

PT BANK MNC INTERNASIONAL TBK



DIGITAL BANKING ON BOARD!



NOT RATED

PT Bank MNC Internasional Tbk (BABP IJ)

Financial Sector

Digital Banking On Board!

PT Bank MNC Internasional Tbk, also known as MNC Bank, provides integrated banking products and services for both corporate and consumer markets under the auspices of PT MNC Kapital Indonesia Tbk or "MNC Financial Services" (subsidiary of MNC Group). MNC Bank is now claiming the digital sphere with MotionBanking.

Provides End-to-End Digital Banking System to Create Future Growth

BABP expect to scaling-up its business by FY25F through a robust digital banking development supported by a captive market from MNC Group's ecosystem. Thus, BABP launched digital bank "MOTION". Targeting retail customers of Indonesia's citizens home and abroad, MotionBanking provides online lending, artificial intelligence for credit scoring comes with various transaction features and offers the convenience of doing all banking transactions through smartphones. BABP targets to acquire ~30mn number of accounts (NOA) by FY25F, on the back of MNC Group's captive market. Hence, BABP expects its loan to grow by 137.7% CAGR FY21E-FY25F. MotionBanking will implement the concept of Open Banking and Open API to provide seamless integration with both internal and external MNC Group's ecosystem, enriching its users with various digital products.

Strong Competitive Advantage: Leveraging MNC Group's Ecosystem

We strongly believe BABP has a better bargaining position among others banking institutions in Indonesia. As part of MNC Group, BABP is positively buoyed by the well-known MNC Brand as the largest and most integrated Media Group in South-East Asia, allows them to rapidly expand distribution networks and business partnerships. In order to achieve the Company's goal as a modern, digital and integrated banking institution, all business line of BABP has opportunity to capitalize MNC Group ecosystem which has the largest userbases in Indonesia, with more than 390mn userbases, including : 1) Combined Pay TV subscribers, which now reach nearly 9mn and growing 3-4mn annually; 2) 70mn monthly active users (MAU) from OTT and super apps through RCTI+ and Vision+; 3) Combined nation-wide FTA's audience shares of more than 53% during prime time through RCTI, MNCTV, GTV and iNews; 4) 75mn readers from portal userbase through Okezone, Sindonews, iNews and Celebrities portals every month; 5) 253mn subscribers and followers on social media and other platforms (YouTube, Facebook and Tiktok), with accumulative views of more than 42bn.

Right Issue Agenda to Support Story Growth

BABP plans to raise capital through a right issue, targeting up to 14,234,614,925 series B shares with the nominal value of new shares is IDR50/share (max. 33.33% of the total paid-in capital after the right issue). The total proceed will be used for : 1) Strengthening MNC Bank's capital structure; 2) Expanding MNC Bank's lending capacity digitally and users acquisition to support business growth; 3) Supporting the development of MotionBanking app, including the development of AI based credit scoring and the integration of MotionPay and virtual creditcards (Visa and Mastercard) and other related fintech.

Digital Value Creation is Creating Re-Rating in Valuation

Based on Mckinsey and case of KakaoBank, the valuation method using for digital bank is per-Customer Value based. Average deposit per user for Asia Digital Bank is around USD700-USD1,040 per users. Meanwhile the Gojek users around 38 mn in Nov-2020. Assuming the 40% of the current Gojek's users will become ARTO's customers, the est. valuation of ARTO is around USD10.5 bn, on the back of 15mn potential subscriber with USD700 deposit per user. We run the numbers to show how this is possible boosting up BABP valuation. Based on the conservative scenario, the Company set 3.75mn NoA in FY22F or equal to only 1% of 390mn users base of MNC group's ecosystem. With the equal assumption of average deposit per user at USD700 and total equity is IDR6.17 tn in FY22F, the est. valuation of BABP could be USD700 x 3.75mn = USD2.63 bn, which implies 6.0x of PBV FY22F (vs currently traded at 5.43x PBV).

Key Financial Highlight

YE Dec (IDR bn)	FY16	FY17	FY18	FY19	FY20
Net Interest Income	366.85	344.69	387.47	403.50	368.53
Net Profit	9.35	(685.19)	57.02	20.43	10.41
EPS (IDR)	0.51	(33.19)	2.66	0.88	0.41
PER (x)	228.07	(3.11)	37.39	104.35	223.80
BVS (IDR)	80.27	54.05	61.70	67.29	61.23
PBV (x)	1.15	1.70	1.49	1.37	1.50
ROE (%)	0.62	(48.91)	5.43	1.84	0.88
ROA (%)	0.11	(7.47)	0.74	0.27	0.15

Sources: BABP, MNCS

Stock Data

Curent Price	: IDR276
52wk Range H-L	: IDR450-50
Share Outstanding	: 25,333 mn
Mkt Capitalization	: IDR7.00 tn

Major Shareholders

PT MNC Kapital Tbk	: 50.43%
Public & Others	: 49.57%

MNCS Team Coverage

research@mncsekuritas.id
(021) 2980 3111

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 BANK MNC INTERNASIONAL TBK, ITS SHAREHOLDERS IN THE OFFERING.

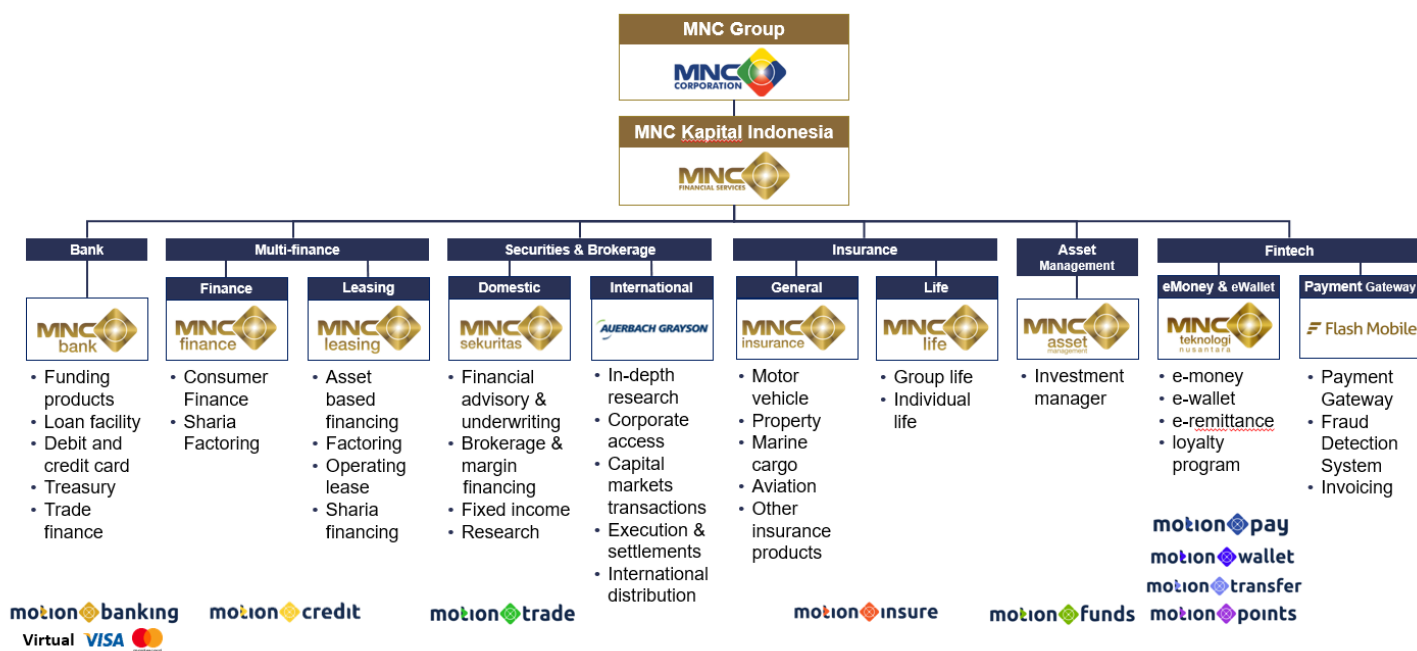
COMPANY PROFILE

The Most Integrated Banking Solution...

PT Bank MNC Internasional Tbk (BABP IJ) or “MNC Bank” is one of reputable bank, with more than 20-years of track record in Indonesia. BABP becomes one of the most integrated banking companies in Indonesia, complete with various banking services offered under the auspices of PT MNC Kapital Indonesia Tbk or “MNC Financial Services” (subsidiary of MNC Group).

BABP has transformed by introducing digital banking with primary focus on retail customers, capitalizing MNC Group’s ecosystem. BABP is continuously nurturing the captive market of MNC Group which has more than 17,000 employees and around 390mn user bases.

Exhibit 01. BABP Company Structure

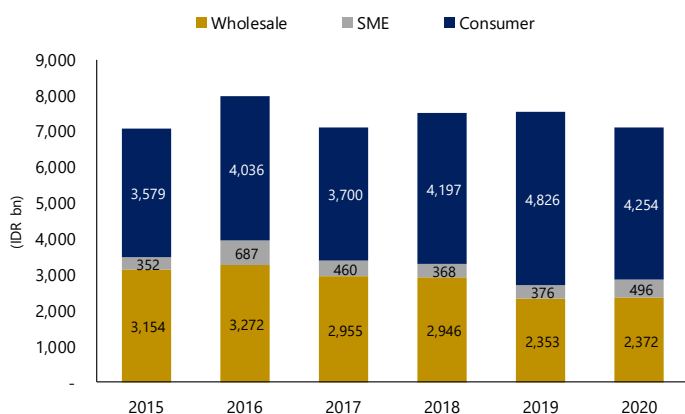


Source: Company

....with a Modern Digital Platform Focusing on Consumer and Commercial Segment

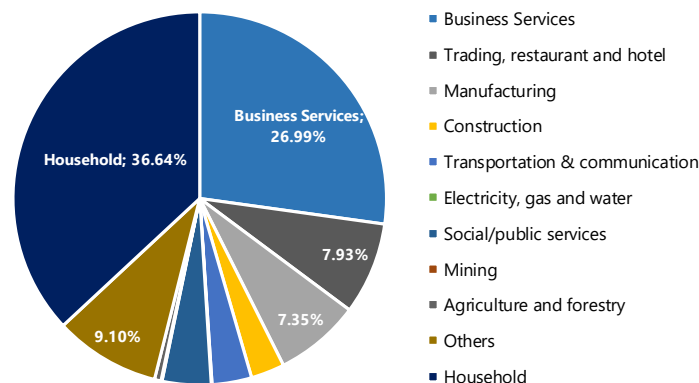
BABP set it’s eyes forward by focusing on the consumer segment. BABP kept it’s consumer portion above 50% in the past 5 years while the weight significantly increased to 63.88% of the total loan in FY20 from previously 55.88% in FY19, while wholesale portion decreased to 31.14%. The SME segments also rose to 4.98% of the total loan in FY20 from 4.90% previously. This strategy is align with MotionBanking development to become the most integrated digital banking application by integrating MotionPay (previously SPIN pay), MotionWallet (previously SPIN wallet), MotionTransfer (previously SPIN Transfer) and MotionVisa and Mastercard Credit Cards while taking advantage of the MNC Group ecosystem which has the largest user bases in Indonesia, with more than 390mn userbases, including: 1) Combined Pay TV subscribers, which now reach nearly 9mn and growing 3-4mn annually; 2) 70mn monthly active users (MAU) from OTT and super apps through RCTI+ and Vision+; 3) Combined nation-wide FTA’s audience shares of more than 53% during prime time through RCTI, MNCTV, GTV and iNews; 4) 75mn readers from portal userbase through Okezone, Sindonews, iNews and Celebrities portals every month; 5) 253mn subscribers and followers on social media and other platforms (YouTube, Facebook and Tiktok), with accumulative views of more than 42bn.

Exhibit 02. BABP Loans by Segment (IDR bn)



Source: Company

Exhibit 03. BABP Loans by Sector in FY20



Source: Company

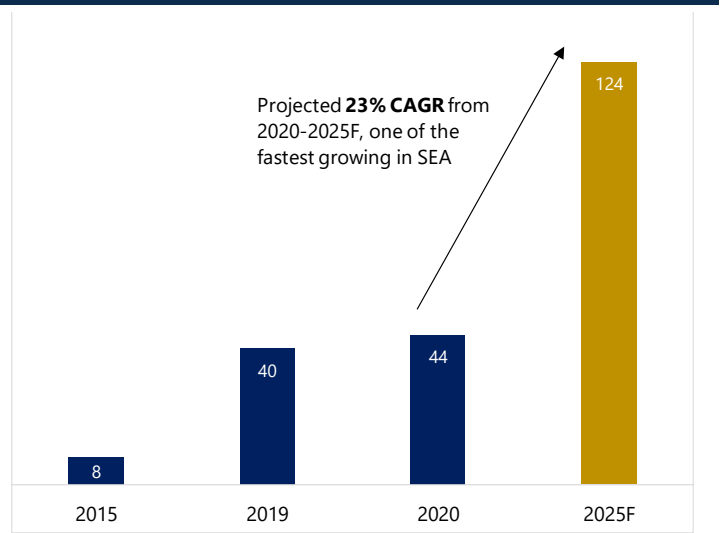
KEY CATALYST

Provides End-to-End Digital Banking to Create Future Growth...

Currently, several digital banking start-up that has gained momentum during the pandemic such as ARTO and BANK have tripled its valuation up to 200%-600% YTD since early 2021. According to McKinsey & Company research on digital banking in Asia, the full time equivalent (FTE) approach reveals that 30 top processes in banking use 50% of their cost, 20% of processes in banking services can be digitized and potentially can increase efficiency of 15%-20% of the total banking costs. McKinsey also stated that consumer adoption for digital banking experienced a significant increase. AT Kearney's analysis of the Banking Transformation Roadmap survey revealed that by FY20, 80% of the market share will be dominated by smartphone use.

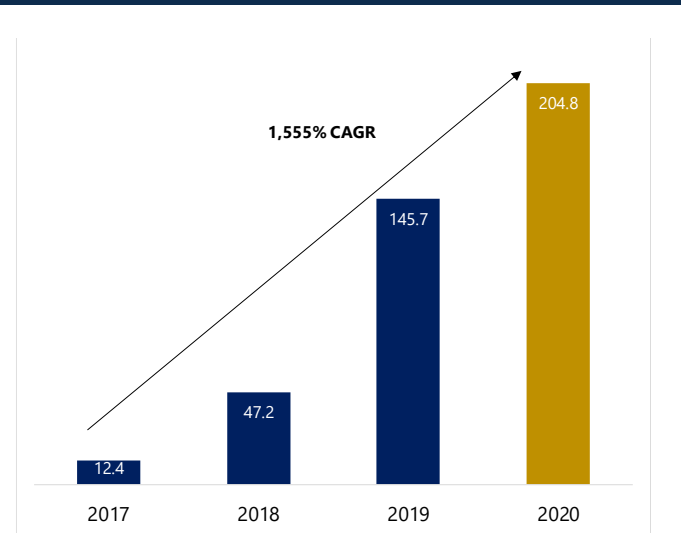
Through technology, banking in the future will be focused at several points, including: 1) invisible customer experience; 2) personalized banking; 3) maximizing data capacity; 4. product differentiation. According to company's presentation, Indonesian digital economy were projected to grow by 23% CAGR from FY20-FY25F, one of the fastest growing in SEA with amount total of USD124 bn in FY25F. Meanwhile, e-money transaction growing 1,555% CAGR (2017-2020) from IDR12.4 tn to IDR204.8 tn.

Exhibit 04. Indonesia's Digital Economy Size (USD bn)



Source: Google, Temasek, Bain, e-Economy SEA, Bank Indonesia

Exhibit 05. Indonesia's E-Money Transaction (IDR tn)



Source: Bank Indonesia

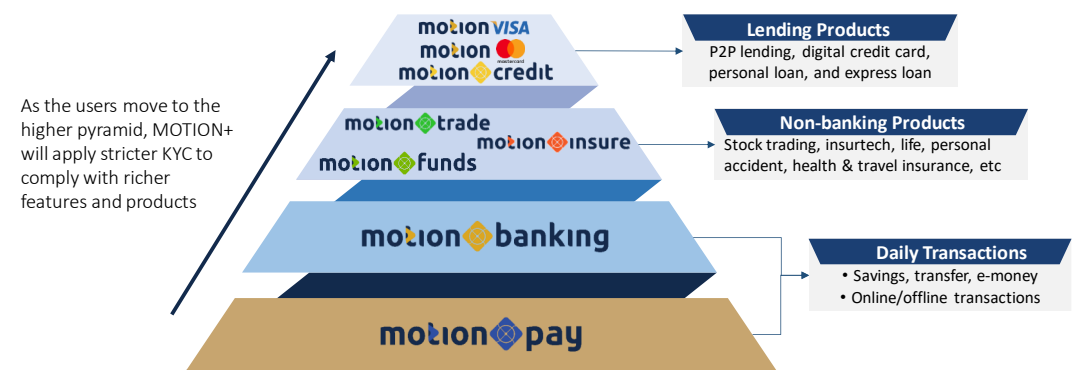
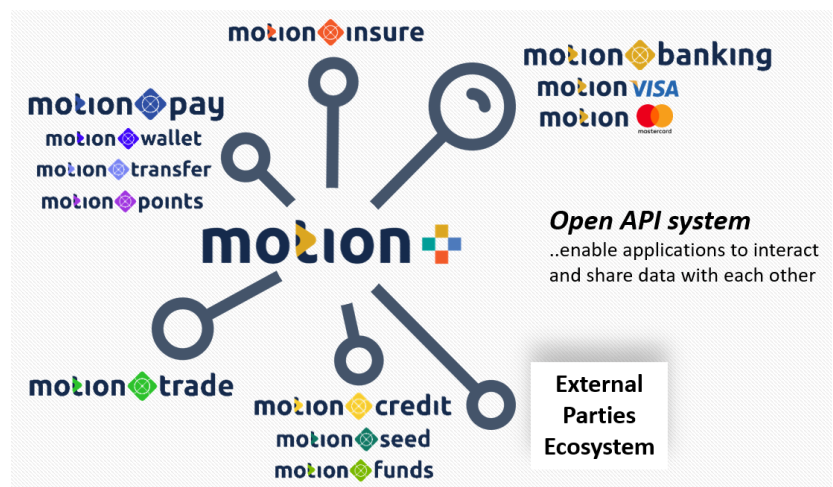
.... by Leveraging Big Data Analysis through MOTION Super Apps

BABP expect to scaling-up its business by 2025 through an aggressive MotionBanking development supported by a captive market from MNC Group. Thus, BABP launched digital apps "MotionBanking", a super app that provides online lending, artificial intelligence for credit scoring comes with various transaction features. MotionBanking offers the convenience of doing all banking transactions through smartphone which is available for Android and iOS. BABP targets to acquire ~30mn number of accounts (NOA) by FY25F, on the back of MNC Group's captive market. Hence, BABP expects its loan to grow by 137.7% CAGR FY21E-FY25F. MotionBanking will implement the concept of Open Banking and Open API to provide seamless integration with both internal and external MNC Group's ecosystem, enriching its users with various digital products.

MotionBanking will implement the concept of Open Banking and Open API to provide seamless integration with both internal and external MNC Group's ecosystem, enriching its users with various digital products. MotionBanking will open its door for third-party developers and the integration with other financial digital platforms.

BABP under MNC Financial Services is building a complete banking ecosystem solution, to provide financial management for everyone with Motion+ as the center platform to provides end-to-end financial services products. BABP will take advantage of potential synergies with ecosystem groups (MotionPay, MotionTrade, promotional facilities through FTAs, portals and social media, Userbase Pay TV and OTT). With lower assets, BABP tends to be more flexible compared to big commercial banks with relatively limited space. Previously, several banks, such as PT Bank Jago Tbk (ARTO IJ) acquired by the Indonesian tech firm, Gojek, also plans to transform into a digital bank.

Exhibit 06. Motion+ as the Gateway of Digital Financial Services



Source: Company

Strong competitive advantages: Leveraging MNC Group's Ecosystem

As a subsidiary under MNC Group, BABP has many benefits especially in the financial market through capital support, customer database, and channel distribution. During the digital transformation era, channel distribution is one of the keys to have more financial inclusion throughout Indonesia. MNC Group, as the most extensive and largest media, currently has 390mn user bases. Therefore, MNC group's support to develop BABP's business prospect remains solid and proven.

We strongly believe BABP has a better bargaining position among others digital banking players in Indonesia. As part of MNC Group, BABP is positively buoyed by the well-known MNC Brand as the largest and most integrated Media Group in South-East Asia that allows them to rapidly expand distribution network and business partnerships. To achieve the Company's goal as a modern, digital and integrated banking institution, all business line of BABP has the opportunity to capitalize MNC Group ecosystem which has the largest userbases in Indonesia, with more than 390mn userbases, including : 1) Combined Pay TV subscribers, which now reach nearly 9mn and growing 3-4mn annually; 2) 70mn monthly active users (MAU) from OTT and super apps through RCTI+ and Vision+; 3) Combined nation-wide FTA's audience shares of more than 53% during prime time through RCTI, MNCTV, GTV and iNews; 4) 75mn readers from portal userbase through Okezone, Sindonews, iNews and Celebrities portals every month; 5) 253mn subscribers and followers on social media and other platforms (YouTube, Facebook and Tiktok), with accumulative views of more than 42bn.

Exhibit 07. Motion+ Financial Ecosystem with MotionPay

Source: Company

Exhibit 08. Supported by MNC Group Digital Capability

1. Combined nation-wide FTAs audience share of 53% (prime time)
 - RCTI MNC TV GTV iNews
2. Combined Pay-TV subscribers of >9mn MAU
 - MNC play MNC vision KVISION
3. OTT and super apps >70mn MAU
 - RCTI+ VISION+
3. Portal userbase >75mn MAU
 - Okezone #JernihCapaiBeritanya Celebrities.id iNews.id #IniBaruBerita IDX
5. Social media and other platforms >253mn subscribers and followers
 - TikTok Facebook YouTube

Source: Company, MNCS

Creating Innovation in Financial Intermediary

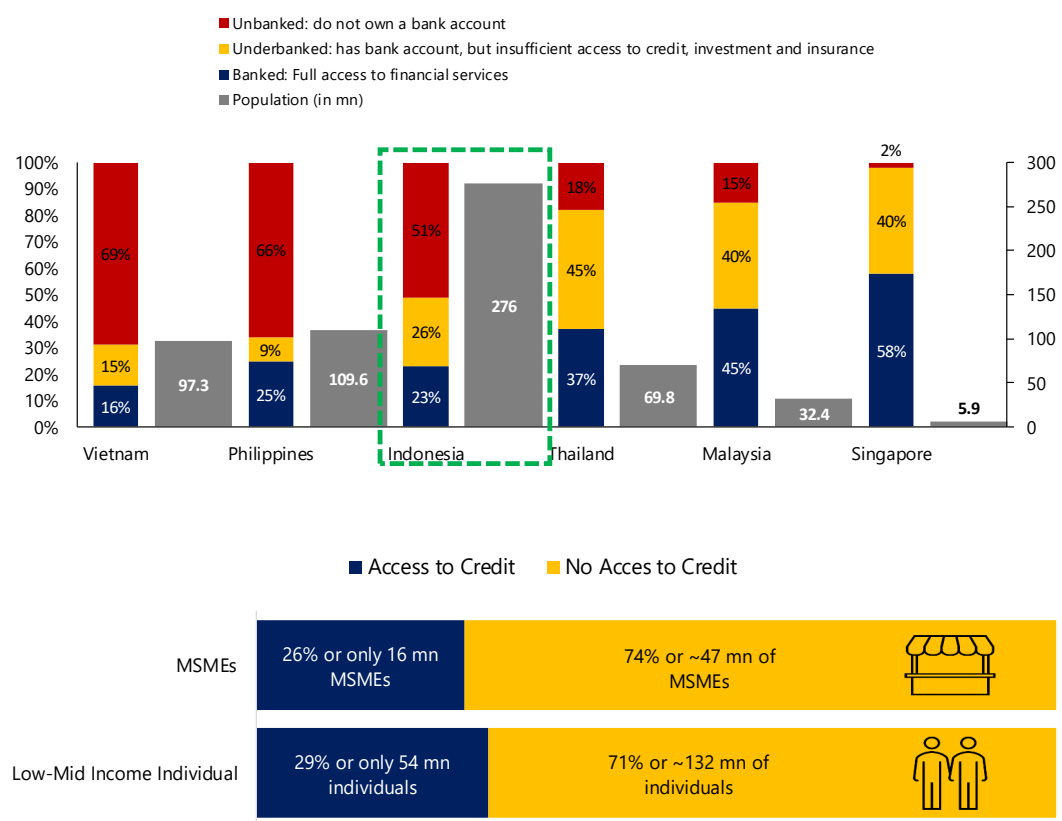
The establishment of a digital bank is divided into two types: 1) Setting up a new entity that fully operates as a digital bank which former bank will be submit licenses to the Financial Services Authority (OJK); 2) Transforming an already operational conventional bank into a digital bank (BBCA, BMRI, BBRI, BNGA, etc.).

Several digital banks' stocks more in the green zone following the potential OJK's regulation by the mid-year 2021. Smaller banks stocks skyrocket, including BANK (3,142% YoY) followed by ARTO (+1,354% YoY), AGRO I(+702% YoY) and BBYB (+92% YoY) due to the rising acquisition speculations as market foresees digital transformation within those banks. Most of the banks that rallied (excluding ARTO and AGRO) are those with core capital and equity size of more than IDR3 tn, which is the minimum core capital requirement by the end of 2022. Subsequently, a capital of IDR10 tn is required to establish a new bank. Provision regulation is currently in the drafting process by OJK hoping that it will be ready when digital banks start the operation. Digital banks must also have at least one office and fully digital services. Nowadays, ARTO and Gojek-Tokopedia, Sea Group through BKE, BANK and Shopee as well as BBCA transforming Bank Royal into a digital bank.

Indonesia has a relatively low financial inclusion, with a 51% unbanked population, compared to Singapore, Malaysia, and Thailand, at 2%, 15%, and 18% respectively. We believe there is an opportunity for greater financial inclusion through the use of Digital Financial Services (DFS) as 70% of those who are unbanked are mobile phone users. DFS may provide grounds for a breakthrough in the financial services sector, by utilizing existing mobile phone usage to minimize banking discrepancies. We expect digital banks to tackle the financing gap.

Large Market Opportunity of Servicing Underbanked & Unbanked

Exhibit 09. Banking Ratio to Population between SEA Countries and Indonesia's Banking Overview



Source: Company, MNCS

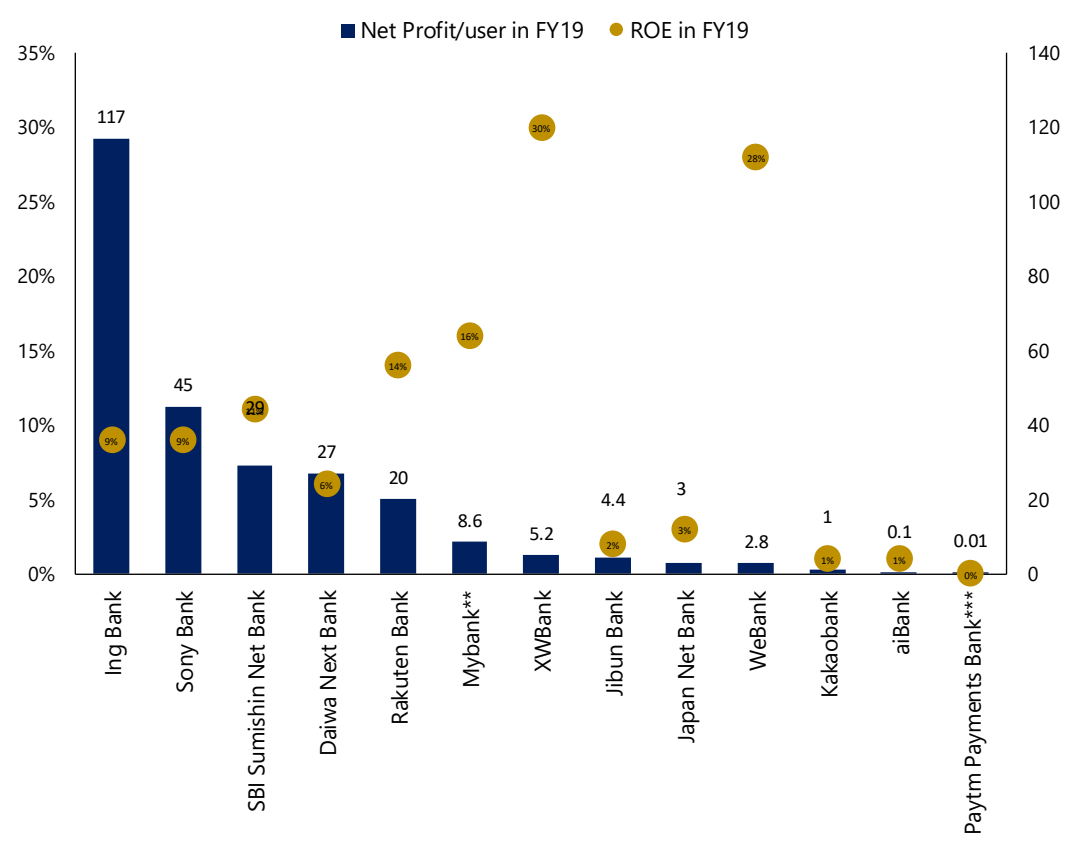
Please see important disclaimer at the back of this report

Overseas Success Story in Digital Banking

Digital banks certainly have advantages over conventional banks, given its lower operating expenses to reach broader range of potential customers. According to Asian Banker Research, the aggregate net profit of the 13 digital banks in Asia Pacific increased by 49% YoY to USD1.66 bn in FY19. Tencent-backed WeBank saw its net profit increase by 261% YoY in FY17, 71% YoY in FY18, and 60% YoY in FY19 supported by Tencent’s ecosystem, technology capabilities, research and development (R&D) resources, which enabled it to scale up rapidly. In FY19, investment in technology R&D accounted for almost 10% of its operating revenue, with 60% of its employees have a technology-related background.

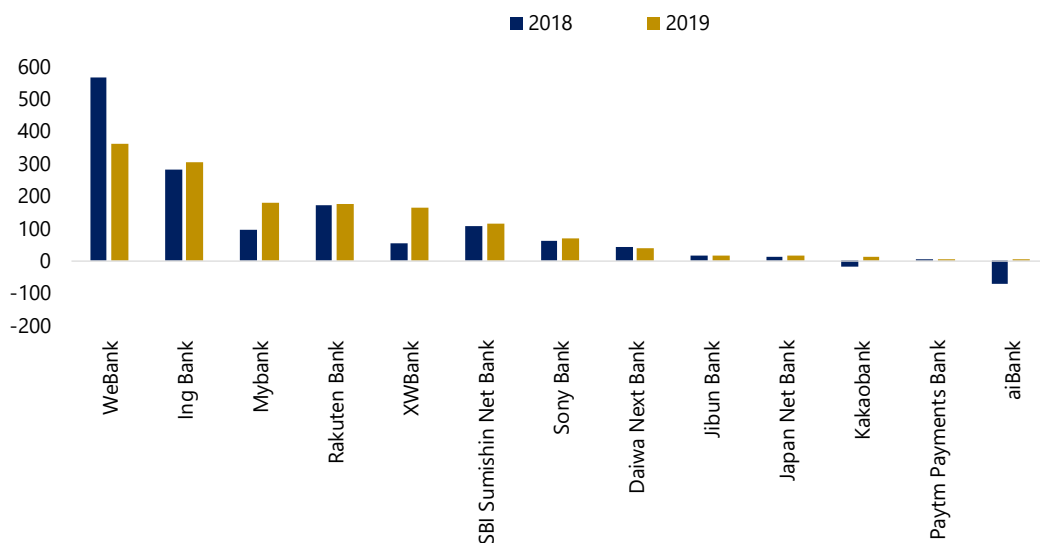
Moreover, MYbank has cooperated with over 400 financial institutions, serving 29mn small and micro businesses as of Jun-2020 by leveraging Alipay’s artificial intelligence, computing and risk management technologies. The number of customers served went up by 70% in FY19, with 80% of its loan users previously never receiving business loans from traditional banks. Furthermore, backed by South Korea’s leading messaging platform KakaoTalk, Kakaobank’s customer base has surpassed 12mn in Mar-2020, which is more than a fifth of the country’s entire population. Based on Asian Banker Research, the current average time to become profitable is about 2 year for digital banks in Asia Pacific (inc. kakaoBank, aiBank, Tencent-backed WeBank, Alibaba-backed MYBank). It is caused by the investment period to set up the digital infrastructure and developing the HR. For example, ARTO (Gojek’s Bank) still recorded loss in 4 consecutive years until 2020 but the stock price has appreciated for up to 1,500% in the last 3 years. So we can not value digital banks by their current figures but more by the prospect.

Exhibit 10. Net Profit per User and ROE of selected digital banks in Asia Pacific



Source: Asian Banker Research

Exhibit 11. Aggregate Net Profit of Selected Digital Banks in Asia Pacific (USD mn)



Source: Asian Banker Research

Right Issue Agenda to Support Story Growth

BABP plans to raise capital through a PMHMETD or rights issuance, targeting up to 14,234,614,925 series B shares. The nominal value of new shares is IDR50 per-share, with a maximum of 33.33% of the total paid-in capital after the right issue. The total proceed will be used for : 1) Strengthening MNC Bank’s capital structure; 2) Expanding MNC Bank’s lending capacity digitally and users acquisition to support business growth; 3) Supporting the development of MotionBanking app, including the development of AI based credit scoring and the integration of MotionPay and virtual creditcards (Visa and Mastercard) and other related fintech.

Stellar Prospect after the Corporate Action

As we mention above, BABP targets a significant growth of Number of Accounts (NoA) from MotionBanking from 1.25mn in FY21E to ~30mn in FY25F, representing CAGR of 121% (2021–2025) post rights issuance. To promote efficiency, the Company will also gradually lower the BOPO ratio. Meanwhile, by aligning its digital capabilities while managing the risks with AI credit scoring, BABP will increase the asset quality that eventually drops net NPL in FY21E onwards. As a result, the ROE expect to grow double-digit in FY25F.

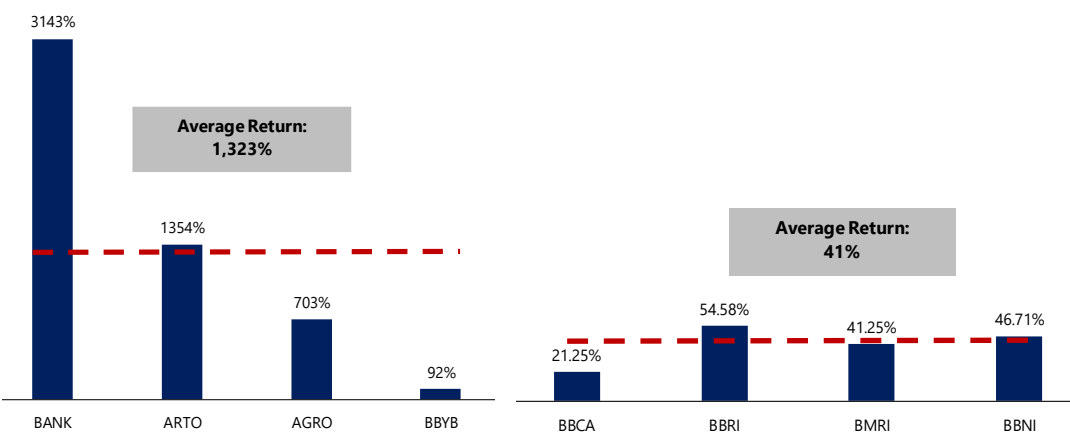
Digital Value Creation is Creating Re-Rating in Valuation

Indonesia investors are experiencing an exciting FOMO phenomenon related to digital bank’s investment story since 2020. Those FOMO pushed the surge in stock price of ARTO, as the proxy of successful digital bank in Indonesia by up to 800% YoY in just one (1) year with over than 100x of PBV at its highest price before the right issue. ARTO has replaced BBNI to be 4th biggest marketcaps with around IDR145.49tn. The high and wild volatility were followed by others “digital banks” such as BANK, AGRO, BNBA, BBYB etc. However, ARTO still booked loss for three (3) consecutive years until 1Q21 amid skyrocketing valuation. On the other hand, the most valuable conventional bank, BBCA has only 4.43x PBV. Still, it has been perceived as “Premium Valuation” with a much higher valuation than the sectoral index (IDXFIN) of 2.06x PBV. We observe this contrary phenomenon as the shifting paradigm of perceived value between conventional banks and digital banks.

Based on Mckinsey and the case of KakaoBank, the valuation method that is being used for digital bank is per-Customer value. The average deposit per user for Asia Digital Bank is around USD700-USD1,040 per user. Assuming 40% of the current Gojek’s users (a total of 38mn in November 2020) will become ARTO’s customers, the estimated valuation of ARTO is around USD10.5 bn, on the back of 15mn potential users with USD700 deposit per user.

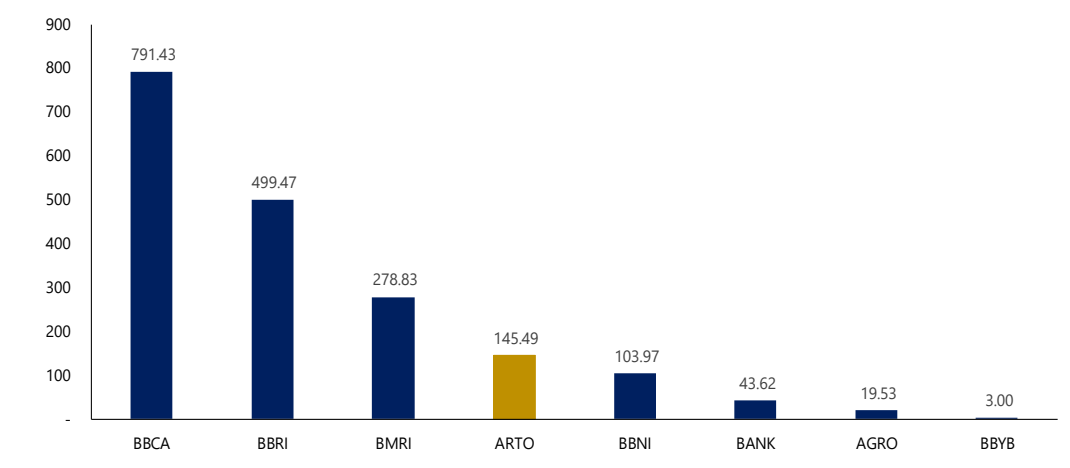
We run the numbers to show how this is possible boosting up BABP valuation. Based on the conservative scenario, the Company set 3.75mn NoA in FY22F or equal to only 1% of 390mn users base of MNC group’s ecosystem. With the equal assumption of average deposit per user at USD700 and total equity is IDR6.17 tn in FY22F, the est. valuation of BABP could be $USD700 \times 3.75mn = USD2.63 \text{ bn}$, which implies 6.0x of PBV FY22F (vs currently traded at 5.43x PBV).

Exhibit 12. 1 Year Return Comparison



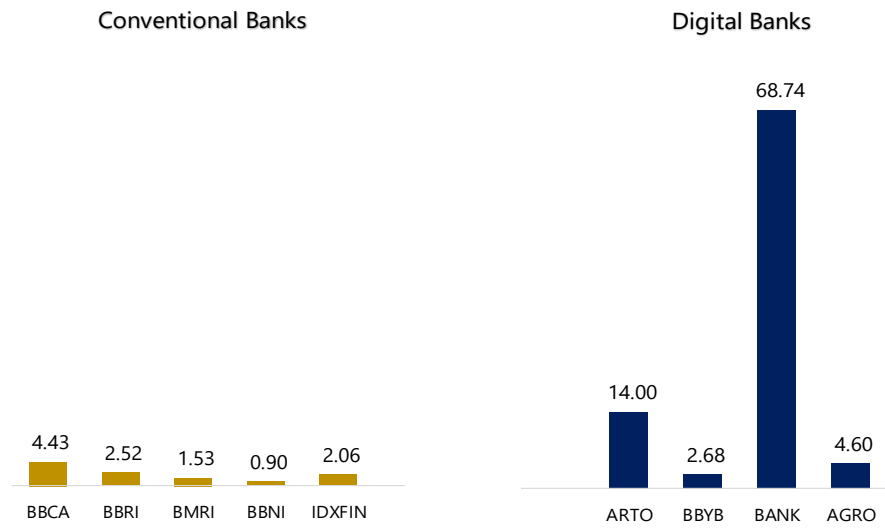
Source: Bloomberg, MNCS

Exhibit 13. Biggest Market Caps of Indonesia Banks (IDR bn)



Source: Bloomberg, MNCS

Exhibit 14. Comparison of PBV in between Top League Conventional Banks VS Digital Banks (x)



Source: Bloomberg Apr-2021, MNCS

Exhibit 15. Financial Summary

Income Statement						Balance Sheet					
IDR Billion	FY16	FY17	FY18	FY19	FY20	IDR Billion	FY16	FY17	FY18	FY19	FY20
Interest Income	1,061	1,022	960	1,071	970	Cash	145	122	173	90	96
Interest Expense	(694)	(677)	(573)	(668)	(601)	CA with BI	762	604	409	420	412
Net Interest Income	367	345	387	404	369	Placement with BI and Banks	2,277	1,310	1,148	454	942
Other Operating Income	125	115	238	217	208	Marketable Securities	-	10	177	159	645
Operating Income	492	460	625	621	576	Government Bonds	1,376	1,091	751	811	1,267
Operating Expense	(410)	(537)	(511)	(499)	(498)	Net Loans	7,942	6,784	7,273	7,347	6,899
Operating Profit	83	(77)	115	122	78	Fixed Assets	73	80	73	69	60
Provision Expense	(30)	(840)	(34)	(58)	(55)	Other Assets	483	705	851	1,257	1,332
Total Non Operating	(40)	11	(1)	(33)	(7)	Total Assets	13,058	10,706	10,855	10,608	11,653
Pre-tax Profit	13	(906)	79	30	16	Current Account	975	859	891	865	848
Tax	(4)	221	(22)	(10)	(6)	Saving Account	648	607	641	685	884
Minority Interest	-	-	-	-	-	Time Deposit	8,717	7,561	6,939	6,882	7,475
Net Profit After Tax	9	(685)	57	20	10	Third Party Funds	10,339	9,028	8,470	8,431	9,207
						Deposit from Other Banks	507	197	740	394	490
EPS (full amount)	0.51	(33.19)	2.66	0.88	0.41	Other Liabilities	350	229	214	223	404
						Total Liabilities	11,197	9,454	9,425	9,048	10,102
						Shareholder's Equity	1,860	1,253	1,430	1,559	1,551
						Total Liabilities and Equity	13,058	10,706	10,855	10,608	11,653

Ratios						Growth					
Percentage (%)	FY16	FY17	FY18	FY19	FY20	Percentage (%)	FY16	FY17	FY18	FY19	FY20
NIM	3.28	3.04	4.10	4.17	4.01	Gross Loan Growth	12.83	-11.00	5.58	0.57	-5.72
ROE	0.62	-48.91	5.43	1.84	0.88	Deposit Growth	5.87	-12.69	-6.20	-0.46	9.20
ROA	0.11	-7.47	0.74	0.27	0.15	Net Interest Income Growth	27.28	-6.04	12.41	4.14	-8.67
CASA	15.69	16.24	18.08	18.38	18.81	NPAT Growth	10.60	-7,711.11	108.32	-64.17	-49.03
NPL Gross	2.77	7.23	5.72	5.78	5.69						
BOPO	95.61	180.62	93.51	95.21	98.09						
CAR	19.54	12.58	16.27	15.16	15.75						

Source: BABP, MNCS

MNC Research Industry Ratings Guidance

OVERWEIGHT: Stock's total return is estimated to be above the average total return of our industry coverage universe over next 6-12 months

NEUTRAL: Stock's total return is estimated to be in line with the average total return of our industry coverage universe over next 6-12 months

UNDERWEIGHT: Stock's total return is estimated to be below the average total return of our industry coverage universe over next 6-12 months

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.