

Press Release

**Maybank Indonesia FY2016 PATAMI  
Jumps 71% to a Record Rp1.95 trillion**

Audited Consolidated Financial Highlights as of 31 December 2016

**Y-o-Y growth**

- Profit After Tax & Minority Interest (PATAMI) surged 71.0% to a record of Rp1.9 trillion from Rp1.1 trillion.
- Net Interest Income (NII) increased by 10.8% to Rp6.6 trillion
- Net Interest Margin (NIM) improved to 4.6%
- Total Sharia Banking Financing grew by 61.2% to Rp14.0 trillion; making up 12.1% of the Bank's total loans whilst net profit surged 61.9% to Rp466.2 billion
- Loan-to-Deposit Ratio (Bank only, excluding subsidiaries) remained healthy at 88.9%
- Cost to Income Ratio (CIR) improved to 52.9%
- Total Capital Adequacy Ratio (CAR) increased to 17.0% with total capital of Rp21.8 trillion
- Gross NPL improved to 3.4% in 2016 from 3.7% in 2015

Jakarta, 16 February 2017

PT Bank Maybank Indonesia Tbk ("Maybank Indonesia" or "the Bank") today announced that it has delivered the highest ever PATAMI of Rp1.95 trillion for the financial year ended 31 December 2016, a 71.0% increase from Rp1.14 trillion achieved in the previous corresponding year. The overall impressive performance was achieved on the back of sound NII growth coupled with controlled cost management and better provisioning levels required for the non-performing loans. This achievement was worth noting given the slow economy and challenging business environment.

NII rose 10.8% to Rp6.6 trillion for the financial year ended 31 December 2016 from Rp6.0 trillion in 2015. The strong increase in NII was mainly due to the Bank's discipline in loan pricing and active funding management. The Bank also reported an increase in its NIM to 4.6% in December 2016 from 4.5% in 2015.

The Bank's overhead costs remained stable at Rp4.5 trillion for the financial year ended 31 December 2016 compared with the preceding year, as a result of intensified strategic cost management across the Bank's operational and business lines. This rigorous cost management effort has brought the CIR to the lowest record of 52.9% as of 31 December 2016 from 55.1% in the previous corresponding period.

The Bank recorded loans growth of 2.9% to Rp115.7 trillion as of 31 December 2016 from Rp112.5 trillion as of 31 December 2015. Global Banking recorded a strong loans growth of 20.5% from Rp21.4 trillion to Rp25.8 trillion as a result of re-aligning and re-profiling of its portfolio that has been implemented by the Bank in the last two years. The Bank's Small & Medium Enterprises (SME) and Commercial loans growth continued to be the backbone in generating revenues with a 12.3% growth to Rp51.5 trillion. However, Retail banking loans decreased by 15.1% from Rp45.2 trillion in December 2015 to Rp38.4 trillion in December 2016 mainly due to the slowdown in consumer spending.

Throughout the year the Bank's liquidity position has been strong with LDR (bank only) stood at a healthy 88.9%, while the Loan-to-Funding Ratio (bank only) was at 88.2%. Total customer deposits grew from Rp115.5 trillion for the financial year ended 31 December 2015 to Rp118.9 trillion in 2016 with the CASA ratio reaching 38.7%. The Bank's continuous focus on its transactional banking, strong financial supply chain solutions, and its electronic channels which include its internet based mobile banking facility Maybank M2U have also greatly contributed to the improved liquidity position.

To strengthen its capital and liquidity, the Bank also issued subordinated bonds of Rp800 billion and Sukuk Mudharabah of Rp700 billion during financial year of 2016.

The Bank improved its loan quality as its restructuring efforts carried out throughout the year have showed positive results. The Bank's consolidated NPL level was at 3.4% (gross) and 2.3% (net) as of December 2016 compared to 3.7% (NPL gross) and 2.4% (NPL net) in the previous year. The Bank was also able to reduce provision expenses by 19.4% to Rp1.6 trillion compared to the previous corresponding year. Nonetheless, the Bank remains cautious over loan quality as businesses are still impacted by the recent economic slow-down.

The Bank's CAR improved from 15.2% in December 2015 to 17.0 % in December 2016 with total capital reaching Rp21.8 trillion.

Sharia Banking continued to demonstrate its strong performance throughout 2016. Its total financing grew 61.2% from Rp8.7 trillion in December 2015 to Rp14.0 trillion in December 2016 and total deposits jumped 70.9% from Rp6.4 trillion to Rp10.9 trillion. Sharia Banking's total assets rose 45.3% to Rp23.2 trillion, contributing to 13.9% of the Bank's total assets, while its net profit increased 61.9% to Rp466.2 billion in December 2016 from Rp287.9 billion in December 2015.

## **Subsidiaries**

### **Maybank Finance**

Maybank Finance recorded a 24.5% increase in consumer financing (stand alone) to Rp6.0 trillion in December 2016 from Rp4.8 trillion in December 2015. This outstanding growth was achieved despite an overall growth of 4.6% in car sales. Asset quality remained solid with gross NPL only at 0.39 % and net NPL at 0.32%. Maybank Finance's profit before tax

reached Rp333.5 billion in December 2016. To strengthen its long term funding, Maybank Finance issued senior bonds of Rp2.2 trillion during financial year of 2016.

#### **PT Wahana Ottomitra Multiartha Tbk (WOM Finance)**

On 11 January 2017, the Bank entered into a Conditional Shares Purchase Agreement (“CSPA”) with PT Reliance Capital Management (“RCM”) for the proposed sale and transfer of Maybank Indonesia’s entire equity interest of 68.55% in WOM Finance. The completion of the Transfer of Shares is expected to occur by first quarter of 2017. This Transfer of Shares is not expected to have any material impact on the business of the Bank. This transaction will be effective after fulfillment of certain conditions precedent in the agreement including including regulatory approvals. Upon completion WOM Finance will no longer be the subsidiary of the Bank, however; WOM Finance will continue to be a key business partner of the Bank in the future.

#### **Comments by Maybank Indonesia President Director, Taswin Zakaria:**

“We concluded the financial year of 2016 with strong results amidst the challenging market and economic conditions. The achievement of our highest ever net profit demonstrated our continued ability to execute our strategy well, as it is supported by improved organisational capabilities. We are optimistic in entering the new financial year whilst at the same time maintain the view of continued challenging market conditions in 2017.”

“As we continue to improve our performance, we have also stepped up our involvement in the financing of infrastructure projects to support the government’s economic development agenda. Our recent strategic partnerships with state owned enterprises in financing infrastructure for toll road, power plant and other projects demonstrate our efforts in contributing to the country’s economic growth.”

#### **Comments from President Commissioner Maybank Indonesia and Chairman of Maybank Group, Tan Sri Dato’ Megat Zaharuddin bin Megat Mohd Nor:**

“Despite the macro challenges, I am pleased that the Bank continued to show encouraging improvements on all fronts, delivering additional value to our stakeholders. This also demonstrates the Bank’s financial strength and capabilities to support the government’s various economic development projects. And in doing so, the Bank will undoubtedly have an added advantage by leveraging on Maybank Group’s diversified strengths and resources throughout the region.”

#### **Note to Editor**

Maybank Indonesia is one of the largest banks in Indonesia with 428 branches including Syariah branches, micro functional offices, and overseas branches, 1,633 ATMs including CDMs (Cash Deposit Machines) across Indonesia. and also connected with more than 20,000 ATMs under ATM PRIMA, ATM BERSAMA, ALTO, CIRRUS, and Malaysia’s MEPS network, and to more than 3,500 Maybank ATMs in Malaysia and Singapore. Maybank Indonesia provides

full range of financial services through its branch and ATM network, phone banking, mobile banking and internet banking channels. Maybank Indonesia is listed on the Indonesia Stock Exchange (BNI) and is active in Business, Retail and Global Banking.