

PT Bank Permata Tbk

March 2017

Business and Financial Update

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PermataBank in Brief



| | | | | | | | |
|----------------------------------|---|--------|-----------|----------|---------|------|-----------|
| Year Established | 1955 | | | | | | |
| Listing at the Bourse | Since 1990 at the Jakarta Stock Exchange and Surabaya Stock Exchange (both merged and now known as the Indonesian Stock Exchange (BEI)) | | | | | | |
| Asset | Rp 165 tn (consolidated) | | | | | | |
| Branches | <ul style="list-style-type: none"> • 331 branch offices (including 17 sharia) • 21 mobile branches • 3 payment points | | | | | | |
| ATMs | 1,007 and additional access to >100,000 ATMs* | | | | | | |
| Shareholders | <ul style="list-style-type: none"> • PT Astra International Tbk (44.56%) • Standard Chartered Bank (44.56%) • Public 10.88% | | | | | | |
| Corporate Rating | <table border="0"> <tr> <td>id AAA</td> <td>(Pefindo)</td> </tr> <tr> <td>AAA(idn)</td> <td>(Fitch)</td> </tr> <tr> <td>Baa3</td> <td>(Moody's)</td> </tr> </table> | id AAA | (Pefindo) | AAA(idn) | (Fitch) | Baa3 | (Moody's) |
| id AAA | (Pefindo) | | | | | | |
| AAA(idn) | (Fitch) | | | | | | |
| Baa3 | (Moody's) | | | | | | |
| Senior Bond Rating | id AAA (Pefindo) | | | | | | |
| Sub Debt Rating | id AA+ (Pefindo) | | | | | | |
| Basel-III Sub Debt Rating | Id AA (Pefindo) | | | | | | |

Controlling Shareholders



- A major conglomerate with one of the largest market cap in Indonesia
- Seven business lines in >170 companies
- Strong reputation in Corporate Governance and Corporate Social Responsibility (CSR)



- An International Bank with over 150 years experience in Asia, Africa and Middle East
- Over 1,700 branches and offices worldwide
- Strong reputation in innovative banking products and services and risk management

*) connected through Alto, Visa Plus, ATM Bersama, Master Card, Cirrus and Prima networks

Key Highlights

- **Has seen profit turn-around in 1Q-2017.** Net profit of Rp 453bn (consolidated) vs (Rp 375bn) in 1Q-2016
- **The work on the bad book is progressing well;** impact to improvement in asset quality, through restructuring, recovery, and sale of NPL portfolio, with coverage ratio of 135 %
- **Healthy capital and liquidity position**
 - Rights Issue of IDR 3.0 tn in progress, to be completed in June 2017. Including IDR 1.5 tn advance capital received in Dec 2016
 - CET-1 ratio and total CAR of 13.2% and 17.0%; higher than Dec 2016, and significantly higher than regulatory minimum
 - LDR of 75% at end Mar 2017. Continue to build CASA franchise. CASA balance grew 13% yoy
- **Management changes**
 - New CEO, Risk Director, Finance Director, and Wholesale Banking Director
 - Also changes in BOC (including new commissionaire who is currently SCB's Regional Chief Risk Officer for ASEAN & South Asia)
- **The work on good book had just recently began**
- **Strong shareholders support**
 - PT Astra International Tbk (44.56%) and Standard Chartered Bank (44.56%):
 - Will subscribe in 2017 Rights Issue and become standby buyers
 - Supported total Tier-1 capital raising of Rp 8.5tn in the past 2 years
 - Providing liquidity and other synergy supports
- **Top 3 Strategy :**
 - Fix and Optimize
 - Deepen Shareholder Business Opportunity
 - Capitalizing on White Space

Income Statement

| (in IDR bn) | Mar-16 | Mar-17 | YoY |
|---------------------------------------|--------------|--------------|-------------|
| Net Interest Income | 1,545 | 1,292 | -16% |
| Non Interest Income | 624 | 1,118 | 79% |
| Revenue | 2,170 | 2,409 | 11% |
| Operating Expense | 1,149 | 1,179 | 3% |
| Pre Provision Operating Profit | 1,021 | 1,231 | 21% |
| Provision for losses | 1,550 | 670 | -57% |
| Operating Profit | (530) | 561 | N/M |
| Non Operating Income | 22 | 35 | 60% |
| Profit Before Tax | (508) | 596 | N/M |
| Tax | 132 | (143) | N/M |
| Profit After Tax | (376) | 453 | N/M |

Balance Sheet

| (in IDR tn) | Mar-16 | Mar-17 | YoY |
|---|--------------|--------------|-------------|
| Cash | 1.6 | 2.0 | 21% |
| Placement with Bank Indonesia | 14.6 | 19.5 | 34% |
| Placement with Other Banks | 1.5 | 3.3 | 120% |
| Marketable Securities * | 22.8 | 34.7 | 52% |
| Loans (gross) | 122.7 | 95.4 | -22% |
| Allowance for Loan Impairment Losses | (5.2) | (8.2) | 60% |
| Other Assets | 16.7 | 18.1 | 9% |
| Total Assets | 174.7 | 164.7 | -6% |
| Deposits ** | 136.4 | 127.4 | -7% |
| - Current Accounts | 27.2 | 30.7 | 13% |
| - Saving Accounts | 25.2 | 28.4 | 12% |
| - Time Deposits | 84.0 | 68.4 | -19% |
| Senior Bond | 0.7 | 0.0 | -100% |
| Subordinated Debt | 7.8 | 6.5 | -17% |
| Others Liabilities | 11.3 | 11.0 | -3% |
| Total Liabilities | 156.2 | 144.9 | -7% |
| Shareholders' Equity | 18.5 | 19.8 | 7% |
| Total Liabilities & Shareholders' Equity | 174.7 | 164.7 | -6% |

Notes : * Including Reverse repo

** Including Sharia deposits

Source : Published Report (Consolidated)

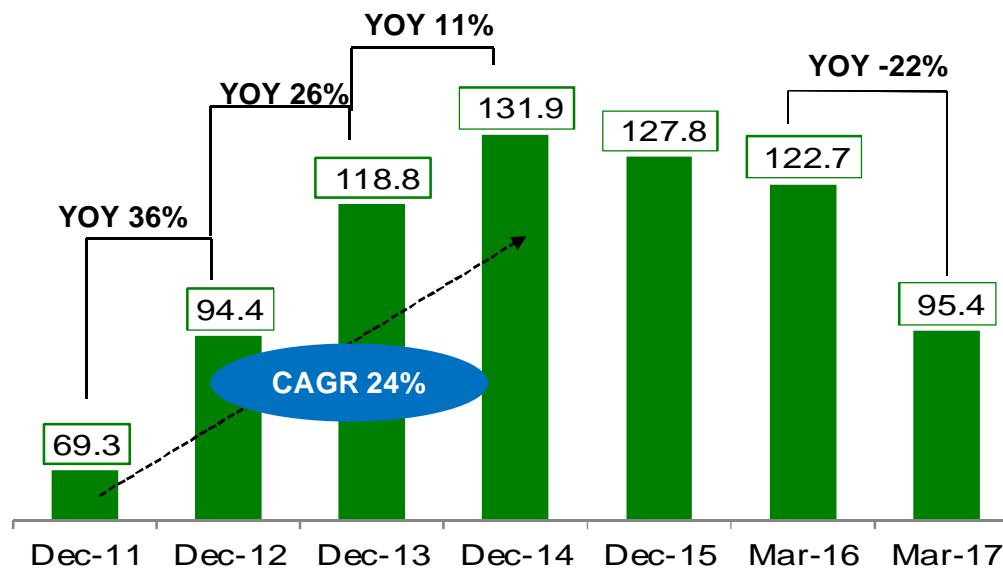
Key Ratios

| (in %) | Mar-16 | Dec-16 | Mar-17 |
|--------------------|-------------|-------------|-------------|
| CET-1 ratio | 10.9 | 11.8 | 13.2 |
| Total CAR | 15.1 | 15.6 | 17.0 |
| LDR | 90 | 80 | 75 |
| CASA ratio * | 38 | 47 | 46 |
| ROA | -1 | -5 | 1 |
| ROE | -10 | -38 | 13 |
| BOPO | 111 | 151 | 87 |
| CIR | 53 | 56 | 49 |
| NIM | 3.9 | 3.9 | 3.5 |
| NPL Gross | 3.5 | 8.8 | 6.4 |
| NPL Net | 1.8 | 2.2 | 2.2 |
| NPL Coverage ratio | 121 | 122 | 135 |

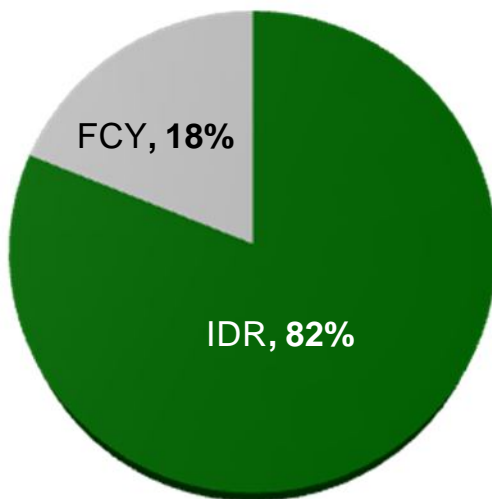
Note: CASA Ratio includes Sharia deposits

Source: Published and Management Report (Bank only)

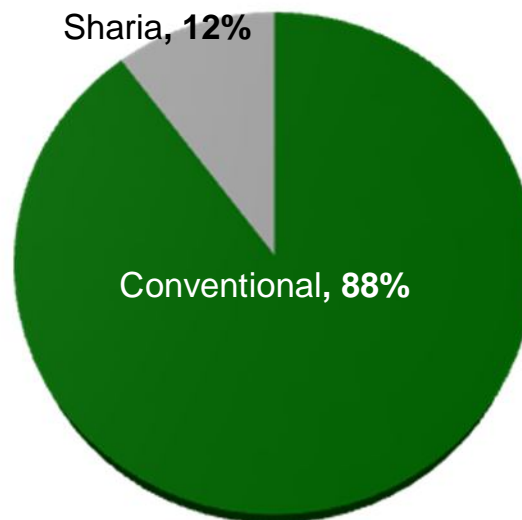
Loans Growth (IDR tn)



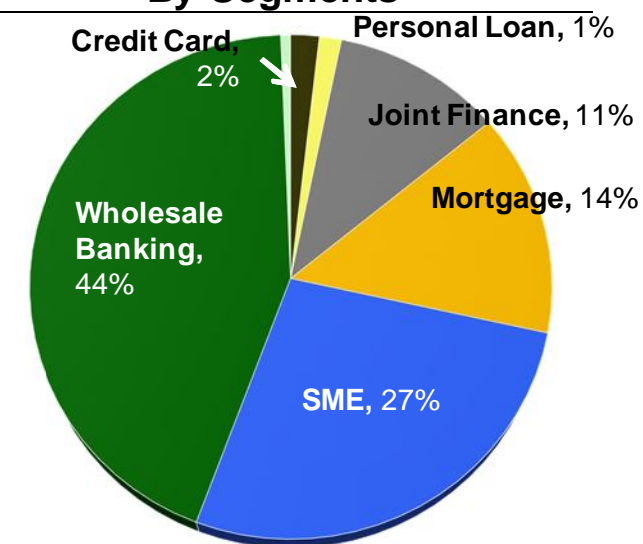
By Currencies*



Conventional vs Sharia*



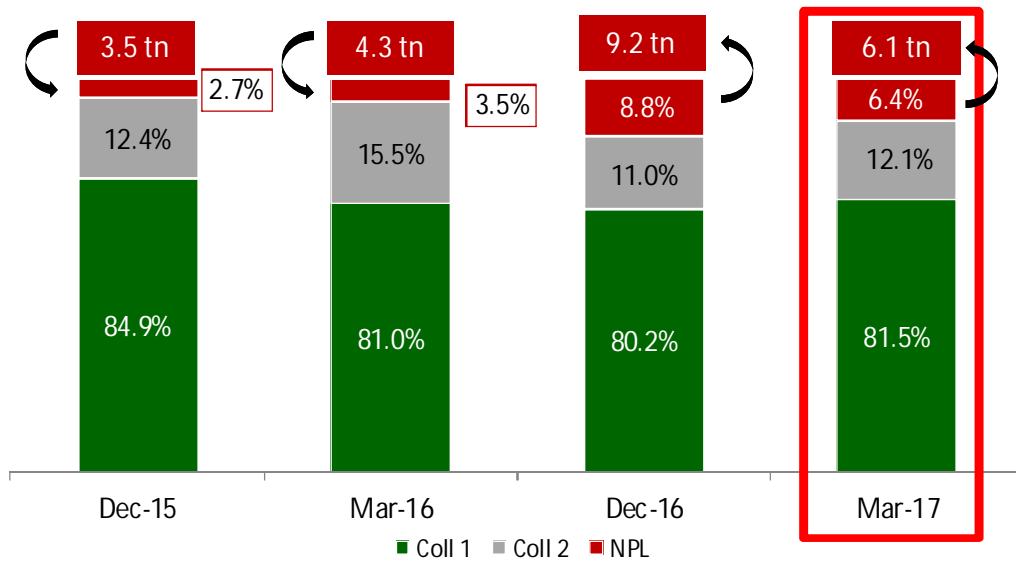
By Segments*



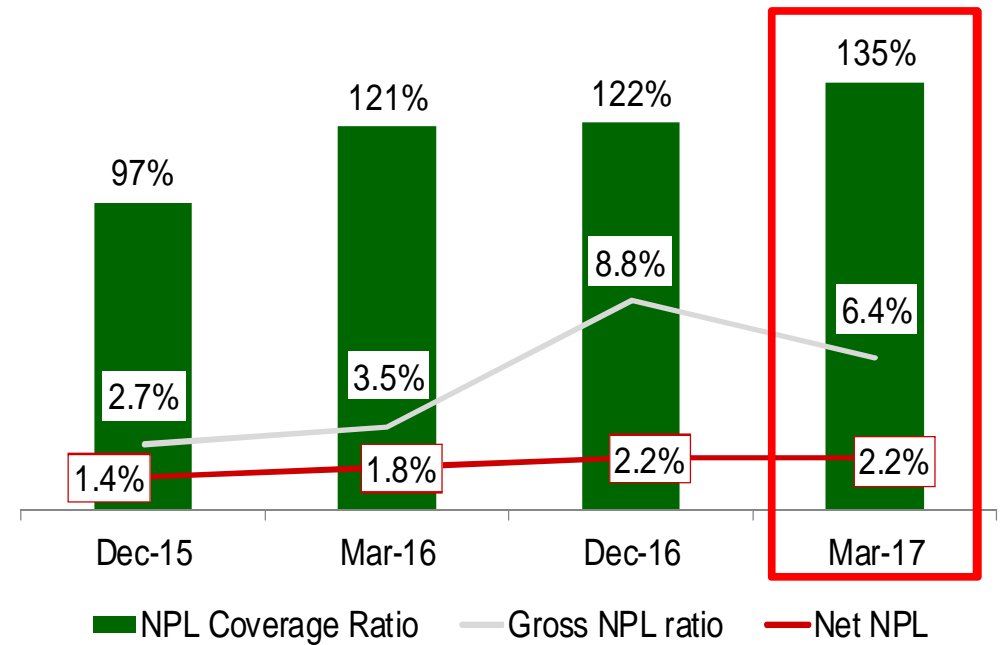
*Notes: Bank only, as of March 2017

Loan Quality & Coverage

Loan by Collectability (% to total Loan)



NPL and Coverage

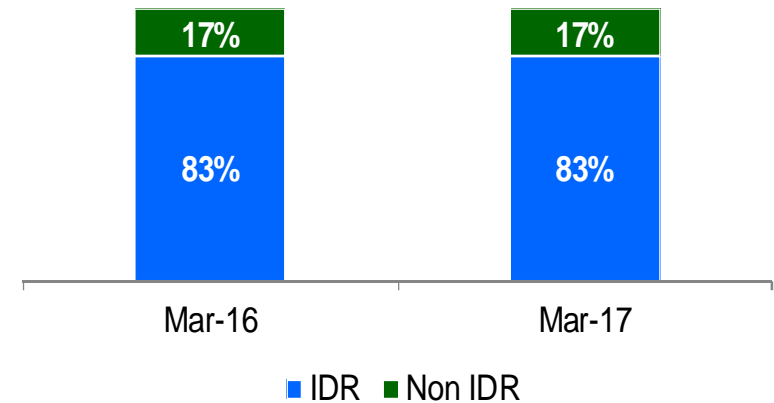


- **Stronger Coverage.** NPL Coverage ratio of 135% vs 122% in Dec 2016
- **Improved gross NPL ratio** of 6.4% compared to 8.8% in Dec 2016, whilst net NPL ratio holding

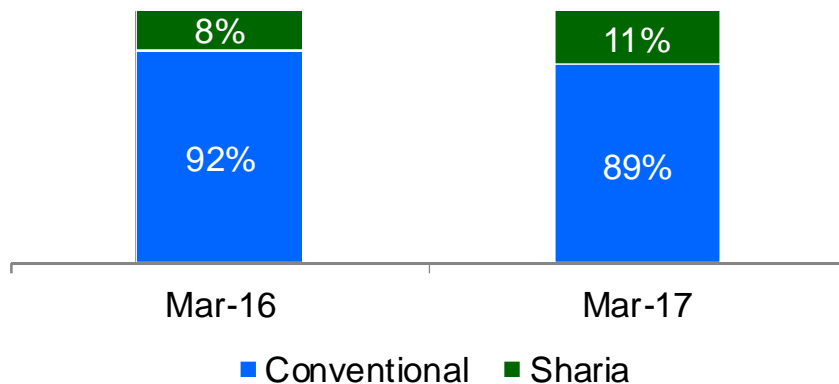
Deposits

| IDR tn ** | Mar-16 | Mar-17 | YoY |
|-------------------------|--------------|--------------|------------|
| Current Account | 27.2 | 30.7 | 13% |
| Saving Account | 25.2 | 28.4 | 12% |
| <i>Total CASA</i> | <i>52.4</i> | <i>59.0</i> | <i>13%</i> |
| Time Deposits | 84.0 | 68.4 | -19% |
| Total | 136.4 | 127.4 | -7% |
| CASA Ratio (%) | 38 | 46 | |

By Currencies*



Conventional vs Sharia *



- **Strong Liquidity** → LDR of 75% at end March 2017
- **Sustainable CASA growth** → 13% yoy growth
- **Improved CASA Ratio** → 46 % in end March 2017 as compared to 38% in end March 2016

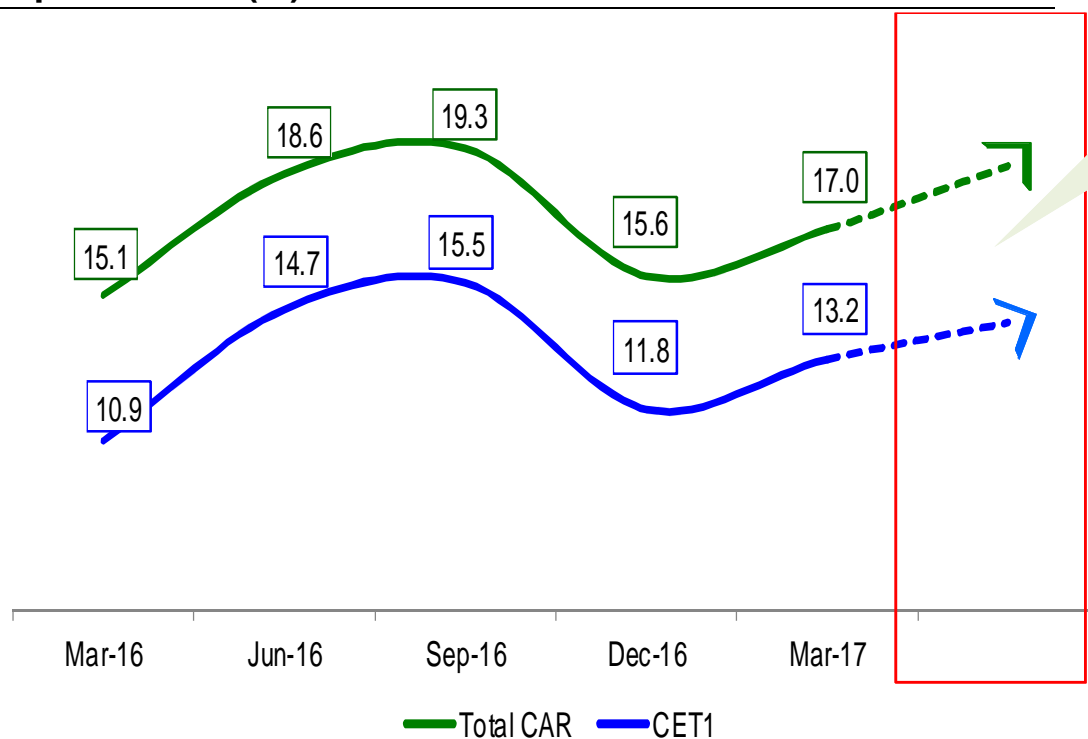
Notes:

* Bank only

** Current Account, Saving Account, and Time Deposit including Sharia deposits

Source: Published and Management Report

Capital Ratios (%)

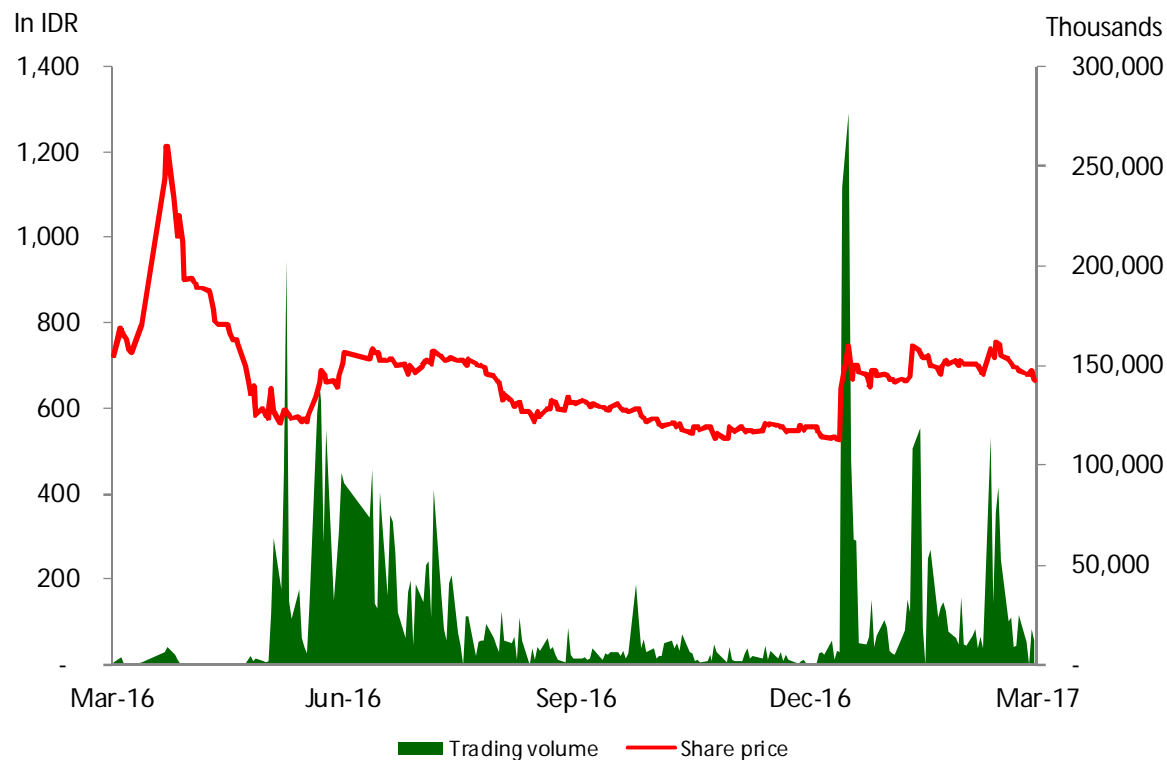


Impact after Rights Issue, on a proforma basis

- **Well capitalized.** CET-1 ratio and total CAR of 13.2% and 17.0% in March 2017; **far in excess of regulatory minimum**
- **Strong support from the two main shareholders,** PT Astra International Tbk (Astra) and Standard Chartered Bank (Standard Chartered)
- **Capital ratios will be further strengthened** after completion of IDR 3.0 tn Rights Issue by end of June 2017 (including IDR 1.5tn advance capital made in December 2016)

Share Price & Ratings

Share Price & Trading Volume



Source: Reuters and IDX

| BNLI | Mar-16 | Jun-16 | Sep-16 | Dec-16 | Mar-17 |
|--------------------|---------------|---------------|---------------|---------------|---------------|
| Price (Rp.) | 670 | 705 | 610 | 555 | 670 |
| PBV (x) | 0.42 | 0.85 | 0.58 | 0.54 | 0.78 |
| Market Cap (Rp bn) | 7,883 | 15,592 | 13,491 | 12,275 | 14,818 |

Source: IDX publication

Rating Agencies Rating/Outlook

| | | |
|-------------------------------|---|-------------------|
| Pefindo (Sep 2016) | Corporate Rating | id AAA / Stable |
| | Senior Bond Rating | id AAA |
| | Pre Basel-III Sub Debt Rating | id AA+ |
| | Basel-III Compliant Subordinated Bonds Rating | id AA |
| Fitch (Oct 2016) | National Long Term Rating | AAA(idn) / Stable |
| | National Short Term Rating | F1+(idn) |
| Moody's (Feb 2017) | Baseline Credit Assessment | Ba2 |
| | Adjusted Baseline Credit Assessment | Ba1 |
| | Local and Foreign Currency Deposit Rating | Baa3/P-3 |
| | Counterparty Risk Assessment | Baa3(cr)/P-3(cr) |
| | Outlook | Negative |

Board of Directors



Ridha DM Wirakusumah
President Director



Julian L.C. Fong
Vice President Director



Indri K. Hidayat
Human Resources Director



Mirah Wiryoatmodjo
Legal and Compliance Director (Independent)



Lea Kusumawijaya
Finance Director



Loh Tee Boon
Risk Director



Darwin Wibowo *
Wholesale Banking Director



Bianto Surodjo
Retail Banking Director



Achmad K. Permana
Sharia Business Unit Director



Abdy Dharma Salimin
Technology and Operations Director

*) The appointment of Darwin Wibowo as Director of the Bank are waiting effective

Board of Commissioners



Sebastian Ramon Arcuri
President Commissioner



Suparno Djasmin *
Vice President Commissioner



David Allen Worth
Independent Commissioner



Lukita Dinarsyah Tuwo
Independent Commissioner



Tony Prasetyantono
Independent Commissioner



Ian Charles Anderson *
Commissioner



DR. Ir. I. Supomo
Independent Commissioner



Mark Spencer Greenberg
Commissioner

*) The appointment of Suparno Djasmin and Ian Charles Anderson are waiting effective

THANK YOU

PT Bank Permata Tbk

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