



BCA

Always by your side

PT Bank Central Asia Tbk 1Q23 Results

27 April 2023

Agenda



- Macroeconomy & banking industry highlights
- 1Q23 performance overview
- Sustainability finance and ESG
- Share data, ratings & awards

▶ **Macroeconomy & banking industry highlights** ◀

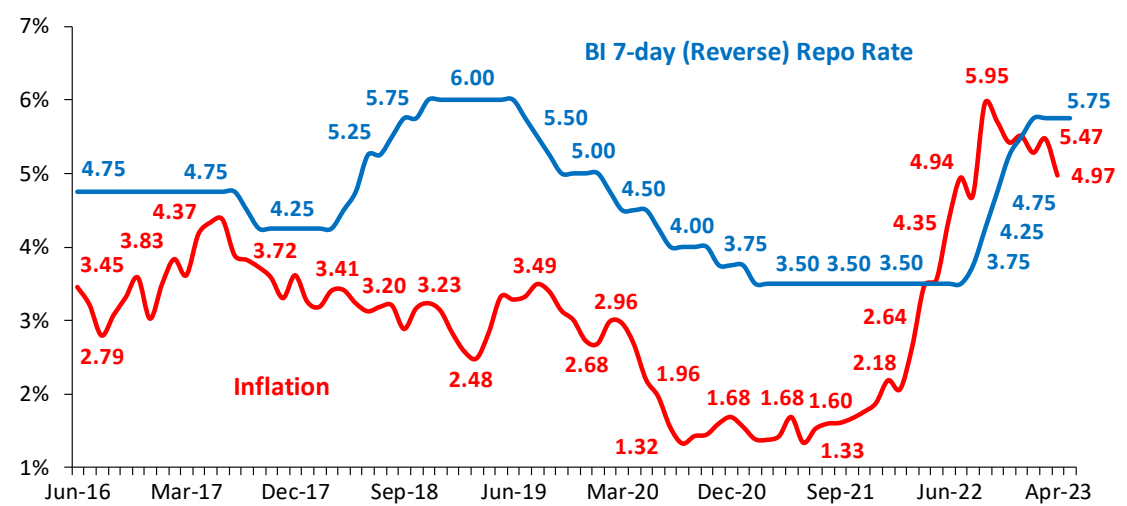
Economic highlights

- Indonesia economic growth has been one of the top performers globally despite lower than 2022 as post pandemic “bounce” fades.
- FDI and capital inflows more than offset trade surplus decline. BI reserves back near record high (USD 145.2 bn).
- BI maintained rates at 5.75% since January due to strong Rupiah and benign inflation.
- Strong tax receipts and lower Govt Bonds yields supports fiscal and pro-growth policies. Eid Mubarak festive and pre-election spending should strengthen domestic consumption.

	2021	2022	1Q23
Real GDP	3.69%	5.31%	4.85%*
CPI	1.87%	5.51%	4.97%
BI 7-D Rate	3.50%	5.50%	5.75%
USD/IDR	14,364	15,228	14,995
CA (% of GDP)	0.29%	1.00%	0.55%*

Source: Bank Indonesia & BPS for 2022 & 2021, *) BCA economist estimates

Inflation and BI Rates (%)



Rupiah/USD



Source: Bloomberg

Banking sector: credit expansion continues, sound liquidity

- Lending rose 10.6% YoY, reflecting resilient economy and sustained business momentum across industries.
- Sector's liquidity is sound with LCR: 242.6%, NSFR: 140.4% as of Dec-22. Short term marketable securities are largely held in high quality sovereign papers.
- Deposits increased 8.2% YoY, driven by strong current account growth. LDR stood at 80.0%.
- Net profit recorded an increase of 29.7% YoY on the back of strong top line growth and asset quality improvement.
- Asset quality and capital remained intact.

Banking Sector Financial Summary (%)

(Rp trillion)	Feb-22	Dec-22	Feb-23	ΔYoY
Total Assets	10,062	11,113	10,948	8.8%
Total Loans	5,762	6,424	6,375	10.6%
Third Party Funds	7,384	8,154	7,989	8.2%
CASA	4,507	5,161	4,972	10.3%
Current Accounts	2,100	2,546	2,440	16.2%
Savings Accounts	2,408	2,615	2,532	5.2%
Time Deposits	2,877	2,992	3,017	4.9%
Net Profit	30.9	201.8	40.1	29.7%
NIM	4.6%	4.8%	4.8%	20bp
LDR	78.5%	79.0%	80.0%	150bp
NPL	3.1%	2.4%	2.6%	-50bp
CAR	26.0%	25.6%	26.0%	0bp

Source: OJK

▶ 1Q23 performance overview ◀

Loans grew 12% YoY



(Rp billion)	Mar-22	Mar-23	YoY	Jun-22	Sep-22	Dec-22	QoQ
Total Assets	1,259,435	1,321,723	4.9%	1,264,468	1,288,723	1,314,732	0.5%
Secondary Reserves & Marketable Securities	507,120	456,042	-10.1%	461,767	462,920	446,367	2.2%
Loans	637,131	713,822	12.0%	675,362	681,983	711,262	0.4%
Third Party Funds	997,761	1,038,750	4.1%	1,011,043	1,025,528	1,039,718	-0.1%
CASA	798,159	843,334	5.7%	817,812	830,447	847,938	-0.5%
Current Accounts	301,098	320,660	6.5%	304,808	318,274	323,924	-1.0%
Savings Accounts	497,061	522,674	5.2%	513,003	512,174	524,014	-0.3%
Time Deposits	199,602	195,416	-2.1%	193,231	195,081	191,780	1.9%
Equity	194,689	211,261	8.5%	202,987	211,940	221,019	-4.4%

Strong operating performance



(Rp billion)	1Q-22	1Q-23	YoY	2Q-22	3Q-22	4Q-22	QoQ
Operating Income	20,402	24,784	21.5%	20,494	21,859	24,061	3.0%
Net Interest Income	14,483	18,531	28.0%	15,291	16,319	18,051	2.7%
Non Interest Income	5,920	6,253	5.6%	5,203	5,540	6,011	4.0%
Fees and Commissions	3,977	4,253	6.9%	4,194	4,146	4,267	-0.3%
Trading Income	614	537	-12.5%	456	300	383	40.2%
Loss on loan disposal	-	(197)	n.a	(620)	-	-	n.a
Others	1,328	1,660	24.9%	1,174	1,094	1,360	22.0%
Operating Expenses	7,722	9,204	19.2%	7,331	8,123	8,675	6.1%
Manpower	3,907	4,680	19.8%	3,290	3,510	2,946	58.9%
General & Administrative	3,816	4,524	18.5%	4,042	4,613	5,729	-21.0%
PPOP (Pre-Provision Operating Profit)	12,680	15,580	22.9%	13,163	13,737	15,386	1.3%
Provision	2,818	1,460	-48.2%	909	191	609	139.9%
Net Profit	8,064	11,530	43.0%	9,985	10,905	11,781	-2.1%

Key Ratios



Bank Only	1Q-22	1Q-23	ΔYoY	2Q-22	3Q-22	4Q-22	ΔQoQ
NIM	4.9%	5.6%	0.7%	5.0%	5.4%	5.9%	-0.3%
COC	1.9%	0.8%	-1.1%	0.6%	0.0%	0.4%	0.4%
Risk Adjusted NIM	3.0%	4.8%	1.8%	4.4%	5.4%	5.5%	-0.7%
CIR	35.8%	35.1%	-0.7%	32.9%	34.8%	32.5%	2.6%
ROA (after tax)	2.5%	3.4%	0.9%	3.2%	3.4%	3.7%	-0.3%
ROE	16.8%	22.3%	5.5%	22.4%	22.7%	24.7%	-2.4%
CAR	23.9%	28.9%	5.0%	24.7%	25.4%	25.8%	3.1%
LFR*	60.5%	65.6%	5.1%	63.5%	63.3%	65.2%	0.4%
RIM	62.6%	67.7%	5.1%	65.4%	65.3%	67.2%	0.5%
NSFR	176.9%	168.6%	-8.3%	174.1%	172.6%	169.2%	-0.6%
LCR	405.3%	386.1%	-19.2%	395.4%	407.1%	393.5%	-7.4%
NPL - gross	2.3%	1.8%	-0.5%	2.2%	2.2%	1.7%	0.1%
NPL Coverage	244.8%	285.4%	40.6%	246.4%	247.9%	287.3%	-1.9%
LAR	13.8%	9.5%	-4.3%	12.3%	11.7%	10.0%	-0.5%
LAR Coverage incl. off B/S	44.7%	57.9%	13.2%	47.9%	49.9%	53.8%	4.1%

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

Secondary reserves and marketable securities

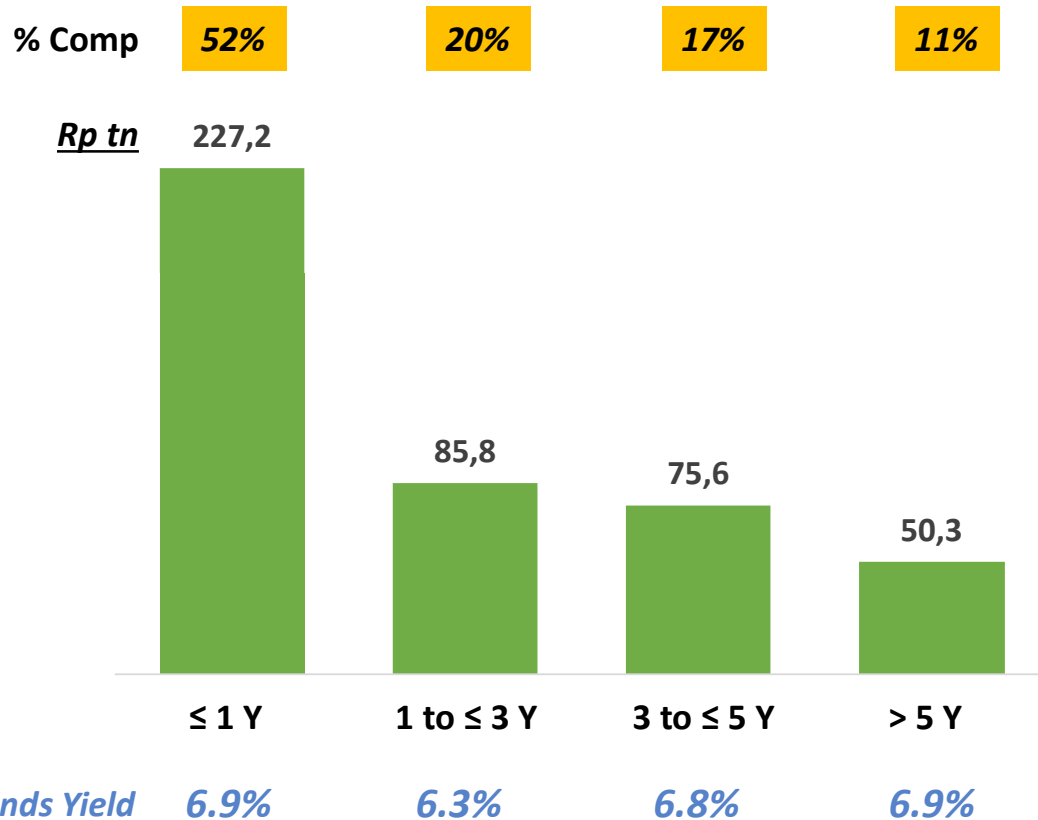
Bank Only



Outstanding as of Mar 2023 - by Remaining Tenor

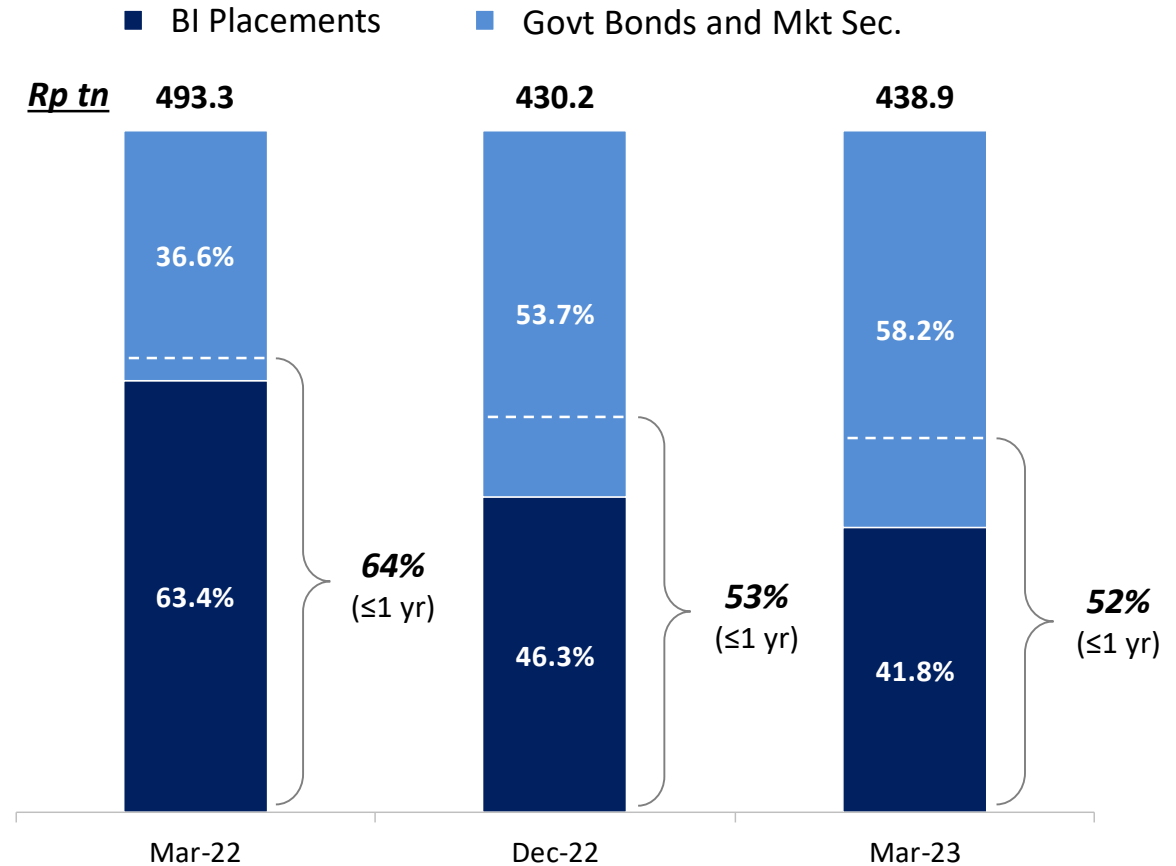
Majority are placed in less than 3 years to maturity

Total Outstanding : Rp 438.9 tn



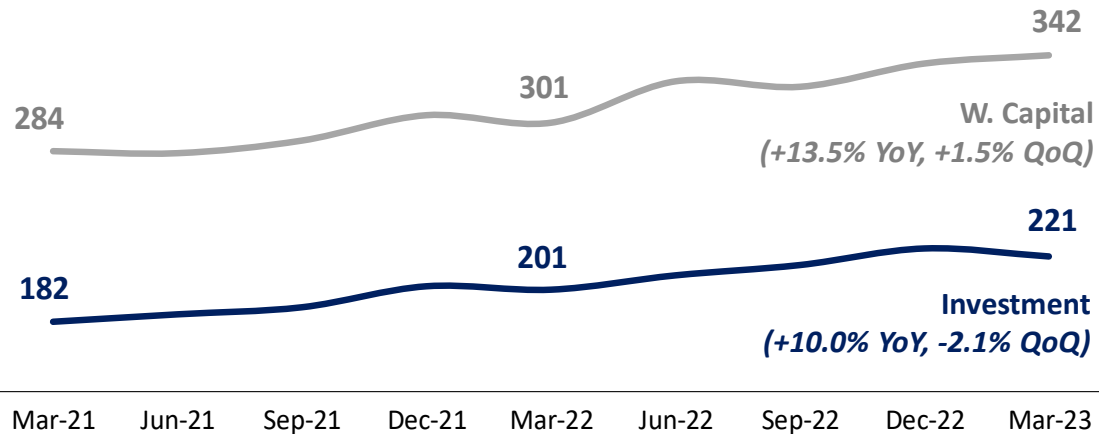
Outstanding Trend

Discipline in maintaining short term high quality instruments

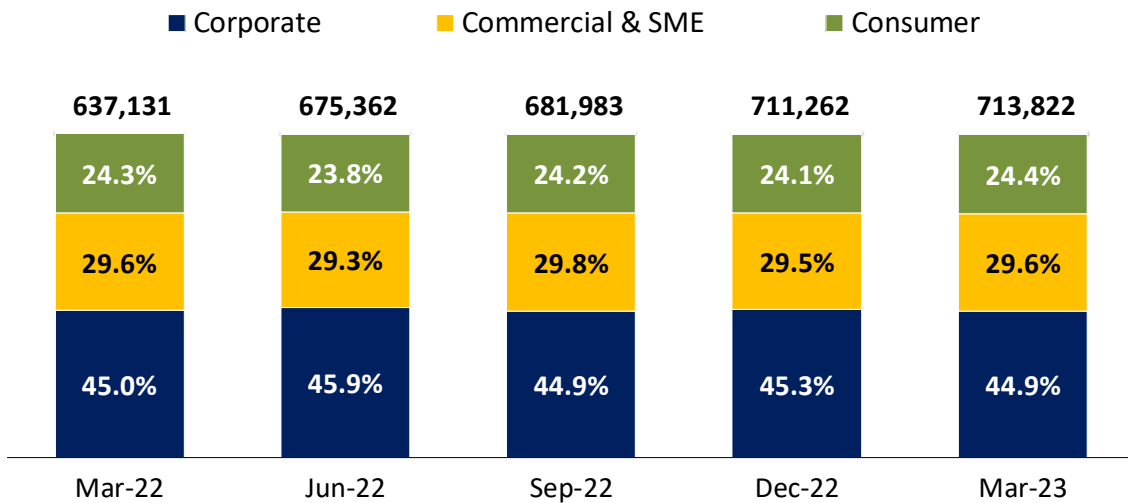


Sound loan expansion across the board

Business Loans (Rp tn) - Consolidated



Loan Composition (Rp bn) - Consolidated

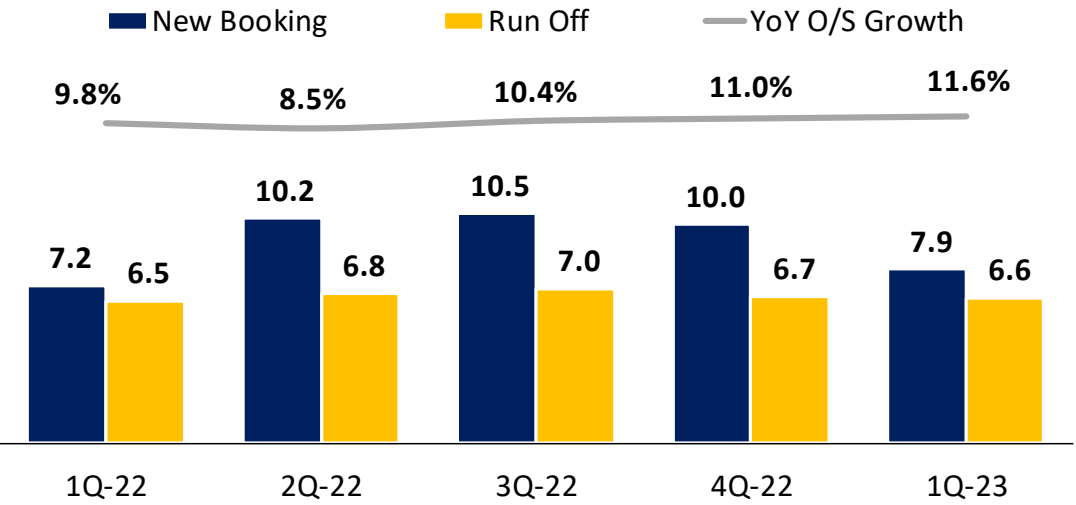


Loan Breakdown (Rp bn) - Consolidated

	Mar-22	Dec-22	Mar-23	ΔYoY	ΔQoQ
Corporate	286,879	322,176	320,468	11.7%	-0.5%
Commercial & SME	188,803	210,162	211,127	11.8%	0.5%
Consumer	154,803	171,347	174,503	12.7%	1.8%
- Mortgage	98,219	108,299	109,589	11.6%	1.2%
- Vehicles	41,573	46,128	47,892	15.2%	3.8%
- C.Cards & Others	15,011	16,920	17,023	13.4%	0.6%
Sharia Financing	6,646	7,577	7,725	16.2%	2.0%
Total O/S Loans	637,131	711,262	713,822	12.0%	0.4%
Total Facilities	912,019	1,034,162	1,047,214	14.8%	1.3%

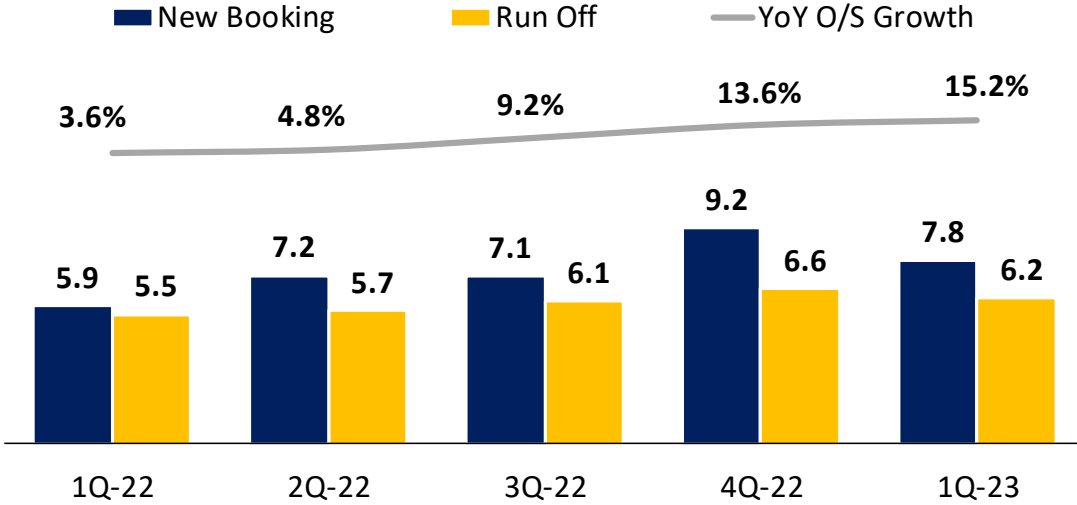
Consumer loans new booking rose 21% YoY

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



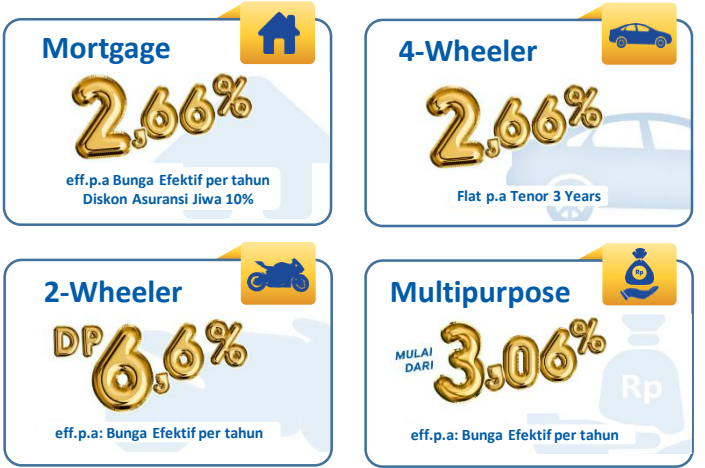
65th BCA
DIPERPANJANG HINGGA 30 APRIL
BCA 65th ANNIVERSARY 2023
SOLUSI PEMBIAYAAN BISNIS
Kredit Usaha Rakyat
Kredit Multiguna Usaha
Kredit Pembelian Tempat Usaha
#DariBCAuntukUMKMIndonesia

Ekspansi Usaha
Pembelian Aset
Modal Usaha
Buat Website
Property Refinancing



Wujudkan Mimpi di BCA 65th ANNIVERSARY 2023
BUNGA SPESIAL KPR & KKB
DP KSM mulai dari

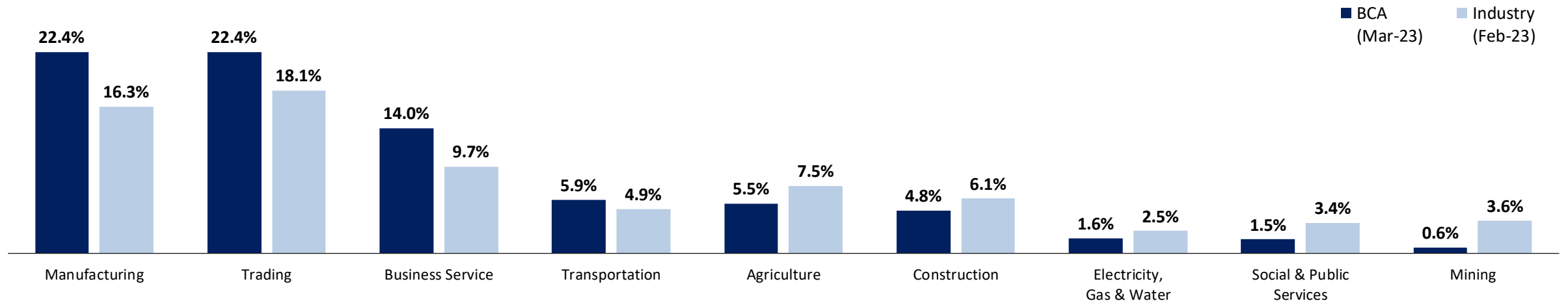
expo.bca.co.id
Mortgage



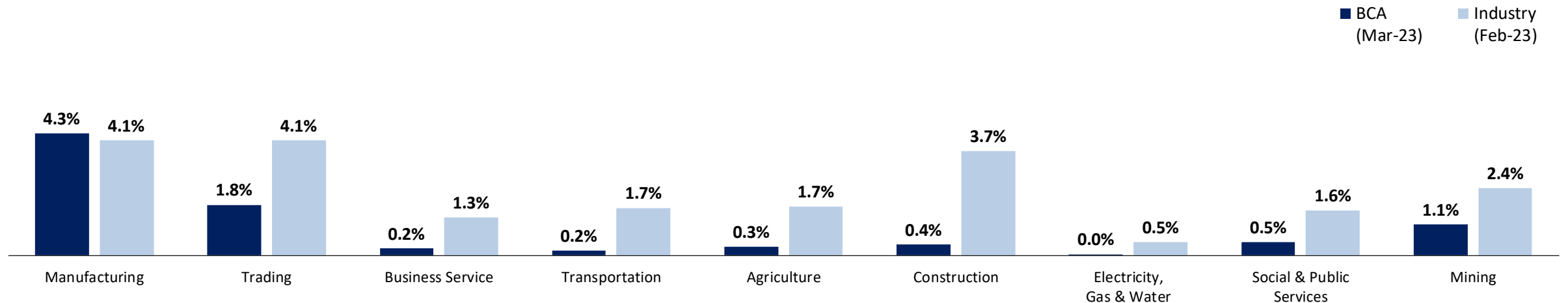
Mortgage 2,66% eff.p.a Bunga Efektif per tahun Diskon Asuransi Jiwa 10%	4-Wheeler 2,66% Flat p.a Tenor 3 Years
2-Wheeler DP 6,6% eff.p.a: Bunga Efektif per tahun	Multipurpose MULAI DARI 3,06% eff.p.a: Bunga Efektif per tahun

Quality loan diversification

Composition of BCA Business Loans by Sector (%)



BCA Business NPL by Sector (%)



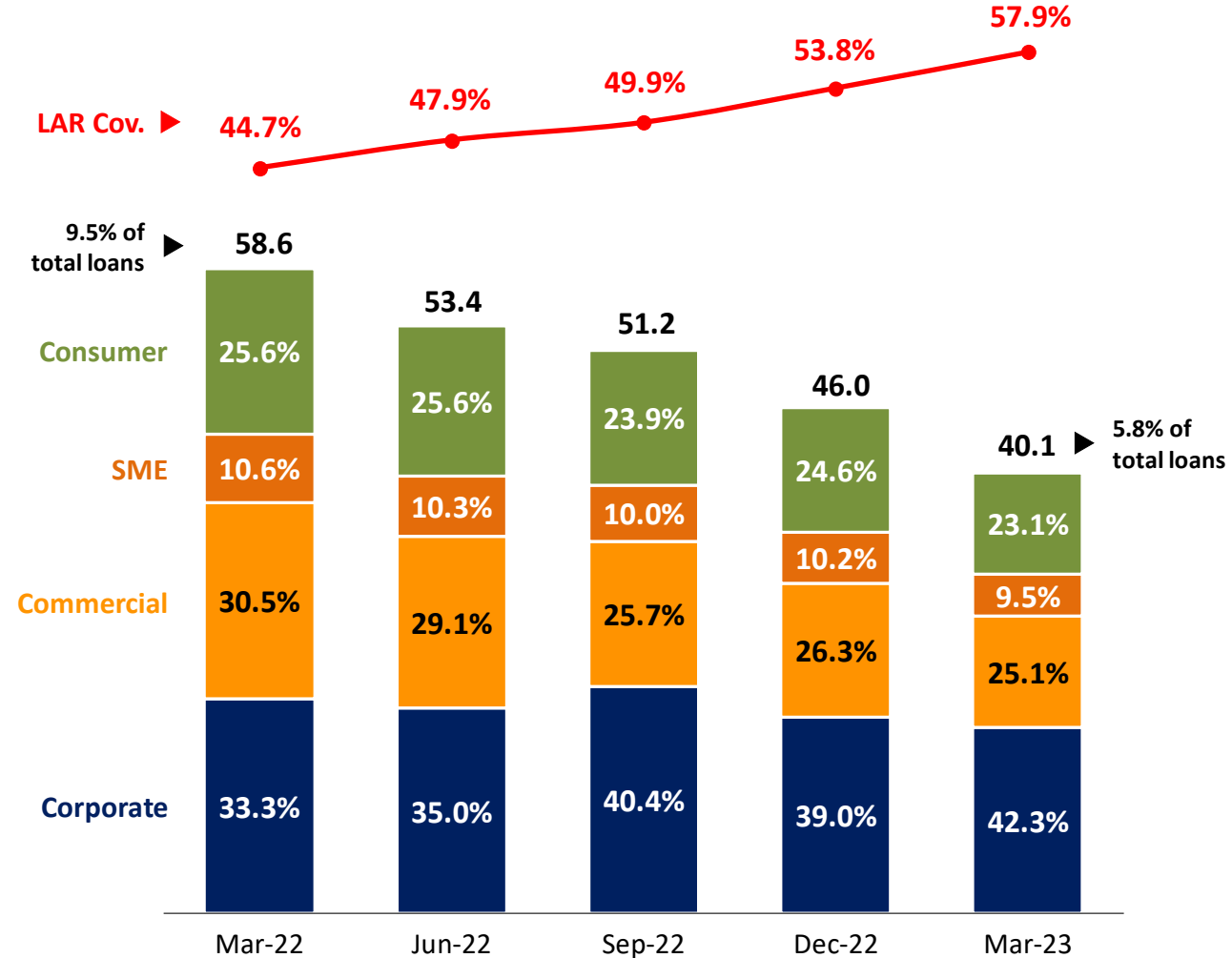
Note: Consolidated numbers based on LBU reporting category

LAR fell to 9.5%, a consistent improvement

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

Rp trillion	Mar-22	Dec-22	Mar-23	ΔYoY	ΔQoQ
Total Loans by Collectability (bank only):					
Current	593.1	667.7	667.7	12.6%	0.0%
Special Mention	12.5	11.6	13.8	10.0%	18.5%
NPL	14.3	11.8	12.2	-14.6%	3.3%
Total Loans	619.9	691.1	693.7	11.9%	0.4%
Restructured Loans (bank only):					
Current	58.6	46.0	40.1	-31.6%	-12.8%
Special Mention	8.4	6.8	7.2	-15.2%	5.6%
NPL	10.3	9.5	10.2	-1.5%	7.5%
Total Restruct. Loans	77.4	62.2	57.4	-25.8%	-7.7%
Total LAR	85.4	69.4	66.0	-22.7%	-4.8%
% LAR / Loans	13.8%	10.0%	9.5%	-4.3%	-0.5%

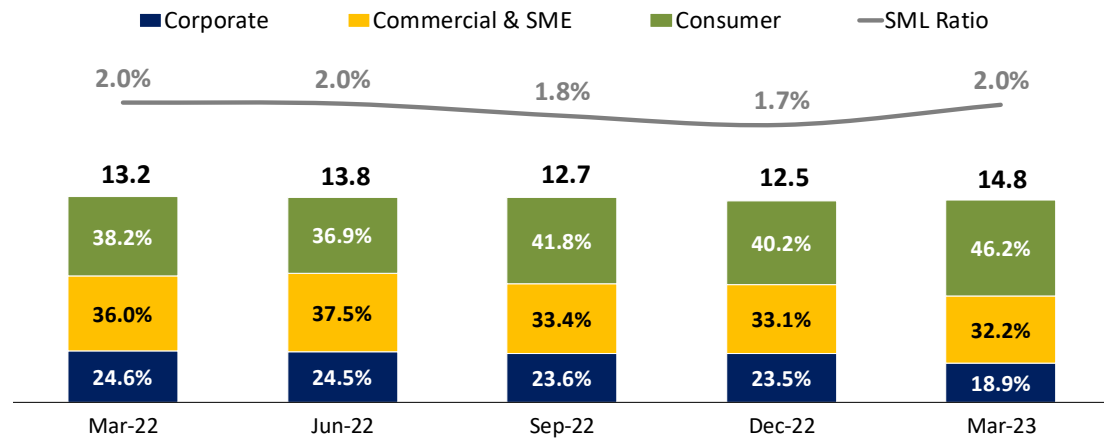
Restru. Loans - Coll.1, LAR Coverage - Bank Only



Sufficient buffer for credit risk

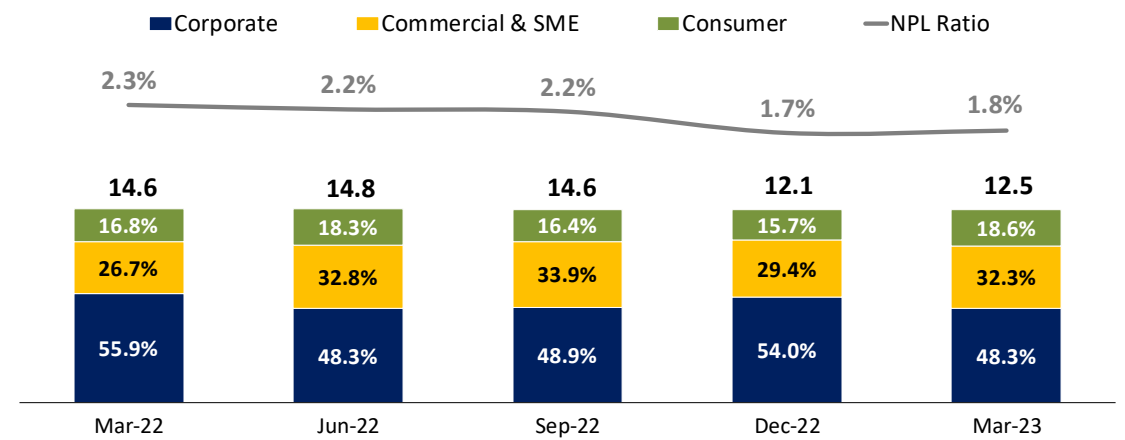


Special Mention Composition (% of Total SML, Rp tn) Consolidated



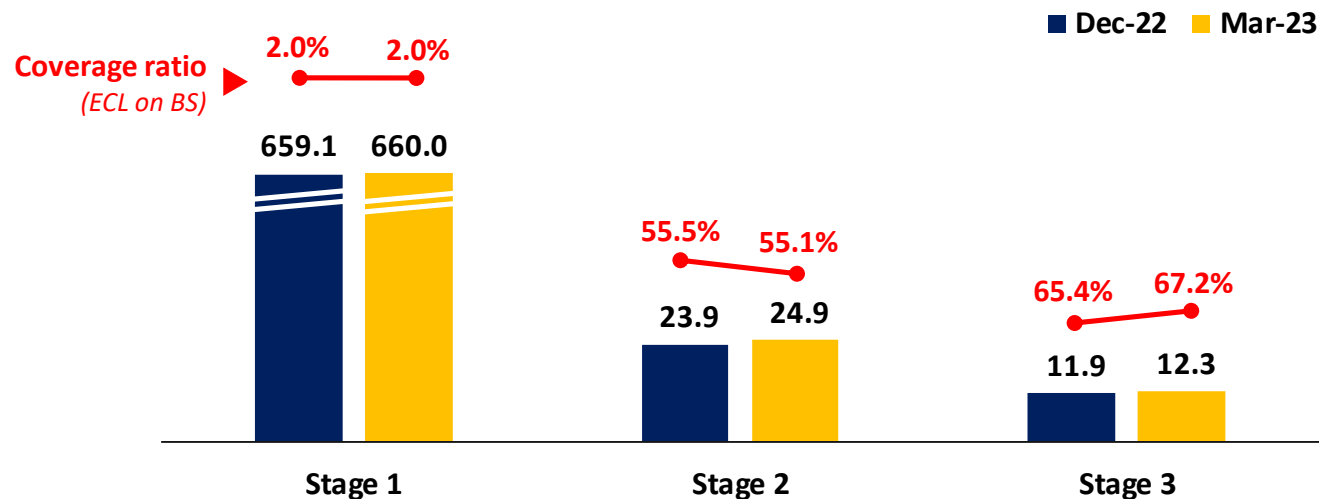
Note: The remaining contribution came from Sharia financing

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



Note: The remaining contribution came from Sharia financing

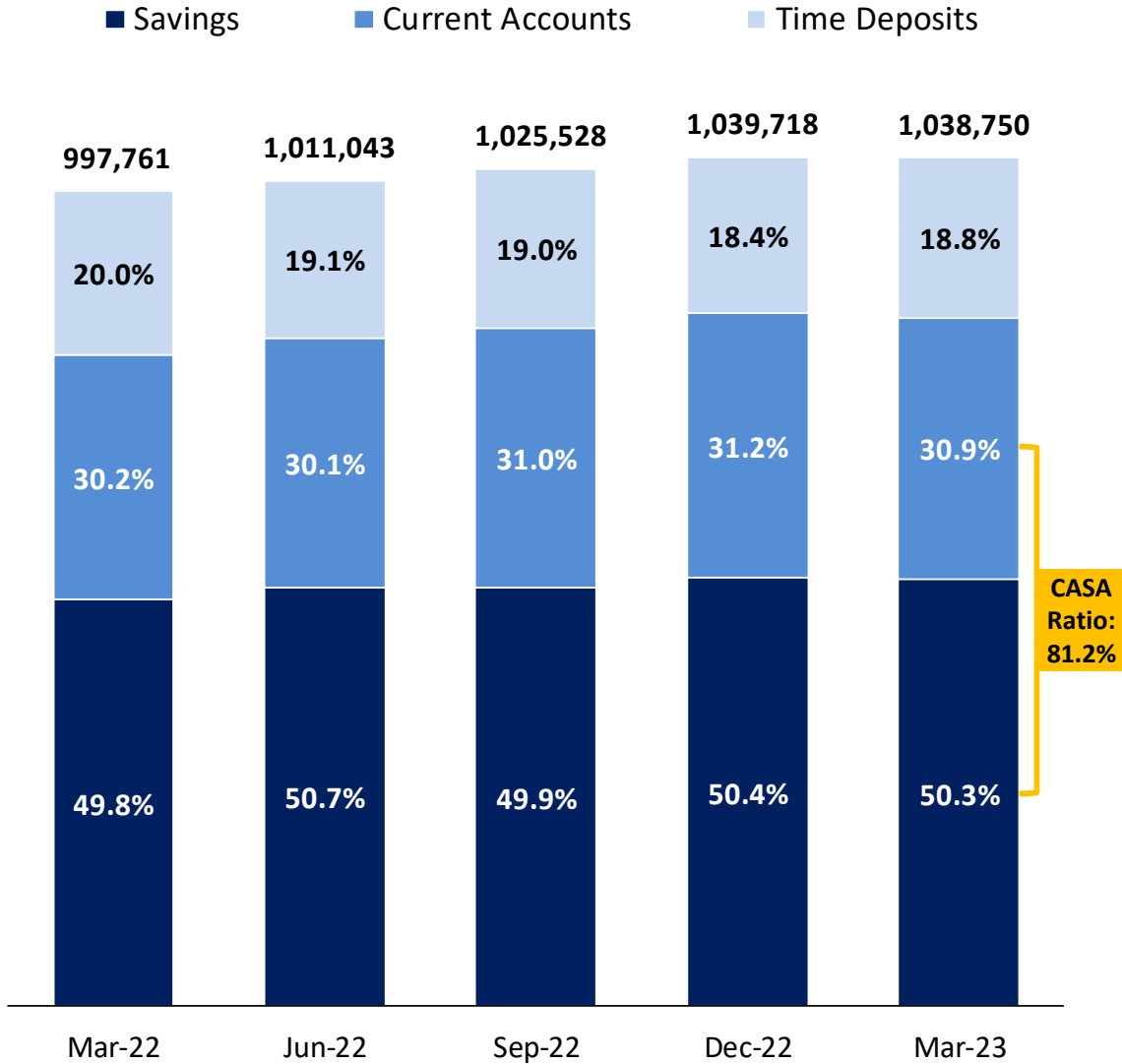
Loan Staging (Rp tn) – Consol excl. sharia & consumer receivables



CASA Ratio reached 81.2%



Third Party Fund Composition (Rp bn) - Consolidated



Third Party Funds (Rp bn) - Consolidated

	Mar-22	Dec-22	Mar-23	ΔYoY	ΔQoQ
CASA	798,159	847,938	843,334	5.7%	-0.5%
Current Accounts	301,098	323,924	320,660	6.5%	-1.0%
Savings Accounts	497,061	524,014	522,674	5.2%	-0.3%
Time Deposits	199,602	191,780	195,416	-2.1%	1.9%
Third Party Funds	997,761	1,039,718	1,038,750	4.1%	-0.1%
CASA Ratio	80.0%	81.6%	81.2%	1.2%	-0.4%

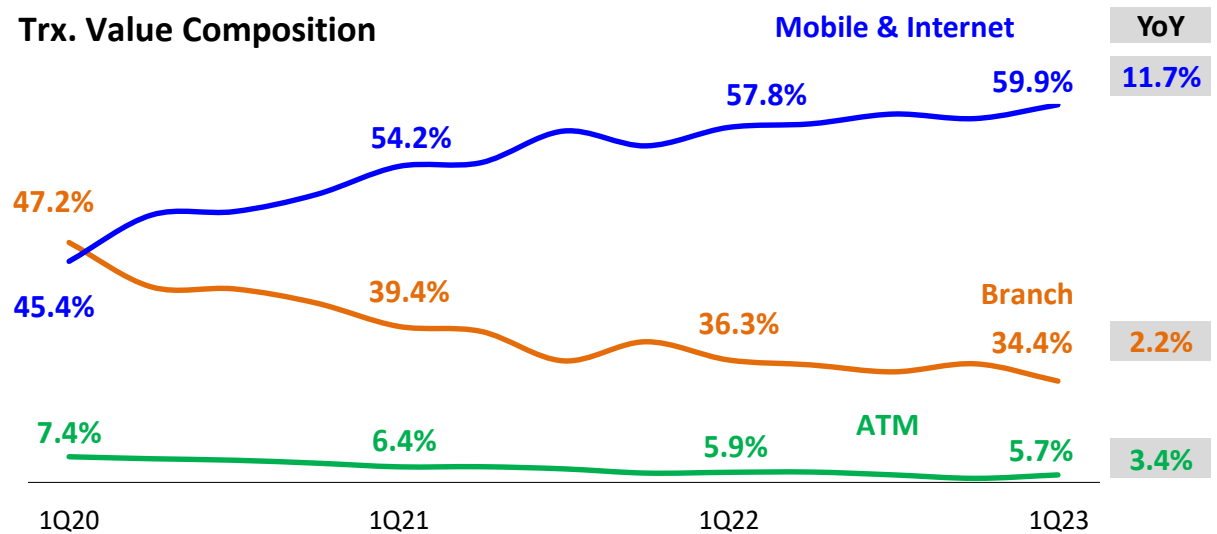
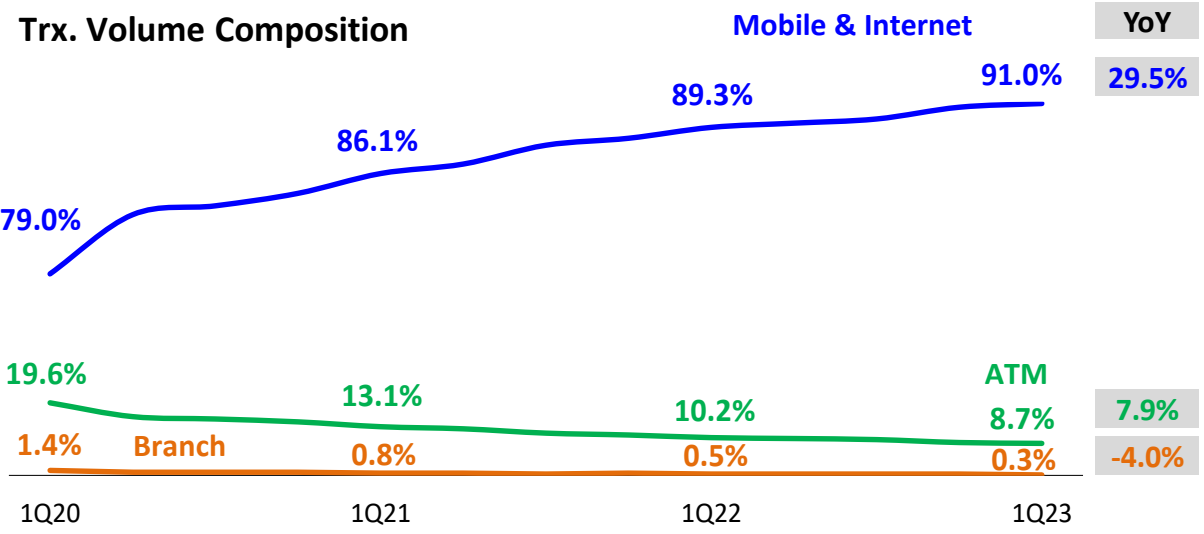


Outstanding digital transactions



<p>No. of Customers</p>	<p>No. of transactions mobile banking</p>	<p>% Mobile Banking Users to CASA Acct.</p>	<p>% Individual Online Acct. Opening</p>	<p>QRIS Trx value</p>
<p>42% in 2 years</p>	<p>3.6x in 3 years</p>	<p>79% in 1Q-23</p>	<p>67% in 1Q-23</p>	<p>4.0x YoY</p>

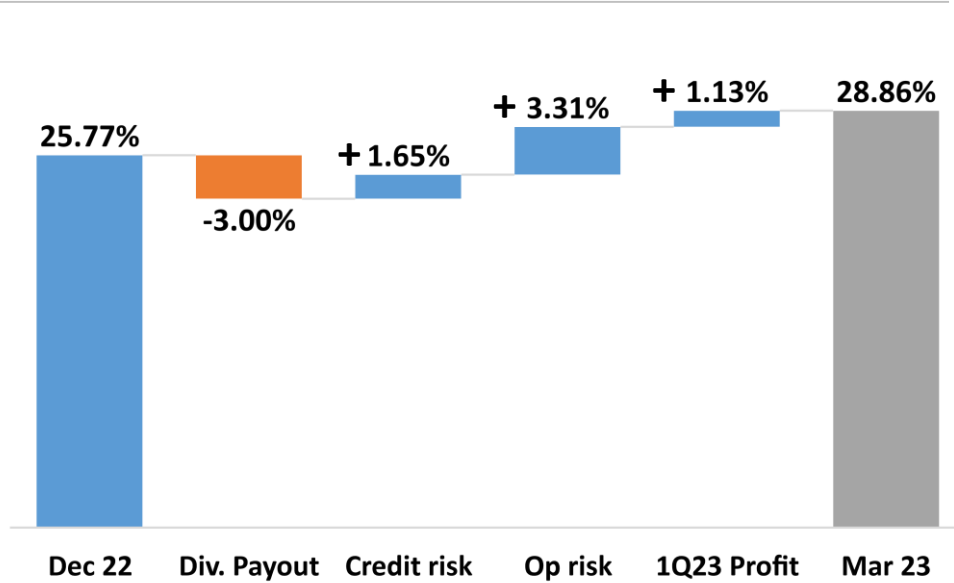
STRONG GROWTH IN ONLINE CHANNELS



Solid capital to support growth

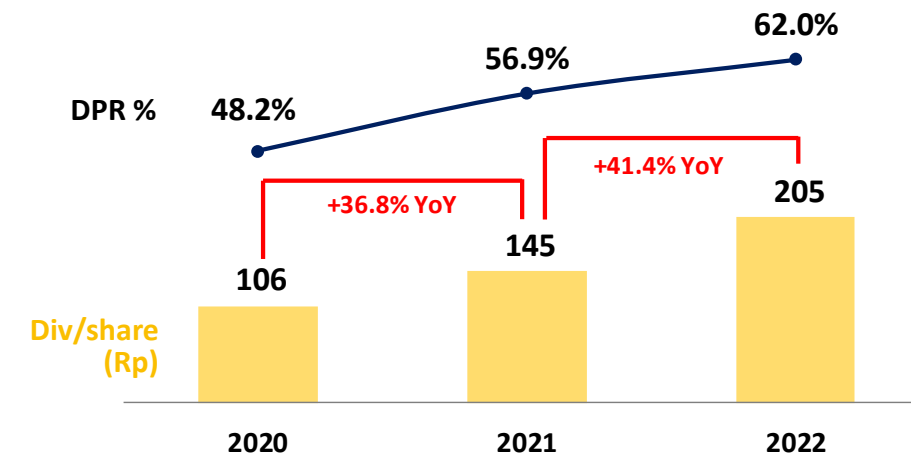


CAR Movement

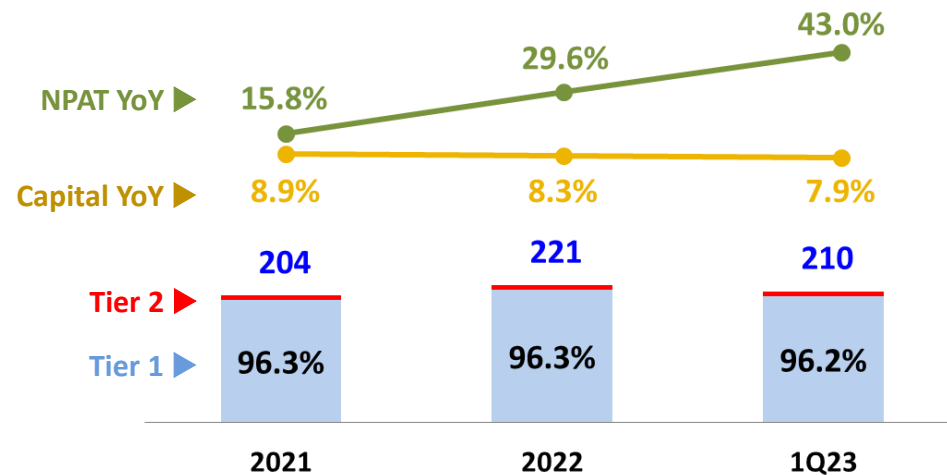


- Effective 1 Jan 2023, OJK impose new regulation on CAR formula which is accretive to the BCA's CAR due to:
 - RWA Credit risk savings from lower risk weight assets particularly on retail and property-backed loans.
 - RWA Operational risk savings from: i) net interest income which is now capped at 2.25% of earning assets from previously uncapped; ii) adoption of progressive multiplier which is on average lower than the previous charge of 15% ; iii) incorporation of actual internal loss rate which further reduce the Bank's operational charge.
- Sustained strong nominal capital to support loan expansion in corporate segment, while DPR is in upward trend.

Dividend Payout Ratio (DPR) & Dividend per Share



Nominal Capital Growth (Rp tn)



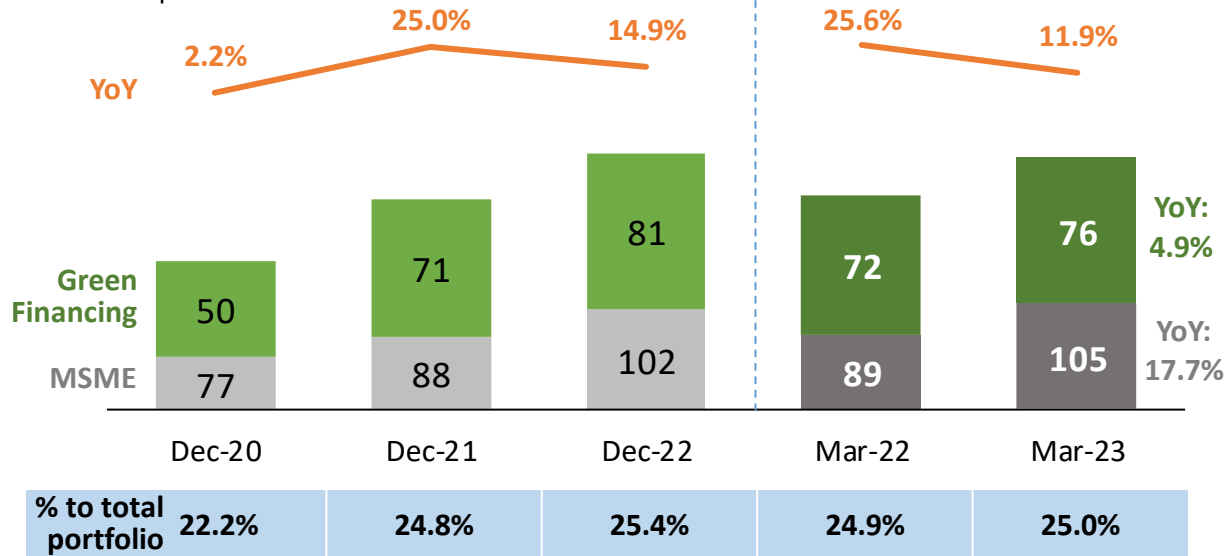
► Sustainability finance and ESG ◀

- Economic Aspect
- Environment
- Social
- Governance

Sustainable financing grew 11.9% YoY

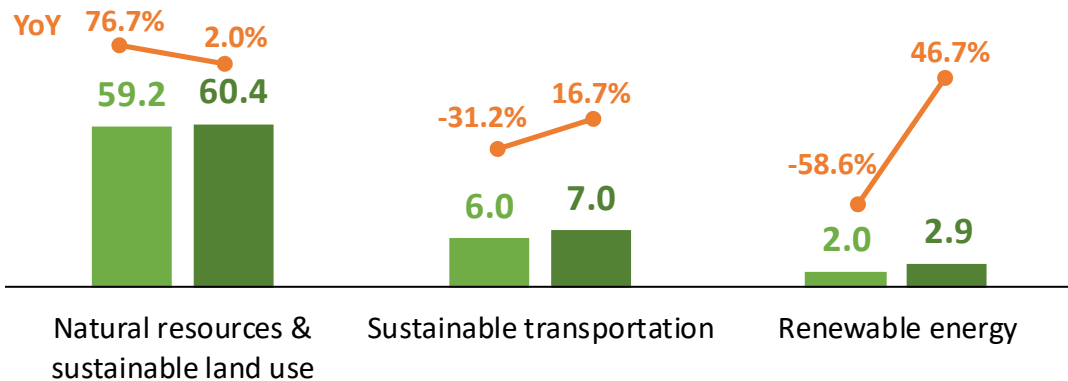
» Sustainable financing

in Rp trillion



» Top 3 green financing

in Rp trillion



» Key Highlights up to Mar-23

- ▶ Pursue growth in **sustainable financing** :
 - offer ESG **special rate** in the Commercial & SME segment
 - offer special program to support **women entrepreneurship**
 - develop financing portfolio for **Electric Vehicles (EV)**.

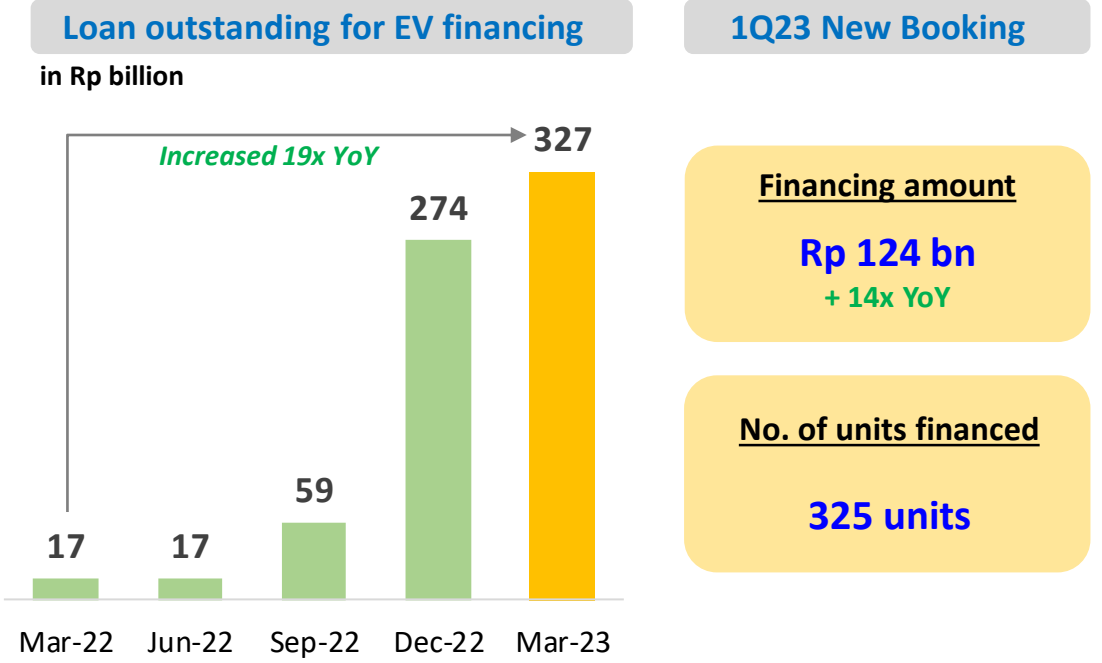
- ▶ Loan disbursement in **sustainable transportation, renewable power plant, and recycle paper** throughout 1Q23.

- ▶ **Responsible lending policies** are in place for 5 sectors : palm oil, forestry & wood products, coal mining, toll road, and cement & steel.

- ▶ Actively engaged in ongoing **'OJK's Green Taxonomy'** program.

Active sustainability initiatives across segments

» Growing opportunities in EV financing



Supporting EV ecosystem



» Nurturing MSMEs through financial solutions



» Driving responsible practices in palm oil sector

- Financing to **certified palm oil** (ISPO/RSPO).
- Adopt **no-deforestation, no-peat, no-exploitation** (NDPE) principles.
- Local community empowerment through **financing to plasma farmers**, in collaboration with corporate customers.
- 66% of palm oil debtors** were ISPO/ RSPO certified in 1Q23, compared to 50% in 4Q20.

Consistently integrating environmental aspect into banking operation

	FY21	FY22	YoY
Total CO2 savings potential (ton eq.)	888	1,996	125%
A Recycle & Waste Management	0	349	N/A
B Digital Banking Operation	797	1,458	83%
C Green Building & Energy Efficiency	59	149	153%
D Nature Conservation	32	40	25%

1Q 2023 Key Achievements

A

Waste Recycled		Recycling Output
Non-Organic	Plastic bags, paper, carton, bottle 11 ton + 319% YoY	Plastic pellets, reusable pulps, etc.
Archives & Documents	Expired calendars and documents 83 ton + 36% YoY	Reusable pulps

B

99.6% of transactions in 1Q 2023 done through **digital channels**

Digital workplace (internal administration, approval mechanism, internal event, work from hub)

C

Continuously participating in Earth Hour initiative since 2019

Earth hour 2023 achievement:

864 BCA's premises involved (+59% YoY)

279 kWh estimated electricity savings

D

Walk & Bike for Tree program

7,122 employees participated

±40,000 trees to be planted

Continuously touching the lives of many

» Bringing positive impacts to external communities

» Community empowerment at BCA Expoversary



- ▶ Hosting tourism villages exhibition at BCA Expoversary to promote **new tourist destinations** through potential **partnership with third parties**.
- ▶ Promote **handicrafts** and **local products** from MSMEs across villages.

» Obtained MURI (Indonesian World Records Museum) for Company with the Most Preservation Activities for Wayang (traditional puppet show)



» CSR Initiatives & Outreach in 1Q23

Education & Financial Literacy

4,484 participants of financial literacy socializations & activities

184 teachers participated in learning method training facilitated by BCA

NEW

Public Health

3,871 medical treatment assistance

561 blood bags collected for donation

» To employees: inspired to be a workplace of choice

Initiatives on employee well-being



Competitive remuneration (e.g. medical insurance, festive allowance, etc.)

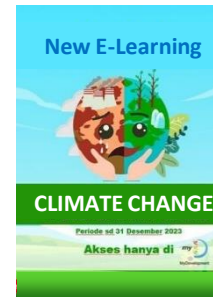


Scholarships to pursue bachelor & master degree



BCA Awards to recognize employees' excellence

Building sustainability capabilities & awareness



4 new mandatory e-learning for all employees

660 participants

Green office

Climate change

Anti-corruption practices

Cybersecurity for Social Media

Sharing session on green lifestyle in collaboration with WWF

Strengthening corporate governance

» Good governance for sustainable business practices



Fair dealing applied to both internal & vendors (e.g. human rights, occupational health & safety, employment, etc.)



Anti-corruption and anti-fraud prevention initiatives



Preventing financial crimes by raising awareness on anti-money laundering & terrorism financing



Whistleblowing system



Encourage employees to develop **competencies on ESG aspects**



Strengthen **ESG work unit, improve ESG disclosure**

» Rising importance of IT Governance



Enterprise Security Unit to oversee the implementation of **cyber security** internally



Data protection technologies to ensure data privacy



Enforcing data security policy across all work units.



Raising cybersecurity awareness for employees, customers, and clients



Enhancement of formal procedures on consumer data protection

NEW

Obtained IT & Data Security Certifications

- 1 **ISO 27001:2013** for Enterprise Security
- 2 **PCI DSS 3.2.1 certification** for BCA data center (global data security)
- 3 **ISO 20000-1:2018** for IT service management & data center
- 4 **ISO 9001:2015** for data center operations & quality management system
- 5 **ISO 27001:2013** for data center network & operation

ESG Rating & Awards



**MSCI Indonesia Index
Top 10 Constituents**

MSCI
ESG RATINGS



CCC B BB BBB A **AA** AAA


Last update: Mar 2023

**FTSE4Good ASEAN 5 Index
Top 10 Constituents**



FTSE4Good


Last update: Mar 2023



BCA constituents of:

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

Last update: Mar 2023



Customer excellence recognition for passing
90th percentile of Gallup's Global Customer Engagement database

**FIHRRST
Best Sustainability Report**

Rating **A+**



Last update: Feb 2023 - Annually

**Thomson Reuters - Refinitiv
ESG Scores**

Rating **A**




Last update: Nov 2022 - Annually

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

Score **53**
Rank percentile **79th**



Last update: Nov 2022 - Annually



PUBLIC RELATIONS INDONESIA AWARDS 2023

Best Sustainability Report
PR Indonesia Award (PRIA) 2023



Bakti BCA CSR Program
Fortune Indonesia Change the World

▶ Share data, ratings & awards ◀

BCA share performance & rating



BCA Shareholding Structure (31 March 2023)

	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 November 2022

Description	Rating
Outlook	Stable
Long-Term IDR	BBB-
Short-Term IDR	F3
National Long-Term	AA+ (idn)
National Short-Term	F1+ (idn)
Viability	bbb-
Government Support	bbb-

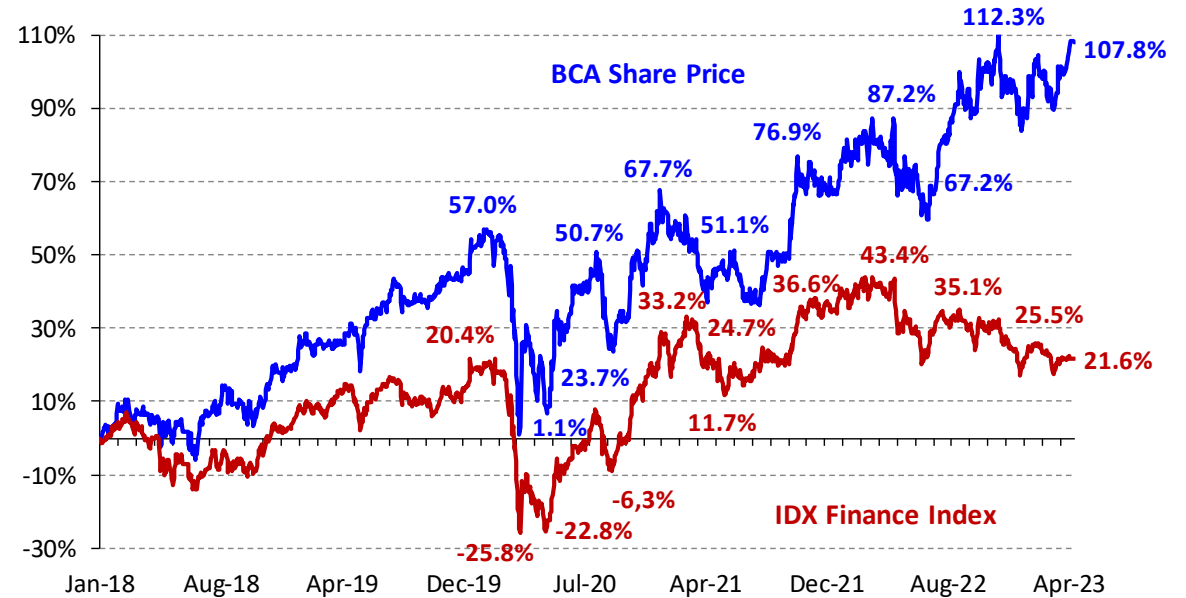
Pefindo Ratings

As of March 2023

Description	Rating
Corporate Rating	idAAA/Stable
Shelf Registration Sub Bond I	idAA/Stable

Performance BCCA vs IDX Finance Index

(Relative price up to 26 Apr 2023 against 1 Jan 2018)



- Market Cap BCA: Rp1,119 tn (26 Apr 23)**
"The Largest in Indonesia"
- CAGR BCA Share Price: +44.8%**
(2 Years: Apr-21 to Apr-23)
- CAGR IDX Finance Share Price: +2.2%**
(2 Years: Apr-21 to Apr-23)

Awards and recognitions - 2023

Best Bank



Asiamoney Private Banking Award 2023

Best for High Net Worth in Indonesia



Obsession Award 2023

Best of the Best Company

CSR



Fortune Indonesia Change the World

Change The World (Bakti BCA)

Brand & Marketing



Marketeers Youth Choice Award

- Banking Mobile Apps (BCA Mobile)
- Saving Account (Tahapan Xpresi BCA)



Solo Best Brand and Innovation (SBBi) 2023

- Private Bank Savings Accounts
- Credit Card



Indonesia Property & Bank Award 2023

The Most Favourite Mortgage Product (KPR BCA)

Customer Service



Infobank Satisfaction, Loyalty and Engagement (SLE) Awards 2023

- Satisfaction Index 2023 (1st rank)
- Satisfaction Index 2023 – Customer Service (1st rank)
- Satisfaction Index 2023 – ATM Conventional Bank (1st rank)
- Satisfaction Index 2023 – Mobile Banking (2nd rank)
- Satisfaction Index 2023 – Teller (2nd rank)
- Satisfaction Index 2023 – Branch (2nd rank)
- Engagement Index 2023 (2nd rank)
- Loyalty Index 2023 (3rd rank)



Gallup Global Customer Engagement

Customer Engagement Recognition – Above Global Customer Engagement Average Score or 90th percentile

Public Relations



PR Indonesia Award (PRIA) 2023

- Digital Channel – Social Media – Instagram (bcasemuaberes)
- Annual Report – Annual Report 2021
- Annual Report – Sustainability Report 2021
- Owned Media – Video Profile (Company Profile BCA)
- Program PR – Digital PR (BCA CAREER - #MUNGKINLOCOCOK)
- Most Popular – Mass Media

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BCA

Always by your side

Thank You

Changes in RWA Operational Risk and Credit Risk (1/2)

A) RWA operational risk changes summary:

- **Old formula:** Calculated with a fixed formula of 15% of the bank’s gross income averaged over the previous three years multiplied by 12.5.
- **New formula:**
 - Taking into account internal loss component
 - Using new business indicator definition to replace gross operating income with varied multiplier (as opposed to standardized 15%)

B) RWA credit risk changes summary:

- **Residential backed property loans** are now not limited to consumption use only, but applicable for debtors and business entities
- **Commercial backed property credit RWA** are now depending on the LTV and terms and conditions, whilst previously all were charged with 100% RWA
- **Loans to retail** is now between Rp 1 bn to 5 bn (previously only max 1 billion)
- **Loans to corporate** is now above Rp 5 bn, with some changes on the RWA depending on the rating
- **Off B/S loans for committed facility short term** <= 1 year is now weighted 40% from previously 20% - 50%

1) Residential property backed loans

BEFORE (SE OJK No 42/SEOJK.03/2016 & SE OJK No 11/SEOJK.03/2018)	AFTER (SE OJK No 24/SEOJK.03/2021)
Definition: <input type="checkbox"/> Consumer loans secured by residential/apartment collateral (excluding shop houses/office houses). <input type="checkbox"/> For personal debtors with LTV Max 100%. • LTV <= 50% 20% • 50% < LTV <= 70% 25% • LTV > 70% to 100% 35%	Definition <input type="checkbox"/> Loans (not necessarily for consumption) secured by residential/ apartment collateral (excluding shop houses/office houses). <input type="checkbox"/> For individual debtors and business entities . <u>Installments are independent from the cash flows from the property:</u> LTV <= 50% 20% 50% < LTV <= 60% 25% 60% < LTV <= 80% 30% 80% < LTV <= 90% 40% 90% < LTV <= 100% 50% LTV > 100% 70% Not eligible for LTV: Individual 75% UMK 85% Counterparty risk weight
	<u>Installments depend on the cash flow of the property:</u> LTV <= 50% 30% 50% < LTV <= 60% 35% 60% < LTV <= 80% 45% 80% < LTV <= 90% 60% 90% < LTV <= 100% 75% LTV > 100% 105% Not eligible 150%

2) Commercial property backed loans

BEFORE (SE OJK No 42/SEOJK.03/2016 & SE OJK No 11/SEOJK.03/2018)	AFTER (SE OJK No 24/SEOJK.03/2021)				
Definition: <input type="checkbox"/> Loan to individuals or business entities <input type="checkbox"/> For the purpose of financing and developing commercial properties <input type="checkbox"/> Source of payment from the property being financed. Risk weight: 100%	The definition changes to: <input type="checkbox"/> Loan to individuals or business entities, incl shop houses/office houses; <input type="checkbox"/> Secured by collateral other than residential property <input type="checkbox"/> Meet the general terms and conditions for collateralized credit property				
	Type of Repayment	Meet the terms and conditions			Doesn't meet the terms and conditions
		LTV ≤ 60%	60% < LTV ≤ 80%	LTV > 80%	
	Materially dependent on the property's cash flows	70%	90%	110%	150%
	Not materially dependent on the property's cash flows	Counterparty risk weight, maximum 60%			
		Counterparty risk weight			

Changes in RWA Operational Risk and Credit Risk (2/2)

3) Loans to retail

BEFORE (SE OJK No 42/SEOJK.03/2016 & SE OJK No 11/SEOJK.03/2018)	AFTER (SE OJK No 24/SEOJK.03/2021)								
<p>Definition:</p> <ul style="list-style-type: none"> Receivables from Individuals and micro small enterprises (MSEs). Maximum receivables from one counter party is 0.2% of all MSE receivables, and receivables from retail with a max plafond: Rp 1 billion. (above Rp 1 bio is categorized as Corporate) 	<p>Definition:</p> <p>Receivables from Individuals and MSEs.</p> <ul style="list-style-type: none"> Maximum receivables from one counter party is 0.2% of all MSE receivables, and receivables from retail with a max plafond: Rp 5 billion. (Now retail is between Rp 1- 5 bio). Requirements are divided into: <ul style="list-style-type: none"> Transactor (Credit Card/Charge Card where the bill was paid in full in the last 12 months) <u>Non Transactor</u> 								
Risk Weight: 75%	<p>Risk Weight:</p> <p>Eligible (exposure per customer ≤ Rp 5 billion)</p> <table border="0"> <tr><td>Transactor</td><td>45%</td></tr> <tr><td><u>Non Transactor</u></td><td>75%</td></tr> </table> <p>Not eligible (exposure per customer > Rp 5 billion)</p> <table border="0"> <tr><td>MSE</td><td>85%</td></tr> <tr><td>Individual</td><td>100%</td></tr> </table>	Transactor	45%	<u>Non Transactor</u>	75%	MSE	85%	Individual	100%
Transactor	45%								
<u>Non Transactor</u>	75%								
MSE	85%								
Individual	100%								

Note: MSE definition is enterprise with revenue of Rp 15 bio p.a.

4) Loans to company (exposure > Rp 5 bn)

BEFORE (SE OJK No 42/SEOJK.03/2016 & SE OJK No 11/SEOJK.03/2018)	AFTER (SE OJK No 24/SEOJK.03/2021)																														
<p>Definition:</p> <ul style="list-style-type: none"> Receivables from individuals, or Corporates that do not meet the terms and cons in other portfolio categories 	<p>Definition:</p> <p>Receivables from:</p> <ul style="list-style-type: none"> Exposure to General Corporate Exposure to Special Financing Exposure to Small and Medium Corporations with sales value ≤ IDR 500 billion 																														
<table border="1" style="background-color: #0056b3; color: white;"> <thead> <tr><th colspan="2">Corporate Rating</th></tr> </thead> <tbody> <tr><td>AAA sd AA-</td><td>20%</td></tr> <tr><td>A+ to A-</td><td>50%</td></tr> <tr style="border: 2px solid red;"><td>BBB+ to BBB-</td><td>100%</td></tr> <tr><td>BB+ to BB-</td><td>100%</td></tr> <tr><td>Under BB-</td><td>150%</td></tr> <tr><td>No Rating</td><td>100%</td></tr> </tbody> </table>	Corporate Rating		AAA sd AA-	20%	A+ to A-	50%	BBB+ to BBB-	100%	BB+ to BB-	100%	Under BB-	150%	No Rating	100%	<table border="1" style="background-color: #e67e22; color: white;"> <thead> <tr><th colspan="2">With Corporate Rating</th></tr> </thead> <tbody> <tr><td>AAA sd AA-</td><td>20%</td></tr> <tr><td>A+ to A-</td><td>50%</td></tr> <tr style="border: 2px solid red;"><td>BBB+ to BBB-</td><td>75%</td></tr> <tr><td>BB+ to BB-</td><td>100%</td></tr> <tr><td>Under BB-</td><td>150%</td></tr> <tr><td>No Rating</td><td>100%</td></tr> <tr style="border: 2px solid red;"><td>No Rating for Small Medium Corporation</td><td>85%</td></tr> </tbody> </table>	With Corporate Rating		AAA sd AA-	20%	A+ to A-	50%	BBB+ to BBB-	75%	BB+ to BB-	100%	Under BB-	150%	No Rating	100%	No Rating for Small Medium Corporation	85%
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5) Off Balance Sheet

Credit Conversion Factor (FKK)	BEFORE (SE OJK No 42/SEOJK.03/2016 & SE OJK No 11/SEOJK.03/2018)	AFTER (SE OJK No 24/SEOJK.03/2021)				
Uncommitted	0%	10%				
Committed	<table border="0"> <tr><td style="color: red;">Short term (<= 1 yr)</td><td style="color: red;">20%</td></tr> <tr><td>Long term (> 1 yr)</td><td>50%</td></tr> </table>	Short term (<= 1 yr)	20%	Long term (> 1 yr)	50%	40%
Short term (<= 1 yr)	20%					
Long term (> 1 yr)	50%					
LC	20%	20%				
BG	50%	50%				
Standby LC	100%	100%				

Steps for calculating Off BS Credit RWA:

- Off B/S exposure is converted into credit exposure with the formula:

$$\text{Net Receivables} = (\text{value of commitments or contingent liabilities} - \text{provision expense}) \times \text{Credit Conversion Factor}$$
- RWA Credit = Net Receivables x risk weight for each Portfolio Category