

The background is a collage of three images: a modern glass skyscraper at the top, a map of Southeast Asia with 'MONGOLIA' labeled in the middle-left, and a city street with fountains and cars at the bottom-right. A large, fluffy white cloud is positioned in the lower-left quadrant.

Ample Liquidity Policies Amid Uncertain Conditions – Covid19

Investor Update

20 April 2020

EMERGENCY

Coronavirus
disease (COVID
19) outbreak



Ample Liquidity for Challenging 2020



Covid-19 has already jolted Financial Markets. Bond yields and equity prices have sharply fallen and Trillions of Fund across all asset classes have sought safety.

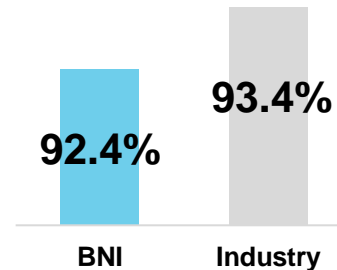
Further, debtors may be experiencing liquidity stress. This might, in turn, increase the probability of default and liquidity challenges for Banks.

BNi management has cautiously taken a stricter measures on asset liabilities policies amid this uncertainties surrounding.

BNi Loan to Deposit Ratio (LDR)
is still at healthy level:

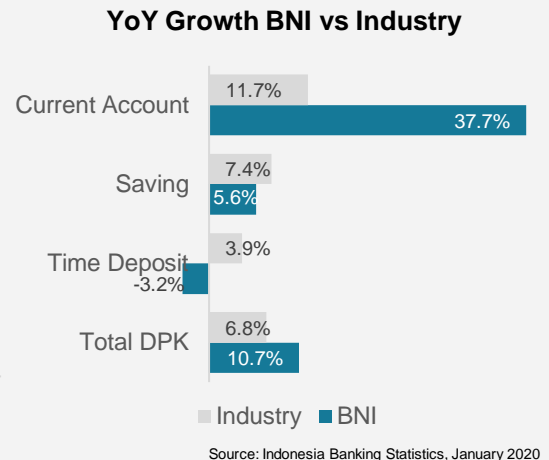
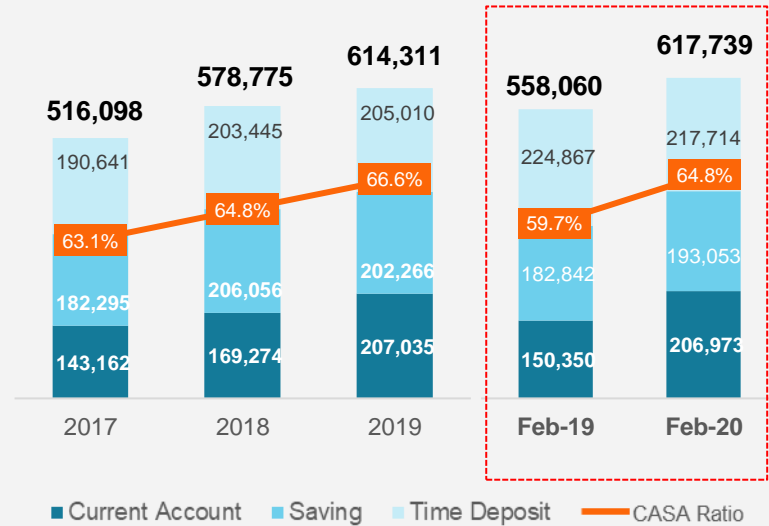
92.4%

As of 29 Feb 2020



Source: Indonesia Banking Statistics, January 2020

Third Party Funds grew **10.7%** yoy in February 2020, supported by strong deposit franchise, digital capabilities and business ecosystem which have become main strategy in the last few years.



Better outlook of Cost of Fund

As of Feb 2020

2.9%

▼ 0.2%

Feb 2019 3.10%

Well Managed Key Liquidity Indicators in Compliant With Regulator Requirements

Giro Wajib Minimum

(Reserve Requirement Ratio)

Rp: 6.2%
(min.5.5%)

Fx: 4.0%*
(min.4.0%)

Liquidity Coverage Ratio

186%

March 2019:
185%

Net Stable Funding Ratio

141%

March 2019:
133%

BI has released Regulation of the Members of the Board of Governors Number **22/2/PADG/2020**, in which the FX RRR for Commercial Banks (BUK) is reduced by 400 bps from 8% (eight percent) to 4% (four percent) and take effect on March 16, 2020. BNI received additional foreign exchange liquidity of **± USD 300 million** from this relaxation.

Supportive Crisis Protocol Policies from Government and Regulators Give Better Outlook of Liquidity

- » Covid-19 may trigger liquidity stress to clients. This might, in turn, increase the probability of default and liquidity challenges for Bank. however BNI has preserved ample liquidity for this uncertain surroundings.
- » BBNI LDR and all Liquidity Indicators as per 1Q 2020 are still in good health, Third Party Funds grow well and bring better outlook of Cost of Fund.
- » If necessary, adequate liquidity backstop have been secured to mitigate any shortfall, in form of Non Conventional Funding, both in Short Term (interbank money market, swap, repo and bankers acceptance) and long term (bilateral loan, EMTN/Global Bond).
- » On 14 April 2020, Bank Indonesia has decided to reduce the rupiah reserve requirement ratios by 200bps for conventional commercial banks, effective from 1st May 2020. This will generate additional liquidity of **± IDR 11 Tn** for BNI.
- » Furthermore, Government Regulation in Lieu of Law No. 1 Year 2020 has given a legitimate basis for Bank Indonesia to provide short-term liquidity loans and source of funding through Repo for Banks to support their liquidities, besides fiscal stimuli and policies the government has taken to face of challenges posed by the coronavirus pandemic.

Thank You

PT Bank Negara Indonesia (Persero) Tbk.

Investor Relations Group

Corporate Secretary & Communications Division,

BNI Building, 24th Floor

Jl Jend Sudirman kav. 1 Jakarta 10220

T: 62-21-572-8449-8909-9279

F: 62-21-5728053