

Press Release

20 July 2017

PermataBank On Track Towards Continued Profitability and Strengthened Capital

Strongly Capitalized After Completion of Rp3 Trillion Rights Issue

JAKARTA – PT Bank Permata Tbk (“**PermataBank**” or “**Bank**”) announced continuing improved operating performance for the first half of the year, for the period ending 30 June 2017 (consolidated and unaudited) as it booked a net profit after tax of Rp 621 billion. This compares to a Rp 836 billion loss over the same period in 2016. The Bank’s performance was a result of improved asset quality, the sale of NPLs as planned, growth in bancassurance fees and discipline cost management. The Bank has also successfully completed its Rp 3 trillion rights issue in June 2017.

Commenting on the results, **PermataBank President Director Ridha DM Wirakusumah** said, “We are encouraged that **PermataBank** has continued to deliver an improved performance, maintaining a stronger balance sheet which is reflected in two consecutive quarters of positive results. We continue to keep to our plan that will enable us to return to a stronger performance this year.”

“We have also successfully completed the rights issue of Rp 3 trillion in June 2017 where our two main shareholders, PT Astra International Tbk (Astra) and Standard Chartered Bank (Standard Chartered) and the public took up their entire entitlement in full. Thus, the rights issue was fully subscribed. This is a reflection of the strong

support from all our shareholders towards the Bank's strategy of strengthening its capital reserves, so that we continue to have a strong foundation for future growth," added **Ridha**.

The successful completion of the rights issue has resulted in stronger Capital: Common Equity Tier 1 (CET-1) and Total Capital Adequacy Ratio (CAR) of 15.4% and 18.9% in June 2017 compared to 13.2% and 17.0% in end March 2017 and 11.8% and 15.6% in end December 2016.

PermataBank continues to take steps to manage its asset quality through asset sales, proactive restructuring and rehabilitation. This has resulted in an improved NPL Gross ratio and Net NPL ratio of 4.7% and 1.8% as of 30 June 2017, down from 6.4% and 2.2% in end March 2017 and 8.8% and 2.2% in December 2016. NPL coverage ratio of 166% was an improvement compared to 135% in March 2017 and 122% in December 2016.

The focus in the second quarter was to continue improving risk while exercising cautious loan growth and NPL management as the bank cleans up its books. This resulted in negative loan growth of 23% YOY or negative 3% against last quarter. However, sharia financing showed a positive YOY growth of 6%. Strong growth in fee based income helped compensate lower net interest income as total revenue grew by 1% YOY. Costs have been well managed down 2% YOY resulting in pre-provision operation profit of Rp 1.963 trillion, up 5% YOY. Improvement in asset quality led to loan impairment expense of Rp 1.235 trillion, 58% lower than the same period last year. The Bank will continue to make efforts to clean up the books and improve the quality of productive assets in the second half.

On the other hand, **PermataBank** also continues to maintain strong liquidity whilst optimizing the balance sheet structure with a Loan to Deposit Ratio (LDR) of 87% at end of June 2017 compared to 75% in end March 2017 and 80% in end December 2016. As the risk management has been strengthened, the Bank has started growing

healthy assets and expects to have loan growth rebound to positive trajectory in H2 2017.

The Bank improved its funding structure as shown by higher CASA ratio of 52% compared to 42% last year, including CASA ratio of 72% for sharia business compared to 58% last year, by successfully growing saving accounts. Higher LDR and the phasing out of expensive deposits have resulted in improved NIM of 3.8% in June 2017 compared to the previous quarter of 3.5%. Growing CASA will remain a priority to ensure sustainable and cheaper cost of funds.

“We continue to be confident that the plan we have put in motion will enable us to get through this year well. The Bank will continue to adapt to the changing environment and to improve its position for future opportunities. We continue to leverage business opportunities and build strategic alliances with partners such as Indosat and PERSIB Bandung to build scale and expand our product offering. We thank our stakeholders, especially our customers and shareholders, who have stood by us and remain committed,” **Ridha** further remarked.

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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 62 cities in Indonesia, as of June 2017 the Bank runs 330 branch offices, 21 mobile branches, six payment points, 1,004 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 which connected with Visa, Mastercard, Cirrus. The latest recognition on **PermataBank** are “Excellent Service Experience Award 2016” in Regular Banking category and Sharia Banking from Service Excellence Magazine and Carre CCSL, Contact Center Service Excellence Award (CCSA) 2016, Exceptional Grade for Regular Banking-Sharia Banking-Priority Banking category; “Best Business Model Execution” from The Asian Banker Indonesia Country Awards.

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

<http://www.permatabank.com>