



Session 1

Overview of the Indonesian banking market

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Comparison of Indonesia today and in 2030

Indonesia today

16th largest economy in the world

45 million members of the consuming class

53% of population in cities producing
74% of GDP

55 million skilled workers

\$0.5 trillion market opportunity in consumer services, agriculture and fisheries, resources, and education



... and in 2030

7th largest economy in the world

135 million members of the consuming class

71% of population in cities producing
86% of GDP

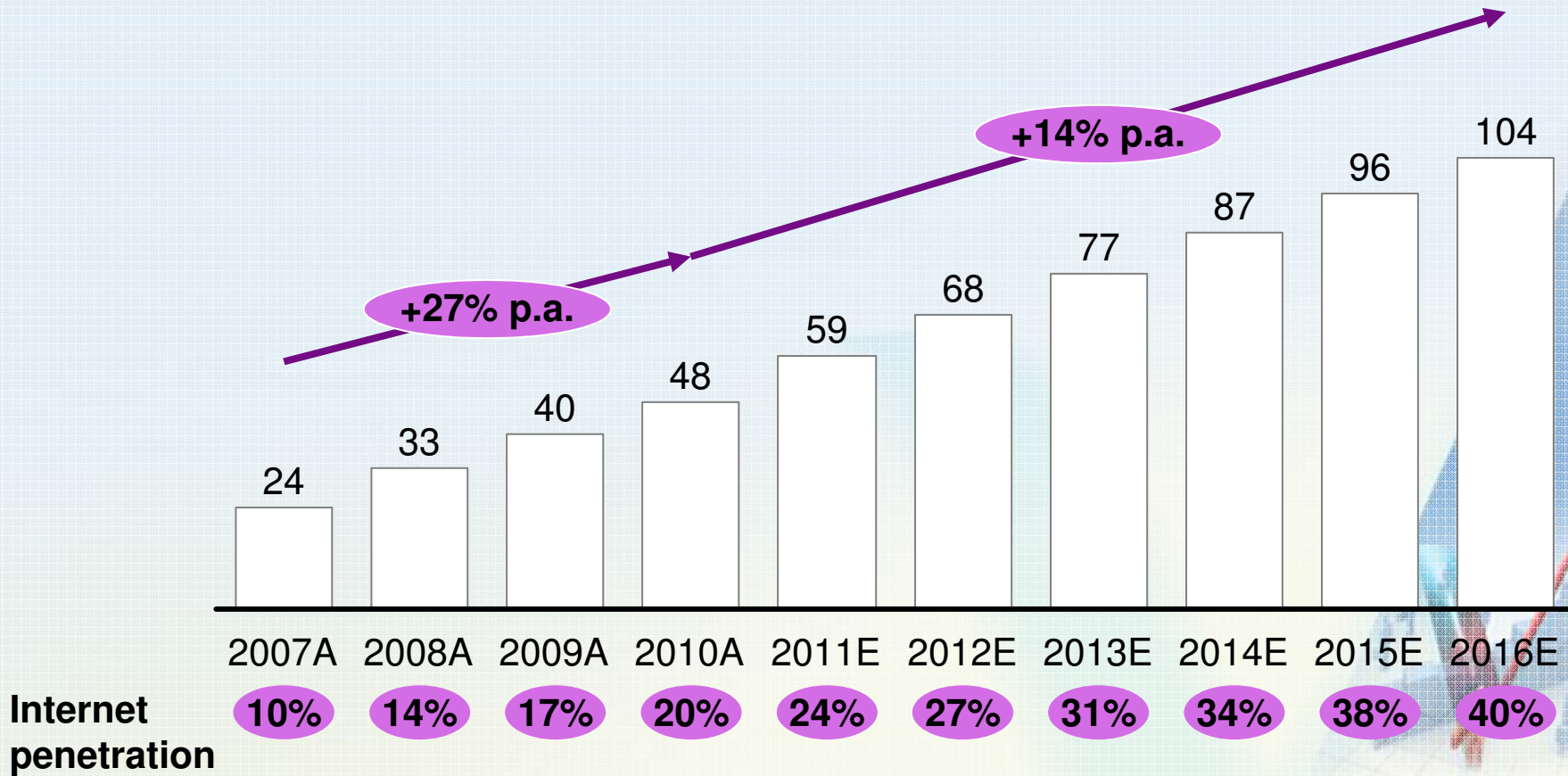
113 million skilled workers needed

\$1.8 trillion market opportunity in consumer services, agriculture and fisheries, resources, and education

Internet users are projected to increase to >100 million users by 2016

Number of internet users in Indonesia

Million

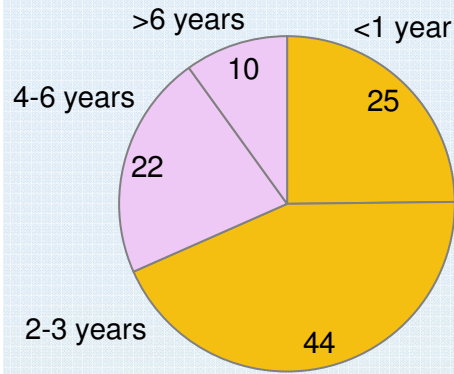


SOURCE: Pyramid Q4 2011

70% of internet users relatively new to online; ecommerce yet to take off

How long have you been using the internet?

Percent, N=3600



70% of internet users started accessing the internet less than 3 years ago

Breakdown of time spent on PC

Minutes per day

More than 10 minutes a day (Yellow bar) Percent total of segment (Purple circle)

	< 1 year	2-3 years	4-6 years	> 6 years
Communication				
Reading/writing Email	2	3	4	6
Social network websites	20	27	36	44
Instant Messaging	2	4	6	9
Voice chat/Video chat	1	1	1	2
Read or write blogs	1 (41%)	2 (41%)	3 (40%)	4 (38%)
Entertainment				
Movies from DVDs/ CDs	3	4	6	7
Watching downloaded videos	3	3	5	7
Listening to downloaded music	8	11	14	20
Online streaming music/videos	5	7	10	13
Playing games	7	9	12	16
Editing doc, photos etc	2 (45%)	3 (43%)	7 (43%)	9 (42%)
Information/news Search				
Education/career content	2	3	6	9
Job search	1	1	2	2
Read news/mags online	3	5	7	13
Information on products	2	4	4	8
Track stock exchange	0 (13%)	0 (14%)	0 (15%)	0 (19%)
E-Commerce				
Buy tickets or get bookings	0	0	0	0
Checking bank a/c & payments	0	0	0	1
Buy products/services	0 (1%)	1 (1%)	1 (1%)	1 (1%)
Total PC usage, Mins/ Day	63	87	124	171

2.2x (between 4-6 years and >6 years for Social network websites)

2.5x (between 4-6 years and >6 years for Education/career content)

4.2x (between 4-6 years and >6 years for Buy tickets or get bookings)

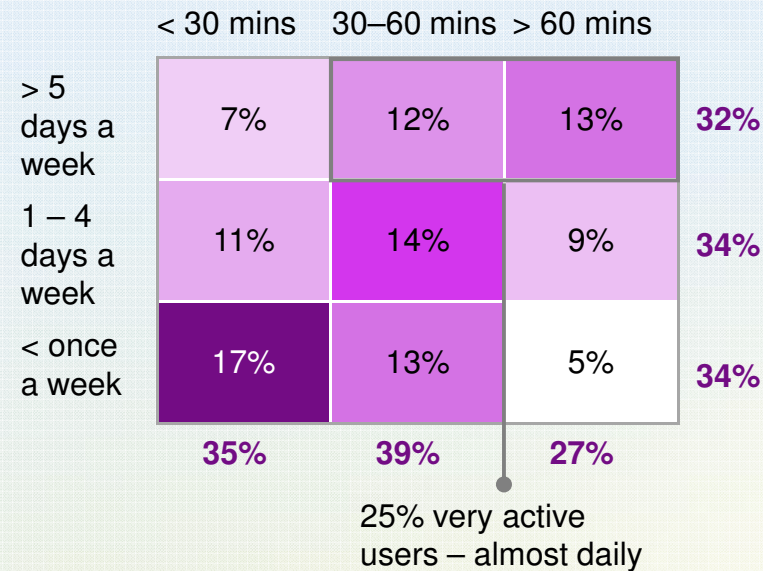
2.7x (between <1 year and >6 years for Total PC usage)

Almost all have adopted social networking; Indonesia could be largest Facebook community soon – interesting cross-industry opportunities?

Distribution of frequency and intensity of social network usage

Percent of respondents, N=3,600

96% of internet users use social network sites
66% of users browse on at least a weekly basis
74% of users browse for shorter than an hour



Top social networking sites amongst Indonesians

Number of members



Overview of the Indonesian banking market

- 1 Market overview**
- 2 Perspective on key segments**
- 3 Competitive landscape**
- 4 Company Profiles**

Indonesia: Strong fundamentals although access is getting harder



Macro outlook

	2012	2017
Population, working age (nm)	166	177
Urban population (%)	51	55
GDP (real, USD bn)	281	395
GDP/ Capita (USD)	3,572	6,773
Smartphone Penetration (%)	11	38

Banking sector

	2010	2012	2017
Banking revenue (USD bn)	30	37	81
Industry RoE (%)	20	20	18
NPL Ratio (%)	2.5	2.1	
Asset growth (CAGR, %)	15.4	15.3	
P/E (X)	18.3	12.6	
P/B (X)	3.4	2.6	

Current state of Banking sector

- Economy growth slightly cooling down to stable 5.8% p.a.
- Continues to be **attractive to lenders with low credit penetration relative to other fast-growing markets**, an expanding middle class, a resilient economy, and high net interest margins. Emerging insurance opportunity.
- **Banks among the most profitable in the world in recent years**, buoyed by robust credit growth at 20% p.a., and financed mostly by deposits

M&A trends

- **Central bank remains supportive of credit expansion to SMEs** – in January 2013 it set a requirement for all banks to give 20% of balance sheet to SMEs by 2018. Also, 60-70% of loan portfolio needs to be “productive loans”
- Since 2012 **the maximum stake a single shareholder can have in a bank is 40% for financial institutions**. As evidenced by the collapse of the DBS-Danamon deal, these restriction are likely to deter banks looking for a controlling stake
- **BI regulations** on branch distribution and capital allocation **increase the importance of network planning** as banks look to scale up. One branch needs to be opened in zone 5-6 for every 3 branches opened in zone 1-2. Various types of branches have different capital coefficients against them – cost of doing business

There is significant variation of density and economic development across regions

2012



	Branch penetration ¹	GDP share ² Percent	GDP/ Capita ³ USD thousands	Loan & deposit share Percent
Jakarta	56.4	16.4	11.0	50
Kalimantan ³	20.4	9.3	4.3	5
Bali	21.1	1.2	2.1	2
Sulawesi	15.4	4.7	1.8	4
Yogyakarta	15.6	0.8	1.6	1
N. Tenggara, Maluku, Papua	13.8	3.3	1.4	2
Sumatera	14.1	23.8	3.0	13
Java ⁴	9.4	40.4	2.1	25

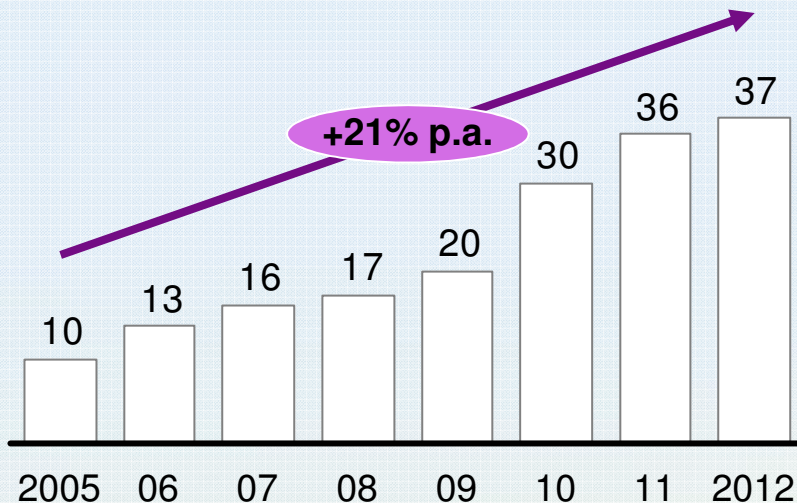
1 Branch per million of population (number of branches in the region/population in the region); 2 GDP data is nominal GDP for 2010;
 3 USD 1 = IDR 10,000, GDP/Capita of Kalimantan province is high due to low population and high GDP from resources sector;
 4 Java excluding Jakarta & Yogyakarta; 5 Branch penetration defined as: >25% = High, 15-25% = Medium; <15% = Low

SOURCE: Yearbook of Statistics of Indonesia; Indonesian Banking Statistics; Web sites; McKinsey analysis

The Indonesian banking market has enjoyed 20%+ growth in revenues and profits, still relatively underpenetrated

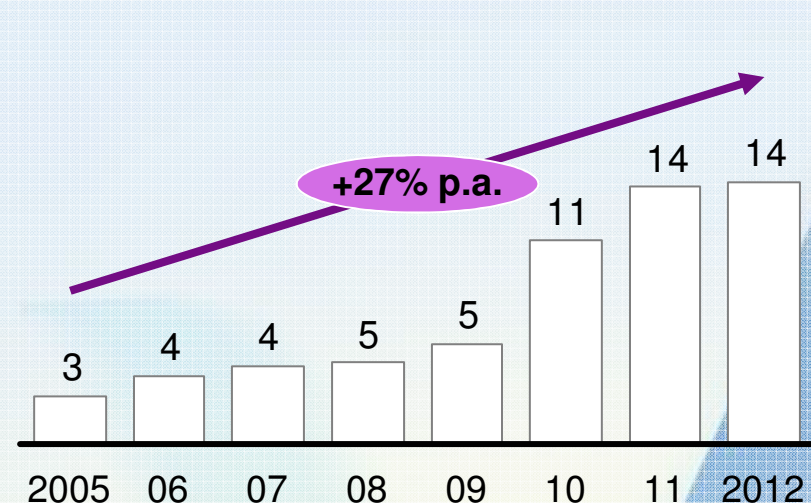
Risk adjusted Revenues

USD billion



Pre-tax profit

USD billion

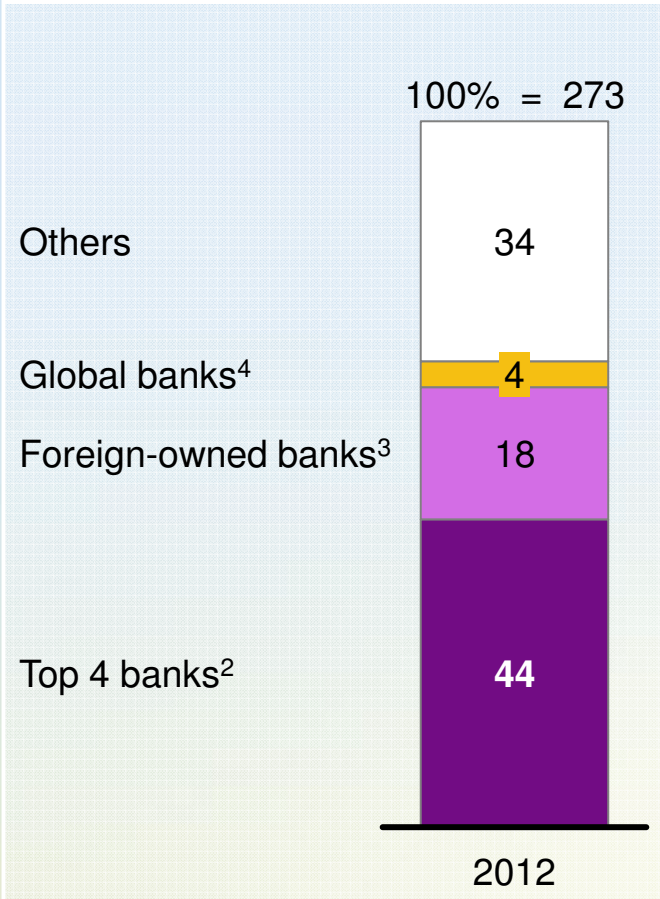


- Following the Indonesia crisis in 1998, the government embarked on a restructuring program including forcing consolidation into bigger entities (e.g., Danamon), allowing entry of foreign players, increasing overall supervision
- This has laid the ground-work for the sustained growth enjoyed by the sector for the past decade. Total loans/ GDP at 31% vs India at 82%

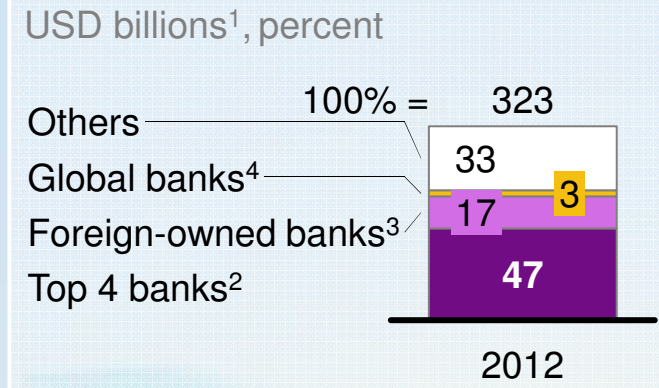
Unlike India, the market is quite consolidated with the top 4 banks controlling ~45% of loans and deposits

USD billions¹, percent

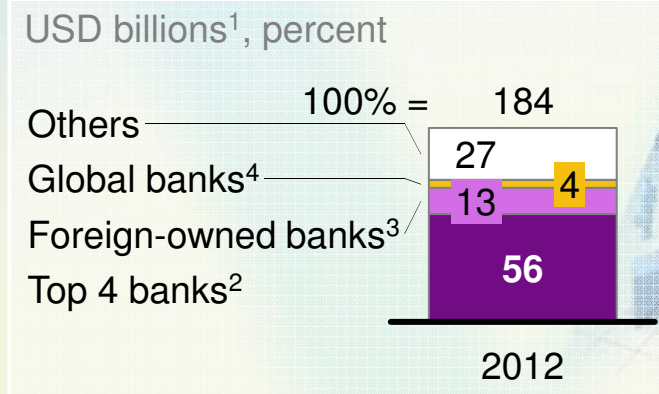
Total loans by bank type, 2012



Total deposit by bank type, 2012



CASA⁵ by bank type, 2012



1 Converted using 2012 end of year exchange rate

3 Foreign banks include CIMB Niaga, Danamon, Permata, Panin, and BII

2 Top 4 banks include Mandiri, BRI, BCA, BNI

4 Citi Indonesia, HSBC Indonesia, and Standard Chartered Indonesia

SOURCE: Bank Indonesia; company annual reports; McKinsey analysis

Looking forward to 2020, Indonesia is likely to remain one of the most attractive markets in Asia

xx Revenue pools, \$b

G	2010-2020 CAGR more than 10%
Y	2010-2020 CAGR between 6% and 10%
R	2010-2020 CAGR less than 6%

Estimated after-risk revenue pools in 2020 by country and line of business,

\$ billion

	Share in revenue pool growth 2012-2020, Percentage	Revenue pools 2020, USD bn	Retail				Wholesale & Corporate		
			Consumer Finance & Mortgages	Retail Deposits	Investments & Distribution	Retail Payments	Investment Banking ²	Cash management	Wholesale Loans
China	68	1501	134	116	69	80	80	399	624
India	8	181	25	78	11	5	17	14	31
Japan	-1	238	42	47	30	23	26	19	51
South Korea	4	113	21	14	11	19	13	21	15
Australia & NZ	2	116	20	13	7	4	12	37	23
Nascent Asia ¹	2	47	13	10	4	n/a	1	10	9
Indonesia	6	123	57	13	2	6	8	18	19
Hong Kong	2	54	9	6	6	2	14	6	12
Taiwan	1	38	2	2	18	4	6	3	3
Singapore	2	43	7	3	3	4	8	3	14
Thailand	3	64	13	9	8	4	3	9	18
Malaysia	2	41	11	4	3	3	5	8	8
Vietnam	1	10	1	2	<1	<1	1	4	2
Philippines	1	13	2	2	<1	1	1	3	4
Total		2582	357	319	170	154	194	553	834

1 Includes Bangladesh, Sri Lanka, Myanmar, Cambodia, Laos and Pakistan

2 Including Sales and trading and security services

SOURCE: McKinsey Global Banking Pools

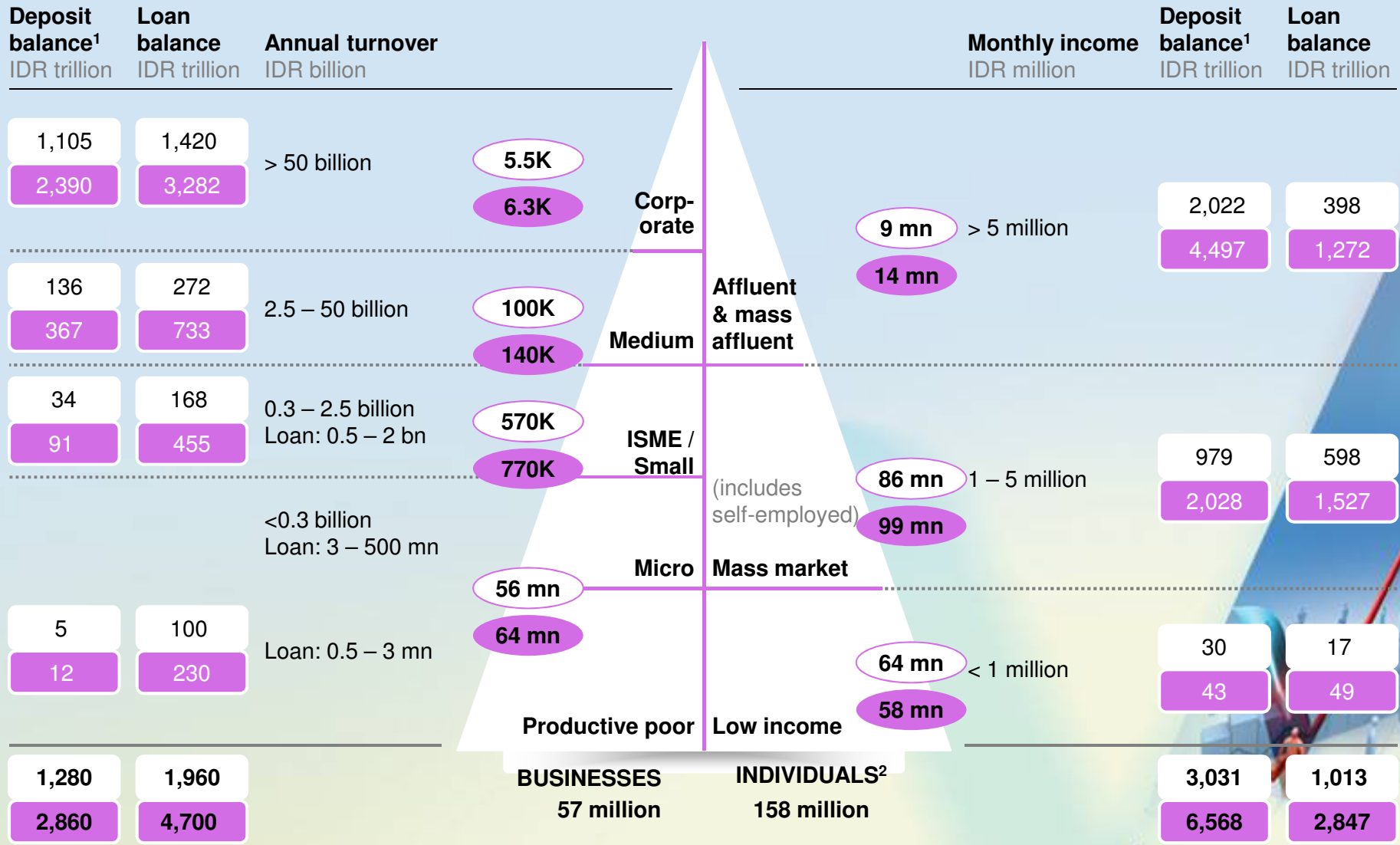
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Market opportunity split into individual & businesses

X # of people > 15 yrs / companies

2012
2018



1 Includes cash, current account, savings account, term deposits and investments
2 Excludes students

SOURCE: Roy Morgan; McKinsey Global Banking Pools; ISME survey; BI; BPS; McKinsey

Medium – micro expected to make up ~50% of the revenue pools in 2018

Pre risk revenues^{1,2}

IDR Trillion

2012 — XX
XX — 2018

	Loan		Deposit			Total loans ³	Total deposits ³	Total ²
	Straight loans	Specialized finance	CASA	TD	Payments			
Corporates	31.7 72.5	1 2.4	37.9 76.3	11.3 25.3	10.9 22.8	33 75	49 102	93 199
Medium	14.8 32.2	0 0	8.7 22.1	0.8 2.0	4.6 9.5	15 32	9 24	29 66
ISME / Small	17.1 38.8	0 0	2.8 7.0	0.1 0.2	2.8 5.9	17 39	3 7	23 52
Micro	21.4 42.5	0 0	0.5 1.0	0.0 0.0	1.7 3.5	21 43	0 1	24 47
Total	85 186	1 2	50 106	12 27	20 42	86 188	62 134	168 364

1 Excludes Investment banking, sales and trading and security services revenues | 2 Estimated as Interest received/transfer price– transfer price/interest paid ; Cost of funds ~3.2% (based on BI data) and transfer price assumed to be 7.25% for loans and deposits | 3 Numbers are rounded off

SOURCE: Bank Indonesia; Global Banking Pools; client interviews; team analysis

Bulk of deposits revenue sits with the 15m mass affluent and above individuals

Revenue
IDR Trillion

2012 — XX
XX — 2018



	Loan			Deposit				Insurance GWP
	Personal loan	Mortgage	Total Loan	CASA	TD	Investment	Total Deposit	
Affluent & mass affluent	42	2	44	40	10	7	57	85
	105	5	110	101	24	11	136	176
Mass market	67	4	71	36	5	1	42	74
	121	13	134	80	9	1	90	134
Low income	3	0	3	2	0	0	2	5
	7	0	7	2	0	0	2	7
Total	111	6	117	78	15	8	101	163
	232	18	250	184	33	13	230	318

SOURCE: McKinsey Global Banking Pools

Majority of mass aff. + individuals in top 6 cities, opportunity to deepen financial product relationship beyond transaction accounts

Penetration of financial products, 2012, Percent

■ <30%
 ■ 30-50%
 ■ >50%

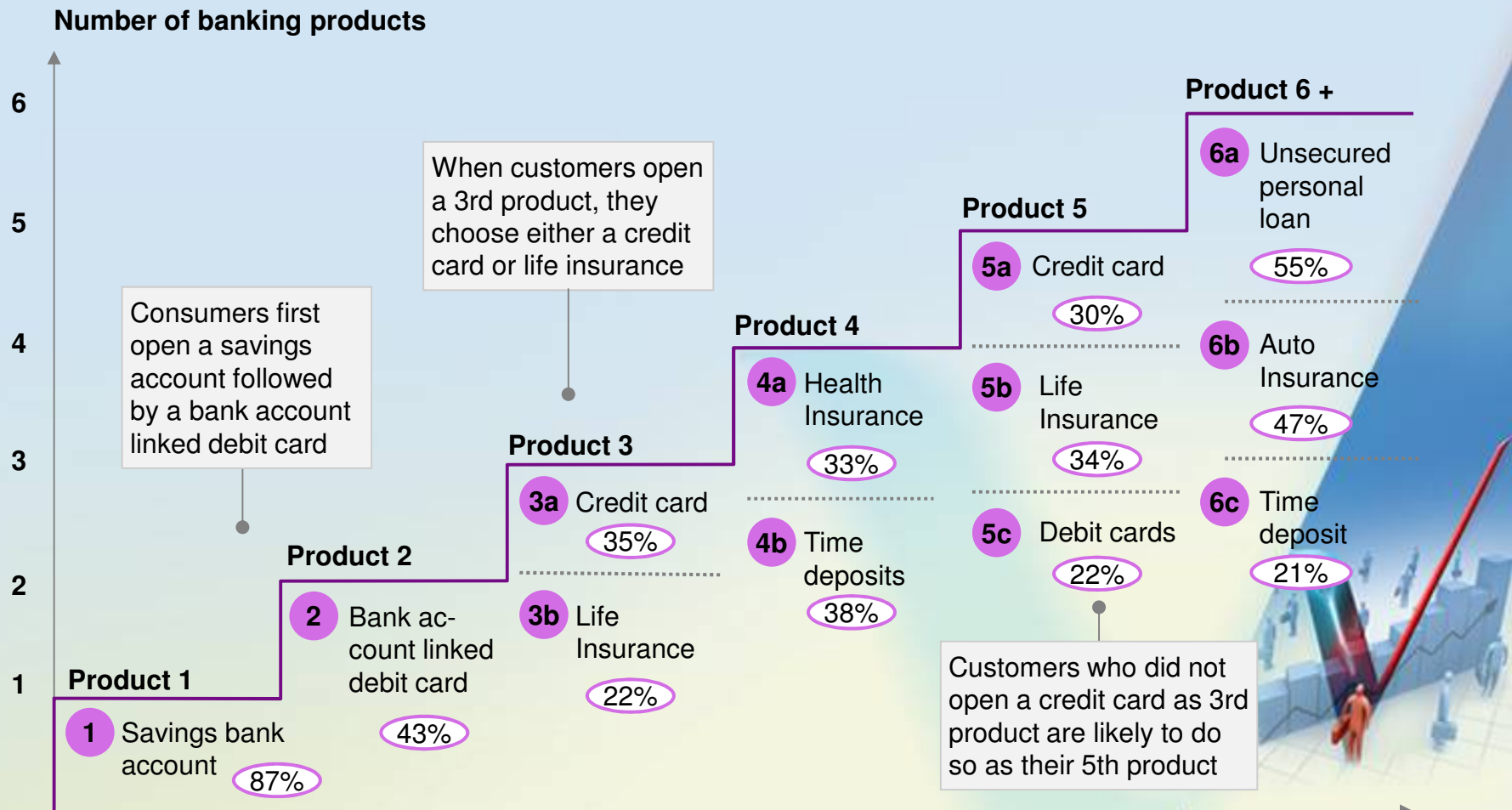
Income level	City															
	Jakarta	Greater Surabaya	Greater Bandung	Tangerang	Bogor	Bekasi	Medan	Malang	Semarang	Palembang	Makassar	Lampung	Padang	Balikpapan	Pekanbaru	
Transaction accounts	Rp 5.000.000 +	98%	99%	98%	100%	96%	97%	98%	85%	100%	69%	100%	100%	100%	100%	98%
	Rp 3.000.000 - Rp 4.999.999	81%	86%	77%	77%	87%	89%	78%	98%	87%	82%	90%	79%	79%	90%	75%
	Rp 2.000.000 - Rp 2.999.999	73%	77%	73%	81%	80%	74%	60%	77%	87%	70%	93%	79%	68%	88%	82%
	Rp 1.000.000 - Rp 1.999.999	59%	57%	64%	68%	59%	62%	58%	48%	71%	50%	80%	48%	47%	82%	60%
	Rp 500.000 - Rp 999.999	32%	32%	39%	37%	28%	39%	42%	37%	56%	35%	100%	41%	43%	73%	49%
	< 500.000	29%	26%	33%	23%	15%	29%	28%	38%	43%	35%	65%	38%	29%	36%	40%
Loans	Rp 5.000.000 +	35%	15%	38%	34%	28%	34%	52%	31%	22%	27%	34%	33%	0%	20%	47%
	Rp 3.000.000 - Rp 4.999.999	22%	18%	25%	29%	31%	29%	28%	28%	28%	18%	16%	26%	2%	28%	21%
	Rp 2.000.000 - Rp 2.999.999	22%	40%	24%	22%	14%	13%	30%	24%	8%	24%	42%	7%	14%	16%	16%
	Rp 1.000.000 - Rp 1.999.999	16%	17%	17%	19%	18%	28%	27%	13%	16%	3%	12%	10%	10%	28%	21%
	Rp 500.000 - Rp 999.999	10%	11%	20%	20%	10%	13%	23%	27%	10%	0%	9%	6%	13%	19%	18%
	< 500.000	8%	8%	4%	7%	3%	7%	12%	7%	3%	10%	11%	4%	3%	11%	14%
Insurance	Rp 5.000.000 +	54%	32%	45%	39%	37%	59%	46%	31%	46%	38%	42%	56%	29%	33%	60%
	Rp 3.000.000 - Rp 4.999.999	14%	12%	12%	24%	30%	23%	11%	11%	27%	22%	26%	16%	5%	14%	23%
	Rp 2.000.000 - Rp 2.999.999	7%	7%	21%	13%	43%	8%	7%	11%	25%	17%	20%	1%	30%	19%	19%
	Rp 1.000.000 - Rp 1.999.999	6%	3%	8%	10%	22%	5%	2%	8%	12%	8%	10%	6%	6%	9%	7%
	Rp 500.000 - Rp 999.999	2%	N/A	4%	3%	5%	2%	4%	2%	5%	12%	5%	N/A	2%	8%	3%
	< 500.000	3%	1%	2%	3%	2%	4%	2%	4%	5%	7%	3%	2%	4%	4%	8%

SOURCE: Roy Morgan Single Source

Beyond transaction account, the product adoption curve for Indonesia suggests full suite of insurance and deposit products are required

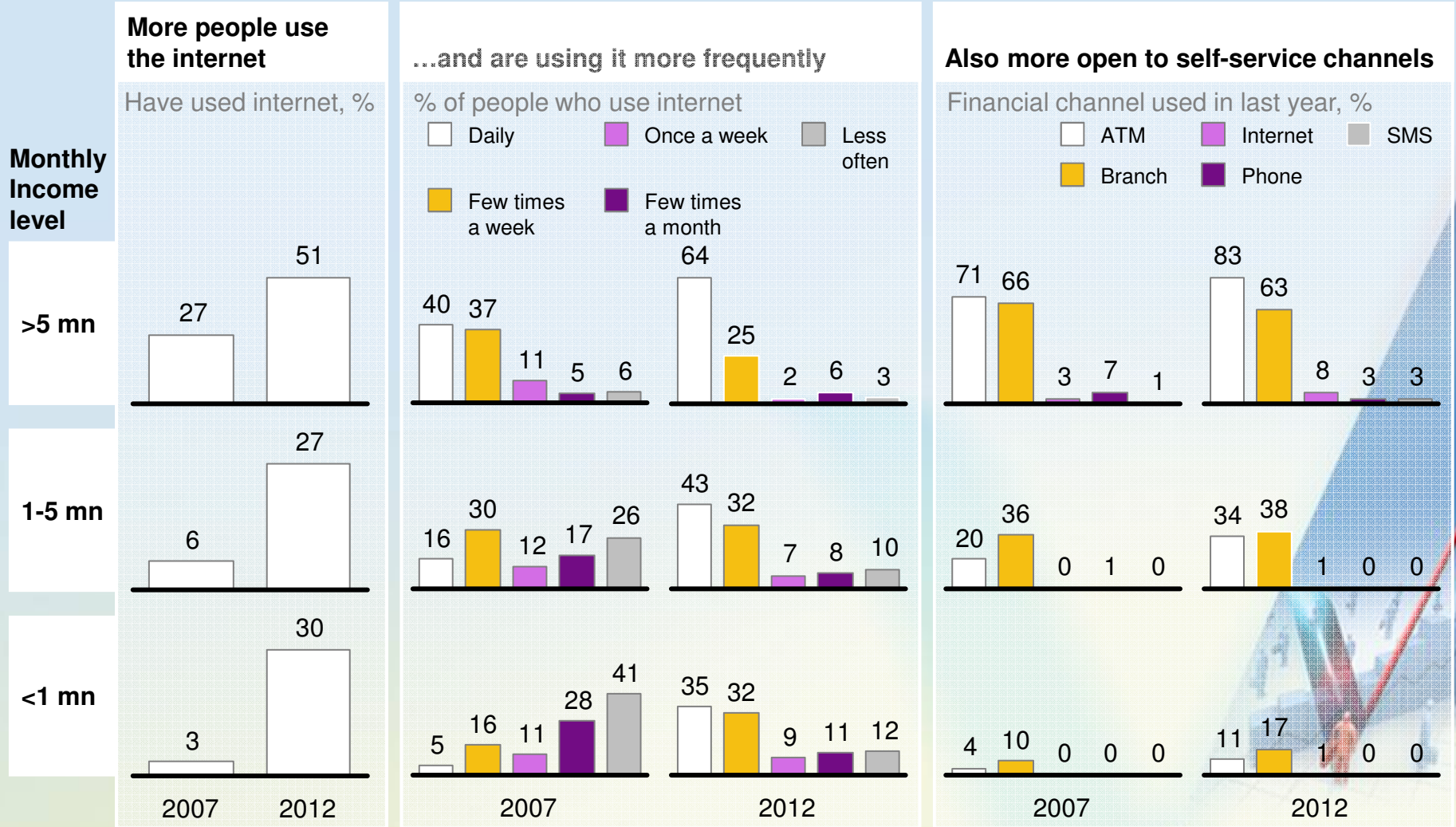
Sequence of product purchase, all income levels

xx% Penetration increase in specific product with each step



SOURCE: Consumer insights Indonesia 2013

Still early for a pure digital offering, consumer behaviour shows attractive opportunity to use multi-channel distribution



SOURCE: Roy Morgan Single Source, McKinsey

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Banking players can be segmented into 4 different groups

Business models	Key success factors	Challenges
Domestic Incumbents	<ul style="list-style-type: none"> ▪ Largest networks/infrastructure given ready access to most cities ▪ Maintain primary banking relationship with ~80% of Indonesian households 	<ul style="list-style-type: none"> ▪ Complacency due to high current profitability and market position ▪ Building differentiating proposition other than size (e.g., high levels of service)
Emerging attackers with foreign owners	<ul style="list-style-type: none"> ▪ Open branches in strategic, underserved locations (e.g., Danamon DSP¹s) ▪ Enhance networks and skills through foreign partner capabilities (e.g., risk management) 	<ul style="list-style-type: none"> ▪ Obtaining low cost funding ▪ Creating differentiation and unique offerings ▪ Hiring good local talent
Local players without foreign owners	<ul style="list-style-type: none"> ▪ Leverage existing connections and relationships (e.g., with SMEs) ▪ Offer higher interest rates to attempt to poach primary bank relationship 	<ul style="list-style-type: none"> ▪ Obtaining low cost funding ▪ Creating differentiation and unique offerings ▪ Operational efficiency ▪ Risk management
Foreign players	<ul style="list-style-type: none"> ▪ Maintain luxury brand association with focused proposition (e.g., affluent banking, credit cards) ▪ Differentiated from domestic banks (especially in affluent) 	<ul style="list-style-type: none"> ▪ Model not scalable, will not capture primary relationship

1 "Danamon Simpan Pinjam" branches

SOURCE: McKinsey interviews

Majority of top players are either domestic incumbents or foreign owned

Domestic incumbents

Emerging attackers with foreign ownership

Foreign players

Local w/o foreign ownership

Top Indonesian banks by assets; as at Mar 2013

Bank	Total Assets		Market Cap USD billions	M/B ¹ ratio	P/E ratio	Net profit (2012)	Retail				Corporate/ commercial		
	USD billions	USD billions					Unban ked	Mass market	Affluent	HNW	Micro	SME	Mid/large
1 Mandiri	56	24	3.0	14	1.43		✓	✓	✓	✓	✓	✓	
2 BRI	51	22	3.3	11	1.85		✓	✓	✓	✓	✓	✓	
3 BCA	44	29	4.9	23	1.20		✓	✓	✓		✓	✓	
4 BNI	31	10	2.1	12	0.68			✓	✓	✓	✓	✓	
5 CIMB	21	4	1.5	8	0.41			✓	✓	✓	✓	✓	
6 Panin	15	2	1.1	9	0.19			✓	✓		✓	✓	
7 Permata	14	2	1.4	11	0.14			✓	✓		✓	✓	
8 Danamon	13	6	2.2	15	0.32		✓	✓	✓	✓	✓	✓	
9 BTN	12	2	1.7	12	0.14		✓	✓	✓		✓	✓	
10 BII	11	2	2.5	22	0.11			✓	✓		✓	✓	
11 OCBC NISP	8	1	1.3	12	0.09			✓	✓		✓	✓	
12 Bukopin	7	1	1.4	8	0.08		✓	✓	✓	✓	✓	✓	
13 HSBC	7	N/A	N/A	N/A	0.16			✓	✓		✓	✓	
14 BTMU	7				0.07			✓			✓	✓	
15 BPD	6	1	2.2	10	0.12		✓	✓		✓	✓	✓	
16 BTPN	6	3	3.8	15	0.20	✓	✓	✓	✓	✓	✓	✓	
17 UOB	6				0.11			✓	✓		✓	✓	
18 Citibank	6	N/A	N/A	N/A	0.19			✓	✓		✓	✓	
19 Std Cht	6				0.09			✓	✓		✓	✓	
20 Mega	5	1			0.14		✓	✓	✓	✓	✓	✓	

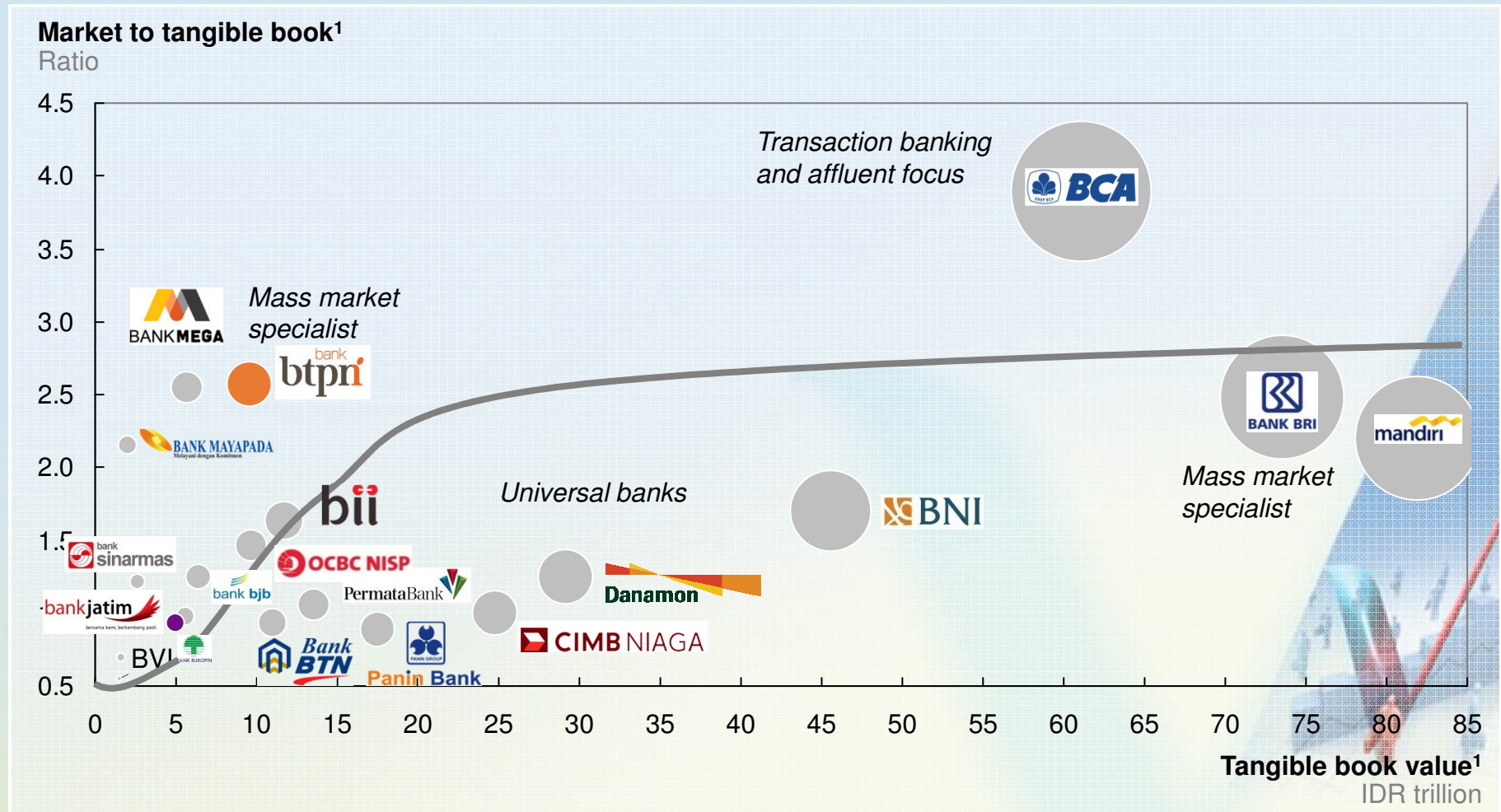
1 Tangible market to book value (excludes goodwill)

SOURCE: Capital IQ, Bank Indonesia

Business model matters; polarised models are creating more value, with generic universal banking models stuck in the middle

○ Market cap

Strategic control map – listed Indonesian banks; Nov 2013



¹ Book equity excluding goodwill

SOURCE: Capital IQ, Bank Indonesia

Several attackers have challenged the status quo by developing business models that exploit segment peculiarities (1/2)

NOT EXHAUSTIVE

Primary business model

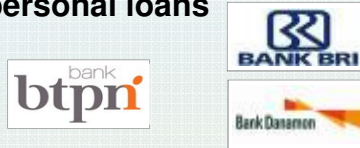
Mass



Large, deposit-taking incumbents (large share of primary relationships)



Microfinance model/unsecured personal loans



Mass Affluent/ Affluent



Priority banking/red carpet model



Full-fledged wealth management proposition



Emerging wealth centers/advisory model



SME



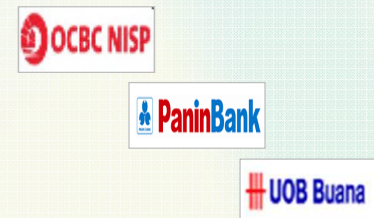
Transaction/liability led



Microfinance model



Community banking



Corporate



Government banks (plus BCA)



Sector-focused








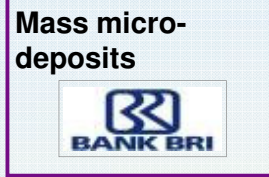



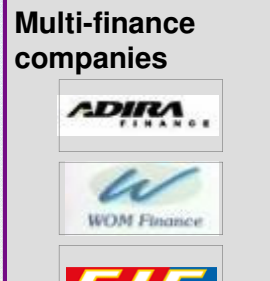



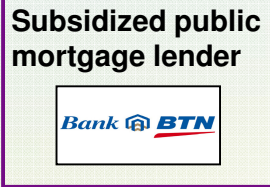

Foreigners focused on MNCs/transaction bkg.



Several attackers have challenged the status quo by developing business models that exploit segment peculiarities (2/2)

NOT EXHAUSTIVE

Primary business model

Credit Cards ¹	Mortgages	Vehicle Finance	Consumer durable loans	Deposits and Transactions	Wealth Management
<p>Cross-selling (txn-oriented)</p> 	<p>Property developer tie-ups</p> 	<p>Branch-based</p> 	<p>Credit card focused banks</p>  <p>Plus some competition:</p> <ul style="list-style-type: none"> ▪ 8-10 merchants ▪ Multi-finance 	<p>Transaction-led focused on retail</p>  <p>Mass micro-deposits</p> 	<p>Simple products, insurance partner</p> 
<p>Mass affluent/affluent focused</p> 	<p>Cross-sell to customer base</p> 	<p>Multi-finance companies</p> 	<p>Multi-finance companies</p>  <p>Less competition:</p> <ul style="list-style-type: none"> ▪ ~10,000 merchants ▪ Small presence of major banks 	<p>Corporate-focused</p> 	<p>Product breadth; distributor</p> 
	<p>Subsidized public mortgage lender</p> 				<p>Dedicated asset mgmt entities</p> 

SOURCE: Bank of Indonesia; annual reports; interviews; McKinsey global profit pool

Back up – additional bank data

All numbers as of Dec 2012

xx % Market share
 Local w/o foreign interest
 Local with foreign interest
 Government owned
 Foreign owned

	Banks	Total Loans, USD mn	Total Deposits, USD mn	Total Revenues, USD mn
Domestic incumbents	#1 mandiri	38,458 (14.1)	44,284 (13.7)	4,159 (11.7)
	#2 BANK BRI	35,076 (12.9)	45,017 (14.0)	4,487 (12.6)
	#3 BCA	25,678 (9.4)	37,027 (11.5)	2,762 (7.8)
	#4 BNI	20,074 (7.4)	25,731 (8.0)	2,073 (5.8)
Emerging attackers with foreign ownership	#5 CIMB NIAGA	14,078 (5.2)	15,102 (4.7)	1,294 (3.6)
	#6 Bank Danamon	9,308 (3.4)	8,985 (2.8)	1,773 (5.0)
	#7 PaninBank	9,778 (3.6)	10,272 (3.2)	751 (2.1)
	#8 PermataBank	9,506 (3.5)	10,491 (3.3)	592 (1.7)
	#9 bii	7,602 (2.8)	8,595 (2.7)	569 (1.6)
Local players w/o foreign ownership	#10 Bank @ BTN	8,141 (3.0)	8,067 (2.5)	519 (1.5)
	#11 BANKBUKOPY	4,459 (1.6)	5,396 (1.7)	312 (0.9)
	#12	2,665 (1.0)	5,027 (1.6)	428 (1.2)
Foreign players	citibank	3,104 (1.1)	4,203 (1.3)	560 (1.6)
	HSBC	3,847 (1.4)	4,333 (1.3)	468 (1.3)

Industry Total

272,567

322,520

35,505

SOURCE: Bloomberg; annual reports; BI

Back up – additional bank data

All numbers as of Dec 2012



	Banks	Total assets, USD mn	P/B, %	ROE, %	CASA, %
Domestic incumbents	#1 mandiri	63,562	2.5	23	67
	#2 BANK BRI	55,134	2.7	33	59
	#3 BCA	44,299	4.3	25	80
	#4 BNI	33,330	1.6	18	67
Emerging attackers with foreign ownership	#5 CIMB NIAGA	19,741	1.2	21	43
	#6 Bank Danamon	15,579	1.9	15	46
	#7 PaninBank	14,879		12	61
	#8 PermataBank	13,180	1.1	13	42
	#9 bii	11,577	2.4	19	39
Local players w/o foreign ownership	#10 Bank @ BTN	11,175	1.5	18	43
	#11 BANKBUKOPY	6,569	1.0	18	41
	#12	6,522	NA	25	42
Foreign players	citibank	6,176	NA	17	71
	HSBC	6,450	NA	19	61

SOURCE: Bloomberg; annual report; Web site

Overview of the Indonesian banking market

- 1 Market overview**
- 2 Perspective on key segments**
- 3 Competitive landscape**
- 4 Company Profiles**

BRI short profile

xx CAGR 2007 - 2012



Brief History

- **1895:** Founded by Raden Aria Wirjaatmadja
- **1912:** It's name changed to Centrale Kas Voor Volkscredietwezen
- **1945:** Officially nationalised by the new government
- **2003:** Listed on stock exchange and name changed to PT Bank Rakyat Indonesia (Persero) Tbk with 30% of its share listed on Jakarta Stock Exchange

Key Shareholders



- BRI is majorly owned by the government of Indonesia

(56.75%)

Others
(43.25%)

Key Executives



Bunasor Sanim,
President Commissioner

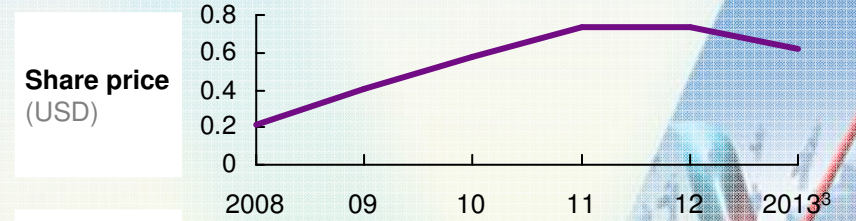
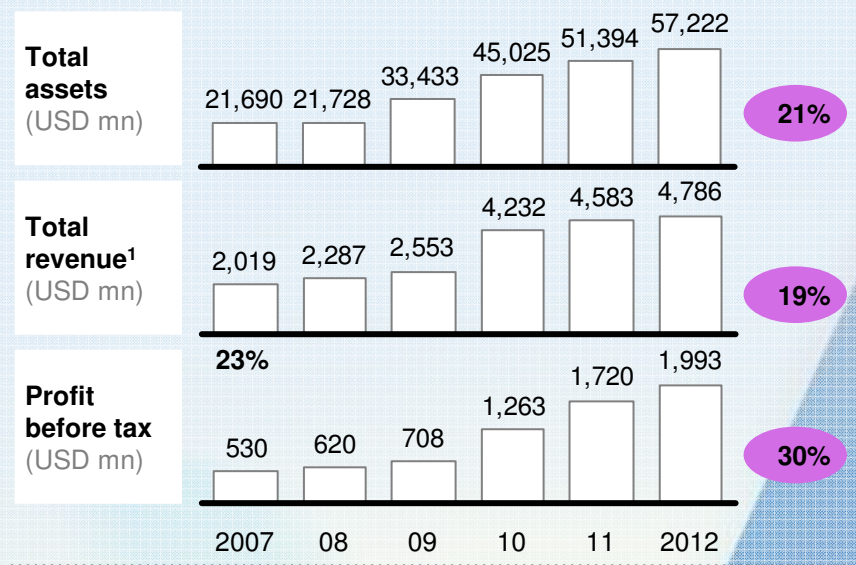
- President and Independent Commissioner of BRI since 2006
- Chairman of the Audit Committee



Sofyan Basir,
President director

- President Director of BRI since 2005
- Prior, he was the Director of Bank Bukopin Tbk PT

Financial metrics



P/E	2008	09	10	11	12	2013 ³
	9.8	13.1	14.5	10.6	9.4	8.6

Market Cap (USD bn)	2008	09	10	11	12	2013 ³
	4.97	9.94	14.4	18.2	18.3	15.2

1 Net Revenue
2 As of 29 Nov 2013

SOURCE: Company website; Bloomberg



Shareholders and management: BRI

Key Shareholders

TPG Nusantara S.a.r.l. (56.75%)



- Bank Rakyat has been government owned for the entire period since the war of independence (1945 to 1949)
- A government owned operating company (Persero) earlier owned 70% of its shares
- As part of the reform process in Indonesia since 1998, the government has been steadily reducing its influence on the Bank's day to day operations, culminating in its IPO

Others (43.25%)

- Other shareholders ownership less than 2%

Key Management Team



Bunasor Sanim,

President Commissioner

- President and Independent Commissioner of BRI since 2006
- Chairman of the Audit Committee



Sofyan Basir,

President director

- President Director of BRI since 2005
- Prior, he was the Director of Bank Bukopin Tbk PT



Achmad Baiquni, Finance Director (Management)

- Appointed Finance Director since May 2010.
- Prior to that, he was the Bank's Director of Small Business segment



Sarwono Sudarto, Director Operations (Management)

- Appointed Director of Operations since May 2006.
- Prior to that, he moved to various leadership roles within the Bank



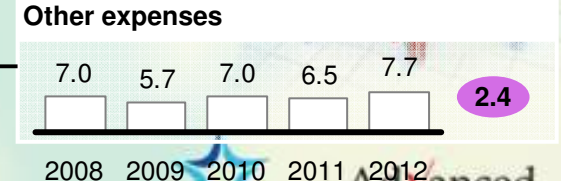
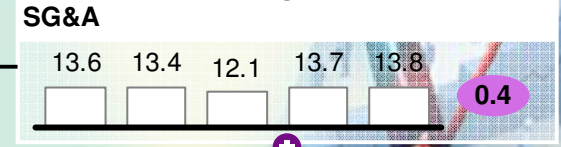
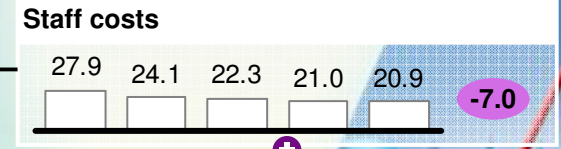
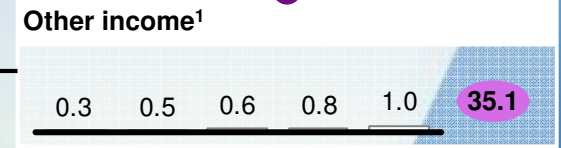
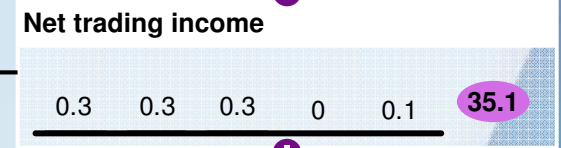
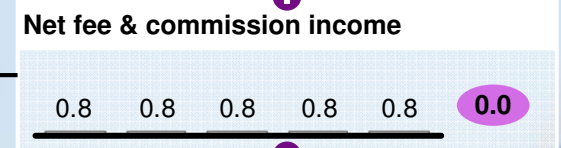
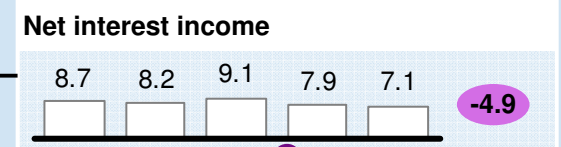
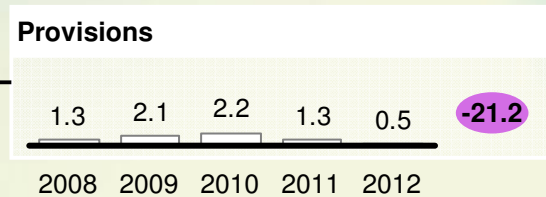
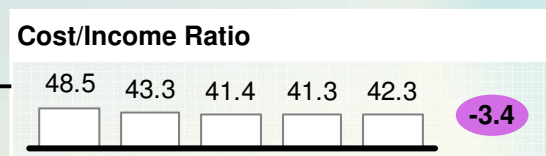
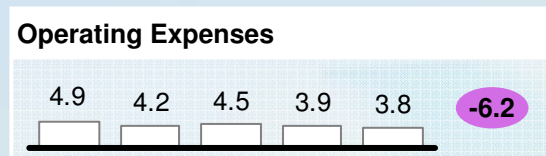
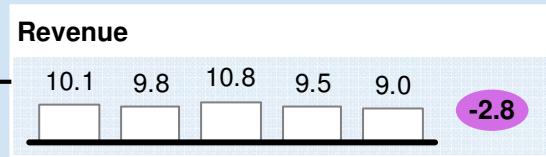
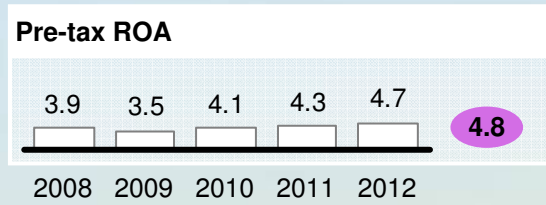
Randi Anto, Director: Compliance (Management)

- Director: Compliance since 2011

BRI ROA Tree

Percentage over average total assets, 2008-12

x% CAGR



¹ Includes non operating income as well

SOURCE: Annual reports; team analysis

BCA short profile

xx CAGR 2007 - 2012



Brief history

- **1957:** Founded in 1955, it commences operations in 1957 in Jakarta
- **1977:** Obtained a license to open as a Foreign Exchange Bank
- **1990s:** Installed 50 ATM units in various locations in Jakarta
- **2002:** FarIndo Investment (Mauritius) acquired 51% of BCA's shares through a strategic private placement
- **2005:** Strengthened its products in e-banking by launching Debit BCA, Internet Banking KlikBCA, Mobile Banking m-BCA
- **2010- 2012:** Entered into new lines of business including Syariah banking, motorcycle financing, insurance and capital markets

Key Shareholders

FarIndo Investments Mauritius Ltd (47.15%)

- FarIndo Investments hold 47.15% of the shares

Public (50.28%)

Key Executives



Djohan Emir Setijoso,
President Commissioner

- Served as President Director of BCA from 1999 to 2011
- Held various managerial positions -Managing Director at Bank Rakyat Indonesia (1965-1998) and President Commissioner of Inter Pacific Bank (1993-1998)

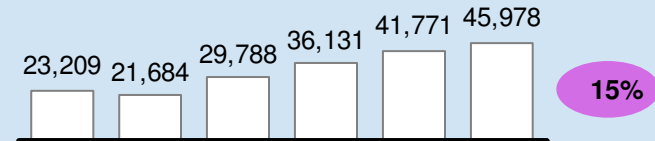


Jahja Setiaatmadja,
President director

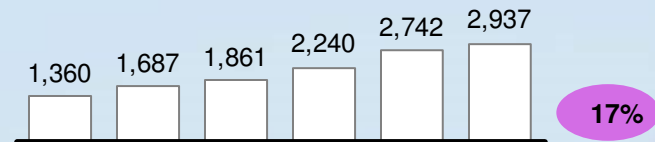
- Was the Vice President Director of BCA (2005-2011), Director of BCA (1999-2005) and held several managerial positions at BCA since 1990

Financial metrics

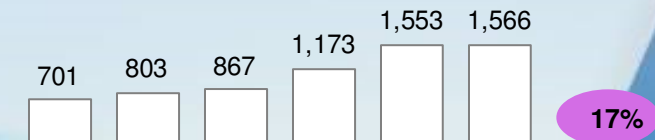
Total assets (USD mn)



Total revenue¹ (USD mn)

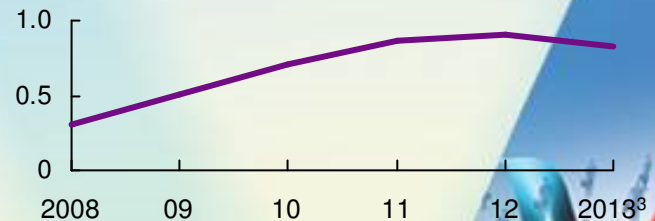


Profit before tax (USD mn)



2007 08 09 10 11 2012

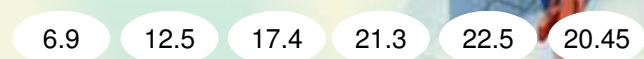
Share price (USD)



P/E



Market Cap (USD bn)



¹ Net Revenue
² As of 29 Nov 2013

SOURCE: Company website; Bloomberg



Shareholders and management: BCA



Key shareholders

FarIndo Investments Mauritius Ltd (47.15%)

- In 1999, the Government of Indonesia controlled 92.8% of BCA shares through IBRA¹
- Though, in 2002 FarIndo Investment (Mauritius) acquired 51% of BCA's shares through a strategic private placement
- Ultimate Shareholders of "FarIndo" are Mr. Robert Budi Hartono and Mr. Bambang Harton
- 0.81% shares are were repurchased by BCA

Anthony Salim (1.76%)

- Head of the Salim Group owns 1.76%

Public (49.91%)

- Within this, 2.45% of the shares are owned by parties affiliated with the Ultimate Shareholders
- 0.02% are held by Mr. Robert Budi Hartono and 0.02% by Mr. Bambang Hartono

Key management team



Djohan Emir Setijoso, President Commissioner

- Served as President Director of BCA from 1999 to 2011
- Held various managerial positions – Managing Director at Bank Rakyat Indonesia (1965-1998) and President Commissioner of Inter Pacific Bank (1993-1998)



Jahja Setiaatmadja, President director

- Was the Vice President Director of BCA (2005-2011), Director of BCA (1999-2005) and held several managerial positions at BCA since 1990



Tonny Kusnadi, Commissioner

- Prior to this, served as a Director of Cipta Karya Bumi Indah (2001-2002), President Director at PT Sarana Kencana Mulya (1999-01) & Chief Manager Corporate Banking at BCA (1992)



Eugene Keith Galbraith, Vice President Director

- Served as President Commissioner of BCA from 2002 to 2011
- Prior to joining BCA, was Vice President Commissioner at PT Bank NISP Tbk (2000-2006), Chairman of Asiawise.com (1991-01) & President Director HG Asia Indonesia (1990-96)



Cyrillus Harinowo, Independent Commissioner

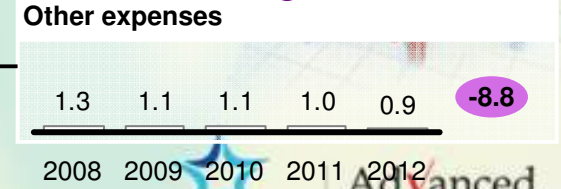
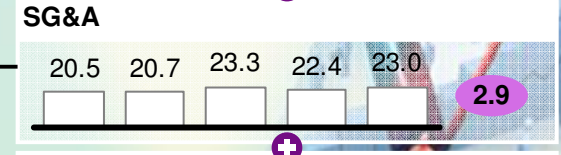
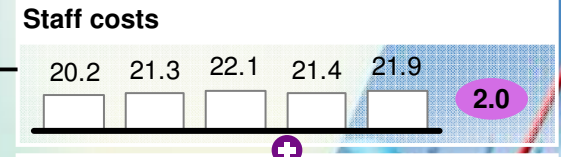
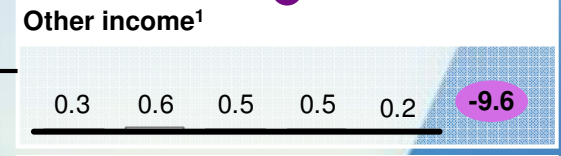
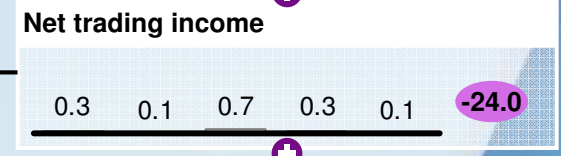
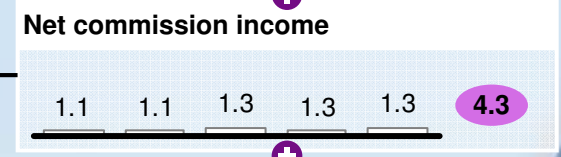
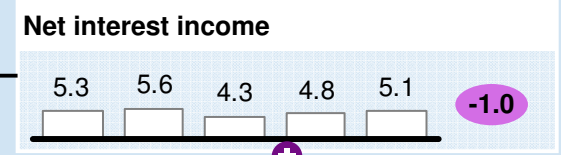
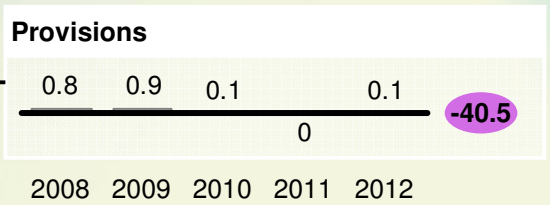
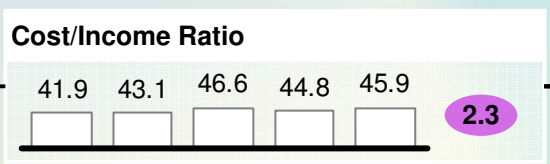
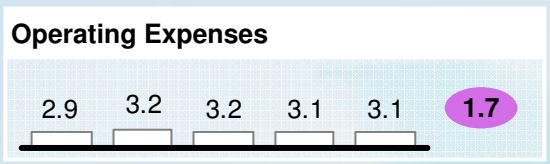
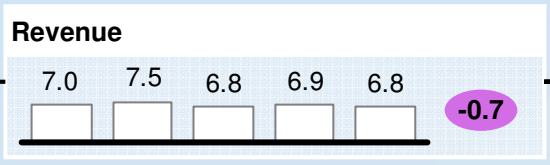
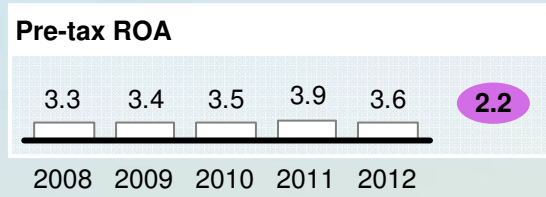
- Prior to BCA, he worked for Bank Indonesia for 25 years holding positions such as Head of Money Market and Monetary Management (1994-1998)

1 Indonesian Bank Restructuring Agency

BCA ROA Tree

Percentage over average total assets, 2008-12

x% CAGR



¹ Includes non operating income as well

SOURCE: Annual reports; team analysis