

PUBLIC EXPOSE LIVE 2021

PT. BANK RAKYAT INDONESIA (PERSERO) Tbk.





KEYNOTE SPEAKERS



SUNARSO

President Director



VIVIANA DYAH AYU R.K

Director of Finance



AGUS SUDIARTO

Director of Risk
Management

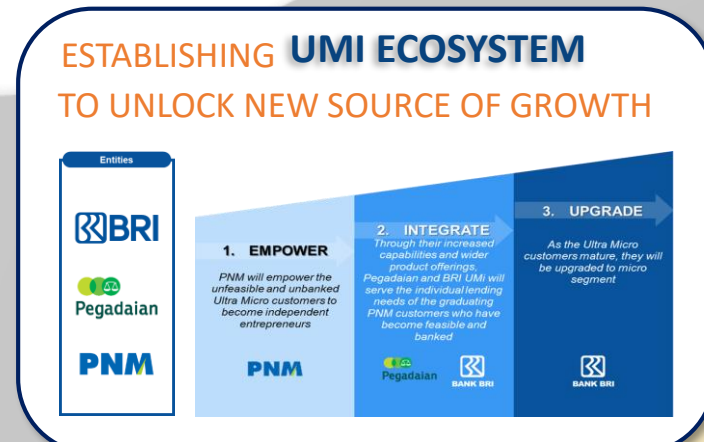
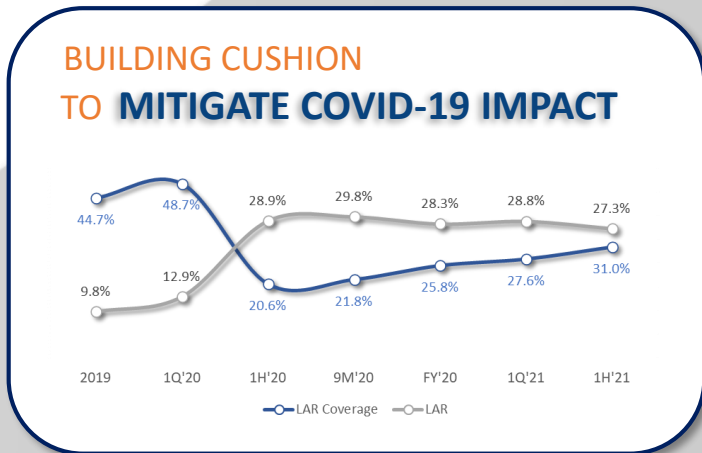
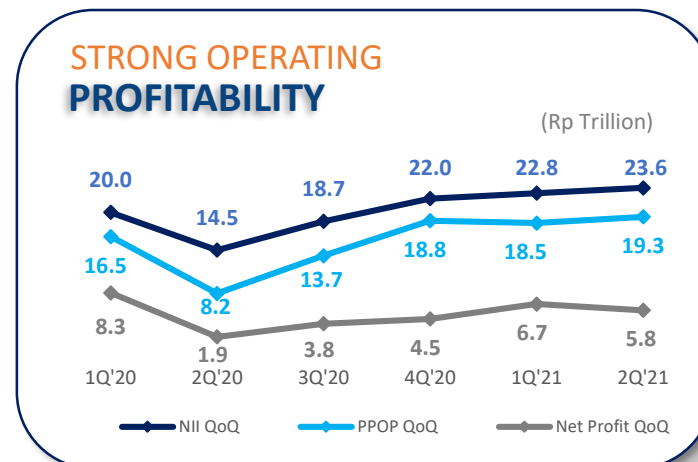
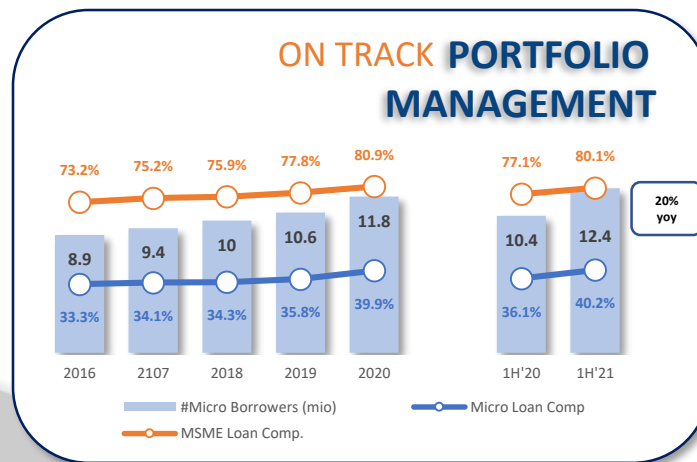
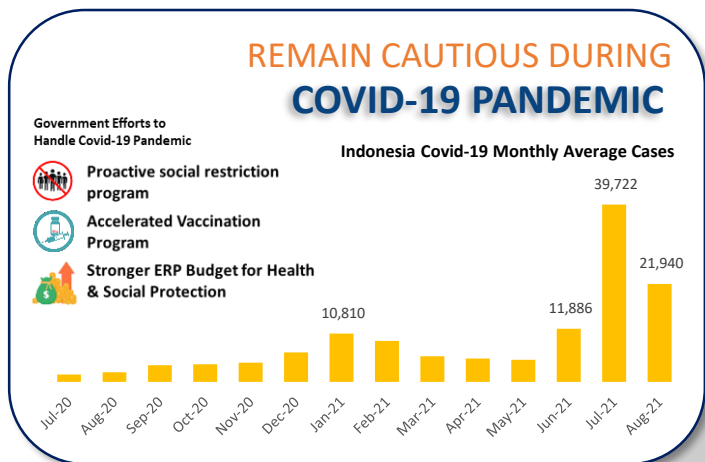


INDRA UTOYO

Director of Digital and
Information Technology



Strengthening Resilience, Securing Strong and Sustainable Future Growth



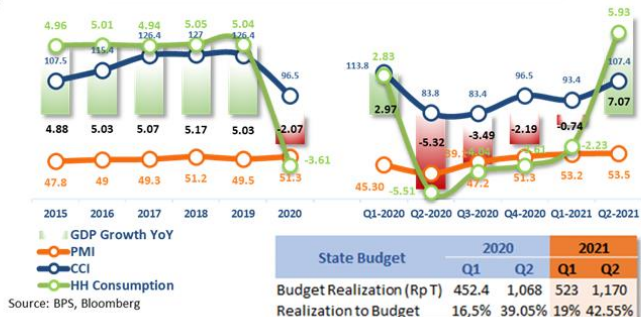


MACRO ECONOMY

Economic Recovery Continues to Recover, Remain Cautious on Pandemic Impact



Recovering GDP Growth



GDP, and Consumption show recovery

Stable Exchange Rate



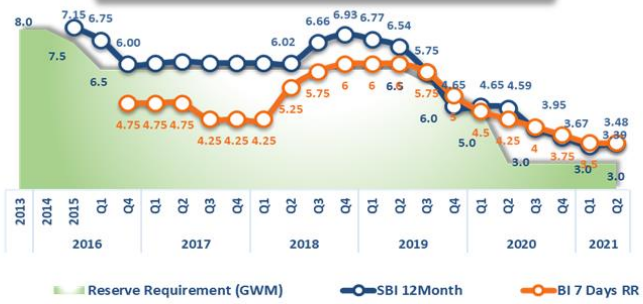
Stabilize exchange rate, and healthy level of foreign reserves

Attractive Yield



Manageable level of inflation provides attractive real yield

Accommodative Monetary Policy



More accommodative policy to ensure sufficient liquidity in markets

Government Responses to Pandemic

Implementation Of Emergency Public Activity Restrictions (PPKM)



Acceleration of Covid-19 Vaccination Program



Increasing Economic Recovery Program (ERP) 2021 Budget from Rp699.43 T to Rp744.75 T



Government and Regulators Actively Issuing Policies To Boost Demand and Consumption (LTV Relaxation)



THE ESTABLISHMENT OF ULTRA MICRO ECOSYSTEM

Securing Strong and Sustainable Future Growth





UMI ECOSYSTEM AS A KEY SOURCE OF GROWTH UNDER BRIVOLUTION 2.0



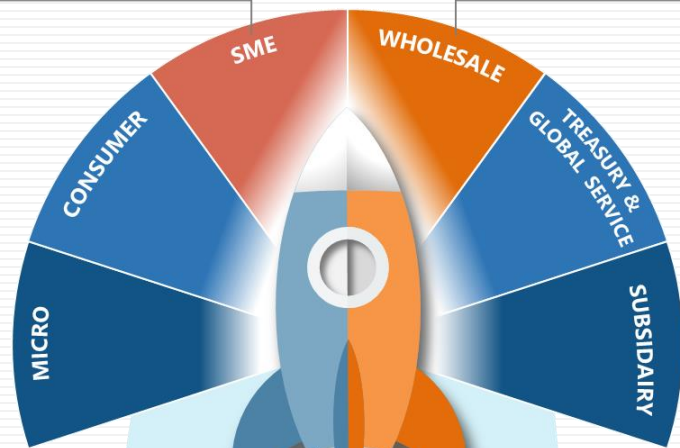
\$75Bn Market Cap

90% in financial inclusion

Digital First DNA

Agile & Entrepreneurial Mindset

Home to The Best Talent



SME
The House Bank for SMEs in Indonesia

CONSUMER
The Leading Consumer Bank in Indonesia

MICRO
Champion for Financial Inclusion, Recognized as a Global innovator in Micro Banking

WHOLESALE
The House Bank for Leading Indonesian Corporates And Institutions

TREASURY & GLOBAL SERVICE
Become Market Leading Bank in Treasury and Global Services With Sustainable and Meaningful Contribution to BRI Group

SUBSIDIARY
Enable BRI to Become a Well-Diversified at Scale Financial Group

"Shift Channels from 'Service' to 'Sales and Advisory' and Deliver Superior Omni-Channel Customer Experience"

DISTRIBUTION

RISK
"Managing Risk for Sustainable Business, Operational Excellence & Banking Resilience"

"Next-gen HC: Become The Strategic Business Partner for Business Units to Deliver Their Aspirations"

HUMAN CAPITAL

DIGITAL & IT
"Become Customer-centric, Strategic Thought Partner to Business, With Secure, Responsive and Data Driven Solution and Services, Enabled by Innovation and Collaboration"



Our Transformation is Anchored In Six Themes (6C)

Creating New Growth Engine

Accelerating CASA Growth

Enhancing Cross Sell to Boost Fee Income

Adapting Culture & Capabilities

Improving Customer Experience

Containing Credit Cost

ESTABLISHMENT OF THE ULTRA MICRO ECOSYSTEM

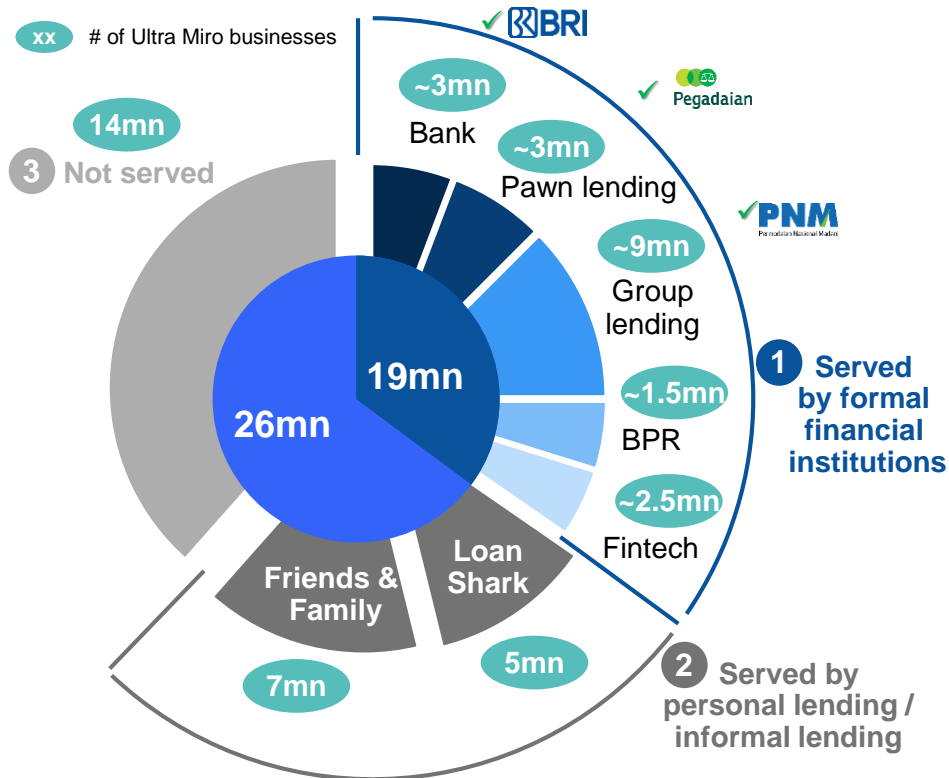
Provide Integrated Journey for Ultra Micro Entrepreneurs



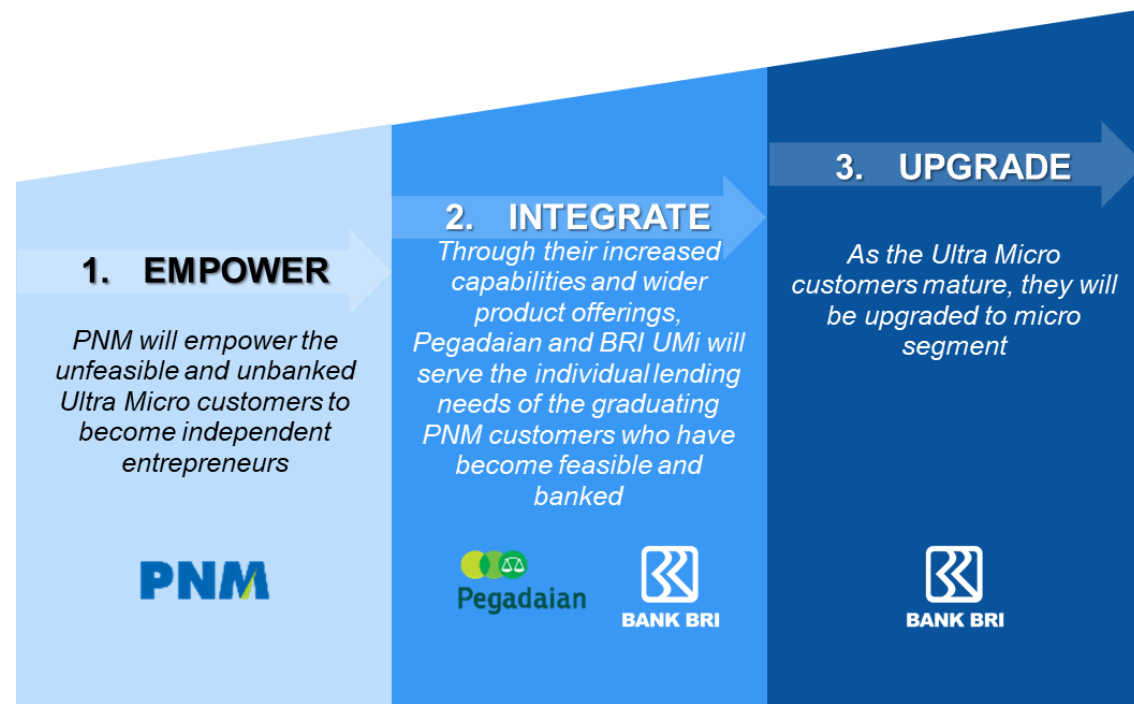
BRI's Total Addressable Market: Ultra Micro Business with Additional Funding Needs

Consolidated Ultra Micro Ecosystem for a more Integrated Journey for Customers

- 45mn** required additional funding in 2019...
- 1** But only **19mn** were served by formal financial institutions...
- 2** And **12mn** were served by personal lending / informal lending...
- 3** With the remaining **14mn** still not served by any providers



Ultra Micro Businesses with Additional Funding Needs by Source of Funds (2019)



The combination of BRI, Pegadaian and PNM Business Models complement each other to provide end-to-end financial services to Ultra Micro Customers

Source: Company, Pegadaian's public filings, PNM's public filings, Asian Development Bank, Ministry of Cooperatives – MSME data (2018), OJK.

▶ ULTRA MICRO ECOSYSTEM: NEW VALUE PROPOSITIONS

1



Comprehensive Financing Product Offering

Complete product selection for different needs of customer within the ultra-micro segment

2



Joint Customer Acquisition

Robust customer acquisition through joint acquisition approach leveraging BRILink Agent's role and integrated salesforce tools (UMi Corner)

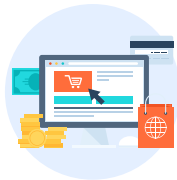
3



Wider Customer Points of Access Through Co-Location

Wider and easier access by Joint Acquisition by leveraging BRI, Pegadaian and PNM networks across Indonesia (Co-Location)

4



Access to Micro Payment Ecosystem and Beyond Banking Products

Provide full access to BRI micro payment ecosystems & beyond banking products

5



Data Analytics

Enable better understanding of customer needs, strengthen underwriting process, optimize cross-sell and customer acquisition process

6



Empowerment and Increasing Capabilities

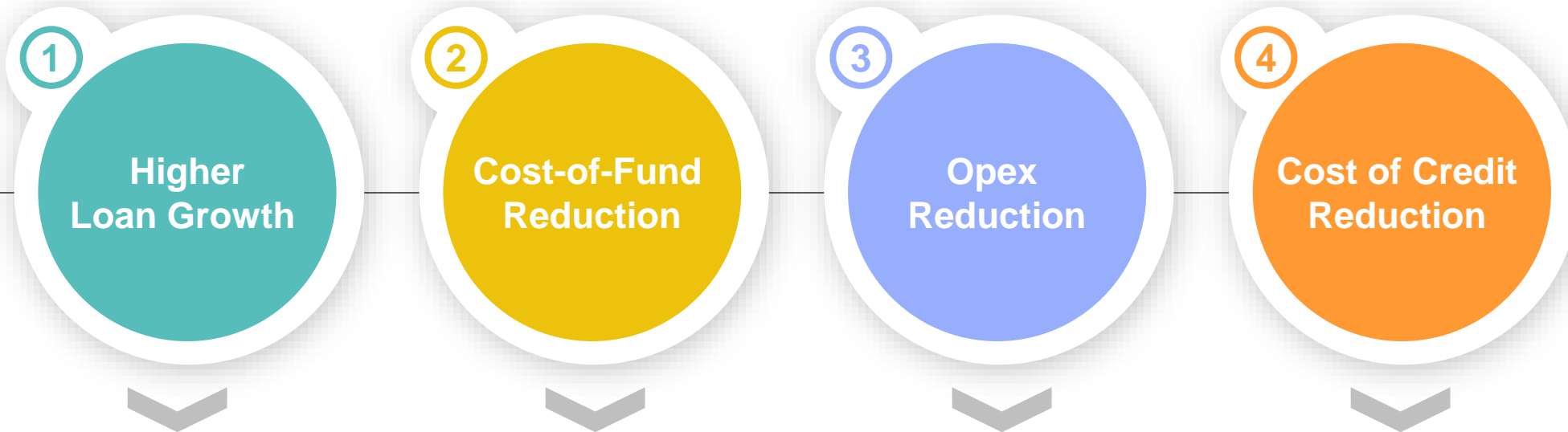
Empowerment and increasing capabilities to upgrade from ultra-micro segment to micro segment



ULTRA MICRO ECOSYSTEM: THE SYNERGIES



4 sources of synergies created by the creation of Ultra Micro ecosystem



The four synergies will drive sustainable business growth for the 3 entities



The combination of BRI, Pegadaian and PNM has the potential to generate significant revenue and cost synergies from cross-selling opportunities and estimated efficiencies realized in the Ultra Micro ecosystem

Source: Company.
(1) BRI will launch several new UMi products that will be marketed together with Pegadaian and PNM, such as KeCe and KeCe-Daily (short-term unsecured loans for market traders), Kupedes UMi (semi-collateralized loans for farmers), and Purchase financing (loans in the form of goods).



UMI ECOSYSTEM WILL STRENGTHEN BRI POSITIONING AS FIRST MOVER IN ESG IMPLEMENTATION



Bank with the Largest Sustainable Business Portfolio

First Mover on Indonesia Sustainable Banking

Served as The Chairman of Indonesia Financial Sustainability Initiatives

Indonesian Bank with The Largest Sustainable Business Portfolio

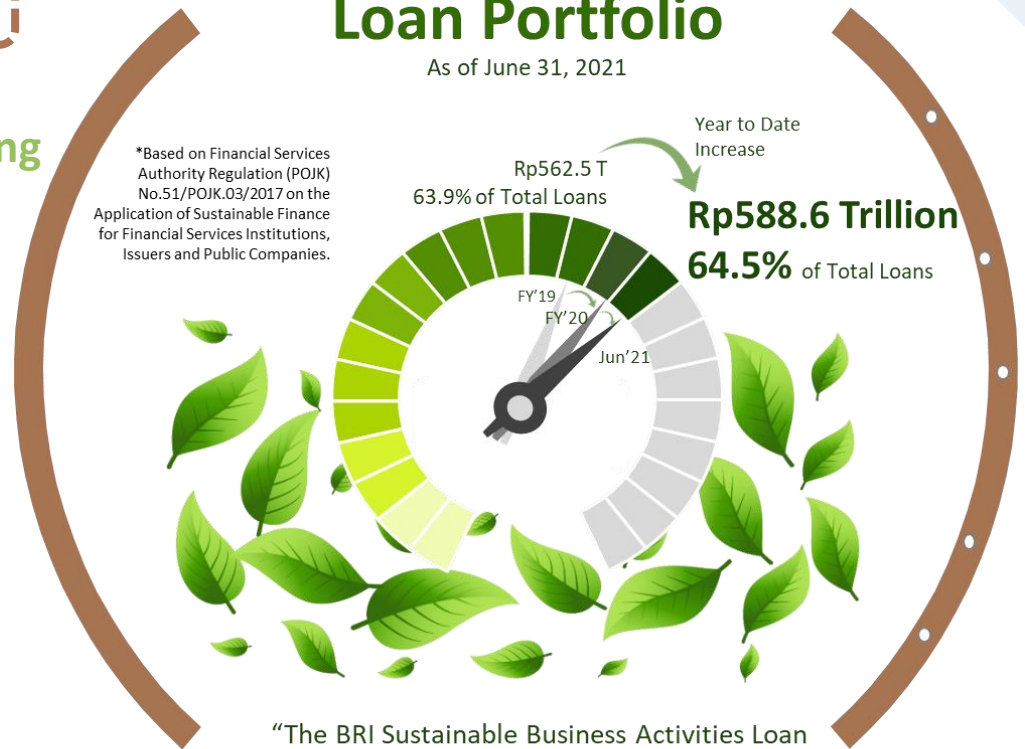
The First South East Asian Bank Issued Sustainability Bond

Constituent of Indonesia ESG Leader Index

Sustainable Business Activities*

Loan Portfolio

As of June 31, 2021



"The BRI Sustainable Business Activities Loan Portfolio has sustainably increased and the highest among peers"



BRI has adapted international ESG Reporting Standards

RIGHT ISSUE





TERMS OF PROPOSED RIGHTS ISSUE



Maximum number of shares to be issued	<ul style="list-style-type: none"> 28,213,191,604 Series B shares (all holders of existing shares that elect not to exercise rights will experience a maximum of 18.62% decrease in its aggregate percentage ownership of shares in BRI)
Rights Issue Value	<ul style="list-style-type: none"> Government’s in-kind contribution: IDR54.77tn <ul style="list-style-type: none"> Fair market value of Pegadaian as of March 31, 2021: IDR48.67tn⁽¹⁾ Fair market value of PNM as of March 31, 2021: IDR6.10tn⁽¹⁾ Public cash contribution: IDR41.15tn assuming 100% participation
Exercise Price	<ul style="list-style-type: none"> IDR3,400
Rights Offer Ratio	<ul style="list-style-type: none"> 230,128,553 rights for every 1,000,000,000 Existing Shares, or approximately 23 rights for every 100 existing shares
Use of Proceeds	<ul style="list-style-type: none"> Combination of the Ultra Micro Business, which is conducted through BRI’s investment in: <ul style="list-style-type: none"> Pegadaian, in the amount of 6,249,999 Series B shares or representing 99.99% of the issued and paid-up capital of Pegadaian; and PNM, in the amount of 3,799,999 Series B shares or representing 99.99% of issued and paid-up capital of PNM, <p>and pursuant to the In-Kind Contribution by the Government</p> The remaining proceeds, in the form of cash, will be used for working capital for BRI in order to develop an ultra-micro ecosystem as well as micro and small businesses

Source: Offering Circular.

Note: The proposed right issue is in line with Government Regulation (PP) No. 72/2016, which regulates in-kind participation (inbreng) whereby the assets of a company are transferred to another and treated as a capital injection. With this regulation, the government can carry out inbreng without inclusion under the state budget.

(1) KJPP Suwendho Rinaldy dan Rekan (“SRR”), an independent appraiser, appraised 6,249,999 Series B shares of Pegadaian and 3,799,999 Series B shares of PNM and provided a fairness opinion on the Proposed Transaction in its report No. 00244/2.0059-02/BS/07/0242/1/VI/2021 dated June 30, 2021 and report No. 00216/2.0059-02/BS/07/0242/1/VI/2021 dated June 3, 2021 for Pegadaian and PNM valuation, respectively.

Event	Date	Event	Date
Date of Extraordinary General Meeting of Shareholders (“EGMS”)	Jul 22, 2021	Distribution Date for Rights	Sep 10, 2021
Effective Date of Registration Statement from OJK	Aug 30, 2021	Rights Pre-Listing Date on the IDX	Sep 13, 2021
Record Date for Shareholders entitled to receive Rights	Sep 9, 2021	Rights Trading Period	Sep 13-22, 2021
Last Date for Trading with Rights		Period for the Exercise of Rights	Sep 13-22, 2021
– Regular and Negotiated Market	Sep 7, 2021	Dates for the Delivery of Rights Shares	Sep 15-24, 2021
– Cash Market	Sep 9, 2021	Last Date for Excess Rights Shares Subscription	Sep 24, 2021
Trading begins without rights		Allotment Date for Excess Rights Shares	Sep 27, 2021
– Regular and Negotiated Market	Sep 8, 2021	Refund Date for Unfulfilled Excess Rights Subscriptions	Sep 29, 2021
– Cash Market	Sep 10, 2021		

BRI 1H'21 PERFORMANCE





BALANCE SHEET

Resilient Balance Sheet to Contain the Risk of Covid-19 Pandemic



IDR Billion

Description	2019	2020	1Q'21	1H'20	1H'21	g YoY		g QoQ		g YtD	
						Nom	%	Nom	%	Nom	%
Total Assets	1,343,078	1,421,785	1,374,381	1,309,321	1,411,625	102,304	7.8%	37,244	2.7%	(10,160)	-0.7%
- Gross Loans	859,558	880,675	896,515	869,042	912,072	43,030	5.0%	15,557	1.7%	31,397	3.6%
- Other Earnings Assets	372,442	467,502	432,292	380,682	457,355	76,673	20.1%	25,063	5.8%	(10,148)	-2.2%
Total Earning Assets	1,233,131	1,348,177	1,328,807	1,250,855	1,369,427	118,572	9.5%	40,620	3.1%	21,250	1.6%
Earning Assets Provision	(37,670)	(66,444)	(73,280)	(54,798)	(79,482)	(24,684)	45.0%	(6,202)	8.5%	(13,038)	19.6%
Total Earning Assets (net)	1,195,460	1,281,733	1,255,527	1,196,057	1,289,945	93,889	7.8%	34,418	2.7%	8,212	0.6%
Total Non Earning Assets	147,617	140,052	118,854	113,264	121,680	8,416	7.4%	2,826	2.4%	(18,372)	-13.1%
Total Liabilities & S.E	1,343,078	1,421,785	1,374,381	1,309,321	1,411,625	102,304	7.8%	37,244	2.7%	(10,160)	-0.7%
Total Customer Deposits	969,750	1,052,664	1,033,256	1,013,156	1,079,072	65,917	6.5%	45,816	4.4%	26,409	2.5%
- Demand Deposits	167,843	183,002	172,520	172,763	189,305	16,542	9.6%	16,785	9.7%	6,302	3.4%
- Savings	404,360	459,148	442,093	401,092	459,233	58,141	14.5%	17,140	3.9%	85	0.0%
- Time Deposits	397,547	410,513	418,643	439,301	430,535	(8,766)	-2.0%	11,892	2.8%	20,021	4.9%
Other Interest Bearing Liabilities	135,752	134,912	96,535	84,351	90,376	6,025	7.1%	(6,159)	-6.4%	(44,536)	-33.0%
Non Interest Bearing Liabilities	33,910	39,850	56,712	28,719	48,818	20,099	70.0%	(7,894)	-13.9%	8,968	22.5%
Tier I Capital	187,012	174,757	167,633	165,118	173,159	8,041	4.9%	5,526	3.3%	(1,599)	-0.9%
Total Shareholder's Equity	203,665	194,359	187,878	183,095	193,358	10,263	5.6%	5,480	2.9%	(1,001)	-0.5%



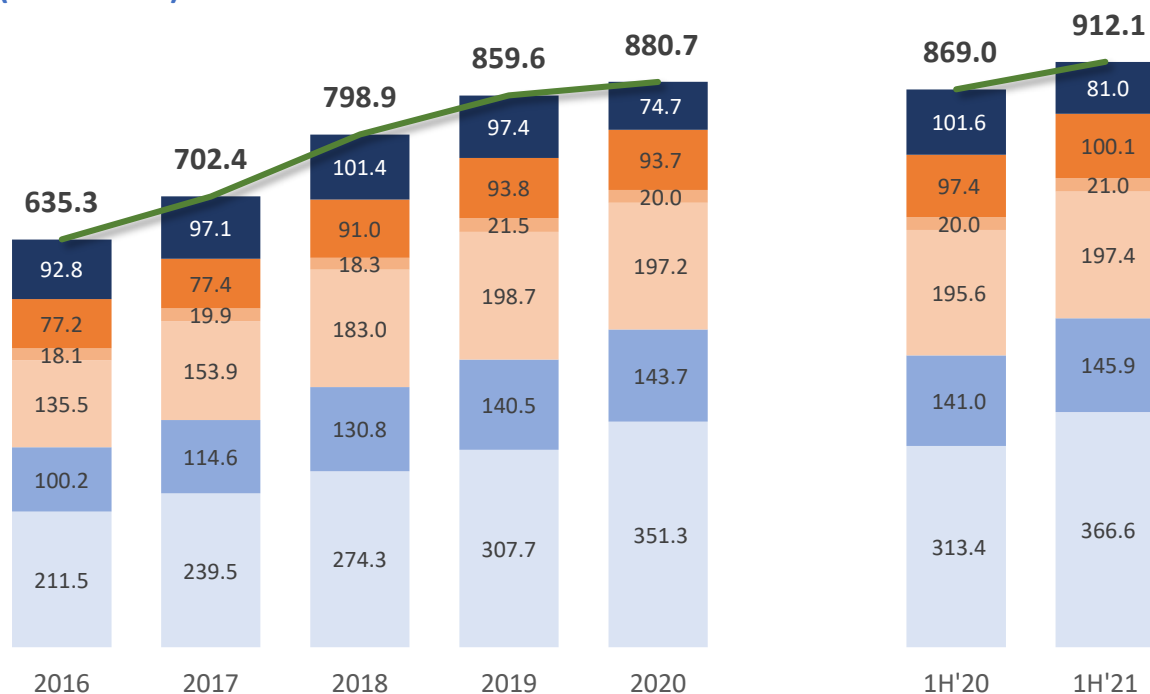
LOAN PORTFOLIO

On Track Portfolio Management, to Reach ~45% Micro Loan Composition in 2025

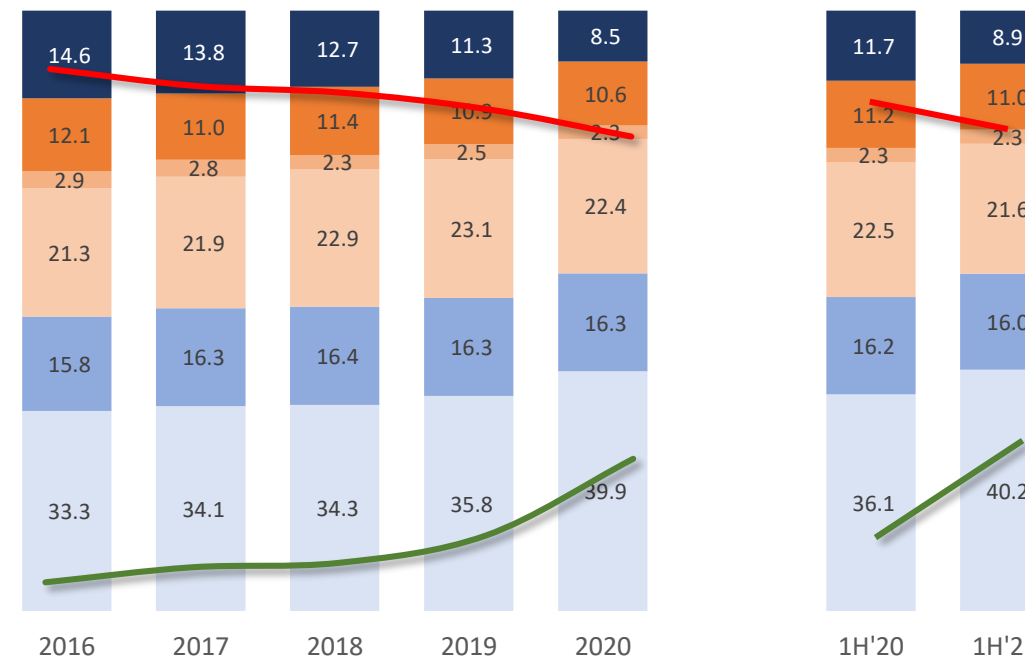


Loan Outstanding – by business segment

(IDR Trillion)



Composition – by business segment (%)



Micro Consumer Small Medium Corporate Non SOE SOE Total

YoY Growth (%)	17.0	3.5	0.9	4.9	2.8	-20.3	5.0
(Rp Tn)	53.2	5.0	1.8	1.0	2.7	-20.6	43.0

√ Started in 2018, Loan has been adjusted due to reclassification of Trade Finance/LC Related Receivables from Loan to Other Earning Assets-Other Receivables



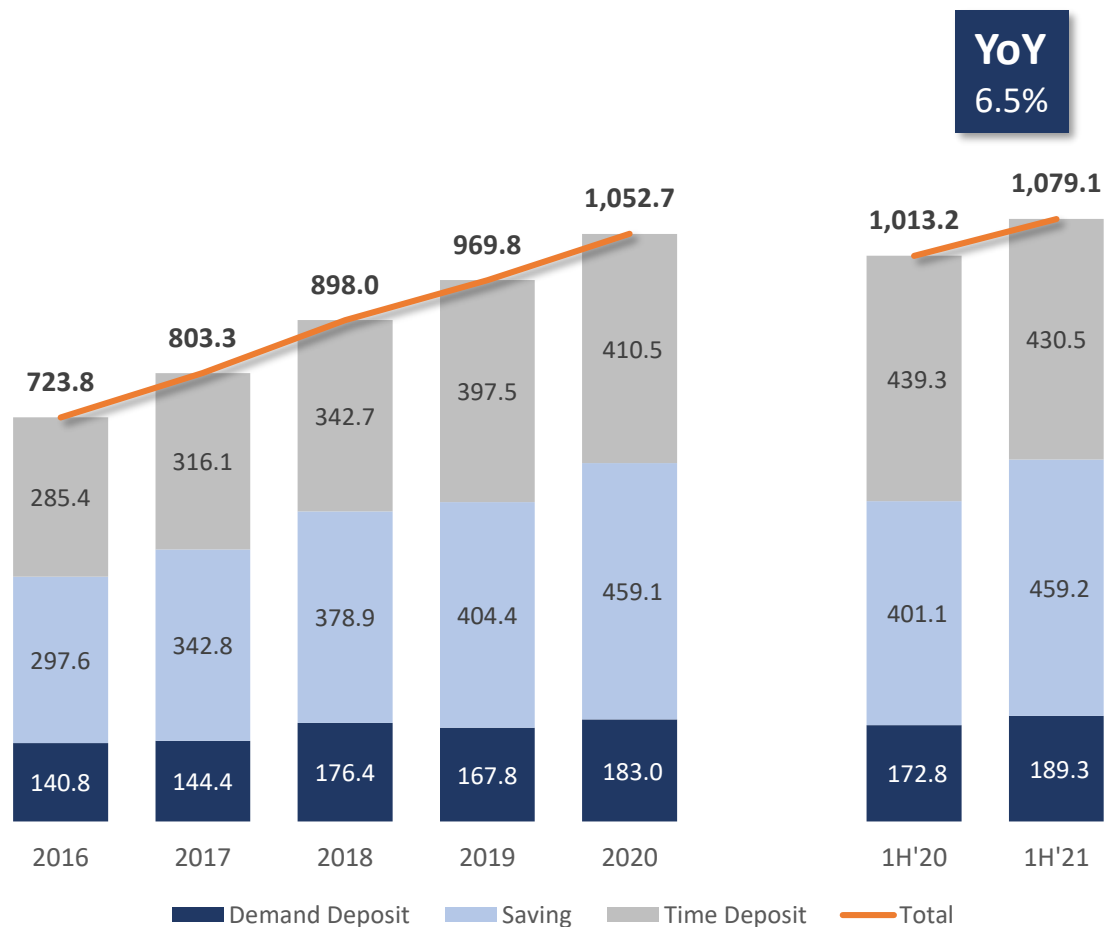
DEPOSIT

Deposits Growth Driven by CASA Boosted COF Efficiency

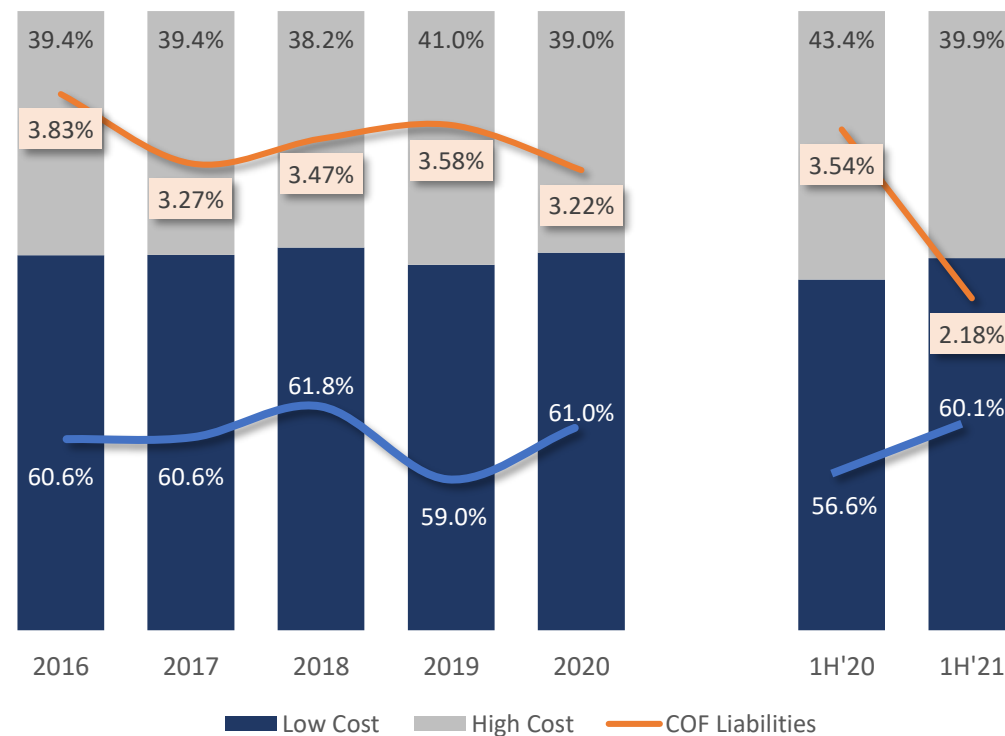


Deposits Growth

(IDR Trillion)



Deposits Composition, COF





INCOME STATEMENT

Strong PPOP Improvement, Allowing More Room for More Provisioning to Anticipate Pandemic Impact



IDR Billion

Description	2019	2020	1Q'21	1H'20	1H'21	g YoY		g QoQ	
						Nom	%	Nom	%
Interest Income	115,639	109,959	28,965	53,162	58,556	5,394	10.1%	626	2.2%
<i>Interest from Loans</i>	103,028	95,626	25,486	46,562	51,846	5,285	11.3%	875	3.4%
<i>Int. from Other Earning Assets</i>	12,611	14,333	3,479	6,600	6,709	109	1.7%	(249)	-7.2%
Interest Expense	(37,078)	(34,812)	(6,171)	(18,610)	(12,204)	6,406	-34.4%	138	-2.2%
Net Interest Income	78,560	75,147	22,794	34,552	46,352	11,800	34.2%	764	3.4%
Fee & Other Opr. Income *	27,552	28,430	8,218	13,714	16,302	2,588	18.9%	(135)	-1.6%
Gross Operating Income	106,112	103,577	31,012	48,266	62,654	14,388	29.8%	629	2.0%
Operating Expenses	(41,782)	(46,396)	(12,565)	(23,610)	(24,864)	(1,254)	5.3%	266	-2.1%
Pre Provision Operating Profit	64,329	57,181	18,447	24,656	37,790	13,134	53.3%	896	4.9%
Provision Expenses	(21,307)	(30,989)	(9,687)	(9,200)	(21,529)	(12,329)	134.0%	(2,155)	22.2%
Non Operating Income (Net)	(72)	(31)	(2)	(6)	(2)	4	-60.6%	1	-43.2%
Profit Before Tax n Minor. Int.	42,950	26,161	8,759	15,450	16,258	809	5.2%	(1,259)	-14.4%
Tax Expense	(8,921)	(7,808)	(2,085)	(5,248)	(3,810)	1,438	-27.4%	360	-17.3%
Net Profit	34,029	18,353	6,673	10,201	12,448	2,247	22.0%	(899)	-13.5%
EPS**	276	150	218	167	203	37	22.0%		



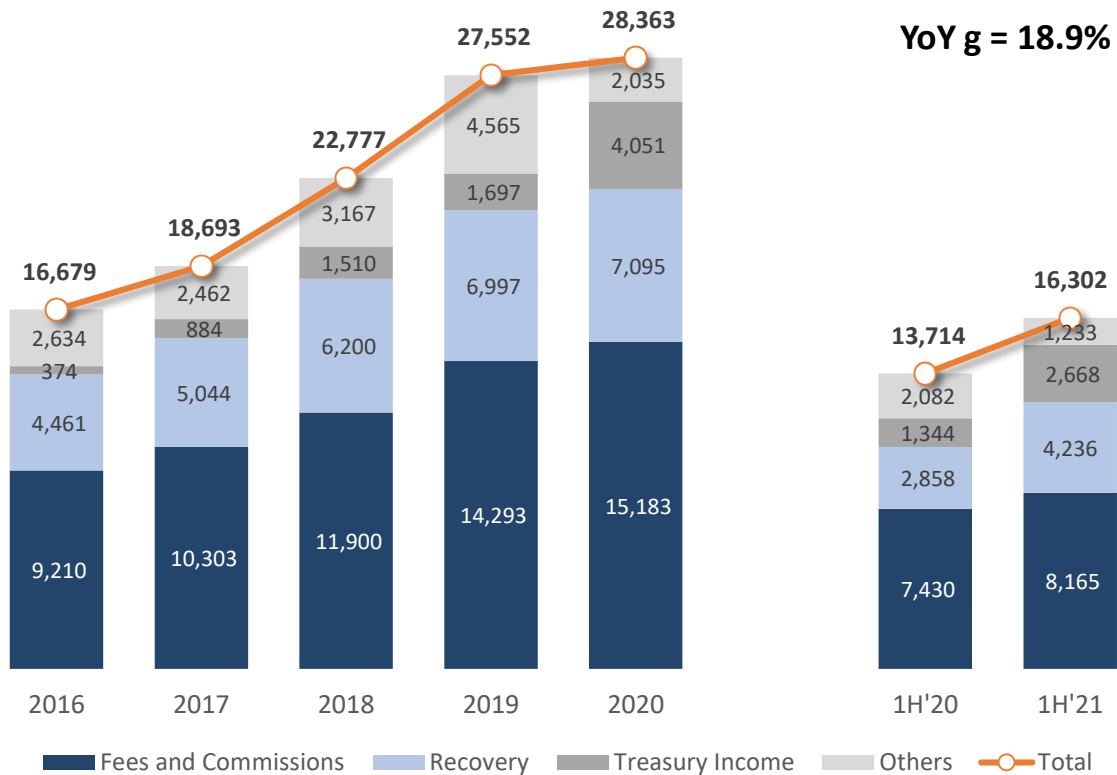
FEE & OTHER OPERATING INCOME

Improving Fee Income Composition from Transaction



Fee and Other Operating Income

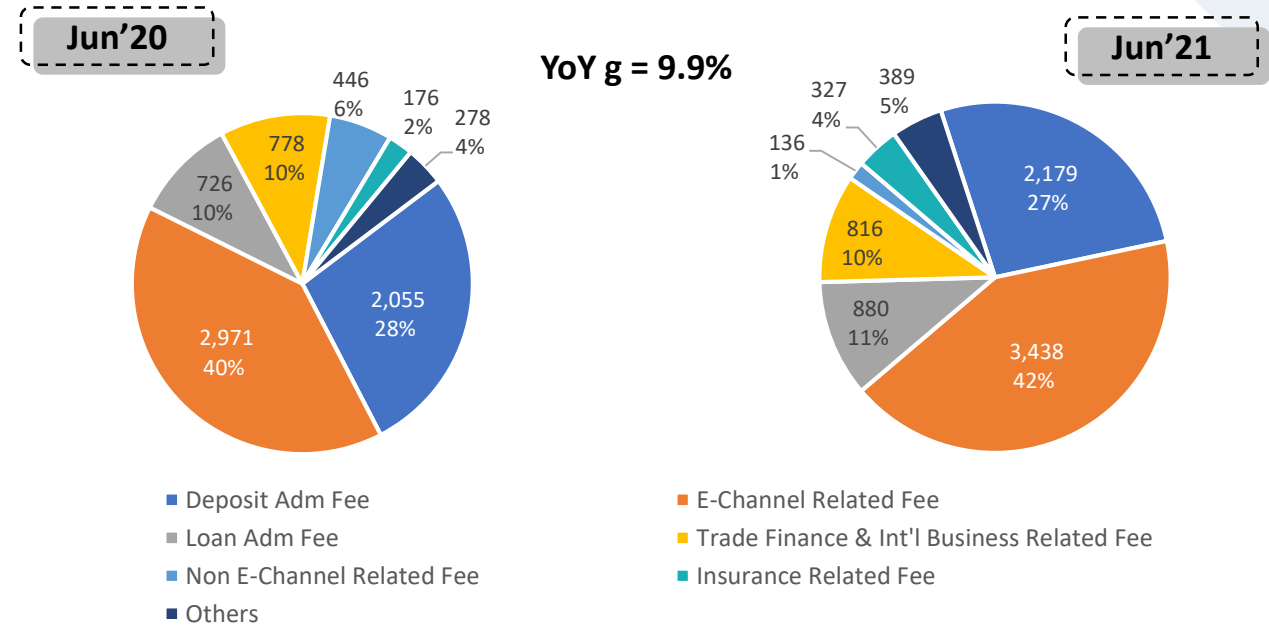
(IDR Billion)



YoY g = 18.9%

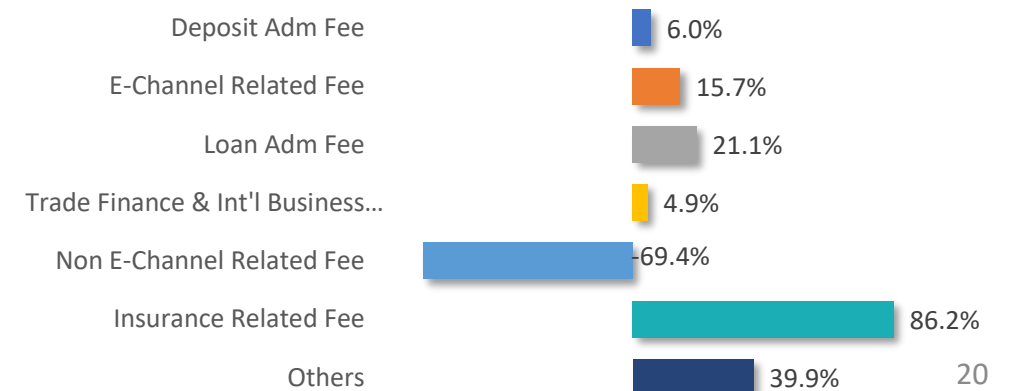
Fee and Commission – Composition

(IDR Billion)



YoY g = 9.9%

YoY Growth



Fee & Other Operating Income growth driven by Treasury Income, Recovery Income and Fee Based Income

Note: Bank Only Numbers

LOAN QUALITY

Strengthening Resilience





NPL and SML

Manageable During Pandemic, Yet Remain Cautious In SME & Corporate Segment



Non-Performing Loan – by segment

NPL	2019	1H'20	2020	1Q'21	1H'21
Micro	1.18%	1.18%	0.83%	1.23%	1.53%
Consumer	1.10%	1.50%	1.49%	1.65%	1.79%
Small	3.17%	3.63%	3.61%	4.10%	4.14%
Medium	5.38%	6.79%	4.61%	4.46%	2.99%
Corporate	8.75%	10.75%	12.58%	11.31%	11.81%
SoE	1.73%	1.11%	1.30%	1.25%	1.20%
Total NPL	2.62%	2.98%	2.94%	3.12%	3.27%

Special Mention – by segment

SML	2019	1H'20	2020	1Q'21	1H'21
Micro	3.51%	2.25%	2.47%	4.32%	4.26%
Consumer	2.52%	3.49%	2.69%	3.38%	3.29%
Small	4.63%	5.91%	3.19%	5.56%	6.58%
Medium	2.97%	7.04%	3.07%	5.03%	5.61%
Corporate	5.82%	7.29%	2.31%	4.73%	4.46%
SoE	4.29%	4.33%	3.53%	4.57%	10.54%
Total SML	3.93%	4.19%	2.75%	4.52%	5.22%

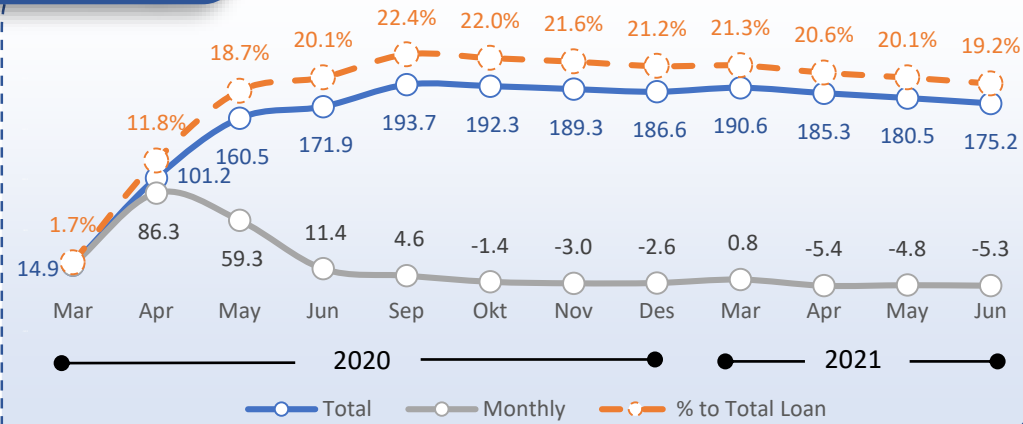


COVID-19 RESTRUCTURED LOAN

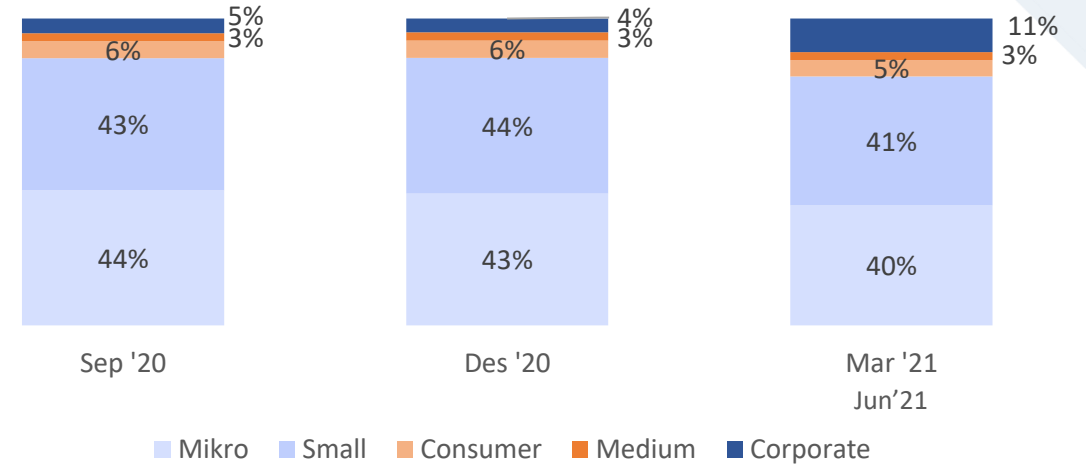
Declining Trend Driven by MSMEs Segment

Outstanding

IDR Trillion

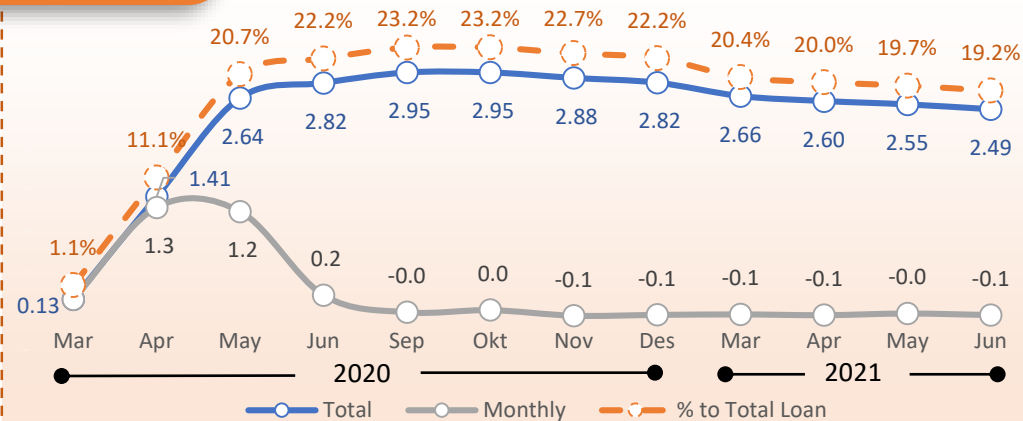


Outstanding Composition by Segment

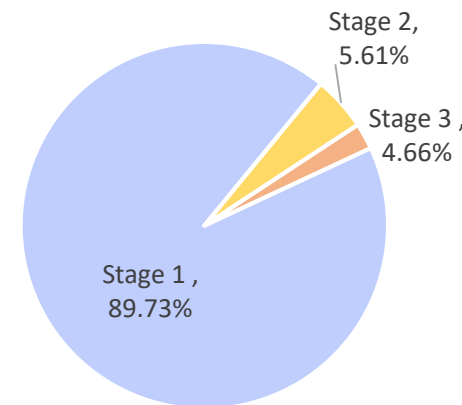


#Borrowers

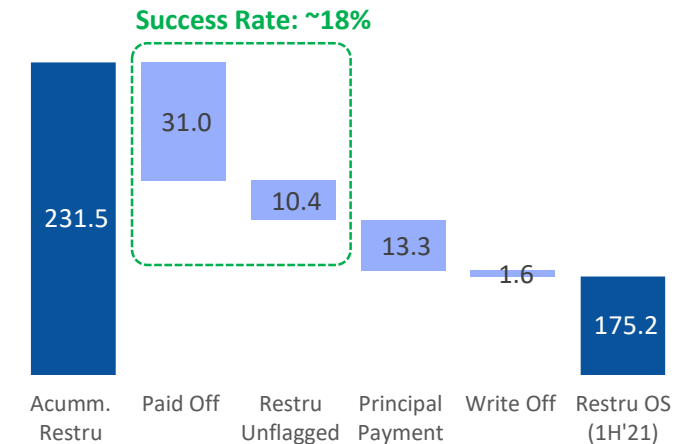
in Million



Outstanding Composition by Stages



Restru. Loans Success Rate



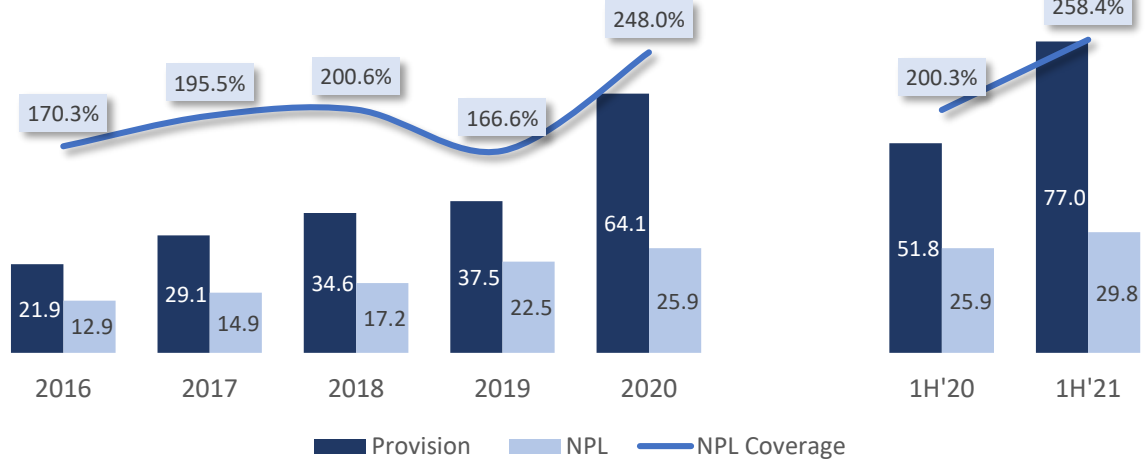


COVERAGE, WRITE OFF & RECOVERY

Building Adequate Cushion to Mitigate Covid-19 Impact

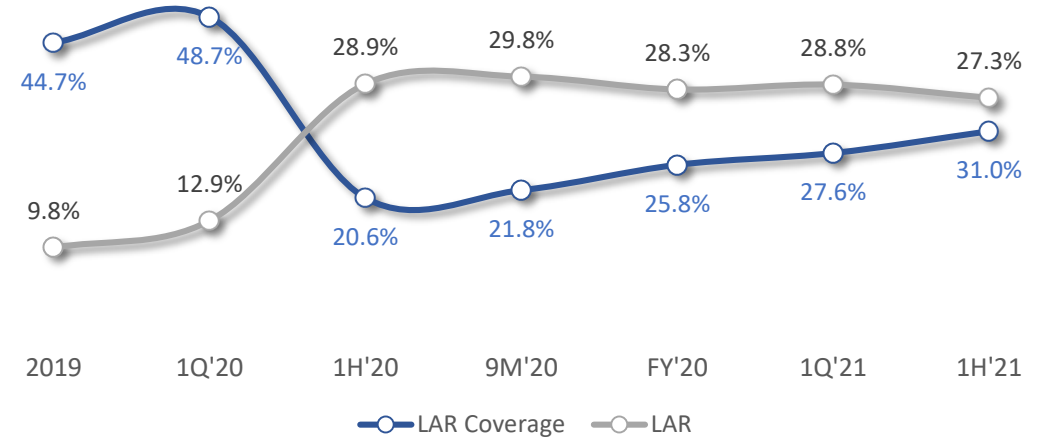


NPL Coverage

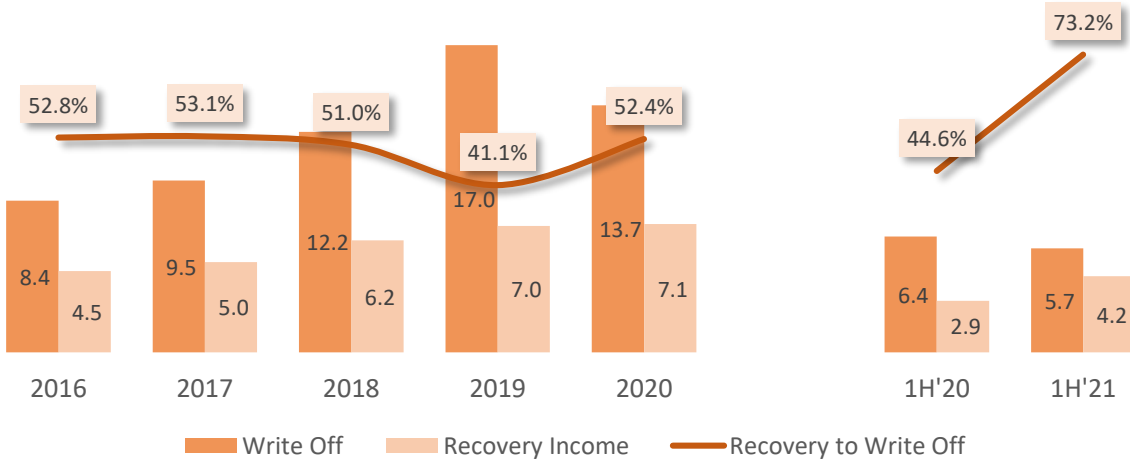


IDR Trillion

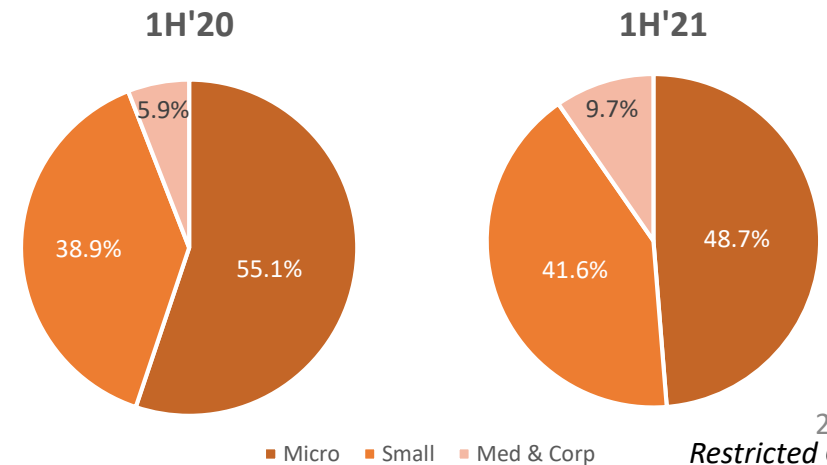
LAR & LAR Coverage (Inc. Covid-19)



Write Off & Recovery



Recovery Income Composition by Segment



DIGITAL STRATEGY





HYBRID BANK BUSINESS MODEL

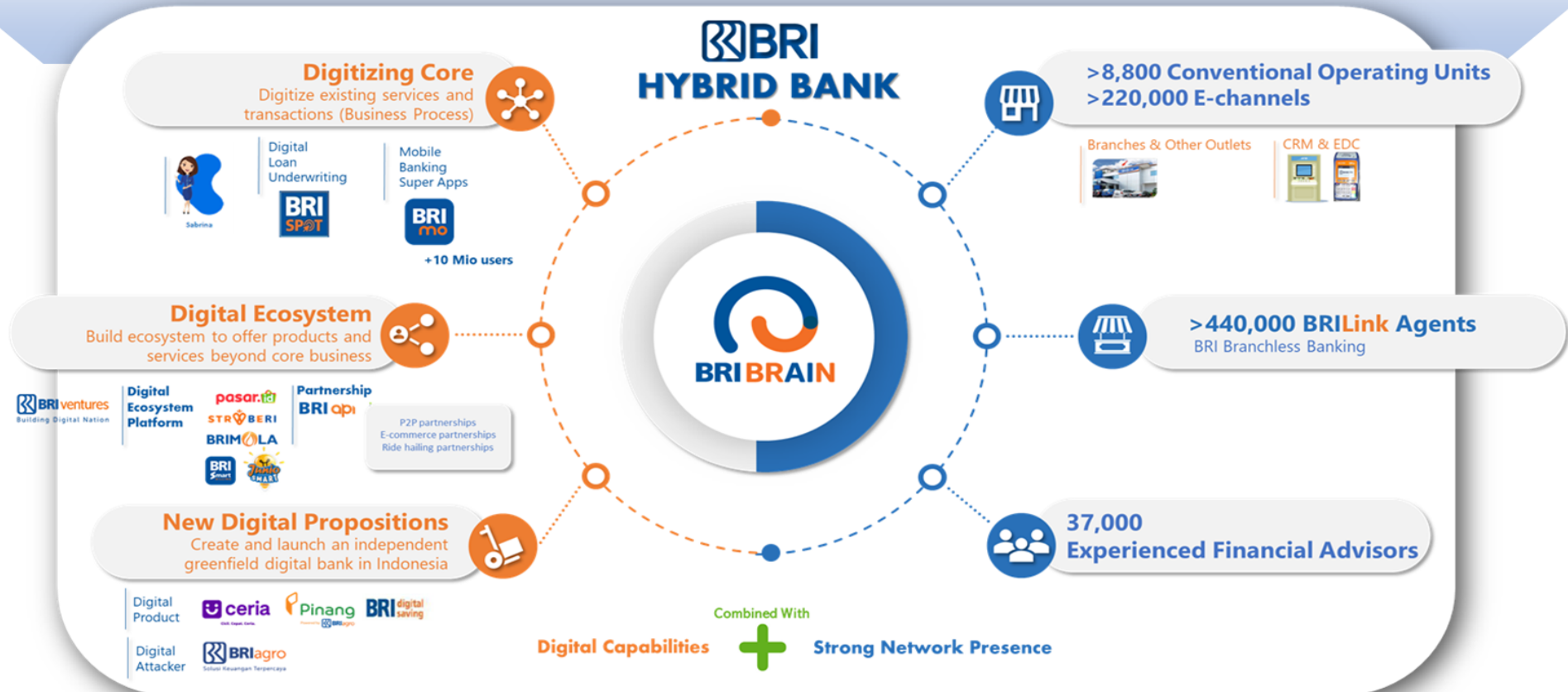
Strengthened by Network Transformation and Empowered by New Digital Proposition



Key Characteristics of UMi Customers

- 1 Familiar with smartphone technology,** although smartphone penetration remains low
- 2 Limited knowledge of financial products**
- 3 Cash being the dominant chosen method of transactions**
- 4 Prefers a financial institution that is “locally embedded” and is able to “gain their trust”**
- 5 Majority without stable income and not comfortable with traditional lending products**
- 6 Prefers banking via an agent rather than digital banking**

Served by BRI, the leading bank serving Indonesian MSMEs with a market share of over 60% in the micro segment





BRI DIGITAL STRATEGY

Strong Digital Capabilities, Ready to Capture The Opportunities from Customer's Behavior Shift



Digitizing Core

Exploitation:

Digitize existing services and transactions (Business Process)

- Optimize existing Channels
- Integrated Digitized Operation
- Simplified and standardized system

AgenBRILink
Layanan Transaksi Keuangan Tanpa Kantor



Sabrina

Branchless Banking Initiatives for Micro



Advanced Mobile Banking



Digital Loan Underwriting System

Boost Productivity & Unleash The Potential



Digital Ecosystem

Exploration:

Build ecosystem to offer products and services beyond core business.

- Digital Platform for Business
- Build new business model
- Partnership with Fintech

Digital Ecosystem Platform



Online Wet Market



B2B2C Integrated Billing System



School Management System



LPG Gas 3kg Ordering System



Micro Transaction Ecosystem Solutions



Digital partnership & Collaboration
The First Bank with ISO Certificate in Open API

P2P Partnership



E-Commerce Partnership



Ride Hailing Partnership



Leveraging New Liquidity, New Opportunities, New Source of Growth



New Digital Propositions

Exploration:

Create and launch an independent greenfield digital bank in Indonesia

- Mobile First channel
- Fully Digital for untapped market
- Build New Digital Capability



AI & Big Data Analytics



The First Bank with ISO Certificate in Big Data



ISO 27001:2013

Digital Loan Products



BRI x Traveloka Paylater Card



Digital Ultra Micro Loan



Digital Credit Card



Digital Lending Platform

Tap the Untapped Embedded in Customer Life





BRISPOT

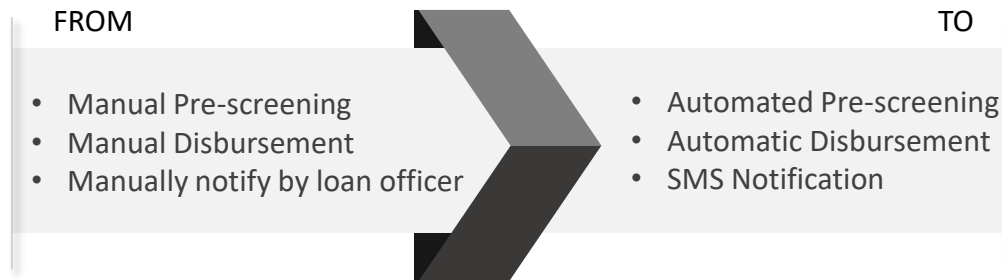
Radically Fasten Loan Underwriting Process and Boost Productivity



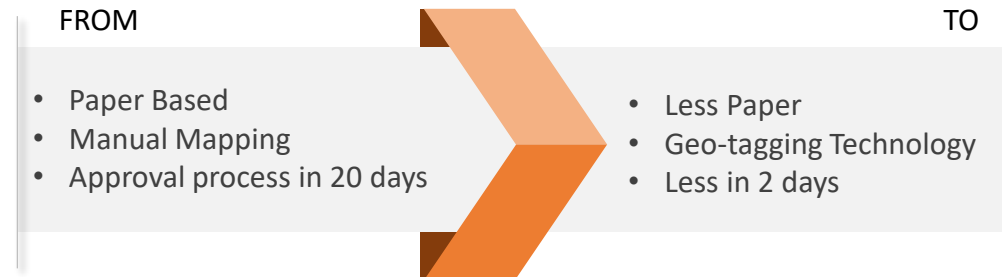
Digitalization



Automation



Simplification



NEXT (ENHANCEMENT)

Going forward

- Ride Hailing Apps Integration
- Fintech Partnership Integration
- BRISPOT for BRILink Agents
- GoogleAPI collaboration for geo-tagging loan disbursement pipeline

2020

BRISPOT EXTERNAL

Development of BRISPOT as apps for external use (customer) to ease the access to BRI's loan application.

BRISPOT SMALL COMMERCIAL

Development of BRISPOT for small and commercial business replicated the successful implementation of BRISPOT for micro and consumer.

2019

BRISPOT CONSUMER

Business Process Re-Engineering supported by the development of BRISPOT Consumer as an application platform for consumer business banking services and facilities.

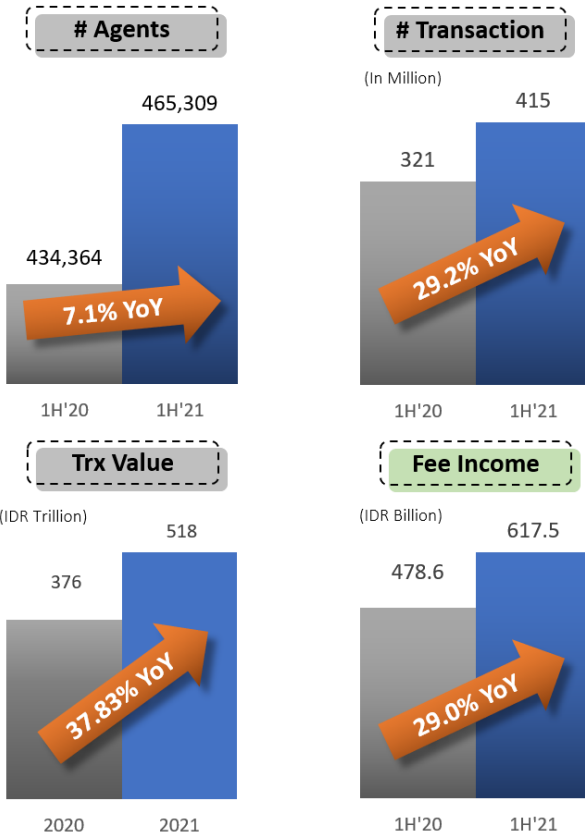
2018

BRISPOT MICRO

Business Process Re-Engineering supported by the development of BRISPOT for micro loan (Kupedes), an application platform that expedite the micro loan underwriting process.



Redefine the role of the BRILink agent to become the primary channel for lead generation & servicing for select segments



- ✓ **26.3 Thousand** saving referrals (↑ 32% YoY)
- ✓ **83.2 Thousand** loan referrals (↑ 275% YoY)
- ✓ **IDR 15.1 T** CASA (↑ 60% YoY)
- ✓ **2,370** financial inclusion acquisition (+1,117 from Mar'21)



Re-define agent's roles as the primary acquisition and fulfillment point for select "physical" customer segments,



Revamp agent governance through focus on agent segmentation, management incentives & capability building



Strengthen the agent operation by building liquidity management offering for agents



Transform BRILink into a local superstore for financial and non-financial products

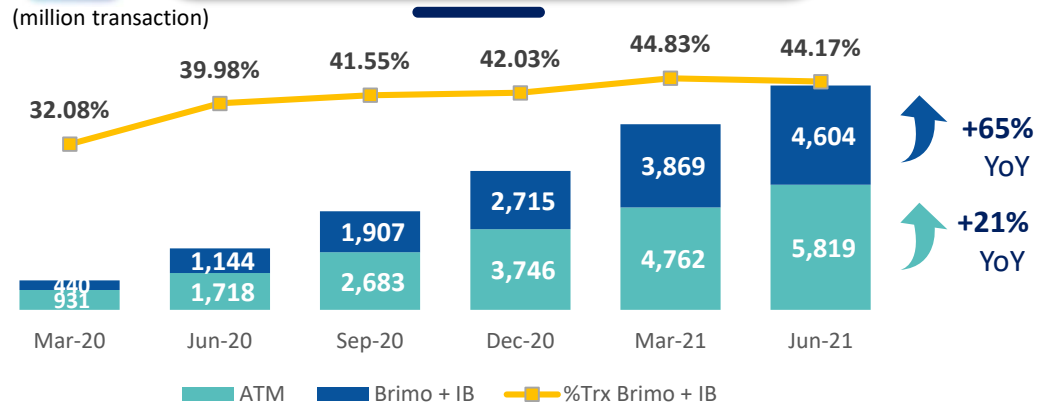


TRANSACTION BASED CASA

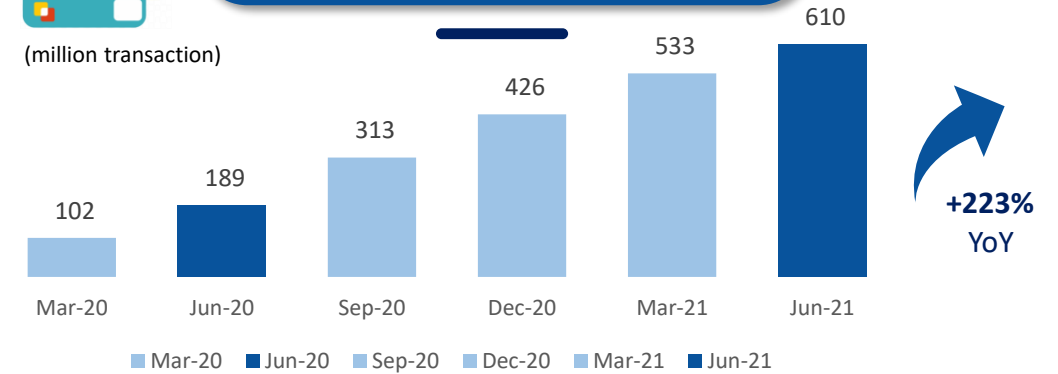
CASA as Digital Ecosystem Source of Fund & Fee Income Booster



Digital Transaction continues to grow significantly throughout 2020-2021

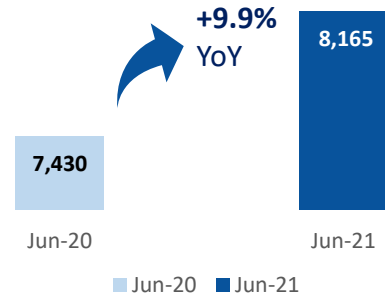


Significant growth of BRIZZI usage over the last year (+223% YoY)

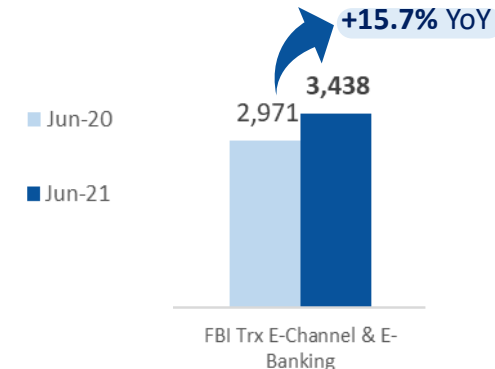


Increasing FBI from Digital Channel as a sign of behavior shifting towards Digital

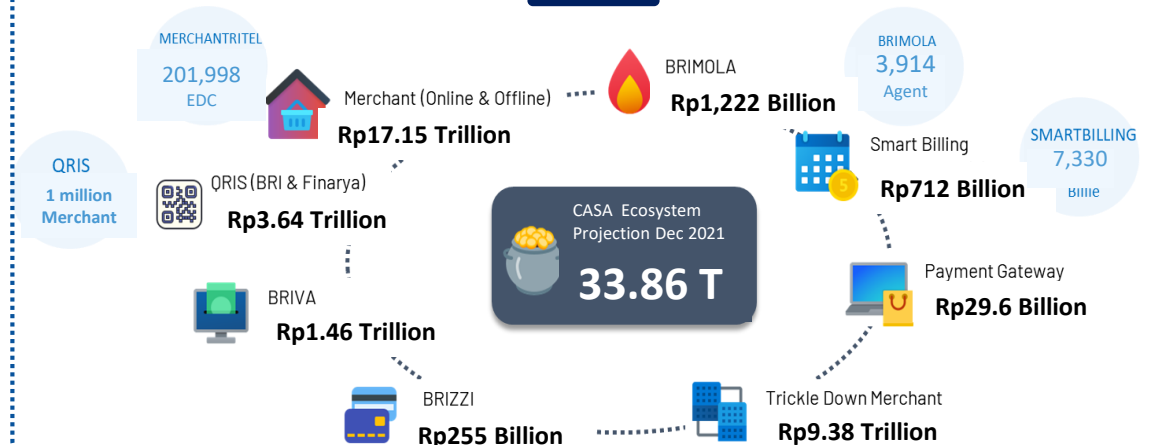
(Rp Billion)
BRI's Total FBI grow 9.9% YoY



Increasing E-Channel FBI



Increased Transactions expected to increase CASA balances from Ecosystem Partners





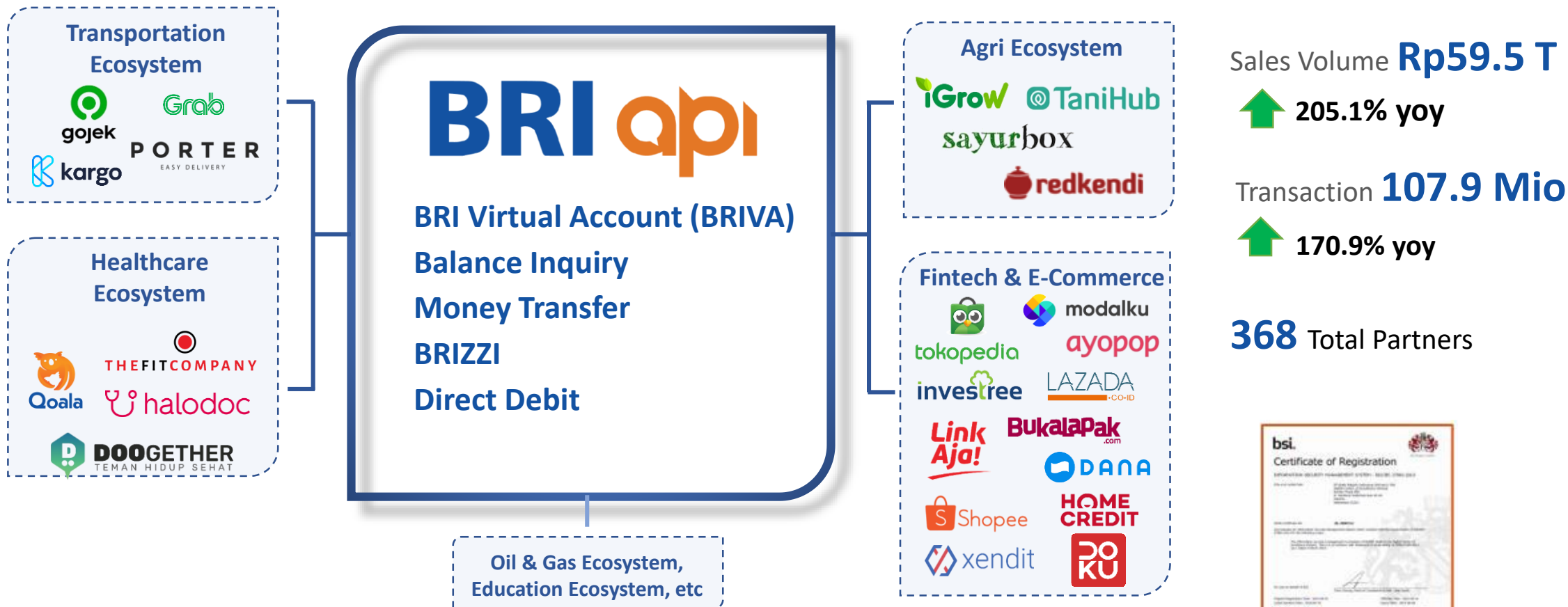
BRI API

Gateway for Digital Partnership



Execute Digital Partnership with Precision & Speed (OpenAPI)

API which stands for 'Application Programming Interface' connects business processes, services, content, and data to channel partners, internal teams, and independent developers in an easy and secure way.



...Digital Partnership Model to connect with Fintech and create digital ecosystem. As of Jun 2021, 368 partners have been using BRI API with 107.9 million transactions and Rp59.5 T sales volume...



ISO 27001:2013

A large graphic on the right side of the slide features the words 'THANK YOU' in white, bold, uppercase letters. The text is centered within a dark blue, rounded rectangular shape that has a grey triangle pointing left at its top edge. This shape is partially overlapped by a light blue triangle pointing right at the bottom left and an orange triangle pointing left at the bottom right. The background of the slide is a light grey geometric pattern of overlapping triangles.

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