

Press Release

29 October 2018

Maybank Indonesia Continues to Record Impressive Growth of 40% in Sharia Financing

- Significant Improvement in Asset Quality and nine months PATAMI rises to Rp1.5 trillion

Consolidated Financial Highlights as of 30 September 2018

Y-o-Y growth

- Sharia Financing up 39.6% to Rp23.8 trillion; making up 18.1% of the Bank's total loans
- Global Banking loans grew by 10.4% to Rp31.1 trillion
- Loans increased 7.8% to Rp131.2 trillion
- Significant improvement in asset quality with lower NPL level at 2.7% (gross) from 3.9% the previous year and 1.5% (net) from 2.4% the previous year
- CASA ratio improved to 41.6% from 38.0%
- Nine months reported Profit After Tax and Minority Interest ("PATAMI") increased 3.4% to Rp1.5 trillion
- Net Interest Income (NII) increased by 5.5% to Rp6.0 trillion
- Net Interest Margin (NIM) improved to 5.2%
- Strong capital position with Capital Adequacy Ratio (CAR) at 18.8% and total capital of Rp25.3 trillion

Jakarta - PT Bank Maybank Indonesia Tbk ("Maybank Indonesia" or the "Bank") today announced that its profit after tax and minority interests (PATAMI) increased 3.4% to Rp1.5 trillion for the nine months period ended 30 September 2018, on the back of higher NII and improvement in provisioning level. Recurring Profits Before Tax (PBT) increased 19% YoY after eliminating exceptional one-off proceeds mainly from the sale of securities in 2017. Better asset quality, a solid growth in Sharia business, coupled with improvement in subsidiaries, and sustained strategic cost management also contributed to the Bank's improved performance.

The Bank's asset quality improved significantly as reflected by lower NPL levels of 2.7% (gross) and 1.5% (net) as at 30 September 2018 compared with 3.9% (gross) and 2.4% (net) in the previous year, reaffirming the Bank's success in managing asset quality through selective and responsible growth.

Sharia Banking continued to show a sterling performance in the first nine months of 2018 with total assets increasing by 25.5% to Rp30.2 trillion, making up 17.4% of the Bank's total assets from 14.2% a year earlier. Total Sharia financing rose 39.6% from Rp17.1 trillion as of September 2017 to Rp23.8 trillion as of September 2018, while its total deposits grew 26.1% from Rp14.3 trillion to Rp18.1 trillion. Its asset quality also improved with lower Non Performing Financing (NPF) level of 2.9% as at September 2018 compared with 4.0% in the previous year. The implementation of Sharia Leverage Model whereby the *Unit Usaha Sharia* has access to the resources of the whole Bank to develop and market all Sharia products, combined with Sharia First strategy have significantly contributed to the outstanding performance of Maybank Indonesia's Sharia Banking.

The Bank saw net interest income grow 5.5% to Rp6.0 trillion in September 2018 compared with Rp5.7 trillion in the previous corresponding period. Net Interest Margin expanded by 6bps to 5.2% in September 2018 as the Bank continued to implement disciplined pricing in both asset and liabilities.

Effective management of overhead costs saw it being reduced by 0.3% YoY to Rp4.5 trillion in September 2018 owing to sustained strategic cost management initiatives across business lines and supports units.

The Bank recorded a loans growth of 7.8% to Rp131.2 trillion as at 30 September 2018 from Rp121.8 trillion in the previous year. Global Banking booked a strong loans growth of 10.4% to Rp31.1 trillion as of September 2018 from Rp28.2 trillion previously mainly contributed by infrastructure projects undertaken by State-Owned Enterprises (SOE). Meanwhile, CFS Non-Retail loans, which comprises Micro, Small & Medium Enterprises (SME) and Business Banking loans grew by 8.6% to Rp55.8 trillion as of 30 September 2018 from Rp51.4 trillion in the previous year, while CFS Retail loans increased by 5.0% to Rp44.3 trillion as of September 2018 from Rp42.2 trillion previously.

The Bank's current accounts grew strongly by 13.6% YoY arising from the Bank's focus on its transactional banking and cash management services. This led to an improvement in the Bank's CASA ratio to 41.6% from 38.0% previously. Total Customer deposits were lower at Rp110.8 trillion as of September 2018 compared with Rp119.1 trillion a year earlier in line with the Bank's strategy in managing its cost of funding by reducing its dependence on high cost time deposits.

The Bank maintained a strong capital position with total capital reaching Rp25.3 trillion. The Bank's CAR improved to 18.8% as of 30 September 2018 from 17.6% in the previous corresponding period.

Subsidiaries

PT Wahana Ottomitra Multiartha Tbk (WOM) continued to show improvement in its performance for the nine month period of 2018. Its profit before tax increased significantly by 52.1% to Rp201.0 billion as of September 2018 from Rp132.2 billion as of September 2017. WOM's total financing portfolio (stand alone) increased by 38.0% to Rp8.4 trillion in September 2018 from Rp6.1 trillion in September 2017. WOM remains focused on improvement in collection strategy and adoption of prudent risk management practices to ensure sound asset quality. As a result, WOM's asset quality improved with a lower net NPL of 0.75% from 1.08%.

PT Maybank Indonesia Finance (Maybank Finance) continued to record a solid performance with profit before tax increasing to Rp298.3 billion in September 2018 from Rp264.9 billion last year or increased by 12.6%. The improved performance was accompanied by sound asset quality with net NPL was maintained at 0.3%.

President Director Maybank Indonesia Taswin Zakaria said, “Despite the slow start to the year and challenging market condition, we have recaptured our momentum and are able to deliver improvement at the operating level for the nine months period. Global Banking continues to be the leading contributor to our asset growth and demonstrates differentiated capabilities in the market through innovative products and I am pleased to announce that we provided Indonesia’s first ever Sharia hedging facility to our corporate customer. At the same time, the completion of the recalibration of our retail business model has resulted in our CFS resuming its upward growth momentum. We will continue to seize opportunities available and look forward to reaping further benefit for both the Global Banking and CFS businesses. We remain optimistic that we will be able to conclude financial year 2018 with commendable results albeit the continued challenging market conditions for the remaining year.”

President Commissioner of Maybank Indonesia and Group President & CEO of Maybank, Datuk Abdul Farid Alias said, “We are encouraged with the improvement in performance which reflects the Bank’s resilience amidst the challenging economic environment. We have strengthened our financial position and product offerings as well as risk management capabilities, and successfully leveraged the opportunities arising from the government’s various economic development projects. We will focus our efforts on growing our assets selectively and responsibly while ensuring sound asset quality and we remain confident that we can continue to create further value for our stakeholders while capturing a larger slice of the Indonesian market.”
