

Press Release

26 October 2020

Maybank Indonesia Records Net Profit of Rp1.1 trillion for the Nine Months of FY2020

Consolidated Financial Highlights as of 30 September 2020

(all percentages noted are on year on year (YoY) basis unless otherwise stated)

Y-o-Y growth

- Profit After Tax and Minority Interest (PATAMI) steady at Rp1.1 trillion
- Current accounts and savings accounts (CASA) rose 13.4% and 5.9% respectively
- CASA ratio improved to 39.7% from 36.4%
- LDR (Bank only) improved to 80.7% from 96.3% and LDR (consolidated) at 91.4% from 108.9%
- Fee based income reduced by 7.1% to Rp1.7 trillion; however Global Markets, Retail Wealth Management and Digital transactions increased:
 - GM fee income grew by 85.3%
 - Mobile banking monetary transactions increased by more than 130%
 - Bancassurance and Wealth Management fees grew by 26.7%
- Sharia Banking's Profit before tax increased by 35.1% to Rp332.2 billion
- Sharia Banking's total asset grew by 7.2% to Rp35.8 trillion
- Sharia Banking's customer deposits rose 4.2% to Rp27.5 trillion
- Overhead effectively managed with 9.0% reduction from last year
- Strong capital position with Capital Adequacy Ratio (CAR) at 23.5% and total capital of Rp26.7 trillion.

Jakarta, 26 October 2020

PT Bank Maybank Indonesia Tbk (Maybank Indonesia or the Bank) today reported that its Profit After Tax and Minority Interest (PATAMI) was unchanged at Rp1.1 trillion as of 30 September 2020 compared with the previous corresponding period. Disciplined cost management, coupled with a solid growth in Sharia business, and improvement in the recurring fee based income helped offset the

impact from the market volatility, disruption and reduction in loans as a result of the Covid-19 outbreak. Profit Before Tax (PBT) was marginally lower by 6.1% to Rp1.5 trillion.

The Bank's fee based income was 7.1% lower at Rp1.7 trillion in September 2020. In the previous year, the Bank included a one off fee income from the settlement of domestic arbitration amounting to Rp101.0 billion and tax related income of Rp68.7 billion. Accordingly, the Bank's recurring fee based income for the nine months increased by 2.2% mainly from Global Market related fees, bancassurance, investment, and e-channel transaction fees. Global Market related fees surged by 85.3% to Rp518.3 billion in September 2020, while Bancassurance and Wealth Management fees & investment transactions continued its growth momentum and booked a 26.7% increase to a Rp210.6 billion from Rp166.2 billion last year.

The Bank's funding profile continued to improve with CASA ratio rising from 36.4% in September 2019 to 39.7% in September 2020, on the back of a 13.4% and 5.9% increase respectively in current and savings accounts. The Bank's Loan-to-Deposit Ratio (LDR-Bank only) was at a healthy level of 80.7%, while its Liquidity Coverage Ratio (LCR-Bank only) stood at 178.6% as of September 2020, well above the mandatory minimum of 100%.

The Bank continues to focus on its digital transformation to improve and enhance its digital banking services. Although still at early stage of the journey, the initial enhancements in digital banking services have already started to show promising results in terms of customer acquisition as well as number and volume of transactions. Monetary transactions conducted through the Maybank2U (M2U) app increased 132% to 7.8 million transactions in Q1-Q3 of 2020, while over 60,000 new savings/deposits accounts were opened and over 76,000 accounts signed-up for M2U.

M2U not only provides a simple yet speedy account opening process, it also offers life style features that are hassle-free and convenient to use such as QR Pay, digital KYC for new account opening, donation channels and other interesting features.

As experienced by the industry, the Bank recorded a decline of 8.4% in Net Interest Income to Rp5.6 trillion which was mainly owing to lower loans balance and yield arising from reduced interest rate environment, as well as impacts of ongoing loan restructuring process for accounts affected by the pandemic. Net Interest Margin was at 4.69% as at September 2020 compared with 4.97 % in September 2019.

The Bank effectively managed its overhead costs which registered a decline of 9.0% to Rp4.4 trillion in September 2020 owing to continued cost management initiatives across organization coupled with reduction in general and administration costs as it implemented work from home working arrangements during the pandemic.

The Bank's non-performing loan (NPL) level was 4.3% (gross) and 2.8% (net) as at September 2020 compared with 2.6% (gross) and 1.5% (net) as at September 2019. This was mainly due to lower loans balance as of September 2020 and impact from the current pandemic on several accounts. The Bank continued to take a proactive stance by assisting customers facing challenges and focus on credit restructuring to safeguard asset quality. This has started to show results with the QoQ improvement in the NPL (gross) ratio to 4.3% at September 2020 against 5.0% at June 2020. The Bank has fully implemented the new accounting standard PSAK 71 or IFRS 9 with effect from this year.

The Bank's capital position remained strong with its Capital Adequacy Ratio at 23.5% in September 2020 compared with 20.1% in the previous year and total capital of Rp26.7 trillion in September 2020.

Sharia Banking

Sharia Banking's Profit before tax increased by 35.1% to Rp332.2 billion despite the challenging market conditions. This was driven by its continuous focus on building an efficient funding base which led to a general reduction of high-cost deposits. Total customer deposits rose 4.2% to Rp27.5 trillion in September 2020.

Sharia Banking's total financing (including Kafalah portfolio) increased by 1.9% to Rp25.4 trillion in September 2020. Meanwhile, total assets as at September 2020 was 7.2% higher at Rp35.8 trillion compared with Rp33.4 trillion in the previous year, making up 20.2% of the Bank's total assets.

Maybank Indonesia's initiatives to support the Government in combating COVID-19

As the impact of the Covid-19 pandemic started to be increasingly evident since the second quarter of 2020, the Bank has been closely monitoring its assets across all business segments while at the same time proactively engaging with its debtors to better assess the impact to their businesses. The Bank has offered financial assistance as required by its debtors based on the assessments made, and has engaged with all of its Non-Retail debtors to ascertain whether restructuring and rescheduling (R&R) is required to ensure that they remain sustainable over this period. The Bank has also simplified the process and facilitated retail customers to apply for R&R online via email, through the call center or on its official website. To date, the Bank has approved R&R loans for nearly 30,000 debtors with a total outstanding of Rp15.8 trillion.

President Director of Maybank Indonesia Taswin Zakaria said, "The unprecedented outbreak has inevitably impacted performance of the banking industry, including ours. Our results reflect the challenging conditions we are experiencing whereby necessary measures were, and continue to be, implemented to contain further impacts of the current situation. We will continue to take proactive

measures to anticipate further impact to our portfolio from the disruption of this pandemic while at the same time seizing business opportunities through our digital banking services which now has started to show positive results. We will remain vigilant over our asset quality through our prudent stance and stringent risk management approach while finding ways to engage our customers to provide necessary supports for their business sustainability.”

President Commissioner of Maybank Indonesia and Group President & CEO of Maybank, Datuk Abdul Farid Alias said, “We are encouraged that despite the challenging nine months of this year, Maybank Indonesia has managed to maintain a steady performance and demonstrated its resilience to the impact from the pandemic. While the outlook continues to remain uncertain, we believe that the substantial capital and liquidity buffers we have built will help us navigate the challenges in the coming quarters. Our experience so far has also given us the opportunity to re-shape our business while our emphasis on building our digital capabilities has provided us the platform to serve our customers better in the new normal, and is expected to provide us additional revenue streams in the future.

Subsidiaries

PT Maybank Indonesia Finance (Maybank Finance) continued to record a healthy performance with profit before tax increasing by 6.0% to Rp370.7 billion in September 2020 from Rp349.7 billion in September 2019 despite 2.8% decline in its total financing during the period as the pandemic has impacted the industry. Maybank Finance remains focused on ensuring sound asset quality management with its NPL at the level of 0.5% (gross) and 0.2% (net) as of September 2020 compared with 0.3% (gross) and 0.2% (net) in the previous corresponding period

PT Wahana Ottomitra Multiartha Tbk (WOM)

Although the pandemic had significantly impacted the motorcycle financing industry, WOM recorded PBT of Rp81.0 billion in September 2020 compared with Rp200.8 billion in September 2019. The decline was mainly due to the weaker consumer purchasing power as a result of the outbreak. WOM’s total consumer financing (stand alone) decreased by 30.3% to Rp5.1 trillion in September 2020. WOM has put in place more stringent risk acceptance criteria in view of the current situation. WOM’s NPL level was at 6.1% (gross) and 2.8% (net) in September 2020 compared with 2.4% (gross) and 0.6% (net) in September 2019. In line with the government’s program to ease the impact of the global pandemic, WOM has carried out loans restructuring for more than 125,000 accounts which amounting to Rp1.6 trillion.

Notes to editors

Maybank Indonesia is one of the largest banks in Indonesia that has a regional or international network of the Maybank Group. Maybank Indonesia provides a comprehensive range of products and services for individual and corporate customers through Community Financial Services and Global Banking, as well as automotive financing through subsidiaries, WOM Finance for two-wheeled vehicles and Maybank Finance for four-wheeled vehicles.



Maybank Indonesia also continues to develop Digital Banking services and capacity through Mobile Banking, Internet Banking, Maybank M2U (mobile banking based internet banking) and various other channels.

As of 30 Sep 2020, Maybank Indonesia has 362 branches including Syariah branches spread across Indonesia as well as one overseas branch (Mumbai, India), 22 Mobile Cash Cars and 1,480 ATMs including CDM (Cash Deposit Machine) connected with over 20,000 ATMs incorporated in ATM PRIMA, ATM BERSAMA, ALTO, CIRRUS, and connected to 3,500 Maybank ATMs in Singapore, Malaysia and Brunei.
