



PRESS RELEASE

**BII Nine Months Net Profit Surges 19% to Exceed Rp 1 trillion for First Time
*Strong Loan and Deposit Growth amidst the Challenging Market***

30 September 2013 Consolidated Financial Highlights

YoY growth

- Net Interest Income increased by 10% and fee based income grew by 19%
- Net Interest Margin (NIM) reduced from 5.88% in Sept 2012 to 5.37% in Sept 2013
- Profit Before Tax (“PBT”) increased by 22% to Rp1.6 trillion
- Profit After Tax and Minority Interest (“PATAMI”) increased by 19% to Rp1.1 trillion
- Assets grew by 23% to Rp129.8 trillion
- Loans portfolio grew by 21% to Rp91.7 trillion
- Customer Deposits increased 21% to Rp96.5 trillion
- Savings Deposits increased by 35% to Rp22.7 trillion
- Asset quality improved further with gross NPL standing at 1.74% compared to 2.08% in Sept 2012 and net NPL slightly increased at 1.02% compared to 0.87% in Sept 2012
- Return on equity recorded at 15.87%, while ROA stood at 1.69%
- Earnings per share increased by 16% to Rp19.0
- Capital Adequacy Ratio with credit, operational & market risk (Bank only) stood at 13.86% compared to 12.4433% in the previous year.

Jakarta, 28 October 2013

PT Bank Internasional Indonesia Tbk (“BII” or the “Bank”) today announced a profit after tax and minority interest (PATAMI) of Rp1.1 trillion for the nine months ended 30 September 2013, a 19% increase from the same period a year earlier. This is the first time it has passed the Rp 1 trillion mark for a nine months period. The Bank’s profit before tax increased by 22% to Rp1.6 trillion compared to Rp1.3 trillion in the previous corresponding period.

The improved performance was achieved on the back of solid growth across the Bank's core businesses, strong deposit growth, significant profitability improvement of the Bank's subsidiaries, and continuing overall operational improvements.

Customer Deposits saw strong increase of 21% during the first nine months 2013 to Rp96.5 trillion from Rp79.8 trillion in the first nine months 2012 with strongest growth recorded in savings deposits of 35%. Current accounts grew 21% while time deposits increased 16%. 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 cash management and pay roll services have also contributed to the growth of low cost funding for the nine months 2013.

Loans grew 21% during as of September 2013 to Rp91.7 trillion from Rp75.9 trillion as of September 2012 despite the challenging market condition. Loans from Business Banking grew the fastest from Rp 24.6 trillion to Rp 32.0 trillion or increased by 30%; SME in particular grew by 33%. Retail loans rose 24% from Rp27.0 trillion to Rp33.8 trillion. Global Banking loans increased 7% from Rp24.3 trillion to Rp 25.9 as the Bank re-adjusted its corporate portfolio in the first semester consistent with its proactive credit risk management activities.

Retail Banking performance has turned around as reflected by the increase of its profit from Rp 48 billion for the nine months 2012 to Rp 121 billion for the nine months 2013. The performance of the Bank's subsidiaries, PT Wahana Ottomitra Multiartha Tbk (WOM) and BII Finance, which are under Retail Banking management have also significantly improved and contributed to the overall performance of the Bank.

BII Finance's total four wheel financing (consolidated) rose 49.7% from Rp5.8 trillion in Sept 2012 to Rp8.6 trillion in September 2013. Meanwhile, WOM's total two wheel financing (consolidated) in the first nine month 2013 stood at Rp8.6 trillion compared to Rp9.3 trillion in the first ninth months 2012 due to the Bank's decision to rebalance its four wheel and two wheel portfolio in the first half of 2013.

The consolidated loan to deposit ratio (LDR) improved from 94.26% in September 2012 to 93.09% as of end of September 2013. LDR at the Bank (excluding subsidiaries) remained at a healthy level of 86.42%, while the Bank's modified consolidated LDR which includes senior bond, long term borrowings and customer deposits stood at 80.95% as of 30 September 2013.

BII Shariah Banking has shown encouraging results since the implementation of its revamped business model. Total Shariah financing grew from Rp1.1 trillion to Rp3.0 trillion contributing 3.2% of the Bank's total loan from only 1.4% in September 2012. Net profit of BII Shariah Banking also grew significantly from Rp 18.4 billion in September 2012 to Rp 157.1 billion in September 2013.

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

- A 10% YoY improvement in the Bank's net interest income (NII) from Rp3.9 trillion in September 2012 to Rp4.3 trillion in September 2013 arising from loan growth which was accompanied by improvement in asset quality. The strong competition among banks which put pressure on the Net Interest Margin (NIM) across the industry, only resulted a marginal decline on the Bank's NIM to 5.37% in September 2013 against 5.88% in the previous year.

- Maintaining good asset quality as shown by gross non-performing loans (gross NPL) level improving to 1.74% as of 30 September 2013 from 2.08% as of 30 September 2012. Net NPL stood at 1.02% from 0.87% earlier. Gross impaired loans remained stable at 2.2% while net impaired loans were contained at 1.5%. The Bank continuously maintains its asset quality through prudent and disciplined banking practices, strengthening risk management and credit processing as well as closer monitoring of existing borrowers. Asset quality of the two-wheel portfolio at WOM showed further improvement, with net NPL improving to 1.57% from 1.67% and Net NPL of four wheel financing at BII Finance remained low at 0.09%.
- A sharp decline of 33% in provision expenses to Rp582 billion as of 30 September 2013 compared to Rp868 billion a year earlier, despite a 21% growth in loans as a result of better portfolio quality and recovery management
- 19% increase in fee based income from Rp1.4 trillion to Rp1.7 trillion was mainly contributed by gain in marketable securities.
- Return to sustainable profitability for WOM which recorded a profit after tax (stand alone) of Rp59.9 billion in September 2013 compared to a loss of Rp36.8 billion in the same period last year
- Business as usual overhead costs were maintained at a modest 13% with addition 8% in expanding its branch and electronic network as well as investment in both IT infrastructure and human capital to ensure that the foundation remains strong. Overhead costs stood at Rp4.1 trillion in September 2013 compared with Rp3.4 trillion in September 2012. The cost to income ratio (bank only) as of 30 September 2013 stood at 66.6% as of 30 September 2012.

Comments by BII's Acting President Director, Thila Nadason:

"Our outstanding results for the first nine months 2013 reflect the continuous improvement that we have made since we began our transformation journey with various work streams and projects including IMPACT transformation program. These projects which commenced in late 2011 have started showing positive results in 2013. Going forward we shall ensure that we stay the course to achieve our aspirations. Our PATAMI has exceeded Rp 1 trillion for the first nine months 2013; this is the highest nine months PATAMI in BII's history.

"Our approach in growing responsibly and profitably combined with adopting pricing discipline for loan and deposits, the constant monitoring and controls on the quality of loan portfolio as well as implementation of our strategic cost management have helped us sustain profit growth over the nine months. We will continue our efforts to ensure that we optimize the benefits of all our investments and improve the overall efficiency in future".

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 growth momentum remains strong. With the re-opening of our Mumbai branch, we expect new business opportunities leveraging on Maybank Group-wide networks between India and ASEAN."

“I also envisage our prospects for the remainder of the year to remain bright given our focus on activities in key areas of the Indonesian economy”