

Maybank Indonesia Net Profit Rises 121% in the First Half FY2016

Consolidated Financial Highlights as of 30 June 2016

Y-o-Y growth

- Profit After Tax and Minority Interest (“PATAMI”) increased by 121.2% to Rp858 billion from Rp388 billion
- Net Interest Income increased by 16.1% to Rp3.6 trillion
- Net Interest Margin (NIM) improved to 5.0% from 4.7%
- Fee Based Income increased by 36.6% to Rp1.5 trillion
- Total Sharia Banking Financing grew by 46.3% to Rp10.8 trillion; contributing 9.2% of the Bank total loans
- Total Sharia Deposits rose by 86.6% to Rp9.6 trillion
- Sharia Banking Net Profit surged 83.6% to Rp196 billion
- Loan-to-Deposit Ratio (Bank only, excluding subsidiaries) remained healthy at 90.3%
- Cost to Income Ratio (CIR) improved to 58.1% from 66.4%
- Assets increased by 8.0% to Rp161.8 trillion of which 10.5% is Sharia
- Total Loans grew by 8.3% from Rp108.5 trillion in June 2015 to Rp117.5 trillion in June 2016
- Total Deposits increased by 6.5% from Rp107.1 trillion to Rp114.1 trillion
- Total Capital Adequacy Ratio (CAR) was at 15.9% with total capital of Rp20.1 trillion

USD1 = IDR13,212.50

Jakarta - PT Bank Maybank Indonesia Tbk (“Maybank Indonesia” or the “Bank”) today announced that its profit after tax and minority interests (PATAMI) surged 121.2% to Rp858 billion for the first semester ended 30 June 2016 from Rp388 billion in the previous corresponding period ended 30 June 2015. The stronger first semester 2016 performance was mainly contributed by improved Net Interest Income, better growth in fee based income, continuous cost management efforts and outstanding achievement in Sharia Banking.

The Bank reported a 16.1% increase in its Net Interest Income (NII) to Rp3.6 trillion in June 2016 from Rp3.1 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 4.73% in June 2015 to 5.01% in June 2016

The Bank's fee based income increased by 36.6% from Rp1.1 trillion in June 2015 to Rp1.5 trillion in June 2016. The increase in fee based income was achieved from treasury related fees, the Bank's bancassurance fees, retail administration and other services provided by the Bank.

The Bank continued to manage its costs well through its Strategic Cost Management Program (SCMP) during the first six months of 2016 as reflected by the marginal increase of 6.3% in its overhead costs. The Bank's effective cost management efforts has resulted in improvement of its cost-to-income ratio (CIR) which decreased to 58.1% in June 2016 from 66.4% in June 2015.

Sharia Banking maintained its outstanding performance in the first half of 2016. Its total financing rose 46.3% from Rp7.4 trillion in June 2015 to Rp10.8 trillion in June 2016 while its total deposits grew 86.6% from Rp5.1 trillion to Rp9.6 trillion. Its net profit also increased by 83.6% to Rp196 billion in June 2016 from Rp107 billion in June 2015. Sharia Banking's total assets increased by 76.1% to Rp17.0 trillion, contributing 10.5% of the Bank's total assets.

The Bank recorded loans growth of 8.3% in the first semester 2016 from Rp108.5 trillion in June 2015 to Rp117.5 trillion in June 2016. Community Financial (CFS) continued to book solid loans growth, while Global Banking marked a turnaround to resume a positive growth momentum in the second quarter 2016. CFS booked 8.6% loans growth from Rp87.1 trillion to Rp94.6 trillion. Contribution of loans from Small and Medium Enterprises (SME) was maintained at a healthy level at 23.3% of the Bank's total loans, surpassing the minimum target set by the government of 20% by 2018. Global Banking loans increased by 7.2% to Rp22.9 trillion in June 2016 from Rp21.4 trillion in June 2015.

Total customer deposits grew by 6.5% from Rp107.1 trillion in June 2015 to Rp114.1 trillion in June 2016 with CASA ratio reaching 39.4%. The Loan-to-Deposit Ratio (LDR - bank only) stood at a healthy 90.3% and the Bank's consolidated modified Loan to Deposits Ratio (Modified LDR - consolidated) was at 83.5%. 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 2.3% (net) as of 30 June 2016 compared to 3.5% (NPL gross) and 2.4% (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

PT Maybank Indonesia Finance (Maybank Finance) recorded a 28.7% increase in total financing (stand alone) to Rp5.5 trillion in June 2016 from Rp4.2 trillion in June 2015 despite the challenging conditions. Asset quality remained solid with gross NPL at only 0.44% and net NPL at 0.36%. Maybank Finance's profit before tax reached Rp145.2 billion in June 2016. To strengthen its long term funding, Maybank Finance had issued senior bonds of Rp1.1 trillion in April 2016.

PT Wahana Ottomitra Multiartha Tbk (WOM) recorded a significant increase in its profit before tax of Rp49 billion in June 2016 compared to loss before tax of Rp27 billion in June 2015. Although national motorcycles sales decreased by 7%, WOM recorded a 10,4% increase in its total financing portfolio

(stand alone) to Rp5.2 trillion in June 2016 from Rp4.7 trillion in June 2015. WOM introduced multipurpose financing in mid of 2015. Currently, this financing has successfully contributed 33% from WOM's new financing in term of unit. WOM also launched internal productivity programs and implemented its own SCMP to improve efficiency of its operations. The cost management effort has improved its cost-to-income ratio to 63% from 78% last year same period. WOM also remains focused on the implementation of prudent risk management practice to ensure sound asset quality. WOM's gross NPL was at 3.55% and net NPL at 1.18%. WOM had successfully issued senior bonds of Rp665 billion in June 2016 with "AA" rating from Fitch Rating.

Comments by Maybank Indonesia President Director, Taswin Zakaria:

"Despite the current market uncertainties, we continued to record commendable results for the first six months 2016. The strong performance for the first semester 2016 is a testimony to the tremendous efforts made by our entire team to pursue sustainable and profitable growth. We maintain our view of continued challenging market condition for the remaining year and will remain selective in growing our portfolio whilst exercising pricing discipline for both loan and liquidity to support our business growth responsibly."

"While our Community Financial Services segment continues to be the backbone of the Bank in generating revenues, I am pleased that our efforts in re-profiling our corporate portfolio and realigning business have started to show positive results as our corporate portfolio showed an increase of 7.2% in the first six months 2016. We are poised to see further growth in the Global Banking going forward."

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

"The overall improved financial performance for the first six months amidst the challenging economic condition demonstrates the resilience of the Bank and prove that the Bank is built upon solid fundamentals. Together with ongoing efforts to boost our capabilities through all-round improvements in system, processes, people and cost-structure, we are confident to see sustainable profitable growth for the remaining 2016."

Note to editors

Maybank Indonesia is one of the largest banks in Indonesia with 431 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 30 June 2016, total customer deposit of Rp114.1 trillion and Rp161.8 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 (BNII) and is active in Community Financial Services and Global Banking.