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CORPORATE GOVERNANCE OVERVIEW STATEMENT

The continuing aftermath of a devastating two-year health crisis ensured CGC's role as 'Partner for MSME Growth across Life Stages' required close attention.

CONGRUENCE. Meeting MSMEs' Needs, Enhancing Internal Capabilities,

CGC's 2021 Annual Report theme, aims to mould stronger, more resilient MSMEs in Malaysia.

Building on 2018's *Changing Lives*, 2019's *Fulfilling Ambitions* and 2020's *Keeping Dreams Alive*, CGC focused on strengthening its efforts in partnering our MSMEs to rebuild and reinvent their businesses. This was in line with the Government's 6R National Economic Recovery Strategy. Our internal capabilities were enhanced, furthermore, to create congruence with evolving stakeholder needs. This enhancement is intended to nurture an integrated MSME ecosystem, creating collaborative value.

The CGC Board upholds the principles of good corporate governance as fundamental to contributing to our valued stakeholders' long-term interests. CGC's Board, Management and people actively inculcate the principles and best practices of corporate governance. These are vital in maintaining integrity and professionalism throughout CGC.

As governance requirements continue to evolve in a challenging environment, the Board strives to ensure that CGC complies with the Companies Act 2016 and CGC's Constitution. Meanwhile, we must conform to best corporate governance practices in the following policy and guidelines:

- Policy on Corporate Governance issued by Bank Negara Malaysia (BNM CG Policy)
- Malaysian Code on Corporate Governance 2021 issued by Securities Commission Malaysia (the Code)

Further to the April 2021 issuance of the revised Code by Security Commission Malaysia, the Company Secretary conducted an analysis of CGC’s levels of Code adoption and alignment. This analysis was presented to the Board at its meeting in 2021.

The Board and Management will continue to ensure the principles and best practices of the Code are well understood and adopted. This will strengthen CGC’s governance system, processes, business conduct and ethics.

This Statement on Corporate Governance emphasises, and provides an overview of, CGC’s application of the Code’s three (3) key principles. These are:



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD ROLES AND RESPONSIBILITIES

The Board is accountable and responsible for the direction, performance and affairs of CGC. The Board is also dedicated to demonstrating good stewardship and acting in a professional manner. In addition, the Board upholds the core values of integrity and transparency with due regard to their fiduciary duties and responsibilities.

The Board is the principal decision-making body for all significant matters affecting CGC and is accountable to shareholders for creating and delivering sustainable value. These matters include deliberating and agreeing on CGC’s corporate strategy, key policies, long-term business objectives and risk appetite, as well as approving its annual budget and financial statements. The Board is also responsible for:

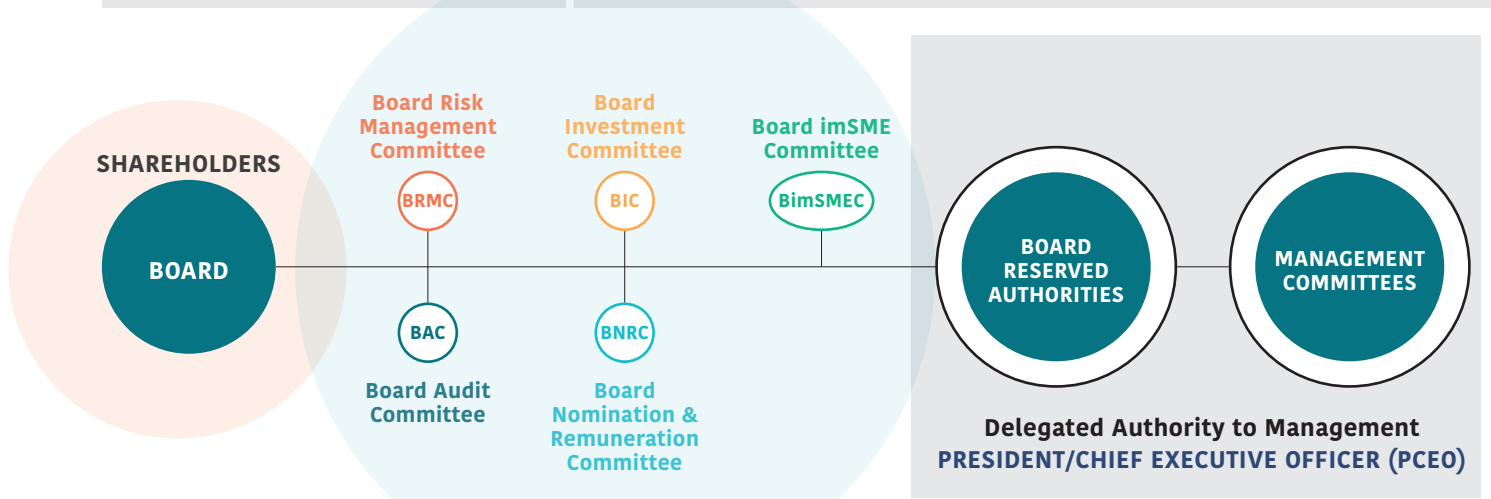
- championing the highest standards of corporate governance
- upholding a strong corporate performance management approach
- supporting CGC’s human capital development
- ensuring CGC has the necessary resources, processes, controls and culture established to deliver its strategy and promote long-term growth

The formal schedule for reserved matters specifically for the Board’s decision is detailed in the Board Charter.

The Board acknowledges the importance of distinct division of responsibility between the Chairman and the President/Chief Executive Officer (PCEO). The roles of Chairman and PCEO are clearly defined and exercised by separate individuals to ensure optimal balance, resulting in increased accountability and enhanced decision-making. The Chairman is responsible for leading and ensuring smooth functioning of the Board. Responsibility for CGC’s strategies, policy implementation and day-to-day business management is delegated to the PCEO. The Management Committees support the PCEO in this role.

II. BOARD GOVERNANCE FRAMEWORK

The Board Governance Framework (the Framework) was put in place to ensure orderly and effective discharge of the functions and responsibilities of the Board. Here the Board delegates specific roles and responsibilities to its five principal committees:



The Framework allows strategic alignment and efficient decision-making in CGC. It is supported by the Board Charter and Terms of Reference (TOR), which are available at CGC’s website, www.cgc.com.my.



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III. KEY RESPONSIBILITIES

Chairman

- Is responsible for the leadership and management of the Board and ensuring its overall effectiveness.
- Encourages all Directors to maximise their contributions to the Board by drawing on their skills, experience, knowledge and, where appropriate, independence.
- Promotes a culture of openness, challenge and debate, especially for complex and critical issues.
- Engages and consults with major shareholders and principal stakeholders.
- Leads the Board in establishing and monitoring good CG practices in CGC.
- Promotes constructive and respectful relationships among Directors and between the Board and Management.
- Sets the Board agenda and ensures that Directors receive complete and accurate information in a timely manner.

Non-Executive Director

- Contributes sound judgement and objectivity and provides constructive challenge to the Board's discussions and decision-making.
- Supports the Chairman and Senior Management by instilling appropriate culture and values in the boardroom and throughout CGC.
- Scrutinises performance of Management.

President/Chief Executive Officer

- Is responsible for CGC's executive leadership and day-to-day management of its business, within the authority delegated by the Board.
- Executes strategic direction of CGC as set out by the Board.
- Ensures that CGC's businesses are properly and efficiently managed with the executive team implementing the policies and strategies adopted by the Board and BOCs.
- Ensures that operational planning and control systems are in place, monitoring performance results against plans and, where necessary, taking remedial action.

Company Secretary

- The General Counsel & Company Secretary (GC&CS) is responsible for ensuring that the Board procedures and applicable rules are observed. The GC&CS, together with the Company Secretarial Section, is responsible for providing sound governance advice, full support and appropriate guidance and compliance to the Board, policies and procedures, rules and regulations as well as advocating the adoption of CG best practices.
- The GC&CS works closely with the Chairman, Chairs of the BOC and PCEO to set meeting agendas and ensure timely presentation of high-quality information to the Board. All Directors have power to propose items for discussion at Board meetings and regularly did so during the year.
- The GC&CS is also responsible for advising the Directors of their obligations and duties to disclose their interest in securities and disclosure of any conflict of interest in transactions involving CGC.

IV. ATTENDANCE AT BOARD MEETINGS

Throughout the year, nine (9) Board meetings were held to deliberate on and/or review a variety of significant matters that required the Board's guidance and approval. The dates of these meetings are pre-planned to enable the Directors to plan their schedule. Senior Management members also participated in these meetings to provide updates on specific developments or proposals. Their participation provided an additional opportunity for the Board to engage directly with the executive team. Furthermore, they spurred Management thinking on matters under discussion, particularly strategic investment reviews, product development, risk management and new technologies. The Board also had separate sessions with the Management to discuss CGC's strategies.

The Board discharged their roles and responsibilities via their full attendance at the Board meeting as set out in the table below:

Attendance

1	Dato' Mohammed Hussein Independent Non-Executive Director (Chairman)	9/9
2	Dato' Haji Syed Moheeb Syed Kamarulzaman Independent Non-Executive Director	9/9
3	Teoh Kok Lin Independent Non-Executive Director	9/9
4	Suresh Menon Independent Non-Executive Director	9/9
5	Dato' Ong Eng Bin Independent Non-Executive Director	9/9
6	Choong Tuck Oon Independent Non-Executive Director	9/9
7	Faisal Ismail Independent Non-Executive Director	9/9
8	Saleha M. Ramly Independent Non-Executive Director	9/9
9	Datuk David Chua Kok Tee¹ Independent Non-Executive Director	9/9
10	Adnan Zaylani Mohamad Zahid² Non-Independent Non-Executive Director	9/9

¹ Retired as Director on 14 February 2022.

² Resigned as Director on 19 April 2022.

All Directors complied with the minimum 75% attendance requirement set out in the Terms of Reference for Board of Directors meetings held during FY2021. The Board also agreed to impose a 75% minimum attendance requirement for the Board Oversight Committee. As the COVID-19 pandemic continued, the Board and its Board Oversight Committees continued to use interactive technology for Board meetings in 2021. The meetings were either fully virtual or hybrid whilst observing the relevant Standard Operating Procedures (SOPs). These included temperature checks before entering Bangunan CGC and arranging meeting venues that comply with social distancing.

The table below summarises the Directors' attendance at Board Oversight Committee meetings for FY2021:

Directors	Date of Appointment	Date of Resignation/ Retirement	BAC (Quarterly)	BIC (Quarterly)	BRMC (Quarterly)	BNRC (Quarterly)	BimSMEC (Ad hoc) (Established on 12 November 2021)	BBDC (Quarterly) (Disbanded on 14 June 2021)	BITC (Quarterly) (Disbanded on 14 June 2021)
Dato' Mohammed Hussein	01.05.2020	-	-	-	-	4/4	-	-	-
Dato' Haji Syed Moheeb Syed Kamarulzaman ⁽¹⁾	15.01.2014	-	-	2/2	7/7	2/2	1/1	2/2	2/2
Teoh Kok Lin ⁽²⁾	27.06.2014	-	-	4/4	3/3	-	-	-	2/2
Suresh Menon ⁽³⁾	17.07.2014	-	2/2	4/4	3/3	-	-	-	-
Dato' Ong Eng Bin	14.10.2014	-	5/5	-	-	4/4	-	2/2	-
Choong Tuck Oon ⁽⁴⁾	20.01.2017	-	2/2	-	4/4	-	1/1	-	2/2
Adnan Zaylani Mohamad Zahid ⁽⁵⁾	18.10.2018	19.04.2022	2/2	-	3/3	4/4	1/1	-	-
Faisal Ismail ⁽⁶⁾	01.12.2019	-	5/5	2/2	-	-	-	2/2	-
Saleha M. Ramly ⁽⁷⁾	01.12.2019	-	3/3	-	-	2/2	-	2/2	2/2
Datuk David Chua Kok Tee ⁽⁸⁾	15.02.2013	14.02.2022	-	2/2	7/7	-	-	2/2	2/2
Number of Meetings held in FY2021			5/5	4/4	7/7	4/4	1/1	2/2	2/2

Chairman

Member

¹ Ceased as BNRC member and appointed as BIC member on 1 July 2021. He was also appointed as BimSMEC member on 12 November 2021.

² Ceased as BRMC member on 1 July 2021.

³ Ceased as BAC and BRMC member on 1 July 2021.

⁴ Ceased as BAC member on 1 July 2021 and appointed as BimSMEC Chairman on 12 November 2021.

⁵ Ceased as BAC and BRMC member on 1 July 2021 and appointed as BimSMEC member on 12 November 2021. He resigned as Director on 19 April 2022.

⁶ Ceased as BIC member on 1 July 2021.

⁷ Ceased as BNRC member and appointed as BAC member on 1 July 2021.

⁸ Ceased as BIC member on 1 July 2021. He retired as Director on 14 February 2022.



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V. BOARD ACTIVITIES AND DISCUSSIONS

The topics or activities that the Board conducted and/or deliberated on during FY2021 were as follows:



Finance

- Financial Performance Update
- 2021 Budget Clarification & Segmental Reporting (Baseline, Special Scheme, 5SP)
- Audited Financial Statements FY2020
- Modification Loss Adjustment Resulting from the Moratorium Period
- FY2021 Mid-Year Review



Strategy

- Participation in Bank Negara Malaysia's (BNM) Disaster Relief Facility (DRF)
- 5-Year Strategic Plan 2021-2025
- Corporate KPIs for Financial Year (FY) 2021
- Participation in BNM's 2nd Upsize of the Targeted Relief & Recovery Facility (TRRF) by RM2.0 Billion Making a New Total of RM6.0 Billion
- CGC Developmental Programme™ Performance Update and Going Forward Plan
- Waiver of Profit for Direct Financing Customers under the PEMULIH Repayment Assistance imSME: What Next?
- Extension of Phase 1 BizMikro-i with Additional Funding Size of RM12 Million
- Participation in BNM's 3rd Upsize of the Targeted Relief and Recovery Facility (TRRF)



Governance

- Revision to CGC's Constitution
- Board Evaluation Exercise for Year 2020
- Composition of Board and Board Oversight Committees
- Reappointment of External Auditor for Financial Year Ending 2021
- Update on Malaysian Code on Corporate Governance 2021
- Revision to the Terms of Reference of the Board Oversight Committee
- Establishment of Board imSME (ad hoc) Committee



Risk Management/Compliance

Shariah Governance Framework

Revision of Anti-Money Laundering and Counter-Financing Terrorism (AMLCFT) Policy

Annual Review of Anti-Money Laundering and Counter-Financing of Terrorism (AMLCFT) Risk Assessment

CGC Readiness towards Anti-Bribery and Corruption Compliance

Revision of Guarantee Reserve Ratio (GRR) and Capital Adequacy Ratio (CAR)

Simulation of Mid-term Expected Credit Losses

Market Risk Policy

Revision of Credit Underwriting Policy for Guarantee and Financing

Credit Risk Monitoring Policy for Guarantee and Financing

Credit Risk Management Policy for Guarantee and Financing

Rescheduling and Re-structuring (R&R) Policy for Guarantee and Financing

Revision of Write-off Policy for Guarantee and Financing

Revision of Approving Authority Matrix

Rescheduling and Restructuring (R&R) of Staging Treatment under Assistance Programme

Risk Management Dashboard

Enterprise Risk Management Framework

Product Development Policy and Guideline

Climate Change Risk

Project Risk Assessment Guideline



Technology

imSME Performance Update

Quarterly Progress Update on 5-Year Strategic Plan (5SP) 2021-2025



People & Culture

2021 Employee Engagement Survey

Revision of Balance Scorecard & Performance Management Framework for FY2022

Launching of New Human Resource Management System (HRMS) (SMART People)

Revision of Human Capital Policy

Proposed Manpower Planning 2022



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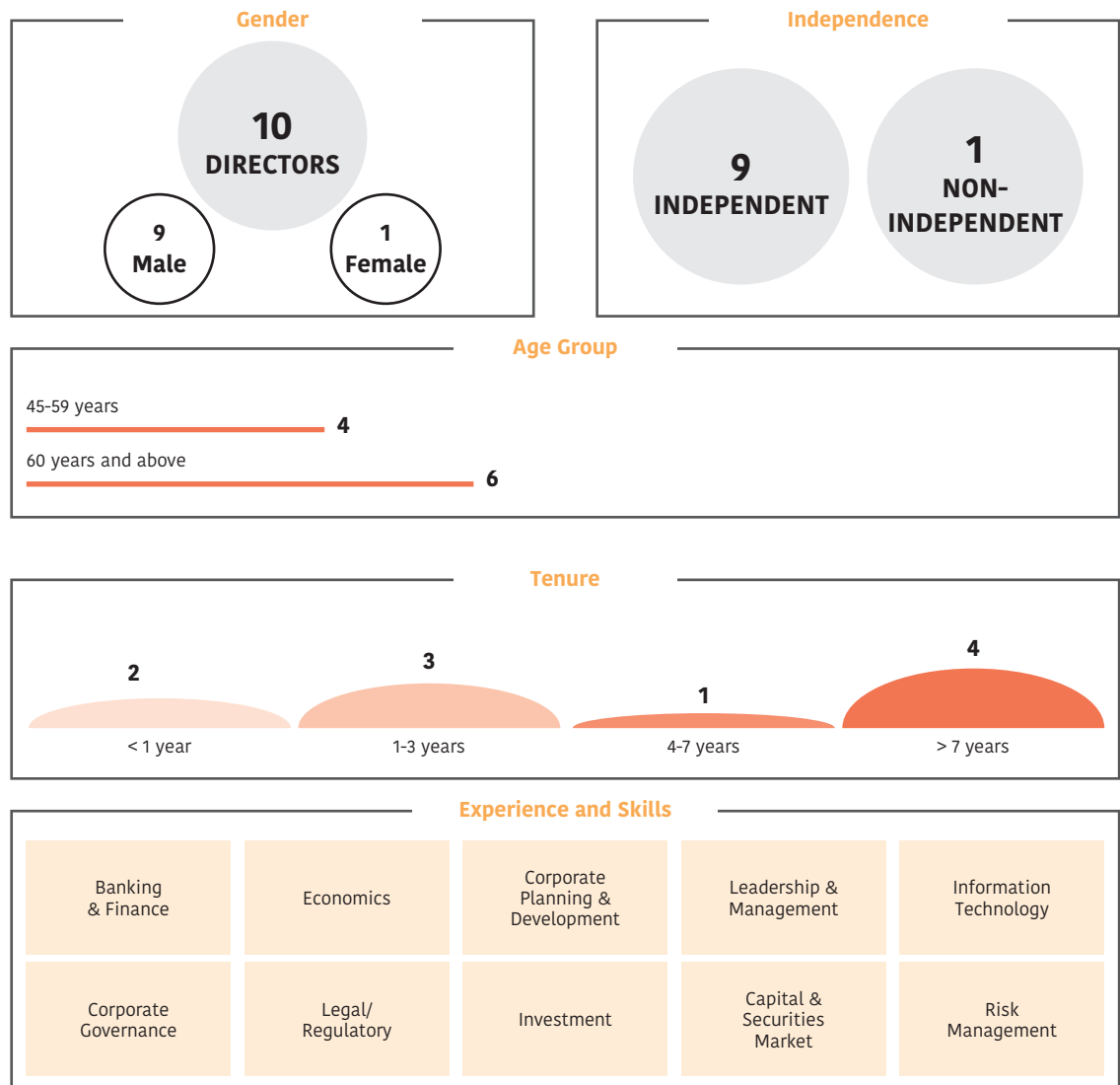
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VI. BOARD COMPOSITION

The Board currently comprises ten (10) Directors, nine (9) male and one (1) female, of whom nine (9) are Independent and one (1) is Non-Independent. The Non-Independent Director represents Bank Negara Malaysia, who is the major shareholder of CGC.

Anthony Lim Choon Eng was on 1 April 2022 appointed as the new Independent Non-Executive Director replacing Datuk David Chua Kok Tee, who retired on 14 February 2022 due to his completion of nine (9) years' tenure on the Board. This is in line with Practice 5.4 of the Code, which limits the tenure of its independent directors to nine years without further extension.

On 28 April 2022, Suhaimi Ali was appointed as the new Non-Independent Non-Executive Director replacing Adnan Zaylani Mohamad Zahid who resigned effective 19 April 2022.



(a) Board Diversity

The composition of the Board and its Oversight Committees is reviewed from time to time to ensure the Board comprises experienced and dynamic individuals. This is crucial to ensure sufficient diversity, efficiency and independence in the decision-making process.

In 2021, the Board reviewed the composition of Board Oversight Committees and agreed to limit the membership to three (3) members only. The membership of Board Oversight Committees may be rotated among Directors from time to time as recommended by BNRC and approved by the Board. The new composition of Board Oversight Committees is expected to bring new skills and perspectives to the boardroom.

The current Board consists of individuals with diverse age, gender and backgrounds. They are recognised for their mix of skills, educational background, knowledge, expertise, professional experience and business acumen relating to investment and banking, credit analysis and rating, business management, insurance, legal and secretarial, finance, accounting, information technology and corporate governance, as well as asset management. The Directors have contributed significantly to the Board's decision-making process through fresh views and ideas to ensure a balanced, robust and unbiased deliberation process was in place.

The current Board reflects a well-balanced group whose size is appropriate to facilitate diversity of views, constructive deliberation and decision-making to achieve effective stewardship and management.

The Board is certain that the existing appointment process and requirements for selecting new Board members are adequate in promoting diversity, and opportunities. Board diversification has positive, value-relevant impact for CGC.

The Board recognises the need to re-balance its composition to allow 30% representation of women Directors. Nevertheless, Board appointments will first be based on the objective, criteria and merits.

(b) Board Independence

None of the Independent Directors have served on the Board for a cumulative term of more than nine (9) years from the date of his/her first appointment. This practice is consistent with CGC's Board Charter, i.e. tenure of Independent Director's service is limited to a maximum of three (3) terms or nine (9) years in total.

In the event that the service of an Independent Director is extended further, such term shall be subject to the Board's recommendation and shareholders' approval respectively. If the Board continues to retain the Independent Director after the ninth year, the Board shall seek annual shareholders' approval through a two-tier voting process, as outlined in the Code.

VII. TERMS OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

CGC is committed to effective corporate governance, nurturing a culture of ethical behaviour and promoting integrity and respect. Based on this spirit, CGC developed a formal, transparent procedure for new appointment and re-appointment of a Director to the CGC Board.

Appointment and qualification criteria of a Director are governed by:

- The Companies Act 2016
- CGC's Constitution
- Criteria set under CGC's Guidelines on Appointment of the Board of Directors

The current sourcing method for a new Director is via professional network or referrals from existing Directors. For future director recruitment, CGC may use independent resources to identify suitably qualified candidates from a wider talent pool.

The candidates for directorship and Board Oversight Committee membership are assessed by BNRC prior to recommending to the Board for approval. As part of the initial screening and selection process, BNRC is responsible for considering the following criteria with respect to assessment of a candidate's fitness and propriety:

**VIII. RETIREMENT AND RE-ELECTION OF DIRECTORS**

BNRC is responsible for assessing the Directors recommended to be re-elected at the Annual General Meeting (AGM) and the retiring Directors are required to give their consent to their re-election. The assessment conducted by BNRC includes the retiring Directors' contribution, competencies, commitment, personality and performance based on BNM's Fit and Proper Criteria. In addition, the assessment includes background screening and verification by an independent agent and the Company Secretary. Upon conclusion of the assessment, BNRC submits its recommendations to the Board for endorsement and, thereafter, to shareholders for approval.



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At each AGM, one-third of the Directors or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office by rotation pursuant to Article 76A of CGC's Constitution. The retiring Directors shall be the Directors who have been longest in office since the Directors' last election, as set out in Article 76B. of the Constitution. A retiring Director shall be eligible for re-election based on Article 76C of the Constitution.

The following three (3) Directors have served the longest in office since their last election and shall retire by rotation at the forthcoming AGM. The BNRC and Board recommended their re-election and all three (3) Directors have given their consent to be re-elected:

A	B	C
Choong Tuck Oon	Faisal Ismail	Saleha M. Ramly

Article 77 of CGC's Constitution states that the Directors shall have power to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director(s) appointed in this way shall hold office until the next AGM. The following Directors, Anthony Lim Choon Eng and Suhaimi Ali, who were appointed as Directors in 2022, will retire and are eligible for re-election at the forthcoming AGM in line with the previously mentioned Article. The Directors are recommended for re-election by the Board and they have given their consent to be re-elected as Directors.

IX. TIME COMMITMENT

In order to effectively discharge their responsibilities, Non-Executive Directors must commit sufficient time to their role. The Chairman is satisfied that each Non-Executive Director has committed sufficient time to CGC, as is evident from full participation in Board activities and meetings throughout 2021.

The Chairman continues to commit considerable time to fulfilling his duties and responsibilities at CGC, which takes priority over other business commitments.

During the financial year 2021, the Chairman and Non-Executive Directors also spent sufficient time to enhance their knowledge of CGC. The Board also continued to keep abreast of CGC's dynamic business environment. This included briefing meetings with Senior Management, as well as regular training sessions to ensure ongoing business awareness.

X. DIRECTORS' REMUNERATION

Fees and benefits payable to Non-Executive Directors are subject to shareholders' approval at the Annual General Meeting of CGC. CGC's Board will assess any revision to Directors' remuneration, based on benchmarking among organisations in a similar industry and of similar size, prior to shareholders' approval.

The Directors' Remuneration Framework sets out the following factors before proposing a revision to the Directors' remuneration:

A	B	C
Benchmark of CGC's financial performance and remuneration against organisations within a similar industry	Achievement of CGC's initiatives	Remuneration report by professional bodies such as FIDE Forum or external consultants

The details of the remuneration received by the Directors from CGC during FY2021 are as follows:

Non-Executive Directors	Directors' Fees (RM'000)	Meeting Allowance (RM'000)	Benefit-in-kind (RM'000)	Total (RM'000)
Dato' Mohammed Hussein	180	75	109	364
Datuk David Chua Kok Tee ¹	72	95	6	173
Dato' Haji Syed Moheeb Syed Kamarulzaman	72	98	6	176
Teoh Kok Lin	72	76	6	154
Suresh Menon	72	70	6	148
Dato' Ong Eng Bin	72	74	6	152
Choong Tuck Oon	72	75	6	153
Adnan Zaylani Mohamad Zahid ²	60	42	-	102
Faisal Ismail	72	78	6	156
Saleha M. Ramly	72	74	6	152
Total	816	757	157	1,730

¹ Retired as Director on 14 February 2022

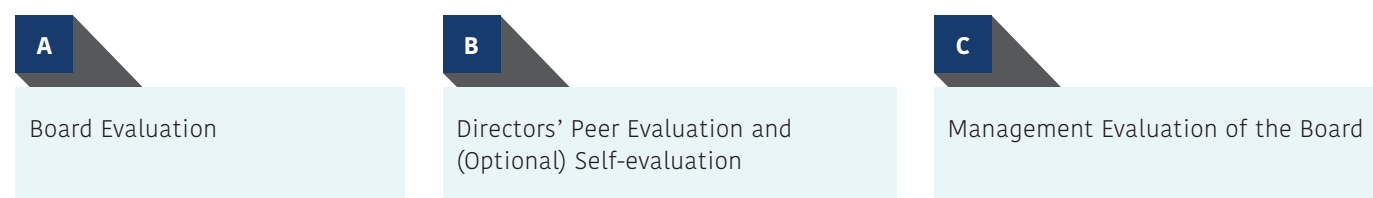
² Resigned as Director on 19 April 2022

XI. PERFORMANCE EVALUATION

In 2016, CGC engaged an independent consultant, Malaysian Directors Academy (MINDA), to conduct a Directors' Evaluation Exercise for Board and Board Oversight Committees.

Due to the ongoing COVID-19 pandemic and to avoid any risk to relevant parties, the Board Evaluation exercise for year 2021 was conducted internally without engaging an independent party. The performance evaluation of the Board, Board Oversight Committees and individual Directors was conducted through BNRC with the assistance of the Company Secretary.

In compliance with the Code and BNM's Policy on Corporate Governance, the CGC 2021 Board Evaluation exercise was conducted via online questionnaire, comprising the following:



Overall, the assessment results of the Board, Board Oversight Committees, and most individual Directors were 'Exceed Expectations', reflecting effective discharge of Directors' roles and responsibilities.



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XII. BOARD INDUCTION AND TRAINING

All new Directors are provided with comprehensive and tailored induction following their appointment to the Board. The combination of office visits and technical briefings, along with introductory meetings through the CGC Board Induction Programme, are intended to assist the new Directors to understand CGC, the business environment in which it operates, its people and their role in making the organisation a success.

The Board ensures that all Directors receive ongoing training and development and fully participate to enhance their roles as Board members. Some of them even became panel speakers on several programmes.

The Directors attended the following training to further enhance their skills and knowledge:

TRAINING COURSES ATTENDED

(A) LEADERSHIP

1.	FIDE FORUM – The Role of Independent Directors in Embracing Present and Future Challenges
2.	FIDE FORUM - The Board’s Role and Responsibilities in Crisis Communication
3.	FIDE FORUM - Board Effectiveness Evaluation Industry Briefing
4.	FIDE FORUM - Engagement Session on Board Leadership Framework
5.	Khazanah Nasional Berhad (Khazanah) - Khazanah Alumni Tea Talk: 16 Leadership Lessons from the Trenches by Tan Sri Azman Mokhtar
6.	Institute of Corporate Directors Malaysia (ICDM) - Virtual Talk: Risk, Strategy and Governance – How Integrated Thinking Can Support Boards in Creating Long-term Value
7.	ICDM - FCD Module D: Financial Essentials for Directors
8.	ICDM - Board and Executive Remuneration in Times of Crisis
9.	ICDM - Power Talk Series: Collaboration in the Boardroom
10.	Etiqa Takaful - Quality, Corporate Success and Good Leadership (Speaker: Dato’ Haji Syed Moheeb)

(B) TECHNOLOGY

1.	FIDE FORUM - Rethinking Our Approach to Cyber Defence in Financial Institutions (FIs)
2.	Bank Negara Malaysia (BNM) - Knowledge Sharing Session by FireEye: Cyber Threat Landscape for Financial Services Market - 2021 and Beyond
3.	BNM - Sharing Session on Central Bank Digital Currency
4.	Kumpulan Wang Persaraan (KWAP) – Go to Meeting: Cyber Security Oversight in the Boardroom
5.	ICDM – Power Talk Series: Accelerated Digital Transformation of Legacy Companies
6.	OCBC Bank (Malaysia) Berhad (OCBC) - 2021 Alibaba Global Course on Cognitive AI Intelligent Business
7.	CITIC CLSA – Digitising ASEAN
8.	Macquarie – ASEAN Digital Wallet
9.	Macquarie – Digital Yuan

TRAINING COURSES ATTENDED

(C) RISK MANAGEMENT



1.	FIDE FORUM - Risk-based Capital Framework for Insurers and Takaful Operators
2.	FIDE FORUM - Risk Management in Technology and Digital Transformation
3.	FIDE FORUM - BNM/FIDE Dialogue on RMIT #Insights One Year On
4.	CGC - Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act (AMLA) 2001: Risk, Challenges, Governance and Transparency in Managing Business and Compliance
5.	OCBC - New Risk and Governance - Balancing Risk and Leadership by Captain Raghu
6.	Standard Chartered Bank Malaysia Berhad (SCBM) - Workshop on Climate Risk Management
7.	ICIF Asia School of Business - Risk Management Committee - Banking Sector
8.	Asia School of Business - Risk Management in Technology (RMIT) and Digital Transformation: What Do They Mean for Governance and Strategy of Bank and Insurance Boards?
9.	Danajamin - Unexpired Risk Reserve and Unearned Premium Reserve

(D) STRATEGY/ECONOMIC OUTLOOK



1.	Hong Kong Economic and Trade Offices in ASEAN, Hong Kong Trade Development Council and the Thai-Hong Kong Trade Association - Reconnect: Hong Kong – ASEAN Partnership
2.	Discussion at the Virtual Malaysia Urban Forum for City Leaders Roundtable: A Call to Action in Inclusive Growth and Resilient Recovery
3.	Institute of Strategic and International Studies (ISIS) Malaysia - Foreign Policy Speaker Series: New Strategies for the Pandemic's Second Year
4.	BNP Paribas Malaysia Berhad (BNPP)/ The Economist Corporate Network Dr Simon Baptist: 2021 APAC Economic Outlook and What to Expect from the US Elections
5.	Ernst & Young Advisory Services Sdn. Bhd. (EY) - Malaysia Budget 2021 Webinar
6.	Chartered Financial Analyst (CFA) Society Malaysia/Association of Chartered Certified Accountants (ACCA) - 2021 Mid-year Outlook: Tackling Tricky Transitions
7.	Securities Commission Malaysia (SC) - FIDE FORUM - Dialogue on Capital Market Masterplan



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(E) FINANCIAL INDUSTRY



1.	FIDE FORUM - Dialogue on MFRS17 Insurance Contracts: What Every Director Must Know
2.	FIDE FORUM - The Future of Malaysia's Financial Sector
3.	BNM-FIDE FORUM-Malaysia Accounting Standards Board (MASB) - Webinar: Dialogue on MFRS 17 Insurance Contracts: What Every Director Must Know by Darrel Scott
4.	BNM - SC - JC3 Flagship Conference: Finance for Change
5.	BNM - Financial Sector Blueprint 3.0: Small Group Conversation on the Future Financing Landscape
6.	BNM - Financial Sector Blueprint 2022-2026: Engagement with the Banking Institutions
7.	BNM - Engagement Session with leaders of SME Associations
8.	KSI Strategic Institute for Asia Pacific - 2021 Malaysian Banking and Finance Summit "Future of Banking in the New Normal - Disruptive Innovation, Technology and Transformation"
9.	KLIFF - Muzakarah Penasihat Shari'ah Kewangan Islam
10.	International Shari'ah Research Academy for Islamic Finance (ISRA) - Islamic Finance for Board of Directors
11.	University of Manchester - Open Finance Panel Discussion
12.	World Bank - World Bank's Islamic Trade Finance Report Launching
13.	REDmoney - IFN Asia Forum 2021 (Keynote address: Adnan Zaylani)

(F) SUSTAINABILITY

1.	FIDE FORUM - The 2050 Net Zero Carbon Emissions Target: Finance's Role
2.	FIDE FORUM - Bursa-FIDE FORUM Dialogue on Sustainability
3.	FIDE FORUM - Climate Action: The Board's Leadership in Greening the Financial Sector
4.	FIDE FORUM - Green Fintech: Ping An's Use of Technology to Support Green Finance Objectives
5.	OCBC - Clean Energy Series Training: Carbon Trading Primer
6.	KSI Strategic Institute for Asia Pacific - Penang Future Forward Summit 'Achieving a Resilient and Sustainable Economy'
7.	RHB Asset Management Sdn Bhd - Environmental, Social & Governance (ESG) and Sustainable Investing - The Way Forward
8.	Danajamin - Sharing session by HSBC Bank Malaysia Berhad on Sustainability-linked Funding
9.	Islamic Banking and Finance Institute Malaysia (IBFIM) - Sustainability and Value-based Intermediation (VBI) Programme by Institute of Sustainability Leadership, University of Cambridge (CISL) and IBFIM
10.	Association of Development Finance Institutions of Malaysia (ADFIM) - Sustainable Financing Webinar

TRAINING COURSES ATTENDED

(G) OTHERS



1.	FIDE FORUM - BNM-FIDE Dialogue with Tan Sri Nor Shamsiah Mohd Yunus, Governor of Bank Negara Malaysia
2.	BNM - Stakeholders' Engagement with SME Associations - Tourism Sector
3.	BNM - Culture Foundation Workshop
4.	BNM - Webinar - Raising Defences: 'TRUST' Adequate Procedures and S17A Malaysian Anti-Corruption Commission Act
5.	BNM - 2021 Bank Negara Malaysia Business Acumen (BNMBA) 'Philosophy and Public Policy' Session (Speaker: Adnan Zaylani)
6.	33 rd Asian Credit Supplementation Institution Confederation (ACSIC) 2021 Conference Secretariat
7.	Asian Institute of Chartered Bankers (AICB) and London Speaker Bureau - Talk - i) Lead and Execute ii) Happiness - A Critical Competitive Advantage iii) Being Human in the Age of Artificial Intelligence
8.	OCBC Singapore - Stewarding for the Future - Roundtable
9.	Equity Crowd Funding by Elaine Lockman
10.	SCBM - Global Outlook 2021, Vaccinating against Valuation
11.	ICDM - Stakeholder Capitalism: A Vital Pandemic Agenda?
12.	ICDM - Power Talk Series: Building Mindsets of Tomorrow
13.	ICDM - Launch of Malaysian Board Practices Review Report
14.	Eventbrite - PEMANDU Associates - The CIMB Transformation Story by Tan Sri Nazir Razak
15.	Eventbrite - PEMANDU Associates - The Air Asia Story by Tan Sri Tony Fernandez
16.	PEMANDU Associates - Transforming National Treasures - The Khazanah Nasional Story by Tan Sri Azman Mokhtar
17.	The Khazanah Megatrends Forum 2021 - The Invention of Tomorrow - Crafting Our New Collective Narrative
18.	Nomura - Nomura ASEAN Virtual Conference 2021
19.	Jefferies Financial Group - The Jefferies Asia Forum
20.	J.P. Morgan Chase Bank Berhad - A Journey into Metaverse Gaming

XIII. BOARD OVERSIGHT COMMITTEES

In an effort to focus and spend additional time deliberating on pertinent issues, the Board delegates specific functions to its respective Board Oversight Committees (BOCs). This is to support and assist in discharging its fiduciary duties and responsibilities whilst ensuring independent oversight.

The BOCs operate under the approved TOR set by the Board, which are reviewed and updated from time to time. The deliberations and recommendations of BOCs are reported to the Board, where the ultimate decision lies, except for matters which specifically confer powers and authorisation on a Committee.

As part of its initiative to encourage the Management to step up and take the lead on CGC initiatives/projects, the Board agreed to disband two (2) of the BOCs i.e. Board Bumiputera Development Committee (BBDC) and Board IT Committee (BITC) effective 14 June 2021.

In an effort to focus and reaffirm the future status of imSME, the Board established Board imSME Committee (BimSMCE) on 12 November 2021.



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The Board currently has a total of five (5) BOCs. Descriptions of each BOC are established by the Board as follows:

Board Audit Committee (BAC)

Assists the Board by providing an oversight role on CGC’s financial reporting, business governance, risk management and internal control systems.

Board Risk Management Committee (BRMC)

- Assists the Board to deliberate on CGC’s risk management practices.
- Ensures effectiveness of identification, measurement, monitoring and control of risks, as well as compliance with applicable laws, regulations and guidelines for good corporate governance.

Board Nomination & Remuneration Committee (BNRC)

- Assists the Board on the following:
- Appointment and remuneration of Directors and President/Chief Executive Officer and/or Executive Director (if any), as well as assessment of effectiveness of individual Directors, Board, BOCs and assessment of the performance of President/Chief Executive Officers and/or Executive Directors (if any) and Senior Management Officers.
 - CGC’s human resource strategies, policies, performance and reward systems, as well as ethical business conduct of employees.

Board Investment Committee (BIC)

- Reviews investment policies, strategies, policies and guidelines.
- Provides strategic direction governing CGC investment activities.

Board imSME Committee (BimSMEC)

- Assists the Board to oversee the progress and reaffirm the future status of imSME.
- Provides strategic guidance/direction on the best alternative operating model for imSME in future, as well as to expedite the implementation of initiatives related to imSME’s future status.
- Ensures activities/initiatives related to imSME’s future status are planned and monitored closely.

XIV. EXTERNAL ADVICE

In discharging their duties, Directors may seek independent professional advice in respect of their duties to the Board and its BOCs, at CGC’s cost, to assist and enable the Directors to make independent and informed decisions. However, no Directors sought external advice during the year under review.

XV. DIRECTORS’ CONFLICT OF INTEREST

The Directors acknowledge their responsibility for avoiding an actual or potential conflict of interest. Any Director shall immediately disclose and declare to the Board any interest (actual, potential or perceived) which is in conflict with CGC, based on the procedure set out in the Board Charter as well as the Companies Act 2016.

XVI. SUPPLY OF AND ACCESS TO INFORMATION

The Board has full and timely access to information pertaining to CGC’s business and affairs to enable them to make informed decisions and discharge their duties effectively.

To ensure Board members are well informed and have sufficient information prior to meetings, appropriate documents, including the agenda and reports, are circulated in advance from the date of the meeting. Such practice enables Directors to seek explanation and clarification on Board matters, if required, to effectively expedite the decision-making process.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Board has in place a BAC, which comprises three (3) members. All three BAC members are Independent Non-Executive Directors. The BAC is chaired by Faisal Ismail. The Board is satisfied that at least one (1) BAC member has the relevant financial experience and that all members bring extensive expertise to the Committee. The BAC as a whole is deemed to be competent in the sectors in which CGC operates.

The BAC is responsible for oversight of financial reporting, including the adequacy of financial disclosures and the effectiveness of Internal Audit function. The Internal Audit Function is established to undertake independent review and assessment of the adequacy, efficiency and effectiveness of risk management, control and governance processes implemented by the Management.

The BAC has the authority to request an audit or investigation into any entity within CGC, or any matters within its TOR. Further information on the BAC, including Internal Audit Function, can be found in the BAC report on pages 171 to 173 of this Annual Report.

II. RISK MANAGEMENT & INTERNAL CONTROL FRAMEWORK

The Board takes heed of the importance of CG. It strives to instil an effective structure through risk management processes with the establishment of the Enterprise Risk Management (ERM) Framework to meet its obligations towards customers, shareholders and other stakeholders. As risk is evolving and present in all our activities owing to the changing dynamic business landscape, the Board continuously reviews CGC's policies, procedures and processes to enable it to function effectively such as by:

- i. Identifying, assessing, evaluating and managing material risks that CGC faces
- ii. Determining the nature and extent of material risks it is willing to take in achieving its strategic objectives
- iii. Determining CGC's overall risk appetite and level of risk tolerance to achieve its strategic objectives, while taking a longer-term view on its ability to meet its obligations

The establishment of the ERM Framework was approved by the Board in 2021 to strengthen CGC's risk management capability and risk governance structure. The adoption of the four key policies of the ERM Framework are gaining traction at CGC, namely the three-lines-of-defence model, the integration of risk management processes into key activities of CGC, the escalation of risk and compliance issues to governing authorities and the provision of resources to implement ERM at CGC.

The Board is also responsible for regularly reviewing the effectiveness of CGC's risk management and internal control system. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Board's monitoring scope covers all areas of controls including financial, operational, compliance and risk management. It is based principally on reviewing reports from Management to consider whether significant risks are identified, managed and controlled properly. The Board also ensures that significant weaknesses are promptly remedied and indicate a need for more extensive monitoring. The BAC assists the Board in discharging its review responsibilities.

In addition, with a comprehensive financial reporting system in place, the Board receives a number of reports to enable it to carry out its functions in the most efficient manner. These procedures include the preparation of management accounts, forecast variance analysis and other ad hoc reports. Clearly defined authority limits are set out throughout CGC, including those matters reserved specifically for the Board.

Throughout the reporting period, a formal material risk assessment exercise is carried out, resulting in the formulation of CGC's risk profile. This summarises its key material risks, their potential impact and mitigation plans.

More on our Risk Management and Internal Control Framework can be found in our Risk Management and Internal Control Statement on pages 154 to 159.

During the course of reviewing its risk management and internal control systems, the Board has not identified, nor been advised of, any failings or weaknesses which it has determined to be significant, consistent with the prior year.



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PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

I. RELATIONSHIP WITH STAKEHOLDERS

CGC recognises the importance of maintaining a satisfactory and fulfilled relationship with its various stakeholders and is committed to promoting transparency, disclosure and accountability with them.

II. RELATIONSHIP WITH EMPLOYEES

The year 2021 marked itself as a unique year when physical distancing disrupted conventional employee interaction. In a time of crisis, CGC continues to enforce Work From Home (WFH) policy and Split Workforce arrangements. Microsoft Office 365 served as a secure communication channel ensuring that information sharing, communication flow and collaboration continue, albeit virtually.

Quarterly townhall sessions via Microsoft Teams continue to serve as a two-way communication platform for employees to obtain the latest information on CGC's performance and important corporate announcements.

To ensure consistency across the employee life cycle, Human Capital (HC) Policy revision and realignment were initiated to achieve the following:

- Align with CGC 5-Year Strategic Plan (5SP), its digital and operational transformation
- Align with the new way of working (e.g., addressing current pandemic situation)
- Address the culture change that drives employee motivation and performance, and rewards transformation
- Complement the new Human Resource Management System (HRMS) (SMART People) as the platform for employee management.

As part of CGC's transformation journey, HC completed the implementation of the new HRMS platform in Q4 2021. The new HRMS, known as SMART People, enables enhanced employee experience through automation of HR-related tasks.

HC continues leveraging e-Learning to facilitate learning any time, anywhere. The content was selected, based on the mapping of approved Core Competencies.

III. RELATIONSHIP WITH CUSTOMERS

The Client Service Centre (CSC) assists CGC in providing excellent customer service experience through timely and accurate response to received inquiries. Alternatives and solutions to customer issues are also made available.

- CSC's initial objective is to be a One-stop Communication Centre via various channels for CGC where customers can obtain information on CGC's products and services. Along the way, CSC's role has expanded to supporting and assisting the chain of customer experience for imSME and MyKNP.
- Continued to serve imSME clients through outbound calls to help them complete their journey on the platform.
- Continued to serve MSMEs by providing advisory for unsecured financing inquiries under MyKNP@CGC.
- In line with the Corporation's strategic plan to leverage technology towards transforming CGC, CSC leads the Chatbot project, also known as imSME Digital Assistant (iDA) under imSME Portal. This provides virtual assistance to the customer, as well as an additional channel of communication for the customer to reach CGC. During the pandemic in FY2021 the number of Chatbot users and Interactions increased tremendously to assist customers with their enquiries related to CGC and imSME. With Chatbot assistance, CSC can focus on improving customer experience and satisfaction.

- Launched a new Chatbot avatar look to attract more customers to engage with the Chatbot in imSME. Overall, the Chatbot attended to 35,406 users with 115,820 interactions.
- Set up new Call Centre System that also helps CSC to continuously serve the customer, even during a pandemic. It also increases productivity and efficiency.
- Served 7,536 inbound calls, with 93% of inquiries resolved within Charter.

IV. RELATIONSHIP WITH SUPPLIERS

The role of Facilities and Administration Services (FAS) is to ensure efficiency and effectiveness in managing building facilities, general administration and office security and safety of the Corporation. FAS engaged with suppliers in providing office/building facilities, maintenance services and office general administration services.

Summary of FAS operational manual when engaging external vendors is as below:

1. Request for Information (RFI)
2. Request for Quotation (RFQ) in line with Company's standard guideline following the procurement process
3. Tendering Process where necessary
4. Preparation of business case paper for approval (based on Approving Authority Matrix)
5. Issuance of Purchase Order.

Our responsibilities are to carry out administration duties pertaining to office general administration, office renovation and office security. It is essential to maintain good relations with suppliers so as to ensure that they meet and sustain the quality of both the service they render and the products they supply to us.

V. RELATIONSHIP WITH SHAREHOLDERS

The General Meetings are an important platform for direct two-way interactions between the shareholders, the Board and Senior Management of CGC. The Board recognises the importance of presenting the progress and performance of CGC's business to shareholders at the General Meetings. Active attendance, participation and dialogue by shareholders are encouraged in the Question and Answer (Q&A) session of General Meetings on the proposed resolutions or CGC's operations in general. They will be responded to accordingly by the Directors, Senior Management or External Auditors of CGC during the meeting.

Other modes or channels of communication through publication of the Annual Report and CGC's website, www.cgc.com.my have been made available to shareholders to conveniently access key information or any updates on CGC's financial performance, and major initiatives for the year.

VI. ANNUAL GENERAL MEETING

The 48th AGM was held virtually by leveraging technology in accordance with Section 327(1) of the Companies Act 2016 and the Securities Commission of Malaysia's directives for companies to consider the use of relevant technology to provide ease of shareholder participation and improve the conduct of general meetings (adopted by CGC as best practice) due to ongoing COVID-19 pandemic and government restrictions in place to deter holding of large gatherings.

In line with CGC's best practice, the shareholders were notified of the AGM via the Notice of the 48th AGM and a copy of CGC's Annual Report circulated twenty-eight (28) days before the date of the meeting providing shareholders sufficient time to read the Annual Report and the resolutions proposed.

The Directors are committed to attending the scheduled AGM approved in advance by the Board, save for unforeseeable circumstances beyond their control.