



## **PT MNC KAPITAL INDONESIA TBK (ticker: BCAP)**

Jakarta, August 4, 2020

### **BCAP 1H2020 Financial Result and Business Updates**

#### **SUMMARY OF 1H 2020 FINANCIAL RESULT:**

PT MNC Kapital Indonesia Tbk (“BCAP” or “The Company”) posted its unaudited financial results for the 1H2020, with consolidated revenues of Rp1,207.6 billion. BCAP’s revenues mainly came from interest and dividends, amounted to Rp626.0 billion, a growth of 2.1% from 1H2019, followed by net premium income of Rp253.0 billion, and financing income and operating lease of Rp237.6 billion. The Company recorded net profit of Rp 8.7 billion in 1H2020 compared to Rp25.5 billion from last year’s period. Despite various successful efficiencies carried out to minimize negative impact of COVID-19 to The Company’s performance, BCAP still posted lower net profit due to additional expenses from various ongoing developments of digital initiatives.

#### **PERFORMANCES OF SUBSIDIARIES:**

The highest contributor of BCAP’s revenues came from MNC Bank, which generated 49.7% of the total consolidated revenues, followed by MNC Finance 16.0%, MNC Life 13.2%, MNC Insurance 9.2%, MNC Leasing 6.1%, MNC Sekuritas 5.7% and Asset Management 0.1% respectively.

- **MNC Bank**

MNC Bank posted net interest revenues of Rp215.9 billion in 1H2020, an increase of 11.0% from the previous year at Rp194.5 billion, while other operating revenues were equal to Rp87.9 billion. Particularly, the strongest growth was shown by the profit from operation with Rp10.1 billion in 1H2020, an increase of 65.9% from the same period last year at Rp6.1 billion. MNC Bank’s net profit summed to Rp5.1 billion in 1H2020.

- **MNC Finance**

MNC Finance reported revenues of Rp185.6 billion in 1H2020, which were driven from consumer financing amounting to Rp89.5 billion and factoring amounting to Rp20.8 billion in 1H2020. MNC Finance posted net profit of Rp8.1 billion.

- **MNC Life**

MNC Life recorded revenues of Rp153.2 billion in 1H2020, while the gross written premium was equal to Rp164.4 billion in 1H2020. Meanwhile, MNC Life’s digital insurance app named Hario, shows a promising future with total premium reached to Rp136 million in 2Q2020, jumped 223.8% from Rp42 million in 1Q2020.



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- **MNC Insurance**

MNC Insurance logged a significant increase of 11.2% in gross written premium from Rp446.3 billion to Rp496.1 billion in 1H2020. The underwriting profit also boosted by 53.3% to Rp54.3 billion from Rp35.4 billion in 1H2019. This led to a robust net income of Rp3.5 billion in 1H2020, rose by 140.8% from Rp1.4 billion in first half of 2019.

- **MNC Leasing**

MNC Leasing posted total revenues of Rp70.9 billion in 1H2020. The contribution from consumer financing increased by 55.0% to Rp12.2 billion in 1H2020 from Rp7.9 billion, while factoring grew 40.6% to Rp20.4 billion in 1H2020 from Rp14.5 billion in 1H2019.

- **MNC Sekuritas**

MNC Sekuritas' revenues rise to Rp66.0 billion in 1H2020, reflecting a growth of 14.2% from 1H2019's Rp57.8 billion. The dividends and interest income added 48.2% to the total revenues, while brokerage commissions contributed 47.1%. Note that the dividends and interest income had a significant increase of 171.0% from Rp11.7 billion to Rp31.8 billion in 1H2020. This led to net income of Rp2.3 billion in 1H2020, a jump by 89.7% from Rp1.2 billion in 1H2019.

- **MNC Asset Management**

MNC Asset Management recorded revenues of Rp938 million in 1H2020. While Asset Under Management stood at Rp4,231.8 billion.

### **BUSINESS UPDATES – MOVING INTO INTEGRATED DIGITAL FINANCIAL SERVICES**

As mentioned, various digitalization projects have been in progress as a response to the exponential demand of digital financial services.

- **MNC Bank – Motion**, advance mobile banking

MNC Bank will launch its state-of-the-art mobile banking, named **Motion** (Mobile Transaction Indonesia). Motion aims to maximize customer satisfaction by simplifying banking experience. Adopting the latest and the most agile technology, MNC Bank will use this new mobile banking as a step towards its future aspirations in open banking.

- **MNC Life and MNC Insurance – Hario** digital insurance

MNC Life and MNC Insurance are continuously recalibrating **Hario** to match customer needs. In addition to various health and life insurance products, Hario also provides general insurance products (such as home, motor vehicle and travel insurance). Hario is developed to create new revenue streams by serving customers in areas that were previously inaccessible.



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- **MNC Sekuritas - MNC Trade's** additional service as online mutual fund agent  
MNC Sekuritas is upgrading its **MNC Trade** platform to be able to offer mutual fund products and become online mutual fund agent (**online APERD** or online *Agen Penjual Efek Reksa Dana*). With mutual funds getting more traction amid the current volatile stock market, MNC Sekuritas is prepared to submit its proposal to The Financial Services Authority's ("OJK").
- **MNC Asset Management - MNC Duit**, mutual fund platform  
In response to the increasing demand of mutual funds, MNC Asset Management is revamping **MNC Duit** to be an all-in-one integrated platform to serve transactions for retail clients, APERD, financial consultants and institutions. The platform will be able to manage the investment of integrated mutual fund products, not only portfolio information, but will also be able to buy, sell, switch and redeem.
- **MNC Teknologi Nusantara - SPIN**, e-money, e-wallet, digital remittance  
In collaboration with MNCN, **SPIN** has launched a new advertising initiative in May 2020, which allows advertisers to place their QRIS code on TV during commercial breaks, allowing audiences to purchase directly from the TV screen using e-money app, such as SPIN. With full license in e-money, e-wallet and digital remittance, users can use SPIN as a means of payment at all QRIS compatible merchants, basic payment needs as well as transfer funds digitally, to a specific bank account or other e-wallet.
- **Other pursuits – payment gateway, P2P lending**  
Besides aforementioned internal developments, The Company also acquired **Flash Mobile**, a payment gateway and biller aggregator company. In the process of obtaining the license, Flash Mobile will act as the only payment gateway and biller aggregator for MNC Group, which will also serve the external partners.

The Company also signed a term sheet to acquire the majority stake in a **peer-to-peer (P2P) lending** platform company. BCAP plans to utilize the platform as a financing channeling agent for SPIN users, MNC Bank, MNC Finance and MNC Leasing. With digital signature as the advantage, P2P lending platform can reach all corners of Indonesia branchless. The platform will implement the AI based credit scoring and loan process automation.

**NEXT STEP: PLAN TO CONNECT IT ALL**

Each digital initiative will be integrated into **loyalty point program**. Every transaction made within the MNC Group's ecosystem will earn points, which later can be used to subscribe or receive special offers. This initiative will be the game-changer for the entire MNC Group



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ecosystem. The program is expected to increase engagement and retain customers to stay within MNC Group's ecosystem.

Next step, MNC Group will synergize all of its digital platforms so that it infrastructurally interconnected to increase engagement and retain customers to stay within MNC Group's ecosystem. BCAP will build a digital financial services ecosystem which include a range of financial services that provide opportunities for accessing and moving funds, growing capital, while reducing risk; all with advance AI system learning and open API environment.

**Commenting on the result, The Executive Chairman of MNC Group Hary Tanoesoedibjo said:**

"Even though the net profit from this semester is lower, this is not due to operational disruption, but because of extra investment spent on digital products development. We trust that the numbers will improve in the fourth quarter after all the digital initiatives are in place and start to generate revenues."

"We are strengthening collaboration within our ecosystem, similar to our projects between MNCN and SPIN with in-TV purchase; or MNC Life and MNC Insurance with Hario. We will use the P2P lending platform as the financing channeling agent for SPIN, MNC Bank, MNC Finance and MNC Leasing, for example."

"By combining these digitally savvy architectures, BCAP will end up with a lean and agile infrastructure to provide optimal experience for all users. This cements BCAP's position as the leader in innovative, digitally driven financial services that will put us way ahead of competition."

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