

PT Bank Central Asia Tbk 1H22 Results

27 July 2022

▶ **Macroeconomy & banking industry highlights**

- 1H22 performance overview
- Sustainability finance and ESG
- Share data, ratings & awards

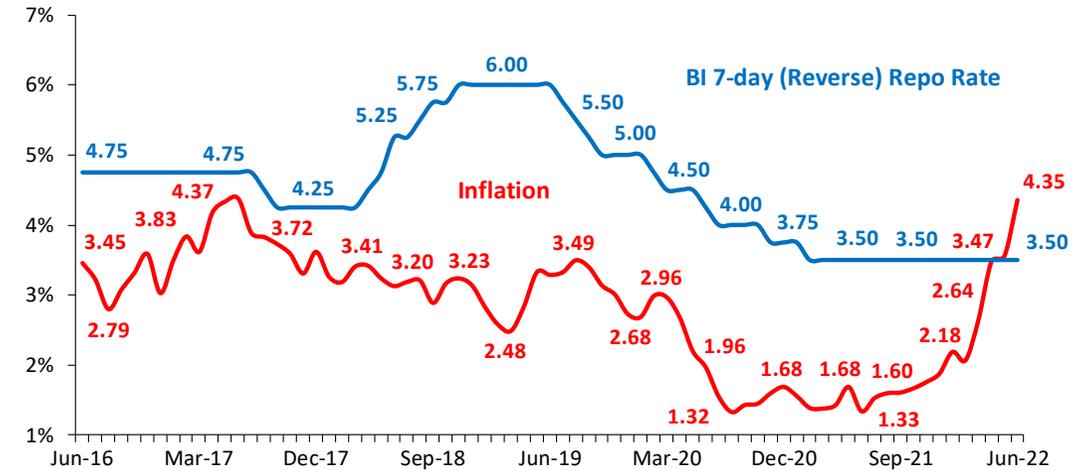
Economic highlights

- Global conditions are becoming challenging, with tighter liquidity, normalizing commodity prices, and slower global growth prospect.
- Domestic growth demonstrated resilience, with strong export and robust consumer demand continuing post-Covid momentum.
- Bank Indonesia maintained its 7DRR at 3.50% in July 2022.
- Inflation is rising, but its impact on consumers are softened by energy subsidies, which is supported by rising revenue from commodities.

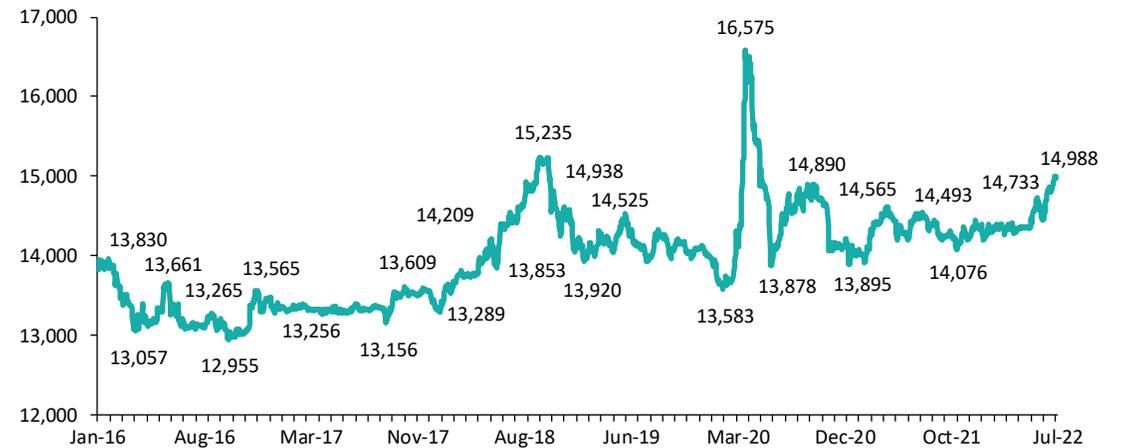
	2021	1Q22
Real GDP	3.69%	5.01%
CPI	1.87%	4.35% - Jun22
BI 7-D Rate	3.50%	3.50% - Jul22
USD/IDR	14,263	14,997 – Jun22
CA (% of GDP)	0.3%	0.1%

Source: Bank Indonesia

Inflation and BI Rates (%)



Rupiah/USD



Source: Bloomberg

Banking sector saw growth momentum

- Loans increased 6.7% YoY, as working capital credit recovered. Economic cycle is back to normal, as shown on high spending during the recent Ramadan festive season.
- Policy rate have bottomed, yet intense lending competition continues as liquidity remained flushed. LDR settled at 78.7%, deposits grew 10.0% YoY.
- Transaction activities recorded a sturdy rebound from pre-pandemic level (BCA Consumer Spending Index +66%, BCA Business Txn Index +35%).
- Restructured loans from Covid-19 declined to IDR 596.3 tn in Jun22 (vs. May22 at IDR 606.4 tn). NPL ratio was 3.0%. CAR stood at 24.9%.
- Banking sector saw rebound in profitability, leveraging on loan demand recovery and lower cost of credit.

Banking Sector Financial Summary (%)

(Rp trillion)	Mar-21	Dec-21	Mar-22	ΔYoY
Total Assets	9,276	10,112	10,131	9.2%
Total Loans	5,496	5,769	5,863	6.7%
Third Party Funds	6,805	7,479	7,482	10.0%
CASA	3,982	4,576	4,623	16.1%
Current Accounts	1,850	2,144	2,188	18.3%
Savings Accounts	2,132	2,432	2,434	14.2%
Time Deposits	2,822	2,904	2,859	1.3%
Net Profit	33.0	140.2	45.4	37.4%
NIM	4.6%	4.6%	4.6%	0bp
LDR	80.9%	77.5%	78.7%	-220bp
NPL	3.2%	3.0%	3.0%	-20bp
CAR	24.0%	25.7%	24.9%	90bp

Source: OJK

Agenda



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Improved asset mix, solid CASA performance



(Rp billion)	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	YoY	YtD	QoQ
Total Assets	1,129,497	1,169,296	1,228,345	1,259,435	1,264,468	11.9%	2.9%	0.4%
Secondary Reserves & Marketable Securities	442,839	456,294	476,970	507,120	461,767	4.3%	-3.2%	-8.9%
Loans (Consol)	593,585	605,874	636,987	637,131	675,362	13.8%	6.0%	6.0%
Third Party Funds	895,238	923,736	975,949	997,761	1,011,043	12.9%	3.6%	1.3%
CASA	697,075	721,799	767,012	798,159	817,812	17.3%	6.6%	2.5%
Current Accounts	248,237	263,375	285,640	301,097	304,808	22.8%	6.7%	1.2%
Savings Accounts	448,838	458,424	481,373	497,061	513,003	14.3%	6.6%	3.2%
Time Deposits	198,163	201,936	208,937	199,602	193,231	-2.5%	-7.5%	-3.2%
Equity	187,370	197,815	202,713	194,689	202,987	8.3%	0.1%	4.3%

Top line progressing, robust NPAT



(Rp billion)	1H-21	1H-22	YoY	4Q-21	1Q-22	2Q-22	QoQ
Operating Income	38,488	40,896	6.3%	20,291	20,402	20,494	0.4%
Net Interest Income	28,278	29,773	5.3%	14,315	14,483	15,291	5.6%
Non Interest Income	10,210	11,123	8.9%	5,976	5,920	5,203	-12.1%
Fees and Commissions	7,106	8,171	15.0%	3,992	3,977	4,194	5.4%
Trading Income	1,006	450	-55.3%	706	614	(164)	-126.7%
Others	2,098	2,502	19.3%	1,278	1,328	1,174	-11.6%
Operating Expenses	14,224	15,054	5.8%	8,250	7,722	7,331	-5.1%
Manpower	6,978	7,196	3.1%	3,461	3,907	3,290	-15.8%
General & Administrative	7,246	7,857	8.4%	4,789	3,816	4,042	5.9%
PPOP (Pre-Provision Operating Profit)	24,264	25,843	6.5%	12,041	12,680	13,163	3.8%
Provision	(6,546)	(3,727)	-43.1%	(1,675)	(2,818)	(909)	-67.7%
Net Profit	14,456	18,049	24.9%	8,224	8,064	9,985	23.8%

Key Ratios



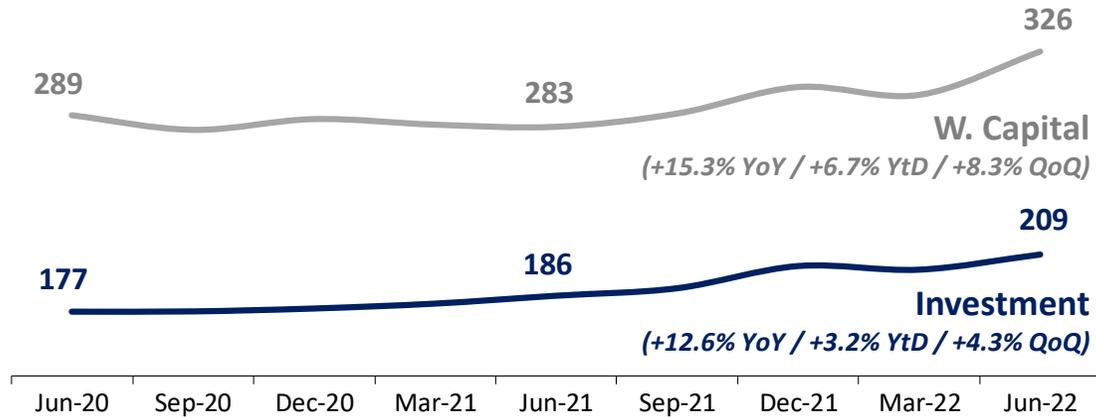
Bank Only	1H-21	1H-22	ΔYoY	4Q-21	1Q-22	2Q-22	ΔQoQ
NIM	5.3%	5.0%	-0.3%	4.9%	4.9%	5.0%	0.1%
COC	2.2%	1.2%	-1.0%	1.1%	1.9%	0.6%	-1.3%
Risk Adjusted NIM	3.1%	3.8%	0.7%	3.8%	3.0%	4.4%	1.4%
CIR	34.4%	34.3%	-0.1%	39.4%	35.8%	32.9%	-2.9%
ROA	3.1%	3.5%	0.4%	3.2%	3.1%	3.9%	0.8%
ROE	16.6%	19.6%	3.0%	16.9%	16.8%	22.4%	5.6%
CAR	25.3%	24.7%	-0.6%	25.7%	23.9%	24.7%	0.8%
LFR*	62.4%	63.5%	1.1%	62.0%	60.5%	63.5%	3.0%
RIM	64.0%	65.4%	1.4%	63.9%	62.6%	65.4%	2.8%
NSFR	178.5%	174.1%	-4.4%	180.7%	176.9%	174.1%	-2.8%
LCR	386.3%	395.4%	9.1%	396.3%	405.3%	395.4%	-9.9%
NPL - gross	2.4%	2.2%	-0.2%	2.2%	2.3%	2.2%	-0.1%
NPL Coverage	230.6%	246.4%	15.8%	240.0%	244.8%	246.4%	1.6%
LAR	19.1%	12.3%	-6.8%	14.6%	13.8%	12.3%	-1.5%
LAR Coverage incl. off B/S	32.0%	47.9%	15.9%	39.0%	44.7%	47.9%	3.2%

*) BCA's LFR number is the same as LDR

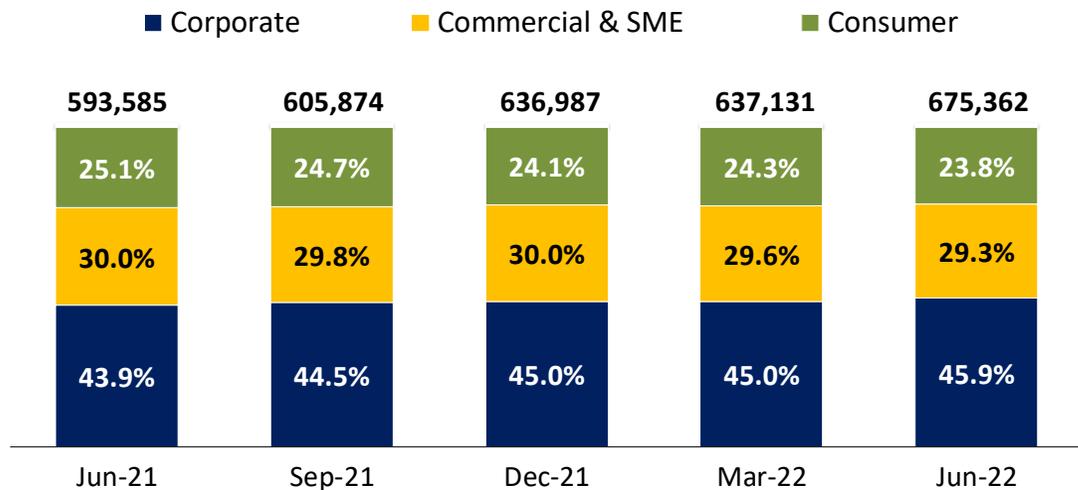
Expansion in all segments as utilization heading up



Business Loans (Rp tn) - Consolidated



Loan Composition (Rp bn) - Consolidated

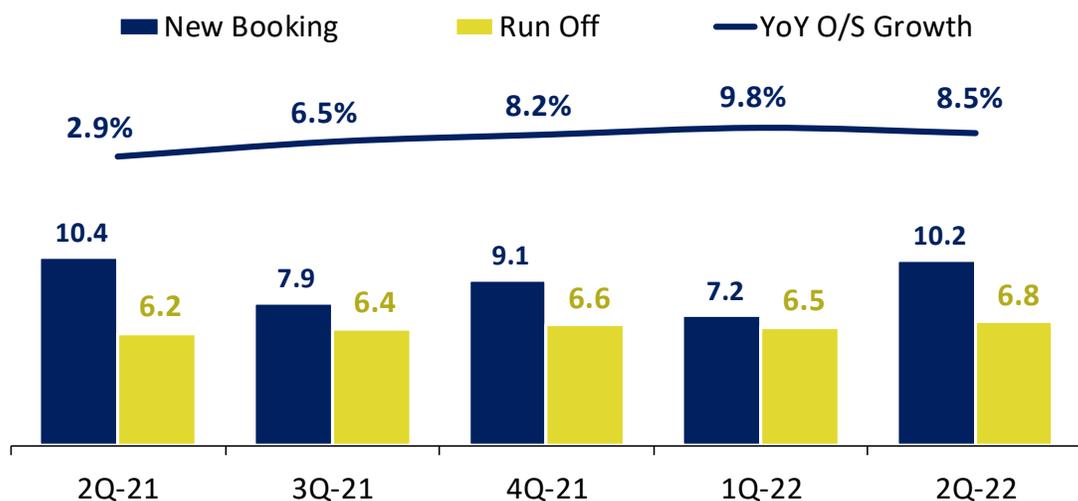


Loan Breakdown (Rp bn) - Consolidated

	Dec-21	Jun-22	YoY	YtD	QoQ
Corporate	286,490	310,232	19.1%	8.3%	8.1%
Commercial & SME	190,882	197,549	10.9%	3.5%	4.6%
Consumer	153,367	160,508	7.6%	4.7%	3.7%
- Mortgage	97,530	101,611	8.5%	4.2%	3.5%
- Vehicles	40,602	43,155	4.8%	6.3%	3.8%
- C.Cards & Others	15,235	15,742	9.6%	3.3%	4.9%
Sharia Financing	6,248	7,073	19.6%	13.2%	6.4%
Total O/S Loans	636,987	675,362	13.8%	6.0%	6.0%
Total Facilities	911,088	951,237	11.4%	4.4%	4.3%
Corp. Bonds	26,174	27,790	16.0%	6.2%	-4.5%
Loans + Corp. Bonds	663,161	703,152	13.9%	6.0%	5.5%

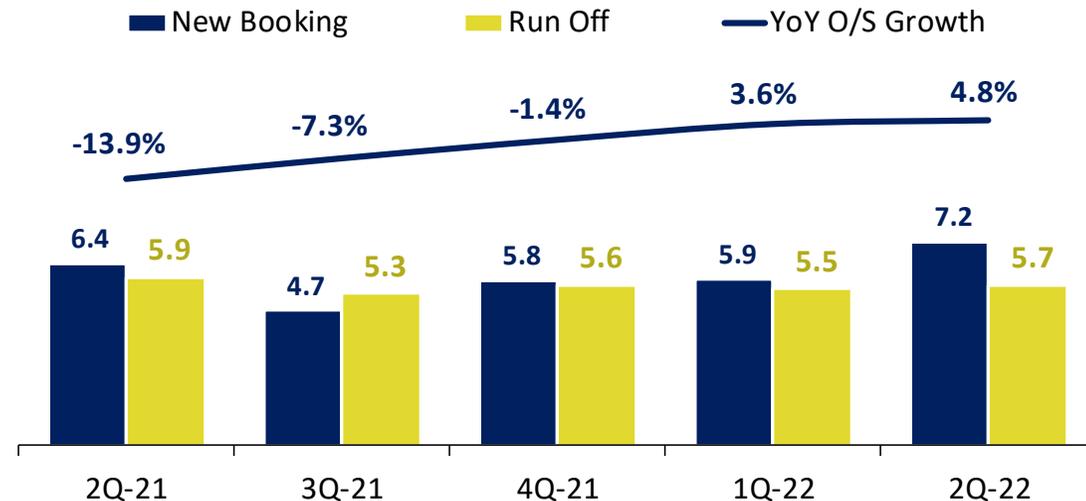
Consumer loans new booking rose 16% YoY for the first half

Mortgage New Booking & Run Off - Quarterly (Rp tn)



Note: Bank Only runoff and new booking, Consolidated YoY growth

Vehicle New Booking & Run Off – Quarterly (Rp tn)



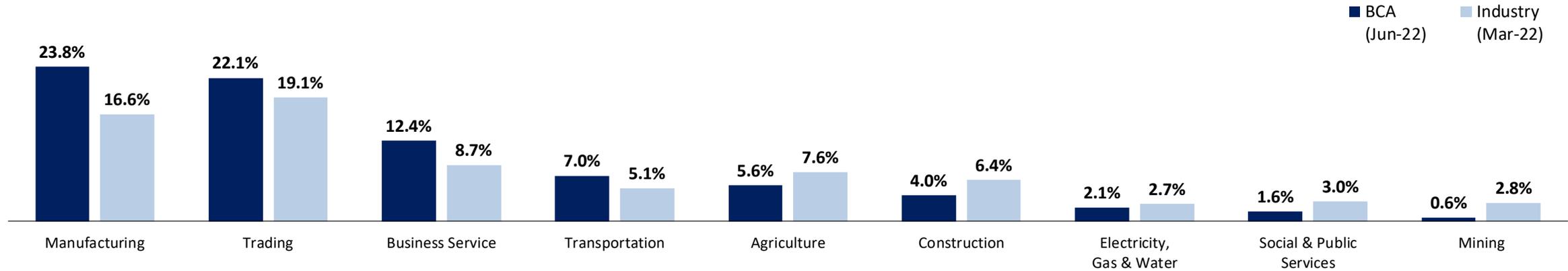
Note: Bank Only runoff and new booking, Consolidated YoY growth



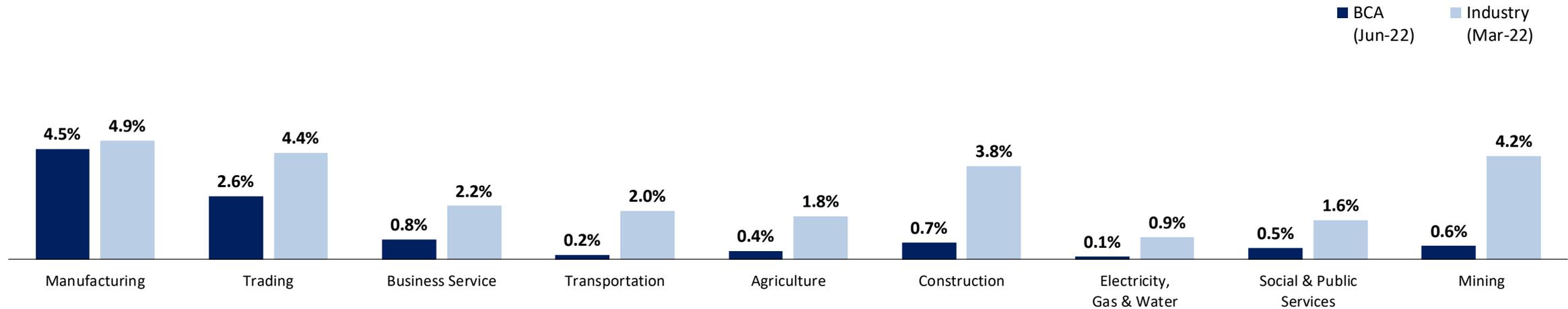
Diversified portfolio, resilient asset quality



Composition of BCA Business Loans by Sector (%)



BCA Business NPL by Sector (%)



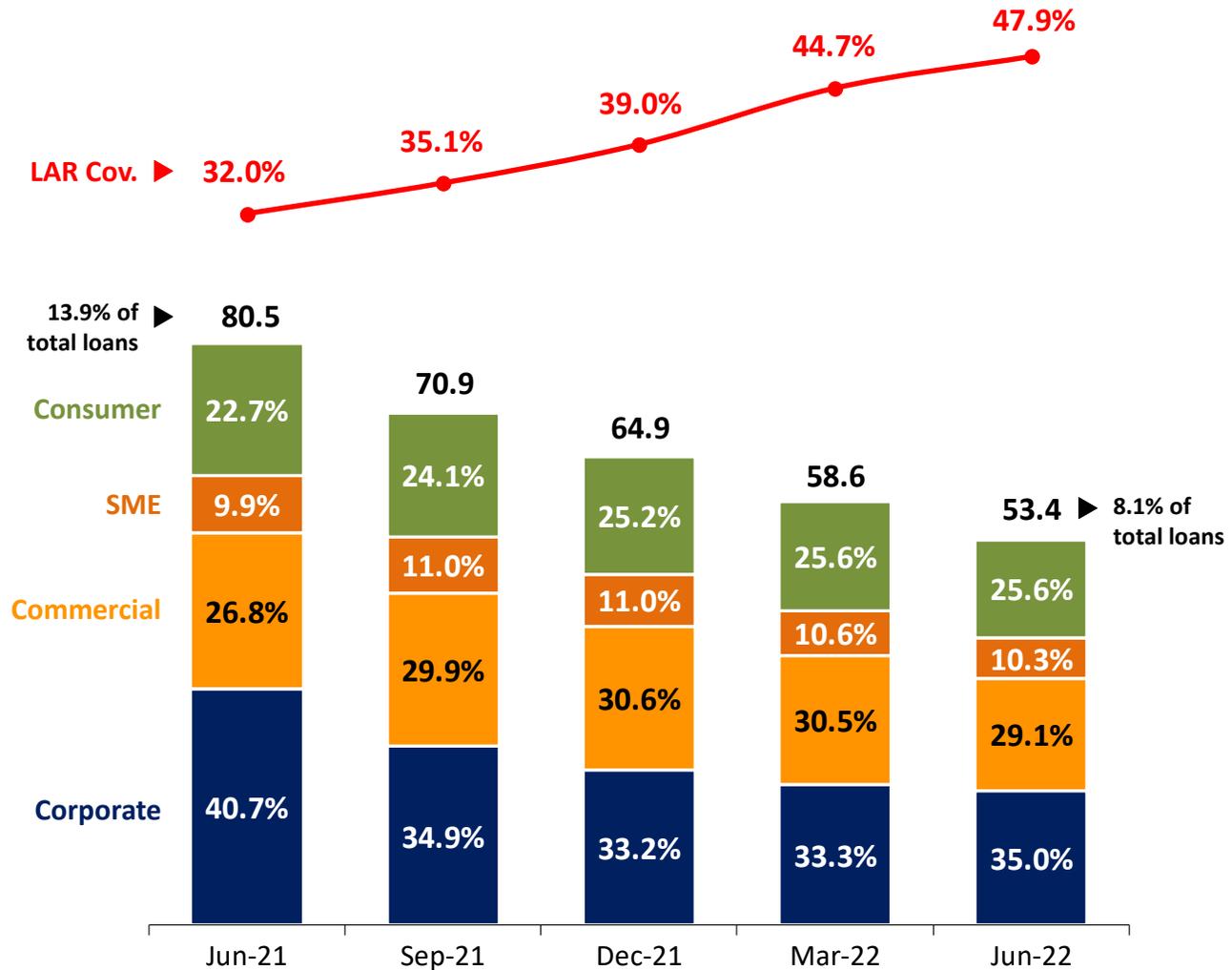
Note: Consolidated numbers based on LBU reporting category

LAR continue to improve at 12.3%

Loan Quality & Restructured Loans (Rp tn) - Bank Only

Rp trillion	Dec-21	Jun-22	ΔYoY	ΔYtD	ΔQoQ
Total Loans by Collectability (bank only):					
Current	594.7	629.2	14.4%	5.8%	6.1%
Special Mention	12.5	13.1	-18.8%	5.2%	5.1%
NPL	13.4	14.5	4.7%	8.1%	1.6%
Total Loans	620.6	656.9	13.3%	5.8%	6.0%
Restructured Loans (bank only):					
Current	64.9	53.4	-33.7%	-17.7%	-8.9%
Special Mention	8.7	8.1	-20.9%	-6.4%	-3.8%
NPL	8.9	10.5	51.9%	18.5%	2.1%
Total Restruct. Loans	82.5	72.1	-26.3%	-12.6%	-6.9%
Total LAR	90.8	81.1	-26.7%	-10.8%	-5.1%
% LAR / Loans	14.6%	12.3%	-6.7%	-2.3%	-1.4%

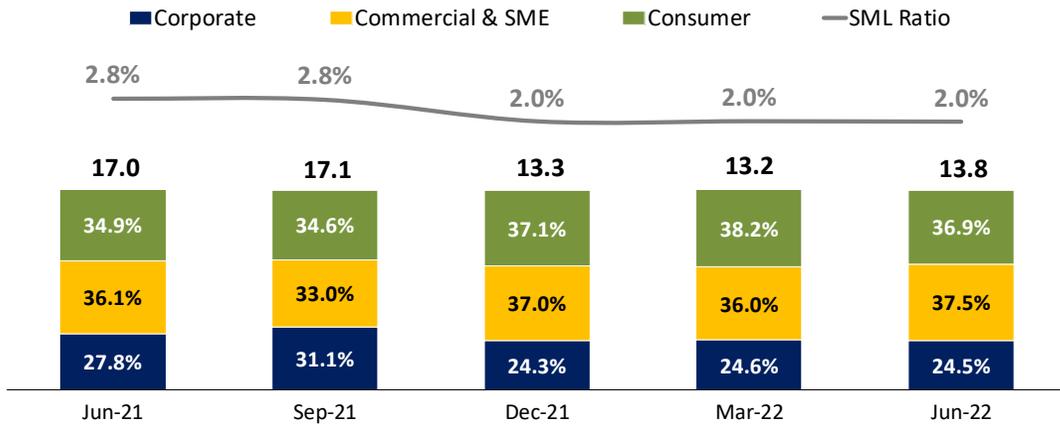
Restru. Loans - Coll.1, LAR Coverage - Bank Only



Well-provisioned credit

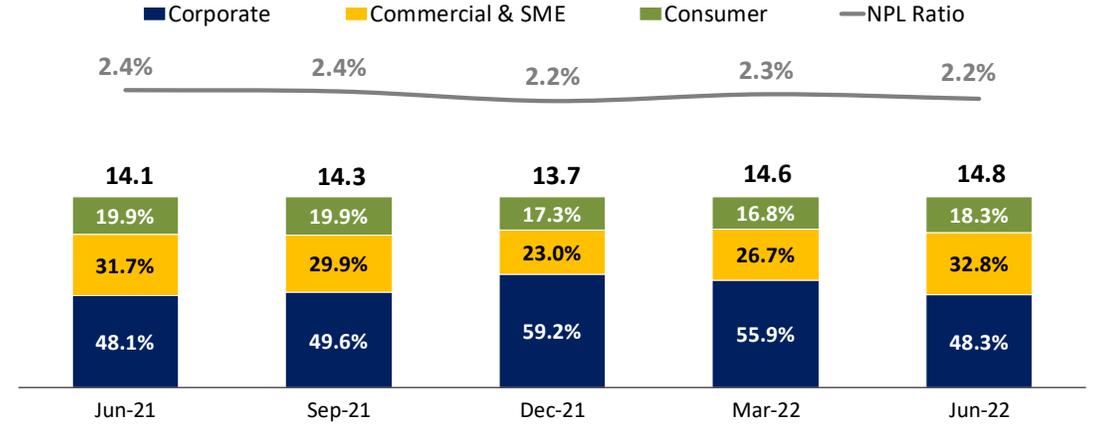


Special Mention Composition (% of Total SML, Rp tn) Consolidated



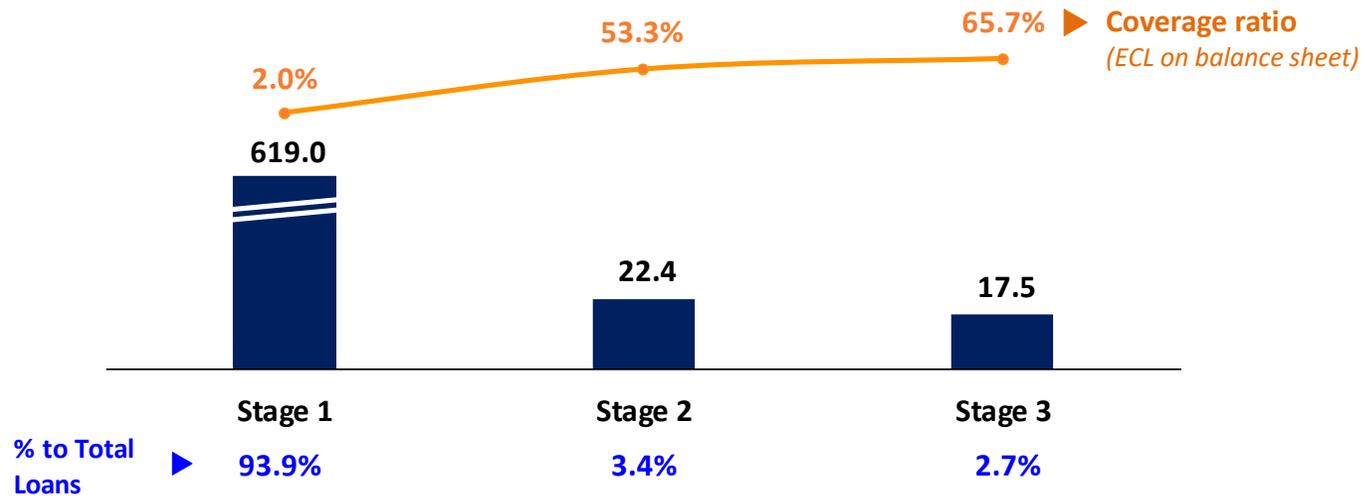
Note: The remaining contribution came from Sharia financing

NPL Composition (% of Total NPL, Rp tn) Consolidated



Note: The remaining contribution came from Sharia financing

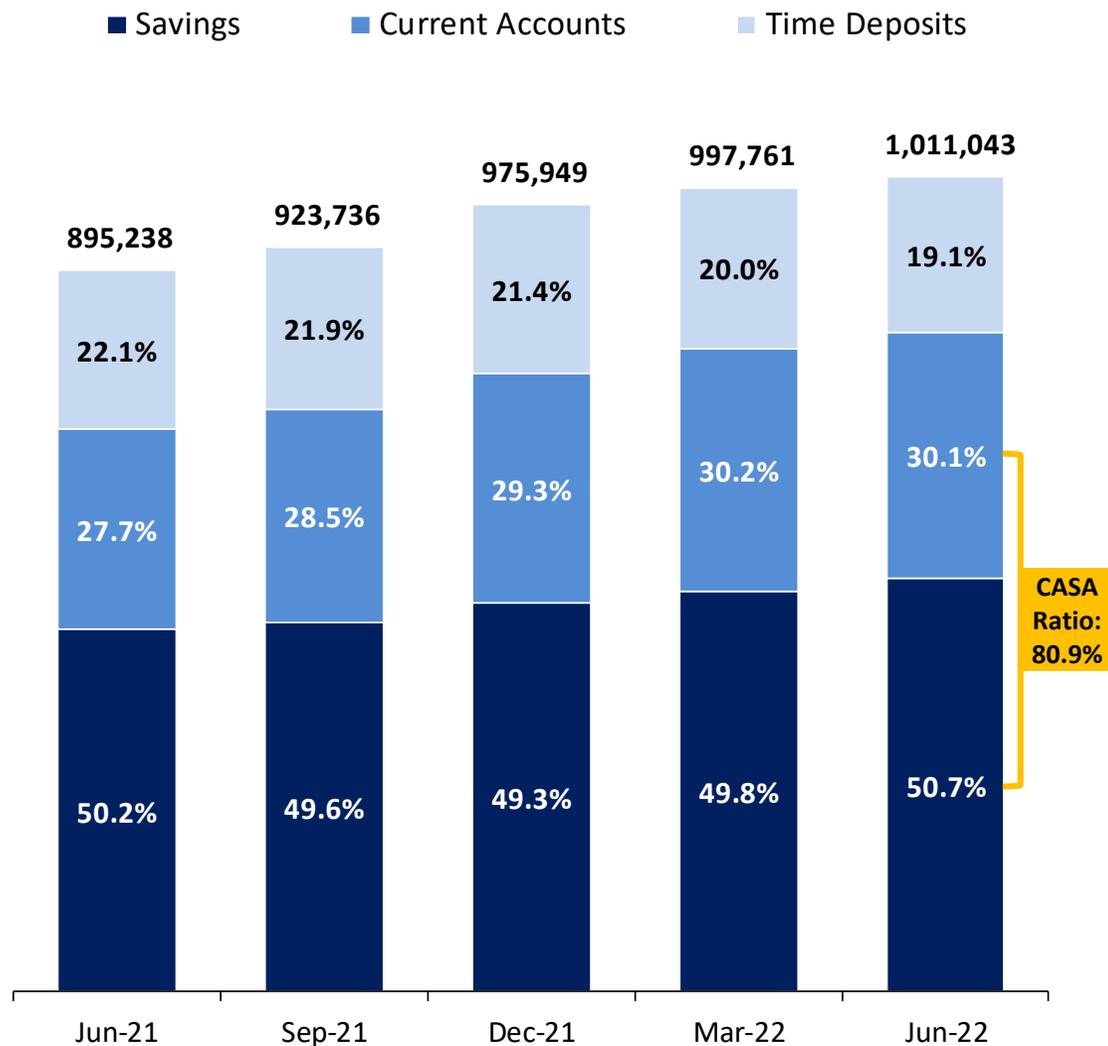
Loan Staging (Rp tn) – Consol excl. sharia & consumer receivables



CASA ratio 80.9%, CASA CAGR of 12% over a decade



Third Party Fund Composition (Rp bn) - Consolidated



Third Party Funds (Rp bn) - Consolidated

	Jun-21	Dec-21	Jun-22	ΔYoY	ΔYtD
CASA	697,075	767,012	817,812	17.3%	6.6%
Current Accounts	248,237	285,639	304,808	22.8%	6.7%
Savings Accounts	448,838	481,373	513,003	14.3%	6.6%
Time Deposits	198,163	208,937	193,231	-2.5%	-7.5%
Third Party Funds	895,238	975,949	1,011,043	12.9%	3.6%
CASA Ratio	77.9%	78.6%	80.9%	3.0%	2.3%

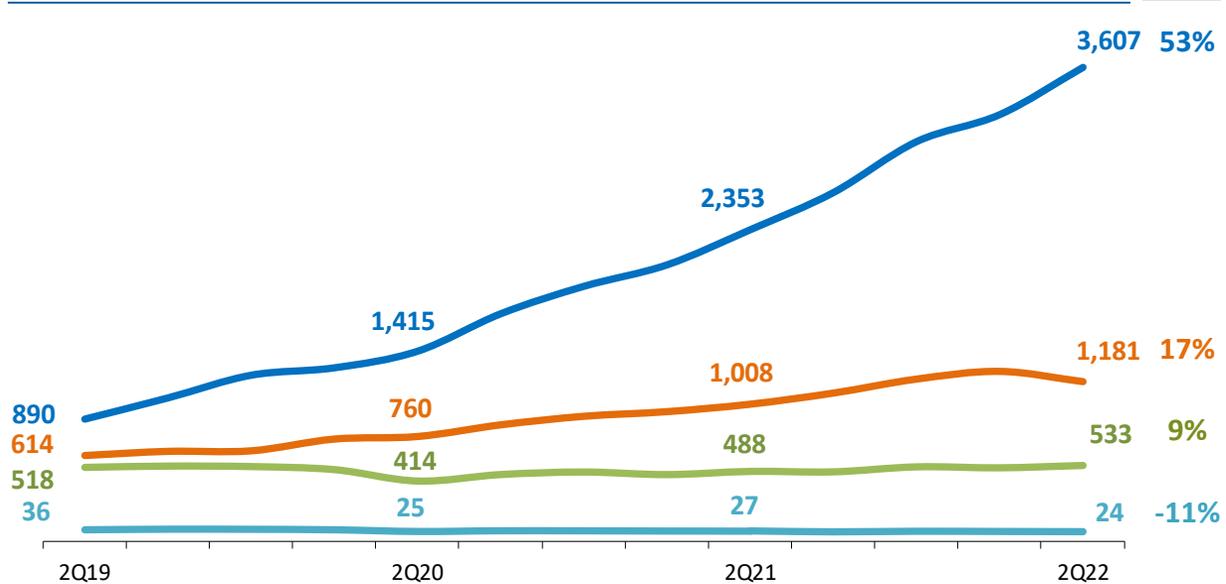


Digital transactions undisputed growth



<p>No. of Customers</p>	<p>No. of transactions mobile banking</p>	<p>No. of mobile banking users</p>	<p>API trx vol.</p>	<p>QRIS Trx value</p>
<p>37% in 2 years</p>	<p>2.5x in 2 years</p>	<p>33% in 2 years</p>	<p>6.8x in 2 years</p>	<p>7.8x YoY</p>

Transaction Volume - Quarterly (million)



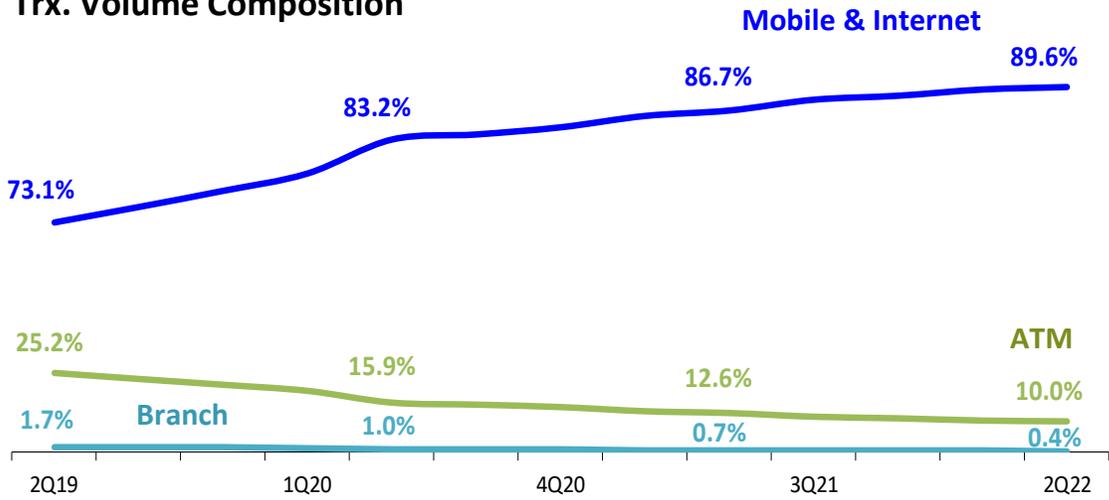
Transaction Value - (Rp tn)

	1H21	1H22	ΔYoY	1Q22	2Q22	ΔQoQ
Mobile Banking	1,783	2,554	43.3%	1,233	1,321	7.1%
Internet Banking	7,001	8,422	20.3%	4,071	4,351	6.9%
ATM	1,041	1,124	8.0%	544	580	6.7%
Branch Banking	6,323	6,821	7.9%	3,324	3,497	5.2%

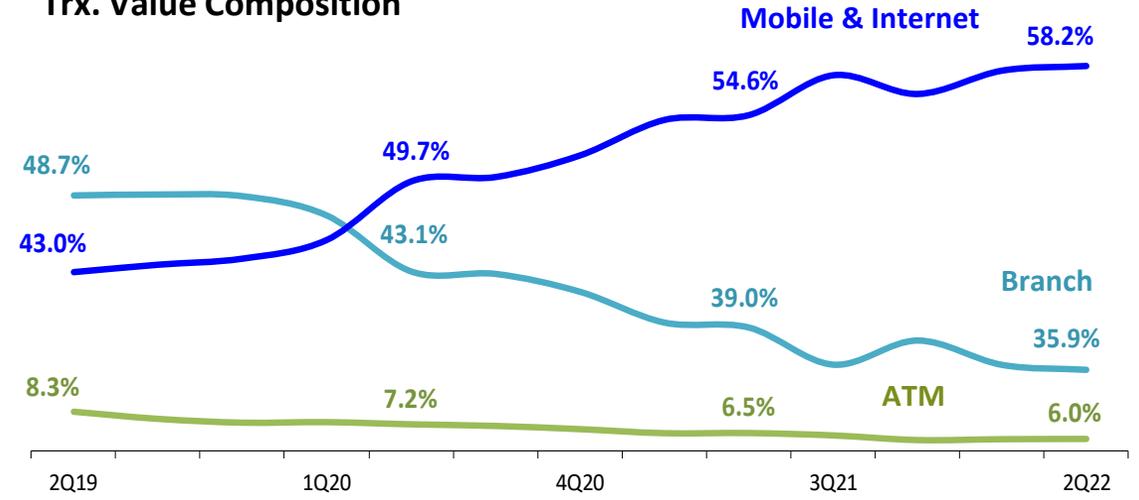
Digital channels significant contributions

Rising the bar for mobile & internet channels

Trx. Volume Composition



Trx. Value Composition



Virtual account
 Transactions volume rose **57% YoY in 1H22**, dominated by fintech players.

BI-Fast
 Transactions grew **12x MoM in June22**

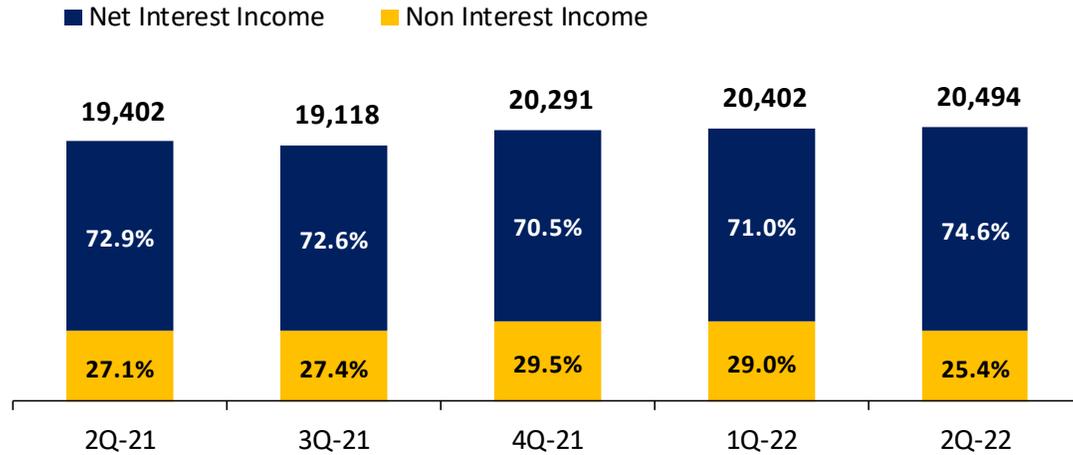
Oneklik
 Transaction volume rose **3.3x in 2 years**, transaction value **2.5x**

Wealth Mgt
 Total AUM rose **2.7x since 2019**

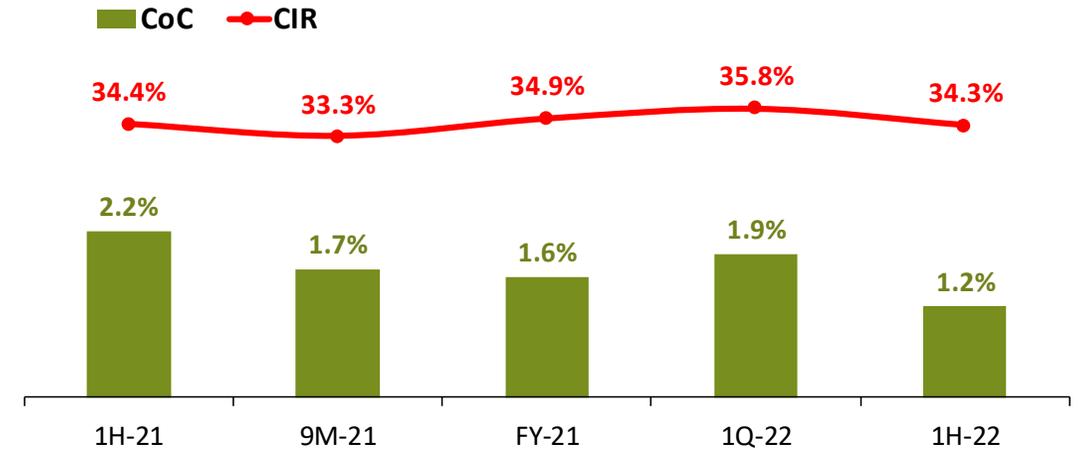
Profitability trend



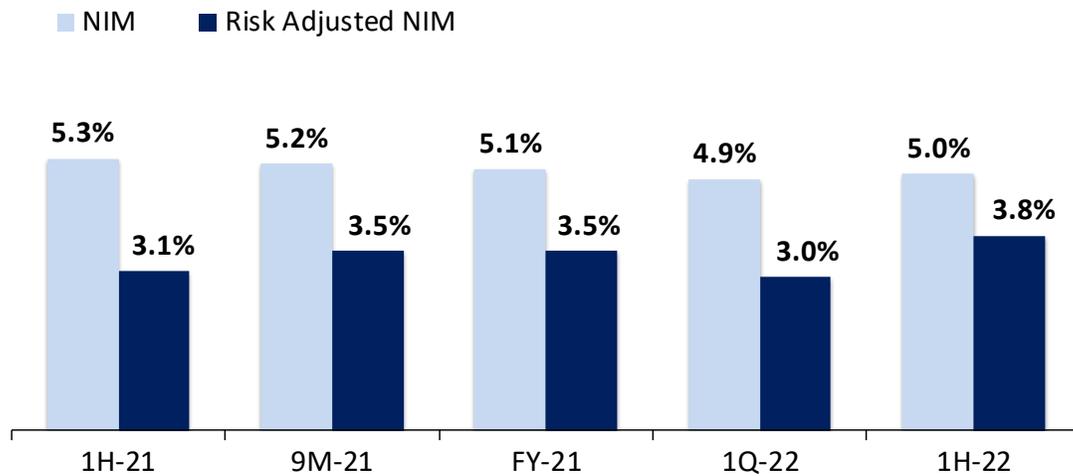
Quarterly Operating Income (Rp bn) - Consolidated



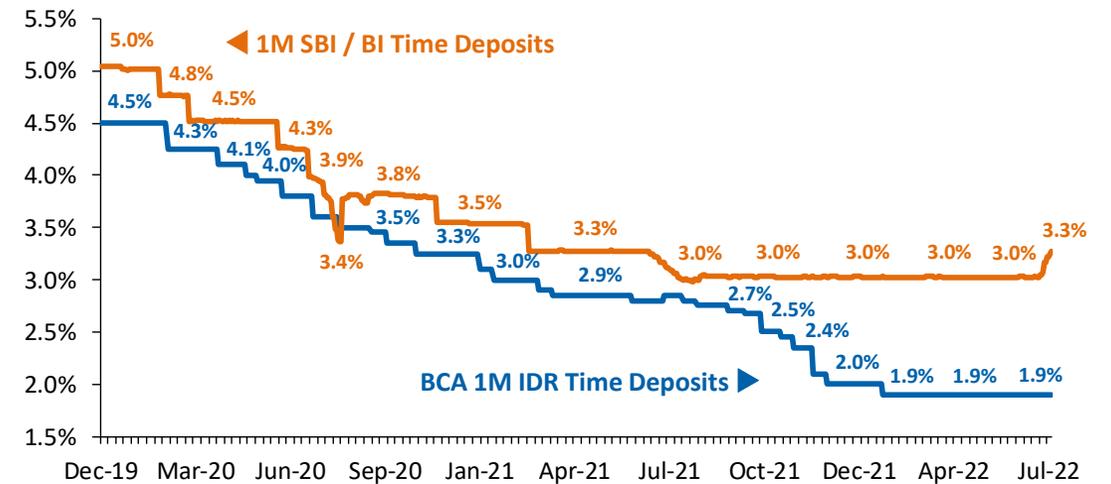
Cost to Income & Cost of Credit - Bank Only



NIM & Risk Adj. NIM - Bank Only



Interest Rate*



* Maximum interest rate offered

Agenda



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Sustainability finance and ESG

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ESG Journey

Committed to contribute to the Indonesia's vision toward a low carbon development

Recap of Milestones

- Alignment of ESG framework with UN SDGs, focusing on 9 SDGs:



- Promoting Sustainable Financing, delivered a **3-Year CAGR of 12.6%**
- Accelerate environmentally-friendly operation, contributing to **887.8 ton CO2 reduction** in 2021
- Reduce pollution and minimize waste disposal to landfill with recycling initiatives (**± 13 tons waste**)
- 71 buildings** adopt environmentally-friendly building features
- 23,056 (100%)** employees have completed sustainable-finance training

2022 Priorities



Setting up **responsible lending policies**



Committed to **green banking operations**, focusing on: i) expanding digital banking solutions; ii) pursuing digital-oriented work culture; iii) green building and waste management



Enriching **GHG emission data**



Social & Community development programs focusing on: **health; education; community-empowerment; environmental & cultural conservation**



BCA rolls out Covid-19 **vaccinations** (since 2021), on top of the existing health program



Continue improving **the quality of GCG** implementation

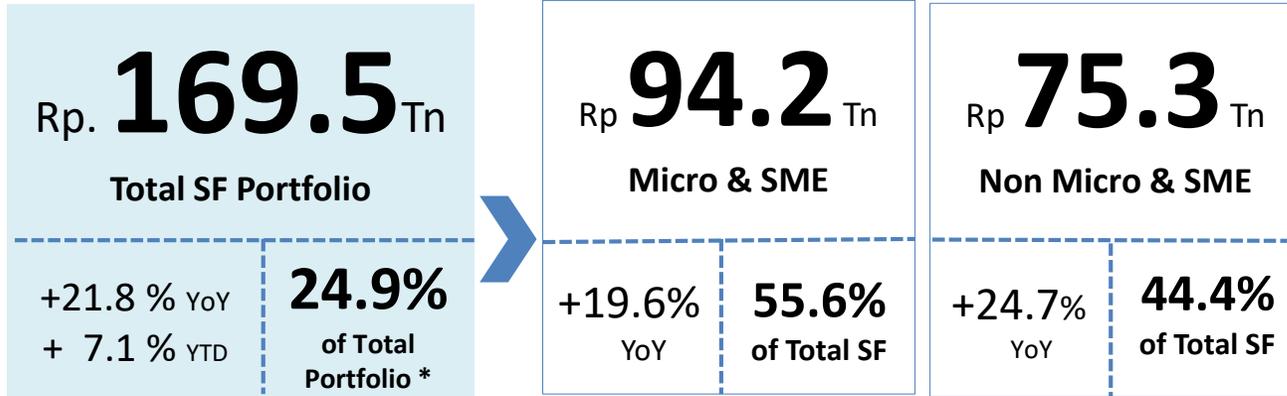


Strengthening **IT security and governance**

ESG Financing Highlights



Sustainable Finance Portfolio



* Loan + Corporate Bonds (Bank only)

- Natural resources & sustainable land use
- Eco-friendly transportation
- Eco-efficient product
- Renewable energy
- Sustainable water & waste water management
- Energy efficiency
- Environmentally friendly building

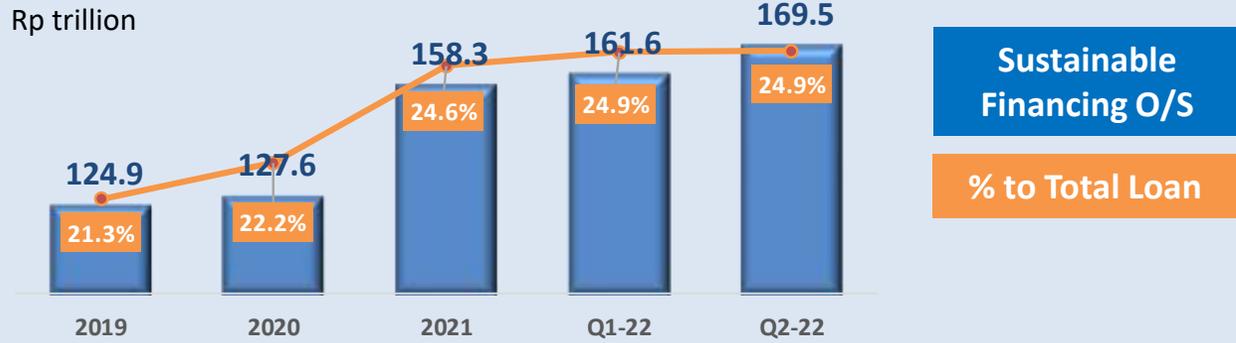
Renewable Energy Financing



Certified Palm Oil Financing



Sustainable financing 5-Year growth



Women MSME

Out of **121,502** total Micro & SME debtors :

33,566 (28%) Women debtors (%) or **12 %** Total O/S Micro & SME

Environment Highlights



Plant Trees for Better Tomorrow



12,150 trees planted in 11 areas across Indonesia



Analyst Meeting 1H-22

Waste Management

Processing Non-Organic Waste



Green Financing

Recent ESG financing disbursement



Rp 472 billion to finance eco-efficient products in Q2-2022 in supporting circular economy

Digital Workplace



80.2% or **13.1 tCO₂** carbon emission saving from digital workplace using cloud platform

EV Charging



Launching of **EV charging station** at BCA Foresta building

Social Value Initiatives



Supporting Public Health



530
Vaccination centers during 2022 -
7x higher than in 2021

> 380,000
Total vaccine doses (2021-2022)



> 7,300 patients

Received free-medical treatments at Bakti BCA assisted-clinics



429 patients

Underwent free-cataract surgery

Community Empowerment



10 Assisted village partnerships with Ministry of Tourism & Creative Works



Community training support provided by Bakti BCA

70 Local MSMEs in Belitung

Waste management training for communities in BCA assisted villages



12 BCA assisted villages

20 'Desa Wisata Award' finalist

Quality Education



BCA Scholarship

Pendaftaran Batch 1: 18 April - 15 September 2022
Pengumuman Batch 1: 31 Oktober 2022

Actively provide high quality education through **Bakti BCA scholarship, financial literacy, and non-degree banking educational program**

Programs and Beneficiaries	2021	1H22
Bakti BCA Scholarship		
Non-employee	790	840
Employee	33	44
Financial Literacy		
Student	15,997	8,241
Public	11,061	4,287
Banking Educational Program		
Public	583	579

ESG Rating & Awards



**MSCI Indonesia Index
Top 10 Constituents**

**MSCI
ESG RATINGS** 

CCC B BB BBB A **AA** AAA

Last update: Jul 2022

**FTSE4Good ASEAN 5 Index
Top 10 Constituents**



FTSE4Good

Last update: Jun 2022

BCA constituents of:

- IDX ESG Leaders Index
- SRI – KEHATI Index
- ESG Quality 45 IDX – KEHATI
- ESG Sector Leaders IDX – KEHATI

Last update: Jun 2022

**FIHRRST
Best Sustainability Report**

Rating **A+**



Last update: Nov 2021 - Annually

**Thomson Reuters - Refinitiv
ESG Scores**

Rating **A**



Last update: Nov 2021 - Annually

**Down Jones Sustainability Index
S&P Global CSA**

Score **55**
Rank percentile **76th**



Last update: Nov 2021 - Annually

 **Indonesian
Institute for
Corporate Directorship**

“The Best Overall Big Caps”
The 13th IICD Corporate Governance Award 2022



**Bank with strongest image of
“Green Banking”** in Indonesia

Katadata Insight Center

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 ***Share data, ratings & awards***

BCA share performance & rating



BCA Shareholding Structure (30 June 2022)

	Number of Shares	Ownership Percentage
PT Dwimuria Investama Andalan *	67,729,950,000	54.94%
Public**	55,545,100,000	45.06%
Total	123,275,050,000	100.00%

Note:
 * Shareholders of PT Dwimuria Investama Andalan are Mr. Robert Budi Hartono and Mr. Bambang Hartono, therefore the ultimate shareholders of BCA are Mr. Robert Budi Hartono and Mr. Bambang Hartono.
 ** Under this composition, 2.49% of shares belong to parties affiliated with PT Dwimuria Investama Andalan.

Fitch Ratings

As of 30 June 2022

Description	Rating
Outlook	Stable
Local long-term rating	AA+ (idn)
Issuer default – long-term rating	BBB-
Issuer default – short-term rating	F3
Support rating	3

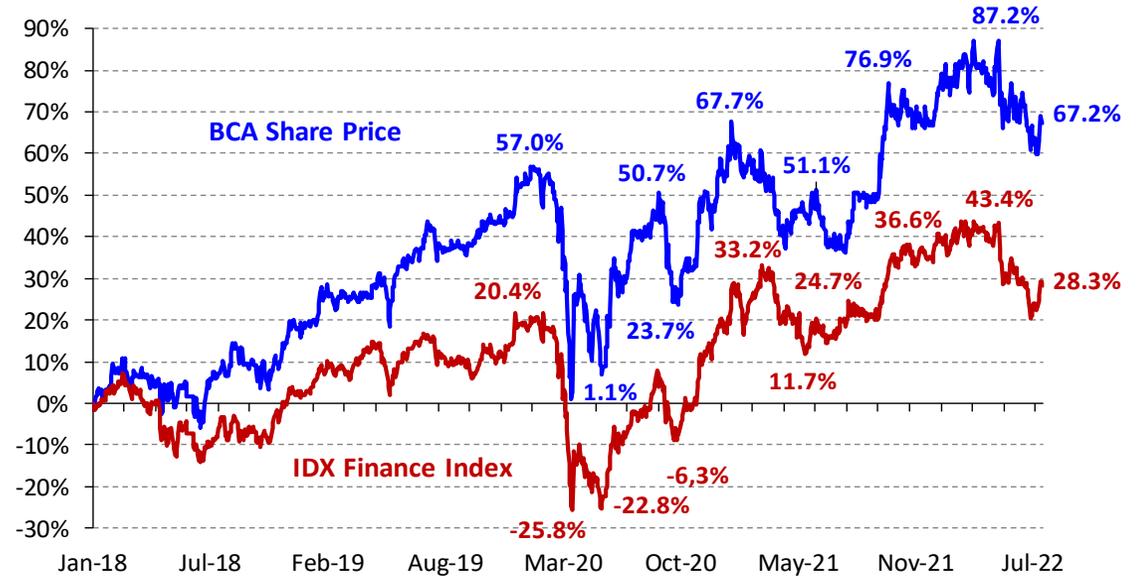
Pefindo Ratings

As of 30 June 2022

Description	Rating
Issuer	idAAA/Stable
Local IDR Sub-debt	idAA

Performance BCCA vs IDX Finance Index

(Relative price up to 25 Jul 2022 against 1 Jan 2018)



- 1** Market Cap **BCA: Rp903 tn (25 Jul 22)**
"The Largest in Indonesia"
- 2** YoY **BCA Share Price: 20.7%**
(Jun-22 YoY)
- 3** YoY **IDX Finance Share Price: 10.0%**
(Jun-22 YoY)

Awards and recognitions – 2022



Best Bank

-  **FinanceAsia Country Awards 2022**
Best Domestic Bank in Indonesia
-  **Forbes World's Best Bank 2022**
Best Bank in Indonesia (1st rank)
-  **Indonesia Most Acclaimed Companies Awards 2022**
Most Acclaimed Company with Outstanding Business Ecosystem Through Banking Digitalization
-  **Indonesia Property & Bank Award 2022**
Best Bank for Service Level Agreement of Mortgage Product
-  **Investor Award : Best Bank 2022**
Best Bank 2022, KBMI 4 Category

Best Brand

-  **Brand Finance®**
Brand Finance Banking 500 2021
1st Place on Top 10 Strongest Banking Brands (AAA+ rating)
-  **Indonesia Millennial Women Brand Choice Awards 2022**
 - Top 5 Millennial Women Favorite Brand 2022 for categories:
 - Mobile Banking (BCA Mobile)
 - Private Bank (Bank BCA)
 - Electronic Money (Flazz BCA)
-  **Warta Ekonomi .co.id**
Perspektif Baru Bisnis & Ekonomi
-  **Indonesia Millennials' Brand Choice Awards 2022**
 - Most Popular Millennial Brand, for categories: BCA Mobile & Flazz Card

Customer Service

-  **GALLUP INTERNATIONAL**
Gallup Customer Engagement Survey
Customer Excellence Recognition

Digital

-  **THE DIGITAL BANKER Digital CX Awards 2022**
Digital CX Awards 2022
Outstanding Digital CX SME Loan

Public Relations

-  **PRIA PUBLIC RELATIONS INDONESIA AWARDS 2022**
PR Indonesia Awards 2022
 - Best Annual Report
 - Best Video Company Profile
 - Terpopuler di Media Cetak

GCG

-  **IICD Indonesian Institute for Corporate Dire**
The 13th IICD CG Award
Largest market capitalization with the best GCG practices (Big Cap PLCs)

CSR

-  **ICONOMICS LEADING DISRUPTION ECONOMY**
Indonesia CSR & TJSI Awards 2022
CSR Award in Bank Sector Industry 2022
-  **BISRA 2022**
Bisnis Indonesia Social Responsibility Award (BISRA) 2022
Gold Champion for Public Non-SOE Company
-  **TopBusiness INSPIRE GREAT BUSINESS PERFORMANCE**
Top CSR Awards 2022
 - TOP CSR Golden Trophy 2022
 - TOP CSR Awards 2022 #Star5

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