

## Maybank Indonesia Records 74% Increase in Q1 FY16 PATAMI

Consolidated Financial Highlights as of 31 March 2016

### Y-o-Y growth

- Profit After Tax and Minority Interest (“PATAMI”) increased by 73.7% to Rp444 billion from Rp256 billion
- Net Interest Income increased by 8.8% to Rp1.73 trillion
- Net Interest Margin (NIM) stable at 4.8%
- Fee Based Income increased by 10.7% to Rp687 billion
- Total Sharia Banking Financing grew by 25.4% to Rp9.3 trillion and total Sharia Deposits rose strongly by 70.1% to Rp7.8 trillion
- Sharia Banking Net Profit surged 73.8% to Rp125 billion
- Loan-to-Deposit Ratio (Bank only, excluding subsidiaries) remained healthy at 87.6%
- Cost to Income Ratio (CIR) improved to 59.8% from 65.8%
- Assets increased by 7.4% to Rp160.5 trillion of which 10.4% is Sharia
- Total Loans grew by 4.8% from Rp107.6 trillion in March 2015 to Rp112.9 trillion in March 2016
- Total Deposits increased by 9.3% from Rp105.0 trillion in March 2015 to Rp114.8 trillion in March 2016
- Total Capital Adequacy Ratio (CAR) increased to 16.1% from 15.2% in the previous quarter with total capital of Rp19.7 trillion.

Jakarta - PT Bank Maybank Indonesia Tbk (“Maybank Indonesia” or the “Bank”) today announced that its profit after tax and minority interests (PATAMI) increased by 73.7% to Rp444 billion for the first quarter ended 31 March 2016 from Rp256 billion in the previous corresponding period ended 31 March 2015. The performance was aided by improved Net Interest Income, better growth in fee based income, continuous cost management efforts and outstanding achievement in Sharia Banking.

Net Interest Income (NII) rose 8.8% to Rp1.73 trillion as of 31 March 2016 from Rp1.59 trillion in the previous corresponding period, while the Bank’s Net Interest Margin (NIM) remained stable at 4.8%. Increase in NII was driven by the Bank’s discipline in loan pricing and active funding management.

The Bank reported a 10.7% increase in fee based income to Rp687 billion in March 2016 from Rp621 billion in March 2015. The increase in fee based income was achieved from treasury related fees, the Bank's bancassurance fees, loan & retail administration and other services provided by the Bank.

The Bank continued to manage its costs well through its continued Strategic Cost Management Program (SCMP) during the first three months of 2016 as reflected by the reduction in its overhead costs by 0.8% to Rp1.44 trillion in March 2016. The Bank's rigorous cost management efforts has resulted in improvement of its cost-to-income ratio (CIR) which decreased to 59.8% in March 2016 from 65.8% in March 2015.

Sharia Banking continued to record yet another strong performance in the first three months of 2016 with total financing growing 25.4% from Rp7.4 trillion in March 2015 to Rp9.3 trillion in March 2016. At the same time, total deposits also posted a strong growth of 70.1% from Rp 4.6 trillion to Rp7.8 trillion in March 2016. Its net profit also impressively increased by 73.8% to Rp125 billion in March 2016 from Rp72 billion in March 2015. Sharia Banking's total assets increased by 96.7% to Rp16.7 trillion, making up 10.4% of the Bank's total assets (up from 5.7% previously)

The Bank recorded a modest loans growth of 4.8% in the first quarter 2016 from Rp107.6 trillion in March 2015 to Rp112.9 trillion in March 2016. Business Banking and Retail Banking continued to book solid loans growth, while Global Banking has recently started to reestablish its growth following re-profiling and re-aligning of its portfolio. Business Banking loans saw a 11.3% rise from Rp41.6 trillion to Rp46.3 trillion, and Retail Banking loans increased by 6.8% from Rp42.1 trillion to Rp45.0 trillion. Global Banking loans decreased by 9.8% year-on-year from Rp23.9 trillion to Rp21.6 trillion, although on a quarterly basis, Global Banking loans grew by 0.5% compared to the previous quarter. Loans from Business Banking accounted for 41% of the Bank's total loans, while loans from Retail Banking and Global Banking each contributed 40% and 19% respectively.

Total customer deposits grew by 9.3% from Rp105.0 trillion to Rp114.8 trillion with the Loan-to-Deposit Ratio (LDR - bank only) at a healthy 87.6% and the Bank's consolidated modified Loan to Deposits Ratio (Modified LDR - consolidated) at 80.6%. The Bank's continuous upgrade on its cash management system, strong financial supply chain solutions, and its electronic channels which include (internet based) mobile banking facility Maybank M2U have also greatly contributed to the improved liquidity position.

The Bank's consolidated NPL level was at 3.7% (gross) and 2.5% (net) as of 31 March 2016 compared to 2.8% (NPL gross) and 1.9% (NPL net) in the previous period. The Bank remains cautious over loan quality as businesses are still impacted by the current economic slow down. The Bank continued to manage down exposures from corporate accounts that had led to the increase in Non-Performing Loans (NPL) level and has actively carried out the restructuring of those accounts. The Bank expects to see further improvement over the next several months.

## **Subsidiaries**

Maybank Finance recorded a 6.3% increase in consumer financing (stand alone) to Rp4.0 trillion in March 2016 from Rp3.8 trillion in March 2015. Asset quality remained solid with gross NPL only at 0.5% and net NPL at 0.4%. Maybank Finance's profit before tax reached Rp66.8 billion in March 2016.

PT Wahana Ottomitra Multiartha Tbk (WOM) recorded a significant increase in its profit before tax of Rp26.4 billion in March 2016 compared to Rp0.79 billion in March 2015. This was achieved despite a reduction in its total consumer financing (stand alone) which decreased by 9.9% from Rp4.4 trillion in March 2015 to Rp4.0 trillion in March 2016. The reduction in total consumer financing is in line with the industry. WOM has launched internal productivity programs and implemented its own SCMP in order to improve the efficiency of its operations. WOM also remains focused on the implementation of prudent risk management practice to ensure sound asset quality. WOM's gross NPL was at 3.3% and net NPL at 1.1%.

### **Comments by Maybank Indonesia President Director, Taswin Zakaria:**

“We started the new financial year with promising results in the midst of challenging market conditions, and we expect to see further growth and improvement in our performance for the financial year 2016. I am pleased especially to report the impressive performance of our Sharia Banking Unit since we introduced our Sharia First strategy in 2013. The outstanding business growth in the last three years has placed our Sharia Banking Unit among the top five in the Indonesian Sharia banking industry in 2015.”

“Business Banking and Retail Banking continued to show sound performance and remain our key revenue drivers. To expedite business growth and outpace the competition, we have taken the strategic decision to merge Business Banking and Retail Banking into one integrated directorate called Community Financial Services (CFS). We expect this new structure will further boost our growth and market share while providing holistic financial solutions to our customers.”

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

“The Bank's earlier re-branding exercise coupled with the setting up of its Community Financial Services should further strengthen the Maybank Indonesia presence in our communities. Market-focused initiatives will now be better coordinated across our branch and on-line networks, leveraging on the Maybank Group synergies to continuously offer value creating products and services to our customers.”

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**Note to editors**

Maybank Indonesia is one of the largest banks in Indonesia with 456 branches including Sharia branches, micro functional offices, and overseas branches, 1,600 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 31 March 2016, total customer deposit of Rp114.8 trillion and Rp160.5 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.