

2016 Mid-Year Market Outlook & Citi & FSI Peka Fund Appreciation Night “Raising Optimism on Growth Prospects”

- *Espousing the concept of philanthropic investment, Citi Indonesia and First State Investments Indonesia are providing grants amounting to more than Rp 2 billion to five non-profit organizations in Indonesia through the FSI Peka Fund, an equity fund product.*
- *With the theme of “Raising Optimism on Growth Prospects”, the 2016 Citi Mid-Year Market Outlook event was held to raise optimism amongst customers toward Indonesian and global economic developments, as well as to enhance their understanding on current performance of capital markets.*

Jakarta, 19 May 2016 – Equity funds products continue to experience healthy growth along with the growing interest of investment among Indonesians. Based on the data from the Financial Services Authority (OJK), the total net asset value (NAV) of equity funds rose by 12.63% from Rp 241.46 trillion in 2014 to Rp 271.97 trillion in 2015¹. This is further strengthened by the Indonesia Economic Quarterly Report issued by the World Bank in March 2016 which stated that the recovery of the Indonesian economy will depend on policies that can attract greater investments and diversification of the economy².

In light of this, Citi - as one of Indonesia’s global financial institutions - has a strong commitment to continue to provide leading-edge investment products and services to its customers. One of the way in which to achieve this is by acting as a selling agent and custodian for the First State IndoEquity Peka Fund (FSI Peka Fund) equity fund product. This fund, which espouses the concept of philanthropy, had total managed funds by the end of December 2015 of Rp 411,577,585,132. This product not only optimizes the income portfolio of its investors, but also sets aside a portion of the equity fund’s income for various social activities.

“The partnership between Citi Indonesia and PT. First State Investments Indonesia is a manifestation of our mission of enabling growth and progress in the communities where we strive to make a difference through philanthropy efforts. This is also consistent with Citi’s principles as a bank with a great sense of social responsibility in which we aim to create positive impacts in the countries and environments in which we operate, including Indonesia,” said **Chief Executive Officer of Citi Indonesia, Batara Sianturi**.

¹ Financial Services Authority (OJK), *OJK 2015 Performance Report 2015*, January 2016, page 20, http://www.ojk.go.id/id/berita-dan-kegiatan/publikasi/Documents/Pages/laporan-kinerja-ojk-2015/FA_Laporan%20kinerjaOJK2015rev070116_II.PDF

² World Bank, *Indonesia Economic Quarterly Developments: Private Investment Still Required*, March 2016, page iii

President Director of PT First State Investments Indonesia, Hario Soeprbo, said, “We are proud that once again this year FSI Peka Fund is able to distribute grants to five non-profit organizations that are working to improve the lives and welfare of Indonesians, particularly in terms of promoting art and culture, wildlife protection, children education, youth empowerment, as well as providing financial education of women of mature age. This product demonstrates the commitment of First State and Citi Indonesia in providing a financial product that can provide opportunities to invest at the same time contribute to the surrounding communities.”

Since 2011, the FSI Peka Fund has donated funds amounting to Rp 7.2 billion which have been distributed to several non-profit organizations in Indonesia. In comparison to last year, the value of the grant has risen by more than Rp 574 million to Rp 2.513 billion, which is to be given to the following five non-profit organizations: Borneo Orangutan Survival Foundation (BOSF), *Yayasan Kelola/Managing Foundation*, *Asosiasi Pusat Pemberdayaan Sumberdaya Wanita (PPSW)/Women’s Resources Empowerment Center*, *Yayasan Indonesia Mengajar* and *Yayasan Cinta Anak Bangsa (YCAB)*. The fund originated from 0.5% of the total investment value managed by the FSI Peka Fund.

“We greatly appreciate the support provided by the private sector. Operating as a non-profit organization, we recognize the importance of synergy in ensuring the success of community programs. We believe through this type of support, non-profit organizations will be able to further improve the economic and social welfare of Indonesians including that of environmental conservations,” said the **CEO of the Borneo Orangutan Survival Foundation, Jamartin Sihite** speaking on behalf of the grant recipients of FSI Peka Fund.

Citi is playing an active role in introducing and marketing the FSI Peka Fund product, particularly to Citigold customers. In addition, Citi encourages its customers to choose the right investments through the 2016 Mid-Year Market Outlook event, which is held at the same day as the FSI Peka Fund launch, with the theme of "Optimism on the Growth Outlook". During this event, customers were able to hear first hand the various concrete measures and economic packages issued by the government which have been reflected in the performance of capital markets over the course of 2016, as well as to gain greater insights on the current global economic developments and trends.

Batara Sianturi added, “After a challenging 2015, Citi Indonesia has consistently demonstrated positive performances. In the first quarter of 2016, we managed to record very satisfying results This is illustrated by the 12 percent rise in our net profit. Furthermore, the value of our third party funds also grew by 4 percent. This positive performance could not have been positive possible without the support and loyalty of our customers. Moreover, with our capabilities as a global bank, we will ensure that best practices and innovations will continue to be applied in Indonesia.”

Globalization, digitalization and urbanization have changed the lifestyles and needs of Citi's customers. In order to keep with these trends, Citi is applying a strategy to become a financial institution which embodies the concept of simpler, smaller, safer and stronger. Citi remains unwaveringly committed in



providing the best financial services and solutions to its customers in dealing with a vast range of economic conditions. This confirms Citi's commitment in strengthening its business in Indonesia.

At this year's Mid-Year Market Outlook event, in addition to its collaboration with PT First State Investments Indonesia, Citi also invited PT Mandiri Manajemen Investasi (Mandiri Investment Management) to make a presentation on the latest developments in the economy and financial markets.

About Citi Indonesia

Citi Indonesia is a fully-owned subsidiary of Citigroup, Inc – New York, USA. Citi has been in Indonesia since 1968 and is one of the country's largest foreign banks. Citi operates 11 branches in six major cities in Indonesia - Jakarta, Bandung, Surabaya, Semarang, Medan and Denpasar. Citi also has one of the largest consumer transaction networks with 33,000 payment points and one of the largest corporate distribution networks with 4,800 locations in 34 provinces.

Established in 1998, *Citi Peka* (Citi Cares and Creates) acts as an umbrella for all Citi Indonesia community activities funded by the Citi Foundation. *Citi Peka* focuses on empowerment programs and the presentation of awards to entrepreneurs and microfinance institutions. It also seeks to enhance the abilities of young entrepreneurs, as well as to develop the financial capacities of school-age children, farmers and mature aged women in the operational areas of Citi Indonesia. For more than 17 years, *Citi Peka* has partnered with over 31 organizations to implement 23 programs with funding of more than US\$ 8 million which has reached more than 800,000 individuals. Guided by the principle of "More than Philanthropy", *Citi Peka* involves more than 90% of Citi employees as volunteers in various community activities.

Throughout 2015, Citi received various awards including Best Foreign Bank in the Triple A Asset Awards, Best Tax Payment Bank in Indonesia from Treasury Office VII of the Indonesian Tax Office, Best Service Provider - Transaction Bank of The Asset Magazine, 2015 Service Quality Award for Service Excellence Magazine in collaboration with Carre – the Centre for Customer Satisfaction & Loyalty (Carre CCSL), Best Foreign Bank in Indonesia by Global Banking & Finance Review, Best Consumer Digital Bank in 2015 (Indonesia) from Global Finance Magazine. Further information can be obtained at: Website: www.citigroup.com | Twitter: [Youtubeciti: www.youtube.com/citi](https://www.youtube.com/citi) | Blog: <http://new.citi.com> | Facebook: www.facebook.com/citi | LinkedIn: www.linkedin.com/company/citi

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PHOTO GALLERY

Photo 1



Espousing the concept of philanthropic investment, Citi Indonesia and First State Investments Indonesia are providing grants amounting to more than Rp 2 billion to five non-profit organizations in Indonesia through the FSI Peka Fund, an equity fund product. This product not only optimizes the income portfolio of its investors, but also sets aside a portion of the equity fund's income for various social activities. Shown on the picture (left to right) **COO YCAB Foundation Firza Imam Putra**, **Ketua Dewan Pengurus Indonesia Mengajar Hikemat Hardono**, **Director PPSW Tri Endang Sulistyowati**, **President Director First State Investments Indonesia Hario Soeprbo**, **Direktur Yayasan Kelola Amna Kusumo**, **CEO Citi Indonesia Batara Sianturi**, **CEO BOSF Jamartin Sihite**, **Head of Wealth Management Citi Indonesia Ivan Jaya**, **Distribution Channel Manager PT First State Investments Indonesia Tandy Cahyadi** on today's philanthropic handover ceremonial session FSI Peka Fund 2016.

Photo 2



Since 2010, FSI Peka Fund has been the pioneer in equity fund industry that carries philanthropic concept. This product is the result of partnership between Citi Indonesia and First Statement Investment Indonesia, whereas 0.5 % of investment net asset value will be donated to selected non-profit organizations that have provided concrete action to improve the welfare of communities as well as undertake the preservation and conservation of the environment. Shown on the picture (left to right) **Director PPSW Tri Endang Sulistyowati, President Director First State Investments Indonesia Hario Soeprbo, Director of Yayasan Kelola Amna Kusumo, CEO Citi Indonesia Batara Sianturi, CEO BOSF Jamartin Sihite, Head of Wealth Management Citi Indonesia Ivan Jaya, Distribution Channel Manager PT First State Investments Indonesia Tandy Cahyadi** during today's handover ceremonial event of FSI Peka Fund 2016.

Photo 3



Since 2011, the FSI Peka Fund has donated funds amounting to Rp 7.2 billion which have been distributed to several non-profit organizations in Indonesia. In comparison to last year, the value of the grant has risen by more than Rp 574 million to Rp 2.513 billion, which is to be given to the following five non-profit organizations: Borneo Orangutan Survival Foundation (BOSF), *Yayasan Kelola/Managing Foundation*, *Asosiasi Pusat Pemberdayaan Sumberdaya Wanita (PPSW)/Women's Resources Empowerment Center*, *Yayasan Indonesia Mengajar* and *Yayasan Cinta Anak Bangsa (YCAB)*. The fund originated from 0.5% of the total investment value managed by the FSI Peka Fund. Shown on the picture **CEO BOSF Jamartin Sihite**, **Distribution Channel Head PT First State Investments Indonesia Tandy Cahyadi**, **Wealth Management Head Citi Indonesia Ivan Jaya**, during talkshow session moderated by **Country Head Corporate Affairs Citi Indonesia Elvera N. Makki** in regards to the growth of FSI Peka Fund equity investment, also accomplishment on each recipient of philanthropic funds.



On Thursday (19/5), Citi Indonesia held the annual *Citi Indonesia 2016 Mid-Year Market Outlook* with the themed “*Raising Optimism on the Growth Outlook*”. On the picture (left to right) **Head of Wealth Management Citi Indonesia Ivan Jaya**, **Head of Equity PT Mandiri Manajemen Investasi Aldo Perkasa**, **Distribution Channel Manager PT First State Investments Indonesia Tandy Cahyadi**, **Director of Sales & Product, Mandiri Management Investment Endang Astharanti**, **Executive Director of Charta Politika Yunarto Wijaya**, **Indonesia’s Economist Raden Pardede** and **Chatib Basri**, **President Director PT First State Investments Indonesia Hario Soeprbo**, **Acting Head of Fiscal Policy Agency of Ministry of Finance Republic of Indonesia Prof. Suhaisil Nazara** and **CEO Citi Indonesia Batara Sianturi** on handover token of appreciation to all panelists during *Citi Indonesia 2016 Mid-Year Market Outlook* at Ballroom Hotel Shangri-La Jakarta.