

Press Release

27 August 2020

PermataBank is Committed to Strengthening Business Performance Growth

Continuously carry out digitalization transformation in all business units

JAKARTA – PT Bank Permata Tbk (“PermataBank” or “Bank”) held a public expose on Thursday, 27 August 2020 in Jakarta. On this annual agenda, **PermataBank’s** Board of Directors exposes the financial performance on half Semester of 2020 along with the development of the Bank's businesses. With the support from Indonesia Stock Exchange, this is the first public expose since the arrival of Bangkok Bank Plc (“Bangkok Bank”) as the new controlling shareholder.

Talking about the achievements in the second quarter of 2020, **President Director of PermataBank - Ridha D.M. Wirakusumah** said, “With the slowdown in economic growth that occurred due to the pandemic, we were able to keep our pre-provision operating income growth at 24.2%, controlled asset quality with the support of a strong liquidity and capital position. Closing this year, we will continue to provide credit disbursement which is carried out on a prudent basis that is focused on healthy customers, and with the support of our new controlling shareholder, Bangkok Bank, **PermataBank** will continue to carry out digitalization transformation across all business units on an ongoing basis. ”

In the first semester of 2020, **PermataBank** recorded a Pre-Provision Operating Income of Rp1.7 trillion, growing 24.2% year-on-year (yoy) compared to the same

period last year, mainly contributed by the growth in Net Interest Income of 12.1% yoy. This is in line with the achievement of the interest margin ratio (Net Income Margin or NIM) to 4.5%, an increase from 4.2% in the same period last year. The Bank continues to strive for discipline in operational cost management, so that the efficiency ratio also shows improvement with the Cost to Income Ratio (CIR) recorded at 58.7%, which continues to improve significantly compared to last year's position of 62.8%.

In dealing with the impact of COVID-19, **PermataBank** has allocated a provision for deteriorating asset quality of Rp1.1 trillion by taking into account the potential for an increase in credit losses. As a result of the reduction in the Corporate Income Tax (PPh) rate from 25% to 22% which became effective in March 2020, the Bank also recognized an additional deferred tax expense which resulted in a decrease in profit after tax. During the second quarter of 2020, **PermataBank** implemented a restructuring and credit relaxation program for customers affected by COVID-19. As of the end of June 2020, approximately 15% of the loan portfolio applied for restructuring and relaxation, most of which have been completed.

The Bank's liquidity is well-maintained as evidenced by the optimum liquidity ratio of Loan-to- Deposit Ratio (LDR) of 80.7% in June 2020 and a CASA ratio of 52.1%. Growth in savings and current accounts by 11% yoy. In terms of capital, the Common Equity Tier 1 (CET-1) and Capital Adequacy Ratio (CAR) ratios were also well maintained at the position of June 2020 at 20.2% and 21.3%, respectively, an increase compared to 18.4% and 19.8% in the same period last year, much higher than the applicable minimum capital requirement.

Meanwhile, the Bank's Non-Performing Loan (NPL) can be managed properly at a safe level. The gross NPL ratio was recorded to have slightly increased to the level of 3.7% compared to June 2019 which was 3.6% with net NPLs maintained at the level of 1.8% compared to June 2019's position of 1.3%. **PermataBank** is making continuous efforts to improve NPLs through restructuring of non-performing loans, writing off loans, selling NPL loans and growing good book loans.

The arrival of Bangkok Bank as the new controlling shareholder provides a strong impetus to develop **PermataBank's** business potential, especially Bangkok Bank's role as the market leader for corporate banks in Thailand which has a strong position in the MSME sector in Indonesia. Bangkok Bank also gives confidence in the capabilities of the Best-in-Class Digital Banking capabilities owned by **PermataBank**, creating stronger business synergies and put their commitment to supporting the Bank's future growth.

Meanwhile, from the business side, Wholesale Banking continues to retain credit growth in the large corporate segment in selected sectors and maintains relationships with customers amid the pandemic by actively holding webinars that are useful for customers' businesses. The Retail Banking unit focuses on growing the number of customers, refreshing and updating digital technology, which is positioned to increase market shares. **PermataBank's** Sharia Business Unit prioritizes digitalization as an innovation in the development of the Sharia business.

PermataBank is actively supporting the government's efforts in dealing with the impact of the COVID-19 pandemic in Indonesia through the Restructuring and Relaxation program established by the Government and the Financial Services Authority (OJK) while continuing to provide selective credit financing to critical economic sectors. **PermataBank** also strengthened its prime digital banking services through PermataMobile X and PermataNet to help customers in the new normal and running Corporate Social Responsibility (CSR) program through PermataHati CSR activities that managed to raised and donated more than 5.5 billion Rupiah to focus on helping communities affected by the COVID-19 pandemic.

"In maintaining the growth of the Bank's performance, we will continue to optimize the excellence performance of **PermataBank's** business units and applying digitalization to the banking process. Supported with the application of prudential banking principles in strong risk management. All of that is our commitment to be the

bank of choice by continuing to nurture partnerships and creating meaningful value for our customers and partners. " 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 3 million customers in 62 cities in Indonesia. **PermataBank** has 309 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 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 for 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 the latest 200 innovative features.

For further information on **PermataBank**, please visit us at

<http://www.permatabank.com>