

Press Release

8 March 2021

PermataBank Ends 2020 with Solid Performance

Operating Income Before Provision Grew 23.7%, Supported by Successful Integration with Bangkok Bank Indonesia and Official Confirmation as a BUKU IV Bank

Jakarta – PT Bank Permata Tbk (“**PermataBank**” or “**Bank**”) announced today the Bank’s performance for the 2020 financial year, posting solid financial performance amid slowing economic growth as a result of the COVID-19 pandemic and global economic uncertainty. **PermataBank** successfully completed the integration process with Bangkok Bank Indonesia (BBI) on 21 December 2020. The integration resulted in the Bank being confirmed as a BUKU IV bank by the Financial Services Authority (OJK) on 20 January 2021, with total capital of IDR 43 trillion, and a significantly increased CAR of 35.7%.

Dr. Ridha D.M. Wirakusumah, President Director of PermataBank said, “**PermataBank** achieved several new milestones and closed 2020 with satisfying results. Despite facing challenging economic conditions, we were able to complete the integration process with Bangkok Bank. At the end of the year, the Bank had nearly 4 million customers across 62 cities with 300 branches, four of which were renovated into digitalized branch models. Our capital and liquidity were maintained well within requirements and the successful and smooth integration with Bangkok Bank Indonesia resulted in **PermataBank**'s confirmation as a BUKU IV bank at the end of January 2021.”

PermataBank booked operating income before provision of IDR 3.8 trillion in 2020, an increase of 23.7% year-on-year (YoY) compared to the same period the year before. This growth resulted from an increase in net interest income of 14.2% and non-interest income of 16.1% YoY. The Net Interest Margin (NIM) ratio increased to 4.7% from 4.4% from the same period the year before in line with the Bank's strategy to maintain optimal liquidity.

The Cost to Income Ratio (CIR) was 58.7%, a significant improvement from 62.4% the previous year. This was supported by the digitalization of banking transactions. Digital transactions across all digital channels, especially PermataMobile X and PermataNET, achieved high double-digit growth, while QR Pay transactions through PermataMobile X experienced the highest growth of more than 300% from 2019. To support financial inclusion and digital acceleration to help the Indonesian economy during the pandemic, **PermataBank** also provided PermataQR services for businesses, focusing on MSME, so they can accept cashless payments.

The Bank continued the digitalization of branch office services by increasing the range of Branch Models to provide seamless banking experiences across offline and online services tailored to the needs of different customer groups.

Total lending was IDR 118 trillion, up 9.2% from the same period the year before. Credit growth was supported by the transfer of IDR 17.3 trillion of BBI assets through the integration process.

The Bank's Non-Performing Loans (NPL) were maintained at a safe level during a decline in asset quality across the Indonesian banking industry. The gross NPL ratio slightly increased to 2.9% from 2.8% the previous year. Net NPL was maintained at 1.0% compared with 1.3% in 2019. The Bank is making continuous efforts to improve NPL through the restructuring of NPL and write-off loans, selling NPL, and growing good book loans.

During the fourth quarter of 2020, in line with regulatory guidelines, the credit restructuring and relaxation program continued for customers affected by COVID-19. As of December 2020, about 14% of customers in the loan portfolio applied for restructuring and relaxation, most of which have been completed.

In line with the prudent approach to managing the impact of COVID-19, **PermataBank** has allocated a significant provision for deteriorating asset quality of IDR 2.2 trillion by taking into account the potential for increased credit losses as a result of slowing economic growth which has an impact on the risk profile of the credit portfolio. This was indicated by an increase in the NPL Coverage ratio to 239% at the end of 2020, up from 133% the previous year.

The Bank is managing appropriate liquidity with the Loan to Deposit Ratio (LDR) at 79% in December 2020 and the CASA ratio at 51.2%, an increase of 54 basis points from the same period the previous year. Total public deposits grew by 18.4% YoY, with the highest contribution coming from Current Account product growth of 25.3%, followed by Savings at 13.5% YoY and Time Deposits at 17.1% YoY. The Capital Adequacy Ratio (CAR) and Common Equity Tier 1 (CET-1) as of December 2020 were 35.7% and 26.9% respectively, an increase from 19.9% and 18.7% from the same period the previous year, well above the minimum regulatory capital requirements and the average CAR of the Indonesian banking industry.

Successfully completing the integration process quickly, officially becoming a BUKU IV bank and an increasingly recognized CSR program

After the Board of Commissioners of the Financial Services Authority (OJK) granted an integration permit No.89 / KDK.03 / 2020 for the integration of BBI into **PermataBank** on 17 December 2020, the integration process was successfully completed on 21 December 2020. This integration significantly increased the Bank's total capital to IDR 43 trillion with CAR recorded at 35.7%, thus providing **PermataBank** with a strong foundation to a wider range of services to customers, supporting the acceleration of business growth and making a positive contribution to

economic growth in Indonesia. This was further reinforced by the OJK which confirmed **PermataBank** as a BUKU IV bank, effective January 20, 2021.

PermataBank's Corporate Social Responsibility (CSR) activity, PermataHati, is the flagship program for the company to reach out to the community through various sustainable financial literacy and inclusion programs. During 2020, PermataHati programs reached more than 7,500 beneficiaries across Indonesia. **PermataBank**, through its program to support people with disabilities, PermataBRAVE, won the 2020 National Padmamitra Award from the Ministry of Social Affairs of the Republic of Indonesia for the disability category. Built on the pillars of Education, Empowerment and Enhancement, PermataHati continues to support elementary and vocational/junior high school students and teachers as well as the disability community through various programs presented online during the pandemic.

"We are optimistic about welcoming 2021 with positive performance in 2020 and the strong status of **PermataBank**, which has become a BUKU IV bank. We can achieve this thanks to the support and loyalty of all **PermataBank** customers, our controlling shareholder Bangkok Bank, and all of our stakeholders. We will continue to focus on being the bank of choice and strive to be able to continue to provide meaningful value and Making A Difference for our stakeholders," said **Ridha**.

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PROFILE OF PT BANK PERMATA Tbk

PermataBank is a BUKU IV bank and is one of the 10 best banking institutions in Indonesia. We are listed in Indonesia Stock Exchange (Code:BNLI) with Bangkok Bank Public Limited Company as controlling shareholder. **PermataBank** is offering innovative products and services serving nearly 4 million customers in 62 cities in Indonesia. As of 1 March 2021, **PermataBank** has 300 branch offices, 4 mobile branches, 925 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.

PermataBank won various service excellence awards in both conventional Banks and Sharia banking categories, and the 2020 Banking Service Excellence Award by InfoBank magazine in collaboration with Market Research Indonesia and through the Corporate Social Responsibility program for people with disabilities, namely PermataBRAVE won the National Padmamitra Award 2020 from the Ministry of Social Affairs of the Republic of Indonesia. As a pioneer in mobile banking and mobile cash technology in the Indonesian market, in 2020, the Bank strengthened the PermataMobile X super application with 200 of the latest flagship features, re-launched PermataNET, and further established itself as one of the leaders in digital mobile banking in Indonesia.

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