

Maybank Indonesia Records a 12.0% Increase in Net Profit for Nine Months of FY2017

Consolidated Financial Highlights as of 30 September 2017

Y-o-Y growth

- Profit After Tax and Minority Interest (“PATAMI”) increased by 12.0% to Rp1.4 trillion from Rp1.3 trillion
- Global Banking loans grew by 29.0% to Rp28.2 trillion
- Loan-to-Deposit Ratio (Bank only, excluding subsidiaries) remained healthy at 87.6%
- Fee Based Income increased by 7.9% to Rp2.1 trillion
- Net Interest Margin (NIM) improved to 5.2% from 5.1%
- Net Interest Income increased by 4.3% to Rp5.7 trillion
- Cost to Income Ratio was well contained at 57.1%
- Total Capital Adequacy Ratio (CAR) increased to 17.6% with total capital of Rp22.5 trillion
- Total Sharia Banking Financing grew by 50.5% to Rp17.1 trillion; making up 14.0% of the Bank’s total loans with net profit surged 63.3% to Rp561.6 billion

Jakarta - PT Bank Maybank Indonesia Tbk (Maybank Indonesia or the Bank) has announced that it has recorded a net profit after tax and minority interest (PATAMI) of Rp1.4 trillion for the nine months of FY2017, a 12.0% increase from Rp1.3 trillion achieved in the first nine months of 2016. The Bank’s Profit Before Tax (PBT) rose 14.0% reaching Rp2.0 trillion in September 2017 from Rp1.8 trillion in September 2016. The improved performance was mainly contributed by the loan growth in particular Global Banking, effective cost management control and outstanding achievement in Sharia Banking.

The Bank recorded a modest loans growth of 4.6% as at September 2017 to Rp121.8 trillion from Rp116.4 trillion in September 2016. Global Banking loans saw a robust loans growth of 29.0% to Rp28.2 trillion in September 2017 on the back of infrastructure financing in line with the Indonesian Government’s initiatives. The Bank’s Community Financial Services (CFS) Non-Retail loans, which comprises of Micro, Small & Medium Enterprises (SME) and Business Banking grew by 3.4% to Rp51.4 trillion in September 2017 from Rp49.7 trillion in the previous year, while CFS Retail loans contracted by 6.0% to Rp42.2 trillion in September 2017 due to the slower growth in consumer sector.

Total customer deposits grew from Rp115.6 trillion in September 2016 to Rp119.1 trillion in September 2017 with the Bank's CASA ratio reaching 38.0% due to the Bank's continued focus on cash management. As a result, its current account increased by 10.2% in the nine month of 2017, reaching Rp20.8 trillion. The Bank's continuous improvement on its electronic channels which includes its internet-based mobile banking facility Maybank M2U has also contributed to the improved liquidity position. The Bank also recently launched MOVE (Maybank Online Savings Account platform) which provides convenience and greater flexibility for customers in opening accounts.

The Bank's Loan-to-Deposit Ratio (LDR - bank only) stood at a healthy 87.6%, while the Loan-to-Funding Ratio (bank only) was at 86.3%.

Net Interest Income (NII) rose 4.3% to Rp5.7 trillion in September 2017 from Rp5.5 trillion in the previous corresponding period. The Bank was able to defend its Net Interest Margin (NIM) at 5.2% in September 2017 as it continued with its discipline in loan and deposit pricing.

Meanwhile, the Bank's fee based income rose 7.9% from Rp2.0 trillion in September 2016 to Rp2.1 trillion in September 2017. This increase was mainly driven by fees from bancassurance, treasury related fees, retail administration, loan administration, loan recovery, and other services provided by the Bank.

Sharia Banking continued to record outstanding performance in the nine months of 2017. Its net profits increased by 63.3% to Rp561.6 billion. Total financing rose 50.5% from Rp11.3 trillion in September 2016 to Rp17.1 trillion in September 2017, while its total deposits grew 42.1% from Rp10.1 trillion to Rp14.4 trillion. Sharia Banking's total assets increased by 35.0% to Rp24.0 trillion, contributing 14.2% of the Bank's total assets. Sharia's asset quality also improved as reflected by the lower gross Non Performing Financing (NPF) -at 3.99% and net NPF at 2.67% as of 30 September 2017 compared with 5.38% gross NPF and 3.70% net NPF as of 30 September 2016.

The Bank maintained its asset quality with consolidated NPL level remaining at 3.9% (gross) and 2.4% (net) as of September 2017. The Bank was also able to reduce provision expenses by 15.1% to Rp1.3 trillion in September 2017 from Rp1.6 trillion in September 2016. Nonetheless, the Bank remains conservative in managing asset quality as the economic outlook is expected to remain challenging.

Subsidiaries

PT Maybank Indonesia Finance (Maybank Finance) recorded a 30.6% increase in total financing (stand alone) to Rp7.0 trillion in September 2017 from Rp5.4 trillion in September 2016 despite the challenging conditions. Its outstanding asset quality was further improved with a lower gross NPL at 0.36% and net NPL at 0.30% as of 30 September 2017 compared with 0.42% gross NPL and 0.34% net NPL in the previous corresponding period. Maybank Finance's profit before tax reached Rp264.9 billion in September 2017 or increased by 14.0%. To strengthen its long term funding, Maybank Finance is in the process of issuing senior bonds of approximately Rp1.2 trillion which is expected to be completed in the fourth quarter of 2017. During the bookbuilding period from 6 October until 19 October 2017, Maybank Finance senior bonds were more than 2 times from the initial issuance plan due to strong demand for the new bonds issuance.

PT Wahana Ottomitra Multiartha Tbk (WOM) recorded a significant increase in its profit before tax of Rp132.2 billion in September 2017 compared to Rp72.8 billion in September 2016. The improved performance was mainly attributable to the growth in multipurpose financing (MotorKU and MobilKu) which were introduced in the middle of 2015 and contributed 41% of the total financing. WOM's total financing portfolio (stand alone) to Rp6.1 trillion in September 2017 from Rp5.7 trillion in September 2016. WOM also remains focused on the implementation of prudent risk management practice to ensure sound asset quality. As a result, WOM's asset quality improved with a lower gross NPL of 2.60% and net NPL of 1.1% as of 30 September 2017 from gross NPL of 3.84% and net NPL of 1.36 % in the previous corresponding year.

President Director of Maybank Indonesia Taswin Zakaria said, "I am happy to report that the Bank continued to demonstrate improvement at the operating level in the first nine month period. With the growth momentum in our Global Banking business, we look forward to continue reaping more benefits from this improved segment. We also seize opportunities to expand our Community Financial Services Non-Retail segment in the coming quarters. We are optimistic to be able to conclude the financial year of 2017 with commendable results whilst at the same time maintain the view of continued challenging market conditions for the remaining year."

President Commissioner Maybank Indonesia and Group President & CEO of Maybank, Datuk Abdul Farid Alias said, "The consistency in performance in the first nine months this year clearly reflects the Bank's resilience amidst the challenging economic environment. We have strengthened our financial position and product offerings as well as our risk management capabilities to enable us to leverage on growth areas, in particular, opportunities arising from the government's various economic development projects. We are confident that the Bank will remain on steady growth trajectory for the final quarter of 2017, and create further value for all of our stakeholders."

About Maybank Indonesia

Maybank Indonesia is one of the largest banks in Indonesia with 413 branches including Syariah branches, micro functional offices, and overseas branches, 1,617 ATMs including CDMs (Cash Deposit Machines) across Indonesia. and also connected with more than 20,000 ATMs under ATM PRIMA, ATM BERSAMA, ALTO, CIRRUS, UP, APN, and Malaysia's MEPS network, and to more than 3,500 Maybank ATMs in Malaysia, Singapore and Brunei Darussalam. 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 (Retail and Non-Retail Banking) and Global Banking.
