

INVESTOR NEWSLETTER

Brivolution 2.0

November 2021

Charting The Future of BRI

FIRST, WE LOOK BACK AND LOOK AROUND

BRI continues to be the largest banking group in Indonesia. As of December 2020, BRI recorded Rp 1,511 Trillion of total assets and Rp 938 Trillion of total loan book. As the leader of Micro and SME financing in Indonesia, with more than 125 years of history, BRI has adopted Hybrid Bank business model which combines our three core strengths; our most extensive networks with more than 9,000 branches and more than 450,000 BRILink branchless banking agents, our more than 37,000 experienced loan officers who are also financial advisors to our borrowers, and our digital capabilities that have successfully made great innovations across business models, such as BRISpot and BRIMo. Our current hybrid bank strategy has helped us reach more than 80% micro and SME loan composition with around 13 million borrowers.

THEN WE LOOK AHEAD

We have identified that the Indonesia's banking landscape will be redefined by at least seven trends – evolving demographics, changing customer behavior, growing significance of ESG, changing regulatory environment, continued low interest rates, advancement in data and tech, as well as the shifts in industry structure with the rise of TechFin and digital attackers.

AND WE RE-ALIGN OUR ASPIRATION

As we see that the business environment going ahead will be challenging, we have reviewed our long-term strategy that we call BRIVolution and re-aligned it with all the future challenges then updated it to become **BRIVolution 2.0**

BRIVolution 2.0: Our Bold Aspiration for 2025



“The Most Valuable Banking Group in Southeast Asia & Champion of Financial Inclusion”

\$75Bn Market Cap

90% in financial inclusion

Digital First DNA

Home to The Best Talent

Agile & Entrepreneurial Mindset

6Cs Strategic Priorities

To achieve our bold aspiration,



BRI has defined **6Cs** strategic priorities

1 Create New Growth Engine through the Ultra Micro Business ecosystem, hyperlocal micro ecosystem, B2B SME ecosystem, and bespoke tech-enabled value chain

4 Contain Credit Cost through next-generation SME credit risk architecture and revamped end-to-end wholesale credit architecture

2 Accelerate CASA Growth through AI-powered attrition management and revamped merchant acquiring business

5 Improve Customer Experience through a re-defined branch operating mode

3 Enhance Cross-Sell to boost fee income, for example, by scaling up the wealth management business and cross-selling activities amongst subsidiaries;

6 Adapt Culture & Capabilities through a more agile way of working, increasing digital/analytics/digital marketing capabilities & cultural transformation

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BRIvolution 2.0 Initiatives Will Be Implemented Along 3 Phases



Strengthen

“Strengthen the core for growth”

2021 - 2022

2021- 2022 will be the initial phase of the journey. In this phase, we will prepare strategies to strengthen our core business in all aspects geared toward future growth. The strengthening of our fundamentals, both BRI and its subsidiaries, which include all our capabilities in terms of IT, distribution network, human capital and culture, risk management and operations will further support and strengthen our business growth. We plan to focus on strengthening our resilience to face the impact of the COVID-19 pandemic through strategies of selective growth, maintaining asset quality & improving efficiency.



Scale up & Scope up

Scale up new growth engines and beyond banking”

2023 - 2024

In this phase, both BRI and its subsidiaries will be focused on scaling up and broadening the scope of the new growth engines, including offering products and services beyond traditional banking models. In 2023, we expect our subsidiary companies will deliver higher contributions to our profitability. In 2024, we will strive to become a leader in transaction banking, cultivating from the digital efforts that we have started from the previous years. The objective is that BRI will be able to manage its cost of funds by focusing on increasing low-cost funds.



Sustain

“Sustain top-tier position in Southeast Asia”

2025 onwards

In the “Sustain” phase, we expect BRI has grown in size and developed into a bigger and stronger company and continues to maintain its business sustainability for years to come. In this phase, BRI expects to have achieve its aspirations becoming the most valuable banking group in Southeast Asia and Champion of Financial Inclusion. This achievement will become an essential milestone for BRI to push forward and continue to create economic and social value for all company stakeholders.