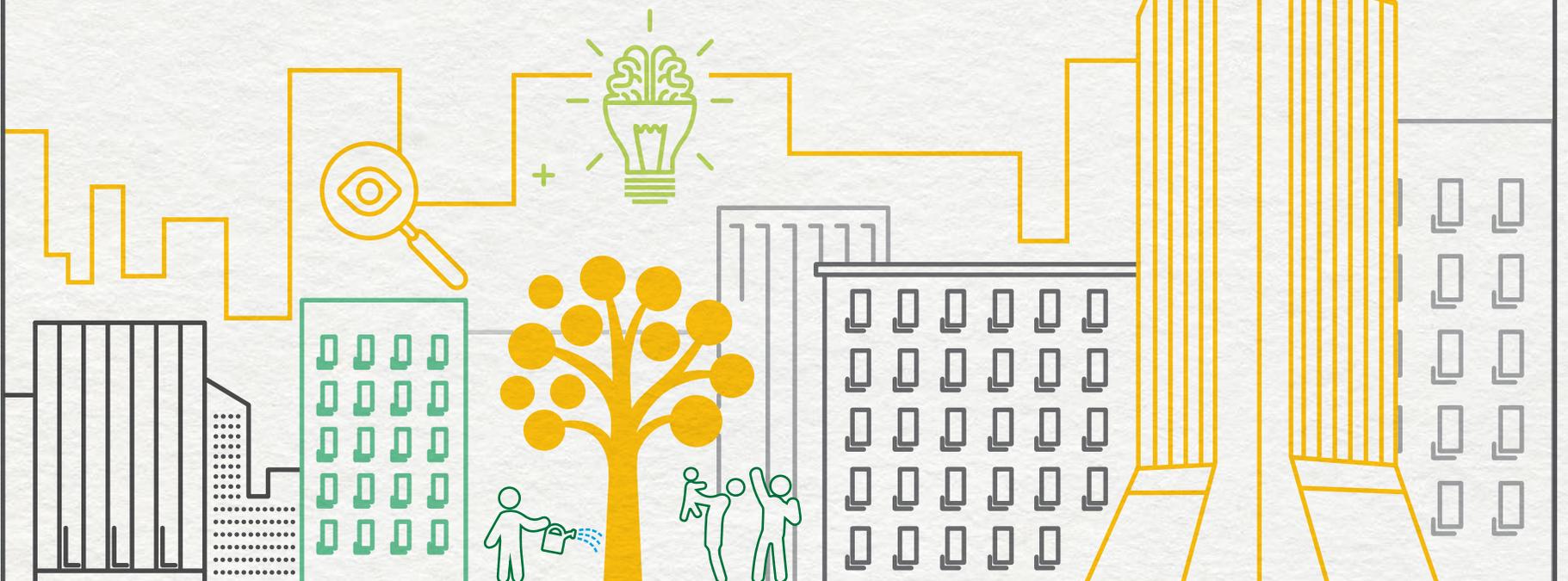
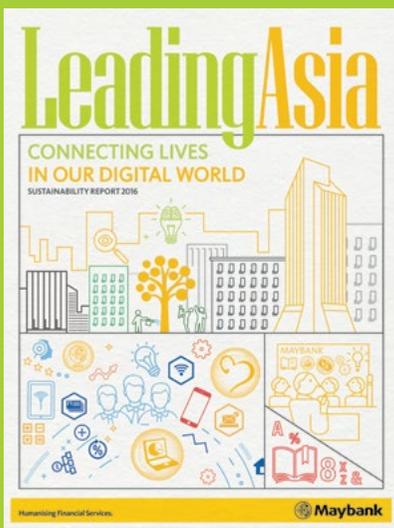


Leading Asia

CONNECTING LIVES IN OUR DIGITAL WORLD

SUSTAINABILITY REPORT 2016





COVER RATIONALE

In our rich history of over 56 years, Maybank has gradually built its digital capabilities to better serve its expanding customer franchise and growing regional network as well as the communities it serves. Our digital approach is simple – we offer solutions that ease your banking transactions, help you grow your wealth, and pay it forward to your communities, with a click of a button. To us, this encapsulates 'Humanising Financial Services'.

As a leading financial services group in ASEAN, we have introduced many digital 'firsts' for banking solutions and community initiatives in the markets we serve. We also collaborate with technology startups and innovators to conceive disruptive innovation. We aim to create a single integrated financial ecosystem that keeps you connected to what matters to you even as we focus on building a sustainable tomorrow for all. We look forward to serving you better, as we continue building our digital foundation in becoming 'The Digital Bank of Choice'.



VISION

Advancing Asia's Ambitions With You



MISSION

Humanising Financial Services



OUR VALUES

We live by our T.I.G.E.R. values of Teamwork, Integrity, Growth, Excellence & Efficiency, and Relationship Building and adhere to a strict Code of Ethics.



STRATEGIC OBJECTIVES

Our Maybank²⁰²⁰ Vision and Mission guide our strategic objectives:

- The Top ASEAN Community Bank
- The Leading ASEAN Wholesale Bank Linking Asia
- The Leading ASEAN Insurer
- The Global Leader In Islamic Finance
- Digital Bank Of Choice

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CORPORATE PROFILE & GLOBAL NETWORK

Maybank is among Asia’s leading banking groups, and also Malaysia’s leading provider of integrated financial services. Our history dates back to 1960 when we first opened our doors for business in Kuala Lumpur with a commitment to support the economic development of independent Malaya and bring banking services to its people.

Right from our early years, the Bank underwent rapid growth by expanding within the country as well as to neighbouring markets to support growing trade and investment links. Offices were later set up in other key global financial centres such as London and New York while our range of services was progressively increased with the addition of insurance, investment banking, asset management, offshore banking, Islamic banking, venture capital financing and internet banking.

The Maybank Group currently operates over 2,400 offices in 20 countries, and is the only bank with on-ground operations in all 10 ASEAN countries. Over the years, we have not only grown our physical presence but also been at the forefront of digital banking developments, pioneering many innovative products and services across the markets we serve.

With our expanded physical and digital reach, we have been successfully connecting customers from across the world to our home in Asia through an array of unique financial solutions and innovative services. We are now focused on delivering a next-generation customer experience, in line with our aim of becoming a 'Digital Bank of Choice' in the region.

We have built our reputation on a foundation of financial strength, prudence, innovation and excellence. This has made us a leading and respected brand in financial services and our efforts have been recognised through numerous awards over the years. Our Islamic banking arm – Maybank Islamic Berhad – is also acknowledged as

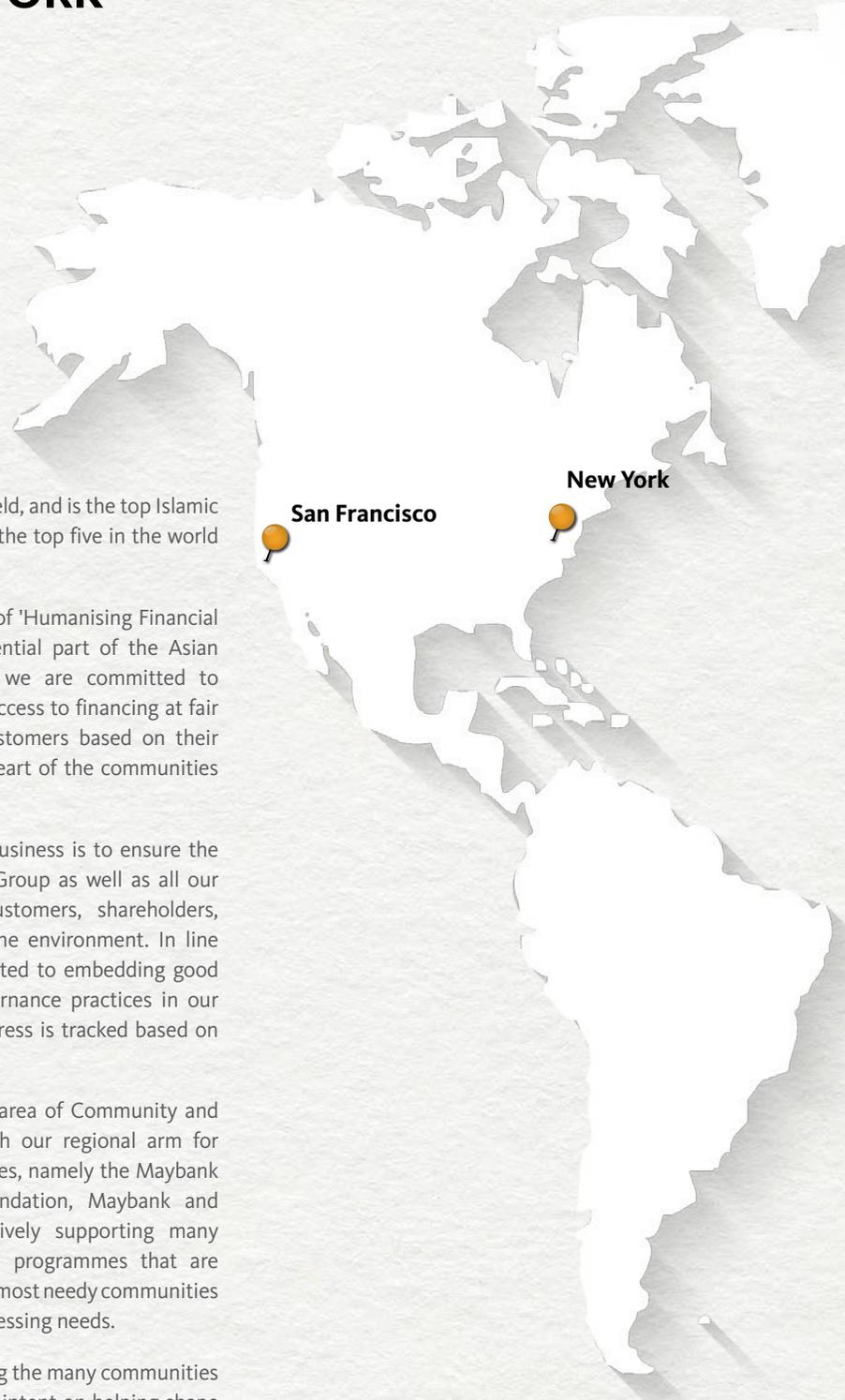
one of the global leaders in its field, and is the top Islamic bank in Asia Pacific and among the top five in the world in terms of assets.

Maybank has a unique mission of 'Humanising Financial Services'. Having been an essential part of the Asian landscape for over 56 years, we are committed to providing its people with easy access to financing at fair terms and pricing, advising customers based on their needs as well as being at the heart of the communities we serve.

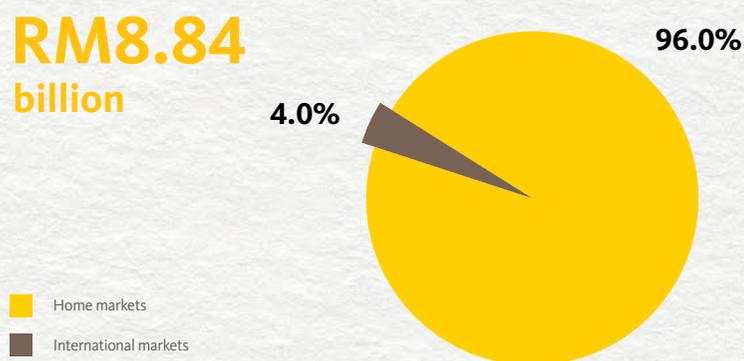
A key goal while building our business is to ensure the sustainability of the Maybank Group as well as all our stakeholders including our customers, shareholders, employees, communities and the environment. In line with this, Maybank has committed to embedding good environmental, social and governance practices in our operations, and our yearly progress is tracked based on our 20/20 Sustainability Plan.

Maybank’s commitment in the area of Community and Citizenship is delivered through our regional arm for corporate responsibility initiatives, namely the Maybank Foundation. Through the Foundation, Maybank and its employees have been actively supporting many community and environmental programmes that are designed to uplift some of Asia’s most needy communities and address some of its more pressing needs.

Today, as we continue connecting the many communities across our network, we are also intent on helping shape our digital world while building a brighter future for all.



Group Profit Before Taxation and Zakat 2016



■ Home markets
■ International markets

Home Markets

- 
MALAYSIA
 363 branches;
 7 branches via Maybank Investment Bank;
 24 Etiqa branches & 4 Service Centres
- 
SINGAPORE
 22 branches;
 3 branches via Maybank Kim Eng;
 1 Etiqa office
- 
INDONESIA
 428 branches;
 6 branches via Maybank Kim Eng;
 1 branch via Maybank Syariah Indonesia

International Markets

- 
BAHRAIN
 1 branch
- 
BRUNEI
 2 branches
- 
CAMBODIA
 21 branches

Visit www.maybank.com/worldwide for more information

CORPORATE PROFILE & GLOBAL NETWORK



Over
2,400
Offices
in 20 countries

43,976
Employees
serving our customers globally

RM736
billion
Total Assets
The largest bank in Malaysia



CHINA
4 branches



LAOS
2 branches



MYANMAR
1 branch



MAURITIUS
1 branch via Maybank
Indonesia



THAILAND
60 branches via Maybank
Kim Eng



HONG KONG
1 branch;
1 branch 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)



PHILIPPINES
80 branches;
3 branches via
Maybank Kim Eng



UZBEKISTAN
1 office via Uzbek Leasing
International



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



LABUAN
1 branch;
2 Etiqa offices



PAKISTAN
1,224 branches via MCB Bank;
4 branches via Pak-Kuwait
Takaful Company



SAUDI ARABIA
1 office via Anfaal Capital



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

HIGHLIGHTS OF 2016

52.0 sen

Dividend per Share

Dividend per share of 52.0 sen translates to a dividend payout ratio of 78.1%, above our policy rate of 40.0% to 60.0%. Maintained a high dividend yield of 6.3% for FY2016.

RM11.69 billion

Pre-Provisioning Operating Profit*

Pre-Provisioning Operating Profit (PPOP) hits a new record high of RM11.69 billion, rising 6.7% from a year earlier, underpinned by strong growth across all business sectors within the Group, demonstrating the Group's ability to drive topline growth and manage cost effectively.

Maybank²⁰²⁰

Advancing Asia's Ambitions With You

Our plan towards 2020 is to strengthen our current positioning in ASEAN across all our sectors namely, Community Financial Services, Global Banking, Insurance & Takaful and Islamic Banking to cater to the needs of our regional clientele. Maybank also embarked on various digital innovations as we focused on delivering the best customer experience underpinned by our mission of 'Humanising Financial Services'.

47.3 %

Cost to Income Ratio

Lowest cost to income ratio achieved in six years, below the internal threshold of 50.0%. Positive JAWs of 2.0%, arising from net operating income growth of 4.8% exceeding overhead expenses growth of 2.8%.

13.990 %

Common Equity Tier 1 Ratio

One of the strongest capitalised financial services groups in the region, with a CET1 ratio of 13.990%, up 121bps from a year earlier. Total Capital Ratio also improved 155bps to 19.293%.

Maybank Indonesia

Achieved Highest Ever Net Profit

PT Bank Maybank Indonesia Tbk delivered its highest ever net profit of IDR1.95 trillion for FY2016, a 71.0% YoY increase from IDR1.14 trillion. This was driven by higher net interest income, good cost management and reduction in provisioning levels for non-performing loans.

Innovative Digital Services

Launch of Many 'Firsts'

In 2016, we introduced Malaysia's first mobile wallet and Cambodia's first mobile banking application with Augmented Reality (AR) and Quick Response (QR) Code Reader. We were also the first bank to launch a peer-to-peer donation platform. Our Analytical Push Notification reached over 1 million customers. We will continue to broaden the Group's digital ecosystem and capabilities to cater to the needs of our next-generation customers towards being the 'Digital Bank of Choice'.

30.0 %

Growth in Maybank2u Transaction Value

Maybank's internet banking portal in Malaysia, Maybank2u (M2U), posted a 30.0% increase in transaction value. M2U maintained its internet banking market share lead and was also recognised as the 'Most visited local website in Malaysia' in 2016.

54.5 %

Islamic Financing to Total Malaysia Loans

Maybank Islamic contributions to Maybank Malaysia's total loans increased by 3.7% from last year. Maybank Islamic captured 34.4% of the Malaysian Islamic market share and maintained its position as the No. 1 Islamic bank in Malaysia by asset size.

* Pre-provisioning operating profit is equivalent to Operating profit before impairment losses as stated in the audited financial statements.

HIGHLIGHTS OF 2016

FINANCIAL HIGHLIGHTS



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

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

^ RWCR and assuming full reinvestment of Dividend Reinvestment Plan.

GROUP CORPORATE STRUCTURE

as at 31 December 2016



MALAYAN BANKING BERHAD



Notes:

- This chart is not a complete list of Maybank subsidiaries and associates. Companies that are not shown include those that are dormant, under liquidation, have ceased operations, or are property investment or nominee services companies. For the complete list please refer to Note 63: Details of Subsidiaries, Deemed Controlled Structured Entities, Associates and Joint Ventures in the Financial Statements book of the Annual Report 2016.
 - Where investment holding companies are omitted, shareholdings are shown as effective interest.
- * Effective interest rate: refer to Note 63, footnote 15, page 249 of the Financial Statements book of the Annual Report 2016 for the details.
- [^] Joint Venture

AWARDS & RECOGNITIONS



AWARDS

Domestic

- 1. NATIONAL ANNUAL CORPORATE REPORT AWARDS (NACRA) 2016**
 - Most Outstanding Annual Report of the Year (Platinum)
 - Industry Excellence Award (Finance)
 - Best Corporate Social Responsibility Reporting Award (Platinum)
 - Inclusiveness & Diversity Reporting Award (Silver)

International

- 2. ASIA SUSTAINABILITY REPORTING AWARDS (ASRA) 2015**
 - Asia's Best Workplace Reporting (Winner)
 - Asia's Best Online CSR Communication
- 3. ASEAN CORPORATE SUSTAINABILITY SUMMIT & AWARDS (ACSSA) 2016**
 - Sustainability Strategy (1st Runner-Up)
 - Product & Service Innovation (1st Runner-Up)

RECOGNITIONS

Domestic

- 4. FTSE4GOOD BURSA MALAYSIA INDEX 2016**
 - Constituent

International

- 5. 2016 CHANNEL NEWSASIA SUSTAINABILITY RANKING**
 - Top 3 Companies in Malaysia (2nd Place)
- 6. MSCI ESG RATING 2016**
 - Rated A
- 7. MSCI ACCOUNTING & GOVERNANCE RISK (AGR) SCORE 2016**
 - AGR Rating: Conservative, AGR Score: 99
- 8. SUSTAINALYTICS ESG SCORE 2016**
 - Overall ESG Score of 68, ranked at 57 out of 396 companies globally

CHAIRMAN'S MESSAGE

“IN THIS FAST CHANGING OPERATING LANDSCAPE, OUR DIFFERENTIATED SERVICE, INNOVATION, AND COMMITMENT TO SUSTAINABILITY WILL CONTINUE TO SET US APART IN HUMANISING FINANCIAL SERVICES.”



**MAYBANK IS
HALFWAY THROUGH**

our **20/20** Sustainability Plan,
a five-year sustainability strategy
approved in 2014

Maybank is now halfway through our 20/20 Sustainability Plan and I am pleased with how it has become a vital part of our integrated approach in providing solutions that meet business needs while delivering social and environmental benefits. This has created further value for, and built goodwill with, our various stakeholders. Our strong standing in the FTSE4Good Bursa Malaysia Index, 'A' rating from the MSCI ESG and the multiple awards and accolades received bear testimony to this.

This Sustainability Report further demonstrates our progress and highlights our commitment to operate in a sustainable and responsible manner across our three core pillars: Community and Citizenship, Our People, and Access to Products and Services.

COMMUNITY AND CITIZENSHIP

Our commitment to Corporate Responsibility initiatives remained steadfast despite the ongoing challenging economic backdrop, as we believe that it becomes even more imperative to ensure inclusive development of the underserved communities. This is more so as our presence in all the 10 ASEAN countries give us the unique platform to make a significant difference in the lives of the communities we serve. In 2016, we channelled RM66 million out of Maybank's net profit to community programmes, benefiting more than 500,000 participants and beneficiaries across ASEAN.

CHAIRMAN'S MESSAGE



Maybank

COMMUNITY AND CITIZENSHIP

Nearly **1%** Net Profit channelled

OUR PEOPLE

RM129
MILLION

Spent on learning and development to maintain high calibre people



I am particularly delighted to see the astounding achievements of our Reach Independence & Sustainable Entrepreneurship (R.I.S.E.) training and mentoring programme for people with disabilities. The programme which has helped to increase participants' income by an average of 306% in Malaysia and 243% in Indonesia for the top 40% participants trained, has been expanded to the Philippines earlier this year. Another highlight is the Maybank Women Eco Weavers programme, which has educated, trained or financed more than 140 women weavers and 96 mulberry tree farmers in Cambodia and Indonesia, and is soon to be expanded to Laos.

ACCESS TO PRODUCTS AND SERVICES

The Group's emphasis on providing customised solutions to address the needs of our various customer segments augured well in diversifying our customer base and creating an inclusive financial ecosystem. In doing so, the integration of ESG best global practices such as responsible lending guidelines, has enabled us to make prudent and sound decisions in finding growth opportunities.

One of the areas we focused on in 2016 is the Small and Medium Business (SMEs) segment, which is the engine of growth in most of the developing markets. We are well on track with our commitment to increase support to SMEs in the region through 'easy access' and 'hassle-free' financing, as demonstrated by the 19.9% increase in financing from the previous year. We also financed 27 projects under Malaysia's Green Technology Financing Scheme (GTFS) and another 15 green technology projects outside the scheme, with a total investment of RM307 million and RM340 million, respectively.

At the same time, we were quick to realise that digitalisation is proving to be more crucial in creating development opportunities and digital innovations help us improve customer experience, expand our reach and bring our financial services closer to the customers. Our agility has enabled us to respond appropriately, leading to the introduction of several pioneering solutions in 2016, ranging from Malaysia's first mobile wallet payment system MaybankPay to mobile remittance services and MaybankHeart, the first bank-sponsored crowdfunding platform that enables the public to donate directly to charitable causes.

OUR PEOPLE

It is evident that we now live in a world where nimble and creative organisations will have a competitive advantage. Thus, having a committed, engaged, and diverse workforce will enable us to offer fresh perspectives and better understanding of our stakeholders in delivering the optimal solutions and guaranteeing the long-term viability of our business. This provides further impetus for us to continue to invest in the development of our employees and offer various opportunities for our employees to advance. In 2016, despite the decline in the number of employees, we spent a new high of RM129 million on learning and development to sharpen and harness their incandescent talent.

Meanwhile, our Group's Inclusiveness and Diversity Agenda (GIDA) Framework ensures we have different nationalities, varying age groups, and socio-economic levels in our dynamic workforce. It also promotes initiatives to empower women, in line with the nation's gender diversity agenda. Not only have we made significant strides in increasing the number of women in Management positions, we have also enhanced the diversity at the Board level with approximately 25% of our board members being represented by women, with the first woman Chairman, Datuk Mohaiyani Shamsuddin as my successor, effective 1 April 2017.

It has been an honour and privilege for me to serve on the board of Maybank for the last 12 years and as Chairman for the last seven and a half years, and see the Group thrive across the value chain. I leave the Bank in capable hands, to continue creating value in the years ahead. In this fast changing operating landscape, our differentiated service, innovation, and commitment to sustainability will continue to set us apart in humanising financial services. The progress Maybank has made will contribute further to overcome the challenges that hinder the vitality of our ASEAN communities and bring us one step closer to our pursuit of 'Advancing Asia's Ambitions with You'.

Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor
Chairman

GROUP PRESIDENT & CEO'S MESSAGE

SUSTAINABILITY IN BUSINESS MEANS BALANCING THE NEEDS OF THE CUSTOMERS AND SHAREHOLDERS OF TODAY WITH THE NEEDS OF THE SAME STAKEHOLDERS IN THE FUTURE. THE SUCCESSION OF UNPRECEDENTED WORLD EVENTS IN 2016 HAD A DOMINO EFFECT ON FINANCIAL AND CURRENCY MARKETS, AS WELL AS GLOBAL GROWTH. THE RIPPLES WERE FELT ACROSS ASEAN.



ONE OF OUR FOCUS AREAS

in sustainability in the coming years will be on responsible lending, particularly in understanding the ESG impacts of transactions that we finance and are involved in as well as supporting businesses and transactions that hopefully result in low carbon footprint.

We spent time over the past year mitigating those effects, but did not lose track of our objective to run our business sustainably and that guides our long-term decision-making. We used our ASEAN presence to look for growth opportunities while managing the risks. As always, we kept to our mission of 'Humanising Financial Services'.

Maybank's approach to sustainability is founded on balanced decision making, policies and systems. We are now halfway through our 20/20 Sustainability Plan, a five-year sustainability strategy document approved in 2014. 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. Our Company is included into the FTSE4Good Bursa Malaysia Index and we have received multiple awards for our sustainability reporting.

One of our focus areas in sustainability in the coming years will be on responsible lending, particularly in understanding the ESG impacts of transactions that we finance and are involved in, as well as supporting businesses and transactions hopefully that result in low carbon footprint. Our efforts are reinforced by the United Nations' Sustainable Development Goals (SDGs). The SDGs are an acknowledgement of the role played by businesses in contributing to sustainable development. We will be exploring more effective ways of incorporating the SDGs that are directly connected to our business.

COMMUNITY AND CITIZENSHIP

We strive to make sure that our services are accessible to all, and we must continue to engage with the communities of our customers. This was especially fundamental in 2016 as many of our customers faced the effects of global financial constraints.

I am pleased to see that Maybank Foundation's flagship programmes are making an impact across the region. The Maybank Women Eco Weavers programme has already trained women in several countries and helped them turn their traditional craft into sustainable businesses. The R.I.S.E. programme – empowering entrepreneurs with disabilities – has been a huge success and has been expanded to new countries. We will continue to scale our programmes regionally to ensure that we impact beneficiaries wherever we operate.

OUR PEOPLE

We remain focused on developing our people. With a total workforce of just under 44,000, we continued to invest in talent management and training with a spend of RM129 million across various targeted programmes.

GROUP PRESIDENT & CEO'S MESSAGE

We are also focused on improving the Group's conduct agenda. Significant progress was made in 2016 in enhancing our regulatory compliance and capacity to combat financial crime, especially in the areas of anti-money laundering and counter-terrorist financing. We reinforced the behaviours, values, and principles that enable us to make the right decisions. We believe good conduct is not just the right thing to do, but it also makes us stronger and more sustainable, eventually reinforcing stakeholder confidence. To improve our compliance structure and talent pool further, we appointed a Group Chief Compliance Officer in September 2016, as a result of our internal reorganisation of the Group Compliance to be a standalone unit.

ACCESS TO PRODUCTS AND SERVICES

We have built long-term client relationships over our 56 years of history in key markets – Malaysia, Singapore, and Indonesia – and our approach has always been to advise customers based on their needs and to extend a helping hand when needed. Maybank Group made the strategic decision at the end of 2015 to actively engage with our business and corporate banking customers to see how we could help them cushion any adverse effects of the current strain in our operating environment. If it meant that they needed us to restructure and reschedule their credit facilities, this was a decision the Bank was willing to undertake. A wide range of SME products support the needs of different SMEs and they were enhanced by our Building Capacity and Capability (MBCC) programme. Over 2,658 participants benefited from the programme.

We also worked with the local government, regulators, and government-linked investment companies to address the need for affordable homes in Malaysia. Aside from addressing financing gaps, we also launched digital innovations and solutions for greater banking convenience, flexibility, and to bring our customers closer to us.

Whatever we do, our utmost priority is our customers. To further improve customer experience, the Customer Experience Journey mapping was introduced. This is a tool that helps us monitor interactions between a customer and our products and services. It helps us capture the voice of a customer and feed it back into the key decision making process, ensuring we remain relevant and connected to our customers' needs.

Digitalisation is a reality in our sector, and our approach is to start putting in place critical building blocks that will prepare us to transition into a digital network that provides a seamless and stress-free banking experience for our customers. In our aspiration to become the 'Digital Bank of Choice', we have rolled out numerous initiatives across our regional operations in 2016.

A digital initiative close to my heart is our new social fundraising platform for non-governmental and charitable organisations, MaybankHeart. This initiative, the first-of-its-kind, circles back to our mission as it provides the general public with information on good projects that require support and funding. The platform, which takes no fees from contributions, is designed to provide transparency over the total funds collected and gives peace of mind to donors that their donations are properly channelled. Since its launch in September 2016, MaybankHeart has raised more than RM550,000 for local and international non-governmental organisations (NGOs).

As we progress over the next four years in line with our ambition of being the 'Digital Bank of Choice' under our Maybank²⁰²⁰ strategy, we will work on broadening the Group's digital ecosystem and capabilities to cater to the needs of our next-generation customers.

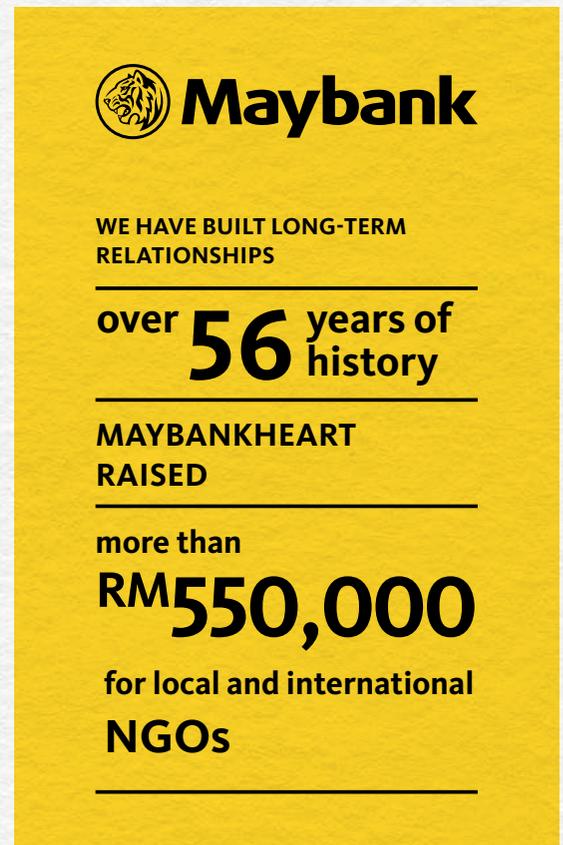
In terms of our own environmental footprint, I am pleased to say that we are now better equipped to monitor our environmental footprint to make sure we operate with minimal impact to the environment.

I would like to express our highest gratitude to Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor, who is stepping down as Chairman and member of the Board of Directors of the Maybank Group on 31 March 2017. Tan Sri Megat has been on our board for 12 years, with the last seven and half years as the Chairman. He has been a significant influence in shaping our success to date through his direction, wise counsel, and guidance over the years. We are indeed indebted for his service. On behalf of the Board and all Maybankers, we wish him the very best in his future endeavours.

I am pleased to welcome the appointment of Datuk Mohaiyani Shamsudin, our independent non executive director, as Maybank Group's new chairman, effective 1 April 2017. On behalf of the Board and all Maybankers, we congratulate Datuk Mohaiyani on her appointment. We have worked hard on our Group's Inclusiveness and Diversity Agenda (GIDA), and I am pleased to see this commitment reflected at the highest level. Datuk Mohaiyani has impressive and extensive experience in financial and public services, and is well poised to lead Maybank Group towards our next stage of growth under the Maybank²⁰²⁰ strategic plan.



Datuk Abdul Farid Alias
Group President & Chief Executive Officer (CEO)



Maybank

WE HAVE BUILT LONG-TERM RELATIONSHIPS

over 56 years of history

MAYBANKHEART RAISED

more than RM550,000

for local and international NGOs



ABOUT THIS REPORT

OUR MISSION TO HUMANISE FINANCIAL SERVICES CONTINUES TO GUIDE OUR WORK. THIS REPORT COVERS MAYBANK’S SUSTAINABILITY INITIATIVES AND PRACTICES, COMMUNITY ACTIVITIES, AND PERFORMANCE FOR THE CALENDAR YEAR 2016. 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 AN UPDATED MATERIALITY ASSESSMENT (SEE PAGE 19).

This Report continues to supplement and integrate our sustainability disclosures in our Annual Report 2016. We are on a journey towards further integration with regards to disclosure and performance. Important updates are also available on the Maybank Sustainability website (www.maybanksustainability.com) and Maybank Foundation website (www.maybankfoundation.com) to inform stakeholders on progress in a more timely manner.

 www.maybanksustainability.com
www.maybankfoundation.com

All reporting and performance data are limited to information for the owned and operated facilities of Maybank Group and its subsidiaries, unless stated otherwise.

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 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

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

SCOPE

The report covers Maybank, principal subsidiaries, and regional offices. It does not include outsourced activities or joint ventures unless stated otherwise. 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 2016. It contains qualitative and quantitative results for all indicators presented (unless otherwise specified).

 Refers to an external link

 Detailed Indicators

 20/20 Sustainability Plan

 Sustainable Development Goals (SDGs)

REPORTING PERIOD

This report, which is produced annually, covers the period from 1 January 2016 to 31 December 2016 (Fiscal/Financial Year 2016) 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.

AUDIENCE AND DISTRIBUTION

 This report will be made available to key stakeholders. It is also available online at www.maybanksustainability.com.

FEEDBACK

We welcome your comments, thoughts, and remarks, which should be directed 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.my

 You can also reach us via:

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

 Twitter (<https://twitter.com/MyMaybank>)

2016 STRATEGIC REVIEW

This strategic review provides an overview of our progress and achievements. We are now at the half way point in the implementation of the 20/20 Sustainability Plan. The Plan outlines our commitment to integrating sustainability into our business.

We have sought to review our progress and how the three pillars of the Plan, namely Community and Citizenship, Our People, and Access to Products and Services are interconnected. We have focused on achievements in three key areas: SME Empowerment, Inclusiveness and Diversity, as well as Responsible Products and Services.

SME EMPOWERMENT



Small and medium-sized enterprises (SMEs) are vital to stimulate local economies. For over 50 years, Maybank has been helping small businesses in the region thrive.



COMMUNITY AND CITIZENSHIP

- R.I.S.E., our training and mentoring programme for people with disabilities, now operates in Malaysia and Indonesia. 1,411 participants have completed their training in both locations.
- Since 2012, we have supported more than 11,000 women to expand their businesses through our microfinance programme with our partners in Indonesia.
- Maybank Kim Eng's Trade[&Give] started with supporting five entrepreneurs in 2014 and has since created opportunities for over 1,400 small businesses region-wide. In 2016, we introduced the ASEAN Sustainability Programme to reach out in a more structured manner.



OUR PEOPLE

- Capacity building for SMEs through Train the Trainers on SME Financing programme:

Number of Core Trainers trained	Number of Maybankers trained	Number of SME customers trained
47	5,788	3,930



ACCESS TO PRODUCTS AND SERVICES

- Granted loans for RSMEs worth RM12.60 billion in 2016.
- 'Spoke and hub' distribution model in Malaysia: 39 hubs and 67 spokes in 315 branches.
- Bumiputera Entrepreneurial Excellent (BEE) programme provided RM917.50 million of funding in 2016.
- Maybank Building Capacity and Capability (MBCC) Programme by SME Banking for micro-entrepreneurs and start-ups approved 52 applications amounting to RM36.40 million in 2016.



INCLUSIVENESS AND DIVERSITY



We consistently empower women and minority groups within Maybank, in our community programmes and through our products. We strive to expand our services to those currently underserved.



COMMUNITY AND CITIZENSHIP

We support women, youth, and people with disabilities through Maybank Foundation:

- eMpowering Youths Across ASEAN provides young people with opportunities to get involved in tackling social issues in the region. In 2016, we gave RM1 million as grants for 234 university students in Singapore to undertake nine community programmes in the region.
- Maybank Women Eco Weavers was launched in March 2016. We have trained 55 women weavers, engaged 96 mulberry farmers, and planted 13,548 mulberry trees in Cambodia, in partnership with a local NGO, Color Silk. In Indonesia, activities have started in four districts, training 85 women weavers in the first year.
- Etiqa's Socially and Economically Empowered Development (SEED) programme was introduced in 2016, to help underprivileged women and youth become financially independent. Total of 75 women and 210 youth participated in a series of workshops.



OUR PEOPLE

- We employ nearly 44,000 people of 43 nationalities in 20 countries. 55% of our total workforce are women.
- Our diversity framework, the Group Inclusiveness and Diversity Agenda (GIDA), includes initiatives to empower our women talent for personal and professional development, as well as advance into leadership positions. Our talent management includes coaching, mentoring, and executive development for women.
- We encourage gender balance in the management: 45% of management (Band G and above) and 30% of top management (Band D and above) are women. 18% of our board members were women in the start of 2016. We welcomed an additional female member on our Board in early 2017 and as of February 2017, 25% of our board members are women.
- In 2016, 319 employees benefited from the Flexible Work Arrangement (FWA).
- We provide employees with opportunities to volunteer in their communities. Over 15,000 Maybankers across the Group took part in the 7th Maybank Global CR Day. A total of 89 community initiatives were implemented involving special needs children, the elderly, disabled, single mothers and orphans, as well as environmental conservation.

2016 STRATEGIC REVIEW



We consistently empower women and minority groups within Maybank, in our community programmes and through our products. We strive to expand our services to those currently underserved.

Continued from Previous Page



ACCESS TO PRODUCTS AND SERVICES

- Through innovations in digital technology, financial services have become accessible to everyone with a mobile phone. In 2016, we continued to improve access to financial services through new solutions like MaybankPay, Maybank Samsung Pay, and integration of Western Union into the M2U app.
- MaybankHeart, the first bank sponsored peer-to-peer crowdfunding platform enables the public to donate directly to NGOs and charitable organisations.
- Migrant workers are an important part of the economy in this region. We are one of the appointed banks for the migrant workers' credit programme by the Coordinating Ministry of Economic Affairs, Indonesia.
- Maybank Indonesia has launched TKI Purna micro loans for migrant workers who wants to start a business after their return to Indonesia.
- Maybank Philippines has a variety of products for migrant workers. They can make transfers from Malaysia to the Philippines via Maybank Money Express and from Singapore to the Philippines via Singapore Remittance Online.
- Maybank Philippines has also introduced Cash Collect, a nationwide cash pick-up service for transferring cash and collecting cheques directly from a customer's office.
- In 2016, Etiqa Singapore launched maid insurance to protect domestic helpers, covering accidents and medical costs, and personal mobility insurance to provide accidental coverage and third party personal liability coverage for cyclists and users of non-motorised mobility devices.

RESPONSIBLE PRODUCTS AND SERVICES



- Digitalisation is at the core of banking today. It is key to providing access as well as improving customer experience.
- We employ sound risk management practices to identify, evaluate, and mitigate the environmental and social impact of our credit facilities.



COMMUNITY AND CITIZENSHIP

- CashVille Kidz financial literacy show is now available on YouTube and was formally launched in Cambodia in December 2016.
- We partnered with SkolaFund, a crowdfunding platform for underprivileged students to raise money for scholarships for higher education.



OUR PEOPLE

- Our employees are trained on fraud and ethics. In 2016, we provided 41 such trainings and recorded a total of 20,241 training hours for our Malaysian employees.
- We have converted the face-to-face Credit Curricular Modules (CCM) generic training into an e-learning course. These new modules reduced 7.5 days of classroom training into 21 hours of online learning with an estimated cost saving of RM5.40 million.



ACCESS TO PRODUCTS AND SERVICES

- 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.
- Maybank is the leading mobile banking provider in Malaysia. In 2016, we added more services to the M2U app, such as new card application, balance transfer, EzyPay Plus, Bill Presentment on Mobile (Astro, Celcom, and Telekom Malaysia), Quick Touch for Android, and a transaction banking site in Bahasa Malaysia. The mobile banking app was extended to Cambodia.
- Malaysia's first mobile wallet payment system, MaybankPay enables cashless payments with mobile Android devices, charged to customers' Visa cards. We also launched Maybank Samsung Pay in Malaysia and Singapore.
- Financial Technology is constantly evolving. The #MaybankFintech2016 competition attracted 91 companies from all around the world, of which nine were shortlisted.
- Maybank and Western Union launched the first digital remittance service in Malaysia via the M2U mobile banking app.
- Maybank Regionlink makes it easy for the customer do banking in different countries in the region, including ATM and some over-the-counter transactions.

OUR APPROACH TO SUSTAINABILITY



G4-2

HOW WE ARE MAKING A DIFFERENCE

Financial inclusion, empowerment of local communities and businesses, and environmental management are important to our stakeholders. They want to see a sustainable future in the ASEAN region, while aspiring for 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.

We are passionate about being connected to the communities we operate in. 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.

Our financial success depends on our ability to identify and address environmental, social, and ethical issues that present risks or opportunities for our business. For a long time, we have believed in humanising finance, and our strategic priorities have been underpinned by this belief. 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. We have come a long way from supporting one-off good causes to empowering communities and responding to emerging issues by changing the ways we operate. We believe in improving prospects for livelihoods and entrepreneurship as well as access to finance, education, and training.

20/20 SUSTAINABILITY PLAN – PILLARS



COMMUNITY AND CITIZENSHIP

TO DELIVER LONG-TERM VALUE FOR THE COMMUNITY AND ENVIRONMENT BY BEING THE REGION'S MOST IMPACTFUL CORPORATE CITIZEN.



OUR PEOPLE

BUILD THE MOST ENGAGED AND INCLUSIVE WORKPLACE THAT CONNECTS CUSTOMERS WITH OUR PEOPLE FOR HIGH IMPACT PERFORMANCE.



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.

20/20 SUSTAINABILITY PLAN – 10 COMMITMENTS

- **Investing for Impact**
Engaging with local communities through six focus areas by Maybank Foundation:
- **Education**
- **Community Empowerment**
- **Arts and Culture**
- **Healthy Living**
- **Environmental Diversity**
- **Disaster Relief**

- **Employee Engagement Platforms**
- **Talent and Leadership**
- **Learning and Development**
- **Diverse and Inclusive Workplace**
- **Safety, Health and Well-being**

- **Commitment to the Environment**
- **Focus on Customers**
- **Digitalisation**
- **Product Stewardship**

OUR APPROACH TO SUSTAINABILITY

G4-15, G4-34, G4-35, G4-36, G4-42, G4-45, G4-46

HOW WE MANAGE SUSTAINABILITY

Maybank's approach to sustainability is founded on sound decision making, policies, and systems. We have been included into the FTSE4Good Bursa Malaysia Index and have received multiple awards for our sustainability reports.



WHO	ROLE	WHO	ROLE
Board of Trustees	Approves and reviews programmes and performance.	Board of Directors	Reviews sustainability performance.
Chief Executive Officer (CEO)	Oversees overall strategy and progress.	Executive Committee	Deliberates and approves all key sustainability related matters.
Maybank Foundation team	<p>Implements and monitors Maybank's flagship community programmes based on the focus areas under the Community and Citizenship pillar of the 20/20 Sustainability Plan.</p> <p>Supports various Maybank departments in implementing other community programmes and initiatives.</p>	Group Corporate Affairs	Custodian of the 20/20 Sustainability Plan.
		Group Risk	Oversees overall Group Risk strategy and progress, including ESG issues.
		Group Human Capital	Oversees overall Group Human Capital strategy and progress.
		Various departments	Operationalise the 20/20 Sustainability Plan into their respective business and operational areas. Departments and teams have measurable and scalable targets.

We have a 20/20 Sustainability Plan Implementation Guide, which helps us to operationalise the Plan. The Guide concentrates on the 10 commitments and has 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 such as supply chain, ESG, human rights, and responsible lending.

External Reviews of Performance

Rankings and ratings reflect our performance.

Ranking/Rating	2014	2015	2016
FTSE4Good Bursa Malaysia Index	Included	Included	Included
Carbon Disclosure Project (CDP)*	n/a	71	C
MSCI ESG Ratings	A	A	A
Channel NewsAsia Sustainability Ranking	Top 3 Companies in Malaysia (3 rd Place)	Top 3 Companies in Malaysia (3 rd Place)	Top 3 Companies in Malaysia (2 nd Place)
MSCI Accounting & Governance Risk (AGR) Score	-	-	Rating: Conservative Score: 99
Sustainalytics ESG Score	-	-	Rank: 57 Score: 68

* In previous reports, we reported the results based on financial year data. In 2016, the results are disclosed based on the year of submission.

OUR APPROACH TO SUSTAINABILITY

G4-24, G4-26, G4-27, G4-45

STAKEHOLDER ENGAGEMENT

We value the views of our stakeholders and engage with them through various channels, 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 system 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 after studying the most important issues that we must address if the Group is to create value in the future.

Stakeholders	Engagement Activities	Issues of Interest
Employees	<ul style="list-style-type: none"> • Diverse employee engagement channels and platforms • Policies and procedures • Education and training programmes • Volunteerism and internal engagement activities 	<ul style="list-style-type: none"> • High performance culture • Employee engagement • Talent management • Employee long-term development • Improved diversity, flexibility, and inclusiveness • Healthy and safe working environment • Ethics and Code of Conducts
Customers	<ul style="list-style-type: none"> • Policies • Website and digital/general media • Customer feedback channels (email, contact centre, social media, in branch) • Market research (customer satisfaction and experience surveys and focus groups) • Education and training programmes • Roadshows 	<ul style="list-style-type: none"> • Improved customer experience • Fair pricing • Personal data privacy • Financial inclusion • Financial literacy and education
Regulators	<ul style="list-style-type: none"> • Policies • Website and digital/general media • Workshops • Regular meetings and briefings 	<ul style="list-style-type: none"> • Responsible lending • Good business conduct
Suppliers	<ul style="list-style-type: none"> • Maybank eProcurement Portal • Briefings and meetings • Ongoing relationship management 	<ul style="list-style-type: none"> • Ease and transparency of the procurement process • Value creation in key markets
Investors	<ul style="list-style-type: none"> • Financial and other reports • Investor briefings • Conferences, seminars, and roadshows • Investor days • Annual General Meeting • Regular surveys 	<ul style="list-style-type: none"> • Return on Investment • Compliance with all applicable regulations and requirements • Risk management • Good business conduct
Community	<ul style="list-style-type: none"> • Website and digital/general media • Education and scholarship programmes • Employee volunteering, partnerships, and strategic community investments 	<ul style="list-style-type: none"> • Impact on community investment • Local community engagements • Understand fully the potential environmental and social impact of our contribution
Media	<ul style="list-style-type: none"> • Media briefings, interviews, website and digital/general media, press release 	<ul style="list-style-type: none"> • Accessibility and immediacy • Long-term relationship building

OUR APPROACH TO SUSTAINABILITY



“Improving our Environmental, Social and Governance (ESG) performance is a business imperative. Our direction is therefore increasingly reflective of the need to address fundamental sustainability questions. We see the opportunities that are arising through such practices, especially as we navigate social and economic shifts in many emerging markets.”

Dato’ Amirul Feisal Wan Zahir, Group Chief Financial Officer

Investor Relations

By improving the quality of investor disclosure, we help both existing and potential investors to evaluate our business, performance, and its prospects. It has always been the Group’s focus to deliver updated company knowledge with high transparency and integrity. Our revised and renamed Group Corporate Disclosure Policies and Procedures was approved by the Board in 2015.

In 2016, we met with 362 analysts and fund managers from 278 companies. We attended conferences with regional themes, where we met Asian and/or ASEAN focused funds and funds with long-term holdings in financial institutions or large caps – part of our main investor target base.

Invest ASEAN

Our flagship investor conference, Invest ASEAN, was arranged for the third time. Themed ‘ASEAN’s Next Wave: Building the Infrastructure of Opportunity’, this conference focused on ASEAN’s next growth impetus, infrastructure – estimated to cost USD110 billion per year until 2025. The conferences in Singapore and Indonesia attracted 1,436 participants from 15 countries, including 76 companies with a total market capitalisation of nearly USD240 billion, and 239 global investors with a combined asset under management (AUM) of over USD22.6 trillion.

Breakdown of the regional ‘Invest ASEAN’ conferences organised by Maybank Kim Eng:

Invest ASEAN Philippines 2016: Held at The Peninsula Manila, the conference attracted about 150 attendees, including 20 Philippines corporates with total market capitalisation of over USD75.7 billion, and 39 funds totalling USD134.5 billion in Assets Under Management.

Invest ASEAN Singapore 2016: Held at the Ritz Carlton Singapore, the event attracted over 1,000 delegates with representatives from 12 countries. A total of 48 corporates from Thailand, Malaysia, the Philippines, Indonesia, Singapore, and Vietnam with total market capitalisation of USD94.5 billion and 307 funds across the globe totalling USD21.6 trillion in Assets Under Management participated in the conference.

Invest ASEAN Indonesia 2016: Held at the Grand Hyatt Jakarta, the conference brought together over 400 Indonesian and regional delegates including 27 Indonesian corporates with total market capitalisation of USD144 billion and close to 100 portfolio managers with Assets Under Management of USD831 billion.



Datuk Abdul Farid Alias, Group President & CEO sharing his notes during Invest ASEAN 2016 Edition held on 14 and 15 April 2016 at the Ritz-Carlton, Millenia Singapore.



DID YOU KNOW?

HOW WE ENGAGE WITH STAKEHOLDERS REGARDING OUR LENDING PRACTICES

In 2016, we responded to queries from stakeholders with regards to managing environmental and social issues, particularly concerning land rights and financing for agriculture. In all the countries that we operate, we rely on regulatory frameworks to provide guidelines for lending. We complement the regulatory framework with our commitments to ESG practices and its related due diligence. Insights obtained through engagement with our stakeholders reinforce the importance of responding to key ESG issues. We are still progressing in meeting our ESG lending objectives. Further details of ESG practices can be found in the chapter on Our Approach to Sustainability and Access to Products and Services, page 23 and page 81, respectively.

OUR APPROACH TO SUSTAINABILITY

G4-18, G4-25

MATERIALITY

Materiality Process

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 focus areas and improvements, if any.

We have endeavoured to create a systematic process for our materiality engagement and the report has been externally assessed by SIRIM QAS International. In 2016, we engaged internal stakeholders through Group Strategy to update our Material Matters. We have also considered the impact of the Sustainable Development Goals (SDGs) to the 20/20 Sustainability Plan.



DEVELOPMENT OF THE 2016 MATERIAL MATTERS

EXTERNAL PERSPECTIVE

- Global megatrends
- ASEAN outlook
- Financial sector specific trends
- Global Reporting Initiatives G4 Guidelines
- Bursa Malaysia Listing Requirements
- Sustainable Development Goals (SDGs)

INTERNAL PERSPECTIVE

- Maybank²⁰²⁰
- Mission and Code of Conduct
- Customer feedback and perception studies
- Group financial and non-financial risk mapping
- Internal employee feedback

OUR APPROACH TO SUSTAINABILITY

 G4-19
2016 Material Matters and Approach

20/20 Sustainability Plan Pillar	Material Matters*	Bursa Malaysia Listing Requirements	20/20 Sustainability Plan Commitments
Community and Citizenship	M1 Empowering Communities	Social	Investing for Impact To invest for impact and empower communities where we operate.
Our People	M2 Creating a Superior Leadership and Talent Pipeline	Social	Employee Engagement Platforms As an organisation with just under 44,000 employees across the world, we are focused on building an engaged regional workforce with global ethical mindsets to produce world class productivity levels.
			Talent and Leadership We have established a robust talent management framework 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	M3 Managing Our Environmental Impact M4 Focus on Customers and Increasing Competition M5 Evolving Digital Trends M6 Product Stewardship and Risk Culture M7 Managing Regulatory Changes and Economic Environment	Environmental	Commitment to the Environment Measuring and managing our impacts and challenges that we are meeting as our operations continue to expand.
		Economic	Focus on Customers Our ongoing commitment to deepen customer relationships, respond to customer needs, and improve service is fundamental to our business.
		Economic	Digitalisation Technology is evolving rapidly, changing the way customers and businesses interact. Technology paves the way for the next generation's access to finance.
		Economic / Social	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.
		Economic	

* Material issues listed in our Annual Report 2016, page 33.

OUR APPROACH TO SUSTAINABILITY

Highlights in 2016	Our Response
<ul style="list-style-type: none"> Channelled nearly 1% of net profit to community programmes with RM66 million in community investment. Carried out six flagship programmes in five countries across ASEAN. 1,411 participants have completed their training under R.I.S.E. programme in Malaysia and Indonesia. Maybank Women Eco Weavers trained 55 women weavers, engaged 96 mulberry farmers, and planted 13,548 mulberry trees in Cambodia, and started training 85 women weavers in Indonesia in the first year. eMpowering Youths Across ASEAN enabled 234 university students in Singapore to impact more than 1,500 people in four countries. 	Page 30 – 42
<ul style="list-style-type: none"> Launched a ‘Speak Up’ campaign known as Problem, Solution & Idea (PSI) with the goal to provide another avenue for employees to give honest feedback, share problems, highlight opportunities, and offer potential solutions. Within 48 hours, 505 PSIs were contributed. 	Page 49 – 50
<ul style="list-style-type: none"> Implemented multi-level talent reviews for Sector, Country, and Group level and as a result, we are stronger in identifying and developing our internal talent pool. The reviews are done twice a year, and have a 100% completion rate. 	Page 50 – 56
<ul style="list-style-type: none"> Spent RM129 million in training and development, a slight increase from 2015. Training per employee Group-wide averaged at 32 hours, on par with The Association for Talent Development’s (ATD, formerly ASTD) global benchmark. 	Page 56 – 57
<ul style="list-style-type: none"> 45% of management (Band G and above) and 30% of top management (Band D and above) were women in 2016. 18% of our board members are women. With a new female director on Board in January 2017, 25% of Board members consist of women. Over 15,000 employees spent 104,285 hours volunteering in 89 Cahaya Kasih initiatives. 	Page 57 – 60
<ul style="list-style-type: none"> Launched the OSH Committee e-learning to strengthen the OSH Committee framework nationwide. Recorded 0.003 frequency rate on total recordable injury in Malaysia. Recorded a participation rate of more than 8,000, through our 49 Health and Wellness Programmes. 	Page 60 – 62
<ul style="list-style-type: none"> Carbon Disclosure Project (CDP): Our progress towards environmental stewardship reached the ‘Awareness’ level. Improved carbon footprint quantification with selected branches in Malaysia and Singapore. Total carbon footprint for Scope 1 and 2 was 91,528 tCO₂e. 	Page 66 – 69
<ul style="list-style-type: none"> Shared customer experience guidelines, frameworks, and measurements with our home markets and Maybank Philippines. Continued to support Small and Medium Enterprises (SMEs) and provide microfinance for the smallest of enterprises, granted loans worth RM12.60 billion. Collected more than RM550,000 through our newly launched crowdfunding platform – MaybankHeart. 	Page 70 – 79
<ul style="list-style-type: none"> M2U processed a total of 2.90 billion online transaction worth RM260.52 billion in Malaysia, Indonesia, Singapore, the Philippines and Cambodia. The first digital remittance service in Malaysia with Western Union through M2U mobile banking app enables transfers to more than 500,000 Western Union® agents located in over 200 countries and territories*, 24/7. <p><small>* Network data as of 31 December 2016.</small></p>	Page 79 – 81
<ul style="list-style-type: none"> Strengthened our commitment to responsible lending with a thorough review of our approach towards assessing ESG risks. Financed 27 projects under the GTF5, compared to 21 in 2015, with a total investment of RM307 million. 95.9% of procurement spend in Malaysia are through local suppliers with a value of RM1.1 billion. 	Page 81 – 84
<ul style="list-style-type: none"> Continuously looking to improve overall ESG risk management. Through the Islamic-first policy, lending practices are enhanced by Shariah principles. 	Page 23

OUR APPROACH TO SUSTAINABILITY

SDG G4-15
SUSTAINABLE DEVELOPMENT GOALS (SDGs)

We support the United Nations’ SDGs, launched in 2016. The SDGs 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 to sustainable development. We are exploring how to incorporate those SDGs that are directly connected to our business at a working level. As a start, we have reviewed how the priorities align with our material issues and will evaluate how to improve reporting against the SDGs in the coming year.

The 10 SDGs relevant to Maybank based on our most material issues:

MATERIAL MATTERS	SUSTAINABLE DEVELOPMENT GOALS				
Empowering Communities	1 NO POVERTY 	4 QUALITY EDUCATION 	8 DECENT WORK AND ECONOMIC GROWTH 	10 REDUCED INEQUALITIES 	17 PARTNERSHIP FOR THE GOALS 
Creating a Superior Leadership and Talent Pipeline	3 GOOD HEALTH AND WELL-BEING 	5 GENDER EQUALITY 	8 DECENT WORK AND ECONOMIC GROWTH 		
Managing Our Environmental Impact	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 			
Managing Regulatory Changes and Economic Environment	8 DECENT WORK AND ECONOMIC GROWTH 				
Focus on Customers and Increasing Competition	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 				
Evolving Digital Trends	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 				
Product Stewardship and Risk Culture	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 		

OUR APPROACH TO SUSTAINABILITY

G4-14
APPROACH TO RISK MANAGEMENT 

We conduct our materiality analysis in line with our approach to risk management. Establishing risk principles and strategies is the core foundations 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 2016, we identified the following key areas:

ECONOMICAL	GEOPOLITICAL	TECHNOLOGICAL	SOCIETAL	ENVIRONMENTAL	REGULATORY
Continued volatility in global financial markets and currency woes, slowdown of China’s economy, strain in commodity prices, and low interest rate regime.	Geopolitical undercurrents witnessed by changes in political leaderships and referendums, possibly affecting economic growth potential.	The speed of technological advancements sees the emergence of non-financial players and disruptive innovations to the conventional banking model.	Demographic shifts bring forth societal concerns on population dispersion, income disparity, employment, and immigration.	Globalisation and urbanisation heightened, adding to environmental pressures including global warming, unpredictable weather conditions, and water shortages.	Regulatory requirement changes continue to intensify and tighten, exerting more pressure and scrutiny on the banking industry.

Our Risk Management Framework is further explained in our Annual Report 2016, page 161.

Responsible Lending Towards a Low-Carbon Economy

ESG risks and concerns are expected to become a leading issue within the investor community and wider stakeholders as higher expectations are placed upon financial institutions to ensure these 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, and
- Supporting low-carbon businesses and transactions.

The integration of ESG can be seen in three main aspects of our business:

Lending	Investments	Procurement
We have established a set of Responsible Lending Guidelines since 2015. As part of our ESG commitment, we are continuously looking for ways to improve our overall ESG risk management. Through our Islamic-first policy, our lending practices are enhanced by Shariah-principles and we refrain from lending in prohibited sectors.	In our investments, we now consider ESG commitments, particularly through Maybank Asset Management. We have invested in the Malaysian ESG Opportunity Fund (MEQESG), an ESG Equity Growth Fund.	We continue to develop a more structured approach to engage with our suppliers, including increasing awareness on environmental and social impacts of their businesses.



“We are committed in our role to promote responsible lending and are continuously looking at ways to enhance our practices in this area. We are currently enhancing our ESG risk principles towards better alignment with global practices.”

Dr. John Lee Hin Hock, Group Chief Risk Officer

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 COMMUNITIES IN THE 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. This is done through strategic partnerships with local stakeholders and non-governmental organisations in six areas: Education, Community Empowerment, Arts and Culture, Environmental Diversity, Healthy Living, and Disaster Relief. In 2016, the Foundation consolidated its flagship programmes and expanded R.I.S.E., Maybank Women Eco Weavers, and CashVille Kidz regionally.



“This has been a year of expansion. For us to achieve our ambition of being world class in the way we empower communities, we need scale and impact. Our flagship programmes are not only thriving and becoming more regional but attracting significant partnerships to enhance our reach. Our programmes are true business enablers as our positive contribution builds long-term relationships in the heart of communities where Maybank operates.

More meaningfully, we increasingly see our programmes being more mainstream within Maybank, supported by various business units and products. As a result, our programmes are becoming even more strategic.”

**Shahril Azuar Jimin,
CEO of Maybank Foundation**

MAYBANK FOUNDATION

GOVERNANCE AND LEADERSHIP

Members of Maybank Foundation's Board of Trustees are highly talented and respected individuals with a range of diverse skills and perspectives. Trustees bring a vast range of knowledge and experience to the task. The small executive team is led by a CEO and it works with relevant units throughout the Group.

TAN SRI DATO' MEGAT ZAHARUDDIN MEGAT MOHD NOR

Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor was appointed as a Director and Chairman of Maybank on 1 October 2009. He was an Independent Non-Executive Director of Maybank from July 2004 to February 2009.

He built an outstanding career in the oil and gas industry for 31 years with the Royal Dutch Shell Group of Companies and was a Regional Business Chief Executive Officer and Managing Director for Shell Exploration and Production Malaysia B.V., prior to his retirement in early 2004. He was also the Chairman of Maxis Communications Berhad from January 2004 to November 2007, of Etiqa Insurance & Takaful from January 2006 until February 2009, of Malaysian Rubber Board from February 2009 to May 2010, of Maybank Investment Bank Berhad from January 2010 until February 2016, Director of Capital Market Development Fund from January 2004 to January 2010, and Director of Woodside Petroleum Ltd, a company listed on the Australian Securities Exchange, from December 2007 to April 2011.

His current directorships in companies within the Maybank Group includes being the Chairman of Maybank Ageas Holdings Berhad and President Commissioner of PT Bank Maybank Indonesia Tbk. He is also a Director of The ICLIF Leadership and Governance Centre, Malaysia and of the Financial Services Professional Board.

DATO' V. DANAPALAN

Dato' V. Danapalan has an exemplary public service record, having held the positions of Deputy Director of National Institute of Public Administration (INTAN), Deputy Secretary General of the Ministry of Social and Community Development, Secretary General of the Ministry of Science, Technology and the Environment, Senior Vice President of Multimedia Development Corporation (MDC), and Chairman and CEO of Malaysian Communication and Multimedia Commission (MCMC).

PAK UMAR JUORO

Pak Umar Juoro is Chairman of the Supervisory Board of Bank Indonesia. Currently, he is also Senior Fellow of Asia Competitiveness Institute at Lee Kuan Yew School of Public Policy, National University of Singapore. Previously, Pak Umar Juoro served as an Assistant to Indonesia's former Vice President/President B.J. Habibie in the field of Economics, Monetary, and Industry from 1998 to 1999. He has also been a senior researcher at the Habibie Center. He was involved in various consulting projects with the World Bank, Asian Development Bank (ADB), International Labour Organization (ILO), and United Nations Development Programme (UNDP).

DATIN PADUKA MARINA MAHATHIR

Datin Paduka Marina Mahathir is known to wear many hats — newspaper columnist, women's rights and HIV/AIDS activist, and TV producer. In 2016, Marina received France's highest honour, the Legion d'honneur des Chevaliers de France for her work in human rights.

SPENCER LEE TIEN CHYE*

Spencer Lee has served the Maybank Group for 40 years. A fellow of the Institute of Chartered Accountants (England and Wales), he has held executive positions in various countries where Maybank has a presence. Aside from being on the Maybank Foundation Board of Trustees, he is also a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

* Effective 1 January 2017, Spencer Lee Tien Chye is no longer a member of the Board of Trustees of Maybank Foundation.



The profiles of our Trustees and CEO are available on our Maybank Foundation website at

<http://www.maybankfoundation.com/index.php/who-we-are/governance-and-leadership>

CORPORATE GOVERNANCE

OUR APPROACH

Sound corporate governance is the cornerstone of our operations. Maybank’s 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. It also follows global best practices in the industry.

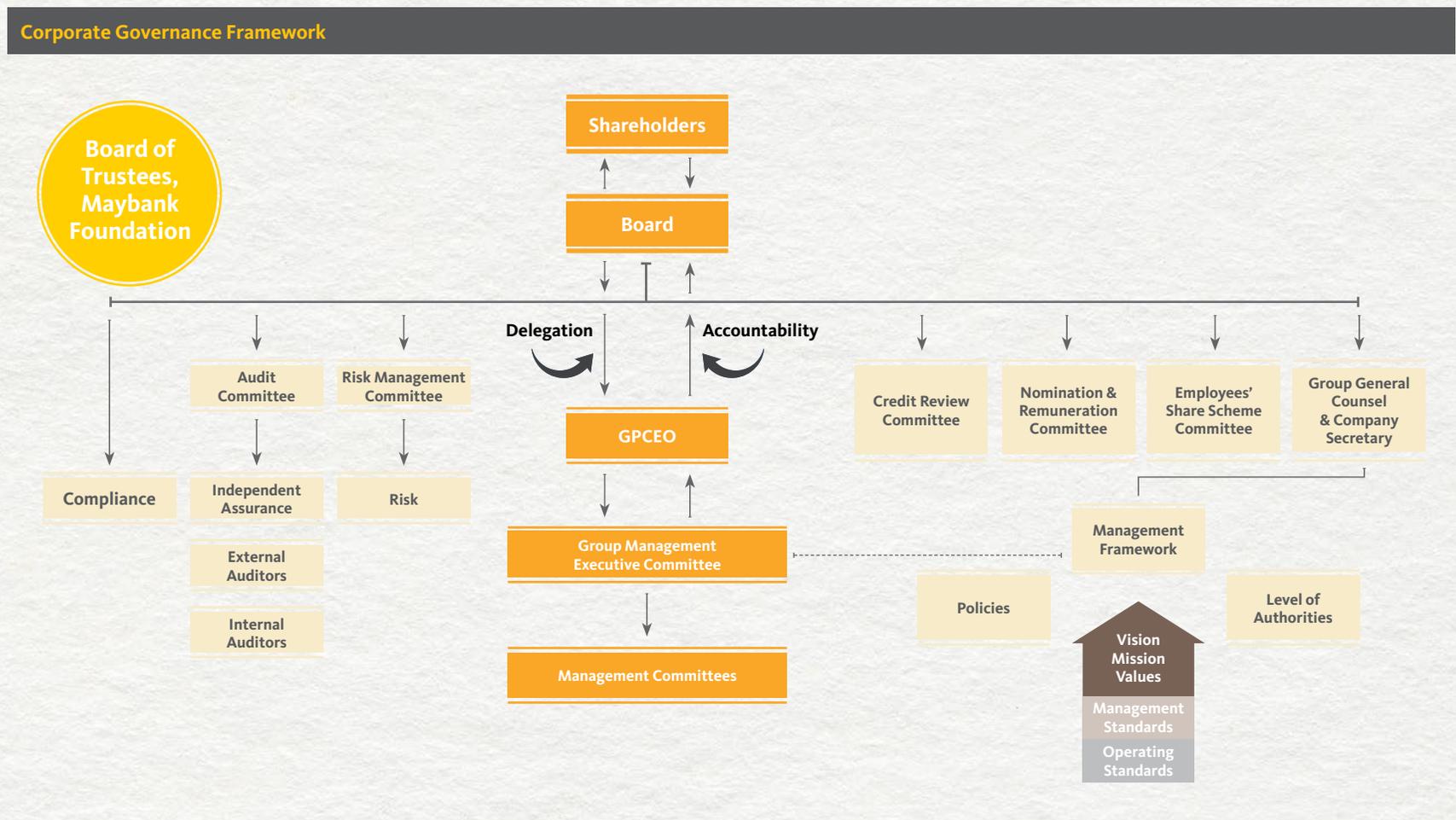
Maybank’s Corporate Governance Framework is premised upon the following statutory provisions, best practices, and guidelines:-

1. Companies Act 2016,
2. Malaysian Code on Corporate Governance 2012 (Code),
3. Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia Listing Requirements),
4. Green Book on Enhancing Board Effectiveness (Green Book) by the Putrajaya Committee on Government Linked Companies’ High Performance,
5. Corporate Governance Guide: Towards Boardroom Excellence 2nd Edition by Bursa Malaysia, and
6. Minority Shareholder Watchdog Group (MSWG)’s Malaysia-ASEAN Corporate Governance Scorecard.

Further to the above, the Board welcomed Bank Negara Malaysia’s new Policy on Corporate Governance introduced in August 2016, as well as the new Companies Act 2016, which took effect on 31 January 2017.

For a list of selected policies and procedures that enable holistic implementation of sustainability at Maybank, refer to our dedicated sustainability website.

The chart below illustrates the Corporate Governance Framework adopted by Maybank.



CORPORATE GOVERNANCE

D G4-38
Detailed Indicators in 2016

Separation of Chairman and CEO	Yes
Percentage of Independent Non-Executive Directors	75% (60% in 2015)
Details of executive remuneration	Yes (Refer to Annual Report 2016, page 148-149)
Board diversity percentage of female Directors	18% (As at February 2017, 25% of our board members are women)
Percentage of Directors from operating countries other than Malaysia	16.7%

G4-15, G4-57, G4-58

GOOD BUSINESS CONDUCT

Key Governance Aspects	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/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>The policies and guidelines are intended to provide all employees with a standard toolkit in managing AML/CFT risks.</p> <p>Employee training:</p> <ul style="list-style-type: none"> • AML Assessment 2016 • External certification in AML/CFT offered to employees
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> <p>Employee training in 2016:</p> <ul style="list-style-type: none"> • Personal Data Protection Principles, and other essential guidelines (a part of Risk & Values Awareness E-Learning Modules) • Cyber Security Awareness Assessment
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.</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> <p>Protected email address at integrity@maybank.com.my;</p> <p>Toll-Free Message Recording Line at 1800-38-8833 or for Overseas at +603 2026 8112; and</p> <p>Secured P.O. Box Mail Address at P.O. Box 11635, 50752 Kuala Lumpur, Malaysia.</p>
Board Diversity & Inclusiveness	In accordance with Recommendation 2.2 of the Malaysian Code on Corporate Governance (MCCG) 2012, 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 including maintaining at least one woman Director on the Board and having minimum 20% women representation by 2016. As of February 2017, we have three women Directors (or 25%) on the Board.</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 GIDA are detailed in Our People Chapter.</p>

CORPORATE GOVERNANCE

Key Governance Aspects	Supporting Policies, Codes, and Practices	Actions taken
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.</p> <p>With regards to labour rights, during the year, negotiations on four Collective Agreements (CA) were concluded 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 40.04% of Maybank employees in Malaysia are union members.</p> <p>A clause against any form of child labour was included in the revised Group Procurement Manual in 2016.</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 2016, we provided 41 trainings and recorded a total of 20,241 training hours for our Malaysian employees

HIGHLIGHTS

Maybank officers save woman from being cheated



The importance of staying alert for instances of fraud is a message we constantly drive with our customers. Our efforts have gone beyond mere reminders and messages to customers and includes being alert and truly thinking of our customers in our engagement with them. Our Maybank Singapore office was alert when a 72 year old woman wanted to make a withdrawal of SGD200,000 (RM600,000).



The suspicions of the officer on duty were raised. When she asked for more details, the customer showed her handphone containing chats with a 'friend'. The messages implied that the friend was having problems with immigration and needed money.

The officer sensed something amiss and alerted the branch's assistant service manager. They took the woman into a private room and talked to her at great length. Subsequently, they stopped the transaction, contacted the police, and notified other branches. The two officers prevented the woman from being cheated of her savings.

The Singapore police later found out that a scammer was behind the episode. Investigations showed that the woman had been communicating with an unknown person via Facebook and WhatsApp for more than five years, and had already transferred SGD75,500 (RM226,122) on two previous occasions.

COMPLIANCE

The regulatory landscape in the region has changed tremendously in recent years. Financial institutions are facing increasing regulations and scrutiny. As a leading financial institution, we are keen to do our part in supporting the 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 and we strive to ingrain the expected values and principles of conduct that shape the behaviour and attitude of employees at all level of business and activities across the Group. Risk frameworks and policies are clearly defined, consistently communicated, and continuously reinforced to embed a robust culture that cultivates active identification, assessment, and mitigation of risk as part of the responsibility of all employees across the Group.

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 necessary changes.

CORPORATE GOVERNANCE

Reorganisation of the Group’s compliance function was completed in 2016. A direct reporting line to the Board of Directors was established and a new Group Chief Compliance Officer was appointed. The Group Compliance Department was restructured into two key sections: Regulatory Compliance to focus on business/product related regulations and Financial Crime Compliance.

Initiatives in 2016:

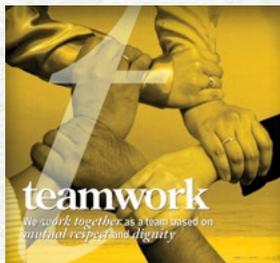
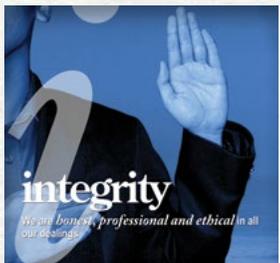
- Introduced Know Your Staff Guideline, a guide to line managers to combat fraud or non-compliance.
- Sponsored employees to Certification in Regulatory Compliance at Asian Institute of Chartered Bankers.



“Corporates should learn from the financial scandals of the 80s and 90s, and move away from operating based solely on economic logic. Instead, they need to take the lead by adopting higher standards and serving the world through sustainable policies. Maybank, through our sustainability plan, strives to live these ideals, in line with our mission of Humanising Financial Services.”

Datuk Abdul Farid Alias, Group President & CEO

LIVING OUR CORE VALUES

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

In 2016, we launched an internal awareness campaign, ‘Do the Right Thing’, aimed at helping our people better understand the impact of financial crimes and to emphasise the role each employee plays in preventing it. The campaign included four focus areas – Tone from the Top, Training & Learning, Communications & Engagement, and Monitoring, Accountability & Recognition.

Other Group-wide programmes conducted during the year to embed the right ethical values and compliance with Maybank’s Code of Ethics and Conduct included:

- Annual e-learning Code of Ethics Declaration,
- Training through induction for new employees, and
- e-Capsule messages screened through MyPortal to remind and ensure compliance to the Code of Ethics and Conduct.



20/20 Sustainability Plan Objective:

TO DELIVER LONG-TERM VALUE FOR THE COMMUNITY AND ENVIRONMENT BY BEING THE REGION'S MOST IMPACTFUL CORPORATE CITIZEN

Channelled nearly **1% of net profit to community programmes**, making us one of the more active corporate citizens in Asia with **RM66 million** in community investment



Supported tiger conservation in Belum-Temenggor Forest Reserve in partnership with WWF-Malaysia with a grant of **RM722,321**



Carried out **six flagship programmes** in five countries across ASEAN

1,411 participants completed the R.I.S.E. programme in Malaysia and Indonesia.



Introduced Trade[&Give] ASEAN Sustainability Programme, a structured approach to helping small businesses in the region



More than **11,000 women** in Indonesia expanded their business through our microfinance programme with our partners.

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



CashVille Kidz financial literacy programme was launched in Cambodia, and is also available on YouTube.



81 women & 270 youth participated in a series of workshops organised by Etiqa's Socially and Economically Empowered Development (SEED) programme

81 women

270 youth



eMpowering Youths Across ASEAN: RM1 million in grants which **impacted over 1,500 people in ASEAN** and engaged over 234 university students in Singapore through the overseas community projects.



Disbursed RM1.8 million to Save a Child's Heart Programme, that has benefited 66 patients since 2012



Maybank Women Eco Weavers engaged **96 mulberry farmers** and planted **13,548 mulberry trees** in Cambodia, and trained 85 women weavers in **four districts** in Indonesia.



Liver Transplant Centre at Selayang Hospital has performed 82 transplants since 2011.



Disbursed **RM1 million** for disaster relief programmes as part of our partnership with MERCY Malaysia

COMMUNITY AND CITIZENSHIP



20/20 COMMUNITY AND CITIZENSHIP

20/20 Sustainability Plan Commitments					
Investing for Impact					
Education	Community Empowerment	Arts and Culture	Environmental Diversity	Healthy Living	Disaster Relief



Our desire is to continuously engage and collaborate for the long-term well-being of communities where we operate.

G4-DMA

OUR APPROACH – INVESTING FOR IMPACT M1

Our aim is to empower communities in which we operate. We believe the most effective way to do so is through targeted social investments, volunteer efforts, and long term partnerships. We have moved beyond charitable giving and are now building programmes that offer long-lasting impact. Our community programmes are managed by Maybank Foundation with focus on six areas: education, community empowerment, arts and culture, environmental diversity, healthy living, and disaster relief.

We try to look past the immediate future and ensure that our business thrives along with our communities. Maybank’s regional strategy guides and expands the scope of our community contributions. In 2016, we introduced some of our most successful community programmes in new countries. We are mindful of the diversity of our beneficiaries, but are starting to see the benefits of running programmes with a regional scope. We have also improved our internal monitoring system, which allows us to assess the impact of our work.

OUR PERFORMANCE

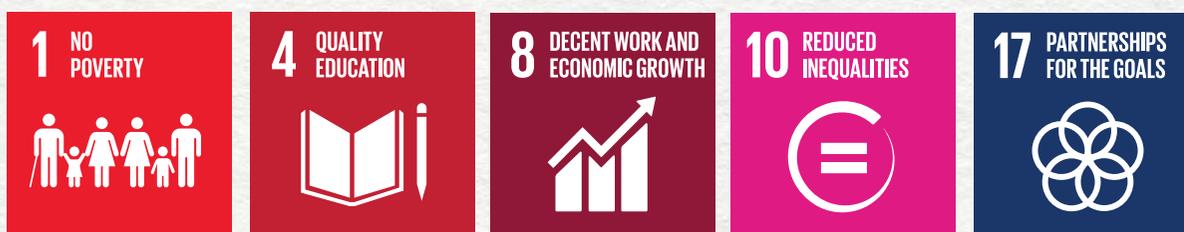
With a total investment of over RM66 million in 2016, Maybank is one of the more active corporate citizens in Asia. In addition to our financial contribution, over 22,014 Maybank volunteers contributed their expertise with almost 108,863 hours channelled to various valuable community causes through our Cahaya Kasih volunteer programme and Group-wide initiatives.

OPPORTUNITIES

- Our six flagship programmes are localised to meet the needs of the community to ensure that beneficiaries are reached. We have commissioned impact studies of selected programmes to ensure that we are on the right track.
- Finding the right partners must be supported by capacity building. Our non-profit partners are from across the region and are crucial towards integrating programmes on the ground. As we grow our programmes and partners, we continue to implement workshops and provide new experiences for our partners.
- We reviewed our monitoring tools in 2016 and improved our quarterly reporting process as we are focused on showing impact of programmes and the value to the business. We are now able to track against baseline indicators and targets.

CHALLENGES

- 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.
- Working with the right partners is key to scale up and create impact. Multi-stakeholder partnerships are crucial towards the success of programmes.
- Measurement of impact of programmes must be consistent and focused. There are different methodologies available which provide different insights.



We operate in a region with deep income disparities and our focus is to empower the most marginalised communities who live in poverty (SDG1), reduce inequality (SDG10) and enhance the quality of education (SDG4). One of our strategies is to work through multi-stakeholder partnerships (SDG17).

A core focus of SDG8 is decent work and full employment for youth, addressing the significant barriers to job opportunities that result in youth unemployment. Our flagship programmes, R.I.S.E. and Maybank Women Eco Weavers directly address this goal.

COMMUNITY AND CITIZENSHIP

G4-EC1

Spending per focus area	2015 (RM)	2016 (RM)
Education	23,268,204.64	27,394,249.46
Community Empowerment	7,512,641.31	9,888,221.88
Arts and Culture	880,781.36	631,685.55
Environmental Diversity	534,863.63	870,478.21
Healthy Living	32,380,455.01	26,514,834.87
Disaster Relief	1,139,143.00	1,000,000.00
TOTAL	65,716,088.95	66,299,469.97*

* An increase of RM6.1 million in our total expenditure for community programmes was due to the fluctuations in currency exchange rate when paying for overseas scholarships in 2016. This was not reflected in the Annual Report 2016, which states that nearly RM60 million of Maybank’s net profit was channelled to community programmes. With the additional of RM6.1 million, total expenditure on community programmes now amounts to RM66 million – nearly 1% of net profit.

FOCUS ON FLAGSHIP PROGRAMMES

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.

Reached **75,000 students** from **330 schools** across **Malaysia** in 2016.

The world we live in presents many challenges for the future generations. 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 and in debt. Bearing this in mind, we want to play a part in educating young minds on the importance of money management through CashVille Kidz.

CashVille Kidz teaches children how to be financially savvy through an animated TV series and related activities. First aired in 2013 in Malaysia, CashVille Kidz nurtures financially literate youth who will adopt positive spending and savings habits and eventually grow to be better informed customers. The programme has reached more than 75,000 school children from 330 schools across Malaysia. We work in partnership with MoneyTree and with support from the Malaysian Ministry of Education.

CashVille Kidz Programme toolbox was produced for teachers and sent to every participating school. Teachers’ briefings were held on how to utilise the toolbox. The toolbox contains:

Tools	Usage
DVD of CashVille Kidz episodes	Teachers play the DVD during the teaching sessions. It replaces the need of broadcast via a third party
Students’ workbooks	Students use these worksheets to apply and practise their financial knowledge
Teacher’s guide	The guide educates teachers on basic financial management. It facilitates their teaching sessions
Step-by-step guide/manual for the programme	This guides teachers on how to conduct the teaching sessions under the programme



On 6 December 2016, Maybank Cambodia together with Maybank Foundation and in partnership with MoneyTree Asia launched CashVille Kidz programme in Cambodia.

In 2016, Maybank Cambodia, together with Maybank Foundation, and in partnership with MoneyTree Asia Pte Ltd, launched the CashVille Kidz Programme in Cambodia. The programme, endorsed by the National Bank of Cambodia, aims to address the need for financial education in schools. For the pilot phase which will start in 2017, eight primary schools with 800 students were selected. Subject to the success of the pilot programme, we will initiate a three-year campaign, planned to reach 19,200 students from 95 schools.

COMMUNITY AND CITIZENSHIP

REACH INDEPENDENCE & SUSTAINABLE ENTREPRENEURSHIP (R.I.S.E.)

1,411 participants in Malaysia and Indonesia have **completed the programme.**

PROGRAMME OBJECTIVES:

- Increase the income of people with disabilities (P.W.D.s) and other disadvantaged communities through mentoring and capacity-building.
- Create economic independence and financial inclusion for this target group, thereby giving them access to financial services and hope for a better future.

Detailed Indicators

Targets	2016 Performance
<p>PHASE 1 To start: September 2014 Location: Malaysia</p>	<p>PHASE 1 Completed: April 2015 Location: Malaysia Total participants: 280</p>
<p>PHASE 2 To start: September 2015 To be completed: March 2017 Target: 1,800 participants:</p> <ul style="list-style-type: none"> • Malaysia: 1,400 participants • Indonesia: 200 participants • The Philippines: 200 participants <p>Locations: Malaysia, Indonesia, and the Philippines</p>	<p>PHASE 2 Total participants: 1,411 Malaysia: 1,200 participants Indonesia: 211 participants Philippines: To be expanded in 2017</p>

R.I.S.E., our training and mentoring programme for people with disabilities now operates in Malaysia, Indonesia, and will soon be expanded to the Philippines. 1,411 participants have completed their training in Malaysia and Indonesia while 200 participants have been identified for the pilot phase in the Philippines.

- **Indonesia:** The first training sessions in Indonesia were organised in Jakarta, in cooperation with local NGO, Dinas Social and in Yogyakarta with Balai Rehabilitasi Terpadu Penyandang Disabilitas (BRTPD). The training covered practical topics in running a business, such as creating financial goals, planning, budgeting and tracking, as well as sales and customer analysis. The training programmes were attended by 211 participants.
- **Kelantan, Malaysia:** A training session was organised for the first time in Kelantan, Malaysia at Dewan Majlis Daerah Ketereh. 51 participants attended the event. Moving forward, we aim to reach 150 participants in Kelantan by working with organisations such as Jabatan Kebajikan Masyarakat Negeri Kelantan (State of Kelantan Social Welfare Department), Yayasan Orang Kurang Upaya Kelantan (PWD Foundation of Kelantan), Majlis Pemulihan Negeri Kelantan, and Persatuan Insan Istimewa Kelantan (INSANI).
- **Sabah, Malaysia:** The programme was also extended to Kota Kinabalu. Some 30 P.W.D.s attended a three-day Entrepreneurship & Financial Training session, followed by a three to six month mentoring. During this time, the participants will be trained, coached, and mentored to develop their entrepreneurial skills with the aim of helping them achieve higher income levels and improve their overall standard of living.
- **Kuala Lumpur, Malaysia:** During the four-day Maybank Golf Championship Malaysia, Maybank Foundation set up a booth for the R.I.S.E. participants to display and sell their products to the public – sales of almost RM5,000 were made.



The first R.I.S.E. entrepreneurship training in Indonesia was held from 26 to 28 April 2016 in Jakarta. After the training, the participants have a broader understanding of giving more value to their customers and providing better services to them.

COMMUNITY AND CITIZENSHIP

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.



7 high-impact projects which have been completed in **4 ASEAN countries**

eMpowering Youths Across ASEAN provides funding for university youth, to carry out high-impact projects that help reduce poverty or improve livelihoods in ASEAN communities. eMpowering Youths Across ASEAN allows young people to learn and contribute to solutions to developmental issues of our time. In 2016, we provided RM1 million as grants for nine community programmes with 234 youth participants from three universities – National University of Singapore (NUS), Singapore Management University (SMU), and Nanyang Technological University (NTU). The projects, mostly carried out in 2016, benefited more than 1,500 people in Indonesia, Laos, Vietnam, and the Philippines.

The programme was endorsed by ASEAN Foundation, an organisation that promotes shared prosperity and a sustainable future for the region of ASEAN.



“Our community is not just at home here, but within ASEAN itself, because Maybank is the only bank with a presence in all 10 ASEAN countries. By working with future teams from your universities, this programme will help us to reach out and make a lasting impact on communities in the region.”

Datuk Lim Hong Tat, Group Head, Community Financial Services & CEO, Maybank Singapore

Highlights

Three of the high-impact eMpowering Youths Across ASEAN projects implemented in 2016 included:

PROVIDING ACCESS TO CLEAN WATER IN THE PHILIPPINES

The Project Cheway team from National University of Singapore (NUS) helped improve the lives of people living in the BASECO compound in Philippines, home to over 50,000 immigrants who live in makeshift homes. The team built a rainwater harvesting system and bio-sand filters to capture rainwater and filter ground water for household use, and also taught the local community how to replicate the systems. With around 20 typhoons impacting the Philippines every year, the team also planted mangrove trees to help protect the community against the impact of typhoons. Project Cheway was the inaugural winner of the Maybank Power Up Award, which recognises the best project from the eMpowering Youths programme.

TURNING WASTE TO RESOURCE IN VIETNAM

Two teams called Project Mai from Nanyang Technological University (NTU) set up biogas systems in rural villages in Vietnam, to help convert livestock waste into useful resources. The system extracts methane to be used as cooking gas for the households, and the treated waste is used as organic fertiliser for farming. Better waste management also improves the overall health and sanitation for the villages. With funding from Maybank, the youths built 48 biogas systems in two villages in Tra Vinh province, and the teams reported that the system can help families save on average 45% of their income.

PROVIDING SOLAR LIGHTING IN PHILIPPINES

The Project Touch team from Singapore Management University (SMU) helped in rebuilding efforts of Barangay Lo-Ong, a village in the Philippines which was struck twice by Typhoon Haiyan and Typhoon Hagupit in the past three years. With the village under the poverty line and having limited access to water and electricity, the team constructed water pipes to provide the villagers with better access to clean water, and installed solar-powered street lights to make it safer for the locals at night and extend their productive hours.



MAYBANK WOMEN ECO WEAVERS

PROGRAMME OBJECTIVES:

- Create economic independence and financial inclusion for women weavers.
- Promote and enhance traditional textiles in a sustainable manner.
- Preserve and promote ASEAN’s cultural heritage.

Country	Number of women weavers
Indonesia	85
Cambodia	55

Maybank Women Eco Weavers supports women weavers from poor and marginalised communities, and aims to revive traditional weaving practices in ASEAN countries. Through training, capacity-building, and microfinance, the women will obtain access to tools that help them and their families to become economically independent and financially inclusive.

During the initial phase in 2016, 55 women weavers participated in our training programme, 96 mulberry tree farmers were engaged, and 13,548 mulberry trees were planted in Cambodia; and activities were started in four districts of Indonesia.

COMMUNITY AND CITIZENSHIP

The construction of the Maybank Silk Weaving Training Centre in Takeo Province, Cambodia was completed in 2016. It is the first formal silk weaving training centre in the country. The centre is a collaboration with a non-profit organisation, Color Silk Foundation.

In Indonesia, the programme was launched in November 2016, with a training programme on weaving and microfinance in East Lombok, Central Lombok (West Nusa Tenggara), Sawahlunto, and Tanah Datar (West Sumatera). The training also includes modules on environmentally friendly dyeing of textiles. It aims to train 400 weavers and create new markets to connect weavers and cooperatives with wholesalers and retailers, establish four locally managed weaving learning centres in the districts, and ensure that awareness on the importance of natural dyes is increased.

The programme is endorsed and supported by the ASEAN Foundation, which shares our mission to preserve the ASEAN cultural heritage and contribute towards building the ASEAN identity. We are planning to expand the programme to Laos in 2017.



“It’s heartening that despite the short span and time, our efforts in both Indonesia and Cambodia have accelerated traction, setting a solid foundation for us to expand this programme to Laos next year. Without doubt, this programme will continue growing in weaving the road to empower the lives of the women in the communities we serve, revive the textile industry, and subsequently contribute to the economic development of the respective countries.”

Tan Sri Megat Zaharuddin Megat Mohd, Chairman

Targets:



INDONESIA

- To train 400 women weavers in the next three years.
- To create new markets to connect weavers and cooperatives with wholesalers and retailers.
- To establish four locally managed weaving learning centres in the districts.
- To increase awareness on the importance of natural dyes and environmentally friendly processes.



CAMBODIA

- Increase our support to 150 silk weavers and 210 families growing mulberry trees.
- Engage with international designers.



ELAINE TAN,
EXECUTIVE DIRECTOR OF ASEAN FOUNDATION

The ASEAN Foundation, as an official ASEAN body under Article 15 of the ASEAN Charter, is mandated to support the Secretary-General of ASEAN in the community building process. The ASEAN Foundation has always been dedicated to fostering greater awareness of regional culture and arts, and has been committed to ensuring that the ASEAN identity is preserved for future generations.

The Maybank Women Eco Weavers programme will help to promote ASEAN awareness in understanding and appreciating this region’s rich and diverse arts.

Q: Why do you think this is an important programme?

A: The Maybank Women Eco Weavers programme is important because it is about strengthening ties among traditional textile communities of ASEAN and the ASEAN region. As ASEAN moves towards being people-centred and people-oriented, the benefits of regional integration must be felt by the people. The programme is illustrative of how the private sector can contribute and support the ASEAN community building process by ensuring that people even at grassroots level can benefit from the integration efforts. The uniqueness of each country’s pattern of traditional textiles – and in fact, in regions within each country – reflects the dynamism of centuries old traditions and art form that are reflective of ASEAN creativity and ingenuity.

Q: What is the impact of the programme today?

A: It has allowed for weavers, who are ordinary people, to see that ASEAN is a community of opportunities. There are opportunities to interact with weavers from Cambodia and Indonesia not just to revitalise their craft but to be exposed to and learn different weaving techniques and designs.

Q: What has contributed to this success of this programme?

A: Having partners at various levels – community, national, and regional – has truly alleviated the programme. Anchoring this programme to a regional priority makes the community building process ‘real’ to people on the ground.

Q: What are your wishes for the future?

A: That the weavers and others involved in the programme realise and appreciate that they are supporting the goals of ASEAN to ‘accelerate economic growth, social progress, and cultural development in the region through joint endeavours’. Also, that they are contributing to and benefiting from the ASEAN Community.

COMMUNITY AND CITIZENSHIP



Model wearing the woven fabric in the fashion show held during the launch of Maybank Women Eco Weavers on 2 November 2016 in Lombok, Indonesia.

SUGIATI'S STORY

Sugiati was among the 85 women weavers in Lombok that were selected to participate in one of the first training sessions by Maybank Women Eco Weavers. The programme was launched in 2016 by Maybank Foundation in partnership with Asosiasi Pendamping Perempuan Usaha Kecil (ASPPUK).

The women are trained on weaving techniques, natural dyeing process, marketing, and finance. The participants have access to microfinance to help their small businesses to become sustainable.



“Before participating in the programme, a piece of woven fabric was sold from IDR150,000-200,000 (RM48-RM64). Now, a piece can be sold at IDR800,000 (RM256). Woven fabrics are now sold online too.”

Sugiati

The initial experiences from the programme are encouraging. In addition to empowering women in rural areas, we hope to promote local textiles and help develop the industry.

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 have been working on capacity-building initiatives with the Xavier EcoVille community in Cagayan de Oro, the Philippines since 2011. The new Maybank TLC will provide vocational education and create opportunities for young people who have been deprived of basic education or skills training. The ground-breaking ceremony for the first Maybank TLC was held in 2016. The TLC will be a three-storey skills training centre with technical facilities to improve livelihood skills. Training offered will include Technical Education and Skills Development Authority (TESDA) accredited programmes and specially designed modules.

The first TLC will be built in **Cagayan De Oro, Philippines.**

KATAKATHA



PROGRAMME OBJECTIVES:

- To support arts and preserve heritage in Southeast Asia.
- Encourage dialogue between artists in the region.

Katakatha celebrates cultural similarities and differences in the ASEAN community. We have helped numerous artists, photographers, graphic designers, and writers by sponsoring and promoting a wide range of events to celebrate South East Asia's unique, diverse, and vibrant cultures. Our own Balai Seni at Maybank is a venue for showcasing arts and cultural programmes.

This World, Out Here – the Katakatha Exhibition in 2016 was a novel exploration of cultural and creative life in Southeast Asia. It evolved out of the conversations between the Katakatha participants in November 2015, transforming them into experiences of Southeast Asia for different senses.

Number of Participants: 1,500

Venue: Balai Seni, Menara Maybank, Kuala Lumpur

Duration: 28 July – 28 August 2016

In 2016, we launched the Maybank Synergy Center, a rehearsal and performance space in Manila, the Philippines in partnership with Upstart Productions, a company of artists dedicated to the production of original, creative, and engaging performance arts. A total of 10 art events were held in 2016.

SOCIAL MEDIA OUTREACH THROUGH:

- KataKatha
- @KataKathaASEAN
- @KataKatha

Hashtags: #KataKatha #beASEAN

COMMUNITY AND CITIZENSHIP

OTHER PROGRAMMES



EDUCATION

Maybank scholarships provide deserving students from low and middle income families with an opportunity to realise their dreams of studying at top universities. They also support the human capital development of the countries we operate in.

In 2016, 50 students received the much-coveted Maybank scholarships – a full sponsorship for pre-university and subsequent tertiary studies at top foreign and local universities. In total, we spent RM23 million in scholarships last year.

Apart from the general scholarships, Maybank Foundation has a special sponsorship category dedicated to outstanding students specifically from families with household income of below RM40,000 a year. Five such awards were presented to students this year to pursue studies in financial-related disciplines or any field listed as a priority under Malaysia's Economic Transformation Programme (e.g., medicine, architecture, pharmacy, engineering, and geophysics). These sponsorship awards carry no obligatory bond.

Singapore – Maybank Star Savers@ North West 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. Through this programme, Maybank matches the children's savings by up to 10 times (capped at SGD600 per student per year) with training credits – which they can use to attend enrichment courses at the community centres.



COMMUNITY EMPOWERMENT

Our community programmes work towards empowering communities, and focus on 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 tackle issues of financial and social exclusion, and are expanding our community programmes regionally.

D Detailed Indicators

Programme	2013	2014	2015	2016
R.I.S.E.*				
Number of participants	n/a	280	200	1,411
eMpowering Youths Across ASEAN				
Amount disbursed (RM)	n/a	n/a	1 million ¹	n/a
Maybank Women Eco Weavers				
Amount disbursed (RM)	n/a	n/a	1.5 million	1.2 million
Maybank Training & Learning Centre (TLC)				
Amount disbursed (RM)	n/a	n/a	201,000 ¹	n/a
Maybank Family Fund – Matched Savings initiatives**				
Number of families impacted	203	215	184	263
Amount matched (RM)	232,147.28	316,005.80	184,040.22	187,846.20
Maybank Family Fund – Maybank-Etiqa Family Shield***				
Number of beneficiaries (cumulative since 2011)	180	517	701	868
Amount disbursed in policy premium (RM)	68,876.97	97,231.44	125,205.68	146,744.08
Policy coverage value (RM) (cumulative since 2011)	22.5 million	67.1 million	94.6 million	137.1 million
Microfinancing				
Number of women impacted through Koperasi Mitra Dhuafa (KOMIDA)	1,634	2,439	2,748	1,131
Maybank-MAB ² Cinema				
Number of cinemagoers	n/a	n/a	>800	689

* In the Annual Report 2015, we stated cumulative figures.

** 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.

*** Data is as at 31st March as the programme is tracked according to this timeline.

¹ The amount reported was approved in 2015, but disbursed in 2016.

² MAB stands for Malaysian Association for the Blind.

COMMUNITY AND CITIZENSHIP

MALAYSIA – TRADE[&GIVE]

Trade[&Give] is Maybank Kim Eng’s entrepreneurial development programme that supports small enterprises with funds donated by investors as part of their brokerage fees. It started with supporting five entrepreneurs in 2014 and has since created opportunities for over 1,400 small businesses region-wide. In 2016, we introduced the ASEAN Sustainability Programme, a structured approach to help small businesses in the region. Our support is delivered through microfinancing, mentoring, and capacity-building for individual businesses.

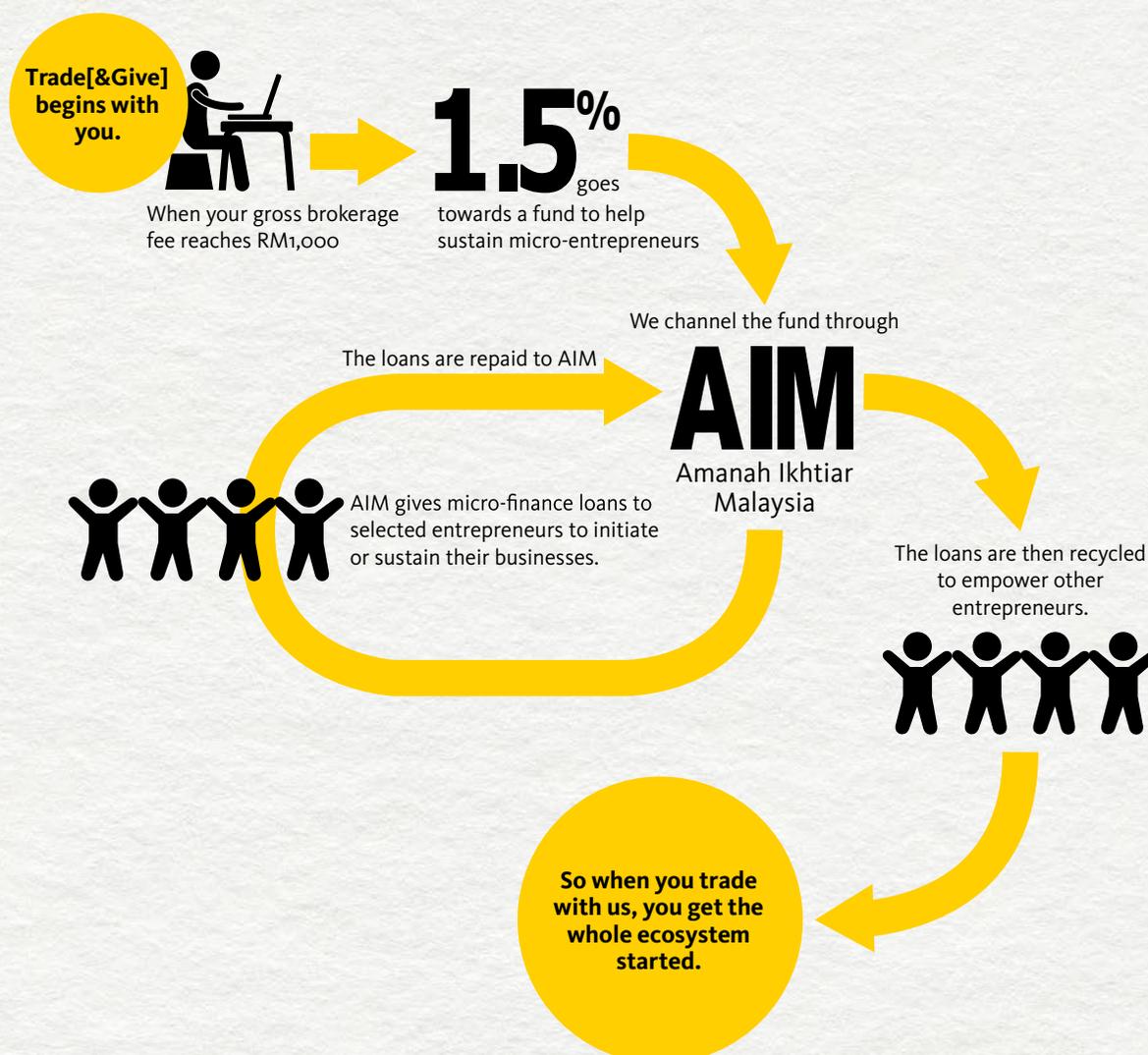
We create partnerships with microfinance organisations which has access to the small businesses we wish to support. In Malaysia, we partner with Amanah Ikhtiar Malaysia and regionally, we work through Kiva, an online micro loan platform. In 2016, we have worked with Bursa Marketplace, Maybank Group’s Virtual Banking, Maybank Foundation, MaGIC and The Batik Boutique. We are also finalising partnerships with Deliccia, a social enterprise that empowers single mothers to pursue food and beverage (F&B) as an income opportunity, providing skills enhancement, digital marketing, and packaging training.

The participants are called ‘sahabat’, the Malay term for companion. Each ‘sahabat’ is assigned a Maybanker as a mentor, that ensures their mentees have better access to finance, business expertise, new markets, and technology. As Maybank is a community bank, we have branch managers who engage with participants in virtually every part of the country. They help participants to move their businesses to digital platforms for greater access to customers and ease of financial management.



We believe in the entrepreneurial spirit that creates small businesses and sustains communities.

THREE PILLARS OF TRADE[&GIVE]:



COMMUNITY AND CITIZENSHIP

MALAYSIA – ETIQA’S SOCIALLY AND ECONOMICALLY EMPOWERED DEVELOPMENT (SEED)

Etiqa’s SEED programme, which is aimed at helping underprivileged women and youth in Malaysia to become financially independent, was launched in 2016.

The programme supports new and aspiring entrepreneurs in acquiring the technical skills needed to start a new business or to expand a current business. In 2016, 81 women and 270 youths participated in a series of workshops. Etiqa supported the programme by contributing RM727,400.

Etiqa SEED programme is conducted in partnership with two non-profit organisations – myHarapan and Yayasan Pendidikan Vokasional Wanita Malaysia (YPVWM).

D Detailed Indicators

NGO	2016 Total disbursement (RM)
Youth Engagement – myHarapan	587,900
Women Engagement – YPVWM	139,500

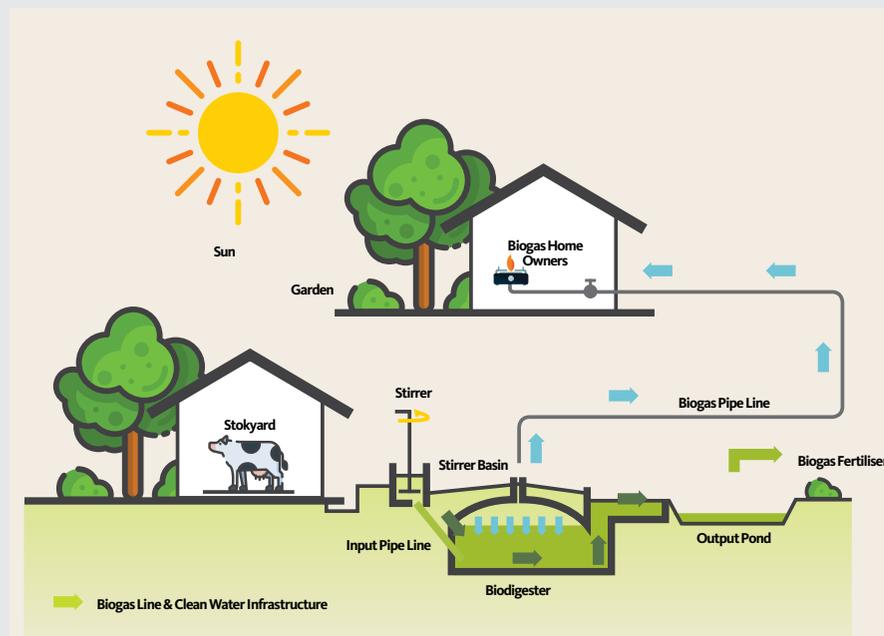


“This programme is very much in line with Etiqa’s humanising brand promise and reflects the basis of the insurance business, which is about helping people. We are fully aware that women entrepreneurs need help and therefore one of our target areas of focus is women.”

Kamaludin Ahmad, CEO of Maybank Ageas Holdings Berhad, the parent company of Etiqa Insurance Berhad and Etiqa Takaful Berhad

INDONESIA – MOUNT MERAPI DISASTER RELIEF

Maybank Indonesia has been working with the community at Mount Merapi since the devastating volcanic eruptions in 2011 and 2012. We supported the post-disaster rehabilitation programme and later helped the community in various environmental projects.



Biogas installation for residents of Mount Merapi.

MILESTONES

- 2009** Disaster relief for Mount Merapi eruption victims.
- 2010** Planted trees in Merapi in cooperation with the local community.
- 2011** Built infrastructure to provide access to clean water and purchased farm equipment.
- 2014** Biogas installation for residents of Mount Merapi.
- 2015** Conducted an impact study of the community and their needs.
- 2016** A consultation process was undertaken with residents to further understand their needs for a microfinance institution. The institution will manage the donations received for clean water infrastructure maintenance costs to ensure benefits are sustained. The funds collected will also aid sick residents.

Maybank Indonesia contributed to support and empower the residents of Mount Merapi, now known as Desa Binaan Maybank Indonesia.

In 2016, Maybank Indonesia supported the establishment of a Green Cooperative, together with Sedyas Samahita Memetri (Sesami). This capacity-building programme contains modules on financial literacy and development of environmentally friendly agricultural products.

COMMUNITY AND CITIZENSHIP

CAMBODIA – WATER FOR LIFE

Maybank Cambodia, in collaboration with the Embassy of Malaysia and supported by the Ministry of Rural Development of Cambodia, launched the ‘Water for Life’ project – an initiative to provide access to clean, safe water in rural areas in Cambodia.

The initiative helped to design and build a simple, effective, and affordable water filtration system to be used by more than 500 families based in three villages in Kampong Chhnang and Tbong Khmum provinces.

Lack of access to clean water leaves Cambodian children vulnerable to diseases such as diarrhoea, which is one of the leading causes of death among children under five. This initiative will generate far reaching social impact for the community at large.



Members of the Board and Management of Maybank Cambodia celebrating the launch of the Water for Life project with the Secretary of State of the Ministry of Rural Development and Ambassador of Malaysia to Cambodia, as well as volunteers from the Malaysian Polytechnic International CSR Volunteering Programme.



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. The latest population estimates indicate that there could be as few as 250-340 Malayan tigers left, and they are now classified as a critically endangered species. We are working with World Wide Fund for Nature Malaysia (WWF-Malaysia) and relevant governmental and regulatory agencies to do our part in supporting the conservation of the Malayan tigers.

In 2016, we executed 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 Belum-Temenggor by 2020. The conservation efforts include protection and monitoring of tigers, as well as engagement with communities. Maybank Foundation pledged RM1.2 million for the first year of the four-year project. Maybank Foundation has allocated RM5 million for this partnership over the coming five years, subject to an annual review of the results. It is a challenge to track immediate results in a conservation project but we are committed to the longevity of the project. Currently, we will track based on amount disbursed. We will endeavor to disclose results of the conservation efforts as the programme continues.

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 currently about 40 tigers live in the area. WWF-Malaysia has estimated that the conservation efforts in Belum-Temenggor will require a minimum of RM70 million over the next four years.



“Tigers are an inspiration for their majesty, strength, and agility. In them, our stakeholders see our brand attributes – of being courageous, genuine, creative, empathetic, and collaborative – giving them the confidence that we are there to create value while humanising financial services.”

Shahril Azuar Jimin, CEO of Maybank Foundation

D Detailed Indicators

Programme	2013	2014	2015	2016
Tiger conservation				
Amount disbursed (RM)	n/a	n/a	481,548	722,321

COMMUNITY AND CITIZENSHIP



HEALTHY LIVING

We have seen the importance of healthy living programmes in our own organisation, and want to extend those benefits to the communities around us. In addition to organising events for the public, like the Bali Marathon, we support initiatives that improve public health care and provide access to underprivileged patients.

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

D Detailed Indicators

Programme	2013	2014	2015	2016
Bali Marathon				
¹ Number of participants	2,210	3,272	4,009	6,478
Number of countries of participants	n/a	49	37	>43
Number of wheelchair participants	40	40	40	50
² Save a Child's Heart at Regional Paediatric Heart Centre, National Heart Institute of Malaysia				
Amount disbursed (RM)	484,745	392,967	317,683	610,609
Number of patients	19	17	11	18
Liver Transplant				
Amount disbursed (RM)	1 million	>1 million	1 million	n/a
Number of surgeries performed at Selayang Hospital's Liver Transplant Centre (cumulative since 2011)	60	63	66	82

¹ Previous year, we reported rounded of figures for number of participants since 2013 to 2015. This year, we report the exact figures since 2013 to 2016.

² In Sustainability Report 2015, we reported amount of RM2.55 million disbursed for this programme. However, the amount of RM2.55 million was pledged in 2012 for a five-year collaboration with the IJN. In 2012, one patient benefited from this programme. Since 2012 till 2016, we have disbursed a total of RM1.8 million, benefiting 66 patients.



INDONESIA

Maybank Bali Marathon (MBM) is one of the most sought after marathons in the world. In its fifth year, the MBM saw nearly 6,500 runners from more than 40 countries gather in Gianyar, Bali. The number of finishers in the full marathon category has increased from 410 finishers in 2013 to 1,760 finishers in 2016. Once again, the event included a 10km wheelchair race, while 50 athletes with disabilities took part in this international marathon.



- website: www.balimarathon.com
- Twitter: @BaliMarathon
- Facebook: Bali Marathon
- Instagram: @balimarathon
- YouTube: Bali Marathon
- Hashtag: #MBM2016



Flagging off the fifth Maybank Bali Marathon on 28 August 2016 at Gianyar, Bali.



CAMBODIA

Every day, workers from Village Malaria Workers (VMW), a volunteer organisation in the north western part of Cambodia walk long distances in the heat and rain to administer anti-malarial drugs, perform blood tests to diagnose malaria, and advise villagers to use mosquito nets. Maybank Foundation supported Soroptimist International Damansara's campaign, Cycling for Cycles 2016, that raised funds to purchase bicycles for the VMW in Cambodia.



Cheque presentation from the CEO of Maybank Foundation, Encik Shahril Azuar Jimin and the President of Soroptimist International Club of Damansara, Ms Joanne Yeoh to the Soroptimist International Phnom Penh, witnessed by the Minister of Foreign Affairs of Cambodia, H.E. Prak Sokhonn and Ambassador of Malaysia to Cambodia, H.E. Dato' Sri Hasan Malek.

COMMUNITY AND CITIZENSHIP



DISASTER RELIEF

We are committed to providing humanitarian aid in our disaster-prone regions and support communities in rebuilding their lives. We did not face any large-scale natural disasters this year, but we continued to invest in disaster preparedness. 2016 was the final year of our three-year partnership with MERCY Malaysia. Our financial support of RM1 million is used for disaster response, rebuilding, and risk-reduction programmes.

D Detailed Indicators

Programme	2013	2014	2015	2016
Disaster Relief (partnership with MERCY Malaysia)				
Amount disbursed (RM)	n/a	1 million	1 million	1 million

Highlights of the partnership in 2016:



INDONESIA

DONATED RM250,000

426 hygiene and family kits were procured locally and distributed to families.



Aceh was affected by a 6.5 magnitude earthquake in the Andaman Sea, northeast of the Indonesian province in December 2016. Maybank Foundation donated RM250,000 to meet the immediate needs and conducted assessments of further needs. The aid was delivered through MERCY Malaysia. Some 426 hygiene and family kits were procured locally and distributed to the families.



INDONESIA

LAUNCHED Building Resilient Communities Programme

in Karo Regency, North Sumatera Province, Indonesia.



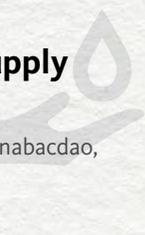
MERCY Malaysia and Maybank Foundation launched the Building Resilient Communities (BRC) programme in Karo Regency, North Sumatera Province, Indonesia. The programme raised awareness on disaster preparedness in the community located near the Sinabung volcano.



PHILIPPINES

IMPLEMENTED Clean Water Supply Project

in the community of Pinabacdao, east of Samar Island.



A clean water supply project was implemented in the community of Pinabacdao, east of Samar Island, that was hit by Typhoon Lawin. A total of 18,252 residents in 12 villages benefited from the project worth RM175,000, that included re-building four underground water tanks. This was the first water project funded by an NGO in the district since 1970s, even though Samar was hit by Typhoon Haiyan three years ago. Typhoon Haiyan killed more than 10,000 people and caused damage worth hundreds of millions of ringgit in the area.

COMMUNITY AND CITIZENSHIP

YEAR-ON-YEAR PROGRESS AND PRIORITIES

Education	Supporting access to education across the region to foster academic and non-academic excellence.				
	Year	2013	2014	2015	2016
	Financial literacy programme (number of students)*	72,000	102,580	53,020	75,000
	Scholarships disbursed (RM)	11,260,504	13,760,497	>14,000,000	23,000,000
	* In the 2013 and 2014 Sustainability Reports, we stated cumulative figures.				
Community Empowerment	Reaching out to communities across the region through empowerment programmes.				
	Year	2013	2014	2015	2016
	Reach Independence & Sustainable Entrepreneurship (R.I.S.E.) (number of participants)	n/a	280	200	1,411
	eMpowering Youths Across ASEAN (amount disbursed, RM)	n/a	n/a	1 million*	n/a
	Maybank Women Eco Weavers (amount disbursed, RM)	n/a	n/a	1.5 million	1.2 million
	Maybank Training & Learning Centre (TLC) (amount disbursed, RM)	n/a	n/a	201,000*	n/a
	Microfinance (KOMIDA) (number of women impacted)	1,634	2,439	2,748	1,131
	* The amount reported was approved in 2015, but disbursed in 2016.				
Arts and Culture	Leadership in promoting and preserving traditional and new forms of art and expression.				
	Year	2013	2014	2015	2016
	KataKatha (amount disbursed, RM)	n/a	n/a	822,974	n/a*
	Nukilan Jiwaku (number of People with Disabilities, (P.W.D.) artists supported)	25	28	29	Programme discontinued
	* n/a due to spending the amount disbursed in 2015.				
Environmental Diversity	Commitment to preserving environmental diversity across ASEAN, particularly through tiger conservation.				
	Year	2013	2014	2015	2016
	Tiger conservation (amount disbursed, RM)	n/a	n/a	481,548	722,321
Healthy Living	Enabling access to affordable healthcare, supporting premier sporting events in the region, and nurturing local talent.				
	Year	2013	2014	2015	2016
	Number of liver transplant surgeries performed at Selayang Hospital (cumulative since 2011)	60	63	66	82
	Total contributions to Selayang Hospital (amount disbursed, RM)	1 million	>1 million	1 million	n/a
	¹Save a Child's Heart at Regional Paediatric Heart Centre, National Heart Institute of Malaysia (number of patients)	19	17	11	18
	¹ In Sustainability Report 2015, we stated cumulative figures. This year, we report annual figures since 2013 to 2016.				
Disaster Relief	Supporting communities faced with natural disasters in relief and rebuilding.				
	Year	2013	2014	2015	2016
	Disaster relief contribution to MERCY Malaysia (amount disbursed, RM)	n/a	1 million	1 million	1 million



20/20 Sustainability Plan Objective:

BUILD THE MOST ENGAGED AND INCLUSIVE WORKPLACE THAT CONNECTS CUSTOMERS WITH OUR PEOPLE FOR HIGH IMPACT PERFORMANCE

Total learning budget utilisation

RM129 million



Training per employee Group-wide averaged at 32 hours, on par with The Association for Talent Development's (ATD, formerly ASTD) global benchmark

About 38% of total training hours were deployed via e-learning programmes.

Over 15,000 employees spent **104,285 hours** volunteering in 89 Cahaya Kasih initiatives.

Established Humanising Mission: **Five People Pillars**



Income per employee **RM506,258**

18% of our board members are women

(The above data is as at 31 December 2016. As at February 2017, 25% of our board members are women)

30% of top management are women

(Band D and above)



45% of management are women

(Band G and above)

Maybank GO Ahead. Challenge,

an international business case competition with a difference, continued to attract top graduates:

from **1,000 applicants** in its first year in 2012

- Over **5,000** in 2013
- Over **10,000** in 2014
- Over **23,000** in 2015
- Over **37,000** in 2016



Our Flexible Work Arrangement (FWA)

policy covers fixed flexible schedule, flexi time, flexible work location, and reduced hours or conversion to fixed hours of part time employment.

Number of employees on FWA in 2016 was 319.

MALE	FEMALE
90	229

OUR PEOPLE



OUR PEOPLE

20/20 Sustainability Plan Commitments				
Employee Engagement Platforms	Talent and Leadership	Learning and Development	Diverse and Inclusive Workplace	Safety, Health, and Well-being



We are operating in an industry that is being radically reshaped by sweeping forces of change. We drive programmes to ensure that we are an organisation that is capable to change, truly resilient and adaptive whilst remaining a reliable partner to our customers and a responsible corporate citizen to the communities that we serve. We implement new policies and approaches that challenge what is acceptable in order that our people and business are disruptor-ready.

We have a strong emphasis on talent development and in providing a caring, meaningful, enabling and exciting work environment. Our GO Ahead. Employer Value Proposition (EVP) empowers our people to go beyond boundaries, be creative and agile in dealing with unexpected changes or new unfamiliar disruptions that are fast happening. This ensures we clear paths for different ways to be explored to perform normal tasks.

Creating a superior leadership and talent pipeline was identified as one of the most critical focuses for Maybank to achieve its next phase of growth. For us, this means equipping our leaders and talent with global mindsets and skills of the future. We continue to work hard to develop our talent into individuals who are influential, responsible, and efficient in producing world class results while strongly demonstrating our core values – Teamwork, Integrity, Growth, Excellence & Efficiency, and Relationship Building – T.I.G.E.R.

G4-DMA OUR APPROACH M2

Our employees are crucial in delivering continued business success. Hence, we strive to build a competent, knowledgeable, engaged and inclusive workplace for our people to make better and informed decisions for superior and responsible business performance, as well as to strengthen our ability to efficiently serve our customers better. We also invest in creating a workplace climate that enables achievements.

OPPORTUNITIES

- To develop and equip our talent with the right skills, mindsets, behaviours and tools for them to be effective, agile, responsible and adaptable to sustain the organisation's performance and relevance to our stakeholders.
- To ensure our cultural transformation is relevant. We intensively focus on initiatives and programmes that enable our talent to thrive and flourish in the current and anticipated workplace and business landscape, supporting their professional and personal growth.
- Diversity of talent with the infusion of different generations at the workplace presents positive opportunities to harness competitive advantage for the organisation. It has been consciously driven since 2009, intensified further even more.
- Stronger reinforcement by leveraging on many levers from leadership role modelling, skills, impactful communications, self-check mechanisms, strong internal controls, recognition, and a robust internal redress mechanism.

CHALLENGES

- We are operating in times that are volatile, uncertain, complex, and ambiguous (known as the VUCA world order). Technology and disruption have revolutionised the way we do business.
- Managing a workforce that rides on digital-native strengths.
- Clarity of good ethics, integrity, conduct, behaviour, and expectations remain ever critical.



We are focused on Good Health and Well-being of our employees (SDG3). Through the Group Inclusiveness and Diversity Agenda (GIDA), we track progress against gender equality (SDG5). As an employer of choice in ASEAN, we continue to provide decent work and contribute to economic growth (SDG8).

OUR PEOPLE

2016 Targets



Strengthen our
CULTURE AND VALUES
through targeted programmes.



Build
CAPABILITIES AND COMPETENCIES
for competitive advantage.



Continue to build
ROBUST SUCCESSION PLANS AND PIPELINE
programmes.



Streamline and update our
GLOBAL HUMAN RESOURCES PRACTICES
and eliminate duplication.



Intensify our approach to the
HEALTH, WELL-BEING, AND SAFETY OF OUR PEOPLE
across the region.

Our Progress

In 2016, the Group committed to scaling new heights in its next phase of growth guided by our 2020 Vision of 'Advancing Asia's Ambitions with You' (or also known as Maybank²⁰²⁰). GHC's Maybank²⁰²⁰ roadmap outlines our strategic objective of 'growing and nurturing world class talent to deliver world class results', and establishes six human capital transformation goals. **P47**

We nurture a high-performing workforce to facilitate growth and deliver world-class business outcomes. Our Talent Management Framework is made up of four areas – Recruit, Perform, Develop, and Reward. It ensures that we have a sustainable talent pool by continuously attracting, developing, and retaining the right talent. **P50**

The Group used RM129.00 million in training and development, a slight increase from 2015. Our training portfolio is varied, and programmes are customised according to the needs of the employees and our business. **P56**

We believe that continuous learning and development is important to ensure our people have the right skills, knowledge, and abilities to increase their efficiency and excellence. Our learning and development policies follow the 70:20:10 development philosophy – which divides learning into experiential, relationship (mentoring and coaching), and classroom interventions – in those proportions. **P50**

At Maybank, we feel strongly about protecting the safety, health, and welfare of our most important asset – our people. Good health directly translates to more engaged employees, which is why we also encourage our employees to make changes towards a healthy lifestyle. **P60**

FOCUS FOR 2017

As we continue to identify and create breakthroughs on unlocking potentials in our diverse pool of employees, our efforts in 2017 will focus on ensuring that we drive and sustain employee engagement, creativity, operational excellence, and customer centricity.

We will continue strengthening the expertise of employees by preparing them to deliver world class business outcomes and performance to achieve the Group's strategic priorities and mission of 'Humanising Financial Services'.

Last year, we relooked our Employee Engagement Survey (EES) measurement tool and updated it against the organisation's business needs, as well as new vision, mission, and strategic objectives. The EES was administered in the first quarter of 2017.

OUR PEOPLE

OUR PEOPLE INITIATIVES FOLLOW THE FIVE PEOPLE PILLARS, ALIGNED WITH OUR HUMANISING MISSION:

<p>YOU MATTER 01</p> <p>We listen when you speak. Act on feedback. And make time to explain decisions.</p>	<p>DIVERSITY & INCLUSION 03</p> <p>You are valued for who you are and what you bring to the team, and we look for your uniqueness and embrace different views.</p>
<p>GO AHEAD. GROW 02</p> <p>You are encouraged, helped, supported, and enabled when you want to learn, develop, and grow.</p>	<p>RESPECT & DIGNITY 04</p> <p>We show the same respect to anyone, regardless of level, grade, or age. We are ethical in our dealings. And we have honest, open and trusting conversations with you.</p>
<p>FAIRNESS & TRANSPARENCY 05</p> <p>We strive to ensure you are informed. We encourage you to seize opportunities.</p>	<p>THOUGHT LEADERS IN FINANCIAL SERVICES</p>

Our GHC Maybank²⁰²⁰ roadmap outlines our strategic objective of ‘growing and nurturing world class talent to deliver world class results’. We focus on six human capital transformation goals:



In 2016, we changed the way the Group Human Capital (GHC) team operates in anticipation of the fast-changing work environment for us to realise our next phase of growth, guided by our Maybank²⁰²⁰ Vision of ‘Advancing Asia’s Ambitions with You’. The change aspired to influence the rest of the organisation to be agile in providing quicker and correct solutions as well as encourage desired ways of working across our footprint as an added advantage for the organisation.

We recalibrated the GHC structure based on its current relevance to the needs of the business and our talent. As part of the recalibration process, we invited employees to volunteer in critical projects, over and above their current tasks to encourage transformation – enabling them to unleash their potential and thrive. Many employees underwent rotations within GHC and contributed to projects beyond their job scope to learn new skills. Many of these projects created opportunities to improve operational excellence and facilitate more effective decision-making.



“In 2016, we leapfrogged our efforts to ‘future-proof’ the organisation by preparing our talent to navigate the ever changing economic, business, and social global landscape. We focused intensively on equipping our diverse workforce with the right mindset, skills, and tools to create breakthroughs and unlock potentials, and to be able to anticipate customers’ preferences and needs. We are committed to ensuring that our Corporate Culture, Talent Management, and Development Practices are best-in-class. Our ability to adapt to the changing business needs, continues to be a critical enabler of growth and performance of the organisation. Our focus is on finding progressive and responsible ways for our talent to innovate, adapt and evolve, as well as to be agile and nimble, and to act on changes successfully. We are thankful and humbled that our people transformation efforts continue to be recognised internally and externally.”

“ ” Puan Nora Abd Manaf,
Group Chief Human Capital Officer

OUR PEOPLE



G4-LA12

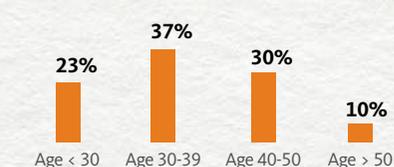
OUR WORKFORCE

Maybank has a global workforce with nearly **44,000 people of 43 nationalities in 20 countries**

Employee distribution (%) by geographical region



Employee breakdown (%) by age group



Employee breakdown (%) by gender



We have made sure that we have a flexible, open, and supportive working environment where everyone is valued and respected. We also encourage them to speak up and go the extra mile to deliver outcomes that we desire. Our employees walk beyond their comfort zone and are positive about dedicating their time and effort in making a difference in other people’s lives. Volunteerism not only benefits our communities and beneficiaries, but also empowers our employees and is an important tool in nurturing workplace engagement.

By the end of 2016, the largest age group in our workforce were those between 30-39 years old. This ensures a healthy pipeline and succession pool within the Group – that will enable us to deliver over the long term.

D Detailed Indicators

PEOPLE TRANSFORMATION THROUGH 2016’S MILESTONES

Succession Realisation for Mission Critical Positions rose to 81% in 2016 from over 30% in 2009, well above the global benchmark of 55%.

Mission Critical Positions	2014	2015	2016
Realisation target	60%	70%	80%
Achievement	70%	70%	81%

Ready-now Successors

2008	2015	2016
26%	34%	29%

Vacancies filled internally

Year	2015	2016
Target	80%	80%
Achievement (Malaysia Operations)	68%	71%

Regrettable loss was at almost 50% in 2009 and has trended significantly lower to 19% in 2016.

Global Benchmark	2009	2015	2016
25%	50%	15%	19%

Key retention rate

2009	2015	2016
52%	85.6%	81%

International exposure through international assignments

2013	2014	2015	2016
100	>130	167	159

OUR PEOPLE



EMPLOYEE ENGAGEMENT PLATFORMS



Maybankers gather at Menara Maybank to hear from our leaders on the Group's performance and key initiatives during the Maybank Group Townhall held quarterly.



Through LOTG, our leaders continue to appreciate, provide support and understand the needs of Maybankers.

Employee engagement is a key priority. The most important element is soliciting employee feedback and acting on it. For that, we use various platforms such as the employee engagement survey, conversation log, and other feedback mechanisms. In addition to our existing employee feedback channels that we have emplaced over the years, such as Ask Senior Management (ASM) and the Employee Engagement Survey (EES), a 'Speak Up' campaign known as Problem, Solution & Idea (PSI) was launched in 2016. The campaign's goal was to provide another avenue for employees to give honest feedback, share problems, highlight opportunities, and offer potential solutions. Within 48 hours, 505 PSIs were contributed. This new approach strongly emphasises our well-established system for H.O.T. (Honest, Open, and Trusting) conversations and open communication – which is part of our company culture. We conducted the Employee Engagement Survey between 20 February and 10 March 2017.

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 Maybank²⁰²⁰ Vision – allowing our people to connect to our common vision and mission. It is crucial that everyone understands what is required from them and is able to execute on this intent responsibly.

In 2016, our leaders continued the established employee dialogue sessions, such as:

- **Maybank Group Townhall / Sectorial Townhall**, where leaders share updates on the Group's performance and key initiatives as well as map out direction and expectations to deliver on our aspirations and strategic objectives. A total of five Maybank Group Townhalls were conducted at the Corporate Head Office.
- The **Leaders-On-The-Go (LOTG)** Series facilitates a two-way flow of information. During these sessions, the management engages with employees to understand their concerns regarding daily operations and to create a culture of recognition. Last year, the LOTG series was themed 'Our Maybank Our Future 2.0' in conjunction with the Maybank²⁰²⁰ Vision cascade. From 4Q FY2016 to 2Q FY2017, our Group EXCO would have covered 222 locations Group-wide.
- **Conversation Series with Chairman, Group President and Chief Executive Officer (GPCEO) and Group Chief Human Capital Officer (GCHCO)** continues to provide a platform for our talent to exchange ideas, speak their mind, and give feedback in face-to-face conversations with our top leaders. A total of 61 conversation series were held throughout 2016 where our top leaders engaged with employees around the Group.

- **Leaders Teaching Leaders** sessions are meant to instil leadership insights for employees' career and personal growth as well as encourage thought provoking conversations. The sessions consist of Maybank Group Induction Programme, EXCO Learning Engagement, EXCO Leadership Insights, The Guru Series, The Author Series, The Technical Expert Series, The Leadership Research Insight Series, Chit Chat With Leaders, and Mentoring Programmes. In 2016, 66 sessions were conducted and more than 2,000 employees benefited from these sessions.

OPERATIONAL EFFICIENCY AND SHARED CUSTOMER EXPERIENCE

One of the key outcomes from GHC's restructuring was the transformation of our HR Helpdesk into a new GHC Contact Centre that provides end-to-end solutions for our employees. The new Contact Centre responds to the need to serve our employees better and in a more responsive manner. New ways of contacting the team has been mapped out beyond email and phone calls. Jabber, an instant messaging platform was introduced in February 2017.

Our one-stop online employee portal, myHR2u is now used in 16 countries. Almost 50% of our employees in Malaysia logs into myHR2u on their mobile devices – using the application we launched last year, Mobile-On-The-Go. In 2016, we introduced new modules for our employees in Malaysia:

- Online Conversation Log, an online productivity tool, was introduced in Malaysia for pilot implementation in the second half of 2016. The Conversation log emphasises the need for prompt, corrective, and constructive feedback, with the aim to strengthen performance and productivity – responsibly and quickly.
- MyProfile now has a new look and added features, and the employees' information previously located in various modules within myHR2u has now been consolidated into a single view.
- Previously, the Maybank Organisation Chart module that provides a visual display of the organisation structure was made available only for Human Capital Heads. In 2016, it was made accessible to all Line Managers as well – to improve workforce planning, relationship building, and collaboration to support business growth.
- Online Functional Competency Assessments for employees were introduced as a pilot project to build a strategic Online Competency Information Database for convenience. This online tool provides a gap analysis of employees' skills and knowledge in their present job – to enable proper identification of intervention to improve capabilities.

OUR PEOPLE

G4-LA16

GRIEVANCE MECHANISMS

As an employer to nearly 44,000 employees, we need functional channels for solving any grievances employees may have. Our grievance mechanism makes sure employees can raise issues such as dissatisfaction regarding conditions of employment, relationships with colleagues or supervisors, or discrimination. When a grievance report is filed, an investigation will be conducted with due process. If no agreement is reached in a meeting between the parties, the complaint is 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. In 2016, we resolved 17 out of 22 grievances. There are five cases still going through the due process.



G4-LA10

TALENT AND LEADERSHIP

HIGH-PERFORMING CULTURE

We want to nurture a culture of high performance that generates growth and delivers on our vision.

We measure the productivity of our employees not only through performance appraisals and productivity-enhancing initiatives, but also by Profit Before Tax Per Employee and Income Per Employee. Our productivity, a direct return on our investment in people, has increased steadily over the last years. In 2016, our Profit Before Tax Per Employee was RM201,120 compared to RM199,129 in 2015. Our income per employee was RM506,258 in 2016, and RM462,116 in 2015, while overall income per staff cost is 3.94 times.

TALENT MANAGEMENT

In Maybank, we nurture a high-performing workforce to facilitate growth and deliver world-class business outcomes. Our Talent Management Framework is made up of four areas – Recruit, Perform, Develop, and Reward. It ensures that we have 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.

We employ world-class talent management tools. We use talent assessment and development tools that meet international standards and use evidence based approaches to manage our talent pool. We have enhanced our Performance Management System to ensure that performance feedback is given immediately to influence outcomes.

We also implement multi-level talent reviews for Sector, Country, and Group level and as a result, are stronger in identifying and developing our internal talent pool. The reviews are done twice a year, and have a 100% completion rate. The reviews look at the bench strength and succession for Mission Critical Positions (MCPs). Employees identified as high potential talent are supported by the organisation to accelerate their career development through specific development programmes.



“Emplacing new infrastructure, systems, and processes is not enough to bring about the level of change that is required in the organisation. A simple way to start is to have “Why not?” at the top of our minds every time we are confronted with something we are uncomfortable with. Teams and the organisation have a higher chance of coming out stronger and more successful when there is a strong shared vision and a high commitment to making new approaches work. It must be supported by learning and quick recovery – because to learn, you will make mistakes. This is only possible when we work collectively, our high appreciation of interdependencies ensure we move in concert towards our common goal.”

Puan Nora Abd Manaf, Group Chief Human Capital Officer

OUR PEOPLE

OUR STRATEGY FOR ACCELERATING TALENT DEVELOPMENT

The organisation employs the following four key strategies to accelerate the development of our talent:

01

TOP MANAGEMENT AS ROLE MODELS AND MENTORS



Our top management sets the culture and priority on talent development. The Board and top management spend significant amount of time in engaging, coaching, mentoring, and determining possible career paths for our talent. For example, our Conversation Series with Chairman and Group EXCO was continued and improved in 2016. Employees not only presented their personal development plans and progress to the leadership, but were also involved in action learning projects that are strategic to the organisation. Constant feedback, as well as honest and open conversations are weaved into all interventions – whether engagement, learning, or social.

02

ACTIVE LINE MANAGER INVOLVEMENT



- Intensive migration to immediate performance feedback captured in the system versus set periods
- Providing developmental feedback to talent at least every six months
- Creating on-the-job opportunities to grow talent's experiences
- Being a Role-Model Leader

In 2016, the organisation also further invested in up-skilling the line managers, who are critical in coaching and providing impactful on-the-job experiences for our top talent. Line managers provide developmental feedback to employees at least every six months. We have developed workshops for line managers on career paths, assessing talent for potentials, and on reviewing personal development plans. These workshops have helped to create on-the-job learning opportunities to grow talent's experiences. The average proficiency score of line managers who participated in the workshops have increased by 20%, post-workshop.

03

EMPLOYEES' COMMITMENT FOR LEARNING



- Supported stretching of oneself to take on new or expanded job challenges
- Seeking out various learning experiences, with multiple new channels introduced that facilitate self-driven pursuits
- Seeking feedback from line managers at least every six months

04

IMPACTFUL DEVELOPMENT EXPERIENCES



- On-the-job assignment beyond business-as-usual (BAU) (70%)
- Coaching and Mentoring (20%)
- Impactful Training (10%)

IMPACTFUL DEVELOPMENT EXPERIENCES

Our people's 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 cChange) and S.E.A.R.C.H. PLUS – a set of capabilities and competencies that include raising the bar, navigating complexities successfully, and heightening global acumen.



OUR PEOPLE

We have created our signature talent pipeline programmes as part of our commitment to growing and nurturing internal talent. The programmes, which encompass all career stages from entry level to top tier, 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 needs.

FOR OUR KEY TALENT ACROSS THE GROUP, THE TALENT PIPELINE PROGRAMMES ARE:

Programme descriptions	2015	2016
<p>Transitioning Leaders to CEOs (TLC)</p> <p>A three-year programme that prepares key talent to take on CEO-like roles. TLCians are international participants from Singapore, Indonesia, the Philippines, Cambodia, China, Myanmar, United Kingdom, Thailand and Vietnam.</p>	<p>41 participants</p> <p>40% were women</p> <p>82 participants have completed the programme since 2010</p> <p>21% are international participants</p>	<p>49 participants</p> <p>44% were women</p> <p>98 participants have completed the programme since 2010, 59% participants have had their roles expanded or progressed to other roles</p> <p>32% are international participants</p>
<p>The High Potential-Performer Integrated Programme (HIP)</p> <p>Designed to develop and equip young talent (executive levels) with the right leadership capabilities to prepare them for larger roles. In 2016, we launched the HIP in Maybank Cambodia with 39 participants.</p>	<p>More than 600 participants since 2013 (55% were women)</p> <p>120 participants completed the programme</p>	<p>308 participants (56% were women) (Malaysia only)</p> <p>206 participants completed the programme</p>



TALENT FOCUS: DALVIN KAUR

In the Asian Business Legal's annual celebration of women in Asia's Legal Profession, six key female lawyers were profiled and recognised. One of them was Dalvin Kaur, Regional Head, Legal, Maybank Investment Bank. She was recognised for making a mark in the industry as well as setting an inspiring example for others to follow.

Q: What are the highlights of your role as Regional Head, Legal?

A: I have always thrived on the idea of being able to add value to an organisation, to influence my business stakeholders, provide strategic solutions and I get great satisfaction from witnessing the development of the members of the legal team. Having worked across jurisdictions and products in mature financial markets, coming over to Maybank and positioned as Regional Head of Legal of Maybank Kim Eng, I am proud to bear witness to and participate in the fast changing legal and regulatory landscape of Southeast Asia. From on the ground strategic hiring in each local jurisdiction to setting up a regional legal team that now supports business units from conceptualisation to completion of a transaction is extremely gratifying.

Q: How has Maybank enabled you to go further and lead?

A: Maybank has enabled me to develop a thorough understanding of the unique and sometimes fractured legal systems with differing levels of sophistication. I actively participate in the local

court matters, through my litigation portfolio within Southeast Asia, implementing strong adaptability to local languages, laws and legal systems. Being a regional investment bank, rolling out products across Southeast Asia, Maybank Kim Eng has spurred me on to think deep about enhancing legal risk management and governance on a single platform basis and to aspire to be Asia's industry leader in the legal field. It has been a privilege to be recognised across South East Asia's legal industry, which I think only a platform as Maybank would have enabled. Therefore, I am most grateful for the opportunities that have come my way.

Q: What is your advice to Maybankers to succeed?

A: I encourage Maybankers to seize the many diverse challenging opportunities. Maybank is a platform for international experience, many of them being emerging markets – it is exciting! Actively leverage this and the diverse ideas and aspects of Maybank's business that we can learn and grow from. Never be afraid to embrace new challenges, enable, upskill yourself all the time and push yourself to your limits. Always remain visible.

Q: What are the challenges of being a successful woman executive? Does the gender issue hinder women from reaching the top? Please share your experience.

A: It is not the gender that makes the difference but rather, it is one's reputation and aptitude for dealing with the issues that matter. Increasingly, we see more women stepping up to the challenge, increasing participation in senior management as well as having thriving careers in areas of practice traditionally dominated by men. Female executives often find themselves struggling to balance their personal and family obligations with the relentless demands of their careers. Conventional work structures, particularly the need to be in the office 24/7 have been replaced with flexible working hours as well as being able to work remotely from home. This has greatly enabled female executives to continuously contribute to the profession and thrive in their careers yet being able to balance their personal and family lives.

OUR PEOPLE

TO NURTURE AND RETAIN HIGH POTENTIAL TALENT TO ASSUME KEY POSITIONS IN THE GROUP, THE ENTRY LEVEL PIPELINE PROGRAMMES ARE:

Programme descriptions	2015	2016
<p>Global Maybank Apprentice Programme (GMAP)</p> <p>Our entry level programme offers two-year rotational opportunities and best-in-class learning and development. It incorporates on-the-job training, international assignment to Maybank Offices worldwide as well as enrolment into the HIP Programme.</p> <p>Winner of ‘Best Management Trainee/Graduate Programme’ at the Malaysia’s 100 Leading Graduate Employers, by the gradmalaysia Graduate Recruitment Awards (GRA).</p>	<p>14 nationalities</p> <p>44% were women</p> <p>36% international assignees</p>	<p>16 nationalities</p> <p>41% were women</p> <p>40% international assignees</p>
<p>Branch Management Entry Level Pipeline (BMELP) Programme</p> <p>Introduced in Malaysia in 2011, BMELP grooms aspiring branch managers for the Group’s Community Financial Services (CFS) with intensive training in branch management, including a two-year attachment in a branch. Following its success in Malaysia, the BMELP was expanded to Cambodia in 2016. For the pilot phase, 10 talent were identified from Maybank Cambodia to join their colleagues from CFS Malaysia for the duration of six months training and on-the-job attachment, before continuing for two years on-the-job rotation in Maybank Cambodia.</p>	<p>Eight rollouts</p> <p>164 participants enrolled</p>	<p>Eight rollouts</p> <p>168 participants enrolled</p> <p>65% in the Acceleration Pool have been appointed to various key positions, 34% of whom were women</p>
<p>BMELP SME/BB</p> <p>An extended version of the BMELP Programme, designed specifically to build talent pool potential for Small and Medium-sized Enterprise (SME) or Business Banking (BB) management key positions. Participants undergo six months of formal training and on-the-job attachments at branches, SME Centres, and BB Centres before continuing with a one-year attachment at SME Centres. Participants will be fast tracked to assume their SME management role within five years.</p>		<p>28 participants since 2015</p>

OUR SPECIALISED DEVELOPMENT PROGRAMMES IMPROVE EMPLOYEES’ SKILLS TO PERFORM EFFECTIVELY IN SPECIFIC ROLES. THESE PROGRAMMES ARE:

Programme descriptions	2016
<p>Shariah Pipeline Programme</p> <p>Full sponsorship for undergraduate and postgraduate students who pursue studies for Chartered Islamic Finance Professional (CIFP) or Masters in Islamic Finance Practice (MIFP) qualifications at the International Centre for Education in Islamic Finance (INCEIF) for 18 months.</p>	<p>Sponsored 15 scholars</p> <p>40% have been absorbed into permanent employment</p>
<p>Global Banking Programme</p> <p>A two-year programme designed to enhance employees’ technical, leadership and strategic business development competencies for specific business sectors under Group Global Banking. A hybrid programme with on-the-job training and classroom training, leading graduates to be licensed practitioners.</p>	<p>14 participants since inception in 2015</p>
<p>Risk IT Architecture Pipeline Programme</p> <p>Develops sustainable pools of talent who are capable of providing solutions and creating innovation, while complying with the Group’s governance and risk requirements.</p>	<p>Five participants from the pilot phase graduated in 2016</p> <p>Graduates are deployed in various projects under Group Risk</p>
<p>Global IT Pipeline Programme</p> <p>Develops young, capable talent to become IT specialists, equipping them with both leadership and technical capabilities. The programme combines classroom-based and on-the-job training.</p>	<p>14 participants have graduated from the initial batch (commenced in 2014) and are currently deployed at Group Technology</p>

OUR PEOPLE

Programme descriptions	2016
<p>Relationship Manager Development Programme (RMDP)</p> <p>Aimed at strengthening the pool of Relationship Managers at entry level, intensive six months of classroom training and on-the-job experience at branches and Premier Wealth Centres (PWCs) complete with the licensing examination for unit trust and insurance products.</p> <p>Within less than a year in the organisation, five talent from our RMDP Rollout 1 have been identified to be fast tracked to become Relationship Managers.</p>	<p>Two rollouts</p> <p>51 participants</p>
<p>Branch Manager Certification Programme (BMCP)</p> <p>An industry-leading online assessment tool and certification for branch managers. The programme was rolled out nationwide in Malaysia and Cambodia, and covers the areas of Product Knowledge, Credit Analysis & Operations, and Personal & Leadership Effectiveness.</p>	<p>394 Branch Managers, Assistant Branch Managers and Heads of Performance Improvement sat for the assessment in Malaysia</p> <p>36 Branch Managers and Deputy Branch Managers undertook a similar assessment in Cambodia</p>
<p>Go Disrupt Challenge</p> <p>An innovative leadership learning intervention designed to develop strategic thinking and further equip our employees with digital skills. The training is a full day of role-play in the Digital Payments space.</p>	<p>45 participants</p>
<p>Maybank Elevator Pitch Challenge (MEPC)</p> <p>A development programme to train employees to articulate their thoughts concisely while engaging with various stakeholders. A training session culminates in the grand finale, where the participants pitch their ideas to the Chairman, Group EXCO, senior leaders, and Maybankers in an exciting, Live 'on the Spot' public challenge. We successfully launched MEPC in Maybank Philippines in 2016. A survey conducted amongst the MEPC 2016 participants and their line managers, post MEPC, indicated that 90% of managers saw improvement in their employees' engagement levels and would recommend this programme to others. Over 90% of the participants indicated that they progressed tremendously in their engagements with clients, colleagues, and senior leaders.</p>	<p>The third MEPC had 140 participants from Maybank Malaysia</p> <p>40 participants at Maybank Philippines</p>
<p>Maybank GO Ahead. Challenge (MGAC)</p> <p>An innovative and responsible recruitment platform. In 2016, the Challenge included the newly introduced Campus Activations and Inter-University Social Media Challenge to engage the students in unique and fun activities.</p> <div data-bbox="196 1674 1185 1828" style="border: 1px solid #ccc; padding: 10px; margin-top: 10px;"> <p>The Challenge was recognised as the 'Best Innovation on Campus' in the Graduate Recruitment Award 2016 for the 3rd consecutive year.</p> </div>	<p>Over 37,000 applications</p> <p>105 nationalities</p>



TALENT FOCUS: ZARIF AHMED Age: 26

Qualifications: MS in Actuarial Science, Columbia University, 2015; BSc in Mathematics with Management & Finance, King's College London, 2012

Job: Management Apprentice, Capital Management, Group Corporate Treasury

Has been with Maybank for: **1 year 8 months**

I joined the Global Maybank Apprentice Programme (GMAP) last year, attached to Maybank New York for 11 months. This was after my experience in the Maybank GO Ahead. Challenge (MGAC), which gave me an exciting exposure to the Maybank world. The first six months was a steep learning curve. Now I'm based in Menara Maybank,

Kuala Lumpur, and I've rotated into few different roles. This continues to challenge my adaptability and learning agility, and I take it as a valuable learning experience to shape me into the best person that I can be, professionally and personally.

My current rotation in Credit Evaluation is structured to introduce me to the core principles of assessing credit both in terms of regulations and the Bank's practices. Currently, I am studying the Bank's Credit Policies and Frameworks. I'm also gaining periodic exposure to cases that are currently being evaluated by the assessors and higher authorities. The latter part is quite interesting as it allows me to gain a more realistic understanding of how businesses and loan facilities are assessed. Moving forward, I will also be doing case studies on actual facilities and doing write-ups for credit evaluation draft papers.

OUR PEOPLE



TALENT FOCUS: NUR AMIERA AZLYN BINTI RAZALI Age: 24

Qualifications: LLB (Hons), University of Manchester

Job: Global Maybank Apprentice

Has been with Maybank for: **1 year 4 months**

As a Maybank Apprentice, I'm lucky to have the opportunity to rotate and experience various roles within the Bank. My first rotation was a three-week placement in a Maybank Branch to learn about the daily tasks, including customer care and assisting in loan management.

As part of the MGAC Organising Committee, my job involved liaising and managing stakeholders, crafting and planning communications, among other logistical works of the project. I recently completed my placement in the Legal department of Maybank Investment Bank, dealing with contracts, legal disputes, and non-disclosure agreements, among others. I am currently performing my three-month stint in the Strategy Department of Group Human Capital. Here, I'm able to get a holistic view of the evolving people policies and critical projects in Maybank that are critical to enable talent to be progressive and deliver excellence.

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

01 SKIM LATIHAN 1MALAYSIA (SL1M) PROGRAMME

supports the Malaysian Government's initiatives to improve the employability of unemployed graduates. The trainees undergo on-the-job training and rotation guided by supervisors.

Since 2011, Maybank has enrolled 1,057 trainees.

02 MY ASEAN INTERNSHIP

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

Since inception in 2015, **20 students have enrolled and four interns are currently at our offices in Cambodia and Indonesia.** These assignments and internship attachments are key elements of experimental learning.

03 MAYBANK SCHOLARSHIP AWARDS

help deserving students from low and middle income families by providing an opportunity to realise their dreams of studying in top universities. We place great emphasis in nurturing our scholars – regular communication and face-to-face meetings with our leaders offer the scholars an opportunity to get exposed to skills, behaviours, and capabilities required to perform effectively in high-performing organisations.

254 students benefited from scholarships in Malaysia in 2016. In total, we disbursed over RM23 million in scholarships in 2016. Maybank Indonesia also offered scholarships to underprivileged students from 34 provinces to study at top universities in Indonesia, Malaysia, and Singapore.

DO THE RIGHT THING

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

In 2016, we launched an internal awareness campaign themed 'Do the Right Thing' to help

our people better understand the impact of financial crimes and to emphasise the role each employee plays in preventing them. The campaign was driven through four key levers – Tone from the Top, Training & Learning, Communications & Engagement, and Monitoring, Accountability & Recognition – to create the desired impact immediately.

Some of our ongoing initiatives include:

- Anti-Money Laundering (AML) Assessment 2016
- Annual Maybank Ethics, Integrity, Risk, & Values Awareness e-learning Modules (the topics covered in this handy e-compendium are T.I.G.E.R. values, Code of Ethics, Risk Culture, Personal Data Protection Principles, and other essential guidelines)

- Weekly Values Capsules (encourage a good display of attitude and professionalism to impart lessons on living our core values)
- Know Your Staff Guideline (a guide to line managers to identify potential fraud or non-compliance)
- Cyber Security Awareness Assessment (an e-learning programme to create an awareness on cyber risk)
- News alerts on fraud and lapses

In 2016, we provided 41 training sessions related to fraud and ethics, and recorded a total of 20,241 training hours for our employees in Malaysia.

OUR PEOPLE



“As a regional organisation, our diverse workforce connects and collaborates across geographical, social, and cultural boundaries. This experience continues to provide us with an abundance of new knowledge and expertise – and having cultural literacy is key to navigate successfully. Talent with global ethical mindsets is critical in moving forward. We are committed to continuously developing talent who are responsible, responsive, and knowledgeable – focusing on individuals who are beyond than just being globally business savvy. They are talent who are strongly committed to good governance, and able to see the world using multicultural lenses in making and taking the right actions to achieve the desired results – for the growth and sustainability of the organisation.”

Banita Sandhu, Head of Group Employee Engagement and Internal Communications, Group Human Capital

Rewards and Remuneration

Maybank Group’s Total Rewards strategy is aligned to our Group’s strategic objectives in nurturing a high-performance culture that generates growth and delivers on our Vision. We embrace an integrated rewards strategy that focuses on providing the right remuneration, benefits, and career development/progression opportunities at the right time to enable employees to achieve their personal and professional aspirations.

Maybank Group’s Total Rewards is delivered holistically via the Group’s Total Compensation Framework which includes base pay, fixed cash, performance based variable pay, long-term incentive awards, benefits, and development, as follows:

Key Elements	Purpose
Fixed Pay	- Attract and retain talent by providing competitive pay that is externally benchmarked among relevant peers and location and internally aligned taking into consideration differences in individual performance and achievements, talent classification, skill set, job scope, and competency level.
Variable Cash	- Reinforce pay-for-performance culture and adherence to Maybank Group's Core Values. - Variable cash award design that is aligned with the long-term performance of the Group through our deferral and claw-back policies.
Long Term Incentive Awards	- Attract and retain employees who have a direct line of sight to the long-term sustainable performance of the Maybank Group.
Benefits	- Employee benefits provide employees with financial protection, access to health care, paid time-off, programmes to support work-life balance, and aims to remain relevant for a diverse workforce. The benefits programmes, which blend all elements including cost optimisation and employee/job needs, is reviewed regularly with proactive actions taken so as to remain competitive in the increasingly dynamic business landscape and continuously enrich our employees, as part of our total rewards strategy.
Development and Career Opportunities	- Opportunities provided to employees to chart their careers across different businesses and geographies.

A critical part of the reward and remuneration also includes recognitions for high achievers that encompass Branch Incentive Plan, Long Service Awards, Maybank Group Awards Nite, Overseas Study Tours, CFS Sales Convention & Awards ceremony, and Employee Academic Excellence Awards.

In 2016, 77 Best Employee Award nominees from across the Group were celebrated at the Maybank Group Awards Nite with the Board of Directors, Group EXCO, and 3,000 Maybankers across the Group.

Further details of our Group’s Total Reward and Total Compensation Framework are disclosed in the Annual Report 2016, page 136-137.



G4-LA9, G4-LA10

LEARNING AND DEVELOPMENT

We believe that continuous learning and development is important to ensure our people have the right skills, knowledge, and abilities to increase their efficiency and excellence. Our learning and development policies follow the 70:20:10 development philosophy – which divides learning into experiential, relationship (mentoring and coaching), and classroom interventions – in those proportions.

Digitalisation and changing landscape of financial services mean that our people need to constantly keep up to date with many new trends and technical solutions. We introduced alternative channels for learning and development that complement our existing ones to provide a more social, creative, focused, and resilient learning environment.

In 2016, the Group used RM129 million in training and development, a slight increase from 2015. Training hours per employee averaged at 32 hours Group-wide, on par with

The Association for Talent Development’s (ATD, formerly ASTD) global benchmark. In Malaysia, we supported our employees to pursue various professional qualifications and graduate studies under the Staff Education Assistance Scheme (SEAS). In 2016, we disbursed RM1,370,760 under SEAS.

Our training portfolio is varied, and programmes are customised according to the needs of the employees and our business. Our learning platforms include:

- Our flagship online learning portal, MyCampus continues to be well-utilised – about 38% of all training hours were delivered through e-learning programmes. MyCampus is now accessible in many countries and was used for over 368,636 hours last year. MyCampus was upgraded in 2016 and is now available on mobile devices. Since its introduction in 2005, we have seen a significant upward trend in usage of e-learning.

OUR PEOPLE

- Our latest addition to online learning is the Harvard Mentoring series with 40 self-paced modules that address a range of issues from self-improvement to team performance and results. The modules allow participants to interact with research experts and thought leaders online. Almost 4,500 employees have registered and utilised the programme, a 50% increase from 2015.
- Webinars are widely used, and employees and teams can participate or only listen to them, gaining current insights from industry experts across the globe.
- Credit Curricular Modules (CCM) are now available online. These modules that used to require 7.5 days classroom training have been compiled into 21 online learning hours, with an estimated cost saving of RM5.4 million. Targeted credit personnel need to complete all e-learning sessions under CCM Generic before attending the specialised face-to-face modules, i.e. Consumer, SME or Corporate/Commercial.
- Our learning and development hub, Maybank Academy (MA) has undergone major transformation. The refurbished MA with integrated resources and state-of-the-art technology offers a bright, modern look and feel to create an engaging and stimulating learning environment.
- We have leveraged the use of social media by creating online learning communities that foster learning among employees even after the end of the classroom sessions. These online communities enable peer-to-peer coaching and monitoring the effectiveness of learning beyond the classroom. Instructors are able to engage with the learners even after they return to their jobs, which facilitates transfer of learning.
- In 2016, we introduced a system for real-time feedback on the effectiveness of classroom sessions and tracking of participants' knowledge acquisition. Based on the feedback gathered during the classroom sessions, instructors can focus on areas where participants need the most attention and increase the impact of the programmes.

Building Digital Intelligence is important, as we are all exposed to many risks online – such as cyberbullying, technology addiction, scams, and data theft. This field is rapidly evolving, and we are working hard to ensure we are one step ahead. We embrace change, accept new ideas and, most importantly, prepare our workforce for the challenges we will continue to face.



DIVERSE AND INCLUSIVE WORKPLACE

Research shows that maintaining a diverse and inclusive workplace is important for a company's success, especially a regional one like ours. At Maybank, we believe that the diverse landscape across ASEAN is our biggest strength. We are the only ASEAN financial services group that has on-the-ground operations in all 10 ASEAN countries. With that comes a unique depth of understanding of the region. On the path of regional growth with our partners, we have learnt that our strength lies in our diversity, and our differences make us uniquely powerful.

Maybank's philosophy of embracing diversity and inclusion goes beyond gender, and continues to focus on identifying issues related to women and sustaining efforts to create a safe, inclusive, and equitable work environment for our people.

G4-LA12

GENDER EQUALITY

We take pride in our efforts to encourage women leaders to be able to accelerate their development, enhance performance, and to successfully balance the demands of their career and personal life. Tracking of gender representation and diversity at all levels of the organisation has been a part of Maybank's standard people dashboard since the start of the Maybank Transformation Programme. Our policy is to provide equal employment opportunities – in recruitment, promotion, transfer, or development – with meritocracy and fairness as the underlying principles.

The Group Inclusiveness and Diversity Agenda (GIDA) applies to all aspects of employment practices and activities. It ensures there is no discrimination or harassment, and that all nominations are made based on merit. It also includes initiatives to empower women and other minorities in areas of leadership.

55% of our employees are women. We encourage gender balance in the management, whereby 45% of management (Band G and above) and 30% of top management (Band D and above) were women in 2016. 18% of our board members were women. As at February 2017, with a new female in our board, 25% of our Board members consist of women.

D Detailed Indicators

Women in:	2009 (internal benchmark, the year our People Transformation Plan was established)	2014	2015	2016
Board including executive and non-executive directors	none	8%	10%	18% (As at February 2017, we have three female directors on the Maybank Board – which sums up to 25%)
Top management (Band D and above)	17%	31%	35%	30%
Management (Band G and above)	37%	46%	47%	45%



“Business leaders must continue to champion the mission to achieve the goal of having 30% of leadership positions held by women.”

Tan Sri Megat Zaharuddin Megat Mohd, Chairman of Maybank and a founding chair of the 30% Club Malaysia

OUR PEOPLE

PROGRESSING THE WOMEN AGENDA IN MAYBANK: MAYBANK WOMEN MENTOR WOMEN COUNCIL

OBJECTIVES:

To support women’s professional development across the Group, including increasing representation of women in top management. It also supports business in the delivery of products and services to female consumers.

The Council’s Vision is ‘to inspire Maybank women, and empower them to draw on their own unique leadership qualities that will enable them to elevate to the highest levels of leadership.’

In 2016, the Maybank Women Mentor Women (WMW) Council continued to drive the regionalisation of the Group Inclusiveness and Diversity Agenda (GIDA). It acts as a platform to inspire Maybank women, and empower them to draw on their own unique leadership qualities. In 2016, we formed Sub-Councils to drive leadership programmes and initiatives for women. There are now Sub-Councils in Indonesia, International Markets, Kim Eng Group, and Group Technology. Since the expansion, the number of Council committee members has increased from eight to 13 women leaders.



MAYBANK WOMEN MENTOR WOMEN (WMW) COUNCIL

Year	Programme descriptions
Late 2013	WMW Programme was launched and paired 35 women mentees with mentors from senior management (Band E and above).
2014	<p>Maybank WMW Council was formed to guide the regionalisation of Group Diversity and Inclusion, specifically on women leadership. The WMW Programme was integrated into the WMW Council as part of its structure and division of responsibility.</p> <p style="background-color: #fff9c4; padding: 5px;">Maybank was named as the ‘Best Malaysian Organisation’ at the Talent Corporation Malaysia’s Life At Work Awards 2014.</p>
2015	<p>Paired 44 women mentees with mentors.</p> <p>The Council organised various external and internal initiatives that focused on community engagement, with a number of programmes in place to support the development of women. Through Maybank Kim Eng, Maybank’s Invest ASEAN series were held in Malaysia, Singapore, Thailand, the Philippines, Vietnam, and Indonesia. It included exclusive ‘Brand ASEAN Woman’ sessions that focused on women’s role in capturing the opportunities in ASEAN.</p> <p style="background-color: #fff9c4; padding: 5px;">Maybank was named as the ‘Best Malaysian Organisation’ at the Talent Corporation Malaysia’s Life At Work Awards 2015.</p>
2016	<p>Paired over 100 women employees as mentors and mentees.</p> <p>Formation of Sub-Councils to drive leadership programmes and initiatives for women in the region.</p> <p>Community engagement continued to be an important part of the Council and Sub-Council initiatives, which included:</p> <ol style="list-style-type: none"> H.E.R. (Health. Empowerment. Richness.) 2.0 was held in Malaysia for the second time, themed ‘Journey to Health & Wealth’. It provided Maybank customers with access to healthcare providers and thought leadership on key health issues. Maybank Kim Eng’s Trade[&Give] Programme raised funds for women micro-entrepreneurs through brokerage activities. For more information about the Trade[&Give] Programme, see page 38 in the Community and Citizenship chapter. In Cambodia and Indonesia, one of Maybank Foundation’s flagship community programmes Maybank Women Eco Weavers programme, supported women entrepreneurs to become financially independent. <p style="background-color: #fff9c4; padding: 5px;">We garnered the ‘Platinum Award’ at the Life At Work Awards 2016. The Platinum Award is given to the organisation that has won a Life@Work award category for three consecutive times or more.</p>

OUR PEOPLE

A CARING AND FAMILY-FRIENDLY ORGANISATION

As a caring and inclusive organisation that always champions family-friendly initiatives and work-life integration, we continuously review our people policies and programmes, in line with our continuous efforts to humanise people management.

At the start of 2017, we introduced two new policies, namely the Enhanced Maternity Leave Policy and the Sabbatical Leave Policy, as part of our many initiatives to create a meaningful and exciting workplace experience for employees to successfully thrive and empower them to integrate work and life, smoothly.

For the Enhanced Maternity Leave Policy, eligible female employees are now allowed to extend their maternity leave for up to 365 days. In addition to the existing 90-day maternity leave with full pay, the new policy allows an employee to apply for an additional leave of three months with half-pay, and further six months with no pay.

Our Sabbatical Leave Policy allows eligible employees to take a career break for a minimum duration of three months to a maximum duration of 24 months, with the guarantee and comfort of returning to work. Both the policies introduced for employees do not constitute a break in an employee's employment, and offer continued medical and insurance coverage, in accordance with the employee's benefit grade.

Eligible employees are entitled to parental leave regardless of their gender and marital status. In 2016, total of 2,441 employees used their parental leave.

Total number of employees who took parental leave

	2013*	2014*	2015*	2016**
Male	755	864	888	928
Female	1,403	1,558	1,131	1,513

Note:

* Malaysia only

** Started tracking Group-wide

We have, over the years, introduced innovative solutions to create a family-friendly workplace, and they are now well established. Such policies include family benefits, Maybank Tiger Cub Childcare Centre (MT3C), lactation rooms, gymnasium for women, designated car park for expecting mothers, and various other health and wellness programmes. Our Flexible Work Arrangement (FWA) is highly appreciated amongst employees. 72% of those on FWA in 2016 were women.

Number of employees on FWA

	2014	2015	2016
Total	204	315	319
Male	74	100	90
Female	130	215	229

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 employees' benefits. In 2016, TKKKM disbursed RM380,845 to 133 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, 462 children of employees received a total of RM209,000 under this award.

HIRING PEOPLE WITH DISABILITIES

We hire people with disabilities based on suitability for the role.

Year	2014	2015	2016
Number of disabled employees	9	12	13

VOLUNTEERISM

In 2016, we celebrated the 4th year of our flagship Cahaya Kasih (CK) employee volunteerism programme. CK encourages Maybankers to come together as agents of change and positively impact the beneficiaries and communities we serve. There is a 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 voluntary efforts of our employees, we address needs of the communities, build relationships, support recruitment and retention, and strengthen our internal culture. CK projects and causes follow the focus areas of our sustainability work – Community Empowerment, Education, Healthy Living, Environmental Diversity, and Arts and Culture.

The annual highlight of the CK Programme is the Maybank Global Corporate Responsibility (CR) Day. On this day, Maybankers across the world come together and create a visible 'Force of Good'. In 2016, on the 7th Global CR Day themed 'Enabling Communities with Solutions', 15,267 Maybankers attended various corporate responsibility initiatives worldwide.

OUR PEOPLE

Maybankers across the Group undertook 89 initiatives with the principle of ‘Paying It Forward’ weaved into their activities:

COMMUNITY	TOTAL INITIATIVES
Orang Asli	4
Public Communities (Villagers, Park Visitors, Mass Public)	18
Underprivileged (Single Mothers, Rural and Urban Poor, Shelter Homes)	26
Handicapped (Permanent Disabilities, Deaf, Blind)	7
Learning Disabled (Autistic, Down Syndrome)	7
School Children	12
University Students	2
Senior Citizens	5
Orphanages	7
Refugees	1
GRAND TOTAL	89

Some of the activities undertaken by employees were:

- Awareness raising campaigns and fundraising for special needs students, the National Autism Society of Malaysia (NASOM), and child patients at the University of Malaya Medical Centre Cancer Unit.
- Mentoring and supporting indigenous and financially disadvantaged communities in environmental efforts: planting trees in public parks, cleaning up rivers and wetlands, as well as promoting waste-recycling among Maybankers and the communities at large.
- ‘River of Life’ People Outreach Programme, an initiative that improves riverine ecology in the community of Taman Melawati, whilst promoting community inclusivity through urban farming at the river bank.
- Maybank Kim Eng Indonesia took up the challenge of reducing wastage and educating the community on the importance of waste management in their initiative ‘Too Good to Waste’.

In 2016, our employees spent 108,863 hours volunteering for CK programme and Group-wide initiatives.



#MaybankCRDay2016
#mymaybank
#maybankcares



SAFETY, HEALTH AND WELL-BEING

G4-DMA, G4-LA6

OCCUPATIONAL SAFETY AND HEALTH

A sustainable organisation must strive to balance its policies concerning people, planet, and profit, to achieve long-term success. At Maybank, we feel strongly about 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 also encourage our employees to make changes towards a healthy lifestyle.

We have a solid Occupational Safety and Health (OSH) Policy. Our OSH Central Committee holds its National OSH Secretaries Meeting once a year to ensure consistency in policies and communications. OSH guidelines and practices are implemented by our Occupational Safety and Health (OSH) unit. It also ensures that we comply with national OSH regulations. E-learning platforms are among the tools that are being deployed for awareness and safety-compliance training.

The NIOSH-Maybank Safety Passport (NSMP) programme ensures health and safety of all contractors at work in Maybank’s main buildings and premises. Maybank’s First Aid Standby Team (FAST) is based at Corporate Head Office, Dataran Maybank and Region offices in Malaysia to assist in emergencies in the Bank’s premises and during the Bank’s events. To date, we have 10 certified FAST teams in Malaysia and with plans to set up teams in the other countries according to their needs.

Various initiatives are organised annually to increase the awareness on OSH and comply with the regulatory requirements. In 2016, we implemented a number of significant OSH initiatives, such as:

- Launched the OSH Committee e-learning to strengthen the OSH Committee framework nationwide.
- Conducted five sessions of ergonomics workshops to address musculoskeletal problems amongst office employees.
- Organised two sessions of safe commuting programmes at Region Pahang, Kelantan, and Terengganu in view of the rising number of accidents in the East Coast Expressway.
- Conducted Menara Maybank Road Safety Advocacy Campaign.

2016 Occupational Safety and Health Report;

Total recordable injury frequency rate:	0.003
Occupational disease:	NA
Severity rate:	0.009
Number of work related fatalities:	NIL

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

OUR PEOPLE

THE MENARA MAYBANK ROAD SAFETY ADVOCACY CAMPAIGN 2016

The campaign was a joint-collaboration between Maybank and Jabatan Keselamatan Jalanraya (JKJR), Dewan Bandaraya Kuala Lumpur (DBKL) and Polis DiRaja Malaysia (PDRM). The campaign aimed at raising awareness on the importance of being safe on the road and to encourage a positive change in drivers' behaviour was organised in time for the year-end long school holiday break.

During the campaign:

- We gave new, approved helmets for free to motorcyclists with non-approved helmets.
- Car and motorcycle owners were given safety checklists to help them ensure their vehicles are kept in good and safe working condition.
- A PDRM pay-traffic summons counter was located at the Balai Seni at Menara Maybank for employees and customers to check and pay their traffic summonses.



Puan Nora Abd Manaf giving away brand new approved crash helmets for free to motorcyclists.

HEALTH AND WELLNESS PROGRAMMES

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 important aspects of humanising people development and management, increasing employee satisfaction and retention, as well as improving productivity. In 2016, we focused on health education and preventive care, regular physical exercise, and promoted healthy eating habits. Through our 49 Health and Wellness Programmes, we have recorded a participation rate of more than 8,000.

Sports facilities are available in many of our branches and offices, such as the 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.

We used employee communication channels to publish articles related to health and wellness, and created a Wellness Corner on our Employee Portal to have the articles easily available on a single platform. Our Wellness Champions, who also are the OSH Committee members, disseminate these information, implement health and wellness activities, and share best practices to inspire and motivate their colleagues to stay healthy.

Regular blood donation drives were conducted and 600 blood donors were registered at the Head Office. In 2016, Maybank was recognised by the Ministry of Health Malaysia for the Bank's support in organising blood donation drives, internally.



Maybankers go out in full force to make the 'Fruitilicious' Day such a delight.

HEALTH EDUCATION AND PREVENTIVE CARE

- Health & Wellness Carnival – complimentary basic health screening
- Back screenings, first aid training, and ergonomics workshops
- Monthly Noon Talks and weekly communication on topics related to health, wellness, and fitness
- Defensive Driving Workshops

HEALTHY EATING

- Healthy eating campaign – Fruitilicious Day
- Information sharing on calorie count and the food pyramid
- Encouraged employees who have made lifestyle changes to share their experiences on its impact on their life and work

OUR PEOPLE

HEALTHY LIFESTYLE THROUGH REGULAR EXERCISE

- Morning stretching exercise three times a week (at Menara Maybank and Maybank Academy), exercise classes at MRC, sports and fitness facilities at Corporate Head Office, Dataran Maybank, Maybank Group Customer Care (MGCC) and Maybank Academy and a corporate rate for premium gym membership at Celebrity Fitness Malaysia
- Sports activities via Kelab Sukan Maybank Berhad (KSMB), Maybank Indoor Games, and Fit Tigers Day in conjunction with National Sports Day (Hari Sukan Negara)
- Pedometer Challenge
- Personalised coaching by internal sports specialists on weight and fitness management
- The after-work club, E-Cube (E3) at Maybank Philippines has several activities and programmes related to health and lifestyle, entertainment, food, and sports

COMMITTED TO MAKING A DIFFERENCE FOR A HEALTHIER LIFESTYLE

“Besides committing to the exercise regime, I consciously measured my calorie intake and ensured that I drank at least two litres of water every day. Visiting nutritionists made a difference to me by teaching me which types of food to avoid and how to measure food portions and total calories of my daily intake based on my height, weight and goal, which can be either to maintain or to reduce weight.

The positive changes in me had also an effect on my children as they too started watching what they consume and doing more exercise. They are making good progress in maintaining an ideal weight and appear healthier and fitter.

After consciously making these changes in my life, I realised that I can perform my office tasks much better as I have become more alert. I find myself seldom falling sick and my knee pain has disappeared completely.

I would strongly recommend the Trim and Fit programme especially to those who suffer from backache, a slipped disc or knee problems, but really to all Maybankers. Maintaining a healthy lifestyle brings about many positive benefits to both the individual and the organisation. The end result of a healthy you is feeling, looking and living your best.”

Rafiza Mohd Shaffie
 Maybank Tiger Cub Childcare Centre (MT3C),
 Employee Volunteerism and External Relations,
 Group Employee Engagement & Internal Communications,
 Group Human Capital

YEAR-ON-YEAR PROGRESS AND PRIORITIES

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
	% of employees appraised (based on employees who are eligible to participate in the year-end appraisal)		100	100	100	100
Talent and Leadership	Nurture talent by providing the appropriate support for growth and the opportunity to excel in the organisation.					
		Year	2013	2014	2015	2016
	Profit before tax per employee (RM)		185,669	193,695	199,129	201,120
	Income/Staff Cost		3.75x	3.69x	3.68x	3.94x
	Succession Cover Ratio (number of successors over Mission Critical Positions)		4.1:1	3.9:1	4.57:1	4.3:1
	International mobility (number of talent)		100	>130	167	159

OUR PEOPLE

YEAR-ON-YEAR PROGRESS AND PRIORITIES

Learning and Development	Investing in the long-term development of our people and improving capabilities across the organisation.				
	Year	2013	2014	2015	2016
	Learning and development spend (RM million)	118.87	120.00	114.00	129.00
	Average training hours per employee	45.31 hours	33.68 hours	35.00 hours	32.00 hours
Diverse and Inclusive Workplace	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
	Women in top management, Band D and above (%)	31*	31*	35	30
	Women in management, Band G and above (%)	42*	46*	47	45
	Women below 30 years of workforce (%)	14.5	15.3	16.2	13.9
	Age group of workforce (%)				
	< 30	30	28	27	23
	30 – 39	38	38	37	37
	40 – 50	25	26	27	30
	> 50	7	8	9	10
	Employee volunteer participation for CK and other initiatives	23,513	26,200	<ul style="list-style-type: none"> • 16,559 (Global CR Day) • 6,982 (Other CK efforts) 	<ul style="list-style-type: none"> • 15,267 (Global CR Day) • 6,127 (Other CK efforts)
	Employee volunteer hours for CK and other initiatives	178,422	142,900	<ul style="list-style-type: none"> • 89,806 (Global CR Day) • 29,791 (Other CK efforts) 	<ul style="list-style-type: none"> • 77,361 (Global CR Day) • 26,924 (Other CK efforts)
	Employee volunteers for Global CR Day	19,001	24,971	16,559	15,267
	Number of volunteer hours for Global CR Day	Not tracked	129,921	89,806	77,361
Number of CK initiatives Group-wide	105	96	102	89	
* Excluding Maybank Indonesia					
Note:					
Employee volunteer participation for other initiatives: Maybank Head Office also organises festive celebrations and other volunteerism efforts. In 2015, we had 661 employee volunteer participation (or 3,320 employee volunteer hours). Meanwhile, in 2016, 620 employee volunteer participation (or 4,578 employee volunteer hours) for other initiatives.					
Safety, Health and Well-being	Improving safety as well as work-life balance.				
	Year	2013	2014	2015	2016
	Occupational Safety and Health: Total recordable injury frequency rate*	0.006	0.005	0.002	0.003
	Health and wellness programmes (number of participants)	> 3,400	> 5,000	5,000	> 8,000
	Number of health & awareness sessions	-	-	56	49
Average monthly attendance of fitness classes at our recreation centre	Only operational in 2015		3,823	3,926	
Note:					
* For Maybank Malaysia (including Maybank Kim Eng and Maybank Islamic Berhad, but excluding Group Insurance & Takaful) as it is covered by different entities submission. Data is as reported to Department of OSH (DOSH) Malaysia every 31 January.					



20/20 Sustainability Plan Objective:

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

Financed **27** projects with **RM307 million** Green Technology Financing Scheme (GTFS)

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

Customer experience –
Maybank remained No. 1 in the Malaysia Net Promoter Score (NPS) customer index 

Provided loans for **15 green tech projects** outside GTFS worth about **RM340 million**

Group-wide zakat contribution over **RM19 million**

Granted loans for RSMEs worth **RM12.6 billion,**
'Spoke and hub' distribution model in Malaysia: **39** hubs and **67** spokes in **315** branches

Raised more than **RM550,000** through our newly launched crowdfunding platform – MaybankHeart

M2U processed a total of **2.90 billion** online transactions worth **RM260.52 billion** in Malaysia, Indonesia, Singapore, the Philippines and Cambodia.

95.9% of procurement spent in Malaysia is through local suppliers with a value of **RM1.1 billion**

ACCESS TO PRODUCTS AND SERVICES



20/20 ACCESS TO PRODUCTS AND SERVICES

20/20 Sustainability Plan Commitments			
Commitment to the Environment	Focus on Customers	Digitalisation	Product Stewardship



We aspire to be the 'Digital Bank of Choice' by putting our customers' preferences first and transforming to deliver next-generation customer experience.

G4-DMA OUR APPROACH

Our business will thrive further when embedded with elements of good governance, social innovation, and environmentally sound management. We are committed to getting to know our clients' businesses, including understanding the social and environmental issues of the sectors that we bank on. Digitalisation, access to finance and funding the small businesses that fuel growth and livelihoods remain high on our agenda.

We are committed to offering excellent customer service and providing innovative financial services solutions to all of our stakeholders. We endeavour to produce products and services that not only meet our customers' current needs but ensure they meet the rapidly changing requirements of our digital age. For us to maintain our powerful and distinctive position in the marketplace, we cannot afford to lose sight of our goal – providing access to financial services and focusing on product stewardship.

We strive to integrate Environmental, Social and Governance (ESG) considerations into our products and services by 2020. As an industry, we are also exposed to additional impacts through companies and industries we finance.

OPPORTUNITIES

- We are addressing barriers to access to finance including low financial literacy and inability to access digital services. Our branches are serving as a platform to connect customers to our digital solutions.
- With Responsible Lending Guidelines in place, we are identifying strategies to not just understand ESG impacts of transactions but also how to enhance our support of low-carbon businesses.
- The various programmes in place provide financing for crucial segments of the economy. Our efforts include large infrastructure projects right down to microfinancing. We are looking at improving our reach towards SMEs.

CHALLENGES

- Responsible lending is key to supporting our humanising mission as we operate in a region fraught with economic disparities.
- Financing social and environmental segments including education, housing, infrastructure, energy efficiency and health.
- Digitalisation is a key enabler for financial inclusion. We are always looking for new ways to enhance our products and services particularly by leapfrogging our digital platforms.



We have a resolute focus on access to financial services and digital innovation (SDG9) as well as responsible lending (SDG12). SDG8 includes supporting our focus on small businesses. At the same time, our environmental financing efforts through the Malaysian Green Technology Financing Scheme (GTFS) are directly aligned with SDG13 Climate Action.

ACCESS TO PRODUCTS AND SERVICES

G4-DMA, G4-EC2

OUR ENVIRONMENTAL AGENDA

Our environmental agenda focuses on the following key issues:

- Resource scarcity – The natural resources supporting all businesses are finite, and the increasing 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. We are increasing our financing for green technologies as a response to the increased need for climate related financing.

In 2016, Maybank:

- Financed 27 GTFS projects with RM307 million. We are also one of the largest financers for the green tech segment outside the GTFS. In 2016, we provided loans for 15 green tech projects worth about RM340 million.
- Continued to reduce our operating costs through a strong focus on resource efficiency. We enhanced energy consumption tracking in our operations in Malaysia, and are able to disclose electricity and paper consumption for selected offices and branches. We are harnessing digital technology in order to save paper and create less waste. In 2016, our paper usage decreased 2.5% from 2015.
- Continued to participate in CDP. In this fifth year of participation, our progress towards environmental stewardship reached the level ‘Awareness’.



COMMITMENT TO THE ENVIRONMENT M3

G4-DMA

MANAGING OUR ENVIRONMENTAL IMPACTS

We consider the direct and indirect impacts of our business on the environment and manage our ecological footprint as we grow regionally. 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 important way to control the direct impact of our operations on the environment is how we use the resources in our buildings and manage our business travel. In addition to managing our carbon footprint, the scope of our environmental management programme also includes water and paper consumption, as well as waste recycling.

OUR FOOTPRINT

In 2016, we continued with our efforts to cut down our carbon footprint by using less electricity. We are working towards low-carbon operations, and strive to monitor and further reduce the direct and indirect emissions from our operations.

We made progress in energy efficiency, waste management, and moving towards a paperless environment. Owing to innovative e-banking and internal solutions, paper usage was managed efficiently. However, we will be monitoring usage even more closely in the coming year to increase efficiency.

The Property Go Green Council (PGGC) has been addressing environmental issues within the Group since 2011. The committee consisted of teams from the Property, Security, and Valuation department. We reviewed the mandate of the PGGC as part of internal restructuring in 2016. Environmental impacts must be considered in all of Group Property’s activities, whether new projects or current activities. The issues previously discussed by the PGGC are now deemed business-as-usual, hence the committee is no longer required as a standalone body.

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

We continue to focus on managing our carbon footprint. We have participated in the CDP for five years, and were the first Malaysian financial institution to take part. We are committed to the process and continue to disclose our carbon footprint.

In our fifth year of participation*, we were awarded grade ‘C’. CDP has 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. However, CDP began scoring in 2011.

ACCESS TO PRODUCTS AND SERVICES

Consistent with our commitment to transparency, we identify, develop and implement new ways to improve disclosure on our carbon footprint. We commenced installing a power optimisation system in all Maybank offices and branches in 2015, and expressed our commitment to disclosing data on our carbon footprint covering all operations in Malaysia last year. In 2016, we managed to report on selected operations in Malaysia and Singapore and will continue to improve the tracking system of our internal environmental impact.

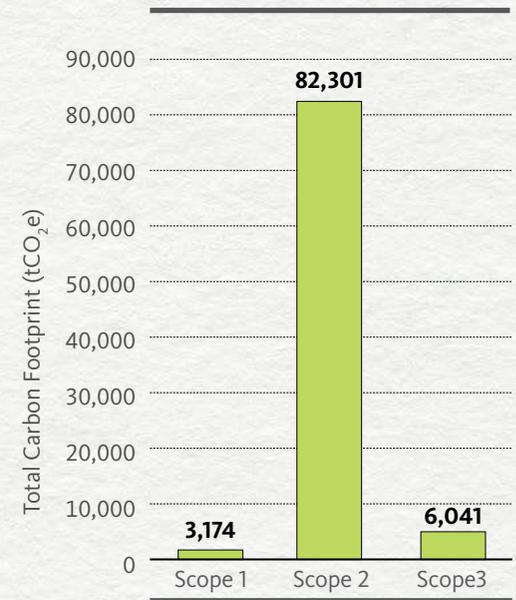
In 2016, our carbon footprint covers direct and indirect emissions across Malaysian operations as follows:

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 2016, our total GHG emissions were 91,528 tonnes*.

Last year, we improved the scope of our disclosure to encompass Scope 1 and 3, which was reflected in the increase in the total amount of GHG emissions. Most of our emissions result from Scope 2, followed by Scope 1 and Scope 3.

Last year we started to report on our air travel emissions. 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.



*** Note on data collection:**

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, data was collected from all relevant departments and selected vendors. Emissions from diesel generators, fire extinguishers, and air-conditioning gas were calculated using a conservative approach of multiplying the amount of substances refilled by their respective global warming potential.
 - Diesel and petrol consumption of company-owned cars is limited to Menara Maybank, Maybank Islamic Berhad, and selected vehicles in Singapore.
 - Diesel generators cover selected branches and six strategic buildings excluding Maybank Academy in Malaysia.
 - Fire extinguishers cover selected branches and six strategic buildings in Malaysia, and selected operations in Singapore.
 - Air-conditioning data covers selected branches, Menara Maybank, MGCC and Maybank Academy in Malaysia and selected operations in Singapore.
- 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. However, the information via myHR2u does not track the basic attributes (such as airport departure and arrival, and class) that are necessary for the calculation. As a result, the Scope 3 calculation is limited to bookings made via our travel agency that covered 58% of all travel in 2016. 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>). 
 - Road travel data covers 100% of data in Malaysia, captured via myHR2u.

Carbon footprint journey 2012 – 2016

2012	2013	2014	2015	2016
<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.

This is the first year that we are 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.

ACCESS TO PRODUCTS AND SERVICES

G4-EN3

Electricity Consumption

We operate in six strategic buildings and 363 branches in Malaysia. In 2016, our total electricity consumption at the six strategic buildings was 51,387,335 kWh. To reduce GHG emissions and energy use, we need to further improve energy efficiency of our offices and branches. We will aim to report on improvements in the coming year.

Electricity consumption 2012-2016

2012	2013	2014	2015	2016
Electricity consumption of 5 strategic buildings in Malaysia; 51,901,562 kWh	Electricity consumption of 5 strategic buildings in Malaysia; 50,883,688 kWh	Electricity consumption of 6 strategic buildings in Malaysia; 54,279,358 kWh	Electricity consumption of 6 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*

* Enhanced scope in 2016

Energy efficiency initiatives in 2016 included:

Ventilation project at ground floor and basement car park of Menara Maybank

The main objectives of the ventilation projects at car parks of Menara Maybank are to comply with fire safety requirements and improving indoor air quality. Without an appropriate system in such closed space there is a risk of carbon monoxide (CO) poisoning. The new ventilation system, installed in 2016 and to be completed in March 2017, has the capability to control the CO content, and sustain it at less than 10ppm, thus meeting the requirement of COP IAQ 2010. During the project we also renovated the whole ceiling area at ground floor and replaced old lighting with an LED system that helps us achieve significant energy savings. We will continue regular maintenance and upgrading our facilities for better efficiency and cost savings in the coming years.

G4-EN8

Water Consumption

Although water is not material to us, we track our consumption. Because of our size, water reduction initiatives can have significant impact. Water consumption in our six strategic buildings was 542,646 m³ in 2016, compared to 656,476 m³ in 2015. The reduction in usage is due to more efficient water usage by our users.

Water consumption at Menara Maybank

	2013	2014	2015	2016
Total water consumption (m ³)	275,613	230,019	312,351	192,307

Water consumption 2012-2016

In 2015, we experienced some leakages in our pipes, hence the high amount of water consumption.

2012	2013	2014	2015	2016
Menara Maybank water consumption; 256,818.16 m ³ .	Menara Maybank water consumption; 275,612.50 m ³ .	Water consumption of six strategic buildings in Malaysia; 602,115.79 m ³ .	Water consumption of six strategic buildings in Malaysia; 656,476.00 m ³ .	Water consumption of selected branches and six strategic buildings in Malaysia and selected operations in Singapore; 753,524.00 m ³ .

Water is supplied from the municipal water sources throughout our operations in Malaysia.

G4-EN1

Paper Consumption

In the 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 2016, our paper usage decreased 2.5% from 2015.

In 2016, we are able to disclose paper consumption for Malaysia and Singapore. 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.

Paper consumption for Malaysia and Singapore (sheets)

Country	2014	2015	2016
Malaysia	236,283,832	263,846,748	262,570,998
Singapore	(Started tracking for reporting in 2016)		28,874,465

Note: Data covering headquarters and all branches.

Towards Paperless Banking

We have taken important steps towards paperless banking in all the countries in the region. Savings in paper usage has been achieved, thanks to digital solutions, less printing, and moving some of our internal processes to mobile platforms.

ACCESS TO PRODUCTS AND SERVICES

Some Initiatives in 2016;

Merchant Business	The objective for Merchant business is to embark on process improvement to enhance overall customer experience from acquisition to processing and setup. Incomplete information and documents were among the issues Merchant Business was facing. Multiple forms were consolidated resulting in reduction of some forms from seven pages to three pages. Apart from that, report printing was reduced significantly. In 2016, estimated paper saving was 85,000 sheets.
Bancassurance	Bancassurance simplified the document handling process from Maybank to Etiqa for cases initiated via CAREPOS. Previously, three sets of proposal documents, 70 pages each, were printed – the first copy for Etiqa’s processing, second copy for the customer, and third copy to be kept safe at the branch. The new process requires only one proposal document to be printed for customer to sign and subsequently to be scanned to CAREPOS. In 2016, it resulted in a saving of 13.44 million printed pages.
Mortgage 2.0	With the objective to provide fully integrated customer experience from first touch point to loan disbursement, Mortgage 2.0 was a continuation of the first pilot Mortgage initiative. There are various type of documents required for origination and each document will require a Bar Coded Document Separator to be attached together. Using hard copy Bar Coded Document Separators will produce diminished quality resulting in new copies being made. The implemented solution was to use soft copy Bar Coded Document Separators for uploading into EDMS. As a result, approximately 880,124 sheets were saved in 2016.
Customer Feedback and Resolution	Customer Feedback and Resolution Management team’s complaint handling processes were lengthy. For tracking the complaint status, they printed documents upon completion of each complaint stage. By stopping printing status updates, almost 150,000 sheets of paper were saved in 2016.
Account Opening and Card Replacement Procedures	Account Opening and Card Replacement Procedures initiative focused on reducing the number of steps in account opening and card replacement. By reducing the number of multiple forms from eight to four, we printed about 1.3 million less than previously.
Cheque Management and Report Rationalisation	Reviewing and filing of reports at branches used to be time-consuming. Cheque Management and Report Rationalisation initiative assessed the needs and recommended to reduce the number of printed reports from 31 to 15 types. As a result, we saved almost 4.3 million sheets in 2016.
Operation Support Centre Audit Confirmation	Operation Support Centre’s audit confirmation requests used to be manually managed. By eliminating printing of customer and office copy as well as envelope usage and postage for auditor and customer, an estimated 100,000 sheets of papers were saved from April to December 2016.
MPI Branch OE	Branch process improvement in Maybank Philippines (MPI) identified pain points affecting operational and cost efficiency. Similar to Malaysia, we found out that the process of batch report printing consumed a lot of time, paper, and ink cartridges. Estimated 800,000 sheets of paper were saved by eliminating the number of reports to print and file in 2016.
Cash Management and Payment	Cash Management and Payment initiative streamlined the payment-out process which comprises auto credit, in-house cheque, and outsourced cheque. With the reduction of printing, about 84,000 sheets were saved in 2016.
e-Statement	The migration from the printed statement to electronic statement is consistent with our corporate strategy to provide convenience to our customer as well as being environmentally friendly through going green and helping to save our planet. This has also helped us save on postage, printing, and Goods and Services Tax (GST). With improvements in the account opening process, all new accounts receive only e-statements by default. More than 3.6 million accounts were on e-statement in 2016.



“We are conscious of our environmental footprint and are working towards improving, tracking, and monitoring the impact. Our commitment to the environment is evident through our ongoing participation in the CDP as well as the expansion of scope to include inventory and geographical boundaries of our environmental data. The performance is attributable to our employees who play a crucial role in delivering our ambition to create a greener environment.”

Jerome Hon, Group Chief Operations Officer

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 disposed off in an appropriate manner by appointed contractors. The same practice is applied to all branches. While we are committed to recycling and reducing waste, due to the nature of our business, many documents contain private financial information. We are always careful and have processes in place to ensure that we do not expose private customer data during 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.

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

* Data covering Etiqa and Menara Maybank

** Data covering Menara Maybank only

*** Data covering selected branches in Malaysia

ACCESS TO PRODUCTS AND SERVICES



G4-DMA

FOCUS ON CUSTOMERS M4

For us, focusing on customers means building a strong relationship, providing convenient access to banking and financing with fair terms and pricing, and giving solid advice based on the needs of each customer.

Maybank operates over 2,400 offices across 20 countries. With our physical and digital reach, we connect with customers from across the world to our home in Asia and offer an array of unique financial solutions and innovative services. We now seek to deliver a next-generation customer experience as we embark on our journey to be the 'Digital Bank of Choice' as part of our Maybank²⁰²⁰ strategy.

We continue to regularly measure the depth and strength of our customer relationships. We remain among the five leading banks in terms of customer loyalty and relationship strength. We are humbled by our customers' unwavering 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.



“Customer centricity is the backbone of our business today. Meeting our customers’ financial needs keeps us relevant to their requirements and market trends. Before we can get into their hearts and minds, we must first walk in their shoes. The right strategy, mindset, business tools and culture – these are the traits that will help us strengthen the Maybank brand and deliver on our mission of humanising financial services.”

Datuk Lim Hong Tat, Group Head, Community Financial Services & CEO, Maybank Singapore

IMPROVING CUSTOMER EXPERIENCE

To be the leading financial institution in the region, we need to maintain the trust of stakeholders and the public in our brand, products and services. In 2016, Group Customer Experience Management (GCEM) focused on elevating customer centricity within the organisation, as defined in our Service Vision of Passionately Creating Consistent Customer Delight.

We standardised our complaints handling frameworks, service standards, and metrics to ensure the best experience-in-class banking across borders. Our customer experience guidelines, frameworks, and measurements have been shared across our home markets, as well as Maybank Philippines.

In 2017, GCEM will focus on crystallising our Maybank²⁰²⁰ vision of 'Advancing Asia's Ambitions with You'. Our key focus areas for the year include:

- Elevating the holistic customer experience across all our platforms and channels,
- Harnessing digital opportunities through a future-proofed workforce, and
- Expanding our regional presence through standardised delivery of best in class customer experience.

ACCESS TO PRODUCTS AND SERVICES



Q & A

Customer Satisfaction is a Top Priority

Sukhbir Singh shares an incident where he went the extra mile to address an issue faced by a customer. Sukhbir has served with Maybank for more than 33 years, six years of that in Jalan Sultan Idris Shah (JSIS) branch, Ipoh, Perak.

Focused on the customer's needs

“When a complaint is filed, the details are recorded and we seek to resolve the matter as quickly as possible. As the business has become more digitised, some of our customers felt left behind – especially many older clients who are unfamiliar with many of the new applications.

I immediately called the complainant, a senior citizen, and we made an arrangement to meet in his house. He offered to visit the branch but I suggested I visit him in his residence as his spouse is also aged and has mobility issues. The customer's main concern was getting access to his online account. This was due to the fact that his joint-account holder was his wife, who could not come to the branch. Unless a letter from the doctor was procured, he would not be able to activate his account online. As I already knew the issue, I prepared all the necessary documentation for the customer and we granted him immediate access to M2U. I also taught him how to use the site and some of the features.

I did not do anything exceptional. Customers just want their issues to be resolved and be treated well.”

Q: How are customers adapting to this age of digital banking?

A: There is no age limit when it comes to digital banking. As customers get more mature and busier, they will find it difficult and troublesome to do their banking in branches. People are becoming more IT-savvy and they want to be in control and would like to do everything – anywhere and anytime – at the tip of their fingers. However, branches have always been there for the community to assist and support their needs. This is especially the case in smaller towns. So, branches and digital banking complement each other and are part of the value we provide customers.

Sukhbir Singh is one of the many Maybankers who strive to do the right thing for our customers and display the core values this organisation is built on. We believe that these small gestures help us become a better leader in the financial services industry.



Sukhbir Singh,
Manager of JSIS branch, Ipoh, Perak

In 2016, Group Customer Experience Management (GCEM) aspired to achieve the following:

Focus area	2016 Target(s)	Action(s)	2016 Result(s)
Net Promoter Score (NPS)	We remain committed to the Voice of Customer (VOC) to sustain our position as the leading bank in the market.	<ul style="list-style-type: none"> Ensure that our products and services remain aligned and ahead of customer expectations by channelling the VOC into the decision-making processes of our business. Third party was brought onboard to measure the depth of our customer relationships and evaluate our areas of strengths and opportunities from customers' perspective. 	<ul style="list-style-type: none"> We continue to be among the top five leading banks domestically in relationship strength and we maintained a strong position in our customer loyalty measurement. Maybank remained No. 1 in the Malaysia NPS customer index.
Complaints Management	We aim to lead the market in how we design processes to reduce the volume of repeated customer complaints.	<ul style="list-style-type: none"> Continue to drive the 'get it right the first time, every time' approach across our workforce. Strive to create an optimal complaints handling ecosystem for our customers. Strategic enhancements made to our policies, combined with the right set of tools and training. Collated VOC was subjected to a detailed diagnostic analysis to pinpoint recurring issues faced by our customers. Seven key opportunities, and 19 initiatives were put in place to mitigate them. 	<ul style="list-style-type: none"> Number of first contact resolution cases increased for the Bank, with particularly encouraging progress noted in our high-touch customer base. The intervention successfully reduced the number of recurring complaints by more than 50%.
Regional Journey	We continue to strengthen our Regional Customer Experience (CE) Framework by leveraging on best practices and strive towards minimal variance across home markets and beyond.	<ul style="list-style-type: none"> Focused on standardising our complaints handling framework, service standards, and metrics to ensure best in class banking experiences across these borders. 	<ul style="list-style-type: none"> Our customer experience guidelines, frameworks and measurements have been shared across our home markets, as well as Maybank Philippines.

ACCESS TO PRODUCTS AND SERVICES

G4-PR5 Detailed Indicators

Indicator	2013	2014	2015	2016
Overall customer satisfaction				
Philippines	n/a	84.57%	76%	87.2%
Singapore	69%	68.2%	71.9%	72.5%
Cambodia*	3.5	4.38	4.42	4.05
Indonesia**	n/a	n/a	n/a	7.82
Number of complaints received				
Philippines	2,496	4,778	5,260	2,951
Indonesia	n/a	32,821	29,783	20,291
Cambodia	n/a	n/a	n/a	138
Number of complaints resolved				
Philippines	2,496	4,778	5,260	2,951
Indonesia	n/a	30,185	27,990	19,136
Cambodia	n/a	n/a	n/a	138

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

** Relationship Strength Index (RSI) scoring method

Note: Past-year Maybank Indonesia data was reported in the Maybank Indonesia Sustainability Report 2015. For more information, please visit

 <https://www.maybank.co.id/sites/en/csr/sustainability-report/Pages/Sustainability-Report.aspx>.

RESPONSIBLE INSURANCE — ETIQA

Etiqa features a strong agency force comprising over 10,000 agents, 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 2016, we expanded Etiqa's international presence in Singapore and the Philippines.

In line with our strategic priorities of improving our profits through a customer centric focus, we have expanded our online business. Our services are available through our portals  www.etiqa.com.my and  www.motortakaful.com as well as the Group's M2U online banking portal. Etiqa is the No. 1 digital insurance player in Malaysia, with total premium contribution of more than RM100 million.

Our mobile responsive website offers an improved user interface and experience. The newly introduced customer web portal – My Account – enables customers to check their policy details, pay premiums, request changes in policies, view claims details, and download statements.

In 2016, Etiqa introduced its first online Houseowner/Householder product targeting retail customers. This adds to Etiqa's products that are already sold online including car, travel, and term takaful. We introduced Lifestyle Travel Care to M2U in 2016 – offering this new product to the portal's 3.6 million active users. For FY2016, Etiqa Online recorded a 25% year-on-year growth, totalling RM116.8 million for gross written premium/contribution.

As stated in the Maybank²⁰²⁰ Strategic Objectives, Etiqa aims to be a leading ASEAN Insurer by leveraging synergies between Maybank's regional banking footprint and Etiqa's expertise in takaful and bancassurance.

A Sales Dashboard was launched in October 2016 to assist our sales personnel in checking the status of their proposals and outstanding requirements.

ACCESS TO PRODUCTS AND SERVICES

THE ETIQA WAY

At Etiqa, we differentiate ourselves by humanising insurance and takaful. ‘The Etiqa Way’ has been introduced to change the way our employees behave. We place people over policies and we keep our customers’ best interest at heart. Our company philosophy is to provide an EPIC customer experience. EPIC is an acronym for four characteristics that describe our interaction with customers: Empathy, Professionalism, Integrity, and Courage. For example, we have a proactive claims mechanism and deploy multiple channels to track Etiqa policyholders who may be entitled to payment claims. We have a team that constantly monitors the mass media and social media, and reach out to policyholders and their families once identified.

ETIQA DIGITAL INITIATIVES IN 2016

Malaysia

- Expanded our online business by offering life products via direct sales on  www.etiqa.com.my.
- Introduced a hassle-free claims submission process for travel, personal accident, home contents, fire, motor theft, and windscreen damage via our portals to allow customers to make claims online.

Singapore

- Expanded our suite of consumer products distributed on  www.etiqa.com.sg, where customers can purchase Direct Purchase Insurance (DPI), including whole and term life protection plans, Maid Insurance to cover domestic helpers, Personal Mobility Insurance to cover cyclists and users of non-motorised mobility devices, as well as ePROTECT *safety*, a personal accident plan.
- New live chat feature on our portal provides immediate response to customers and allows for quicker problem resolutions.
- Launched a simple and convenient claims submission process on  www.etiqa.com.sg, allowing customers to submit travel, personal accident, home, maid, and other insurance claims online.



“Our online channel,  www.motortakaful.com, started five years ago. It is currently serving 135,000 customers who appreciate the convenience of online transactions. The online convenience provides our customers peace of mind as they have convenient and affordable access to insurance.”

Encik Kamaludin Ahmad, CEO, Maybank Ageas Holdings Berhad

ACCESS TO FINANCE

Financial services are key to a functioning society. They enable people to plan for their future and prepare for the unexpected. Even in our rapidly developing region, availability of banking services is often limited to urban areas, hindering small business from growing. Migrant workers make up a significant portion of the workforce in many Asian countries, yet they often do not have access to banks.

In 2016, we continued our existing programmes and products that provide access to finance for all, and introduced new innovations. We continued to finance Small and Medium Enterprises (SMEs) and provide microfinance for the smallest of enterprises. We also developed new products that make use of mobile technology – bringing banking to those who are not covered by access to any financial system.

We opened a second branch in Lao People’s Democratic Republic (PDR) in 2016. The services offered by the two Maybank branches in the country include retail and business banking services, foreign exchange, remittances, treasury services, and ATMs. The retail offerings include mortgages and personal loans while business banking services include term financing and trade financing.



ACCESS TO PRODUCTS AND SERVICES

MULTIPLE TOUCH-POINTS

Indicator	2013	2014	2015	2016
Total branches				
Malaysia	399	> 400	344	363
Singapore	22	22	22	22
Philippines	79	79	79	80
Cambodia	16	21	21	21
Indonesia*	-	-	-	428
Self-service terminals (ATMs, Cash Deposit Machines and Smart Recycler Machines)				
Malaysia	2,777	3,896	4,135	3,988
Singapore	73	72	73	79
Philippines	89	94	95	96
Cambodia	26	37	37	38
Indonesia*	-	-	-	1,633
Total number of disabled- friendly branches				
Malaysia**	50	59	61	63
Singapore	5	5	7	7
Philippines	79	79	79	80
Maybank One Kiosk				
Malaysia	44	86	74	40
Touch-points through POS Malaysia	348	350	350	350 (In 2016, only 342 Touchpoints were active due to the closure of POS Malaysia branches.)
Maybank@Campus (opened in 2015, with a target of having 12 branches in 2 years)				
Malaysia	n/a	n/a	3	6

* Began to disclose in Maybank Sustainability Report 2016. Past-year Maybank Indonesia data was reported in the Maybank Indonesia Sustainability Report 2015. For more information, please visit <https://www.maybank.co.id/sites/en/csr/sustainability-report/Pages/Sustainability-Report.aspx>.

** Restatement as previous data was inaccurate.

G4-EC8

Migrant workers and remittances as a backbone of economies

Migrant workers are an important part of the economy in this region. Maybank has developed numerous products and tools to make it easier and more cost efficient for the migrant workers to manage their finances and send remittances back to their home countries.

Our services for migrant workers include:

- In Indonesia, Maybank is one of the appointed banks for the migrant workers' credit programme by the Coordinating Ministry of Economic Affairs, Indonesia. In 2016, we disbursed 34 micro loans worth IDR534.9 million through this scheme.
- Maybank Philippines has a variety of products for migrant workers. They can make transfers from Malaysia to the Philippines via Maybank Money Express and from Singapore to the Philippines via Singapore Remittance Online.
- Maybank and Western Union launched the first digital remittance service in Malaysia via the M2U mobile banking App.

When we humanise the business, we understand that remittance sent from Kuala Lumpur to a home country, is often sent from a sole bread winner to the family. We understand how important these small transactions are. They need to be delivered on time and in a secure manner. This is why we believe it is important to understand our customer segments and the role we play in their lives.

ACCESS TO PRODUCTS AND SERVICES



Sam (sitting – left) with his friends and Ethel Montebon, Head for CDO Business Center (standing – right).

YIPPIE BANKER SUMMER CAMP

The Junior Yippie Bankers Summer Camp of 2016 was held at Maybank Velez branch in the Philippines. This programme was the first-of-its-kind by a foreign bank in the Philippines, and has been conducted annually in branches nationwide since 2013. The Junior Banker Summer Programme is specifically designed for seven to 12 year olds to learn about the banking industry by shadowing employees for five working days. The participants get to be a branch manager, teller, service head, new accounts officer, or ‘meeter-and-greeter’.

One of the children who joined the camp was Sam, whose group joined all the activities. This is an account by his mother, Hannah Victoria Wabe.

“Initially, the idea was met with much resistance. Sam didn’t want to go because he did not fancy waking up early. The call time was 8 a.m. and he wanted to sleep in. He was also unsure if he would enjoy the activities. Moreover, he was reluctant to attend without knowing the other participants, and he was afraid of venturing into an unknown territory.

I can honestly say he did not regret the experience at all. His favourite parts were venturing inside an armoured car, peeking at the vault, seeing an open ATM machine, and counting money as a teller. I recall Sam was not looking forward to being the meeter-and-greeter by the front door because he is by nature a reserved person. However, he was able to overcome his bashfulness and greet the incoming clients with a smile, offer them candy, or show them where they need to go. It was awesome that he was given this challenge to hone his customer service and people skills. I realise now more than ever, that we really need to make our kids get out of their comfort zones so that they will learn and grow.

At the end of the programme, the group had a mini-graduation ceremony with the manager and their paychecks were deposited into their new Yippie Accounts. Another nugget of wisdom learned that I truly appreciate was the realisation of my child that it is not easy to earn money.

It was a fun and fulfilling summer that I am sure Sam would remember for years. These are the kinds of memories that I want my children to have. Even if they are already grown old and grey, I hope they will be able to look back at their youth with a smile and say that they were able to engage in things that are worthwhile – those kinds of things that enriched their heart, mind, and soul.

I am thankful to Maybank for this opportunity.”

Note: Information extracted from <http://www.sunstar.com.ph/cagayan-de-oro/opinion/2017/03/19/yippie-banker-summer-camp-531735>

G4-15, G4-EC8

OUR COMMITMENT TO SMES

SMEs are a key driver and contributor to the ASEAN economies. A vast majority of business in the region are SMEs. They are important employers and provide avenues of employment for women, youth and marginalised groups. Being a community bank, Maybank has been helping them grow locally and across ASEAN for over 50 years. In recent years, they have moved to the centre of our business strategy.

In 2016, we increased our lending to SMEs significantly by allocating RM1.16 billion in financing under a new SME financing Portfolio Guarantee (PG) Scheme with Credit Guarantee Corp Malaysia Bhd (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.

The new portfolio guarantee allocation is in addition to the RM1.09 billion approved in 2014 and RM1.07 billion in 2015. Maybank continues to be the leading supporter of CGC’s PG scheme in Malaysia, offering clean lending facilities to SMEs with a total approved amount of RM3.32 billion.

We have further improved the disbursement turnaround time for customers of SME banking from five to two working days. This means that once the customer accepts our offer and all relevant approvals are obtained, they can expect to receive the money within two working days. Since the beginning of the collaboration, more than 6,000 SMEs have benefited from the PG scheme.

SME Banking Development Programme

The SME Banking Development Programme covers components for different SMEs from start-ups to established SMEs. The programme focuses on nurturing, growing and developing SMEs.

Category	Programme	Descriptions
Underbanked	Financial Literacy Programme	An education programme that equips the community with the knowledge and skills to make effective money management decisions. It uses digital platforms (such as Facebook) and face-to-face meetings (with a printed booklet), and has reached nearly 41,000 participants.
Start-ups	TUBE 3.0	<p>The Tunas Usahawan Belia Bumiputera (TUBE) programme is a Government initiative under SME Corp. to encourage youths to venture into business.</p> <p>Maybank is a strategic partner, and the sole commercial bank partner for programme.</p> <p>We conducted briefings on the Bank’s products and services to participants of the TUBE 3.0 programme at all 10 locations nationwide. We recorded 262 new SME First Account – Islamic (SMEFA-i) accounts through TUBE 3.0.</p>

ACCESS TO PRODUCTS AND SERVICES

Bumiputera Entrepreneurial Excellent (BEE)

We continued to support the BEE programme, through which we provided over RM900 million of funding for entrepreneurs throughout the country.

We also continued the partnership with the East Coast Economic Region Development Council (ECERDC) to provide funding for SMEs based in the East Coast Economic Region. ECERDC concentrates on five key economic clusters – Manufacturing, Oil, Gas & Petrochemicals, Tourism, Agriculture, and Human Capital Development. Maybank has a unique position in the East Coast Economic Region with 34 more branches, more than any other commercial bank – thus reaching many local SMEs. The first ECER-Maybank Entrepreneurship scheme (EMES) in 2015 had 1,202 SME clients and a loan value of RM64.7 million. In 2016, we extended another RM63.8 million to 204 SMEs and a further RM5.9 million to 723 micro businesses under the Bumiputera Fund.

Breakdown by sector:

Industry	Total fund in	
	RM (million)	%
Wholesale & Retail Trade and Restaurant & Hotels	805.63	32.03%
Finance, Insurance, Real Estate and Bus Activities	643.59	25.59%
Manufacturing (Including Agro-Based)	385.12	15.31%
Construction	196.06	7.80%
Education, Health and Others	201.26	8.00%
Primary Agriculture	126.02	5.01%
Transport, Storage and Communication	91.78	3.65%
Sector N.E.C (Nowhere Else Classified)	18.42	0.73%
Mining And Quarrying	26.72	1.06%
Electricity, Gas and Water Supply	20.55	0.82%
Net SME Total (excluding Micro Credit)	2,515.15	100%

Retail SMEs

RSMEs are typically businesses with an annual turnover of up to RM25 million, and total group exposure of RM5 million. We offer them services such as expanded touch points 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 and are continuing to grow this segment not only through our financing support but also through our educational initiatives, such as roadshows, seminars, and financial literacy programmes. Our RSME Banking has over 470,000 customers, of whom about 28,000 are borrowing customers.

	2013	2014	2015	2016
RSME Financing (RM billion)	6.0	7.5	10.2	12.6

One of the key products that support 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 lower cost. It includes tools for small businesses such as payroll and our digital platform, M2U, and M2U Biz.

We also provide non-financial services for SMEs, such as our Building Capacity & Capability (MBCC) Programme for SMEs, that started in 2014. The programme educates the business community on issues related to business and financial knowledge and includes customised financial solutions, pocket talks, GST workshops and financial literacy programmes. It is also an important platform for networking. Over the past three years, it has benefited almost 10,000 SME business owners and micro-entrepreneurs. In 2016, our SME community engagement sessions were attended by 1,438 participants. We also conducted MBCC roadshows in eight regions in Malaysia, that were attended by 1,220 participants. In total, 2,658 participants were engaged in 2016.



“We intend to build the RSME segment as a pillar of growth across ASEAN, and offer our customers a distinct value proposition leveraging on ‘speed’ and ‘hassle-free’ access to financing.”

Datuk Lim Hong Tat, Group Head, Community Financial Services & CEO, Maybank Singapore

Regional Retail SME

We continued to expand our financing to the RSME segment across the region, following its success in Malaysia.

Centre of Excellence (COE) – Regional RSMEs aims to intensify its agenda, to align with the RSME Transformation Master Plan – to build RSMEs as a pillar of growth across ASEAN. To feed that purpose, we set up a Regional COE to fast track the RSME Business in the ASEAN Region with these key objectives:

- To build the RSME business as a pillar of growth across ASEAN,
- To capture opportunities in the flourishing SME segment in the region through our franchise,
- To offer a distinct value proposition leveraging on ‘speed’ and ‘hassle-free’ easy access to financing,
- To streamline and standardise the RSME Business best practices in Malaysia, and across ASEAN with customisation when required, and
- To accelerate speed and efficiency under a controlled risk environment to ultimately create a distinct value proposition.

The COE initiatives have been designed and customised based on the market maturity of each country to enable the scale-up of our RSME business in a structured manner.

Our RSME portfolio is also growing in Singapore, where many small businesses are at a juncture where they are looking for ways to transform their operations. Increasing their working capital and expanding regionally are natural steps for them to do so. As the only financial services group with on-ground operations in all 10 ASEAN countries, Maybank is well-positioned to help small businesses capitalise on new opportunities to grow their business locally and access new markets in the region.

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 takes 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.

Microfinance

In line with our philosophy of empowering people and communities towards financial independence, we have increased microcredit to small enterprises that often fall between the cracks of traditional financial services. There is a growing market for microcredit, but we also approach it as part of our corporate responsibility.

The micro-credit segment targets businesses with a turnover of up to RM300,000 or less than five full-time employees. In 2016, Maybank disbursed RM37.6 million to micro businesses, benefiting up to 2,210 customers.

SME microfinance is available in all Maybank branches in Malaysia, and 47 branches offer retail microfinancing. We have a structured microcredit business model and offer loans from as low as RM1,000 to RM50,000 for this segment. Microcredit is available without a processing fee or collateral to businesses and individuals. Our nine 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.

ACCESS TO PRODUCTS AND SERVICES

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.

Our support to SMES:

COMMUNITY AND CITIZENSHIP

- R.I.S.E., our training and mentoring programme for people with disabilities now operates in Malaysia and Indonesia. 1,411 participants have completed their training in both locations.
- Since 2012, we have supported more than 11,000 women to expand their businesses through our microfinance programme with our partners in Indonesia.
- Maybank Kim Eng's Trade[&Give] started with supporting five entrepreneurs in 2014 and has since created opportunities for over 1,400 small businesses region-wide. In 2016, we introduced our ASEAN Sustainability Programme.

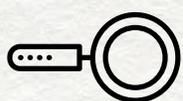
OUR PEOPLE

- Capacity building for SMEs through Train the Trainers on SME Financing programme:

Number of Core Trainers trained	Number of Maybankers trained	Number of SME customers trained
47	5,788	3,930

ACCESS TO PRODUCTS AND SERVICES

- Granted loans for RSMEs worth RM12.60 billion in 2016.
- 'Spoke and hub' distribution model in Malaysia: 39 hubs and 67 spokes in 315 branches.
- BEE programme provided RM917.50 million of funding in 2016.
- MBCC Programme by SME Banking for micro-entrepreneurs and start-ups approved 52 applications amounting to RM36.40 million in 2016.



FOCUS

SHINJU PEARLS

Shinju Pearls first began in 2004 when former property executive Christina Toh ventured into jewellery design by accident. She had always loved beautiful jewellery, and after helping her sister sell antiques at Mont Kiara's weekly market, she started to experiment with creating graceful and unique creations with semi-precious stones and pearls.

In 2006, Christina opened the first Shinju Pearls boutique in Kuala Lumpur's Golden Triangle, at Lot 10 shopping centre. In the same year, Christina and her younger sister Diana teamed up to further expand the business and the brand. The sisters ran operations and retail together, while at the same time spearheading conceptualising and designing new jewellery collections.

"When we started, we wanted to expand but we realised we needed extra financial resources. We needed a partner that believes in our business and sees our potential. Only after finding one were we able to open our sixth store in KLIA2 and more after that," says Christina Toh.

To date, Shinju Pearls boutiques are located in several leading malls in Kuala Lumpur. Shinju Pearls also has standalone counters in Isetan, KLCC and Midvalley Megamall. Each store has its unique concept and is stocked with a customised product mix, all endorsed with certificates of authenticity.

"When I first met my relationship manager at Maybank, I shared my business goals and vision with him. In just a few days, I received a call conveying the good news that everything went smoothly, and we could now think about expansion. Today, Shinju Pearls has grown beyond my wildest dreams. Now we have 10 outlets in the Klang Valley, and we are planning to expand internationally," says Christina Toh.

FITRAH FOOD'S JOURNEY

Zulqadri Akhrin Abdullah,
Chairman of Fitrah Food.

"In 1999, I was 13 years old when my father and uncle started in this industry by selling cincau drink and frozen kuih. Not long after that, my father and uncle realised that there was not a lot of halal cincau drinks in Malaysia. Therefore, they started this business. After my dad passed away, I made the decision to continue the business. When I was younger, I observed every aspect of the company.

After I graduated, I was confident with my capabilities to bring this company to greater heights. With my family's vision, energy, and support, I was confident in bringing this company to a new level. But I could not do it without the help and

support of many. My father had gotten a loan from Maybank to expand this business. Now, even after 10 years, Maybank is still working together with my company to build the business. I am very thankful for the support."

Sarizal Samsudin,
Maybank Relationship Manager.

"When we first came across Zul father's application, it was financially sound. What stood out however was the passion showed by Zul's dad in how he wanted to build a business based upon family values. For us, what differentiates businesses is not just the financials and strategies, but how close it is to the heart of the founders. It started off with a loan for a few lorries. After that, we gave a loan for working capital. Later, they requested a loan to purchase a new factory. We are happy to see them grow."

ACCESS TO PRODUCTS AND SERVICES

REACHING OUT TO DIFFERENT SEGMENTS

Our research and observation of the competitive landscape have revealed that the traditional branch set-up is not sustainable in a university and campus environment. Studying this particular segment and their needs led us to introducing Maybank@Campus. Maybank@Campus is a banking outlet designed specifically for the student community, from the range of products on offer to the physical appearance. Various surveys conducted after the implementation of Maybank@Campus initiatives showed that our presence in the universities was well accepted not only by the students and employees, but also by the retailers in the campus. They found it convenient to do basic transactions at the Maybank@Campus instead of travelling to the nearest branch.

Our Youth Strategy addresses the undergraduates in two age groups: 18 to 24 and 25 to 30 years old. They are also pipelines for the Emerging Affluent segment in the medium term (five to 10 years).

Other products for inclusive financial services:

- We also introduced Cash Collect in the Philippines – a nationwide cash pick-up service for transferring cash and collecting cheques directly from the customer's office.
- In 2016, Etiqa Singapore launched maid insurance to protect domestic helpers, covering accidents and medical costs, and personal mobility insurance to provide accidental coverage and third party personal liability coverage for cyclists and users of non-motorised mobility devices.

SUPPORT TO START-UPS AND SOCIAL ENTERPRISES

MaybankFintech

Maybank has been among the first banks to embrace financial technology. First launched in 2015, MaybankFintech is a programme that supports and engages start-ups across all stages in the financial technology sphere. The over-arching 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.

Malaysian Global Innovation & Creativity Centre (MaGIC) & Global Entrepreneurship Movement (GEM)

As part of the larger agenda in nurturing the national start-up ecosystem, Maybank continued its collaboration with government-led NGOs such as MaGIC and GEM in supporting various initiatives throughout 2016.

With MaGIC, Maybank performs the role of mentor to many of the financial technology companies as well as supports several social entrepreneurship related events. As the preferred banking partner, Maybank enabled easy on-boarding in terms of relevant financial services products and other related services.

With GEM, Maybank played a prominent role in the Global Entrepreneurship Community (GECCommunity) 2016 leading the financial cluster engagement. GEC is a programme under the purview of National Entrepreneurship Development Office, The Ministry of Finance, GEM, and MaGIC. Representing finance, biotech, creativity, education, smart cities, healthcare, lifestyle supply chain, and social innovation clusters, the core objective is to connect entrepreneurs, innovative thinkers, and futurists to re-imagine the future of entrepreneurship.

#MaybankFintech 2016 continued the tradition; anchoring on areas such as Mobile Banking, Payments, Lending, Distributed Database (Blockchain), Asset Management, Humanising Financial Services (Financial Inclusion), Security, Internet of Things (IOT), Islamic Finance, and Big Data. Each participating company was given direct access to relevant business stakeholders in refining their propositions.



“MaybankFintech programme is a unique platform for aspiring innovators to showcase their ideas. We want to be a central member of the fintech community in the region and to help grow and support entrepreneurs by providing them with an avenue to connect directly with the financial industry.”

Michael Foong, Group Chief Strategy Officer

Financial Technology is constantly evolving. #MaybankFintech2016 competition attracted 91 companies from around the world, of which nine were shortlisted.

Amongst the shortlisted initiatives:

- KATSANA – Telematics App for vehicles to reduce insurance claims. Done by analysing driving behaviour and gamification in a community. Status: Execution on-going with Etiqa Malaysia.
- KAKITANGAN.com – Online HR platform focusing on the SME customer market. KAKITANGAN has been rolled out to almost 1,500 SMEs within Malaysia. It includes modules on HR Leave Management and Payroll. Status: Payroll module integration with M2UBiz executed with Maybank Malaysia.

ACCESS TO PRODUCTS AND SERVICES

FinTech Sandbox **SANDBOX**

With the rise of fintech, there are many small organisations with brilliant business ideas that do not have the tools to develop their ideas. Group Technology soft launched the FinTech Sandbox platform in 2016. This financial sandbox allows smaller companies to access development environments, financial data samples, financial APIs, and development tools – allowing them to develop and test their ideas for free. FinTech Sandbox made its debut at Maybank Hackathon 2016, an event for the tech community to develop digital and data analytic solutions in a competitive forum. More details are available on our website,

 <http://www.maybanksandbox.com>.

MaybankHeart

In 2016, we launched MaybankHeart, a digital crowdfunding platform that allows the public to make donations directly to NGOs and charities. Through this initiative, we aim to raise RM1 million for charity in Malaysia within 12 months.

This innovative platform was designed and built in-house to support our mission of Humanising Financial Services. The site has already collected more than RM550,000.

Some NGOs and communities that raised funds through the platform in 2016 were Agathians Shelter, Dignity for Children, Free Tree Society, National Kidney Foundation Malaysia, Kiwanis Down Syndrome Foundation, National Stroke Association of Malaysia (NASAM), MERCY Malaysia, and Malaysian Red Crescent.

We have partnered with a range of corporate donors, including EcoWorld, S P Setia, IGB Corporation Berhad, St Regis, Rajawali Foundation, JCorp, IBM and Commercial Circle Sdn. Bhd.



MaybankHeart:

- 100% for charity – the platform is free for donors and charities.
- The charities are vetted by Maybank.
- Transparency – the amount collected is visible to public.

 Website: www.maybankheart.com



“Development of MaybankHeart is an example of tapping into Maybank’s extensive pool of talent. The requirements, user experience, and development were done 100% in-house by leveraging on Group Technology’s Rapid Digital Delivery capability. The first working prototype was created in just four weeks. The MaybankHeart journey is truly about people, passion, and perseverance.”

Mohd Suhail Amar Suresh Abdullah, Group Chief Technology Officer



DIGITALISATION

Evolving digital trends continue to shape new customer behaviour and transform the financial services industry. These trends also call for greater cyber security.

We provide secure access for our customers on our M2U internet and mobile banking platforms to enable our customers to bank with us anywhere, anytime and on any device. At the same time, we continue to introduce innovative digital products and services to enhance customer experience.

Digitalisation has already transformed the banking sector, and we aim to anticipate and respond to the latest trends in technology. New innovations help us improve customer experience, expand our reach and bring our financial services closer to customers. 2016 was a year of innovation for us as we embarked on becoming the ‘Digital Bank of Choice’. Our efforts were rewarded with Maybank receiving the ‘Best Innovation Award’ from Bank Negara Malaysia in January 2017.

In 2016, we introduced several innovative solutions:

- Malaysia’s first mobile wallet payment system called MaybankPay enables cashless payments with mobile devices, charged to customers’ Visa cards. We also launched Samsung Pay.
- MaybankHeart is the first bank-sponsored crowdfunding platform that enables people to donate directly to NGOs and charity organisations.

- The first digital remittance service in Malaysia with Western Union through M2U mobile banking App enables transfers to more than 500,000 Western Union agents located in over 200 countries and territories*, 24/7. * Network data as of 31 December 2016
- Maybank Wealth App provides instant access to the designated Relationship Manager.
- Maybank Mobile Banking App was extended to Cambodia.
-  Maybankinnovation.com, an innovation portal where employees can submit ideas, share recognition, book spaces for events and check latest news on innovations and events.
- DISCOTECH, a complete financial sandbox for fintech companies. Through this platform they can access financial data samples, application programming interfaces (APIs) and development tools for free. With DISCOTECH, anyone can develop and test their fintech ideas.
- During the festive season, we encouraged cashless gifts of money and the exchange of greetings through our web and mobile channels. Specialised selfie greetings for Chinese New Year, QR codes scanning among friends and family during Hari Raya and DeepaMoney for Deepavali added an element of fun for our customers.
- We successfully launched several first-to-market innovations such as Maybank Visa Payband and MaybankPay.

ACCESS TO PRODUCTS AND SERVICES



Q & A

Q. How is digital banking creating access for customers?

A. The continued focus on simplifying the digital purchasing journey for our banking products has shown good traction in 2016. Today, 20% of current account openings, 52% of EzyPay Plus instalments and 64% of Balance Transfers applications are done online. M2U continues to dominate digital banking in Malaysia and holds the No. 1 position in the ‘Top 20 Local Brand Web Domains Visited from Desktop Computers in Malaysia’ with over 3.7 million visitors.

We continue to lead the internet banking space with value of transactions on internet banking growing by 36.8% while mobile banking was 54.2% in year 2016. In 2016, we continued our focus on driving a mobile-first strategy, simplifying the digital user experience, and intensifying our digital migration efforts. The number of transactions carried out via mobile devices grew by 72% in 2016, while transactions via all online channels (including desktops and personal computers) rose by 41%.

The Bank recorded a growth of 34% in the number of active online users in 2016 compared with 2015, while the number of active mobile users rose nearly 42% in the same period.

Q. What were the specific challenges that you faced in 2016?

A. Remaining competitive within the banking segment while driving the adoption of digital channels, as well as driving loyalty within our own base by improving customers’ user experience. At the same time, managing the risks & threats posed by new market players, especially FinTech startups, that try to provide alternatives to customers in the areas of payments and remittances.

Q. Were there any highlights on information security and fraud prevention, and employee training?

A. From a security awareness perspective, we continuously educate our customers through our web and mobile platforms and social media. As part of our efforts to engage with Maybankers, we have introduced Tips of the Week to highlight M2U features, and Digital Day to assist branches in keeping up-to-date with M2U services or campaigns.

Q. What are some of the current achievements with regards to improving digital experience?

A. We recently launched our new M2U app which provides a much faster and simpler experience to our customers than ever before, giving customers the ease to manage their banking cards, fixed deposits, loans, and wealth accounts from one screen. Ensuring an optimum customer experience for M2U across our internet and mobile banking platforms is our commitment to our customers. This year, we will focus on driving convenience specifically by expanding the numbers of payees, online applications, new partnerships, and technology to further excite our customers.

Mohd Suhail Amar Suresh Abdullah,
Group Chief Technology Officer.

DIGITAL CHANNEL PENETRATION

M2U processed a total of 253.11 million monetary transactions during 2016. This represents a growth of 35% in the number of transactions from 2015.

D Detailed Indicators

Indicators	2013	2014	2015	2016
Number of M2U registered online users (million users)	6.9	7.5	8.3	9.8
Number of M2U registered mobile users (million users)	1.3	1.8	2.1	2.8

D Detailed Indicators (Cont'd)

Indicators	2013	2014	2015	2016
Total online transactions – individual (billion)	1.24	1.60	2.07	2.90
• Malaysia (billion)	1.24	1.57	2.03	2.87
• Indonesia (million)		17.75	20.55	20.76
• Singapore (million)		8.67	10.02	11.46
• Philippines (million)		1.99	2.15	2.43
• Cambodia (million)		0.33	0.56	0.96
Total amount of online transactions – individual (RM billion)	102.3	141.7	173.6	260.52
• Malaysia (billion)	102.3	141.7	173.6	237.4
• Indonesia* (billion)				8.76
• Singapore* (billion)				14.14
• Philippines* (billion)				0.22
• Cambodia* (million)				0.11

* Commenced data tracking for reporting in 2016.

INTERNET BANKING FOR BUSINESS (EXCLUDING SOLE PROPRIETORS)

Indicators	2013	2014	2015	2016
Number of small businesses using M2U	36,485	47,215	62,792	82,864
Total number of monetary transactions (million)*	0.43	0.86	1.88	3.81
Total amount of online transactions (RM)	841.25 million	2.03 billion	5.48 billion	12.24 billion
M2E (Indonesia)				
• Number of customers		Started tracking for sustainability reporting in 2016		502
• Total transactions volume				202,722
• Total transactions (IDR trillion)				20.774

* Restatement of data from 2013 to 2015. Data now is confined to monetary transactions whilst previously (2013-2015), it contained all transactions, both monetary and non-monetary. Monetary transactions refer to transactions involving money only, while non-monetary transactions refer to other services such as will writing or card management (e.g., to change credit card limit).

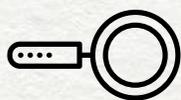
Project Idea Monkey 2016: Digitalisation to improve internal processes

Project Idea Monkey was a new internal innovation competition held in 2016. Eleven teams participated in the challenge, aimed at generating innovative or new ideas that could improve internal processes and create value for the business. The competition was judged by the Community Financial Services (CFS) Council members, and attended by CFS employees from the various business units and the Group Innovation Team.

Initiatives proposed:

- A digital e-signature software at Maybank Head office. The team behind this idea addressed the staggering statistics on paper usage at Maybank Head office – a substantial part of which was due to paper-based approvals. The team made their case for an e-signature software that could be easily implemented without substantial investment.
- Advance Dividend (AdDiv) created for Maybank Amanah Saham Bumiputera (ASB) financing customers. Maybankers suggested an addition to the current ASB financing in the market that would mitigate ASB redemptions and alleviate traffic at branches in the early part of the year.

ACCESS TO PRODUCTS AND SERVICES



FOCUS

CoOL Pay

In Indonesia, we have CoOL Pay, a web-based payment gateway and supply chain platform for customers. They are able to perform a variety of payments at their convenient time and place.

Through CoOL Pay, customers are able to perform payments to several billers or partners. CoOL Pay also has cash management features for customers to undertake daily operational activities.

CoOL Pay customers are able to perform the following activities:

- Purchase of air tickets from travel agents or airlines
- Payment of travel insurance premium to travel agents or insurance companies

- Deposit payment for sending cargo to forwarders or shipping companies
- Invoice payment for hotel vouchers or wholesaler
- Supply chain financing

In a large archipelago like Indonesia, the service provided via CoOL Pay is crucial to connect multiple small businesses in undertaking their daily transactions.

Indicator	2016
Number of customers	4,264
Total transactions volume	1,021,090
Total transactions (IDR trillion)	93.59

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. Our proposition on 'Humanising Financial Services' has given us the agility to be able to leverage on technology in delivering a superior and frictionless banking experience to the community.

Thanks to the continuous support we received from our extensive networks within ASEAN, we have gained deep understanding of our customer's preferences, and this has been pivotal in our success to pledge quality, simplicity and convenience to our customers.

Our customer journey has always been our utmost priority. Hence, through our social media channels, we strive to provide an experience with information on promotions, product updates and various highlight of events to our digital followers.

We communicate our commitment in innovations through digital transactions via MaybankPay as well as our very own peer-to-peer crowdfunding platform, MaybankHeart. By encouraging people to reconnect back with humanity, we managed to champion major campaigns and generated more than 100 million impressions.

The effort to empower the community through digital media is proven when we were ranked #12 globally on 'The Power 100 Banks on Social Media' by The Financial Brand in 2016. Our efforts in forming strong communities and connections with consumers using social media are also recognised through The 'Best Use of Social' Award at Asia Pacific Loyalty and Engagement Awards 2016.

Social Media	Facebook	Youtube	Twitter	Instagram	LinkedIn
Penetration	Approximately 2 million global fans	Approximately 26,000 subscribers and 23 million total views	Approximately 122,000 followers	Approximately 16,800 followers	69,000 followers



PRODUCT STEWARDSHIP M6

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, and encourage behaviour 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 Environment, Social and Governance (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.

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 Our Approach to Sustainability on page 23.

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 responsibility concerning responsible lending and continue to lead the market and follow best practices in consumer lending.

Maybank has long been a strong supporter of the government's mission to provide financing for affordable homes. For example, we provide financing for houses in the 1Malaysia People's Housing (PR1MA) scheme, that offers housing for middle-income households 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).

ACCESS TO PRODUCTS AND SERVICES

These government programmes facilitate home ownership among both urban and rural lower income groups in Malaysia:

Type	Description
Housing Loan Guarantee Scheme by Syarikat Jaminan Kredit Perumahan Berhad (SJKP)	To facilitate home ownership of the lower income group. Loans through this scheme offer up to 100% financing for low to medium cost properties, up to a maximum of RM300,000 loan value. The loan is provided to resident individuals that have no documentary evidence of income.
My First Home Scheme (Skim Rumah PertamaKu)	To facilitate home ownership among young urban adults. This loan offers up to 100% financing for a first home costing between RM100,000 to RM300,000 (single applicant) and RM500,000 (joint applicant).
Special Low Cost Housing Programme	Up to 100% financing for low cost houses for own occupancy purposes – to facilitate home ownership among the lower income group.
Special Housing Loan Schemes	Up to 100% financing for low-medium and medium cost houses – up to RM100,000 for the lower to lower-middle income group.

In July 2016, Maybank lowered the Base Rate for loans by 20 basis points, making it easier for borrowers to deal with the current challenging environment and help spur economic and business growth in the country.

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

- Offering comprehensive information on our products in branches and online. By using our mortgage calculator, customers can easily understand what a home loan would mean for their current financial situation.
- We restructure loan payments via the Credit Counselling and Debt Management Agency (AKPK) for eligible customers.

G4-EC2

GREEN TECHNOLOGY FINANCING

The finance sector presides over a large pool of capital, more of which could be steered towards low carbon, climate-resilient projects. Some institutions are already allocating capital and steering financial flows towards such projects. We have also ventured into this area.

With other countries, Malaysia has pledged to reduce its emissions by 2030, 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 2016, we financed 27 projects under the GTFS, compared to 21 in 2015, with a total investment of RM307 million. Since the beginning of the scheme in 2011, we have disbursed RM632 million as financing under the GTFS. We are also one of the largest financiers for the green tech segment outside the GTFS. This year we financed another 15 green tech projects outside the scheme, with an investment value of RM340 million.

G4-16, G4-SO1

LEADERSHIP IN ISLAMIC FINANCE

Islamic finance continues to expand rapidly — both geographically and in terms of structures and products. Led by Maybank Group's Islamic banking (MGIB), we want to be a leading global Islamic financial institution, providing client-centric universal financial solutions. In 2016, we concentrated on further building our global leadership position in Islamic finance.

Highlights of 2016:

- Maybank acted as the sole principal adviser, lead arranger, lead manager and Shariah adviser for Sime Darby Bhd's inaugural RM2.20 billion perpetual Sukuk.
- Maybank jointly led a consortium of financiers to provide a syndicated Shariah compliant construction financing of USD219 million in New York, the first Shariah compliant construction financing in the city.
- As the sole principal adviser and Shariah adviser, Maybank successfully structured and completed issuance of new Islamic Redeemable Convertible Preference Shares of up to RM1.13 billion for S P Setia. These are the first Shariah compliant perpetual redeemable convertible preference shares to be issued and among the largest Shariah compliant preference shares issued in Malaysia.
- Maybank Syariah Indonesia, a full-fledged Shariah bank (Bank Umum Syariah), further penetrated the Indonesian corporate market by offering a full range of wholesale Shariah financial services designed for local corporates and foreign multinational clients with operations in Indonesia.
- MGIB secured a landmark SGD260 million Islamic financing deal with Singaporean-based RB Capital.
- Global Finance magazine awarded Maybank Islamic with the 'Best Provider of Shariah-Compliant Short-Term Investments' and 'Best Sukuk Bank' awards.
- Maybank Islamic Bhd (MIB) won the award for the 'Best Performing Islamic Bank' in the South-East Asia category at the World Islamic Banking Conference (WIBC) performance awards.
- Maybank Islamic is a strategic partner of the World Islamic Economic Forum (WIEF), and we participated in the 12th WIEF in 2016.

ACCESS TO PRODUCTS AND SERVICES

Since challenging economic conditions are expected to persist in 2017, MGB has taken steps to enhance and strengthen its risk management practices, including placing a greater emphasis on preventing Shariah non-compliance incidents.

Maybank Islamic, collaborating with Group Human Capital organised the first Shariah Risk Awareness Forum 2016 for Maybankers at Menara Maybank. Almost 200 Maybankers attended the half day forum.



“Maybank Islamic places great emphasis on the ethical dimension and making contributions to society in a long-term. Over the years, we have been focusing on two pillars which are ‘Children’s Health and Education’ and ‘Community Empowerment’. Our commitment in these areas have been cemented with sustainable hallmark programmes such as ‘Save a Child’s Heart’, a collaboration with Institute Jantung Negara (IJN) and ‘Semarak Ilmu’, a partnership with Yayasan Pelajaran Mara (YPM) to fund educational-related programmes for school going-children from underprivileged families. We are also dedicated to breaking new frontiers in product developments and innovations in addition to offering high quality Shariah-based solutions to our customers. At the same time, we will continue to promote Islamic social finance, Social and Corporate Governance (ESG) activities through Zakat and Waqaf programmes. These initiatives and programmes fulfil our social promise to positively impact society besides providing opportunities and growth through our business.”

Dato’ Mohamed Rafique Merican Mohd Wahiduddin Merican, CEO Maybank Islamic & Group Head, Islamic Banking

Giving Back to the Community

We continue to carry out corporate responsibility initiatives that are aligned with Maybank Group’s mission of ‘Humanising Financial Services’. Our corporate responsibility programmes support social welfare, community empowerment and children’s education and health. These initiatives and programmes fulfil our social promise to positively impact society besides providing opportunities and growth through our business.

Shariah Centre of Excellence (SCOE)

With the SCOE, launched in 2015, we aim to be the leading reference point for Shariah knowledge and best practices in Islamic finance for industry players, academia and the public. SCOE has successfully implemented several programmes which include sponsorship for students, lecture series, and publications on Islamic finance.

In 2016 Maybank Islamic and the International Centre Shariah Research Academy for Islamic Finance (ISRA) organised a book review session on the Bank’s sponsored book ‘Historical Roots of Islamic Finance in Malaysia’ – the first coffee table book of its kind which traces the history of Islamic finance in Malaysia from the pre-Islamic era until 1983. The book was published by ISRA in 2014 and written by Dr Syahida Abdullah and Riaz Ansary.

2016 Highlights

Zakat	MIB has expanded its Zakat programmes to include recipients from international asnaf. We also continued the collaboration with Yayasan Pelajaran MARA (YPM) and contributed RM2 million this year for various educational-related programmes for the Bank’s adopted school-going children from underprivileged families.
Waqf	In collaboration with the State of Perak, we launched the Waqf Perak Ar-Ridzuan (WPAR). Our participation involves a RM10 million contribution, with RM5 million earmarked for construction of students’ hostel for Universiti Islam Sultan Azlan Shah and the remaining RM5 million as a cash waqf on a matching grant basis. Maybank Islamic is taking up three roles concurrently, namely as the collection agent via M2U, the donor (waqif) as well as the fund manager.
Sadaqah	MIB’s MasterCard Ikhwan Card has a unique feature of setting 0.1% of the total card member’s spend as a charitable contribution. In 2015, we had an accumulated amount of RM200,000 and that was channelled to Islamic Relief Malaysia and MERCY Malaysia in 2016.
Others	<ul style="list-style-type: none"> We engaged with National Heart Institute (IJN) for its annual flagship programme. In collaboration with the Islamic Aid Association of Malaysia (IAM), Maybank Islamic provided fishing equipment, funds to repair boats, and basic food supplies worth RM200,000 to 70 fishermen in Kuala Nerang, Kedah. Helped over 900 underprivileged families in Baling and Sik, Kedah. Most of the families are rubber tappers. A contribution of basic food supplies and household products worth RM300,000 was handed over in collaboration with Islamic Aid Association Malaysia (IAM). Maybank Islamic sponsored four students from Malaysia and two from Indonesia who pursued their studies in Islamic Finance at the International Centre for Education in Islamic Finance.

ACCESS TO PRODUCTS AND SERVICES

D Detailed Indicators

Indicators	2013	2014	2015	2016
Shariah Centre of Excellence (SCOE)				
Number of publications	n/a	2	13	6
Human Capital Development				
Islamic finance scholarship				
- Total scholarship disbursed	n/a	RM158,130	RM137,581	n/a
- Number of scholars supported	n/a	5	4	6
Zakat & Waqf Developments				
Ramadhan Relief				
- Amount disbursed	RM1,000,000	RM1,000,000	RM500,000	RM500,000
- Number of families supported	8,800	8,900	3,800	3,811
Back to school				
- Amount disbursed to asnaf	RM126,100	RM134,800	RM724,000	RM296,800
- Number of asnaf beneficiaries supported	753	674	2,194	848
Education Support				
- Amount disbursed to asnaf	RM164,000	RM553,610	RM657,000	RM3,100,000
- Number of asnaf beneficiaries supported	74	253	233	2,000
Academic tuition class for underprivileged				
Number of students involved	1,785	2,700	353	235

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-EC9, G4-HR5

STRATEGIC PROCUREMENT

One of the most concrete ways we can impact the societies we operate in is through our supply chain. In 2016, Group Procurement finalised the review of standard contracts. Group Strategic Procurement standard contracts embrace and enforce sustainability and fair practises in dealing with vendors. The suppliers are to respect human rights, and adhere to fair labour practices, non-discrimination as well as environmental protection as per applicable laws.

We support local suppliers as much as possible. In Malaysia 95.9% of procurement spent is through local suppliers. Last year, we spent RM1.1 billion on buying products and services from them, hence fueling local economies.

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

ACCESS TO PRODUCTS AND SERVICES

YEAR-ON-YEAR PROGRESS AND PRIORITIES

Commitment to the Environment	Managing our environmental impacts.				
	Year	2013	2014	2015	2016
	Carbon footprint (tCO₂e)	37,704.81	40,221*	46,575**	91,528***
	Paper consumption (pieces) (tracking started in 2014)	n/a	236,283,832	263,846,748	262,570,998
	* 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 page 67.				
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
	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
	Retail SME financing (RM billion)	6.0	7.5	10.2	12.6
Digitalisation	Enabling technology to fulfil the increasingly complex requirements of a growing sophisticated customer base.				
	Year	2013	2014	2015	2016
	Number of M2U registered online users	6.9 million	7.5 million	8.3 million	9.8 million
	Number of online transactions	1.24 billion	1.60 billion*	2.07 billion*	2.90 billion*
	Amount (RM billion)	102.3	141.7	173.6	260.5*
	* Data covering Malaysia, Indonesia, Singapore, the Philippines and Cambodia. For further details, please refer to page 80.				
Product Stewardship	Leading in responsible lending practices.				
	Year	2013	2014	2015	2016
	Zakat contributions (RM million)	30.8	25.25	17.84	19.19
	*Green Technology Financing Scheme, GTFS (RM million)	n/a	245	273	307
	*Number of green projects financed	n/a	16	21	27
	Maybank Green Technology Financing (RM million)	Commenced in 2016			340
	Number of green projects financed through Maybank	Commenced in 2016			15
	* Started tracking in 2014.				

PERFORMANCE DATA – WORKPLACE

DESCRIPTION	2016	2015	2014	2013	2012	2011	2010	2009	2008
Employees									
Total number	43,976	45,958	47,041	47,771	47,233	42,693	26,548	24,910	24,773
Inside Malaysia	24,659	25,377	26,272	26,728	26,473	25,841	23,925	22,535	22,370
Outside Malaysia	19,317	20,581	20,769	21,043	20,760	16,852	2,623	2,375	2,403
Executive	30,287	30,988	31,096	31,702	26,746	28,578	16,675	14,564	14,021
Non-Executive	13,689	14,970	15,945	16,069	16,456	14,115	9,873	10,346	10,752
Full-time	43,976	45,958	47,041	47,771	47,233	42,693	26,548	24,910	24,773
Part-time	-	-	-	-	-	-	-	-	-
Permanent	40,595	42,421	42,986	43,904	40,660	39,487	25,344	24,126	24,244
Non-permanent	3,381	3,537	4,055	3,867	2,542	3,206	1,204	784	529
Female	24,138	24,976	25,285	25,498	23,415	22,845	15,691	14,554	14,488
Male	19,838	20,982	21,756	22,273	19,787	19,848	10,857	10,356	10,285
Union members	9,113	8,966	9,054	12,563	10,328	10,015	9,907	11,676	11,822
Non-Union members	13,644	12,442	13,237	14,165	16,145	13,052	11,457	13,234	12,951
Age group									
< 30	10,096	12,371	13,355	14,262	13,108	13,481	7,116	6,400	7,083
30 - 39	16,482	17,168	17,686	18,121	16,962	17,177	11,178	11,208	10,924
40 - 50	12,968	12,414	12,054	11,913	10,311	9,491	6,221	5,655	5,336
> 50	4,430	4,005	3,946	3,475	2,821	2,544	2,033	1,647	1,430
Diversity (Malaysia operations only)									
Malay	17,194	17,651	18,342	18,578	19,560	18,201	17,735	16,499	16,654
Chinese	4,967	5,173	5,351	5,536	5,394	5,189	6,021	5,466	5,257
Indian	1,381	1,415	1,416	1,400	1,381	1,355	1,298	1,221	1,203
Others	1,117	1,138	1,163	1,214	1,138	1,096	1,494	1,724	1,659
Employee Turnover Rates									
Global	6,688	3,800	6,606	6,045	4,978	5,274	2,354	2,099	2,039
In Malaysia	1,977	2,504	2,101	1,921	1,950	1,742	1,866	1,800	1,559
Outside Malaysia	4,711	1,296	4,505	4,124	3,028	3,532	488	299	480
Global	15%	8%	14%	13%	11.52%	12.35%	8.87%	8.43%	8.23%
In Malaysia	8%	10%	8%	7%	7.37%	6.74%	7.80%	7.99%	6.97%
Outside Malaysia	24%	6%	22%	20%	18.10%	20.96%	18.60%	12.59%	19.98%
Female	2,846	1,920	3,103	2,786	2,291	2,267	1,275	1,122	1,148
Male	3,842	1,880	3,503	3,259	2,687	3,007	1,079	977	891
Age Group									
< 30	2,818	1,849	3,035	3,272	2,803	3,095	1,340	1,191	1,178
30 - 39	2,522	1,000	2,243	1,735	1,428	1,529	540	487	523
40 - 50	847	451	973	608	382	368	194	153	150
> 50	501	500	355	430	365	282	280	268	188
Women in Management									
% Women in management (Band G & above)	45%	47%	46%	42%	43%	40.87%	43.26%	38.23%	37.11%
% Women in top management (Band D & above)	30%	35%	31%	31%	31%	22.70%	18.99%	15.68%	16.66%
Training									
Employee participation in training	32,544	38,946	26,591	26,723	26,041	24,909	21,985	20,660	22,078
Average attendance per training programme	32	42	24.4	22.17	25.6	20.9	25.8	24	18.2

PERFORMANCE DATA – WORKPLACE

DESCRIPTION	2016	2015	2014	2013	2012	2011	2010	2009	2008
Average training hours per employee	32	35	33.68	45.31	41.44	47.97	38.34 /	34.5 /	50.9 /
Total training hours			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
% met statutory requirement (by Bank Negara Malaysia)	2.52%	2.74%	2.76%	2.78%	3.17%	3.34%	2.79%	2.51%	3.25%
Total spent (RM)	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%
% Employees who are formally appraised (during Mid-Year Review)	94% ^{*^}	83.5% ^{*^}	87.5% ^{*^}		n/a	n/a	89%	86%	68%
One-on-one performance review for year-end evaluation	100% ^{*^}	100% ^{*^}	100% ^{*^}		On-going	On-going	59%	61%	63%
Occupational Safety and Health (OSH)									
Total recordable injury frequency rate	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
Lost time injury severity rate	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
Employee Engagement Survey Results									
	NA	NA	82%		85%	86%	87%	83%	77%
Human Rights									
Percentage of employees who receive Human Rights training	100%	100%	NA		NA	NA	NA	NA	NA
Security personnel trained on Human Rights issues	100%	100%	NA		NA	NA	NA	NA	NA
No. of disabled employees	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 employees and Line Managers in myHR2u system

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

Employee Engagement Survey Results

Employee Engagement Survey is due to be administered in February 2017

- Malaysia only
- Non-Group; exclude Maybank Kim Eng & Maybank Indonesia
- Excluding Maybank Indonesia & ALGA (Etiqa Philippines)
- Group

GRI G4 CONTENT INDEX

For 'In Accordance' option – Core



GENERAL STANDARD DISCLOSURES		
GENERAL STANDARD DISCLOSURES	PAGE (OR LINK)	EXTERNAL ASSURANCE
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G4-2	P8-P9, P10-P11, P15	YES, P91
ORGANIZATIONAL PROFILE		
G4-3	P6	YES, P91
G4-4	P2, P6	YES, P91
G4-5	P12	YES, P91
G4-6	P2-P3	YES, P91
G4-7	P6	YES, P91
G4-8	P2-P3, P6	YES, P91
G4-9	P2-P3, P4-P5	YES, P91
G4-10	P86	YES, P91
G4-11	P28	YES, P91
G4-12	P84	YES, P91
G4-13	P6	YES, P91
G4-14	P23	YES, P91
G4-15	P12, P16, P22, P27, P75-P76	YES, P91
G4-16	P82-P83	YES, P91
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	P12	YES, P91
G4-18	P12, P19	YES, P91
G4-19	P20-P21	YES, P91
G4-20	P12	YES, P91
G4-21	P12	YES, P91
G4-22	Significant restatements of data compared to prior years are noted in the section where they appear	YES, P91
G4-23	P12	YES, P91
STAKEHOLDER ENGAGEMENT		
G4-24	P17	YES, P91
G4-25	P19	YES, P91
G4-26	P17-P18	YES, P91
G4-27	P17-P18	YES, P91
REPORT PROFILE		
G4-28	P12	YES, P91
G4-29	P12	YES, P91
G4-30	P12	YES, P91
G4-31	P12	YES, P91
G4-32	P12	YES, P91
G4-33	P12	YES, P91

GENERAL STANDARD DISCLOSURES		
GENERAL STANDARD DISCLOSURES	PAGE (OR LINK)	EXTERNAL ASSURANCE
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G4-34	P16, P26	YES, P91
G4-35	P16	YES, P91
G4-36	P16	YES, P91
G4-38	P27	YES, P91
G4-39	P143-P144, Board Composition, Statement on Corporate Governance – Annual Report 2016 (Corporate Book)	-
G4-40	P145-P146, Board Appointments, Statement on Corporate Governance – Annual Report 2016 (Corporate Book)	-
G4-41	P153, Board Professionalism, Statement on Corporate Governance – Annual Report 2016 (Corporate Book)	-
G4-42	P16 P141, Board of Directors, Statement on Corporate Governance – Annual Report 2016 (Corporate Book)	YES, P91 -
G4-45	P16, P17	YES, P91
G4-46	P16	YES, P91
G4-52	P146-P149, Board Processes, Statement on Corporate Governance – Annual Report 2016 (Corporate Book)	-
ETHICS AND INTEGRITY		
G4-56	P26-P29	YES, P91
G4-57	P27	YES, P91
G4-58	P27	YES, P91

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For 'In Accordance' option – Core

SPECIFIC STANDARD DISCLOSURES				
CATEGORY: ECONOMIC				
MATERIAL ASPECTS	DMA AND INDICATORS	OMISSIONS	EXTERNAL ASSURANCE	REFERENCE
Economic Performance	G4-DMA: P31 G4-EC1: P5, P32 G4-EC2: P66, P82	- - -	YES, P91 YES, P91 YES, P91	Our Approach Highlights of 2016, Spending per Focus Area, Annual Report 2016 (Financial Statements Book) – Operating Revenue, Notes to the Financial Statements, P130, Annual Report 2016 (Financial Statements Book) – Overhead Expenses, Notes to the Financial Statements, P133, Annual Report 2016 (Financial Statements Book) – Taxation and Zakat, Notes to the Financial Statements, P137 Our Environmental Agenda, Green Technology Financing
Indirect Economic Performance	G4-DMA: P31 G4-EC7: P31-P42 G4-EC8: P31-P42, P74, P75-P77	- - -	YES, P91 YES, P91 YES, P91	Our Approach Community and Citizenship Community and Citizenship, Migrant workers and remittances as a backbone of economies, Our Commitment to SMEs
Procurement Practices	G4-DMA: P65 G4-EC9: P84	- -	YES, P91 YES, P91	Our Approach Strategic Procurement
CATEGORY: ENVIRONMENTAL				
MATERIAL ASPECTS	DMA AND INDICATORS	OMISSIONS	EXTERNAL ASSURANCE	REFERENCE
Materials	G4-DMA: P65, P66 G4-EN1: P68	- -	YES, P91 YES, P91	Our Approach, Our Environmental Agenda, Managing Our Environmental Impacts Paper Consumption
Energy	G4-DMA: P66 G4-EN3: P68	- Not applicable for energy consumption from renewable sources.	YES, P91 YES, P91	Managing Our Environmental Impacts Electricity Consumption
Water	G4-DMA: P66 G4-EN8: P68	- -	YES, P91 YES, P91	Managing Our Environmental Impacts Water Consumption
Biodiversity	G4-DMA: P40 G4-EN13: P40	- -	YES, P91 YES, P91	Environmental Diversity Environmental Diversity
Emissions	G4-DMA: P66 G4-EN15: P66-P67 G4-EN16: P66-P67 G4-EN17: P66-P67	- - - -	YES, P91 YES, P91 YES, P91 YES, P91	Managing Our Environmental Impacts Carbon Emissions Carbon Emissions Carbon Emissions
Effluents and Waste	G4-DMA: P66 G4-EN23: P69	- Currently unavailable for total weight of hazardous weight produced (IT equipment) by disposal methods, to be available in 2018.	YES, P91 YES, P91	Managing Our Environmental Impacts Waste Management and Recycling

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For 'In Accordance' option – Core

SPECIFIC STANDARD DISCLOSURES				
CATEGORY: SOCIAL				
LABOR PRACTICES AND DECENT WORK				
MATERIAL ASPECTS	DMA AND INDICATORS	OMISSIONS	EXTERNAL ASSURANCE	REFERENCE
Employment	G4-DMA: P45 G4-LA1: P86	- -	YES, P91 YES, P91	Our Approach Performance Data – Workplace
Occupational Health and Safety	G4-DMA: P60 G4-LA6: P60, P87	- Currently unavailable for gender lost day rate as we are collecting the information, to be available in 2017.	YES, P91 YES, P91	Safety, Health and Well-being Safety, Health and Well-being, Performance Data – Workplace
Training and Education	G4-DMA: P45 G4-LA9: P56, P87 G4-LA10: P50-P56, P56-P57 G4-LA11: P87	- - - -	YES, P91 YES, P91 YES, P91 YES, P91	Our Approach Learning and Development, Performance Data – Workplace Talent and Leadership, Learning and Development Performance Data – Workplace
Diversity and Equal Opportunity	G4-DMA: P45 G4-LA12: P48, P57, P86	- -	YES, P91 YES, P91	Our Approach Our Workforce, Gender Equality, Performance Data – Workplace, Annual Report 2016 (Corporate Book) – Board of Directors' Profile, P108-P113
Labor Practices Grievance Mechanisms	G4-DMA: P45 G4-LA16: P50	- -	YES, P91 YES, P91	Our Approach Grievance Mechanisms
HUMAN RIGHTS				
MATERIAL ASPECTS	DMA AND INDICATORS	OMISSIONS	EXTERNAL ASSURANCE	REFERENCE
Child Labor	G4-DMA: P45 GR-HR5: P28, P84	- Currently unavailable on operations and suppliers information as we are currently collecting the information. Will be available in 2018.	YES, P91 YES, P91	Our Approach Good Business Conduct, Strategic Procurement
Security Practices	G4-DMA: P45 G4-HR7: P87	- -	YES, P91 YES, P91	Our Approach Performance Data – Workplace
SOCIETY				
MATERIAL ASPECTS	DMA AND INDICATORS	OMISSIONS	EXTERNAL ASSURANCE	REFERENCE
Local Communities	G4-DMA: P31 G4-SO1: P31-P42, P82-P84	- -	YES, P91 YES, P91	Our Approach Community and Citizenship, Leadership in Islamic Finance
PRODUCT RESPONSIBILITY				
MATERIAL ASPECTS	DMA AND INDICATORS	OMISSIONS	EXTERNAL ASSURANCE	REFERENCE
Product and Service Labeling	G4-DMA: P70 G4-PR5: P72	- -	YES, P91 YES, P91	Focus on Customers Focus on Customers – Performance Data



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 Malayan Banking Berhad Sustainability Report 2016. The main objective of the verification process is to provide assurance to Malayan Banking 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 2016. 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 2016.

Verification team

The verification team from SIRIM QAS International consisted of:

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

Methodology

The verification process was carried out by SIRIM QAS International in April 2016. 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 Guidelines – Core Option.

During the verification process, issues were raised and clarifications were sought from 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 2016;
- 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 of the GHG emissions for Scope 1, 2 and 3 was limited to the information provided by Maybank supported with the bills, receipt and travel information. The comprehensiveness of the information was not assure.
- The verification team did not review any contractor or third party data.

Observations

It was noted that the reporting of the environmental expenditures and the GHG emissions for Scope 1 – Direct Emissions, Scope 2 – Indirect Emissions and Scope 3 –Other Indirect Emissions have been expanded to cover more operation sites within Malaysia and Singapore. The Scope 1 covers the fuel consumption for the company vehicles and in diesel generators, release of CO₂ from the fire extinguishers and leakage of refrigerant from the air-conditioning systems. The Scope 2 covers the electricity consumption for the branches and Scope 3 covers the business road travelling in Malaysia and business air travelling in Malaysia and Singapore.

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 2016 is fair and acceptable;
- The Sustainability Report was prepared 'In Accordance' with the GRI G4 Guidelines – Core option. 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.
- The following were confirmed for the GHG emissions reporting:

Greenhouse gas emissions (tCO ₂ e)			
Scope 1	Scope 2	Scope 3	Total
3,174	82,301	6,053	91,528

Prepared by:



AMINAH ANG

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

Date : 25 April 2017

Approved by:



NOR'AFIZA BINTI SAIM

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

Date : 25 April 2017

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This Sustainability Report 2016 is printed on environmentally friendly paper.

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