

## **Maybank launches refined M25+ strategy to drive differentiated sustainable long term growth anchored on a deeper purpose**

- Group to implement 12 strategic programmes over the next few years

Maybank today announced its refined corporate strategy, M25+, that will see it driving more meaningful differentiation in five key strategic thrusts and accelerating the development of key capabilities for sustainable long-term growth anchored on a deeper purpose.

The five strategic thrusts will build on the foundation laid by the previous M25 plan rolled out last year, focusing on **intensifying customer centricity, accelerating digitalisation and technological modernisation, strengthening Maybank’s business presence and position beyond Malaysia, driving its leadership position in the sustainability agenda and becoming a global leader in Islamic Banking.**

To guide the organisation and its people to achieve these strategic outcomes, the refined strategy is anchored on a deeper purpose of **“Becoming a Values-Driven Platform, Powered by a Bionic Workforce that Humanises Financial Services”**.

**Group President and CEO of Maybank, Dato’ Khairussaleh Ramli** said M25+ sharpens the strategic outcomes expected in the five strategic thrusts by 2025 and creates firmer foundational capabilities for sustainable shareholder returns over the long-term given the rapidly evolving banking landscape that has not only been impacted by the COVID-19 pandemic but persisting socio-economic changes sweeping across the globe.

“The decision to further refine the Group’s strategy was driven by the need for the organisation to remain Agile for continued growth and delivery of sustained returns beyond 2025. It is critical for us to identify and accelerate the development of new capabilities now, especially in technology and people, so that the organisation remains relevant beyond 2025. To achieve this, we need to equip ourselves with the skills, infrastructure and tools so that we may evolve into an organisation that is capable of delivering hyper-personalised customer service offerings that are timely, of quality and holistic as these offerings encompass the customer’s lifecycle journey,” he said.

To **intensify customer centricity**, the Group will adopt a fully Agile and iterative Minimum Viable Product approach that focuses on reimagining a customer’s journey and end-state model, aimed at increasing customer satisfaction and speeding up time-to-market solutions. Maybank will also look at **accelerating digitalisation and technology modernisation** of its end-to-end straight-through-processing platforms to allow for integration of ecosystems within and beyond banking.

As part of its plan to **strengthen its business presence and position in the region and Malaysia**, there will be a greater push by Maybank in the regionalisation of its business and product solutions supported by the modernisation of the Group's technological platforms and applications across its key markets. The Group also intends on **driving its sustainability leadership agenda** by expanding its scope to embrace ethical banking principles that focus on fairness, inclusivity, preservation of the environment and exclusion of harmful activities to mankind and by concentrating on developing transition solutions that support the rollout of decarbonisation strategies.

Meanwhile, to **attain a global leadership position in Islamic banking**, Maybank will focus on its expertise in Islamic wealth management by making Singapore the hub and its presence in the Middle East as well as other ASEAN countries as spokes.

The refinement of the five strategic thrusts comes on the back of the many macro trends disrupting the banking sector at a phenomenal pace. These trends include economic conditions such as rising inflationary and looming recessionary pressures, the increasing competition within the financial services space from non-bank players, the greater focus by customers and investors for sustainable practices and the demand for transition solutions as more organisations migrate towards net zero carbon emission goals.

Compounding this is the war for talents as banks compete with big tech companies for a workforce that is digitally skilled and in tune with the changing profile of customers, resulting in the need for hyper-personalised quality service offerings in real time instead of the conventional one-size-fits all model. To address these emerging trends, Maybank employees will be up-skilled and equipped with the right technological capabilities to create a "bionic workforce".

To support the intended outcomes of its five strategic thrusts, Maybank has identified 12 Strategic Programmes (SP) that will strengthen its foundation and competitiveness by creating the greatest value, customer experience uplift, cross-sector collaboration and regional integration Group-wide enabled by technology. These SPs are as follows:

**SP1 - Reshape wholesale target operating model** by enhancing the group-wide coverage model, customer segment and product strategy, reigniting regional sales productivity and building deeper sector expertise, offering tailored sector solutions as well as reimagining the end-to-end onboarding and credit process

**SP2 - Build a regional transaction banking proposition** by establishing a cross-country target operating model for regional trade and financial supply chain management as well as regional cash management and payments

**SP3 & SP4 - Reimagine the consumer banking and SME banking customer journeys respectively** by offering value added services within and beyond banking across the customer's key life and growth milestones as well as integrating and strengthening Maybank's position as an orchestrator within select digital ecosystems

**SP5 - Build global Islamic banking leadership** through the establishment of global Islamic Wealth Management hubs in Singapore and Dubai and establish as-a-service offering to expand into new markets via an asset-lite manner

**SP6 - Become a regional leader in Insurance** by strengthening life coverage in core markets of Malaysia and Singapore, leveraging built platform and learnings to scale and expand regionally while delivering customer-centricity through cutting-edge banca 2.0, agency 2.0, straight-through processing and analytics

**SP7 - Uplift Indonesia** by continuing to strengthen fundamentals through clear segment target and proposition as well as operational optimisation while differentiating and growing through expansion of select key levers such as digital SME and Islamic offerings

**SP8 - Redefine our International footprint** by refocusing Maybank's global footprint based on three archetypes (i.e.: universal play, focused play and strategic footprint), redesigning target operating model for markets moving to a different archetype and optimising investment portfolio

**SP9 - Be the Sustainability leader in SEA** by enhancing baseline, measurement and target-setting capabilities, building segment-specific business strategies and developing a sustainability integrated target operating model covering governance and organisation, business/ individual KPIs and credit approval processes

**SP10 - Elevate Maybankers** by initiating strategic workforce planning that focuses on the Next-Gen talent required, reimagining employee value proposition for digital talent and talent abroad, enhancing performance management and institutionalising Agile@Scale

**SP11 - Drive hyper-personalisation through advanced analytics** alongside the reimagination of customer journeys and develop platforms that enable hyper-personalisation experiences for customers at communication, channel and product/ service levels

**SP12 - Build Next-Gen Technology capabilities** focusing on a digital-ready architecture, implementing an operating model that drives more seamless collaboration between business and support units, technology, and prioritisation of initiatives as well as inculcating a workforce culture that drives towards a digital culture and retaining the right talent

“Over the next few years, we will institutionalise these 12 Strategic Programmes Group-wide to ensure the full infusion of ethical principles, regional integration, cross-sector collaborations and adoption of Agile ways of working to drive the successful outcomes of our five strategic thrusts,” said Dato’ Khairussaleh.

“Maybank will invest between RM3.5 billion and RM4.5 billion over the next three to five years to implement these programmes and build the new technological and people capabilities that will support the Group’s growth beyond 2025. About 77% of the total investments will be for technology, covering two main areas namely tech-for-tech which includes back-end integration of our banking infrastructure such as data platforms, channel integration, IT rationalisation, cybersecurity and API layers among others and tech-for-business to support the delivery of the strategic outcomes.”

With the full realisation of the M25+ strategy by 2025, Maybank expects to see an acceleration in time-to-market of solutions by ~2-4x, increase in customer satisfaction by ~10-20%, digital customer penetration rate of >80% from 59% currently, employee engagement of >90%, and Next-Gen employees comprising 25-30% of the workforce. Consequently, this is expected to drive loans growth by ~7% resulting in a return-on-equity (ROE) of 11-12% and cost-to-income ratio (CIR) of ~45% by 2025.

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