



BBNI DISCLOSURE OF COVID-19 IMPACT

BNI Investors Relation
March 2020

For Internal Purposes Only



Base of Disclosure



- ❑ Analysts and investors concerns on Covid-19 impacts to BBNI 2020 performance
- ❑ Government's stimulus to the economy dan relaxation on some regulation by regulators (BI, OJK)

BBNI 2020 Covid-19 Disclosure

Management **confident that the impact of Covid-19 would be measurable**, especially on corporate loan book that is proved to be more resilient to any downturn situation. Still, management do a close watch on sectors at-risk, mostly in BNI medium and small segments, so that any particular actions needed can be taken precautiously

On Asset Quality

- The pandemic assumed to be over by July 2020, but it will take more than 4-5 months for the recovery.
- Based on internal stress test done in mid February 2020, **sectors at-risk will include tourism-related sectors (aviation and hotel), agriculture, some manufacturing (wood and paper, textile), and trading.**
- In **corporate segment, impacted portfolio is 8.2%**, while **most risk will be on 1.8% of corporate loan book** measured by lower debtor's rating experienced by no-group support debtors
- In **medium and small segment** that account for 26.7% of the total loan portfolio, **moderate increase of NPL is expected.** But as management has been done some risk-mitigation steps and more conservative approaches on handling this medium segment portfolio since early 2019 (including a very selective expansion on supply chain debtors and limiting the pace of expansion to focus more on asset quality management), management confident that **ample buffer have been provided particularly on the IFRS9 implementation basis.**
- **On 16% of forex loan exposure**, management believe that **risk should be manageable and hedged-naturally**, as all the forex loan extended only to customers who have main revenues on forex, as well strong supports from their groups.

BBNI 2020 Covid-19 Disclosure

On Asset Quality – Cont.

- As of February 2020, NPL is flat from December 2019 at 2.3%, while NPL coverage ratio is 239.6% vs December 2019 at 133.5%
- Inline with OJK new regulation on loan restructuring, management will take a strict procedure of assessment to make decision on the most fit restructuring scheme and building up more additional buffer for the high-risk exposures will be part of the anticipation to the Covid-19 impact.
- Management will keep a close-watch on any new development in current situation as things can be changed very fast.

On Loan Growth

- Slower loan mode is expected, refer to the industry growth guidance stated by BI (6%-8% from 9%-11%), notably from the growth of infrastructure loan and medium segment.
- **Liquidity will be maintained at 92%-94%**, while CASA is still the main focus mainly in saving

On Bank Operational

- BNI has put in place stricter preventive measures to protect customers, employees and their family, and set up the highest standards of safety and health emergency protocol to comply with WHO and Indonesia Ministry of Health standards.
- Post the Covid-19 outbreak in Indonesia, BNI implements 3 modes of working system to ensure a pre-eminent day-to-day services and business activities, they are split operations, shift operations and work-from-home mode.
- The percentage of employees work-from-home is reviewable inline with government advice and business requirements.

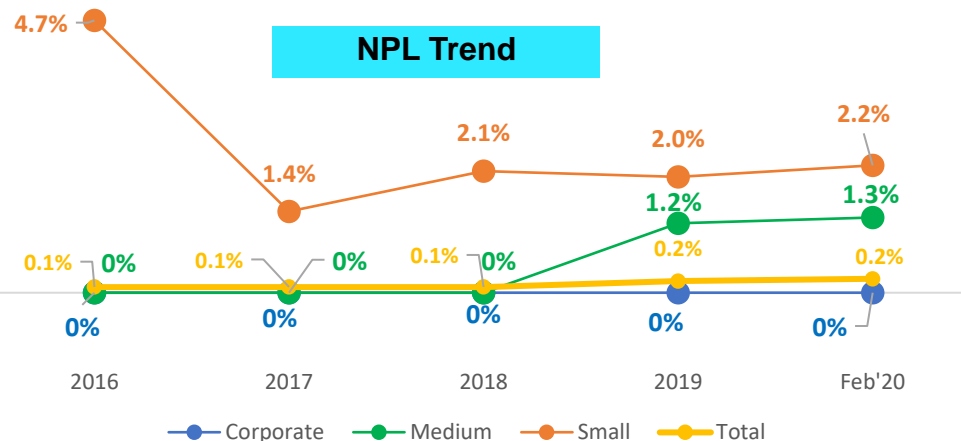
On Tourism-Related Exposures

- Total **exposure on tourism-related sectors cover hotel & restaurant and transportation sectors is IDR19.9 Tn** breakdown to 36.0% in hotel & restaurant, while the rest in transportation sectors consists of aviation (**52.5%** of total transportation exposures, **all in corporate segment notably in aviation subsector**, and other transportation that concentrated most in Medium segment).
- Based on early stress test, **Covid-19 will impact 2 (two) aviation debtors**; 1 debtor is still in current category while other debtor had been previously downgraded to special mention loan in 4Q2019.
We expect that government stimulus for this sector will ease the pressure to our debtors cashflows, but still build additional provision is our utmost priority, to anticipate further downturn situation.
- From the total loan **portfolio in hotel & restaurant sectors, 14.5% of the loan will be impacted** by Covid-19 as forecasted by the stress test

BBNI 2020 Covid-19 Disclosure (2)

On CPO Exposures

	2017	2018	2019	Feb-19	Rp Tn %
Corporate	37,644	48,266	53,545	45,111	86.4%
Medium	2,475	3,206	3,642	3,633	7.0%
Small	1,678	2,252	3,371	3,469	6.6%
Total	41,797	53,584	60,558	52,184	100,0%



CPO Value Chain



CPO

Per Dec19
Rp29.5 Tn



REFINERY

Per Dec19:
Rp0,4 Tn



BIODIESEL

Per Dec19
Rp23.6 Tn

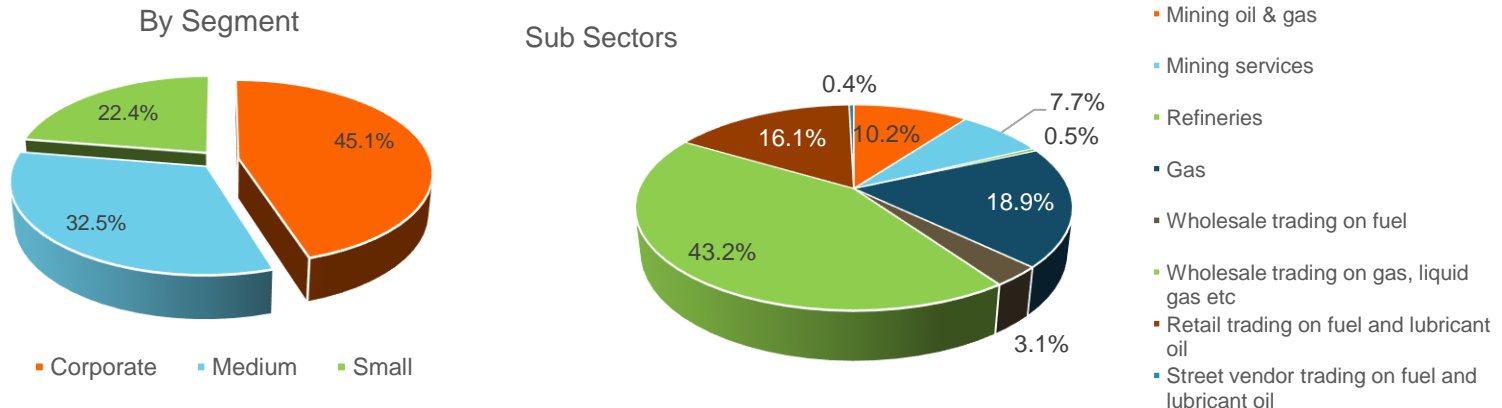
Upstream and Downstream CPO Portfolio in Corporate Segment 2019 - Rp53.5 Tn

- BNI's portfolio in the palm oil sector is dominated by the Corporate segment by 84.6%, followed by the medium by 7.9%, and small by 7.5% as of February 2020
- NPL is 0.24% of total portfolio as of February 2020.
- As purpose of risk mitigation, minimum collateral coverage of 100% is mandatory.
- Based on the early stress test, 1.8% of total CPO portfolio is in high-risk related with Covid-19

BBNI 2020 Covid-19 Disclosure (3)

On Oil & Gas Exposures

- Total exposure on **Oil & Gas is IDR10,8Tn accounts for 2.1% of the total loan portfolio** in February 2020 (NPL is 0.55%, SML is 4.83%)
- Breakdown on sub-sectors is dominated by wholesale trading (42.9%), gas (18.8%) and retail trading (15.9%)
- Composition by segment: corporate 5.1%, medium 32.5% and small 22.4%

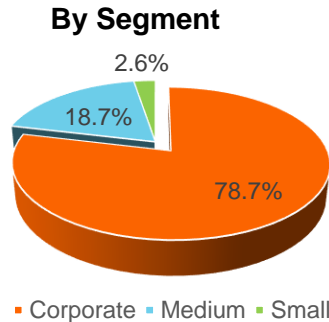


- Additional stress test on the impact of world oil price volatility:
Based on pessimistic scenario (oil price is USD20/barrel) and optimistic scenario (oil price is USD30/barrel), **risk of additional NPL to BNI oil & gas portfolio is from 0.16% to 0.18%**

BBNI 2020 Covid-19 Disclosure (4)

On Coal Exposures

- By February 2020, BNI exposure on coal is **0.9% from total portfolio** amounted Rp4.8Tn with **0.03% NPL**.
- Low NPL ratio** in this sector is believed to be **the result of management conservatives policy on doing expansion in mining sector, notably for coal-mining**.
- Breakdown by sub-sectors composition is dominated by coal-mining subsector (91.6%) and trading (7.8%).



IDR Billion

Segment	Outstanding	Impacted by Covid19	
Corporate	3,826.4	320.1	8.4%
Medium	908.4	54.9	6.0%
Small	126.4	22.1	17.5%
Total	4,861.2	397.1	8.2%

- Based on our stress test and assessment, **8.2% of the total coal exposure will be on high risk impacted by Covid-19**, and the biggest blow will hit the small segment coal miners (17.5% of the total on high-risk portfolio).
- From the 8.2% of loan that impacted by Covid-19, **BNI plan to restructure approximately 41.3% of the portion**, while doing a very close monitoring for the debtors progress to decide if they are going to be downgraded further to lower loan collectability.

Thank You

Investor Relations



BNI