

PT Bank Syariah Indonesia Tbk

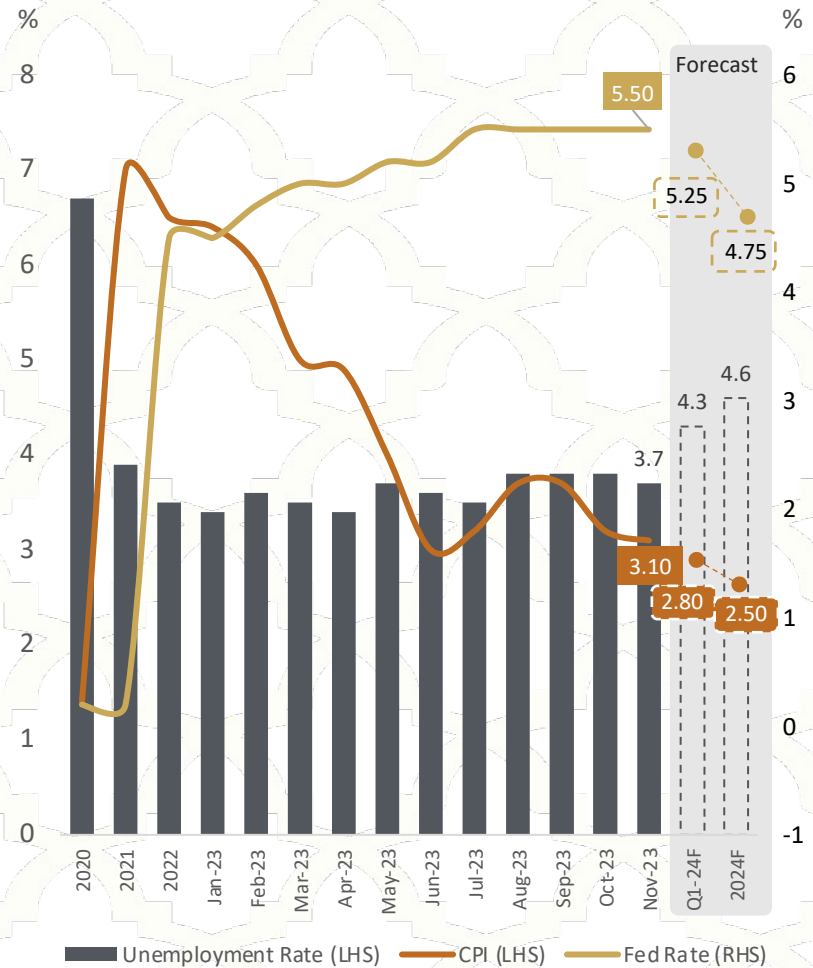
4Q23 Results Presentation



Global Macroeconomic Highlights

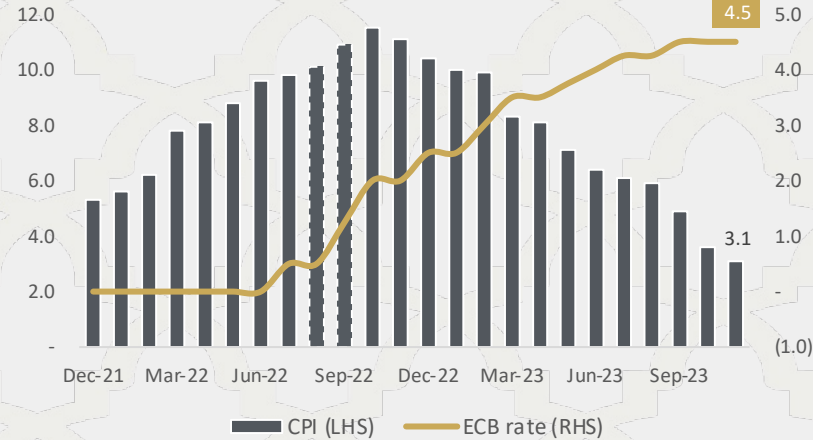
Economic slowdown is expected in 2024 BUT not as bad as previously with anticipated Fed Rate cut

Inflation and Unemployment in US at better rate providing room for more than 25bps Fed cut in 2024

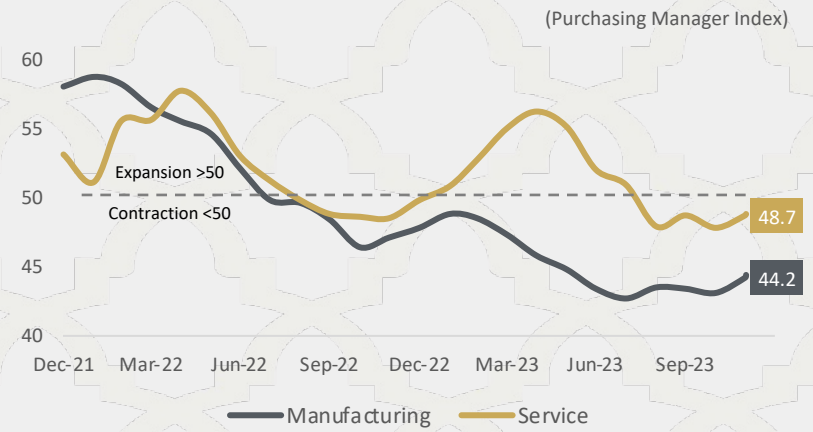


Source: Bloomberg, Bank Indonesia, IMF

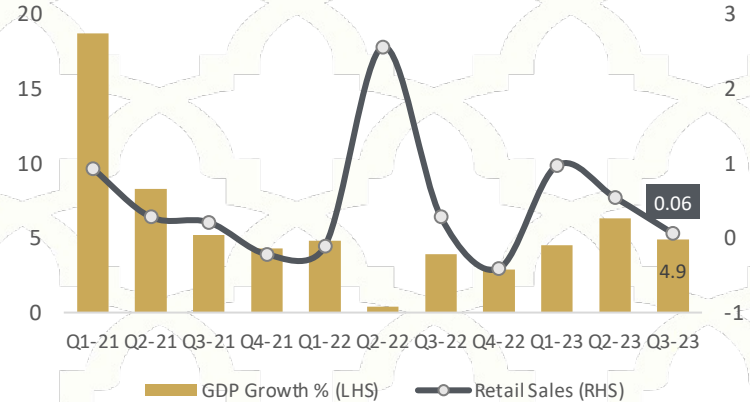
Similarly, inflation and high interest rate era near to an end in EU zone...



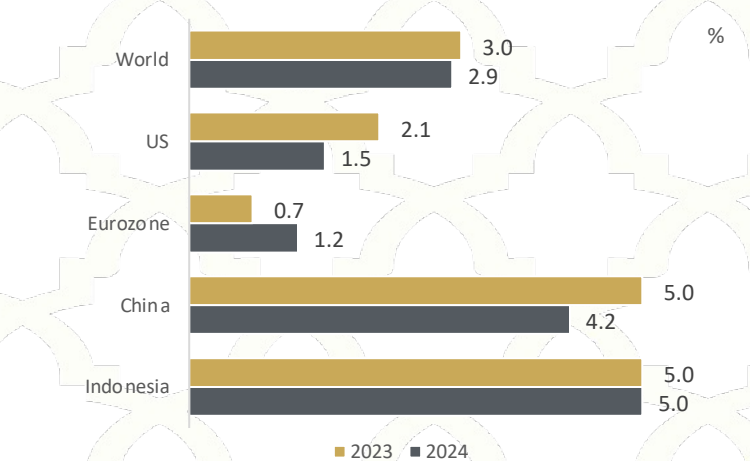
... providing room for European manufacturer to recover



In China, a lower GDP growth is expected in 2024 as retail sales has not yet recovered



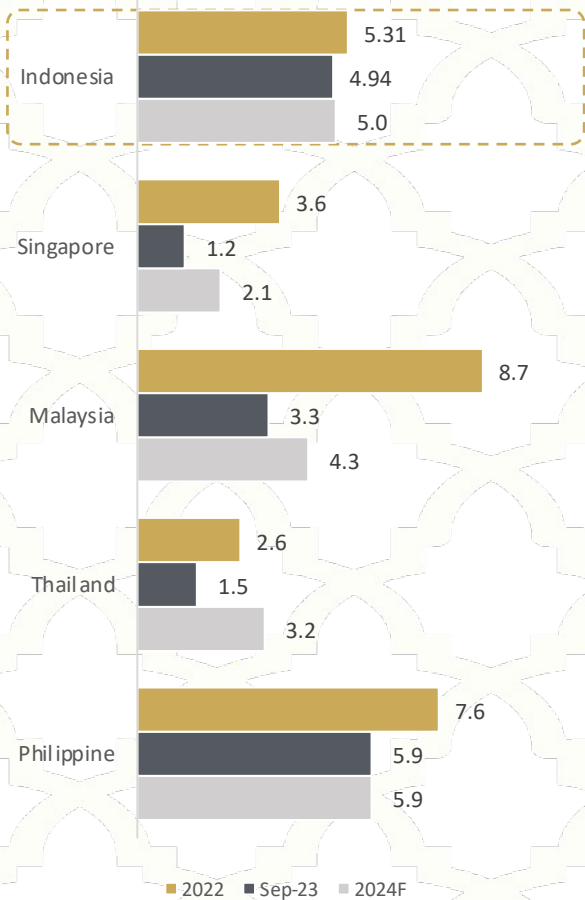
While IMF projected that global economic slowdown will still occur, Indonesia remain resilient



Indonesia Macroeconomic

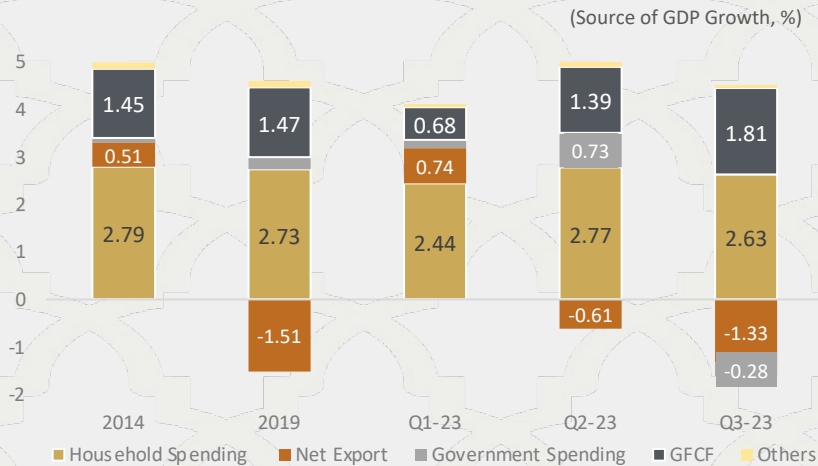
Despite the global economic slowdown, the Indonesian economy continues to be prospected

Across ASEAN member, Indonesia's GDP has so far resilience

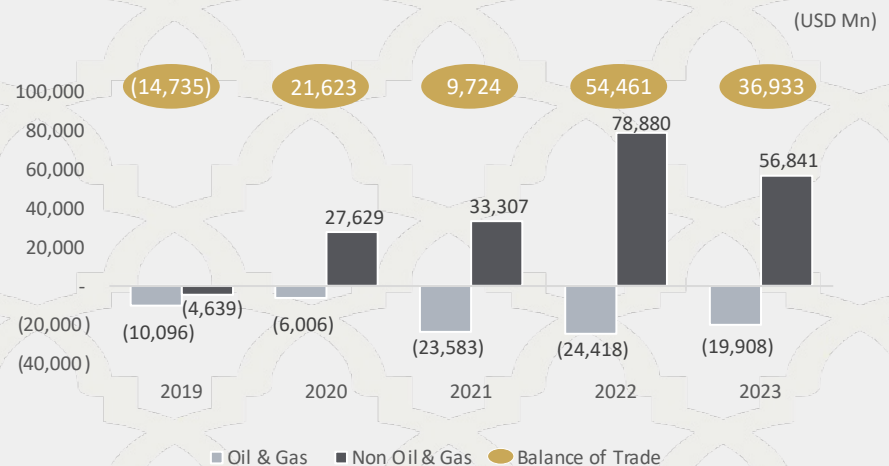


Source: Bloomberg, Bank Indonesia, Ministry of Finance

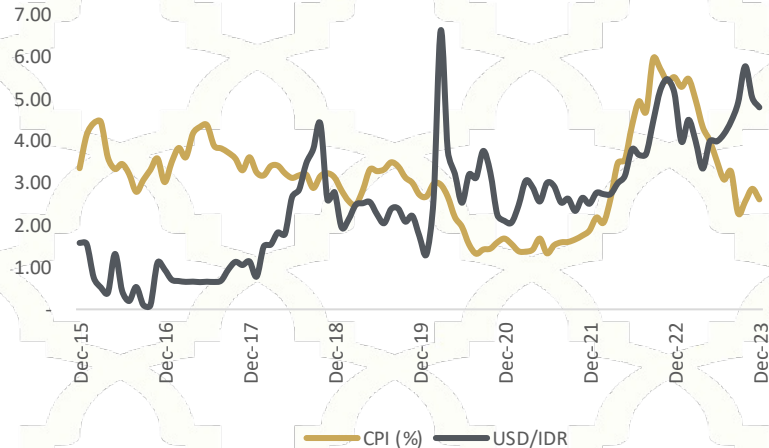
Positive trajectory is expected from the upcoming election, with higher government spending and consumption ...



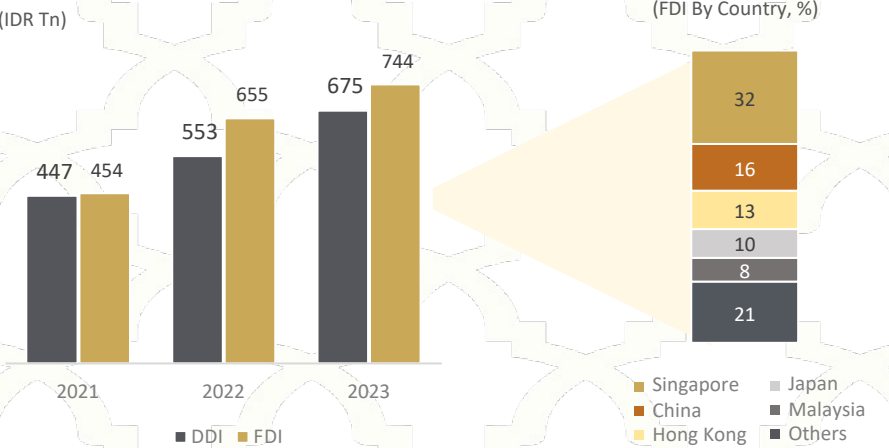
... less reliant on the non-commodities export has provided a healthier the trade balance so far



The Government has successfully managed the inflation and hence led to exchange rate stability



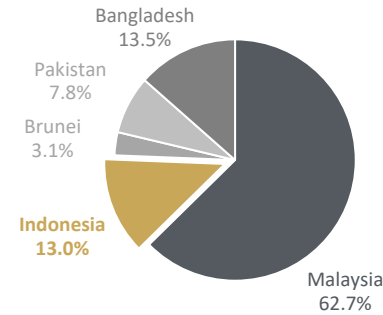
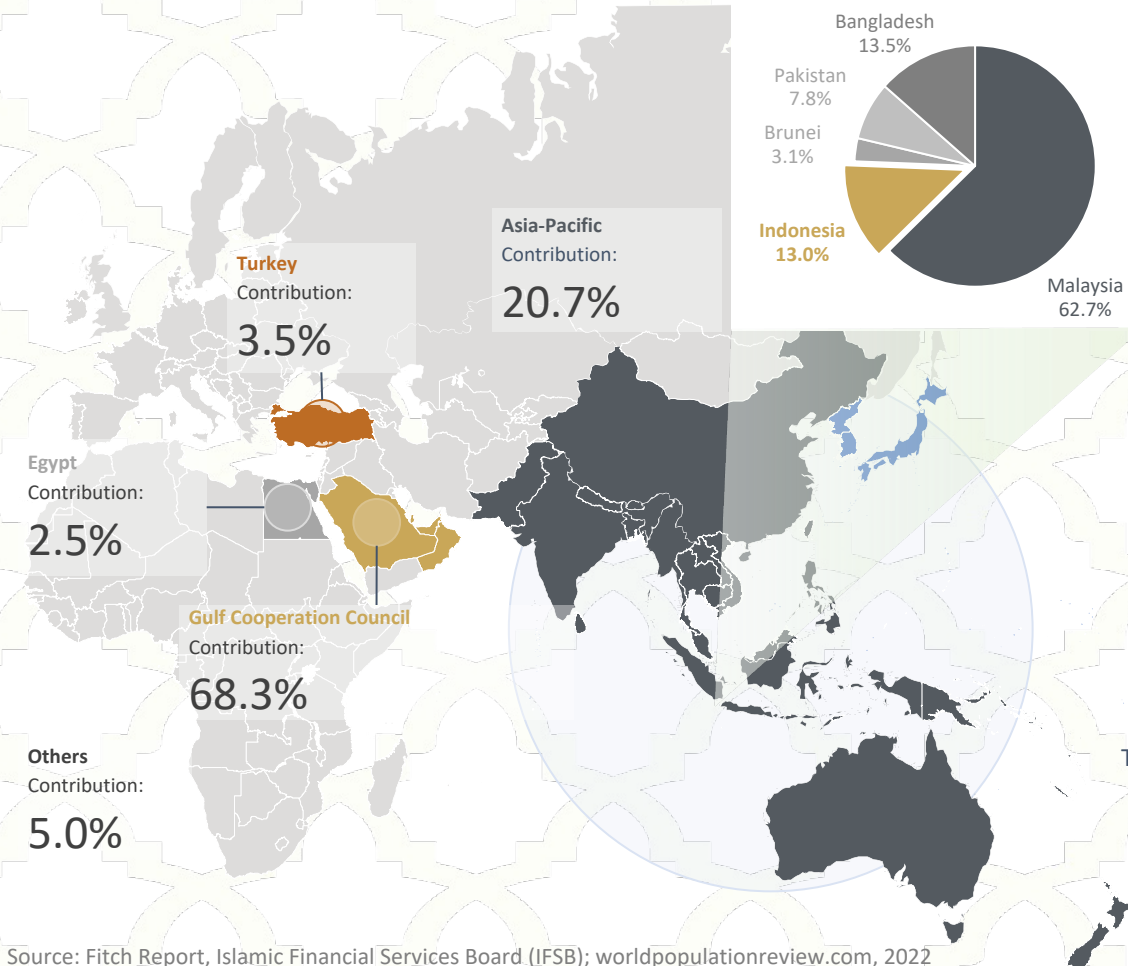
With the above factor, incentivize more direct investment, the highest in 2023 in the form of Foreign Direct Investment (FDI)



Opportunities of Growth For Sharia Bank in Indonesia

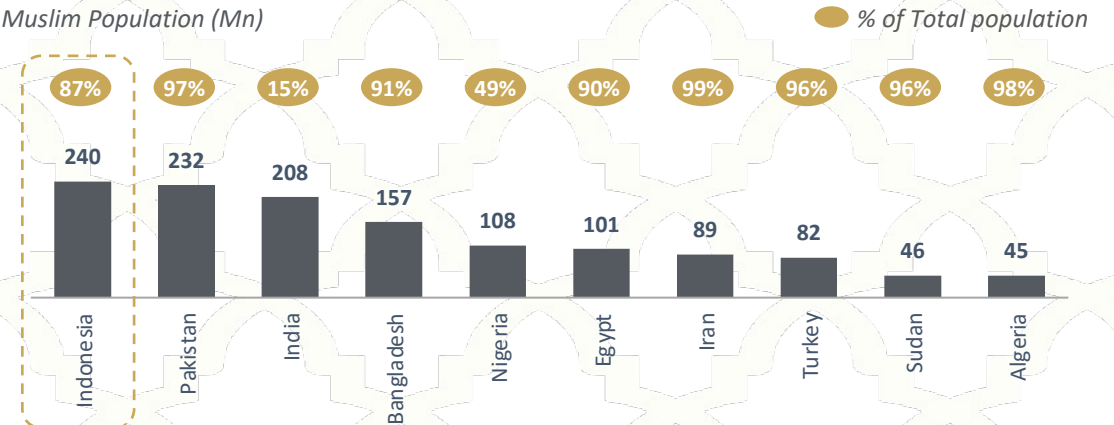
Indonesia has emerged as a regional hub for Islamic finance with favourable macroeconomic conditions and growth outlook

Asia-Pacific has a ~21% share in global Islamic banking assets, with Indonesia being the 2nd largest contributor in the region

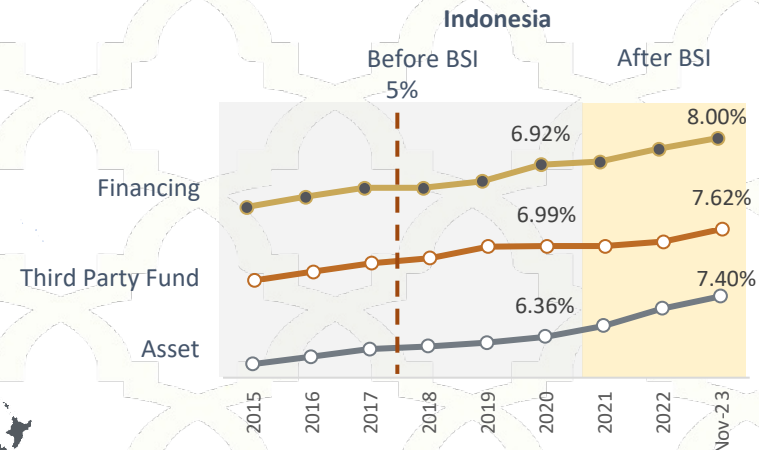


Indonesia has the largest Muslim population in the world¹

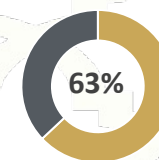
Muslim Population (Mn)



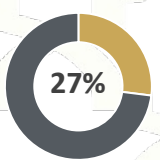
While Sharia banking penetration still relatively low, it has improved by 2% with the existence of BSI since 2021²



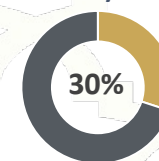
Saudi Arabia



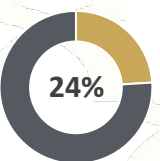
Qatar



Malaysia



UAE



Source: Fitch Report, Islamic Financial Services Board (IFSB); worldpopulationreview.com, 2022

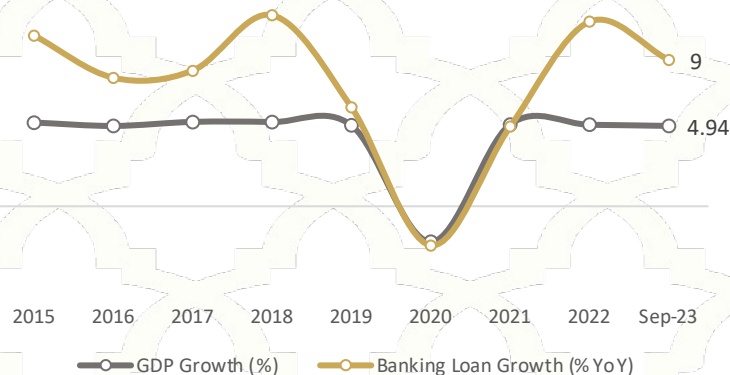
¹Source: worldpopulationreview.com, Royal Islamic Strategic Studies Centre, 2023

²Sources : BNM, OJK

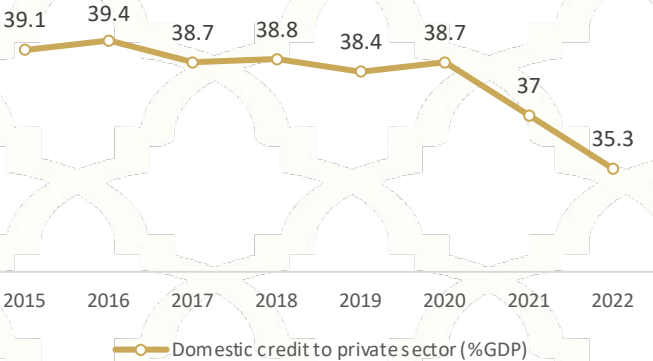
Growth Opportunity in Indonesia ... (Cont'd)

Indonesia has significant opportunity to increase Sharia banking penetration and growth

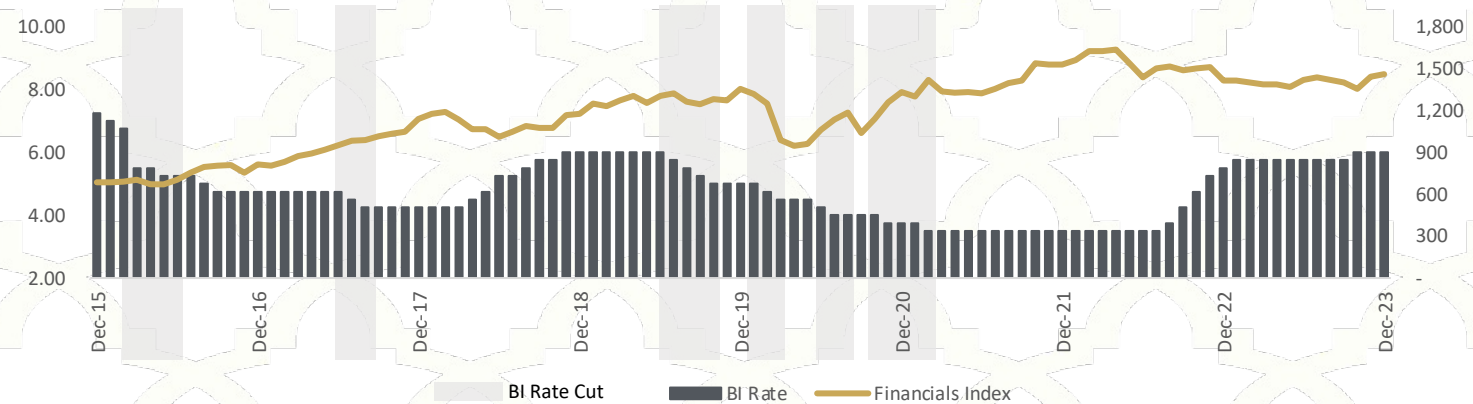
Post pandemic, Banking sector becoming more attractive with loan has surpassed the GDP growth ...



... and room to penetrate as total loan to GDP is considerably low

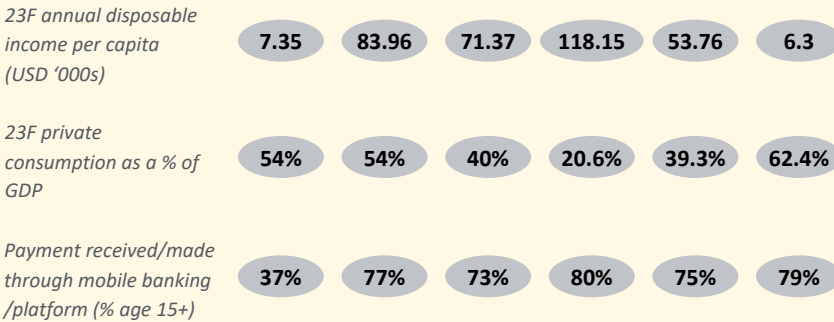


With anticipated rate cut, financial sector is expected to experience a positive impact, as its earnings display a negative correlation with the rate cycle

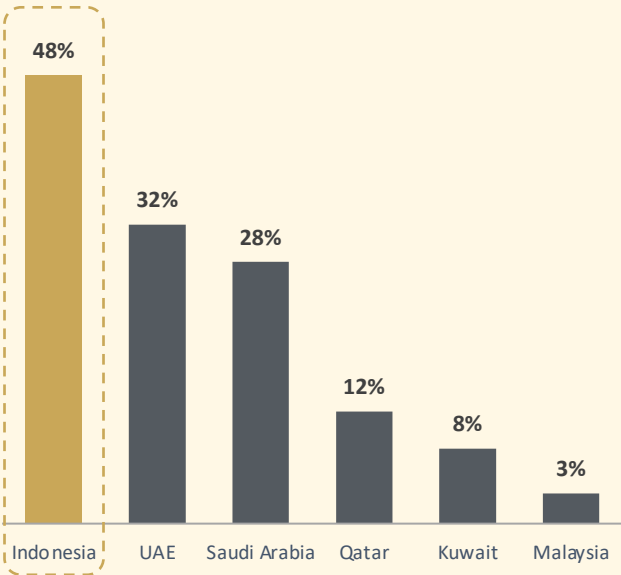


Source: Bloomberg, World Bank, CEIC, Statista, International Monetary Fund

In terms of unbanked individuals, there are significant room for financial institution to penetrate



Total number of unbanked individuals as a percentage of total population



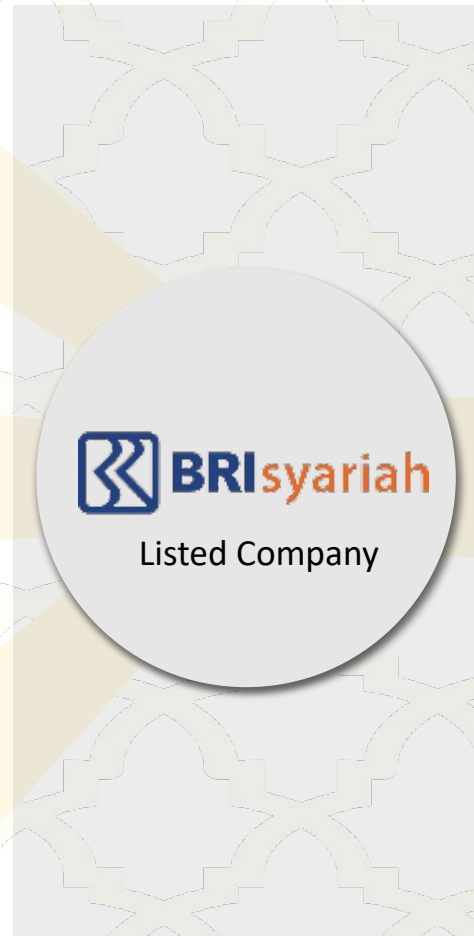
Creating New Model of Sharia Bank Through Consolidation

Create synergies on the back of each of the Bank strength and capabilities

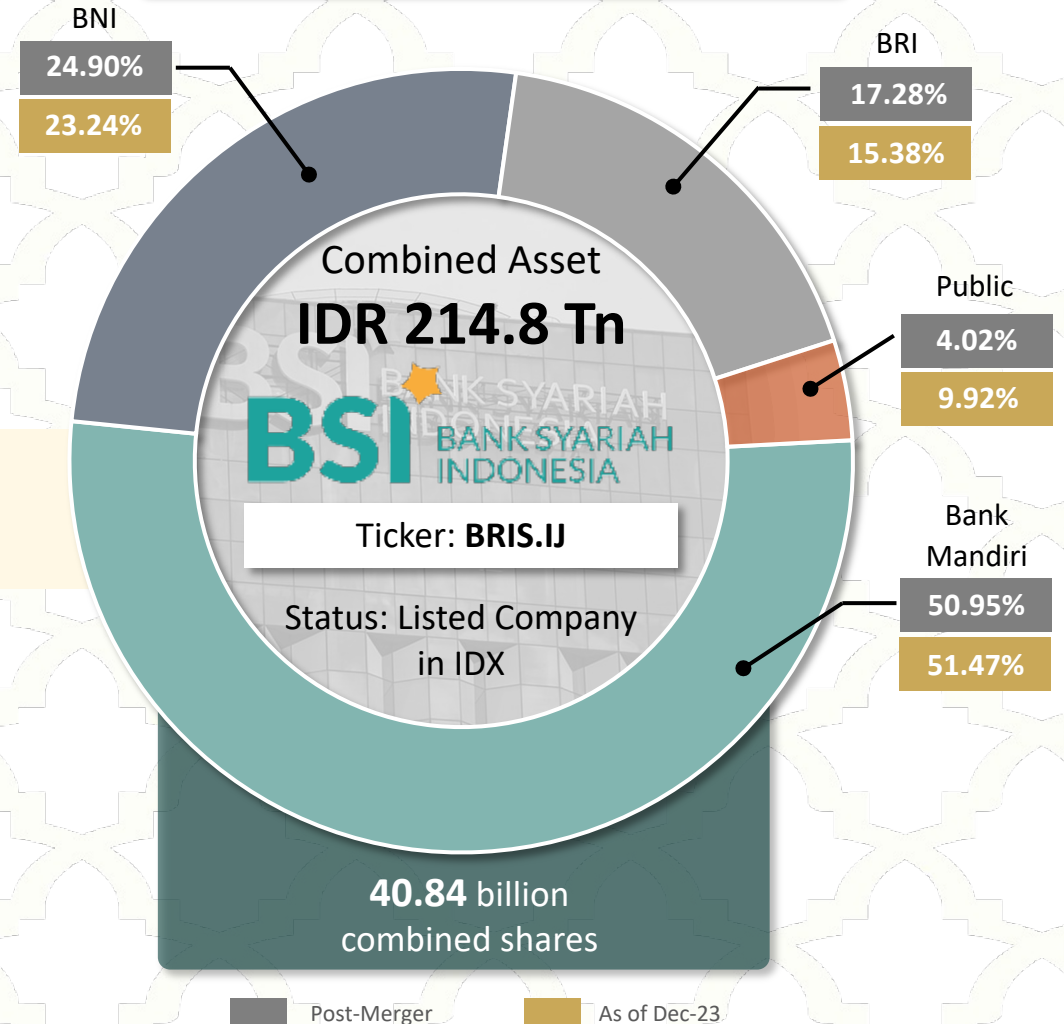
Pre-Merger Asset Size



Surviving Entity



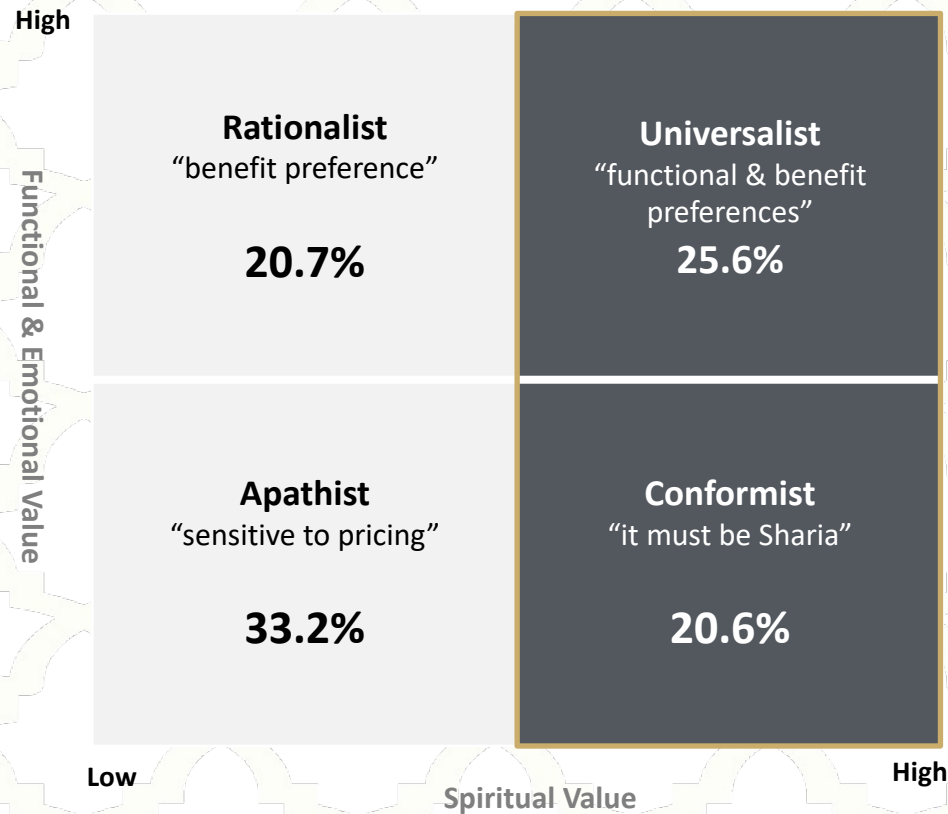
Post-Merger Shareholding Composition



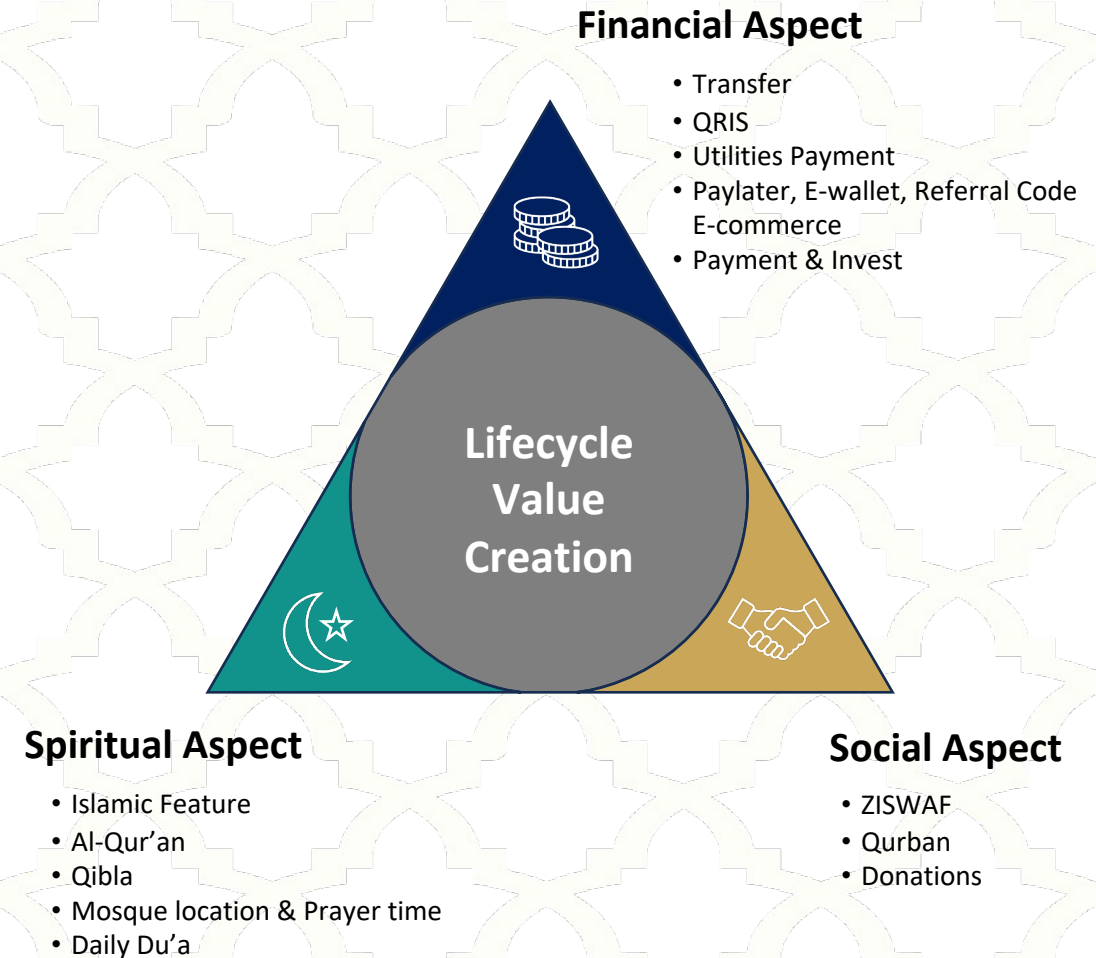
Identified A Distinctive Customer Base to Penetrate

Providing total solution across the customer segment to meet their need

Identify customer based on Functional, Emotional and Spiritual Value



Providing an "End to never end solutions" to capture clients need



Source : Inventure Research 2020

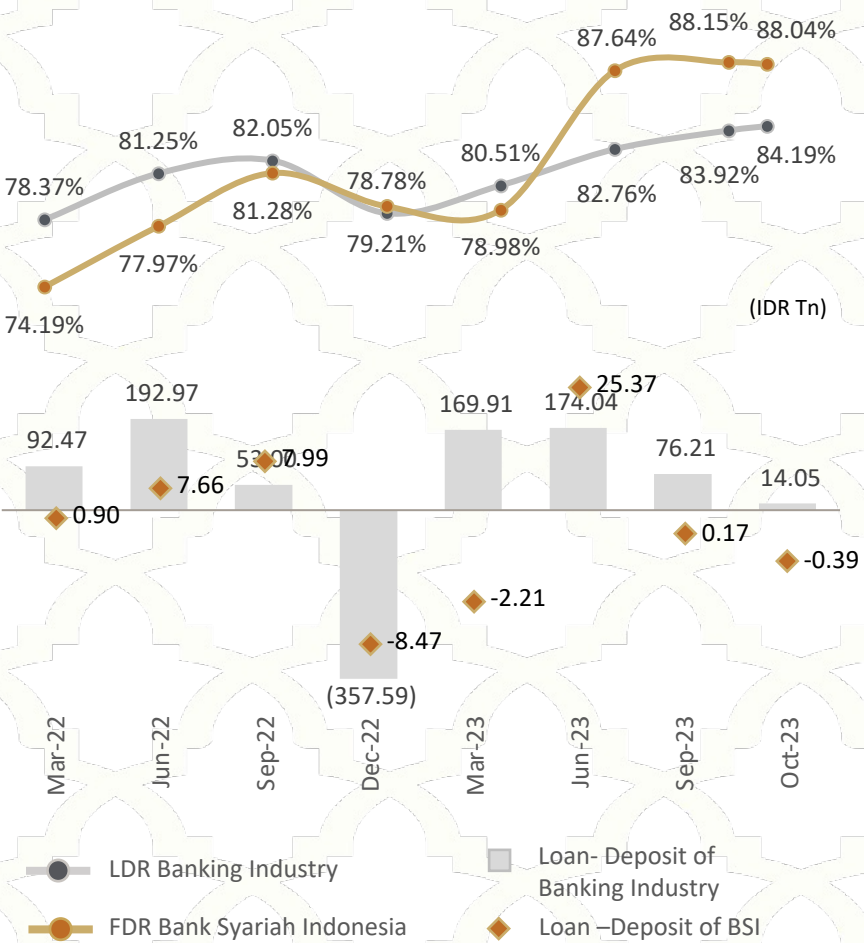
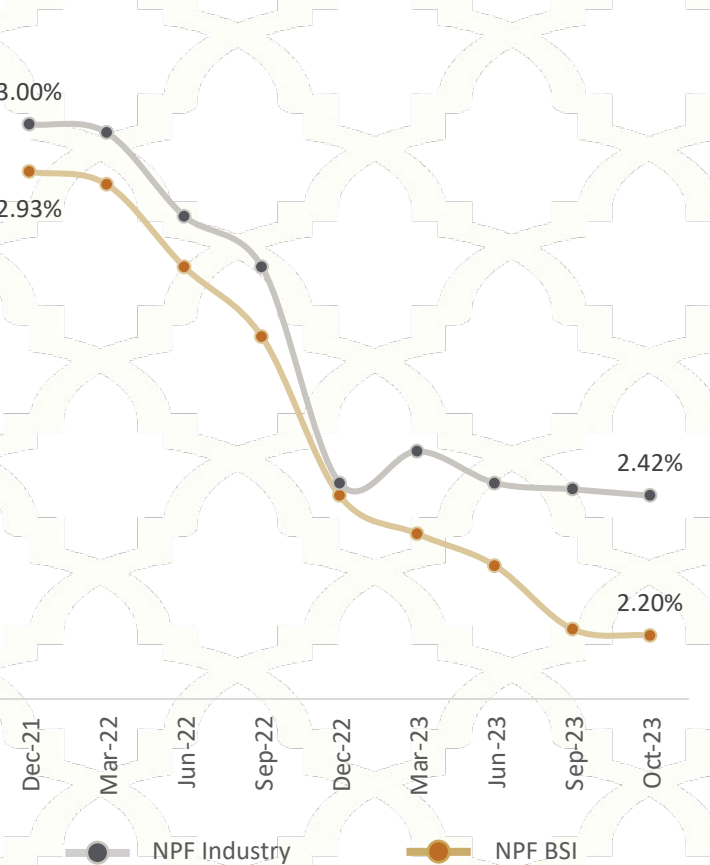
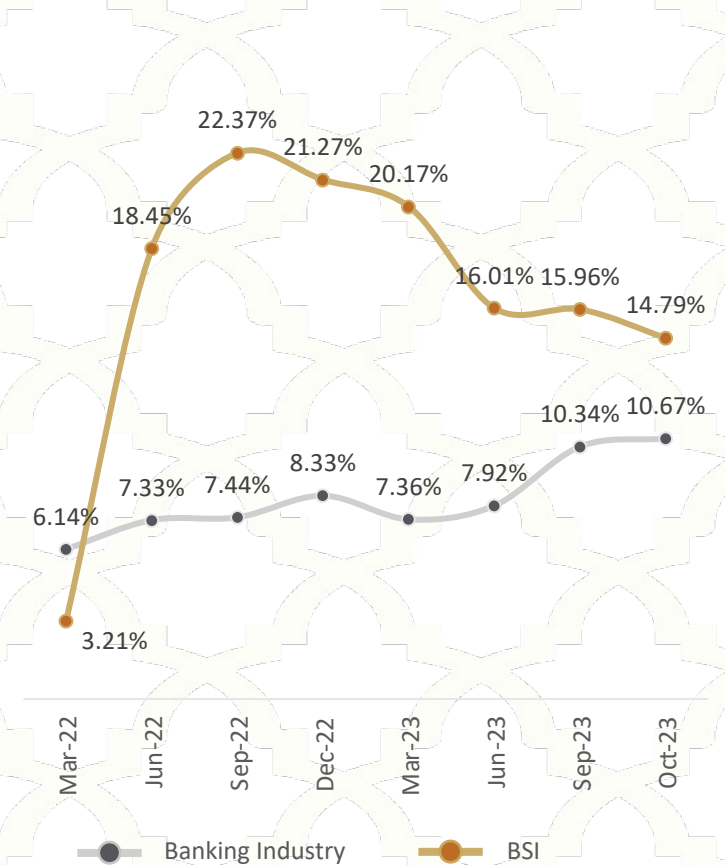
Indonesia Banking Highlight and BSI Positioning

Remained resilient with positive loan growth despite of liquidity tightening

Aligning with positive GDP growth, banking sector still healthy whereby BSI continue to lead the industry

Asset quality also improved due to better quality loan booked after the merger

Liquidity became the challenge as LDR shoot up above the industry but still at manageable level

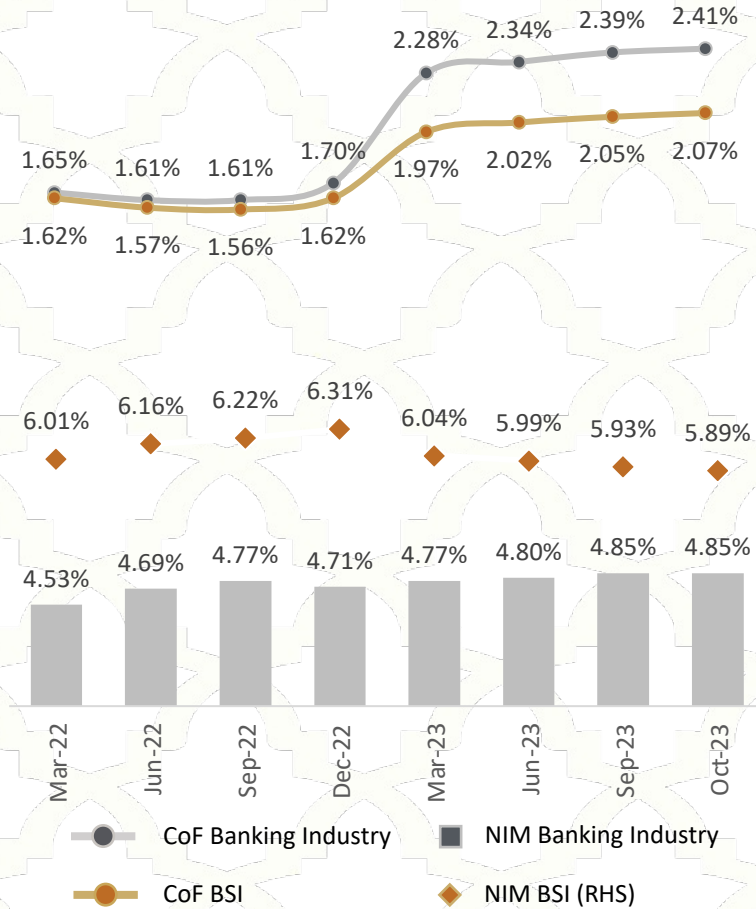


Source: OJK, Internal Data

Indonesia Banking Highlight and BSI Positioning ... (Cont'd)

Expectation on better profitability with rate cut this year

Similar to our peers our COF and NIM were impacted and so far, remain one of the lowest in the industry

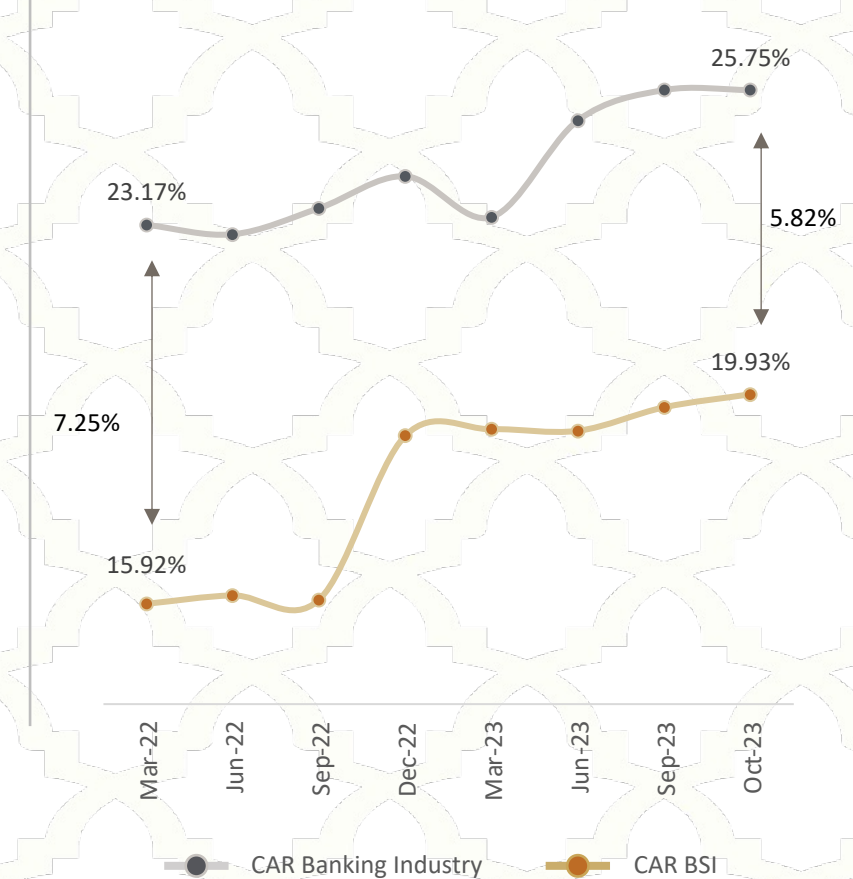


Source: OJK, Internal Data

A better asset quality and efficiency has brought in a healthy profitability



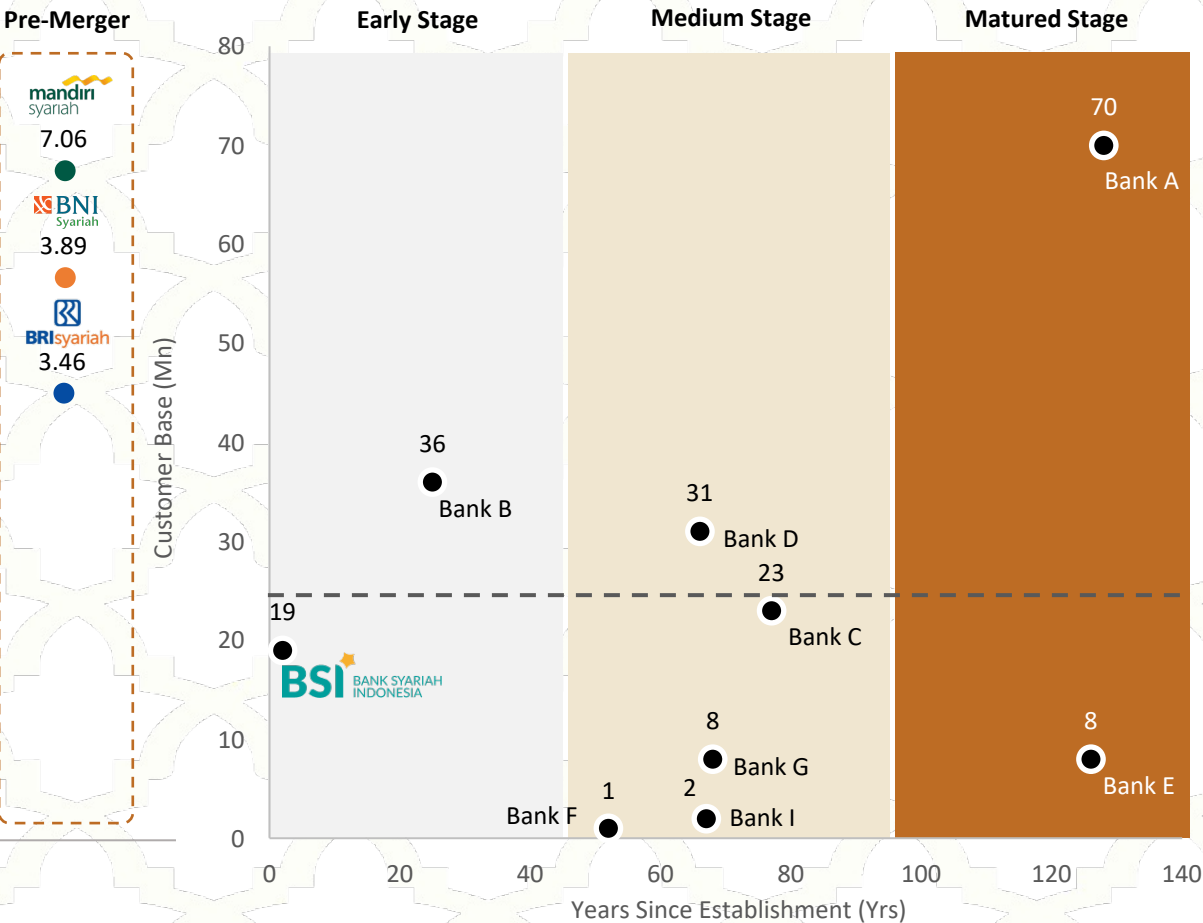
Leading to stronger CAR and narrowing the gap against the industry



One of the Fastest in Customer Acquisition So Far

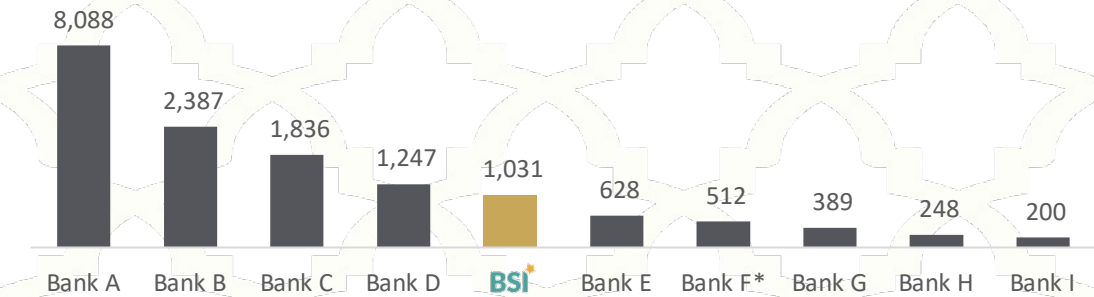
Supported by branches and advantageous for obtaining a savings account

Sharia preference has helped us accumulate higher customer base compared with peers ...



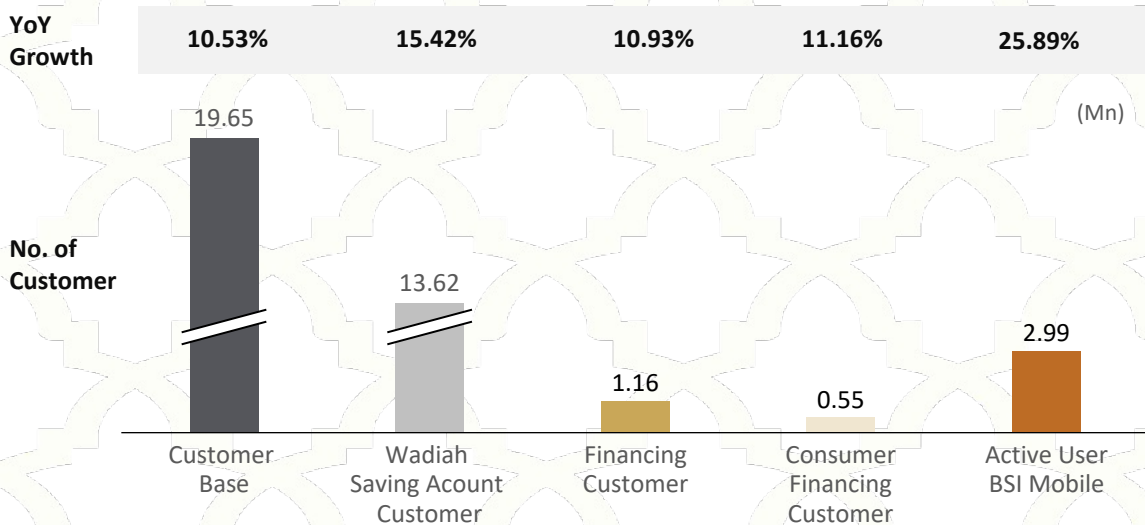
Source: Internal Data, Financial Report

Our vast network sit as the top 5th largest has helped reached customers ...



Source : Bank Financial Report, Dec 2022

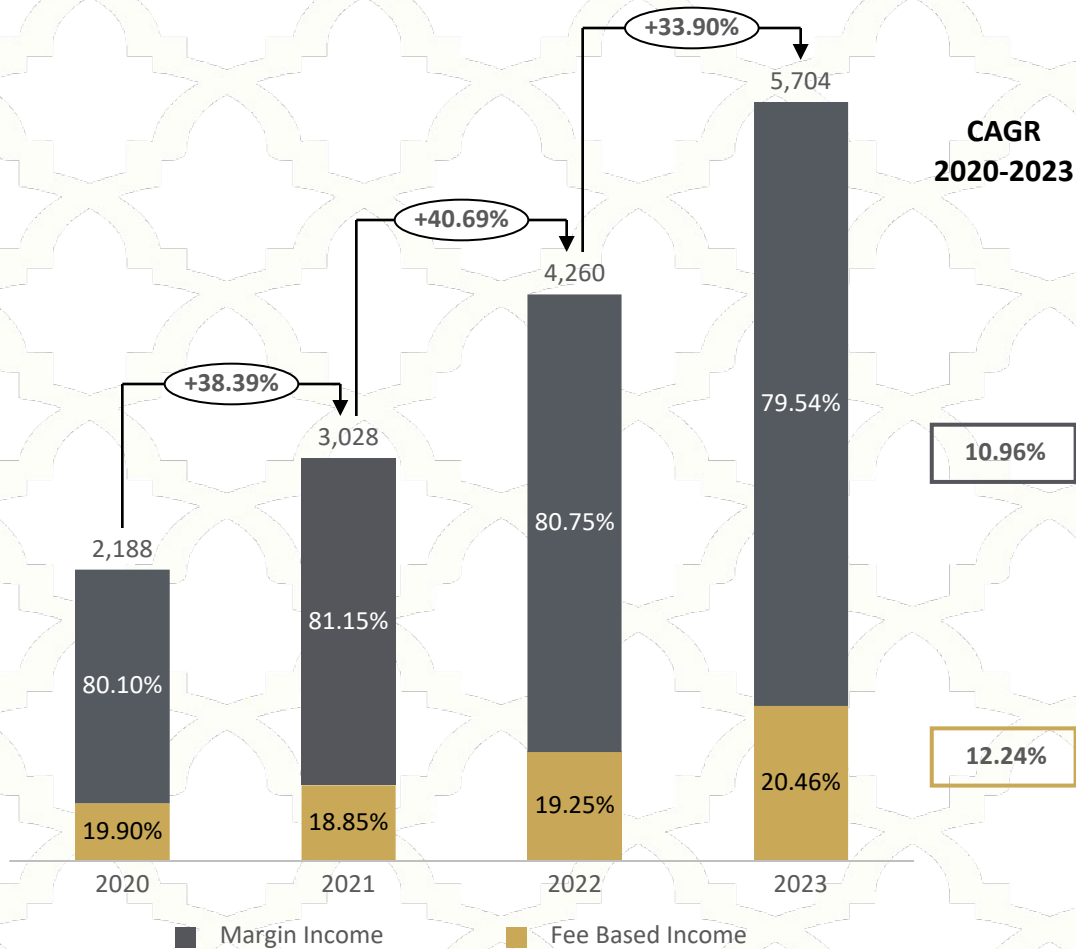
... and riding higher product penetration on increasing client base



Our Post Merger Journey – Steady Financial Growth Persists

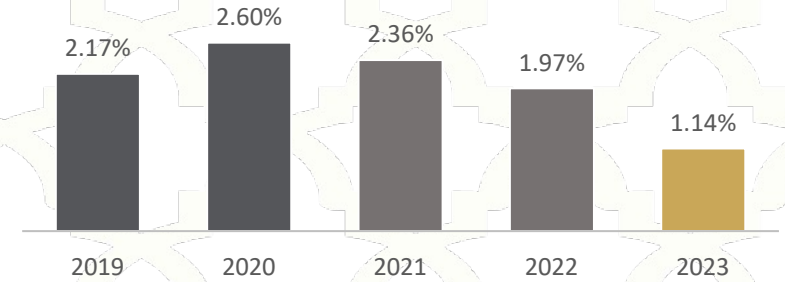
New level of profitability driven by significant improvement on asset quality and cost efficiencies

Profit After Tax (IDR Bn)



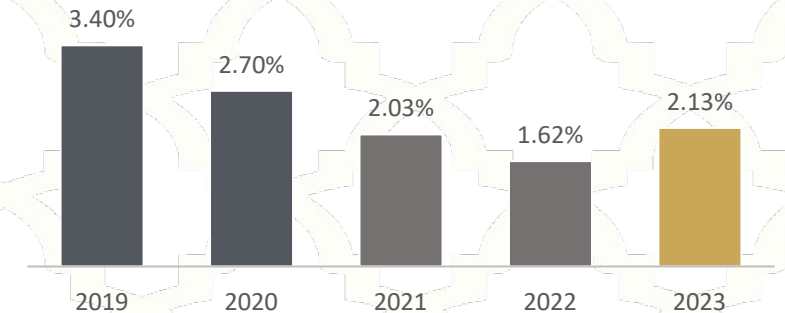
Cost of Credit

A stringent risk policy and the right business model has led to healthy new booking quality



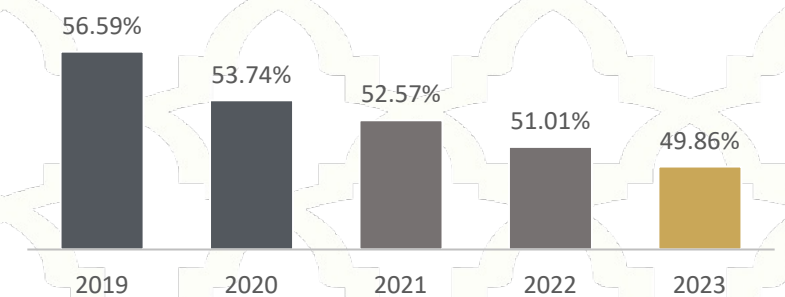
Cost of Fund

Improvement in CASA, new client acquisition supported with infrastructure has reduced gradually the COF



Cost to Income Ratio

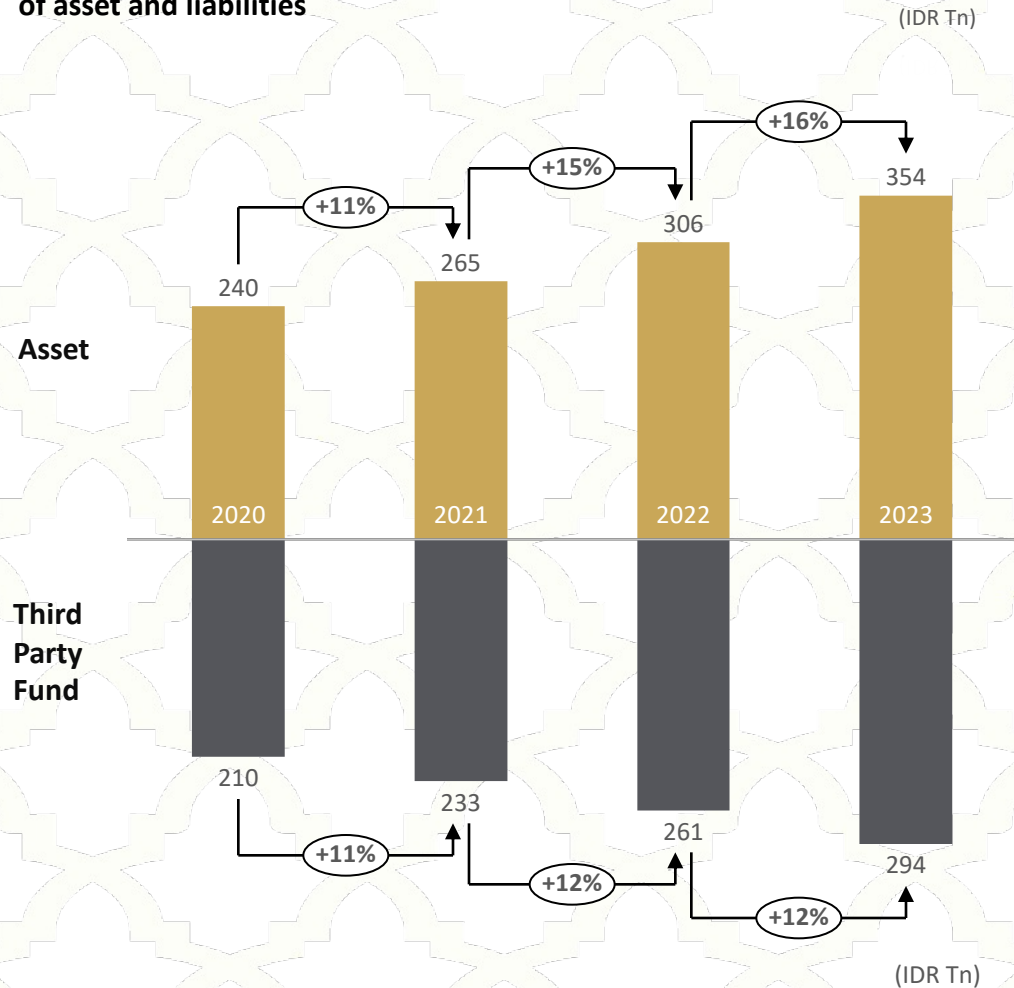
Although in declining trend, this has not ideal yet. Providing room for improvement



Our Post Merger Journey – Steady Financial Growth Persists ... (Cont'd)

Asset has grown sustainable backed by solid equity based

Maintaining healthy structures
of asset and liabilities

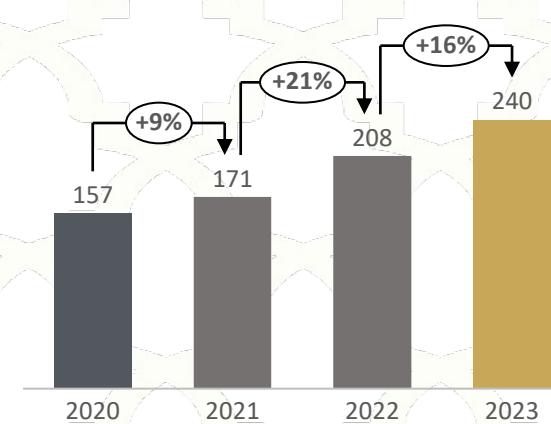


**Robust Key
Driver
Delivery After
The Merger**

**and building
solid equity
base**

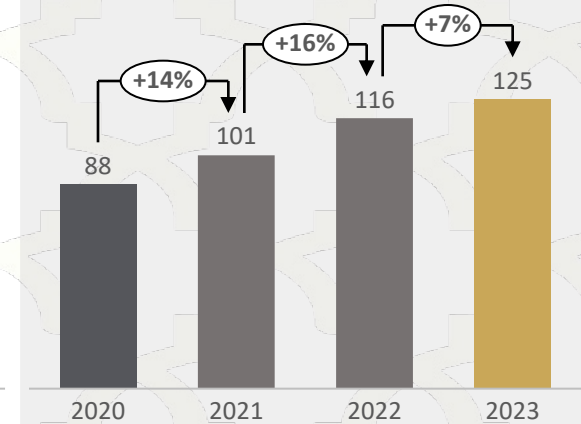
Financing / Loan

(IDR Tn)

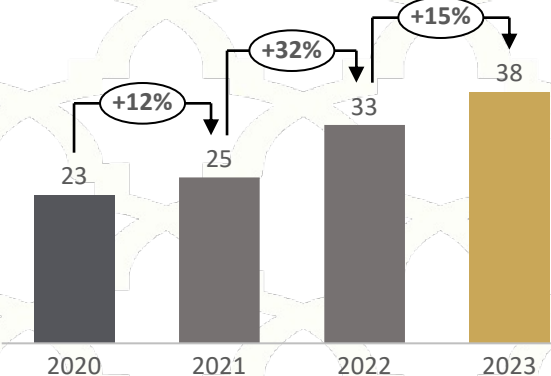


Saving Account

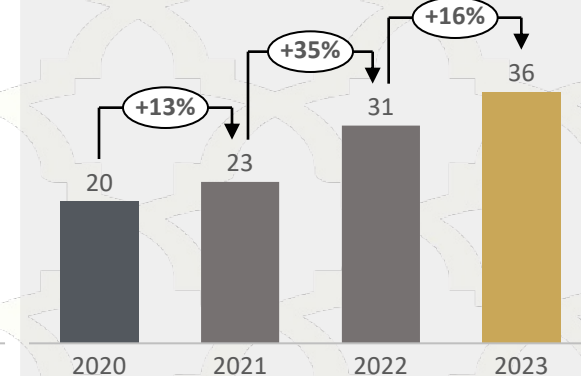
(IDR Tn)



Equity

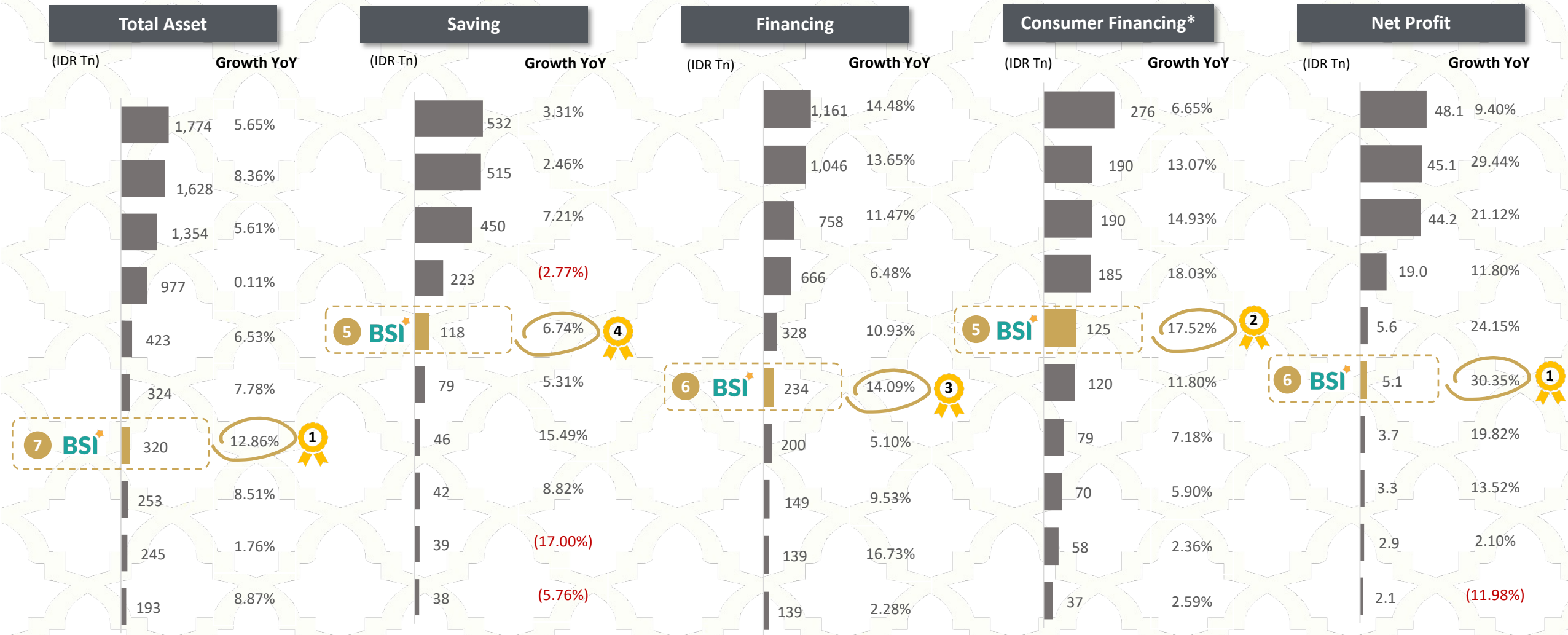


Tier 1 Capital



One of the Leading Bank Among the Top 10

Ability to perform the highest growth in the banking industry



Source: Internal Data & Financial Report

Notes:
Data as of Nov-23 – Bank Only
*Data as of Sep-23

Our Plan in 2024 : Levelling Up Banking Capability, Driving Strong Value Creation

1

**Maintain Proven
Unique Sharia
Business Model**

2

**Close The Gap,
Focus on Digital &
Transaction Banking
Infrastructure**

3

**Strengthening IT
Infrastructure &
More Emphasis on
Business Efficiency**

4

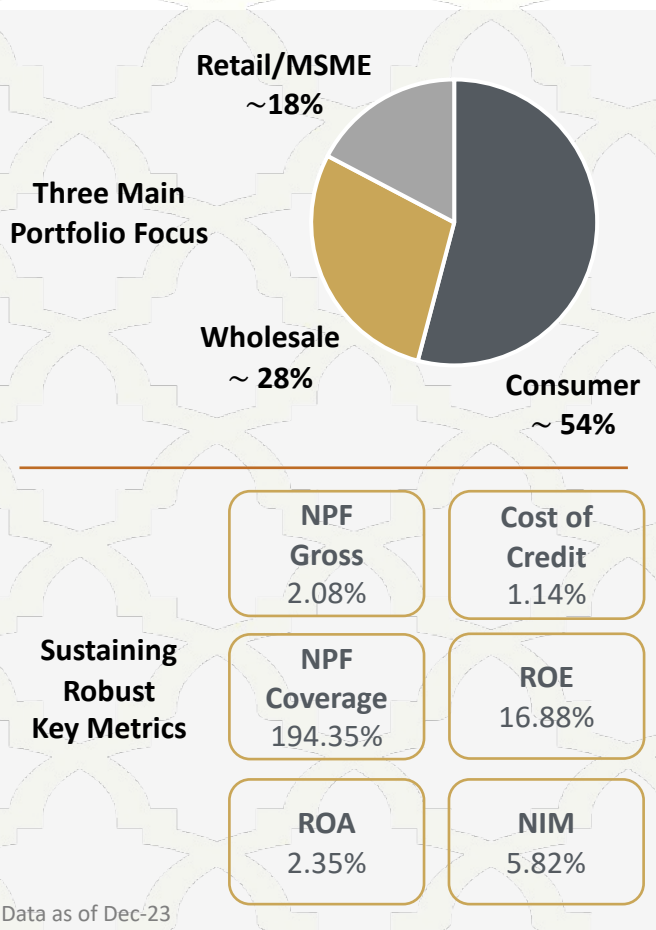
**Persevere in
Discipline and
Sensible Risk
Governance**

1 Unlock the Opportunities

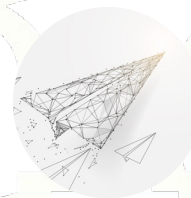
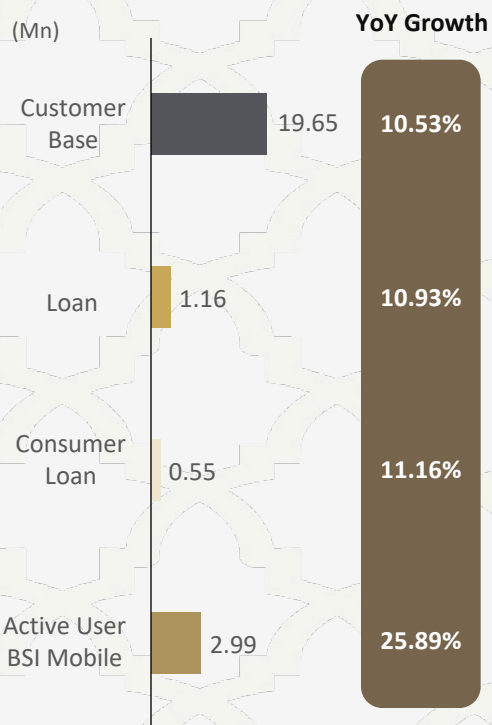
Improve the underperforming element with aiming for efficiencies



Maintaining The Current Business Model ...



1 Opportunity on product penetration gap



... delve deeper into the Financing Penetration

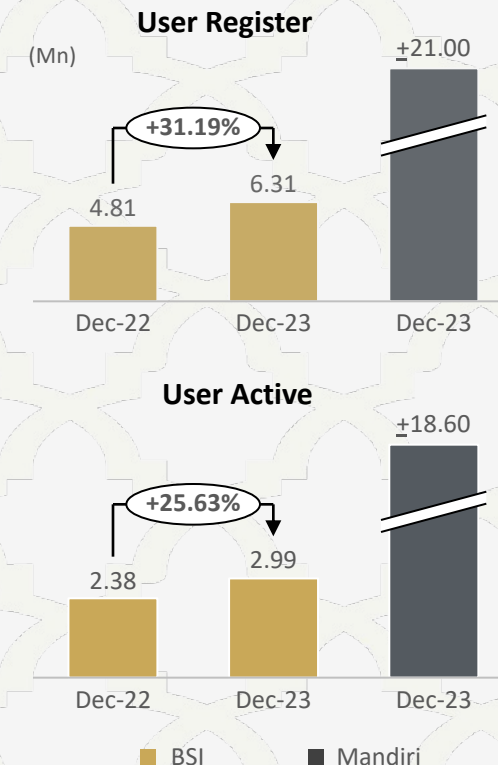
2 Aim for a more affluent Product Holding Ratio (PHR)

2.53 Dec-22 **2.72** Dec-23



Note: PHR currently based on payroll customers




3 With the objective of expanding digital involvement



2

Mitigate the Key Laggards

Physical presence & the infra still the homework that management currently focusing on to improve

	Total	BSI BANK SYARIAH INDONESIA	 Top Bank A	 Top Bank B	 Top Bank C
<i>Base: the respondent that has used the bank as their main bank (n=)</i>	1135	154	399	306	99
Trustworthy (Customer trust, and customer period)	68	67	69	67	83
Physical Presence (Total ATM and Branch)	91	48	94	95	94
Quality of Bank Facility (Vast network and accessibility)	57	37	66	52	67
Bank Product (Technology, cost, attractiveness, customer experience)	35	54	31	34	41
Loyalty Program (Promotion and gift)	7	13	7	9	6
Others	37	21	38	36	32
Average	5.0	3.3	5.3	4.8	5.7

 Leading Indicator

 Lagging Indicator

Source: Nielsen Consumer LLC, 2021

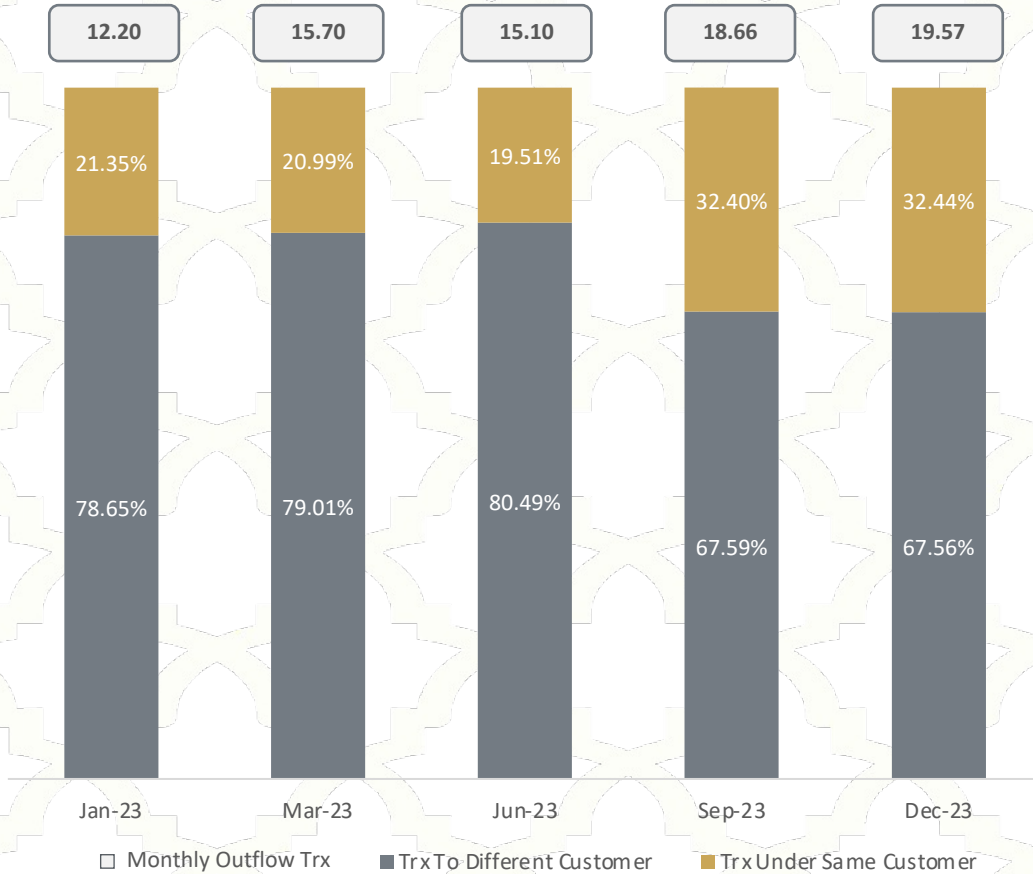
2

Aspiration to Establish Close Loop Ecosystem

Opportunity to offer sharia preposition supported with extension of customer touch point

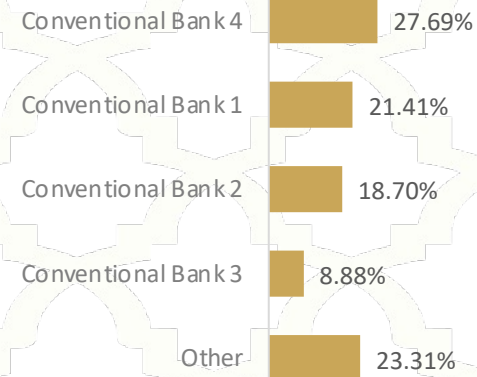
Around 20% of our customer recognize BSI as top 2 bank of choice with IDR 6.35 Tn outflow ...

(IDR Tn)

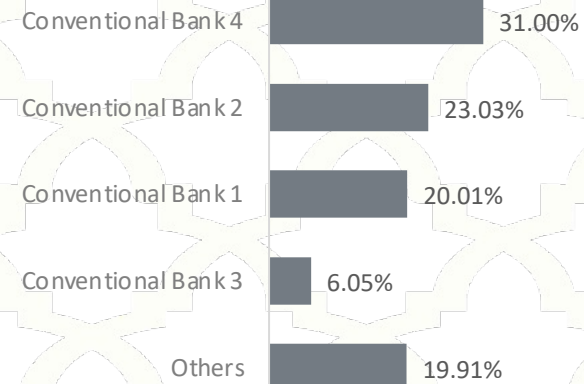


Source : Internal Data

...to mostly conventional bank in Indonesia under the same name of customer

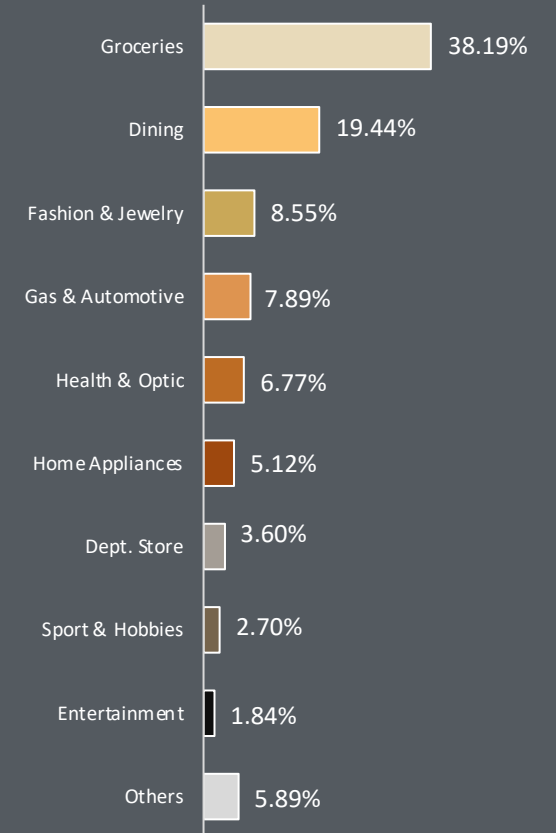


Top 4 bank also dominate outflow transfer destination under different name



Identifying priority market to expand our customer touch point

Outflow Transaction by Category Merchant



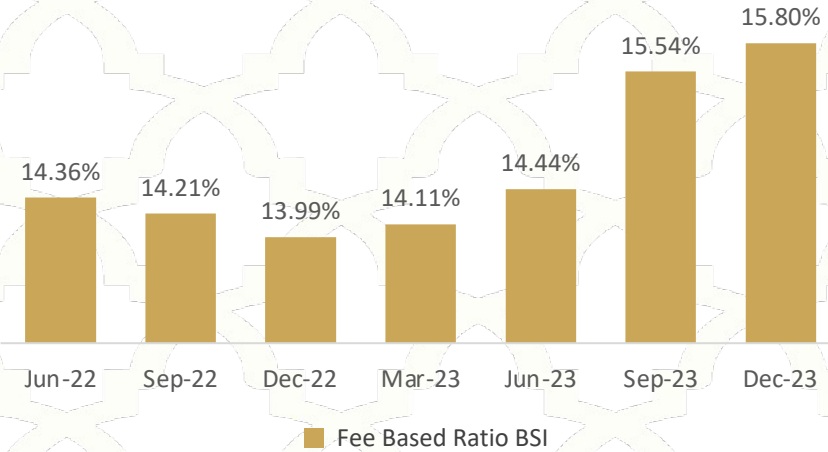
Source :
Internal Data, as of Dec-23

2

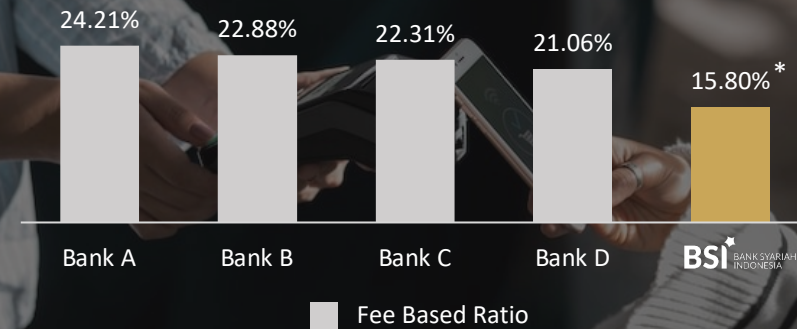
Extending The Basic Banking Infrastructure

To improve further banks profitability than relying on margin income only

In progress to obtain more fee-based income from the current business scale ...

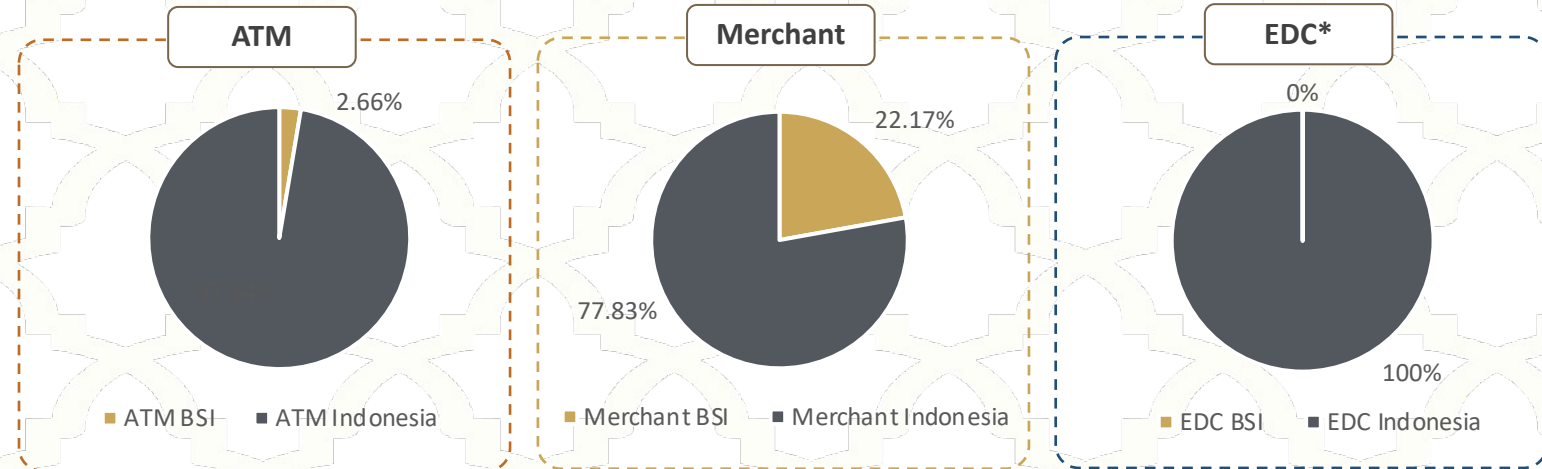


... with target to reach par level with the peers in the Industry



Source : Bank Financial Report Sep-23

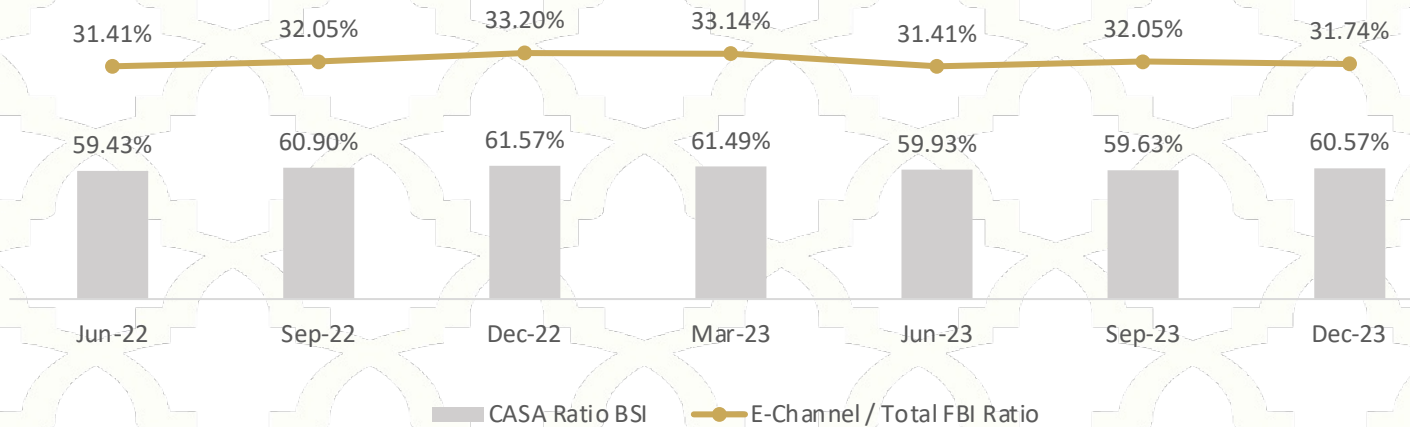
Additional payment point is expected to improve the current low market coverage ...



Data as of Dec-23
Source : Internal Data

*Note : Approval of EDC Shariah License is obtained in Dec 2023

... we believe this will subsequently improve our CASA and fee contribution



3

Strengthening IT Infrastructure

Allocate new CAPEX to minimized the cash outflow

Strengthen the IT infrastructure and digitally transform to lead BSI growth

Target Segment

Initiatives

Key Target

Emphasize more on doing transaction digitally

Registered User

(Mn)

6.31

Dec-23

7 - 9

2024F

Active User

(Mn)

2.99

Dec-23

4 - 5

2024F



Payroll



Business Owner

Adding more payment/cash receiving point

Number of Merchant

(Mn)

0.27

Dec-23

±1

2024F

ATM and CRM

510

Dec-23

±3000

2024F

ATM
CRM



Merchant Upgrade Across Indonesia



New Potential Customer Target Segment (SOE, Hospital, Ministry, Private)

Minimized the Cash Outflow | Shifting transaction digitally | Cost efficiency

3

... with Extending Digital Capabilities...

Whilst promoting cost reduction initiatives through digital platform...



**Cash
Management
/ Value Chain**

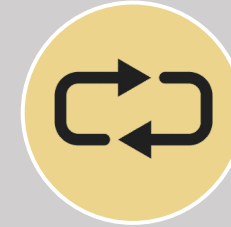


**Integrated main product
and services**

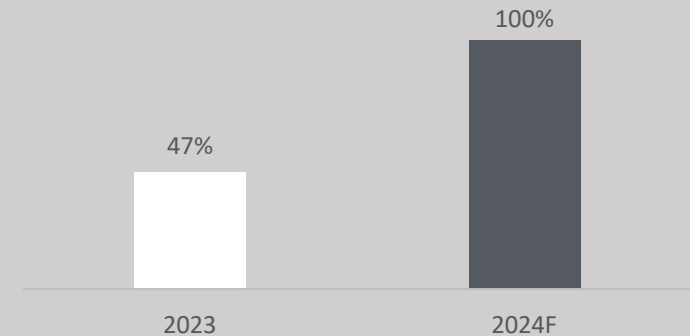
- | | | |
|--------------------------------|-------------------------------|--------------------------|
| 1
Payroll
& Bulk Upload | 2
Transfer
Capabilities | 3
Trade
Services |
| 2
Monitoring
& Reporting | 4
Bill
Payment | 4
Foreign
Exchange |



**A Digital
Savvy
Customers**



**Encourage Online On-Boarding and digital
financing through mobile banking**

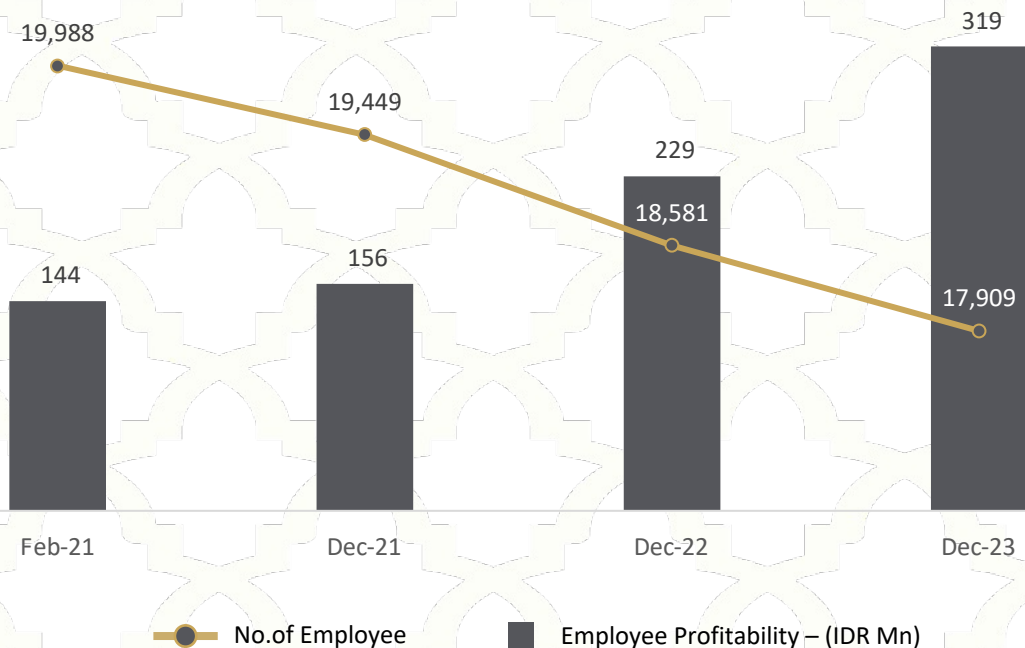


**Well Rounded Cash Management System
to for Wholesale and Value Chain Business**

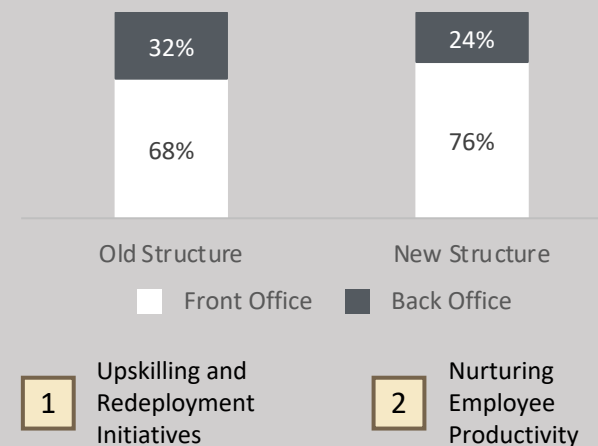
**Tapping more to enrich digital financing
penetration**

3 ... & Emphasize More on the Cost Efficiencies ... and staff reallocation

Room of improvement on the upward trend of employee profitability



Business Process Transformation



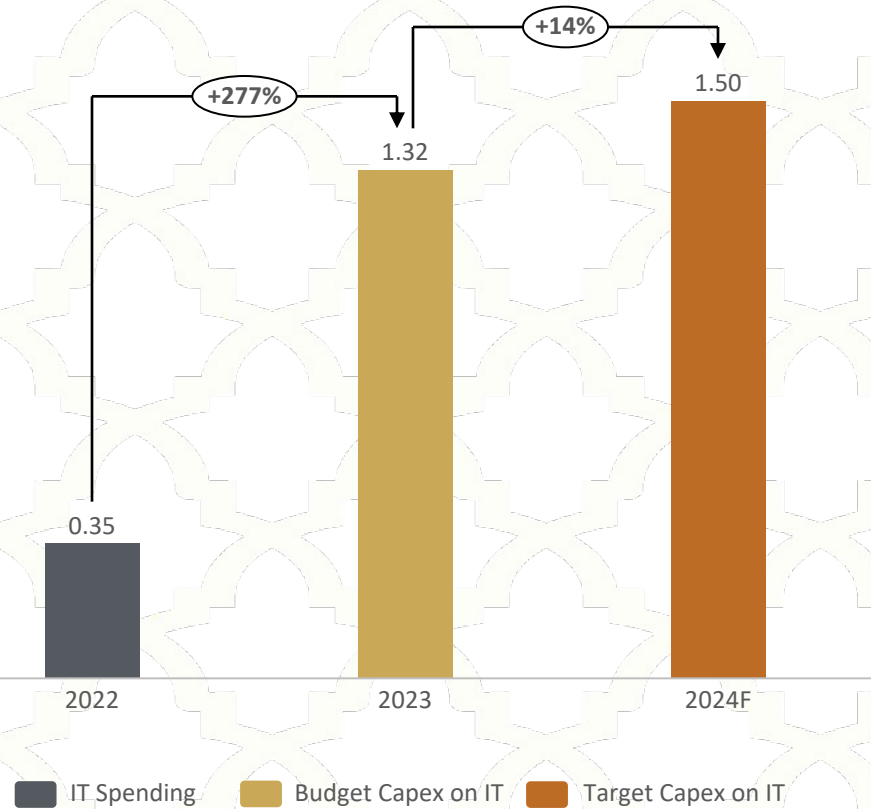
Upgrading Earning Per Employee Metrics

3 Allocate More Capex on IT for A Stronger System

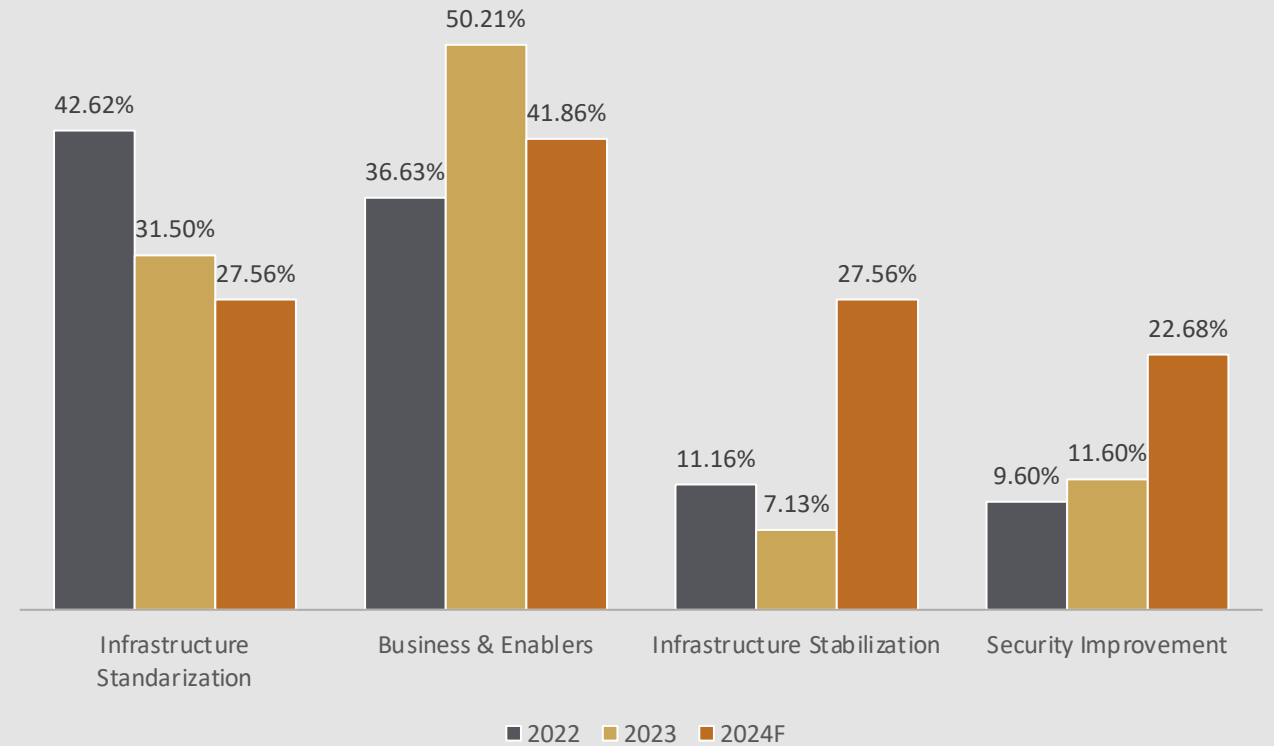
Solid infrastructure to support several new initiatives on business as services

Additional budget for assurance of a stable system and supporting the new initiatives

(IDR Tn)



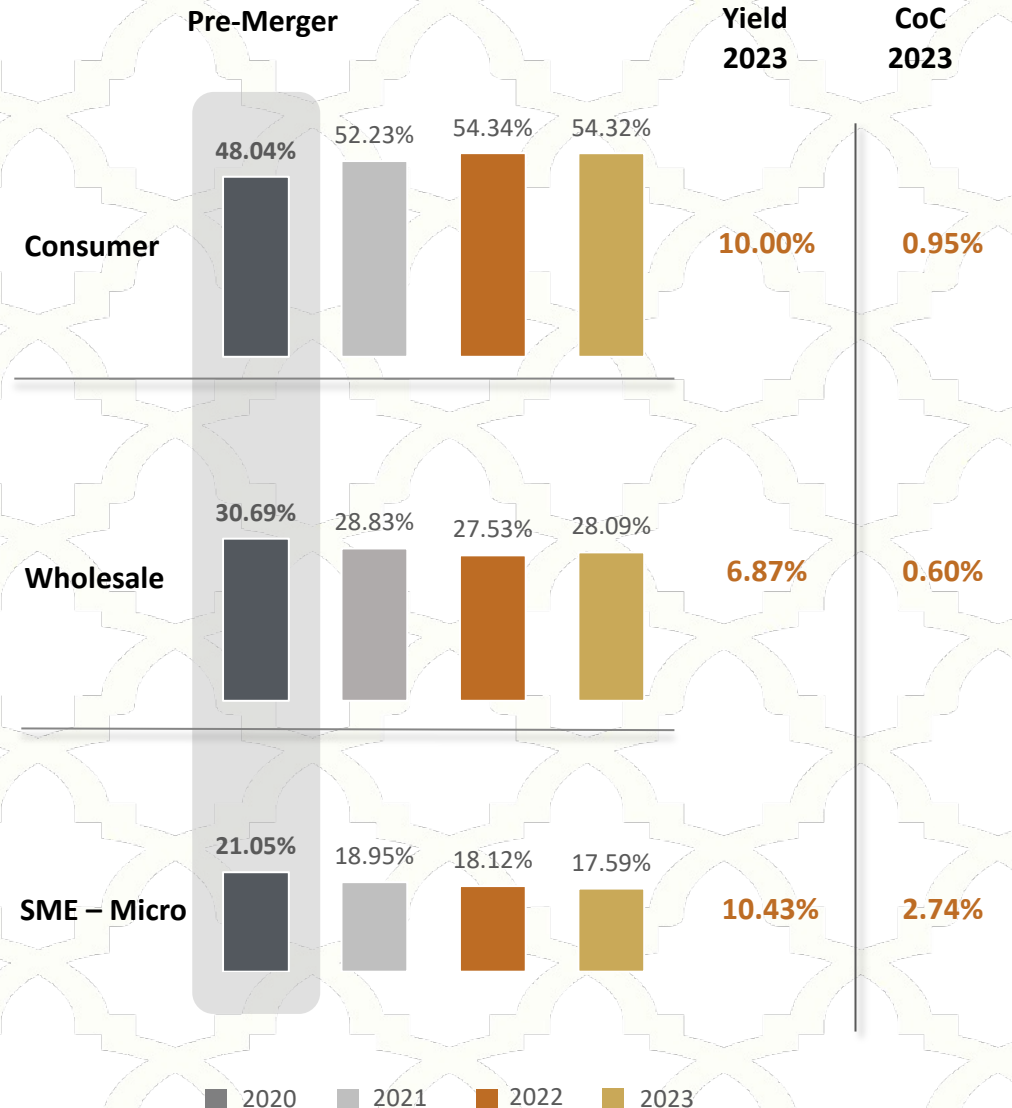
Infrastructure is deemed to be sufficient for now and now focusing on the business and enablers



A Mixture of Solid Loan Portfolio

Consumer remains main engine growth together with wholesale

(IDR Bn)	2021	2022	2023	▲ Nominal	Growth YoY (%)
Consumer	89,460	112,875	130,547	17,672	15.66%
Mortgage	42,022	48,070	52,517	4,447	9.25%
Automotive	1,917	2,761	4,186	1,425	51.61%
Payroll Based Financing	30,141	42,732	51,336	8,604	20.14%
Pension	10,406	12,837	14,626	1,789	13.94%
Gold Business	4,582	5,930	7,198	1,268	21.38%
Card	393	545	684	139	25.57%
Wholesale	49,380	57,197	67,511	10,314	18.03%
Corporate	38,946	46,139	54,542	8,403	18.21%
Commercial	10,434	11,058	12,969	1,911	17.28%
SME – Micro	32,452	37,632	42,258	4,625	12.29%
SME	18,331	18,892	19,346	454	2.40%
Micro	14,121	18,740	22,912	4,172	22.26%
Subsidized (KUR)	9,083	15,944	20,978	5,034	31.57%
Non- Subsidized (Non-KUR)	5,038	2,796	1,935	(862)	-30.82%
Total Financing	171,292	207,705	240,316	32.611	15.70%

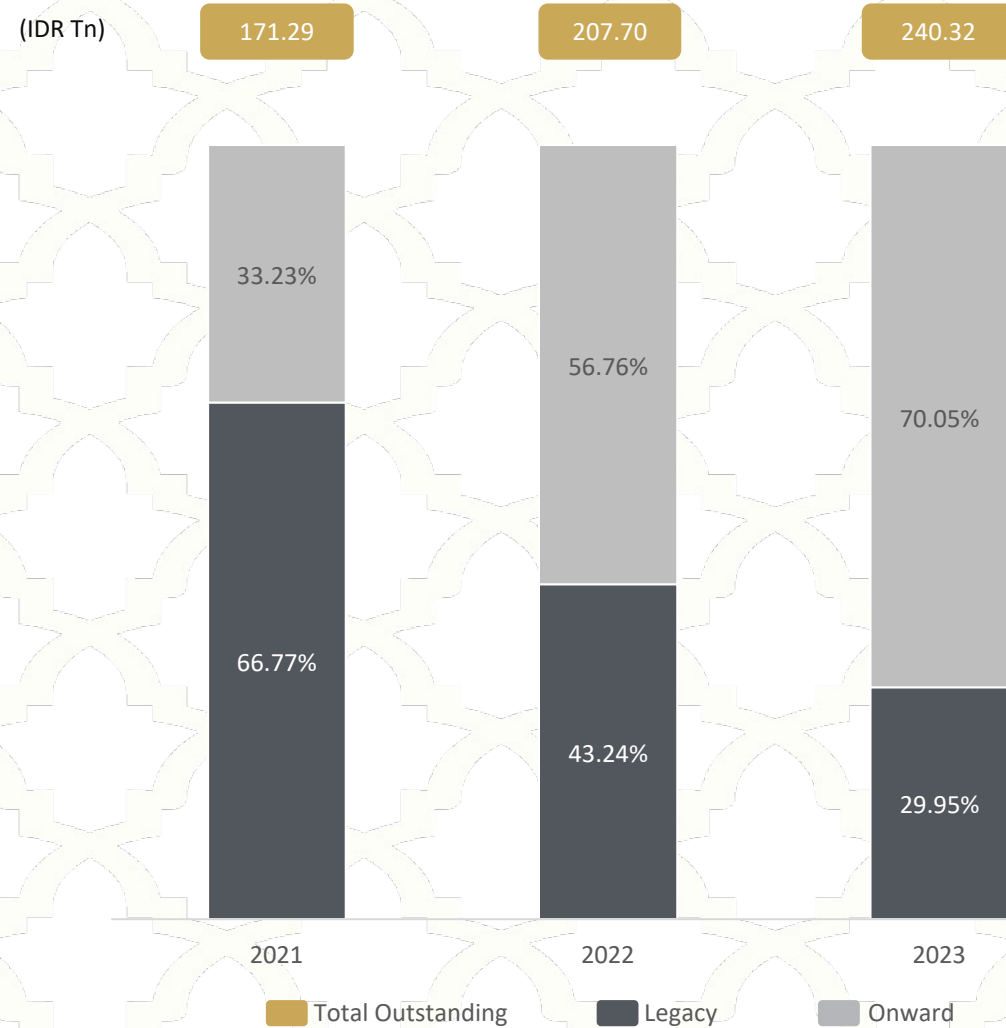


4

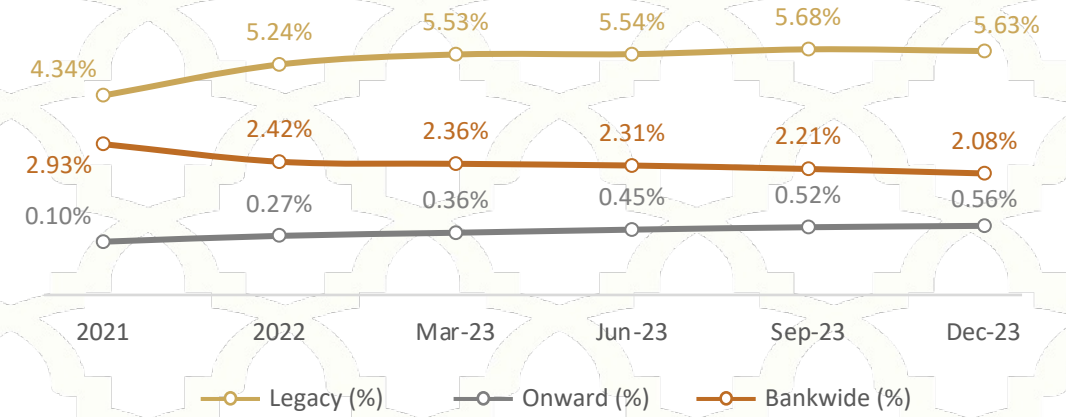
Improvement in The Asset Quality Continue

Prudent business continue to lowering financing cost from combined pre-merger book

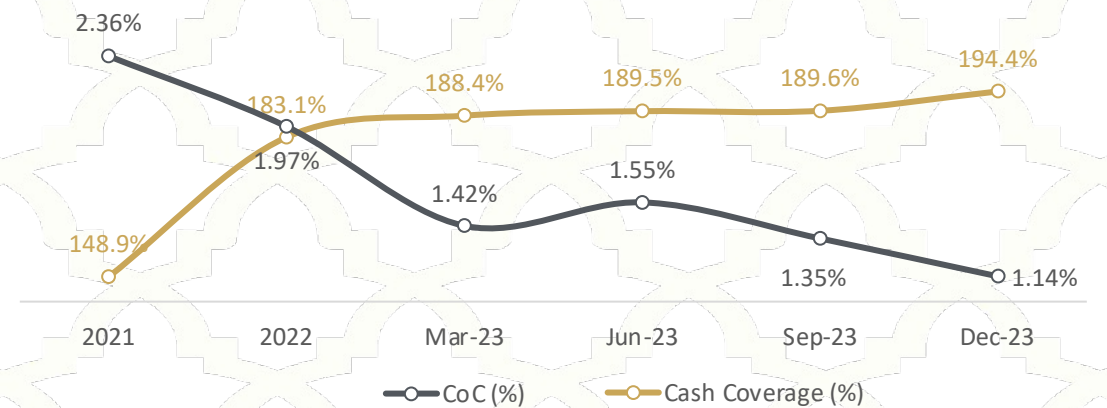
The new booking outstanding has surpassed the pre-merger amount ...



... the good quality asset leads to lower NPF



Additional reserved is booked to align with the other SOE banks NPF coverage



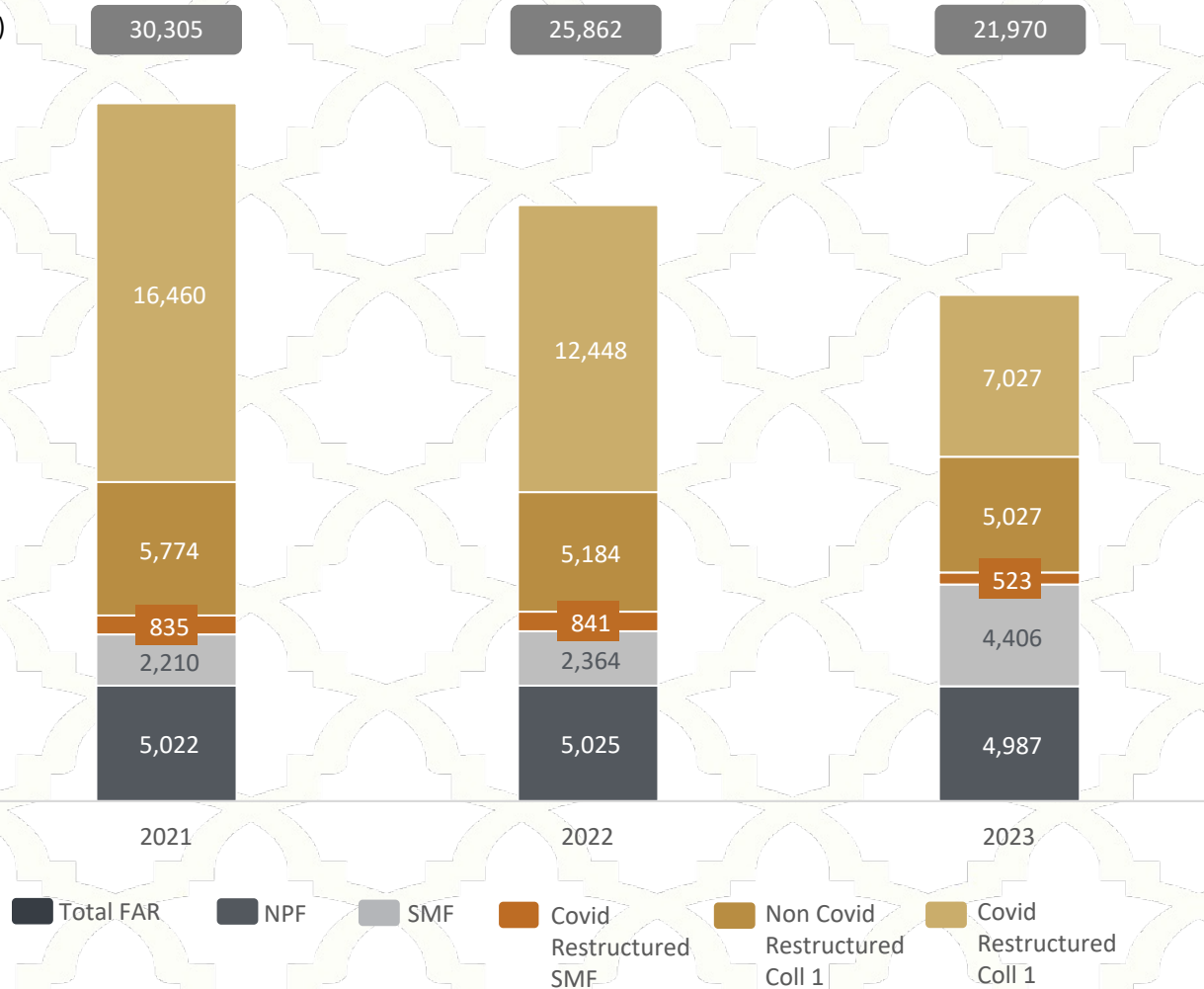
4

Also, the Financing at Risk (FAR)

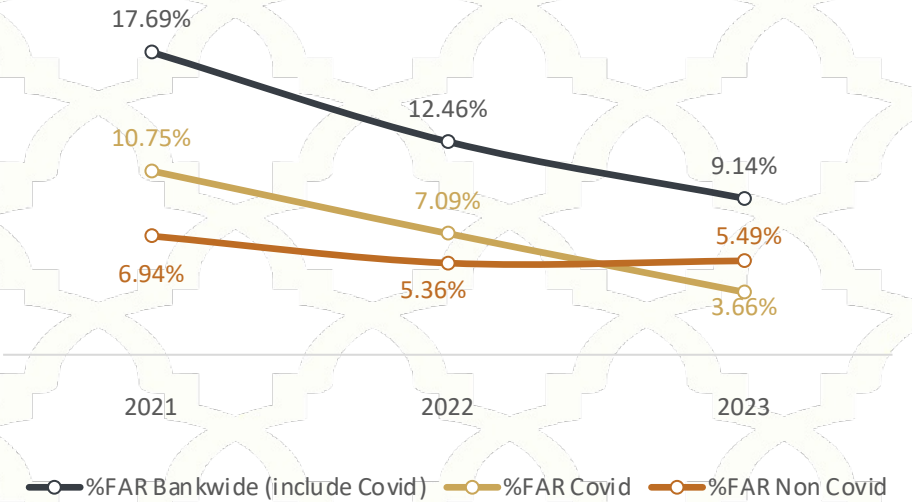
On the back of better client's restructuring performance

Covid Restructured portfolio improved from IDR 13,289 bn (51.38% of FAR) in 2022 to IDR 7,550 bn (34.37% of FAR) as of 2023

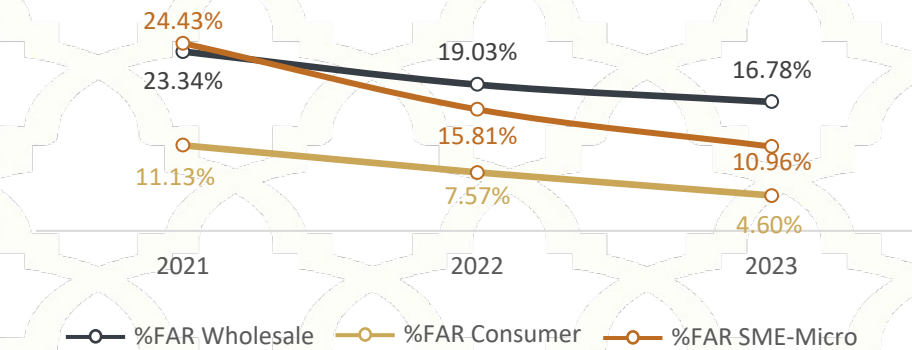
(IDR Bn)



% FAR (Bank wide, Covid & Non-Covid)



FAR Wholesale, Retail & Consumer



Financing Growth

FY 2022	FY 2023	FY 2024
21.26%	15.70%	± 15.00%

Third Party Fund Growth

FY 2022	FY 2023	FY 2024
12.11%	12.35%	8.50% - 10.00%

NIM

FY 2022	FY 2023	FY 2024
6.31%	5.82%	5.50%-5.86%

NPF Gross

FY 2022	FY 2023	FY 2024
2.42%	2.08%	< 2%

Cash Coverage

FY 2022	FY 2023	FY 2024
183.12%	194.35%	~200%

Profit After Tax (IDR Tn)

FY 2022	FY 2023	FY 2024
4.26	5.70	6.3 – 6.5

Continue To Deliver Contribution To Sharia Industry and Indonesia

Corporate Tax

1.7 Tn

▲ 35,2% (YoY)

Corporate Zakat

190 Bn

▲ 34,2% (YoY)

Employee Zakat

33 Bn

▲ 4,4% (YoY)

CSR

255 Bn

▲ 29,3% (YoY)

Analyst Coverage

Company Name	Recommendation	Analyst	Email
Mandiri Sekuritas	BUY	Kresna Hutabarat / Bobby Chandra	kresna.hutabarat@mandirisek.co.id / bobby.chandra@mandirisek.co.id
BNI Sekuritas	BUY	Yulinda Hartanto / Ilham Firdaus	yulinda.hartanto@bnisekuritas.co.id / ilham.firdaus@bnisekuritas.co.id
BRI Danareksa Sekuritas	BUY	Victor Stefano	victor.stefano@brids.co.id
Indo Premier Sekuritas	BUY	Jovent Muliadi / Anthony	anthony@ipc.co.id / jovent.muliadi@ipc.co.id
KB Valbury Sekuritas	BUY	Akhmad Nurcahyadi	akhmad.nurcahyadi@kbvalbury.com
Macquarie Capital Securities	OUTPERFORM	Jayden Vantarakis	jayden.vantarakis@macquarie.com
Maybank Sekuritas Indonesia	BUY	Jeffrosenberg Chenlim / Faiq Asad	jeffrosenberg.lim@maybank.com / faiq.asad@maybank.com
MNC Sekuritas	BUY	Victoria Venny	victoria.nawang@mncgroup.com
Nomura Verdhana Sekuritas	BUY	Raymond Kosasih / Nicholas Santoso	raymond.kosasih@verdhanaindonesia.id / nicholas.santoso@verdhanaindonesia.id
Samuel Sekuritas	BUY	Brandon Boedhiman / Prasetya Gunadi	brandhon.boedhiman@samuel.co.id / prasetya.gunadi@samuel.co.id
Sinarmas Sekuritas	BUY	Ivan Purnama Putera	ivan.purnama.putera@sinarmassekuritas.co.id
Sucor Sekuritas	BUY	Edward Lowis / Yoga Ahmad Gifari	edward.lowis@sucorsekuritas.com / yoga.gifari@sucorsekuritas.com
Trimegah Sekuritas	BUY	Adi Prabowo	adi.prabowo@trimegah.com
Yuanta Sekuritas	BUY	Yap Swie Cu	swiecu@yuanta.co.id

2023 – BRIS Highlights

Sound financial performance and equity story has gradually improved BRIS against its peers and index

Aligned with higher trading volume, share price has gradually increased and marked as on the highest return in 2023 vs Top 4 bank



Source: Company data, Bloomberg

Market Cap (Tn)

Share Price

TTM Average Trading Vol. (Bn Shares)

Cultivating A Stable And Enduring Foundation For Valuation Expansion

Price to Book Value

Price to Earning Ratio

Dividend Yield

2023

2.16x

14.72

0.43

▲ **22.03%**

▲ **37.06%**

2022

1.77x

10.74

1.39

Source : Bloomberg as of Dec-23

Appendixes





01

Financial Update



Financial Highlight

Strong CASA franchise (10.51% YoY) to support financing growth (15.70% YoY)

(IDR Bn)		2021	2022	2023	▲ Nominal	Growth YoY (%)
Balance Sheet	Asset	265,289	305,727	353,624	47,897	15.67%
	Financing	171,292	207,705	240,316	32,611	15.70%
	Third Party Funds	233,251	261,491	293,776	32,285	12.35%
	a. Current Accounts	34,372	44,521	53,201	8,680	19.50%
	b. Savings Accounts	100,696	116,484	124,726	8,242	7.08%
	c. Time Deposits	98,184	100,486	115,848	15,362	15.29%
	CASA (a+b)	135,068	161,005	177,928	16,923	10.51%
	% CASA	57.91%	61.57%	60.57%		
Profit / Loss	Equity	25,014	33,506	38,739	5,234	15.62%
	Margin Income	17,679	19,612	22,169	2,557	13.04%
	Profit Sharing Expense	4,499	4,043	5,995	1,951	48.26%
	Net Margin Income	13,180	15,569	16,175	606	3.89%
	Fee Based Income	3,062	3,712	4,160	448	12.08%
	Operating Income	16,243	19,280	20,335	1,054	5.47%
	Overhead Cost	8,483	9,884	10,121	237	2.40%
	PPOP	7,759	9,396	10,214	817	8.70%
	Provisions	3,639	3,749	2,622	(1,126)	(30.04%)
	Profit After Tax	3,028	4,260	5,704	1,444	33.88%

Fee Based Income

Continue to extend fee-based contribution to banks profitability

(IDR Bn)	2021	2022	2023	ΔYoY
E-Channel	723.3	895.7	973.8	8.7%
Pawning	590.5	638.9	737.3	15.4%
Operation	230.7	257.7	237.8	(7.7%)
Trade Service	108.5	155.4	224.7	44.6%
Treasury	125.7	198.2	383.7	93.6%
Value Chain	133.5	101.0	46.3	(54.2%)
Syndicated Financing	25.6	64.0	84.9	32.8%
Wealth Management	29.6	37.1	48.1	29.7%
CMS	4.1	9.6	11.2	15.9%
Others	231.8	212.7	195.5	(8.1%)
Financing Fee	96.9	127.4	124.9	(2.0%)
Collection	762.5	1,013.9	1,091.6	7.7%
Total	3,062.4	3,711.6	4,159.8	12.1%

Key Ratio

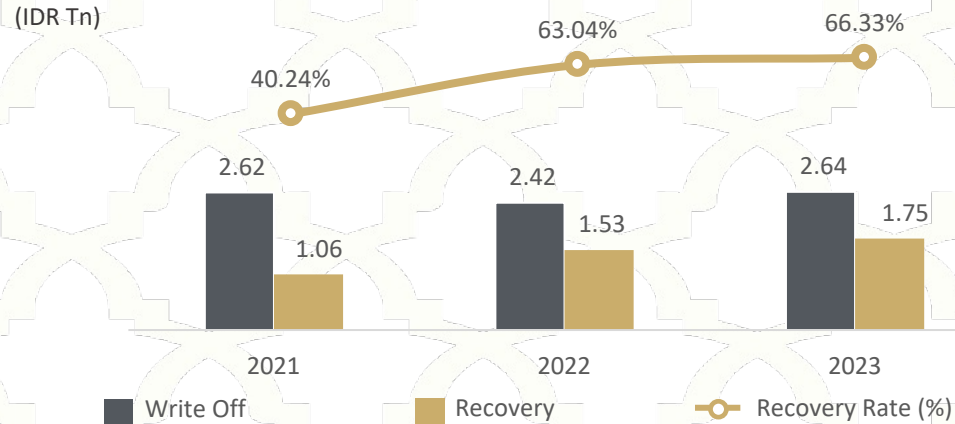
Remain solid across all key ratios

	Key Ratio	2021	2022	2023
Profitability & Efficiency	ROA	1.61%	1.98%	2.35%
	ROE	13.71%	16.84%	16.88%
	NI	6.04%	6.31%	5.82%
	BO/PO	80.46%	75.88%	71.27%
	CIR	52.57%	51.01%	49.86%
	Fee Based Ratio	14.76%	15.91%	15.80%
	Yield of Financing	9.57%	9.15%	8.94%
	Cost of Fund	2.03%	1.62%	2.13%
Asset Quality	NPF Gross	2.93%	2.42%	2.08%
	NPF Net	0.87%	0.57%	0.55%
	NPF Coverage	148.87%	183.12%	194.35%
	FAR	17.69%	12.45%	9.15%
	FAR Coverage	24.67%	35.57%	44.10%
	CoC	2.36%	1.97%	1.14%
Capital & Liquidity	CAR	22.09%	20.29%	21.04%
	Tier 1 CAR	18.29%	19.14%	19.93%
	FDR	73.39%	79.37%	81.73%
	LCR	199.95%	173.88%	147.87%

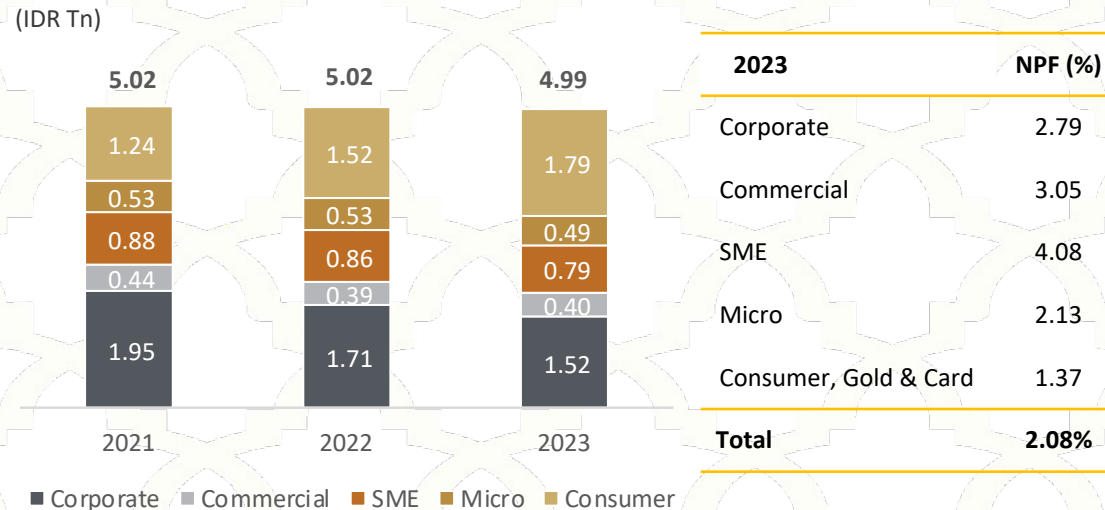
Asset Quality Trend

Any write off exercise and recovery obtained so far from legacy asset

Write off & Recovery



NPF By Segment



Gross NPF Formation

	2021	2022	2023
Wholesale	4.83%	3.68%	2.84%
Corporate	5.00%	3.71%	2.79%
Commercial	4.21%	3.54%	3.05%
SME-Micro	4.32%	3.71%	3.02%
SME	4.78%	4.57%	4.08%
Micro	3.73%	2.84%	2.13%
Consumer, Gold & Card	1.38%	1.35%	1.37%
Consumer	1.44%	1.42%	1.44%
Gold Business	0.01%	0.05%	0.07%
Card	4.04%	2.45%	3.16%
Total	2.93%	2.42%	2.08%

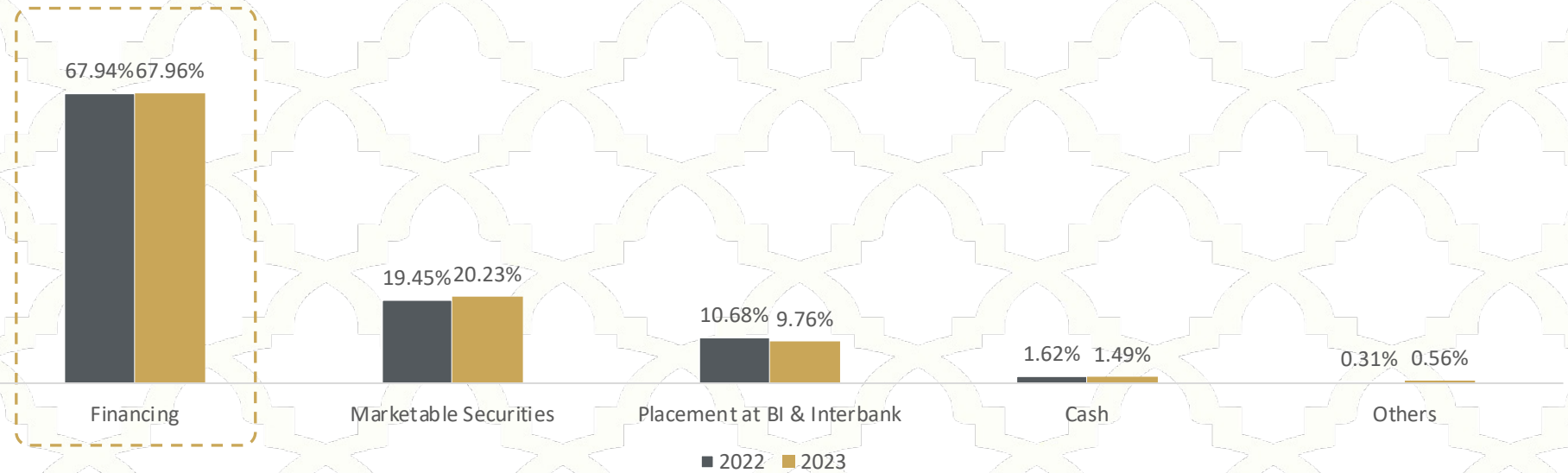
NPF Movement

NPF Movement (IDR Bn)	2021	2022	2023
Wholesale			
Beginning Balance	2,147	2,384	2,103
(+) Net Downgrade (Upgrade)	951	(43)	(29)
(-) Write-Offs	625	239	155
(+) Others	(88)	-	-
Ending Balance	2,384	2,103	1,920
Retail			
Beginning Balance	2,355	2,637	2,922
(+) Net Downgrade (Upgrade)	2,278	2,465	2,622
(-) Write-Offs	1,996	2,188	2,485
(+) Others	-	6	8
Ending Balance	2,637	2,922	3,067

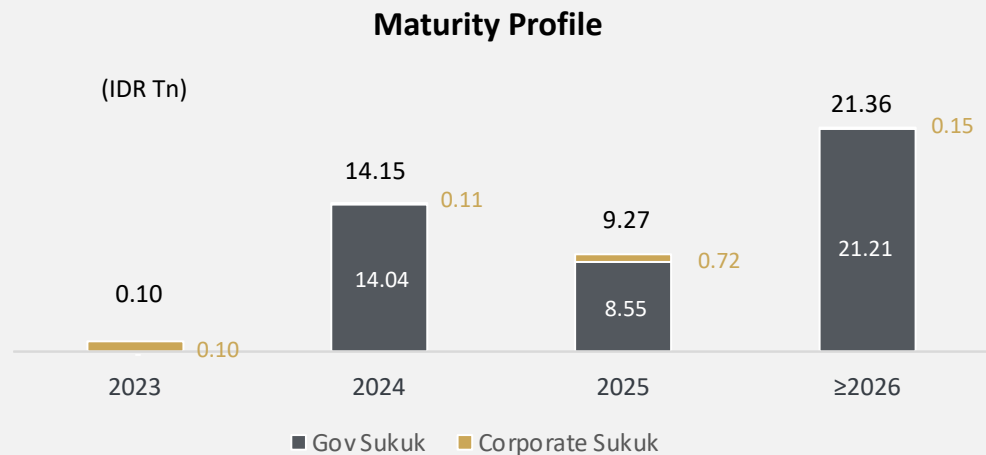
Optimizing Asset Mix

Marketable securities for liquidity management, which are now allocated more to support financing

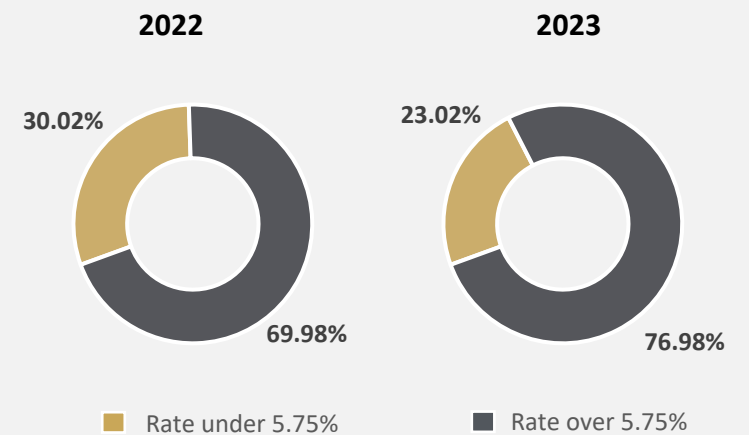
Shifting towards more productive assets with ample level of liquidity...



Excess liquidity is placed in risk free assets ...



... Switching to higher yield at maturity for better return



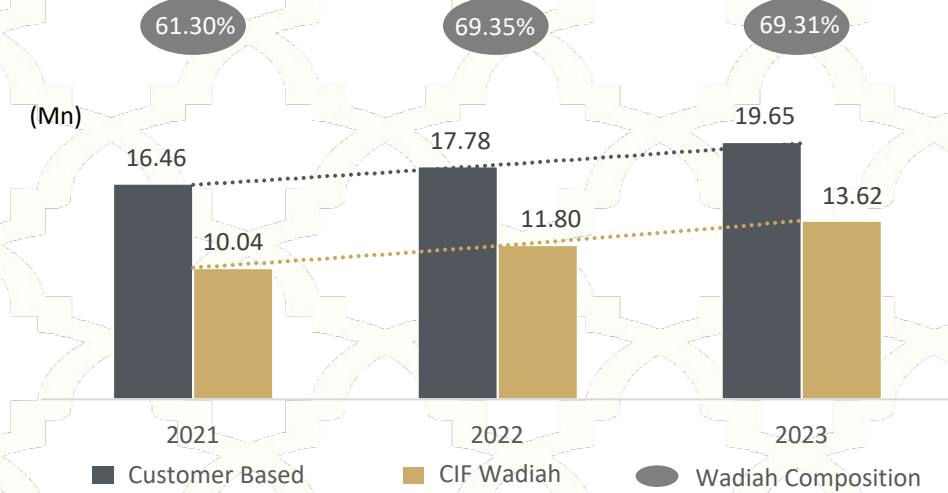
Data as of 30 Jun-23

Intensify Wadiah As Our Backbone in Funding

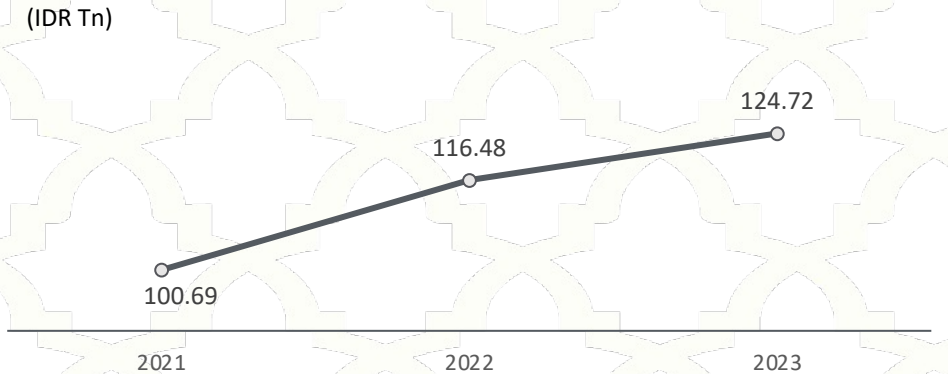
Promoting Wadiah consistently at our CASA franchise

(IDR Bn)	2021	2022	2023	▲ Nominal	Growth YoY (%)
Third Party Funds	233,251	261,491	293,776	32,285	12.35%
a. Current Accounts	34,372	44,521	53,201	8,680	19.50%
b. Saving Accounts	100,696	116,484	124,726	8,242	7.08%
c. Time Deposits	98,184	100,486	115,848	15,362	15.29%
CASA (a+b)	135,068	161,005	177,928	16,923	10.51%
% CASA	57.91%	61.57%	60.57%		-1.01%
Current Accounts	34,372	44,521	53,201	8,680	19.50%
a. Wadiah	21,091	21,798	20,848	(950)	(4.36%)
b. Mudharabah	13,281	22,723	32,354	9,631	42.38%
Saving Accounts	100,696	116,484	124,726	8,242	7.08%
a. Wadiah	36,157	44,214	47,026	2,812	6.36%
b. Mudharabah	64,538	72,270	77,700	5,430	7.51%

CIF on Wadiah still growing...



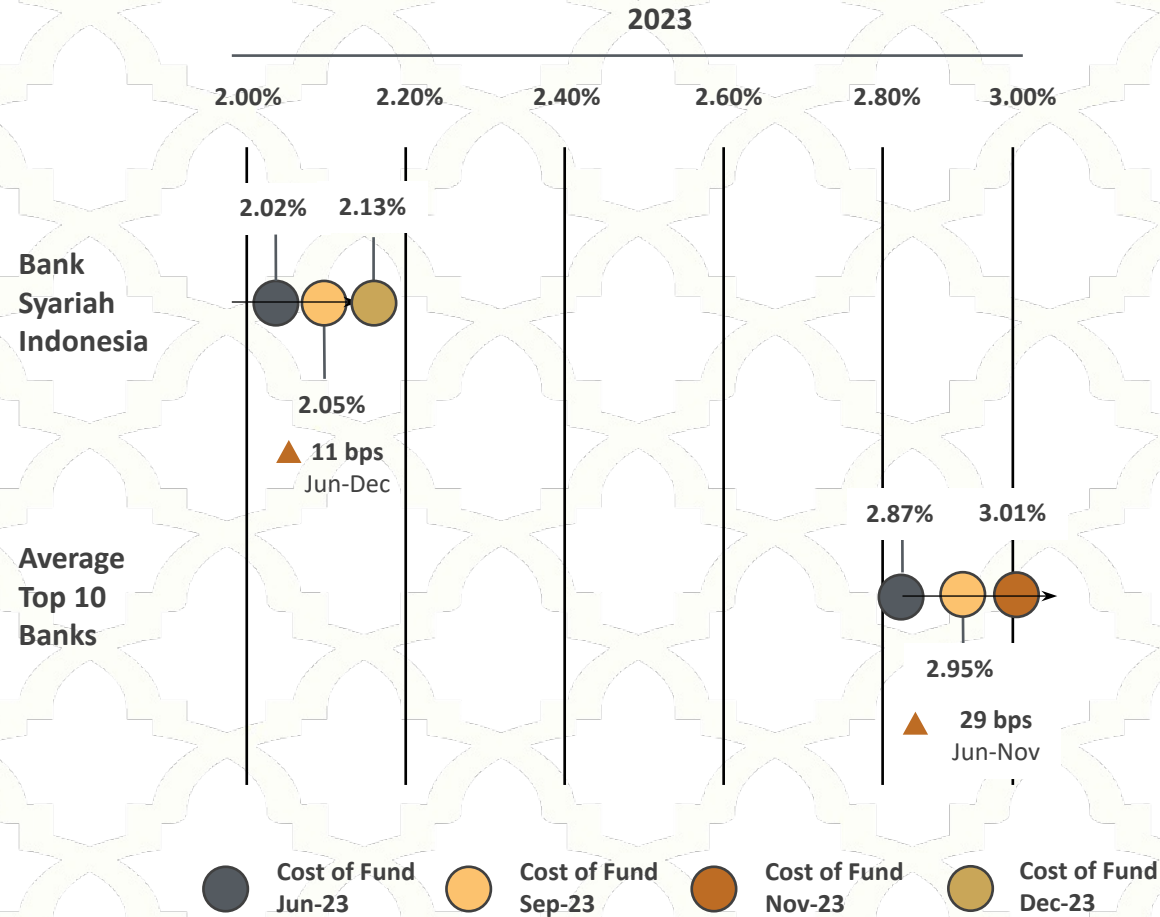
...providing enough support to close funding gap



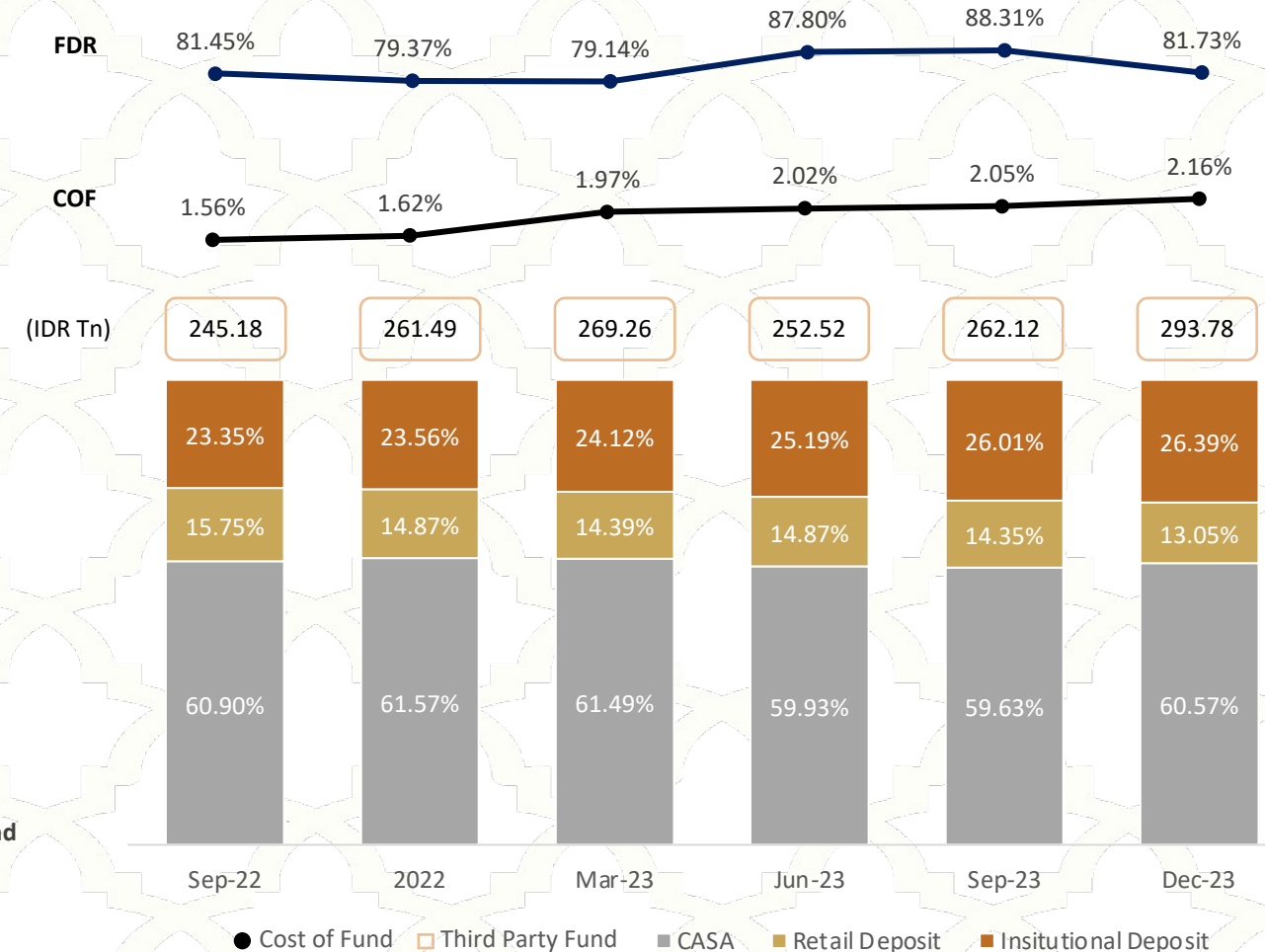
Managing Funding Cost Effectively to Support Asset Growth

An effective ALM strategy to maintain liquidity against the market volatility

BSI still have advantage on managing cost compared to its peers ...



... relying on CASA with institutional deposit as the buffer during the liquidity tightening as assurance to support the robust asset growth



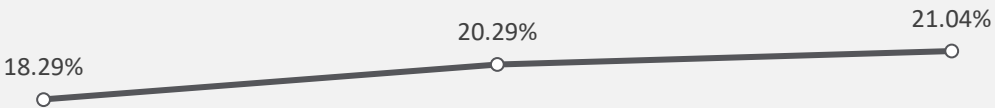
Source: Internal Data, Financial Report

Ample Equity Base

Opportunity to leverage with larger room of Legal Lending Limit

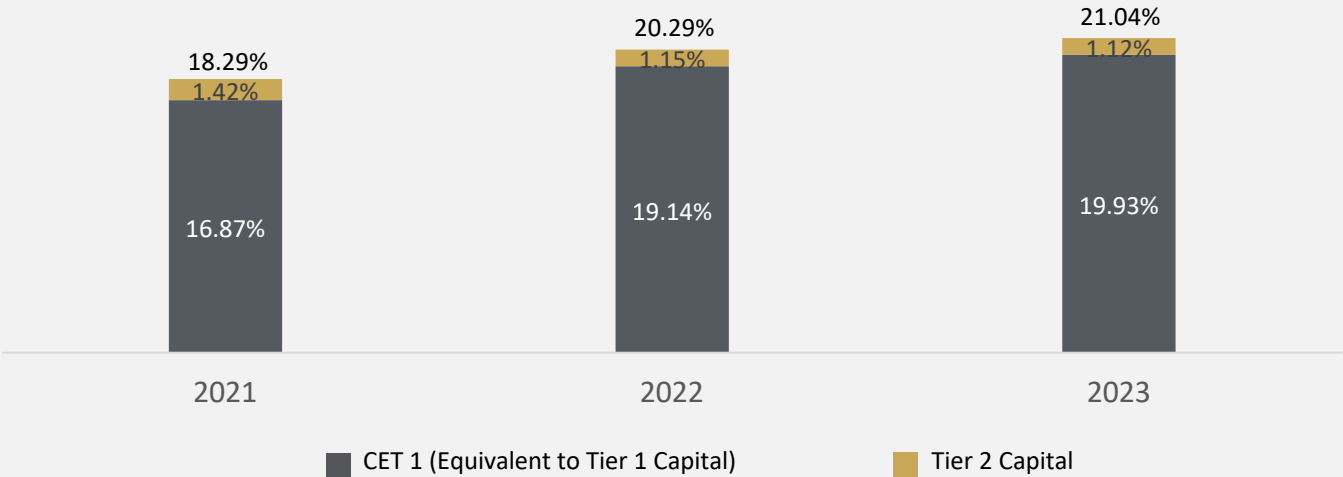
Capital Adequacy Ratio (%)*

Significant CAR level increased post IDR 5 Tn right issue in December 2022



Tier 1 & Tier 2 Capital

More than sufficient to support financing



RWA (IDR Tn)

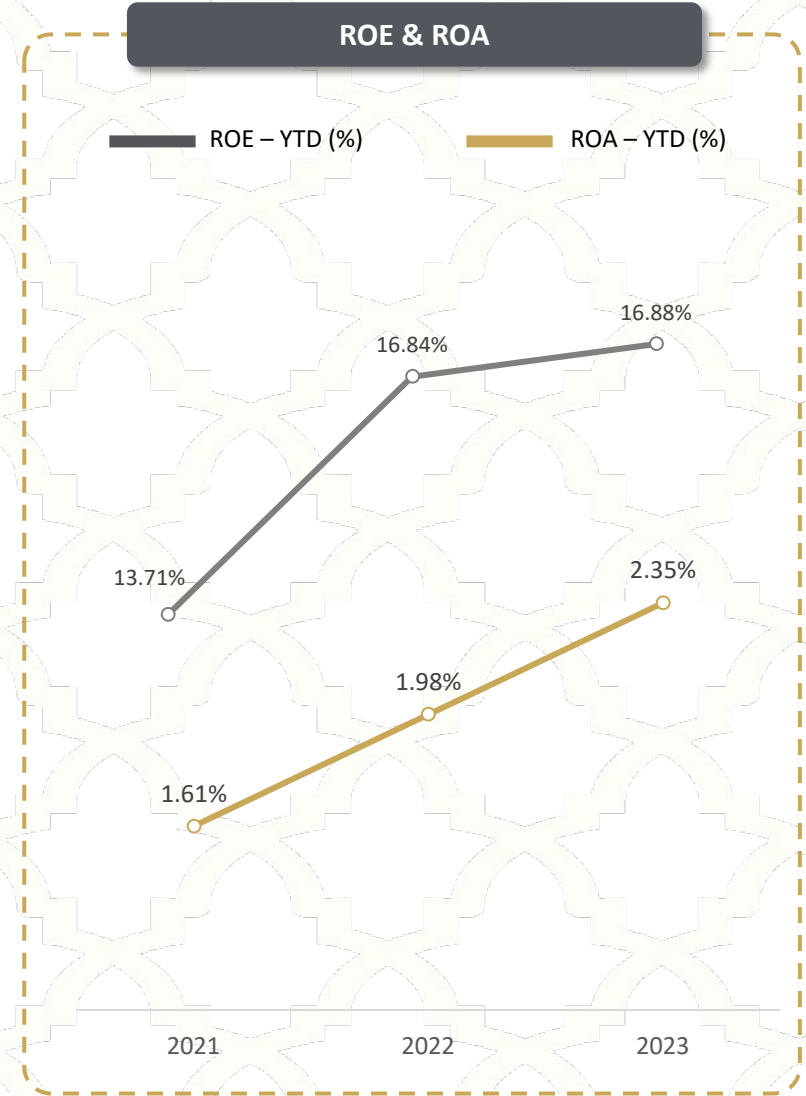
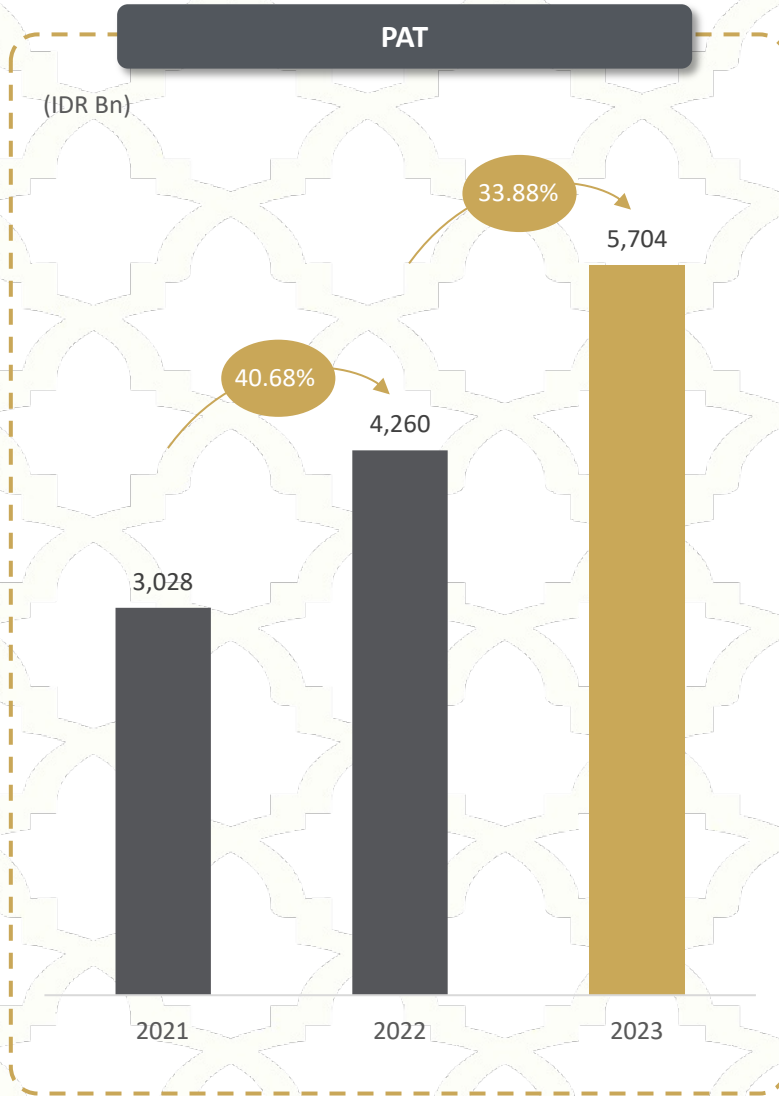
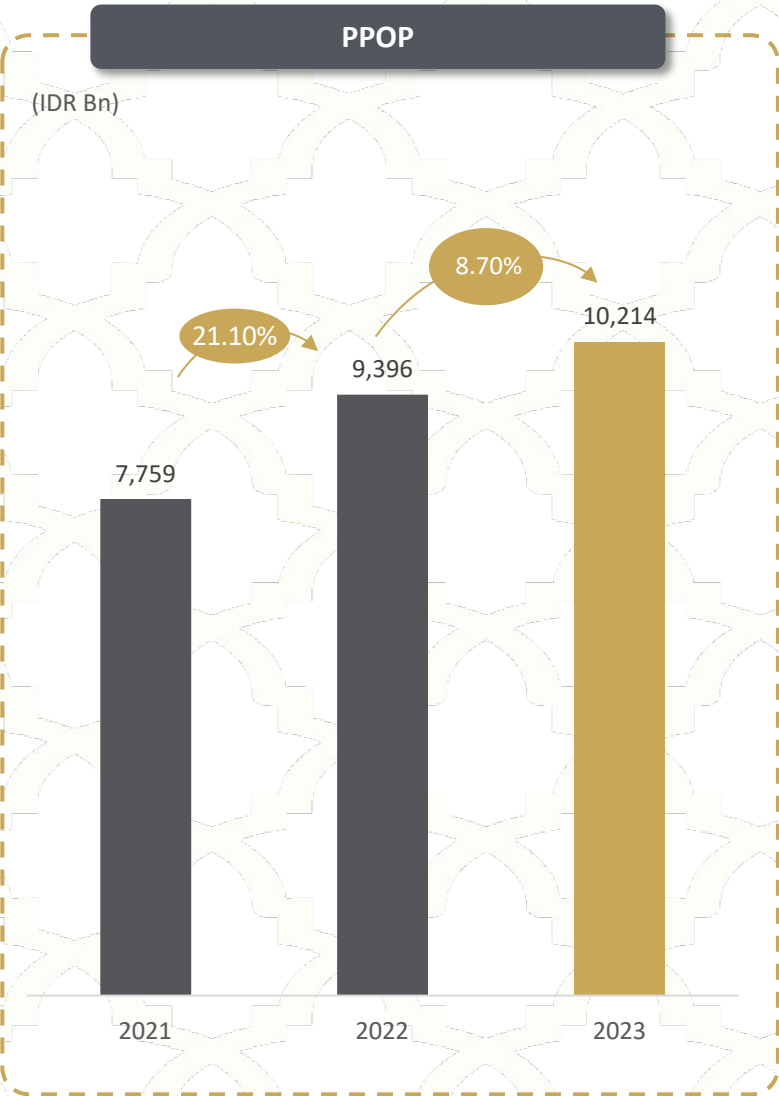
Insolvency risk cushioning with RWA enhancement



*RWA Calculation including operational risk

Positive Outcome in Profitability

Key profit indicator

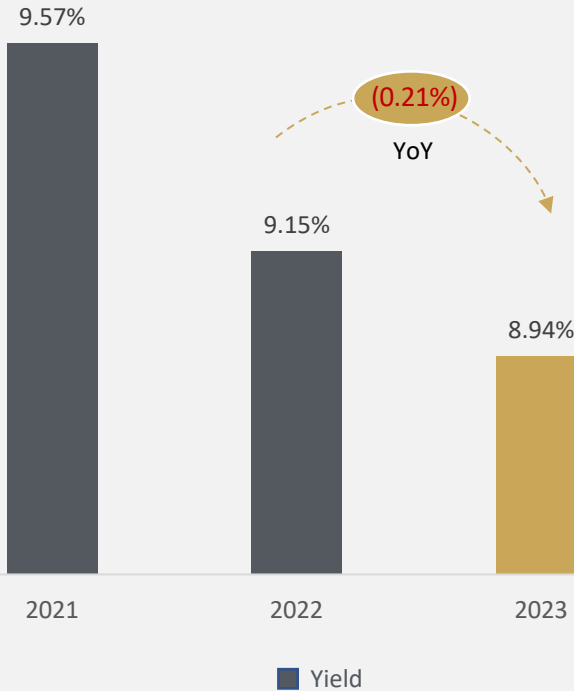


With Relatively Managed NIM ...

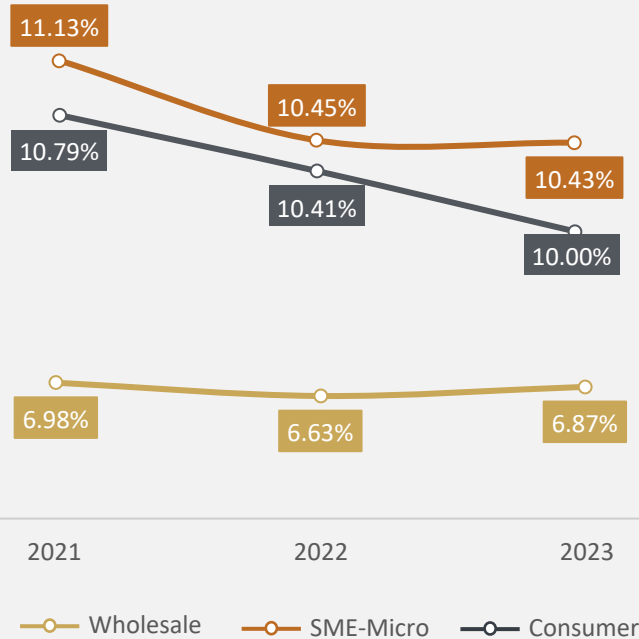
Growing Wadiah helped eased pressure on funding cost and maintaining financing yield

Financing Yield

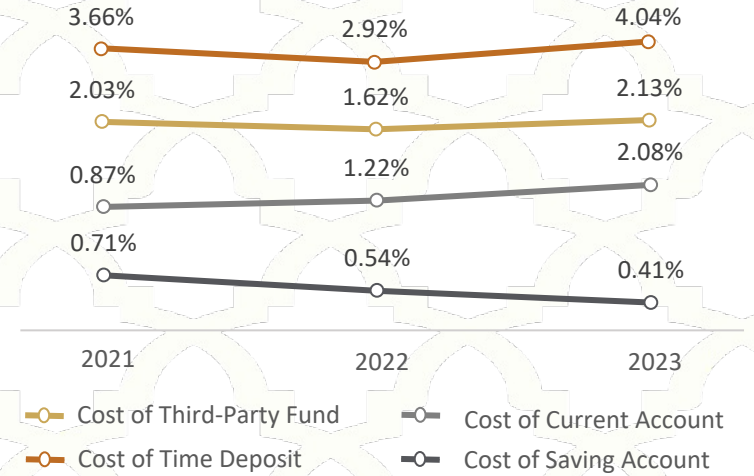
Yield Bankwide



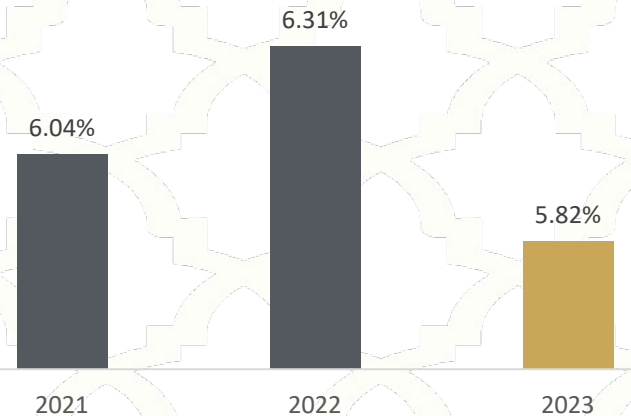
Yield Per Segment



Cost of Fund / Product

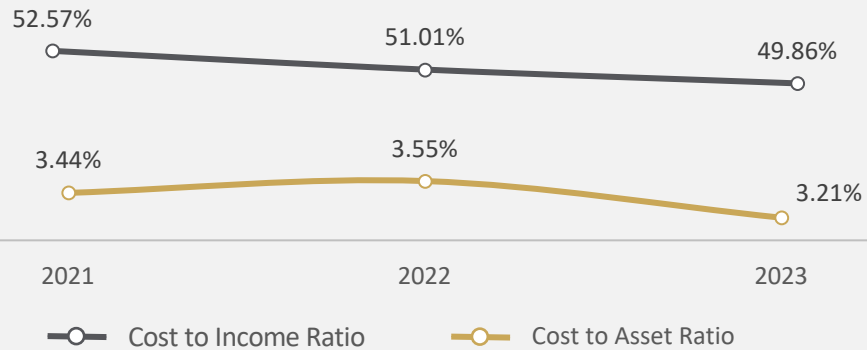


NIM (%)

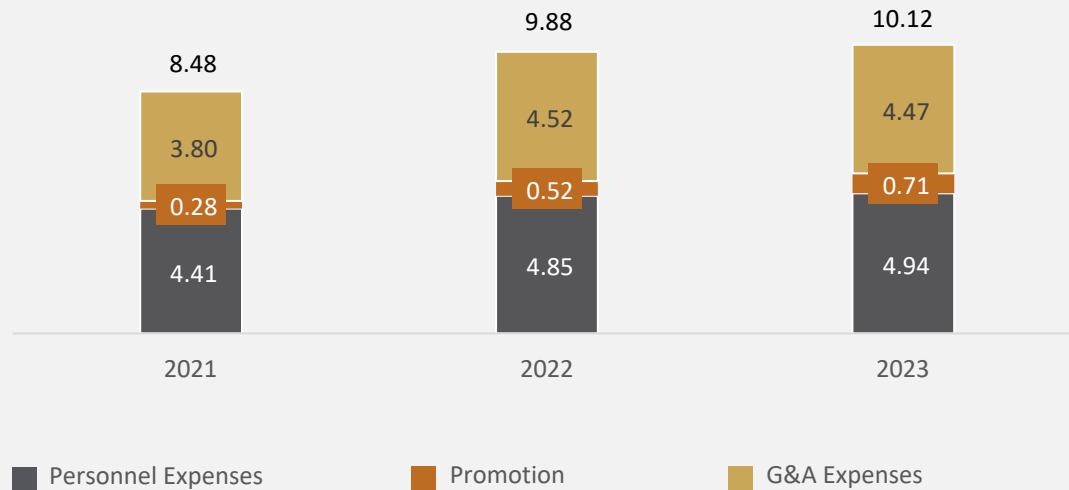


... And Operating Expense

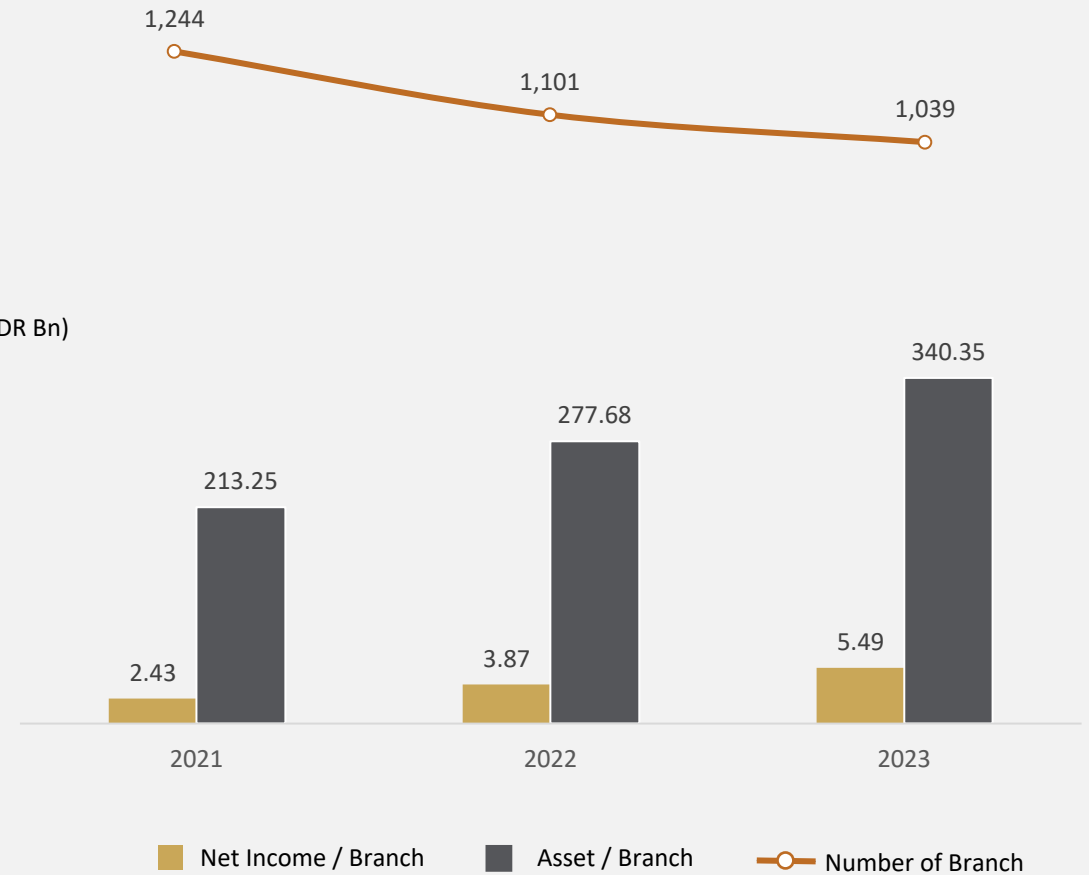
Lower cost on Income and Asset, reflected on strong branches profitability profile



(IDR Tn)

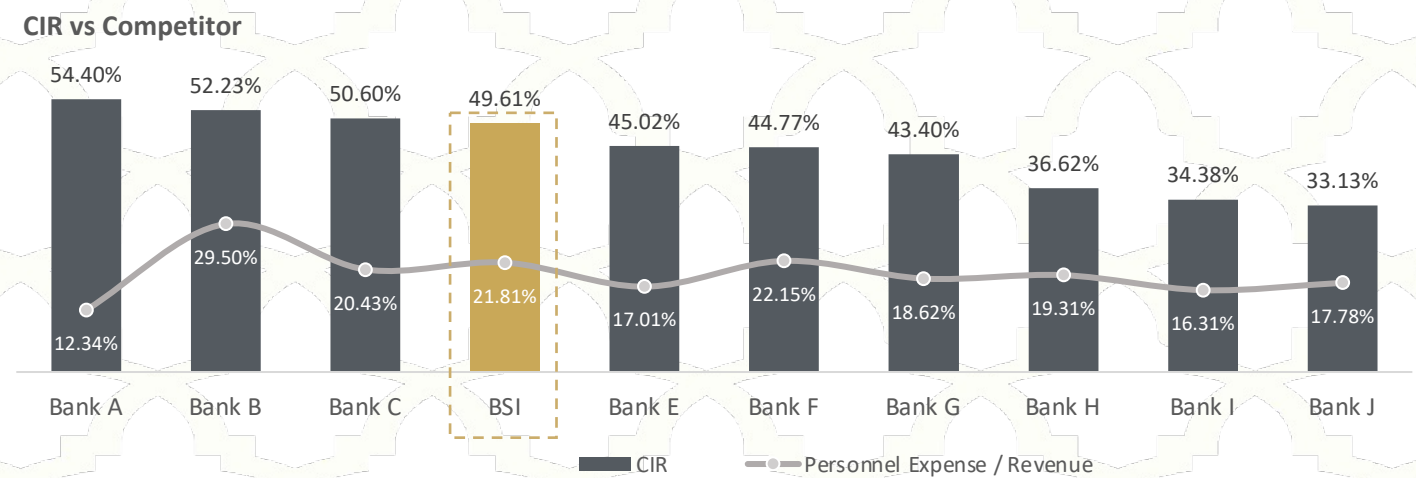
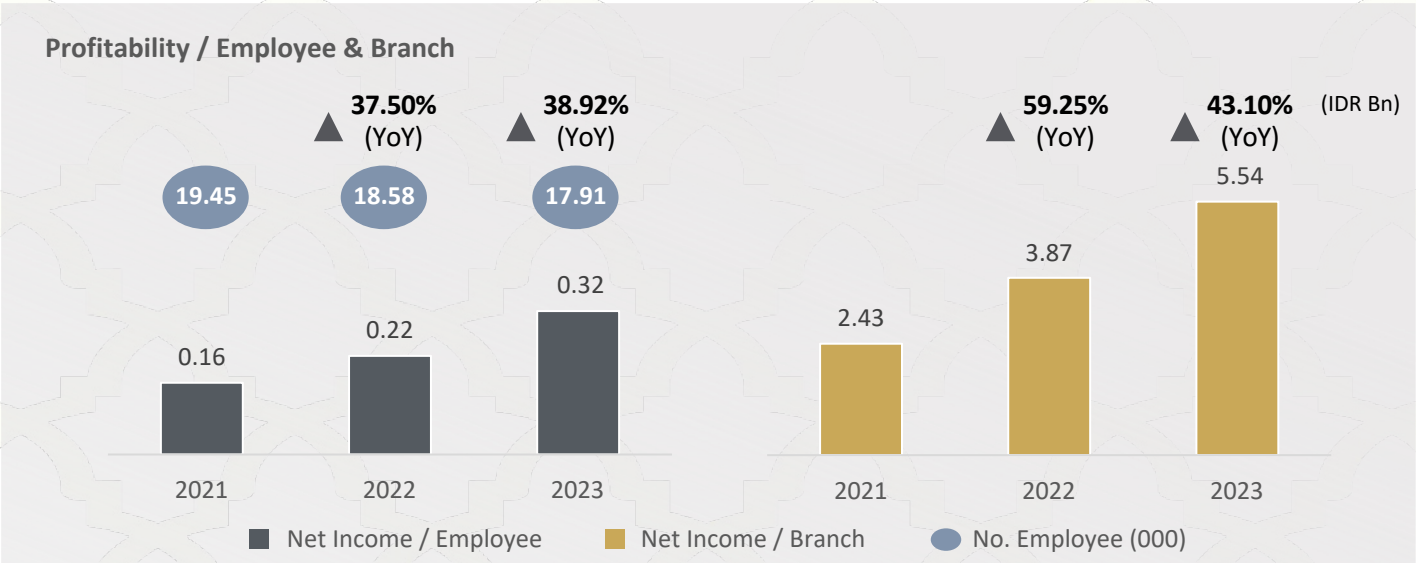
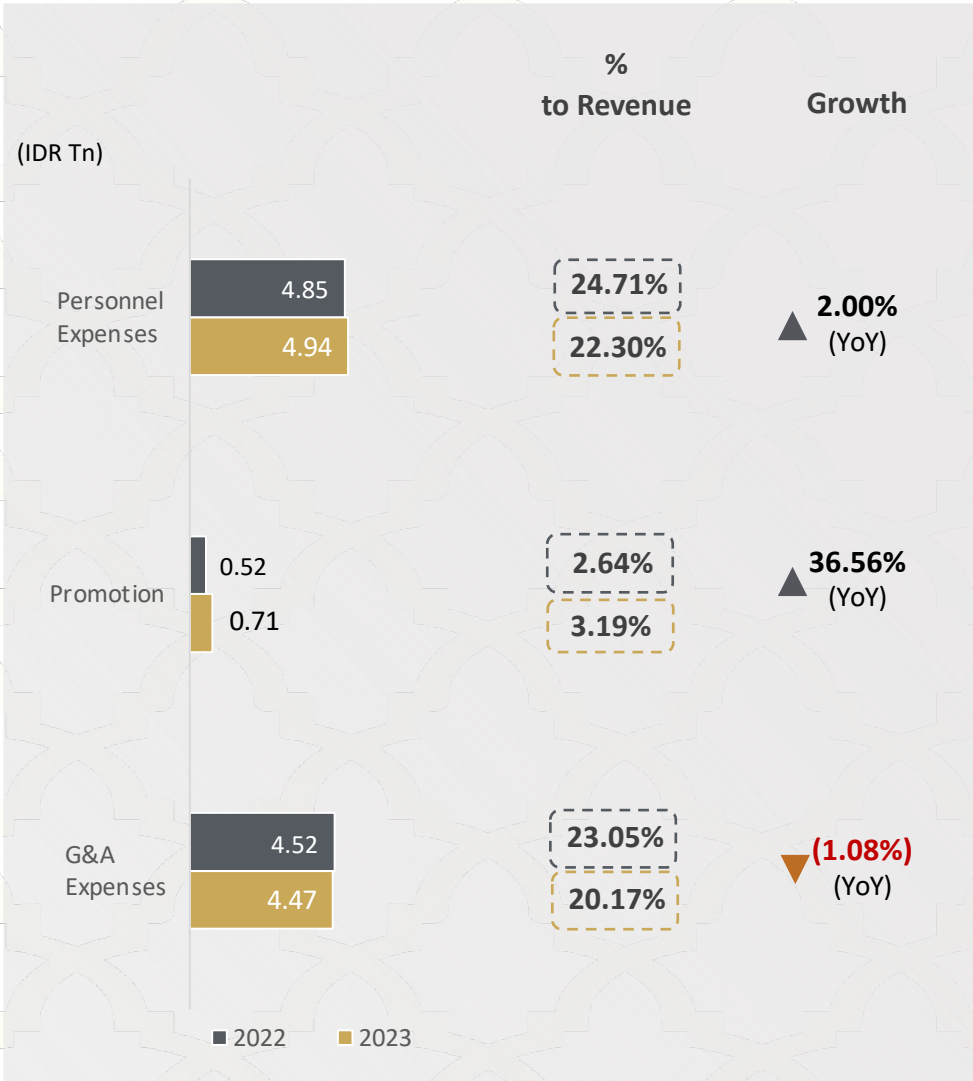


(IDR Bn)



Cost Management and Productivity Enhancement in Progress

Employee contribution has not yet reached its full potential

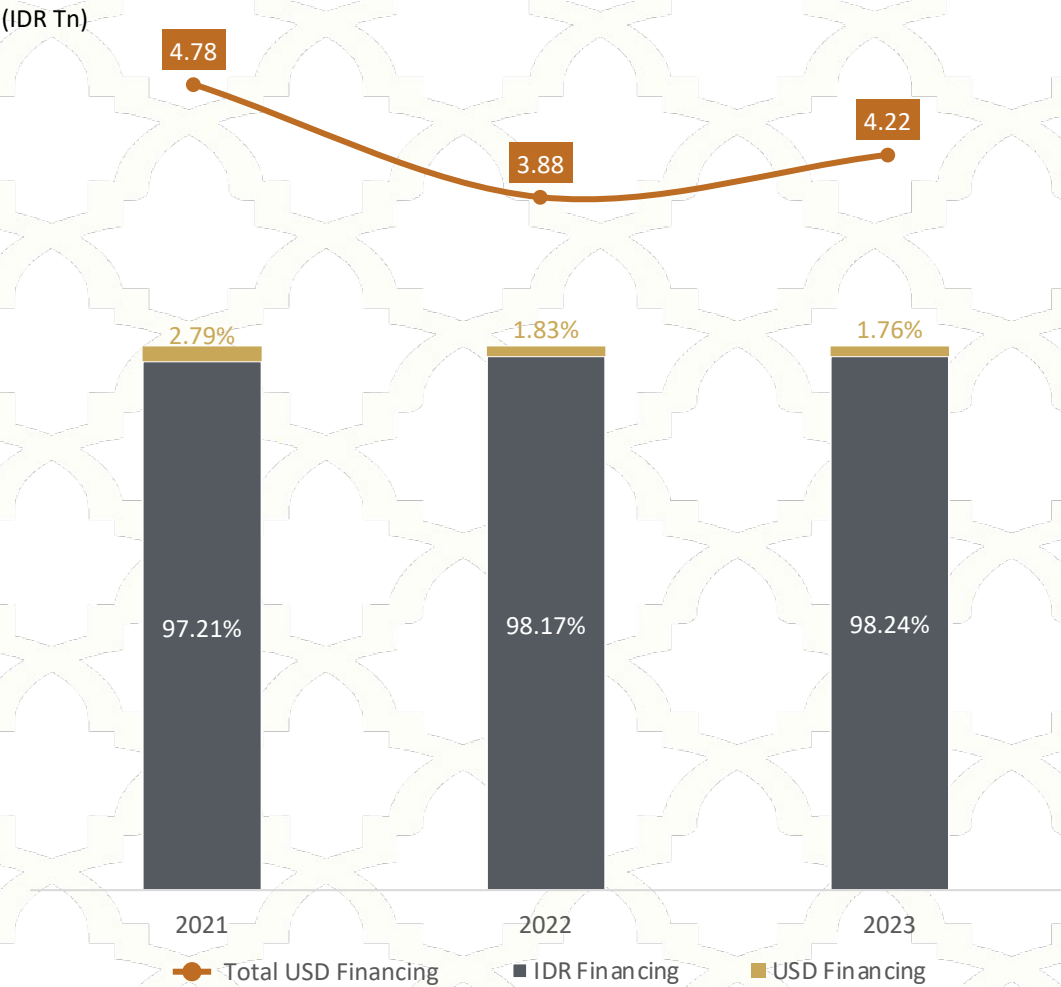


Source: Internal Research, Nov-23

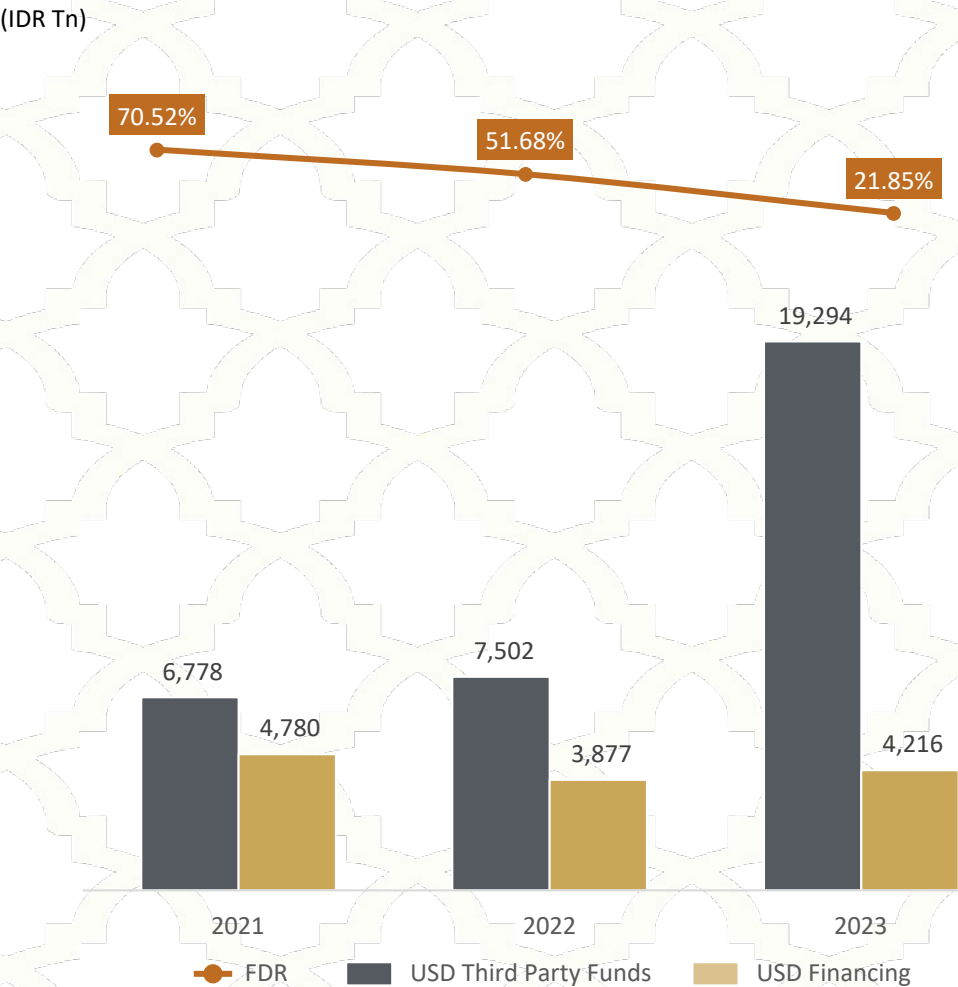
IDR Asset Remain Dominance

Low impact on FX risk despite of currency volatility

Foreign currency exposure relatively low ...



... with trend of being naturally hedged for foreign currency exposure





02

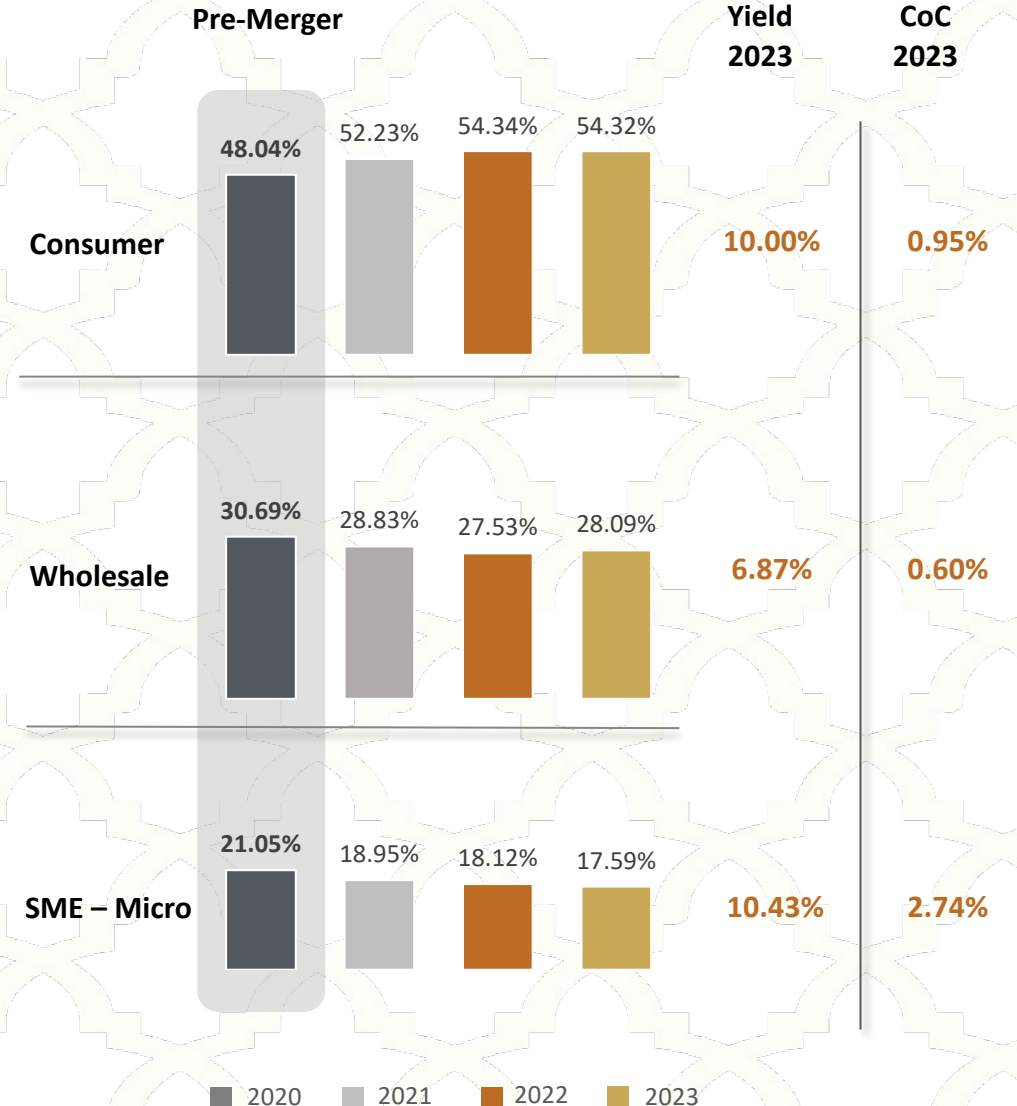
Risk Management & Asset Quality



Consumer Finance Remain The Focus

Back up with wholesale to aim for product cross selling

(IDR Bn)	2021	2022	2023	▲ Nominal	Growth YoY (%)
Consumer	89,460	112,875	130,547	17,672	15.66%
Mortgage	42,022	48,070	52,517	4,447	9.25%
Automotive	1,917	2,761	4,186	1,425	51.61%
Payroll Based Financing	30,141	42,732	51,336	8,604	20.14%
Pension	10,406	12,837	14,626	1,789	13.94%
Gold Business	4,582	5,930	7,198	1,268	21.38%
Card	393	545	684	139	25.57%
Wholesale	49,380	57,197	67,511	10,314	18.03%
Corporate	38,946	46,139	54,542	8,403	18.21%
Commercial	10,434	11,058	12,969	1,911	17.28%
SME – Micro	32,452	37,632	42,258	4,625	12.29%
SME	18,331	18,892	19,346	454	2.40%
Micro	14,121	18,740	22,912	4,172	22.26%
Subsidized (KUR)	9,083	15,944	20,978	5,034	31.57%
Non- Subsidized (Non-KUR)	5,038	2,796	1,935	(862)	(30.82%)
Total Financing	171,292	207,705	240,316	32.611	15.70%



Loan Portfolio Mix – Consumer

Continue to further tap payroll and pension financing opportunities

- The increase in financing bookings is in accordance with the improved quality of assets as of Dec 2023.
- Automotive is beginning to exhibit robust expansion in terms of growth, surpassing other consumer products, accompanied by improved financing quality

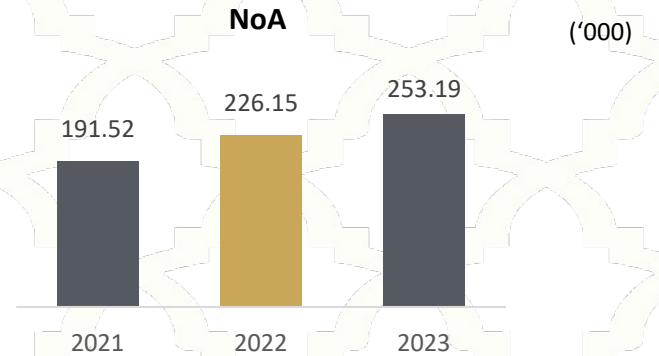
(IDR Bn)	2022			2023			ΔYoY Size
	Size	SMF	NPF	Size	SMF	NPF	
1. Mortgage	48,070	2.30%	2.51%	52,517	2.24%	2.38%	9.25%
2. Automotive	2,761	1.85%	1.06%	4,186	3.35%	1.03%	51.61%
3. Payroll Based Financing	42,732	0.45%	0.54%	51,336	0.61%	0.81%	20.14%
4. Pension	12,837	0.24%	0.35%	14,626	0.19%	0.36%	13.94%
5. Gold Business	5,930	0.04%	0.05%	7,198	0.04%	0.07%	21.38%
6. Card	545	3.84%	2.45%	684	3.93%	3.16%	25.57%
Total Consumer	112,875	1.24%	1.35%	130,547	1.29%	1.37%	15.66%

Notes: Current: Collectability 1, SMF: Collectability 2, NPF: Collectability 3,4,& 5

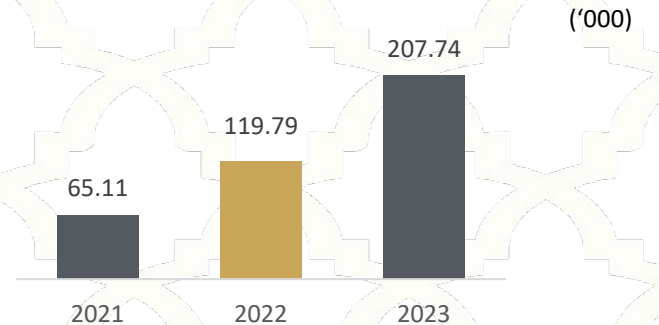
Gold as the New Business Opportunity

- ✓ Broadening customer touch point by streamlining financing process and enhancing the market penetration of the gold business
→ Achieving an elevated business volume aligned with the addition of NoA

Gold Pawning

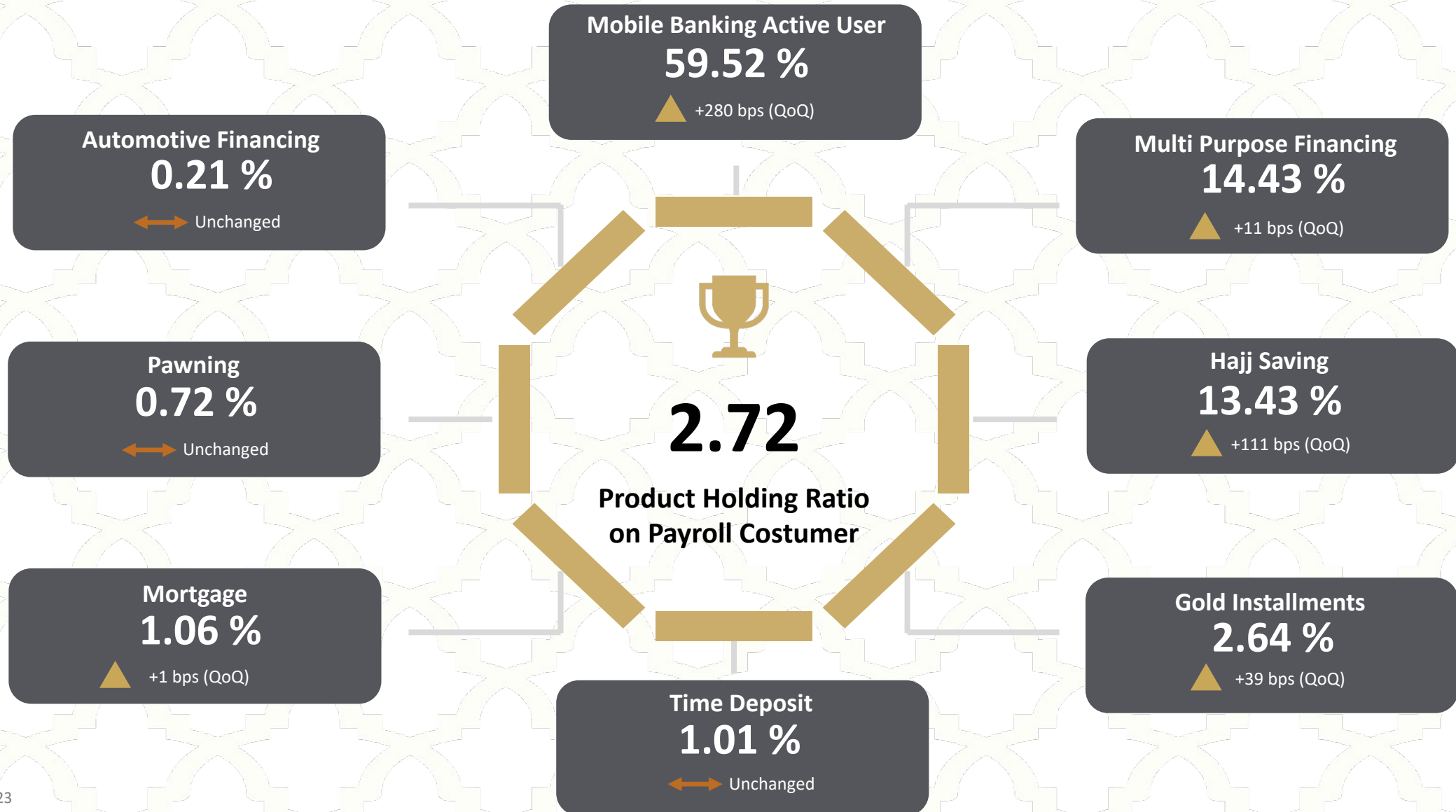


Gold Installment



Payroll Customer Penetration Gradually Improved

An 8 main product champion to offer



Data as of Dec-23

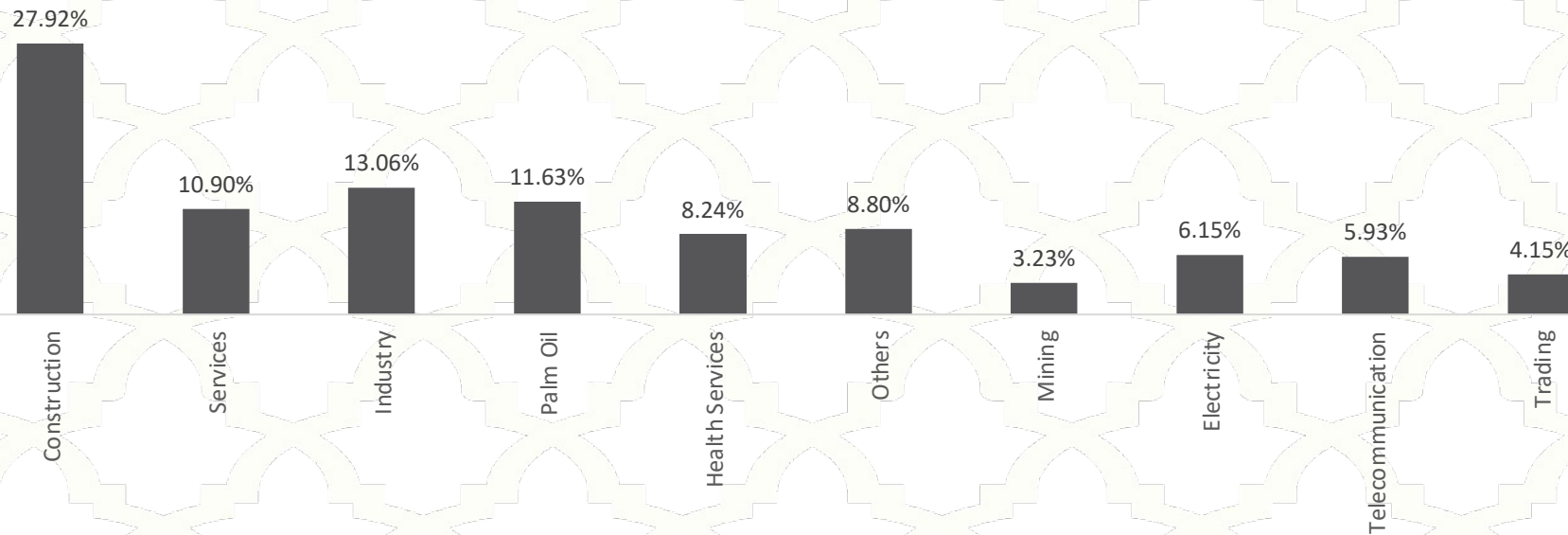
Loan Portfolio Mix – Wholesale

Improved risk profile following stringent risk management and appetite in the sectors

New booking quality significantly improved as the result of finding the right sector ...

(IDR Bn)	2022			2023			ΔYoY Size
	Size	SMF	NPF	Size	SMF	NPF	
1. Corporate	46,139	1.80%	3.71%	54,542	4.15%	2.79%	18.21%
2. Commercial	11,058	1.49%	3.54%	12,969	2.07%	3.05%	17.28%
Total Wholesale	57,197	1.74%	3.68%	67,511	3.75%	2.84%	18.03%

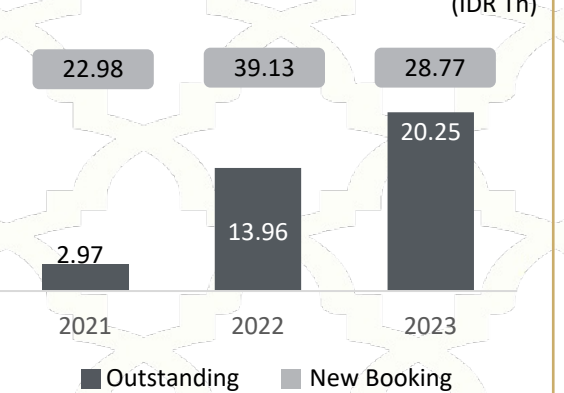
... with top 10 sector aligning as below (as of 2023)



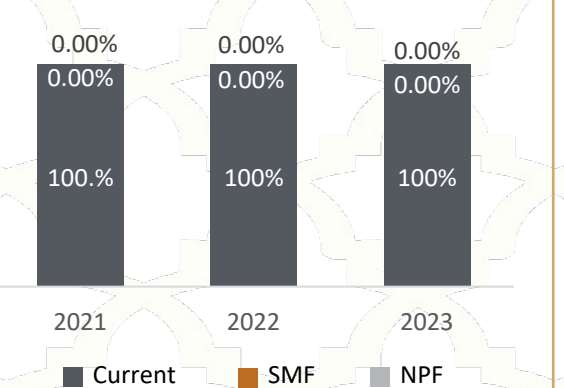
Notes: Current: Collectability 1, SMF: Collectability 2, NPF: Collectability 3,4,& 5

New Booking Quality Comparable

Volume New Booking & Outstanding



New Booking Quality



Financing Segment – SME - Micro

Micro financing serve as solution for the client's short term funding requirement

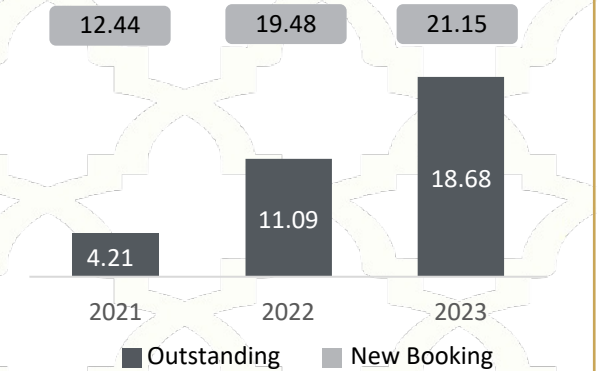
- New asset quality continue to remain healthy. The increment in SMF & NPF in 2023 under Non-subsidized micro financing was due to much lower financing growth booked (-30.82%) as compared to the SMF (-50.53%) & NPF (-39.31%).
- Continue to focus more on the subsidized (KUR) as it carries lesser risk profile.

	2022			2023			ΔYoY Size
	Size	SMF	NPF	Size	SMF	NPF	
1. SME	18,892	1.79%	4.57%	19,346	1.43%	4.08%	2.40%
2. Micro Financing	18,740	2.49%	2.84%	22,912	1.89%	2.13%	22.26%
Subsidized (KUR)	15,944	1.21%	1.11%	20,978	1.42%	1.29%	31.57%
Non-subsidized (Non-KUR)	2,796	9.80%	12.72%	1,935	7.01%	11.16%	-30.82%
Total Retail	37,632	2.14%	3.71%	42,258	1.68%	3.02%	12.29%

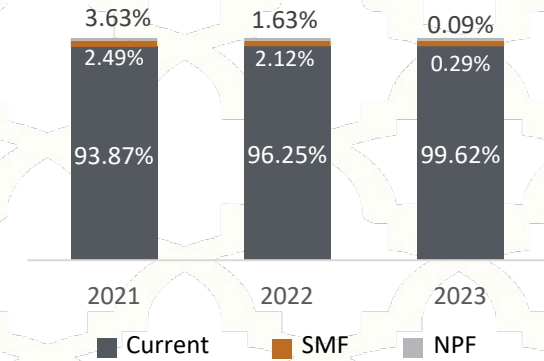
New Booking Quality Comparable

Volume New Booking & Outstanding

(IDR Tn)



New Booking Quality

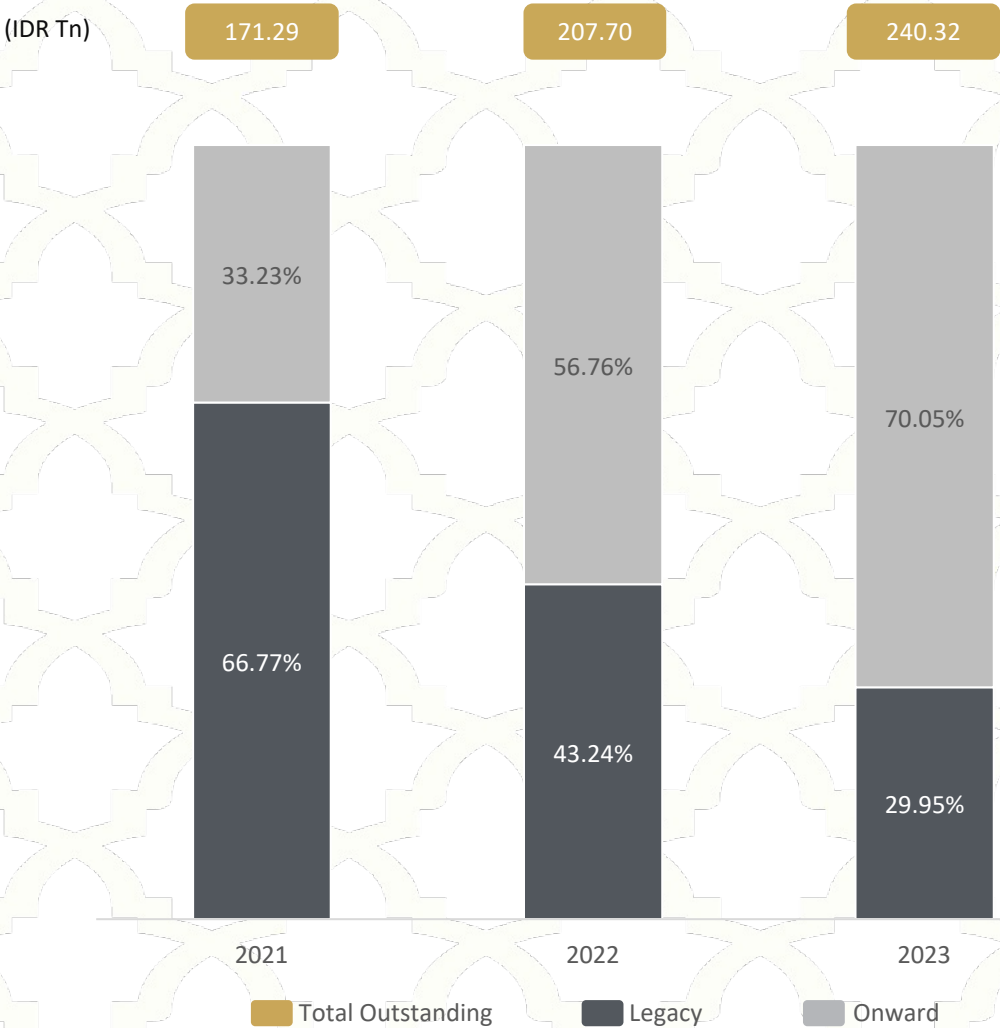


Notes: Current: Collectability 1, SMF: Collectability 2, NPF: Collectability 3,4,& 5

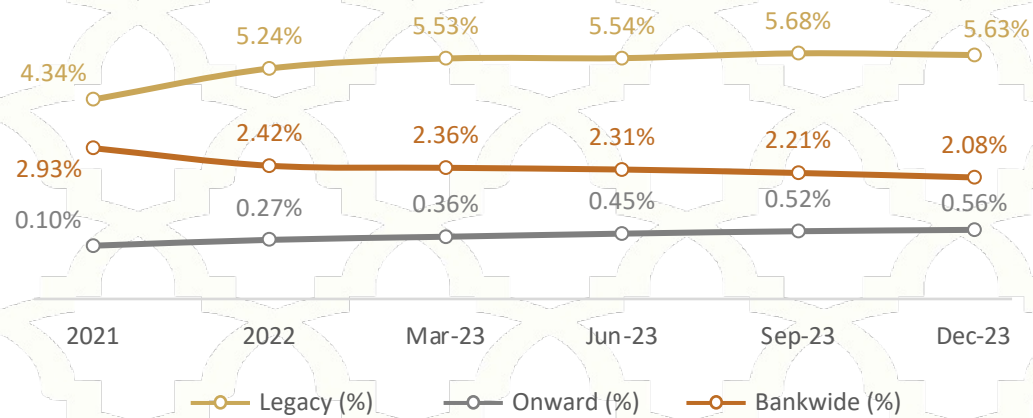
Improvement in The Asset Quality Continue

Prudent business continue to lowering financing cost from combined pre-merger book

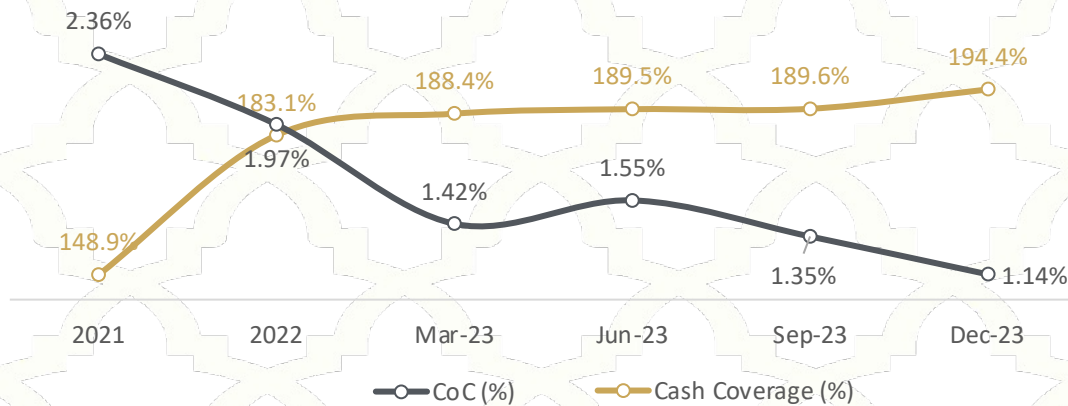
The new booking outstanding has surpassed the pre-merger amount ...



... the good quality asset leads to lower NPF



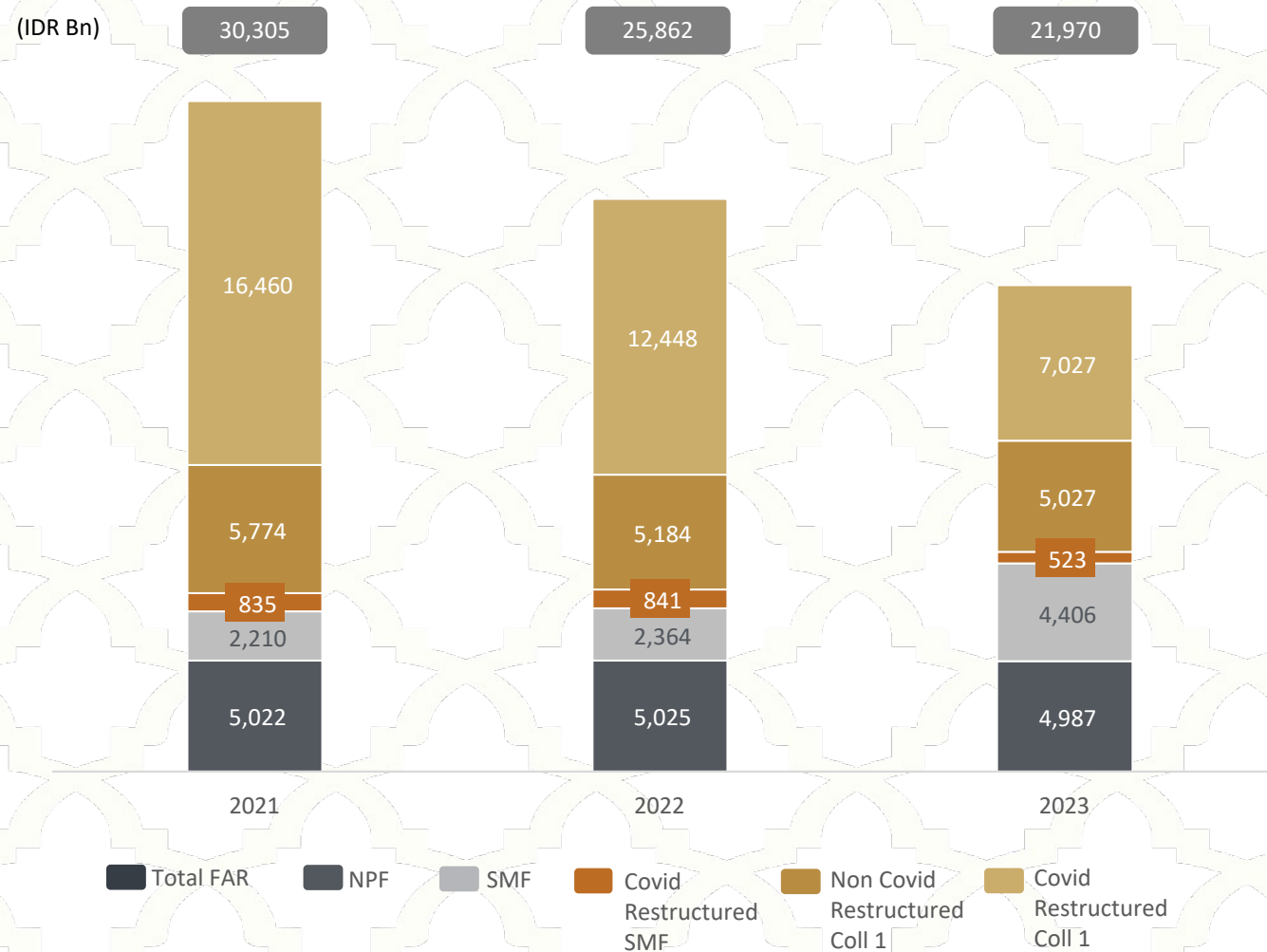
Additional reserved is booked to align with the other SOE banks NPF coverage



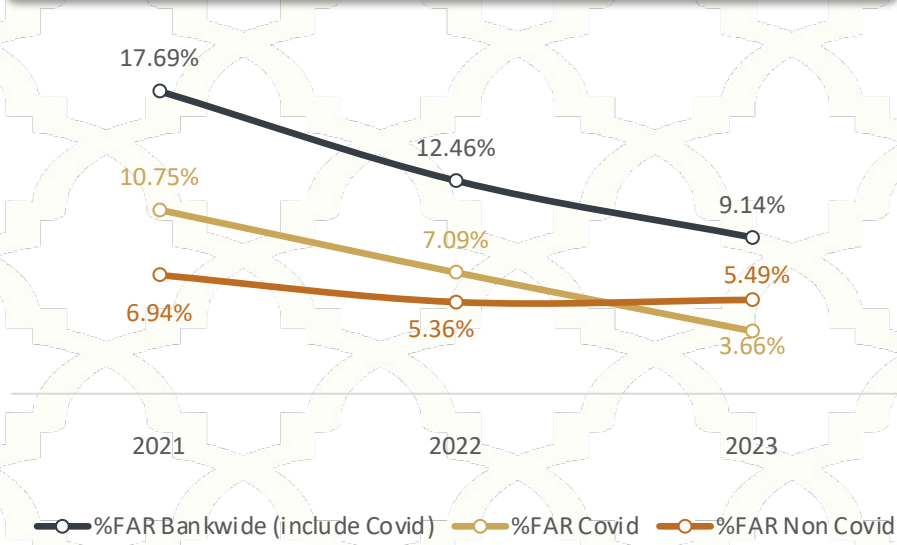
Also, the Financing at Risk (FAR)

On the back of better client's restructuring performance

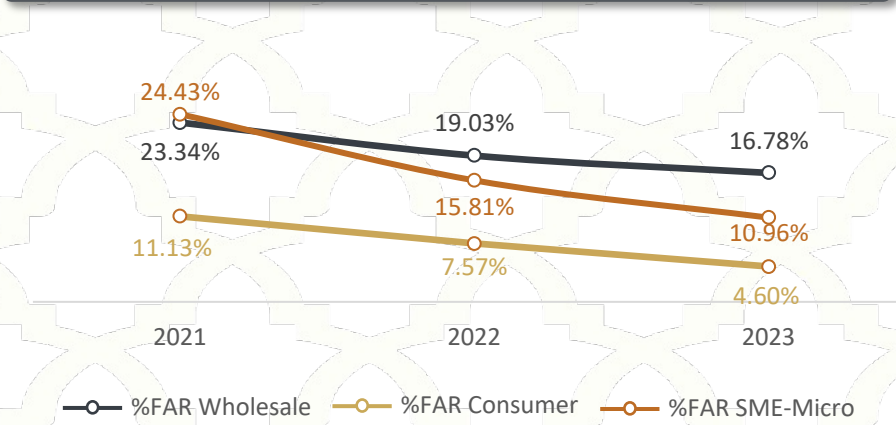
- Covid Restructured portfolio improved from IDR 13,289 bn (51.38% of FAR) in 2022 to IDR 7,550 bn (34.37% of FAR) as of 2023



% FAR (Bank wide, Covid & Non-Covid)



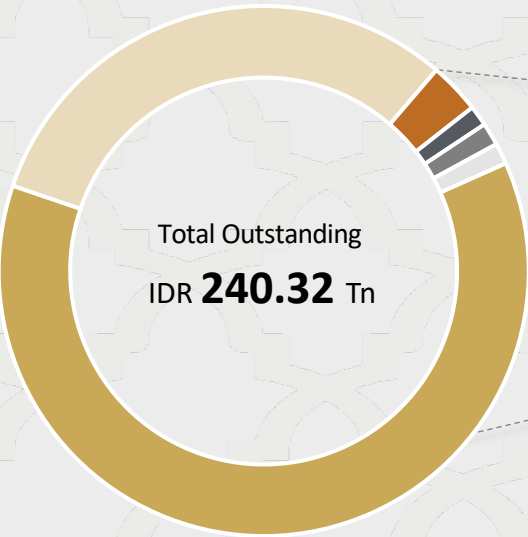
FAR Wholesale, Retail & Consumer



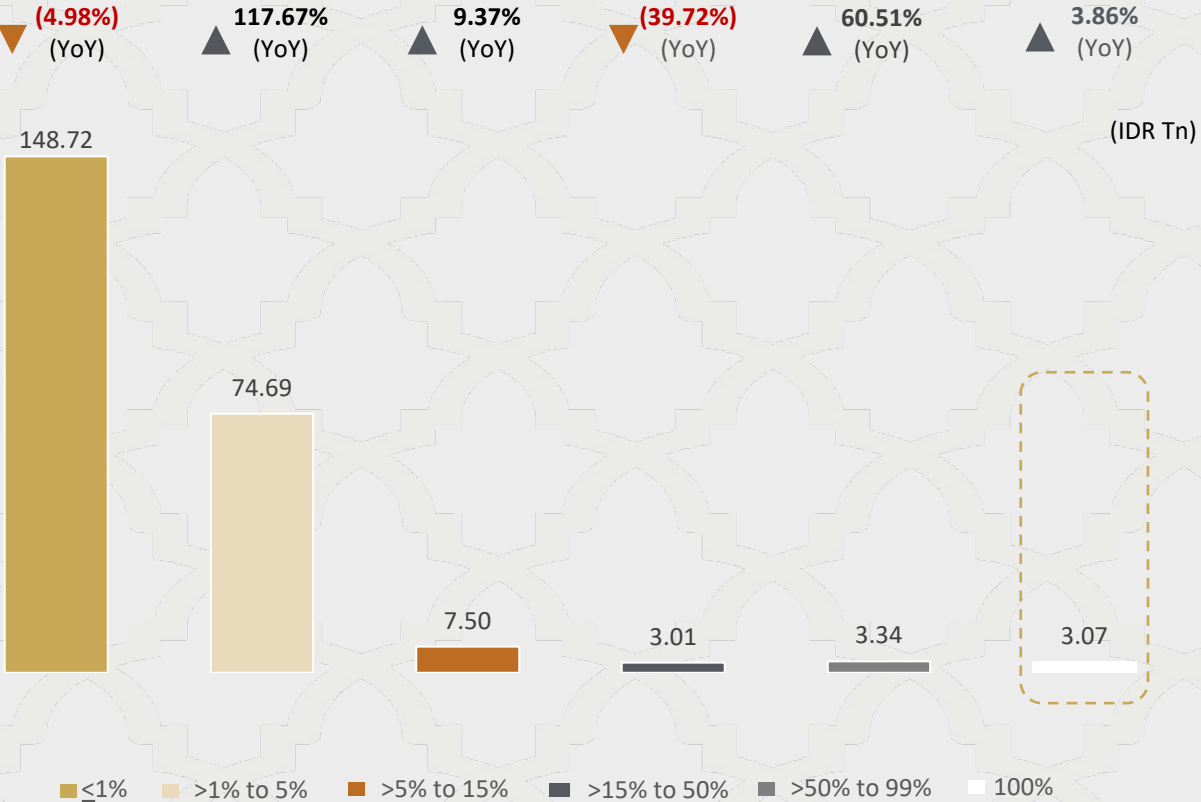
Applying Provision Accordingly Based on Collectability

An upside in the bottom line is possible from the write-off and create a better NPF ratio

Outstanding / Provision



Composition	
≤1%	61.88%
>1% sd 5%	31.08%
>5% sd 15%	3.12%
>15% sd 50%	1.25%
>50% sd 99%	1.39%
100%	1.28%





03

Islamic Ecosystem



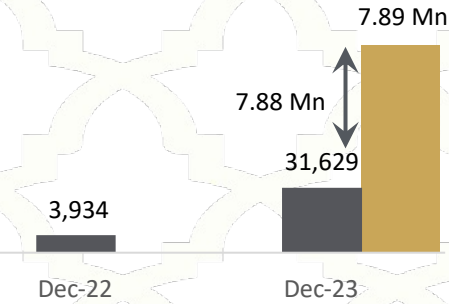
Develop An Islamic Ecosystem as the Total Solution

Managing 5.5 Mn customer with total AUM IDR 28.90 Tn

Zakat Corporate & Customer

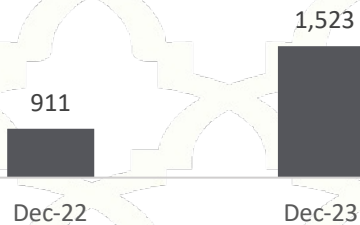
Number of CIF
▲ 703.99%
(YoY)

Potential
Ecosystem



Corporate & Customer Zakat
(IDR Bn)

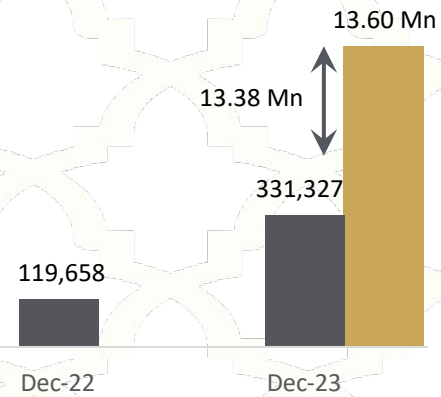
▲ 67.24%
(YoY)



Islamic School

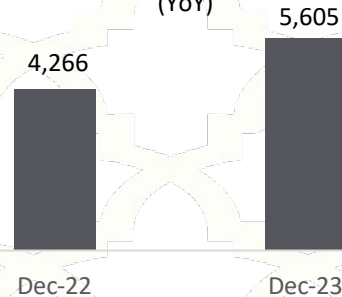
Number of CIF
▲ 176.89%
(YoY)

Potential
Ecosystem



Third Party Fund
Islamic School (IDR Bn)

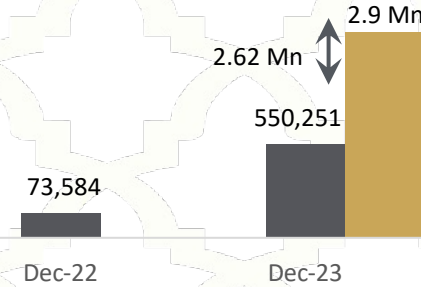
▲ 31.41%
(YoY)



Mosque

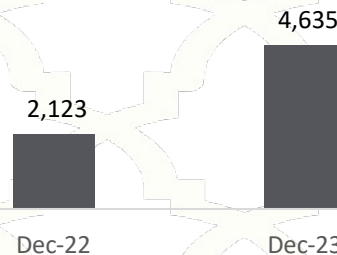
Number of CIF
▲ 335.94%
(YoY)

Potential
Ecosystem



Third Party Fund
Mosque (IDR Bn)

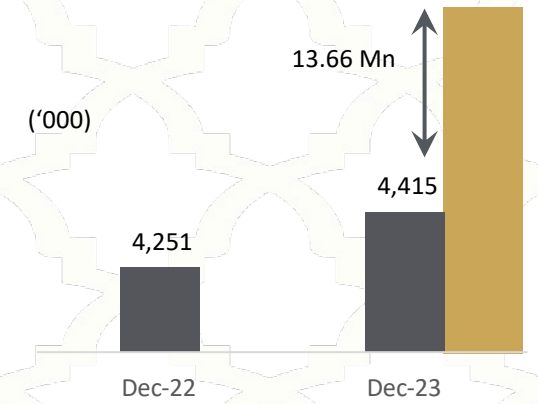
▲ 118.33%
(YoY)



Hajj & Umrah

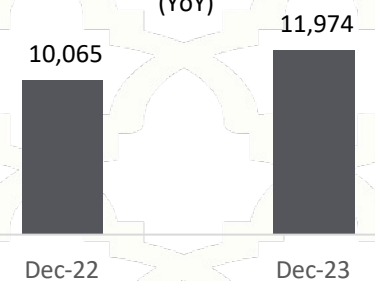
Number of CIF
▲ 5.64%
(YoY)

Potential
Ecosystem
18.08 Mn



Third Party Fund
Hajj & Umrah (IDR Bn)

▲ 18.97%
(YoY)



Progressive Contribution to Indonesia

Continue to nurture Islamic ecosystem through ZISWAF and distribute it to a diverse beneficiaries

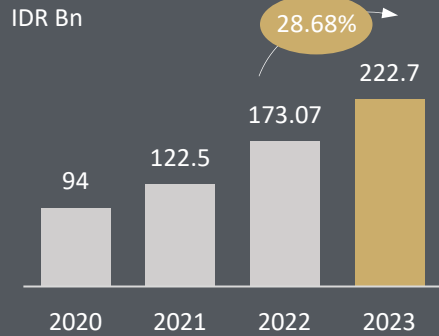
In 2023, BSI remain the biggest Zakat contributor in Indonesia, a 41% increased compared to 2022



“ Alhamdulillah, this year's corporate zakat from BSI is also the largest in Indonesia's history. Hopefully, with the increase in BSI's zakat contribution, it will provide more value for the role of Islamic banks for the people and zakat recipients according to asnaf ”

Hery Gunardi
President Director
Bank Syariah Indonesia

Corporate & Employee Zakat of BSI in 2022 has grown align with higher profitability recorded



BSI Maslahat as BSI's vehicle for ZISWAF distribution, focusing on health, Islamic advocacy, humanitarian action, shariah education and Islamic economy



Zakat distribution as Social Aspect to create welfare of the beneficiaries



288,280

Number of Beneficiaries



1,838

Number of Organizations



15

Number of BSI Villages in Desa BSI Programme



28

Micro & Ultra Micro Business Partners



340

Number of Islamic School through Islamic Programme

Data as of Dec-22



04

Digital Proposition



Digital For New Value Proposition

ZISWAF as option on Social feature in mobile banking

Financial

- Transfer
- QRIS
- Utilities Payment
- Paylater, E-wallet, Referral Code
- E-commerce
- Payment & Invest

Spiritual

- Islamic Feature
- Al-Qur'an
- Qibla
- Mosque location & Prayer time
- Daily Du'a

Social

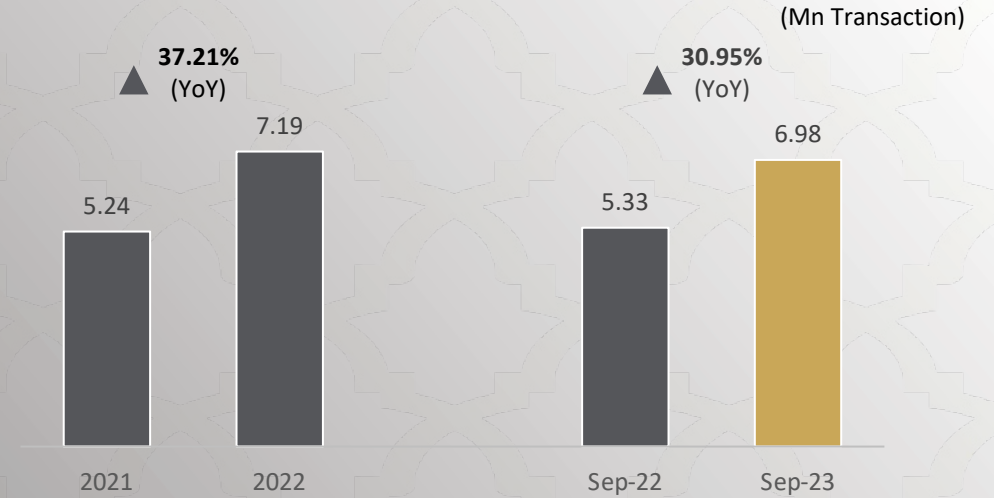
- ZISWAF
- Qurban
- Donations

Lifestyle

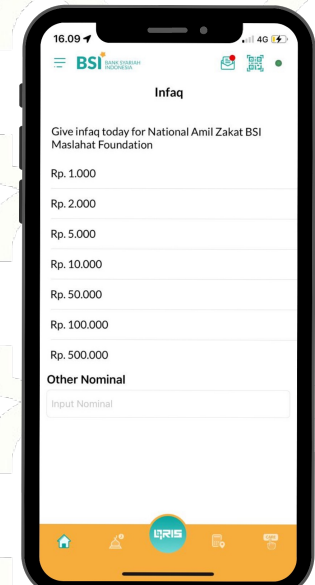
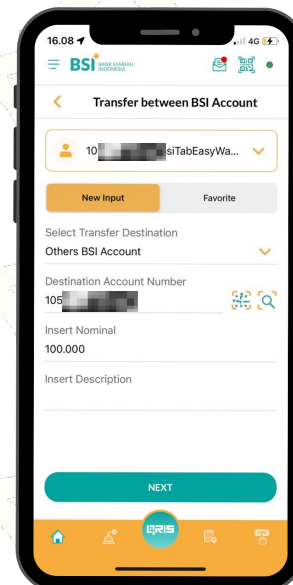
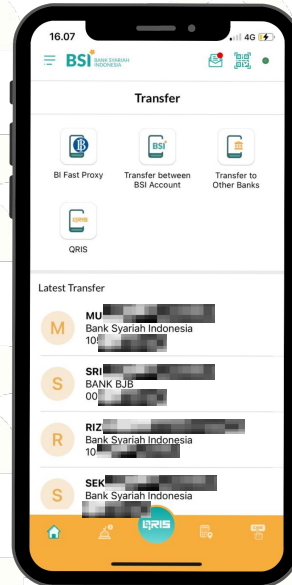
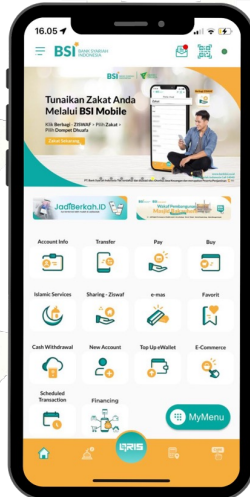
- Entertainment
- Financial Article
- Travel & Umra
- Halal Lifestyle
- Event

Our ZISWAF feature has made customer to channel their Social willingness easier

Reflected to STEADY growth on transaction volume



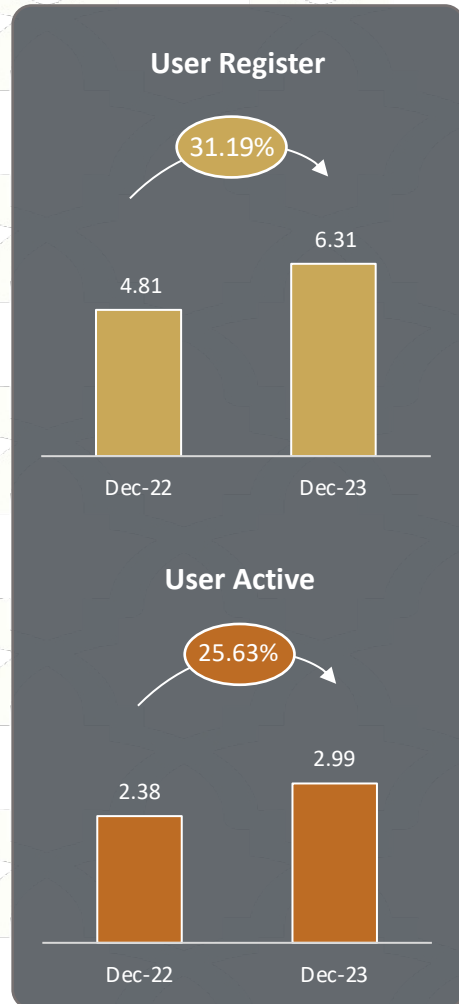
The option to do ZISWAF available at the end of every transactions



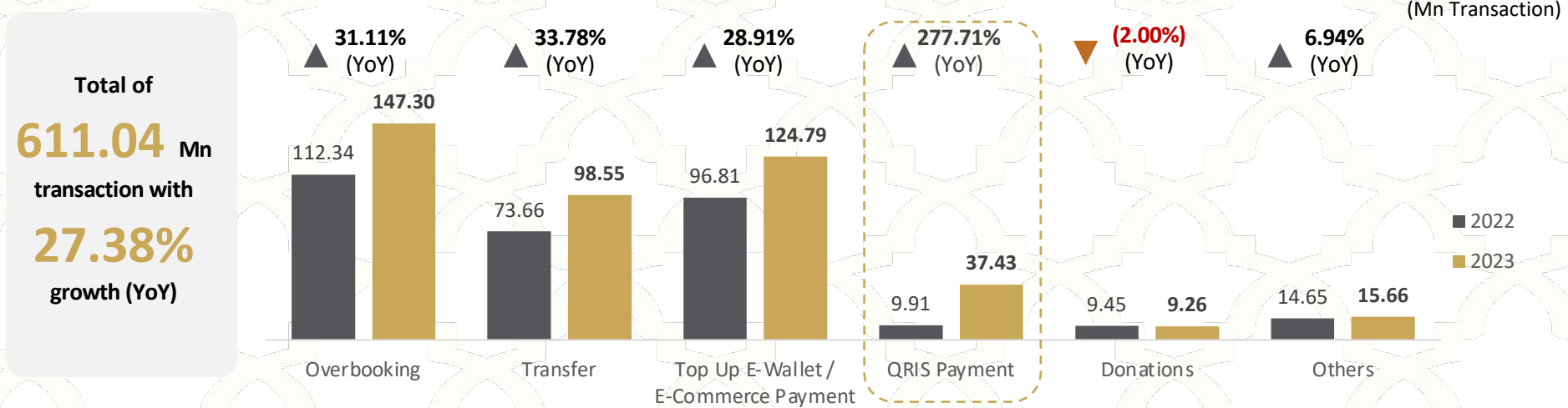
Digital For New Value Proposition

Combination of fee-based align with growing active user and cost efficiencies

Business recovery continue to support mobile user growth



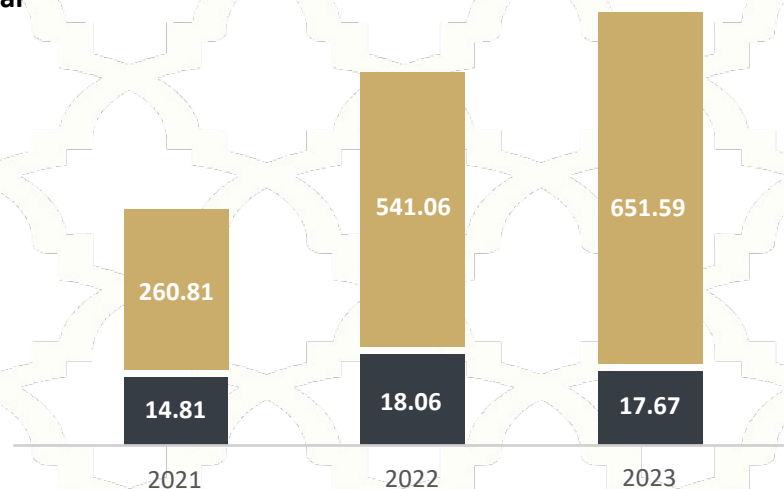
Transactions volume in digital has doubled with improvement in mobile banking platform



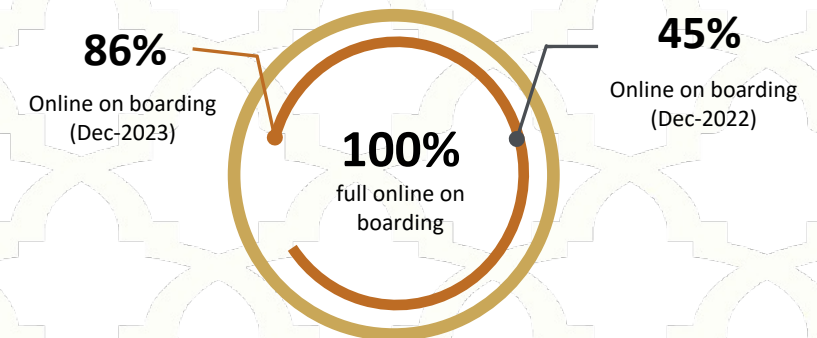
Less dependency on branches by shifting transaction through digital

97% Shifting transaction to digital (Mn Transaction)

E-Channel
Teller



Initiative this year to convert the account opening process to ONLINE



Disclaimer

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