

NEWS RELEASE

UOB Indonesia Maintains Optimistic Outlook on Indonesia's Growth

Jakarta, Indonesia, 16 November 2016 – PT Bank UOB Indonesia (UOB Indonesia) expects Indonesia to hold steady growth of 5.2 per cent for 2017 despite the current sluggish global economy. The country's gross domestic product is estimated to grow five per cent for 2016¹.

Mr. Kevin Lam, President Director of UOB Indonesia, said that the Bank was optimistic that the Indonesian government would continue to build on the momentum of its economic reforms and to improve the country's conditions for investment. He shared this view with more than 350 customers at the *UOB Indonesia Economic Forum*² held in Jakarta today.

“Recent nationwide infrastructure projects and economic policy packages initiated by the government will help to promote a more equitable distribution of wealth and income growth throughout the country as these developments creates opportunities for employment. This will in turn contribute to stronger household consumption,” said Mr Lam.

Since September 2015, President Joko Widodo administration has issued 14 economic policy packages that are aimed at boosting the Indonesian economy and the investment climate. Some of these packages include deregulation in sectors such as infrastructure, reducing the procedures required for foreign investment, overhauling the fuel subsidy, eliminating double taxes on real estate, investment trusts and the e-commerce sectors.

¹ Source: UOB Global Economics and Markets Research estimates

² The forum was attended by prominent speakers such as H. E. Mr. Anil Kumar Nayar, the Ambassador of The Republic of Singapore to The Republic of Indonesia; Mr. Chatib Basri, Senior Economist and Former Indonesia Finance Minister; Prof. Dr. Didik J. Rachbini, Economist and Head of Research, Development, and Evaluation of Economy of Indonesian Chamber of Commerce and Industry; and Mr Suan Teck Kin, UOB Senior Economist.

Efforts by the Indonesian government to attract investments from both domestic and foreign investors are also bearing fruit. According to the recent *UOB Asian Enterprise Survey 2016*³, close to a quarter of Asian companies polled chose Indonesia as an expansion destination in the next three to five years.

In addition, UOB Indonesia has seen an increasing number of fast-growing global and Asian companies establishing a presence in the country in recent years. Since 2013, the Bank's Foreign Direct Investment Advisory Unit⁴ has helped close to 70 foreign companies invest and expand into Indonesia. These companies are from the agriculture/commodities, construction/machinery, consumer products, logistics and transportation, mining, technology, and trading sectors.

The impact of the US Presidential Election outcome on Indonesia

The topics discussed at the forum included the impact of the US Presidential Election outcome on Indonesia's economy.

Mr. Suan Teck Kin, UOB Group's Senior Economist, said, "In the near term, we expect to see more volatility in both global and Indonesia's financial markets due to the anticipation of the President-elect's expansionary fiscal policy.

"In the longer term, we believe that Mr Donald Trump is likely to continue the US' traditional, pragmatic approach of working with ASEAN countries, including Indonesia, in areas such as trade and investment. This is because Southeast Asia, with its fast-growing economy, young demographic and rising affluence, remains a bright spot amid the overall weaker growth environment".

³ This survey was conducted by UOB in May and June 2016 among 2,500 enterprises across China, Hong Kong, Indonesia, Malaysia, Singapore and Thailand. The objective was to explore how Asian enterprises are capitalising on business opportunities amid global and regional economic trends and trade flows.

⁴ The FDI Advisory Unit was set up in 2013 in Indonesia to offer companies assistance ranging from incorporation to business expansion. It also provides access to the Bank's full suite of corporate and personal banking products, and borderless financial services through UOB Group's long established regional network. Currently, there are nine FDI Advisory Centres across Asia.

The US is Indonesia's fifth largest trading partner after China, Japan, Singapore and the European Union. In 2015, Indonesia's merchandise exported to the US reached US\$16.2 billion, while merchandise imported from the US reached US\$7.6 billion⁵.

- Ends -

About PT Bank UOB Indonesia

PT Bank UOB Indonesia (UOB Indonesia) is established in 1956, the bank's service network comprises 41 branch offices, 137 sub-branch offices and 173 ATMs across 32 cities in 18 provinces in Indonesia. UOB Indonesia's banking services are accessible through its regional ATM network, the ATM Prima and Bersama networks and the Visa network.

UOB Indonesia is a subsidiary of United Overseas Bank Limited, a leading bank in Asia with a global network of more than 500 offices in 19 countries and territories in Asia Pacific, Europe and North America.

UOB Indonesia is committed to providing quality products and excellent customer services. UOB Indonesia offers various banking products and services categorised into personal financial services, business banking, commercial banking, corporate banking, global markets and investment management. The bank has a strong retail customer base through its wide range of saving products, mortgage services and credit card. UOB Indonesia banking services are also accessible in Indonesia, Singapore, Malaysia, and Thailand through hundreds of UOB ATMs.

With its full suite of corporate/commercial and personal banking products, UOB Indonesia offer customers a range of treasury and cash management products and services. UOB Indonesia has also been increasingly focused on helping companies with their expansion plans. It has facilitated many enterprises from industries such as construction, mining, real estate and the services sector expanding into Indonesia. UOB Indonesia is rated AAA (idn) by Fitch Ratings.

UOB Indonesia plays an active role in the community, focusing on art, education and children. Since 2010, UOB Indonesia has held the annual art competition, UOB Painting of the Year. UOB Indonesia also encourages its employees to be involved in its regular volunteer activities. These include the annual UOB Heartbeat Run, blood donation and book donation activities.

For further details on UOB Indonesia, please visit www.uob.co.id

For media queries, please contact:

Steven Fitzgerald Sipahutar

Strategic Communications

Tel: +62 21 2350 6000 ext. 31246

Email: stevenfigerald@uob.co.id

⁵ Data obtained from Indonesia Central Bureau of Statistics and The Ministry of Trade of The Republic of Indonesia.