



October 2018

3Q 2018 Results Update





Overall financial update

Update on new digital businesses

BTPN Syariah 3Q 2018 performance

Loans Growth Continued to increase with Strong Liquidity and Asset Quality

Unit: IDR billion

	Sep '17	Dec '17	Sep '18	ΔYoY
Cash & Liquid Asset	22,128	24,406	24,696	12%
Loans (gross)	65,764	65,352	67,823	3%
- <i>Mature Businesses:</i>	46,210	44,879	42,824	-7%
• <i>Pension</i>	40,044	39,419	39,287	-2%
• <i>Micro</i>	6,166	5,460	3,536	-43%
- <i>Growth Businesses:</i>	19,554	20,473	24,999	28%
• <i>SME</i>	11,335	11,571	12,746	12%
• <i>Productive Poor (Syariah)</i>	5,753	6,053	6,965	21%
• <i>Consumer Finance</i>	1,742	2,159	4,779	174%
• <i>Others</i>	725	691	509	-30%
Customer Deposits	69,611	67,918	70,232	1%
Total Funding	74,945	76,493	77,552	3%
Equity	16,682	16,529	17,610	6%
Total Assets	93,788	95,490	98,055	5%

- Total Loans grew 3% YoY with NPL maintained at healthy level of 1.2%
- Growth Businesses (SME, Syariah and Consumer Finance) continue strong growth momentum with 28% YoY increased loan volume
- Strong liquidity with LDR at 97% and Liquid Asset Ratio at 35%

NPAT grew 19% due to lower operating expenses and New Investment despite higher impairment cost

Unit: IDR billion

	9M '17	FY '17	1Q '18	2Q '18	3Q '18	9M '18	ΔYoY
Net interest income	7,119	9,527	2,376	2,430	2,445	7,250	2%
Operating income	7,495	9,996	2,532	2,605	2,574	7,712	3%
Operating expense	4,089	5,371	1,187	1,217	1,272	3,676	-10%
• <i>Business As Usual (incl. MSOP)</i>	3,027	3,929	840	835	877	2,552	-16%
• <i>TUR (Productive Poor)</i>	1,061	1,442	347	382	395	1,124	6%
Loan loss provision	743	1,079	366	331	304	1,001	35%
NPAT - Core Business	1,828	2,395	665	713	666	2,043	12%
• <i>Jenius & BTPN Wow!</i>	557	832	147	159	155	460	-17%
• <i>Restructuring costs¹</i>	67	736	16	13	23	52	-23%
• <i>Merger costs</i>	-	-	11	8	5	25	n.a.
NPAT - Reported	1,367	1,221	535	557	530	1,622	19%
NPAT - BTPN Syariah	469	670	212	237	250	698	49%

- Reported NPAT grew 19% YoY to IDR 1,622 bio
- BAU Operating Expense declined 16% YoY as the result of Restructuring done in 4Q 2017
- Jenius and BTPN Wow! cost are starting 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: %

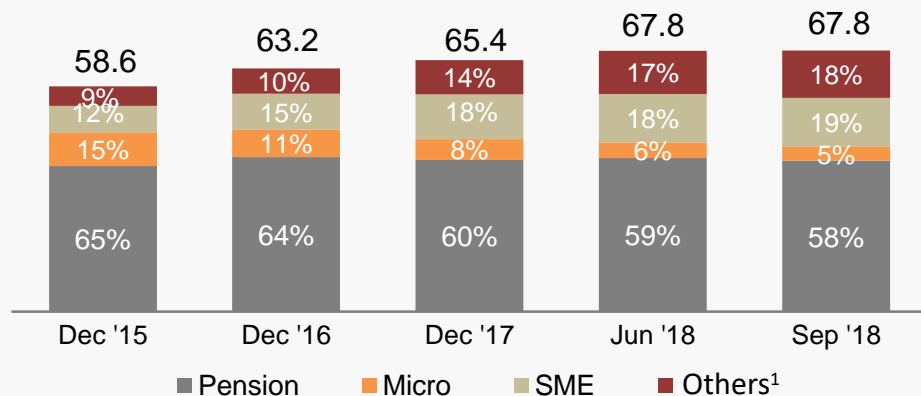
	9M '17	FY '17	1Q '18	2Q '18	3Q '18	9M '18
NIM	11.7	11.6	11.3	11.7	11.5	11.5
Cost to Income	63	69	54	54	56	55
Cost to Income (bank only – BAU)	54	53	46	45	49	47
LDR (end of period)	94	96	96	94	97	97
Liquid Asset Ratio	32	36	36	37	35	35
NPL	0.90	0.90	1.01	1.13	1.22	1.22
Cost of Credit/Avg. Loan	1.5	1.6	2.2	2.0	1.8	2.0
LLP/NPL	129	135	132	129	128	128
ROA (before tax)	2.9	2.1	3.3	3.6	3.3	3.4
ROA - normalized (Core Business)	3.8	3.8	4.1	4.3	4.1	4.2
ROE	11.3	7.5	12.7	13.2	12.2	12.7
ROE - normalized (Core Business)	14.8	14.3	15.7	16.7	15.0	15.7
CAR (credit & ops risk)	24.8	24.6	24.8	24.1	25.0	25.0

- NIM remains robust at 11.5%
- Ample liquidity position as shown by optimum LDR and high Liquid Asset Ratio
- NPL increased slightly to 1.2%, but remains much lower compared to Industry (~2.7%)
- CAR remains strong at 25.0%

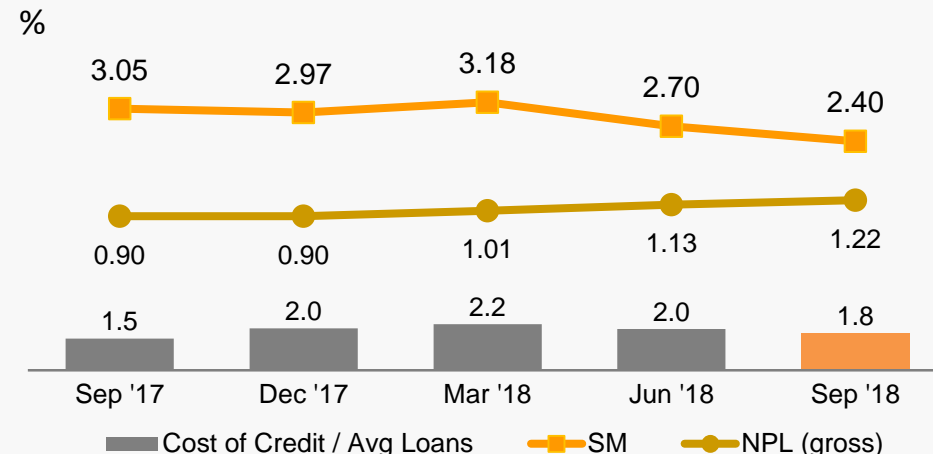
Loans Composition & Portfolio Quality

LOANS COMPOSITION

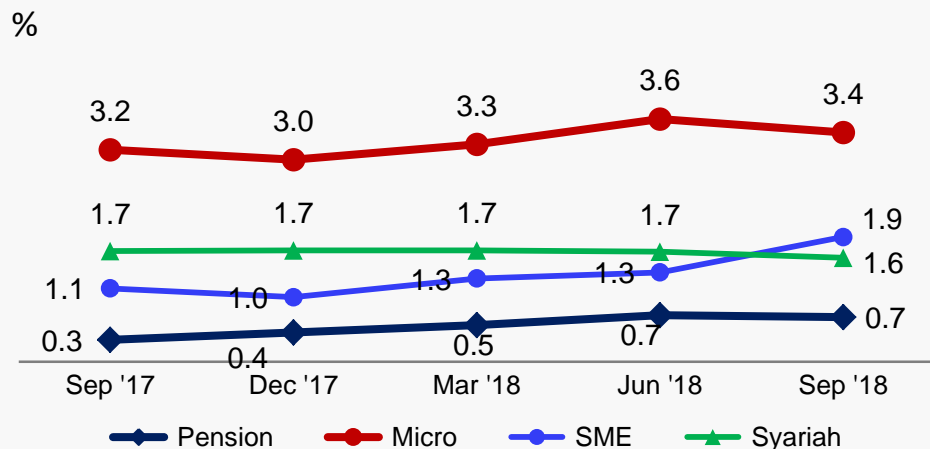
IDR tio



SPECIAL MENTION, NPL & COST OF CREDIT



NPL BY BUSINESS



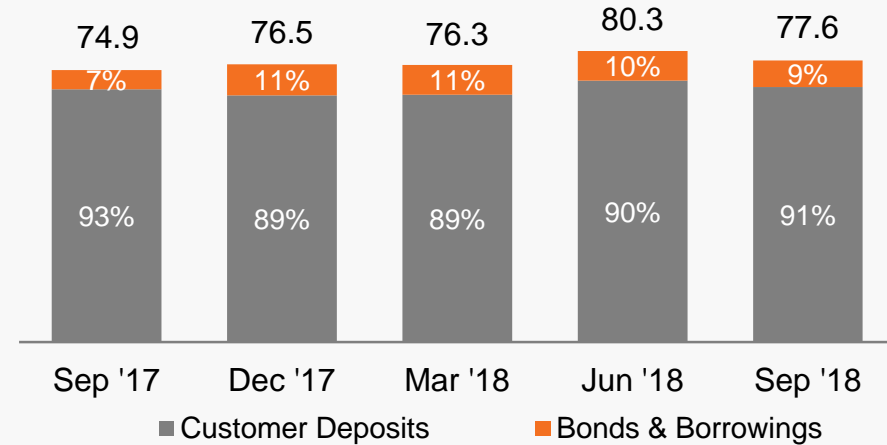
- Loans growth is driven mainly by SME, Syariah and Consumer Finance portfolios
- NPL ratio increased to 1.2%, mainly from SME and Consumer Finance loan portfolios

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

Funding Composition & Liquidity Reserves

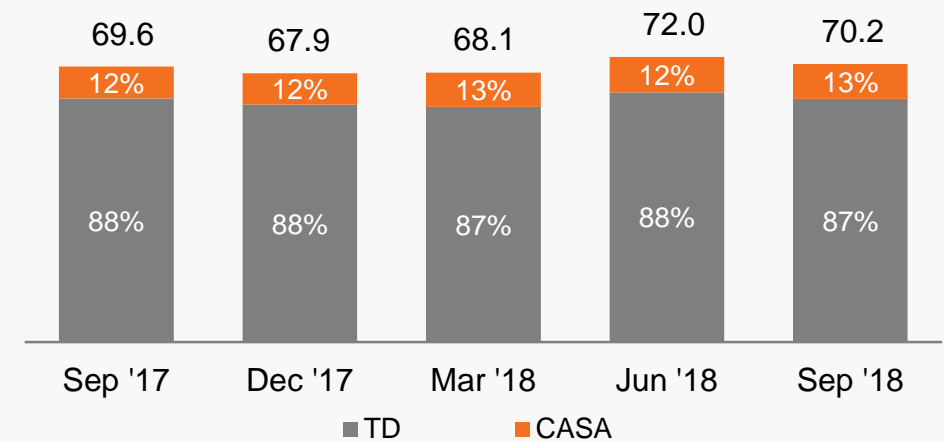
FUNDING COMPOSITION

IDR tio



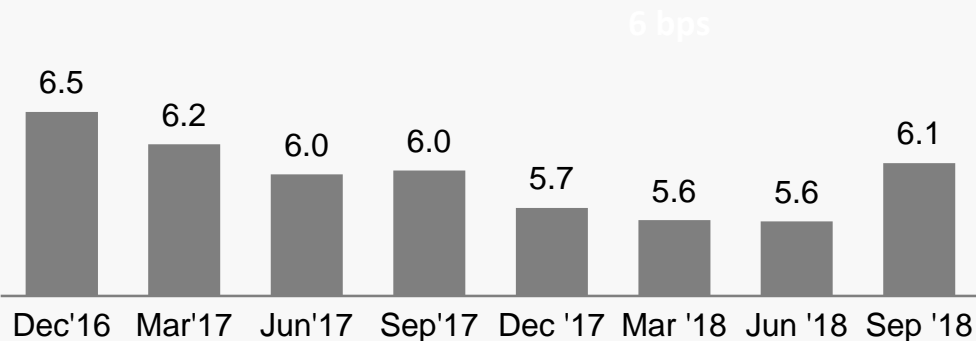
CUSTOMER DEPOSIT COMPOSITION

IDR tio



COST OF FUND

%

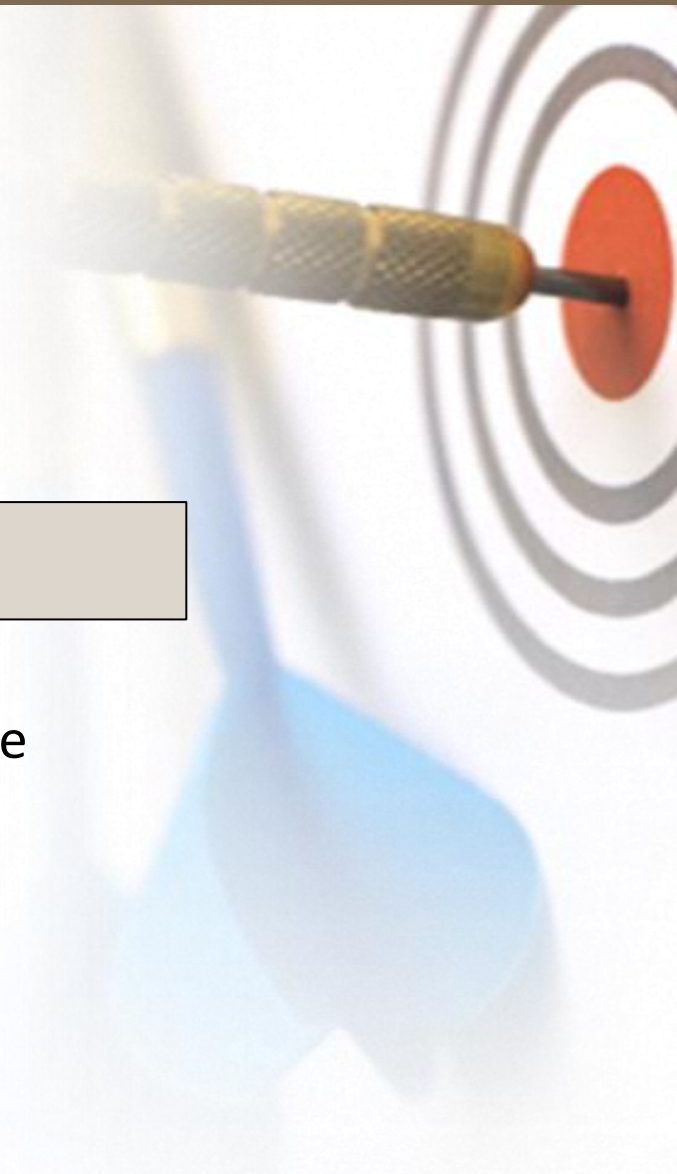


- Multiple increment of BI benchmark rate since late June 2018 has pushed Cost of Fund up by 47 bps
- Time Deposit remains the main contributor for Customer Deposit (87% of total Customer Deposit)

Overall financial update

Update on new digital businesses

BTPN Syariah 3Q 2018 performance



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

BTPN Transformation

New digital businesses

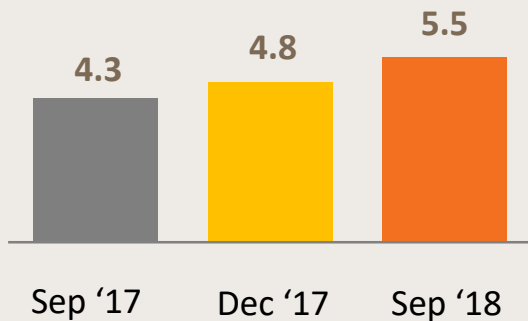
Core businesses transformation

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

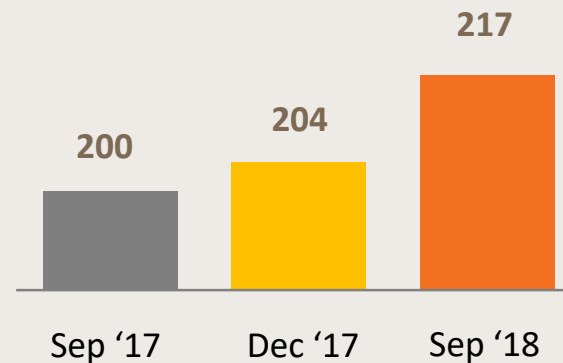
Serves digitally savvy affluent consuming class individuals with a smartphone based digital bank offering

Number of Customers and Customer Activities continue to increase

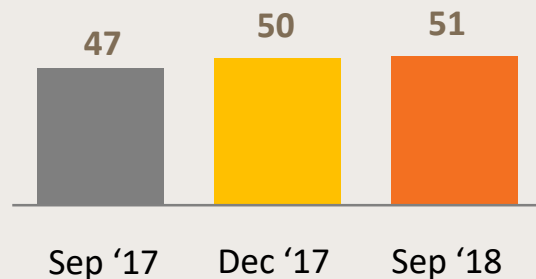
Customers *million*



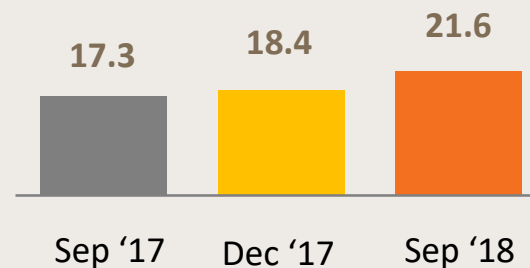
Agents *thousand*



Active Customers *%*



Transactions *million*



Customers continue to increase to ~840K



Jenius was awarded The Best Digital Bank for 2018 at The Asian Banker Indonesia Country Awards 2018.

The award ceremony was held on August 30, 2018 in conjunction with the prestigious The Future of Finance Indonesia 2018 – the annual meeting for decision-makers in the financial services industry in the country.



17.5 Mn
YouTube views



32.8K
followers



104K
page likes



63.5K
followers



3.83 Mn+
installs

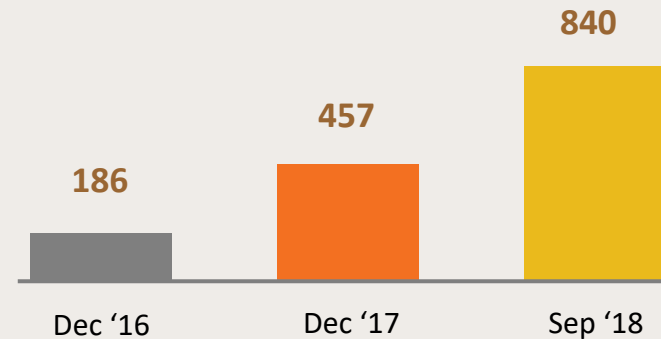


309K+
installs

CUSTOMERS

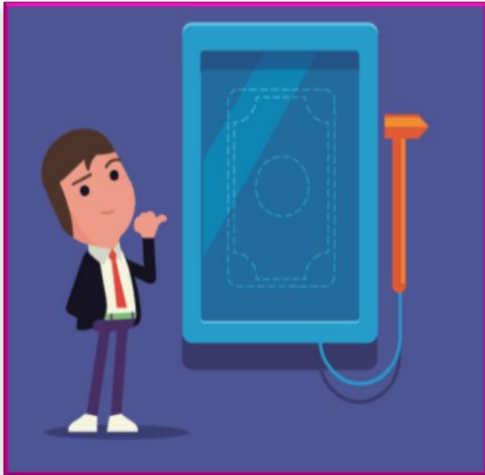
Thousand

Registered & Pre-screened



Two New Features introduced

New Features



Flexi Cash

To provide a comprehensive life finance solution, Jenius has introduced Flexi Cash, a lending product from Jenius. Flexi Cash is a ready credit line for select Jenius users which can be drawn multiple times without further data verification with a maximum limit of IDR 50 million based on scoring.



eWallet Center

To provide easy access to life finance solution, Jenius introduced eWallet Center which enables Jenius users to top up GoPay, OVO, and tCash with ease.

- BTPN held the Extraordinary General Meeting of Shareholders (EGMS) in Jakarta on October 5th, 2018.
- The EGMS approved The Merger Plan of BTPN and PT Bank Sumitomo Mitsui Indonesia (SMBCI) including the changes of the Board of Directors and Commissioners and the Articles of Association.

Merger Process Timeline



Overall financial update

Update on new digital businesses

BTPN Syariah 3Q 2018 performance





Q3 2018 Results Update

October 2018



Financial scorecard

Social impact scorecard

Awards



Financial scorecard – strong performance

Balance sheet, IDR billion

	Sep'17	Dec'17	Sep'18	ΔYoY
Cash & Liquid asset	2,379	2,738	4,003	68%
Financing (gross)	5,753	6,053	6,965	21%
Allowance for losses	(168)	(158)	(199)	18%
Deposits / funding	6,166	6,546	7,253	18%
Total Liabilities	6,475	6,902	7,595	17%
Equity	2,066	2,255	3,711	80%
Total Assets	8,542	9,157	11,305	32%

Income statement, IDR billion

	9M'17	FY'17	1Q '18	2Q '18	3Q'18	9M'18	ΔYoY
Margin income	2,116	2,905	777	846	884	2,507	18%
Margin expense	257	346	85	85	92	263	2%
Operating income	1,862	2,567	694	764	797	2,255	21%
Operating expense	1,057	1,442	347	382	395	1,124	6%
Loan loss provision	175	216	62	63	66	190	9%
Profit After Tax	469	670	212	237	250	698	49%

Key ratios (%)

Cost to Income

9M17	FY17	1Q18	2Q18	3Q18	9M18
57	56	50	50	50	50

RoA

9M17	FY17	1Q18	2Q18	3Q18	9M18
10.7	11.2	12.5	12.6	12.2	12.4

RoE

9M17	FY17	1Q18	2Q18	3Q18	9M18
35.6	36.5	37.2	31.5	28.6	31.8

CAR

9M17	FY17	1Q18	2Q18	3Q18	9M18
27.3	29.1	27.7	36.9	39.7	39.7

NPF Gross/Net

9M17	FY17	1Q18	2Q18	3Q18	9M18
1.66	1.67	1.67	1.65	1.56	1.56
0.01	0.05	0.02	0.01	0.03	0.03

CoC

9M17	FY17	1Q18	2Q18	3Q18	9M18
4.3	3.9	4.0	3.8	3.8	3.9

Loss provision coverage

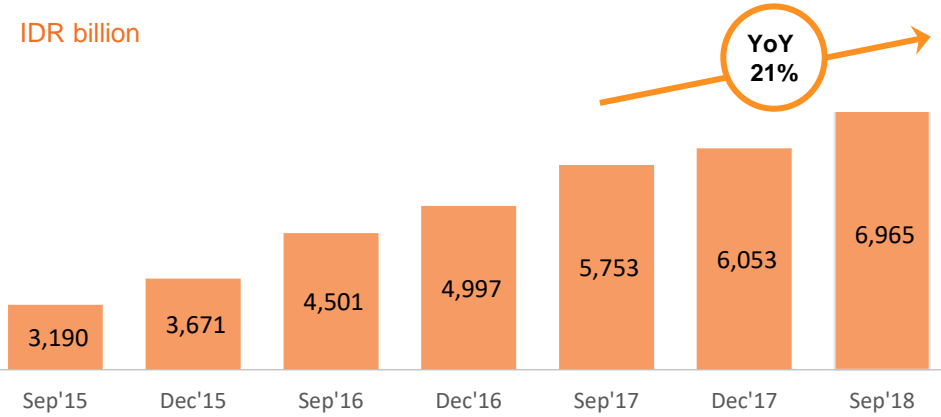
9M17	FY17	1Q18	2Q18	3Q18	9M18
176	156	159	159	182	182*

* loss provision coverage excl. Lombok: 156%

Financing & Customer deposits growth

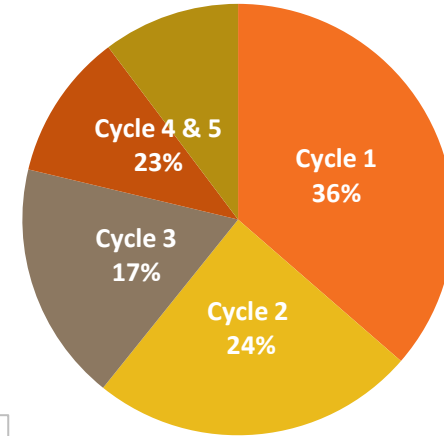
Financing

IDR billion



Industry Jul'18 YoY: 12.4%

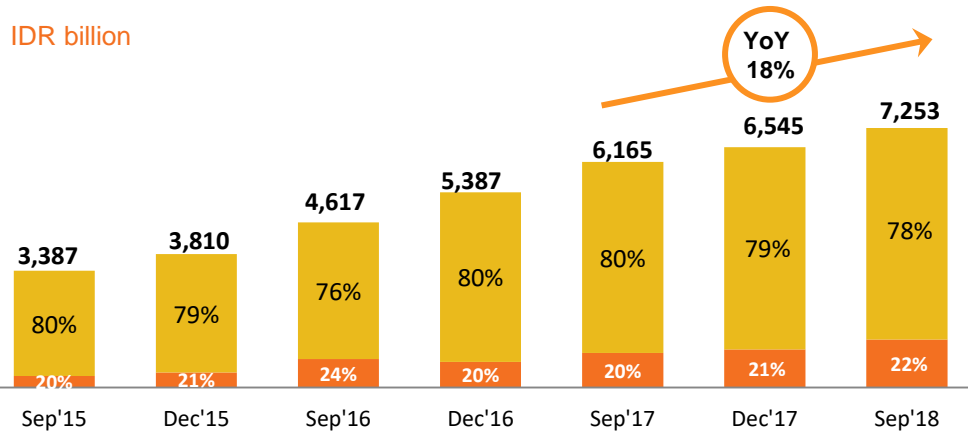
Customers by Cycle (Sep'18)



Number of Customers: ~ 3.3 mio

Customer deposits

IDR billion

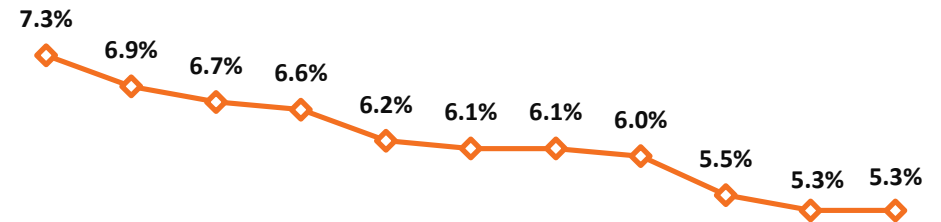


Industry Jul'18 YoY: 5.5%

■ CASA ■ TD

Cost of funds

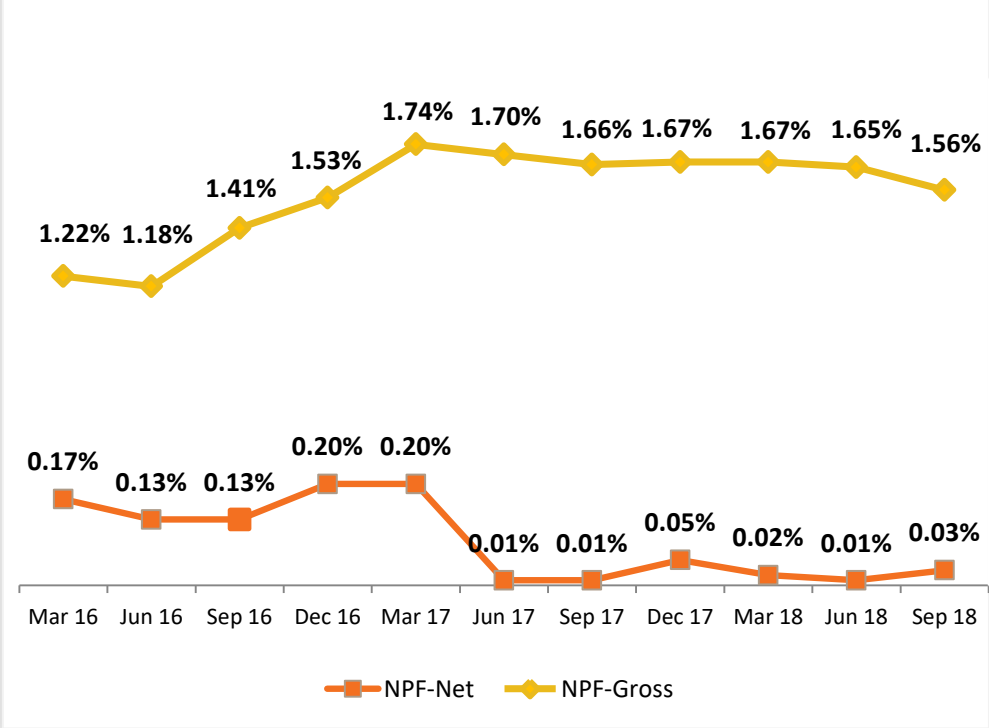
%



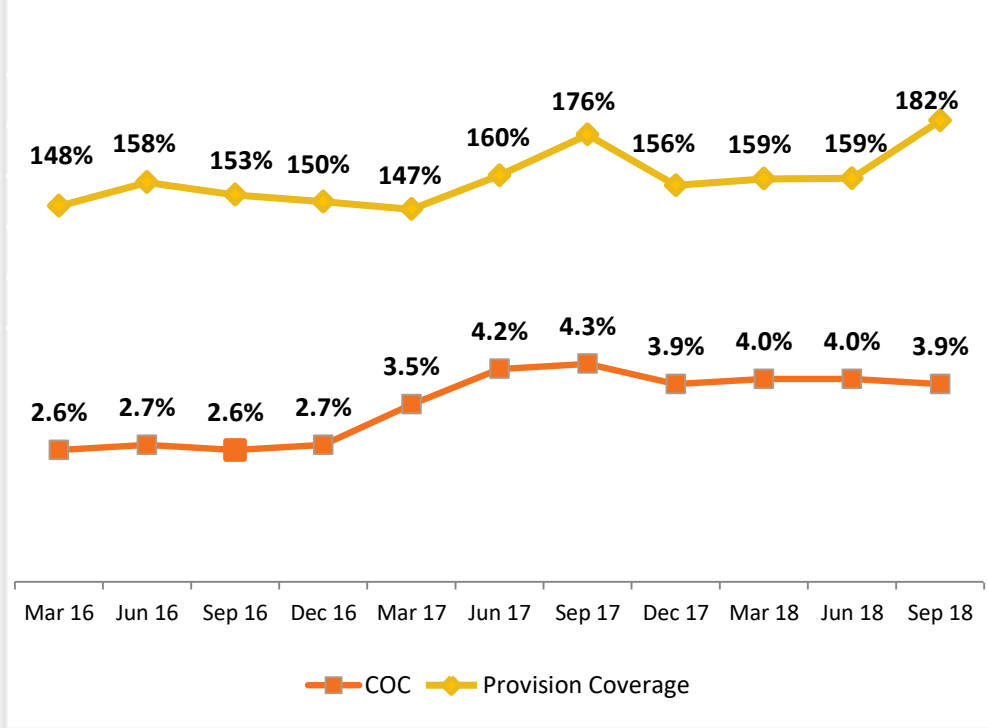
Mar '16 Jun '16 Sep '16 Dec '16 Mar '17 Jun '17 Sep '17 Dec '17 Mar '18 Jun '18 Sep'18

Improving portfolio quality

Non Performing Financing



Cost of Credit & Provision Coverage





Financial scorecard

Social impact scorecard

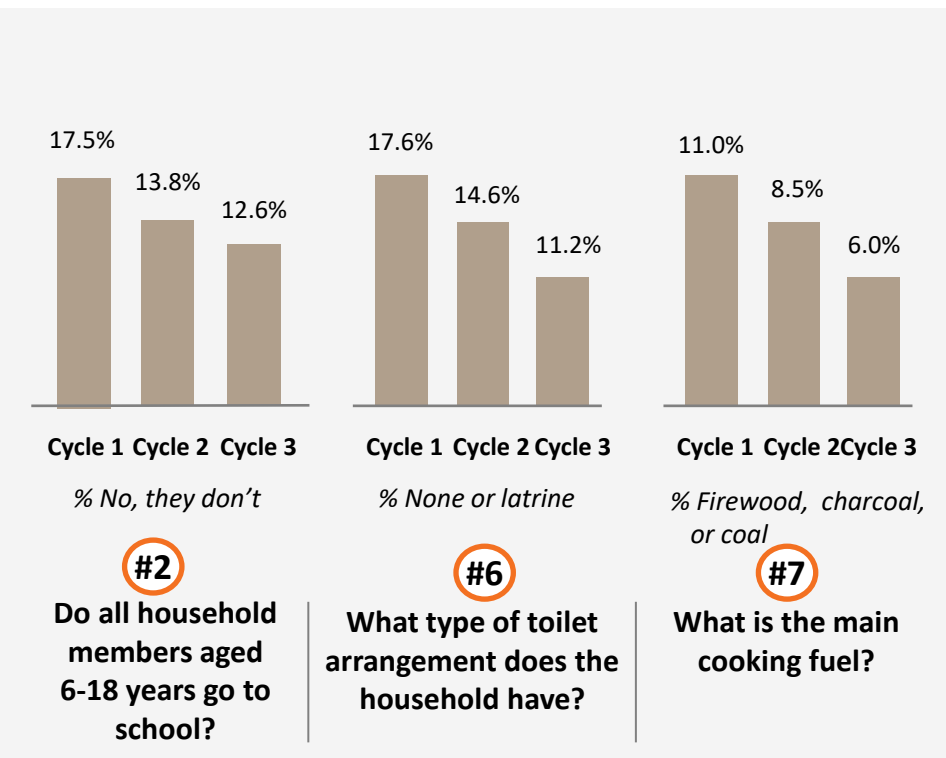
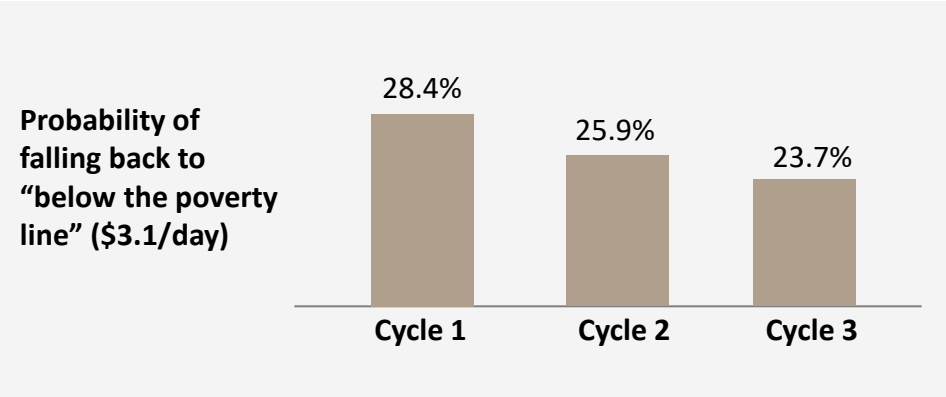
Awards



Social impact scorecard (Sep'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:



PPI (Poverty Probability Index) was built by IPA (Innovations for Poverty Action) to measure the progress out of poverty. www.progressoutofpoverty.org/



Financial scorecard

Social impact scorecard

Awards



International Awards



WOMAN Awards Ceremony :
Top Ten Most Influential Woman in Global Islamic Finance Industry in 2018



Global Islamic Finance Award 2018:
Best Islamic Banking for SME Bank

Others Awards

Indonesian Improvement Award:
The Most Improved Sharia Banking of The Year

Infobank Award:
Predikat "Sangat Bagus"

TOP Bank Award:
TOP Bank Syariah, TOP CEO

Infobank Sharia Finance Institution Award:
Predikat "Sangat Bagus", The Most Profitable Sharia Bank

Investor Best Sharia Award:
The Best Sharia Bank

Karim Consulting:
The Magnificent Three, The Best Islamic Bank, The Best in Funding Growth, The Best In Financing Growth, The Best In Efficiency, The Best In Profitability

Indonesia Banking Award:
The Most Reliable Bank, The Most Efficient Bank

THANK YOU