CIMB NIAGA

REVISION
EXPLANATION ON THE 8TH AGENDA POINT C INVITATION OF ANNUAL GENERAL MEETING OF SHAREHOLDERS OF PT BANK CIMB NIAGA Tbk

In connection with the Invitation of Annual General Meeting of Shareholders ("**Meeting**") PT Bank CIMB Niaga Tbk (the "**Company**") published on the same newspaper on 11 March 2020, herewith the Board of Directors of the Company convey the "revision" of the explanation on the 8th Agenda point c of the said Meeting, as follow:

Previously written:

8. Other:

c. Report on the Expiration of Term of Office and Appointment/Reappointment of Audit Committee Members of the Company.

With regard to the Audit Committee ("**AC**") Charter of the Company, NRC recommendations, and the end of tenure of several members of AC will be expired at the closing of 2020 AGM, it will be reported to the Meeting regarding the reappointment of several members and appointment of new members for the Company's AC, with a tenure that commencing from the closing of the Meeting until the closing of the 4th (fourth) AGM after the reappointment of those members and the appointment of such new member without prejudicing the rights of the GMS to dismiss at any time.

Should be written:

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Jakarta, 13 March 2020

The Board of Directors

PT Bank CIMB Niaga Tbk

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ECB under pressure to show virus-fighting mettle

Tom Barfield

Agence France-Presse/ Frankfurt, Germany

The European Central Bank (ECB) is under pressure Thursday to show it too has the firepower to respond to the coronavirus crisis and shore up the eurozone economy after other major central banks have already leapt into the breach.

With markets plunging, companies' cashflow drying up and financial stability under threat from the COVID-19 disease this means it is ECB president Christine Lagarde's "big test", said Pictet Wealth Management strategist Frederik Ducrozet.

"Markets need a circuit-breaker, whatever works," he added.

Major stock indexes across Asia tumbled Thursday after United States President Donald Trump announced a surprise ban on travel from mainland Europe for a month, while in Europe London, Paris and Frankfurt markets all opened down around 5 percent.

Ahead of the ECB decision both the Bank of England (BoE) and US Federal Reserve slashed key interest rates in extraordinary meetings.

In a conference call Tuesday with European heads of government, former International Monetary Fund head Lagarde "drew comparisons with past crises" like the 2008 financial crisis, a European source told AFP.

Lagarde was "measured [...] speaking of an 'impact', but not a collapse", the source added, although the effects for the economy remain "very difficult to predict".

Unlike the 2008 to 2009 financial crisis, central banks face an environment where international cooperation is not the first reflex of leaders like Trump or British Prime Minister Boris Johnson.

Now, "everyone is acting in their little corner of the world, often by surprise, and causing pressure or difficulties for the others" by shifting exchange rates, said Eric Dor of France's IESEG management school.

Markets had already plunged worldwide Monday as an oil price war launched by Saudi Arabia melded with virus fears.

And eurozone inflation expectations on Tuesday touched all-time lows — calling further into question the ECB's ability to stoke price growth to its just-below-2-percent goal after years of stimulus.

The Fed last week and BoE on Tuesday had space to cut interest rates by half a percentage point each to ease financial conditions.

With its rate on banks' deposits in Frankfurt at minus 0.5 percent, effectively charging lenders to park money, the ECB has little room to cut more than 0.1 or 0.2 percentage points.

"Forget rates," Allianz chief economist Ludovic Subran tweeted. "All eyes [are] on real measures to immunize the financial system" such as increased liquidity, tweaks to banking rules from the ECB's supervision arm, and "bridge measures for weak banks affected by delayed loan payments".

Many economists expect the ECB to boost its portfolio of cheap loans to banks, known as TLTROs, which offer more favorable conditions for lenders the more credit they pass on to the real economy.

A source close to the ECB told AFP a "TLTRO targeted at small- and medium-sized firms" could be on the table, as those companies are believed to be especially vulnerable to the coronavirus fallout.

And there theoretically remains room to increase its "quantitative easing" (QE) programme from its present 20 billion euro (US$22.6 billion) per month pace.

But the bond-buying scheme is deeply controversial.

The total of over 2.7 trillion euros of QE asset purchases so far have brought the ECB under unprecedented political and legal attacks and sowed deep divisions within its governing council.

Much of Lagarde's work since taking office in November has been to salve such wounds.

Her press conference on Thursday will likely include an appeal to governments to intervene with tax and spending changes.

In mid-February, she reiterated that "monetary policy cannot, and should not, be the only game in town" to stimulate the economy.

Italy on Wednesday announced 25 billion euro of support to its economy and the European Union has also mobilized up to 25 billion euro.

Chancellor Angela Merkel even signaled Wednesday that Germany could abandon its balanced-budget dogma.

Asian stocks trip 10% circuit breakers

Southeast Asian equities now trading near their lowest in 14 years

Lianting Tu and Tan Hwee Ann

Bloomberg/Singapore

The stock rout in Asia's emerging markets is going from bad to worse. After most gauges tumbled into bear territory in the last few weeks, now the plunge is triggering trading halts.

Circuit breakers were triggered in Thailand and the Philippines after the benchmark gauges of both countries slumped 10 percent, the most in Asia. Indonesia, where the stock exchange just tightened its rules, also suspended trading as the Jakarta Composite Index fell 5 percent. Both the SET Index and the Philippine Stock Exchange Index tanked the most since October 2008, as foreign investors liquidated their equity holdings fast in a region heavily reliant on tourism and with open capital accounts.

Stocks in the region tanked as foreign investors liquidate their equity holdings on concern the virus will disproportionately hurt markets that are heavily reliant on tourism and with open capital accounts. Even though the circumstances are different this time, it's reminding some investors of the Asian financial crisis.

"The markets in the last few days, even the winners have sold off," said Kerry Goh, chief investment officer at Kamet Capital Partners Pte. "In 1998, Southeast Asia was down a lot more but it was the epicenter. This time, we're being dragged down by the rest of the world."

Southeast Asian equities are now trading near their lowest in 14 years relative to global developed peers. The MSCI Asean Index's valuation of 14.5 times estimated earnings for the next year is now below 2-standard deviations of its 10-year average, data compiled by Bloomberg show.

Currencies there were also hit hard. The Indonesian rupiah led a decline, plunging 1 percent against the United States dollar, while the Philippine peso and the Thai baht dropped more than 0.7 percent. The baht and the rupiah are the two worst-performing currencies this year in Asia. Indonesia has also seen global funds dump US$2.8 billion of its debt.

All six of Southeast Asia's biggest economies count China as their top trading partner, which doesn't help. The lack of tourists from China has dealt a blow to those economies. Thailand, for example, counts Chinese tourists as its biggest source of foreign visitors. Income from tourism, accounting for about fifth of the economy, tumbled in last couple of months.

Among the Southeast Asian countries, Indonesia has been the most proactive in providing stimulus to curb asset price declines. It has eased buyback rules, imposed trading limits and put a short-selling ban in place, while its central bank has cut reserve ratios and signaled more measures to stem a rout in the rupiah and bonds.

Still, some investors have been slashing positions in emerging-markets equities, including UBS Global Wealth Management. "From here we are less confident in emerging markets' relative outperformance and so we have reduced the size of our overweight position," UBS global chief investment officer Mark Haefele wrote in a note on Wednesday.

The Philippine benchmark index closed down 9.7 percent for the day, while Thai stocks resumed losses after a 30-minute trading halt.

"We can expect continuing volatility," said Mark Mobius, the veteran emerging-markets investor. "We are nearing the bottom, but no one can specifically point to a bottom. When there is great uncertainty, fear increases. Fear in turn results in retreat."

The stock market's latest plunge pulled global equities into a bear market with traders taking fright at the potential economic damage of the coronavirus and President Donald Trump stopping short of offering a detailed US rescue package.

The MSCI All-Country World Index fell as much as 2.3 percent, the lowest intraday level since January 2019. The gauge is 20 percent below its record closing high of Feb. 12. The sell-off has wiped out over $11 trillion in the index's capitalization.

European equities followed Asian stocks lower as investors fled risk assets amid concerns about the cost to earnings and global growth from the spreading coronavirus. The US has restricted travel from Europe, and underwhelming stimulus measures disappointed investors.

"There is no place to hide aside from cash," said Alberto Tocchio, chief investment officer at Colombo Wealth SA in Lugano, Switzerland. "Meltdown phase is continuing with an exceptional strong selling pace. What seems to be very clear is that if this virus continues to spread and containment measures are prolonged and extend further, that's clearly going to have more of an impact on global growth and earnings."

Investors are looking for concrete and significant stimulus measures that could limit the fallout from the coronavirus. So far, markets have brushed off interest rate cuts from the US Federal Reserve and Bank of England.

"The sell-off is fast and brutal," said Ulrich Urbahn, head of multi-asset strategy and research at Joh Berenberg Gossler & Co. "WHO declared a global pandemic and on fiscal measures, Trump did not add much — investors were clearly disappointed."

Reuters/Kim Hong-ji

Negative sentiment: A currency dealer looks at his mobile phone in front of electronic boards showing the Korea Composite Stock Price Index and the exchange rate between the US dollar and South Korean won, at a dealing room of a bank in Seoul on Thursday. The stock market's latest plunge pulled global equities into a bear market with traders taking fright at the potential economic damage of the coronavirus and United States President Donald Trump stopping short of offering a detailed US rescue package.

Huawei bets big on European 5G patents despite US pressure

Susan Decker

Bloomberg/Washington, US

Even as the administration of United States President Donald Trump pressures European countries to stop using Huawei Technologies Co. gear, the Chinese telecommunications giant is increasing its footprint there, filing more patent applications in Europe than any other company last year.

Huawei filed 3,524 patent applications, far more than the 2,858 applications filed by No. 2 Samsung Electronics Co., according to a report by the European Patent Office. Two thirds of Huawei's applications were in the field of digital communications, which includes the next generation of wireless communications known as 5G.

European officials have thus far largely defied US insistence they exclude China's biggest maker of telecommunications gear from new 5G networks, but not without continuing controversy. On Tuesday, British Conservative Party rebels fired a warning shot by giving Prime Minister Boris Johnson only a slight win over his plan to allow Huawei to supply equipment for the country's 5G networks.

Officials from Trump's administration have urged Johnson and other European allies to stop doing business with Huawei over claims the company is an arm of the Chinese Communist Party and its involvement in 5G could enable spying.

Huawei has always denied these allegations.

US efforts at blacklisting Huawei have not stopped the company from growing its business. While there's no guarantee all of Huawei's applications in Europe will become patents, the company's actions make clear that it will be paid, at least through patent royalties, no matter what the politicians decide.

"It shows that Huawei is investing a lot in terms of innovation," said Luis Berenguer, a spokesman for the European Patent Office.

Huawei is by far the largest filer of digital communications patents, requesting almost the same amount as Ericsson AB's 1,227 applications and Qualcomm Inc.'s 1,061 applications combined.

The European Patent Office saw a 4 percent jump in applications last year, driven in large part by double-digit jumps in the fields of digital communications and computer technologies, which includes artificial intelligence.

US, Chinese and European companies each contributed about a quarter of all applications in digital communications.

American companies, led by Alphabet Inc., and Microsoft Corp., accounted for 38 percent of applications in the computer technology field. Samsung, Huawei and Intel Corp. rounded out the top five applicants in that field.

While American companies have filed a quarter of all applications, applications by Chinese firms have risen nearly six-fold since 2010. In addition to computer technology, American companies were strongest in the fields of medical technology and pharmaceuticals. The numbers reinforce other studies that indicate Chinese inventors are eroding American dominance in high tech fields.

Companies file patent applications in the regions they expect to sell products and gain profit, and do a bit of forum shopping based on the rules of different patent offices. That's why International Business Machines Corp., traditionally the biggest patent recipient in the US, is not even in the top 50 applicants in Europe.Manufacturing conglomerate United Technologies Corp. is the top American filer in Europe, followed by Qualcomm and General Electric Co.

Fresh roast

Reuters/Temilade Adelaja

An employee checks freshly roasted coffee beans during cooling down in a tumbler at Kaldi Africa coffee roastery in Lagos, Nigeria, on March 6. Tea or cocoa are the hot drinks of choice in Nigeria and are forecast to account for close to 40 percent of the country's nonalcoholic drink spending by 2023, according to research body Fitch Solutions. By contrast, spending on coffee is seen only at 2.5 percent.

No tax break

Reuters/Lindsey Wasson

Boeing 737 MAX fuselages are seen parked outside the company's production facility in Renton, Washington, United States, on Jan. 10. Washington state's House of Representatives passed a measure on Wednesday night that removes a key tax break for Boeing Co. and other aerospace firms, in a bid to head off possible European tariffs on US goods and ease a transatlantic trade dispute over aircraft subsidies.