

Press Release

19 February 2021

PermataBank Closes 2019 with Net Profit of Rp1.5 Trillion

Net Profit Up 66.5% YoY, NPL Ratio Maintained Under 3%

Jakarta – PT Bank Permata Tbk (“PermataBank” or “Bank”) announced its solid financial performance throughout 2019 by showing significant improvement, noting Profit After Tax growth of 66.5% at Rp1.5 trillion and NPL ratio down from 4.4% in the end of 2018 to 2.8% by end of 2019, proving **PermataBank’s** success in increasing profitability, supported by business income and asset quality that continue to improve.

Ridha D.M. Wirakusumah, President Director of PermataBank explained, “Looking back at **PermataBank’s** journey in the past three years, the achievement at the end of 2019 is extremely encouraging and reflects our commitment to all our stakeholders to continue strengthening profitability from year to year, by building a solid and promising foundation of business growth. Our efforts to maintain strong asset quality, efficient operational cost discipline, a healthy NPL ratio, and continuous innovative services, particularly through digitalization, have been the keys to success in achieving the Bank’s revenue targets this year.”

Profitability until Q4 2019 grew significantly, supported by substantial increase in Operating Profit. Pre Provision Operating Profit recorded 18.8% growth to Rp3.04 trillion as the result of 5.6% increase in Net Interest Income and 24.3% in Fee Based Income. Meanwhile, Net Interest Margin (NIM) flourished to 4.4%, up 16bps compared to September 2019 at 4.2% or increased 28bps from December 2018 at 4.1%. Along with consistently improved quality asset, Cost Credit Provision

decreased at 32.5% to Rp1.14 trillion to the same period the previous year at Rp.1.68 trillion.

The Bank's operational costs is well-controlled and efficiency ratio (BOPO) improved significantly to 87.0% in December 2019 compared to 93.4% in the same period the previous year.

Asset quality has continued to improve at a healthy level, showing success and strong management commitment in continuing to improve asset quality. The ratio of gross NPLs and net NPLs in December 2019 continue to significantly improve to the level of 2.8% and 1.3% compared to December 2018, which recorded at 4.4% and 1.7% with NPL coverage ratio was well-maintained at 132.8%. The improvement of gross NPL ratio was a result of the restructuring of non-performing loans, write-off loans, loan settlements and growth of good-book loans. The Bank will continue to maintain its conservatism and continue its efforts in vigilant mitigation of potential credit losses prudently.

PermataBank continues to prioritize good-book loan growth by recording moderate credit growth at 8.5%, better compare to other bank's credit growth in the industry, which is calculated selectively by prioritizing asset quality in accordance with a more prudent credit risk management framework. This good-book loan growth was occurring mostly in Wholesale Banking segments. Meanwhile, Retail Banking segment recorded good-book loan growth in Non-collateral Loan and Home Loan. In addition, there is a significant decrease in non-performing loan which successfully lowered gross NPL ration under 3%, resulting net credit growth reached Rp108.5 trillion in December 2019 or 1.5% better than the same period in previous year.

Innovative banking products and services, including the development of digital banking to provide a simple, fast, and reliable customer service, also supported maximum credit growth.

Meanwhile, liquidity was maintained optimally with a Loan-to-Deposit ratio in December 2019 of 86.3%, a slight decrease compared to the position in December 2018 – though still in line with the Bank's efforts to continue maintaining optimal liquidity and support future credit growth amid the tight liquidity in the banking industry. **PermataBank** successfully increased third party funds by 4.3% year-on-year, a contribution from growth in current accounts and savings by 15.5% and 3.6% respectively, while expensive deposits funds decreased by 0.6%. The Bank's CASA ratio was successfully maintained at the level of 51%, an increase compared to the same period the previous year at 48%. This achievement has been PermataBank's strategy in maintaining balance to maximize the Bank's profitability while sustaining optimal liquidity, supported by a better funding source structure.

The Bank's capital position continued to increase and was firmly maintained, reaching achievement rates of Common Equity Tier 1 (CET-1) and Capital Adequacy Ratio (CAR) at the end of December 2019 at 18.7% and 19.9%, compared to 17.6% and 19.4% in the same period the previous year, although Bank has done the repayment subordinated bonds come due in 2019 of Rp2.5 trillion and has not done the issuance of additional capital to replace its subordinated bond already paid off. Bank's capital ratio is significantly higher compared to the capital adequacy ratio requirement, showing a strong capital position to support asset growth in the future. Meanwhile, the impact of PSAK 71 (IFRS 9) which took into effect on 1 January 2020 is projected not to have a significant impact on the Bank's capital.

"2019 was a fantastic year for us which highlighted several strategic collaborations and synergies with fintech through Retail Banking, new business partnerships in Wholesale Banking, fresh initiatives in the **PermataBank** Syariah Business Unit as well as highly notable achievements in our Digital Banking through API Banking, PermataMobile X, PermataBank.com, and our new All-digital Model Branch. On behalf of the Board of Directors, I would like to express my sincerest gratitude for the hard work and dedication from all of the Bank's employees, as well as for the continued trust from our customers and the support of all other stakeholders

throughout 2019. We are optimistic that we will maintain stronger and more profitable sustainable growth in the future," closed **Ridha**.

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PROFILE OF PT BANK PERMATA Tbk

PermataBank is one of the major private banks offering comprehensive financial services to more than three million customers in 62 cities in Indonesia.

PermataBank has 316 branch offices, 16 mobile branches, 978 ATMs with access to more than 100,000 ATMs (VisaPlus, Visa Electron, MasterCard, Alto, ATM Bersama and ATM Prima) and millions of ATMs worldwide that are connected to the Visa, Mastercard and Cirrus networks. In the third quarter of 2019, in terms of services, **PermataBank** won the 2019 Satisfaction Loyalty & Engagement (SLE) Award based on the Infobank and Marketing Research Indonesia (MRI) survey, one of which is ranked #1 for the INDEX 2019 OVERALL-ENGAGEMENT category (conventional commercial bank / book bank 3). In the second quarter, PermataTel, again, won the 2019 Contact Center Service Excellence Award in 10 categories, from Service Excellence magazine. In terms of products, credit card, debit card and Syariah Business Unit **PermataBank** ranked I & II for the Digital Brand Awards 2019 by InfoBank magazine. **PermataBank** also won various service excellence awards in both categories of conventional banks and Sharia banking in the Banking Service Excellence Award by InfoBank magazine, in collaboration with Market Research Indonesia. As a pioneer in mobile banking and mobile cash technology in the Indonesian market, in 2018, the Bank launched the PermataMobile X application with 200 of the latest innovative features.

For further information on **PermataBank**, please visit us at
<http://www.permatabank.com>.