

Leading Asia



Maybank

SUSTAINABILITY REPORT 2017



DELIVERING VALUE ACROSS **ASEAN**

As a leading financial services group in ASEAN, we are passionate about our people and we will continue to embrace the diversity of the region. Whether we are serving our customers or communities across the region, our focus on delivering the best customer experience is underpinned by our mission of Humanising Financial Services.

For more than five decades, we have grown not only our physical presence but we are also at the forefront of digital banking developments. We look to constantly deliver value through better services and products and we leverage technology to deliver seamless banking experiences for all.

As trends continue to evolve, we look forward to serving you better and creating sustainable value for our stakeholders, now and in the future.

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SUSTAINABILITY REPORT 2017

The Maybank Sustainability Report 2017 provides a balanced and comprehensive report of the Group's sustainability performance in relation to issues material to the Group and its stakeholders, and complies with the Global Reporting Initiative (GRI) G4 Guidelines and Bursa Malaysia Main Market Listing Requirements relating to Sustainability Statements in Annual Reports.

The report is available at www.maybank.com/sustainability

MAYBANK OVERVIEW

Established in 1960, Maybank is the largest financial services group in Malaysia with an established presence in the ASEAN region. We provide a full suite of conventional and Shariah-compliant products and services in commercial banking, investment banking and insurance.

OUR VALUES

Our T.I.G.E.R. values are the guiding principles for all Maybankers to serve our mission of Humanising Financial Services.

- T TEAMWORK
- I INTEGRITY
- G GROWTH
- E EXCELLENCE & EFFICIENCY
- R RELATIONSHIP BUILDING



fulfil

OUR MISSION

We fulfil our customers' ambitions by building trusted relationships that last for generations through thick and thin. We believe in treating all our stakeholders fairly and in simplifying financial solutions.



HUMANISING
FINANCIAL SERVICES

guides

OUR ASPIRATION

As we grow together with our customers, the Maybank brand has reached all 10 ASEAN countries, Greater China and other key global financial markets. Our aspiration is to be the top ASEAN bank, fulfilling our customers' ambitions in the region and linking them to Asia and beyond.



ADVANCING ASIA'S
AMBITIONS WITH YOU



OUR DIFFERENTIATORS



We serve our communities in ways that are simple, fair and human, thus embodying our mission of **Humanising Financial Services**



Over **43,000** Maybankers who serve the mission, empowered by the **T.I.G.E.R. values**

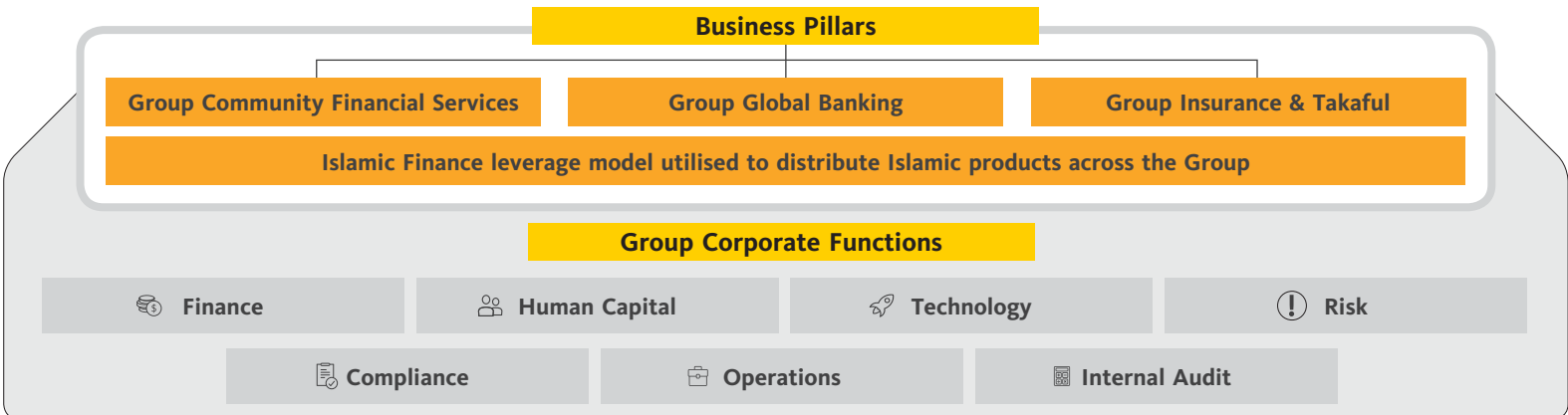


Our **strong retail community franchise** across **ASEAN**



OUR STRUCTURE

In serving our mission, we provide an array of financial solutions through three key business pillars, supported by shared corporate functions.



BUSINESS SEGMENTS, PRODUCTS & SERVICES

The Group operates via its three business pillars: Group Community Financial Services, Group Global Banking and Group Insurance & Takaful. We adopt a leverage model for Islamic finance where it utilises the Group's current infrastructure and network to distribute its products and services across the three business pillars.

Meanwhile, our international business operations are embedded within each business pillar.

Group Community Financial Services

Our retail franchise offers a full range of financial products and services to retail consumers, retail SMEs and mid-sized corporates (via Business Banking) which ranges from wealth management, credit cards to business lending solutions.

Share of Group PBT **46.3%**

For more details, go to Annual Report page 55

Total Financial Assets for Group Wealth Management:

7.8% YoY growth to
RM278 billion

Total mobile transactions:

146% YoY growth to
1.2 billion



Group Global Banking

Our corporate and investment banking franchise is a leading provider of wholesale banking services to large corporates and institutions. Our products and services include transactional banking, investment banking, corporate banking, global markets and treasury, and asset management.

Share of Group PBT **44.9%**

For more details, go to Annual Report page 59

No.1 in ASEAN Loan Syndication
(by bookrunner)*

No.1 in Debt Capital Market^
Source: Bloomberg* & Dealogic^



Group Insurance & Takaful

Etiqa is our insurance and takaful franchise. We provide conventional insurance (life and general), Takaful or Islamic insurance (family and general), long-term savings and investment products to individuals, families and corporates.

Share of Group PBT **8.8%**

For more details, go to Annual Report page 63

>70% market share in online insurance

Record PBT of
RM1.01 billion



Group Islamic Banking

Our Islamic division is a leading provider of Islamic financial products and services in ASEAN and offers a full suite of Shariah-compliant solutions across all our business pillars. We adopt an Islamic-first approach where we offer customers Shariah-compliant products and services as a standard product and this has helped us cement our position in the country and the region.

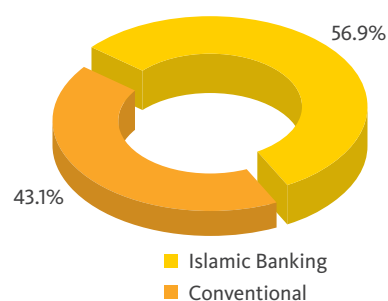
For more details, go to Annual Report page 66

International Operations

Malaysia, Singapore and Indonesia are three countries that makes up Maybank's home markets. We also operate in all the other countries in Southeast Asia, such as the Philippines, Indochina, Cambodia and Brunei and also in Greater China, the United States and England. Through our associates, we are also present in Pakistan, Vietnam and Uzbekistan.

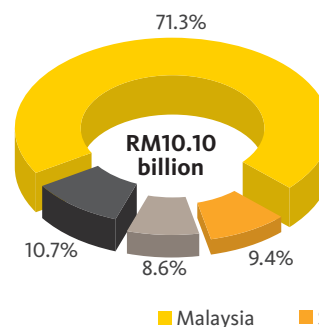
Discussion on our international operations is embedded in the three business pillar sections on Annual Report pages 55, 59 and 63

Contribution to Maybank's Loans & Financing in Malaysia at December 2017

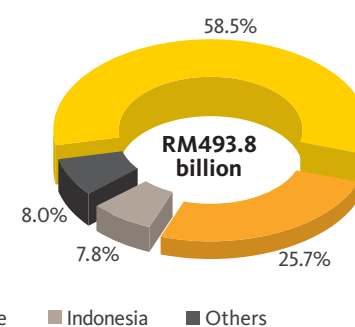


Year	Contribution from Islamic Banking
Dec 2016	54.5%
Dec 2017	56.9%

Profit before Tax (PBT)



Gross Loans*



* Including Islamic loans sold to Cagamas and exclude unwinding of interest

GLOBAL NETWORK

HOME MARKETS

● **MALAYSIA**

356 branches;
7 branches via Maybank Investment Bank;
24 Etiqa branches & 4 sales offices



● **SINGAPORE**

21 branches;
2 branches via Maybank Kim Eng;
1 Etiqa office & 1 service centre



● **INDONESIA**

407 branches;
6 branches via Maybank Kim Eng;
10 branches via Maybank Syariah Indonesia;
16 offices via PT Asuransi Asoka Mas



INTERNATIONAL MARKETS

● **BAHRAIN**

1 branch



● **BRUNEI**

2 branches



● **CAMBODIA**

21 branches



● **CHINA**

4 branches



● **HONG KONG**

1 branch;
1 branch via Maybank Kim Eng



● **INDIA**

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



● **LABUAN**

1 branch;
1 Etiqa office



● **LAOS**

2 branches



● **MAURITIUS**

1 branch via Maybank Indonesia



● **MYANMAR**

1 branch



● **PAKISTAN**

1,405 branches via MCB Bank;
1 office via Pak-Kuwait Takaful Company



● **PHILIPPINES**

74 branches;
3 branches via Maybank Kim Eng;
8 offices via AsianLife & General Assurance



● **SAUDI ARABIA**

1 affiliate office via Anfaal Capital



● **THAILAND**

47 branches via Maybank Kim Eng



● **UNITED KINGDOM**

1 branch;
1 branch via Maybank Kim Eng (London)



● **UNITED STATES OF AMERICA**

1 branch;
2 branches via Maybank Kim Eng
(New York & San Francisco)



● **UZBEKISTAN**

1 office via Uzbek Leasing International



● **VIETNAM**

2 branches;
6 branches via Maybank Kim Eng;
165 branches via An Binh Bank



Strategic Business Units, Annual Report page 14



Visit www.maybank.com/worldwide for more information

DELIVERING VALUE ACROSS ASEAN

Maybank Group is a leading provider of financial services in Asia and an essential part of the ASEAN landscape for almost 60 years. Our strong foundation – robust financial strength, prudence, integrity, innovation and excellence – helps us deliver our mission of ‘Humanising Financial Services’. This mission embodies our commitment to effectively deploy our five sources of capital – financial capital, intellectual capital, manufactured capital, human capital as well as social and relationship capital – to create value for our stakeholders.

OVER 2,400

branches across 20 countries
including all 10 ASEAN countries



5,854

self-service terminals



24/7 ONLINE

CREATING SHAREHOLDER VALUE

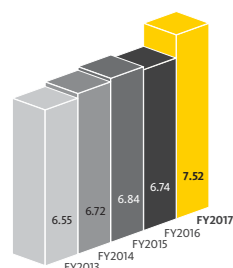
55.0 sen

total dividend per share to shareholders



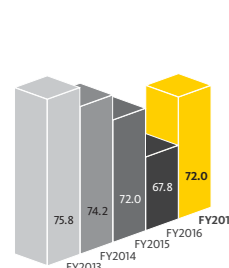
Net Profit (RM billion)

RM7.52 billion



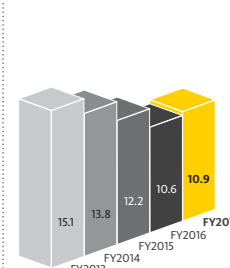
Earnings per Share (sen)

72.0 sen



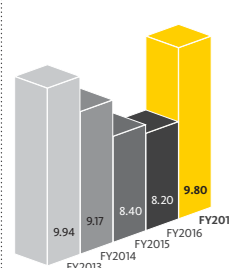
Return on Equity (%)

10.9%



Share Price (RM)

RM9.80



CREATING EMPLOYEE VALUE

Team of over 43,000 Maybankers who serve the mission, empowered by the T.I.G.E.R. values

RM124 million spent on employee learning and development

CREATING SUPPLIER VALUE

Procurement spent on local suppliers: over RM898 million (which is equivalent to 93.4% of total procurement)

CREATING ENVIRONMENTAL VALUE

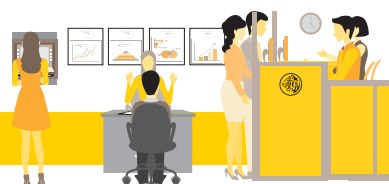
Maybank Group's Environmental, Social and Governance (ESG) Risk Management Framework

CDP score: C ('Awareness' level)

CREATING CUSTOMER VALUE

Over 11 million registered Maybank2u online users

Enhanced Maybank2u app with improved user friendliness and enhanced security features such as Secure2u and three biometric login options (face ID, voice ID and fingerprint)



CREATING COMMUNITY VALUE

We have channelled over 1% of net profit (including zakat) towards community programmes since 2013 with approximately RM65 million in community investment and over RM23 million in zakat contribution



VALUE DISTRIBUTED: RM16.92 BILLION*

Employees

36%

Shareholders

34%

Taxes

14%

Reinvestment

11%

HUMANISING FINANCIAL SERVICES

* Excludes non-controlling interests and depreciation and amortisation which amount to 5.73%

For more information, refer to the Annual Report 2017, Financial Performance, page 53

GROUP CORPORATE STRUCTURE

AS AT 31 DECEMBER 2017



COMMERCIAL BANKING

- **ISLAMIC BANKING**
 - 100% Maybank Islamic Berhad (Islamic Banking)
 - 100% PT Bank Maybank Syariah Indonesia (Islamic Banking)
- 98.31%* PT Bank Maybank Indonesia Tbk (Banking)
- 100% PT Maybank Indonesia Finance (Multi-financing)
- 68.55% PT Wahana Ottomitra Multiartha Tbk (Multi-financing)
- 99.97% Maybank Philippines, Incorporated (Banking)
- 100% Maybank (Cambodia) Plc (Banking)
- 18.78% MCB Bank Ltd (Banking)
- 20% An Binh Commercial Joint Stock Bank (Banking)
- 19.70% Uzbek Leasing International A.O. (Leasing)

INSURANCE & TAKAFUL

- 100% Etiqa International Holdings Sdn Bhd (Investment Holding)
 - 69.05% Maybank Ageas Holdings Berhad (Investment Holding)
 - 100% Etiqa Insurance Berhad (Life & General Insurance and Investment-linked Business)
 - 100% Etiqa Takaful Berhad (Family & General Takaful and Investment-linked Business)
 - 100% Etiqa Life Insurance Berhad# (Life & Investment-linked Business)
 - 100% Etiqa General Takaful Berhad# (General Takaful Business)
 - 100% Etiqa Insurance Pte Ltd (Underwriting of General Insurance and Life Insurance Businesses)
 - 100% Etiqa Life International (L) Limited (Offshore Investment-linked Insurance)
 - 100% Etiqa Offshore Insurance (L) Limited (Bureau Services)
 - 100% Etiqa Overseas Investment Pte Ltd (Investment Holding)
 - 32.50% Pak-Kuwait Takaful Company Limited (Takaful Business)
 - 75% PT Asuransi Asoka Mas (Insurance Provider)
 - 95.24%@ AsianLife & General Assurance Corporation (Insurance Provider)

INVESTMENT BANKING

- 100% Maybank International Holdings Sdn Bhd (Investment Holding)
 - 100% Maybank Kim Eng Holdings Limited (Investment Holding)
 - 100% Maybank Kim Eng Securities Pte Ltd (Dealing in Securities)
 - 83.50% Maybank Kim Eng Securities (Thailand) Plc (Dealing in Securities)
 - 100% Maybank ATR Kim Eng Capital Partners, Inc (Corporate Finance & Financial and Investment Advisory)
 - 100% Maybank ATR Kim Eng Securities Inc (Dealing in Securities)
 - 80% PT Maybank Kim Eng Securities (Dealing in Securities)
 - 100% Maybank Kim Eng Securities (London) Limited (Dealing in Securities)
 - 100% Maybank Kim Eng Securities USA Inc (Dealing in Securities)
 - 100% Kim Eng Securities (Hong Kong) Limited (Dealing in Securities)
 - 75% Kim Eng Securities India Private Limited (Dealing in Securities)
 - Other Subsidiaries

- 100% Maybank Investment Bank Berhad (Investment Banking)
 - 100% BinaFikir Sdn Bhd (Consultancy and Advisory)
 - 35.32% Anfaal Capital^ (Investment Banking)
 - Other Subsidiaries

ASSET MANAGEMENT

- 100% Maybank Asset Management Group Berhad (Investment Holding)
 - 100% Maybank Asset Management Sdn Bhd (Fund Management)
 - 99% PT Maybank Asset Management (Fund Management)
 - 100% Maybank Islamic Asset Management Sdn Bhd (Fund Management)
 - 100% Maybank Private Equity Sdn Bhd (Private Equity Investments)
 - 100% MAM DP Ltd (Fund Management)
 - 100% Maybank Asset Management Singapore Pte Ltd (Fund Management)

OTHERS

- 100% Maybank Trustee Berhad (Trustee Services)
- 100% Maybank Shared Services Sdn Bhd (IT Shared Services)
 - 100%** MBB Labs Pte Ltd (IT Development Services)
- 100% Cekap Mentari Berhad (Securities Issuers)
- Other Subsidiaries

Notes:

1. This chart is not the complete list of Maybank subsidiaries and associates. Companies that are not shown include those that are dormant, under liquidation, have ceased operations, or are property investment or nominee services companies. For the complete list please refer to Note 63: Details of Subsidiaries, Deemed Controlled Structured Entities, Associates and Joint Ventures in the Financial Statements book of the Annual Report 2017.
2. Where investment holding companies are omitted, shareholdings are shown as effective interest.
- * Effective interest held by the Group. Refer to Note 63, footnote 15, page 282 in the Financial Statements book of the Annual Report 2017 for the details.
- ** 0.01% is held by Dourado Tora Holdings Sdn Bhd.
- ^ Joint Venture
- # New subsidiaries incorporated in Malaysia under the Companies Act, 2016. Refer to Note 60(i)(c), page 245 in the Financial Statements book of the Annual Report 2017 for the details.
- @ Effective interest held by the Group. 54.66% is held by Etiqa International Holdings Sdn Bhd and 40.58% is held by Maybank ATR Kim Eng Capital Partners, Inc.

AWARDS AND RECOGNITIONS

AWARDS

ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2016

- Runner-up: Best Overall Reporting (01)
- Winner: Best Workplace Practices category (02)

National Annual Corporate Report Awards (NACRA) 2017

- Sustainability Reporting Awards (Silver) (03)

9th Annual Global CSR Summit & Awards

- Best Community Programme Award (Companies with more than USD1 billion market capital) – Bronze (Maybank Foundation) (04)
- Best Community Programme Award (Companies with less than USD1 billion market capital) – Bronze (Maybank Indonesia) (05)

Sustainability Report Award (SRA) 2017

- Best Sustainability Report 2016 for Financial Services Category – 2nd Runner Up (06)

RECOGNITIONS

MSCI ESG Rating

- Rated A for five consecutive years since 2013

FTSE4Good Bursa Malaysia Index

- Maybank is one of the top ten constituents (by market capitalisation) out of 44 constituents listed on the Index

FTSE4Good ASEAN 5 Index

- Maybank is one of the top ten constituents (by market capitalisation) out of 94 constituents listed on the Index (25 of which are Malaysian)

FTSE4Good Emerging Indexes

- Maybank is one of the 25 Malaysian constituents out of 510 listed on the Index

2017 Bloomberg Financial Services Gender-Equality Index (GEI)

- The only Malaysian company listed on the Index



Recognitions/External Reviews of Performance

These rankings and ratings reflect our performance.

Ranking/Rating	2014	2015	2016	2017
FTSE4Good Bursa Malaysia Index	Included	Included	Included	Included
CDP (formerly the Carbon Disclosure Project)	n/a	71	C	C
MSCI ESG Ratings	A	A	A	A

THIS IS MY FIRST YEAR AS CHAIRMAN OF MAYBANK AND I FEEL TRULY PRIVILEGED TO BE ABLE TO SHARE MAYBANK’S SUSTAINABILITY PROGRESS. HAVING BEEN ON THE BOARD OF MAYBANK SINCE 2011, I KNOW THE TENACITY AND COMMITMENT OF MAYBANKERS AND THE PRIDE THEY SHOW IN THEIR WORK. I HAVE FELT A STRONG SENSE OF COMMUNITY AMONGST MAYBANKERS, BOTH IN THE COURSE OF WORK INTERACTIONS AND OUR VOLUNTEERISM INITIATIVES. THIS IS WHAT MAKES US TRULY OUTSTANDING. MAYBANK IS POWERED BY A STRONG, UNITED AND DEDICATED TEAM THAT CONTINUES TO MAKE A DIFFERENCE IN THE LIVES OF OUR CUSTOMERS AND COMMUNITIES.

Datuk Mohaiyani Shamsudin
CHAIRMAN



Rewards to shareholders

55 sen

TOTAL DIVIDEND PER SHARE





Delivered one of the highest dividend yields in the region of

5.6%

In this report, we look at Maybank's roles as a responsible and sustainable financial institution. We will demonstrate how our operations affect people and the planet as well as how we are moving forward toward the targets we have set for ourselves to improve on these measures.

OUR ROLE IN THE COMMUNITY

Our strong presence in all 10 ASEAN countries puts us in a good position to make a positive difference to the communities we serve, not only economically but also socially and environmentally. Guided by our mission to 'Humanise Financial Services', we have undertaken various impactful corporate initiatives. Through Maybank Foundation and our various corporate entities, Maybankers actively support initiatives that address some of the region's most urgent environmental needs and help communities in need. These initiatives – which consist of social investments, volunteer efforts and long-term programmes – aim to make the biggest positive impact on its beneficiaries.

We channelled over 1% of net profit (including zakat) towards community empowerment programmes as we have been doing since 2013. We are proud to be one of the more active corporate citizens in Asia contributing approximately RM65 million in community investment and over RM23 million in zakat contribution. Throughout 2017, Maybank Foundation ascended to greater heights by expanding to new geographies and reaching wider beneficiaries around the region. Our focus now is to invest for collective solutions, with emphasis on education, community empowerment, arts and culture, environmental diversity, healthy living and disaster relief. In supporting access to education, scholarships have been disbursed to over 250 students to foster academic and non-academic excellence across the region.

We continue to support communities through Maybank Foundation. As a responsible financial institution, we also support nation-building efforts through our hands-on support for the economically disadvantaged, as well as small and medium enterprises which is a major contributor to economies across the region.

OUR ROLE AS A LEADING EMPLOYER

We believe that part of being a bank with a humanising mission is reflected in our ability to attract, develop and grow the best-in-class talent from the ASEAN region. We have implemented various initiatives throughout the year to upskill our workforce so that they remain relevant and future-ready to continually thrive in a rapidly evolving business environment.

Our people initiatives and policies often set a new benchmark in the industry. The returns are evident, not just in our ability to attract the best talent, but also in building a workforce that is innovative, productive and engaged. This results in a strong and positive impact to the Group's overall momentum and performance, particularly in driving digital mindsets at all levels.

Our workplace efforts are further boosted by our initiatives to create a caring and gender-friendly environment.

OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER

As always, we remain committed to supporting our customers through any challenges they may face. We also continuously find ways to help them prevail in today's ever changing operating environment through our physical and digital reach.

We want to be at the forefront of disruptive thinking for the industry while keeping in mind the evolving regulatory landscape. To be prepared, we need to build more robust regulatory and stakeholder management capabilities. It is important that we ensure financial, non-financial and compliance considerations are top of mind prior to formulating any business strategies. Trust and integrity are key components if we are to thrive and move forward. Ethical leadership decisions are built into our systems and processes. Ultimately, it is leadership with values that truly gives meaning to our mission of 'Humanising Financial Services'.

MOVING FORWARD

Maybank will remain focused on growing in ASEAN and continue to strengthen our capabilities to create value for our various stakeholders. Our Maybank²⁰²⁰ strategic objectives recognise the significant potential of ASEAN given the region's burgeoning middle class, young population, growing small and medium enterprise (SME) segment as well as rising intra- and inter-regional trade as a result of the formation of the ASEAN Economic Community. We are well-placed to capture these opportunities given our presence in all 10 ASEAN countries and proven ability to provide innovative solutions to our clients.

DATUK MOHAIYANI SHAMSUDIN

Chairman

CHAIRMAN'S REFLECTIONS

REFLECTIONS FROM OUR GROUP PRESIDENT & CEO

We want to matter to you, wherever you are in this region, and we are working hard to achieve that. Some years back, Maybank spent quite some time trying to figure out its *raison d'être*. We very quickly decided on 'Humanising Financial Services' and indeed it is a good description of our DNA and what we have stood for throughout our existence.

As this report shows, sustainability has become part of our DNA too.

We are living in a disruptive environment where change is rapid and competition is fierce. Financial technology (Fintech) firms are challenging the more traditional players like us with innovative payment solutions, peer-to-peer lending, crowdfunding and many more solutions that promise customers a differentiated experience.

For us to succeed amidst all this, we must focus on three fundamentals. First, we must be committed to what matters the most to both our external and internal customers. Second, we must not lose sight of how our products or services can make a difference in the lives of our customers and the communities that we serve. Our humanising mission must guide us in everything that we do. And third, we need to always ensure that our actions are reflective of our core values. We need to continue to think of long-term outcomes and how we can help make the world more resilient.

As all these changes around us accelerate, we have to be nimble enough to continually organise and reorganise. Our people policies are constantly reviewed and these efforts are bearing fruit. Meritocracy and diversity flourish in Maybank. It is a culture that has served the Group well. There is upward mobility in Maybank, something which I believe is key to our people who are doing a great job and tracing long careers at the Group. In terms of learning and development, the average training hours per employee stood at 49.84 hours in 2017. Overall learning man-days for the Bank stood at six days, which is above the global training benchmark of four days (Source: Association for Talent Development, ATD). We are the only Malaysian company listed on 2017 Bloomberg Financial Services Gender-Equality Index (GEI).

We continually monitor the changes in our operating environment to ensure that Environmental, Social and Governance (ESG) issues that are important to our stakeholders are captured and managed on an ongoing basis. We established Maybank Group's ESG Risk Management Framework in 2017. In the coming year, we will be further integrating ESG considerations in our lending and investments. Our efforts on this front not only benefit the business but also have a huge positive impact on our employees, our stakeholders and communities at large.

Our promise is to consider human, economic and environmental impacts as we develop our products and solutions. We continue to support and empower small and medium enterprises (SMEs), an agenda that is close to our hearts. RM15 billion was achieved in retail SME financing in 2017. Our investment in technology continues apace and all consumers are benefitting from this push. Over 11 million registered Maybank2u users enjoy our online services from the comfort and convenience of wherever they are.

At the heart of it all, sustainability is about relationships. We must open pathways to new thinking and collaboration which fuel our innovation and growth, and ultimately, enable all to thrive. Goals, targets and measurements are only meaningful if they are built on real relationships.

In 2018, the key drivers that will continue to influence the global risk landscape are: cybersecurity, technology, regulation, economic, geopolitical, societal and environmental risks. The future is digitalisation and on this front, we will continue to stay ahead of the curve. We will invest in upgrading our branches and digital competencies while equipping our sales colleagues with the right skills, proficiencies and necessary tools to meet the needs of our customers. This will enable us to deliver our aspiration of being the 'Digital Bank of Choice'. Value creation will remain the cornerstone of our strategy going forward.

It is the roles and responsibilities that we nurture with our stakeholders that truly define our approach to sustainability. We continue to thrive based on the relationships that we have built, spanning across the roles we play as a trusted company, in the community, as a leading employer, and a responsible financial services provider.

REFLECTIONS FROM OUR GROUP PRESIDENT & CEO

“OUR PROMISE IS TO CONSIDER HUMAN, ECONOMIC AND ENVIRONMENTAL IMPACTS AS WE DEVELOP OUR PRODUCTS AND SOLUTIONS. AT THE HEART OF IT ALL, SUSTAINABILITY IS ABOUT RELATIONSHIPS.”

DATUK ABDUL FARID ALIAS

Group President & Chief Executive Officer



RECOGNISED AS THE

**Best Digital Bank and
Best Mobile App in Malaysia**



WORLD FINANCE
DIGITAL BANKING AWARDS 2017

Earnings per share

GROWTH OF 6.2% YoY TO

72.0 sen

DRIVEN BY RECORD HIGH NET PROFIT



ENDED FY2017 WITH OUR


Highest Ever Revenue of

RM 23.27 billion



ABOUT THIS REPORT

Our sustainability efforts have been fuelled by our business growth. We view our priorities through the lens of our mission of 'Humanising Financial Services'. Sustainability is the right way forward for our business and for the community.

This annual Sustainability Report covers Maybank's sustainability initiatives and practices, community activities and performance for the financial year 2017. We have developed indicators to track and measure progress based on Maybank's 20/20 Sustainability Plan. The Report provides progress updates for key areas of efforts across our business units and operations, and focuses on issues we determined to be of greatest importance through a more comprehensive materiality assessment (see page 19). 

This Report supplements our sustainability disclosure in our Annual Report 2017. It is available to key stakeholders and is also available online. Important updates on progress are available on <http://www.maybank.com> and also available on the Maybank Foundation website www.maybankfoundation.com.


INDEPENDENT ASSURANCE

The Report has been externally assured by SIRIM QAS International Sdn Bhd (SIRIM QAS International). The contents of this Report were reviewed, and the accuracy and reliability of all statements have been validated. The assurance standard includes evaluation of Maybank's sustainability behaviour and performance. All underlying systems and processes that support the Group's sustainability framework were reviewed. The independent assurance statement provides a summary of the audit report findings.

OUR REPORTING APPROACH




Maybank's Annual Report 2017 provides an overview of how we create value for the stakeholders through our resources and capitals.

As the previous years, this Report is 'In Accordance' with the GRI G4 Guidelines – Core option. We also follow the Amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements relating to Sustainability Statement in Annual Reports, and where possible, we have referenced material issues with regard to Economic, Environmental and Social (EES) aspects. We have also reviewed how our three sustainability pillars support the Sustainable Development Goals (SDGs) in 2016.






 This Report was submitted for the GRI Content Index Service and GRI confirmed the accuracy of the GRI G4 Content Index.

SCOPE

The report covers Maybank, principal subsidiaries and regional offices. It does not include outsourced activities or joint ventures, unless otherwise stated. We have attempted to report on all issues that are material to Maybank. The Sustainability Report should be read together with the Maybank Annual Report 2017. It contains qualitative and quantitative results for all indicators presented, unless otherwise specified.

 Refers to an external link  20/20 Sustainability Plan
 Detailed Indicators  Sustainable Development Goals (SDGs)
 Tells you where you can find more information within Annual Report 2017 (Corporate Book and Financial Statements) and Sustainability Report 2017.

Legend (Material Sustainability Matters):

 Conduct and Trust  Environmental Stewardship
 Customer Centricity  Human and Social Capital
 Product Responsibility

REPORTING PERIOD

This report covers the period from 1 January 2017 to 31 December 2017 (Fiscal/ Financial Year 2017) unless otherwise stated. For selected performance indicators that have been historically tracked, we have included data from the past three years. Significant restatements of data compared to previous years are noted in the respective sections.

FEEDBACK

We welcome your comments, thoughts and remarks. Please direct them to the Maybank head office:

Group Corporate Affairs
 Malayan Banking Berhad
 11th Floor, Menara Maybank
 100, Jalan Tun Perak
 50050, Kuala Lumpur, Malaysia
 Tel: +603 2070 8833
 Fax: +603 2072 2504
 Email: corporateaffairs@maybank.com

You can also reach us via:

 Facebook (<https://www.facebook.com/Maybank>)
 Twitter (<https://twitter.com/MyMaybank>)

ROLES AND RESPONSIBILITIES

HOW WE ARE MAKING A DIFFERENCE




Our business spans 20 countries and we have the opportunity to address some of the challenges that impact our stakeholders including financial inclusion, environmental management and empowerment of local communities and small businesses.

Our stakeholders want to see a sustainable future in the ASEAN region paired with greater growth and economic parity. We have built these aspects into our core business and continue to provide convenient access to financing in both physical and digital environments, offer fair terms and pricing and advise our customers based on their needs.

Our 20/20 Sustainability Plan, a five-year sustainability strategy document approved in 2014, has evolved and strengthened into a multi-focused approach for reaching out to the communities around us, empowering our people and providing access to products and services. The Plan was created with the aim of generating long-lasting impact and value across three pillars: Community and Citizenship, Our People and Access to Products and Services. We are now halfway through the implementation of the 20/20 Sustainability Plan.

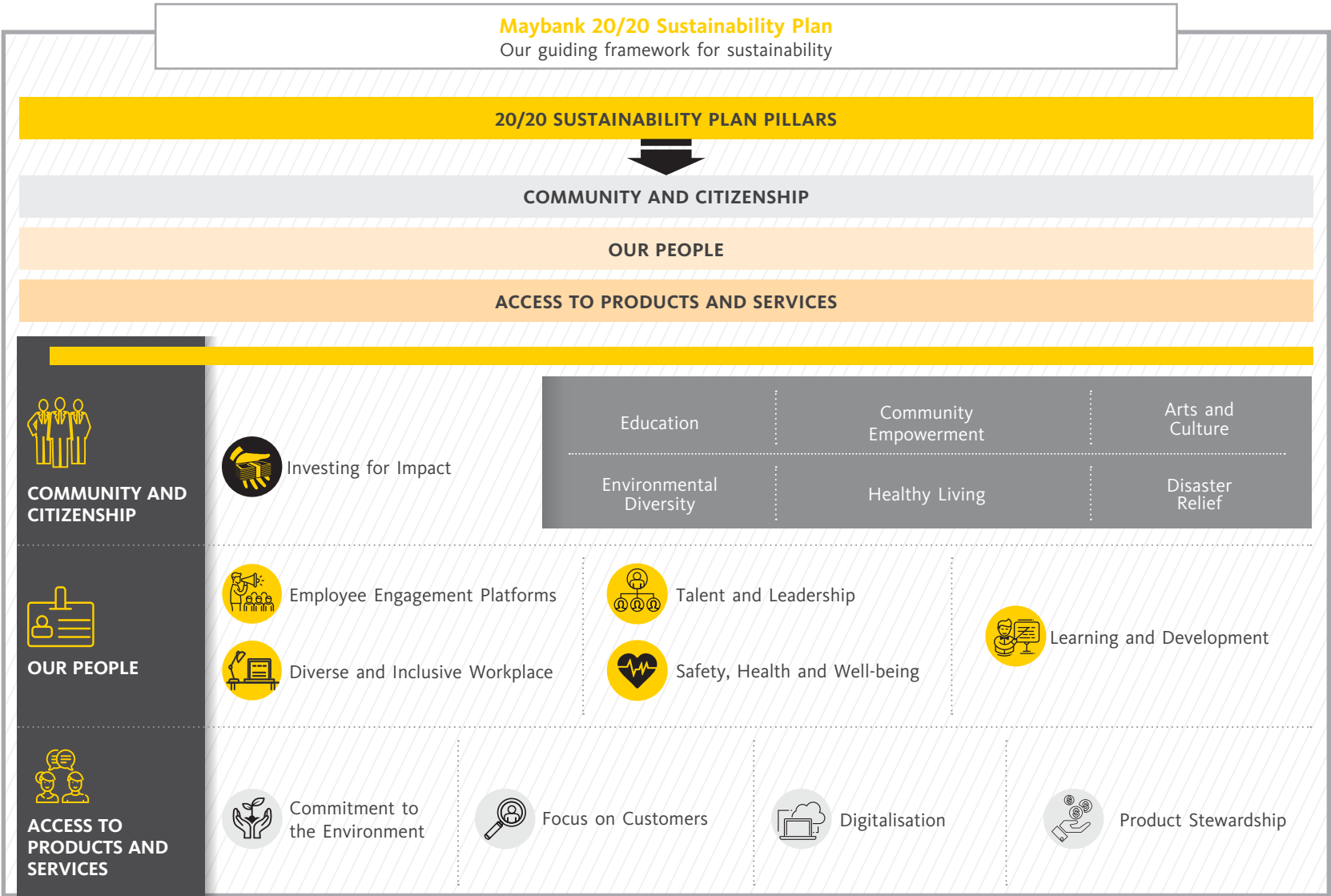
For us to truly reach out and make difference, we embrace the relationships that we nurture with our stakeholders. It is these roles and responsibilities that truly define our approach to sustainability. Ultimately, we are passionate about being part of the communities that we operate in. Our financial success depends on our ability to identify and address environmental, social and ethical issues that present risks or opportunities for our business. Hence our approach to sustainability is now framed by roles we occupy including that of a trusted company, in the community, as a leading employer, and a responsible financial services provider.

20/20 SUSTAINABILITY PLAN

Pillar	Commitment	Our approach
 Community and Citizenship To deliver long-term value for the community and environment by being the region's most impactful corporate citizen.	Investing for Impact	Running innovative community programmes regionally and empowering communities where we operate.
 Our People Build the most engaged and inclusive workplace that connects customers with our people for high impact performance.	Employee Engagement Platforms	As an organisation with over 43,000 employees across the world, we are focused on building an engaged regional workforce with a global ethical mindset to produce world class productivity levels.
	Talent and Leadership	We have established a robust talent management framework which is recognised as global good practice. It incorporates development of agile talents who are able to operate successfully in diverse cultures and locations.
	Learning and Development	Investing in the long-term development of our people and improving capabilities across the organisation and the countries where we operate.
	Diverse and Inclusive Workplace	We believe that improved diversity, flexibility and inclusiveness are vital to improving the quality and productivity of our workforce.
	Safety, Health and Well-being	The safety and well-being requirements remain an important aspect of our overall strategy. We particularly encourage changes towards a healthy lifestyle. These principles align closely with our belief that good health contributes to more engaged employees.
 Access to Products and Services Integrate environmental, social and governance considerations into our products and services by 2020 to practise responsible financing, promote financial inclusion and help our customers build financial capability.	Commitment to the Environment	Measuring and managing our impacts and challenges as our operations continue to expand.
	Focus on Customers	We continue to be committed to deepening customer relationships, responding to customer needs and improving service. These are all fundamental to our business.
	Digitalisation	Technology is evolving rapidly, changing the way customers and businesses interact. Technology paves the way for the next generation's access to finance.
	Product Stewardship	Providing access to finance as well as helping local communities to bank and save responsibly. We are committed to providing a broad range of financial services to the real economy over the long term and highlighting our innovative product stewardship.

We initiated a new materiality survey in 2018 to engage with internal and external stakeholders. This helps us make sure that the 10 commitments in our 20/20 Sustainability Plan remain relevant and clarify Maybank's role in supporting our commitments.

ROLES AND RESPONSIBILITIES

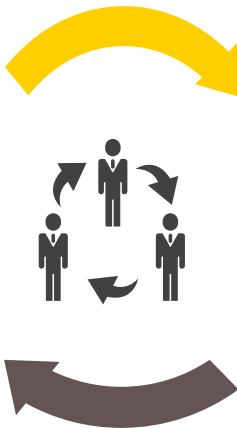


SUSTAINABLE DEVELOPMENT GOALS (SDGS)

We support the United Nations' SDGs which was launched in 2016. They consist of 17 goals and 169 targets dedicated to improving the well-being of present and future generations by addressing global challenges that include poverty, environment and human rights. The SDGs acknowledge the role played by businesses in contributing towards sustainable development.

Our Role as a Trusted Company

Maybank and the ASEAN region have matured hand in hand. We have a shared interest in the prosperity of the communities and future of the region. We take our role as a trusted company seriously and operate our business according to our core values and our mission of 'Humanising Financial Services'. This is reflected in everything we do, from responsible lending and financing to truthful marketing, trustworthy products and support to communities and small businesses. Our corporate governance forms a solid foundation for a stable, trusted company.

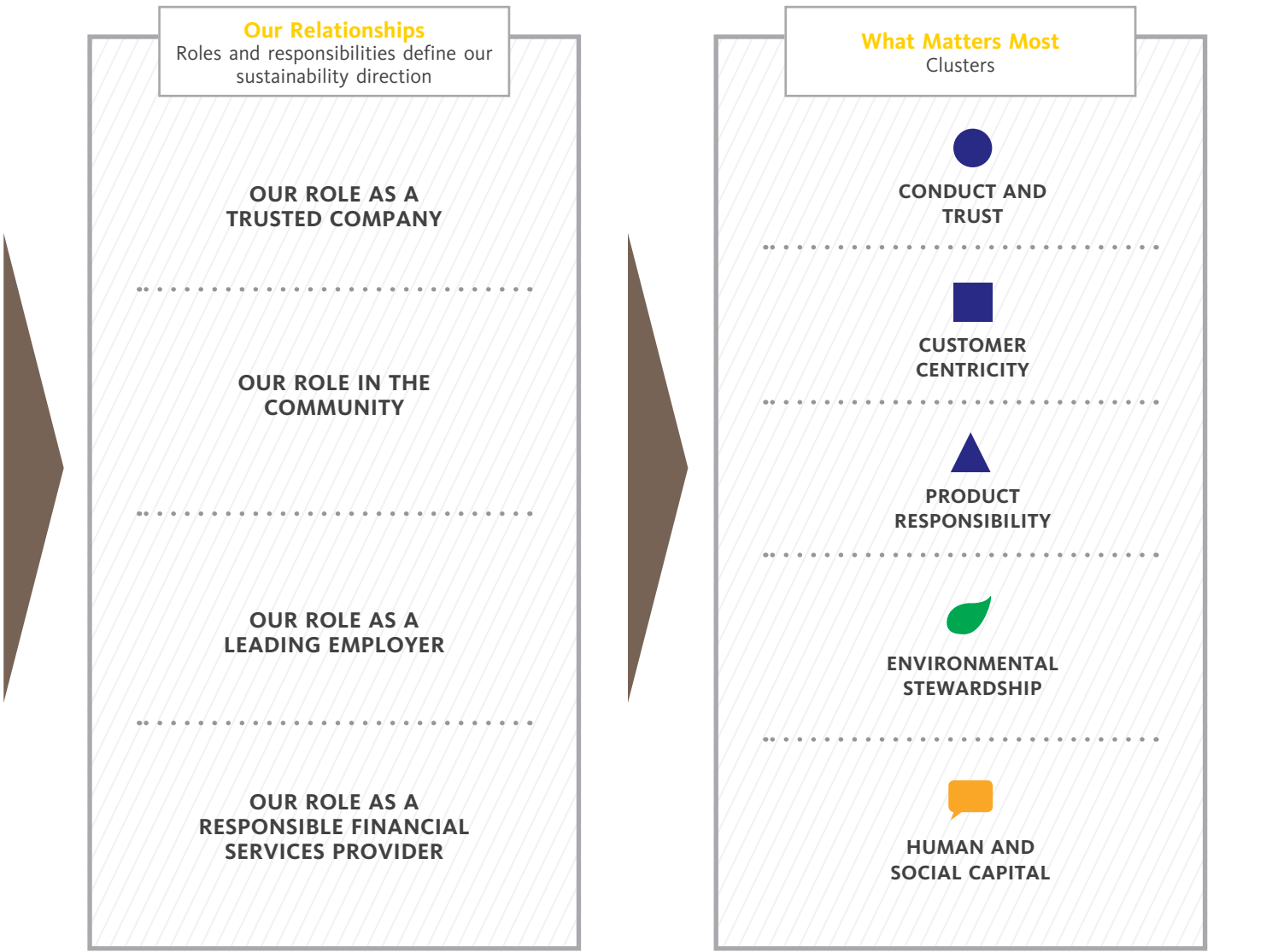


Our Role in the Community

Our approach to giving back to the community is three-pronged. With targeted social investments, volunteer efforts and long-term partnerships, we empower the communities where we operate. Our focus is on building sustainable programmes with long-lasting impact particularly through the Maybank Foundation.



ROLES AND RESPONSIBILITIES



Our Role as a Leading Employer

We recognise that to reach new heights we need the best available talent and an engaged workforce. Our people policies are designed to enable our employees to get the support they need to realise their full potential and to ensure that Maybank maintains its position as one of the most attractive employers in the region. We prioritise equal opportunities for all.

Our Role as a Responsible Financial Services Provider

We employ sound risk management practices to identify, evaluate and mitigate the environmental and social impacts of our credit facilities. We strive to expand our services to those currently underserved, making sure we live up to our promise of making finance accessible to all. Responsibility in financial services is not only about risk management. It is also about enabling small and medium enterprises (SMEs) to thrive, staying abreast of digitalisation and empowering women and minority groups within Maybank, in our community programmes and through our products.

OUR APPROACH TO SUSTAINABILITY

G4-24, G4-25, G4-26, G4-27

STAKEHOLDER ENGAGEMENT

We value the views of our stakeholders and engage with them through various channels, both formally and informally. Explicit and perceived stakeholder concerns are regularly reported to management. In addition to the concerns of stakeholders, we use our internal risk management process to analyse the macro-economic, political, social and legislative environment. Thanks to our extensive engagement tools, we are confident that we are doing what matters to our stakeholders. The 20/20 Sustainability Plan was formulated after consulting our stakeholders and studying the most important issues that we must address if the Group is to create value in the future.

The value created by the Maybank Group is distributed in ways that are meaningful and relevant to our stakeholders. Besides financial value, our employees and the communities we operate in also derive benefits from our human capital efforts as well as community empowerment programmes.

► HOW WAS VALUE DISTRIBUTED IN 2017?*

36% INVESTED IN OUR EMPLOYEES

Via rewards and remuneration. We also invest in our people by providing leadership and upskilling programmes.

34% REWARD FOR OUR SHAREHOLDERS

Via a full year dividend of 55 sen per share – delivering one of the region's highest dividend yields of 5.6%.


14% CONTRIBUTED TO THE ECONOMY






Via direct taxes paid to the government.

11% ENSURING THE GROUP'S SUSTAINABILITY

Through retained profits to fund future growth via reinvestment in our resources and operations to benefit our stakeholders in the long term.

* Excludes non-controlling interests and depreciation and amortisation which amount to 5.73%





 For more information, refer to the Annual Report, Financial Performance page 53

Stakeholders	Engagement Activities	Issues of Interest	Our Response
Investors 	<p>In 2017, we met 417 analysts and fund managers from over 261 companies through 11 investor conferences and non-deal roadshows (NDR). We attended conferences with regional themes, where we met Asian- and ASEAN-focused funds as well as funds with long-term holdings in financial institutions or large capitalisation companies, both of which form part of our main investor target base. We also attended the Invest ASEAN series which was held in Malaysia, Singapore and the United Kingdom.</p>	<p>The key concerns raised by investors include Return on Investment, compliance with all applicable regulations and requirements, risk management and good business conduct.</p> <p>Investors are paying more attention to sustainability issues including investment behaviours, customers, and the increasing number of sustainability-related questions and attention from pressure groups.</p>	<ul style="list-style-type: none"> • Provide ongoing detailed financial and non-financial disclosures. • Established Maybank Group's Environmental, Social and Governance (ESG) Risk Management Framework in 2017. • Continued to participate in CDP and was awarded grade 'C' at the 'Awareness' level. <p> Our Role as a Trusted Company, page 22</p> <p> Our Role as a Responsible Financial Services Provider, page 71</p>
Customers 	<p>We engage with our customers through various platforms including digital touchpoints, physical branches, self-service terminals, Customer Service Centres, social media platforms as well as customer satisfaction surveys.</p> <p>Our Relationship Managers (RMs), Personal Financial Advisors (PFAs) and Client Coverage Teams are equipped with the necessary knowledge to meet customer satisfaction.</p>	<p>Customers' expectations for a speedy, efficient, simplified and personalised experience. In addition, we strive to advise them on fair pricing and terms. Customers' data privacy is protected at all times.</p> <p>Financial inclusion as well as financial literacy and education are topics raised by customers.</p>	<ul style="list-style-type: none"> • Incorporated customer feedback as part of our customer journeys in the design of our products and services, especially in designing the new Maybank app. We have also equipped our relationship managers with tools to better respond to each client's specific financial planning needs. • Continue to support small and medium enterprises (SMEs) and provide microfinance for the smallest of enterprises. <p> Our Role as a Responsible Financial Services Provider, page 71</p>

OUR APPROACH TO SUSTAINABILITY

Stakeholders	Engagement Activities	Issues of Interest	Our Response
Regulators 	<p>We report and provide periodic updates to relevant regulators. We actively participate and contribute to industry and regulatory working groups, forums and consultation papers.</p>	<p>As a leading provider of financial services in Asia, effective management of financial crime risks, such as money laundering, terrorism financing and fraud is required. Management of data governance, data privacy and cyber security are seen as priority issues.</p>	<ul style="list-style-type: none"> Continued with ongoing enhancements to risk management tools. Continuous review and enhancement of Maybank's systems and processes for compliance risk management. Strengthened compliance monitoring and appointed regulation specialists to provide regulatory advisory to businesses. <p> Our Role as a Trusted Company, page 22</p>
Employees 	<p>We use various platforms such as the Employee Engagement Survey (EES) and Conversation Series with C-Suite. The established system for H.O.T. (Honest, Open and Trusting) conversations and open communication are part of our company culture. We use both face-to-face and electronic channels, such as Jabber, to connect with our colleagues as well as work towards further strengthening H.O.T. conversations.</p>	<ul style="list-style-type: none"> Staying relevant in the workforce and the need to be future-ready to embrace the changing operating landscape Achieving work-life balance and increasing productivity growth High performance culture Employee engagement Talent management Employee long-term development Improved diversity, flexibility and inclusiveness 	<ul style="list-style-type: none"> Introduced Individual Engagement Report (IER). This will guide staff in initiating conversations with their line managers. The IERs enable the employees to get more involved in determining the outcomes of their own level of engagement. In 2017, the Group's Sustainable Engagement Index and Employee Engagement Index stood at 88% and 84% respectively which are both above the Willis Towers Watson (WTW) Global Financial Services norm. <p> Our Role as a Leading Employer, page 52</p>
Community 	<p>Our approach to giving back to the community is three-pronged. With targeted social investments, volunteer efforts and long-term partnerships, we empower the communities where we operate. Our focus is on building sustainable programmes with long-lasting impact particularly through Maybank Foundation.</p> <p>We also contribute to the communities through employee volunteering, partnerships and strategic community investments. We engage and work together with social enterprises and civil society partners.</p>	<ul style="list-style-type: none"> Impact of community investment Fully understand the potential environmental and social impact of our work Need to contribute to initiatives that address unemployment and funding to higher education Need for expert advice, products and solutions that help to create change in families, small businesses and communities 	<ul style="list-style-type: none"> Maybank Foundation flagship programmes and MaybankHeart continue to empower communities. We channelled over 1% of net profit (including zakat) to community programmes with approximately RM65 million in community investment and over RM23 million in zakat contribution. Announced a six-month moratorium on monthly instalment payments for loans and waivers on certain charges on a case-by-case basis for customers affected by the floods in Penang. <p> Our Role in the Community, page 33</p>

OUR APPROACH TO SUSTAINABILITY

Stakeholders	Engagement Activities	Issues of Interest	Our Response
Suppliers 	We engage with our suppliers through the Maybank eProcurement Portal as well as briefings and meetings to maintain a good relationship with them.	Suppliers look for ease and transparency of the procurement process as well as capacity building and value creation in key markets.	<ul style="list-style-type: none"> Group Procurement Manual has a clause prohibiting any form of child labour. Spent over RM898 million on local suppliers which is equivalent to 93.4% of total procurement.  Our Role as an Responsible Financial Services Provider, page 71
Media 	We maintain a strong focus on protecting and enhancing the Maybank brand and reputation through effective engagement with print, online and broadcast media.	<ul style="list-style-type: none"> Accessibility and immediacy Long-term relationship building 	<ul style="list-style-type: none"> Address any issues as they have arisen and manage consistent communications across all relevant platforms.  Our Role as a Trusted Company, page 22

QUALITY DISCLOSURE FOR INVESTORS

By improving the quality of investor disclosure, we help both existing and potential investors to evaluate our business and performance. The Group has always strived to deliver up-to-date company information with high transparency and integrity. Our revised and renamed Group Corporate Disclosure Policies and Procedures were approved by the Board in 2015.

Our engagement with investors in 2017 comprised 11 investor conferences and non-deal roadshows where we had met with 417 analysts and fund managers from over 261 companies. These conferences centred around regional themes with funds within our investor target base: Asian- and ASEAN-focused funds and funds with long-term holdings in financial institutions or large caps.

Invest ASEAN

Maybank Kim Eng organised a two-day investment conference, Invest Asia UK, in London which drew over 300 delegates from more than 23 countries. The conference is an extension of the Invest ASEAN conferences which started in 2014. Conference participants included 31 corporations from 12 countries, which collectively have a market capitalisation of about USD500 billion. Additionally, the event also drew participants from 120 funds across Europe with combined assets under management of USD19 trillion.

This year's Invest ASEAN Malaysia conference brought together six ASEAN stock exchanges as well as local and regional investors. Celebrating ASEAN@50, the conference focused on addressing the region's evolving geopolitical and business environment that is reshaping the nature of competitiveness.

The second leg of Invest ASEAN 2017 was held in Singapore. The conference attracted over 800 delegates including 49 corporates from Thailand, Malaysia, the Philippines, Indonesia, Singapore and Vietnam. Participating companies had a total market capitalisation of USD129.70 billion. The event's participants also represented some 126 funds with USD18 trillion in assets under management.

G4-18

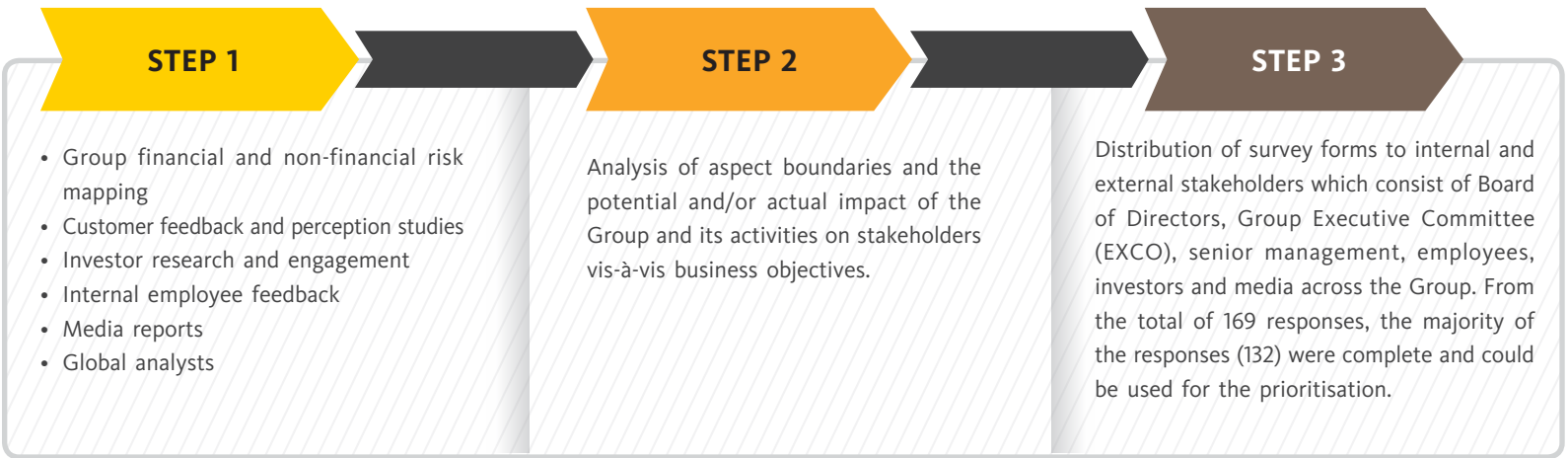
MATERIALITY

A robust approach to materiality provides the basis for developing the content of our sustainability disclosure. It also enables us to have meaningful conversations about how we approach key sustainability focus areas and make improvements.

In 2018, having completed a new stakeholder survey to assess our material issues, we have taken another step forward in evolving our sustainability strategy and reporting approach. We begin by discussing the outcomes of our latest materiality assessment. We then go on to look at what the results mean for sustainability priorities and roles. The 'Roles and Responsibilities' section provides further detail on our strategy and governance whilst explaining the key pillars of the sustainability agenda, providing an in-depth look at our key priorities and how we support them. Detailed data and further information on data assurance and GRI are at the end of the report.

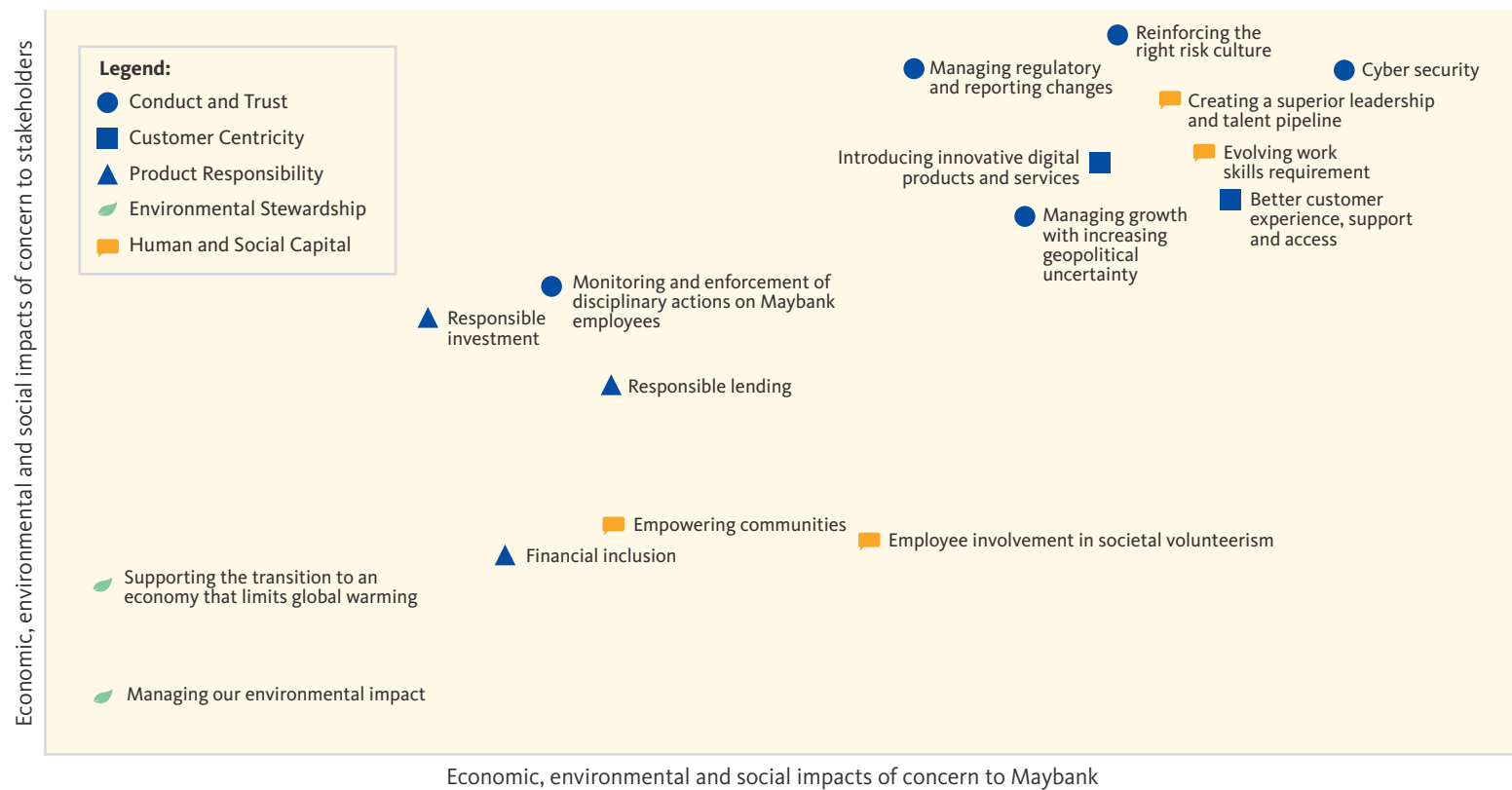
Development of the 2017 Material Matters

In 2017, we engaged internal and external stakeholders through our Group Investor Relations and Group Corporate Affairs to update material matters. We have also considered the impact of the Sustainable Development Goals (SDGs) on our 20/20 Sustainability Plan.



* Based on completed responses

OUR APPROACH TO SUSTAINABILITY



The x-axis represents the views of the Board of Directors and Group EXCO whilst the y-axis represents the views of all other stakeholders. Prioritisation of issues was done through an online survey distributed to external and internal stakeholders, including our Board of Directors, Group EXCO members, senior management, employees, investors, analysts, customers and media partners. The respondents were asked to rank 16 proposed material matters. The response rate was 78.1%.

As a result, the most material issues identified in our materiality assessment were mapped into the following clusters:

- Conduct and Trust
- Customer Centricity
- Product Responsibility
- Environmental Stewardship
- Human and Social Capital






The topics with the highest priority for stakeholders are: **managing regulatory and reporting changes, reinforcing the right risk culture** and **cyber security**, which are under the Conduct and Trust cluster.

Regulatory changes and management of risk culture have consistently emerged as top issues in the past years. Cyber security and evolving digital trends are now seen to be of high importance due to the changing nature of business with rapid technological development in the financial and banking sector. Data security and customer privacy are also crucial in building customer confidence towards the entire financial system. We are strongly committed to preventing and suppressing cyber threats through investments in cutting-edge technologies to create stability in our financial system and the future financial landscape in all our markets.

Material matters under the 'Environmental Stewardship' cluster are less prioritised while customer-centric and workplace integrity matters remain rated as priorities. The 2015 and 2017 matrices differ in terminology as some themes have now been divided into more specific material matters or renamed to be on par with industry trends.

The final matrix demonstrated the responses to the questionnaire. The topics with the combined highest importance appear in the top right of the matrix.

Material Matters

Our Priorities	Material Matters	Boundary
Conduct and Trust 	Reinforcing the Right Risk Culture	External (investors, regulators) Internal (employees)
	Managing Regulatory and Reporting Changes	External (regulators) Internal (employees)
	Managing Growth with Increasing Geopolitical Uncertainty	External (investors, regulators) Internal (employees)
	Monitoring and Enforcement of Disciplinary Actions on Maybank Employees	External (regulators) Internal (employees)
	Cyber Security	External (investors, customers, regulators) Internal (employees)
Customer Centricity 	Better Customer Experience, Support and Access	External (customers) Internal (employees)
	Introducing Innovative Digital Products and Services	External (customers, regulators, suppliers, media) Internal (employees)
Product Responsibility 	Financial Inclusion	External (customers, regulators, media) Internal (employees)
	Responsible Lending	External (investors, regulators) Internal (employees)
	Responsible Investment	External (investors, regulators) Internal (employees)
Environmental Stewardship 	Managing Our Environmental Impact	Internal (employees)
	Supporting the Transition to an Economy that Limits Global Warming	External (investors) Internal (employees)
Human and Social Capital 	Evolving Work Skills Requirement	Internal (employees)
	Creating a Superior Leadership and Talent Pipeline	External (investors, regulators) Internal (employees)
	Employee Involvement in Societal Volunteerism	External (communities) Internal (employees)
	Empowering Communities	External (communities) Internal (employees)

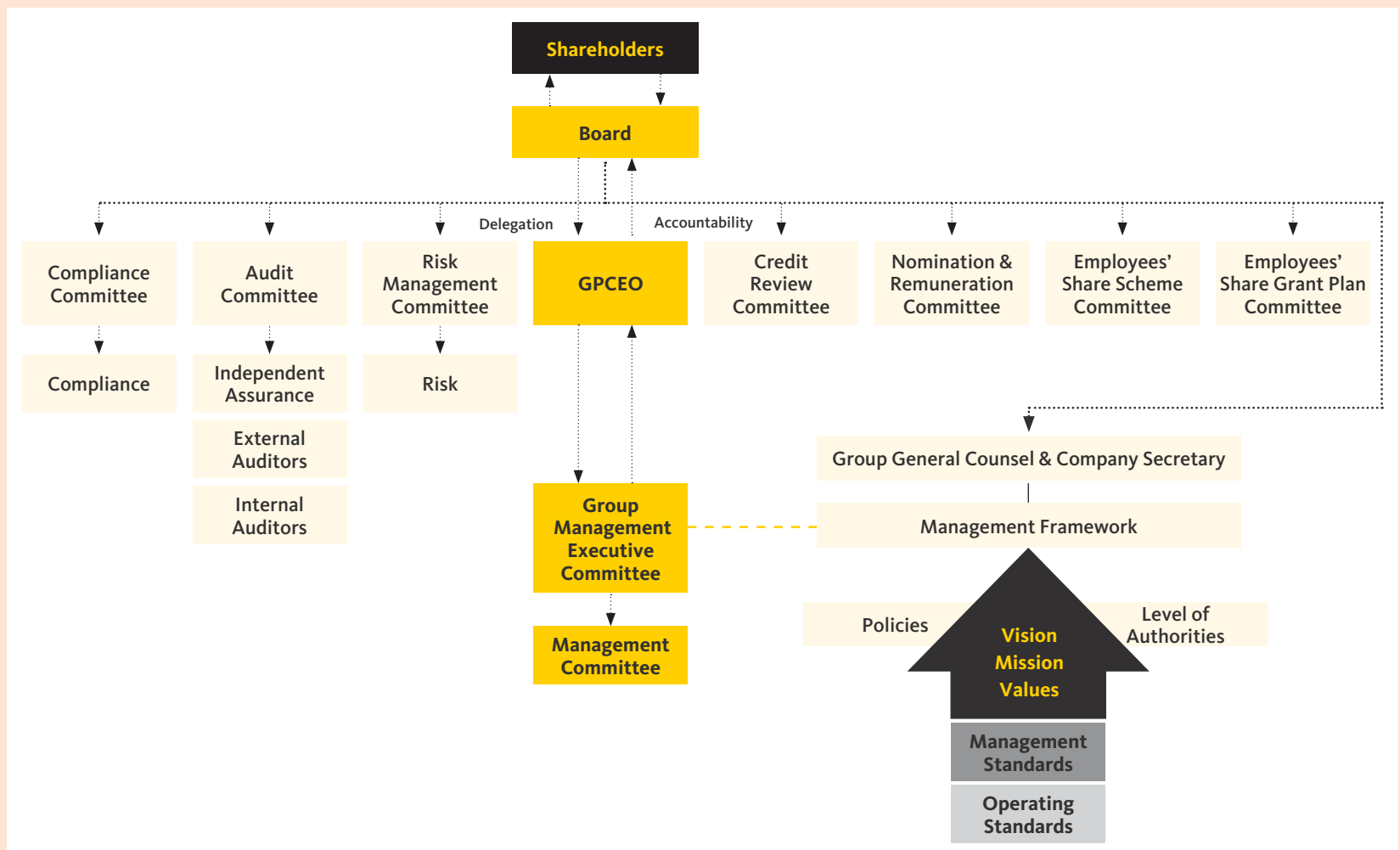
Materiality assessments guide us in our strategic decision-making, stakeholder engagement agenda and reporting framework. The matrix presented here also influenced the direction of all non-financial reporting disclosures for 2017.

Moving forward, we aim to improve our materiality assessment process by reaching out to more stakeholder groups in the survey stage and achieve a higher response rate.

OUR ROLE AS A TRUSTED COMPANY

What we do and how we do it matters. Sound corporate governance is the cornerstone of our operations and this is fundamental to an inclusive society and thriving business. Maybank's Corporate Governance Framework closely follows the Malaysian Code on Corporate Governance (MCCG) 2012, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Bank Negara Malaysia Guidelines on Corporate Governance for Licensed Institutions and other locally relevant regulations. The framework is also in line with global best practices in the industry.

CORPORATE GOVERNANCE FRAMEWORK



Maybank's Corporate Governance Framework was revised during the financial year ended 31 December 2017 (FY2017) to take into account the establishment of the Compliance Committee of the Board (the CCB) in June, 2017 and to ensure that compliance risk management is given the necessary attention at the highest level.

Maybank's Corporate Governance Framework is premised upon the following statutory provisions, best practices and guidelines:

1. Companies Act, 2016;
2. Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia) (Listing Requirements);
3. Policy on Corporate Governance issued by Bank Negara Malaysia (BNM CG Policy); and
4. Malaysian Code on Corporate Governance issued in 2017 (the Code).

The Board welcomed Bursa Malaysia's enhanced corporate governance disclosure requirements which are set out in Para 15.25 and Practice Note 9 of the Listing Requirements, introduced in line with the Code. Pursuant to these disclosure requirements, the Board has taken the necessary steps to set out a summary of the Group's corporate governance practices during FY2017 in this Corporate Governance Overview Statement (CG Overview Statement). In addition to this, the application of each of the Practices set out in the Code is disclosed in our Corporate Governance Report (CG Report) which is available on Maybank Group's corporate website www.maybank.com.

OUR ROLE AS A TRUSTED COMPANY

D

Detailed Indicators

Separation of Chairman and CEO		Yes
Percentage of Independent Non-Executive Directors		73%
Details of executive remuneration		Yes (Refer to Annual Report 2017, page 116)
Board diversity: Percentage of female Directors		36% (an increase from 18% in 2016)
Percentage of Directors from operating countries other than Malaysia		18%

* As of March 2018

Maybank's approach to sustainability is founded on sound decision-making, policies and systems. We have been included in the FTSE4Good Bursa Malaysia Index and have received a rating of 'A' from MSCI for the past five years. In 2017, Maybank was also a constituent of the **FTSE4Good ASEAN 5 Index and the FTSE4Good Emerging Indexes**. We have received multiple awards for our sustainability reports.



MSCI

WHO	ROLE
Maybank Group	
Board of Directors	Reviews sustainability performance and the Group's strategies on promotion of sustainability, focusing on ESG aspects
Group Executive Committee	Deliberates and approves all key sustainability-related matters
Group Risk	Oversees overall Group Risk strategy and progress including ESG issues and sustainability risks
Group Corporate Affairs	Custodian of the 20/20 Sustainability Plan
Group Human Capital	Oversees overall Group Human Capital strategy and progress
Group Property, Security & Valuation	Management of resource consumption and usage including environmental impact of business activities
Various departments	Operationalise the 20/20 Sustainability Plan into their respective business and operational areas. Departments and teams provide information against measurable indicators.
Maybank Foundation	
Board of Trustees	Approves and reviews programmes and performance
Chief Executive Officer	Oversees overall strategy and progress
Maybank Foundation team	<ul style="list-style-type: none"> Implements and monitors Maybank's flagship community programmes based on focus areas under the Community and Citizenship pillar of the 20/20 Sustainability Plan Supports various Maybank departments in implementing other community programmes and initiatives

Our 20/20 Sustainability Plan is operationalised through the 20/20 Sustainability Plan Implementation Guide. The Implementation Guide concentrates on the 10 commitments with quantitative and qualitative indicators to monitor progress. Various departments are involved in the implementation of the Plan. Annual milestones have been set in the 20/20 Sustainability Plan Implementation Guide for key areas.

OUR ROLE AS A TRUSTED COMPANY

Sustainability and the Board of Directors



Group Corporate Affairs presents all relevant information on sustainability to the Board, including changes in the external operational environment as well as progress of the Group in relation to our goals.

For example, in March 2017 the presentation included the following:

- Recap of Maybank 20/20 Sustainability Plan
- Sustainability report snapshots and progress
- Awards and external recognition
- Update on sustainability issues (e.g. from investors, customers, ESG analysts, pressure groups, fund managers and other third parties)
- Future plans

The Board reviewed and deliberated on the following update and strategy papers in 2017:

- Innovation in Maybank and the industry
- Maybank’s 20/20 Sustainability Plan
- Maybank’s Inclusiveness and Diversity Agenda
- Operational excellence and the culture of continuous improvement
- Maybank’s Fintech strategy
- Maybank’s digital achievements and progress of digital initiatives
- Maybank’s Environmental, Social and Governance Risk Management Framework

G4-14, G4-46

APPROACH TO RISK MANAGEMENT

We conduct our materiality analysis in line with our approach to risk management. Establishing risk principles and strategies is the foundation of strong risk management culture and practices across the Group. Our risk management practices enable us to systematically identify, measure, control, monitor and report risk exposure across the Group. As part of this process, we regularly review the key internal and external drivers that may impact the Group, including financial and non-financial risk areas. In 2017, we identified the following key areas:



Our Risk Management Framework is further explained in page 76 of our Annual Report 2017.

Premised on the macro risk drivers identified, the potential impact of the principal risks were considered and as such we have fortified existing capabilities and established necessary mitigating actions to remain risk resilient to such challenges.

This includes amongst others, measures to address potential security concerns, responsiveness to potential business disruptions, stress testing as well as strengthening resilience and defence capabilities to withstand cyber and technology related threats.

In addition, we continuously ensure the core banking system remains robust while evolving our digital service offerings and keeping abreast with technology innovations. In addressing the changing regulatory landscape, we actively engage with our regulators to ensure regulatory changes are appropriately addressed and effectively implemented, concurrently we strengthen the governance over regulatory change management.

Overall the Group remains vigilant to adapt and strengthen our risk management approaches seamlessly with business, to proactively manage and effectively mitigate its risks.

 Refer to Annual Report 2017, page 77 for details of Maybank Group Risk Governance Model

Risk Culture

Our risk framework and governance structure are fully functional only if they are supported by the right risk culture. A strong risk culture is the foundation upon which a robust enterprise-wide risk management structure is built.

At Maybank, the risk culture is driven by a strong tone from the top. We are committed to weave a strong risk culture into the core of the organisation, people and processes to ensure consideration for risk will always be inherent in every employee’s mind before an action is taken, and not as an afterthought.

The annual Risk Masterclass 2017 was hosted by Maybank Indonesia. Under the theme ‘Frontiers of Risk Management’, different aspects of risk management were discussed, from asset quality to increasing importance of ESG risk management.



150
Participants

The event was attended by about 150 participants coming from various departments and sister companies including Maybank Asset Management, Maybank Kim Eng, Maybank Syariah Indonesia, Maybank Finance and WOM Finance.

Maybank Group 2016 Risk Culture Survey (RCS) results show that overall, the Group has demonstrated continuous improvements in its risk attitudes scores with 83%, which is a significant improvement of 6% in comparison to 2014 scores. The objective of the survey is to identify behaviours and norms linked to the risk culture in Maybank Group. Willis Towers Watsons was engaged to facilitate the survey with the target respondent group comprising managerial staff and above. Risk attitude score covers the values and norms of behaviour within the organisation that supports effective management of risk.



MyAlert

Group Non-Financial Risk in collaboration with Group Risk Technology developed a mobile application to manage non-financial risk events. The mobile application is named as MyAlert.

Current key features of MyAlert:

- Broadcast message
- Call tree management to notify specific individuals of an unplanned event or emergency
- Safety check on employees

Planned MyAlert future enhancements:

- Incident reporting
- Statistics and reporting

OUR ROLE AS A TRUSTED COMPANY

MAYBANK GROUP'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISK MANAGEMENT FRAMEWORK

The Framework was developed to be in line with the Group's sustainability strategy for all of the Group's business activities. We now consider ESG commitments across business units.

ESG risks and concerns are expected to become more prominent within the investor community and amongst wider stakeholders. We have observed stakeholders getting increasingly concerned about how well financial institutions can embed sustainability considerations into their business practices and investment behaviour as well as factor ESG information into their decision-making processes. Higher expectations are placed upon financial institutions to ensure the risks are managed as part of their role in facilitating the economy. Our approach to sustainable finance includes:

- Understanding ESG impacts of transactions that we finance and are involved in
- Supporting low-carbon businesses and transactions
- Implementing our Responsible Lending Guidelines since 2015
- Through our Islamic-first policy, our lending practices are enhanced by Shariah-principles and we refrain from lending to prohibited sectors

In 2016, we did a thorough review of our approach towards assessing ESG risks in our lending. As a result, Maybank Group's Environmental, Social And Governance (ESG) Risk Management Framework was formulated and approved by the Board in 2017. We have also invested in the Malaysian ESG Opportunity Fund (MEQESG), an ESG Equity Growth Fund.

The components of Maybank's ESG covers the following areas:



The framework has been developed in alignment with global standards and practices, such as the United Nations' Human Rights Policy, International Finance Corporation (IFC) standards and global environmental standards.

Maybank will not finance activities that are deemed to be not in line with our core values as well as international best practices including:

- Production or activities involving harmful or exploitative forms of forced labour or harmful child labour*
- Production or trade in pornography, prostitution and related services*
- Production or trade in weapons and firearms
- Production and trade in endangered animal species*
- Production or trade in radioactive materials, including nuclear power generation and related services*
- Production or trade in unbonded asbestos fibers*
- Gambling, gaming and equivalent enterprises with some limitations*
- Production and/or trade in tobacco, including plantations, manufacturing and wholesale distribution
- Production and/or trade in alcohol, including breweries and wholesale distribution
- Activities that could damage any World, National or UNESCO heritage sites
- Activities that have a significant adverse impact on the environment and/or the surrounding community **AND** is not in compliance with international and/ or local standards, regulations and laws with some limitations
- Religious bodies and non-government or non-profit organisations

* Updated as at December 2017

OUR ROLE AS A TRUSTED COMPANY



“Responsible lending is about doing the right thing. At the end of the day, we need to be authentic in what we say and what we do. We operate in a region with different stakeholder needs. We have two choices: to walk away or to work in a measured and progressive manner towards achieving an outcome that will benefit all. We want our children to live in a better world and therefore need to continue to provide stewardship in the communities that we serve.”

GILBERT KOHNKE
Group Chief Risk Officer

Today, transparency and integrity are values that are demanded of all businesses, not just those in financial services. As corporate citizens, we have to be at the forefront of implementing better responsible financing solutions. We need to be authentic in what we say and what we do – this resonates with our core value of T.I.G.E.R. As a financial institution focusing on emerging economies, we need to be able to calibrate the expectations of stakeholders with a focus on the right outcomes. Our aim is to make balanced and informed decisions and work with our customers to help them improve their management of ESG risks and to make the most of their opportunities.

Given our Islamic-first policy, our lending practices are enhanced by Shariah-principles and we refrain from lending to prohibited sectors. We have in 2017 developed an ESG Framework which adapts a principle-based approach in assessing sensitive transactions across the industry sectors. The aim of the Framework is to integrate ESG risk considerations into our day-to-day decision-making.

Integration of our ESG Framework requires discipline. We have to ensure that the individual and corporate clients that we do business with are aligned to our sustainability commitments. What this means, in more practical terms, is that we are committed to working with our clients to ensure that the working relationship is one that is in line with best practices in ESG risk management. Group Risk provides oversight on the Group’s overall responsible financing portfolio. Business units must be able to articulate what resources, policies, systems and processes are available to address and manage ESG risks at the customer and transaction level.

In 2018, we will continue to review high-risk activities and are preparing detailed internal guidelines particularly to ensure standardised underwriting. A key part of this integration is to ensure that responsible lending is embedded within the Group’s culture. We want Maybankers to own this. As a Group, we recognise how important ESG is in ensuring that the United Nations Sustainable Development Goals (SDGs) can be met in a coordinated manner.

To enhance efforts, we have initiated ‘Centres of Excellence’ (CoE) which carries out research on a range of industries that our clients are involved in to understand emerging trends and risks in particular industries. We are currently looking into two industries perceived to be sensitive, namely palm oil and oil and gas. We are also in the midst of expanding to cover forestry and mining. To improve consistency, we are also in the midst of developing FAQs for relationship managers to ensure that there is no local bias and clarity in communications. For example, there are different certification standards in different countries with different requirements and timeframes for compliance. Hence, we need to develop a standardised approach throughout to best serve clients with exposure in different countries.

We live in a world that is more interconnected and interdependent than ever before. Ultimately, responsible lending is about serving our communities the best way we can.

OUR ROLE AS A TRUSTED COMPANY

ESG risk assessment is to be conducted during the pre-deal origination and to be included as part of the overall evaluation of the activity, with all Know Your Customer (KYC) processes remaining unchanged. ESG risk assessment is to be conducted for new and existing clients. All new clients will be subject to ESG risk assessments once categorised into the following:

- low risk
- medium risk
- high risk



Focus: Sustainable and Certified Palm Oil under the MSPO: An Overview

In the key markets where we operate, various environmental hazards have occurred due to agricultural practices, including in the palm oil industry. Our palm oil financing is aligned to our ESG procedures, including relevant risk assessments. Some customers already have in place the necessary controls towards management of the impact of their practices whilst some still have gaps. We strive to monitor customers' commitments to addressing them on an ongoing basis.

In 2017, we organised an engagement session with Malaysian Palm Oil Certification Council (MPOCC) and other stakeholders for an overview of the implementation of the Malaysia Sustainable Palm Oil (MSPO) Certification Scheme. The MSPO scheme is the national palm oil certification scheme. Independent and organised smallholdings and palm oil processing facilities are to be certified against the requirements of the MSPO Standards.

Data Security

Innovation in technology does not solely mean digital products and solutions. Security and stability are increasingly important components of IT systems around the world. The rapid growth of big data brings potential risks to maintaining privacy of information. A number of cyber financial crimes last year heightened the need for greater security in the global financial industry.

The Maybank Cyber Risk Management Policy was established to identify risks, build resilience, detect cyber threats and effectively respond to cyber-related events. The Policy encompasses the cyber risk management strategy, governance structure and risk management enablers. It complements the Technology Risk Management Guideline and covers both business and technology drivers.

Some of our customers' entire financial lives are entrusted to us. Consequently, the obligation on us to ensure the safety of their data is central to every decision we make. We work closely with regulators to ensure that our systems are secure and that our employees are well informed. Data loss prevention measures are implemented to protect confidential customer data. Most fraudulent cases occur because confidential information is unwittingly divulged, hence consumer awareness is key to reducing incidences of fraud. Initiatives such as personal risk management campaigns were launched in 2017 to increase awareness among our customers.

From a technical perspective, Group Technology constantly conducts rigorous tests to ensure that vulnerabilities in the Bank's systems are quickly identified and resolved immediately. Upholding data security and privacy depends on the involvement and diligence of every employee.

Social Media Guidelines

We guide our employees on the ethics of using social media:

- (1) Employees are required to keep all information relating to Maybank Group confidential
- (2) Employees are required to protect the Maybank Brand, trademark and logos and be mindful of how any of Maybank’s trademarks and logos may appear on personal digital spaces
- (3) Employees are required to protect private and proprietary customer information. We are obliged to respect and protect the private information of our customers. We must refrain from publishing or revealing any of this information on our personal digital space.

Maybank VS WannaCry

Group Technology is always vigilant in monitoring and preventing cyber attacks on Maybank’s system. Safeguarding the Bank’s systems is an ongoing process that requires constant technology and software updates. In 2017, Group Technology undertook additional preventive measures against the WannaCry ransomware attack. A task force formed within Group IT initiated changes to the IT infrastructure across the Group, such as internet access and WiFi restrictions, communication updates to regulators and Majlis Keselamatan Negara (MKN) as well as continually raising awareness on the ‘Dos and Don’ts’ to all Maybankers.

Through investment in best-of-breed Security Information and Event Management (SIEM) technology, Maybank has also been able to perform continuous real time monitoring to detect and quickly respond to any internal or external cyber attacks. This helped the Group stay above threats like WannaCry and NotPetya.

The exponential growth in technology hastens the obsolescence mark or expiration date for existing systems. Maybank has employed a framework internally to have continuous assessments on such risks and to ensure that they are addressed in a timely manner. An example of this would be the Branch Teller Replacement in Maybank Philippines, a continuation of the journey we started in Malaysia to replace our front end systems with a more modern technology architecture. Such refreshes are key to ensuring our IT system’s resilience on an increasing higher demand for service. Through this framework as well, we are able to prioritise and optimise the overall technology investments to balance the needs of new investments versus cost of replacements.




 Refer to page 84 for further details on data security.

OUR ROLE AS A TRUSTED COMPANY

GOOD BUSINESS CONDUCT ●

Key Governance Aspect	Supporting Policies, Codes and Practices	Actions taken												
 Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT)	Group Policy, Procedural Guidelines and Standard Practices on AML/CFT	<p>The Group Compliance Department was restructured into two key sections: Regulatory Compliance to focus on business- or product-related regulations; and Financial Crime Compliance to comply with anti-money laundering, counter-terrorist financing, sanctions compliance, anti-bribery and corruption-related regulations. A Group Chief Compliance Officer was also appointed in 2016.</p> <p>2017 initiatives:</p> <ul style="list-style-type: none">Hiring of key specialist personnel, increasing manpower in the transaction monitoring team, and enhancing the transaction monitoring system <p>The policies and guidelines are intended to provide all employees with a standard toolkit in managing AML/CFT risks.</p> <p>Employee training:</p> <table><tr><th></th><th>Anti-fraud training</th><th>AML/CFT</th><th>Anti-corruption</th></tr><tr><td>Number of employees (participation)</td><td>18,005</td><td>28,153</td><td>401</td></tr><tr><td>Training hours</td><td>79,284</td><td>83,257</td><td>5,341</td></tr></table>		Anti-fraud training	AML/CFT	Anti-corruption	Number of employees (participation)	18,005	28,153	401	Training hours	79,284	83,257	5,341
	Anti-fraud training	AML/CFT	Anti-corruption											
Number of employees (participation)	18,005	28,153	401											
Training hours	79,284	83,257	5,341											
 Personal Data Protection and Combating Cyber-crimes	Compliance with Personal Data Protection Act (PDPA) 2010	<p>We comply with the requirements of PDPA and publish a Privacy Notice on our website. We notify our customers through a message on ATM machines and account statements that the Privacy Notice is available on our website.</p> <p>We are constantly enhancing cyber security to protect our customers by investing in internal and external capabilities to protect the Group and customers from cyber-crimes. We have set up a 24/7 active security monitoring and response unit and conducted assessments on various entities across the Group.</p> <p>Group Technology conducts rigorous tests to ensure that vulnerabilities in the Bank's systems are quickly identified and resolved immediately.</p> <p>Data Loss Prevention measures were implemented to protect confidential customer data.</p>												
 Integrity and Compliance	Group's Whistleblowing Policy and Anti-Fraud Policy; Signatory to the Malaysian Anti-Corruption Commission (MACC)'s Corporate Integrity Pledge	<p>Maybank Group remains committed to maintaining high standards of integrity, corporate governance and transparency to grow our business responsibly and profitably. The Corporate Integrity Pledge (CIP), signed in 2011, was reviewed by MACC in 2013 and 2016. Maybank Kim Eng Securities (Thailand) also has in place an existing Anti-Corruption Policy.</p> <p>The Integrity Hotline (formerly Fraud Reporting Hotline) has been in place since 2004. All employees can raise concerns regarding any misconduct or wrongdoing including, but not limited to, unethical incidences such as criminal activities or contravention of laws/regulations committed by another employee or any person who has dealings with the Group. Concerns can be raised using the following channels without any fear of retribution:</p> <ul style="list-style-type: none">Hotline: 24 hours toll-free number 1-800-38-8833 or +603-20268112 for overseas with secured voice recordingE-mail: whistleblowing@maybank.comLetter: P.O. Box 11635, 50752 Kuala Lumpur <p>In 2017, the Group published the new Whistleblowing Policy which accords a greater protection to the whistleblower. With this policy, we hope to create a safe environment for every employee to speak up on irregularities they see or know of.</p> <p>Our ABM Convention 2017 was attended by 500 assistant branch managers (ABMs) across Malaysia. During the convention the ABMs concentrated on compliance regulations and practices. We also launched the 'Assistant Branch Manager's Guide Book', which serves as a referral point to assist ABMs in their daily routines.</p> <p>In 2017, we were in the midst of finalising the Maybank Group Anti-Bribery and Corruption (AB&C) Policy. The Group AB&C Policy was targeted to be approved by the Board of Directors in the first quarter of 2018. It is the overarching governance framework that combines the existing relevant policies with additional provisions to comply with the Malaysian Anti-Corruption Commission Act including relevant requirements/recommendations from the UK Bribery Act and Foreign Corrupt Practices Act.</p>												

OUR ROLE AS A TRUSTED COMPANY

Key Governance Aspect	Supporting Policies, Codes and Practices	Actions taken
 Board Diversity And Inclusiveness	In accordance with the Malaysian Code on Corporate Governance (MCCG) issued in 2017, Maybank has established a Board Gender Diversity Policy to demonstrate its commitment to increasing representation of women on its Board	<p>Maybank Group's Board Gender Diversity Policy adopts measurable objectives from time to time. In March 2018, the percentage of women in the Board stood at 36%.</p> <p>The selection process for appointment of Directors involves shortlisting of potential candidates, including at least one woman whenever reasonably possible, and priority is placed on the appointment of a woman Director to fill a membership vacated by a retiring or resigning woman Director.</p> <p>Further details on our inclusive workplace practices which are tracked through our Group Inclusiveness and Diversity Agenda (GIDA) are detailed in the chapter on Our Role as a Leading Employer.</p>
 Human Rights	Compliance with all applicable laws and regulations on forced and child labour as well as on the rights of employees	<p>We operate in fragile countries in emerging markets of the ASEAN region and monitor human rights situations in our operational environment closely. We support a wide variety of human rights aspects in the organisation and through our business including basic labour rights in the supply chain to collective bargaining and the right to privacy.</p> <p>With regard to labour rights, negotiations on four Collective Agreements (CA) were concluded in 2016 with the National Union of Bank Employees, Sabah Banking Employees' Union, Sarawak Banking Employees' Union and Serikat Pekerja Bank Maybank Syariah Indonesia (SP-MSI). A total of 36% of Maybank employees in Malaysia are union members.</p> <p>In addition, we recognise the rights of all employees to form a union and minimal wages are strictly observed in all country operations and there is no gender parity in pay.</p> <p>Group Procurement Manual has a clause prohibiting any form of child labour.</p>
 Fraud	Anti-Fraud Policy	<p>The policy establishes comprehensive tools and programmes, and highlights the roles and responsibilities at every level for preventing and responding to fraud.</p> <p>Maybank initiatives:</p> <ul style="list-style-type: none"> • News alerts on fraud and lapses • Additional measures include reinforcing the clear desk policy to minimise information leakage, theft and fraud • Employees are trained on fraud and ethics. In 2017, we provided 774 training sessions related to fraud and ethics and recorded a total of 115,536 training hours for our employees Group-wide.

CFS Sharing Session for Surveillance and Anti-Fraud (SAF)

Billions of transactions within the region go through our hands, making it imperative that our systems are highly sophisticated and run smoothly. We proactively conduct health checks on our systems and their soundness has been validated by reputable third parties that conduct periodic independent assessments. Ultimately, our systems must be supported by the right mindset. In 2017, Group Community Financial Services conducted several briefings at Regions to highlight best practices in detecting credit fraud, identifying fraud incidents and reporting to originators to further drive the message of safety and security.



Crisis Simulation Exercise

Crisis simulation exercises are aimed at facilitating practice and testing of multiple interdependencies between business units, recovery strategies and procedures during crisis. These often involve multiple critical business functions. As required by Bank Negara Malaysia, crisis simulation exercises are conducted on 100% of our critical business functions.

Maybank was awarded The Best Banking Brand in Malaysia in Asiamoney's inaugural Survey 'Best Brands in Finance 2017'.

Trust and integrity are perceived as core values in establishing a beneficial working relationship in the financial community. These two values scored the highest out of 10 monitored factors.

Compliance








The regulatory landscape in the region has changed tremendously in recent years. Financial institutions are facing increasing regulation and scrutiny. As a leading financial institution, we are keen to do our part in supporting local regulators' efforts in protecting customers and upholding the integrity of the financial system in Malaysia and across the region. The Group is embarking on a three-year journey to upgrade our capability and capacity in managing regulatory compliance and the risk of financial crime especially in the areas of anti-money laundering and counter-terrorist financing.

We have a strong risk and compliance culture supported by management. We strive to ingrain the expected values and principles of conduct that shape the behaviour and attitude of employees at all levels of business and activities across the Group. Compliance frameworks and policies are clearly defined, consistently communicated and continuously reinforced to embed a robust culture that cultivates active identification, assessment and mitigation of compliance risk as part of the responsibility of all employees across the Group.

OUR ROLE AS A TRUSTED COMPANY

A holistic review on the existing structure and capability of the Bank's compliance was conducted in 2016. Besides looking at methodologies, processes and tools, we also examined the broader issue of compliance culture. A Compliance Transformation Programme for 2017-2019 was created after identifying the changes required.

Sustainability Compliance

 <p>Structure</p>	<p>The compliance transformation journey began with an introduction of the new structure and enhanced role of the Group's compliance function in early 2017. A direct reporting line to the Board of Directors was established and a new Group Chief Compliance Officer (GCCO) was appointed. Group Compliance Department was restructured based on specialisation and divided into two key sections: Regulatory Compliance to focus on business- and product-related regulations; and Financial Crime Compliance (FCC), to focus on AML/CFT, sanctions and anti-bribery and corruption regulations.</p>
 <p>Compliance Governance</p>	<p>Enhanced compliance governance by establishing:</p> <ul style="list-style-type: none"> (i) Compliance Committee of the Board (CCB), chaired by an independent non-executive board member to review Compliance strategy, implementation and performance (ii) Special Client Committee (SCC), chaired by GPCEO, represented by key EXCO members to assess special risk client on-boarding and transaction processing, in line with Group risk appetite (iii) Group FCC Committee (GFCCC) chaired by GCCO to drive changes related to FCC methodology, policy, procedure and system
 <p>Framework</p>	<p>Managing compliance risk is everyone's responsibility. The Maybank Group Compliance Framework provides the key principles and guidelines for managing compliance risk within Maybank Group. The framework guides Maybankers to:</p> <ul style="list-style-type: none"> • Organise day-to-day business in compliance with rules and regulations • Implement compliance policies in the respective business in consultation with Compliance • Promptly report any regulatory breaches to respective Compliance Officers or Regulation Specialists • Report any misconduct discovered via Whistleblowing channels as listed on page 30  • Preserve Maybank Group's reputation by 'Doing the Right Thing'
 <p>Communication</p>	<p>In 2017, we introduced ComplianceComm, an infographic communique with compliance topics simplified for easy understanding. This is part of Group Compliance's objective to educate Maybankers on critical regulatory and compliance issues, including:</p> <ul style="list-style-type: none"> • Ukraine and Russia-related sanctions • Beneficial Owner • Upliftment of Secondary Sanctions on Iran • AML/CFT series • Consumer protection series (regarding secrecy breaches and debt collection) • Compliance framework <p>Group Compliance also developed visual aids to help frontline staff make quick decisions on what action or escalation is needed when processing high-risk or complex transactions.</p>
 <p>Training and Advisory</p>	<p>A refresher training on AML and Foreign Exchange Administration (FEA) Rules was conducted for frontline staff at branches. Over 800 employees participated in the 22 training sessions. The new format of the training emphasised knowledge on how to apply regulatory requirements and execute control accurately.</p> <p>In addition to training, Compliance Surveillance and Advisory teams have been set up to provide continuous support to the regions and branches. Support includes a helpline, ongoing monitoring and reinforcement.</p>
 <p>Compliance Culture</p>	<p>The Compliance League Table was implemented to measure compliance performance of branches/regions/departments and its outcome were presented to the Board and Senior Management for better oversight on the level of compliance within the Group. The intent is to reinforce compliance culture across the Group.</p>

Living Our Core Values

The Group's core values, T.I.G.E.R. (Teamwork, Integrity, Growth, Excellence & Efficiency, and Relationship Building), are our essential principles. The Code of Ethics and Conduct further complement them. All employees are expected to take ownership of their conduct and ensure that their decisions and actions are aligned with our Core Values, Code of Ethics and Conduct as well as other governing policies and regulations.

Our review of compliance with Maybank's Code of Ethics and Conduct is a continuous process which includes various methods such as annual screening of selected staff and review of staff requests for non-work related matters.

Such reviews are in line with the Bank's operation needs and to ensure compliance to regulatory policies and guidelines.

OUR ROLE IN THE COMMUNITY

Channelled over
1%
of net profit
(including zakat)



to community programmes, making us one of the more active corporate citizens in Asia with over
RM65 million
in community investment and over
RM23 million in zakat contribution

Conducted programmes in **seven** countries across Southeast Asia



MAYBANK FOUNDATION'S FLAGSHIP PROGRAMMES

- CashVille Kidz
- Reach Independence & Sustainable Entrepreneurship (R.I.S.E.)
- eMpowering Youths Across ASEAN
- Maybank Women Eco-Weavers
- Maybank Training and Learning Centre (TLC)
- KataKatha



Reached
8,984
students

and
23
Schools



in Malaysia and Cambodia via
CashVille Kidz.

Phase 2 of the **R.I.S.E.**
programme has benefitted
a total of

1,866 people



in Malaysia,
Indonesia and
the Philippines



Showcased **eMpowering Youths Across ASEAN** with ASEAN youth at the United Nations Volunteers (UNV) Conference in Bangkok, Thailand

Maybank Training & Learning Centre (TLC)



Some
24 young people
in Myanmar



and more than
30 in the Philippines
were trained

Maybank Women Eco-Weavers

Trained



50 women
weavers

and supported

198 mulberry
tree farmers
in Cambodia



200 women
participants

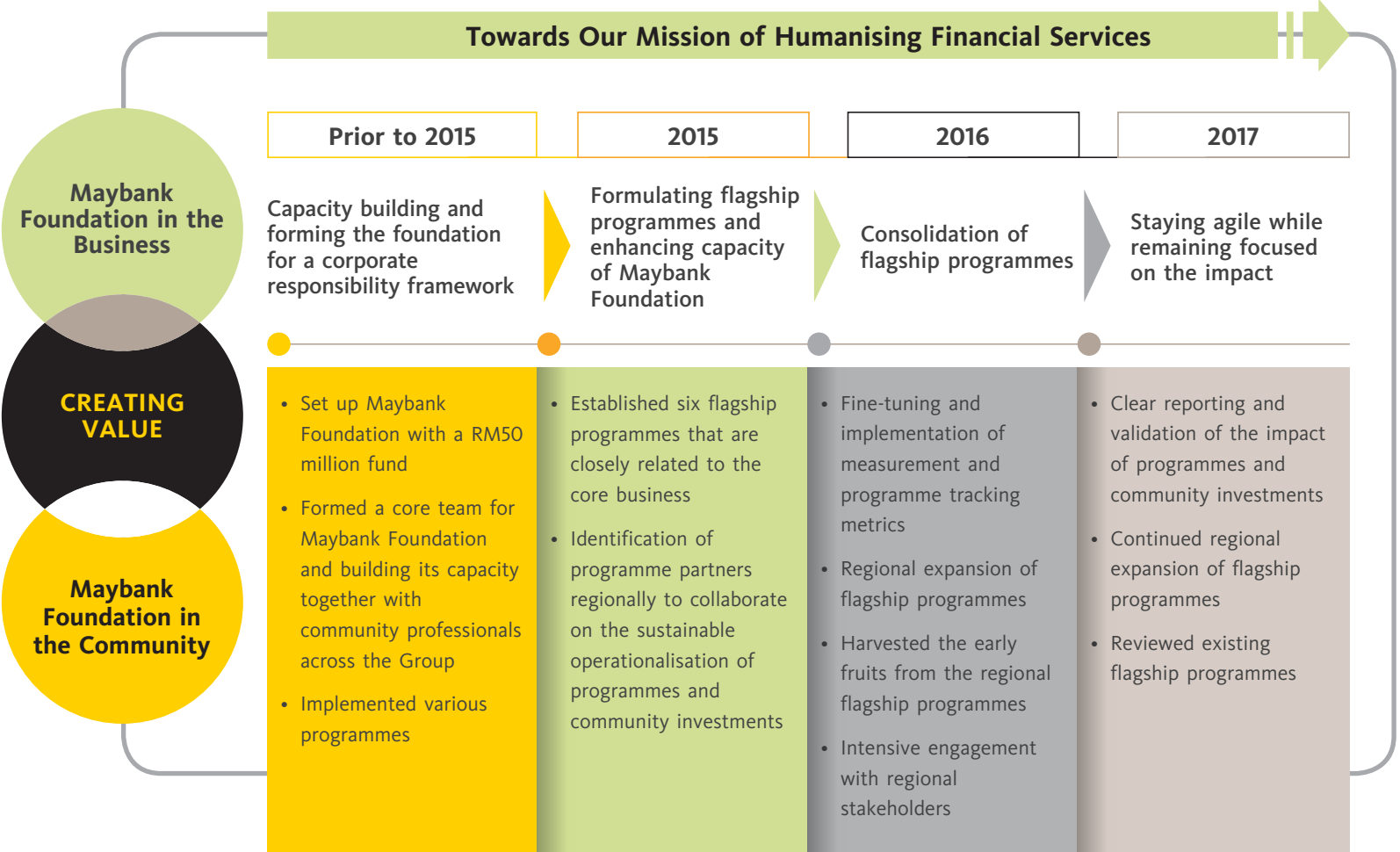
in four weaving learning centres located in East Lombok, Central Lombok (West Nusa Tenggara), Sawahlunto and Tanah Datar (West Sumatera), Indonesia



Supported tiger conservation efforts in the Belum-Temenggor Forest Reserve in partnership with WWF-Malaysia
with a grant of over

RM1.3 million

OUR ROLE
IN THE COMMUNITY



Opportunities	Challenges
<p>We invest for collective solutions so that all our local communities benefit from our programmes. Our flagship programmes are designed to focus on building resilience and enable communities to thrive.</p>	<p>Being locally relevant and regionally focused is a key challenge as our programmes must reflect the diversity of ASEAN and the needs of the business.</p>
<p>All six flagship programmes are localised to meet the needs of the community and to ensure that beneficiaries are reached.</p>	
<p>We are now able to track progress against baseline indicators and targets by working with partners from across the region. Our non-profit partners are crucial towards integrating programmes on the ground. We implement a rigorous selection process to identify the most credible partners for us in the markets we enter. We grow our partners along with our programmes and continue to implement workshops and provide new experiences for our partners.</p>	<p>Multi-stakeholder partnerships are crucial towards the success of programmes. Managing cultural differences between partners and related stakeholders in community empowerment towards a common regional platform is a key consideration.</p>
<p>In 2017, we actively ran programmes in seven countries across Southeast Asia. With enhanced capacity and credibility, we were in a position to contribute to larger goals including the ASEAN Economic Community Blueprint 2025 and the United Nations Sustainable Development Goals (SDGs).</p>	<p>Measurement of impact of programmes must be consistent and focused. There are different methodologies available which provide different insights. We have commissioned impact studies of selected programmes to ensure that we are on the right track.</p>

OUR ROLE IN THE COMMUNITY

G4-DMA

OUR APPROACH – INVESTING FOR COLLECTIVE SOLUTIONS ■

We believe that investing in sustainable programmes with a strong regional focus can unlock social value and realise long-term tangible results. Our community programmes are managed by Maybank Foundation and focus on six areas: education, community empowerment, arts and culture, environmental diversity, healthy living and disaster relief.

All our programmes aim to empower the communities and environments they live in. We believe the most effective way to create long-lasting collective impact is through targeted social investments, volunteerism efforts and long-term partnerships. We try to look past the immediate future and ensure that our business thrives along with our communities – what we now call ‘investing for collective solutions’.

MAYBANK FOUNDATION ■

Maybank Foundation is the main implementer of the Group’s community programmes. The Foundation’s mandate is to create positive, long-term impact in the communities of markets where Maybank operates. Since its establishment, the Foundation has focused on identifying programmes that can have the most tangible impact and sustainable results.

The objective of the Foundation is to enhance quality of life for all – irrespective of race, gender, or creed – with an emphasis on the poor and marginalised. In 2017, Maybank Foundation continued its regional expansion of flagship programmes including CashVille Kidz, Reach Independence & Sustainable Entrepreneurship (R.I.S.E.) and Maybank Women Eco-Weavers.




“Banking can sometimes be perceived to be cold. As one of the largest banking groups in Southeast Asia, we owe it to our customers to make our banking services warmer. We create easy access to the right financial products and services

for our customers. The larger picture is that we also support all governments’ and central banks’ aspiration of improving financial inclusion. Financial inclusion means no one is left behind, particularly in economic development, either at a personal level or even for micro, small or medium enterprises. We create a level playing field so that a person in a wheelchair can be given access to a housing loan or a business loan to expand her grocery store, for example. If they can’t get to the bank, we try to bring the bank to them.”

Shahril Azuar Jimin,
CEO of Maybank Foundation

Maybank Foundation Governance and Leadership

Members of Maybank Foundation’s Board of Trustees are respected individuals with diverse skills and experience. The Trustees bring a vast range of knowledge, experience and perspectives to the task. The executive team is led by a CEO and they work with relevant units throughout the Group to support community empowerment efforts.

 The profiles of our Trustees and CEO are available on our Maybank Foundation website at <http://maybankfoundation.com/index.php/who-we-are/governance-and-leadership>

Our Community Investment Progress

In 2017, we continued the regional expansion of our flagship programmes and reviewed existing initiatives. We have further improved our internal monitoring system which allows us to assess the impact of our work. In 2016, we adopted the London Benchmarking Group (LBG) methodology in implementation of programmes. As reported in the LBG Insight Report 2017, Maybank’s contributions have a good level of strategic focus and we continue to be a leader in the area of engaging employees, posting high rates of employee participation in community activities.

A “CR Matrix” was designed and developed internally to track community reach and reputation enhancement as well as to show areas of improvements and gaps. Mapping our programmes with a wider lens enabled us to better assess programmes and provided the baseline for future directions and programmes. The CR matrix will enable us to design a more robust solution moving forward. We believe that development issues are multidimensional and must be measured in more metrics than just financial. Health, education and standards of living can be seen as indicators for positive development.

With a total community investment of over RM65 million as well as zakat contribution of over RM23 million in 2017, which is equivalent to over 1% of net profit, Maybank is one of the more active corporate citizens in Asia. In addition to our financial contribution, the total participation in Maybank’s Cahaya Kasih Group-wide initiatives in 2017 amounted to 25,179. These employees contributed their expertise with almost 130,209 volunteer hours channelled to various community causes through our Cahaya Kasih volunteer programme and Group-wide initiatives.

The ASEAN Foundation recognised and endorsed two of Maybank Foundation’s flagship programmes, namely Maybank Women Eco-Weavers and eMpowering Youths Across ASEAN. These two programmes are in line with the aspirations of the ASEAN Socio-Cultural Community Blueprint 2025 which seeks to promote high quality of life with equitable access to opportunities and protect human rights.

OUR ROLE IN THE COMMUNITY



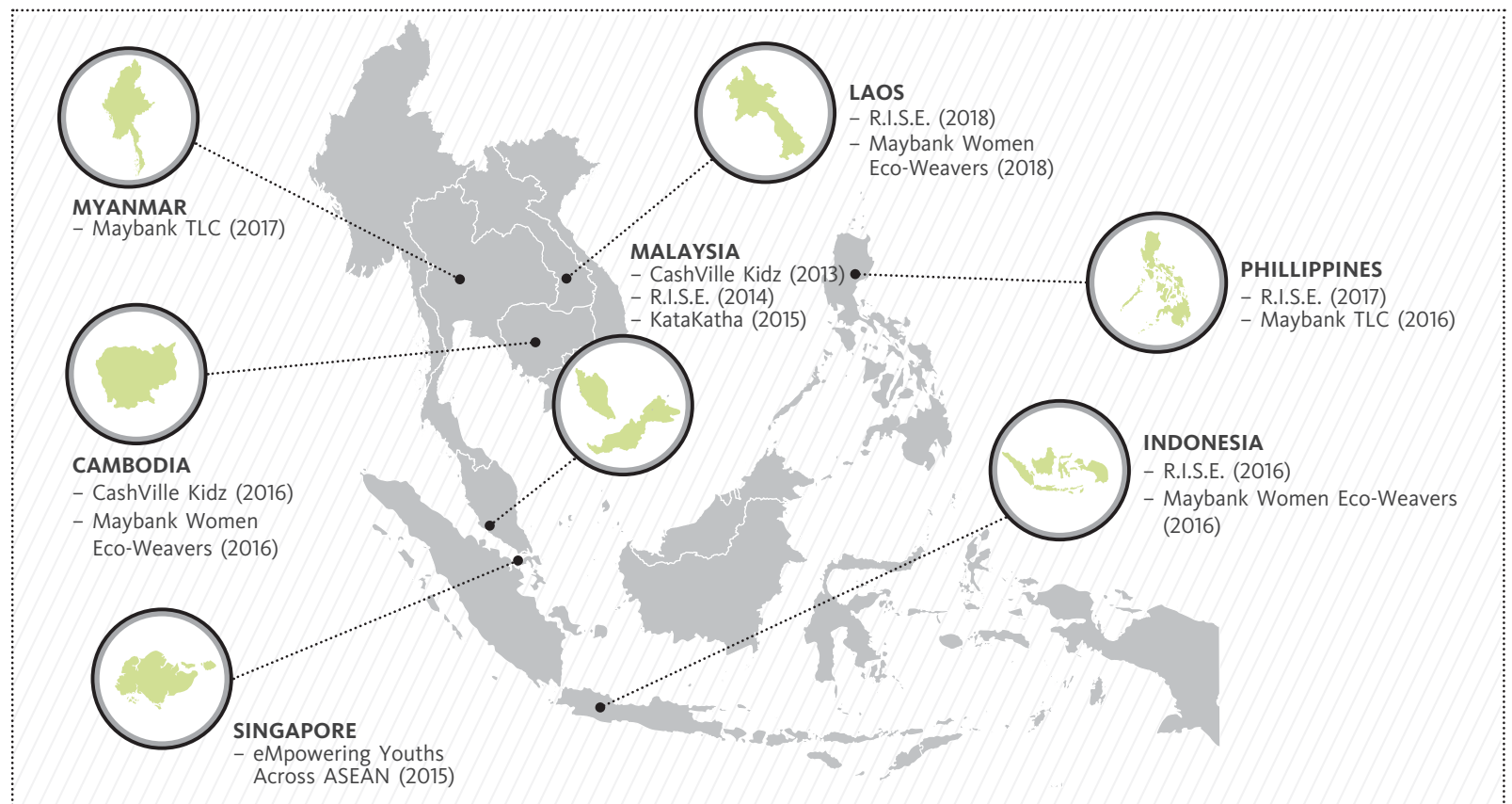
Sustainable Development Goals

We operate in a region that has wide income disparity within the community. Our focus is to empower the most marginalised communities who live in poverty (Goal 1), reduce inequalities (Goal 10), and enhance the quality of education (Goal 4). One of our strategies is to work through multi-stakeholder partnerships (Goal 17).

A core focus of Goal 8 is decent work and full employment for the youth by addressing the significant barriers to job opportunities that result in youth unemployment. Our flagship programmes, R.I.S.E. and Maybank Women Eco-Weavers contribute towards this goal. Our commitment to environmental diversity (Goal 15) is evident in our support for tiger conservation efforts in the Belum-Temenggor Forest Reserve.



Spending per focus area	2015 (RM)	2016 (RM)	2017 (RM)
Education	23,268,205	27,394,249	28,188,412
Community Empowerment	7,512,641	9,888,222	8,216,057
Arts and Culture	880,781	631,686	477,380
Environmental Diversity	534,864	870,478	1,418,319
Healthy Living	32,380,455	26,514,835	26,737,326
Disaster Relief	1,139,143	1,000,000	322,341
Total	65,716,089	66,299,470	65,359,835



* In 2017, we actively ran programmes in seven countries across Southeast Asia.

OUR ROLE IN THE COMMUNITY

EDUCATION

Maybank scholarships provide deserving students from low- and middle-income families with an opportunity to realise their dreams of studying at top universities. The scholarships also support the human capital development of the countries we operate in. In 2017, 255 recipients were awarded full sponsorship for pre-university and subsequent tertiary studies at top foreign and local universities. In total, we disbursed over RM26 million in scholarships in 2017.

Maybank Prestasi Scholarship 2017

Through Maybank Prestasi Scholarship 2017, Maybank Indonesia provided scholarships for 520 school-going children and university students.

Maybank Singapore's Star Savers Programme

In 2016, Maybank Singapore launched the Star Savers Programme which encourages primary school students from low-income families to save over a period of three years. As part of this programme, Maybank matches the children's savings by up to 10 times (capped at SGD600 per child per year) and offers training credits which they can use to attend enrichment courses at community centres. Some 126 students participated in the programme and received over RM157,924 in matched training credits.

CashVille Kidz

Programme objectives:



Equip children and youth with good financial management skills and empower them to make informed financial decisions



Develop positive savings and spending habits



Promote independent learning through provision of content online and offline

The world we live in presents many challenges for the future generation. One of the issues affecting young adults globally is the lack of sound financial management skills. This has caused many young people to begin their adulthood with an inability to manage their finances. With this in mind, we want to play a part in educating young children on the importance of money management through CashVille Kidz.



8,984
students



23
schools

MALAYSIA

CashVille Kidz teaches children how to be financially savvy through an animated TV series and related activities targeted at children aged nine to 12 years. First aired in 2013 in Malaysia, CashVille Kidz nurtures children to be financially literate youths who will adopt positive spending and savings habits so that they will eventually grow up to be better informed customers. We work in partnership with MoneyTree Asia Pte Ltd and with support from the Malaysian Ministry of Education.



In July 2015, the Malaysian Ministry of Education endorsed CashVille Kidz as an extra co-curricular activity which means students receive co-curricular points for their participation. In the last three years, the programme has touched the lives of more than 150,000 students from 750 schools across Malaysia's 13 states.

CAMBODIA

Regionally, Maybank Cambodia, together with Maybank Foundation and in partnership with MoneyTree Asia, launched the CashVille Kidz Programme in Cambodia in 2016. The pilot phase reached some 984 students in Phnom Penh, exceeding initial targets. This culminated in a Grand Finale and CashVille Kidz Challenge which saw representatives from the eight participating schools battle their way through a vigorous quiz challenge to win prizes.

The programme has now been endorsed by the Cambodian Ministry of Education, Youth and Sport and will be expanded to national schools in Cambodia in Phase 2 of the programme. For Phase 2 which is expected to be rolled out in 2018, some 3,200 students are projected to benefit in Cambodia. The programme is also endorsed by the National Bank of Cambodia. Our programme partners will train teachers in schools to conduct class sessions using the animated series and a CashVille Kidz Programme toolbox. A financial literacy assessment will be deployed before and after the programme to enable us to track its effectiveness. In 2017, we reached 8,984 students and 23 schools in Malaysia and Cambodia.

OUR ROLE IN THE COMMUNITY

Input	Target	Outcome	Status
Co-curriculum development through a programme partner	Recognition from Malaysian Ministry of Education. We will also continue the programme in Malaysia.	Endorsed by the Malaysian Ministry of Education as an extra co-curricular activity in participating schools. In Malaysia, reached: • 15 schools • 8,000 students	
	The pilot phase in Cambodia will start in eight primary schools with 800 students. For Phase 2 which is expected to be rolled out in 2018, some 3,200 students are projected to benefit in Cambodia. Given the successful pilot programme in Cambodia, we will initiate a three-year campaign with plans to reach 19,200 students in 95 schools.	In Cambodia, the programme reached: • 8 schools • 984 students The average increase in financial literacy scores among participating students in Cambodia was 25.49%. Endorsed by the National Bank of Cambodia and the Cambodian Ministry of Education, Youth and Sport.	

Legend

 Achieved  In progress  Not achieved

FINCO (Financial Industry Collective Outreach)

FINCO

What is FINCO?

FINCO stands for the Financial Industry Collective Outreach. It is the largest collective impact initiative for a community programme in Malaysia.

STRUCTURE OF FINCO

Who are the members?



Financial Industry Associations

107

Financial Institutions

(Including Banks, Islamic Banks, Investment Banks, Development Financial Institutions, General Insurance, Life Insurance and Takaful)



200,000
potential volunteers

WHAT IS COLLECTIVE OUTREACH?



Shared Measurement

Measure results and share accountability



Common Agenda

Share a common vision for change



Continuous Communication

Build trust with consistent and open communication



Mutually Reinforcing Activities

Coordinate our actions to ensure maximum impact



Backbone Support

A separate organisation that brings us all together by coordinating our efforts

English literacy

INITIAL FOCUS

Life aspiration



WIDENING LIFE ASPIRATION

FINCO cultivates the life aspirations of underprivileged children through exposure to global careers and personal development opportunities

OUR GOAL



OVERCOMING BARRIERS OF ACCESS

FINCO increases access to opportunities for underprivileged children through mastering English



INSPIRING MORE ACTION

FINCO looks to inspire large-scale collaboration in the corporate sector to achieve systemic social and environmental benefits

OUR ROLE IN THE COMMUNITY

Background

FINCO arose from a focus group on community empowerment convened at Bank Negara Malaysia's inaugural Future Finance Conference in September 2016. Maybank was a member of the focus group and Maybank Group President & CEO Datuk Abdul Farid Alias is a Board Member of FINCO.

The focus group proposed a framework for stronger collaboration and sharing of resources within the financial industry. This will be a key enabler towards more structured and coordinated corporate social responsibility efforts. Community empowerment is the main theme with a special focus on children from underprivileged communities.

For Maybank, our efforts in FINCO directly support our community investment strategy to focus on collective solutions.

For a start, FINCO worked in partnership with Soroptimist International Kota Kinabalu to carry out a Reading Hunt Programme in a school in Kota Kinabalu, Sabah. Volunteers from financial institutions will partner with teachers and state educators to assist in enhancing reading skills amongst primary school students. The Reading Hunt is embedded in the existing English language curriculum in schools. Students in the pilot programme have shown increased interest and confidence in using the English language.

COMMUNITY EMPOWERMENT

Our programmes work towards empowering communities by creating sustainable livelihoods and support systems. Our interventions are driven by the belief that financial inclusion is a powerful enabler for economic growth. We are committed to developing effective and affordable solutions that address issues of financial and social exclusion. We are expanding our community programmes regionally.

Reach Independence & Sustainable Entrepreneurship (R.I.S.E.)

Programme objectives:



Increase the income of people living with disabilities and people of other disadvantaged communities through mentoring and capacity-building



Create economic independence and financial inclusion for the target group, thereby giving them access to financial services and hope for a better future

R.I.S.E. is an economic empowerment programme designed to support disadvantaged communities by helping them grow their income and become financially independent. This is done through the provision of training, coaching and mentoring. It also supports effective economic empowerment programmes for people living with disabilities thus improving their overall standard of living.

Following a pilot programme in Klang Valley, Malaysia in September 2014, R.I.S.E. has been run:

- in Malaysia and Indonesia since 2016
- in the Philippines since 2017

The R.I.S.E. programme starts with a three-day training on entrepreneurship and financial management. This is followed by three to six months of mentoring period with special focus on motivating participants. After the programme, participants continue to be guided and introduced to business opportunities. Their income-generation ability is also monitored. Maybank does not provide special loans to the R.I.S.E. participants but supports them to become eligible for standard loans.

The programme has proven to be successful at enabling the participants to adopt innovative strategies for their business ideas, enhance business management skills as well as improve client acquisition and retention. This has led to quick and sustainable income increase, without necessarily requiring loans or additional funding. New thriving businesses bring prosperity to their owners and their families but also have the potential to provide employment to others, thereby contributing to welfare of entire communities.

Phase 2 of the R.I.S.E. programme has benefitted a total of 1,866 people in Malaysia, Indonesia and the Philippines. The breakdown of participants is as follows: Malaysia – 1,400; pilot in Indonesia – 211; pilot in Philippines – 255.

In Phase 3, the programme aims to reach some 4,000 participants in four countries: Malaysia – 800; Indonesia – 2,000; the Philippines – 1,000; pilot in Laos – 200. Some 70% of participants are expected to be people living with disabilities and 30% from marginalised communities.

OUR ROLE IN THE COMMUNITY

PHILIPPINES

In May 2017, Maybank Foundation and Maybank Philippines held a special ceremony to recognise the Top 20 Achievement Awardees of the R.I.S.E. programme. The ceremony was held at the Maybank Performing Arts Theater in Bonifacio Global City. In the Philippines, R.I.S.E. is supported by the Philippines' Department of Social Welfare and Development. The programme was launched in Metro Manila in January 2017.



The leaders of R.I.S.E. that had attended the R.I.S.E. Top 20 Achievement Awardees Ceremony.



R.I.S.E. participants and the Maybank Philippines Management during the TIGER Social Bazaar.

In July 2017, Maybank Philippines (MPI) also supported R.I.S.E. entrepreneurs by providing a marketplace for their products at the TIGER Social Bazaar. The bazaar is an initiative of E3 (Energise, Empower, Engage), a year-long employee engagement platform by MPI.

MALAYSIA

In Malaysia, Phase 3 of the R.I.S.E. programme was launched at UiTM Seremban, Negeri Sembilan. The first batch of Phase 3 trainees from Negeri Sembilan was given the chance to join a three-day training session which began in December 2017. There, they heard the personal experiences of three previous R.I.S.E. participants on how they have benefitted from the programme and achieved outstanding increase in their monthly income.



Phase 3 of R.I.S.E. was launched at UiTM Seremban in December by Tunku Besar Seri Menanti Tunku Ali Redhaudin Tuanku Muhriz. Also present were the Group President and CEO, Datuk Abdul Farid Alias and Maybank Foundation CEO, Shahril Azuar Jimin.

INDONESIA

Focus

Full Name:

Agung Sedayu

Country:

Indonesia

Location:

Bogor

Batch No.:

Pilot, Batch 7

Date Trained:

1 – 3 November

Disability:

Amputated leg

Business:

Catering

Average Monthly Income Before R.I.S.E.:

IDR 1,000,000

Average Monthly Income After R.I.S.E.:

IDR 187,000,000

When a whirlwind blew his motorcycle off the road, Agung was thrown five meters away along with his daughter whom he had to shield. The accident claimed his left leg as well as his hope for life. He became dependent on his wife who had to take loans to cover his medical bills and support the family's needs.

Living with disability, Agung mostly kept to himself. In fact, the R.I.S.E. training was the first event Agung attended since recovering from his accident.

Thanks to the programme, Agung was able to launch a small catering business. Based on the skills that he picked up, he managed to get orders to supply food and inventories for Japanese foreign exchange students. Agung has since won many more contracts and is the proud owner of a burgeoning new business.

With his newfound success, Agung not only paid off his family loans but he also cleared the debts of other disabled friends. He has also helped them market and sell their products through his business. He is now determined to help and empower those living with disabilities.

Agung is currently in the midst of establishing a community centre for entrepreneurs living with disability which will be called the 'Indonesia Disable Centre'. He hopes that the centre can serve as a knowledge sharing platform for business opportunities and information for members. Agung feels that he has benefitted greatly from his experience with R.I.S.E. trainers and mentors. This is why Agung wants to pay it forward to others.

OUR ROLE IN THE COMMUNITY

Input	Target	Outcome	Status
Practical entrepreneurship training	PHASE 2 Started: September 2015 Completed: March 2017 Target: 1,800 participants:	Now in its second phase, R.I.S.E. has already trained and impacted a total of 1,866 (as of July 2017) participants regionally in Malaysia, Indonesia and the Philippines.	■
Effective monitoring and focus on income improvement	<ul style="list-style-type: none"> Malaysia: 1,400 participants Indonesia: 200 participants The Philippines: 200 participants 	<ul style="list-style-type: none"> Malaysia: 1,400 participants Indonesia: 211 participants The Philippines: 255 participants 	
Large-scale involvement of Maybankers	PHASE 3 Will reach out to 4,000 people in four countries:	Maybank product uptake and microfinancing opportunities for successful participants.	■
	<ul style="list-style-type: none"> Malaysia: 800 participants Indonesia: 2,000 participants The Philippines: 1,000 participants Laos: 200 participants, of which 70% will comprise persons living with disabilities and 30% marginalised communities 		

Legend

■ Achieved ■ In progress ■ Not achieved

eMpowering Youths Across ASEAN

Programme objectives:



Empower students to understand regional issues and impact the communities they serve



Reduce poverty or improve livelihoods in ASEAN communities

eMpowering Youths Across ASEAN provides funding for university students to carry out high-impact projects that help reduce poverty or improve livelihoods in ASEAN communities. In two years, 2016 and 2017, Maybank has disbursed over RM1.8 million, in partnership with three universities in Singapore.

Since 2016, the programme has funded 13 high-impact projects aimed at reducing poverty in ASEAN communities. Collaborating with local agencies, the youth-driven projects tackled difficult issues such as the lack of water and electricity supply, poor sanitation, waste management challenges and coastal erosion. Some of the projects attempted to address multiple issues facing their target communities. The pilot programme has impacted the lives of about 2,400 people in Indonesia, Laos, Vietnam and the Philippines.

In January 2017, Maybank Group hosted the 'eMpowering Youths Across ASEAN Showcase' at Suntec City Convention Centre, Singapore. Projects were judged based on their final reports, Instagram campaigns and the sustainability of the respective project. The winning project from the National University Singapore (NUS) was Project Cheway which proposed sustainable water systems which can weather natural disasters.

In 2017, the programme was endorsed by the ASEAN Foundation with a view to expand the programme further within the region.

eMpowering Youths ACROSS ASEAN



NUS Project Cheway won the first Maybank Power Up Award for helping to provide access to clean water for the poor in a Philippines community.

■ flagship programmes

OUR ROLE
IN THE COMMUNITY

United Nations Volunteers (UNV) Conference

In 2017, Maybank was invited to showcase its work with ASEAN youth at the United Nations Volunteers (UNV) Conference in Bangkok, Thailand. The conference theme was ‘South-South Exchange on Youth Volunteering for the Sustainable Development Goals’. Maybank was one of the only three invited corporates, amongst the attendees that largely comprised non-governmental organisations and government participants. This United Nations-level recognition is a positive validation of the eMpowering Youths Across ASEAN programme. Our Group Chief Human Capital Officer, Puan Nora Abd Manaf, is the Patron of the programme.

Input	Target	Outcome	Status
Partnership with three universities, namely National University of Singapore (NUS), Singapore Management University (SMU) and Nanyang Technological University (NTU).	To expand the programme further across the region.	Endorsed by the ASEAN Foundation. Showcased at Suntec City Convention Centre, Singapore and at the UNV Conference.	<div></div>

Legend

Achieved In progress Not achieved

MAYBANK WOMEN ECO-WEAVERS

Programme objectives:		
<div></div> <div>Create economic independence and financial inclusion for women weavers</div>	<div></div> <div>Promote and enhance the traditional textiles industry in a sustainable manner</div>	<div></div> <div>Preserve and promote ASEAN's cultural heritage</div>

Maybank Women Eco-Weavers supports women weavers from poor and marginalised communities with the aim of reviving and sustaining traditional weaving practices in ASEAN countries. The ancient art of textile weaving cuts across borders of the 10 member nations of ASEAN. These textiles can be works of art that represent the heritage of their respective countries, yet the women weavers who sustain the traditional crafts often struggle to survive in modern times.

The women in this programme receive access to training, capacity-building and microfinance, which helps them and their families to become economically independent. The Maybank Women Eco-Weavers programme is currently active in Indonesia and Cambodia. It was expanded to Laos in 2018.

The programme operates in partnership with local organisations to provide the ecosystems for sustained development of the regions' textile weaving culture. The programme is endorsed and supported by the ASEAN Foundation, which shares our mission to preserve ASEAN cultural heritage and contribute towards building the ASEAN identity.

Given that each country faces different challenges, the programme has been tailored to fit in the local context and address local issues. In Cambodia, a silk weaving training centre was built to provide skills training and employment opportunities for women. In Indonesia, however, the approach has been focused on providing micro-financing to women weavers. We also engage with international designers to showcase the participants' products.

At the 9th Annual Global CSR Summit and Awards, the Maybank Women Eco-Weavers won the Bronze Award in the category of 'Best Community Programme Award' for companies with market capitalisation of more than USD1 billion.

Year	2016	2017
Number of women weavers trained in Cambodia	50*	50
Number of mulberry tree farmers supported in Cambodia	96	198
Number of mulberry trees planted in Cambodia	13,548	31,500
Number of participants in Indonesia	85	200

* Five women weavers did not complete the training programme

CAMBODIA

The Takeo province has long been the hub for traditional silk weaving in Cambodia. The Maybank Silk Weaving Training Centre in Takeo works to promote traditional Cambodian textiles globally in a sustainable manner while creating business opportunities for underprivileged women. The training centre, run in collaboration with a non-profit organisation Color Silk Foundation, is Cambodia's first formal silk weaving training centre. The newly established centre is located about 65 kilometres away from Phnom Penh.

Students are given training, capacity building and production-related financial incentives as well as the tools to help them and their families become economically independent. Maybank also assists in a sericulture programme with 198 mulberry tree farmers over a three-year period to plant mulberry trees which are essential for silk thread production.

In 2017, The Maybank Silk Weaving Training Centre trained 50 new weavers while 25 more weavers are undergoing training. Many of the graduate weavers are earning between USD150 and USD200 a month. At the same time, many of the mulberry farmers involved in this programme are also starting to reap income from their mulberry leaf harvests.



Focus

For Nov Seoun, life was previously a complex juggle between financial dependence and domestic violence. Though the 48-year old would make extra income from farming rice, water lily and morning glory, she still had to rely on her abusive husband for financial support.

The Maybank Women Eco-Weavers Programme equipped her with skills and an income, but more importantly, it restored her self-confidence and ultimately her independence. Seoun, who specialises in ikat weaving, has recently undergone surgery for a medical condition. She saved up enough money from her weaving income to pay for the medical bills. Her average monthly income is currently USD140.

INDONESIA

In Indonesia, the Maybank Women Eco-Weavers Programme adopted a micro-financing approach to help weavers buy the raw materials they need. Our programme partner works with some 200 women in four weaving learning centres located in East Lombok, Central Lombok (West Nusa Tenggara), Sawahlunto and Tanah Datar (West Sumatera).

We are proud that Maybank Women Eco-Weavers was featured and showcased at the ASEAN 50th Anniversary Celebration in 2017. The objectives of the programme are in line with the ASEAN Socio-Cultural Community Blueprint 2025 which seeks to promote high quality of life, equitable access to opportunities, protection of human rights and, at the same time, to preserve the arts and culture of the ASEAN Region.

LAOS

Maybank Foundation signed a Memorandum of Agreement with Lao Sericulture Company Ltd (Mulberries) in Xieng Khuang Province, Laos in mid 2017. The Maybank Women Eco-Weavers programme was expanded to Laos in 2018.

Products by Maybank Women Eco-Weavers were showcased at a fashion show, held in conjunction with Maybank Championship Malaysia 2017. The fashion show featured the fine work of Maybank Women Eco-Weavers as well as emerging fashion designers from across the region. The event also displayed designs from Asosiasi Pendamping Perempuan Usaha Kecil (ASPPUK) and the Color Silk Foundation. The aim was also to educate urban consumers on traditional textiles made with natural dyes.



The CEO of Maybank Foundation, Shahril Azuar Jimin, highlighting the Maybank Women Eco-Weavers to the President of the Republic of Indonesia, H.E. Joko Widodo at the ASEAN 50th Anniversary Celebration held at the ASEAN Secretariat in Jakarta.

Input	Target	Outcome	Target Status
Cambodia Maybank Silk Weaving Training Centre	2017 target: Increase our support to 50 silk weavers and 70 farmers growing mulberry trees in Cambodia Six courses to train weavers and farmers	Trained 50 women weavers and supported 198 mulberry tree farmers in 2017	■
Indonesia Training Capacity building Microfinancing	Train 400 women weavers in the next three years Create new markets to connect weavers and cooperatives with wholesalers and retailers Establish four locally managed weaving learning centres in the districts Increase awareness on the importance of natural dyes and environmentally friendly processes	200 women participants in 2017 Four weaving learning centres located in East Lombok, Central Lombok (West Nusa Tenggara), Sawahlunto and Tanah Datar (West Sumatera)	■
Laos	15 weavers trained 50 on-site training programmes for mulberry tree farmers 50 village experts as training leaders	In progress	■

Legend

■ Achieved ■ In progress ■ Not achieved

■ flagship programmes

OUR ROLE
IN THE COMMUNITY

MAYBANK TRAINING & LEARNING CENTRE (TLC)



Programme objectives:



Provide relevant vocational skills for young people across ASEAN



Enhance capacity-building and create new job opportunities for the local communities

We build TLCs in geographically and socio-economically diverse areas to benefit disadvantaged young people who have little or no access to formal schooling. At these centres, the youth are provided with:

- Vocational training
- Information and exposure to innovative practices
- Skills training combined with livelihood, health, and entrepreneurial training

The first Maybank TLC has been operational in the Philippines since 2016 and the second one was opened in Myanmar in 2017. The Maybank TLC-CVT (Centre for Vocational Training) Programme 2017 is a collaboration between Maybank and CVT Myanmar. Some 24 young people in Myanmar and more than 30 in the Philippines were trained in 2017.

PHILIPPINES

We have been working on capacity-building initiatives in partnership with Xavier EcoVille community in Cagayan de Oro, the Philippines since 2011. The Maybank TLC, opened in 2016, provides vocational education and creates opportunities for young people who have been deprived of basic education or skills training. The type of training offered includes specially designed modules as well as programmes accredited by the Technical Education and Skills Development Authority (TESDA).

MYANMAR

The training programme began in July 2017 with a six-month electrician training course for 24 local youths. Participants learn both the theoretical and practical knowledge of electrical works as well as basic English language and social communication skills. The teachers also receive training support. All CVT teachers attend training once a year to improve their teaching skills and classroom management skills. A four-day training for teachers was conducted in November 2017.

Input	Target	Outcome	Target Status
Construction of two Maybank TLCs	Philippines: 30 people trained	In Myanmar, 24 young people were selected from about 300 applicants whilst over 30 youths were trained in the Philippines in 2017.	
Vocational training combined with livelihood, health and entrepreneurial training			

Legend
 Achieved In progress Not achieved

ASEAN SUSTAINABILITY PROGRAMME

In 2016, we introduced the ASEAN Sustainability Programme which is a structured approach to help small businesses in the region. Our support is delivered through microfinancing, mentoring and capacity-building for individual businesses. We started off with Trade[&Give] – to provide financial access and equitable opportunities for small-business entrepreneurs in every market where we operate. Micro-entrepreneurs being the key individuals we aimed to empower from the onset.

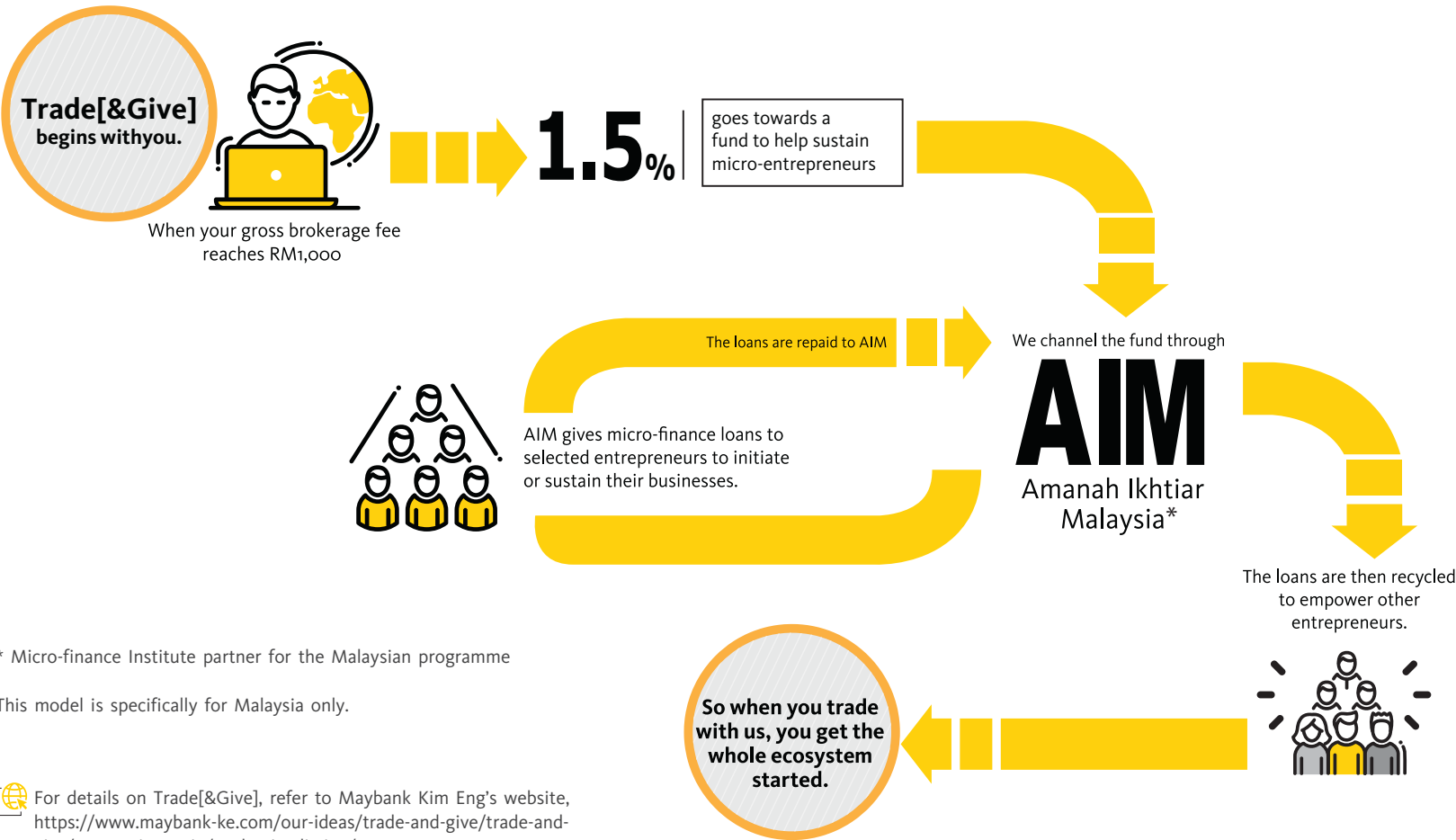
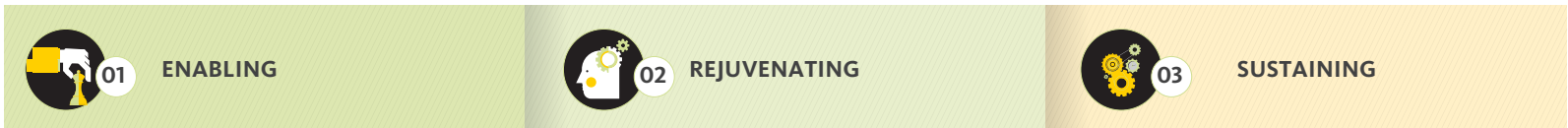
Then we looked outwards and enlarged the pools of communities we could impact including grassroots individuals like the orang asli (indigenous) children, and communities of all races and levels, internal stakeholders as well via the women initiatives and future talents for Maybank via student placements and so on.

Trade[&Give]

Maybank Kim Eng's Trade[&Give] is an entrepreneurial development programme that supports small enterprises. We channel a portion of all eligible clients' gross brokerage fees towards a fund that powers the programme. The entrepreneurs are called 'sahabat', the Malay word for companion. The 'sahabats' are assigned Maybank mentors to ensure that they have better access to knowledge about finance, business expertise, new markets and technology. They help the entrepreneurs move their businesses onto digital platforms for greater access to customers and ease of financial management. As Maybank is a community bank, we have branch managers who engage with participants almost all over the country.

Trade[&Give] started out with five entrepreneurs in October 2014. We have now created opportunities for our traders to support over 4,000 small business entrepreneurs region-wide. We have also built partnerships with microfinance organisations with access to small businesses we can support. In Malaysia, we partner with Amanah Ikhtiar Malaysia and regionally, we work through Kiva, an online micro-loan platform.

Three pillars of Trade[&Give]



* Micro-finance Institute partner for the Malaysian programme

This model is specifically for Malaysia only.

For details on Trade[&Give], refer to Maybank Kim Eng's website, <https://www.maybank-ke.com/our-ideas/trade-and-give/trade-and-give/our-stories-main/trade-give-listing/>

OUR ROLE IN THE COMMUNITY

ASEAN Sustainability Programme highlights in 2017:



The partnership with Pusat Transformasi Jahitan (PTJ) in Kuala Krai, Kelantan began as an urgent recovery plan after the disastrous floods of 2014. Today, it has grown into a thriving centre that promotes women's personal development, confidence building and entrepreneurial success.

Microfinancing through our partners: Provided special packages to

120
local entrepreneurs

in Kuala Krai to help them rebuild their businesses after the flood.



Creating new opportunities:

PTJ also offers assistance to women entrepreneurs to enhance and innovate their sewing businesses.



Reviving Pasar Besar Kuala Krai:

Helped traders rebuild their businesses in the community's marketplace.



MKE Placement Programme:

Minimum eight-week placement programme that enables students to gain first hand insight into investment banking

Outreach to indigenous children:

Supported SK (Asli) Bukit Cheding in Banting, Selangor by sponsoring financial literacy, English and mathematics classes for the children



Expansion of Trade[&Give] to East Malaysia

Adopt-a-Family Campaign:

Provided items and basic necessities to orphans and families in need in the states of Kelantan, Selangor and Kuala Lumpur

Accelerate Leadership Programme:

To accelerate existing mid-level women leaders (IB4-5, Band F & G) to higher levels of leadership through leadership training, reverse mentorship and reciprocal mentoring. Twenty women leaders were recruited.

MaybankHeart

In 2016, we launched MaybankHeart, our digital social crowdfunding platform that enables the public to make donations directly to NGOs and charities. Through this initiative, we aimed to raise RM1 million for charity in Malaysia within 12 months. This innovative platform was designed and built in-house.



100%
for charity

– the platform is free for donors and charities



We do the vetting – the charity partners are vetted by **Maybank**

Transparent –

the amount collected is visible to the public

To date, MaybankHeart has benefitted beneficiaries through 61 campaigns amounting to over RM1 million in donation value.

At the Maybank Championship recently, the MaybankHeart 'Play to Pay Charity Hole' successfully raised over RM20,000 for distribution to various NGOs in Malaysia. Amongst the NGOs and communities that raised funds through the platform in 2017 were Dignity for Children Foundation, Hope WorldWide Malaysia, The National Autism Society of Malaysia and Teach for Malaysia.

We also partnered with a range of corporate donors for campaigns featured on MaybankHeart to raise funds.

Month of Giving Campaign

To promote the value of giving in Ramadhan, we ran a campaign via MaybankHeart encouraging donors to perform a one-time donation of RM30 or multiples of RM30. Collected donations were equally disbursed to the 30 on-boarded NGOs as of June 2017. This way, donors had the access to donate to all NGOs at that time with one transaction.

INDONESIA – MOUNT MERAPI DISASTER RELIEF

Maybank Indonesia has been working with the communities around Mount Merapi since the devastating volcanic eruptions of 2011 and 2012. We supported the post-disaster rehabilitation programme and later have helped the community in various environmental projects. In 2017, Maybank Indonesia continued support to the Green Cooperative, together with a coordinator Sedya Samahita Memetri (Sesami). Maybank Indonesia also facilitated business activities which covered savings and loans for agricultural businesses; completion of legal requirements for the establishment of a cooperative business entity; financial management training; member services and financing for the development of a biodigester.

At the 9th Annual Global CSR Summit and Awards, Maybank's Mount Merapi Disaster Relief programme won the Bronze Award in the category of 'Best Community Programme Award' for companies with a market capitalisation of less than USD1 billion.

ARTS AND CULTURE

Over the years, we have supported the arts around the region by sponsoring and promoting a wide range of events that celebrate our unique, diverse and vibrant cultures.

Balai Seni Maybank has been actively hosting Malaysian and international artists since its establishment in the 1980s. Some of today's biggest names in the Malaysian art scene have exhibited their artworks at Balai Seni Maybank and the venue continues to showcase and support the new generation of visual arts practitioners.

Our flagship programme KataKatha is currently in the incubation stage and we will disclose further once the programme direction is refined in 2018.

EMANSIPASI art exhibition by Badruddin Syah Abdul Wahab which was held in conjunction with the 60th Merdeka Day celebration. In collaboration with MaybankHeart, our digital social fundraising platform, 10% of the proceeds from the artworks sold was channelled to the Society for the Severely Mentally Handicapped, Selangor and Wilayah Persekutuan's 'Art of Hope' programme. The 'Art of Hope' initiative aims to upgrade the skills of artists living with disability as well as help commercialise their artwork to enable them to earn sustainable livelihoods. The exhibition also featured paintings by the winners of the Stripes of Freedom Workshop, a two-part abstract art workshop which taught Maybankers the basics of creating abstract art.

The Maybank Plenary Art Talk, which was held in conjunction with Malaysia Day, focused on the history of abstract art in Malaysia.

In September 2017, we expanded the Drum for Hope project to Malaysia, in collaboration with Fugee School. We also featured KataKatha at the Bursa Bull Charge event where Hands Percussion staged a performance.

Tiger Art Exhibition at the Balai Seni, Menara Maybank which featured 15 oil and charcoal paintings by budding local artist Azaikmal Ahmad Rashid. The exhibition was held in conjunction with Global Tiger Day and aimed to raise awareness for tiger conservation. The proceeds from Azaikmal's paintings were donated to the Maybank Foundation and World Wide Fund for Nature Malaysia's (WWF-Malaysia) tiger conservation fund. The displays were complemented by educational posters on Malayan tigers and the ongoing conservation efforts in Malaysia to educate members of the public of the role they can play to save this majestic animal.

Later, in May 2017, we brought KataKatha to Invest Asia UK which showcased another performance by Hands Percussion. The performance, called the Drum for Hope project, was carried out in collaboration with MERCY Malaysia UK, Hands Percussion and Maybank Kim Eng. This ensemble taught the art of healing through drumming to a group of refugees in Nottingham, UK. Fundraising for the campaign was done via MaybankHeart, Maybank's own social fundraising platform.

KataKatha, our flagship programme, was integrated into the Invest ASEAN Malaysia in February 2017. KataKatha showcased an ensemble performance at Invest ASEAN Malaysia and also hosted a new conversation track that facilitated lively discussion on how the arts is interrelated with business.

In 2017, we supported various art events including:

OUR ROLE IN THE COMMUNITY

G4-DMA, G4-EN13

ENVIRONMENTAL DIVERSITY



Malayan tigers have been pushed to the brink of extinction due to poaching, habitat loss as well as forest degradation and fragmentation. According to latest population estimates, there could be as few as 250 to 340 Malayan tigers left. They are now classified as a critically endangered species. We are working with WWF-Malaysia and relevant government agencies to do our part in supporting the conservation of the Malayan tigers.

As a result of Maybank Foundation's efforts through its partnership with WWF-Malaysia, the Perak state government has announced its commitment to register the Royal Belum State Park, an important tiger recovery and conservation site in Malaysia, for the Conservation Assured | Tiger Standards (CA|TS). CA|TS is an accreditation scheme to ensure that the registered area has every aspect needed for effective conservation efforts. The governments of the 13 tiger range countries have set an ambitious goal to double the number of wild tigers by 2022, which is the next Lunar year of the tiger.

The commendable commitment from the Perak State Parks Corporation places Malaysia on the map as the very first country in Southeast Asia to implement CA|TS. In 2016, Maybank signed a new partnership agreement with WWF-Malaysia to support tiger conservation efforts in the Belum-Temenggor Forest Reserve. The programme aims to increase the number of tigers living in the Belum-Temenggor Forest Reserve by 2020.

The forest reserve, which is about four times the size of Singapore, is one of the most important tiger habitats in the country. It is estimated that about 40 tigers live in the Belum-Temenggor Forest Reserve. The conservation efforts include protection and monitoring of tigers as well as engagement with communities. The four-year* partnership which started in 2016 is subject to an annual review of the results.



* Reported as over five years in Sustainability Report 2016, page 40

Global Tiger Day

In conjunction with Global Tiger Day on 29 July, Maybank and WWF-Malaysia jointly organised a Tiger Carnival at Bulatan Amanjaya in Ipoh, Perak. It was only apt for Maybank to celebrate the year's Global Tiger Day in Ipoh given that Perak is one of three priority sites for tigers in the country under the National Tiger Conservation Action Plan. There was a number of activities organised to raise awareness on tiger conservation and these saw participation of Maybankers, families, the public as well as representatives from the authorities.

OUR ROLE
IN THE COMMUNITY

HEALTHY LIVING

The Maybank Group has been championing healthy living programmes internally for Maybankers. We have seen the positive effects of these programmes and wanted to share it with the communities around us. This is why the Group organises public events, such as the Bali Marathon, as well as support initiatives that improve public health care and provide access to underprivileged patients.

We also have a long history of supporting exceptional sports programmes at junior and professional levels. We continue to sponsor golf-related events and support aspiring athletes. Apart from the global publicity for our brand, sponsorship of premier sporting events is also an important way of extending support for the community and nation-building. This also enables us to run associated fundraising activities which are an important source of support for our partners.



Etika partners with National Cancer Society of Malaysia (NCSM)

Cancer, and particularly breast cancer, can be effectively treated in the early stages. But for this to happen, early intervention and periodic screening is crucial. In 2017, Etika and NCSM established a new partnership to offer free breast cancer screenings for underprivileged women aged 40 and above. The RM1.67 million agreement is expected to benefit some 5,000 women. As the first corporation to partner with NCSM to offer mammogram screenings on a large scale, Etika hopes to raise awareness amongst underprivileged women on the importance of early detection to improve breast cancer survival rates. Eligible women will be provided transport to the NCSM's centre in Kuala Lumpur or appointed hospitals across Malaysia for free mammograms.



The runners start the race at the Maybank Bali Marathon 2017








The Maybank Bali Marathon route gives runners a unique experience of Balinese culture

OUR ROLE IN THE COMMUNITY


DISASTER RELIEF

We are committed to providing humanitarian aid in disaster-prone areas in the region and support communities in rebuilding their lives. Although there were no large-scale natural disasters this year, we continued to invest in disaster preparedness. When Penang, Malaysia was affected by floods, we announced a six-month moratorium on monthly instalment repayments for loans of affected customers and also gave waivers on certain charges on a case-by-case basis. We also provided emergency response after the Leyte Earthquake in the Philippines.

YEAR-ON-YEAR PROGRESS AND PRIORITIES

Focus Area	Year-on-Year Tracking					
Education	Supporting access to education across the region to foster academic and non-academic excellence					
	Programme	2013	2014	2015	2016	2017
	 CashVille Kidz (number of students) (number of schools)	72,000 180	102,580 660	53,020 241	78,883* 330	8,984** 23**
	Maybank Scholarship Awards (amount disbursed, RM) (number of scholars)	11,260,505 51	13,760,497 65	>14,000,000 66	23,000,000 50	26,751,005 255
	* Restatement of data because targeted number was reported in Annual Report 2016, page 183 and Sustainability Report 2016, page 43. ** Restatement of data because targeted number was reported in Annual Report 2017, page 125 in Malaysia, a number of schools pulled out of the programme.					
Community Empowerment	Reaching out to communities across the region through empowerment programmes					
	Year	2013	2014	2015	2016	2017
	 R.I.S.E. (number of participants)	n/a	280	200	1,411	939*
	 eMpowering Youths Across ASEAN (amount disbursed, RM)	n/a	n/a	n/a	1 million	820,584
	 Maybank Women Eco-Weavers (amount disbursed, RM)	n/a	n/a	1.5 million	1.2 million	771,544
	 Maybank Training & Learning Centre (TLC) (amount disbursed, RM)	n/a	n/a	n/a	201,000	200,000
	Microfinance (KOMIDA) (number of women impacted)	1,634	2,439	2,748	1,131	100**
	Maybank Family Fund – Matched Savings initiatives*** (number of families impacted) (amount matched, RM)	203 232,147	215 316,006	184 184,040	263 187,846	259 251,734
	* Restatement of data in Annual Report 2017, page 125 as the figure is the number of participants reached in Malaysia in 2017. ** Due to the transition to a new microfinance partnership, there was a decrease in the number of women impacted in 2017. *** The Cultivate A Savings Habit (C.A.S.H. UP) programme is now categorised under the Matched Savings initiatives. Data is as at 31st March as the programme is tracked according to this timeline.					

OUR ROLE IN THE COMMUNITY

Focus Area	Year-on-Year Tracking					
Community Empowerment	Reaching out to communities across the region through empowerment programmes					
	Year	2013	2014	2015	2016	2017
	Maybank Family Fund – Maybank-Etiqa Family Shield*					
	(number of beneficiaries cumulative since 2011)	180	517	701	868	989
	(amount disbursed in policy premium, RM)	68,877	97,231	125,206	146,744	160,692
	(policy coverage value cumulative since 2011, RM)	22.5 million	67.1 million	94.6 million	137.1 million	150.2 million
	Maybank-MAB** Cinema					
	(number of cinemagoers)	n/a	n/a	>800	689	396
* Data is as at 31st March as the programme is tracked according to this timeline.						
** MAB stands for Malaysian Association for the Blind.						
Arts and Culture	Promoting and preserving traditional and new forms of art and expression					
	Year	2013	2014	2015	2016	2017
	 KataKatha (amount disbursed, RM)	n/a	n/a	822,974	n/a*	250,000
	* n/a due to spending the amount disbursed in 2015					
Environmental Diversity	Preserving environmental diversity across ASEAN, particularly through tiger conservation					
	Year	2013	2014	2015	2016	2017
	Tiger conservation efforts (amount disbursed, RM)	n/a	n/a	481,548	722,321	1,311,950
Healthy Living	Enabling access to affordable healthcare, supporting premier sporting events in the region and nurturing local talent					
	Programme**	2013	2014	2015	2016	2017
	Bali Marathon					
	(number of participants)	2,210	3,272	4,009	6,478	>9,000
	(number of countries of participants)	n/a	49	37	>43	44
	(number of wheelchair participants)	40	40	40	50	52
	Save a Child's Heart at IJN Paediatric Heart Centre, National Heart Institute of Malaysia					
	(amount disbursed, RM)	454,768*	392,967	349,824*	500,543*	76,954
	(number of patients)	19	16*	12*	16*	2
	* Restatement of data due to the difference in the timing of patient registration/operation and disbursement across different years.					
** Maybank exited the liver transplant programme in 2017 as the programme is now self-sustaining.						
Disaster Relief	Supporting communities impacted by natural disasters in relief and rebuilding efforts					
	Year	2013	2014	2015	2016	2017
	Disaster relief contribution (amount disbursed, RM)	n/a	1 million	1 million	1 million	300,000*
	* Our formal three-year partnership with MERCY Malaysia ended in 2016					

OUR ROLE AS A LEADING EMPLOYER

The **only Malaysian** company listed in the 2017 Bloomberg Financial Services Gender-Equality Index (GEI)



43,279 employees comprising **41** nationalities



Employee Engagement Index (EEI) from Employee Engagement Survey (EES) stood at **84%**



36%
of our Board of Directors are women
(as of March 2018)

31%
of top management are women
(Band D and above)

45%
of management are women
(Band G and above)

RM124
million
spent on learning and development

49.84
average training hours per employee



Offered Extended Maternity Leave of up to **365 days** for eligible female employees within the Group and the leave was utilised by **191 employees** in 2017



Rolled out a Sabbatical Leave policy to eligible employees who are allowed to take a career break for a minimum duration of two months and up to a maximum of **24 months**. The leave was utilised by **164 employees** in 2017.



Revised Special/Compassionate Leave policy regarding Child Care Leave. It is now no longer confined to sudden or serious instances but allows employees with a child aged two years and below to utilise the leave to attend to matters such as the birth, development, health and welfare of the child.

Introduced new Parental Leave policy where our male employees now have the option of applying for a maximum of 90 days leave from the child's birthdate with half-pay and full benefits to care for their newborn.

Maybank GO Ahead. Challenge



2015 More than **23,000** applicants
over 100 nationalities

2016 More than **37,000** applicants
105 nationalities

2017 Close to **40,000** applicants
108 nationalities

Cahaya Kasih (CK) is our main **volunteerism** platform. In 2017, our employees contributed **130,209 volunteer hours** in numerous initiatives

Succession realisation for **Mission Critical Positions** stood at **93%**

85% of internal vacancies for **senior management** were filled by internal talent

Disbursed over **RM26 million** in scholarships to **255 pre-university** and undergraduate students



Opportunities	Challenges
To develop and equip our talent with the right skills, mindsets, behaviours and tools for them to be effective, agile, responsible and adaptable to propel the organisation's performance and relevance to our stakeholders	Managing a workforce that rides on digital strengths and new technologies to effectively deliver financial services to customers more efficiently
To ensure our cultural transformation is relevant, we intensively focus on initiatives and programmes that help our talent thrive in the present and future workplace and business landscape, supporting their professional and personal growth	We are operating in the Industry 4.0 era where technology and disruption have revolutionised the way we do business
Diversity of talent, with the infusion of different generations in the workplace, presents opportunities to leverage this for the organisation's competitive advantage	Clarity of good ethics, integrity, proper conduct and clear expectations remain ever critical
Stronger reinforcement by leveraging the team's many levers: from leadership role modelling, skills, impactful communication, self-check mechanisms, strong internal controls, recognition and a robust internal redress mechanism	
Globally, many high performing organisations are shifting away from the traditional organisational model towards a more flexible and team-centric model	New, agile and flexible ways of working to support the ever-evolving needs of business and customers' demands

G4-DMA
OUR APPROACH ● ■

At Maybank, it is truly all about our people. Their well-being and success have a direct impact on the organisation's competitive advantage. All the efforts we invest in are aimed at co-creating a shared future for all and nurturing a high-performance culture that is underpinned by our T.I.G.E.R. core values, which stands for Teamwork, Integrity, Growth, Excellence @ Efficiency, and Relationship Building.

We focus on achieving Maybank's aspiration of 'Advancing Asia's Ambitions With You' by ensuring we meet our commitment of 'Developing World Class Talent to Deliver World-Class Results'. This leverages our six human capital transformation goals in a digitalised business landscape. Our transformation goals are:

 Build superior leadership and talent pipelines	 Attain world class productivity levels	 Create global ethical mindsets	 Build a tech savvy workforce that is creative, nimble and agile	 Develop thought leaders in financial services	 Create a caring, meaningful and exciting working environment
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Since 2009, the start of our People Transformation journey, our top priority remains enhancing the work environment for sustained growth and competitive advantage. Our 'GO Ahead. Employer Value Proposition (EVP)' encapsulates our humanising mission to attract and retain talent whilst celebrating diversity and inclusion. Its four pillars of 'Create, Grow, Lead and Fly' are designed to push our employees to grow as outstanding and valuable individuals, both to the organisation and to society as well.

For Maybank to achieve our next phase of growth, we need to create sustainable pipelines of leadership and talent. This means equipping our leaders and employees with global mindsets and skills of the future. We continue to work hard to develop our employees into individuals who are influential, responsible and effective so that they can produce world class results while demonstrating our Core Values.

We continuously review our policies and programmes to ensure that they are relevant, meaningful and meeting the needs of our overall business and our employees. These reviews also help us deliver on our promise to humanise people management and development by empowering our employees to 'GO Ahead. Grow'.

OUR ROLE AS A LEADING EMPLOYER



“At Maybank, we don’t just talk about the importance of our human capital. We actively live it. Our mission of ‘Humanising Financial Services’ has been and continues to be at the core of everything we do: from the way we treat our employees and the service we provide to our customers and the community to the long-term investments we make in growing our leaders. We believe that strategic talent management and sustained efforts in building leadership capacity are truly the hallmarks of a world-class organisation. We actively disrupt ourselves in order to be at the forefront of sustainable leadership into the future.”

Nora Abd Manaf
Group Chief Human Capital Officer



Sustainable Development Goals



Goal 3:
Good Health and Well-being



Goal 5:
Gender Equality



Goal 8:
Decent Work and Economic Growth

We are focused on the good health and well-being of our employees (Goal 3). Through the Group Inclusiveness and Diversity Agenda (GIDA), we track progress against gender equality (Goal 5). As an employer of choice in ASEAN, we continue to provide decent work and contribute to economic growth (Goal 8).



Focus: Do the Right Thing

Integrity and credibility are the foundations on which our business is built. At Maybank, we are committed to building and re-enforcing ethical behaviour and integrity amongst our employees to safeguard the interest of all stakeholders. All employees are required to take ownership of their conduct. Each employee has to ensure that their decisions and actions are aligned with our T.I.G.E.R. core values, Code of Ethics and Conduct as well as other governing policies and regulations. This demonstrates our commitment as individuals and as a business to operate responsibly.

We hold our leadership, employees and partners to the highest ethical standards and require compliance with all applicable laws and regulations. We advance this principle through rigorous governance structures, training, communication, reporting and investigation procedures. Maybank’s Code of Ethics and Conduct sets out our main principles.

A clear, accessible and well-communicated Code of Ethics and Conduct ensures that our employees know and understand what is expected of them at work, beyond their specific job responsibilities. In 2017, we provided 774 training sessions related to fraud and ethics, and recorded a total of 115,536 training hours for our employees Group-wide.



Focus

Our employees are guided by four simple and powerful questions that help check each action they take so that they can create greater value in their daily tasks and deliverables:





Malaysia's 100 Leading Graduate Employers (M100) Awards

- Most Popular Graduate Employer in Banking and Financial Services 2017 – Winner
- gradmalaysia Best Innovation on Campus – Winner
- gradmalaysia Best Management Trainee Programme – Winner
- The Graduate Employer of the Year – 2nd Runner-Up

Since 2013, we continue to be ranked in the top three positions among the Top 100 Leading Employers, climbing from 17th in 2010 and fifth in 2011.

Asia Recruitment Awards 2017 by Human Resources Magazine



Malaysia

- In-House Corporate Recruitment Team (Overall) – Grand Winner
- Best Regional Recruitment Programme – Gold
- Best Candidate Experience by a Corporate HR Team – Gold
- Best Recruitment Innovation by a Corporate HR Team – Gold
- Best Diversity & Inclusion Strategy – Gold
- Best Recruitment Advertising Strategy – Bronze

Singapore

- Best Use of Digital Media – Gold
- Best Candidate Experience by a Corporate HR Team – Gold
- Best Graduate Recruitment Programme – Silver

HR Excellence Awards Malaysia 2017 by Human Resources Magazine



- Excellence in Talent Management – Gold
- Excellence in Leadership Development – Gold
- Excellence in Graduate Recruitment & Development – Silver
- Excellence in HR Innovation – Silver
- Excellence in HR Change Management – Bronze

WORKPLACE FUTURISATION

Humanising Financial Services requires us to continuously focus on further developing the social and emotional skills of our employees which we believe are essential in delivering superior customer experience and to be responsible bankers. We believe responsible and ethical decision-making is facilitated through strong systems thinking and value-based approaches which require the cultivation of the whole mindset and person. This development approach sets us apart from delivering purely traditional and transactional oriented banking to our customers towards relationships which are based on partnership, care and trust.

Embedding a digital mindset requires a deep rethink of our approach to learning and a shift in the ways of working to truly embrace digitalisation to make it work for us. Our focus is on collective solutions as we want to empower our employees to be digitally literate and use their digital skills to find ways of solving business and societal issues.

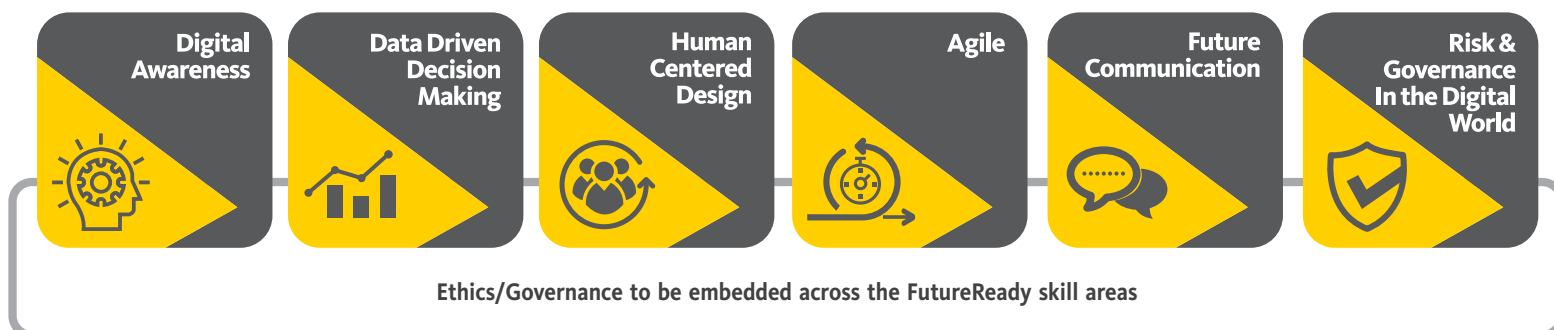
We recognise that jobs within the financial services industry are changing rapidly in the current environment. We need to prepare our employees to be agile and adaptable to new tasks that may need totally different skill sets. New Industry 4.0 capabilities are a focus now and in the near future for us. Lack of it could render individuals and the organisation as irrelevant, hence the critical need for Maybank to focus on workforce futurisation for competitive advantage and for the well-being of our employees.

For 2018, Group Human Capital continues to prioritise initiatives that will help our employees create greater value in the lives of our customers. Key areas of focus are Workplace Climate, Workforce Transformation and Workforce Performance.

The landscape is rapidly evolving and we are working hard to ensure we stay one step ahead. We embrace change, accept new ideas and most importantly, prepare our workforce for the challenges we will face in the future. This is aligned to our 'Go Ahead. Grow' Employer Value Proposition.

Back in 2017, apart from enhancing people practices and executing the newly introduced workplace enablers for an Industry 4.0 work environment, significant effort was put into building digital mindsets and capabilities. In addition to the digital programmes executed in 2017, the foundation was set and curriculum built for the rollout of Maybank's FutureReady Digital Upskilling Programme. Our intention is to provide the opportunity for all employees to be upskilled to be relevant and to stay ahead as part of our continued responsibility in 'Humanising Financial Services'. We are the first bank in Malaysia to embark on a massive Digital Upskilling Programme in Malaysia as of January 2018.

The FutureReady Digital Upskilling Programme curriculum is anchored on six skill areas namely:



Adapted from: Institute of Banking and Finance (IBF), Singapore

OUR ROLE AS A LEADING EMPLOYER

We have developed some programmes to prepare employees to face the new world of work and build new capabilities for the Industry 4.0 economy. The programmes include:

PROGRAMME	OBJECTIVE	OUTCOME	MEASURE
Maybank Immersion Programme	To provide talent with a unique on-the-job opportunity to immediately innovate and practise entrepreneurship (Maybank is the first bank to have six-month internship programmes for employees with a select group of start-up and Fintech companies in Malaysia as a learning and development platform)	Maybankers were exposed to new ways of thinking and working through a collaboration with the Maybank Innovation Centre which partners with a variety of start-ups	As a pilot initiative, 15 talents are currently “immersed” in this six-month programme, of whom 58% are women
Data Analytics Upskilling Programme	To enable talent to build technical skills in various aspects of data science, business acumen and regional business perspectives	Employees gained new skills in business data analytics and developed business recommendations based on the insights gained via the analytics approaches learnt Talent with more advanced skills in analytics were mentored by our Group Chief Data Scientist	51 talents in the first batch
Computational Thinking Challenge	To upskill our employees by developing an understanding of building algorithms via coding skills	Employees participated in a fun and an experiential manner via a gamification challenge	122 participants across different job levels with no prior coding experience completed the challenge
Maybank GO Ahead. Transform (MGAT)	To empower employees to be change-capable and resilient to seize endless opportunities and deliver global-class outcomes	Participants faced real-time challenges and business cases that were not ‘Google-able’ to enhance their agility and adaptability to explore new ways of working, collaborate, brainstorm and solution impactfully	671 employees across Malaysia participated
Maybank's Guru Series	Sharing of deep expertise by global thought leaders on current and strategic topics such as Digital Transformations and the rise of Ecosystems and Hub-based companies	Employees get to attend hands-on workshops with thought leaders to address current challenges and implement new techniques that can be applied to our business for increased performance	947 employees attended

Maybank GO Ahead. Transform (MGAT) was recognised at the 9th Annual Retail Banker International Asia Trailblazer Summit and Awards 2018 as the Best Staff Training and Development Programme.

OUR ROLE AS A LEADING EMPLOYER

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Roles and
Responsibilities
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Our Approach to
Sustainability
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Our Role as a
Trusted Company
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Our Role in the
Community
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Our Role as a
Leading Employer
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Our Role as a Responsible
Financial Services Provider
pg. 71-90

“Honestly speaking, I never realised that the learning I went through for the past one week would be so valuable! From learning how to improve our communication skills to deliver greater value to our stakeholders, to sustaining our own business in tough times and to rallying the community’s involvement in Corporate Responsibility initiatives, I am indeed thankful to be part of MGAT! The most important lesson I received from MGAT was to always stay agile and quickly think on our feet to deal with unexpected challenges successfully and responsibly.

I am honoured to be announced as the Ultimate Pitcher and I look forward to inspire other Maybankers to step up and voice out if they have any ideas that will benefit the Group. After all, only by being Honest, Open and Trusting with one another in giving and receiving feedback, we grow stronger together as a winning team.”

Syed Faizal Syed Abdul Karim

Champion for the Ultimate Pitcher category
Region Selangor/Negeri Sembilan

“I have been working with Maybank for close to three years and I always look forward to opportunities to grow and upgrade my skills to ensure that I continue to be relevant and am able to add value successfully. I enjoy business case challenges where I have to think of different ways to help my team achieve win-win outcomes for the company and stakeholders. This has taught us to apply an entrepreneurial mindset in everything we do and be highly agile in addressing challenges.

I can’t wait to apply my learnings from MGAT to help my team and others grow. If we are prepared to step out of our comfort zones and have the right learning mindsets, I believe we will be able to achieve great success through the opportunities provided by Maybank.”

Sherenjeet Kaur

MGAT winner, Champion for the Individual category
Region Perak

Mah Kam Lin joined Maybank in 2015.

“I am a practising data professional with 30 years of technical and management experience in a diverse range of fields. Earlier in my career, I was one of the first two qualified and certified satellite orbital analysts in Malaysia and had a role in planning, building, launching and operating of Malaysia’s first and second satellites, the MEASAT-1 and MEASAT-2.

I am primarily responsible for the development of proprietary data science methodologies and data management techniques for Maybank. We have been working towards increasing the scalability of our proprietary data science methodology and on developing home-grown talent within the Group. To that end, we have also established the Maybank Centre of Excellence for Data Analytics, currently operating in both Malaysia and Indonesia.

Maintaining relevance in a rapidly changing and digitalising industry is about constantly upskilling and improving. I find my work challenging but immensely fulfilling, especially the agility and flexibility it offers me to grow.”

Mah Kam Lin

Group Data Scientist

OUR ROLE AS A LEADING EMPLOYER

BUILDING CAREERS ■

We strive to nurture a culture of high performance that generates growth and delivers on our aspiration. We measure employees' productivity on performance appraisals and productivity-enhancing initiatives as well as the metrics of profit before tax per employee and income per employee. Our productivity levels have steadily increased over the last few years, a sure sign that investments made on our people have delivered direct returns. In 2017, income per employee was RM537,637, which was higher than the RM504,209 in 2016 and RM462,116 in 2015.

Our Talent Management Framework is made up of four areas: Recruit, Perform, Develop and Reward. It guides us in maintaining a sustainable talent pool by continuously attracting, developing and retaining the right talent. The framework is complemented by a range of tools that help us to identify strengths, weaknesses and critical gaps as well as design suitable pipeline programmes for different levels and specialities.

All our talent-related programmes are designed with progressive policies and interventions that create the right climate for employees to work and engage whilst entrusting them to make good on what is expected of them. Talent progression is consistently tracked and reviewed through multi-level talent reviews and execution of individual development plans. On an ongoing basis, we also ensure that our people policies and practices are aligned with our promise to humanise people management and development.

Our Performance Management system, leveraging a 'Time Out' approach, is crucial in obtaining instant feedback on the areas we need to improve or change. The 'Time Out' can be done anytime, anywhere when needed.

We take our talent pipeline seriously. One of our initiatives to maintain a sustainable pool of talent is to identify potential leadership successors for every level, from the junior ranks all the way to the Group Executive Committee. After the potential successors are identified, they undergo processes that help detect their strengths, weaknesses as well as the training required.

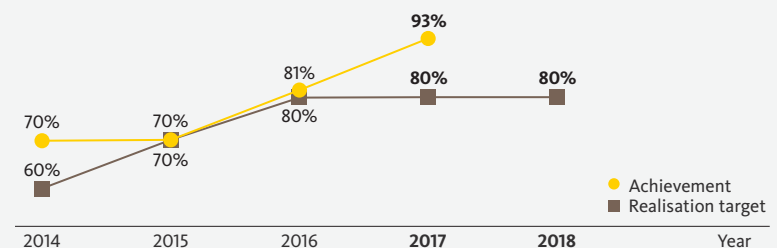
Our employees' leadership capabilities and managerial competencies are measured against the Group's standard set of competencies known as S.E.A.R.C.H. (Strategic Visioning, Engaging and Developing Talent, Spirit of Achievement, Cultivating Relationships, Customer Centricity and Innovation and cHange). S.E.A.R.C.H. PLUS is a structured set of capabilities and competencies that include raising the bar, navigating complexities successfully and heightening global acumen.

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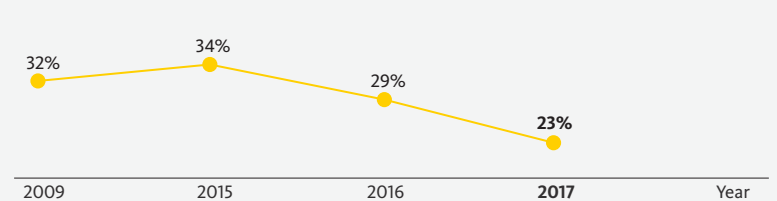
Detailed Indicators

People Transformation through 2017's Milestones

Succession Realisation for Mission Critical Positions

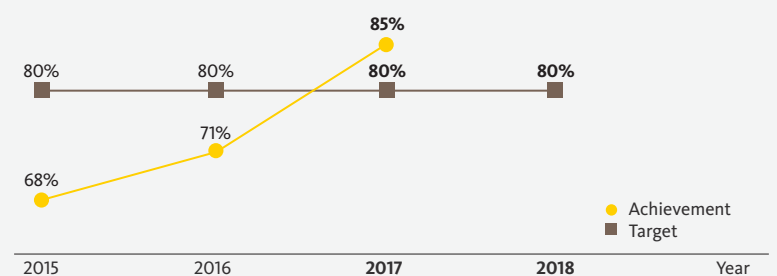


Ready-Now Successors*

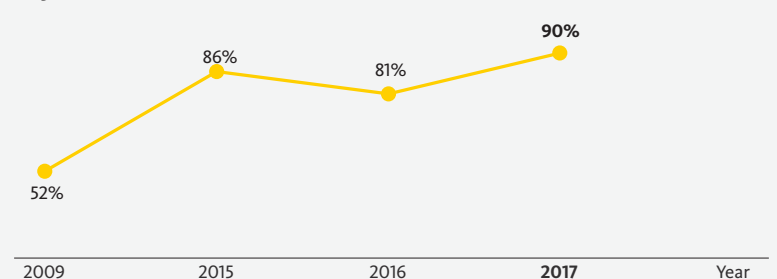


* Individuals who are able to take on responsibilities of any Mission Critical Positions (MCP) that become vacant. Talent who were previously from Ready-Now Successors pool were moved up to the MCP pool. This resulted in the percentage increase for MCP succession realisation but the percentage decrease for Ready-Now Successors pool.

Vacancies for Senior Management Filled Internally



Key Retention Rate



Year	2009	2015	2016	2017
Regrettable loss	About 50%	15%	19%	10%

G4-LA10

LEARNING AND DEVELOPMENT

We believe that continuous learning and development is crucial in equipping our people with the right skills, knowledge and abilities in order to drive greater effectiveness, stronger impact and excellence. Our learning and development policies follow the 70:20:10 development philosophy which divides training into those proportions in the areas of experiential, relationship (mentoring and coaching) and classroom interventions.



Focus: Superior Learning and Development, and New Talent Capabilities

We focus on strengthening our learning culture, infrastructure and development of new programmes that enable our employees to acquire new skills and lead successfully in the rapidly changing environment. Our learning and development initiatives in 2017 were anchored on four key focus areas:



Our training portfolio is varied and customised according to the needs of employees and the business.

We implemented various levels of learning effectiveness measures in 2017 where the Return of Investment (ROI) of key programmes were measured. The return on investment results range from 0.3 times to 4.0 times of learning investment.	We ensure our employees have opportunities for learning and growing. Overall learning man-days for the Bank stood at six days, which is above the global training benchmark of four days*.
We piloted Maybankers Teach Maybankers (MTM), a programme where employees share their external training knowledge with their team or colleagues via avenues like classroom, brown bag sessions, townhalls and other communication forums. Some 57 sharing sessions were conducted in 2017 by 53 employees.	We increased the use of our own internal subject matter experts to conduct and contextualise learning materials for our employees to increase transfer of newly acquired knowledge to the job. The percentage of Internal Line Trainers increased to 89% in 2017 from 63% in 2016.
We conducted 563 teaching and learning sessions, known as Leaders Teaching Leaders (LTL) as a way of Group EXCO role modelling.	We created signature talent pipeline programmes as part of our commitment to growing and nurturing internal talent. The programmes are available to staff of all career stages and are designed to harness the capability of our diverse workforce and equip them with leadership skills, business acumen, technical expertise as well as the skills needed to adapt to the changing business environment.
In 2017, we launched the Maybank Mentoring Programme to provide focused development support to our high-potential talent, accelerating Maybankers' development and enhancing the Bank's performance. Mentoring is crucial as it addresses our long-term leadership demands and helps strengthen our internal capabilities of developing leadership culture in our organisation. In November 2017, 250 employees enrolled in this 12-month programme. This enables them to harness the positive impacts of converging relationships and share experiences to become effective mentors and mentees.	The Global Maybank Apprentice Programme (GMAP) is our entry-level programme that offers two-year rotational opportunities and best-in-class learning and development training. It incorporates on-the-job training and international assignment to Maybank offices worldwide. In 2017, 59 Maybank Apprentices from diverse educational backgrounds and nationalities took part in GMAP.
Our Career Transition Centre (CTC) programme aims to re-skill and upskill employees whose roles have become redundant due to organisational changes. Since 2013, 490 employees have been redeployed under this programme. In 2017, 52 employees were retrained and redeployed to new roles.	In 2017, MyCampus was rolled out to 14 locations. It was used for over 265,000 hours and about 36% of all training hours were delivered through e-learning programmes.

For details of our learning and development programmes, refer to Annual Report 2017, Group Human Capital section on page 82.

OUR ROLE AS A LEADING EMPLOYER



Focus

Muhammad Hamza was named a recipient of the Young Maybanker Award for Maybank Islamic in 2017.

Muhammad Hamza was one of the Maybank GO Ahead. Challenge (MGAC) finalists in 2013 and later joined the Bank through the Global Maybank Apprentice Programme (GMAP). As an ACCA (Association of Chartered Certified Accountants) holder, he gained experience in various units within the Bank through GMAP's rotation system. Upon completing GMAP, he joined Maybank Islamic under the Investment Account & Balance Sheet Management. There, he gained first-hand experience and guidance from many mentors in the areas of leadership, strategy and finance.

Life has taken him on an incredible journey from Pakistan to Malaysia and he is grateful for the four rewarding years that he has served at Maybank.

Muhammad Hamza Goani

Investment Account & Balance Sheet Management
Maybank Islamic
Former Maybank Apprentice



Focus

Mohamad Fairus says he owes his entrepreneurial success to Maybank's Career Transition Centre (CTC).

Before becoming an entrepreneur, Fairus worked as a messenger in Maybank's Sungai Long branch in Selangor. Due to organisational changes, he was enrolled for the programme in mid-2017 to learn entrepreneurship skills and gain some inspiration. Within six months, his quail breeding business in Semenyih took off. Sales revenue increased more than threefold in just a year. Fairus is today the main supplier of frozen quail meat in Selangor. His future plans include expanding his farm to increase the breeding of quails as he sees a vast potential in the market for quail meat.

Mohamad Fairus Mohd Pilus

Maybank Sungai Long branch messenger-turned-entrepreneur

As part of our efforts in building, empowering and growing youth in the societies we operate in, we also continue to contribute through these programmes:

MAYBANK GO AHEAD. CHALLENGE (MGAC)

MGAC is Maybank's innovative recruitment platform to spot diverse global entry-level talent. This year, the programme received almost 40,000 applications from people of 108 nationalities. Participants were exposed to the real-life pressures and expectations of a high performing organisation.

"The challenges that MGAC put us through increased in complexity at each stage. It pushed all of us to our limits as we were tested physically, mentally and emotionally to help us discover our inner strengths. My key takeaway from the programme is to always understand the strengths and weaknesses of my teammates and to create a winning formula for the team to succeed. Thank you Maybank for giving us this money-can't-buy experience!"

Sorfina Hassan

Team Leader of the Winning Team
MGAC 2017

Maybank GO Ahead. Challenge



2015 More than
23,000 applicants
over 100 nationalities

2016 More than
37,000 applicants
105 nationalities

2017 Close to
40,000 applicants
108 nationalities

OUR ROLE AS A LEADING EMPLOYER

MAYBANK SCHOLARSHIP AWARDS

Our scholarships help deserving students from low- and middle-income families realise their dreams of studying in top universities. We place great emphasis in nurturing our scholars. We facilitate regular communications and face-to-face meetings with our leaders. This is where our scholars get to be exposed to the skills, behaviours and capabilities required to excel in high-performing organisations.

Disbursement of over



RM26 million

in scholarships to 255 pre-university and undergraduate students from 29 disciplines including accounting, medicine and surgery, engineering and psychology

SKIM LATIHAN 1MALAYSIA (SL1M) PROGRAMME

SL1M Programme improves employability of unemployed graduates. The trainees undergo on-the-job training and rotation guided by supervisors.

775

trainees



from diverse educational backgrounds were recruited and a total of 111 were absorbed into employment

MY ASEAN INTERNSHIP

My ASEAN Internship is a collaboration between the Malaysian Ministry of International Trade and Industry (MITI) and Talent Corporation Malaysia (TalentCorp) to increase awareness of ASEAN among the youth in Malaysia. The programme enables our interns, comprising Maybank scholars and university students, to intern at any Maybank office in the ASEAN countries for at least two months.

26

students



have been enrolled since 2015. These assignments and internship attachments are key elements of experiential learning.

Rewards and Remuneration

Maybank Group's Total Rewards strategy is aligned to the Group's strategic objectives in nurturing a high-performance culture that generates growth and delivers our aspiration. We embrace an integrated rewards strategy that focuses on providing the right remuneration, benefits and career progression opportunities at the right time to enable employees to achieve their personal and professional aspirations. Further details of our Group's Total Rewards Framework and Remuneration Practices are disclosed in the Annual Report 2017, page 88-89.

In 2017, we introduced a new scheme to support employees requiring housing loans. We now offer a 0% interest for the first RM100,000 on employee housing loans for selected categories. The special interest rate on housing loans, effective 1 July 2017, is applicable for new and existing loans of Maybank Group employees in Malaysia who have a basic salary of up to RM3,000 per month.

EMPLOYEE ENGAGEMENT PLATFORMS

Two important elements of good employee engagement are soliciting employee feedback and acting on it. To facilitate this, we use various platforms such as the Employee Engagement Survey (EES), electronic 'Ask Senior Management' and GHC Contact Centre. The established system for H.O.T. (Honest, Open and Trusting) conversations and open communication is part of our company culture. We use both face-to-face and electronic channels, such as Jabber, to connect with our colleagues as well as work towards further strengthening H.O.T. conversations.

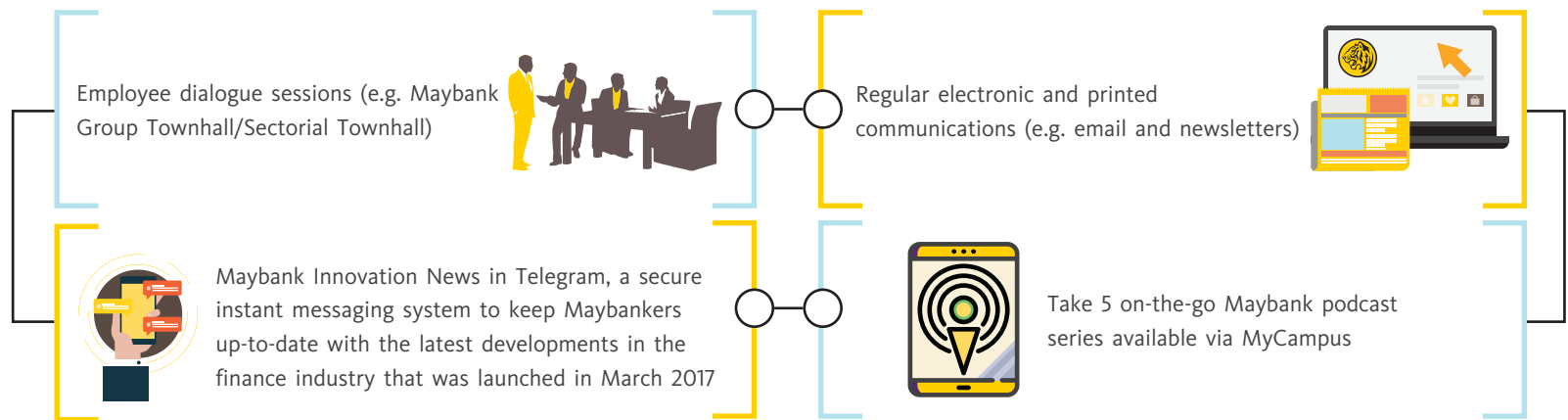
In 2016, we revisited our EES tool and updated it to suit the organisation's business needs. The EES was administered in the first quarter of 2017 to all employees. Additionally, employees who responded to the survey was provided an Individual Engagement Report (IER) which contains an overall description of their personal motivations at the workplace. The IER is to enable and empower employees to self-reflect, have meaningful career conversations with their line managers and take charge of their own engagement levels and growth in the organisation. All employees are encouraged to take actions based on the insights provided to influence the outcomes of their performance and productivity levels. In 2017, the Group's Sustainable Engagement Index and Employee Engagement Index stood at 88% and 84% respectively which are both above the Willis Towers Watson (WTW) Global Financial Services norm.

A successful organisation is not only managed but driven from one success to another by high-performing individuals who care about each other and are committed to the success of their organisation. Our leaders provide clarity and direction as well as targets and expectations based on our Maybank's aspiration which helps our employees to connect to our common mission and vision. It is crucial that everyone understands what is required from them and is able to do their part to achieve the Group's mission.

OUR ROLE AS A LEADING EMPLOYER

In 2017, our leaders continued with the established employee dialogue sessions such as the Conversation Series with C-Suite. This is an avenue for Maybankers of all levels to have impactful dialogue sessions with the Group Executive Committee (EXCO). It also acts as a platform for Top Management to share new information or perspectives with the employees.

Other employee engagement and communications platforms include:



Our one-stop online employee portal, myHR2u, is now used in 16 countries. From October 2017, the Internal Vacancies module was made available to allow employees to explore internal job vacancies, apply for and check their application status online. Real-time updates on a single platform provide convenience and visibility to employees as well as faster turnaround times for internal recruiters to process applications.

Our one-stop online employee portal, **myHR2u** is now used in



16
countries

G4-LA16

Grievance Mechanisms

With over 43,000 employees, we need functional channels for solving any grievances our people may have. Our grievance mechanism enables employees to raise issues such as dissatisfaction about employment conditions, relationships with colleagues or supervisors, discrimination and so forth. When a grievance report is filed, an investigation is conducted with due process. If no agreement is reached in a mediation between the parties, the complaint is then escalated to the next level with a trade union representative attending the negotiations. The final level of negotiations is with the union standing committee at the national level. Unresolved complaints will be referred to the Ministry of Human Resources. The formal grievance escalation and reporting process is confidential. Some 19 grievances were filed in 2017, of which 15 were resolved. As an update, the four cases not resolved in 2017 were discussed with union representatives and resolved in February 2018. We also brief newly appointed Branch Managers, Assistant Branch Managers and Sales staff on how to handle reports or instances of bullying or harassment during Regional Briefing sessions.

DIVERSE AND INCLUSIVE WORKPLACE

Maybank has different nationalities, varying age groups, and socioeconomic levels in our dynamic workforce. We believe that our diversity across ASEAN is our biggest strength. We have on-the-ground operations in all 10 ASEAN countries which brings a unique depth of understanding of the region. Maybank's philosophy of embracing diversity and inclusion goes beyond gender but we continue to identify issues related to women and make efforts to create a safe, inclusive and equitable work environment for our employees.

Tangible developments were made from the start of Maybank's people transformation journey commencing 2009 to ensure that Maybank and our employees embrace diversity and inclusion.

Maybank's Diversity and Inclusion Policy governs all aspects of employment practices which clearly prohibits discrimination or harassment and is based on the rule of meritocracy – embedded in our HR strategy, policies and practised in our dealings with all stakeholders.

Constant engagement to listen and act on employee feedback through multiple forums and platforms led by the Group EXCO to reinforce ways of working, and address pain points swiftly, continue to be intensively pursued.

Maybank continues to maintain since 2009, the Human Capital Dashboard reviewed monthly at Management meetings which has been one of the tools enabling Maybank's many milestone successes.

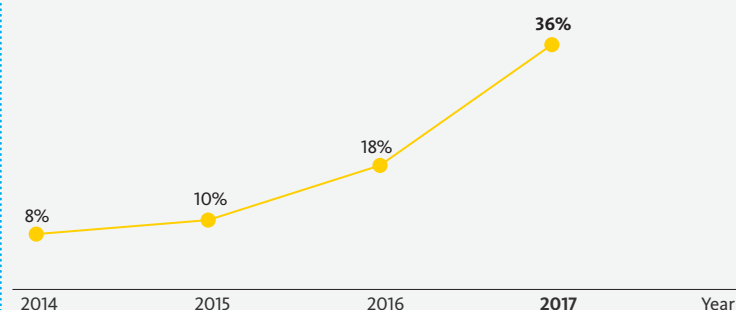
Maybank's Group Inclusiveness and Diversity Agenda (GIDA) which was launched in 2014 continues to be spurred by efforts emplaced earlier. Outcomes are monitored through a compulsory Key Performance Indicator (KPI) in the Group EXCO scorecard.

OUR ROLE AS A LEADING EMPLOYER

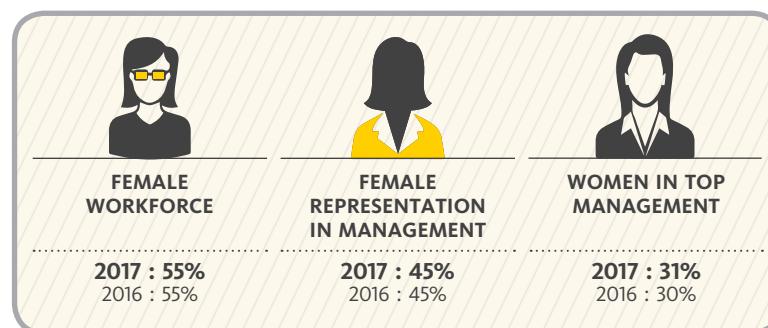
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Detailed Indicators

Percentage of women among the Board of Directors



* FY2017 data is as of March 2018



Maybank Women Mentor Women (WMW) Council

The Maybank Women Mentor Women (WMW) Council works to support women's professional development across the Group, including increasing representation of women in top management. It also supports the business in enhancing the delivery of products and services to female consumers.

The Council's main 2017 focus was to attract and retain female workforce, empower women talent through development programmes and drive career advancement of women through sponsorship programmes/projects. It continues to support sub-councils for women across Maybank's presence in ASEAN, United States and United Kingdom. Some key programmes in 2017 include the International Women's Day 2017 celebration (Kuala Lumpur), Women Conference in Indonesia and World of Women in the Philippines.

At the International Women's Day celebration, the Council organised a forum with the theme 'Be Bold for Change'. The panelists spoke to raise awareness about gender parity as well as to inspire women employees to take charge of their lives to achieve greater success in both their personal and professional spheres.

The Council's recently-launched Advancing Women Leaders Programme (AWLP) is an important platform to increase women leadership, strengthen diversity and inclusion, and contribute to achieving Maybank's aspirations. Designed and executed by Group Human Capital and championed by the Maybank WMW Council, the programme has a developmental focus on women leaders. This programme is part of the Council's initiative to inspire and empower women at Maybank to draw on their unique leadership qualities. In 2017, 35 women leaders took part in the AWLP. The Programme sharpens their business acumen, instilling a global mindset through exposure to challenging assignments, stretching of roles, other development interventions and participation in world-class leadership learning experiences.

Known as the Accelerate Leadership Programme (ALP) within Maybank Kim Eng (MKE), this leadership programme based on sponsorship, complements the Group's efforts in inspiring and empowering women in the organisation.

"The women leaders were given the opportunity to work on varied, high-level and strategic projects around the region that touched on business remodelling, process re-thinks and structural re-orientations.

The intent of the Programme was to give the women the exposure to senior conversations around the Bank for the development of their critical thinking, business acumen and stakeholder management skills. These skills are imperative in building their confidence and self-belief."

Ami Moris

Chief Operating Officer
Maybank Kim Eng

OUR ROLE AS A LEADING EMPLOYER



Focus

Mazlina Muhammad has been Regional Director for Region Perak since 2015. She spearheads Region Perak's management and operations, taking it to the next level of business performance in line with the Group's strategic objectives.

Her appointment demonstrates Maybank's commitment to developing leaders and hiring from within by embracing our Group Inclusiveness and Diversity Agenda (GIDA). She is currently the only female Regional Director in Community Financial Service (CFS) Malaysia.

Mazlina started her career with Maybank in 1994 as a Trainee Officer and has been in many key positions. Prior to the recent appointment, she was Head of Kuala Lumpur Main Branch since July 2011 where she consistently displayed strong leadership in accelerating business momentum every year.

Mazlina has steered her team to improve productivity levels which in turn increased service quality and profitability. Under her leadership, Region Perak achieved outstanding results which included being the Top Region for Audit Performance and Topline Sales Productivity for 2017. For Sales People Productivity, Region Perak was consistently ranked among the Top 2 Regions from 2015 to 2017.

Mazlina also actively supports charity initiatives, internal and external. In January 2018, she led her team from Region Perak in an international humanitarian mission to Cambodia to provide aid to the Muslim community there.

Mazlina Muhammad
Regional Director for Perak

Building Cultural Competence

Given the global nature of our workforce, having employees that can understand and engage people from different cultures is essential to our success.



Focus

Choong Wai Hong was appointed President & Chief Executive Officer of Maybank Philippines Inc (MPI) in November 2017.

Wai Hong is responsible for leading and driving MPI to the next level of performance and growth so that it becomes a meaningful revenue contributor to Maybank Group.

Wai Hong's appointment is a strong testament to the Group's commitment to develop internal talent within the Group. He joined Maybank about eight years ago primarily in the High Net Worth and Affluent Banking segment. He is one of the key people behind the development and establishment of the regional platform for Wealth Management in Malaysia and Singapore. He helped launch a clear branded market proposition for all three premium retail segments namely Private Wealth, Premier Wealth and ASPIRE. Wai Hong was also previously the Head of Virtual Banking, Malaysia.

In the last 3.5 years, Wai Hong was on International Assignment in Maybank Singapore as Head of Community Financial Services (CFS). Under his leadership, Wai Hong successfully led the growth of the CFS Enterprise business in Singapore.

Choong Wai Hong
President & Chief Executive Officer, Maybank Philippines Inc



Focus

Dato' Mohd Hanif Suadi was appointed CEO of Maybank (Cambodia) Plc (MCP) effective 1 March 2018.

As CEO of MCP, Dato' Hanif is primarily responsible to further progress MCP to the next level of growth within the Maybank Group. He is also tasked with accelerating the realisation of Maybank Group's aspiration for our Indochina operations to be the go-to ASEAN bank in Cambodia, Laos, Myanmar and Vietnam.

Dato' Hanif has had an impressive career as a Maybanker for 43 years. He started his career with Maybank in 1974 and rose steadily through the ranks. Prior to his appointment at MCP, Dato' Hanif was a Senior Advisor to Community Financial Services (CFS) Malaysia.

Dato' Hanif is a versatile banker. His work experience in Maybank has brought him to almost all parts of banking. He was instrumental in transforming the Shared Distribution business model by implementing initiatives like the Branch Transformation Operating Model and managing various channels under CFS.

Dato' Mohd Hanif Suadi
CEO of Maybank (Cambodia) Plc

A Caring and Family-friendly Organisation

As a caring and inclusive organisation, we champion family-friendly initiatives and work-life integration. We also continuously review our people policies and programmes. In 2017, we updated our people policies and programmes and made significant improvements.

We now offer Extended Maternity Leave of up to 365 days for eligible female employees within the Group. This is on top of the existing full-pay and full-benefits 90-day maternity leave available to female employees of all grades. The new maternity leave policy allows employees to apply for an additional maternity leave period of three months with half-pay and a further six months with no pay.

The Extended Maternity Leave period will not constitute a break in an employee's employment. Crucially, employees on Extended Maternity Leave will be provided with medical and insurance coverage in accordance with grade's benefits. Some 191 employees went on Extended Maternity Leave in 2017.

We also rolled out a Sabbatical Leave Policy. Under the policy, eligible employees are allowed to take a career break for a minimum duration of two months (the programme offered three months of sabbatical when it was initially rolled out) and up to a maximum of 24 months, with the guarantee of remaining employed. During the no-pay Sabbatical Leave period, employees continue to enjoy certain benefits, such as medical and insurance coverage, for a certain period of time.

The sabbatical period will not be considered a break in service. Employees can also, with prior permission from the Bank, engage in part-time employment and/or business activities which are not in conflict of the Bank's interest during the sabbatical period. In 2017, 164 employees opted for Sabbatical Leave.



Focus

Beatrice Ng took extended maternity leave when she welcomed her second child. The longer break has given her the time and space to ease into caring for both her children. Beatrice was able to ease back into her work feeling rejuvenated and better focused.

Beatrice Ng Choy Hing
Product Manager, CFS Regional Cards

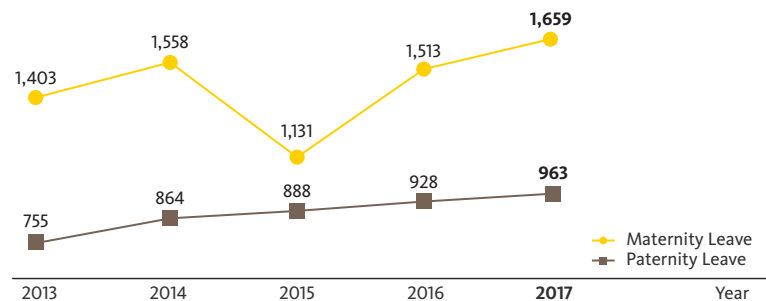
We revised our Special/Compassionate Leave policy regarding Child Care Leave. It is no longer confined to sudden and serious instances only, but now allows employees with a child of two years and below to utilise the leave to attend to the birth, development, health and welfare of the child. This includes male employees who may wish to utilise the full 10 days off as paternity leave to care for their newborn. Hence, the current paternity leave is no longer capped at five days per year, but instead, governed under this Special/Compassionate Leave category which provides flexibility for staff to manage their work and life depending on their individual circumstances.

We also introduced a new Parental Leave policy where our male employees now have the option of applying for a maximum of 90 days leave from the child's birthdate with half-pay and full benefits to care for their newborn.

Maybank has, over the years, continued to introduce innovative solutions to create an enabling workplace environment to benefit its employees. These include the Flexible Work Arrangement policy, family-friendly benefits, Maybank Tiger Cubs Childcare Centre, lactation rooms, gymnasium for women and various health and wellness programmes.

OUR ROLE AS A LEADING EMPLOYER

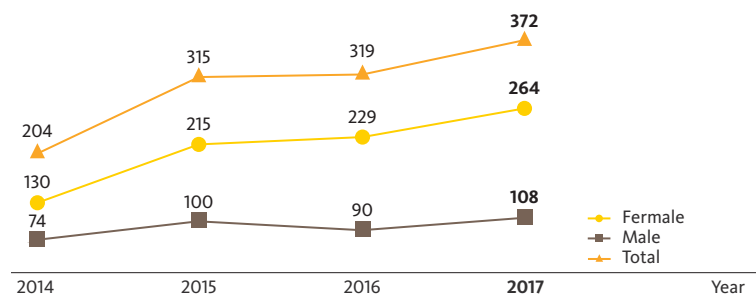
Number of employees who took paternity or maternity leave



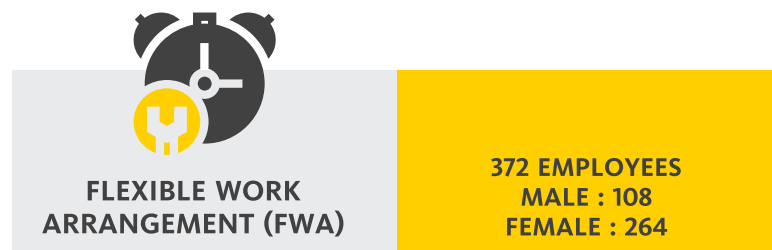
* FY2013-FY2015 data covers Malaysia only and we started tracking Group-wide data in FY2016

Our Flexible Work Arrangement (FWA) is highly appreciated amongst employees.

Number of employees on Flexible Work Arrangement (FWA)



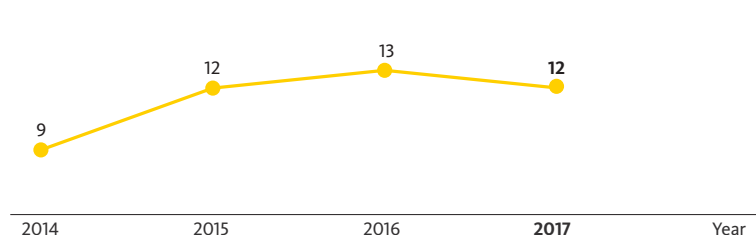
* Data covers Malaysia only



By the end of 2017, the largest age group in our workforce were those between 30 and 39 years old. This ensures a healthy pipeline and succession pool within the Group that will enable us to deliver over the long term.

We also hire people living with disabilities based on suitability for the role. As of 2017, we have 12 employees living with disabilities.

Number of employees living with disabilities



Volunteerism through Cahaya Kasih and beyond

We have long incorporated the pursuit of societal good which is a component of our broader aspirations to benefit the local communities we serve. Maybankers are encouraged to dedicate their energy, skills and imagination to tackling socio-economic and environmental issues.

Our employees are encouraged to partake in team volunteerism projects of their choice. This programme has been running since 2010 and is key to an enabling inclusive environment. Cahaya Kasih encourages Maybankers to come together as agents of change and positively impact beneficiaries. There is strong evidence that employee volunteerism increases engagement of employees but it is also an important way for us to be part of the communities we work in. Through the volunteer efforts of our employees, we address needs of the communities, build relationships and strengthen our internal culture.

Cahaya Kasih projects and causes follow the focus areas of our community work – Education, Community Empowerment, Arts and Culture, Environmental Diversity and Healthy Living. The annual highlight of the Cahaya Kasih programme is the Maybank Global Corporate Responsibility (CR) Day.

On 19 August 2017, over 20,000 Maybankers from across the Group volunteered in the eighth Global CR Day – the biggest single community programme undertaken simultaneously in one day by a Malaysian-headquartered corporation. Themed 'Enabling Communities with Solutions', the programme saw Maybankers showcasing their year-long Cahaya Kasih initiatives and creating a difference in the lives of the communities in their respective locations through 105 CR initiatives. It continues to be an important part of the Cahaya Kasih employee volunteerism programme and was rolled out in 15 countries where Maybank has presence.



Maybank employees globally participated in the Global CR Day, coming together to reaffirm their commitment to social development and welfare as well as environmental conservation through various community initiatives

Our staff welfare fund, Tabung Kebajikan Kakitangan Kumpulan Maybank (TKKKM), offers financial assistance to employees and family members for emergency needs that are not covered under the employee benefits. In 2017, TKKKM disbursed RM462,621 to 339 eligible employees in Malaysia. We also recognise academic excellence among our employees' children, mainly through the Maybank Group Staff's Children Academic Excellence Award. In Malaysia, 481 children of employees received a total of RM206,800 under this award.

SAFETY, HEALTH AND WELLNESS

At Maybank, we are committed to protecting the safety, health and welfare of our most important asset: our people. Good health directly translates to a more engaged workforce which is why we encourage our employees to make changes towards a healthy lifestyle.

We have a structured three-tier Occupational Safety and Health (OSH) Committee nationwide namely OSH Central Committee, Regional Offices OSH Committee and Branches OSH Committee. The OSH Committee strives to ensure a safe, healthy and pleasant working environment with strict compliance to the OSH Act 1994 and Factories and Machinery Act 1967 as well as other relevant regulations.

We are also guided by a solid OSH Policy which structures guidelines and practices as well as ensure these are closely monitored and adopted. In Maybank, we believe that occupational safety and occupational health not only encompass our employees and customers but also includes all those who are involved in our business operations such as contractors and vendors. The NIOSH-Maybank Safety Passport (NSMP) programme was adopted in collaboration with the National Institute of Occupational Safety and Health (NIOSH) to ensure that all safety and health aspects are taken care of whenever contractors and vendors are working in any of Maybank's premises.

Being in the services sector, Maybank understands that it is important to manage ergonomics hazard given the majority of our workforce are in desk-bound jobs. Ergonomics issues can greatly affect health and productivity if it is not managed in a timely and effective manner.

On this front, Maybank in collaboration with NIOSH Malaysia has rolled out a special 'Ergonomics in the Workplace' programme, a one-day training targeted for operations and processing work units. The training focuses on employees who have developed musculoskeletal disorders as well as departments that largely work in operational processing jobs.

Special ergonomic chairs are also provided to employees on a case-by-case basis to reduce chances of injury while working.

An e-learning platform has been adopted as one of the tools to raise awareness and increase knowledge on good occupational safety and occupational health. This platform helps us reach out to employees in the entire organisation given the sheer size of our workforce and diverse business locations we operate in. We currently offer three OSH-related e-learning modules namely the OSH Committee Training, OSH Awareness and Emergency Response Plan (ERP).

The Bank's intranet portal also contains easily accessed information on OSH compliance, policies and procedures, guidelines, general awareness and other related OSH templates and reporting forms. It is a convenient and practical avenue for employees to learn more about occupational safety and occupational health.

2017 OCCUPATIONAL SAFETY AND HEALTH DATA



Note: Data covering Maybank Malaysia including Maybank Kim Eng and Maybank Islamic Berhad, but excluding Group Insurance and Takaful as different entities submission covers it. Data is as reported to Department of OSH Malaysia every 31 January.

Various initiatives are organised annually to increase the awareness on OSH and comply with regulatory requirements.

We aim to make Maybank a great place to work for all employees with their health and well-being as top priorities. Health and wellness programmes are an important aspect of people development and management, increasing employee satisfaction and retention, as well as improving productivity.

Sports facilities are available in many of our branches and offices. We have a sports complex at Maybank Academy, the Maybank Recreation Centre (MRC) at Menara Maybank as well as gym facilities at Maybank Group Customer Care and Dataran Maybank. The Maybank Recreational Centre at Menara Maybank is now available for employees with extended operational hours until 10 pm.

At Maybank, we encourage employees to take charge of their personal well-being by placing health as a priority in life to achieve greater productivity at work. In 2017, we set the tone through various health and wellness initiatives and encouraged staff to 'Exercise Often, Eat Wisely, Think Positive and Rest Well'. A tagline, 'One Body. One Life. Make Both Amazing' was introduced to encourage employees to continuously do the right thing for their well-being.

Throughout March to September 2017, a healthy eating campaign was organised to cultivate daily healthy-eating habits among employees.

Through this Campaign, employees were enabled to pre-order and pick up healthy lunch packs, purchase whole fruits, milk, honey, coconut oil and other healthy foods at the workplace from vendors. To encourage consumption of healthier snacks at work, yogurt machines were installed within the premises of Menara Maybank, Dataran Maybank and Maybank Academy.

OUR ROLE AS A LEADING EMPLOYER



The 35th edition of the Maybank Games Carnival was celebrated from 28 to 30 July 2017. Over 1,600 employees from 16 contingents across the Group gathered at Maybank Academy.

The Games Carnival is a platform that encourages the growth of team spirit. It was truly inspiring to witness employees' dedication to excellence and achievement, outstanding athletic performances, as well as healthy and respectful competition amongst others.

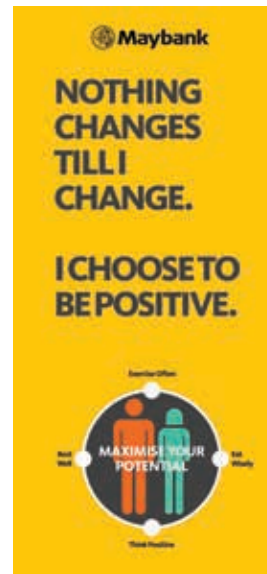


Launched on 6 September 2017, the Biggest Loser Challenge was opened to all employees and their family members. The objective of the Challenge is to encourage staff to live a healthy lifestyle by adopting various healthy habits as well as being mindful of weight management.

2,470 participants took up the Challenge that spanned over eight weeks.



Close to 5,000 employees took part in the Maybank's 2017 FIT Tigers Day held on 14 October 2017, in conjunction with Hari Sukan Negara. Themed 'EXERCISE. ENERGISE. REPEAT.', this annual celebration demonstrated our continuous effort in encouraging employees to actively step out of their comfort zones, take charge of their well-being and deliver greater value to our stakeholders.



The mental health awareness campaign, themed "Build Your Bounce", was organised throughout May to June 2017, to remind employees to take time to recharge and exercise to maintain good mental health.

It focused on educating employees on mental health issues and ways of taking care of their mental health. This was conducted via our online communication channels and Noon Talk sessions.

We leveraged our internal wellness coaches to conduct classes on breathing techniques to teach employees ways to effectively de-stress by breathing properly.



Held in August 2017, the Fruitilicious Day was a simple way of reminding employees that the colour of our food can tell us a lot about its nutritional value, and eating a variety of colours is one sure method to get as many of those vitamins and minerals as possible.

Employees were encouraged to bring different types of fruits, get creative with capturing the moment by including the pictures of their 'rainbow' of fruits with motivational messages to inspire others on the benefits of eating healthily.



In October 2017, close to 670 employees participated in the inaugural Maybank Fun Run 2017.

It was organised by Maybank Cards and Wealth to promote a healthy lifestyle, good sportsmanship as well as excellent physical and mental development.






30 Days Step Challenge

The 30 Days Step Challenge lasted for 30 days, from 4 October till 2 November 2017. To support diversity, participants were encouraged to form a team of three members from any sector, region or country.

A total of 335 teams registered for the Challenge. All team members were required to contribute at least 28,000 steps weekly, which is equivalent to 4,000 steps daily, to their team.

YEAR-ON-YEAR PROGRESS AND PRIORITIES

20/20 Sustainability Plan Commitment	Year-on-year Tracking					
 Employee Engagement Platforms	Engaging employees on issues that matter most to them is key to unlocking a values-based organisation with an agile and competitive regional talent pool					
	Year	2013	2014	2015	2016	2017
	Percentage of employees appraised (based on employees who are eligible to participate in the year-end appraisal) (%)	100	100	100	100	100
	Percentage of Employee Engagement Survey Results (%)	Not administered	SEI 85% EEI: 82%	Not administered	Not administered	SEI: 88% EEI: 84%
	* For 2017, Maybank Group's Sustainable Engagement Index (SEI) at 88% is high against internal and external benchmarks: +3% vs 2014; +5% vs Willis Towers Watson (WTW) Global Financial Services norm; +2% vs WTW Global High Performing Company norm. Maybank Group's Employee Engagement Index (EEI) at 84% remained high against internal and external benchmarks: +2% vs 2014; +4% vs WTW Global Financial Services norm; -1% vs WTW Global High Performing Company norm.					
 Talent and Leadership	Nurturing talent by providing the appropriate support for growth and the opportunity to excel in the organisation					
	Year	2013	2014	2015	2016	2017
	Profit before tax per employee (RM)	185,669	193,695	199,129	201,120	233,330
	Income per employee (RM)	388,067	393,925	462,116	504,209*	537,637
	Succession Cover Ratio (number of successors over Mission Critical Positions)	4.1:1	3.9:1	4.57:1	4.3:1	4.3:1
International mobility (number of talent taking up international positions after taking part in mobility programmes)	100	>130	167	159	133	
* The restatement of data is due to restatement of financial figure						
 Learning and Development	Investing in the long-term development of our people and improving capabilities across the organisation					
	Year	2013	2014	2015	2016	2017
	Learning and development spend (RM million)	118.87	120.00	114.00	129.00	124.00
	Average training hours per employee	45.31	33.68	35.00	32.00	49.84
	Percentage of training sessions conducted/facilitated by employees (%)	n/a*	36	31	63	89
* Tracking commenced in 2014						

OUR ROLE AS A LEADING EMPLOYER

20/20 Sustainability Plan Commitment



Diverse and Inclusive Workplace

Year-on-year Tracking

Embracing and nurturing all employees' needs and requirements within a single group culture, which guides how we do business, how we work together, and how we collectively deliver value across the Group

Year	2013	2014	2015	2016	2017
Women in top management, Band D and above (%)	31*	31*	35	30	31
Women in management, Band G and above (%)	42*	46*	47	45	45
Age group of workforce (%)					
<30	30	28	27	23	22
30-39	38	38	37	37	37
40-49	25	26	27	30	30
≥50	7	8	9	10	11
Total participation	23,513	26,200	24,202	22,014	25,179
Global CR Day	19,001	24,971	16,559	15,267	20,780
Other volunteerism efforts	4,512	1,229	7,643	6,747	4,399
Total volunteer hours	178,422	142,900	122,917	108,863	130,209
Global CR Day	119,000	129,921	89,806	77,361	105,140
Other volunteerism efforts	59,422	12,979	33,111	31,502	25,069
Number of CK initiatives Group-wide	105	96	102	89	87
Total number of employees on Flexible Work Arrangement (FWA)**	n/a	204	315	319	372
• Male	n/a	74	100	90	108
• Female	n/a	130	215	229	264

* Excluding Maybank Indonesia

** Data covers Malaysia and FWA Policy was formalised in November 2013



Safety, Health and Well-being

Improving safety and work-life balance

Year	2013	2014	2015	2016	2017
Total recordable injury frequency rate*	0.006	0.005	0.002	0.003	0.0015
Health and wellness programmes (number of participants)	> 3,400	> 5,000	5,000	> 8,000	23,296
Number of health & awareness sessions	–	–	56	49	286
Average monthly attendance of fitness classes at our recreation centre**	Only operational in 2015		3,823	3,926	2,712

* For Maybank Malaysia (including Maybank Kim Eng and Maybank Islamic Berhad, but excluding Group Insurance and Takaful) as it is covered by different entities submission. Data from our report is submitted to the Department of Operational Safety and Health (DOSH) Malaysia annually on 31 January

** Malaysia

OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER

Over

2,400
branches

across 20 countries including all 10 ASEAN countries



5,854 self-service terminals



Maintained our lead position as the preferred financial institution in the country

Disbursed loans for Retail SMEs worth

RM15 billion

Disbursed

RM68.62 million

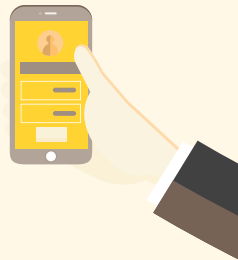
to micro businesses, benefitting up to 1,715 customers

Over

11 million

Maybank2u registered online users with 4.33 billion online transactions worth RM341.8 billion

Launched the new Maybank2u App with facial and voice recognition security authentication service



Continue to be a major provider of housing finance by participating in Skim Rumah Pertamaku (SRP), 1Malaysia People's Housing (PR1MA), Rumah Selangorku and Rumah Mampu Milik Wilayah Persekutuan (RUMAWIP). 4,668 mortgage loans worth approximately RM1.2 billion were accepted in 2017



Established Maybank Group's Environmental, Social and Governance (ESG) Risk Management Framework

The Joint Lead Arranger and Joint Lead Manager for Quantum Solar Park (Semenanjung) Sdn Bhd's **RM1 billion Green SRI Sukuk**, the largest green sustainable and responsible Sukuk in the world

Corporate Banking financed approximately

RM3.2 billion

in renewable projects



Saved about

102.4 million

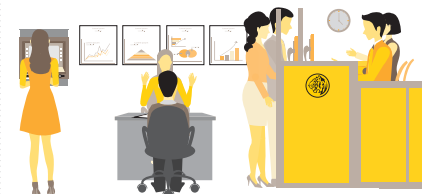
sheets of paper



Carbon Disclosure Project (CDP): Our Progress towards environmental stewardship reached 'Awareness' level

93.4% of procurement spent in Malaysia is through local suppliers with a value of over RM898 million

Issued our first ESG bonds of USD50 million in nominal value to Meiji Yasuda Life Insurance Company. The proceeds are utilised, amongst others, to fund ESG projects including social housing.



Group-wide Zakat contribution over

RM23 million

OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER

Opportunities	Challenges
Our digital first strategy is a key enabler towards financial inclusion. We are always looking for new ways to enhance our products and services particularly by leapfrogging our digital platforms.	Digital solutions enable us to enhance our humanising mission as we are able to provide access to finance to more segments of the community. The diversity of ASEAN requires innovative solutions to be relevant.
Trust and integrity are key aspects of our business. Fintechs provide an exciting partnership opportunity for us but any partnership must be aligned to our strategic objectives.	The landscape of financial services is fast-evolving. To meet the needs of the ever-changing market, we must capacity build and work in partnerships.
With the Maybank Group's Environmental, Social and Governance (ESG) Risk Management Framework in place, we are able to integrate ESG impacts of transactions.	We work with clients to ensure that they are aligned with our sustainability requirements. For this purpose, we need to deliver a standardised approach to best serve the needs of clients.

OUR APPROACH

At Maybank, we want an even more promising future for all. We strive to offer products and services that not only meet our customers' current needs but ensure that we meet the rapidly changing requirements of the digital age. For us to maintain our position in the marketplace, we cannot afford to lose sight of our goals of providing access to financial services and paramount focus on product stewardship. By combining our people's expertise and collaborative partnerships, we have been able to manage our own environmental footprint better.

As an industry, we are also exposed to additional indirect impacts through the companies and industries we finance. Our commitment to ESG impact lending and investments is driven from the top. We strive to understand our clients' businesses, including understanding the social and environmental issues of the sectors that we finance. Digitalisation, access to finance as well as funding the small businesses that fuel growth and livelihoods remain high on our agenda.

By supporting our customers and partnering with other stakeholders, we are able to invest in sustainable progress and enable growth. Businesses will truly thrive when embedded within the principles of good governance, innovation and environmentally-sound management.



Sustainable Development Goals			
8 DECENT WORK AND ECONOMIC GROWTH 	Goal 8: Decent Work and Economic Growth	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Goal 9: Industry, Innovation and Infrastructure
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Goal 12: Responsible Consumption and Production	13 CLIMATE ACTION 	Goal 13: Climate Action

We have a resolute focus on access to financial services and digital innovation (Goal 9) as well as responsible lending (Goal 12). Goal 8 includes supporting small businesses. At the same time, our environmental financing efforts through the Malaysian Green Technology Financing Scheme (GTFS) are directly aligned with Goal 13 Climate Action.

OUR ENVIRONMENTAL AGENDA

We recognise the need to understand and work towards climate change solutions through our financing products and services as well as a responsibility to the communities we serve to support greener living.

Our environmental agenda focuses on the following key issues:

Resource scarcity – The planet's natural resources are finite and rising competition has the potential to limit economic growth and business opportunities. Our response is to make our internal processes more efficient and reduce our usage of paper and electricity.

Climate change – The impact of climate change is increasing and climate-related policies have consequences for business. Our ESG lending guidelines provide the framework for responsible lending.

G4-DMA

COMMITMENT TO THE ENVIRONMENT

We are committed to minimising the environmental impact of our operations when and where possible. To reach this goal, we have established environmental goals and practices in different areas of environmental management.

The most effective way of managing the direct impact of our operations on the environment is to be mindful about how our business premises utilise resources and how our people manage business travel. Apart from managing our carbon footprint, the scope of our environmental management programme also includes water and paper consumption as well as waste recycling.

Our Environmental Footprint

We strive to monitor and further reduce the direct and indirect emissions from our operations. Over the past years, we have made progress in energy efficiency, waste management and moving towards a paperless environment. Owing to innovative e-banking and internal solutions, our paper usage is now managed more efficiently.

We follow and monitor statutory and regulatory requirements related to the environment, including:

- ✓ Environmental Quality Act 1974 and its subsidiary regulations
- ✓ Occupational Safety and Health Act 1994
- ✓ Efficient Management of Electrical Energy Regulations 2008
- ✓ Local Government Act 1976 on waste dumping policy

G4-EN15, G4-EN16, G4-EN17

Carbon Emissions

In 2017, we continued to focus on managing our carbon footprint. We were the first Malaysian financial institution to participate in the CDP (formerly the Carbon Disclosure Project) and we have taken part for six years now. We are committed to the process and continue to disclose our carbon footprint. In 2017*, we were awarded grade 'C'. CDP changed its approach to scoring in 2016. The companies are now divided into four groups depending on their progress towards environmental stewardship:



* We have participated since 2007 but CDP only began scoring in 2011

Tracking is a crucial part of improving our operational impact on the environment. Every year, we work on enhancing the tracking system of our internal environmental impact. In 2015, we commenced the installation of a power optimisation system in all Maybank offices and branches. In 2016, we also expressed our commitment to disclosing data on our carbon footprint covering all operations in Malaysia. In 2017, we managed to report on selected operations in Malaysia and Singapore and will continue to improve the tracking system of our internal environmental impact.

Since 2016, we were able to report on business road travel emissions in Malaysia. We also expanded our reporting boundary to include Singapore operations across different scopes of data disclosed in 2016.

In 2017, our carbon footprint covers direct and indirect emissions across selected Malaysian and Singaporean operations as follows:

- 1 Direct emissions –**
Scope 1 (petrol and diesel consumption from company-owned vehicles, diesel consumption from diesel generator, fire extinguishers and air conditioning)
- 2 Indirect emissions –**
Scope 2 (electricity consumption)
- 3 Other indirect emissions –**
Scope 3 (business air and road travel)

In 2017, our total greenhouse gas (GHG) emissions stood at 78,909 tonnes.

We continued to work with our appointed travel agent to track bookings. We will be implementing measures to manage travel and enhance connectivity and productivity through technology solutions.

OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER

We have identified emission sources by referring to company activities using an operational approach with reference to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) and included data for existing operations only:

For Scope 1

- For Scope 1, data was collected from all relevant departments and selected vendors. Emissions from diesel generators, fire extinguishers and air-conditioning refrigerants were calculated using a conservative approach of multiplying the amount of substances refilled by their respective global warming potential.
- ☑ Diesel generators cover six strategic buildings in Malaysia and selected operations in Singapore*
- ☑ Diesel and petrol consumption of company-owned cars is limited to Menara Maybank, Dataran Maybank and all branches and premises of Maybank Singapore*
- ☑ Air-conditioning data covers all branches and six strategic buildings in Malaysia and selected operations in Singapore*
- ☑ Fire extinguishers cover all branches and six strategic buildings in Malaysia and selected operations in Singapore*

For Scope 2

For Scope 2 (electricity consumption), the data covers selected branches and six strategic buildings in Malaysia and selected operations in Singapore*

For Scope 3

- ☑ Regarding air travel data, we identified several sources including data from relevant departments, bookings through our registered travel agent, and bookings made independently and subsequently claimed via myHR2u system. Due to insufficient information from myHR2u airfare-related claims, our Scope 3 calculation is limited to bookings made via our travel agency amounting to 61% of all air travel for Maybank Malaysia in 2017. We used the International Civil Aviation Organisation's Carbon Emissions Calculator to quantify our carbon emissions, as a result of our business air travel (<http://www.icao.int/environmental-protection/CarbonOffset/Pages/default.aspx>). Singapore's Scope 3 air travel includes only selected operations in Singapore*.
- ☑ Road travel data covers 100% of data in Malaysia as captured via myHR2u.

* Data covers all branches and premises of Maybank Singapore excluding Singapore offices of Maybank Kim Eng, Etiqa Singapore, Maybank International and Maybank Asset Management

Carbon footprint journey 2012 – 2017

2012	2013	2014	2015	2016	2017
<ul style="list-style-type: none"> Scope 2 carbon footprint for five strategic buildings in Malaysia Total carbon footprint was 38,459.06 tCO₂e 	<ul style="list-style-type: none"> Scope 2 carbon footprint for five strategic buildings in Malaysia Total carbon footprint was 37,704.81 tCO₂e 	<ul style="list-style-type: none"> Scope 2 carbon footprint for six strategic buildings in Malaysia Total carbon footprint was 40,221 tCO₂e 	<ul style="list-style-type: none"> Alignment with Greenhouse Gas Protocol Corporate Standard Scope 1 carbon footprint for selected offices and branches in Malaysia Scope 2 carbon footprint for six strategic buildings in Malaysia Scope 3 carbon footprint for other indirect emissions namely business air travel Total carbon footprint was 46,575 tCO₂e 	<ul style="list-style-type: none"> Scope 1 and 2 carbon footprint for selected branches and strategic buildings in Malaysia and selected operations in Singapore Scope 3 carbon footprint for other indirect emissions, namely business air travel in Malaysia and Singapore Started tracking business road travel in Malaysia Total carbon footprint was 91,528 tCO₂e 	<ul style="list-style-type: none"> Scope 1 and 2 carbon footprint for selected branches and strategic buildings in Malaysia and selected operations in Singapore Scope 3 carbon footprint for other indirect emissions, namely business air travel in Malaysia and Singapore and road travel in Malaysia Total carbon footprint was 78,909 tCO₂e

OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER

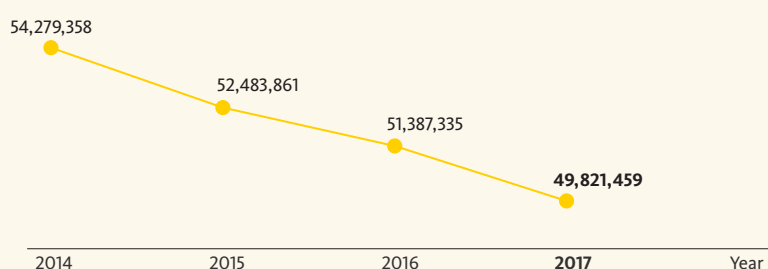
ChargEV Stations now available at Menara Maybank

ChargEV is an electric vehicle charging station for electric and plug-in hybrid cars. They are often located at prime and convenient public locations including shopping malls, hotels, office blocks and along major highways across Malaysia – and now at Menara Maybank.

Electricity Consumption

We operate in six strategic buildings and branches in Malaysia and Singapore. In 2017, our total electricity consumption at the six strategic buildings was 49,821,459 kWh. The value has been decreasing since 2014. To reduce GHG emissions and energy use, we need to further improve the energy efficiency of our offices and branches. We aim to report on improvements in the coming year.

Electricity consumption of six strategic buildings in Malaysia (kWh)



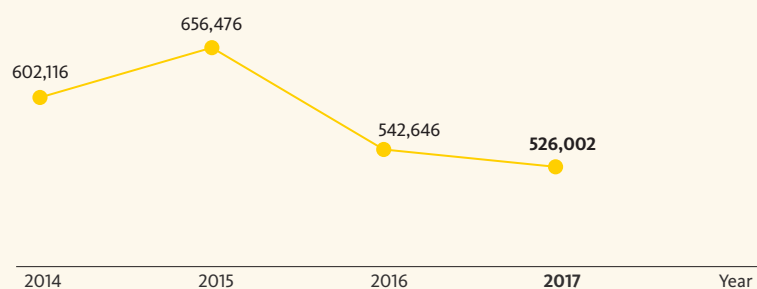
Electricity consumption 2012 – 2017

2012	2013	2014	2015	2016	2017
Electricity consumption of five strategic buildings in Malaysia: 51,901,562 kWh	Electricity consumption of five strategic buildings in Malaysia: 50,883,688 kWh	Electricity consumption of six strategic buildings in Malaysia: 54,279,358 kWh	Electricity consumption of six strategic buildings in Malaysia: 52,483,861 kWh	Electricity consumption of selected branches and six strategic buildings in Malaysia and selected operations in Singapore: 114,920,938 kWh	Electricity consumption of selected branches and six strategic buildings in Malaysia excluding auto finance centres (AFC) and selected operations in Singapore: 105,910,059 kWh

Water Consumption

Although water management is not material to our business, we remain committed to tracking our consumption. Due to the size of our operations, water reduction initiatives do make a difference. Water consumption in our six strategic buildings stood at 526,002 m³ in 2017, compared to 542,646 m³ in 2016. Water consumption has decreased by 13%, or equivalent to 76,114 m³, in 2017 since we commenced tracking data across the six strategic buildings from 2014. Water is supplied from the municipal water sources throughout our operations in Malaysia.

Water consumption of six strategic buildings in Malaysia (m³)



Water consumption 2012 – 2017

The higher water consumption recorded in 2015 was due to some pipe leakages, which has since been rectified.

2012	2013	2014	2015	2016	2017
Menara Maybank water consumption: 256,818 m ³	Menara Maybank water consumption: 275,613 m ³	Water consumption of six strategic buildings in Malaysia: 602,116 m ³	Water consumption of six strategic buildings in Malaysia: 656,476 m ³	Water consumption of selected branches and six strategic buildings in Malaysia and selected operations in Singapore: 753,524.00 m ³	Water consumption of selected branches and six strategic buildings in Malaysia excluding AFC and selected operations in Singapore: 775,378.55 m ³

OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER

G4-EN1

Paper Consumption

As in previous years, we have emphasised management of paper usage and have been encouraging customers and employees alike to move towards a paperless environment. We are constantly harnessing digital technology in order to save paper and create less waste. We track our paper usage at the headquarters and all branches.

In 2017, we continued to disclose paper consumption for our Malaysia and Singapore operations. We will be able to disclose regional consumption data moving forward, as our new regional vendor submits monthly consumption reports. We are paying attention to details every day – printing less, ordering fewer printed items, using less paper receipts – and moving more information online. In 2017, 504,831 cheque books were printed for customers with current accounts.

Paper consumption for Malaysia and Singapore (sheets)

Country	2014	2015	2016	2017
Malaysia	236,283,832	263,846,748	262,570,998	269,742,006
Singapore	Started tracking for reporting in 2016		28,874,465	37,072,315

Note: Data covers Malaysia and Singapore.

Towards Paperless Banking

We have taken important steps towards paperless banking in all the countries we operate in across the region. Savings in paper usage have been achieved thanks to more usage of digital solutions, less printing and moving some of our internal processes to mobile platforms. The move from printed to electronic statements for retail customers has likely been the single most impactful change in our quest to reduce paper usage. In 2016, over three million customer accounts were successfully migrated to electronic statements only. To cater for special needs of some segments of customers, we continue to print and send the hardcopy statements at their request.

Digital statements are not only better for the environment but they also offer enhanced:

- 1

Accessibility –

Customers can view their e-statements via email or use the Maybank2u internet banking platforms to view consolidated reports
- 2

On-time delivery –

Customers can view up-to-date information on their accounts
- 3

Security –

The statements are protected with unique passwords
- 4


Simplicity –

No clutter and wastage

Thanks to the paper saving initiatives, we saved about

102.4 million

sheets of paper in 2017



Some paper-saving initiatives in 2017:

Initiatives	Details
Account Opening, Card Replacement and Issuance	As part of this initiative, we reduced the number of pages for some forms such as the application form, thumb print verification and Personal Data Protection Act (PDPA) and the Foreign Account Tax Compliance Act (FATCA), which were shortened from eight to four pages. This directly contributed to about 1.7 million sheets saved in 2017.
Cheque Management and Report Rationalisation	We reviewed the process and managed to reduce the number of reports from 31 to 13. This resulted in savings of over 4.4 million sheets in 2017.
e-Statement	Delivering customer account statements digitally reduces the carbon footprint and creates cost savings on postage, printing and Goods and Services Tax (GST). All new accounts are now on e-statement by default. In 2017, over 5.1 million accounts went paperless, translating to sheet savings of 24.6 million.
Printing and Photocopy	We undertook several initiatives to reduce printing and photocopying in recent years. These initiatives include eliminating printers, stopping colour printing in branches as well as going paperless by introducing e-policy to replace hard copy documents where possible. Apart from cost savings, this has also resulted in saving over 71 million sheets in 2017.
MPI Branch OE	As part of enhancing branch process and customer experience initiatives in Maybank Philippines, about 560,000 sheets of paper were saved by reducing the numbers of internal batch reports printed.

OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER

G4-EN23

Waste Management and Recycling

Most of our premises in Malaysia have systems in place for collection, recycling and disposal of waste. Waste is collected by appointed licensed contractors to ensure compliance with government requirements. We also ensure that old IT equipment are managed and disposed appropriately by appointed contractors. Nevertheless, while we are committed to recycling and reducing waste, the nature of our business means that many documents contain private financial information. We therefore have to be always careful and have processes in place to ensure that we do not expose private customer data in the process of waste management, including transportation to appointed recycling centres. We have to balance both requirements and as a rule, all sensitive data has to be shredded before disposal.

Year	2013	2014	2015	2016	2017
Total paper recycled (kg)	36,237*	44,128*	44,029**	191,891***	301,863****

- * Data covering Etiqa and Menara Maybank
- ** Data covering Menara Maybank only
- *** Data covering selected branches in Malaysia
- **** Data covering all branches and six strategic buildings in Malaysia

G4-DMA

FOCUS ON CUSTOMERS ■ ▲ ■

Given our physical and digital reach, we connect with customers from around the region and across the world and offer them an array of unique financial solutions and innovative services. Trends in customer behaviour, technological developments and government's social agenda overlay our focus on customers, including assessing current market needs which provide a view of how these needs and delivery mechanisms are evolving.

We have built strong distribution capabilities to reach customers. We leverage these capabilities as feedback loops in addressing existing and future needs. For Maybank, focusing on customers means building a strong relationship, providing convenient access to banking, financing with fair terms and pricing as well as offering solid advice based on the needs of each customer. We continue to regularly measure the depth and strength of our customer relationships. We maintained our lead position as the preferred financial institution in Malaysia in 2017 and are humbled by our customers' support in the face of the challenging operating environment. Motivated by their trust and loyalty, we strive to harness digital opportunities and strengthen our customer-centric culture.

We have found that internet and mobile banking platforms are mostly transactional and functional which means that customers only log in to use the service, as and when necessary. We put ourselves in our customers' shoes and came up with multiple Customer Journey Maps to see how we could make their mobile banking experience even faster and simpler. We have incorporated customer feedback as part of our customer journeys in the design of our products and services, especially in designing the new Maybank app. We have also equipped our Relationship Managers with tools to better respond to each client's specific financial planning need. We have also created fun instructional videos on YouTube to help explain some of the key features of the new Maybank2u app and to guide our customers through the new mobile app.

Voice of Customers

We take the voice of our customers very seriously as we seek to improve our processes, user experience and new solutions. We ensure that we are always open, transparent and aware of the issues that impact our customers.

The Maybank Customer Service Charter Service Standards, which was updated in 2017, includes the various channels for customers to contact us as well as what they can expect in our dealings with them. It reiterates our commitment to deliver the highest standard of financial services to our customers. An industry-wide update was recently performed on the Charter to reflect the contemporary changes to banking norms and trends, including digital channels and revised Turn Around Time (TAT).

In 2017, we continued with initiatives and tools such as Customer Experience Journey Mapping and the Voice of Customer. As a result, we are creating better platforms for customers to share feedback and offer more ways to connect with us than ever before. In 2017, a detailed analysis revealed some missed opportunities in resolving customer complaints at the first point of contact. We therefore focused on improving the speed, efficiency and simplification of our services to elevate customer convenience and satisfaction. We have also included Bahasa Malaysia as a transactional language option on our Maybank2u website.

Through the Straight Through Processing (STP) and automation of some of our existing processes and procedures, more than 80% of our business unit lines have seen improved year-on-year Net Promoter Score (NPS) performance. This is backed by valuable customer insights on how we can further improve our offerings. There was a high 99.4% satisfaction rating, which is an endorsement of our front liners' professionalism, strong communication skills and extensive product knowledge.

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OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER

Group Customer Experience Management (GCEM) has been working closely with branches and centres to drive First Contact Resolution (FCR) among all frontliners. Guided by our motto of 'getting it right the first time, every time', we have seen encouraging improvements in 2017 where the number of customer complaints resolved at first contact outnumbered customer complaints that were escalated for resolution by a ratio of 80:20.

We also keep records of recurring service failures and conducted a detailed analysis to understand and mitigate the root cause of these complaints. Initiatives arising from this process include empowering our staff with the required tools and training to enable consistent follow up and follow through as well as improving the speed and accuracy in the delivery of information pertaining to our products among several others. In 2017, 10 breakthrough opportunities were identified and worked on, resulting in a reduction of 25% in recurring complaints.

In 2017, Maybank Indonesia expanded its services by launching the MOVE online account (Maybank Online Saving Account Platform). As part of the MOVE service, Maybank Customer Care officers verify potential customers by using Skype video access. This service is intended to provide convenience to prospective customers so that they can open Maybank accounts anywhere and anytime without having to come to the bank.

Achieved a Net Promoter Score of 26 for CFS Malaysia (against 8 in 2014)

Maybank Indonesia's Strategic initiative	Description/Key highlight	Impact/Benefit
Centralised Mortgage Helpdesk	<ul style="list-style-type: none"> Centralised helpdesk telephone service Simplified the process of sending repayments to mortgage customers 	Reduction in the time of Service Level Agreement (SLA) service from three business days to one business day for delivery of mortgage repayment forms
Card Closing Process Through the Centralised Customer Care (CCC) division	Credit card closing request process, which was previously handled by the Anti Attrition unit (Business), can now be handled by the CCC	Reduction in the time of Customer Experience with SLA from seven business days to one business day
New Xlink Registration Process	XLink registration process (mobile phone top-up via credit card) with the registration of two or more billers will be confirmed by a call back and SMS to ensure that the right request was made by the customer	Fraud avoidance

Floods Response

In the wake of the Penang floods of 2017, Maybank announced a six-month moratorium on monthly instalment repayments for loans of affected customers and waiver of certain charges on a case-by-case basis. The suspension for payments was extended to business banking, SME banking and consumer banking customers. It also included a waiver of charges for affected customers seeking replacement of ATM cards, cheque books and passbooks which have been destroyed in the floods.

Maybank also considered requests from affected credit card customers for waivers of late payment charges and applications to increase their credit limits during this period subject to existing guidelines and policy. Etiqa, the group's insurance arm, expedited claims processes and provided policyholders with a dedicated Flood Claims Assist Hotline.

OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER

D

Detailed Indicators

Year	2013	2014	2015	2016	2017
Overall customer satisfaction					
– The Philippines	n/a	84.57%	76%	87.2%	80.12%
– Singapore	69	68.2	71.9	72.5	73.6
– Cambodia*	3.5	4.38	4.42	4.05	4.16
– Indonesia**	n/a	n/a	n/a	7.82	7.6
Number of complaints received					
– The Philippines	2,496	4,778	5,260	2,951	3,315
– Indonesia	n/a	32,821	29,783	20,291	19,668
– Cambodia	n/a	n/a	n/a	138	105
Number of complaints resolved					
– The Philippines	2,496	4,778	5,260	2,951	3,315
– Indonesia	n/a	30,185	27,990	19,136	18,090
– Cambodia	n/a	n/a	n/a	138	105

* ≤3 Unacceptable, ≤3.25 Need improvement, ≥3.25 On Target, ≥3.85 Exceed Target, and ≥4.25 Exceptional

** Relationship Strength Index (RSI) scoring method

Unresolved complaints in Indonesia will be resolved and closed in 2018.

Responsible Insurance at Etiqa

At Etiqa, our business involves advising and interacting with customers to provide financial advice support throughout their life stages. Etiqa is the No. 1 digital insurance player in Malaysia, with total premium contributions of more than RM100 million. Etiqa's agency force comprises over 10,000 agents. There are also 24 Etiqa branches and four Service Centres throughout Malaysia, a wide Bancassurance distribution network with more than 350 Maybank branches and third-party banks, as well as co-operatives and brokers. In 2017, we launched a Customer Portal and refreshed Etiqa's website to be more user-friendly with 'Fast and Easy' processes for a seamless customer experience.

We differentiate ourselves by humanising insurance and takaful. 'The Etiqa Way' has been introduced to change the way our employees behave. For example, we have a proactive claims mechanism and deploy multiple channels to track Etiqa policyholders who may be entitled to payment claims. We even have a team that monitors the mass media and social media, and reach out to policyholders and their families once identified.

Our product design teams focus on customer needs and their requirements. We find that training focus on product types and customer segments often lead to better innovation. Ideas and assurances are provided during customers testing sessions to ensure that they meet the Group's values and brand essence. Product delivery largely takes places through our agency sales force although digital sales have increased.

In 2017, we adopted a customer-centric Master Data Management (MDM) solution to help us better manage our data and build consolidated customer profiles to increase our competitiveness in this newly liberalised insurance market. We also introduced the Bancassurance Straight-Through-Processing (STP) system on iOS for Bancassurance-supported sales staff. Apart from that, we launched the enhanced Etiqa Auto Assist, a 24/7 roadside assistance app. One of its prominent offerings is free towing services of up to 200 km to the nearest panel workshop within Malaysia, Singapore, Thailand and Brunei.



We also launched the Etiqa Healthcare mobile app for Etiqa customers to conveniently do things like apply for and check on the status of guarantee letters, search for panel hospitals as well as view policy details and entitlements. For example, our employee-benefits product for corporate banking customers is aimed at providing insurance benefits to their employees, such as health insurance, life insurance and pension benefits.

For our SME customers, we created a unique credit life. It covers the outstanding limit model, where our customers will only need to pay for their premium upon usage. This flexibility allows them to determine the suitable sum insured, empowering them to plan for their financials better.

Etiqa also continued its Corporate Zakat Responsibility Programme or CZR Programme as part of its commitment to provide zakat contribution to religious institutions as well as underprivileged groups around Malaysia. In 2017, Etiqa contributed more than RM1.1 million to 36 programmes in Malaysia.

OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER

Access to Financial Services

Financial services are the backbone of a functioning society. Financial services enable people to plan for their future and prepare for the unexpected. In our rapidly developing region, the availability of banking services is often limited to urban areas. Providing financial services to the underbanked and unbanked segments is a priority for us.

In 2017, we continued our existing programmes and products that provide access to finance for all including financing small and medium enterprises (SMEs) as well as provide microfinance for the smallest of enterprises. We also continued to innovate and develop new products that make use of mobile technology to bring banking services to the under-served segments. In 2017, all our branches in the Philippines were disabled-friendly.

D

Detailed Indicators

Multiple Touch-points

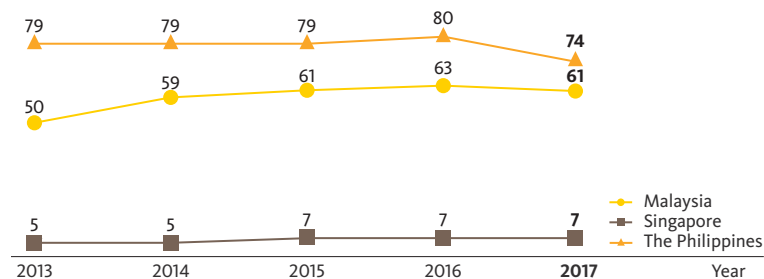
Year	2013	2014	2015	2016	2017
Number of branches					
Malaysia	399	> 400	344	363	356
Singapore	22	22	22	22	21
The Philippines	79	79	79	80	74
Cambodia	16	21	21	21	21
Indonesia	–	–	–	428	407
Number of self-service terminals (ATMs, Cash Deposit Machines, Smart Recycler Machines and Cheque Deposit Machines)					
Malaysia*	4,660	4,495	4,441	4,272	4,137
Singapore**	73	72	73	79	78
The Philippines**	89	94	95	96	91
Cambodia**	26	37	38***	38	38
Indonesia**	–	–	–	1,633	1,510

* Restatement of past-year data to include Cheque Deposit Machines

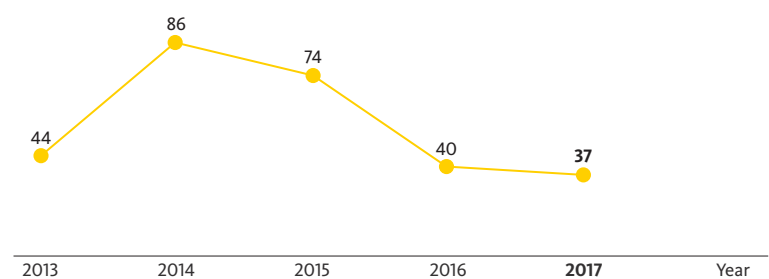
** Data excludes Cheque Deposit Machines

*** Restatement as previous data was inaccurate

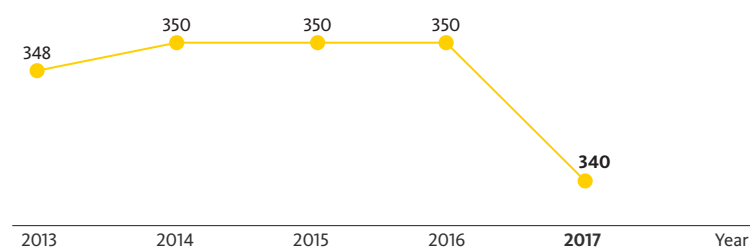
Number of disabled-friendly branches



Number of Maybank One Kiosk in Malaysia



Number of touch-points through POS Malaysia



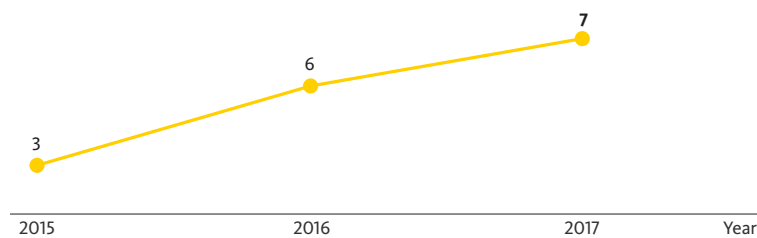
OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER

Maybank@Campus

Maybank@Campus is a banking outlet concept designed specifically for the student community. This concept store for students is reflected not only in the branch's design but also the products on offer.

In 2017, we launched the seventh campus lounge, Maybank@UTP. Maybank@UTP will be a centre for various financial literacy events such as Maybank Money Matters and monthly talks on financial planning by financial experts.

Number of Maybank@Campus in Malaysia



G4-EC8

Our Commitment to SMEs

SMEs are a key driver and contributor to ASEAN economies. A vast majority of businesses in the region are SMEs. Apart from being a crucial part of the local economy, these SMEs are also big employers who provide avenues of employment for women, youth and marginalised groups. Being a community bank, Maybank has been helping SMEs grow locally and across ASEAN for over 50 years. In recent years, SMEs have moved to the core of our business strategy.

We are focused on identifying and nurturing the highest potential businesses, particularly those most able to deliver growth and jobs. Additionally, we also strive to ensure that the broader SME landscape has the support they need to grow and prosper. We are also working towards enhancing the ecosystem for funding innovation and start-ups.

SME Banking Group-wide also has a differentiated microfinance business model to serve both the unbanked and underbanked segments by defining their needs and delivering customised financial solutions to them. In barely three years since launching this, we have provided financing access to more than 5,000 microfinance businesses with loans outstanding of more than RM90 million.

In recent years, SMEs have moved to the core of our business strategy. We strive to ensure that the broader SME landscape has the support they need to grow and prosper.



Focus

Njoo Eddy Gunawan started a garment business in the 1980s.

It took Eddy 11 years to save up enough money to buy a modest house in Surabaya. The family residence also doubled up as a warehouse of sorts to store the business's stock.

Eddy's son Jimmy Indrawan started working in the family business after graduating from university in the year 2000. At the time, Eddy's business turnover was about IDR100 million a month but the father and son team believed they could grow much more.

They put up their only house as collateral in order to finance business growth. With Maybank's support, they were successful in growing their sales. They marketed garments under their own brand, Top Ten. They continued to grow and they were able to buy a warehouse and eventually undertake all production in-house. They manufacture a range of garments, including shirts, denim trousers and modern batik clothing. In 2016, Eddy and Jimmy's business landed a contract with a major buyer. Jimmy says that Maybank Indonesia has played a role in helping his business grow, as the Bank is responsive to customer needs and proactive in offering solutions for any issues customers may encounter.

Customer Name: Jimmy Indrawan

MBI Branch: Surabaya

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Roles and
Responsibilities
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Our Approach to
Sustainability
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Our Role as a
Trusted Company
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**Our Role as a Responsible
Financial Services Provider
pg. 71-90**

OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER



Focus

Guani Rent A Car is the first ever car rental business in Cebu, the Philippines. They offer affordable and reliable vehicle rentals that cater to both local and overseas clients.

The business started off as a partnership between Atty. Dranreb Dy and his brothers. They encountered growth constraints due to delayed payments and, in worst case scenarios, losing cars. This was when Atty. Dranreb Dy approached Maybank to tap on financing as he needed to expand the business.

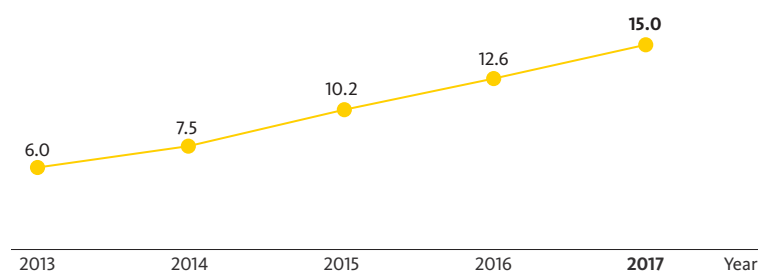
"Behind a successful business, there's a strong financial institution backing you up," Atty. Dranreb Dy says.

Atty. Dranreb Dy intends to sustain a long-term relationship with Maybank and is proud to be a Maybank Retail Small and Medium Enterprise Ambassador.

Retail SMEs

We classify retail SMEs as businesses with an annual turnover of up to RM25 million and total group exposure of RM5 million. We offer them services such as expanded touchpoints for improved access, faster loan processing turnaround time, innovative yet simple product packaging and hassle-free processes. We have one of the fastest loan processing turnaround times in the industry. We are continuing to grow this segment through financing support as well as educational initiatives such as roadshows, seminars and financial literacy programmes. Our Retail SME Banking has over 470,000 customers, of whom about 28,000 are borrowing customers.

Retail SME Financing (RM billion)



"With the wealth of opportunities expected from the implementation of the Digital Free Trade Zone, we want to ensure that local SMEs are sufficiently equipped with knowledge and resources to benefit from the expected boost in e-commerce growth in Malaysia."

Datuk Hamirullah Boorhan

Head of Community Financial Services, Malaysia

SME First Account

One of our key products for SMEs is the SME First Account. This account is an all-in-one business current account that offers simplified solutions to respond to the SMEs' needs at a lower cost. It includes useful tools for small businesses such as payroll management and access to our digital platforms, Maybank2u and Maybank2u Biz.

We also introduced a superior all-in-one SME bundle solution that incorporates up to eight banking and insurance product offerings, leveraging the Biz Current Account. Close to 7,000 Maybank2u Biz users were registered within six months after the launch. These account for over 58,000 transactions amounting to RM487 million.

Portfolio Guarantee Scheme

In 2017, we increased our lending to SMEs significantly by allocating RM850 million in financing under the SME financing Portfolio Guarantee (PG) Scheme with Credit Guarantee Corporation Malaysia Berhad (CGC). We have collaborated with CGC since 2013 when we became the first local bank to offer SME financing without collateral under the PG scheme. CGC has increased its focus on bumiputera SME/financing in 2017, apart from its Green Technology Financing Scheme and various infrastructure financing facilities. A total of RM4.44 billion in financing has been allocated since 2013.

G4-16

Disaster Relief Facility

Maybank participated in a RM500 million Disaster Relief Facility of Bank Negara Malaysia (BNM) for SMEs affected by the recent floods in the northern states of Peninsular Malaysia. The facility will alleviate the financial burden of the SMEs and help them resume their business operations. Eligible SMEs can obtain financing of up to RM500,000 at a concessionary rate from any commercial bank, Islamic bank or development financial institutions regulated by BNM. BNM will provide 60% guarantee on the financing obtained through CGC. The financing is for repairs and/or purchase of assets to replace those damaged by the flood and working capital. In 2017, RM4.57 million was disbursed to 18 customers under this Disaster Relief Facility.

Building Capacity & Capability (BCC)

We also provide non-financial services for SMEs such as our BCC programme for SMEs that started in 2014. The programme aims to educate SMEs on business and financial knowledge, including insight into traditional banking products as well as new opportunities available through online and digital platforms. The programme also covers customised financial solutions, pocket talks, Goods and Services Tax (GST) workshops and financial literacy programmes. It is also a useful platform for networking. Over the past three years, our BCC programme has benefitted almost 10,000 SME business owners and micro-entrepreneurs.

Since the start of the Retail SME unit in 2014, our loans for small and medium-sized enterprises have increased by more than 50%. The retail SME business now make up a quarter of the Bank's overall lending to SMEs. The Bank also continues to innovate and introduce new online capabilities to help small business owners improve their productivity in areas such as payroll, collections, payments and even trade submissions. About 61% of Maybank Group's Retail SME financing last year comprised Islamic financing, with the balance under conventional loans.

OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER

In 2018, Maybank will be increasing the number of seminars under the BCC programme. The Maybank BCC is aimed at enabling Retail SMEs to better understand banking facilities available to them and how they can leverage these services to grow their business. The BCC seminars are open to all mid-sized SMEs. Events hosted under our BCC programme currently include talks like 'Sembang-sembang Business with Maybank', 'Best Brand and Business Practices' as well as workshops for emerging SMEs and engagements with micro-entrepreneurs. These events are tailored for the needs of small and medium entrepreneurs.



Sembang-Sembang Bisnes with Maybank

Sembang-sembang means casual chats. As the name suggests, SMEs attending the event get the opportunity to listen to expert panel speakers in a more casual and interactive environment. Topics include latest trends and opportunities in e-commerce and globalisation. This event gives SMEs the opportunity to learn to improve their business operations and to craft their overseas expansion plans. These half-day sessions are jointly hosted by industry experts as well as financial advisors from Maybank who provide insight into traditional banking products as well as the opportunities available through online and digital platforms. Participants also benefit from business insights and financial tips shared by renowned speakers as well as join business networking sessions with other SMEs and field experts.

In 2017, 1,433 participants took part in these sessions across 15 locations nationwide. The programme was also held in second-tier townships outside Kuala Lumpur so that it can reach out to more SMEs in semi-urban and rural areas.

Microfinance

We have increased access to microcredit facilities for small enterprises which often fall through the cracks of conventional financial services. There is a growing market for microcredit but we also approach it as part of our corporate responsibility strategy as it is in line with our philosophy of empowering people and communities towards financial independence.

Our microcredit segment targets businesses with a turnover of up to RM300,000 or hires fewer than five full-time employees. In 2017, Maybank disbursed RM68.62 million to micro businesses, benefitting up to 1,715 customers.

SME microfinance is available in all Maybank branches in Malaysia. We have a structured microcredit business model and offer loans from as low as RM20,000 to RM50,000 for this segment. Microcredit is available without a processing fee or collateral to businesses and individuals. Our ten Microcredit Hubs in Malaysia process micro business loans and provide capacity building. Microfinancing programmes are also available for eligible people with disabilities as part of our R.I.S.E. programme.

Maybank will be strengthening its microfinance in Malaysia to assist small entrepreneurs and support the Government in its efforts to raise the living standards of the lower income groups.

Maybank Indonesia is amongst the banks appointed by the Indonesian Government to disburse Community Business Loans (KUR) in the form of working capital financing and investment facilities for productive co-operatives as well as micro, small and medium enterprises. Maybank Indonesia offers two types of KUR products, namely the Indonesian Migrant Worker (TKI) KUR, which is a financing programme for TKI, and the Retail KUR.

Maybank Indonesia also offers the TKI Purna programme to assist migrant workers to become entrepreneurs after they return to Indonesia having worked overseas. In 2017, Maybank Indonesia disbursed loans in the amount of RM2.24 million in the form of 47 micro loans for TKI.

DIGITALISATION ●■▲

Technology is undoubtedly transforming lives. Our overarching technology objective is to facilitate the business strategy of customer centricity. New innovations help us improve customer experience, expand our reach and bring our financial services closer to customers. As customers become increasingly confident with transacting over digital platforms, we continue to encourage over-the-counter customers to start conducting transactions online.

In 2017 we launched a brand new Maybank mobile app and added facial and voice biometric authentication features to enable a faster and more secure user experience. Backed by the launch of the new app, mobile login frequency has doubled, and is now amongst the highest in Asia Pacific. On the whole, approximately 48% of eligible Maybank customers are digitally active while some 75% of balance transfers and 73% of EzyPay Plus applications are done via digital channels.

We are not only focusing on digital technology but also on digital talent and security as part of our efforts to stay ahead in the rapidly changing environment and continue delivering value to stakeholders. We are taking the lead in areas including payments and digital wallets, channel digitalisation, building in-house research and development capabilities, investing in data science and new applications, as well as engaging with governments, regulators, Fintech companies and global leaders in the process of building a truly differentiated digital offering for our clients.

We also work together with various stakeholders to enable changes. In a major push for e-payments in Singapore, customers of seven banks progressively were able to pay for their purchases at hawker centres and other food stalls using NETS QR code payments. It will be the first step towards a nationwide digital payment system to be rolled out in partnership with NETS.

In 2015, Maybank established a dedicated Innovation Centre that collaborated across the various sectors to spearhead the development of many of the new digital initiatives as well as helped inculcate an innovation culture throughout the Group.

OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER



“Both the number and value of mobile transactions have been growing at an astounding pace of over 50% since 2015. In 2017 more than RM24 billion in transaction value was conducted via our mobile platform.

The growth in transactions this year will be driven by greater usage of our mobile app, which has been refreshed to include enhanced features. We took the ‘personalised and simplified’ approach with this new app.”

Mohd Suhail Amar Suresh Abdullah
Group Chief Technology Officer

Enhancing Cyber Security Measures

Evolving digital trends continue to shape customer behaviour and transform the financial services industry. These trends, however, also call for greater cyber security. We provide secure access for our customers on our Maybank2u internet and mobile banking platforms anywhere, anytime and on any device. At the same time, we continue to introduce innovative digital products and services to enhance customer experience.

Maybank continuously invests in the latest security technologies to ensure safe and superior banking experiences for our customers. Due to the recent threats of account thefts, we introduced stronger 2-Factor Authentication (2FA) to protect customers transferring funds via Maybank2u. We are also working towards keeping our customers safe from other vulnerabilities, such as a man-in-the-middle (MitM) attack, phishing and physical token theft. We are confident that the enhanced security features of Secure2u will encourage our Maybank2u customers to use our digital channels frequently and with total peace of mind.

We recorded over 300,000 registrations for Secure2u since its launch in April 2017 and have observed that people prefer that their commands are turned into instant actions with just a click of a button. We have since received positive feedback from customers after the implementation of Secure2u. Secure2u is a faster and more efficient way of authorising their internet banking transactions. Investment in accurate, consistent and reliable data is the foundation of the Group's IT architecture. Through data management and analytics, we are able to draw insights that directly benefit our customers.

Enriching Our Customer Offerings

The new Maybank app was launched in March 2017 to provide our customers with a whole new mobile banking experience with a revamped user interface. We launched facial and voice recognition security authentication services for the mobile Maybank2u App. The Face ID and Voice ID enable customers to access their accounts and check their balances via the Maybank app, with any further transactions requiring login with passwords. There were more than 100,000 registrations in less than two months. This is on top of the ‘Quick Touch’ service launched in 2015 which allows access to accounts via fingerprint authentication. All this has placed Maybank as the first bank in Malaysia to offer three biometric login authentication features on a financial mobile application.

We refined our mobile-first strategy to provide our customers with a simple, easy, exciting and touch-friendly mobile banking experience. Engagement levels on the mobile app is at an all-time high with customers using it more than 30 times per month. We have also recorded over 2.1 million downloads of the new Maybank app. We have conducted a lot of groundwork, data analytics, candid conversations internally as well as received unfiltered feedback from customers and syndications with various parties. Active users have increased to 39% year-on-year while mobile banking transactions increased by 146% compared to the year before, contributing to 1.2 billion mobile transactions.



The new **#MaybankApp** lets you withdraw money without your ATM card



Focus: In-house Rapid Prototyping to Roll Out QRPay

QRPay replaces traditional cash payments with something more secure and convenient. It allows customers to pay for goods or services by simply scanning a QR code on their mobile devices. Apart from consumer convenience, Maybank QRPay ensures that every small business in the country can enjoy the convenience of cashless payments at no cost. It is a game-changing proposition to merchants as they now have instant access to their funds which can then be used to pay their suppliers and operate the business. Buoyed by positive feedback from both customers and merchants, Maybank aims to onboard more merchants to QRPay and also increase consumer usage.

OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER

Maybank2u Pay

Maybank launched a new payment gateway, Maybank2u Pay, targeted at supporting e-commerce entrepreneurs, particularly SMEs, to boost their businesses. Maybank2u Pay enables e-commerce businesses to apply online to obtain payment capabilities for their e-commerce sites and receive approvals within 24 hours. This process used to take approximately seven weeks, due to manual submission and exchange of various documentation between merchants and Maybank. With the new system the companies can better track and manage the digital payments.

We want to support businesses to build a stronger presence in the online market given the vast opportunities available, particularly with the introduction of the Digital Free Trade Zone in Malaysia. In the first year, we received 600 applications from SMEs for this new service.

We will look into allowing future New-to-Bank (NTB) merchants to open an account with Maybank online without the need to visit a branch.

Exploring Broadly and Understanding Deeply

P2P Festive Money Transfers

Maybank's electronic festive transfers – e-Duit Raya, e-Ang Pow and DeepaMONEY – remain popular and the total transaction value has increased significantly since 2016. These services are not only secure, convenient and environmentally friendly, but they are especially useful for those who still want to send festive greetings to loved ones far away.

Indicator	2017
Number of placement transactions	33,504
Amount sent (RM)	3.7 million

Maybank also offers the Maybank2u Visa Direct in which cash can be sent via Maybank2u for credit within 30 minutes for many overseas Visa credit, debit or prepaid cards at a minimal cost of RM10.

We also entered into a strategic partnership with China's Ant Financial Services Group (Ant Financial) to provide Alipay users travelling in Malaysia with contactless payment service, thereby expanding the geographical reach of their digital wallets and enhancing their travel experience in Malaysia.

Building and Participating in the Digital Ecosystem

Maybank has been among the first banks to embrace financial technology (Fintech). First launched in 2015, MaybankFintech is a programme that supports and engages startups across all stages in the Fintech sphere. The overarching vision is to grow and support entrepreneurs especially within ASEAN by providing them with an avenue to connect and potentially collaborate directly with the financial industry. From a business perspective, the programme presents Maybank with an avenue to explore new technologies and partnerships that are synergistic to the Group's operations.

Our aim is to be the leading platform for aspiring Fintech companies, technologists, technology enthusiasts and students from anywhere in the world who want to learn about developing real-world solutions to ideas that not only come from banks but also brokers, insurance companies and other non-bank organisations.

We continued to run MaybankFintech, a programme designed to bring in technology driven companies that deliver fantastic service to customers. The focus is specifically on 'go-to-market' propositions that can add value through partnerships with Maybank.

Maybank also hosted a Design Hackathon which challenged university students in Malaysia to come up with a design for self-service terminals of the future. Ten groups of university students were shortlisted to participate in the hackathon. The outcome from the hackathon was used as an input to improve Maybank's terminals in the near future.

Maybank Singapore is partnering with InfoCorp Technologies (InfoCorp) to provide financial inclusion to the unbanked in Singapore and the wider ASEAN region. The first joint project to be launched will be InfoCorp's CrossPay mobile solution for 16,800 migrant workers residing at the Tuas View Dormitory. This blockchain-based mobile application will facilitate convenient cashless payments between the workers and merchants operating within the multi-purpose dormitory.

Using this solution, migrant workers will be able to securely store their identities on their mobile devices and make payments via a private blockchain platform for different goods and services within the compound. Merchants will be able to settle these payments through Maybank with the dormitory operator.

Maybank Sandbox

With the rise of Fintech, there are many small organisations with brilliant business ideas but no tools to develop their ideas. Group Technology soft launched the Maybank Sandbox platform in 2016. This financial sandbox allows smaller companies to access development environments, financial data samples, financial application programming interface (APIs) and development tools that will enable them to develop and test their ideas for free.

In a bid to boost the further development and growth of Fintech in ASEAN, Maybank has launched a regional, collaborative Maybank Sandbox to provide opportunities for start-ups and innovators to develop and test new ideas. The first of its kind in ASEAN, the Maybank Sandbox is a complete Fintech ecosystem that provides all the essential components for free. It will also help fast-track the growth of Fintech developers in Singapore, Indonesia, the Philippines, Cambodia and Malaysia. The Maybank Sandbox fills this gap by providing Fintechs with environments, tools, simulated data, APIs and the ability to reach out for talent within a safe and secure environment.

It is a platform for start-ups, Fintech companies and any interested party to collaborate, experiment, incubate and prototype any idea or innovative solution they may have. The Maybank Sandbox is unique as it is accessible to developers in the region and even across the globe, who can get connected with ideators, academia, businesses and their peers to create innovative end-to-end solutions all within an ecosystem that supports all emerging technology trends.

OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER

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Detailed Indicators

Year	2013	2014	2015	2016	2017
Number of Maybank2u registered online users (million)	6.9	7.5	8.3	9.8	11.07
Malaysia	6.9	7.5	8.3	9.8	10.5
Indonesia	–	–	–	–	0.24
Singapore	–	–	–	–	0.25
The Philippines	–	–	–	–	0.06
Cambodia	–	–	–	–	0.02
Number of Maybank2u registered mobile users (million)	1.3	1.8	2.1	2.8	3.8
Malaysia	1.3	1.8	2.1	2.8	3.6
Indonesia	–	–	–	–	0.24
Total online transactions – individual (billion)	1.24	1.60	2.07	2.90	4.33
Malaysia (billion)	1.24	1.57	2.03	2.87	4.28
Indonesia (million)	–	17.75	20.55	27.13*	32.39
Singapore (million)	–	8.67	10.02	11.46	12.35
The Philippines (million)	–	1.99	2.15	2.43	2.48
Cambodia (million)	–	0.33	0.56	0.96	1.45
Total amount of online transactions – individual (RM billion)	102.3	141.7	173.6	260.52	341.8
Malaysia (billion)	102.3	141.7	173.6	237.4	318.7
Indonesia (billion)	–	–	–	8.76	8.26
Singapore (billion)	–	–	–	14.14	14.0
The Philippines (billion)	–	–	–	0.22	0.2
Cambodia (million)	–	–	–	0.11	693.6
Internet banking for business (excluding sole proprietors)					
Number of Maybank2u Biz Active Users (3 months)	36,485	47,215	62,792	82,864	104,759
Total number of monetary transactions (million)	0.43	0.86	1.88	3.81	6.62
Malaysia	0.43	0.86	1.88	3.81	6.31
Singapore	–	–	–	–	0.31
Total amount of online transactions (RM billion)	0.84	2.03	5.48	12.24	35.3
Malaysia	0.84	2.03	5.48	12.24	21.8
Singapore	–	–	–	–	13.5
Maybank2u (Indonesia)					
Number of customers	Started tracking for sustainability reporting in 2016			502	2,004
Total transactions volume				202,722	389,894
Total transactions (IDR trillion)				20.774	32.8

* Restatement of data due to inclusion of SMS Banking data

OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER

Social Media

Guided by our vision of 'Advancing Asia's Ambitions with You', we strive to be the 'Digital Bank of Choice', powered by the people. Thanks to the continuous support we receive from our extensive networks within ASEAN, we have gained deep understanding of our customers' preferences. Our social media channels are an important part of these networks. We strive to provide timely information on promotions, product updates and various highlight of events to our digital followers.

We communicate our commitment to innovation through digital transactions, via Maybank QRPAY and MaybankPAY as well as our very own social crowdfunding platform, MaybankHeart.


PRODUCT STEWARDSHIP

For a bank, product stewardship is more than just minimising the environmental impact of its operations. We have an opportunity to support sustainable economies, provide access to finance as well as encourage behavioural and market change. Virtually every economic activity can have an impact on natural and social capital. These impacts need to be managed but they also provide us with new business opportunities.

Responsible Lending

We are committed to leading the way in responsible growth and making sure our lending practices meet our ESG commitments. We do not engage in business activities that are not aligned to the Group's values. Our Responsible Lending Guidelines were introduced in 2015. In 2016, we strengthened our commitment to responsible lending with a thorough review of our approach towards assessing ESG risks. In 2017, we formulated the Maybank Group's Environmental, Social and Governance (ESG) Risk Management Framework.

Our operations in countries that are involved in Islamic financing must comply with Shariah principles. Maybank will not grant or continue financing facilities to entities whose income is derived from activities, products or services that are not in line with these principles.

Further details on our responsible lending practices are available in the chapter on Maybank Group's Environmental, Social and Governance (ESG) Risk Management Framework on page 26. 

G4-EC8

Mortgages, Credit Cards and Hire Purchase

We strive to offer our customers the best possible consumer lending products available whether it is to help manage cash flow, purchase a home or enable an investment for the future of their family. We recognise our responsibilities around responsible lending and continue to lead the market and follow best practices in consumer lending.

We assist our customers in making more informed decisions concerning lending, for example by:

- Offering comprehensive information on our products in branches and online, for example via our mortgage calculator where customers can easily understand how a home loan could impact their current financial situation
- Restructuring loan payments via the Credit Counselling and Debt Management Agency (AKPK) for eligible customers
- Implementing comprehensive fraud detection systems and mitigation tools as well as client-end security software and transaction notification services



Supporting home-buyers

We continue to be a major provider of housing finance and have facilitated the hopes of many customers to get onto or move up the housing ladder. For example, we provide financing for houses in the 1Malaysia People's Housing (PRIMA) scheme that offers affordable housing for middle-income families in key urban centres. Moving forward, we will continue to support initiatives by Bank Negara Malaysia, the government and the states through schemes such as Rumah Selangorku and Rumah Mampu Milik Wilayah Persekutuan (RUMAWIP).

PRIMA's Skim Pembiayaan Fleksibel (SPEF) is an exclusive scheme for PRIMA homebuyers, which provides eligible buyers with a significant reduction in monthly home loan instalments at affordable levels.

Indicator	2017
Number of mortgage loans accepted*	4,668
Amount of mortgage loans accepted*	RM1,193,001,255

* Data covers Skim Rumah Pertamaku (SRP), PRIMA, Rumah Selangorku and RUMAWIP

HouzKEY is our new alternative method of home financing. Based on the Islamic concept of Ijarah (a Shariah principle of leasing), it offers an option to purchase the home after renting it for 12 months. Targeted at first-time home buyers and home upgraders, HouzKEY helps to address the growing concern for affordable home ownership in Malaysia. It is the first such rent-to-own product in the country fully enabled on a digital platform. HouzKEY was available initially for Maybank employees and rolled out to the public in early 2018.

ESG bonds

Maybank issued its first ESG bonds of USD50 million in nominal value to Meiji Yasuda Life Insurance Company. The proceeds are utilised to, amongst others, fund ESG projects including social housing.

OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER

G4-EC2

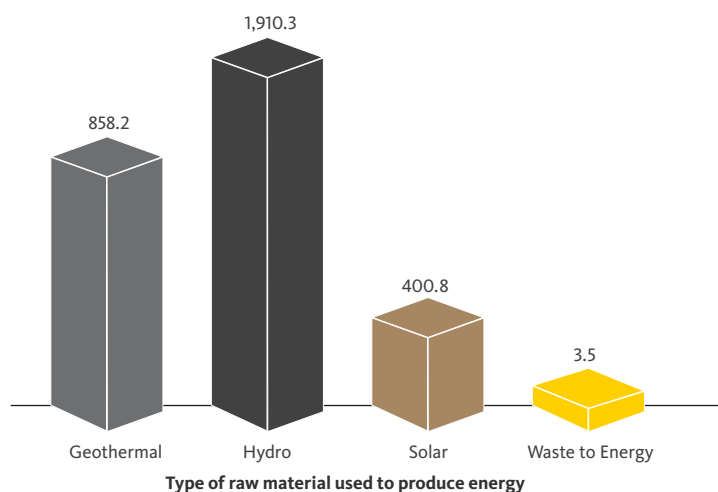
Green Technology Financing

For the world to move towards a more green economy, significant investment is required. The continued growth of green investment is driven both by the declining cost of renewable energy and supportive government policies. Malaysia has pledged to reduce its emissions by 2030, further increasing the need for green financing. We are involved in Malaysia's Green Technology Financing Scheme (GTFS) that facilitates lending to green technology companies. In 2017, we financed five projects under the GTFS with a total investment of RM27.7 million. Since the beginning of the scheme in 2011, we have disbursed RM659 million as financing under the GTFS.

We supported the Star Energy Geothermal's award-winning USD660 million Syndicated Term Loan for the acquisition financing of Chevron Corporation's Indonesian geothermal and power operating assets. It is largest offshore syndicated deal in Indonesia.

In 2017*, Corporate Banking financed approximately RM3.2 billion in renewable projects.

Amount of money disbursed in 2017* (RM million)



* As of January 2018

Supporting Responsible Infrastructure Financing

For ASEAN to continue to grow, it must focus on strengthening connectivity, building infrastructure as well as broadening and deepening integration within the region. Maybank has been actively supporting the infrastructure development in the region by advising infrastructure projects across various sectors including power, renewable energy, waste water, transport, airports and highways.

G4-SO1

Global Leadership in Islamic Finance

Maybank Group's Islamic Banking (MGIB), continues to be a leading global Islamic financial institution, providing client-centric universal financial solutions. Our global leadership agenda is premised on preserving the values of our ASEAN roots whilst creating a strong global presence, enhancing financial profitability through responsible and sustainable measures, becoming a leader in innovation and contributing to the Islamic finance industry through Thought Leadership.



"Collectively, we have a responsibility to advocate value-based governance and make lasting and impactful contributions to society besides providing opportunities and growth for our business."

Dato' Mohamed Rafique Merican
Mohd Wahiduddin Merican
 Group Head, Islamic Banking
 CEO, Maybank Islamic Berhad

Our focus moving forward is to integrate value based principles into our fundamentals by providing meaningful solutions that create value to customers, while forging lasting relationships and continuing our role in driving sustainable initiatives that will elevate quality of life, empower the underserved and ensure financial inclusion.

Green Sukuk

We championed the development of the Green Sukuk and the Sustainable and Responsible Investment (SRI) Sukuk market with the closing of a jointly led RM1 billion Green SRI Sukuk issuance, in line with the Malaysian regulators' initiatives to develop this area. Maybank was the Joint Lead Arranger and Joint Lead Manager for Quantum Solar Park (Semenanjung) Sdn Bhd's RM1 billion Green SRI Sukuk, the largest green sustainable and responsible Sukuk in the world.

The Green SRI Sukuk is fundraising for three large-scale solar photovoltaic (PV) plants in Gurun, Kedah; Jasin, Melaka; and in Merchang, Terengganu.

The three solar PV plants, to be built at a total cost of around RM1.25 billion, cover a combined land area of almost 600 acres (242.8ha). The projects are expected to create up to 3,000 jobs, generate electricity for up to 93,000 households and reduce carbon emissions by 210,000 tonnes annually.

This is the largest solar power project of its kind in Southeast Asia with an aggregate capacity of 150MW (AC), or 197MW-peak. Malaysia Rating Corporation Berhad has awarded this Green SRI Sukuk with the final rating of AA-IS, with a stable outlook, unchanged from its preliminary rating.

This Green SRI Sukuk issuance is a milestone that marks a new beginning for the nation's renewable energy sector, particularly in solar PV power generation.

We appreciate the efforts made by Bank Negara Malaysia, Securities Commission Malaysia and the World Bank Group in introducing the concept of the green sukuk as this has made it possible for us to finance large projects that have a positive impact on our environment.

OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER

In January 2017, Bank Negara Malaysia organised Malaysia's very first financial carnival, 'Karnival Kewangan', at the Putra World Trade Centre (PWTC) in Kuala Lumpur. Maybank, together with Maybank Islamic, was one of the financial institutions that participated in the carnival to educate the public on the financial issues and ways to overcome them.

The carnival aimed to provide the public with information regarding finance and financial management from various financial service providers. This also gave an opportunity for the providers to keep the public updated on their latest products and services.

Through the Shariah Centre of Excellence, Maybank Islamic organised a series of initiatives which included two Leaders' Insight Series where Shariah experts were invited to share their thoughts on the industry's current issues and concerns.

Giving Back to the Community

Zakat	Continued with the collaboration with Yayasan Pelajaran Mara and contributed RM1.86 million for various educational activities for Maybank Islamic's adopted schools. We also assisted asnaf students in local universities and offered a one-off assistance for Malaysian students in Jordan and Egypt.
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Indicators*	2013	2014	2015	2016	2017
Shariah Centre of Excellence (SCOE)					
Number of publications	n/a	2	13	6	5
Human Capital Development					
Islamic finance scholarship					
– Total scholarship disbursed	n/a	RM158,130	RM137,581	RM168,650**	RM187,500
– Number of scholars supported	n/a	5	4	6	6
Zakat and Waqf Developments					
Ramadhan Relief					
– Amount disbursed	RM1,000,000	RM1,000,000	RM500,000	RM500,000	RM2,000,000***
– Number of families supported	8,800	8,900	3,800	3,811	57,000
Education Support					
– Amount disbursed to asnaf	RM164,000	RM553,610	RM657,000	RM3,100,000	RM2,602,000
– Number of asnaf beneficiaries supported	74	253	233	2,000	2,012
Academic tuition class for underprivileged					
Number of students involved	1,785	2,700	353	235	237

* We exited the 'Back to School' programme in 2017 to redirect our focus on Community Empowerment based on situational and beneficiaries' needs

** Restatement of data as a result of improved data tracking

*** Programme expanded from Malaysia to also include Indonesia, Singapore and the Philippines

Definitions:

Asnaf – categories of beneficiaries who are eligible for zakat

Zakat – obligatory payment made annually under Islamic law on certain kinds of property and used for charitable and religious purposes

Waqf – an endowment made by a Muslim to a religious, educational or charitable cause

G4-12, G4-DMA, G4-EC9

Strategic Procurement

We empower local suppliers as much as possible and require our suppliers to adhere to our principles. Our suppliers are expected to respect human rights, implement fair labour practices, avoid discrimination as well as include environmental protection measures as per applicable laws. Some of the efforts towards this end include:

- Adoption of an electronic tender process towards digital banking to maintain transparency
- Our procurement process which is strictly guided with confidentiality, promoting transparency and avoiding any conflicts of interest

We support local suppliers as much as possible. In Malaysia, 93.4% of procurement spent is through local suppliers. In 2017, we spent RM898,295,277 on buying products and services from them, hence fuelling local economies.

Year	2013	2014	2015	2016	2017
Percentage of spending on local suppliers (%)	95.4	96.3	96.6	95.9	93.4
Number of electronic purchase orders via e-procurement (per month)	4,465	4,036	5,726	5,308	4,960

OUR ROLE AS A RESPONSIBLE FINANCIAL SERVICES PROVIDER

YEAR-ON-YEAR PROGRESS AND PRIORITIES

20/20 Sustainability Plan Commitment	Year-on-year Tracking					
Commitment to the Environment	Managing our environmental impacts					
	Year	2013	2014	2015	2016	2017
	Carbon footprint (tCO ₂ e)	37,704.81	40,221*	46,575**	91,528***	78,909****
	Total paper consumption (sheets)	n/a	236,283,832	263,846,748	262,570,998	306,814,321*****
	* Six strategic buildings in Malaysia only ** Malaysia operations with limited boundary. Further details, please refer to SR 2015 page 54 *** Malaysia and Singapore operations with limited boundary. Further details, please refer to SR 2016 page 67 **** Malaysia and Singapore operations with limited boundary. Further details, please refer to page 74 ***** Restatement of data in AR 2017, page 129 to include paper consumption data from another vendor					
Focus on Customers	Understanding the interaction of social issues and financial products to develop effective and affordable solutions for the community					
	Year	2013	2014	2015	2016	2017
	Customer experience	–	–	Retained leading position in the Market on both Net Promoter Score (NPS) and Relationship Strength Index (RSI)	Remained among the top five leading banks in terms of our customer loyalty and relationship strength	Maintained our lead position as the preferred financial institution in the country
Digitalisation	Retail SME financing (RM billion)	6.0	7.5	10.2	12.6	15.0
Product Stewardship	Enabling technology to fulfil the increasingly complex requirements of a growing and more sophisticated customer base					
	Year	2013	2014	2015	2016	2017
	Number of Maybank2u registered online users (million)	6.9	7.5	8.3	9.8	11.0*
	Number of online transactions (billion)	1.24	1.60*	2.07*	2.90*	4.33*
	Amount (RM billion)	102.3	141.7	173.6	260.5*	341.8*
	* Data covering Malaysia, Indonesia, Singapore, the Philippines and Cambodia					
Product Stewardship	Leading bank in responsible lending practices					
	Year	2013	2014	2015	2016	2017
	Responsible Lending	–	–	Established Responsible Lending Guidelines	Reviewed approach towards assessing ESG risks	Established Maybank Group's Environmental, Social and Governance (ESG) Risk Management Framework
	Zakat contributions (RM million)	30.8	25.25	17.84	19.98*	23.68
	* Restatement as previous data was inaccurate					

PERFORMANCE DATA – WORKPLACE

DESCRIPTION	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Employees										
Total number	43,279	43,976	45,958	47,041	47,771	47,233	42,693	26,548	24,910	24,773
Inside Malaysia	24,325	24,659	25,377	26,272	26,728	26,473	25,841	23,925	22,535	22,370
Outside Malaysia	18,954	19,317	20,581	20,769	21,043	20,760	16,852	2,623	2,375	2,403
Executive	30,432	30,287	30,988	31,096	31,702	26,746	28,578	16,675	14,564	14,021
Non-executive	12,847	13,689	14,970	15,945	16,069	16,456	14,115	9,873	10,346	10,752
Full-time	43,279	43,976	45,958	47,041	47,771	47,233	42,693	26,548	24,910	24,773
Part-time	–	–	–	–	–	–	–	–	–	–
Permanent	40,124	40,595	42,421	42,986	43,904	40,660	39,487	25,344	24,126	24,244
Non-permanent	3,155	3,381	3,537	4,055	3,867	2,542	3,206	1,204	784	529
Female	23,755	24,138	24,976	25,285	25,498	23,415	22,845	15,691	14,554	14,488
Male	19,524	19,838	20,982	21,756	22,273	19,787	19,848	10,857	10,356	10,285
Union Members (For Maybank & ETIQA only)	8,833	9,113	8,966	9,054	12,563	10,328	10,015	9,907	11,676	11,822
Non-Union Members (For Maybank & ETIQA only)	13,578	13,644	12,442	13,237	14,165	16,145	13,052	11,457	13,234	12,951
Age group										
< 30	9,686	10,096	12,371	13,355	14,262	13,108	13,481	7,116	6,400	7,083
30 – 39	15,847	16,482	17,168	17,686	18,121	16,962	17,177	11,178	11,208	10,924
40 – 50	13,079	12,968	12,414	12,054	11,913	10,311	9,491	6,221	5,655	5,336
> 50	4,667	4,430	4,005	3,946	3,475	2,821	2,544	2,033	1,647	1,430
Diversity (Malaysia Ops. only)										
Malay	16,850	17,194	17,651	18,342	18,578	19,560	18,201	17,735	16,499	16,654
Chinese	4,992	4,967	5,173	5,351	5,536	5,394	5,189	6,021	5,466	5,257
Indian	1,389	1,381	1,415	1,416	1,400	1,381	1,355	1,298	1,221	1,203
Others	1,094	1,117	1,138	1,163	1,214	1,138	1,096	1,494	1,724	1,659
Employee Turnover Rates										
Global	6,181	6,688	3,800	6,606	6,045	4,978	5,274	2,354	2,099	2,039
In Malaysia	1,923	1,977	2,504	2,101	1,921	1,950	1,742	1,866	1,800	1,559
Outside Malaysia	4,258	4,711	1,296	4,505	4,124	3,028	3,532	488	299	480
Global	14%	15%	8%	14%	13%	11.52%	12.35%	8.87%	8.43%	8.23%

PERFORMANCE DATA – WORKPLACE

DESCRIPTION	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
In Malaysia	8%	8%	10%	8%	7%	7.37%	6.74%	7.80%	7.99%	6.97%
Outside Malaysia	22%	24%	6%	22%	20%	18.10%	20.96%	18.60%	12.59%	19.98%
Female	2,805	2,846	1,920	3,103	2,786	2,291	2,267	1,275	1,122	1,148
Male	3,376	3,842	1,880	3,503	3,259	2,687	3,007	1,079	977	891
Age Group										
< 30	2,624	2,818	1,849	3,035	3,272	2,803	3,095	1,340	1,191	1,178
30 – 40	2,051	2,522	1,000	2,243	1,735	1,428	1,529	540	487	523
40 – 50	867	847	451	973	608	382	368	194	153	150
> 50	639	501	500	355	430	365	282	280	268	188
Women in Management										
% Women in management (Band G & above)	45%	45%	47%	46%	42%	43%	40.87%	43.26%	38.23%	37.11%
% Women in top management (Band D & above)	31%	30%	35%	31%	31%	31%	22.70%	18.99%	15.68%	16.66%
Training										
Employee participation in training	36,268	32,544	38,946	26,591	26,723	26,041	24,909	21,985	20,660	22,078
Average training hours per employee	49.84	32	35	33.68	45.31	41.44	47.97	38.34	34.5	50.9
Total training hours	1,908,781.07			974,059.28	1,210,858.33	1,104,166.48	1,379,602.18	1,016,270.52	797,635.75	1,152,784.14
% Staff Training Expenditure over Maybank's previous year gross salary (2.5% statutory requirement by Bank Negara Malaysia)	2.72%	2.52%	2.74%	2.76%	2.78%	3.17%	3.34%	2.79%	2.51%	3.25%
Total spent (RM)	124 mil	129 mil	114 mil	120 mil						
Performance Review towards Career Enhancement										
% Employees who are formally appraised (at least annually)	100%*^	100%*^	100%*^	100%*^	100%	100%	100%	100%	100%	100%
% Employees who are formally appraised (during Mid-Year Review)	75%*^	94%*^	83.5%*^	87.5%*^		n/a	n/a	89%	86%	68%
One-on-one performance review for year-end evaluation	100%*^	100%*^	100%*^	100%*^		On-going	On-going	59%	61%	63%

PERFORMANCE DATA – WORKPLACE

DESCRIPTION	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Occupational Safety and Health (OSH)										
Total recordable injury frequency rate	0.0015	0.003	0.002	0.005	0.006	0.041	0.032	0.07	NIL	NIL
Absenteeism rate	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Lost time injury severity rate	0.0192	0.009	0.006	0.012	0.038	0.888	0.704	3	0	0
Fatal accident rate	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Employee Engagement Survey Results	84%	NA	NA	82%		85%	86%	87%	83%	77%
Human Rights										
Percentage of employees who receive Human Rights training	100%	100%	100%	NA		NA	NA	NA	NA	NA
Security personnel trained on Human Rights issues	100%	100%	100%	NA		NA	NA	NA	NA	NA
No. of disabled staff	12	13	12	9		4	4	4	8	NA

Employee Benefits

Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations

Labour/Management Relations

Percentage of employees covered by collective bargaining agreements

* Based on Online Declaration of the one-to-one Conversation and Performance Management made by staff and Line Managers in myHR2u system

^ Based on employees who are eligible to participate in the year-end appraisal

Legend:

■ Group

■ Malaysia only

■ Maybank Malaysia including Maybank Kim Eng and Maybank Islamic Berhad, but excluding Group Insurance and Takaful as different entities submission covers it

■ Exclude Maybank Kim Eng and Maybank Indonesia

■ Exclude Maybank Indonesia and ALGA (Etika Philippines)

GRI G4 CONTENT INDEX

FOR 'IN ACCORDANCE' OPTION – CORE



GENERAL STANDARD DISCLOSURES			
General Standard Disclosures	Page (or link)	External Assurance	Description
STRATEGY AND ANALYSIS			
G4-1	P8-P9, P10-P11	YES, P98	Statement from the most senior decision-maker of the organisation
G4-2	P8-P9, P10-P11, P13	YES, P98	Description of key impacts, risks and opportunities
ORGANISATIONAL PROFILE			
G4-3	P12	YES, P98	Name of the organisation
G4-4	P3	YES, P98	Primary brands, products and services
G4-5	P12	YES, P98	Location of the organisation's headquarters
G4-6	P4	YES, P98	Number of countries where the organisation operates
G4-7	P6	YES, P98	Nature of ownership and legal form
G4-8	P2, P3, P4	YES, P98	Markets served
G4-9	P2, P3, P4, P5	YES, P98	Scale of the organisation
G4-10	P91	YES, P98	Organisation's workforce profile
G4-11	P31	YES, P98	Percentage of total employees covered by collective bargaining agreements
G4-12	P89	YES, P98	Organisation's supply chain
G4-13	P6	YES, P98	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain
G4-14	P24-P25, P26-28	YES, P98	Precautionary approach or principle
G4-15	P7, P12, P14-P15, P30, P82-P83	YES, P98	Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or which it endorses
G4-16	P82	YES, P98	Memberships of associations (such as industry associations) and national or international advocacy organisations
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	P6, P12	YES, P98	Entities included in the organisation's consolidated financial statements
G4-18	P12, P19-P21	YES, P98	Process for defining the report content and the aspect boundaries
G4-19	P20	YES, P98	Material aspects identified in the process for defining report content
G4-20	P21	YES, P98	Aspect boundary within the organisation
G4-21	P21	YES, P98	Aspect boundary outside the organisation
G4-22	Significant restatements of data compared to prior years are noted in the section where they appear	YES, P98	Effect of any restatements of information provided in previous reports, and the reasons for such restatements
G4-23	P12	YES, P98	Significant changes from previous reporting periods in the scope and aspect boundaries
STAKEHOLDER ENGAGEMENT			
G4-24	P16-P19	YES, P98	List of stakeholder groups engaged by the organisation
G4-25	P16	YES, P98	Basis for identification and selection of stakeholders with whom to engage
G4-26	P16-P19	YES, P98	Organisation's approach to stakeholder engagement
G4-27	P16-P18	YES, P98	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns
REPORT PROFILE			
G4-28	P12	YES, P98	Reporting period
G4-29	P12	YES, P98	Date of most recent previous report
G4-30	P12	YES, P98	Reporting cycle
G4-31	P12	YES, P98	Contact point for questions regarding the report or its contents
G4-32	P12	YES, P98	'In accordance' option the organisation has chosen
G4-33	P12	YES, P98	Organisation's policy and current practice with regard to seeking external assurance for the report

GRI G4 CONTENT INDEX

FOR 'IN ACCORDANCE' OPTION – CORE

GENERAL STANDARD DISCLOSURES			
General Standard Disclosures	Page (or link)	External Assurance	Description
GOVERNANCE			
G4-34	P22-P23	YES, P98	Governance structure of the organisation
G4-35	P23	YES, P98	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees
G4-36	P23	YES, P98	Appointment of an executive-level position or positions with responsibility for EES topics, and report directly to the highest governance body
G4-38	P23, P90-P91, Board of Directors, Annual Report 2017 (Corporate Book), P92-P97, Board of Directors' Profile, Annual Report 2017 (Corporate Book)	–	Composition of the highest governance body and its committees
G4-39	P114, Board Leadership & Effectiveness, Corporate Governance Overview Statement, Annual Report 2017 (Corporate Book)	–	Whether Chair of the highest governance body is also an executive officer
G4-40	P114-P115, Board Leadership & Effectiveness, Corporate Governance Overview Statement, Annual Report 2017 (Corporate Book)	–	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members
G4-41	P118, Board Leadership & Effectiveness, Corporate Governance Overview Statement, Annual Report 2017 (Corporate Book), P138, Activities of ACB For Financial Year Ended 31 December 2017, Audit Committee Report, Annual Report 2017 (Corporate Book)	–	Processes for the highest governance body to ensure conflicts of interest are avoided and managed
G4-42	P23, P114, Board Leadership & Effectiveness, Corporate Governance Overview Statement, Annual Report 2017 (Corporate Book)	–	Highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts
G4-46	P23, P24-P25	YES, P98	Highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for EES topics
G4-51	P88-P89, Remuneration, Annual Report 2017 (Corporate Book), P116-P117, Board Leadership & Effectiveness, Corporate Governance Overview Statement, Annual Report 2017 (Corporate Book)	–	Remuneration policies for the highest governance body and senior executives
G4-52	P116-P117, Board Leadership & Effectiveness, Corporate Governance Overview Statement, Annual Report 2017 (Corporate Book)	–	Process for determining remuneration
G4-53	P117, Board Leadership & Effectiveness, Corporate Governance Overview Statement, Annual Report 2017 (Corporate Book)	–	The way stakeholders' views are sought and taken into account regarding remuneration
ETHICS AND INTEGRITY			
G4-56	P2, P30-P32	YES, P98	Organisation's values, principles, standards and norms of behaviour
G4-57	P30	YES, P98	Internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity
G4-58	P30	YES, P98	Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity

GRI G4 CONTENT INDEX

FOR 'IN ACCORDANCE' OPTION – CORE

SPECIFIC STANDARD DISCLOSURES					
Material Aspects	DMA and Indicators	Omissions	External Assurance	Reference	Description
CATEGORY: ECONOMIC					
Economic Performance	G4-DMA: P35	–	YES, P98	Our Approach – Investing for Collective Solutions	Disclosures on Management Approach
	G4-EC1: P3, P5, P36	–	–	Business Segments, Products & Services, Delivering Value across ASEAN, Our Role in the Community, P147, Operating Revenue, Notes to the Financial Statements, Annual Report 2017 (Financial Statements), P150, Overhead Expenses, Notes to the Financial Statements, Annual Report 2017 (Financial Statements), P156, Taxation and Zakat, Notes to the Financial Statements, Annual Report 2017 (Financial Statements)	Direct economic value generated and distributed
	G4-EC2: P26-P27, P88	–	YES, P98	Our Role as a Trusted Company, Green Technology Financing	Financial implications and other risks and opportunities for the organisation's activities due to climate change
Indirect Economic Impact	G4-DMA: P35	–	YES, P98	Our Approach – Investing for Collective Solutions	Disclosures on Management Approach
	G4-EC7: P34-P50	–	YES, P98	Our Role in the Community	Development and impact of infrastructure investments and services supported
	G4-EC8: P34-P50, P81-P83, P87	–	YES, P98	Our Role in the Community, Our Commitment to SMEs, Mortgages, Credit Cards and Hire Purchase	Significant indirect economic impacts, including the extent of impacts
Procurement Practices	G4-DMA: P89	–	YES, P98	Strategic Procurement	Disclosures on Management Approach
	G4-EC9: P89	–	YES, P98	Strategic Procurement	Proportion of spending on local suppliers at significant locations of operation
CATEGORY: ENVIRONMENTAL					
Materials	G4-DMA: P73	–	YES, P98	Commitment to the Environment	Disclosures on Management Approach
	G4-EN1: P76	–	YES, P98	Paper Consumption	Materials used by weight or volume
Energy	G4-DMA: P73	–	YES, P98	Commitment to the Environment	Disclosures on Management Approach
	G4-EN3: P75	–	YES, P98	Our Role as a Financial Services Provider	Energy consumption within the organisation
Water	G4-DMA: P73	–	YES, P98	Commitment to the Environment	Disclosures on Management Approach
	G4-EN8: P75	–	YES, P98	Our Role as a Financial Services Provider	Total water withdrawal by source
Biodiversity	G4-DMA: P48	–	YES, P98	Environmental Diversity	Disclosures on Management Approach
	G4-EN13: P48	–	YES, P98	Environmental Diversity	
Emissions	G4-DMA: P73	–	YES, P98	Commitment to the Environment	Disclosures on Management Approach
	G4-EN15: P73-P74	–	YES, P98	Carbon Emissions	Direct greenhouse gas (GHG) emissions (Scope 1)
	G4-EN16: P73-P74	–	YES, P98	Carbon Emissions	Energy indirect GHG emissions (Scope 2)
	G4-EN17: P73-P74	–	YES, P98	Carbon Emissions	Other indirect GHG emissions (Scope 3)
Products and Services	G4-DMA: P73	–	YES, P98	Commitment to the Environment	Disclosures on Management Approach
	G4-EN23: P77	–	YES, P98	Waste Management and Recycling	Total weight of waste by type and disposal method

GRI G4 CONTENT INDEX

FOR 'IN ACCORDANCE' OPTION – CORE

SPECIFIC STANDARD DISCLOSURES					
Material Aspects	DMA and Indicators	Omissions	External Assurance	Reference	Description
CATEGORY: SOCIAL					
Labor Practices and Decent Work					
Employment	G4-DMA: P53	–	YES, P98	Our Approach	Disclosures on Management Approach
	G4-LA1: P91	–	YES, P98	Performance Data – Workplace	Total number and rates of new employee hires and employee turnover by age group, gender and region
	G4-LA3: P66	–	YES, P98	Our Role as a Leading Employer	Return to work and retention rates after parental leave, by gender
Training and Education	G4-DMA: P53	–	YES, P98	Our Approach	Disclosures on Management Approach
	G4-LA9: P92	–	YES, P98	Performance Data – Workplace	Average hours of training per year per employee by gender, and by employee category
	G4-LA10: P56, P59-P61	–	YES, P98	Our Role as a Leading Employer, Learning and Development	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings
	G4-LA11: P92	–	YES, P98	Performance Data – Workplace	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category
Diversity and Equal Opportunity	G4-DMA: P53	–	YES, P98	Our Approach	Disclosures on Management Approach
	G4-LA12: P63, P70, P91	–	YES, P98	Our Role as a Leading Employer, Our Role as a Leading Employer, Performance Data – Workplace	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity
Labour Practices Grievance Mechanisms	G4-DMA: P53	–	YES, P98	Our Approach	Disclosures on Management Approach
	G4-LA16: P62	–	YES, P98	Grievance Mechanisms	Number of grievances about labour practices filed, addressed and resolved through formal grievance mechanisms
Human Rights					
Investment	G4-DMA: P53	–	YES, P98	Our Approach	Disclosures on Management Approach
	G4-HR2: P93	–	YES, P98	Performance Data – Workplace	Percentage of employees trained on human rights policies or procedures concerning aspects of human rights that are relevant to operations
Security Practices	G4-DMA: P53	–	YES, P98	Our Approach	Disclosures on Management Approach
	G4-HR7: P93	–	YES, P98	Performance Data – Workplace	Percentage of security personnel trained in the organisation's human rights policies or procedures
Society					
Local Communities	G4-DMA: P35	–	YES, P98	Our Approach – Investing for Collective Solutions	Disclosures on Management Approach
	G4-SO1: P34-P50 P88-P89	–	YES, P98	Our Role in the Community, Leadership in Islamic Finance	Percentage of operations with implemented local community engagement, impact assessments and development programmes
Product Responsibility					
Product and Service Labeling	G4-DMA: P77	–	YES, P98	Focus on Customers	Disclosures on Management Approach
	G4-PR5: P79	–	YES, P98	Our Role as a Responsible Financial Services Provider	Results of surveys measuring customer satisfaction

INDEPENDENT ASSURANCE STATEMENT

Scope and Objective

SIRIM QAS International Sdn. Bhd., a third party Conformity Assessment Body in Malaysia, with extensive expertise and experience in the provision of sustainability-related assurance services, was engaged by Malayan Banking Berhad (hereafter referred to as Maybank) to perform an independent verification and provide assurance of the Maybank Sustainability Report 2017. The main objective of the verification process is to provide assurance to Maybank and its stakeholders of the accuracy and reliability of the information presented in this report. This was confirmed through checking and verifying claims made in the report. The verification audit by SIRIM QAS International covered all sustainability-related activities which had been included in the Maybank Sustainability Report 2017.

The management of Maybank was responsible for the preparation of the Sustainability Report. The objectivity and impartiality of this verification statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the Maybank Sustainability Report 2017.

Verification team

The verification team from SIRIM QAS International consisted of:

- 1) Ms. Aernida Abdul Kadir : Team Leader
- 2) Mr. Shaiful Azmir A. Rahman : Team Member



MS ISO/IEC 17021 : 2006 QS 02121999 CB 01
MS ISO/IEC 17021 : 2006 EMS 17122002 CB 02
MS ISO/IEC GUIDE 65 : 2000 PC 05102004 CB 01
MS ISO/IEC 17021 : 2006 OSH 06122005 CB 01
MS ISO/IEC 17021 : 2006 HACCP 05052008 CB 03
ISO/TS 22003 : 2007 FSMS 23122008 CB 01
MS ISO/IEC 17021 : 2006 FMC 10122009 CB 02



MS ISO/IEC 17025
CALIBRATION / TESTING
SAMM NO. 085 SAMM NO. 086
SAMM NO. 087 SAMM NO. 219
SAMM NO. 231 SAMM NO. 240
SAMM NO. 299 SAMM NO. 474
SAMM NO. 377



MS ISO/IEC 17020
MIBAS NO. 003



074



Methodology

The verification process was carried out by SIRIM QAS International in April 2018. It involved the following activities:

- Reviewing and verifying the accuracy of data collected from various sources and that are presented in the report;
- Reviewing of internal and external documentation and displays such as awards, press releases, media publications, internal newsletters, etc.;
- Interviewing of key personnel responsible for collating information and writing various parts of the report in order to substantiate the veracity of the claims;
- Evaluating the adequacy of the Sustainability Report of Maybank and its overall presentation against the GRI G4 requirements.

During the verification process, issues were raised and clarifications were sought from the management of Maybank relating to the accuracy of some of the data and statements contained in the report. The report was subsequently reviewed and revised by Maybank in response to the findings of the verification team. It can be confirmed that the changes that have been incorporated into the final version of the report satisfactorily address the issues that had been raised.

The verification process was subjected to the following limitations:

- The scope of work did not involve verification of information reported in the Maybank Annual Report 2017;
- The verification was designed to provide limited assurance of whether the Sustainability Report is presented fairly, in all material aspects, and in accordance with the reporting criteria. It was not intended to provide assurance of the organization's ability to achieve its objectives, targets or expectations on sustainability-related issues;

- Only the corporate office in Jalan Tun Perak was visited as part of this assurance engagement. The verification process did not include physical inspections of any of Maybank's operating assets;
- The verification team did not review any contractor or third party data.

Observations

Maybank's GHG emission reporting in year 2017 had covered Scope 1 – Direct Emission, Scope 2 – Indirect Emission and Scope 3 – Other Indirect Emissions. Specific boundary for each scope has been clearly stated in page 74 of the Maybank Sustainability Report 2017 and the verification was carried out in accordance with the requirements of ISO 14064-3:2006. It can be confirmed that the computation of Scope 1, 2 and 3 emissions had been comprehensive and the values accurately determined for the defined period. Based on reviewed information, the following was verified:

Greenhouse gas emissions (tCO ₂ e)		
Scope 1	Scope 2	Scope 3
1,221	71,634	6,054

Conclusion

Based on the scope of the verification process, the following represents SIRIM QAS International's opinion:

- The level of accuracy of data included in the Maybank Sustainability Report 2017 is fair and acceptable;
- The Sustainability Report was prepared 'In Accordance' with the GRI G4 Option – Core. The overall report content and quality were well established. The level of sustainability performance information in the report was found to be acceptable;
- The information has been presented in an appropriate manner;
- Most of the personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data contained in the report;

- Maybank has satisfactorily addressed, in the final version of the report, all issues that had been raised during the verification audit;
- The report provides a reasonable and balanced presentation of the sustainability performance of Maybank.

Prepared by:



AERNIDA ABDUL KADIR

Verification Team Leader
Management System Certification
Department
SIRIM QAS International Sdn. Bhd.

Date : 24 April 2017

Approved by:



NOR'AFIZA BINTI SAIM

Senior General Manager
Management System Certification
Department
SIRIM QAS International Sdn. Bhd.

Date : 24 April 2017



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