



April 2016

# 1Q 2016 Results Update



# Maintain Good Asset Quality and Healthy Ratios Despite Slow Banking Sector Growth in 1Q 2016



## Moderate Loans Growth with Good Portfolio Quality:

- Loans growth: 11% (YoY); Deposit growth: 14% (YoY)
- Loans quality:
  - NPL: 0.7%
  - Special Mention: 2.0%

## Strong Liquidity maintained:

- LFR\*: 88%
- LDR: 96%
- Liquid Asset Ratio: 31%

## Robust Key Ratios:

- NIM: 11.4%
- ROA: 3.0%
- ROE: 12.2%
- CAR: 24.9%
- 1Q 2016 NPAT: IDR 429 bio (-11% YoY);
- 1Q 2016 NPAT – normalized: IDR 497 bio (excl. new investment & MSOP)

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Note: \* Funding consists of customer deposits, long-term borrowings and bonds issued

# Balance Sheet – Consolidated

IDR billion	Mar '15	Jun '15	Sep '15	Dec '15	Mar '16	ΔYoY
Cash & BI	5,890	7,161	6,428	6,127	5,454	-7%
SBI & Placement	13,765	12,914	12,938	12,288	13,887	1%
Loans (gross)	53,377	55,727	56,938	58,587	59,268	11%
- Pension	35,495	36,101	37,044	37,882	38,407	8%
- Micro/SME	13,694	14,786	15,246	15,600	15,808	15%
- Micro	<i>n.a.</i>	9,393	9,107	8,732	8,461	<i>n.a.</i>
- SME	<i>n.a.</i>	5,393	6,140	6,868	7,346	<i>n.a.</i>
- Productive Poor (Syariah)	2,651	3,195	3,190	3,678	3,886	47%
- Others <sup>1)</sup>	1,537	1,645	1,457	1,427	1,167	-24%
Allowance for losses	(517)	(525)	(542)	(544)	(585)	13%
Customer Deposits	54,367	57,131	59,103	60,273	61,714	14%
Borrowings	8,271	7,685	6,100	5,343	5,295	-36%
Total Funding	62,637	64,816	65,203	65,616	67,008	7%
Equity	12,298	12,763	13,225	13,576	14,565 <sup>2)</sup>	18%
Total Assets	76,566	79,484	80,113	81,040	83,552	9%

**Note:** <sup>1)</sup> Others include money market, employee loan and ex-Bank Sahabat's loan

<sup>2)</sup> Included gain on fixed assets revaluation of IDR724 bio booked in March 2016

# Profit & Loss – Consolidated



IDR billion	1Q '15	2Q '15	3Q '15	4Q '15	FY '15	1Q '16	ΔYoY
Interest income	3,150	3,223	3,298	3,334	13,004	3,367	7%
Interest expense	1,305	1,333	1,332	1,339	5,308	1,335	2%
Net interest income	1,845	1,890	1,966	1,995	7,696	2,032	10%
Fee income	181	185	166	174	706	173	-4%
Operating income	2,026	2,075	2,132	2,169	8,401	2,205	9%
Operating expense	1,169	1,253	1,287	1,447	5,156	1,384	18%
- Business As Usual (BAU)	924	968	963	1,054	3,909	997	8%
- New Investment*	14	28	40	101	184	80	465%
- TUR (Productive Poor)	225	241	269	279	1,013	295	31%
- MSOP	7	15	15	13	50	12	70%
Net operating income	857	822	845	722	3,246	821	-4%
Loan loss provision	200	198	218	170	786	212	6%
NPBT	656	622	625	529	2,433	608	-7%
NPAT	481	448	446	327	1,702	429	-11%
NPAT BTPN Syariah	22	38	52	57	169	69	208%

Note: \* New Investment for BTPN WOW!; Opex for SME business has been re-categorized as BAU

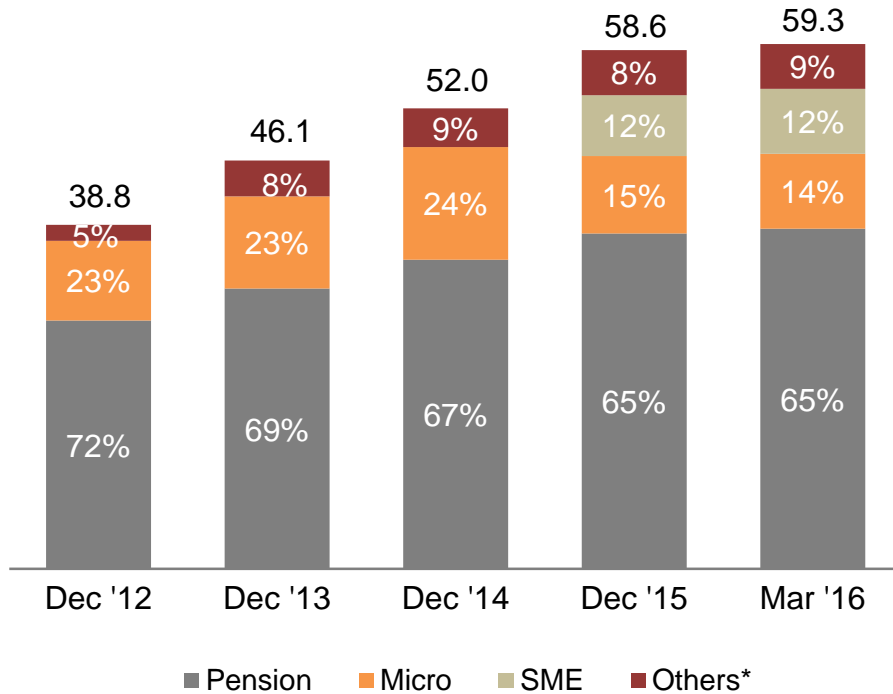
# Key Ratios – Consolidated

%	1Q '15	2Q '15	3Q '15	4Q '15	FY '15	1Q '16
NIM	11.3	11.1	11.4	11.4	11.3	11.4
Cost to Income	58	60	60	67	61	63
Cost to Income (bank only)	54	58	58	65	59	61
Cost to Income (bank only - BAU)	53	56	55	59	56	56
LDR (end of period)	98	98	96	97	97	96
Loan to Funding	85	86	87	89	89	88
Loan to Funding (incl. Equity)	71	72	73	74	74	73
Liquid Asset Ratio	36	35	33	31	31	31
NPL	0.8	0.8	0.8	0.7	0.7	0.7
Cost of Credit/Avg. Loan	1.5	1.5	1.5	1.2	1.4	1.4
LLP/NPL	128	121	124	132	132	132
ROA (before tax)	3.5	3.2	3.2	2.6	3.1	3.0
ROE (after tax)	15.8	14.2	13.6	9.7	13.3	12.2
CAR (credit & ops risk)	23.7	23.6	23.8	23.8	23.8	24.9
Equity/Assets	16.1	16.1	16.5	16.8	16.8	17.4

# Loans Composition & Portfolio Quality

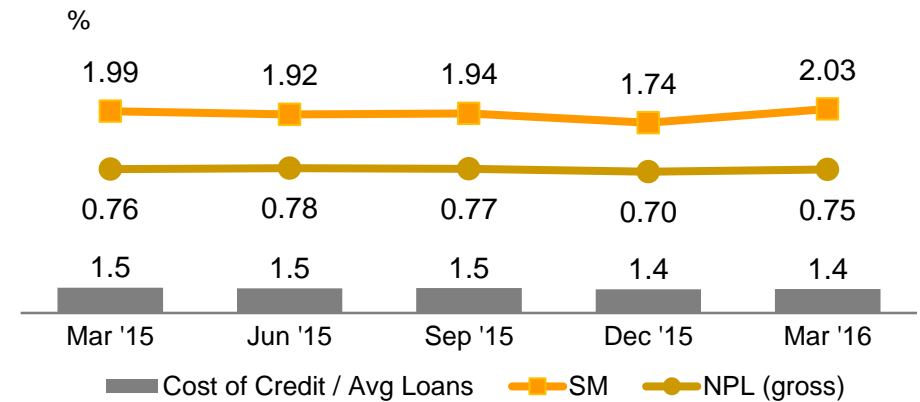
## LOANS COMPOSITION

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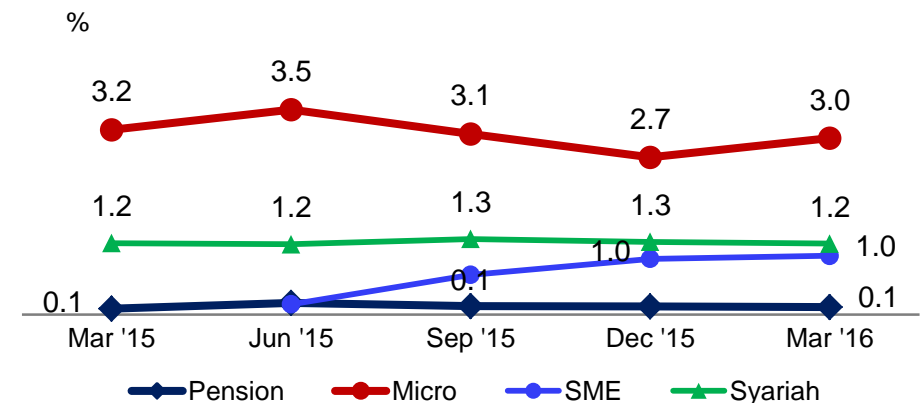


Note: \* including Syariah Financing, Joint Financing, Money Market loan, Employee loan and ex-Bank Sahabat loan

## SPECIAL MENTION, NPL & COST OF CREDIT

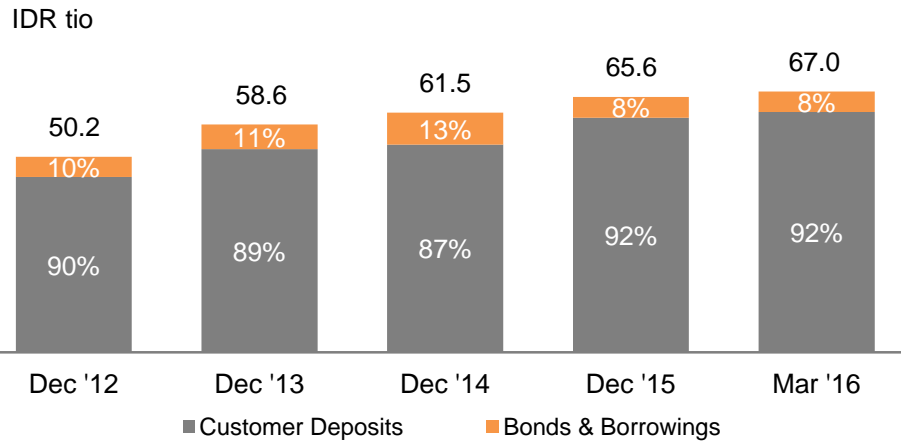


## NPL BY BUSINESS

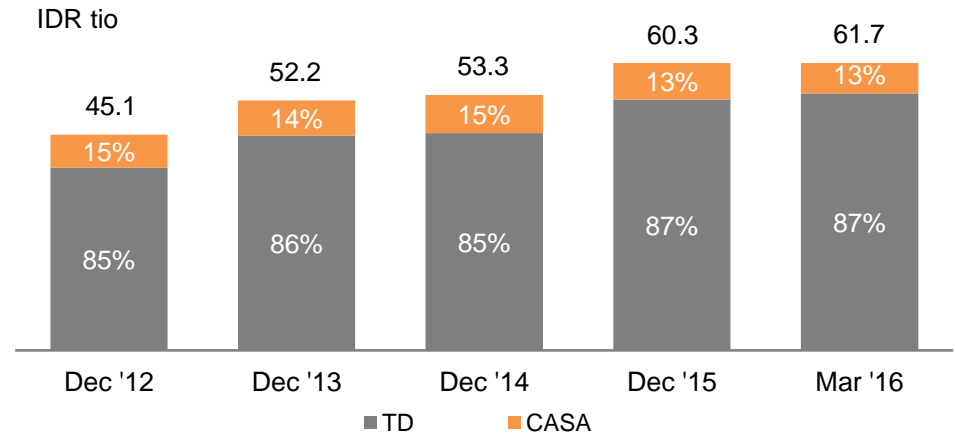


# Funding Composition & Liquidity Reserves

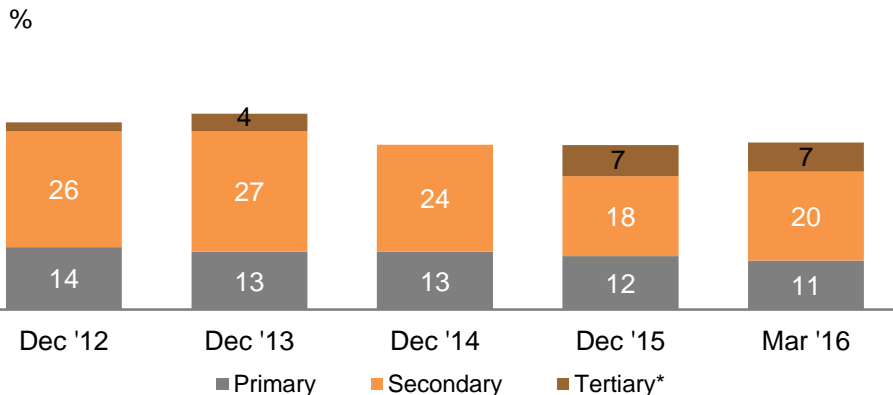
## FUNDING COMPOSITION



## CUSTOMER DEPOSIT COMPOSITION

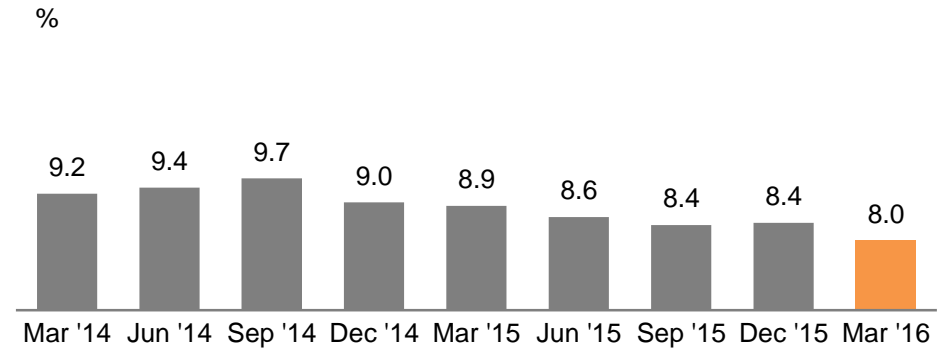


## LIQUID ASSETS RATIO (Against Total Customer Deposits)



\* Revolving Standby Loan IFC/SMBC

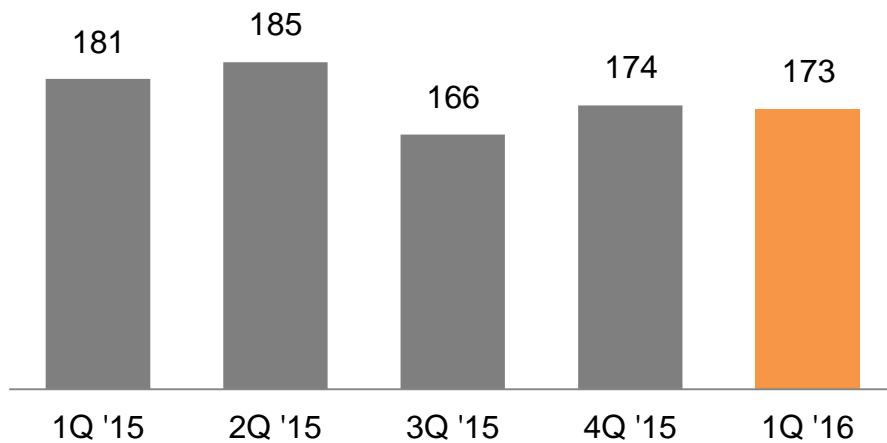
## COST OF FUND\*



\* Customer deposits (BTPN only) – monthly

## FEE-BASED INCOME

IDR bio

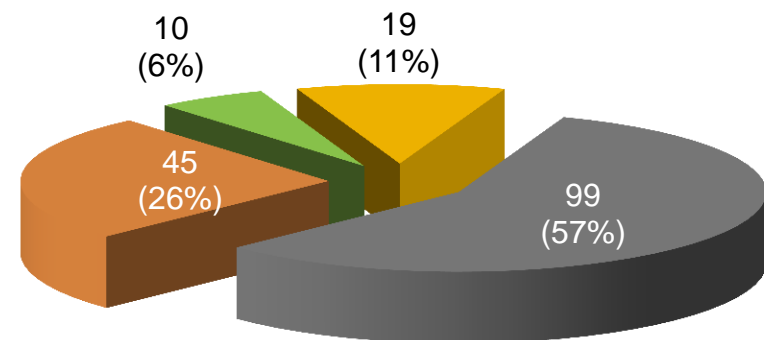


Insurance commission related fee income:



## FEE-BASED INCOME COMPOSITION – 1Q 2016

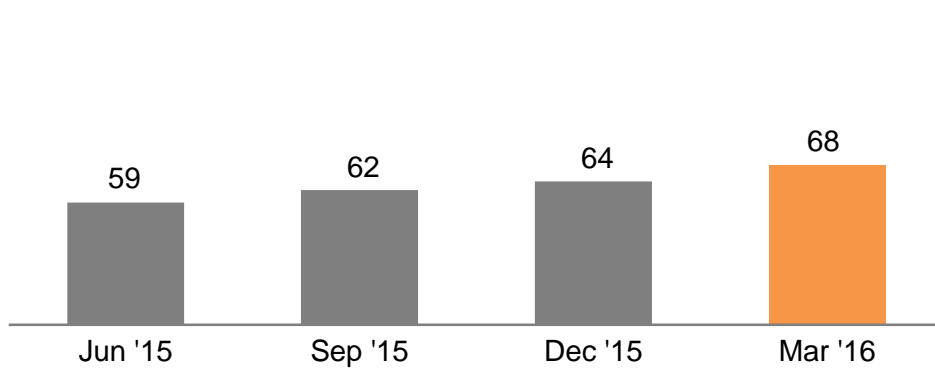
IDR bio



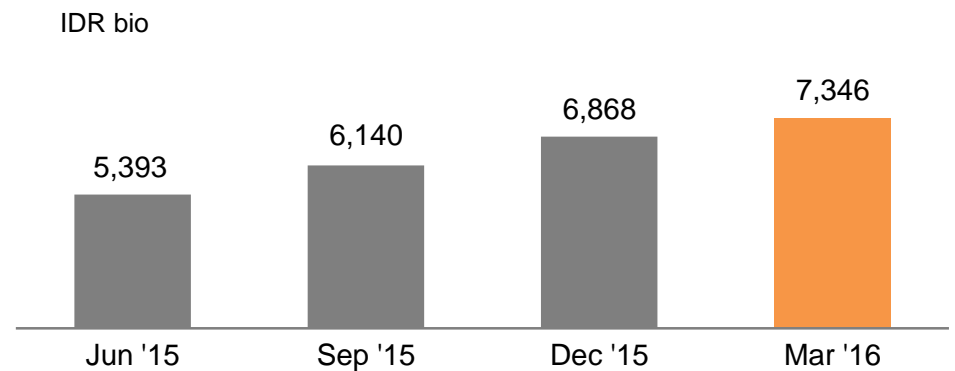
■ Loans ■ Insurance ■ Funding ■ Others



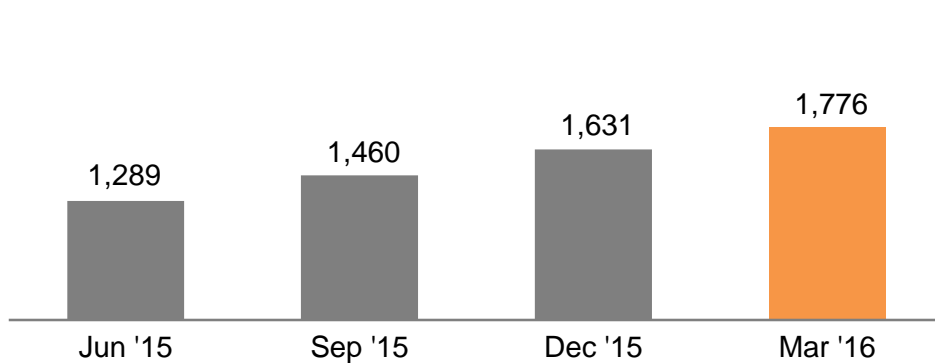
## OUTLETS



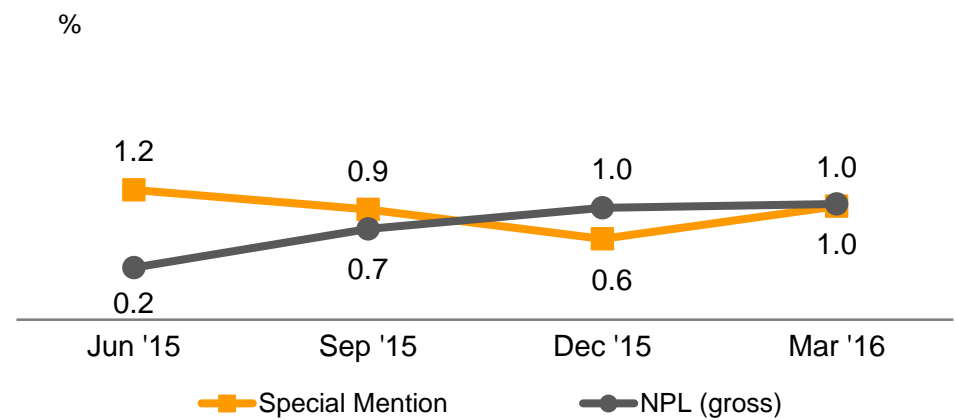
## LOANS



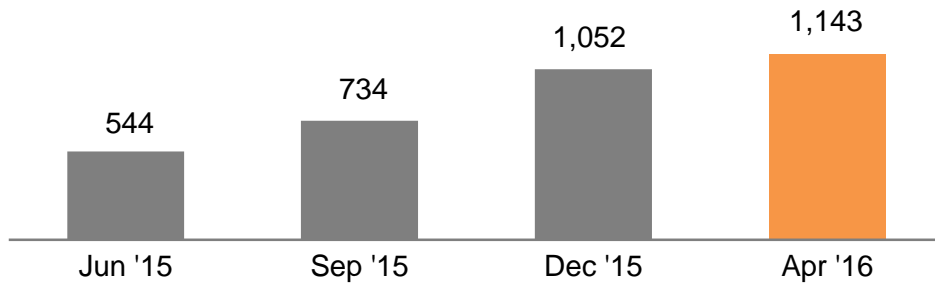
## CUSTOMERS



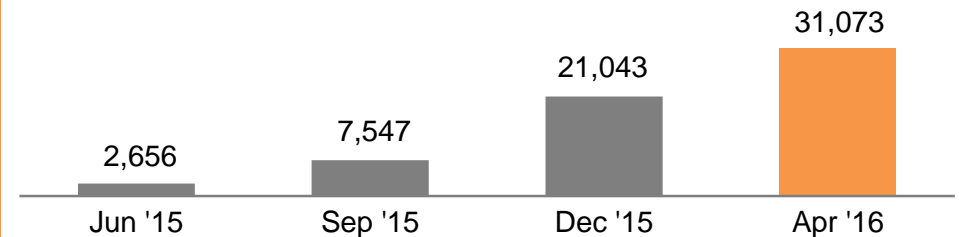
## LOANS PORTFOLIO QUALITY



**AREA REPRESENTATIVES (WAR)**

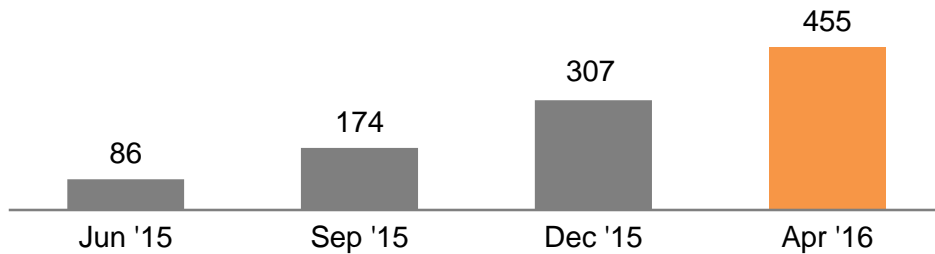


**AGENTS**



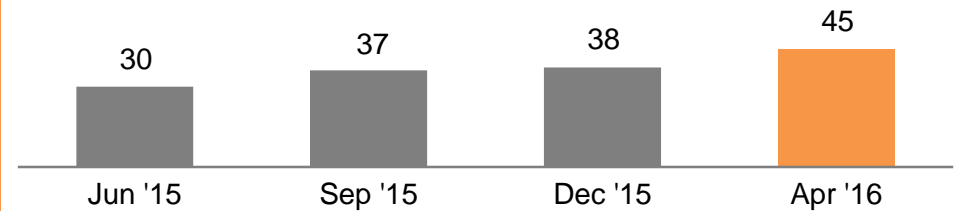
**CUSTOMERS**

Thousands



**SAVINGS BALANCE**

IDR bio



BTPN Wow! has a partnership with Telkomsel to offer a product linked to Telkomsel's t-cash

- 1 Two products to be seamlessly linked – joint customers can access both payment features of t-cash and savings features of BTPN Wow!



funds to reside in BTPN Wow! and earn interest for the customer

- 2 Telkomsel will lead customer acquisition for the joint product

*Telkomsel is well poised to lead the customer acquisition effort given its:*



- 150 mn subscribers (largest telco in Indonesia).
- A well-recognized brand name.

- 3 Telkomsel will provide access to its ubiquitous telco network

- Owns 100K+ BTS towers (largest network) providing the best coverage even in the most remote areas of Indonesia
- Access to low-cost SMS and USSD network which will reduce the cost of banking for the customers



- 4 Distribution will be led by BTPN, complemented by Telkomsel's large distribution network



- BTPN Wow! to acquire and manage ~75K agents
- Telkomsel can provide support from its deep network of airtime resellers (400K)





## Source of agents

Agents are selected from:



- Over 140K sentras and 2 mn customers



- Over 250K micro-business customers



- Potential agents from T'sel's 400K+ airtime reseller network

## Key factors in agents selection

Trust from community

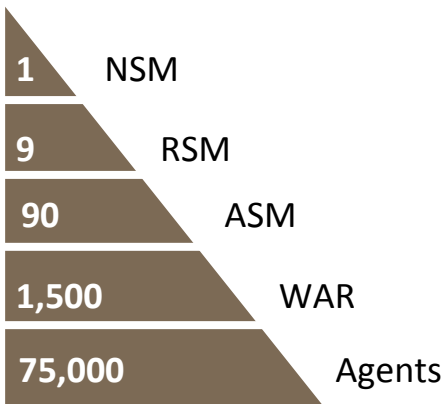
Financial health

Comfort with technology

Ability to acquire & service customers

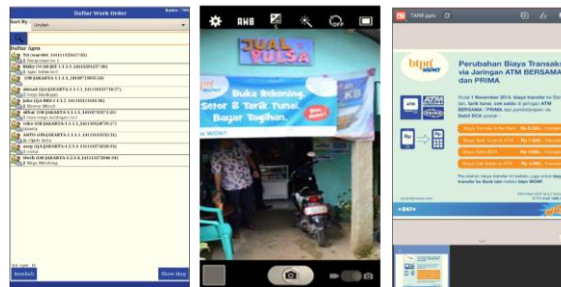
Agent exclusivity

## Agent management model



## Agent Management System

- Tablet based GPS enabled Agent Management System



## Fraud management

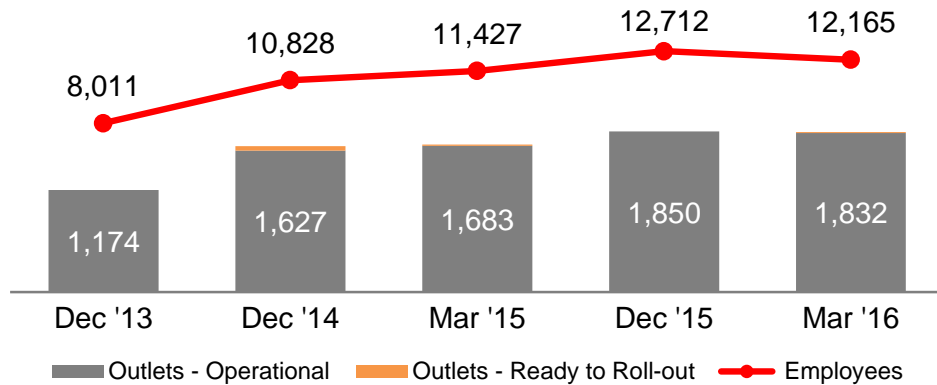
- BTPN Wow! analytics to track suspicious transaction patterns and preempt agent fraud

## Liquidity management

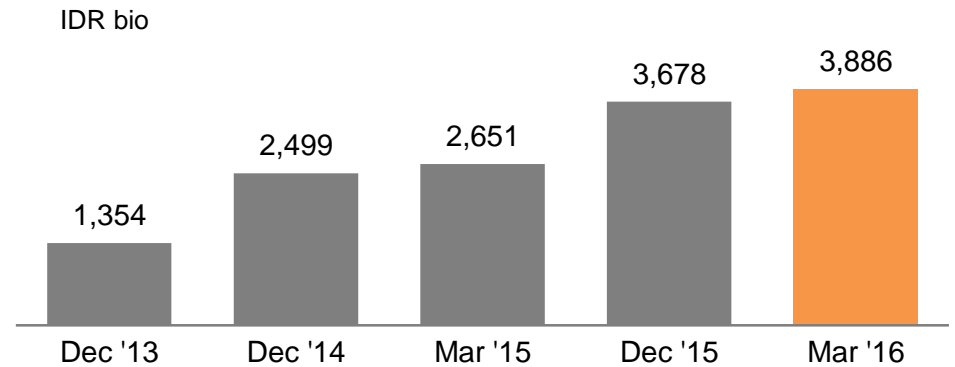
- BTPN Wow!'s Area Representatives provide liquidity management with additional tools to manage peak liquidity needs (e.g., Lebaran)



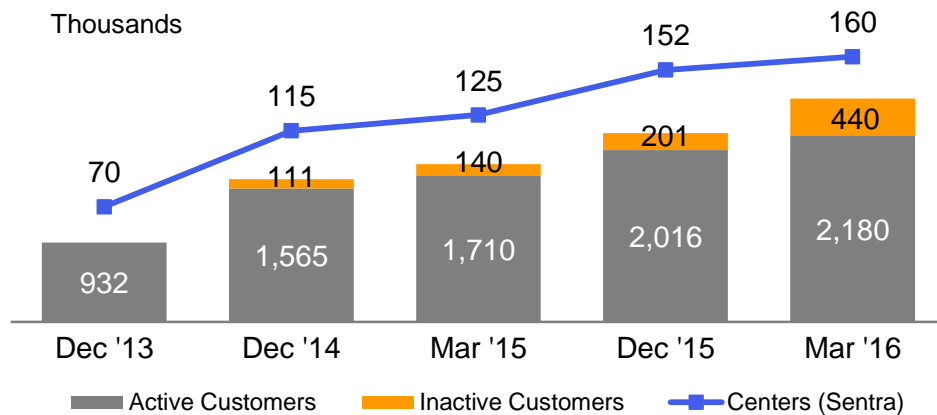
## OUTLETS & EMPLOYEES



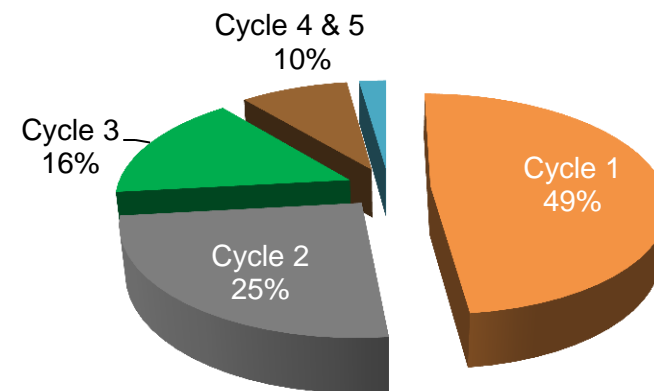
## FINANCING



## CUSTOMERS & CENTERS



## FINANCING CUSTOMERS BY CYCLE



# BTPN Syariah: 1Q 2016 Financial Results



## BALANCE SHEET

IDR billion	Mar '15	Dec '15	Mar '16
Cash & BI	251	312	391
SBI & Placement	737	870	949
Financing & Loans (gross)	2,686	3,678	3,886
- <i>Productive Poor (Syariah)</i>	2,651	3,678	3,886
- <i>Others*</i>	35	-	-
Allowance for losses	(53)	(62)	(70)
Deposits & Temporary Syirkah Funds	2,865	3,810	4,032
Equity	853	1,163	1,240
<b>Total Assets</b>	<b>3,961</b>	<b>5,189</b>	<b>5,575</b>

Note: \* ex-Bank Sahabat's loans

## PROFIT & LOSS

IDR billion	1Q '15	FY '15	1Q '16
- Bank's share in profit sharing	270	1,316	412
- Other operating income	6	9	1
<i>Operating income</i>	<i>276</i>	<i>1,326</i>	<i>414</i>
<i>Operating expense</i>	<i>225</i>	<i>1,013</i>	<i>295</i>
Loan loss provision	20	82	25
<b>NPAT</b>	<b>22</b>	<b>169</b>	<b>69</b>

**THANK YOU**