



PT MNC KAPITAL INDONESIA TBK (“BCAP”) BUSINESS UPDATE

Jakarta, June 12, 2020

BCAP Subsidiaries’ Updates Towards Digital Financial Services and Consolidated Result for 1st Quarter of 2020

BUSINESS UPDATES:

PT MNC Kapital Indonesia Tbk (“BCAP” or “The Company”) believes that being “digital” is no longer optional, it is the only way going forward. Embracing the “new normal”, the world has become digital overnight. Rather than simply adjusting to a new world order, we took initiatives to go beyond by building digital-ready financial services. We are using this moment to reshape our business model to emerge stronger than before.

Various digitalization projects ongoing as our responses to exponential demand of digital financial services:

- **MNC Bank**

Motion – Mobile Transaction Indonesia, a Digital Bank initiative

MNC Bank is evolving to meet the opportunities that digitization offers. To play a relevant role in the new ecosystem, MNC Bank redefine their business model and set a course to achieve their new objectives. Adopting the latest and the most agile technology, MNC Bank not only will unlock digital opportunities, but also drive future innovation.

Main features including: biometric login (both face recognition and fingerprint), digital onboarding with E-KYC, various transfer options (online, RTGS, virtual account to top up e-money transfer), split bills, QRIS capability for online and offline payments, complete historical transaction and credit information, real time notification, foreign exchange transactions, etc.

- **MNC Life and MNC Insurance**

Hario – Digital Insurance

Started as an idea to create new customer journeys, last year MNC Life made digital transformation with Hario, a microinsurance mobile app, in which users can subscribe to an insurance with premium as low as IDR 50,000 per year.

We are continuously enhancing Hario to match changing customer needs. Thus, as a further development, MNC Life collaborates with MNC Insurance to provide general insurance products (such as home, motor vehicle and travel insurance), on top of existing life insurance products (such as health, accident, education, life and retiree insurance along with additional free of charge COVID-19 coverage), to complete and simplify customer journeys through feature consolidation. By combining, MNC Life and MNC Insurance are expected to create new revenue streams by serving new customers in areas that were previously inaccessible.



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- **MNC Sekuritas**

- **MNC Trade – Additional Service as Online APERD**

- Already one of the most prominent online and digital trading platforms, MNC Trade will equip the platform to act as online mutual fund agent or online *Agen Penjual Efek Reksa Dana* (APERD). With mutual funds getting more traction amid current volatile stock market, MNC Sekuritas will seek The Financial Services Authority's ("OJK") approval to elevate its trading service and capture the market.

- Development will be done in stages. With first stage will focus on MNC Asset Management's mutual fund products. Expectedly, by end of this year (depending on OJK's approval), MNC Sekuritas is expected to bring various mutual fund products from various asset managements in its platform along with online account opening, auto-sweep, even will recognize user's mutual fund portfolio as collateral for additional trading limit, and many more exciting features to maximize user's investment.

- **MNC Asset Management**

- **MNC Duit – Online Mutual Fund**

- The mutual fund industry in Indonesia only represent 0.5% of the population. In such an under-invested environment, the use of technology can help level the playing field and increase participation. MNC Asset Management has been aware of this and launched MNC Duit in 2017.

- In response to the increasing demand, MNC Asset Management is revamping MNC Duit to become what we called MNC Duit 2.0, an all-in-one integrated platform that will serve all MNC Asset Management's interested parties, including APERD, financial consultants and institutions; in addition to current available for retail clients.

- **MNC Teknologi Nusantara**

- **SPIN – E-money, E-wallet, Digital Remittance Platform**

- Earlier this year, MNC Teknologi Nusantara has obtained Bank Indonesia's approval regarding transaction processing using the Quick Response Code Indonesian Standard – Merchant Presented Mode (QRIS-MPM). This approval is used by SPIN, to present a new breakthrough, introducing the new concept of in-TV purchase, in which audiences will be able to scan the displayed QRIS and buy products offered, directly from their television screen. The QRIS on TV implementation is in line with Bank Indonesia's initiative to widen the reach of QRIS, as well as increase financial inclusion throughout the nation.

- Currently, users can already use SPIN as a means of payment at all QRIS compatible merchants, as well as all basic payment needs such as mobile credit top up, electricity bill, tax and BPJS. SPIN also enables its users to transfer funds digitally, to a specific bank account, other e-wallet, or even withdraw money at Alfamart and Alfamidi chains.

SUMMARY OF 1Q 2020 FINANCIALS:

The Company recorded its unaudited financial results for the 1Q2020, with consolidated revenues of Rp657.9 billion. BCAP's revenues mostly came from interest and dividends, amounted Rp331.6 billion, grew by 10.2% from 1Q2019, followed by net premium income at Rp159.0 billion, then



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financing income and operating lease at Rp136.3 billion. The strongest revenue growth came from net premium income with Rp159.0 billion in 1Q2020, an increase of 24.8% from 1Q2019's Rp127.4 billion. The Company's net income rose to Rp 14.8 billion, up by 19.6% from the same period last year at Rp12.4 billion.

PERFORMANCES OF SUBSIDIARIES:

BCAP's largest revenue contributor came from MNC Bank, which generated 45.9% of the total consolidated revenues, followed by MNC Finance 16.4%, MNC Life 14.5%, MNC Insurance 11.2%, MNC Leasing 6.0%, MNC Sekuritas 5.0% and Asset Management 1.0% respectively.

- **MNC Bank**

MNC Bank recorded net interest revenues of Rp117.4 billion in 1Q2020, an increase of 21,1% from the previous year at Rp96.9 billion, while other operating revenues logged Rp43.9 billion. As a result, MNC Bank's profit from operation increased from Rp3.3 billion to Rp7.1 billion, while net profit up by 26.5% from Rp3.1 billion to Rp3.9 billion in 1Q2020 compared to 1Q2019.

- **MNC Finance**

MNC Finance reported revenues of Rp107.3 billion in 1Q2020 and net profit of Rp7.0 billion in 1Q2020, a 9.6% increase from Rp6.4 billion in 1Q2019.

- **MNC Life**

MNC Life posted revenues of Rp94.6 billion in 1Q2020. MNC Life's gross written premium also jumped by 13.2% to Rp102.3 billion from Rp90.3 billion in 1Q2019.

- **MNC Insurance**

MNC Insurance recorded an excellent increase in gross written premium growth by 35.9% from Rp291.4 billion to Rp396.1 billion in 1Q2020. The underwriting profit also boosted by 65.8% to Rp30.2 billion from Rp18.2 billion in first quarter 2019. This led to a robust net income of Rp14.9 billion in 1Q2020.

- **MNC Leasing**

MNC Leasing's logged total revenues of Rp39.2 billion in 1Q2020. The contribution from factoring grew 53.3% to Rp10.2 billion in 1Q2020 from Rp6.7 billion, while installment financing up by 49.3% to Rp5.8 billion in 1Q2020 from Rp3.9 billion in 1Q2019.

- **MNC Sekuritas**

MNC Sekuritas posted revenues of Rp33.0 billion in 1Q2020, in which dividends and interest income added 49.0% to the total revenues, while brokerage commissions contributed 45.7%. Note that interest income had a significant increase of 192.8% from Rp5.5 billion to Rp16.2 billion in 1Q2020.

- **MNC Asset Management**

MNC Asset Management recorded revenues of Rp5.7 billion in 1Q2020. The net profit sharply increased to Rp563.9 million. While Asset Under Management stood at Rp4,195.2 billion.



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On the digital advancement, The Chairman of MNC Group Hary Tanoesoedibjo said:

“We are relentlessly improving our digital foundation by enhancing our capabilities to prepare for the rapid change of digitalization. The range of financial services that can be accessed and delivered through digital channels are endless, and we have the agility and determination to embrace the change. Digital world is forever evolving, so we constantly upgrade our digital platforms to keep up with the ever-changing demand.”

“Because of the pandemic, the future is closer than ever. Therefore, BCAP will not waste even a second to pursue its goal to become the front runner of digital financial services in Indonesia.”

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