



February 2018

# 2017 Results Update





**Overall financial update**

Update on new digital businesses

Corporate update

# Loan Grew 3% with Strong Asset Quality and Liquidity



Unit: IDR billion

	Dec '16	Jun '17	Dec '17	ΔYoY
Cash & Liquid Asset	22,566	24,816	24,406	8%
Loans (gross)	63,168	66,336	65,352	3%
- <i>Mature Businesses:</i>	47,350	47,166	44,879	-5%
• <i>Pension</i>	40,180	40,572	39,419	-2%
• <i>Micro</i>	7,170	6,594	5,460	-24%
- <i>Growth Businesses:</i>	15,818	19,170	20,473	29%
• <i>SME</i>	9,274	11,002	11,571	25%
• <i>Productive Poor (Syariah)</i>	4,997	5,770	6,053	21%
• <i>Consumer Finance</i>	1,026	1,707	2,159	110%
• <i>Others</i>	521	690	691	33%
Customer Deposits	66,202	69,439	67,918	3%
Total Funding	73,284	78,467	76,493	4%
Equity	15,838	16,233	16,529	4%
<b>Total Assets</b>	<b>91,371</b>	<b>97,057</b>	<b>95,490</b>	<b>5%</b>

- Loans growth at 3% (YOY) with stable NPL at 0.9%
- Main drivers for loans growth are SME, Syariah and Consumer Finance
- Customer Deposits grew by 3% (YoY)
- Strong liquidity with LFR at 85% and Liquid Asset Ratio at 36%

# NPAT Dropped due to One-off Restructuring Cost and Continued New Investment

Unit: IDR billion

	<u>FY '16</u>	<u>1H '17</u>	<u>3Q '17</u>	<u>4Q '17</u>	<u>FY '17</u>	<u>ΔYoY</u>
Net interest income	8,854	4,763	2,353	2,406	9,522	8%
Operating income	9,464	5,031	2,460	2,500	9,991	6%
Operating expense	5,373	2,734	1,351	1,281	5,366	0%
• <i>Business As Usual (incl. MSOP)</i>	4,113	2,037	990	901	3,929	-4%
• <i>TUR (Productive Poor)</i>	1,261	697	360	380	1,437	14%
Loan loss provision	870	488	255	336	1,079	24%
<b>NPAT - Core Business</b>	<b>2,261</b>	<b>1,251</b>	<b>577</b>	<b>567</b>	<b>2,395</b>	<b>6%</b>
• <i>Jenius &amp; BTPN Wow!</i>	611	395	162	275	832	36%
• <i>Restructuring costs<sup>1</sup></i>	-	32	35	669	736	n.a.
<b>NPAT - Reported</b>	<b>1,752</b>	<b>935</b>	<b>432</b>	<b>-146</b>	<b>1,221</b>	<b>-30%</b>
NPAT - BTPN Syariah	412	293	176	201	670	62%

- Normalized NPAT at IDR 2,395 bio (6% YoY) while Reported NPAT (after New Investment & Restructuring Cost) at IDR 1,221 bio (-30% YoY)
- Positive JAW: 6% increase in Operating Income vs 0% increase in Operating Expense

1 One time non-recurring restructuring cost (project Gemilang/Sunrise)

# Key Ratios

Unit: %

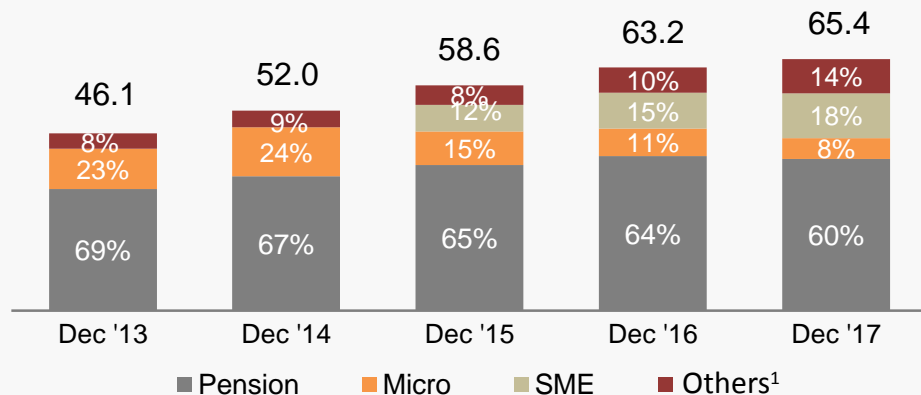
	<u>FY '16</u>	<u>1H '17</u>	<u>3Q '17</u>	<u>4Q '17</u>	<u>FY '17</u>
NIM	12.0	11.8	11.5	11.5	11.6
Cost to Income	63	63	63	89	69
Cost to Income (bank only – BAU)	55	54	55	50	53
LDR (end of period)	95	96	94	96	96
Loan to Funding	86	85	88	85	85
Liquid Asset Ratio	34	36	32	36	36
NPL	0.79	0.89	0.90	0.90	0.90
Cost of Credit/Avg. Loan	1.4	1.5	1.5	2.0	1.6
ROA (before tax)	3.1	3.0	2.8	-0.4	2.1
ROA - normalized (Core Business)	3.8	3.9	3.6	3.7	3.8
ROE	11.7	11.7	10.4	-3.5	7.5
ROE - normalized (Core Business)	15.0	15.4	13.6	12.9	14.3
CAR (credit & ops risk)	25.0	24.0	24.8	24.6	24.6

- NIM remains robust at 11.6%
- Ample liquidity as shown by better Loan to Funding ratio supported with high Liquid Asset Ratio
- NPL remain in 0.90%, which is much lower than industry average of 2.89% (Nov '17)
- Cost of Credit is stable at 1.6%
- CAR remains strong at 24.6%

# Loans Composition & Portfolio Quality

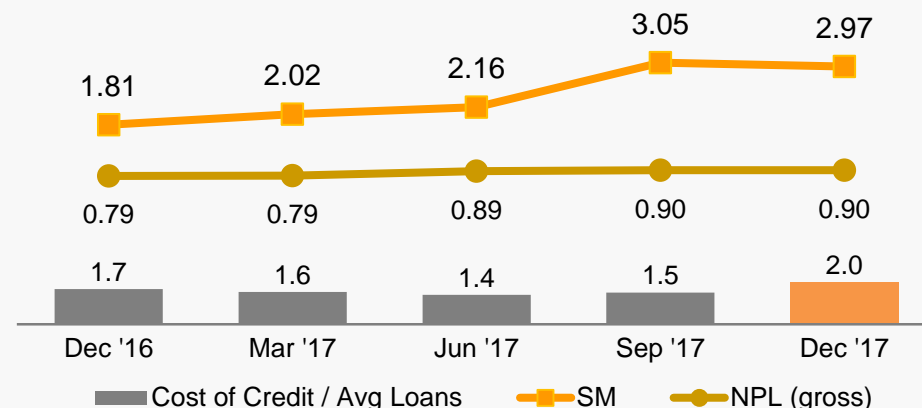
## LOANS COMPOSITION

IDR tio



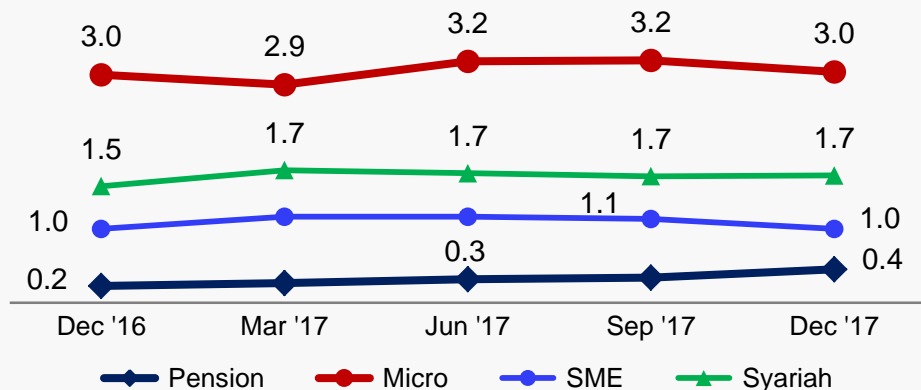
## SPECIAL MENTION, NPL & COST OF CREDIT

%



## NPL BY BUSINESS

%



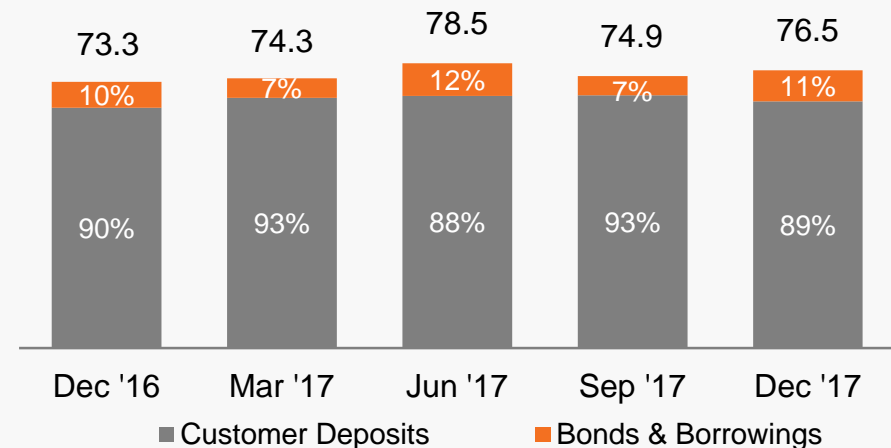
- Loans growth is driven mainly by SME, Syariah and Consumer Finance portfolios
- NPL ratio remains stable
- Special Mention (SM) ratio has improved as driven by Pension loans

<sup>1</sup> Including Syariah Financing, Joint Financing, Money Market loan and Employee loan

# Funding Composition & Liquidity Reserves

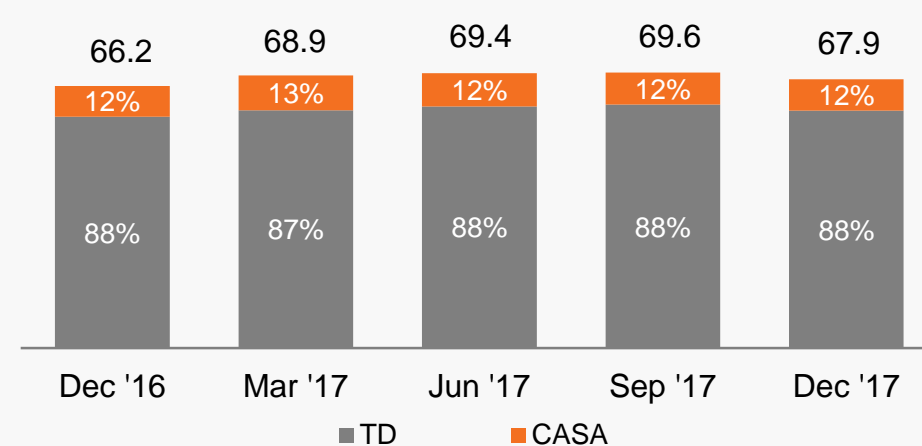
## FUNDING COMPOSITION

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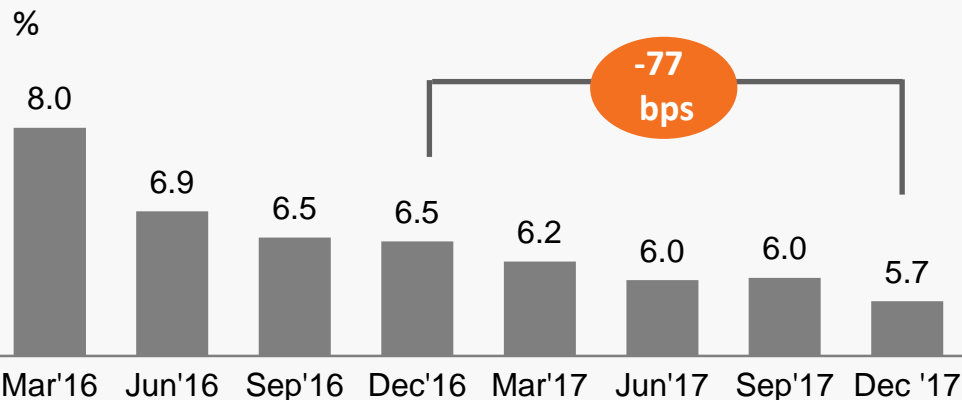


## CUSTOMER DEPOSIT COMPOSITION

IDR tio



## COST OF FUND



- Total Funding comprises mainly of Customer Deposits
- 88% of Customer Deposits is in form of Time Deposits
- Cost of Fund remains stable in Q4 '17 and has decreased by 0.8% on YoY basis

# BTPN Syariah: FY 2017 Financial Results

## BALANCE SHEET

IDR billion

	Dec '16	Mar '17	Jun '17	Sep '17	Dec '17
Cash & BI	467	474	461	496	593
SBI & Placement	1,307	1,524	1,419	1,883	2,146
Financing (gross)	4,997	5,118	5,770	5,753	6,053
Allowance for losses	(114)	(131)	(157)	(168)	(158)
Deposits & Temporary Syirkah Funds	5,388	5,635	5,959	6,166	6,546
Equity	1,593	1,730	1,888	2,066	2,255
Total Assets	7,323	7,646	8,096	8,542	9,157

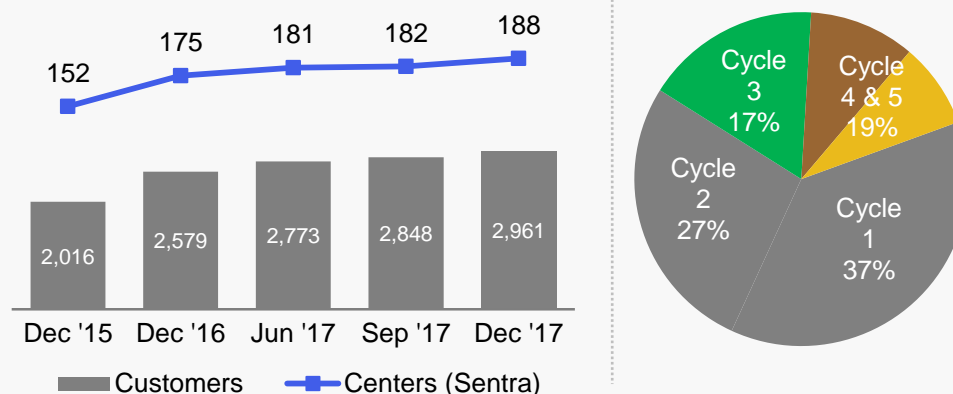
## PROFIT & LOSS

IDR billion

	FY '16	1H '17	3Q '17	4Q '17	FY '17
- Bank's share in profit sharing	1,929	1,196	663	695	2,554
- Other operating income	5	2	1	4	7
Operating income	1,934	1,199	663	699	2,561
Operating expense	1,261	697	360	380	1,437
Loan loss provision	119	109	65	41	216
NPAT	412	293	176	201	670

## CUSTOMERS, CENTERS, BORROWERS BY CYCLE

Thousands



**ROA**  
(before tax)

**11.2 %**

**NPF**

**1.7 %**

**ROE**  
(after tax)

**36.5 %**

**FDR**

**92.5 %**

**Cost to Income**

**68.8 %**

**CAR**

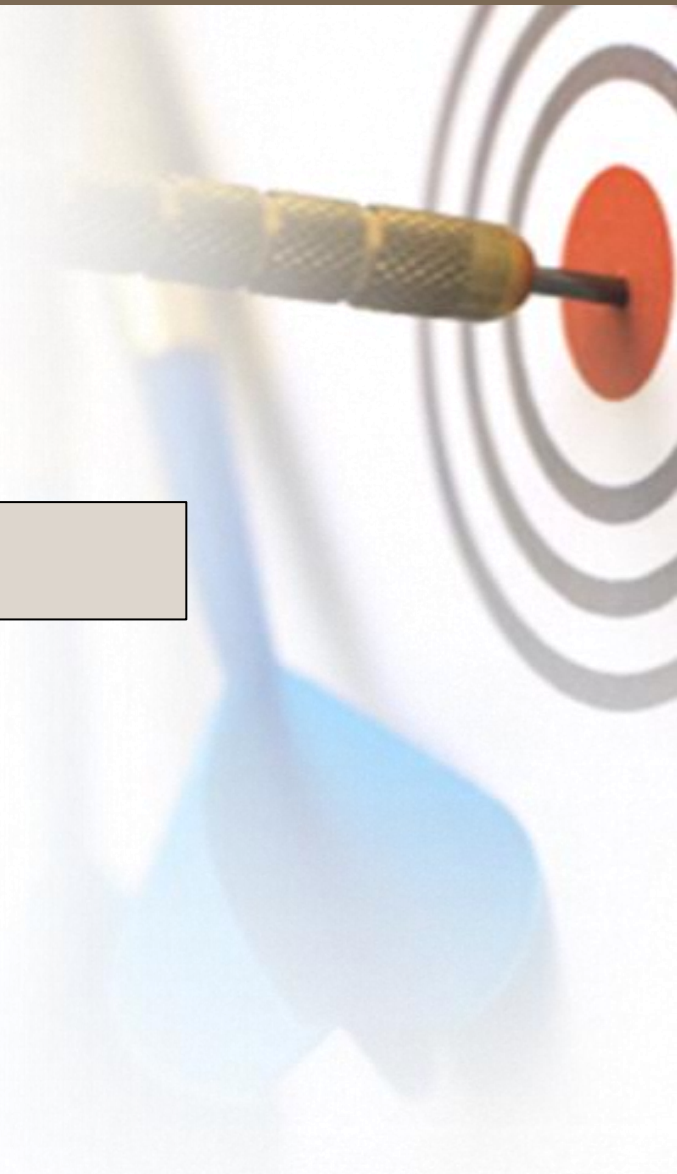
**28.9 %**



Overall financial update

**Update on new digital businesses**

Corporate update



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

BTPN Transformation

New digital businesses

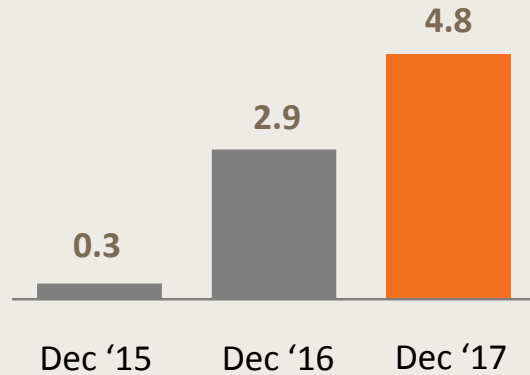
Core businesses transformation

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

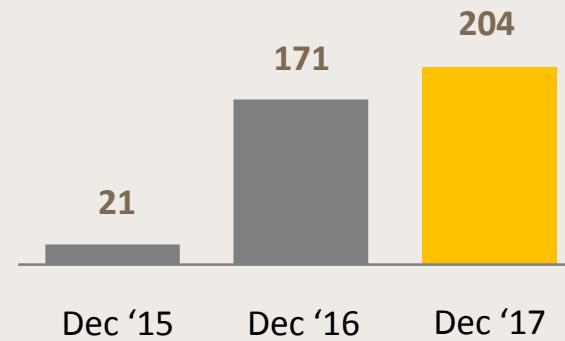
Serves digitally savvy affluent consuming class individuals with a smartphone based digital bank offering

# Number of Customers and Customer Activities continue to increase

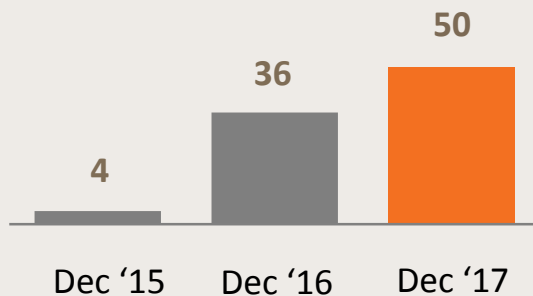
**Customers**  
*million*



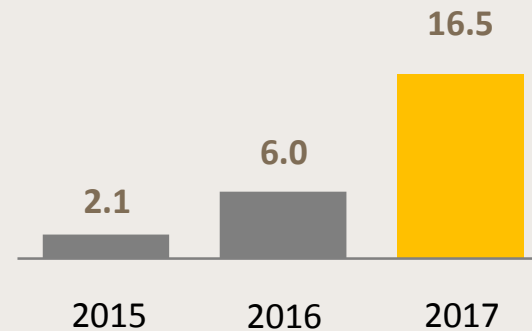
**Agents**  
*thousand*



**Active Customers**  
*%*



**Transactions**  
*million*



# Customers continue to increase to ~450K



Jenius named as the “Digital Transformer of the Year” for Indonesia at IDC Digital Transformation Awards (DXa) 2017.

IDC’s prestigious DXa recognizes organizations that have significantly disrupted the market or have transformed it using digital and disruptive technologies.



13 Million  
YouTube views



25.6K  
followers



91K  
page likes



31K  
followers



3.3 Mn+  
installs

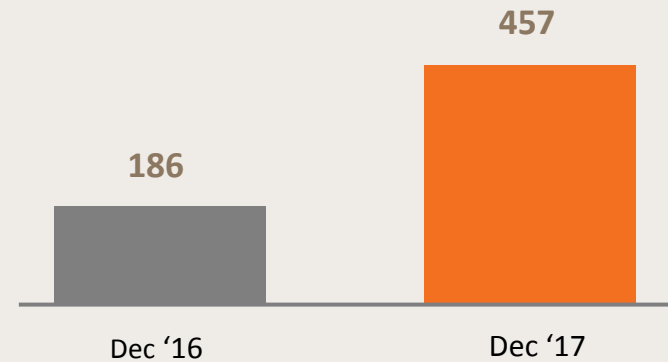


167K+  
installs

## CUSTOMERS

Thousand

Registered & Pre-screened



## Jenius Launch in Bandung



After introducing Jenius in Jabodetabek since August 2016, BTPN has expanded its Jenius services to Bandung in November 2017.

## Jenius Launches Co.Create

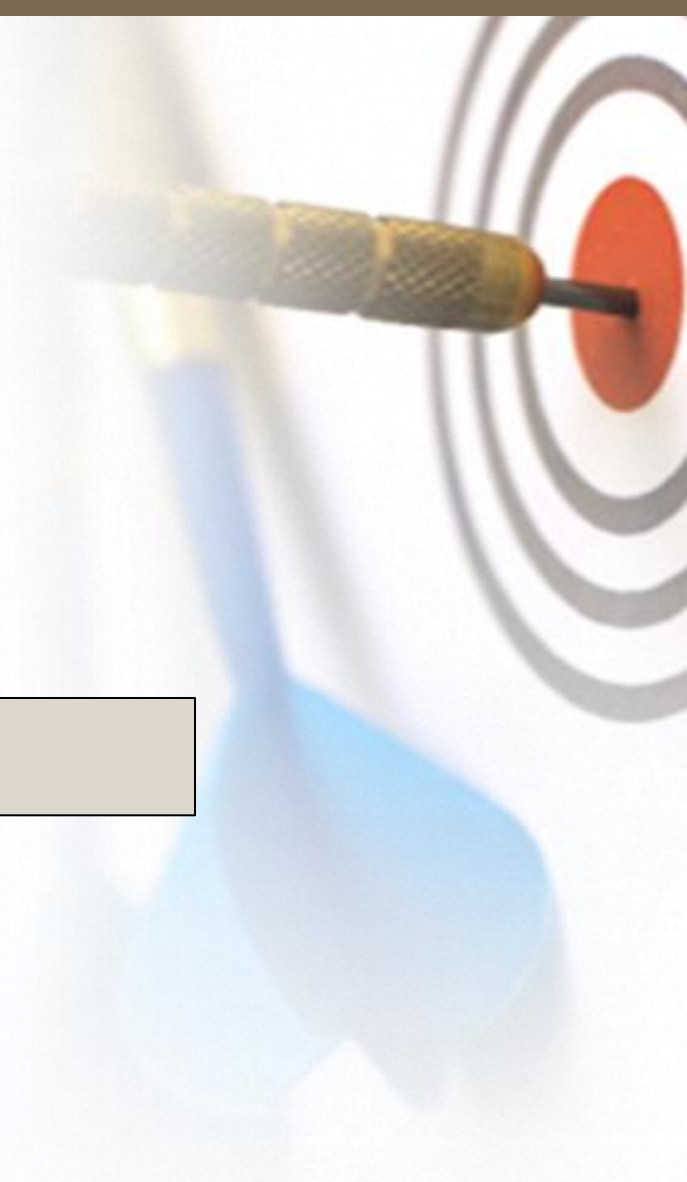


Jenius has created a place to share ideas, inspirations, and creativity for Indonesia's young talents through collaboration to create a better future and interests in the innovative financial services through Jenius Co.Create.

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- BTPN has disclosed that it has received a letter from SMBC as a majority shareholder dated 25 January 2018 that it requested the Management to conduct formal assessment for the merger between BTPN and Bank Sumitomo Mitsui Indonesia (SMBCI).
- BTPN has started the assessment and technical preparation to begin the merger process.

**THANK YOU**



# Appendices

# Balance Sheet – Consolidated

IDR billion	Dec '16	Mar '17	Jun '17	Sep '17	Dec '17	ΔYoY
Cash & BI	6,074	6,022	6,756	5,708	6,595	9%
SBI & Placement	16,493	16,156	18,060	16,420	17,811	8%
Loans (gross)	63,168	64,994	66,336	65,764	65,352	3%
- Pension	40,180	40,735	40,572	40,044	39,419	-2%
- Micro	7,170	6,894	6,594	6,166	5,460	-24%
- SME	9,274	10,036	11,002	11,335	11,571	25%
- Productive Poor (Syariah)	4,997	5,118	5,770	5,753	6,053	21%
- Consumer Finance	1,026	1,312	1,707	1,742	2,159	110%
- Others	521	899	690	725	691	33%
Allowance for losses	(685)	(740)	(746)	(766)	(794)	16%
Customer Deposits	66,202	68,906	69,439	69,611	67,918	3%
Borrowings	7,083	5,354	9,027	5,333	8,575	21%
Total Funding	73,284	74,260	78,467	74,945	76,493	4%
Equity	15,838	15,760	16,233	16,682	16,529	4%
Total Assets	91,371	92,948	97,057	93,788	95,490	5%

# Profit & Loss – Consolidated

<i>in IDR billion</i>	FY '16	1Q '17	2Q '17	3Q '17	4Q '17	FY '17	ΔYoY
Net interest income	8,854	2,383	2,380	2,353	2,406	9,522	8%
Other operating income	610	145	123	108	94	470	-23%
- Fee income	689	191	164	152	142	648	-6%
- FX Loss (swap cost)	(79)	(46)	(41)	(44)	(48)	(178)	125%
Operating income	9,464	2,528	2,503	2,460	2,500	9,991	6%
Operating expense	5,373	1,367	1,367	1,351	1,281	5,366	0%
- Business As Usual	4,066	1,009	1,002	977	892	3,880	-5%
- MSOP	46	13	13	13	9	48	5%
- TUR (Productive Poor)	1,261	345	351	360	380	1,437	14%
Net operating income	4,091	1,161	1,136	1,110	1,219	4,626	13%
Loan loss provision	870	253	235	255	336	1,079	24%
NPAT - Core Business	2,261	631	620	577	567	2,395	6%
- Jenius & BTPN Wow	611	207	188	162	275	832	36%
- Restructuring Cost*	-	-	32	35	669	736	n.a
NPAT - Reported	1,752	478	457	432	(146)	1,221	-30%
NPAT BTPN Syariah	412	136	156	176	201	670	62%

Note: \* one time non-recurring restructuring cost (Project Gemilang/New Sunrise)

# Key Ratios – Consolidated



%	FY '16	1Q '17	2Q '17	3Q '17	4Q '17	FY '17
NIM	12.0	12.0	11.6	11.5	11.5	11.6
Cost to Income	63	62	63	63	89	69
Cost to Income (bank only)	63	63	66	66	102	74
Cost to Income (bank only - BAU)	55	52	54	55	50	53
LDR (end of period)	95	94	96	94	96	96
Loan to Funding	86	88	85	88	85	85
Loan to Funding (incl. Equity)	71	72	70	72	70	70
Liquid Asset Ratio	34	32	36	32	36	36
NPL	0.79	0.79	0.89	0.90	0.90	0.90
Cost of Credit/Avg. Loan	1.4	1.6	1.4	1.5	2.0	1.6
LLP/NPL	137	144	127	129	135	135
ROA (before tax)	3.1	3.1	2.9	2.8	(0.4)	2.1
ROA (before tax) - Core Business	3.8	4.0	3.8	3.6	3.7	3.8
ROE	11.7	12.0	11.4	10.4	(3.5)	7.5
ROE - Core Business	15.0	15.7	15.2	13.6	12.9	14.3
CAR (credit & ops risk)	25.0	23.9	24.0	24.8	24.6	24.6
Equity/Assets	17.3	17.0	16.7	17.8	17.3	17.3

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