

Press Release

- **Maybank Indonesia's Q1 top line rises 4% on the back of 18% fee income growth**
- **Significant improvement in asset quality**

Consolidated Financial Highlights as of 31 March 2018

Y-o-Y growth

- Global Banking loans grew by 6.2% to Rp27.6 trillion
- Sharia Financing up 41.6% to Rp20.2 trillion; making up 16.5% of the Bank's total loans
- Improvement in asset quality with lower NPL level at 3.0% (gross) from 3.7% the previous year and 1.9% (net) from 2.4% the previous year
- CASA ratio improved to 39.7% from 37.1%
- Fee Based Income increased by 18.0% to Rp635.2 billion
- Loan-to-Deposit Ratio (Bank only, excluding subsidiaries) remained healthy at 85.6%
- Total Capital Adequacy Ratio (CAR) increased to 17.6% with total capital of Rp22.8 trillion

Jakarta, 26 April 2018

PT Bank Maybank Indonesia Tbk (Maybank Indonesia or the Bank) today reported that its operating income after provisions increased to Rp682.0 billion for the first quarter ended 31 March 2018 compared with Rp633.9 billion in the previous corresponding period, while profit after tax and minority Interest (PATAMI) stood at Rp463.1 billion for the first quarter ended 31 March 2018, slightly lower than the Rp490.1 billion previous quarter ended 31 March 2017. Gross operating income rose 3.6% to Rp2.5 trillion for the three months ended 31 March 2018.

Operating Income after provisions increased by 7.6% and the Bank's top line grew 3.6% supported by continued improvement in operational efficiency in line with its Strategic Cost Management Program, as well as fee based income expansion, improvement in provisioning levels, growth in Sharia business and improvement in subsidiaries.

Sharia Banking continued to record strong performance in the first three months of 2018 with total assets increasing by 25.7% to Rp27.1 trillion, making up 15.4% of the Bank's total assets. Total financing rose 41.6% from Rp14.3 trillion as of March 2017 to Rp20.2 trillion as of March 2018, while its total deposits grew 44.1% to Rp17.5 trillion from Rp12.1 trillion. Non Performing Financing (NPF) improved significantly to 3.2% as of March 2018 compared with 4.6% in the previous year.

The Bank recorded a moderate loans growth of 2.2% to Rp122.5 trillion as at 31 March 2018 from Rp119.9 trillion the previous year. Global Banking loans recorded growth of 6.2% to Rp27.6 trillion as of March 2018 from Rp26.0 trillion as of March 2017 contributed by loans from State-Owned Enterprises (SOE); while Community Financial Services (CFS) Non-Retail loans, which comprises of Micro, Small & Medium Enterprises (SME) and Business Banking loans grew by 3.2%

to Rp52.1 trillion as of March 2018 from Rp50.5 trillion in the previous year. CFS Retail loans reduced by 1.3% to Rp42.8 trillion as of March 2018.

Asset quality improved significantly as reflected by lower NPL levels at 3.0% (gross) and 1.9% (net) as at 31 March 2018 compared with 3.7% (gross) and 2.4% (net) in the previous year. The Bank continues to intensify asset quality improvement and will remain conservative in managing asset quality selection.

Customer deposits grew by 2.7% Y-o-Y with Current Accounts growing strongly at 27.3% Y-o-Y, lifting the CASA ratio to 39.7%. On 15 March 2018, the Bank also issued Shelf Registered Bonds II Bank Maybank Indonesia Tranche II Year 2018 amounting to Rp645.5 billion to support its business expansion.

Maybank Indonesia maintained its robust liquidity profile with its Loan-to-Deposit Ratio (LDR - Bank only) remaining at a healthy level of 85.6% and Liquidity Coverage Ratio (LCR Bank) at 176.4% as of March 2018, far in excess of the mandatory minimum of 90.0%.

The Bank's fee based income rose 18.0% to reach Rp635.2 billion for the first quarter ended 31 March 2018 driven by fees from bancassurance, retail administration, loan administration, loan recovery, subsidiaries, and other services provided by the Bank. Net Interest Income, however, declined marginally by 0.5% to Rp1.9 trillion in the first quarter ended 31 March 2018 owing to increased competition in the market. The Bank's NIM compressed to 4.8% as pressure in loan yields persisted. The Bank continues to implement discipline in loan pricing and active funding management to better mitigate pressures on margin.

The Bank was able to improve its CAR to 17.6% as at 31 March 2018 from 16.9% last year. To further strengthen its capital profile in the current challenging environment, a capital injection will be undertaken through rights issue mechanism by issuing 12,800,000,000 Series D shares with a par value of Rp22.50 as approved during an Extraordinary General Meeting of Shareholders (EGM) held on 6 April 2018.

Subsidiaries

PT Wahana Ottomitra Multiartha Tbk (WOM) recorded an all-round improvement in the first quarter of 2018. Its profit before tax significantly increased by 102.5% to Rp73 billion for the first three months ended 31 March 2018 from Rp36 billion the previous year. WOM's total financing portfolio (stand alone) increased to Rp7.6 trillion as at 31 March 2018 from Rp5.6 trillion as at 31 March 2017. WOM also remains focused on the continued adoption of prudent risk management practices and has improved its collection strategy to ensure sound asset quality. As a result, WOM's asset quality improved with a lower gross NPL of 2.2% and net NPL at 1.1% as at 31 March 2018 from 3.0% and 1.2% respectively as at 31 March 2017.

PT Maybank Indonesia Finance (Maybank Finance) continued to record a solid performance with profit before tax increasing to Rp95 billion in the first quarter 2018 from Rp87 billion in the previous year. Its total financing saw an 18.6% increase to Rp7.5 trillion as at 31 March 2018 from Rp6.3 trillion as at 31 March 2017 despite the challenging conditions. Maybank Finance continues to focus on ensuring superior asset quality management. Its gross NPL and net NPL stood at 0.38% and 0.31% as at 31 March 2018 respectively compared with 0.41% and 0.33% respectively in the previous corresponding period.

President Director Maybank Indonesia Taswin Zakaria said, “The start of 2018 turned out to be as challenging as last year. Despite the slowdown in a number of areas, our core business and foundation remain intact. We will continue to grow our assets selectively to ensure sound asset quality going forward. Our Global Banking continues to be the leading contributor to our assets growth. The Sharia First strategy adopted by the Bank since 2014 continues to deliver impressive results. However, we expect our CFS portfolio to gradually strengthen in the coming quarters as we see opportunities in the retail and small medium enterprise segments. This will be further underpinned by our recent initiative in transforming our retail business model.”

President Commissioner of Maybank Indonesia and Group President & CEO of Maybank, Datuk Abdul Farid Alias said, “Our first quarter results demonstrate Maybank Indonesia’s resilience in growing its revenue despite the increasingly competitive market in the country. The Bank has firmly embedded sustainable business development strategies which cover retail transformation, digital banking enhancement, culture transformation as well as asset quality selection which will ensure continued value creation for all our stakeholders. The outlook for the medium term remains challenging; but we are optimistic that we can manage the risks and ensure steady growth of our business in the coming quarters.”

Note:

The above information is based on the Published Financial Statements as of 31 March 2018
