

## Press Release

29 July 2019

# PermataBank More Than Doubles 1H Net Profit to Rp 711 Billion

*Enhanced asset quality to support digital transformation*

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**JAKARTA - PT Bank Permata Tbk ("PermataBank" or "Bank")** announced that it is more than doubled its net profit for the six months ended June 30, 2019, supported by enhanced risk management and governance, improved asset quality, and the launch of digital products and services.

Net profit after tax increased 146% to Rp 711 billion from the same period a year ago. This significant increase was the result of continuous improvement in credit quality and the year- on-year reduction of credit reserves by 57%. Costs of credit provision in the January through June period more than halved to Rp 466 billion from Rp 1,076 billion a year ago, reflecting the enhanced quality in the Bank's assets.

**Ridha DM Wirakusumah, President Director of PermataBank** said, "**PermataBank's** performance has shown significant progress and puts us on a sustainable path toward continuous growth. Our strategy to enhance asset quality, risk management and governance has yielded an improvement in our NPL ratio. These results will enable us to continue bringing about greater innovation and transformation in our digital banking initiatives to redefine customer experience."

The gross non-performance loan (NPL) ratio and net NPL position for June 2019 improved significantly to 3.6% and 1.3% respectively from 4.3% and 1.5% in June 2018. The NPL ratio and net NPL position were at 4.4% and 1.7% respectively in

December 2018. All these figures were well within the regulatory provision requirements. The NPL coverage ratio was also well-maintained at 157%, having decreased from 176% given the significant credit enhancement in the first six months this year.

In line with the focus on asset quality management, loans growth increased 3.7% year-on-year from Rp 103.2 trillion to Rp 106.9 trillion as per June 2019. This growth was driven by the 4.8% from the Wholesale Banking business segment and the 2.9% from Retail Banking. The launch of innovative products and services, from digital banking to simpler and more efficient financial solutions, contributed to the increase in the loans take-up rate.

The loan-to-deposit ratio (LDR) was maintained at an optimum level of 93% as at June 2019. The ratio stood at 86% a year ago and was at 90% in December 2018. This increase was achieved through the Bank's efforts in balancing loans maximization and an optimum liquidity position.

Net Interest Margin (NIM) was recorded at 4.2%, an increase of 20 basis points from the 4% each in June 2018 and December 2018. Net interest income rose 2% year-on-year to Rp 2.8 trillion as of June 2019.

The Bank's overall operating costs were stable, due to a significant increase in business volume and the efficient management of expenses. The BOPO ratio in June 2019 improved significantly from 98% in June 2018 to 88%, as a result of lower impairment cost and efficiency of operational costs amid inflationary pressure.

**PermataBank's** strong capital position was reflected in the continued increase in the Common Equity Tier 1 (CET-1) ratio and Capital Adequacy Ratio (CAR) of 18.4% and 19.8% respectively. These ratios, higher than the minimum capital requirement, improved from the 17.2% and 19.6% recorded in the same period last year.

The Bank's CASA ratio improved to 52% in the first six months from 48% in the same period last year. This shows a better funding source structure to balance maximizing the Bank's profitability with maintaining optimal liquidity.

As a closing, **Ridha DM Wirakusumah** also said, "Overall, **PermataBank** delivered a strong set of results in the first half of 2019 on the back of the Bank's focus on building its fundamentals to further support business growth. Looking to the medium and longer term, **PermataBank** will devise a better funding source structure to balance maximizing the Bank's profitability with maintaining optimal liquidity. Our aspiration continues to be one of increasing value for our shareholders, customers, and employees."

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### **PROFILE OF PT BANK PERMATA Tbk**

**PermataBank** is one of major private bank offering comprehensive financial services in a simple, fast, and reliable manner. 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.

Serving more than 2 million customers in 62 cities in Indonesia, as of **Jun 2019**

**PermataBank** has 317 branch offices, 16 mobile branches, 989 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 first 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.

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