

**BANKING**

# redefined





**Property listings**  
> 100 developments

**Maybank Home<sup>2</sup>u**  
Broadening mortgage financing access within digital mortgage loan application



**CURRENT STATE**

# Mayb



**Maybank2u Biz**  
Access to SME digital financing and e-transaction/commerce needs (i.e.: Sama-Sama Lokal)

**Running a business**  
Access to merchant services, payroll needs and knowledge-sharing programmes



**CURRENT STATE**





**Property  
partners' ecosystem**

Broadening mortgage  
financing access with  
property developers

**Other  
home ownership  
needs**

Including renting,  
renovation, ESG fixture  
and insurance coverage



FUTURE STATE: Home Ownership Journey

# ank connects



**Growing  
a business**

Access to larger credit facilities,  
cashflow insights, supply chain  
financing and regionalisation

**Networking  
opportunities**

Access to a robust  
business ecosystem to  
leverage opportunities

FUTURE STATE: "One-Stop Shop" for SMEs





# Banking Redefined

## Rationale



Driven by our purpose of **becoming a values-driven platform, powered by a bionic workforce that Humanises Financial Services**, Maybank is breaking the boundaries of traditional banking services to become a holistic lifestyle enabler, meeting the broader needs of our customers and enriching their everyday lives. Leveraging next-gen technologies, we are developing integrated and expansive digital ecosystems that allow us to go beyond business and financial solutions to provide hyper-personalised services that will enhance our valued customers' banking experience and overall well-being.

On top of serving our customers' financial needs, we continue to be there for them at every point in their life's journey. Our online home journey platform provides customers a seamless process from choosing a property to applying for a loan almost instantly. We will also be incorporating value-added services into our Maybank Home<sup>2</sup>u ecosystem to address our customers' home ownership needs including renting properties, home renovations and insurance coverage, among others.

We have been enhancing our banking ecosystem for SME customers too. We don't just finance them, our digital platform Maybank2u Biz simplifies our customers' business needs by allowing them to make cashless and online bill payments as well as undertake bookkeeping and invoicing services. Our SME banking ecosystem is further complemented by our Sama-Sama Lokal e-commerce platform and upskilling programmes. In line with our aim to be a one-stop shop for SMEs, we will be launching a suite of increasingly effective digital tools and banking solutions to facilitate the running of their businesses.

In taking the lead to drive sustainability, Maybank provides holistic lifestyle and business solutions as part of our M25+ strategy. Towards this end, we are accelerating our own decarbonisation plans across the Group while helping customers transition to low carbon operations. We have committed to becoming carbon neutral by 2030 and achieving net-zero carbon emissions by 2050.

Our steadfast dedication to **Humanising Financial Services** and prioritising our customers' needs remain at the core of our mission. Our commitment to continuous improvement, skills development and digital innovation will enable us to better serve our customers. We believe that every action we take should lead to the best outcomes, not only in creating value for all our stakeholders but also in preserving our environment and enriching the world we live in.

## Maybank Connects

### Key Milestones

1960

Maybank began operations in Malaysia and opened overseas branches in Brunei and Singapore.

1976

Set up first-ever mobile bus banking services to serve the rural communities in Johor.

1981

First Malaysian bank to set up an ATM at its Ampang Park branch in Kuala Lumpur.

1974

Introduced the first Rural Credit Scheme in Malaysia to provide banking services to small-scale industries and businesses in rural sectors.

1978

First Malaysian bank to computerise its savings and current accounts services; pioneer in digitalisation.

1984

Opened Maybank New York branch in September.





**1994**

Officially ventured into Indonesia through PT Maybank Nusa Internasional, a joint venture with PT Bank Nusa Internasional of Indonesia.

**2005**

Expanded beyond banking to insurance and takaful via the acquisition of Malaysia National Insurance Bhd and Takaful Nasional Sdn Bhd.

**2010**

First to launch accessible banking branches for people with disabilities (PWDs) nationwide.

**2019**

Introduced MAE (Maybank Anytime, Everyone), the first-ever product that enables users to open an account via mobile phones, incorporating an e-wallet and other banking features.

**2022**

Launched Malaysia's first-ever contactless ATM cash withdrawal and first-ever digital home financing solution, Maybank Home<sup>2</sup>u.

**2000**

First Malaysian bank to open a branch in Shanghai, China and first bank in Malaysia to introduce internet banking services with the launch of Maybank2u.com.

**2006**

First to offer online mobile banking via SMS followed by M2U Mobile Services using GPRS/3G phones.

**2012**

Completed the Group's footprint in all 10 ASEAN nations with the launch of Maybank's first branch in Laos.

**2021**

Unveiled Maybank2u Biz and SME Digital Financing application to connect and simplify SMEs day-to-day banking.

**2023**

Launched first-of-a-kind Signature branch, a fusion of physical and digital at Pavilion Bukit Jalil offering "all-in-a-bank" features for both individual and commercial clients.



# About Our Report

## OUR INTEGRATED REPORTING <IR> JOURNEY

FY2016

FY2019

FY2023

Began <IR>  
adoption

Maybank Board of  
Directors endorsed  
full <IR> adoption

Report named as  
Integrated Annual  
Report

Our Integrated Annual Report (IAR) provides:

- ➔ **Impactful, quality and interconnected disclosures** demonstrating our integrated thinking.
- ➔ Focuses on **value-enhancing disclosures** that also meet regulatory requirements, **for informed decision-making by our stakeholders.**
- ➔ **Concise reporting across 165 pages covering** our strategy, risk management, governance, business activities, performance and outlook as well as sustainability endeavours within the operating environment to create value over time for identified stakeholders.

Our annual reports also demonstrate our strategic thrusts or focus areas of **leading in customer-centricity, digitalisation and sustainability:**

- **Improved interactivity and enhanced user friendliness** by enabling easier access through cross-referencing and linkages across all reports;
- **Shareholders are encouraged to download e-books** to eliminate paper wastage; **limited copies** of IAR and Financial Statements **printed** while Sustainability and Environmental Reports are only made available via soft copy;
- Printed books come with **reusable cloth bag**; and
- We **reduce our carbon footprint of this report** practically i.e.: by using FSC certified paper. This **responsibly harvested paper is not bleached**, eliminating the release of unnecessary pollutants contributing to carbon emissions (ISO 14001 certified).

**Forest  
Stewardship  
Council  
Certified**  
(Certificate code  
C-101533)

To download a soft copy, refer to [www.maybank.com/ar](http://www.maybank.com/ar) or scan the QR code.



## OUR SUITE OF REPORTS

Maybank Group's annual report is our primary report and is supplemented by additional online disclosures for our stakeholders. The preparation of this annual report is guided by the following statutory provisions, best practices, policies and guidelines by the relevant governing and regulatory bodies:



Reporting on matters that reflect Maybank's significant impact on the economy, environment and people

### INTEGRATED ANNUAL REPORT AND CORPORATE GOVERNANCE REPORT

Provides a comprehensive overview of the Group's performance in 2023 and our outlook for 2024.

Guided by:

- Companies Act 2016
- Bursa Malaysia Main Market Listing Requirements
- Bank Negara Malaysia Corporate Governance Policy
- Malaysian Code on Corporate Governance by the Securities Commission Malaysia
- International Integrated Reporting Framework (January 2021) under IFRS Foundation
- Bursa Malaysia's Corporate Governance Guide (4<sup>th</sup> Edition)
- Malaysian Financial Reporting Standards



Reporting the financial performance and financial position of the Group

### FINANCIAL STATEMENTS

Present the full set of the Group's and the Bank's audited financial statements.

Guided by:

- Malaysian Financial Reporting Standards
- International Financial Reporting Standards
- Companies Act 2016
- Bank Negara Malaysia Policy Documents and Guidelines
- Financial Services Act 2013
- Islamic Financial Services Act 2013
- Bursa Malaysia Main Market Listing Requirements

Note: The Basel II Pillar 3 Disclosure is available on [www.maybank.com/ar](http://www.maybank.com/ar)



Reporting on sustainability matters that are material for enterprise value creation

### SUSTAINABILITY REPORT AND ENVIRONMENTAL REPORT

The Sustainability Report provides a comprehensive account of the Group's sustainability performance in relation to its material matters, while the Environmental Report which is to be read together with the Sustainability Report, covers the Group's overall approach towards the environment and climate.

Guided by:

- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- Bursa Malaysia Main Market Listing Requirements
- Malaysian Code on Corporate Governance by the Securities Commission Malaysia
- Sustainability Reporting Guide by Bursa Malaysia
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- Climate Risk Management and Scenario Analysis by Bank Negara Malaysia
- United Nations' Sustainable Development Goals (UN SDGs)
- Sustainability Accounting Standards Board (SASB) Sector Specific Disclosures
- Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard by the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI)
- The Global GHG Accounting and Reporting Standard for the Financial Industry by the Partnership for Carbon Accounting Financials (PCAF)
- International Sustainability Standards Board's (ISSB) S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related Disclosures

Note: These reports are available on [www.maybank.com/ar](http://www.maybank.com/ar), [www.maybank.com/en/sustainability.page](http://www.maybank.com/en/sustainability.page) and [www.maybankfoundation.com](http://www.maybankfoundation.com)

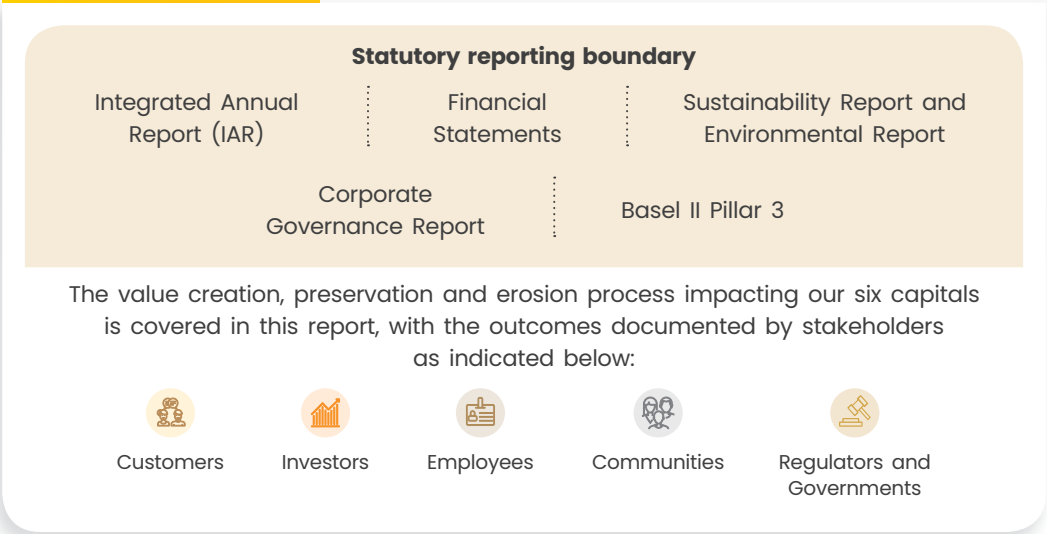


OUR REPORTING SCOPE AND BOUNDARY

This IAR covers the principal activities and operations of Malayan Banking Berhad (Maybank), including the Group’s business pillars and support sectors, key subsidiaries and international operations. The risks, opportunities and outcomes of our principal activities and operations are covered in detail on pages 86 to 100.

The period covered in this report is from 1 January 2023 to 31 December 2023 (Financial Year 2023) unless otherwise stated. Financial information has been prepared in accordance with the Malaysian Financial Reporting Standards (MFRS) and International Financial Reporting Standards (IFRS). Any significant restatements of data from previous years are noted in the respective sections.

REPORTING BOUNDARY



OUR PROCESS DISCLOSURES

A dedicated reporting team has studied the requirements of the Integrated Reporting <IR> approach and conducted content planning in determining the matters that are integral for the preparation of this report. Information included in this report has been gathered from internal and external stakeholders. The suite of reports has been prepared based on the statutory provisions, best practices, policies and guidelines established by the relevant governing and regulatory bodies (itemised by each report on page 2). These reports undergo a validation process for assurance as explained in detail below. Thereafter, the validity and suitability of the content and all issues considered material are reviewed, finalised and approved by the Board.

ASSURANCE

Internal assurance is provided through the alignment of the Group’s risk, audit and compliance functions. This allows for dedicated monitoring and oversight, ensuring a robust reporting process is in place and the integrity of information disclosed. The Group’s Risk Governance Structure places accountability and ownership in ensuring an appropriate level

of independence and segregation of duties between the three lines of defence. More information can be found on page 140.

The Group’s annual financial statements were audited by our external auditor, Ernst & Young PLT. Limited assurance by SIRIM QAS International Sdn. Bhd. was provided for the Group’s Sustainability Report, Environmental Report and sustainability-related chapters (i.e.: Sustainability Material Matters and Sustainability Statement) in the IAR while limited assurance on sustainable finance achievements was provided by PricewaterhouseCoopers PLT, Malaysia.

MATERIALITY

We assess what information should be reported in our IAR based on the principle of materiality. This report discloses our risks, opportunities, macro trends and other considerations that impact materiality on our six capitals and our ability to create, preserve and minimise erosion of value for our stakeholders. We conduct a materiality assessment (refer to page 36) on key topics deemed pertinent to both internal and external stakeholders covering five areas including governance, environment, employees, society and products and services. This materiality assessment helps shape our long-term strategy and execution of our business model to create value-added outcomes for all stakeholders.

FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements about Maybank’s future strategy, performance, operations and prospects. These statements and expectations carry risks and uncertainties given that they are dependent on circumstances that will take place in the future. As such, these factors may cause actual results or developments to deviate materially from Maybank’s forward-looking statements made at the time of release of our FY2023 results. Maybank makes no representations or warranty, express or implied, that these forward-looking statements will be achieved. Undue reliance should not be placed on such statements and Maybank will not assume responsibility for any loss or damage by any party arising from reliance of these statements.

BOARD’S RESPONSIBILITY STATEMENT

The Maybank Group’s Executive Committee, supported by a dedicated reporting team, has sought to prepare and present this IAR through a robust integrated reporting process. This is to ensure the integrity of the report and fair and balanced disclosure of matters deemed material in the Group’s process of value creation, preservation and in mitigating erosion. The Audit Committee of the Board reviewed and recommended this report to the Board of Directors for approval.

The Board acknowledges its responsibility for ensuring the integrity of this report and is of the opinion that this report is materially presented in accordance with the International Integrated Reporting <IR> Framework under the IFRS Foundation.

This report was approved by Maybank Group’s Board of Directors on 29 February 2024.



# Inside This Report

## ICONS USED IN THIS REPORT

### The Six Capitals that we use to Create Value:

- FC** Financial Capital
- IC** Intellectual Capital
- MC** Manufactured Capital
- HC** Human Capital
- SRC** Social and Relationship Capital
- NC** Natural Capital
- ALL** All Six Capitals

### Our Prioritised Material Matters:

- Governance
- Environment
- Employees
- Society
- Products and Services

### Our Key Stakeholders:

- Customers
- Investors
- Employees
- Communities
- Regulators and Governments

### Our Five Strategic Thrusts:

- ST1** Intensify Customer-centricity
- ST2** Accelerate Digitalisation and Technology Modernisation
- ST3** Strengthen Maybank's Position Beyond Malaysia
- ST4** Drive Leadership in Sustainability Agenda
- ST5** Achieve True Global Leadership in Islamic Banking
- ALL** All Five Strategic Thrusts

### Macrotrends Impacting Our Strategy:

- MT1** Economic Outlook
- MT2** Shifting Customer Preferences
- MT3** Growing Affluent Population in Asia
- MT4** Digital and Technology Transformation
- MT5** Sustainability
- MT6** Talent Development
- ALL** All Six Macrotrends Impacting Our Strategy

### Our 12 Principal Risks:

- CR** Credit Risk
- MR** Market Risk
- LR** Liquidity Risk
- NFR** Non-Financial Risk
- ITR** Information Technology (IT) Risk
- CoR** Compliance Risk
- ER** Enterprise Risk
- MoR** Model Risk
- FR** Financial Risk
- TIR** Takaful and Insurance Risk
- PPR** People and Performance Risk
- ESGR** Environmental, Social and Governance (ESG) Risk
- ALL** All 12 Principal Risks

### Our 12 Strategic Programmes (SPs):

- SP1** Reshape wholesale target operating model
- SP2** Build a regional transaction banking proposition
- SP3** Reimagine the consumer banking customer journey
- SP4** Reimagine the SME banking customer journey
- SP5** Build global Islamic banking leadership
- SP6** Become a regional leader in Insurance
- SP7** Uplift Indonesia
- SP8** Redefine our international footprint
- SP9** Be the sustainability leader in Southeast Asia (SEA)
- SP10** Elevate Maybankers
- SP11** Drive hyper-personalisation through advanced analytics
- SP12** Build next-gen technology capabilities
- ALL** All 12 Strategic Programmes

### Related UN SDGs:



### Cross references:

- Tells you where you can find more information within the reports
- Links you to related online content
- Tells you where you can find more information online at [www.maybank.com](http://www.maybank.com)

### Feedback:

Should you have any feedback on this report, please reach out to [ir@maybank.com.my](mailto:ir@maybank.com.my)



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Maybank's IAR focuses on concise and meaningful disclosures that demonstrate our value creation process and meets regulatory requirements. Other corporate disclosures updated regularly on our corporate website but not included in this report are:

### Maybank Corporate Updates:

- History and Milestones
- Awards and Accolades
- Group Policies, Procedures and Frameworks
- Products and Services
- Global Network Directory
- Sustainability Position Statements, Policies and Frameworks
- Social Media and News Highlights
- Media Releases

### Investor Updates:

- Debt Issuances and Related Information
- Financial Statements by Subsidiaries
- Presentation Materials

# 64<sup>th</sup>

## ANNUAL GENERAL MEETING



**To be held physically and broadcasted live from:**  
Ballroom, Level 3  
Malaysia International Trade and Exhibition Centre (MITEC),  
Kompleks MITEC, No. 8,  
Jalan Dutamas 2, 50480  
Kuala Lumpur, Malaysia



**Date and time:**  
Thursday,  
25 April 2024  
10.00 a.m.





# Who We Are and What We Do

Established in 1960, Maybank is the largest financial services group in Malaysia with an established presence in the ASEAN region.

## OUR PURPOSE...

We are a **values**-driven **platform**, powered by a **bionic workforce** that **Humanises Financial Services**.



driven by

## OUR MISSION...

**Humanising Financial Services**

Being at the heart of the community, we will:

- 1 Make financial services simple, intuitive and accessible.
- 2 Build trusted partnerships for a sustainable future together.
- 3 Treat everyone with respect, dignity, fairness and integrity.



shaped by

## OUR VALUES...

**Teamwork**  
**Integrity**  
**Growth**  
**Excellence & Efficiency**  
**Relationship Building**

Our **core values, TIGER**, are the guiding principles for all Maybankers to serve our mission of Humanising Financial Services.

## WITH OUR UNIQUE DIFFERENTIATORS...

We serve our communities in ways that are simple, fair, inclusive and human, **embodying our mission**.



Over

**43,000**  
**Maybankers**

who serve our mission, empowered by our **core values, TIGER**.



**M25+**

Our refined strategy,

**M25+**,

reinforces our focus across **five strategic thrusts** to drive sustainable long-term growth anchored on a deeper purpose.

## AND OUR STRUCTURE...

In serving our mission, we provide an array of financial products and services through three key business pillars, supported by shared corporate functions across our global network of 18 countries.

### Business Pillars

#### Group Community Financial Services



- Consumer Banking
  - Serves: Individuals
  - Offers: Loans such as housing, personal, hire purchase and unit trusts, fixed deposits, savings and current accounts, remittance services, bancassurance products, wealth management services, credit cards as well as digital and mobile banking services

- Non-retail Banking
  - Serves: Micro, small and medium enterprises (SMEs) as well as commercial customers
  - Offers: business financing, short-term credit (i.e.: overdrafts and trade financing), cash management and custodian services as well as digital and mobile banking services

#### Group Global Banking



- 1 Corporate Banking and Global Markets
  - Corporate and Transaction Banking
    - Serves: Corporates, financial institutions and government entities/agencies
    - Offers: Term loans, overdrafts, short-term revolving credit, trade finance and services, guarantees, supply chain and cash management solutions
  - Global Markets
    - Serves: Individuals, corporates, financial institutions and government entities/agencies
    - Offers: Treasury activities and services including foreign exchange and structured products, money market deposits, derivatives and capital products as well as trading services

- 2 Group Investment Banking
  - Serves: Individuals, corporates, governments (including agencies and government-linked companies) and financial sponsors
  - Offers: Investment banking solutions covering corporate finance and advisory, fund raising; securities, futures and prime brokerage services, derivatives and research as well as sustainable finance advisory
- 3 Group Asset Management
  - Serves: Individuals, SMEs, corporates, institutional clients and government entities/agencies
  - Offers: Unit trusts and wholesale funds including conventional, Islamic, ESG, alternative investment solutions and mandates

#### Group Insurance and Takaful



- Serves: Individuals, corporates and government entities/agencies
- Offers: Conventional and Islamic insurance (takaful) solutions for general and life/family businesses including long-term savings and investment products

#### Group Islamic Banking



Maybank adopts an Islamic-first approach:

- Serves: Universal retail and non-retail segments
- Offers: Shariah-compliant and values-based financial solutions across the Group's three business pillars

#### Group Corporate Functions

Finance | Strategy | Technology | Operations | Compliance | Risk |  
Human Capital | Internal Audit | Corporate Secretarial | Legal | Sustainability



## Who We Are and What We Do

We provide a full suite of conventional and Shariah-compliant products and services in commercial banking, investment banking and insurance, to over 16 million retail, non-retail and corporate customers.

### Presence and Network



Over 954 touchpoints which include branches, premier, service and commercial banking centres as well as various digital and online platforms.



Dubai has corporate banking services.



Total of nine offices, 33 branches and 96 touchpoints.



More than 10,000 agents, 46 branches and 17 offices. Bancassurance network has over 490 branches, cooperatives, brokers and online platforms.



353 Maybank touchpoints in Malaysia and eight fully-fledged Maybank Islamic branches.

### Areas of Strength and Differentiation

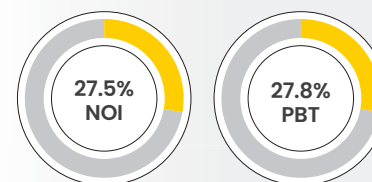
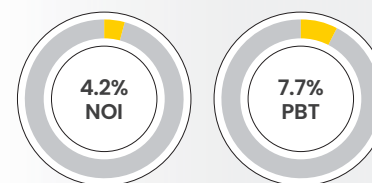
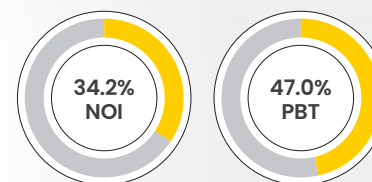
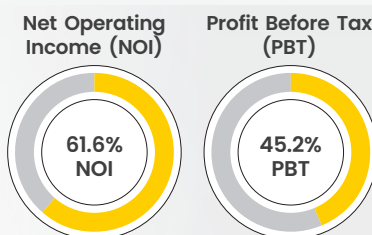
- Largest retail physical distribution network in Malaysia and regional presence in six other ASEAN markets
- Market leader in Malaysia for cards, consumer current and savings accounts (CASA), merchants, bancassurance and digital banking businesses with strong expertise and experience in consumer and SME segments
- Market leader in internet banking (54.0%) and mobile transaction (52.9%) volume in Malaysia

- Market leader in Malaysia by revenue, profit before taxation, loans and deposits with strong presence across key ASEAN countries
- Cultivating leadership in mobilising Sustainable Finance via partnering our clients in their decarbonisation efforts while accelerating ASEAN's transition to a low carbon economy, leveraging Maybank's robust ESG ecosystem and capabilities. Also recognised as "Best Bank for Sustainable Finance (Malaysia)" by Global Finance
- Strong transaction banking business with leading trade finance market share in Malaysia and differentiated trade and cash management offerings

- Market leader with strong presence as online insurer in Malaysia for general business
- Leading ASEAN insurer: Malaysia's largest general insurer and takaful company, Philippines' second largest group medical/life insurer and seventh largest life insurer in Cambodia
- One of only two insurers in Malaysia to hold all four licences (life, family, general and general takaful), offering a complete suite of insurance and takaful products

- Largest Islamic bank in Asia Pacific and fifth largest in the world by total assets at USD67.4 billion. Also, globally recognised thought leader in Islamic finance
- Industry pioneer for global Islamic wealth management, offering comprehensive solutions across the five pillars of creation, accumulation, preservation, purification and distribution
- Islamic banking industry leader in Malaysia and Singapore, and a leading Shariah bank in Indonesia, with expansive Shariah-compliant solutions, distribution networks, and sizeable clientele

### Contribution to Maybank Group FY2023



### HELP DELIVER VALUE ACROSS ASEAN.

Being at the heart of ASEAN, we continue to dedicate our efforts towards achieving a sustainable and inclusive future for our communities.

### RM39.0 billion

Total non-retail loans disbursed across key markets in FY2023, with Maybank serving over 850,000 SME customers across ASEAN.

### Over RM4.3 billion

of affordable home loans mobilised in Malaysia in FY2023, providing home ownership accessibility to low-income households.

### Over RM34.1 billion

of sustainable financing mobilised in FY2023 to support low-carbon transition initiatives and sustainable development outcomes, of which RM17.5 billion was through sustainable Islamic finance solutions.

### Over RM1.1 trillion

transacted via Maybank's digital platforms across ASEAN in FY2023, supported by cross-border initiatives between key markets including Malaysia, Singapore, Indonesia and Cambodia to promote borderless inclusivity.

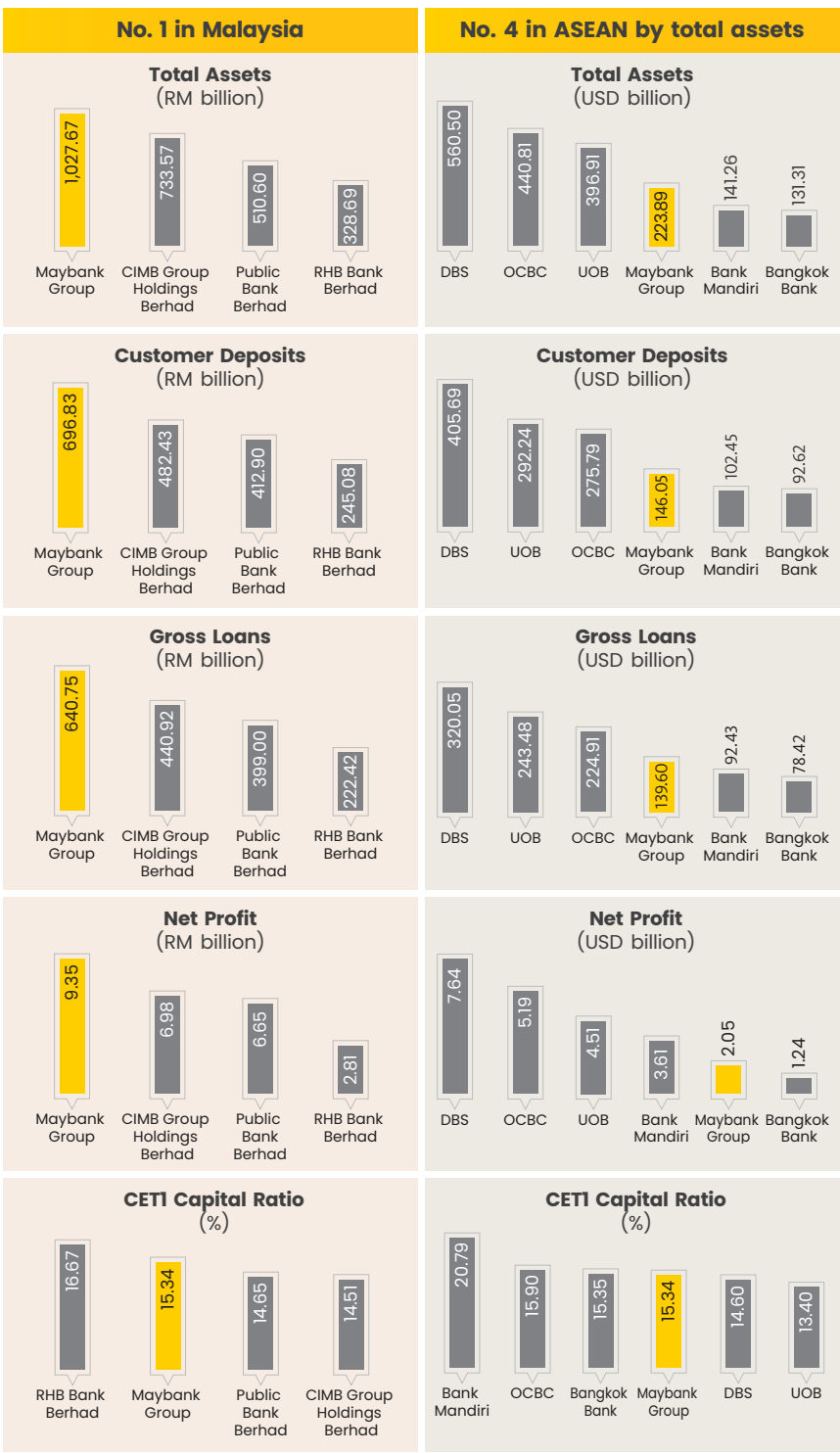
### RM71.1 billion

in Islamic wealth asset under management as at year-end, focusing on innovative solutions covering customers' life journeys premised on the five Islamic wealth pillars, namely creation, accumulation, preservation, purification and distribution.



# Our Presence and Ranking in ASEAN

## MAYBANK'S RANKING AGAINST MALAYSIAN AND ASEAN PEERS



Source: Company's financial statements as at 31 December 2023

Source: Bloomberg for the reporting period as at 31 December 2023

## ASEAN Presence

10 countries

959<sup>#</sup> branches

33 investment banking (IB) branches

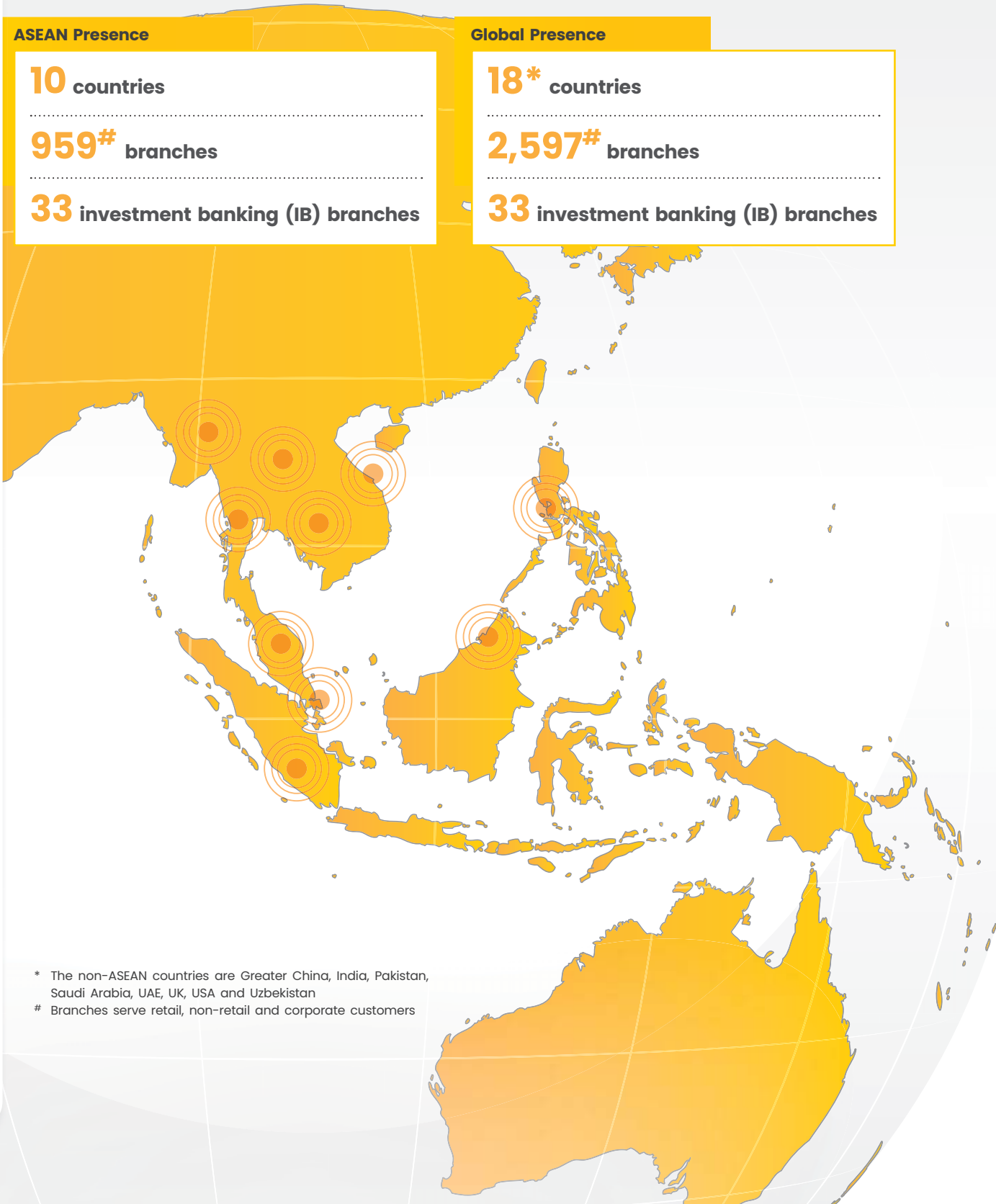
## Global Presence

18\* countries

2,597<sup>#</sup> branches

33 investment banking (IB) branches

\* The non-ASEAN countries are Greater China, India, Pakistan, Saudi Arabia, UAE, UK, USA and Uzbekistan  
# Branches serve retail, non-retail and corporate customers


































































## Our Presence and Ranking in ASEAN

### OUR PRESENCE

Malayan Banking Berhad is the holding company and listed entity for Maybank Group. The Group, through its subsidiaries, offers an extensive range of products and services, which includes consumer and corporate banking, investment banking including stockbroking, Islamic banking, insurance and takaful, trustee and nominee services and asset management.

Our operations span across 18<sup>^</sup> countries including all 10 ASEAN countries and international financial centres such as London, New York, Hong Kong and Dubai. Maybank's home markets are Malaysia, Singapore, Indonesia and Cambodia. We have sharpened our focus by defining our robust global network into three archetypes based on our key strengths in the different markets where we operate to leverage the existing subsidiaries or network established in these markets.

Universal Play		Definition: Universal offering; Participation in all segments and core products	
Country	Description	Country	Description
Malaysia 	 1960  353 and also six for IB  Retail, non-retail and corporate businesses	Greater China  	 1962 in Hong Kong; 2000 in Shanghai, 2012 in Beijing, 2015 in Kunming and 2016 in Shenzhen  Five  ASEAN and domestic corporate clients and financial institutions. Also, private wealth customers through Maybank Hong Kong
Singapore 	 1960 [Maybank Singapore Limited (MSL) incorporated in 2018]  18 (includes nine for corporate and institutional businesses)  Retail and commercial businesses under MSL while corporate and institutional businesses under specific branches	Vietnam 	 1995  Two (Ho Chi Minh and Hanoi)  Regional corporate businesses
Indonesia 	 1959 (PT Bank Maybank Indonesia Tbk)  337 (includes 20 Shariah branches and one in Mumbai, India)  Retail, non-retail and corporate businesses	Philippines 	 1997 (Maybank Philippines Incorporated)  60  Retail and corporate businesses
Cambodia 	 1993 (Maybank Cambodia Plc; incorporated in 2012)  21  Retail, non-retail and corporate businesses	Thailand 	 1990 initially as Nithipat Capital Co. Ltd but name changed to Maybank Securities Thailand in 2022  19 for IB and one head office  Retail and institutional businesses (i.e.: brokerage, securities trading, underwriting and investment advisory services)

Strategic Footprint		Definition: Serves strategic imperatives; Lean setup to connect customers and act as liquidity hub targeting ASEAN corporates	
Country	Description	Country	Description
Brunei 	 1960  Two (Bandar Seri Begawan and Seria)  Retail and commercial businesses	Laos 	 2012  One (Vientiane)  Retail SMEs, mid-tier local and ASEAN corporate businesses
Myanmar 	 1994 (as Representative Office but full bank license in 2014)  One (Yangon)  Foreign and local corporates as well as domestic financial institutions	USA 	 1984  One (New York)  Corporate businesses (i.e.: lending, loan syndications, bilateral arrangements, treasury, capital markets and trade finance services)
UK 	 1962  One (London)  Regional ASEAN corporate businesses (i.e.: capital markets, trade finance and global market services)	India 	 1995  One (Mumbai held via Maybank Indonesia)  Corporate businesses (i.e.: trade and remittance services across Asia)
UAE 	 2019  One (Maybank Islamic Dubai-DIFC Branch)  Corporate businesses (i.e.: lending, loan syndications, bilateral arrangements, treasury, capital markets and trade finance services)		

#### Notes:

<sup>^</sup> The countries not featured are Pakistan, Saudi Arabia and Uzbekistan

For more, refer to [www.maybank.com/en/maybank-worldwide.page](http://www.maybank.com/en/maybank-worldwide.page)

Icons:  Established  Branches  Serves



# Group Corporate Structure

As at 31 December 2023



MALAYAN BANKING BERHAD

The operations of Maybank cover various key entities and business segments of the Group including commercial banking, insurance and takaful, investment banking, asset management and other business segments across 18 countries.

## COMMERCIAL BANKING

- **ISLAMIC BANKING**
  - **100%** Maybank Islamic Berhad (Islamic banking)
- **98.52%\*** PT Bank Maybank Indonesia Tbk (Banking)
  - **99.99%** PT Maybank Indonesia Finance (Multi-financing)
  - **68.55%** PT Wahana Ottomitra Multiartha Tbk (Multi-financing)
- **99.98%** Maybank Philippines, Incorporated (Banking)
- **100%** Maybank (Cambodia) Plc. (Banking)
- **100%** Maybank Singapore Limited (Banking)
- **18.78%** MCB Bank Limited (Banking)
- **16.39%** An Binh Commercial Joint Stock Bank (Banking)
- **10.40%** Uzbek Leasing International A.O. (Leasing)

## INSURANCE AND TAKAFUL

- **100%** Etiqa International Holdings Sdn. Bhd. (Investment holding)
  - **69.05%** Maybank Ageas Holdings Berhad (Investment holding)
    - **100%** Etiqa General Insurance Berhad (General insurance business)
    - **100%** Etiqa Family Takaful Berhad (Family takaful and investment-linked businesses)
    - **100%** Etiqa Life Insurance Berhad (Life insurance and investment-linked businesses)
    - **100%** Etiqa General Takaful Berhad (General takaful business)
    - **100%** Etiqa Insurance Pte. Ltd. (General insurance and life insurance businesses)
    - **100%** Etiqa Life International (L) Limited (Offshore investment-linked business)
    - **100%** Etiqa Offshore Insurance (L) Limited (Bureau Services)
- **79.87%** PT Asuransi Etiqa Internasional Indonesia (General insurance business)
- **95.24%\*** Etiqa Life and General Assurance Philippines Inc. (General insurance and life insurance businesses)
- **100%\*\*\*** Etiqa General Insurance (Cambodia) Plc. (General insurance business)
- **100%\*\*\*** Etiqa Life Insurance (Cambodia) Plc. (Life insurance and investment-linked businesses)
- **100%** Etiqa Digital Solutions Sdn. Bhd. (Other IT, business management consultancy/support services)

## INVESTMENT BANKING

- **100%** Maybank International Holdings Sdn. Bhd. (Investment holding)
  - **100%** Maybank IBG Holdings Limited (Investment holding)
    - **100%** Maybank Securities Pte. Ltd. (Dealing in securities)
    - **83.50%** Maybank Securities (Thailand) Public Company Limited (Dealing in securities)
    - **100%** Maybank Capital, Inc. (Corporate finance, financial and investment advisory)
      - **100%** Maybank Securities, Inc. (Dealing in securities)
    - **99.78%@@** PT Maybank Sekuritas Indonesia (Dealing in securities)
    - **100%** Maybank Securities (London) Limited (Dealing in securities)
    - **100%** Maybank Securities USA Inc. (Dealing in securities)
    - **100%** MIB Securities (Hong Kong) Limited (Dealing in securities)
    - **100%** MIB Securities India Private Limited (Dealing in securities)
    - **100%** Maybank Securities Limited (Dealing in securities)
    - Other Subsidiaries
- **100%** Maybank Investment Bank Berhad (Investment banking)
  - Other Subsidiaries

## ASSET MANAGEMENT

- **80%** Maybank Asset Management Group Berhad (Investment holding)
  - **100%** Maybank Asset Management Sdn. Bhd. (Fund management)
    - **99%** PT Maybank Asset Management (Fund management)
    - **100%** Amanah Mutual Berhad (Fund management)
  - **100%** Maybank Islamic Asset Management Sdn. Bhd. (Fund management)
  - **100%** Maybank Private Equity Sdn. Bhd. (Private equity management)
  - **100%** Maybank Asset Management Singapore Pte. Ltd. (Fund management)

## OTHERS

- **100%** Maybank Trustees Berhad (Trustee services)
- **100%** Maybank Shared Services Sdn. Bhd. (IT shared services)
  - **100%\*\*** MBB Labs Private Limited (IT development services)
- **100%** Maybank Ventures Sdn. Bhd. (Business/Economic consultancy and advisory)
- Other Subsidiaries

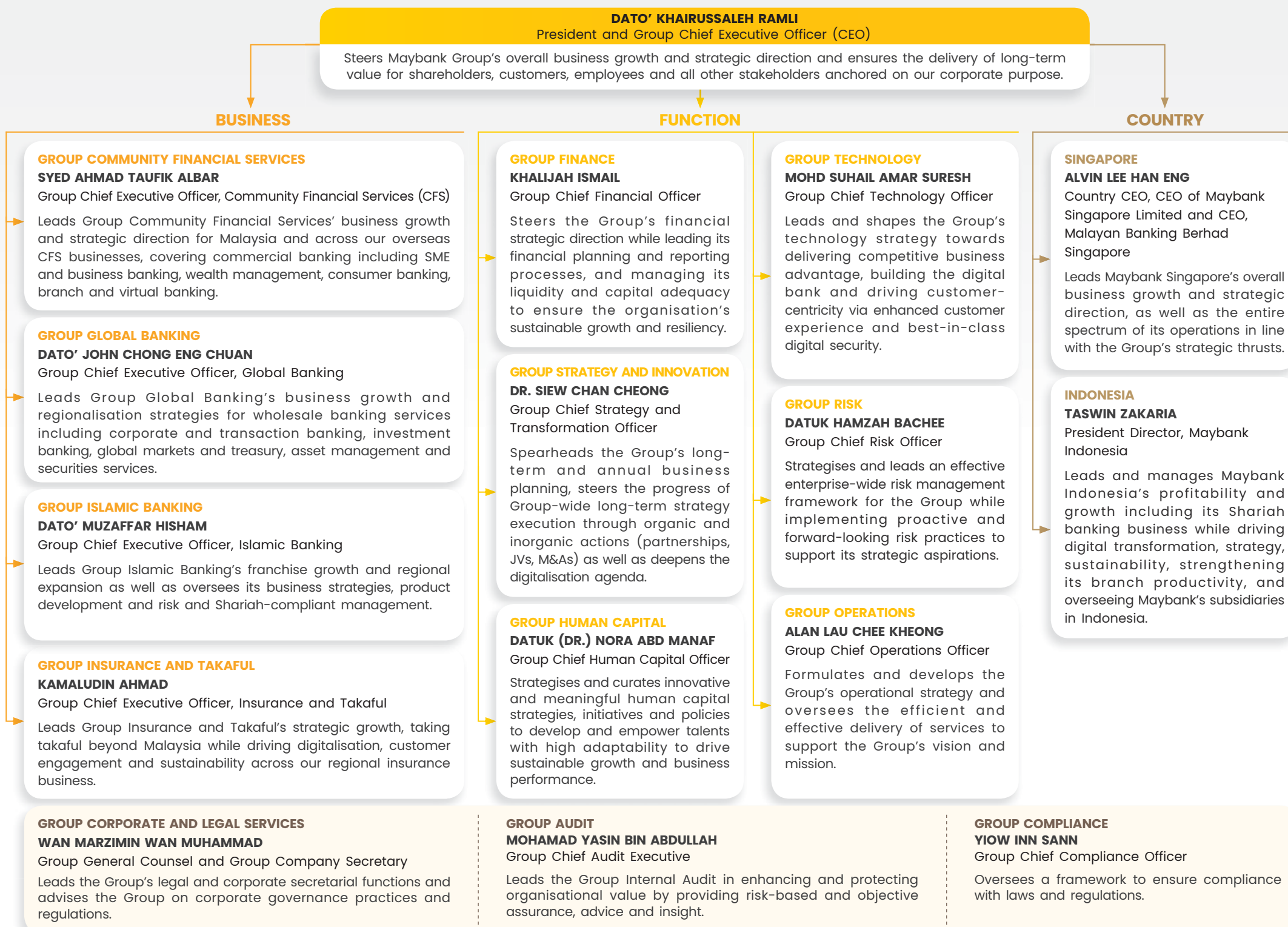
### Notes:

1. This chart is not the complete list of Maybank subsidiaries and associates. Companies that are not shown include those that are dormant, under liquidation, have ceased operations, or are property investment or nominee services companies. For the complete list, refer to Notes 64: Details of Subsidiaries, Deemed Controlled Structured Entities, Associates and Joint Ventures in the Financial Statements
  2. Where investment holding companies are omitted, shareholdings are shown as effective interest
- \* Effective interest held by the Group. Refer to Notes 64, footnote 14, page 297 in the Financial Statements for the details
- \*\* 0.01% is held by Dourado Tora Holdings Sdn. Bhd.
- \*\*\* 99.998% is held by Etiqa International Holdings Sdn. Bhd.
- @ Effective interest held by the Group. 54.66% is held by Etiqa International Holdings Sdn. Bhd. and 40.58% is held by Maybank Capital, Inc.
- @@ Effective interest held by the Group. 85% is held by Maybank IBG Holdings Limited and 15% is held by PT Maybank Indonesia Finance (14.78% effective interest held by the Group)



# Group Organisation Structure

As at 1 March 2024



Full profiles can be obtained on pages 112 and 118 to 120

Note: Dato' Mohamed Rafique Merican Mohd Wahiduddin Merican, formerly Group Chief Executive Officer, Islamic Banking, has been redesignated as an advisor effective 1 March 2024 until his retirement on 20 June 2024





## Investment Case





# Highlights of 2023

## FINANCIAL HIGHLIGHTS

Total Assets

**RM1.03 trillion**

(FY2022\*: RM948.13 billion)

Record Net Profit

**RM9.35 billion**

(FY2022\*: RM7.96 billion)

Return on Equity

**10.8%**

(FY2022\*: 9.6%)

Earnings per Share

**77.6 sen**

(FY2022\*: 66.5 sen)

Group CET1 Capital Ratio<sup>#</sup>

**15.34%**

(FY2022: 14.78%)

Total Dividend per Share

**60.0 sen**

(FY2022: 58.0 sen)

Dividend Payout Ratio

**77.4%**

(FY2022\*: 87.5%)

Dividend Yield

**6.7%**

(FY2022: 6.7%)

## BUSINESS HIGHLIGHTS



**Launched seamless regional cashless payments** via cross-border QR payment in Malaysia, Singapore, Thailand and Indonesia



Sole Financier and Sustainability Structuring Adviser for **ASEAN's first sustainability-linked Islamic revolving credit facility** for the shipping industry totalling USD100.00 million



**No. 1 general takaful player** and online **general insurance and takaful player** in Malaysia with 53.1% market share



**Established Islamic wealth management (IWM) hub in Singapore** to provide onshore and offshore IWM solutions for premier and private banking customers in Malaysia, Singapore and Indonesia

ALL

## DIGITAL AND CUSTOMER EXPERIENCE HIGHLIGHTS



**Best Consumer Digital Bank in Asia Pacific, Best Mobile Banking App and Best Online Product Offerings in Malaysia** in the Global Finance Awards 2023



Launched **First "Phygital" Signature Branch** to deliver superior customer experience with hyper-personalised solutions



**Simplified and shortened account opening time by 70% to 15 minutes** at branches via Agile Customer Experience



Maintained differentiated customer experience leadership with a **Net Promoter Score of +37 (2022: +24)**

ST1

ST2

## SUSTAINABILITY HIGHLIGHTS



First Malaysian bank to receive Global Finance's **"Outstanding Leadership in Sustainability Transparency" - Asia Pacific** award. Maybank also won Global Finance's **Best Bank for Sustainable Finance - Malaysia** award



The only Malaysian corporation to feature among **750 companies in TIME magazine's World's Best Companies 2023**, with a sustainability ranking of 374



Our **CDP score improved to B from C** given our coordinated action on climate issues. Also, finalising our science-based net zero pathway for two key sectors



**Advancing value-based banking with first-of-its-kind solutions**, Maybank myimpact credit cards, that combine sustainability and Shariah principles

ST4

\* Restated FY2022 comparative information as MFRS 17 has replaced MFRS 4 Insurance Contracts for annual periods beginning on or after 1 January 2023

<sup>#</sup> Post second interim dividend



# Significant Events of 2023

## MARCH

### 6 March

Maybank Singapore signed MOU with KPMG Singapore to mobilise funding for low carbon and green projects originated by the ASEAN Decarbonisation Hub.

## MAY

### 3 May

Maybank hosted its fourth virtual annual general meeting (63<sup>rd</sup> AGM) at Menara Maybank attended by 4,786 shareholders. The AGM was immediately followed by an extraordinary general meeting attended by 1,609 shareholders.

### 30 May

Maybank launched its cross border QR payment service via the MAE app for Maybank customers travelling to Malaysia, Singapore, Indonesia and Thailand.

## JUNE

### 14 June

Maybank Islamic launched a digital wasiat writing service, EzyWasiat, allowing customers to easily prepare their wasiat efficiently within Shariah and Faraid (Islamic inheritance) principles.

### 22 June

Etiqa launched RAHMAH Personal Accident Insurance and Takaful policies targeted at the B40 segment.

## JULY

### 7 July

Maybank launched its first-of-a-kind Signature branch, a fusion of physical and digital 'Phygital' concept, in Kuala Lumpur.



## JULY

### 21 July

Maybank entered strategic partnership with electric vehicle manufacturer Tesla to offer integrated auto financing solution.



### 27 July

Maybank Investment hosted the Invest Malaysia, Special Series: Launch of the National Energy Transition Roadmap, Part 1: Flagship Catalyst Projects and Initiatives.

## AUGUST



### 16 August

Maybank introduced the Maybank myimpact credit cards promoting sustainable lifestyles and eco-purchases.

### 19 August

After a three-year hiatus due to the COVID-19 pandemic, Maybank Group Global CR Day 2023 was held in conjunction with our Maybank Group Sustainability Week.

### 27 August

Maybank Indonesia held Indonesia's first Elite Label Road Race Maybank Marathon in Bali, which saw more than 13,000 runners from 50 countries taking part.

## SEPTEMBER

### 22 September

Maybank Investment Bank celebrated its 50<sup>th</sup> anniversary with a gala dinner for its customers and employees.

### 25 September

Maybank Indonesia launched comprehensive Shariah Wealth Management solutions.

## OCTOBER

### 26 October

Themed 'Retake the Green', The Maybank Championship in partnership with the Ladies Professional Golf Association saw globally renowned golfers compete.

## NOVEMBER

### 1 November

Maybank Asset Management launched AI-powered, Shariah-compliant Discretionary Portfolio Mandate with Arabesque AI.

### 20 November

Maybank Group launched its Islamic wealth management regional offshore hub in Singapore.



## DECEMBER

### 1 December

Maybank Singapore extended ASEAN's first sustainability-linked Islamic revolving credit facility (US\$100 million) to global shipping company, AET.

Legend: ● Business ● Corporate ● Corporate Responsibility



## Chairman's Statement

Guided by M25+, we overcame all the challenges that surfaced, surpassing industry performance to achieve another record-breaking year with total assets exceeding RM1 trillion and a net profit of RM9.35 billion.

**Tan Sri Dato' Sri Ir. Zamzamzairani Mohd Isa**  
Chairman

2023 was a year in which we were reminded of how fragile the world is socially, economically and environmentally. Although COVID-19 was no longer a pandemic, we continued to experience its lingering effects. At the same time, geopolitical tensions continued to simmer, commodity prices were volatile, and inflation impacted the quality of life for many. Before the close of the year, COP28 underlined the urgency of managing climate change. In other words, it was a challenging 12 months for everyone – governments, corporations and communities alike.

Yet, Maybank was prepared for it. After much soul-searching inspired by our incoming President and Group Chief Executive Officer in 2022, we had outlined a new M25+ strategy which takes into consideration changes that are reshaping our operating landscape, and how these would affect the Bank. Although Maybank already recognised that our success depends largely on the well-being of our stakeholders, M25+ further emphasises the creation of stakeholder value, not only through a customer-centric mindset but also a more pervasive adoption of Islamic principles, as well as intensified sustainability initiatives. The objective, through this strategy, is for value-based banking to become part of Maybank's identity, differentiating us from others in the industry.



**Become a global  
Islamic banking leader**  
and differentiate  
Maybank through  
value-based banking



Total assets  
exceeding  
**RM1  
trillion**



Dividend payout of  
**RM7.24  
billion**



Board-level women  
representation of  
**36%**





## Chairman's Statement

Guided by M25+, we overcame all the challenges that surfaced to make significant advances in every aspect of our operations in 2023. Resourceful and resilient, we surpassed industry performance to achieve another record-breaking year with total assets exceeding RM1 trillion and a net profit of RM9.35 billion, a new historical high. That these results were achieved along with a strengthened environmental, social and governance (ESG) base made them even more meaningful.

### TAKING THE LEAD IN ISLAMIC BANKING

The tenets of Islamic banking clearly reflect what we seek to achieve through the ethos of value-based banking, namely being fair and transparent in our dealings while enhancing our service delivery and contributing to financial inclusivity as well as social and environmental well-being. Arising from this coupled with Islamic finance business opportunities, Maybank seeks to become a global leader in Islamic banking. It gives me pleasure to share that we achieved a milestone in this regard in 2023, with the launch of a regional offshore Islamic wealth management (IWM) hub in Singapore.

Singapore was a strategic choice because it is a regional financial centre, and our IWM facility is the first-of-its-kind on the island state offering end-to-end IWM solutions. With support from Malaysia, we are confident that this new hub will grow rapidly as it serves the needs of individuals across the region looking to make investments that are socially and environmentally responsible.

Supporting our transformation into a premier Islamic financial institution, we have also established a Centre of Excellence which will ensure Shariah-compliant practices along our value chain – from the development of customer solutions to the delivery of the highest quality of service. In addition, our Centre of Excellence will build Maybank into a thought leader in advancing the Islamic financial sector.

Meanwhile, focusing more specifically on the environmental aspects of value-based banking, we have also introduced the “myimpact” brand and launched the first-of-its-kind myimpact credit cards in the region. Essentially, myimpact seeks to create greater awareness of how our everyday actions affect the environment, with the objective of promoting more sustainable lifestyles. With the card, members can track and offset their carbon footprints. They are also rewarded for the purchase of environmentally-friendly goods and services, and for contributing towards environmental efforts across the region. Following the card, we launched the myimpact SME hub, through which we seek to guide Malaysian small and medium enterprises (SMEs) to transition towards more sustainable practices by also offering them value-based solutions.

### VALUE CREATION FOR OUR STAKEHOLDERS

As a result of our robust financial performance in 2023, Maybank has been able to continue to create value for our key stakeholders. We have a policy of distributing between 40% and 60% of our net profit to our shareholders; and it gives me pleasure to share that we once again exceeded our commitment by offering a fully-cash dividend payout ratio of 77.4%, or 60.0 sen per share. This is one of Maybank's highest payouts ever and also one of the best dividend yields in the region for the year.

In addition, we are contributing RM3.10 billion in taxes and zakat to the regional governments where we operate, which will be channelled towards socio-economic programmes aimed at bettering lives. At the same time, through Maybank Foundation, an accredited ASEAN entity since 2021, we continue to positively impact the communities we serve in the region.

Education is one of the Foundation's focus areas as it is a powerful enabler in uplifting marginalised communities. Through the Foundation, we offer two scholarships – the Maybank Group Scholarship, a more than five-decade-old programme for Malaysian students; and the newer ASEAN-Maybank Scholarship. This year, we awarded the Malaysian scholarship to 69 deserving students, providing them the opportunity to pursue tertiary education locally or overseas. We also selected five outstanding students from Brunei, Indonesia, Malaysia and Vietnam for the ASEAN-Maybank Scholarship in conjunction with the 56<sup>th</sup> ASEAN Day celebration in Indonesia. The ASEAN scholarship, developed in partnership with the ASEAN Secretariat, is unique because it not only provides the opportunity for students to pursue tertiary education, but also strengthens unity across the region as each scholar is placed in a regional university outside of his/her home country.



**Launched myimpact brand** which seeks to create greater awareness of how our everyday actions affect the environment



**Awarded Best CR Initiatives** at the Edge Billion Ringgit Club 2023 awards in the Super Big Cap Companies category (for companies with above RM40 billion market capitalisation)

Other than the scholarship, Maybank Foundation organised the third Regional Capacity Building Workshop as part of the eMpowering Youths Across ASEAN (eYAA) programme together with the ASEAN Foundation. Since eYAA's launch in 2018, over 200 youth volunteers have worked together with 30 social enterprises to positively impact the lives of over 50,000 individuals in the region.

Over and above these programmes, we champion financial inclusion and literacy via programmes such as Cashville Kidz, through which we have reached over 330,000 students across ASEAN. We also launched the regional Financial Education Excellence Awards to honour Cashville Kidz educators and students. We empower women and people with disabilities (PWDs) through Women Eco-Weavers and Reach Independence and Sustainable Entrepreneurship (R.I.S.E) respectively. Both programmes continued to grow in 2023: Women Eco-Weavers opened its second Maybank Silk Weaving Training Centre in Cambodia, or eighth centre in ASEAN, while R.I.S.E expanded to its fifth ASEAN country, Cambodia. In tiger conservation, our efforts with WWF-Malaysia in the Belum-Temenggor Forest Complex helped the Royal Belum State Park achieve the first CA|TS accreditation in ASEAN in 2023.

We undertake our community programmes out of a genuine desire to be a force for good. Nevertheless, it is always encouraging to receive recognition for our efforts; and this year it was a moment of pride when Maybank was awarded for Best CR Initiatives at the Edge Billion Ringgit Club 2023 awards in the Super Big Cap Companies category (for companies with above RM40 billion market capitalisation).

## Chairman's Statement

### EMPHASISING DIGNITY AND DIVERSITY

Our employees are one of our most important stakeholders, and we are dedicated to creating value for them too. In addition to competitive salaries and benefits, as well as continuous training and engagement activities, we nurture an inclusive and equitable environment within our workplace. Various policies are in place to ensure everyone in the Group is treated with respect and dignity including the recently launched Maybank Group Dignity Policy which enshrines our zero tolerance for discrimination, bullying, bias or harassment.

Meanwhile, as an equal opportunities employer and to further strengthen diversity at Maybank, we introduced the Work Placement Programme for PWDs. Our aim is to train differently abled talents for a minimum of eight months with the possibility of offering full-time employment to those who prove to be a good fit with our ethos. We currently have nearly 100 PWD trainees in various departments Group-wide.

### DEEPENING OUR SUSTAINABILITY CAPABILITIES AND OUTCOMES

As we build our value-based identity, it is important that everyone at all levels in Maybank is on board our journey. Being aware of our aspirations is the first step; but to achieve our goals, all Maybankers need to have the knowledge and tools to ensure value creation across our operations. This has seen us continuously build our sustainability capabilities, especially in recent years. In 2023 itself, my colleagues on the Board and I attended various sustainability and climate-related training programmes including one on reporting the financial impacts of climate change, a topic which is pertinent as we support the low-carbon transition. We have also partnered with the United Nations Global Compact Network Malaysia & Brunei to develop a structured certification programme for sustainability practitioners within our workforce.



As an equal opportunities employer, we introduced the **Work Placement Programme for PWDs** offering full-time employment to those who prove to be a good fit with our ethos



The Board approved the development of **sustainability key performance indicators** as part of the Long-Term Incentive Plan for senior executives

Further integrating sustainability into the fabric of our DNA, we linked Maybank's bonus and other emoluments to metrics related to our sustainability commitments effective FY2022. The Board approved the development of sustainability key performance indicators (KPIs) as part of the Long-Term Incentive Plan for senior executives. All of this leaves no doubt in Maybank that ESG-related KPIs are as important as non-ESG KPIs.

At the ground level, we launched our inaugural Maybank Group Sustainability Week in 2023, which included panel sessions and talks on topics such as diversity and inclusion, mental health, sustainable farming and reducing carbon emissions. To encourage sustainability ideation among employees, we organised the Maybank Sustainability Ideathon, offering the winners funds to carry out proposed projects. It was encouraging to see very positive response to this initiative, with the five-day event drawing the participation of over 8,000 employees.

While the Sustainability Week was all-encompassing, the Group's 11<sup>th</sup> Global Corporate Responsibility Day was pervasive. The annual event saw more than 17,000 Maybankers engage directly with over 17,000 community members, making it one of the largest global community programmes undertaken in one day by a Malaysian-based corporation.

### DRIVING GOVERNANCE AT THE BOARD

Good governance is critical to integrity and value creation; hence the Board continues to review and strengthen our governance framework as we adopt best practices. Among others, we have made a conscious effort to create diversity on the Board, with Directors bringing different experience and skillsets to enhance our perspectives and strategic decision-making capabilities. Women currently make up 36% of the Board, which is higher than the 30% baseline recommended by the Malaysian Code on Corporate Governance. In addition, eight out of our 11 directors are independent, providing objective checks and balances and ensuring the interests of our stakeholders are protected at all times.

Two of my esteemed colleagues retired in 2023 while a new Director joined the Board. On behalf of the Board, I would like to express our appreciation for the invaluable contributions of Datuk R. Karunakaran, formerly our Senior Independent Non-Executive Director, and Cheng Kee Check, previously a Non-Independent Non-Executive Director, both of whom completed their nine-year tenures in 2023. I would also like to welcome Datuk Yee Yang Chien as our new Non-Independent Non-Executive Director. With his background in local and international financial institutions as well as leadership at MISC Berhad, Datuk Yee will be a valuable addition to the team.

### ACKNOWLEDGEMENTS

Maybank's sterling performance in 2023 is the cumulative result of the contributions and support of our external and internal stakeholders. The list includes the regulators and governments in each country where we operate, our extensive network of partners, our shareholders and customers. I would like to express my appreciation to these parties for contributing both tangibly and intangibly towards the creation of an ecosystem that has allowed Maybank to grow into the banking icon we are today. Additionally, I would like to express a heartfelt gratitude to all Maybankers for your unrelenting dedication to the Group and our mission of Humanising Financial Services. It is thanks to you that we have been able not only to excel as a bank, but now to go beyond as we create increasing value for the many lives that we touch.



It gives me great pleasure to present an overview of Maybank's performance in 2023, which marked the first full year of my serving as President and Group CEO. It has been very encouraging to see our transformation programme M25+ gain traction, as reflected in our performance. This is the result of a great deal of hard work that has gone into its execution, with contributions from the entire team, including my Group Executive Committee (EXCO) colleagues and all fellow Maybankers, guided and supported by the Board of Directors. The year was not without challenges, yet we remained resolute and stayed the course, adapting and advancing the Agile ways of working.

Although fears of a global recession did not materialise, economic growth was muted in 2023, with interest rate hikes by the United States (US)'s Federal Reserve to curb decades-high inflation which cascaded into a pervasive cost-of-living impact and tightening financial conditions. Added to this, geopolitical tensions intensified with no let-up in the Russia-Ukraine war and the Israel-Gaza conflict erupting in the last quarter of the year. Amid these socio-economic and geopolitical challenges, the International Monetary Fund predicted continued slowing down of global economic growth in 2023 to 3.1%, from 3.5% in 2022 and 6.0% in 2021, when developed nations lifted their COVID-19 restrictions.

## President and Group CEO's Statement

It has been very encouraging to see our transformation programme M25+ gain traction, as reflected in our performance. This is the result of a great deal of hard work that has gone into its execution, with contributions from the entire team, including my EXCO colleagues and all fellow Maybankers, guided and supported by the Board of Directors.

**Dato' Khairussaleh Ramli**

President and Group Chief Executive Officer (CEO)



New net profit high of  
**RM9.35 billion**



ROE of  
**10.8%**  
meeting guidance of  
10.5% to 11.0%



Strong Group  
loans growth of  
**9.2%**  
YoY



Robust and  
improved Group CET1  
capital ratio of  
**15.34%**  
and Group total  
capital ratio of 18.56%



## President and Group CEO's Statement

For corporations, the business environment is further complicated by changing behavioural patterns and consumer expectations. Whereas before, only the young and tech savvy opted to carry out daily transactions online, today almost everyone has transitioned onto the digital platform because of the convenience. This has stimulated the proliferation of tech start-ups in every sphere leading to fintechs posing a real threat to conventional banks that are not quick on the digital uptake. Competition in the industry is intensifying not only from these non-bank entities but also from bigger and more established regional players.

In the current volatile and unpredictable flux, Maybank has not just stayed our ground; we continue to strengthen our leadership in various key areas. Our steady growth is mainly the result of having always maintained a pulse on the changes around us and evolving in tandem with shifting trends as these emerge.

### M25+ STRATEGY FOR SUSTAINED GROWTH

Last year, I mentioned how I had worked with my EXCO colleagues to outline our refined strategy, M25+, to renew our DNA at Maybank by adopting Agile@Scale to enhance collaboration as well as rapid ideation based on customers' journeys to differentiate our solutions and propositions, futureproofing the Group. This year, I'm pleased to share that we are seeing results from this strategy which is anchored on five strategic thrusts: Intensify Customer-centricity, Accelerate Digitalisation and Technology Modernisation, Strengthen Maybank's Position Beyond Malaysia, Drive Leadership in Sustainability Agenda, and Achieve True Global Leadership in Islamic Banking. A total of 12 strategic programmes (SPs) were developed towards the attainment of goals set under these strategic thrusts and we have made good progress in all initiatives undertaken – especially the focus on enhancing customers' journeys and improving our productivity.

Recognising customers' increasing expectations of service providers, we have worked intently on driving customer-centricity leveraging next-gen technologies and analytics. The idea is to curate hyper-personalised solutions – not just in banking, but beyond banking – in order to win customers' trust and their long-term loyalty. To empower our customers and enable them to fulfil their journeys, we are investing about 77% of our M25+ budget of up to RM4.5 billion specifically on building our front-end digital solutions, Tech-for-Business, and back-end technology infrastructure, Tech-For-Tech, to provide hyper-personalised solutions and drive our overall business. Thus far, we have committed RM577 million in investments for M25+, of which 87% is for Tech-for-Business and 10% for Tech-for-Tech.

Advancing our digitalisation journey, we introduced a number of digital solutions catering to a wide section of our customers. Key among these was the e-KYC CASA account opening enabling customers to open accounts without having to visit a physical branch. For Retail SME customers, we simplified the loan application process by making available digital financing in more countries such as Singapore and Cambodia, in addition to Malaysia. For our insurance customers, we launched the Banca EaSE app presenting an integrated dashboard which not only enables our agents to recommend products that are best-suited to our customers, but also allows customers to include non-Maybank data for a more comprehensive view of their portfolios.

Beyond banking, we are building ecosystems that simplify processes and improve efficiencies in key areas of our customers' life journeys. For example, we broadened our home mortgage ecosystem by partnering with Sime Darby Property to offer a seamless home purchasing experience for home buyers by integrating Maybank Home<sup>2</sup>u into Sime

Darby Property's Online Booking System (OBS). This allows home buyers to select their dream home and apply for a mortgage loan online, quickly and effortlessly. If they satisfy the standard criteria, their loan will be approved within seconds. The ability to connect with Sime Darby Property's OBS is anchored on application programming interface (API) technology, which we are leveraging to develop more solutions that will serve customers' needs better and faster. Further supporting our customer's end-to-end (E2E) home ownership journey, we will be incorporating home renovation solutions, financing for renewable energy products such as solar panels and home insurance into our suite of offerings.

Meanwhile, to empower SMEs in Malaysia to balance their social responsibility, environmental and business growth goals, we have developed a one-stop integrated ecosystem for SMEs. This hub offers value-based solutions and serves as a knowledge repository to support SMEs in their transition journey towards sustainable practices. We also provide our SME customers with easy access to our online marketplace, Sama-Sama Lokal, to tap into a large network of suppliers and buyers. Additionally, we have simplified our SME customers' payment processes, as they can now link their Maybank accounts to initiate bulk payments from third-party accounting systems. Another API-based achievement related to SMEs was the linking of Credit Guarantee Corporation Berhad's platform with Maybank's, enabling quicker access to cash for micro small and medium-sized enterprises (MSMEs). Through this initiative, MSMEs can get their SME Digital Financing loans approved in under 10 minutes, from two days previously. Also, the money will be disbursed the same day the facility is accepted. We are especially proud of this financing innovation as it is the first-of-its-kind in Malaysia.

Internally, we have significantly enhanced our own productivity and customer service efficiency through the adoption of Agile principles. In June 2023, we rolled out our Agile Customer Experience (CX) @ Branch ensuring an optimally hassle-free experience for customers. Success with this project motivated us to apply the concept across 347 branches in Malaysia. Within 30 weeks, we have seen very encouraging improvements – with the average account opening time decreasing by 70% from 51 minutes to 15 minutes. Most importantly, our transactional Net Promoter Score has increased from +84% to +97%. We are now piloting the Agile CX @ Branch initiative at several branches in key cities across Indonesia. We have also launched the Agile CX @ Contact Centre to reduce the call waiting time for customers, improve the handling time and enhance the ability to reach Maybank Group Customer Care.



**Agile Customer Experience (CX) @ Branch improvements**

Average account opening time decreased by **70%** from **51 minutes** to **15 minutes**

Transactional Net Promoter Score has increased from **+84%** to **+97%**

Leveraging Agile methodology, which emphasises cross-functional collaboration for continuous improvement, we are instilling Agile ways of working pervasively across our operations to further enhance efficiencies, improve productivity and optimise our resources. We are also automating our collections mechanism and using artificial intelligence to have human-like conversations with customers to improve collections. Outside of customer interactions, we are utilising machine learning and other best-in-class capabilities that can recognise complex patterns to detect financial crime and protect our customers.



## President and Group CEO's Statement

In addition to digital-based products and services, we are enhancing customer-centricity through targeted segmentation and concerted efforts to build end-to-end capabilities. In 2023, we established Group Islamic wealth management (IWM) hub in Singapore, making it our offshore go-to destination for any Shariah-compliant wealth management offerings. We also launched Indonesia's first Shariah Wealth Management solutions for Maybank Indonesia's privilege and premier customers.

Meanwhile, to support the overall growth of our mortgage business in Malaysia and to gain market share, we trained and assembled a dedicated workforce of close to 100 mortgage executives and enabled our Home<sup>2</sup>u app to be accessed by our mortgage sales force to address both the primary and secondary property markets. Arising from this, the average origination and disbursement by our mortgage consultants rose, helping to boost our Malaysia mortgage portfolio growth to 10.4% YoY. We reorganised our SME business, bringing Retail SME, SME Plus and Business Banking businesses together under one roof, termed Commercial Banking. With this integrated business pillar, we are able to better organise our go-to-market approach and synergise our product offerings for all SME customers for an enhanced experience. The establishment of Commercial Banking is also a step towards our ambition of becoming the largest SME bank in Malaysia. We have already seen a 20% YoY increase in monthly loan origination to RM17.0 billion domestically. In Singapore and Indonesia, where we have increased our loan limits for SMEs as part of the re-segmentation exercise, our monthly loan origination has improved by more than double and 26.1% respectively.

In wholesale banking, we have emplaced a dedicated team to provide end-to-end services specially carved for the mid-market segment. This has seen good traction thus far, with our mid-market loans portfolio in Malaysia recording 11.2% YoY growth.

Despite undergoing this period of intense transformation, it is heartening to see that our employees remain highly engaged. Our Sustainable Engagement Index stands at 89% as we continue to perform above the Willis Towers Watson (WTW) Global High Performing Companies Norm. This achievement, along with our sixth recognition in the WTW High Performance Companies benchmark, underscores our commitment to both financial excellence and superior people practices.

### M25+ KEY HIGHLIGHTS



**Net Promoter Score**  
**↑ +37**  
(95<sup>th</sup> percentile)



**Digital customer penetration**  
**↑ 75.4%**



**Employee engagement**  
**89%**  
Sustainable Engagement Index



**Next-gen roles**  
**↑ 20.8%**

### FINANCIAL PERFORMANCE: NEW NET PROFIT HIGH

Our net operating income grew 3.3% to RM27.36 billion from RM26.49 billion in FY2022. This was led by strong growth in our non-interest income, up 38.3% YoY to RM8.06 billion, driven mainly by gains in investments and trading, foreign exchange on a stronger US dollar as well as higher core fees. The increase of 7.4% YoY in core fees was mainly attributed to

higher service charges and fees, commission and underwriting fees. Meanwhile, net fund based income stood lower at RM19.30 billion as net interest margin (NIM) compressed by 27 basis points to 2.12% due to higher funding cost and deposit competition as interest rates across our home markets started to return to pre-pandemic levels from 2022.

We managed to record strong loans growth of 9.2% YoY to RM640.75 billion in 2023, achieving a level of growth not seen since 2015. Our loans portfolios expanded across Malaysia, Singapore and Indonesia by 6.7%, 8.7% and 6.2% respectively. Growth in Malaysia was led by the Commercial Banking segment at 9.0% YoY, consumer lending of 6.7% as the mortgage portfolio expanded 10.4% YoY, and corporate lending at 5.9% supported by growth in large and mid-market corporates at 18.5% and 11.2% respectively. Singapore's growth mainly came from lending in the corporate segment of 16.0% and non-retail segment of 15.0%, offset by a 3.2% decline in the consumer portfolio. A portfolio rebalancing in Indonesia translated into stronger growth of 9.7% YoY from its Community Financial Services franchise with its non-retail portfolio growing for the first time since 2019 at 9.3%. This helped offset the marginal corporate lending portfolio growth of 0.8%, which was also a result of rebalancing away from the state-owned enterprise segment to the large corporate segment.

Supporting loans growth, total deposits grew 9.0% YoY driven by fixed deposits growth of 11.2% led by Singapore, Indonesia and Malaysia. Current and savings accounts (CASA) portfolio saw moderation in Singapore and Malaysia as consumer spending increased and customers moved towards higher yielding products. As a result, total CASA reduced 1.7% YoY with the Group CASA ratio landing at 36.9% in 2023 from 40.9% a year earlier. Our liquidity indicators such as liquidity coverage ratio and net stable funding ratio remained stable at 142.1% and 122.0% respectively.

Meanwhile, cost increased in FY2023 by 11.8% YoY to RM13.39 billion following the conclusion of the collective union agreements in Malaysia, which resulted in personnel costs increase due to inflationary-related adjustments, higher spend by the Group for IT expenses and right-of-use assets depreciation as well as an increase in revenue-related spend such as credit-card fees on higher merchant billings. Also, we spent RM304.7 million on our M25+ strategic programmes, of which 39% was for capital expenditure. Arising from the higher spend, the Group cost to income ratio stood at 48.9% versus 45.2% in FY2022.

Asset quality remained a key priority as we continue to manage our provisions prudently. Net impairment losses reduced 39.5% to RM1.68 billion, of which RM1.83 billion was set aside for loans while a net writeback of RM145.15 million was recognised for financial investments and others. Provisions for loans reduced by 16.3% YoY on some corporate borrower writebacks in 2023 and the absence of pre-emptive provisions made the previous year. Consequently, the Group's net credit charge off rate improved to 31 bps against 40 bps in FY2022. The Group's loan loss coverage ratio remained healthy at 124.9% from 131.2% a year ago while Group gross impaired loans ratio improved to 1.34% as at 31 December 2023 from 1.57% a year earlier.

Our profit before tax rose 5.6% to RM12.53 billion while net profit grew to a new record high of RM9.35 billion in FY2023, up 17.5% from RM7.96 billion a year earlier. Earnings per share increased 16.6% to 77.6 sen from 66.5 sen in FY2022. Meanwhile, return on equity was 10.8%, hitting the higher end of our FY2023 guidance of between 10.5% and 11.0%. At the same time, our post-dividend capital levels remained healthy with Group CET1 capital ratio and Group total capital ratio at 15.34% and 18.56% respectively as at 31 December 2023. Supported by our robust capital levels, we declared a total cash dividend of 60.0 sen per share for FY2023. This translated into an effective cash dividend payout of 77.4%, higher than our dividend payout policy of 40% to 60%.

## OTHER KEY FINANCIAL HIGHLIGHTS

**Net operating income**

**RM27.36 billion**

↑ 3.3% YoY

**Dividend payout**

**DPS**  
↑ **60.0 sen**

effective cash dividend payout at

↑ 77.4%

**Total assets**

**RM1.03 trillion**

↑ 8.4% YoY

**Total deposits**

**RM696.83 billion**

↑ 9.0% YoY

**Net credit charge off rate**

**31 bps**

↓ 9 bps YoY

**Gross impaired loans**

**1.34%**

↓ 0.23% YoY

For more details on our FY2023 performance highlights, refer to Reflections from Our Group Chief Financial Officer on pages 72 to 76

## DIGITALISATION IN MALAYSIA AND THE REGION

We realise that building our digital capabilities and a culture of innovation is essential towards unlocking the full potential of our M25+ strategy in driving our next phase of growth. Following a deep dive into what it will take to develop a data-driven culture of continuous trial and evolution, three inter-related strategic pillars have been identified.

The first is customer facing, with the objective of intensifying the E2E customer journey through the development of holistic ecosystems that go beyond banking, such as our home ownership and SME empowering platforms described above; and to scale up these ecosystems by taking them regional. This requires us to build front- and back-end infrastructure to support our customers' journeys. It would also necessitate expanding our network of partnerships with online and offline partners to provide greater depth and scope of solutions to our customers.

The second pillar involves building our internal capabilities with the right digital infrastructure and the right digital skills and mindset among all Maybankers. Towards this end, we are accelerating our investments into increasingly advanced technologies, bringing on board the latest and most effective systems and automation. At the same time, we are enhancing data access across the Group by providing our people with the right digital tools to be able to access data quickly and efficiently to cater to our customers' needs effectively.

Finally, we seek to keep adding value for our retail and business customers through continuous innovation internally and in collaboration with strategic partners. The latter include suitable third-party businesses as well as start-ups which we can help to build and scale in order to create optimum synergies. Such an environment would support the continuous generation of new concepts which we can fine-tune in phases as we transform into an Agile organisation.

## President and Group CEO's Statement

As part of efforts to double down on our regionalisation strategy, we are rolling out digital solutions in our different home markets, adjusting these as far as possible to be optimally conducive to the local environment. The ultimate objective is to offer the same Maybank brand digital experience customised to local norms across ASEAN. Today our customers in Singapore, like their Malaysian counterparts, can use the M2U Lite app to open Maybank accounts online in a matter of seconds. In 2024, the same will be true for customers in Cambodia and the Philippines. Also as part of our regionalisation approach, we are enabling our account holders to open regional accounts, which would facilitate the transfer of funds across borders. The facility is currently available in Malaysia and Singapore. In addition to account opening, we are upgrading our Maybank Trade app to enable customers to invest in stocks across the region. The new-look, more user-friendly app iteration will be launched in 2024.

For more details on our digital initiatives and innovation, please refer to the Pervasively Digital section on pages 64 to 66

## SUSTAINABILITY LEADER ACROSS ASEAN

It has become evident in recent years that the global approach to climate change has to change drastically and fundamentally, with everyone contributing towards the low-to-no carbon transition. Financial institutions play a significant role in this endeavour through the strategic allocation of funds and Maybank is taking the lead in this regard regionally. We introduced the Maybank Group Sustainable Product Framework in 2022 to guide the development of products that would support sustainable projects broadly. In 2023, we launched the Transition Finance Framework focused specifically on the classification and recognition of transition financing solutions as well as the development of products that would promote the greening of industries. Both frameworks have been firsts in the region. Recognising that clients in energy-intensive sectors will need additional support, we are close to completing our science-based net zero pathway and strategy for sectors including power and palm oil.

Underlining our commitment to low-carbon economies, Maybank has been actively engaging and partnering with regulators, policy makers, other financial institutions and customers towards developing credible, orderly and just transition plans. During the year, we partnered with the Institute of International Finance (IIF) to host the inaugural IIF – Maybank Transition Finance Workshop for our clients and IIF members. The event featured conversations with regulators and policy makers; panel discussions on achieving climate transition in Asia; as well as interactive case studies with leading firms across the region.

Our coordinated action on climate issues has resulted in Maybank's Carbon Disclosure Project (CDP) score improving to B in 2023 from C previously, placing us among 43% of companies in the financial services sector but above 35% of our peers. We are the only Malaysian bank to receive such a rating and are ahead of the performance of companies in Asia and globally that averaged C. CDP is a non-profit organisation that runs the global disclosure system on environmental reporting by companies and cities.

Of our four sustainability commitments, commitment 3 – achieving carbon neutrality by 2030 and a net zero position by 2050 – sets the tone of our decarbonisation agenda. In addition to guiding our clients' transition journeys, we continue to embrace the most energy-efficient solutions within the Group and have begun to supplement this with carbon offsets towards reaching net zero. In 2023, Maybank secured 5,000 carbon credits from the newly-established Bursa Carbon Exchange market, which will lower our emissions by 3.3% from the 2019 baseline.





## President and Group CEO's Statement

While focusing intently on decarbonisation, we have not neglected our other sustainability commitments. In fact, we exceeded our annual targets for each of the other three commitments that are to be achieved by 2025, namely: mobilising RM80 billion in sustainable finance; improving the lives of two million households across ASEAN; and achieving one million hours per annum on sustainability and delivering one thousand significant United Nations (UN) Sustainable Development Goals (SDGs)-related outcomes.

Within Maybank itself, we have been placing greater emphasis on developing holistic policies to protect the well-being of our employees. Other than to introduce the Maybank Group Dignity Policy, as mentioned by our Chairman, we have developed the Group Human Rights Policy to ensure we uphold our responsibility as a corporation to respect human rights across the Group and our value chain, aligned to the UN Guiding Principles on Business and Human Rights 2011.

It is indeed encouraging to see our efforts translate into recognition which include becoming the first Malaysian bank to receive Global Finance's Outstanding Leadership in Sustainability Transparency – Asia Pacific award as well as its Best Bank for Sustainable Finance – Malaysia award.

For more details on our sustainability initiatives and achievements, refer to the Sustainability Statement section on pages 101 to 109

### FUTURISATION OF THE WORKPLACE FOR OUR NEXT-GEN WORKFORCE

In addition to respecting the rights of our employees, we have continuously invested in helping them to realise their potential. Today, as we seek to become an Agile next-gen organisation, we are intensifying efforts to revolutionise the way we work, and especially to create a mindset in which everyone feels empowered to contribute ideas, and even to risk failure. During the year, we invited tech giants such as Google, Meta, TikTok, Wiz AI and Microsoft to share their experiences, especially in relation to new digital concepts. Agile workshops, ideathons and hackathons are organised to mine ideas, especially on how to continuously enhance the customer experience. Employees are encouraged to use the data available to them to make quick decisions; and to have short but frequent interactions with colleagues – via daily stand-ups for example – to share, update and provide or obtain feedback where necessary. All of these initiatives promote a more energised environment in which things are done faster and more efficiently.

Having seen how ideation has worked to improve the customer journey, this year we leveraged the same principle to encourage employees to think more deeply about sustainability, and to generate more sustainability solutions. A Maybank Sustainability Ideathon was held which saw 46 teams submit proposals to address some of our sustainability challenges. Of these, 12 teams were chosen to attend an intensive three-day workshop during which they were guided to expand their ideas using design thinking, and provided training on presentation skills. Subsequently, the teams pitched their ideas to a panel of judges during our Maybank Group Sustainability Week and the grand prize-winning team won RM10,000 to kick-start their project on food waste management.

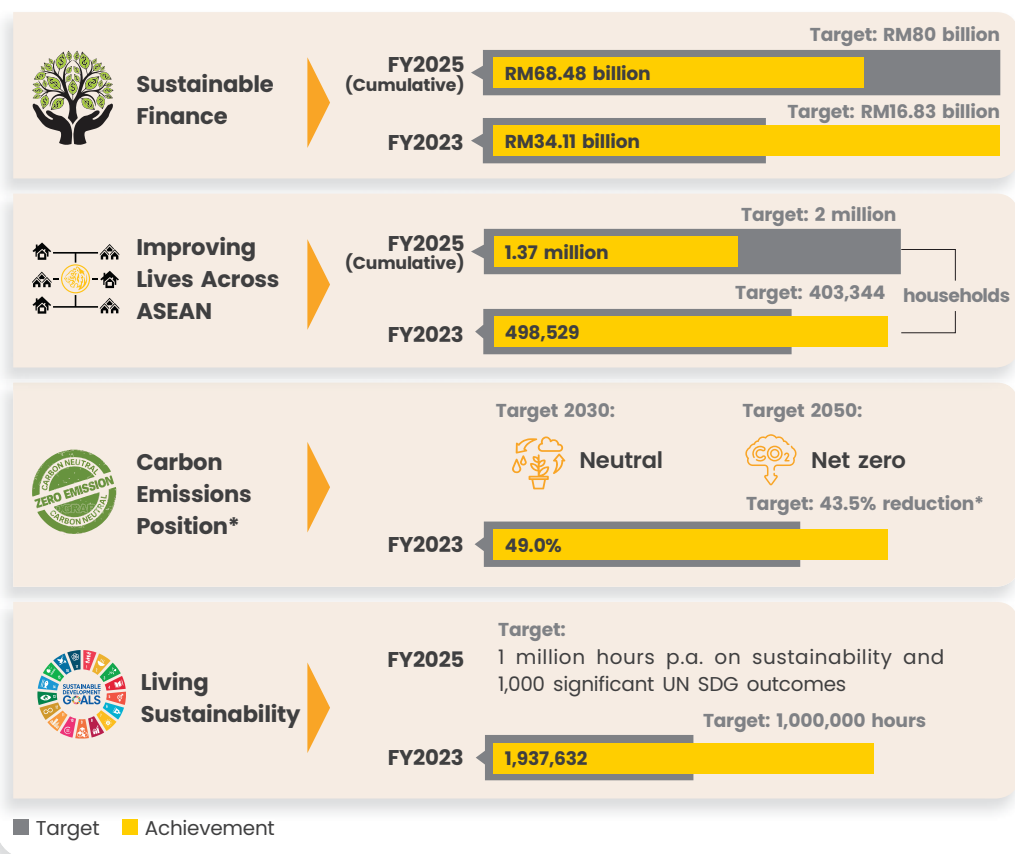
We continued to empower Maybankers to become a bionic workforce by unlocking their potential through upskilling and equipping them with the appropriate technology and capabilities. For instance, we undertook a large scale desktop and laptop replacement exercise with system upgrades in 2023 that impacted close to 10,000 staff in Malaysia. This was done to help improve the productivity and efficiency of our staff, especially benefiting those at our branches.

We also seek to stimulate greater employee engagement, collaboration and rejuvenation as we believe it would promote the generation of more ideas and innovation. Accordingly, we designed a mini-retreat, T-POD (with stands for TIGER POD or Tech POD), in Menara Maybank. The space encompasses a Hangout Zone, Tranquillity Zone, Gamer Zone and Theatre Zone, where Maybankers can go and chill, alone or with others. Since its launch on 25 October, T-POD has attracted significant footfall, lending reason to believe it could become a hotbed for creativity.

It is also my pleasure to share that M-Youth, the platform we created in 2022 to empower youth across the Group, is making waves through its series of leadership programmes as well as hangouts, game nights, brown bag sessions and conversations centred around the latest trends and topics. In 2023, we set up the M-Youth Council to focus on youth engagement. The Council organised our first month-long GenM Global Summit, which involved over 17,000 employees in over 100 activities, generating more than 400 growth ideas. Ultimately, we would like to provide a workspace and culture that empower and inspire our next-gen employees, which currently make up 21% of our workforce in 2023. We seek to grow our digital technology and analytics populations from 9% in 2023 to 27% by 2027.

For more details on our FY2023 Group Human Capital developments, refer to pages 67 to 69

#### SUSTAINABILITY TARGETS



## KEY RECOGNITION IN 2023

Every year, Maybank is recognised for our efforts in almost every sphere of operations – from the quality of products and services, to our people management, sustainability initiatives and governance. Each award is meaningful and motivates us to keep doing better. This year, however, two awards stand out for reflecting the enormous advances we have made as a values-based bank that places the customer above all else.

We were the only Malaysian corporation to feature among 750 companies in TIME magazine's World's Best Companies 2023, with a sustainability ranking of 374. The criteria used in selecting the winning companies included revenue growth, employee satisfaction and ESG performance. Maybank was also named Bank of the Year in Asia Pacific and in Singapore for the first time by The Banker. The Banker cited the revamp of our banking systems, expertise and data-based services as well as improved customer experience as key attributes that led to our wins.



The only Malaysian corporation to feature among **750 companies in TIME magazine's World's Best Companies 2023**, with a sustainability ranking of **374**



**Bank of the Year in Asia Pacific and in Singapore** for the first time by **The Banker**



**Platinum for Putra Brand Awards 2024** in the Banking, Investment & Insurance category, 14<sup>th</sup> consecutive win

## A POSITIVE OUTLOOK FOR 2024

Global GDP growth is likely to moderate to 2.8% in 2024 (2023: 3.3%) on softer outlook for major economies such as the US and China. However, ASEAN growth is set to be firmer at 4.5% from 4.0% in 2023, supported by resilient domestic demand and sustained tourism as well as recovery in some parts of the manufacturing sector and exports.

Across our home markets, Malaysia's economy is anticipated to grow faster at 4.4% in 2024 from 3.7% in 2023 driven by a rebound in exports amid sustained consumer spending and investment growth. Meanwhile, Singapore's GDP growth is expected at 2.2% in 2024 (2023: 1.1%) as the manufacturing sector recovers while spending in the services sector normalises. Indonesia's GDP growth is projected to remain stable at 5.1% versus 5.0% in 2023 from steady household expenditure, a resilient labour market and policy support.

Amid the complexities of our divergent markets, Maybank will continue to keep our strategy simple and straightforward by continuing to be guided by M25+. Key market dynamics that we are experiencing today are not substantially different from those that inspired our current strategic blueprint, hence it remains relevant to our ultimate purpose of **becoming a values-driven platform, powered by a bionic workforce that Humanises Financial Services**. While we have made very encouraging progress in the first full year of this

forward-looking blueprint, there is still much to be done to achieve our goals. To maintain our leading edge in terms of customer-centricity, digitalisation and sustainability, moreover, we will have to invest continuously in our people, processes and programmes. This will help to drive greater innovation across all our operations as we complete our transformation into a truly Agile organisation.

Our data insights indicate that there are untapped opportunities to enhance up-selling and cross-selling opportunities as well as improve digital engagements across our retail and non-retail segments. Thus, we will intensify our efforts to deepen our relationships with existing and new customers, while leveraging our ecosystem play endeavours and rolling out digital solutions to meet E2E customer lifestyle and business needs. In anticipation of improved ASEAN economic growth, Maybank is poised to capitalise on identified growth in key areas such as wealth management, cash management and bancassurance while broadening our market penetration in the non-retail segments, especially among SMEs and mid-market companies. For FY2024, we have set a headline key performance indicator for return on equity of 11%.

## ACKNOWLEDGEMENTS

In concluding my statement, I would like to note my deep appreciation for the Maybank team, from our Board of Directors to my colleagues in EXCO and all employees across the Group. Thank you for your dedication to Maybank and your individual contributions that, collectively, have seen us evolve to become a leading regional bank.

On behalf of the leadership, I would also like to express our gratitude to two of our senior leaders who retired in 2023 – former Country CEO and CEO of Maybank Singapore Dr. John Lee Hin Hock who served the Group for 13 years and our previous Group Chief Risk Officer Gilbert Kohnke who served close to six years. Their positions have been assumed respectively by Alvin Lee Han Eng effective 1 January 2024, formerly our Head, Community Financial Services, Singapore; and Datuk Hamzah Bachee effective 1 July 2023, formerly our Deputy Group Chief Risk Officer.

Meanwhile, effective 1 March 2024, new EXCO appointments were made to drive business growth and ensure long-term sustainability in line with M25+ with Dato' Muzaffar Hisham taking the role of Group CEO of Islamic Banking and an additional Group role to spearhead our advancement of value-based banking, from his previous role as Group CEO, Global Banking. Dato' John Chong Eng Chuan, previously Group CEO, Community Financial Services (CFS), takes on the role of Group CEO of Global Banking, while newly appointed Syed Ahmad Taufik Albar succeeds Dato' John as the new Group CEO of CFS. Our gratitude to Dato' Mohamed Rafique Merican Mohd Wahiduddin Merican who will retire at the end of June 2024.

It would be remiss to not acknowledge all our external stakeholders, who have also been instrumental in the Group's ongoing journey. On behalf of Maybank, I would like to thank the governments and regulators in our home markets, our customers, shareholders, business partners and communities for your varied yet equally valuable contributions. We look forward to strengthening our relationships as we progress into the next phase of Maybank's continuing evolution.





# An Integrated Approach in Our Value Creation Journey

We endeavour to have a robust business model and strategy that is both responsive and progressive in our value creation journey. This approach requires a change in mindset from our business as usual to adopting integrated thinking and decision-making. As we aspire to create value for our stakeholders, there may be instances whereby the operating context results in us preserving value or minimising value erosion as our next best option.

## WHAT WE CONSIDER WHEN CREATING VALUE

1

### ASSESS AND EVALUATE OUR OPERATING CONTEXT

Macroeconomic, digital and technology, sustainability and talent developments impacting our operating environment shape our decision-making process and the way we create value for our stakeholders.

Refer to Economic and Banking Sector Overview and Macrotrends Impacting Our Strategy on pages 44 to 47

2

### IDENTIFY AND MANAGE RISKS AND OPPORTUNITIES

We address the 12 principal risks we manage and mitigate as a financial institution. Similarly, we identify potential risks and opportunities for our respective business segments and stakeholder groups in the current operating environment and identify appropriate actions to manage the risks and leverage the opportunities.

Refer to Principal Risks, Group Community Financial Services, Group Global Banking, Group Insurance and Takaful and Group Islamic Banking on pages 48 to 54, 80, 90, 94 and 97

3

### STRENGTHEN STAKEHOLDER RELATIONSHIPS THROUGH FREQUENT ENGAGEMENT

Through robust engagement with our stakeholder groups, we know what they value and what Maybank values from these relationships. We are able to identify our stakeholders' priorities as a Group and how we should respond to these priorities to ensure value creation for them.

Refer to How We Engage and Create Value for Our Stakeholders and How We Distribute Value Created on pages 28 to 33

#### Our Identified Stakeholders:

- Customers
- Investors
- Employees
- Communities
- Regulators and Governments

4

### IDENTIFY, PRIORITISE, VALIDATE AND INTEGRATE OUR MATERIAL MATTERS

Our materiality assessment in 2023 covers all our stakeholder groups to understand what material topics matter most to them. The topics, covering five broad themes touching on governance, environment, employees, society and products and services, influence our strategic decisions in creating value over the short, medium and long term.

Refer to Sustainability Material Matters on pages 36 to 43

#### Our Identified Material Matters:

- Governance
- Environment
- Employees
- Society
- Products and Services

5

### STRENGTHEN AND REINFORCE SUSTAINABILITY COMMITMENTS

Sustainability developments globally and within the markets where we operate, as indicated in our materiality assessment, serve as impetus that shapes our long-term strategy. This, in turn, influences how we operate and how we support our stakeholders in their sustainability journey as part of our ambition to not only be the Sustainability Leader in SEA but create sustainable value for our stakeholders. We also demonstrate our efforts towards meeting the United Nations Sustainable Development Goals (UN SDGs) throughout this report.

For a more comprehensive review of our sustainability ambitions, efforts and achievements, refer to Approach to Sustainability, Sustainability Material Matters and Sustainability Statement on pages 34 to 43 and 101 to 109 in this report, as well as our Sustainability and Environmental Reports which are available on [www.maybank.com/ar](http://www.maybank.com/ar).



## An Integrated Approach in Our Value Creation Journey

Our IAR serves as an avenue to describe how Maybank creates value over time by considering the operating environment for markets in which we are present as well as the needs, interests and material matters of our various stakeholder groups. We also consider ways to mitigate and manage our risks to help enhance opportunities impacting our customers, business segments and the Group. Our strategy and capital allocations, which adhere to the risk and governance frameworks integrated in our business model, drive the performance of the business segments and Group in creating sustainable value over the short, medium and long term.

### HOW WE CREATE VALUE

#### 6 FORMULATE BUSINESS STRATEGY

Taking into consideration our operating context, risks and opportunities and what our stakeholders want as well as their material considerations, we shape our strategic thrusts for long-term value creation which is measured by key performance indicators under our M25+ strategy. The five strategic thrusts will be enabled by 12 strategic programmes (SPs) to strengthen our foundation and competitiveness by creating the greatest value, customer experience uplift, cross-sector collaboration and regional integration Group-wide through technology. Anchoring the Group's strategy is our mission of Humanising Financial Services, embodied through our purpose statement.

Refer to Our Strategy on pages 55 to 61 and Key Performance Indicators on pages 62 to 63

#### Our Purpose Statement:

We are a **values-driven platform**, powered by a **bionic workforce** that **Humanises Financial Services**

#### Five Key Strategic Thrusts:

- |  |   |   |
|--|---|---|
| <p><b>ST1 Intensify Customer-centricity</b><br/>Full Agile and iterative Minimum Viable Product (MVP) approach, through customer journeys and imagining the end-state model</p>          | <p><b>ST2 Accelerate Digitalisation and Technology Modernisation</b><br/>End-to-end STP platform that integrates with ecosystems within and beyond banking</p>                        | <p><b>ST3 Strengthen Maybank's Position Beyond Malaysia</b><br/>Regionalisation of business and product solutions, as well as technological platforms and applications, with clear leadership in Malaysia</p> |
| <p><b>ST4 Drive Leadership in Sustainability Agenda</b><br/>Expanded scope to embrace value-based banking principles, deepen social impact and execution of decarbonisation strategy</p> | <p><b>ST5 Achieve True Global Leadership in Islamic Banking</b><br/>Global Islamic wealth management (IWM) leader with Singapore as hub and Middle East/ASEAN countries as spokes</p> |   |

#### 7 RESOURCE ALLOCATION THAT IS INTEGRATED INTO OUR BUSINESS MODEL

In deciding how to manage and grow our business, we consider our resources and relationships that facilitate our value creation and preservation process, and minimise value erosion. Our resources are captured as six capitals in the business model, which are deployed through our business activities to generate outputs that ultimately lead to capital outcomes that benefit specific stakeholders. Most outcomes will create value while some will see preservation or erosion. In making strategic decisions, there will also be trade-offs between creating short-term and long-term value.

Refer to Our Value Creating Business Model and Performance by Capitals on pages 26 to 27

#### The Six Capitals That We Use to Create Value:

- FC** Financial Capital    **IC** Intellectual Capital    **MC** Manufactured Capital    **HC** Human Capital  
**SRC** Social and Relationship Capital    **NC** Natural Capital

#### 8

#### DELIVERING A POSITIVE IMPACT THROUGH VALUE CREATION

Our ability to create value for our five stakeholder groups is anchored on business activities overlaid with strong risk management and governance, which are reported in detail in this IAR. We have also specified key indicators used to determine the value creation for our stakeholders at the business and Group levels.

Refer to How We Engage and Create Value for Our Stakeholders and Key Performance Indicators on pages 28 to 32 and 62 to 63





# Our Value Creating Business Model and Performance by Capitals

## OUR CAPITALS

<b>FC</b> <b>FINANCIAL CAPITAL</b>	Funds available to the Group to sustain its operations and activities, and to invest in the growth of other key capitals.	<b>Supported by:</b> <ul style="list-style-type: none"><li>Liquidity coverage ratio of 142.1% (2022: 145.4%)</li><li>Strong customer funding base of RM696.83 billion (2022: RM639.40 billion)</li><li>Shareholders' equity of RM94.64 billion (2022: RM85.75 billion)</li><li>Gross loans and advances of RM640.75 billion (2022: RM586.86 billion)</li></ul>
<b>IC</b> <b>INTELLECTUAL CAPITAL</b>	Our intangible assets such as brand reputation, organisational systems and proprietary innovations, in-house capabilities, and strategic partnerships.	<b>Built on:</b> <ul style="list-style-type: none"><li>Strong brand reputation given our rich history and wide ASEAN presence.</li><li>Most valuable bank brand in Malaysia, and Top 100 Global Banks in brand value ranking with brand strength rating of AAA.</li><li>Integrated risk management culture and framework encompassing strategies, systems, processes and people.</li><li>Strategic partnerships with technology players.</li></ul>
<b>MC</b> <b>MANUFACTURED CAPITAL</b>	Our fixed assets and digital infrastructure that facilitate the provision of products and services to our customers.	<b>Aimed at enhanced service delivery through:</b> <ul style="list-style-type: none"><li>Easy access to 2,597 retail branches and 4,435 self-service terminals.</li><li>Streamlining operational processes for greater efficiency through automation and digitalisation.</li><li>Strong internet and mobile banking platforms in key ASEAN markets such as Malaysia, Singapore and Indonesia.</li><li>Integrated digital ecosystems to deliver hyper-personalised solutions across the region.</li></ul>
<b>HC</b> <b>HUMAN CAPITAL</b>	Our employees' knowledge, skills and experience that drive the Group's strategy and deliver long-term value.	<b>Empowered by our core values, TIGER:</b> <ul style="list-style-type: none"><li>Comprising a diversified workforce of over 43,000 employees across 18 countries.</li><li>With emphasis on developing talents and building a sustainable succession pipeline by investing over RM129.89 million to upskill employees through learning programmes.</li></ul>
<b>SRC</b> <b>SOCIAL AND RELATIONSHIP CAPITAL</b>	The relationships and goodwill between the Group and its stakeholders, including local communities and civil society.	<b>Strengthening stakeholder relationships and empowering communities by:</b> <ul style="list-style-type: none"><li>Providing access to financial inclusion solutions to vulnerable groups, microenterprises and SMEs.</li><li>Invested more than RM42.54 million in community programmes.</li><li>Leading and shaping conversations and initiatives with regulatory bodies, NGOs and peers.</li></ul>
<b>NC</b> <b>NATURAL CAPITAL</b>	The natural resources used in our operations and the environmental impact of our business activities.	<b>Supporting its preservation through:</b> <ul style="list-style-type: none"><li>Embedding ESG risk management practices into our business activities and internal operations, including establishing frameworks and pricing incentives that guide the development and mobilisation of RM80 billion sustainable finance by 2025.</li><li>Managing our direct and indirect environmental impact through energy efficiency initiatives and our procurement processes.</li></ul>

## OUR KEY DIFFERENTIATORS

### M25+

**M25+ PURPOSE**

We are a **values-driven platform**, powered by a **bionic workforce** that **Humanises Financial Services**.

#### Group Strategic Thrusts

- ST1** Intensify Customer-centricity
- ST2** Accelerate Digitalisation and Technology Modernisation
- ST3** Strengthen Maybank's Position Beyond Malaysia
- ST4** Drive Leadership in Sustainability Agenda
- ST5** Achieve True Global Leadership in Islamic Banking

Executed through our 12 Strategic Programmes

For details on our mid- to long-term strategy, value creation and performance indicators, refer to Our Strategy on pages 55 to 61, How We Engage and Create Value for Our Stakeholders on pages 28 to 32 and Key Performance Indicators on pages 62 to 63

These considerations shape Our Strategy

#### Governance

Good governance is at our core

For details on our Corporate Governance, refer to pages 126 to 136

#### Material Matters

Governance

Environment

Employees

Society

Products and Services

For detailed Sustainability Material Matters, refer to pages 36 to 43

#### Principal Risks

- CR** Credit Risk
- MR** Market Risk
- LR** Liquidity Risk
- NFR** Non-Financial Risk
- ITR** Information Technology (IT) Risk
- CoR** Compliance Risk
- ER** Enterprise Risk
- MoR** Model Risk
- FR** Financial Risk
- TIR** Takaful and Insurance Risk
- PPR** People and Performance Risk
- ESGR** Environmental, Social and Governance (ESG) Risk

For details on Principal Risks, refer to pages 48 to 54

#### Macrotrends

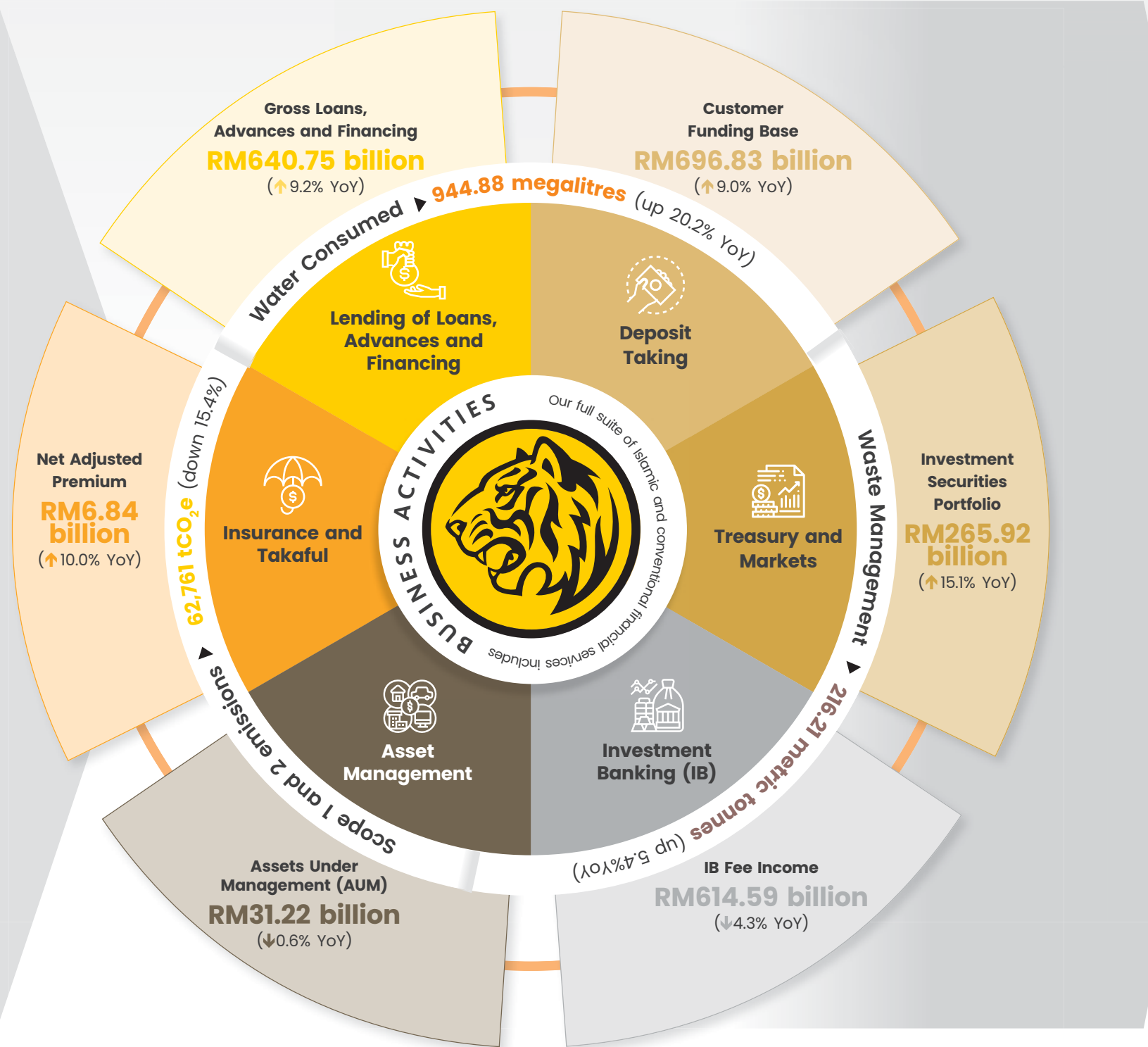
- MT1** Economic Outlook
- MT2** Shifting Customer Preferences
- MT3** Growing Affluent Population in Asia
- MT4** Digital and Technology Transformation
- MT5** Sustainability
- MT6** Talent Development

##### Sustainability Pillars

- 1 Responsible Transition
- 2 Enabling our communities
- 3 Our house is in order and we walk the talk

For details on our Macrotrends Impacting Our Strategy and Sustainability Commitments, refer to pages 46 to 47 and 101 to 109

## OUR BUSINESS ACTIVITIES GENERATE OUTPUTS



**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 genuine long-term and mutual beneficial partnerships

**CREATE VALUE-ADDED OUTCOMES FOR OUR STAKEHOLDERS**

Performance by Capitals		Actions To Enhance Outcomes	Impacted Stakeholders and Related UN SDGs
<b>FC FINANCIAL CAPITAL</b> <ul style="list-style-type: none"><li>Earnings per share (EPS) up by 16.6% YoY to 77.6 sen share.</li><li>Return on Equity (ROE) improved to 10.8% from 9.6%.</li><li>Total Assets increased by 8.4% YoY to RM1,027.68 billion.</li><li>60.0 sen per share total dividend declared for FY2023.</li></ul>	<ul style="list-style-type: none"><li>Market capitalisation increased by 2.2% to RM107.22 billion.</li><li>Total Shareholder Return stood at 9.29% for FY2023 from 11.87% for FY2022.</li></ul> <p>Refer to Key Messages to Shareholders, Reflections from Our Group Chief Financial Officer, Financial Performance and Investor Information on pages 15 to 23 and 72 to 85</p>	<ul style="list-style-type: none"><li>Leverage risk planning to balance growth and risk management.</li><li>Maintain a diversified portfolio.</li><li>Strengthen our balance sheet.</li><li>Return excess capital to shareholders.</li></ul>	
<b>IC INTELLECTUAL CAPITAL</b> <ul style="list-style-type: none"><li>Brand value stood at USD3.4 billion in 2024.</li><li>Market leading customer satisfaction score (NPS) of +37 (95<sup>th</sup> percentile) in 2023 vs. +24 (95<sup>th</sup> percentile) in 2022.</li><li>Launch of digital solutions including Kill Switch feature, cross-border DuitNow transactions, self-onboarding M2E Cash, EzyWasiat and Banca EaSE.</li></ul>	<ul style="list-style-type: none"><li>Rolled out sustainability products such as the MAMG Green Tigers Fund.</li><li>Complaints resolved (SLA) stood at 96.9% in 2023 vs 96.2% in 2022.</li></ul> <p>Refer to Group Community Financial Services, Group Global Banking, Group Insurance and Takaful, Group Islamic Banking, Pervasively Digital and Sustainability Statement on pages 86 to 100, 64 to 66 and 101 to 109</p>	<ul style="list-style-type: none"><li>Accelerate efforts to digitalise and modernise our technologies via earmarked resource allocation.</li><li>Reskill and upskill Maybankers with digital knowledge to boost productivity and adapt to evolving digital landscape.</li></ul>	
<b>MC MANUFACTURED CAPITAL</b> <ul style="list-style-type: none"><li>Increase in Group digital customer penetration to 75.4% from 73.6% in 2022.</li><li>Increase in Group digital sales penetration to 76.4% from 67.2% in 2022.</li><li>Increase in digital monetary transactions value by 11% YoY to RM1.1 trillion and volume by 16% YoY to 1.99 billion transactions.</li><li>Market share of mobile and internet banking transaction volume at 52.9% and 54.0% in Malaysia.</li></ul>	<ul style="list-style-type: none"><li>Number of three-month active digital users increased 6.24% YoY to 9.52 million at Group level.</li><li>99.95% service uptime of digital channels in 2023.</li></ul> <p>Refer to Pervasively Digital and Group Community Financial Services on pages 64 to 66 and 86 to 89</p>	<ul style="list-style-type: none"><li>Adopt omnichannel approach to ensure consistent delivery of services online and offline.</li><li>Reimagined identified physical branches to be “Phygita”, enhancing the customer banking journey through the integration of intuitive technological applications.</li></ul>	
<b>HC HUMAN CAPITAL</b> <ul style="list-style-type: none"><li>RM5.98 billion paid in salaries and rewards.</li><li>Established a new Long Term Incentive Plan for Maybank Group under the new Employee Share Grant Plan and emplaced the Dignity Policy.</li><li>Provided financial and non-financial support to employees and their families.</li></ul>	<ul style="list-style-type: none"><li>Succession realisation for mission critical positions at 82.0%.</li><li>Reduced turnover rate to 11.0% from 12.5% in 2022, demonstrating our commitment to retaining key talent and addressing skillset attrition.</li></ul> <p>Refer to Group Human Capital on pages 67 to 71</p>	<ul style="list-style-type: none"><li>Implement more tailored development programmes and create innovative spaces in the workplace such as “T-POD” to enhance employee well-being.</li><li>Actively build our own pipeline of next-gen talent who have the requisite skills, including ESG and digital-related expertise.</li></ul>	
<b>SRC SOCIAL AND RELATIONSHIP CAPITAL</b> <ul style="list-style-type: none"><li>RM4.31 billion mobilised for affordable housing in Malaysia.</li><li>18,301 SMEs and individuals benefited from financing assistance and repayment assistance across home markets.</li><li>Provided affordable and accessible micro-insurance and takaful products, as well as community empowerment programmes to 190,330 beneficiaries from lower income group.</li></ul>	<ul style="list-style-type: none"><li>Contributed RM3.10 billion in zakat and taxes.</li><li>Active role in domestic and international leadership initiatives such as COP28, Glasgow Financial Alliance for Net Zero (GFANZ), JC3 Committee and ABM-ESG Committee.</li></ul> <p>Refer to How We Distribute Value Created and Sustainability Statement on pages 33 and 101 to 109</p>	<ul style="list-style-type: none"><li>Channel a portion of our financial resources to flagship programmes to enable communities’ financial independence and literacy.</li></ul>	
<b>NC NATURAL CAPITAL</b> <ul style="list-style-type: none"><li>Mobilised RM34.11 billion in sustainable finance.</li><li>Issued green and sustainable bonds totaling over RM1 billion, covering the development of a large scale solar photovoltaics plant and hydroelectric projects, contributing to climate mitigation efforts.</li></ul>	<ul style="list-style-type: none"><li>49.0% reduction in the Group’s operational Scopes 1 and 2 GHG emissions against 2019 baseline.</li><li>33.7 million tCO<sub>2</sub>e emitted from the Group’s Scope 3 financed emissions (lending and investment activities including LULUCF and 31.9 million tCO<sub>2</sub>e excluding LULUCF).</li></ul> <p>Refer to Sustainability Statement on pages 101 to 109</p>	<ul style="list-style-type: none"><li>Adjust our lending and financing activities to generate positive environmental impacts.</li><li>Focus on initiatives like renewable energy, electric vehicles and other activities that contribute to environmental sustainability.</li><li>Proactively engage clients on their transition strategies and work towards developing sustainable products and solutions aimed at accelerating our customers’ decarbonisation journey.</li></ul>	

● Value creation ● Value preservation ● Value erosion

**Our Value Creating Business Model and Performance by Capitals****STRATEGIC TRADE-OFFS FOR SUSTAINABLE LONG-TERM GROWTH**

As we strive to create value for Maybank and our diverse stakeholder groups, there will be strategic trade-offs. Our long-term sustainability and viability are dependent on the decisions we make today. We continuously assess the outcomes of the capital inputs and balance the short and long-term implications of our strategic decisions. Some of our key trade-offs include:

**Balancing growth and risk management**

While it is critical to enhance profitability across key businesses by pursuing opportunities through innovative solutions in our operating markets, it is important to maintain a prudent stance, particularly in the face of the uncertain operating environment. We are cultivating a resilient balance sheet alongside robust liquidity and capital buffers to ensure the ability to support growth initiatives and create continuous value for our stakeholders.

**Allocating resources to propel digital innovation**

The transformation of our technology capabilities is paramount to enhance customer-centricity through digital solutions, ensuring agility and mitigating the risk of losing relevance. Creating an innovative environment requires strategic capital investments in technologies and talents, fostering innovation and fortifying cyber resilience. These initiatives will directly influence our financial, manufacturing and intellectual capitals.

**Managing productivity and relationships strategically**

Although digitalisation enhances our productivity, it also leads to a reduction of face-to-face engagement with our customers. Our commitment is to uphold our humanising approach by integrating our digital and physical touchpoints, ensuring the consistent delivery of seamless and personalised services across multiple channels.

**Transitioning towards next-gen workforce**

As traditional and administrative roles are progressively being replaced by next-gen capabilities, it is increasingly more critical for us to invest in a digitally-savvy, customer-centric and sustainability-conscious workforce. Equipping Maybankers with the right tools and capabilities while fostering collaboration will yield improved productivity and financial returns over the longer term.

**Be the force for good**

Aligned with our mission of Humanising Financial Services, we strive to create meaningful change in the communities we serve by advancing financial inclusion, education and skills development. Providing financial services to underserved segments aligns with our overarching goal of promoting financial inclusion.

**Shifting gears to combat climate change**

In our commitment to combat climate change, Maybank recognises the need for a just transition, addressing risks and opportunities in high ESG-risk businesses. Short-term trade-offs may emerge between lost business opportunities and adhering to our ESG risk management principles. However, in the long run, we will be contributing to the enhancement of our natural, financial, human and social capitals.

● Value creation ● Value preservation ● Value erosion

Capital Outcomes

● FC

● FC

● IC

● MC

● HC

● FC

● MC

● SRC

● FC

● IC

● HC

● FC

● SRC

● FC

● HC

● SRC

● NC





# How We Engage and Create Value For Our Stakeholders

Engaging with our stakeholders on various platforms enables us to identify what is truly important to them and develop initiatives that cater to their evolving needs.

Frequency of engagement: Daily Weekly Monthly Quarterly Annually



## CUSTOMERS

Quality of Relationship: Customer Engagement Score: Net Promoter Score (NPS) +37

Related Strategic Thrusts and Programmes: ALL ALL EXCEPT SP10

### Who They Are:

Maybank serves a dynamic customer base across 18 countries, including all 10 ASEAN markets, encompassing over 16 million retail, non-retail and corporate customers.

### Why We Engage:

- To understand their evolving needs and expectations as well as identify gaps so we can better serve them, enhancing their trust and loyalty in Maybank as the preferred financial services provider.
- To provide hyper-personalised services, ensure customer-centric innovation and build awareness of trends and issues impacting them for informed decision making.

### How We Engage:

- Digital touchpoints and platforms (i.e.: Maybank2u, Maybank2u Biz and Maybank2E websites and apps, MAE by Maybank2u, Maybank2Own and Etiqa+).
- Physical branches, business centres, investment management centres, transaction banking centres, self-service terminals (ATMs).
- Customer service centres and customer-facing personnel.
- Social media platforms.
- Customer surveys, interviews, focus group discussions and empathy sessions via behaviour labs.
- Marketing campaigns and events.

### Stakeholder Expectations:

- Enhanced, seamless customer experience with flexible, convenient and secure access to financial services in addition to quick issue resolution across different platforms in real time.
- Integrated, hyper-personalised solutions aligned with customer priorities, recognising customers as individuals with diverse needs and aspirations.
- Accessible resources to guide informed financial decisions while improving financial literacy and empowerment.

### Risks:

- Heightened competition from both traditional and non-traditional financial services players in addressing evolving customer needs.
- Reduced loyalty from a lack of understanding of customers' needs, limited personalised products and solutions, or poor relationship management.
- Loss of customers from heightened cyberattack threats resulting in personal data and financial losses.
- Stranded assets if we do not provide alternative sustainable or transition solutions.

### Opportunities:

- Be the "Top of Mind" bank and build strong customer retention through improved engagement and understanding of customers' needs.
- Collaborate with customers for insights to design solutions that meet evolving needs, building relationships beyond financial services.
- Expand customer base by targeting new customers through first-to-market solutions, innovative offerings and advisory.

### Value for Maybank:

- Ability to sustain our growth and profitability across portfolios, regions and footprint.
- Strong brand reputation by building customer loyalty and trust as well as through positive endorsements.
- Strong customer base that keeps us relevant and helps us innovate timely offerings.

### Value for Our Customers:

- Personalised solutions that meet their needs.
- Best-in-class customer journey and experience.
- Access to safe, fast and reliable physical and digital financial services.
- Pain points addressed quickly and effectively through engagement channels.

### Our Strategic Response to Enhance Value Creation:

- Strengthen segment-focused strategies and deliver innovative sector-specific solutions, while enhancing our secure digital propositions and ESG capabilities.
- Improved customers' home-buying experience by integrating the Maybank Home<sup>2</sup>u financing platform into online booking systems of established property developers.
- Empowered retail customers to make better sustainable life choices through market firsts including myimpact credit cards and end-to-end financing solution for EV and hybrid vehicles.
- Improved Malaysian branches service delivery efficiency and simplified over-the-counter individual account openings, reducing the time by 70% from 51 minutes to 15 minutes.
- Introduced self-service Kill Switch feature that temporarily deactivates online banking access, and migrated all Secure2u banking transaction authorisations into our Maybank MAE app to protect customers against online fraud.
- Identify and address end-to-end customer life/client business journeys and needs.

### How We Track Value:

- Customer satisfaction scores as measured by surveys such as our annual External Customer Engagement Survey.
- Obtaining feedback from our customers.
- Tracking customer complaints as a ratio against the total number of customers.
- Number of customers utilising our products and services on monthly basis.

### Achievements:

- Market leading customer satisfaction score as NPS improved to +37 in 2023 vs +24 in 2022.
- Strong digital penetration with over 9.52 million active customers Group-wide.
- Maintained position as the No. 1 online insurer and general takaful player respectively in Malaysia with 53.1% market share.
- Reduced customer complaints ratio per 10,000 customers to 0.13 in 2023 compared to 0.29 in 2022.
- Largest market share (30%) and leadership in the Islamic banking market in terms of total assets, financing and deposits.

For more details on FY2023 achievements, refer to Key Performance Indicators and Pervasively Digital from pages 62 to 66 and Group Community Financial Services, Group Global Banking, Group Insurance and Takaful and Group Islamic Banking from pages 86 to 100

Related Capitals: IC MC SRC NC

Related Material Matters:

Related UN SDGs:



# How We Engage and Create Value For Our Stakeholders



## INVESTORS

**Quality of Relationship: Average survey scores from three investor days in 2023: 91% rated content delivery ≥ good**

Related Strategic Thrusts and Programmes: **ALL** **ALL**

### Who They Are:

Maybank has a total of 162,441 shareholders, from institutional investors and fund management companies to retail investors.

### Why We Engage:

- To ensure clear, timely and effective communication to maintain credibility and trust and facilitate investment decisions regarding Maybank.
- To obtain their views and expectations of Maybank for better alignment in meeting these expectations and sustaining access to capital.

### How We Engage:

- 📅 Conferences and non-deal roadshows.
- 📅 Quarterly analyst briefings.
- 📅 Thematic investor day briefings.
- 🗨️ One-on-one and group meetings with Group EXCO members and Head of Group Investor Relations.
- 📄 Dissemination of information and disclosure of materials on our website at [www.maybank.com/ir](http://www.maybank.com/ir).
- 📅 AGMs and EGMs.
- 📄 Annual integrated and sustainability reports.
- 📖 Refer to Investor Information on pages 82 to 85 for our investor engagements for 2023

### Stakeholder Expectations:

- Sustainable earnings and stable dividend stream through revenue growth, strategic long-term investments, capital optimisation, sweating of assets, diligent management of asset quality and liquidity, and prudent risk management.
- Proactive management of asset quality and monitoring of credit risks from exposure to individuals and sectors affected by macroeconomic volatility.
- Lending and investment practices that are embedded with sustainability considerations.
- Prudent and effective technology investments and partnerships to remain ahead of emerging competition.

### Risks:

- Loss of investor confidence from poor financial performance, risk management or governance.
- Misreporting or inaccurate financial analysis by analysts/investors may unfavourably impact stock rating and share price performance.
- Increased cost of capital.

### Opportunities:

- Provide transparent and timely disclosures on strategy and performance.
- Demonstrate consistent performance to maintain investor confidence and spur interest in Maybank.
- Broaden access to competitively priced capital to support growth.

### Value for Maybank:

- Access to a broad and diverse base of equity- and debt-holders to facilitate our growth plans.
- Attain fair ratings and valuation of Maybank's shares.

### Value for Our Investors:

- Solid investment case given Maybank's track record of strong dividend payout.
- A proxy to growth in ASEAN economies given Maybank's presence in all 10 regional markets.
- Well-established business backed by robust financial resources provides assurance on our ability to pay interest and repay debt capital.
- Maybank's sustainability commitments demonstrate our seriousness to be an agent of climate change and sustainability leader in SEA.

### Our Strategic Response to Enhance Value Creation:

- Refocus our global footprint and leverage our diversified portfolio across ASEAN and key financial centres to create sustainable value.
- Emphasise strong liquidity and capital management to preserve financial viability and readiness to withstand macroeconomic uncertainty.
- Provide timely and comprehensive disclosures on asset quality and ESG risk management, as well as remaining repayment assistance exposures related to the COVID-19 pandemic.
- Realign risk appetite and lending strategies with industry outlook for balance sheet preservation.
- Provide updates on strategic investments and partnerships to develop digital and technological capabilities to stay ahead of emerging competition.

### How We Track Value:

- Key annual financial guidance.
- Long-term sustainability commitments under M25+.
- Long-term financial outcomes under M25+.

### Achievements:

- Group return on equity of 10.8%, within guidance of 10.5% to 11.0% for FY2023.
- Group net credit charge off rate of 31 bps, within guidance of 30 bps to 35 bps for FY2023.

📖 For our full FY2023 achievements, refer to Key Performance Indicators on pages 62 and 63

Related Capitals:



Related Material Matters:



Related UN SDGs:





## How We Engage and Create Value For Our Stakeholders



### EMPLOYEES

Quality of Relationship: Sustainable Engagement Index\*: 89%

Related Strategic Thrusts and Programmes: **ST2** **ST4** **SP9** **SP10** **SP12**

#### Who They Are:

Maybank employs over 43,000 Maybankers in 18 countries across the Group, practising a diverse hiring approach by valuing individuals of all races and abilities without prejudice.

#### Why We Engage:

- To provide support and alignment in delivering Maybank's M25+ strategy, guided by three strategic thrusts to shape a thriving, diverse and inclusive workplace.
- To foster a culture of adaptability, sustainability and customer-centricity that empowers employees with relevant skills and competencies.
- To ensure an engaging and positive workplace environment.

#### How We Engage:

- Dialogue sessions with Group EXCO, Conversation series, townhalls, roadshows, coaching and counselling sessions, etc.
- Talent development initiatives through career conversations and learning and development programmes (M25+UP, X-celerate, NEXTLeaders, ConnectUP).
- Regular electronic communication (email, newsletters, portals) as well as virtual and social media channels.
- Feedback platforms, including the GHC One-Stop Centre, Employee Engagement Survey and Employee Outreach programmes.

#### Stakeholder Expectations:

- A safe, supportive and engaging work environment to enable a balance between professional and personal life.
- Greater flexibility in performing daily functions via access to tools and arrangements that facilitate remote work, integrating the evolving landscape of the new normal.
- Possessing the right skills, competencies and mindset for continued high performance, including next-gen capabilities.

#### Risks:

- Inability to retain and attract the right talents given immense talent competition and evolving next-gen workforce trends.
- Potential gaps in workforce skillsets driven by digitalisation and automation.
- Disengaged workforce due to intense high work demands and transformation leading to lower productivity and performance.
- Reduced employee well-being due to lack of adequate support to address mental health related requests.

#### Opportunities:

- Improved employee performance and ability to outperform expectations to drive the Bank's growth.
- Best-in-class and regional industry leadership through innovative and customer-centric solutions.
- Equip employees with FutureReady infrastructure through innovative digital platforms, processes and new age tools to increase productivity and efficiency.
- New next-gen roles and tasks created as a result of organisation development initiatives in line with our strategic transformation.

#### Value for Maybank:

- Engaged FutureReady next-gen workforce demonstrating better productivity and valuable contributions to carry out business strategies.
- Drive innovation and transformation to keep the organisation relevant and retain position as the market leader.
- Brand advocates with deep product knowledge and the ability to elevate the customer experience.

#### Value for Our Employees:

- Holistic employee experience encompassing a conducive work environment that empowers creative thinking, embraces diversity, prioritises well-being, and enables work-life integration through flexible work arrangements.
- Attractive and meaningful benefit programmes that cater to employees' physical, mental and emotional well-being as well as their financial, social and career needs.
- Strong learning culture with best-in-class learning and development programmes to nurture employees at all levels for career progression and long-term career relevance.

#### Our Strategic Response to Enhance Value Creation:

- Upskill and reskill employees through continuous learning and development, with emphasis on sustainability and FutureReady programmes.
- Expanded our Mental Health First Aiders (MHFAs) programme, certifying 95 additional Maybankers and bringing our total number of full-time certified MHFAs to 195, with over 14,000 instances of participation in mental well-being initiatives.
- The "GO Ahead. Take Charge!" initiative remains pivotal in guiding employees through the evolving work landscape and dynamic work settings, facilitating seamless career shifts.
- Institutionalised Employee Sustainability and Volunteerism, Mental Health and Human Rights policies, and launched the Dignity Policy.
- Implemented comprehensive DEI programmes, integrating our core values and ensuring equitable opportunities and support across all levels of our diverse workforce.

#### How We Track Value:

- Employee training and development, including workforce in next-gen roles.
- New employee hires and employee turnover rate.
- Workforce diversity, equity and inclusion metrics.
- Employee engagement metrics.
- Employee involvement in community investment and engagement activities.
- Number of hours spent on sustainability activities.

#### Achievements:

- Increased workforce in next-gen roles from 13% to 21% YoY.
- 40,622 unique learners with a total of 506,478 learning programmes undertaken, averaging 12 programmes per employee.
- 82% succession realisation rate for mission-critical positions, and higher internal realisation rate of women into senior management roles to 44% from 43% in 2022.
- Recognised in the Willis Towers Watson (WTW) Global High Performing Companies benchmark for the sixth time. The Sustainable Engagement Index score (89%) and Sustainability score (90%) are both above WTW Global High Performing Companies Norm.
- 1,937,632 sustainability hours in FY2023.

For more details on FY2023 achievements, refer to Group Human Capital on pages 67 to 71

\* WTW describes sustainable engagement as the intensity of employees' connection to their organisation

Related Capitals: **IC** **MC** **HC** **SRC** **NC**

Related Material Matters:

Related UN SDGs:





# How We Engage and Create Value For Our Stakeholders



## COMMUNITIES

Quality of Relationship: Maybank Foundation Stakeholder Survey#: 81%

Related Strategic Thrusts and Programmes:

ST3 to ST5 SP5 to SP9

### Who They Are:

Maybank empowers diverse demographic segments including micro-enterprises, low-income individuals, persons with disabilities and marginalised communities across ASEAN through tailored support.

### Why We Engage:

- To foster positive change and empower communities through financial services, in line with our mission of Humanising Financial Services.
- Stay attuned to local dynamics and drive community advancement through impactful operations, financial education, assistance and empowerment, while raising awareness of those in need.
- Promote an inclusive employment culture through tailored opportunities and employability programmes for talents with diverse abilities including the differently-abled.

### How We Engage:

- Capacity-building and economic empowerment initiatives, financing assistance, local marketplace (i.e.: Sama-Sama Lokal), repayment assistance programmes and inclusion workshops.
- Strategic partnerships, outreach and educational programmes focused on financial literacy.
- Websites, social media channels and virtual communication platforms.
- Community engagement surveys.
- Employee volunteerism platforms and Maybank Foundation initiatives that support long-term stakeholder initiatives (i.e.: Cahaya Kasih, MaybankHeart).

### Stakeholder Expectations:

- Foster a sustainable future for all through socio-economic initiatives targeting unemployment, low financial literacy and empowerment of disadvantaged communities, etc.
- Provide personalised finance solutions tailored to the unbanked and underbanked communities.
- Offer financial assistance and programmes to enhance livelihoods as well as create and support SME business opportunities.

### Risks:

- Financing of activities that may harm the environment and surrounding communities.
- Brand risk and limited partnerships from potential lack of engagement and inclusion within the communities we serve.

### Opportunities:

- Empower communities to enhance economic well-being through tailored financial offerings and financial literacy (i.e.: improve education levels, reduce poverty, increase earning power).
- Foster mutually beneficial partnerships with local community organisations, strengthening grassroots relationships and improving public perception.
- Identify new segments of potential customers and talent for employment.

### Value for Maybank:

- Uphold public trust to grow our footprint and market position.
- Promote inclusivity by identifying and addressing needs of the underserved.
- Safeguard the environment and economies in our operational areas.
- Fortify social license to operate and goodwill, while cultivating sustainable partnerships within communities we serve.
- Demonstrate Maybank's commitment to employees' welfare and the community, fostering unity and teamwork.

### Value for Our Communities:

- Accessible and inclusive financial services and facilities, especially for those in rural areas.
- Empowerment, enhanced earnings potential, and diversified business/job creation arising from Maybank's socio-economic and outreach programmes.
- Access to basic essentials such as education and healthcare while enhancing financial literacy.

### Our Strategic Response to Enhance Value Creation:

- Launched FUNancial Day in Malaysia in collaboration with education institutions to foster financial literacy among students and young adults.
- Extended assistance via the Ehsan Financing Facility to persons with disability graduating from Maybank Foundation's R.I.S.E. programme to help them start their own businesses and achieve financial independence.
- Uplifted MSMEs by encouraging broader sector participation and greater awareness of financial opportunities via sessions with industry experts.
- Continued to widen access to affordable financing for the underprivileged/underbanked via agent banking and Maybank Mobile Bus Malaysia in remote and rural areas.
- Engaged in Cahaya Kasih initiatives Group-wide, focused on education and zero waste programmes, among others, with Maybankers collectively dedicating 142,319 hours over the entire year.

### How We Track Value:

- Individuals and households impacted by our community initiatives and flagship programmes.
- Financial and non-financial benefits to individuals or communities impacted by our community and zakat programmes.
- Monitoring of Maybank Foundation programmes.
- Monthly monitoring by Value-Based Intermediation Sustainability Steering Committee.

### Achievements:

- Maybank Foundation's active flagship and core programmes across ASEAN countries have benefitted 461,952 beneficiaries to date, reaching 75,658 new beneficiaries in 2023 versus 48,339 in 2022.
- Zakat contributions impacted 45,918 beneficiaries, with 129 Zakat RISE programme graduates earning income exceeding RM2,500.
- Assisted 177,078 individuals through micro insurance/takaful products from 122,664 in 2022.
- Etiqa's flagship CSR programmes benefitted 13,252 individuals in 2023.

For more details on FY2023 achievements, refer to Sustainability Statement on pages 101 to 109

# Indicates the purpose, quality and impact of Maybank Foundation programmes and relationship rating with partners, beneficiaries and country representatives

Related Capitals:



Related Material Matters:



Related UN SDGs:





# How We Engage and Create Value For Our Stakeholders



## REGULATORS AND GOVERNMENTS

### Quality of Relationship: Maintaining good relationships with regulators and authorities across markets through regular engagement

Related Strategic Thrusts and Programmes: **ST2** **ST4** **SP9**

#### Who They Are:

Maybank engages proactively with financial authorities, legislative bodies, capital market regulators and financial institutions/associations in the countries where we operate, ensuring compliance with statutory requirements across the region as well as internationally.

#### Why We Engage:

- To remain informed of changes and developments impacting the sector and economy, run operations smoothly, and comply with legal and regulatory requirements with the aim to drive best practices in the industry.
- To contribute to policy formulation and national development initiatives that benefit the larger economy.
- To proactively identify and mitigate financial and non-financial risks that could impact the stability of the financial system.

#### How We Engage:

- Regular reporting, meetings, roundtable discussions and periodic updates.
- Active participation and contribution to industry and regulatory consultation papers, forums, committees and working groups.

#### Stakeholder Expectations:

- Adherence to laws and regulations ensuring monetary and financial stability, professional business conduct, and fair treatment of financial consumers.
- Lead collaborations and engagement between industry players and consumers to capacity build, address industry gaps, as well as promote and integrate emerging trends.
- Ethically and effectively manage risks and build resilience against challenging environment (i.e.: data security, cyber risk, greenwashing) while maintaining consistency in responsible management and meeting customer expectations.

#### Risks:

- Lack of preparation for changing regulations could impact operational costs and performance deliverables.
- Irregularities or non-compliance could have negative financial or non-financial implications, including regulatory enforcement, loss of reputation and trust.

#### Opportunities:

- Leverage deep insights and industry knowledge through regular engagement to adopt best practices, facilitate strategic collaboration and shape effective decision-making.
- Preferred partner for business customers to generate economic activities with positive social and environmental impacts, and contribute to national productivity.

#### Value for Maybank:

- Ability to operate across the region and receive guidance on rules, regulations and latest developments, ensuring operational and organisational resilience, stability and agility to adapt.
- Remain operationally relevant while protecting the Bank's reputation by promoting trust, customer confidence and engagement.
- Monetary and financial stability and governance would support economic growth and facilitate a favourable business environment.

#### Value for Our Regulators and Governments:

- As an industry leader, collaborate and provide views to facilitate policymaking decisions.
- Standard setter with best practices in place.
- Support efforts to create awareness of matters impacting customers (i.e.: online scams, financial literacy and sustainable finance) in timely manner.

#### Our Strategic Response to Enhance Value Creation:

- Implemented Bank Negara Malaysia (BNM)'s key measures to combat fraud.
- Establish consistent and open lines of communication with regulators and financial institutions/associations for updates on developments and discuss potential enhancements, challenges or risks through working committees such as the Joint Committee on Climate Change and our COP28 representation.
- Contributed to the development of the Value-Based Intermediation Financing and Investment Impact Assessment Framework Sectoral Guides, specifically in the Mining and Quarrying sector, which were released by Association of Islamic Banking and Financial Institutions Malaysia for public consultation in May 2023.
- Engage actively in iTEKAD established by BNM to assist low-income micro entrepreneurs strengthen their financial management through business acumen.

#### How We Track Value:

- Conformance and compliance with regulatory expectations.
- Taxes and zakat paid.
- Reporting to Bank Negara Malaysia
  - Monthly/quarterly/half yearly/as and when required (on Climate Change and Principle-based Taxonomy, BNM Climate Related Risk).

#### Achievements:

- 100% compliance with regulatory expectations.
- RM3.10 billion in taxes and zakat paid.

Related Capitals: **FC** **SRC** **NC**

Related Material Matters:



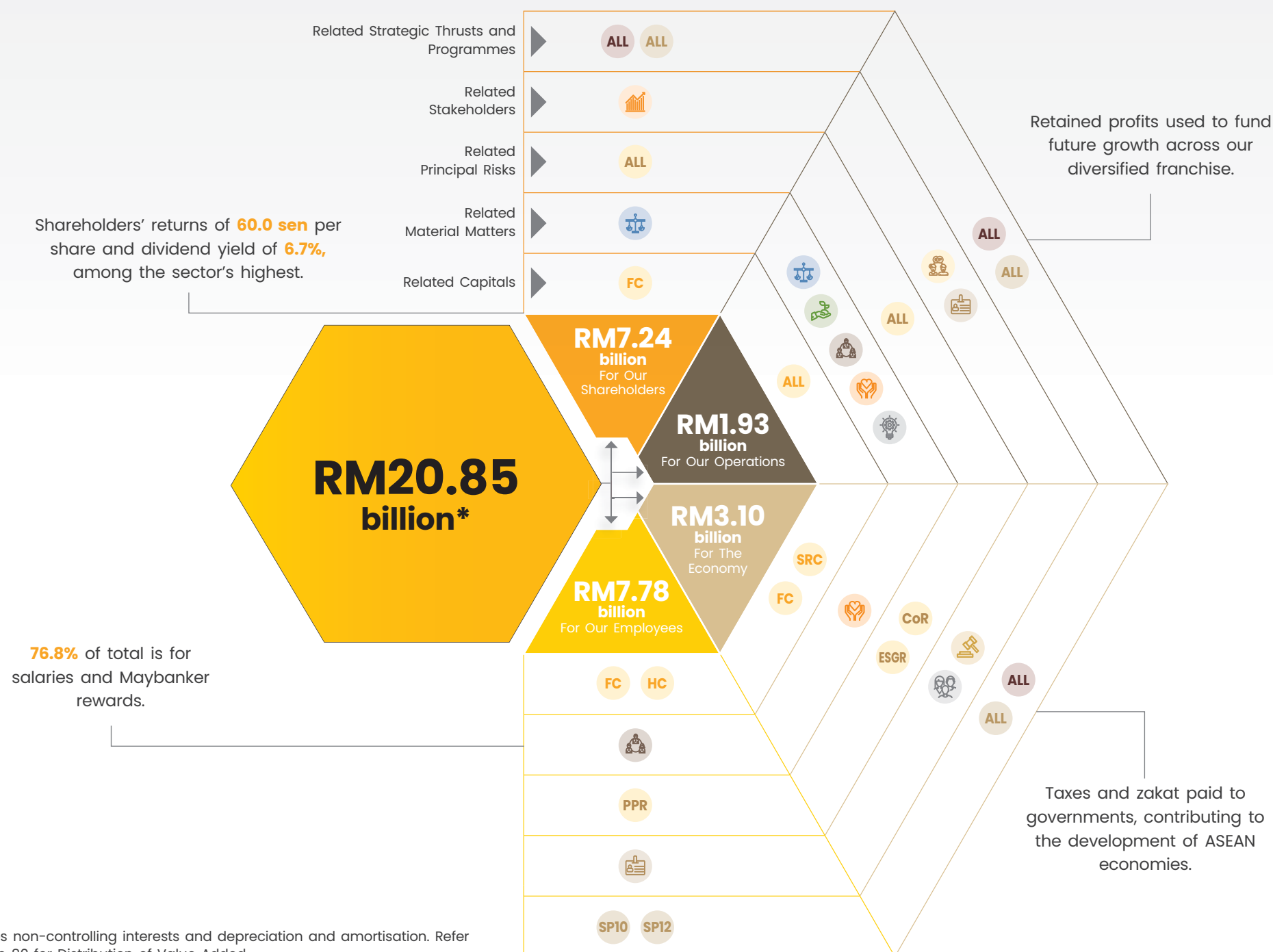
Related UN SDGs:



## How We Distribute Value Created

In fulfilling our promise to our stakeholders, Maybank Group distributes value created in relevant and meaningful ways – and for some stakeholder groups, beyond financial means. Stakeholders receive intangible benefits ranging from employee upskilling programmes to diverse community initiatives, in our effort to enable a more sustainable future.

Value created in FY2023 was distributed as follows:



\* Includes non-controlling interests and depreciation and amortisation. Refer to page 80 for Distribution of Value Added.





# Approach to Sustainability

Our sustainability approach remains guided by the Maybank Group Sustainability Framework which is anchored on three core pillars. Serving as an overarching framework that sets out the Group's sustainability mission, goals, targets, governance and approach in all our activities, the robust framework enables us to embed sustainability into all our activities, products and services as we strive to serve our communities without harming people or the environment. We carry out a materiality assessment (refer to Sustainability Material Matters) every two years to identify environmental, social and governance (ESG) issues that have the most significant impact on our business and are of the greatest concern to our stakeholders. These insights are then used to enhance our sustainability strategy and roadmap, which is elaborated in our Sustainability Statement.

## Sustainability Scope of Reporting:

Information disclosed in Approach to Sustainability, Sustainability Material Matters (pages 36 to 43) and Sustainability Statement (pages 101 to 109) cover the activities of the Bank, which includes our subsidiaries and branches across all 10 ASEAN countries, Greater China, India, UK, US and UAE. Quantitative information in Sustainability Material Matters and Sustainability Statement Performance Data are disclosed for a three-year duration wherever possible. Disclosures have been made to reflect best practices, comparability, completeness, accuracy and balanced reporting, to the best of our knowledge.

Leading by example with good management practices and ensuring that Maybank's ESG strategy is based on a strong foundation.

Related UN SDGs:



Enabling transition to a low-carbon economy by balancing environmental and social imperatives with stakeholders' expectations

Related UN SDGs:



Building community resilience across ASEAN and undertaking responsive action to promote economic development and social well-being.

Related UN SDGs:



## MAYBANK'S SUSTAINABILITY JOURNEY OVER A DECADE

- Published our **first Sustainability Report**, which included a materiality analysis.

**Responsible Lending Guideline** established.

- ESG Risk Management Framework endorsed as **an ESG Policy** following Board's approval.
- Incorporated **TCFD baseline**.

- Deforestation, No New Peat, and No Exploitation (NDPE) stance** approved by the Board in January 2020.
- Maybank received a rating of **"AA"** by MSCI ESG Ratings.

- First Bank in Malaysia to establish a **Sustainable Product Framework**.
- Amongst the first in ASEAN to **establish Scope 3 Financed Emissions Baseline**.

2010 2014 2015 2016 2018 2019 2020 2021 2022 2023

**Maybank Group's 20/20 Sustainability Plan** approved by Board of Directors.

20/20 Sustainability Plan **linked to the United Nations' SDGs**.

- Group Sustainability Council** established.
- Group-wide **ESG working group** established to integrate sustainability into existing business practices.

- Five-year strategy, M25**, launched with Sustainability as a strategic priority.
- No New Coal Financing**.
- Elevated Group Sustainability Council into **EXCO Sustainability Committee**.
- Established **Board Sustainability Committee**.

- Established the **Group Human Rights Policy**.
- Appointed as **member** of the **national advisory panel on climate change**.
- Launched the **Transition Finance Framework** to support our clients' transition towards a Paris-aligned economy.

**2030**  
Committed to a **carbon neutral position** of our own emissions.

**Beyond 2024**

**2050**  
**Net zero carbon emissions position.**

## Approach to Sustainability

Stakeholder value created	Commitment				
	01	02	03	04	
	Mobilising <b>RM80 billion</b> in sustainable finance by 2025	Improving the lives of <b>two million households</b> across ASEAN by 2025	Achieving a <b>carbon neutral</b> position of our own emissions by <b>2030</b> and <b>net zero carbon</b> equivalent position by <b>2050</b>	Achieving <b>one million hours</b> per annum on sustainability and delivering <b>one thousand</b> significant UN SDG-related outcomes by 2025	
	Related Stakeholders:	Related Stakeholders:	Related Stakeholders:	Related Stakeholders:	
Achievements	Embed sustainability considerations into lending and investment solutions which include syndication, fundraising, underwriting and advisory practices, guided by appropriate risk management policies and practices	Create long-term positive impact on communities through initiatives that promote social and economic well-being, drive financial inclusion and access to financing	Support stakeholders' transition to reduce global carbon emissions by offering sustainable solutions while reducing our own operational emissions	Build sustainable next-gen capabilities while adopting best practices for the management of our supply chain and environmental impact	
	FY2023: <b>RM34.11 billion</b> [Target: RM16.83 billion]  Cumulative: <b>RM68.48 billion</b>	FY2023: <b>498,529</b> [Target: 403,344]  Cumulative: <b>1.37 million</b>	FY2023: <b>49.0%</b> [Target: 43.5%]	FY2023: <b>1,937,632 hours</b>	
	Established sustainability frameworks, policies and guidelines to drive clear ESG integration: <ul style="list-style-type: none"> <li>Sustainable Product Framework</li> <li>Transition Finance Framework</li> <li>Sustainability-linked Product Guidelines</li> <li>Climate Risk Policy</li> <li>Client Engagement Guidebook</li> <li>High ESG risk sectors position papers</li> </ul> <p>Mobilised sustainable solutions for renewable energy, green buildings and homes, clean transportation, affordable basic services and infrastructure, among others.</p>	<ul style="list-style-type: none"> <li>Offered affordable and accessible micro-insurance solutions and improved access to financing for lower-income customers, vulnerable groups, SMEs and microenterprises.</li> <li>Provided tailored financial literacy programmes to children, individuals and SMEs to improve their financial decision-making.</li> <li>Maybank Foundation, as the social impact arm of the Group, drives community programmes focusing on education, community empowerment and environmental diversity.</li> </ul>	<p>Actively working with our existing clients to drive a responsible transition:</p> <ul style="list-style-type: none"> <li>Established Scope 3 financed emissions.</li> <li>Launched Financed Emissions Calculator.</li> <li>Finalising sector-specific transition pathway for power and palm oil, while currently working on oil and gas.</li> </ul> <p>Taking action to reduce our own emissions:</p> <ul style="list-style-type: none"> <li>Energy efficiency initiatives</li> <li>Carbon credit purchases</li> <li>Acquisition of Renewable Energy Certificates</li> </ul>	<p>Building employee awareness and upskilling:</p> <ul style="list-style-type: none"> <li>Green Lab</li> <li>Maybank Cares sustainability platform</li> <li>Maybank's Sustainability Capability Building programme</li> <li>Inaugural Maybank Group Sustainability Week</li> </ul> <p>Ensuring strong governance and people practices:</p> <ul style="list-style-type: none"> <li>Sustainability agenda oversight by Board Sustainability Committee and EXCO Sustainability Committee.</li> <li>Developed Group Human Rights Policy and Group Dignity Policy.</li> <li>Introduced Self-Lead Sustainability and Volunteerism Policy.</li> </ul>	
What we plan to do in 2024	<ul style="list-style-type: none"> <li>Develop a nature-based framework aligned to Taskforce on Nature-related Financial Disclosures.</li> <li>Spearhead the development of an industry-level transition finance framework.</li> <li>Proactively identify, ideate and provide solutions for clients in areas such as transition finance, renewable energy, EV, green mortgages and carbon credits.</li> <li>Review high ESG risk sector positions and the Sustainable Product and Transition Finance Frameworks.</li> </ul>	<ul style="list-style-type: none"> <li>Expand micro-insurance offerings to other countries.</li> <li>Continue to advance social impact initiatives through Maybank Foundation's flagship programmes.</li> <li>Develop a Social Progress Index.</li> </ul>	<ul style="list-style-type: none"> <li>To publish decarbonisation plan for power and palm oil, and develop the decarbonisation pathway for two additional sectors.</li> </ul>	<ul style="list-style-type: none"> <li>Roll out Maybank's Sustainability Practitioner Certification Programme and sectoral sustainability course as part of efforts to integrate sustainability expertise into business units.</li> <li>Publicly disclose the Group Human Rights Policy.</li> <li>Establish a Sustainability Learning Framework.</li> </ul>	

### KEY RECOGNITION:

Only Malaysian company to be included in **TIME's World's Best Companies 2023** comprising 750 companies, with a sustainability ranking of 374.

First Malaysian bank to win **Global Finance's "Outstanding Leadership in Sustainability Transparency- Asia Pacific"** award and **Best Bank for Sustainable Finance in Malaysia** award in 2023.

Improved CDP rating to **B** for 2023 from **C** previously, highest rating received by a bank in Malaysia and placing us above the Asia and Global average of **C**.

Maintained **MSCI ESG Ratings of AA** for the fourth consecutive year.

Continued to be included in the **Bloomberg Gender Equality Index** and **FTSE4Good Bursa Malaysia Index**.

Obtained an overall entity rating of **two** by **RAM Sustainability Rating**, indicating very low risk on E, S and G pillars.



# Sustainability Material Matters

Our sustainability material matters are determined via in-depth materiality assessments that are conducted every two years. Inputs from our stakeholders are further used to review our sustainability strategy from time to time in order to reflect evolving issues and interests. This process allows us to focus on impact-based solutions for our customers while empowering our communities as we embed sustainability across our core business.

Following the last materiality assessment conducted in FY2022, in FY2023 we reviewed the material issues identified to ensure their continued relevance to our business and its impacts, as well as alignment with stakeholder interests and concerns.

## Our Materiality Review Process

### 1 Identification of Material Topics

Key topics were identified through a comprehensive review of ESG standards and industry trends:

- Bursa listing requirements on sustainability reporting (11 common material topics).
- GRI Topic Standards.
- Sustainability Accounting Standards Board (SASB).
- UN Sustainable Development Goals (UN SDGs).
- Global analyst reports such as CDP, FTSE ESG Index and MSCI ESG Index.

### 2 Assessment

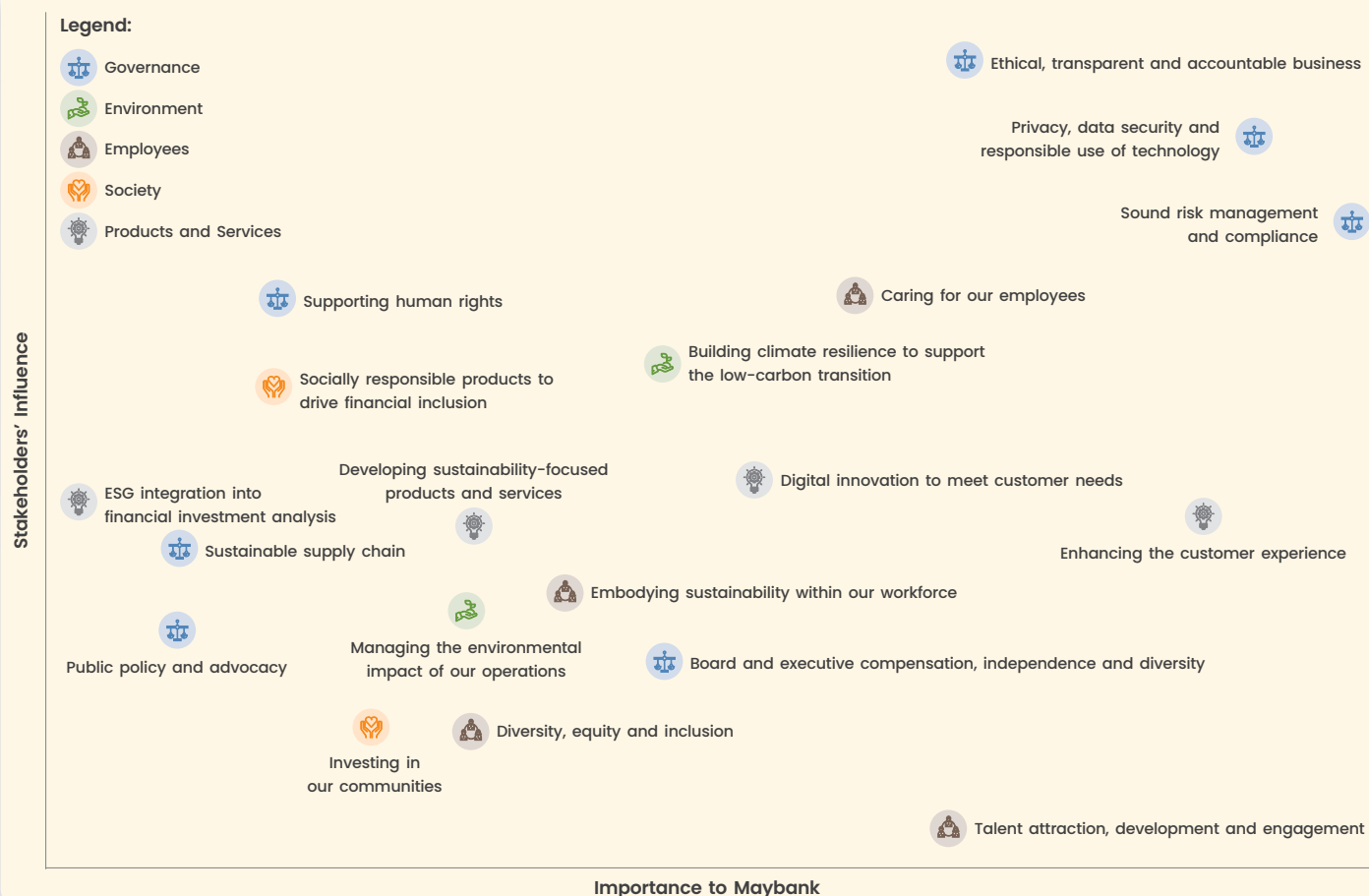
- Materiality validation based on desktop research, aligning Maybank's material matters against industry peers as well as reporting requirements and frameworks.
- Targeted materiality assessment via online survey for selected stakeholders, namely customers from all business segments.

### 3 Prioritisation and Validation of Results

Materiality validation and online survey results were analysed and tabled to the Board for approval.

Based on the assessment, we determined that our materiality issues sufficiently reflect current stakeholder interests and require no further amendments.

## Materiality Assessment Matrix



## KEY OBSERVATIONS

During the materiality validation process, we conducted a desktop review to compare our material matters and risks against those of local, regional and global industry peers. While the analysis revealed a general alignment with industry, there were two areas in which Maybank's commitment to sustainability stood out. These were in our distinct prioritisation of "Public policy and advocacy" and "Board and executive compensation, independence and diversity". As a key financier in ASEAN, we recognise and emphasise the importance of addressing these crucial matters to uphold our sustainability values. Our material matters were cross-referenced against Bursa Malaysia's 11 common sustainability matters, GRI topic standards, and SASB industry-specific indicators. We also ensured our material issues align with the 17 UN SDGs.

Further enhancing the thoroughness of our material matters review, we sent out a smaller and targeted survey to 48 respondents, requiring them to rate which of the material topics Maybank should address and how well Maybank is managing or addressing these material topics as well as what should Maybank prioritise. The respondents consisted of customers from our key business segments, covering Group CFS, Group GB and Group Insurance and Takaful. They ranked "Privacy, data security and responsible use of technology", "Ethical, transparent and accountable business", and "Enhancing the customer experience" as Maybank's top three material matters; and "Board and executive compensation, independence and diversity", "Public policy and advocacy" and "Investing in our community" as the lowest.



# Sustainability Material Matters



## GOVERNANCE

Principal Risks: **ALL**

Related Strategic Thrusts and Programmes:

ST2

ST4

SP9

Related Stakeholders:



+ Positive

- Negative

### Risks and Our Mitigating Actions:

- Business and reputation risks arising from Maybank's inability to adequately address governance issues related to incentive structures and diversity, transparent disclosure and ethical conduct as well as compliance and alignment with standards on risk management, supply chain, human rights, data privacy and security.
- To address this, the Group continuously strengthens its governance practices through internal control systems, ensuring regulatory compliance, promoting transparency in decision-making, risk management systems and fostering a culture of ethical conduct. This includes the appointment of a skilled and diverse leadership, as well as capacity and capabilities building initiatives.

### Opportunities Arising:

- Improved reputation, trust and confidence among stakeholders by establishing frameworks, policies and practices to proactively manage these risks.

### Capital Impact:

#### FC Financial Capital

- + Transparent and ethical decision-making enhances investor confidence.
- Irregularities or non-compliance with regulations could result in legal challenges and regulatory penalties.

#### IC Intellectual Capital

- + Good governance practices enable effective financial planning strategies and outcomes.
- Poor governance practices may hinder the efficacy of financial planning strategies and outcomes, and could lead to harm or damage to this capital within the organisation.

#### SRC Social and Relationship Capital

- + Good governance practices help shape industry standards.
- Ethical lapses or controversies negatively impact trust and relationship with various stakeholders.

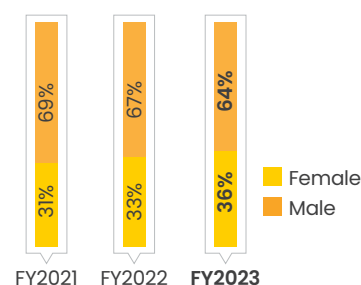
## Material Matters



### Board and executive compensation, independence and diversity

Compensation, accountability, independence and diversity of the company's Board and senior management, and sustainability governance/incentives at Board and senior management level.

#### Board gender diversity



**Target FY2023:** Maintain at least 30% female representation

**Importance:** Robust leadership in these areas fosters accountability, transparency and diversity at the highest levels, contributing to the Group's long-term success and corporate ethics in building responsible and effective operations.

**Our Response:** By strengthening diversity at the leadership level and within our workforce, we actively cultivate an equitable and inclusive culture, striving for diverse representation across our operations. We uphold gender diversity in the boardroom, guided by the Board Gender Diversity Policy.

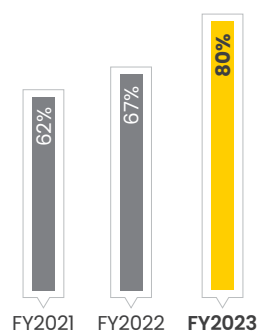
**Gender diversity at the Board and Senior Management levels is discussed in:** Corporate Governance Overview Statement (page 130) in this report, Embedding Sound Business Practices in the Sustainability Report (page 109), and Inculcating Strong Governance in the Environmental Report (pages 6 to 10).



### Ethical, transparent and accountable business

Frameworks, policies and practices that uphold high standards of ethics, integrity, transparency and accountability throughout our business and operations to maintain stakeholders' trust in the organisation (i.e.: zero tolerance for bad conduct including corruption and bribery, sound grievance mechanisms, ensuring the fair treatment of customers and clients, providing accurate and adequate information about our products and services, etc.).

#### Percentage of employees who received training on anti-corruption



**Importance:** Adherence to high standards of business conduct ensures integrity, transparency and trustworthiness in all aspects of our operations building and maintaining stakeholders' trust.

**Our Response:** Guided by a set of robust policies, procedures and controls developed to prevent unlawful activities, we aim to carry out all our business activities ethically and at the highest level of integrity for interactions with all stakeholders. We also adhere to a strict zero-tolerance policy with regard to bribery and/or corruption.

**Efforts to ensure ethical business conduct are discussed in:** Statement on Risk Management and Internal Control (SORMIC) in this report (page 144) and Embedding Sound Business Practices in the Sustainability Report (page 109).



# Sustainability Material Matters

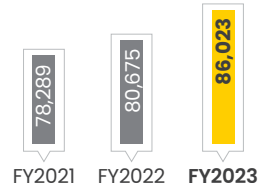
## Material Matters



### Sound risk management and compliance

Assessing and managing risks, and ensuring a strong compliance culture throughout the organisation to prevent major disruptions that may harm economies and societies at large.

#### Learning hours on ESG programmes conducted



**Importance:** Mitigates short and long-term risks, thus avoiding adverse impacts on our business while fostering a resilient and stable financial environment.

**Our Response:** Effective management of ESG risks is a crucial driver of our sustainability initiatives. Governed by the Group Sustainability Framework, Group ESG Risk Management Framework (ESGRMF) and the Group Climate Risk Policy, our sustainability and ESG risk management governance structure promotes the active participation of all stakeholders and accountability across the organisation, fostering a consistent risk perspective.

**Our risk management and compliance approach are discussed in:** SORMIC in this report (pages 138 to 142), Embedding Sound Business Practices, Sustainability Report (page 109), Inculcating Strong Governance (pages 6 to 10) and ESG Risk Governance (page 11), Environmental Report.

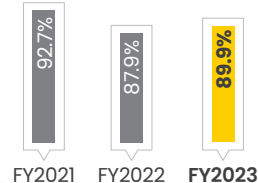


### Sustainable supply chain

Efforts to ensure high ESG standards in the supply chain through relevant policies and supplier engagement practices as well as approaches to diversify suppliers to include under-represented groups (i.e.: disabled, women-owned and local community businesses).

\* Malaysia operations only.

#### Percentage of spending on local suppliers\*



**Importance:** Mitigates and minimises adverse ESG impacts of our operations, products and services while embedding inclusivity in our supply chain for economic opportunities in the communities where we operate, particularly the underserved and the marginalised.

**Our Response:** Adhering to ethical business principles, we maintain high standards aligned with the Group's Supplier Code of Conduct to ensure a sustainable supply chain while promoting ESG practices among our suppliers.

**Progress made towards ensuring a sustainable supply chain is discussed in:** Sustainability Statement in this report (pages 101 to 106) and Responsible Procurement, Sustainability Report (page 111).



### Privacy, data security and responsible use of technology

Responsible collection, use, storage and protection of data to safeguard employees' and customers' right to privacy (i.e.: from cyberattacks).

\* New datapoint.

#### Substantiated complaints concerning breaches of customer privacy and losses of customer data

\*FY2023: **Nine**

**Importance:** Safeguards privacy and the sensitive financial information of all stakeholders. A robust data security system will prevent unauthorised access and potential fraud, enabling us to build trust. Compliance with data privacy regulations demonstrates a commitment to ethical and responsible business practices.

**Our Response:** Committed to privacy protection of our customers, business partners and employees through the Group Data Privacy Policy, which is aligned with stringent privacy standards and legal requirements. Also emphasise robust cyber security controls to safeguard personal data and prioritise customer privacy, outlined under the Group Technology Risk Management Framework and Group Cyber Risk Management Framework.

**Initiatives and policies related to data privacy and protection, as well as cyber security measures are discussed in:** SORMIC in this report (page 142), and Data Governance and Data Privacy, Sustainability Report (page 111).



### Public policy and advocacy

Ensuring that efforts to drive public policy development and influence industry best practices are in alignment with our sustainability strategy.

\* New datapoint.

# Excludes clients.

#### Collaborations and partnerships with external stakeholders\*

\*FY2023: **14#**

**Importance:** Helps shape a regulatory environment that supports our business strategy and sustainability goals by advocating relevant public policies and industry best practices.

**Our Response:** Strengthening the Group's capabilities for effective advocacy by building partnerships with external stakeholders, including clients, while focusing on climate resilience through memberships with Partnership for Carbon Accounting Financials, UN Global Compact Network Malaysia & Brunei and UNEP FI's Net Zero Banking Alliance. Also, appointed to the national-level Advisory Panel on Climate Change and a supporter of the Task Force on Climate-related Financial Disclosures.

**Our efforts to drive sustainability within the industry are discussed in:** Sustainability Statement in this report (pages 101 to 106) and Intensifying External Engagements (page 52) and Collaborating with External Stakeholders, Environmental Report (page 56).



### Supporting human rights

Approaches, policies and due diligence processes to ensure respect for, and protection of, human rights for stakeholders throughout our value chain and business activities.

#### Percentage of employees who received human rights training

FY2021: 100%

FY2022: 100%

FY2023: **84%**

**Importance:** Responsibility to preserve the well-being of people and establish trust among stakeholders, which in turn mitigates reputational risk.

**Our Response:** Actively monitor and address human rights developments in our markets through robust policies and due diligence processes to safeguard stakeholders in our value chain. Maintain zero tolerance for child labour, commit to a harassment-free work environment as detailed in the Maybank Group People Policies and embed human rights protection in our operations through the ESGRMF.

**Our approach to addressing human rights is discussed in:** Human Rights (page 110), Supplier Screening (page 111), Prioritising Employee Well-being (page 98), Sustainability Report.

# Sustainability Material Matters



## ENVIRONMENT

Principal Risks:

CR

NFR

ER

FR

ESGR

MR

CoR

ITR

Related Strategic Thrusts and Programmes:

ST1

to

ST4

SP9

Related Stakeholders:

+ Positive  
- Negative

### Risks and Our Mitigating Actions:

- Existing and increasing regulations and standards related to climate change and broader environmental aspects may pose compliance challenges, exposing the Group to legal and financial risks in the event we are unable to adapt and meet evolving requirements.
- Proactively addressing relevant regulations and standards by implementing robust policies, frameworks and processes to ensure effective practices and compliance.

### Opportunities Arising:

- Opportunities to create/develop new and enhanced sustainability-related products and solutions in this region, fostering long-term growth and resilience.
- Build relationships with clients to support them in their sustainable financing needs and transition towards net zero.
- Reduce our emissions through the adoption of environmentally responsible practices.

### Capital Impact:

#### FC Financial Capital

- + Improved long-term financial performance from higher investments in sustainable/green initiatives.
- + Potential access to new markets and investors.
- Potential increase in costs associated with transitioning to a low-carbon economy.
- Potential financial losses and reduced market competitiveness from exposure to high-risk assets affected by climate-related events.

#### NC Natural Capital

- + Sustainable resource management restores, preserves and contributes to the ecosystem's resilience.
- Potential ecosystem degradation and unsustainable resource consumption from mismanagement by clients/customers.

#### MC Manufacturing capital

- + Embracing digital and paperless banking processes may reduce environmental footprint.
- + Cost saving and improved operational efficiency through digital and paperless processes/initiatives.

#### SRC Social and Relationship Capital

- + Assist clients/customers throughout their transition to net zero.
- Reputational damage from failure to deliver on sustainability practices or financing certain clients/sectors or complying with relevant regulations.

#### IC Intellectual Capital

- + Deepening expertise in sustainable and transition finance practices by establishing and publishing policies such as Sustainable Product Framework and Transition Finance Framework.
- Inadequate or unclear policies may pose a risk to the Group's reputation.
- Potentially higher operational costs and increased cyber security risks of processes such as online banking arising from digital technologies adoption.

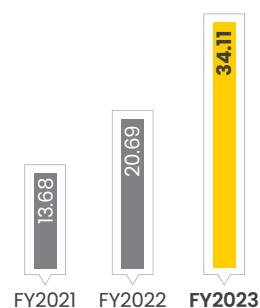
## Material Matters



### Building climate resilience to support the low-carbon transition

Embedding the management of climate-related risks and opportunities into our business activities to facilitate a just transition to a low-carbon economy (i.e.: through supporting low-carbon solutions, engagement with industry networks, managing our exposure to high emitting sectors, etc.).

### Sustainable Finance Mobilised (RM billion)



FY2025 Target: RM80 billion

**Importance:** Incorporate the management of climate-related risks and opportunities into our business activities in meeting our target of net zero carbon emissions by 2050.

**Our Response:** In addition to ESGRMF, the Climate Risk Policy sets out our approach in identifying and assessing climate-related risks. Climate opportunities and risk assessment is incorporated into our operations, business activities, products and investible assets. Also, the first Malaysian bank to establish a Group-wide Scope 3 financed emissions baseline in 2022 and net zero pathway development.

**Progress made in ESG risk management is discussed in:** SORMIC (pages 141 and 143), and Sustainability Statement in this report (pages 101 to 106), ESG Risk Governance (page 11), Identification and Impact of Climate-Related Risks (page 20), Climate-Related Opportunities, Managing Environmental Risk, Enhancing ESG Capability (pages 27 to 51), and Our Financed Emissions in the Environmental Report (pages 64 to 67), and Advancing Sustainable Finance in the Sustainability Report (pages 39 to 46).





Sustainability Material Matters

Material Matters

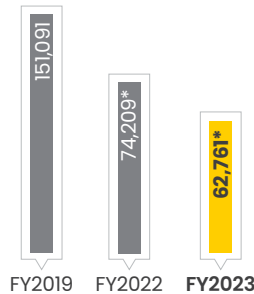


Managing the environmental impact of our operations

Efforts to optimise resource consumption with the aim of managing our own environmental footprint (energy management, waste management, water consumption, GHG emissions, etc.).

\* Scope 2 values include the mREC purchases equivalent to 51,120 tCO<sub>2</sub>e in 2022, and 62,400 tCO<sub>2</sub>e in 2023

Total Scope 1 and 2 (absolute GHG emissions) (tCO<sub>2</sub>e)



**Importance:** Minimise the negative impacts of our operations and reduce our carbon footprint, with a broader goal of responsible environmental stewardship.

**Our Response:** Committed to reducing the environmental impact of our operations, encompassing direct and indirect greenhouse gas emissions, as we work towards achieving a carbon neutral position of our own emissions by 2030.

**Progress made in managing our environmental impact is discussed in:** Sustainability Statement in this report (pages 102 to 104) and Our Operational GHG Emissions in the Environmental Report (pages 67 to 69).



EMPLOYEES

Principal Risks: CoR FR PPR ESGR

Related Strategic Thrusts and Programmes:

ST2 ST4 SP9 SP10 SP12

Related Stakeholders:



+ Positive - Negative

Risks and Our Mitigating Actions:

- The inability to retain and attract talents, skillset gaps due to digitalisation and automation, disengaged workforce due to decreased engagement and satisfaction, inadequate training, well-being support and DEI initiatives could result in people turnover, performance risks and associated financial risks.
- These are mitigated by robust learning programmes, our DEI approach, retention strategies, and employee well-being initiatives.

Opportunities Arising:

- Managing these risks effectively may lead to improved internal processes, a positive workplace, and increased employee interaction and productivity, contributing to Maybank's overall resilience.

Capital Impact:

FC Financial Capital

- + Improved financial performance from better productivity, innovation and employee satisfaction.
- Potential increase in costs and reputational damage from higher turnover or potential legal issues.

HC Human Capital

- + Investing in training and learning, fostering a supportive work environment, and promoting work-life balance to enhance employees' skills, job satisfaction and overall well-being.
- Potentially higher turnover rates, low employee satisfaction and unsupportive work culture and environment lead to low productivity, morale and harder to attract and retain top talents.

Material Matters



Diversity, equity and inclusion (DEI)

Ensuring that DEI is reflected throughout our culture by maintaining a workplace where all employees are treated fairly, with dignity and without discrimination.

Caring for our employees

Managing the health, safety and well-being of our employees through policies, processes, initiatives and labour standards that promote a positive work environment and improve work-life balance.

Number of work-related fatalities

FY2021: 0

FY2022: 0

FY2023: 0

**Importance:** Strong DEI practices develop a culture where all employees are treated fairly, with dignity and without discrimination. A fair and conducive work environment helps boost the morale of employees and shape a productive workforce.

**Our Response:** Build an Agile, diverse and highly skilled workforce equipped with digital competencies to enhance their contributions to the organisation and communities. Also, instil a culture of sustainability by reinforcing ethical business practices among Maybankers through training, incentives and volunteerism.

## Sustainability Material Matters

### Material Matters

#### Embodying sustainability within our workforce

Developing a sustainability culture within the organisation through training programmes, incentive systems and volunteerism opportunities, so that our employees are empowered to drive sustainable change.

#### Talent attraction, development and engagement

Engagement, recruitment and retention of employees with relevant skills, and the investment in and development of a talent pool of employees and leadership.

#### Sustainability hours achieved

FY2021: 1,636,652 hours

FY2022: 1,563,720 hours

FY2023: **1,937,632 hours**

**Target FY2023: 1 million hours**

#### Total training hours by employee category

FY2021: **SM** 33.00 **MM** 33.00 **E** 33.00 **NE** 44.10

FY2022: **SM** 23.45 **MM** 23.45 **E** 23.45 **NE** 32.85

FY2023: **SM** 50.65 **MM** 40.48 **E** 38.52 **NE** 20.77

**SM** Senior management **MM** Middle management

**E** Executive **NE** Non-executive

**Efforts and initiatives on employee engagement, well-being, rewards and remuneration, learning and development, nurturing talent and DEI are discussed in:** Group Human Capital in (pages 67 to 71) and Sustainability Statement in this report (pages 103 to 104).

**Sustainability Report elaborates on our human capital strategy on talent upskilling and development, DEI initiatives, employee well-being, and employee volunteerism with details found in:** Building Thriving Human Capital (pages 89 to 108).



### SOCIETY

Principal risks:

**CR** **NFR** **FR** **ESGR**

Related Strategic Thrusts and Programmes:

**ST3** to **ST5** **SP5** to **SP9**

Related Stakeholders:



**+** Positive **-** Negative

#### Risks and Our Mitigating Actions:

- Credit, financial and reputation risks arising from financing of activities that may damage the environment and surrounding communities; the inability to address community needs as well as lack of engagement and inclusion within the communities we serve.
- Key actions to mitigate these risks include engaging in meaningful community outreach programmes, adopting responsible business practices aligned with societal values and offering access to affordable products and solutions.

#### Opportunities Arising:

- Potential market growth by fulfilling diverse customer needs and identify potential talent for employment.
- Enhanced brand reputation through responsible business practices.
- Empower communities to enhance economic well-being through tailored financial offerings and community programmes as well as foster mutually beneficial partnerships with local community organisations.

#### Capital Impact:

##### **FC** Financial Capital

- +** Increased market share, customer loyalty and improved brand value.
- Potential social controversies and failure to meet societal expectations could adversely impact brand perception and result in potential financial losses.

##### **SRC** Social and Relationship Capital

- +** Build strong connections with customers, stakeholders and communities through responsible business practices and community initiatives, leading to increased trust, loyalty and positive brand perception.
- Potential controversies and/or poor communication may erode trust, affecting the Group's ability to collaborate with stakeholders.



## Sustainability Material Matters

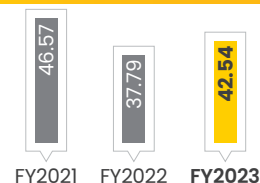
### Material Matters



#### Investing in our communities

Leveraging our community empowerment programmes to create long-term sustainable impact for vulnerable and underserved communities across our countries of operation, including through improving their financial literacy and understanding.

#### Total amount invested in community programmes (RM million)



**Importance:** Make a lasting, sustainable impact on vulnerable and underserved communities across ASEAN through our commitment to invest in community empowerment programmes.

**Our Response:** Focused on community engagement and investments that enhance financial literacy and understanding across communities in our operational areas as well as provide access to financial services and knowledge so that no one is left behind.

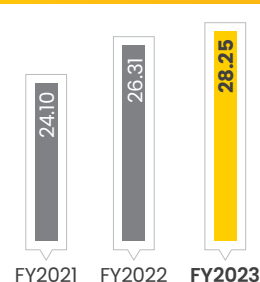
**Our community investment efforts are discussed in:** Sustainability Statement in this report (page 103) and Developing Sustainable Communities in the Sustainability Report (pages 67 to 88).



#### Socially responsible products to drive financial inclusion

Promoting inclusive growth and creating positive socioeconomic impacts by providing access to affordable products and services that meet the needs of underserved consumers including SMEs and Micro SMEs.

#### Retail SME Financing (RM billion)



**Importance:** Foster financial inclusion and create positive socioeconomic impact by offering socially responsible products and access to affordable products and solutions that meet the needs of underserved consumers, particularly SMEs and Micro SMEs.

**Our Response:** Engage regularly with our SME customers to raise their awareness of available services and provide them with the means to enhance their long-term business growth. Also expand and refine our range of products and services continuously so that all segments of our customer base receive adequate service and protection for their financial well-being.

**Efforts in relation to financial inclusion are discussed in:** Sustainability Statement in this report (page 103), Enriching Customers Through Digital Innovation (page 46) and Bridging Financial Divide in the Sustainability Report (page 77).



### PRODUCTS AND SERVICES

Principal Risks: **ALL**

Related Strategic Thrusts and Programmes:

**ALL** **ALL** **except** **SP10**

Related Stakeholders:



**+** Positive **-** Negative

#### Risks and Our Mitigating Actions:

- Potential risks include intensified competition from traditional and non-traditional financial services players, reduced loyalty due to a lack of understanding of customer needs, potential customer loss from increased cyberattack threats and the risk of stranded assets if sustainable or transition solutions are not provided.
- Mitigating these risks involves rigorous product testing, adopting sustainable business practices, communicating transparently, staying attuned to changing customer expectations and adhering to regulatory requirements.

#### Opportunities Arising:

- The development of innovative and sustainability-focused products enables market differentiation, while transparent communication enhances customer trust, positioning Maybank as an industry leader.

#### Capital Impact:

##### **FC** Financial Capital

- +** Increased revenue via market differentiation by offering unique and valuable products and services, and enhanced customer loyalty by providing quality services and solutions.
- Financial penalties and increased legal costs from potential failure to comply with regulations or legal challenges pertaining to products and services.

##### **IC** Intellectual Capital

- +** Drive innovation through collaboration with customers for insights to design solutions and foster intellectual capital growth of employees to gain valuable insights and knowledge.
- Inadequate protection or unauthorised use of intellectual property may result in loss of proprietary knowledge and innovation.

##### **NC** Natural Capital

- +** Offering sustainability-focused products and solutions minimises environmental impact.
- Products and solutions that consume resources excessively contribute to environmental degradation, potentially harming the ecosystem and depleting valuable resources.

##### **SRC** Social and Relationship Capital

- +** Offering socially responsible products and solutions builds trust with customers.



## Sustainability Material Matters

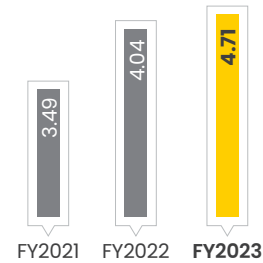
### Material Matters



#### Developing sustainability-focused products and services

Innovative products and services that help advance sustainability (green loans, green bonds, microfinance, sustainable supply chain finance, etc.) and efforts to encourage customers to shift towards more sustainable performance and consumption patterns.

#### Retail mobilisation (RM billion)



**Importance:** By offering innovative products, we not only support sustainability initiatives but also encourage customers to adopt eco-friendly practices towards the transition to a low-carbon economy.

**Our Response:** Help shape a sustainable global financial system that contributes to positive socio-economic outcomes leading to a sustainable future while also facilitating the transition to a low-carbon economy. Guided by the Group Sustainable Product Framework and the Group Transition Finance Framework in streamlining processes and offering sustainable financial solutions.

**Efforts to develop sustainability-focused products and services are discussed in:** Sustainability Statement in this report (page 102), Advancing Sustainable Finance, Sustainability Report (page 39 to 46), Climate-Related Opportunities (pages 27 to 29) and Stepping Up Environmental Action (pages 58 to 63), Environmental Report.



#### ESG integration into financial investment analysis

Systematically integrating ESG factors into financial analysis across all asset classes and subsequently operationalising this analysis by making investment decisions based on ESG-related matters.

**Importance:** Facilitates the movement of capital towards sustainable financing and investments across diverse asset classes.

**Our Response:** Expanded our sustainability-themed funds over the past two years and plan to further diversify our offerings. To also increase ESG-linked wealth management solutions to meet rising demand for sustainable investment products and educate investors on the benefits of integrating ESG practices into decision-making.

**Efforts to integrate ESG considerations into business practices are discussed in:** Sustainability Statement in this report (page 102), Advancing Sustainable Finance (pages 39 to 46), Advancing Islamic Finance (page 60), Sustainability Report and Climate-Related Opportunities (pages 27 to 29), Stepping Up Environmental Action, Environmental Report (pages 58 to 63).



#### Enhancing the customer experience

Efforts to transform into a customer-centric organisation by embedding a customer-centred approach into all lines of business and undertaking initiatives to improve the end-to-end customer experience and drive customer satisfaction.

#### NPS score

FY2021: +23

FY2022: +24

FY2023: +37

**Importance:** Helps build stronger relationships and effectively meet evolving customers' expectations, thus ensuring our competitiveness and long-term success in the financial industry.

**Our Response:** Focused on meeting customers' needs across all business lines by enhancing end-to-end customer experience and boosting their satisfaction. We inculcate a customer-first mindset and embed a customer-centric culture across the organisation, guided by our Maybank Customer Service Charter.

**Efforts to enhance the customer experience are discussed in:** Elevating Customer Experience, Sustainability Report (pages 62 to 66).

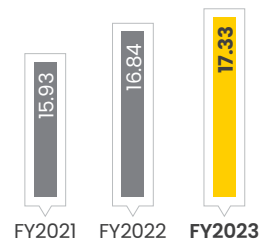


#### Digital innovation to meet customer needs

Becoming a lifestyle partner for our customers by leveraging advanced data analytics, digital systems and platforms to consistently support our customers' evolving lifestyles and business needs.

\* Monetary and non-monetary transactions

#### No. of online transactions\* (billion)



**Importance:** By focusing on digital innovations, we enhance customer engagement and satisfaction by meeting their evolving needs, positioning Maybank as a dynamic, Agile and responsive financial partner.

**Our Response:** Offering retail customers user-friendly and convenient financial solutions while expanding our digital presence by integrating services, products and platforms seamlessly into customers' experiences, acting as a supportive companion in their daily activities. Also leverage advanced data analytics and digital platforms to meet the evolving lifestyles and business requirements of our customers.

**Our digital innovation efforts are discussed in:** Pervasively Digital in this report (pages 64 to 66) and Enriching Customers Through Digital Innovation, Sustainability Report (pages 46 to 57).



# Economic and Banking Sector Overview

Amid a surprisingly resilient US economy and end of China's zero COVID-19 policy, ASEAN-6 economies grew moderately at 4.0% in 2023, in part due to the base effect following full economic re-opening that drove 2022 real GDP growth to 5.7%. Monetary policy tightening in the wake of cumulative interest rate hikes by central banks and a cyclical downturn in the global electronics industry added to the moderation.

Global GDP growth is expected at 2.8% in 2024 (2023: 3.3%) reflecting a softer outlook for major economies such as the US (2024: 1.0%; 2023: 2.5%) and China (2024: 4.4%; 2023: 5.2%). Meanwhile, ASEAN growth is expected to be firmer (2024: 4.5%; 2023: 4.0%), supported by domestic demand and tourism, as well as recovery in technology-related manufacturing and exports given the turnaround in global electronics demand since late 2023.

For business outlook and how material risks and opportunities were addressed, refer to Macrotrends Impacting Our Strategy, Group Community Financial Services, Group Global Banking, Group Insurance and Takaful, and Group Islamic Banking on pages 46 to 47, 86, 90, 94 and 97

## ECONOMIC REVIEW AND OUTLOOK



### Malaysia

**GDP: 2024 (f): 4.4%**  
2023: 3.7% | 2022: 8.7%

**OPR: 2024 (f): 3.00%**  
2023: 3.00% | 2022: 2.75%

#### 2023 Operating Landscape

##### Positives:

- Growth moderated after the surge in 2022 following full economic opening.
- Reduced inflation of 2.5% (2022: 3.3%) and unemployment of 3.4% (2022: 3.8%).
- Firmer rebound in tourism with recovery in inbound tourists.
- Sustained investment growth momentum following realisation of investment approvals since 2021.

##### Negatives:

- Decline in exports amid moderation in commodity prices and global electronics downturn.
- Stronger US dollar against ringgit driven by interest rate hikes by US Federal Reserve (Fed) amid more moderate Overnight Policy Rate (OPR) increases by Bank Negara Malaysia (BNM).
- Heightened geopolitical risks following the Israel-Gaza war.

#### 2024 Outlook

- Firmer domestic growth on rebound in export of goods and services amid sustained consumer spending and investment growth.
- BNM to keep OPR at 3.00% given upside risk to inflation (2024: 3.0%; 2023: 2.5%) from fuel subsidy rationalisation and services tax rate hike.
- With expected US rate cuts, ringgit to improve vs US dollar to 4.40 (end 2023: 4.59). MADANI Economy and other national programmes will further strengthen the ringgit and capital market sentiment.



### Singapore

**GDP: 2024 (f): 2.2%**  
2023: 1.1% | 2022: 3.6%

**3M SORA: 2024 (f): 3.15%**  
2023: 3.7% | 2022: 4.25%

#### 2023 Operating Landscape

##### Positives:

- Construction growth remained robust on the back of a project backlog and reopening tailwinds.
- Services sector remained strong with recovery in inbound visitors. Wholesale trade picked up from the second quarter, driven by regional trade with supply chain shifts.
- Inflation has been moderating with lower global commodity prices and the strong Singapore dollar.

##### Negatives:

- Manufacturing and export slowed from reduced global demand for semiconductors and other electronics.
- Domestic interest rates rose alongside Fed's monetary policy tightening. This and slower global trade led to contraction in loan demand.

#### 2024 Outlook

- Growth to be stronger and more balanced as manufacturing recovers while revenge spending in services fades. Brighter growth outlook is anticipated in exports, manufacturing and trade-related services sectors.
- Core and headline inflation are expected to average at 2.8% and 3% in 2024, respectively, from 4.2% and 4.8% in 2023. Core inflation will remain above historical levels, due to the GST hikes, carbon taxes and wage cost pressures. Headline inflation will, however, be capped by lower private transport prices while accommodation inflation should ease.
- MAS is expected to reduce the pace of appreciation of the Singapore dollar nominal effective exchange rate (\$NEER) in late 2024.



### Indonesia

**GDP: 2024 (f): 5.1%**  
2023: 5.0% | 2022: 5.3%

**Reference Rate: 2024 (f): 5.25%**  
2023: 6% | 2022: 5.50%

#### 2023 Operating Landscape

##### Positives:

- Resilient domestic demand supported GDP growth, with steady consumption and investment on the back of recovering labour market and easing inflation.
- Inflation returned to 2%-4% target range since May 2023, averaging 3.7% for the full year (2022: 4.2%) with easing global commodity prices.
- Fiscal deficit of 1.6% of GDP was much smaller than government's 2.3% estimate due to strong revenue.

##### Negatives:

- Exports moderated due to lower commodity prices and weaker global demand.
- Bank Indonesia (BI) raised reference rates by a total of 50bps, with a surprise hike in October to defend the rupiah amid surging US yields.

#### 2024 Outlook

- Household expenditure should remain steady and supported by a modest election boost, policy support and a resilient labour market. There could be lingering investment uncertainty as firms wait for more clarity on post-election policies, even as the single-round election reduces political overhang. Capital expenditure will be cushioned by a ramp-up in public infrastructure spending. Exports will remain subdued on easing commodity prices.
- Inflation should ease to 3%. Food prices should remain elevated in first half 2024 as El Nino delays harvests.
- BI is expected to cut rates as easing Fed rates provide leeway to relax policy.

## Economic and Banking Sector Overview

### BANKING SECTOR REVIEW AND OUTLOOK



#### Malaysia

**System Loan: 2024 (f): 5.1% | 2023: 5.3% | 2022: 5.7%**

##### 2023 Review

- Industry loan growth moderated to 5.3% from 5.7% in 2022 amid slower economic expansion. Household loan growth held steady at 5.8% (2022: 5.9%), while non-household loans grew at a slightly slower pace of 4.5% (2022: 5.3%).
- Net interest margins (NIMs) continued to face pressure from intense deposit competition which lessened somewhat with the 25bps OPR hike in May 2023.
- Robust non-interest income, mainly from investment and/or foreign exchange gains, supported operating income.
- Operating expenses picked up after reduced spending in recent years, coupled with increased unionised personnel costs and IT/technology spend.
- Absolute impaired loans were stable YoY, rising 0.8% at end-2023. The industry's gross impaired loans (GIL) ratio improved to 1.65% from 1.72% end-2022. As such, credit costs were generally lower on a YoY basis.
- Net earnings expanded in the absence of Cukai Makmur with dividend payouts for most returning to pre-COVID levels.

##### 2024 Outlook

- Loans growth is expected to remain stable amid a pick-up in domestic economic growth.
- NIMs are expected to stabilise, while the OPR should remain unchanged.
- Capital ratios remain comfortable, with the industry CET1 ratio averaging 14.9% at end 2023. Dividend payouts are expected to remain stable.
- Five digital banks are expected to commence operations by April 2024, but are unlikely to pose much of a competition to incumbents anytime soon.



#### Singapore

**System Loan: 2024 (f): 3.1% | 2023\*: -2.9% | 2022: 2.1%**

##### 2023 Review

- Supported by Fed rate hikes, banks were able to price up their assets faster than cost of funding, resulting in robust NIMs, which expanded 46bps YoY.
- Higher funding costs saw loan demand fall 2.9% YoY, especially business loan demand (-3.9% YoY). The semiconductor sector slowdown, price sensitivity and macro uncertainty were felt keenly by the manufacturing and SME sectors, while corporates repaid credit lines to lower funding costs.
- Consumer loans were resilient led by mortgages supported by buoyant property sector and credit cards as travel took off.
- Strong liquidity flow into the system – led by high rates and Singapore's safe haven status – drove 4.3% YoY increase in deposits. This kept deposit competition benign despite entry of digital challengers.
- Fee income growth saw headwinds with wealth management fees stagnating as clients chose to enjoy higher deposit rates versus riskier products.
- Operating costs remained stable with sector cost to income falling 2.7% YoY.
- System NPLs reduced to 1.7% (2022: 1.8%). Loan moratorium roll-offs were uneventful, while strong fiscal stimulus, low unemployment and accelerated loan re-payments contributed to benign asset quality.
- The pace of general provision write-backs slowed in second half 2023 while specific provisions picked up slightly as the sector looked cautiously at the macro environment.

##### 2024 Outlook

- NIMs are expected to moderate due to potential interest rate cuts by the Fed.
- Loan demand is expected to rise as funding costs decrease, especially for trade finance, manufacturing and SMEs. Consumer loans, especially mortgages, could increase with more units coming online.
- Wealth management AUM parked under deposits may shift to higher fee generating products to offset falling rates. This could drive an inflection in fee income.
- Asset quality faces potential downside risk and limited write-back of provisions is expected given uncertainties including slowdown in China and geo-political events.
- Competition from digital challengers could intensify with product innovations and cross-selling strategies.



#### Indonesia

**System Loan: 2024 (f): 9.5% | 2023: 10.3% | 2022: 11.4%**

##### 2023 Review

- Loans growth remained robust at 10.3% YoY in 2023 supported by demand in corporate lending. Credit demand remained strong in all segments, i.e.: investment, working capital and consumer lending, with business recovery.
- Gross NPL ratio improved to 2.19% by December 2023 (end 2022: 2.44%) while loans at risk stood at 10.94% (end 2022: 14.05%), showing recovery from previously restructured loans.
- Loan-to-deposit ratio (LDR) rose to 83.8% in December 2023 (end 2022: 78.8%) from weaker deposit growth of 3.7% YoY (2022: 9.0% YoY).
- NIM expanded slightly to 4.81% in 2023 (FY2022: 4.71%) as loans growth offset cost of funding.
- Capital adequacy ratio of 27.65% at December 2023 was well above the minimum regulatory requirement of 8%.

##### 2024 Outlook

- Loans growth is expected at 9.5% from higher demand for working capital and consumption, while deposits slow down to 5%, tightening liquidity with LDR expected to increase to 88%.
- There should be minimal impact from end of loan restructuring, since most banks have been prudent in provisioning and writing off loans.
- Cost of funds should stay elevated in first half 2024 as funding competition increases and BI maintains higher reference rates and reserve requirement ratio. However, if BI cuts its rate in second half 2024, there could be margin improvement as cost of funds would likely drop.

\* Based on refreshed MAS disclosure of resident and non-resident lending, excluding interbank





# Macrotrends Impacting Our Strategy

Long-term market trends were considered in the refinement of our M25+ strategy, and we continue to monitor the evolution of these trends while ensuring that we remain Agile to address them as the Group works towards meeting our M25+ aspirations.

## MT1 ECONOMIC OUTLOOK



### Key Drivers:

Slowing global economic growth coupled with monetary policy actions by major and regional economies to curb inflation and reduce foreign exchange volatility resulted in softer financial markets.

### Associated Opportunities and Risks:

- Strong fundamentals coupled with a robust risk management framework and Agile ways of working would enable active risk mitigation while uncovering pockets of opportunity.
- Weaker business sentiment and activity impacting revenue growth; higher operating cost from inflationary pressures; and potential slippages in asset quality arising from tightening cashflows.

### Key Actions Undertaken in 2023:

- Focus on strategic priorities to capture growth opportunities across our consumer and business segments within the ASEAN franchise.
- Ensure strong liquidity and robust capital positions.
- Proactively manage asset quality concerns.

For more details, refer to Key Messages to Shareholders, Our Strategy, Economic and Banking Sector Overview, Reflections from our Group Chief Financial Officer and the respective financial performance of our businesses Group Community Financial Services, Group Global Banking, Group Insurance and Takaful and Group Islamic Banking on pages 15 to 23, 55 to 61, 44 to 45, 72 to 76, 89, 93, 96 and 100

#### Related Principal Risks:

CR MR LR

#### Related Capitals:

FC

#### Related Material Matters:

ALL

#### Related Stakeholders:



#### Related Strategic Thrusts:

ALL



2022



2023

## MT2 SHIFTING CUSTOMER PREFERENCES



### Key Drivers:

Customers expect speedy, seamless, responsive, personalised products and services, with an increased emphasis on sustainability considerations.

### Associated Opportunities and Risks:

- The ability to adapt, understand and address customer preferences quickly and effectively will create brand loyalty, which is a competitive advantage.
- Potential market share and revenue impact arising from inability to fully support customers in their financial needs and expectations, or play an advisory role in providing valuable wealth management or sustainable solutions.

### Key Actions Undertaken in 2023:

- Continued emphasis on efforts to understand customer segments and enhance end-to-end customer journeys, anchored on Agile ways of working and digitalisation initiatives.
- Building ecosystems so that customers can access products and services via Maybank and partners' platforms.

For more details, refer to Group Community Financial Services, Group Global Banking, Group Insurance and Takaful and Group Islamic Banking on pages 86 to 88, 90 to 92, 94 to 95 and 97 to 99

#### Related Principal Risks:

NFR PPR FR

#### Related Capitals:

FC IC MC HC

#### Related Material Matters:

ALL

#### Related Stakeholders:



#### Related Strategic Thrusts:

ALL



2022



2023

## MT3 GROWING AFFLUENT POPULATION IN ASIA



### Key Drivers:

Rising affluence of emerging young middle classes in the region has led to a shift in needs and expectations which are also diverging.

### Associated Opportunities and Risks:

- Opportunity to acquire more affluent customers to drive market share and income growth through personalised and sophisticated wealth-related products.
- Inadequate capabilities to uncover customer insights would impair ability to identify and address the needs of this growing customer segment.

### Key Actions Undertaken in 2023:

- Expand and drive global wealth management proposition, including global Islamic wealth management to capture wealth flow across the region.

#### Related Principal Risks:

NFR PPR FR

#### Related Capitals:

FC IC MC HC

#### Related Material Matters:

ALL

#### Related Stakeholders:



#### Related Strategic Thrusts:

ALL





2022



2023

# Macrotrends Impacting Our Strategy

Time horizon:  Short-term  Long-term

Year-on-Year Macrotrend Movement:  Increase  Decrease  No change

## MT4 DIGITAL AND TECHNOLOGY TRANSFORMATION

### Key Drivers:


Artificial Intelligence (AI) solutions such as ChatGPT have become prevalent with machine learning (ML) advancement. Meanwhile, social engineering attacks have heightened as technology becomes more pervasive.

### Associated Opportunities and Risks:

- Ability to apply AI/ML technology across platforms for improved productivity and turnaround time as well as undertake enhanced data analytics for better customer-centricity.
- Potentially more sophisticated cyberattacks and data breaches.

### Key Actions Undertaken in 2023:

- Scale digital solutions across the markets we have presence in, leveraging our digital banking leadership in Malaysia.
- Develop, attract and maintain next-gen technology-capable workforce.
- Incorporate AI/ML capabilities to enhance customer experience and solutions.
- Continued emphasis on enforcing, expanding and enhancing our cyber defence capabilities.

 For more details, refer to Pervasively Digital on pages 64 to 66

#### Related Principal Risks:

NFR ITR CoR

#### Related Capitals:

FC IC MC HC

#### Related Material Matters:



#### Related Stakeholders:

#### Related Strategic Thrusts:

ST1 ST2 ST3



2022



2023

## MT5 SUSTAINABILITY

### Key Drivers:


Continued emphasis on financial institutions to be early adopters and thought leaders in sustainability practices, including the transition to a low-carbon economy.

### Associated Opportunities and Risks:

- The transitioning environment provides new business and financing opportunities.
- Associated risks to business and reputation if Maybank investees and clients are not able to address ESG requirements in a timely manner.

### Key Actions Undertaken in 2023:

Driving leadership in sustainability on the back of adoption of values-based principles through the rollout of relevant policies, frameworks, solutions and thought leadership initiatives with the aim of promoting the transition into a low-carbon economy while balancing environmental and social imperatives that are aligned with stakeholders' expectations.

 For more details, refer to Approach to Sustainability, Sustainability Material Matters and Sustainability Statement on pages 34 to 43 and 101 to 109 as well as the Sustainability and Environmental Reports, which are downloadable from [www.maybank.com/ar](http://www.maybank.com/ar)

#### Related Principal Risks:

CR MR NFR ESGR

#### Related Capitals:

FC IC MC

HC SRC NC

#### Related Material Matters:

#### Related Stakeholders:

#### Related Strategic Thrusts:

ST4



2022



2023

## MT6 TALENT DEVELOPMENT

### Key Drivers:


Talent scarcity exacerbated by accelerated technology evolution and behavioural changes as well as workforce expectations post-pandemic.

### Associated Opportunities and Risks:

- Becoming the employer of choice attracts loyal talents who contribute towards enhanced employee retention.
- Inability to hire and retain the right talents, or provide the appropriate work environment and policies may affect long-term competitive advantage and business continuity.

### Key Actions Undertaken in 2023:

- Continued workforce and workplace futurisation programmes.
- Re-define and cultivate next-gen roles and talents in line with future business growth aspirations as well as evolving workplace demands and needs.
- Retention interventions through talent development and growth initiatives to minimise turnover and loss of talent.

 For more details, refer to the Group Human Capital on pages 67 to 71

#### Related Principal Risks:

NFR PPR

#### Related Capitals:

FC IC MC HC

#### Related Material Matters:

#### Related Stakeholders:



#### Related Strategic Thrusts:

ALL



2022



2023