

# SOCIAL IMPACT DEPOSIT

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# 1 Introduction



Providing financial relief to our customers who were identified as being in dire need of financial assistance.

## Introduction

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The Social Impact Deposit Account (“SIDA”) campaign aimed to raise funding for the purpose of providing financial relief to our customers who were identified as being in dire need of financial assistance due to a loss of income or unemployment because of the COVID-19 pandemic. This report details information regarding the SIDA campaign, including the impacts created.

## Impact At A Glance

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122 potential beneficiaries identified and interviewed as of end-2021



Funds have been disbursed since September 2021, providing beneficiaries with 7 months equivalent of partial payment assistance

# 2 Uplifting Individuals and Communities



We sought to provide support to vulnerable customers in their time of need.

# Uplifting Individuals and Communities

- The COVID-19 pandemic has had a deep toll on individuals and communities across the world, impacting lives and livelihoods in a myriad of ways. In the Malaysian context, information from the Department of Statistics Malaysia (“DOSM”) Labour Force Survey (“LFS”) suggests that as of end-2021, at least 100,000 individuals had lost their jobs as a result of the pandemic, with research by the Malaysian Institute of Economic Research (“MIER”) suggesting that this figure could be as high as 2 million. Many of those affected were individuals from lower-income households.
- The effects of the pandemic on individuals and households have been unequal, with the most vulnerable groups in our communities having suffered more as a consequence. The pandemic forced many individuals into dire financial situations, leaving them uncertain of when they would be able to regain financial stability and security. When faced with such widespread suffering, hardship and grief, the best that humanity can do is to respond with kindness, compassion and empathy, to provide support to those affected.
- Recognising that some of our own customers fell within this category of severely affected individuals, in October 2020, Maybank Islamic Berhad (“the Bank” or “Maybank Islamic”) launched Malaysia’s first ever Social Impact Deposit Account, under our Islamic fixed deposit account (“IFD-i”). Through this initiative, we sought to provide support to vulnerable customers in their time of need, so that the beneficiaries of today may become the benefactors of tomorrow.



Dato' Mohamed Rafique Merican  
Group Chief Executive Officer,  
Islamic Banking, Maybank

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“We set out on this initiative with the intention of supporting those affected by the pandemic. Although sectors of the economy have started to reopen, the impact of the pandemic has been devastating and those whose incomes were severely affected may take years to rebuild their lives. We are grateful to have received such widespread support from members of the community who partnered with us in this initiative. Together, we can make a difference and create a positive impact.”



En Shahril Azuar Jimin  
Chief Sustainability Officer,  
Maybank Group

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“This initiative resonates with our mission of Humanising Financial Services and is in line with our commitment to improve the lives of 1 million households by 2025. We see it as our purpose to ensure we continuously support members of society who are most vulnerable to adverse economic shocks and hardships.”

# 3 The Social Impact Deposit Account



The success of this initiative fundamentally relies on the generosity and compassion of participating depositors.

## The Social Impact Deposit Account

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- Customers who made a minimum of RM1,000 six months IFD-i placement during the campaign period of 15 October 2020 to 31 March 2021 earned a profit at the prevailing board rate at the time of placement. For each deposit placement made during the campaign period, Maybank Islamic separately contributed 0.3% per annum to a dedicated assistance account. In this way, we created a product that enabled customers to make a difference by contributing to a social cause, while supporting the needs of those who required financial relief and assistance. As such, the success of this initiative fundamentally relies on the generosity and compassion of participating depositors.
- The beneficiaries are Maybank Islamic customers that had been identified and assessed by the Bank to be in need of financial assistance. Through SIDA, we are able to provide temporary financial relief to eligible individuals for a period equivalent to seven months, commencing upon the end of any other payment assistance period. Individuals who qualify for assistance under SIDA will receive support from Maybank via the Maybank Islamic Ikhwan Charity Fund. This assistance goes towards their Home Financing, thus alleviating their financial burden during a challenging period of their lives.
- We made a strategic decision to wait until the end of customers' existing payment assistance and moratorium plans, to ensure that additional support was extended to those who are not able to withstand the adverse economic shocks of the pandemic. This allows us to better target our assistance to those who faced the most severe financial difficulties.

Through this campaign, we aimed to:



Provide financial relief to those whose employment or income had been severely affected by the COVID-19 pandemic



Bring together the Bank, our depositors and our community, to collectively create a positive impact



Embody Maybank's mission of Humanising Financial Services



- The SIDA is testament to Maybank Group’s commitment to Humanising Financial Services. We strive to be a Force for Good by standing by our customers, being there for them in their time of need and helping them move forward from times of distress. Through the Group’s products and services, we constantly endeavour to support our communities, leaving a positive impact on their lives that enables them to flourish. SIDA provides an avenue to do just that, allowing us to help our fellow citizens weather the COVID-19 pandemic.

## Supporting Maybank Group’s Sustainability Efforts

In 2021, Maybank unveiled M25, the Group’s corporate strategy up to 2025. Sustainability has been identified as one of the Group’s three strategic priorities, and over the next few years, Maybank will strive to integrate sustainability throughout the organisation. This sustainability integration is guided by the Group’s three-pillared sustainability strategy, in which *Enabling Our Communities* has been identified as a key theme. This will see the Group focusing on areas such as financial inclusion and community empowerment, to ultimately build a more just and inclusive future.

To further guide the Group’s sustainability efforts, Maybank has identified four key sustainability commitments. This includes our commitment to *Improving the lives of 1 million households across ASEAN by 2025*, which is closely tied to Maybank’s mission of Humanising Financial Services and our dedication to empowering and uplifting communities. Our SIDA initiative contributes towards this commitment as well as Maybank’s broader ambition of *Enabling Our Communities* by giving individuals the financial relief they need to stay afloat during this trying period. It is our belief that, by restoring the financial well-being of these individuals, we are enabling them to be in a better position to thrive and flourish moving forward.

## SDG Spotlight



1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources

1.5 By 2030, build the resilience of the poor and those in vulnerable situations

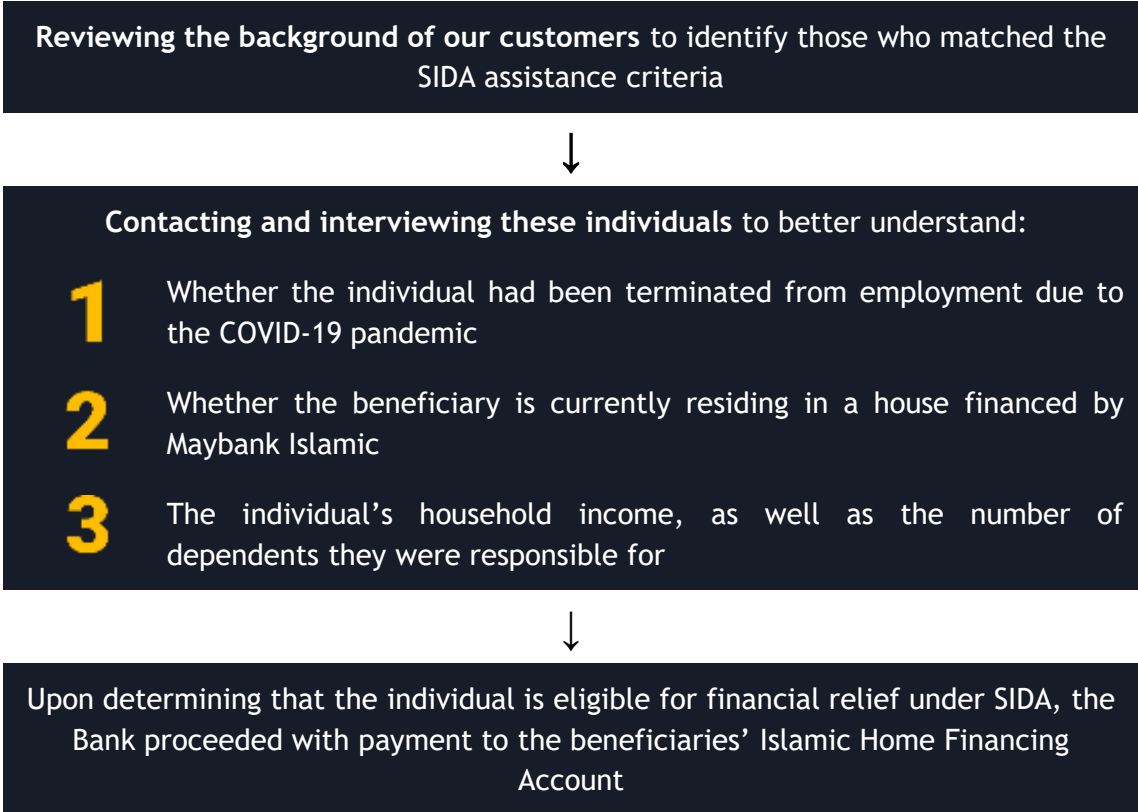
# 4 Creating Meaningful Impact



Maybank Islamic is committed to ensuring that financial assistance under SIDA is directed towards the individuals who need it most.

# Creating Meaningful Impact

- We recognise the importance of proactively extending financial support to vulnerable individuals. Simultaneously, the Bank also recognises the importance of establishing a robust oversight and governance structure, as well as clear processes for the identification of beneficiaries and the management of funds, to ensure that financial assistance is utilised effectively.
- Maybank Islamic is committed to ensuring that financial assistance under SIDA is directed towards the individuals who need it most. As such, we developed a list of criteria to guide our selection process, to ensure we identified beneficiaries who were not only eligible, but truly in need of our support. These criteria were reviewed by the then Group Sustainability Council<sup>1</sup> to validate their soundness. By ensuring that we provided assistance to those needing it most, we aimed to create the maximum social impact possible.
- Guided by the criteria that we had identified and the purpose behind our efforts, our process for the identification and selection of potential beneficiaries for SIDA assistance entailed:



<sup>1</sup> Maybank Group has since introduced a new sustainability governance structure, with the Group Sustainability Council being replaced by the Executive Sustainability Committee (ESC).

- To ensure sound governance, we also formed a dedicated Review Working Group (“RWG”) consisting of members of the Maybank Islamic Management Committee, as well as representatives from Maybank Group asset quality management. The RWG convenes bi-monthly, or as and when required, and is responsible for overseeing the beneficiary selection and financial assistance distribution processes.
- Our process of contacting and engaging with potential beneficiaries was thorough, with the Bank going to significant lengths to reach out to these individuals. We contacted individuals up to ten times via phone and in one instance, went to the potential beneficiaries’ home to speak with them directly, so that we could better explain the intention and purpose of SIDA. We believe in the importance of going the extra mile when contacting potential beneficiaries not only to assess their eligibility for financial assistance, but to better understand their situation.
- As our ultimate goal with this initiative is to create lasting positive social impact, the Bank conducted additional interviews with potential beneficiaries, once their existing moratorium plans had ended. We aimed to determine whether the individual has successfully found employment since being identified as a potential beneficiary, as those who have found employment are no longer in need of the financial assistance provided by the SIDA initiative. In this way, we ensure that we support individuals who are most in need of assistance.
- Those beneficiaries who are eligible for financial assistance are updated upon the successful completion of payment to their Home Financing Account, and updated again at the end of their assistance tenure, so that they can continue paying their monthly instalment plan. As of December 2021, 122 potential beneficiaries have been identified and interviewed, and are currently under review.
- At the time of writing this report, Maybank Islamic has disbursed funds to 51 beneficiaries. In the event that we are unable to fully utilise all funds raised via SIDA - for example, due to a lack of suitable beneficiaries, or due to a large proportion of potential beneficiaries successfully finding employment - the Bank plans to direct these remaining funds towards other charity causes which may not be COVID-19 related but are still targeted to the B40 income segment. This is to ensure that we continue to deliver on our aim of creative positive social impact by helping those who need it most.

# 5 The Voices of Those We Helped



I am very grateful and moved by the assistance provided by Maybank Islamic and for helping customers in a difficult situation.

## The Voices of Those We Helped

- We conducted interviews with a sample of beneficiaries who received assistance through this initiative, to better understand the impact that we were able to create. Based on these interviews, we observed that:

**100% of beneficiaries interviewed were facing severe financial difficulties and did not have sufficient funds to support their families**

**93%** of interviewees are married, with only **36%** having spouses earning an income

**80%** did not have a spouse who was earning an income, or earned an income below RM2,000 per month

**67%** of interviewees had at least two children to support

**20%** resorted to joining the gig economy, such as through e-hailing or rider delivery services, due to the pandemic

**67%** of interviewees lost their jobs as a result of working in industries that were highly affected by COVID-19, including the retail, hotels & leisure, tourism, airline and transportation industries

**33%** started online businesses, selling baked goods or handicrafts

**100% of beneficiaries interviewed stated that this programme created a positive impact to their families and provided relief to their financial burdens**

*Note: data above based on interviews conducted with a sample of beneficiaries.*

- The following are testimonies from selected beneficiaries<sup>2</sup> who received assistance from this initiative.

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*“The COVID-19 pandemic has limited my family’s spending even with my online business. This financial assistance has been very helpful in my financing and savings. I am now able to save more funds for my children’s schooling, and live a more comfortable life. Without this assistance, I was tight on money and was forced to live frugally. I am very grateful and moved by the assistance provided by Maybank Islamic and for helping customers in a difficult situation. Thank you very much to Maybank Islamic.”*

**Puan Rosnah Abu Bakar**

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*“My family’s financial situation was extremely affected by the pandemic. I was only able to secure a part-time job, but it was not enough. This financial assistance has lightened my financial burden. Now, I feel more comfortable with respect to my finances. I am able to save for my children’s future and daily spending. Without this assistance, I had financial constraints and had limited spending power. I am very thankful and grateful to Maybank Islamic for this assistance and for helping Malaysians in need.”*

**Encik Muhd Darwin Osman**

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*“The COVID-19 pandemic really put a burden on me and my family. My business of selling kuih was not enough and this financial assistance has been very helpful in my finances and supplementing my daily spending. It has helped my family through being able to gain capital for business and save funds while being unemployed. It has been a difficult time without this assistance as I no longer have any savings. I am extremely grateful and thankful to Maybank Islamic and never expected that programmes such as this existed.”*

**Puan Faridah Safreena**

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*“I am unemployed and was forced to use the assistance from Perkeso and dip into my savings. This programme has been very good in helping my finances and allowing me to save for the future of my family. Previously, I was low on funds and had to be very thrifty in my spending. Thank you to Maybank Islamic for thinking and helping their customers who are facing difficult times at the moment.”*

**Mr Albert Ng**

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<sup>2</sup> Beneficiaries’ names have been pseudonymised to protect their identity. Please note that these testimonies have been translated into English.

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*“I have an online business, but it was not enough to support my family during the time of the pandemic. This financial assistance has been helpful to my finances and savings, and has helped my family and I by allowing us to live a more comfortable life. It has also provided me the opportunity to save for my children’s needs and future. Before this programme, I was tight on money, and we only had enough to eat. As a person who is in difficult times, I feel very blessed and thankful to Maybank Islamic for this assistance.”*

**Encik Mohd Fairus Ahmad**

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*“My job as a FoodPanda rider was not enough to support my family during the difficult times of the pandemic. This financial assistance has been very useful for my finances and savings. It has allowed me to save for my family’s future and most importantly, to save for my children’s needs. Before this programme, I was financially restricted and only had enough to eat. This programme has been very helpful to me, and I am thankful to Maybank Islamic for this assistance.”*

**Encik Muhd Muazam**

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*“COVID-19 severely affected my finances as I only have a part-time job to support my family. This financial assistance has been very supportive to my finances and has allowed me to save in the name of my children. My family and I are now able to live more comfortably, and this support has provided us with the funds to carry out our daily lives. This assistance has enabled me to save for my family’s future and I am joyous and grateful for the existence of this programme and indebted to Maybank Islamic for helping Malaysians who are in dire need of help.”*

**Encik Ikhwan Radzi**

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*“I am working for myself and it’s not enough to support my family and I, especially during the pandemic. This assistance has been extremely useful to my family and I, by helping our finances and giving us the ability to save. I feel more relief and have a peace of mind now that I can save for my family’s future. Before this, we were tight on money and were forced to live frugally. I feel a lot of gratitude towards Maybank Islamic for helping those customers who are in dire need of help.”*

**Encik Mohd Hasraf**



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*“My family and I were severely affected by the COVID-19 pandemic in terms of our finances as my current income was not sufficient. This programme has been helpful to my family and I by allowing us to save and have more funds. Now I am able to save for the future and my children. Before this programme, I was forced to live frugally. I am very thankful for this programme and to Maybank Islamic for helping customers in need.”*

**Encik Juhairi Jalil**

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*“The COVID-19 pandemic had serious impacts on my family and I. My stream of income was not enough. The concern of the financial institute towards its customers is very good. This programme has been helpful in my family’s finances and savings. I am able to save more money for the future and for our daily spending. Prior to this programme, I was low on funds and had to be thrifty. I feel very thankful and blessed.”*

**Encik Rashid Kadir**

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*“Due to the COVID-19 pandemic, my family and I were tight on money. My income was not enough to supplement our daily life. With this programme, I am able to save for my children, the future and any emergencies. Without this programme, I would be financially restricted and I feel very thankful to Maybank Islamic for helping me.”*

**Puan NorFazura Salim**

- SIDA is one of the many initiatives introduced by Maybank Group to support the community in light of the COVID-19 pandemic. Other efforts include contributions to the Mercy Malaysia COVID-19 Fund, raising donations via our crowdfunding platform MaybankHeart to channel funds to NGOs working to assist Malaysia's most vulnerable communities, and supporting women through the Maybank Women Eco-Weavers programme, who during the pandemic produced sustainable and affordable face masks for their communities.
- Maybank Islamic would like to express our sincere thanks to our depositors for their trust in and support for the SIDA initiative. Moving forward, Maybank Islamic will continue to work towards our aim of creating positive social impact. Building on the momentum we have developed from this SIDA initiative, the Bank plans to explore opportunities to develop new products and services centred on the theme of social impact, as well as deepen partnerships with our stakeholders to widen the reach of our initiatives.