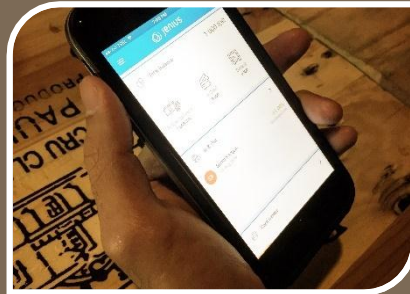


bank  
btpn



BTPN in brief



1

BTPN profile and performance

2

*Building new generation business models*

# Indonesia economy has been relatively stable, with a huge potential for the financial industry

Stable macroeconomic situation in Indonesia...

... with a strong banking potential

Countries	Nominal GDP, 2015, \$bn	Real GDP		Banking revenue pools <sup>1</sup> 2015 - 2020, US\$ bn	CAGR 2015-20, %	RoAA, 2015 %
		CAGR 2000-15, %	CAGR Std. dev. 2000-15			
Indonesia	862	5.4%	0.9	36   85	6%	2.3
Thailand	395	4.8%	2.4	33   68	2%	1.3
Malaysia	296	5.1%	1.7	23   51	4%	1.1
Singapore	293	5.2%	4.1	24   43	3%	1.0
Philippines	292	4.0%	2.5	11   29	14%	1.2
Vietnam	191	6.5%	0.8	6   10	14%	0.8

Note – 1. Revenue after risk cost

Source: EIU; McKinsey Global Banking Pools; ASEAN Development Bank Review

# BTPN is well positioned within Indonesia

## Vision

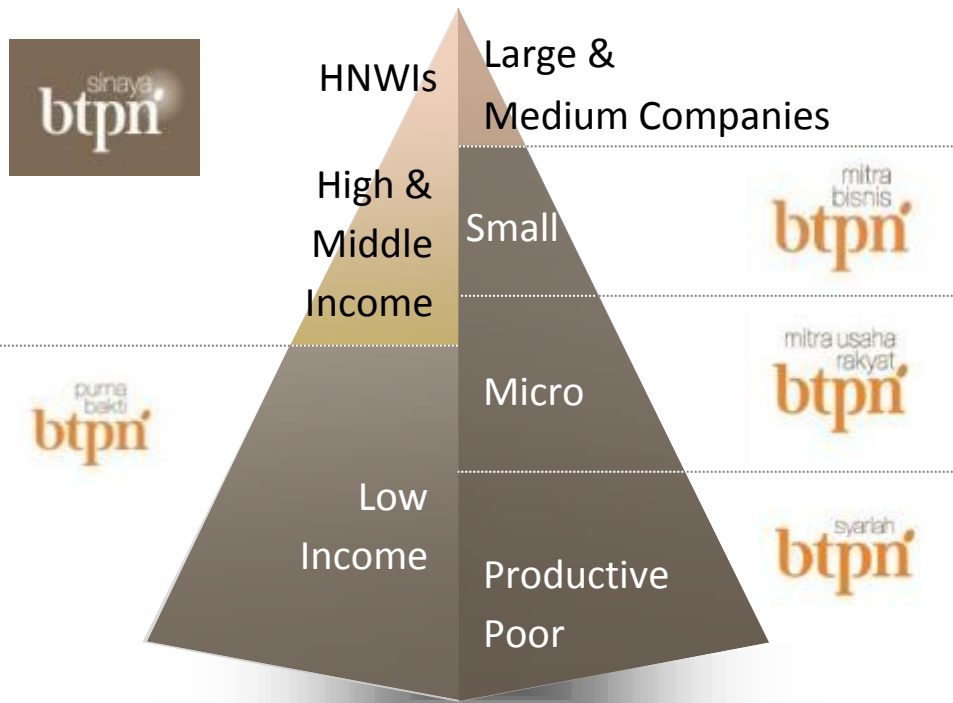
*To be the best **mass market**<sup>1</sup> bank, making a difference in the lives of millions*

## Mission

*Together with our stakeholders, we create opportunities for growth and greater significance*

## Target Market

■ Funding ■ Lending



## Assets

**US\$ 6.6 billion**

## Customers

**~4.5 million**

## Distribution reach

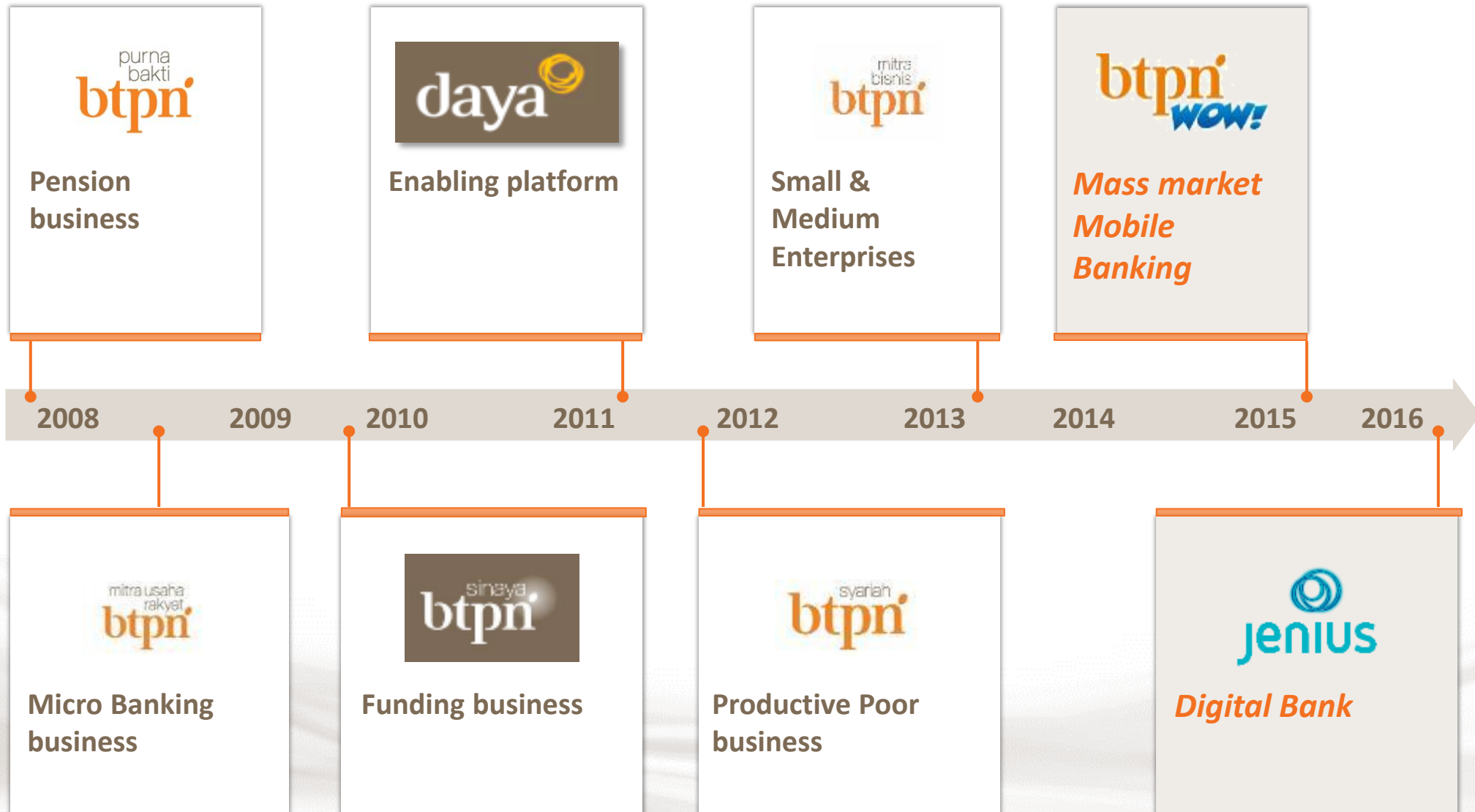
**3,100+**  
outlet

**329**  
cities

**34**  
provinces

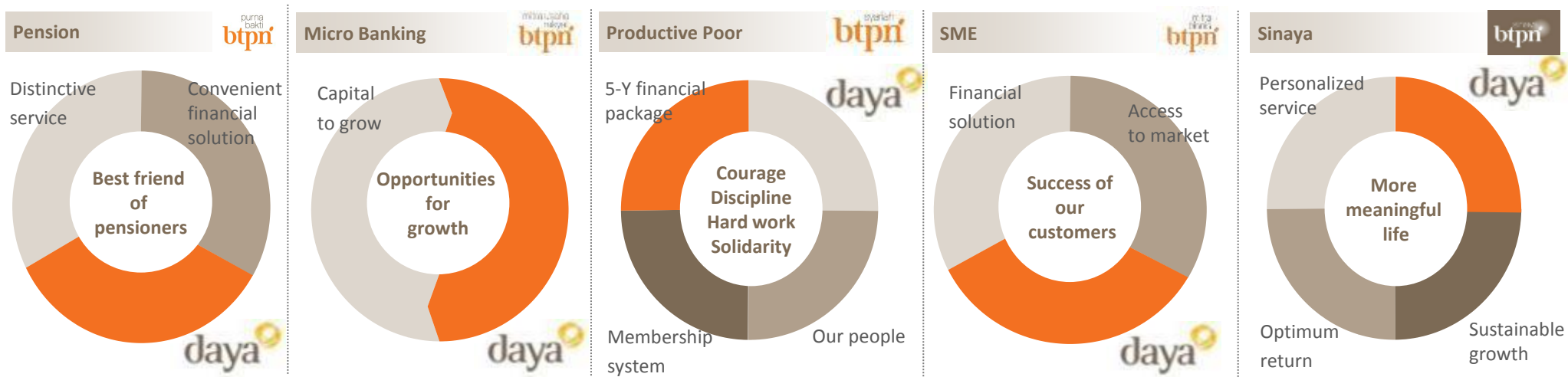


# Strong track record of building new businesses



# Differentiated core business models

## Five unique businesses ...



## ... with a unifying theme of social responsibility

### Health & wellness



Information, consultation, and medical check-up as a preventive measure to promote health and wellness

### Entrepreneurial capacity building



Center for business growth, practical training and micro business franchise

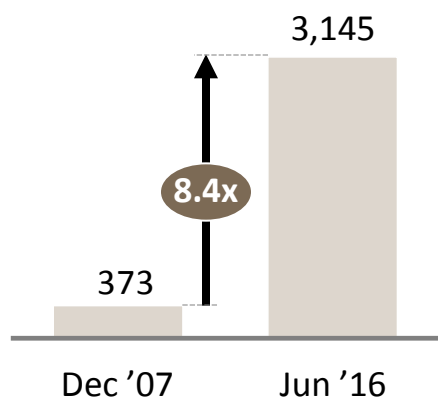
### Community empowerment



Adopt a community program for developing skills, ensuring business sustainability and promoting health

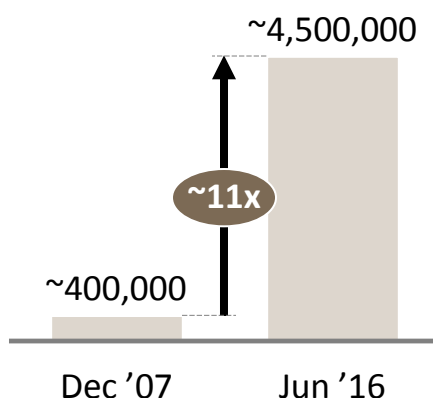
# Transformational growth since 2008 (Consolidated)

## Outlets

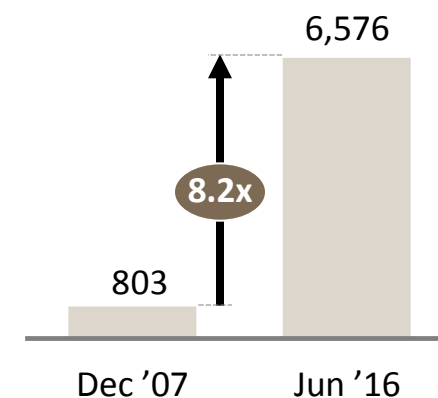


## Customers

US\$ mn

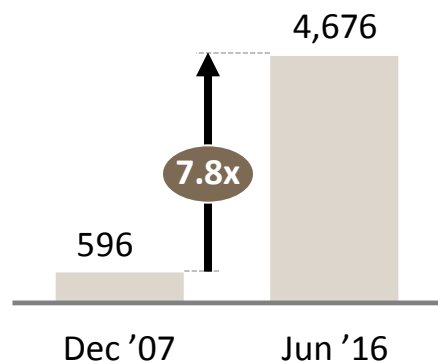


## Assets



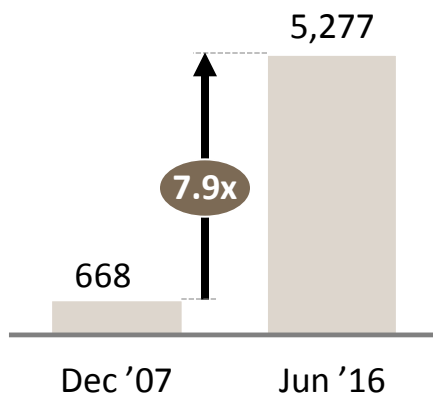
## Loans

US\$ mn



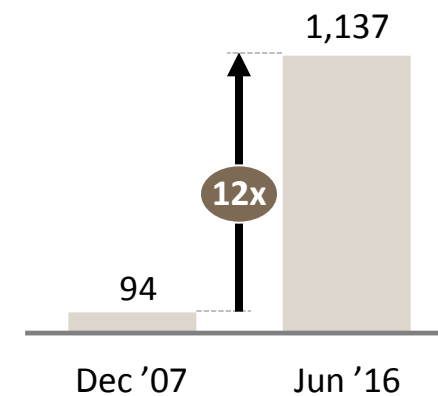
## Funding

US\$ mn



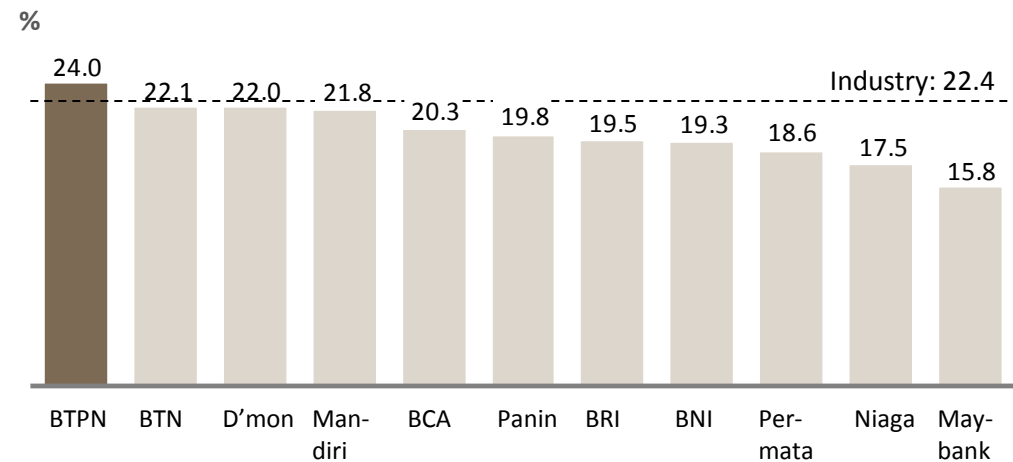
## Equity

US\$ mn

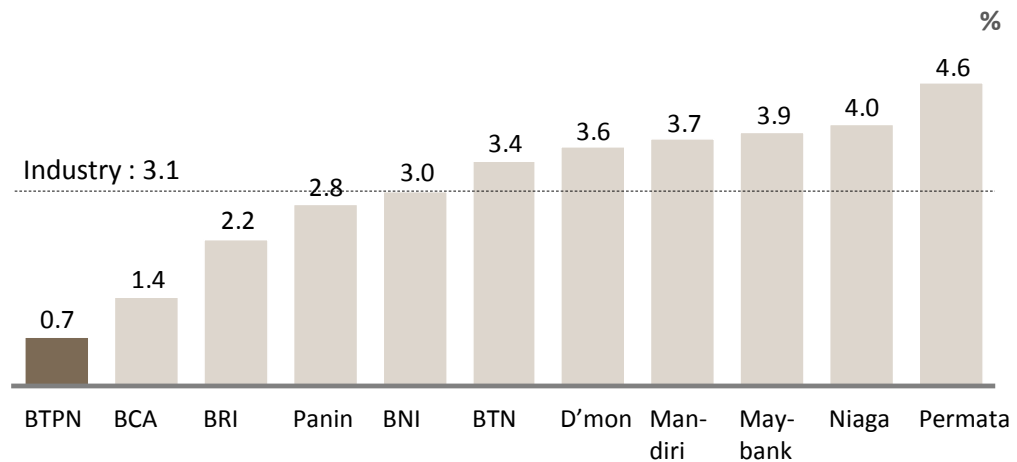


# Delivered superior performance

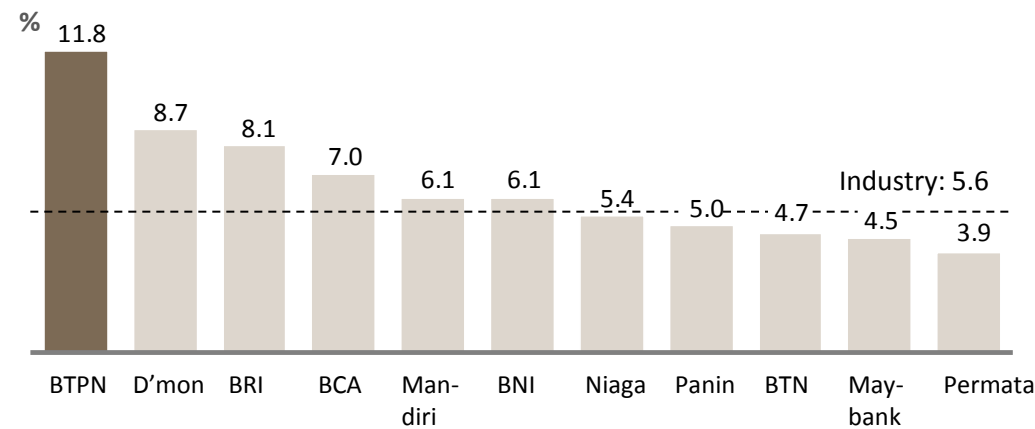
## CAR



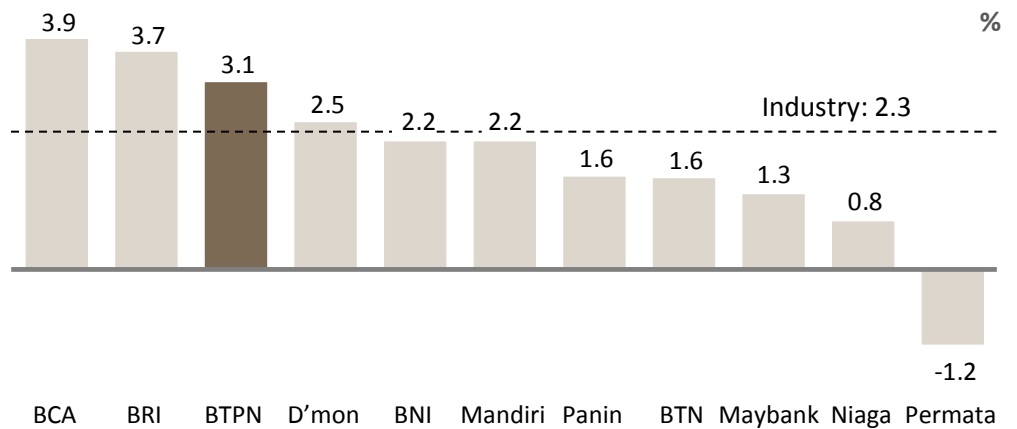
## NPL – Gross



## NIM



## ROA



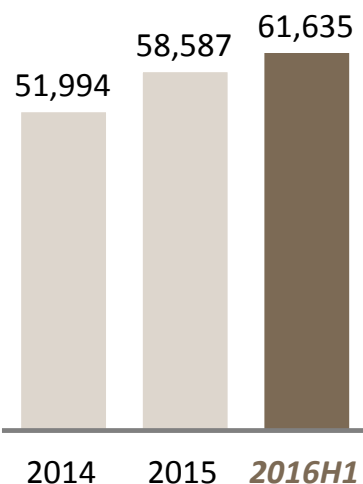
Source: Published Financial Statements of each bank as of Jun 2016 (bank only) except BRI as of Mar 2016 and BTPN (consolidated); Indonesian Banking Statistics – May 2016, OJK



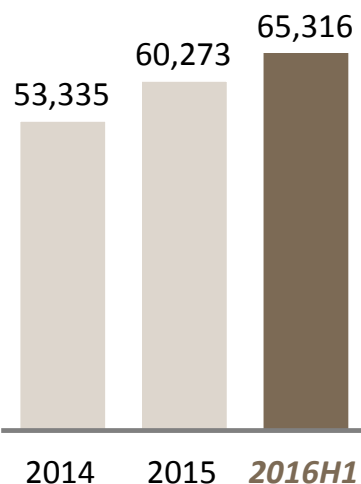
# Key financial metrics

## Balance sheet, IDR Bn

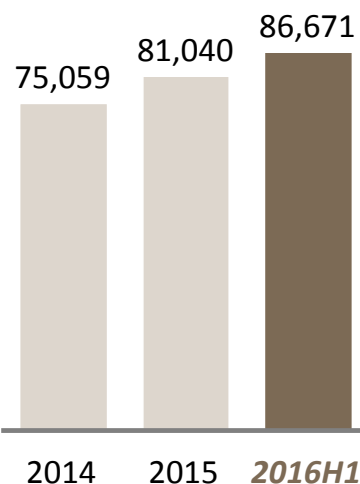
### Loans (gross)



### Customer deposits

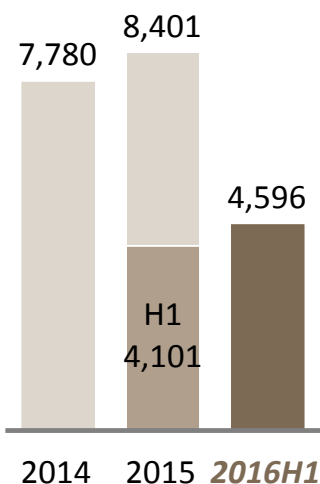


### Total assets

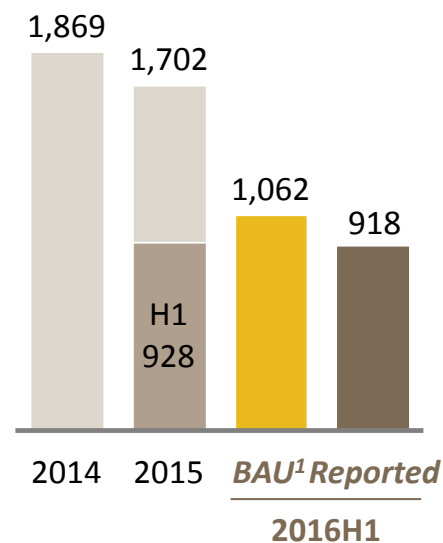


## P&L, IDR Bn

### Operating income



### Net profit after tax

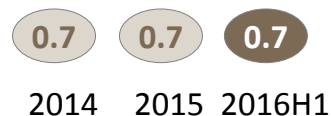


## Key ratios, %

### NIM



### NPL



### Cost of credit



### ROA (before tax)



### CAR



1 Core businesses excluding investments

# Leveraging the partnership with SMBC

## Rating

From...

AA-

...to

AAA

## Funding arrangement

Additional stand-by facility

USD ~350 mn

## Joint financing with SMFL

- Joint financing for **Auto**
- Exploring **heavy equipment** financing

## Joint Project

- **Joint project investments** (e.g. Digital Banking Project)
- Leverage existing **SMBC reach for customer acquisition** (e.g., customers, employees, suppliers)

**1**

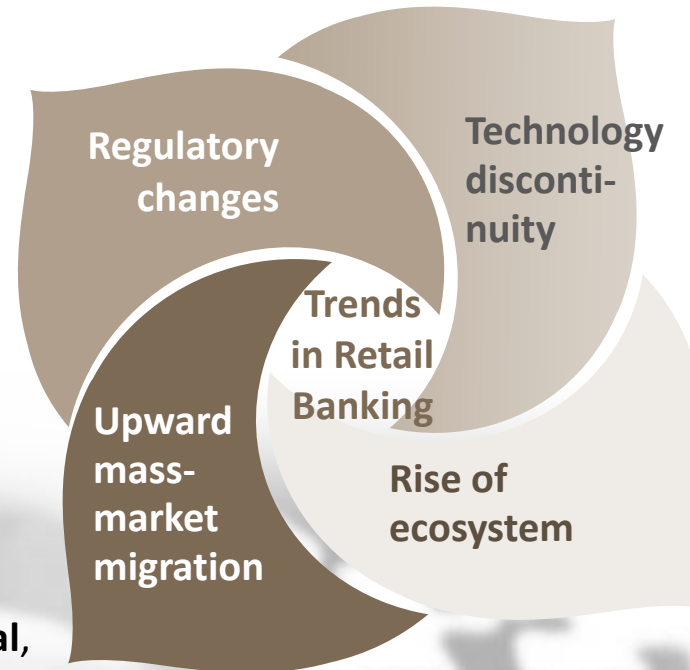
*Proven set of differentiated business models to serve the high potential mass market*

**2**

**Building new generation business models**

# Perfect storm for a game changing opportunity

- **Regulators are increasingly becoming more open** to alternative business models
- **Changes in regulation towards digital**
- **Economic growth in emerging markets to expand revenue potential, including**
  - Upward migration
  - Unbanked population entering banking

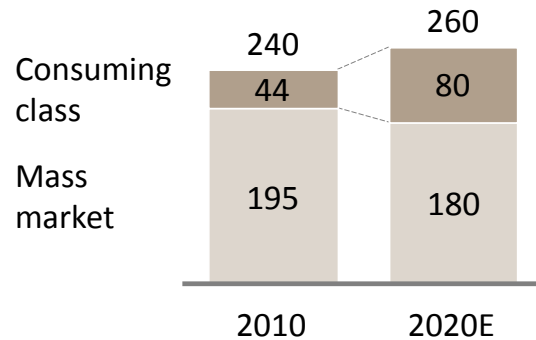


- **High level of mobile penetration** across Asia (90%+ feature phone and 35%+ smartphone)
- **Customers are truly social and moving directly to mobile** (i.e., social media, e-commerce)
- **Increasing level of technology discontinuities** (e.g., fintech, advanced analytics)
- **Creation of ecosystems** increasing customer engagement, capturing non-banking revenues and creating online-offline synergies
- **Successful innovative partnership models** for customer acquisition & servicing

# In Indonesia, these trends are significant

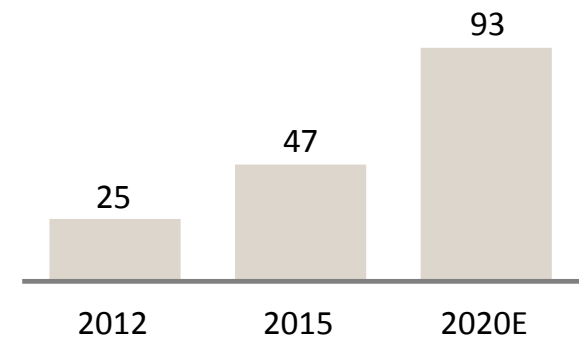
## Opportunity for consuming class and significant mass market

Million



## Smartphone user base

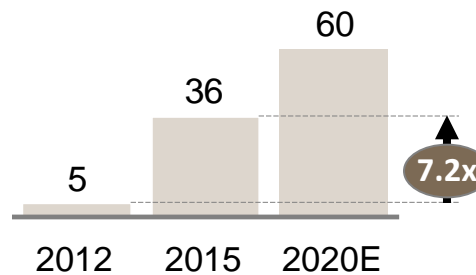
Million



## Openness for Digital

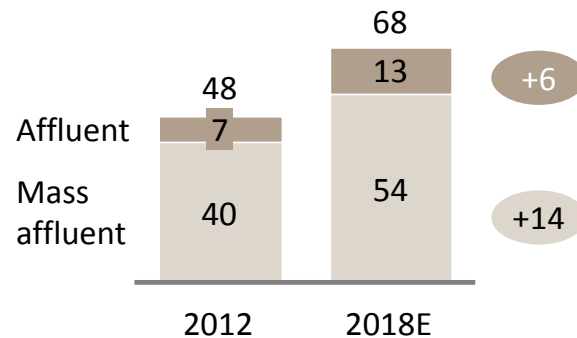
### Digital banking penetration for transactions and services

%<sup>1</sup>



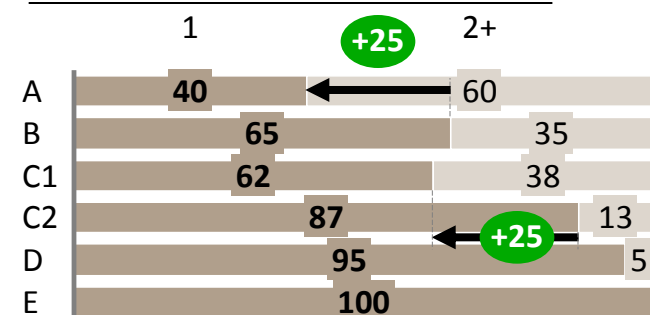
## Upward migration

Million



## Opportunity for a secondary bank

### Share of consumers by number of relationships, %

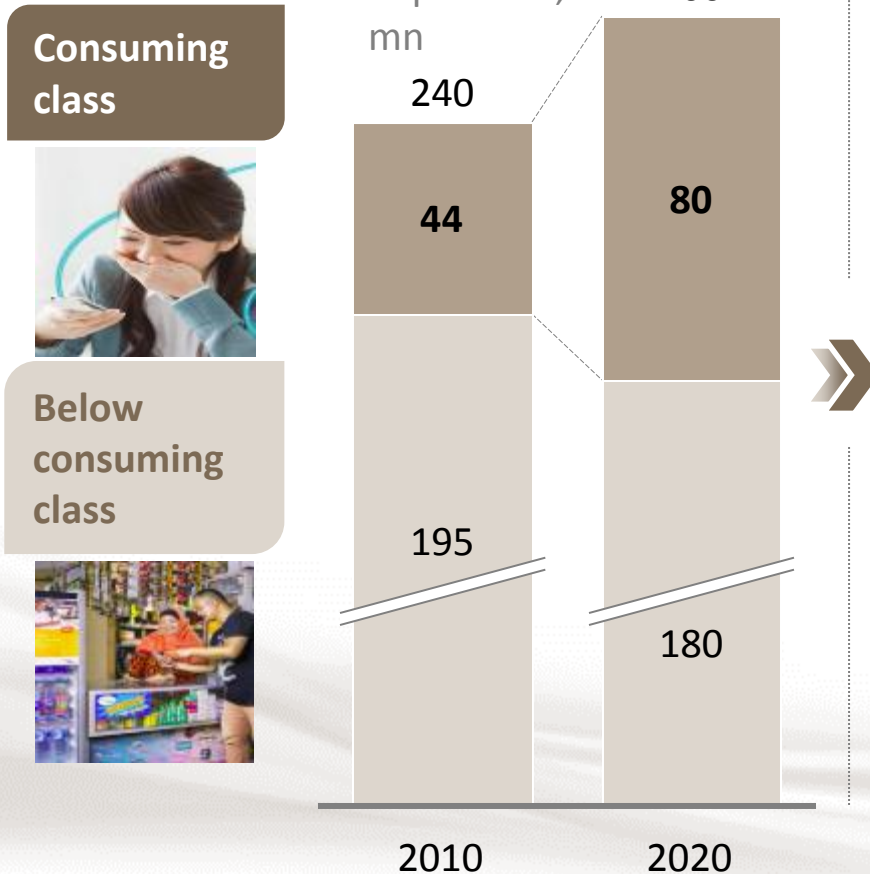


1 % of respondents using internet banking via PC or via Smartphone  
Source: EIU, Global IDC data, McKinsey, Strategy Analytics

# BTPN is creating two new platforms to capture the opportunities

Detailed next

Significant market for both segments



BTPN is creating two new innovative businesses

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

---

Address mass market and productive poor<sup>1</sup> with low cost feature-phone based financial services offering

# BTPN WOW! is an agent based branchless banking solution targeted at the mass market

## Financial inclusion is an IDR 200 trillion+ deposit opportunity

20%

of adult population has account with formal financial sector<sup>1</sup>

200+ Tn

deposit opportunity in the next 5 years<sup>2</sup>

90%

hand phone penetration<sup>3</sup>

## Critical challenges exist in bringing financial access to the mass market



Although most of mass market saves, not all are servable by regular branches due to infeasible branch economics



Although hand phone penetration is high, smart phone penetration<sup>3</sup> is low (<30%) and >60% of villages do not receive a strong signal<sup>4</sup>

## OJK regulations released in Nov 2014 allow for inclusive, branchless banking



Branchless banking for financial inclusion (Laku Pandai) permitted



Regulations permit an agent based banking model with exclusive relationship between the agent and the bank

## Allows for a Basic Savings Account (BSA), with simplified KYC requirements

- Full name
- Address
- Place and date of birth
- Occupation
- Signature



**+ identification document to support the above**

## BTPN Wow! product features



USSD-based product that works with even 1 bar signal



Savings led product

## Other features



Airtime top up



Bill payment



Payments



Transfers



Micro-loans



Micro-Insurance

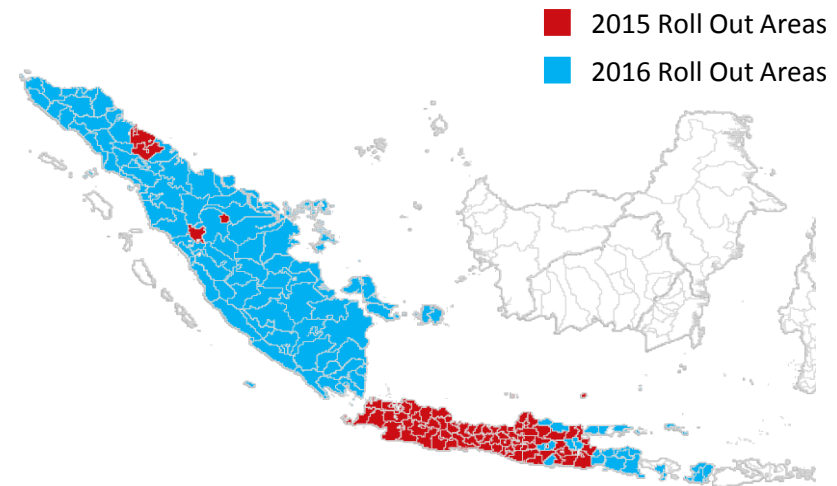
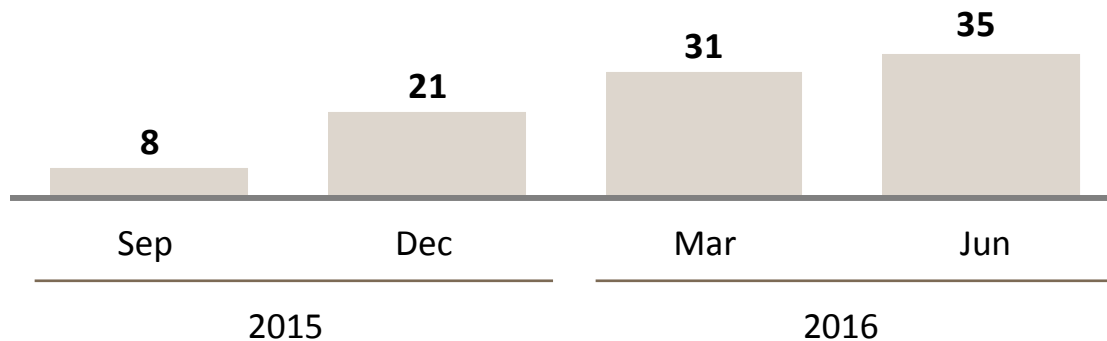
# BTPN Wow!: “the bank in your hands”

## Rapid expansion

BTPN Wow! customers ('000)



BTPN Wow! Agents ('000)

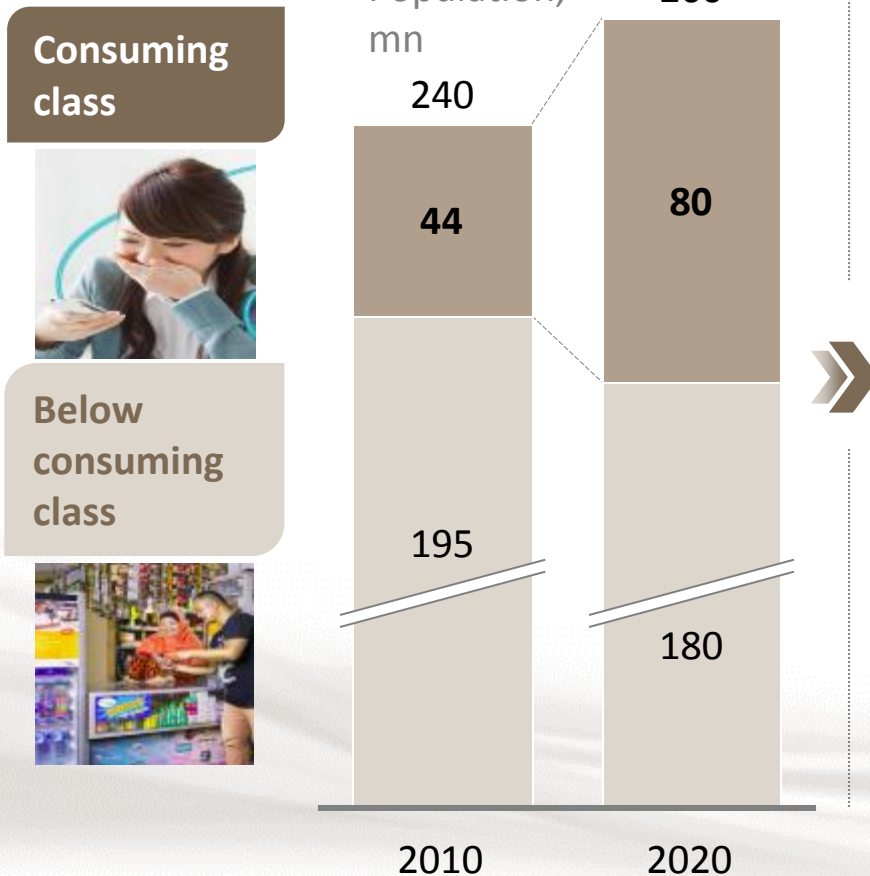




# BTPN is creating two new platforms to capture the opportunities

Detailed next

Significant market for both segments



BTPN is creating two new innovative businesses

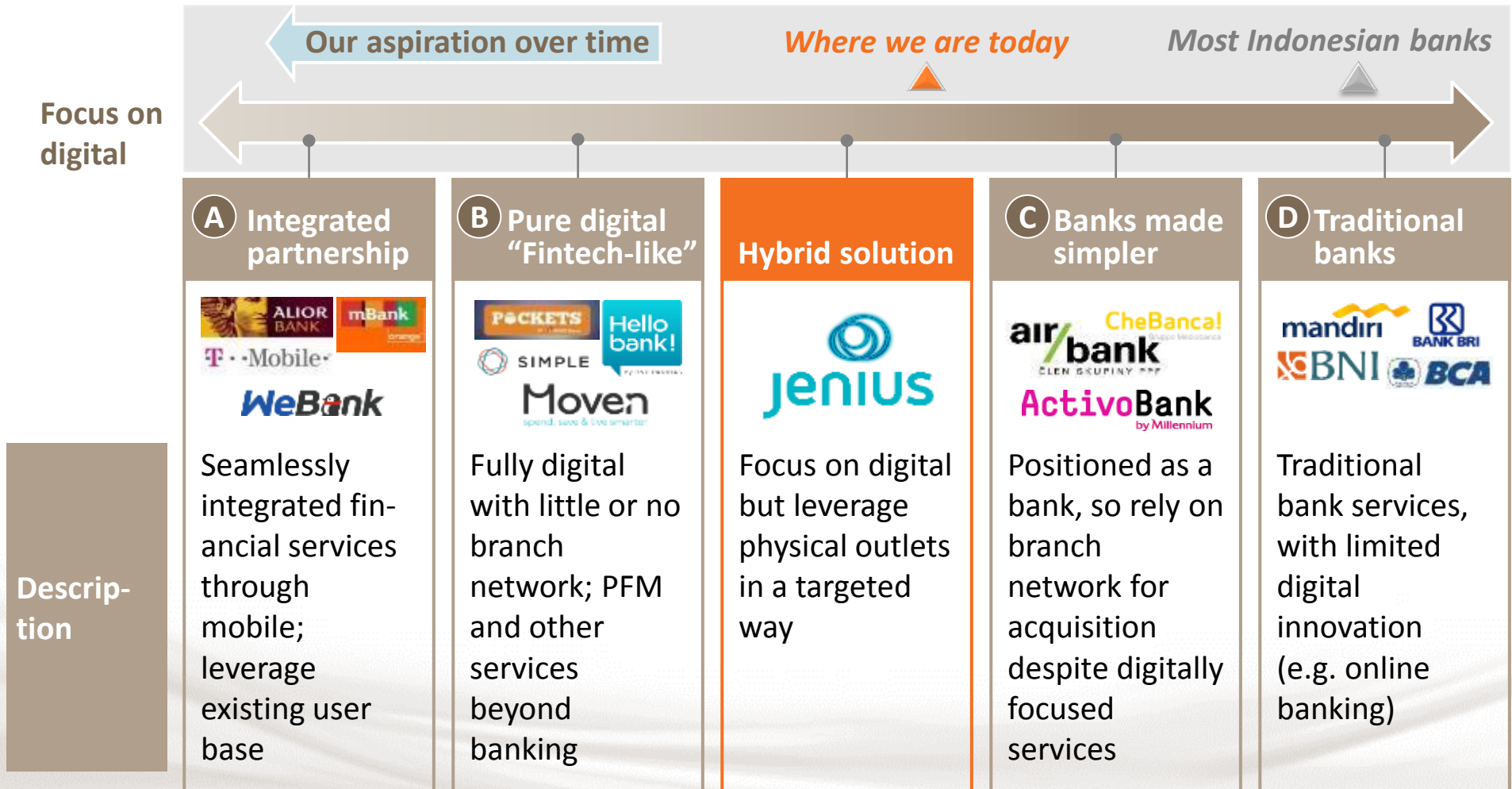


**Address digitally savvy affluent consuming class individuals with a smartphone based digital bank offering**



**Address mass market and productive poor<sup>1</sup> with low cost feature-phone based financial services offering**

# Jenius is a digital solution with light physical outlet support



# At heart, Jenius is a mobile and web app coupled with an international debit card

## What we provide



## What we deliver

1



Simple way to save and pay

*(Intuitive transactional capability)*

2



Insights to manage your money better

*(Fully personal financial management tool)*

3



Security to give you peace of mind

*(Best technology & control)*

## First of its kind of digital package in Indonesia

- 1 Semi-remote account opening
- 2 Split bill
- 3 Push payment to any account/Request money
- 4 Pay multiple bills
- 5 Virtual/ physical debit card for e-commerce/ sub-accounts
- 6 “Cash tags” enabling direct payments
- 7 Categorize and analyze past expenses
- 8 Track against financial plan
- 9 Dream saver
- 10 Temporarily block/un-block card
- 11 Sub-accounts with full control
- 12 Fingerprint identification



# Jenius was launched on Aug 11 with tremendously successful reception

## Session

## Results

### Press event

- **193 attendees** which generated press coverage on Indonesian major new outlets including CNN Indonesia, Detik, Metro TV news, Berita satu, Liputan 6, Kontan, Okezone, Merdeka

### VIP

- **265 attendees** including Minister of Finance, Minister of ICT, CEOs of Telkomsel and Indosat, Northstar Managing Partner, etc.

### Reception

- **754 attendees** consisting of A-listers, celebrities, social influencers



# Jenius generated social media buzz and positive reception among influencers in social media

## Social Media

### Key statistics<sup>1</sup>

- **#1 trending topic** in twitter during event launch; top 10 trending topic for **6 hours**
- **16.5 million** impressions
- **2,446** mentions by **845** users
- **626k** unique accounts reached



The most sophisticated financial app ever



Successfully made my first foray to smart money using the @jeniusconnect app!



Ini "cashtag" gw : \$TEGUH, mau dong pay me... #hijenius #btpn



A brand new way of life with the all-in-one financial management mobile app!



## Press

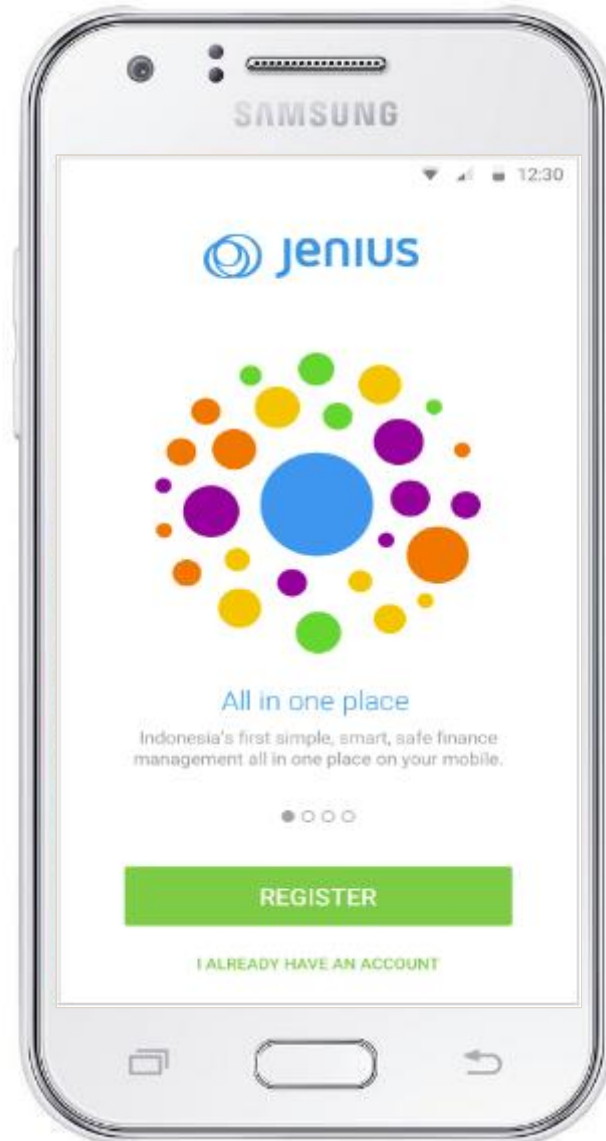
### Press coverage

- Press coverage includes CNN Indonesia, Detik, Metro TV news, Berita satu, Liputan 6, Kontan, Okezone, Merdeka, Dailysocial



This application is unique from other *financial technology (fintech)* products that are available in the market launched by banks or start-ups - **Daily Social**

1: Statistics only covers Twitter  
SOURCE: XION Launching Activity Stats, web search



# Jenius' marketing



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# Thank you

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*Note: All financial figures used in this presentation, which were originally in Rp, were converted into US\$ using FX rate of Rp/US\$ 13,795*