

BII Records 33.5% Increase in Net Profit for First Quarter 2015

Consolidated Financial Highlights as of 31 March 2015

Y-o-Y growth

- Profit After Tax and Minority Interest (“PATAMI”) increased 33.5% to Rp255.6 billion from Rp191.5 billion
- Assets increased by 6.7% to Rp149.5 trillion
- Total loans increased by 6.2% from Rp 101.3 trillion in March 2014 to Rp 107.6 trillion in March 2015
- Business Banking loans grew by 15.3% to Rp41.6 trillion
- Retail Banking loans increased by 14.7% to Rp 41.6 trillion
- Total Financing Shariah Banking grew by 116.2% to Rp7.4 trillion
- Total Sharia customer deposits increased by 42% to Rp4.6 trillion
- Net Interest Margin (NIM) improved to 4.85% in March 2015 from 4.73% in March 2014
- Fee Based Income increased by 26% to Rp 621 billion
- Total Capital Adequacy Ratio (CAR) reached 15.9% with total capital of Rp18.4 trillion from Rp15.1 trillion in the previous year

Jakarta -PT Bank Internasional Indonesia Tbk (“BII” or the “Bank”) today announced that its profit after tax and minority interests (PATAMI) increased 33.5% to Rp255.6 billion for the first quarter ended 31 March 2015 from Rp191.5 billion in the previous corresponding period ended 31 March 2014. The improved performance was achieved on the back of the Bank’s discipline in pricing for both deposits and lending coupled with an intensified strategic cost management program implemented throughout the Bank.

The slow-down in the economy coupled with the challenging business environment affected industry loan growth in the first quarter 2015. The Bank too was impacted by the slow down in the economy and recorded a modest loan growth of 6.2% from Rp101.3 trillion in March 2014 to Rp107.6 trillion in March 2015.

The Bank is pleased to report that despite the first quarter slow down, its Business Banking continued to grow stronger. Business Banking recorded the highest loan growth of 15.3% from Rp36.1 trillion to Rp41.6 trillion, followed by Retail Banking which grew 14.7% from Rp 36.7 trillion to Rp 42.1 trillion; both businesses exceeding the industry loan growth of 12.3% (as of February 2015). Loans from Global Banking, however, declined by 16.1% to Rp 23.9 trillion in March 2015 from Rp28.5 trillion in March 2014 as the Bank

continues to re-profile its corporate portfolio toward higher quality credits to improve cross-sell and the Bank's liquidity management business.

The Bank continued to witness positive development in its Small and Medium Enterprises (SME) which is under Business Banking. SME loan portfolio recorded 15.3% growth from Rp 14.3 trillion in March 2014 to Rp 16.4 trillion in March 2015 and maintained its sound asset quality. Adding to the strength of its Financial Supply Chain Management (FSCM) which is the Bank's unique proposition in capturing the end-to-end needs of the business ecosystem is the establishment of Business Banking distinctive micro financing product "PIJAR" (*Pilihan Bijak Mitra Usaha*). Through PIJAR, the Bank ventures to bring quality community empowerment approach not only by providing micro financing, but also conducting financial literacy program for the communities. As of March 2015, total micro finance portfolio recorded a significant growth of 271.6% reaching Rp1,065 billion compared with Rp286 billion in the previous year.

Retail Banking too continued to post sound growth in the first quarter 2015. Mortgage loans grew 17.8% on sound asset quality, while Unsecured loans increased by 25.3 % with Personal Loan up by 76.8% and credit card receivables up by 8.8%. Electronic Banking has also shown a robust development with 81% retail transactions use the Bank's electronic channels, propelling the growth of e-channel's volume.

The Bank's Sharia Banking business continued to show strong results following the implementation of Sharia First strategy across the Bank's Line of Business and branches and its revamped business model. Total Sharia financing grew 116.2% from Rp3.4 trillion in March 2014 to Rp 7.4 trillion in March 2015, contributing 6.9% of the Bank's total loan portfolio. The increase in total Sharia financing was accompanied by improved asset quality which was reflected by the lowering of its non performing financing to 0.77% from previously 2.42%. Total deposits increased by 42.5% from Rp3.2 trillion in March 2014 to Rp 4.6 trillion in March 2015.

The Bank's customer deposits showed a modest growth of 1.0% for the first quarter 2015 from Rp 104.0 trillion as of 31 March 2014 to Rp 105.0 trillion as of 31 March 2015. This was due to the tight management control and discipline exercised over both the growth of volume and the pricing. The Bank's cash management and payment solutions services continued to improve and contributed to 12% increase in the current account balances.

The Loan-to-Deposit ratio (Bank only, excluding subsidiaries) recorded 91.89% as of 31 March 2015, while the Bank's modified consolidated LDR (i.e. Loan to Funding Ratio) which includes borrowing, securities issued, sub debt and customer deposits remained at a healthy level at 82.64%.

The Bank's net interest income increased 9.6% from Rp1.5 trillion in March 2014 to Rp1.6 trillion in March 2015 as the Bank's net interest margin (NIM) improved to 4.85% from 4.73%.

Other operating revenue (fee based income) as of 31 March 2015 increased by 26.0% to Rp621 billion compared with Rp493 billion in the same corresponding period of the previous year, contributing 28.1% of the Bank's total operating income. The Bank's total fee based income was mainly generated from increases in fees from corporate deals,

remittances, bancassurance, foreign exchange transactions, credit card usage, and trade finance among others.

The Bank's non-performing loan (NPL) level was at 2.80% (gross) and 1.91% (net). The Bank remains cautious over loan quality as some businesses are still impacted by the weakening of the commodities and mining sectors, economic slow-down, and weakening of the Rupiah.

As a precaution to the current economic condition and to ensure prudent banking practices, the Bank has set aside loan provisions of Rp 426 billion in March 2015 compared to Rp 335 billion in March 2014.

Since The Bank's Strategic Cost Management Program (SCMP) was launched in 2013, the program has started to bear fruits. The Bank has shown a significant progress in addressing productivity by improving its cost structure and streamlining its processes. As a result, the increase in operating expenses was managed at a moderate 7.4% despite the challenging conditions, inflation, and rising prices experienced for the first quarter 2015.

The Bank's subsidiaries namely PT BII Finance and PT Wahana Ottomitra Multiartha Tbk (WOM) also recorded improved performance for the first three months 2015 amidst the difficult market conditions.

WOM continued to post positive traction. Implementation of prudent risk management practice has resulted in improved asset quality with net NPL level standing at 1.09% in March 2015 compared to 1.30% in March 2014 and gross NPL at 2.81% in March 2015 compared to 3.05% in March 2014. WOM recently completed its rights issue and raised Rp 1.5 trillion new capital. The Bank has increased its shareholding in WOM to 68.55% upon the completion of the rights issue.

BII Finance recorded strong growth of 39.7% in profit before tax (stand alone) to Rp102.8 billion in March 2015 from Rp73.6 billion in March 2014. Asset quality remained solid with gross NPL only at 0.37% and net NPL at 0.30%.

Comments by BII President Director, Taswin Zakaria:

"The Bank's effort to re-profile its corporate customers toward higher corporate credit quality to enhance cross-sell and liquidity management business has started to bear fruits. The strategy aims at ensuring alignment to Bank's re-enhanced risk appetite and complement Bank's payment solution business and generation of fee-based income. The focus on large local corporations also allows the Bank to grow assets in a capital-efficient manner. To date, we successfully completed landmark financing, cash management and liability risk management transactions to a number of large corporations and state owned enterprises".

"To further expedite the growth in the retail and business banking, we have recently embarked on Indonesian Regional Transformation which empowers Bank's regional offices to expand and capture business potentials available in the respective regional economies."

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 focus on its growth market segments, i.e retail and business banking, has mitigated for the re-structuring that had to be carried out in corporate banking affected by the challenges last year. Our customers continue to be well served nationwide through our 428 branch network and expanding virtual banking services, further reinforcing our strong franchise.”

About Bank Internasional Indonesia (BII)

BII is one of the largest banks in Indonesia with 428 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 31 March 2015, total customer deposit of Rp105.0 trillion and Rp149.5 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 (BII) and is active in Business, Retail and Global Banking.)
