

Press release

28 April 2023

## **Maybank Indonesia Records 33.3% Increase in Profit before Tax (PBT) to Rp750 Billion in the First Quarter of 2023**

Consolidated Financial Highlights as of 31 March 2023.

*(The figures presented here are the Bank's financial statements during the first quarter ended 31 March 2023, compared to the same period in 2022, Y-o-Y, unless stated otherwise)*

### **Y-o-Y Highlight of Q1 2023**

- Profit before Tax (PBT) increased by 33.3% to Rp750 billion from Rp562 billion;
- Profit after Tax & Minority Interest (PATAMI) increased by 45.7% to Rp566 billion from Rp388 billion;
- Fee-based income increased significantly by 20.7% to Rp574 billion from Rp475 billion derived from:
  - Growth in global market transactions fees by 98.7% to Rp101 billion;
  - Growth in asset recovery fees (Bank only) by more than 7 times to Rp142 billion.
- Total outstanding loans grew 7.7% to Rp107.22 trillion from Rp99.52 trillion, backed by:
  - Growth in Global Banking loans by 11.4% to Rp39.29 trillion from Rp35.26 trillion;
  - Significant growth in Community Financial Services (CFS) Retail loans by 14.6% to Rp40.10 trillion from Rp34.98 trillion, supported by growth in all retail segments from subsidiaries' auto loans, credit card business & personal loans, and mortgage;
  - Growth in CFS Retail Small and Medium Enterprises (RSME) segment by 2.3% to Rp12.74 trillion from Rp12.46 trillion.
- Consolidated Non-Performing Loan (NPL) ratio improved to 3.4% (gross) and 2.3% (net) in March 2023, from 3.9% (gross) and 2.8% (net) in March 2022;
- Loan at Risk (LAR) ratio (Bank only) improved to 12.1% in March 2023, from 17.5% in March 2022;
- Total Current Account and Savings Account (CASA) stood at Rp53.76 trillion with significant growth in Current Accounts by 19.6%. CASA ratio improved to 51.9% in March 2023 from 47.1% in March 2022;
- Loan to Deposit Ratio (LDR Bank Only) improved to 88.2% in March 2023 from 82.0% in March 2022;
- Capital Adequacy Ratio (CAR) remains strong at 29.1% with total capital of Rp28.85 trillion;
- Continued growth in digital banking in the first quarter of 2023:
  - Financial transactions from retail customers using M2U increased by 16.1% to around 4.8 million transactions;
  - Financial transactions from corporate customers using M2E increased by 4.6% to more than one million transactions.
- Continued growth in Shariah Banking Unit:
  - Profit before Tax increased by 178.4% to Rp236 billion;
  - Assets grew by 3.3% to Rp39.61 trillion;
  - Share of Shariah Banking Unit's total assets to the Bank's standalone total assets improved to 26.4% in March 2023 from 25.6% in March 2022;
  - CASA grew significantly by 30.4% to Rp15.33 trillion.

PT Bank Maybank Indonesia, Tbk. (Maybank Indonesia or the Bank) announced its Consolidated Financial Results ended 31 March 2023, with Profit before Tax (PBT) increased by 33.3% to Rp750 billion from Rp562 billion last year. This was derived from improved earning on its assets composition due to increase in loans as demands for corporate and retail loans increased in line with the improvement in the economy in Indonesia. The Bank also booked higher fee income primarily from the Global Markets (GM) transactions as markets regained its momentum, and subsidiaries' strong performance as well as improved asset quality.

Profit after Tax & Minority Interest (PATAMI) rose significantly by 45.7% to Rp566 billion from Rp388 billion the year before. This was due to better earnings from the Bank's improved assets composition which led to an increase in Net Interest Income (NII) by 6.7% Y-o-Y and Net Interest Margin (NIM) expanded by 35 bps to 5.1% Y-o-Y.

The Bank booked significant rise in fee-based income by 20.7% to Rp574 billion from Rp475 billion last year deriving from higher Global Market fees, which grew 98.7% to Rp101 billion from Rp51 billion as the market regained its momentum. Asset recovery fees (Bank only) also increased by more than 7 times to Rp142 billion as a result of the Bank's intensive remedial efforts over the past year. As the market strengthened in the first quarter of 2023, the Bank was able to book higher fee-based income of 30.6% Q-o-Q.

In the first quarter of 2023, the Bank total outstanding loans grew 7.7% to Rp107.22 trillion from Rp99.52 trillion as CFS Retail loans grew 14.6% to Rp40.10 trillion from Rp34.98 trillion, and Global Banking loans grew 11.4% to Rp39.29 trillion from Rp35.26 trillion last year.

The Bank's CFS Retail loans grew across all segments, supported by the subsidiaries' auto loans, which grew 26.1% to Rp20.54 trillion from Rp16.29 trillion, followed by credit card business & personal loans, which grew 20.6%, Y-o-Y and mortgage grew 2.2% Y-o-Y.

Meanwhile CFS Non-Retail loans declined by 5.0% to Rp27.83 trillion from Rp29.28 trillion as the Business Banking segment declined by 14.6%, while SME+ segment remained largely stable. The Bank's Retail Small Medium Enterprises (RSME) segment continued its momentum and grew 2.3% to Rp12.74 trillion from Rp12.46 trillion.

The Bank's total deposits decreased by 2.2% to Rp103.61 trillion from Rp105.98 trillion as the Bank continued to implement its strategy to optimise low-cost funding by leveraging the Bank's digital services to acquire customer deposits. The Bank's Current Accounts grew 19.6% to Rp32.54 trillion from Rp27.22 trillion and the CASA ratio improved to 51.9% in March 2023 from 47.1% in March 2022. However, Savings Account dropped by 6.7% and Time Deposits reduced by 11.0% as the Bank continued to exit high cost funding.

The improved of business climate in Indonesia has led the Bank to continually step up its customers' engagements, site visits and campaign initiatives. This resulted in higher travelling, outsourcing and marketing costs, which increased by 2.4%. The Bank also continues to invest in its human capital which resulted in an increase of 7.0% in personnel costs. Overall there has been an increase in overhead costs of 4.7% to Rp1.45 trillion. The rise in the Bank's overhead costs however remained under control, ensuring the costs incurred contributed to an increase in the Bank's revenue.

Asset quality continued to improve in the first quarter of 2023, which resulted in lower provisions by 16.9%. NPL balances decreased by 8.8% Y-o-Y and Loan at Risk ratio (LAR Bank only) improved to 12.1% in March 2023 from 17.5% in March 2022.

The Bank's consolidated Non-Performing Loan (NPL) ratio improved to 3.4% (gross) and 2.3% (net) in March 2023 from 3.9% (gross) and 2.8% (net) in March 2022.

Loan to Deposit (LDR) ratio (Bank only) was at a healthy level of 88.2% in March 2023 from 82.0% in March 2022, and Liquidity Coverage (LCR) ratio (Bank only) was at 174.2% in March 2023, exceeding regulator's minimum level of 100%.

The Bank's Capital Adequacy Ratio (CAR) remained strong at 29.1% in March 2023, with total capital of Rp28.85 trillion at the end of March 2023.

## Shariah Banking Unit

Maybank Indonesia Shariah Banking Unit's operating profit before provision rose 32.0% to Rp225 billion due to a significant drop in provisions as asset quality improved. Maybank Indonesia Shariah Banking Unit also recorded a significant increase in Profit before Tax by 178.4% to Rp236 billion.

Total Shariah Banking Unit's assets grew 3.3% to Rp39.61 trillion from Rp38.33 trillion, contributing to 26.4% of the Bank's total standalone assets and financing grew slightly by 0.7% to Rp24.74 trillion from Rp24.56 trillion with more growth focus on SME and retail financing.

Maybank Indonesia continued to implement its 'Shariah First' strategy and the Leverage Model, which played strategic roles in increasing Shariah Banking Unit's businesses. In tandem, the Bank also continued with the strategy to maintain strong liquidity by optimising low-cost funding, resulting in the Unit's CASA to grow 30.4% to Rp15.33 trillion from Rp11.76 trillion last year with Shariah Banking Unit's CASA ratio improving to 49.4% from 40.6%.

Non-Performing Financing (NPF) ratios improved to 2.7% (gross) and 2.1% (net) in March 2023, from 4.0% (gross) and 2.7% (net) in March 2022. Financing-to-Deposit Ratio (FDR) stood at a healthy level of 77.3%.

## Growth in Digital Platform

The Bank's digital banking platform for retail customers M2U, registered an increase in transactions by 16.1% to around 4.8 million transactions in the first quarter of 2023 from more than 4.1 million transactions last year. The transaction value also grew by 22.1% to Rp26.77 trillion from Rp21.93 trillion last year.

The Bank's total customers on boarded through M2U grew 33% to more than one million customers, which now comprises 56% of the Bank's total CFS customers. The significant growth in transactions and customer acquisitions via M2U have contributed to an increase in the Bank's digital retail funding by 23.1% to Rp6.39 trillion.

Meanwhile, the Bank's digital banking platform for corporate customers M2E, registered an increase in transactions of 4.6% to more than one million transactions in the first quarter of 2023. The total transactions value made through M2E was at Rp181.92 trillion, which grew 1.4% from Rp179.42 trillion last year. The growth in customers' acquisition and the total banking transactions made through M2E have contributed to an increase in the Bank's corporate funding by 13.5% to Rp25.95 trillion.

In the first quarter of 2023, Maybank Indonesia introduced an online investment feature enabling customers to purchase conventional government bonds through the M2U App. This feature will enrich the Digital Wealth solution embedded in the Bank's M2U App where customers can undertake mutual fund transactions, access their 360 portfolio view, set up Goal-based investment and expense tracker, amongst others.

The Bank introduced local currency settlement for transactions with Malaysian Ringgit (MYR), China Yuan (CNY) and Thai Baht (THB) currencies on M2E.

**President Director Maybank Indonesia, Taswin Zakaria** said, "Maybank Indonesia started 2023 on a positive note, and our first quarter of the year delivered strong growth performance across our key business segments."

"Amidst global economic challenges, we saw consumer purchasing power and business activities slowly returning back to normal in Indonesia as indicated by our strong growth in the Bank's retail, small-medium enterprise and the wholesale loan segments. From a liquidity perspective, customer deposits continued to rebalance, allowing Maybank Indonesia to manage its funding more efficiently and further

strengthen our fundamentals. Moving forward, we will continue with our M25+ strategies covering the Bank's transformation efforts to accelerate digital SME's capabilities and our Islamic wealth proposition."

**President Commissioner Maybank Indonesia, Dato' Khairussaleh Ramli** said, "For Maybank Indonesia, acceleration of digitalisation, enhancement in customer-centricity, focus on regionalisation, Islamic business growth and sustainability is expected to boost the performance of Maybank Indonesia."

"Maybank Indonesia features prominently in the M25+ transformation programme. Apart from Strategic Programme (SP) 7, which will 'Uplift Indonesia', most of the SPs will also directly provide business and operational improvements, as well as capability enhancements."

## **Subsidiaries**

### **PT Maybank Indonesia Finance (Maybank Finance)**

Maybank Finance recorded a relatively stable PBT of Rp135 billion and booked a growth in four-wheeled financing by 10.7% to Rp6.65 trillion from Rp6.01 trillion last year.

NPL was stable at 0.2% (gross) and 0.1% (net) in March 2023 from 0.2% (gross) and 0.1% (net) in March 2022.

### **PT Wahana Ottomitra Multiartha Tbk (WOM)**

WOM registered a significant jump of 118.8% in PBT to Rp80 billion from Rp37 billion last year, following improved consumer purchasing power that led to increasing demand for two-wheeler vehicles and other financings.

WOM's financing grew significantly by 18.7% to Rp5.47 trillion from Rp4.61 trillion last year. NPL ratio stood at 1.8% (gross) and 0.8% (net) in March 2023 from 1.5% (gross) and 0.6% (net) in March 2022.

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