



Corporate Social Responsibility as it Pertains to Social and Community Development

BRI fulfills its responsibility as it pertains to social and community development through these two (2) main activities:

- Environment/Community Development Program (BRI Peduli Program)
- Partnership Program

COMMUNITY DEVELOPMENT PROGRAM - BRI PEDULI

BRI's commitment to continue its public service is not only displayed in its banking business, but also in executing its social responsibility in the form of a Community Development Program and a Partnership Program. Through these programs, BRI provides assistance to empower and benefit a number of community segments, particularly the Micro, Small and Medium-Sized Enterprise (SMEs) segment and the economically disadvantaged segment.

BRI plays a role in improving the quality of education in Indonesia by providing assistance to educational facilities, offering scholarships and conducting business training throughout the archipelago. BRI gives special priority to disadvantaged areas or educational institutions that are in need of adequate facilities.

In general, BRI's Community Development Program - also known as BRI Peduli with the tagline "PROUD OF INDONESIA" - consists of eight (8) sectors: Natural disasters (Indonesia Peduli), Education (Indonesia Cerdas), Healthcare (Indonesia Sehat), Public Facilities (Indonesia Membangun), Religious Worship Facilities (Indonesia Takwa), Nature Conservation (Indonesia Lestari), Poverty Alleviation (Indonesia Sejahtera), and Capacity Development for Partners (Indonesia Bermitra).

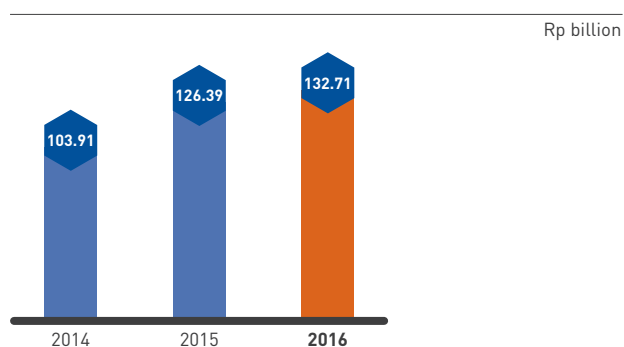
REALIZATION OF DISBURSEMENT FOR COMMUNITY DEVELOPMENT PROGRAMS - BRI PEDULI

BRI Peduli carries out its activities through units across Indonesia to ensure equal and targeted distribution. Therefore, the program is expected to benefit the entire Indonesia. In 2016, BRI Peduli distributed funds totalling Rp132,71 billion.

(Rp million)

BRI Peduli Program	2014	%	2015	%	2016	%
Indonesia Cerdas	29,483	28.37%	31,029	24.55%	27,028	20.37%
Indonesia Sehat	22,705	21.85%	17,452	13.81%	22,828	17.20%
Indonesia Membangun	12,017	11.56%	31,397	24.84%	26,463	19.94%
Indonesia Lestari	4,057	3.90%	2,387	1.89%	1,992	1.50%
Indonesia Sejahtera	12,695	12.22%	23,546	18.63%	25,724	19.38%
Indonesia Peduli	6,089	5.86%	3,194	2.53%	1,415	1.07%
Indonesia Takwa	16,864	16.23%	17,385	13.75%	27,177	20.48%
Indonesia Bermitra		0.00%	-	0.00%	81	0.06%
Total	103,910	100.00%	126,391	100.00%	132,708	100.00%

Realization of BRI Peduli Program in the Last 3 Years



During 2016, the activities under the Community Development BRI Peduli program included:

A. Indonesia Cerdas

Indonesia Cerdas supports Government of Indonesia to improve public education. In line with the Company's business core philosophy, the program focuses on education and training of productive enterprises, especially SMEs. Besides empowering SMEs, Indonesia Cerdas also offers scholarship programs, as well as development aid or grants for educational support facilities. In 2016, Indonesia Cerdas disbursed a budget of Rp27,03 billion. Some of the activities undertaken as a part of this program included:

- **Bri Teras Usaha Mahasiswa**

Implemented since 2011, BRI Teras Usaha Mahasiswa is an initiative to encourage top university students to become creative and innovative entrepreneurs who can provide new job opportunities, especially in their place of origin. Teras Usaha Mahasiswa is divided into three (3) categories:

- Sociopreneur
- Creativepreneur
- Technopreneur

Teras Usaha Mahasiswa 2016 is a continuation of Teras Usaha Mahasiswa 2015 with an allocated budget of Rp2.6 billion. Teras Usaha Mahasiswa was implemented in six (6) major cities in Indonesia, namely Jakarta, Bandung, Yogyakarta, Denpasar, Makassar and Medan. Each city had three (3) winner teams. In total, 18 participants received guidance and assistance in business development.

The grand finale of Teras Usaha Mahasiswa was held on 22 May, 2016, and the best young entrepreneurs from various cities were:

1. Copycino, Prasetya Mulya University, Jakarta.
2. Caffe Pacoo, Hasanuddin University, Makassar.
3. Majapahit Electronic, Gajah Mada University, Yogyakarta.

- **Productive Business Training Program**

Productive Business Training is a public education/training program, particularly the MSMEs, in order to increase production or business capacity. The following training was carried out:

No	Training programs	Location	Budget Realization (Rp)	Participant
1	Training and assistance for marine aquaculture program in cooperation with the Military Command XVI/Pattimura	Ambon	1,546,436,000	10 Group
2	Entrepreneurship Training for teachers in madrasah and pesantren, as well as early initiation of BRI Teras Usaha	Jombang	215,850,000	100 Persons
3	Entrepreneurship Training in quail farming and post harvest management	Sukabumi	303,273,000	230 Persons
4	Entrepreneurship Training for pesantren students	Jabodetabek	147,500,000	105 Persons
5	Eel aquaculture Training	Banyumas	147,450,000	30 Persons
6	CSR Synergy Program BRI and Kontan: "Menjadi UMKM Hebat dan Berani Ekspor/To Be Successful and Export-oriented SMEs"	Medan, Surabaya	159,780,000	120 Persons

- **BRI Scholarship**

In line with its participation in the advanced education sector to produce qualified human resources, BRI offers scholarships to the underprivileged sons and daughters of Indonesia based on their academic achievements. BRI's scholarship program is categorized into two (2) main programs, i.e:

- a. **Nusantara Cerdas Scholarship**

Since 2010, in collaboration with the Ministry of Education and Cultural Affairs RI, BRI has distributed the Nusantara Cerdas Scholarship, which was mostly earmarked for Indonesian children from Underdeveloped, Frontier, and Outer (3T) areas.

In contrast to other scholarships, the BNC program provides tuition assistance, cost of living assistance and other educational facilities.

In addition, the Bank also took the participating universities to provide regular guidance aiming to help students to have balanced academic achievements and social life. In 2016, BRI distributed Rp1.68 billion among 50 students from 10 universities include the University of Diponegoro, University of Indonesia, Bogor Institute of Agriculture, Brawijaya University, Surabaya Institute of Technology, Bandung Institute of Technology, Gadjah Mada University, Airlangga University, Padjadjaran University and Jenderal Soedirman University.

- b. **Scholarship for Children of Indonesia**

This scholarship program represents BRI's contribution to improving education for Indonesian children. In 2016, BRI distributed the scholarship in cooperation with:

No	Scholarship Program	Location	Budget Realization (Rp)	Number of Beneficiary
1	Scholarship Program in Collaboration with Stikes A. Yani	DI Yogyakarta	57,600,000	12
2	Scholarship Program in Collaboration with University of Darussalam	Ambon, Maluku	190,000,000	70
3	Scholarship Program in Collaboration with University of Indonesia	Jakarta	34,800,000	3
4	Scholarship Program in Collaboration with University of Padjadjaran	Bandung, West Java	130,000,000	26
5	Scholarship Program in Collaboration with University of Palangkaraya	Central Kalimantan	120,000,000	25
6	Scholarship Program in Collaboration with University of Technology Sumbawa	NTB	360,000,000	30
7	Scholarship Program in Collaboration with Universitas Terbuka	Throughout Indonesia	2.946,500,000	626
8	Scholarship Program in Collaboration with Yakespen	Throughout Indonesia	2,854,800,000	571
9	Scholarship Program for Students in Batam	Isles of Riau	90,000,000	100
10	Scholarship Program for SMU Students in Pelalawan	Riau	90,500,000	362
11	Scholarship Program in Collaboration with Kick Andy Foundation, Denpasar	Denpasar	60,000,000	59

- **Renovation and Support of Education Facilities**

BRI supports education facilities by providing renovation assistance to schools, religious boarding schools, colleges and other educational facilities. Some of the activities carried out as a part of this program include:

No	Education Facility	School/University	Realization of Budget
1	Renovation of Seminar Hall	Moslem University of Malang	200,000,000
2	Renovation of Faculty Food Court	Faculty of Husbandry UGM Yogyakarta	483,271,000
3	Construction of Ponpes Santri Dormitory	Ponpes Sumber Bunga	600,000,000
4	Construction of Education Facility for Santri	Pondok Pesantren Tanbihul Ghofilin	250,000,000
5	Construction of Education Facility for Santri	Pondok Pesantren Nashrul Ummah	200,000,000
6	Construction of Education Facility for Santri	Ponpes Roudlatul Quran	170,300,000
7	Construction of Student Center	Faculty of Technology UNDIP	125,000,000
8	Construction of Class Room	RA Purwanida 01	150,000,000
9	Construction of Language Laboratory	Soposurung Foundation SMAN 2 Balig	140,000,000
10	Construction of Sport Facility	University of Sam Ratulangi	250,000,000
11	Construction of Sport Facility	SMPN 1 Tabanan	163,844,000
12	Construction of Taman Pendidikan Al-quran	TPA Al-Ikhlas	180,825,495
13	Donate Mobile Education Services	University of Darul Ulum Lamongan	189,296,250
14	Donate Mobile Laboratory	University of Sanata Dharma	225,500,000
15	Donate Computer Laboratory	Institute of Technology DEL, Medan	197,500,000
16	Donate Mobile Education Support	University of Simalungun Pematang Siantar	130,500,000
17	Laboratory Facilities	Islam University of Lamongan	233,000,000
18	Entrepreneurship Education Support Facilities	SMK Raudlatul Jannah	250,000,000
19	Education Support Facilities	University of Education Ganesha Singaraja	239,085,000

B. Indonesia Sehat

Indonesia Sehat is one of BRI Peduli's programs to support a healthy and prosperous Indonesian society by channelling Community Development funds into the healthcare sector. In 2016, the budget disbursed to this sector reached Rp 22.83 billion. Activities carried out as a part of this program included:

- **Healthcare Program**

Healthcare programs were carried out in cooperation with various parties, and included organizing free (cataract and cleft lip) surgeries, free health checks, blood donations and mass circumcisions. Some of the activities carried out as a part of this program included:

No	Activity	Location	Realization of Budget (Rp)
1	Cataract Surgery for 1000 People "BRI Melihat Dunia"	Aceh, Medan, Pekanbaru, Padang, Palembang, Bandar Lampung, Jakarta, Bandung, Semarang, Yogyakarta, Malang, Surabaya, Denpasar, Banjarmasin, Manado, Makassar, dan Jayapura	6,088,679,000
2	Free Cataract Surgery	Gresik, East Java	100,000,000
3	Cleft Lip Surgery in Purwokerto in cooperation with the RA Wirja Atmadja extended family	Purwokerto, Central Java	100,000,000
4	Cleft Lip Surgery in cooperation with the Faculty of Dentistry UI	Faculty of Dentistry UI	100,000,000
5	Free Treatments and Blood Donations in conjunction with the Financial Inclusion for People project	Jayapura, Palembang, Yogyakarta	225,551,866
6	Free Treatments and Blood Donations	Banjarmasin	43,400,000
7	Free Treatments by BEM FKG UI	Bangka and Belitung Island, South Sumatera	25,000,000

No	Activity	Location	Realization of Budget (Rp)
8	Free Treatments for Alor earthquake Victims	Kalabahi, Denpasar	17,555,000
9	Free medical treatments	Sumedang, West Java	46,393,000
10	Social Activity Program Free Treatments	Jakarta	47,100,000
11	Mass circumcision of Orphans in Order To Commemorate Islamic New Year 1438 H	Cipayung, East Jakarta	30,000,000
12	Mass circumcision DPD Perhptani	Sleman	18,375,000
13	Mass circumcision	Padang Panjang, West Sumatra	35,000,000
14	Mass circumcision	Cibinong Bogor, West Java	65,000,000

- **Supporting Healthcare Access**

In addition to healthcare programs, BRI also assists the public's access to quality healthcare services. In 2016, BRI provided the following support:

- 64 ambulances.
- Financial grant to build health infrastructure.

C. Indonesia Membangun

Indonesia Membangun is one of BRI's programs that supports the community through the development of public infrastructure such as wet markets, water supply facilities, sanitation facilities and other public facilities. In 2016, Indonesia Membangun distributed a budget of Rp 26.46 billion. Some of the activities carried out as a part of this program included:

- **BRI Cares About Traditional Markets**

With the largest market share in the micro sector, BRI is very concerned about the role that traditional markets play in stimulating the local economy. As such, BRI Peduli has been conducting market revitalization programs, in collaboration with local governments. The activities undertaken as a part of this program included:

No	Activity	Location	Realization of Budget (Rp)
1	Wet Market development in 16 provinces in "BRI Market Revitalization"	Aceh, Medan, Pekanbaru, Padang, Palembang, Bandar Lampung, Jakarta, Bandung, Semarang, Yogyakarta, Malang, Surabaya, Denpasar, Banjarmasin, Manado, Makassar, dan Jayapura	5,617,852,000
2	Revitalization of Kartini Peunayong Market	Aceh	334,679,400
3	Revitalization of Moga Turi Market	Pemalang, Central Java	150,000,000
4	Development of Dumpsite Infrastructure and Merchant Location Map at the Legi	Parakan, Central Java	109,870,000
5	Market Facility and infrastructure renovation at Lubuk Buaya Market	Padang, West Sumatra	56,000,000
6	Integrated Development of Watch posts and Parking in Gunung Agung Market	Denpasar, Bali	41,500,000

- **Construction of Clean Water and General Sanitation Facilities.**

Water is one of the most important elements to support life on earth. Through the Indonesia Membangun program, BRI helps communities with the construction of water infrastructure, such as:

No	Activity	Location	Realization of Budget (Rp)
1	Program BUMN Hadir untuk Negeri/SOEs for the Country - a collaboration between BRI and PT Perhutani to "Construct 43 units of toilet and water sanitation facilities"	Merauke, Jayapura	736,000,000
2	Program BUMN Hadir untuk Negeri/SOEs for the Country - a collaboration between BRI and PT. Perhutani to assist in the "Rural Development and Clean Water Facilities Construction"	Wamena, Papua	225,000,000
3	Provision of Water pumps	Sabu Raijua NTT	141,625,000
4	Construction of deep water wells for irrigation of agricultural land	Klaten, Central Java	204,750,000
5	Construction of Clean Water Installations	Wonosobo, Central Java	196,000,000
6	Construction of aqueduct water taps	Central Lombok, NTB	104,122,950
7	Building clean water installation facilities for an all-girls Ibad Ar Rahman Islamic Boarding School	Pandeglang Banten	148,215,000
8	Construction of a well for public use in the area surrounding Kodim 1703	Manokwari, Papua	250,000,000
9	Clean water pipeline for Desa Blimbing	Kediri, East Java	157,625,000

- **Other Public Facilities**

In addition to traditional market development, and the development of clean water and public sanitation facilities, BRI undertakes building and construction of other public facilities to accelerate development in Indonesia. Priority is given to building public facilities that can directly benefits the society. Some activities carried out as a part of this program included:

No	Activity	Location	Budget (Rp)
1	Construction of paved access roads for agricultural commodities in Randusari Village, Teras District	Bojolali, Central Java	119,000,000
2	Construction of concrete bridges at Jaya Subvillage, Sunagi Kering Village Nipah Panjang district	Jabung, South Sumatra	297,354,000
3	Building and construction of hanging bridges	South Lampung	145,935,500
4	Construction of street lighting in the Unsrat neighbourhood	Manado, North Sulawesi	250,000,000
5	Development of Urban Parks	Kolaka, Makassar	165,100,000
6	Construction of 2 gatehouses	Pelalawan, Riau	136,178,000
7	Park maintenance	Kotamubagu, Manado	50,000,000
8	Road paving at Bringin and Karang Dalem Villages	Sampang, East Java	300,000,000
9	Road paving at Mandong Subvillage and Dupok Village	Bangkalan, East Java	75,000,000
10	Road repair and construction of sewers at Malkangin Banjar (village) Tabanan	Tabanan, Bali	250,000,000
11	Road repair in Ban Village, Kubu District, Karangasem	Amlapura, Bali	250,000,000
12	Road repair in Lorong Sungai Tawar II	Palembang, South Sumatera	390,908,000
13	Provision of street lighting facilities and infrastructure in the Sunter Jaya area	Sunter Jaya North Jakarta	41,715,000

D. Indonesia Sejahtera

Indonesia Sejahtera supports the Company's program to alleviate poverty. In 2016, the budget allocated to BRI Peduli's Indonesia Sejahtera was Rp25,72 billion. Some activities carried out as a part of this program included:

No	Activity	Amount	Budget (Rp)
1	SOEs for the Country— a collaboration between BRI and PT. Perhutani - "Repairing Veterans Homes"	57 Units	2,279,986,000
2	SOEs for the Country— a collaboration between BRI and PT. Perhutani - "House Electrification"	74 Units	298,650,000
3	Uninhabitable House Renovation	73 Units	1,304,040,000
4	Free basic commodities/cheap market	60,587 Packages	9,170,997,373

E. Indonesia Peduli

This is BRI's quick response program to victims of natural disasters. In 2016, BRI Peduli distributed Rp1.41 billion for disaster victims in several areas, as listed below:

No	Contribution	Location	Realization of Budget (Rp)
1	Landslide Emergency Response	Singaparna, Tahuna, Banjarnegara, Kebumen, Purworejo, Gombong	155,065,151
2	Flood Emergency Response	Tapaktuan, Garut, Subang, Soreang, Banjarmasin, Jakarta, Bekasi, Cibubur, Mempawah, Trenggalek, Manado, Tahuna, Padang, Payakumbuh, Pangkal Pinang, Sampang, Kebumen, Purworejo, Gombong, Sukoharjo, Solo	576,743,350
3	Earthquake Emergency Response	Aceh, NTT	283,106,000

F. Indonesia Takwa

To meet the spiritual needs of the people of Indonesia, especially in relation to worship, BRI contributed to the construction or renovation of places of worship, and supported a number of religious activities. In 2016, the Indonesia Takwa program distributed Rp27.18 billion. Some of the activities carried out as a part of this program included:

- Renovation/construction of 141 Houses of Worship throughout Indonesia.
- "Sharing Happy Together BRI," a series of activities carried out to welcome the month of Ramadhan, including:
 - Iftar dinner with 3,500 orphans.
 - Mudik Bareng BRI, homecoming trip organized for 6,420 people with priority given to SMEs. In contrast to previous years, in 2016, the homecoming activities were implemented using four (4) modes of transport, namely: Bus (Ngebuzz Bareng BRI), Train (Berkereta Bareng BRI), Ship (Sailing Together BRI), and Aircraft (Flying Together BRI)
- Grants used to purchase scriptures and religious equipment.

G. Indonesia Partnership

BRI provides educational assistance and training to increase the capacity of BRI's customers, particularly its partnership loan recipients, to meet the needs of their business development, such as: simple bookkeeping administration and business management. Some of the activities carried out as a part of this program included:

Development	Location	Number of Participant
Training for Fostered Partner of Partnership Loan	Makassar	35 Participants
Training for Fostered Partner of Partnership Loan	Surabaya	15 Participants

Partnership Program

As one of SOEs in Indonesia, BRI has a social duty and responsibility to assist economic empowerment through partnership programs. The Partnership Program was implemented to improve the ability of small businesses to be effective, efficient and independent. Since the enactment of the Regulation of the Minister of SOE No. Per-09/MBU/07/2015, and its amendments PER.03/MBU/12/2016 dated December 16, 2016 about the Partnership Program and Community Development Program for State Owned Enterprises, the Partnership Program was implemented through, among others, disbursement of the Partnership Loans.

The Partnership Loan program is a form of soft-loan funding scheme. The scheme is intended to assist growth of community economy and improve the capacity of SMEs by financing their working capital and/or by purchasing their fixed assets.

In distributing partnership loans, the bank applies a policy of targeted fund disbursements in order to generate a positive and optimal impact on the Company's business and the society. The policy is as follows:

- Partnership Loan disbursement is completed in a cautious manner and given to productive business by taking into account each prospective partner's characters, entrepreneurial skills, as well as social and cultural conditions.
- Priority should be given to superior commodities in agriculture, plantations, fisheries, animal husbandries, creative industries, as well as the type of trade of prospective business candidates
- Priority commodities criteria include: commodities that bring out potential of the surrounding area (is a leading regional commodity), and commodities whose production is labor intensive.

- Selection of partners must be transparent and objective, and capture small businesses that have the potential to develop into prospective commercial customers.
- The loans should help economic development, and be guided by the Regulation of the Minister of State Enterprises.

In general, the Partnership Loan scheme targets small scale businesses who have never before enjoyed a loan facility, and have marketing skills but limited knowledge about how to develop their business. Therefore, the distribution of the Partnership Loan is a market penetration strategy of lending money to small businesses, which have the potential to turn into commercial customers.

The candidates for BRI's Partnership Loan scheme have to have:

- Assets that do not exceed 500 million, excluding land and buildings
- Maximum business turnover of Rp 2.5 billion per year
- Be non-bankable
- At least operate as a company for one year

Realization of Distribution

In 2016, the Partnership Loan reached Rp89.76 billion, which was disbursed to 1,634 trained partners. This was a significant increase from 2015 due to a better marketing strategy that targeted individuals with small businesses that have never enjoyed a loan facility from a bank or a financial institution.