

PRESS RELEASE

BII Records 14% Y-o-Y Loan Growth for Nine Months 2014

30 September 2014 Audited Consolidated Financial Highlights

Y-o-Y growth

- **Loans portfolio** grew by 14% to Rp104.6 trillion
- **Assets** increased by 11% to Rp144.5 trillion
- **Customer Deposits** increased 7% to Rp103.6 trillion
- **Total Shariah customer deposits** increased by 84% to Rp3.5 trillion from Rp1.9 trillion.
- **Loan to Deposit Ratio (LDR) (Bank Only)** at 91.13%
- **Total Financing Shariah Banking** increased by 76%
- **Profit After Tax and Minority Interest (“PATAMI”)** at Rp340 billion impacted by increasing provisions for selected corporate debtors and NIM compression
- **Total capital** reached to Rp16.4 trillion in September 2014 from Rp14.2 trillion in the previous year
- **CAR** remains healthy at 14.07%

Jakarta, 22 October 2014

PT Bank Internasional Indonesia Tbk (“BII” or the “Bank”) today reported that operating profit before provision for the nine month period ended 30 September 2014 reached Rp 2.05 trillion compared with Rp1.92 trillion in the same period of last year or an increase of 6.7%. Net profit after tax and minority Interest (PATAMI) for the first nine months 2014 stood at Rp340 billion while profit before tax was Rp478 billion compared with Rp1,098 billion and Rp1,562 billion respectively last year. This was primarily due to higher provisioning recorded from

some corporate customers impacted by the challenging market conditions and continued compression in net interest margin.

The Bank saw loans growth of 14% year-on-year (y-o-y) to Rp104.6 trillion as of 30 September 2014 from Rp91.7 trillion as of 30 September 2013. The Bank has decided to re-profile its loan portfolio especially in the Global Banking segment, to ensure the distribution of risks is in line with its risk appetite. Its focus on client re-segmentation which has been implemented early this year included greater focus on the Top-Tier Local Corporations and State-Owned Enterprises.

The Global Banking client re-segmentation showed encouraging results and is expected to be the driver for the Bank's cash management and annuity fee business. Recent landmark deals with two top state owned enterprises exemplify one in a series in the Bank's pipeline. To date, total financing to state owned enterprises has reached Rp1.5 trillion plus USD 100 million.

The Bank also continued to witness positive development in the Business Banking segment which recorded 21% increase to Rp38.9 trillion in September 2014 from Rp32.0 trillion in September 2013. Aside from its 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, Business Banking has shown positive traction in its newly established micro financing unit. As of the end of third quarter 2014, total micro finance portfolio has reached Rp729 billion compared with Rp59 billion last year.

The encouraging growth in the micro finance has been contributed by the launching of PIJAR (Pilihan Bijak Mitra Usaha) which is the Bank's arm for Micro Banking to reach out to the growing micro business segment 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.

The Bank's customer Deposits increased 7% during the nine months 2014 to Rp103.6 trillion from Rp96.5 trillion in the same period last year. The Loan-to-Deposit ratio (Bank only, excluding subsidiaries) remained at a healthy level, reaching 91.13% as of 30 September 2014, while the Bank's modified consolidated LDR which includes senior bonds, long term borrowings and customer deposits stood at 82.13%.

The tight liquidity experienced by banking industry in the first nine months of 2014 which led to the increasing cost of fund had impacted the Bank's Net Interest Margin (NIM), which declined from 5.11% to 4.63%. To improve its NIM, the Bank will continue to prioritize portfolio growth with strict pricing discipline for both loan and liquidity.

The Bank will continue to diversify its funding profile and focus on more stable funding by prioritizing on low cost CASA growth and leveraging the latest call from OJK to cap rate of

Time Deposits. This strict pricing discipline in deposits has been implemented across the branches and regions. CASA growth as a continuing program will be mainly generated from optimizing account planning within the Bank's Global and Commercial clients for cash management, FX, trade financing, and Supply chain. The Bank will also maximize its cross selling with the subsidiaries (WOM and BII Finance) for Savings Accounts.

During the first nine months of 2014, the Bank also experienced some asset quality deterioration in a number of its past Global Banking borrowers. As a result, provisions increased by 151% to Rp1,464 billion from Rp582 billion last year. Impact from the restructuring of the bank's Structured Trade and Commodity Finance (STCF) portfolio combined with business downturn experienced by customers due to the current market condition have been the main reasons for the increase in the bank's provisions. Asset quality was maintained at the level of 2.55% (gross NPL) and 1.79% (net NPL) as of 30 September 2014 compared to 1.74% (gross NPL) and 1.02% (net NPL) as of 30 September 2013. The Bank has further tightened credit approval procedures and instituted new approval matrixes and limits to ensure tighter control over loan approvals and closer monitoring of its existing portfolio. Furthermore, the Bank continues to closely monitor market conditions that may adversely impact corporate borrowers while intensifying its portfolio early warning exercise.

The Bank successfully implemented its Strategic Cost Management Program (SCMP) which was launched in early 2013. This Program enabled the Bank to reduce its overhead costs by 3% from Rp3.9 trillion in September 2013 to Rp3.8 trillion in September 2014. Consequently, the Bank's cost to income ratio also improved from 67.20% to 65.05%.

BII Sharia Banking continued to show encouraging results following the implementation of Shariah First strategy across the branches and its revamped business model last year. Total Sharia financing grew 76% to Rp5.2 trillion in September 2014 from Rp2.9 trillion in September 2013. Total Shariah financing contributed 5% of the Bank's total loan portfolio in September 2014 while total deposits increased by 84% to Rp3.5 trillion from Rp1.9 trillion.

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

BII Finance recorded strong growth of 22.% in profit before tax (stand alone) to Rp248.9 billion in September 2014 from Rp203.9 billion in September 2013 while its profit after tax (stand alone) registered a 22% increase to Rp186.3 billion in September 2014 from Rp153.1 billion in the previous year. Its total four wheel financing (consolidated) rose 21% to Rp10.7 trillion in September 2014 from Rp8.8 trillion in September 2013. Asset quality remained solid with gross NPL only at 0.23% and net NPL at 0.19%.

Positive traction also continued at WOM. Continued improvement in asset quality and implementation of prudent risk management practice resulted in improved asset quality with net NPL level standing at 1.24% in September 2014 compared to 1.57% in

September 2013. WOM's net profit was recorded at Rp41.1 billion with total two wheel financing (consolidated) at Rp8.9 trillion.

Comments by BII President Director, Taswin Zakaria:

"The first nine months 2014 has been a period of consolidation, refocusing on our client segmentation, sharpening our fundamentals to build better quality and sustainable portfolios as well as adopting new thrusts to support future growth. We maintain the view of continued challenging market conditions for the rest of 2014, and will continue to prioritize portfolio growth with strict pricing discipline for both loan and liquidity while ensuring efforts to improve our productivity across the company."

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

"Given the current operating environment, BII will remain cautious while continuously seeking opportunities for sustained growth. As part of Maybank Group, BII has the advantage of harnessing group synergies across the region. Maybank, ranked among the World's Top 20 Strongest Banks by Bloomberg Markets will not only be able to provide strong support to BII in growing its business and facing the challenges ahead, but can also lend the Group's expertise to further improve the fundamentals of the Bank."

About BII

BII is one of the largest banks in Indonesia with 426 branches including Syariah branches and overseas branches 1,524 ATMs including CDMs (Cash Deposit Machines) BII 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. BII has a banking presence in Mauritius and Mumbai. As of 30 September 2014, total customer deposit of Rp103.6 trillion and Rp144.5 trillion in assets. BII provides full range of financial services through its branch and ATM network, 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. BII is listed on the Indonesia Stock Exchange (BNII) and is active in Business, Retail and Global Banking.