

**PRESS RELEASE**

Jakarta, 19 February 2014

**BII Full Year 2013 Net Profit Surges 28% to a Record Rp1.55 trillion**

*Strong Loan and Deposit Growth amidst the Challenging Market*

*Strong Deposits Performance with Savings leading the Growth*

**31 December 2013 Consolidated Financial Highlights**

**YoY growth**

- Profit Before Tax (“PBT”) jumped 29% to Rp2.2 trillion
- Profit After Tax and Minority Interest (“PATAMI”) increased by 28% to a record of Rp1.55 trillion
- Assets increased by 22% to Rp140.7 trillion
- Loans portfolio grew by 26% to Rp102.0 trillion
- Customer Deposits increased 25% to Rp107.2 trillion contributed by a significant increase in Savings Deposits of 31%
- Return on equity is recorded at 16.18% (with a higher capital base in 2013), an increase from 15.79% in December 2012
- ROA increased to 1.71% in December 2013 from 1.62% in December 2012
- Earnings per share increased by 23% to Rp26.32
- Total capital increased to Rp 14.4 trillion in December 2013 from Rp 11.6 trillion in the previous year
- Sharia Banking booked strong performance in 2013 with total financing increase of 82% to Rp3.4 trillion in December 2013 as compared to Rp1.9 trillion in December 2012, and deposits increased significantly by 402% from Rp606 billion in December 2012 to Rp3.0 trillion in December 2013.

PT Bank Internasional Indonesia Tbk (“BII” or the “Bank”), Maybank’s commercial banking unit in Indonesia, today announced a profit after tax and minority interests (PATAMI) of Rp1.55 trillion for the

full year ended 31 December 2013, a 28% increase from Rp1.2 trillion in the previous corresponding period ended 31 December 2012. This is the Bank's highest achievement in PATAMI for full year. The Bank's profit before tax significantly increased by 29% to Rp2.2 trillion from Rp1.7 trillion in the corresponding period.

The improved performance was achieved on the back of solid loan growth across the Bank's businesses, strong deposit growth, and significant profitability improvement of the Bank's subsidiaries. The Bank's focus on cost management and improvement in productivity have also greatly contributed to the full year 2013 performance.

The Bank saw significant growth in loans with 26% increase in 2013 to Rp102.0 trillion from Rp80.9 trillion in 2012 despite the challenging market conditions throughout the year. Loans from Business Banking grew the fastest from Rp27.1 trillion to Rp35.3 trillion or increased by 30%; the Bank is pleased to report that SME in particular grew by 35%. Loans from Retail Banking rose 27% from Rp28.3 trillion to Rp35.8 trillion. Global Banking loans increased 21% from Rp25.5 trillion to Rp 31.0 trillion.

The current global and domestic economic conditions which led the decline of export activities coupled with the rise in the interest rate throughout 2013 have impacted the Bank's NPL level. As of 31 December 2013 the Bank's gross NPL stood at 2.11% and net NPL at 1.55%. The Bank is nevertheless stepping up the monitoring of customer accounts as well as credit quality to ensure that asset quality is well managed and maintained at a favorable level.

Throughout the year, the Bank's liquidity has been well managed and has sufficiently supported the loan growth. Customer Deposits saw strong increase of 25% during the year 2013 to Rp107.2 trillion from Rp85.9 trillion in 2012 with strongest growth recorded in savings deposits of 31%. Current accounts grew 20% while time deposits increased 24%. The increase in low cost funding was attributable to the enhancement of branch productivity as our sales force optimized cross sell opportunities and leveraged our existing clientele base in addition to acquiring new customers. The Bank's new cash management and payroll services have also contributed to the growth of low cost funding during 2013.

The consolidated loan to deposit ratio (LDR) is stable at 93.24%. LDR at the Bank (excluding subsidiaries) remained at a healthy level of 87.04%, while the Bank's modified consolidated LDR which includes senior bonds, long term borrowings and customer deposits stood at 82.06% as of 31 December 2013.

The Bank's Retail Banking performance has turned around in 2013 as reflected by significant growth in its loans and deposits. The Bank's subsidiaries, BII Finance and PT Wahana Ottomitra Multiartha Tbk (WOM), which are under Retail Banking management, have also significantly improved and contributed to the overall performance of the Bank.

BII Finance recorded strong growth of 36% in profit before tax (stand alone) from Rp204.3 billion in December 2012 to Rp277.2 billion in December 2013. Its total four wheel financing (consolidated) rose 49% from Rp 6.4 trillion in December 2012 to Rp 9.5 trillion in December 2013 accompanied by good asset quality with gross NPL only at 0.10% and net NPL at 0.08%.

Positive traction is also recorded by WOM. Significant improvement in managing asset quality and implementation of prudent risk management practice has resulted significant increase in its profit before tax (stand alone) from Rp28.1 billion in December 2012 to Rp89.3 billion in 2013 with total two wheel financing stable at Rp 8.7 trillion as the Bank rebalanced its four wheel and two wheel portfolio in 2013. Gross NPL of WOM's loan portfolio has declined to 2.85% as of 31 December 2013 from 3.16% in the previous year and its net NPL has slightly increased to 1.52% from 1.46% the previous year.

BII Sharia Banking has shown encouraging results since the implementation of its revamped business model. Total Sharia financing grew from Rp1.9 trillion to Rp3.4 trillion contributing 3% of the Bank's total loan from 2% in December 2012. Net profit of BII Shariah Banking also grew significantly from Rp 52.1 billion in December 2012 to Rp 111.9 billion in December 2013.

Other key drivers which supported the Bank's improved performance during the year were as follows:

- A sharp decline of 31% in provision expenses to Rp791 billion as of 31 December 2013 compared to Rp1,147 billion a year earlier, despite a 26% growth in loans as a result of better portfolio quality and recovery management
- A 9% YoY improvement in the Bank's net interest income (NII) from Rp5.3 trillion in December 2012 to Rp5.8 trillion in December 2013 arising from significant loan growth This was achieved despite a marginal decline in Net Interest Margin (NIM) from 5.73% to 5.20% due to challenging market conditions coupled with strong competition in the industry.
- A 19% increase in fee based income to Rp 2.3 trillion from Rp1.9 trillion was mainly contributed by gain in marketable securities, credit card usage, trade finance, remittances, and other banking services.
- Overhead costs were managed at 12% increase despite the Bank's continued expansion in its branch, electronic network, and investment in both IT infrastructure and human capital to ensure that the foundations remain strong. This cost management achievement was done through the Strategic Cost Management Program (SCMP) that the Bank embarked in early 2013. Overhead costs stood at Rp5.2 trillion in December 2013 compared with Rp4.6 trillion the previous corresponding year. The cost to income ratio (bank only) as of 31 December 2013 stood at 61.22%.

**Comments by BII President Director, Taswin Zakaria\*):**

"We managed to close the financial year of 2013 with satisfactory results amidst the challenging market. Our continued transformation journey has indeed started to bear positive results that augur well for long term growth. As we reinforce what we have started and sharpen our strategic direction, our transformation journey will focus on optimizing economic opportunities end to end. In doing so, we will at all times prioritize high quality services, product innovation, process simplification, and regional connectivity with the Group".

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

“I am pleased to see the continuous improvement in the Bank’s performance. The greater regional synergies within Maybank Group will enable BII to leverage the Group’s strengths and broaden its capabilities. The sound fundamentals that have been laid, combined with strong commitment from Maybank Group, provide great support for BII in capturing a larger slice of the Indonesian market, especially into the regions where we believe our differentiated capabilities can play a greater role”

*\*) appointed as BII President Director on EGMS dated 11 November 2013 and will be effective after obtaining approval from OJK*

**About BII**

*BII is one of the largest banks in Indonesia with 422 branches including Syariah branches and overseas branches. It has 1,524 ATMs including CDMs (Cash Deposit Machines) across Indonesia and is also connected to more than 20,000 ATMs under ATM PRIMA, ATM BERSAMA, ALTO, CIRRUS, Malaysia’s MEPS network, and to more than 3,500 Maybank ATMs in Malaysia and Singapore. BII is also present in Mauritius and Mumbai. As of 31 December 2013, BII has total customer deposits of Rp107.2 trillion and assets of Rp140.7 trillion. BII provides a full range of financial services through its branch and ATM networks as well as phone banking, mobile banking and internet banking channels. BII is listed on the Indonesia Stock Exchange (BNII) and is active in Business, Retail and Global Banking.*

-----