

Press Release

30 October 2019

PermataBank Financial Performance Strengthens in 3rd Quarter

Books 121% Net Profit and Improved NPL

JAKARTA – PT Bank Permata Tbk (“**PermataBank**” or “**Bank**”) announced a significant growth in net profit in the third quarter ending 30 September 2019, reflected by its strong business performance and improved asset quality, while liquidity was maintained at an optimum level.

Net profit after tax solidly increased by 121% to Rp1.1 trillion from the same period last year. Pre Provision Operating Profit recorded 15% growth to Rp2.1 trillion as the result of 3,0% increase in Net Interest Income and 22% in Other Operating Income, while Net Interest Margin (NIM) improved to 4,2% followed by substantial increase in Operating Profit by 279% to Rp1.4 trillion until end September 2019. Healthier Bank’s asset quality was reflected on 50% decreasing in costs of credit provision to Rp 741 billion by end of September 2019.

Ridha DM Wirakusumah, President Director of PermataBank said: “The profitability that **PermataBank** gained in the third quarter, further underlines our commitment to sustain a solid performance and continuously maintaining the Bank’s healthy asset quality. We have also implemented an efficient operational cost management to ensure we are on the steady level in a midst of our investments and pressure of inflation. Our innovation in products and services, including enhancement in digital banking helps to grow our credit portfolio.”

PermataBank recorded loan at Rp.107.6 trillion in September 2019, grew moderately at 1.0% contributed from both Retail Banking and Wholesale Banking. The marginal growth in net credit was mainly due to the acceleration settlement of non-performing loan which caused a decrease in the numbers of loans extended. On a gross basis, healthy credit grew by 8% compared to last year, which was booked selectively by prioritizing asset quality in accordance with a more prudent credit risk management framework.

The gross Non-Performing Loan (NPL) and NPL net in September 2019 showed significant improvement to 3.3% and 1.2% respectively from 4.8% and 1.7% in September 2018. As comparison, the NPL gross and net NPL ratio were at 4.4% and 1.7% in December 2018. These performance numbers were well-maintained within the regulatory provision requirements. The NPL coverage ratio were soundly preserved at 164%, having decreased from 189% in the same period last year and 176% in December 2018. This achievement was aligned with improvement asset quality and vigilant mitigation of credit loss potentials.

The Bank's overall operating costs were manageable, increased within inflation range target at 3.0% year-on-year. The BOPO ratio in September 2019 improved significantly to 87% from 96% in September 2018, as a result of lower impairment cost and efficiency of operational costs amid inflationary pressure.

The loan-to-deposit ratio (LDR) was stated at a confident level of 88% as at September 2019. The ratio stood at 91% a year ago and was at 90% in December 2018. This number shows strong liquidity and is still aligned with the Bank's efforts in balancing loans maximization and an optimum liquidity position to support credit's growth in the future.

PermataBank was able to increase Third Parties Fund at 2.0% YoY in September 2019, which contributed from the growth of Current and Saving Accounts at 11.0% and 6.0% respectively, while Time Deposits decreased by 4.0%. The Bank's CASA ratio improved to 50% from 47% in the same period last year. This shows a better

funding source structure to balance maximizing the Bank's profitability with maintaining optimal liquidity.

Meanwhile, Bank's strong capital position was reflected in increasing the Common Equity Tier 1 (CET-1) ratio and Capital Adequacy Ratio (CAR) of 18.6% and 19.8% respectively. These ratios, higher than the minimum capital requirement, improved from the 17.1% and 19.2% recorded in the same period last year.

"We are excited with our strong results this quarter and optimistic that with our initiatives such as launching PermataMobileX for Sharia banking, opening of our Model Branch, and the latest partnership with Lembaga Pembiayaan Ekspor Indonesia (LPEI) for credit guarantee, will strengthen our performance and bring even better results going forward," said **Ridha** to close.

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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 3 million customers in 62 cities in Indonesia, as of September 2019 PermataBank has 316 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>