



July 2018

2Q 2018 Results Update





Overall financial update

Update on new digital businesses

BTPN Syariah 2Q 2018 performance

Loans Growth Has Picked Up with Strong Liquidity and Asset Quality



Unit: IDR billion

	Jun '17	Dec '17	Jun '18	ΔYoY
Cash & Liquid Asset	24,816	24,406	26,528	7%
Loans (gross)	66,336	65,352	67,768	2%
- <i>Mature Businesses:</i>	47,166	44,879	44,045	-7%
• <i>Pension</i>	40,572	39,419	39,959	-2%
• <i>Micro</i>	6,594	5,460	4,086	-38%
- <i>Growth Businesses:</i>	19,170	20,473	23,723	24%
• <i>SME</i>	11,002	11,571	12,479	13%
• <i>Productive Poor (Syariah)</i>	5,770	6,053	6,873	19%
• <i>Consumer Finance</i>	1,707	2,159	4,076	139%
• <i>Others</i>	690	691	294	-57%
Customer Deposits	69,439	67,918	71,995	4%
Total Funding	78,467	76,493	80,350	2%
Equity	16,233	16,529	17,045	5%
Total Assets	97,057	95,490	99,903	3%

- Overall Loans growth improved to 2% YoY or 4% YTD with stable NPL at 1.1%
- Growth Businesses (SME, Syariah and Consumer Finance) maintained growth momentum with 24% YoY or 16% YTD increase in portfolio
- Strong liquidity with LFR at 84% and Liquid Asset Ratio at 37%

NPAT grew 17% due to lower Operating Expenses and New Investment despite higher impairment cost

Unit: IDR billion

	1H '17	FY '17	1Q '18	2Q '18	1H '18	ΔYoY
Net interest income	4,765	9,527	2,376	2,430	4,806	1%
Operating income	5,031	9,991	2,540	2,598	5,138	2%
Operating expense	2,734	5,366	1,195	1,210	2,404	-12%
• <i>Business As Usual (incl. MSOP)</i>	2,037	3,929	840	835	1,675	-18%
• <i>TUR (Productive Poor)</i>	699	1,442	347	382	729	4%
Loan loss provision	488	1,079	366	331	697	43%
NPAT - Core Business	1,251	2,395	665	713	1,378	10%
• <i>Jenius & BTPN Wow!</i>	395	832	147	159	306	-23%
• <i>Restructuring costs¹</i>	32	736	16	13	30	-7%
• <i>Merger costs</i>	-	-	11	8	20	n.a.
NPAT - Reported	935	1,221	535	557	1,092	17%
NPAT - BTPN Syariah	293	670	212	237	449	53%

- Reported NPAT grew 17% YoY to IDR 1,092 bio
- Restructuring initiatives in Q4 '17 continue to provide positive result in reduction of Operating Expense (18% YoY reduction of BAU cost)
- Jenius and BTPN Wow! costs continue to normalize after initial set-up investment cost in 2017

1 One time non-recurring restructuring cost (project Gemilang/Sunrise) in 4Q 2017

Key Ratios

Unit: %

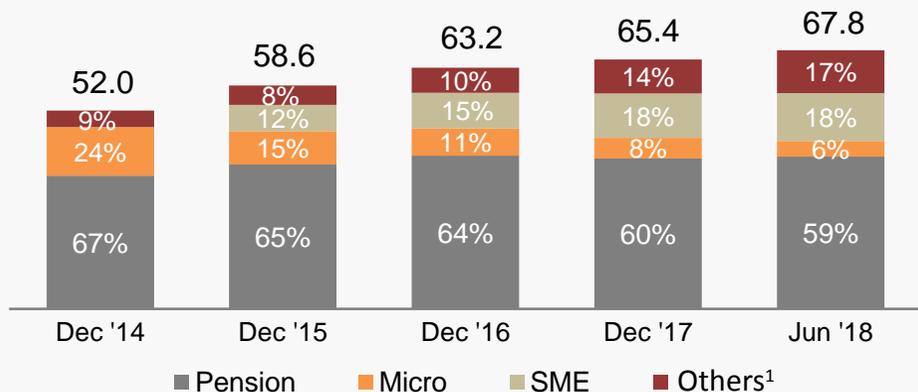
	<u>1H '17</u>	<u>FY '17</u>	<u>1Q '18</u>	<u>2Q '18</u>	<u>1H '18</u>
NIM	11.8	11.6	11.3	11.7	11.5
Cost to Income	63	69	54	54	54
Cost to Income (bank only – BAU)	53	53	46	45	46
LDR (end of period)	96	96	96	94	94
Loan to Funding	85	85	86	84	84
Liquid Asset Ratio	36	36	36	37	37
NPL	0.89	0.90	1.01	1.13	1.13
Cost of Credit/Avg. Loan	1.5	1.6	2.2	2.0	2.1
ROA (before tax)	3.0	2.1	3.3	3.6	3.5
ROA - normalized (Core Business)	3.9	3.8	4.1	4.3	4.2
ROE	11.7	7.5	12.7	13.2	12.9
ROE - normalized (Core Business)	15.4	14.3	15.7	16.7	16.2
CAR (credit & ops risk)	24.0	24.6	24.8	24.1	24.1

- NIM remains robust at 11.5%
- Ample liquidity as shown by better Loan to Funding ratio supported with high Liquid Asset Ratio
- NPL increases to 1.1%, but remains lower than the industry's average NPL (~2.8%)
- CAR remains strong at 24.1%

Loans Composition & Portfolio Quality

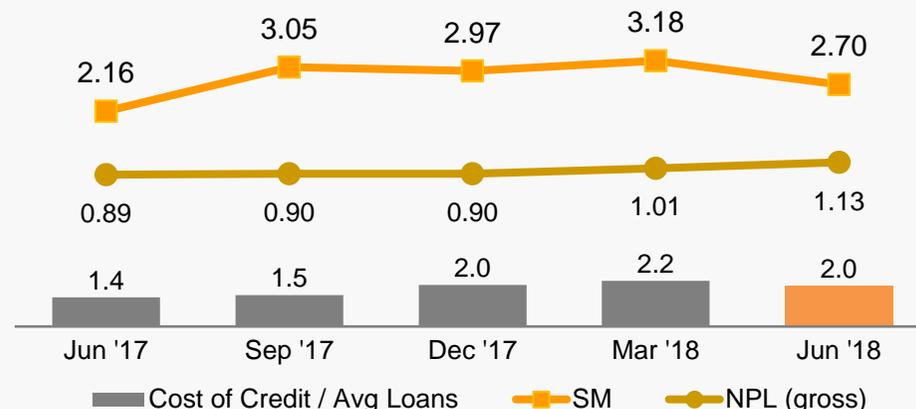
LOANS COMPOSITION

IDR tio



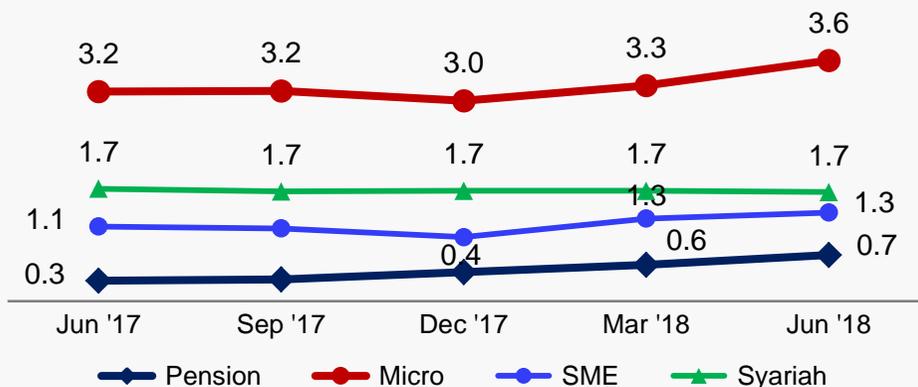
SPECIAL MENTION, NPL & COST OF CREDIT

%



NPL BY BUSINESS

%



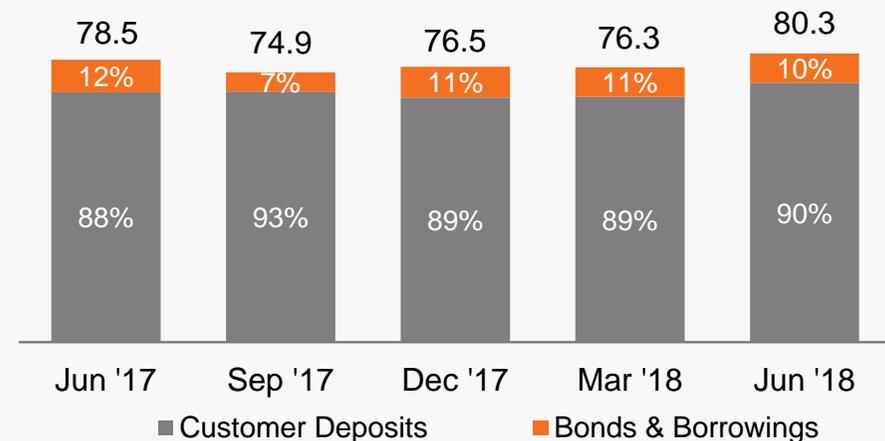
- Loans growth is driven mainly by SME, Syariah and Consumer Finance portfolios
- NPL ratio increased slightly to 1.1%, mainly from Micro and Pension loan portfolios

¹ Including Syariah Financing, Joint Financing, Money Market loan and Employee loan

Funding Composition & Liquidity Reserves

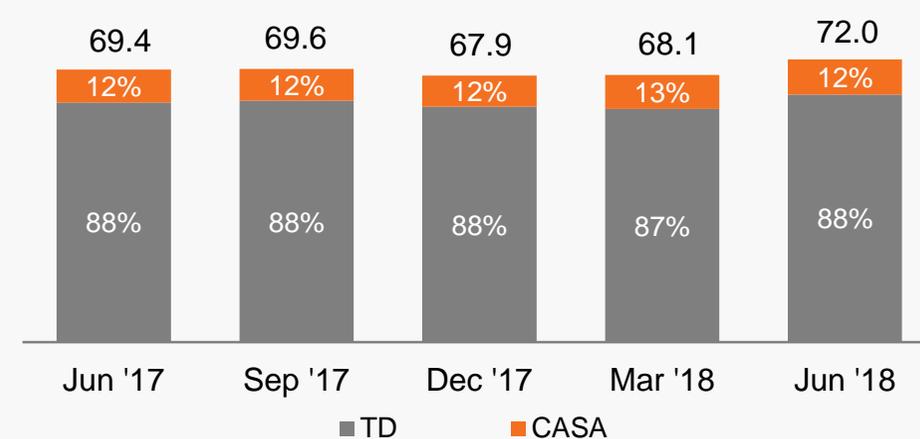
FUNDING COMPOSITION

IDR tio



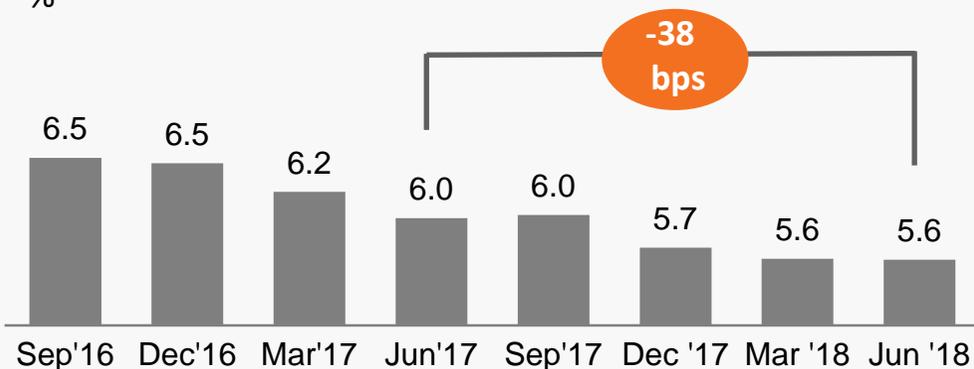
CUSTOMER DEPOSIT COMPOSITION

IDR tio



COST OF FUND

%

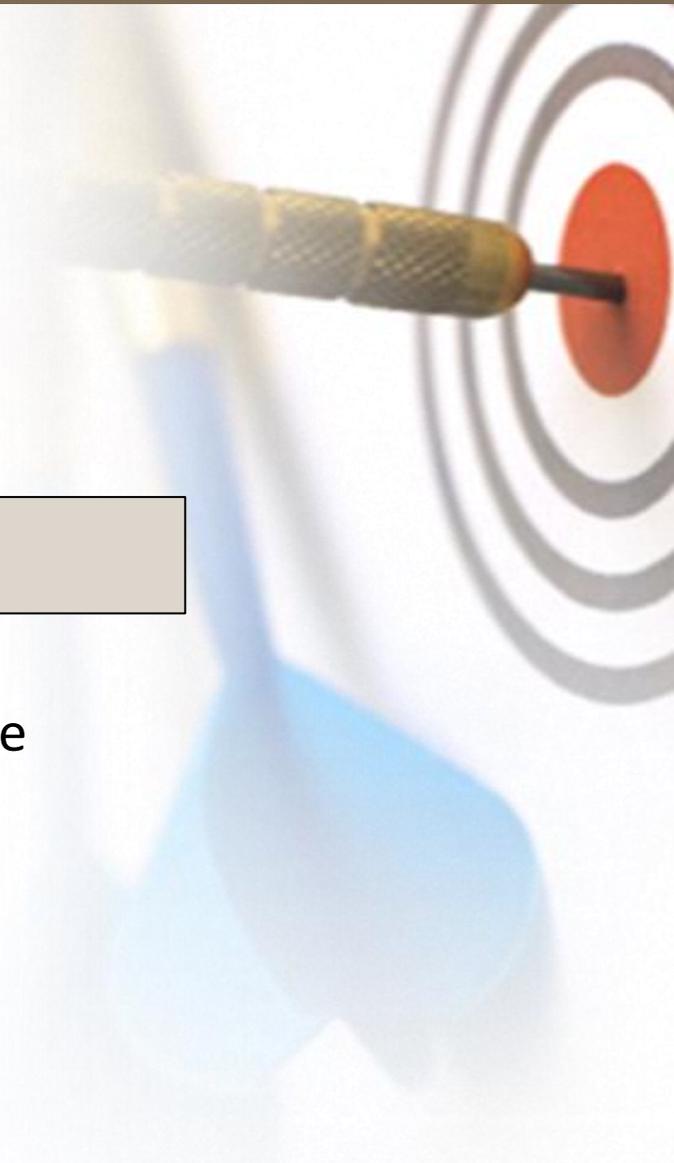


- Cost of Fund decline is slowing down in 2Q 2018; decreased 38 bps on YoY basis
- Time Deposit still the main contributor for Customer Deposit (88% of total Customer Deposit)

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2 new digital businesses have been launched as part of BTPN transformation

BTPN Transformation

New digital businesses

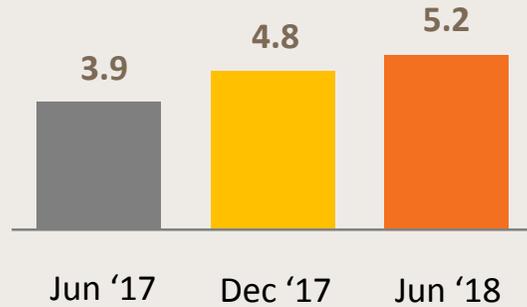
Core businesses transformation

Serves mass market and productive poor with low cost feature-phone based financial services offering

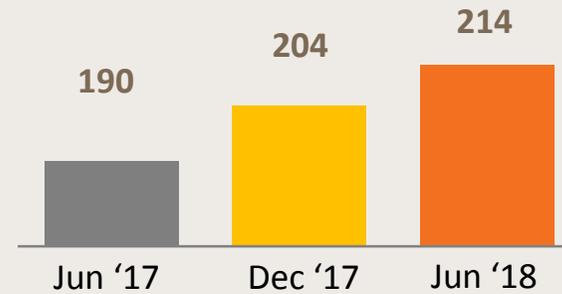
Serves digitally savvy affluent consuming class individuals with a smartphone based digital bank offering

Number of Customers and Customer Activities continue to increase

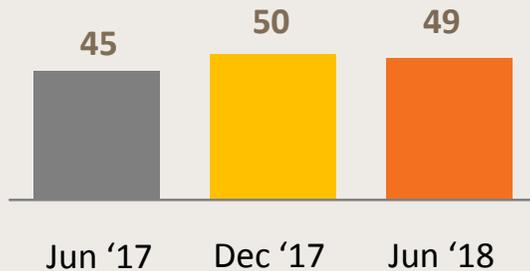
Customers
million



Agents
thousand



Active Customers
%



Transactions
million



Customers continue to increase to ~704K



14.3 Mn
YouTube views



29K
followers



101.1K
page likes



49K
followers



3.5 Mn+
installs

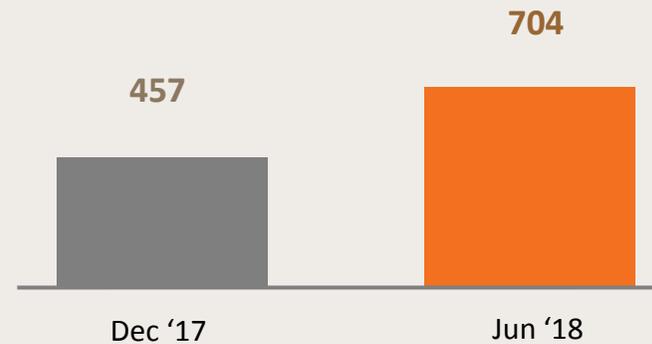


247 K+
installs

CUSTOMERS

Thousand

Registered & Pre-screened



Jenius Launch in Surabaya & Moneymojo

Jenius Surabaya Launch



BTPN introduced Jenius in Surabaya on 8th May 2018, as the life finance solution that answers the needs of digital savvy customers to manage their finance through smart, simple, and safe ways. The launch also caters to the needs of smartphone users in the second largest city in Indonesia.

Moneymojo Launch



In welcoming Ramadan & Eid Al Fitr, Jenius **reinvented** the way people give “**Salam Tempel**” through Moneymojo; sending money with personal message and animation to meaningful person(s) in life.

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1H 2018 Results Update

July 2018

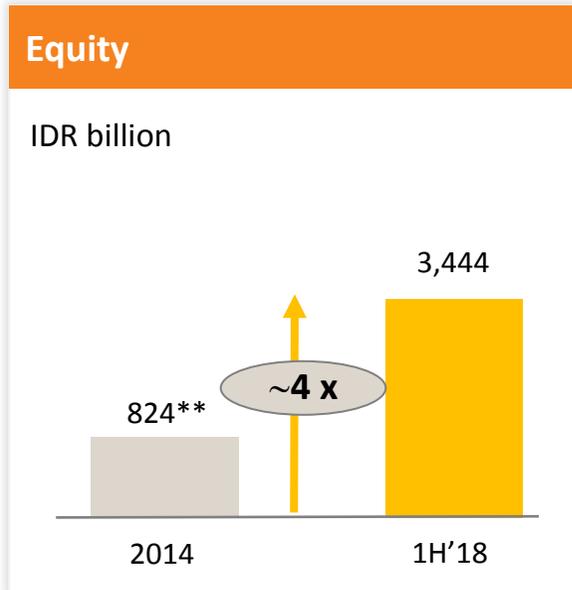
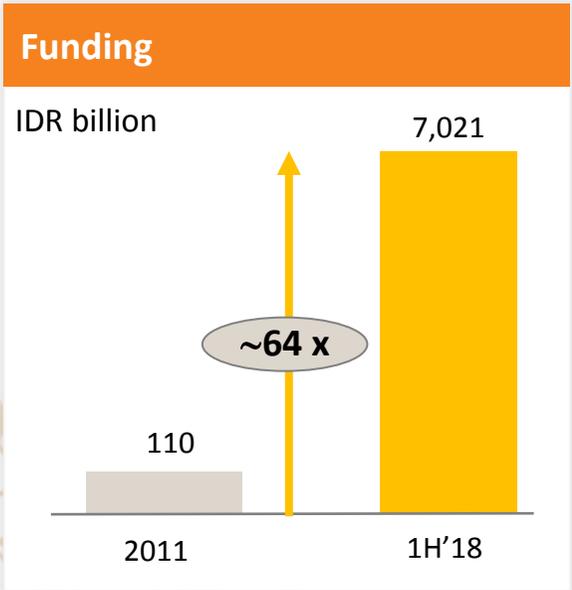
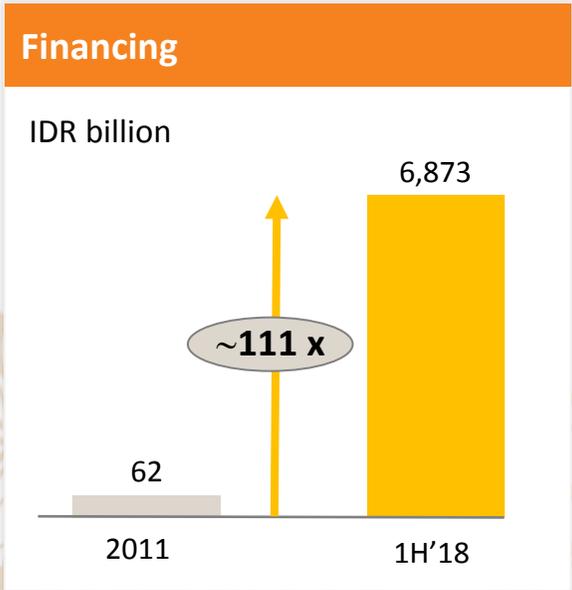
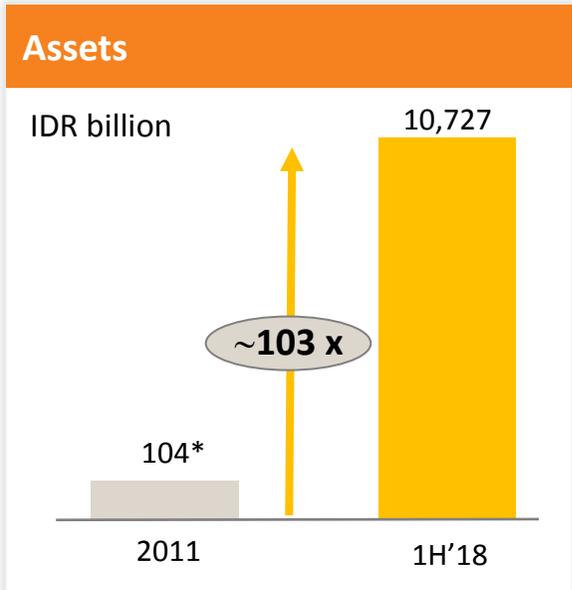
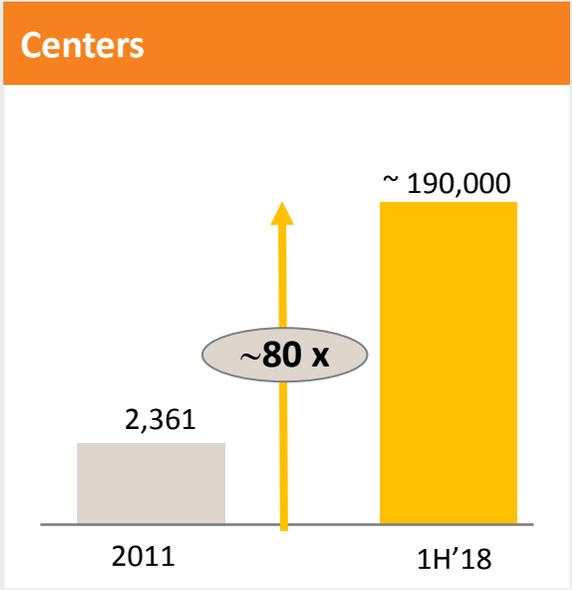
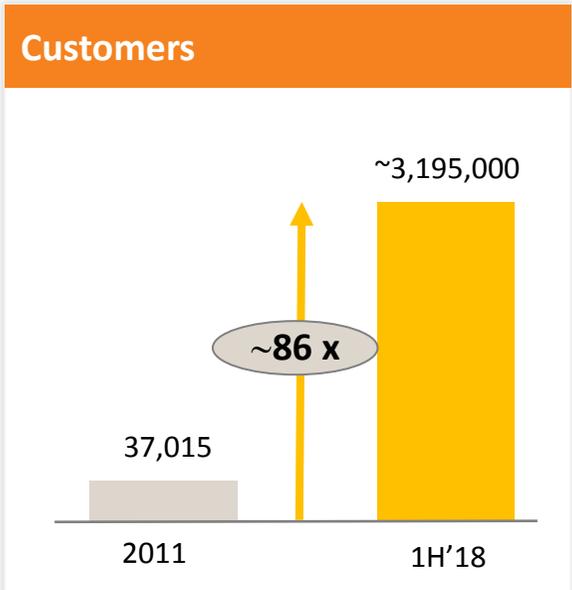


Financial scorecard

Social impact scorecard



Proven execution capability as reflected in transformational growth



* Adjusted assets (without legacy portfolio) **after spin-off as a Bank

Financial scorecard – strong performance

Balance sheet, IDR billion

	Jun'17	Dec'17	Mar'18	Jun'18	ΔYTD	ΔYoY
Cash & Liquid asset	1,879	2,738	2,889	3,488	27%	86%
Financing (gross)	5,770	6,053	6,241	6,873	14%	19%
Allowance for losses	(157)	(158)	(166)	(181)	15%	15%
Deposits / funding	5,959	6,546	6,696	7,021	7%	18%
Total Liabilities	6,208	6,902	7,012	7,238	6%	17%
Equity	1,888	2,255	2,474	3,444	53%	82%
Total Assets	8,096	9,157	9,485	10,727	17%	32%

Income statement, IDR billion

	1H'17	FY'17	1Q'18	2Q'18	1H'18	ΔYoY
Margin income	1,362	2,905	777	846	1623	19%
Margin expense	164	346	85	85	171	4%
Operating income	1,201	2,567	694	764	1458	21%
Operating expense	699	1,442	347	382	729	4%
Loan loss provision	109	216	62	63	125	15%
Profit After Tax	293	670	212	237	449	53%

Key ratios (%)

Cost to Income

1H17	FY17	1Q18	1H18
58	56	50	50

RoA

1H17	FY17	1Q18	1H18
10.4	11.2	12.5	12.5

RoE

1H17	FY17	1Q18	1H18
35.0	36.5	37.2	33.9

CAR

1H17	FY17	1Q18	1H18
24.8	28.9	27.7	36.9

NPF Gross/Net

1H17	FY17	1Q18	1H18
1.70	1.67	1.67	1.65
0.01	0.05	0.02	0.01

CoC

1H17	FY17	1Q18	1H18
4.2	3.9	4.0	4.0

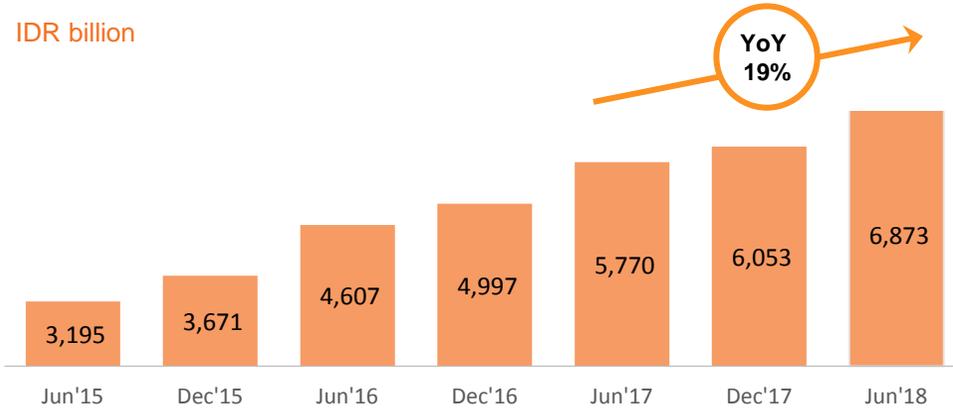
Loss provision coverage

1H17	FY17	1Q18	1H18
160	156	159	159

Financing & Customer deposits growth

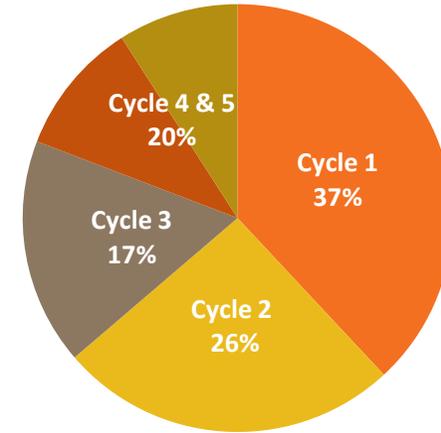
Financing

IDR billion



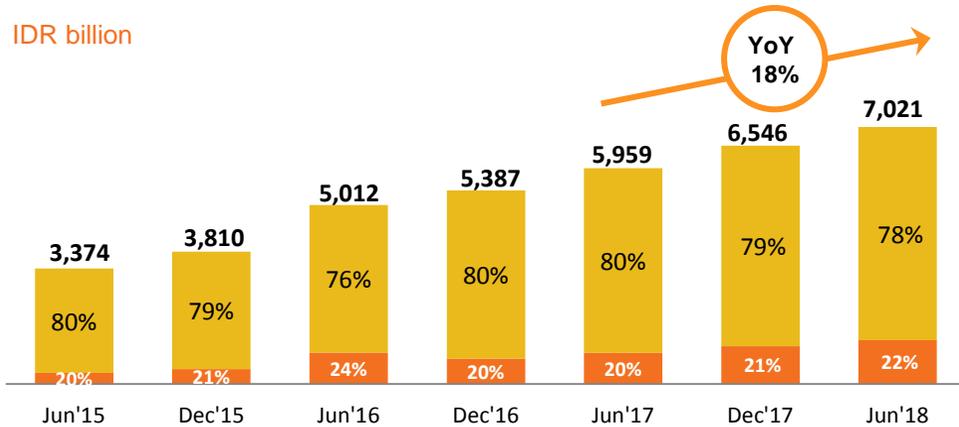
Industry Apr'18 YoY: 7%

Customers by Cycle (Jun'18)



Customer deposits

IDR billion

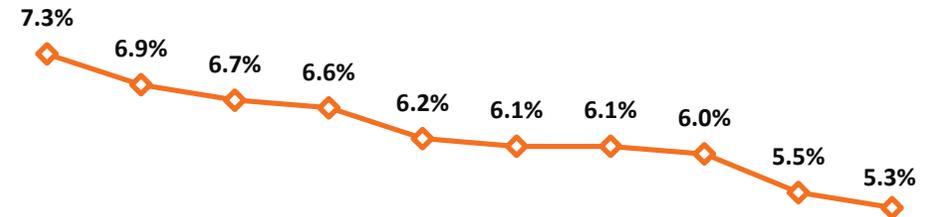


Industry Apr'18 YoY: 11.8%

■ CASA ■ TD

Cost of funds

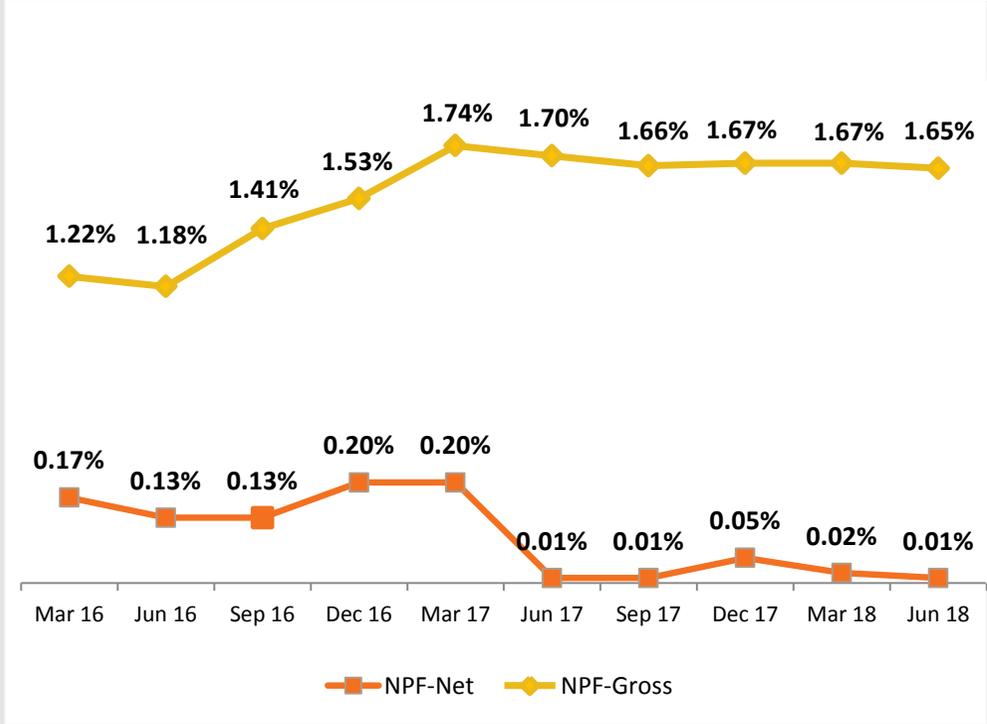
%



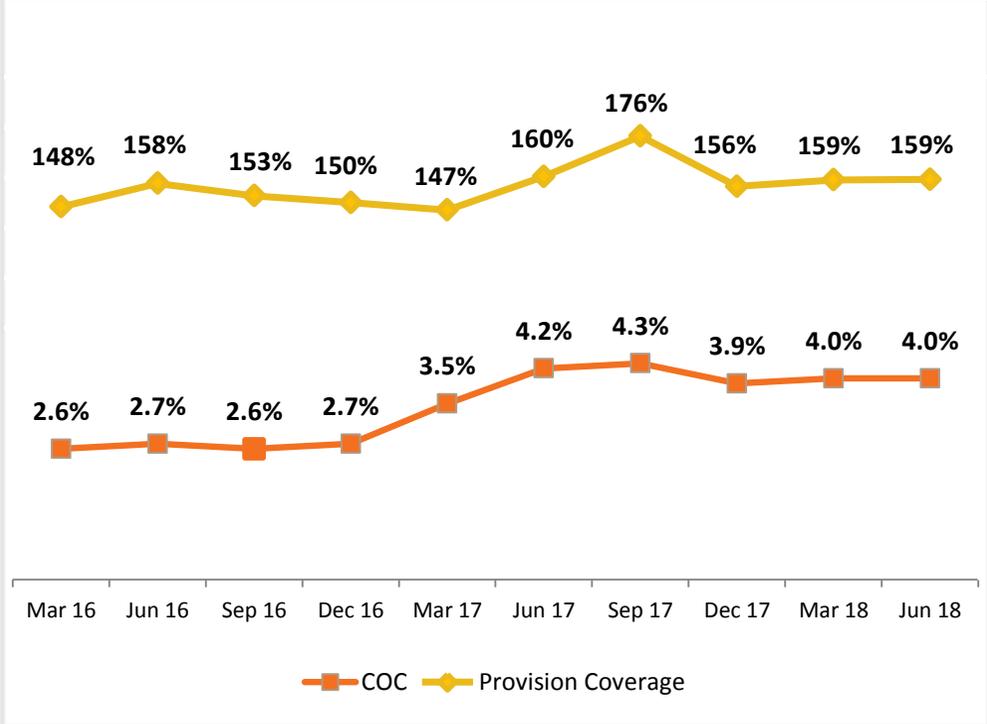
Mar '16 Jun '16 Sep '16 Dec '16 Mar '17 Jun '17 Sep '17 Dec '17 Mar '18 Jun '18

Improving portfolio quality

Non Performing Financing



Cost of Credit & Provision Coverage





Financial scorecard

Social impact scorecard



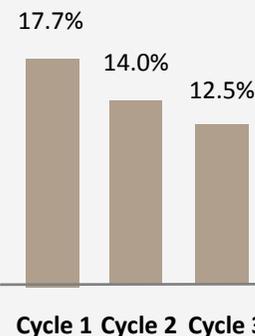
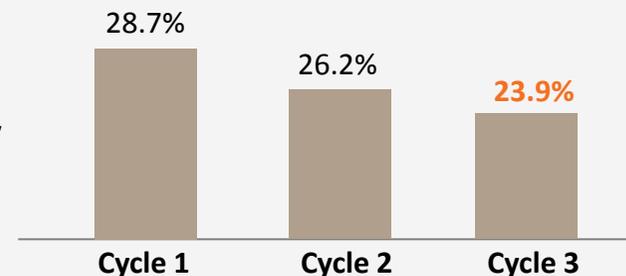
Social impact scorecard (Jun'18)

Simple Poverty Scorecard for Indonesia

Entity	Name	ID	Date (DD/MM/YY)
Participant:			Date joined:
Field agent:			Date scored:
Service point:			Household size:
Indicator	Response	Points	Score
1. How many household members are there?	A. Six or more	0	
	B. Five	5	
	C. Four	11	
	D. Three	18	
	E. Two	24	
	F. One	37	
2. Do all household members ages 6 to 18 go to school?	A. No members ages 6 to 18	0	
	B. No	0	
	C. Yes	2	
3. What is the highest level of education that the female head/spouse has completed?	A. None	0	
	B. Grade school (incl. disabled, Islamic, or non-formal)	3	
	C. Junior-high school (incl. disabled, Islamic, or non-formal)	4	
	D. No female head/spouse	4	
	E. Vocational school (high-school level)	4	
	F. High school (incl. disabled, Islamic, or non-formal)	6	
	G. Diploma (one-year or higher), or higher	18	
4. What was the employment status of the male head/spouse in the past week in his main job?	A. No male head/spouse	0	
	B. Not working, or unpaid worker	0	
	C. Self-employed	1	
	D. Business owner with only temporary or unpaid workers	3	
	E. Wage or salary employee	3	
	F. Business owner with some permanent or paid workers	6	
5. What is the main material of the floor?	A. Earth or bamboo	0	
	B. Others	5	
6. What type of toilet arrangement does the household have?	A. None, or latrine	0	
	B. Non-flush to a septic tank	1	
	C. Flush	4	
7. What is the main cooking fuel?	A. Firewood, charcoal, or coal	0	
	B. Gas/LPG, kerosene, electricity, others, or does not cook	5	
8. Does the household have a gas cylinder of 12kg or more?	A. No	0	
	B. Yes	6	
9. Does the household have a refrigerator or freezer?	A. No	0	
	B. Yes	8	
10. Does the household have a motorcycle, scooter, or motorized boat?	A. No	0	
	B. Yes	9	
Microfinance Risk Management, L.L.C., microfinance.com			Score:



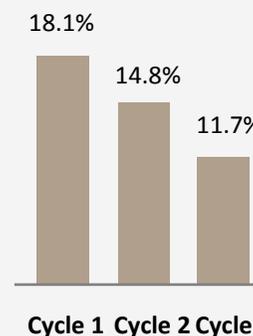
Probability of falling back to “below the poverty line” (\$3.1/day)



% No, they don't

#2

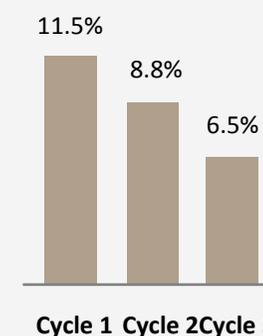
Do all household members aged 6-18 years go to school?



% None or latrine

#6

What type of toilet arrangement does the household have?



% Firewood, charcoal, or coal

#7

What is the main cooking fuel?

THANK YOU

CSR Award for Daya's Kader Kesehatan Program

GOLD Award at the 10th Global CSR Awards and Summit 2018
for the category of 'Empowerment of Women'
April 2018

