, productivity and operational excellence.
- **Review of Social Channel Strategy**  
The Board reviewed the progress of the Group's social channel strategy to assess achievements in the areas of reputational risk and business intelligence, marketing and promotions, customer loyalty and engagement as well as customer service on social channel and social commerce.
- **Corporate Responsibility and Sustainability**  
The Board reviewed the progress of the Group's corporate responsibility and sustainability plan to determine the progress, achievements and challenges faced in furthering the Group's CR initiatives which is supported by three key pillars, namely Community and Citizenship, People and Access to Products and Services.

## Statement on Corporate Governance

### • Group Governance Structure Review

The Board in consultation with appointed independent professional advisers, reviewed the Group's governance structure, vis-à-vis the governance structure of its major subsidiaries, especially those operating in foreign jurisdictions, to determine the adequacy of the Board's oversight in view of the local laws, rules and regulations (as well as their respective constituent documents) affecting such entities.

### • Group Internal Policies

The Board adopted the Group's policy on staff directorship in external companies as well as the policy on corporate disclosure, as described in more detail in the ensuing paragraphs of this Corporate Governance Statement.

### Board Size, Composition and Balance

During the year, three Independent Non-Executive Directors, namely Dato' Mohd Salleh Hj Harun, Mr Cheah Teik Seng and Mr Erry Riyana Hardjapameka have decided not to renew their respective terms of office, pursuant to the Financial Services Act (FSA), 2013 and had subsequently stepped down as Directors of Maybank. The year also saw the appointment of a new Non-Independent Non-Executive Director namely Mr Edwin Gerungan. His profile can be found on page 51 of this Annual Report.

In light of the above, there are currently 10 Directors on the Maybank Board. Six are Independent Non-Executive Directors, three are Non-Independent Non-Executive Directors (nominees of Permodalan Nasional Berhad (PNB)) and one is a Non-Independent Executive Director (the Group PCEO). The present composition of the Board exceeds the requirement as stipulated in the Listing Requirements as more than half of its members are Independent Directors.

In considering the size of its membership, the Board is of the view that it should not be constrained to maintain a fixed number of Directors on the Board at any given time, but instead 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. As part of its succession plan, the Board will be adding new members to further address, among others, the need to have more women on the Board, in furtherance of the national agenda.

The Directors provide a wealth of knowledge, experience and skills in key areas such as accountancy, law, securities, international business operations and development, finance and risk management. A brief profile of each member of the Board is presented on pages 46 to 51 of this Annual Report.

### 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, nationalities, professional experience, skills, knowledge and length of service.

All these are embodied in Maybank's Group Board Gender Diversity Policy (Gender Diversity Policy). Under the Gender Diversity Policy, the Board adopts measurable objectives from time to time i.e. maintaining at least one (1) woman Director on the Board and having minimum 20% women representation by 2016. To achieve these objectives, the selection process for the appointments of Directors involves the short-listing of potential candidates which includes at least one (1) woman representation whenever reasonably possible, and that priority is placed on the appointment of a woman Director to fill a directorship vacated by a retiring or resigning woman Director. The Board also aspires to achieve significant benefits by focusing on individual talents, abilities and experiences to meet the Group's objectives of being a leading regional financial services provider which demands a much broader range of competence, skills and experience.

Maybank's presence internationally is also large and quite significant, particularly in Indonesia. Hence with Mr Erry Riyana Hardjapamekas' retirement during the year, Mr Edwin Gerungan, an Indonesian banker with international experience, was appointed to the Board.

### Non-Executive Directors

The current Board composition, which comprises a high proportion of Non-Executive Directors, helps the Board to ensure and provide strong and effective oversight over management. 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. 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. Additionally, in line with the requirements of BNM/GP1, none of Maybank's Independent Non-Executive Directors has more than a 5% equity interest in the licensed institution or in its related companies, and none of them is connected to a substantial shareholder of the licensed institution.

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's commitment to ensure good governance in its deliberation on key issues is evident with the scheduling of a "Board Time Without Management" session (involving only Non-Executive Directors) as a permanent item in the monthly Board meeting agenda (at the end of each meeting).

The Board ensures that all Non-Executive Directors possess the following qualities:

- 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;
- Willingness to stand up and defend their own views, beliefs and opinions for the ultimate good of Maybank; and
- 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.

## Statement on Corporate Governance

### Directors' Independence Policy

The Group's Directors' Independence Policy summarises Maybank's approach in determining directors' independence. It provides a guideline for the Board and its related licensed subsidiaries in the assessment of independence of each Independent Director.

Consistent with the Group's Directors' Independence Policy and recommendations of the Code, the Board via the NRC assesses the independence of Independent Directors upon his/her appointment, re-appointment and in any event, annually. In line with the Code, the tenure of service for Independent Directors has been capped at the maximum period of nine years whereby upon completion of such tenure, the Independent Director may continue to serve on the Board subject to his re-designation as a Non-Independent 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 considers that continued tenure could bring considerable stability to the Board and acknowledges the fact that it has benefited greatly from the presence of Board members who have over time gained valuable insight into the Group and its markets. Hence, the Board may in certain circumstances and subject to the NRC's assessment, decide to maintain a member as an Independent Director beyond the requisite 9-year period, if the Board is satisfied (upon the review by the NRC) that the said Director can remain independent in character and judgement, and would continue to present an objective and constructive challenge to the assumptions and viewpoints presented by the management and the Board. Under such circumstances, the Board may allow the shareholders to decide whether the said Director should continue to be designated as an Independent 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 members has reached the 9-year term in Maybank.

### Independence Assessment

The NRC undertakes the independence assessment via the Board and Peer Annual Assessment as well as Fit and Proper Assessment exercises, taking into account the directors' skills, experience, contributions, background, economic and family relationships, tenure of directorship and the Independent Directors' self-declaration on their compliance with the independence criteria under the BNM/GP1, Listing Requirements as well as Maybank's Policy on Directors' Independence.

The NRC determines the ability of the Independent Director to continue bringing independent and objective judgment to the board deliberations as well as considers if there is any ground or reason that has come to the attention of the NRC that may affect the independence status of the Independent Directors of Maybank.

The Board considers that the six Independent Non-Executive Directors (NEDs), namely Tan Sri Datuk Dr Hadenan A. Jalil, Dato' Seri Ismail Shahudin, Dato' Dr Tan Tat Wai, Dato' Johan Ariffin, Datuk Mohaiyani Shamsudin and Datuk R. Karunakaran have met the said independence criteria under the BNM/GP1, Listing Requirements as well as Maybank's Policy on Directors' Independence.

### Senior Independent Non-Executive Director

In accordance with the best practices in corporate governance, Tan Sri Datuk Dr Hadenan A. Jalil continues to play his role as the Senior Independent Director (SID) of the Board to whom concerns of shareholders and stakeholders may be conveyed.

His primary responsibility is to address concerns that may be raised by the shareholders. Tan Sri Datuk Dr Hadenan will be stepping down at the forthcoming AGM and his role will be taken over by Dato' Seri Ismail Shahudin, who is also the Vice-Chairman.

Dato' Seri Ismail Shahudin can be contacted at his email address: ismail.s@maybank.com.

### Board Appointment Process

A formal and transparent procedure is in place vis-à-vis the appointment of new Directors to the Board, the primary responsibility of which has been delegated to the Nomination and Remuneration Committee (NRC). 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 NRC also ensures candidates possess the appropriate skills, core competencies, experience, integrity and time to effectively discharge his or her role as a director.

This procedure is in line with the Group's Fit and Proper Policy which has been in force since August 2006 which would be revised and amended from time to time to incorporate new provisions as required under the Financial Services Act 2013 (FSA), BNM Guidelines on Fit and Proper Criteria and BNM/GP1. In accordance with this procedure, the NRC recommends to the Board suitable candidates for directorships and the appointment of key senior management of Maybank and relevant subsidiaries.

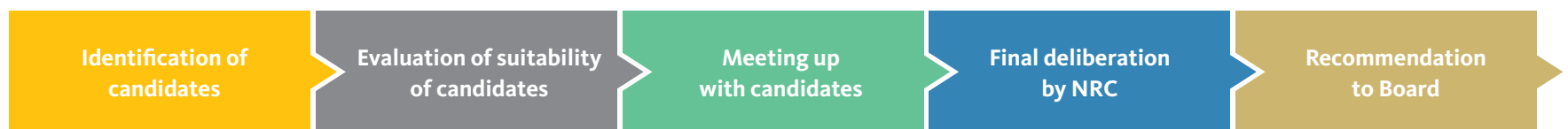
The Fit and Proper Policy, which sets out the attributes and qualifications required of a candidate to determine his/her suitability, include amongst others, requirements in respect of his/her management and leadership experience, which has to be at the most senior level in a reputable local or international 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 assists in identifying the gaps in skills in the composition of the Board.

The following aspects would be considered by the Board in making the selection, with the assistance of the NRC:

1. Probity, personal integrity and reputation — the person must have key qualities such as honesty, integrity, diligence, independence of mind and fairness.
2. Competence and capability — the person must have the necessary skills, ability and commitment to carry out the role.
3. Financial integrity — the person must manage his debts or financial affairs prudently.

## Statement on Corporate Governance

The Policy on the Nomination Process for the Appointment of Chairman, Director and CEO of Licensed Institutions in the Group (Policy on Nomination Process) sets out a clear and transparent nomination process of the same, which involves the following five stages:



The application for the appointment of such candidates is thereafter submitted to BNM for the requisite approval under the FSA or the Islamic Financial Services Act (IFSA) (whichever applicable), subject to the approval of the relevant boards in the Group.

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 NRC for deliberation and thereafter the final recommendation to the Board for endorsement, and ultimately submission to BNM for approval.

Maybank also conducts annual assessments on the suitability of the Directors to continuously occupy their strategic leadership position subsequent to the appointment process, in accordance with the Group's Fit and Proper Policy and in line with BNM Guidelines on Fit and Proper Criteria and BNM/GP1. The fit and proper assessment involves self-declaration by the Directors as well as independent checks on their business interests in compliance with section 59 of FSA, section 68 of IFSA (where applicable) and BNM/GP1 to ensure the suitability of the Directors to continue to serve as directors of Maybank.

### Succession Plan

The Fit and Proper Policy which was first introduced in 2006 outlines the general limitation on the tenure of directorships for Non-Executive Directors of Maybank who have reached the age of 70 and above, and/or have served the Board for 12 years or more. Such directors may however, continue to serve the Board once the Board has evaluated and assessed their suitability. Subsequently, the Group's Policy on Tenure of Directorship (Tenure Policy) was established in 2014 to incorporate both the relevant provisions on tenure of directorships as provided for in the Group's Fit and Proper Policy as well as the Directors' Independence Policy to better articulate the Group's policy on limiting the tenure of Non-Executive Directors on the Board of Maybank and the Group.

Appointments on the Maybank Board are not considered in isolation but as a component of the Board's succession plan. In this context, the limitations on age and tenure of directorship as described in the Tenure Policy provides the Board with the opportunity to consider and reassess its succession plan 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.

With the assistance of the NRC, the curriculum vitae of prospective candidates would from time to time, be discreetly obtained from various internal and external sources (including institutions which maintain salient details on directors with financial

industry background) for further review, to ensure that the Board would always have a steady pool of talent to choose from whenever there is a need to appoint additional members on the Board or otherwise, to replace a member who is retiring or resigning from the Board.

### 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 NRC 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. Upon obtaining the Board's endorsement, the relevant submission including the justifications for such re-appointment is thereafter made to BNM for approval if the relevant Director's BNM's term of appointment is expiring.

Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor, Dato' Seri Ismail Shahudin and Dato' Dr Tan Tat Wai, all of whom are due for retirement pursuant to Articles 96 and 97 of Maybank's Articles of Association, would be seeking re-election at the forthcoming AGM.

Mr Edwin Gerungan was appointed during the year as Maybank's Non-Independent Non-Executive Director. He would retire at the AGM pursuant to Article 100 of Maybank's Articles of Association. Mr Edwin would also be seeking re-election at the AGM.

As evaluated by the NRC and approved by 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 and Individual Director's Effectiveness

The NRC 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 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 Services of Maybank (GCS) incorporating applicable best practices. The assessment questionnaire is distributed to all the respective Board members and covers topics which include, amongst others, the responsibilities of the Board in relation to strategic planning, risk management, performance management, financial reporting, audit and internal process, human capital management, corporate social responsibility, communication, corporate governance, and shareholders' interest and value. Other areas being assessed include Board and Board Committee composition and size, the 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.

The Chairman of the Board (and the Chairman of the NRC, in appropriate circumstances), discusses with individual members areas in which the individual's performance can be improved, as well as their training needs.

### The Actionable Improvement Programme (the "AIP")

In conjunction with the Board and Peer Annual Assessment, individual Board members are also encouraged to provide feedback to senior management on areas for improvement. All feedback received will initially be received and compiled by 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 senior management pursuant to the feedback received by the Board.

### 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 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 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 continuously works together with the rest of the Board in setting the policy framework and strategies to align the business activities driven by the senior management with the Group's objectives and aspirations, and monitors its implementation, and also 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. He 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 the stakeholders.

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 Directors on any matters deliberated at meetings of the Board, or any of its Committees, as well as the meetings' decisions, will accordingly be addressed and duly recorded in the relevant minutes of the meeting.

### The Group President & CEO

Datuk Abdul Farid Alias has been the Group PCEO and Executive Director of Maybank since 2 August 2013.

Datuk 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.

Furthermore, he 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 shareholders return, social and environmental factors are not neglected, and also developing and maintaining 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, also functions as the intermediary between the Board and senior management.

### Board Meetings

The Board meets on a monthly basis, with additional meetings convened as and when urgent issues and/or important decisions are required to be addressed between the scheduled meetings. During the financial year ended 31 December 2015, the Board met 15 times to deliberate and consider a variety of significant matters that required its guidance and approval.

## Statement on Corporate Governance

All the Directors have exceeded the 50% meeting attendance requirement as prescribed by the Listing Requirements. Details of attendance of each Director on the Board and respective Board Committees of Maybank during the financial year ended 31 December 2015 are highlighted in the table below.

The current practice is to appoint Board members to sit on subsidiary boards, in particular those of the key overseas subsidiaries, 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 allow selected members of the senior management, especially women, to take up directorships in public 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.

| Name of Directors                                  | Board<br>Number of Meetings |          |     | CRC<br>Number of Meetings |          |     | ACB<br>Number of Meetings |          |     |
|----------------------------------------------------|-----------------------------|----------|-----|---------------------------|----------|-----|---------------------------|----------|-----|
|                                                    | Held                        | Attended | %   | Held                      | Attended | %   | Held                      | Attended | %   |
| Tan Sri Dato' Megat Zaharuddin bin Megat Mohd Nor  | 15                          | 15       | 100 | -                         | -        | -   | -                         | -        | -   |
| Dato' Mohd Salleh bin Hj Harun <sup>1</sup>        | 12                          | 12       | 100 | -                         | -        | -   | -                         | -        | -   |
| Datuk Abdul Farid bin Alias                        | 15                          | 15       | 100 | 14                        | 8        | 57  | -                         | -        | -   |
| Tan Sri Datuk Dr Hadenan bin A. Jalil <sup>2</sup> | 15                          | 9        | 60  | -                         | -        | -   | 14                        | 9        | 64  |
| Dato' Seri Ismail bin Shahudin <sup>3</sup>        | 15                          | 15       | 100 | 13                        | 11       | 85  | -                         | -        | -   |
| Dato' Dr Tan Tat Wai                               | 15                          | 15       | 100 | -                         | -        | -   | -                         | -        | -   |
| Mr. Cheah Teik Seng <sup>4</sup>                   | 8                           | 8        | 100 | -                         | -        | -   | 10                        | 10       | 100 |
| Dato' Johan bin Ariffin                            | 15                          | 13       | 87  | 14                        | 12       | 86  | 14                        | 14       | 100 |
| Datuk Mohaiyani binti Shamsudin <sup>5</sup>       | 15                          | 15       | 100 | 14                        | 9        | 64  | -                         | -        | -   |
| Mr. Erry Riyana Hardjapamekas <sup>6</sup>         | 6                           | 3        | 50  | -                         | -        | -   | 8                         | 6        | 75  |
| Datuk R. Karunakaran <sup>7</sup>                  | 15                          | 15       | 100 | 13                        | 12       | 92  | 5                         | 5        | 100 |
| Mr. Cheng Kee Check                                | 15                          | 15       | 100 | 14                        | 14       | 100 | 14                        | 14       | 100 |
| Mr. Edwin Gerungan <sup>8</sup>                    | 7                           | 7        | 100 | 3                         | 3        | 100 | -                         | -        | -   |

| Name of Directors                                  | RMC<br>Number of Meetings |          |     | NRC<br>Number of Meetings |          |     | ESS Committee<br>Number of Meetings |          |     |
|----------------------------------------------------|---------------------------|----------|-----|---------------------------|----------|-----|-------------------------------------|----------|-----|
|                                                    | Held                      | Attended | %   | Held                      | Attended | %   | Held                                | Attended | %   |
| Dato' Mohd Salleh bin Hj Harun <sup>1</sup>        | -                         | -        | -   | 10                        | 10       | 100 | 5                                   | 5        | 100 |
| Tan Sri Datuk Dr Hadenan bin A. Jalil <sup>2</sup> | -                         | -        | -   | 11                        | 4        | 36  | 5                                   | 2        | 40  |
| Dato' Seri Ismail bin Shahudin <sup>3</sup>        | 7                         | 7        | 100 | 2                         | 2        | 100 | 1                                   | 1        | 100 |
| Dato' Dr Tan Tat Wai                               | 9                         | 9        | 100 | 11                        | 11       | 100 | 5                                   | 5        | 100 |
| Mr. Cheah Teik Seng <sup>4</sup>                   | 6                         | 6        | 100 | -                         | -        | -   | -                                   | -        | -   |
| Datuk Mohaiyani Shamsudin <sup>5</sup>             | 2                         | 2        | 100 | -                         | -        | -   | -                                   | -        | -   |
| Datuk R. Karunakaran <sup>7</sup>                  | 2                         | 2        | 100 | 11                        | 10       | 91  | 5                                   | 4        | 80  |
| Mr. Edwin Gerungan <sup>8</sup>                    | 2                         | 2        | 100 | 3                         | 3        | 100 | 2                                   | 2        | 100 |

- Cessation of office with effect from 17 November 2015 due to expiry of the term of office pursuant to Financial Services Act 2013. He also ceased to be the Chairman and a member of NRC and ESS Committee.
- Stepped down from NRC and ESS with effect from 17 November 2015.
- Stepped down from RMC and subsequently appointed as a member of both the NRC and ESS Committee on 9 November 2015. He also stepped down as the Chairman of the CRC with effect from 15 December 2015.
- Cessation of office with effect from 25 August 2015 due to expiry of the term of office pursuant to Financial Services Act 2013. He also ceased to be a member of ACB and RMC.
- Appointed as a member of RMC with effect from 9 November 2015.
- Cessation of office with effect from 24 June 2015 due to expiry of the term of office pursuant to Financial Services Act 2013. He also ceased to be a member of ACB.
- Appointed as a member of the ACB and RMC with effect from 10 August 2015 and 9 November 2015 respectively. He further stepped down from CRC with effect from 15 December 2015.
- Appointed as a Director on 24 August 2015. He was subsequently appointed as a member of the CRC on 13 October 2015, the NRC and ESS on 26 October 2015 and the RMC on 9 November 2015.

## Statement on Corporate Governance

### Directors' Remuneration

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.

In line with good corporate governance, the Board has set out its intention to periodically review the Non-Executive Directors (NEDs) remuneration for Maybank and its group of companies at least once every three years. Since the shareholders have recently approved a revision to the Director' remuneration structure at the 55<sup>th</sup> AGM held on 7 April 2015, the Board will not be proposing for any changes to be made to the fee structure during the upcoming 56<sup>th</sup> AGM.

A summary of the total remuneration of the Directors, as distinguished between Executive and Non-Executive Directors, in aggregate with categorisation into appropriate components for the financial year ended 31 December 2015 is as follows:

|                                                   | Salary<br>(RM)   | Bonus<br>(RM)    | Directors'<br>Fees <sup>1</sup><br>(RM) | Other<br>Emoluments<br>(RM) | Benefits<br>in kind<br>(RM) | ESS<br>(RM)      | Total<br>(RM)     |
|---------------------------------------------------|------------------|------------------|-----------------------------------------|-----------------------------|-----------------------------|------------------|-------------------|
| <b>Executive Director</b>                         |                  |                  |                                         |                             |                             |                  |                   |
| Datuk Abdul Farid bin Alias                       | 1,800,000        | 2,250,000        |                                         | 944,932                     | 36,772                      | 1,358,629        | 6,390,333         |
| <b>TOTAL</b>                                      | <b>1,800,000</b> | <b>2,250,000</b> |                                         | <b>944,932</b>              | <b>36,772</b>               | <b>1,358,629</b> | <b>6,390,333</b>  |
| <b>Non-Executive Directors</b>                    |                  |                  |                                         |                             |                             |                  |                   |
| Tan Sri Dato' Megat Zaharuddin bin Megat Mohd Nor |                  |                  | 919,999                                 | 574,000                     | 27,416                      |                  | 1,521,415         |
| Dato' Mohd Salleh bin Hj Harun <sup>2</sup>       |                  |                  | 621,694                                 | 35,500                      | 21,049                      |                  | 678,243           |
| Tan Sri Datuk Dr Hadenan bin A. Jalil             |                  |                  | 497,833                                 | 29,500                      | 3,055                       |                  | 530,388           |
| Dato' Seri Ismail bin Shahudin                    |                  |                  | 479,916                                 | 46,000                      | -                           |                  | 525,916           |
| Dato' Dr Tan Tat Wai                              |                  |                  | 504,999                                 | 50,000                      | -                           |                  | 554,999           |
| Mr. Cheah Teik Seng <sup>3</sup>                  |                  |                  | 335,940                                 | 28,000                      | 2,025                       |                  | 365,965           |
| Dato' Johan bin Ariffin                           |                  |                  | 459,999                                 | 45,500                      | 3,580                       |                  | 509,079           |
| Datuk Mohaiyani binti Shamsudin                   |                  |                  | 434,333                                 | 35,000                      | -                           |                  | 469,333           |
| Mr. Erry Riyana Hardjapamekas <sup>4</sup>        |                  |                  | 262,083                                 | 10,500                      | -                           |                  | 272,583           |
| Datuk R. Karunakaran                              |                  |                  | 446,688                                 | 58,000                      | 3,055                       |                  | 507,743           |
| Mr. Cheng Kee Check                               |                  |                  | 367,249                                 | 52,000                      | -                           |                  | 419,249           |
| Mr. Edwin Gerungan <sup>5</sup>                   |                  |                  | 128,809                                 | 22,000                      | -                           |                  | 150,809           |
| <b>TOTAL</b>                                      |                  |                  | <b>5,459,542</b>                        | <b>986,000</b>              | <b>60,180</b>               |                  | <b>6,505,722</b>  |
| <b>GRAND TOTAL</b>                                | <b>1,800,000</b> | <b>2,250,000</b> | <b>5,459,542</b>                        | <b>1,930,932</b>            | <b>96,952</b>               | <b>1,358,629</b> | <b>12,896,055</b> |

#### Notes:

- Directors' fees inclusive of total accrued amount paid retrospectively from 1 January 2014 to each individual Non-Executive Director pursuant to the approval of the shareholders obtained at the 55<sup>th</sup> Annual General Meeting held on 7 April 2015.
- Cessation of office with effect from 17 November 2015 due to expiry of the term of office pursuant to Financial Services Act 2013. He also ceased to be the Chairman and a member of NRC and ESS Committee.
- Cessation of office with effect from 25 August 2015 due to expiry of the term of office pursuant to Financial Services Act 2013. He also ceased to be a member of ACB and RMC.
- Cessation of office with effect from 24 June 2015 due to expiry of the term of office pursuant to Financial Services Act 2013. He also ceased to be a member of ACB.
- Appointed as a Director on 24 August 2015. He was subsequently appointed as a member of the CRC on 13 October 2015, the NRC and ESS on 26 October 2015 and the RMC on 9 November 2015.

Executive Director's Other Emoluments include pension costs, allowances, retirement gratuity and reimbursements. Benefits in kind ("BIK") for NEDs include golf club membership whilst the BIK for the Chairman and Vice Chairman include a driver, car and fuel allowance.

## Statement on Corporate Governance

### 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 thereto issued by Bank Negara Malaysia, 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.

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 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 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.

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 a concise and accurate minutes. The draft minutes of the meeting are circulated within one week of the meetings to the Board 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.

### 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 BSI exercise was conducted in December 2015 for the financial year ended 31 December 2015.

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 against trading. Based on feedback received from Board members, the Board was generally satisfied with the support provided for the year under review and a number of areas have been identified for further improvement.

### Independent Professional Advice

Independent professional advice can be obtained by any Individual Directors, 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.

### Directors' Training

The Board acknowledges the importance of continuing education for its Directors to ensure they are equipped with the necessary skills 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, namely the Financial Institutions Directors' Education (FIDE).

The Board continues to assess the training needs of its Directors via the Board Assessment and identify key areas of focus for training programmes.

Training programmes, conferences and forums attended by the Directors for the financial year ended 31 December 2015 were as follows:

#### FIDE/ICLIF/FIDE Forum

- 2015 – Non-Executive Directors' Remuneration Study
- FIDE Forum Dialogue with Governor, Bank Negara Malaysia
- Advanced Risk Governance & Risk Management
- Board's Strategic Leadership: "Innovation & Growth in Uncertain Times"

## Statement on Corporate Governance

### Other External Seminars/Conferences

- “Managing Financial Turbulence”, organised by Indonesia Deposit Insurance Corporation
- ASEAN Capital Markets CEO Summit, organised by Maybank Investment Bank
- Invest ASEAN Philippines, organised by Maybank Investment Bank
- MIT Faculty Insights: Prof Roberto Rigobon, organised by Asia School of Business in collaboration with MIT Sloan School of Management
- The 12<sup>th</sup> ASEAN Leadership Forum, organised by ASLI
- Capital Market Directors Program, organised by SIDC @ Securities Commissions
- 2<sup>nd</sup> Financial Times ASEAN Economic Summit 2015, organised by Financial Times
- “Lead the Change Getting Women on Boards”, organised by PEMANDU
- Audit Committee Conference 2015 — “Rising to New Challenges”, organised by Malaysian Institute of Accountants and The Institute of Internal Auditors Malaysia
- Invest Malaysia 2015, organised by Bursa Malaysia Berhad
- World Capital Markets Symposium 2015 Markets and Technology: “Driving Future Growth Through Innovation”, organised by Securities Commission
- Sustainability Symposium: “Responsible Business. Responsible Investing”, organised by Bursa Malaysia Berhad
- Mandatory Accreditation Programme, organised by Bursatra Sdn Bhd
- The Global Sustainability and Impact Investing Forum, organised by Bursa Malaysia Berhad
- Swap Futures Presentation by Tim Andriesen, Managing Director, Commodity Products, CME, organised by Bursa Malaysia Berhad
- 11<sup>th</sup> World Islamic Economic Forum (WIEF)

### Maybank Internal Trainings

- Maybank’s Group Annual Risk Workshop
- Maybank’s Board Offsite Session — Digital Transformation: From “what” to “how”
- Anti-Money Laundering & Counter Financing Terrorism (AML/CFT) Refresher Session
- The Guru Series : “Make It Happen” by Red Hong Yi
- Trans-Pacific Partnership Agreement, in collaboration with Ministry of International Trade and Industry (MITI)

As at the end of the financial year ended 31 December 2015, 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.

### **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 EXCO 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.

### **BOARD PROFESSIONALISM**

#### **Directorships in Other Companies**

In compliance with the Listing Requirements and consistent with the best practices recommendations of the Green Book, each member of the Maybank Board holds not more than five directorships in public listed companies to enable the Directors to discharge their duties effectively by ensuring that their commitment, resources and time are more focused.

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, such as directorships of other listed companies, would not unduly affect their time commitments and responsibilities to the Maybank Board and Group.

The NRC 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/GP1. 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**

Members of the Board are required to make a declaration at the Board meeting in the event that they have interests in proposals being considered by the Board, including where such interest arises through close family members, in line with various statutory requirements on the disclosure of Director’s interest. In all situations where the Directors could be deemed as interested, they would excuse themselves from the discussion and leave the meeting room. The minutes of meeting would also reflect as such.

#### **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.

# Statement on Corporate Governance

## BOARD COMMITTEES

Delegation of certain of its governance responsibilities has been undertaken by the Board in favour of its Board Committees, which operate within clearly defined terms of references, primarily to assist the Board in the execution of its duties and responsibilities. Although the Board has granted such discretionary authority to these Board Committees to deliberate and decide on certain key and operational matters, the ultimate responsibility for final decision on all matters lies with the entire Board. The Chairmen of the Board Committees will table and present a report on the activities of the respective Board Committees at the monthly Board meetings.

The Board Committees of the Maybank Board are as follows:

1. Audit Committee
2. Credit Review Committee
3. Nomination and Remuneration Committee
4. Risk Management Committee
5. Employees' Share Scheme Committee

### Audit Committee

The Board authorises the Audit Committee to investigate any activities within its Terms of Reference and has unrestricted access to both the internal and external auditors and members of the senior management of the Group.

The activities carried out by the Audit Committee, which met 14 times during the year under review, are summarised in the Audit Committee Report and its Terms of Reference as stated on page 166 of this Annual Report. Members of the Audit Committee are as indicated on page 166 of this Annual Report.

### Credit Review Committee

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;
4. To carry out such other responsibilities as may be delegated to it by the Board from time to time; and
5. To provide oversight of the entire credit management function covering but not limited to portfolio, end-to-end process, infrastructure, resources and governance.

The Committee met 14 times during the financial year ended 31 December 2015. Members of the Credit Review Committee and details of meeting attendance by members are stated on page 152 of this Annual Report.

## Nomination and Remuneration Committee (NRC)

The NRC presently comprise exclusively of Non-Executive Directors, all of whom are also independent and is chaired by an Independent Director.

The responsibilities of the NRC include, amongst others, the following:

1. To recommend to the Maybank Board, the appointment, promotion and remuneration as well as compensation policies for executives in key management positions;
2. To recommend to the Maybank Board, a Leadership Development framework for the Group;
3. To oversee the selection of Directors and general composition of the Maybank Board (size, skill and balance between Executive Directors and Non-Executive Directors);
4. To evaluate the quality of directors in order to ensure alignment with the Group's strategic direction;
5. To recommend to the Maybank Board, a policy and framework for remuneration of Directors, covering fees, allowances and benefits-in-kind in respect of their work as Directors of all boards and committees and for the PCEO and key senior management officers;
6. To recommend to the Maybank Board a policy regarding the period of service for the Executive and Non-Executive Directors;
7. To assess the performance and effectiveness of individuals and collective members of the Boards and Board Committees of the Group and its subsidiaries, as well as the procedure for the assessment;
8. To recommend measures to upgrade the effectiveness of the Boards and Board Committees;
9. To recommend to the Maybank Board a performance management framework/model, including the setting of the appropriate performance target parameters and benchmark for the PCEO's Group Balanced Scorecard at the start of each financial year;
10. To oversee the succession planning, talent management and performance evaluation of executives in key management positions;
11. To consider and recommend solutions to issues of conflict of interest affecting Directors;
12. To assess annually that Directors, key responsible persons and Company Secretary are not disqualified under subsection 59(1) of Financial Services Act, 2013; and
13. To review the training requirements and programmes for the Directors.

The main activities of the NRC in 2015 is summarised as follows:

1. The assessment on the performance of the Board as a whole as per the Annual Board Assessment, which covered performance of Board, Board Committees and Directors to ensure the Board's effectiveness;
2. The assessment on the performance of Directors, particularly those who would retire at the forthcoming Annual General Meeting and the recommendation to the Board for their re-election;
3. The recommendation to the Board on the appropriate balance and size of the Board and the required directors' skills and experience to ensure the effectiveness of the Board;
4. The recommendation to the Board on the suitable training programmes to attend which are relevant to the industry in which Maybank operates;
5. The recommendation to the Board on the revision of composition of Boards and Board Committees of Maybank Group;

## Statement on Corporate Governance

6. The assessment on the fitness and propriety of Directors and Senior Executives with regard to their appointments on the Board of Maybank and its subsidiaries;
7. The recommendation on the appointment/re-appointment of suitable candidates as Shariah Committee members for Maybank Islamic Berhad;
8. The assessment and recommendation to the Board on the review of the remuneration for non-executive directors of Maybank;
9. The assessment and recommendation to the Board on the performance of Group Executive Committee members as well as a review of their remuneration;
10. The assessment and recommendation to the Board on the appointment of Senior Executives to key management position within the Group;
11. The review of the succession planning and talent management of Senior Executives of Maybank; and
12. The recommendation to the Board in respect of an annual review of total rewards for Maybank's executives.

The NRC held 11 meetings during the financial year ended 31 December 2015. Members of NRC and details of meeting attendance by members are stated on page 152 of this Annual Report.

### Risk Management Committee (RMC)

The roles and responsibilities of the RMC include the following:

1. To review and approve risk management strategies, risk frameworks, risk policies, risk tolerance and risk appetite limits;
2. To review and assess adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risks and the extent to which they operate effectively;
3. 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 the financial institution's risk-taking activities; and
4. To review management's periodic reports on risk exposure, risk portfolio composition and risk management activities.

The specific duties of the RMC in managing risks cover the following:

1. To review the impact of risk on capital adequacy and profitability and asset quality under stress scenarios;
2. 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;
3. To review and recommend strategic actions to be taken by Maybank arising from regulatory rules impacting risk management practices for Board's approval;
4. To review, recommend and approve corrective measures to address risk concerns as highlighted by various home-host regulatory authorities, where relevant;
5. To review and approve new products and services and ensure compliance with the prevailing guidelines issued by BNM or other relevant regulatory body.
6. To oversee the resolution of BNM Composite Risk Rating findings for Maybank Group;
7. To provide oversight of specific risk management concerns in the Business Sectors of the Group;
8. To delegate appropriate operational issues to Management for their further actions;
9. To carry out such other responsibilities as may be delegated to it by the Board from time to time; and
10. To review and approve Terms of References (TORs) of Executive Risk Committee and RMC at subsidiary/overseas branches.

During the financial year ended 31 December 2015, nine meetings were held. The Chairman and all Committee members are Independent Non-Executive Directors. Members of the RMC and details of attendance by members are stated on pages 152 of this Annual Report.

### Employees' Share Scheme Committee (ESS Committee)

The Employees' Share Scheme (ESS) 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 ESS was made on 23 June 2011 to all eligible employees.

The Board has delegated to the ESS Committee the responsibility for determining all questions of policy and expediency arising from the administration of the ESS and to generally undertake the necessary actions to promote Maybank's best interest.

The broad responsibilities of the ESS Committee as outlined in its Terms of Reference include to administer the ESS 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.

All members of the ESS Committee are Non-Executive Directors. Meetings are held as and when the ESS Committee is required to deliberate on urgent matters.

Five meetings of the ESS Committee were held during the financial year under review. Members of the ESS Committee and details of meeting attendance by members are stated on page 152 of this Annual Report.

### EXECUTIVE LEVEL MANAGEMENT COMMITTEES (ELC)

With the support of the Maybank Board, the Group PCEO has established various ELCs and delegated some of his authority to assist and support the relevant Board Committees in the operations of Maybank. The key ELCs, which are mostly chaired by the Group PCEO or the Group Chief Financial Officer, are as follows:

- Group Executive Committee
- Group Management Credit Committee
- Internal Audit Committee
- Executive Risk Committee
- Asset and Liability Management Committee
- Group Staff Committee
- Group Procurement Committee
- Group IT Steering Committee

### INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

Investor Relations (IR) is a critical part of Maybank's corporate governance framework that 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.

## Statement on Corporate Governance

During the year, the Board adopted the Group's Corporate Disclosure Policies and Procedures (Group Corporate Disclosure Policy) in place of the Group's Investor Relations Policy. The Group Corporate Disclosure Policy expands on the scope of the Group's previous policy on investor relations by widening the scope of corporate disclosure to a larger audience, rather than just the investment community. The change is in line with Bursa Malaysia's Corporate Disclosure Guide 2012 that encourages prompt and timely dissemination of information to shareholders and investors, and recommends the adoption of a policy on corporate disclosures. A copy of the Group Corporate Disclosure Policy can be found on the corporate website at [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 half-year and full-year financial results, media and analyst briefings are conducted with simultaneous conference calls while for the first quarter and third quarter financial results, conference calls are held with analysts. Financial statements, presentation slides and press releases are emailed and made public on the corporate website 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 frequent 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, Maybank Indonesia.

### 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's Group 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 senior management, share and dividend information including the dividend reinvestment plan, investor presentations, financial results, annual reports, corporate news and Maybank's global operations and subsidiaries. Additionally, information on the Group Governance Structure and framework is also published in the Group Corporate Website.

Visitors can also receive the latest Maybank updates via email or RSS feed through the corporate website. In addition, stakeholders can obtain regulatory announcements made by Maybank to Bursa Malaysia on the latter's website ([www.bursamalaysia.com](http://www.bursamalaysia.com)).

### 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 regulations 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's corporate website.

### 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 six rating agencies, namely Standard and Poor's, Fitch Ratings, Moody's Investors Services, RAM Rating Services Berhad (RAM Ratings), Malaysian Rating Corporation Berhad (MARC) and Capital Intelligence, as part of providing independent opinion on the financial position and creditworthiness of Maybank and its debt issuances to fixed income investors and other stakeholders.

Contact Details of key IR spokespersons:

Dato' Mohamed Rafique Merican  
Group Chief Financial Officer  
Contact: (6)03 2074 7878  
Email: [rafique@maybank.com](mailto:rafique@maybank.com)

Chan Hung Chee  
Acting Head, Group Performance Reporting & Investor Relations  
Contact: (6)03 2053 3949  
Email: [hungchee.c@maybank.com](mailto:hungchee.c@maybank.com)

For more information on the investor relations activities conducted during the year, please refer to the Investor Relations section on page 91.

### GENERAL MEETINGS

The Group's Annual General Meetings and Extraordinary General Meetings 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, the election and appointment of Directors, major mergers, acquisitions and divestments exercises, as well as the appointment of auditors and final dividend payments.

The attendance of shareholders at the Group's general meetings has always been high as evidenced by the presence of 3,533 shareholders at the 55<sup>th</sup> AGM for the financial year 2014. Active participation by the shareholders is encouraged during the AGM, in which an open platform is made available to the shareholders to raise questions



## Statement on Corporate Governance

relevant to the items in the AGM agenda and appropriate response and clarification are promptly provided by the Board members to the shareholders.

Maybank continues the practice of encouraging shareholders to submit written questions in advance prior to the commencement of the 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 AGM. The results of voting of each resolution are also immediately announced to the shareholders in the AGM after the voting process. Minutes of the AGM are also available on Maybank's website.

In line with the Code, Maybank has always made the necessary preparation for poll voting for all resolutions at its AGM including the appointment of external scrutineers as an oversight to ensure that satisfactory procedures of the voting process are in place before the AGM and to oversee the counting of votes during the AGM in case there is a valid demand for a poll. The Board also takes note of the Code on e-voting and shall consider employing electronic means for both show of hands and polling, to facilitate greater shareholder participation in view of its large shareholder base and related logistical complexity, taking into consideration its reliability, applicability, cost and efficiency.

In addition to the AGMs and EGMs, shareholders and market observers are also welcome to raise queries at any time through the Corporate Affairs and Group Investor Relations Divisions.

### OWNERSHIP STRUCTURE

The shares of Maybank are widely held with institutional shareholders dominating the ownership structure of Maybank. As at 31 December 2015, the top three shareholders were Skim Amanah Saham Bumiputra (ASB) with 36.82%, Employees Provident Fund Board with 15.89% and Permodalan Nasional Berhad (PNB) with 5.65%, accounting in aggregate for a combined 58.36%.

Although the three top shareholders of Maybank accounted for more than half of the total paid up share capital of Maybank, Maybank is not subject to any biased influence from these shareholders and they do not hold management position within the organisation. 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 disclosed on page 207 of this Annual Report. Any updates on the shareholding structure can be obtained on request from the designated management personnel on Investor Relations matters. The existing share structure consists entirely of Ordinary Shares and there are no different classes of Ordinary Shares. There is no foreign shareholding limit and Maybank's Memorandum and Articles of Association do not have any explicit provision(s) that may discourage any acquisition. However, Maybank is subject to FSA, which contains certain restrictions on share ownership.

### ACCOUNTABILITY AND AUDIT

#### Financial Reporting and Disclosure

##### 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.

##### Disclosure on Financial Highlights, Indicators & Reports

The Group and Maybank's financial highlights and indicators for the financial year ended 31 December 2015 are set out on pages 84 to 90 of this annual report.

The Group's financial statements are included on pages 31 to 268 of the Annual Report (Financial Statements) and the financial results for the financial year ended 31 December 2015 were announced to the public on 25 February 2016, less than 60 days after Maybank's financial year end.

##### Directors' Responsibility Statement

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, 1965 in Malaysia.

The Statement of Directors' Responsibility in respect of the preparation of audited financial statements for the Group and Maybank is set out on page 12 of the Financial Statements book of the Annual Report 2015.

##### 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 of the Board ("ACB") 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 during its scheduled meetings. The ACB also reviews 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 162 to 165 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

The Integrity Hotline (formerly the Fraud Reporting Hotline) which had been implemented since 2004, 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 or for Overseas at 603-20268112
- Protected Email Address at [integrity@maybank.com.my](mailto: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 the Policy.

### Group Anti-Fraud Policy

Maybank Group has an Anti-Fraud Policy, which provides broad principles, strategies, and policies for the Group in relation to fraud in order to promote high standards of integrity. The policy establishes robust and comprehensive programmes and controls 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), the subsequent CIP Review conducted afterwards by Malaysian Anti-Corruption Commission (MACC) in 2013 was one of the natural progressive steps taken as a way forward towards inculcating integrity in the Maybank 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 ACB and has unrestricted access to the ACB. 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 ACB 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 ACB 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. To ensure full disclosure of matters, the Bank's Auditors are regularly invited to attend the ACB meetings (as well as the Annual General Meetings). During 2015, the Bank's Auditors had met once with the ACB without the presence of the senior management. The Bank's Auditors has also provided their written assurance to the Group in respect of their independence during FY 2015.

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 on pages 166 to 171 of this Annual Report.

### Maybank Group's Code of Ethics and Conduct

In addition to the BNM/GP1 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. 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 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.

## Statement on Corporate Governance

### ADDITIONAL COMPLIANCE INFORMATION AT 31 DECEMBER 2015

#### 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 181 to 189 of this Annual Report.

#### 1. Utilisation of Proceeds

(i) Funding Maybank's working capital, general banking and other corporate purposes:

- a) USD50.0 million Senior Notes issued on 29 January 2015
- b) CNY410.0 million Senior Notes issued on 5 March 2015
- c) SGD50.0 million Senior Notes issued on 10 April 2015
- d) JPY18.5 billion Samurai Bond issued on 30 April 2015
- e) JPY12.8 billion Samurai Bond issued on 30 April 2015
- f) JPY12.0 billion Senior Notes issued on 10 June 2015
- g) SGD54.0 million Senior Notes issued on 26 June 2015
- h) USD160.0 million Senior Notes issued on 7 July 2015
- i) SGD50.0 million Senior Notes issued on 10 July 2015
- j) SGD277.75 million Senior Notes issued on 23 July 2015
- k) SGD102.0 million Senior Notes issued on 24 July 2015
- l) CNY323.0 billion Senior Notes issued on 11 August 2015
- m) RM2.2 billion Tier 2 Subordinated Notes issued on 19 October 2015
- n) RM1.1 billion Tier 2 Subordinated Notes issued on 27 October 2015
- o) HKD435.0 million Senior Notes issued on 20 November 2015
- p) RM220.0 million Senior Notes issued on 24 November 2015

(ii) Dividend Reinvestment Plan (DRP) – Ongoing

- (a) The net proceeds 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

#### 2. Share Buy-back

Maybank did not make any proposal for share buy-back during the financial year ended 31 December 2015.

#### 3. Options, Warrants or Convertible Securities

Maybank did not issue any options, warrants or convertible securities during the financial year ended 31 December 2015, save and except for the options issued pursuant to the Employees' Share Scheme.

#### 4. Imposition of Sanctions and/or Penalties

There were no material sanctions and/or penalties imposed on Maybank and its subsidiaries, directors or management by the relevant regulatory bodies, which were made public during the financial year ended 31 December 2015.

#### 5. Non-audit fees

Non-audit fees payable to the external auditors, Ernst & Young, for the year amounted to RM8,178,000 for the Group and RM5,509,000 for Maybank.

#### 6. Variation in Results

There was no profit forecast issued by Maybank and its subsidiaries during the financial year ended 31 December 2015.

#### 7. Profit Guarantee

There was no profit guarantee issued by Maybank and its subsidiaries during the financial year ended 31 December 2015.

#### 8. 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 2015 or entered into since the end of the previous financial year.

#### 9. Valuation Policy

The Company does not re-value its landed properties classified as Property and Equipment. The revaluation policy on landed properties classified as Investment Properties is disclosed in Note 2.3(xiii) of the Financial Statements – Annual Report 2015.

#### 10. Recurrent Related Party Transactions of a Revenue or Trading Nature (RRPT)

The Company did not enter into nor seek mandate from its shareholders on any RRPT for the financial year ended 31 December 2015.

#### 11. American Depository Receipt Programme (ADR)

The total number of ADRs outstanding is 6,073,441 as at 31 December 2015. The percentage of the securities for which the ADRs are issued against Maybank's issued and paid-up share capital is 0.0622%.

This statement is made in accordance with a resolution of the Board dated 28 January 2016.



**TAN SRI DATO' MEGAT ZAHARUDDIN MEGAT MOHD NOR**  
Chairman of the Board

# Statement on Risk Management and Internal Control

Financial year ended 31 December 2015

## INTRODUCTION

This Statement on Risk Management and Internal Control is made pursuant to Bursa Malaysia Securities Berhad Listing Requirements which requires the Board of Directors (the Board) to include in its Company Annual Report a statement about the state of its internal control. The revised Malaysian Code on Corporate Governance requires all listed companies to establish a sound risk management framework and internal control system to manage risk and safeguard shareholders' investment and the company's assets. Accordingly, the Board is pleased to provide the Statement on Risk Management and Internal Control that has been prepared in accordance with the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" endorsed by Bursa Malaysia Securities Berhad.

## BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility in establishing a sound risk management framework and internal control system as well as reviewing its adequacy and effectiveness. The Board is of the view that the risk management framework and internal control system are designed to manage the Group's risks within the acceptable risk appetite, rather than to eliminate the risk of failure to achieve the business goals and objectives. It can therefore only provide reasonable, rather than absolute assurance against material financial misstatement, fraud or loss.

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 and in consideration of the changes in the 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 faced, and the achievement of business objectives and strategies;
- Formulating relevant policies and procedures to manage these risks;
- Designing, implementing and monitoring the effective implementation of risk management framework 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 FRAMEWORK AND INTERNAL CONTROL SYSTEM

The key processes that the Board has established in reviewing the adequacy and effectiveness of the risk management framework and internal control system include the following:

### Risk Management Framework

The management of risk involves the establishment of risk principles and strategies as the core foundation in driving strong risk management culture and practices across the Group. As risk management is a core discipline of the Group, it is underpinned by a set of key principles which serve as the foundation for the Group's risk management practices and processes:

| Principles                                         | Description                                                                                                                                                                                          |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Establish risk appetite & strategy              | The risk appetite articulates the nature, type and level of risk the Group is willing to assume and must be approved by the Board.                                                                   |
| 2. Assign adequate capital                         | The Group's approach to capital management is driven by the Group's strategic objectives and accounts for the relevant regulatory, economic and commercial environments in which the Group operates. |
| 3. Ensure proper governance and oversight function | There is clear, effective and robust Group governance structure with well-defined, transparent and consistent lines of responsibility established within the Group.                                  |
| 4. Promote strong risk culture                     | Institutionalisation of a strong risk culture that supports and provides appropriate standards and incentives for professional and responsible behaviour.                                            |
| 5. Implement sound risk policies                   | Implementation of integrated risk frameworks and policies to ensure that risk management practices and processes are effective at all levels.                                                        |
| 6. Execute strong risk management processes        | Execution of sound risk management processes to actively identify, measure, control, monitor and report risks inherent in all products, activities, processes, systems and exposures of the Group.   |
| 7. Ensure sufficient resources                     | Ensure sufficient resources and systems infrastructure are in place to enable effective risk management.                                                                                             |

# Statement on Risk Management and Internal Control

Financial year ended 31 December 2015

## Risk Appetite

The risk appetite is a critical component of a robust risk management framework and is driven by both top-down Board leadership and bottom-up involvement of management at all levels. The Group's 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 strategy and business planning process and is adaptable to changing business and market conditions. 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. The articulation of the risk appetite is done through a set of risk appetite statements that defines the Group's risk appetite towards all material risks in the Group.

## Risk Governance & Oversight

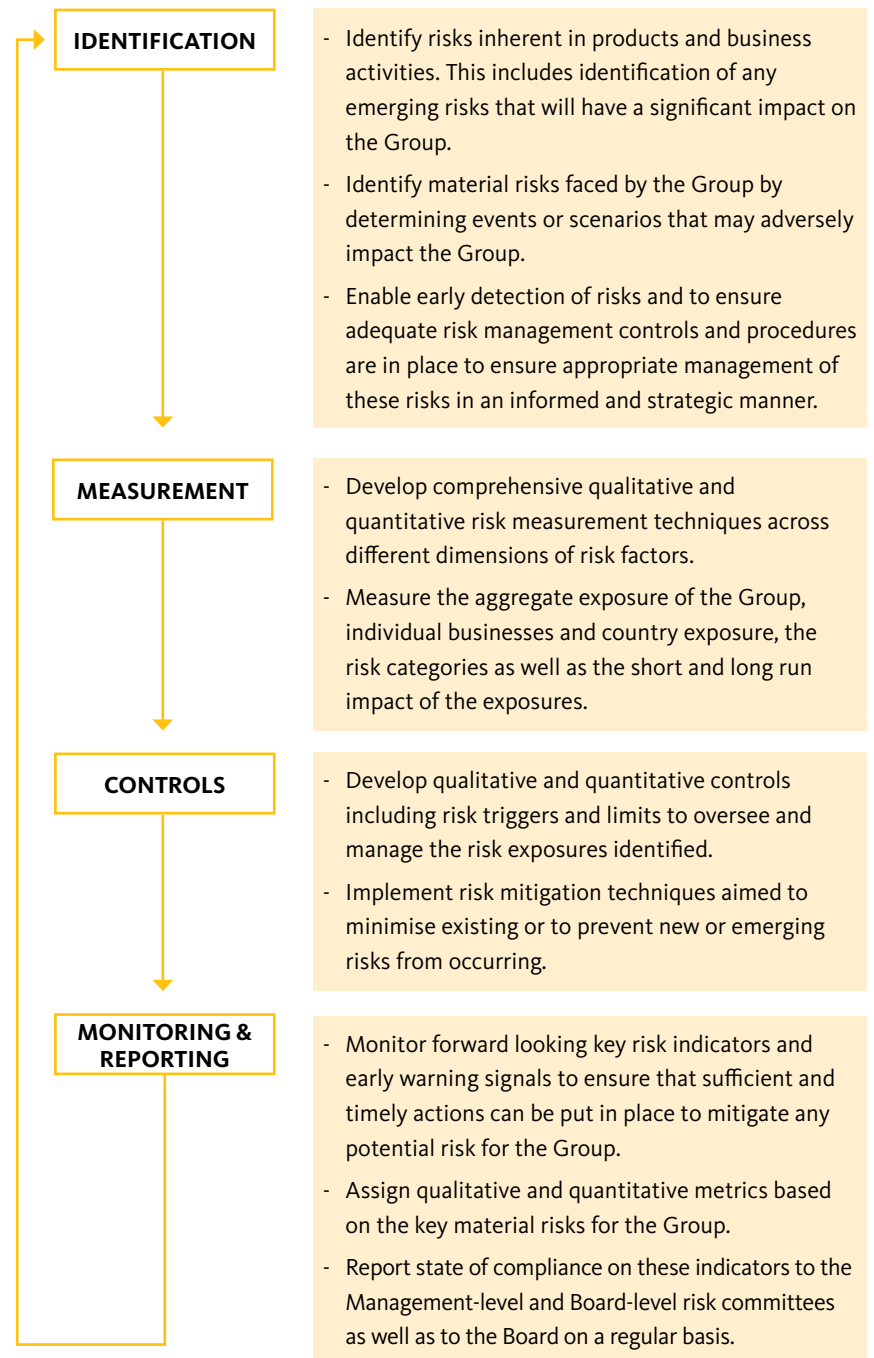
The risk governance model provides a transparent and effective governance structure that promotes active involvement from the Board and Senior Management in the risk management process to ensure a uniform view of risk across the Group. The governance model aims to place accountability and ownership whilst 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 details on the three lines of defence can be found in the risk management section from pages 174 to 175.

## Risk Culture

The risk and compliance culture of the Group is driven from the top and is complimented with the tone from the middle, that are ingrained in all levels of business and activities. 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 are 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 Group's risk management practices enable the Group to systematically identify, measure, control, monitor and report risk exposures across the Group.



## 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.

# Statement on Risk Management and Internal Control

Financial year ended 31 December 2015

## 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 as well as to provide comprehensive guidance to the Board, Group Shariah Committee and Management in discharging their duties in matters relating to Shariah.

All businesses, countries and subsidiaries of the Group have adopted this framework and are responsible to ensure that the aims and operations of their related business are in compliance with Shariah at all times.

The Group's Shariah Governance Framework is reflected by effective and responsible Board and Management, an independent Shariah Committee that is both competent and accountable, supported by a strong internal Shariah functions.

The end-to-end Shariah compliant governance mechanism is executed through four (4) lines of defence that cater both pre-execution and post-execution. The four lines of defences are 1st: Management and Business Unit, 2nd: Shariah Advisory and Research, 3rd: Shariah Risk and 4th: Shariah Audit and Shariah Review.

## Technology Risk Management Framework

Technology Risk Management is the discipline of systematically identifying the causes of failure in the organisation's technology related functionalities, assessing the risk of impact to the business and taking the appropriate risk remediation actions.

A robust Technology Risk Management Framework ensures that sufficient attention on best practices is considered to safeguard the Group's reputation and to maintain high service levels to customers as well as business units within. This is performed with due consideration using regional regulatory guidelines.

The framework is applicable across the Group, inclusive of subsidiaries and overseas operations whom are to adopt the principles of the framework while complying with local requirements.

## Internal Control System

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 function, on an ongoing basis. Any approved policy and framework formulated to identify measure and monitor various risk components would be reviewed and recommended by the RMC to the Board. Additionally, the RMC reviews and assesses the adequacy of these risk management policies and ensures infrastructure, resources and systems are emplaced for risk management. Further information on the RMC is included in the Statement of Corporate Governance on page 157.

- **Other Board Committees**

Other Board Committees, namely 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 156 to 157.

- **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, Executive Risk Committee, 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 regards to the internal control components and the basic control policy.

- **Anti-Fraud Policy**

An Anti-Fraud Policy is implemented to provide broad principles, strategy and policy for the Group to adopt in relation to fraud in order to promote high standards of integrity. The policy establishes robust and comprehensive programmes and controls for the Group as well as highlights the roles and responsibilities at every level for preventing and responding to 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, and are communicated and made available to all employees. The Group also adopted a whistle blowing policy, providing an avenue for employees to report actual or suspected malpractice, misconduct or violations of the Group's policies and regulations in a safe and confidential manner.

# Statement on Risk Management and Internal Control

Financial year ended 31 December 2015

- **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.

- **Human Resource Policies and Guidelines**

Recruitment and promotion policies and guidelines are established within the Group to ensure that the right and appropriate persons are selected to fill available positions. Formal training programmes either face-to-face or through e-learning, semi and annual performance appraisals, and other relevant procedures are in place to ensure that staff are adequately trained and competent to enable them to discharge their duties and responsibilities effectively. Proper guidelines are also drawn up for termination of staff.

- **Core Values and Code of Ethics and Conduct**

The Group's core values, T.I.G.E.R. (Teamwork, Integrity, Growth, Excellence and Efficiency and 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.

## INTERNAL AUDIT

### Internal Audit Function

The Internal Audit function is guided by its Audit Charter with the Group Chief Audit Executive (GCAE) reporting functionally to the ACB of the Bank and administratively to the Group President and Chief Executive Officer (GPCEO). The function is independent of the activities or operations of other operating units. It undertakes continuous reviews and assessment that the system of internal controls continues to operate effectively to mitigate the risks faced by the Group. Any significant risks and non-compliances which impact the operations of the Group are highlighted and corresponding improvement recommendations are provided to enhance the effectiveness of the risk management, internal control system and governance processes. 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 IAC regularly for deliberation and tracking.

### Audit Committee of the Board

The 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 on 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. 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 166 to 171.

### Internal Audit Committee

The IAC is a management level committee chaired by the Group Chief Financial Officer (GCFO) comprising senior level representatives from different lines of business. The IAC meets on a scheduled basis to deliberate on the findings highlighted in the audit and investigation reports and decides 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. 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 Board has also received reasonable assurance from the GPCEO and the GCFO 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, based on the risk management and internal control system adopted by the Group. 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 are operating adequately and effectively to safeguard shareholders' investment and the company's assets.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement for inclusion in the Annual Report for the financial year ended 31 December 2015. The external auditors conducted the review in accordance with the Recommended Practice Guide 5 (Revised): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report (RPG 5) issued by the Malaysian Institute of Accountants. The review has been conducted 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

## The Audit Committee Members of Maybank:



Tan Sri Datuk Dr. Hadenan A. Jalil  
(Chairman)



Dato' Johan Ariffin  
(member)



Mr. Cheng Kee Check  
(member)



Datuk R. Karunakaran  
(member)

## A. COMPOSITION AND TERMS OF REFERENCE

### Composition

- The Committee shall be appointed by the Board of Directors (Board) from amongst its non-executive directors and shall consist of at least three (3) members. The Chairman and the majority of the Audit Committee (AC) members must be independent directors and at least one (1) member of the committee must be:
  - a member of the Malaysian Institute of Accountants (MIA); or
  - if he is not a member of the MIA, he must have at least three (3) years working experience; and
    - he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
    - he must be a member of one (1) of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
  - fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad (Bursa Malaysia).
- In the event of any vacancy in an audit committee resulting in the non-compliance with the above requirement, the vacancy must be filled within three (3) months.
- Where the Chairman is unable to attend the meeting, the members shall elect a person among themselves to be Chairman at such meeting.
- Review of membership must be undertaken once every three (3) years. This review pertains to the term of office and performance of the members.

### Meetings

- Meetings shall be held at least once a month or at a frequency to be decided by the Committee. The Committee may invite any person to be in attendance to assist in its deliberations. At least once a year, the Committee shall meet with the external auditor without the presence of Senior Management.
- The Committee will regulate its own procedure particularly with regard to the calling of meetings, the notice to be given of such meetings, the voting and proceedings of such meetings, the keeping of minutes and the custody, production and inspection of such minutes.

- Upon the request of the external auditor, a meeting is to be convened to consider any matter that the auditor believes should be brought to the attention of the directors and shareholders.

### Quorum

The quorum shall be two (2), both of whom are to be independent directors.

### Secretary

The Group General Counsel & Company Secretary, Encik Wan Marzimin Wan Muhammad is the Secretary to the Audit Committee of the Board (ACB).

### Authority

The Committee is authorised by the Board to:

- Investigate any activity or matter within its terms of reference.
- Have the resources which are required to perform its duties.
- Have full and unrestricted access to any information and documents relevant to its activities.
- Have direct communication channels with external auditors, person(s) carrying out the internal audit function or activity and to Senior Management of the Bank and its subsidiaries.
- Promptly report to Bursa Malaysia, matters which have not been resolved satisfactorily, thus, resulting in a breach of the listing requirements.
- Obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.
- Convene meetings with internal and/or external auditors, without the attendance of the other directors and employees, whenever deemed necessary.
- Undertake or perform any other activities as the Committee considers appropriate or as the Board shall so decide from time to time.



# Audit Committee Report

## B. DUTIES & RESPONSIBILITIES

The primary duties and responsibilities of the Audit Committee shall include reviewing, appraising and reporting to the Board of Directors on the following:

### 1. Internal Audit

- To review and approve the scope of internal audit and their audit plan covering both local and overseas operations, the adequacy of the scope, functions, and resources of the internal audit function and whether it has the necessary authority to carry out its work.
- To review and assess the internal audit reports as well as investigation reports and whether or not appropriate action is taken on the recommendations of the internal audit function.
- To appraise and approve the appointment and termination of the Group Chief Audit Executive.
- To review and assess the performance of senior internal audit staff, including their remuneration and annual increment.
- To take cognisance of the resignation of internal audit staff and the reason of resignation.

### 2. External Audit

- To review the appointment, termination and resignation of the external auditors and its audit fees, and to make the appropriate recommendations to the Board regarding the same, as the Committee deems fit.
- To approve the scope of external audit and the audit plan of the external auditors covering both local and overseas operations, to the extent permissible pursuant to the applicable laws, rules and regulations of each jurisdiction in which the Group operates.
- To review the performance of the external auditors and to assess the qualification, expertise, resources and effectiveness of the external auditors, including the assessment of the external auditors' objectivity and performance.
- To review the independence of the external auditors, excluding the review of the external auditors appointed by the operating entities which have established their own audit committees that will likewise review the independence of their respective external auditors.
- To review the external auditors' evaluation of the adequacy and effectiveness of the system of internal controls.
- To review the Memorandum of Recommendations by the external auditors and the Management responses, including the status of previous audit recommendations.
- To review the assistance given by the Group's officers to the external auditors and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information.
- To approve the non-audit services provided by the external auditors.

### 3. Financial Reporting

To review the quarterly results and year-end financial statements focusing particularly on the reliability of the information disclosed therein, changes in accounting policy, significant and unusual events as well as compliance with accounting standards and other legal requirements.

### 4. Related Party Transactions

To review any related party transactions and conflict of interest situations that may arise within the Bank or Group including any transaction, procedure or course of conduct that raises questions with regard to the Management's integrity.

### 5. Annual Report

- To review and approve the yearly "Audit Committee Report" for inclusion in the Group's Annual Report.
- To review the annual "Statement of Risk Management and Internal Control" for inclusion in the Group's Annual Report.

### 6. Investigation

Instruct the conduct of investigation into any activity or matter within its terms of reference.

### 7. Other Matters

Act on other matters as the Committee considers appropriate or as authorised by the Board of Directors.

## C. ACB ACTIVITIES DURING THE YEAR

### Attendance of meetings

A total of fourteen (14) ACB meetings were held during the year ended 31 December 2015 and the attendance of each of the ACB member was as follows:

| Composition and Name of Committee Member                                                                              | Number of Meetings Attended During the Period Under Review |
|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| 1. Tan Sri Datuk Dr. Hadenan A. Jalil (Chairman)*<br>- Appointed on 15/7/2009<br>- Independent Non-Executive Director | 9/14                                                       |
| 2. Dato' Johan Ariffin (member)<br>- Appointed on 26/8/2009<br>- Independent Non-Executive Director                   | 14/14                                                      |
| 3. Mr. Cheng Kee Check (member)<br>- Appointed on 1/12/2014<br>- Non-Independent Non-Executive Director               | 14/14                                                      |
| 4. Datuk R. Karunakaran<br>- Appointed on 10/8/2015<br>- Independent Non-Executive Director                           | 5/5                                                        |
| 5. Mr. Cheah Teik Seng (member)<br>- Retired w.e.f. 25/8/2015<br>- Independent Non-Executive Director                 | 10/10                                                      |
| 6. En. Erry Riyana Hardjapamekas (member)<br>- Retired w.e.f. 24/6/2015<br>- Independent Non-Executive Director       | 6/8                                                        |

\* Tan Sri Datuk Dr. Hadenan's absence from meetings was due to ill health. Pursuant to the terms of reference of the Committee, the members had elected Dato' Johan to chair such meetings, in Tan Sri Datuk Dr. Hadenan's absence.

## Audit Committee Report

In line with the Bursa Malaysia Listing Requirements, Maybank's ACB consists of four (4) non-executive directors and is chaired by Tan Sri Datuk Dr. Hadenan A. Jalil who is an independent director. During the period under review, Datuk R. Karunakaran (independent) and Mr. Cheng Kee Check (non-independent) were appointed as new ACB members in view of the retirement of Mr. Cheah Teik Seng and En. Erry Riyana Hardjapamekas.

With the membership changes, the ACB now consists of three (3) independent directors and one (1) non-independent director. This fulfils Bursa Malaysia Listing Requirements that the majority of the ACB members must be independent directors.

The Group Chief Financial Officer (GCFO) was invited to attend all the ACB meetings to facilitate deliberations as well as to provide clarification on the audit issues. 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. The Group Chief Audit Executive (GCAE) and the Department Heads of the respective Group Audit functions attended the ACB meetings to present the respective internal audit reports while the external auditors were invited to discuss their Management Letters, Audit Planning Memorandum (APM) and other matters deemed relevant. In addition to the scheduled meetings, the members of the ACB also had one (1) session with the external auditors without the presence of the Management.

The ACB met to discuss and review the quarterly unaudited financial results and the annual audited financial statements of the Bank and Maybank Group. The Group President & Chief Executive Officer (GPCEO) and the GCFO were invited to attend these meetings, together with the external auditors.

During the year under review, the ACB in the discharge of its duties and functions had carried out the following activities:

### Internal Audit

1. Approved the Group Annual Audit Plan for Financial Year 2015 to ensure the scope of coverage is adequate and that resources are sufficient to enable internal audit to discharge and carry out its functions effectively.
2. Approved the half-yearly Revised Group Annual Audit Plan to ensure the plan continues to stay relevant in consideration of the changes in the business environment as well as the requests from the regulators, ACB and Management.
3. Took cognisance of the monthly audit performance reports on the status and progress of internal audit assignments against the approved Audit Plan, the hiring, transfer and resignation of internal audit staff.
4. Approved the revised Internal Audit Organisation Chart arising from the re-organisation of the departments within Audit. The appointment of key positions in Internal Audit as recommended by the GCAE arising from the revised Organisation Chart was also deliberated and approved by the ACB.
5. Approved the Guest Auditor Programme where the subject matter experts from the business and support functions within the Group are invited to guest audit for a short audit engagement. This encourages two-way knowledge transfer where the guest auditors can gain a better understanding of the business operations from the control perspective while the internal auditors can enhance their technical knowledge of the business.
6. Deliberated the results of the GCAE's Balanced Scorecard (BSC) for FY2014 and approved the achievement of the BSC.
7. Approved the goals setting of the GCAE for FY2015.
8. Approved the related performance rewards of the Internal Audit staff including the GCAE for FY2014 based on the matrix approved by the Board.
9. Deliberated the performance and control gaps highlighted in the internal audit reports as well as the audit recommendations and Management's responses to the control lapses and recommendations. Where necessary, GCFO was directed to escalate these control lapses and recommendations to the Group EXCO for deliberation.
10. Reviewed the quarterly reports on "Status of Rectification of Audit Findings" and deliberated on the rectification actions and timeline taken by Management to ensure the control lapses are addressed and resolved.
11. 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.
12. Reviewed the ACB minutes of meetings of the subsidiaries for an overview of the risk management and internal control systems of those subsidiary companies.
13. Reviewed the Internal Audit Committee (IAC) minutes of meetings for an overview of the deliberation and remedial actions taken by Management on the control lapses raised by internal auditors.
14. Instructed the conduct of investigation into activities or matters within its terms of reference.
15. Approved the FY2014 Audit Committee Report for inclusion in the Annual Report.
16. Reviewed and endorsed the Directors' Statement on Risk Management and Internal Control for FY2014 for tabling and approval by the Board.
17. Approved the Audit Finding Rectification Timeline Guidance to ensure the audit findings are given adequate attention and rightly prioritised for rectification in line with the risk exposure of the audit findings.

## Audit Committee Report

### Financial Reporting

18. Reviewed the quarterly unaudited financial results and the annual audited financial statements of the Bank and Maybank Group to ensure that the financial reporting and disclosure requirements are in compliance with the accounting standards, with special focus placed on the changes in accounting policy, as well as significant and unusual events or transactions.

### External Audit

19. Reviewed with the external auditors:
- The APM focusing on the scope of work for the year which included new areas or new scope of audit emphasis such as changes in law and regulations (e.g. GST implementation), multi-location audit scoping, new scope that covers the audit of new systems (e.g. GST Datamart system), audit timeline and statutory audit fees; and
  - The results of the audits, the relevant audit reports and Management Letters together with Management responses or comments to the audit findings.
20. Reviewed the suitability and independence of external auditors in accordance with the Policy on Appointment of External Statutory Auditors for Provision of Statutory Audit and Non-audit Services (the policy) which was adopted since December 2011 and made recommendations to the Board on their reappointment. This policy 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 with the Audit Oversight Board;
  - ii) The appointed external auditors have not been convicted of any offence under any written law involving fraud or dishonesty; and
  - iii) The engagement partner shall not have any record of disciplinary actions taken against him 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 in the financial services sector audited by the engagement partner and the concurring partner in the last two (2) years;
  - iii) Years of experience of the engagement partner in auditing financial institutions; and
  - iv) Man-days spent by the engagement partner and the concurring partner in last 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 financial year ended 31 December 2014 on 28 January 2015 and 17 March 2015;
- ii) Memorandum of recommendations arising from the audit of the financial statements for the financial year ended 31 December 2014 was tabled to the ACB by external auditors on 24 June 2015;
- iii) On 30 July 2015, 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 2015; and
- iv) APM report with regard to the audit of financial statements for the financial year ended 31 December 2015 was presented by external auditors to the ACB on 20 October 2015.

- Assess the performance of external auditors by reviewing the timeliness of service deliverables. The external auditors were able to complete the audits for the Bank and Maybank Group within the timeline set as evidenced below:

- i) Audited financial statements as at 31 December 2014 was signed off by external auditors on 26 February 2015;
- ii) Report on limited review for the financial period ended 30 June 2015 was signed off by external auditors on 30 July 2015; 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 advisory services rendered by the engagement partner and the concurring partner in last two (2) years;
- ii) Value-added audit findings raised by external auditors in the recent audit of financial statements of the Bank and Maybank Group;
- iii) Statutory declaration by the engagement partner which confirms he has no relationship with, or interest in shares of the Bank;
- iv) Existing engagement partner does not serve the Bank and Maybank Group for a continuous period of more than five (5) years; and
- v) 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.

21. Reviewed the written assurance provided by the external auditors in respect of their independence.

## Audit Committee Report

22. Approved the appointment of external auditors for the provision of non-audit services. The ACB considered several qualitative and quantitative criteria prior to approving the appointment of the external auditors for the provision of non-audit services to the Bank and Maybank Group. The qualitative and quantitative criteria were as follows:

- Assess the professionalism, expertise, adequacy of knowledge and relevant experience of external auditors;
- Consider the conflict of interest that will arise if non-audit services were to be performed by external auditors;
- Review the fees quoted by other audit firms and external auditors for non-audit services; and
- Ensure the fees quoted by external auditors for non-audit services commensurate with the scope of the non-audit services.

### Employee Share Scheme (ESS)

23. Reviewed the allocation of ESS to ensure that it was consistent with the approved matrix.

### Related Party Transaction (RPT)

24. Reviewed reports of related party transactions and deliberated on the nature of the transactions and that proper disclosures were made in line with the listing requirements.

### Directors' Training

25. For the year under review, the relevant Committees have attended various trainings and the details of the trainings attended are reported under the Statement on Corporate Governance on pages 154 to 155.

## D. INTERNAL AUDIT FUNCTION

### Independence

The Internal Audit function of Maybank Group is organised in-house to assist the Board of Directors to oversee that Management has in place a sound risk management, internal control and governance system. The Internal Audit function is guided by its Audit Charter with the GCAE reporting functionally to the ACB of the Bank and administratively to the GPCEO. The function is independent of the activities or operations of other operating units. The total cost incurred for maintaining the Internal Audit function for financial year ended 31 December 2015 is approximately RM63.2 million, comprising mainly salaries, travelling, accommodation expenses and subsistence allowances for audit assignments.

| Location    | RM (million) |
|-------------|--------------|
| Malaysia    | 32.7         |
| Regional    | 30.5         |
| Total Group | 63.2         |

### Principal Responsibility

The principal responsibility of Internal 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 internal audit activities are carried out based on a risk-based audit plan which includes both assurance and consulting activities approved by the ACB. The scope of coverage encompasses all units and operations of the Bank and Maybank Group. 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.

The Internal Audit function for Maybank operations and its subsidiary companies is organised on a Group basis. The Internal Audit functions for the respective subsidiary companies in the 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. Technical support and training in specialised audit areas such as credit, treasury, Islamic banking, information technology, asset management, risk management and investment banking are provided by Group Audit, where required, to ensure consistency in the application of auditing standards, processes and testings.

The audit reports which provide the results of the audits conducted in terms of the risk management of the unit, operating effectiveness of internal controls, compliance with internal and regulatory requirements and overall management of the unit are submitted to the respective ACB for their review and deliberation. Key control issues, significant risks and recommendations are highlighted, along with Management's responses and action plans for improvement and/or rectification, where applicable. This enables the ACB to execute their oversight function by reviewing and deliberating the audit issues, audit recommendations as well as Management's responses to these recommendations. Where appropriate and applicable, the ACB directed Management to take cognisance of the issues raised and establish necessary steps to strengthen the system of internal controls based on Internal Audit's recommendations.

All auditing activities are conducted in line with the Bank's objectives and policies; in accordance with applicable laws and regulations; in compliance with the relevant policies and guidelines issued by the regulators of the respective countries and as guided by the Code of Ethics and International Standards for the Professional Practice of Internal Auditing (Standards) promulgated by The Institute of Internal Auditors (IIA).

## Audit Committee Report

To maintain the quality of Internal Audit function and to be in line with best practices, 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 and covers the entire spectrum of internal audit activities. The program assesses the efficiency and effectiveness of the audit processes and 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 Internal 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 IA 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.

The following are the activities undertaken by Internal Audit for FY2015:

1. Implemented the COSO Framework fully in Malaysia and on pilot basis in the regional IA functions in the Philippines, Cambodia and Vietnam to evaluate internal controls. The framework ensures a more holistic and structured approach to assess formal (hard) and informal (soft) controls as well as provides greater communication with Management to enhance their understanding of control concepts, thus, improving operational efficiency.
2. Prepared an Annual Audit Plan (AAP) using a risk-based approach, taking into consideration the Group's business expansion plan as well as inputs from Senior Management and the ACB. The AAP was tabled and approved by the ACB.
3. Conducted periodic testing of business units, operations and processes identified in the annual audit plan and provided independent assessment and objective assurance over the adequacy and effectiveness of risk management, internal control and governance of the units audited. The areas that were tested during the FY amongst others included the Delivery Channels (Branches, Internet Banking and Self-Service Terminals), Information Technology Infrastructure and Security, Cyber Security, Media Encryption, Treasury Business, Underwriting, etc. An Audit Report which provides the results of the audit conducted together with detailed audit observations, management responses to the audit observations and Internal Audit's recommendations to improve and enhance the existing system of internal controls and work procedures/processes, where necessary, was issued to the auditee, Senior Management and the ACB.
4. Conducted regional reviews (including overseas subsidiaries and branches) on critical areas such as Business Line Mapping (BLM) for Operational Risk Capital Charge, Operational Risk Management, Internet Banking, Global Automated Teller Machine (ATM), Stress Testing, etc. to provide an overall assessment of the controls from a Group's view. The joint reviews enable awareness among the regional IA's team of the Group's policies and practices, expedite the transfer of knowledge from Group Audit to the regional IA functions, as well as building a sustainable supply of capable resources to the business and support functions of the Group.
5. 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.
6. Participated in the various Business Continuity Management 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.
7. Reviewed the level of compliance with established policies and procedures and statutory requirements to ensure the business units complied with the requirements and any non-compliances were highlighted to Management for remediation.
8. Conducted two (2) half-yearly internal quality assessment reviews of Group Audit and three (3) peer reviews of IA functions at the overseas subsidiaries in the Philippines (Maybank Philippines), Thailand and Cambodia to assess their conformance with IIA's Standards and to identify opportunities and provide recommendations for improvement, where necessary.
9. 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 respectively.
10. 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.
11. Conducted ad-hoc assignments and special reviews as instructed by the ACB.
12. Prepared the Audit Committee Report and Statement on Risk Management and Internal Control for the Company's Annual Report for Financial Year Ended 31 December 2015.

# Group Risk Management & Compliance



**DR JOHN LEE**  
Group Chief Risk Officer

**“Risk management has evolved over time from being relatively simple to complex in nature. Tomorrow, we need to plan on managing ‘known unknowns’ risks and prepare for the ‘unknown unknowns’ risks.”**

## Our Priorities in 2016

Group Risk will continue to create value and support the Group’s business objectives while continuing to be vigilant:

- Enhancing the Group’s non-financial risk management capabilities and to continue to evolve its controls capabilities for new emerging risks.
- Continuing to drive and institutionalise risk and compliance culture across the Group as the foundation of the Group’s risk management governance and approach.
- Optimising the Group’s portfolios to ensure the Group continues to have a strong capital position, and efficient use of its capital and resources to meet business objectives and sustainable long-term earnings growth.

## Key Highlights in 2015

Group Risk focused on strengthening our value proposition to the business to support the Group’s strategic priorities:

- Supported the Group’s revenue growth engine through enhanced risk-reward dynamics analysis.
- Elevated productivity and efficiency through continuous talent upskilling and enhanced capital management practices.
- Embedded a culture of innovation and strengthening of the Group’s risk management practices.
- Supported the Group’s regional aspirations through enhanced risk and compliance culture and practices across the Group’s footprint.

## OVERVIEW OF 2015

The operating environment for 2015 was challenging amidst a changing economic, financial and risk landscape. We saw the global economic climate becoming more uncertain, shaken by various uncertainties. There was uncertainty over when the Federal Reserve would be raising rates, causing even more volatility to an already weakened market. We also saw weaker commodity prices as well as the Chinese economy slowing down. Aside from these economic headwinds, technology continued to transform the banking and financial industry, shaping customers’ behaviour. This meant that in order to stay ahead, financial institutions needed to be more nimble and agile to deliver their services better and faster for today’s consumers. Regulators also continued to increase their scrutiny, with the introduction of a multitude of regulations, adding on to the compliance pressure.

Hence the risk landscape has evolved from economic to non-economic risks, with environmental and societal risks becoming more concerning. What this means is that there is an increasing need for us to integrate more seamlessly with the business and work more effectively to ensure appropriate management and mitigation of these risks.

As part of the development of our 2015 strategic priorities, we identified the key internal and external drivers that would impact the Group, and they include a combination of economic, social, environment and technological events as shown in the next page.

## Group Risk Management & Compliance



### UNPREDICTABLE ECONOMIC CLIMATE

The economic climate remains uncertain as interest rates remain low. Associated effects of low energy prices could drive alternative economic outcomes.



### REGULATORY ENVIRONMENT

The 2008 financial crisis has led to an overhaul of regulations. Heightened regulatory requirements will be more arduous.



### COMPETITION FROM NON-FINANCIAL PLAYERS

Technology advancement has opened up a space for non-financial players to enter areas which were previously dominated by traditional banks.



### SOCIAL CONCERNS

Disparity in countries, people, age, etc. is causing increasing social strains, such as political risk, rise of unemployment, the skill gaps and income disparity.



### ENVIRONMENTAL STRAINS

As our population grows, it puts a strain on our environment. The world is facing water shortages, global warming and extreme weather conditions.



### CYBER THREATS

Continued rise in the use of mobile devices and social media increases the technology risks and potential for cyber attacks.

With the above challenges in mind, Group Risk focused on continuing to strengthen our value to the business to support the Group's strategic priorities.

| Strategic Priorities                                          | Key Achievements                                                                                                                                                                  |
|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>TURBOCHARGE THE REVENUE GROWTH ENGINE</b> 1                | <ul style="list-style-type: none"> <li>Institutionalised risk-based pricing across the Group</li> <li>Improved the Group's risk-reward dynamics</li> </ul>                        |
| <b>CONTINUE ELEVATING PRODUCTIVITY &amp; EFFICIENCY</b> 2     | <ul style="list-style-type: none"> <li>Enhanced capital management practices</li> <li>Upskilled Group Risk personnel through the Risk Talent Management Framework</li> </ul>      |
| <b>MAXIMISE RETURNS ON INVESTMENTS &amp; TRANSFORMATION</b> 3 | <ul style="list-style-type: none"> <li>Embedded a culture of innovation through development of new ideas</li> <li>Strengthened the Group's credit underwriting quality</li> </ul> |
| <b>EXPEDITE EXPANSION PLAYS</b> 4                             | <ul style="list-style-type: none"> <li>Enhanced the risk and compliance culture across the Group</li> <li>Enhanced regional risk-adjusted performance measures</li> </ul>         |

### MAYBANK'S ENTERPRISE RISK MANAGEMENT

In view of the operating context for 2015, our approach towards risk management continues to strengthen along the following dimensions:

- Managing the Group's risk profile**
  - Continuing to protect and maintain a strong balance sheet;
  - Ensuring the Group's portfolios are aligned to the risk appetite and strategy; and
  - Refreshing and updating the Group's risk management framework to be forward-looking.
- Optimising the Group's risk-return portfolio**
  - Ensuring returns commensurate with the risks undertaken; and
  - Applying superior risk and business intelligence, risk-based performance measurement and strategic portfolio management.

# Group Risk Management & Compliance

- Reinforcing strong governance**

- Continuing to embed robust risk governance and accountability across the Group; and
- Ensuring adherence to changing global and local regulatory requirements and risk management practices across the Group.

Our approach to risk management is enterprise-wide and involves the establishment of a strong risk culture as the foundation and driver of our governance and risk management practices. Our risk management is underpinned by a comprehensive, best-practice Integrated Risk Management Framework, which is constantly evolving and enhancing to remain relevant and most effective in this environment and changing times and risk.

## RISK MANAGEMENT FRAMEWORK

| Overview of Maybank Group's Integrated Risk Management Framework |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                    |             |                    |                |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------|--------------------|----------------|
| <b>RISK UNIVERSE</b>                                             | Enterprise Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Financial Risk    | Credit Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Concentration Risk | Market Risk | Interest Rate Risk | Liquidity Risk |
|                                                                  | Operational Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Reputational Risk | Regulatory Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Technology Risk    | Legal Risk  | Model Risk         | Insurance Risk |
| <b>RISK PRINCIPLES</b>                                           | i. Establishment of a risk appetite and strategy which articulates the nature, type and level of risk the Group is willing to assume and must be approved by the Board.<br>ii. Capital management driven by the Group's strategic objectives and accounts for the relevant regulatory, economic and commercial environments in which the Group operates.<br>iii. 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. |                   | iv. Promotion of a strong risk culture that supports and provides appropriate standards and incentives for professional and responsible behaviour.<br>v. Implementation of integrated risk frameworks and policies to ensure that risk management practices and processes are effective at all levels.<br>vi. Execution of sound risk management processes to actively identify, measure, control, monitor and report risks inherent in all products, activities, processes, systems and exposures of the Group.<br>vii. Ensure sufficient resources and systems infrastructure are in place to enable effective risk management. |                    |             |                    |                |

Our Integrated Risk Management Framework is fully embedded in the business functions across the Group and is supported by a comprehensive set of risk policies and procedures. For 2015, the Integrated Risk Management framework remained resilient and will continue to be reviewed and refreshed to allow for:

- Changing risk dynamics;
- Innovation and new product development;
- Compliance to changing regulatory requirements; and
- Adoption of best-practices in risk management.

## RISK GOVERNANCE

The process of governance in Maybank 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. The structure is premised on the three lines of defence and defines the lines of authority, roles and responsibilities to efficiently manage risk across the Group:

- First line: "Risk Taking Units"**

- Consists of both business and support units who are ultimately responsible to manage day-to-day risks inherent in our business and activities.
- Ensures effective risk oversight, alignment to the implementation of risk frameworks, policies and procedures and clarity in risk management functions and practices.

- Second line: "Risk Control Units"**

- Includes risk management and compliance functions to provide effective oversight and guidance over the effective operation of the risk management framework.
- These units have similar responsibilities to the 1st line of defence for the processes and activities they own. In addition, they are responsible in ensuring implementation and execution of risk management frameworks, policies and tools.

- Third line: "Internal Audit"**

- Internal audit forms the 3rd line of defence and provides independent assessments and validation that risk management frameworks and practices are sufficiently robust in support of the Group and consistent with regulatory standards.



# Group Risk Management & Compliance

## 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 delegation of authority

#### BOARD RISK COMMITTEES

##### Audit Committee

Responsible for the audit function including but not limited to the Group's internal and external audits.

##### Risk Management Committee (RMC)

Responsible for the risk oversight function including but not limited to approving the Group's risk management strategies, frameworks and policies for the material risks faced by the Group.

##### Credit Review Committee (CRC)

Responsible to review/concur/veto fresh or additional loans subject to pre-determined authority limits.

### MANAGEMENT-LEVEL RISK MANAGEMENT COMMITTEES

#### EXCO RISK COMMITTEES

##### Internal Audit Committee

Responsible to undertake periodic testing of the effectiveness and efficiency of the risk management frameworks and internal controls in place

##### Group Executive Risk Committee (ERC)

Responsible for implementing the Group's risk management strategies, frameworks and policies

##### Group Asset & Liability Management Committee (ALCO)

Responsible for the management of market and liquidity risk through the formulation of broad strategies for the balance sheet profile and funding structure of the Group

##### Group Management Credit Committee (GMCC)

Responsible for the approval of loans/proposals as per the thresholds set based on the authority limits

##### Group Operational Risk Management Committee (GORMC)

Acts as the champion and driver of operational risk management across the Group

#### 1<sup>ST</sup> LINE OF DEFENCE

Risk-Taking Units

#### 2<sup>ND</sup> LINE OF DEFENCE

Risk-Control Units

#### 3<sup>RD</sup> LINE OF DEFENCE

Internal Audit

Day-to-Day Management of Risks

Risk Oversight of Frameworks, Policies & Procedures

Independent Assurance

# Group Risk Management & Compliance

## RISK CULTURE

In Maybank Group, a strong risk culture is the fundamental tenet of our risk management and serves as the foundation upon which a strong enterprise wide risk management structure is built.

Within the Group, the key characteristics of a strong risk culture are identified as follows:

| Characteristics                                                                                                      | Maybank Context                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Commonality of purpose, values and ethics</b>                                                                     |                                                                                                                                                                                                                                             |
| People's individual interests, values and ethics are aligned with those of the organisation.                         | <ul style="list-style-type: none"> <li>All Maybankers share the Group's core values across all countries</li> <li>The Group is a member of Malaysia's Corporate Integrity Pledge</li> </ul>                                                 |
| <b>Universal adoption and application</b>                                                                            |                                                                                                                                                                                                                                             |
| Risk is considered in all activities, from strategic planning through to day-to-day operations.                      | <ul style="list-style-type: none"> <li>Adoption of the Risk Governance model across the Group</li> <li>Implementing Embedded Risk Units (ERU) within the business</li> <li>Operational Risk Officers in each department</li> </ul>          |
| <b>A learning organisation</b>                                                                                       |                                                                                                                                                                                                                                             |
| The collective ability of the organisation to manage risk more effectively is continuously improving.                | <ul style="list-style-type: none"> <li>Annual learning events on risk management topics</li> <li>E-learning on risk management and compliance subjects</li> <li>Annual attestation on operational risk management and compliance</li> </ul> |
| <b>Timely, transparent and honest communications</b>                                                                 |                                                                                                                                                                                                                                             |
| People are comfortable talking openly and honestly about risk.                                                       | <ul style="list-style-type: none"> <li>Dialogue sessions with Senior Management</li> <li>Adoption of Honest, Open and Trusting (H.O.T) Principles</li> <li>Usage of the Integrity Hotline</li> </ul>                                        |
| <b>Understanding the value of effective risk management</b>                                                          |                                                                                                                                                                                                                                             |
| People understand, and enthusiastically articulate the value of effective risk management.                           | <ul style="list-style-type: none"> <li>Various campaigns on risk and compliance focus areas</li> </ul>                                                                                                                                      |
| <b>Responsibility — individual and collective</b>                                                                    |                                                                                                                                                                                                                                             |
| People take personal responsibility for the management of risk and they proactively seek to involve others.          | <ul style="list-style-type: none"> <li>Survey on risk culture to gauge and improve sentiments</li> </ul>                                                                                                                                    |
| <b>Expectation of challenge</b>                                                                                      |                                                                                                                                                                                                                                             |
| People are comfortable challenging others, including authority figures and the people challenged respond positively. | <ul style="list-style-type: none"> <li>Engagement with Senior Management at Council Meetings</li> <li>Quarterly Functional Meetings with Overseas Operations</li> </ul>                                                                     |

The risk and compliance culture of Maybank is driven from the top, and complemented with the tone from the middle, that are ingrained in all levels of business and activities of the Group. As an essential building block for effective risk governance, it is continuously promoted to ensure that the right risk and compliance culture is embraced and exhibited in the behaviour of each individual within the organisation.

As part of the risk and compliance culture, we have also instilled a compliance culture where the Board, Senior Management and every Maybank employee is committed to adhere to the requirement of relevant laws, rules, regulations and regulatory guidelines. Our commitment is clearly demonstrated through the establishment of strong compliance policies and guidelines to ensure that our non-compliance risks are effectively managed. Such measures not only ensure we adhere to regulations, but also protects our integrity and reputation. The support from Board and Senior Management has also enabled us to continue to institutionalise a strong AML/CFT culture and to ensure that "Compliance is Everyone's Responsibility" across the Group.

In addition, our risk and compliance teams are continuously involved in specific compliance training and certifications to remain current and robust. Learning initiatives and awareness programs are also conducted throughout the year to mitigate any compliance gaps and continuous instilling of a compliance culture across the Group. This includes strengthening the Group's AML/CFT controls and practices to proactively manage known and emerging ML/TF risks across the Group.

## Group Risk Management & Compliance

### RISK APPETITE

The Group's risk appetite is a critical component of our 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 we are willing to accept in pursuit of our business objectives.

The development of our risk appetite has been integrated into the annual strategy and business planning process for the Group and is adaptable to changing business and market conditions. Our 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.

The articulation of the risk appetite is done through a set of risk appetite statements that defines the risk appetite towards all material risks in the Group. The risk appetite is underpinned by the following principles:

- **Capital**
  - Ensure the Group maintains a strong capital position; and
  - Ensure efficient use of capital and resources to meet business objectives.
- **Risk**
  - Protect the balance sheet;
  - Adopt prudent liquidity management;
  - Ensure sufficient risk diversification; and
  - Adhere to all regulatory requirements in all countries the Group operates in.

### Strategy

- Ensure sustainable long-term earnings growth;
- Ensure risk commensurate with returns; and
- Maintain the strong brand of the Group.

### AML/CFT

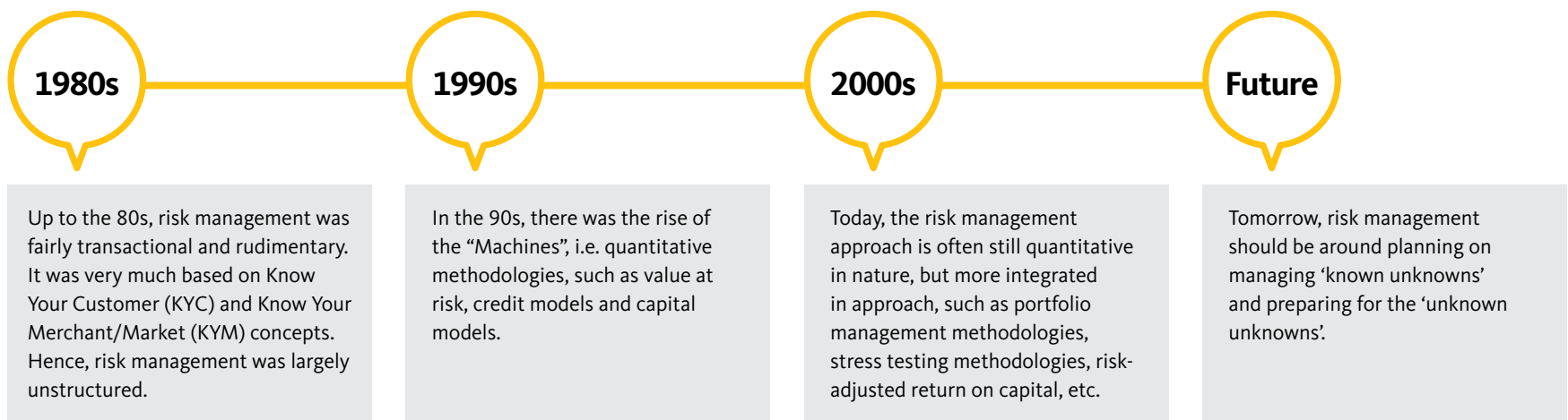
With the evolving trends in money laundering and terrorist financing as well as heightened regulatory expectations, we have continuously worked to emplace adequate and effective AML/CFT controls and practices to proactively manage these risks.

In addition, we will continuously review and improve our systems and controls to manage the risks and to comply with the laws, regulations and internal policies. Among others, enhancements have been made to policies, procedures and guidelines outlining the standards and principles in complying with the requirements of the applicable AML/CFT laws and regulations as well as to be on par with global best practices. This risk-based approach is an overarching requirement that runs through all the other elements in the AML/CFT Group policies and procedures. The AML/CFT controls instituted will commensurate with the level of risk emanating from respective geographical locations, products, services, channels, etc.

As part of our commitment towards strengthening controls, we will continue to perform more in-depth AML/CFT thematic reviews to assess the effectiveness of our current measures in meeting regulatory requirements, expectations and alignment with global leading practices.

### FUTURE OF RISK MANAGEMENT IN MAYBANK

In view of the complexity of today's environment, risk management capabilities need to evolve. The evolution of risk management over time from being relatively simple to complex in nature is depicted below.



In addition, with the changing environment and new market realities, we will be required to continue to focus on value creation and developing new ideas to re-think its risk management approaches.

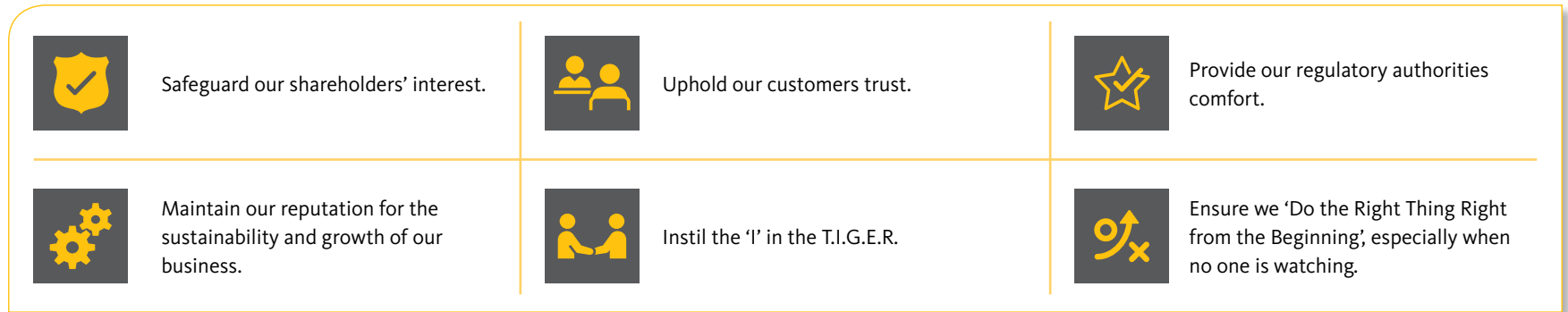
In order to prepare for the future state of risk management, we will focus on the following:

- Reinforce Culture and Values;
- Enhance Capacities and Capabilities; and
- Develop more Intelligence and Insights.

Long term success will be anchored on our reputation of trust, integrity and upholding high standards of professional and ethical behaviour in order to better manage its risks and create value to the Group.

# Group Risk Management & Compliance

## Humanising Financial Services



This evolution of risk management has driven us on our transformation journey, which has been progressing encouragingly to enable us to be a key business partner in supporting the Group's aspirations through a robust risk management approach.

For 2016, we will continue towards value creation and being a key component in supporting business growth while continuing to be vigilant in taking steps to ensure that we have the necessary mitigating actions in place.

Aligning with the Group's strategic imperatives, we will be focusing on three (3) pillars:

### 1. TRULY REGIONAL

- **Institutionalise Risk and Compliance Culture Across the Group**

Risk culture serves as one of the key foundations of our risk management governance and approach. As an essential building block, we will continue to champion this initiative and promote the right risk and compliance culture is embraced and exhibited in the behaviour of all Maybank employees. Our risk culture is complemented by the core values, with the value of Integrity as the guiding principle for all Maybank employees to practise a culture of ethics and compliance in the course of discharging their duties.

- **Enhance Managing of Emerging Risks**

With the emergence of new risks, for example the increasing frequency and sophistication of cyber-attacks, we will continue to focus on enhancing our non-financial risk management capabilities. We have undertaken initiatives for example to manage cyber threats, and will continue to evolve our controls capabilities for new emerging risks. We will continue to look towards adopting leading global practices for managing these emerging risks.

### 2. CAPITAL EFFICIENCY

- **Optimise Portfolios**

Optimising our portfolios to ensure we continue to have a strong capital position, and efficient use of our capital and resources to meet business objectives and sustainable long-term earnings growth. We will continue to act as a business partner to focus on markets and products with superior risk-rewards and to institutionalise risk-based pricing across the Group.

### 3. PRODUCTIVITY & INNOVATION

- **Improve Efficiency**

We will focus on improving productivity and efficiency towards optimising resources across the sector. Adopting the Group's operational excellence methodology, we will review our current functions and work processes to support the Group in improving overall productivity.

- **Continue Talent Upskilling**

We have already established a Talent Management Framework catered specifically to the upskilling of our risk and compliance personnel. The framework articulates the required competencies, defined curriculum and career pathway for the development of risk talent. As part of the ongoing review to ensure the competencies are relevant in today's changing risk landscape, the focus for 2016 will be to continue to close any competency gaps and to develop our risk and compliance personnel.

# Group Shariah Committee Report

## INTRODUCTION

The Shariah Committee (SC) performs an oversight role on Shariah matters related to the Shariah-compliant operations and activities of the Group.

## SHARIAH GOVERNANCE

It is already a governed understanding that all countries and businesses within the Maybank Group have a duty and a responsibility to establish and implement a sound and robust Shariah Governance Framework with emphasis placed on the roles of key functionalities.

In this regard, the Shariah governance framework comprises:

- i) The Board, Group SC and the relevant committees' oversight on Shariah compliance aspects of the overall operations of Islamic business transactions;
- ii) The Management is responsible to provide adequate resources and capable manpower support to every function involved in the implementation of Shariah governance whereas the Business Units are responsible in identifying and managing the risk inherent in the products, services and activities;
- iii) Shariah Advisory and Research conducts research on Shariah and also ensures that all structures, terms and conditions, legal documentation and operational process flow and procedures are Shariah compliant;
- iv) Shariah risk process identifies all possible Shariah non-compliance risks and, where appropriate, remedial measures that need to be taken to reduce the risk and as well as determining that such processes and outcomes satisfy the needs of the Shariah; 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.

## SHARIAH COMMITTEE MEMBERS

The Shariah Committee comprises seven members. Please refer to pages 59 to 60 for the profiles of the Shariah Committee members.

| Group Shariah Committee Members                      | Nationality | Status   |
|------------------------------------------------------|-------------|----------|
| Associate Professor Dr. Aznan Hasan                  | Malaysian   | Chairman |
| Associate Professor Dr. Ahcene Lahsasna              | Algerian    | 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   |
| Dr. Mohamed Fairouz Abdul Khir                       | Malaysian   | Member   |
| Ustaz Mohd Kamal Mokhtar                             | Singaporean | Member   |

## APPOINTMENT OF NEW MEMBER

During FY2015, the Shariah Committee appointed Ustaz Mohd Kamal Mokhtar as a member with effect from 1<sup>st</sup> September 2015.

## DUTIES, RESPONSIBILITIES & ACCOUNTABILITIES

### 1. Responsibility and accountability

The members of the Shariah Committee are expected to understand that in the course of discharging their duties and responsibilities, they are responsible and accountable for all Shariah decisions, opinions and views provided by them.

### 2. Advise the Board and the relevant countries or businesses

The Shariah Committee is expected to advise and provide input on Shariah matters in order for the relevant countries or businesses to be Shariah compliant at all times.

### 3. Endorse Shariah policies and procedures

The Shariah Committee is expected to endorse Shariah policies and procedures and to ensure that the contents do not contain any elements which are not in line with the Shariah.

## Group Shariah Committee Report

### 4. Endorse and validate relevant documentations

To ensure that the products comply with Shariah principles, the Shariah Committee must approve:

- i) The terms and conditions contained in the forms, contracts, agreements or other legal documentation used in executing the transactions; and
- ii) The product manual, marketing advertisements, sales illustrations and brochures used to describe the product.

### 5. Assess the work carried out by Shariah Review and Shariah Audit

To assess the work carried out by Shariah Review and Shariah Audit in order to ensure compliance with Shariah matters which forms part of their duties in providing their assessment of Shariah compliance and assurance information in the annual report.

### 6. Assist related parties on Shariah matters

The related parties of the Group such as its legal counsel, auditor or consultant may seek advice on Shariah matters from the Shariah Committee and the Shariah Committee is expected to provide the necessary assistance to the requesting party.

### 7. Advise on matters to be referred to the relevant Shariah authorities

The Shariah Committee may advise the Group to consult the Shariah Advisory Council (SAC) of Bank Negara Malaysia or other relevant Shariah authorities on Shariah matters that could not be resolved.

### 8. Compliance

The Shariah Committee shall at all times comply with internal policies and procedures adopted to implement the Group Shariah Governance Framework and requirements and standards specified by relevant host regulators in relation to Shariah matters, governance and compliance.

## MEETINGS AND JOINT BOARD MEETINGS

The Shariah Committee have convened 20 times including 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 which requires a Shariah Committee member to attend at least 75% of the Shariah Committee meetings held in each financial year.

In addition to the required Shariah Committee meetings, two (2) Shariah Working Committee meetings have also been convened to accommodate the deliberation of urgent matters.

In a move to foster greater relationship and deeper understanding of Shariah and management issues within the Group Islamic Banking, joint sessions of MIB Board and the Shariah Committee have been held twice in FY2015.

## SHARIAH COMMITTEE ASSESSMENT

In compliance with BNM's Shariah Governance Framework, the Shariah Committee undergoes the process of assessing the effectiveness of the individual members and the Committee as a whole on a yearly basis. The Shariah Committee annual assessment exercise is primarily based on answers to a detailed questionnaire prepared internally which is closely aligned to the assessment method applied to the boards of Maybank and its entities. The questionnaire is distributed to the respective Committee members and encompasses considerations on the effectiveness of the Committee in discharging its duties and responsibilities as well as the individual member's level of skills and competency in the areas of expertise expected of a Shariah Committee member e.g.: Shariah (Usul Fiqh or Fiqh Muamalat) and Islamic banking and finance. In addition, the Shariah Committee's composition and size as well as the individual member's level of contribution to the discussions during meetings are also assessed.

The results of the Shariah Committee's assessment are tabled to the Nomination & Remuneration Committee (NRC) and the Board for review and recommendation on the appropriate measures to improve the former's effectiveness.

## TRAININGS

As part of the Group's initiatives towards strengthening capabilities of the Shariah Committee members, a series of special internal trainings have been conducted for Shariah Committee which were related to products, financial requirements and risk management. The trainings conducted throughout 2015:

### 2015 Internal Trainings

1. Overview of Risk Management
2. Basel III Requirements
3. Trade Finance Product
4. Treasury Product

# Sustainability Statement

## Overview

Measures to combat the current challenging economic climate must not be just about “giving” but also “empowering” to improve livelihoods and prospects via entrepreneurship as well as access to finance, education and training. This broader context provides focus for the strategic execution of the 20/20 Sustainability Plan, our five-year sustainability strategy document approved in 2014.



# Sustainability Statement

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. In 2015, we have made progress towards the commitments and goals set in the 20/20 Sustainability Plan.

Every part of the business and every employee has a role to play in realising our vision and achieving our overall goal: to create a humanising business. 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.



COMMUNITY AND CITIZENSHIP



OUR PEOPLE



ACCESS TO PRODUCTS AND SERVICES

## SUSTAINABILITY AT MAYBANK

Sustainability is driven at Maybank by sound decision making, policies and systems. As testimony to our current efforts, we have been selected into the Bursa Malaysia FTSE4Good Environmental, Social and Governance (ESG) Index and have received multiple awards for our sustainability reports.

The boundary of this Statement and our Sustainability Report (SR) refers to the period 1 January 2015 to 31 December 2015 (unless indicated otherwise) and:

- covers Maybank, all subsidiaries and regional offices;
- does not include outsourced activities, joint ventures and suppliers;
- where possible, we have included qualitative and quantitative data from the past years — we started tracking our progress systematically in 2013.

Robust data enables year-on-year comparison across key areas of business. We have placed significant efforts to better monitor the impact of our work across the three pillars.

## Sustainability Reporting at Maybank

In order to open pathways to new thinking and collaboration with stakeholders, we need to embrace transparency and disclosure. Our SR will follow the structure and indicators set forth in the Plan. Executing the Plan will take five years and we are committed to reporting our progress through our annual SR.

We continue to be guided by the Global Reporting Initiative (GRI), a globally recognised reporting framework for sustainability as well as the new Amendments to the Bursa Malaysia Securities Berhad Main Market Listing Requirements relating to Sustainability Statements in Annual Reports.

## Sustainability Governance

Underlying our governance process are a series of policies and systems. Governance at Maybank resides with the Board of Directors. The Executive Committee deliberates and approves all key sustainability related matters. Group Risk, led by the Group Chief Risk Officer, oversees overall Group risk strategy and progress. Group Corporate Affairs & Sustainability (GCAS) is the custodian of the 20/20 Sustainability Plan. However, the progress of the Plan is dependent on the various departments and teams who are to meet measurable and scalable targets.

Maybank Foundation has undergone significant transformation with the appointment of a Chief Executive Officer (CEO) in 2014. The CEO is supported by a team and reports directly to the Board of Trustees. In the coming year, Maybank Foundation will also be re-calibrating the Corporate Responsibility Committee (CRC) with a broader ambit in order to include more holistic decision-making across regional business units.



Further details can be found at Maybank Group Sustainability Website <http://maybanksustainability.com/#/who-we-are/corporate-governance/policies>

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



# Sustainability Statement

## STAKEHOLDER ENGAGEMENT

Formulating the 20/20 Sustainability Plan was not done in a vacuum. We studied the most important issues that the Group must address if we are to create value into the future while meeting the terms of our mission and our business drivers.

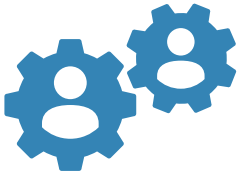
We determine what really matters together with our stakeholders. Such engagement happens through formal and informal platforms. Explicit and perceived stakeholder concerns are regularly reported to management. In addition to the concerns of stakeholders, we consider the macroeconomic, political, social and legislative environments in which we operate, through our on-going risk management systems.

**Table 2: Key Stakeholders Engagement Platforms**

| 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> </ul>                                                     |
| Communities       | <ul style="list-style-type: none"> <li>• Website/digital media/general media</li> <li>• Education and training programmes</li> <li>• Employee volunteering, partnerships, and strategic community investments</li> </ul>        |
| Employees         | <ul style="list-style-type: none"> <li>• Multiple communication platforms</li> <li>• Policies and procedures</li> <li>• Education and training programmes</li> <li>• Volunteerism and internal engagement activities</li> </ul> |
| Investors         | <ul style="list-style-type: none"> <li>• Financial reports</li> <li>• Investor briefings</li> <li>• Conferences and roadshows</li> <li>• Investor days</li> <li>• Annual General Meeting</li> </ul>                             |
| Regulators        | <ul style="list-style-type: none"> <li>• Policies</li> <li>• Website/digital media/general media</li> </ul>                                                                                                                     |



# Sustainability Statement



## COMMUNITY AND CITIZENSHIP

**With about 1% of PATAMI channelled towards community programmes in 2015, we continue to be one of the more active corporate citizens in Asia. We are also one of the most ambitious in our aim to invest for greater impact with the launch of flagship programmes with regional presence.**



Artists with disabilities demonstrating their talents during Nukilan Jiwaku art exhibition at Menara Maybank.



Puan Nora Abd Manaf, Group Chief Human Capital Officer having a chat with the scholars during Maybank Foundation Scholarship Award Ceremony at Menara Maybank on 10 June 2015.



Weaving activity at Kompleks Pengembangan Tenun Pahang Di Raja Sultan Haji Ahmad Shah situated at Kampung Soi, Kuantan.

### KEY HIGHLIGHTS

Our approach to giving back to the community is threefold. With targeted social investments, volunteer efforts and long term partnerships, we are able to take care of communities where we operate. Maybank Foundation is the platform through which we engage with our communities. This year, we focused on our two existing programmes, CashVille Kidz and Reach Independence & Sustainable Entrepreneurship (R.I.S.E.), as well as four new flagship programmes: eMpowering Youth, Maybank Women Eco-Weavers, Maybank Training & Learning Centre (TLC) and KataKatha. Further details of all of our programmes are reported in the SR 2015.

Group-wide investment in Community and Citizenship programmes was about 1% of PATAMI. Participants of the R.I.S.E. programme increased their business income. CashVille Kidz programme reached record number of students and created awareness on financial literacy. Due to the strength of the performance of the programme, we will be expanding CashVille Kidz to ASEAN countries. We dedicated more than RM14 million to Maybank scholarships, resulting in the number of new scholars to increase from 157 in 2014 to 222 in 2015.

### OUR PROGRAMMES — IMPACT

**CashVille Kidz**, in partnership with MoneyTree and with the support of the Ministry of Education Malaysia, serves as a platform to build financial literacy of students in Malaysia. Launched in 2012, this programme teaches children how to be financially savvy through an animated TV series. **CashVille Kidz** nurtures financially literate youths who will be able to cultivate positive spending and saving habits and eventually grow to be better informed customers. Participants' progress is tracked through financial literacy assessments before and after the programme. This year, we surpassed our target by reaching 901 schools and over 50,000 students.

**R.I.S.E.** addresses the lack of effective economic empowerment programmes for Persons with Disabilities (P.W.D.s) in Malaysia. **R.I.S.E.** is designed to support disadvantaged communities increase their income and become financially independent through training, coaching and mentoring. In 2015, **R.I.S.E.** continues to build capacities of P.W.D.s, enabling them to increase their income and improve their business operations. The quality of life of the participants improves when they have the tools to become financially independent and increase their self-confidence. In 2015, we increased the number of participants from 80 to 241. Following the success of the pilot phase, **R.I.S.E.** was expanded to run in Indonesia and the Philippines in addition to Malaysia, and is targeted to cover 1,800 beneficiaries.

## Sustainability Statement

**eMpowering Youth** is a programme which enables youth in tertiary institutions to go abroad to ASEAN countries and embark on community projects with the goal of creating an impact in the community. The programme includes mentoring, leadership training and community service projects. **eMpowering Youth** allows young people to learn and contribute to solutions to developmental issues of our time. In 2015, we spent SGD 327,800 on grants for nine community programmes.

The **Maybank Women Eco-Weavers** promotes the creation of employment for women weavers throughout the ASEAN region. A newly established programme, **Maybank Women Eco-Weavers** will provide opportunities to and empower women who are living in extreme poverty. Through training, capacity building and microfinance, the women will have the tools to help their families to become economically independent. Looking at the big picture, this programme can increase economic development and gradually improve financial inclusion of women in regions where we operate. The programme was in the planning stage in 2015, and new partners and project plans have been approved.

**Maybank Training & Learning Centre (TLC)** will provide vocational education for youth in selected communities. It will create opportunities for young people deprived

of basic education or skills training and have a positive impact on their communities. The new **Maybank TLC** is currently in the planning stage. It will empower youths, create new job opportunities in local communities, promote mentor development and enhance capacity building for communities. This, in turn can reduce the level of youth unemployment. We will report on the progress of this programme after the first year of implementation in 2016.

**KataKatha** is a common term in the ASEAN community meaning 'chat'. This initiative celebrates cultural similarities and differences of the ASEAN community. Seeking out leaders in arts and culture from Singapore, Malaysia, Indonesia, Thailand and the Philippines, this initiative serves as a cultural platform. It aims to create meaningful interaction and dialogue among established and emerging regional practitioners of culture and arts in Southeast Asia. The **KataKatha** initiative brings ASEAN nations together on an artistic platform, showcasing the creative works of ASEAN arts and culture to the ASEAN community as well as the world. In 2015, Maybank Foundation organised the 'Southeast Asian Conversation on Culture and the Arts' programme, which featured 10 renowned ASEAN artists and reached out to five ASEAN universities.

### COMMUNITY AND CITIZENSHIP PERFORMANCE REVIEW

| Commitment                                   | Programmes                 | Indicator                                                              | Year-On-Year Tracking                                                        |        |                 |                   |
|----------------------------------------------|----------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------|--------|-----------------|-------------------|
|                                              |                            |                                                                        | 2013                                                                         | 2014   | 2015            |                   |
| Investing for Impact —<br>Maybank Foundation | Education                  | CashVille Kidz                                                         | No of students reached                                                       | 72,000 | 102,580         | <b>53,000</b>     |
|                                              |                            |                                                                        | No of schools (cumulative)                                                   | 180    | 660             | <b>901</b>        |
|                                              |                            | Scholarships                                                           | Amount disbursed (RM million)                                                | 11.26  | 13.76           | <b>&gt; 14.0</b>  |
|                                              | Community Empowerment      | R.I.S.E.                                                               | No of successful entrepreneurs                                               | -      | 280 (pilot)     | <b>480</b>        |
|                                              | Arts & Culture             | Nukilan Jiwaku                                                         | No of P.W.D. artists supported                                               | 25     | 28              | <b>80</b>         |
|                                              | Healthy Living             | Liver Transplant Centre at Selayang Hospital                           | No of liver transplant surgeries performed at Selayang Hospital (cumulative) | 60     | 63              | <b>66</b>         |
|                                              |                            | Regional Paediatric Heart Centre, National Heart Institute of Malaysia | No of patients (cumulative)                                                  | -      | 42 (since 2012) | <b>52</b>         |
|                                              | Disaster Relief            | MERCY partnership (began in 2014)                                      | No of people benefited                                                       | -      | -               | <b>&gt; 3,500</b> |
| Environmental Diversity                      | Tiger conservation efforts | Amount contributed (RM million)                                        | n/a                                                                          | 1.2    | <b>0.48</b>     |                   |

# Sustainability Statement



## OUR PEOPLE

### KEY HIGHLIGHTS

Our focus is on developing our people and sustaining our employee engagement through platforms such as employee engagement surveys and multiple communication channels. Investing in long term development of our people allows us to improve our competency and increase opportunities for employees to excel in the organisation. We nurture the talent we have and provide support for growth of our people at all levels.

Our approach to diversity and inclusion is to maintain an inclusive workforce that embraces racial and gender diversity. This approach guides us on how we conduct our business, work collaboratively and deliver value across the Group. To us, safety, health and well-being involve nurturing a happier and healthier workforce. We attain this by promoting work-life balance, as well as physical and emotional well-being.

Volunteerism is deeply rooted in our global workforce. Each year, Maybank employees volunteer their time and expertise to improve the lives of those around them. Our flagship Cahaya Kasih (CK) employee volunteer programme encourages our employees to form long-term relationships with beneficiaries. In 2015, 23,541 employees across the region volunteered 119,597 hours. Apart from CK volunteerism programme, 17,220 Maybank employees volunteered in festive celebrations and other philanthropic activities. On the sixth Maybank Global CR Day, 22,000 Maybank employees took part in its initiatives that have a direct impact on local communities.



River of Life People Outreach Program (ROLPOP) initiative on the 6th Maybank Global CR Day 2015.



For information about Maybank's initiatives in the workplace, please refer to the Group Human Capital section on pages 61 to 69.

### OUR PEOPLE PERFORMANCE REVIEW

| Commitment                      | Indicator                                                                                                        | Year-On-Year Tracking |             |                                                                                                         |
|---------------------------------|------------------------------------------------------------------------------------------------------------------|-----------------------|-------------|---------------------------------------------------------------------------------------------------------|
|                                 |                                                                                                                  | 2013                  | 2014        | 2015                                                                                                    |
| Learning and Development        | Total spend (RM million)                                                                                         | 118.87                | 120         | 114                                                                                                     |
|                                 | Average training hours per employee                                                                              | 45.31 hours           | 33.68 hours | 35 hours                                                                                                |
| Talent and Leadership           | Percentage of employees appraised (Based on employees who are eligible to participate in the year end appraisal) | 100%                  | 100%        | 100%                                                                                                    |
|                                 | Profit before tax per employee (RM)                                                                              | 185,669               | 193,695     | 199,129                                                                                                 |
|                                 | International mobility (no. of talents)                                                                          | 100                   | >130        | 167                                                                                                     |
| Diverse and Inclusive Workplace | Women in top management, Band D and above (%)                                                                    | 31*                   | 31*         | 35                                                                                                      |
|                                 | Women in management, Band G and above (%)                                                                        | 42*                   | 46*         | 47                                                                                                      |
|                                 | Women workforce below 30 years (%)                                                                               | 14.5                  | 15.3        | 16.2                                                                                                    |
| Safety, Health and Well-being   | Health and awareness programmes (no. of participants)                                                            | >3,400                | >5,000      | 5,000                                                                                                   |
| Employee Volunteerism           | No of volunteers                                                                                                 | 23,513                | 26,200      | 23,541**<br>(CK initiatives)<br>17,220**<br>(festive celebrations and other philanthropic activities)   |
|                                 | Volunteer hours                                                                                                  | 178,422               | 142,900     | 119,597**<br>(CK initiatives)<br>122,917**<br>(festive celebrations and other philanthropic activities) |

Note :

\* Excluding Maybank Indonesia.

\*\* Started to track based on programmes and initiatives since 2015.

# Sustainability Statement



## ACCESS TO PRODUCTS AND SERVICES

### KEY HIGHLIGHTS

Access to products and services is material to us because of our mission: humanising financial services. We have set ourselves a goal to integrate Environment, Social and Governance (ESG) considerations into our products and services by 2020. The four priority areas we are committed to as set forth in the 20/20 Sustainability Plan are:

Our Commitment to the Environment means considering our business' direct and indirect impact on the environment and managing our ecological footprint as we grow regionally.

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 their needs.

Our Digitisation means embracing the trends in technology. We aim to leverage on life-improving digital solutions to expand our reach and bring our financial services closer to the customers.

In Product Stewardship we concentrate on practicing responsible financing, promoting financial inclusion and helping customers build financial capability. We are committed to leading the way in responsible growth and lending practices to meet our ESG commitments.

### Access to Products and Services — Our Progress

#### Commitment to the Environment

2015 saw slower economic growth in Malaysia and some part of the region, posing challenges in undertaking new environmental initiatives. However, we improved our record of managing Maybank's internal environmental footprint particularly by engaging employees to use resources in a more efficient manner. The efforts lead to reduction in paper usage and savings in electricity.

As part of our commitment to the environment, we focus on managing our carbon footprint. We have been participating in the Carbon Disclosure Project (CDP) for four years — and we are the first Malaysian financial institution to take part.

In last year's annual report, the calculation for our Carbon Footprint comprising Direct Emissions and Indirect Emission (consumption of purchased electricity) from all Maybank buildings in Malaysia were reported. However, the measurements could not be aligned to the requirements of the Greenhouse Gas (GHG) Protocol Corporate Standard. As a result, we are now restating the Carbon Footprint for 2014 based on Indirect Emissions only for 6 strategic buildings in Malaysia, for which the measurements are aligned to the GHG Protocol Corporate Standard.

For FY2015, we have tracked the Direct GHG Emissions (Scope 1) and Indirect GHG Emissions (Scope 2) for all buildings in our Malaysian operations, in line with the GHG Protocol Corporate Standard. These are pending external audit verification and upon approval, will be made available in the SR 2015.

In our efforts to minimise our carbon footprint this year, we have continued to retrofit existing systems in our buildings with more energy-efficient equipment. We also focused on improving fire safety in all of our buildings. Further details on our environmental impact will be available in the SR 2015.

Our paper usage management has been in effect for the past three years. We have adopted an efficient procedure which also reduces paper usage in our branches, called the Regional Branch Solution (RBS). In 2015, we recorded RM10.88 million paperless transactions.



# Sustainability Statement

## Digitisation

Digitisation is our focus moving forward. With M2U registered online users at 8.3 million, our digital footprint is growing significantly and is a key opportunity to provide access to services.

## Product Stewardship

2015 saw an increase in the number of new start-up companies and social enterprises in Malaysia. We see enormous potential in this trend for economic growth, employment and poverty reduction. MaybankFintech, which seeks to support start-ups and commercialise ideas in the financial technology sphere is beginning to show results. This programme is the first of its kind by a bank in South East Asia. We also formalised our partnership with Malaysian Global Innovation & Creativity Centre (MaGIC) to boost entrepreneurship in the ASEAN region.

Maybank also teamed up with global technology provider SAGE to collaborate on a new digital banking solution for SMEs in Malaysia that will enable them to undertake instant electronic payments via online and mobile banking channels directly from their Accounting and Payroll modules.

## Group's Inclusiveness and Diversity Agenda Framework (GIDA)

GIDA was established in March 2014 with the aim to ensure increased representation of women in leadership positions across the Group and enable greater participation in wealth creation for citizens in countries where we operate, in particular the SME community. Initiatives are developed to drive results both internally and for the Group's customers.

In line with the national Bumiputera Agenda for 2014, Maybank launched its multi-year Bumiputera Entrepreneurial Excellence (BEE) programme that is focused on developing Malaysian entrepreneurs across the value chain — from providing loans to Bumiputera megaproject contractors and SMEs right up to providing financial literacy programmes and microfinancing for the “under-banked” segments. In its first 9 months, the BEE programme exceeded its targets and provided funding support in excess of RM650 million for entrepreneurs throughout the country.



Supporting the SMEs — Our programme-based year-on-year progress

| Programme                           | Indicator                     | 2014 | 2015   |
|-------------------------------------|-------------------------------|------|--------|
| SME Portfolio Guarantee (PG) Scheme | Amount disbursed (RM million) | 230  | 293.46 |
| SME community engagement            | No. of entrepreneurs coached  | n/a  | 464    |

## Responsible Lending

To support the incorporation of ESG into the Group's products, investments, credit practices and supply chain, we established a position not to engage in business activities that are not aligned to the Group's values. This position is part of the Group's risk appetite and has also been developed into a Group policy applicable to all financial services provided by the Group.

Moving forward into 2016, we will further enhance our commitment towards Responsible Lending by developing more detailed guidelines for assessment of social and environmental risks. Relevant employees will be upskilled to keep up with the evolving social and environmental risks.

# Sustainability Statement

## Green Technology Financing

Given the increasing awareness for environmental conservation, there has been growing demand for low carbon, climate-resilient projects. Some institutions are already allocating capital and steering financial flows towards such projects. We are also venturing into assessing our involvement in this area. One concrete step is our support for the Green Technology Financing. In 2015 we had financed 20 projects under the Malaysia's Green Technology Financing Scheme (GTFS).

## Supply Chain

Our supply chain is wide and impacts various stakeholders. As much as possible, we hire our suppliers locally which in turn benefits local economies where we operate.

In 2015, Group Procurement reviewed standard contracts in order to incorporate terms that specifically oblige suppliers to adhere to requirements of fair labour practices, respect for human rights and non-discrimination as well as environmental protection. Incorporation of clauses related to child labour has been successfully undertaken. The other clauses will be further reviewed and completed in 2016.

## ACCESS TO PRODUCTS AND SERVICES PERFORMANCE REVIEW\*\*

| Commitment          | Indicator                                                                    | Year-On-Year Tracking   |                         |                                               |
|---------------------|------------------------------------------------------------------------------|-------------------------|-------------------------|-----------------------------------------------|
|                     |                                                                              | 2013                    | 2014                    | 2015                                          |
| Environment         | Carbon Footprint (Tonnes of CO <sub>2</sub> eq) <sup>#</sup><br>(Scope 2)    | 37,704.81 <sup>^</sup>  | 40,221.00 <sup>*</sup>  | Pending<br>external auditor's<br>verification |
|                     | Score for Carbon Disclosure Project (CDP)                                    | 67                      | 71                      | Outcome<br>available<br>in 2016               |
|                     | Electricity consumption (kWh)                                                | 50,883,688 <sup>^</sup> | 54,279,358 <sup>*</sup> | 52,485,888 <sup>*</sup>                       |
|                     | Water consumption(m <sup>3</sup> )                                           | n/a                     | 602,115.79 <sup>*</sup> | 658,679.36 <sup>*</sup>                       |
|                     | Paperless transactions savings through Regional Branch Solution (RM million) | 10                      | 10.3                    | 10.88                                         |
|                     | E-procurement electronic purchase orders/month                               | 4,300                   | 4,036                   | 5,752                                         |
| Digitisation        | M2U registered online users                                                  | 6.9 million             | 7.8 million             | 8.3 million                                   |
|                     | No of online transactions                                                    | 1.24 billion            | 1.57 billion            | 2.03 billion                                  |
|                     | Amount of online transactions (RM billion)                                   | 102.3                   | 141.7                   | 173.6                                         |
| Product Stewardship | Retail SME Financing (RM billion)                                            | 6.0                     | 7.5                     | 10.2                                          |

### Note:

<sup>#</sup> Due to revision of calculation methodologies, amount of carbon footprint disclosed in this report varies from the Annual Report 2014. For further details, please refer to section Commitment to Environment, page 187.

<sup>^</sup> Based on five strategic buildings.

<sup>\*</sup> Based on six strategic buildings.

<sup>\*\*</sup> Malaysia only.

# Maybank in the News



## January

**Relief effort gets RM400,000 boost**  
By Cheong Choo Ewe  
 KUALA LUMPUR: The Maybank Foundation Board Chairman in May 2015, Mr. Ahmad Fauzi, announced that the foundation will be providing a grant of RM400,000 to support relief efforts for victims of the recent floods in Kedah and Perlis states.

**RM300m special aid for victims hit by floods**  
By Ahmad Fauzi  
 KUALA LUMPUR: The Maybank Foundation Board Chairman in May 2015, Mr. Ahmad Fauzi, announced that the foundation will be providing a grant of RM300 million to support relief efforts for victims of the recent floods in Kedah and Perlis states.

**Maybank sees 20pc growth in mPOS**  
By Nurul Hafidza  
 KUALA LUMPUR: Maybank reported a 20 per cent increase in mobile point-of-sale (mPOS) transactions in January 2015, reflecting the bank's strong focus on digital banking services.

**Visually impaired to enjoy movies too**  
By Nurul Hafidza  
 KUALA LUMPUR: Maybank has launched a new initiative to provide audio descriptions for visually impaired moviegoers, allowing them to enjoy movies more fully.



## February

**Capitalise on Asean opportunity: Maybank CEO**  
By Nurul Hafidza  
 KUALA LUMPUR: Maybank CEO, Datuk Seri Ahmad Fauzi, emphasized the bank's commitment to capitalizing on the growth opportunities in the ASEAN region.

**RECORD 2014**  
**Maybank records RM6.7b profit**  
By Nurul Hafidza  
 KUALA LUMPUR: Maybank reported a record profit of RM6.7 billion for 2014, driven by strong performance in its core banking and financial services divisions.

**Maybank Islamic diiktiraf terbaik**  
By Nurul Hafidza  
 KUALA LUMPUR: Maybank Islamic has been recognized as the best Islamic bank in Malaysia for the second year, a testament to its commitment to excellence in Islamic banking.

**New offering completes Maybank Islamic services**  
By Nurul Hafidza  
 KUALA LUMPUR: Maybank Islamic has successfully completed a new offering, further expanding its range of Islamic financial products and services.

**馬銀行 Quick Balance 方便快速查看餘額**  
 An advertisement for Maybank's Quick Balance service, highlighting its convenience and speed for checking account balances.

## March

**Smashing for charity**  
By Nurul Hafidza  
 KUALA LUMPUR: Maybank staff participated in a 'Smashing for Charity' event, raising funds for a good cause through a fun and energetic activity.

**Maybank equity deals strong in Asean region**  
By Nurul Hafidza  
 KUALA LUMPUR: Maybank's equity deals in the ASEAN region have shown strong performance, reflecting the bank's solid financial position and investor confidence.

**Exciting do for to the elderly**  
By Nurul Hafidza  
 KUALA LUMPUR: Maybank has launched a new initiative to provide financial support and services for the elderly, ensuring they can manage their finances more effectively.

**Maybank expects growth in SME retail financing**  
By Nurul Hafidza  
 KUALA LUMPUR: Maybank expects significant growth in SME retail financing in 2015, as the bank continues to support the development of the Malaysian economy.



# Maybank in the News

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

## April



**Maybank opens fourth branch in Greater China**  
 Working on the promise of the Chinese province to be a gateway to South Asia and ASEAN...

**Maybank eyeing bigger share of financing market**  
 MAYBANK IS POTENTIAL PLAYERS IN THE FINANCING MARKET...

**Boosting multi-currency lending**  
 MAYBANK IS BOOSTING MULTI-CURRENCY LENDING...



**Disabled 'Rise' to success with Maybank's help**  
 A disabled person has risen to success with the help of Maybank...

**Maybank Islamic's new IA offers higher returns**  
 MAYBANK ISLAMIC'S NEW IA OFFERS HIGHER RETURNS...

## May



**Maybank AM aims for RM20b AUM this year**  
 MAYBANK AM TARGETS TO BE AHEAD OF MARKET STRATEGIES...



**ENCOURAGING START**  
 Maybank Q1 net profit up 6.2pc

## June



**Maybank-LIN charity cycle to start Aug 2**  
 MAYBANK-LIN CHARITY CYCLE TO START AUG 2...

**Pelajar buta antara 66 dapat biasiswa Yayasan MAYBANK**  
 66 VISUALLY IMPAIRED STUDENTS AMONG 66 RECEIVE SCHOLARSHIPS FROM MAYBANK FOUNDATION...

**Maybank Islamic bantu 4,000 keluarga**  
 MAYBANK ISLAMIC HELPS 4,000 FAMILIES...

# Maybank in the News



## July

**Kongsi rezeki bersama 6 pertubuhan kebajikan**

Maybank Islamic sumbang RM100,000 kepada IJN

**Maybank makes it into Newsweek's green list**

TOP IN ASIAN: Bank only Maybank company to get credit for environmental record

**Maybank Foundation donates RM20,000 to quake victims**

**Maybank IB is Euromoney top investment bank**

WINNING: It also won Top Domestic Equity House award by Euromoney

**Maybank: Asean tech startups to flourish**

## August

**Roaring Q2**

**Maybank Q2 profit hits RM1.58b**

CHALLENGE ENVIRONMENT: Full month biggest since last year's banking

Maybank Islamic sumbang RM100,000 kepada IJN

**Maybank first M'sian bank to operate in Myanmar**

**RM20j bantu beli kediaman**

**馬銀行獲布特拉品牌獎**

PUTRA

## September

### Maybank continues with its CSR helping Kidney patients

Maybank continues its CSR efforts to support kidney patients through various initiatives...

### Maybank sasar perbankan dalam talian meningkat

Maybank sasar pertumbuhan perkhidmatan internet, telefon pintar...

### Maybank sets up RM10b MTN programme

Maybank sets up RM10b MTN programme to support small and medium enterprises...



### Maybank awarded 'Brand of the Year' at World Branding Forum

Maybank awarded 'Brand of the Year' at World Branding Forum for its commitment to excellence...

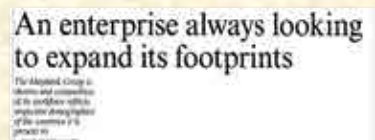
# Maybank in the News

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

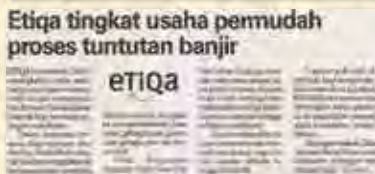
## October



## November



## December




# Maybank in the News




**JANUARY 16**



 Maybank-MAB Cinema for the visually impaired (NTV7)


**FEBRUARY 25**



 Maybank Islamic launches Syariah Centre of Excellence (Awani 502)


**MARCH 23**



 Maybank Smash & Donate (TV9)


**APRIL 16**



 Maybank to strengthen digital banking via apps (Bernama TV)


**MAY 7**



 The launch of Maybank Boseru Fund (Bernama TV)


**JUNE 11**



 Maybank awards scholarships (NTV7)


**JULY 6**



 Maybank Fitch upgrade a confidence vote for economy (TV3)


**AUGUST 21**



 Maybank Group Chief Risk Officer Interview with CNBC


**SEPTEMBER 1**



 Maybank's 1HFY15 announcement of financial results (TV2)


**OCTOBER 19**



 Maybank hopes for a single ASEAN system (TV1)


**NOVEMBER 12**



 Maybank eyes new start with Maybank Championship Malaysia (TV9)

**DECEMBER 15**



 Maybank Foundation contributes to the less fortunate students (TV1)

# Maybank in the News



MaybankVideos



Maybank



@MyMaybank

Maybank had an exciting year on digital media as it continues to innovate with content and create compelling engagement opportunities with its fans. Maybank is ranked #13 globally in The Power 100 Banks on Social Media in 2015.

29 APRIL 2015



### YouTube Close to You

1.4 million views of this story crafted by the late Yasmin Ahmad to show how Maybank has touched the life of a family.

Scan to view the video



Maybank

5 FEBRUARY 2015



Updates from the golf course during the Maybank Malaysian Open Golf 2015.

5 APRIL 2015



Live updates from the Maybank Malaysia Open Badminton 2015.

5 MAY 2015



Sharing our innovative talent recruitment program, the Go Ahead Challenge.

12 JUNE 2015



Extensive live updates of the InvestASEAN conferences.

7 SEPTEMBER 2015



Maybankers across the globe came together for the Global CR Day 2015.

7 NOVEMBER 2015



Deepavali celebrations through the eyes of the Group President & CEO.



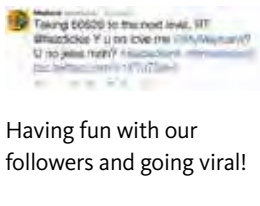
@MyMaybank

31 JULY 2015



Promotion of Maybank's Trade & Give, an initiative allowing our customers to create opportunities for micro-entrepreneurs.

3 AUGUST 2015



Having fun with our followers and going viral!

25 AUGUST 2015



Engaging followers with a chance to meet their heroes.

27 OCTOBER 2015



Sharing Maybank's #sustainability mission.

27 NOVEMBER 2015



Throughout the year we provided life & finance tips.

17 DECEMBER 2015



Engaging with fans of Star Wars on social media.

# Event Highlights 2015

## Jan

**9 JANUARY**  
Maybank announced an allocation of RM300 million in special emergency financing facilities to aid existing loan customers in flood affected areas in Malaysia. The facilities would be available, on a case-to-case basis, to customers who have mortgages, unit trust financing or business financing including small & medium enterprise (SME) packages.

**12 JANUARY**  
Maybank Foundation donated RM400,000 for the rehabilitation and reconstruction of a surau affected by the floods in Kuala Krai, Kelantan as well as the Nasunagan Elementary School in Ormoc City, Philippines which was affected by the Super Typhoon Haiyan in 2013.

**14 JANUARY**  
Bank Internasional Indonesia (BII) signed an agreement with PT Citilink Indonesia to provide an online cargo payment facility via BII CoOLPay (Corporate Online Payment), an Internet-based payment gateway solution which enables cargo agents to make payments to Citilink Cargo in real time.

**15 JANUARY**  
Maybank launched the first-ever movie theatre in South East Asia for the visually challenged in collaboration with the Malaysian Association for the Blind (MAB). Known as the Maybank-'MAB Cinema, it can accommodate up to 180 persons per screening of Audio Described (AD) movies.



**15 JANUARY**  
Maybank Investment Bank served as a Coordinating Bank, Joint Mandated Lead Arranger, Investment Agent, and Security Agent for SapuraKencana Petroleum Berhad's USD2.3 billion Islamic Facility Agreement. The transaction is the largest Islamic facility in Malaysia to date.

**16 JANUARY**  
Etika Takaful helped to ease the burden of flood victims in the East Coast by collaborating with Islamic Aid Malaysia (IAM) to deliver disaster relief supplies. Backed by Etika Takaful's zakat fund, a total of RM317,000 in kind were distributed to 1,000 families in the remote areas of Kota Bahru and Temerloh.

**19 JANUARY**  
Asia Miles and Maybank announced a new partnership enabling Maybank Cardmembers in Malaysia, Indonesia, Singapore and the Philippines to redeem Asia Miles with their TREATS Points.

**26 JANUARY**  
Maybank partnered with Maxis Berhad to launch the Maybank mPOS service which enables SMEs to leverage the benefits of wireless payment mobility for business growth. The Maybank mPOS is a portable payment device that allows merchants to accept card payments anytime, anywhere.



**29 JANUARY**  
Maybank Philippines conducted a ceremonial groundbreaking of the Maybank Performing Arts Center, located in Bonifacio Global City. The event was hosted by Bonifacio Arts Foundation, Inc. (BAFI) and attended by key city stakeholders and donors. Maybank was the first donor for the project, which is expected to be completed in 18 to 20 months' time.



**30 JANUARY**  
Maybank Islamic introduced its latest offering, Maybank Islamic Custody Services, for the benefit of Shariah-conscious clients, both domestic and international. This latest service completes Maybank's suite of Islamic financial offerings.



## Feb

**6 FEBRUARY**  
As part of its ongoing efforts to help residents affected by the recent floods in several parts of Malaysia, Maybank Foundation made a contribution of RM100,000 to the Tabung Bencana NSTP-Media Prima at a special event held in conjunction with the Maybank Malaysian Open at the Kuala Lumpur Golf and Country Club (KLGCC).

**8 FEBRUARY**  
Anirban Lahiri won the coveted Seagram's Trophy at the 10<sup>th</sup> edition of the Maybank Malaysian Open.



**11 FEBRUARY**  
BII reported an operating profit before provision of IDR2.87 trillion for the full year ended December 2014 compared with IDR2.90 trillion in the previous year. Net profit after tax and minority Interest (PATAMI) for the year stood at IDR699 billion in December 2014 compared with IDR1.5 trillion in the previous year.

**12 FEBRUARY**  
Maybank Kim Eng co-hosted the first Cap10-ASEAN CEO Summit in collaboration with Bursa Malaysia in Kuala Lumpur. More than 1,000 economic and trade policy makers, CEOs from over 280 Malaysian and ASEAN-based private and public listed companies, SMEs, and more than 60 institutional fund managers and brokers were present. The aim of the summit was to bring focus to opportunities in ASEAN.

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

## Event Highlights 2015

### Mar



#### 14 FEBRUARY

Maybank Cambodia, in partnership with Visa International, launched the Maybank Visa Debit card, its first dual purpose card which provides local and international access to the cardholder's bank account.



#### 17 FEBRUARY

BII was appointed as one of the 22 banks that are allowed to facilitate tax payments through the MPN G2 (Modul Penerimaan Negara Generasi 2) system.



#### 23 FEBRUARY

Maybank launched Malaysia's first ever "Quick Balance" service within the Maybank2u App, designed to enrich its mobile banking value proposition. This new service allows customers to view their account balances with a tap of a button.



#### 24 FEBRUARY

Maybank Islamic launched Malaysia's first Shariah Centre of Excellence — a virtual centre which aims to be a repository of Shariah knowledge and a reference point on Shariah best practices in Islamic finance for industry players, academia, and the general public. Officiated by Bank Negara Malaysia Governor, Tan Sri Dr. Zeti Akhtar Aziz, the centre reflects Maybank Islamic's commitment as the region's leading Islamic bank to uphold high standards of Shariah practice in the niche Islamic finance sector.



#### 26 FEBRUARY

Maybank announced that the Group net profit for financial year ended 31 December 2014 reached another record of RM6.72 billion, 2.5% higher than the RM6.55 billion achieved in the previous year. Profit before tax (PBT) was 2.7% higher at RM9.11 billion from RM8.87 billion a year earlier.



#### 2 MARCH

Fad'l Mohamed was appointed as Deputy Chief Executive Officer of Maybank Investment Bank.



#### 3 MARCH

Maybank Philippines, Inc. was appointed by Manila North Tollways Corp. (MNTC), the builder and concessionaire of the 90-km North Luzon Expressway, to streamline its cheque preparation and releasing transactions.



#### 4 MARCH

Maybank celebrated the Lunar New Year together with 50 senior citizens from Rumah Sri Kenangan Cheras and House of Joy at Menara Maybank. The guests were awestruck by the acrobatic lion dance performances and Yee Sang tossing ceremony. They also received "ang paws" and goodie bags from Maybank's senior management.



#### 8 MARCH

Etiqa Insurance Berhad sponsored the half marathon category in The Malaysia Women Marathon (MWM) held in Shah Alam in conjunction with the International Women's Day 2015. The run is held annually to celebrate the ability of women to run marathons and strive for achievement that goes beyond their expectations.



#### 9 MARCH

Maybank Philippines officially launched its Maybank2u Mobile App.



#### 22 MARCH

Maybank Foundation donated RM1 million to Hospital Selayang's Liver Transplant Centre in conjunction with the "Smash and Donate" charity event. At the event, held in conjunction with the Maybank Malaysia Badminton Open (MMO), well-known celebrities, corporate executives as well as junior and former national badminton players were made to sweat it out on the courts in aid of charity.



#### 23 MARCH

BII presented the grand prize to its winning Platinum Access customer, comprising a tour package to five continents for one family.



#### 24 MARCH

Maybank Kim Eng Securities (Thailand) acted as the Sole Financial Advisor, Sole Bookrunner, and Joint Underwriter for Platinum Group's THB5,180 million IPO — the largest property IPO and the second largest IPO in Thailand in 2015 as at its pricing date.



#### 24 MARCH

BII and PT Garuda Indonesia (Persero) Tbk signed a bridging loan facility amounting to USD100 million (approximately IDR1.3 trillion).



#### 26 MARCH

BII established a partnership with PT Maybank GMT Asset Management to be its sales agent for mutual fund products.

## Event Highlights 2015

Apr

**26 MARCH**  
 Maybank Philippines was, for the first time, named among the Top 5 Fixed Income Brokering Participants for 2014 by the Philippines Dealing System Group, the country's secondary fixed-income bourse. The award is given to financial institutions that have generated the most number of trade tickets for the year, as measured by the total volume turnover of securities transacted by face amount.



**31 MARCH**  
 Maybank Kim Eng announced its collaboration with KIVA, the world's foremost online crowdfunding platform, which will bring microfinancing to over 10,000 micro-entrepreneurs across five ASEAN countries.

**31 MARCH**  
 Maybank Kim Eng hosted the second Invest ASEAN conference themed "Capitalise on the Rise of ASEAN Consumers" in Singapore. The conference gathered representatives from over 11 countries including 67 corporates with a total market capitalisation of close to USD152 billion and 452 investors from 195 funds with USD38.5 trillion in Assets Under Management.

**1 APRIL**  
 Maybank announced that it was one of two banks to enter into an agreement with Cititower Sdn Bhd for a 20-year RM3.2 billion syndicated Islamic term financing which was to part finance a mixed development project located within the KLCC Park.

**3 APRIL**  
 Maybank Investment Bank acted as the Principal Adviser to IJM Corporation Berhad's privatisation of its subsidiary, IJM Land Berhad, a corporate exercise worth RM1.98 billion in the form of IJM shares and cash.

**4 APRIL**  
 Etiqa Takaful Berhad, in collaboration with Islamic Aid Malaysia, ramped up its efforts to build permanent houses for Kelantan flood victims. The construction of 46 new houses in Gua Musang and Kuala Krai were financed by Etiqa Takaful's zakat fund and its customers' tabung amal jariah, which were derived from the distribution of surplus contributions.

**7 APRIL**  
 Maybank marked another milestone with the official opening of a new branch in Kunming, Greater China, making it the first Malaysian bank and one of only two South East Asian banks to have a presence in Yunnan Province in Southwest China.



**14 APRIL**  
 Maybank Islamic launched its Mudarabah Investment Account, a product that invests in a diversified portfolio of assets with capital preservation being a central objective. Under this account, customers can look forward to potentially higher and more stable returns on their deposits.



**15 APRIL**  
 Maybank launched two new digital banking applications — Maybank Treats and Maybank Property Finder Apps — that bring first-of-its-kind convenience to its South East Asian customers. The introduction of the two apps were aimed at strengthening the Group's digital presence as well as enhancing convenience for its cards and mortgage customers.



**17 APRIL**  
 In celebration of Singapore's Jubilee (SG50), Maybank Singapore and Etiqa Insurance Pte Ltd (EIPL) jointly pledged SGD500,000 to sponsor a personal insurance programme that provides accident coverage for 3,000 low-income families. Each breadwinner and up to six dependent children will receive two years of free accident protection, with coverage of up to SGD50,000. This expands the Maybank Breadwinner Protection Programme which has been running since 2012, and has now been renamed Maybank-Etiqa Family Shield.

**18 APRIL**  
 Maybank Foundation assisted more than 280 people with disabilities to reach their dreams of becoming successful entrepreneurs via the economic empowerment Corporate Responsibility programme called "Reach Independence & Sustainable Entrepreneurship" (RISE) in collaboration with People Systems Consultancy.



**20 APRIL**  
 Maybank Investment Bank was one of the banks to enter into an agreement with Impian Bebas Sdn Bhd to provide a 15-year, RM1.08 billion Syndicated Islamic term financing (ITF). Maybank IB was appointed as the Coordinating Bank and Joint Lead Arranger for the Syndicated ITF.

**24 APRIL**  
 Maybank launched its Inaugural Samurai Bond Issuance, raising JPY31.3 billion (equivalent to approximately USD261 million) with a three and five year tenor. This was the first-ever Samurai bond issued out of the Malaysian banking sector and Japan's first Samurai bond issuance for the 2015 fiscal year.

**28 APRIL**  
 BII expanded its partnership with Garuda Indonesia to implement a 'Cross Currency Swap' transaction mechanism.

**29 APRIL**  
 BII announced that its profit after tax and minority interests (PATAMI) increased 33.5% to IDR255.6 billion for the first quarter ended 31 March 2015 from IDR191.5 billion in the previous corresponding period ended 31 March 2014.



## Event Highlights 2015

## May

**29 APRIL**

Maybank Investment Bank acted as the Transaction Manager, Joint Principal Adviser, Joint Global Coordinator, Joint Bookrunner, Joint Managing Underwriter, and Joint Underwriter for Malakoff Corporation Berhad's RM2.74 billion IPO. The transaction was the largest initial public offering in 2015 at the time of issuance.

**5 MAY**

Maybank Asset Management Sdn Bhd, together with Maybank Islamic Asset Management launched the first Islamic equity fund under the ASEAN passport framework known as the Maybank Bosera Greater China ASEAN Equity-i Fund, to tap into the huge potential in the equity markets within the Greater China and ASEAN regions.

**11 MAY**

Maybank signed an agreement with Honda Malaysia Sdn Bhd for an enhanced automotive Business Solution which will facilitate the provision of a comprehensive range of financial services. The solutions cover the entire supply chain from car manufacturing, distribution, retailing and after-sales services for its suppliers, dealers and customers in Malaysia.

**18 MAY**

Maybank announced that it had entered into a share sale agreement (SSA) with Kina Ventures Ltd and Kina Securities Ltd of Papua New Guinea, for the proposed disposal of Maybank's entire equity interest in Maybank (PNG) Limited (MPNG) and Mayban Property (PNG) Limited (MPPNG) to Kina Ventures.

**22 MAY**

Maybank announced discounted charges of between 50% and 90% for remittances to Nepal to assist the Nepalese community including foreign workers in Malaysia who wished to transfer money to their families and friends affected by the earthquake in their country.

## JUN

**25 MAY**

Maybank Kim Eng hosted the third Invest ASEAN conference, in Ho Chi Minh City, Vietnam. The conference was themed "Vietnam: The Next Global Factory", and attracted over 200 attendees from 10 countries including 15 corporates with a total market capitalisation of close to USD22.2 billion as well as 100 investors with about USD5 trillion in Assets Under Management.

**28 MAY**

Maybank Group announced its first quarter net profit of RM1.70 billion, a 6.2% increase from the RM1.60 billion achieved in the first quarter of 2014. Profit before tax for the quarter rose to RM2.24 billion from RM2.21 billion a year earlier.

**3 JUNE**

BII held the 'BII Sukma Awards' as part of its commitment towards sustainable women entrepreneurship development. The winner was supported by BII for a business development mentoring program.

**5 JUNE**

Maybank Foundation, through Maybank Philippines, handed over an additional PHP500,000 in funding to the Maybank-Xavier Ecoville Manpower Association (MAXEMA) for its skills training programme. Maybank is one of the major partners of Xavier Ecoville Project, an ongoing rehabilitation programme for families displaced by Super Typhoon Sendong in 2012.

**6 JUNE**

BII conducted a programme to empower fishermen and their families in Indramayu, West Java by providing assistance in the form of boats, boat engines, fishing nets, and maintenance. The Bank also provided cold storage facilities to increase production capacity. For the fishermen's children, BII provided assistance for their education in the form of books, reading corners, laptops, projectors, screens, and funds for the renovation of a school building. In addition, BII employees cleaned the Karangsong beach.

**10 JUNE**

Maybank Foundation presented its annual Maybank Group Scholars Awards to 66 new deserving top students as part of its ongoing corporate responsibility commitment towards education.

**11 JUNE**

Maybank launched its 11<sup>th</sup> annual Treats Fair targeting to achieve over RM23 million in sales, a 10% increase from the RM21 million recorded in 2014. The continued success of the Treats Fair saw Maybank expanding the event regionally with the introduction of a similar Treats Fair in the Philippines.

**12 JUNE**

BII and Japan International Cooperation Agency (JICA) established a strategic partnership to provide a two-step loan facility for PT Japan Indonesia Economic Centre (JIAEC). This 10-year loan facility will be used by JIAEC to finance trainee development.

**15 JUNE**

Maybank Kim Eng hosted the fourth Invest ASEAN conference, themed "Thailand: The Gateway to GMS". Held in Bangkok, the event attracted about 400 attendees from eight countries including 30 corporates with a total market capitalisation of USD108 billion as well as 50 funds across Asia totalling approximately USD4.2 trillion in Assets Under Management.

**26 JUNE**

Maybank handed over RM 7.75 million worth of zakat payments to 11 state zakat agencies at a Majlis Iftar Kumpulan Maybank held at Masjid Wilayah Persekutuan. The contribution was a portion of the total RM19.2 million in zakat by Maybank Group's Islamic banking unit, Maybank Islamic Berhad, for the financial year 2014.

# Event Highlights 2015

## Jul



### 7 JULY

Maybank Philippines signed a deal with Tanay Rural Bank (TRB) Inc. and TRB Investco to secure both companies' assets and execute an escrow agreement to boost TRB's capital and enhance its lending facilities in the area it is servicing.



### 8 JULY

Maybank offered customers 'electronic' options for gifts during the Hari Raya festive season as part of its efforts to promote a cashless society and give customers added convenience. These comprised electronic "duit raya" and Maybank Raya Gift Card via Maybank2u, the first of their kind in Malaysia.



### 13 JULY

Maybank pioneered the use of biometric authentication in mobile banking with the introduction of its Quick Touch service on the Maybank2u App. The service, the first of its kind in Malaysia, allows customers to access their accounts and check their balances using fingerprint on their mobile devices for authentication.



### 15 JULY

Maybank formed a tie-up with KASIKORNBANK PCL, the fourth largest commercial bank in Thailand by assets, to establish and develop a long-term strategic partnership for mutual benefit in the area of transaction banking and to tap into business opportunities arising from the formation of the ASEAN Economic Community (AEC).



### 20 JULY

More than 1,100 applicants consisting of graduates and students from universities in Cambodia were shortlisted to battle it out for the coveted Maybank Go Ahead Challenge Global Finals. Teams faced off against each other in a series of tasks designed to test their strategic thinking, tactical planning, and quick reactions, contributing their business insights to the challenges presented.



### 23 JULY

Maybank introduced MaybankFintech, the first of its kind programme by a bank in South East Asia to fund technology startups as well as support and generate ideas in the financial technology sphere.



## Aug



### 30 JULY

BII announced that its Profit After Tax and Minority Interests (PATAMI) increased 13.9% to IDR388 billion for the first half ended 30 June 2015 from IDR341 billion in the previous corresponding period ended 30 June 2014.



### 31 JULY

Maybank announced that it will be holding the inaugural Maybank Championship Malaysia (MCM) Golf tournament in February 2016. The event, sanctioned by the European and Asian Tours, will build upon Maybank's very successful relationships with these two Tours over the last ten years through the involvement in the Maybank Malaysian Open (MMO).



### 1 AUGUST

Maybank Cambodia and Manulife Cambodia signed a bancassurance agreement that will enable Manulife to sell life insurance solutions to Maybank customers across the country. The distribution partnership with Manulife Cambodia is Maybank's first partnership with a life insurer in Cambodia.



### 2 AUGUST

Maybank Islamic organised its second charity "Cycle: Save a Child's Heart 2.0", which was held in Ipoh, Perak. It was graced by DYMM Paduka Seri Sultan Perak, Sultan Nazrin Muizzuddin Shah and DYMM Raja Permaisuri Perak, who both led the 10km VIP Fun Ride. The event raised RM100,000 to fund surgeries for children in the region who have heart problems.



## Event Highlights 2015

Sep

**5 AUGUST**

Following the success of Maybank Foundation's pilot phase of its Reach Independence & Sustainable Entrepreneurship (RISE) programme, the Foundation launched Phase 2 which aims to reach out to 1,800 people in three countries, 70% of which comprise Persons with Disabilities (PWDs). The programme covers Malaysia, Indonesia and the Philippines.

**7 AUGUST**

Maybank hosted its corporate Hari Raya reception for clients and business partners. As part of the Group's efforts to spread festive cheer to the underprivileged, 80 children from the Rumah Kebajikan As-Safiyah and Persatuan Kebajikan & Pendidikan Nur Kasih from Selangor were also invited and treated to festive goodies as well as "duit raya".

**12 AUGUST**

BII together with Maybank Foundation, gave scholarships to outstanding children from needy families in 30 provinces of Indonesia to continue their studies in nine top universities in the country.

**17 AUGUST**

Maybank unveiled a new branch banking concept targeted at Gen Z and millennial students at university campuses known as Maybank@Campus. The first such "campus lounge" named Maybank@Monash was launched at Monash University Malaysia and was specially designed to fulfil the unique needs of students and university communities.

**18 AUGUST**

Maybank Philippines was among a consortium of ten domestic banks participating in a 15-year, PHP31.971 billion loan facility for Therma Visayas Inc. (TVI), which will partially finance the construction of a coal-fired plant in Toledo City, Cebu. The finance-loan facility is one of the largest all-Philippine peso-dominated projects in the domestic market.

**25 AUGUST**

Maybank Kim Eng hosted the fifth Invest ASEAN conference in Manila, Philippines. The conference themed "Riding the Boom: ASEAN's Demographic Dividends", attracted about 600 attendees from eight countries including 29 corporates with a total market capitalisation of close to USD93 billion as well as 77 funds across the world totalling USD637 billion in Assets Under Management.

**26 AUGUST**

Group President & CEO of Maybank, Datuk Abdul Farid Alias paid a courtesy call to His Excellency Benigno Simeon C. Aquino III, President of the Republic of the Philippines, at Malacañang Palace in conjunction with the Maybank Invest ASEAN conference in Manila. Among those present were the Philippines Secretary of the Department of Finance, Cesar Purisima and Herminio M. Famatigan, Jr., President & CEO of Maybank Philippines.

**27 AUGUST**

Maybank announced that net profit for the half year ended 30 June 2015 rose 3.4% from a year earlier to RM3.28 billion.

**29 AUGUST**

As a lead up to the BII Maybank Bali Marathon, the Bank held a Corporate Social Responsibility (CSR) event in Gianyar, Bali the day before the marathon to provide assistance in the form of economic empowerment for persons with disabilities, and continued support for environmental conservation and the education of the Gianyar community.

**30 AUGUST**

BII successfully held its 4<sup>th</sup> BII-Maybank Bali Marathon which saw the participation of some 5,000 people representing 37 different nationalities.

**5 SEPTEMBER**

Around 22,000 Maybank employees worldwide commemorated the sixth Maybank Global CR Day with the theme "Inspiring Communities Globally" where they directly engaged with the communities in their respective locations, and helped continue impacting their lives and/or the environment through sustainable initiatives. This was the largest single community programme undertaken simultaneously on a global scale in one day by a Malaysian-based corporation.

**14 SEPTEMBER**

Maybank launched another first-of-its-kind digital application in Malaysia, 'Snap & Donate' where customers are able to contribute to charitable beneficiaries just by taking a picture of the charitable organisation's logo on their mobile phones and then making a contribution directly via Maybank2u.

**14 SEPTEMBER**

Etiqa Takaful Berhad launched i-DoubleSecure, its first online family takaful plan, which gives customers unrivalled ease and the convenience of purchasing insurance instantly, as well as the flexibility to choose the level of benefits and duration of the plan.

**14 SEPTEMBER**

BII strengthened its digital services by launching the Maybank2u mobile banking application for Android and iOS platforms.

**17 SEPTEMBER**

Maybank teamed up with global technology powerhouse SAGE, a leading Enterprise Resource Planning (ERP) provider and the world's largest supplier to the SME segment, to provide a new digital banking solution for SMEs in Malaysia. This partnership enables SMEs to undertake instant electronic payments via online and mobile banking channels directly from their Accounting and Payroll modules.

# Event Highlights 2015

## Oct



### 23 SEPTEMBER

PT Bank Internasional Indonesia Tbk (BII) officially changed its name to PT Bank Maybank Indonesia Tbk (Maybank Indonesia) further strengthening its corporate identity as part of the Maybank Group.



### 30 SEPTEMBER

Maybank completed the sale of its entire equity interest in Maybank (PNG) Limited (MPNG) and Mayban Property (PNG) Limited (MPPNG) to Kina Ventures Ltd pursuant to the share sale agreement entered into on 18 May 2015.



### 30 SEPTEMBER

Maybank Indonesia officially launched Maybank Premier Wealth, a rebranding of its Wealth Management services that will be further boosted by the Group's regional cross-border offerings.



### 2 OCTOBER

Maybank officially launched its Myanmar operations, aiming to focus on transaction banking, corporate lending and treasury services as part of its objective to establish itself as a leading cross-border bank in Myanmar. The opening of the Maybank Yangon branch was officiated by the Deputy Governor of the Central Bank of Myanmar H.E. U Set Aung and Deputy Governor, Bank Negara Malaysia, Dato' Muhammad Ibrahim.



### 3 OCTOBER

Fifteen families from Kampung Pahi who lost their homes in the December 2014 floods received the keys to their new houses during a handover ceremony in Kelantan from Etiqa Takaful. Basic household items such as refrigerators, stoves, and rice cookers were also donated to these families.



## Nov



### 6 OCTOBER

The sixth and final instalment of the Invest ASEAN 2015 conference series was held in Jakarta, Indonesia. Themed "Embracing AEC: The Indonesia Opportunity", the conference attracted 400 attendees from seven countries including 25 corporates with a total market capitalisation of close to USD93 billion as well as 60 funds from across the world with USD585 billion in Assets Under Management.



### 10 OCTOBER

Maybank Indonesia in partnership with Institut Koperasi Indonesia (IKOPIN), agreed to provide full scholarships for outstanding students from underprivileged families pursuing degree and diploma programmes. IKOPIN will, in return assist the Bank in setting up a cooperative for the fishing community in Karongsong, Indramayu, where Maybank Indonesia has been carrying out community empowerment programmes.



### 29 OCTOBER

Maybank Indonesia announced that its net profit for the nine months ended 30 September 2015 increased by 70.7% to IDR592 billion from IDR347 billion in the previous corresponding period ended 30 September 2014.



### 30 OCTOBER

As an initiative to raise the visibility of Maybank SME Banking in the industry, Maybank Singapore partnered the Association for Small and Medium Enterprise (ASME) to give SMEs that have successful branding the recognition they deserve, through the Singapore Prestige Brand Award (SPBA). Several Awards including the Maybank Regional Brands, Established Brands, Promising Brands and Heritage Brands were handed out to SME winners.



### 2 NOVEMBER

Maybank Indonesia officially unveiled its new logo in line with the brand identity of its parent bank, Maybank.



### 3 NOVEMBER

Maybank successfully established a US Commercial Paper Programme in which Maybank New York Branch could issue, from time to time, notes of up to a maximum aggregate amount outstanding of USD500 million in nominal value.



### 3-5 NOVEMBER

Maybank Islamic participated as a Strategic Partner of the World Islamic Economic Forum for the third time. The 11<sup>th</sup> edition of the forum took place in Kuala Lumpur with the theme "Building Resilience for Equitable Growth."



### 5 NOVEMBER

Over 1,000 women turned up for a community event organised by Maybank Group at the Maybank Health, Empowerment and Richness (HER) Day in conjunction with Breast Cancer Awareness Month.



### 6 NOVEMBER

Maybank Asset Management Group cemented a partnership with global specialist infrastructure fund manager, Hastings Management Pty Ltd, to provide investors with Shariah-compliant infrastructure investment opportunities in the Asian region. Maybank Asset Management would combine its established ASEAN presence and strength in over ten countries with Hastings' investment expertise to create a strong fund partnership.



## Event Highlights 2015

### Dec



#### 7 NOVEMBER

Etiqa Takaful partnered with Islamic Aid Malaysia to carry out a Back to School Programme by providing school uniforms, shoes, headscarves, stockings and school bags for students experiencing financial difficulty in Sabah, Kedah and Pulau Pinang. Every year, 1,000 students are chosen as recipients of the programme.



#### 9 NOVEMBER

Maybank ushered in Deepavali with a special event for school children and senior citizens. Over 60 school children from Sekolah Jenis Kebangsaan (Tamil) Pulau Carey and 40 senior citizens from Pusat Jagaan Warga Tua Jashiera, Bestari Jaya, were treated to sumptuous delicacies and festive goodies as part of the Group's effort to bring cheer to the underprivileged.



#### 12 NOVEMBER

Maybank Kim Eng launched its regional formative arts and culture initiative, KataKatha — Southeast Asian Conversation on Culture and the Art, an initiative supported by Maybank Foundation. KataKatha brought together ten principal Southeast Asian Art and Cultural figures from Indonesia, Thailand, the Philippines, Singapore and Malaysia who participated in the conversation which took place in Kuala Lumpur from 12-15 November 2015.



#### 16 NOVEMBER

Maybank expanded its Wealth Management business with the opening of a new Private Wealth Centre in Kuching, Sarawak. It is the fifth such centre to be opened after Kuala Lumpur, Singapore, Hong Kong and London.



#### 17 NOVEMBER

Maybank Indonesia partnered with Visa WorldWide to launch the Visa Infinite credit card which targets the premier customer segment.



#### 19 NOVEMBER

A total of 29 Persons with Disabilities (PWDs) who attended a five-month intensive training programme in art, proudly received their graduation certificates at a ceremony held at Balai Seni Maybank, which also hosted their joint art exhibition entitled "Nukilan Jiwaku". The pioneer training programme was organised by Maybank Foundation through a partnership with the Malaysian Council for Rehabilitation (MCR) and University of Malaya (UM).



#### 23 NOVEMBER

Maybank became the first bank to officially formalise its partnership with the Malaysian Global Innovation & Creativity Centre (MaGIC) in efforts to further boost start-ups across the region.



#### 26 NOVEMBER

Maybank announced that net profit for the nine months ended 30 September 2015 rose 8.3% to RM5.18 billion from a year earlier. The Group's profit before tax for the nine months was 1.4% higher at RM6.78 billion.



#### 30 NOVEMBER

Maybank signed a memorandum of understanding with China UnionPay Merchant Services (UMS) to tap into the burgeoning card payments market in China. Maybank is the first Malaysian bank to sign such an agreement with China UMS which will also see it boosting its cash management business in China.



#### 14 DECEMBER

Some 100 children from five homes in the Klang Valley each received a "surprise in a bag" at the Maybank Christmas celebration held at Menara Maybank. The children from Rumah Kids, Rumah Destiny, Pusat Jagaan Rumah Juara, Ray of Hope Children's Home and City Revival Boys and Girl's Home were overjoyed to receive different surprise gifts such as bicycles, toys, stationeries, school bags and clothing, as part of the Group's effort to bring festive cheer to the underprivileged.



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

# Awards & Recognition



**Putra Brand Award**

**NACRA 2015**  
Most Outstanding Annual Report (Platinum)

**NACRA 2015**  
Overall Excellence Award

**NACRA 2015**  
Best Corporate Social Responsibility Reporting Award (Platinum)

**The Edge Billion Ringgit Club 2015 Award**  
Best CR Initiatives (Big Cap)

**World Branding Award**  
Brand of the Year Malaysia



**NACRA 2015**  
Maybank bagged 5 awards at the National Annual Corporate Reporting Awards (NACRA) 2015 including the Most Outstanding Annual Report of the Year (Platinum), the Best Corporate Social Responsibility Reporting (Platinum), the Best Designed Annual Report (Silver), the Best Annual Report in Bahasa Malaysia (Silver) as well as the Industry Excellence Awards (Main Market) in Finance.



**The Banker**  
Maybank London General Manager, Dato' Nik Ahmad Farid Bin Nik Mohamed (centre), receiving the "Bank of the Year 2015" award by The Banker on behalf of Maybank.



**Brand Awards**  
Head of Corporate Banking & Client Coverage, Maybank London, Ismail Haron (right), receiving the Brand of the Year Award for Malaysia on behalf of Maybank from Richard Rowles, Chairman of the World Branding Forum.

## Awards & Recognition

### GROUP AWARDS

#### The Banker magazine

- Bank of the Year

#### ASEAN Business Awards (ABA) 2015

- CEO of The Year

#### PwC Building Trust Awards 2015

- Top Winner

#### National Annual Corporate Reporting Awards (NACRA) for 2014

- Most Outstanding Annual Report of the Year (Platinum)
- Best Corporate Social Responsibility Reporting Award (Platinum)
- Industry Excellence Award (Finance Sector)
- Best Designed Annual Report (Gold)
- Best Annual Report in Bahasa Malaysia (Silver)

#### 14<sup>th</sup> CNBC Asia Business Leaders Awards (ABLA)

- "CNBC ABLA Corporate Social Responsibility Award" – Awarded to Datuk Abdul Farid Alias, Group President & CEO, Maybank.

#### The Edge Billion Ringgit Club Award 2015

- Best CR initiatives – 1<sup>st</sup> place (Big Cap companies)

#### World Branding Forum (WBF)

- Brand of the Year 2015

#### Putra Brand of the Year Award 2015

- Brand of The Year
- Banking, Investment & Insurance category – Gold

#### Malaysian Investor Relations Association (MIRA) Investor Relations Awards 2015

- Best CFO for Investor Relations (Large Cap)

#### RAM League Awards

- "Market Pioneer 2014 Award – First Malaysian Basel III Compliant Additional Tier 1 Capital Securities"

### GROUP HUMAN RESOURCE

#### 100 Leading Graduate Employer 2015 Awards

- Most Popular Employer for Banking and Financial Services
- Graduate Employer of the Year – First Runner-Up
- Best Innovation on Campus
- Best Social Media Usage

#### HR Innovation Awards 2015

- Excellence in Employer Branding – Gold
- Excellence in Talent Management – Joint Gold winner
- Excellence in HR Social Media – Silver
- Excellence in Recruitment & Retention Strategy – Silver
- Excellence in Graduate Development – Silver

#### Asia Recruitment Awards 2015

- Grand Winner Award for Best In House Corporate Recruitment
- Best Employer Brand Development (Gold)
- Best Regional Recruitment Programme (Gold)
- Best Recruitment Innovation (Gold)
- Best Graduate Recruitment Programme (Silver)
- Best Use of Digital Media (Silver)
- Best Candidate Experience (Silver)

### GROUP LEGAL

#### Asian Legal Business Malaysia Law Awards 2015

- In-House Lawyer of the Year
- The Banking and Financial Services In House Team of the Year

#### Asian Legal Business (ALB) SE Asia Law Awards 2015

- Top honours in the Investment Banking In-House Team of the Year category (Kim Eng)
- In-House Lawyer of the Year (Kim Eng)

### COMMUNITY FINANCIAL SERVICES

#### 16<sup>th</sup> National Customer Experience Industry Awards Corporate Category

- Quality Monitoring Process (Open) 1<sup>st</sup> Place
- Best Outbound Contact Centre In House (Over 100 Seats) 2<sup>nd</sup> Place
- Corporate Social Responsibility (Open) 2<sup>nd</sup> Place
- Best Inbound Contact Centre In House (Over 100 Seats) 3<sup>rd</sup> Place
- Best Inbound Contact Centre In House (Under 100 Seats) 3<sup>rd</sup> Place

#### Individual Category

- Best Contact Centre Team Leader (Overall)
- Best Contact Centre Team Leader Inbound (Over 100 Seats) 1<sup>st</sup> Place
- Best Contact Centre Team Leader Outbound (Over 100 Seats) 1<sup>st</sup> Place
- Best Contact Centre Manager Outbound (Over 100 Seats) 2<sup>nd</sup> Place
- Best Contact Professional Inbound (Over 100 Seats) 2<sup>nd</sup> Place
- Best Contact Centre Professional Outbound (Over 100 Seats) 2<sup>nd</sup> Place
- Best Contact Centre Team Leader Outbound (Over 100 Seats) 3<sup>rd</sup> Place
- Workforce Management Professional (Open) 3<sup>rd</sup> Place

#### PWM The Banker Global Private Banking Awards 2015

- Country Awards : "Best Domestic Private Bank in Malaysia"

#### Global Finance World's Best Private Bank Awards 2015

- Best Private Bank (Malaysia)

#### The Banker Global Private Banking Awards 2015

- Best Private Bank in Malaysia

#### FinanceAsia Country Awards for Achievement 2015

- Best Private Bank (Malaysia)

#### Euromoney Private Banking Awards 2015

- Best Private Banking Services Overall in Malaysia (6<sup>th</sup> time)
- No. 1 in Net-worth-specific services – UHNW clients (Greater than US\$30 million)
- No. 1 in Net-worth-specific services – HNW clients (US\$5 million – US\$30 million)
- No. 1 in Net-worth-specific services – Super Affluent (US\$1 million – US\$5 million)
- No. 1 in Commercial Banking Capabilities
- No. 1 in Research and Asset Allocation Advice
- No. 1 in Philanthropy and Social Impact Investing

#### Asian-Oceanian Computing Industry Organization (ASOCIO) ICT Award 2015

- The Award of Merit for the Outstanding User Organisation

#### The CEPI (Cards & Electronic Payments International) Asia Awards

- Leadership – Institutional\*\*\* (Overall winner)
- Highly Commended: Best Prepaid Card (shell easiGO Amex Prepaid Card)
- Highly Commended: Best NFC-enabled Service Initiative (Micro Tag, Watch2Pay and Debit Platinum Paywave)
- Highly Commended: Best Marketing Campaign (#ilove Campaign)
- Highly Commended: Best Card Design (PT BII Maybank (IND))
- Best Credit Card Offering – Malaysia (Maybank 2 Cards Premier)
- Best Peer-to-Peer Payments Initiative (M2U VISA Direct – VISA Personal Payment)
- Best Alternative Payments Initiative – Overall\*\*\* (Overall winner)
- Best Remittance Offering (M2U Visa Direct – VISA Personal Payment)

#### Customer Experience Asia Excellence Awards

- 2<sup>nd</sup> Runner Up : Best Customer Experience Award
- Honorary Mention: Best Digital Experience

## Awards & Recognition

### J.P Morgan 2014 Quality Recognition Award

Maybank Payment & SST, Banking Operations received:

- MT 202 Quality Recognition Award (13,647 MT 202 transactions against the minimum debit volume of 8,000)
- MT 103 Quality Recognition Award (65,167 MT 103 transactions against the minimum debit volume of 10,000)

### Customer Experience in Financial Services (CXFS) Asia Awards 2015

- Winner: Best Use of Social Media

### 25<sup>th</sup> PBI Global Wealth Summit & Awards 2015

- PBI Asia Rising Star
- Outstanding Young Private Banker award
- Highly Commended Award:
  - Outstanding Private Bank
  - Asia Pacific Regional Player
  - Most Effective Investment Offering
  - Most Innovative Business Model
  - Outstanding Wealth Manager-Customer Relationship and Engagement

### GLOBAL BANKING

#### Global Banking & Finance Review

- Fastest Growing Foreign Bank in Brunei 2015 – Maybank Brunei branch

#### Euromoney Awards for Excellence 2015

- Maybank Investment Bank (Maybank IB) – Best Investment Bank in Malaysia

#### The Asset Triple A Asset Servicing, Investor and Fund Management Awards 2015

- Maybank Securities Services: Best Domestic Custodian, Malaysia
- Best Custody Mandate

#### The Asian Banker Financial Markets Awards 2015

- Sub-Custodian Bank of the Year (Malaysia)

#### The Asian Banker

- Best Retail Bank in Malaysia Award for 2015

#### Alpha Southeast Asia 9<sup>th</sup> Annual Best Financial Institution Awards 2015

- Best Retail Broker in Malaysia, Thailand, Singapore, Philippines, Indonesia and Vietnam (Maybank Kim Eng)
- Best Institutional Broker in Malaysia, Philippines and Indonesia (Maybank Kim Eng)
- Special Marquee Award for Best Broker in Southeast Asia (Maybank Kim Eng)

#### RAM League Awards

- RAM Award of Distinction 2014
- Lead Manager Award 2014 By Programme Value – 1<sup>st</sup> place

- Lead Manager Award 2014 By Number of Issues – 2<sup>nd</sup> place
- Special Merit Award
- Malaysian Top Lead Manager 2014 – Corporate Sukuk Market & Corporate Bond Market
- Blueprint Award
- Market Pioneer Awards – Lead Managers' Recognition
- 1<sup>st</sup> Malaysian Additional Tier-1 Capital Securities – Malayan Banking Berhad's Additional Tier-1 Capital Securities Programme of up to RM10 billion

#### HFM Asia Hedge Fund Services Awards 2015

- Best Boutique Prime Broker

### INSURANCE AND TAKAFUL

#### Annual Islamic Finance News (IFN) Awards

- Best Takaful Provider
- World's 1<sup>st</sup> Takaful Sukuk – Etiqa Takaful Berhad's Subordinated Sukuk Musharakah Facility of up to RM300 million

#### Frost & Sullivan Excellence in Customer Experience Awards 2015

- Life Insurance Industry Malaysia – Overall Experience
- Life Insurance Industry Malaysia – In Branch Experience
- Life Insurance Industry Malaysia – Self Service Experience
- Life Insurance Industry Malaysia – Mobile Experience
- Medical Insurance Industry Malaysia – In Branch Experience
- Medical Insurance Industry Malaysia – Self Service Experience

### ISLAMIC BANKING

#### The Asset Triple A Islamic Finance Awards 2015

- Best Islamic Loan Syndication/Best Islamic Structured Financing
- Most Innovation Islamic Finance Deal
- Best REIT Sukuk
- Best Bank Capital Sukuk – Highly Commended
- Best Corporate Hybrid Sukuk/Best Local Currency Sukuk
- Best Corporate Sukuk
- Best Islamic Deal

#### KLIFF Islamic Finance Awards 2015

- The Most Outstanding Takaful Company

#### PWM The Banker Global Private Banking Awards 2015

- Best Private Bank for Islamic Services

#### RAM League Awards

- Lead Manager Award (Islamic) 2014 By Programme Value – 1<sup>st</sup> place
- Lead Manager Award (Islamic) 2014 By Number of Issues – Joint 1<sup>st</sup> place

- World's 1<sup>st</sup> Rated Perpetual Subordinated Sukuk – Malaysia Airports Holding Berhad's RM2.5 billion Perpetual Subordinated Sukuk Programme
- New Real-Estate Benchmark Deal – Midciti Sukuk Berhad's Sukuk Murabahah Programme of up to RM3 billion in nominal value
- World's 1<sup>st</sup> RMB-bond by a Mortgage Corporation – Cagamas Global Sukuk Berhad's USD2.5 billion Multi-Currency Sukuk Programme

#### The Banker Global Private Banking Awards 2015

- Best Private Bank for Islamic Services

### MAYBANK INDONESIA

#### IDC Financial Insights Innovation Award 2015

- Financial Insights Innovation Award 2015

#### Excellent Service Experience (ESE) Award 2015

- Excellent Service Experience Award 2015 for Regular Domestic Banking category by Carre-Center for Customer Satisfaction Loyalty (Carre-CCSL) and Bisnis Indonesia – 3<sup>rd</sup> Rank

#### Pinnacle Group International Awards 2015

- Platinum Award for Global CSR (Women Empowerment category)

#### Carre-Center for Customer Satisfaction Loyalty (Carre-CCSL) and Service Excellence Magazine

- Exceptional for Customer Service Email Center category
- Exceptional for Regular Banking category
- Excellence for Platinum Credit Card category
- Excellence for Regular Credit Card category
- Good in ATM Contact Point

#### Markplus WOW Service Excellence Award 2015

- The Best Champion for Jabodetabek WOW Service – Excellence for Conventional Banking (Buku III)

#### Most Valuable Brands in Indonesia

- Top 50 Most Valuable Indonesian Brands

#### Islamic Finance Award 2015 & Islamic Finance Cup 2015 from Karim Business Consulting

- 1<sup>st</sup> rank for Islamic Finance Award for The Most Expansive Financing Shariah Unit
- Grand Champions for Islamic Finance Cup

#### 9<sup>th</sup> Annual Alpha Southeast Asia Awards

- Best SME

#### Anugerah Perbankan Indonesia Award from Perbanas Institute and Economic Review Magazine

- 4<sup>th</sup> rank for Conventional Banking (Buku III) category

#### Indonesian Institute for Corporate Directorship (IICD)

- Best Disclosure and Transparency category



# Analysis of Shareholdings

As at 10 February 2016

|                          |                              |
|--------------------------|------------------------------|
| Authorised Share Capital | : 15,000,000,000             |
| Paid-Up Share Capital    | : 9,761,752,827              |
| Class of Shares          | : Ordinary Share of RM1 each |
| Voting Right             | : 1 vote per Ordinary Share  |

| Size of Shareholdings                    | No. of Shareholders | % of Shareholders | No. of Shares Held   | % of Issued Capital |
|------------------------------------------|---------------------|-------------------|----------------------|---------------------|
| Less than 100                            | 4,447               | 6.59              | 153,559              | 0.00                |
| 100 to 1,000 shares                      | 14,286              | 21.17             | 8,983,252            | 0.09                |
| 1,001 to 10,000 shares                   | 36,155              | 53.59             | 127,024,238          | 1.30                |
| 10,001 to 100,000 shares                 | 10,779              | 15.98             | 289,823,029          | 2.97                |
| 100,001 to less than 5% of issued shares | 1,798               | 2.66              | 3,648,078,142        | 37.37               |
| 5% and above of issued shares            | 3                   | 0.01              | 5,687,690,607        | 58.27               |
| <b>TOTAL</b>                             | <b>67,468</b>       | <b>100.00</b>     | <b>9,761,752,827</b> | <b>100.00</b>       |

## SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

| No. | Name of Shareholders                                                            | No. of Shares Held | % of Shares |
|-----|---------------------------------------------------------------------------------|--------------------|-------------|
| 1.  | Amanahraya Trustees Berhad<br>(B/O : Amanah Saham Bumiputera)                   | 3,607,165,400      | 36.95       |
| 2.  | Citigroup Nominees (Tempatan) Sdn Bhd<br>(B/O : Employees Provident Fund Board) | 1,532,066,583      | 15.69       |
| 3.  | Permodalan Nasional Berhad                                                      | 548,458,624        | 5.62        |

## TOP THIRTY SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS

| No. | Name of Shareholders                                                                                          | No. of Shares Held | % of Shares |
|-----|---------------------------------------------------------------------------------------------------------------|--------------------|-------------|
| 1.  | Amanahraya Trustees Berhad<br>B/O : Amanah Saham Bumiputera                                                   | 3,607,165,400      | 36.95       |
| 2.  | Citigroup Nominees (Tempatan) Sdn Bhd<br>B/O : Employees Provident Fund Board                                 | 1,532,066,583      | 15.69       |
| 3.  | Permodalan Nasional Berhad                                                                                    | 548,458,624        | 5.62        |
| 4.  | Kumpulan Wang Persaraan (Diperbadankan)                                                                       | 268,321,527        | 2.75        |
| 5.  | Lembaga Kemajuan Tanah Persekutuan (FELDA)                                                                    | 185,148,941        | 1.90        |
| 6.  | Amanahraya Trustees Berhad<br>B/O : Amanah Saham Wawasan 2020                                                 | 168,807,910        | 1.73        |
| 7.  | Amanahraya Trustees Berhad<br>B/O : Amanah Saham Malaysia                                                     | 151,840,259        | 1.56        |
| 8.  | Amanahraya Trustees Berhad<br>B/O : As 1Malaysia                                                              | 101,331,748        | 1.04        |
| 9.  | Cartaban Nominees (Asing) Sdn Bhd<br>B/O : GIC Private Limited For Government of Singapore (C)                | 91,059,331         | 0.93        |
| 10. | Cartaban Nominees (Asing) Sdn Bhd<br>B/O : Exempt An For State Street Bank & Trust Company (West Clt Od67)    | 83,629,575         | 0.86        |
| 11. | HSBC Nominees (Asing) Sdn Bhd<br>B/O : BBH And Co Boston For Vanguard Emerging Markets Stock Index Fund       | 83,450,188         | 0.85        |
| 12. | Cartaban Nominees (Tempatan) Sdn Bhd<br>B/O : Exempt An For Eastspring Investments Berhad                     | 82,841,359         | 0.85        |
| 13. | Malaysia Nominees (Tempatan) Sendirian Berhad<br>B/O : Great Eastern Life Assurance (Malaysia) Berhad (Par 1) | 81,024,561         | 0.83        |
| 14. | HSBC Nominees (Asing) Sdn Bhd<br>B/O : Exempt An For JPMorgan Chase Bank, National Association (U.S.A.)       | 72,618,988         | 0.74        |

## Analysis of Shareholdings

As at 10 February 2016

### TOP THIRTY SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS (CONT'D)

| No.          | Name of Shareholders                                                                                                                     | No. of Shares Held   | % of Shares  |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------|
| 15.          | HSBC Nominees (Asing) Sdn Bhd<br>B/O : Exempt An For The Bank of New York Mellon (Mellon Acct)                                           | 57,411,835           | 0.59         |
| 16.          | HSBC Nominees (Asing) Sdn Bhd<br>B/O : HSBC Bk Plc For Saudi Arabian Monetary Agency                                                     | 49,504,180           | 0.51         |
| 17.          | Lembaga Tabung Angkatan Tentera                                                                                                          | 46,732,067           | 0.48         |
| 18.          | Citigroup Nominees (Tempatan) Sdn Bhd<br>B/O : Employees Provident Fund Board (Nomura)                                                   | 46,547,697           | 0.48         |
| 19.          | Citigroup Nominees (Tempatan) Sdn Bhd<br>B/O : Exempt An For AIA Bhd.                                                                    | 45,848,516           | 0.47         |
| 20.          | Maybank Nominees (Tempatan) Sdn Bhd<br>B/O : Maybank Trustees Berhad For Public Regular Savings Fund (N14011940100)                      | 41,434,773           | 0.42         |
| 21.          | Amanahraya Trustees Berhad<br>B/O : Amanah Saham Bumiputera 2                                                                            | 37,654,483           | 0.39         |
| 22.          | UOB Kay Hian Nominees (Asing) Sdn Bhd<br>B/O : Exempt An For UOB Kay Hian Pte Ltd ( A/C Clients )                                        | 31,106,867           | 0.32         |
| 23.          | CIMB Group Nominees (Tempatan) Sdn Bhd<br>B/O : Yayasan Hasanah (AUR-VCAM)                                                               | 29,774,770           | 0.30         |
| 24.          | HSBC Nominees (Asing) Sdn Bhd<br>B/O : Pictet And CIE (Europe) For Pictet Global Selection Fund-Global High Yield Emerging Equities Fund | 27,186,734           | 0.28         |
| 25.          | HSBC Nominees (Asing) Sdn Bhd<br>B/O : HSBC Bk Plc For Abu Dhabi Investment Authority (AGUS)                                             | 26,443,221           | 0.27         |
| 26.          | Citigroup Nominees (Tempatan) Sdn Bhd<br>B/O : Employees Provident Fund Board (CIMB Prin)                                                | 24,543,343           | 0.25         |
| 27.          | HSBC Nominees (Asing) Sdn Bhd<br>B/O : Exempt An For Jpmorgan Chase Bank, National Association (Taiwan)                                  | 22,295,305           | 0.23         |
| 28.          | HSBC Nominees (Asing) Sdn Bhd<br>B/O : HSBC Bk Plc For Abu Dhabi Investment Authority (Trang)                                            | 21,830,954           | 0.22         |
| 29.          | HSBC Nominees (Asing) Sdn Bhd<br>B/O : Exempt An For J.p. Morgan Bank (Ireland) Public Limited Company                                   | 21,297,412           | 0.22         |
| 30.          | Yong Siew Yoon                                                                                                                           | 19,041,372           | 0.19         |
| <b>TOTAL</b> |                                                                                                                                          | <b>7,606,418,523</b> | <b>77.92</b> |

# Classification of Shareholders

As at 10 February 2016

| Category                                    | No. of Shareholders |              | No. of Shareholdings |                      | % of Total Shareholdings |              |
|---------------------------------------------|---------------------|--------------|----------------------|----------------------|--------------------------|--------------|
|                                             | Malaysian           | Foreign      | Malaysian            | Foreign              | Malaysian                | Foreign      |
| <b>INDIVIDUAL</b>                           |                     |              |                      |                      |                          |              |
| a. Bumiputera                               | 3,007               |              | 24,693,075           |                      | 0.25                     |              |
| b. Chinese                                  | 45,736              |              | 352,038,864          |                      | 3.61                     |              |
| c. Indian                                   | 1,708               |              | 11,575,182           |                      | 0.12                     |              |
| d. Others                                   | 275                 | 2,180        | 2,033,071            | 54,686,930           | 0.02                     | 0.56         |
| <b>BODY CORPORATE</b>                       |                     |              |                      |                      |                          |              |
| a. Banks/Finance                            | 88                  | 3            | 5,028,625,441        | 196,000              | 51.51                    | 0.00         |
| b. Investment/Trust                         | 13                  |              | 14,491,721           |                      | 0.15                     |              |
| c. Societies                                | 20                  |              | 684,322              |                      | 0.01                     |              |
| d. Industrial                               | 812                 | 49           | 95,615,488           | 16,654,136           | 0.98                     | 0.17         |
| <b>GOVERNMENT AGENCIES/<br/>INSTITUTION</b> | 16                  |              | 238,180,916          |                      | 2.44                     |              |
| <b>NOMINEES</b>                             | 10,719              | 2,839        | 2,253,394,911        | 1,668,795,553        | 23.08                    | 17.10        |
| <b>OTHERS</b>                               | 3                   |              | 87,217               |                      | 0.00                     |              |
| <b>TOTAL</b>                                | <b>62,397</b>       | <b>5,071</b> | <b>8,021,420,208</b> | <b>1,740,332,619</b> | <b>82.17</b>             | <b>17.83</b> |

# Changes in Share Capital

As at 10 February 2016

## AUTHORISED SHARE CAPITAL

The present authorised share capital of the Bank is RM15,000,000,000 divided into 15,000,000,000 ordinary shares of RM1.00 each. Details of changes in its authorised share capital since its incorporation are as follows:

| Date       | Increase in Authorised Share Capital | Total Authorised Share Capital |
|------------|--------------------------------------|--------------------------------|
| 31-05-1960 | 20,000,000                           | 20,000,000                     |
| 06-09-1962 | 30,000,000                           | 50,000,000                     |
| 09-04-1977 | 150,000,000                          | 200,000,000                    |
| 17-01-1981 | 300,000,000                          | 500,000,000                    |
| 06-10-1990 | 500,000,000                          | 1,000,000,000                  |
| 09-10-1993 | 1,000,000,000                        | 2,000,000,000                  |
| 19-06-1998 | 2,000,000,000                        | 4,000,000,000                  |
| 11-08-2004 | 6,000,000,000                        | 10,000,000,000                 |
| 07-04-2015 | 5,000,000,000                        | 15,000,000,000                 |

## Changes in Share Capital

As at 10 February 2016

### ISSUED AND PAID-UP SHARE CAPITAL

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 RM | Consideration                                                                                 | Resultant Total Issued and Paid-Up Capital 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                                       |
| 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 ("ESOS")                                           | 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                                     |

## Changes in Share Capital

As at 10 February 2016

### ISSUED AND PAID-UP SHARE CAPITAL (CONT'D)

| Date of Allotment        | No. of Ordinary Shares Allotted | Par Value RM | Consideration                                                                 | Resultant Total Issued and Paid-Up Capital RM'000 |
|--------------------------|---------------------------------|--------------|-------------------------------------------------------------------------------|---------------------------------------------------|
| 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                                     |

\* 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<br>(sq. m.) | Book Value as at<br>31.12.2015<br>RM'000 |
|-----------------------------------------------------------------------------------------|-------------------|-----------|-----------------------|------------------------------------------|
|                                                                                         | Freehold          | Leasehold |                       |                                          |
| <b>Maybank</b>                                                                          |                   |           |                       |                                          |
| Kuala Lumpur                                                                            | 11                | 15        | 49,717.62             | 182,946                                  |
| Johor Darul Takzim                                                                      | 33                | 8         | 18,788.86             | 56,846                                   |
| Kedah Darul Aman                                                                        | 11                | 5         | 6,111.83              | 8,653                                    |
| Kelantan Darul Naim                                                                     | 1                 | 4         | 1,691.00              | 2,371                                    |
| Melaka                                                                                  | 1                 | 4         | 3,253.00              | 4,720                                    |
| Negeri Sembilan Darul Khusus                                                            | 7                 | 7         | 21,237.30             | 7,169                                    |
| Pahang Darul Makmur                                                                     | 10                | 15        | 16,279.00             | 11,288                                   |
| Perak Darul Ridzuan                                                                     | 13                | 12        | 10,559.85             | 15,197                                   |
| Perlis Indera Kayangan                                                                  | 1                 | 3         | 1,475.00              | 1,413                                    |
| Pulau Pinang                                                                            | 22                | 3         | 13,211.52             | 21,175                                   |
| Sabah                                                                                   | -                 | 20        | 15,949.18             | 27,121                                   |
| Sarawak                                                                                 | 9                 | 15        | 7,039.23              | 20,307                                   |
| Selangor Darul Ehsan                                                                    | 25                | 18        | 104,852.22            | 126,497                                  |
| Terengganu Darul Iman                                                                   | 6                 | 2         | 4,329.00              | 4,031                                    |
| Hong Kong                                                                               | -                 | 2         | 193.00                | HKD953                                   |
| London                                                                                  | 1                 | 4         | 1,097.00              | GBP4,008                                 |
| Singapore                                                                               | 11                | 12        | 20,858.00             | SGD93,414                                |
| <b>Aurea Lakra Holdings Sdn Bhd</b><br>(Formerly known as Mayban P.B. Holdings Sdn Bhd) |                   |           |                       |                                          |
| Johor Darul Takzim                                                                      | 2                 | 1         | 1,330.00              | 2,028                                    |
| Pahang Darul Makmur                                                                     | 1                 | 2         | 595.42                | 879                                      |
| Perak Darul Ridzuan                                                                     | 1                 | 1         | 857.74                | 2,292                                    |
| Pulau Pinang                                                                            | 1                 | -         | 445.93                | 680                                      |
| Sabah                                                                                   | -                 | 1         | 257.62                | 1,023                                    |
| Sarawak                                                                                 | -                 | 1         | 314.00                | 821                                      |
| Selangor Darul Ehsan                                                                    | 2                 | 1         | 1,269.13              | 2,790                                    |
| <b>Maybank International (L) Ltd</b>                                                    |                   |           |                       |                                          |
| W.P. Labuan                                                                             | -                 | 3         | 1,089.81              | USD174                                   |
| <b>Maybank Investment Bank Berhad</b>                                                   |                   |           |                       |                                          |
| Negeri Sembilan Darul Khusus                                                            | 1                 | -         | 330.00                | 145                                      |
| <b>ETIQA</b>                                                                            |                   |           |                       |                                          |
| Kuala Lumpur                                                                            | 2                 | 4         | 24,258.47             | 605,728                                  |
| Johor Darul Takzim                                                                      | 1                 | -         | 286.00                | 589                                      |
| Kedah Darul Aman                                                                        | 2                 | 1         | 1,127.97              | 1,116                                    |
| Melaka                                                                                  | -                 | 1         | 452.00                | 1,096                                    |
| Negeri Sembilan Darul Khusus                                                            | 3                 | 1         | 1,659.64              | 2,525                                    |
| Pahang Darul Makmur                                                                     | 2                 | 1         | 18,334.57             | 2,878                                    |
| Pulau Pinang                                                                            | 1                 | 1         | 624.00                | 3,440                                    |
| Sabah                                                                                   | -                 | 2         | 443.34                | 2,026                                    |
| Selangor Darul Ehsan                                                                    | 1                 | 1         | 38,927.49             | 92,408                                   |
| <b>Maybank Kim Eng</b>                                                                  |                   |           |                       |                                          |
| Singapore                                                                               | -                 | 2         | 1,609.50              | SGD106,073                               |
| Philippines                                                                             | -                 | 3         | 1,550.00              | Peso114,016                              |
| USA                                                                                     | 1                 | -         | 299.33                | USD4,964                                 |
| <b>PT Bank Maybank Indonesia Tbk</b>                                                    |                   |           |                       |                                          |
| Indonesia                                                                               | 180               | -         | 184,882.74            | IDR418,068,160                           |

# List of Top 10 Properties Owned by Maybank Group

As at 31 December 2015

| 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 |
|-------------------------------------------------------|--------------------------------------------------------------|--------------------------|------------------------|--------------------------------------|-----------------|-------------------|---------------------|-----------------------|
| Etiqua Twins No.11<br>Jalan Pinang<br>Kuala Lumpur    | 27-storey Twin Office Buildings                              | Office & Rented out      | Freehold               | -                                    | 20 years        | 6,612.00          | 1994                | 320,000               |
| 50 North Canal Road<br>Singapore                      | Office Building                                              | Office                   | Leasehold              | 92 years (expiring 2106)             | 4 years         | 1,283.30          | 2007                | SGD86,213             |
| Maybank Tower<br>2 Battery Road Singapore             | 32-storey Office Building                                    | Office                   | Leasehold<br>999 years | 811 years (expiring 2825)            | 13 years        | 1,135.70          | 1962                | SGD62,342             |
| Dataran Maybank No.1<br>Jalan Maarof<br>Bangsar       | 2 Blocks of 20 storey and a block 22 storey Office Buildings | Office & Rented out      | Leasehold<br>99 years  | 71 years (expiring 3.12.2085)        | 14 years        | 9,918.00          | 2000                | 122,915               |
| Menara Maybank 100<br>Jalan Tun Perak<br>Kuala Lumpur | 58-storey Office Building                                    | Head office & Rented out | Freehold               | -                                    | 27 years        | 35,494.00         | 1978                | 109,227               |
| 1079,<br>Section 13<br>Shah Alam                      | Commercial Land                                              | Vacant                   | Leasehold<br>99 years  | 88 years (expiring 11.3.2102)        | -               | 38,417.00         | 1994                | 91,000                |
| Lot 153<br>Section 44<br>Jalan Ampang<br>Kuala Lumpur | Commercial Land                                              | Vacant                   | Freehold               | -                                    | -               | 3,829.00          | 2008                | 90,500                |
| Akademi Etiqa<br>23, Jalan Melaka<br>Kuala Lumpur     | 25-storey Office Building                                    | Office & Rented out      | Leasehold<br>99 years  | 51 years (expiring 2065)             | 19 years        | 1,960.47          | 1994                | 70,000                |
| 48 North Canal Road<br>Singapore                      | Office Building                                              | Office                   | Leasehold              | 97 years (expiring 2111)             | 3 years         | 326.20            | 2012                | SGD19,861             |
| Lot 379, Section 96 Bangsar,<br>Kuala Lumpur          | Commercial Land                                              | Under construction       | Leasehold<br>99 years  | 70 years (expiring 31.12.2085)       | -               | 4,645.00          | 1975                | 34,500                |

# Corporate Information

## Board of Directors

### TAN SRI DATO' MEGAT ZAHARUDDIN

#### MEGAT MOHD NOR

DPCM, PJN, PSM  
Non-Independent Non-Executive Chairman

### DATO' MOHD SALLEH HJ HARUN

DSDK  
Independent Non-Executive Vice Chairman  
(Cessation of office with effect from 17 November 2015 due to expiry of the term of office pursuant to Financial Services Act 2013)

### DATUK ABDUL FARID ALIAS

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

### TAN SRI DATUK DR HADENAN A. JALIL

PhD, PSM, PNBS, SIMP, DMSM, JMN, KMN, AMN  
Independent Non-Executive Director

### DATO' SERI ISMAIL SHAHUDIN

SPMP  
Independent Non-Executive Director

### DATO' DR TAN TAT WAI

PhD, DMPN  
Independent Non-Executive Director

### CHEAH TEIK SENG

Independent Non-Executive Director  
(Cessation of office with effect from 25 August 2015 due to expiry of the term of office pursuant to Financial Services Act 2013)

### DATO' JOHAN ARIFFIN

DPTJ  
Independent Non-Executive Director

### DATUK MOHAIYANI SHAMSUDIN

PJN  
Independent Non-Executive Director

### ERRY RIYANA HARDJAPAMEKAS

Independent Non-Executive Director  
(Cessation of office with effect from 24 June 2015 due to expiry of the term of office pursuant to Financial Services Act 2013)

### DATUK R. KARUNAKARAN

DSDK, DMSM, KMN, AMN  
Independent Non-Executive Director

### CHENG KEE CHECK

Non-Independent Non-Executive Director

### EDWIN GERUNGAN

Non-Independent Non-Executive Director  
(Appointed with effect from 24 August 2015)

## 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)03-20708833  
: 1300-88-6688 (Local)  
603-78443696 (Overseas)  
(Maybank Group Customer Care)  
603-20748075  
(Customer Feedback  
& Resolution Management)  
Facsimile : (6)03-20324775  
(Group Performance Reporting  
& Investor Relations)  
: (6)03-27113421  
(Customer Feedback  
& Resolution Management)  
: (6)03-20310071  
(Group Corporate Secretarial)  
: 1300-88-8899 (Local)  
(6)03-78454545 (Overseas)  
(Maybank Group Customer Care)  
SWIFT : MBBEMYKL  
Website : <http://www.maybank.com>  
E-Mail : [corporateaffairs@maybank.com.my](mailto:corporateaffairs@maybank.com.my)  
[cfrm@maybank.com](mailto:cfrm@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 Services Sdn Bhd)  
: (6)03-2074 8256  
(Group Corporate Secretarial,  
Maybank)



# 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 : publicaffairs@maybank.com

#### 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.my

#### Maybank International (L) Ltd

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  
Maybank Tower  
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

(formerly known as P.T. Bank Internasional 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

Sona Topas Tower, 1<sup>st</sup> to 3<sup>rd</sup> Floor  
Jalan Jenderal Sudirman Kav 26  
Jakarta 12920  
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 : +86 216 028 7688  
Fax : +86 216 886 1032/0132

#### Maybank (Cambodia) Plc.

Maybank Tower  
No. 43 Preah Norodom Boulevard  
Sangkat Phsar Thmey 3  
Khan Daun Penh, Phnom Penh  
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 21 263100/263101  
Fax : +856 21 263113

#### 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 / +95 137 7173  
Fax : +95 137 7527

#### 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

## Group Directory

### Malayan Banking Berhad

#### Hanoi Branch

Suite 909, Floor 9  
Corner Stone Building  
16 Phan Chu Tinh Street  
Hoan Kiem District  
Hanoi, Vietnam  
Tel : +84 83 9345042/9345041

### Malayan Banking Berhad

#### London Branch

74 Coleman Street  
London EC2R 5BN  
United Kingdom  
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, Kampong 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 2658 6300  
Fax : +66 2658 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 : +63 849 8988/8888  
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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  
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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 21 509 6 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  
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Fax : +91 22 6623 2604

### Maybank Kim Eng Securities Limited

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Vietnam  
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Fax : +84 8 3827 1030

### Maybank Kim Eng Securities (London) Ltd

5<sup>th</sup> Floor, Aldermay House  
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Fax : +44 20 7332 0302

### Maybank Kim Eng Securities USA, Inc.

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New York NY 10017, USA  
Tel : +212 688 8886  
Fax : +212 688 3500

### Anfaal Capital

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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

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Dataran Maybank  
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Tel : +603 2297 3888  
Fax : +603 2297 3800  
Website : www.etiqa.com.my  
Email : info@etiqa.com.my

#### Etiqua Insurance Berhad

#### Etiqua Takaful Berhad

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No. 1, Jalan Maarof  
59000 Kuala Lumpur  
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Fax : +603 2297 3800  
Website : www.etiqa.com.my  
Email : info@etiqa.com.my

#### Etiqua Life International (L) Ltd

#### Etiqua Offshore Insurance (L) Ltd

Level 11B, Block 4 Office Tower  
Financial Park Labuan Complex  
Jalan Merdeka  
87000 Wilayah Persekutuan Labuan  
Tel : +6087 582 588  
+6087 417 672  
Fax : +6087 583 588  
+6087 452 333  
Website : www.etiqa.com.my  
Email : info@etiqa.com.my

#### Etiqua 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  
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#### Maybank Islamic Asset Management Sdn Bhd

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#### Maybank Private Equity Sdn Bhd

5<sup>th</sup> Floor, Tower A  
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Fax : +603 2297 7878  
Website : www.maybank-am.com

#### Maybank Asset Management Singapore Pte Ltd

9 Temasek Boulevard  
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Singapore 038989  
Tel : +65 6432 1488  
Fax : +65 6339 1003  
Website : www.maybank-am.com.sg

#### Maybank Asset Management (Thailand) Co Ltd

The Offices of Central World  
25<sup>th</sup> Floor, 999/9 Rama 1 Road  
Pathumwan  
Bangkok 10330  
Thailand  
Tel : +66 0 2264 5111  
Fax : +66 0 2264 5132  
Website : www.maybank-am.co.th

#### 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.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

14<sup>th</sup> Floor, Menara Maybank  
100, Jalan Tun Perak  
50050 Kuala Lumpur  
Tel : +603 2070 8833/1522  
Fax : +603 2032 1505

#### Maybank Securities Nominees (Tempatan) Sdn. Bhd.

#### Maybank Securities Nominees (Asing) Sdn. Bhd.

Level 8, Tower C  
Dataran Maybank  
No.1, Jalan Maarof  
59000 Kuala Lumpur  
Tel : +603 2297 8888  
Fax : +603 2282 5136

# Notice of the 56<sup>th</sup> Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT the 56<sup>th</sup> Annual General Meeting 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 on Thursday, 7 April 2016 at 10.00 a.m. for the following businesses:**

**AS ORDINARY BUSINESSES:**

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon. **(Ordinary Resolution 1)**
2. To approve the payment of a Final Single-Tier Dividend in respect of the financial year ended 31 December 2015 of single-tier dividend of 30 sen per ordinary share as recommended by the Board. **(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:
  - i) Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor **(Ordinary Resolution 3)**
  - ii) Dato' Seri Ismail Shahudin **(Ordinary Resolution 4)**
  - iii) Dato' Dr Tan Tat Wai **(Ordinary Resolution 5)**
4. To re-elect Mr Edwin Gerungan who retires in accordance with Article 100 of the Company's Articles of Association. **(Ordinary Resolution 6)**
5. To re-appoint Messrs Ernst & Young as Auditors of the Company for the financial year ending 31 December 2016 and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 7)**

**AS SPECIAL BUSINESSES:**

To consider, and if thought fit, to pass the following Resolutions:

**6. AUTHORITY TO DIRECTORS TO ISSUE SHARES**

"THAT subject always to the Companies Act, 1965, the Company's Articles of Association and approval of the relevant government/regulatory authorities, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company at any time until the conclusion of the next Annual General Meeting 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 issued does not exceed 10% of the issued share capital of the Company for the time being." **(Ordinary Resolution 8)**

**7. ALLOTMENT AND ISSUANCE OF NEW ORDINARY SHARES OF RM1.00 EACH 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 ORDINARY SHARES OF RM1.00 EACH IN MAYBANK ("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 until the conclusion of the next Annual General Meeting 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 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 9)**

8. To transact any other business of the Company for which due notice shall have been received in accordance with the Companies Act, 1965.

**BY ORDER OF THE BOARD**

**WAN MARZIMIN WAN MUHAMMAD** (LS0009924)  
**EDLEEN REHANIE ARIFFIN** (LS0009515)  
Company Secretaries

Kuala Lumpur  
15 March 2016

## Notice of the 56<sup>th</sup> Annual General Meeting

### NOTES:

1. A member entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint a proxy to attend, speak and on a show of hands or on a poll, to vote in his stead. A proxy may but need not be a member of the Company. 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.
2. (i) A member shall not be entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting.
- (ii) Notwithstanding the above, an exempt authorised nominee may appoint multiple proxies in respect of each Omnibus Account held.
- (iii) A member who is an authorised nominee as defined under the Securities Industry (Central Depository) Act 1991 may appoint at least one proxy but not more than two proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- (iv) Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his holding to be represented by each proxy.
3. The duly completed Form of Proxy must be deposited at the office of the appointed share registrar for this Annual General Meeting, Tricor Investor 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 no later than 5 April 2016 at 10.00 a.m.
4. For a Form of Proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.
5. Only members registered in the Record of Depositors as at 1 April 2016 shall be eligible to attend the Annual General Meeting or appoint proxy to attend and vote on his/her behalf.

### 6. Explanatory notes on Ordinary Businesses :

#### (i) Ordinary Resolution 2 — Payment of Final Single-Tier Dividend

The proposed Final Single-Tier Dividend as per Resolution 2 consists 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. The electable portion can be elected to be reinvested into new ordinary shares in accordance with the Dividend Reinvestment Plan as disclosed in Note 31 of the financial statements.

Pursuant to Section 8.26 of the Main Market Listing Requirements, 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 Annual General Meeting.

### 7. Explanatory notes on Special Businesses :

#### (i) Ordinary Resolution 8 — Authority to Directors to Issue Shares

The Company has not issued any new shares under the general mandate for issuance and allotment of shares up to 10% of the issued and paid-up capital of the Company, which was approved at the 55<sup>th</sup> Annual General Meeting held on 7 April 2015 and which will lapse at the conclusion of the 56<sup>th</sup> Annual General Meeting to be held on 7 April 2016. A renewal of this mandate is sought at the 56<sup>th</sup> Annual General Meeting under Proposed Ordinary Resolution 8.

The Proposed Ordinary Resolution 8 is a renewal of the general mandate pursuant to Section 132D of the Companies Act, 1965 obtained from the shareholders of the Company at the previous Annual General Meeting and, if passed will give powers to the Directors to issue ordinary shares in the capital of the Company up to an aggregate amount not exceeding 10% of the issued and paid-up share capital of the Company for the time being without having to convene a general meeting. This general mandate, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

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 project, 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 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 9 — Dividend Reinvestment Plan

This proposed Ordinary Resolution 9 will give authority to the Directors to allot and issue shares for the Dividend Reinvestment Plan in respect of dividends declared in this Annual General Meeting and subsequently until the next Annual General Meeting. A renewal of this authority will be sought at the next Annual General Meeting.

### 8. Statement Accompanying the Notice of Annual General Meeting

Additional information pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is set out in Annexure A in Maybank's Annual Report 2015.

# Statement Accompanying Notice of the 56<sup>th</sup> Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

The profile of the Directors who are standing for re-election (as per Ordinary Resolutions 3 to 6 as stated above) at the 56<sup>th</sup> Annual General Meeting of Malayan Banking Berhad which will be held at the Grand Ballroom, Level 1, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Thursday, 7 April 2016 at 10.00 a.m. are stated on pages 46 to 51 of the Annual Report 2015.

The details of any interest in the securities of Maybank and its subsidiaries (if any) held by the said Directors are stated on page 25 of the Directors' Report in the Financial Statements book of the Annual Report 2015.

# Financial Calendar

## 26 February 2015

Announcement of the audited results of Maybank and the Group and announcement of the final dividend for financial year ended 31 December 2014

## 13 March 2015

Notice of the 55<sup>th</sup> Annual General Meeting and issuance of annual report for the financial year ended 31 December 2014

## 7 April 2015

55<sup>th</sup> Annual General Meeting

## 27 April 2015

Book closure for determining the entitlement of the dividends

## 26 May 2015

Payment of the Final Single-Tier dividend of 33 sen per share consisting of a cash portion of 10 sen single-tier dividend per ordinary share and an electable portion of 23 sen single-tier dividend per ordinary share which can be elected to be reinvested into new ordinary shares in accordance with the Dividend Reinvestment Plan in respect of the financial year ended 31 December 2014

## 28 May 2015

Announcement of the unaudited results of Maybank and the Group for the first quarter of the financial year ended 31 December 2015

## 27 August 2015

Announcement of the unaudited results of Maybank and the Group for the second quarter of the financial year ended 31 December 2015

## 12 October 2015

Book closure for determining the entitlement of the dividends

## 11 November 2015

Payment of an interim single-tier dividend of 24 sen per share consisting of a cash portion of 4 sen single-tier dividend per ordinary share and an electable portion of 20 sen single-tier dividend per ordinary share which can be elected to be reinvested into new ordinary shares in accordance with the Dividend Reinvestment Plan in respect of the financial year ended 31 December 2015

## 26 November 2015

Announcement of the unaudited results of Maybank and the Group for the third quarter of the financial year ended 31 December 2015

## 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

## 15 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

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

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# Form of Proxy

## For the 56<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 56<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 on Thursday, 7 April 2016 at 10.00 a.m. and any adjournment thereof for the following resolutions as set out in the Notice of the 56<sup>th</sup> Annual General Meeting:

| No. | Resolution                                                                                                                                                                 | For | Against |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|
|     | <b>Ordinary Resolutions :</b>                                                                                                                                              |     |         |
| 1   | Receipt of Audited Financial Statements and Reports.                                                                                                                       |     |         |
| 2   | Declaration of Final Single-Tier Dividend.                                                                                                                                 |     |         |
|     | Re-election of the following Directors in accordance with Articles 96 and 97 of the Company’s Articles of Association:                                                     |     |         |
| 3   | i. Tan Sri Dato’ Megat Zaharuddin Megat Mohd Nor                                                                                                                           |     |         |
| 4   | ii. Dato’ Seri Ismail Shahudin                                                                                                                                             |     |         |
| 5   | iii. Dato’ Dr Tan Tat Wai                                                                                                                                                  |     |         |
| 6   | Re-election of Mr. Edwin Gerungan in accordance with Article 100 of the Company’s Articles of Association                                                                  |     |         |
| 7   | Re-appointment of Messrs Ernst & Young as Auditors.                                                                                                                        |     |         |
| 8   | Authorisation for Directors to issue shares pursuant to Section 132D of Companies Act, 1965.                                                                               |     |         |
| 9   | Allotment and issuance of new ordinary shares of RM1.00 each 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 \_\_\_\_\_ 2016

\_\_\_\_\_  
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 a proxy to attend, speak and on a show of hands or on a poll, to vote in his stead. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, under its common seal or in some other manner approved by its directors.
2. (i) A member shall not be entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting.  
(ii) Notwithstanding the above, an exempt authorised nominee may appoint multiple proxies in respect of each Omnibus Account held.  
(iii) A member who is an authorised nominee as defined under the Securities Industry (Central Depository) Act 1991 may appoint at least one proxy but not more than two proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.  
(iv) Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his holding to be represented by each proxy.
3. Duly completed Form of Proxy must be deposited at the office of the appointed share registrar for this AGM, Tricor Investor 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 no later than 5 April 2016 at 10.00 a.m.
4. For a Form of Proxy executed outside Malaysia, the signature must be attested by a Solicitor, Notary Public, Consul or Magistrate.
5. Only members registered in the Record of Depositors as at 1 April 2016 shall be eligible to attend the AGM or appoint proxy to attend and vote on his/her behalf.
- \* Applicable to shares held through a nominee account.

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AFFIX STAMP

Share Registrar for Maybank's 56<sup>th</sup> AGM  
**Tricor Investor Services Sdn Bhd**  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3, Bangsar South  
No.8, Jalan Kerinchi, 59200 Kuala Lumpur  
Malaysia

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# What makes us different only makes us stronger.

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**At Maybank, we believe that the diverse landscape across ASEAN is its biggest strength.**

**We know that because we are the only ASEAN financial services group to have dedicated ourselves to building a full on-the-ground operation in all countries.**

**With that comes a unique understanding of ASEAN, as we have witnessed the blossoming of all our nations on this journey of growth together. On this path, we've learnt that strength lies in our diversity and our differences make us uniquely powerful. We've learnt that by always putting people first, we all become partners.**

[www.maybank.com](http://www.maybank.com)

Humanising Financial Services.



**Maybank**