

**INFORMATION TO THE SHAREHOLDERS WITHIN THE FRAMEWORK OF
LIMITED PUBLIC OFFERING VII BY ISSUING PREEMPTIVE RIGHTS**

THIS INFORMATION STILL CAN BE COMPLETED AND/OR AMENDED. REGISTRATION STATEMENT HAS BEEN SUBMITTED TO FINANCIAL SERVICES AUTHORITY (OTORITAS JASA KEUANGAN-"OJK"), BUT HAS NOT GOT THE EFFECTIVE STATEMENT FROM OJK. THESE SECURITIES CAN NOT BE SOLD PRIOR TO THE EFFECTIVE STATEMENT FROM OJK. PURCHASING OF THESE SECURITIES CAN ONLY BE CONDUCTED AFTER THE PROSPECTIVE BUYERS GET OR HAVE CHANCES TO READ THE PROSPECTUS.

OJK MAKES NO REPRESENTATION OF APPROVAL OR DISAPPROVAL OF THESE SECURITIES, NOR HAS PASSED UPON THE AUTHENTICITY OR ADEQUACY OF THE CONTENTS OF THIS INFORMATION. ANY REPRESENTATION TO THE CONTRARY THEREOF SHALL BE A VIOLATION OF THE LAW.

PT BANK PERMATA Tbk. ("THE COMPANY") IS FULLY RESPONSIBLE FOR THE ACCURACY OF ALL INFORMATION, FACTS, DATA, OR REPORTS AND FOR THE FAIRNESS OF THE OPINIONS STATED IN THIS INFORMATION



PT BANK PERMATA Tbk.

Line of Business:

Banking Services

Domiciled in South Jakarta, Indonesia

Head Office:

WTC Building II 1st, 2nd, 21st-30th Floors,
Jl. Jenderal Sudirman Kav. 29-31,
Jakarta 12920 - Indonesia

Phone (6221) 523 7788 ext. 8020807 & 8018993,

Fax. (6221) 523 7244,

Email: Corporate.Secretary@permatatabank.co.id
www.permatatabank.com

Office Network:

As of December 31, 2015, the Company has 1 head office, 55 branch offices (including 13 sharia branch offices), 258 sub-branch offices (including 3 sharia sub-branch offices) and 301 sharia office channeling, 21 treasury offices (including 1 sharia treasury office), 22 mobile unit, 3 payment points, and 1,027 ATMs spread across Indonesia.

**LIMITED PUBLIC OFFERING VII ("RIGHTS ISSUE VII") TO THE
COMPANY'S SHAREHOLDERS BY ISSUING PREEMPTIVE RIGHT**

By a total of 21,200,000,000 (twenty one billion and two hundred million) Class B shares ("New Shares") with nominal price of Rp125,- (one hundred and twenty five Rupiah) per share. Each holder of ● (●) Former Shares whose name is registered in the Company's Register of Shareholders ("DPS") on May 20, 2016 at 16:00 WIB shall be entitled to ● (●) Preemptive Rights ("Rights"), whereby every 1 (one) Rights entitles the holder to purchase 1 (one) New Share at the Exercise Price of IDR ● (● Rupiah).

The total number of New Shares offered in the Rights Issue VII is the maximum number of shares to be fully issued from the portfolio and will be listed on the Indonesia Stock Exchange ("IDX") while always observing the prevailing laws and regulations. The amount of funds to be received by the Company in the Rights Issue VII is a maximum of IDR ● (● Rupiah).

New Shares from the Rights Issue VII have the equal right to and the same degree in all respects including rights to dividends as that of other shares which have been fully paid. Every Right in the form of fractions will be rounded down. In the event that any shareholders have the Rights in the form of a fraction, the rights to securities fraction shall be sold by the Company and the proceeds thereof shall be included in the Company's account.

PT Astra International Tbk. ("AI") and Standard Chartered Bank ("SCB"), the main shareholders of the Company, have stated their commitment to exercise its full entitlement to purchase the New Shares offered in the Rights Issue VII. If the New Shares offered in the Rights Issue VII are not fully subscribed or purchased by the shareholders or holders of Rights, such remaining shares shall be allocated to any other shareholders or Rights-holders who has subscribed for more than their entitlement, provided that if the total order for New Shares which have not been subscribed yet exceeding the available New shares, the total number of the available New Shares shall be allocated in proportion to the total number of Rights exercised by each shareholder or Rights-holder who subscribe New Shares based on the subscription price. If there are still remaining New Shares of the amount offered, all of the remaining shares will be purchased by AI and SCB as the standby purchaser by 50% (fifty

percent) respectively of the remaining shares based on the Deed of Remaining Shares Purchasing Undertaking Agreement within the framework of Rights Issue VII No. 60 dated March 30, 2016, drawn up before Aryanti Artisari, S.H., M.Kn., a Notary Public in Jakarta between the Company and AI; and the Deed of Remaining Shares Purchasing Undertaking Agreement within the framework of Rights Issue VII No. 61 dated March 30, 2016, drawn up before Aryanti Artisari, S.H., M.Kn., a Notary Public in Jakarta between the Company and SCB.

THE RIGHTS ARE TRADEABLE, BOTH INSIDE AND OUTSIDE THE IDX FOR NOT LESS THAN 5 (FIVE) BUSINESS DAYS FROM MAY 24, 2016 UP TO MAY 30, 2016. NEW SHARES LISTING AS A RESULT OF RIGHTS EXECUTION WILL BE MADE IN THE IDX AS OF MAY 24, 2016. THE LAST DATE TO EXERCISE THE RIGHTS SHALL BE MAY 30, 2016 PROVIDED THAT THE RIGHTS THAT ARE NOT EXERCISED UP TO THE SAID DATE SHALL BE NO LONGER VALID.

IMPORTANT NOTICE TO THE SHAREHOLDERS

EXISTING SHAREHOLDERS WHO EXERCISE NO RIGHTS TO SUBSCRIBE NEW SHARES OFFERED IN THIS RIGHTS ISSUE VII PURSUANT TO ITS RIGHTS SHALL SUBJECT TO ANY DECREASE OF ITS SHAREHOLDING PERCENTAGE (DILUTION) IN THE MAXIMUM AMOUNT OF 64.1% (SIXTY FOUR POINT ONE PERCENT).

THE MAIN RISK FACED BY THE COMPANY IS CREDIT RISK SINCE MOST OF THE COMPANY'S ASSETS ARE IN THE FORM OF LOANS EXTENDED TO ITS CUSTOMERS. FAILURE BY THE COMPANY IN ANTICIPATING AND/OR OBSERVING THE RISK MAY HAVE A MATERIAL ADVERSE EFFECT ON THE BUSINESS ACTIVITIES, FINANCIAL CONDITION, OPERATING RESULTS AND LIQUIDITY OF THE COMPANY. OTHER RISKS MAY BE SEEN IN THE PROSPECTUS.

THE COMPANY WILL NOT ISSUE COLLECTIVE SHARES CERTIFICATE IN THIS RIGHTS ISSUE VII, BUT THOSE SHARES WILL BE DISTIRBUTED ELECTRONICALLY THAT WILL BE ADMINISTERED IN THE COLLECTIVE DEPOSITORY OF PT KUSTONDIAN SENTRAL EFEK INDONESIA ("KSEI").

This information to the shareholders is issued in Jakarta on May 31, 2016.

INDICATED SCHEDULE

Date of Extraordinary General Meeting of Shareholders (“EGMS”)	:	March 29, 2016
Date of Effective Registration Statement	:	May 10, 2016
Last Date for Trading of Shares with Rights (<i>Cum-Right</i>) in:		
- Regular Market	:	May 17, 2016
- Negotiation and Cash Market	:	May 20, 2016
Starting Date for Trading of Shares without Rights (<i>Ex-Right</i>) in:		
- Regular Market	:	May 18, 2016
- Negotiation and Cash Market	:	May 23, 2016
Recording Date of the shareholders who shall be entitled to the Rights	:	May 20, 2016
Rights Distribution Date	:	May 23, 2016
Listing Date of New Shares resulting from the Rights exercise on the Indonesia Stock Exchange	:	May 24, 2016
Rights trading period	:	May 24 - 30, 2016
Rights exercise period	:	May 24 - 30, 2016
Delivery period of New Shares resulting from the Rights exercise	:	May 26 - June 1, 2016
Last Date for Additional Shares subscription payment	:	June 1, 2016
Date for Additional Shares subscription allotment	:	June 2, 2016
Date for return of excess money for unsatisfied Additional Shares subscription	:	June 6, 2016

LIMITED PUBLIC OFFERING ("RIGHTS ISSUE VII")

The plan to increase capital by issuing the Rights to be conducted by the Company has obtained approval from the shareholders in the Company's EGMS which was held on March 29, 2016, which resolutions of the EGMS had been published on *Bisnis Indonesia* daily, Company's website (www.permatabank.com), and IDX website on 30 March 2016 in accordance with the OJK Regulation No. 32/POJK.04/2014 dated December 8, 2014 concerning Plan and Implementation of a General Meeting of Shareholders of a Public Company.

The resolutions of the Company's EGMS are as follows:

1. To approve the increase of issued and paid up capital of the Company through Rights Issue VII with the maximum number of shares to be issued is 21,200,000,000 (twenty one billion and two hundred million) Class B shares with nominal price of Rp125,- (one hundred and twenty five Rupiah) per share.
2. To authorize the Company's Board of Directors with the approval from the Company's Board of Commissioners to do all the necessary actions in relation with the execution of the increase of issued and paid up capital of the Company through Rights Issue VII, in compliance with the prevailing regulations.
3. To authorize the Company's Board of Directors with the right of substitution to restate the resolution of the amendment of Paragraph 2 Article 4 of the Company's Articles of Association concerning the increase of issued and paid up capital in notarial deed as result of issued and paid up capital increase through Rights Issue VII including to notify the Minister of Law and Human Rights of the Republic of Indonesia, as well as to do all necessary actions, in compliance with the prevailing regulations.

INFORMATION ON THE RIGHTS

The shareholders who are eligible to receive the Rights

The Company's shareholders whose name is registered in the Company's DPS on May 20, 2016 at 16:00 WIB shall be entitled to obtain the Rights. Each holder of ● (●) Shares shall be entitled to ● (●) Rights, whereby every 1 (one) Right entitles the holder to purchase 1 (one) New Share of the Company, to be offered at the Exercise Price of IDR ● (● Rupiah) per share, which shall be fully paid upon the submission of New Shares subscription.

The Lawful Right-holders

The lawful Right-holders are:

- i. The Company's shareholders who are entitled to receive the Rights whose Rights were not sold, or
- ii. The last buyer/holder of the Rights whose name is contained in the Rights Certificates endorsement column, or
- iii. The Right-holders in the KSEI collective custody, until the last date for the Rights trading period.

The Rights Trading

The Right-holders may trade its Rights during the Rights trading period, i.e. from May 24, 2016 until May 30, 2016.

The Rights Trading must observe the provisions of the laws and regulations applicable in the territory of the Unitary State of the Republic of Indonesia, including but not limited to the provisions of taxation and the provisions in the field of capital market, including the exchange regulations on which the Rights are traded. If the Right-holders are on doubt about the decision making, they should consult at their own expense with an investment advisor, stockbroker, investment manager, legal counsel, public accountants or other professional advisors.

The Rights in the Collective Custody at KSEI and those in form of Rights Certificate can only be traded outside the stock exchange (over-the-counter).

Settlement of the Rights trading which is done over-the-counter shall be conducted by transfer into securities account in the name of the Custodian Bank or the Securities Company with the KSEI.

All costs and taxes which may arise from the Rights trading and transfer shall be the account of and paid by the Right-holders or the potential Right-holder.

Form of the Rights

For the Company's shareholders whose shares have not been included in the Collective Custody system at KSEI, the Company will issue a Rights Certificate which includes the name and address of the Right-holder, number of shares held, the number of Rights that can be exercised to purchase New Shares, the number of New Shares to be purchased, the total price to be paid, the number of additional New Shares subscription, endorsement column and other necessary information.

For the shareholders whose shares are included in the Collective Custody system at KSEI, the Company will not issue a Rights Certificate, but it will crediting the

Rights into the securities account in the name of the Custodian Bank or the Securities Company appointed by each shareholder in the KSEI.

Application for Rights Certificate Splitting

For the Rights Certificate holder who intends to sell or transfer a part of his/her/its Rights, the relevant Right-holder may contact the Company's BAE (Securities Administration Agency) to obtain the desired Rights denomination. The Right-holders can split the Rights Certificate starting from May 24, 2016 until May 30, 2016.

The application will be charged with a fee for each splitting, i.e. amounting to IDR 11,000 (eleven thousand Rupiahs) per new Rights Certificate resulting from the splitting. The fee has included the Value Added Tax.

The Rights Value

Value of the Rights offered by the lawful Right-holder will vary from one Rights to another Rights depending on the strength of demand and supply that exist at the time of offer.

The calculation below presents the theoretical Rights value in the Rights Issue VII. The calculation below is only a theoretical illustration and is not intended as a guarantee or estimate of the Rights value. The illustration is given to provide an overview for calculating the Rights value.

Assumed market price of one share	= IDR a
Share price in the Rights Issue VII	= IDR b
Number of outstanding shares prior to the Rights Issue VII	= A
Number of shares offered in the Rights Issue VII	= B
Number of shares outstanding after the Rights Issue VII	= A + B
Theoretical price of new shares	= $\frac{(IDR a \times A) + (IDR b \times B)}{(A + B)}$
	= IDR c
Theoretical Rights price	= IDR a - IDR c

Rights Fractions

In accordance with the POJK No. 32/2015, the Rights fractions shall be sold by the Company and the proceeds are included into the Company's Account.

Use of the Rights Certificate

The Rights Certificate is proof of the rights granted by the Company to its holder to purchase New Shares offered

by the Company in the Rights Issue VII and issued to the eligible shareholders who have not converted their shares. The Rights Certificate cannot be exchanged for cash or anything in the Company and may not be traded in the form of photocopies. The Rights Certificate for the holders of Rights in the Collective Custody at KSEI will be provided by the KSEI through its Securities Exchange Members or Custodian Bank.

INFORMATION ON THE COMPANY'S SHARES

The table below presents the history of the Company's shares performance on the Stock Exchange which includes the highest price, lowest price and monthly trading volume within a period of the last twelve (12) months prior to the Registration Statement is submitted to the OJK:

Month	Highest Price	Lowest Price	Total Trading Volume (lot)
March 2015	1,640	1,515	7,463,600
April 2015	1,640	1,540	2,411,700
May 2015	1,630	1,585	8,179,100
June 2015	1,630	1,550	3,560,800
July 2015	1,600	1,500	11,373,100
August 2015	1,590	1,220	1,523,400
September 2015	1,300	1,100	1,272,000
October 2015	1,250	1,100	3,535,500
November 2015	1,140	1,030	583,700
December 2015	1,100	860	1,896,500
January 2016	945	620	27,489,800
February 2016	690	600	6,976,400
March 2016 ⁽¹⁾	685	605	3,884,900

Note:

(1) until 29 of March 2016

Source: Bloomberg

Within the last 3 (three) years, the Company has never experienced shares trading suspension.

INFORMATION ON THE STANDBY PURCHASER

Under the Remaining Shares Purchasing Agreement, the standby purchaser in this Rights Issue VII is main shareholders of the Company, namely AI and SCB, of 50% respectively. The Remaining Shares Purchasing Agreement shall be effectively valid as of the signing thereof by

the parties. The following is brief information of the main shareholders:

PT Astra International Tbk. ("AI")

AI is a Public Company listed on the IDX. AI established under the Deed No. 67 dated February 20, 1957 drawn up before Sie Khwan Djioe, which has obtained approval and official recognition from the Minister of Justice of the Republic of Indonesia as evidenced by the Register of Decrees of the Minister of Justice of the Republic of Indonesia No. J.A.5/53/5 dated July 1, 1957.

The AI's Articles of Association have been amended for several times and the most recent amendment is as those evidenced by the Deed No. 88 dated April 28, 2015, drawn up before Aryanti Artisari, SH., M.Kn., a Notary Public in South Jakarta, which has been notified to the Minister of Laws and Human Rights (MoLHR) and recorded in the Legal Entities Administration System database of the Ministry of Laws and Human Rights of the Republic of Indonesia in accordance with the Letter No. AHU-AH.01.03-0928686 dated April 30, 2015, and the same has been registered in the Company Register No. AHU-3499539.AH.91.11.Tahun 2015 dated April 30, 2015.

AI domicile in Jakarta, Indonesia, having its head office at Jl. Gaya Motor Raya No. 8, Sunter II, Jakarta.

AI has 6 (six) business segments: (i)automotive; (ii)financial services; (iii) heavy equipment and mining equipment; (iv)agribusiness; (v)infrastructure, logistic and others; (vi) information technology.

The capital and shareholding structure of AI according to the DPS issued by PT Raya Saham Registra as of January 29 February 2016 are as follows:

Remarks	Nominal Value of IDR 50 per share		
	Total Number of Shares	Total Nominal Value (Rp)	%
Authorized Capital	60.000.000.000	3.000.000.000.000	
Issued and Paid-up Capital			
Jardine Cycle & Carriage Ltd.	20,288,255,040	1,014,412,752,000	50.11
Budi Setiadharna	8,440,000	422,000,000	0.02
Supama Djasmin	375,000	18,750,000	0.00nm
The General Public	20,186,483,100	1,009,324,155,000	49.86
Total Issued and Paid-up Capital	40,483,553,140	2,024,177,657,000	100.00
Shares in Portfolio	19,516,446,860	975,822,343,000	

Based on the Deed of Statement of Resolution of Meeting No. 89 dated April 28, 2015, drawn up before Aryanti Artisari, S.H., M.Kn., a Notary Public in Jakarta, which has been notified to the MoLHR based on the Receipt of

**Translation from the original document
(For explanation only)**

Notification No. AHU-AH.01.03-0930356 dated May 7, 2015, the most recent composition of the Board of Commissioners and the Board of Directors of AI are as follows:

The Board of Commissioners

President Commissioner : Budi Setiadharna
 Independent Commissioner: Sidharta Utama
 Independent Commissioner: Mari Elka Pangestu
 Independent Commissioner: Muhamad Chatib Basri
 Commissioner : Anthony John Liddell Nightingale
 Commissioner : Benjamin William Keswick
 Commissioner : Mark Spencer Greenberg
 Commissioner : Chiew Sin Cheok
 Commissioner : Jonathan Chang
 Commissioner : David Alexander Newbigging

The Board of Directors

President Director : Prijono Sugiarto
 Independent Director : Gunawan Geniusahardja
 Director : Djoko Pranoto Santoso
 Director : Widya Wiryawan
 Director : Sudirman Maman Rusdi
 Director : Simon Collier Dixon
 Director : Johannes Loman
 Director : Suparno Djasmin
 Director : Bambang Widjanrko Eddy Santoso
 Director : Djony Bunarto Tjondro

Standard Chartered Bank ("SCB")

SCB has been duly established under the laws of England and Wales based on the Royal Charter dated December 29, 1853, having its head office at 1 Basinghall Avenue, London, EC2V 5DD, United Kingdom.

SCB shareholder is Standard Chartered Holding Ltd. with a shareholding of 22,735,529,642 ordinary shares with a total nominal value of USD22.735.529.642. Table below presents the SCB's capital structure:

(in TWD)

Class of Shares	Nominal Value (TWD)	Authorized Capital (TWD)	Paid-up Capital
<i>Non cumulative redeemable preference shares</i>	24.50	1,225,000,000	-
Total capital		1,225,000,000	-

(in USD)

Class of Shares	Nominal Value (USD)	Authorized Capital (USD)	Paid-up Capital
<i>Non-cumulative irredeemable preference</i>	0,01	24.000	24.000
<i>Non-cumulative preference</i>	5,00	5.000.000	-
<i>Non-cumulative redeemable preference</i>	5,00	75.000	75.000
<i>Non-cumulative redeemable preference 8,125%</i>	5,00	2.312.500	2.312.500
<i>Ordinary</i>	1,00	22.982.000.000	22.735.529.642
Total Capital		22.989.411.500	22.735.628.642

***Translation from the original document
(For explanation only)***

The following is the incumbent Directors of SCB:

Director: William Thomas Winters

Director: Tracy Jayne Clarke

Director: Andrew Nigel Halford

Director: Alun Michael Guest Rees

Director: Mark Smith

The standby purchasers state that they have sufficient funds and are able to carry out their obligations as the standby purchasers.

MANAGEMENT DISCUSSION AND ANALYSIS

The analysis and discussion of the financial position and operating returns of the Company and Subsidiaries in this chapter should be read together with and referred to the consolidated financial statements for the years ended December 31, 2013, 2014 and 2015. The consolidated financial statements, consisting of the financial statements of the Company and Subsidiaries, were prepared and presented in accordance with the GAAP in Indonesia. The consolidated financial statements for the years ended December 31, 2015 and 2014 have been audited by Public Accounting Firm of Siddharta Widjaja & Partners (person-in-charge: Kusumaningsih Angkawidjaja, CPA) with an unqualified opinion by emphasizing on changes in accounting policies of the Company and Subsidiaries with regard to measurement after the initial recognition of land and buildings from the cost model into the revaluation model and reissue the consolidated financial statements to conform its presentation with the capital market regulations.

**Analysis of Components of the Consolidated Statement of
Income and Other Comprehensive Income**

	<i>(in million Rupiah)</i>		
	For the years ended	December 31	
	2014	2015	
	IDR	IDR	Δ%
Income and operating expenses			
Interest income	14,221,627	14,806,228	4.1
Sharia income	1,307,951	1,324,594	1.3
Interest expenses	(9,419,502)	(9,284,890)	(1.4)
Sharia expenses	(697,522)	(649,033)	(7.0)
Interest and sharia income – net	5,412,554	6,196,899	14.5
Fees and commissions income	1,270,243	1,357,090	6.8
Fees and commissions expenses	(64,565)	(56,440)	(12.6)
Fees and commissions income - net	1,205,678	1,300,650	7.9
Income from trading transaction - net	167,197	295,828	76.9
Gain on sale of securities for investment purposes	18,077	137,928	663.0
Portion of net earnings from associated company	241,029	241,838	0.3
Other operating income	375,068	176,326	(53.0)
	801,371	851,920	6.3
Total operating income	7,419,603	8,349,469	12.5
Losses arising from financial assets impairment	(1,178,152)	(3,678,035)	212.2
Other operating expenses			
General and administrative expenses	(1,653,542)	(1,773,186)	7.2
Salary and allowances of the management and employees	(2,269,027)	(2,223,497)	(2.0)
Others	(271,595)	(381,216)	40.4
Total other operating expenses	(4,194,164)	(4,377,899)	4.4
Total operating expenses	(5,372,316)	(8,055,934)	50.0
Income before tax	2,047,287	293,535	(85.7)
Income tax income (expenses)			
Current	(332,565)	(401,273)	20.7
Deferred	(126,952)	354,850	(379.5)
	(459,517)	(46,423)	(89.9)
Net income	1,587,770	247,112	(84.4)
Other comprehensive income, after income tax:			
Accounts reclassified in the statement of income			
Financial assets available for sale:			
Changes in the net fair value	141,119	22,417	(84.1)
Changes in fair value transferred to statement of income upon sale - net	(18,077)	(137,928)	663.0
Income tax related to the accounts reclassified in the statement of income	(30,761)	28,878	(193.9)
	92,281	(86,633)	(193.9)
Accounts that are not reclassified in the statement of income			
Portion of other comprehensive income of the associated	(6,547)	68,694	(1.149.2)

**Translation from the original document
(For explanation only)**

(in million Rupiah)

	For the years ended		December 31
	2014	2015	
company, net of tax			
Re-measurement of fixed benefits liabilities	(34,120)	43,846	(228.5)
Gain on fixed assets revaluation	-	1,698,106	100.0
Income tax related to the accounts that are not reclassified in the statement of income	8,530	(75,016)	(979.4)
	(32,137)	1,735,630	(5,500.7)
Other comprehensive income, after income tax	60,144	1,648,997	2,641.7
Total comprehensive income	1,647,914	1,896,109	15.1
Net income attributable to:			
Owner of the parent entity	1,587,771	247,112	(84.4)
Non-controlling interest	(1)	-	(100.0)
	1,587,770	247,112	(84.4)
Comprehensive income attributable to:			
Owner of the parent entity	1,647,915	1,896,109	15.1
Non-controlling interest	(1)	-	(100.0)
	1,647,914	1,896,109	15.1

Note:

(*) For the purpose of comparison with other years, the accounts of the financial information for the years of 2013, 2012 and 2011 have been reclassified. Since the amount is not material and impracticable, the financial information for the years of 2013, 2012 and 2011 does not restated in accordance with the transitional provisions of SFAS No. 24 (Revised 2013) which was retrospectively applied and implemented as of January 1, 2015.

Interest income and sharia income

Interest income and sharia income was recorded at IDR 16,130,822 million in 2015, representing an increase by IDR 601,244 million or 3.9% of IDR 15,529,578 million in the previous year. The growth mainly reflects an increase in interest income from lending.

Interest income from loans amounted to IDR 13,196,162 million or 81.8% of the total interest income and sharia income in 2015, and recorded an increase of IDR 486,885 million or 3.8% from the position of 2014, despite a decrease in conventional loan volume by 4.2% in 2015. The increase in loan interest income is the results of better asset management.

Sharia income in 2015 contributed 8.2% of the total interest income and increased by IDR 16,643 million compared to the position in 2014. This reflects a

decrease in the sharia financing in 2015 by 4.3% to IDR 11,075,536 million from IDR 11,570,779 million in 2014.

Meanwhile, interest income from non loans and sharia sources recorded an increase by 6.5% to IDR 1,610,066 million in 2015. The increase was mainly due to the proactive management of Asset Liabilities by the Treasury, which improved operating income in 2015 compared to the previous year.

The Company recorded decrease of interest income from securities purchased under resale agreement of IDR 182,527 million in 2015, in line with the maturity of all the securities managed in the second quarter of 2015.

Interest expenses and sharia expenses

Interest expenses and sharia expenses in 2015 decreased by IDR 183,101 million or 1.8% from IDR 10,117,024 million in 2015. The decrease in interest expenses and sharia expenses was contributed by a decrease in time deposits interests that decreased by 5.7% or IDR 399,864 million to IDR 6,659,545 million from IDR 7,059,409 million in 2014, particularly as a result of a decrease in the amount of time deposits in 2015 as a consequence of implementation of interest limitation on the third party funds (DPK) according to the OJK regulations enacted since the end of 2014. It was also supported by the growth of low cost funds in which the CASA (Current Account Savings Account) ratio increased to 37.9% from 34.5% in 2014, thereby reducing dependence on deposits which has more expensive interest.

In addition, the decrease in interest expenses of bonds issued reached 50.3% or IDR 72,964 million to IDR 72,236 million from IDR 145,200 million in 2014, also contributed to the total decrease in interest expenses and sharia expenses in 2015. Repayment of a part of the bond issued in the first quarter of 2015 is the main cause of the decrease in interest expense of the bonds issued.

Furthermore the decline was offset by an increase in some main components, i.e. subordinated loan, current accounts and savings, which jointly contributed IDR 2,192,600 million or 22.1% of the total interest expenses and sharia expenses. The interest expenses of savings and current accounts increased by 14.2% and 19.6% respectively particularly came from an increase in the volume of third party funds, while the subordinated loan expenses increased by 11.4% derived from the issuance of subordinated loan amounting to IDR 700 billion in October 2014. The sharia expenses decreased by 7.0% or IDR 48,489

million to IDR 649,033 million, in line with the decline of sharia financing.

Fees and commission income - net

Fees and commissions income - net increased by IDR 94,972 million or 7.9% to IDR 1,300,650 million from IDR 1,205,678 million in 2014. The biggest contributors to this increase came from fees and commission income of credit that increased by IDR 57,951 million or 13.7% to IDR 481,437 million from IDR 423,486 million in 2014, which mainly derived from corporate customers.

Other contributors to the increase in fees and commissions income were commissions from debit and credit card that grew by IDR 50,050 million or 41.9% to IDR 169,623 million, representing the Company's ability to increase the number of of cardholders of debit and credit cards through increased market penetration and cross selling strategy.

The increase in commissions on services by IDR 17,223 million or 49.2% to IDR 52,238 million particularly come from an increase in commissions of cash pick-up and delivery service transactions, facility fee of Letter of Credit and Bank Guarantee transactions as well as revenues from virtual accounts service.

Other operating income

Total other operating income increased by IDR 50,549 million or 6.3% to IDR 851,920 million from IDR 801,371 million in 2014. The components that significantly contributed to the increase is an increase in derivative instrument income which rose significantly by IDR 179,664 million or 212.0% to IDR 264,407 million. The customers' needs to hedge their loan facilities denominated in foreign currencies following the weakening of the rupiah exchange rate is a major cause for this increase.

The other component is a significant gain on sale of securities for investment purposes that increased by IDR 119,851 million or 663.0% to IDR 137,928 million and wholesale banking services income that increased by IDR 522 million or 36.1% to IDR 1,969 million.

The increase was offset by a decrease in other operating income amounted to IDR 198,742 million or 53.0% to IDR 176,326 million since in 2014 the Company recorded tax reserves recovery and business merger expenses reserve amounted to IDR 117,153 million and IDR 32,035 million respectively. In 2014, the Company also recorded gain on sale of foreclosed assets-net to IDR 32,705 million. In addition, the decrease in revenue from fixed income

financial instruments also contributed a decrease in other operating income amounted to IDR 51,033 million.

Losses arising from financial assets impairment

In 2015, the Company recorded impairment losses on financial assets on financial assets amounted to IDR 3,678,035 million, increased by IDR 2,499,883 million or 212.2% compared to those of the previous year amounted to IDR 1,178,152 million. Losses arising from loans impairment contributed the highest i.e. 90.5% of total losses arising from financial assets impairment increased by IDR 2,174,038 million or 188.3% to IDR 3,328,770 million from IDR 1,154,732 million in 2014. The increase in losses arising from credit assets impairment reflects the weakening performance of various economic sectors and worsening credit quality of some debtors of the Company, especially in the manufacturing industry and the large and small-scale trading sectors.

Other operating expenses

Other operating expenses increased by IDR 183,735 million or 4.4% from IDR 4,194,164 million in 2014 to IDR 4,377,899 million in 2015, particularly caused by an increase in general and administrative expenses and other operating expenses. The general and administrative expenses increased by IDR 119,644 million or 7.2% particularly due to the addition of branches and investments for operational support and information technology equipment and also communication costs as parts of the branch distribution network expansion and optimization efforts. This is in line with the Company's commitment to improve the quality of services and customers convenience in the transaction either through branch offices or e-channel facilities.

The increase in other operating expenses amounted to IDR 109,621 million or 40.4% particularly came from an increase in transaction expenses of retail and sharia banking services and cash in transit insurance which increased by 72.7% and 19.4% respectively, and also an increase in premiums paid to the OJK amounted to IDR 34,530 million or 70.2% to IDR 83,700 million.

Income before tax

As a consequence of the matters described above, the income before tax decreased by IDR 1,753,752 million or 85.7% to IDR 293,535 million from IDR 2,047,287 million in 2014, particularly caused by an increase of loan losses impairment.

Income tax expense

The Company's income tax expense in 2015 decreased by IDR 413,094 million or 89.9% to IDR 46,423 million from IDR 459,517 million in the previous year. The decrease in tax expense was particularly caused by a decrease in income and permanent negative correction derived from the portion of net income from Associated Company.

Other comprehensive income

Other comprehensive income of the Company in 2015 increased significantly by IDR 1,588,853 million or 2,641.7% to IDR 1,648,997 million from IDR 60,144 million in the previous year, particularly from the gain on fixed assets revaluation amounted to IDR 1,698,106 million.

Total comprehensive income

As a consequence of the matters described above, the total comprehensive income of the Company increased by IDR 248,195 million or 15.1% to IDR 1,896,109 million from IDR 1,647,914 million in the previous year.

Sound Banking Principles

Capital adequacy

The Company has implemented the Internal Capital Adequacy Assessment Process ("ICAAP") in accordance with the Company's risk profile and strategy to maintain the required capital level by involving active participation of the Board of Directors and the Board of Commissioners. The capital adequacy assessment also includes simulation of various scenarios related to hypothetical stress conditions based on the macroeconomic change assumptions from moderate to extreme levels such as changes in the GDP growth assumptions, exchange rate, interest rate, the fed rate and so on.

The following table presents the CAR of the Company on a consolidated basis and as a parent entity as of December 31, 2014 and 2015 in accordance with the applicable regulations of Bank Indonesia:

	<i>(in million Rupiah)</i>			
	2014⁽¹⁾		2015⁽²⁾	
	Consolidated	Parent Entity	Consolidated	Parent Entity
Total Corecapital	13,286,569	13,016,021	15,606,337	15,261,117
Total Supplementary capital	6,545,667	6,458,017	6,108,702	6,107,157
Total capital	19,832,236	19,474,038	21,715,039	21,368,274
Risk Weighted Assets				
Credit risk	131,190,336	130,942,728	128,466,717	128,206,660

**Translation from the original document
(For explanation only)**

	<i>(in million Rupiah)</i>			
	2014⁽¹⁾		2015⁽²⁾	
	Consolidated	Parent Entity	Consolidated	Parent Entity
Market risk	942,113	942,689	1,232,475	1,232,233
Operating risk	11,719,119	11,476,531	13,069,784	13,026,668
Total Risk-Weighted Assets	143,851,568	143,361,948	142,768,976	142,465,561
CAR ⁽³⁾	13.8%	13.6%	15.2%	15.0%

Note:

- (1) Capital Adequacy Ratio (CAR) is calculated based on the PBI No. 14/18/PBI/2012 dated November 28, 2012 concerning Minimum Capital Adequacy Requirement for Commercial Banks ("PBI No. 14/18/PBI/2012").
- (2) Effective as from January 1, 2015, the capital components for the CAR is calculated based on the PBI No. 15/12/PBI/2013 dated December 12, 2013 regarding Minimum Capital Adequacy Requirement for Commercial Banks.
- (3) For 2014 and 2015, the CAR required for banks with a risk profile rating of 2 is 9% up to less than 10% in accordance with the PBI No. 15/12/PBI/2013 dated December 12, 2013 concerning Minimum Capital Adequacy Requirement for Commercial Banks.

Effective as from January 29, 2016, PBI No. 15/12/PBI/2013 which previously rescind and supersede the PBI No. 14/18/PBI/2012 has been rescinded and superseded by the OJK Regulation No. 11/POJK.03/2016 concerning Minimum Capital Adequacy Requirement for Commercial Banks.

The Company is committed to maintain the CAR at a sound level with due observance of the prudent principles for commercial banks. The capital policies and strategies are directed: (i) forecasting the Company's capital in accordance with the Company's risk profile and comply with the statutory regulations; (ii) to anticipate and support the existing business opportunities; (iii) to optimize an efficient capital structure; and (iv) to anticipate any changes in regulation that may affect the Company's capital adequacy. As of December 31, 2015, the Company, either as a parent entity or on a consolidated basis has a capital level and the CAR exceeds the provisions stipulated by the OJK.

Asset quality

The table below presents the asset quality assessed based on the ratio as of December 31, 2014 and 2015:

<i>(in percentage)</i>	
For the Year ended December 31,	
2014	2015

**Translation from the original document
(For explanation only)**

(in percentage)

	For the Year ended December 31,	
	2014	2015
Non performing earning assets and non-productive assets to the total earning assets and non-productive assets	1.1%	1.7%
Non performing earning assets to the total productive assets	1.4%	2.2%
Allowance for Impairment Losses (CKPN) of financial assets to total productive assets	1.2%	2.4%
NPL - gross	1.7%	2.7%
NPL - net	0.6%	1.4%

The Company provided an allowance for losses arising from earning assets and non-earning assets write-off based on Management's evaluation of the quality of each earning assets and non-earning assets on the balance sheet date.

Profitability

The following table presents the profitability ratio as of December 31, 2014 and 2015:

(in percentage)

	For the Year ended December 31,	
	2014	2015
Return on Assets (ROA)	1,2%	0,2%
Return on Equity (ROE)	12,2%	1,8%
Net Interest Margin (NIM)	3,6%	4,0%
Operating Expenses to Operating Revenue (BOPO)	89,8%	98,9%

The Return on Assets (ROA) ratio reflects the Company's ability to generate profits from its assets. This ratio is calculated based on the earning before tax divided by average total assets of the Company in the same period. The ROA decrease in the period was caused by the increase in average assets greater than the increase in income before taxes.

The Return on Equity (ROE) ratio is used to measure the Company's ability to generate profits from the equity held. This ratio is calculated by dividing the net income after tax by average core capital of the Company in the same period. The ROE decrease in the period was in line with the decrease in net profits due to higher losses arising from financial assets impairment.

The Net Interest Margin (NIM) ratio is used to measure the Company's ability to manage the interest income margin with the earning assets growth managed by the Company. The NIM is calculated by dividing the net interest income by average interest-charged earning assets in the same period. The decrease in NIM below 4.0%

in 2014 was in line with the rising cost of funds in the midst of tight liquidity conditions challenges and higher interest rate of third party funds in the banking sector. In 2015, the Company managed to increase low-cost funds raising in the form of current account and savings so that the NIM go up at a rate of 4.0%.

The ratio of operating expenses to operating revenue (BOPO) is a ratio to measure the level of efficiency achieved. Bank Indonesia in March 2013 issued a BOPO ratio regulation based on Commercial Bank based on Business Activities ("BUKU"), i.e. (i) BOPO BUKU I a maximum of 85%; (ii) BOPO BUKU II at the range of 78-80%; (iii) BOPO BUKU III at the range of 70-75%; and (iv) BOPO BUKU IV at the range of 60%-65%. The Company's BOPO for the years ended December 31, 2013, 2014 and 2015 was 85.0%, 89.8% and 98.9% respectively. The increase in BOPO from year to year was in line with the increase in operating expenses particularly for provision of credit value. One of the Company's short-term strategic priorities is to improve the assets quality in the hope of improving the BOPO ratio.

Liquidity

The following table presents the liquidity ratio as of December 31, 2014 and 2015:

	<i>(in percentage)</i>	
	<u>December 31, 2014</u>	<u>December 31, 2015</u>
<i>Loan to Deposit Ratio (LDR)</i>	89.1%	87.8%

In its operations, the credit growth is always based on the sound banking principles in order to anticipate that the level of loans to the third party funds remain within a sound criteria based on the Bank Indonesia regulations. The loan to deposit ratio is a common ratio which is often used for the measurement of liquidity in the banking industry. The Company manages the third party funds in line with lending so that the LDR in 2015 is relatively stable compared to that of the previous years. This ratio is still within reasonable limits set down by Bank Indonesia, i.e. above 78.0% but below 110.0%. Thus the Company is able to maintain this ratio at a sound level without neglecting the precautionary principles in the funds management.

In order to maintain the LDR in an optimal range and be part of the liquidity risk monitoring, the LDR is monitored daily and reported to the Board of Directors level. The Assets Liability Committee ("ALCO") Meeting regularly held every month that one of its agendas is to ensure that the LDR is in an optimum level.

Reserve Requirement (Rupiah)

In order to maintain adequate liquidity and anticipate any potential risks arising from the dynamics of the economy, Bank Indonesia requires conventional banks and Islamic banks meet the Reserve Requirement to a certain percentage of the third party funds.

The following table presents the Reserve Requirement ratios of the Company as of December 31, 2014 and 2015:

(in percentage)

	For the years ended December 31,	
	2014	2015
Conventional		
Main Reserve Requirement - Rupiah	8.2%	8.0%
Secondary Reserve Requirement - Rupiah	13.9%	13.1%
Reserve Requirement (Foreign currency)	8.3%	8.0%
Sharia		
Reserve Requirement (Rupiah)	6.2%	6.3%
Reserve Requirement (Foreign currency)	2.3%	2.3%

Legal Lending Limit

The Company is committed to keep the Legal Lending Limit to comply with the provisions of Bank Indonesia. As of December 31, 2014 and 2015, the Company on individual and consolidated basis has fulfilled the requirements of good LLL to the related parties as well as to the third parties.

USE OF PROCEEDS

Fund received from Rights Issue VII net-off with its emission cost which shall be borne by the Company, will be used to strengthen the Company's capital structure and the whole funds of which shall be allocated by the Company to finance productive assets to support business growth.

In accordance with the OJK Regulation No. 30/POJK.04/2015 dated December 16, 2015 concerning Realization Report on Utilization of Public Offering Proceeds, the Company will submit a realization report on utilization of this Rights Issue VII proceeds to the OJK and hold responsible to the annual GMS of the Company. The realization report on utilization of proceeds submitted to the OJK will be made periodically every 6 (six) months with the report date of June 30th and December 31st until the entire proceeds of the Rights Issue VII has been realized. The Company will submit the report no later than the 15th day of the following month.

If in the future the Company intends to change the planned utilization of the Rights Issue VII proceeds, the Company will first report the plan to the OJK by stating the reason and its consideration, and changes in the use of these funds must obtain prior approval from the Company's shareholders at the GMS.

The Company will comply with the provisions of the prevailing laws and regulations, particularly regulations in the field of capital market, in the utilization of this Rights Issue VII proceeds.

INFORMATION ON AVAILABILITY OF THE PROSPECTUS

The Prospectus can be taken directly by the Company's shareholders whose names are recorded in the Company's DPS on May 20, 2016 at 16:00 WIB on every Business Day from 09:00 WIB to 15:00 WIB starting from May 23, 2016 until May 30, 2016 at the Company's BAE:

PT. Raya Saham Registra

Central Plaza Building, 2nd Floor
Jl. Jend. Sudirman Kav. 47-48 Jakarta 12930
Phone: (021) 2525666 Fax: (021) 2525028

If the Company's shareholders whose names are lawfully registered in the Company's DPS on May 20, 2016 has not received or taken the Rights Certificate, the Prospectus, Additional FPPS and other forms and did not contact the Company's BAE, any and all risk or loss which may arise shall not be the responsibility of the Company or the Company's BAE, but they solely the responsibility of the shareholders concerned.