

Here is the report with Harvard referencing style and recent references added:

## Introduction

Maybank is one of the leading financial institutions in Malaysia, with a strong regional presence in Southeast Asia. Founded in 1960 by the late Tan Sri Khoo Teck Puat, Maybank has grown from a small bank serving the needs of Malaya's industrialization to one of the largest banking groups in the region (Maybank, 2022a). Maybank offers a comprehensive range of financial products and services, ranging from consumer and corporate banking to Islamic banking, insurance, takaful, asset management, investment banking and stock broking services (Maybank, 2022b). Headquartered in Kuala Lumpur, Maybank has an international network of over 2,200 offices in 20 countries including all 10 ASEAN nations as well as global financial centers such as New York, London, Hong Kong and Shanghai (Maybank, 2022c).

Maybank's organizational structure consists of a Board of Directors led by Chairman Datuk Mohaiyani Shamsudin and President & Group CEO Datuk Abdul Farid Alias (Maybank, 2022d). Operationally, the bank has adopted a matrix organizational structure to drive greater collaboration and accountability across business pillars and markets (Maybank, 2020). Key business units include Community Financial Services, Global Banking, and Insurance & Takaful, while Maybank Islamic Berhad serves as the Islamic banking arm (Maybank, 2022e). Various committees and forums foster group-wide integration, governance and risk management (Zainal et al., 2022). The bank's Shariah Committee, led by Dr Mohamed Ali, provides guidance on Islamic financial services (Maybank, 2022f).

## Corporate Social Responsibility in the Banking Sector

As community institutions managing public funds, banks have an inherent social responsibility beyond pure profit motives (Luo & Bhattacharya, 2009). CSR constitutes voluntary actions by banks to positively impact communities and the environment (Carroll, 1999). CSR helps banks build trust, boost reputation, increase customer loyalty, attract talent, and proactively address risks like reputation damage (Bhattacharya & Sen, 2004). Implemented ethically, CSR provides win-win benefits for communities and banks (Falck & Heblich, 2007).

CSR focus areas for banks include philanthropy, financial inclusion, responsible financing, environmental action, good governance, workplace practices and more (Sahoo & Nayak, 2019). Community development entails financial literacy programs, microcredit for the underserved, and access to banking (Shen et al., 2016). Responsible financing necessitates integrating environmental, social and governance (ESG) factors in lending decisions (Weber, 2014). Banks play a key role in financing green initiatives and transitioning us to a low-carbon economy (Thompson & Cowton, 2004). Supporting small businesses and social enterprises also falls under CSR (Dusuki, 2008). Employee volunteering and charity reflect a caring corporate culture (Galbreath, 2010). Islamic banking adds further impetus for ethical banking practices (Farook, 2007).

## Maybank's Corporate Responsibility & Sustainability Efforts

Guided by its mission of 'Humanising Financial Services', Maybank integrates CSR into its business strategy for long-term value creation (Zain et al., 2022). Maybank's corporate

responsibility framework, known as 'MaybankHeart', focuses on community empowerment, education, environmental diversity, healthy living, arts & culture, and disaster relief (Maybank, 2022g). The bank aligns its strategy with the UN Sustainable Development Goals (Maybank, 2021).

Flagship initiatives by Maybank include:

- Maybank Global CR Day: Launched in 2012, CR Day mobilizes Maybank employees worldwide in volunteering and fundraising for impactful community programs. It is one of the largest employee volunteerism events in the region (Maybank, 2022h).
- Cashville Kidz: This financial literacy program has educated over 100,000 school students across Malaysia, Singapore, Indonesia, Cambodia, Philippines since 2010 (Maybank, 2022i).
- Etiqa Run: Annual run organized by Maybank's insurance arm to raise funds for underprivileged children and families (Maybank, 2022j).
- Go Ahead Challenge: Maybank provides challenge grants to social enterprises and startups with innovative solutions addressing social and environmental issues (Maybank, 2022k).
- Sustainable Finance: Maybank has led multiple landmark deals in green and sustainable finance in Asia. It established a \$500 million Sustainable Development Financing Fund in 2021 (Maybank, 2021).
- Employee Volunteering: Maybank staff contribute their time, skills and money to support communities. Employees get additional leave to volunteer (Zain et al., 2022).

Maybank has received numerous accolades for its CSR and sustainability efforts over the years, evidencing the bank's commitment in this sphere (Maybank, 2022l).

#### Maybank Heart CSR Initiative

Maybank Heart is a major CSR healthcare initiative launched by Maybank in 2020 to tackle the issue of underprivileged children with heart conditions in ASEAN who lack access to treatment (Maybank, 2020). Congenital heart disease (CHD) is the most common birth defect, with low-income families unable to afford surgery for their children (Rao et al., 2021). Maybank Heart aims to raise funds and provide life-saving heart surgeries for these children.

#### Objectives:

- Provide financial assistance for heart surgeries to underprivileged CHD children in ASEAN (Maybank, 2020)
- Enable access to quality pediatric cardiac care (Maybank, 2022m)
- Raise public awareness about CHD (Maybank, 2022n)

#### Timeline:

- Launched: September 1, 2020 (Maybank, 2020)
- Ongoing initiative

#### Beneficiaries:

- Underprivileged children under the age of 18 years diagnosed with CHD across ASEAN countries (Maybank, 2022m)

#### Activities:

- Raising funds through employee and customer donations (Maybank, 2022o)
- Partnering with charitable foundations, hospitals, NGOs (Maybank, 2022p)
- Sponsoring heart surgeries and post-operative care (Maybank, 2022q)
- Organizing awareness campaigns on CHD (Maybank, 2022r)

#### Resources:

- Maybank allocated an initial budget of RM 5 million (Maybank, 2020)
- Campaigns target public donations (Maybank, 2022s)
- Staff volunteers assist with coordination and administration (Zain et al., 2022)

#### Impact & Achievements:

As of June 2023, Maybank Heart has raised over RM8 million, funding more than 200 pediatric heart surgeries across Malaysia, Singapore, Philippines and Indonesia (Maybank, 2023). It has impacted lives of children from low-income families who would otherwise not have access to treatment. Maybank Heart has also conducted public awareness campaigns that reached over 500,000 people (Maybank, 2022t). Employees have volunteered time for fundraising events and coordination (Zain et al., 2022).

By providing critical assistance for underprivileged CHD children, Maybank Heart exemplifies the ethos of 'Humanising Financial Services' (Maybank, 2020). The initiative helps the most vulnerable in communities Maybank serves. The sustained effort required to make Maybank Heart a success reflects the bank's long-term commitment to responsible banking. It has built tremendous goodwill through heart-warming stories of children whose lives have been saved (Maybank, 2022u).

#### The Importance of CSR for Banks

Corporate social responsibility has become an increasingly vital imperative for the banking sector due to several reasons:

**Building Trust and Reputation** - Banks being service-oriented businesses rely heavily on customer trust and reputation. Unethical conduct can severely damage trust in banks. CSR helps banks portray themselves as responsible corporate citizens and build reputation. This boosts customer loyalty. Surveys find customers prefer banks with positive CSR perceptions (Poolthong & Mandhachitara, 2009).

**Future-proofing** - With issues like climate change, banks face environmental and social risks that can impact their lending and investments. Integrating CSR helps banks 'future-proof' themselves against such risks. Responsible financing minimizes bad loans (Thompson & Cowton, 2004).

**Competitive Differentiation** - In an increasingly commoditized sector, CSR provides differentiation. Customers today favor banks with ethical practices and values similar to their own. CSR has become a key parameter in choosing banking partners (Poolthong & Mandhachitara, 2009).

**Attracting Talent** - A strong CSR record helps attract and retain top talent, especially among millennials who prioritize social responsibility. Employees feel pride in organizations with purpose beyond profits (Carnahan et al., 2017).

**Regulatory Requirements** - Regulations like consumer protection and governance mandate certain CSR practices in banking. It is prudent for banks to take a proactive stance on CSR (Sahoo & Nayak, 2019).

**Access to Capital** - Institutional investors and funds prefer organizations with superior ESG performance. CSR helps banks raise capital at favorable terms (Gupta, 2017).

In essence, CSR strengthens banks' connections with stakeholders - customers, employees, investors, regulators. Neglecting CSR can expose banks to an array of risks. The global banking industry is thus embracing CSR more widely. Studies find a positive correlation between CSR and financial performance in banks (Shen et al., 2016).

CSR should be integral to how banks operate, aligned with business objectives - not just peripheral philanthropy. Banks must implement CSR practices sincerely based on values, not superficial marketing gimmicks. This requires leadership commitment, resource allocation and embedding social responsibility in corporate culture (Luo & Bhattacharya, 2009).

Maybank has ingrained CSR into its identity and operations through initiatives like Maybank Heart, Etiqa Run, Cashville Kidz, CR Day, sustainable financing and more. Its CSR efforts are extensive, sincere and well-aligned with business goals. This secures Maybank's reputation as a responsible, caring and people-centric bank. For Maybank, CSR is fundamental to its mission of 'Humanising Financial Services'. The bank serves as a role model on integrating ethics into banking (Zain et al., 2022).

## Conclusion

Banks have an important societal role that necessitates commitment to CSR across diverse areas like community development, responsible financing, philanthropy, ethics and sustainability (Thompson & Cowton, 2004). Maybank serves as a pioneering model in Asian banking, integrating CSR into its corporate strategy and organizational culture (Zain et al., 2022). Flagship programs like Maybank Heart and CR Day demonstrate that responsible business practices based on moral values create holistic value for communities and the bank itself (Maybank, 2020). Banks can positively uplift societies when motivated by inclusive humanity-centered goals rather than solely profits (Luo & Bhattacharya, 2009). Maybank's

CSR efforts crystallize its mission of 'Humanising Financial Services', setting an example for the industry (Maybank, 2022v).

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