



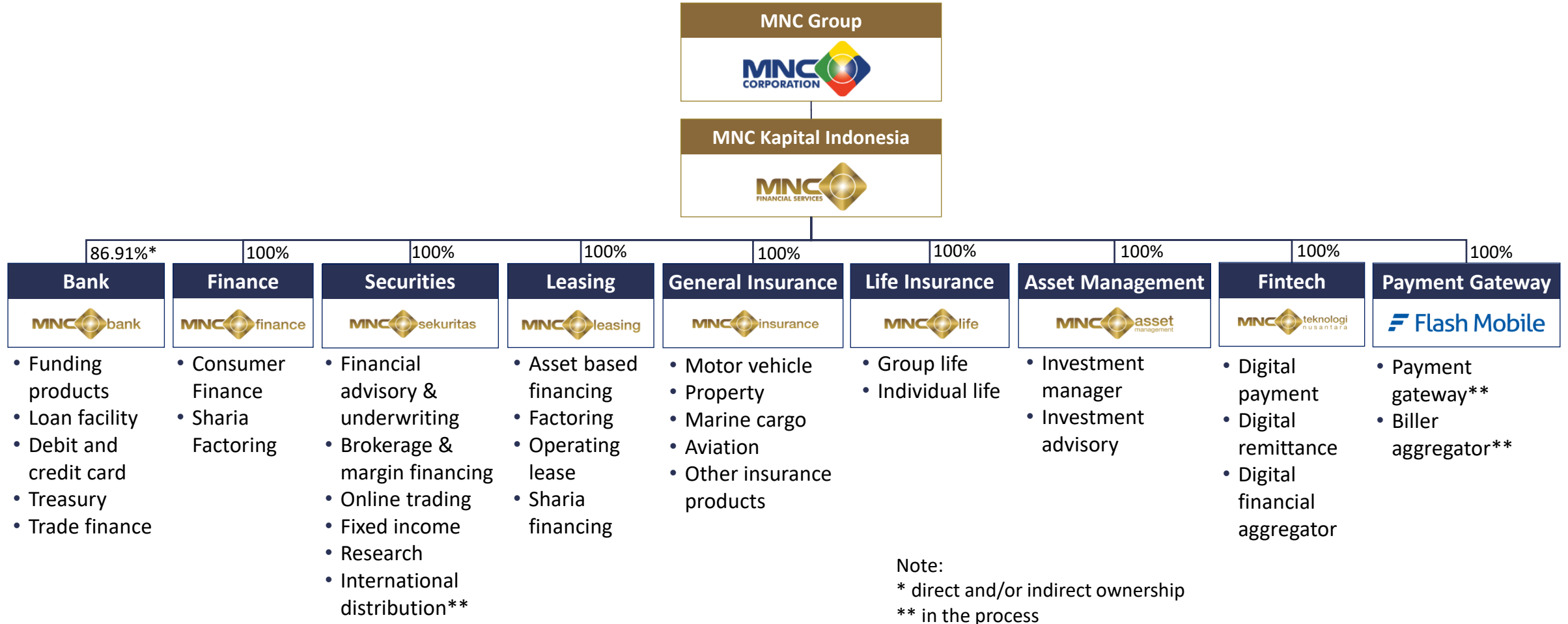
PT MNC Kapital Indonesia Tbk CORPORATE UPDATE

September 2020

Member of MNC Group

BCAP – An Introduction

MNC Kapital Indonesia is the most diversified and integrated financial services groups in Indonesia with eight fully licensed operating subsidiaries (one in the process of obtaining the license), active in banking, multi-finance, securities, leasing, general insurance, life insurance, asset management, financial technology and payment gateway.





A Full Suite Of Licenses, Structured Under A Holding Company

MNC Financial Services owns 16 financial licenses across its eight subsidiaries, including 4 digital finance licenses for future developments



- Conventional commercial bank license
- Foreign exchange bank license
- Credit card issuing bank license



- Multifinance license
- Sharia multifinance license



- Brokerage license
- Underwriter license



- Multifinance license
- Sharia multifinance license



- General insurance license



- Life insurance license

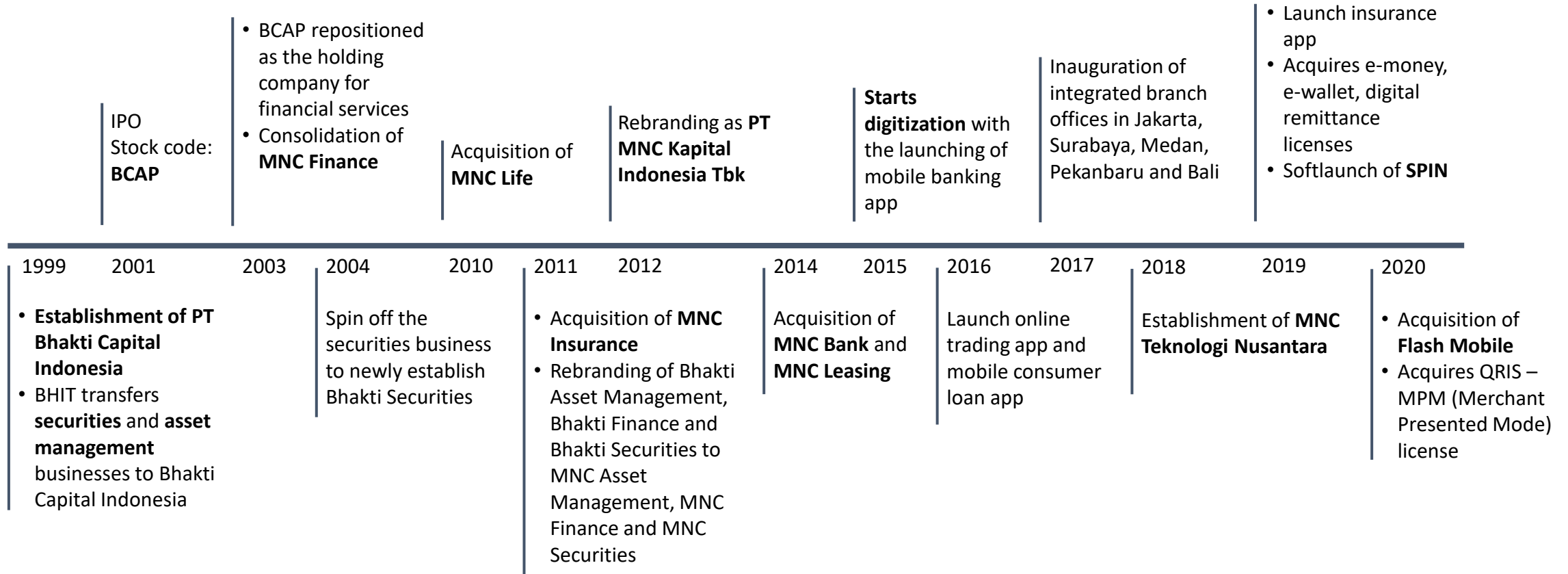


- Investment management license



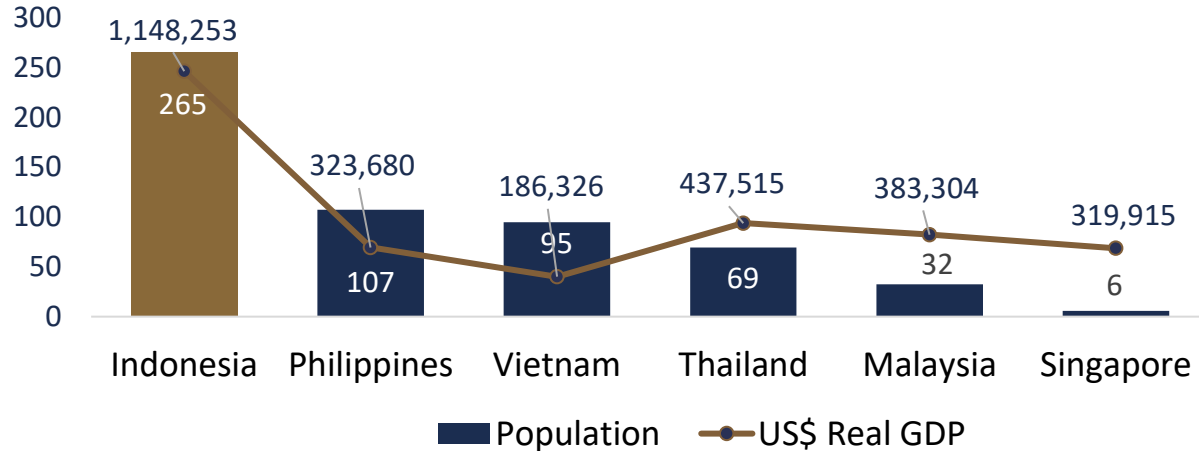
- **E-money**
- **E-wallet**
- **Digital remittance**
- QRIS – MPM (Merchant Presented Mode)

BCAP Over The Years



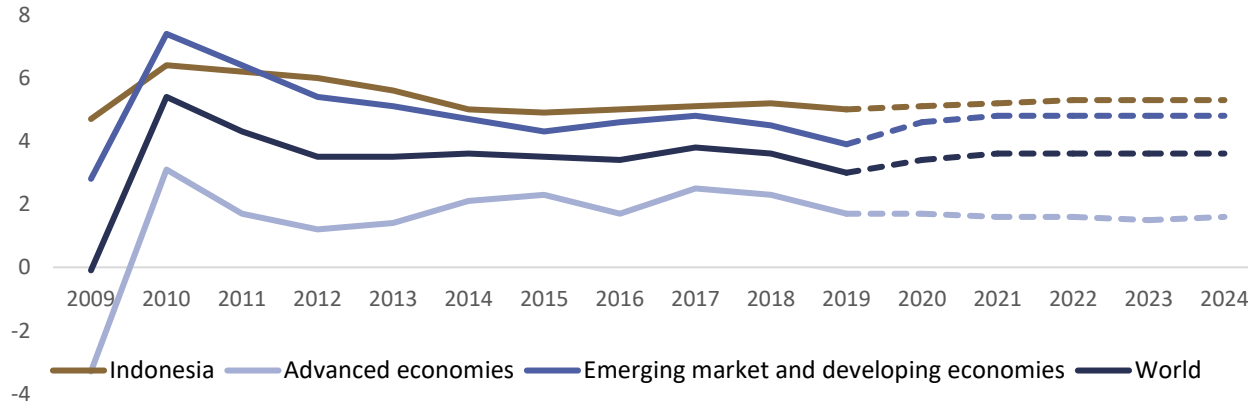
Indonesia's Macroeconomic Outlook

Population and real GDP (US\$) largest in Southeast Asia



Source : Indonesian Bureau of Statistic 2019 report

Indonesia's growth of real GDP (%) continues to outperform

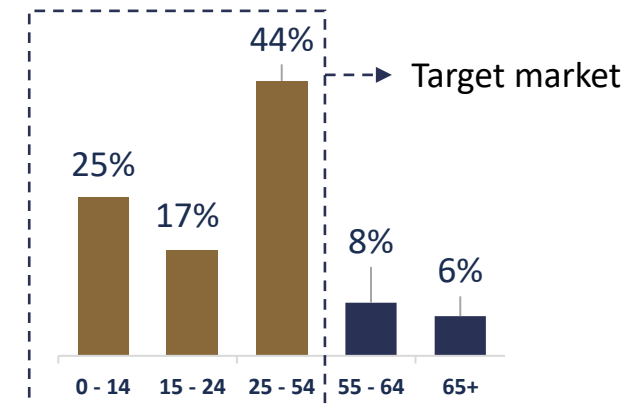


Source : IMF

Indonesia as Emerging Market

- GDP hit more than \$1trillion for the first time in 2018 with annual growth rate between 5-6%.
- A large and young population. 227mn people (86%) are within the age of 54 and below, with median age of working age 30, supported with increasing life expectancy.
- The growing economy will lead to an increasing middle class which will demand financial services.

Population breakdown



Key Investment Highlights

- 1 Strong macroeconomic environment supported by attractive population dynamics and a rapid growing economy
- 2 A diversified financial services group owning a full suite of licenses, structured under one holding company
- 3 Comprehensive plan to strengthen the operations of all subsidiaries and position the group for sustainable growth
- 4 Shifting future growth from conventional to digital financial services fuelled with significant synergy within the MNC Group ecosystem**

A Comprehensive Plan To Strengthen Operations

Shift focus to more profitable products and implement new products and digitalization to capture lucrative segments

- Identify unserved, underserved or fast-growing customer segments and develop products to capture these segments
- Products should be profitable and within tolerable risk limits
- **Digitalize its services to reach unbanked market**

Increase productivity of distribution channels and deepen relationships with partners

- Increase presence through digital channels or points-of-sales which are less labor intensive
- Implement strategies to deepen relationships with existing distribution partners and establish new distribution partnerships to improve sales
- Improve supervision of and provided training to sales staff to increase quality and productivity

Refine business processes and operations

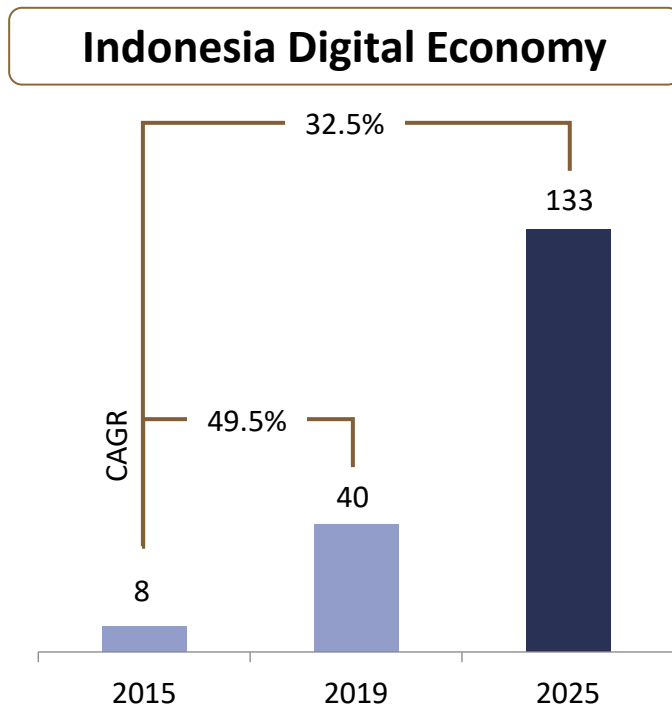
- Remove intermediaries in order to go direct to customers
- Establish new teams for risk management and business restructuring
- Commence upgrading of IT systems to improve customer relationship management and back-office operations

Strengthen balance sheet

- Strengthen capital base to improve lending capacity and funding (risk-based capital, capital adequacy ratio and debt to equity ratio)

Shifting Future Growth From Conventional To Digital Financial Services

Digital financial services expected to solve conventional financial challenges



* in billion USD

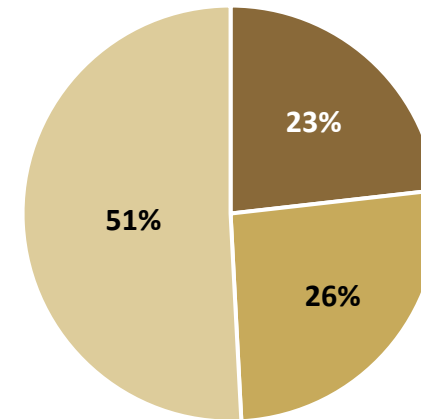
Source: Google & Temasek / Bain, e-Conomy SEA 2019

- Indonesia is the largest and fastest growing digital economy in SEA
- According to the Association of Internet Service Providers in Indonesia, the number of Internet users in Indonesia reached 171.17 million individuals at the start of 2019, approximately 64.8% of the total Indonesian population, with 94% smartphone penetration among online users
- Digital economy increased by more than a quadruple since 2015 and is well on track to cross the \$130 billion mark by 2025

Financial Inclusion Has Been A Focus Of The Central Bank As Half Of Adult Population Is Unbanked

- Inclusion of unbanked Indonesians has been a top priority in recent years
- From 265 million of total population, 181 million adults are eligible for banking. However, only 49% out of 181 million regarded as “banked” or “underbanked”
- There is opportunity for greater financial inclusion through the use of mobile / digital financial services
 - With a relatively rural population and 33% of the unbanked citing distance as a key reason for not having an account, digital distribution channels instead of physical branches would be drivers of financial services adoption
 - There is an opportunity for higher adoption of online financial services with 60million unbanked adults in Indonesia using mobile phones and a low internet penetration compared to other countries in the region

Banked Population (%)



■ Banked ■ Underbanked ■ Unbanked

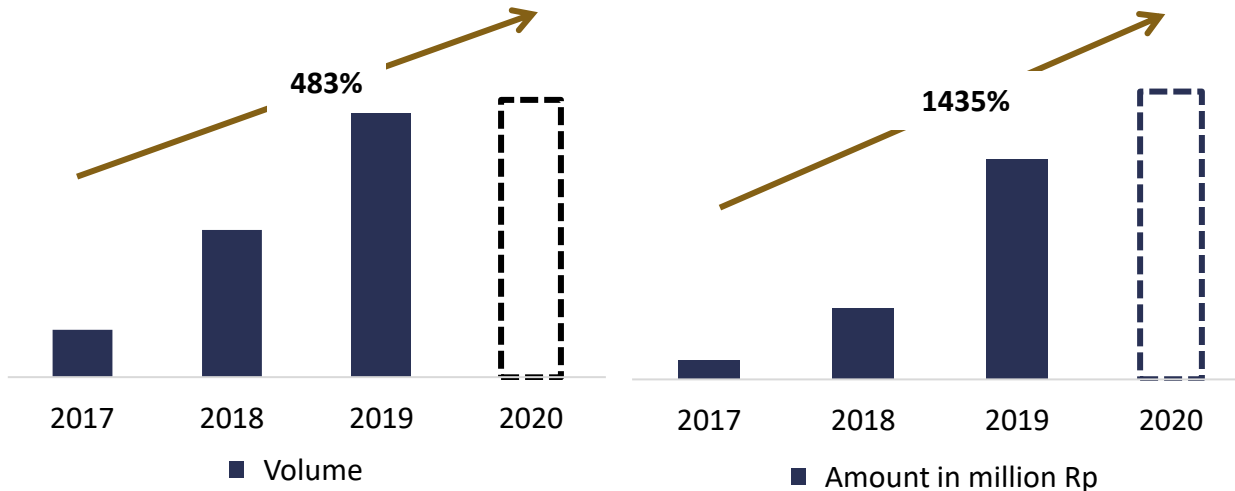
Source: Google & Temasek / Bain, e-Conomy SEA 2019

- Banked : full access to Financial Services
- Underbanked : has bank account but insufficient access to credit, investment and insurance
- Unbanked : do not own a bank account

Transformation Towards Digital Financial Services

What we do during COVID-19

Digital Transactions in Indonesia (e-money)



Year	Volume	Amount in million Rp
2017	943.319.933	12.375.469
2018	2.922.698.905	47.198.616
2019	5.226.699.919	145.165.468
Jan 2020	457.944.919	15.872.433
2020*	5.495.000.000	190.000.000

*estimated

Source: Bank Indonesia, 2020

Recalibrate for the future as preparation for new normal, where people are more and more digital minded, we are enhancing our digital capabilities. We believe that in this industry, digital is the future. Each business unit make the most of market slowdown to focus on advancing its digital core toward digital financial services

Front-end functionality

- Digital apps to provide customers with online and mobile functionality
- To boost user's experience from each digital app

Middle office processes

- Functional apps for employees, agents and business partners to minimize paper exchanges and maximize automation processes

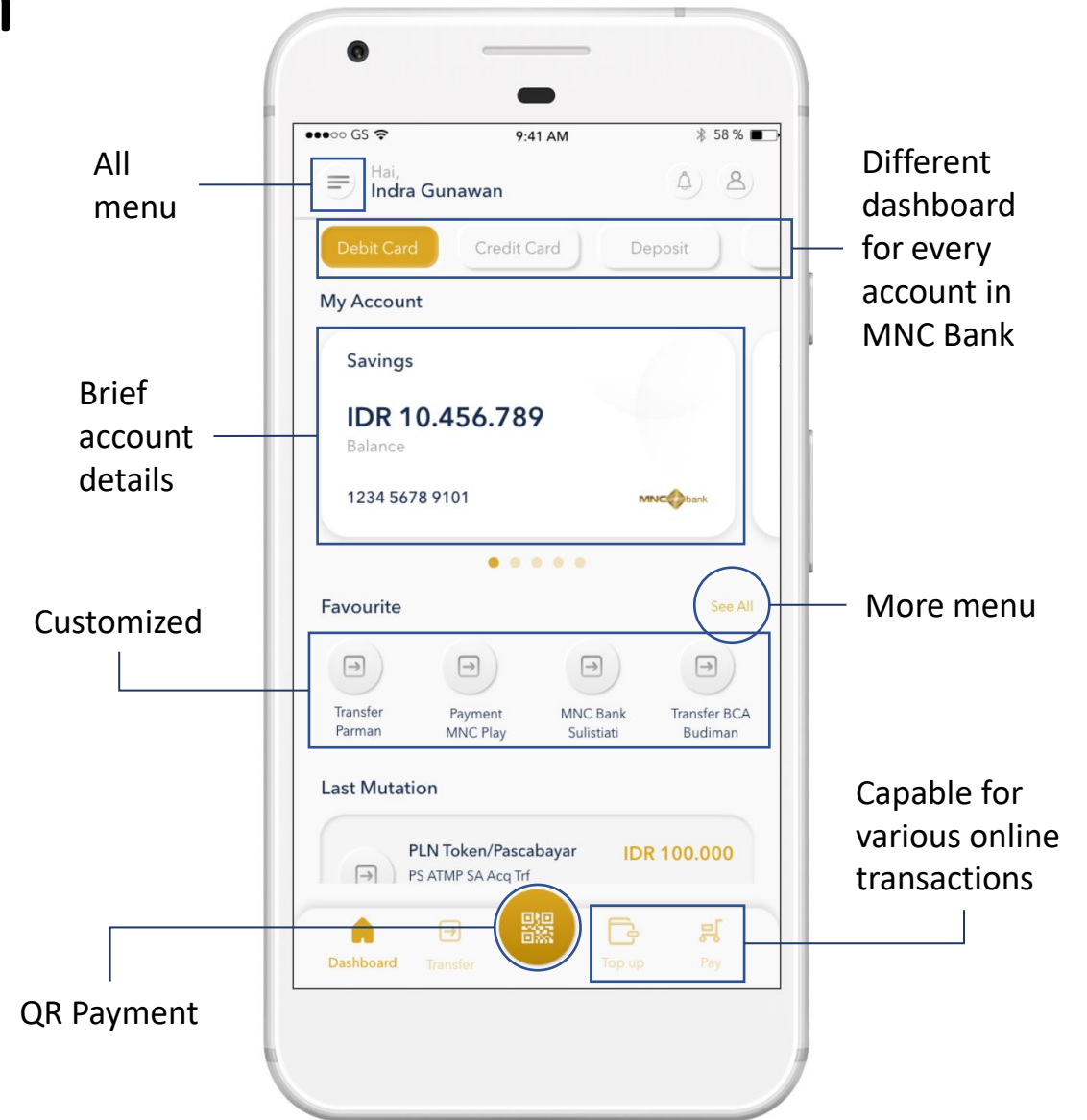
Back-end infrastructure

- Upgraded core banking system
- Increased bandwidth capacity
- Improved redundancy levels and connectivity in data storage and disaster recovery

MNC Bank – Mobile/Open Banking



- New mobile banking (went live in August 2020)
 1. Biometric login (fingerprint, face detection)
 2. Transfer (MNC Bank Account, Online, SKN, RTGS & Virtual Account)
 3. Top up SPIN and other e-money
 4. Biller integration and payment
 5. Realtime notification
- Open Banking (under development)
 1. Digital core banking
 2. Automatic onboarding with E-KYC
 3. Savings, credit card and loan application are all in one integrated platform
 4. QRIS features for online and offline payment
 5. Transfer/top up with foreign currency
 6. Open API programing to enable connectivity to external parties

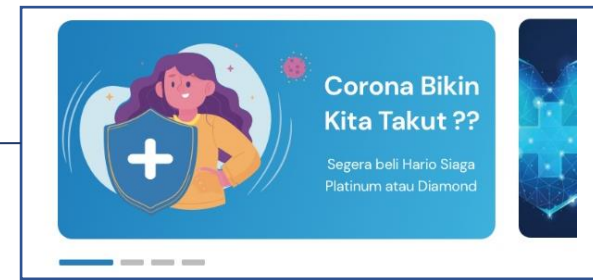


MNC Life x MNC Insurance – Digital-based Insurance App



- New features (went live in March 2020)
 1. Additional products: education (Hario Pintar), retirement (Hario Pensiun) and COVID-19 coverage; on top of existing products: accident (Hario Siaga), health (Hario Sehat) and life (Hario Sejahtera)
 2. Push notification, autofill and video content
 3. Available in iOS platform
- Upcoming features (went live in the end of August 2020)
 1. Additional products in synergy with **MNC Insurance**: house (MNC Home Express), motor vehicle (MNC Total Care) and travel (MNC Travel Express)
 2. QRIS transaction (collaboration with **SPIN**)
 3. Online claim
 4. Live chat
 5. Loyalty rewards

Sliding banner for promotion or announcement

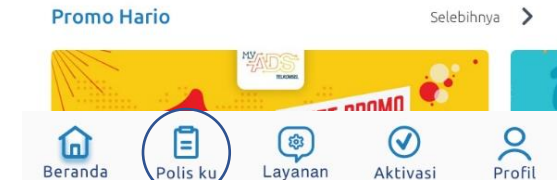


Products



Live chat

Subscribed policies



MNC Sekuritas – additional features as Online APERD (Mutual Fund Sales Agent)



- Phase 1 – Additional mutual funds products from **MNC Asset Management** (target completion: end of August 2020, go live subject to OJK's approval)
 - Limited to **MNC Asset Management** products
 - Transaction: subscribe and redeem
 - Information: list of products, portfolio's profit/loss, NAV and chart
 - Separate portfolio between stock and mutual fund
- Phase 2 – Online APERD for various mutual funds (2.5 months after phase 1)
 - Support other asset management products
 - Risk profile on opening account
 - Transaction: auto-sweep
 - Information: product comparison
 - Mutual fund portfolio as collateral for additional trading limit
 - Automation process back office & regulatory report

Detail of mutual fund

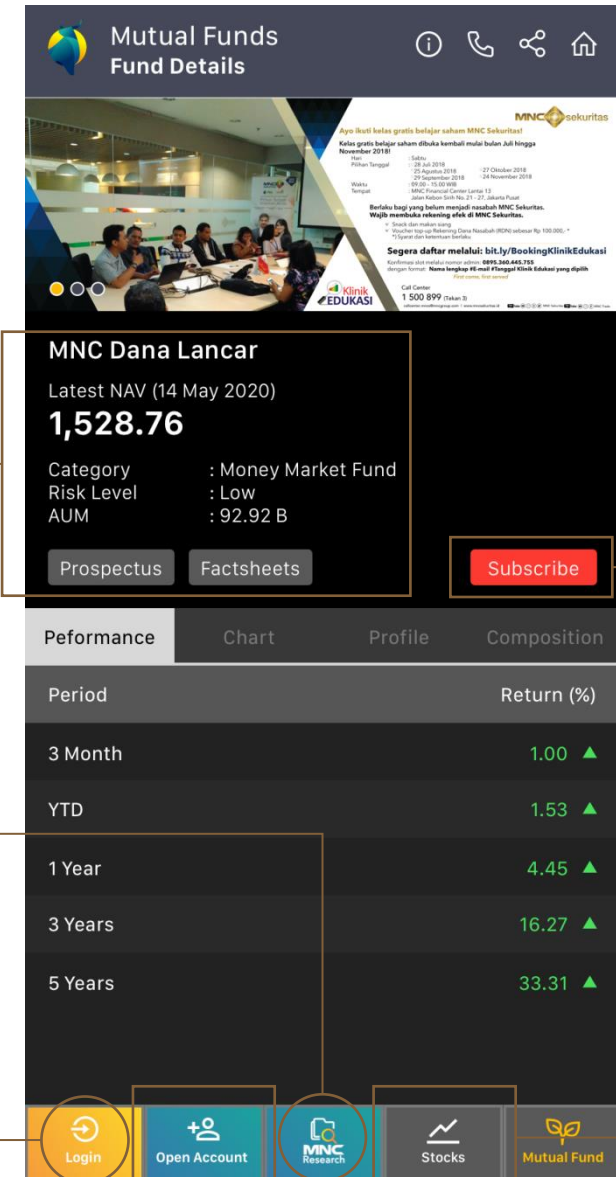
Buy, sell, switch, redeem

Reports and researches

Biometrics

Online account opening

Switch to MNC Trade (Stock)



MNC Asset Management – Online Mutual Fund



- Upgrading MNC Duit to service APERD, financial consultants and institution; in addition to current available for retail clients. All in one integrated platform

→ Phase 1

- Online opening account
- Subscription
- Balance inquiry
- Historical transaction
- Redemption and switching
- Financial calculator

→ Phase 2

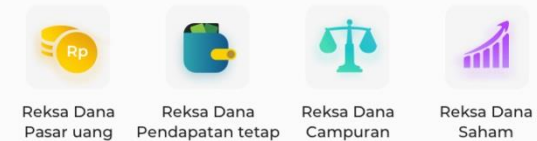
- Auto investment
- Direct transaction
- Live chat
- Loyalty Points (with SPIN)

Product offered



Pilih Produk Reksa Dana

Mari raih impian anda dengan cara investasi.



to calculate return

Berita Terbaru

Cari Berita terbaru mengenai Reksa Dana dan cara Investasi Aman di MNC DUIT.

Buy, sell, switch, redeem

Live chat



MNC Teknologi Nusantara – e-Money, e-wallet, digital remittance



- New features (went live in May 2020)
 1. QRIS transaction on TV
 2. From “SPIN Cash” to cash advance via banks
- Upcoming features (target live in Q4 2020)
 1. Loyalty programs: SPIN Points, vouchers, special offers
 2. More competitive prices for mobile credit, mobile internet packages, electricity and water payments
 3. Direct host to host with major Banks for low cost top up, cash out and transfer from and to major banks
 4. Live chat
 5. Co-branding with other digital apps of MNC Group

To/from other e-money and bank account

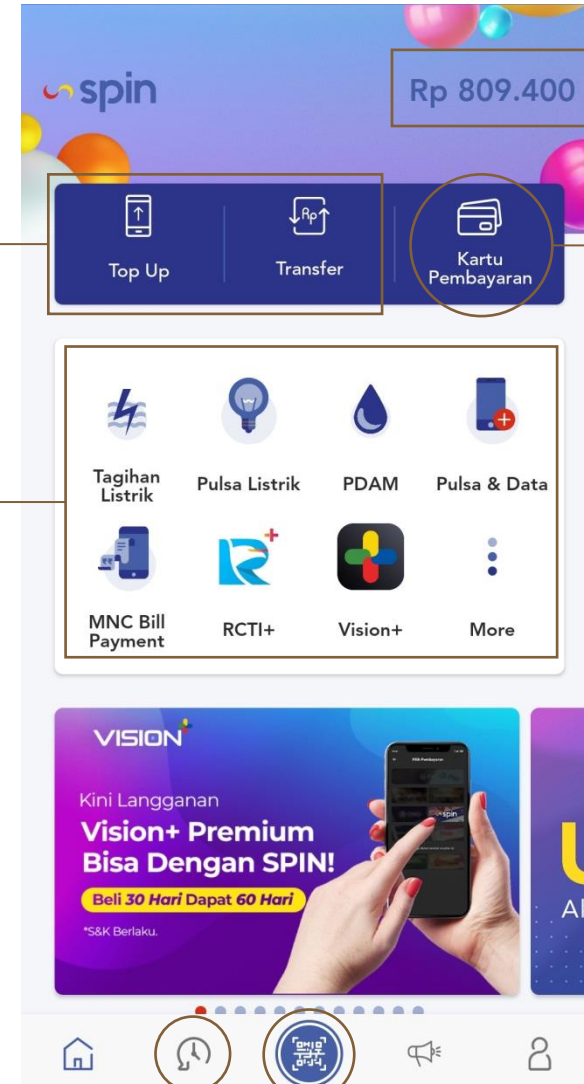
Mass product payments

Transaction history

Balance

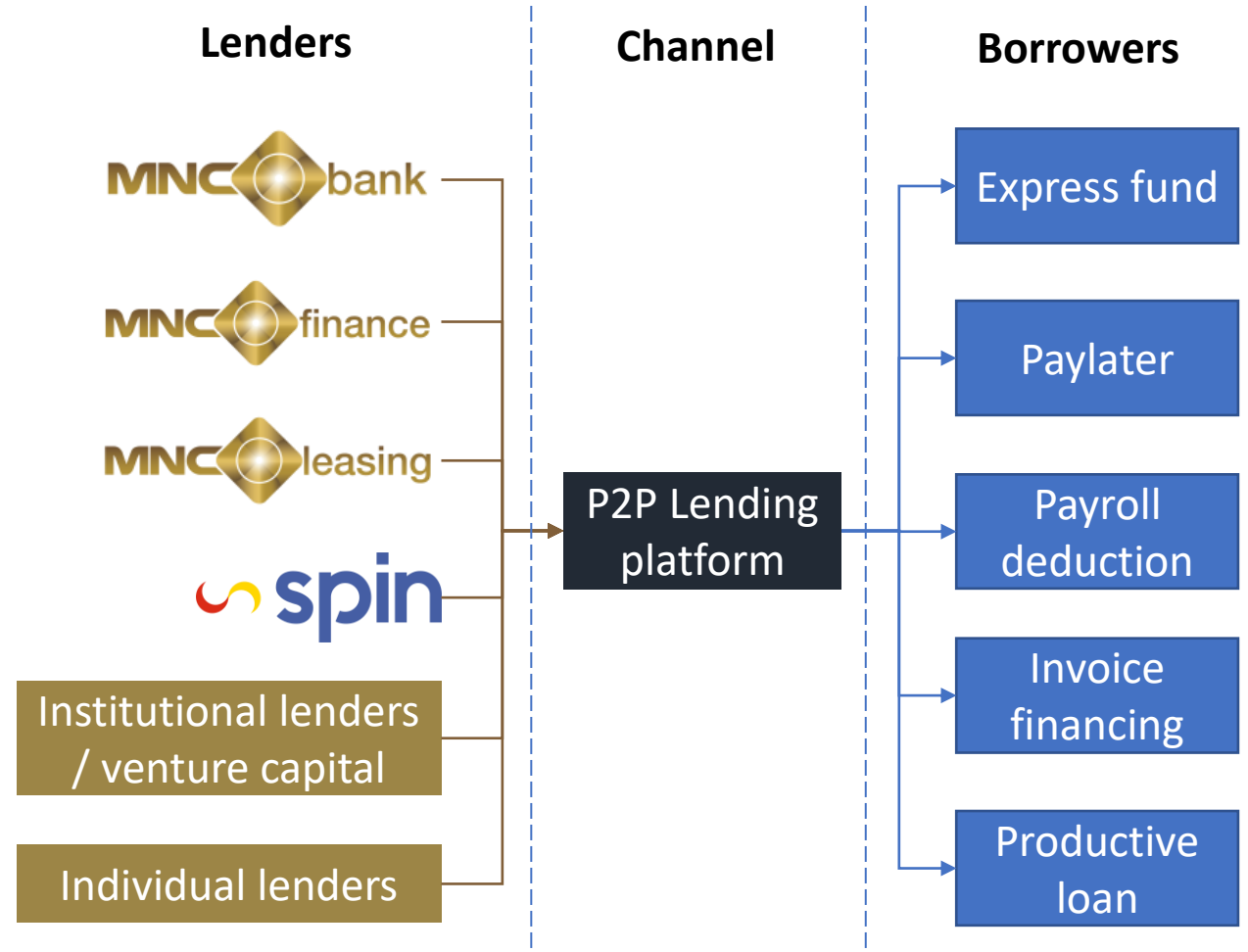
E-wallet, to save credit card

QRIS scanner (incl QRIS on TV)



In the Pipeline – P2P Lending

- Broader/nationwide customer-base with digital on-boarding
- As channeling agent for MNC Bank, MNC Finance and MNC Leasing
- Leverage MNC Group's ecosystem to minimize risks
- Implement AI based credit scoring using MNC Group's big data and analytics

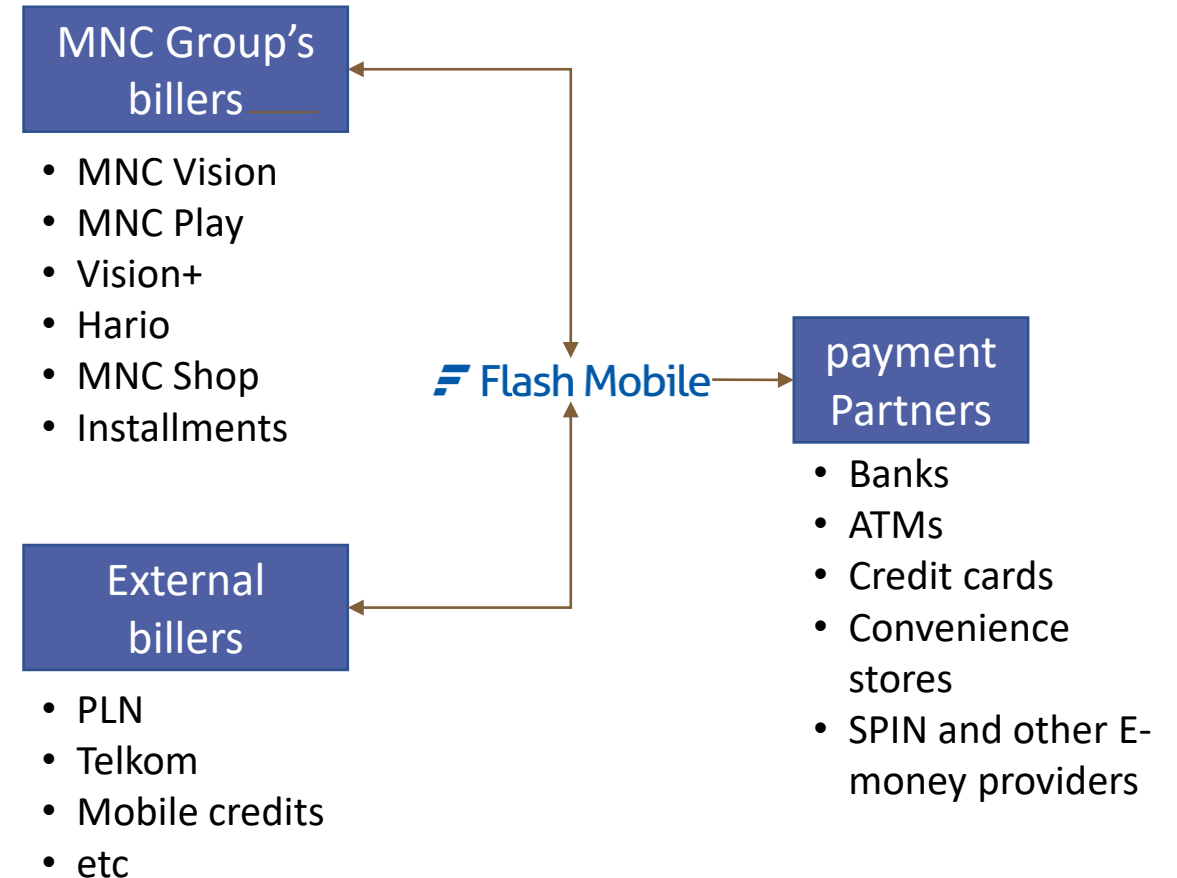


Flash Mobile

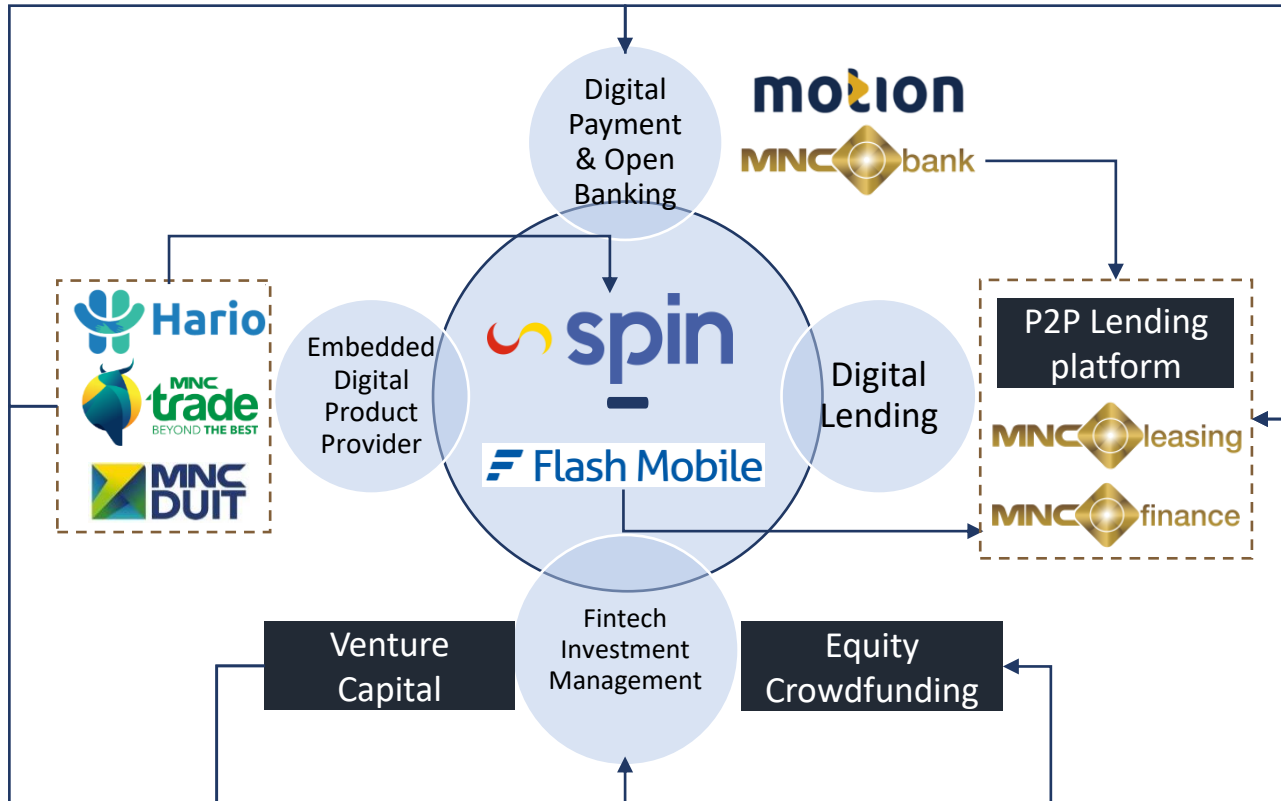
- Acquired this year, Flash Mobile is a payment gateway and biller aggregator company. Expected to be fully licensed this year, Flash Mobile is underway for PCI DSS (highest security standard certification)
- Flash Mobile serves as the most integrated payment gateway and biller aggregator both for MNC Group, and soon for external partners as well

Payment Gateway is a service provider that authorizes credit/debit cards, e-money or direct payments processing for e-businesses and online retailers

Biller aggregator is payment switching that connect between billers and customers using third party networking system such as banks, convenience stores, e-commerce and many more



Digital MNC Financial Services Blueprint



- MNC Bank, MNC Leasing and MNC Finance will use available funds or funds received from venture capital to channel loans from P2P lending platform and equity crowdfunding (ECF), where SPIN and Motion users can also participate as individual lender/investor
- MNC Sekuritas can help their ECF companies to grow the business until IPO
- SPIN will act as the financial deepening agent for Motion and other digital platforms to get new customers (combined account opening)
- Hario, MNC Trade and MNC DUIT as insurtech and investment app will provide embedded financial products, ie: auto invest and cross sell, to support users manage their financial
- Flash Mobile will act as the payment gateway, biller management, big data, and identity management.

Group Loyalty system to connect MNC Group



- The loyalty points will unify all MNC Group's point systems and redemption
- Customers earn points on every transaction, which can be redeemed to increase attachment, engagement and loyalty to stay within MNC Group's ecosystem
- With our large customer base, MNC Group loyalty points enable cross-selling, upselling and support event driven offering, which in turn will generate better customer behavior insights and real time analytics





Financials

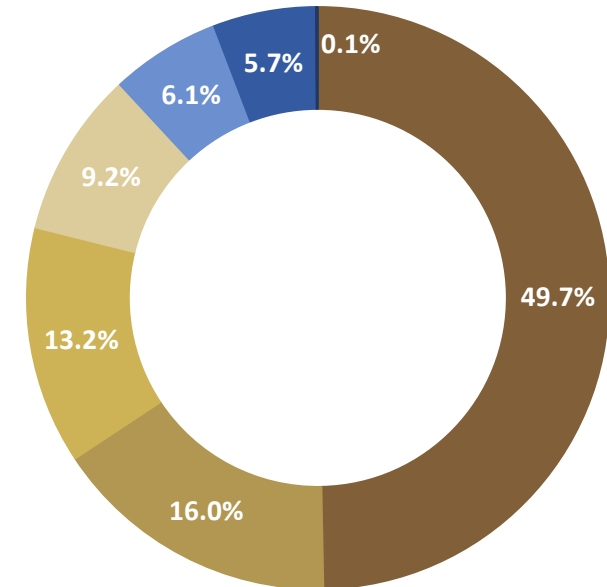
Financial Highlights 1H 2020

in million Rupiah	1H 2020	1H 2019
Profit and Loss		
Revenues	1.207.566	1.329.544
Net profit (loss) before tax	(2.163)	20.035
Net profit for the period	8.722	25.501
Total net profit attributable to :		
- Owners of the company	6.716	22.960
- Non-controlling interests	2.006	2.541
Total comprehensive income (loss) for the period	(46.969)	64.671
Total comprehensive income (loss) attributable to :		
- Owners of the company	(52.115)	56.232
- Non-controlling interests	5.146	8.439
Earnings per share <small>(in full Rupiah)</small>	0,17	0,60
Balance Sheet		
Total assets	17.431.337	18.387.352
Total liabilities	12.061.281	12.667.420
Total equity	5.370.056	5.719.932
Ratios		
Profit (loss)* to assets ratio (%)	0,08	0,12
Profit (loss) to assets ratio (%)	0,10	0,14
Profit (loss)* to equity ratio (%)	0,25	0,40
Profit (loss) to equity ratio (%)	0,32	0,45
Profit (loss)* to revenues ratio (%)	0,56	1,73
Current ratio (%)	102,57	107,59
Liabilities to equity ratio (%)	224,60	221,46
Liabilities to assets ratio (%)	69,19	68,89

*Net income attributable to owners of the company

1H 2020 Revenue Contribution

*stand alone basis

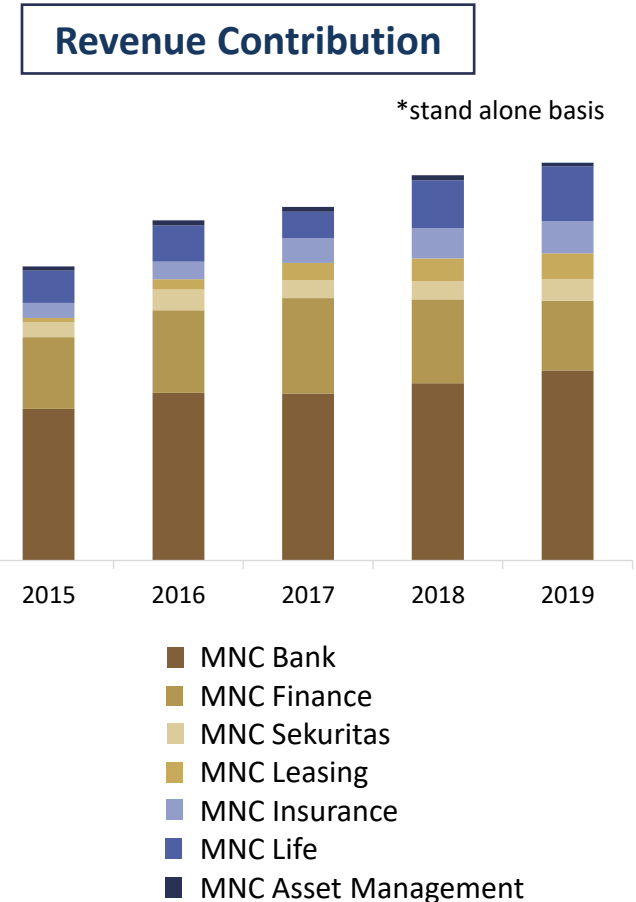


- MNC Bank
- MNC Finance
- MNC Life
- MNC Insurance
- MNC Leasing
- MNC Sekuritas
- MNC Asset Management

Historical 5 years

in million Rupiah	2019	2018	2017	2016	2015
Profit and Loss					
Revenues	2.737.029	2.661.759	2.386.245	2.287.344	1.953.738
Income (Loss) Before Tax	82.312	180.489	(980.719)	(57.795)	(50.635)
Net income	56.482	153.877	(737.629)	(38.941)	(38.336)
Total net income attributable to :					
- Owners of the company	46.787	119.835	(334.654)	(45.713)	(43.249)
- Non-controlling interests	9.695	34.042	(402.975)	6.772	4.913
Total comprehensive income for the period	93.737	103.545	(779.107)	(100.543)	21.054
Total comprehensive income attributable to :					
- Owners of the company	75.105	77.485	(381.776)	(107.639)	(19.862)
- Non-controlling interests	18.632	26.060	(397.331)	7.096	40.916
Earnings (loss) per share ^(in full Rupiah)	1,21	3,13	(8,74)	(9,22)	(10,33)
Balance Sheet					
Total assets	18.385.005	18.762.724	19.883.263	22.216.019	19.394.669
Total liabilities	12.839.026	13.015.396	14.255.743	15.810.740	14.190.663
Total equity	5.545.979	5.747.328	5.627.520	6.405.279	5.204.006
Ratios					
Profit (loss)* to assets ratio (%)	0,25	0,64	(1,68)	(0,21)	(0,22)
Profit (loss)* to equity ratio (%)	0,84	2,09	(5,95)	(0,71)	(0,83)
Profit (loss)* to revenues ratio (%)	1,71	4,50	(14,02)	(2,00)	(2,21)
Current ratio (%)	104,20	102,68	101,44	105,80	102,83
Liabilities to equity ratio (%)	231,50	226,46	253,32	246,84	272,69
Liabilities to assets ratio (%)	69,83	69,37	71,70	71,17	73,17

*Net income attributable to owners of the company





Subsidiaries

- 01. MNC Bank
- 02. MNC Finance
- 03. MNC Sekuritas
- 04. MNC Leasing
- 05. MNC Insurance
- 06. MNC Life
- 07. MNC Asset Management
- 08. MNC Teknologi Nusantara

- Acquired in 2014, 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

Products and services

- **Individuals**

Deposit: savings, current and time deposit

Loan: asset-backed, housing and unsecured

Multi-purpose

Credit cards

Debit cards

- **Corporates**

Deposit: savings

Loan: working capital, investment

Treasury: FX transaction, retail bond

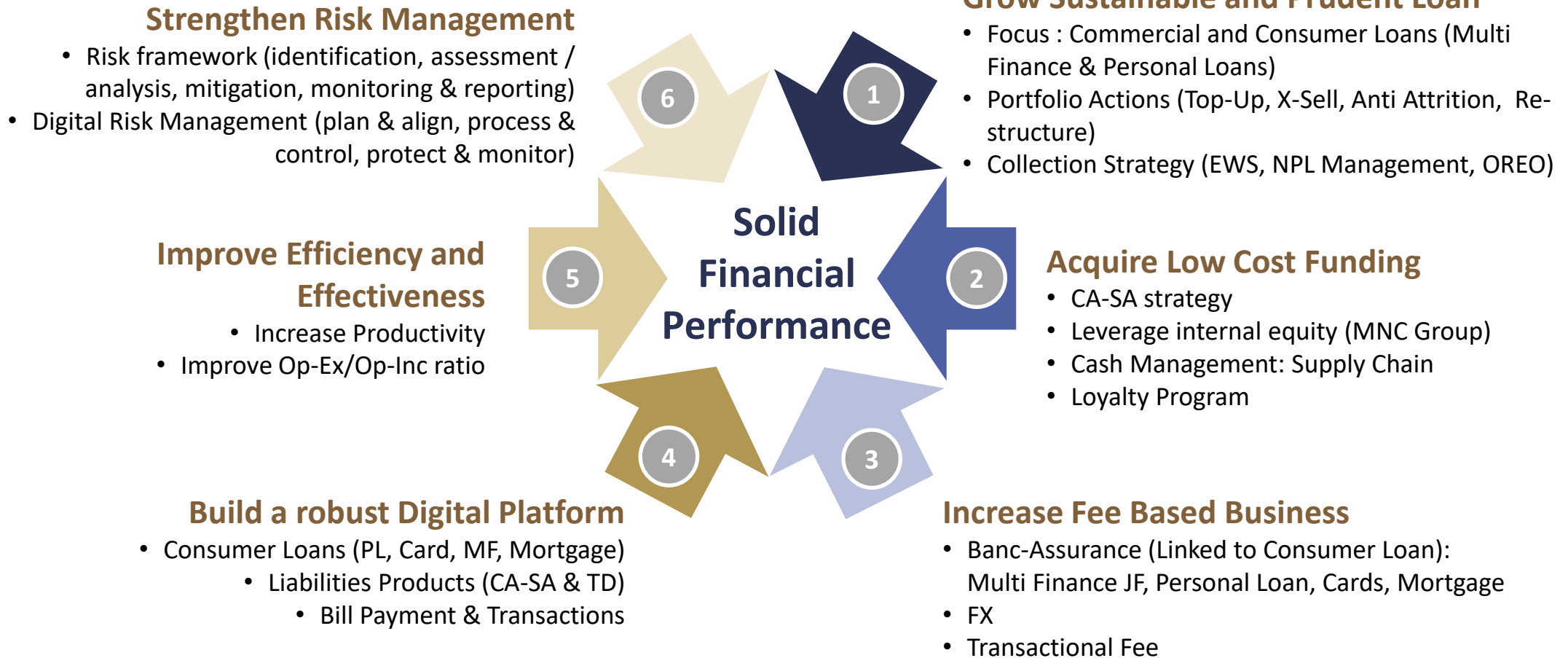
Trade financing: import and domestic transactions

Accessibility

- MNC Bank is investing on the development of sophisticated mobile banking and internet banking
- Has a total 128 Distribution Networks (Branch + ATM).
- MNC Bank Networks incorporated with National Payment Gateways (GPN), Jaringan Prima, ATM Bersama with access of more than 169,000 ATMs

Head Office	Operational Office	Main Branches	Sub Branches	Cash Offices	ATMs
1	1	16	20	13	77

As of August 2020



- Acquired in 2003, MNC Finance is primarily engaged in the consumer financing business, including (i) used car financing; (ii) car refinancing; (iii) multi-purpose financing and (iv) factoring

Accessibility

- Besides physical offices and salespersons around Indonesia, MNC Finance's products also actively marketed on online platforms such as Bang Kredit Mobile, Bursa Mobil and Bursa Rumah supported by digital marketing through Google Adwords, Facebook, Instagram

Products

CAR FINANCING

Financing facility provided to customers who purchase used cars from MNC Finance partners' car showrooms

Portfolio share: 36%

CAR REFINANCING

Financing facility provided to customers who need cash by **refinancing** their own cars, mainly for productive purpose

Portfolio share: 30%

PROPERTY REFINANCING

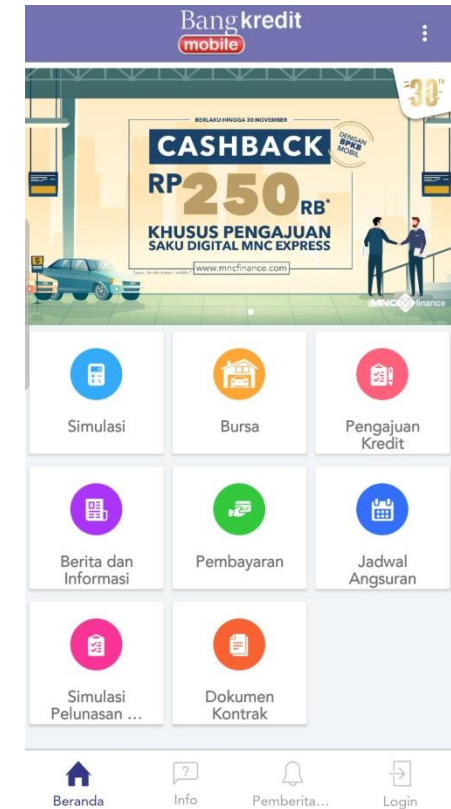
Financing facility provided to customers who need cash by **refinancing their own properties** (houses), mainly for productive purpose

Portfolio share: 25%

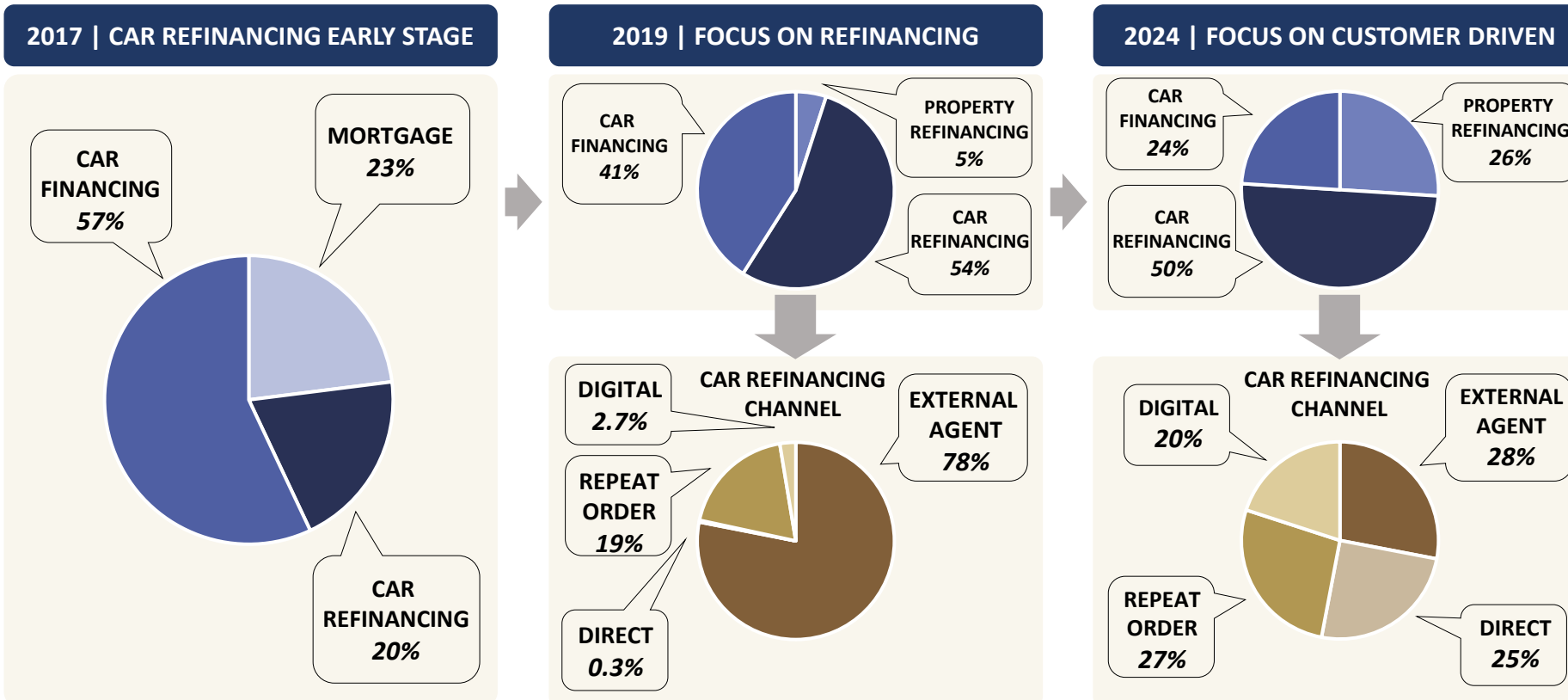
FACTORING

Financing facility to support business partner (supply chain) with maximum tenure of 1 year

Portfolio share: 9%



*Portfolio 1Q2020



WHY FOCUSING ON REFINANCING :

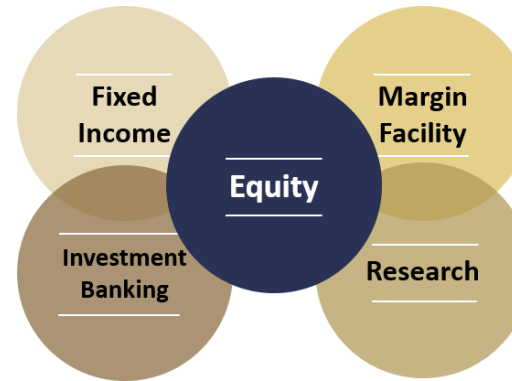
- Both selling interest rate of Property Refinancing and Car Refinancing are 2% higher than Car Financing.
- Acquisition cost of External Agent in Car Refinancing is 2% lower than Car Financing through showrooms, while Property Refinancing is lowest.
- Higher NIM in Property Refinancing than Mortgage.

WHY FOCUS ON CUSTOMER DRIVEN MODEL :

- In Car Refinancing, acquisition cost through Digital, Direct and Repeat Order are 1%-2% lower than through External Agent.

Established in 1989, 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

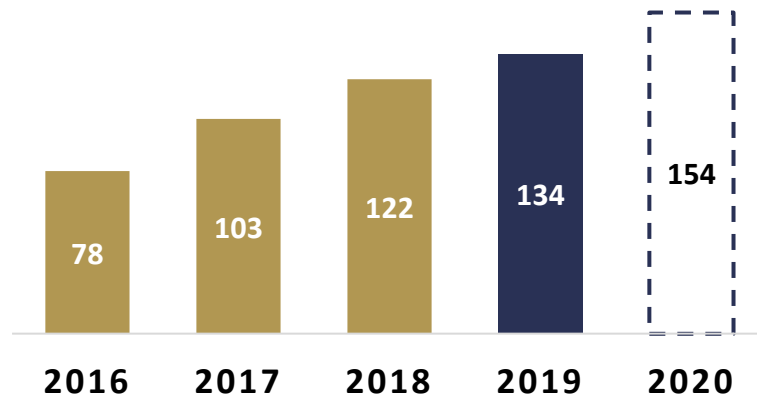
Products



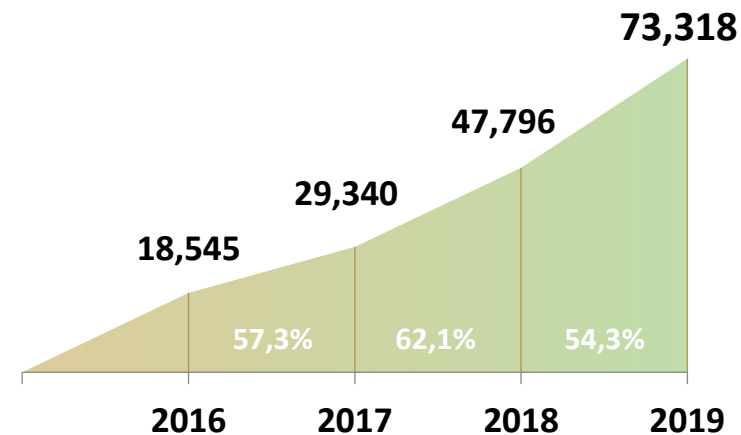
Strong Points

- **The best** online trading system in the market
- **135 points of sales.** The widest distribution network in Indonesia
- Up to **70 products.** The most complete and innovative products and services

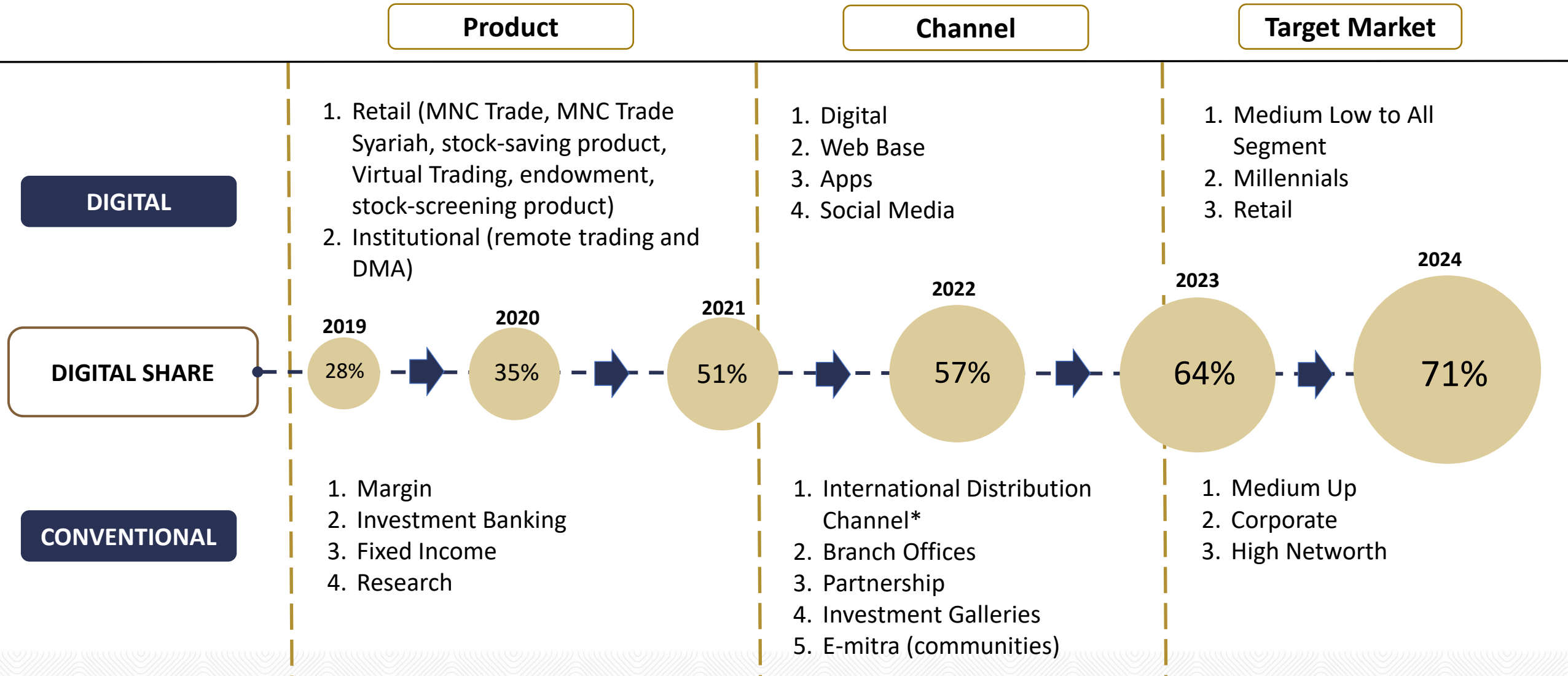
Point of Sales Growth



Client Growth



*Total SID (stock): 709,758
Source: KSEI
*Total broker: 103 securities houses
Source: IDX
*Industry average = 6,890 investors



- Acquired in 2014, MNC Leasing focuses on providing asset financing for productive 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 financing

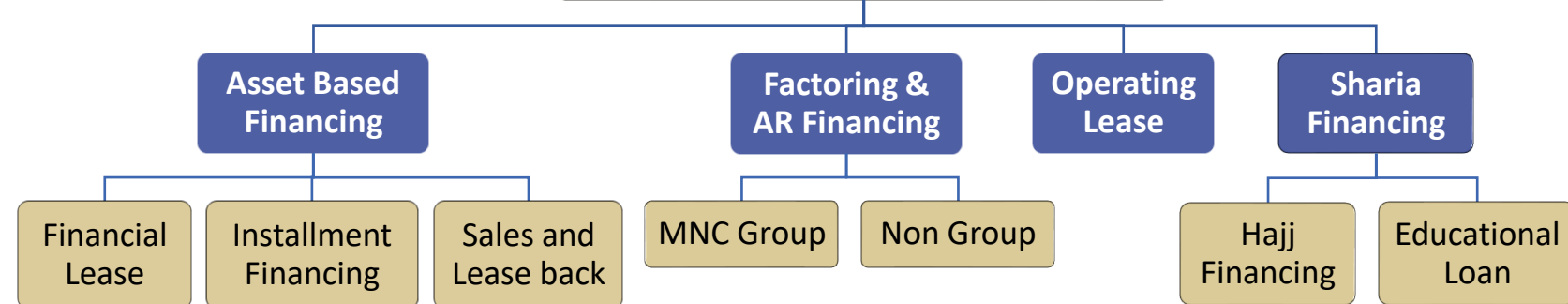
Bank partner



Brand partner



Products



Accessibility

- 15 representative offices throughout Indonesia
- MNC Leasing mobile app

04. MNC Leasing - Strategy to Strengthen the Business

Collaboration

- Strengthen and expand collaboration with brand holders in Heavy Equipment, Commercial Vehicle, Machinery, and Medical Equipment businesses

Product Enhancement

- Focus on short-term financing for LKPP / e-catalog and collaborate with Covid19 referral hospitals for procurement of equipment
- Focus on providing factoring for medical equipment financing for handling Covid19
- Product diversification with focus on low risk financing products and low acquisition cost through digital marketplace such as Hajj Financing
- Maximizing growth in asset-based financing by expanding source of fund (especially: offshore bank)

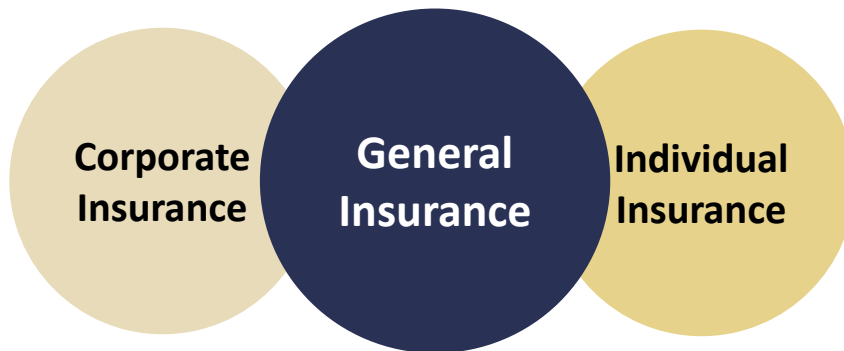
Synergy with MNC Group

- Explore supply chain financing related to MNC Group
- Increase amount of cross-selling and joint-marketing campaign
- Digitalization synergy with SPIN (MNC Teknologi Nusantara) for Sharia business (hajj financing)
- Promotion campaign through MNC Media Channel

PT MNC Kapital Indonesia Tbk acquired PT Jamindo General Insurance on December 20th, 2011 and changed its name to PT MNC Asuransi Indonesia.

Products

MNC Insurance provides various of general insurance products motor vehicle, property, travel, personal accident, liability, aviation, heavy equipment, satellite, engineering and others.



Business Model

- Conventional channel



Financial Institution



Broker



Agent



Direct

- Digital Channel



Apps/Website



B2B & B2C



E Commerce

Distribution channels



22 branches



62 brokers

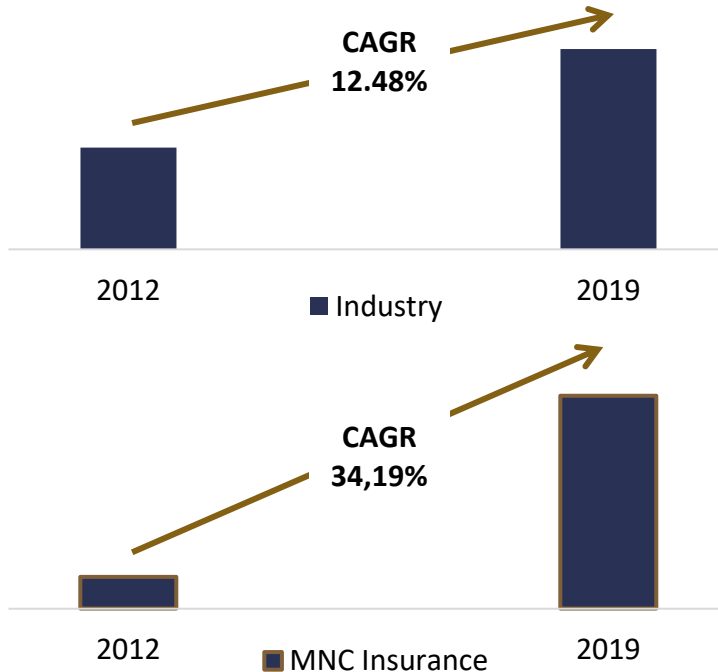


112 registered agents



40 financial institutions

CAGR in Gross Written Premium MNC Insurance vs Industry



Year	Industry	MNC Insurance
2012	IDR 35 trillion	IDR 82 billion
2019	IDR 80 trillion	IDR 642 billion

Marketing Strategy

Short Term

- Continue expanding sales channels
- Leverage group strength through several synergy initiatives
- Enhance IT system to prepare for digitization
- New channel as part of digital strategy established

Conventional

- Broker : focus on good reputation brokers
- Agency: focus on quality agents
- Group : synergy with business unit , partnership and vendor of MNC group
- Direct : focus on SME business
- Financial institutions : build more co-operation with top 5 multi-finance companies and banks

Medium and Long Term

- Competitive advantage through enabling technologies
- Improved business performance through optimization: process optimization and customer centricity
- Corporate structure and infrastructure ready for evolving channel and customer behavior
- Further expanding synergy initiatives

Digital

- Direct sales through apps including super apps
- Innovation for digital product
- Collaboration with MNC group ecosystem (All Business Unit, Partnership, and Vendors) for apps promo and sales such as Mister Aladin for travel, SPIN for payment, RCTI+ for promo program
- Build strong partnership with reputable insurtech and e-commerce

- Acquired in 2010, 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

Products and services

- **Individual**
 - Life insurance and unit link
 - Health and accident insurance
- **Hario Apps**
- **Group Insurance**

Accessibility

- 18 offices throughout Indonesia
- Mobile application Hario App provides affordable life, health and accident insurance

Branches

Representatives

12

6

As of April 2020

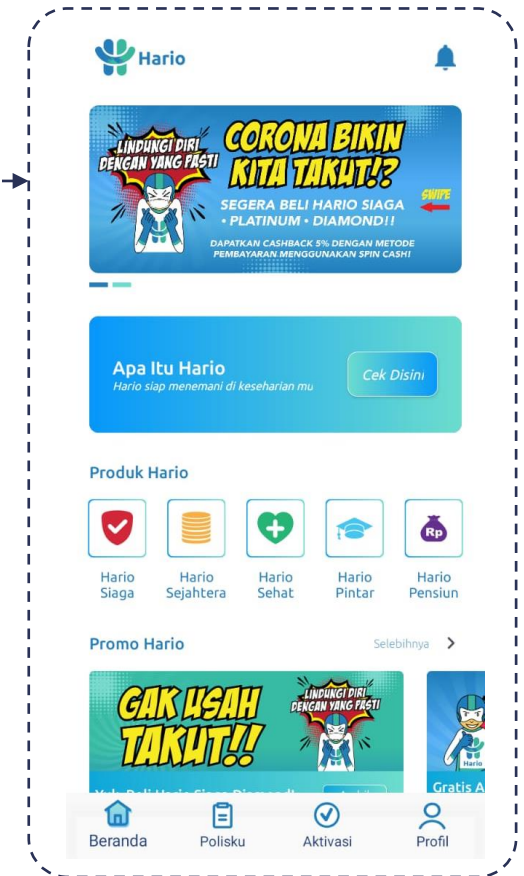
Partners

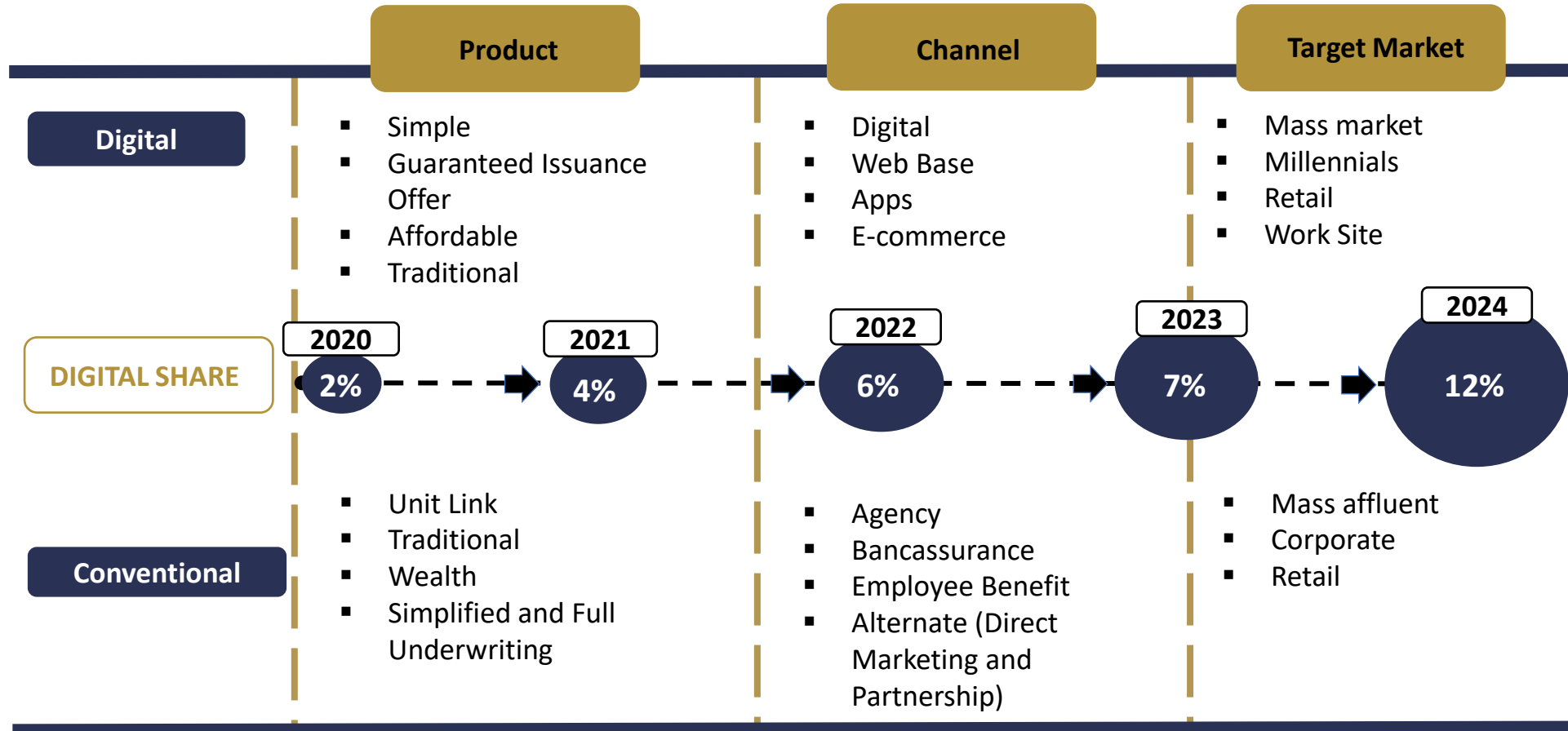
Banks: MNC Bank, BJB, UOB, Bank Index, BPR Akasia Mas, BPR Artha Kelola, Bank Dassa

Non-Banks: MNC Finance, Reliance Finance, Otomas Multifinance, Wannamas Multifinance, Asia Multidana Finance, Nusantara Broker, Adonai Broker, Alun Grup, Gading Prima Honda, Atlas Copco, Ryder Indonesia, Zebra Asaba

E-commerce: ION, YesDok, Futuready

Agency: 800 Agents





Established in 1999, MNC Asset Management offers services ranging from mutual funds, private equity as well as discretionary accounts

Products and services

Various mutual funds products (conventional and sharia based)

- Money Market
- Fixed Income
- Balanced
- Equity
- Capital Protected
- ETF (Exchange Traded Fund)

Key Revenue



Infrastructure Investment Fund

REIT

Others

Distribution Channels

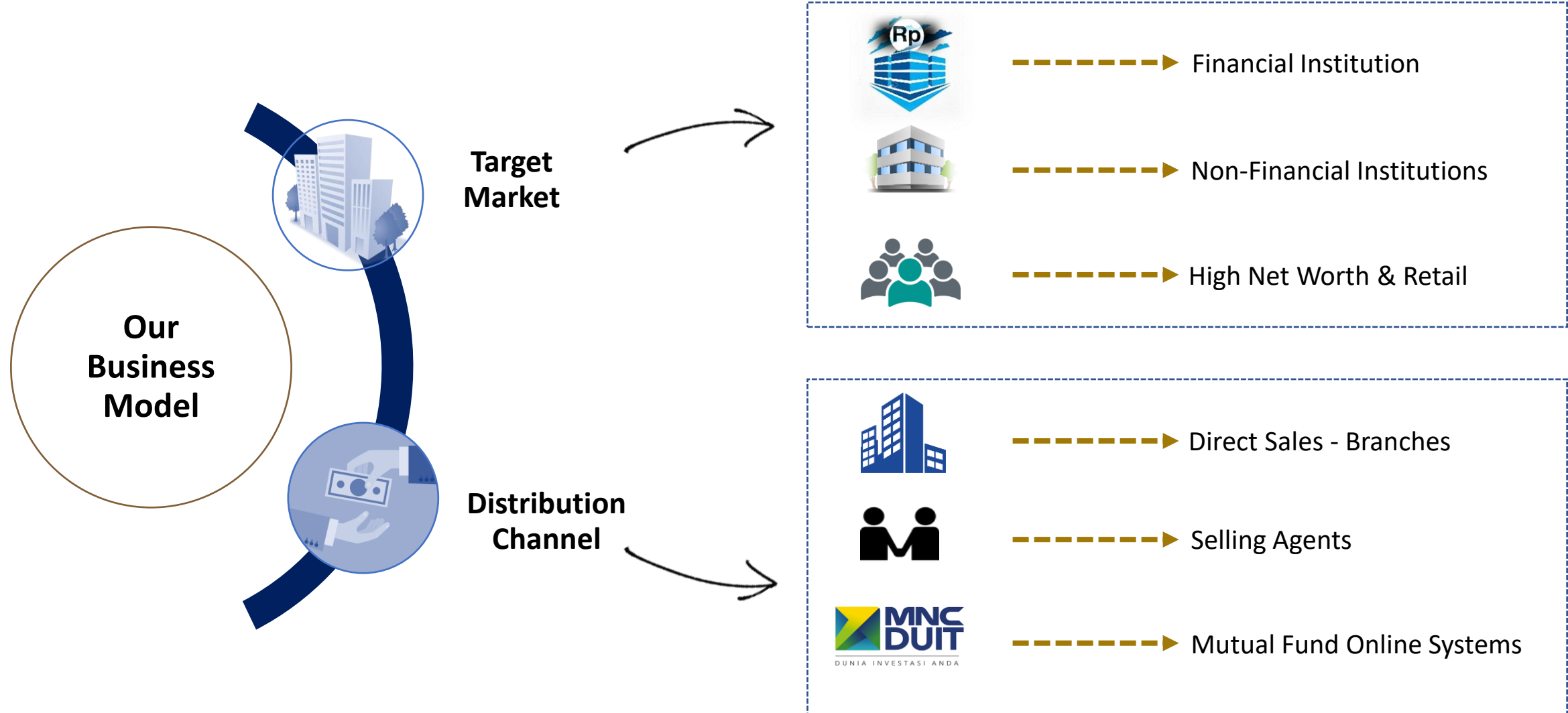
- 6 branches
- Selling Agents



- Online Mutual Funds Platform:



DUNIA INVESTASI ANDA



- MNC Teknologi Nusantara (“MTN”) provides online financial services, including e-money, e-wallet and digital remittance
- MTN offers integrated payment services to become the digital distribution channel and one stop financial service digital solutions for MNC Group

Milestone

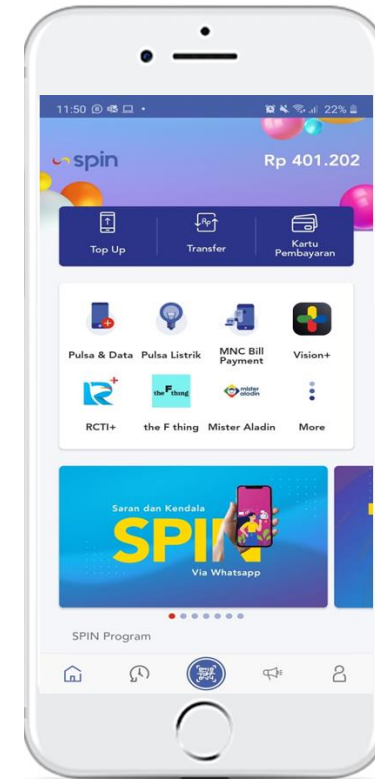
- **2018**
Establishment of MTN
- **Oct 2019**
Obtained BI licenses to operate as e-money, e-wallet and digital remittance provider
- **Nov 2019**
Soft launch
- **Mar 2020**
Obtained BI licenses for QRIS

Products and services

- E-money, e-wallet, digital remittance provider
- QRIS compatible
- Digital financial advisor
- Mobile credit top up
- Water, electricity bill payment
- MNC Group services payment
- QRIS on TV

Target Market

More than 149 million MNC Group’s users



Smart Payment Indonesia (SPIN)

a complete ecosystem



Key Features

- MNC Teknologi Nusantara (MTN) is a subsidiary of MNC Kapital focusing on integrated Fintech ecosystems
- E-money, e-wallet, digital remittance, QRIS – MPM (**fully licensed** by Bank of Indonesia)
- QR Indonesia Standard (**QRIS**) compatible
- Ecosystem includes extensive bill payments, QRIS on TV, and soon channeling for micro financing, insurance and wealth management
- Leads generation to all MNC Unit businesses using big data analytics and machine learning
- Personal financial management and robot advisory roadmap
- SPIN integrates Single ID, provides MNC Group-wide loyalty programs

THANK YOU

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