

**Maybank Indonesia Continues to Book Strong Profit Growth**  
**- PATAMI Surges 118% in the First Nine Months of FY2016**

Consolidated Financial Highlights as of 30 September 2016

**Y-o-Y growth**

- Profit After Tax and Minority Interest (“PATAMI”) increased by 118.4% to Rp1.3 trillion from Rp592.2 billion
- Net Interest Income increased by 14.8% to Rp5.5 trillion
- Net Interest Margin (NIM) improved to 5.1% from 4.8%
- Fee Based Income increased by 21.4% to Rp1.9 trillion
- Total Sharia Banking Financing grew by 39.3% to Rp11.3 trillion; making up 9.7% of the Bank total loans with net profit surged 43.9% to Rp344 billion
- Loan-to-Deposit Ratio (Bank only, excluding subsidiaries) remained healthy at 88.0%
- Cost to Income Ratio (CIR) improved significantly to 55.9% from 64.3%
- Total Capital Adequacy Ratio (CAR) increased to 17.7% with total capital of Rp21.9 trillion

PT Bank Maybank Indonesia Tbk (Maybank Indonesia or the Bank) today announced that it has delivered net profit after tax and minority interest (PATAMI) of Rp1.3 trillion for the nine months to September 2016, a 118.4% increase from Rp592.2 billion achieved in the first nine months of 2015. The Bank’s Profit Before Tax (PBT) surged 123.7% reaching Rp1.8 trillion in September 2016 from Rp784 billion in September 2015. A healthy rise in Net Interest Income (NII), improvement in fee based income, continuous cost management efforts and outstanding achievement in Sharia Banking contributed to the overall improved performance for the period.

The Bank reported a 14.8% increase in its Net Interest Income (NII) to Rp5.5 trillion in September 2016 from Rp4.8 trillion in the previous corresponding period. The increase was attributable to the Bank’s discipline in loan pricing and active funding management. The Bank also saw improvement in its Net Interest Margin (NIM) from 4.8% in September 2015 to 5.1% in September 2016.

The Bank’s fee based income rose 21.4% from Rp1.6 trillion in September 2015 to Rp1.9 trillion in September 2016. The increase in fee based income was mainly driven by

bancassurance fees from its new partnership with Allianz, treasury related fees, retail administration and other services provided by the Bank.

The Bank continued to manage its costs well during the first nine months of 2016 as reflected by the marginal increase of 1.2% in its overhead costs from Rp4.1 trillion to Rp4.2 trillion. The effective cost management efforts have resulted in improvement of its cost-to-income ratio (CIR) which improved to 55.9% in September 2016 from 64.3% in September 2015.

Sharia Banking continued to record outstanding performance in the nine months of 2016. Its net profits increased by 43.9% to Rp344 billion. Total financing rose 39.3% from Rp8.1 trillion in September 2015 to Rp11.3 trillion in September 2016 while its total deposits grew 80.3% from Rp5.6 trillion to Rp10.1 trillion. Sharia Banking's total assets increased by 33.5% to Rp17.8 trillion, contributing 10.9% of the Bank's total assets.

The Bank recorded a modest loans growth of 4.4% as at September 2016 to Rp116.4 trillion from Rp111.5 trillion in September 2015. The Bank's Small and Medium Enterprises (SME) and Commercial loans growth continued to be the backbone in generating revenues with a 14.7% growth to Rp48.7 trillion. Retail banking loans remained stable at Rp44.8 trillion, while Global Banking loans decreased by 5.8% year-on-year as the Bank continued to focus on re-profiling and re-aligning its corporate portfolio to the overall strategy. There is also a quarter to quarter decrease in corporate loans due to the decision to exit selected loans which are not aligned to the Bank's risk posture.

Total customer deposits grew by 4.5% from Rp110.6 trillion in September 2015 to Rp115.6 trillion in September 2016 with the CASA ratio reaching 38.2%. The Bank's Loan-to-Deposit Ratio (LDR - bank only) stood at a healthy 88.0%, while the Loan-to-Funding Ratio (bank only) was at 86.6%, and the Bank's consolidated modified Loan to Deposits Ratio (Modified LDR - consolidated) was sound at 82.5%. The Bank's continuous improvement of its transactional banking cash management system, strong financial supply chain solutions, and its electronic channels which include its internet based mobile banking facility Maybank M2U have also greatly contributed to the improved liquidity position.

The Bank's consolidated NPL level was lower at 4.0% (gross) and 2.4% (net) as of 30 September 2016 compared with 4.2% (gross) and 2.7% (net) in the previous period, while its provision expense marginally increased by 1.8% compared to the previous corresponding year. Nonetheless, the Bank remains cautious over loan quality as businesses are still being impacted by the current economic slowdown.

## **Subsidiaries**

PT Maybank Indonesia Finance (Maybank Finance) recorded a 28.7% increase in total financing (stand alone) to Rp5.4 trillion in September 2016 from Rp4.2 trillion in September 2015 despite the challenging conditions. Asset quality remained solid with gross NPL at only 0.42% and net NPL at 0.34%. Maybank Finance's profit before tax reached Rp232 billion in

September 2016. To strengthen its long term funding, Maybank Finance is finalizing its issuance of senior bonds of approximately Rp1 trillion which is expected to be completed in the fourth quarter of 2016.

PT Wahana Ottomitra Multiartha Tbk (WOM) recorded a significant increase in its profit before tax of Rp73 billion in September 2016 compared to a loss before tax of Rp22 billion in September 2015. Although national motorcycles sales decreased by 10%, WOM recorded a 29.6% increase in its total financing portfolio (stand alone) to Rp5.7 trillion in September 2016 from Rp4.4 trillion in September 2015. WOM introduced multipurpose financing in mid 2015 and this has successfully contributed 33% of WOM's new financing in term of units financed. WOM also launched various internal productivity programs and implemented its own Strategic Cost Management Program to further enhance the efficiency of its operations. The cost management effort has improved its cost-to-income ratio to 73% from 83% in the same period last year. WOM also remains focused on the implementation of prudent risk management practice to ensure sound asset quality. WOM's gross NPL was at 3.84% and net NPL was 1.36%.

**Comments from President Commissioner Maybank Indonesia and Chairman of Maybank Group, Tan Sri Dato' Megat Zaharuddin bin Megat Mohd Nor:**

"I am pleased that the Bank has continued to grow strongly leveraging on our re-branding to Maybank at the end of last year to demonstrate to customers our range of products and services as a regional leader. Our focus on helping all stakeholders in this country to overcome the challenges hampering business has given us further insights into future market developments essential for sustaining the strong GDP growth of Indonesia."

**Comments from Maybank Indonesia President Director, Taswin Zakaria:**

"I am happy to report that the Bank continued to demonstrate improvement at the operating level in the first nine month period. Our core business performance significantly improved as our rigorous risk and cost management measures as well as disciplined approach towards pricing and growth are in place. We are optimistic to be able to conclude the financial year of 2016 with commendable results whilst at the same time maintain the view of continued challenging market conditions for the remaining year."

"We intend to step up our involvement in financing of infrastructure projects and continue to grow our SME portfolio in line with the government's economic development agenda. Through our extensive reach and regional capabilities, we believe that we can leverage the Group's resources to support the country's growth agenda."

**Note to editors**

*Maybank Indonesia is one of the largest banks in Indonesia with 430 branches including Sharia branches, micro functional offices, and overseas branches, 1,618 ATMs including CDMs (Cash Deposit Machines) across Indonesia, and also connected with more than 20,000 ATMs under ATM PRIMA, ATM BERSAMA, ALTO, CIRRUS, and Malaysia's MEPS network, and to more than 3,500 Maybank ATMs in Malaysia and Singapore. Maybank Indonesia has a banking presence in Mauritius and Mumbai. As of 30 September 2016, total customer deposit of Rp115.6 trillion and Rp163.1 trillion in assets. Maybank Indonesia provides full range of financial services through its branch and ATM network, phone banking, mobile banking and internet banking channels. Maybank Indonesia is listed on the Indonesia Stock Exchange (BNI) and is active in Community Financial Services and Global Banking.*