



THENDRA CRISNANDA | VICTORIA VENNY | RUDY SETIAWAN
RR.NURULITA HARWANINGRUM | T. HERDITYA WICAKSANA

DISCLAIMER ON

MNC SEKURITAS IS AFFILIATED WITH THE COMPANY. HOWEVER, MNC SEKURITAS DOES NOT GIVE ANY RECOMMENDATION RELATED TO COMPANY PROSPECT. RECOMMENDATION: NOT RATED.
THIS DOCUMENT IS SOLELY PUBLISHED FOR INTERNAL USAGE, NOT FOR THE PUBLIC.



NOT RATED

Stock Data

Curent Price	: IDR228
52wk Range H-L	: IDR400-100
Share Outstanding	: 38.91 million
Free Float (%)	: 22.45
Mkt Capitalization (IDR billion)	: 8,948

Major Shareholders

PT MNC	: 68.81%
Investama Tbk	
UOB Kay Hian Ltd	: 9.10%
HT Invesment Development Ltd	: 8.68%
Public	: 13.41%

MNCS Team Coverage
research@mncsekuritas.id
(021) 2980 3111

PT MNC Kapital Indonesia Tbk (BCAP)

Financial Sector

One-Stop Financial Solution

Diversified Financial Service Group with a Full Suite of Licenses

PT MNC Kapital Indonesia Tbk (BCAP) is a reputable financial services company, with more than a 20-year track record in Indonesia. BCAP owns a full suite of 17 licenses across its eight subsidiaries: 1) PT Bank MNC Internasional Tbk (BAPB) has four (4) licenses as a conventional commercial bank, foreign exchange bank, tax payment recipient bank, and a credit card issuing bank; 2) PT MNC Finance has two (2) licenses for multi-finance and sharia financing; 3) PT MNC Guna Usaha Indonesia has two (2) licenses for multi-finance and sharia financing; 4) PT MNC Sekuritas has five (5) licenses including a brokerage license, both a conventional and sharia online trading system, an underwriting license and is a licensed mutual fund Sales Agent (APERD); 5) PT MNC Asset Management has an asset management license with a sharia asset management sub-unit.; 6) PT MNC Asuransi Indonesia has two (2) licenses for general and sharia insurance; 7) PT MNC Life Assurance has a license for Life insurance; and 8) PT MNC Teknologi Nusantara. As of 1Q19, BCAP has IDR18.53 trillion of total assets and is supported by over 295 representative offices all across Indonesia in 5M19.

Turnaround Story toward Integrated Financial Supermarket

BCAP is focused on developing a stronger foundation to strengthen the operations of all its subsidiaries through an experienced management team. As a result, BCAP is successfully creating a turnaround story by recording a positive net income of IDR12.36 billion in 1Q19 from underperforming profitability in the past three (3) consecutive years. Looking ahead, BCAP has several key investment highlights, including: 1) Strong macroeconomic growth of Indonesia and a growing emphasis to deepen financial services penetration; 2) Well-positioned as the most diversified and integrated financial services group in Indonesia; 3) Further leverage and optimization within the MNC Group network and BCAP; 4) Ongoing digitization to a single digital financial service platform; 5) Proven track record of management and a well-connected founder.

Embracing the Challenge in Age of Disruption

BCAP plans to bring up digital capabilities from all subsidiaries onto a single digital financial services platform. Currently the subsidiaries within BCAP have initiated various digitization processes across its value chains through more than 35 active applications, which can be downloaded from the Play Store and App Store. BCAP is also leveraging on MTN (MNC Technology Nusantara), through the development of Smart Payment Indonesia (SPIN), which features e-wallet, e-money, digital payment, fintech, and P2P lending. SPIN aims to become the single digital customer touch point and increase MTN customers' product usage, engagement and loyalty. SPIN is scheduled to be launched in FY19E.

Valuation : Attractive with only 1.17x of PBV

Based on company data, BV of BCAP is IDR131.08 per share in 1Q19. The stock is trading at 1.17x of trailing PBV 1Q19, near to 0 STD of PBV. The realization of a commitment of capital injection and moat from the MNC Group ecosystem, along with the digitization of the company, will hopefully deliver a good catalyst ahead. MNCS is affiliated with the company. However, MNCS does not give any recommendation related to company prospect. **Recommendation : NOT RATED.**

Key Financial Highlight					
In Billion IDR	FY15	FY16	FY17	FY18	1Q19
Operating Profit Margin	50.53%	46.06%	41.17%	46.21%	46.73%
Net Profit Margin	-1.96%	-1.70%	-30.91%	5.78%	1.84%
EPS (IDR)	(1.48)	(1.32)	(8.74)	3.13	0.28
PER (x)	(162.64)	(160.17)	(25.50)	48.24	546.43
BVS (IDR)	126.41	137.38	127.52	130.45	131.08
PBV (x)	1.90	1.54	1.74	1.16	1.17
ROA (%)	-0.20%	-0.18%	-3.71%	0.82%	0.07%
ROE (%)	-0.74%	-0.61%	-13.11%	2.68%	0.21%

Sources: Bloomberg, BCAP (Notes: Presentation has been adjusted to reflect influence of distribution of bonus shares in 2018)

VERY IMPORTANT NOTICE

NEITHER THIS DOCUMENT NOR ANY COPY OF IT MAY BE TAKEN OR TRANSMITTED INTO OR DISTRIBUTED IN THE UNITED STATES, CANADA, JAPAN OR (EXCEPT TO THE EXTENT PERMITTED BY APPLICABLE LAWS AND REGULATIONS OF THE PRC) THE PEOPLE'S REPUBLIC OF CHINA (EXCLUDING THE HONG KONG SPECIAL ADMINISTRATIVE REGION)(THE "PRC"). ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF THE U.S., CANADIAN, JAPANESE OR THE PRC SECURITIES LAWS. THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS MAY ALSO BE RESTRICTED BY LAW, AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS.

THIS DOCUMENT IS BEING DISTRIBUTED BY PT MNC SEKURITAS IN THE INDONESIA. THIS DOCUMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND IT IS NOT INTENDED TO BE DISTRIBUTED, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON IN THE INDONESIA. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS COMMUNICATION RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH THE RELEVANT PERSONS. OTHER PERSONS SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS. THIS DOCUMENT IS FOR DISTRIBUTION IN THE ASIAN ECONOMIC AREA ONLY TO PERSONS IN THE ASIAN ECONOMIC AREA WHO ARE "QUALIFIED INVESTORS".

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR INVITATION TO PURCHASE OR SUBSCRIBE FOR ANY SECURITIES BY OR ON BEHALF OF THE COMPANY OR [[NAME OF DISTRIBUTOR OF RESEARCH REPORT] OR THEIR RESPECTIVE AFFILIATES], AND NEITHER THIS DOCUMENT NOR ANYTHING CONTAINED HEREIN SHALL FORM THE BASIS OF OR BE RELIED UPON IN CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER. ANY DECISION IN RELATION TO PURCHASE OR TO SUBSCRIBE FOR THE SHARES IN THE COMPANY SHOULD BE MADE SOLELY ON THE BASIS OF AN OFFERING CIRCULAR OR PROSPECTUS TO BE PROVIDED BY OR ON BEHALF OF THE ISSUER OF SUCH SHARES IN CONNECTION WITH ANY OFFERING. NO MONEY, SHARES OR OTHER CONSIDERATION IS BEING SOLICITED BY THE INFORMATION IT CONTAINS IN ANY JURISDICTION, AND, IF SENT IN RESPONSE TO THE INFORMATION IT CONTAINS, WILL NOT BE ACCEPTED. THE INFORMATION AND ANY FORWARD-LOOKING STATEMENTS, OPINIONS AND PROJECTIONS CONTAINED IN THIS DOCUMENT ARE ENTIRELY THOSE OF THE AUTHORS. NONE OF PT MNC KAPITAL INDONESIA TBK, PT MNC SEKURITAS OR ANY OTHER PERSON ACCEPTS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM ANY USE OF THIS DOCUMENT OR ITS CONTENTS OR OTHERWISE ARISING IN CONNECTION THEREWITH. THIS DOCUMENT HAS BEEN FURNISHED TO YOU SOLELY FOR YOUR INFORMATION AND MAY NOT BE REPRODUCED OR REDISTRIBUTED TO ANY OTHER PERSON. BY ACCEPTING THIS DOCUMENT YOU AGREE TO BE BOUND BY THE FOREGOING LIMITATIONS. INFORMATION IN THIS DOCUMENT MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED OR APPROVED BY PT MNC KAPITAL INDONESIA TBK, ITS SHAREHOLDERS IN THE OFFERING.

Integrated and Diversified Financial Services Group with...

PT MNC Kapital Indonesia Tbk (BCAP) is a reputable financial services company, with more than a 20-year track record in Indonesia. BCAP was established on July 15, 1999 and conducted an Initial Public Offering (IPO) on the Indonesia Stock Exchange on June 08, 2001. The company is positioned as the holding company of all the financial services subsidiaries of MNC Group, and has been providing a complete range of financial products and services especially for the consumer sector since 2010, through: 1) Banking; 2) Consumer Financing; 3) Leasing; 4) Securities Trading; 5) Asset Management; 6) General Insurance; 7) Life Insurance; and 8) Financial Technology. BCAP has become the core of financial agency within MNC Group, which focuses on providing an integrated financial ecosystem for both non-captive markets and captive markets within MNC Group such as through: 1) Free to Air (FTA) and Pay TV: PT Global Mediacom Tbk, (BMTR) conducts our content and advertising based media business predominantly through Media Nusantara Citra (MNCN), MNC Studios International Tbk (MSIN) produces our content and MNC Vision Networks (IPTV) covers MNC Vision (DTH Pay TV), MNC Play (Fixed Broadband) and MNC Now (OTT); 2) Resort and Hospitality: PT MNC Land Tbk (KPIG), with a wide range of business, extending from hotels, resorts, golf courses, office, apartment, building management and security company; and 3) Financial Investments.

Exhibit 01. BCAP Company Structure










Source: Company

...a Full Suite of Licenses in Indonesia

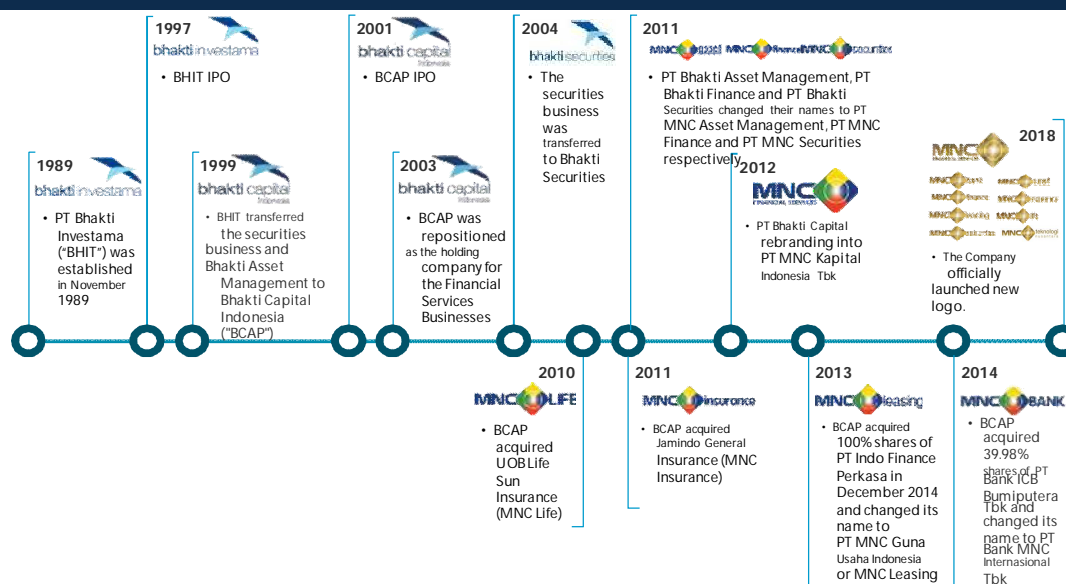
BCAP owns a full suite of 17 licenses across its eight subsidiaries: 1) PT Bank MNC Internasional Tbk (BABP) has four (4) licenses as a conventional commercial bank, foreign exchange bank, tax payment recipient bank, and a credit card issuing bank; 2) PT MNC Finance has two (2) licenses for multi-finance and sharia financing; 3) PT MNC Guna Usaha Indonesia has two (2) licenses for multi-finance and sharia financing; 4) PT MNC Sekuritas has five (5) licenses including a brokerage license, both a conventional and sharia online trading system, an underwriting license and is a licensed mutual fund Sales Agent (APERD); 5) PT MNC Asset Management has an asset management license with a sharia asset management sub-unit.; 6) PT MNC Asuransi Indonesia has two (2) licenses for general and sharia insurance; 7) PT MNC Life Assurance has a license for Life insurance; and 8) PT MNC Teknologi Nusantara. As of 1Q19, BCAP's consolidated revenue was primarily generated from interest and dividends, which amounted to IDR301.02 billion (vs IDR301 billion in 1Q18), representing 45% of the total consolidated revenue. Revenue from financing income & operating lease was IDR161.4 billion in 1Q19, which contributed 24% of the total consolidated revenue. Investment banking income and other operating income was IDR62.8 billion which increased by 19% from 1Q18. BCAP's largest revenue contributor was MNC Bank, which generated approximately 46% of the total consolidated revenue, followed by MNC Finance 18%, MNC Life 15%, MNC Insurance 8%, MNC Guna Usaha 7%, MNC Sekuritas 5% and MNC Asset Management at 1%.

Exhibit 02. Licences of BCAP Subsidiaries

Subsidiaries		 	 		
# no. of licenses	4	3	4	5	1
Type of license	<ul style="list-style-type: none"> Conventional commercial bank Foreign exchange bank Tax payment recipient bank Credit card issuing bank 	<ul style="list-style-type: none"> Life insurance Sharia insurance license General insurance 	<ul style="list-style-type: none"> Multi-finance license (2) Sharia license (2) 	<ul style="list-style-type: none"> Brokerage license Online trading system Sharia online trading Underwriter license Mutual fund Sales Agent (APERD) license 	<ul style="list-style-type: none"> Investment management license with sharia investment management sub-unit

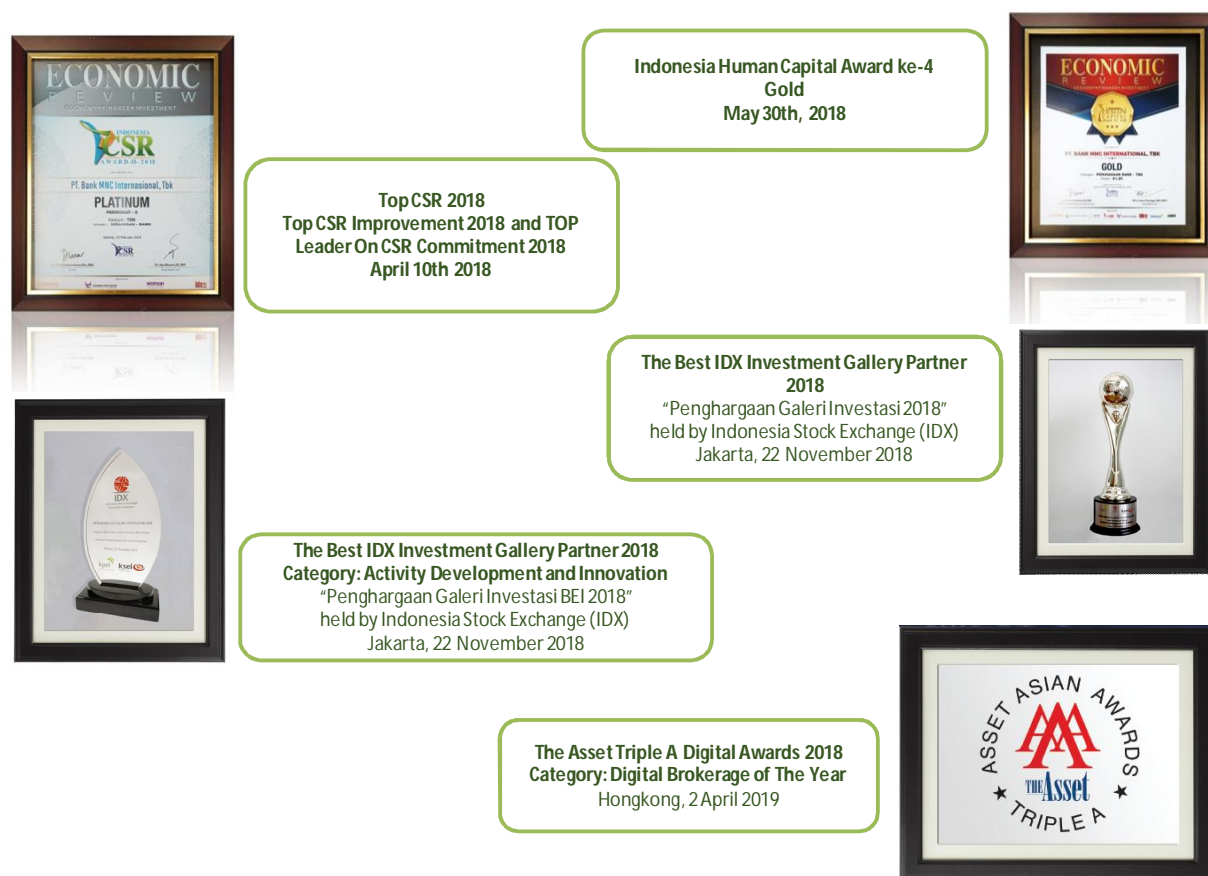
Source: Company

Exhibit 03. BCAP milestone



Source: Company

Exhibit 04. BCAP and Subsidiaries awards



Source: Company

Business Model and Business Development Strategy







The eight subsidiaries of BCAP operate in the following businesses: 1) Banking; 2) Consumer Financing; 3) Leasing; 4) Securities Trading; 5) Asset Management; 6) General Insurance; 7) Life Insurance and 8) Financial Technology.

Exhibit 05. Subsidiaries and Associated Entities of Company

Company Name	Relationship	Main Business	Establishment	Ownership
PT Bank MNC Internasional Tbk	Subsidiary	Banking	1989	42.73%
PT MNC Finance	Subsidiary	Consumer Financing	1989	99.99%
PT MNC Guna Usaha Indonesia	Subsidiary	Leasing	1993	99.99%
PT MNC Sekuritas	Subsidiary	Securities Trader Intermediary Service	2004	99.99%
PT MNC Asset Management	Subsidiary	Asset Management Service	1999	99.99%
PT MNC Asuransi Indonesia	Subsidiary	General Insurance Service	1987	99.98%
PT MNC Life Assurance	Subsidiary	Life Insurance Service	1988	99.98%
PT MNC Teknologi Nusantara	Subsidiary	Financial Technology	2018	99.99%

Sources: Company, MNCS

Exhibit 06. Overview Subsidiaries and Associated Entities of Company

Subsidiary	Overview
 MNC bank	<ul style="list-style-type: none"> MNC Bank operates banking activities, including deposits and lending It is primarily focused on the retail and consumer banking segment as well as a small to medium enterprises segment supported by commercial and corporate business segment
 MNC finance	<ul style="list-style-type: none"> MNC Finance is primarily engaged in the consumer financing business, including (i) used car financing; (ii) home mortgage financing; (iii) multi-purpose financing and (iv) factoring
 MNC leasing	<ul style="list-style-type: none"> MNC Leasing focuses on providing asset financing for corporate customers in Indonesia through the provision of working capital financing, investment financing and multipurpose financing solutions It also provides financing for heavy equipment, machinery, commercial vehicle and medical equipment, factoring and operating leases as well as sharia based leasing
 MNC sekuritas	<ul style="list-style-type: none"> MNC Sekuritas provides various securities-related services, including: (i) brokerage and securities trading services; (ii) corporate finance and financial advisory services, and (iii) research and business development services, including market research and analysis
 MNC asset management	<ul style="list-style-type: none"> MNC Asset Management offers services ranging from mutual funds, private equity to managing unit-linked funds It also manages customers' discretionary accounts each of which is tailored to meet each investor's specific investment objectives and needs
 MNC insurance	<ul style="list-style-type: none"> MNC Insurance is primarily involved in the provision of a diverse range of innovative general insurance products, including (i) retail market general insurance products (automobile, home, fire and earth quake), and (ii) corporate market general insurance products (property, machinery)
 MNC life	<ul style="list-style-type: none"> MNC Life is engaged in the provision of life insurance services It offers a range of life insurance products, including individual insurance, group life insurance, group health insurance and products combining insurance and investments
 MNC teknologi nusantara	<ul style="list-style-type: none"> MNC Teknologi Nusantara ("MTN") is a newly established fintech business, providing online financial services, including e-money, e-wallet, domestic and international fund transfer / remittance and digital lending MTN aims to offer integrated payment services and become the digital distribution channel and one stop financial service digital solutions for MNCI

Source: Company







1. PT Bank MNC Internasional Tbk (BABP)

BABP provides a variety of financial products and services, which includes funding, loan facilities, credit cards, treasury, and trade financing. BABP has transformed its business model in recent years, introducing its digital banking and shifting its primary focus to retail customers as well as small-to-medium enterprises (SME), with a complimentary focus on the wholesale banking segment. BABP continues to nurture the captive market within MNC Group, with over 35,000 employees and 2.5 million subscribers in IPTV. The bank is also supported by 58 branches in 16 cities, and 83 ATMs across Java, Sumatra, Kalimantan, and Sulawesi.








Along with the rapid development within the financial services industry in Indonesia, BABP has shifted its gears to pursue a strategic business model, which includes: 1) Focusing on transforming traditional banking to initiate strategic implementation that supports the vision and mission; 2) Strengthening the capital structure through a rights issue, and a non-preemptive rights issue; 3) Implementing an Integrated Risk Management Framework and strengthening Good Corporate Governance; 4) Focusing on consumer and SME segments with a higher margin, through the "Motion" credit card and a complimentary mobile app, "Punya Kartu"; 5) Launching a property-backed multipurpose loan and a mobile app, "Punya Rumah" for mortgage application; 6) Shifting towards digital channels and reducing the number of physical branches from 71 branches in FY17 to 58 branches in 1Q19.

As a result, BABP reported 1Q19 net interest revenues of IDR96.9 billion, an increase of 19% YoY from 1Q18. MNC Bank's net profit in 1Q19 was IDR3.1 billion. In its financing activities, MNC Bank was able to manage low-cost funding to IDR1.57 billion with a ratio of low-cost funding to Third Party Deposits (DPK) of 18%, a relatively stable figure from the previous year.

Exhibit 07. Wide Variety of Products for both of Individuals and Corporates

For individuals				
Products			Description	
Deposit		Saving account	Tabungan MNC	• Saving account for individuals. MNC Bank also offers higher interest rate (4 – 7%) for selected individuals based on the account balance brackets (> IDR 100m)
			Tabungan Rencana MNC	• Saving plan for individuals to meet future needs. Periodic saving every three months with tenure between 1 to 20 years
			TabunganKu	• Saving account for individuals with minimum requirements
		Current account	Giro MNC Rupiah	• Demand deposit in IDR which allows easy withdrawal with cheque or giro
			Giro MNC Valas	• Demand deposit in foreign currencies (USD, SGD, EUR, AUD and JPY) which allows easy withdrawal with cheque or giro
		Time deposit	Deposito MNC Rupiah	• Time deposit in IDR with flexible period (daily, monthly, 3 / 6 / 12 month period)
Deposito MNC Valas			• Time deposit in SGD or USD with flexible period (daily, monthly, 3 / 6 / 12 month period)	
Loan		Asset-backed	Kredit Multiguna	• Property and vehicle backed secured loan which could be used for either productive or consumptive needs. Products include Kredit Multiguna Express and Kredit Konsumsi Beranggunan Property
			Kredit Pemilikan Properti	• Mortgage facility to own new or second hand property
		Housing loan	KPR MUDA MNC Bank	• Mortgage facility for younger population (age 23 – 35) with longer loan tenure
			Kredit Multiguna Tanpa Agunan	• Unsecured loan provided in collaboration with corporates and institutions to their employees for consumptive purposes, such as education, health, wedding, etc.
Credit card		Platinum	MNC Bank Platinum	• Credit card facility targeting customers with minimum annual income of IDR 120m
		Gold	MNC Bank Gold	• Credit card facility targeting customers with minimum annual income of IDR 48m
		Motion	MNC Bank Motion	• Credit card facility targeting customers with minimum annual income of IDR 60m

Note: 1. Customers with MNC credit cards receive special promotions for MNC Group's products

For corporates				
Products			Description	
Deposit		Saving account	Tabungan MNC Bisnis	• Saving account for corporates. MNC also offers higher interest rate (4 – 6%) for selected institutions based on the account balance brackets (> IDR 100m)
			Loan	
	Investment credit	Kredit Investasi		
		Treasury		FX transactions
	Retail bond			
		Trade financing		Export transaction
	Import and domestic transaction			




Source: Company

What's next?

BABP is strengthening its capital base to become a Buku III Bank with a total equity of IDR5-30 trillion, within the next five (5) years. Buku III status will enable the bank to expand to receive fee-based income by becoming a selling agent for other subsidiaries of BCAP, including offering bancassurance services. BABP has set in place several key strategies to realize these future upsides, such as: 1) Strengthening synergies with other businesses within MNC Group through a single financial services platform for cross-selling and joint marketing; 2) Further leveraging on MNC Group's media platform for advertising and marketing; 3) Introducing new multipurpose refinancing products, hence tapping into an under-served customer segment; 4) Using innovative credit card features to attract the millennial customer segment; and 5) Forming merger and acquisition (M&A) plans and capital injection.

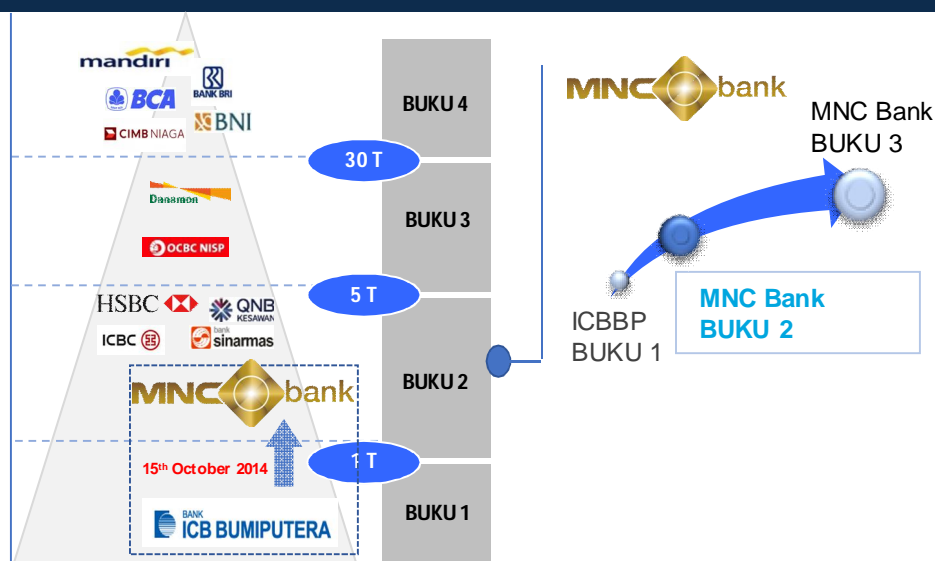
Exhibit 08. Key Features of Motion Credit Card

Key features of Motion credit card

Complementary mobile app		<p>Customers could easily do the following through app:</p> <ul style="list-style-type: none"> • Change retail transaction into instalment without pre-requisite partnership between merchant and MNC Bank • View billing summary • Receive online transaction notification • Request to increase credit limit • Receive promotion / deal notification • Change personal details • Watch free streaming of movies
Best value card		<ul style="list-style-type: none"> • Two years annual fee waiver • Up to 20% cash back, early bird discount and 0% interest rate installment for a fixed period for purchases with MNC Bank's e-commerce partners
Synergies		<p>Integrated loyalty and bundling with other MNC Kapital's subsidiaries and MNCI companies</p> <ul style="list-style-type: none"> • MNC Bank Platinum or Gold credit card members access to advanced payment promotion, where members receive a 50% discount on a 12-month subscription to MNC Vision or Play • MNC Bank offers their members the ability to purchase products from Global Mediacom in 0% monthly installments up to a year

Source: Company

Exhibit 09. Strategy of MNC Bank in next Five (5) Year Ahead








Source: Company

2. PT MNC Finance

MNC Finance (MNCF) is engaged in the consumer financing business, collaborating with several national banks to offer loan facilities, working capital facilities, joint financing, and channeling financing. The services that are primarily offered include used-car financing, home mortgage financing, and factoring. Currently, the value chain of MNCF is supported by: 1) 50 branch offices across Indonesia; 2) 1,136 showrooms and sales agents; and 3) online channel via Bang Kredit mobile, Bursa Mobil, and Bursa Rumah. Furthermore, MNCF has successfully intensified its digital sales from IDR51 million in 9M17 to IDR28 billion in 1Q19. MNCF has also recorded a strong equity growth by 5.87% YoY. Net profit in 1Q19 significantly increased to IDR6.4 billion, from IDR3.2 billion in 1Q18. Total asset managed reached IDR3.33 trillion, with a gearing ratio of 1.69x.

Exhibit 10. Various Product MNC Finance

Products	Description
 Used car financing	<ul style="list-style-type: none"> Financing facility (maximum tenure of 5 years) provided to customers who purchase used cars from MNC Finance partners' car showrooms
 MNC Express Multipurpose financing (Auto)	<ul style="list-style-type: none"> Financing facility provided to customers who need cash by refinancing their cars
 Multipurpose financing (Property)	<ul style="list-style-type: none"> Financing facility provided to customers who need cash for multipurpose needs, such as business, investment or education, with property certificates as collaterals
 Factoring	<ul style="list-style-type: none"> Financing facility (maximum tenure of 1 year) provided to institutions/ corporates in exchange for account receivables
 Joint financing / channelling	<ul style="list-style-type: none"> Joint financing (majority with MNC Bank), where MNC Finance and MNC Bank "jointly" contribute funds to the financing arrangement. Risks and returns are shared in the same proportion of the contribution Under channelling scheme, full funding originates from partner banks. As the partner banks bear all risks, MNC Finance mainly receives an acquisition fee for sourcing and managing customer relationship

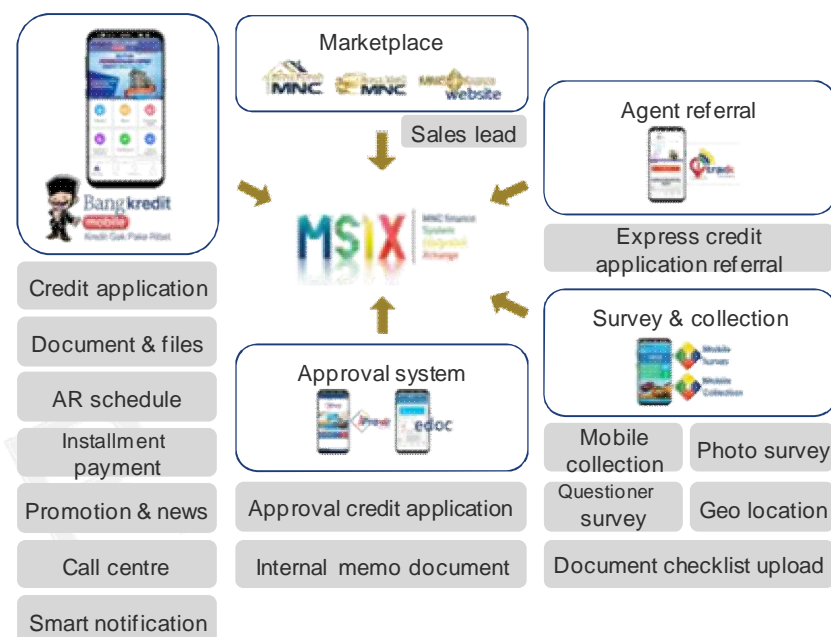
Source: Company

What's Next?

MNCF is committed to sustainable transformation by developing its digital and online marketing. Furthermore, MNCF will focus on setting up Point-of-Sales (POS) instead of full branches, to lower overhead costs. Each POS will only have 4-6 personnel, running the business processes from end to end. MNCF has set several key strategies in place to realize these future upsides, such as by: 1) Setting up POS nationwide, from 45 in FY18, 50 in 1Q19, to 100 in the next 5 years; 2) Leveraging MNC Group's networks; 3) Shifting to higher margin products and products with higher growth; and 4) Capital injection to fund growth and maintain DER below 4x, which is according to industry standards.

Exhibit 11. Direct-to-Customer Model by Digital Marketing and Process

Digital marketing and processes

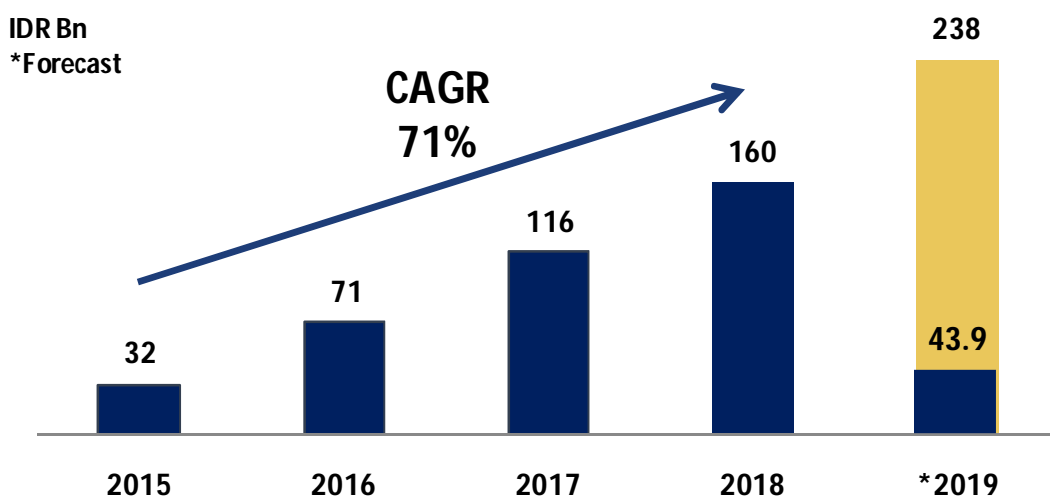


Source: Company

3. PT MNC Guna Usaha Indonesia






MNC Guna Usaha (MNCGUI) is engaged in the financing industry, particularly in financing productive assets, in collaboration with suppliers (heavy equipment, medical equipment, commercial vehicle, machinery, etc.) and several national banks, to offer factoring, financial lease, and operating lease services. As of 1Q19, MNCGUI posted a revenue growth of 27% from 1Q18, to IDR42.6 billion, and a robust increase in revenue of IDR33.7 billion. Asset managed to reach IDR1,016.6 billion, or a 29% increase from 1Q18, and the Company's Non-Performing Loan (NPL) of 0.50% remains to be very low.

Exhibit 12. Growth of Revenue FY15-1Q19



Sources: Company, MNCS

Exhibit 13. Various Product of MNC Guna Usaha

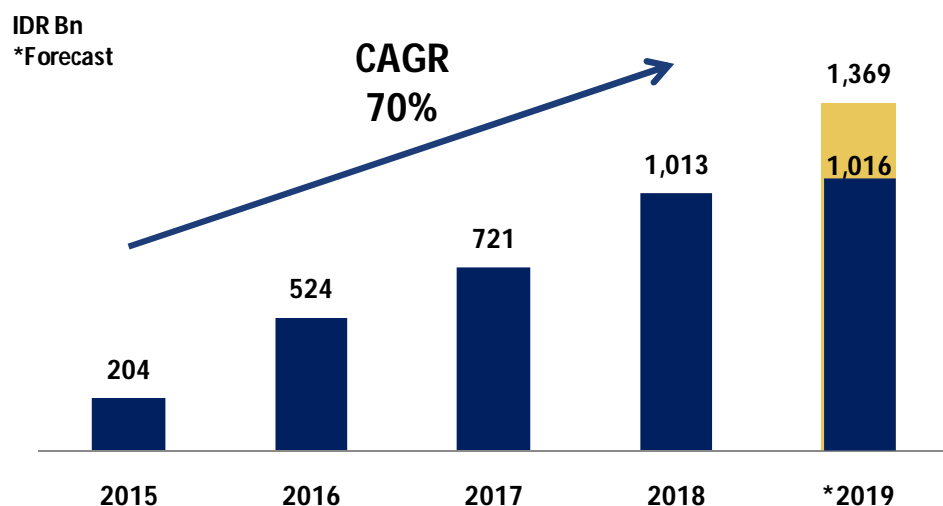
Products	Description
Financing lease 	<ul style="list-style-type: none"> Financing facility provided to individuals, corporates or institutions for the purpose of investing in capital goods, rehabilitation, expansion and relocation. Currently, MNC Leasing caters to the following sectors:
	<ul style="list-style-type: none"> Heavy equipment Commercial Vehicle Medical business Machinery
	<ul style="list-style-type: none"> Construction sector, e.g. purchase of excavator, bulldozer and wheel loader Transport & Logistic sector, e.g. purchase of buses and trucks Healthcare sector, e.g. purchase medical equipment Others, e.g. purchase of genset and computer numerical control machines
	<ul style="list-style-type: none"> Contract accompanied by the promise to transfer of ownership upon the completion of the contract
Sharia financing 	<ul style="list-style-type: none"> Ijarah Muntahiyah Bittamlik Murabahah Wakalah bil Ujrah
	<ul style="list-style-type: none"> Sale and purchase agreement which specifies the cost and profit margin of an asset Transfer of debt from one party to another party with a fee
Operating lease 	<ul style="list-style-type: none"> Financing facility for corporates or institutions for their vehicle needs. MNC Leasing offers financing in both sale and-lease back and rent-to-own forms
Consumer financing 	<ul style="list-style-type: none"> Financing facility for MNCI's car ownership program
Factoring 	<ul style="list-style-type: none"> Factoring with recourse

Source: Company

What's Next?

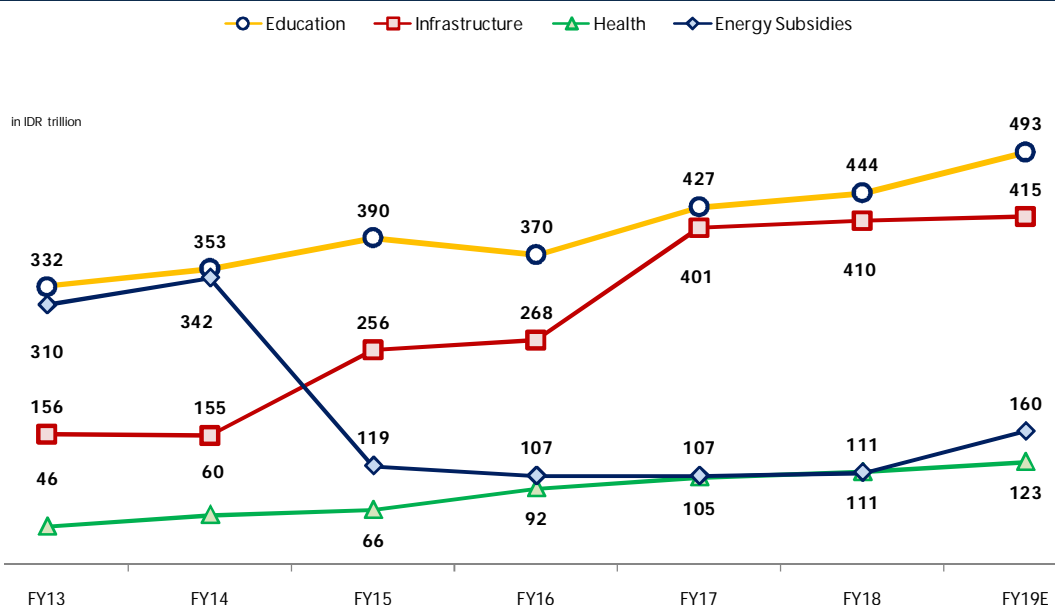
MNCGUI is focused on strengthening existing collaborations with strategic partners, both in the heavy equipment and medical businesses. Currently MNCGUI has established partnerships with Komatsu, Kobelco, Sany and Doosan. The medical industry remains to be the company's main appetite in the long run, due to the potential growth in the national medical budget, which grew significantly by 12.83% CAGR FY15-FY19E.

Exhibit 14. Growth of Asset Managed FY15-1Q19



Sources: Company, MNCS

Exhibit 15. Trend of Government Spending

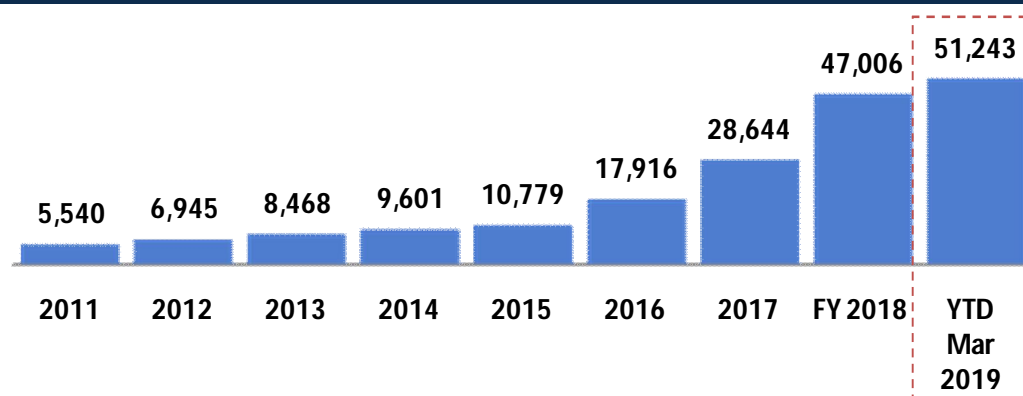


Sources: Ministry of Finance, MNCS

4. PT MNC Sekuritas

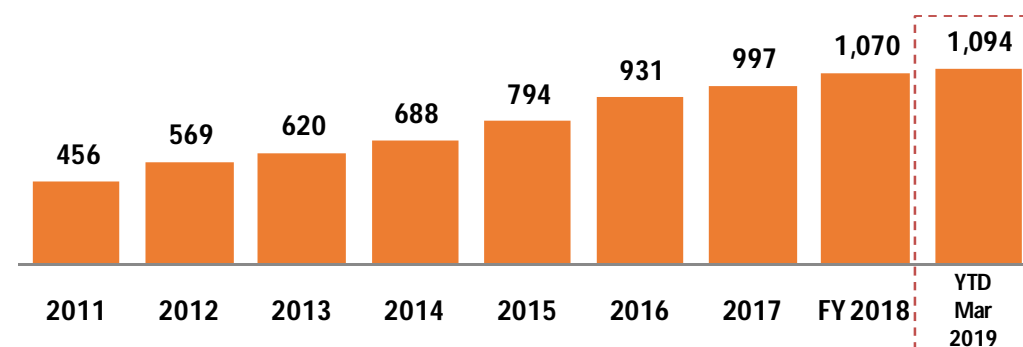
PT MNC Sekuritas (MNCS) offers margin financing services for clients to actively trade in the stock market. Currently, MNCS provides brokerage services for stock and fixed income instruments trading, online stock transaction services, investment banking, financial advisory services, as well as research. To introduce a newer market segment to the capital market, MNCS offers MNC GEMESIN (Gemar Menabung Saham Indonesia), a product that encourages saving through investing in shares, simply by saving IDR100k (or its multiples) periodically. As of June FY19 MNCS has 126 Point of Sales (POS) spread across the country as part of its commitment to promote retail investment nationally. The number of MNCS investors grew by 34.63% (CAGR FY11-FY18), while in 1Q19 the number of MNCS investors reached 52,337 investors. Furthermore, MNCS succeeded in increasing adjusted net working capital (MKBD) by 12% CAGR FY16-FY18, where MKBD was at IDR298 billion in 1Q19. MNCS revenues in 1Q19 was IDR32.97 billion, which mainly from brokerage commissions of IDR18.3 billion, underwriting services of IDR8.4 billion and interest income of IDR5.5 billion. Net profit in 1Q19 was IDR2.02 billion.

Exhibit 16. Trend of Institutional Investor in MNC Sekuritas









Source: Company

Exhibit 17. Trend of Retail Investor in MNC Sekuritas



Source: Company

Exhibit 18. Various Product of MNC Sekuritas

Products	Description
Equity   	Retail and institution <ul style="list-style-type: none"> MNC Trade New: Sophisticated online trading platform with "Super Order" features to help clients in maximising profit and minimising loss MNC Trade Syariah: Online trading platform for sharia-based stock transaction. Currently there are only 13 securities house with sharia online trading system, including MNC Sekuritas MNC Gemesin: The first and the only stock saving product with additional insurance benefit in the market. With minimum of IDR 100k and its subsequent multiplication per month, it is expected to encourage people to start investing regularly Margin facility /financing
Investment banking 	Investment banking services <ul style="list-style-type: none"> IPO and secondary offering Financial advisory Arranger services including medium term notes and convertible bonds
Fixed income 	Fixed income division <ul style="list-style-type: none"> Selling agents of government bonds including Surat Utang Negara, Obligasi Negara Ritel Indonesia (conventional retail bonds) and Sukuk Negara Ritel (sharia-compliant government retail bond) Underwriter of corporate bonds
Research division 	Retail & institutional research <ul style="list-style-type: none"> Retail research including Early BIRD, BIRD Daily, BIRD Weekly, BIRD Monthly, BIRD Highlight, BIRD Outlook, MNC Indeks and Sectoral Research Report Institutional research including company reports and MNCS Compendium

Source: Company

Exhibit 19. Features in MNC Trade Platform

One-stop market info  <ul style="list-style-type: none"> Provide real-time information including best quote, order book, news, company file, performance chart, etc. under one platform 	User-friendly interface  <ul style="list-style-type: none"> Mobile app with user-friendly interface to allow customers to do transaction on-the-go Easy to follow online videos to guide new users 	Comprehensive menu  <ul style="list-style-type: none"> Features to allow customers to maximise profit and limit losses, such as, trailing order, break order, good-till-cancel order, advanced split order, etc. Portfolio monitoring 	Share saving feature  <ul style="list-style-type: none"> Share saving feature with affordable minimum saving of IDR 100k / month, encouraging discipline in investing Bundled with personal accident protection for a year
Stock recommendations  <p>MNC Securities publishes daily stock recommendations</p>	MNC Social Trade  <ul style="list-style-type: none"> Features which allow customers to automatically follow trading of their trader idol. 	Syariah certified  <ul style="list-style-type: none"> One of the 13 securities companies in Indonesia which are Syariah certified¹ Supported with Syariah research reports and Syariah MNC recommendations 	Other convenient features  <ul style="list-style-type: none"> Call centre services Support smart watch function for notification and recommendation

Source: Company














What's Next?

MNCS is focused on collaborating with MNC GUI and MNC F through cross-selling with other businesses and showroom owners. As a result of previous success in developing investment galleries at universities, MNCS has plans to increase and diversify investment gallery partners, such as pension funds and issuers. Furthermore, MNCS plans to promote margin products for its retail investors.

5. PT MNC Asset Management

Engaged in Asset Management services, MNC Asset Management (MNCAM) offers a variety of investment products to individual retail and high net worth customers, as well as to institutions, such as pension funds, insurances, foundations, banks, and other companies. MNCAM has 46 mutual fund products, supported by six (6) branches in Jakarta, Bogor, Bandung, Surabaya, Medan, Pekanbaru, and is in collaboration with five (5) other companies in marketing mutual fund products. MNCAM has proven good performance in managing investment, through four (4) of its investment products that were awarded in three (3) categories, as a mutual fund with the best returns in the equity, fixed income and money market segments. Furthermore, MNCAM received 49 awards between FY10-FY18, proving a good management of investment funds. Recognizing the rising prominence of millennials in the investment industry, MNCAM launched the application "MNC DUIT", which aims to facilitate mutual fund transactions for younger investors in investment products managed by MNCAM.

Exhibit 20. Various Product of MNCAM

	Products	Type of investors	Description (fund allocation)
Money market	 Money Market Fund	Low risk appetite Short-term investment horizon	• 100% on money market with max. tenure of 1 year
	 Money Market Fund (Sharia)		• 100% on money market products with max. tenure of 1 year. Only invests in instruments which comply with Sharia principles
Fixed Income	 Fixed Income Fund	Low-to-medium risk appetite Mid-term investment horizon	• 80 – 100% fixed income and 0 – 20% money market
	 Fixed Income Fund (Sharia)		• 80 – 100% fixed income and 0 – 20% money market . Only invests in instruments which comply with Sharia principles
	 Fixed Income Fund (Government Bonds)		• 80 – 100% Indonesia Government-issued bonds and 0 – 20% money market
	 Fixed Income Fund (USD)		• 80 – 100% USD -denominated fixed income and 0 – 20% money market
Combination	 Balanced Fund	Medium-to-high risk appetite Mid-term investment horizon	• 5 – 75% equities, 5 – 75% fixed income, 5 – 75% money market
	 Iconic Combination Fund		• 5 – 75% equities, 5 – 75% fixed income, 5 – 75% money market • Focusing on infrastructure, utilities, transportation, properties and telecommunication sectors
	 Syariah Combination Fund		• 100% USD -denominated fixed income and 0 – 20% money market. Only invests in instruments which comply with Sharia principles
Equity	 Equity Fund	High risk appetite Long-term investment horizon	• 80 – 100% equities, 0 – 20% fixed income and 0 – 20% money market
	 Syariah Equity Fund		• 80 – 100% equities, 0 – 20% fixed income and 0 – 20% money market. Only invests in instruments which comply with Sharia principles
	 Smart Equity Fund		• 80 – 100% equities, 0 – 20% fixed income and 0 – 20% money market
Equity Indices	 ETF	High risk appetite Long-term investment horizon	• 80 – 100% equity indices, 0 – 20% fixed income, equities or money market

Source: Company













What's Next?

MNCAM is focused on collaborating with other businesses within MNC Group, through cross-selling and joint marketing, as well as utilizing advertising and marketing services through the media platforms of MNC Group. MNCAM also plans to enter into the limited participation fund (RDPT) full stop. By the end of FY18, MNCAM asset under management (AUM) was IDR6.7 trillion. In FY19E, MNCAM targets to manage an AUM of IDR8.5 trillion.

6. PT MNC Asuransi Indonesia

MNC Insurance (MNCAI) engages in general insurance services that serve both individual and corporations with a variety of services, including motorized vehicles, homes, cargo, heavy equipment, aviation, satellite, travel, and personal accident. These services provided through the offering of five (5) products that are supported by: 1) 22 branch offices; 2) 256 staff; 3) 477 agents; 4) 31 financial institutions in Indonesia. MNCAI managed to increase its gross premium to 37% CAGR FY12-FY18, which is higher than the industry growth of 12% CAGR FY12-FY18. Furthermore, MNCAI total revenue was IDR53.5 billion, an increase of 33% from 1Q18. Net profit was recorded at IDR390 million in 1Q19.

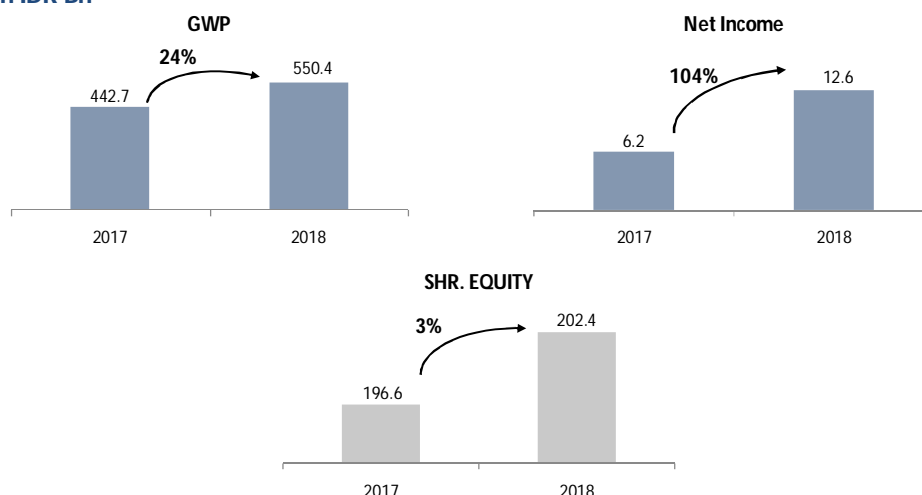
Exhibit 21. Various Product of MNC Insurance

Key features		
Individual	 MNC Travel Express	• Travel insurance which covers personal accident, travel delays, personal liabilities, etc.
	 MNC Personal Accident	• Personal accident insurance which covers death by accident, permanent and non-permanent disabilities, medical treatments costs, etc
	 MNC Family Care	• Personal accident insurance which covers a maximum of five family members and one household assistant, caregiver, or driver as a bonus
	 MNC Home Express	• Property insurance which covers fire, lightning, riots, theft, certain natural disasters, etc.
	 MNC Total Care	• Motor vehicle insurance which covers personal effect, car tow, ambulance costs, etc.
Corporate	 Heavy Equipment Insurance	• Insurance which provides coverage for collisions, storm, theft, vandalism, etc.
	 Satellite Insurance	• Insurance which provides coverage for construction damages pre- and post-launch, failure to launch and failure to orbit at the right site
	 Marine Cargo Insurance	• Insurance which provides protection for loss or damage to goods during transportation, by sea, land and air
	 Aviation Insurance	• Insurance which provides liability and property coverage for aircraft including damage to aircraft frames and engines, as well as legal liability to passengers and other third parties
	 Property All Risk Insurance	• Property insurance for residential or commercial properties which include equipment in the building
	 Engineering Insurance	• Insurance which provides coverage for risks faced by construction and installation projects, as well as machines and equipment in operation
	 Liability Insurance	• Liability insurance which provides coverage against claims from third parties resulting from business operations

Source: Company

Exhibit 22. MNC Insurance growth

In IDR Bn



Sources: Company, MNCS









MNCAI focuses on synergies with other businesses within MNC Group, such as with KPIG, providing insurance for projects that are under development. Other collaborations include promotions through the media platforms of MNC Group and through joint-marketing initiatives with KPIG and other BCAP business units.

What's Next?

7. PT MNC Life Assurance

MNC Life (MNCL) engages in health insurance services that serve both individuals and corporations with a variety of services, including life, accident, and health insurance. MNCL has 12 branches and 5 representative offices spread across several cities in Indonesia, with the number of clients reaching 27,247 and 56 partners in FY18. MNCL has been developing its online and digital features which will accelerate market penetration by offering a variety of competitive products that will capture all layers of society. Moreover, MNCL managed to increase gross premium by 29% CAGR FY11-FY18, and the growth of the company's total assets amounted to 22% CAGR FY11-FY18. MNCL reported a net premium income of IDR86.6 billion in 1Q19, or a 15% increase from last year, with total revenues of IDR99.1 billion, or a 33% increase compared to the same period in the previous year.

Exhibit 23. Various Product of MNC Life

				Distribution channel	Description
Individual		Life & Investment		Agency	• Life insurance
				Agency	• Term life insurance (entry age: 1 – 65 years old)
				Bancassurance	• Term life insurance (entry age: 1 – 55 years old)
				Agency	• Endowment insurance plan with life insurance protection
			Credit Life	Bancassurance	• Life insurance plan designed to pay off loans in the event of death. MNC offers both decreasing and fix-term
		Health & Accident		Alternate ¹	• Personal accident insurance with one-time premium payment through voucher purchase
				Agency	• Critical illness insurance covering four illness including heart disease, cancer, stroke and kidney failure
Group		Product Collection		Employee Benefit	• Health insurance program for employees and / or employees' family members
				Alternate ¹	• Life insurance plan for a group of students
			Group Term Life	Employee Benefit	• Term life insurance for a group of employees
			Group Personal Accident	Employee Benefit	• Personal accident plan for a group of employees

Source: Company

MNCL focuses on synergizing with other businesses within MNC Group, such as with KPIG, by providing personal accident insurance to MNC Lido City and MNC Bali Resort visitors. Other collaboration include bundling life insurance with MNCAM protection funds. MNCL also seeks to improve partnerships with banks and financial institutions through digitalization.

Exhibit 24. Features in Digital Platform MNC Life


Asuransi Jiwa Kredit


Integrated Mobile Application System


RESELLER PROGRAM





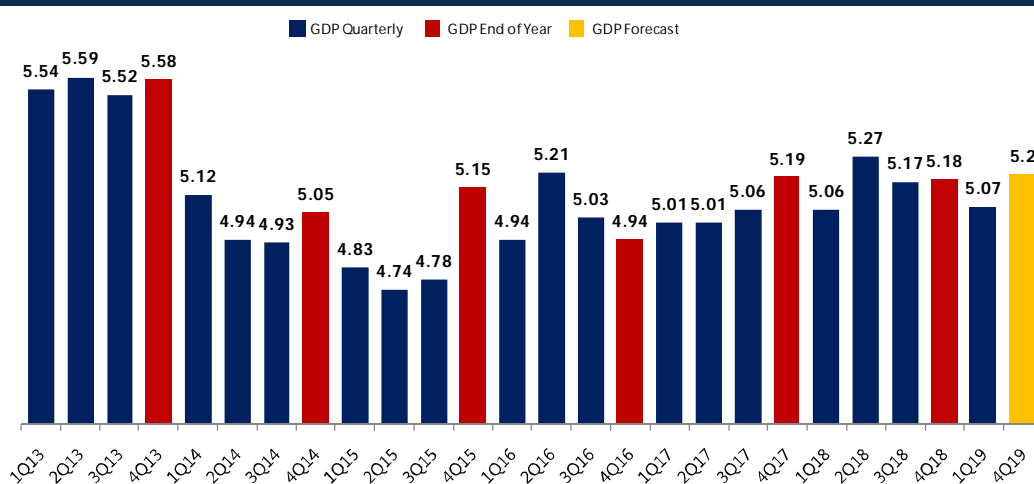


Source: Company

Financial Industry Prospect: Demographic as Indonesia's Strength...

Indonesia is predicted to become one of the strongest countries globally by FY30F, supported by demographic factors and household income growth. Indonesia is the fourth most populous country in the world, as well as the largest country in Southeast Asia, with a population reaching more than 263 million. Indonesia's population is projected to rise upward, with a CAGR of 0.9% in FY18E-FY22F, where 68% of the total population is of working age. This presents a great potential in the increase Indonesian GDP. Based on GDP value, Indonesia is predicted to occupy fifth place in the world, after Japan, where Indonesia's FY30F GDP is forecasted at USD5,424 billion. At present, the Indonesian economy has grown by 5.07% YoY or reached IDR3,782.36 trillion in 1Q19.

Exhibit 25. Indonesia's GDP Forecast (%)



Sources: BPS, Ministry of Finance

Exhibit 26. Ten Countries GDP Forecast

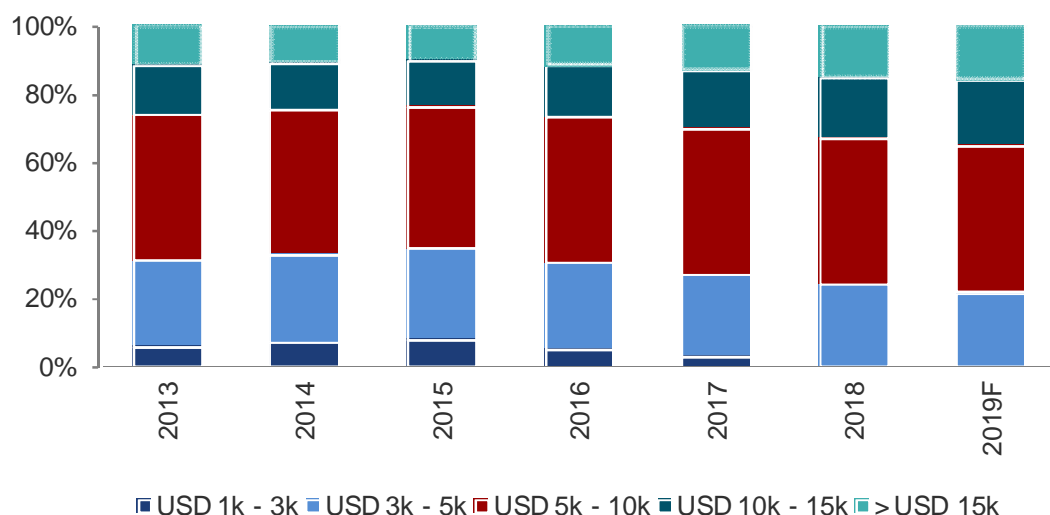
GDP PPP Rankings	FY30 Rankings		FY50 Rankings	
	Country	Projected GDP at PPP USD billion	Country	Projected GDP at PPP USD billion
1	China	38,008	China	58,499
2	United States	23,475	India	44,128
3	India	19,511	United States	34,102
4	Japan	5,606	Indonesia	10,502
5	Indonesia	5,424	Brazil	7,540
6	Russia	4,736	Russia	7,131
7	Germany	4,707	Mexico	6,863
8	Brazil	4,439	Japan	6,779
9	Mexico	3,661	Germany	6,138
10	United Kingdom	3,638	United Kingdom	5,369

Source: PwC

..and Growing Middle Class

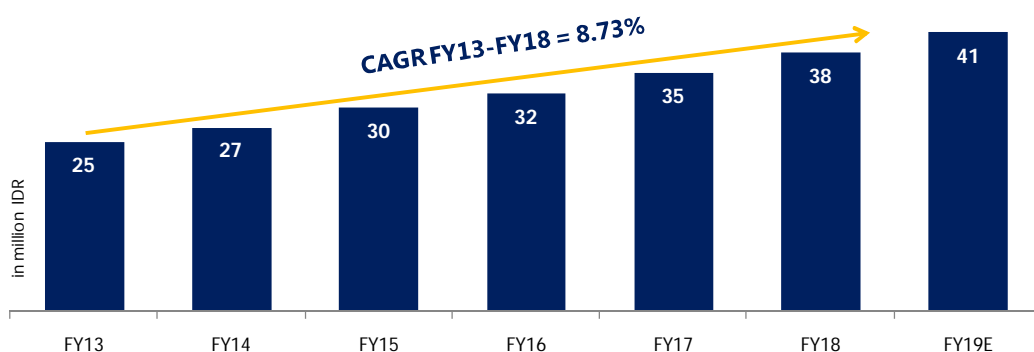
Indonesia's economic growth indicator is showing a stable economy growth with an estimated inflation of 3.5% for FY19E. In addition, GDP per capita exhibited stable growth, with a CAGR of 4.15% in FY13-FY24F; where disposable income per capita in FY18 was at IDR 38 million and moving upward to IDR 41 million in FY19E. Stable economic growth will broaden the middle class, which will be reflected in an increased household earnings and disposable per capita income, followed by increased household expenditures. During FY18, there was a rise in the number of citizens with an income of USD3,000-15,000. As a result, disposable income per capita had increased, and presently, disposable income in FY19E is estimated at IDR41 million with a 9.1% CAGR FY18-FY22F per year. Along with increased income, there is an upward trend in household spending, with an estimated growth of 6.92% YoY in FY19E. This trend shows that Indonesian citizens will have more disposable income to spend, save, and invest. Therefore, Indonesia's growing middle class will encourage the need for financial services, not only through banks, but the provision of other financial services as well, such as multifinance, insurance, investment (stocks and mutual funds), etc.

Exhibit 27. Indonesia Household Earnings



Source: EIU

Exhibit 28. Rising Disposable Income per Capita

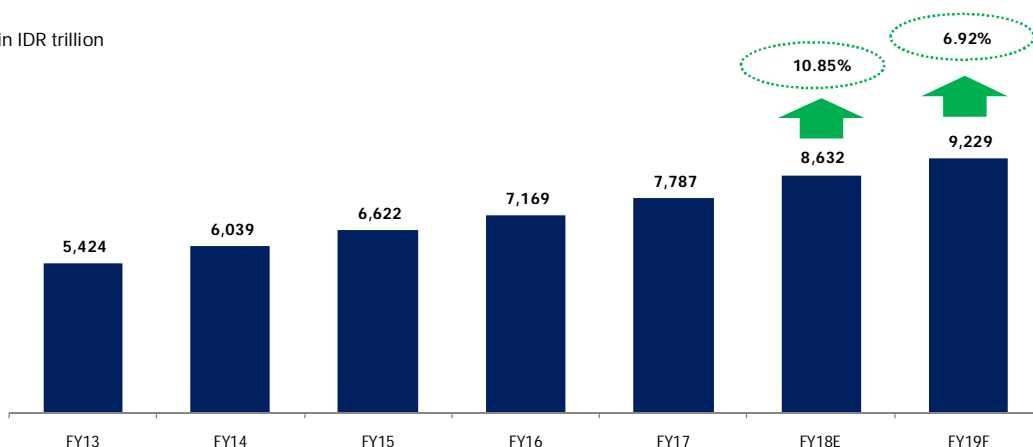


Source: EIU

Financial Industry is Expanding in Indonesia

Exhibit 29. Indonesia Household Spending

in IDR trillion



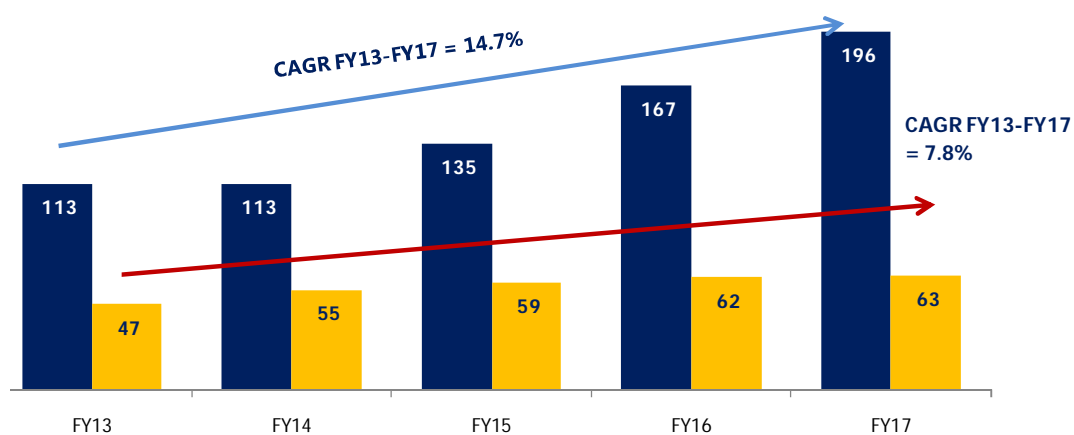
Source: EIU

The financial industry in Indonesia has expanded significantly in recent years. This is reflected in the growth of each sector within the financial industry, such as the increase in total loans provided by commercial banks that had reached IDR5,294.88 trillion in FY18 with CAGR 9.53% (FY14-FY18). The insurance sector also evidenced growth with its total gross written premium reaching IDR69 trillion in FY18 with a 12% CAGR FY12-18. Meanwhile, total financing receivables in the multifinance sector grew by 3.38% (CAGR FY14-FY18) to IDR436.27 trillion in FY18. The investment sector, especially in the field of asset management, also experienced significant growth by 24.10% in FY17 (CAGR FY13-FY17) from its mutual funds NAV. Accordingly, the total value of stocks traded in the securities industry grew by 4.51% in FY17 (CAGR FY13-FY17). As a result, it is observed that the financial industry will grow along with Indonesia's GDP, which is estimated to reach 5.1%-5.2% in FY19E.

Exhibit 30. Premium Insurance Progress in Indonesia

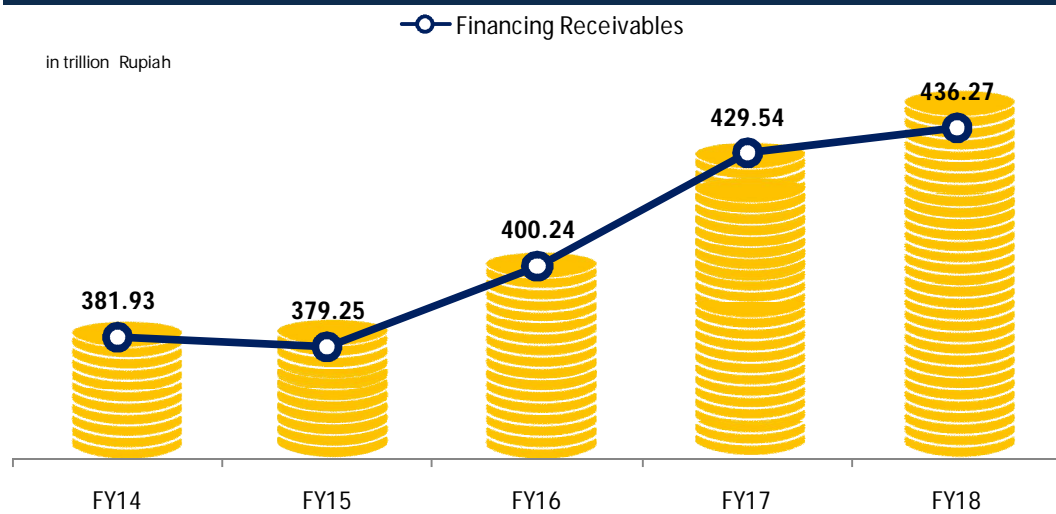
■ Total Life Gross Written Premium ■ Total Non-Life Gross Written Premium

in IDR trillion



Source: Asosiasi Asuransi Umum Indonesia

Exhibit 31. Financing Receivables Progress in Indonesia

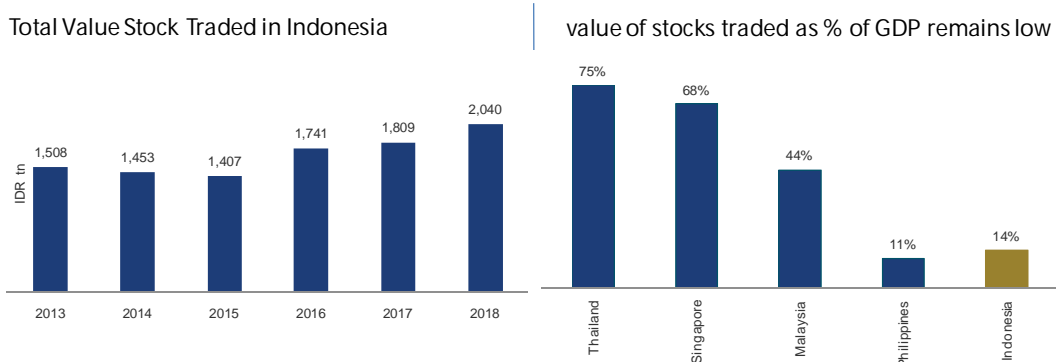


Source: OJK

Low Financial Inclusion as Huge Opportunity

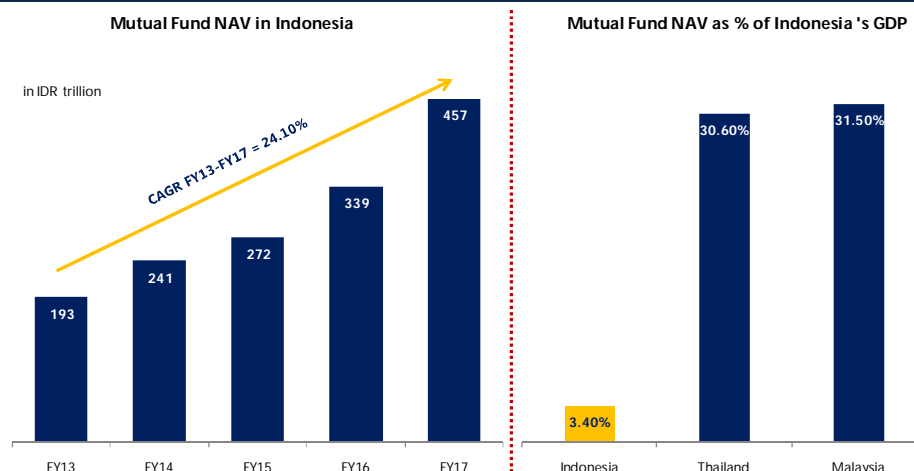
Indonesia has a relatively low financial inclusion, with a 51% unbanked population, compared to Singapore, Malaysia, and Thailand, which are 2%, 15%, and 18% respectively. Penetration within the insurance market also remains low compared to neighboring countries, as Indonesia only has 1.90% of gross life premium to GDP ratio and 0.5% for non-life premium. Similarly, in the investment sector, which comprises of securities and asset management companies, the value of stocks traded and mutual fund NAV to GDP are still lower compared to neighboring countries. This is why the Indonesian government, through the Financial Services Authority, or Otoritas Jasa Keuangan (OJK), and Bank Indonesia (BI), has recently focused on financial inclusion. Currently, only 56% of the Indonesian population live in urbanized areas, while internet users are at 54%. As a result, there is a large opportunity for growth in penetrating into these untapped markets through the provision of online financial services. Online financial services have been expanding significantly as observed in the increase in the value of peer to peer lending (P2P) that reached IDR26 trillion in Jan-19 from only IDR3 trillion in Jan-18.

Exhibit 32. Trend of Value Stocks vs % of Indonesia GDP



Sources: Bloomberg, BEI

Exhibit 33. Trend of Mutual Fund vs % of Indonesia GDP



Sources: Bloomberg, CEIC, World Bank

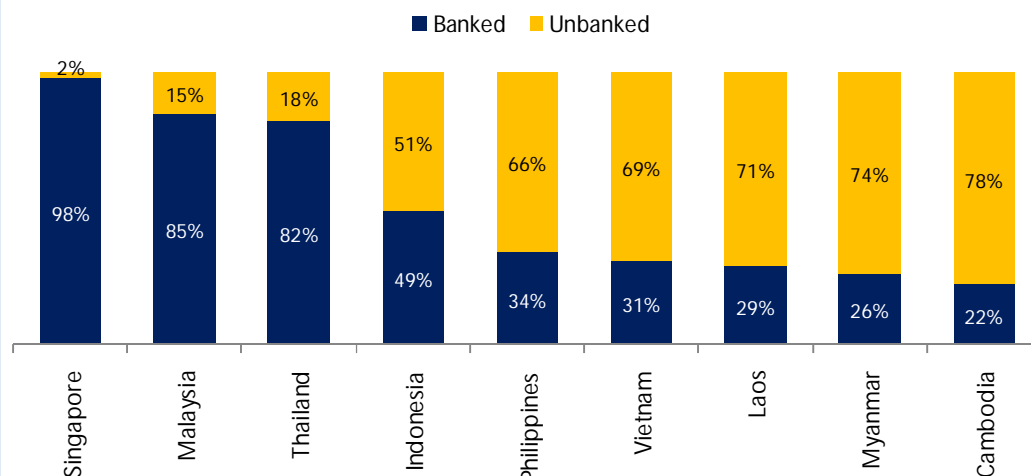
May-18 was the end of low interest era, where the 7DRRR started to increase to 6% in Nov-18 (+125bps from May-18). There was a tightening of liquidity, as a higher interest rate could not withstand the ongoing capital outflow. This is observed in the increase of Loan to Deposit Ratio (LDR) within the banking industry, crawling up to 93.27% (1Q19) from 89.61% in 1Q18. Banks are not only faced with the challenge of maintaining inter-bank liquidity, but have to also compete with government issued debt securities, in refinancing debt that will be due in FY19E. As a result, the JCI was down by -5.38% YTD (November 27th, 2018), followed by the increase in the 10-year bond yield to 8.80% in FY18. However, in 1H19 the market recuperated, as net foreign market reached IDR70.47 trillion (July 3rd, 2019), and the bond yield decreased to 7.32% (July 3rd, 2019). The volatility in the capital market was impacted by mutual fund performance. Global uncertainty and the tightening of liquidity will become obstacles for the financial industry, increasing the risk of asset quality, and an unstable exchange rate.

According to the World Bank, Indonesia is the world's fourth most populous nation and the world's Top 10 economies in terms of nominal GDP. Its relatively young population represents a sizable workforce and pool of consumers. This is complemented by the country's steady economic growth of 5.1% in 1Q19 and higher household spending. According to BCG, Indonesia's Middle Class and Affluent Consumers (MACs) is projected to increase to 60.23% in FY20F from FY14. In our view, the rapidly growing MACs in Indonesia will increase spending and saving in the investment sectors. We believe that this will provide a lucrative prospect for the financial sector in Indonesia. These strong macroeconomic environments make Indonesia one of Southeast Asia's most attractive investment countries.

On the other hand, 51% of the 263 million Indonesians remain unbanked. We believe there is an opportunity for greater financial inclusion through the use of Digital Financial Services (DFS) as 60 million of those who are unbanked are mobile phone users. Although the relatively rural population remains to be without traditional banking infrastructure, the expanding internet penetration provides an opportunity for higher adoption of online financial services. For Indonesia, DFS may provide grounds for breakthrough in the financial services sector, by utilizing existing mobile phone usage to achieve financial inclusion.

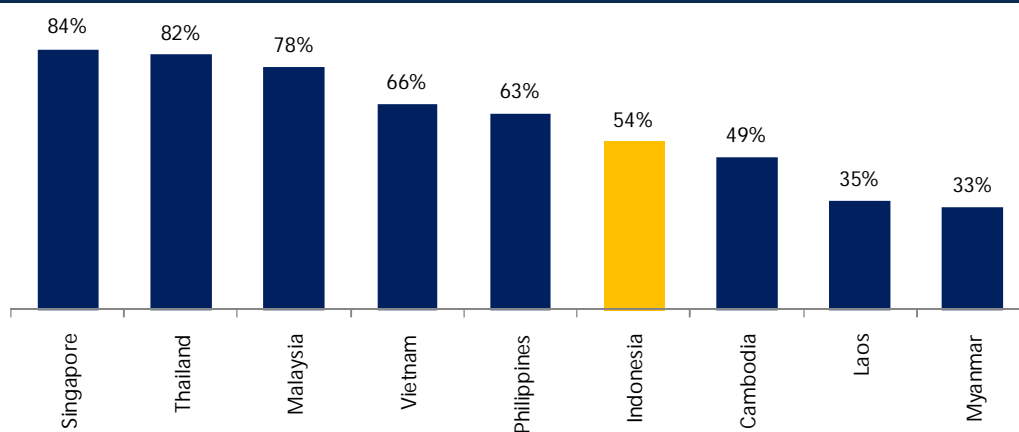
**Higher Interest Rate,
Weaken Rupiah, and Tight
Liquidity as Challenges**

**Investment Thesis BCAP:
Strong Macroeconomic of
Indonesia Supported by
Growing Emphasis to
Deepen Financial Services
Penetration**

Exhibit 34. Banked and Unbanked Population in SEA

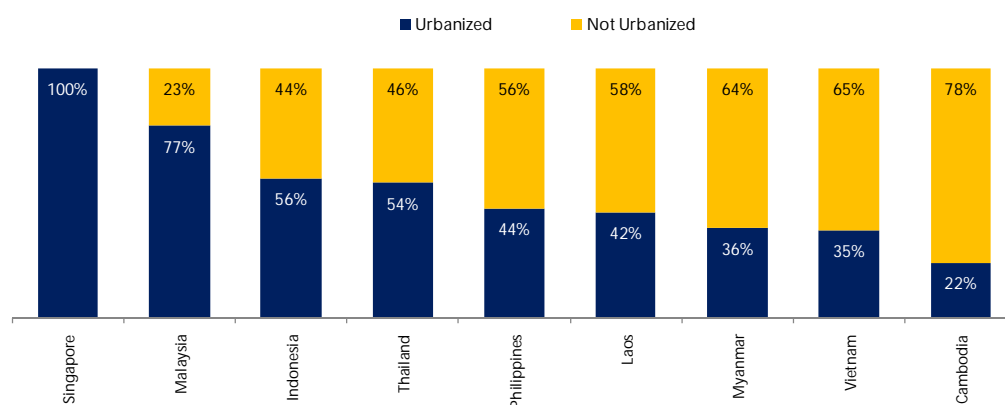
*Note: Banked population refers to adults with an account at financial institution, such as banks, microfinance institutions, or through mobile money providers

Sources: Digital News Asia, Euromonitor, Fintechnews, Global Findex, Internet World Stats, World Bank

Exhibit 35. Potential for Increase in Internet Users Penetration

*Note: Internet users' penetration is based on the number of internet users as of 31 Dec 2017, as a % of population estimated in 2018

Sources: Digital News Asia, Fintechnews, Global Findex, Internet World Stats, Euromonitor, World Bank

Exhibit 36. Relatively Rural Population Provides Opportunity for Higher Adoption of (Online) Financial Services

Sources: Digital News Asia, Fintechnews, Global Findex, Internet World Stats, Euromonitor, World Bank

Well Positioned as Most Diversified Financial Services Group

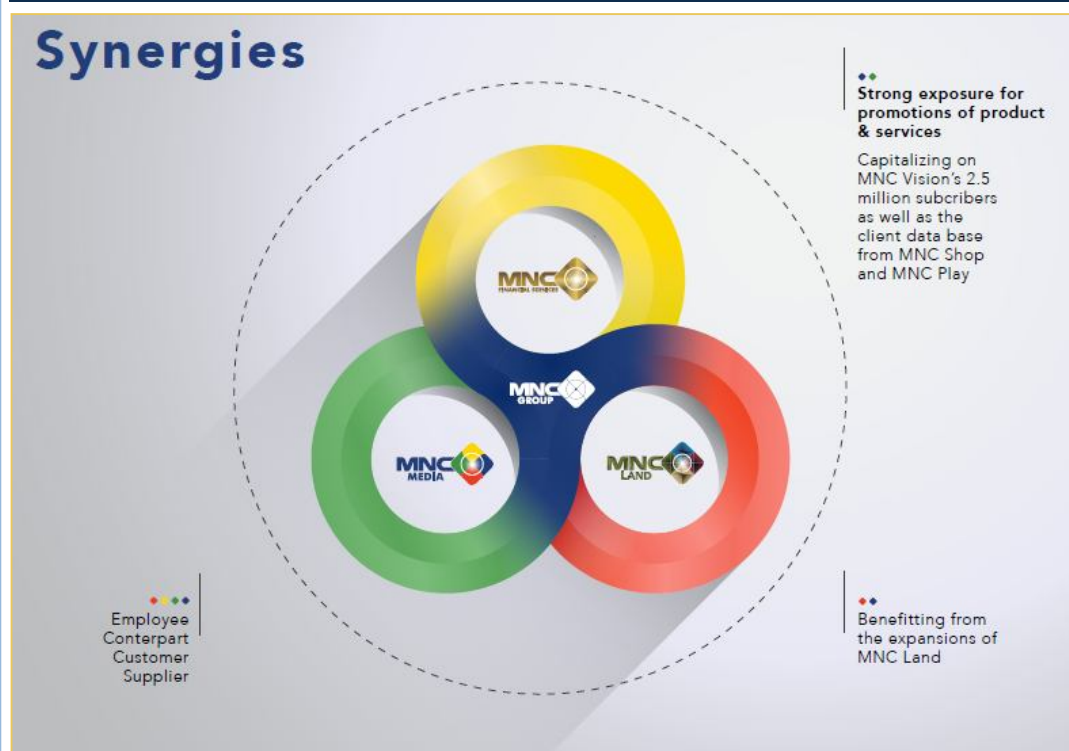
BCAP is one of the largest financial companies in Indonesia that offers a full range of financial services under the auspices of MNC Group. As a financial agency that owns a full suite of licenses, BCAP focuses on providing integrated financial solution products to both the captive market (MNC group's related parties) and non-captive market through: 1) Bank; 2) Life and General Insurance; 2) Multifinance; 3) Brokerage and 4) Asset Management. This is in line with OJK's goal to encourage the consolidation of banking and other financial institutions by increasing capital, to maintain stability and sustainable growth. We believe that this will be a positive catalyst for BCAP as a company that provides a one-stop integrated financial solution. A strong collaboration and integration among the business units allows cross-selling and product-bundling which will provide added value for customers.

Exhibit 37. PT MNC Sekuritas and PT MNC Life Assurance launched a stock savings product with additional insurance benefits namely MNC Gemesin Plus



Source: MNCS

Exhibit 38. Synergy in MNC Group



Source: Company

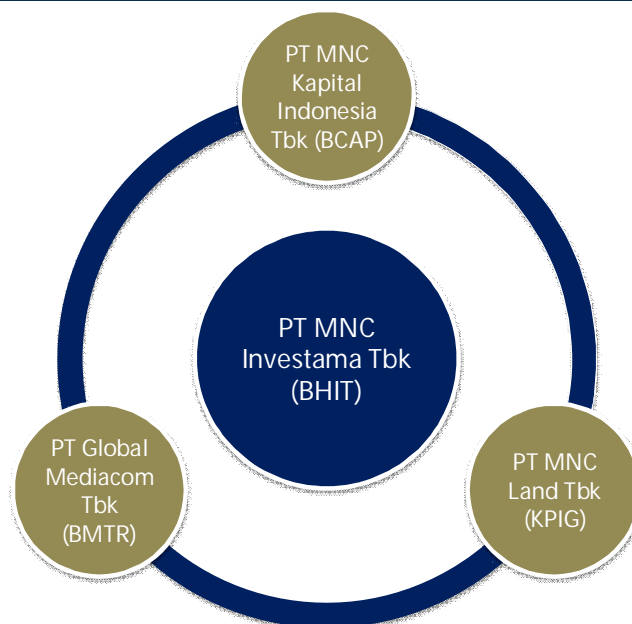
Further Leverage and Optimization within MNC Group Network and BCAP

BCAP has a better bargaining position as compared to other private financial institutions in Indonesia. As part of MNC Group, BCAP is positively buoyed by the well-known MNC Brand as the largest and most integrated Media Group in South-East Asia, allowing the Company to rapidly expand its distribution network and business partnerships. The MNC Brand will potentially benefit BCAP by creating and increasing the value chain within the Group. All the subsidiaries of BCAP has an opportunity to capitalize on the 62 million viewers of BMTR, the largest FTA TV operator as of Dec-18, as well as the 2.5 million DTH Pay TV subscribers. The company targets to acquire ~5.1 million new customer base at FY19E from both the media and financial services businesses.

Furthermore, MNC Group, through its lifestyle property hospitality resort and entertainment business, KPIG, is developing luxurious hotels and resorts in FY19, including: 1) Trump International Resort Lido and Golf Club, Bogor; 2) Trump Luxury Hotel, Bali; 3) MNC World Lido, a theme park resort. All of these projects are targeted for completion by FY20F-FY21F. The scheduled opening of Park Hyatt Hotel Jakarta in FY19E will also be a game-changer: a 6-star hotel with 222 rooms with a panoramic city view and featuring five premium restaurants in Jakarta. This hotel will potentially contribute around 22% of total KPIG consolidated revenue in FY19E that is projected to generate approximately IDR385 billion.

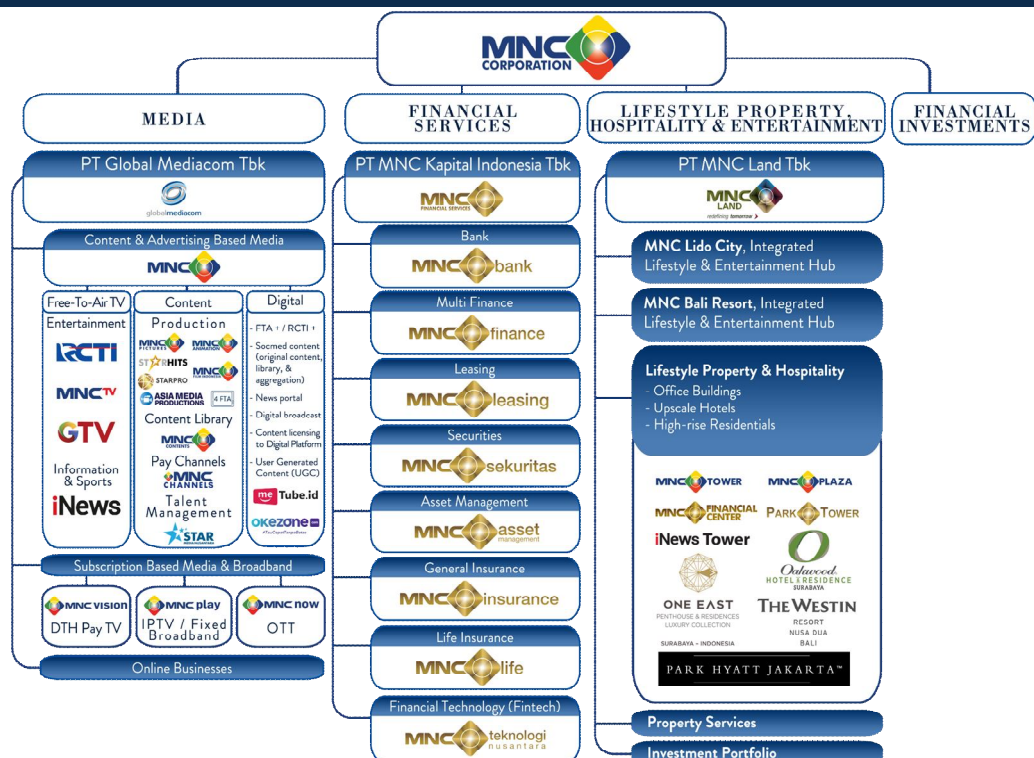
We believe that MNC Media and KPIG will greatly benefit BCAP's cross-selling strategies. In our view, the success of BCAP to become the leader within the financial services sector.

Exhibit 39. MNC Group Synergy Creating a Solid Business Ecosystem (1)



Sources: Company, MNCS

Exhibit 40. MNC Group Synergy Creating a Solid Business Ecosystem (2)



Source: Company

Exhibit 41. PT Global Mediacom Tbk (MNC Media) is One of the Largest Media Businesses in Indonesia

Largest FTA TV Operator	<ul style="list-style-type: none"> • 38.3% market share with large audience reach of 62 mn people
Largest DTH Pay-TV Operator	<ul style="list-style-type: none"> • 2.5 mn DTH subscribers, representing 58% market share • 17.5% subscribers CAGR FY11-FY17 • Only operator with nationwide coverage
Second Largest IPTV/ Fixed Broadband Operator	<ul style="list-style-type: none"> • 1.2 mn home passed • Presence in 9 cities
Strong Content Proposition to Anchor Market Leadership	<ul style="list-style-type: none"> • Strong content proposition with >300,000 hours of content and own production capabilities • Access to 7 of the 20 top most-watched Pay TV channels
Blue-chips Advertising Clients	<ul style="list-style-type: none"> • Access to large-scale domestic and multinational blue-chips advertising clients

Sources: Company, MNCS

Exhibit 42. PT MNC Land Tbk (KPIG) Operates a Rapidly Growing Property Business





































Access to a strong network of contractors	<p>Access to a strong network of contractors involved in several residential, office and large-scale hospitality projects under development, including:</p> <ul style="list-style-type: none"> • One East Penthouse & Residences Collection and Oakwood Hotel & Residence, a mixed-use development with 271 strata units and 144 serviced apartments • MNC Land Tower with 19 floors of Grade A office units and Park Hyatt Jakarta with 222 hotel rooms occupying the top 20 floors • 3,000 ha-MNC Lido City • 110 ha-MNC Bali Resort
Large-scale hospitality developments providing strong access to a huge potential customer base	<p>MNC Lido City would include world-class theme park, family hotels, golf course, luxurious residences and retail-dining-entertainment districts.</p> <ul style="list-style-type: none"> • Theme park designed to have a capacity of ~3 mn visitors per year • Three hotels (a 3, 4 and 5 star hotel) will be available in theme park resort area • A total area of 80 ha will be developed as mid-range market residential consisting of landed houses and apartment units to cater to the increasing need for affordable, high quality housing • ~438 high-end condominium units, villas and mansions • International championship 18-hole gold course designed by Ernie Els <p>MNC Bali Resort would be one of Bali's largest resort development</p> <ul style="list-style-type: none"> • ~150 high-end hotel suites and villas • ~224 high-end condominium units and ~114 high-end villas • Signature 18-hole golf course designed by Phil Mickelson

Sources: Company, MNCS

Embracing the Challenge in Age of Disruption : Ongoing Digitization to a Single Digital Financial Service Platform...

BCAP is capitalizing on the existing digital capabilities and apps developed by each of its 8 subsidiaries, through the support of MNC Innovation Center. BCAP plans to develop a single digital financial services platform to become the one-stop financial shop that creates a frictionless customer experience. Currently, BCAP's subsidiaries have initiated the digitalization processes across its value chains through more than 35 active applications, which are available at the Play Store and App Store. These digital platforms will enhance: 1) A wider customer reach; 2) Operational efficiencies as well as improving customer experience; and 3) BCAP's market position as an integrated financial services company.

Exhibit 43. Digital Platforms in Place Across All Operating Subsidiaries of BCAP

Digital platforms	Key features
 MNCeBiz Banking	• Online web-based service made for businesses allowing access to account information, making deposits, transfers between banks, multi transfer (e.g. payroll payments), providing an audit trail, and others
 MNC Mobile Banking	• Banking application allowing members to gain access to account information, making real-time bank transfers, viewing nearest ATMs and branches, request for e-forms, and others
 PunyaKartu	• Application which provides MNC credit card customers notification on real-time transactions and promotions, installment history, billing summary, credit card offers, self-service options, and others
 PunyaCelengan	• Indonesia's first family financial game in a banking platform that provides opportunities for both parents and children to learn the importance of saving
 PunyaRumah	• Application which provides detailed information for property listing, allows direct contact with sellers, home loan calculator and online mortgage application, and others
 PunyaBenefit	• Application that provides access to application for loans, including unsecured loans, home ownership loans, and car ownership loans
 Bang Kredit	• Application which mobile application provides simulation of credit loans, online credit application, loan limit to buy car / house / tour / ecommerce product by installment (non credit card), installment schedule, contract documentation, payment and news and information, digital branchless multifinance
 Mobile Survey & Collection	• Online platform mobile survey & collection with geo location allowing take photo survey, questioner survey, document upload
 iTrack	• Application allowing agents selfservice to register clients online and monitor the status of prospectus customer
 eDoc	• Online platform allowing documentation of internal memo control by approval level
 iProve	• Online platform mobile for credit approval process
 Bursa Rumah Online	• Online platform that market place provides information on listing of cars on sale with their respective prices. MNC Finance also extends financing through this online platform
 Bursa Mobil Online	• Online platform providing information on listings of house on sale. MNC Finance extends housing loans to those interested in making a purchase
 e-Healthcare	• Both a mobile application and web portal that allows customers to view their health benefit, check their claim status, and view nearest life insurance providers in a convenient and timely manner
 e-Voucher (Hario Siaga)	• Offers life insurance in the form of a physical or electronic voucher. Digitally, Siaga is a mobile application that allows customers to buy and activate these life insurance vouchers
 iLucky	• An online portal allowing individuals to resell MNC Life products and accumulate points that can be later exchanged for rewards
 e-AJK	• Application for the bank's partners to facilitate the processing of application for their customers and receive cover note approvals
 iMaps	• Application allowing submission, tracking, payment, underwriting process of new business for individual life insurance
 e-AGENCY	• Application for agency forces to monitor their productivity and their clients' application process
 MNC Trade	• Sophisticated online trading platform with "Super Order" features to help clients in maximising profit and minimising loss
 MNC Trade Syariah	• Online trading platform for sharia-based stock transaction. Currently there are only 13 securities house's which own Sharia Online Trading System, including MNC Sekuritas
 Sales Management Activities	• Application for monitoring sales performance, pipelines, and related sales process
 Car Pooling System 1	• Application for monitoring car rental business
 Budget control & planning 1	• Application for monitoring company budget vs actual
 E-Commerce for BPJS (hospital) 1	• Application for monitoring application process of Hospital (BPJS Kesehatan Invoice Factoring)
 Inventory Tagging	• Application for monitoring all company assets
 MGIS	• MGIS is enterprises system for general insurance policy administration, underwriting reinsurance, claim, finance and accounting
 MIS	• MIS is an internal web portal for Ticketing (Change Request, Form Request), Human Resources System (personal data, attendance, and reporting)
 MNCi Net	• Online Policy Submission is an application which allows clients to buy our insurance product such as motor vehicle, travel insurance, property and personal accident
 MNCi Agent Mobile Apps	• MNCi Agent Mobile Apps is an application for Insurance Agent (claim notification, view policy, outs premium, and agency contest)
 MNCi Mobile Apps	• MNCi Mobile Apps is an application for Insurance Client (claim notification, view policy and outs premium)
 DMS System	• Document Management System that allows all document to be digitalized all and integrated with core system
 Smart Survey Mobile Apps	• Risk and claim survey mobile apps for surveyor to manage request survey claim, SPK, and risk survey
 B2B System	• Allowing automatic policy submission with MNC Finance, MNC Leasing, MNC Bank, MNC Travel, Mandiri Tunas Finance
 Towing system	• Android application for managing towing driver, towing request and call center integration
 MNC Duit	• Application allowing customers to make new mutual fund transactions and access information on their portfolio

Source: Company

...Through Big Data Analytics and...

The management believes that the world's most valuable resources today is neither oil nor gold, but data. MTN is developing a "centralized" single customer ID for its customers across all the business units. Currently MTN has more than 6 million captive database, which is derived from the pay TV subscribers and financial services customers. All customer IDs and information are being stored and processed by Big Data Analytics. This will enable a targeted and data-driven approach to selling, cross-selling or up-selling. Big data is expected to commence in 2019.

Exhibit 44. Big Data Analytics on Single Customer ID of MTN

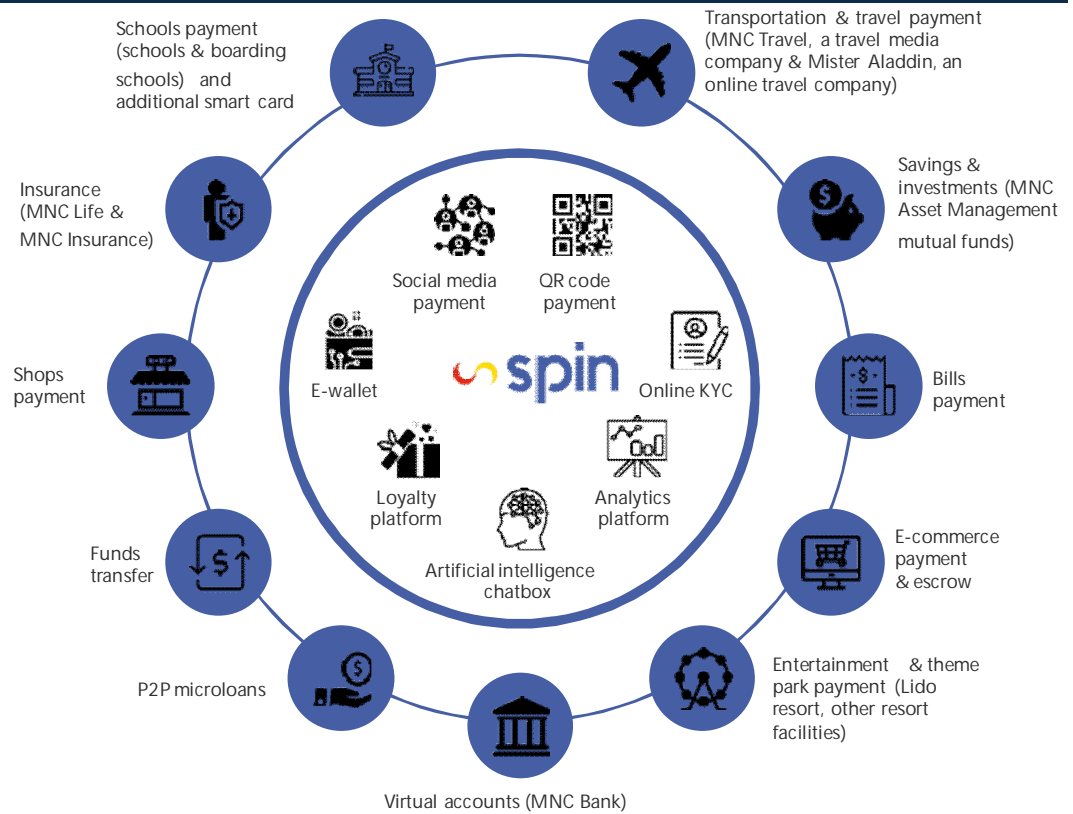


Source: Company

...Smart Payment Indonesia ("SPIN")

Moreover BCAP is leveraging on the MNC Group network, through its development of SPIN, which will feature an e-wallet, e-money, digital payment, fintech, and P2P lending. SPIN aims to become a single digital customer touch point, hence increasing MTN customers' product usage, engagement and loyalty. SPIN will also leverage MNC Media's FTA channels, encouraging viewers to utilize SPIN, by redirecting them to SPIN's e-commerce partners' landing page. It will also be equipped by an artificial intelligence chat box and analytics platform. SPIN is scheduled to be launched in FY19E.

Exhibit 45. Smart Payment Indonesia ("SPIN")



Source: Company

Exhibit 46. BCAP's Integrated Platform : Single Digital Financial Service Platform



Source: Company

Competent Management Team with More than 36 Years of Experience in Financial Services Industry

BCAP is run by a reliable management team with over 36 years of experience in financial services. This will be a very important factor, because the Company is currently in a major expansion phase in the financial services business. Reliable and competent management is the key to the future success of the Company.

Exhibit 47. Board of Commissioner and Director BCAP

Board of Commissioner



Darma Putra

President Commissioner

Darma has over 29 years of experience in the financial service industry, where he held several strategic and senior roles before joining MNC Group in 2008. Prior to his career in MNC Group, he was President Director of PT Marga Mandalasakti. Recently, he was appointed as President Commissioner of the Company in June 2019.



Tien

Commissioner

Tien joined the Group in 1997 as Corporate Finance Manager of MNCI. She was appointed as Commissioner in September 2016 and has served as Director of MNCI since April 2014. Her previous roles within MNC Group included Director of MNC Kapital and MNC Securities amongst numerous others.



Benny Mokalu

Independent Commissioner

Benny has over 31 years of experience in Indonesian National Police ("POLRI"), where he held a number of strategic positions including Expert Staff of the Chief of POLRI and Bali Regional Chief of Police. Recently, Benny was appointed as MNC Kapital's Independent Commissioner in May 2018.

Board of Director



Wito Mailoa

President Director

Wito has 24 years of extensive financial services experience in Indonesia and first joined MNC Group through PT MNC Securities as President Director in October 2009. Recently, Wito became President Director of MNC Financial Services on May 2018.



Jessica Herliani Tanoesoedibjo

Director

Jessica started her position as Director in May 2018. Currently, she also serves as Vice Coordinator of MNC's Sekolah Tinggi Ilmu Ekonomi and MNC's Sekolah Tinggi Keguruan dan Ilmu Pendidikan.



Natalia Purnama

Director

Natalia joined MNC Group as a Research Analyst in 1996. Since her joining, Natalia has progressed to become an Investment Banking Manager, MNC Group's Senior Vice President of Treasury and Corporate Finance, and recently was appointed as the Company's Director in May 2018. Concurrently, Natalia also serves as a Director of MNCI.



Ageng Purwanto

Director

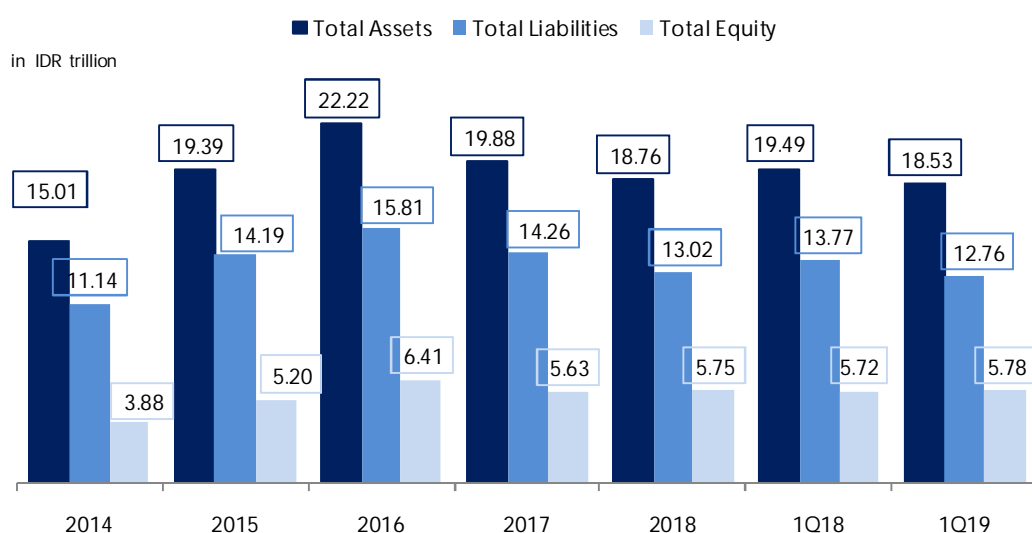
Ageng joined the Group in 2015 as President Director of PT MNC Guna Usaha. He has over 29 years of experience in the banking industry, where he held several strategic and senior roles. He was appointed as Director of the Company in June 2019 and has served as President Director of MNC Bank in 2017.

Sources: Company, MNCS

Financial Highlight in 1Q19

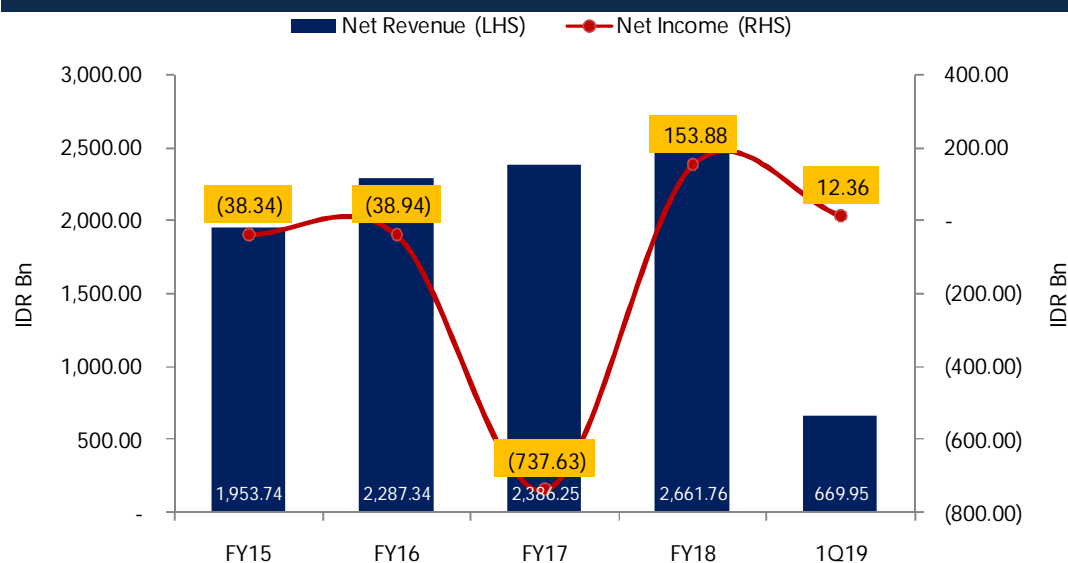
BCAP's consolidated revenue was primarily from interest and dividends, which amounted to IDR301.02 billion for 1Q19, representing 45% of the total consolidated revenue. BCAP posted top-line growth of 1.02% YoY from IDR663.21 billion in 1Q18 to IDR669.95 billion in 1Q19. Revenue was driven by net premium and investment which grew by 14.26% and 19.02% YoY, respectively. Furthermore, net premium and investment contributed to revenue by 19.02% and 9.37% YoY, respectively. Loan as the largest composition of assets had positive growth at 10.20% YoY to IDR7.60 trillion in 1Q19. Securities also grew by 0.79% YoY to IDR4.21 trillion in 1Q19 (vs IDR4.18 in 1Q18). Total liabilities also decreased by -7.37% YoY to IDR12.76 trillion in 1Q19 (vs IDR13.77 trillion in 1Q18). As a result, the Company's EBITDA was recorded at Rp329.6 billion in 1Q19, a decrease of 5.76% from the previous period. EBITDA margin was recorded at 49.20%, compared to 52.74% in 1Q18.

Exhibit 48. Total Asset, Total Liabilities, Total Equity BCAP in FY14-FY18 and 1Q18 vs 1Q19



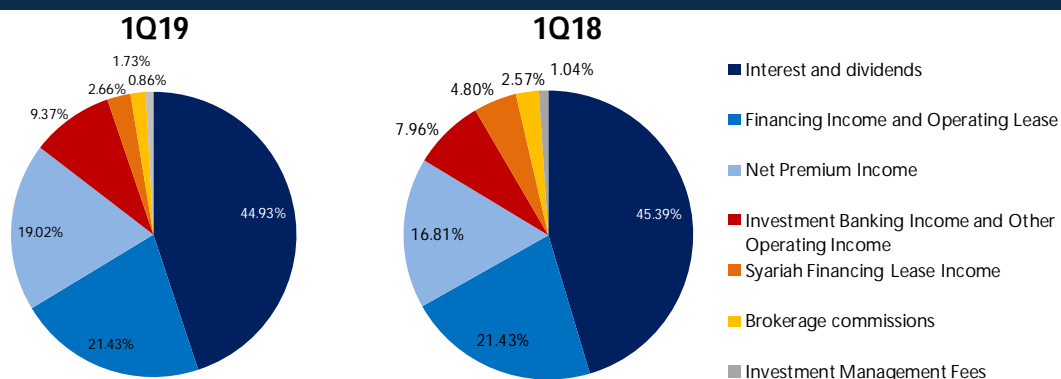
Sources: Company, MNCS

Exhibit 49. Trend of Revenue and Net Income in FY15-1Q19



Sources: Company, MNCS

Exhibit 50. Revenue Contribution by Segment 1Q18 vs 1Q19



Sources: Company, MNCS

Exhibit 51. Peers Comparison of Financial Institution

CODE	Market Caps (IDR Bn)	P/E		ROA		ROE		ROI		PBV		EPS		EPS Growth	Total Asset (IDR Bn)	
		1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19		1Q18	1Q19
ADMF	9,850.00	5.03	5.94	5.66	5.83	27.97	28.73	12.78	13.04	1.30	1.66	443.00	462.00	4.29%	29,788.04	33,196.11
BBLD	855.81	16.01	13.59	1.09	1.14	4.45	4.63	3.23	3.17	0.70	0.62	12.36	10.35	-16.26%	4,410.73	5,132.07
BFIN	9,500.43	6.40	6.79	8.28	8.01	26.89	24.68	11.19	11.39	1.58	1.51	23.43	22.51	-3.93%	17,833.19	18,462.17
BPFI	1,443.96	15.37	16.98	4.13	3.86	10.45	9.44	7.62	7.15	1.49	1.46	13.39	11.74	-12.32%	1,801.79	1,711.91
CFIN	1,243.17	3.42	4.29	3.02	2.72	7.25	7.28	7.27	6.99	0.24	0.30	18.67	19.99	7.07%	11,176.89	11,639.50
DEFI	1,358.76	715.66	906.18	2.02	2.06	2.05	2.08	2.01	2.03	15.11	19.82	0.34	0.23	-33.01%	80.16	72.87
FINN	93.01	35.19	55.77	0.51	0.18	2.22	0.71	0.43	0.11	0.54	0.42	1.00	-	-100.00%	1,081.69	921.88
HDFA	340.13	N/A	N/A	(2.53)	(10.93)	(18.51)	(80.80)	2.75	(11.11)	0.71	1.61	2.00	(7.00)	-450.00%	3,725.67	1,785.21
IBFN	330.81	N/A	N/A	(7.29)	(6.62)	(49.99)	(55.89)	N/A	(7.29)	1.26	1.07	(87.29)	(10.44)	-88.04%	2,045.41	1,746.00
IMJS	3,288.64	10.96	22.47	1.41	0.91	10.20	6.03	2.59	2.03	1.31	1.32	9.92	9.91	-0.10%	15,312.25	21,000.42
MFIN	2,782.50	7.53	9.10	9.92	9.88	17.58	16.68	12.65	13.41	1.12	1.29	29.50	34.67	17.53%	3,269.34	3,764.27
POLA	3,773.10	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12.12	N/A	(0.36)	-	N/A	459.12
TIFA	195.43	6.90	7.26	1.65	1.85	7.89	8.25	3.84	3.70	0.53	0.58	7.05	7.44	5.53%	1,599.39	1,451.03
TRUS	248.00	9.11	16.86	5.74	6.36	6.52	6.96	5.78	5.71	0.57	1.13	4.89	5.63	15.13%	278.76	294.29
VRNA	676.80	N/A	N/A	(11.53)	(9.22)	(44.56)	(36.56)	3.37	0.51	0.88	1.18	0.25	(2.15)	-960.00%	1,679.18	2,779.85
WOMF	1,107.11	4.35	5.98	2.93	2.42	23.03	18.56	8.42	8.31	0.92	1.06	15.76	12.48	-20.81%	8,177.35	8,667.68
MEAN		69.66	89.27	1.67	1.23	2.23	(2.61)	5.99	3.94	1.89	2.95	32.95	36.06			
MEDIAN		8.32	11.35	2.02	2.06	7.25	6.96	4.81	3.70	0.92	1.23	9.92	8.68			

Sources: Bloomberg, MNCS

Exhibit 52. Peers Comparison of Insurance

CODE	Market Caps (IDR Bn)	P/E		ROA		ROE		ROI		PBV		EPS		EPS Growth	Total Asset (IDR Bn)	
		1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19		1Q18	1Q19
ABDA	4,345.65	N/A	N/A	5.05	1.78	10.66	3.73	70.30	(0.68)	3.13	2.56	69.00	43.00	-37.68%	2,995.67	2,913.17
AHAP	167.58	(24.07)	(1.70)	(16.90)	(7.11)	(31.32)	(16.05)	(36.99)	(13.66)	0.79	0.76	(2.69)	(4.64)	72.19%	415.82	600.04
AMAG	1,500.47	N/A	N/A	1.74	0.91	4.07	2.22	41.91	N/A	1.01	0.84	2.23	4.68	109.87%	4,296.36	4,618.15
ASBI	119.15	11.56	N/A	1.23	2.70	3.44	7.72	5.35	9.67	0.43	0.36	6.00	27.00	350.00%	749.87	845.47
ASDM	216.96	8.05	N/A	2.72	3.86	11.56	12.21	N/A	N/A	0.63	0.63	25.00	27.00	8.00%	965.16	1,027.27
ASJT	141.60	24.78	11.36	5.38	5.05	12.76	11.48	15.47	5.90	0.44	0.39	7.00	6.00	-14.29%	461.05	502.27
ASMI	8,644.84	216.58	75.64	11.70	4.77	19.94	9.48	19.87	50.60	12.08	9.72	6.29	3.58	-43.08%	883.13	1,205.31
ASRM	493.49	10.17	N/A	4.44	5.13	18.25	19.75	16.45	13.28	1.28	1.15	91.00	105.00	15.38%	1,531.48	1,572.84
JMAS	875.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(0.68)	-	N/A	N/A
LPGI	615.00	15.99	N/A	3.67	2.59	7.72	6.75	6.21	7.34	0.56	0.45	107.66	97.00	-9.90%	2,559.44	2,626.51
MREI	3,262.09	18.10	34.81	6.23	4.41	14.53	10.01	N/A	N/A	2.12	2.24	80.81	86.35	6.85%	2,963.75	3,560.39
MTWI	170.89	N/A	74.10	2.10	0.47	5.66	1.26	N/A	N/A	1.27	0.79	(0.55)	1.07	-	331.83	373.41
PNIN	5,614.29	4.26	5.71	3.56	4.81	7.94	10.12	0.79	3.23	0.32	0.31	59.60	104.04	74.56%	29,167.98	30,988.16
TUGU	5,297.78	N/A	0.05	N/A	N/A	N/A	N/A	N/A	N/A	0.67	0.65	92.31	86.26	-	N/A	17,874.38
VINS	138.09	36.51	11.53	6.39	0.94	8.78	1.25	N/A	N/A	0.80	0.83	3.04	1.93	-36.51%	236.91	256.45
MEAN		32.19	26.44	2.87	2.33	7.23	6.15	15.48	9.46	1.82	1.55	39.05	39.17			
MEDIAN		13.77	11.45	3.67	2.70	8.78	7.72	15.47	6.62	0.79	0.78	16.00	27.00			

Sources: Company, MNCS

Exhibit 53. Peers Comparison of Securities

CODE	Market Caps (IDR Bn)	P/E		ROA		ROE		ROI		PBV		EPS		EPS Growth	Total Asset (IDR Bn)	
		1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19		1Q18	1Q19
PADI	7,745.46	90.15	371.73	13.24	3.94	13.88	4.20	7.36	(2.18)	11.54	15.27	(0.31)	(0.34)	9.68%	481.52	589.18
PANS	1,072.80	13.41	6.60	3.73	6.03	6.87	11.04	4.77	7.72	0.92	0.71	63.04	153.83	144.02%	2,158.08	2,386.97
RELI	374.40	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.04	N/A	2.13	N/A	N/A	1,138.04	595.97
TRIM	1,030.85	13.57	16.14	3.59	3.69	8.46	7.65	6.09	5.83	1.09	0.71	2.70	2.50	-7.41%	1,521.27	1,852.01
YULE	298.10	115.94	21.88	1.33	3.04	1.46	3.09	1.45	2.92	0.91	0.69	1.27	1.35	6.30%	56.43	394.66
KREN	10,014.66	41.29	21.15	12.28	18.41	26.91	38.14	19.66	33.66	9.93	6.66	28.92	33.35	15.34%	161,554.44	177,528.98
MEAN		54.87	87.50	6.83	7.02	11.52	12.82	7.86	9.59	4.24	4.81	16.29	38.14			
MEDIAN		41.29	21.15	3.73	3.94	8.46	7.65	6.09	5.83	1.06	0.71	2.42	2.50			

Sources: Bloomberg, MNCS

Exhibit 54. Peers Comparison of Bank

CODE	Market Caps (IDR Bn)	P/E		ROA		ROE		ROI		PBV		EPS		EPS Growth	Total Asset (IDR Bn)	
		1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19		1Q18	1Q19
BBTN	26,686.80	8.54	9.09	1.29	1.02	14.86	12.31	6.82	6.75	1.20	1.05	65.00	68.00	4.62%	258,739	301,346
NISP	20,319.18	7.09	7.82	1.62	1.62	11.32	11.48	9.47	9.97	0.81	0.81	28.92	33.35	15.34%	161,554	177,529
BNII	18,704.92	7.93	9.42	1.08	1.18	8.51	9.42	7.08	6.31	0.68	0.83	6.96	5.00	-28.19%	175,775	188,431
BJBR	16,676.74	13.29	13.08	1.30	1.29	13.80	14.15	7.07	6.25	1.71	1.70	47.44	42.64	-10.12%	116,811	117,756
BJTM	9,595.37	8.07	7.56	2.06	2.18	15.28	15.70	12.31	12.78	1.18	1.10	25.20	27.05	7.34%	55,313	63,091
BSIM	9,432.42	24.49	150.18	1.22	0.18	7.83	1.16	14.05	16.04	1.85	1.74	7.63	8.11	6.29%	31,044	33,507
BBMD	6,585.04	21.31	21.03	2.24	2.48	8.69	9.32	10.51	8.87	1.86	1.91	12.50	19.77	58.16%	11,960	11,903
AGRO	6,281.14	32.63	N/A	1.18	N/A	5.52	N/A	7.47	N/A	1.75	N/A	3.78	N/A	N/A	17,787	N/A
SDRA	5,593.79	11.63	10.38	1.84	1.78	8.21	8.29	5.64	5.49	0.93	0.84	23.03	22.24	-3.43%	28,185	31,683
BINA	5,682.67	238.94	373.49	0.42	N/A	1.18	N/A	2.99	N/A	1.41	N/A	0.30	0.36	20.00%	3,254	N/A
BRIS	4,906.64	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.14	1.02	N/A	3.09	N/A	34,734	38,561
NOBU	4,326.96	83.61	109.58	N/A	0.36	N/A	2.86	N/A	2.76	2.94	3.11	2.91	1.95	-32.99%	10,509	11,990
BBKP	3,597.18	N/A	28.10	(0.19)	0.12	(2.12)	1.49	3.89	2.06	0.48	0.45	14.00	5.00	-64.29%	107,707	96,621
BKSW	3,760.60	N/A	N/A	(2.09)	0.06	(13.56)	0.30	(0.26)	(1.76)	0.99	0.83	(4.64)	(3.03)	-34.70%	22,435	18,786
BEKS	3,205.47	N/A	N/A	(1.50)	(1.55)	(15.78)	(17.67)	(8.93)	(8.76)	4.67	4.99	(0.51)	(0.87)	70.59%	7,559	8,367
MCOR	2,394.93	70.64	27.47	0.29	0.55	1.75	3.52	3.87	3.62	1.22	1.01	0.83	1.00	20.48%	15,987	15,560
BACA	2,008.02	15.39	22.68	0.74	0.50	8.68	4.78	8.15	8.37	1.30	0.89	4.62	1.89	-59.09%	16,167	18,572
BBYB	1,605.32	102.73	N/A	0.22	(3.10)	1.41	(20.45)	1.29	(16.00)	1.97	1.83	7.09	2.46	-65.30%	4,899	4,811
BVIC	1,512.88	61.89	32.62	0.10	0.15	0.97	1.55	6.71	4.47	0.61	0.51	6.59	2.59	-60.70%	29,880	28,300
AGRS	1,576.85	N/A	N/A	(0.64)	(0.82)	(4.54)	(4.00)	0.91	1.43	2.24	1.37	(0.88)	(1.74)	97.73%	4,001	4,745
PNBS	1,405.76	N/A	63.35	(11.13)	0.26	(67.20)	1.34	(0.23)	(0.05)	0.97	0.94	0.39	0.22	-43.59%	8,490	8,364
BMAS	1,333.04	24.37	21.12	1.01	1.08	5.26	5.94	4.69	4.08	1.28	1.24	3.44	3.46	0.58%	6,191	6,930
BABP	1,173.51	N/A	N/A	(4.65)	(0.32)	(32.21)	(2.47)	4.70	2.01	0.79	0.76	4.59	0.14	-96.95%	10,655	10,922
INPC	1,094.68	30.70	25.34	0.13	0.17	0.81	1.01	3.97	4.55	0.16	0.25	1.28	0.81	-36.90%	28,109	26,480
BGTG	838.13	25.04	451.98	1.10	0.04	4.26	0.18	6.23	7.07	1.04	0.83	1.65	1.34	-18.79%	4,935	4,488
BBHI	711.92	N/A	N/A	(0.71)	(4.87)	(3.81)	(28.99)	1.56	0.32	1.72	1.94	0.25	2.43	873.10%	2,401	2,287
BNBA	651.42	6.49	8.17	1.48	1.14	7.64	5.83	7.70	6.42	0.48	0.46	9.63	5.91	-38.63%	7,156	7,699
DNAR	657.00	60.23	28.91	0.49	N/A	2.50	N/A	1.71	N/A	1.49	N/A	0.67	0.51	-23.28%	2,472	N/A
NAGA	338.83	68.03	52.95	0.24	0.33	2.61	3.50	2.26	3.89	1.87	1.90	0.82	0.19	-76.83%	2,479	2,327
ARTO	201.44	N/A	N/A	(1.27)	(3.58)	(7.64)	(20.88)	N/A	(12.97)	1.49	1.65	(3.11)	(5.00)	60.77%	750	679
BSWD	N/A	N/A	N/A	(0.66)	0.20	(2.61)	0.74	2.88	7.29	N/A	N/A	8.00	7.00	-12.50%	4,595	3,832
MEAN		35.54	55.32	0.42	0.59	2.58	3.79	6.88	5.54	1.56	1.62	30.31	31.50			
MEDIAN		35.91	56.27	0.34	0.52	2.17	3.41	6.59	5.21	1.50	1.21	7.09	5.46			

Sources: Bloomberg, MNCS

Exhibit 55. Peers Comparison of Other Financial Services

CODE	Market Caps (IDR Bn)	P/E		ROA		ROE		ROI		PBV		EPS		EPS Growth	Total Asset (IDR billion)	
		1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19		1Q18	1Q19
APIC	6,765.43	68.56	N/A	3.57	(0.82)	5.35	(1.44)	4.34	(1.14)	3.57	3.91	9.56	1.74	-81.80%	2,959.53	2,977.00
BCAP	9,648.78	N/A	11.66	(1.10)	0.53	(4.20)	2.01	3.43	3.04	1.90	1.17	0.11	0.28	148.10%	19,491.35	18,533.21
BPII	3,963.68	40.33	38.71	8.15	10.57	16.00	15.27	13.63	13.00	5.92	5.51	38.35	34.72	-9.47%	947.36	686.08
CASA	20,374.11	528.40	N/A	0.49	N/A	1.22	N/A	86.80	N/A	2.82	2.69	0.61	0.41	-32.79%	12,743.08	14,172.54
GSMF	775.29	10.91	15.63	1.49	1.14	5.43	3.98	3.22	3.58	0.58	0.61	1.98	1.33	-32.83%	4,634.68	4,813.80
LPPS	253.65	7.96	9.41	2.88	2.23	2.91	2.25	(3.34)	(3.07)	0.23	0.21	4.64	1.01	-78.23%	1,224.60	1,222.07
MTFN	N/A	N/A	N/A	1.26	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(0.01)	N/A	N/A	767.86	N/A
PNLF	10,503.24	4.72	6.39	6.30	6.85	8.27	8.94	0.59	2.38	0.38	0.55	12.11	14.46	19.41%	26,711.75	28,890.41
SMMA	63,676.65	41.35	45.65	1.60	1.36	8.41	7.53	3.32	5.25	3.10	3.25	65.00	71.00	9.23%	94,182.30	105,788.30
VICO	979.06	34.51	39.06	0.10	0.08	1.29	1.19	9.49	6.50	0.45	0.49	4.02	2.38	-40.84%	30,494.67	29,011.54
MEAN		92.09	23.79	2.47	2.74	4.96	4.97	13.50	3.69	2.11	2.04	13.64	14.15			
MEDIAN		37.42	15.63	1.54	1.25	5.35	3.11	3.43	3.31	1.90	1.17	4.33	1.74			

Sources: Bloomberg, MNCS

Exhibit 56. Past Acquisition in Indonesia Life Insurance Industry

No	Company Name	Buyer	Date of Acquisition	Acquisition Value		% of Ownership	Equity in IDR	PBV
				in IDR million	Converted to USD			
1	PT Asuransi Jiwa Sinarmas	Mitsui Sumitomo Insurance Co Ltd	Aug-11	7,000,000	583,333,333	50%	1,800,000,000,000	7.78
2	PT Panin Life	Dai-ichi Life Insurance Co Ltd	Jun-13	3,300,000	275,000,000	40%	458,038,000,000	18.01
3	PT BNI Life Insurance	Sumitomo Life Insurance Co	Dec-13	3,900,000	325,000,000	40%	339,087,000,000	28.75
4	PT Asuransi Jiwa Sequis Life	Nippon Life Insurance Co	May-14	4,870,000	405,833,333	20%	1,357,234,000,000	17.94
Average PBV								18.12

Sources: Company, MNCS

Exhibit 57. Valuation Matrix by SOTP (base Case Scenario)

Business Unit	Total Equity (in IDR billion) as of 1Q19	Valuation Ma- trix	Implied Valuation Matrix	Ownership (%)	Estimated Intrinsic Value (in IDR billion)
MNC Bank**	1,440.37	PBV	1.62	42.73%	996.84
MNC Finance	688.21	PBV	2.95	99.99%	2,028.27
MNC Guna Usaha	241.40	PBV	2.95	99.99%	711.45
MNC Sekuritas	419.74	PBV	4.81	99.99%	2,019.12
MNC Asset Management	43.74	PBV	4.81	99.99%	210.42
MNC Insurance	197.32	PBV	1.11	99.98%	219.03
MNC Life*	121.27	PBV	1.55	99.98%	187.76

BCAP

Total Est. intrinsic value of all subsidiaries (in IDR billion)	6,372.3
Net Debt/ (Cash) - in IDR billion	1,025.3
Outstanding Share (in billion shares)	38.53

Fair Value per Share in IDR	138.77
------------------------------------	---------------

Exhibit 58. Valuation Matrix by SOTP (bull Case Scenario)

Business Unit	Total Equity (in IDR billion) as of 1Q19	Valuation Matrix	Implied Valuation Matrix	Ownership (%)	Estimated Intrinsic Value (in IDR billion)
MNC Bank**	1,440.37	PBV	3.00	42.73%	1,846.41
MNC Finance	688.21	PBV	1.52	99.99%	2,028.27
MNC Guna Usaha	241.40	PBV	1.52	99.99%	711.45
MNC Sekuritas	419.74	PBV	4.09	99.99%	2,019.12
MNC Asset Management	43.74	PBV	4.09	99.99%	210.42
MNC Insurance	197.32	PBV	1.11	99.98%	219.03
MNC Life*	121.27	PBV	18.12	99.98%	2,197.47

BCAP

Total Est. intrinsic value of all subsidiaries(in IDR billion)	9,231.2
Net Debt/ (Cash) - in IDR billion	1,025.3
Outstanding Share (in billion shares)	38.53

Fair Value per Share in IDR	212.97
------------------------------------	---------------

*Based on past acquisition of life insurance in Indonesia (PT Asuransi Jiwa Sinarmas, PT Panin Life, PT BNI Life Insurance, PT Asuransi Jiwa Sequis Life)

**Based on past acquisition of Indonesia Banks in Indonesia (PT Bank Danamon Tbk, PT Bank Tabungan Pensiun Nasional Tbk)

Sources: Company, MNCS

Company Risk

Interest Rate Risk

Bank Indonesia (BI) maintains the 7DRRR at 6% in 1Q19. However, there remains a probability in the fluctuation of the interest rate that can affect the Company's businesses. Interest rate risk will impact both assets and liabilities, hence affecting the profits of the Company and its subsidiaries.

Foreign Currency Risk

The Company and its subsidiaries manages businesses that are susceptible to foreign currency risk. For example, in 1Q19 the Rupiah exchange rate continued to fluctuate, reaching IDR14,315. The weakening of the rupiah exchange rate will impact the profitability of the Company.

Credit Risk

Credit risk occurs when customers, clients, or opposing parties fail to fulfill their contractual obligations, causing losses to the Company and its subsidiaries.

Liquidity Risk

Problem in liquidity can occur in certain work units when estimates of funding requirements for operations are not calculated correctly, resulting in existing funds of the Company failing to meet Company needs.

Exhibit 59. Financial Summary

Income Statement						Balance Sheet					
IDR Billion	FY15	FY16	FY17	FY18	1Q19	IDR Billion	FY15	FY16	FY17	FY18	1Q19
Total Revenue	1,953.74	2,287.34	2,386.25	2,661.76	669.95	Cash & Cash Equivalents	3,682.61	3,245.48	1,780.67	1,925.70	1,309.91
Operating Expenses	(966.47)	(1,233.81)	(1,403.85)	(1,431.83)	(356.89)	ST And LT Investments	3,190.64	4,496.83	4,268.63	4,206.00	4,211.30
						Net Receivables	4,054.11	5,038.29	4,772.78	3,317.22	3,021.73
Operating Income (Loss)	987.27	1,053.53	982.40	1,229.93	313.06	Net Loans	7,000.22	7,863.04	6,724.94	7,246.89	7,362.41
Non-Operating Income (Loss)	(1,037.91)	(1,111.33)	(1,963.12)	(1,049.44)	(303.43)	Net Fixed Assets	200.74	224.30	263.44	262.71	252.26
Pretax Income (Loss)	(50.64)	(57.80)	(980.72)	180.49	9.63	Other Assets	1,266.35	1,348.08	2,072.80	1,804.20	2,375.60
Income Tax Benefit (Expenses)	12.30	18.85	243.09	(26.61)	2.73	Total Assets	19,394.67	22,216.02	19,883.26	18,762.72	18,533.21
						Deposits	9,624.42	10,175.82	8,977.05	8,428.07	8,473.40
Net Income (Loss)	(38.34)	(38.94)	(737.63)	153.88	12.36	Deposits from other banks	500.71	507.32	197.26	740.09	494.31
Owners of the Company	(43.25)	(45.71)	(334.65)	119.84	10.70	Other Liabilities	4,065.65	5,127.60	5,081.44	3,847.24	3,788.35
Non-Controlling Interest	4.91	6.77	(402.98)	34.04	1.66	Total Liabilities	14,190.66	15,810.74	14,255.74	13,015.40	12,756.07
						Share Capital & APIC	3,726.63	4,937.75	4,937.75	4,987.75	4,987.75
EPS (full amount)	(1.48)	(1.32)	(8.74)	3.13	0.28	Retained Earnings	450.05	404.33	69.68	189.51	200.22
BVS (full amount)	126.41	137.38	127.52	130.45	131.08	Other Equity	(27.09)	(79.02)	(122.14)	(150.79)	(137.27)
						Non-Controlling Interest	1,054.42	1,142.22	742.24	720.86	726.45
						Total Equity	5,204.01	6,405.28	5,627.52	5,747.33	5,777.14
						Total Liabilities & Equity	19,394.67	22,216.02	19,883.26	18,762.72	18,533.21

Noted: Presentation has been adjusted to reflect influence of distribution of bonus shares in 2018

Cash Flow						Ratios					
IDR Billion	FY15	FY16	FY17	FY18	1Q19	Ratio	FY15	FY16	FY17	FY18	1Q19
Net before chg. in op. assets & liabilities	(637.79)	(658.01)	241.79	684.24	34.81	Growth Year on Year					
Net in operating assets & liabilities	1,398.92	(360.22)	(1,981.31)	(594.43)	(671.77)	Revenue Growth (%)	97.94%	17.08%	4.32%	11.55%	1.02%
OCF	761.13	(1,018.23)	(1,739.52)	89.81	(636.96)	Net Income Growth (%)	-230.65%	-1.58%	-1794.22%	120.86%	-85.46%
Dividends Received	0.04	2.05	1.06	0.48	-	Loan Growth (%)	14.11%	32.86%	6.74%	-24.44%	-22.38%
Net Change in Fixed Assets	(84.91)	(57.79)	(53.44)	(39.38)	(1.44)	Deposits Growth (%)	25.04%	5.73%	-11.78%	-6.12%	-1.22%
Others	(858.07)	(1,118.44)	290.60	533.78	135.33	EPS Growth (%)	-193.06%	10.75%	-563.56%	135.81%	-64.56%
ICF	(942.95)	(1,174.18)	238.22	494.88	133.89	BVS Growth (%)	13.59%	8.68%	-7.18%	2.30%	1.94%
Borrowings Net	272.35	697.22	395.92	(178.25)	(36.01)	Profit Margin					
Interest Payment	(210.05)	(169.60)	(359.42)	(314.25)	(72.43)	OPM (%)	50.53%	46.06%	41.17%	46.21%	46.73%
Others	1,049.11	1,227.67	-	52.36	-	Pretax Margin (%)	-2.59%	-2.53%	-41.10%	6.78%	1.44%
FCF	1,111.41	1,755.29	36.50	(440.14)	(108.44)	NPM (%)	-1.96%	-1.70%	-30.91%	5.78%	1.84%
						Other Ratio					
Net Cash Increase (Decrease)	929.59	(437.13)	(1,464.81)	144.55	(611.52)	Total Liabilities/Equity (x)	2.73	2.47	2.53	2.26	2.21
Net in foreign exchange different	-	-	-	0.49	(4.28)	Total Liabilities/Total Assets (x)	0.73	0.71	0.72	0.69	0.69
CF Beginning Balance	2,753.02	3,682.61	3,245.48	1,780.67	1,925.70	ROA(%)	-0.20%	-0.18%	-3.71%	0.82%	0.07%
CF Ending Balance	3,682.61	3,245.48	1,780.67	1,925.70	1,309.91	ROE (%)	-0.74%	-0.61%	-13.11%	2.68%	0.21%

Sources: Bloomberg, MNCS

MNC SEKURITAS RESEARCH TEAM

Thendra Crisnanda

Head of Institutional Research, Strategy
thendra.crisnanda@mncgroup.com
(021) 2980 3111 ext. 52162

Victoria Venny

Telco, Consumer, Poultry, Small-Mid Cap
victoria.nawang@mncgroup.com
(021) 2980 3111 ext. 52236

Rr. Nurulita Harwaningrum

Banking, Auto, Plantation
roro.harwaningrum@mncgroup.com
(021) 2980 3111 ext. 52237

I Made Adi Saputra

Head of Fixed Income Research
imade.saputra@mncgroup.com
(021) 2980 3111 ext. 52117

Ikhsan Hadi Santoso

Junior Analyst of Fixed Income
ikhsan.santoso@mncgroup.com
(021) 2980 3111 ext. 52235

Muhamad Rudy Setiawan

Property, Construction
muhamad.setiawan@mncgroup.com
(021) 2980 3111 ext. 52317

Edwin J. Sebayang

Head of Retail Research, Technical
edwin.sebayang@mncgroup.com
(021) 2980 3111 ext. 52233

Atikah Yusriyah

Research Associate
atikah.yusriya@mncgroup.com
(021) 2980 3111 ext. 52313

T. Herditya Wicaksana

Technical Specialist
Herditya.wicaksana@mncgroup.com
(021) 2980 3150 ext. 52150

MNC SEKURITAS EQUITY SALES TEAM

Andi Abidin

Associate Director Institution & High Network
andi.abidin@mncgroup.com
(021) 2980 3111 ext. 52170

Harun Nurrosyid

Manager Equity Institution
harun.nurrosyid@mncgroup.com
(021) 2980 3111 ext. 52187

Agus Eko Santoso

Manager Equity Institution
agus.santoso@mncgroup.com
(021) 2980 3111 ext. 52185

Wesly Andri Rajaguguk

Head of Institutional Equity Sales
wesly.rajaguguk@mncgroup.com
(021) 2980 3111 ext. 52341

Ibnu Ramadhan

Institutional Equity Sales
ibnu.ramadhan@mncgroup.com
(021) 2980 3111 ext. 52178

Gina Purnama Sari

Institutional Equity Sales
gina.purnamasari@mncgroup.com
(021) 2980 3111 ext. 52181

Nesya Kharismawati

Manager Equity Institution
nesya.kharismawati@mncgroup.com
(021) 2980 3111 ext. 52182

Okhy Ibrahim

Manager Equity Institution
okhy.ibrahim@mncgroup.com
(021) 2980 3111 ext. 52180

MNC Research Investment Ratings Guidance

BUY : Share price may exceed 10% over the next 12 months

HOLD : Share price may fall within the range of +/- 10% of the next 12 months

SELL : Share price may fall by more than 10% over the next 12 months

Not Rated : Stock is not within regular research coverage

PT MNC SEKURITAS

MNC Financial Center Lt. 14 – 16

Jl. Kebon Sirih No. 21 - 27, Jakarta Pusat 10340

Telp : (021) 2980 3111

Fax : (021) 3983 6899

Call Center : 1500 899

Disclaimer

This research report has been issued by PT MNC Sekuritas. It may not be reproduced or further distributed or published, in whole or in part, for any purpose. PT MNC Sekuritas has based this document on information obtained from sources it believes to be reliable but which it has not independently verified. PT MNC Sekuritas makes no guarantee, representation or warranty and accepts no responsibility to liability as to its accuracy or completeness. Expression of opinion herein are those of the research department only and are subject to change without notice. This document is not and should not be construed as an offer or the solicitation of an offer to purchase or subscribe or sell any investment. PT MNC Sekuritas and its affiliates and/or their offices, director and employees may own or have positions in any investment mentioned herein or any investment related thereto and may from time to time add to or dispose of any such investment. PT MNC Sekuritas and its affiliates may act as market maker or have assumed an underwriting position in the securities of companies discussed herein (or investment related thereto) and may sell them to or buy them from customers on a principal basis and may also perform or seek to perform investment banking or underwriting services for or relating to those companies.