

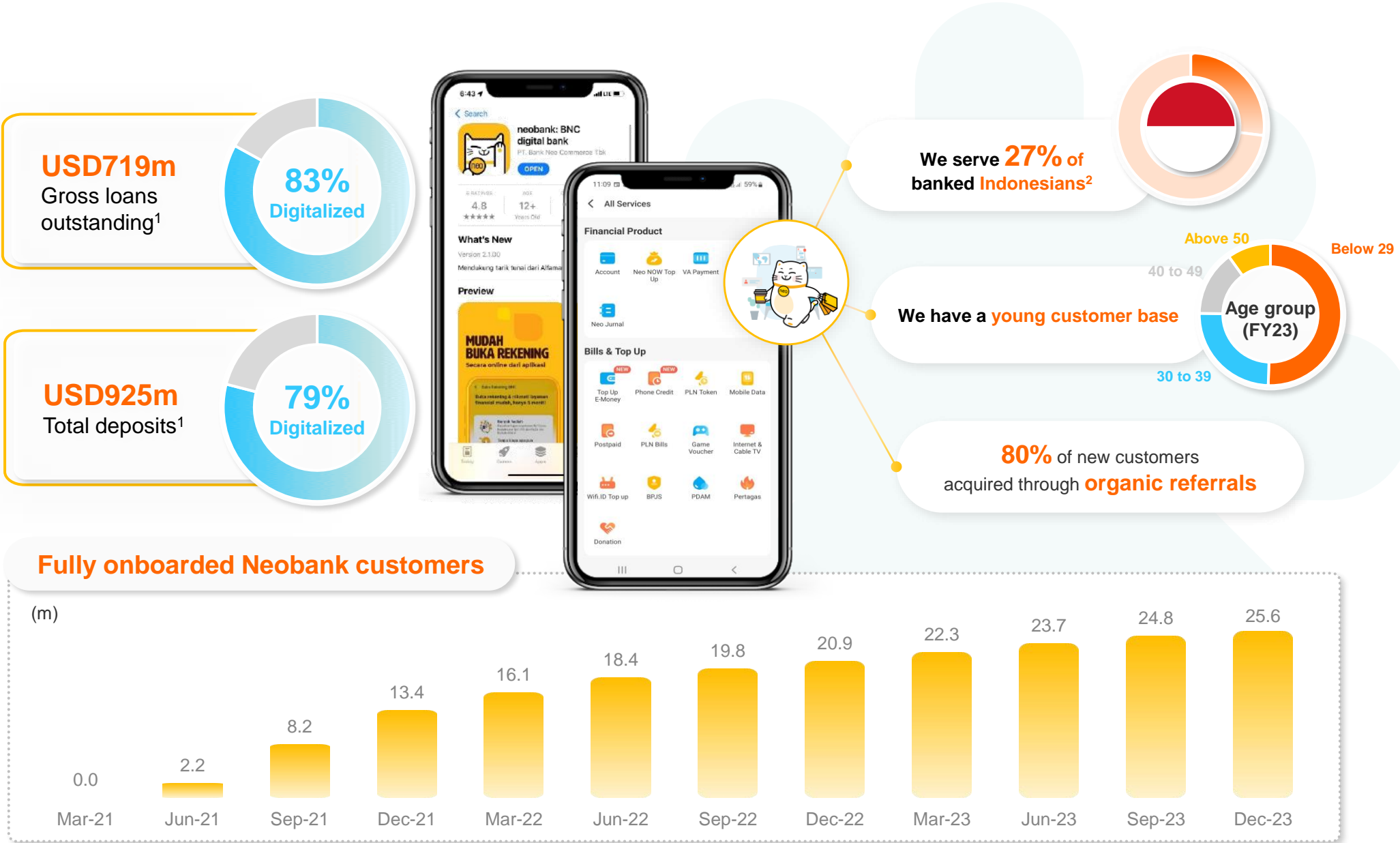
Bank Neo Commerce

Investor Presentation

May 2024



The Bank for the Masses – One out of every four banked Indonesians is our customer



Sources: Company disclosure, EIU
FX: 1 USD = 15,000 IDR

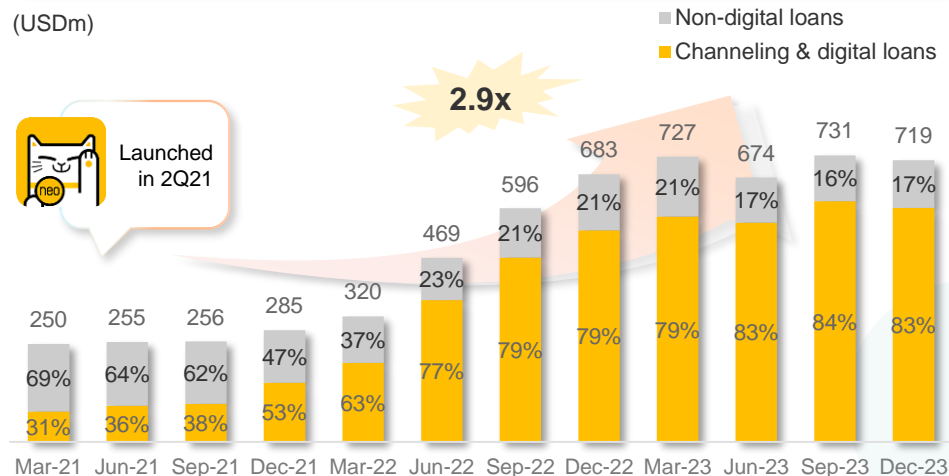
Notes:

1. As of December 31, 2023; digitalized loans include digital channeling and digital direct loans

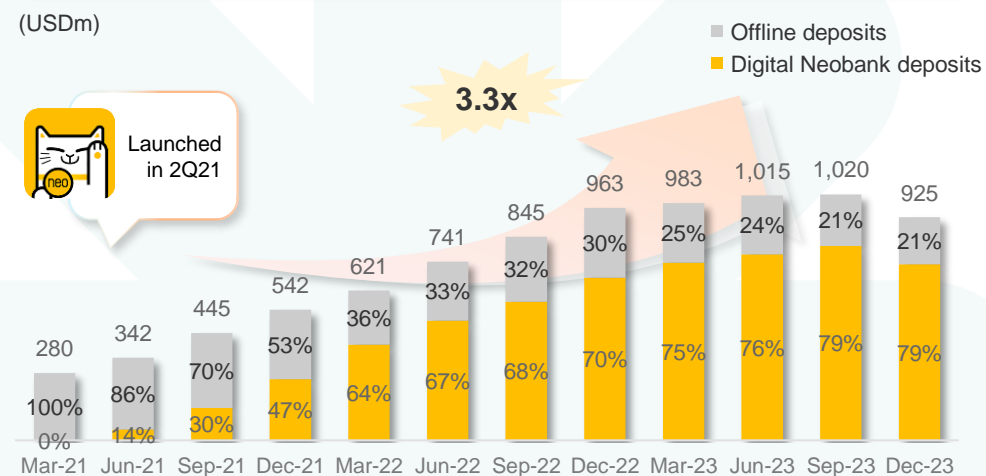
2. Referring to Indonesian population aged above 15 and have financial institution account

Strong execution capabilities

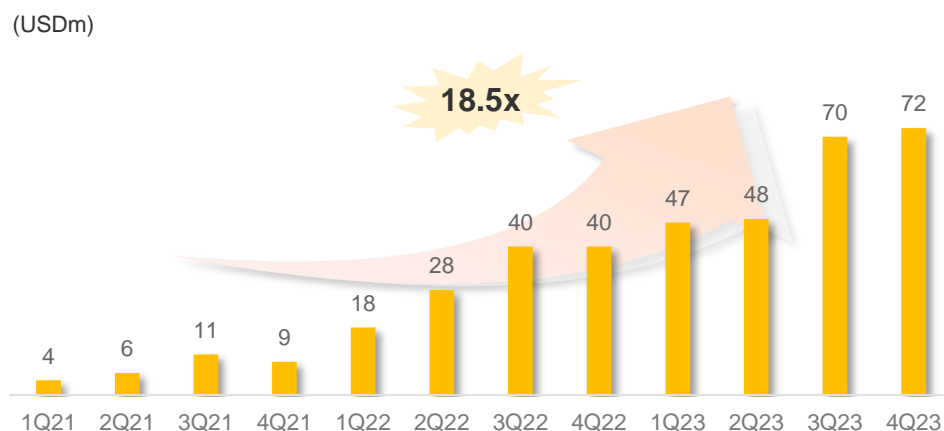
Gross loans balance



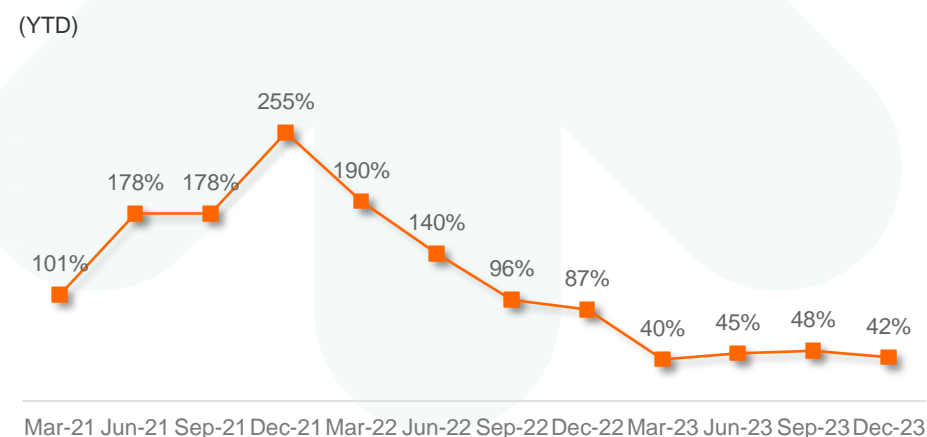
Deposits



Operating income¹



Cost-to-income ratio²



Source: Company disclosure
FX: 1 USD = 15,000 IDR

Notes:

1. Including net interest income and other operating income (including ATM fee income, other provisions and

commissions, recovery of assets previously written-off, and other operating income)
2. Operating cost divided by operating income

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Benchmarking with peers

Opportunity to share in the growth and profit of Indonesia's largest digital bank¹

| Listed Indonesian digital banks | | | | | | Leading digital bank for emerging markets |
|--|--|-------------------------------|-------------------------|---------------------------------------|------------------------------|---|
| (FY2023 ¹ USDm, unless specified) | | BNC bank neo commerce | Bank Jago | Allo Bank | Bank Raya | NuBank |
| Ecosystem backing | Ecosystem type | Fintech and e-commerce | Delivery and e-commerce | Diversified industries and e-commerce | Physical financial ecosystem | - |
| | Key ecosystem shareholder | akulaku ANT GROUP SCB MUFG | GoTo | CT Corp, Bukalapak, Salim Group | BRI | - |
| | # of customers (m) / CAC (US\$) ² | #1 25.6 / \$1.3 | 9.6 / \$3.5 | 6.0 / \$4.1 | 1.5 / \$2.8 | 93.9 / \$8.9 |
| Fundamentals | Total loans ³ | #1 719 | 630 | 330 | 460 | 17,305 |
| | Total deposits | #1 926 | 673 | 330 | 546 | 23,691 |
| | NIM | #1 18.4% | 10.5% | 9.0% | 3.9% | 18.3% |
| | Net interest income | #1 193 | 111 | 69 | 33 | 4,403 |
| | Gross NPL | 3.7% | 1.2% | 0.1% | 4.4% | 5.0% |

Sources: Company disclosures
FX: 1 USD = 15,000 IDR = 1,330 KRW

Notes:

- Largest among listed Indonesia digital banks in terms of number of customers, total loans, total deposits, and revenue as of December 31, 2023; Bank Jago as of 1H2023
- Number of customers: Jago as of October 2023; Allo, Raya as of June 30, 2023; CAC refers to customer acquisition costs, calculated as marketing and promotion costs in FY2023 divided by number of new customers acquired in FY2023 according to latest available data
- For Nubank, includes credit card receivables, loan to customers and other receivables

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Chapter I

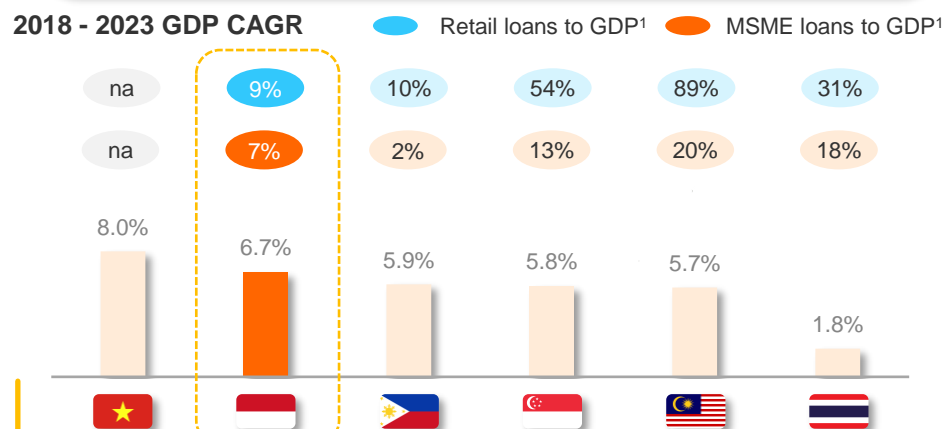
Environment we operate in



Favorable fundamentals implies ample potential for digital banking in Indonesia

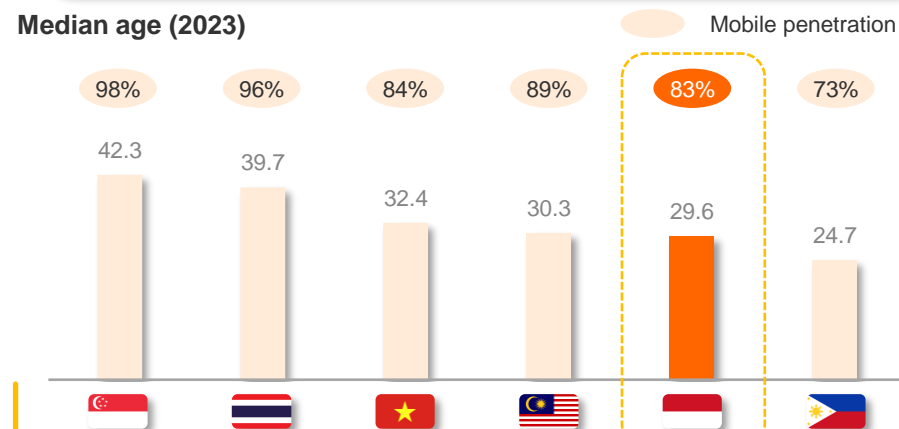
Proven solid GDP growth with low credit penetration

2018 - 2023 GDP CAGR



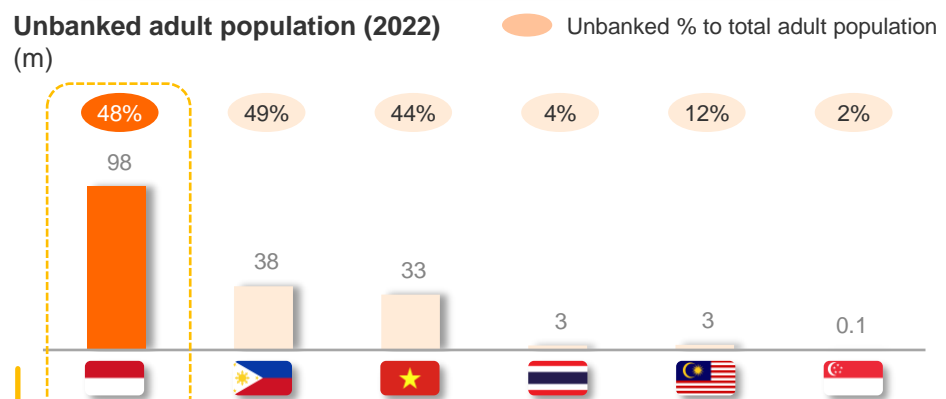
Young & tech savvy nation

Median age (2023)



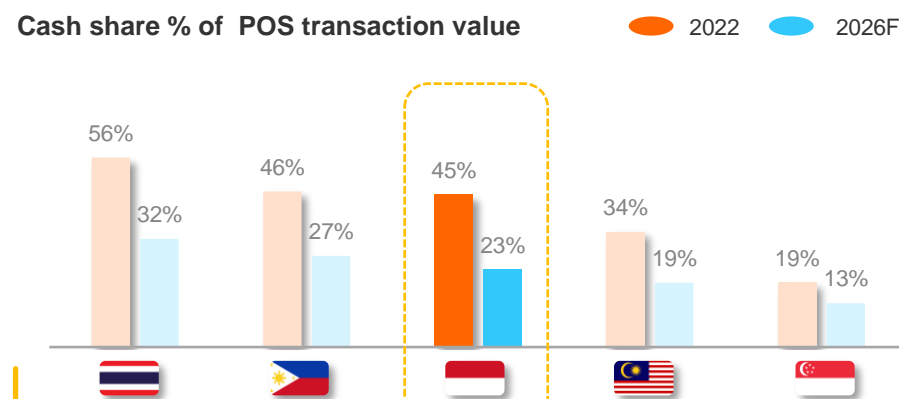
Huge underbanked / unbanked population

Unbanked adult population (2022) (m)



Huge potential in payment digitalization

Cash share % of POS transaction value



Sources: Company disclosure, central banks, IMF, World Bank, United Nation; Worldpay from FIS®, The Global Payments Report, 2023

Note:

1. As of December 31, 2023 except for retail loan data of Philippines as of September 30, 2023, MSME loans of Singapore as of June 30, 2023

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What causes under-penetration of banking services in Indonesia?

Key challenges of incumbent banks

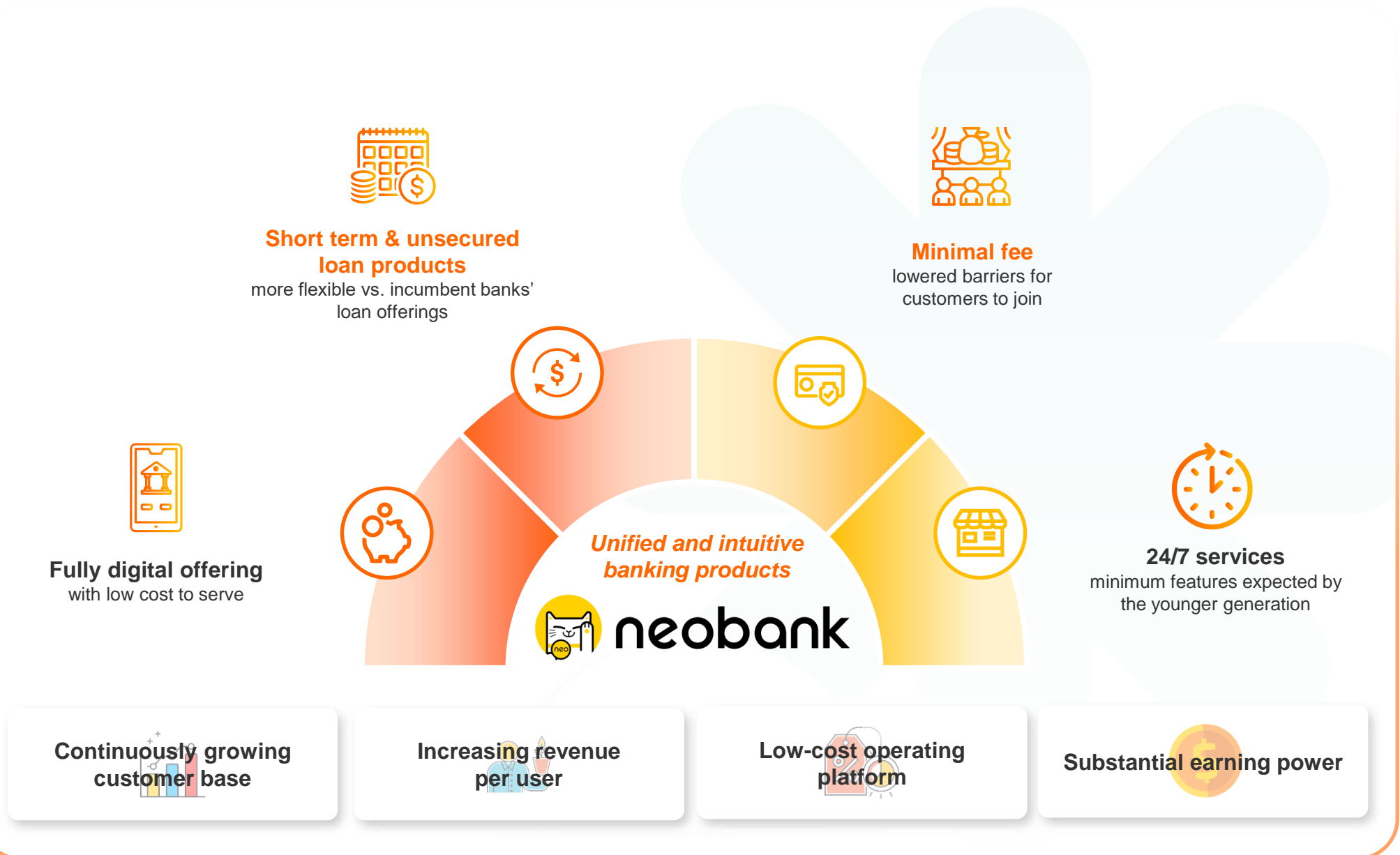
Limited economic benefits and **high cost-to-serve** for the mass markets and MSMEs

High fees charged for basic banking products (saving accounts, bank transfers, etc.)

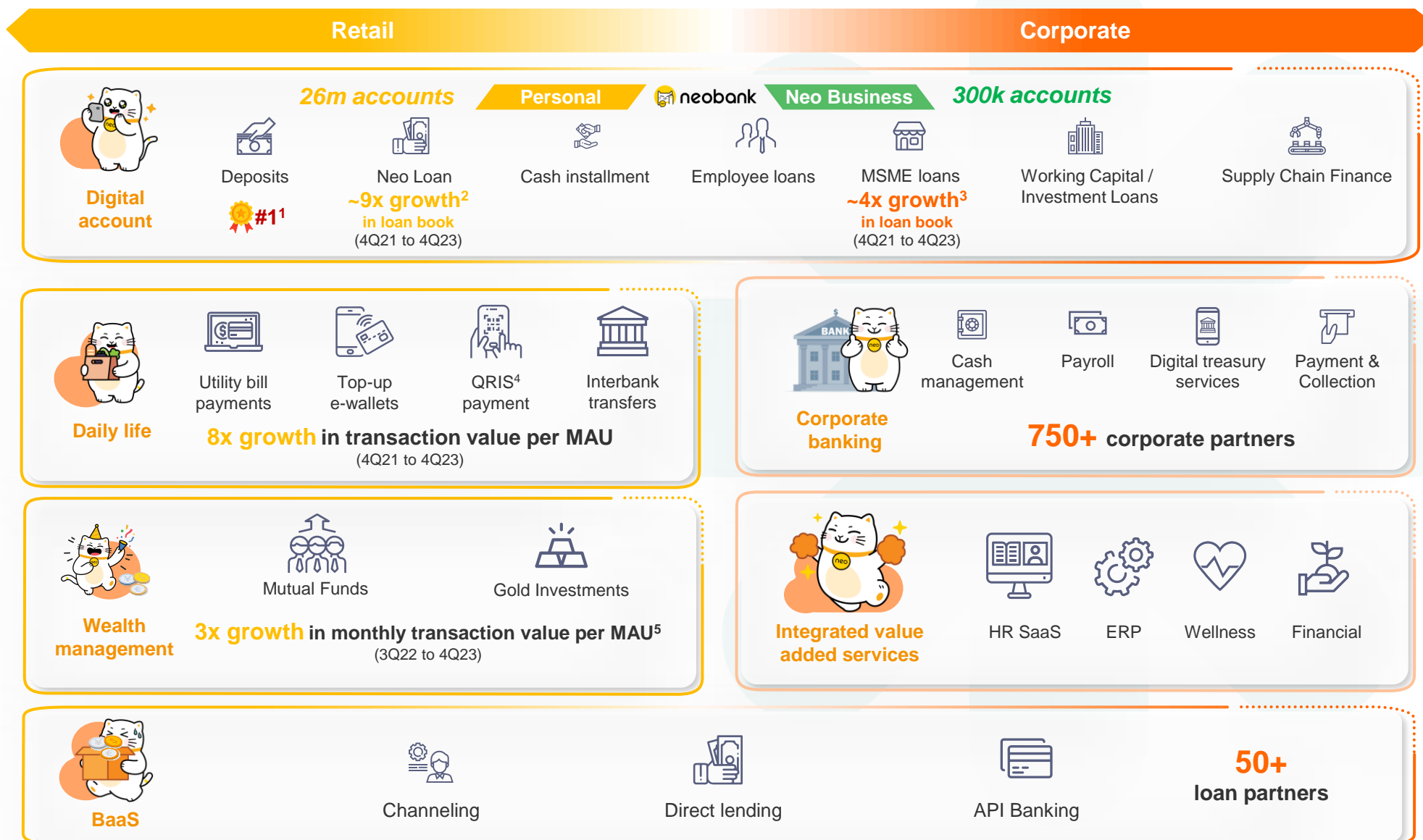
Inefficiency in business process – **long transaction time** and **manual KYC process**



Our digital banking offerings differentiated from the incumbents



Our core product propositions



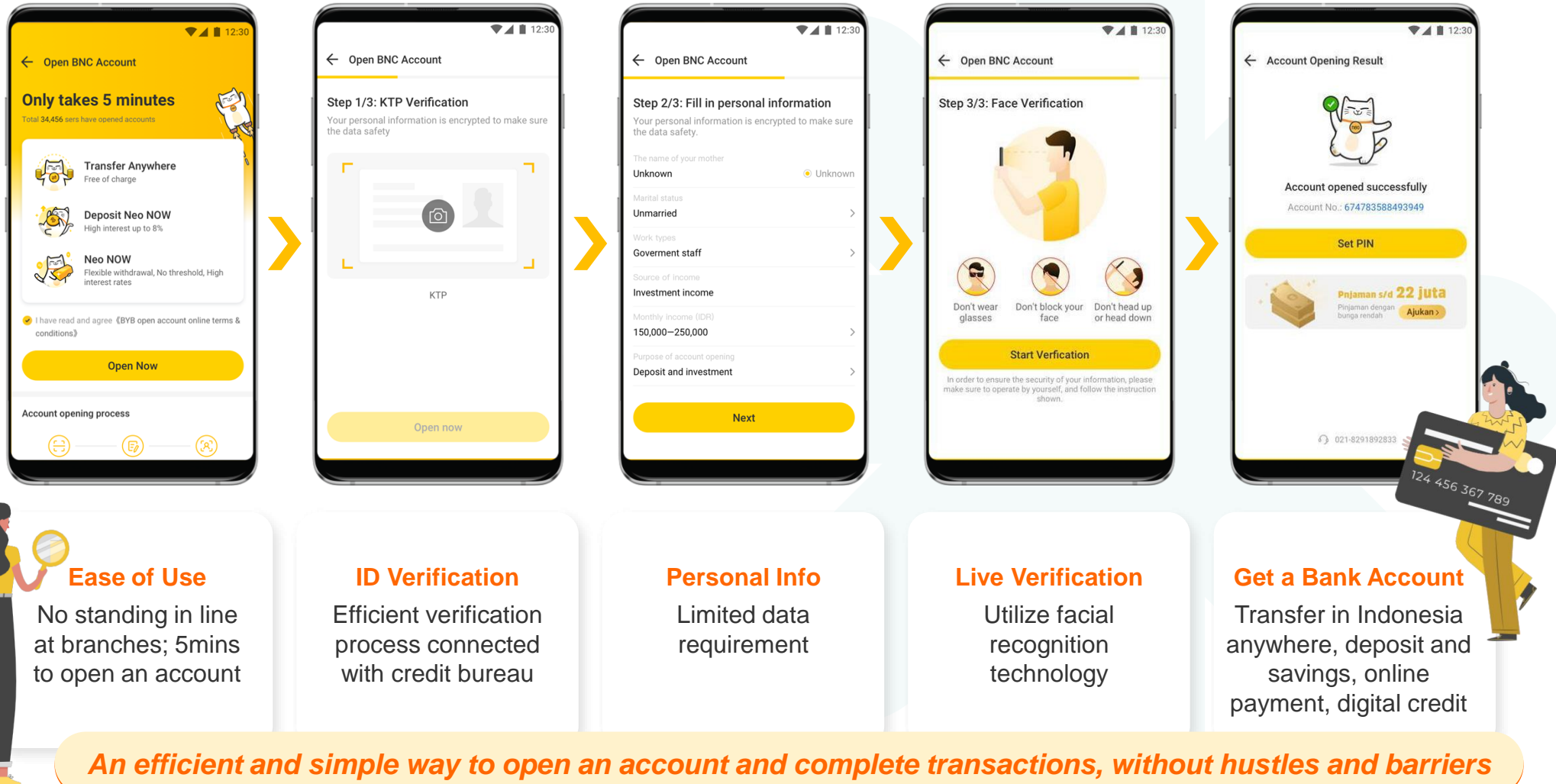
Notes:

1. Ranked #1 in terms of deposit size among listed Indonesian digital banks
2. Refers to growth in digital loan outstanding as at the end of 4Q21 and 4Q23
3. Refers to growth in B2B loan outstanding as at the end of 4Q21 and 4Q23

4. QRIS (Quick Response Code Indonesian Standard): a standardised QR Code that Bank Indonesia has approved for payments in Indonesia
5. Refer to growth in Neo Gold transactions

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Client onboarding: Fully digitalized account opening process



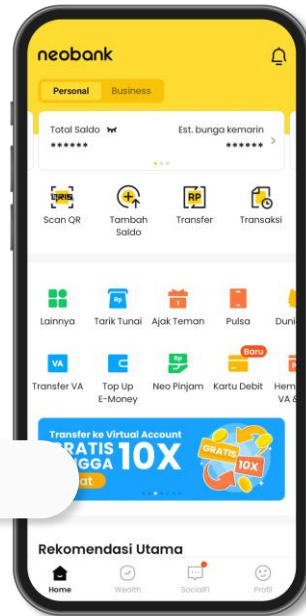
Client engagement: Multi-faceted user interaction via Neobank App

Game Interaction

Neo World game to drive user activity and conversion to transaction



Neobank



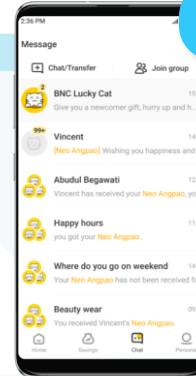
Angpao, split-bill, joint-saving, and more financial interaction services



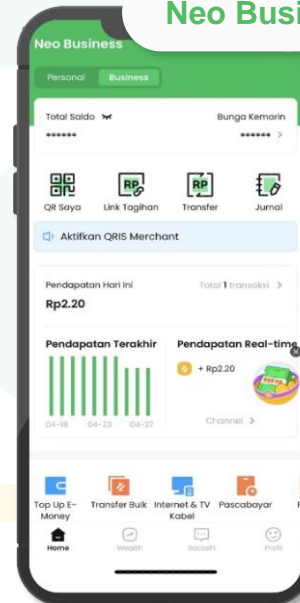
Financial Interaction

Social Interaction

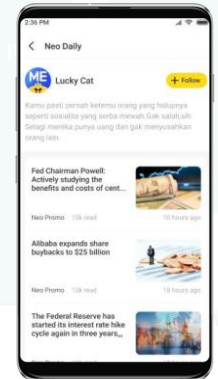
C2C, B2C network and connect users through C2C Chat, group chat, and subscription account



Neo Business



Capturing mindshare of B & C users by leveraging content and service distribution tools



Content Interaction

Chapter II

The Bank Neo Commerce story



The Bank Neo Commerce story

1

The largest listed digital bank in Indonesia

2

Profitability driven by unrivalled financial DNA and digitalization

3

Strong business scalability potential

4

Full-stack technology facilitates differentiated digital propositions and seamless customer experiences

5

Unparalleled shareholder ecosystems and preferred partnerships

1 The largest listed digital bank in Indonesia

Ranked #1 in user base and business scale

#1 largest Neobank user base at persistently strong growth momentum¹

➤ To put into context, on par with the largest banks in Indonesia

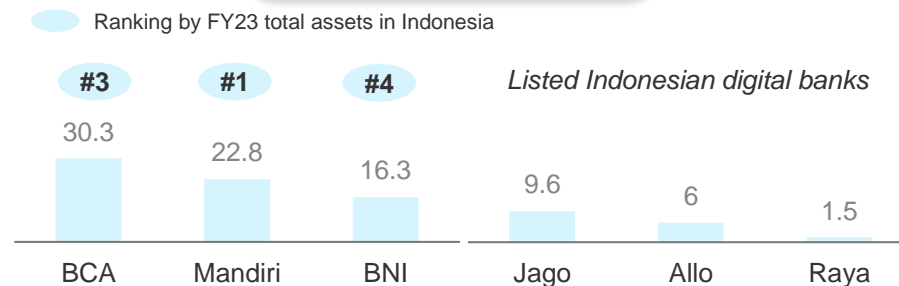
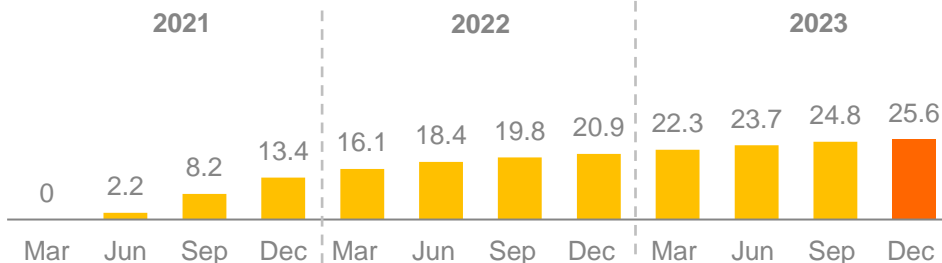


of BNC customers (m)

of mobile-users² (m)

Ranking by FY23 total assets in Indonesia

Listed Indonesian digital banks



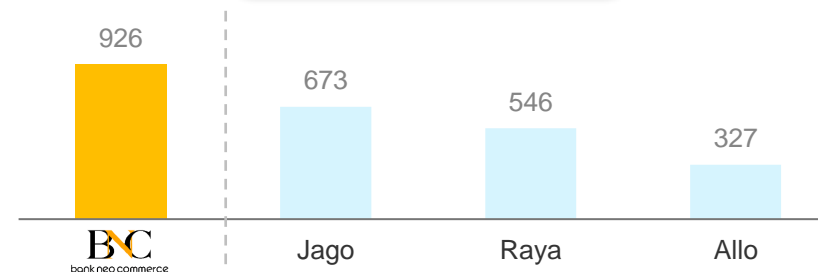
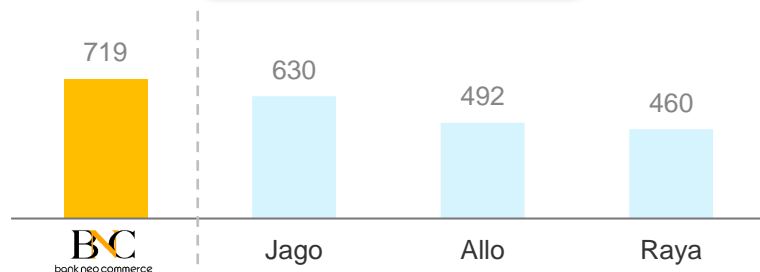
#1 largest listed digital bank in terms of scale¹



Gross loans³ (USDm)



Total deposit³ (USDm)



Sources: Company disclosures

FX: 1 USD = 15,000 IDR

Notes:

1. Largest in terms of customer base and gross loan book among all listed Indonesian digital banks

2. BCA, referring to total mobile banking users; Mandiri, referring to total registered users of Livin app;

BNI, referring to mobile banking users; all customers of digital banks are regarded as mobile-users

3. Figures as of December 31, 2023 except for Bank Jago as of June 30, 2023; excluding sharia financing and temporary syirkah funds

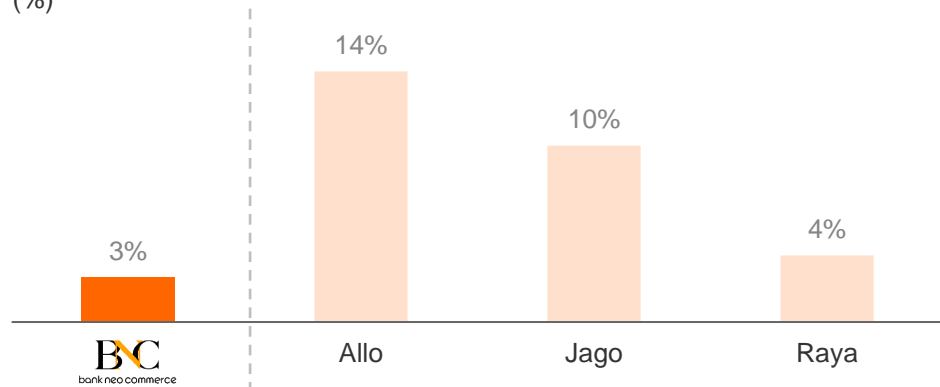
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1 The largest listed digital bank in Indonesia (cont'd)

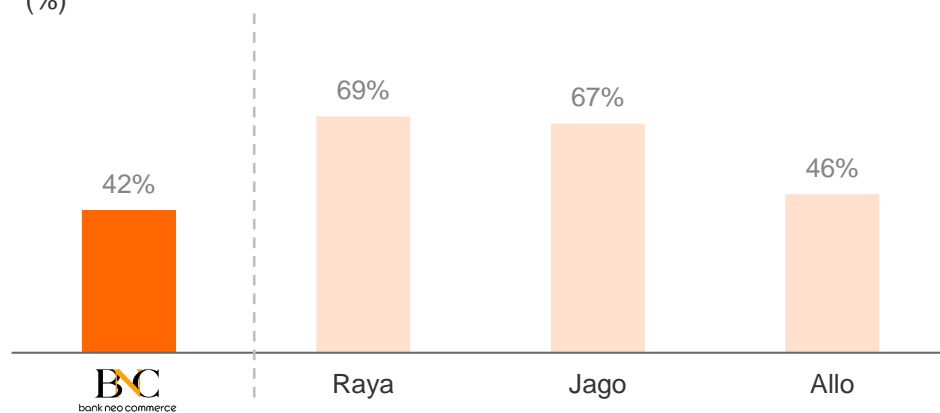
Scalability and market leadership bring operating efficiency

One of the most cost-efficient digital banks

S&M expenses % to operating income benchmarking (FY23)
(%)

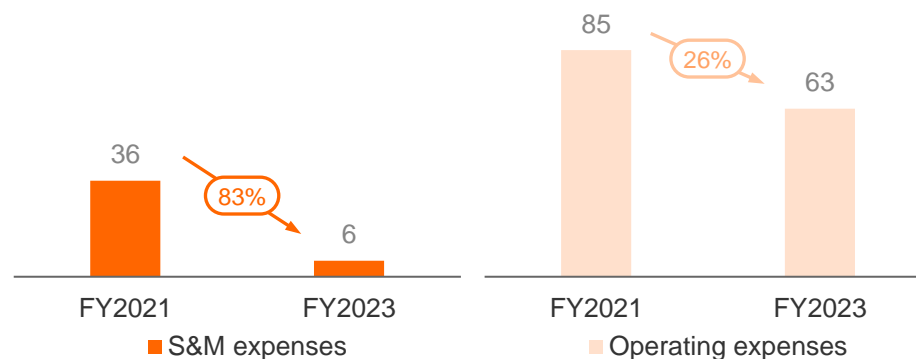


Cost-to-income ratio benchmarking (FY23)
(%)

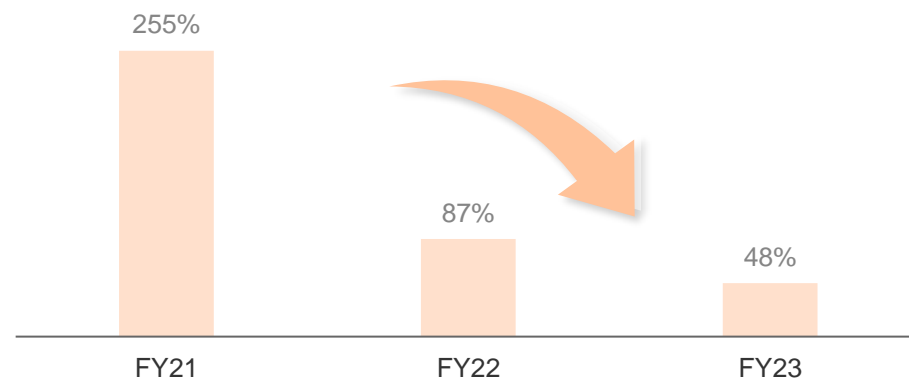


Continuous improvement in efficiency

Operating expense decreased with significantly lower S&M
(USDm)



Cost-to-income ratio
(%)

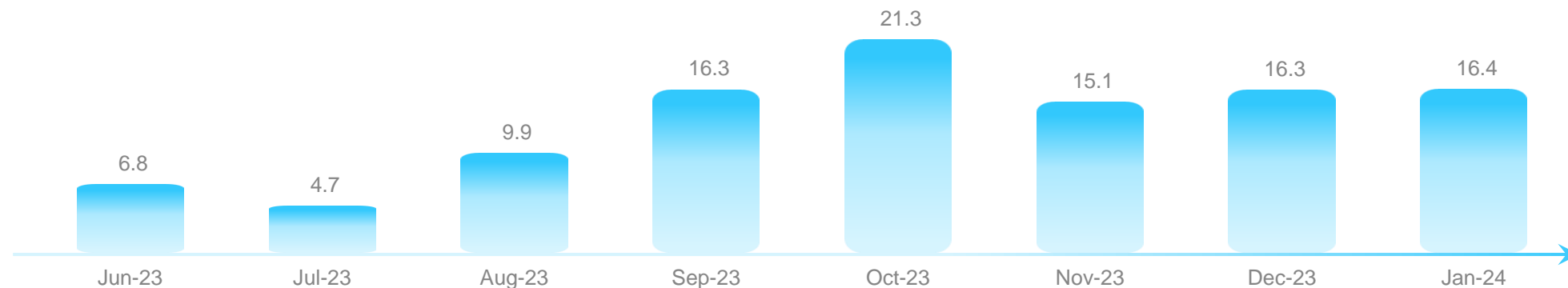


2 Profitability driven by unrivalled financial DNA and digitalization

We achieved monthly profitability at net profit level since Oct-23

Monthly pre-provision operating profit

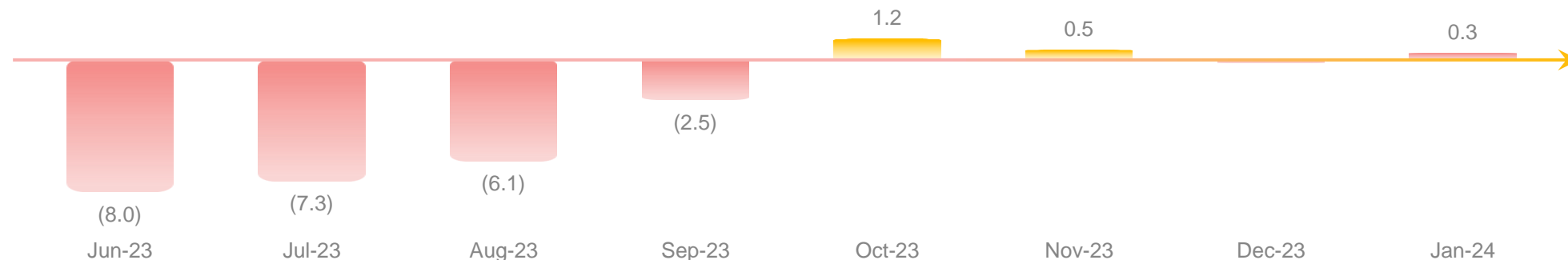
(USDm)



Monthly net profit¹

(USDm)

We expect sustainable profitability going forward



Source: Company disclosure

FX: 1 USD = 15,000 IDR

Note:

1. For December 2023, excluded audit adjustments made by the auditor during year-end audit process on a full-year basis

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2 Profitability driven by unrivalled financial DNA and digitalization (cont'd)

Our key financial success factors

7-year credit know-how

Product design

- Developing **new features**
- Exploring **novel solutions**
- Capturing **emerging new economy demands**

Risk underwriting

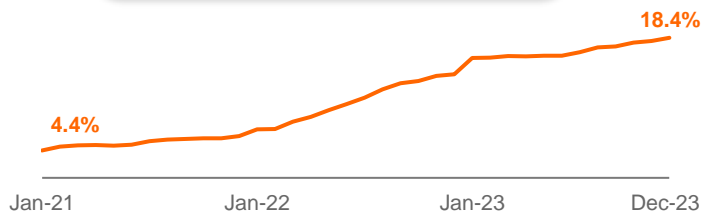
- >42,000** active rules
- >80,000** customer features
- 100+** risk models

Tech infrastructure

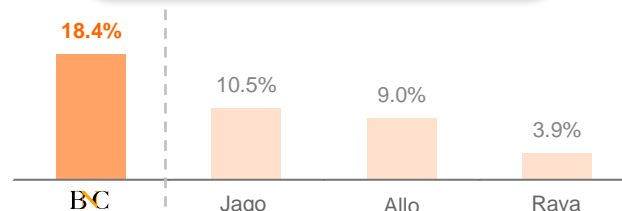
- Proprietary** auto machine learning system
- 15%+ credit approval rate** – industry leading
- 2,000 model calls** per second

Market-leading risk-based pricing

Record-high monthly NIM

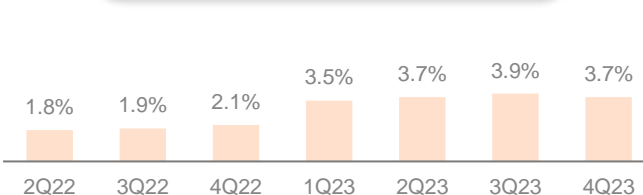


Top 1 NIM¹ among peers

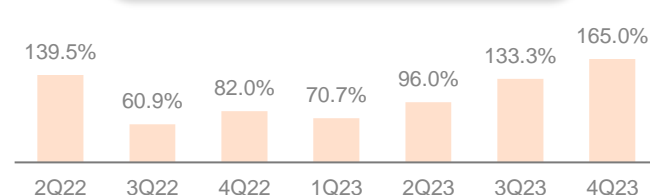


Robust credit control framework

Stable NPL% within confined range

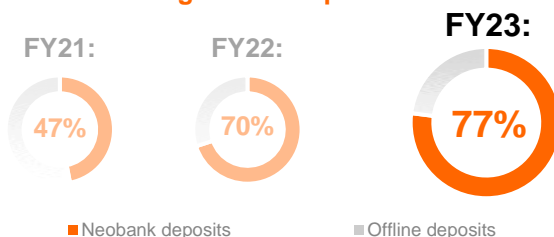


Strong gross NPL coverage

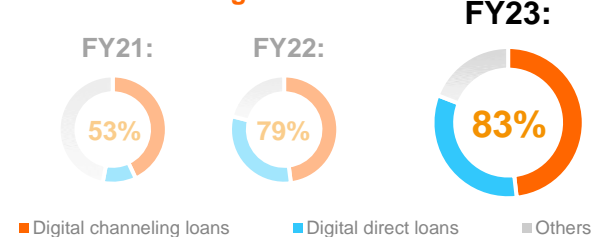


Continuous digital transformation driving scalability

Digitalised deposits



Digitalised loan



Source: Company disclosure

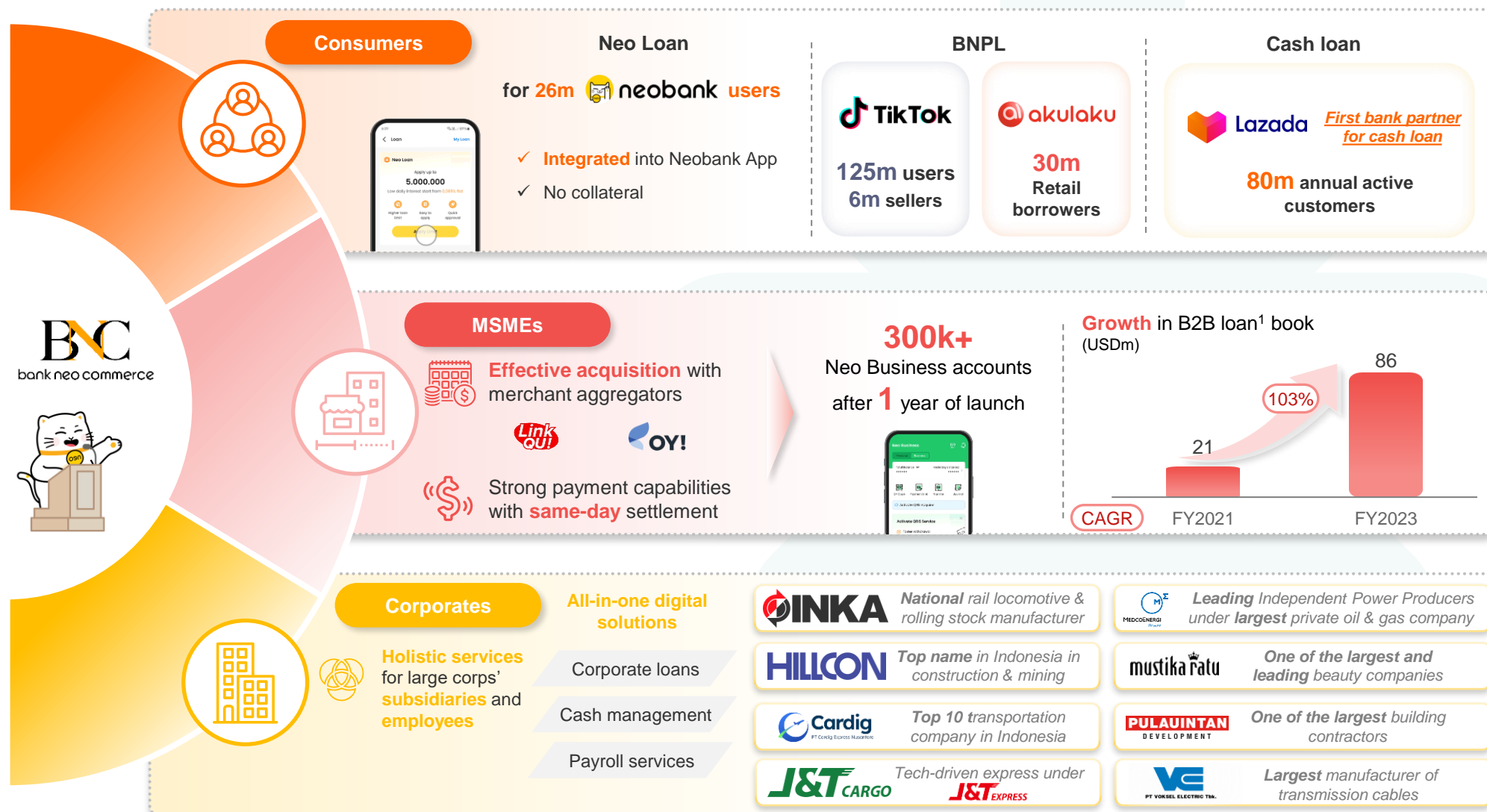
Note:

1. As of December 31, 2023, except for Bank Jago as of June 30, 2023

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3 Strong business scalability potential

Asset side: Tailored origination strategies across segments



Source: Company disclosure

FX: 1 USD = 15,000 IDR

Note:

1. Including executing loans

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3 Strong business scalability potential (cont'd)

Liability side: Sizeable depositor base and low cost of funds

We aim to be primary transaction bank for our users

56% of MAU
Actively transacting

8.4x growth in
transaction volume per MAU

Growth in **monthly transaction amount per user** from the first month of launch to Dec 2023

7.6x
Payment points (PPOB)⁵



3.4x
QRIS payment⁷



2.5x
Neo Gold⁸



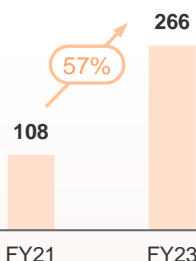
Mar 2022

Jun 2022

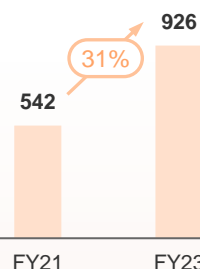
Sep 2022

Dec 2023

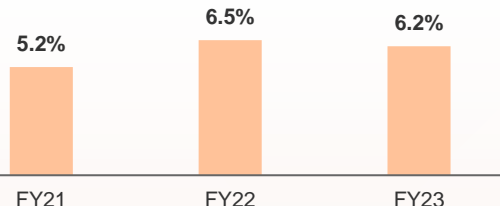
CASA
(USDm)



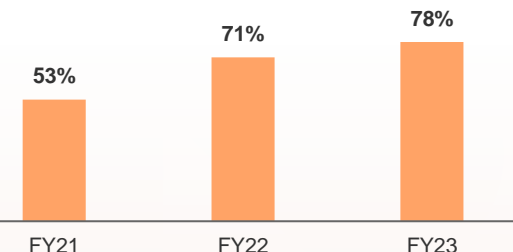
Total third party funds
(USDm)



Cost of funds (deposit)⁹
(%)



Loan-to-deposit ratios
(%)



CAGR

Ample room for business expansion at optimized cost of funds

Source: Company disclosure

FX: 1 USD = 15,000 IDR

Notes:

1. MAU refers to customers who logged into their accounts in the month
2. CASA ratio refers to % of deposits in current and saving accounts against total deposits
3. 69% of our MAUs transacted with their accounts in the month
4. Monthly user retention refers to the % of active users in one month who are active again in the next; for 1H2023
5. PPOB is an online payment service system operated by Indonesian utility service providers in cooperation with banks

6. Virtual accounts: a bank transfer method facilitated by BNC. Despite the name, customers can pay using any Indonesian Bank account to complete payment. Payment can be made through ATM, mobile banking, internet banking, and Indonesian bank channels that supports paying virtual accounts
7. QRIS (Quick Response Code Indonesian Standard): a standardised QR Code that Bank Indonesia has approved for payments in Indonesia
8. Neo gold: gold investment platform
9. Annualised Q4 cost of funds on deposits for each financial year

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4 Full-stack technology facilitates differentiated digital propositions and seamless customer experiences

Fully digital and superior process for both customers and partners

Market-leading risk-based pricing

- ◆ **5-min** account opening
- ◆ **15-min** credit approval
- ◆ **24/7** servicing capacity
- ◆ **Same day** settlement for Neo Business merchants



Go-to digital bank for partners

- ◆ **2-3 week** fast API integration for new partnership launching



Partnership customization

- ◆ **Flexibility** in responding to tailored requirements



Cutting-edge technology deployment across full loan life-cycle

Pre loan

+7%
In conversion rate
-20%
Waiting time for approval
Monthly
Risk model update



Loan disbursement

5k transactions / second
Processed by system
0.5 second
To return loan application result
0.2 second
To return pricing result



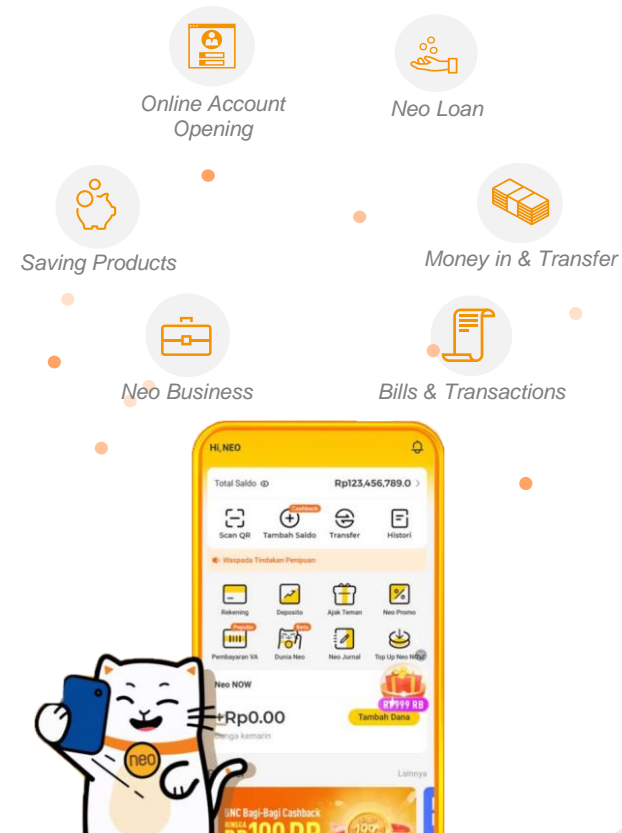
Post loan

Desk call (Robo)
as initial collection
Field collection
for further improvement in repayment rate



Financial and social features cultivate daily usage habit

One-stop shop financial services app



5 Unparalleled shareholder ecosystems and preferred partnerships

Shareholder ecosystems



- **Largest** BNPL and consumer financing platform in Indonesia
- **30m unique credit users** with **7%** penetration¹ by BNC only
- **123,000** open pay partners



- The **largest** Leading Fintech group in China
- Operates the **largest** digital payment platform globally
- **88m** international merchants and **1.5bn** users



- The first and **largest** bank in Thailand
- Strong **regional footprint** across Southeast Asia in the digital banking arena



- **Largest** financial group in Japan
- Strong **pan-Asia network** through strategic investments and partnership for financial services

Preferred partnerships



- One of the **largest** e-commerce platforms in Indonesia
- **80m** annual active customers

*We are the **first bank partner** for cash loan on Lazada*



- Acquired majority stake of the **largest** e-commerce platform in Indonesia
- **127m** users

*Akulaku is **one of the only 2 BNPL partners** of TikTok in Indonesia*

Source: Company disclosure; latest available information as of December 31, 2023

Note:

1. Penetration rate is the % of Akulaku credit users who own a BNC banking account

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Chapter III

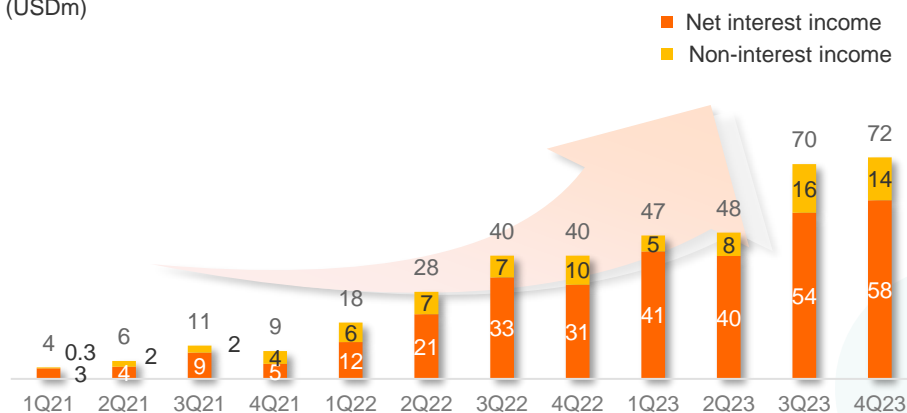
Strategy to profitability



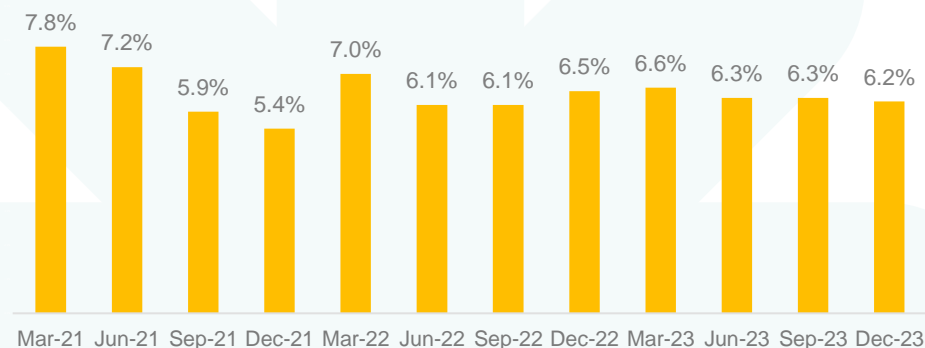
Overview of key income statement metrics

Operating income¹ continues strong growth

(USDm)

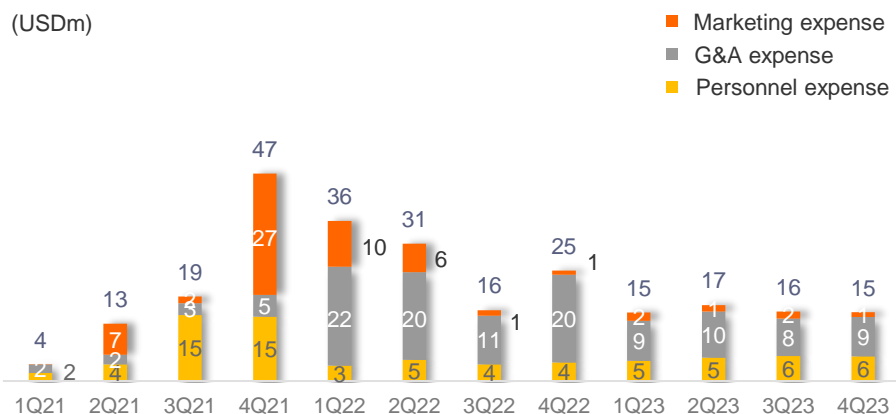


While cost of funds² moderates down



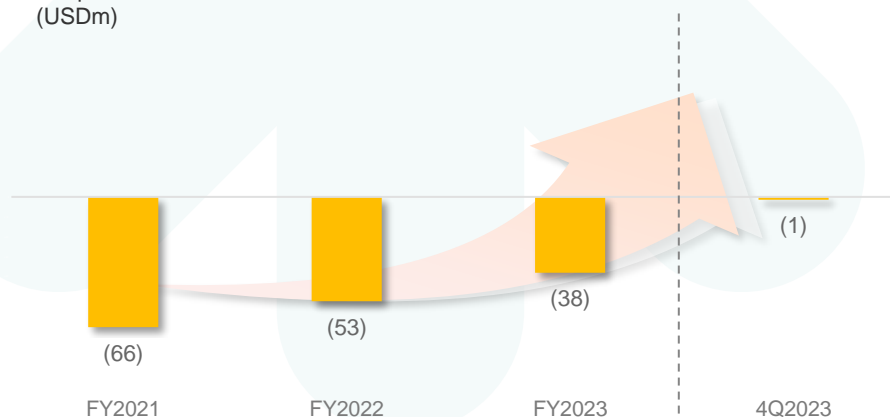
Strict cost discipline leads to operating expense³ savings

(USDm)



Allowing us to achieve breakeven in 4Q23

Net profit
(USDm)



Source: Company disclosure

FX: 1 USD = 15,000 IDR

Notes:

1. Including net interest income and other operating income (including ATM fee income, other provisions and

commissions, recovery of assets previously written-off, and other operating income)

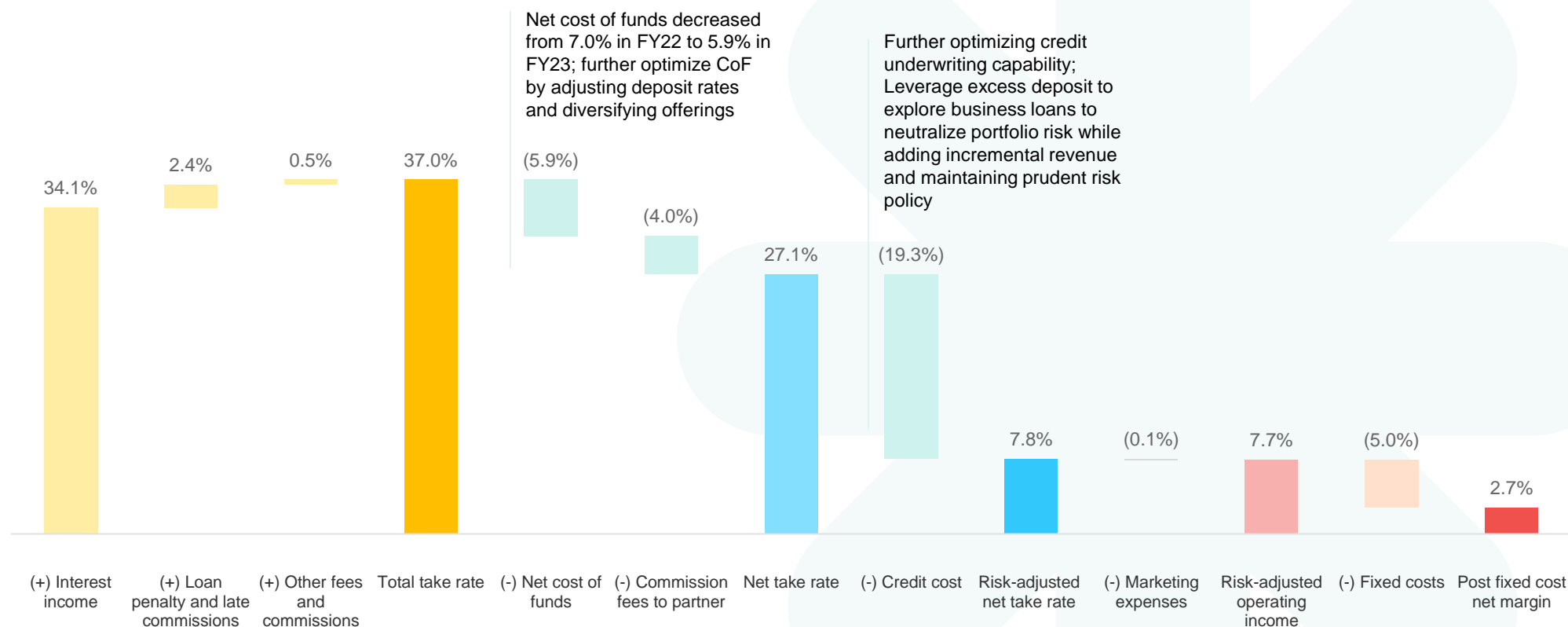
2. Interest expenses divided by average interest-bearing liabilities

3. Including personnel expenses, marketing expenses, and general and administrative expenses

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Our loans return ~8% on a net risk-adjusted basis ...

Unit economics¹ for loan products | FY23



Source: Company disclosure. Numbers may not add up due to rounding.

Notes:

1. The margin of each item is calculated on the following basis with average of period-end balances as of December 31, 2022 and December 31, 2023:

- Total take rate: interest income = interest income / average interest-earning loans; loan penalty and late commissions = other operating income / average interest-earning loans; other fees and commissions = (ATM fee income + other provisions and commissions) / average interest-earning assets;
- Net take rate: net cost of funds = (interest expenses + total marketing expenses – marketing expenses for lending

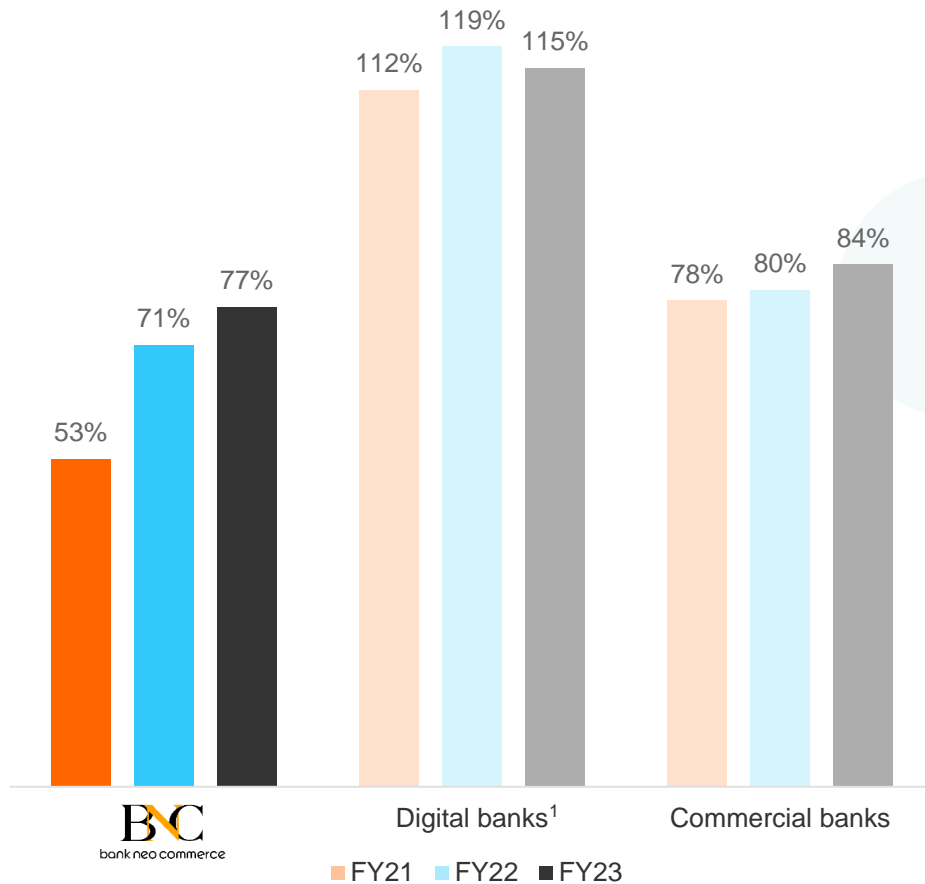
activities) / average interest-earning assets; commission fees to partners = other provisions and commissions expenses / average interest-earning loans;

- Net take rate after risk: credit cost = (write-off during the year – recovery of assets previously written-off) / average interest-earning loans;
- Risk-adjusted operating income: marketing expenses = expenses for lending marketing activities / average interest-earning loans;
- Fixed costs: personnel and G&A expenses / average interest-earning assets

... we just don't have enough of them

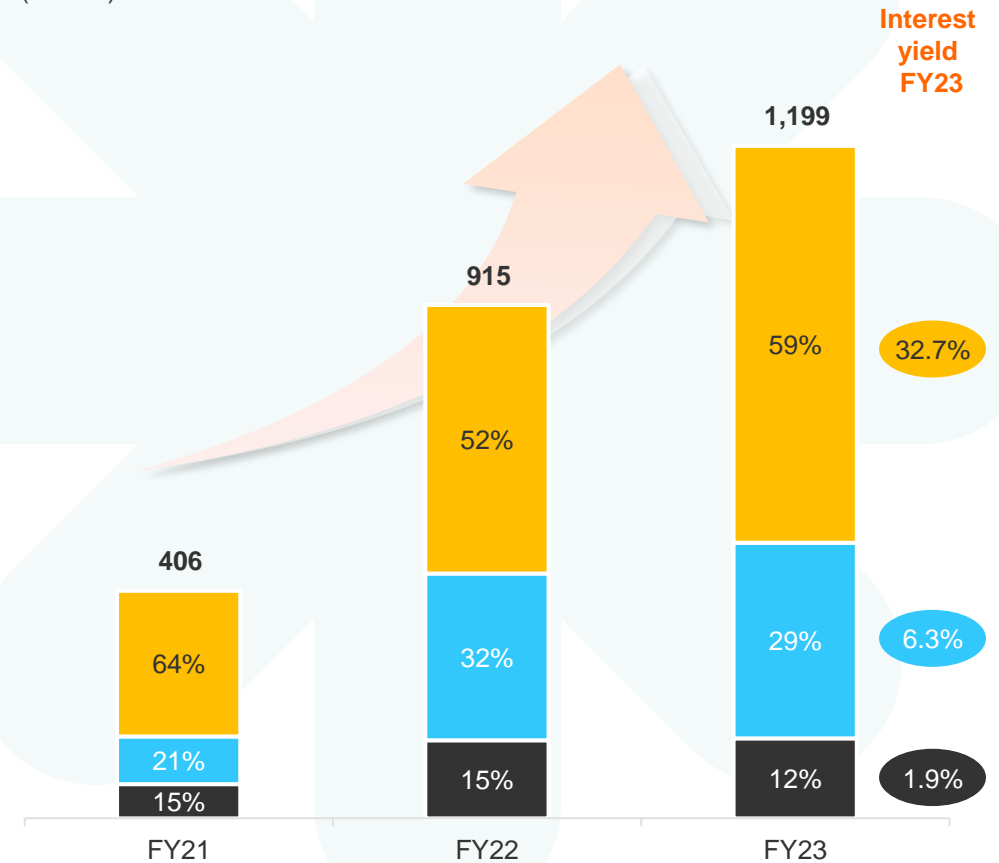
Continue to deploy ample liquidity

Loan-to-deposit ratio



Further expansion in loan book to boost interest earning assets

Average interest earning assets² (USDm)



Sources: Company disclosures, OJK

Notes:

1. Digital banks include Bank Jago, Bank Raya and Bank Allo; Bank Jago as of 1H23

2. All on gross basis

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Clear and simple strategy to achieve high profitability sustainably

Grow loan portfolio

1

Continue strong growth momentum by **leveraging strategic partnerships** from **Akulaku**

2

Partner with **Fintech ecosystem** for FI loans

3

Introduce **new digital products** (e.g. cash loans via Lazada) to **deepen penetration**

4

Expand into underserved **MSMEs** and **new economy startups**

Further improve loan unit economics

1

Increase take rate via **cross-selling of fee-generating products**

2

Optimize funding cost via expansion of **transactional balances** (e.g. corporate solution, payroll business), moving **excess deposits** into **wealth management AUM** and adjusting deposit rates

3

Enhance risk capabilities to lower the cost of risk

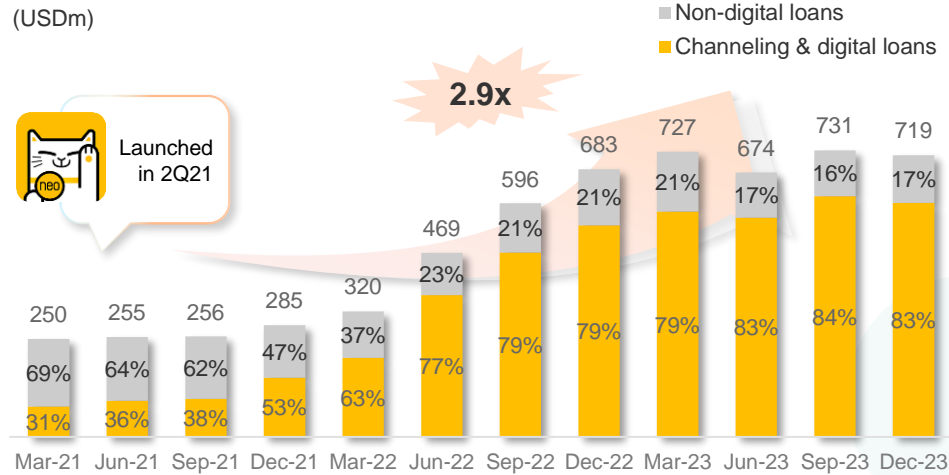
Chapter IV

Selected financial data

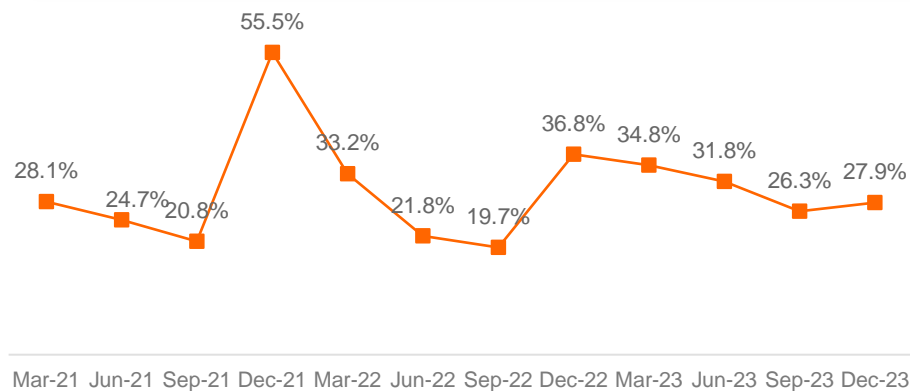


Key balance sheet metrics

Gross loan balance



CAR (YTD)¹



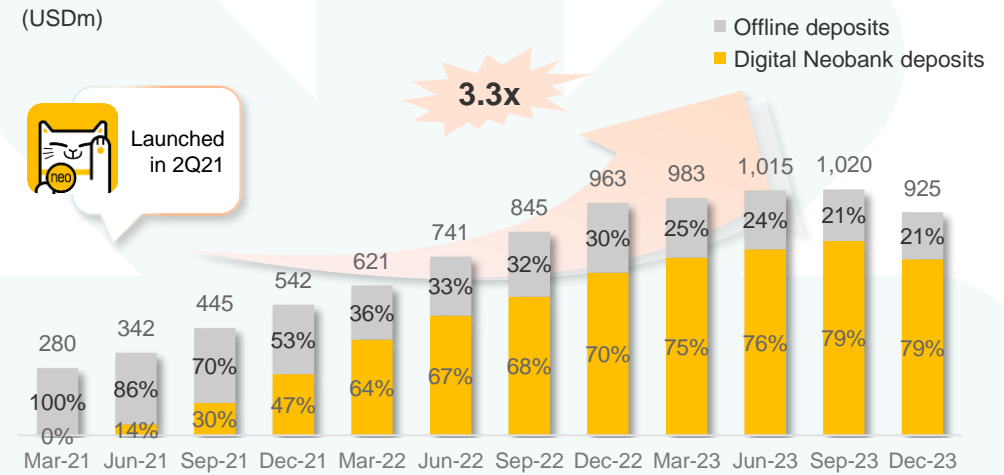
Source: Company disclosure

FX: 1 USD = 15,000 IDR

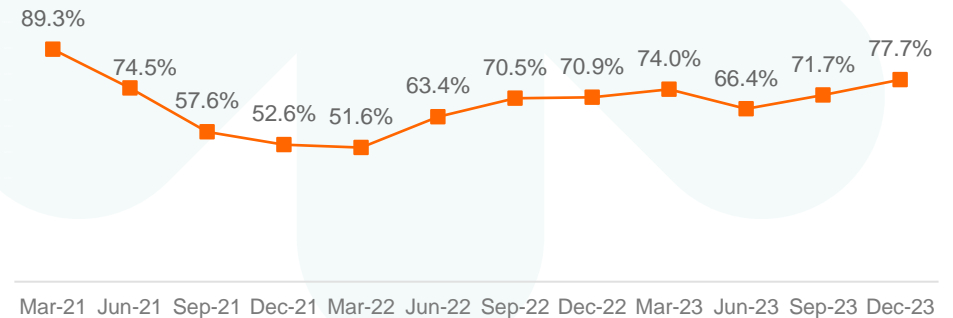
Notes:

1. The ratio is calculated based on the OJK Regulation on capital adequacy by dividing the capital by Risk-

Deposits



LDR (YTD)²



Weighted Assets (ATMR)

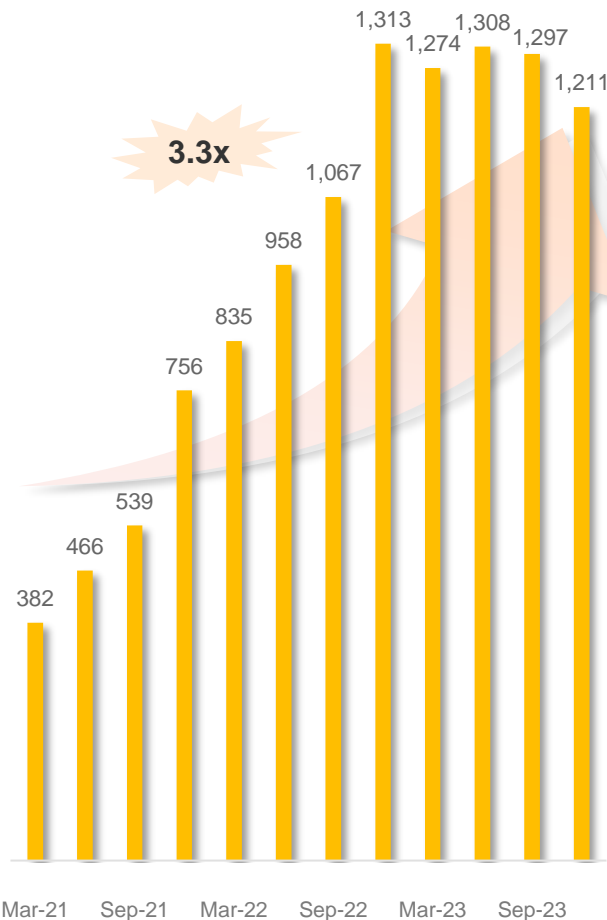
2. Total amount of loans divided by the total amount of deposits for the same period

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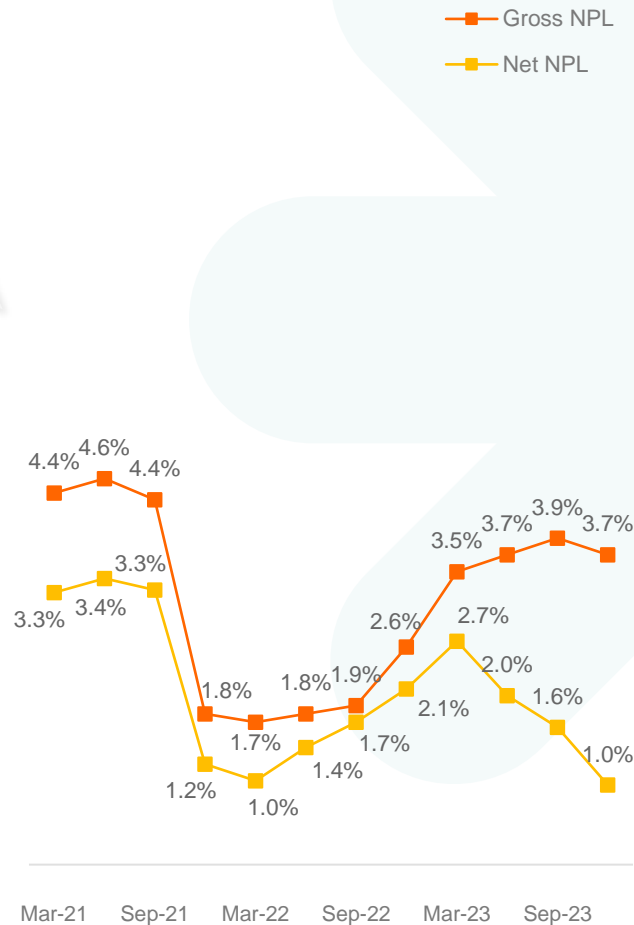
Fast developing asset and stable asset quality

Total assets

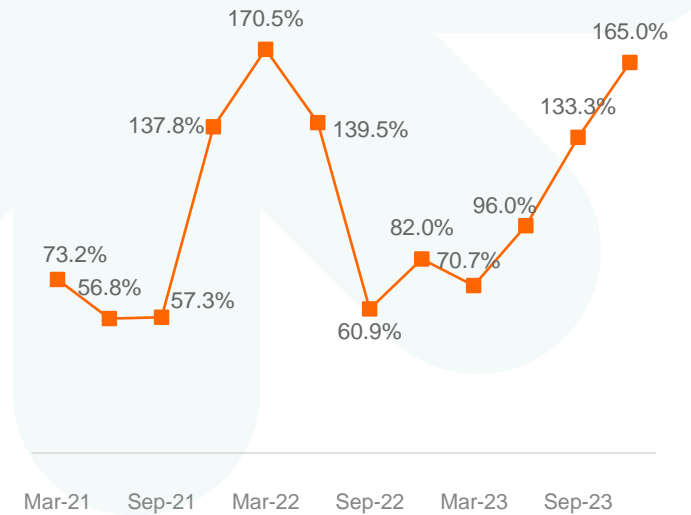
(USDm)



NPL ratio¹



Gross NPL coverage ratio²



Source: Company disclosure

FX: 1 USD = 15,000 IDR

Notes:

1. Net NPL ratio is calculated by dividing the amount of non-performing loans before deducting impairment loss

2. Gross NPL ratio is calculated by dividing the amount of non-performing loans net of impairment loss reserves by the amount of credit awarded and non-performing loans are loans with substandard, doubtful and bad quality; gross NPL ratio is calculated by dividing the amount of non-performing loans net of impairment loss reserves by the amount of credit granted

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Thank You

