

# Corporate Presentation

## 1H - 2012

31 July 2012

PT Bank Negara Indonesia (Persero) Tbk

< BBNI.IJ >



# Agenda

✓ **Macro, Banking Sector & Management Focus 2012**

✓ **Financial Performance 1H-2012**

✓ **Business Focus & Strategy**

# Macro, Banking Sector & Management Focus 2012

# Macro & Banking Sector

## Economic Growth

- ✓ Indonesia's GDP growth is expected to decline to c. 6% ~ 6.3% versus 6.5% in 2011,

## Exchange Rate

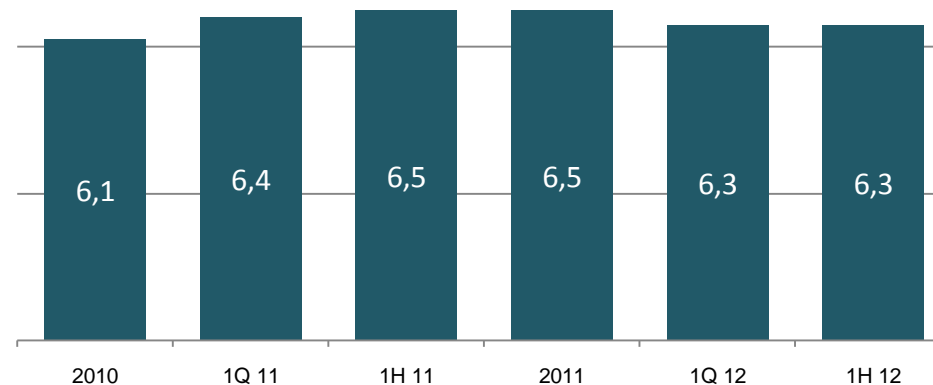
- ✓ The Rupiah has weakened from a year earlier amid the uncertainty global economy.

## Interest Rate

- ✓ Bank Indonesia has kept its benchmark rate at 5.75%, unchanged for six consecutive months as inflation is expected to remain subdued.

## Real GDP Growth

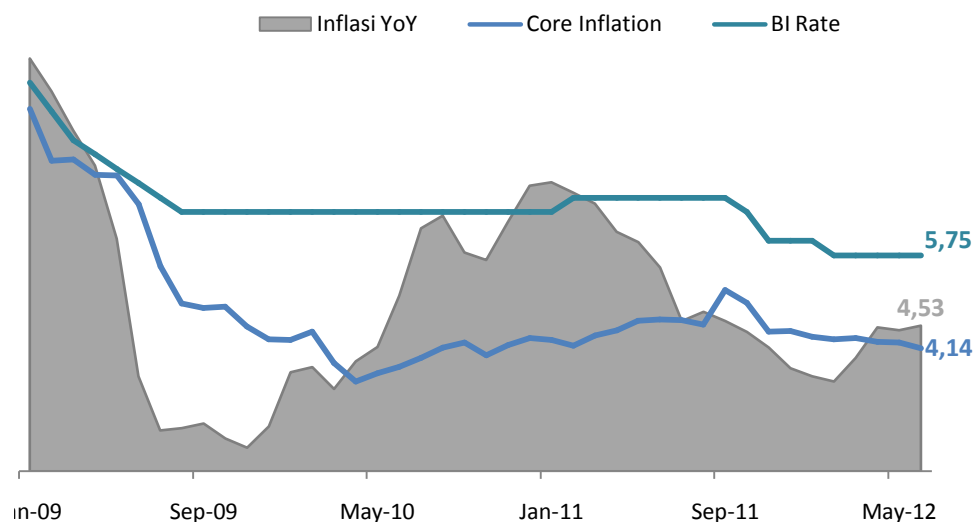
% YoY



## Interest Rate and Inflation

% YoY

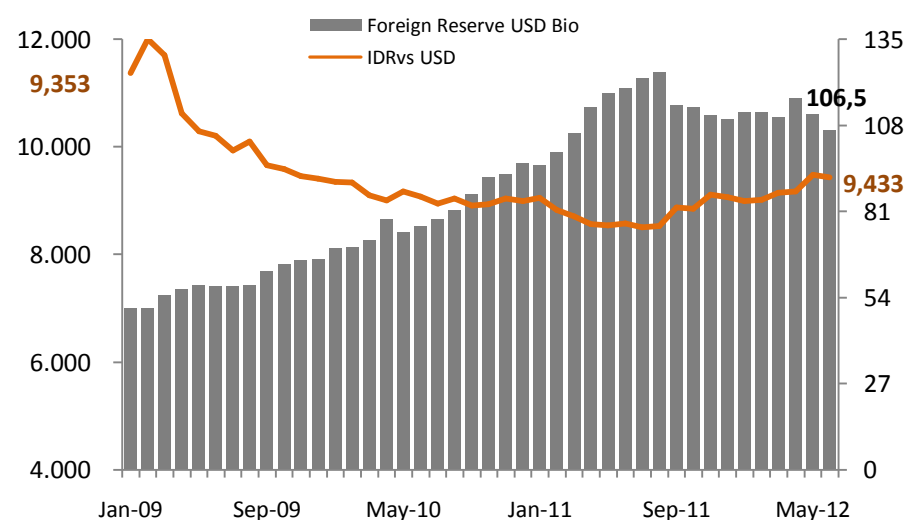
70



Source: BPS, Bank Indonesia, Bloomberg and BNI estimates

## Foreign Reserve & Exchange Rate

IDR/USD



# Macro & Banking Sector

## Banking Sector Highlights

in IDR Trillion

	May-11	Dec-11	Mar-12	May-12	YoY Δ	Ytd Δ
<b>Total Assets</b>	3,136	3,653	3,709	3,827	22.0%	4.8%
<b>Total Loan</b>	1,889	2,200	2,292	2,386	26.3%	8.4%
<b>Total Deposits</b>	2,397	2,785	2,826	2,909	21.3%	4.4%
<b>NIM</b>	5.8%	5.9%	5.2%	5.3%		
<b>NPL</b>	2.92%	2.20%	2.30%	2.30%		
<b>LDR</b>	78.45%	79.00%	80.20%	81.60%		
<b>CAR</b>	17.40%	16.10%	18.30%	18.00%		

Source: Bank Indonesia, BPS

## Macro & Banking Assumption









MACRO ECONOMY		2012	2013
1	GDP Growth (%)	6,0 - 6,3	6,3 - 6,5
2	Inflation (%)	4,5 - 5,5	4,5 - 5,5
3	Currency	9.100 - 9.500	9.000 - 9.300
4	BI Rate (%)	5,75 - 6,0	5,5 - 6,0
BANKING SECTOR		2012	2013
1	Loan Growth(%)	17 – 22	21 – 25
2	Deposit Growth(%)	16 – 18	18 – 20
3	Deposit Rate(%)	5 – 6	5 – 6
4	Loan Rate	10 - 12	10 - 12

Source: Bank Indonesia, BPS

- ✓ The banking system remains robust and resilient with continued loan growth and stable NPL.
- ✓ NIM contracted to c. 5.3% from 5.9% at the end of 2011 with tight competition

# Economic Performance of 8 Leading Sectors

## The Trend in GDP Growth of 8 Leading Sectors

Leading Sectors Growth (yoy)	2010		2011		2012	Contri- bution to GDP	Trend Q1 to Q1	2012 BI Forecast		Expec- tation
	Q1	FY	Q1	FY	Q1			April Proj.	July Rev.	
 Agriculture	3.3%	3.0%	3.7%	3.0%	3.9%	15.2%	↑	3.0-3.5%	3.1-3.5%	↑
 Communication	16.4%	17.8%	16.5%	12.7%	12.5%	3.2%	↓	9.9-10.4%	10.2-10.6%	↑
 Electricity	8.8%	5.3%	4.3%	4.8%	6.1%	0.8%	↑	5.5-6.0%	5.8-6.2%	↑
 Retailer & Wholesaler	9.7%	9.7%	8.4%	10.0%	9.3%	10.9%	↑	8.7-9.2%	8.4-8.8%	↓
 Oil & Gas, Mining	4.1%	2.9%	2.5%	0.9%	2.3%	15.9%	↓	0.7-1.1%	2.5-2.9%	↑
 Eng. & Construction	9.1%	8.8%	7.3%	6.9%	6.7%	15.7%	↓	7.5-8.0%	7.3-7.7%	↓
 Food & Beverage	0.6%	2.8%	4.2%	9.2%	8.2%	7.1%	↑	6.0-6.4%*	5.6-6.0%*	↓
 Chemical	4.4%	4.7%	0.1%	4.0%	9.2%	2.6%	↑	6.0-6.4%*	5.6-6.0%*	↓
<b>GDP</b>	<b>5.9%</b>	<b>6.1%</b>	<b>6.4%</b>	<b>6.5%</b>	<b>6.3%</b>	<b>100%</b>		<b>6.3-6.7%</b>	<b>6.1-6.5%</b>	↓

\* =BI's forecast for Manufacturing sector. Source: BPS, BI, CEIC

- ✓ The Central Bank of Indonesia cut its forecast for Indonesia's economic growth this year to 6.1%-6.5%, slightly lower than its previous prediction of 6.3%-6.7% in April 2012.
- ✓ The 8 leading sectors experienced a mixed performance in 2012, with some sectors experiencing positive growth while others experienced varying levels of decline. Communication, Oil & Gas, Mining, Engineering & Construction experiencing slow down, while Agriculture, Electricity, Retailer & Wholesaler, Food & Beverage and Chemical experienced higher GDP growth rate compared to previous year.

# Strategic Issues Affecting Performance of The Leading Sectors

Government and BI have responded to the global economic crisis by introducing a number of policies that are likely to affect the performance of leading sectors

Ministry of Energy & Mineral Resources Regulation No.7/2012 and No.11/2012 concerning the Banning of Exports on Several Mining Commodities



Performance of the mining sectors (included in the leading sector of *Oil & Gas, Mining*) is predicted to slow down due to additional tax (up to 20% on average).



The trend in Rupiah's depreciation due to negative sentiment caused by the European crisis.



Performance of Electronic and Automotive industries (included in the leading sector of *Engineering & Construction*), Chemical and Pharmacy (Included in *Chemical* sector) and Textile are expected to slow down due to most of raw materials needed for those industries are imported.



BI's policy to increase down payment for housing and automotive loan (LTV policy)



Directly affecting demand for automotive (car and motorcycle) purchases which will affect the performance of the automotive industry (included in *Engineering & Construction*).











Slowdown in China and India will reduce demand for Indonesia's products.



Some of Indonesia's leading export commodities to China and India are Palm Oil (included in *Agriculture* sector) and Coal (included in *Oil & Gas, Mining* sector). Slowdown in China and India's economies will affect demand and the performance of those sectors.



## BNI's Loan Growth in Leading Sectors

Leading Sectors	2012	
	Q1 yoy	Q2 yoy
 Agriculture	13.6%	30.0%
 Communication	-4.5%	29.3%
 Electricity	64.4%	16.5%
 Retailer & Wholesaler	10.1%	14.0%
 Oil & Gas, Mining	4.4%	-14.9%
 Engineering & Construction	15.0%	17.7%
 Food & Beverage	-1.3%	7.3%
 Chemical	14.3%	32.5%

Source: EIS (unaudited)

- ✓ Loan growth in almost all leading sectors (with the exception of Electricity and Oil & Gas, Mining sectors) remained relatively strong
- ✓ We expect loan growth to slow down in the remainder of the year



# Strategic Policy 2012



# Initiatives & Target 2012

Strategic Policy	Initiatives	Target 2012	Progress 1H2012	Trend
<b>Synergize Business Banking with Consumer &amp; Retail Banking</b>	<ul style="list-style-type: none"> <li>• Value chain between Business Banking and Retail Banking Customer to increase the number of quality customers.</li> <li>• Boosting business volume and maximizing product usage through targeted cross-selling and bundling of products.</li> <li>• Aggressively cross-selling to captive customers</li> </ul>	<ul style="list-style-type: none"> <li>• ROA: 2,9% - 3,1%</li> <li>• ROE: 20% - 22%</li> </ul>	<ul style="list-style-type: none"> <li>• ROA: 2.8%</li> <li>• ROE: 19,7%</li> </ul>	<ul style="list-style-type: none"> <li>+</li> <li>+</li> </ul>
<b>Quality Asset Growth</b>	<ul style="list-style-type: none"> <li>• Loan expansion on selected segments and higher acceptable yield : <ul style="list-style-type: none"> <li>✓ Consumer Loan growth, by 28% on segments: HNI, Affluent families, middle income families, as well as property and consumer goods</li> <li>✓ SME Loan growth by 17% - 19% on Leading sector on each region (based on business mapping)</li> <li>✓ Corporate Loan growth by 17%, focused on 8 leading industry especially financing on Infrastructure Projects</li> </ul> </li> <li>• Strictly Reinforce Four Eyes Principal and implementation of proactive credit committee.</li> <li>• Establish pricing strategy based on risk profile</li> </ul>	<ul style="list-style-type: none"> <li>• Credit Growth(%): 18-20 <ul style="list-style-type: none"> <li>✓ Business Banking : 17 - 19</li> <li>✓ Consumer &amp; Retail : 25 - 27</li> </ul> </li> <li>• Coverage ratio: 120% - 125%</li> <li>• Gross NPL: 2,5% - 3,5%</li> <li>• Recovery : Rp. 1,6T – 1,9T</li> </ul>	<ul style="list-style-type: none"> <li>• Credit Growth: 9,7%</li> <li>• Coverage ratio: 120,7%</li> <li>• Gross NPL: 3,44%</li> <li>• Recovery: Rp. 1,0 T</li> </ul>	<ul style="list-style-type: none"> <li>+</li> <li>+</li> <li>+</li> <li>+</li> </ul>
<b>Aggressive low-cost funding growth</b>	<ul style="list-style-type: none"> <li>• Leveraging on the existing multi channel and the additional planned 2000 ~ 2500 channels</li> <li>• Re-invigorate “Taplus Bisnis “.</li> <li>• Re-launch debit card no later than 3rd quarter 2012</li> <li>• Tap commercial segment for cash management product.</li> <li>• Encourage utilization of e-channel</li> </ul>	<ul style="list-style-type: none"> <li>• Deposit Growth : 13%-15%</li> <li>• CASA Growth: 14%-15%</li> <li>• CASA Ratio: 60% - 65%</li> </ul>	<ul style="list-style-type: none"> <li>• Deposit Growth: 4,9%</li> <li>• CASA Growth: 3,9%</li> <li>• CASA Ratio: 63.1%</li> </ul>	<ul style="list-style-type: none"> <li>-</li> <li>-</li> <li>+</li> </ul>

# Initiatives & Target 2012

Strategic Policy	Initiatives	Target 2012	Progress 1H-2012	Trend
<b>Increase Recurring Fee Income</b>	<ul style="list-style-type: none"> <li>• Customer segment based repricing of fees and tariffs</li> <li>• Re-enforce customer's obligation to channel their banking transaction.</li> </ul>	<ul style="list-style-type: none"> <li>• Recurring Fee Growth: 8% - 10%</li> </ul>	<ul style="list-style-type: none"> <li>• Recurring Fee Growth: 16.2%</li> </ul>	+
<b>Continue to Improve Operational Efficiency</b>	<ul style="list-style-type: none"> <li>• Centralizing operational activities to manage overhead costs</li> <li>• Integration process by wide-spreading the present centralized back office</li> <li>• Develop intensively e-channel to meet customer needs and to encourage the usage</li> <li>• Eliminate waste</li> </ul>	<ul style="list-style-type: none"> <li>• CIR: 48% - 49%</li> </ul>	<ul style="list-style-type: none"> <li>• CIR: 45.8%</li> </ul>	+
<b>Continuously improve customer experiences</b>	<ul style="list-style-type: none"> <li>• Building a strong and permanent Client Service Team</li> <li>• Continuously upgrade capability of front liners to attain customers satisfaction</li> <li>• Strengthening customer data base through developing Enterprise Data Warehouse</li> <li>• Enhancing contact centre to be more effective</li> </ul>	<ul style="list-style-type: none"> <li>• Service Level: Top 5 in the industry (Independent Surveyor)</li> </ul>	<ul style="list-style-type: none"> <li>• Service Level : Top 4 in the industry (Independent Surveyor)</li> </ul>	+
<b>Strengthening BNI Incorporated</b>	<ul style="list-style-type: none"> <li>• Strengthens Subsidiaries' capital</li> <li>• Strategic Alliance ; M &amp; A ; or Joint Venture with strategic partners</li> <li>• Strengthen business synergies within BNI family</li> </ul>	<ul style="list-style-type: none"> <li>• ROE on total investment in Subsidiaries: 8% - 10%</li> </ul>	<ul style="list-style-type: none"> <li>• ROE on total investment in Subsidiaries: 2.5%</li> </ul>	-

# Financial Performance 1H-2012

- I. Balance Sheet
- II. Profit & Loss
- III. Financial Ratio

## Balance Sheet Highlight

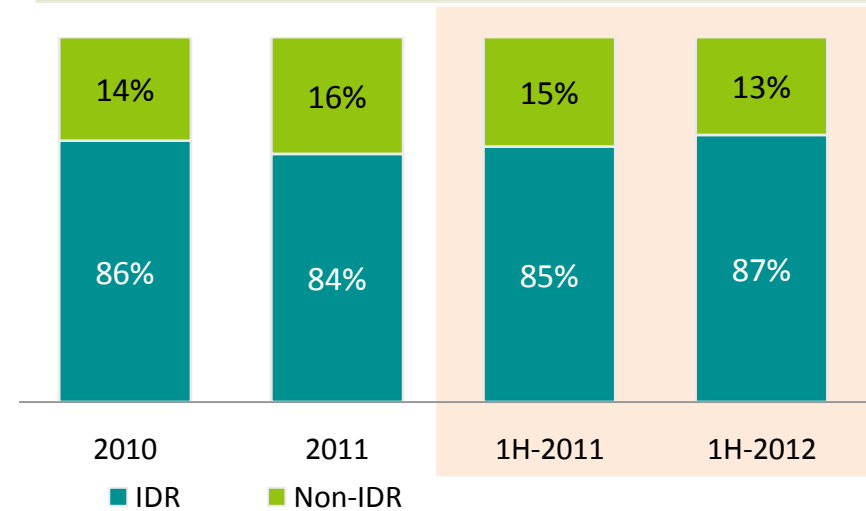
(Rp Billion) – Cumulative	2010	2011	1H-2011	1H-2012	Y.o.Y	
<b>Total Assets</b>	248.581	299.058	<b>260.649</b>	<b>316.872</b>	21,6%	↑
<b>Placement with other banks &amp; BI</b>	38.385	49.328	<b>23.567</b>	<b>36.476</b>	54,8%	↑
<b>Marketable Securities</b> <small>[market value]</small>	13.229	7.668	<b>10.815</b>	<b>11.389</b>	5.3%	↑
<b>Government Bonds</b> <small>[market value]</small>	32.556	36.958	<b>35.623</b>	<b>40.260</b>	13,0%	↑
<b>Loans</b> <small>(gross)</small>	136.357	163.533	<b>152.896</b>	<b>179.441</b>	17,4%	↑
<b>Customer Deposits</b>	194.375	231.296	<b>200.138</b>	<b>242.718</b>	21,3%	↑
<b>Deposits from other Banks</b>	3.326	7.019	<b>4.643</b>	<b>8.522</b>	83,5%	↑
<b>Marketable Securities Issued</b>	1.277	265	<b>1.294</b>	<b>4.642</b>	258,7%	↑
<b>Borrowings</b>	5.623	8.726	<b>8.216</b>	<b>7.908</b>	-3,8%	↓
<b>Shareholders' Equity</b>	33.120	37.843	<b>34.033</b>	<b>39.377</b>	15,7%	↑

# Loan Composition

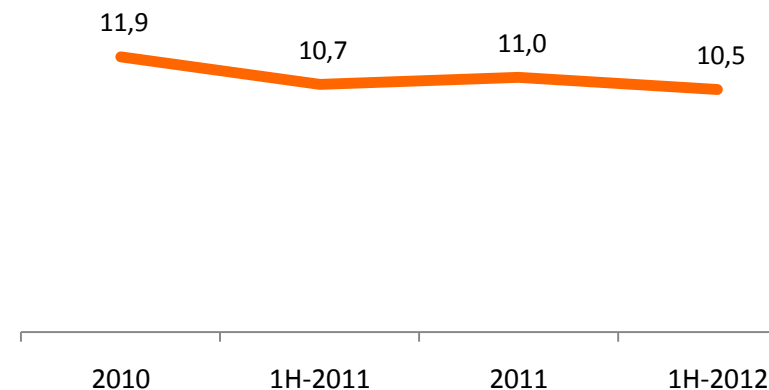
Loan Composition (% , Rp Billion)

Segment	1H-2011	1H-2012	GROWTH [YoY - %]	Composition [%]
Corporate	56.837	62.160	9,4%	34,6%
Medium	26.357	32.048	21,6%	17,9%
Small	27.857	33.216	19,2%	18,5%
International	6.083	7.163	17,8%	4,0%
Consumer	27.329	35.720	30,7%	19,9%
Retail	3.791	3.125	-17,6%	1,7%
Subsidiaries	4.642	6.008	29,4%	3,3%
<b>TOTAL</b>	<b>152.896</b>	<b>179.441</b>	<b>17,4%</b>	<b>100,0%</b>

Loan by Currency (%)



Average Yield on Loan

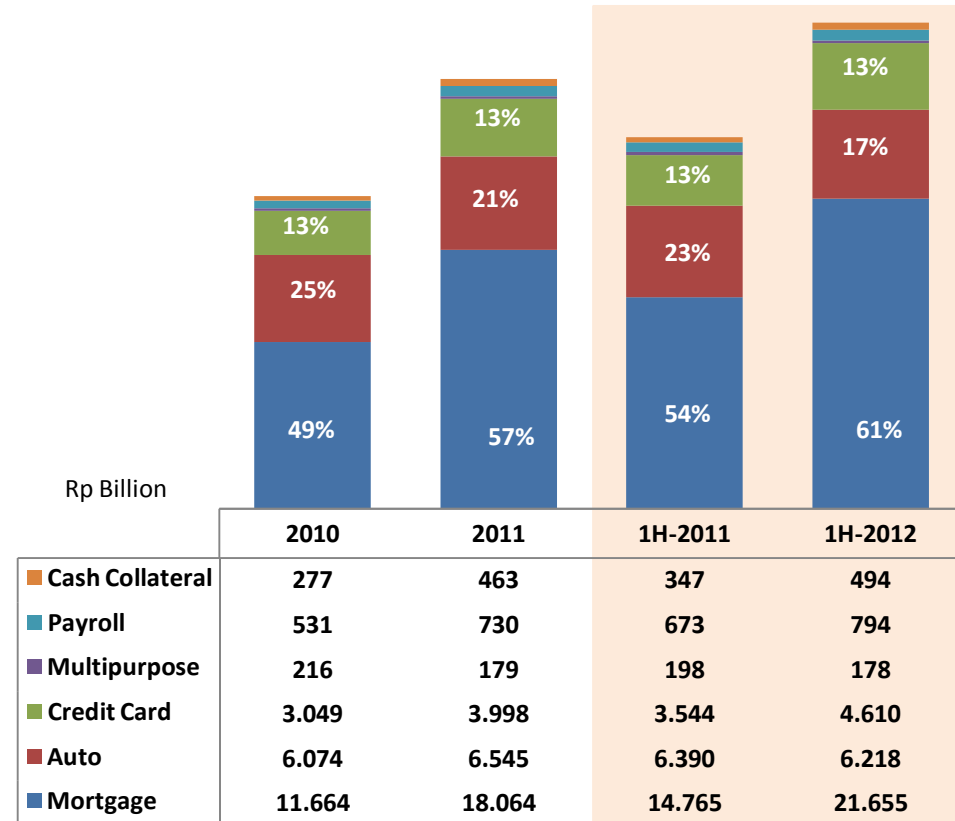


# Loan diversifications

## Loans by Economic Sector

Sectors	1H-2011	1H-2012
Manufacturing	18%	17%
Trading, Resto & Hotel	17%	17%
Agriculture	7%	8%
Business Service	10%	9%
Constructions	6%	6%
Transportation & Comm	6%	7%
Social Services	1%	1%
Mining	7%	5%
Electricity, Gas & Water	6%	6%
Others	4%	4%
Consumer	18%	20%
<b>TOTAL LOAN [Rp Bn]</b>	<b>152.896</b>	<b>179.441</b>

## Consumer Loan Composition

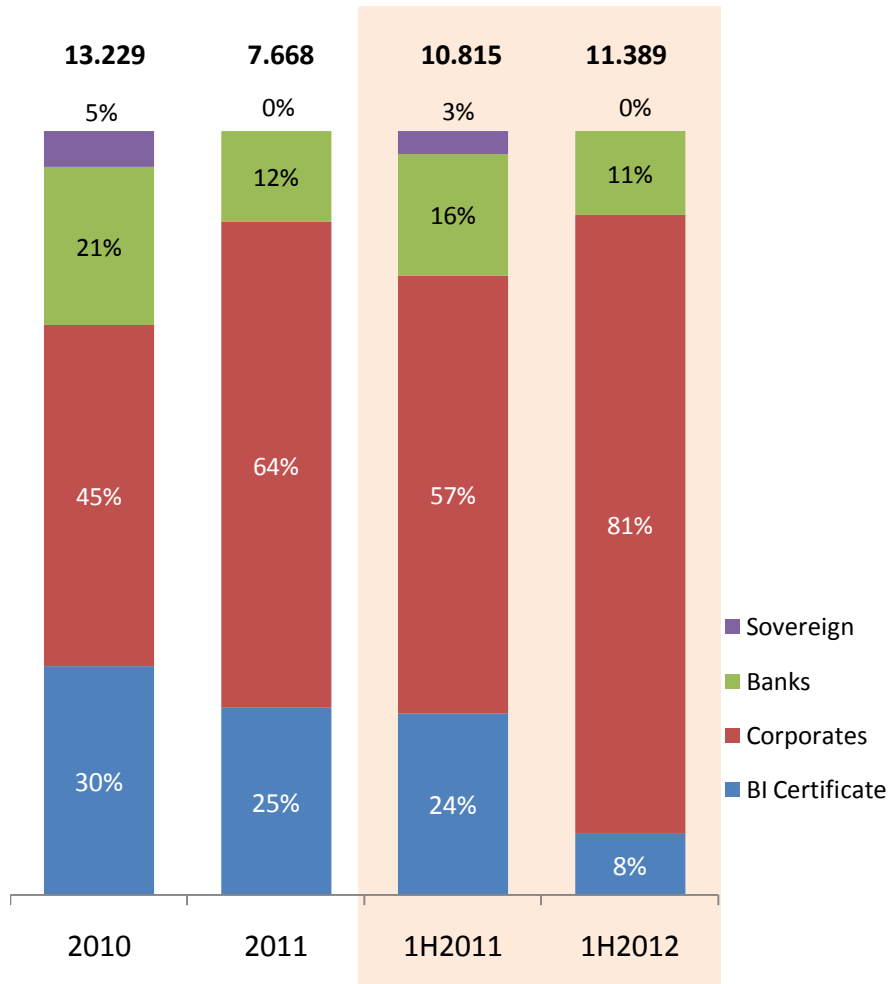


**Total Consumer Loan 1H-2012 : Rp 35,7 Tn**

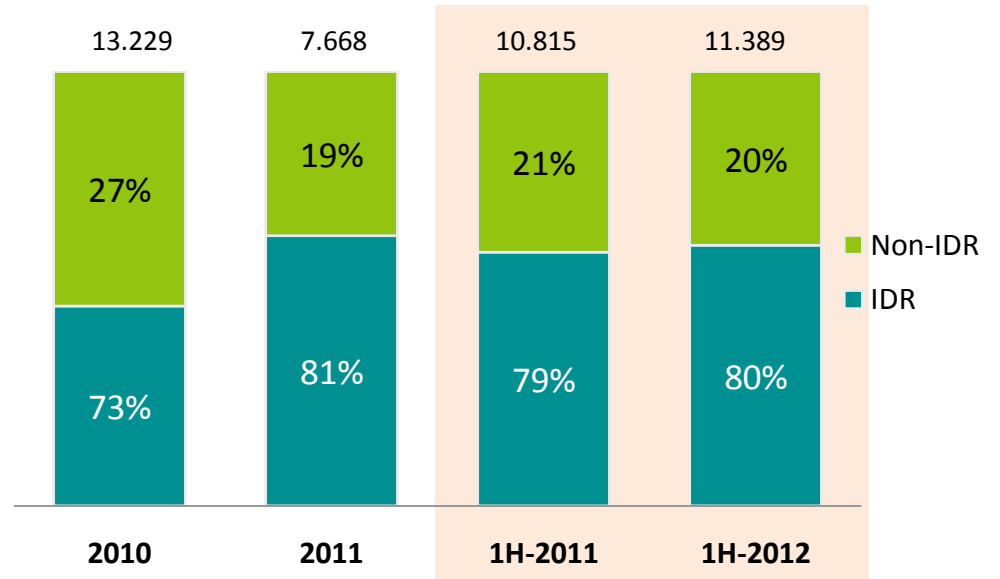
# Marketable Securities

[Exclude ROI Bonds]

Marketable Securities Composition (% , Rp Billion)

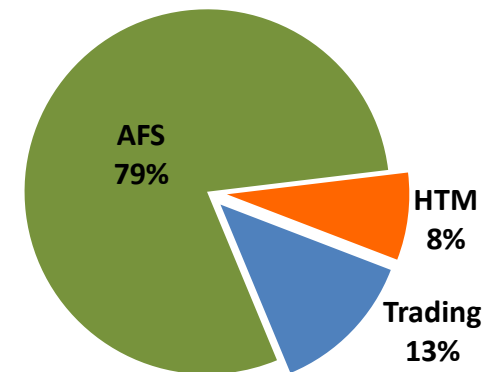


Breakdown by Currency (%)



Book [%]

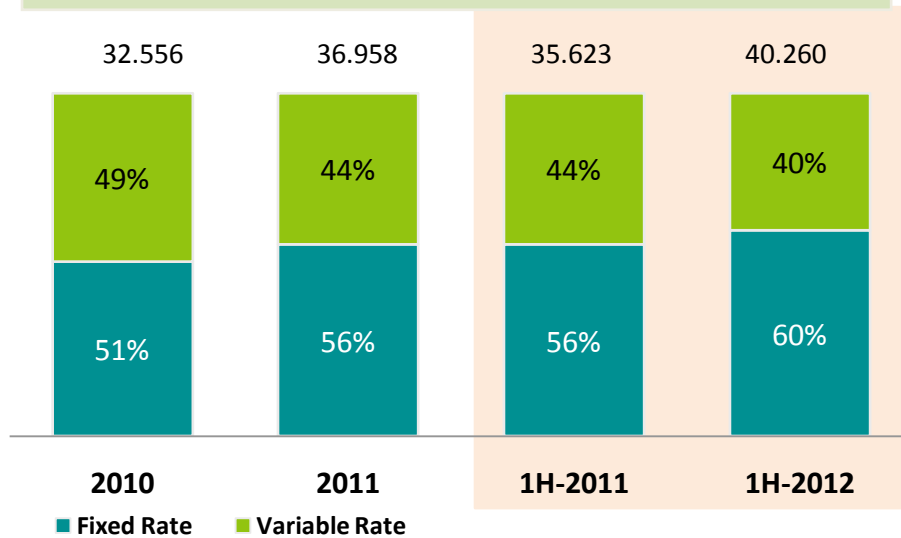
AFS: Available For Sale  
HTM: Hold To Maturity



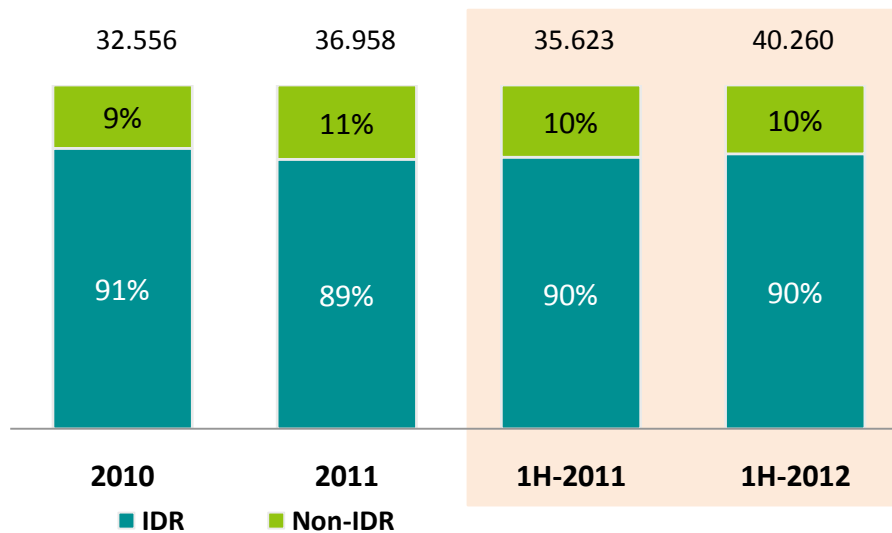


# ROI Bonds

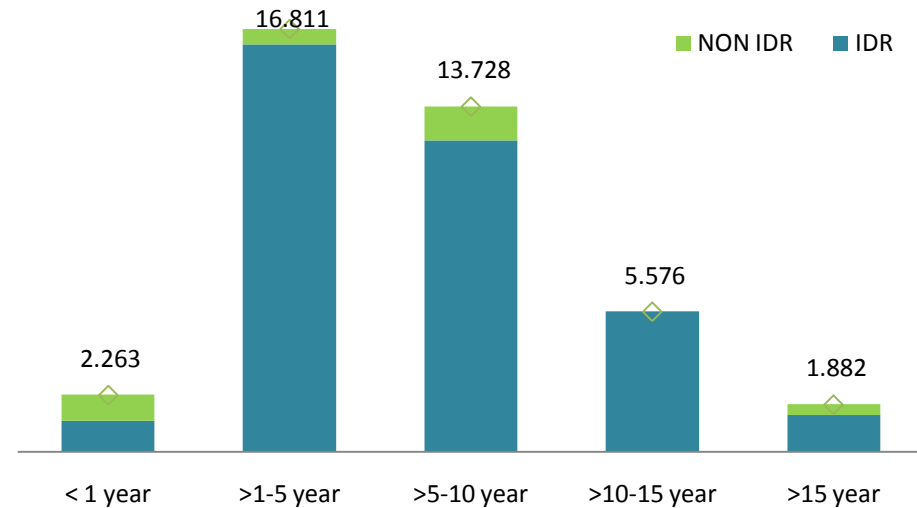
## Breakdown by rate (%)



## Breakdown by Currency (%)

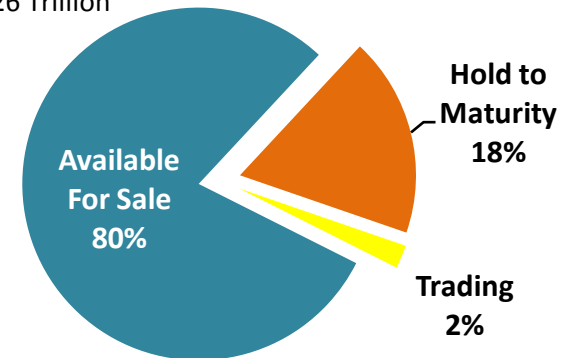


## Maturity [Rp Billion]



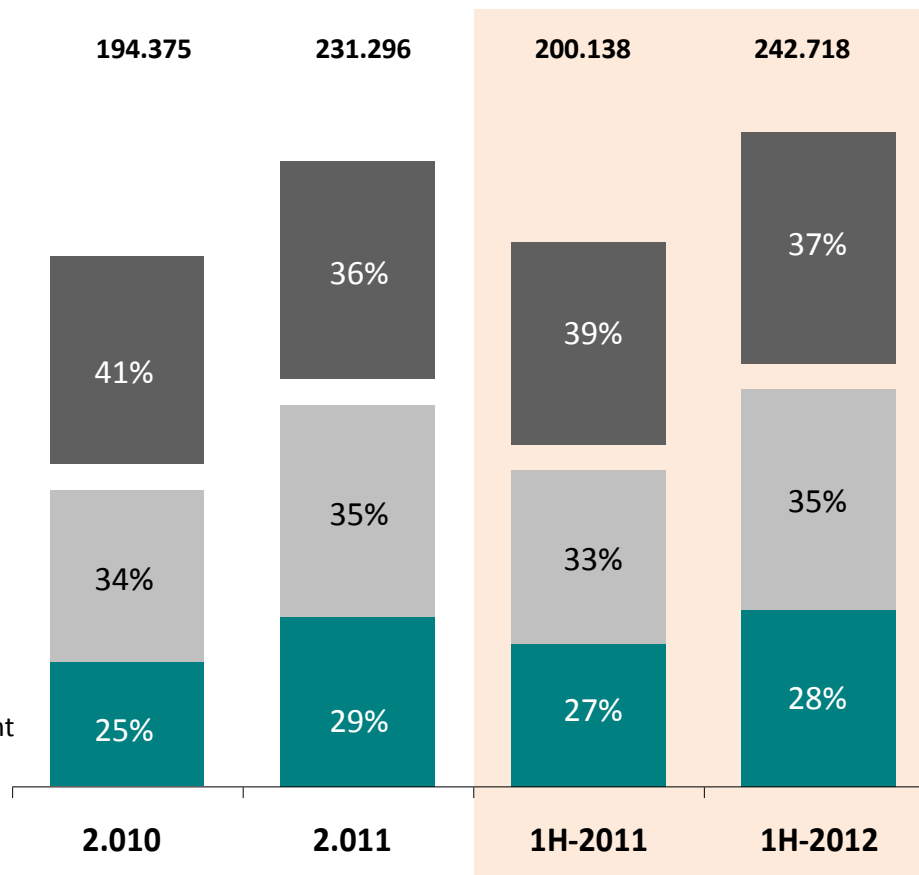
## Book

Rp. 40.26 Trillion



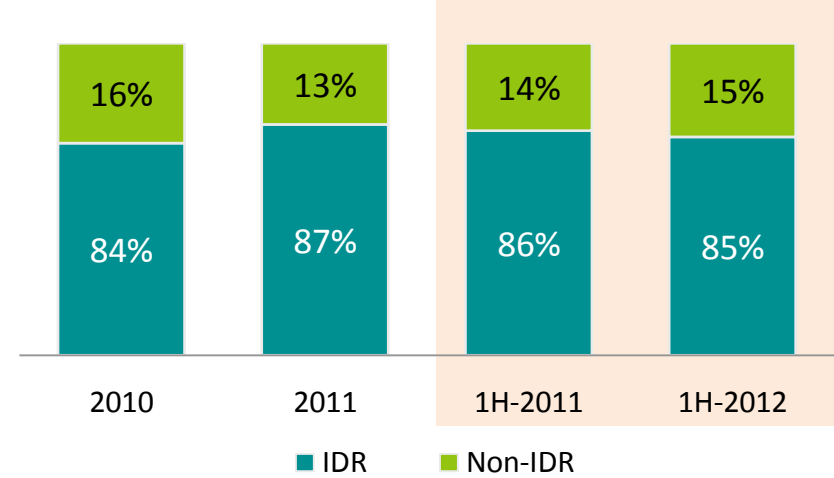
# Customer Deposit

By Type (Rp Billion)

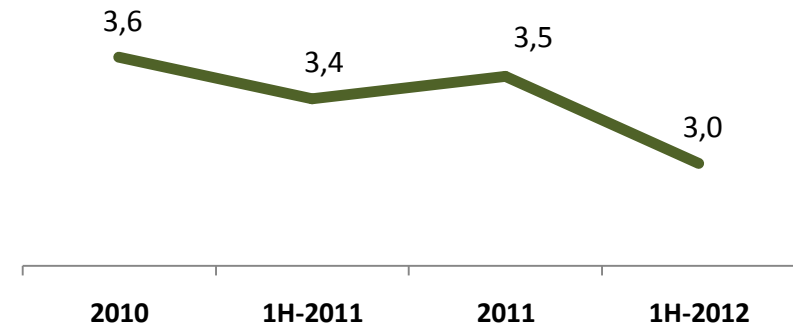


**CASA** 59% 61% 64% 63%

By Currencies



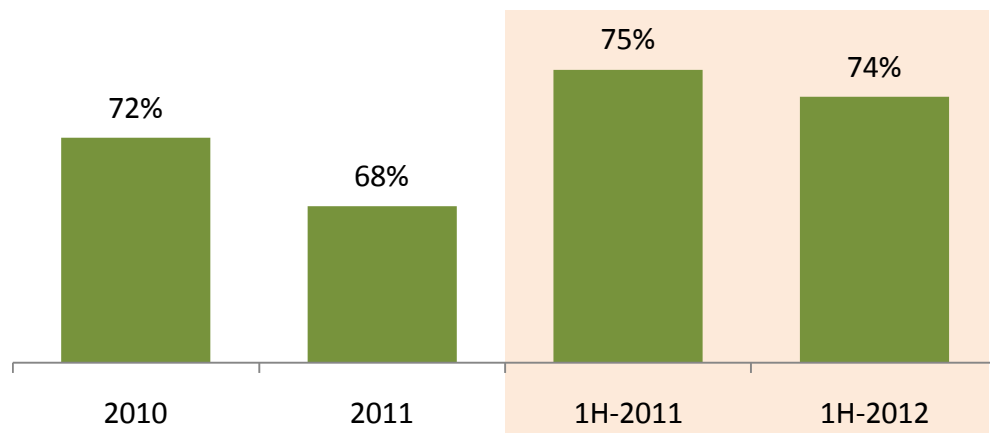
Cost of Customer Funding [%]



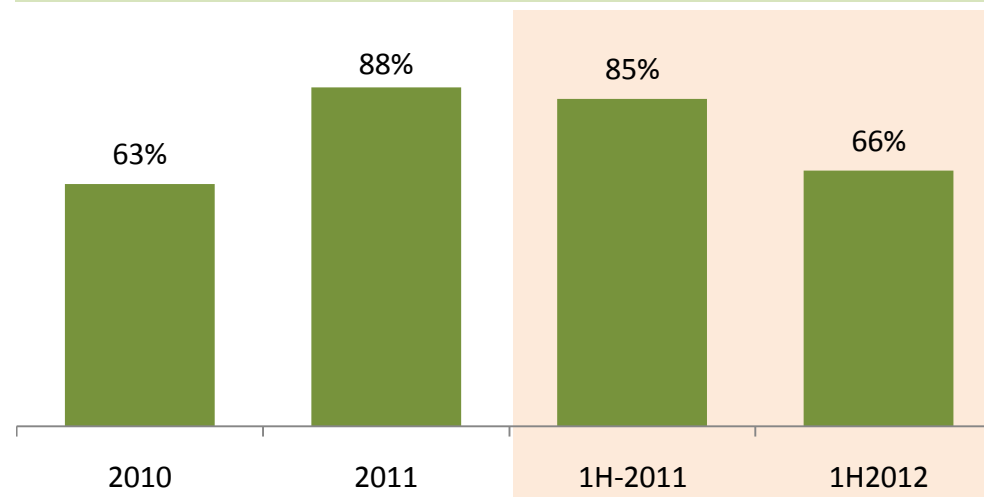
**CASA increased [YoY] Rp 31,3 Trillion or 25,7%, whereas CASA Ratio 63%**

# Liquidity & Capital

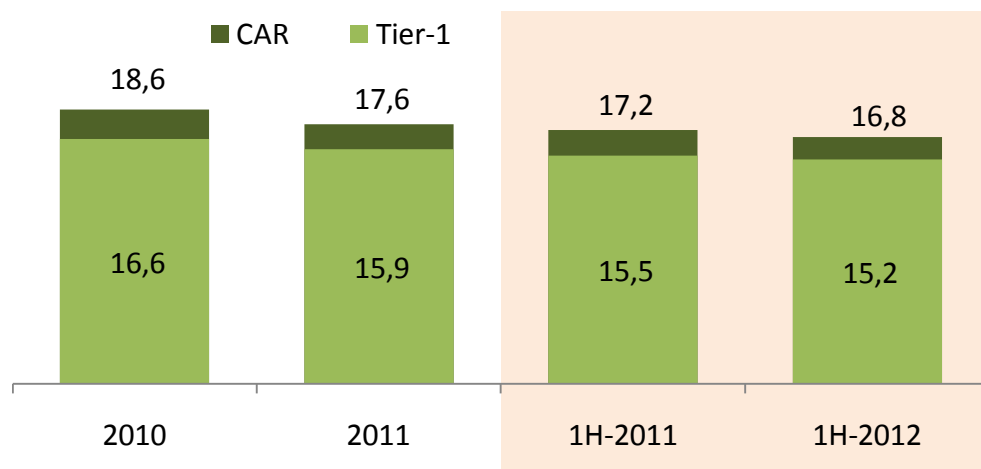
## Loan to Deposit Ratio - Rupiah



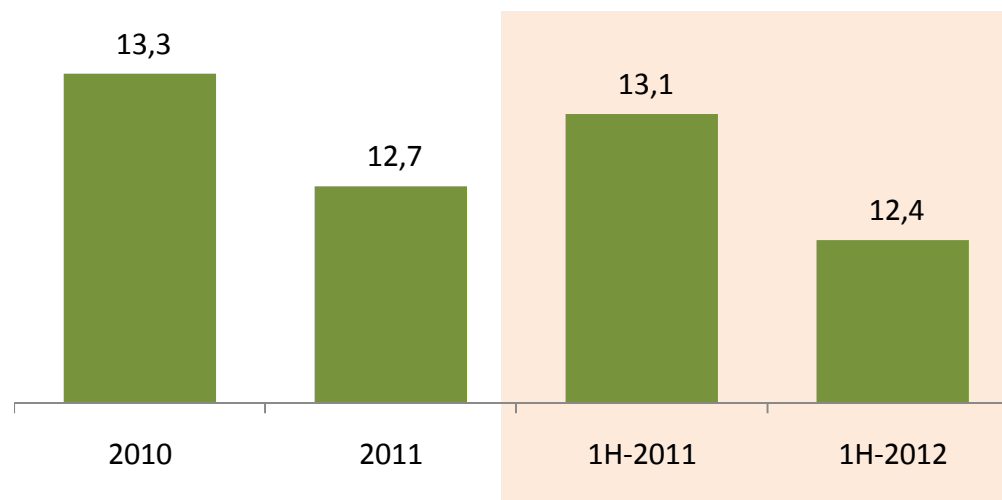
## Loan to Deposit Ratio – Foreign Currency



## Tier 1 ratio and Total CAR [%]



## Equity / Assets [%]



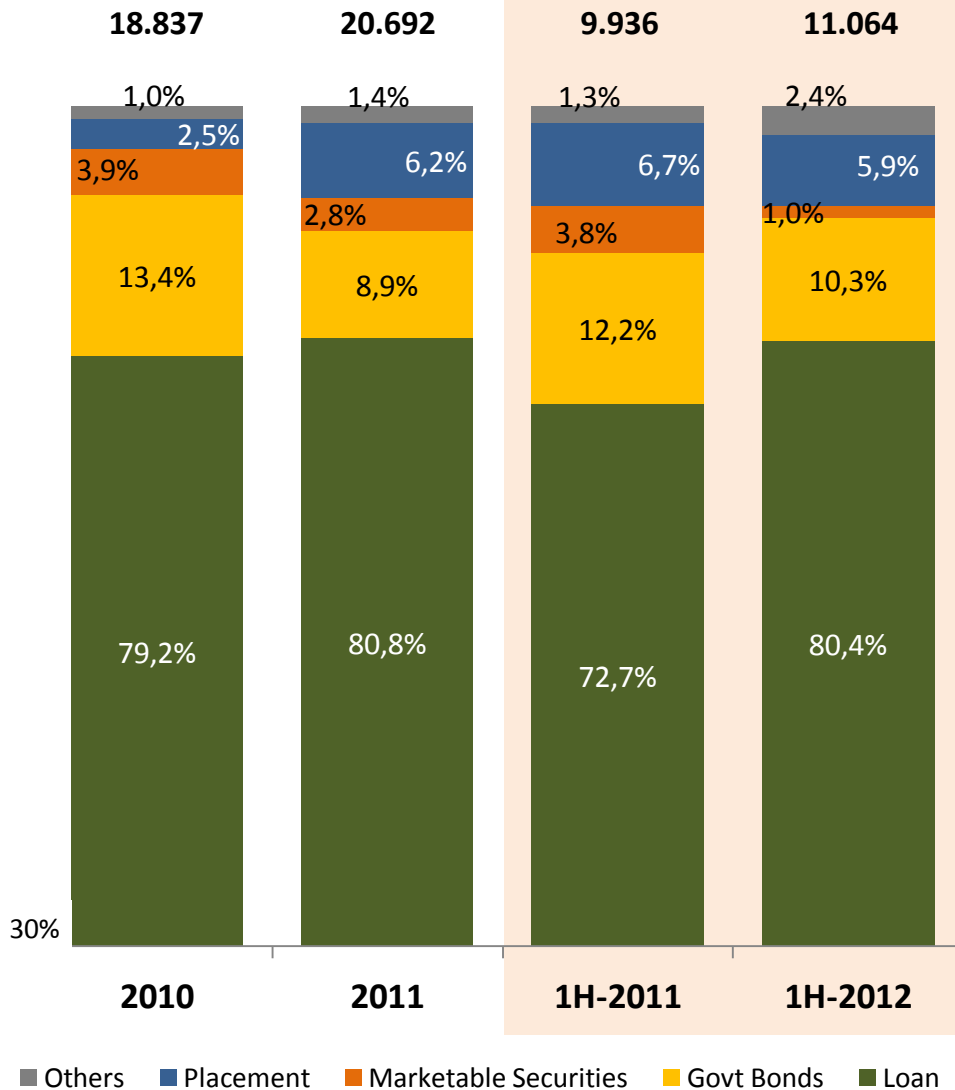
Cfm SE no. BI/11/3/DPNP dated January 27, 2009, RWA calculation for operational risk based on basic indicator approach, the capital charges for operational risk calculation ( $\alpha$ ) increase from 10% in 2010 to 15% in 2011.

## Profit & Loss Highlight

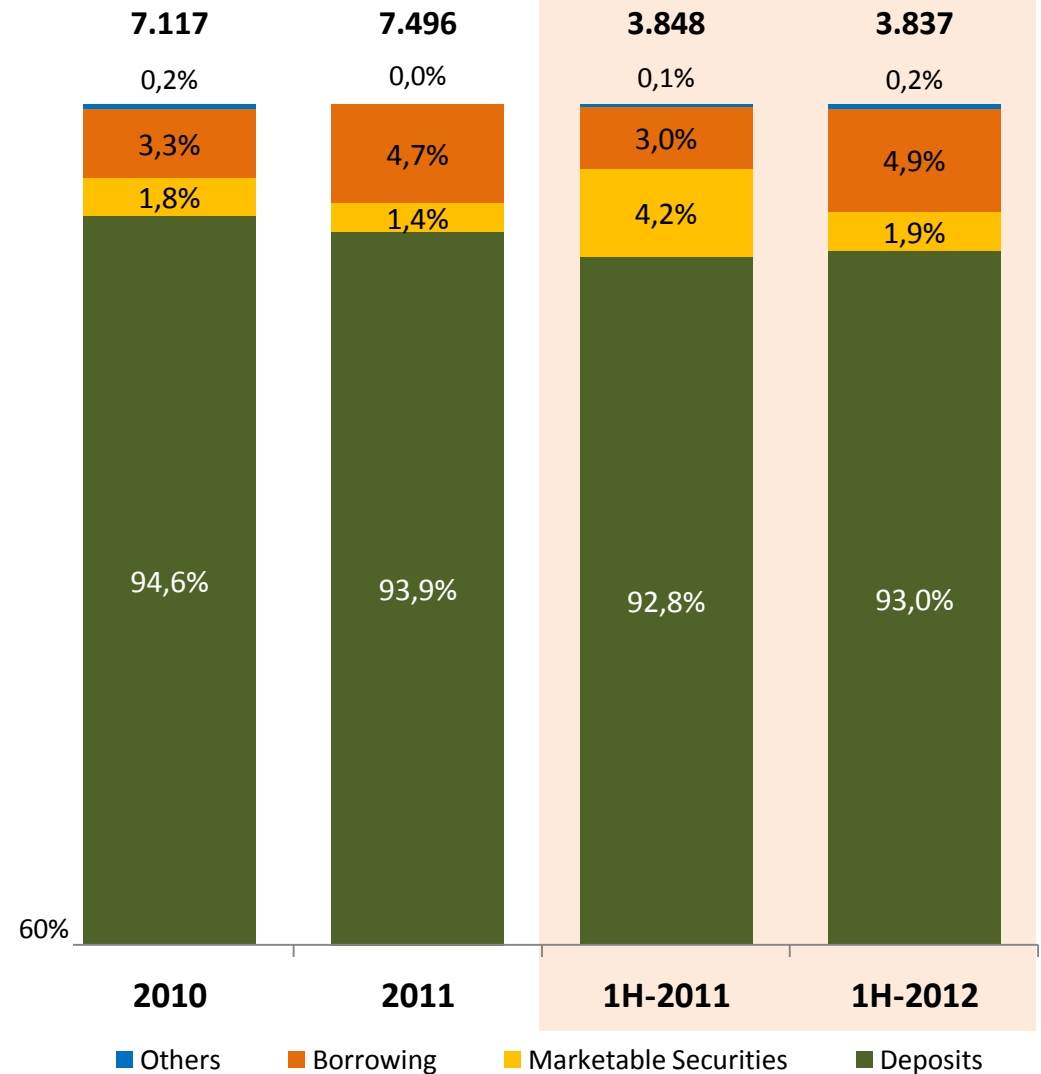
[Rp Billion]	2010	2011	1H-2011	1H-2012	Y.o.Y
<b>Net Interest Income</b>	11.721	13.196	<b>6,087</b>	<b>7,227</b>	18.7% ↑
<b>Non Interest Income</b>	7.061	7.601	<b>3,693</b>	<b>3,733</b>	1.1% ↑
<b>Operating Income</b>	18.782	20.799	<b>9,780</b>	<b>10,960</b>	12.1% ↑
<b>Operating Expense</b>	(9.643)	(11.134)	<b>(4,391)</b>	<b>(5,455)</b>	24.2% ↑
<b>Pre-Provision Income</b>	9.138	9.665	<b>5,389</b>	<b>5,505</b>	2.1% ↑
<b>Provisioning</b>	(3.629)	(2.421)	<b>(1,607)</b>	<b>(1,578)</b>	-1.8% ↓
<b>Non Operational Income/(Expense)</b>	(24)	219	<b>(126)</b>	<b>178</b>	~ ↑
<b>Net Income before Tax</b>	5.485	7.461	<b>3,656</b>	<b>4,105</b>	12.3% ↑
<b>Net Income</b>	4.103	5.808	<b>2,732</b>	<b>3,290</b>	20.4% ↑
<b>Net Income Per Share (full amount)</b>	266	312	<b>146</b>	<b>176</b>	20.5% ↑

# Interest Income/Expense Composition

**Interest Income Composition [Rp Billion]**

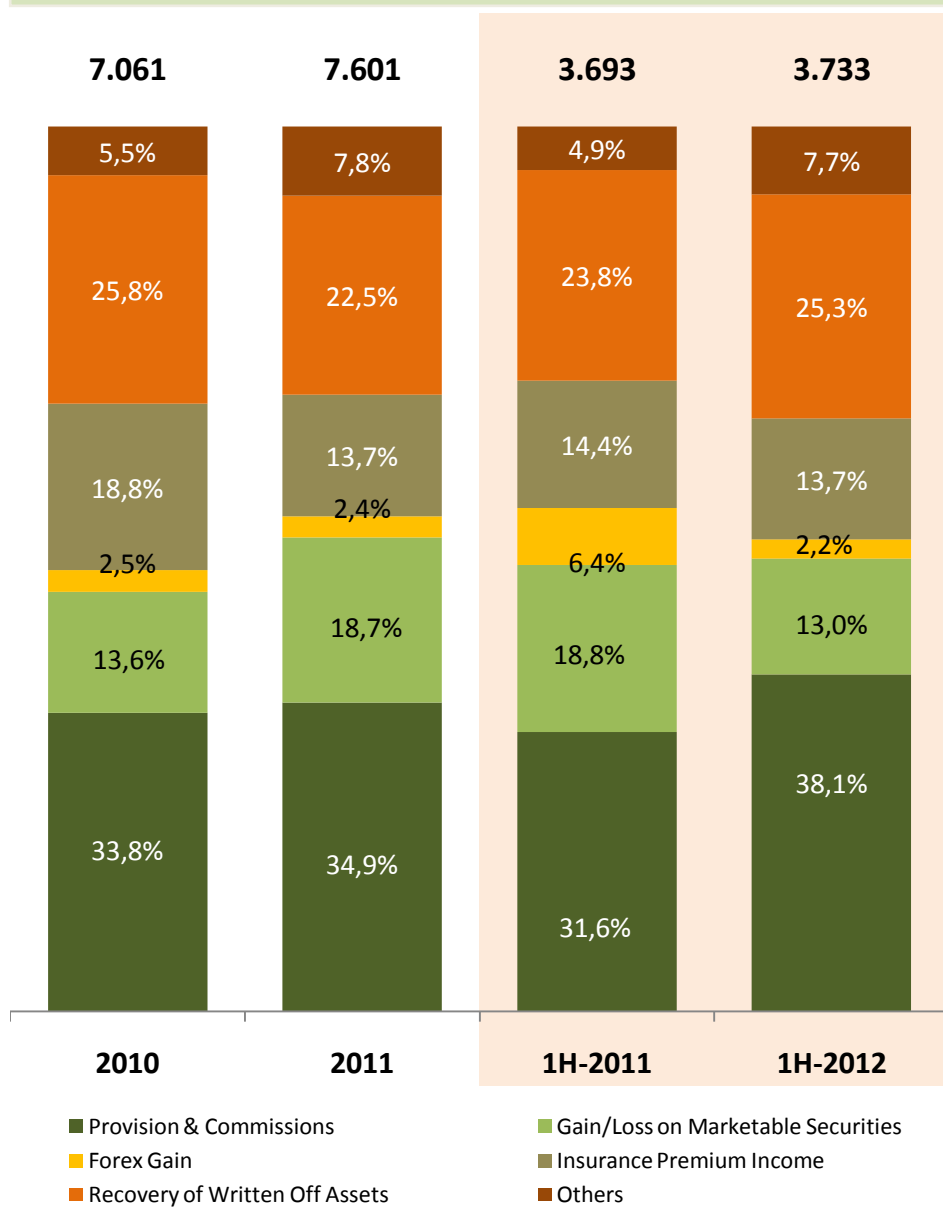


**Interest Expense Composition [Rp Billion]**

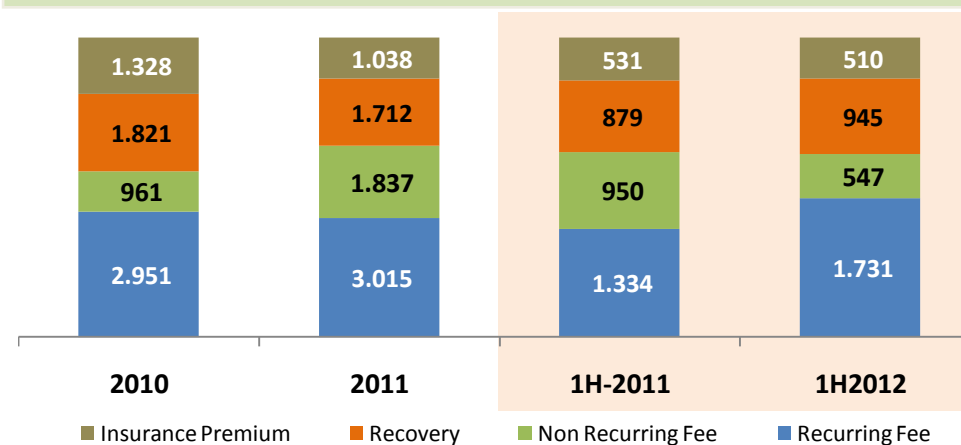


# Non Interest Income

Breakdown [%]

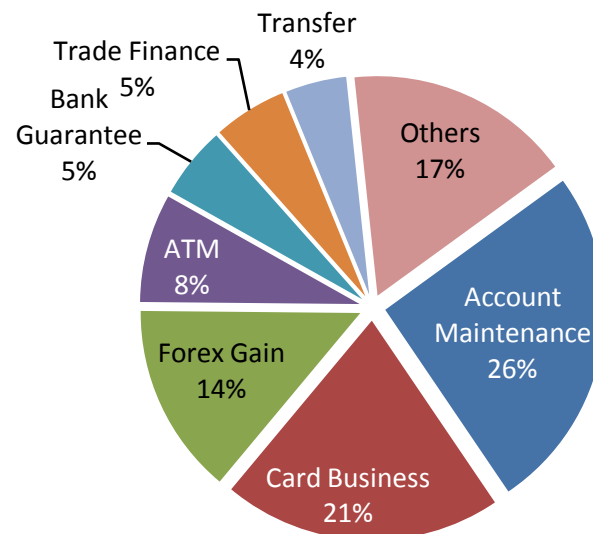


Breakdown Non Interest Income [Rp Billion]



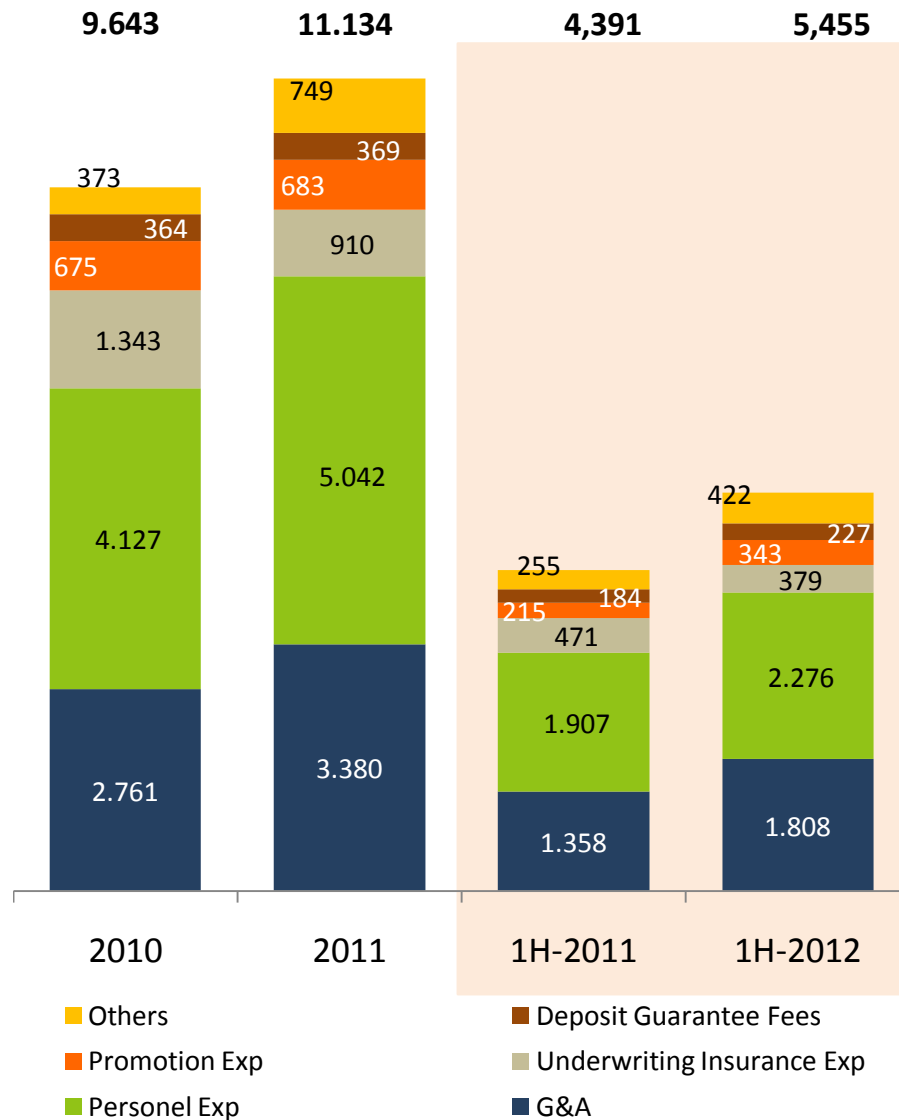
Breakdown recurring fee

Total = Rp 1,731 Billion



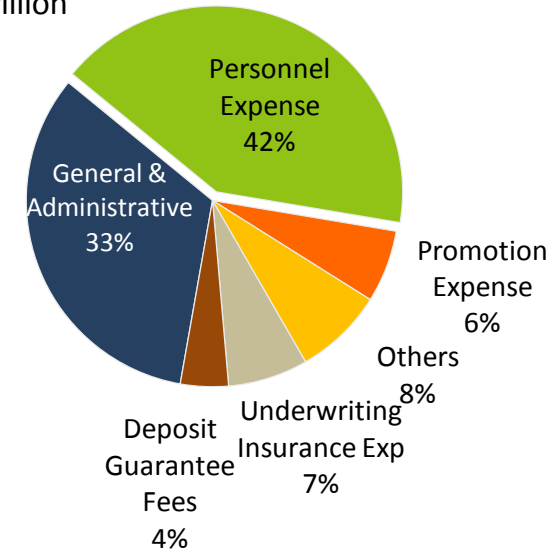
# Operating Expense

## Key highlights of OPEX [Rp Billion]

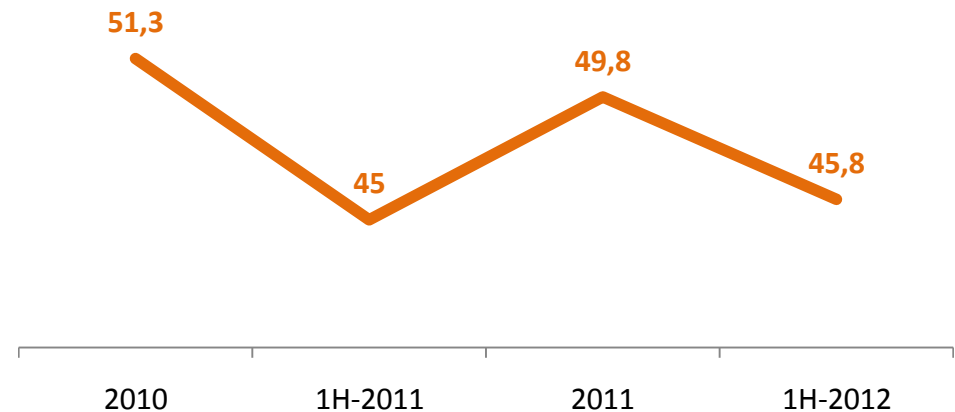


## Breakdown of OPEX [%]

Total = Rp 5.45 trillion



## Cost to Income Ratio [%]



# Financial Ratios

[%]	2010	2011	1H-2011	1H-2012	
<b>CAPITAL</b>					
Shareholders equity to total assets	13.3	12.7	13.1	12.4	↓
Tier I – CAR <small>[include operational risk]</small>	16.6	15.9	15.5	15.2	↓
Tier II – CAR <small>[include operational risk]</small>	2.0	1.7	1.7	1.6	↓
CAR (credit, market + operational risk)	18.6	17.6	17.2	16.8	↓
<b>ASSET QUALITY</b>					
Net Non Performing Loan	1.1	0.5	0.7	0.7	—
Gross Non Performing Loan	4.3	3.6	4.0	3.4	↓
Allowance for possible loan losses to gross NPL	120.6	120.8	120.5	120.7	↑



# Financial Ratios

[%]	2010	2011	1H-2011	1H-2012	
<b>RENTABILITY *)</b>					
ROA	2.5	2.9	3.0	2.8	↓
ROE	24.7	20.1	19.0	19.7	↑
Net Interest Margin	5.8	6.0	5.9	5.8	↓
<b>EFFICIENCY</b>					
BOPO	76.0	72.6	70.2	72.1	↑
Cost to Income Ratio	51.3	49.8	45.0	45.8	↑
<b>LIQUIDITY</b>					
Loan to Deposit Ratio	70.2	70.4	76.1	73.6	↓
<b>COMPLIANCE</b>					
Statutory Reserve Requirement <small>(Rupiah)</small>	8.2	8.7	9.0	8.5	↓
Net Open Position	4.4	2.8	2.4	1.7	↓

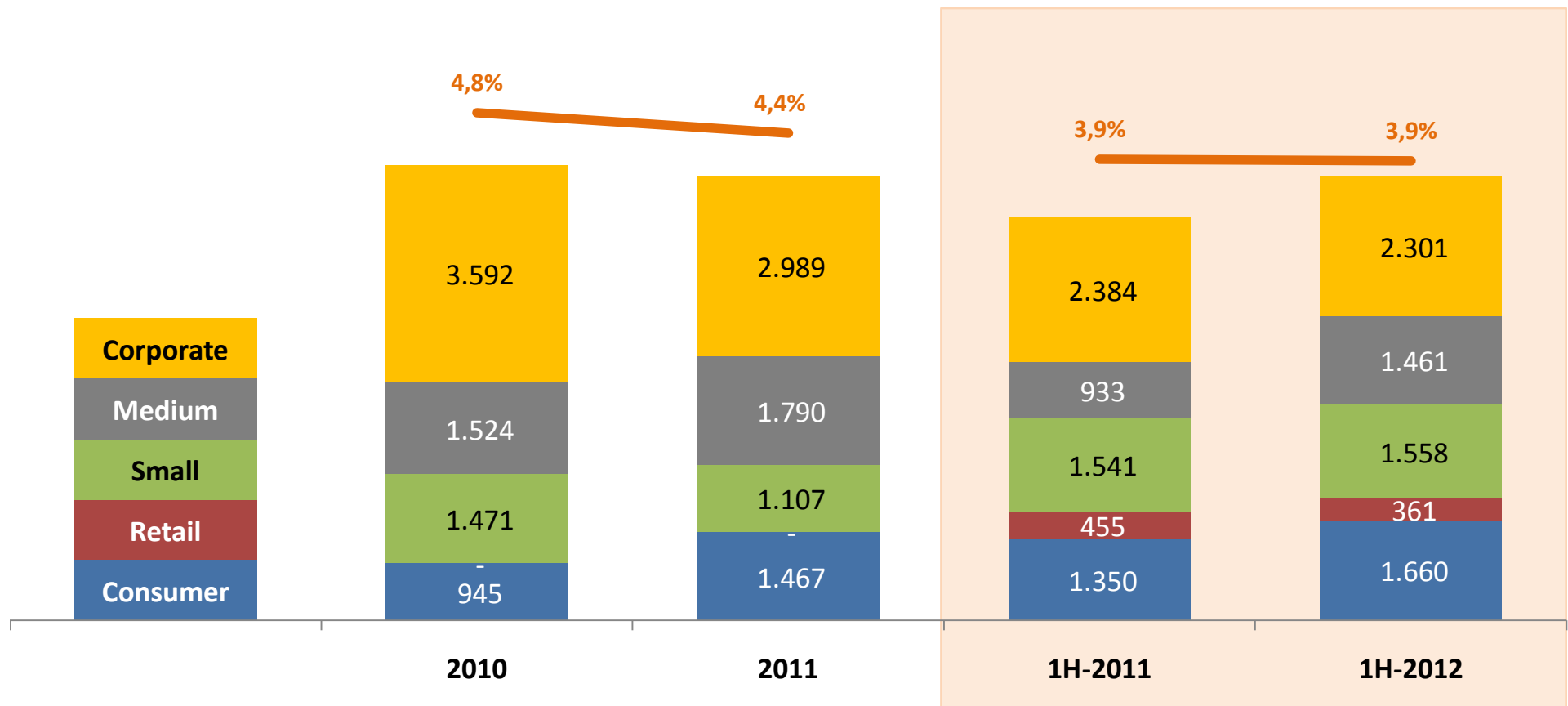
\*) Based on BI Formula

# Asset Quality

# PRE NPL SPECIAL MENTION Category

Rp Billion

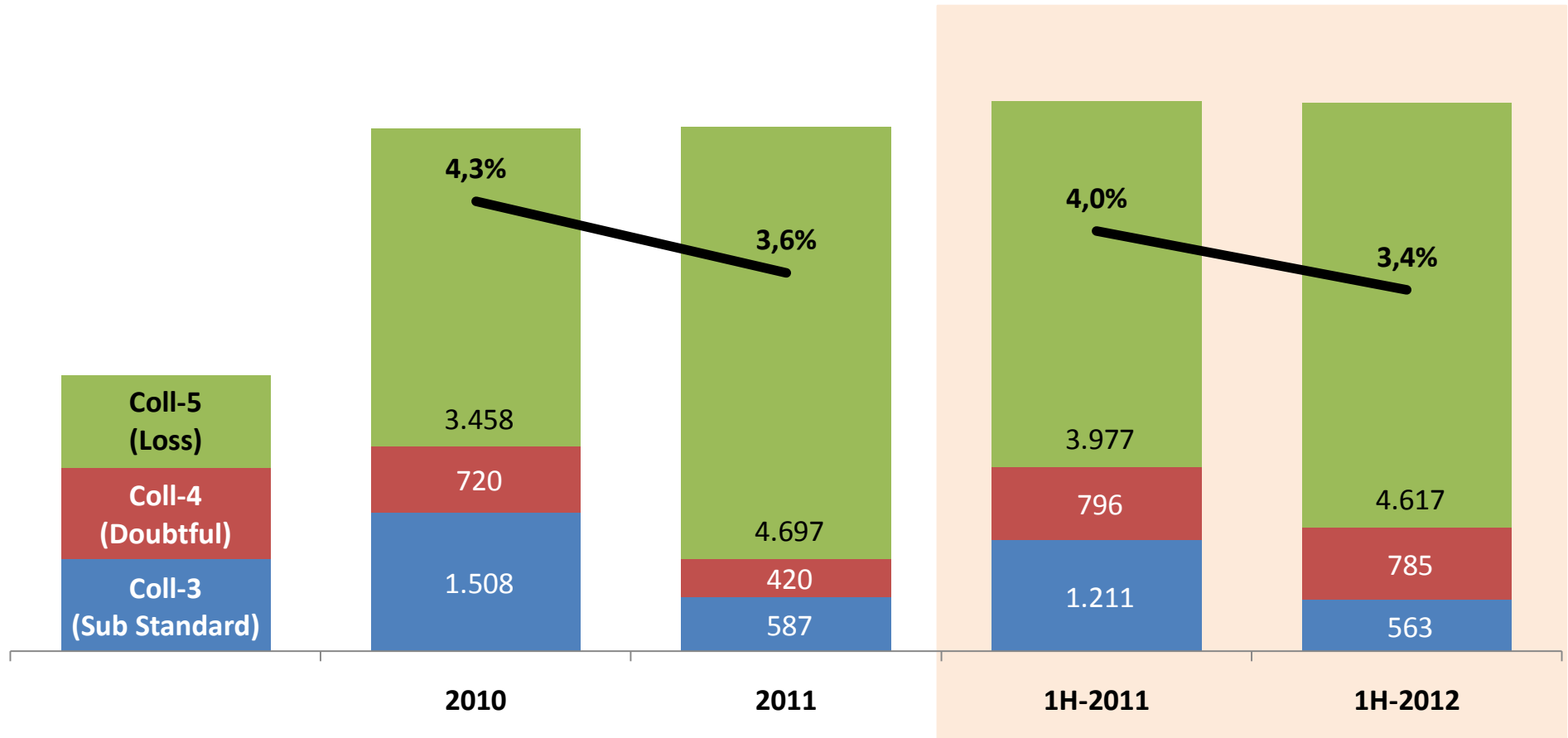
— Pre NPL Nett Ratio (%)



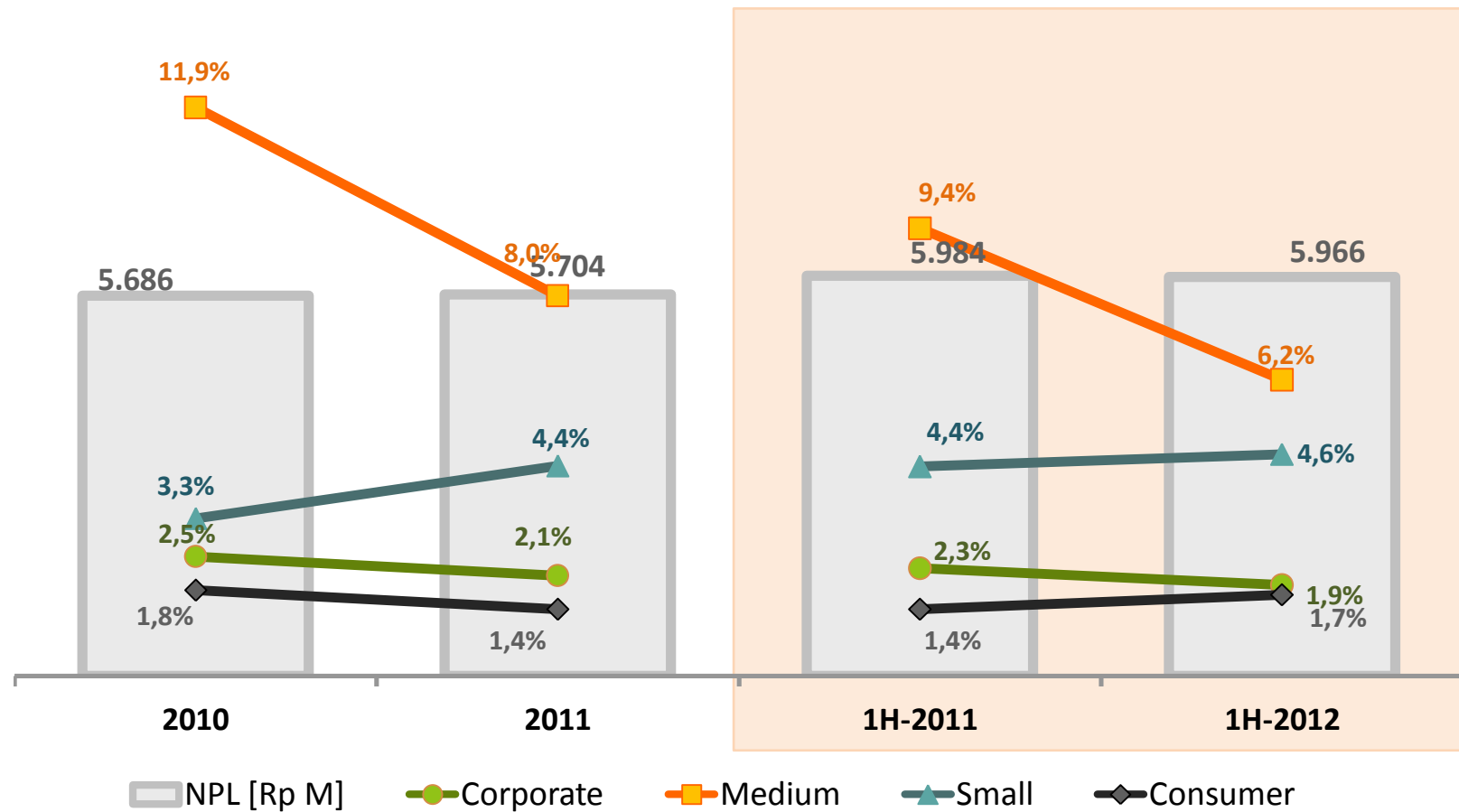
# NPL – By Collectibility

Rp Billion

■ NPL Gross Ratio (%)



## NPL by Segment

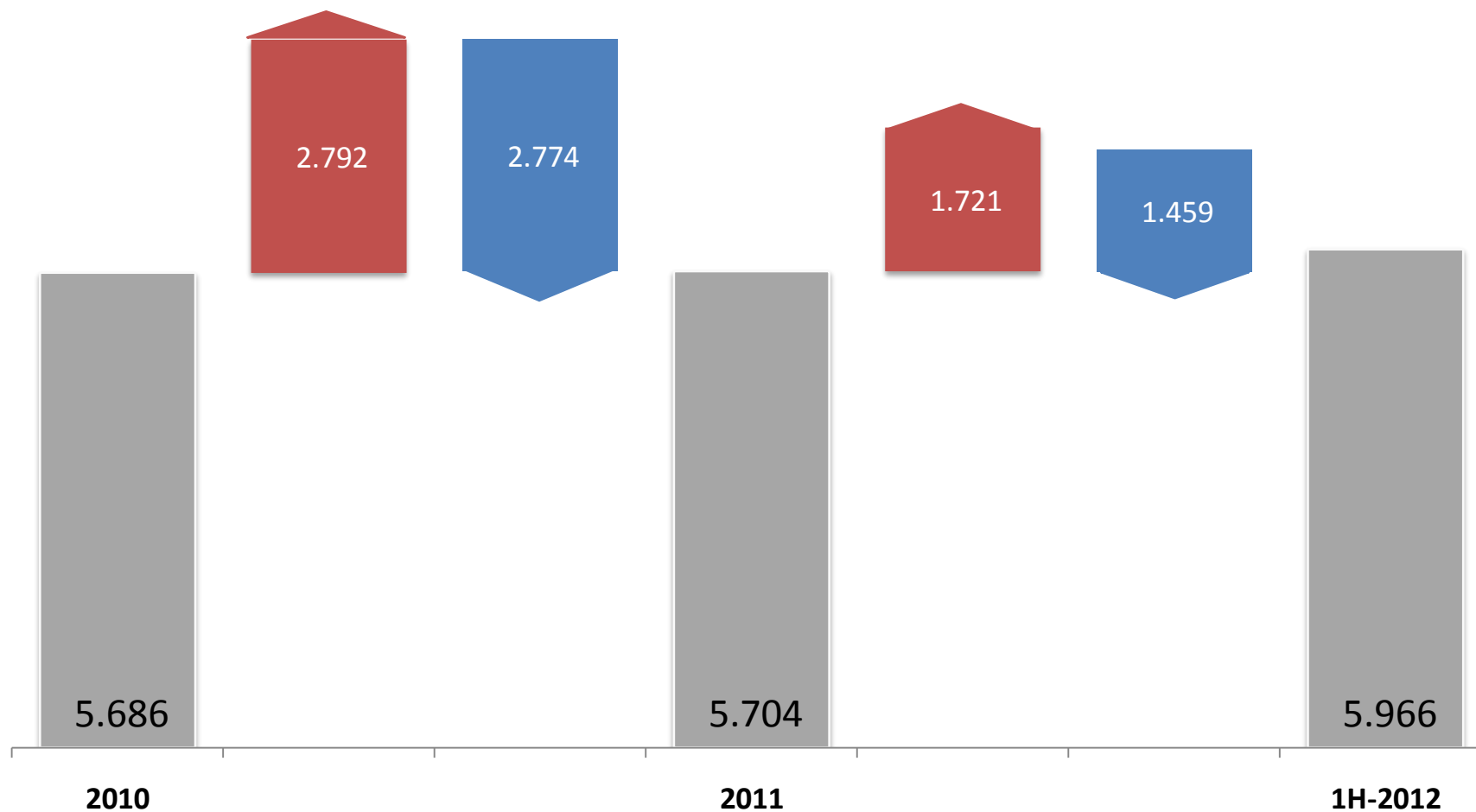


Total Loan	136.357	163.533	152.896	179.441
Gross NPL	4,3%	3.6	3.6	3.4

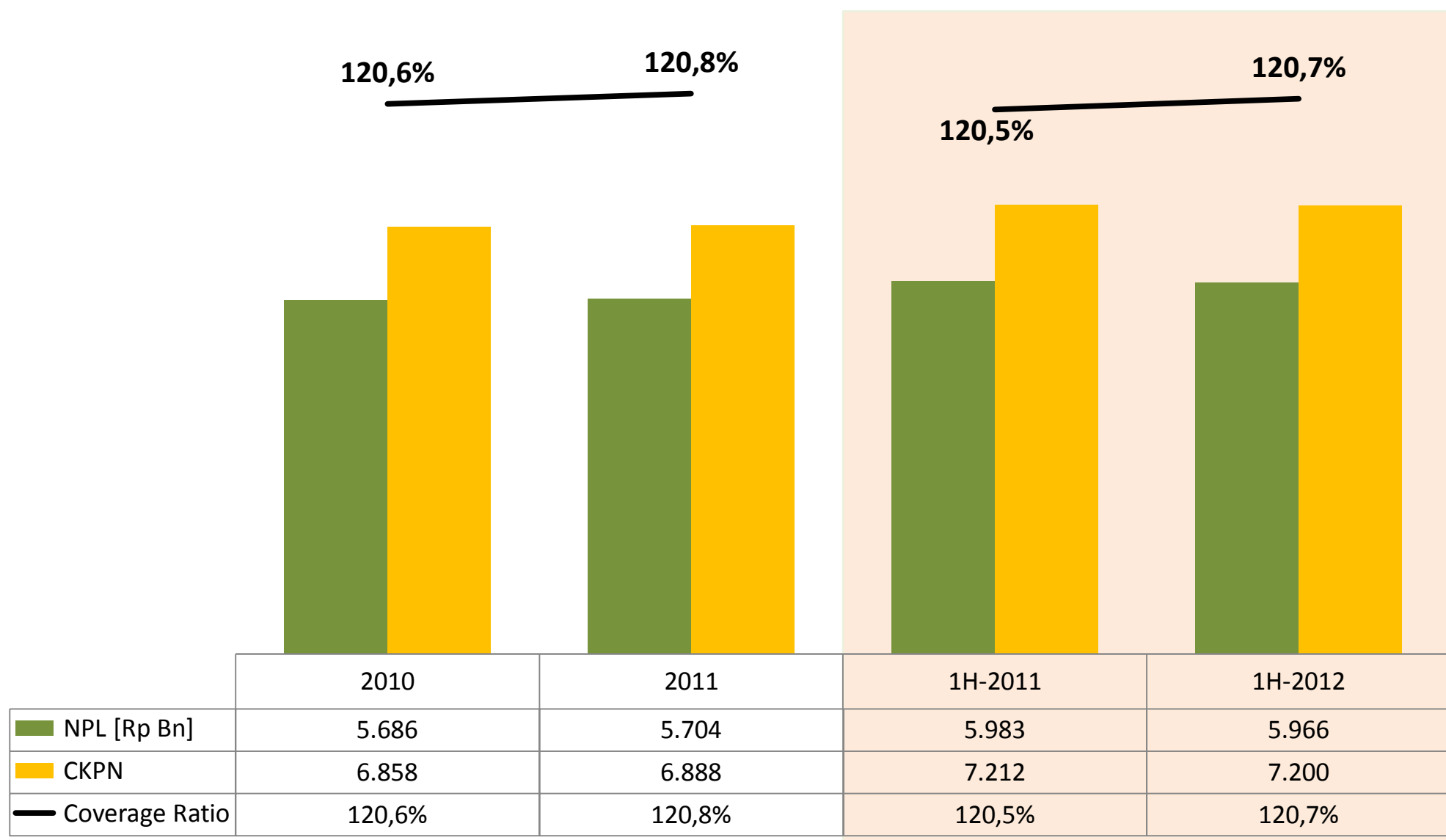
# Movement NPL

Bank Only

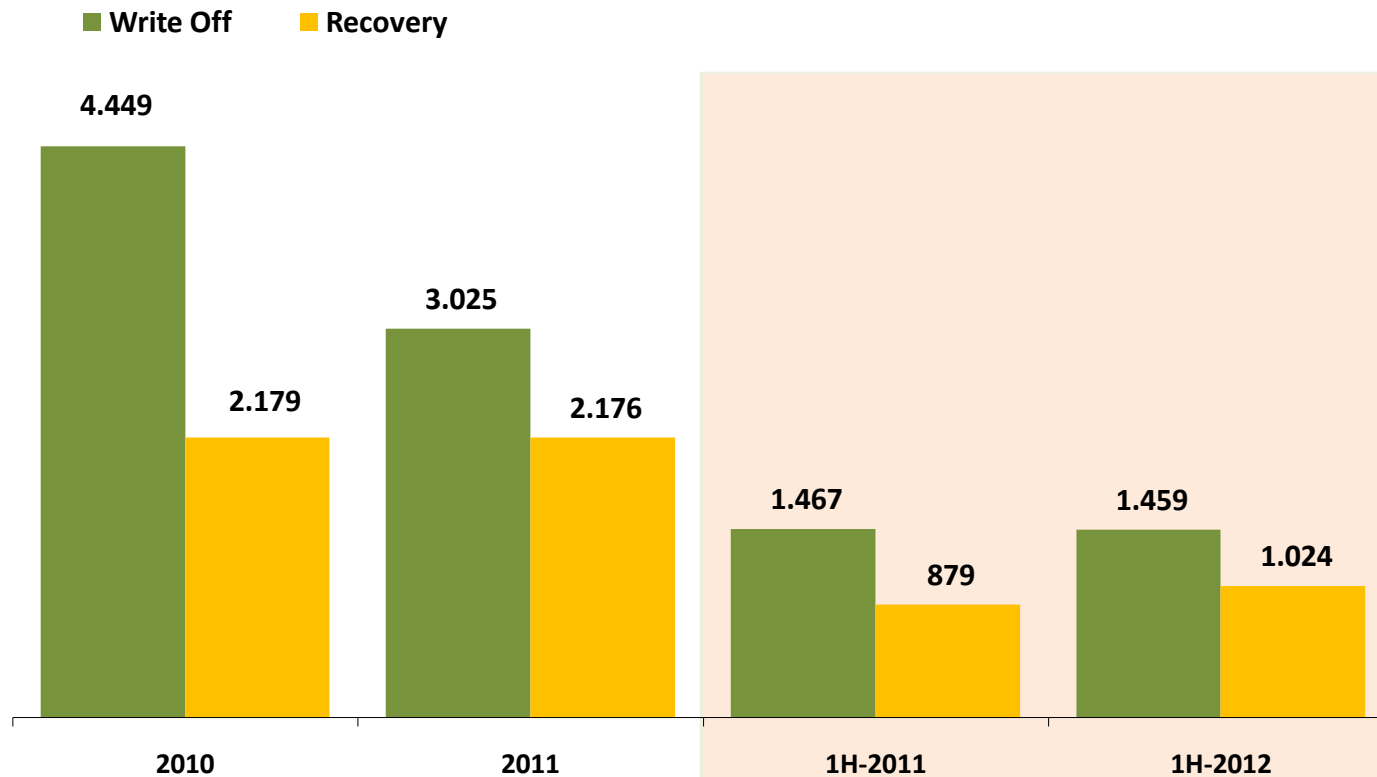
■ NPL [Rp Bn] ■ Net New NPL ■ Write Off



## COVERAGE RATIO



# Write Off & Recovery



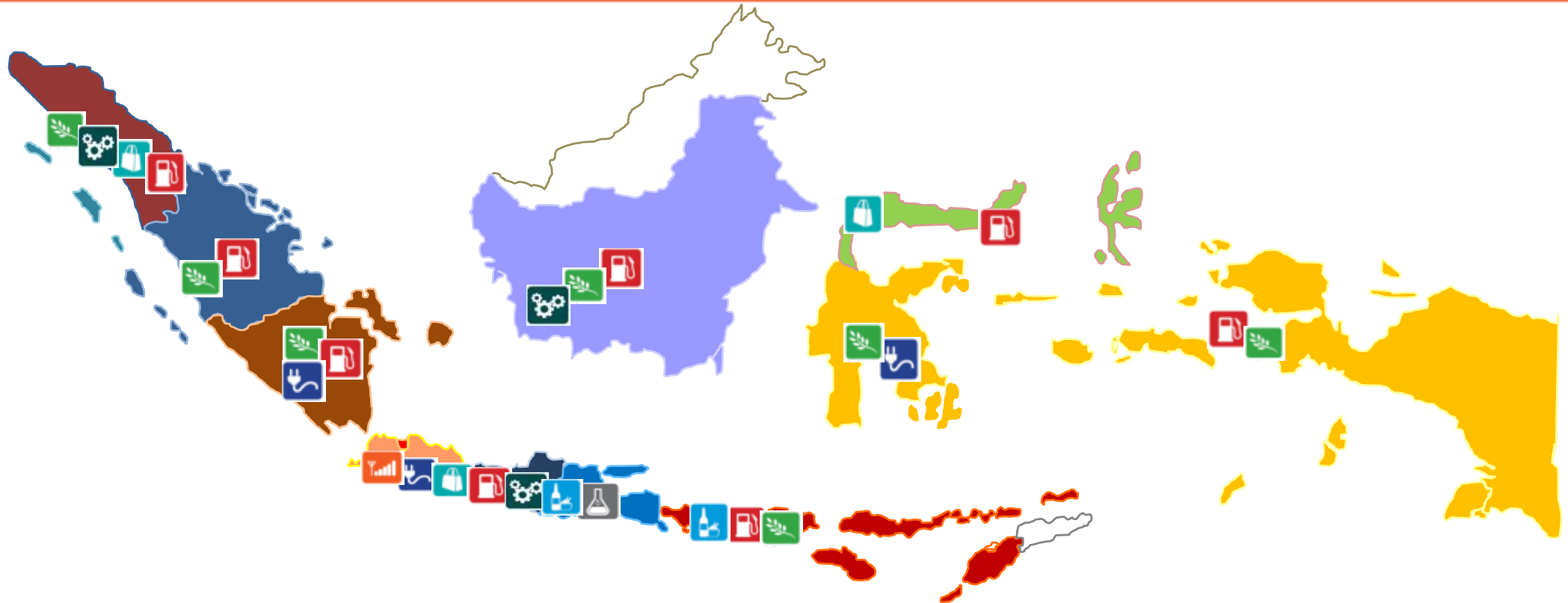
	2010	2011	1H-2011	1H-2012
Write-off (Rp billion)	4.449	3.025	1.467	1.459
Recovery (Rp billion)	2.179	2.176	879	1.024
Recovery vs Write Off [%]	49,0%	71.9%	59,9%	70,2%



# Business Banking

*Focus and Strategy*

## 8 Targeted Sectors – National & Regional



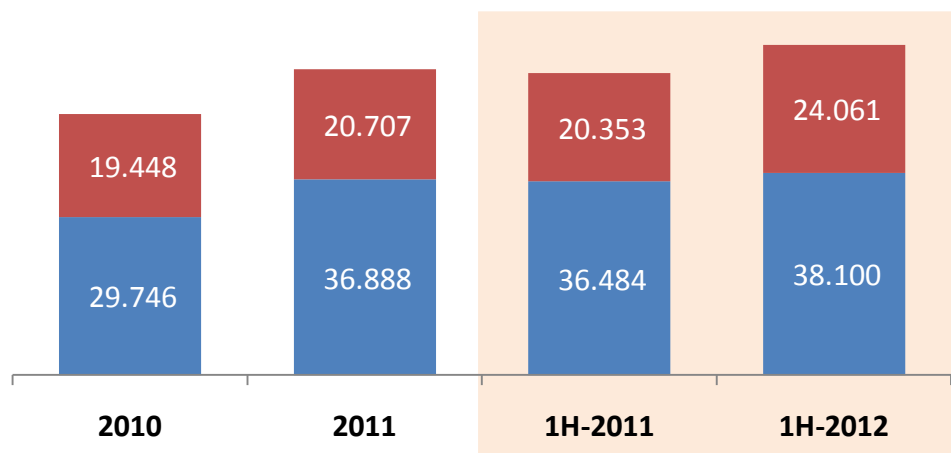
### Credit Approval of Targeted Sectors

	1-WMD	2-WPD	3-WPL	4-WBD	5-WSM	6-WSY	7-WMK	8-WDS	9-WBJ	10-WJS	11-WMO	12-WJK	14-WJB	15-WJY	TOTAL
Jan-Jun 2012	65,3%	76,6%	87,0%	76,2%	57,2%	71,7%	63,4%	63,6%	74,7%	50,2%	80,4%	40,6%	69,2%	73,4%	65,9%

# Corporate Business

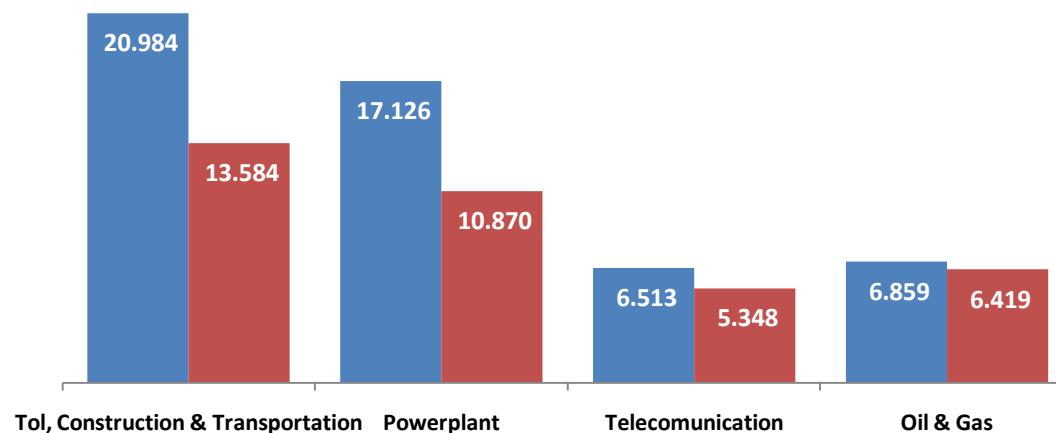
## Working Capital & Investment Loan [Rp Billion]

■ Investment ■ Working Capital



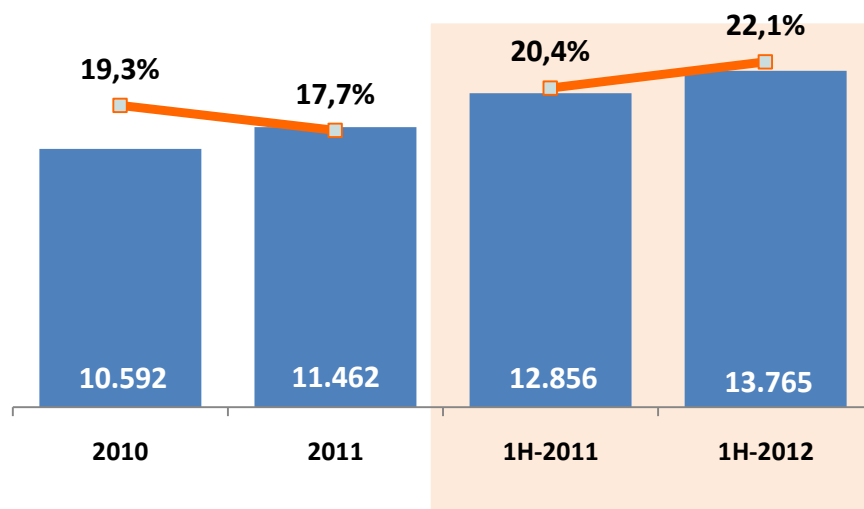
## BNI Commitment on Basic Infrastructure Project [Rp Billion]

■ Plafond ■ Outstanding



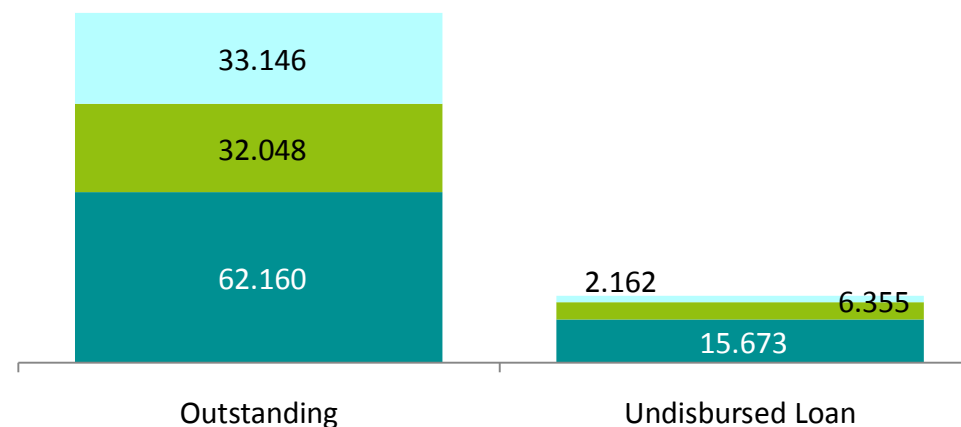
## Syndicated Loan [Rp Billion]

■ Syndicated Loan — % Syndicated Loan to Total Corporate



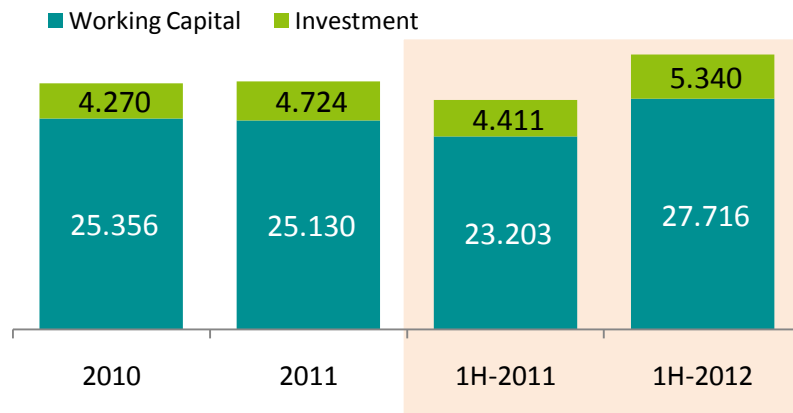
## Undisbursed Loan as of 1H-2012 [Rp Billion]

■ Corporate (exclude International) ■ Medium ■ Small

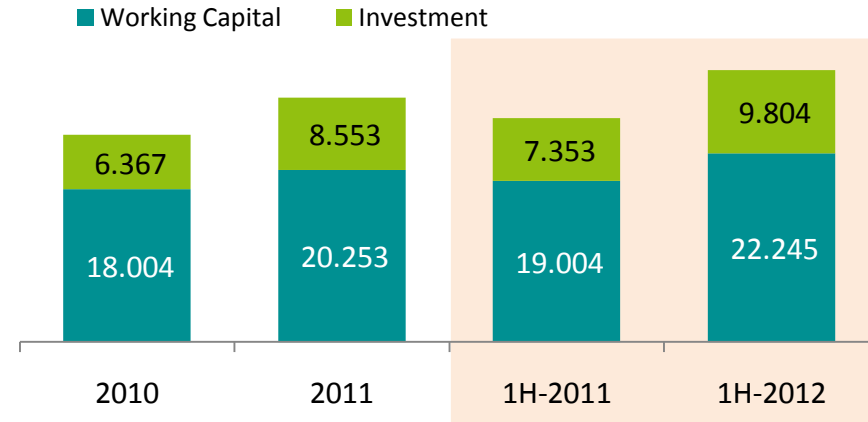


# Regional Business

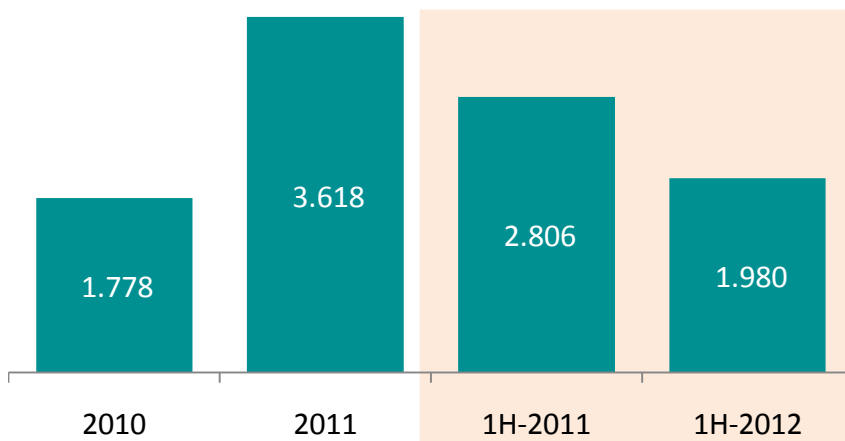
## Small Business [Rp Billion]



## Medium Business [Rp. Billion]



## Kredit Usaha Rakyat (KUR) [Rp Billion]



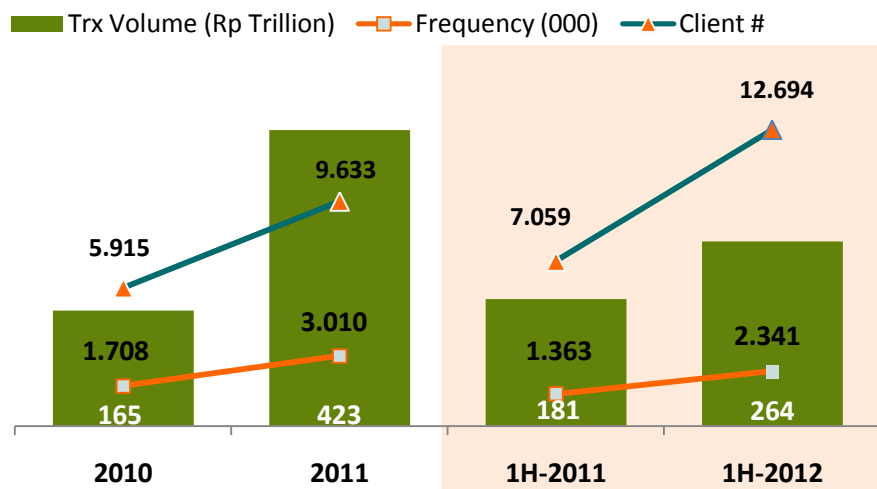
Transformation Strategy	Progress
Implementation & Cascaded Problems	<ul style="list-style-type: none"> <li>Implementation of credit committee</li> <li>Lower NPL (7,4% in 2011 decrease 6,2% in June 2012)</li> </ul>
Focus on 8 prioritized industries and main debtor on each region	<ul style="list-style-type: none"> <li>65,3% of new SME Loans disbursed on focused industries</li> </ul>
Customer Centric through lending model program (Oil & Gas, Mining, Vessel)	<ul style="list-style-type: none"> <li>Implementation of Lending Model Heavy Equipment in mining industry</li> <li>Finalization lending model vessel financing in oil and gas industry</li> </ul>

# Transactional Banking Services

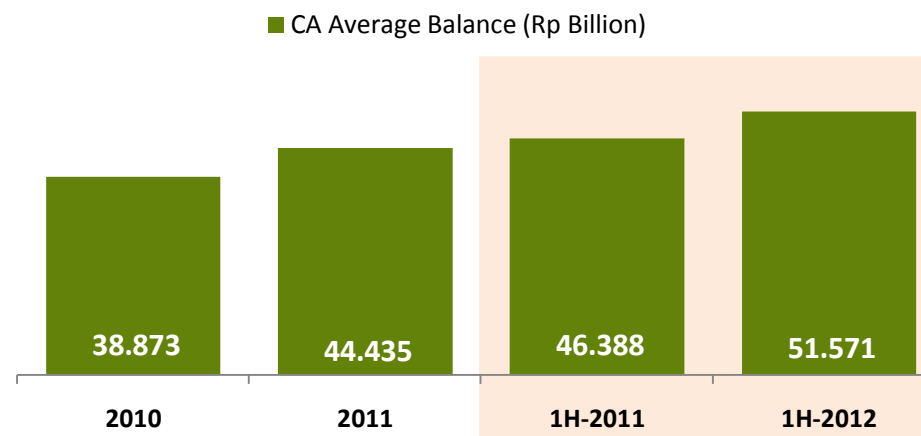


**BNI awarded as Best Local Cash Management Bank, Best Overall Domestic Cash Management Services and Best Cross Border Cash Management Services in Indonesia** as voted by Corporates in **AsiaMoney Cash Management Poll 2012**.

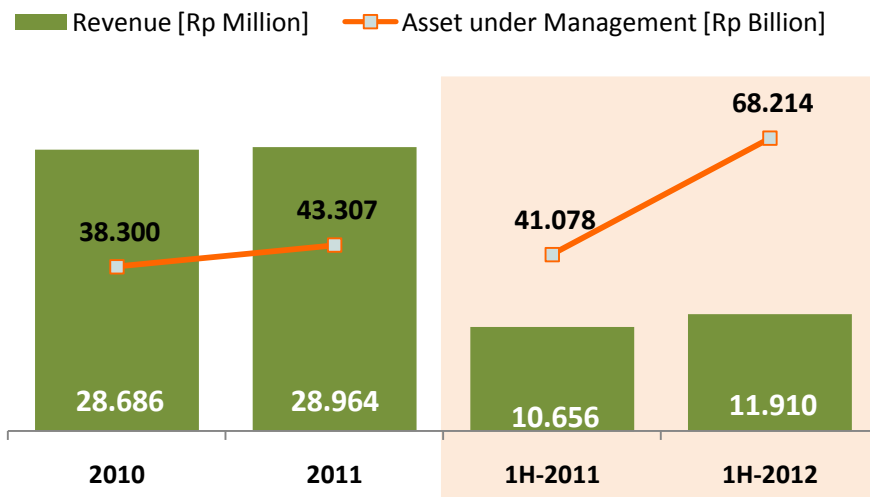
## Cash Management Clients & Transactions



## Current Account – Business Banking



## Custody Revenue and Asset



## Key Initiatives

Cash Management	Custody	Bank Guarantees
Optimize full potential of targeted clients	Increasing assets under custody (AUC)	Improving business processes
Differentiated Product Solution through Innovation	Improving custody services delivery platform	Business Facilitation Programs
Phased branch service model roll out	Enhancing delivery capabilities and service quality levels	Focused service to industries (e.g. Oil & Gas, Construction)
Strengthen and replicate Client Experience Model to become Best in Class	Regulatory compliance	Improving service features and capabilities
Achieving Country Cash Management Awards	Focused service capabilities	Enrich supply chain management services

# Consumer & Retail

*focus & strategy*

# Consumer & Retails

## **Saving Products launched:**

- BNI Taplus Muda (rejuvenation of Taplus Mahasiswa)

## **Retail Lending Products launched:**

- BNI Wira Usaha

## **New Credit, Debit, and Prepaid Card Launched:**

- BNI Chelsea Card,
- Garuda BNI Credit Card,
- BNI Visa Infinite Credit Card,

## **New Emerald (enhanced) Product & Services launched**

- BNI Visa Infinite Credit Card,
- Super Premium Services – BNI Emerald

## **Marketing Campaign :**

- Rejeki BNI Taplus 2012

# Accolades for Consumer & Retail , during semester 1 – 2012



**The Best Mortgage Bank in Asia-Pacific, 2012**  
The Asian Banker, 2012



**The 2<sup>nd</sup> Best BUMN Marketer 2012**  
BUMN Track, 2012

**The Best Priority Banking - Consumer Banking Award 2012**  
Majalah SWA



**Visa Indonesia Bank Awards 2012: Best Issuer Award (Based on SPI criteria)**  
Category: Credit Card  
Visa International, Feb 2012



**The 2<sup>nd</sup> Best SMS Banking – Bank Service Excellence Award 2012**  
Majalah Infobank & Marketing Research Indonesia, 2012

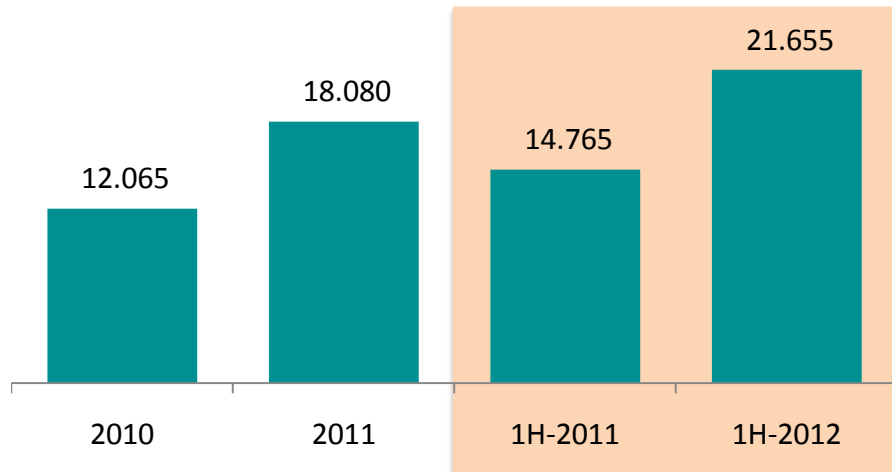




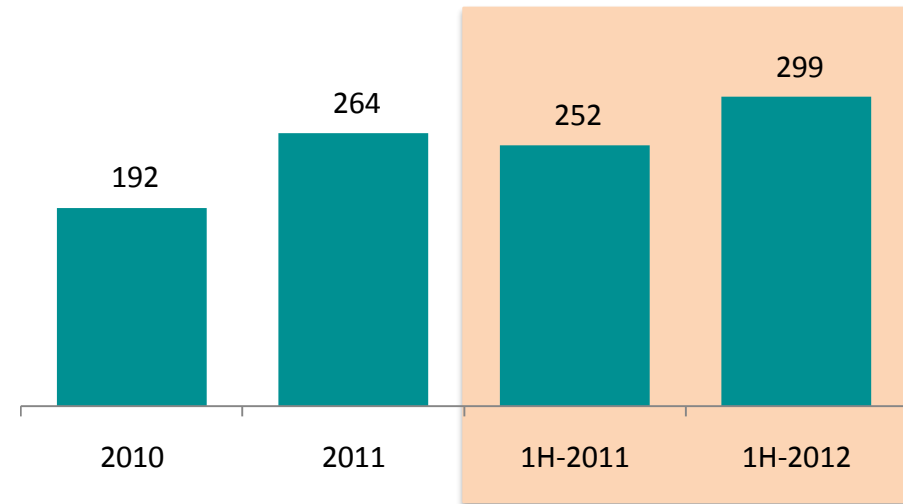
# Consumer & Retail Business

## Consumer Loan

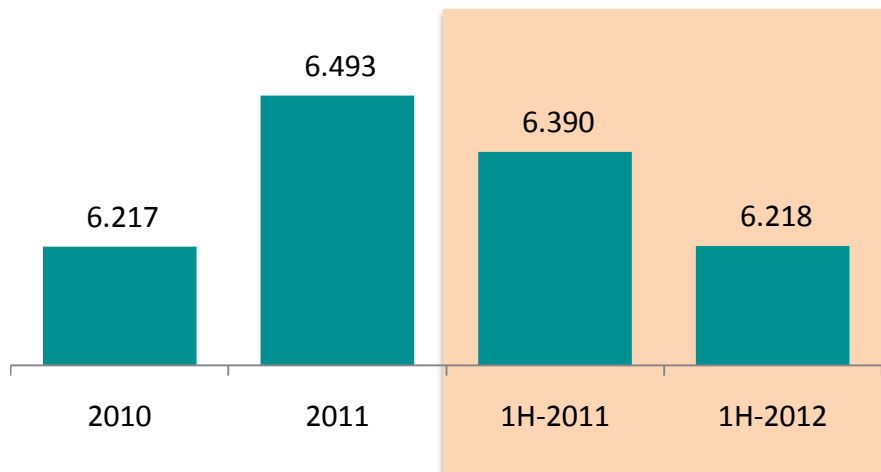
**Mortgage Loan Balance** [Rp. Billion]



**Average Balance Mortgage Loan/Account** [Rp Million]



**Auto Loan Balance** [Rp Billion]



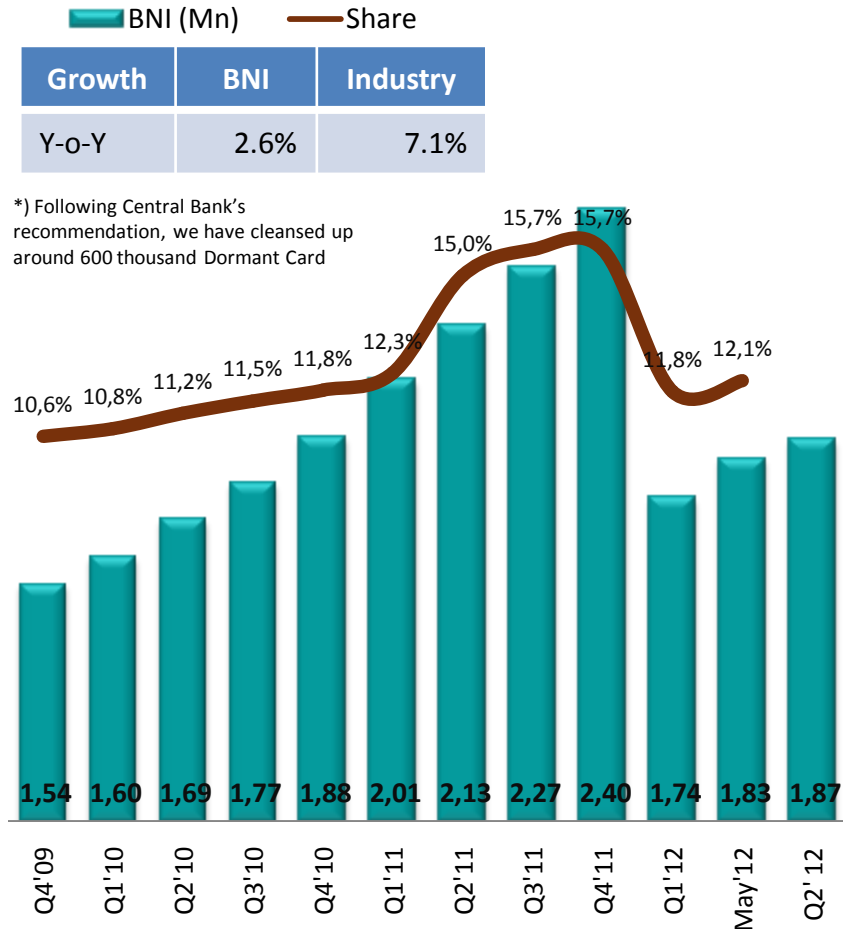
Loan		2010	2011	1H-2011	1H-2012
BNi Griya	Outstanding Growth YTD	46%	50%	22.57%	19.81%
	NPL (%)	2.13%	1.85%	1.86%	2.20%
	Marketshare (%)	8.58%	9.90%	9.53%	9.97 % *)
BNi Auto (Organik & unorganik)	Outstanding Growth YTD	31%	4%	2%	-5%
	NPL (%)	0.19%	0.07%	0.10%	0.09%
	Marketshare (%)	4.83%	3.97%	4.23%	3.37 % *)

\*) data per 31 Mei 2012

# BNI Credit Card

Grew Faster than Industry in All Key Business Indicators

## No. of Credit Cards



## No. of Transactions

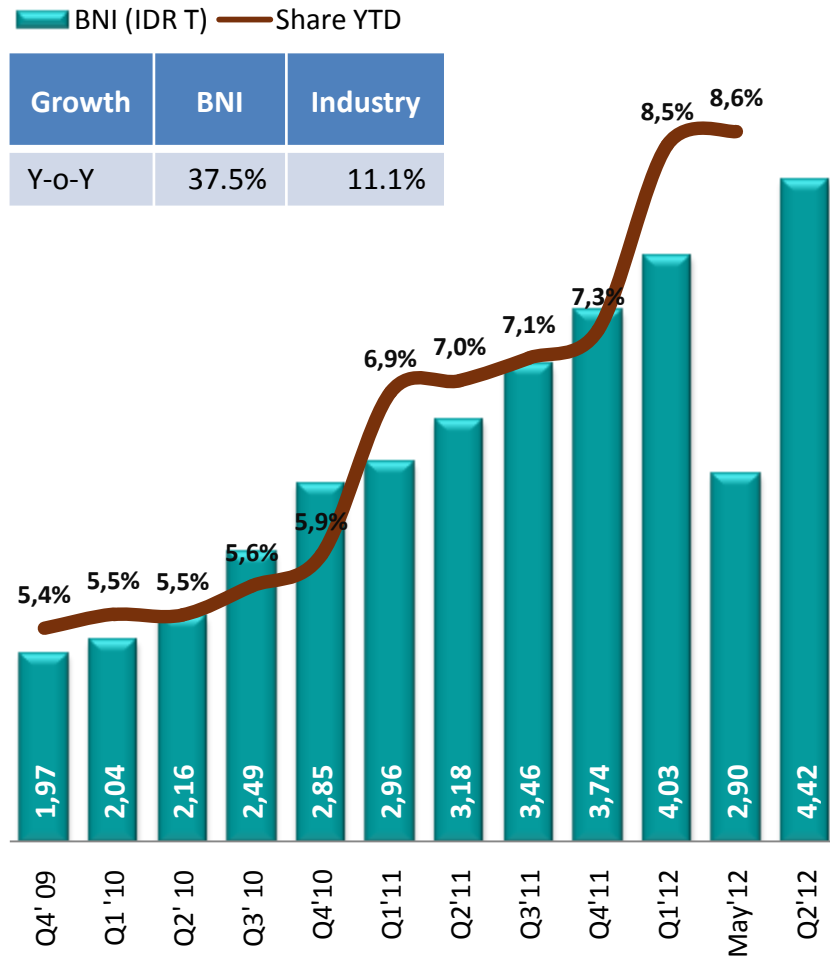


Source: Bank Indonesia, May-2012

# BNI Credit Card

*Grew Faster than Industry in All Key Business Indicators*

## Credit Cards Usage



## Receivables



Source: Bank Indonesia, May-2012

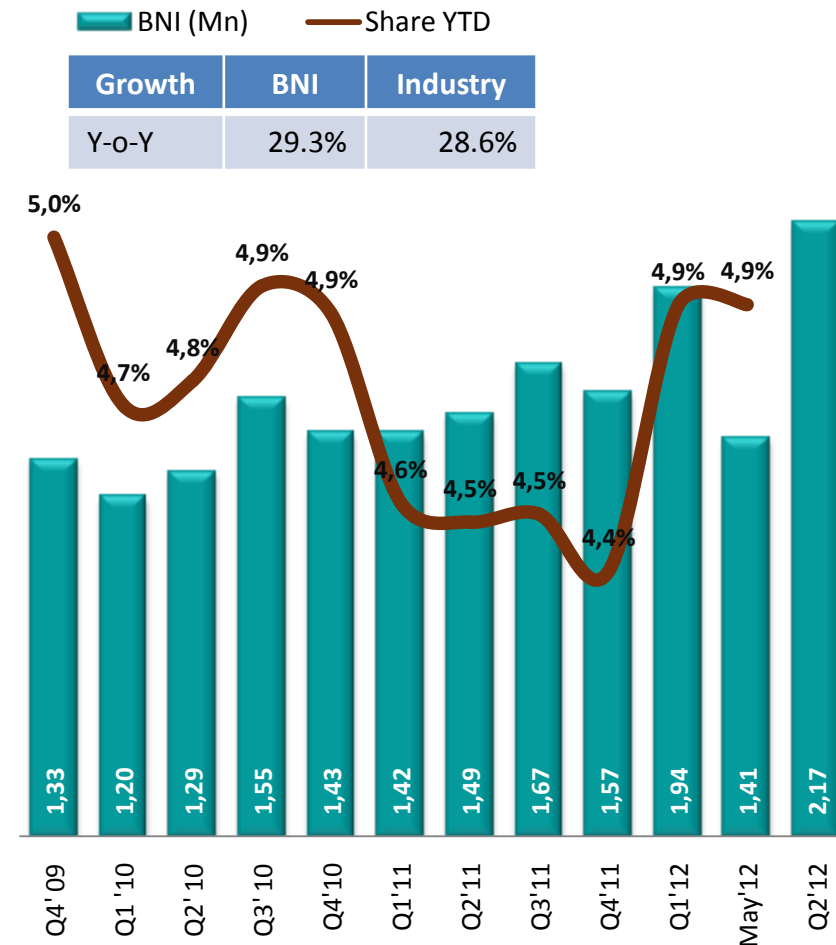
# BNI Debit Card

*Grew Faster than Industry in All Key Business Indicators*

## Debit Cards Usage



## No. of Transactions

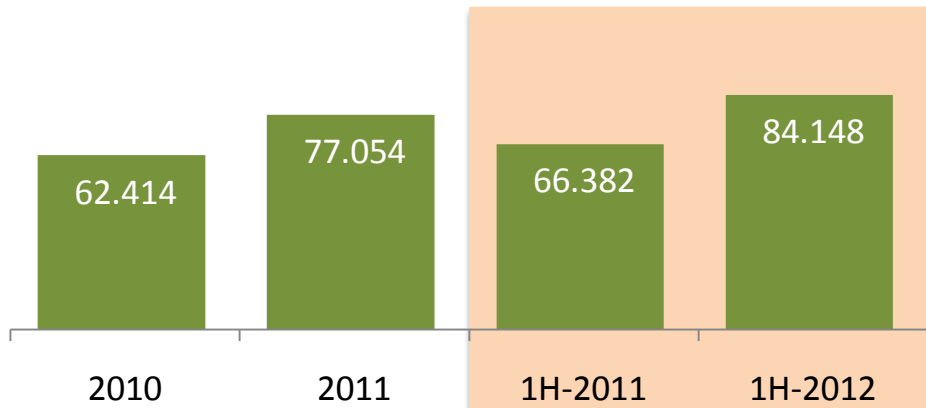


Source: Bank Indonesia, May-2012

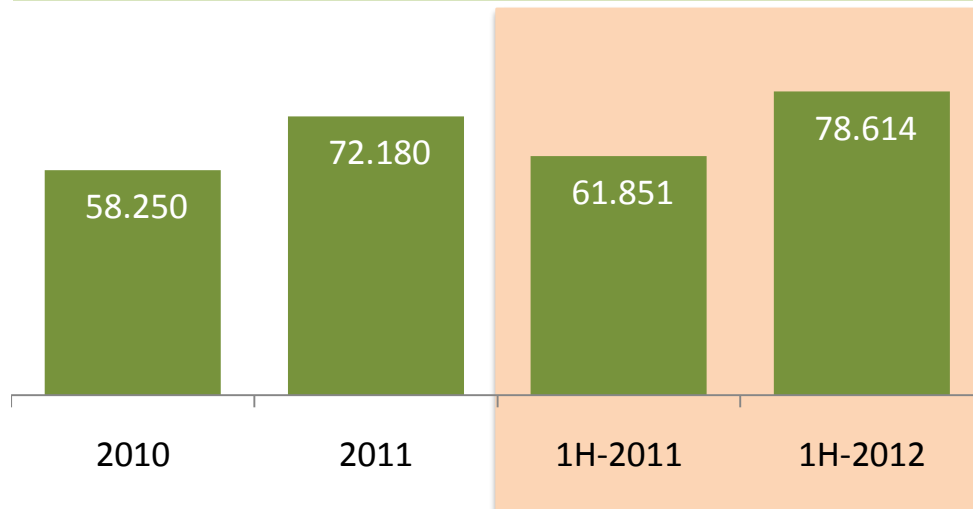
# Consumer & Retail Business

## Savings

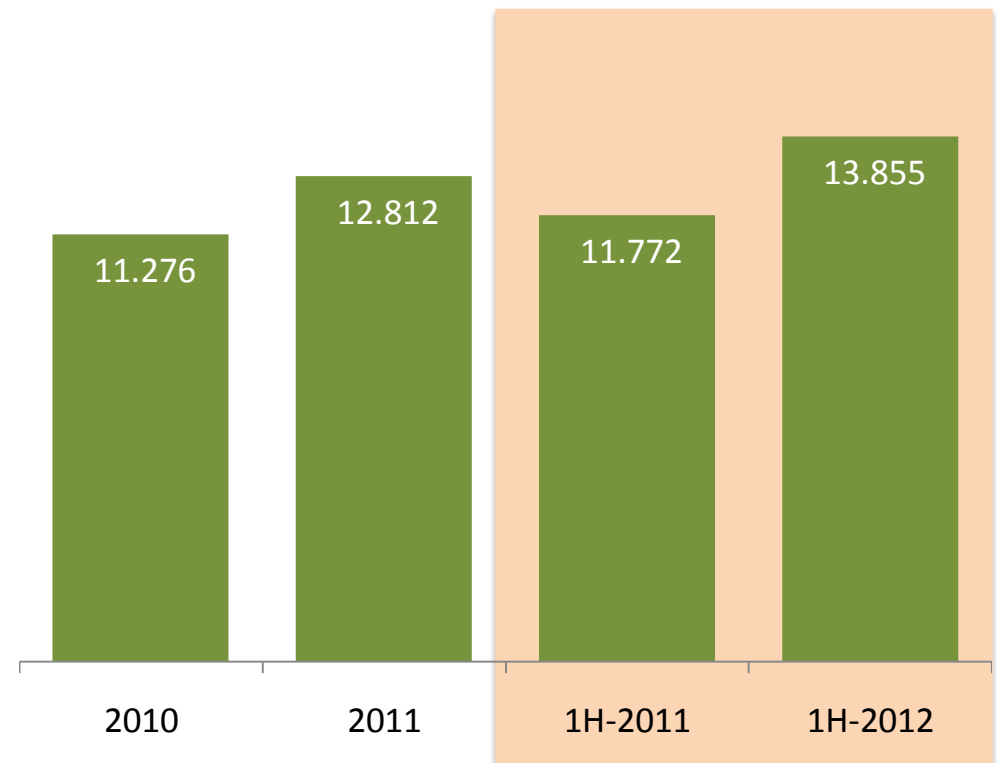
**Average CASA Balance** [Rp Billion]



**Average Balance – Saving** [Rp Billion]



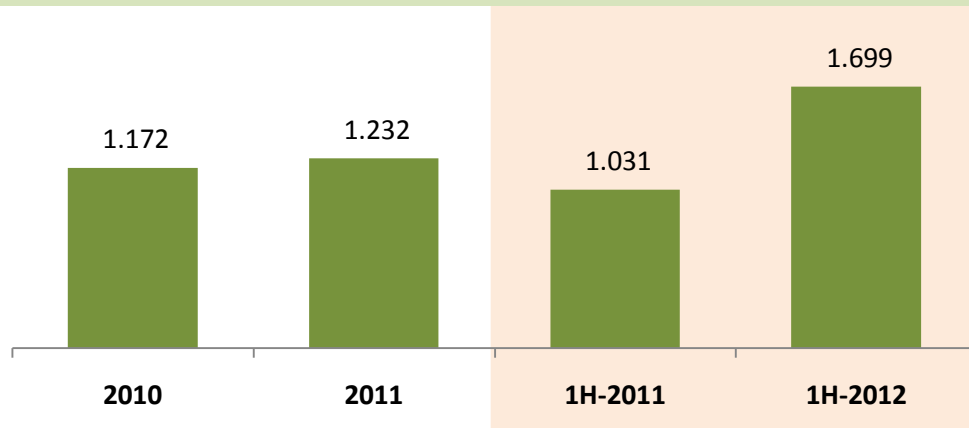
**Number of Individual Accounts** [000]



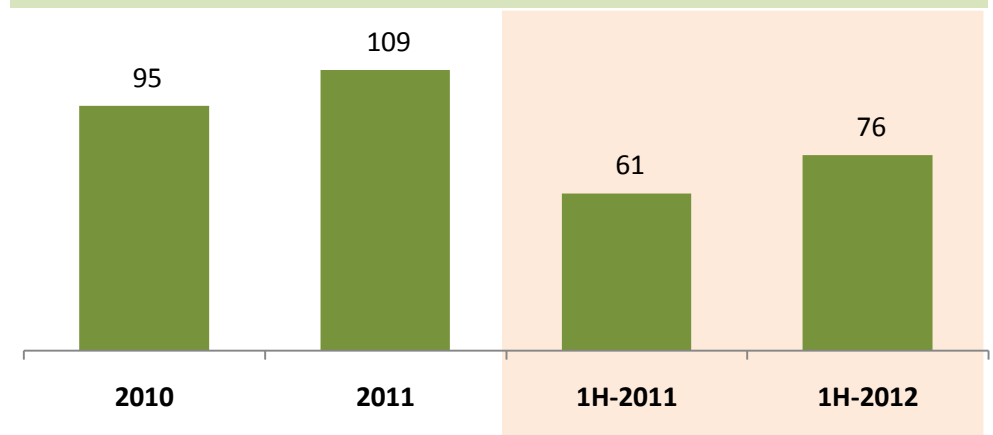
# Consumer & Retail Business

*Bancassurance*

**PREMIUM** [Rp Billion]



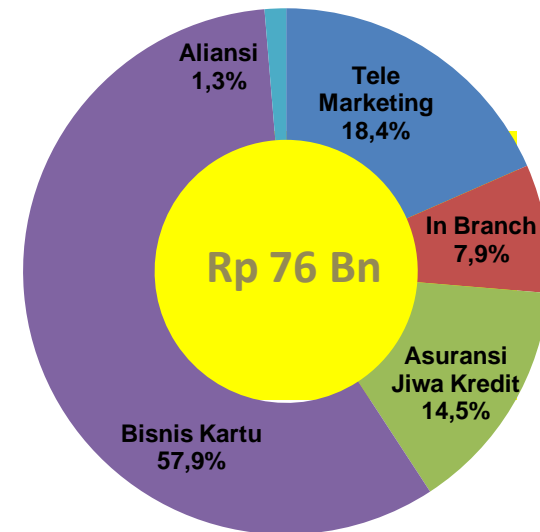
**FEE BASED INCOME** [Rp Billion]



**Premium**



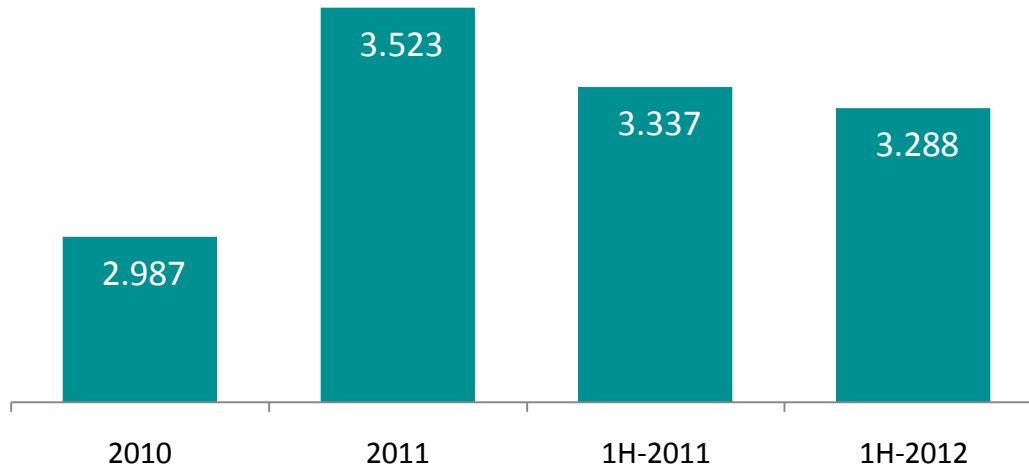
**Fee Base Income**



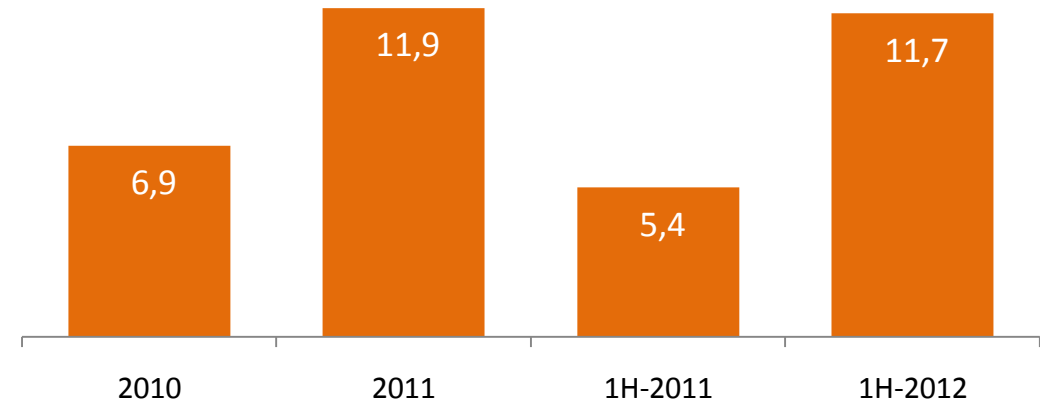
# Consumer & Retail Business

## Investment Business

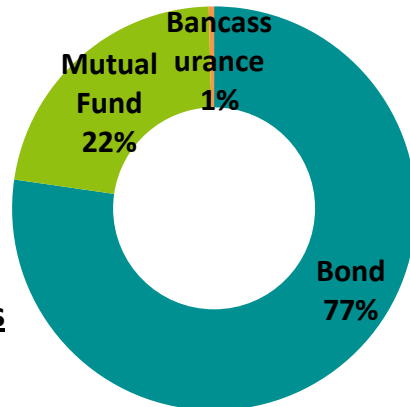
**Asset Under Management (AUM) [Rp Billion]**



**FEE BASED INCOME [Rp Billion]**



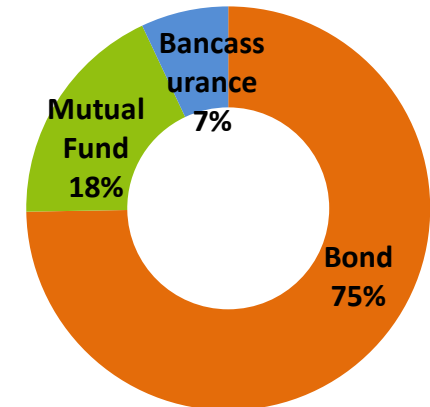
**AUM 1H-2012**



**Total AUM Rp.3,288 Billions**

- Bond: Rp.2,541 Billions
- Mutual Fund: Rp.733 Billions
- Bancassurance – Aliansi : Rp. 14 Billions

**FBI 1H-2012**

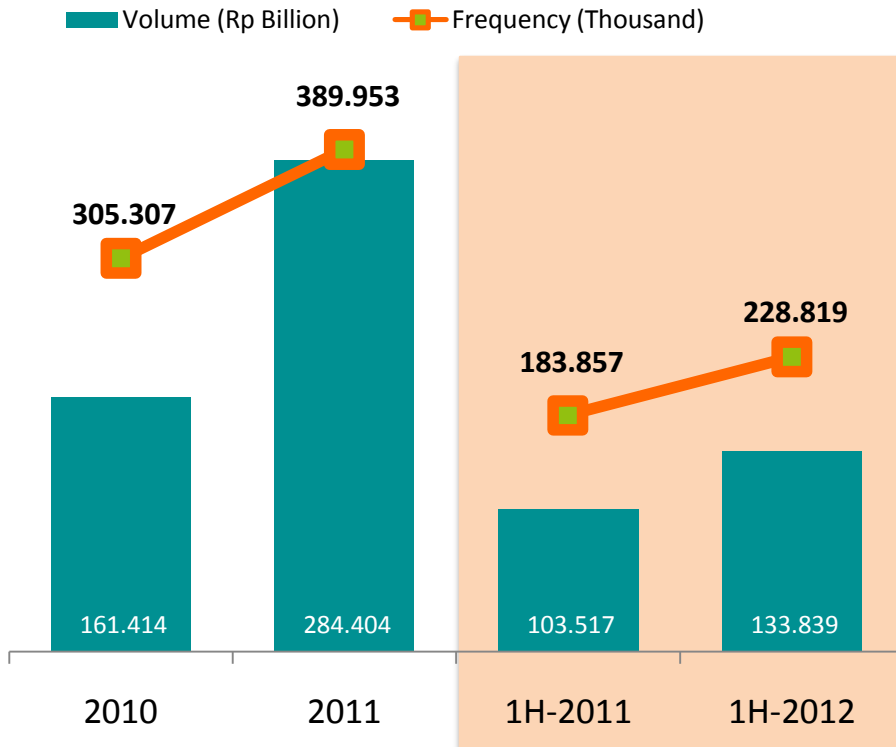


**Total FBI Rp.11,7 Billions**

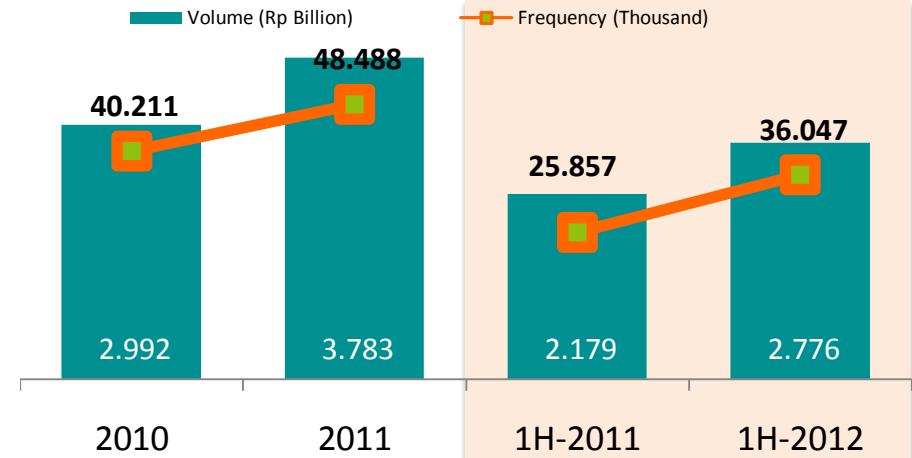
- Bond: Rp. 8,9 Billions
- Mutual Fund: Rp. 2,0 Billions
- Bancassurance – Aliansi: Rp. 0.8 Billions

# E-banking transactions

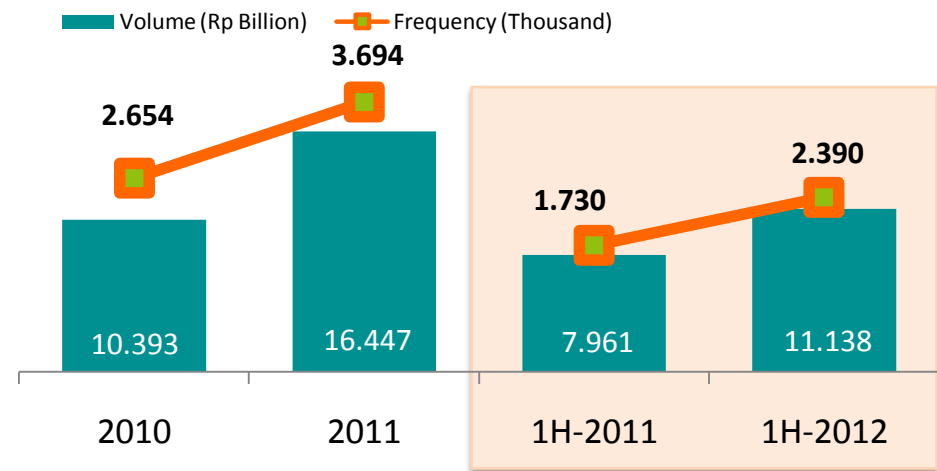
## ATM Transactions



## SMS Banking Transactions



## Internet Banking Transactions





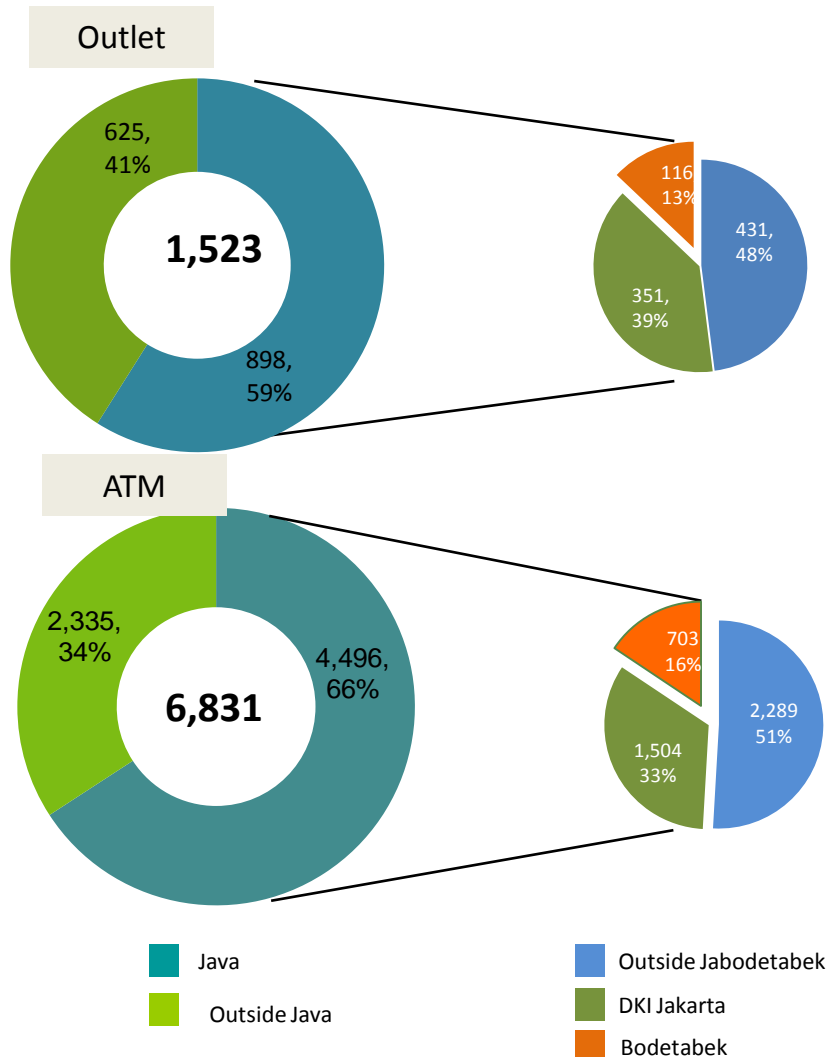
# Network & Services

# Network & Services

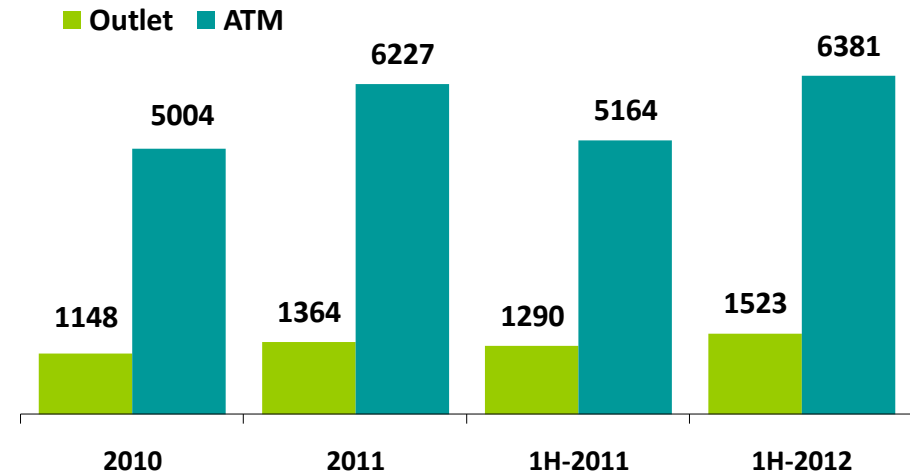
## Foot Print

### Our Presence

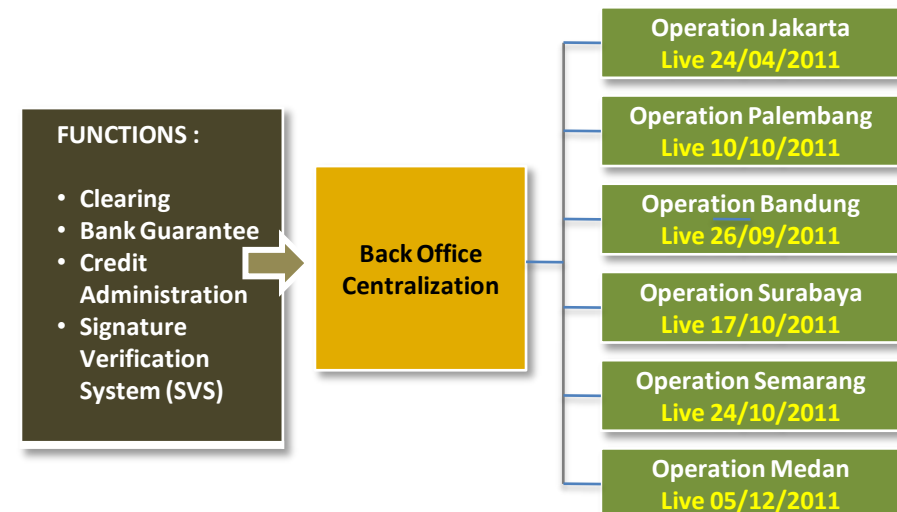
- 33 Provinces and 368 Districts
- 1,523 Outlets and 6,831 ATMs



### Our Progress



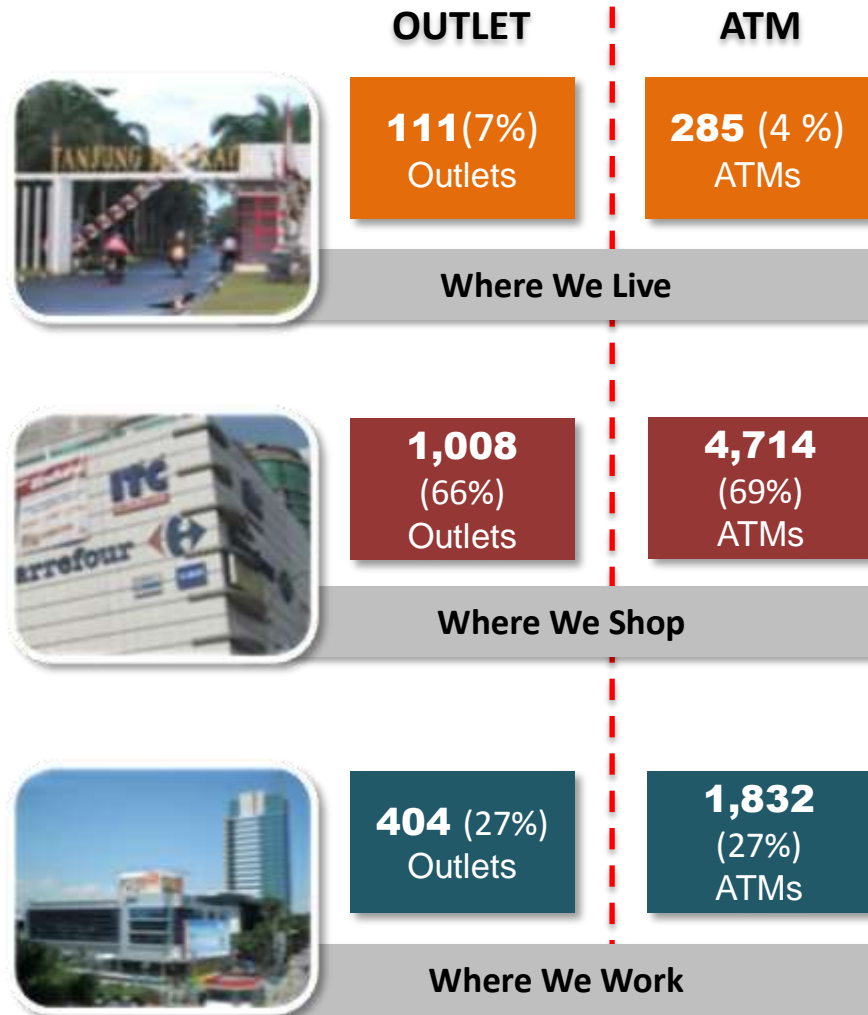
### Back Office Centralization



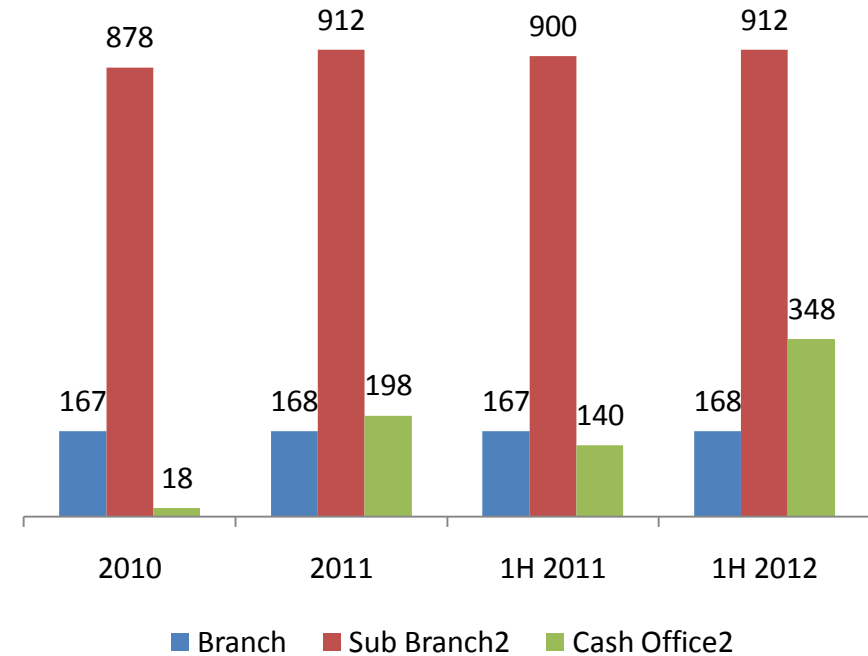
# Network & Services

## Outlet & ATM

### Outlets & ATMs Distribution by Category



### Branch, Sub branch, Cash Office



OUTLET	2009	2010	2011	1H-2011	1H-2012
Branch	166	167	168	167	168
Sub Branch	748	878	912	900	912
Cash Office	25	18	198	140	348
<b>Total</b>	<b>939</b>	<b>1,063</b>	<b>1,278</b>	<b>1,207</b>	<b>1,428</b>

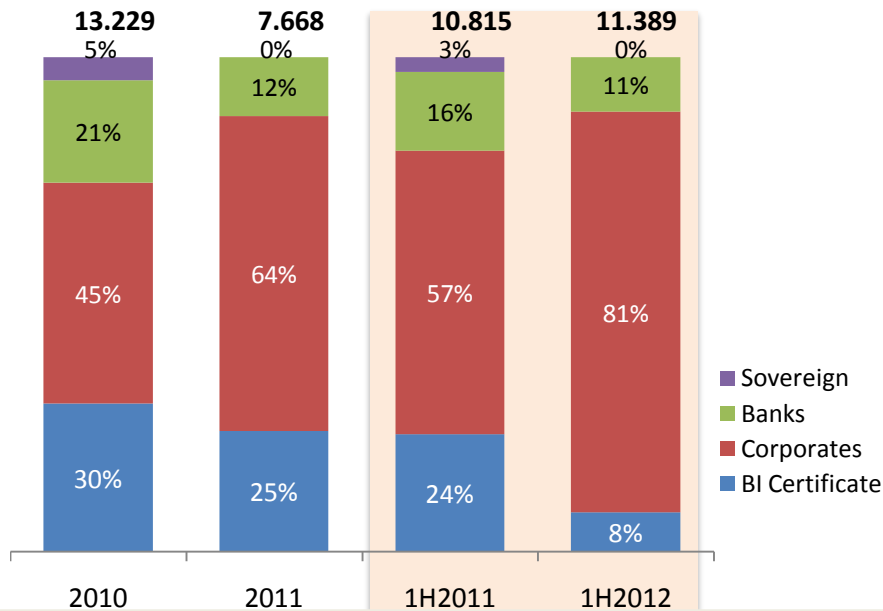
Excl. Overseas Offices, Region Offices, Payment Point, Mobile Banking, Cash Mobile and Functional Offices

# Treasury & FI

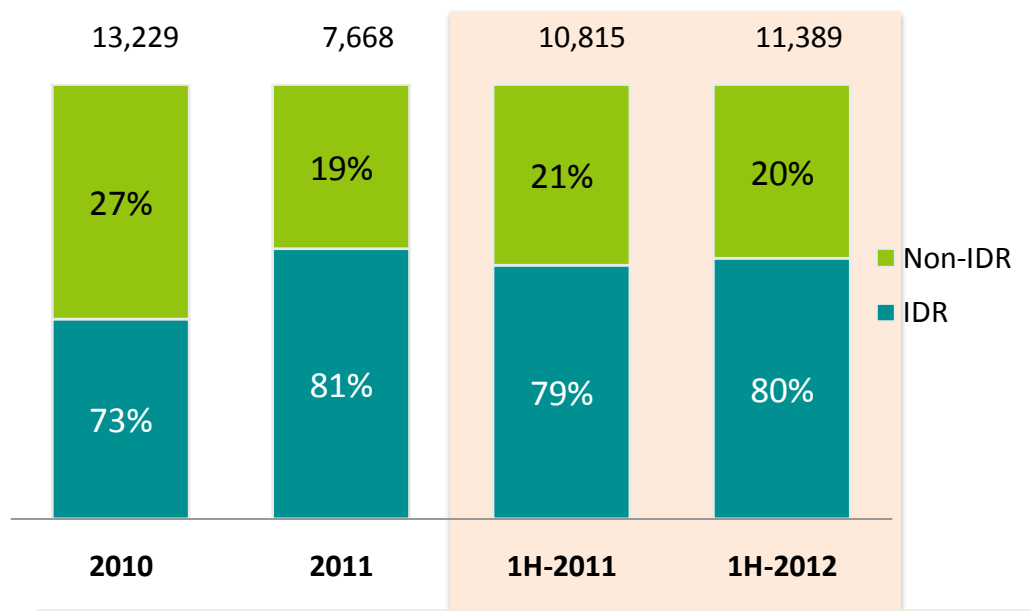
# Marketable Securities

[Exclude ROI Bonds]

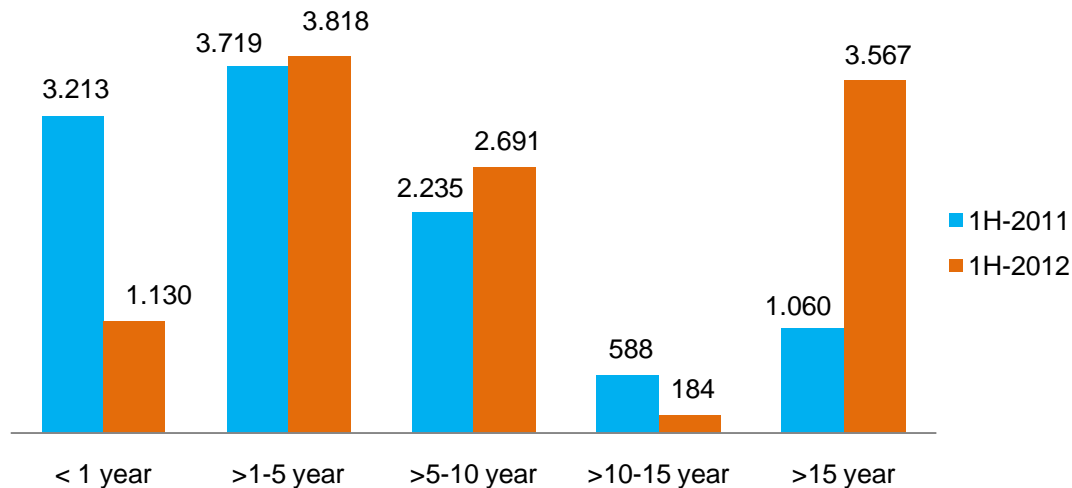
## By Composition (%)



## By Currency (%)

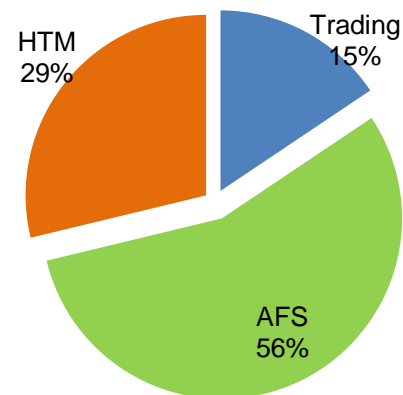


## Maturity Profile (Rp Billion)

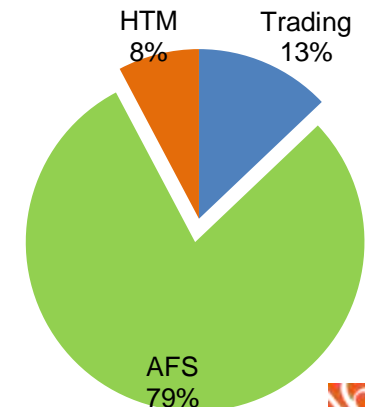


## Portfolio Juni 2011 dan Juni 2012

Juni 2011 =Rp. 10.815 milyar

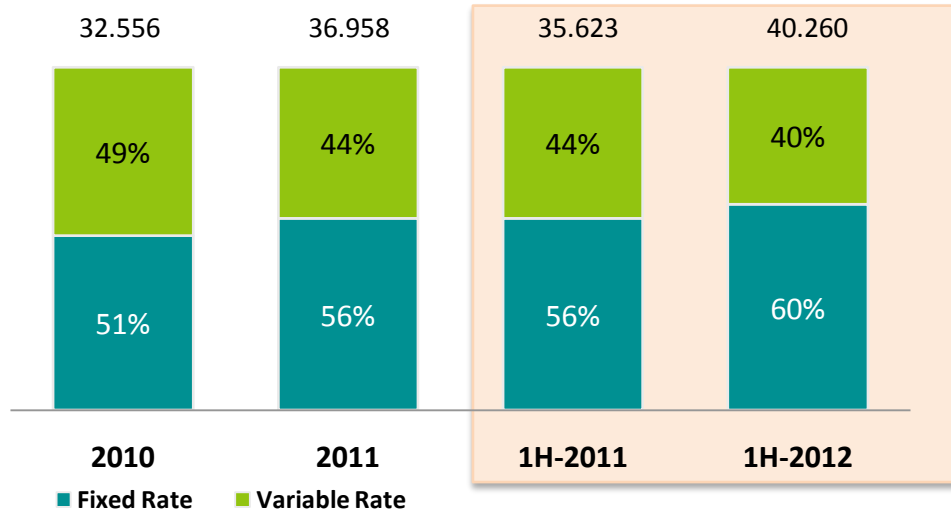


Juni 2012 =Rp. 11.389 milyar

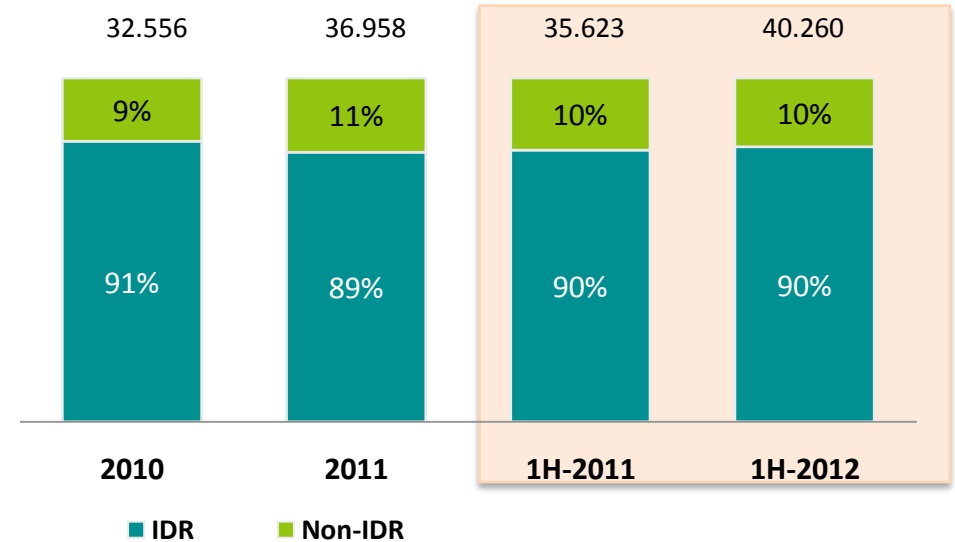


# ROI Bonds

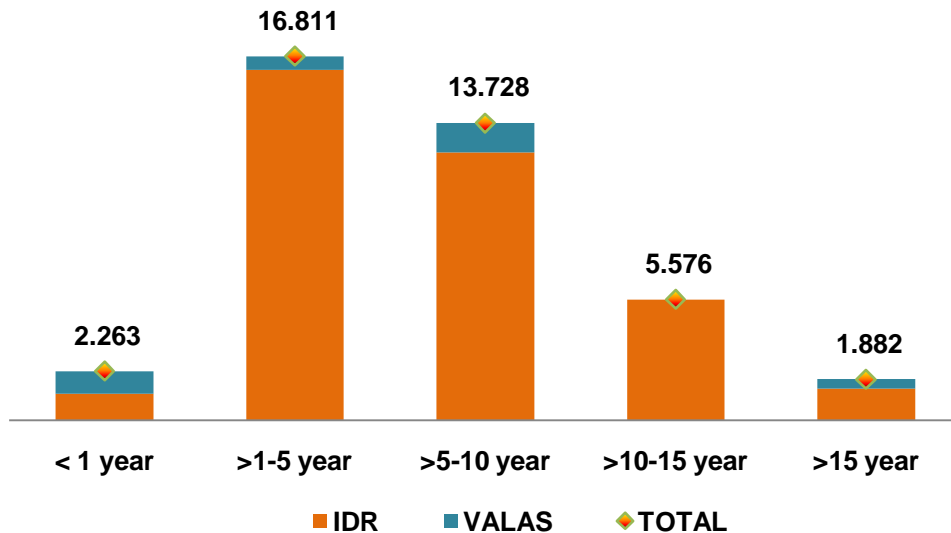
## Type of Interest Rate (%)



## Government Bond By Currency (%)



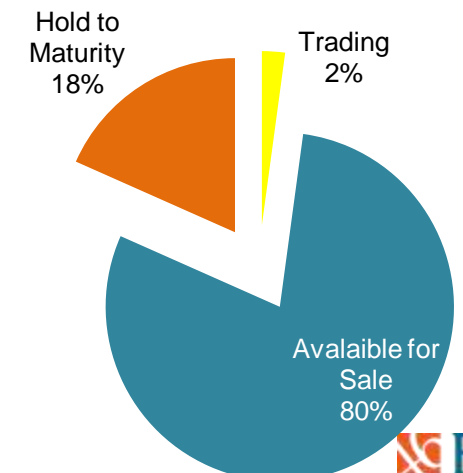
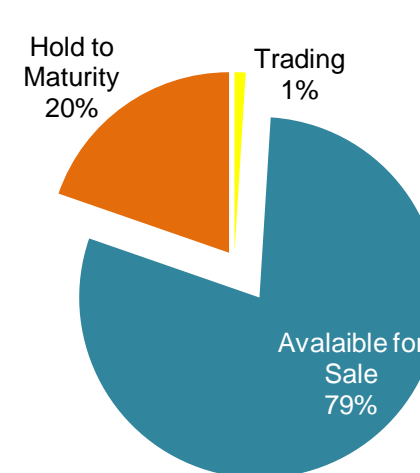
## Maturity Profile (Rp Billion)



## Portfolio Juni 2011 dan Juni 2012 (%)

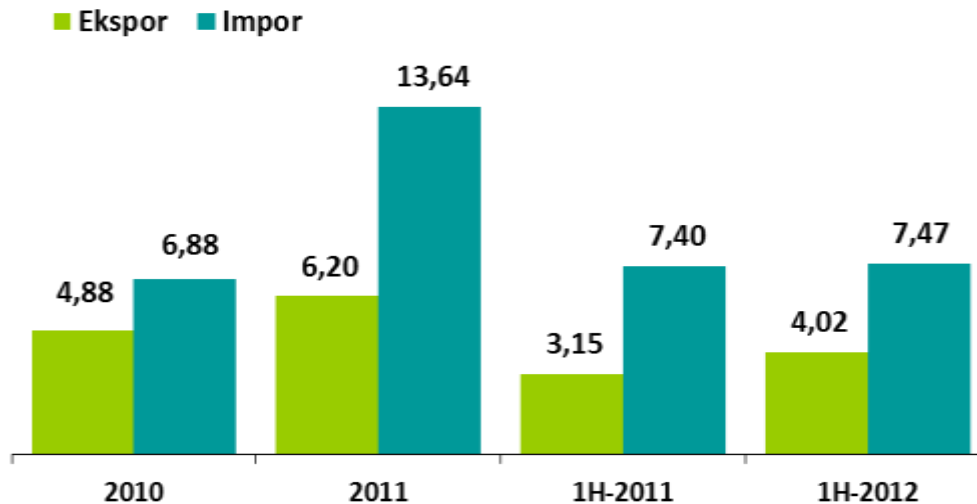
Juni 2011 =Rp. 35.623 milyar

Juni 2012 =Rp. 40.260 milyar

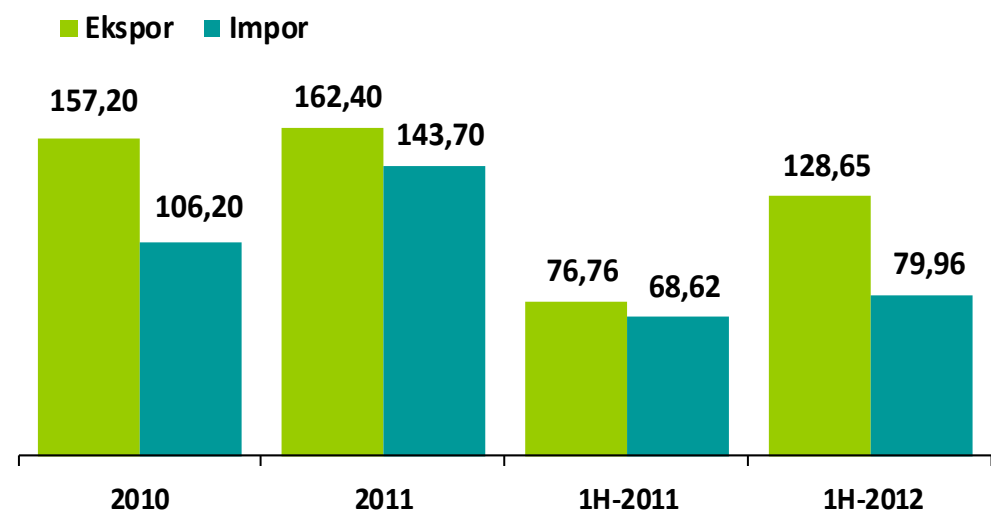


# Trade Finance

Trade Finance Volume (USD Bio)



Trade Finance Revenue (IDR Bio)



## Key success factors:

1. Supported by four Trade Processing Centers with ISO 9001:2008 certificate.
2. 39 Trade Marketing Representative Officers (MRO) in 13 Business Central Area (47 MRO expected in place at the end of 2012).
3. 5 Overseas Network (Singapore, Hong Kong, Tokyo, London, New York).
4. Japan Desk (Sinergy Japan Regional Bank).



2010



2011



2012

## Award Achievement:

Best Trade Finance Bank in Indonesia 3 years in a row (2010, 2011, 2012) from Alpha South East Asia Magazine

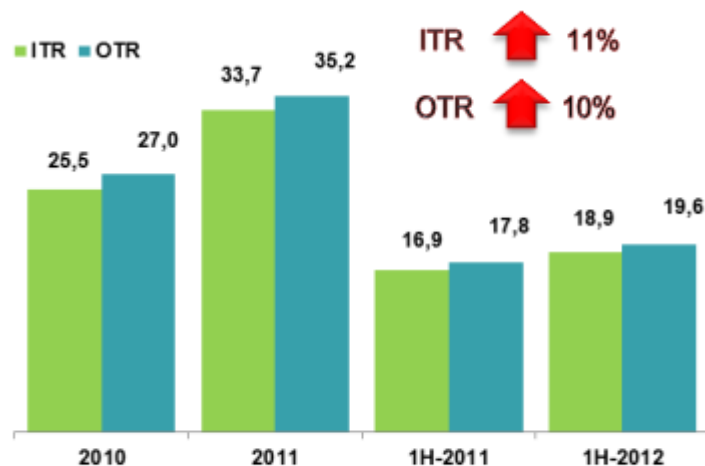
## Opportunity in 2012:

Devisa Hasil Ekspor (DHE) regulation will bring positive effect on BNI funds, in 2012 BNI estimately will receive around USD 25 million from DHE.

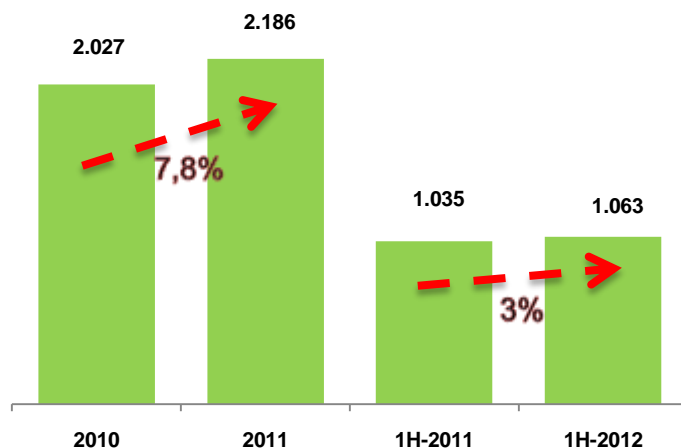
# Remittance Business

## REMITTANCE PERFORMANCE

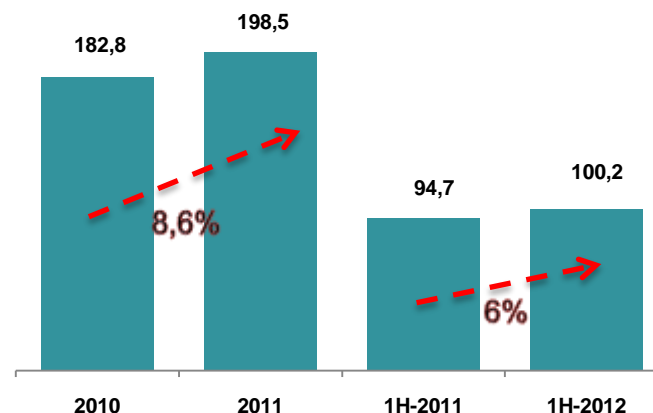
Remittance Volume ITR – OTR (USD Billions)



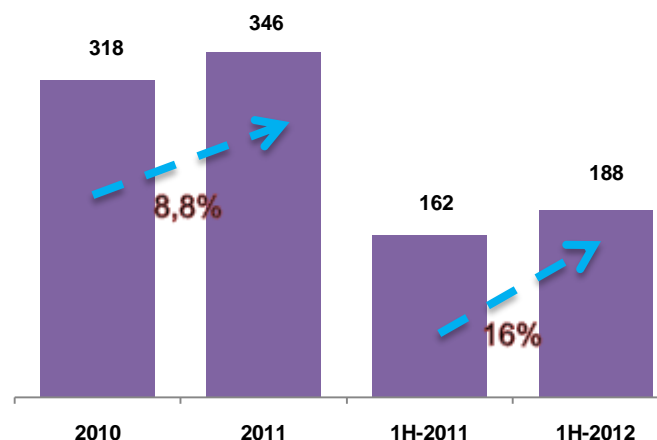
Remittance Items – ITR Slips (Thousands)



Remittance Fee Based (IDR Billions)



Remittance Items – OTR Slips (Thousands)



## PERFORMANCE ANALYSIS

### Incoming Transfer (ITR)

- ❑ The volume of ITR increases by 11% against 1H-2011.
- ❑ In term of item, ITR in 1H-2012 increases 3% against 1H-2011.
- ❑ The extensive collection point, extensive cash out point (paying agents), flexible & competitive pricing, effective promotion & CSR Programs, and friendly customer service are the reasons.

### Outgoing Transfer (OTR)

- ❑ The volume of OTR increases by 10% against 1H-2011.
- ❑ In term of item, OTR in 1H-2012 increases 16% against 1H-2011.
- ❑ More aggressive in marketing, package product pricing, and maintain service level quality are the key factors.

## AWARDS

Best Remittance providers in Southeast Asia 2009, 2010 and 2011 from Alpha South East Asia Magazine.



2009



2010

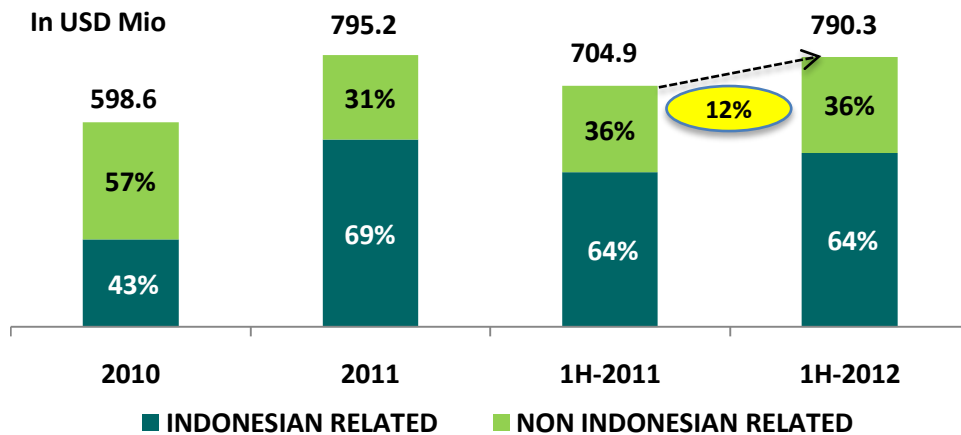


2011



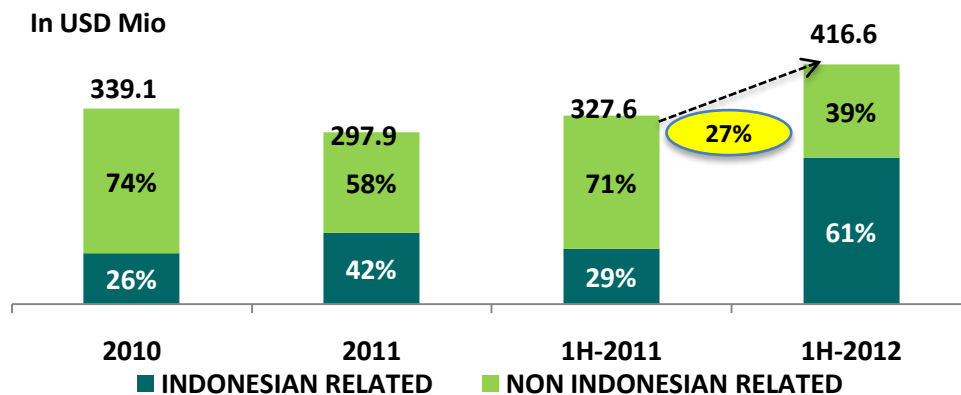
# Overseas Branches

## Overseas Branches Loan Portfolio



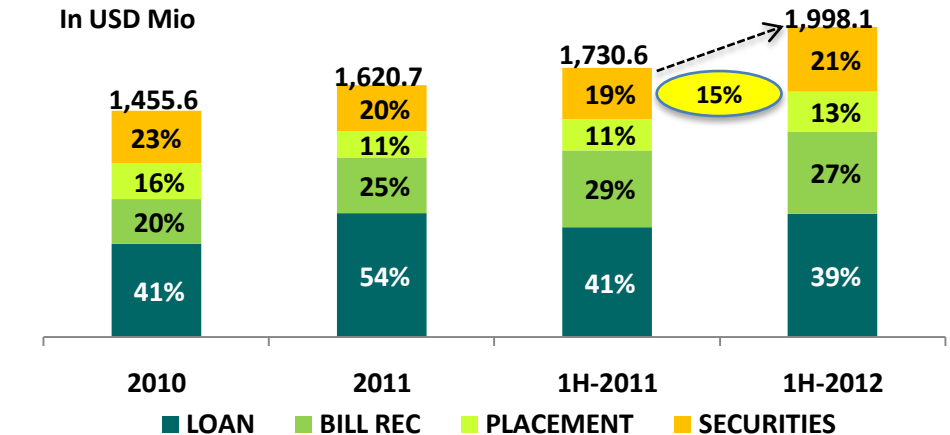
12% growth of Loan assets portfolio is dominated by Indonesian related assets (64%) which are Offshore loan (36%) and local loan (28%).

## Overseas Branches Securities Portfolio



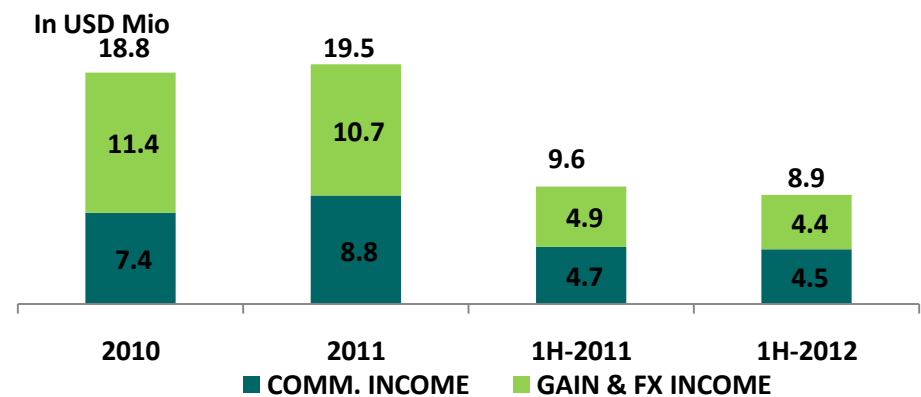
27% growth of Securities assets portfolio followed by improvement of assets composition to more portion of Indonesian related assets (61%).

## Earning Assets Composition



The Assets growth significantly improved due to Global Bond issuance proceeds amounting USD 500 Mio to re-profile funding structures and strengthen liquidity of overseas branches.

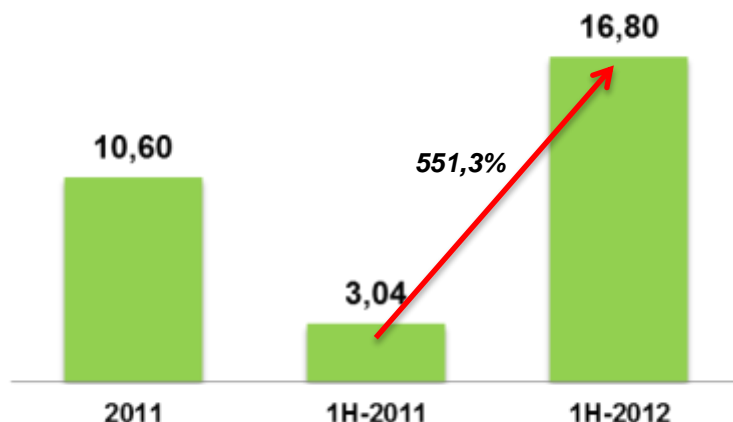
## Fee Based Income



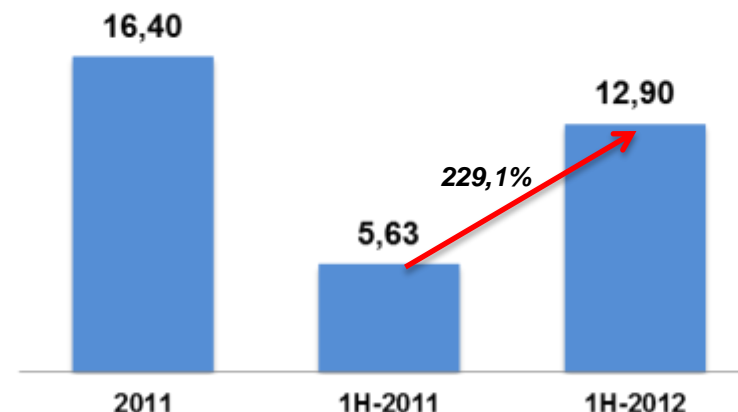
Total FBI slightly decreased with contribution of 20.2% from total income which can cover 63.1% operational expenses of overseas branches.

# Financial Institutions

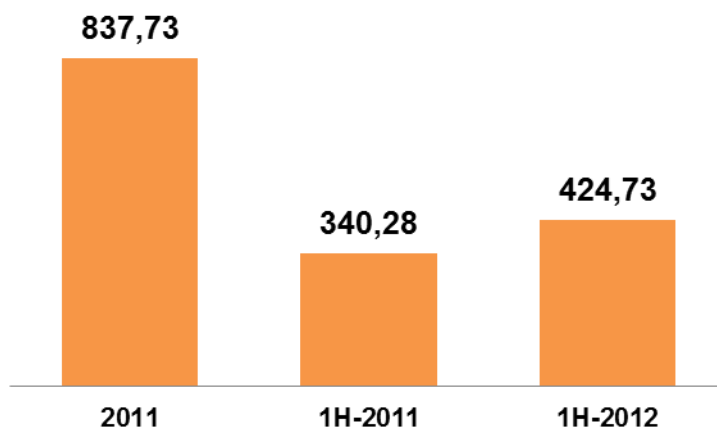
Risk Participation / LC Refinancing Revenue  
(IDR Bio)



BG Under Counter Guarantee Fee  
(IDR Bio)



BA Funding Volume  
(USD Mio)



- BNI is supported by international network of 1604 correspondents in 103 countries
- We provide total solution to customers worldwide by leveraging the high network of correspondents.
- BNI has set up a Japan Desk since beginning of 2012 to accommodate business needs of Japanese companies in Indonesia.
- To enhance yield, BNI is now active in the LC Refinancing and Risk Participation with both local and foreign counterparts.

# About BNI

# Senior Management Team



**Gatot M. Suwondo**  
*President Director/CEO*  
 Since February 2008  
 Previously: Vice President  
 Director of BNI, MD of  
 Bank Danamon



**Felia Salim**  
*Vice President Director/CRO*  
 Since February 2008  
 Previously: Independent  
 Commissioner of BNI, Deputy  
 Chairman -  
 IBRA, Director, Jakarta Stock  
 Exchange



**Yap Tjay Soen**  
*Chief Financial Officer*  
 Since February 2008  
 Previously: Commissioner of Bank Mandiri  
 & BNI, CFO of BII, various executive  
 positions in Astra, Asia Food &  
 Properties, Tuban Petro Chemical, &  
 ANTAM



**Krishna R Suparto**  
*Managing Director  
 Business Banking*  
 Since February 2008  
 Previously: President Director of  
 Barclays Securities, MD of Bank  
 Danamon



**Ahdi Jumhari Luddin**  
*Managing Director Compliance*  
 Since February 2008  
 Previously: Director, Banking  
 Supervisory, Bank Indonesia



**Suwoko Singoastro**  
*Managing Director  
 Operation & IT*  
 Since February 2008  
 Previously: EVP Network &  
 Operation, GM of Network  
 Distribution Division



**Honggo Widjojo Kangmasto**  
*Managing Director  
 Network and Services*  
 Since May 2010  
 Previously: MD Permata Bank, MD  
 Indofood, EVP Bank Mandiri



**Sutanto**  
*Managing Director  
 Enterprise Risk Management*  
 Since May 2010  
 Previously: GM Risk  
 Management Division, GM  
 Training Division



**Adi Setianto**  
*Managing Director  
 Treasury and Financial  
 Institutions*  
 Since May 2010  
 Previously: GM Institutional  
 Funding, GM Bancassurance



**Darmadi Sutanto**  
*Managing Director  
 Consumer Banking*  
 Since May 2010  
 Previously: Director of  
 Retail Banking RBS



**Sutirta Budiman**  
*Chief Business Risk Officer*  
 Since September 2010  
 Previously: Commissioner of  
 BNI Securities, CFO of Aneka  
 Kimia Raya

**BNI has been further enhancing its management through key hires with strong industry experience**

# Board of Commissioners



**Peter B. Stok**  
*President Commissioner  
(Independent)*  
Since May 2009  
Previously: Commissioner Bank  
Permata, President Director  
Bank Niaga, President  
Director Bank Dagang Negara



**Tirta Hidayat**  
*Vice President Commissioner*  
Since May 2010  
Previously: Lecturer from  
University of Indonesia,  
Economic Deputy at Vice President office



**Achil Ridwan Djayadiningrat**  
*Commissioner  
(Independent)*  
Since February 2008  
Previously: Managing Director of BNI  
(Compliance and Human Resource)



**BS Kusmuljono**  
*Commissioner  
(Independent)*  
Since May 2010  
Previously : Commissioner BRI,  
President Director of PT PNM



**Fero Poerbonegoro**  
*Commissioner  
(Independent)*  
Since February 2008  
Previously Managing Director of BNI  
(Treasury & Private Banking)  
Managing Director of Bank BCA



**Bagus Rumbogo**  
*Commissioner*  
Since May 2010  
Currently: Advisor to the  
Ministry of State-Owned  
Enterprises



**Daniel Theodore Sparringa**  
*Commissioner*  
Since April 2012  
Currently: Lecturer on University of  
Airlangga, Surabaya

**This transformation will only be made possible by our effective and experienced professionals**

# BNI has a long track record in the Indonesian banking sector



1946:  
BNI Established  
  
Indonesia  
Independence  
(17 August 1945)

1996  
First state-  
owned bank, to  
"go public"

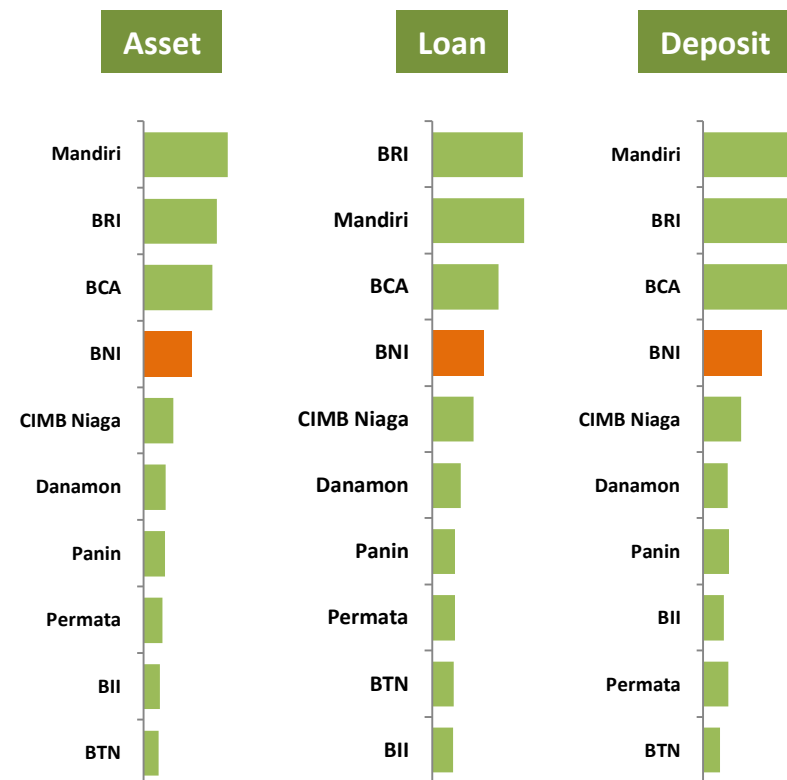
2000:  
Post-recap, The  
Government  
Owned 99.1% of BNI

2007: Secondary  
Offering, US\$  
445mn new Tier-1  
capital



Today:  
Government owns  
60,0% of BNI

- ✓ Compelling Brand Name – 66 years history
- ✓ Network (over 1.528 outlets) including five overseas branches
- ✓ Customer Base – over 14 millions customers
- ✓ Stable and Strong Top Management team
- ✓ Strong ROE and ROA improvement trajectory



*The most extensive  
distribution  
platform in  
Indonesia*

*The 4th largest  
commercial  
bank by asset  
size*

*Strong low-cost  
funding base  
with low LDR*

Source: Bank Indonesia

# Network & Distribution

## BNI's multiple touch points for individual and corporate customers

Mobile banking

Call Center

ATMs (6831)

Outlets (1528)

Consumer loan centers (58)

Small business centers (245)

Medium business centers (20)



BNI has also entered into key arrangements with prominent companies for payment channeling, financing, loan distribution, and network/outlet development

### Individual customer highlights

- ✓ 14,0mn deposit accounts
- ✓ 1,9 mm credit cards
- ✓ 127.550 mortgage customers

### Corporate/SME customer highlights

- ✓ 159.400 corporate deposit accounts
- ✓ 1.105 corporate borrowers accounts
- ✓ 102.220 SME lending accounts



Platform for efficient and effective cross-selling of products and services



# Offering leading products...

## Key asset and liability products

### Credit Cards (Visa & Mastercard)

Launched in October 1997  
Balance: Rp, 4,61 trillion  
# Applications: 95,000/month  
# of cards holder: 1,9 millions



### TAPLUS & Derivatives (Savings Product)

Launched in 1989  
Balance: Rp, 242,7 trillion  
# Applications: 199.000/month  
# of accounts: 14.0 million



### BNI Wirausaha (Commercial)

Launched in 2007  
Balance: Rp 165 billion



### BNI Griya (Housing Loan)

Launched in 2005  
Balance: Rp, 21,7 trillions  
# Applications: 5,000/month  
# of accounts: 127.550



## Product Focus 2012

- ✓ **CREDIT & DEBIT Card** to boost recurring fee income
  - Credit Card growth : > 20%
  - Debit Card Transaction growth : > 20%
- ✓ **TAPLUS & Derivatives**, [saving account]
  - To balance CASA – Non CASA composition
  - Target growth 2012: > 15%
- ✓ **BNI Griya** [mortgage loan] with growth target in 2012 over 35%
- ✓ **BNI Wirausaha** [small commercial loan size US\$5.000 – US\$100.000] with growth target 15%
- ✓ **Cash Management**, more extensive acquisition and increased number of transaction
- ✓ **Trade Finance & Remittance**, accelerate volume through our overseas branches



## BNI ratings

		2011	2012
<b>Fitch Rating</b>	National long term rating Long term foreign & local currency Short term foreign & local currency Individual rating Subordinated debt	AA+ (idn) BBB-/Stable B C/D --	AA+ (idn) BBB-/Stable F3 WD --
<b>Standard &amp; Poor's</b>	Credit rating Long term issuer credit rating Subordinated rating	BB/Positive/B BB --	BB/Positive/B BB --
<b>Moody's</b>	Bank deposits – fgn currency Bank deposits – dom currency Bank Financial Strength Rating Outlook	Ba2 Baa3 D Stable	Baa3 Baa3 D Stable
<b>Pefindo</b>	Corporate rating Bond 1 Subordinated	<sup>id</sup> AA/Stable -- --	<sup>id</sup> AA/Stable -- --

# BNI Shares

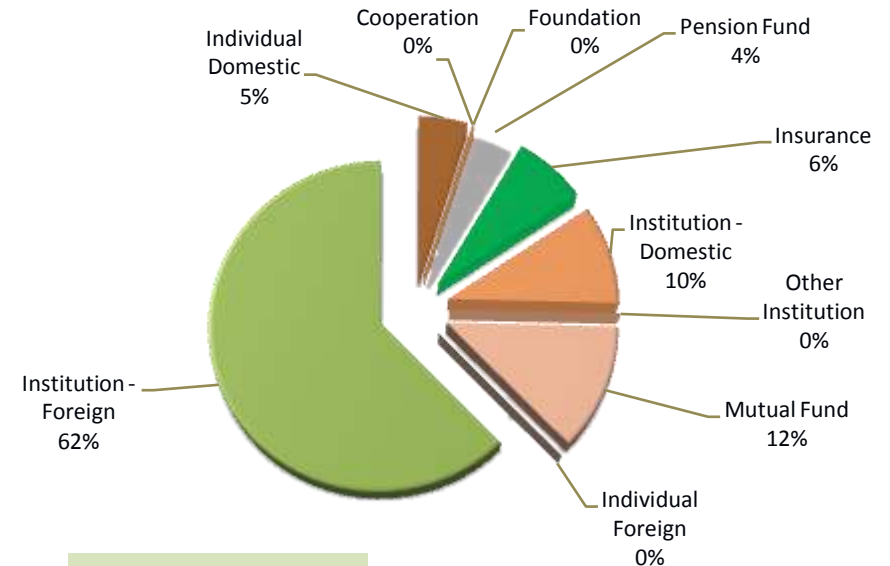
## BBNI shares performance



**BNI Shares Increased 1,97% [ytd] from 31 Dec 2011 (3800) to 30 June 2012 (3825)**

- ✓ Issued shares 18.648.656.458 shares
- ✓ Price [June, 30, 2012] : Rp 3,825,-
- ✓ Market Capitalization : Rp. 71,3 trillion [+/- US\$ 7,5 billion]

## BBNI Public Ownerships [40.00%]



As of June, 2012

Ownerships	%
Government RI	60.00%
Public – Domestic	15.10%
Public - Foreign	24.90%

# Thank you

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