PRESS RELEASE

BII Continues to Record Strong Loan Growth of 25% YoY Although Results Impacted by NIM Compression and Stringent Provisioning

30 June 2014 Consolidated Financial Highlights

Y-o-Y growth

- Loans portfolio grew by 25% to Rp106.0 trillion
- Assets increased by 19.3% to Rp144.9 trillion
- Customer Deposits increased 16.2% to Rp105.9 trillion
- Loan to Deposit Ratio (LDR) (Bank Only) reached 90.80%
- Total capital reached Rp 14.2 trillion in June 2014 from Rp 12.6 trillion in the previous year
- Successfully Completed the issuance of Rp 1.5 trillion Subdebt and Rp 300 billion Sukuk Mudharabah
- Net interest income (NII) increased from Rp2.8 trillion to Rp3.0 trillion
- Profit After Tax and Minority Interest ("PATAMI") reached Rp336 billion impacted by NIM compression and provisions for selected corporate debtors

Jakarta, 24 July 2014

PT Bank Internasional Indonesia Tbk ("BII" or the "Bank") today reported that operating profit before provision for the half year ended 30 June 2014 increased 13.5% to Rp1.3 trillion compared with Rp1.2 trillion in the same period last year. Net profit after tax and minority Interest (PATAMI) for the first semester ended 30 June 2014 reached Rp336 billion while profit before tax stood at Rp511 billion, compared with Rp681 billion and Rp966 billion in June 2013. This was primarily due to continued compression in net interest margin as well as higher provisioning recorded from some corporate customers impacted by the challenging market conditions.

The Bank saw healthy loans growth of 25% year-on-year (y-o-y) to Rp106.0 trillion as of 30 June 2014 with Business Banking growing by 26.8% from Rp30.2 trillion to Rp38.3 trillion, while loans from Retail Banking rose 23.4% from Rp31.1 trillion to Rp38.3 trillion, and loans from Global Banking increased 23.1% from Rp23.9 trillion to Rp29.4 trillion.

The Bank continued to manage liquidity prudently by prioritizing the maintenance of a healthy liquidity reserve. Customer Deposits increased 16.2% during the first semester 2014 to Rp105.9 trillion from Rp91.1 trillion in same period last year. Savings deposits grew 19.7% from Rp20.3 trillion in June 2013 to Rp 24.3 trillion in June 2014. Current accounts grew 8.6% while time deposits increased 17.0%.

Tight liquidity situation experienced by banking industry in the first half 2014 which has led to increasing cost of fund has impacted the Bank's Net Interest Margin (NIM) which declined from 5.34% to 4.75%.

The Loan-to-Deposit ratio (Bank only, excluding subsidiaries) remains at a healthy level, reaching 90.80% as of 30 June 2014, while the Bank's modified consolidated LDR which includes senior bonds, long term borrowings and customer deposits stood at 82.77%.

To further improve its long term funding composition and strengthen its tier 2 capital, the Bank has successfully completed the issuance of Rp 1,5 trillion Subordinated Bonds and Rp 300 billion Sukuk Mudharabah. The Bank received an idAA+ rating from PT Pemeringkat Efek Indonesia (PEFINDO) and AA(idn) rating from PT Fitch Ratings Indonesia (Fitch) for this Subordinated Debt, while for the Sukuk Mudharabah, Pefindo assigned idAAA(sy) and Fitch has rated it AAA(idn)(sy).

Provision to the regulatory approval for inclusion of Subordinated Bond as Tier 2 Capital, total net proceeds resulting from the Subordinated Bond will increase the Bank's Capital Adequacy Ratio (Bank only) from 11.93% to 13.30% based on June 2014 pro-forma.

The Bank also saw positive performance in other areas of its operations. Under Business Banking, the Small and Medium Enterprises (SME) loan portfolio recorded 35.3% growth from Rp 11.8 trillion in June 2013 to Rp 15.9 trillion in June 2014 while maintaining sound asset quality. The growth benefited from the Bank's strength in Financial Supply Chain Management (FSCM), which is the Bank's unique proposition in capturing the end-to-end needs of the business ecosystem.

Following successful pilot implementation of its micro banking, the Bank has officially launched PIJAR (Pilihan Bijak Mitra Usaha) which is the Bank's arm for Micro Banking to reach out to the growing micro business in Indonesia and provide them more accessible banking services. PIJAR provides margin differentiation and is a targeted-segment initiative where the Bank has its own niche. PIJAR's launch will further complement Government's strategy to improve financial inclusion.

Retail Banking also recorded improved performance for the first half 2014. Mortgage loan portfolio grew at 30% accompanied by sound asset quality, while the Unsecured loans increased by 32% with credit card business up by 31.7% Despite the challenging market liquidity , the retail deposits saw 20% growth through increasing payroll services, cross selling and consistent growth in its segmented women and junior accounts. Electronic

Banking has also showed robust development as the Bank's Electronic transaction continued to grow especially from mobile banking supporting our customers' needs for simpler and faster services. Currently more than 75% retail transactions use the Bank's electronic channels.

The Bank's Global Banking client focus re-segmentation implemented this year to include greater focus on the Top-Tier Local Corporates and State-Owned Enterprises have shown encouraging development and is expected to be driver for the Bank's cash management and annuity fee business. The recent landmark deal with one of the top state owned enterprises for a USD 100 million facility exemplified one in a series in the Bank's pipeline. The facility is recorded under BII Syariah Banking and to date, it is the bilateral largest musyarakah-based financing in Indonesia.

However, in the first semester of 2014, the Bank experienced some asset quality deterioration in a number of its Global Banking borrowers. As a result, provisions increased by 116.8% to Rp 703 billion. Impact from the restructuring of the bank's Structured Trade and Commodity Finance (STCF) portfolio combined with contractual challenges faced by certain borrowers in the oil & gas and mining sectors as well as business downturn experienced by customers due to the export ban have been the main reasons for the increase in the bank's provisions. The Bank had already shut down the STCF unit and is now managing down the remaining exposure in STCF. Asset quality, however, was maintained with Gross NPL at 2.68% while net NPL was 1.92% from 1.43% and 0.73% previously. The Bank continues to monitor market condition that may adversely impact corporate borrowers while intensifying portfolio early warning exercise.

To improve efficiency and productivity, the Bank has embarked on Strategic Cost Management Program (SCMP) since early 2013. This Program has enabled the Bank to manage its operating expenses growth to within 3%.

The Bank's subsidiaries namely PT BII Finance and PT Wahana Ottomitra Multiartha Tbk (WOM) also recorded improved performance for the first semester 2014.

BII Finance recorded strong growth of 19% in profit before tax (stand alone) to Rp153.9 billion in June 2014 from Rp129.8 billion in June 2013. Its total four wheel financing (consolidated) rose 29% to Rp10.2 trillion in June 2014 from Rp7.9 trillion in June 2013. Asset quality remained solid with gross NPL only at 0.14% and net NPL at 0.12%.

Positive traction also continued at WOM. Continued improvement in asset quality and implementation of prudent risk management practice resulted in a stable net NPL at 1.47% in June 2014. WOM's profit before tax (stand alone) increased to Rp34.8 billion in June 2014 from Rp33.0 billion in June 2013, with stable two wheel financing at Rp4.2 trillion.

Comments by BII President Director, Taswin Zakaria:
“We maintain the view of continued challenging market condition for the rest of 2014, and will continue to prioritize portfolio growth with strict pricing discipline for both loan and liquidity. We will also further emphasize cost management initiatives to optimize the benefits from our investments and improve the overall efficiency in the future.”

“The second half of 2014 will also see the continued roll-out of our transformation initiatives aimed at sharpening our fundamentals in our effort to build better quality and sustainable portfolio. In doing so, we continue to empower our domestic regional businesses and will at all times prioritize high-quality customer services, product innovation, process simplification, and regional connectivity with the Group. Maybank, being ranked among the World's Top 20 Strongest Banks by Bloomberg Markets for two consecutive years namely 2013 and 2014 will provide strong footing for BII in growing business and facing the challenges ahead, and at the same time lending their expertise to further improve the fundamentals of the Bank”.

Comments from President Commissioner BII and Chairman of Maybank Group, Tan Sri Dato’ Megat Zaharuddin bin Megat Mohd Nor:
"I am pleased that BII's strengthening franchise has led to improved performances in our consumer and SME sectors. Our continuing focus to enhance productivities across the company whilst sustaining efforts to manage market risks better should lead to better results in the second half of this year".