

## Press Release

27 October 2016

# PermataBank Announces Revenue and Pre-Provision Operating Profit Growth With Strong Capital

*Prudently Managing Balance Sheet With Impairment Allocation*

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**JAKARTA – PT Bank Permata Tbk** (“PermataBank” or “Bank”) recorded a year-on-year (yoy) 4% growth in pre-provision operating profit and maintained a strong capital level for the nine month period ending 30 September 2016 (consolidated and unaudited).

“We have managed to improve our pre-provision operating profit driven by stronger fee-based income. This is a strong indication that our main business continues to work well despite facing ongoing macroeconomic pressures, particularly in the commercial sector,” said **PermataBank President Director Roy Arfandy**.

**PermataBank** booked an increase in its pre-provision operating profit of 4% yoy to Rp 2.9 trillion in the period ended third quarter of 2016, from Rp 2.8 trillion last year. This is driven by revenue growth in fee-based income of 21% yoy, supported by the Bank’s strong performance in Global Markets, Bancassurance and Wealth Management as well as exercising good control over operating costs. The Bank has continued to allocate a significant impairment charge this quarter which led to a net loss of Rp 1.2 trillion and will continue to allocate impairment as required, to make sure the loan portfolio and balance sheet is managed prudently.

“As a result of the Bank’s comprehensive strategy to build a stronger foundation for growth by, among others, strengthening capital and liquidity, **PermataBank** recorded historic highs for Common Equity Tier 1 (CET-1) at 15.5% and Total Capital Adequacy Ratio (CAR) at 19.3% for the period ending Q3 2016,” said **PermataBank Finance Director Sandeep Jain**.

**PermataBank** has booked a Loan to Deposit Ratio (LDR) of 86% at the end of September 2016 as a reflection of maintaining healthy liquidity. The Bank has also further improved its funding structure, as evidenced by a stronger CASA ratio of 43% compared to 38% last year, driven by a solid growth in saving accounts and phasing out of expensive time deposits. At the same time, Permata Unit Usaha Syariah (UUS) improved its CASA ratio to 63% in September 2016 from 54% a year ago, and managed the highest amount of haj funds amongst UUS in Indonesia.

Supported by a strong capital level and healthy liquidity, the Bank continues its strategy to manage macroeconomic pressures, as indicated earlier, that have continued to impact the Bank’s performance. The pressures have led to a negative loan growth of 16% yoy and gross and net NPL ratios of 4.9% and 2.5% respectively.

“We have continued to manage the situation in the face of elevated non-performing loans and loan impairment in the third quarter. We know what the risks are and, to the extent that we can predict, have put carefully planned measures to manage them,” said **Roy**. “Our focus right now is to continue improving asset quality, maintaining our performance in fee-based income as well as improving our funding structure, return and efficiency.”

We continue to be strongly supported by our two principal shareholders, PT Astra International Tbk (Astra) and Standard Chartered Bank Plc (Standard Chartered). There is ongoing capital planning following on from the previous quarter’s successful Rp. 5.5 trillion rights issue, which will help the Bank in maintaining its capital level, in line with Basel 3 requirements as well as supporting growth.

“We are able to do all these only because we have a solid, hard-working and dedicated team at **PermataBank**, as well as ongoing support from our stakeholders, especially our customers and shareholders. We thank everyone who has placed their confidence in us and for their continued support.” **Roy** said.

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**PROFILE OF PT BANK PERMATA Tbk**

**PT Bank Permata Tbk (PermataBank)** has grown to be a major bank within Indonesian banking sector which offers innovative and comprehensive banking products and services, especially with its delivery channels that are equipped with Internet Banking and Mobile Banking features. **PermataBank** envisions to be the pioneer in delivering innovative financial solutions. Serving approximately two million customers in 63 cities in Indonesia, as of December 2015 the Bank runs 335 branch offices, 22 mobile branches, three payment points, 1,027 ATMs accessible from a network comprising of more than 100,000 ATMs (Alto, Visa Plus, ATM Bersama, Master Card, Cirrus and Prima) nationwide as well as millions of ATMs around the world. The latest recognition on **PermataBank** are Best SME Banking and Best CRM Project from The Asian Bankers, Indonesia Record Business for PermataKTA Speed as well as 9 Awards from AsiaMoney 2015 Award Programme including as the Best Overall Domestic Cash Management Services for Small/Medium size.

More information about **PermataBank** is available on its website

<http://www.permatabank.com>