



MALAYSIA

ISLAMIC DEVELOPMENT BANK GROUP

INVESTMENT FORUM



09 - 11 May 2012 • Kuala Lumpur

*Forging Strategic Business Partnerships
between Malaysia and IDB Member Countries*

Co-Organizers



IDB'S SUCCESS STORIES IN PROMOTING INTRA-OIC PARTNERSHIP

Kuala Lumpur, 10 May 2012

AGENDA

I **Bank Muamalat Indonesia in Brief**

II Financial Highlight

III IDB Support

Name	:	PT. Bank Muamalat Indonesia, Tbk.
Share Holder	:	Islamic Development Bank (32.74%) Boubyan Bank Kuwait (25.03%) Atwill Holdings Limited (17.91%) Others (24,32%)
Head Office	:	Arthaloka Building Jl. Jend Sudirman No.2 Jakarta 10220
Telp	:	(021) 2511414, 2511451, 2511465
Fax	:	(021) 2511453, 2511465
Website	:	www.muamalatbank.com
Operation date	:	1 Mei 1992
Paid up capital *	:	IDR 1.34 Trillion (USD 147 Million)
Networks/outlets *	:	75 Branches (including 1 Branch in Kuala Lumpur) 147 Sub Branches 145 Cash Office 11 Mobile Branches 4,137 Payment Point Online System at Post Office
ATM *	:	523 ATM Muamalat 33.988 ATM Bersama 32.746 ATM Prima
Number of employee *	:	5.084 (including Non Banking Staff)

* As Of March 2012

Bank Muamalat Indonesia in Brief

20 Years of pioneering Islamic Finance Industry in Indonesia



International Presence

First Indonesian bank to establish branch in Malaysia



Postal Network

Only Syariah bank to have access to all 4,000+ post offices



Multifinance

First bank to establish Syariah multifinance (total assets of IDR325 Bn and Net Service Assets IDR 1.3 Tn in 2011)



Pension Fund

Founder and operator of Indonesia's first and only Syariah pension fund (AUM of IDR330 Bn in 2011)



First Syariah-based bank in Indonesia



Debt Capital Markets

First bank to tap the subordinated Sukuk bond market (raised IDR514 Bn of bonds to date)



Human Capital Development

Since 2005, nearly 8,000 people have participated in training programs



Corporate Social Responsibility

Received IDR33 Bn of funds in 2011



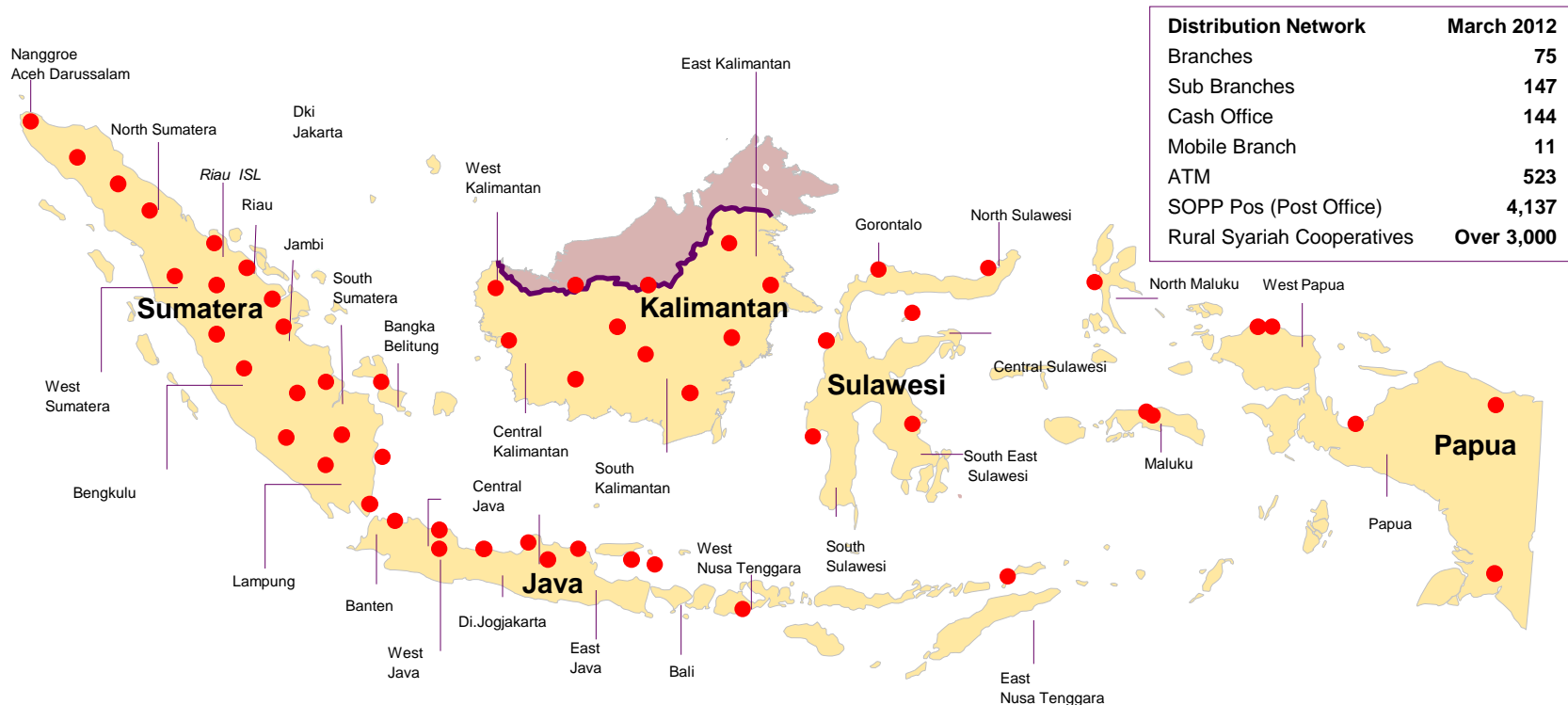
Insurance

First bank to offer Takaful insurance products in Indonesia

Strong Deposit Franchise and Extensive Distribution Networks

Leveraging multiple Delivery Channels and serving 3 million customers

Nationwide Distribution Network

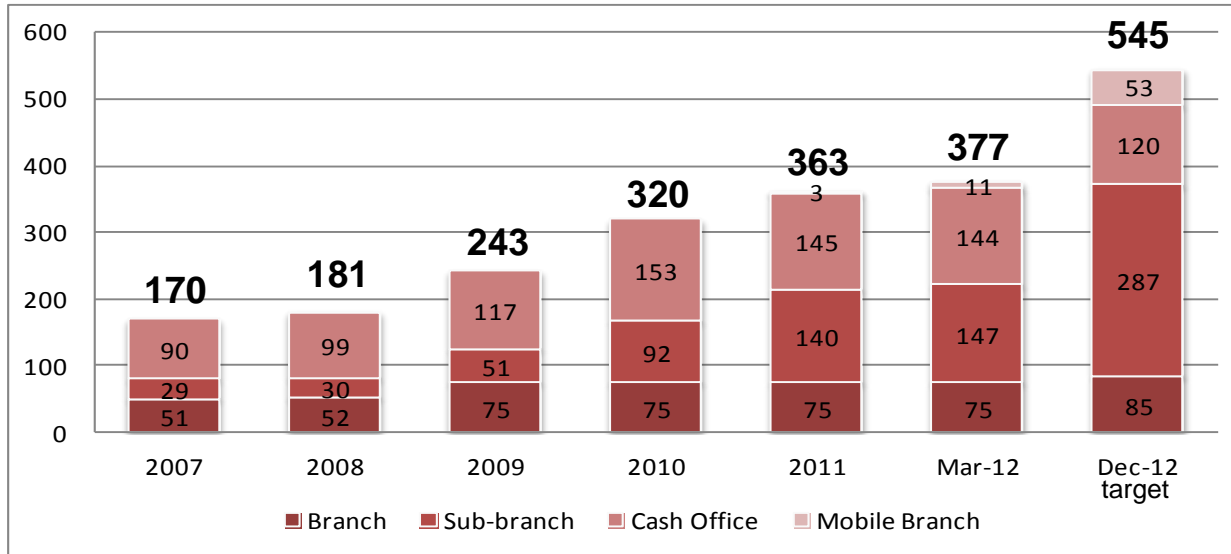


- Nationwide presence of 377 outlets with 75 branches, 147 sub-branches, 144 cash offices, and 11 mobile branches
- ATM expansion: 303 additional units in 2011 and targeted to expanded another 325 units in 2012
- Serves a customer base of 3 million retail funding customers
- Utilizes network to raise customer deposits and deploy financing assets to around 1,000 corporate clients and 200,000 retail clients

Office Networks Development

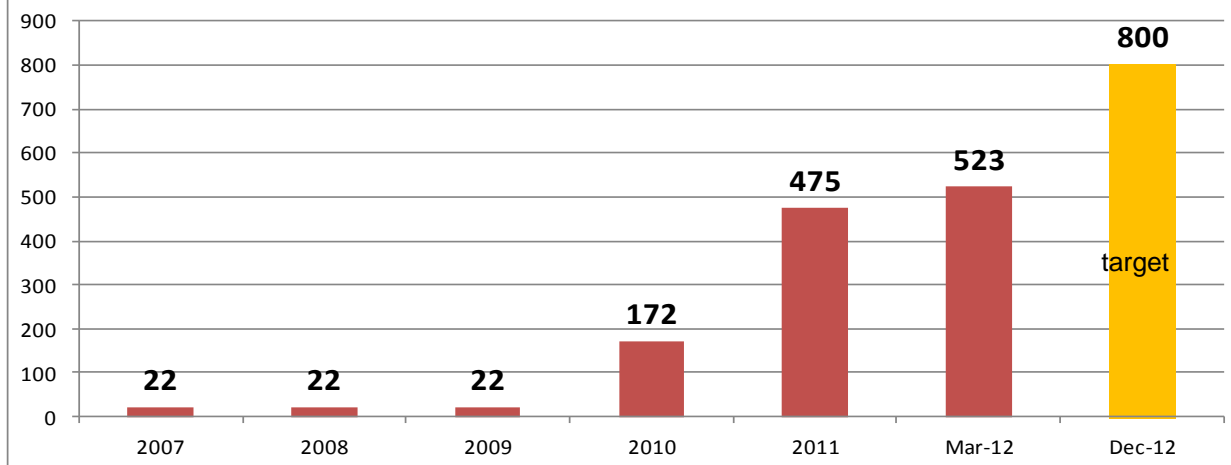
Rapid expansion to follow business growth

Number of office networks



- During recent years, office networks was expanded to follow business size. Total office networks 377 in March 2012, and expected to become 545 at end of 2012
- Bank also began to open the office networks through the opening of the 11 alternative cash service units circumference (mobile branches).

Number of ATM



- Up to 2009, BMI only invest in 22 ATMs. Shared ATM networks was used to serve more than 2 million customers.
- In March 2012, number of owned ATM was 523 and expected to become 800-1000 units at end of 2012.



Best Islamic Financial Institution

*Global Finance Award
for 4 consecutive years
(2009 -2012)*



The Best Islamic Bank in Indonesia

*Islamic Finance News Award
2006,2008,2009, 2010*



Best Islamic Local Bank in Indonesia

*Alpha South East Asia Award
For 3 consecutive years
(2009-2011)*

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Key Financial Indicators

Significant growth in several key financial indicators

In IDR billion

INDICATORS	2010	2011		Growth (YoY)	
				Amount	%
Asset	21.401	32.480	↑	11.079	51,77%
Financing	15.918	22.469	↑	6.551	41,15%
Total Public Funds	17.393	26.658	↑	9.265	53,27%
Profit Before Tax	231	372	↑	141	60,84%
Return on Asset	1,36%	1,52%	↑	0	
Return on Equity	17,78%	20,79%	↑	3,01%	
FDR	91,52%	85,18%	↓	-6,34%	
Cost to Income (BOPO)	87,38%	85,25%	↓	-2,13%	
Gross NPF	4,32%	2,60%	↓	-1,72%	
Net NPF	3,51%	1,78%	↓	-1,73%	
Office Network (exc. Gerai & Mobile Branch)	325	360	↑	35	10,77%
ATM	172	475	↑	303	176,16%

Source : Audited Financial Statement

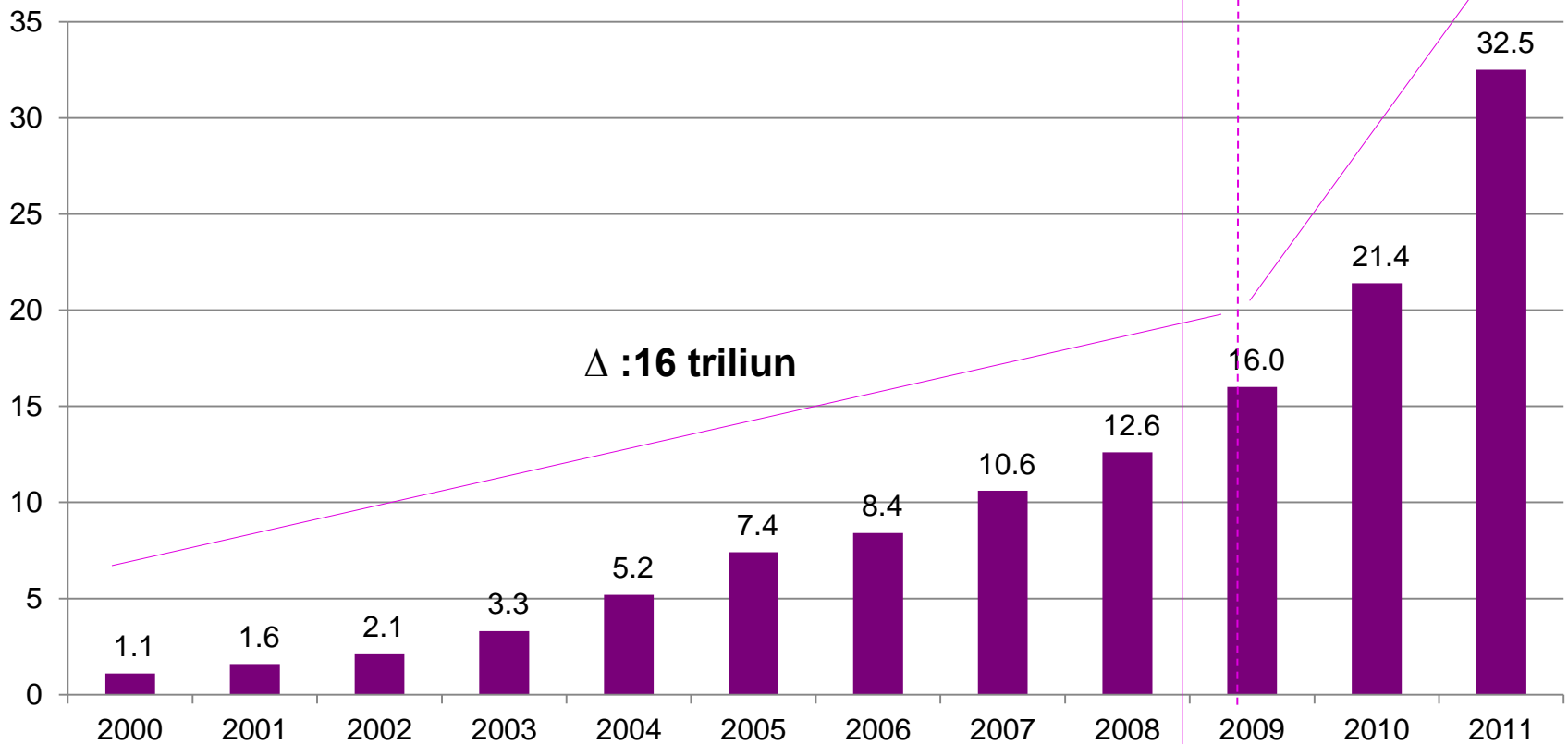
- In general, economic conditions are conducive, contributing to the achievement of several key indicators.
- Business volume grow aggressively with the level of profit that can be maintained at a good level.
- Improvement occurs at the level of NPF and operational efficiency as reflected by the decrease in the ratio of NPF and Operating Expense to Operating Income Ratio (BOPO).

Assets growth

Significant asset growth in the last three years

- In the last three years or in line with the leadership of new management, total assets increased Rp16 trillion or equal to the increase in assets during 1992 to 2009 (17 Years)
- In 2011, Total Assets grew by 52%

Assets (IDR Tn)



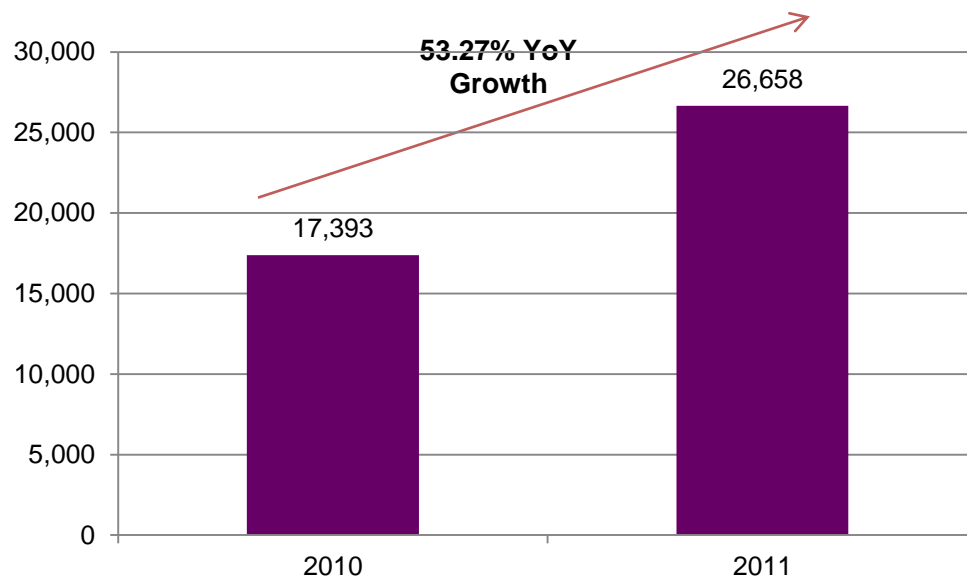
Building a customer base to support sustainable business growth

Accelerate business growth
with a strong foundation

Total Public Funds

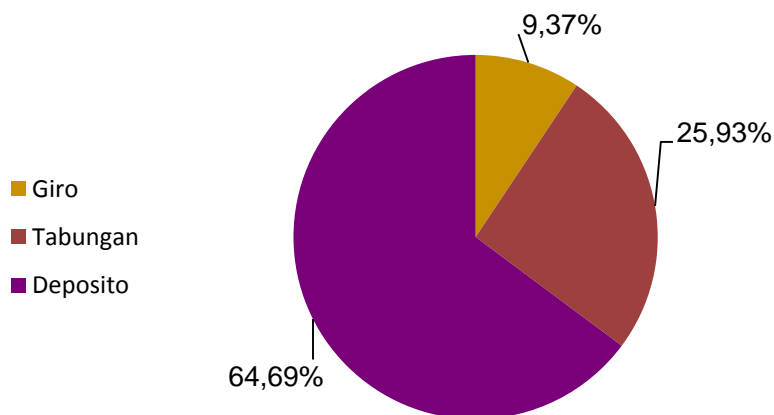
Growth of public funds 53.27% in 2011

Total public funds (Rp. billion)



- In 2011, total public funds grew 53.27% to Rp26,66 trillion.
- The public funds growth was primarily driven by the increase in time deposits which reached 73.47% to Rp.17.25 trillion.
- Through several initiatives re-launching, re-packaging the savings product, the savings account also grow quite well 31.47%

Total public funds by Type (Rp. billion)

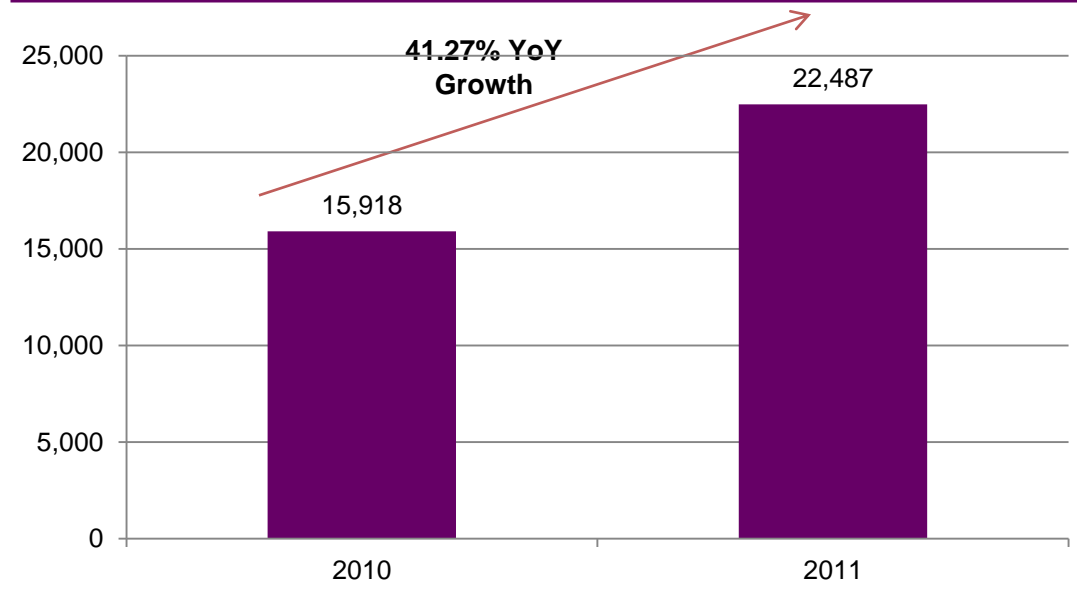


Type	2010	2011	Δ YoY	
			IDR Billion	%
Current Account	2.193	2.498	306	13,93%
Saving Account	5.258	6.914	1.655	31,47%
Time Deposit	9.942	17.246	7.304	73,47%
Total	17.393	26.658	9.265	53,27%

Total Financing

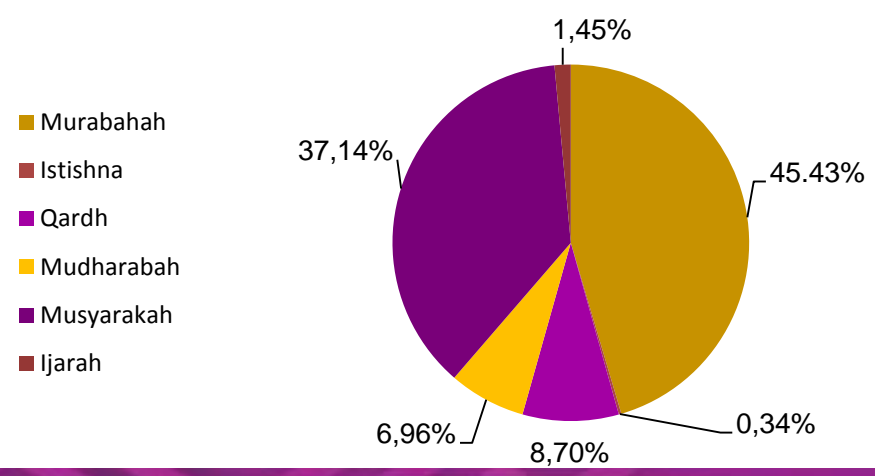
Financing grew 41.27% in 2011 mainly contributed from the retail segment

Total Financing (Rp. billion)

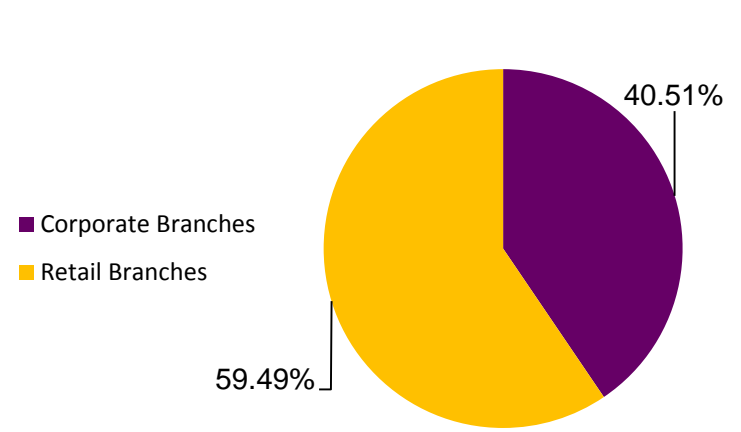


- In 2011, financing grew 41.27% to Rp22, 49 trillion.
- Financing portfolios dominated by revenue sharing and sale & purchase agreement, namely 44.13% and 45.72% respectively, whereas leasing and benevolent financing are 1.45% and 8,70%.
- Retail branches contribute for 60% of the total financing.

Total Financing by Scheme (%)



Total Financing by Branch (%)



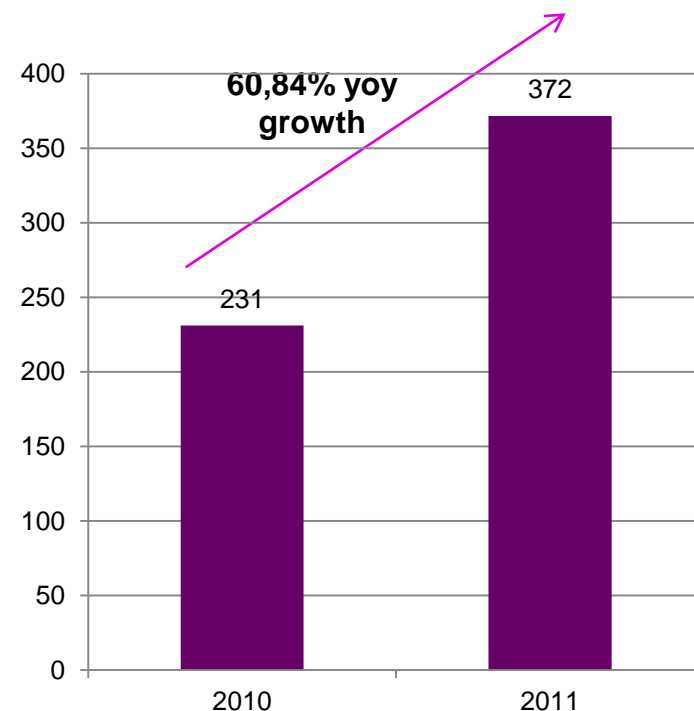
Bottom line

Increased Profit optimize value for shareholders

Income Statements (Rp. million)

PROFIT (LOSS)	2010	2011	Kenaikan (Penurunan)	
			Nominal	%
Margin Income	1.608.141	2.319.733	711.592	44,25%
Margin Expense	(764.601)	(1.156.734)	(392.133)	51,29%
Net Margin Income	843.540	1.162.999	319.459	37,87%
Other Operating Income	279.698	354.797	75.099	26,85%
Provision	(96.306)	(127.524)	(31.217)	32,41%
Operating Expense	(788.653)	(1.006.653)	(218.000)	27,64%
Operating Profit	238.279	383.619	145.340	61,00%
Non Operating Profit (Loss)	(7.202)	(11.949)	(4.747)	65,91%
Profit Before Tax	231.077	371.670	140.594	60,84%
Net Profit	170.939	273.622	102.683	60,07%

Profit Before Tax (Rp. billion)



- Revenue from the Margin / Net Revenue Sharing rise to Rp. 319 billion (37.87%, yoy), which contributed by the increase of margin revenues for Rp. 712 billion to Rp. 2.32 trillion. Offset by an increase in Revenue Sharing Distribution for Rp. 392 billion to Rp1, 12 trillion.
- Other operating income rose 26.85% to Rp. 354.80 billion, mainly contributed by increase in income from commission fees and fee financing of trade finance transactions.
- Bank is quite conservative in forming reserves (PPAP) expense reflected in the increase of 32.41% (yoy) to Rp. 127.52 billion.
- Profit before tax rise 60.84% to Rp. 371.67 billion

The Ratio of the Main Indicators

Asset Quality and Profitability improved

Key Financial Ratio (%)

RATIOS	2010	2011	Variance Δ YoY
CAR	13,26%	12,01%	-1,25%
NIM	5,24%	5,01%	-0,23%
Cost / Income (BOPO)	87,38%	85,25%	-2,13%
ROA	1,36%	1,52%	0,16%
ROE	17,78%	20,79%	3,01%
FDR	91,52%	85,18%	-6,34%
NPF Gross	4,32%	2,60%	-1,72%
NPF Nett	3,51%	1,78%	-1,73%

- RoA and ROE improved to 1.52% and 20.79% from 1.36% and 17.78% respectively in 2010.
- CAR experienced a slight decrease to 12.01% as the high growth of financing.
- NIM declined to 5.01% primarily due to the increased revenue sharing distribution is higher than the increase in revenue.
- Gross and net NPF decreased to 2.60% and 1.78% respectively, in line with the decrease in financing problems.
- Operating expense to operating income ratio (BOPO) improved to 85.25% from 87.38% in line with ongoing efficiency program.

Total Asset of Indonesian Commercial Bank 2010 - 2011 (IDR Tn)

Bank	Asset		Growth (YoY)	Market Share to Islamic Banking Industry		Market Share to National Banking Industry	
	2010	2011	%	2010	2011	2010	2011
Bank Muamalat	21,4	32,5	51,77%	21,95%	22,33%	0,71%	0,89%
Islamic Banks	97,5	145,5	49,17%	3,24%	3,98%	3,24%	3,98%
National Banks	3.008,9	3.652,8	21,40%	100,00%	100,00%	100,00%	100,00%

Source: Bank Indonesia

- Bank Muamalat recorded asset growth of 51.77%, higher than the growth of Islamic banking assets industry and national banking assets industry of 49.17% and 21.40% respectively.
- Higher asset growth boost market share of Islamic banking to be 22.36% and market share of the national banks to 0.89%.

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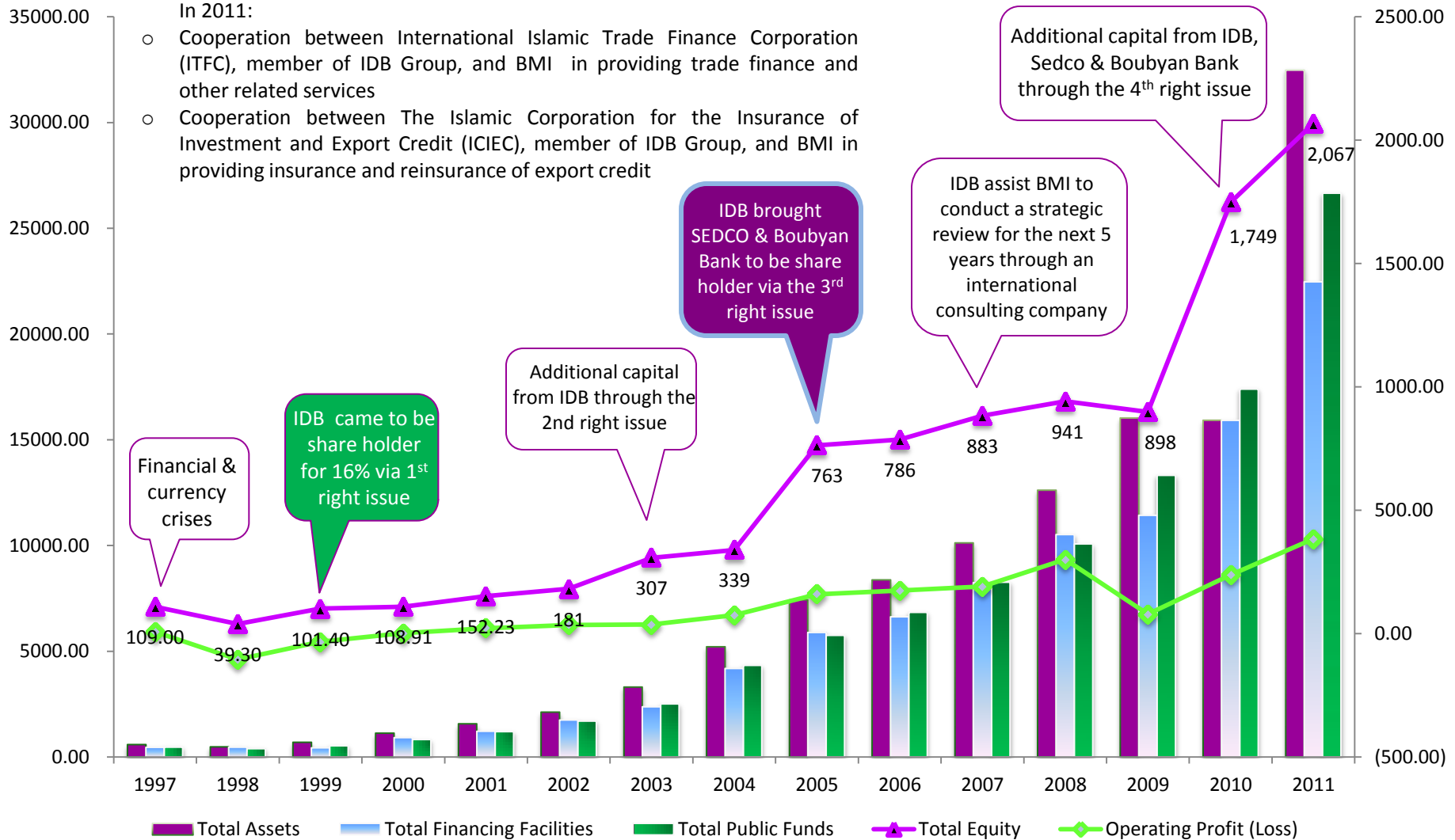
IDB Support

IDB Support

Case of Bank Muamalat Indonesia

In 2011:

- Cooperation between International Islamic Trade Finance Corporation (ITFC), member of IDB Group, and BMI in providing trade finance and other related services
- Cooperation between The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), member of IDB Group, and BMI in providing insurance and reinsurance of export credit



*in IDR billion

Total IDB financing in the period of 1976-2006 amounted to USD 1,286.4 million consisting of:

- ❑ Project financing such as ordinary loans, leasing, istisna'a, and installment sale.
- ❑ Trade financing facilities - Import Trade Financing Operation / ITFO (now ITFC) and the Export Financing Scheme (EFS).
- ❑ Technical Cooperation - through its Technical Cooperation Programs (TCP) and Technical Assistance in project implementation.
- ❑ Special Assistance Operation, such as disaster relief tsunami in Aceh
- ❑ Besides, the IDB is also providing assistance in the form of Scholarship, Liquid Fund and poverty alleviation programs

To date, the total IDB financing commitment in the period of 2011-2014 amounted to USD 3.3 billion consisting as follows:

- ❑ Development in education and health particularly higher education, infrastructure and energy sectors, including government-private partnership (Public Private Partnership / PPP).
- ❑ Besides, the area including in the programs as well are poverty alleviation in the community empowerment program (PNPM), agriculture and rural development as well as cross-cutting issues to be focused on enhancing the Islamic financial and development capacity.
- ❑ The distribution of thus financing are 34,7% for private sector, while the infrastructure, education and agriculture, each of which receive the greatest share, 26.3 %, 19.8 % and 17.5 % respectively.
- ❑ Beneficiaries of those financing are in the province of South Sumatra, Kalimantan and Sulawesi continued to Java, Bali and West Nusa Tenggara

❑ OIC Alliance Orphan Kafala Project for 3025 Orphan in Aceh Besar

- Disbursement of food and shelter fund USD 24 per orphan, Supervision and monitoring program USD 2 per orphan, Education program USD 2 per orphan, Health program USD 1 per orphan, Training and rehabilitation program USD 1 per orphan.
- IDB support in promoting intra OIC partnership

❑ Al Madinah Al Munawarah Solidarity School Project in Aceh

- USD 55 per student per month from IDB for 350 students stemming from orphan and poor in Aceh to cover Food and cloth for orphan, Educational materials, Maintenance of building and assets, Insurance for building and assets, Human resources facilities, Educational program
- In collaboration with IDB, Ministry of Education, Local Government of Aceh Besar District, Babul Hidayah Foundation, Industrial representatives, and Baitulmaal Muamalat.

❑ Islamic Solidarity School Project - Integrated Facilities for Tsunami Victims in Aceh

- USD 462,000 Grant from IDB for 350 orphan for 3 years (2006-2009) to cover Food and cloth for orphan, Educational materials, Maintenance of building and assets, Insurance for building and assets, Human resources facilities, and Educational program
- In collaboration between IDB, Local Government, and Baitulmaal Muamalat.



THANK YOU



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