

Maybank Indonesia Records a solid 10.4% Increase in PATAMI for First Quarter 2017

Consolidated Financial Highlights as of 31 March 2017

Y-o-Y growth

- Profit After Tax and Minority Interest (“PATAMI”) increased 10.4% to Rp490.1 billion from Rp443.9 billion
- Total loans increased by 5.7% to Rp114.2 trillion from Rp108.1 trillion
- Global Banking loans grew by 20.8% to Rp26.0 trillion
- Net Interest Income (NII) improved 8.13% to Rp1.7 trillion from Rp1.5 trillion
- Net Interest Margin (NIM) improved to 4.7% from 4.3%
- Cost to Income Ratio (CIR) remained stable at 58.3%
- Loan to Deposits Ratio (LDR) Bank Only was at healthy level of 88.4%
- Total Capital Adequacy Ratio (CAR) reached 17.0% with total capital of Rp21.7 trillion
- Total Financing Sharia Banking grew by 53.1% to Rp14.3 trillion
- Total Sharia customer deposits increased by 55.3% to Rp12.1 trillion

PT Bank Maybank Indonesia Tbk (“Maybank Indonesia” or the “Bank”) today announced that net profit after tax and minority interests (PATAMI) for the first quarter ended 31 March 2017 was 10.4% higher at Rp490.1 billion compared with the previous corresponding period 31 March 2016, on the back of higher Net Interest Income (NII), effective cost management, healthy growth in corporate loans and continued outstanding performance in Sharia Banking.

NII rose 8.1% to Rp1.7 trillion in the first quarter 2017 from Rp1.5 trillion in first quarter 2016. The 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 Net Interest Margin (NIM) to 4.7% in March 2017 compared with 4.3% in March 2016.

The Bank’s overhead costs remained stable at Rp1.2 trillion for the first quarter 2017, as a result of sustained strategic cost management across its operational and business lines. This continuous effort has resulted in a stable Cost to Income Ratio (CIR) at 58.3%.

The Bank recorded loans growth of 5.7% to Rp114.2 trillion as of 31 March 2017 from Rp108.1 trillion as of 31 March 2016 (both balances exclude WOM loans). Global Banking recorded a strong loans growth of 20.8% from Rp21.5 trillion to Rp26.0 trillion benefiting from the re-aligning and re-profiling of its portfolio. The Bank’s Small & Medium Enterprises (SME) and

Commercial loans also grew by 9.0% to Rp50.5 trillion, while Retail banking loans decreased by 6.2% to Rp37.7 trillion in March 2017 due to a slowdown in consumer spending.

The Bank's LDR (bank only) stood at a healthy 88.4%, while the Loan-to-Funding Ratio (bank only) was at 87.7%. Total customer deposits grew from Rp114.8 trillion in the first quarter 2016 to Rp117.7 trillion in the first quarter 2017 with the CASA ratio reaching 37.1%. The Bank's continuous focus on transactional banking and electronic channels which includes its internet based mobile banking facility Maybank M2U also greatly contributed to the improved liquidity position.

The Bank maintained its asset quality with consolidated NPL level remaining at 3.7% (gross) and 2.4% (net) as of March 2017 compared with the previous corresponding period. The Bank was also able to reduce provision expenses by 9.5% to Rp269.3 billion in March 2017 from Rp297.4 billion in March 2016. Nonetheless, the Bank remains cautious over loan quality as businesses are still impacted by the continued slow movement in the economy.

The Bank maintained a healthy capital position with CAR improving to 17.0% as of 31 March 2017 from 16.1% as of 31 March 2016 and total capital reaching Rp21.7 trillion.

Sharia Banking continued to demonstrate strong performance in the first three months of 2017. Its net profit rose 50.3% to Rp187.5 billion in March 2017 from Rp124.8 billion in March 2016. Total Sharia financing grew by 53.1% reaching Rp14.3 trillion March 2017 compared to Rp9.3 trillion in March 2016, while deposits jumped 55.3% to Rp12.1 trillion from Rp7.8 trillion. Sharia Banking's total assets rose 28.6% to Rp21.5 trillion, contributing to 13.1% of the Bank's total assets.

Subsidiaries

Maybank Finance

Maybank Finance recorded a 49.9% increase in consumer financing (stand alone) to Rp6.3 trillion in March 2017 from Rp4.2 trillion in March 2016. Asset quality remained solid with gross NPL only at 0.41 % and net NPL at 0.33%. Maybank Finance's profit before tax surged 30.5% from Rp66.8 billion in March 2016 to Rp87.2 billion in March 2017. Total financing for the first three months of 2017 reached Rp2trillion or rose 3.4% which was mainly contributed by new car financing.

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. As the time of this release, some of the conditions precedent in the agreement are still not completed. This Transfer of Shares is not expected to have any material impact on the business of the Bank.

President Director Maybank Indonesia, Taswin Zakaria said “Despite the slow quarter, we have made an encouraging start to the year. However, the challenging macro-economy and continued softening in consumer spending will bring about new challenges in 2017, but I am confident that we have put in place a strong foundation to overcome them. While we continue to see growth in our Global Banking business in the coming quarters, we shall also place greater emphasis on strengthening our Retail Banking franchise to capture a bigger slice of the retail market share and larger business segments.”

President Commissioner Maybank Indonesia and Group President & CEO of Maybank, Datuk Abdul Farid Alias said, “Despite the macro challenges, I am pleased with the Bank’s first quarter performance which validates the strategies that we have put in place. The growth we achieved was a result of rigorous efforts to improve our organizational capabilities as well as grow our loan portfolios responsibly. We will continue to focus on asset quality and at the same time, tap on growth segments in the coming quarters particularly in supporting the government’s various economic development projects.”

Note for editor

Maybank Indonesia is one of the largest banks in Indonesia with 425 branches including Syariah branches, micro functional offices, and overseas branches, 1,605 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 (BNII) and is active in Community Financial Services (Retail and Non-Retail Banking) and Global Banking.