

## **MINORITY SHAREHOLDERS WATCH GROUP**

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD  
(Incorporated in Malaysia – Registration No.: 200001022382 (524989-M))

New Straits Times, Business Times (Online) – 19 February 2025 (C) Part 1

# **Termination of CFO: Maybank urged to provide comprehensive explanation**



The immediate termination of the group chief financial officer (CFO) of Malayan Banking Bhd (Maybank), Khalijah Ismail, on Monday has raised concerns about governance standards. - NSTP/EIZAIRI SHAMSUDIN

KUALA LUMPUR: The immediate termination of the group chief financial officer (CFO) of Malayan Banking Bhd (Maybank), Khalijah Ismail, on Monday has raised concerns about governance standards.

Various speculations have arisen regarding the governance of Malaysia's largest bank by assets, affecting its shares on Bursa Malaysia.

The chief executive officer of the Minority Shareholders Watch Group (MSWG), Dr Ismet Yusoff, said that Maybank needs to provide a more comprehensive explanation to avoid prolonged speculation that could affect the bank's shares.

"We urge the bank to provide clearer information to the public regarding the action taken against the former CFO.

"An explanation on this issue can avoid speculation and ensure investor confidence is not affected," he told BH.

Meanwhile, corporate analyst, Adjunct Professor Faisal Malik, said that when a leading financial institution faces governance issues, it raises significant doubts about the bank's ability to manage its operations responsibly.

He, who is also the chief executive officer of Faisal Malik & Co, said that the governance issues in question include concerns about internal controls, ethical breaches, or non-compliance with regulations.

He added that regulatory fines imposed by authorities, such as Bank Negara Malaysia (BNM), further reinforce these concerns as they indicate that the bank has either failed to comply with industry standards or has been negligent in meeting compliance obligations.

According to him, when such issues are compounded by leadership instability, such as the sudden resignation of a key executive, especially a CFO responsible for financial integrity and risk management, it signifies deeper structural weaknesses within the organisation.

"Such incidents raise concerns among customers, investors, and the general public about the bank's financial stability, governance practices, and long-term reliability.

"Customers may begin to doubt the safety of their deposits, the bank's ability to continue providing uninterrupted financial services, and the protection of their personal data," he said.

Faisal said that investors might also view the incident as a negative sign, which could lead to stock price volatility and declining confidence in the bank's growth prospects.

He added that when a bank's reputation is affected by governance failures, financial penalties, and the absence of key executives, public trust erodes.

"Customers who previously saw the institution as a pillar of stability might start looking for alternatives, while competitors will seize the opportunity to attract dissatisfied customers.

"If this issue is not handled well, it could lead to loss of market share, increased regulatory scrutiny, and long-term damage to the bank's reputation," he said.

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Meanwhile, CIMB Securities analyst Rachel Huang said that the termination of Maybank's CFO was the result of an internal investigation conducted in accordance with due process.

She said that Maybank emphasised that the internal investigation was conducted following due process and initiated due to non-compliance with the group's internal procedures.

According to Maybank, Khalijah was given the opportunity to defend herself, and after the investigation was completed, the bank decided to terminate her services.

"Regarding this issue, Maybank said that there were no alterations in the accounts, which means there were no issues related to its financial statements.

"Maybank also does not anticipate any regulatory fines or financial losses to the group, except for a possible lawsuit that might be filed by Khalijah," she said in a research note.

CGS International analyst Winson Ng said that the dismissal issue is an isolated case and will not have a material impact on Maybank's operations and income prospects.