

**Maybank Indonesia's top line grows 5% despite moderate loan growth
- Fee income up 8%**

Consolidated Financial Highlights as of 31 December 2017

Y-o-Y growth

- Net Interest Income increased by 3.7% to Rp7.7 trillion
- Net Interest Margin (NIM) improved to 5.2% from 5.1%
- Global Banking loans grew by 17.1% to Rp30.2 trillion
- Sharia Financing up 48.0% to Rp20.7 trillion; making up 16.5% of the Bank's total loans with net profit surging 35.3% to Rp631 billion
- Significantly improved asset quality with lower NPL level at 2.8% (gross) from 3.4% the previous year and 1.7% (net) from 2.3% the previous year
- CASA ratio improved to 40.0% from 38.7%
- Fee Based Income increased by 7.9% to Rp2.7 trillion
- Loan-to-Deposit Ratio (Bank only, excluding subsidiaries) remained healthy at 88.1%
- (Recurring) Cost to Income Ratio was well maintained at 53.4%
- Total Capital Adequacy Ratio (CAR) increased to **17.5%** with total capital of Rp22.6 trillion

PT Bank Maybank Indonesia Tbk (Maybank Indonesia or the Bank) today reported that its operating profit before provision increased to Rp4.6 trillion for the full year period ended 31 December 2017 compared with Rp 4.4 trillion in the previous corresponding year, while profit after tax and minority Interest (PATAMI) stood at Rp1.8 trillion in December 2017, slightly down from Rp1.9 trillion in December 2016. Gross operating income rose 5% to Rp10.4 trillion in December 2017.

Operating Income before provision increased by 4% and the Bank's top line grew 5% supported by continued improvement in operational efficiency in line with its Strategic Cost Management Program, improvement in fee based income, strong performance of Global Banking, sharp growth in Sharia Banking and improved performance of the subsidiaries.

Sharia Banking continued to record an impressive performance in 2017 with net profits rising 35.3% to Rp631 billion from Rp466 billion. Sharia Banking's total assets increased by 16.7% to Rp27.1 trillion, contributing 15.7% of the Bank's total assets. Total financing rose 48.0% from Rp14.0 trillion in December 2016 to Rp20.7 trillion in December 2017, while its total deposits grew 52.6% from Rp10.9 trillion to Rp16.7 trillion. Significantly improved asset quality with lower Non Performing Financing (NPF) level at 3% in December 2017 compared with 4.4% in the previous year.

The Bank recorded a moderate loans growth of 3.0% to Rp125.4 trillion in December 2017 from Rp121.8 trillion in December 2016. Global Banking loans recorded strong growth of 17.1% to Rp30.2 trillion in December 2017 from Rp25.7 trillion in December 2016; while Community Financial Services (CFS) Non-Retail loans, which comprises Micro, Small & Medium Enterprises (SME) and Business Banking loans grew by 2.0% to Rp52.6 trillion in December 2017 from Rp51.5 trillion in the previous year. However, Retail banking loans contracted by 4.1% to Rp42.7 trillion in December 2017 owing to the slowdown in the consumer sector.

The Bank was able to significantly improve its asset quality as reflected by lower NPL level of 2.8% (gross) and 1.7% (net) in December 2017 compared with 3.4% (gross) and 2.2% (net) in the previous year. The Bank took the opportunity to sell several legacy NPLs as well as to fully provide and write off legacy NPLs as part of ongoing efforts to clean up its credit portfolio. The Bank also continues to remain conservative in managing asset quality and takes a proactive stance on the credit facilities of customers impacted by the challenging economic environment.

The Bank's CASA ratio reached 40.0% with total customer deposits growing from Rp118.9 trillion in December 2016 to Rp121.3 trillion in December 2017. The improvement in CASA ratio was mainly a result of the Bank's focus on building its transactional banking and cash management services as well as leveraging its electronic channels including its internet based mobile banking facility Maybank M2U. The Bank's recently launched MOVE (Maybank Online Savings Opening platform) which is a fully digital account opening facility provides convenience and greater flexibility for customers. MOVE will be focusing on future programs to promote lifestyles of the millennials and is expected to further improve the CASA ratio in the coming year.

Maybank Indonesia's liquidity throughout the year was well managed and ample; the Bank's Loan-to-Deposit Ratio (LDR - Bank only) remained at a healthy level of 88.1% and the Liquidity Coverage Ratio (LCR Bank) was at 144.1% in the last quarter of 2017, far in excess of the mandatory minimum of 90.0%.

Net Interest Income (NII) registered a 3.7% growth to Rp7.7 trillion in December 2017 compared with Rp7.4 trillion in the previous corresponding period. Net Interest Margin NIM improved slightly from 5.1% to 5.2% despite pressure in loan yields, as the Bank continued to implement discipline in loan pricing and active funding management. Meanwhile, the Bank's fee based income rose almost 8% reaching Rp2.7 trillion in December 2017 mainly driven by fees from bancassurance, treasury related fees, retail administration, loan administration, loan recovery, subsidiaries, and other services provided by the Bank.

The Bank's lower cost to income ratio demonstrated that sustained strategic cost management across business lines and support units has improved efficiency in the business operations. The continuous effort of strategic cost management has resulted in an improved recurring Cost to Income Ratio (CIR) at 53.4%.

Subsidiaries

PT Wahana Ottomitra Multiartha Tbk (WOM) recorded an outstanding FY2017 performance as its profit before tax sharply increased from Rp30 billion in December 2016 to Rp237 billion in December 2017. The improved performance was mainly attributable to the growth in multipurpose financing (MotorKU and MobilKu). WOM's total financing portfolio (stand alone) increased to Rp6.9 trillion in December 2017 from Rp6.1 trillion in December 2016. WOM also remains focused on the implementation of prudent risk management practices and 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 1.0% as of December 2017 from 3.3% and 1.2% respectively in December 2016.

PT Maybank Indonesia Finance (Maybank Finance) continued to demonstrate a solid performance with profit before tax increasing to Rp357 billion in December 2017 from Rp334 billion in the previous year. Its total financing saw a 14.5% increase to Rp6.8 trillion in December 2017 from Rp6.0 trillion in December 2016 despite the challenging conditions. Its sound asset quality was further strengthened with a lower gross NPL of 0.26% and net NPL of 0.22% as of December 2017 compared with 0.39% and 0.32% respectively in the previous corresponding period.

President Director Maybank Indonesia Taswin Zakaria said, “We went through a challenging year and we are pleased to have been able to manage the use of balance sheet effectively. Despite our modest loan growth, we managed to book income from other sources such as transactional fees and through increased operational efficiency. Our strategy going forward is to continue introducing fee generation products which are less affected by loan volume and competition dynamics to ensure sustainable growth in fee income.”

“This is the right time for us to internally transform and realign our network, infrastructure, strategic initiatives, and make some major internal changes to ensure that our core foundations are strengthened and ready for the expected increase in 2H2019 and beyond.”

President Commissioner of Maybank Indonesia and Group President & CEO of Maybank, Datuk Abdul Farid Alias said, “Maybank Indonesia continues to demonstrate resilience despite the difficult business environment affecting players in the country’s banking industry. We have re-sharpened our focus and continued to build on our fundamentals to take us to the next level of our transformation journey towards our 2020 vision. These include proactive measures to ensure sound asset quality in our books, maintaining pricing discipline and focusing on growing our revenue streams. We remain optimistic of the opportunities available particularly arising from the implementation of various government projects that will spur growth in the country.”

Note to editors

About Maybank Indonesia

Maybank Indonesia is one of the largest banks in Indonesia with 407 branches including Syariah and overseas branches), 1,606 ATMs including CDM (Cash Deposit Machine) throughout Indonesia, and is connected to more than 20,000 ATMs in ATM PRIMA, ATM BERSAMA , ALTO, CIRRUS, UP, APN and MEPS networks in Malaysia, as well as connecting more than 3,500 Maybank ATMs in Malaysia and Singapore and Brunei Darussalam. Maybank Indonesia provides a range of financial services through branch offices, ATM networks, phone banking, mobile banking and internet banking. 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.