

DISCLOSURE

In comply with OJK Rule No. 2/POJK.04/2013 and OJK Circular Letter No. 3/SEOJK.04/2020 regarding Plan on Buyback of Shares in Significantly Fluctuating Market Conditions



PT Bank Negara Indonesia (Persero) Tbk

Business Activity:
Banking

Domicilled in Jakarta, Indonesia

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INFORMATION TO SHAREHOLDERS REGARDING PLAN ON BUYBACK OF SHARES IN SIGNIFICANTLY FLUCTUATING MARKET CONDITIONS

PT Bank Negara Indonesia (Persero) Tbk. ("Company") plans to conduct buyback of shares up to Rp1,800,000,000,000 (one trillion eight hundred billion Rupiah) of its shares that are currently listed on the Indonesia Stock Exchange ("IDX"), in accordance with the OJK Rule No. 2/POJK.04/2013 on Buyback of Shares in Significantly Fluctuating Market Conditions ("OJK Rule No. 2/POJK.04/2013") and OJK Circular Letter No. 3/SEOJK.04/2020 on Other Conditions Constituting Significantly Fluctuating Market Conditions Allowing for Buyback of Shares ("SEOJK No. 3/SEOJK.04/2020"). According to SEOJK No. 3/SEOJK.04/2020, the Company is allowed to buyback its shares maximum by 20% (twenty percent) of the paid-up capital and must keep at least 7.5% of its free float. The buyback will be conducted gradually within three months effective since 16 March 2020 until 15 June 2020. The buyback transaction will be executed through Indonesia Stock Exchange.

This Disclosure is published in Jakarta on 13 March 2020

ESTIMATION OF SCHEDULE

1.	Notification and Disclosure to OJK, IDX, and the Company website.	13 th of March 2020
2.	Buyback Period	16 th of March 2020 until 15 th of June 2020

PRELIMINARY

The current economic condition is experiencing a slowdown and pressure both regionally and nationally, partly caused by the COVID-19 outbreak. In addition, trading conditions in IDX since the beginning of 2020 to March 9th, 2020, experienced significant pressure, which was indicated by the decline of Composite Stock Price Index by 18.46%. For this reason, in order to provide economic stimulus and to reduce the impact of market which significantly fluctuated, OJK issued SEOJK No. 3 / SEOJK.04 / 2020, which aims to relax the conditions for Issuers or Public Companies to carry out corporate actions for buyback shares without violating applicable laws and regulations.

The Company plans to repurchase the Company's shares which issued and listed in the IDX with maximum amount is not more than Rp1,800,000,000,000 (one trillion eight hundred billion Rupiah). In accordance with SEOJK No. 3/SEOJK.04 / 2020, the repurchased number of shares will not exceed 20% (twenty percent) of paid-up capital and must be kept at least 7.5% of its free float.

The Company believes that the Share Buyback will not affect the Company's financial performance due to the Company has sufficient capital to support its financing plan and the Company's business activities.

SHARES REPURCHASE EXPENSES ESTIMATION AND NOMINAL VALUE OF ALL SHARES THAT WILL BE PURCHASED

The Buyback will use internal cash of the Company with maximum amount not more than Rp1,800,000,000,000 (one trillion eight hundred billion Rupiah). Projected cost has not included any other costs incurred yet such as Brokerage fees and other costs related to Share Buyback.

In accordance with SEOJK No. 3 / SEOJK.04 / 2020, the number of shares to be repurchased will not exceed 20% (twenty percent) of paid-up capital and must keep at least 7.5% of its free float.

ESTIMATION OF COMPANY DECLINING INCOME AS A RESULT OF SHARES REPURCHASE AND IMPACT OF COMPANY FINANCING EXPENSES

Assuming the Buyback amount is Rp1,800,000,000,000 (one trillion eight hundred billion Rupiah), then Assets and Equity will decrease by Rp1,800,000,000,000 (one trillion eight hundred billion Rupiah). We conclude the Buyback will not impact the Company Profit and Loss because the cost of transaction should not be material.

In addition, the potential cost from the transfer of assets in the form of Cash to Treasury Stock is not expected to significantly affect the Company's revenue. For these matters, the Company believes that the Buyback transaction will not have any material adverse effect to the Company's business activities, as the Company has sufficient capital and cash flow to carry out financing transactions in conjunction with the Company's business activities.

PROJECTION OF COMPANY EARNING PER SHARE AFTER THE SHARES REPURCHASE IS EXECUTED

The following table is the projection of the Consolidated Financial Statements as of December 31st, 2019, assuming the Company's Repurchase Shares amounting Rp1,800,000,000,000 (one trillion eight hundred billion Rupiah):

(in millions of Rupiah)

	Financial Statements as of December 31 st , 2019		
	Without Shares Buyback	Impact	After Shares Buyback
Total Asset	845,605,208	(1,800,000)	843,805,208
Net Profit	15,384,477	-	15,384,477
Total Equity	125,003,948	(1,800,000)	123,203,948
Earnings per Share (full amount in Rupiah)	825	12	837

Assumption:

The repurchased number of shares does not exceed 20% (twenty percent) of paid-up capital. If the brokerage fees or other cost incurred about 0,15%, it is considered less impact to PL then excluded from the above projection.

From above analysis showing that the Buyback up to Rp1,800,000,000,000 (one trillion eight hundred billion Rupiah) will not be impacting the Company's financial performance.

THE PRICE OF SHARES BUYBACK

Buyback of the Company's Shares will be conducted in accordance with applicable regulations at fair and reasonable price.

THE PERIOD OF SHARES BUYBACK

3 (three) months from March 16th to June 15th, 2020.

METHODS THAT WILL BE USED FOR SHARES BUYBACK

1. The Buyback transaction will be executed through IDX.
2. The Company will appoint one Securities Company to Repurchase the Company's Shares.
3. Every party whoever:
 - a. Commissioners, Directors, employees and Major Shareholders of the Company;
 - b. An individual who due to his position or profession or because of his business relationship with the Company allows that person to obtain inside information; or
 - c. The party within the last 6 (six) months is no longer a Party as referred to the items a and b,
 are prohibited to purchase and/or sell the Company's shares during the buyback period or on the same day with the transfer of repurchased shares by the Company through the IDX.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE IMPACT OF SHARES BUYBACK TO THE BUSINESS ACTIVITIES AND GROWTH OF THE COMPANY

1. The Company's revenue is not expected to decrease due to the implementation of Share Buyback.
2. Share Buyback is estimated to have a minimal impact on the Company's financing costs.
3. Shares Buy Back will reduce the Company's Assets and Equity by the number of Shares Buy Back. If the Company uses all of the budget reserved for the Shares, then the total Assets and Equity will be reduced to a maximum of Rp1,800,000,000,000 (one trillion eight hundred billion Rupiah).
4. The Company believes that the implementation of Share Buyback will not have a material negative impact on the Company's business activities and growth, because the Company currently has sufficient capital and cash flow to conduct and finance all business activities, business development activities, operational activities and Share Buyback.

THE COMPANY'S PLAN ON SHARES BUYBACK

After the end of the shares buyback period, the Company may transfer the shares in accordance with the prevailing laws and regulations in particular OJK Rule No. 2 / POJK.04 / 2013.

ADDITIONAL INFORMATION

According to OJK Letter No. S-11/PB.3/2020 dated 13 March 2020, OJK has approved the Company's plan to repurchase its shares.

For further information regarding the Shares Buyback, please contact the Company during business hours at:

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