

PT Bank Permata Tbk

September 2018

Business and Financial Update

Company Presentation

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Performance Highlights

1 Positive business growth with maintaining asset quality

- **Loan balances up by 15% yoy** from IDR 92.8tn to IDR 107.0tn contributed by both Retail Banking (14%yoy) and Wholesale Banking (17%yoy).
- Retail Banking loans grew by 14%yoy mainly driven from Joint Financing, Mortgage, Personal Loan and SME at 21%, 16%, 14%, and 11% yoy respectively, while Wholesale Banking grew by 17% yoy mainly driven from SOE segments
- Loans growth are supported by innovative product and services designed specifically to fulfill customer needs including the development of digital banking as well as the continuous commitment to provide excellent operational services (simple, fast and reliable) to customers
- Selective loan growth in both Retail Banking and Wholesale Banking are constantly applied as an effort to improve asset quality in accordance with prudent credit risk management framework.

2 Loan Quality remain a challenge

- Gross and Net NPL ratio were 4.8% and 1.7% respectively, slightly deteriorating than in Sep 2017 (4.7% and 1.8%)
- NPL coverage ratio was well managed at 189% in Sep 2018. This indicates the prudent principle in managing its loan impairment is continuously applied

3 Liquidity remained optimal

- Loan to Deposit Ratio (LDR) recorded at 91%, in line with Bank's efforts to maintain liquidity at an optimum level.
- Deposits grew by 5% yoy mainly driven by time deposits growth of 13%. Amid the current trend of rising interest rates, the Bank continues to maintain cautious deposits growth to fund loan growth

Performance Highlights

4 Bank is well capitalized

- Strong capital position as reflected in strengthened Common Equity Tier 1 (CET-1) ratio and Capital Adequacy Ratio (CAR) of 17.1% and 19.2% respectively, far higher than the minimum capital requirements.

5 Improved profitability align with positive loan growth

- Amid increasing in BI interest rate and tight industry competition, Bank still can improve in net interest income by 3% yoy at the end of Sep 2018 mainly due to higher interest income from JF, mortgage and PL segments and Wholesale Banking.
- Bank's NIM improved from 3.94% in Sep 2017 to 4.02% in Sep-18 as a result of continuous loan growth and optimum balance sheet management
- Loan impairment provision lower by 24% yoy to Rp 1.5 trillion. However, the Bank continues to implement good reserves as reflected in the NPL coverage ratio which increased to 189% in Sep 2018 compared to 175% in the same period last year.
- Bank maintains operational efficiency through disciplined cost management. Operating expenses up to Sep 2018 were relatively stable compared to the same period last year amidst various investments made by the Bank and inflationary pressures. Net profit before tax in Sep 2018 was recorded at Rp 676 billion.

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 156 tn (consolidated)	
Market Capitalization **)	Rp 14 tn	
Branches **)	<ul style="list-style-type: none"> • 325 branch offices (including 17 sharia) • 16 mobile branches • 2 payment points 	
ATMs **)	1,006 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	id AAA	(Pefindo)
	AAA(idn)	(Fitch)
Senior Bond Rating	id AAA	(Pefindo)
Sub Debt Rating	id AA+	(Pefindo)
Basel-III Sub Debt Rating	Id AA	(Pefindo)

Controlling Shareholders



ASTRA international

- One of the largest listed companies in Indonesia with strong market position and key partnership in various businesses.
- A major conglomerate with seven business lines with more than 210 companies
- Strong reputation in Environment, Social and Governance.



- An International Bank with over 150 years experience
- over 1,100 branches, offices and outlets in 68 markets across the globe
- Strong reputation in innovative banking products and services and risk management

*) connected through Alto, Visa Plus, ATM Bersama, Master Card, Cirrus and Prima networks **) as of Sep-18

Vision & Mission



"Menjadi bank pilihan dengan terus membina kemitraan dan menciptakan nilai bermakna bagi nasabah dan masyarakat".

"To be the bank of choice, nurturing relationships and creating value for its customers and society."



- Berperan aktif sebagai mitra di bidang keuangan dan agen pembangunan yang efisien bagi nasabah dan masyarakat.
- Memberikan layanan keuangan menyeluruh secara sederhana, cepat, andal dan inovatif.
- Berkomitmen untuk memberikan pengalaman unggul bagi pemangku kepentingan dan membangun nilai positif bagi pemegang saham.
- *Serving as an efficient financial intermediary and agent of development for our customers and the people.*
- *Offering universal financial services in a simple, fast, reliable and innovative way*
- *Providing excellent stakeholders experience and positive value to its shareholders.*

I-PRICE



INTEGRITY

Kita bekerja dengan mengutamakan kejujuran, sesuai dengan kode etik perusahaan.

We uphold trustworthiness and work in accordance with the company's code of ethics.



PARTNERSHIP

Kita saling memahami dan bersama-sama membangun hubungan yang kokoh dengan pihak internal dan eksternal berlandaskan rasa saling menghormati.

We understand each other and build strong relationships based on mutual respect internally and externally.



RESPONSIVENESS

Kita bekerja dengan cepat, akurat, dan efektif dalam memberikan layanan yang terbaik dan tepat waktu.

We work quickly, accurately and effectively to deliver prompt services.



INNOVATION

Kita selalu berpikir inovatif untuk meningkatkan cara kita bekerja, membuatnya lebih mudah, lebih baik, dan lebih cepat.

We continuously think out of the box to improve the way we work, making it simpler, better and faster.



CARING

Kita menaruh perhatian dan menghargai nasabah, rekan kerja, masyarakat, investor, dan regulator.

We are attentive and respect our customers, colleagues, communities, investors, and regulators.






















EXCELLENCE

Kita memberikan layanan prima kepada nasabah dan menghasilkan kinerja yang optimal dalam pekerjaan sehari-hari.

We deliver service excellence to our customers and drive optimal performance in our day to day job.

Key Financial Highlights

	Sep 2017		Sep 2018		Δ
Loans (Rp Tn)	92.8		107.0		15%
Gross NPL Ratio	4.7%		4.8%		0.1%
Net NPL Ratio	1.8%		1.7%		-0.1%
NPL Coverage Ratio	175%		189%		14%
CASA Ratio	50%		47%		-3%
[CASA (Rp Tn)]	56.4		55.0		-2%
LDR	83%		91%		8%
NIM	3.9%		4.0%		0.1%
BOPO	93%		96%		3%
Profit Before Tax (Rp Tn)	908		676		-26%
Profit After Tax (Rp Tn)	708		494		-30%

Note : Profit in Sep 2017 benefited from one off gain on the sale of NPL of Rp 739 Bn

Financial Highlights - Balance Sheet

(in IDR tn)	Sep-18	Sep-17	YoY	Dec-17	YTD
Cash	1.6	1.8	-9%	1.9	-15%
Placement with Bank Indonesia	21.2	16.8	26%	13.1	62%
Placement with other Banks	4.2	3.2	32%	5.0	-16%
Marketable Securities *	16.9	26.8	-37%	22.5	-25%
Loans (gross)	107.0	92.8	15%	97.6	10%
a. By segments					
Retail Banking	61.5	53.9	14%	57.5	7%
Wholesale Banking	44.9	38.3	17%	39.5	14%
Other Banking	0.6	0.6	-5%	0.6	-3%
b. Coventional vs Sharia					
Conventional	91.3	80.7	13%	84.0	9%
Sharia	15.6	12.1	29%	13.7	14%
Allowance for Loan Impairment Losses	(9.6)	(7.6)	27%	(8.5)	13%
Other Assets	14.6	16.9	-13%	16.6	-12%
Total Assets	155.9	150.7	3%	148.3	5%
Deposits **	117.6	111.7	5%	111.1	6%
- Current Accounts	27.6	28.7	-4%	30.0	-8%
- Saving Accounts	27.4	27.7	-1%	27.8	-1%
CASA	55.0	56.4	-2%	57.8	-5%
- Time Deposits	62.6	55.3	13%	53.2	18%
Subordinated Debt	4.8	6.5	-27%	6.5	-27%
Others Liabilities	11.7	10.9	7%	9.2	27%
Total Liabilities	134.1	129.1	4%	126.8	6%
Shareholders' Equity	21.8	21.6	1%	21.5	1%
Total Liabilities & Shareholders' Equity	155.9	150.7	3%	148.3	5%

Notes : * Including Reverse repo

** Including Sharia deposits

Source : Published Report (Consolidated)

Financial Highlights - Income Statement

(in IDR bn)	Sep-18	Sep-17	YoY	Q3-18	Q2-18	QOQ
Net Interest Income	4,170	4,059	3%	1,416	1,387	2%
Non Interest Income	1,170	2,183	-46%	376	330	14%
Revenue	5,340	6,242	-14%	1,792	1,718	4%
Operating Expense	3,484	3,502	-1%	1,133	1,174	-3%
Pre Provision Operating Profit	1,856	2,739	-32%	659	544	21%
Provision for losses	1,489	1,964	-24%	413	611	-32%
Operating Profit	366	776	-53%	246	(68)	-464%
Non Operating Income	310	132	134%	30	261	-89%
Profit Before Tax	676	908	-26%	275	193	42%
Tax	(182)	(200)	-9%	(70)	(68)	3%
Profit After Tax	494	708	-30%	205	125	64%

Note : Revenue in Sep 2017 benefited from one off gain on the sale of NPL of Rp 739 Bn

Source : Published Report (Consolidated).

Financial Highlights - Key Ratios

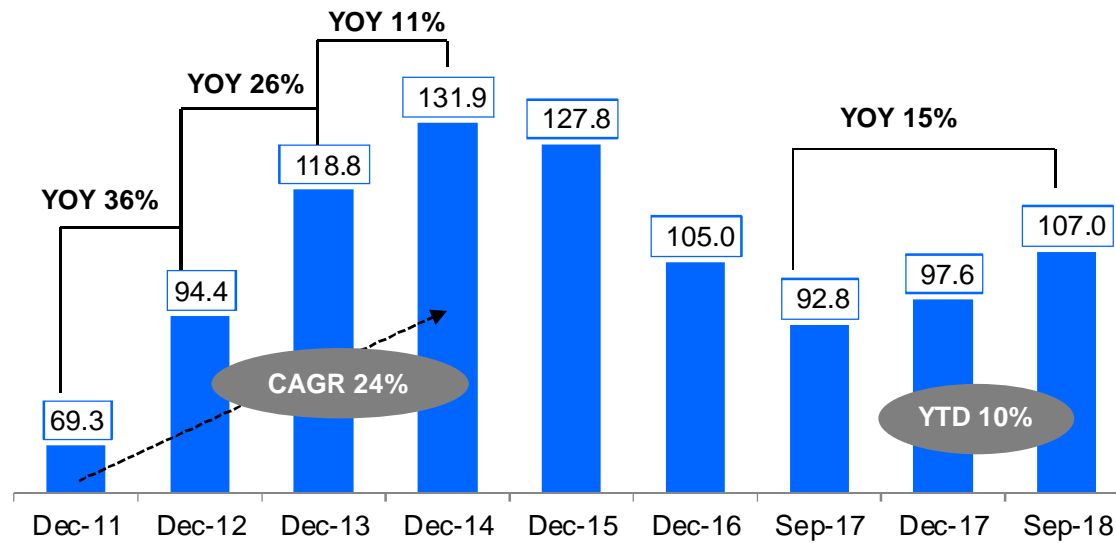
(in %)	Sep-17	Dec-17	Sep-18
CET-1 ratio	15.6	15.2	17.1
Total CAR	18.8	18.1	19.2
LDR	83	88	91
CASA ratio *	50	52	47
ROA	0.8	0.6	0.6
ROE	6.2	4.8	3.7
BOPO	93	95	96
CIR	56	55	65
NIM	3.9	4.0	4.0
NPL Gross	4.7	4.6	4.8
NPL Net	1.8	1.7	1.7
NPL Coverage ratio	175	191	189
Regulatory Coverage ratio	254	220	224

Note: CASA Ratio includes Sharia deposits

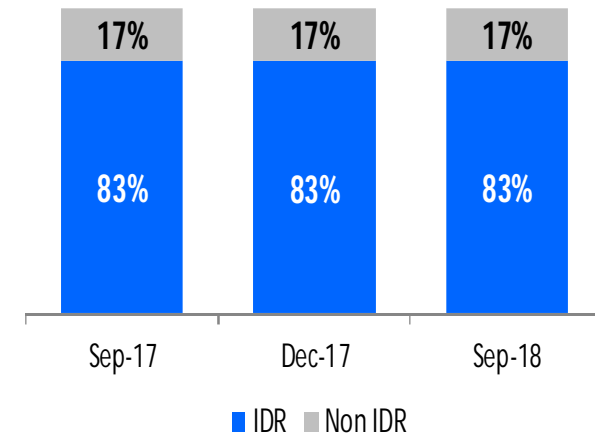
Source: Published and Management Report (Bank only)

Loan

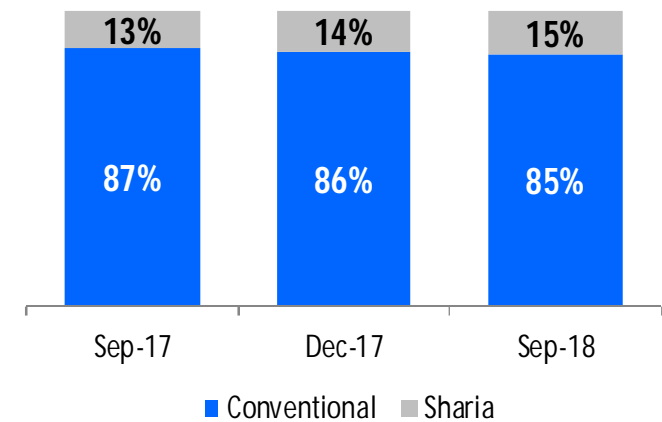
Loans Growth (IDR tn)



By Currencies*



Conventional vs Sharia*

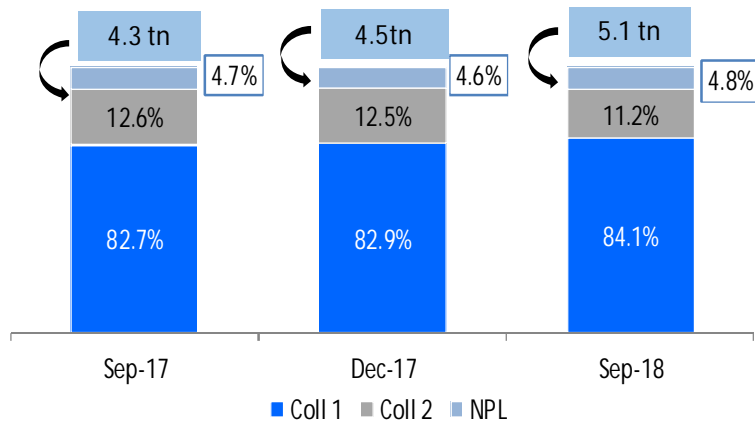


Notes: * Bank only

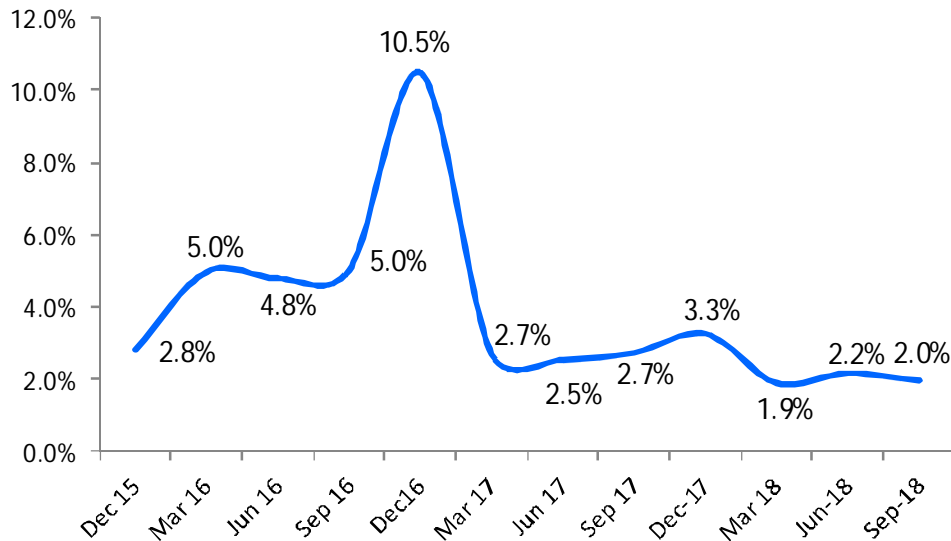
Source: Published and Management Report

Loan Quality & Coverage

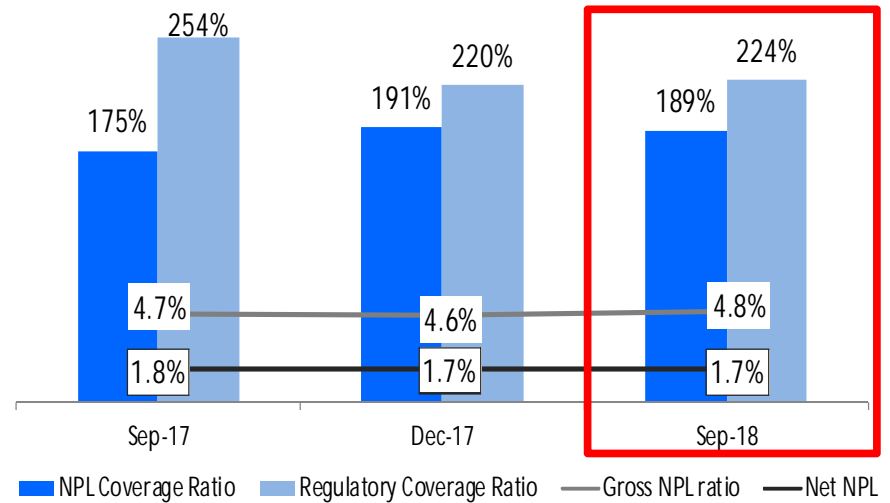
Loan by Collectability (% to total Loan)



Lower cost of Impairment of 2.0% in Sep-18



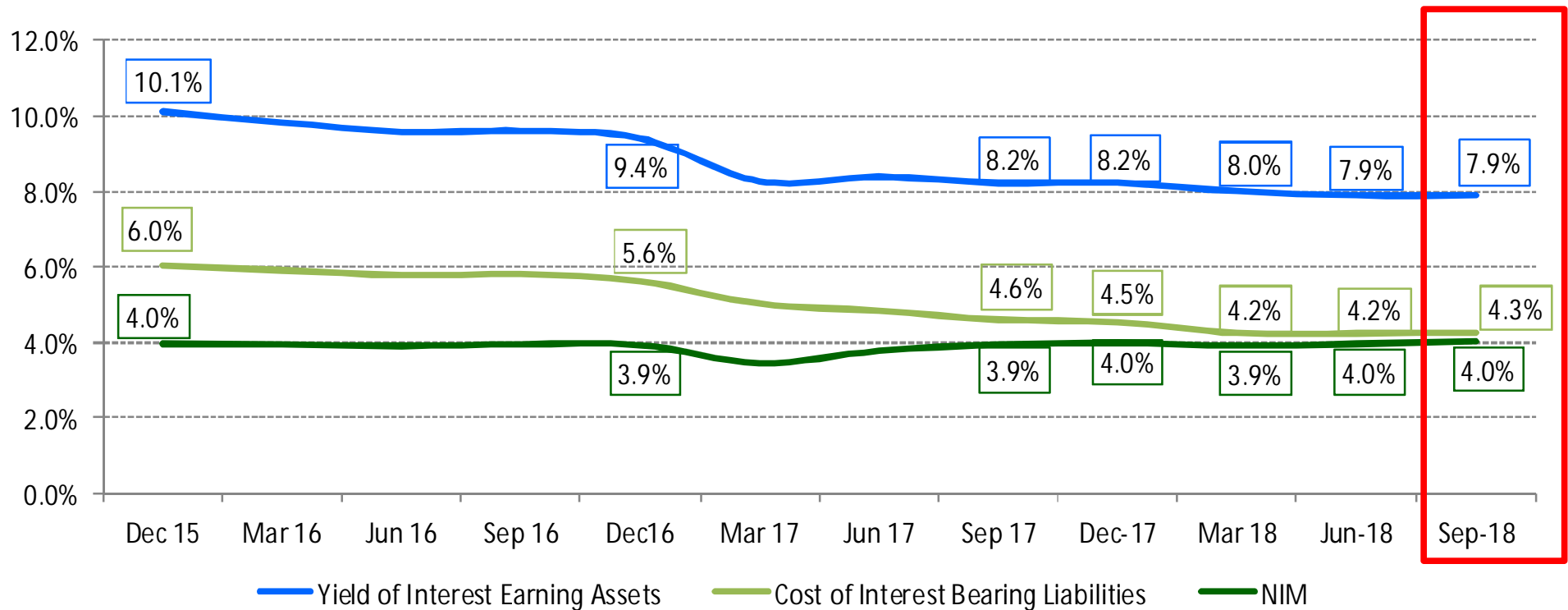
NPL and Coverage



- Increased in Gross NPL ratio to 4.8% in Sep-18 with NPL coverage ratio of 189%, which indicates the prudent principle in managing its loan impairment is continuously applied
- Cost of impairment decreased to 2.0% (Sep-18), lower than Dec-17 of 3.3% and Sep-17 of 2.7% as Bank continuous effort to increase good quality assets.

Source: Published and Management Report (Bank only)

Stable NIM at 4%



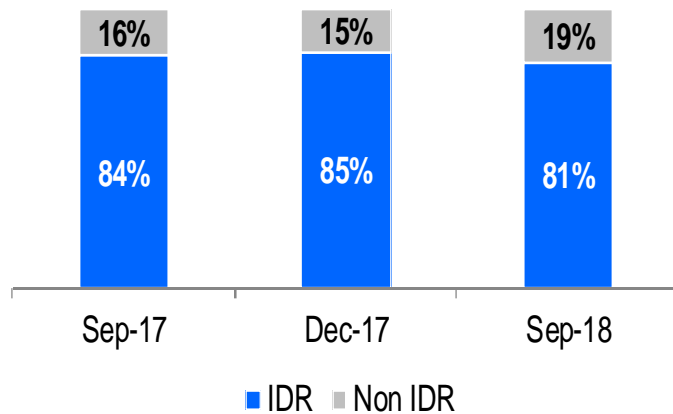
Until 3Q-18 although the interest rate has increased, NIM can still be maintained at 4.0% level by improving balance sheet structures and reducing high cost funds

Notes: Bank Only

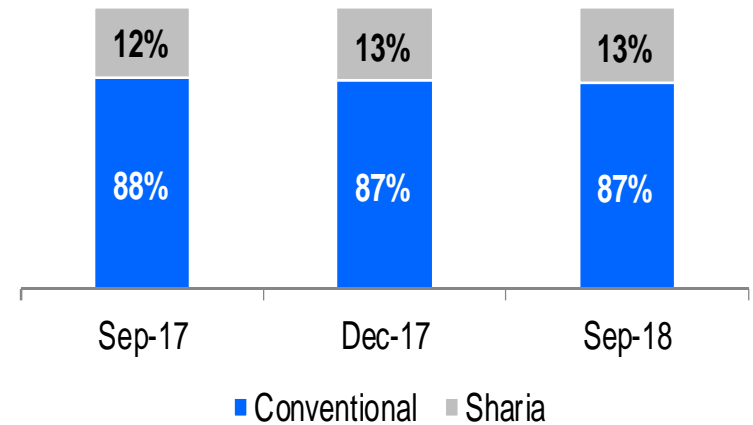
Deposits

Deposits	IDR tn **					YoY Growth					CAGR 13-17
	Dec-14	Dec-15	Dec-16	Dec-17	Sep-18	Dec-14	Dec-15	Dec-16	Dec-17	Sep-18	
Current Account	26.7	29.6	31.3	30.0	27.6	5%	11%	6%	-4%	-4%	4%
Saving Account	24.3	25.5	29.4	27.8	27.4	13%	5%	15%	-5%	-1%	7%
<i>Total CASA</i>	<i>51.0</i>	<i>55.1</i>	<i>60.8</i>	<i>57.8</i>	<i>55.0</i>	<i>9%</i>	<i>8%</i>	<i>10%</i>	<i>-5%</i>	<i>-2%</i>	<i>5%</i>
Time Deposits	96.6	90.0	69.3	53.2	62.6	12%	-7%	-23%	-23%	13%	-11%
Total	147.6	145.1	130.0	111.1	117.6	11%	-2%	-10%	-15%	5%	-4%
CASA Ratio (%)	35	38	47	52	47						
LDR (%)	89	88	80	88	91						

By Currencies*



Conventional vs Sharia *



Notes:

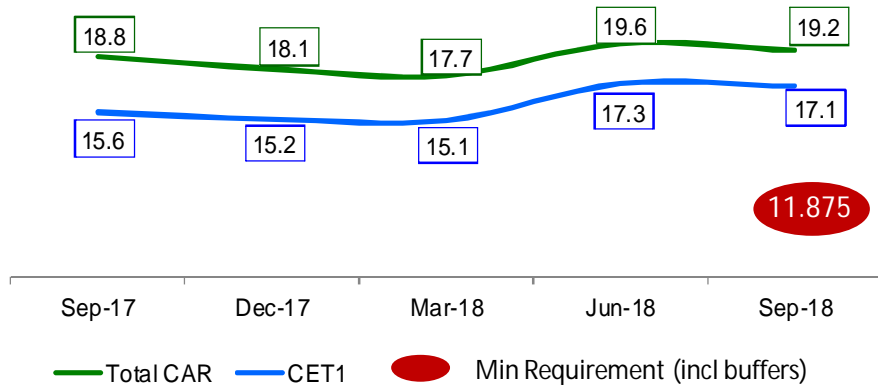
* Bank only

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

Source: Published and Management Report

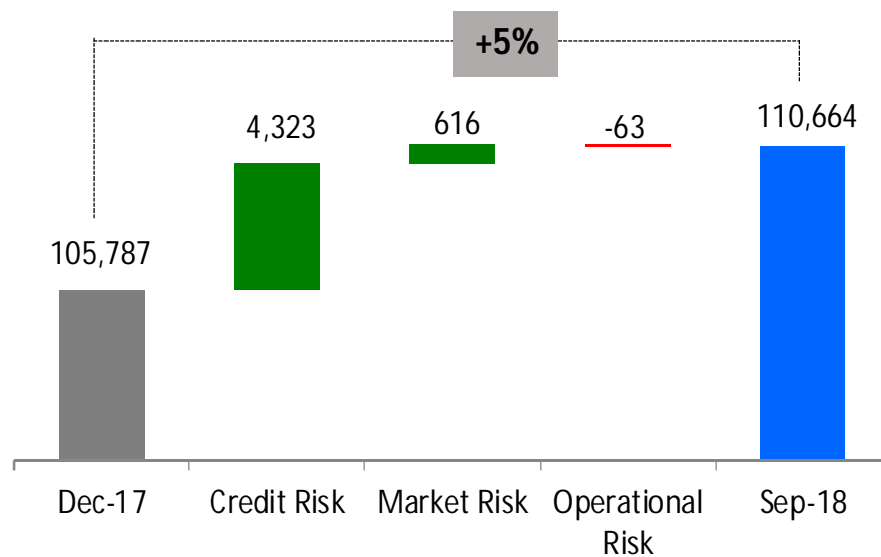
Capital – strong capital base to grow

Capital ratios (%)

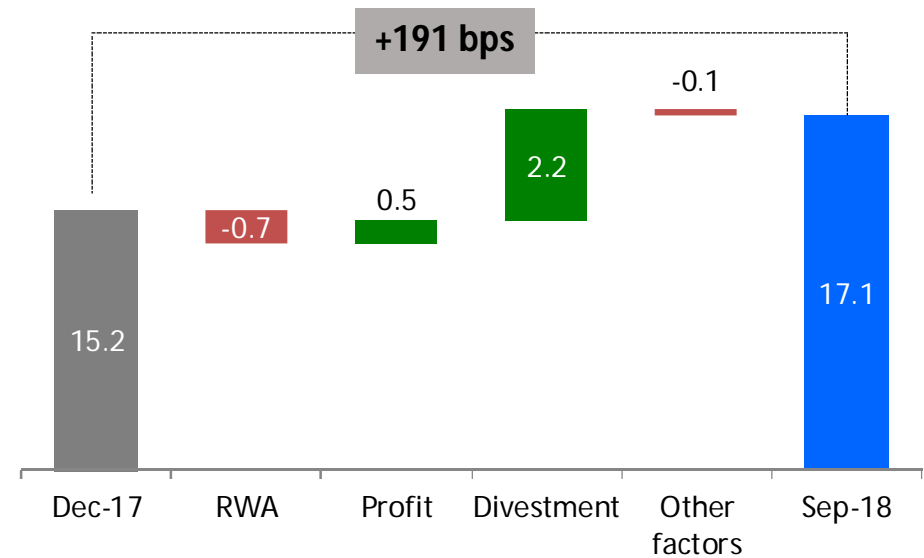


- **Strong capital position** as reflected in strengthened **Common Equity Tier 1 (CET-1) ratio and Capital Adequacy Ratio (CAR) of 17.1% and 19.2% respectively**, far higher than the minimum capital requirements.
- CET-1 +191 bps mainly driven by ASF divestment and partly set-off with higher RWA from strong loan growth

Risk Weighted Asset (Rp Bn)



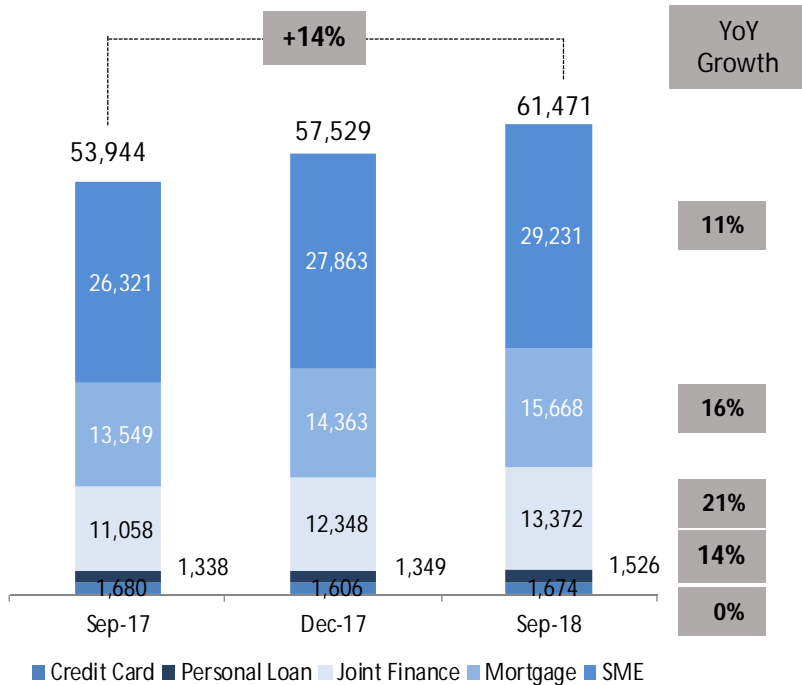
CET-1 Ratio (%)



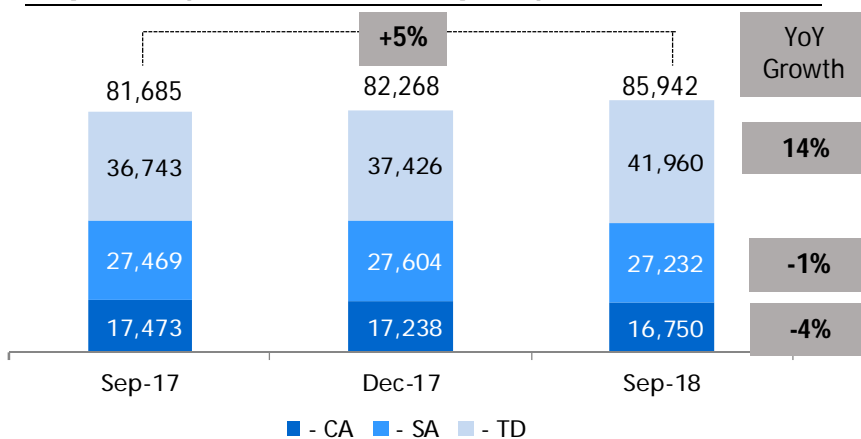
Source: Published Report, Bank only

Business Updates – Retail Banking

Loans by Segment (Consolidated, Rp Bn)



Deposits (Consolidated, Rp Bn)



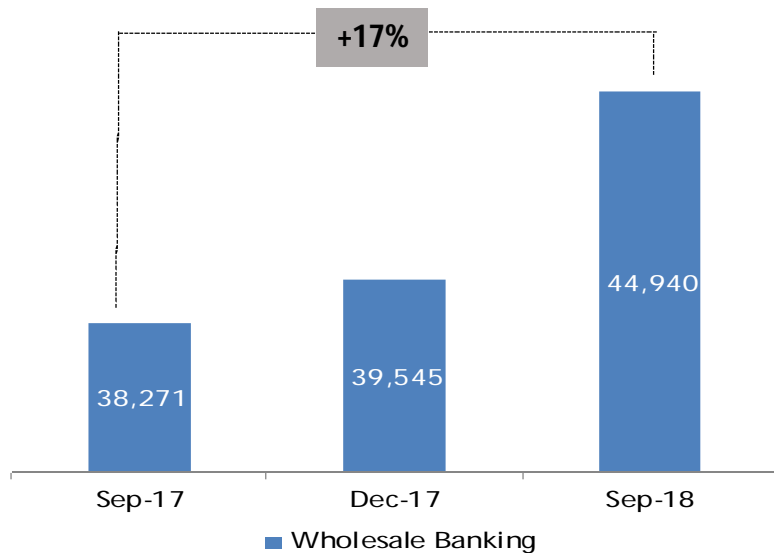
Initiatives & Priorities

The business is driven towards higher degree of digitalization to adapt with changing customers environment as well as to streamline the process

- 1** **Grow Customers**
 - Grow Retail Customers focusing on key strategic partners/ channels, i.e. branches, Astra Ecosystem and selected partners;
 - Grow SME capitalizing cross selling of funding customers, Astra ecosystem, digital value chain and channelling to micro segments
- 2** **Superior Products & Services**
 - Continue to launch/ to renew existing products & transactional services focusing on Payments, WM and SME Lending
 - Launch Streamlined Account Initiation for smaller ticket size
- 3** **Digital Strategies/ Transformation**
 - Empower digital channels focusing on PMobile/ PNet for customer acquisition, maintenance & cross selling
 - Consolidate customers handling in branch with current digital capabilities to achieve greater efficiency in branch
- 4** **Productivity, Efficiency & Execution Excellence**
 - Turn Around Time (TAT) improvement focusing on SME
 - Sales people training/ on-boarding and training/ certification
- 5** **Risks Management**
 - Maximize recovery & collection
 - Refine credit risk management approach that fits with current market situation
 - Establish a strong capability to handle operation risks event in digital environment

Business Updates – Wholesale Banking

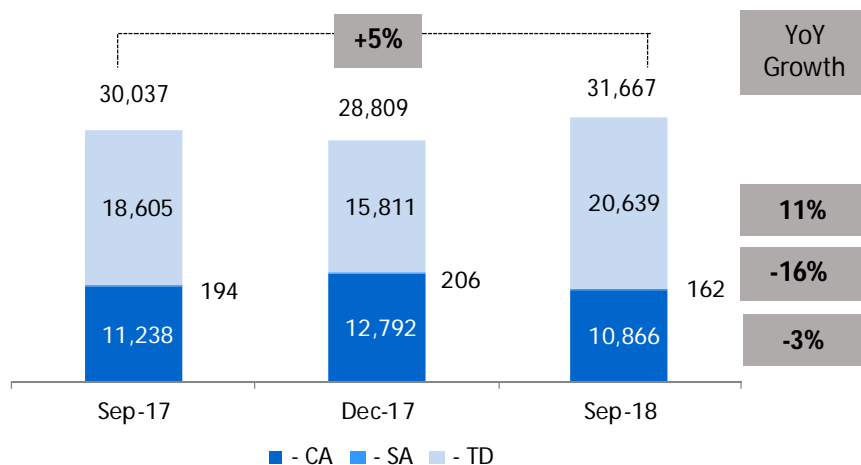
Loans (Consolidated, Rp Bn)



Business Performance

- 17% growth on asset with good credit quality is driven from both new acquisition and existing names with SOE segment as the highest contributors
- Credit risk customers profile shifting towards better quality
- There are new principals booking in 2018 to grow value chain business beyond automotive industry
- Sustainable growth in Deposits by 5% through both Astra & non Astra client

Deposits (Consolidated, Rp Bn)

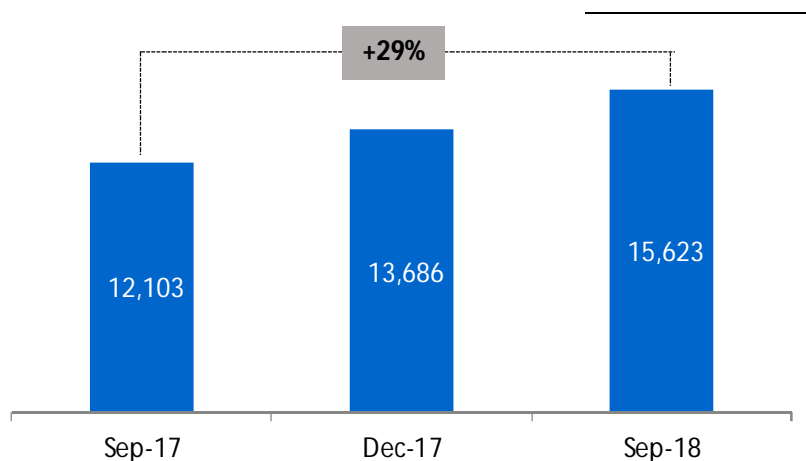


Initiatives & Priorities

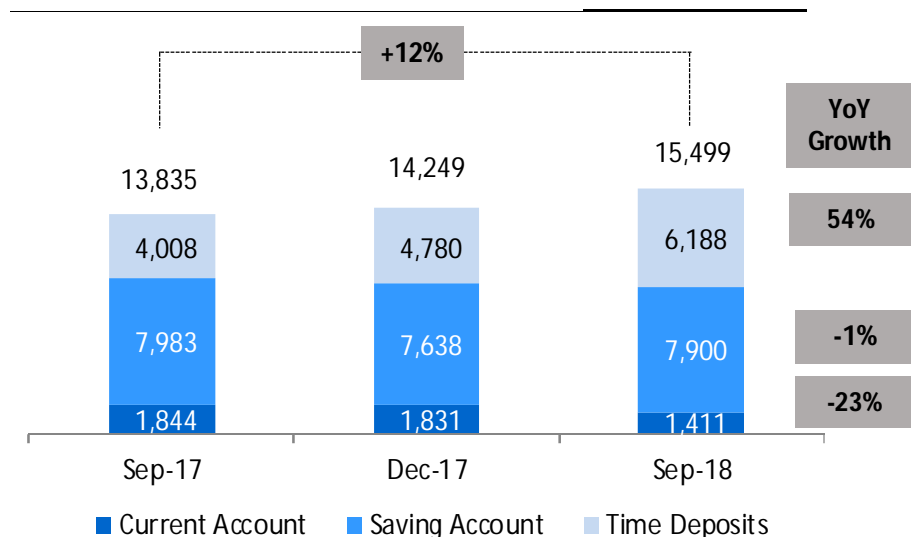
- Strengthen client onboarding process, especially in credit assessment in accordance with Bank's risk appetite bank
- Accelerate customer acquisition process through process simplification and *Turn Around Time (TAT)* monitoring
- Continue to develop the commercial segment
- Growing Value Chain business beyond Automotive Industries
- Intensify product cross selling to grow fee based income
- Increase synergy with shareholders

Business Updates – Sharia Banking

Loans (Rp Bn)



Deposits (Rp Bn)



Sharia Business Performance YTD Sept '18

- PBT as of YTD Sep 18 was Rp 296bn, grew 38% yoy
- **Total Financing** was Rp15.6Tn, **grew 29% yoy** from both retail and wholesale segments
- Total Deposit was Rp 15.49 Tn grew 12% YoY
- **CASA Ratio 60%**, higher than Sharia Industry's CASA Ratio of 43% (July 2018)
- **Asset quality continues to improve** as reflected in NPF Gross of 0.93% as compared to 1.56% in Sep 17

Awards Received in 2018

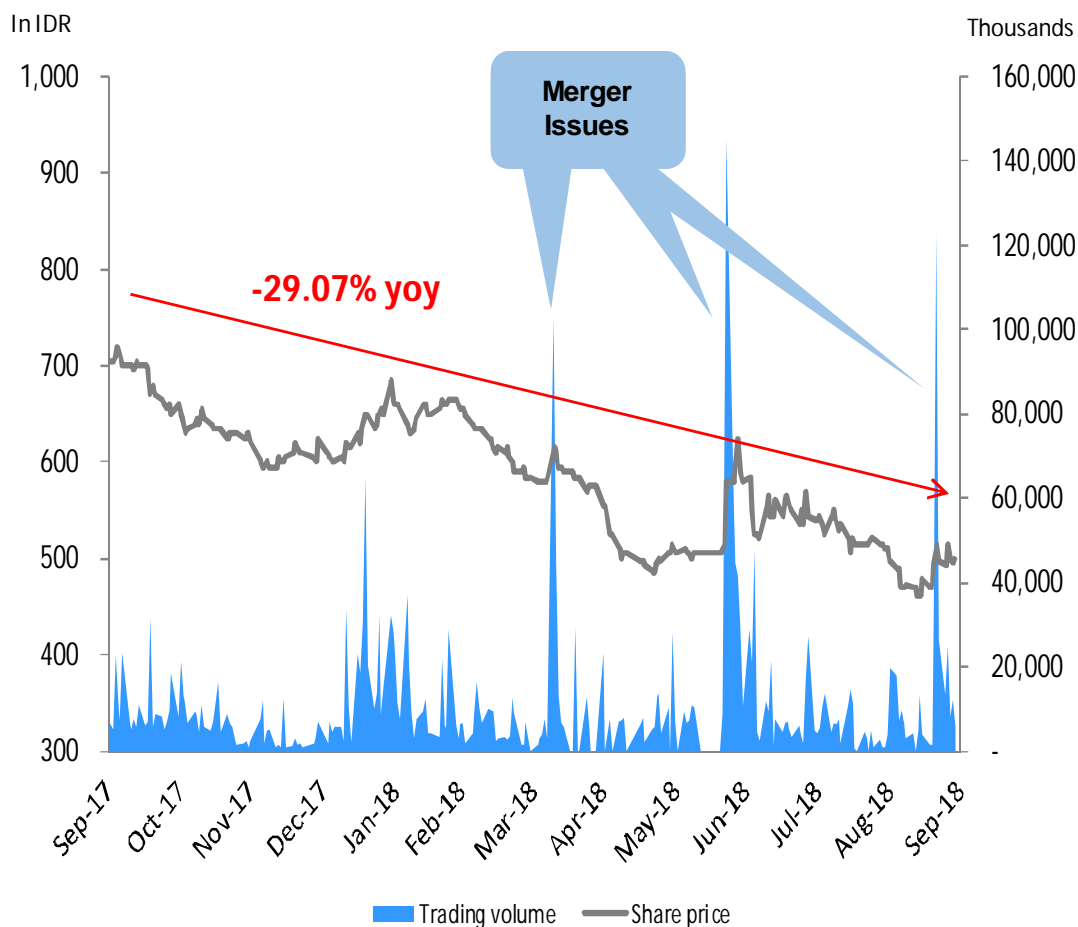
- The Best Overall Performance Sharia Windows Syariah Service Excellence Award (8 consecutive years) **from Infobank Magazine & MRI**
- Best Savings Account UUS Category (2018) and 2nd winner for Digital Branding (2018) Digital Branding Award **from Infobank**
- Top 5 Customer Choice (2018) **from Warta Ekonomi**

Strategic Initiatives

- Maintain the low cost of fund
- Grow the healthy asset through segment selection with measured risk level
- Market expansion to Bank's existing segment and Syariah segment (new segment)
- Increase the NFI through E-Banking and WM products
- Strengthen branding through a series of events & partnership

Shares & Rating

Share Price & Trading Volume



Source: Reuters and IDX

Rating Agencies Rating/Outlook

Pefindo (Sep 2018)	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 2018)	National Long Term Rating	AAA(idn) / Stable
	National Short Term Rating	F1+(idn)
Moody's (April 2018)	Local and Foreign Currency Deposit Rating	Baa3/P-3
	Counterparty Risk Assessment	Baa3(cr)/P-3(cr)
	Baseline Credit Assessment	Ba2
	Adjusted Baseline Credit Assessment	Ba1

	BNI	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18
Price (IDR.)		705	505	530	580	500
PBV (x)*		0.9	0.8	0.8	0.8	0.7
P/E ratio*		16	18	22	25	24
Market Cap (IDR Tn)		19.6	17.4	16.2	16.1	14.0

Source: IDX publication

Penghargaan 2018

2018 Contact Center Service Excellence Award

Penghargaan dengan predikat *Exceptional* untuk kategori Regular Banking, Priority Banking, Regular Credit Card, Platinum Credit Card, Sharia Banking

2018 Banking Service Excellence Award – MRI / Infobank

- Digital Banking Services Terbaik
- Kategori Bank Umum:
 - #1 *Best Opening Account Website Application*
- Kategori Bank Syariah:
 - *Golden Trophy Award (The Best Bank - kategori UUS)*
 - #1 *Best Overall Performance*
 - #1 *Best Overall Minus E-Banking*
 - #1 *Best Customer Service*
 - #1 *Call Center Sharia*

2018 Digital Touch Points Customer Engagement Award

Penghargaan dengan predikat *Good* untuk Regular Banking

2018 Service Quality Award

Penghargaan dengan predikat Diamond (tertinggi) untuk PermataBank Priority, Regular Banking, Platinum Credit Card

The Asian Banker Indonesia Country Awards 2018

Penghargaan kategori *The Best Frictionless Internet Banking Initiative, Application or Programme* untuk Permata E-Wealth



Digital Initiatives – PermataMobile X



PermataMobile X

Ratusan Fitur dalam Satu Aplikasi
untuk #IndonesiaTanpaStres

INTIP SALDO TANPA LOGIN

Sekarang lebih mudah karena bisa melihat saldo PermataMobile X



KIRIM UANG KE HAPE

Transfer lebih mudah hanya dengan nomor handphone



TRANSFER DALAM 5 DETIK

Transfer cepat hanya dalam waktu 5 detik



SEMUA REKENING DI SATU LAYAR

Cukup satu klik untuk cek semua rekening



MUDAH KIRIM RESI

Tinggal klik Share Receipt, langsung kirim lewat e-mail, LINE, dan chat apps lainnya



PERMATA STORE

Dapatkan produk pilihan PermataBank di dalam Permata Store



BUKA TABUNGAN, GIRO, KARTU KREDIT, PINJAMAN

Kartu Kredit & Pinjaman segera hadir



FACE ID DAN FINGER ID

Login aman dan cepat tanpa harus ingat userID dan password. (FaceID dan finger ID hanya tersedia di iPhone X)

AMBIL UANG TANPA KARTU ATM

Tarik tunai tanpa kartu di PermataATM

LIHAT MUTASI SAMPAI 12 BULAN

Melihat transaksi hingga 12 bulan ke belakang

REKSA DANA DAN OBLIGASI

Jual beli Reksadana dan Obligasi di mana saja, kapan saja

Download PermataMobile X sekarang!



THANK YOU

PT Bank Permata Tbk

Investor Relations

World Trade Center II

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Jakarta 12920 - Indonesia

Phone: (62-21) 523 - 7899 / 7999

Website : www.permatabank.com

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