

Ref.: OP.435/2019

12 December 2019

Re: Entering into a Share Purchase Agreement for the Acquisition of a Majority Shareholding in PT Bank Permata Tbk

To: President
The Stock Exchange of Thailand

Bangkok Bank Public Company Limited (the **Bank**) wishes to notify you that, on 12 December 2019, the Bank entered into a conditional share purchase agreement (the **SPA**) with Standard Chartered Bank (**Standard Chartered**) and PT Astra International Tbk (**Astra**) in respect of the proposed purchase by the Bank from Standard Chartered and Astra of 24,991,429,332 Series B shares in total in PT Bank Permata Tbk (**Permata**), representing 89.12% of the total issued and outstanding shares in Permata (the **Transaction**) in accordance with the resolution of the Board of Directors' Meeting No. 12/2019, given on 11 December 2019. Each of Standard Chartered and Astra respectively will sell 12,495,714,666 Series B shares, representing 44.56% of the total issued and outstanding shares in Permata, to the Bank. The completion of such share purchase is still subject to a number of conditions precedent under the SPA being fulfilled. Key information of the Transaction is set out below.

1. Parties

Acquirer: The Bank

Sellers: Standard Chartered and Astra

Purchased Shares: Total of 24,991,429,332 Series B shares in Permata, representing 89.12% of the total issued and outstanding shares in Permata

2. Details of Permata

Established in 1955, Permata is a leading commercial bank in Indonesia, offering a complete range of banking products and services to over 3.5 million retail, SME, and corporate customers. It is listed on the Indonesia Stock Exchange. As of 30 September 2019, Permata had 332 outlets (including branches and mobile branches) and 989 ATMs across 62 cities in Indonesia. Permata has loans of approximately IDR 108 trillion (approximately US\$ 7.6 billion or THB 234 billion¹) and deposits

¹ IDR amounts for Permata's loans and deposits have been converted into THB at an exchange rate of THB1:IDR463 and USD at an exchange rate of USD1:IDR14,179 as of 30 September 2019

of IDR 120 trillion (approximately US\$8.5 billion or THB 259 billion¹) as at 30 September 2019. Permata had 7,670 employees as at end of 30 September 2019.

3. Consideration

The Transaction will be effected on the basis of an agreed valuation of a 1.77 times multiple of Permata's book value (subject to certain adjustments). This implies, on the basis of Permata's book value as at 30 September 2019, an indicative purchase price of IDR 1,498 per share and an indicative transaction value of IDR 37,430,974 million (approximately US\$ 2,674 million or THB 81,017 million²) for the 89.12% stake in Permata.

The price payable by the Bank for the 89.12% stake in Permata will be finalised on the basis of a 1.77 times multiple of Permata's book value (subject to certain adjustments), as set out in the last financial statements published by Permata prior to the closing of the Transaction.

4. Source of Funds

The Bank expects the Transaction to be financed via combination of internal resources and financing through our routine funding sources. At this stage, the Bank does not expect to raise equity specifically for the purpose of funding this Transaction.

5. Transaction Rationale

- Deepens the Bank's presence in Indonesia, the largest ASEAN economy with GDP of US\$1.04 trillion³ and 267 million population with young working age population, growing middle and upper income class, rapid digital penetration, high credit growth⁴ and large unbanked population⁵
- Aligns with the Bank's international strategy to transform into a leading regional bank with larger presence in key ASEAN markets
- Establishes a strong foundational platform in a highly attractive and fast growing market through a quality bank of scale

² For the calculation of the transaction value, the IDR amount has been converted into THB at an exchange rate of THB1:IDR462 and USD at an exchange rate of USD1:IDR13,999 as of 11 December 2019

³ GDP data as of 2018 based on Euromonitor report

⁴ Sector loan CAGR of 15% (2008-18) based on Bank Indonesia statistics

⁵ 84.4 million unbanked population as of 2018 based on Euromonitor report

- Uniquely positions the Bank to capture new and expanding opportunities arising from increasing ASEAN financial and economic integration
- Increases the Bank exposure towards high growth markets
- Enhances cross-border capabilities for Thai corporates in their increasing overseas expansion needs –Thai investment to Indonesia grew approximately 25% annually since 2008⁶
- Results in immediately (FY20E) accretive EPS and ROE for the Bank (assuming the Transaction completes within 2020), with the Bank’s capital position expected to remain robust post acquisition

6. Key Conditions Precedent

Completion of the Transaction is subject to a number of customary conditions precedent in the SPA being fulfilled. Those conditions precedent include, without limitation, receipt of (i) the approval of general meeting of shareholders and approval of the Bank of Thailand for the Bank’s acquisition of Permata and (ii) approvals from the *Otoritas Jasa Keuangan* (the **OJK**) in relation to the Transaction, including fit and proper approval of the Bank as a controlling shareholder of Permata and the OJK’s approval of the proposed acquisition structure.

7. Tentative Timeline

The Bank will be proposing the Transaction to its shareholders for approval at the appropriate time prior to completion of the Transaction.

Subject to the relevant approvals having been obtained and the satisfaction of the conditions precedent under the SPA, the Bank expects the completion of the Transaction to take place within 2020. The Bank anticipates conducting a mandatory tender offer for the remaining 10.88% stake in Permata at the same purchase price following completion of the Transaction.

Based on the requirements under the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets dated 31 August 2008 (as amended) and the Notification of the Stock Exchange of Thailand Re: Disclosure of Information Concerning the Acquisition and Disposition of Assets of Listed Companies B.E. 2547 (2004) dated 29 October 2004 (as amended) (collectively, the **Acquisition or Disposition Rule**), the size of

⁶ Bank of Thailand statistics, outflow of Thai direct investment to Indonesia in all sectors

the Transaction is 11.8% calculated based on the assumption that the Bank will acquire 100% stake in Permata (both under the SPA and through the mandatory tender offer to be conducted thereafter), using the value of net tangible asset criterion, which gives the highest value among all criteria prescribed by the Acquisition or Disposition Rule.

Please be informed accordingly.

Sincerely Yours,

Bangkok Bank Public Company Limited

(Deja Tulananda)
Executive Chairman