



Realizing Asia-centric: The New BTPN Opens Its Doors for Business

In February 2019, PT Bank Tabungan Pensiunan Nasional Tbk (“BTPN”), an equity-method affiliate of Sumitomo Mitsui Banking Corporation, merged with PT Bank Sumitomo Mitsui Indonesia (“SMBCI”), a local subsidiary of Sumitomo Mitsui Banking Corporation, to create PT Bank BTPN Tbk (“Bank BTPN”), a commercial bank with net assets exceeding ¥1 trillion. Bank BTPN will play an important role in realizing SMBC Group’s Asia-centric strategy as a full-line commercial bank that offers a comprehensive range of banking services in both the wholesale and retail sectors.

BTPN: A Bank with a Robust Presence in the Retail Sector

BTPN was established in 1958 to handle the pensions of retired military personnel. BTPN focused on providing financial education and services to retirees, micro-, small, and medium-enterprises, and people residing in rural areas who did not possess a bank account. Through such efforts, BTPN deepened its footprint in Indonesia as a commercial bank with a robust presence in the mass market segment.

BTPN also developed a reputation as one of Indonesia’s most innovative banks. While Indonesia’s population exceeds 260 million, an estimated 50% of its adult population does not possess a bank account. Given such an environment, BTPN was quick to focus on expanding its digital services in line with the rapid spread of mobile phones and smartphones, launching its mobile banking service “BTPN Wow!” in 2015. The aim of BTPN Wow! is to provide affordable, safe, and convenient financial services to the many people who do not possess a bank account. The number of BTPN Wow! users have now exceeded 6 million. “Jenius,” a mobile banking service for

smartphones that targets the middle-class, was launched in 2016. The number of Jenius users exceeded 1 million by the end of the service’s second year.



Transformation into a Full-Line Commercial Bank

SMBCI was established in 1989 and offered various financial services targeting the wholesale sector. SMBCI developed a strong presence in the market for large corporates, namely Japanese and leading local companies. In recent years, SMBCI actively engaged in project finance, syndicated loans, and structured finance transactions in relation to infrastructure development, a theme which continues to draw the strong interest of the Indonesian government.

Through its merger with SMBCI, BTPN transformed into a full-line commercial bank by adding a comprehensive portfolio of wholesale banking services to its existing portfolio of retail banking services. The new bank’s net assets exceed ¥1 trillion, making it the 8th largest Indonesian bank.

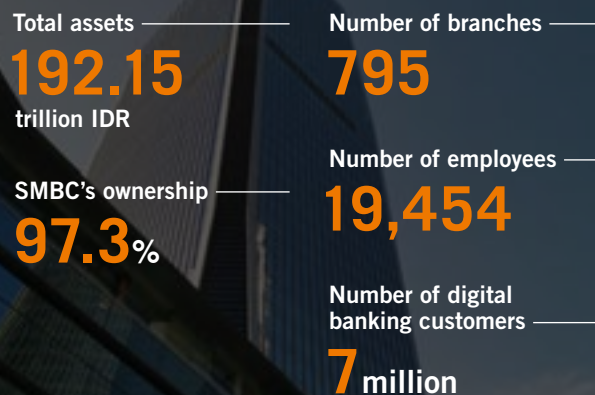


New company logo of the merged bank

BTPN Milestones

- 1958** Established to serve retired military personnel
- 2008** Listed on the Indonesia Stock Exchange.
- 2013** SMBC acquired a 24.3% ownership in BTPN via the purchase of shares owned by TPG Nusantara S.à r.l. and other shareholders.
- 2014** SMBC increased its ownership in BTPN to become the controlling shareholder with a 40.0% ownership stake.
- 2019** Merged with PT Bank Sumitomo Mitsui Indonesia to form PT Bank BTPN Tbk.

Overview of Merged Bank (as of March 2019)



A Strategic Component of Asia-centric

SMBC Group's medium- to long-term vision is: "To be a global financial group that leads growth in Japan and Asia by earning the highest trust of our customers." Furthermore, "Accelerate our 'Asia-centric' strategy" has been stipulated as one of the Group's Seven Core Business Areas in the current Medium-Term Management Plan (FY2017-FY2019).

As part of such efforts, SMBC Group has been pursuing its Multi-Franchise Strategy, through which it will create a second and a third SMBC Group in Asia that offers full-line commercial banking services. Indonesia was selected as the first country to implement the strategy given its high growth potential, and the creation of Bank BTPN can be said to be an embodiment

of the strategy's goal. As a result of the merger, SMBC Group was able to make significant strides towards realizing its Asia-centric strategy.

Bank BTPN will leverage the strengths its predecessor banks have developed over the years to expand the coverage of its services. In the retail sector, Bank BTPN will work to expand its presence from the mass market segment to include middle-class customers, while in the wholesale sector it will expand its traditional focus on large corporates to include medium-sized corporate/SME customers. Bank BTPN's operations will transcend Indonesia so that it may function as a strategic component of SMBC Group's Asia-centric strategy.

We will be the most preferred bank in Indonesia that changes our customers' lifestyles

The merger of BTPN and SMBCI to form Bank BTPN represents a unique and an ideal combination of two complementary banks. With its new vision, to be Indonesia's most preferred bank which makes a meaningful difference in the lives of millions powered by technology, Bank BTPN will become a larger and stronger bank that contributes more to the country's economy. We believe Bank BTPN will be able to unlock the opportunities that generate more valuable customer solutions across businesses.

Ongki Wanadjati Dana President Director

