



Board Effectiveness Evaluation ('BEE')
for financial year ended 31 December 2021

Bank A
BEE Report

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1

Introduction

Scope of Assessment

<i>Coverage</i>	Bank A		
<i>Key aspects assessed</i>	Board as a whole	Individual Board Committees	Contribution of individual Directors
<i>Assessment approach</i>	<ul style="list-style-type: none">• Customised questionnaire to assess Board's, Board Committees' and individual Directors' effectiveness, including leadership qualities• Structured one-to-one Conversations with all Directors to obtain views on key strengths and areas for improvement• One-to-one conversations with selected member(s) from Management Team to obtain views on Board-Management interaction		
<i>Deliverables</i>	<ul style="list-style-type: none">• Presentation of BEE results to the Board Nomination & Remuneration Committee and Board• Individual Directors' scorecard• Board Enhancement Programme		

Scope of Assessment (cont'd)

The scope of this evaluation covered the following areas:

Dimensions	Key Areas	
Part A: Board and Board Committee Effectiveness	a. Overall Board Effectiveness	f. Board Committees
	b. Board Responsibilities	g. Chief Executive Officer
	c. Board Culture	h. Board Remuneration
	d. Board Chair	i. Board Administration and Process
	e. Board Composition	j. Board Education

Dimensions	Key Areas
Part B: Directors' Self and Peer Effectiveness	a. Board Dynamics and Participation
	b. Leadership, Integrity and Objectivity
	c. Knowledge and Expertise

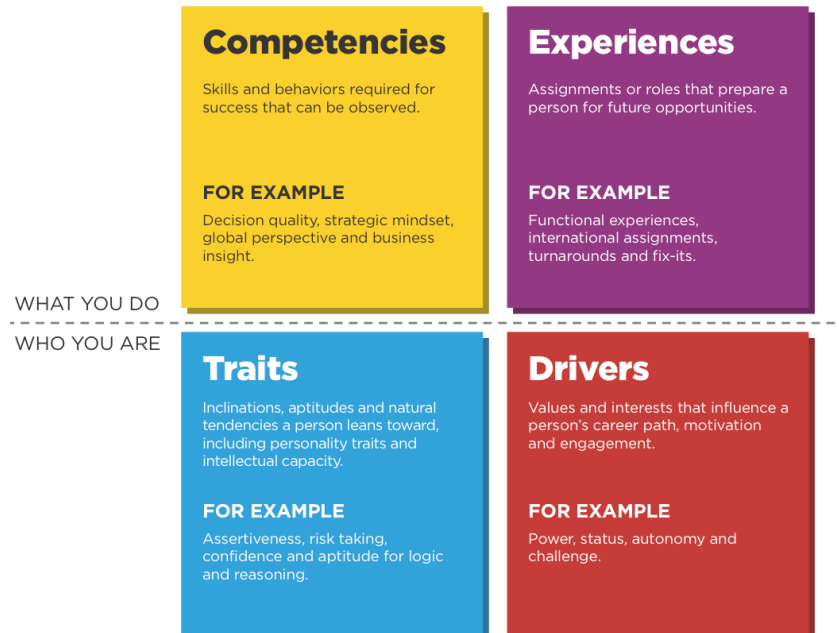
Parts A and B of the BEE questionnaire were designed based on the principles and good governance practices as set out in the following guidance material:

- Malaysian Code on Corporate Governance (April 2021)
- BNM Corporate Governance Policy Document (August 2016)
- Bursa Corporate Governance Guide (December 2021)
- Financial Services Professional Board Code of Ethics for the Financial Services Industry (December 2015)

Scope of Assessment (cont'd)

FIDE FORUM's Board Leadership Framework

This Leadership Framework has been **incorporated** in both **Parts A and B questionnaires**. The framework, contextualised to meet the needs of financial institutions in Malaysia, was developed based on Korn Ferry's Four Dimensions of Leadership and Talent (KF4D). Kindly refer to **Section 4** and **Appendix A1** of this report for more information and results on this area.



- Contextualised to meet the needs of **Malaysia's financial services industry**, based on **input from Member financial institutions**, FIDE FORUM's Board and **industry leaders**.
- Defines the 'Board's role' in a holistic manner – **healthy interpersonal relationships among senior leaders and board dynamics are critical components** to overall board effectiveness.
- Developed based on **Korn Ferry's Four Dimensions of Leadership and Talent (KF4D)***

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Executive Summary

Executive summary

This section sets out the overall results from the [current year] BEE exercise, which were collated based on Directors' and selected Senior Management responses via the questionnaires and one-to-one Conversations.

The questionnaire uses the following 3-point scale scoring mechanism.

Ratings		Description
3	Exemplary	The attribute is consistently demonstrated and is exemplary for others to emulate
2	Agree	The attribute is demonstrated but should be further improved
1	Disagree	The attribute is rarely demonstrated and requires significant improvement

The questionnaire responses were subsequently aggregated to arrive to an average rating and were further analysed on the following scale:

Overall Average Rating Scale		Description
3.0	Exemplary	All Directors rate this attribute as Exemplary
2.6 – 2.9	Strong	At least 75% of Directors have rated this attribute as Exemplary
2.0 – 2.5	Satisfactory	Mixture of responses from Directors, and is an area to be considered for improvement
1.0 – 1.9	Needs Improvement	Some Directors have rated this attribute as Disagree

BEE results and views obtained from Conversations with individual Directors and Management have been further analysed to identify key themes in the following areas:

Areas	Considerations
Key Strengths	<ol style="list-style-type: none"> 1. Ratings received for each area that are ≥ 2.6; and 2. Observations based on comments received from at least $\frac{1}{3}$ of Directors or $\frac{1}{3}$ of Management during one-to-one Conversations, unless stated otherwise
Key Areas for Enhancement	<ol style="list-style-type: none"> 1. Ratings received for each area that are < 2.0; and 2. Observations based on comments received from at least $\frac{1}{3}$ of Directors or $\frac{1}{3}$ of Management during one-to-one Conversations, unless stated otherwise
Other Observations for the Board's Consideration	<ol style="list-style-type: none"> 1. Ratings received for each area that are ≥ 2.0 but < 2.6; and 2. Observations based on comments received from at least $\frac{1}{3}$ of Directors or $\frac{1}{3}$ of Management during one-to-one Conversations, unless stated otherwise

Executive summary (cont'd)

Board Performance

This section sets out an overview of the 2021 BEE results, which were gathered based on responses obtained via the questionnaires and one-to-one Conversations.

Needs Improvement	Satisfactory	Strong	Exemplary
1.0 - 1.9	2.0 - 2.5	2.6 - 2.9	3.0

Key areas	Bank A	
	2020	2021
Board responsibilities	2.5	2.6
Board culture	2.4	2.6
Board Chair	2.6	2.9
Board composition	2.8	2.8
Chief Executive Officer	2.5	2.6
Board remuneration	1.4	1.5
Board administration and process	2.4	2.4
Board education	2.2	1.7

Overview of results

Directors collectively have highlighted the **shared values and purpose** of the Board as:

- Independence and integrity
- Value creation for the long-term sustainability of the organisation

This has been reflected in Directors' views on how the Board has fulfilled its responsibilities and mandate in providing oversight of the Bank as demonstrated through effective contribution and commitment by individual Directors.

Key strengths

Directors have indicated the following as areas of strength:

- **Effective leadership by Board Chair** - particularly when managing discussions and encouraging contribution from all Directors
- **Positive Board culture and healthy Boardroom dynamics** - there is active debate, questioning and healthy Board dynamics
- **Highly diverse and knowledgeable Directors** - actively engaged in providing guidance and insights to Management
- **Effective support from Company Secretary** - particularly when organising Board calendar and Board meetings

Executive summary (cont'd)

Board Performance

This section sets out an overview of the 2021 BEE results, which were gathered based on responses obtained via the questionnaires and one-to-one Conversations.

Needs Improvement	Satisfactory	Strong	Exemplary
1.0 - 1.9	2.0 - 2.5	2.6 - 2.9	3.0

Key areas	Bank A	
	2020	2021
Board responsibilities	2.5	2.6
Board culture	2.4	2.6
Board Chair	2.6	2.9
Board composition	2.8	2.8
Chief Executive Officer	2.5	2.6
Board remuneration	1.4	1.5
Board administration and process	2.4	2.4
Board education	2.2	1.7

Key areas for enhancement

Directors have indicated the following as areas to be enhanced:

- **Board remuneration** - where possible, review the current Board remuneration to appropriately commensurate the time and effort spent by Directors
- **Mode of engagement** - place more emphasis on strengthening the Board-Management relationship
- **Board education and new Directors' onboarding programme** - further streamline specific training topics for the upcoming year, and enhance existing onboarding programme to bring new Directors up to speed on key matters within the banking sector

Other areas for consideration

Additionally, Directors have indicated that the Board should take note of the following critical areas moving forward:

- **Strategy** - depending on the Board's capacity, to provide more focus and prioritise strategic and critical discussions in the Boardroom, whilst ensuring rigorous tracking and follow-up of action items
- **ESG** - place more emphasis on ESG matters, and ensuring that they are aligned with the Bank's strategic agenda
- **Board papers** - further enhancing quality, structure and timeliness of Board papers

Executive summary (cont'd)

Board Committee Performance

Needs Improvement	Satisfactory	Strong	Exemplary
1.0 - 1.9	2.0 - 2.5	2.6 - 2.9	3.0

Board Committees	Entity Board's Evaluation (evaluated by all Entity Board members)		Board Committee's Self Evaluation	
	Committee Average Scores		Committee Average Scores	
	2020	2021	2020	2021
Board Audit Committee ('BAC')	2.8	2.7	2.3	2.5
Board Nomination & Remuneration Committee ('BNRC')	2.6	2.8	2.7	2.8
Board Risk Management Committee ('BRMC')	2.7	3.0	2.7	2.7
Board Credit Committee ('BCC')	2.5	2.5	2.5	2.3

Overall results for all Board Committees remain positive, indicating that **satisfactory support and value have been provided** to the Board.

Executive summary (cont'd)

Average Peer Assessment Results

The following table highlights an average of every score received from the Part B Questionnaire i.e. the assessment of Directors by their peers which will be provided to Directors individually. Overall, results have **trended positively** indicating that Directors have a high regard on the contribution and value brought by their peers.

Attributes		2021			2020
		Lowest	Average*	Highest	Average
Board Dynamics and Participation					
Q1	This Director attends meetings well prepared as evidenced by the quality of his/ her contribution to discussions.	2.6	2.8	2.8	2.6
Q2	This Director listens to and values other opinions, proactively questions and respectfully challenges views and status quo without stifling discussions.	2.8	3.0	3.0	2.8
Q3	This Director is a team player and is considerate, collaborative and inclusive of others' views.	2.8	3.0	3.0	2.5
Q4	This Director communicates effectively with other Board members, the CEO and, thereby enriching the decision-making process.	2.6	2.6	2.6	2.7
Leadership, Integrity and Objectivity					
Q5	This Director holds himself/ herself and others accountable to meet commitments and for decisions made.	2.4	2.7	2.8	2.6
Q6	This Director is driven, reliable and persistent to achieve outcomes despite obstacles.	2.2	2.7	2.8	2.4
Q7	This Director is courageous in stepping up to address difficult issues in order to ensure that matters are deliberated in a robust manner.	3.0	3.0	3.0	2.9
Q8	This Director upholds high levels of professionalism and impeccable integrity in his/ her conduct.	2.8	2.8	2.8	3.0
Q9	This Director remains composed and positive in the face of uncertainties when deciding on the best course of action.	2.6	2.6	2.6	2.4
Q10	This Director shows empathy while persuading others to his/ her views.	2.6	2.6	2.6	2.4
Q11	This Director proactively discloses real and apparent conflict of interest situations and abstains from voting when necessary.	2.4	2.4	2.4	2.3
Q12	This Director demonstrates clarity of thought and independence of judgment in problem solving.	1.8	2.3	2.4	2.3
Q13	This Director is agile in adapting to different demands to his/ her role as a Board Member.	3.0	3.0	3.0	2.9
Q14	This Director makes good and timely decisions that keep the Organisation moving forward.	2.6	2.6	2.6	2.6
Knowledge and Expertise					
Q15	This Director demonstrates continuous learning by, among others, keeping abreast of industry developments and trends, competition, regulatory changes and technological advancements.	2.0	2.3	2.4	2.4
Q16	This Director is forward looking in the strategic insights and global perspective that he/ she brings to Boardroom discussions.	2.0	2.3	2.4	2.3
Q17	This Director is reasonably comfortable with the usage of digital technology whilst keeping abreast of its latest development.	2.0	2.3	2.4	2.3
Q18	This Director shares views that cultivate innovation in enhancing the Organisation's overall performance.	2.2	2.3	2.8	2.9
Q19	This Director is mindful and takes into consideration relevant rules and regulation affecting the Organisation's various operations.	3.0	3.0	3.0	2.6

* This is the average score recorded based on the performance of all Directors in the entity

3

Key Themes in BEE 2021 Results

Key Strengths

Based on the BEE responses and interviews with Directors, the following areas have been identified as the Board's key strengths:

- 1 Effective leadership by Board Chair
- 2 Positive Board culture and healthy Boardroom dynamics
- 3 Highly diverse and knowledgeable Directors
- 4 Effective support from Company Secretary

Note

Key Strengths are based on the following:

1. Ratings received for each area that are ≥ 2.6 ; and
2. Observations based on comments received from at least $\frac{1}{3}$ of Directors or $\frac{1}{3}$ of Management during one-to-one Conversations, unless stated otherwise

Key Strengths (cont'd)

Needs Improvement	Satisfactory	Strong	Exemplary
1.0 - 1.9	2.0 - 2.5	2.6 - 2.9	3.0

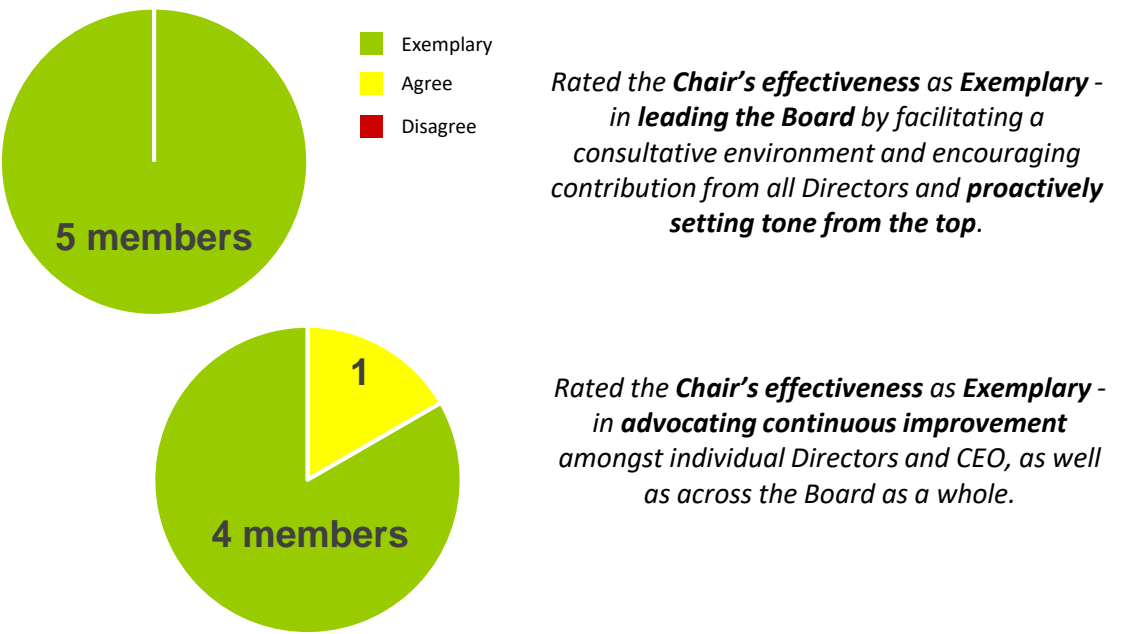
1

Effective leadership by Board Chair

Average score	2.9
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Summary of Directors' views:

- The Chair has demonstrated effective leadership, particularly when **managing discussions and encouraging contribution** from Directors
- Additionally, Directors cited the Chair's strengths in the following areas:
 - Providing **excellent stewardship and guidance**, and has ensured that there is continued focus on addressing critical matters and issues
 - Setting a **strong tone at the top** by **shaping the Board culture** and upholding the corporate values of the Bank
 - Promoting an **effective working relationship** with the CEO and Management
- Whilst Directors appreciate the Chair's efforts in promoting a healthy Boardroom environment to facilitate more open discussions, some have suggested that the Chair could **drive decision making more effectively**, especially when deliberations overrun or begin to digress



- Management's views
- The Chair **encourages participation** during Boardroom discussions, and generally has **positive engagements** with other Board members

Key Strengths (cont'd)

Needs Improvement	Satisfactory	Strong	Exemplary
1.0 - 1.9	2.0 - 2.5	2.6 - 2.9	3.0

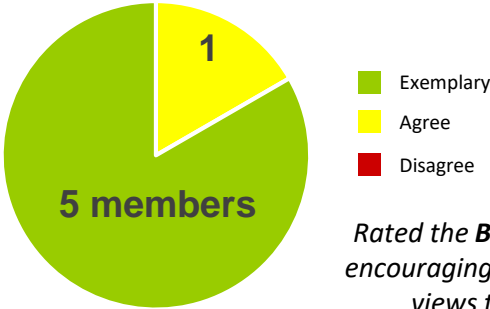
2

Positive Board culture and healthy Boardroom dynamics

Average score	2.6
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Summary of Directors' views:

- Board and Board Committee Chairs encourage a Boardroom atmosphere of **active debate, questioning and participation**
- Directors are **passionate and act in the best interest** of the Bank and contribute significantly in strengthening the Board's overall performance
- Directors **contribute effectively** during Boardroom discussions, and work well as a group, whilst **speaking collectively and cohesively**



*Rated the **Boardroom environment** as **Exemplary** - in encouraging open, constructive debate and diversity of views to reinforce mutual respect and trust.*

Management's views

- Management commented that **Directors complement each other** in terms of skills and expertise
- Interactions with the Board have greatly improved and Management values the quality of deliberation at the Board

Key Strengths (cont'd)

Needs Improvement	Satisfactory	Strong	Exemplary
1.0 - 1.9	2.0 - 2.5	2.6 - 2.9	3.0

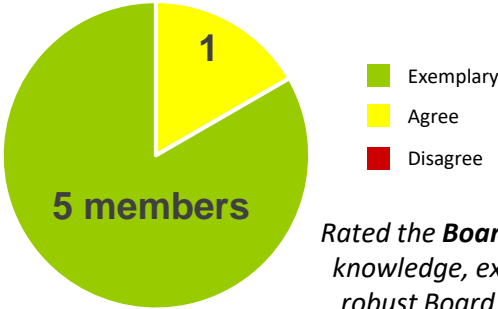
3

Highly diverse and knowledgeable Directors

Average score	2.8
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Summary of Directors' views:

- Directors favourably view the current Board composition and believe that there is a **good balance in experience and expertise**
- The current group of Directors have contributed to a Boardroom atmosphere of **active debate, participation and proactive questioning of views**
- Directors also observed that the current composition could be further strengthened to include Directors with **practical digital experience** to bring new perspectives and provide constructive challenge to Management



Rated the **Board composition** as **Exemplary** - in diversity of knowledge, experience and expertise which contribute to robust Board discussions and effective decision making.

Management's views

- The diversity of skills and experience on the Board adds different perspectives into Boardroom discussions
- Management cited that it would be beneficial to include Directors with **digital and technology background**

Key Strengths (cont'd)

Needs Improvement	Satisfactory	Strong	Exemplary
1.0 - 1.9	2.0 - 2.5	2.6 - 2.9	3.0

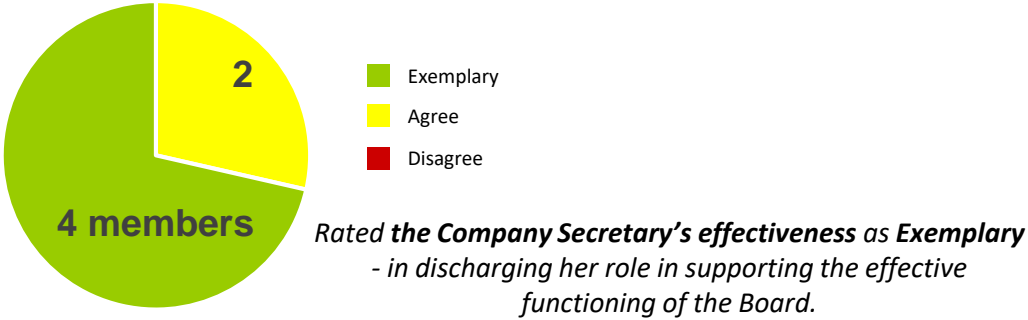
4

Effective support from Company Secretary

Average score	2.7
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Summary of Directors' views:

- Directors commented that the Board administration process overseen by the Company Secretary had **significantly improved** from previous years as reflected by:
 - Improvement in the planning and timing of meetings
 - High quality Board minutes that effectively captures the essence of Boardroom deliberations
 - Proactiveness in responding to Board's requests



Management's views

- Management commended the Company Secretary for providing **effective support to the Board and Management**, particularly in preparing detailed Board minutes and regular tracking of matters arising

Key Areas for Enhancement

Directors have highlighted areas for enhancement on the following matters:

1 Board remuneration

2 Mode of engagement

3 Board education and new Directors' onboarding programme

Note

Key Areas for Enhancement are based on the following:

- 1. Ratings received for each area that are < 2.0; and*
- 2. Observations based on comments received from at least $\frac{1}{3}$ of Directors or $\frac{1}{3}$ of Management during one-to-one Conversations, unless stated otherwise*

Key Areas for Enhancement (cont'd)

Needs Improvement	Satisfactory	Strong	Exemplary
1.0 - 1.9	2.0 - 2.5	2.6 - 2.9	3.0

1

Board remuneration

Average score	1.5
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Summary of Directors' views:

- Directors understand the current business landscape and are generally satisfied with the existing remuneration framework
- Moving forward, Directors noted that remuneration should be **equitable for their role, time and effort spent** in light of the recent increase of Board and Board Committee meetings



- Exemplary
- Agree
- Disagree

*Disagree that the **existing remuneration** appropriately commensurate the effort and time required to perform their duties.*

Key Areas for Enhancement (cont'd)

Needs Improvement	Satisfactory	Strong	Exemplary
1.0 - 1.9	2.0 - 2.5	2.6 - 2.9	3.0

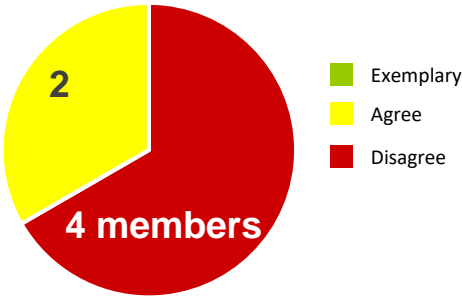
2

Mode of engagement

Average score	1.3
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Summary of Directors' views:

- Given the challenges faced in executing and delivering key priorities and actions, Directors have applied a **more 'hands on' mode with Management** to monitor the follow through of these matters
- However, some Directors have suggestions to further improve the engagement between the Board and Management:
 - Management to be **more proactive and have a sense of urgency** in addressing key matters raised by the Board, which could be addressed through monthly or quarterly progress reports
 - Better management of the Board by ensuring that **any delays to agreed timelines are communicated** in a timely manner
 - The Board to have **more informal engagements** with Management to strengthen the level of trust and improve communication between both parties



*Disagree on the **Board's effectiveness** in promoting an effective working relationship with Management.*

Management's views

- Some Management members feel there is a **lack of trust in Management** which has resulted in the Board playing a more engaged and hands on mode of engagement with Management
- Moving forward, there have been suggestions to improve the working relationship between the Board and Management:
 - Better management of the Board's expectations by **enhancing clarity and accuracy of information** presented to the Board
 - Management to be **more forthcoming** in ensuring that any delays to agreed timelines or challenges faced when implementing Board decisions are communicated in a timely manner

Key Areas for Enhancement (cont'd)

Needs Improvement	Satisfactory	Strong	Exemplary
1.0 - 1.9	2.0 - 2.5	2.6 - 2.9	3.0

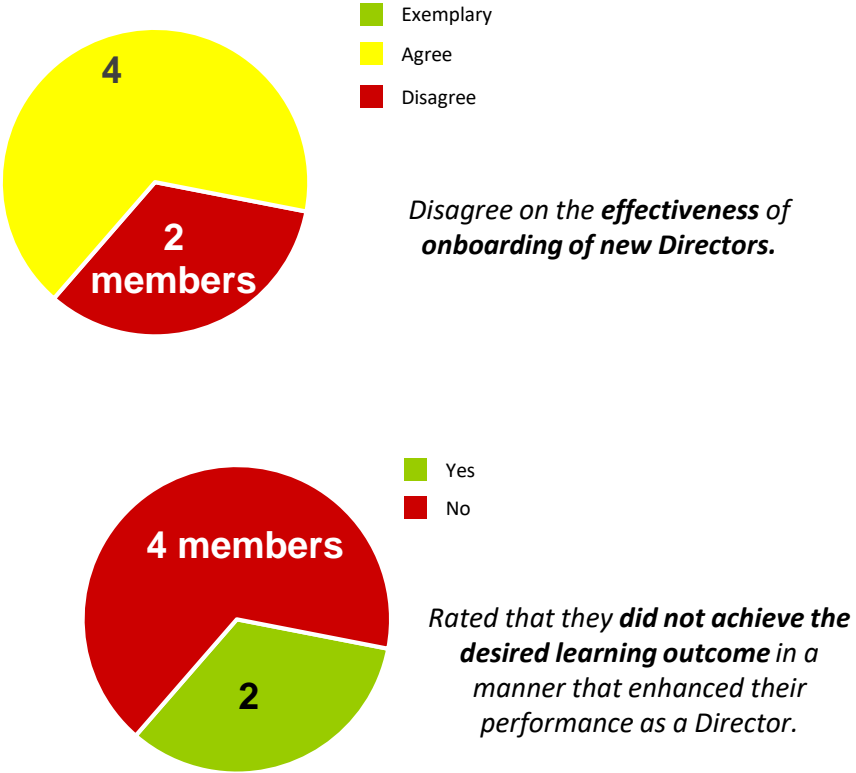
3

Board education and new Directors' onboarding programme

Average score	1.7
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Summary of Directors' views:

- Directors are generally satisfied with the training and education received. However, there have been requests to **streamline specific training topics** for the forthcoming year, e.g.:
 - Industry and regulatory updates e.g. upcoming guidelines banking
 - Risk management
 - Disruptive technology/ digital
 - Sustainability and climate change
- Directors commended the existing onboarding programme, which has guided Directors and brought them up to speed on key matters within the banking sector. However, several Directors suggested for the following to be considered:
 - **Assign an experienced Board member** to assist new Directors on their onboarding i.e. providing insights, history and context of certain matters deliberated at the Board level
 - New Directors to have **informal 1:1 sessions with the Board Committee Chairs**



Yes

No

4 members

2

Rated that they **did not achieve the desired learning outcome** in a manner that enhanced their performance as a Director.

Other Observations for the Board's Consideration

Directors have highlighted areas for enhancement on the following matters:

- 1 **Board oversight responsibilities**
 - Strategy
 - Environmental, social and governance ('ESG')

- 2 **Board papers**

Note

Other Observations for the Board's Consideration are based on the following:

1. Ratings received for each area that are ≥ 2.0 but < 2.6 ; and
2. Observations based on comments received from at least $\frac{1}{3}$ of Directors or $\frac{1}{3}$ of Management during one-to-one Conversations, unless stated otherwise

Other observations for the Board’s consideration (cont’d)

Needs Improvement	Satisfactory	Strong	Exemplary
1.0 - 1.9	2.0 - 2.5	2.6 - 2.9	3.0

1

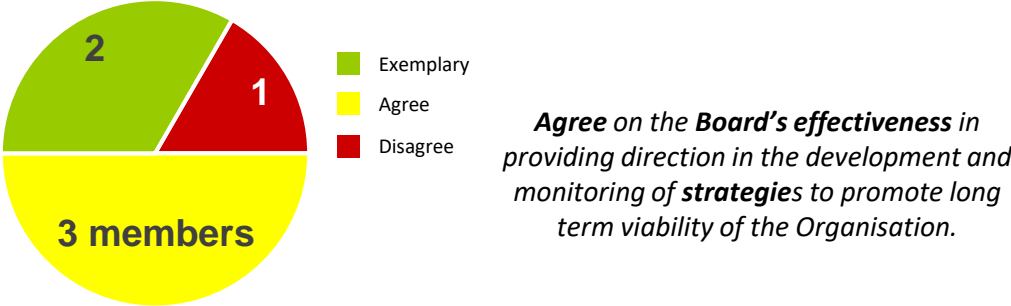
Board oversight responsibilities

Average score	2.2
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Summary of Directors’ views:

Strategy

- The Board has had sufficient oversight of the Bank’s strategy and business plan, and provided adequate feedback and direction to Management
- Directors made the following suggestions to enhance the effectiveness of overall strategy:
 - Ensure **priorities are set and agreed upon** amongst Board members prior to discussion with Management
 - Introduce **robust monitoring mechanisms** to ensure effective follow through of actions
 - Allocate **sufficient time for more in-depth strategic discussions**, taking into consideration the Bank’s **long term strategic direction towards digitalisation**
 - Ensure **robust technology infrastructure and technology-related innovation strategic plans** are established to address the needs of the Bank moving forward
 - **Enhance the Bank’s pool of resources** to include more digitally savvy individuals at both the Board and working team level



Management’s views

- The Board is well abreast of the current market and has provided sufficient support to Management, particularly in the development of strategies by sharing their experiences and insights
- However, Management would appreciate the Board’s **insights and guidance on strategy and direction** to enable greater clarity on the Board’s expectations
- Management appreciates the Board’s efforts in **challenging and providing feedback to Management** particularly in emerging areas e.g. digital, technology and ESG

Other observations for the Board’s consideration (cont’d)

Needs Improvement	Satisfactory	Strong	Exemplary
1.0 - 1.9	2.0 - 2.5	2.6 - 2.9	3.0

1

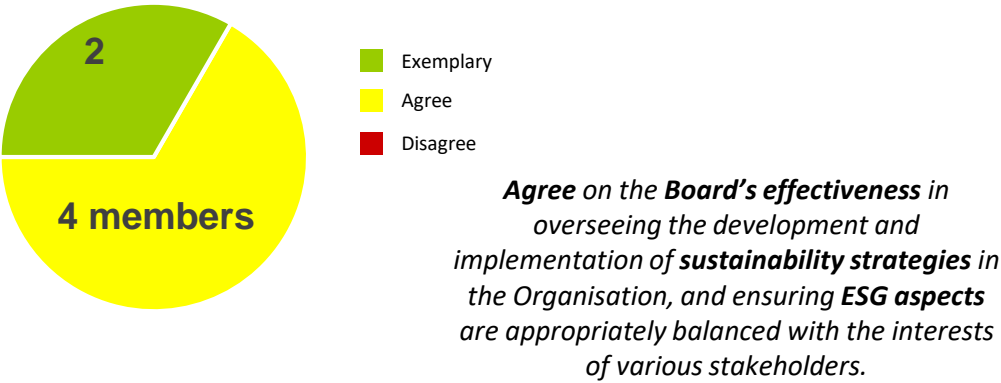
Board oversight responsibilities (cont’d)

Average score	2.3
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Summary of Directors’ views:

ESG

- Most Directors noted that there has been more focus on ESG matters in the Boardroom, particularly in emphasising the importance of ESG in how the Bank conducts itself and approaches its clientele
- However, whilst there has been more consideration in this area, Directors acknowledged that there is room for improvement to:
 - **Formalise and embed more ESG related metrics** into business plans and policies as a priority moving forward
 - Place greater emphasis in **overseeing the development and implementation of sustainability strategies**



Management’s views

- Moving forward, there is room for improvement to ensure the strategies and **Management KPIs are appropriately balanced with ESG related initiatives**

Other observations for the Board’s consideration (cont’d)

Needs Improvement	Satisfactory	Strong	Exemplary
1.0 - 1.9	2.0 - 2.5	2.6 - 2.9	3.0

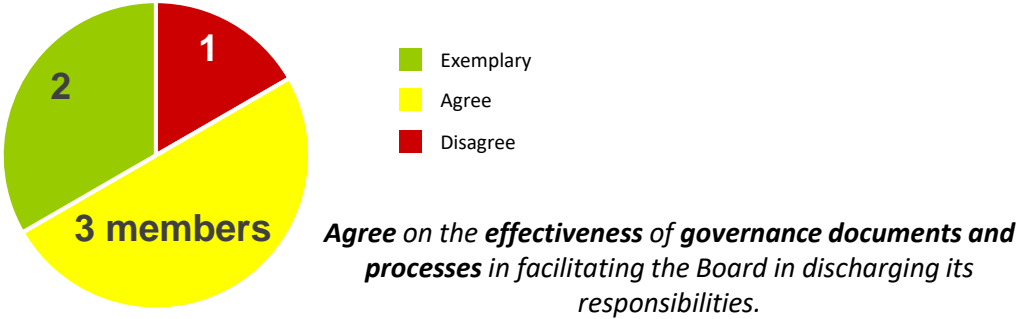
2

Board papers

Average score	2.2
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Summary of Directors’ views:

- Generally, Directors are satisfied with the effectiveness of the Board administration and processes. However, Directors have suggested the following to further increase the effectiveness of Board administration practices:
 - **Structure of Board papers** should emphasise on pertinent information for decision making, i.e. by focusing on open items that are due to help focus Boardroom discussions
 - **Supplementing Board papers with a Board memo** that succinctly indicates matters requiring the Board's attention and approval
 - **Timeliness of Board paper submission**



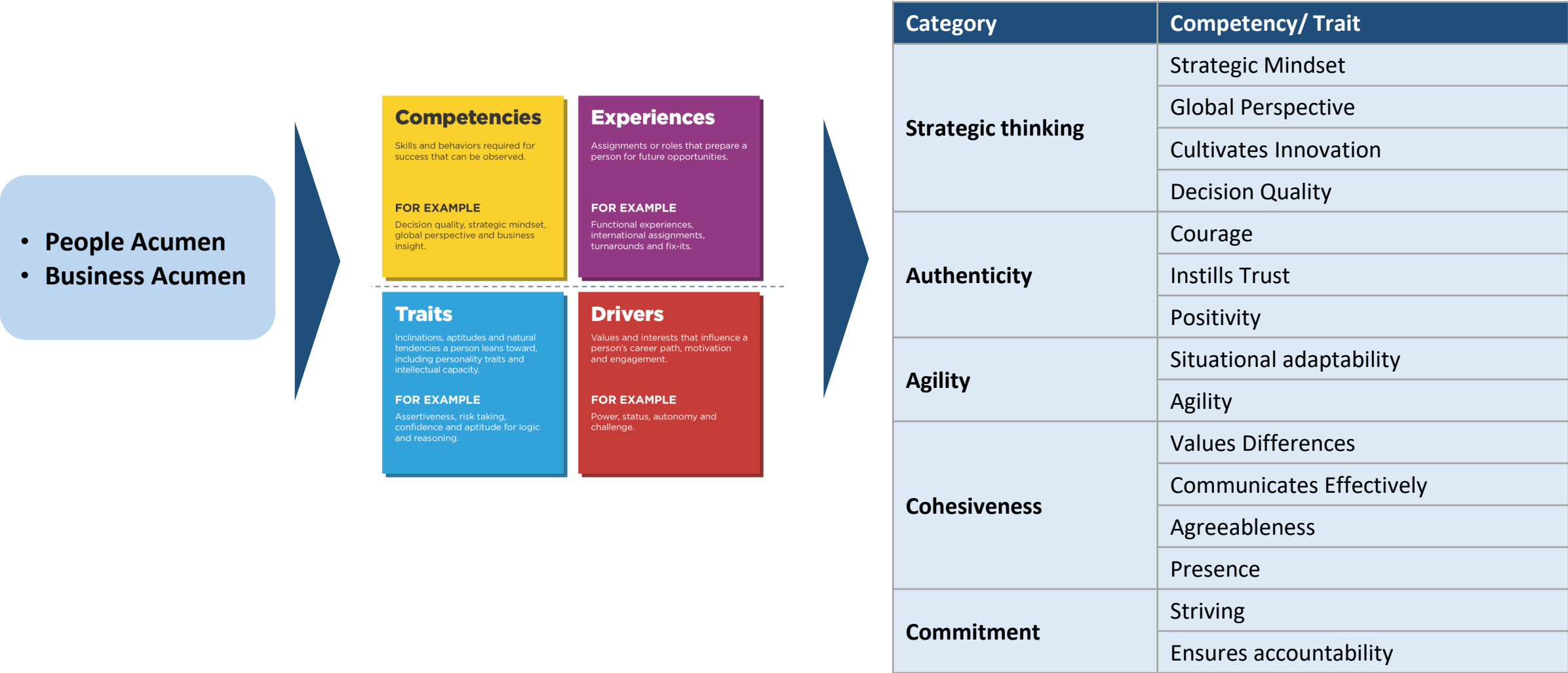
Management’s views

- There is room for improvement to further **enhance the structure, quality and timeliness** of Board papers
- Management suggested for a framework to be developed that clearly outlines the matters reserved for the Board and Management

4

Leadership Attributes

The **DNA of a Board Leader** is incorporated in the BEE questionnaires for Board to assess its effectiveness in a **holistic manner**



* ‘Competency’ and ‘Trait’ are derived from Korn Ferry’s Four Dimensions of Leadership and Talent (KF4D) Framework. Refer to the appendix section for details on the above Factors, Competencies and Traits.

Leadership Attributes

Dimensions	Premise	Recommended actions from the result
Part A: Board and Board Committee Effectiveness	<ul style="list-style-type: none"> All competencies/traits are critical 	<ul style="list-style-type: none"> Board as a whole to reflect on the areas that the Board did relatively well in In view of the organisation's development and strategic direction moving forward, Board as a whole to consider specific areas to be enhanced
Part B: Directors' Self and Peer Effectiveness	<ul style="list-style-type: none"> Directors are complementing each other Not ALL Directors are expected to be perfect in all competencies/traits 	<ul style="list-style-type: none"> Individual Directors to consider specific areas to be enhanced Individual Directors to reflect on areas with a gap between self and peer evaluation

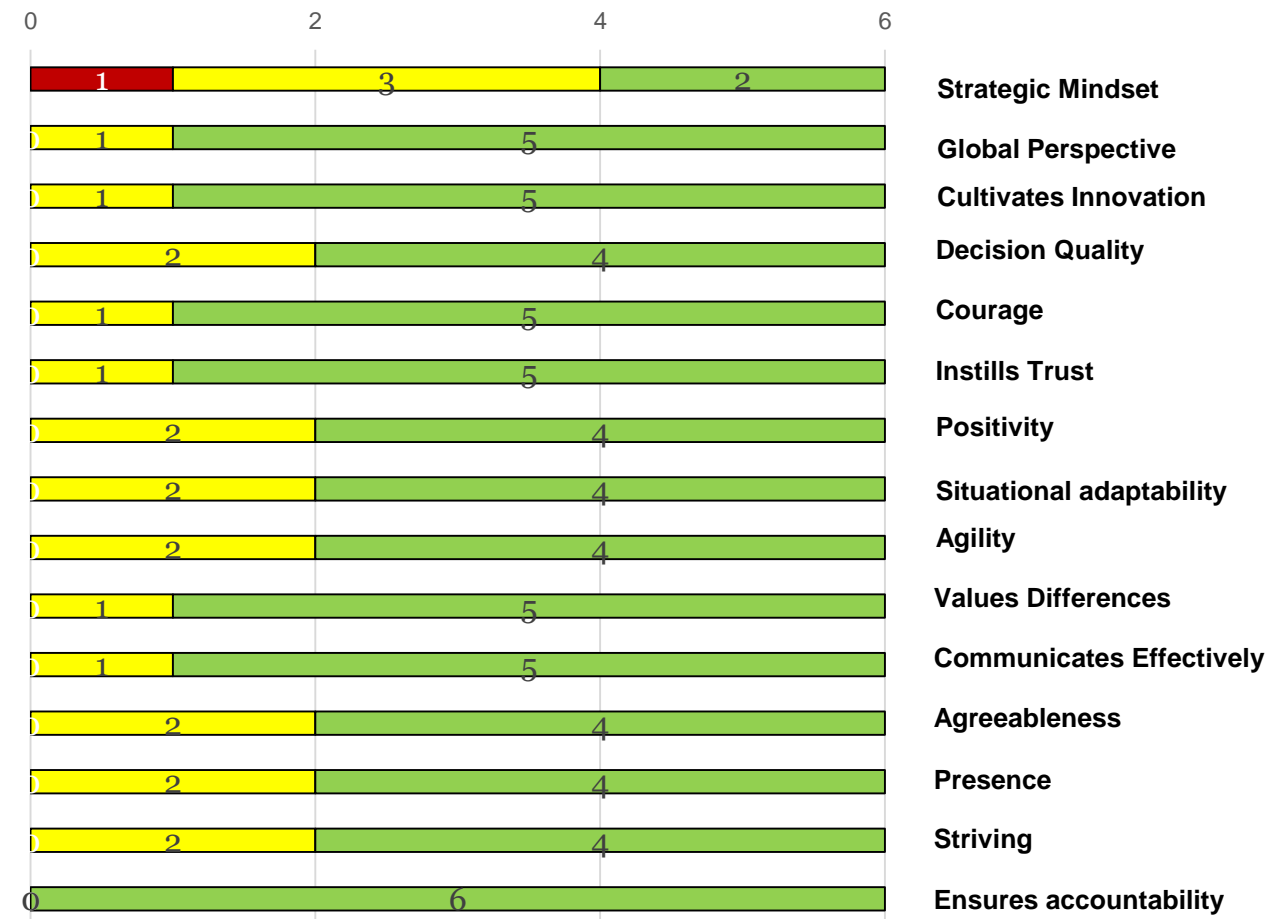
Leadership Attributes (cont'd)

Disagree	Agree	Exemplary
1	2	3

FIDE FORUM's Board Leadership Framework was developed based on experiences, competencies, traits and drivers, uniquely tailored to meet the needs of financial institutions in Malaysia. The framework was incorporated into the BEE questionnaires used with the purpose of assessing the **Board as a whole** against the competencies and traits as listed below:

Category	Competency/ Trait
Strategic thinking	Strategic Mindset
	Global Perspective
	Cultivates Innovation
	Decision Quality
Authenticity	Courage
	Instills Trust
	Positivity
Agility	Situational adaptability
	Agility
Cohesiveness	Values Differences
	Communicates Effectively
	Agreeableness
	Presence
Commitment	Striving
	Ensures accountability

Distribution of scores based on rating given by individual Directors



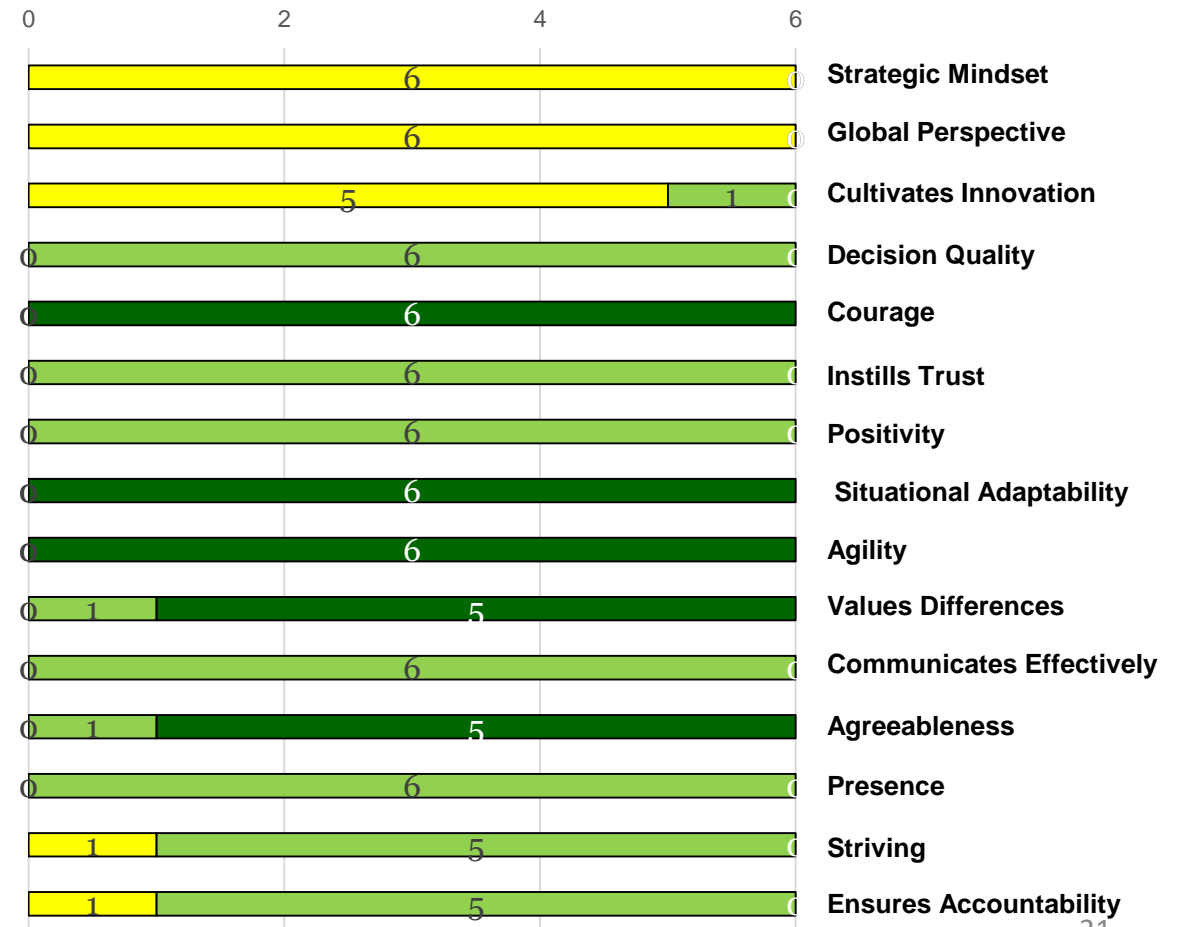
Leadership Attributes (cont'd)

Needs Improvement	Satisfactory	Strong	Exemplary
1.0 - 1.9	2.0 - 2.5	2.6 - 2.9	3.0

Additionally, **individual Directors** were also assessed against the competencies and traits as illustrated below:

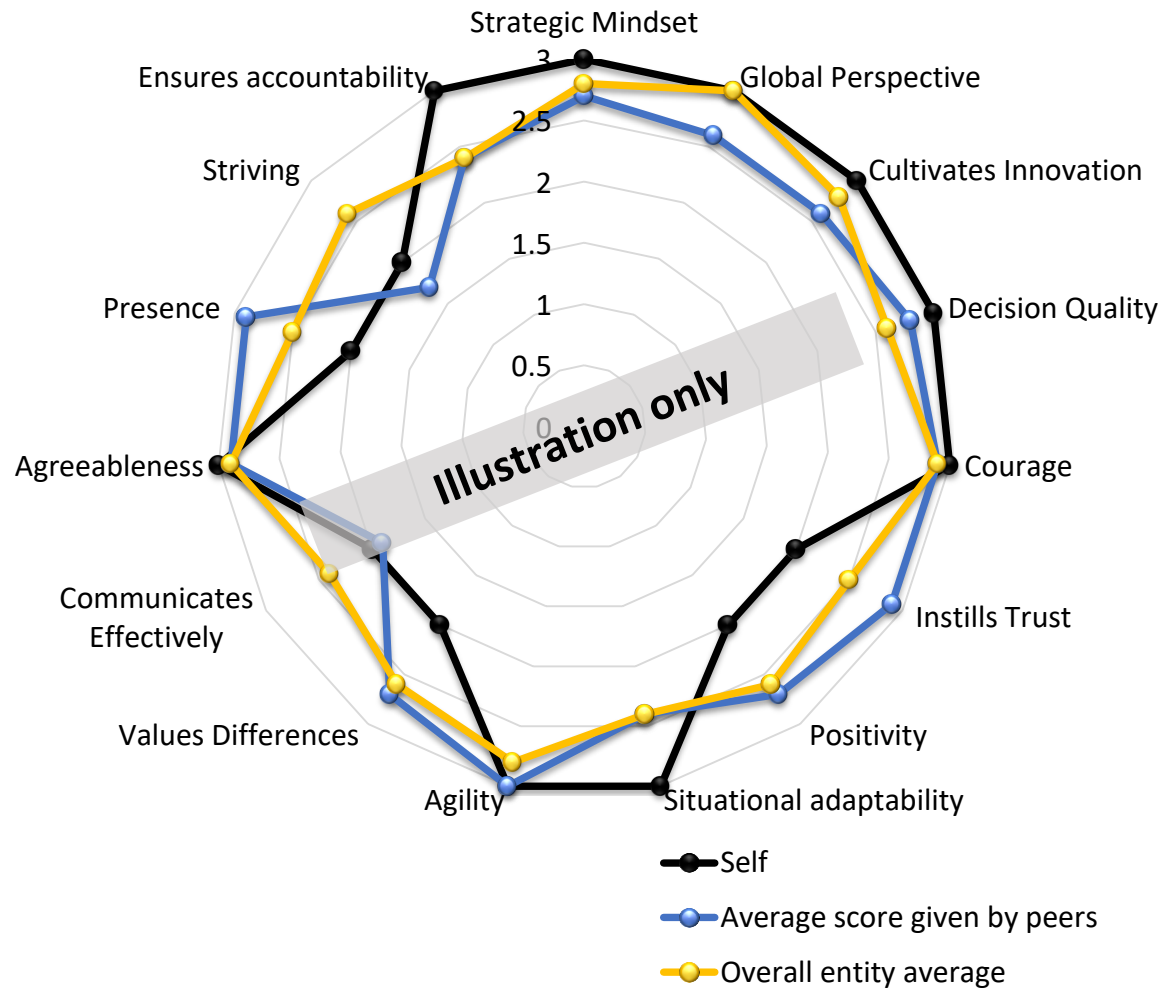
Distribution of individual Directors' average score given by peers

Category	Competency/ Trait
Strategic thinking	Strategic Mindset
	Global Perspective
	Cultivates Innovation
	Decision Quality
Authenticity	Courage
	Instills Trust
	Positivity
Agility	Situational adaptability
	Agility
Cohesiveness	Values Differences
	Communicates Effectively
	Agreeableness
	Presence
Commitment	Striving
	Ensures accountability



Leadership Attributes (cont'd)

Illustration of Individual Directors' Results



Competencies/ Traits	Self	Peer Average	Overall Entity Average
Strategic Mindset	3.0	2.7	2.8
Global Perspective	3.0	2.6	3.0
Cultivates Innovation	3.0	2.6	2.8
Decision Quality	3.0	2.8	2.6
Courage	3.0	2.9	2.5
Instills Trust	2.0	2.7	2.6
Positivity	2.0	2.4	2.4
Situational adaptability	3.0	3.0	2.8
Values Differences	2.0	2.7	2.6
Communicates Effectively	2.0	1.9	2.4
Agreeableness	3.0	2.9	2.9
Presence	2.0	2.9	2.5
Striving	2.0	1.7	2.6
Ensures accountability	3.0	2.4	2.4

	Peer Average \geq Overall Entity Average
	Peer Average < Overall Entity Average BUT ≥ 2
	Peer Average < Overall Entity Average AND < 2

Thank you.

Appendices

A1: FIDE FORUM's Board Leadership Framework

FIDE FORUM's Board Leadership Framework

Details of Competencies and Traits

Themes*	Competency*/Trait*	Definition*	Rationale
Strategic thinking	Strategic Mindset	Seeing ahead to future possibilities and translating them into breakthrough strategies.	This set of competencies is critical for LFI Board members to strategically lead and position the LFI with a strong competitive advantage against other businesses, whilst hedging against potential disruptions in the playing field.
	Global Perspective	Taking a broad view when approaching issues, using a global lens.	
	Cultivates Innovation	Creating new and better ways for the organisation to be successful.	
	Decision Quality	Making good and timely decisions that keep the organisation moving forward.	
Authenticity	Courage	Stepping up to address difficult issues, saying what needs to be said.	Particularly in cultures attuned to high power distance and a collectivist social mindset, this set of competencies encourage individual Directors to speak up, question and share differing viewpoints openly (even when it is not popular to do so). Such an attribute demonstrates the Director's level of comfort by voicing out candid views to instil trusts from others, especially in stressful or ambiguous situations.
	Instills Trust	Gaining the confidence and trust of others through honesty, integrity, and authenticity.	
	Positivity	Well-adjusted, aware, good-natured.	

* 'Themes', 'Competency', 'Trait' and 'Definition' are derived from Korn Ferry's Four Dimensions of Leadership and Talent (KF4D) Framework

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FIDE FORUM's Board Leadership Framework

Details of Competencies and Traits

Themes*	Competency*/Trait*	Definition*	Rationale
Agility	Situational adaptability	Adapting approach and demeanour in real time to match shifting demands of different situations.	Agility is critical for Board members as they strive to effectively lead the LFI to not only remain relevant, but to thrive in a business environment characterised by increasing market uncertainty, volatility and vigorous competition. The following competencies will enable the Board members to exercise good and independent judgment in decision making whilst providing sound and objective advice.
	Agility	Adaptability, curiosity, and innovative thinking in conditions of ambiguity and risk.	
Cohesiveness	Values Differences	Recognising the value that different perspectives and cultures bring to an organisation.	This set of competencies and traits are critical to foster a respectful and collegial culture within the Board that values diversity, as well as between the Board with Management and its stakeholders.
	Communicates Effectively	Developing and delivering multi-mode communications that convey a clear understanding of the unique needs of different audiences.	
	Agreeableness	Considerate, collaborative, inclusive.	
	Presence	Sociable, persuasive, commanding, poised.	

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FIDE FORUM's Board Leadership Framework

Details of Competencies and Traits

Themes*	Competency*/Trait*	Definition*	Rationale
Commitment	Striving	Driven, reliable, persistent.	This competency is critical as it helps to create and sustain a strong drive within the Board to pursue and achieve business performance targets for the LFI. By consistently demonstrating Commitment, Board Members are holding each other, as well as Management, accountable for meeting strategic business targets and delivering the desired results within the framework of good corporate governance, taking into consideration the interests of stakeholders.
	Ensures accountability	Holding self and others accountable for meeting commitments.	

* 'Themes', 'Competency', 'Trait' and 'Definition' are derived from Korn Ferry's Four Dimensions of Leadership and Talent (KF4D) Framework

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A2: BEE Detailed Results

Part A: Board Effectiveness

Part A: Board Effectiveness – Introduction

The Questionnaire

This section evaluates the Board from the following perspectives:

- Overall Board Effectiveness
- Board Responsibilities
- Board Culture
- Board Chair
- Board Composition
- Chief Executive Officer
- Board Remuneration
- Board Administration and Process
- Board Education

Directors were asked to rate each statement with the following ratings:

Ratings		Description
3	Exemplary	The attribute is consistently demonstrated and is exemplary for others to emulate.
2	Agree	The attribute is demonstrated but should be further improved.
1	Disagree	The attribute is rarely demonstrated and requires significant improvement.

Results in Part A: Board Effectiveness will be provided to all Board members.

Detailed Results

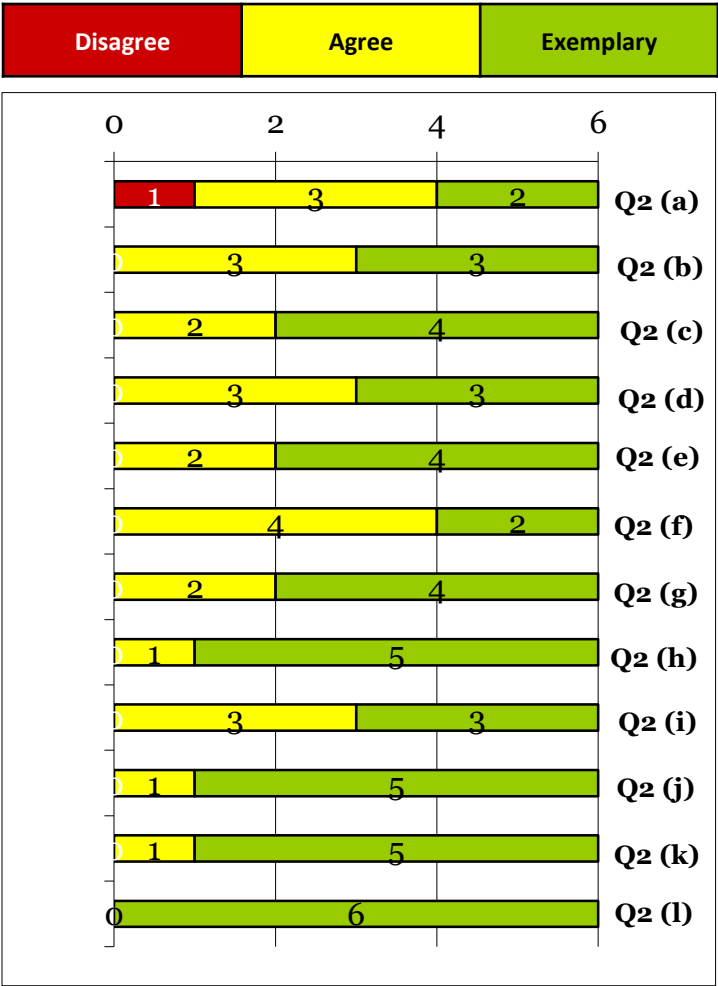
This section contains the results for questions in Part A: Board Effectiveness.

Part A: Board Effectiveness

Q2. Board Responsibilities

Q2. The following are the Board’s principal responsibilities as set out in the MCCG 2021, BNM Corporate Governance Policy Document (August 2016), Bursa Corporate Governance Guide (December 2021), Financial Services Professional Board Code of Ethics for the Financial Services Industry (December 2015) and Board Charter. Do you agree that the Board has been effective in discharging each of these responsibilities?

- Q2 (a) The Board has provided **effective direction** to the Organisation in the **development and monitoring of strategies**, in the interest of promoting long term viability
- Q2 (b) The Board has been effective in **establishing appropriate KPIs for Management** aligned with the Organisation’s strategic plans and objectives.
- Q2 (c) The Board has provided **sound oversight to the Organisation’s business conduct**, promoting leading governance and compliance standards as well as sound corporate culture.
- Q2 (d) The Board proactively **managed key risks** faced by the Organisation with the implementation of effective risk management systems.
- Q2 (e) The Board has been effective in ensuring that **robust crisis management and business continuity practices** are in place, including having a future ready workforce, to enable the Organisation to effectively respond to crisis situations.
- Q2 (f) The Board has been effective in overseeing the **development and implementation of sustainability strategies** in the Organisation, and ensuring **environmental, social and governance (“ESG”) aspects** are **appropriately balanced** with the interests of various stakeholders.
- Q2 (g) The Board has ensured **appropriate strategy, technology infrastructure, data management practices and information security practices** are in place to address the needs of the Organisation.
- Q2 (h) The Board has **built strength** through Board evaluation, succession planning, appointment and continuous development.
- Q2 (i) The Board has provided **oversight in the management of key talent** in the Organisation, Senior Management succession planning and overall talent management in the Organisation.
- Q2 (j) The Board has ensured **timely and effective communications** with the CEO, Management, shareholders and relevant stakeholders.
- Q2 (k) The Board has **ensured the integrity of the Organisation’s financial reporting** is in conformity with regulatory requirements and good international practices.
- Q2 (l) The Board has **ensured the integrity of the Organisation’s non-financial reporting** is in conformity with regulatory requirements and good international practices.

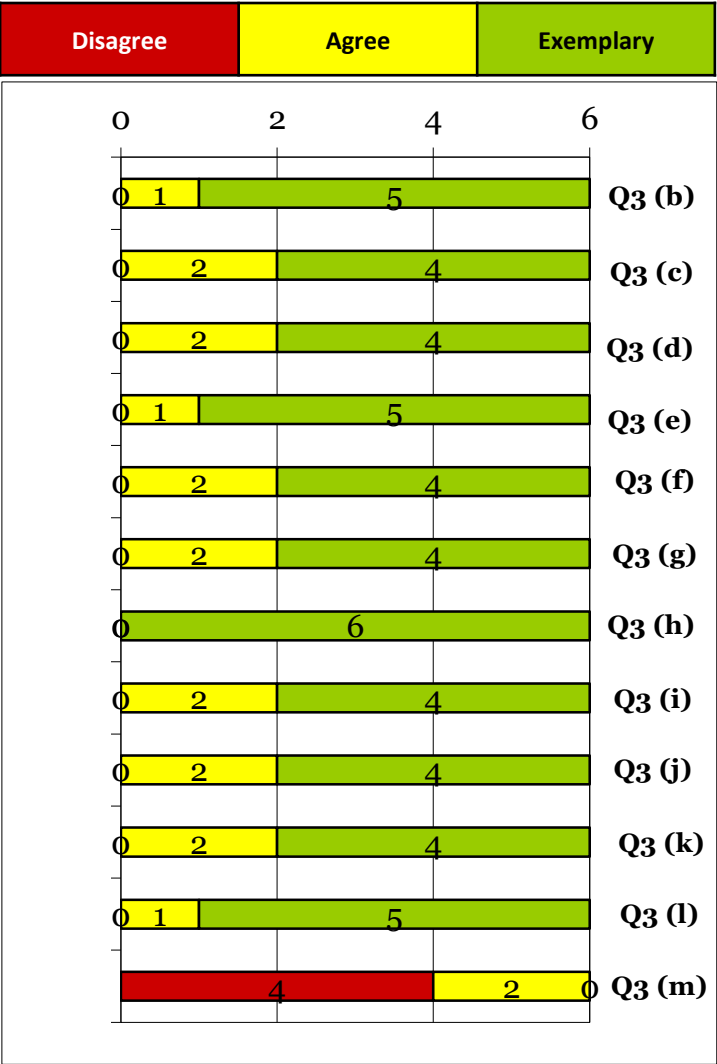


Part A: Board Effectiveness

Q3. Board Culture

Q3. Do you agree that the Board sufficiently demonstrates the following attributes during Board meetings?

- Q3 (b) The Boardroom environment encourages **open, constructive debate and diversity of views** to reinforce mutual respect and trust.
- Q3 (c) The Board remains **united** to achieve objectives **despite diversity in leadership attributes** among Directors.
- Q3 (d) The Board **demonstrates empathy** in facilitating the discussions on differing views.
- Q3 (e) Directors **collectively contribute positively to Boardroom discussion**, including bringing global perspectives and innovative ideas to discussions.
- Q3 (f) The Board demonstrates **focus and commitment** to achieving outcomes based on the Organisation’s vision, mission, strategy and KPIs despite obstacles.
- Q3 (g) The Board makes **good and timely decisions** that keep the Organisation moving forward.
- Q3 (h) The Board holds **itself and others accountable** to meet commitments and for decisions made.
- Q3 (i) The Board has been effectively **agile and comfortable** in providing leadership and decision making in situations where the way forward was not clear or ambiguous.
- Q3 (j) The Board is **agile in adapting** to different demands to its role.
- Q3 (k) The Board remains **collected and positive in the face of uncertainties** when deciding on the best course of action.
- Q3 (l) The Board is **courageous in stepping up** to address difficult issues in order to ensure that matters are deliberated in a robust manner.
- Q3 (m) The Board promotes an **effective working relationship with Management** and supports Management’s execution of Board decisions by providing adequate authority, resources and reasonable targets.



Part A: Board Effectiveness

Q3. Board Culture (cont'd)

Q3. Do you agree that the Board sufficiently demonstrates the following attributes during Board meetings?

Mode of engagement	Mode A	Mode B	Mode C
Characteristics	<ul style="list-style-type: none">· The Board sees its role as an observer of Management to ensure all policies and procedures are adhered to· The Board provides room for the CEO to make major decisions	<ul style="list-style-type: none">· The Board sees its role as supporting Management to ensure goals and objectives are met· The Board only intervenes when required, either by policy or by situation	<ul style="list-style-type: none">· The Board sees its role as the custodian of the business, and the role of Management is to support the Board in discharging its duties· The Board is involved in decision making across all aspects of the Organisation

	Mode A	Mode B	Mode C
Q3 (n) In your view, which mode of engagement has this Board adopted in the past year?	1	3	2

Part A: Board Effectiveness

Q4. Board Chair

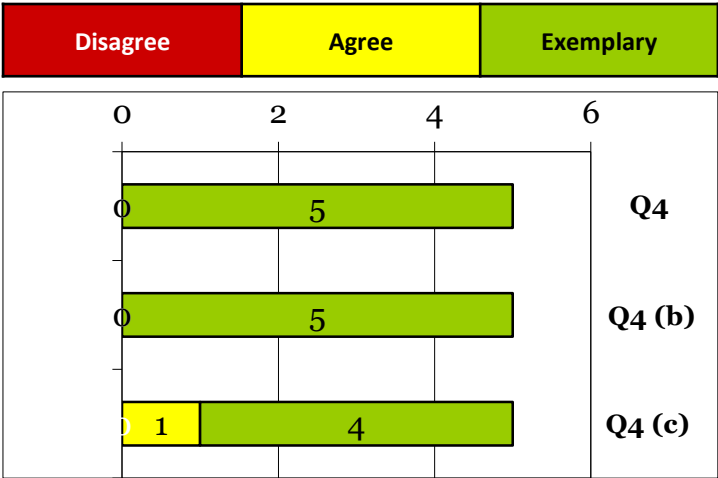
Q4. Do you agree that the Board Chair effectively demonstrates the following attributes?

- Q4 (a)

The Board Chair **effectively leads the Board** in the decision-making process by facilitating a consultative environment, encouraging contribution from all Directors, and managing Boardroom conflict in a timely manner.
- Q4 (b)

The Board Chair proactively **sets the tone from the top**, both in shaping the Board culture and in upholding the corporate values of the Organisation.
- Q4 (c)

The Board Chair sets a clear tone from the top in advocating **continuous improvement** amongst individual Directors and CEO, as well as across the Board as a whole.



Part A: Board Effectiveness

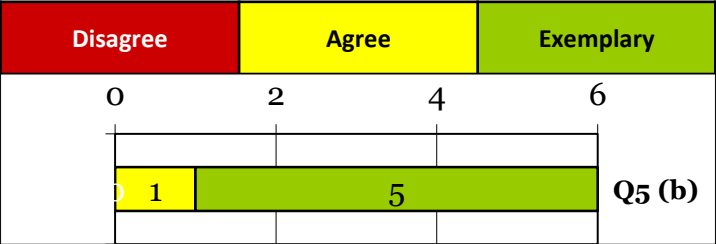
Q5. Board Composition

Q5. Do you agree with the following statements with regards to Board composition in this Organisation?

Q5 (a) In your view, is the **current Board size** fit-for-purpose given the strategic direction of the Organisation?

	Yes	No	Ideal size
Current Board size (6 members) is appropriate	4	2	7 - 8

Q5 (b) The current Board composition is **sufficiently diverse** in knowledge, experience and expertise to contribute to robust Board discussions and effective decision making.



Part A: Board Effectiveness

Q5. Board Composition (cont'd)

Additionally, we provided a list of relevant expertise and experience commonly present on the Board. The Directors were asked to select essential experience and expertise required on the Board to discharge its responsibilities effectively and to further indicate whether there are any gaps based on the current Board composition. The results are as shown below.

		Essential	Gaps
Financial Services Experience	Commercial banking	6	0
	Investment banking	3	2
	Islamic banking	0	0
	Insurance – Life	0	0
	Insurance – General	0	0
	Takaful – Family	0	0
	Takaful – General	0	0
	Development finance	4	2
	Regulatory	4	0
Other Aspects of Experience	Regional / International exposure	0	0
	Company / Group experience	0	0
	Board directorship	4	0
Expertise	Accounting, finance	4	0
	Actuarial	0	0
	Audit, compliance	2	0
	Asset management	2	0
	Branding, communications	1	0

		Essential	Gaps
Expertise	Business development / entrepreneurship	2	0
	Corporate governance practices	2	1
	Credit	0	0
	Cybersecurity	3	3
	Disruptive technology / digitalisation	0	0
	Human capital management	6	4
	Information and communication technology	0	0
	International business	2	0
	Legal	0	0
	Marketing and sales	2	0
	Merger and acquisition	0	0
	Risk management	3	0
	Strategic planning, business strategy	4	0
	Sustainability	0	0
	Taxation	0	0
	Transformation, change management	0	0
	Treasury	0	0

Part A: Board Effectiveness

Q7. Chief Executive Officer (CEO)

Q7. In your opinion, do you agree that the CEO effectively demonstrates the following attributes?

- Q7 (a)

The CEO has been effective in **developing and executing the Organisation’s strategy and initiative.**
- Q7 (b)

The CEO displays **consistent leadership qualities and agility** in managing business affairs of the Organisation while cultivating a high-performance culture from the top that reinforces ethical and professional behaviour.
- Q7 (c)

The CEO demonstrates transparency with the Board by maintaining a **healthy and professional relationship** that reinforces mutual respect and trust.



Part A: Board Effectiveness

Q8. Board Remuneration

Q8. Do you agree with the following statements that are in relation to Board Remuneration?

Q8 (a) The remuneration received is **appropriately commensurate** with the effort and time required to perform all duties and responsibilities associated with the Director position.



Part A: Board Effectiveness

Q9. Board Administration and Process

Q9. In your opinion, do you agree that the following Board administration tools effectively facilitates the Board to discharge its responsibilities?

- Q9 (a)

Governance documents and processes (Board Charter, Board Committee Terms of Reference, Annual Board agenda and other governance documents) have been effective in facilitating the Board in discharging its responsibilities.
- Q9 (b)

Board and Board Committee meetings have been conducted regularly and effectively with sufficient time allocated to each meeting for robust discussion and effective decision making.
- Q9 (c)

The **Company Secretary** has been effective in discharging his/ her role in supporting effective Board functioning.



Part A: Board Effectiveness

Q10. Board Education

Q10. The following are in relation to Board education that contributes to Directors’ continuous learning.

Q10 (a) The Board ensures that the **onboarding of new Directors** has been implemented effectively by ensuring newly appointed Directors are brought up to speed on key matters in relation to the Organisation.

Disagree		Agree		Exemplary
0	2	4	6	
2		4		Q10 (a)

	Yes	No
Q10 (b) Please indicate if you have achieved your desired learning outcome in a manner that enhanced your performance as a Director	2	4

Part A: Board Effectiveness

Q10. Board Education

Q10. The following are in relation to Board education that contributes to Directors’ continuous learning.

Q10 (c) Please indicate the **knowledge areas you would like to focus on** in the forthcoming year.

		Specific topics	Delivery method
Knowledge Areas	Regulations	<ul style="list-style-type: none"> • BNM and all other guidelines for banking • Current trends in banking • Current thinking 	<ul style="list-style-type: none"> • Study visit • Class based • Online
	Risk management		
	Industry updates		
	Leadership		
	Sustainability & climate change		
	Disruptive technology/ digital	<ul style="list-style-type: none"> • The application of disruptive tech in banking • Sustainability & climate change impact to bank 	

A2: BEE Detailed Results

Part A: Board Committee Effectiveness

Part A: Board Committee Effectiveness

Introduction

The Questionnaire

This section evaluates the performance of the individual Board Committees.

Bank A evaluated **4** Committees as follows:

Board Committees	Number of Committee members who completed the evaluation
Board Audit Committee	3 members
Board Nomination & Remuneration Committee	3 members
Board Risk Management Committee	3 members
Board Credit Committee	3 members

Directors were asked to rate each statement with the following ratings:

Ratings		Description
3	Exemplary	The attribute is consistently demonstrated and is exemplary for others to emulate.
2	Agree	The attribute is demonstrated but should be further improved.
1	Disagree	The attribute is rarely demonstrated and requires significant improvement.

Results in Part B: Board Committee Effectiveness will be provided to all Board members.

Detailed Results

This section contains the results for each Committee evaluated.

Part A: Board Committee Effectiveness Overview

CONFIDENTIAL

Q6 (1) Board Committees Evaluation (Completed by all Board members)

Q6 (1) (a) Do you agree that the Board Committees have been effective in assisting the Board to perform its roles and responsibilities?

- (a) Board Audit Committee (BAC)
- (b) Board Nomination & Remuneration Committee (BNRC)
- (c) Board Risk Management Committee (BRMC)
- (d) Board Credit Committee



Part A: Board Committee Effectiveness

Board Audit Committee

CONFIDENTIAL

Q6 (2) Board Committees Self-Evaluation (Completed by Directors sitting on the respective Board Committees)

Q6 (2) (a) Do you agree that the Committee effectively demonstrates the following attributes?

- i. Effectively **engages issues** and **discharges its responsibilities** based on its Terms of Reference.
- ii. The **current Board Committee composition** contributes to robust discussions and enables the Committee to carry out its duties effectively.
- iii. Administration and processes provide **sufficient access to information and resources**.
- iv. **Meets sufficiently** to discuss and follow through on key issues.
- v. The Board Committee Chairman effectively **leads the Committee** to ensure robust decision making

Disagree				Agree				Exemplary							
0				1				2				3			
0				2				1				Q5 (i)			
0				1				2				Q5 (ii)			
0				2				1				Q5 (iii)			
1				1				1				Q5 (iv)			
0				2								Q5 (v)			

Part A: Board Committee Effectiveness

Board Nomination & Remuneration Committee

Q6 (2) Board Committees Self-Evaluation (Completed by Directors sitting on the respective Board Committees)

Q6 (2) (a) Do you agree that the Committee effectively demonstrates the following attributes?

- i. Effectively **engages issues** and **discharges its responsibilities** based on its Terms of Reference.
- ii. The **current Board Committee composition** contributes to robust discussions and enables the Committee to carry out its duties effectively.
- iii. Administration and processes provide **sufficient access to information and resources**.
- iv. **Meets sufficiently** to discuss and follow through on key issues.
- v. The Board Committee Chairman effectively **leads the Committee** to ensure robust decision making

Disagree		Agree		Exemplary
0	1	2	3	
0	3			Q5 (i)
0	1	2		Q5 (ii)
0	1	2		Q5 (iii)
0	3			Q5 (iv)
0	2			Q5 (v)

**This section was completed by Directors sitting on the respective Board Committees*

Part A: Board Committee Effectiveness

Board Risk Management Committee

Q6 (2) Board Committees Self-Evaluation (Completed by Directors sitting on the respective Board Committees)

Q6 (2) (a) Do you agree that the Committee effectively demonstrates the following attributes?

- i. Effectively **engages issues** and **discharges its responsibilities** based on its Terms of Reference.
- ii. The **current Board Committee composition** contributes to robust discussions and enables the Committee to carry out its duties effectively.
- iii. Administration and processes provide **sufficient access to information and resources**.
- iv. **Meets sufficiently** to discuss and follow through on key issues.
- v. The Board Committee Chairman effectively **leads the Committee** to ensure robust decision making

Disagree		Agree		Exemplary
0	1	2	3	
0	1	2		Q5 (i)
0	1	2		Q5 (ii)
0		3		Q5 (iii)
0	1	2		Q5 (iv)
0		2		Q5 (v)

**This section was completed by Directors sitting on the respective Board Committees*

Part A: Board Committee Effectiveness

Board Credit Committee

Q6 (2) Board Committees Self-Evaluation (Completed by Directors sitting on the respective Board Committees)

Q6 (2) (a) Do you agree that the Committee effectively demonstrates the following attributes?

- i. Effectively **engages issues** and **discharges its responsibilities** based on its Terms of Reference.
- ii. The **current Board Committee composition** contributes to robust discussions and enables the Committee to carry out its duties effectively.
- iii. Administration and processes provide **sufficient access to information and resources**.
- iv. **Meets sufficiently** to discuss and follow through on key issues.
- v. The Board Committee Chairman effectively **leads the Committee** to ensure robust decision making

Disagree		Agree		Exemplary
0	1	2	3	
0	1	2		Q5 (i)
0	2	1		Q5 (ii)
0	3			Q5 (iii)
0	2	1		Q5 (iv)
0	2	0		Q5 (v)

**This section was completed by Directors sitting on the respective Board Committees*