

## Maybank Indonesia FY18 PBT Jumps 20.5% to a Record Rp3 trillion

### Consolidated Financial Highlights as of 31 December 2018

#### Y-o-Y growth

- Profit Before Tax (PBT) surges 20.5% to above Rp3 trillion
- Profit After Tax and Minority Interest (PATAMI) increased 21.6% to a record Rp2.2 trillion
- Net Interest Income (NII) increased by 5.2% to Rp8.1 trillion
- Net Interest Margin (NIM) improved to 5.2%
- Sharia Financing up 14.6% to Rp23.7 trillion; making up 17.8% of the Bank's total loans
- Loans increased by 6.3% to Rp133.3 trillion
- CFS Non-Retail loans grew 10.9% (YoY) contributed by Business Banking and SME.
- Improved asset quality with lower NPL level of 2.6% (gross) from 2.8% previously and 1.5% (net) from 1.7%
- Strong capital position with Capital Adequacy Ratio (CAR) at 19.0% and total capital of Rp26.1 trillion

PT Bank Maybank Indonesia Tbk (“Maybank Indonesia” or the “Bank”) today announced that its profit after tax and minority interests (PATAMI) for the financial year ended 31 December 2018 surged 21.6% to a new high of Rp2.2 trillion on the back of higher NII and continued improvement in asset quality. Profit Before Tax (PBT) increased 20.5% to a record Rp3.0 trillion, the Bank's highest achievement to date. The recurring PBT rose 34.3% YoY after eliminating exceptional one-off proceeds mainly from the sale of securities in 2017. Better asset quality, a solid growth in Sharia business, combined with improvement in subsidiaries as well as sustained strategic cost management also contributed to the Bank's improved performance.

The Bank saw net interest income grow 5.2% to Rp8.1 trillion in December 2018 compared with Rp7.7 trillion in the previous corresponding period. Continuous implementation of disciplined pricing coupled with improved operational efficiencies enabled the Bank to contain pressures on interest margin, resulting in improvement in net interest margin by 7 bps to 5.2%.

The Bank's asset quality improved significantly as reflected by lower NPL levels of 2.6% (gross) and 1.5% (net) as at 31 December 2018 compared with 2.8% (gross) and 1.7% (net) respectively in the previous year, reaffirming the success of the Bank's strategy in managing asset quality through selective and responsible growth. 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 streamline its credit

portfolio. The Bank also remained conservative in managing asset quality took a proactive stance to work with customers impacted by the challenging economic environment from an early stage. Aligned with the improvement in asset quality, the Bank was able to reduce its loan loss provisions by 38.6% to Rp1.3 trillion as of December 2018.

Overhead costs remained under control with marginal growth of 4.0% to Rp6.0 trillion as a result of sound cost management initiatives across business lines and support units.

The Bank's strategy in growing its portfolio prudently guided by robust risk management policy also contributed to the better performance this year. As a result, the Bank saw its loans growing at a sustained pace of 6.3% to Rp133.3 trillion as at 31 December 2018 from Rp125.4 trillion in the previous year. CFS Non-Retail loans, which comprises Micro, Small & Medium Enterprises (SME) and Business Banking loans grew by 10.9% to Rp58.3 trillion as of 31 December 2018 from Rp52.6 trillion in the previous year, while CFS Retail loans increased by 3.1% to Rp44.0 trillion as of December 2018 from Rp42.7 trillion previously. Global Banking booked loans growth of 2.9% to Rp31.0 trillion as there were early repayments from a number of corporate customers in the fourth quarter 2018.

In line with the Bank's strategy to reduce dependence on high cost time deposits, total Customer deposits came in 3.7% lower at Rp116.8 trillion as of December 2018 compared with Rp121.3 trillion a year earlier. Nonetheless, the Bank continues to actively manage its assets and liabilities to ensure optimal funding levels and cost at all times.

The Bank maintained a strong capital position with total capital reaching Rp26.1 trillion in FY2018. Capital rising through a rights issue exercise was completed in the first half of 2018, raising Rp2 trillion in Tier I capital. The Bank's CAR improved to 19.0% as of 31 December 2018 from 17.5% in the previous corresponding period.

### **Sharia Banking**

Sharia Banking continued to record an impressive performance in 2018 with net profit rising 27.3% to Rp803.3 billion from Rp630.9 billion a year earlier. Total assets increased by 11.2% to Rp30.2 trillion, making up 17.0% of the Bank's total assets. Total Sharia financing rose 14.6% from Rp20.7 trillion as of December 2017 to Rp23.7 trillion as of December 2018, while its total deposits grew 39.7% from Rp16.7 trillion to Rp23.3 trillion. The growth was accompanied by better asset quality with lower Non Performing Financing (NPF) level of 2.8% (gross) and 1.9% (net) as at 31 December 2018 compared with 3.0% (gross) and 2.0% (net) in the previous year. The Bank's Sharia First strategy and implementation of Leverage Model whereby the *Unit Usaha Sharia* has access to the resources of the whole Bank to develop and market all Sharia products played key roles in the outstanding performance of Maybank Indonesia's Sharia Banking.

The Bank's Sharia Banking continued to adopt differentiated approaches in the market through the introduction of innovative products and partnerships. It provided Indonesia's first ever Sharia hedging facility worth of USD128 million to a corporate customer in 2018, and was appointed as a Hajj Funds Management partner by the Hajj Fund Management Agency (Badan Pengelola Keuangan

Haji/BPKH). In relation to this partnership, Maybank Shariah recently launched a new Hajj savings product “My Arafah” which in a short while has already reached 3,000 accounts.

## **Subsidiaries**

**PT Wahana Ottomitra Multiartha Tbk (WOM)** continued to show improvement in its performance with profit before tax increasing by 19.4% to Rp283.4 billion as of December 2018 from Rp237 billion a year earlier. WOM’s total financing portfolio (stand alone) increased by 7.7% to Rp7.5 trillion in December 2018 from Rp6.9 trillion in December 2017. With focus on improvement in collection and adoption of prudent risk management practices, WOM’s NPL stood at 2.8% (gross) and 0.8% (net) as at 31 December 2018 compared with 2.2% (gross) and 1.1% (net) in the preceding year.

**PT Maybank Indonesia Finance (Maybank Finance)** also recorded a solid performance with a 19.4% increase in profit before tax reaching Rp426.9 billion in December 2018 from Rp357.4 billion last year. The improved performance was accompanied by sound asset quality with gross NPL level at 0.5% in December 2018 and 0.3% in December 2017, while net NPL was maintained at 0.3%.

**President Director of Maybank Indonesia, Taswin Zakaria** said, “We are pleased to conclude the financial year 2018 with a record bottom line despite the challenging market condition. Our continued transformation journey has indeed borne positive results that augur well for sustained and responsible growth going forward. As we reinforce our ongoing transformation in Global Banking and the recalibration of our retail business model, our next transformation journey will focus on optimizing technology to provide a better customer experience across all touchpoints. This will be marked by the launch of our new digital banking M2U and the revamp of our website. By doing so, we should be able to sustain value creation for the benefit of stakeholders while at the same time seize opportunities for future growth.”

**President Commissioner of Maybank Indonesia and Group President & CEO of Maybank, Datuk Abdul Farid Alias** said, “Our outstanding results for FY2018 testify to our commitment towards sustainable business growth, as well as our relentless pursuit in ensuring sound asset quality, improved operational efficiency and better overall productivity. Although the operating environment continues to remain challenging, we believe that we are poised for further growth in the coming year. Our focus will be on growing our core business segments and further strengthening our digital capabilities to ensure that we remain relevant to all our stakeholders.”

“We have set ourselves strong targets, and will build our competitive edge through synergies within the Group, while sustaining the momentum in building a solid brand presence in Indonesia. We are pleased to be included in the world’s top 500 brands in Brand Finance’s Global 500 Brands, and this achievement will reinforce our commitment and presence in the country.”

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