

**Maybank posts net profit of RM8.23b for FY2022;
declares full cash second interim dividend of 30 sen**
- *Group announces revised sustainability targets towards 2025*

<p style="text-align: center;"><u>FY22 at a glance (Y-o-Y)</u></p> <ul style="list-style-type: none"> · Net fund based income up 8.4% to RM20.69b · NOII rises by 9.0% to RM6.93b · Net operating income 8.5% higher at RM27.62b · Pre-provisioning operating profit grows by 6.3% to RM14.81b · Net impairment losses improves 13.7% to RM2.79b · Profit before tax up 11.6% to a healthy RM12.15b · Net profit higher at RM8.23b from RM8.10b · Liquidity position healthy with Group LCR at 145.4% · Robust capital position: 14.78% CET1 capital ratio & 18.20% total capital ratio 	<p style="text-align: center;"><u>Dividend</u></p> <ul style="list-style-type: none"> · Full-year dividend at 58 sen per share <p style="text-align: center;"><u>Sustainability</u></p> <ul style="list-style-type: none"> · Group announces revised Sustainability targets given the steady progress of yearly targets
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Maybank, Southeast Asia's fourth largest bank by assets, today reported a **net profit of RM8.23 billion** for the financial year ended 31 December 2022 (FY22). **Profit before tax (PBT)** meanwhile, was 11.6% higher at **RM12.15 billion** from RM10.89 billion a year earlier. The better results were driven by improving regional economic activities that supported the Group's higher operating income as well as lower net impairment losses.

Net operating income grew to a strong **RM27.62 billion**, which was achieved on the back of an 8.4% Y-o-Y increase in total **net fund based income** to **RM20.69 billion** as a result of stronger loans growth in its Malaysia and Indonesia markets, of 6.7% and 5.8% respectively as well as an expansion in net interest margin (NIM) of 7 bps on higher interest rates. **Non-interest income (NOII)** was 9.0% higher at **RM6.93 billion** mainly from mark-to-market gains on financial liabilities and foreign exchange gains.

Operating cost, meanwhile, was higher at RM12.81 billion compared with RM11.52 billion a year earlier on normalising of business activities as well as collective agreement adjustments and one-off credit card gift points redemption cost. Notwithstanding this, pre-provisioning operating profit came in higher by 6.3% Y-o-Y, hitting a new high of RM14.81 billion. Net impairment losses reduced by 13.7% to RM2.79 billion mainly driven by a 17.6% reduction in net loan provision to RM2.19 billion.

4QFY22 performance remain stable

For the fourth quarter (4QFY22), the Group recorded a **21.6% rise in PBT to RM3.31 billion** compared to the same period in the previous year, benefitting from the pick-up in regional economies during the period. Net profit meanwhile, rose to a **healthy 5.4% Y-o-Y to RM2.17 billion**.

A similar trend was also seen in the Q-o-Q performance with **PBT for the quarter which grew 3.1%** as **net impairment losses dropped 77.3% to RM191.0 million**, while **Net Profit remained relatively stable** compared with the quarter earlier.

Comments from Maybank Chairman and Group President & CEO

Maybank Chairman, Tan Sri Dato' Sri Zamzamzairani Mohd Isa said that 2022 was indeed a challenging year albeit the Group made further progress in growing its customer base profitably, while maintaining commendable overall growth evident in the improvement in its fourth quarter results.

“We remain focused on delivering the best **customer experience** while at the same time fulfilling our ambitions by building trusted and meaningful relationships with our stakeholders. We want to continue to create a **viable future** for all, by embedding **sound sustainability practices** across all our operations to drive positive change underpinned by our mission of **Humanising Financial Services**.

Meanwhile, **Group President and CEO of Maybank, Dato' Khairussaleh Ramli** said that the commendable growth in its top line reflects the strength and resilience that Maybank has developed in recent years coupled with the competitive advantage gained from its **regional presence, diversification and focus on customer experience**.

“The execution of the strategic programmes (SPs) of our M25+ strategy to continue sustainable growth and build capabilities across people and technology. At the same time we will double down on existing businesses and boost asset quality to deliver improved performance and fund our journey.

The implementation of M25+ SPs will anchor on the five key strategic thrusts mainly **intensifying customer centricity, accelerating digitalisation and technological modernisation**, strengthening Maybank's **business presence across the region**, driving our leadership position in the **sustainability agenda** and claiming our global leadership in **Islamic Banking**.”

Commendable progress towards sustainability; announces revised targets

In line with the Group's aspiration to become the leader in sustainability in the region, Maybank continued to record strong progress in its sustainable finance target, clocking RM34 billion in the last two years, well ahead of the target to achieve RM50 billion by 2025. Similarly, under its commitment 2, Maybank had also benefitted almost 900,000 households across ASEAN through its community programmes, compared to the target of 1 million households by 2025.

As a result of the positive trajectory, the Group announced its revised targets for 2025 for two sustainability commitments; Commitment 1 to provide sustainable financing amounting to RM80 billion from RM50 billion previously and Commitment 2, improving the lives of 2 million households across ASEAN from the 1 million committed earlier that year. Commitments 3 and 4 meanwhile remain the same.

The Group will also enhance its engagement with clients to discuss and support their transition and decarbonisation, as it continues to support economic growth in the countries it operates.

Committed to delivering shareholder value via high dividend payout

Maybank continued to reward its shareholders with steady dividend payments evident by the declaration of a full cash second interim dividend of 30 sen per share. Together with the first interim dividend of 28 sen per share earlier, full-year dividend stood at 58 sen per share with a payout ratio at 84.6%, exceeding dividend payout policy of 40% to 60%.

Other financial highlights:

Loans & Deposits continue growth momentum

Group gross loans expanded at a faster pace of 6.0% Y-o-Y as at 31 December 2022, lifted by increases in all three home markets of Malaysia, Indonesia and Singapore by 6.7%, 5.8% and 0.5% respectively, while other international markets recorded a 2.5% increase.

Meanwhile, group gross deposits also rose 3.5%, led primarily by a 5.4% growth in Malaysia and 0.4% in Singapore mainly driven by the expansion in fixed deposits portfolio. Consequently, Group CASA ratio moderated to 40.9% as at Dec 22.

Asset Quality further improves

The Group registered an improvement in asset quality with its Gross Impaired Loans (GIL) ratio declining 42 bps to 1.57% in December 2022 from 1.99% a year ago. Meanwhile, loan loss coverage strengthened to 131.2% in December 2022 from 111.9% previously as a result of low formation of newly impaired loans and recoveries based on sound credit risk management principles.

Maybank will continue to undertake proactive engagement with clients facing financial challenges by assisting them in managing their commitments effectively.

Capital & Liquidity Strength remain robust

Maybank continued with its strategy to maintain robust capital and liquidity positions, with its CET1 capital ratio at 14.78%, and total capital ratio at 18.20% as at 31 December 2022, making it one of the best capitalised banks in the region. The Group's liquidity coverage ratio stood at a healthy 145.4%, way above the regulatory requirement of 100%.

Sectoral Review - Continued growth momentum seen in most sectors mainly from GCFS, GGB and Maybank Islamic

Group Community Financial Services (GCFS) continued to strengthen its franchise in the full year, registering a 16.5% Y-o-Y increase in net operating income to RM16.37 billion which contributed to a strong rise in PPOP by 19.0% to RM7.85 billion. This was backed by a steady growth in both its net fund based income and non-interest income by 18.9% and 8.4% respectively compared with a year earlier. GCFS gross loans expanded 6.5% contributed by a rise in all three home markets of Malaysia (+7.2%), Indonesia (+0.3%) and Singapore (+0.3%). GCFS deposits meanwhile also rose 3.1%. Wealth Management, a key focus segment for the Group, maintained its upward trajectory with Total Financial Assets rising 5.5% from a year earlier to RM420.3 billion contributed by investments growth of 4.4% and loans growth of 8.0%. For its Malaysian operations, loans expanded by 7.2% led by a rise in its Business Banking and SME segment by 7.9% while the Consumer segment recorded an increase of 7.0%.

Group Global Banking (GGB) recorded an improved PBT growth of 14.1% YoY to RM5.21 billion arising from higher net operating income, amid lower loan provisions as pre-emptive provisioning was undertaken earlier due to heightened external risks. Net operating income increased by 3.7% to RM10.22 billion as at 31 December 2022, on stronger NOII of 4.2% to RM4.0 billion and net fund based income increase of 3.4% to RM6.22 billion. Total GGB loans continued to register steady growth lifted mainly by increases across key home markets of Indonesia, Malaysia and Singapore by 15.2%, 4.9% and 3.6% respectively. For Corporate Banking operations in Malaysia, total loans expanded 4.9% Y-o-Y to RM84.3 billion on the back of a strong 25.0% rise in short term revolving credit and a 0.6% increase in term loans.

The Group's Islamic Banking business saw a rise in PBT by 8.0% to RM4.79 billion for the full year compared with RM4.43 billion a year earlier as total income came in 16.0% higher at RM7.76 billion. Within this business, **Maybank Islamic's** total gross financing for Malaysia rose to RM244 billion contributed by a steady growth in its CFS and GB sectors by 11% and 8% respectively. As at 31 December 2022, Islamic financing constituted 67.2% of Maybank Malaysia's total loans and financing while Maybank Islamic's market share of Islamic assets in Malaysia stood at 30.1%. In terms of MYR Sukuk league table ranking, Maybank Islamic ranked top with a 24.9% market share and a market share of 8.2% for the Global Sukuk League table.

Etiqa Insurance & Takaful registered a PBT of RM472 million for 12M FY22 compared with RM907.6 million a year earlier largely contributed by the market volatility from higher interest rates which resulted in higher fair value losses on the financial assets. However, total net adjusted premiums rose 5.5% lifted by a strong 23.2% increase in Total General premiums, offsetting the slight decline of 5.2% Y-o-Y in Total Life & Family premiums for the period. Etiqa maintained its top position in terms of market share for General Insurance and Takaful (Gross Premium) and third in terms of Life/Family (New Business).

Key Home Markets - Maybank Singapore records a strong double-digit PBT growth while Maybank Indonesia's PBT stood at Rp2.04 trillion

Maybank Singapore's full year PBT doubled to S\$655.92 million from S\$324.92 million a year ago, mainly arising from higher income and lower loan loss allowances due to significant recoveries. NOII was significantly higher by 51.5% at S\$406.75 million compared with S\$268.44 million a year earlier due to a boost in treasury fees as well as credit related fees & cards commission, while net fund based income also improved by 25.8% Y-o-Y to S\$808.16 million driven by improved net interest margins. Loans expanded slightly by 0.5% Y-o-Y driven by a 3.6% in GB loans and a 0.3% increase in CFS loans while Deposits also rose 0.4% to S\$48.2 billion.

Maybank Indonesia recorded a PBT of Rp2.04 trillion for the year ended 31 December 2022, which dipped 7.4% from Rp2.20 trillion the year before. This was primarily due to lower loan yields, following tight competition within the industry, as well as a drop in Global Markets, Bancassurance and wealth management incomes. However, the Bank continued to improve its cost of funds and booked lower provisions in line with improving loan quality.
