

Building Sustainable Linkages Across Asia

SUSTAINABILITY REPORT 2013



Humanising Financial Services Across Asia.



Maybank

53

YEARS OF GROWTH

From the very beginning, we have been a bank for the community, listening to and serving our customers by facilitating growth and creating value. This philosophy is not new. It is steeped in our history and continues to guide us as we expand regionally. We continue to pioneer new solutions in all areas of operation as we provide linkages for our stakeholders to thrive.



RM66MIL

SPEND ON CR PROGRAMMES

1.5MIL

YOUTUBE VIEWS FOR CASHVILLE KIDZ PROGRAMME

OVER
RM11.2MIL

IN SCHOLARSHIPS FOR STUDENTS ACROSS ASEAN



4.5MIL

PIECES OF PAPER SAVED VIA THE AMANAH SAHAM BUMIPUTERA UNIT TRUST FUND PAPERLESS LOAN PROCESSING

RM10MIL

SAVED IN PAPERLESS TRANSACTIONS FROM REGIONAL BRANCH SOLUTION

2,500

PARTICIPANTS AT THE MAYBANK WILD TIGER RUN



RM100MIL

LEARNING AND DEVELOPMENT BUDGET

119,000

VOLUNTEER HOURS

8 OUT OF 10

VACANCIES SOURCED INTERNALLY



98%

RESOLUTION IN CUSTOMER COMPLAINTS

2.1MIL

ACTIVE ONLINE CUSTOMERS

RM15.2MIL

IN ZAKAT CONTRIBUTIONS

1.01%
OF PATAMI
spent on CR

69 DOW
JONES
SUSTAINABILITY INDEX

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BUILDING SUSTAINABLE LINKAGES

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**WE FOCUS ON
SHARED
ASPIRATIONS
AS WE BUILD
SUSTAINABLE
LINKAGES
ACROSS ASIA**

Photo credit: Yaman Ibrahim
MAYBANK PHOTOGRAPHY AWARDS
Ray Of Light

G4-4

ABOUT MAYBANK

Maybank is among Asia's leading financial services groups, and the fourth largest bank in Southeast Asia by assets.

It was established in Kuala Lumpur in 1960 and is listed and headquartered in Malaysia. It is also Malaysia's No. 1 financial services group and the largest company by market capitalisation in the country.

The Maybank Group offers a comprehensive range of financial services ranging from corporate and consumer banking, investment banking, insurance and takaful, asset management, Islamic banking, offshore banking, stock broking, venture capital financing and internet banking.

It operates an extensive global network of over 2,200 offices in 20 countries including ten ASEAN countries. From its key home markets of Malaysia, Singapore and Indonesia, the Group's presence extends to the Philippines, Brunei Darussalam, Cambodia, Vietnam, Laos, Thailand, Myanmar, China, Hong Kong, Papua New Guinea, Pakistan, India, Uzbekistan, Saudi Arabia, Bahrain, United Kingdom and United States of America. The Maybank Group has leveraged its vast network and extensive experience of over 53 years to bridge customers across the world through unique financial solutions and advisory services that

are tailored for their specific needs. Its vast array of products and capabilities makes the Group an ideal business partner, particularly in markets where it has a presence.

With a strong focus on innovation and excellence, Maybank has been consistently recognised for its leadership and ability to deliver value to all its stakeholders. It has received numerous regional and international awards, and acknowledged for its leadership among peers. Maybank is ranked among the top 20 Strongest Banks in the World by Bloomberg Markets magazine, and is the leading Malaysian bank and among the top 100 Global Banks listed by The Banker magazine. It has also been ranked Malaysia's Most Valuable Brand for a number of years. The Group's Islamic Banking arm, Maybank Islamic Berhad, is the top Islamic commercial bank by assets in the Asia Pacific and 3rd in the world.

Maybank Group was built on the commitment that it would serve as a catalyst for economic and social development wherever it operates. True to this philosophy, the Group has continuously worked to support economic and social development in countries where it operates. Today, this is reinforced by its mission to humanise financial services across Asia. Through this mission, Maybank is focused on providing people with access to financial services at fair terms and pricing, advising them based on their needs and being at the heart of the community.

The Maybank Foundation remains an integral avenue for the Group to reinforce its commitment to the community. Through the Foundation's regional corporate responsibility initiatives as well as the active involvement of its employees, Maybank remains steadfast in helping foster a better and more sustainable future for all.



2,200
OFFICES

Over 2,200 offices in 20 countries



RM
88.1 bil

MARKET
CAPITALISATION

The largest listed company on Bursa Malaysia



22 mil
CUSTOMERS

Over 47,000 employees serving over 22 million customers



RM
560 bil

TOTAL
ASSETS

The largest bank in Malaysia



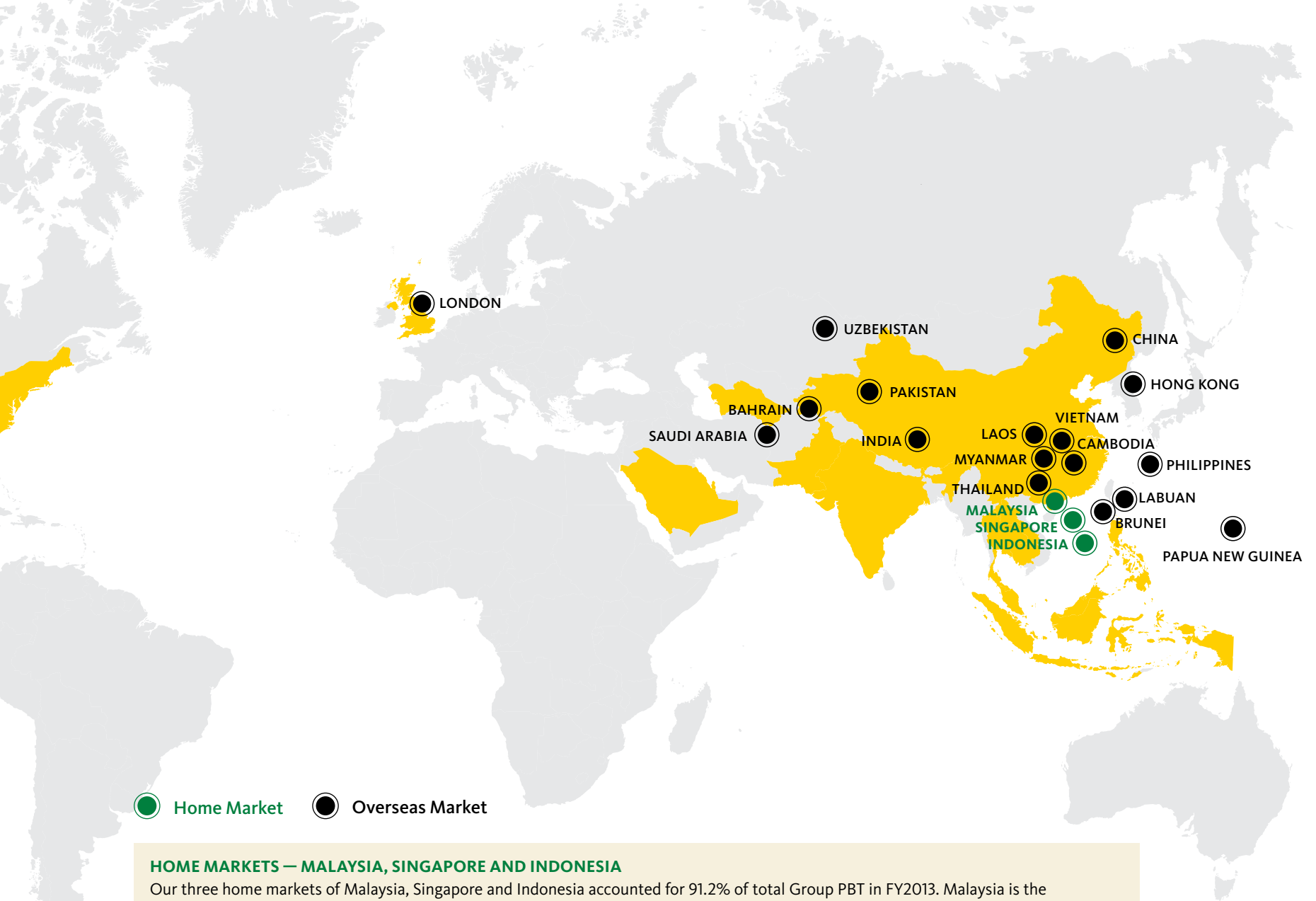
RM
6.55 bil
NET EARNINGS

Record PATAMI of RM6.55 billion for FY2013



G4-5, G4-6, G4-8

GLOBAL NETWORK



HOME MARKETS — MALAYSIA, SINGAPORE AND INDONESIA

Our three home markets of Malaysia, Singapore and Indonesia accounted for 91.2% of total Group PBT in FY2013. Malaysia is the largest contributor, with 62.1% of Group gross loans originating from this market and contributing 69.7% to Group PBT. The next biggest contributor to the Group's bottom line is Singapore with 14.1% PBT contribution led by a strong commercial and consumer banking franchise. Our third home market, Indonesia, makes up 7.4% of Group PBT, with its portfolio made up of consumer, SME and global banking. For 2014, Maybank Group will look to fortify its dominance in profitable segments domestically, grow returns from our businesses in Indonesia and strengthen our Singapore operations.

OVERSEAS MARKETS

- **Bahrain** 1 branch
- **Brunei** 3 branches
- **Cambodia** 16 branches
- **China** 2 branches
- **Hong Kong** 1 branch, 2 branches via Maybank Kim Eng
- **Indonesia** 422 branches via 78.95% owned Bank Internasional Indonesia (BII), 6 branches via Maybank Kim Eng, 1 branch via Maybank Syariah Indonesia
- **India** 1 branch via Maybank Kim Eng, 1 branch in Mumbai via BII
- **Labuan** 1 branch
- **Laos** 1 branch
- **London** 1 branch, 1 branch via Maybank Kim Eng
- **Malaysia** 399 branches, 6 branches via Maybank Investment Bank
- **Myanmar** 1 representative office
- **New York** 1 branch, 1 branch via Maybank Kim Eng
- **Pakistan** 1,208 branches via 20% owned MCB Bank, 4 branches via 32.5% owned Pak-Kuwait Takaful Company
- **Papua New Guinea** 2 branches
- **Philippines** 77 branches, 3 branches via Maybank Kim Eng
- **Saudi Arabia** 1 office via Anfaal Capital
- **Singapore** 22 branches, 4 branches via Maybank Kim Eng
- **Thailand** 51 branches via Maybank Kim Eng
- **Uzbekistan** 1 office via 35% owned Uzbek Leasing International
- **Vietnam** 2 branches, 8 branches via Maybank Kim Eng, 145 branches via 20% owned An Binh Bank

CHAIRMAN'S MESSAGE

**AS A RESPONSIBLE
CORPORATE CITIZEN,
IT IS FOR US TO
DRIVE CHANGE
THROUGH OUR
ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
POLICIES AND
PRACTICES.**

**TAN SRI DATO' MEGAT
ZAHARUDDIN MEGAT MOHD NOR
CHAIRMAN**

CHAIRMAN'S MESSAGE

I am pleased to report that we made good progress in all key sustainability priority areas. It is gratifying that our Profit After Tax and Minority Interest (PATAMI) grew last year at double-digit percentage, reaching RM6.55 billion, demonstrating the appropriateness of our business strategies. Our staff numbers increased just 1.5% adding to their productivity improvement covering all our operations worldwide. Crucially business-wise, we strengthened our number one position in our Malaysian Community Financial Services franchise, as well as our regional lead in Islamic Banking. Our high growth operations in Indonesia, through our subsidiary Bank Internasional Indonesia, have broadened coverage to new parts of this largest economy in ASEAN, positioning us well in the diverse communities rising in GDP per capita. Expansion of our operations in the Philippines, another ASEAN country with a large population, also puts us on a sound footing for the formation of the ASEAN Economic Community (AEC) in 2015.

Our social investments continue apace commensurately, through our Maybank Foundation as well as through our various corporate entities. Last year, our expenditures in corporate responsibility (CR) reached 1.01% of PATAMI, the bulk of which were in education, healthy living and community empowerment. Scholarships for tertiary education remain a large component of our disbursements, and enabling some recipients to pursue their studies at universities in neighbouring countries in ASEAN will help them to have a better perspective of how the regional economies will evolve in future as part of the AEC.

Our support for financial literacy programmes stays strong as we believe in creating avenues to introduce key financial concepts amongst the young to prepare them for a secure future. In 2013, our animated TV series, CashVille Kidz Season 2, reached more than 50,000 students in 180 schools and was viewed by 1.5 million viewers on YouTube.

We continue to reach out to the less fortunate within our communities through various acts of philanthropy and empowerment activities. An example of the former was the holding of an art exhibition by people with disabilities (PWD) artists at our Kuala Lumpur headquarters. For the latter, working in concert with local non-governmental organisations (NGOs), we have been able to provide support and micro-finance, especially to women in small enterprises in Indonesia.

Once again, our staff turned out in full force in 2013 for our worldwide Global Corporate Responsibility Day to take part in various CR activities closer to their hearts in their local communities. These unique efforts, which also involved members of our boards of directors/commissioners, enabled us to witness some of the more heart-felt activities, ranging from interactions with the handicapped, to providing tutoring to young children and caring for the environment around noted national heritage sites. Apart from instilling a sense of humility amongst some of our staff, these activities also provide opportunities for us to later track progress of those we interacted with in their respective journey through life amongst us.

Disaster relief remains an area that we have supported across the region, principally from the impacts of typhoon devastation in the Philippines and flood disasters in Indonesia and Malaysia. We envisage that in the future, closer collaboration with NGOs to enable quicker response capabilities will enable the suffering to be lessened within the affected communities.

With clarity that our CR activities revolves around the five pillars (education, community empowerment, healthy living, arts and culture and environmental diversity), we envisage that the work being undertaken at the Maybank Foundation and company levels will provide substantive focus to our staff in progressing our sustainability efforts moving forward. As our operations are in societies at various stages of development, we will keep refining our strategies to address the risks arising from the environmental, social and governmental (ESG) impacts to our continuing sustainability.



**Tan Sri Dato' Megat Zaharuddin
Megat Mohd Nor**
Chairman

**We continue to reach out to the less fortunate
within our communities through various acts of
philanthropy and empowerment activities.**

GROUP PRESIDENT & CEO'S MESSAGE

**OUR HUMANISING
MISSION WASN'T
IMPOSED FROM
THE TOP. IT CAME
FROM OUR
PEOPLE — AND IT
CAME FROM THE
HEART.**

DATUK ABDUL FARID ALIAS
GROUP PCEO

Maybank is on a mission of humanising financial services. This wasn't imposed from above. It came from our people — and it came from the heart. To me, it's this above all that differentiates us from the rest. Every decision we make, especially if it's a tough decision, is measured against our commitment to humanise the business we do.

This is an insight that echoes with every Maybankers across Asia. Ultimately, financial services are not just about figures and targets, they're about people. It's my belief that if we don't get 'humanising' right, we'll never hit our targets consistently. But if we do it successfully, the numbers will follow.

This commitment is driving a profound Group-wide transformation. We're increasingly moving away from being transaction led to focusing on the relationships we build with our stakeholders — from customers and colleagues to investors, partners and communities.

This isn't just changing our Malaysian business — it's happening everywhere we operate. And it's having a big impact on our attitude to corporate sustainability. We recognise that responsible lending benefits society long-term — but equally, that such lending is only possible if our own business achieves sustainable growth.

Today, in the **marketplace**, we look specifically to finance projects that promote sustainability and contribute to nation-building. We aim to support businesses that galvanise the economy, create livelihoods, and put roofs over people's heads.

We also look for ways of giving back to society. In 2013, we further strengthened our Maybank One Solution, expanding our customer base especially among the under-served. At the same time, we attracted more digital customers via such pioneering innovations as Maybank Shared Services, cardless withdrawals, and M2U Pay (a key platform for e-commerce in Asia). We also continued to track service quality levels and complaint management through Project GIFT (Get Involved and Follow Through) and CFRM (Customer Feedback and Resolution Management).

Maybank was founded as a bank for all Malaysians, and we have always positioned ourselves as being at the heart of the **community**. As we expand across ASEAN, our aspiration is to become a bank for all Asians, making a positive and distinctive difference to communities across the region. Through 'impact investment' we seek to build prosperity region-wide. And as exponents of both diversity and inclusivity, our goal is to benefit the whole community, not just parts of it. Our community programmes are long-term and results-based. For instance, to reach out to the underserved, last year we launched several microfinancing programmes in Indonesia dedicated to helping disadvantaged women and permanently raise their living standards.

Through Maybank Foundation, our activities encompass education, community empowerment, sports, health, arts, culture and heritage. And many of our programmes are driven by our people. In 2013, through our flagship Cahaya Kasih (Ray of Love) programme, over 23,000 Maybankers donated more than 119,000 hours of their own time to take part in voluntary community programmes.

We all need to find meaning in the things we do. Looking around me, I see how the involvement of Maybankers in community and environmental programmes fuels the kind of motivation that money can't buy. Throughout the **workplace**, volunteerism is helping to inculcate not just our humanising mission but our underlying TIGER values of Teamwork, Integrity, Growth, Excellence & Efficiency and Relationship Building.

We regard personal and corporate goals as two sides of the same coin. We seek to create a workplace where both people and business thrive. We regard all our people as 'Citizens of Maybank' (also known as Maybankers), and wherever we operate we feel a profound responsibility for their personal growth. We nurture our 'citizens' via a multitude of customised learning and development programmes — enabling us to accommodate both collective needs and individual career aspirations. In 2012, our people voted quality of work, better use of skills, and greater work flexibility as the top three engagement drivers that Maybank offers.

It is this shared commitment to citizenship, development and volunteerism that unites Maybankers everywhere behind our humanising mission.

To conserve the **environment**, we are keen to fund projects that have positive environmental impact. At the same time, we are minimising our own direct and indirect environmental impacts as well. We also run targeted eco-awareness and biodiversity programmes, and collaborate with wildlife and nature conservation organisations to protect our natural heritage.

Looking ahead, in 2014, we are finalising both a five-year Sustainability Plan and a Community Impact Roadmap (CIR).

The Sustainability Plan will comprise a series of key commitments to be delivered by 2020. It will guide us in developing products and services that are productive and sustainable — economically, socially and environmentally. And it will transform the way we relate to our stakeholders.

Meanwhile, the CIR will embed community engagement across the organisation. It will deliver programmes with concrete, long-term outcomes. And it will deepen further our relationship with the communities we serve.



Datuk Abdul Farid Alias
Group PCEO

**Financial services are not just about figures and targets,
“they are about people”.**

G4-23, G4-28, G4-29, G4-30, G4-31, G4-32, G4-33

ABOUT THIS REPORT



This annual Sustainability Report (SR) is to be read alongside our Annual Report 2013. It reports on progress made in 2013, issues of importance to us and our future aspirations. Our report articulates what sustainability means to us and how we incorporate sustainability throughout our business as well as our key commitments. In our 53 years, we have focused on going the extra mile to provide access to financial services. Our mission to humanise financial services informs our business and we continue to show growth in this area through this Report.

This report provides a review of our activities in 2013 and details our future commitments, goals and priorities with a particular focus on access to financial services, regionality and Islamic finance as the underlying ethical compass of the organisation.

The report has been prepared in accordance with the GRI G4 Sustainability Reporting Guidelines and the Global Reporting Initiative — Core Option. 2013 is the first year that we have utilised the GRI G4 as a Guiding Principle to inform our reporting framework. G4 has provided us a framework to focus beyond data collection and management. We are now moving towards performance outcomes. With this move, we are also rethinking our structures and management process. In a sense, this is a year of transitions as we build linkages from GRI G3.1 to G4 and move towards a more clearly defined plan in our sustainability journey. The report has been externally assured by SIRIM.

As we rethink and examine our footprint in the community, workplace, environment and marketplace, we are building linkages across our business value chain. This is an important transition as it forms the building blocks towards a more comprehensive community roadmap and sustainability plan. As a regional financial services institution, our products and services reach out to the diverse needs of ASEAN economies. Towards this end, we not only need a high performing workforce but also one that is agile and committed to sustainability.

As we progress on this journey, there continues to be challenges. We are constantly looking for new ways to report. In 2013, we will be incorporating more stakeholder perspectives, both internal and external. As far as possible, the Report captures the various stakeholder perspectives which will hopefully reflect our ongoing commitments and testament to our progress. As far as possible, we have also identified gaps in our key priorities and what we are doing to achieve them. We are working now towards a more ambitious corporate responsibility plan and hope to use this plan to create more holistic sustainability practices moving forward.

SCOPE

The report covers Maybank, all subsidiaries and regional offices. It does not include outsourced activities, joint ventures and suppliers. We have attempted to report on all issues that are material to Maybank.

REPORTING PERIOD

This report, which is produced annually, covers the period from January 1, 2013 to December 31, 2013 (Fiscal/Financial Year 2012). For selected performance indicators that have been historically tracked, we have included data from the past two years.

AUDIENCE AND DISTRIBUTION

This report is distributed to all shareholders and key stakeholders including business partners, regulators, industry groups, media and the community. It is also available online via our website www.maybank.com.

BOUNDARY

The Report refers to the period 1/1/2013-31/12/2013 (unless indicated otherwise at certain points), and:

- refers to all activities of Malayan Banking Berhad (including principal subsidiaries)
- addresses all company's operations (offices, products and sales)
- contains quantitative and qualitative results for all indicators presented for the last three years (unless otherwise specified).

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FEEDBACK

We welcome your comments, thoughts and remarks, which should be directed to:

Corporate Affairs
Malayan Banking Berhad
11th Floor, Menara Maybank
100, Jalan Tun Perak
50050, Kuala Lumpur
Malaysia

Tel: 03-20708833
Fax: 03-20722504
Email: corporateaffairs@maybank.com.my

This sustainability report is available on the web at www.maybank.com



AWARDS & RECOGNITION 2013

DOMESTIC

ACCA MASRA AWARDS 2013

- Commendation for Reporting on Gender Diversity (Joint Winner) (Malaysia)

NACRA AWARDS 2013

- Silver Award for Best Corporate Social Responsibility Reporting Award Category (Malaysia)

RECOGNISED AS PRINCIPAL FOUNDING BENEFACTOR OF HEARTWARE NETWORK

(Singapore)

ASIAN BANKING & FINANCE RETAIL BANKING AWARDS 2013

- Best Corporate Social Responsibility Program (Silver) (Singapore)

PEOPLE'S ASSOCIATION COMMUNITY SPIRITS AWARDS 2013

- Excellence Award (Singapore)

CAMBODIA BANKING AWARDS 2013

- The Most Outstanding Social Performance Bank

INTERNATIONAL & REGIONAL

FINANCE ASIA'S 13TH ANNUAL POLL OF ASIA'S TOP COMPANIES

- Corporate Social Responsibility Award in the country category

EFMA-ACCENTURE GLOBAL DISTRIBUTION & MARKETING INNOVATION AWARDS 2013

- Responsible Business category (Joint Winner) for CashVille Kidz Financial Literacy Programme

ASIAN BANKING COMMUNITY SPIRITS AWARDS

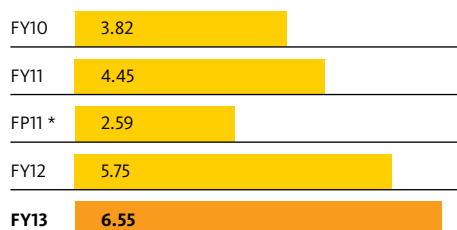
- Best Corporate Social Responsibility Programme (Silver)



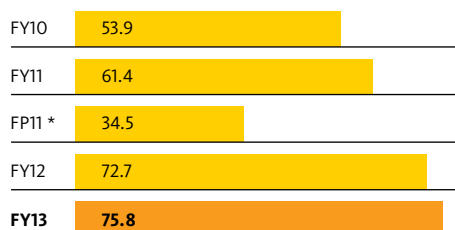
G4-17

FINANCIAL HIGHLIGHTS

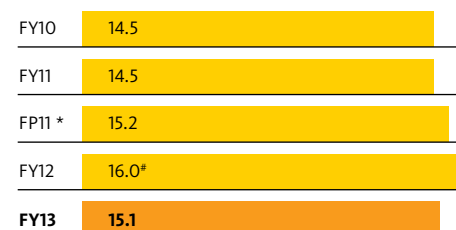
Profit Attributable to Equity Holders of the Bank **RM6.55 billion**



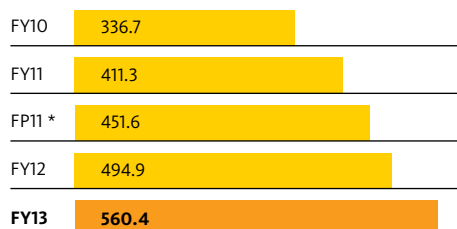
Earnings Per Share **75.8 sen**



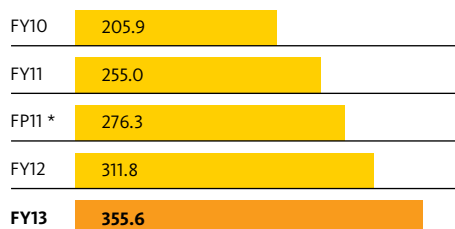
Return on Equity **15.1 %**



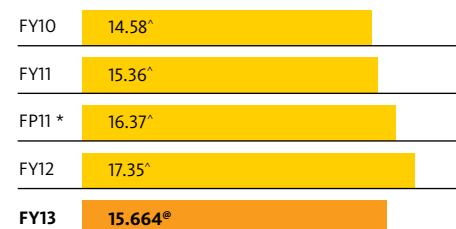
Total Assets **RM560.4 billion**



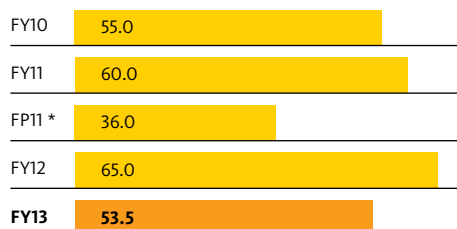
Loans, Advances and Financing **RM355.6 billion**



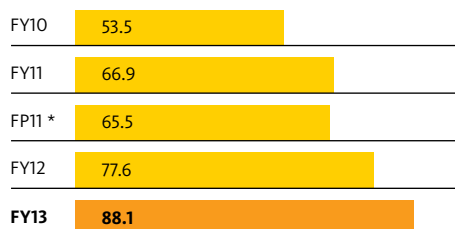
Capital Adequacy Ratio **Total Capital Ratio: 15.664%[@]**



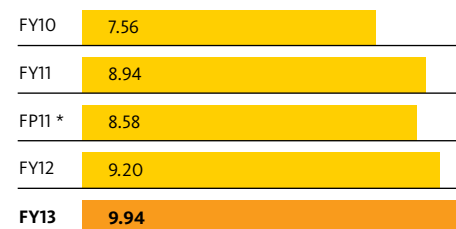
Gross Dividend Per Share **53.5 sen**



Market Capitalisation **RM88.1 billion**



Share Price **RM9.94**



* Six-month financial period (FP) ended 31 December 2011 due to the change of financial year (FY) end from 30 June to 31 December.

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

^ RWCR and assuming full reinvestment of DRP.

@ Total Capital Ratio (TCR) is computed in accordance with Capital Adequacy Framework (Capital Components) issued by Bank Negara Malaysia on 28 November 2012.

MAYBANK GROUP CORE VALUES



TEAMWORK

We work together as a team based on mutual respect and dignity



INTEGRITY

We are honest, professional and ethical in all our dealings



GROWTH

We are passionate about constant improvement and innovation



EXCELLENCE & EFFICIENCY

We are committed to delivering outstanding performance and superior service



RELATIONSHIP BUILDING

We continuously build long-term and mutually beneficial partnerships

2015 STRATEGIC OBJECTIVES

1



Undisputed No. 1 Retail Financial Services Provider in Malaysia by 2015

2



Leading ASEAN wholesale bank eventually expanding further into the Middle East, China and India

3



Undisputed insurance and takaful leader in Malaysia and emerging regional player

4



Truly regional organisation with 40% of pre-tax profits derived from international operations by 2015

5

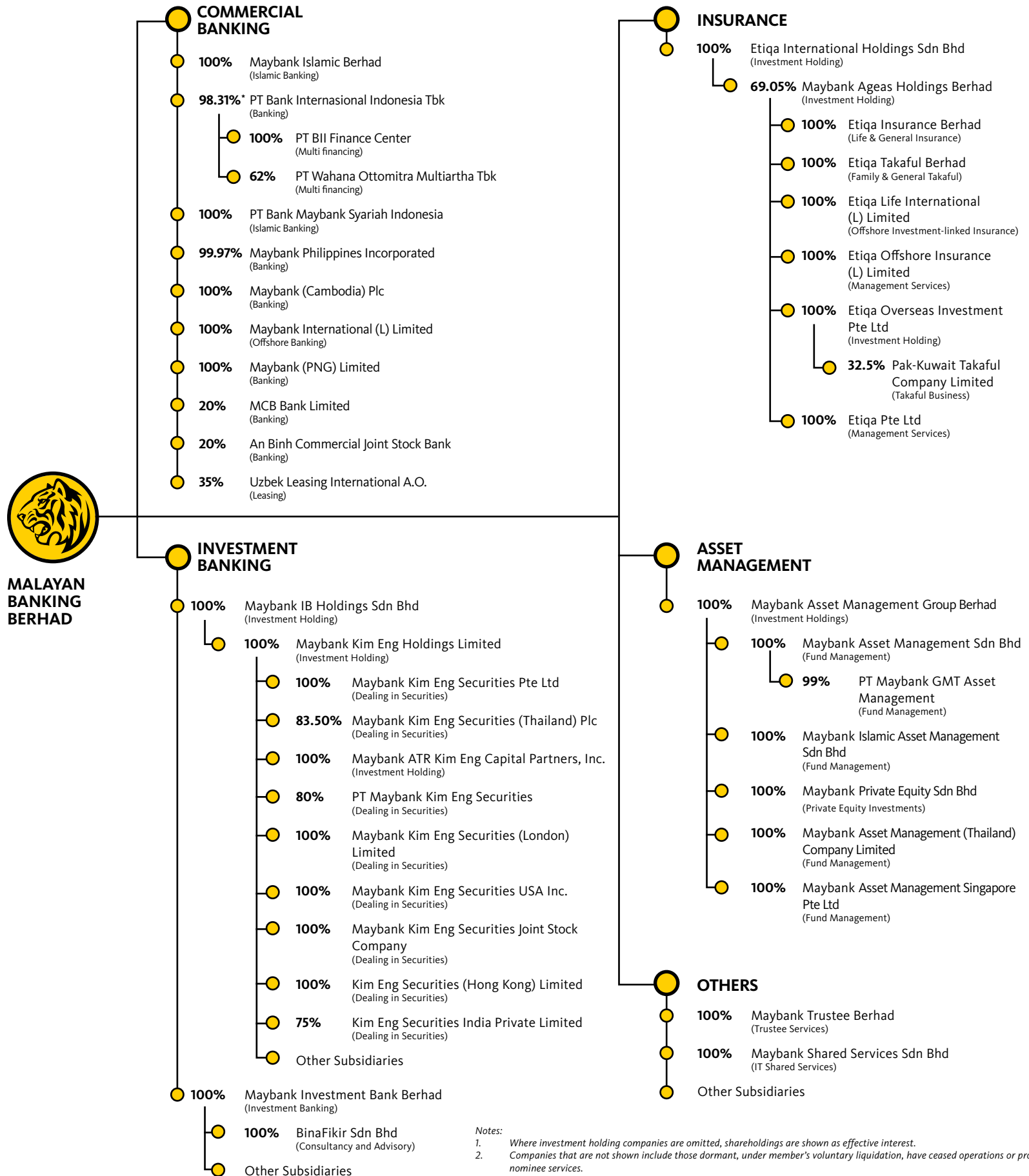


Global leader in Islamic Finance

G4-7, G4-9, G4-13, G4-17

GROUP CORPORATE STRUCTURE

as at 31 January 2014



SUSTAINABILITY GOVERNANCE, REPORTING AND ENGAGEMENT

We operate across Asia in some of the world's most dynamic markets and recognise the challenges around access to finance, resource scarcity, skilled human capital and social development. To meet these sustainability challenges, we continuously develop inclusive products and policies, push our people agenda and improve on our environmental commitments.

Our profits trickle down to the economy and hinterland of Asia. We continue to play our primary role in mobilising deposits from customers and channelling them to productive sectors of the economy. Since we embarked on our journey to be a Regional Financial Services Leader by 2015, we have undertaken a paradigm shift in the way we do our business. We are already seeing the results in the raised tempo towards regionalisation and transformation of our people engagement into a high performance culture.

SUSTAINABILITY GOVERNANCE



**HEAD, GROUP
CORPORATE AFFAIRS**

ELIZA MOHAMED

We are working hard to ensure that our sustainability strategy is aligned to our corporate strategy in order to achieve holistic growth for all our stakeholders. How we make decisions, how we engage with stakeholders and how we report our progress are all main aspects of sustainability governance at Maybank. Our sustainability ambition ties back with our mission to humanise financial services. For us, sustainability cannot be a buzzword. It is derived from how we operate and our business model which represents our history of over 50 years.

Our aim is to make sustainability business as usual. For us, sustainability means conducting business in a way that enhances performance with responsibility — both today and over the long term. And as we move forward, this overarching sustainability strategy will guide us and prepare us for the challenges and opportunities that will become available.

Managing risk in this area requires us to balance the long-term needs of our stakeholders — our customers, employees, suppliers, the community and environment. To guide our approach, we have firmly embedded governance structures and engagement mechanisms through a range of policies and standards.

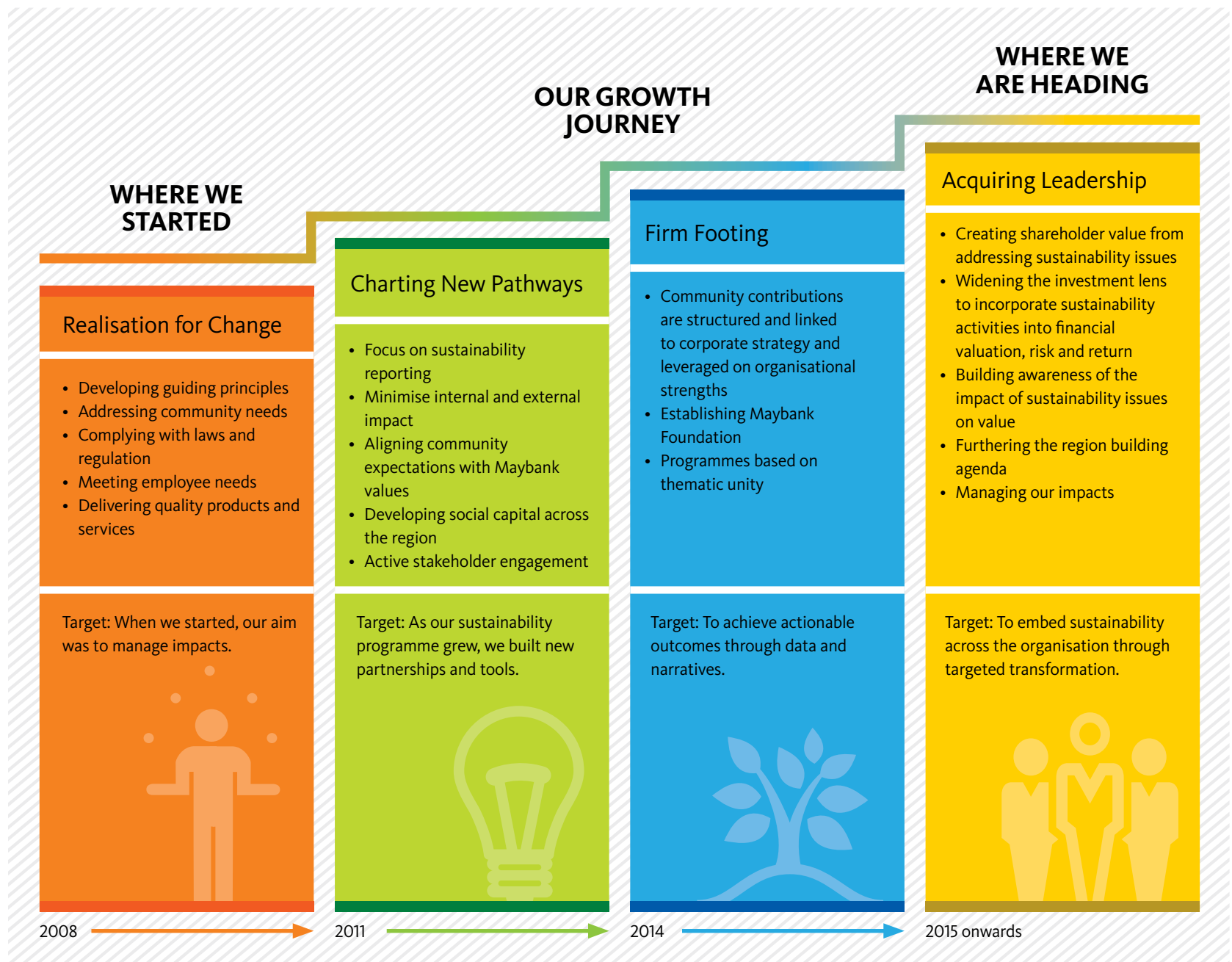
In 2013, we embarked on a Community Impact Roadmap (CIR) and are currently developing a Sustainability Plan which will be launched by the end of 2014. The comprehensive sustainability plan will not only define our focus areas — it is also a framework to manage sustainability issues and to meet stakeholder expectations. We want to avoid focusing on an 'indicators' based approach with year-on-year targets.

An impact based approach will make sustainability practices more manageable, build alignments to accelerate improvement and push innovation. There are clear reasons for this. We started with a very philanthropic-centred focus. We then built processes and frameworks which enabled us to manage data and communications. Now, we are looking at growth and value creation. By embedding corporate responsibility (CR) in our DNA, we are transforming our business and preparing for the future.

We are placing the building blocks for a robust governance structure to oversee our sustainability agenda. By the end of 2014, we will launch a Sustainability Plan which will be a key document to imprint our sustainability philosophy moving forward.

SUSTAINABILITY GOVERNANCE, REPORTING AND ENGAGEMENT

SUSTAINABILITY GOVERNANCE (CONT'D)



OUR GROWTH JOURNEY

We are not underestimating the magnitude of the next part of our sustainability journey. We have been working hard in reviewing how to incorporate various new tools and frameworks to improve our sustainability engagement. This is a learning process that we are prepared to undertake together as an organisation. As we move forward, it is important to look back to see how we have progressed. Our journey is one that has moved from a very traditional notion of CR towards what we believe is going to be transformational within the organisation. When such synergies occur, we will be able to evidence the next level of leadership in the markets where we operate.

At the heart of our sustainable journey are Maybankers who shoulder the mission of our organisation and on whom the next phase of transformation resides. When truly internalised, we know that when faced with fork-in-the-road alternatives, it is our people who will be the true north in our decision making process.

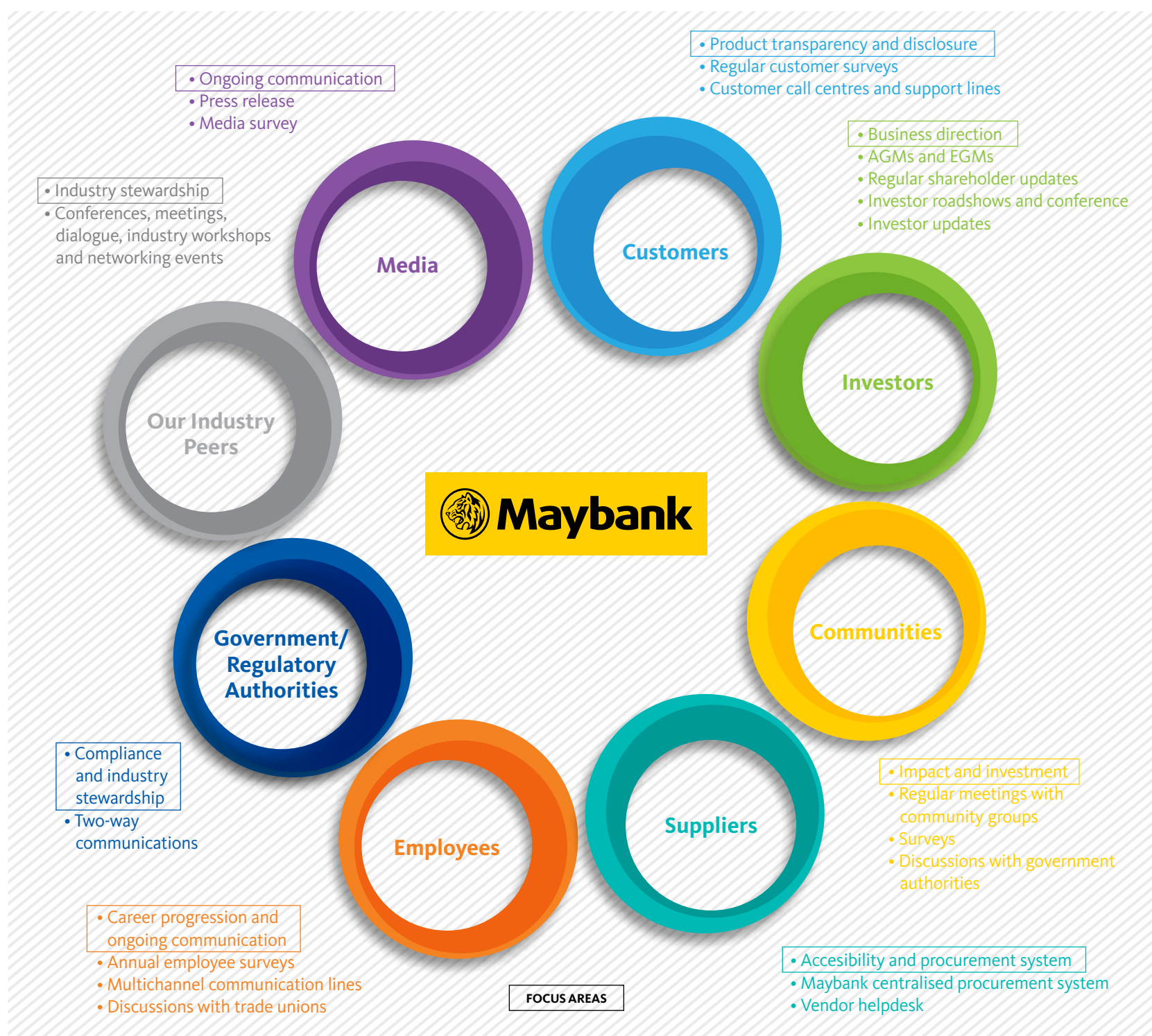
G4-24, G4-25, G4-26

ENGAGING OUR STAKEHOLDERS

We aim to create tangible links with stakeholders. The evolving nature of business and corresponding stakeholder needs align directly with communication of those issues and are highly relevant to the Group. Our reporting perspective has therefore transitioned from an operation-oriented approach to a stakeholder-focused one. Such a focus is one of the reasons why we have mapped the possible impact that we have on different stakeholder groups before decisions are made.

We talk to stakeholders in many ways and at many levels, from the queries that reach us via our website to face-to-face meetings with investors, governments and regulators, customers, employees, community groups and others. To further confirm stakeholder priorities, a structured assessment was conducted on both internal and external stakeholders. We commission a global stakeholder survey through The Nielsen Company annually. Part of the findings are reflected in our materiality analysis. Our materiality analysis was also informed by constructive engagement with our internal stakeholders. Whilst focus on certain issues such as access to finance and customer satisfaction have increased over the years, most of the topics that stakeholders view as significant have remained consistent. These issues inform the framework of this year's SR and have formed the basis of how we mapped our most material aspects of sustainability.

Moving forward, we hope to have increased structured dialogue with our stakeholders. While the interests of our different stakeholder groups do not always coincide with each other or with the business objectives of the company, dealing with such dilemmas is an everyday part of doing business.



MATERIALITY

Our sustainability emphasis is on profitability and responsibility as we grow regionally. To determine our material sustainability issues, we have conducted several impact analyses to consider topics that could negatively impact or positively support our business. These are graphically prioritised according to the level of impact they have (or could potentially have) on our stakeholders and the level of control the Group has over each topic.



Regular Townhall sessions are held to engage with staff members.

We have sought to apply the GRI principles of ‘materiality’ and ‘completeness’ for defining the report content. The report has been externally assured by SIRIM. Getting the boundary right is very important — an internal engagement with key management stakeholders. We attempted to create a systematic process for our materiality engagement.

1. **Relevance:** A broad sweep of issues based on previous sustainability reports, annual reports, board and executive council decisions.
2. **Importance:** A global materiality workshop with senior management and sustainability steering council team. This was conducted in Kuala Lumpur in December 2013 with live streaming for input from our key markets.
3. **Prioritisation:** A total number of 36 senior management interviews were conducted, which included most of the EXCO and relevant head of departments. The senior management insights enabled prioritisation of the material issues.

The materiality analysis helped us define the issues that we can positively impact around the globe. It also allowed us to prioritise our efforts and to judge which areas require further focus. There is a concern about how ‘small impacts’ are being excluded due to this focus on materiality. We have approached this by continuing to still provide disclosure around smaller impacts in our report but focusing on material impacts.

ENGAGING OUR STAKEHOLDERS

G4-18, G4-19, G4-20, G4-21, G4-27

MATERIAL ASPECTS AND BOUNDARIES

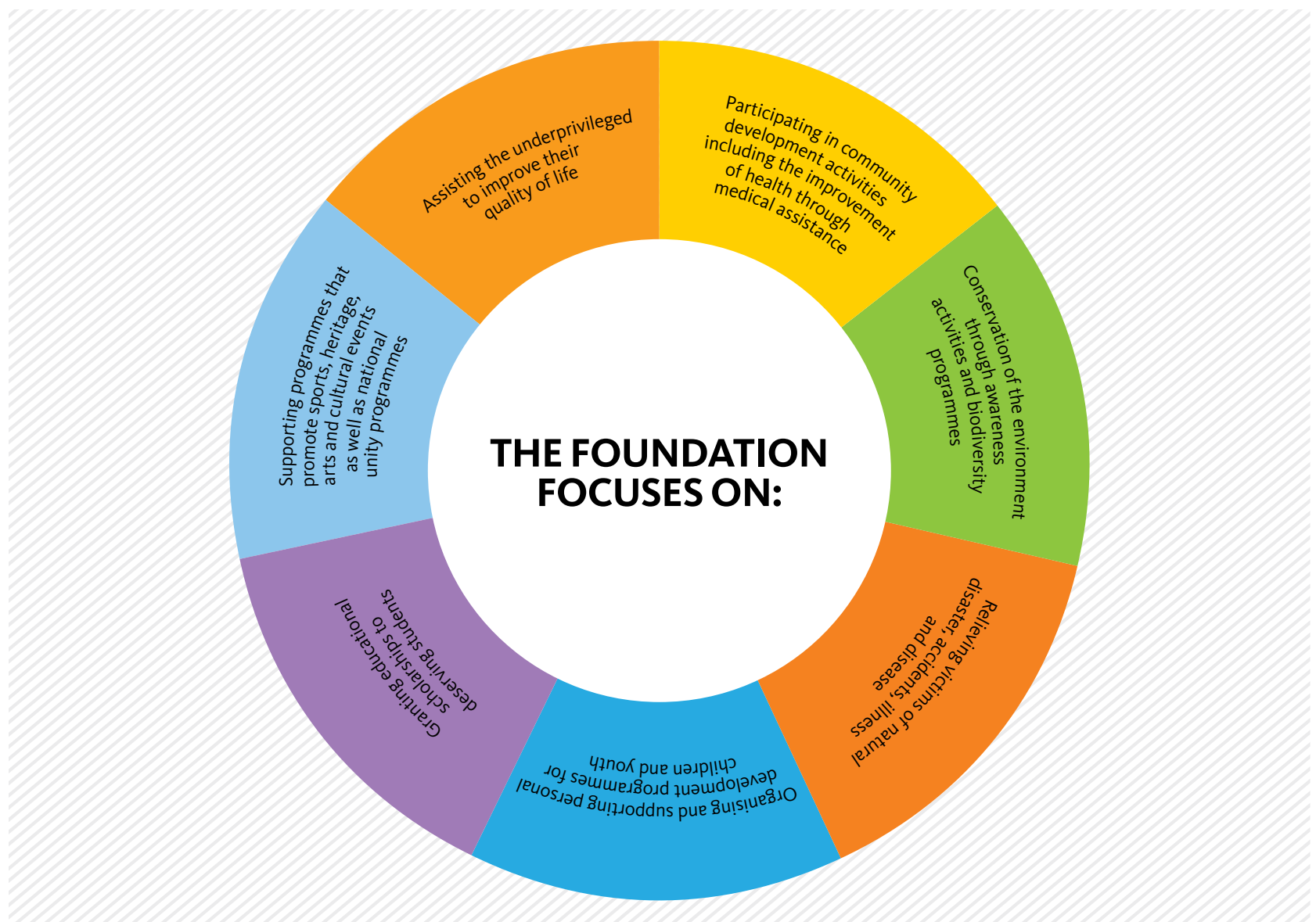
MATERIAL ASPECT	BOUNDARY INSIDE MAYBANK	BOUNDARY OUTSIDE MAYBANK
Community and Citizenship, p34		
Engaging with local communities is a vital element of our work. Talking to locals and other stakeholders helps our businesses to define what a positive or negative impact on the local community means. It also helps us more fully understand the broader potential of the environmental and social impacts of our work.	Relevant for the Group as a whole particularly Maybank Foundation. Employees are impacted through the community programme they undertake via Cahaya Kasih.	Impact to the community at large especially in terms of programme timelines — short-, medium- and long-term programmes.
Managing Our Environmental Impacts, p59		
Measuring and managing our impacts are still challenges as our operations constantly expand. We are working to improve our targets in this area.	Incidence of non-compliance will have impact on the Group. As we aim to move towards better environmental practices, our Group-wide policies will need to be reflective and employees need to understand the impact.	As our GHG emissions are factored into national emission carbon rates, the national GHG inventory will be impacted. Improvement in our targets will also have a positive effect on the environment as a whole.
Employee Engagement — Platforms, p69		
As an organisation with 47,000 employees across the world, we are focused on building an engaged regional workforce.	High impact in Maybank as engaged employees contribute towards a high-performance culture.	Customer experience is positively enhanced when employees perform well.
Diversity and Inclusion, p75		
We believe that improved diversity, flexibility and inclusiveness are vital to improving the quality and productivity of our workforce.	High impact in Maybank as engaged employees contribute towards an inclusive workplace.	Job market applicants will find Maybank an attractive employer.
Focus on Customers, p85		
Our ongoing commitment to deepening customer relationships, responding to customers' needs and improving service is fundamental to our business.	Relevant for Maybank as a whole in terms of financial performance and reputation.	Apart from customers, suppliers who need to support our services are impacted.
Access to Finance, p87		
Providing access to finance, and helping local communities to bank and save responsibly.	Relevant for Maybank as a whole in terms of financial performance and reputation.	Reaches out to the underserved in key markets, provides outreach to smaller businesses and the unbanked.
Our Digital Footprint, p95		
Technology is evolving rapidly, changing the way customers and businesses interact and do business. Technology paves the way for next generation access to finance.	Relevant for Maybank as a whole in terms of financial performance and reputation.	Customers are impacted as we provide access to online banking for their financial needs.
Product Stewardship, p97		
We are committed to providing a broad range of banking services to the real economy over the long term and showcase our product stewardship.	Relevant for Maybank as a whole in terms of financial performance and reputation.	Customers benefit from our innovative product stewardship. Regulators are also positively impacted as we lead the market in Islamic finance.



Fuelled by Maybank's mission to humanise financial services across the region, the Foundation, formerly known as Tabung Kebajikan Kumpulan Maybank (TKKM) aims to empower communities through sustainable development and value creation.

Through strategic partnerships with local stakeholders and NGOs, the Foundation has been undertaking various programmes to enhance quality of life, especially for the less fortunate irrespective of race, gender or creed. Through the Maybank Foundation, we have taken a holistic and targeted approach to our CR programmes. Increasingly, Maybank Foundation has become the partner of choice by forming strategic alliances. The Foundation focuses on contributions to the community, education and environment. Three years since inception, the Foundation has started to make deep seated connections through key programmes. The various awards that have been received bear testimony to the achievements of the Foundation to date.

The Foundation will be a key platform to nurture and grow our community programmes. To this end, the Foundation has been reinforced by various enabling tools and policies.



GOVERNANCE

Maybank Foundation is committed to creating a highly transparent and objective governance system consistent with international standards. Our governance mechanisms and policies are continuously enhanced to increase both management flexibility and supervisory effectiveness. The Board of Trustees is made up of a group of highly talented and respected individuals who bring a range of diverse skills and perspectives to the Foundation. The trustees demonstrate both rich industry experience and profound knowledge of economic, environmental and social development efforts.



TAN SRI MEGAT ZAHARUDDIN BIN MEGAT MOHD NOR

Chairman of Maybank Foundation Board of Trustees

Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor was appointed Director and Chairman of Maybank in October 2009. He was an Independent Non-Executive Director of Maybank from July 2004 to February 2009. His current directorships within the Maybank Group include Chairman of Maybank Investment Bank Berhad and President Commissioner of PT Bank Internasional Indonesia Tbk, and he is also Director of the ICLIF Leadership and Governance Centre, Malaysia.

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



PAK UMAR JUORO

Pak Umar Juoro has held several key positions in various institutions including Advisor to the Indonesian Parliament for Industry and Trade and later on Mining and Energy. He is currently Commissioner of Bank Internasional Indonesia (BII). Pak Umar is also actively involved in the areas of economic research, policy reviews and risk management. As Chairman of the Supervisory Board of Bank Indonesia, he assists the Indonesian Parliament (DPR) in supervising Bank Indonesia. He is also a Senior Research Fellow at the Asia Competitiveness Institute of Lee Kuan Yew School of Public Policy, National University of Singapore and a member of the National Economic Committee (KEN), appointed by the President Republic of Indonesia.

MAYBANK FOUNDATION

**DATIN PADUKA MARINA MAHATHIR**

Datin Paduka Marina Mahathir is known to wear many hats — writer, women's rights and HIV/AIDS activist and TV producer. During the 100th anniversary of International Women's Day in 2011, Datin Paduka Marina was one of only two Malaysian women listed under the 100 Most Inspiring People Delivering for Girls and Women by WomenDeliver.org.

**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).

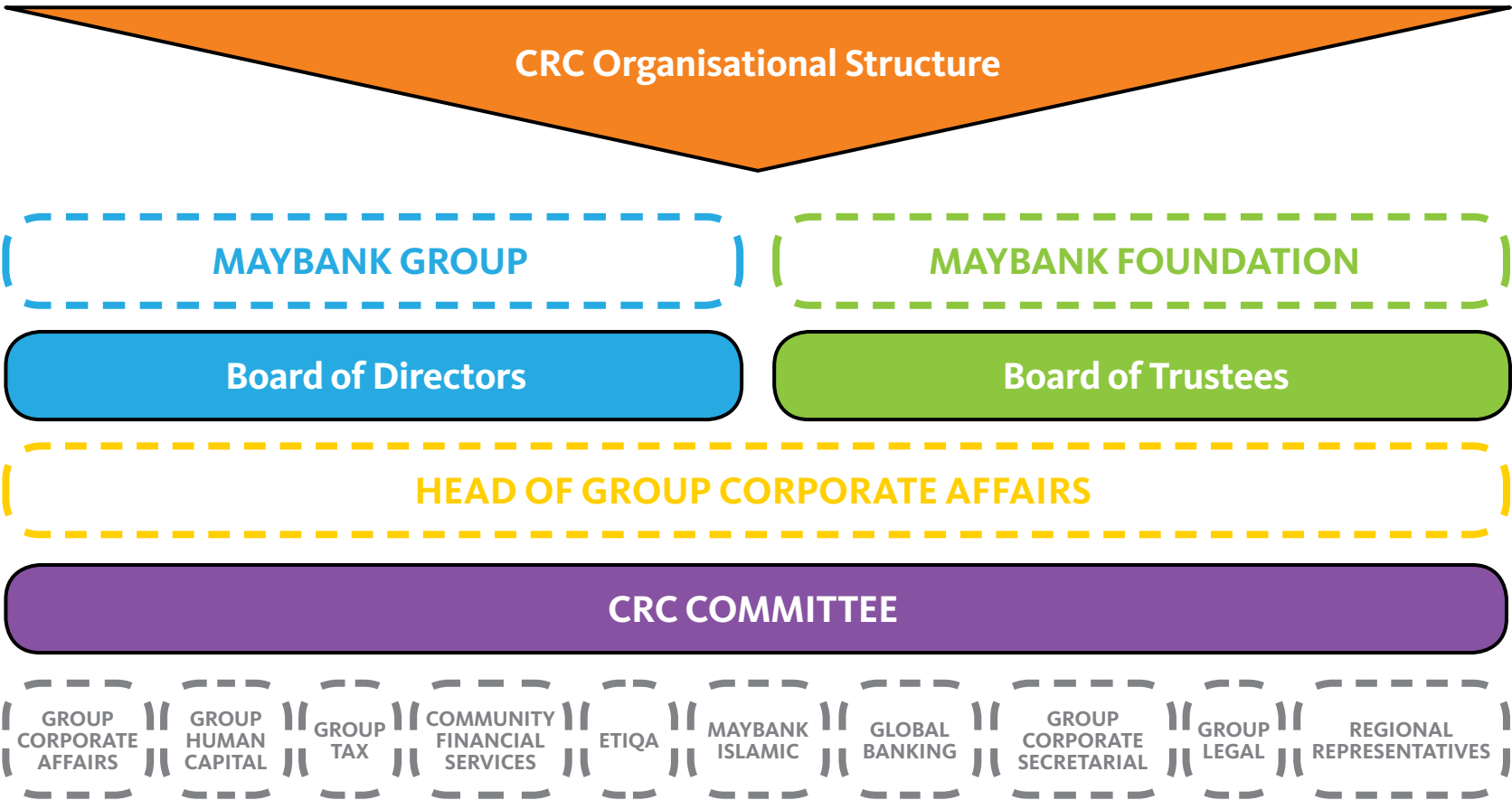
**MR SPENCER LEE TIEN CHYE**

Mr Spencer Lee has served the Maybank Group for more than 30 years, having started in 1975. A Fellow of the Institute of Chartered Accountants (England and Wales), he has held various 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.

GROUP CORPORATE RESPONSIBILITY COMMITTEE

Corporate Responsibility (CR) decision-making resides with the Board. The Corporate Responsibility Committee (CRC) consists of employees across the organisation including Group Corporate Affairs, Group Human Capital, Community Financial Services, Maybank Islamic and Etiqa. Together, the CRC plays a vital role in overseeing the planning and implementation of CR activities across the organisation.

The Head of the CRC is responsible for ensuring that all relevant information is made available to the Committee. In discharging duties, the CRC can obtain independent professional advice and where necessary, the attendance of third parties deemed qualified. The CRC meets on a quarterly basis.



G4-16

WORKING WITH INDUSTRY PEERS

Maybank is an executive committee member of the Business Council for Sustainability and Responsibility Malaysia (BCSRM). BCSR is a national organisation comprising business leaders from various industries interested in responsible and sustainable practices in line with the global sustainability agenda. The organisation was formed in 2011 through a merger of the Business Council of Sustainable Development (1992) and the Institute for Corporate Responsibility Malaysia (2006). As a regional network partner of the World Business Council for Sustainable Development (WBCSD), BCSR aims to translate the latest global ESG knowledge from the WBCSD into the Malaysian context, so that Malaysian companies can promote, develop and adopt sustainability within their business. BCSR is involved in capacity development, awareness building, advocacy and thought leadership activities for environmental, social and governance related issues.

We are always looking at more ways to work with other corporations in our key markets. The magnitude of sustainability challenges poses a situation where we cannot work in isolation. Working together through organisations like BCSR enables us to be a part of the wider sustainability ecosystem. Our learning curve is accelerated and we are also able to provide insights to industry peers.

GROUP CORPORATE RESPONSIBILITY COMMITTEE

CORPORATE
RESPONSIBILITY
COMMITTEE

ELIZA MOHAMED
Head, Group Corporate Affairs



**BANITA
K. SANDHU**
Group Human Capital



**CORRINNE
TAN AI NGE**
Maybank Singapore

The CR Committee is tasked with monitoring and evaluating the status of our programmes. We try to ensure that our programmes have the highest reach and impact.

CORRINNE TAN AI NGE



**ERIC H
MONTELIBANO**
Maybank Philippines



**GERALDINE
KAMALANATHAN**
Group Legal



**EZANEE
MOHAMED
ZAHUDI**
Global Banking



**SURIN
SEGAR**
Group Tax



**ESTI
NUGRAHENI**
BII Maybank
Indonesia

With the CR Committee, transparency and accountability is in place as we not only push for the success of our programmes but ensure that all programmes are truly cascaded across the bank. This has enabled us to transcend any existing organisational silos.

ESTI NUGRAHENI



VIVIENNE BEH
Etiqua

At the heart of our work at the CR Committee is the belief and commitment that Maybank is a bank with a heart — and our role is to ensure that the relevant programmes and policies are meaningful and inspiring.

VIVIENNE BEH



**SHARIFAH SARAH
SYED MOHAMED
TAHIR**
Maybank Islamic



**SHAIFUL
AZHAR AHMAD**
Group Corporate
Services

FINANCIAL REPORT

STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

	Note	2013 RM	2012 RM
CURRENT ASSETS			
Cash and bank balances		15,230,060	9,898,733
Deposits with financial institutions	3	1,019,000	294,070
Held-for-trading investments	4	1,991,797	2,567,511
Amount due from brokers		487	5,073
Interest receivable		9,570	10,571
Dividend receivable		-	825
		18,250,914	12,776,783
CURRENT LIABILITIES			
Provision for taxation		81,060	80,898
Amount due to a related company	5	10,900,964	7,565,516
Amount due to brokers		-	16,054
		10,982,024	7,662,468
NET CURRENT ASSETS		7,268,890	5,114,315
REPRESENTED BY:			
Accumulated funds		7,268,890	5,114,315

The accompanying notes form an integral part of this statement.

FINANCIAL REPORT

STATEMENT OF INCOME AND EXPENDITURE

For the year ended 31 December 2013

	2013 RM	2012 RM
INCOME		
Donation	16,068,760	14,378,322
Interest income	117,555	155,177
Dividend income	11,062	11,339
Gain on disposal of held-for-trading investments	31,949	48,587
Gain/(loss) on fair value changes of held-for-trading investments	8,402	(2,690)
	16,237,728	14,590,735
EXPENDITURE		
Contribution for charitable expenses:		
Scholarships	7,064,257	7,565,516
Education	3,290,675	2,584,159
Conservation	200,000	200,000
Healthcare	1,520,317	235,962
Arts and culture	-	600,000
Other corporate responsibility expenses	1,938,592	862,220
Travelling expenses	3,371	7,463
Professional fees	-	11,112
Meeting allowance (Trustees)	21,000	27,000
Advertising and promotion	38,500	-
Other operating expenses	6,441	4,637
	14,083,153	12,098,069
Surplus of income over expenditure before taxation	2,154,575	2,492,666
Taxation	-	-
Surplus of income over expenditure for the year	2,154,575	2,492,666

STATEMENT OF CHANGES IN ACCUMULATED FUND

For the year ended 31 December 2013

	2013 RM	2012 RM
Balance as at beginning of the year	5,114,315	2,621,649
Surplus of income over expenditure after taxation	2,154,575	2,492,666
Balance as at end of the year	7,268,890	5,114,315

Note:

TKKM will be able to disburse certain amounts to markets outside Malaysia upon clarification from Malaysian tax authorities.

The accompanying notes form an integral part of this statement.

G4-34, G4-56

CORPORATE GOVERNANCE

Corporate Governance is not merely about complying with laws and regulation. It is about understanding the building blocks that support that organisation. Good governance is reflected in the transparency and accountability mechanisms that are in place.

**11 DIRECTORS FROM
ACROSS ASIA**

**COMPULSORY
CODE OF CONDUCT BRIEFING**

**BOARD
CHARTER**

100%

**OF EMPLOYEES WHO ARE
ASSISTANT MANAGERS
AND ABOVE ATTENDED
COMPULSORY CODE OF
CONDUCT BRIEFINGS**

Target: As a financial services institution, we aim to ensure that employees adhere to the highest standard of ethics and integrity.

The Board of Directors of Maybank are committed towards achieving excellence in corporate governance and acknowledge that the prime responsibility for good corporate governance lies with the Board. The Board is led by a Non-Independent Non-Executive Chairman. A fundamental part of the Board's duty is to create, protect and enhance stakeholder value whilst ensuring the highest standards of ethics, integrity and professionalism. For this purpose, the Board ensures that the right executive leadership, strategy and internal risk controls are in place.

The governance framework adopted is based, amongst others, on the Malaysian Code on Corporate Governance 2012. The Code sets out principles and best practices on structures and processes that companies may apply in their operations towards achieving an optimal governance framework. The Board supports the Code and believes that good corporate governance is fundamental in achieving the Group's objectives. As a financial services provider, we are also guided by Bank Negara Malaysia Guidelines on Corporate Governance for Licensed Institutions, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as well as international best practices. Wherever the Group operates, it abides by the guidelines of the relevant regulators and authorities including relevant central banks and securities exchanges.

POSITIVE COMPLIANCE

As custodians of public funds, we place great value on a positive compliance culture. We expect our employees to conduct themselves responsibly, honestly and with integrity. Our code of ethics describes the values and minimum standards for ethical business conduct and govern all of our interactions, whether with clients, competitors, business partners, government and regulatory authorities, shareholders or each other. They also form the cornerstone of our policies, which provide detailed guidance on how employees should act to ensure compliance with applicable laws and regulations. As a regional entity, the code also draws out impartial and unbiased relationships across our entities by building a culture of respect.

Our code of ethics is not a static document. It is a fundamental principle upon which all staff are guided. As the Code upholds our values and public confidence, we ensure that all employees are familiar and able to understand the Code right from induction. The Code is in line with our Core Values which emphasises on ethics when dealing with others. 100% of employees who are Assistant Managers and above attended compulsory code of conduct briefings in 2013.

Through our Corporate Integrity Pledge 2012, we have undertaken several measures to foster the culture of an ethical workplace. We provide clear guidelines on gifts and policies, as well as an established Group-wide whistle-blowing mechanism.

We have processes in place to adhere to local and international anti-corruption and anti-bribery laws. This includes the Group's strict prohibition against receiving, accepting, offering, paying, or authorising any bribe and any other form of corruption. A comprehensive whistle blowing policy has been in place. In 2012, we consolidated the policy with our Integrity Pledge. Through our 'Integrity Hotline', all employees have multichannel options to raise concerns, misconduct or wrongdoing. Anti-fraud rules are emphasised with a focus on:

- Obligation to report
- Mindfulness
- Compliance with controls and procedures
- Securing of work area
- Password confidentiality

ANTI-MONEY LAUNDERING AND COUNTER TERRORISM FINANCING

The customer due diligence system enables us to screen all customers and establish the chain of movement during on-boarding. Our system allows for notification to Bank Negara Malaysia and all regional regulators in a timely manner.

We have embedded compliance officers at all local, overseas and subsidiary units while Group Compliance as a whole is tasked with ensuring the Group complies with all applicable laws, rules, regulations and regulatory guidelines. We have in place robust processes for prevention and detection of money laundering and terror activities. We follow high standards of Anti-Money Laundering (AML)/Counter Terrorism Financing (CFT) practices. In 2013, we revised the policy to incorporate the refined requirements of Bank Negara Malaysia as well as the requirements of the Financial Action Task Force.

COMPETITION

The Group Antitrust Steering Committee is chaired by the President and CEO to oversee the implementation of our commitment to adhere to fair and equitable competition. The committee provides oversight of any unfair competitive behaviour. We have developed an internal guide to the Competition Act 2010 to assist employees in ensuring that business operations and conduct does not breach the law. In 2012, we undertook to form a Joint Secretariat to the Maybank Group Antitrust Steering Committee. The Secretariat was tasked with developing a guide to the Competition Act 2010. This guide has been endorsed by the Board and disseminated through internal an e-portal in 2013.



POLICY ON SEXUAL HARASSMENT

Sexual harassment is a form of discrimination and violates the dignity of individuals. Through our policy on sexual harassment, we are committed to preventing and addressing sexual harassment through awareness and education as a transparent complaint resolution mechanism. All complaints are handled with the highest discretion and require prompt response. Any disciplinary process is subject to the highest principles of natural justice. We have investigated possible sexual harassment cases, even if the individual does not wish to file a formal complaint.



POLICY ON GIFTS AND DONATION

We have a Group-wide policy on donations and sponsorship. Every year, we receive more requests than we can support and clear guidelines are necessary to ensure transparency and accountability in decision making. Consideration basis depends on the area of impact as well as number of beneficiaries. There are strict application procedures including procedures in writing, providing additional information when required and approval by Group for all requests by regional offices and sectors involving an amount exceeding RM750.

PERSONAL DATA PROTECTION

Customer privacy has been and will always remain our top priority. With the enforcement of Malaysia's Personal Data Protection Act 2010 (PDPA), we will continue to enhance our internal processes, policies and systems to ensure that the personal data of our customers remain confidential and protected at all times.

We embarked on a project to implement the requirements specified under the PDPA. This project, which started in May 2012, is jointly led by Group Compliance and Group Tax to ensure that the entire Group complies with the requirements. PDPA was introduced to regulate the processing of personal data used during commercial transactions by Maybank to safeguard the interests of data subjects, in this instance, our customers.

The first step in complying with PDPA is to register with Jabatan Perlindungan Data Peribadi Malaysia (JPDPM), the governing body under the Ministry of Communications and Multimedia regulating PDPA in Malaysia. We were the first institution in Malaysia to register with JPDPM.

Amongst the activities undertaken by the PDPA project team are:

- Issuance of Privacy Notice to all customer touchpoints to spell out customer's rights and the Group's obligation under the Act.
- Incorporation of Maybank Group PDPA Policy and other internal policies necessary to Maybank's internal processes and procedures to ensure that all staff adheres strictly to the requirements of PDPA.
- Strengthening of the Group's internal systems to ensure that customer's consents are well managed. We respect our customer's request not to receive marketing communications from our Maybank Group of companies.
- Enhancing our internal systems to provide customers access to their personal data which resides in our systems. This exercise will comply with the Access Principle under the PDPA. We intend to be fully compliant with the requirements of PDPA within the timelines set by JPDPM.

G4-11

HUMAN RIGHTS

We do not condone any breaches to human rights. We consciously engage with various entities and institutions to ensure that we comply with the highest standard of human rights within our sphere of influence. Compliance of human rights is reviewed regularly, particularly on risks that are most material to our business. We have in place systems and processes to ensure the dignity, individual liberty and equality of all employees including our whistle-blowing policy and the Corporate Integrity Pledge. Due to the nature of our business, there are no known violation of child or bonded labour as indigenous rights.

We recognise the rights of all employees to form a union. In practice, we have a good relationship with all our unions and conduct regular engagement sessions to understand and support them. 70% of our employees are covered by collective bargaining agreements. There is an ongoing negotiation with the National Union of Banking Employees (NUBE) and the Malaysian Commercial Banks Association (MCBA). We are collectively addressing this as an industry. We fully support workers and their rights as long as it is within the provision of the Industrial Relations Act 1967.

DIALOGUE WITH INVESTORS

We aim to create and maintain relationships of trust in the market in order to achieve a fair reflection of the Group and to promote our regional reputation. We remain committed to keeping the market informed of relevant Group information, enabling both existing and potential investors to evaluate our business, performance and prospects. In 2013, the Group's Investor Relations programme engaged actively with the investment community and financial markets, as we took on in-house meetings, roadshows and conferences. We also continued with Maybank Investor Days, which provided opportunities for investors to obtain more information on business sectors and engage with key leaders.

For 2013, the three investor days covered include Maybank Islamic, Bank Internasional Indonesia and Community Financial Services. Our strong commitment to communicate with the investment community not only enhances investors' understanding of the Group, but also serves as a platform to obtain important feedback from investors and to ensure we keep abreast of shareholder expectations from the Maybank Group.

CORPORATE GOVERNANCE

G4-14
BUILDING A STRONG INTERNAL RISK CULTURE

Environmental, social and governance (ESG) risks can have a significant impact on our businesses, our reputation and, ultimately, on our earnings. We work to identify risk in areas such as product and service delivery, compliance, customer satisfaction, infrastructure and innovation. In each case, we assess the possible impact on our financial performance as well as on our wider reputation. By embedding risk considerations into appropriate business decisions, we strengthen the quality of oversight and the sense of risk ownership in the business.

Building an effective risk management culture requires putting in place adequate governance including organisational structure, roles and responsibilities and policies and procedures. The Seven Broad Principles define for us the risk management principles at Maybank.

PRINCIPLES

1. The risk management approach is premised on three lines of defence — risk-taking units, risk control units and internal audit.
2. The risk-taking units are responsible for the day-to-day management of risks inherent in their business activities, while the risk control units are responsible for setting up risk management frameworks and developing tools and methodologies for the identification, measurement, monitoring, control and pricing of risk. Complementing these is internal audit, which provides independent assurance of the effectiveness of the risk management approach.
3. Risk management provides risk oversight for the major risk categories including credit risk, market risk, liquidity risk, operational risk and other industry-specific risks.
4. Risk management ensures that the core risk policies of the Group are consistent, sets the risk tolerance levels and facilitates the implementation of an integrated risk-adjusted measurement framework.
5. Risk management is functionally and organisationally independent of the business sectors and other risk-taking units within the Group.
6. The Board, through the Board Risk Management Committee, maintains overall responsibility for risk oversight within the Group.
7. Risk management is responsible for the execution of various risk policies and related business decisions empowered by the Board.

Risk management for us is an organisation-wide discipline to which both functional and line-of-business contribute. The process provides stronger focus on integrating risk management into the decision-making process as well as removing organisational silos. It can also increase understanding on non-financial risk management particularly in the area of ESG.

We monitor ESG risk to ensure that appropriate due diligence around environmental and social risks is carried out. For this purpose, we undertake active dialogues with partners and clients to promote transparency and mutual understanding of environmental and social issues in the medium to long run. The challenge in mapping any risk is that we cannot know everything. But what we can put in place is a strong governance process, the necessary structures and the right people to manage these risks when they surface.

Moving forward, we aim to strengthen our ESG policies and introduce it as an integral part of the approval process for transactions.



“Our financial risk is important, but it only tells part of the story”

GROUP CHIEF RISK OFFICER

Dr John Lee was named Bank Risk Manager of the Year 2013 by Asia Risk

GROUP PERSPECTIVE

Chief Risk Officer, Dr John Lee, explains why it is important that Maybank must report on areas like customer service and employee engagement that are not so easily quantified.

WHY IS SUSTAINABILITY REPORTING INCREASINGLY IMPORTANT ?

We have been able to show good financial performance every year. These results however do not fully describe or capture how we manage issues in Maybank. I find it hard for anyone to ever quantify the organisation as a series of numbers. Our people, our communities, our customers are all part of our DNA. These factors are just as important — they are the sum of Maybank. Reporting is an opportunity not just to present our performance but also how we are going to move forward.

WHAT ARE THE CHALLENGES IN NON-FINANCIAL INFORMATION?

It is not easy. Companies tend to refer to financial numbers and quantify risk based on financial performance. With regard to the non-financial aspect, the challenge is in determining which data is most relevant in giving insight into the progress that we are making. Which data should inform our sustainability approach as well as the company’s targets are something we are still working on.

DO YOU THINK SUSTAINABILITY REPORTING IS VALUABLE?

I am convinced the more we understand the bigger picture of our business, the better. Reporting is particularly valuable as a monitoring and evaluation tool. At the same time, we are constantly scrutinising the quantitative and qualitative impact of how non-financial factors like customer service and employee engagement impact our bottom line in order to understand our business better. The key is to draw out the larger risk landscape, especially the non-financial risk and map out the challenges as well as opportunities that are available for us as a leading financial institution.

**WE INVEST
FOR IMPACT.
WHEN
COMMUNITIES
FLOURISH,
OUR BUSINESS
SUCCEEDS.**



Photo credit: Achmad Munasit
MAYBANK PHOTOGRAPHY AWARDS
Hard race

COMMUNITY AND CITIZENSHIP

PROGRESS AND PRIORITIES

● On track ● Progressing ● Not on track

OUR APPROACH

Creating programmes that are globally significant yet locally relevant.

- Investing for impact

DRIVING EDUCATION AT ALL LEVELS

Supporting access to education across the region to foster academic and non-academic excellence.

- From scholarships to Promoting Educational Excellence in Rural Schools (PEERS)

	2011	2012	2013	PROGRESS
Providing access to education through scholarships	RM2,386,836.03	RM9,368,500	RM11,260,504.50	●
Financial Literacy Programme	3,500 students	4,225 students	50,000 students	●
PEERS				
Pass rates	48.64% pass rate	52.1% pass rate	51.87% pass rate	●
Attendance rates	96.8%	92.0%	91.8%	●

COMMUNITY EMPOWERMENT

Reaching out to communities across the region with empowerment and disaster relief programmes.

- Microfinance in Indonesia
- Supporting underprivileged communities
- Disaster relief
- Youth empowerment in Singapore
- Reaching out during the haze

	2011	2012	2013	PROGRESS
Women entrepreneurs impacted through BII Microfinance (programme initiated in 2012)	n/a	996 women	1,500 women	●

ARTS, CULTURE AND HERITAGE

Leadership in promoting and preserving traditional and new forms of art and expression.

- Nukilan Jiwaku
- Maybank Photography Awards

	2011	2012	2013	PROGRESS
Supporting disabled artists through Nukilan Jiwaku (programme initiated in 2012)	n/a	20	25	●
Maybank Photography Awards (programme initiated in 2012)	n/a	20,000 submissions	67,000 submissions	●
Maybank Foundation Gallery	1 exhibition	The Gallery is under renovation and is expected to be completed by 2015		●

SPORTING EXCELLENCE

Supporting premier sporting events in the region and nurturing local talent.

- Golf
- Badminton
- Athletics

	2011	2012	2013	PROGRESS
Junior Golf Clinic at Maybank Malaysian Open	100 participants	100 participants	100 participants	●

ACCESS TO HEALTHCARE

Enabling access to affordable healthcare.

- Liver Transplant Centre — Hospital Selayang
- Retinoblastoma — BII
- Maybank Islamic — Institut Jantung Negara

	2011	2012	2013	PROGRESS
No. of surgeries at Hospital Selayang Liver Transplant Centre (cumulative)	1	52	60	●
Amount contributed to Hospital Selayang Liver Transplant Centre	RM5,000,000 (cumulative)	RM150,000	RM1,000,000	●

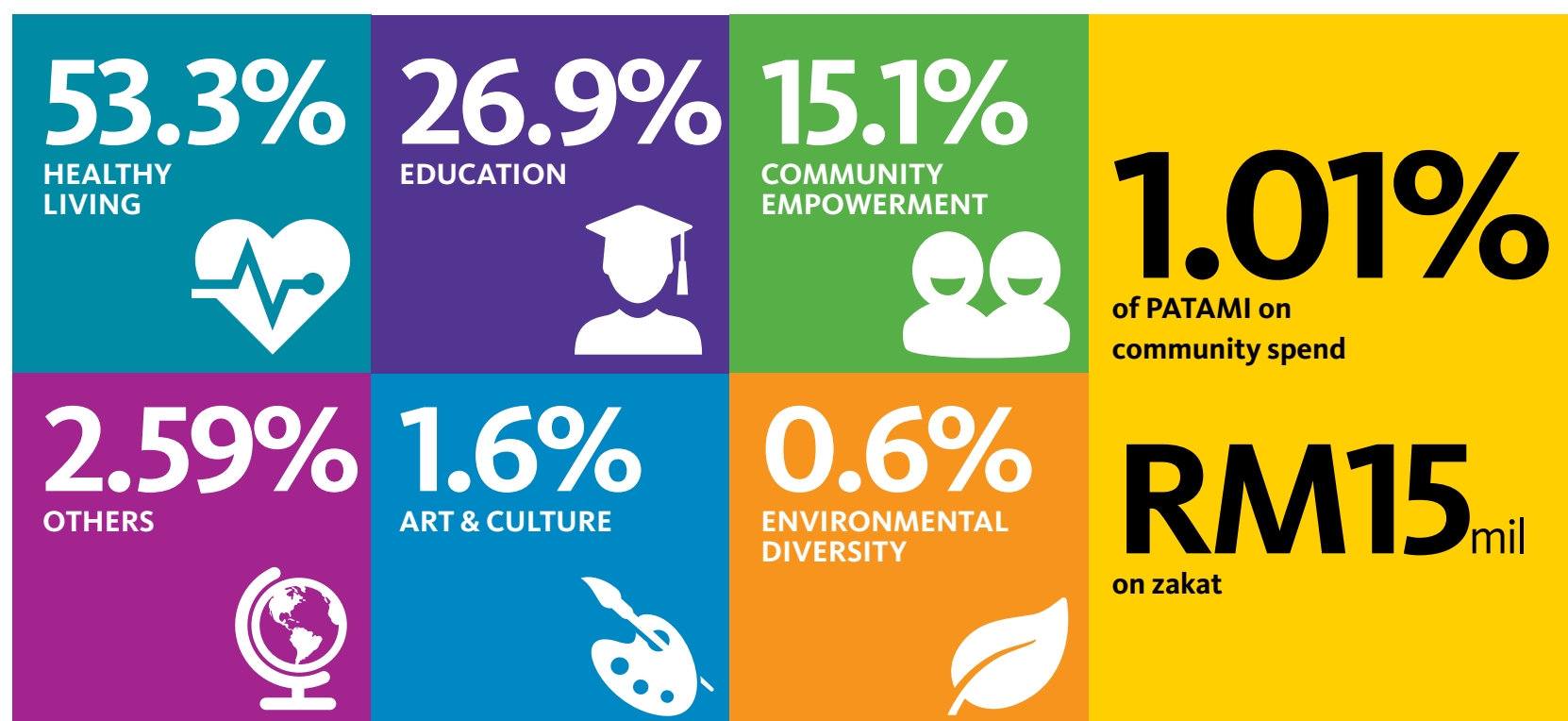
G4-SO1, G4-EC7, G4-EC8

OUR APPROACH — INVESTING FOR IMPACT

We invest directly in the societies in which we operate with the aim of creating impact. Around Asia, we enable educational, social, and economic projects that build social capital and bring about positive change. With a total investment of RM66,478,000 in 2013, Maybank Group and Maybank Foundation were amongst Asia's most active corporate citizens. On top of financial support, over 23,000 employees gave 119,000 volunteer days and contributed their expertise, knowledge, and skills to strengthen various community programmes.

We aim to unlock social value in communities. Linking community engagement with the scope of our business means that we are able to invest for impact. Investing for impact means converting our broader vision into long-term tangible results for the community. Community engagement is a multidimensional process. At its core is a lack of opportunity or inability to choose a life of value. This is caused not only by money and resources but also a lack of ability to use resources due to economic and social instances as well as other factors such as natural disasters. As we have had a longstanding tradition of investing in local communities by supporting good causes and NGOs around the world, we are able to accelerate shared aspirations for growth across ASEAN. The five focus areas that we invest in are education, arts, culture & heritage, community empowerment, environmental diversity as well as healthy living & sports. In 2013, the majority of spend was in health, education and community empowerment. RM66,478,000 was utilised across the activities and programmes amounting to 1.01% of PATAMI in 2013.

5 FOCUS AREAS



Apart from community programmes through the Foundation, there is also a range of activity that is led from within our separate business divisions around the world. These initiatives respond to the needs of both local communities and employees.

Notes:

1. Total expenditure (excluding zakat) in 2012 — RM60 million; 2013 — RM66 million.
2. Zakat paid by Maybank Islamic and Etika, 2012 — RM7.2 million; 2013 — RM15 million.
3. The above is inclusive of Maybank Foundation's expenditure.
4. Total CR expenditure in 2012 is 1.1% of 2012 PATAMI (RM5.74 billion) and in 2013 it is 1.01% of 2013 PATAMI (RM6.55 billion).

TOTAL SPEND 2013

FOCUS AREAS	AMOUNT (RM)
Education — Scholarship and Financial Literacy	17,856,000
Community Empowerment for Disabled Community	10,045,000
Arts and Culture	1,035,000
Environmental and Biodiversity	391,000
Healthy Living	35,426,000
Others	1,725,000
Total amount	66,478,000

G4-SO1, G4-EC7, G4-EC8

DRIVING EDUCATION AT ALL LEVELS



51
scholarships
worth over
RM30 million



33
scholars
from Indonesia

Target: To provide access to education to the most deserving students across ASEAN.

Education is the key enabler that will build the human capital in Asia both today and tomorrow. Our major investment in scholarships and school programmes reflects our belief in nurturing the potential of young people.

Maybank Foundation supports and inspires some of the brightest young people in Asia, who will eventually become the business leaders of tomorrow, to pursue their higher education. We have been consistent in our commitment to develop next generation talent, awarding 51 scholarships in 2013. The scholarship covers tuition fees, living allowances, laptops and training. We also run development programmes such as internships and mentorships to prepare scholars for a rewarding career with the Group.

In November 2012, Bank Internasional Indonesia (BII) launched a local and overseas scholarship award programme. In 2013, over 8,400 students from all over Indonesia applied for local scholarships and 28 received awards. Meanwhile, 300 students applied for overseas scholarships and five have now been granted awards to study in Malaysia and Singapore.

We also continued supporting the Asian University for Women scholarship programme. The programme provides full-board five-year scholarships to promising first-born daughters of underprivileged families from Indonesia and Malaysia at the Asian University for Women (AUW) in Chittagong, Bangladesh. There are interlinkages between gender equality and economic growth, which supports the investment in the further education of girls to enable more inclusive growth in ASEAN countries.



Tan Sri Dato' Megat Zaharuddin, Chairman of Maybank Foundation, and Puan Nora Abd Manaf, Group Chief Human Capital Officer, congratulating recipients of the Maybank Scholarship Award 2013

Our Commitment	2011	2012	2013	PROGRESS
We provide access to education through scholarships and grants to students across Asia to nurture next generation leaders in Asia	RM2,386,836.03 in year-to-year expenses	RM9,368,500 in year-to-year expenses	RM11,260,504.50 in year-to-year expenses	We will continue to further our scholarship programme, to include postgraduate level funding and make available more applications across the region

DRIVING EDUCATION AT ALL LEVELS

Our schools programme is also beginning to deliver results. Through our schools outreach programme, Promoting Educational Excellence in Rural Schools (PEERS), we have to date reached out to 4,800 students and 360 teachers.

In our efforts to build the capacity of various schools across Malaysia, we have partnered with the British Council to develop a three-year programme. We have organised engagement sessions with parents and school teachers, provided remedial and extra tuition classes, literacy projects, motivational talks, educational clinics and skills building workshops. The Teacher Development project in particular has introduced new and innovative teaching methodologies to teachers in rural schools. Our employees support PEERS through volunteering in the various programmes.

In terms of student results, the programme has shown an improvement in overall pass rates for the past three years. English results have also improved.

In line with the Malaysian Ministry of Education's District Transformation Programme, which aims by 2015 to increase student attendance to 95% under the Ministry of Education Blueprint 2013-2015, attendance rates under the PEERS programme has been most encouraging. Over 67% of schools were able to show 100% attendance rates at UPSR level. PEERS students appear to be motivated and interested in school. Keeping students in school is a key indicator that we would like to work on and we plan to commission a survey on PEERS students and teachers in the coming year to evaluate how to motivate students further.

For Maybank Foundation, this is an opportunity not just to enhance national educational aspirations but also nurture a select group of young people who will become ethical leaders of the future. We will continue our education and scholarship programme as we are beginning to see the results of the various programmes and key partnerships.



"The Maybank Foundation Teacher Development Project is bringing real and sustainable change to rural schools across Malaysia. A development solution providing integrated training and mentoring, it goes beyond traditional training approaches to develop teachers into reflective practitioners and create change."

Caspar Mays

British Council
Programmes Manager

Our Commitment	2011	2012	2013	PROGRESS
PEERS is our school outreach programme aimed at improving the educational performance of students in rural areas.	48.64% pass rate	52.1% pass rate	51.87% pass rate	<ul style="list-style-type: none"> PEERS will continue to lead our school-based educational empowerment programme. In 2014, we will expand PEERS to more schools in Malaysia and, moving forward, across our key markets.



Students of a PEERS school paying attention to a computer lesson given by our programme partner, Learning Vista Sdn. Bhd.

DRIVING EDUCATION AT ALL LEVELS

Focus: FINANCIAL LITERACY FOR THE NEXT GENERATION

In 2013, we launched an animated TV series, CashVille Kidz Season 2, co-produced by Maybank Foundation and MoneyTree (M) Sdn Bhd. The programme educates students about the importance of sound money management and focuses on financial lessons that range from the importance of saving money to developing positive spending habits and making smart investments.

The pilot of CashVille Kidz series reached over 1.5 million viewers — more than ten times its initial target. We also expanded the initiative to include a Financial Literacy Challenge that tests primary school students on their financial planning skills. The programme has been taught at 180 schools throughout Malaysia as part of schools' extracurricular activities. CashVille Kidz has also reached out to more than 50,000 students through on-the-ground activities and online mediums. We also hope that the benefits of CashVille Kidz extend beyond our direct audience, resonating out to the community at large. This will help create an ecosystem of affirmative change where the benefits will continue long after this programme is completed.

Our efforts have already received recognition as we were declared joint winner of the EFMA-Accenture Innovation Awards 2013, under the category 'Responsible Business' in Paris. The Award was participated by over 150 banks from 54 countries.

Apart from CashVille Kidz, we held a series of children savings programmes with our strategic partners such as Legoland, Nestle, MegaKidz and a school adoption programme (under Bank Negara Malaysia). We also introduced new coin boxes for the children's segment under our Community Financial Services.



Students at a CashVille Kidz engagement session

 **50K**
students

 **180**
schools

1.5 million
viewers on **You Tube**

Early-Years financial education

BII provides financial education on the importance of savings for students in six elementary schools. The purpose of this is to educate children on the importance of saving. The programme is carried out together with the Sekolahku Pecinta Alam dan Lingkungan (SPeciAL) Yogyakarta programme.



Joint winner of the Efma-Accenture Innovation Awards 2013, 'Responsible Business'

DRIVING EDUCATION AT ALL LEVELS

Money management is an essential life skill and starting financial literacy lessons early will enable children to be financially savvy, allow them to start saving for their future and avoid incurring high debt.

At 83% of Gross Domestic Product (GDP), the average household debt level of Malaysians is one of the highest within the region. The Federation of Malaysian Consumers Associations (FOMCA) has said that 47% of young Malaysians are currently in serious debt with debt payments amounting to more than 30% of their gross income.

Creating financial awareness among the young and equipping them with money management skills will prepare them for a more secure future. In order to introduce key financial concepts that are appropriate for the young, we have supported several financial literacy programmes in Malaysia. All programmes have been endorsed by the Malaysian Ministry of Education.

10,760

participants

(supported from 2011-12)

The Maybank MoneyTree Financial Literacy Program (FLiP) is aimed at school children

2,480

students

12,500

via social media

(supported from 2011-12)

The Maybank MoneyTree Idea Exchange Programme (MIX) is aimed at undergraduates (17-24 year olds), from 15 universities and colleges around the Klang Valley. (FLiP) is aimed at school children

10,890

young entrepreneurs

(supported from 2010-12)

The Maybank MoneyTree Young Entrepreneur Start-Up Challenge (YES)



The faces of excited CashVille Kidz fans meeting the stars of their beloved show

Our Commitment	2011	2012	2013	PROGRESS
We believe that financial literacy education will empower young people to make wise financial planning. They will in turn influence their families. We in turn will have a future customer base that will responsibly manage their finances.	3,500 students	4,225 students	50,000 students	In 2014, we hope to extend the financial literacy programmes to more countries in ASEAN.

G4-SO1, G4-EC7, G4-EC8

COMMUNITY EMPOWERMENT

As our roots grow regionally, we look to empower communities that are closest to us through social and economic means. Financial exclusion disproportionately affects the poorest in our society and is a key factor that contributes to broader social exclusion. We are committed to understanding social issues and financial problems to develop effective and affordable solutions to issues of financial exclusion and the disadvantaged in Asia.



6K
women impacted



200
microenterprises across six provinces

Target: We aim to provide access to finance for some of the most underserved communities in Asia.

MICROFINANCE IN INDONESIA

Microfinance has the potential to empower women in home-based and cottage industries, enabling them to earn income with improved knowledge and skills. At its heart, microfinance has a role to play to alleviate poverty levels quickly by providing economic empowerment particularly for rural women. Since 2012, our ‘BII Berbagi’ microfinance initiatives have impacted over 6,000 women and their family members.

BII Berbagi partners with three NGOs. In 2012, BII collaborated with Koperasi Mitra Dhuafa (KOMIDA), an Indonesian microfinance institution to provide an Rp1 billion (approximately RM300,000) revolving fund to underprivileged women at a low interest rate. Through our partnership with KOMIDA, we have since 2012 impacted 2, 496 women in Yogyakarta, and Central and West Java.

In 2013, BII expanded its efforts by launching two additional microfinancing programmes with Baitul Maal wat Tamwil (BMT) and Asosiasi Perempuan Usaha Kecil (ASPUK). Each programme has a revolving fund of Rp1 billion (approximately RM300,000). BMT focuses more on microenterprises while ASPUK specifically targets women microbusiness owners. Through BMT, BII has provided microfinancing to more than 200 microenterprises across six provinces.

The collaboration with ASPUK was recently launched in December 2013. ASPUK operates through 29 cooperatives and reaches women in Sulawesi, Sumatra, Kalimantan, Nusa Tenggara Barat, Nusa Tenggara Timur and Jawa.



“With the help of finance from BII-Maybank Foundation, I am enthusiastic to develop my weaving business (tenun). Now, I can buy raw materials including yarns to produce again, and also the sales access increases through cooperation with ASPUK which has received the members’ products (JARPUK) to be marketed through exhibitions and direct sales. Long live independent women!”

Hernawati
Lombok, Nusa Tenggara Barat, Indonesia



Tan Sri Dato’ Megat Zaharuddin (far left) engaging with a beneficiary of Bank Internasional Indonesia’s (BII) microfinancing programme

Our Commitment	2011	2012	2013	PROGRESS
Our microfinance programme reaches out to some of the most disenfranchised communities in Asia, particular women. (programme initiated in 2012)	n/a	996 women impacted through KOMIDA	1,500 women impacted through KOMIDA	<ul style="list-style-type: none">Through key partnerships, we have been able to penetrate some of the most deserving communities.We plan to increase our partnerships to explore more ways to support women not just by providing finance but also through other capability building tools like general business management skills and soft skills.

COMMUNITY EMPOWERMENT

“While the natural disaster (Typhoon Haiyan) brought untold sufferings, it also surfaced the resilience of the survivors as well as the compassion and humanity of the nation and the global community, including Maybank, to play an active part in helping the affected rebuild their livelihood.”

Richard Gordon

Chairman
Philippine Red Cross

“Thank you very much, Maybank for your support of the efforts of the Red Cross for the victims of Super Typhoon Haiyan. We appreciate your generosity and thank you for choosing the Red Cross as your partner in this humanitarian endeavour.”

Dr. Gwendolyn Pang

Secretary General
Philippine Red Cross

DISASTER RELIEF

Across Asia, where we operate, natural calamities tend to strike quite frequently and we are conscious of the need to reach out to alleviate the suffering of affected communities. Apart from humanitarian assistance, our employees always volunteer during such difficult times. This is truly a reflection of the T.I.G.E.R. spirit.

In 2013, the Group and Maybank Foundation contributed RM1 million to the Philippine Red Cross to assist victims of Typhoon Haiyan (also known as Typhoon Yolanda), which ravaged the central part of the Philippines in November, leaving a trail of destruction in its wake. Typhoon Haiyan was one of the strongest tropical cyclones ever recorded and the donation was specifically used to provide additional medicine, food and potable water in Tacloban City.

A Group-wide donation was created through the Maybank Staff Relief Fund (MSRF). There was a special auction of items donated by EXCOs. Maybank management trainees in the Philippines channelled savings from their graduation venue to the victims' fund. A total of RM267,465.50 was collected.

Last year also witnessed the completion of a Maybank Community Centre for the Xavier Ecoville Resettlement Community — home to 573 families that fell victim to Typhoon Sendong (Washi) in 2011. Funded by Maybank Philippines, the Community Centre is used by the families for community activities.

With regard to the flood victims during the seasonal Malaysian floods, essential items worth over RM100,000 were donated to the flood victims. Thirty-three staff were provided with alternative accommodation. Colleagues travelled to affected locations to meet flood victims and deliver essentials like cooking oil, rice, bread, canned food and water. They also volunteered to clean the homes of those affected.

In Malaysia, Maybank was the first bank to announce a six-month moratorium on a case-by-case basis for monthly instalment payments of loans, as well as waivers of certain charges for customers affected by the floods in the various states of Malaysia.



Maybank Philippines International presenting a cheque worth RM1,000,000 to the Philippine Red Cross to help the victims of Typhoon Haiyan

COMMUNITY EMPOWERMENT

UNDERPRIVILEGED AND RURAL EMPOWERMENT

We have provided continued support to Yayasan Peneraju Pendidikan Bumiputra which is a foundation promoting education under the Unit Peneraju Agenda Bumiputra (TERAJU) as well as Yayasan Sejahtera.

Yayasan Peneraju aims to undertake various initiatives to support the educational needs of underprivileged bumiputra students such as through scholarships as well as capability and capacity building. The mandate of the foundation is to increase the quality, quantity and relevance of bumiputra talents through academic and vocational education. The foundation is part of Teraju's mission to strengthen the participation of bumiputras in the economy in line with the Malaysian government's aim to make the country a developed nation with a high income by 2020. Our support reaches some of the most underprivileged bumiputra students as well as those in the rural areas of Malaysia.

We also support Yayasan Sejahtera. Yayasan Sejahtera seeks to help the extreme poor create a better life for themselves by equipping them with the necessary tools, skills, infrastructure, and opportunities to break out of the poverty cycle. Maybank's support of over RM300,000 has enabled Yayasan Sejahtera to address and provide solutions to water, as well as youth activities in Pitas, Sabah. The programmes included distribution of water tanks to Kampung Kinango, Kampung Tampahaku and Kampung Sungai Eloi, gravity-fed water supply solution in Kampung Kinango and a participatory video for youths.

We will continue our support for Yayasan Peneraju and Yayasan Sejahtera with the aim of complementing the Malaysia government's efforts to assist rural communities through targeted empowerment programmes.

PROJECT H.E.A.R.T

Project H.E.A.R.T (Helping Every Asian Rise Together) is a project to supply free solar-powered light bulbs to communities across Asia.

There are many rural areas that still do not have adequate lighting which in turn impairs quality of life and affects learning amongst school children. Across the world, one in four people live without electricity or access to a free light source, thus limiting their productivity and exposing them to health and safety risks. A significant proportion of these people live in Asia.


The project was befittingly launched during Deepavali, the Festival of Lights, which is celebrated by the Hindu community all over the world by lighting their homes with lamps to signify the triumph of light over dark as well as good over evil. The first community to benefit was Kampung Chuweh, an Orang Asli settlement in Gerik, Perak, Malaysia, Barrio Bliss and Barrio Udlot in the Philippines as well as Pensiangan in Sabah, Malaysia.

We are evaluating the reach of Project H.E.A.R.T as well as the feasibility to extend it beyond being a one-off programme. Whilst our focus is on nurturing high impact and long-term projects region-wide, which will be able to evidence year-on-year progress, there will always be a few one-off programmes that will be particularly relevant to a certain community or that will meet their direct needs at a particular time, which we will consider on a case-by-case basis.



Three young children showing how life does not stop when darkness falls with the help of Project H.E.A.R.T's solar-powered light bulbs


COMMUNITY EMPOWERMENT



411

students from 21 schools benefited in Singapore

Target: The Maybank Get-to-School Transport Grant supports students from low-income groups.



“I was impressed by the hardworking attitude of the children and was certainly heartened to hear that they made improvements in their exams. They never fail to turn up for all the sessions and their determination to excel certainly shone through.”

Tang Kai Qing
Hwa Chong Institution Student
Volunteer Tutor with Tuition Programme

YOUTH EMPOWERMENT

Maybank Singapore’s community empowerment focus is on helping disadvantaged families and investing in youths, who are our future generations.

Since 2007, we have been encouraging Singapore’s youth to develop a passion for volunteerism and give back to the community. Maybank Singapore is the founding sponsor of the **YouthBank by Maybank**, an online volunteer management portal. This provides a platform for youths to register for developmental and volunteering opportunities, and ‘deposit’ their volunteering hours via a ‘central bank’. A total of 9,131 youths have contributed to the programme, logging 371,152 volunteer hours to the Singapore community.

We also support programmes that provide equal opportunities for students who are less academically-inclined or from low-income backgrounds, as they may be disadvantaged in Singapore’s competitive education system. These programmes help to level the playing field for such students to achieve their full potential.

The **Character and Citizenship (CCE) Leadership Programme** was launched together with the Heartware Network and the Singapore Ministry of Education in 2012, which provides leadership development for less academically-inclined students. The programme also aims to provide important mentoring and lifeskills training, as well as inspire such students to become useful and contributing members of the community. The CCE Leadership Programme has received commendation and support from Singapore’s Ministry of Education for a wider implementation at secondary schools. A total of 120 students from six schools have been engaged in structured development lessons that focus on workshops, hands on experience and educational visits. Confidence levels of participating students were seen to have increased from 68% to 93%.

The **Tuition Programme** was started to provide free tuition for primary school students from low-income families, to help them with their school work and provide them with positive role models in the form of youth volunteer tutors from good junior colleges in Singapore. The Tuition Programme has seen 44 Junior College volunteers provide free tuition to 72 students from low-income families, guiding and assisting them with their school work.

Maybank Singapore also disbursed over S\$110,000 for the **Maybank Get-to-School Transport Grant** to help particularly needy school children get to school. The grant, which was introduced in 2011, helps to defray school-going transportation cost of those in lower income groups. Maybank Singapore Islamic Banking further extended the transportation aid by granting S\$36,000 to selected madrasah students. In total, more than 400 students from 21 schools received the benefit in 2013, a significant surge from 65 students in 2011.



Ms Pollie Sim, Maybank CEO International (standing third from left), posing with beneficiaries of Maybank’s Get-to-School Transport Aid programme

Our Commitment	2011	2012	2013	PROGRESS
We invest in youths to strengthen our social fabric and to empower them to fulfil their greatest potential.	65 students	300 students	603 students	Our programme is reaching a bigger number of youths year-on-year. We see the programme reaching out to more youths and playing a role in inspiring and empowering them to be changemakers of the future.

REACHING OUT DURING THE HAZE

In June 2013, Singapore faced its worst haze situation in history. When the Pollutant Standard Index (PSI) level crossed the hazardous 400 mark, face masks and respirators quickly became widely unavailable. All Maybank Singapore Branches gave out free face masks to customers at our Branches, and even encouraged them to take more for their family and friends. Maybank also donated 5,000 masks for 1,000 needy elderly, and a group of Maybank staff even braved the haze to personally distribute free masks to some elderly in need. This is just one example of how Maybank Singapore is truly at the Heart of the Community.

G4-SO1, G4-EC7, G4-EC8

ARTS, CULTURE AND HERITAGE

Our growth across the region necessitates navigating a multiethnic, multicultural continent. In Asia, arts, culture and heritage is a common binding force. We partner with some of the finest institutions in pursuit of intrinsic as well as instrumental value in the area. Our support has ranged from language and literature, music and performance arts that are a rich showcase of the region and continue to inspire as they move into contemporary forms.

NUKILAN JIWAKU

Over the last ten years, we have helped more than 300 artists, photographers, writers and graphic designers by sponsoring events that celebrate Asia's diverse and vibrant culture. In 2013, one such event was the Nukilan Jiwa Art Exhibition held at Balai Seni Maybank, Kuala Lumpur, which showcased the artistic talents of 25 disabled artists. Nukilan Jiwaku gives people with disabilities the chance to express their creativity, as well as help them to become economically self-sufficient.



25
disabled
artists

Target: We aim for Balai Seni Maybank to be an inclusive platform for art, culture and heritage.

This is the second time that my artwork has been exhibited at Maybank under the Nukilan Jiwaku Art Exhibition. This exhibition has given me the self-motivation to upgrade my art skills and I have challenged myself to create different art forms. Thank you Maybank for giving me the opportunity.

Siti Aishah Yaacob


Disabled artist




Tan Sri Dato' Megat admiring the work of artist Mohd Khairuddin Bin Che Rani at the Nukilan Jiwaku Art Exhibition

MAYBANK PHOTOGRAPHY AWARDS

The Maybank Photography Awards (MPA) was established on the belief that images speak to us in a way that transcends language, socioeconomic and cultural barriers. In 2012, we received 20,000 submissions — a number which more than tripled to 67,000 from nine ASEAN countries in 2013. Themed ‘Inspiring Asia’, the Awards attracted participants with very high quality work. Submissions were assessed by renowned judges such as Ming Thein, Raghu Rai and Mike Yamashita, and the winners were from four different countries.



NINE
ASEAN
countries



67K
submissions

Our Commitment	2011	2012	2013	PROGRESS
We support disabled artists through Nukilan Jiwaku. (programme initiated in 2012)	n/a	20	25	Nukilan Jiwaku started as an internal volunteerism programme that has since grown in terms of numbers of exhibitors and has become a key highlight in Maybank Gallery’s yearly calendar.
Maybank Photography Awards (MPA) provides a platform to showcase some of the finest photographic works across ASEAN. (programme initiated in 2012)	n/a	20,000 submissions	67,000 submissions	Due to overwhelming interest, we are exploring making MPA a more long-term programme by considering annual participation.



Photo credit: Yaman Ibrahim
WINNER OF 2013 MAYBANK PHOTOGRAPHY AWARDS
Azlina — Suluk girl from Mabul Island

G4-SO1, G4-EC7, G4-EC8

EMPLOYEE VOLUNTEERISM — CAHAYA KASIH

Cahaya Kasih is our flagship volunteering programme that aims to tackle challenges faced by society, particularly obstacles to education and personal development. Our volunteers help people and communities help themselves in four major focus areas:

EDUCATION

COMMUNITY EMPOWERMENT

ENVIRONMENT

HEALTH

This year’s Global CR Day theme was ‘Connecting Global Communities’ which truly fitted the diversity of the turnout of Maybankers across the globe. Global CR Day is part of the Group’s Cahaya Kasih employee volunteerism programme. Cahaya Kasih was initiated in 2006 for employees to engage directly with the community through its regional offices, sectors and overseas operations by helping those in need and through ways beyond the activities driven by the Bank. This year’s Global CR Day did not comprise one-off community projects for the day, but included long-term initiatives identified and carried out by employees in the various locations where they operate. Activities were tracked on a yearly basis to ensure that impact was created through the programmes. Planning managers were required to provide clear progress records for each programme. The evolution of our Cahaya Kasih programme is the result of much learning, including dismantling some perceptions that our employees had about community involvement. What has become apparent is that the programme has brought internal teams to work together under various new dynamics in order to be a ‘force for good’. At the same time staff perspective has broadened to understand the nuances of volunteerism.

More than 23,000 Maybankers donated over 119,000 hours of their personal time to take part in our Group-wide voluntary programmes. While the number of our employees has increased, the number of hours spent has reduced from 178,422 hours recorded in 2012. Part of the reason is that we are improving our monitoring and evaluation processes. There was also severe rain in some parts of Malaysia on Global CR Day and the weather hampered some of our activities.

Cahaya Kasih will continue to nurture all our volunteerism programmes. We are already seeing the results in terms of impact. The four winners in the Cahaya Kasih challenge 2013 reflect how we are reaching out with skills, care and most importantly passion to make a difference in the communities closest to our employees.

IMPACT OF CAHAYA KASIH


Cahaya Kasih has over the years created various impacts both internally and externally:

- Goodwill amongst the community
- Interaction with different segments of the community
- Camaraderie and team building
- New skill sets
- Improved outlook and perspective amongst employees
- Empathy


We provide three days' unrecorded leave annually to undertake community programmes.



Happy young faces at a Cahaya Kasih employee volunteerism event



119K
volunteer
hours



23K
Maybankers
participated in
Global CR day

Cahaya Kasih will be a key volunteer programme moving forward and in 2014, we are reassessing our monitoring and evaluation of the overall programme. We also want to push for more long-term and holistic collaborations with the community and are looking for ways to work better with project partners.

FOCUS: CAHAYA KASIH PRESIDENT'S AWARD 2013

Four awards were recognised at the Cahaya Kasih President's Award in 2013 for Best Environmental Initiative, Best Health Initiative, Best Community Initiative and Best Educational Initiative. Although only four could be picked as winners, each Cahaya Kasih initiative is a representation of Maybank in the community and creates a multiplier effect in community empowerment. Our programmes are inclusive and transcend all barriers of class, gender and creed.

Best Environmental Initiative: From Poverty to England

The water pollution at Sungai Merbok and Sungai Bujang have had great impact not only on the environment but also the livelihood of fishermen who rely on rivers and the sea to support their families. The pollution aggravated the families' financial situation, causing great difficulty for children to pursue their studies, especially in higher education. Maybankers in the Northern region undertook a holistic conservation effort by replanting over 500 mangrove trees and 100 bamboo trees along the riverside. The efforts will benefit over 300 fishermen who are dependent on the natural habitat of the river. The planting of the bamboo trees will serve to avoid riverside erosion. At the same time, the bamboo trees also have commercial value which will benefit the local communities of the area.

The efforts in the Northern region have been an ongoing series of programmes targeting the low-income communities of Kampung Bujang and Kampung Sungai Batu Besi in Kedah. The conservation initiative has created a ripple effect and the local public are now more aware of environmental impacts in the area and are working together with Maybankers on conservation efforts.

The name 'From Poverty to England' was inspired by two young individuals from Kampung Bujang who received full scholarships to study in England.

Best Health Initiative — Labuan Nucleus Hospital and its Kidney Patients and Blood Donation Drive

Maybank International Labuan Ltd's programme was to make haemodialysis treatment more accessible to kidney patients. By providing more machines, there will be a reduction in the waiting time at the Haemodialysis Centre in Labuan Nucleus Hospital. The Centre is now able to cater to 70 kidney patients. This team of Maybankers also made Maybank the first bank in Labuan to organise a blood donation campaign which benefited 157 people. They also organised awareness raising campaigns for kidney health and organ donation. The project has created a drive for healthy living amongst Maybankers and the local community.

"I have learnt more about my colleagues outside the office during our work with the Orang Asli. I have also learnt some life skills from the Orang Asli — resilience and sheer willpower. I feel so enriched through my involvement in this programme."

Mazli Muzaini
Corporate Affairs

Best Community Initiative — Build a Living Out Of Maybank (BLOOM)

Recycling some of the building materials from their efforts in 2012, Group Corporate Affairs helped the community of Kampung Orang Asli Ulu Melaka to build a small scale chicken coop and assisted in providing skills training related to livestock farming. Giving the Orang Asli community a sense of achievement as their farming project takes fruition, the skills imparted will be able to continue enriching the lives of the community. This team also conducted health screenings with the support of Hospital Orang Asli Gombak, and provided books to the children of Tadika Kemas. The project has provided more attention to help Orang Asli communities in Malaysia to improve their livelihood.

Best Education Initiative — Maybank Child Sponsorship — A Way Out of The Dump

The winner of last year's Best Overall CR Initiative, this winning initiative sponsored 20 children from harsh life situations who showed initiative and potential to excel. Guided by the belief that education is the lifeline out of poverty, the initiative provided the children with education, nutritious food, school supplies and, most valuable of all, mentoring support on a weekly basis. These Maybank volunteers served as role models for the children to keep them motivated, focused and excited about education and the opportunities that education offers. Genuinely inspiring the children to continue improving themselves through education and to break the cycle of poverty, this initiative also led Maybank Cambodia to win the Most Outstanding Social Performance Bank 2013, awarded at the Cambodia Banking Awards.

G4-SO1, G4-EC7, G4-EC8

SPORTING EXCELLENCE

We recognise the value of sport as it transcends geographical and political barriers in its ability to provide simple, practical ways of bringing people together and inspiring them to fulfil their potential. We have longstanding experience delivering exceptional sports programmes.

Apart from the global publicity of our corporate brand, sponsorship of premier sporting events provides a strong platform for Maybank to demonstrate its role in the development of young sports talent.



RM210K
donated
to **Tabung Wira
Lahad Datu
Media Prima**

RM40K
pledged to
**Make-A-Wish
Malaysia**

Target: Our sport sponsorship is an avenue for various fundraising activities.

GOLF

We began supporting the Malaysian Open Golf tournament in 2006. The Malaysian Open has become an increasingly prominent event in the golf tour calendar, attracting some of the biggest names globally. Through the Maybank Malaysian Open Golf tournament, we help foster talented young golfers. In 2013, the tournament also raised RM10,000 in public donations for Tabung Wira Lahad Datu Media Prima, which was topped off by RM200,000 from Maybank Foundation. This donation came in support of the Lahad Datu standoff in February 2013, which led to the loss of military personnel who died defending Malaysian borders.

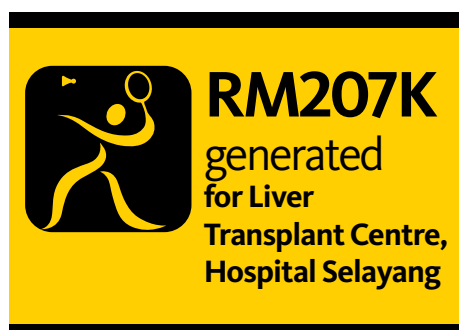
Meanwhile, the ‘Star Experience for Charity’ golf game saw eight amateur golfers each pledge RM5,000 to Make-A-Wish Malaysia — a foundation that helps make dreams come true for children with life-threatening medical conditions. The game collected RM40,000 from the golfers, which was matched by another RM40,000 from Maybank Foundation. This year’s proceeds from the Charity Putt Challenge went to the Liver Transplant Centre (LTC) in Hospital Selayang.

We also support golf in Malaysia across junior, amateur and professional levels and, since 2012, have expanded the junior programme with both the Maybank Junior Golf Clinic and the creation of the Maybank Junior Golf — Champions Academy. The Maybank Junior Golf — Champions Academy trains young Malaysian golfers between the ages of six and 12 years old, developing their natural talent and teaching them the skills they need to become a next generation winner.



Renowned golfer Matteo Manassero giving tips to budding young golfers

SPORTING EXCELLENCE



BADMINTON

In partnership with the Badminton Association of Malaysia (BAM), we supported the Maybank Malaysia Open 2013. A charity auction was held in conjunction with the game and autographed memorabilia of players raised RM207,000 in sales.

Through a digital interactive badminton game, we managed to raise funds for Hospital Selayang's Liver Transplant Centre, which complemented Maybank Foundation's own pledge of RM100,000 to the Centre. The funds collected went to the purchase of a reliable and safe transportation vehicle for organ transfer.

Together with BAM, we organise training and tournaments for young badminton players, enabling national players to inspire and share their expertise with the new generation. This will also be a platform where national players will be able to share their expertise and inspire the younger generation of players, ultimately elevating our country's status in the sporting arena.



Datuk Lee Chong Wei signing a t-shirt in support of Maybank Foundation's Charity Auction Night held during the Maybank Malaysia Open (MMO) Badminton 2013



ATHLETICS

The BII Bali Marathon 2013 attracted over 2,000 participants. We fully reviewed the feedback from last year's marathon and improved the logistical arrangements as well as water stops. There were four race segments, including a 5-km

wheelchair race. The run route showcased Bali's iconic landscape and there were also post-marathon activities at the Bali Marina and Safari Park.

In conjunction with the marathon, we engaged with the community in the Gianyar area where we provided incentives in the form of savings to 486 students from 27 schools in villages along the marathon route. We also sponsored 40 wheelchair athletes who joined in the 5-km race.

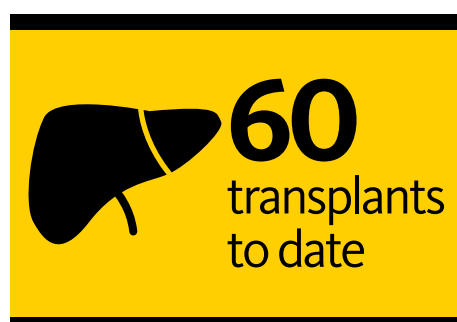


Participants of the BII Bali Marathon 2013 after the sound of the starting gun

G4-SO1, G4-EC7, G4-EC8

ACCESS TO HEALTHCARE

Access to healthcare is a global challenge. Across many countries, this challenge can be seen in patients' inability to pay, long distances between home and healthcare facilities or even complete unavailability of healthcare. We contribute to address these issues not just financially but also by raising awareness towards healthy living.



HEALTHCARE — PARTNERSHIP WITH HOSPITAL SELAYANG

In 2002, we entered into partnership with Hospital Selayang and our longstanding support for access to healthcare can be seen in the growth of its Liver Transplant Centre (LTC).

With our support, medical costs are subsidised for underprivileged patients, and to date the Hospital Selayang LTC has conducted 60 transplants. Maybank has contributed RM6.2 million thus far, not only to support the centre's operations but also their medical endowment fund for patients-in-need. We also raise funds through charity programmes held in conjunction with our annual Maybank Malaysia Open (MMO) sporting events for the LTC.

BII SUPPORT FOR PEOPLE WITH RETINOBLASTOMA

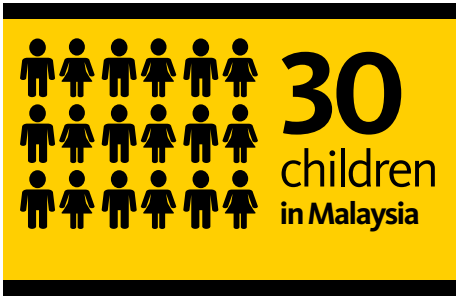
BII along with our partners, the Community of Running for Sharing (Berlari untuk Berbagi/ BUB) delivered a Laser Indirect Ophthalmoscope (LIO) diode to Cipto Mangunkusumo Hospital (RSCM) to support the healing of children with retinoblastoma. The handing over of the LIO diode is part of BII's partnership with BUB, which is centred in Anyo House, a shelter for children with retinoblastoma, founded by Anyo Indonesia Foundation (YAI) in Slipi, Jakarta. On this occasion BII employees and BUB members also shared the joy with children with retinoblastoma through storytelling activities in collaboration with the Children's Reading Lovers Group (KPBA), learning origami and breaking fast together.

In Indonesia, retinoblastoma has become the number two cause of cancer-related death after leukaemia. The eye cancer is most common amongst infants and children and can lead to blindness and even death. Early detection followed by prompt and proper treatment using diode laser beam therapy can maintain visual function of children with retinoblastoma.



Hospital Selayang doctors performing a liver transplant operation using medical equipment donated by Maybank Foundation

ACCESS TO HEALTHCARE



INSTITUT JANTUNG NEGARA

To promote access to healthcare, Maybank Islamic has made a five-year commitment via the Maybank Foundation to contribute RM1.7 million to Institut Jantung Negara’s new Regional Paediatric Heart Centre. This contribution not only provides support in terms of much-needed medical equipment but also assists in subsidising medical expenses for patients from low-income backgrounds. Since 2012, this collaboration has helped 30 children in Malaysia.

Our Commitment	2011	2012	2013	PROGRESS
No. of surgeries at the Hospital Selayang Liver Transplant Centre (cumulative)	1 surgery	52 surgeries	60 surgeries	Our support towards healthcare immediately reaches the public. We see our role here continuing as “the bank with a heart”
No. of surgeries at Institut Jantung Negara (programme initiated in 2012)	n/a	1 surgery	29 surgeries	



En Muzaffar Hisham, Group Head Islamic Banking, presenting a small gift to a young patient at Institut Jantung Negara’s paediatric ward

MOVING FORWARD AND 2014 PRIORITIES

— OUR COMMUNITY IMPACT ROADMAP

In 2012, we identified that our community engagement will focus on impact investment. For us, investing in the community enhances reputation, builds goodwill and creates new economic opportunities. We are at a tipping point on how we address social challenges and it is time to radically scale up action to avoid reactive approaches. We also want to move away from a short-term and time-bound approach to a targeted, high impact one.

In 2013, we intensified our community engagement both at the Foundation and Group level by embarking on a Community Impact Roadmap (CIR). We believe that the Roadmap will help us achieve sustainable value creation in community investment. Specifically, the CIR will deliver:

- Flagship programmes that are regionally significant yet locally relevant
- Increased community initiatives in key regional markets
- Progressive, sustainable and tangible outcomes.

The CIR was developed over the course of 2013 when we reviewed our community value chain in order to decode existing community programmes. We asked ourselves key questions:



A further four-step process was embarked upon that involved identifying, assessing, managing and measuring all programmes to highlight gaps in current practice which can function as a pathway to key opportunities. We identified the need for a baseline by which we could access future practices through a benchmarking exercise.

MOVING FORWARD AND 2014 PRIORITIES — OUR COMMUNITY IMPACT ROADMAP

A community engagement matrix was drawn to illustrate the findings and gaps with regard to community programmes. The findings were used as a 'navigation guide' to show where and how our community investment can have the biggest impact with key differentiating factors. We did not want to support 'popular' programmes. Our overall directions must underpin the development challenges across Asia and consist of impact investments.

Ultimately, we wanted to know what the end-game in our programmes would be. Based on the strategic engagement matrix we were able to identify:

- Areas of focus
- Programme partnerships
- Types of impact assessments
- Mechanisms for employee participation/volunteering

The Roadmap known as Group CR Roadmap was approved by the Board of Directors on 4 October 2013. It is now known as the Community Impact Roadmap (CIR).

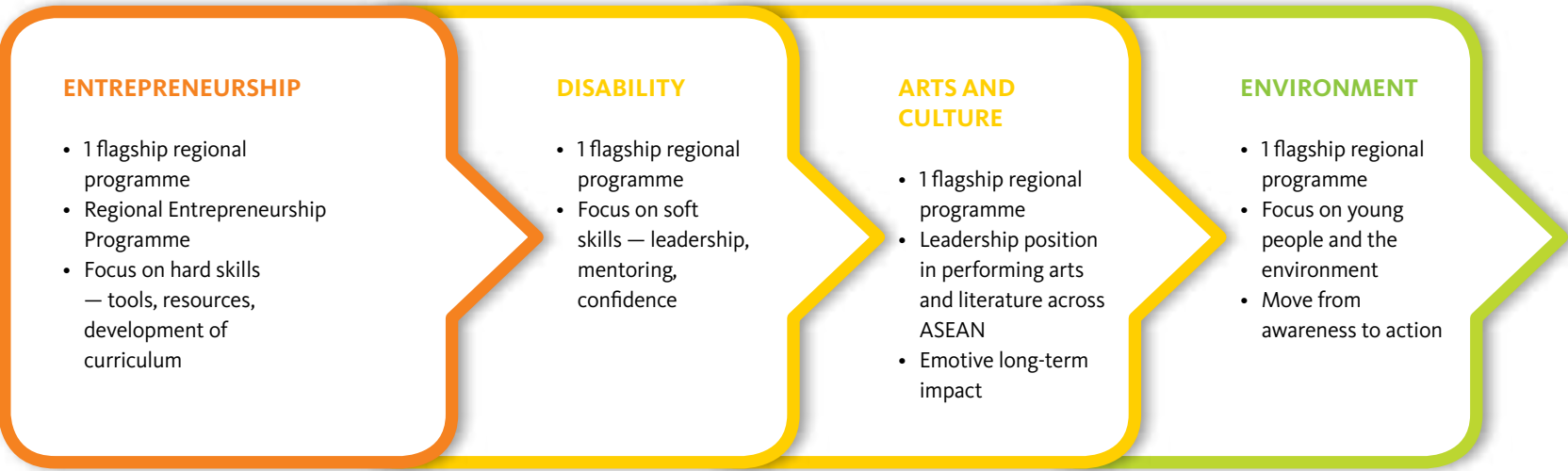


Maybankers cheering on their colleagues during the Edge-Bursa Malaysia Kuala Lumpur Rat Race 2013

MOVING FORWARD AND 2014 PRIORITIES
— OUR COMMUNITY IMPACT ROADMAP

NURTURING SHARED ASPIRATION

Shared aspiration is at the heart of building social capital. Our Board-endorsed CIR is a pathway to help the Group and Foundation navigate the complex landscape of community impact. By prioritising material issues, we are able to create action plans and assign responsibility across the organisation. Overall, we will continue investment in our key areas: Education, Community Empowerment, Healthy Living and Sports, Disaster Relief and General Donation and Sponsorship, but moving forward we will also work on our flagship regional programmes:



To evaluate whether our investments are aligned with our goal of impact investment, we will be rolling out a Community Impact Tracker. With this tracker, we will be able to monitor the impact of our flagship programmes and systematically collect feedback from our community partners. The analysis will also be able show whether projects are evenly allocated across our key markets and business areas. Moving forward, we want to further the cross-fertilisation of programmes, team skills and knowledge.

**WE ARE MANAGING
IMPACTS AND
CONTRIBUTING
TO ACCELERATE
THE TRANSITION
TO A LOW-CARBON
ECONOMY.**



Photo credit: ARIF TIRTA OTTO
MAYBANK PHOTOGRAPHY AWARDS
Jumping tiger when got feeding at Ragunan Zoo Jakarta

To learn more about tiger conservation, please visit the MYCAT website at
www.malayantiger.net/v4/mycat.

Humanising Financial Services Across Asia.



ENVIRONMENTAL DIVERSITY

PROGRESS AND PRIORITIES

● On track ● Progressing ● Not on track

MANAGING OUR DIRECT IMPACTS

Our direct impacts are diverse and need to be closely monitored and tracked.

- Our buildings
- Energy consumption (kWh) and greenhouse gas (GHG) emissions
- Paperless environment
- E-procurement
- Paperless loan processing
- e-banking

	2011	2012	2013	PROGRESS
Electricity consumption (kWh at Menara Maybank)	21,135,331.00	22,304,687.00	22,629,295.00	●
Paperless transactions through Regional Branch Solution (savings) (pilot launched in 2012 — monitoring of savings began in 2013)	n/a	n/a	RM10 million	●
E-procurement*	2,100 electronic purchases per month	4,600 electronic purchases per month	4,300 electronic purchases per month	—

SUPPORTING BIODIVERSITY

We are committed to supporting conservation efforts and promoting programmes for a greener future.

- Maybank Wild Tiger Run 2013
- KL Eco Film Festival

	2011	2012	2013	PROGRESS
Maybank Wild Tiger Run (programme initiated in 2013)	n/a	n/a	2,500 participants	●
Eco Film Festival participants (programme initiated in 2012)	n/a	4,340 participants	6,400 participants	●

Note*: The savings on e-procurement is dependent on the number of electronic purchases per month.

OUR APPROACH

Since we embarked on our journey to be a Regional Financial Services Leader by 2015, we have undertaken a paradigm shift in the way we do our business and engage with stakeholders. This shift is also occurring in our environmental management.

As awareness of sustainability grows throughout the region in which we operate, our stakeholders increasingly expect us to have clearer views on issues such as climate change and to consider our direct and indirect impact on the environment. Our ecological footprint is significant, especially as we create indirect impacts through our lending and investment decisions. At the same time, as we grow our roots regionally, our direct impact is increasing. This is particularly applicable to our increasing workforce. It is indeed becoming urgent that Maybank and the financial services industry as a whole play a role in addressing the looming climate and resources crunch and the transition to a low-carbon economy. Investing for a better business and better community means taking a holistic approach to our environmental impacts.

G4-EN6

MANAGING OUR ENVIRONMENTAL IMPACTS

Our environmental management system has driven year-on-year progress in the energy efficiency and usage profile of our physical assets and workplace activities as well as improvements in water conservation and paper use. Our environmental performance depends on employee commitment and is underpinned by dedicated employee engagement initiatives to raise awareness.

Since virtually every economic activity can have an impact on natural capital either directly or indirectly, we have considerable indirect ecological footprints through our customers and their interaction with us. At the same time, as our operations expand, we are scrutinising how we measure and monitor our environmental impacts. By integrating resource efficiency into our daily operations, we are focusing on:

- Energy consumption and Green House Gas (GHG) emissions — reducing energy use
- Sustainable buildings — investing in sustainable buildings and fit-outs
- Resource use reduction — reducing paper, waste and water usage
- E-procurement — savings from electronic procurement

OUR BUILDINGS

In 2013, we started to undertake building assessments which enabled us to classify a working system for optimisation at five strategic Maybank buildings, namely Menara Maybank, Maybank Academy (solar power), Maybank Call Centre, Akademi Etiqa and Etiqa Twins. The assessment is ongoing.

In 2013, we launched our first ever solar-powered ATM. BII in collaboration with the Green School (Kul Kul Foundation) built the ATM at the Green School, located in Br Saren Ds. Sibang Kaja Abiansemal, Badung, Bali.

The solar-powered ATM can operate for two full days without having to recharge its battery. This means that the ATM can operate on a day-to-day basis, even on days with less exposure to sunlight. The battery for the solar-powered ATM is capable of operating for five years. We will be monitoring the pilot ATM as a viable option to power machines especially in rural areas that are sometimes off the grid.

For BII, this innovation may provide learning opportunities To the Green School students; the ATM is a showcase of the importance of renewable energy. We are keen to explore the resource savings of solar-powered ATMs. As our commitment is to reach out to consumers across Asia, such innovation will provide options to manage our impacts, save costs and still enable us to provide access to our services.



MANAGING OUR ENVIRONMENTAL IMPACTS

ENERGY CONSUMPTION (KWH) AND GHG EMISSION (KG CO2E)

LOCATION	ELECTRICAL POWER CONSUMPTION kWh		
	2011	2012	2013
Menara Maybank	21,135,331.00	22,304,687.00	22,629,295.00
MLC Bangi	3,082,900.00	3,087,090.00	3,057,400.00
Dataran Maybank	13,706,999.00	14,750,713.00	14,268,274.00
Etiqa Twin Towers	8,840,471.00	7,774,342.00	6,863,929.00
Academy Etiqa	3,478,880.00	3,984,730.00	4,064,790.00
Total	50,244,561.00	51,901,562.00	50,883,688.00
Metric Tonne CO2e (1000kg)	37,532.69	38,459.06	37,704.81

Moving forward, we would like to balance the need for access to branches with more energy efficient buildings.

Note: Emission factor used in 2011 is 0.747 kWh to CO2e and 0.741 kWh to CO2e in 2012 (source: Green Tech Corporation Malaysia).

We note a slight increase in our electricity consumption in 2013. The highest energy consumption lies in our branches throughout the country. As we expand across the region, we are acutely aware that energy consumption and GHG emissions are only going to increase further and we need to put in measures to manage these emissions more effectively. One of the challenges that we face is that we rent most of our branches. As tenants, we are looking into ways to work with our building owners to reduce energy consumption.

LOCATION	WATER CONSUMPTION IN CUBIC METER (M ³)			
	2010	2011	2012	2013
Menara Maybank	218,124.85	248,927.65	256,818.15	275,612.50

Water consumption continues to increase as our number of employees increase. Facing the prospect of limited water resources, we have started to take steps to conserve water by educating employees on effective water usage. We also have an internal committee supervising our water management system, and we consult with Jabatan Bekalan Air (JBA) on water conservation issues.

In order to address the issues in a more integrated way, in 2011 we initiated the Property Go Green Council (PGGC). The Council consists of members from the Group Property, Security and Valuation Division. It sets environmental objectives and targets for activities with significant environmental impact. The Council is also mandated to communicate progress in reducing our environmental impact to relevant internal and external stakeholders:

- **Environmental Impacts** — study and identify the environmental effects of our operations.
- **Implementation Structure and Senior Management Responsibilities** — the roles and responsibilities of senior management related to environmental policies, plans and overall performance.
- **Environmental Targets** — establishing short-, medium- and long-term environmental goals and the strategies and actions needed to achieve these targets.
- **Monitoring and Verification** — collecting, monitoring and reporting environmental performance data.
- **Communication and Feedback** — communicating internally and externally our environmental policies and practices.

CARBON DISCLOSURE PROJECT

For the 2012 carbon disclosure project (CDP) assessment, Maybank received a total score of 67 compared with the 2011 score of 37. Founded in 2000, CDP is a not-for-profit organisation that provides investors with a comprehensive analysis of how the world's largest companies are responding to the challenge of climate change.

MANAGING OUR ENVIRONMENTAL IMPACTS

STRICT MONITORING

We monitor compliance of 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

During FY2012/2013, we did not face any penalties for violations of environment-related laws and regulations. We are cognisant that it is time to go beyond monitoring and compliance when we manage our direct impacts. Our operations will only grow and we cannot afford a reactive attitude. Through Group Property Department, we are taking a stepwise approach to understand better the magnitude of our impacts and aim to provide more comprehensive reporting in this area. For example, we are also studying better ways to reduce business travel, particularly by using more interactive tools to work together through technology. In 2014, we are looking forward to the new 'greener' data centres that are expected to reduce our power usage effectiveness from 2 to 1.5.

Focus: MOVING TOWARDS A PAPERLESS ENVIRONMENT

Paper use may seem to be a very small housekeeping issue but when we started tracking paper use, we were surprised at how big our consumption was and how little we needed to do to move towards a paperless environment. In 2011, we consumed 42 million sheets of paper at a cost of RM3.5 million. We estimate that this amounted to 5,020 trees.

We have managed to increase our savings in consumption and cost in 2012 and 2013. We have achieved this through less printing and moving some of our internal processes to mobile platforms. The biggest change has been brought by our Regional Branch Solution (RBS). Customers through RBS are able to experience paperless transactions and throughout 2013, the Group was able to save approximately RM7 million due to paperless transactions and reduction in hardcopy statement initiatives.

E-PROCUREMENT

Our procurement initiative seeks to reduce gaps and improve our Procurement Maturity Index by monitoring our changes using a Procurement Diagnostic Tool. The electronic procurement

solution is providing us better visibility and tighter controls over corporate expenses while helping us reduce operational costs. In the past, we had fragmented procurement systems with hardcopy versions of contracts that were difficult to maintain and manage. None of these provided central management, visibility, automation or standardisation across the Group. In addition, disparate contract templates and policies led to issues in compliance and process efficiencies. Today, we transact in excess of 4,300 electronic purchase orders per month with full control over all purchasing processes from suppliers. The entire procurement transaction lifecycle is entirely paperless.

PAPERLESS LOAN PROCESSING

This lean transformation initiative sought to optimise cost efficiency and to do more with less via business process re-engineering and the centralisation of loan processing. We started the initiative to cover loan processing with regard to the Amanah Saham Bumiputera (ASB) unit trust fund managed by Permodalan Nasional Berhad (PNB).

Benefit to branch: Estimated 4.5 million pieces of paper saving per annum — equivalent to RM69,000 and time saved on photocopying of documents.

Benefit to PNB: Eliminated voluminous paper storage arising from earlier requirement to keep copies of loan documents and eliminated activities relating to vetting of bank documents which were time consuming.

Benefit to industry: Based on our proposal, PNB has removed the requirement for all financial institutions to submit a certified true copy of the ASB loan documents.

This initiative has resulted in a more efficient ASB loan processing system within Maybank which has spilled over to other financial institutions in the industry.

e-BANKING FOR CUSTOMERS

We have also moved towards paperless banking for our customers. Apart from internet banking via Maybank2U, credit card customers have the option to receive statements online. In fact, we encourage most customers to use our electronic bill payment services and switch to online statements.

Our Commitment	2011	2012	2013	PROGRESS
Our move towards a paperless environment is both internal for employees and external to our customers who are sometimes given choices to go paperless and sometimes, don't have a choice at all. (pilot launched in 2012 — monitoring of savings began in 2013)	n/a	n/a	RM10 million paperless transactions through RBS (savings)	As RBS expands, our savings on paper will be extended. We need to include more products that have little or no paper footprint. Overall there is a move towards reduction in hardcopy statements.

MANAGING OUR ENVIRONMENTAL IMPACT

S.W.I.T.C.HING TO SAVE

Maybank Singapore has in place several programmes to encourage customers to move towards a greener lifestyle.

In 2011, we launched an initiative called S.W.I.T.C.H With Maybank @ Central Singapore to encourage customers to opt for online banking. With S.W.I.T.C.H, we pledged S\$1 for every customer who switched to online statements. Maybank Singapore has donated S\$30,000 to the fund since the start of the programme. The funds were used to provide energy efficient light bulbs for low-income families. This initiative not only saves money for needy households but also promotes good energy-saving habits.

To date 4,000 low-income households have benefited from S.W.I.T.C.H With Maybank @ Central Singapore. These households will save an estimated S\$160,000 in utility bills annually.

Focus: ENVIRONMENTAL PRACTICES AT LAMAN @ MENARA MAYBANK

At our Menara Maybank food court, Laman, we are initiating a programme to recycle used cooking oil into biofuel and food waste into fertiliser as a model for other food courts in Kuala Lumpur.



Front entrance of Laman Maybank

There are 37 operators at Laman Maybank which serves mostly employees and visitors to Menara Maybank. We rent out the stalls at reasonable rates whilst maintaining the cleanliness of the premises. We are now working with Kuala Lumpur City Hall to create a more hygienic and environmentally friendly Laman. KL City Hall is assisting with the funding, consultation services and enforcement. One of the requirements under the programme is the compulsory installation of grease traps.

We are exploring how to incentivise our stall operators through a combination of carrots and sticks in order for them to carry on more green practices. We are also evaluating the usage of sodium lauryl sulphate (SLS) free detergents at Laman, as well as looking into the use of biodegradable food containers.

G4-EN11, G4-EN13

SUPPORTING BIODIVERSITY

The tiger is an Asian icon and, in recent years, we have doubled our efforts to support the cause of tiger conservation. Since 2010, we have contributed close to RM1.5 million to support key partners who are working in tiger conservation efforts. We have worked closely with the Malaysian Conservation Alliance for Tigers (MYCAT) which is an alliance of the Malaysian Nature Society (MNS), TRAFFIC Southeast Asia, Wildlife Conservation Society (WCS)-Malaysia Programme and WWF-Malaysia. Formed in 2003 by the Malaysian government, it strives to bring the government, non-governmental organisations and community together to save the Malayan tiger from the very real threat of extinction.

In 2013, we organised the Maybank Wild Tiger Run. 2,500 people from all walks of life laced up for tigers and were flagged off by Y.B Khairy Jamaluddin. The Run was held at Bukit Jalil Park in Kuala Lumpur to increase awareness on the plight of the Malayan tiger, to raise funds for MYCAT's conservation efforts and to celebrate ten years of tiger conservation partnership through the MYCAT platform. Prizes were awarded to the top five winners of five categories for the 10-km run — Men Open, Men Junior Veteran, Men Senior Veteran, Women Open and Women Veteran, as well as the top finisher for the 3-km 'Fun Run'. Prizes were given out to the Best Dressed Tiger Costume and to five lucky draws.



YB Khairy Jamaluddin flagging off the runners of the Maybank Wild Tiger Run 2013



"There is an urgent need to engage the public to bring about the change required to stop and reverse the loss of our forest and wildlife, and the Maybank Wild Tiger Run was a leap in this direction. The Maybank — MYCAT collaboration was part of efforts towards a more sustainable Malaysia — shared by her people, forest, and wildlife. Maybank's support of the Maybank Wild Tiger Run, a continuation of support for tiger conservation work since 2010, is a mark of leadership for other Malaysian corporations. For we will only be able to save the Malayan tiger when majority of Malaysians want to."

Dr. Kae Kawanishi,

General Manager MyCAT

Photo credit: Hamsiah Abu Bakar.

"Telling the tiger's story is important to us. Tigers are apex predators and they are a key link in the balance of the entire ecosystem. They also need large intact forest to survive. As an 'umbrella species' with all the other forest inhabitants 'sheltered' beneath, saving wild tigers translates into saving so much more."

SUPPORTING BIODIVERSITY

CREATING AWARENESS

EMPLOYEE ENVIRONMENTAL COMMITMENT

Some of our Cahaya Kasih volunteer programmes have pushed the agenda for good environmental practices with the community. The winner for the Best Environmental Initiative for the Cahaya Kasih President’s Award 2012 furthered their initiatives through the ‘Ombak Rindu II: Let it Twinkle, Fireflies of Kampung Kuantan’. 150 volunteers assisted by 50 youths of Kampung Kuantan planted 200 Berembang trees along the river banks famous as a natural habitat for fireflies. The roots of the tree strengthen the river bank whilst its shade becomes the breeding grown for freshwater fish.

Programmes like this create a ripple effect in the community in creating awareness and increasing our touchpoints.

KL ECO FILM FESTIVAL AND AVEDA WALK FOR WATER

Since 2012, we have supported the Kuala Lumpur Eco Film Festival. We believe that it is important to build awareness amongst the public, especially youngsters, on the value of conservation. Events such as this build empathy and empower individuals with a confluence of new ideas, tools and networks for change. More than 6,400 people attended. Apart from free screenings of award-winning films, the Festival offered free community workshops, forums on sustainability, fun educational environmental activities for youths and children and local performances by musicians. Exhibitions by environmental NGOs and green enterprises were also held at the Square and featured the latest grassroots environmental activism as well as a whole range of affordable and eco-friendly products and services.

“The Festival caters to a broad range of audiences and has a good mix of creative and innovative elements from amazing furniture upcycled from old wood, eco art and installations, up to performances with environmental messages. So it’s a one stop festival for the general public to come and be engaged in anything related to the environment that they hope to champion.”

Yasmin Rasyid
EcoKnights



Volunteers setting up a water filtration system for Pulau Mantanani residents

Another programme that we supported was the Aveda Walk for Water. In conjunction with Earth Day 2013, over 100 Maybankers and their families joined the Aveda Walk for Water campaign. The objective was to raise awareness on water-related issues and support two local NGOs; EcoKnights and Project H2O. The 2.5-km walk symbolised the distance some people have to travel to reach safe water supplies. The proceeds of over RM25,000 were used to install a water filtration system that will provide the villagers of Pulau Mantanani, an island off the coast of Sabah with limited supply of potable water, with a long-term source of a clean water.

MOVING FORWARD AND 2014 PRIORITIES

Moving forward, we expect our IT Transformation Program (ITTP) together with the Property Go Green Council (PGGC) to provide the innovation required for the ongoing transformation towards a more environmentally-friendly and responsible suite of services across the organisation and business value chain.

- Reduction of energy usage through the group data in 2014 which is expected to improve the efficiency of servers in our data centres and will cut power-usage effectiveness ratings from 2 to 1.5.
- We will begin to consolidate data on energy consumption and GHG emissions more comprehensively.
- Create further environment awareness programmes for our customers.

100
Maybankers
at Aveda Walk
for Water
Campaign

Target: We aspire to create awareness through environmental programmes.

OUR EMPLOYER VALUE PROPOSITION

**“GO AHEAD”
LIBERATES
EMPLOYEES TO
ACHIEVE NEW
HEIGHTS IN
PERFORMANCE.**



Datuk Abdul Farid Alias, Group President & CEO, helping a young boy prepare for the "Charity Walk for the Blind" at Maybank Global CR Day

Humanising Financial Services Across Asia.



OUR PEOPLE

PROGRESS AND PRIORITIES

● On track ● Progressing ● Not on track

EMPLOYEE ENGAGEMENT PLATFORMS

Engaging staff on issues that matter most to them is key to unlocking a values based organisation with a regional talent pool that is agile and competitive.

- Our approach

	2011	2012	2013	PROGRESS
Employee Engagement Survey	83% staff engagement	85% staff engagement	Ongoing	●

A HIGH-PERFORMANCE CULTURE

Investing in the long-term development of our people and improving capabilities across the organisation.

- Talent and leadership
- Learning and development
- Rewards and recognition

	2011	2012	2013	PROGRESS
Employees who are formally appraised	100%	100%	100%	●
Cross-border and regional assignments	11 talents	54 talents	more than 100 talents	●
Learning and development (average total training hours)	47.97	41.44	45.31	●

DIVERSITY AND INCLUSION

Embracing and nurturing all staff 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.

- An enabling work environment
- Multicultural awareness
- Pushing the agenda for volunteerism

	2011	2012	2013	PROGRESS
Women in top Management	22.7%	31%	31%	●
Employee volunteerism	15,000 volunteers	21,147 volunteers	23,513 volunteers	●

SAFETY, HEALTH AND WELLBEING

Improving safety as well as work-life balance.

- Challenges of a high demand environment
- Staff wellness programmes

	2011	2012	2013	PROGRESS
Health and wellness programmes	1,482 participants	1,858 participants	more than 3,400 participants	●

OUR APPROACH

Our ambitions are reliant on highly engaged and committed staff. Our human capital strategic transformation plan marked the initial investments in developing the superhighways to nurture, support and connect our diverse workforce. These roads now form the structured path in our position as an employer of choice, particularly in our policies, tools and processes around performance management and talent. Our efforts are recognised globally and we are reaping the benefits of having a more engaged workforce.

As we accelerate our momentum as a regional organisation, we continue to enhance our best practices, embedding and institutionalising them across the Group to ensure alignment to our aspiration, sustainability and growth. Meanwhile, our focus is to leverage on the resources and talents across borders, whether they are based in Thailand, Indonesia, Singapore or elsewhere. This is to ensure that we are lean, effective and efficient in our operations. In line with this, the fine-tuned Group Structure presents clearer accountability of roles and responsibilities. The key intentions are to promote greater regionalisation focus, effectively drive our strategic priorities regionally, reinforce our strong values system, and productivity to boost the Group's performance levels.

One of the key platforms to engage our staff with regard to changes in the organisation is through the Group PCEO Townhalls and Group EXCO Leaders Teaching Leaders sessions conducted by every EXCO member. Through these engagements, our leaders provide regular updates in financial performance, as well as all important changes to ensure that there is clear line of sight to our vision and mission. Sectors or countries also share their initiatives to help staff update respective business strategies and promote greater collaboration for the overall growth of the Group. Our leaders spearhead honest, open and trusting (HOT) conversations at the Townhalls as well as the Conversation Series Sessions with all levels of staff to encourage exchange of ideas and feedback to be acted upon.



Winner of the Banking & Financial Services Category for the third year in a row in Malaysia's Top 100 Leading Graduate Employer Awards 2013. Also improved overall ranking to No 2 in 2013 from No 3 in 2012.

Only Asian organisation listed in the Towers Watson Global High Performing Company Norm

On 1 October 2013, Maybank revised its Group Organisational Structure to accelerate to the next level of regional business performance and operational excellence. With this transformation, Maybank's regionalisation efforts will be hastened while efficiency and productivity raised. At the same time, leadership positions across the Group will be enhanced, high-performance culture firmly institutionalised and Group governance further strengthened.

G4-LA9, G4-LA11

EMPLOYEE ENGAGEMENT PLATFORMS



"Collaboration is the skill of today and the future. For many people, this might be new. We need to remind ourselves and team members that collaboration is important in any matrix organisation. It is important for us to travel in the same direction."

Nora Abd Manaf

Group Chief Human Capital Officer

The importance of collaboration to achieve success in the next phase of the transformation journey is part of our strategic action plan moving forward. We have in place avenues for effective collaboration that is targeted and impactful. A key enabler is the variety of Group-wide channels that is supplemented by local communications to cater to the diverse needs of our people. Without these channels, our diverse and multiregional workforce will operate in silos.

The channels enable us to effectively reach out to them in a timely manner. There are communication channels and resources available to guide staff, including the FAQ posted in the portal, Ask Senior Management (ASM) Forum and Help Desk hotlines. To enable staff to have a better view of the Group restructuring in October 2013, the Group Restructure Steering Committee (GRSC) was set up to ensure consistency and comprehensiveness in the implementation of the new structure within and across the Group. The GRSC engages and collaborates with all sectors and parties in the Group and adopts a systematic approach to provide governance, support, solutioning and guidance to fully operationalise the new structure. It addresses all staff feedback sourced from the multiple forums via the ASM Forum, dedicated hotline and in Malaysia the walk-in Help Centre.

During the year, we launched the MyPortal2u in Malaysia, a refreshed communication portal that offers greater flexibility and empowerment to share information conveniently to the 27,000 staff in Malaysia. Maybank Philippines also launched its staff portal to facilitate knowledge and learning. Regional news is a mandatory key feature in all our communication channels including our Group Newsletter, Berita Kumpulan Maybank (BKM). BII launched IMPACT Blog, a two-way communication channel for generating ideas amongst staff and leaders. The blog supplements the various internal dialogue and motivational sessions to align staff to our mission and vision.

300
supervisors
experience
working as
Customer
Service
Assistants

When staff are engaged, the results will be self-evident. This is reflected in our results as well as non-financial indicators. One example is where our staff rally to expeditiously deliver outcomes. In the successful merger between Maybank Investment Bank and Kim Eng, it is the staff who showed remarkable collaboration and commitment in the Post-Merger Integration Programme launched in 2011. Staff were quick to adapt and meet deliverables within a short span of time amidst challenges. As a result, we were able to:

- Transition from country-siloed operations towards a regional organisation.
- Offer a full suite of regional investment banking products and trading platforms.
- Establish a regional house team of skilled product specialists to enrich our retail equities product catalogue.
- Strengthen our research capabilities.



Winners of My T.I.G.E.R. Journey Video Photo Competition with Group EXCO

EMPLOYEE ENGAGEMENT PLATFORMS



Group President and CEO spends a day in the shoes of Maybank Group Customer Care (MGCC)

Datuk Farid started the day by addressing the MGCC colleagues at the Monday Morning huddle briefing. He took the opportunity to encourage the team to continue to demonstrate excellence, make a positive difference and lasting impression when serving our customers. He reminded everyone to share feedback with their Line Managers and teams on ways to improve themselves and the workplace. He spent the day with three customer service executives by listening to and observing how they managed customer enquiries.

In 2013, the Group EXCO undertook a unique EXCO First-Hand Day job shadowing experience at various customer facing touchpoints. The intention was for EXCO members to understand the daily challenges faced by staff as well as to appreciate their achievements. Staff gained an added perspective for service improvements from the EXCO member's sharing.

Another successful initiative was the We Are Here to Serve (WAHTS) programme which gave more than 300 supervisors experience working as Customer Service Assistants (CSA) at our branches. These initiatives contribute to improving engagement levels, promoting a customer-centric culture amongst all Maybankers and providing an avenue to discover new ideas for improvements.

At the same time, it is important to hear markers of success in our employee engagement efforts. To further internalise the core values and transformation agenda, the My T.I.G.E.R. Journey Video Photo Competition, a joint collaboration between the Group Human Capital (GHC) and Group Strategy & Transformation Office, invited Maybankers to share inspiring stories of their transformation journey with Maybank. A total of 249 entries were received, with Group EXCO participating to show how the values have impacted their lives. The competition reaffirmed that we are on the right track in reaching out to our staff. Maybankers have embraced our T.I.G.E.R. values and transformation. More importantly, they are taking ownership of the transformation initiatives.



Serving customers at various touchpoints



G4-LA11

A HIGH-PERFORMANCE CULTURE

In building a high-performance culture, we strive for our staff to continue to live our values and reach their goals. Our core values, T.I.G.E.R. (Teamwork, Integrity, Growth, Excellence & Efficiency, Relationship Building) are our essential guiding principles for all our actions and a key driver to engage Maybankers in delivering our 'humanising financial services' mission.

Our aim is to provide a meaningful career with personal growth and an enabling workplace. The 2012 Employee Engagement Survey enabled us to assess performance bars across various aspects at the workplace. Amongst others, staff rated that management decisions are consistent with the values and that their contributions are appreciated. This is in line with the high-performance culture we are nurturing as well as our GO Ahead Employee Value Proposition (EVP) which is designed to push our people to Create, Grow, Lead and Fly.

TALENT AND LEADERSHIP

Our approaches to recruitment and talent development are benchmarked against world-class best practices to ensure the efficiency and effectiveness of our talent. Benchmarked against Saratoga Institute's leadership development audit (LDA), we have been rated at global best practice for five out of seven aspects and good practice for the remaining two. Our talent pipeline programmes target different pools of talents from junior to senior leaders.

As far as possible we hire internally. Our target to grow our own talents by filling eight out of every ten vacancies with internal talents was achieved with more than 70% of vacancies filled internally in 2013. Over 100 talents have been deployed in cross-border assignments and regional projects as compared with 54 in 2012 and 11 in 2011. There were 25 long-term assignments in 2013 compared with 17 in 2012, attesting to the success of our pipeline programmes to nurture our talents to be agile and geographically mobile. Our holistic GO Ahead EVP has significantly reduced our regrettable loss by over 33% since 2008. The multi-tier recruitment strategy to ensure a strong talent pool continues to garner interest amongst top talents in the region.

70% vacancies filled internally, progress against our target of 80%

Target: Through our Maybank GO Ahead EVP we offer a workplace that extends beyond just a career. It is a home where each staff can grow professionally and personally every day.




Our Commitment	2011	2012	2013	PROGRESS
To cultivate a high-performance culture, we ensure that all staff are appraised	Every staff has completed the appraisal	Every staff has completed the appraisal	Every staff has completed the appraisal	We use appraisals as a key evaluation tool and we always look for ways to improve our appraisal. The conversation between staff and Line Managers is part of the Performance Management Cycle to ensure alignment of business priorities, performance improvement and staff development.

A HIGH-PERFORMANCE CULTURE

Our GO Ahead Challenge (MGAC) is an innovative recruitment platform to spot some of the best Gen Y talents to be nurtured as future leaders to drive the Group’s agenda and growth. The second MGAC 2013 saw a surge of high achievers to this unique international business case competition. It had more than 5,000 applications, a fivefold increase from 2012 as we expanded to four new countries where Maybank has presence. It involved participants from ten countries with 13 nationalities in the Final round. We also introduced a new award offering the Top Winner with a two-week internship at Maybank New York and USD 1,000. 85% of the 54 Grand Finalists joined the Maybank Group.

The MGAC challenge theme “Ignite Your Potential” increase in interests, demonstrates the exciting value proposition the competition represents and the visibility of Maybank’s brand as a regional organisation and as an attractive employer to aspiring young talents. The MGAC sponsored and supported fresh graduates to develop and run the Challenge which is now a market standard. Fresh graduate direct recruitment costs were reduced by 32% with the ability to tap onto the Challenge’s participants database. Finalists were given a conditional offer of employment, primarily to join the Global Management Apprentice Programme (GMAP). Our GMAP was awarded the Best Management Trainee/Graduate Programme for the Banking & Financial Services category in GTI Malaysia 100 Awards.

Some finalists from the Maybank GO Ahead Challenge who have now been offered employment with Maybank:



“International attachment is another outstanding benefit. This opportunity will teach me how to work with different cultures and will prepare me for my future roles at Maybank, perhaps in management or as head of a department.”

Sou Socheata,
Cambodia



“The Maybank Go Ahead Challenge is one of the most challenging competitions I have joined, and yet, it is also the most rewarding since I have gained experiences and friends that I will take with me for a lifetime.”

Zack Tioseco,
Philippines

Apart from these junior development programmes, we have our own signature home-grown entry-level and senior-level programmes. In 2013, we developed the High Potential-Performer Integrated Programme (HIP) to nurture high-potential juniors and performing talents to increase their readiness in assuming key positions within the Group. More than 700 talents have been enrolled, with programmes conducted in Malaysia, Indonesia and the Philippines. For continued acceleration of our top talents, the Transitioning Leaders to CEOs (TLC) programme was introduced in 2010 to develop better visibility of junior- to mid-level talents for the succession pool. In 2013, 72% of TLC graduates from pioneer batches took on bigger roles, expanded their scope or moved to other roles within the Group, a clear demonstration of the programme achieving its objectives.

5,000 applications for the
Maybank GO Ahead Challenge

OUR PEOPLE

Target: The Go Ahead Challenge is a key recruitment effort that is truly regional which will continue as we aim to enhance our talent pool. The MGAC was recognised to be one of the most innovative young talent recruitment tool in the 2013 Graduate Recruitment Awards by Malaysia’s 100 Leading Graduate Employers.



GO AHEAD CHALLENGE

Ignite the potential in you.

Discover your imagination and creativity as you engage the brightest minds in our international business case competition.

Prizes 1st Runner-Up : USD 20,000 2nd Runner-Up : USD 10,000 3rd Runner-Up : USD 5,000	Champion : USD 10,000
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Maybank

G4-LA10

Our Career Transition Programme (CTP) is a best in class employment practice and nurtures staff for a new phase of career growth.

***Focus:* OUR CAREER TRANSITION PROGRAMME**

Koh Moo Yang

Head, Deployment and Productivity Improvement

I lead the Career Transition Programme. My over 40 years of experience enables me to truly understand the transformation of the bank and the changes that have occurred. My personal growth journey with the bank truly influences my outlook and has created the empathy needed to undertake my job.

Maybank is one of the few organisations that has a structured programme to find a right job match for staff who becomes redundant due to organisational changes. If the candidate is unable to find a right job match, the staff is supported with reskilling opportunities through our Career Transition Programme (CTP). CTP is our own signature initiative aimed at nurturing talents by providing the right support to grow and excel in the organisation. The CTP is one of the ways that Maybank demonstrate its commitment to humanising people development and progression.

I started my career as a clerk in Pudu in 1973. I learnt the foundations of banking operations from my very first day. In those days, most of us were generalists and we had to learn everything; unlike now. In 1981, I moved to the Head Office and joined the audit department. I was an audit trainer and went to branches to train them. I was moved to Sarawak for a year and a half. There was no real dialogue with the bosses those days as the communication approach was largely top down.

The early 90s were the golden years of banking, not just for us but every bank in town. This of course didn't last long and soon changing economic conditions forced us to buckle up. At this stage, a lot of processes were automated and some jobs had to be redesignated. I was heading business process improvements during the Asian economic crisis. I retired in 2007 and came back on contract in 2008. At this time, it was almost a different bank. With the House of Maybank, there was collaboration, dialogue and various processes to ensure that we humanised our business. The younger generation at the Bank are given a myriad of opportunities to grow their career.

Through our signature CTP, Maybank is one of the few organisations with a structured programme that redeploys staff who become redundant due to organisational changes and is testament to our humanising philosophy. Staff in the CTP are offered necessary reskilling, training interventions, counselling and guidance to provide them the agility to take on new roles in the organisation confidently and quickly. In 2013, our success rate of re-skilled staff being deployed stood at 50%.

For me, this is a job that is truly humanising not only because of the impact we have on people's lives but, as far as possible, we try to create win-win outcomes for everyone. We have a family first policy and, as far as possible, try to keep families close. We also encourage movement beyond Kuala Lumpur as there is often a gap in workforce numbers outside the capital.

I appreciate that the Bank still retains and values my services. There are a quite a number of us old timers and we love to catch up and reminisce.

Our leaders humanise leadership development under our "Leaders Teaching Leaders" programme where our Group EXCO shares their leadership insights at our Maybank Great Leaders (MGL) programme, High Impact Leadership (HIL) and Performance-Driven Leadership (PDL). EXCO's other learning engagements to sustain motivation levels amongst middle managers and executives are the Leaders Luncheon and personalised sharing at formal classroom trainings. Last year, we achieved a 44% (37% in 2012) realisation rate of identified successors taking on mission critical positions. We have also seen an improved readiness in successors to take on targeted position in one to three years of 70.6% (40% in 2012), instrumental in ensuring business continuity and growth.

Through SEARCH (Strategic Visioning, Engaging & Developing Leaders, Spirit of Achievement, Cultivating Relationship, Customer Centricity and Innovation & cHange), we were able to provide an improved leadership competency measurement to identify potential future leaders.



A Leaders Luncheon session

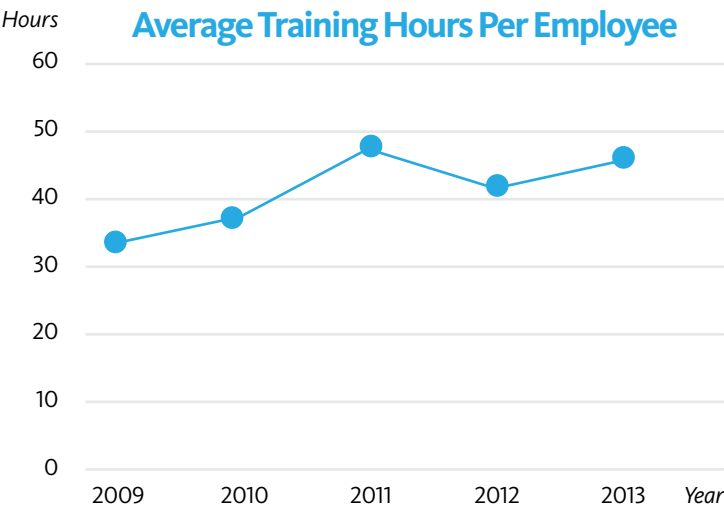
A HIGH-PERFORMANCE CULTURE

G4-LA9
LEARNING AND DEVELOPMENT

In driving a learning culture, we are providing more opportunities for staff to be certified and accredited. This is part of our shift towards the 70:20:10 learning philosophy (experiential/ networking and guidance/formal learning). We want to put our customers’ needs first by providing staff with the skills, knowledge and expertise that they require. In 2012, a new accreditation programme was launched to provide staff with additional training. Overall, 119 Maybankers in 2013 received their accreditation in the following:

- Pasaran Kewangan Malaysian Certificate (PKMC)
- Certificate in Anti-Money Laundering and Counter Financing of Terrorism
- Certification in Internal Auditing for Financial Institutions
- Certified Credit Professional (CCP) for both Consumer and Business

Average training hours per staff continues to increase from 34.5 hours in 2009 to 45.31 hours in 2013.



Our Entry Level Pipelines provide greater talent coverage, preparing top fresh graduates for senior officer roles



LEARNING RESOURCE @ MAYBANK LIBRARY

In 2013, the Maybank library was given a significant facelift to provide a conducive space for learning, research and collaboration. The library is equipped with new ergonomically designed furniture, desktop computers and a large meeting room that can accommodate 40 people. The library serves as a space to promote a learning culture where staff can gain access to quality resources.

REWARDS AND RECOGNITION

Maybank’s compensation package is competitive in the market, with salary schemes tailored to reward high performers. Staff are incentivised through our performance-driven culture. Minimal wages are strictly observed in all country operations and there is no gender parity in pay. Further, our ‘Total Rewards’ policy focuses on appropriately balanced fixed and variable elements. A holistic view of staff compensation factors includes base salary, benefits, short-term variable bonus and long-term benefits like the Employee Share Scheme.

In 2013, the Group offered two new business specific incentive plans bringing a total of 16 such plans to recognise exceptional performance. Maybank also paid an ex-gratia to the clerical and non-clerical staff, on top of their contractual bonus and offered its third Employee Share Scheme in April 2013.

Today, our rewards management implementation has shifted from being HR-led to Line Manager-led, empowering Line Managers in the total rewards management decision making.

A FAMILY-FRIENDLY ORGANISATION

Apart from standard benefits, we have a range of financial assistance and subsidies, for eligible staff and their children which supports our aim of being a family-friendly and caring organisation.

Some of these benefits are:

- Staff sundry loans (e.g. maternity and back-to-school expenses)
- Childcare subsidy
- Back to school financial assistance
- Financial assistance for staff’s children entering boarding schools and institutions of higher learning
- Staff Educational Assistance Scheme
- Maybank Group Staff’s Children Academic Excellence Award
- Scholarships (staff and staff’s children)



Maybank Library

G4-LA12

DIVERSITY AND INCLUSION

An inclusive workplace is one that embraces diversity across the board. As a regional business, our workforce is ethnically diverse and comes from various age groups. The rule of meritocracy is applied to all Maybank's talent and performance management processes, within a work culture and climate that is anchored by our corporate values of "Teamwork, Integrity, Growth, Excellence and Efficiency and Relationship Building" (T.I.G.E.R.), our own set of "Leadership Competencies" (SEARCH) and encouragement of conversations that are "Honest, Open and Trusting" (HOT).

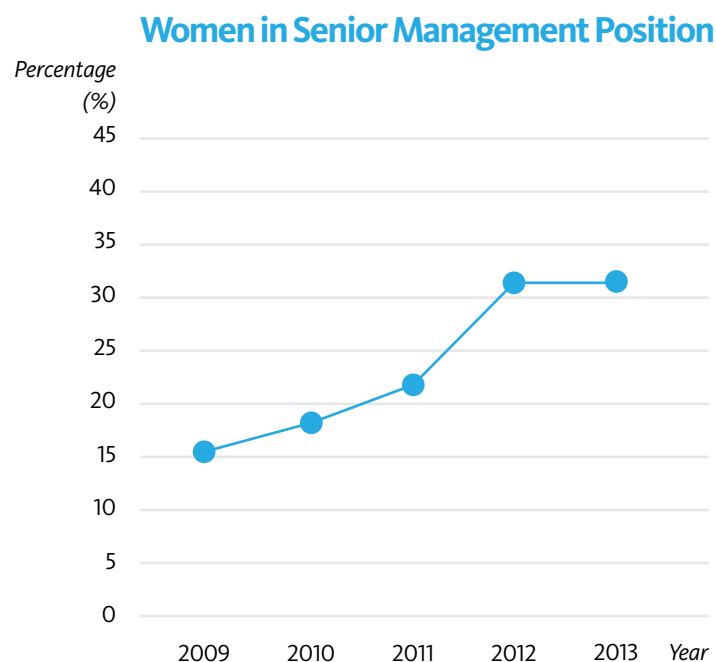
Alongside our competitive total rewards package, we constantly strive to provide work-life balance to enhance productivity and improve staff retention. We have various policies and programmes in place to promote equality, diversity and inclusion in the organisation. In 2013, the new retirement age for staff at Maybank Group Malaysia was raised from 55 years to 60 years, in line with Malaysia's Minimum Retirement Age Act 2012.

Our gender diversity practice exceeds global benchmarks. Women have equal opportunities for professional and personal development as well as career advancement.

We are tracking the number of women who are rising to senior management level. We are aware of the need to better tap into a broader range of talents, leadership styles and skill sets to manage our business and serve our customers.

Female representation has also grown by 15% since 2009 with 31% of women in senior management positions in 2013, recording 7% more than the global average of 24% in the 2013 Grant Thornton International Business Report. Maybank's People Dashboard monitoring discipline and initiatives like "Women Mentoring" and "Creation of Pipeline Pools at all levels" amongst others, have contributed directly to the results achieved to-date.

Maybank has also setup the "Maybank Tiger Cubs Childcare Centre" — an emergency childcare centre for staff, and formalised the "Flexible Work Arrangement (FWA)" policy in 2013 to create flexible working conditions and work-life support.



International Women's Day 2013 celebration

DIVERSITY AND INCLUSION

STAFF ACROSS
MAYBANK OVER


30

NATIONALITIES

36

AVERAGE
AGE OF THE
WORKFORCE

Target: A diverse workforce provides a healthy pipeline and competitive work environment that will enable us to deliver our outcomes in the long term.



Focus: AN ENABLING WORK ENVIRONMENT — WOMEN AT MAYBANK

Are our women engaged? Are they playing in an equal field?

Whilst there is no difference between pay gaps or opportunities, we realise that more needs to be done to bridge how women have to choose between family and career. They need to be given choices to combine both family and career. The key to long-term productivity is important to keep women in the workforce.

In 2013, we formalised a Flexible Work Arrangement (FWA) policy to provide clear guidelines on flexibility at the workplace. The FWA empowers staff to manage and optimise their working hours without affecting their business and personal commitments. The FWA scope covers a fixed flexible schedule, flexitime, telecommuting or flexible work location and reduced hours or conversion to part-time employment. Since its inception, 110 staff have benefited from FWA. Another major work-life balance initiative is the setting up of the Maybank Tiger Cubs Childcare Centre (MT3C) located at Menara Maybank. MT3C can accommodate 20 children at any one time, with eight trained care providers managing the centre. The first childcare centre of its kind to operate on purely an emergency basis in Malaysia, MT3C aims to support staff by ensuring that while at the MT3C, children are in a safe environment with high-quality care, coupled with engaging and educational activities to benefit them. The centre caters to children from three months to six years old.

The decision to operate as an emergency childcare centre is to enable Maybank to cater to a wider community of staff instead of a typical childcare centre which only caters to a few staff due to capacity limitations. MT3C also aligns Maybank with the national agenda to encourage and promote women participation into the workforce.

The MT3C and FWA complements Maybank’s other holistic policies, which include 90 days’ maternity leave, paternity leave and provision for delivery charges for eligible staff. We also have a range of financial assistance, subsidies and recognition programmes for staff and their children as well as various well-being programmes.

Our 2013 International Women’s Day celebration was a platform to promote sisterhood as well as share and support each other. We organised a forum ‘Using your strength to build a powerful workforce’ and a talk on breast cancer. Sessions like this provide an opportunity to touch on current challenges faced by career women and ways of overcoming them successfully. It is clear that women are increasingly shouldering the challenge of leadership roles in the Group. This annual event, therefore, is a reminder that the recruitment, retention, full participation, and advancement of women are business imperatives, and how we need to also focus on the value women bring to the workplace.

Our intention is to deliberate on women’s workplace issues and practices that can help women reach their full potential. We want to focus on identifying issues and initiate change efforts to create an inclusive work environment, integrating diversity with Maybank’s core values to ultimately create an inclusive and equitable work environment as well as a peak performing culture for women to learn, earn, thrive and empower themselves and others.

MULTICULTURAL AWARENESS

Our International Mobility programme is aimed at encouraging movement to cross-fertilise ideas and develop multicultural awareness. Building different perspectives is important particularly to those who are being groomed for leadership positions. We bring everyone together for cultural sensitisation as we navigate the landscape of global business. During the year, we also launched our Regional Festive Campaign during Hari Raya Aidilfitri with a common greeting and a CR initiative that mobilised over 1,000 Maybankers visiting 50 hospitals in Malaysia and Indonesia, distributing goodies to over 14,000 healthcare providers working on the first day of Hari Raya. Similar festive events were conducted for all the major religious festivals, as part of our multicultural awareness initiative.

Our Commitment	2011	2012	2013	PROGRESS
To increase cross-border mobilisation to further our regionalisation plans.	11 talents	54 talents	more than 100 talents	As our talents grow and become more agile, we foresee more cross-border movement and will provide the necessary support for our talent to excel.

VOLUNTEERISM — BEING AT THE HEART OF THE COMMUNITY

Through our flagship Cahaya Kasih programme, all employee volunteering is structured, monitored and evaluated for impact. Employee volunteerism brings different teams of staff together, exposing them to new perspectives and experiences. For us, Cahaya Kasih is a key strategy for achieving lasting community change. Staff that share their passion, expertise and resources to build stronger, healthier communities help reduce costs, multiply programme impact, build organisational capacity and ultimately become more personally invested in the success of their community.

In an effort to have a more sustained community engagement, we introduced the Cahaya Kasih Challenge (CKC) in 2012. The CKC aims to widen our staff participation in the community through longer term initiatives, with the Global CR Day as a platform to showcase our impacts. A total of 105 initiatives were implemented throughout the year. The Global CR Day theme for 2013 was 'Connecting Global Communities' and saw the participation of over 19,000 Maybankers for the one day simultaneous global CR event.

Empowering Change through our Planning Managers

The first Cahaya Kasih planning managers (PM) workshop was organised in 2013 with the aim of providing an overview for understanding and integrating targeted community volunteerism programmes as well as monitoring and evaluation tools. The session provided different approaches and mechanisms that can be used. The interactive session allowed PMs to evaluate sample volunteerism programmes and drill down targets, action plans as well as work with non-profit partners.

Maybankers' community spirit also shined through as seen in active participation in many other events such as national day celebrations, fundraising initiatives, rendering assistance during natural disasters and religious celebrations amongst others. Besides being brand ambassadors, staff showcased their talents in events and competitions such as cheerleading, march past and corporate booths.



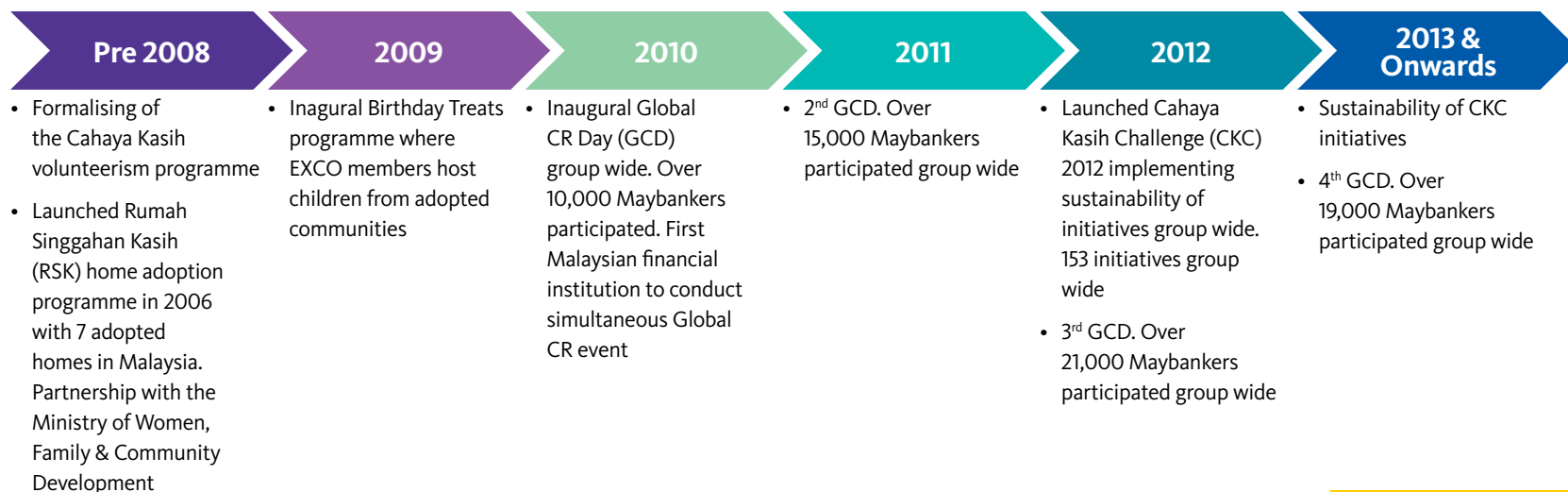
105 initiatives

Target: We want to focus on impact on the community through our volunteer programmes



Group EXCO and Maybankers participate in numerous CR initiatives

Our employee volunteerism has evolved as we continue to drive various corporate sustainability programmes in the communities we serve.



G4-LA6, G4-LA7

SAFETY, HEALTH AND WELL-BEING

Creating a safe and conducive working culture has always been our top priority to promote occupational, safety and health (OSH) awareness amongst staff and other stakeholders at work. Throughout the year, we organised various activities to promote physical and emotional well-being as well as healthy lifestyle particularly as we acknowledge the link to health issues and the risks to bottom line.

We provide occupational health services that are aligned with local legal requirements in every country in which we operate, and use external occupational health providers to ensure that staff with health conditions receive the specialist support they need. Maybank is the only financial institution that has formed First Aid Standby Teams (FAST) at its Head and Region Offices. 173 staff are FAST members who provide services at the Bank's major functions and to customers on our premises in the event of an emergency. In addition to providing support for those staff who are ill, we have committed to adopting a proactive approach to helping our staff identify and manage health risk. We are exploring implementing Health Risk Assessment across our priority areas. We have identified this as a key OSH issue and are proactively promoting the resources available to staff to help them maintain mental well-being and build resilience.

We invest considerable resources to encourage staff to participate in sports. Our annual Maybank Sports Carnival and Indoor Games involve 22 sports and is an important platform to promote team spirit and a sense of belonging amongst staff across the globe. We participated in the BII Bali Marathon and The Edge-Bursa Malaysia KL Rat Race 2013, with our runners emerging in top positions in the various categories. The Maybank's Hockey team improved its league standing as runners up, last achieving this rank in 1999, whilst the football team also improved its standing in the Kuala Lumpur Football Association (KLFA) League from sixth in 2012 to fourth placing in 2013.

STRESS MANAGEMENT

Emotional well-being is an area that we consider important to create a positive and vibrant workplace.

In 2013, we specifically made efforts to address traumatic stress. The Lahad Datu security incident that led to armed clashes occurred in an area where we had operations. The branch and service centres remained open to serve the community during the tense situation. Our Community Financial Services' team showed our care and solidarity by visiting staff. This visit by the team from Head Office and the stress management programmes were psychological boosters for our affected staff. Apart from that, a stress management programme called 'Traumatic Stress Management Debrief' was conducted for Maybankers in Tawau and Lahad Datu. Trained psychologists were invited to share on the identification of staff's level of trauma followed by post trauma methods to assist them. Feedback from staff was positive, indicating their resilience and resourcefulness in not allowing the incident to dampen their spirit.



At the BII Bali Marathon



Maybankers at The Edge-Bursa Malaysia KL Rat Race 2013

***Focus:* CHALLENGES OF A HIGH DEMAND ENVIRONMENT AT MAYBANK GROUP CUSTOMER CARE (MGCC)**

MGCC is one of the important points of contact for existing and potential customers. Staff at MGCC collectively work towards one major goal, which is to deliver fast, friendly and quality service, each time they engage with a caller. With over 500 staff and a contact centre that is operational 24/7, MGCC is one of the largest call centres in Malaysia. Since its launch 13 years ago, MGCC supports customers from various lines of business. Today, MGCC ensures that it continues to live our humanising mission and deliver our brand promise to customers as it expands its operations to support cash management of Singapore and Greater China.

Our emphasis to the training and development of our people is essential in realising our aspiration to evolve MGCC to a call centre that is capable of proactively cross-selling and providing value-added solutions to customers beyond just mitigating transactions and escalating functions.

18,000
calls or 500 calls
every half an hour during
peak periods per day

WHAT KIND OF TRAINING DO YOU RECEIVE?

Given that MGCC is adopting and benchmarking our services with best practices and embedding a high-performance call centre, it is critical that our teams have the necessary skills to deliver best-in-class service to all stakeholders.

Apart from relevant product knowledge training, we are also given customer service training. All of these are supported by monthly quizzes to constantly gauge team effectiveness and efficiency. We also collaborate closely with Group Organisational Learning, Group Human Capital to customise learning programmes specific to MGCC's needs.

CALL CENTRE JOBS ARE PERCEIVED AS STRESSFUL. HOW DO YOU MAINTAIN A POSITIVE WORKING CLIMATE?

Being the front-line touch point for our customers, keeping the team motivated is of utmost importance as we deal with a multitude of needs of our diverse customer portfolio and meet their expectations consistently.

We have various ways to de-stress, maintain high energy levels and strong motivation all the time. At MGCC, we provide facilities for the staff to de-stress, such as recreational facilities to play games, read or even watch television. The workplace environment is being refreshed in 2014 to give it a more comfortable and conducive environment for our staff to re-energise themselves.

Our group huddles prior to each work shift are important avenues to lift the spirit and keep all well informed on the latest development that would impact our customers. Reviews of MGCC's performances, sharing achievements and feedback or improvements, amongst others, contribute to the higher levels of engagement. It energises our people to be more alert TIGERS!

MGCC realises that it represents the 'Voice of the Bank' for our external customers and also the 'Voice of the Customers' for our internal stakeholders. Therefore, what will move the needle to a higher level in 2014 is the ability to provide proactive solutions to achieve consistent positive customer experience. All at MGCC are committed to successful collaborations with internal stakeholders for a better Maybank.

SAFETY, HEALTH AND WELL-BEING

HEALTH AND WELLNESS PROGRAMMES

We encourage our staff to embrace a healthy lifestyle by introducing various “Trim and Fit” programmes in addition to our monthly health talks. The Pedometer Challenge was organised as part of our wellness programme and received participation from 150 Maybankers. The Pedometer Challenge is an independently motivated challenge to encourage staff to take the stairs instead of the lift and encourage face to face encounters by meeting people in their offices instead of using emails or phone calls. Participants worked in teams of three to motivate each other and the top three teams logged between one to three million steps. Some attained weight loss of between 1 to 5 kgs and waist circumference loss of 1-6 cm. We plan to roll out this fun fitness challenge throughout Malaysia.

This programme is in addition to existing structured health programmes like Trim & Fit and Total Wellness & Health that proactively address staff risk factors, such as poor diet, obesity, smoking, high cholesterol, hypertension and stress, amongst others. Specialists from the medical profession and certified coaches are invited to conduct these programmes.



Maybankers under watchful supervision of trained facilitators at Trim and Fit programmes



Our Commitment	2011	2012	2013	PROGRESS
The number of participants in our wellness programmes continue to increase	1,482 participants	1,858 participants	more than 3,400 participants	We want our staff to lead healthy lifestyles, not just to perform better but also to ensure that they are energised both emotionally and physically

MOVING FORWARD AND 2014 PRIORITIES

Going into 2014, we have strengthened the alignment of our strategic intent that we want the Group to pursue. With the restructuring of the Group, we hope to continue to take responsibility to ensure that we are all effective team players, operate efficiently within the new structure and embrace the required way of working for impact. We are united and determined as ever to achieve greater heights, and having common goals and trusting one another ensures we are able to deal with grey areas and uncharted waters successfully.

Our next phase of growth that we have set for ourselves in 2014 onwards is designed with the intention to break remaining barriers for our regionalisation efforts to ensure stronger linkages and a clearer line of sight to the Group’s vision. Our continued focus:

- Providing our people with the tools and support to do their jobs effectively and develop their skills.
- Valuing and promoting collaboration and diversity in all areas of recruitment and employment.
- Rewarding our people fairly for their work.
- Accelerating High Performance culture.
- Optimising cost.
- Creating competitive differentiators and sustainability of transformation to achieve our aspiration.

**CREATING
PATHWAYS
TOWARDS
RESPONSIBLE
GROWTH.**



Photo credit: Reiniel Pasquin
MAYBANK PHOTOGRAPHY AWARDS
The Walker

Humanising Financial Services Across Asia.



OUR PRODUCTS AND SERVICES

PROGRESS AND PRIORITIES

● On track ● Progressing ● Not on track

FOCUS ON CUSTOMERS

Providing the best in customer service and building mutually beneficial long-term relationships.

- Going the extra mile
- Responsible marketing and communication

	2011	2012	2013	PROGRESS
Resolution of customer complaints through GIFT (programme initiated in 2012)	n/a	95%	98.4%	●

ACCESS TO FINANCE

Understand the interaction of social issues and financial products to develop effective and affordable solutions for the community.

- Growing our reach — multiple touchpoints
- Branch transformation
- Reaching the underbanked
- Supporting customers in difficulty
- Microfinance
- Support for small businesses
- Supporting escalating costs of living

	2011	2012	2013	PROGRESS
Maybank One: A bundled product that assists the lower income segment to familiarise and benefit from financial products via kiosks (programme initiated in 2012)	n/a	33 kiosks	44 kiosks	●

OUR DIGITAL FOOTPRINT

Technology has enabled us to fulfil the increasingly complex requirements of a growing sophisticated customer base.

- Looking into the future
- Information technology
- Data Protection, Privacy and Security

	2011	2012	2013	PROGRESS
Online access	20,722,590 M2U active users	24,038,016 M2U active users	28,819,658 M2U active users	●

PRODUCT STEWARDSHIP

Leadership in responsible lending and addressing risks arising from environmental, social and governmental (ESG) issues are key to meeting our sustainability commitments.

- Investment banking and advisory
- Green and renewable energy project finance
- Leadership in Islamic Finance
- Procurement sustainability

	2011	2012	2013	PROGRESS
Maybank2u Planner assisting registered users in Financial Planning (programme initiated in 2012) (cumulative)	n/a	42,817 users	83,714 users	●

OUR APPROACH

In our 53 years, we have focused on going the extra mile to provide access to those who were not being served by any other financial institution. Our commitment is based on three key principles: advising customers based on their needs, providing people with access to funding and being at the heart of the community.

We believe every action and decision we take must contribute to humanising financial services. In practice, this means we aim to enable access to banking and financial services for all segments of society. As our business grows, we contribute to the region’s prosperity. Responsible growth means stewardship in promoting financial services and products.

As an industry, we are also exposed to additional impacts through the companies we finance. Being custodians of public funds, the banking sector is constantly under scrutiny. We are committed to having deep knowledge of our clients’ businesses, including understanding their social and environmental impacts. At the same time, we believe that our business will only thrive when embedded with elements of good governance, social innovation and environmental integrity. For us, leadership in the marketplace is defined by this strategically oriented mindset.

G4-PR3, G4-PR5

FOCUS ON CUSTOMERS



46%
rate of
customer
engagement



7.5K
messages on
project
Heartbook

Going the Extra Mile

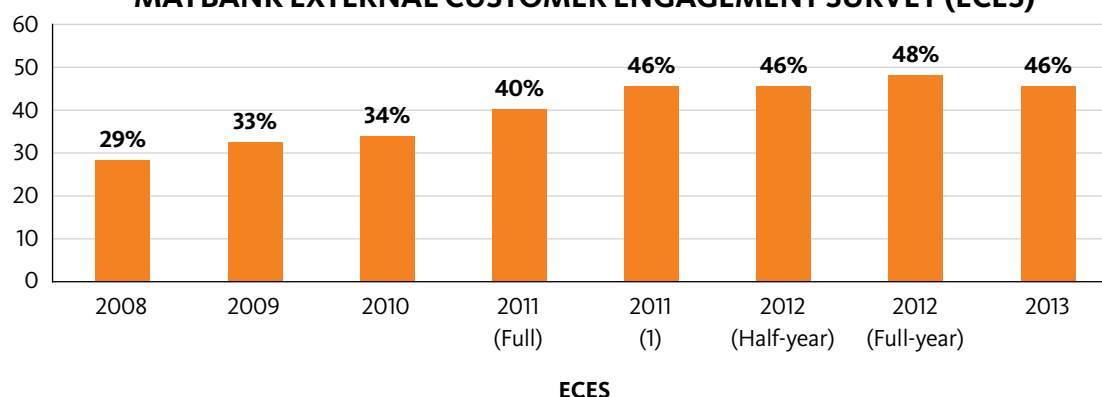
Madam Lee Guat Ee was at a loss on how to transfer authorisation from her husband to herself when her husband's delicate health made it difficult for him to physically visit the bank. She called Cards Authorisation to seek for assistance and was attended by Brian Alcantra who patiently listened and empathised with Madam Lee's situation, and offered professional advice. Determined to see the case through, Brian and the Head of Maybank Call Centre, Audra Pinto, found that the best solution was to visit Madam Lee. Together, they dropped by her home and took the necessary steps to assist Madam Lee who was delighted with their positive support.

An elderly customer visited the Maybank TAR Branch in Kuching, Sarawak hoping to make a simple remittance to her daughter in Australia. The customer came in at 4pm, close to the bank's closing time, without being aware that because the amount was quite large additional information was required for the purpose of the transaction. Given the large amount, the branch staff prepared an agreement letter for the transaction and ensured that the entire process was completed although they were passed beyond closing hours. The customer's gratitude earned the branch team a spot in the Heartbook.

Our priority is to make it simple and easy for our customers to do business with us by paving the path for accessibility and service. We will continue to improve efficiencies and synergies with the Group supported by our branch transformation and improvements in customer service.

Service Quality (SQ) aligns with other units within Maybank worldwide to consistently deliver best-in-class customer service moments. We play a pivotal role in streamlining customer service strategies and gearing towards operational excellence. In 2013, we embarked on a centralised IT shared service, the Maybank Shared Service (MSS). MSS is aligned with the Group's strategic priorities to deliver better and improved customer services and control. We believe that with MSS, we will be able to push delivery of customer service in a more seamless manner and are beginning to see the results of our transformation. The annual External Customer Engagement Survey (ECES) was held in November and December 2013 to gain insights on key indicators of Customer Engagement, identifying and prioritising service-related areas. Overall we achieved a 46% engagement rate, a slight decrease from 2012's 48%, as we faced system instability challenges at our branches. The overall satisfaction score with our centralised problem resolution also recorded an improvement from 2013, with staff's product knowledge, attitude and services being the most favoured elements of our service recovery.

MAYBANK EXTERNAL CUSTOMER ENGAGEMENT SURVEY (ECES)



We project that the overall satisfaction score with the centralised problem resolution will continue to see improvement due to our staff's knowledge in policy and procedure, as well as mannerism in handling complaints with quality of resolution being our strongest points.

In order to engage better, we are also seeing the results from Project GIFT 'Get Involved and Follow Through' that was introduced in July 2012. Project GIFT was introduced to improve end-to-end problem resolution by centralising complaints handling with the Customer Feedback and Resolution Management (CFRM) team acting as a single point of contact to relentlessly follow through problem resolution. In May 2013, more business units have been included in this Target Operating Model (TOM) to reinforce efficiency and consistency in managing customer feedback.

Our Commitment	2011	2012	2013	PROGRESS
Improving customer satisfaction which is tied back to performance improvement. (programme initiated in 2012)	n/a	95%	98.4%	We have exceeded our initial target of 90% and are working to expand GIFT as a core element of customer support across the region.

CUSTOMER APPRECIATION THROUGH PROJECT HEARTBOOK

Project Heartbook was introduced in 2013 as a social media tool to show appreciation and recognise contribution. Heartbook evolved from project e-555, which is primarily an internal portal to recognise internalisation of core values. Heartbook also functions as a learning channel for improvement at a professional and personal level. To date, over 7,500 messages have been received by both internal and external customers. As the project is taken to a regional level, more messages are expected. Our branches, in particular, are seen as community leaders and participate actively in local community events. In an effort of becoming the undisputed local market leader, they are more empowered now to seize business opportunities, meeting the needs of our target segments to deliver the enhanced customer experience and value proposition.

FOCUS ON CUSTOMERS

RESPONSIBLE MARKETING AND COMMUNICATION

In many markets, we are developing new products and product features. We are using simpler, more straightforward language both in our correspondence with customers and in our call centres. Financial products can be complex and accompanied with jargon. However, customers need a clear explanation about the products and services we provide, so they can make the best long-term decisions for themselves, their families and their business. We are always looking to improve communications around our products and services to ensure clarity of communication and customer privacy.

Our marketing policy is in compliance with the guidelines set by Bank Negara Malaysia and statutory bodies such as Public Islamic Dividend Fund (PIDF). Through 'Project Harry Potter', an initiative to improve product knowledge amongst credit front liners, we accelerated efforts to improve product knowledge. This initiative was attended by almost 12,000 staff. They were tested by quarterly assessment of FAQs on ten core products. Current training materials are available via the MyCampus learning portal.

We are also investing in new technologies and expanding our online distribution. Increasingly, we are using social media channels like Twitter and Facebook to engage with our customers directly. We were one of the Top 5 amongst financial institutions worldwide — not only the fastest response time but also highest response rate. We see the social media platform as a powerful tool to engage with our growing communities in real time whilst allowing us to continuously strengthen our regional ties.

Focus: CLEAR AND TRANSPARENT COMMUNICATION

Etiqa features a strong agency force comprising over 18,000 agents and 31 branches throughout Malaysia, plus a wide Bancassurance and Bancatakaful distribution network with over 400 Maybank branches and other third party banks.

In 2013, Etiqa handled more than one million servicing calls and emails from Etiqa's policyholders and business partners. To provide higher accessibility to customers, separate dedicated teams have been set up to manage policy holders, intermediaries and premier agents. The new set up has made it easier for our customers to reach out to Etiqa for any enquiries.

We are constantly finding ways of getting closer to our customers — the people who ultimately depend on our expertise. This means we have to better understand our customers' needs across the various stages of their lifecycle and then determine with them the best solutions that will meet those needs.

For this purpose, our communication with our customers must be consistent with our intentions and actual ability to deliver. All 18,000 agents are aware of our policy. We also encourage continuous and multichannel communication with the customers through customer-related activities such as the quarterly E-newsletter, Etiqa in Touch and a Monthly Customer Day at all branches nationwide.

We often go the extra mile. We are clear that every policy sold is claimable, even if the beneficiary was unaware. Our claims manager reads the newspaper every day and, if there are deaths, would track whether the deceased were Etiqa customers. If so, they would then initiate contact with the family to make payment.

Customer Touchpoints at Etiqa

- Settling of Home Protection and Personal Accident claims below RM2,000 through the phone.
- In-situ medical check-up.
- Ability to check motor or retail fire insurance or takaful claims online.
- Standardised renewal notices to humanise and simplify the renewal process for customers.
- Proactive approach in providing funeral expenses cheques to families of deceased policemen in Lahad Datu.



As you mature, so does your insurance policy or takaful plan.

Every year, almost RM6 million goes to unclaimed funds. Check to see if your policy or plan has matured, call Etiqa Online at 1 300 13 8888 today. At Etiqa, we're about people, not policies.



ACCESS TO FINANCE

Banking services play a key role in enabling people to find work, prepare for their future and pay for goods and services.

It is important for us to understand the interaction of social issues and financial products to develop effective and affordable solutions for our customers. Access to appropriate bank accounts is central and enables us to create better products and services that would support our customers in meeting their regular financial commitments.

Our approach to customers is to build mutually beneficial long-term relationships. We seek to understand our customers' ever-evolving and frequently different needs, and we work with our customers to explore and deliver the best possible solutions with their interests in mind. We work as a team with our customers, always offering them optimum support and advice, one example is Maybank One. In 2012, we introduced Maybank One; a seven in one bundled financial product with approval and activation within ten minutes. Underserved customers have particularly benefited from the Maybank One offering which provides an integrated range of products and services through 44 Maybank One kiosks nationwide. As a result, it is becoming an effective tool in helping the lower paid to understand financial products.

Our Commitment	2011	2012	2013	PROGRESS
Through Maybank One, we are providing a one stop financial solution to help the lower income understand financial services and thrive. (programme initiated in 2012)	n/a	33 kiosks	44 kiosks	We are setting key targets in the various impact areas. This is work in progress which will be a guide for year-on-year improvement.

GROWING OUR REACH — MULTIPLE TOUCHPOINTS

Each month, over 45 million transactions are conducted through more than 2,800 Maybank ATMs.

In order to provide better access, we have relocated and opened new branches at strategic locations as well as set up mega branches at each region to provide 30 off-bank kiosks to our customers. Our partnership with POS Malaysia has enabled us to provide financial access to a larger base of smaller communities and increase penetration in remote areas. Our network of branches:

- Malaysia: With 399 branches and 2,777 self-service terminals, we have the most extensive financial network in Malaysia.
- Indonesia: 422 branches and growing.
- Philippines: All 79 branches in the Philippines are disabled-friendly.
- Singapore: 22 branches and 4 branches via Maybank Kim Eng.
- Cambodia: 16 branches.

The EXCO approved, in October 2013, for all Maybank ATMs in Malaysia to have a disabled-friendly design.



"Responsible business spurs economic growth and is driven by an ethical compass. By developing products and services that add value to our community, we are investing in their future social and economic empowerment today. This in turn is simply good business for us. When communities flourish, our business succeeds."

Taswin Zakaria.
President Director, BII

Over
56K customers
SINCE 2012

Branch Transformation

In 2013, we enriched customer experience and satisfaction by refurbishing 51 branches and opening 19 new branches. The Branch Transformation adopts a comprehensive retail design strategy at our touchpoints, namely branches and extended operations such as Forex booths, credit shops and Self Service Terminals with a refreshed look and feel. Besides the physical remodelling, other elements that are also implemented include effective merchandising, a strengthened marketing and communications programme, improved Islamic banking visibility, and enhanced ambience at high potential locations. Overall, branches have been positioned as a key one-stop community destination. The Branch Transformation today is in its third year and done in a staggered manner.

Physical Access for the Disabled

We respect our customers' right to access their accounts in the most convenient way to them. We have improved physical access to our branches for customers with disabilities and, in 2013, we continued to make branch improvements in many countries. All branches in Maybank Philippines are disabled-friendly. Following this, in 2013, EXCO approved the proposal that moving forward, where possible, Maybank ATMs will be disabled-friendly. The ATMs will be rolled out starting early 2015.

Safety and Security

The increase in crime rates has further encouraged us to evaluate the safety and security of our ATM machines. Most ATM kiosks are equipped with CCTVs and a sophisticated security system to protect customers during the withdrawal process. We are always evaluating whether there is a need to move high-risk ATMs to better and more feasible locations, for example a busier street or inside a local shop.

ACCESS TO FINANCE

REACHING THE UNDERBANKED

In our effort to reach out to customers in smaller communities of rural areas, we have utilised agency services or shared banking services (SBS) where customers are able to conduct basic banking services. The services provided are free of charge and the transaction costs are fully funded by the bank. We have a strategic partnership with Pos Malaysia Berhad which has a wide network of outlets nationwide through its 700 strong network.

The partnership has enabled us to create further accessibility both in urban and rural areas. SBS is particularly useful for the underserved rural markets, in areas where banking facilities are limited. SBS has now been further expanded to 350 POS Malaysia outlets. At the end of 2013, deposits grew over 260%, withdrawals went up by 110% and there was an increase in payment transactions of over 180%. We plan to continue to expand the services with other potential agent banking partners like Felda and Sime Darby.

Another way that we are reaching out to the underbanked is through the cardless withdrawal service. The cardless withdrawal service via ATMs enables Maybank customers with an online banking account to transmit money directly to any person in Malaysia using a Malaysian registered mobile phone number. Recipients can withdraw the cash instantly at any Maybank ATM without an ATM card. This would dramatically change the way Malaysians remit money to their friends or relatives, as it opens up Maybank's channels even to those without accounts at the bank.

RURAL OUTREACH

The National Bank of Cambodia had indicated that they wanted to see commercial banks expanding to underserved provincial areas. This was a challenge for Maybank Cambodia Plc as business concentration was really only in Phnom Penh and its outskirts. Our Community Financial Services(CFS) and Channel Management teams came together to do some out of the box thinking on how best to open branches in provincial areas where there are typically only two top local banks who are also usually the top performers in the area. We faced the challenge that we would be the only foreign bank and a possible third choice for the community in that area. We went ahead anyway and the rest is history. Our presence was received with gratitude including from the Governor as Maybank's presence is seen as a catalyst to help local businessmen grow. Our presence in particular benefits the lower income segment.

To extend our range in the Indonesian archipelago, BII is building infrastructure on a concept of 'branches without borders' which is a complete mobile banking service with Customer Service staff and ATMs that are targeted for people in areas away from the economic centres. In 2012, BII succeeded in launching the first-in-Indonesia Paperless Account Opening, which apart from reducing our paper consumption, increases our efficiency as well as enables us to better serve our customers. With the Paperless Account Opening System, the Bank only requires a potential customer's KTP (identification card) to be scanned and a new account can be opened in less than 12 minutes. Additionally, because there is only a single profile for every customer, efficiency has also further increased compared to previous years.



A customer using the Maybank One Solution which was introduced as part of efforts to increase access to financial services

ACCESS TO FINANCE

RURAL OUTREACH

Maybank Cambodia celebrated its 20th Anniversary in Cambodia by reaffirming their commitment to nation building and corporate responsibility initiatives to rural communities. Maybank Cambodia was honoured as 'The Most Outstanding Social Performance Bank' during the inaugural Outstanding Banking and MFI Awards 2013, organised by IDF Asean. The award was in recognition of Maybank Cambodia's long-term initiatives with the People Improvement Organisation to uplift the livelihood of children living in slum areas through the 'Child Sponsorship — A Way Out of the Dump' programme.

G4-PR1

SUPPORTING CUSTOMERS IN DIFFICULTY

It is important for us to develop ways to support customers in financial difficulty and make real enhancements to help them avoid debt problems. We work in partnership with the debt advice industry, including the Credit Counselling and Debt Management agency, or commonly known as Agensi Kaunseling dan Pengurusan Kredit (AKPK), to support people in financial difficulty and to provide them with the tools they need to gain better understanding of their financial circumstances.

In Singapore, we work with the Central Singapore Community Development Council (CDC), a government agency, in financial inclusion programmes for people with financial difficulties. Through the C.A.S.H UP (Cultivate A Savings Habit) programme, we help low-income families cultivate good saving habits by matching their savings for a period of nine months, up to a cap of S\$1,000. The programme is currently funded by the Maybank Foundation, and Maybank Singapore waives the account opening and administrative fees for beneficiaries for two years. To date, 671 families have participated in the C.A.S.H UP programme and Maybank Singapore has matched S\$180,000 in savings for low-income families.

Another programme is Maybank Singapore's 'Breadwinner Protection Programme', which helps the lower income segment in the community. Under this programme, breadwinners of low-income families receive free personal accident insurance coverage for five years. This provides some degree of financial security for the dependants, in the event the breadwinner gets involved in an accident and is unable to work. The programme has insured breadwinners for 516 families with financial protection worth more than S\$27 million.



Customers being served at a Maybank branch

One of the tools that were developed to support customer's financial management is the Maybank2u Planner, which is available to all customers and allows them to set financial goals, and view supporting charts and reports. This free tool helps to make smarter decisions about their money. With the Maybank2u Planner, customers learn to understand financial management in terms of income, spending habits, goals and savings in a simpler and more systematic way. The aim is to avoid having them fall into debt or financial problems.



"Our current and future customers will be more selective about the companies they do business with. They will expect higher levels of service and real-time interaction with us. This presents a tremendous opportunity for us, but it will also mean changing the way we manage our business."

Datuk Lim Hong Tat

Group Head, Community Financial Services and CEO, Maybank Singapore

ACCESS TO FINANCE

MICROFINANCE

Microfinancing enables us to provide a viable and sustainable assistance programme to lower income customers. The strong support by the Malaysian government for microfinance was shown by the establishment of a RM200 million Micro Enterprise Fund by Bank Negara Malaysia in 2008 with the objective of increasing access to microfinancing for microenterprises with viable businesses. The microfinance industry is expected to grow further with the global microfinance industry posting growth of almost 20% in 2012.

To support the community and provide more business opportunities for them, microcredit ranging from RM1,000 — RM10,000, is offered with no collateral required to purchase working capital at an affordable interest rate. This lending serves as a clear manifestation of Maybank's aspiration to humanise financial services by catering to the basic needs of the underbanked and unbanked segments of the society. First launched in December 2012, a total of RM1.18 million in microfinancing has been disbursed to 396 customers as at December 2013. Currently, there are nine branches offering this product. Moving forward in 2014, we are planning to offer more microfinancing products in 21 other branches.

We continued our microfinance initiative in Indonesia with three project partners, reaching almost 3,000 women to date. BII, together with the Maybank Group, will provide a revolving fund in the amount of Rp1 billion for members of Asosiasi Pendamping Perempuan Usaha Kecil (Association for Women with Micro Businesses) through 29 Lembaga Keuangan Perempuan (Cooperative for Women with Micro Businesses) spread across five regions in Indonesia, namely Sumatra, Java, Kalimantan, Sulawesi and Nusa Tenggara. Further details on our community microfinance can be seen on page 40.

SUPPORT FOR WOMEN ENTREPRENEURS

A gendered approach to our business provides opportunities as women also function as important financial decision-makers in the family and increasingly hold leadership positions in business.

Indonesia's GDP of 6.2% (World Bank 2012) cannot be separated from the support of banking and financial services. However, it is important to note that access to financial institutions is not equitable for the people of Indonesia, as only half of the population have access to formal financial services institutions and 40 million other people are not touched by financial services. This is both a challenge and an opportunity for BII in the development of its operations for remote areas.

BII considers the female population as a key potential market. In the last several years, the needs of the female population for financial products and services have shown a rapid and dynamic growth. In the Women's Empowerment Programme through the Micro Financing Services, BII employees volunteered to teach basic accounting to enable women enrolled in the microfinancing scheme to expand their business efficiently. At the same time, it allows them to understand the purpose of financial institutions and how they can support their business development. This can be created through the Women Empowerment Programme.

In addition, women's need for information and self-development has increased along with advances in telecommunications including the internet. BII expects that within three years, 2,000 new entrepreneurs, who will be potential valuable customers to our SME Banking services. This can be created through the Women Empowerment Programme. To further enhance support, BII launched the www.sukmainspirasi.com, a website dedicated to the development of SMEs with a particular focus on women entrepreneurs through the provision of informative content that educates, motivates and inspires which in turn promotes social interaction and collaboration. The www.sukmainspirasi.com is the first e-magazine in Indonesia dedicated to a female audience especially women entrepreneurs.

At Etiqa, there is also focus on women because women are not only making decisions for the family but are also becoming aware of their financial needs. Suri, for example, is a comprehensive 4-in-1 protection plan that covers all health and savings needs. It provides benefits for death, total and permanent disability, critical illness and daily hospital cash in the event of hospitalisation as well as guaranteed cashback upon maturity, if no claims are made. It pays an additional 50% of the sum insured if the illness is female cancer.

ACCESS TO FINANCE

SUPPORT FOR SMALL BUSINESSES

Inclusive finance is essential to growth, prosperity and eradicating poverty. When done right, inclusive finance spurs economic growth, creates jobs and provides more efficient resource allocations. As our operations expand in ASEAN, we are aware that the issue of access to savings and credit is unreachable for many individuals and SMEs. Maybank has had a long history of supporting the SME community. Over the years, we have grown our SME portfolio to over RM40 billion and expect our market share to continue growing. We are always looking for new ways to support our SME customers.

In 2012, we rolled out a Retail SME business model which has brought much positive impact, including enabling our customers to enjoy fast and hassle-free banking with Maybank. Through the retail SME product, we are helping businesses to start and grow, by providing fairness and transparency on pricings as well as transparency when making lending decisions.

Through the Retail SME transformation programme which was initiated in the last two years, we have realigned our delivery channels to include all our branches, the introduction of a new evaluation scorecard process and more innovative products. We have also simplified the application and approval process. The SME Clean Loan, which offers eligible customers fast cash of up to RM500,000 as working capital, has been instrumental in enabling our loans growth for this segment to record a robust 23% last year. We are committed to supporting businesses in their efforts to generate even greater economic growth in our key markets.

SME LOANS (23.1% GROWTH)	
2012	4.9 billion
2013	6.0 billion

Target: Our support for small business creates jobs and helps economic growth.

INCREASING CAPABILITIES OF SMEs

Our support for SMEs will not stop at providing loans. We are involved in a series of seminars and workshops throughout the year as part of our commitment to grow SMEs. This is part of our mission to humanise financial services as we want to be responsive not only to their financial requirements, but also in building their capacity and capabilities. BII has embraced this holistic approach in a big way. Based on World Bank data, in 2010 only half of Indonesia's population had access to formal financial institutions and 40 million of the population have not been exposed to any financial services. Inclusive financial services should be conducted by opening access to the public and businesses in particular SMEs, in order to promote growth and reduce poverty. BII's involvement in this area is particularly significant to the SME community.

BII's involvement in this area is particularly significant to the SME community. BII is working with 68 rural banks and cooperatives throughout remote areas of Indonesia through channelling and joint financing systems to reach out and provide financial services to people in remote areas where access to conventional banking is not yet available. In this partnership, BII retains authority for approval, distribution and co-financing loans in order for this segment to be managed effectively. For example, BII opened access to finance for farmers through such a partnership.

There are numerous financial literacy programmes in place. The BII Solusi Usaha Terpadu (BII Satu) help small traders to understand the importance of bookkeeping and the importance of setting aside earnings. BII also provides education and awareness on the benefits of cash management.

Another project is the Wallet Community, which is targeted at a group of electronic voucher merchants in Cikupa Tangerang, Banten. The Wallet Community is implemented through the provision of ledgers for financial accounting and recording business transactions which includes operation income, and setting up of business plans. Merchants are also encouraged to save Rp20,000 daily in their Wallet Saving account. The funds raised from this effort can be used by merchants to increase sales or even add outlets. In addition, BII provides advice on cash and/or funds management benefits to the merchants.

In addition, BII also launched a street vendors mentoring program where employees assist vendors to increase production capacity, perform simple bookkeeping and hygiene factors. In 2013, BII held a bazaar which was joined by the street vendors who received assistance from employees.

Increasing SME capability is a key focus moving forward. Through Maybank Foundation, we are evaluating entrepreneurship development programmes. By supporting entrepreneurs (in particular disabled entrepreneurs), SME growth can be enhanced.

ACCESS TO FINANCE

SUPPORTING ESCALATING COSTS OF LIVING

In 2012, Maybank introduced several plans, namely the My First Car Loan for the younger generation, the car4cash refinancing plans as well as auto collaboration with our SME and Business Banking. We launched Skim Amanah Rakyat 1Malaysia (SARA1M) in line with the government’s aspiration to increase household investment. We also offer loan packages to partly finance student’s education with selected universities as well support the government’s aspiration towards ensuring affordable housing. Maybank currently actively participates in housing schemes initiated by the government. Our My First Home Scheme programme is backed by Cagamas Bhd, which caters specifically to first time home owners. We also have in place the Home Financing Guarantee Scheme under Syarikat Jaminan Kredit Perumahan Berhad (SJKP).

In 2013, Bank Indonesia implemented a new set of rules to restrict the ownership of credit cards in the lower segment. However, young individuals starting out still need access to credit. BII tapped into the first-jobber segment, which had no credit history, and provided them with a lease of life through our New Jobber card. We also have in place programmes to create awareness of financial management amongst young professionals who are navigating work and high living cost.



Maybank has the most extensive financial network in Malaysia with 399 branches and 2,777 self-service terminals

***F*ocus: SUPPORT DURING THE FLOODS**

With the floods occurring yearly throughout the monsoon season, Etiqa made the necessary preparations to assist customers who were impacted by the floods. We had a special Etiqa Flood assist truck to reach out to customers, and a special hotline was set up for quicker service. Also, there were immediate visits by the adjusters at impacted areas.

In addition, a special awareness campaign had been conducted at the flood prone areas to alert residents on what they would need to do if and when a flood happens. Special waterproof bags were distributed to residents to secure their valuable documents, should the need arise. In addition, Etiqa distributed 'panic bags' to the residents at 13 villages in Kemaman. These bags are specially produced to help protect important documents such as birth certificates, passports and insurance policies in a flood. Etiqa also worked with local councils like the Majlis Perbandaran Kuantan, to purchase and distribute basic necessities such as food and water at relief centres.

During the floods, Etiqa expedited claims processes, and helped ease policyholders' financial hardship by providing them with dedicated Flood Claims Assist Hotlines. We also got in touch with relief agencies to ascertain how else we can assist the flood victims, particularly those in relief centres in four affected states in Malaysia. The operations team worked with our local branches and adjusters in the northern and east coast regions to get feedback and reports on the losses as quickly and as accurately as possible. For smaller claim amounts, we simplified the claim process. Etiqa also took proactive action by calling customers in the disaster areas to see if they were affected by the floods, and subsequently provided assistance in claiming their losses.

We mobilised Maybankers to provide voluntary assistance to the communities affected by the floods as quickly as was possible. For our own affected staff members we provided 197 with emergency monetary assistance. Of this number, 33 staff and their families were also provided with meals and alternative accommodation.

After the floods, Maybank Group offered a six-month moratorium on a case-by-case basis for monthly instalment payment of loans as well as waivers of certain charges for affected customers, including charges for customers seeking replacement of ATM cards, cheque books and passbooks destroyed in the floods. Our efforts received praised from the Prime Minister of Malaysia Datuk Seri Najib Tun Razak who is also Finance Minister adding that all banks should do the same. "As Finance Minister, I hereby ask all banks to provide a temporary moratorium."

When your front yard becomes your pool, it's time to call us.



Flooding can happen anywhere at anytime, and with Etiqa, we can help make the process of reclaiming what's been lost a lot easier. Just call our 24/7 dedicated Flood Claims Assist Hotline. At Etiqa, we are about people not policies.

Etiqa Flood Claims Assist	
03 4270 7735 Southern (Johor, Melaka, Negeri Sembilan) East Coast (Sabah & Sarawak)	03 7989 0311/ 03 7989 0310 Northern/Klang Valley (Central)

Visit us at www.etiqa.com.my or call Etiqa Hotline at 1500 23 8888 (toll free 40109)

eTiqa
Insurance & Takaful

With Partner **Maybank**

ACCESS TO FINANCE

TRADE & WAQF

In 2013, Maybank Investment Bank (IB) introduced Trade & Waqf where a percentage of brokerage fees will be allocated for the benefit of people in need. Maybank IB will donate a percentage of the gross brokerage income, derived from eligible trades to provide seed funding to those requiring assistance in kick-starting and developing their own businesses. The pilot programme collected over RM50,000 within three months. The first disbursement of some RM22,000 was recently awarded to Sekolah Kebangsaan Jenderam Hilir, for maintenance and upgrading of the school's facilities. The school was selected with the help of Perbadanan Wakaf Selangor (PWS) and other beneficiaries will be similarly identified.

Our Commitment	2011	2012	2013	PROGRESS
Trade & Waqf aims to contribute a percentage of income from transactions to communities in need	n/a	n/a	RM22,000	This is a one year programme that aims to provide for expansion of economic activities through entrepreneurship development

Moving forward, the programme will be part of a one year programme whereby a percentage of brokerage fees from eligible accounts will be channelled to recipients as loans for small business via an established organisation.



Efficient services quality and responsible products and services will continue to be a priority for the Bank

G4-PR4

OUR DIGITAL FOOTPRINT

*The future is in Mobility,
Simplicity and Versatility.*

Mohd Suhail Amar Suresh

*Head of Virtual Banking
and Payments*

Richard Tan

*Lelong and Superbuy Maybank2U
Customer*

I run an online auction and shopping site. Lelong started in 1999 and Superbuy started in 2009. I started the business because I saw that the Internet was a new way for people to buy and purchase things. It was a great opportunity to explore a new market.

Maybank2u has made a major difference to my transactions as it is easier for my customers to make payment and it is more credible. Maybank2u has been frequently promoted in earlier stages to create awareness among my customers. Subsequently more people have chosen to use Maybank2u as a payment gateway.

I will continue using the services as I can leverage on the credibility offered by Maybank.

Jeff

*JNY Online Store
Maybank2U Customer*

I started selling mobile accessories in 2011. I came across a supplier of mobile accessories and thought that an online store will be a chance for me to set up my own business and earn a better income.

I find Maybank2u easy to use and I had great support from the Maybank team to get started. As I am still new in the online business, every day is a new learning journey for me. Maybank2u has made it easier for me to provide payment for my customers.

As we grow regionally, our digital presence will be key to providing access to financial services across the community. Across ASEAN, we are now enabling high-value cross-border business in such areas as virtual banking, wealth management and cards. We have set up a framework to capitalise on our regional synergies, and there is an increased sharing of best practices and collaboration on common initiatives. Humanising technology will be key to our outreach.

Focus: LOOKING INTO THE FUTURE MAYBANK2U PAY

The Maybank Group Digital Strategy looks at tapping into the shift in customer behaviour where the social and personal space is intertwined in essence, moving banking closer to the customer. Our channel interactions with customers will no longer confine transactions to a fixed channel. The foundation of this capability will integrate all our channels through a digital platform, thus ensuring mobility.

Maybank has been a leader in internet banking since June 2000 when we introduced this service in Malaysia. Today Maybank commands close to 50% of registered users in the market with 28,819,658 users in 2013. In the mobile banking arena, we were among the first to introduce comprehensive banking service and presently have more than 1.25 million registered users equating to a market share of more than 75%. Our browser-based M2U Mobile and apps were launched in 2010 and 2011 respectively for our customers to access the Bank's portal Maybank2u for their banking, bill payments and e-commerce.

In April 2013, leveraging on the increasing trend in social e-commerce and customers' digital lifestyle, we launched our Maybank2u Pay, a payment gateway which enables small businesses in conducting online transactions and managing their sale transactions systematically and professionally.

Online shopping has become increasingly popular in Malaysia. Within our own customer base, our users performed more than 2.5 million online shopping transactions worth about RM675 million in 2012.

On average, we have more than 100 million transactions per month conducted through Maybank2u.

1.07 million
likes

FACEBOOK PENETRATION RATES

(as at December 2013)

In 2013, we were named the No. 1 Socially Devoted Facebook Brand

Target: Social Media provides immediacy to our interaction with customers and we harness our presence to reach out to them.

OUR DIGITAL FOOTPRINT

G4-PR4
INFORMATION TECHNOLOGY

Over the span of half a century, Maybank has steadily built an unshakeable foundation by focusing on the fundamentals of a healthy balance sheet and profitability, while maintaining best-in-class risk management and other essential support systems. From this secure vantage point, we have acquired a reputation for being an innovative, ICT-driven bank. We have always adopted the latest information and communication technologies to create greater efficiency and flexibility of products and services which translate into enhanced convenience for its growing customer base.

Among its ICT-based milestones, Maybank was the first to computerise its savings and current accounts services; the first to introduce ATMs, and then to allow Malaysians to subscribe to new IPOs by paying through these machines; the first to introduce Internet banking; and, most recently, the first to launch a wireless mobile payment facility.

Some developments in 2013:

Regional Branch Solution (RBS)	Improvements to customer service are also undertaken through RBS, which not only provides improved and more efficient customer service but at the same time creates a new and transformed branch experience for our customers. Through this transformation, customers will be able to enjoy paperless transactions and will no longer face home branch restrictions. Effective and efficient customer identification will also reduce waiting time and counter processing time. It is also key to building a foundation for regional standardised teller platform and future branches. RBS is available in Singapore and Malaysia. To date, deployment in Malaysia has reached 485 sites by December 2013.
Regional Cash Management System (RCMS)	RCMS has transformed corporate customer service by providing a seamless service delivery which is easy to use. Our RBS offers customers service consistency, increased processing efficiency, mobility, and standardised teller platforms throughout the region. RCMS is also a multilingual system that supports five different languages — English, Bahasa Malaysia, Bahasa Indonesia, Japanese and both Simplified and Traditional Chinese. After the successful rollouts in Singapore and Malaysia in 2012, RCMS was rolled out to the Philippines, Greater China and Indonesia in 2013.
TradeConnex	TradeConnex continues its regional deployment to other countries after its successful roll out to several countries including Singapore, the Philippines, Cambodia and Indonesia in 2012. In 2013, TradeConnex was launched in Beijing in June, Laos in July and Papua New Guinea in November. As a web-enabled solution, it offers ease of accessibility, mobility and convenience for clients on the move. With an array of features such as market updates, e-applications and correspondences with our Trade Information Centre, we ensure our customers obtain first-hand information pertinent to their international trade.

We recognise that Customer Analytics unlocks hidden value in customer data and provides a more unified view of our customers. On a broad scale, it helps us determine our marketing strategy and creates more effective campaigns that would increase the marketing ROI. Relationship Managers are able to identify the type of offering each client segment needs, and we are able to upsell and cross-sell, creating a more long term and sustained relationship.

While we are excited about the possibility offered by analytics and big data, we are also conscious of the impacts such technological developments have on data protection and customer privacy. Our customers have told us that keeping their money and information secure is the single most important service a bank must perform.

With that in mind, we review and strengthen our policies, systems and controls on an ongoing basis to promote the highest level of security. We continuously assess threats to help us prevent and manage incidents, and we are committed to being a safe and secure bank. As a result, we have embarked on a project to implement the requirements specified under Malaysia’s Personal Data Protection Act 2010 (PDPA). This project, which started in May 2012, is jointly led by Group Compliance and Group Tax to ensure that the entire Group complies with the requirements. PDPA was introduced to regulate the processing of personal data used during ‘commercial transactions’ by data users (i.e. Maybank Group) to safeguard the interests of data subjects (i.e. Maybank Group’s customers).



Data Protection, Privacy and Security

“The Information Security threat landscape is complex and constantly changing. Our security teams work with government, regulators, law enforcement and peer organisations to understand current threats and develop any responses that are required to protect customer information”

Geoff Stecyk
Group Chief Technology Officer

PRODUCT STEWARDSHIP

The Dow Jones Sustainability Index (DJSI) launched in 1999, are a family of indexes evaluating the sustainability performance of the largest 2,500 companies listed on Dow Jones Global Total Stock Market Index (DJGTSMI). Maybank is eligible to participate in the DJSI Emerging Markets that represents the top 10% of the largest 800 companies in 20 emerging economies. Last year, we were one of ten global banks (and the only participating bank in Malaysia) to be listed on the Dow Jones Sustainability Index (DJSI) Emerging Market Index. For 2013, we received a DJSI score of 69, up nine points above our 2012 result. We have identified a gap in our performance and are working to improve this area.

We have identified gaps in our performance and are working to improve in this area, particularly on our environmental data. The DJSI is the longest-running global sustainability index and a key reference point in sustainability investing for investors and companies.

Virtually every economic activity can have an impact on natural and social capital either directly or indirectly, through the financial services supply chain. These impacts also provide us with new business opportunities.

INVESTMENT BANKING AND ADVISORY — QUALITY RESEARCH TEAMS

Maybank Kim Eng is fast becoming a regional leader in the investment banking and advisory space and we are now ranked among the top players in the ASEAN region. Supported by Maybank's strong balance sheet and Global Banking's regional client coverage team coupled with our wide distribution network across the globe, our regional platform is equipped to provide investment banking services to our clients, be it equity and debt fund raising or advisory in mergers and acquisitions and project finance.

On the equities side, we believe in staying ahead of market developments by maintaining a high quality of research ideas and corporate access in addition to having strong institutional equity distribution capabilities across key global financial centres. Ranked as one of the top brokerages in Southeast Asia, we are committed to growing our regional franchise and delivering the best value proposition for our clients. Our regional offices have also invested in building quality research teams that complement our experienced institutional sales teams to provide our clients with contrarian, exciting and value enhancing ideas and trading strategies.

Invest Malaysia was organised for the fourth consecutive year in collaboration with Bursa Malaysia. It was a memorable session with Prime Minister Dato' Sri Mohd Najib bin Tun Haji Abdul Razak delivering the keynote address. Jim Rogers was invited to share investing insights together with institutional and retail investors. We were heartened by the tremendous response from both our clients and corporates who were showcased to the investment community through presentations, small group and one-on-one meetings. This year, we saw an increase in the number of overseas fund managers flying in for the meet. We take that as recognition of the improvement of our regional franchise since our merger.

GREEN AND RENEWABLE ENERGY PROJECT FINANCE

In 2013, Maybank Singapore financed Greenpac, an environmental packaging firm. Greenpac's objective is to be Singapore's first 'green factory'. The Green Mark Gold-certified industrial building is the first in Singapore to quantify its carbon footprint during construction. The 180,000 sq ft building represents a holistic approach to sustainability, from its energy source to the philosophy of its staff.

In the area of water sustainability together with Maybank Kim Eng Securities Pte Ltd we financed Singapore's second and largest desalination plant, the Tuaspring Desalination Plant. This initiative requires a S\$720 million, 18-year term loan to fund the facility's desalination and power plants. The facility will contribute to the diversification and sustainability of Singapore's water supply and is projected to reduce carbon footprint by more than 30%.



Participation in global indexed such as the DJSI helps us to enhance our business processes and serve our people better

PRODUCT STEWARDSHIP

G4-15, G4-16, G4-EC7, G4-EC8

LEADERSHIP IN ISLAMIC FINANCE

The Group's Islamic First policy and growth targets for Islamic business are spearheaded by Maybank Group Islamic Banking (MGIB), the Islamic banking arm of the Maybank Group.

MGIB focuses on managing and setting strategies for the overall Group Islamic banking business, and is strongly supported by the House of Maybank. MGIB's focus is grounded in communities and in enabling new business models to meet the needs of both long-term relationships with clients and a direct understanding of their economic activities and the risks involved. We believe that consumer trust and confidence in financial institutions globally can be reinforced through sustainable banks that act as stewards of successful, equitable capitalism. At Maybank, Islamic finance provides the moral compass in ensuring that the offering of our products and services are anchored in the real economy. Through our vast suite of Shariah-compliant products, we are able to provide funding and financing solutions that consider Environmental, Social and Governance (ESG) risks.

In accordance with Bank Negara Malaysia's regulatory requirements, MGIB has also put in place a comprehensive Shariah Governance Framework to ensure effective and efficient oversight by the Board of Directors, Shariah Committee, Management and Business units, on Islamic business activities and operations carried out by its business pillars. We take compliance with Shariah principles in our business seriously and have embarked on institutionalising Shariah compliance, through Group Credit and Risk Management, with the following key focus:

- Strengthening the Shariah governance structure
- Enhancing framework and policies
- Enhancing Shariah non-compliance reporting to integrate with existing operational risk infrastructure
- Implementing Shariah compliance awareness programmes

MGIB's Shariah Centre of Excellence (SCoE) was reinforced in 2013 with the aim of being the established industry leader in Islamic banking and finance and in solidifying sound risk management practices. The continuous execution of initiatives by MGIB under the SCoE has made us the industry's reference point on Islamic banking and finance matters. These initiatives include, amongst others, the launch of Shariah scholarships for undergraduates and postgraduates, strategic collaborations with prominent and leading global educational and research institutions, development of thought leadership in Islamic finance publications and through participation in world-class forums, as well as market engagement via interactive Shariah risk management series.

In 2013, Maybank Islamic undertook efforts to fund and sponsor various academic initiatives with the objective to grow and develop a strong talent pool for the Islamic finance industry. Maybank Islamic is the first financial institution in Malaysia to offer Islamic education scholarships to young achievers nationwide. We sponsored a total of RM1.5 million to International Centre for Education in Islamic Finance (INCEIF) and International Shariah Research Academy for Islamic Finance (ISRA). Our sponsorship programme for the year also included the Maybank Islamic Shariah Apprentice Programme with ISRA. We aim to award Maybank Scholarships to 50 students seeking to pursue the Chartered Islamic Finance Professional (CIFP) qualification.



En. Muhd Ramadhan Fitri Elias speaking as a panelist during the World Islamic Banking Conference 2013 in Singapore (second from right)

***Focus:* MAYBANK GROUP ISLAMIC BANKING EXPANDING VISIBILITY BEYOND THE REGION**

We aim to develop a strong Shariah talent pool for the Islamic finance industry. The talent development pipeline will contribute towards propelling the industry and MGIB to greater heights.

Shariah-qualified with banking knowledge talents are scarce in the market. Our aim is to groom talents specialising in Shariah and Islamic finance with business and banking acumen. MGIB has embarked on a Shariah talent development programme, namely the Shariah Scholarship Award. In line with our aspirations to be a global leader in Islamic finance, we've also extended opportunities to talented international undergraduates from Indonesia, Pakistan and Japan to undertake an internship programme within MGIB to gain hands-on working experience through on-the-job attachments. In addition, we've welcomed students and academicians across the globe to share the journey of MGIB's Islamic banking development through various student visits for undergraduate and postgraduate students.

Another key pillar in the SCoE is the development of thought leadership through the medium of publication, public awareness engagements and through various global forums and platforms. On this note, MGIB has published articles in newspaper columns of mainstream newspapers in Malaysia and Singapore on various topics related to Shariah and Islamic banking and has also published its first book on the topic of Shariah non-compliance risk entitled 'Shariah Non-Compliance Risk Management & Legal Documentation in Islamic Finance', written by Associate Professor Ahcene Lahsasna. In addition, Maybank Islamic also provided sponsorship for the publication of 'The History of Islamic Banking in Malaysia', a book that was initiated by the Governor of Bank Negara Malaysia, Tan Sri Dato' Sri Dr Zeti Akhtar Aziz.

Thought leadership is important to showcase not just our abilities but also to steer the industry to greater heights and further consolidate Malaysia's position as a global Islamic finance hub. MGIB is often invited to discuss and present at reputable global forums and platforms in the likes of Islamic Financial Services Board Summit, Malaysian Banking Summit and World Islamic Banking Conference on issues pertaining to the development of Islamic finance and the economies we operate in. One such highlight was our partnership with the World Islamic Economic Forum (WIEF) for the 9th WIEF in London, with the theme centred on a 'Changing World, New Relationships', which saw participation from world leaders.

We also continuously engage and work with regulators across different regions to further strengthen and facilitate development of Islamic banking in our countries of operations and interests.



En. Muzaffar Hisham as one of the panelist during the 9th World Islamic Economic forum in London

PRODUCT STEWARDSHIP

As the Head of Shariah Management, En Muhd Ramadhan Fitri Ellias oversees all Shariah-related matters pertaining to retail, business and corporate banking, treasury, debt markets, equity markets and asset management.



HEAD OF SHARIAH
MANAGEMENT

MUHD RAMADHAN
FITRI BIN ELLIAS

CAN YOU EXPLAIN THE ROLE OF THE SHARIAH COMMITTEE?

The main role of the Shariah Committee is to perform an oversight role in Shariah-related matters for MGIB. The Shariah Committee oversees the business operations and activities through the observations and reports of the Shariah Review and Shariah Audit by identifying possible Shariah issues and proposes the necessary corrective measures. It is the responsibility of the Shariah Committee to ensure that pre- and post-execution of Islamic business activities are Shariah-compliant. With regard to pre-execution, the Shariah Committee ensures that the structure and documentation of Islamic financing products are Shariah-compliant. As for post-execution, the Shariah Committee, with assistance from the Shariah Review and Shariah Audit, will monitor the execution of Islamic business activities and ensure that it is as per the standards and parameters approved. Furthermore, the Shariah Committee is expected to provide assistance to the Management or any related party in overseeing the enforcement and implementation of the Shariah Committee’s resolutions.

WHAT IS THE SHARIAH COMMITTEE GOVERNANCE STRUCTURE LIKE?

Our Shariah Committee is the authority when it comes to Shariah-related matters. It is at par with other board committees. It is an independent committee to decide on any Shariah resolution. A sound and robust Shariah governance framework is reflected by an effective and responsible board and management, an independent Shariah Committee that is both competent and accountable, and supported by strong internal Shariah functions. The end-to-end Shariah governance framework will be executed through four lines of defence that cater both pre-execution and post-execution. The table below illustrates a model structure and its respective functions are in each line of defence.

Board Oversight, Accountability & Responsibility	BOARD	SHARIAH COMMITTEE	BOARD COMMITTEES
Oversight, Guidance & Observation	EXECUTIVE COMMITTEES		

Execution of the Framework via the four lines of defence

1st Line	Management and Business Unit <ul style="list-style-type: none">Provides adequate resources and capable manpower.Identifies and manages the risk inherent in the products, services and activities for which they are responsible.Creates and enhances policies and operational process flows relating to products offered. Acts as the key liaison to various process owners for syndication prior to rollout.
2nd Line	Shariah Management (Including Advisory and Research functions) <ul style="list-style-type: none">Ensures that all structures, terms and conditions, legal documentation, and operational process flows and procedures are Shariah-compliant.
3rd Line	Risk Management (Including Shariah Risk functions) <ul style="list-style-type: none">Systematically identifies, measures, monitors and controls Shariah non-compliance risks to mitigate any possibility of non-compliance events.
4th Line	Shariah Audit and Shariah Review and Compliance <ul style="list-style-type: none">Provides independent and periodical assessments to improve the degree of compliance in ensuring a sound and effective internal control system for Shariah compliance.Continuously review processes and deliverables, as well as determine that such processes and outcomes satisfy the requirements of Shariah.

WHY IS THE SHARIAH COMMITTEE IMPORTANT?

The Shariah Committee is the compass to guide our journey. It is the highest authority in making the final decisions on matters related to Shariah. It also ensures that the products and business processes are in adherence to Shariah requirements. Furthermore, today's financial markets require new and innovative products to suit the current demand and challenges. Therefore, the Shariah Committee's expertise and direction are essential to provide insights as well as to provide practical contemporary Shariah solutions towards industry innovation and development. The Shariah Committee will be the reference point in determining whether an incident is a Shariah non-compliant or otherwise as well as in deciding the rectification approach for the incident, if necessary, with regard to any potential Shariah non-compliant incident occurring within Maybank operations.

WHAT IS THE COMMITTEE'S ROLE IN MGIB MOVING FORWARD?

Moving forward, the Shariah Committee is expected to play a very significant role in leading MGIB as the undisputable Islamic bank globally. With the vast developments within Malaysia, the Committee not only advises Malaysia's Islamic banking business but also provides an overseeing role to regional Islamic banking businesses in Indonesia and Singapore.



En. Muhd Ramadhan Fitri Elias presenting food aid to communities in need during Ramadhan

PRODUCT STEWARDSHIP

HUMANISING MISSION TO COMMUNITIES IN NEED

MGIB firmly believes in being at the heart of the community. Our focus in 2013 centred around two key areas, namely:

- improving communities' welfare and quality of life and promoting sustainable community development through zakat contribution and qurban
- promoting children's health and education

In 2013, our major focus was on improving quality of life towards sustainable community development through zakat contribution totalling RM15.2 million to the States' Pusat Zakat and eligible recipients (Asnaf) community groups. As part of the zakat project, we collaborated with Islamic Relief Malaysia in providing food aid during Ramadhan to ease the burden of about 8,800 poor and needy families at 35 selected mosques nationwide.

In promoting children's education, we pledged RM1 million to almost 2,000 students of Maktab Rendah Sains Mara (MRSM) and Yayasan Pelajaran Mara (YPM) as part of the Zakat Tuition Programme. This year, the Qurban Perdana Maybank celebration, which is an annual Hari Raya Qurban event initiated by Maybank Islamic and PKIMB (Menara Maybank Staff Islamic Association), went regional. Apart from the celebration with Region Offices in Malaysia, it was also held in other countries where Maybank Group has presence, i.e. Singapore, Indonesia and Brunei. The regionalisation of this celebration reflects upon MGIB living its religious obligation, enhancing its global brand presence as well as reinforcing our mission to humanising communities in need across the region.

In promoting children's health, Maybank Islamic had sponsored a total of 36 paediatric children heart patients to undergo specialist medical treatment at Institut Jantung Negara (IJN) including a build-up of children play-area and mini library. There are also other initiatives in the pipeline to reach out to the community that involve patient sponsorship from across the region.



Maybank Islamic total zakat contribution for year 2013 amounting RM15.2 million

PRODUCT STEWARDSHIP

G4-12

PROCUREMENT SUSTAINABILITY

Our revised procurement process also provides more effective management. Suppliers are able to gain better visibility of budget utilisation as well as contract status while ensuring a high level of compliance with budget policies. They are now able to access a wider pool of vendors at competitive rates as well as forecast budgets and compare trends more effectively to offer a more qualified view to management. Key highlights include:

- More effective management: Business leaders are able to gain better visibility of budget utilisation as well as contract status whilst ensuring a high level of compliance with budget policies. They are now able to access a wider pool of vendors at competitive rates as well as forecast budgets and compare trends more effectively to offer a more qualified view to management.
- Reduction in contract rates: By implementing a centralised procurement system, Maybank has encouraged its vendors to be competitive
- Standardisation of invoices: Maybank now has an extensive catalogue with standardisation pricing available to all businesses of the bank
- Standardisation of templates: With standardised tender templates, multiple technical and financial bids from different players have been easier to compare whilst ensuring compliance with corporate policies
- Accountability for procurement: Enforcing the Goods Receivable Notes process has led to on-time payment of vendor invoices, which has resulted in better satisfaction levels amongst the vendor community
- Inclusion of qualified vendors: Under the new procurement system e-portal, vendor registration is mandatory and this is allowing us to conduct credibility checks and to qualify vendors
- Centralised contract repository: By implementing a centralised contract management tool, the contract retrieval process has become more timely and affective.

Our ethical supply chain management includes maintaining and practising integrity in all aspects of our operations. We are committed to ensuring that fraud does not impact our customers, suppliers, business partners or employees. We assure that no person is victimised or harassed unfairly for raising such concerns and that any such victimisation, harassment or unfair treatment will be treated as a serious misconduct resulting in disciplinary action. Our Integrity Hotline has been extended for external whistle-blowers. As such, complaints or concerns raised to the Hotline are to remain anonymous and can be communicated via secure forms of communication.



Transparent and responsible work processes are seen as vital to ensuring fair business practices for the benefit of all stakeholders

MOVING FORWARD AND 2014 PRIORITIES

- To drive continuous improvement in efficiency and effectiveness through business process improvements.
- We are working to strengthen regional presence in our key markets — to be the preferred Islamic bank in ASEAN that will bridge world economies to our region.
- A bigger regional digital presence.

THE JOURNEY AHEAD

We are steadfast in building a profitable company — one that provides good return for shareholders, employees and communities, as well as good stewardship of the environment. In 2014, we are determined to launch a comprehensive set of sustainability commitments and goals. We believe that every action and decision we take must contribute to humanising financial services. To substantiate this vision and enable us to monitor our progress, we plan to introduce this set of sustainability key commitments to be attained by 2020.

We are proud of what we have achieved so far. We have been recognised as the 13th strongest bank in the world. With a commitment from the Board to contribute a minimum of 1% of PATAMI on community programmes, we are one of Asia's most active corporate citizens. We have 22 million customers and 47,771 employees across the world. And with our recently approved Community Investment Roadmap (CIR), we are pushing our efforts further with our CR programmes for long-term impact and clear tracking. Our scale, resources and influence will enable us to lay the foundation and make a difference to the environmental, social and governance (ESG) issues around Asia. We need to prepare Maybank for the future and for this purpose, we are asking ourselves hard questions.

NEW REALITIES

Underlying our sustainability journey is a steep learning curve. We are rethinking our growth and the hard issues that confront a growing business with a strong presence in ASEAN — economic divides, community empowerment, gender parity and resource constraints. The financial services industry is going through a period of significant change. What are the key trends and new realities affecting us? What risks do they pose to our business? And, more importantly, perhaps, what opportunities do they bring?

We want to be able to look back and know that at this point, we took stock and considered how we want to create a place for the Group in the changing context of business. Our plan is to open pathways to new thinking and collaboration which in turn will create evolving systems as we forge ahead. The point is this: we don't have all the answers at this stage but we are sure that if we think, plan and open room for dialogue, we will find a landing point.

The financial sector value chain is informed by the wider economy and we recognise the need to develop clear ESG Guidelines for this purpose, including building ESG capacity amongst our business units and be public about our commitments. At the heart of our ESG philosophy is our leadership in Islamic Finance which acts as an ethical compass for our investment decisions and beyond. If we are to embrace Islamic Finance in its true sense, the economy cannot prosper at the expense of society and the environment. Inclusivity in financial decisions takes courage and a willingness to focus on the long term.

OUR BLUEPRINT FOR A SUSTAINABLE WORLD

Launching a comprehensive set of sustainability commitments and goals is going to be the easy part. It is what comes after — how we nurture and grow the plan and ensure that it is truly embedded in the organisation moving forward — that will be the challenge. We need to enable tracking of performance and provide a radar for the path ahead. There is no point setting goals without a clear idea of how to achieve them. Alongside the sustainability plan, we are working on a global monitoring system. The monitoring system will complement our CIR tracker.

What if we miss our targets? Sustainability is not a static agenda. We know that the issues that impact our customers, employees and the broader community, and our response to those issues, will all evolve over time. We feel that the only way to address this complexity is to work together with our stakeholders. Beyond goals, targets and measurements, sustainability is about building relationships. If we are committed to building genuine, long-term relationships which are based on mutual trust and respect, then we will place those relationships at the heart of our decision-making; and we will find our true north.

We invite you to join us on this journey.

G4-10

PERFORMANCE DATA: ENVIRONMENT

Description	2009	2010	2011	2012	2013
total electric Consumption (kW) at Menara Maybank	22,866	22,058	21,135	22,305	22,629
Water usage (cubic metre) at Menara Maybank	262,480.65	218,124.85	248,927.65	256,372.15	275,612.50

G4-10

PERFORMANCE DATA: WORKPLACE

Description	2009	2010	2011	2012	2013
Employees					
total number*	24,910	26,548	42,693	47,233	47,771
inside Malaysia	22,535	23,925	25,841	26,473	26,728
outside Malaysia*	2,375	2,623	16,852	20,760	21,043
executive	14,564	16,675	28,578	26,746	31,702
non-executive	10,346	9,873	14,115	16,456	16,069
Full-time	24,910	26,548	42,693	47,233	47,771
Permanent Staff	24,126	25,344	39,487	40,660	43,904
Non-permanent Staff	784	1,204	3,206	2,542	3,867
Female	14,554	15,691	22,845	23,415	25,498
Male	10,356	10,857	19,848	19,787	22,273
% of employees covered by collective bargaining	-	-	-	-	70%
Union members (For Maybank only)	11,676	9,907	10,015	10,328	12,563
Non-union members (For Maybank only)	13,234	11,457	13,052	16,145	14,165
age group					
< 30	6,400	7,116	13,481	13,108	14,262
30-40	11,208	11,178	17,177	16,962	18,121
40-50	5,655	6,221	9,491	10,311	11,913
> 50	1,430	1,647	2,033	2,821	3,425
Diversity (Malaysia Ops. only)					
Malay	16,499	17,735	18,201	19,560	18,578
Chinese	5,466	6,021	5,189	5,394	5,536
Indian	1,221	1,298	1,355	1,381	1,400
others	1,724	1,494	1,096	1,138	1,214

G4-T0, G4-LA1, G4-LA9

PERFORMANCE DATA: WORKPLACE

Description	2009	2010	2011	2012	2013
Employee Turnover Rates					
Global — turnover rate high outside malaysia?	2099	2,354	5,274	4,978	6,045
in Malaysia	1800	1,866	1,742	1,950	1,921
outside Malaysia	299	488	3,532	3,028	4,124
Women in Management					
% Women in management (Band G & above)	38.23%	43.26%	40.87%	43%	42%
% Women in top management (Band D & above)	15.68%	18.99%	22.70%	31%	31%
Training					
employee participation in training	20,660	21,985	24,909	26,041	26,723
average attendance per training program	24	25.8	20.9	25.6	22.17
Total spend on training (RM)	not available	54.69 mil	74.4 mil	101.68 mil	96.14 mil
average and total hours of training per employee (average / total hours)	34.5 / 797,635.75	38.34 / 1,016,270.52	47.97 / 1,379,602.18	41.44 / 1,104,168.48	45.31 / 1,210,858.33
Staff training expenditure vs total gross salary (note: bank negara Malaysia's minimum standard is 2.5%)	2.51%	2.79%	3.34%	3.17%	2.78%
Performance Review towards Career Enhancement					
% employee who are formally appraised (at least annually)	100%	100%	100%	100%	100%
Occupational Safety and Health (OSH)					
Total recordable injury frequency rate	NIL	0.07	0.032	0.041	0.006
Lost time injury severity rate	0	3	0.704	0.888	0.038
Fatal accident rate	NIL	NIL	NIL	NIL	NIL
Employee Engagement Survey Results Human Rights	83%	87%	83%	85%	NA*

* In 2013, we continue to use the results from the 2012 Employee Engagement Survey

- Malaysia only
- Group: includes Malaysia, Ous, Maybank Singapore, BII, BII WOM, BII Finance, KE
- Non-Group. Excludes Kim Eng and BII Finance

GRI G4 CONTENT INDEX FOR 'IN ACCORDANCE' – CORE

MAYBANK SUSTAINABILITY REPORT 2013

GENERAL STANDARD DISCLOSURE	MAYBANK SUSTAINABILITY REPORT 2013			
		REFERENCE	PAGE	EXTERNAL ASSURANCE
STRATEGY AND ANALYSIS				
G4-1	Statement from the most senior decision-maker of the organisation	Chairman's Statement, Group President and CEO's Message	p7–9	Yes, p110
ORGANISATIONAL PROFILE				
G4-3	Name of the organisation	Front cover		
G4-4	Primary brands, products and services	About Maybank	p4	Yes, p110
G4-5	Location of the organisation	Global Network	p5	Yes, p110
G4-6	No. of countries where the organisation operates	Global Network	p5	Yes, p110
G4-7	Nature of ownership and legal form	Group Corporate Structure	p15	Yes, p110
G4-8	Markets served	Global Network	p5	Yes, p110
G4-9	Scale of the organisation	Group Corporate Structure	p15	Yes, p110
G4-10	Workforce	Performance data: Workplace	p105–106	Yes, p110
G4-11	Percentage of total employees covered by collective bargaining agreement	Human Rights	p29	Yes, p110
G4-12	Supply chain	Procurement Sustainability	p103	Yes, p110
G4-13	Significant changes during the reporting period	Group Corporate Structure	p15	Yes, p110
G4-14	Precautionary approach	Building a strong internal risk culture	p30	Yes, p110
G4-15	External charters, principles or other initiatives	Leadership in Islamic Finance	p98	Yes, p110
G4-16	Membership of associations	Working with Industry Peers, Leadership in Islamic Finance	p24, p98	Yes, p110
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES				
G4-17	Entities included in the organisation's consolidated performance.	Financial Highlights, Group Corporate Structure	p12, p15	Yes, p110
G4-18	Process for defining report content and aspect boundaries.	Materiality, Material aspects and boundaries	p19–20	Yes, p110
G4-19	Material aspects	Materiality, Material aspects and boundaries	p19–20	Yes, p110
G4-20	Aspect boundaries within the organisation	Material aspects and boundaries	p20	Yes, p110
G4-21	Aspect boundaries outside the organisation	Material aspects and boundaries	p20	Yes, p110
G4-22	Effects of any restatement	Maybank has not made an restatements of information provided in previous reports	–	Yes, p110
G4-23	Significant changes during the reporting period	About this Report	p10	Yes, p110
STAKEHOLDER ENGAGEMENT				
G4-24	Stakeholder groups engaged by the organisation	Engaging our Stakeholders	p18	Yes, p110
G4-25	Basis for identification	Engaging our Stakeholders	p18	Yes, p110
G4-26	Approach to stakeholder engagement	Engaging our Stakeholders	p18	Yes, p110
G4-27	Key topics and concerns raised by stakeholder	Materiality, Material aspects and boundaries	p19–20	Yes, p110
REPORT PROFILE				
G4-28	Reporting period	About this Report	p10	Yes, p110
G4-29	Date of the most recent previous report	About this Report	p10	Yes, p110
G4-30	Reporting cycle	About this Report	p10	Yes, p110
G4-31	Contact point for questions regarding report	About this Report	p10	Yes, p110
G4-32	In accordance option chosen	About this Report	p10	Yes, p110
G4-33	Assurance	About this Report	p10	Yes, p110
GOVERNANCE				
G4-34	Governance structure of the organisation	Corporate Governance	p28	Yes, p110
ETHICS AND INTEGRITY				
G4-56	Organisations value principles and norms of behaviour	Corporate Governance	p28	Yes, p110

SPECIFIC STANDARD DISCLOSURES — CORE

MAYBANK SUSTAINABILITY REPORT 2013		
DMA AND INDICATORS		EXTERNAL ASSURANCE
MATERIAL ASPECT — COMMUNITY AND CITIZENSHIP		
Generic DMA: why the Aspect is material and the impacts that make this Aspect material Our Approach	p35	Yes, p110
G4-SO1: Percentage of Operations with implemented local community engagement, impact assessments and development programmes Community and Citizenship	p35–51	Yes, p110
G4-EC7: Development and impact of Infrastructure of investments and service supported Community and Citizenship	p35–51	Yes, p110
G4-EC8: Significant indirect economic impact, including the extent of impacts Community and Citizenship	p35–51	Yes, p110
MATERIAL ASPECT — MANAGING OUR ENVIRONMENTAL IMPACT		
Generic DMA: why the Aspect is material and the impacts that make this Aspect material Our Approach	p58	Yes, p110
G4-EN6: Reduction of Energy Consumption Managing our Environmental Impacts	p59	Yes, p110
MATERIAL ASPECT — EMPLOYEE ENGAGEMENT		
Generic DMA: why the Aspect is material and the impacts that make this Aspect material Our Approach	p68	Yes, p110
G4-LA1: Total number and rates of new employee hires and employee turnover by age group, gender and region Performance Data: Workplace	p106	Yes, p110
G4-LA9: Average Hours of Training per year per employee by gender and employee category Performance data: Workplace	p106	Yes, p110
G4-LA10: Programmes for Skills Management and Lifelong Learning that support the continued employability and assist them in career endings A High-Performance Culture	p73	Yes, p110
G4-LA11: Percentage of Employees Receiving Regular Performance and Career Development Reviews by gender and Employee Category A High-Performance Culture	p71	Yes, p110
MATERIAL ASPECT — DIVERSITY AND INCLUSION		
Generic DMA: why the Aspect is material and the impacts that make this Aspect material Our Approach	p68	Yes, p110
G4-LA12: Composition of Governance Bodies and Breakdown of Employees per Employee Category and according to gender, age group, minority group membership and other indicators of diversity Diversity and Inclusion	p75–77	Yes, p110
G4-LA13: Ration of Basic Salary and Remuneration of Women to Men by Employee Category by Significant Locations of Operation	There is no parity of pay in the organisation	Yes, p110

SPECIFIC STANDARD DISCLOSURES — CORE

MAYBANK SUSTAINABILITY REPORT 2013		
DMA AND INDICATORS		EXTERNAL ASSURANCE
MATERIAL ASPECT — FOCUS ON CUSTOMERS		
Generic DMA: why the Aspect is material and the impacts that make this Aspect material Our Approach	p84	Yes, p110
G4-PR3: Type of products and service information required by the organisation's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirement Focus on Customers	p85	Yes, p110
G4-PR5: Results of Surveys Measuring Customer Satisfaction Focus on Customers	p85	Yes, p110
MATERIAL ASPECT — ACCESS TO FINANCE		
Generic DMA: why the Aspect is material and the impacts that make this Aspect material Our Approach	p84	Yes, p110
G4-PR1: Percentage of significant product and service categories for which health and safety impacts are assessed for improvement Access to Finance	p89	Yes, p110
MATERIAL ASPECT — OUR DIGITAL FOOTPRINT		
Generic DMA: why the Aspect is material and the impacts that make this Aspect material Our Approach	p84	Yes, p110
G4-PR4: Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data Our Digital Footprint	p95	Yes, p110
MATERIAL ASPECT — PRODUCT STEWARDSHIP		
Generic DMA: why the Aspect is material and the impacts that make this Aspect material Our Approach	p84	Yes, p110
G4-EC7: Development and impact of infrastructure investments and services supported Product Stewardship	p98	Yes, p110
G4-EC8: Significant indirect impacts, including the extent of impacts	p98	Yes, p110

INDEPENDENT ASSURANCE STATEMENT

Scope and Objective

SIRIM QAS International Sdn. Bhd., a third party Conformity Assessment Body in Malaysia, with extensive expertise and experience in the provision of sustainability-related assurance services, was engaged by Malayan Banking Berhad (hereafter referred to as Maybank) to perform an independent verification and provide assurance of the Maybank Sustainability Report 2013. The main objective of the verification process was to provide Maybank and its stakeholders with an independent opinion of the accuracy of the information presented in the 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 2013.

The management of Maybank is responsible for the preparation of the Sustainability Report. The objectivity and impartiality of this verification statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the Maybank Sustainability Report 2013.

Verification team:

The verification team from SIRIM QAS International consisted of:

- | | | |
|--------------------------------|---|-------------|
| 1) Ms. Aminah Ang | : | Team Leader |
| 2) Mr. Hafriazhar Mohd Mokhtar | : | Team Member |

Methodology

The verification process was carried out by SIRIM QAS International in April and May 2014. It involved the following activities:

- Reviewing and verifying the accuracy of data collected from various sources and that are presented in the report.



MS ISO/IEC 17021 : 2011 CB 0013980
MS ISO/IEC 17024 : 2003 CB 17122002
MS ISO/IEC 17025 : 2005 CB 17122002
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- Reviewing of internal and external documentation and displays such as awards, reports, media publications, 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 G4.0 requirements

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

The verification process was subject to the following limitations:

- The scope of work did not involve verification of information reported in the Malayan Banking Berhad Annual Report 2013;
- 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; and
- The verification team did not review any contractor or third party data.

Observations and areas for improvement:

The following observations should be considered as areas for improvement in future reporting.

- Enhancement in the reporting of environmental performance especially issues pertaining to regulatory compliance and the GHG emissions; and
- Enhancement in the reporting of the safety and health issues

These observations however do not affect our conclusions on the current report.

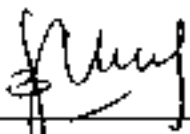
Conclusion

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 Malayan Banking Berhad Sustainability Report 2013 is fair and acceptable;
- The Sustainability Report was prepared following the GRI G4.0 'In accordance with the Core' Requirements of the Sustainability Reporting Framework;
- The information has been presented in an appropriate manner;
- The personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data contained in the report;
- Maybank has satisfactorily addressed, in the final version of the report, all issues that had been raised during the verification audit;
- The report provides a reasonable and balanced presentation of the sustainability performance of Maybank.

Prepared by:

Approved by:



AMINAH ANG
Verification Team Leader
Sustainability Certification Section
Management System Certification Department
SIRIM QAS International Sdn. Bhd.
Date : 30 May 2014



PARAMA ISWARA SUBRAMANIAM
Senior General Manager
Management System Certification
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