

**Press Release**

(1USD = 14,330 IDR)

## Maybank Indonesia Delivers an Impressive 42.2% Growth in Sharia Financing

- Maintains Moderate Loan Growth in 1H2018 With Significant Improvement in Asset Quality

### Consolidated Financial Highlights as of 30 June 2018

**Y-o-Y growth**

- Global Banking loans grew by 10.4% to Rp30.1 trillion
- Sharia Financing up 42.2% to Rp23.0 trillion; making up 18.1% of the Bank's total loans
- Improvement in asset quality with lower NPL level at 2.8% (gross) from 3.6% the previous year and 1.6% (net) from 2.4% the previous year
- Loans increased 6.0% to Rp127.1 trillion
- CASA ratio improved to 41.9% from 37.3%
- Loan-to-Deposit Ratio (Bank only, excluding subsidiaries) stood at 94.0%
- Strong capital position with Capital Adequacy Ratio (CAR) at 18.8% and total capital of Rp24.7 trillion

Jakarta, 27 July 2018

PT Bank Maybank Indonesia Tbk (Maybank Indonesia or the Bank) today reported that its profit after tax and minority interest (PATAMI) reached Rp932.7 billion ( $\approx$  **USD65.1 million**) for the six months ended 30 June 2018 compared with Rp998.5 billion in the previous corresponding period. The slight reduction in PATAMI was due primarily to lower fee based income and a slight compression in NIM. Business was impacted by subdued economic conditions in the first semester of 2018.

The solid growth of Sharia business, better asset quality and significant improvement in subsidiaries have been the highlights of the Bank's first six months performance. The Bank also managed its overhead costs effectively which saw a 3.2% reduction from Rp3.1 trillion to Rp 3.0 trillion for the first half of 2018 as a result of sustained strategic cost management across business lines and supports units.

Sharia Banking continued to record strong performance in the first six months of 2018 with total assets increasing by 31.4% to Rp29.2 trillion, making up 17.0% of the Bank's total assets. Total Shariah financing rose 42.2% from Rp16.2 trillion as of June 2017 to Rp23.0 trillion as of June 2018, while its total deposits grew 38.8% from Rp13.5 trillion to Rp18.8 trillion. Non Performing Financing (NPF) improved significantly to 2.9% as of June 2018 compared with 3.9% in the previous year.

The Bank recorded a loans growth of 6.0% to Rp127.1 trillion as at 30 June 2018 from Rp119.9 trillion in the previous year. Global Banking booked a strong loans growth of 10.4% to Rp30.1 trillion as of June 2018 from Rp27.3 trillion as of June 2017 contributed by loans from State-Owned Enterprises (SOE); while Community Financial Services (CFS) Non-Retail loans, which comprises Micro, Small & Medium Enterprises (SME) and Business Banking loans grew by 7.3% to Rp53.8 trillion as of June 2018 from Rp50.1 trillion in the previous year. CFS Retail loans increased by 1.6% to Rp43.2 trillion as of June 2018.

Asset quality improved significantly as reflected by lower NPL levels of 2.8% (gross) and 1.6% (net) as at 30 June 2018 compared with 3.6% (gross) and 2.4% (net) in the previous year. This reaffirms that the Bank's continuous effort in managing asset quality through selective and responsible growth has shown a positive result.

The Bank's current accounts grew strongly at 18.8% YoY due to the Bank's focus on its transactional banking and cash management services. This has led to an improvement in the Bank's CASA ratio to 41.9%. However, total Customer deposits reduced to Rp113.7 trillion as of June 2018 compared to Rp119.8 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.

Maybank Indonesia maintained its liquidity profile with its Loan-to-Deposit Ratio (LDR - Bank only) amounting at 94.0 % and Liquidity Coverage Ratio (LCR Bank) at 123.8% as of June 2018, far in excess of the mandatory minimum of 90.0%.

Net Interest Income (NII) registered a 2.5% growth to Rp3.9 trillion in June 2018 compared with Rp3.8 trillion in the previous corresponding period. Continued disciplined pricing in assets and liabilities enabled the Bank to mitigate pressures on net interest margin (NIM) which was marginally lower at 5.1% in June 2018 from 5.3% a year earlier. On a quarterly basis, NIM improved 28 basis points from 4.8% in the first quarter 2018.

The Capital Adequacy Ratio (CAR) improved to 18.8% as of 30 June 2018 from 16.9% in the previous corresponding period with total capital reaching Rp24.7 trillion. The Bank completed its Rights Issue in the second quarter 2018 and raised Rp1.9 trillion of Tier I capital. Total net proceeds of the Rights Issue will be used to support business growth through credit expansion.

## Subsidiaries

PT Wahana Ottomitra Multiartha Tbk (WOM) recorded an all-round improvement in the first semester of 2018. Its profit before tax significantly increased by 111.1% to Rp157.9 billion for the first six months ended 30 June 2018 from Rp74.8 billion the previous year. WOM's total financing portfolio (stand alone) increased to Rp8.4 trillion as at 30 June 2018 from Rp5.5 trillion as at 30 June 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 2.4% from 2.8% while net NPL was maintained at 1.3%.

PT Maybank Indonesia Finance (Maybank Finance) continued to record a solid performance with profit before tax increasing to Rp191.6 billion in the first semester 2018 from Rp174.9 billion last year. Its total financing saw an 11.9% increase to Rp7.5 trillion as at 30 June 2018 from Rp6.7 trillion as at 30 June 2017 despite the challenging conditions. Maybank Finance continues to focus on ensuring superior asset quality management. Its gross NPL and net NPL stood at 0.65% and 0.38% as at 30 June 2018 respectively.

**President Director Maybank Indonesia Taswin Zakaria said**, “Our focus remains to continue growing our assets selectively while maintaining the discipline in loan pricing to ensure sound asset quality going forward. Global Banking continues to be the leading contributor to our asset growth; while our CFS has now resumed an upward growth momentum as the Bank sees opportunities in the retail and small medium enterprise segments. We expect to see further growth in this segment as we have recently embarked on our recalibrated retail business model.”

**President Commissioner of Maybank Indonesia and Group President & CEO of Maybank, Datuk Abdul Farid Alias said**, “The first semester of 2018 has been equally challenging as in 2017 arising from the subdued market conditions. We intend to maintain a prudent approach in pursuing growth by focusing on quality, as well as effective management of costs and liquidity. Our digital transformation agenda across the Group will equip the Bank to grow our customer base in a cost effective manner and prepare our employees to adapt to the changes that the digital world brings so that we can continue to create value for all our stakeholders in the coming years.”

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